



## BANCA TRANSILVANIA S.A.

*(a joint stock company (societate pe acțiuni) incorporated under the laws of Romania, with its registered office at 30 – 36 Calea Dorobanților, Cluj-Napoca, Cluj County, Romania, registered with the Cluj Trade Registry under no. J1993004155124, sole registration code 5022670, registered with the National Bank of Romania Registry of credit institutions under no. RB-PJR-12-019)*

### €500,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Capital Securities

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#### Issue Price 100 per cent.

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€500,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Capital Securities (the "**Capital Securities**") will be issued by Banca Transilvania S.A. (the "**Issuer**"). The issue price of the Capital Securities is 100 per cent. of their Original Principal Amount (as defined in Condition 20 (*Definitions*)). The Capital Securities will constitute direct, unsecured, unguaranteed and deeply subordinated obligations of the Issuer, ranking *pari passu* without any preference among themselves, as described in Condition 2 (*Status of the Capital Securities*).

The Capital Securities will bear interest on their Prevailing Principal Amount (as defined in Condition 20 (*Definitions*)), payable (subject to cancellation as described below) semi-annually in arrear on 27 May and 27 November in each year (each an "**Interest Payment Date**"), from (and including) 27 November 2025 (the "**Issue Date**") to (but excluding) 27 May 2031 (the "**First Reset Date**") at the fixed rate of 7.125 per cent. per annum. The rate of interest will reset on the First Reset Date and on each fifth anniversary thereafter (each a "**Reset Date**").

The Issuer may, in its sole discretion, elect to cancel the payment of interest on the Capital Securities (in whole or in part), and it will be required to cancel the payment of interest on the Capital Securities to the extent that the Distributable Items are, or the Maximum Distributable Amount is, insufficient or at the order of the Competent Authority. As a result, holders of Capital Securities ("**Holders**") may not receive interest on any scheduled payment date. Interest that is cancelled will not be due on any subsequent date, and the non-payment will not constitute a default by the Issuer. See Condition 3 (*Interest and interest cancellation*).

**The Prevailing Principal Amount of the Capital Securities will be written down if, at any time the Issuer CET1 Ratio or the Group CET1 Ratio falls or remains below 5.125 per cent. (all as defined in Condition 20 (*Definitions*)). Holders may lose some or substantially all of their investment in the Capital Securities as a result of such a write-down. Following such reduction, the Prevailing Principal Amount may, at the Issuer's discretion, be written-up to the Original Principal Amount if certain conditions are met. See Condition 7 (*Principal Write-down and Principal Write-up*). In addition, the relevant Resolution Authority may be entitled to write down or convert the Capital Securities in accordance with its statutory powers.**

The Capital Securities have no fixed maturity and Holders do not have the right to call for their redemption. As a result, the Issuer is not required to make any payment of the principal amount of the Capital Securities at any time prior to its winding-up or insolvency. The Issuer may, at its option, redeem all, but not some only, of the Capital Securities on any day falling in the period commencing on (and including) the First Call Date and ending on (and including) the First Reset Date or on each Interest Payment Date thereafter, or in the event of a "Clean-Up Call", at their Prevailing Principal Amount plus accrued and unpaid interest (see Condition 5 (*Redemption and Purchase*)).

The Issuer may also, at its option, redeem all, but not some only, of the Capital Securities at any time at their Prevailing Principal Amount plus accrued and unpaid interest (if any) upon the occurrence of a Tax Event, a Withholding Tax Event or a Capital Event that is continuing (each event as defined in Condition 20 (*Definitions*)). Any optional redemption of Capital Securities by the Issuer will be subject to a number of conditions to redemption as set out in Condition 5.7 (*Conditions for Redemption and Purchase*).

If a Tax Event, Withholding Tax Event, Capital Event or Alignment Event (as defined in Condition 20 (*Definitions*)) has occurred and is continuing, the Issuer may substitute all of the Capital Securities or vary the terms of all of the Capital Securities, without the consent or approval of Holders, **provided that** a number of conditions are met (as set out in Condition 6 (*Substitution and Variation*)).

**An investment in Capital Securities involves certain risks. Investors should ensure that they understand the nature of the Capital Securities and the extent of their exposure to risks and they should review and consider these risks carefully before purchasing any Capital Securities. In particular, investors should review and consider the risk factors relating to a Principal Write-down and interest cancellation and the impact this may have on their investment. For a discussion of these risks see "*Risk Factors*" beginning on page 1.**

This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") for the purpose of giving information with regard to the issue of the Capital Securities. The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval relates only to the Capital Securities which are to be admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**"). Such an approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus nor as an endorsement of the quality of any Capital Securities. Investors should make their own assessment as to the suitability of investing in such Capital Securities. There can be no assurance that any such admission to trading will be obtained. Application has been made to Euronext Dublin for the Capital Securities to be admitted to the official list and trading on its regulated market (the "**Regulated Market**"). The Regulated Market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council on markets in financial instruments (as amended, "**MiFID II**").

The Capital Securities will be in bearer form and in denominations of €200,000 and integral multiples of €1,000 in excess thereof up to (and including) €399,000. The Capital Securities will initially be represented by a temporary global capital security (the "**Temporary Global Capital Security**"), which will be deposited with a common depositary for Clearstream Banking, S.A. ("**Clearstream**") and Euroclear Bank SA/NV ("**Euroclear**") on the Issue Date. The Temporary Global Capital Security will be exchangeable for interests in a permanent global capital security (the "**Permanent Global Capital Security**"), together with the Temporary Global Capital Security, the "**Global Capital Securities**") not earlier than 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership. The Permanent Global Capital Security will be exchangeable for Capital Securities in definitive form (the "**Definitive Capital Securities**") in the limited circumstances set out therein, see "*Form of the Capital Securities*" below.

The Capital Securities are expected to be rated B1 by Moody's Investors Service Cyprus Limited ("**Moody's**"). Moody's is established in the European Economic Area ("**EEA**") and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Capital Securities have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, the Capital Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**"). See "*Subscription and Sale*" below).

**Prospective investors are referred to the section headed "*Restrictions on marketing and sales to retail investors*" on page 2 of this Prospectus for further information. The Capital Securities are not intended to be sold and should not be sold to retail clients in the EEA, as defined in the Regulations (as defined below), or in the United**

Kingdom other than in circumstances that do not and will not give rise to a contravention of those rules by any person. In addition to the above, pursuant to the UK FCA Conduct of Business Sourcebook ("COBS") the Securities are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available in the UK to retail clients (as defined in COBS 3.4) in the UK.

*Structuring Coordinator*

**BofA SECURITIES**

*Joint Lead Managers*

**BofA SECURITIES**

**BT CAPITAL PARTNERS S.A.**

**J.P. MORGAN**

**MORGAN STANLEY**

25 November 2025

## IMPORTANT NOTICES

**The contents of this Prospectus are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters and prospective investors are recommended to consult their own professional advisers for any advice concerning the acquisition, holding or disposal of any Capital Securities.**

**Before making an investment decision with respect to any Capital Securities, prospective investors should carefully consider all of the information set out in this Prospectus and any accompanying documents, as well as their own personal circumstances. Prospective investors should have regard to, among other matters, the considerations described under the section headed "*Risk Factors*" in this Prospectus. This Prospectus does not describe all of the risks of an investment in the Capital Securities.**

**An investment in the Capital Securities is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.**

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*" below) and shall be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Lead Managers (as defined in "*Subscription and Sale*" below) to subscribe or purchase, any of the Capital Securities. The distribution of this Prospectus and the offering of the Capital Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Capital Securities come are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

Neither the Issuer nor any of the Joint Lead Managers represent that this Prospectus may be lawfully distributed, or that any Capital Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or any of the Joint Lead Managers which is intended to permit a public offering of any Capital Securities or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Capital Securities may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

For a description of further restrictions on offers and sales of Capital Securities and distribution of this Prospectus, see "*Subscription and Sale*" below. In particular, the Capital Securities have not been, and will not be, registered under the Securities Act and are subject to United States tax law requirements. The Capital Securities are being offered outside the United States by the Joint Lead Managers in accordance with Regulation S, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any document incorporated by reference herein, or any other information supplied in connection with the Capital Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Joint Lead Manager.

Neither this Prospectus nor any other information supplied in connection with the Capital Securities (i) is intended to provide the basis of any credit or other valuation or (ii) should be considered as a recommendation or a statement of opinion by the Issuer or any Joint Lead Manager that any recipient of

this Prospectus or any other information supplied in connection with the Capital Securities should purchase any Capital Securities. Accordingly, no representation, warranty or undertaking, express or implied, is made by any Joint Lead Manager in its capacity as such. Each investor contemplating purchasing any Capital Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Neither the Joint Lead Managers nor any of their respective affiliates have authorised the whole or any part of this Prospectus or have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers or any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the offering of the Capital Securities. No Joint Lead Manager or any of their respective affiliates accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the offering of the Capital Securities or their distribution.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Capital Securities shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Capital Securities is correct as of any time subsequent to the date indicated in the document containing the same.

#### **Restrictions on marketing and sales to retail investors**

1. The Capital Securities are complex financial instruments and are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Capital Securities to retail investors. Potential investors in the Capital Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Capital Securities (or any beneficial interests therein).
2. In the United Kingdom, the Financial Conduct Authority's (the "FCA") Conduct of Business Sourcebook ("COBS") requires, in summary, that the Capital Securities should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "retail client") in the United Kingdom.

Certain of the Joint Lead Managers are required to comply with COBS.

By purchasing, or making or accepting an offer to purchase, any Capital Securities (or a beneficial interest in such Capital Securities) from the Issuer and/or the Joint Lead Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and the Joint Lead Managers that it:

- (a) is not a retail client in the United Kingdom;
- (b) if it is in Hong Kong, it is a Professional Investor (as defined below); and
- (c) will not sell or offer the Capital Securities (or any beneficial interest therein) to retail clients in the United Kingdom or to retail investors in Hong Kong or communicate (including the distribution of this Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Capital Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the United Kingdom or a customer in Hong Kong who is not a Professional Investor.

In selling or offering the Capital Securities or making or approving communications relating to the Capital Securities you may not rely on the limited exemptions set out in COBS.

3. The obligations in paragraph 2 above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA, the United Kingdom or Hong Kong) relating to the promotion, offering, distribution and/or sale of the Capital Securities (or any beneficial interests therein), whether or not specifically mentioned in this Prospectus, including (without limitation) any requirements under MiFID II or the FCA Handbook

Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") as to determining the appropriateness and/or suitability of an investment in the Securities (or any beneficial interests therein) for investors in any relevant jurisdiction.

4. Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Capital Securities (or any beneficial interests therein) from the Issuer and/or the Joint Lead Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.
5. In Hong Kong, the Hong Kong Monetary Authority (the "**HKMA**") issued updated guidance and a set of answers to frequently asked questions on enhanced investor protection measures on the sale and distribution of debt instruments with loss-absorption features and related products in October 2022 (the "**HKMA Circular**"). Under the HKMA Circular, debt instruments with loss absorption features, being subject to the risk of being written down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments (together, "**Loss Absorption Products**"), are to be targeted in Hong Kong at "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any subsidiary legislations or rules made under the SFO ("**Professional Investors**"). Investors in Hong Kong should not purchase the Capital Securities in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Capital Securities are generally not suitable for retail investors in Hong Kong in either the primary or the secondary markets.

#### **Prohibition of Sales to EEA Retail Investors**

The Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (the "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Capital Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Capital Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

#### **Prohibition of Sales to UK Retail Investors**

The Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**EUWA**"); or (ii) a customer within the meaning of the provision of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Capital Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Capital Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

#### **Prohibition of Sales to individuals who are Romanian tax residents**

Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to individuals (natural persons) who are Romanian tax residents.

#### **MiFID II product governance / Professional investors and ECPs only target market**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Capital Securities has led to the conclusion that: (i) the target market for the Capital Securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels

for distribution of the Capital Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Capital Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Capital Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

### **Benchmark Regulation**

Amounts payable under the Capital Securities in respect of the Reset Period are calculated by reference to the Mid-Swap Rate of which EURIBOR is a component part.

The Mid-Swap Rate that appears on the Reuters Screen page "ICESWAP2" is provided by ICE Benchmark Administration Limited ("**ICE**"). As at the date hereof, ICE appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**").

EURIBOR is provided by the European Money Markets Institute. As at the date of this Prospectus, the European Money Markets Institute appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation.

### **Environmental, Social and Governance ("ESG") Ratings**

ESG ratings may vary amongst ESG ratings agencies as the methodologies used to determine ESG ratings may differ. The Issuer's ESG ratings are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Capital Securities and are only current as of the dates on which they were initially issued. Prospective investors must determine for themselves the relevance of any such ESG ratings information contained in this Prospectus or elsewhere in making an investment decision. Furthermore, ESG ratings shall not be deemed to be a recommendation by the Joint Lead Managers or any other person to buy, sell or hold the Capital Securities. Currently, the providers of such ESG ratings are not subject to any regulatory or other similar oversight in respect of their determination and award of ESG ratings. For more information regarding the evaluation methodologies used to determine ESG ratings, please refer to the relevant ratings agency's website (which website does not form a part of, nor is incorporated by reference in, this Prospectus).

### **Stabilisation**

In connection with the issue of the Capital Securities, BofA Securities Europe SA (the "**Stabilisation Manager**") (or any person acting on behalf of the Stabilisation Manager) may over-allot Capital Securities or effect transactions with a view to supporting the market price of the Capital Securities at a level higher than that which might otherwise prevail. However, stabilisation may not occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Capital Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Capital Securities and 60 days after the date of the allotment of the Capital Securities. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

### **Interpretation**

References to "**euro**", "**EUR**" and "**€**" refer to the lawful currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union.

References to a "**Condition**" are to the terms and conditions of the Capital Securities set out in the section titled "*Terms and Conditions of the Capital Securities*" herein. Words and expressions defined in Condition 20 (*Definitions*) shall have the same meanings ascribed to them in Condition 20 (*Definitions*) when used in other parts of this Prospectus.

## Presentation of Financial Information

The financial information relating to the Issuer set out in this Prospectus is consolidated and separate financial information in respect of the Issuer and its subsidiaries (the "**Group**") and has, unless otherwise indicated, been extracted from its Audited Financial Statements as at and for the years ended 31 December 2024 and 31 December 2023, the Unaudited Reviewed Interim Financial Statements for the six months ended on 30 June 2025 and 30 June 2024 or the Unaudited Unreviewed Interim Financial Statements for the nine months ended on 30 September 2025. The Audited Financial Statements, the Unaudited Reviewed Interim Financial Statements and the Unaudited Unreviewed Interim Financial Statements (each as defined herein) have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union (including the International Accounting Standard 34: Interim Financial Reporting, with respect to the Unaudited Reviewed Interim Financial Statements and the Unaudited Unreviewed Interim Financial Statements) and with the National Bank of Romania's Order no. 27/2010 for the approval of the accounting regulations in accordance with IFRS, with subsequent changes ("**NBR Order no. 27/2010**").

All information presented in this Prospectus sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from such information published by the third-party source, no facts have been omitted which would render the information inaccurate or misleading. Unless otherwise indicated, market share data included in this Prospectus has been estimated. All such estimates have been made by the Issuer using its own information and other market information which is publicly available.

## Alternative Performance Measures

This Prospectus includes certain data which the Issuer considers to constitute alternative performance measures ("**APMs**") for the purposes of the ESMA '*Guidelines on Alternative Performance Measures*'.

These APMs are not defined by or presented in accordance with IFRS. Other companies in the industry may calculate similarly titled measures differently, such that disclosure of similarly titled measures by other companies may not be directly comparable with the APMs included in this Prospectus. In addition, the APMs are not measurements of the Issuer's operating performance or financial condition under IFRS and should not be considered as alternatives to any measures of performance under IFRS or as measures of the Issuer's liquidity.

| APM                 | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                      | Rationale for use                                     | Reconciliation                                        |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| Net interest margin | Calculated as net interest income for that period divided by average interest earning assets (cash and balances with central banks, placements with banks and public institutions, securities, gross loans and advances to customers and finance lease receivables), excluding any accrued interest. Average interest earning assets is determined based on the beginning and end of the year balances for separate and consolidated basis. The | To show income generation ability from risk exposures | Net Interest Income / Average Interest Earning Assets |

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                        |                                                                                                                                                                        |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                         | ratio was annualised, if necessary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                        |                                                                                                                                                                        |
| NF&C income % average consumer deposits | Calculated as net fee and commission for that period divided by average customer deposits (including accruals) (monthly balances) for separate basis and average customer deposits (including accruals) (quarterly balances) for consolidated basis. The ratio was annualised, if necessary                                                                                                                                                                                                                                                      | To show income generation level from non-interest income that does not consume capital | Net Fee & Commission Income / Average Customer Deposits                                                                                                                |
| Cost to income ratio                    | Calculated as operating expense (personnel expenses, depreciation and amortization, other operating expenses) divided by operating income (net interest income, net fee and commission income, net trading income, contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund, other operating income, net loss /gain from financial assets measured at fair value through other items of comprehensive income and net loss /gain from financial assets which are required to be measured at fair value through profit or loss). | To show operational efficiency                                                         | Operating Expenses / Operating Income                                                                                                                                  |
| Cost of risk                            | Calculated as Impairment or reversal of impairment on loans and advances to customers and financial lease receivables, net of recoveries divided by total gross loans and advances to customers and financial lease receivables at the end of the particular period. The ratio was annualised if necessary                                                                                                                                                                                                                                       | To show the quality of underwritten business                                           | Net expense from impairment allowance on loans and advances to customers and financial lease receivables / Gross loans and advances to customers and lease receivables |

|                             |                                                                                                                                                                                                                                                                                                             |                                                 |                                                                                     |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------------------------|
| Return on equity<br>("ROE") | Calculated as the net profit for period divided by average total equity. Average total equity is determined based on the beginning and end of the year balances. The ratio was annualised, if necessary                                                                                                     | To show overall profitability                   | Net Profit / Average Total Equity                                                   |
| Net loan to deposit ratio   | Calculated as the net loans and advances to customers divided by customer deposits at the end of the period for separate basis indicators and net loans and advances to customers and finance lease receivables divided by customer deposits at the end of the period for consolidated basis indicators     | To show liquidity                               | Net Loans and advances to customers / Deposits from customers                       |
| Gross loan to deposit ratio | Calculated as the gross loans and advances to customers divided by customer deposits at the end of the period for separate basis indicators and gross loans and advances to customers and finance lease receivables divided by customer deposits at the end of the period for consolidated basis indicators | To show liquidity                               | Gross Loans and advances to customers / Deposits from customers                     |
| Stage 3 Ratio               | Calculated as total Stage 3 loans and advances to customers and financial lease receivables before impairment allowance balance divided by Total loans and advances to customers and financial lease receivables before impairment allowance at the end of the period, on separate or consolidated basis.   | To show asset quality in terms of problem loans | Gross Stage 3 Loans and Lease Receivables / Gross Total Loans and Lease Receivables |

|                          |                                                                                                                                                                                                                                                                                                                                                                                           |                                                                          |                                                                                               |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| NPL Ratio (EBA)          | Determined based on EBA methodology and FINREP information at the end of the period, on a separate basis, as total non-performing loans and advances to customers divided by total loans and advances to customers.                                                                                                                                                                       | To show asset quality in terms of default loans based on EBA methodology | Gross NPLs / Gross Total Loans as per the FINREP reporting                                    |
| Stage 3 Coverage Ratio   | Calculated as allowances for impairment losses on Stage 3 loans and advances to customers and financial lease receivables divided by total Stage 3 loans and advances to customers and financial lease receivables before impairment allowance at the end of the period, on separate and consolidated basis                                                                               | To show level of risk coverage                                           | Allowance for Stage 3 Loans and Lease Receivables / Gross Stage 3 Loans and Lease Receivables |
| NPL Coverage Ratio (EBA) | Calculated based on EBA methodology as allowances for impairment losses on non-performing loans and advances to customers and financial lease receivables divided by total Stage 3 loans and advances to customers and financial lease receivables before impairment allowance at the end of the period, as depicted by FINREP information as the end of the period, on a separate basis. | To show level of risk coverage on EBA methodology                        | Allowance for NPLs / Gross NPLs as per FINREP information                                     |
| Dividend payout %        | Calculated as dividends paid as a percentage of net profit, on a separate basis, attributable to equity holders of the Issuer for the period that dividends are declared from the respective period's reserves                                                                                                                                                                            | To show capital return to shareholders                                   | Dividends Paid / Net Profit on separate basis                                                 |

|                      |                                                                                                                                                                                                                           |                                        |                                                 |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------|
| Free shares payout % | Calculated as free shares distributed as a percentage of net profit, on a separate basis, attributable to equity holders of the Issuer for the period that free shares are declared from the respective period's reserves | To show capital return to shareholders | Free Shares Paid / Net Profit on separate basis |
| Payout %             | Calculated as the sum of dividend payout and free shares payout ratios for that period                                                                                                                                    | To show total return to shareholders   | Dividend Payout % + Free Shares Payout %        |

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## RISK FACTORS

*Any investment in Capital Securities is subject to a number of risks. Prior to investing in Capital Securities, prospective investors should carefully consider risk factors associated with any investment in Capital Securities, the business of the Issuer and the industry in which it operates together with all other information contained in this Prospectus, including, in particular the risk factors described below. Words and expressions defined in the Conditions or elsewhere in this Prospectus have the same meanings in this section.*

*Prospective investors should note that the risks relating to the Issuer, the industry in which it operates and the Capital Securities are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Capital Securities.*

*Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that either currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Capital Securities may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in Capital Securities is suitable for them in light of the information in this Prospectus and their personal circumstances.*

### **Risks relating to the Issuer**

***The Issuer's business and financial performance has been and will continue to be affected by economic conditions, in particular, in Romania, but also in Europe, Republic of Moldova and globally.***

Substantially all of the Issuer's business activities and loans and advances are to customers in Romania, with financial services offered to Italian customers through its Italian branch and, at BT Group level, to customers in the Republic of Moldova through Victoriabank S.A., BT Leasing MD S.R.L. and O.C.N. Microinvest SRL. The Issuer's business and financial performance is therefore directly and indirectly subject to inherent risks arising from general economic conditions in Romania and the European Union (the "EU"), Republic of Moldova and global economy and financial markets both generally, and as they specifically affect financial institutions. The Issuer considers the following subcategories to be of material relevance in this regard.

#### *Deterioration in economic conditions*

A deterioration in economic conditions could adversely affect the Issuer's business and financial performance. Specifically, a deterioration in economic conditions in the markets where the Issuer operates could adversely impact the Issuer's revenue streams (for example, as a result of a decrease in the demand for some of the Issuer's banking services and products) and lead to higher than expected credit losses. As a result of a number of factors, including natural disasters (such as drought, flooding and earthquakes), overlapping supply-side disruptions, the challenges on the EU's trade and economy and the Russia-Ukraine war (particularly impacting energy and food prices which in turn impacts the behaviours and financial standing of the Issuer's customers), the military conflict in Israel (the extent of its impact on global trade and economy still being uncertain), as well as the proposed U.S. tariffs for international trade, inflation rates have increased significantly in a number of developed or developing markets, including Romania. Interest rate rises, which are common in an inflationary scenario, may also have a negative impact on the demand for loan products of the Issuer. While the inflation rate in Romania tempered throughout 2023 and 2024, reaching 6.61 per cent. at the end 2023 and further declining to 5.1 per cent. in December 2024, it has increased throughout 2025 due mainly to food price surges, fiscal measures (increase in VAT), removal of caps on energy prices. Inflation could remain elevated for longer than expected due to secondary effects stemming from elevated inflation, such as wage growth and subsequent higher and unanchored inflation expectations. Elevated inflation typically erodes households' purchasing power and it could, together with a squeeze on company profits, deteriorate business and consumer confidence, weigh on economic growth which has been predominantly driven by consumer spending.

Inflationary pressures, rising interest rates, constraints on household income, reduced savings buffers and higher indebtedness levels, both in Romania and the EU, could impact on the credit quality of the Issuer's borrowers — see the risk factor entitled "*Any decrease in the credit quality of the Issuer's borrowers and*

*counterparties could adversely affect the Issuer's business"* for further details. A decrease in the credit quality of the Issuer's borrowers could lead to an increase in the Issuer's level of non-performing exposures, impact its financial performance and, eventually, its ability to lend to customers. In addition, reduced household incomes, increased expenses, increased instalments in the context of elevated interest rates and/or resulting risk aversion could lead to lower demand both for mortgage and consumer lending, which could have a material adverse effect on the Issuer's business, results of operations, financial condition and/or prospects. According to Eurostat, consumer prices (HICP basis) rose by an average annual pace of 5.9 per cent. in Romania as at the end of September 2025, reaching 8.6 per cent. as at the end of September 2025, having the highest rate in the European Union.

Core consumer prices had one of the highest annual increases compared to other CEE countries as at the end of September 2025: an annual average pace of 6.1 per cent. In the Euro area core consumer prices increased by 2.2 per cent. year-on-year average at the end of September 2025.

Changes in market sentiment could also result in an abrupt increase in risk premia, causing dislocation in global financial markets which could have an adverse effect on economic activity, including in Romania and the EU where substantially all of the Issuer's business activities reside, thereby potentially reducing the Issuer's profitability and having an adverse effect on the Issuer's business and ability to lend to customers.

Furthermore, the Romanian economy is one of the largest beneficiaries of the EU Recovery and Resilience Facility ("RRF"). RRF beneficiary countries are set to see increased investment projects, direct and indirect boost to lending, adding to economic growth. Success of RRF-led growth depends on timely reforms and utilisation of available funds under the programme. Potential lack of progress of reform and lack of programme absorption may result in suboptimal growth outcomes for the Romanian economy, compared to what is set to be achievable in medium term.

#### *Economic, social and political conditions in Europe or elsewhere*

Any potential deterioration in the economic, social and political conditions in the EU or elsewhere, changes to the political leadership of member countries of the EU and/or other political instability or unrest that impacts the EU and/or other regions could result in increased volatility in the general economic or political conditions of Romania and other countries in the EU, thereby having an adverse effect on the Issuer's profitability.

More specifically, on 24 February 2022, Russia invaded Ukraine, which has heightened tensions in the region and increased the risk of military conflict spreading to neighbouring countries. In this context, Russian officials have also made statements that threaten the sovereignty of Republic of Moldova, including promoting and/or advocating for the separatism movement in Transnistria and there have been reports of Russian military involvement in the region. These actions have the potential to escalate the conflict and create further instability in the region.

The extent and duration of Russia's invasion of Ukraine remain uncertain, including, but not limited to, on economic conditions, supply-chain disruptions, asset valuations, interest and exchange rates. Certain sanctions developments that limit trade with Russia may negatively impact the business models of some of the Group's clients, which may result in a material negative impact on such clients, potentially resulting in higher risk costs for the Group. The Issuer does not have direct exposure to customers in Ukraine or Russia, however, it will continue to monitor and manage the impact of the ongoing conflict. At the level of the Issuer and its subsidiaries, the only transactional activity during 2024 and the nine month period ending 30 September 2025 were a very limited number of transfers performed by Romanian citizens employed in the Russian Federation to Romania, which are being continuously and extensively monitored and managed with a view to reducing risk associated with such transactions, in consultation with the relevant authorities, where appropriate. Failure to manage indirect exposure appropriately or the introduction of secondary sanctions against countries or corporates may have negative economic consequences or directly affect risk costs of the Group. Moreover, increased instability in the Republic of Moldova for any reason may also have a material adverse effect on the BT Group business in the Republic of Moldova.

Prolonged conflict, escalation, further increases in energy prices would adversely impact the global, European and Romanian economies, resulting in a worsening of the macro-financial climate, higher inflation and lower economic growth and possibly recession. Any failure by the Issuer to mitigate the

impact of the events may have a material adverse effect on the Issuer's business, results of operations, financial condition, capital position and/or prospects.

#### *Sovereign debt levels of Member States*

The EU financial markets and broader international debt markets could be impacted by concerns over sovereign debt levels of Member States, requirement for support of the banking system and speculation about the stability of the EU, thereby disrupting debt markets and resulting in an increase in the volatility of bond yields of the debt of Member States thereby potentially adversely impacting on the value of bond positions held by the Issuer. This could also result in an increase in sovereign borrowing costs and a consequent increase in banks' funding costs, including for the Issuer which would adversely impact profitability, capital position, liquidity, as well as having a potentially adverse impact on the Issuer's business.

#### *Dislocations and liquidity disruptions in EU financial markets or elsewhere*

Any period of unpredictable movements, severe dislocations and liquidity disruptions in the financial markets in the EU or elsewhere, as seen in early August 2024 when major European indexes recorded significant one-day losses, could lead to a reduction in the demand for some of the Issuer's banking services and products and may also impede the Issuer's ability to raise capital or funding. This could result in, among other things, the issuance of capital and funding of different types or under less favourable terms than otherwise would have been issued or realised, or the incurrence of additional or increased funding and capital costs compared to the costs borne in a more stable market environment. These impacts could adversely affect the Issuer's net interest income position and, therefore, its financial performance which, eventually, may impair its ability to lend to customers.

#### *Risk of deterioration in global trade conditions due to proposed U.S. tariffs*

In January 2025, the United States proposed substantial new tariffs on a broad range of imports, particularly targeting goods from major trading partners including the European Union and China. Subsequently, in July 2025, representatives of the European Union and the United States reached a political agreement on trade and tariffs, agreeing, among others, to cap most US tariffs on EU goods at 15 per cent., restore pre-January rates for selected strategic products, establish joint tariff-rate quotas to protect metals sectors, open the EU market in limited, quota-bound ways and deepen cooperation on economic security, energy supply, and investment. Despite the agreement restoring partial stability and predictability for the transatlantic partnership, the implementation of the new tariffs may lead to retaliatory measures and broader trade tensions, the resulting deterioration in global trade conditions negatively affecting key EU economies, disrupting supply chains, and increasing inflationary pressures across the region. All these factors may lead to slower economic growth within the European Union, Romania's largest trading and investment partner, and reduced access to external financing and investment.

Such developments could contribute to heightened market volatility and tighter financial conditions in the region, potentially affecting Romania's macroeconomic stability and the Issuer's main operating environment. Indirect effects may include increased funding costs, reduced investor appetite for emerging market debt and deterioration in overall financial sector confidence. These factors could negatively impact the Issuer's financial condition, liquidity position and prospects.

#### *Financial institutions interdependency and systemic risk*

Financial institutions have a high level of interdependence as a result of credit, trading, clearing and other relationships between them. As a result, a default or threatened default or concerns about a default or threatened default by one systemic institution could affect other institutions and lead to significant market-wide liquidity difficulties and financial losses for other financial institutions. It may even lead to the risk of experiencing strong systemic events, among which defaults of other financial institutions. This risk is sometimes referred to as "systemic risk". A systemic risk event may also have a material adverse effect on other financial intermediaries, such as clearing agencies, clearing houses, securities firms and exchanges, to which the Issuer is exposed. The occurrence of any such event could impact the Issuer's ability to meet its intraday liquidity requirements as the failure of a market participant to meet its payment, clearing, and settlement obligations can have a material impact on connected counterparties, and ultimately lead to systemic disruption. Further, systemic risk could lead to a need for the Issuer as

well as other banks in the market in which the Issuer operates to raise additional capital, while at the same time making it more difficult to do so. Systemic risk could therefore have a material adverse effect on the Issuer's business, financial condition and results of operations, liquidity or prospects.

*Regulatory changes related to interest rates*

Various regulatory authorities (for example, the National Bank of Romania (the "NBR")) or governments may introduce new requirements or ceilings in relation to the interest rates that the Issuer charges for lending. In October 2025, the NBR continued to maintain its policy rate to 6.50 per cent., decreased from 6.75 per cent. in July 2024. A material decrease in interest rates for lending, without a comparable decrease in funding and capital costs for the Issuer, could adversely impact the profitability of the Issuer.

The occurrence of any of the foregoing could have a material adverse effect on the Issuer's business, results of operations, financial condition and/or prospects and the Issuer's ability to meet its obligations under the Capital Securities.

***The Issuer faces intense competition, which could result in decreases in the number of current and potential customers, revenue margins and profitability.***

The Issuer is in competition with a large number of financial institutions, of both international and local calibre (banks with both retail and business clients as well as other non-banking financial institutions and providers of other financial services, such as payment service providers and e-money issuing institutions which are active in the Romanian financial services sector) and such competition is expected to intensify further with new entrants to market. Moreover, fintech companies are competing directly with traditional banking institutions and remain attractive to the existing and potential customers of such institutions by providing enhanced customer experience in a fully digital environment for certain banking and related products and services. Increased competition may encourage the Issuer's current clients, as well as prospective clients, to use the services and products of the Issuer's competitors and, consequently, adversely affect the Issuer's business volumes, revenues and profitability. In particular, the majority of the Issuer's competitors in the Romanian banking sector are part of larger international financial groups, such as the local subsidiaries of Erste Group (Banca Comercială Română S.A., "**BCR**"), Société Générale (BRD – Groupe Société Générale S.A., "**BRD**"), Raiffeisen (Raiffeisen Bank S.A., "**Raiffeisen**"), UniCredit (UniCredit Bank S.A., "**UniCredit**"), which merged in 2025 with Alpha Bank Romania S.A., ING (ING Bank N.V. Amsterdam Sucursala București, "**ING**") etc. Due to their international presence, such competitors might seem more attractive for clients, particularly for institutional clients or local subsidiaries of multinational companies which are clients of the banks and other entities providing financial services within the territory of Romania of the respective international financial groups. In addition, in the context of the development of the Romanian financial services market in recent years, local financial institutions (e.g. CEC Bank S.A., "**CEC**") have also gained market shares.

The Issuer's current, and potential future competitors may have advantages over the Issuer, such as greater economies of scale as part of an international financial group, access to enhanced financial and non-financial resources, advanced technological know-how and operational resources, more diversified product offerings in certain business lines, better coverage of several markets and/or market segments, more experienced personnel, greater brand recognition and stronger relationships with stakeholders and clients in the financial market.

The Issuer's success depends on its ability to maintain high customer loyalty and offer a wide range of competitive and high-quality products and services to its customers. Nevertheless, intense competition may result in an inability to maintain high loyalty levels of the Issuer's customer base, in providing competitive products and services, or of maintaining high customer service standards, each of which may adversely affect the Issuer's business, financial condition, results of operations and prospects. The competitiveness of the Issuer in the current market environment will depend largely on its capacity to constantly and quickly identify, understand and adapt to the market's new developments, preferences, restrictions and tendencies. To the extent the Issuer will not be able to remain competitive in the markets in which it operates, this may have an adverse effect on the Issuer's business volumes, financial performance and prospects.

***The Issuer has a relatively large exposure to Romanian government bonds in its asset structure, leading to increased single sovereign interest rate risk on earnings and capital.***

The Issuer holds a significant part of its assets in its investment portfolio and most of the investment portfolio is comprised of Romanian sovereign bonds. This represents a relatively concentrated position against one sovereign state, increasing the link between sovereign and banking health. In this context, a changing interest rate environment could add volatility to the Issuer's earnings profile and capital position. Part of such volatility could come from changes in the Issuer's interest income as bonds mature and reinvestment yields differ from those of maturing debt. Another source of volatility and impact on capital could come from revaluation of government bond instruments in light of changing market rate levels. Depending on accounting methodology, this could impact equity through the profit and loss statement or directly through other comprehensive income.

***The Issuer may be adversely affected by changes in interest rates.***

The Issuer derives the majority of its operating income from net interest income and is exposed to interest rate risk. Interest rates are sensitive to many factors beyond the Issuer's control, such as inflation, monetary policies set by the NBR and by the Romanian government, monetary policy decisions of the European Central Bank ("ECB") in connection with the EUR, the liberalisation of financial services, increased competition, as well as domestic and international macroeconomic and political conditions. Following the NBR's decrease in its policy rate from 6.75 per cent. in July 2024 to 6.50 per cent. in August 2024, which has been maintained in October 2025, the Issuer faces continuous pressure on its net interest margin. Evolution of the nominal and/or real level of interest rates can affect the spread between the rate of interest that a financial institution pays to borrow funds from its depositors and other lenders and the rate of interest that it charges on loans it extends to its customers or that remunerates its financial investments. The current environment of rate reductions and potential narrowing of credit spreads may impact the financial results of the Issuer. Moreover, a mismatch in the structure of interest-bearing assets and interest-bearing liabilities in any given period could, in the event of further changes in interest rates, reduce the Issuer's net interest margin and have a material adverse effect on its net interest income and its equity and, consequently, its business, financial condition and results of operations or prospects. The Issuer has established a set of strict principles for managing and monitoring this type of risk to minimise the possible negative impact on net income, as well as to preserve the economic value of the equity under the conditions of adverse fluctuations of the interest rates.

***Any decrease in the credit quality of the Issuer's borrowers and counterparties could adversely affect the Issuer's business.***

The Issuer is, and will in the future continue to be, exposed to credit risk, which is the risk of loss resulting from a counterparty being unable to meet its contractual obligations to the Issuer in respect of loans or other financial transactions. This risk includes counterparty default risk (due to, for example, insolvency, bankruptcy, lack of liquidity, global or local economic issues, operational failure), concentration risk, cross border transfer risk, credit quality deterioration risk and collateral value deterioration risk. Credit risk arises from loans and advances to customers and from certain other financial transactions, such as those entered into by the Issuer with financial institutions, sovereigns and other public institutions. Credit facilities can be largely grouped into the following categories: cash advances (e.g. loans, overdrafts, revolving credit facilities and bonds), associated commitments and letters of offer, credit related contingent facilities (issuing of guarantees / performance bonds / letters of credit), derivative instruments and settlement lines. The Issuer has exposures to residential mortgages, retail borrowers, small and medium sized enterprises ("SMEs") and corporate borrowers in different sectors, exposures that, to various extents, are backed by hard collaterals (commercial property, residential property and pledges on other assets) and/or other guarantees (pledges on current accounts, corporate or State guarantees for example).

In line with regulatory requirements and accounting standards, the Issuer evaluates the need for and allocates credit risk provisions on its balance sheet to cover expected losses on its loan portfolio. Provisions are determined by updating cash flows using an update rate that reflects the amount of time the financial resources are committed to the Issuer's activity. This process is critical to protecting the Issuer's results and financial condition, requires complex judgements and calculations, including forecasts of how changing macroeconomic conditions might impair the ability of borrowers to repay their loans, the value of collateral considered when computing the credit risk provisions and other professional

judgements. There is a risk that the Issuer fails to adequately identify the relevant factors or accurately estimate their impact and/or magnitude. This could have a materially adversely effect on the Issuer's business, results of operations, financial condition and/or prospects.

Further, there is a risk that borrowers are unable to meet their commitments as they fall due as a result of borrower specific circumstances, macro-economic factors or other external factors, including the military conflicts in Ukraine and Israel. The risk of counterparty defaults has historically been higher during periods of economic downturns. The risk is increased for customer loans in currencies other than the local currency of the customer's jurisdiction, *i.e.* certain retail and corporate clients of the Issuer have taken out loans which are denominated in currencies other than their relevant local currencies (such as EUR, GBP, CHF, USD etc.) ("**FX loans**"). As the value of the local currency may decline versus the foreign currencies of such loans, as occurred in certain CEE countries during the economic downturn, the effective cost of the foreign currency denominated loan to the local customer may increase substantially, which can lead to delinquent payments on customer loans, migration of previously highly-rated loans into lower rated categories and, ultimately, an increase in non-performing loans ("**NPLs**") and impairment charges.

The failure of borrowers to meet their commitments as they fall due may result in higher impairment loss allowances or a negative impact on fair value in the Issuer's lending portfolio. A deterioration in borrower credit quality and the consequent increase in impairments could have a material adverse effect on the Issuer's business, results of operations, financial condition and/or prospects.

Deterioration in the quality of the Issuer's credit portfolio and increases in NPLs may also result in increased risk costs for the Issuer. The Issuer's risk costs are based on, among other things, its analysis of current and historical probabilities of default, loss given default rates, loan collection, work-out and recovery methods and the valuation of underlying assets and expected available income of clients, as well as other management assumptions. The Issuer's analyses and assumptions may prove to be inadequate and might result in inaccurate predictions of credit performance.

The Issuer seeks to maintain an NPL coverage ratio that, in management's judgement, is appropriate to cover potential credit losses. However, there can be no assurances that the current NPL coverage ratio will not decline in the future, that annual risk costs will not increase or that the NPL coverage ratio will be sufficient or that the Issuer will be successful in its efforts to estimate the financial effects of any NPL portfolio disposals on its business.

In addition, the Issuer's credit risk may be exacerbated when the collateral it holds cannot be realised or is liquidated at prices below the level necessary to recover the full amount of the loan or cover the full amount of derivative exposure.

Many of the hedging and other risk management strategies utilised by the Issuer also involve transactions with financial services counterparties. A weakness or insolvency of these counterparties may impair the effectiveness of the Issuer's hedging and other risk management strategies. The Issuer will incur losses if its counterparties default on their obligations. If a higher than expected proportion of the Issuer's counterparties default, or if the average amount lost as a result of defaults is higher than expected, actual losses due to counterparty defaults will exceed the amount of provisions already taken and results of operation will be adversely affected. If losses due to counterparty defaults significantly exceed the amounts of the Issuer's provisions or require an increase in provisions, this could have a material adverse effect on the Issuer's business, financial condition and results of operations. Each of the above factors has had in the past and could have in future periods a material adverse effect on the Issuer's results of operations, financial condition and capital base.

Economic conditions may also deteriorate (see the risk factor entitled "*The Issuer's business and financial performance has been and will continue to be affected by economic conditions, in particular, in Romania, but also in Europe, Republic of Moldova and globally*") in the Issuer's main market (Romania), which may lead to, amongst other things, counterparties and borrowers experiencing an adverse financial situation, declines in values of collateral (including residential and commercial property values) and investments, increases in unemployment levels, weak consumer and corporate spending, declining corporate profitability, declining equity markets and bond markets and an increase in insolvencies. This may give rise to deterioration in the credit quality of the Issuer's borrowers and counterparties and increased difficulties in relation to the recoverability of loans and other amounts due

from such borrowers and counterparties, resulting in significant increases in the Issuer's impaired loans and impairment loss provisions.

***The completion of mergers and acquisitions ("M&A") transactions may not always yield the anticipated benefits and could introduce specific risks to the Issuer, such as challenges related to integration, elevated operating costs, and unforeseen due diligence issues***

The Issuer's strategic growth plan encompasses expanding its business activities and customer base through the acquisition of targets within the financial sector. However, the Issuer's engagement in M&A activities inherently carries risks that could affect its overall performance and stability.

The successful integration and management of acquired entities are contingent upon several factors, including the scale of the acquired businesses, the competency of their management teams, the nature and geographical dispersion of their operations, and the overall complexity of integration. The Issuer may face unexpected and significant obstacles in executing potential transactions, such as heightened demands on management resources, increased integration costs, or unforeseen due diligence challenges. Consequently, there is no guarantee that the completion of ongoing transactions or of any future acquisition will generate sufficient benefits to justify the associated costs.

Additionally, issues arising post-integration could adversely impact the quality of services or reduce profitability, which may, in turn, materially and negatively affect the Issuer's business prospects, financial condition, and operational results.

***Fluctuations in exchange rates could adversely affect the Issuer's results of operations.***

A significant portion of the Issuer's assets and liabilities is denominated in foreign currencies, particularly in EUR. The Issuer translates such assets and liabilities, as well as interest earned or paid on such assets and liabilities, and gains/losses realised upon the sale of such assets, to RON in preparing its financial statements. Although the Issuer complies with appropriate limits and performs measures aimed at reducing exchange rate risk, fluctuations in the rate of exchange of such currencies into RON may have a negative impact on the Issuer's reported consolidated results of operations and financial position.

***The Issuer is subject to the risk that liquidity may not be readily available.***

The Issuer, similar to other credit institutions in the Romanian market, relies on customer deposits to meet a substantial portion of its funding requirements. Although an important part of the Issuer's deposits are retail deposits, customer deposits are subject to fluctuation due to factors outside the Issuer's control, and the Issuer can provide no assurances that it will not experience a significant outflow of deposits within a short period of time. Because a significant portion of the Issuer's funding comes from its deposit base, any material decrease in deposits could have a negative impact on the Issuer's liquidity unless it takes corresponding actions to improve the liquidity profile of other deposits or to reduce liquid assets. However, this may not be possible on economically beneficial terms, if at all.

As credit provider, the Issuer is exposed to market liquidity risk, which arises from an inability to easily sell an asset because there is inadequate market liquidity or market disruption. The Issuer is also exposed to funding liquidity risk, which is an exposure to losses arising out of a change in the cost of refinancing, or from a spread over a certain horizon and confidence level, or from insolvency of counterparties, which may result in difficulties in meeting future payment obligations, either in full, on time or on economically beneficial terms.

Credit and money markets worldwide have experienced and continue to experience a reluctance of banks to lend to each other because of uncertainty as to the creditworthiness of the borrowing bank. Even a perception among market participants that a financial institution is experiencing greater liquidity risk may cause significant damage to the institution, since potential lenders may require additional collateral or other measures that further reduce the financial institution's ability to secure funding. This increase in perceived counterparty risk has led to further reductions in the access of the Issuer, along with other banks, to traditional sources of liquidity, and may be compounded by further regulatory restrictions on funding and capital structures as well as calculation of regulatory capital and liquidity ratios.

If the Issuer has difficulty in securing adequate sources of short- and long-term liquidity or if it were subject to material deposit outflows, this would have a material adverse effect on its business, financial condition and results of operations.

***Weaknesses or failures in the Issuer's processes and procedures, external events or other operational risks are a risk to the Issuer's business.***

The Issuer's businesses are dependent on its ability to process and report, accurately and efficiently, a high volume of complex transactions across numerous and diverse products and services, and subject to several different legal and regulatory regimes. Operational risks are inherently present in the Issuer's businesses including as a result of potentially inadequate internal processes (including financial reporting and risk monitoring processes), IT or equipment failures or the failure of external systems and processes outside of the Issuer's control or from people-related or external events. The Issuer's risk controls and frameworks (that are subject to ongoing review and enhancement) or loss mitigation actions implemented may not be effective in controlling each of the operational risks faced by the Issuer. The Issuer's operational risks and any weaknesses in the Issuer's risk controls or frameworks could expose the Issuer to customer redress, administrative actions or sanctions, potential loss of customers, and the potential requirement to hold additional regulatory capital and could result in a material adverse effect on the Issuer's business, results of operations, financial condition and/or prospects, as well as reputational damage which could exacerbate such adverse impact.

***Fraud***

The Issuer faces the risk of internal fraud (including financial fraud and/or theft) carried out by employees or officers of the Issuer. This may be generated by lack of adequate segregation of responsibilities or inappropriate levels of access to systems being accorded to individuals internally, providing them with knowledge that facilitates fraud could result in reputational damage, customer redress, and/or potential loss of customers. This could have an adverse effect on the Issuer's results and on its ability to deliver appropriate customer outcomes or to achieve organisational objectives.

The Issuer faces the risk of external fraud, such as card skimming or cloning, which may be caused by customer or third-party, including as a result of negligence in implementing appropriate prevention measures or the Issuer's failure to adapt quickly enough to evolving criminal behaviour.

Fraud could result in financial losses and thus, have an adverse effect on the Issuer's results. Furthermore, it could also result in reputational damage, customer redress, negative customer experience, and/or potential loss of customers which may in turn have a further adverse effect on the Issuer's results and on its ability to deliver appropriate customer outcomes or to achieve organisational objectives.

***Cyber-attack***

A significant portion of the Issuer's operations rely heavily on the secure processing, storage and transmission of confidential and other information as well as the monitoring of a large number of complex transactions on a constant basis. The Issuer stores an extensive amount of information (including personal data) specific to its clients (natural or legal persons) for its retail, corporate and governmental customers and clients and must accurately record and reflect their extensive account transactions. The proper functioning of the Issuer's payment systems, financial and sanctions controls, risk management, credit analysis and reporting, accounting, customer service and other information technology systems and other IT systems, as well as the communication networks between the branches and working points of the Issuer and its main data processing centres, are critical to the Issuer's operations.

In addition, third parties with whom the Issuer does business under stringent contractual agreements may also be sources of cyber security or other technological risks. Although the Issuer adopts a range of actions to eliminate the risks, such as not allowing third party access to the Issuer's systems and operating a highly controlled IT environment, unauthorised access, loss or destruction of data or other cyber incidents could occur, resulting in similar costs and consequences to the Issuer as those discussed above. The risks associated to cyber security and other technological risks might generate disruptions that, if persistent, might significantly affect the Issuer's business, prospects, results of operations and financial condition.

***Failure of IT systems***

The Issuer's computer systems, software and networks have been and will continue to be vulnerable to unauthorised access, loss or destruction of data (including confidential client information), account takeovers, unavailability of service, computer viruses or other malicious code, cyber-attacks and other events. These threats may derive from human error, fraud or malice on the part of employees or third parties or may result from accidental technological failure. If one or more of these events occurs, it could result in the disclosure of confidential client information, damage to the Issuer's reputation with its clients and the market, additional costs to the Issuer (such as repairing systems or adding new personnel or protection technologies), regulatory penalties, sanctions and financial losses, to the Issuer. Such events could also cause interruptions or malfunctions in the operations of the Issuer (such as the lack of availability of the Issuer's online banking systems), as well as the operations of its clients, customers or other third parties. Disaster recovery, security and service continuity protection measures that the Issuer has undertaken or may undertake in the future may be insufficient to prevent losses caused. Given the volume of transactions at the Issuer, certain errors or actions may be repeated or compounded before they are discovered and rectified, which would further increase these costs and consequences.

Moreover, the Issuer has been using artificial intelligence in its online communications with customers from 2023, integrated in collaboration with Microsoft, launching the *Întreb BT* platform an AI Search functionality based on Microsoft Azure OpenAI Service, which provides over 2,000 questions and answers about the Issuer's banking service. Furthermore, the Issuer leverages AI assistants to enhance the role of business analysts by enabling analysts to draft stakeholder responses, identify both functional and non-functional requirements, summarize and rephrase business content, translate documents across languages and create reusable agents in Microsoft 365 Copilot to automate repetitive tasks, such activities being subject to human review as appropriate. Although this solution comes with significant benefits, such as increasing search accuracy, it may also trigger additional risks resulting from specific AI challenges such as embedded bias, privacy concerns, lack of transparency or ethical concerns. In case any such risk occurs, it could result in reputational damage, negative customer experience and/or customer redress, which may have a further adverse effect on the Issuer's results, business and prospects, as well as on its ability to attract and maintain new customers.

#### *Data protection*

Handling sensitive customer data represents a significant part of the Issuer's daily activity, and a leakage of such data might violate the applicable laws and regulations. Any other breach of data security, as well as any other uncomplete observance of the legislation in force regarding data protection may lead to fines, sanctions, reputational damage and other negative effects upon the Issuer. Although the Issuer takes precautions to protect customer data in accordance with the applicable privacy requirements, it is possible that there may be data leakages in the future. In addition, the Issuer works with service providers or third-party commercial partners, which may not fully comply with the relevant contractual terms and all data protection obligations imposed on them.

The financial services sector has become increasingly digitalised, automated and online-based in recent years, increasing the Issuer's exposure to risks of unauthorised or unintended data release through hacking and general information technology system failures. Unanticipated information technology problems, system failures, computer viruses, intentional/unintentional misuses, attacks by hackers or unauthorised access to the Issuer's network or other failures could result in a failure to maintain and protect customer data in accordance with applicable regulations and requirements and could affect the quality of the Issuer's services, compromise the confidentiality of its customer data or cause service interruptions, and may result in the imposition of fines and other penalties. The Issuer is subject to extensive data processing requirements under the General Data Protection Regulation (EU) 2016/679, the breach of which may entail several types of sanctions, including fines of up to EUR 20 million or up to 4 per cent. of the overall turnover (whichever is higher). In addition, persons who have suffered damage may obtain compensation to cover the amount of such damage and their rights may also be represented by collective bodies.

Therefore, should the Issuer violate any applicable data protection laws, it may face fines, claims for damages, prosecution of relevant employees and managers, reputational damage and loss of customers and may have a material adverse effect on the Issuer's business, prospects, results of operation and financial condition.

#### *Business continuity plans*

The risk of poor external service delivery, inadequate internal management, or inadequate business continuity plans (for example during a global pandemic or in a disaster) of third-party service providers (including outsourcing providers) could result in material adverse effects on the Issuer's business and results of operations, reputational damage, potential loss of customers, and/or potential requirement to hold additional regulatory capital.

#### *Modelling risk*

The Issuer uses models and post model adjustments across many business units including key financial and credit models. There is a risk that these models may be developed without adequate oversight and testing prior to use by the business, or that certain underlying assumptions and post model adjustments are flawed, which could result in an adverse impact on the Issuer through inappropriate decision making and reporting thereby resulting in potential loss, and/or potential requirement to hold additional regulatory capital.

#### *Failure to keep appropriate documentation, records and archives*

Considering the Issuer is operating in the financial services sector, it is required to comply with documentation and record retention requirements, including pursuant to its regulatory obligations. The Issuer could from time to time fail to keep appropriate, accurate and regulatory compliant documentation, records and archives, due to human error, improper organisation, insufficient digitalisation of systems or naturally occurring events (such as fire or flooding). This could result in reputational damage, customer redress, and/or regulatory penalties.

#### *Mis-selling financial products and/ or mishandling of complaints*

The Issuer may be subject to allegations of mis-selling of financial products and/or the mishandling of customer complaints. This could have an adverse effect on the Issuer's operations resulting in reputational damage, customer redress, regulatory fines, withdrawal of products and/or potential loss of customers, any or all of which could result in the incurrence of significant costs, may require provisions to be recorded in the financial statements and could adversely impact future revenues from affected products.

***If the Issuer does not maintain or improve its reputation for the quality of its service, its ability to attract new customers and retain existing customers may be harmed, which could adversely affect its business, financial condition, results of operation and prospects.***

Reputational risk is inherent to the Issuer's business activity. The ability to retain customers and to attract new customers depends in part on the Issuer's brand recognition and its reputation for the quality of service. Negative public opinion towards the Issuer or the financial services sector as a whole could result from real or perceived practices in the financial sector in general, such as negligence during the provision of financial products or services, or even from the way that the Issuer conducts, or is perceived to conduct, its business. Although the Issuer makes all possible efforts to comply with the regulatory instructions in force and to increase the positive perception of its clients and prospective clients regarding its services, negative publicity and negative public opinion could adversely affect the Issuer's ability to maintain and attract customers, which could have a material adverse effect on the Issuer's business, financial condition and prospects.

#### ***The Issuer may be subject to tax liabilities.***

In its business activities, the Issuer is required to pay various taxes and contributions, such as profit tax, value added tax, various social contributions and others. While the Issuer believes it has paid its taxes when and in the amount correctly due, interpretation of applicable rules by tax authorities may differ. In practice, tax inspections typically result in tax authorities requiring payment of additional amounts as well as interest and/or penalties. Recently, both the Romanian Government and EU institutions have applied significant pressure in relation to taxes paid or payable by banks. Whether as a result of such pressure from the fiscal authorities or in the ordinary course of business, it is likely that the Issuer will be subject to one or more tax inspections during the term of the Capital Securities. The results of such tax inspections may be the imposition of material additional amounts on the Issuer, and this may have a material and adverse effect on the Issuer's business, financial condition, results of operations and prospects. Please refer to "Description of the Issuer", Section 23 – "Legal and administrative

*proceedings" in relation to the "Anticipated individual fiscal solutions ("AIFS") and Fiscal Inspection Report ("FIR")" on potential tax liabilities.*

***The Issuer is subject to the emerging risks associated with climate change.***

The physical and transition risks of climate change are a developing and growing agenda item for financial institutions globally and an increasing focus for key stakeholders including authorities, investors and customers. Climate change, and businesses' response to the emerging threats, are under increasing scrutiny by governments, regulators and the public alike. These include sooner than anticipated physical risks resulting from changing climate and weather patterns and extreme weather-related events, where the Issuer, its customer base and the wider economy could be impacted by changes in asset prices, disruption of business activity, as well as transition risks resulting from the process of adjustment towards a lower carbon economy, where the Issuer and its customer base could be impacted by a range of factors such as changes to consumer behaviour and environmental legislation. There is uncertainty in the scale and timing of technology, commercial and regulatory changes associated with the transition to a low carbon economy. Governments and regulators may introduce increasingly stringent rules and policies designed to achieve targeted outcomes, which could increase compliance costs and reduce credit quality for the Issuer if the Issuer is unable to adapt sufficiently quickly. The manner in which the Issuer assesses and responds to these developments and challenges could increase its costs of doing business and reduce asset quality, and a failure to identify and adapt its business to meet new rules or evolving expectations could have an adverse impact on the Issuer's business, operations and assets.

***The Issuer may be unable to meet internal or external aims or expectations with respect to ESG-related matters.***

ESG is an area of significant and increased focus for governments and regulators, investors, the Issuer's customers and employees, and other stakeholders. As a result, an increasing number of laws, regulations and legislative actions have been introduced to address climate change, sustainability and other ESG-related matters, including in relation to the financial sector's operations and strategy (such as the SFDR, the Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting ("**CSRD**"), EU Taxonomy Regulation and EU Green Bond Standards). These laws, regulations and legislative frameworks may directly and indirectly impact the business environment in which the Issuer operates and may expose the Issuer to significant risks.

National or international regulatory actions or developments may also result in financial institutions coming under increased pressure from internal and external stakeholders regarding the management and disclosure of their ESG risks and related lending and investment activities. The Issuer may from time to time disclose ESG-related initiatives or objectives in connection with the conduct of its business and operations. However, there is no guarantee that the Issuer will be able to implement such initiatives or meet such objectives within anticipated timeframes, or at all. The Issuer may fail to fulfil internal or external ESG-related initiatives, aims or expectations, or may be perceived to do so, or it may fail adequately or accurately to report performance or developments with respect to such initiatives, aims or expectations. In addition, the Issuer could be criticised or held responsible for the scope of its initiatives or goals regarding ESG matters. Any of these factors may have an adverse impact on the Issuer's reputation and brand value, or on the Issuer's business, financial condition and operating results.

***The Issuer may be unable to adapt its products and services to meet changing customer behaviour and demand, including as a result of ESG-related matters.***

Customers or other counterparties may increasingly assess sustainability or other ESG-related matters in their economic decisions. For instance, customers may choose products or services based on sustainability or other ESG criteria or may look at a financial institution's ESG-related lending strategy when choosing to make deposits. To remain competitive and to safeguard its reputation, the Issuer is required to continuously adapt its business strategy, products and services to respond to emerging, increasing or changing sustainability and other ESG-related demands from customers, investors and other stakeholders. The Issuer's current or future products or services may fail to meet applicable ESG-related regulatory requirements, customer preferences or investor expectations, which may negatively impact sentiment towards the Issuer and its business and operations.

***The Issuer's hedging strategies may not prevent losses.***

The Issuer may utilise a range of instruments and strategies to hedge risks. Unforeseen market developments may have a significant impact on the effectiveness of hedging measures. If any of the variety of instruments and strategies that are used to economically hedge exposure to market risk is not effective, the Issuer may incur losses. Unexpected market developments which cannot be correlated with the Issuer's historical trading patterns may adversely affect the effectiveness of these hedging strategies, the results, the operations and the Issuer's perspectives.

***Transactions in the Issuer's own portfolio involve risks.***

The Issuer may carry out various proprietary activities, including the placement of deposits denominated in euro and other currencies in the interbank market. The management of the Issuer's own portfolio may from time to time include taking positions in fixed income and equity markets, both through spot and derivative products and other financial instruments. Trading on account of its own portfolio carries risks, since its results depend partly on market conditions. Moreover, the Issuer relies on a vast range of reporting and internal management tools to be able to report its exposure to such transactions correctly and in due time. Future results arising from trading on account of its own portfolio will depend partly on market conditions, and the Issuer may incur significant losses which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

***The Issuer may be unable to attract and retain key personnel, directors, managers, employees and other individuals without whom the Issuer may not be able to manage its business effectively.***

The Issuer depends on the availability and continued service of a relatively small number of key managers, employees and other individuals. These key individuals are heavily involved in the daily operation of Issuer's business and are, at the same time, required to make strategic decisions, ensure their implementation and manage and supervise the Issuer's and the BT Group's development. The loss of any of these key individuals could significantly impede its financial plans, product development, network expansion, marketing and other plans.

In addition, competition for qualified executives in the Romanian financial services industry is intense. The Issuer's future results depend, in a significant part, upon the continued contributions of its existing management and its ability to expand the senior management team by adding highly skilled new members, who may be difficult to identify and recruit, especially given the complex process concerning the appointment of senior management under the regulatory framework governing Romanian financial institutions. If any of the Issuer's senior executives or other key individuals ceases their employment or engagement, the Issuer's business, prospects, results of operation and financial condition could be materially adversely affected.

***The Issuer may be exposed to strategic risk. The Issuer may undertake future acquisitions on an opportunistic basis.***

Strategic risk is the current or future risk for profits and capital to be negatively affected by changes in the business environment, by unfavourable business decisions, improper implementation of decisions or poor adaptability to changes. In order to ensure effective strategic risk management, the Issuer 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 infrastructure consolidation.

Moreover, the Issuer undertakes and may undertake, on an opportunistic basis, additional acquisitions in the future in the existing business lines of the Issuer or in other complementary businesses (with the view to integrate the respective business lines in the Issuer's activity). However, the estimated financial effects of any such transactions on the Issuer's business may not be achieved. In addition, acquisitions may divert management attention or financial or other resources away from the existing business of the Issuer or require additional expenditures. Such developments could have a material adverse effect on the Issuer's business, results of operations and financial condition.

The acquisition of new businesses or assets may be limited by many factors, including availability of financing, the prevalence of complex ownership structures among potential targets, government regulation and competition from other potential acquirers. If acquisitions are made, there can be no assurance that the Issuer will be able to maintain the customer base of businesses it acquires, generate

expected margins or cash flows or realise the anticipated benefits of such acquisitions, including growth or expected synergies. The analyses conducted in relation to potential acquisition targets are subject to a number of assumptions concerning profitability, growth, interest rates and valuations. There can be no assurance that the Issuer's assessments of and assumptions regarding acquisition targets will prove to be correct, and actual developments may differ significantly from its expectations.

Even if the Issuer successfully acquires new businesses, the integration of new businesses may be difficult for a variety of reasons, including differing management styles and systems, inadequate infrastructure and poor records or internal controls. In addition, integrating any potential acquisitions may require significant initial cash investments and present significant costs, as well as tax liabilities or regulatory fines. The process of integrating businesses may be disruptive to its operations and may cause an interruption of, or a loss of momentum in, such businesses or a decrease in its operating results as a result of costs, challenges, difficulties or risks, including:

- (a) realising economies of scale;
- (b) eliminating duplicative overhead expenses;
- (c) integrating personnel, financial and operational systems;
- (d) unforeseen legal, regulatory, contractual and other issues;
- (e) unforeseen challenges from operating in new geographic areas, as the case may be; and
- (f) the diversion of management's attention from its day-to-day business as a result of the need to deal with the foregoing challenges, disruptions and difficulties.

Furthermore, even if the Issuer is successful in integrating its existing and new businesses, expected synergies and cost savings may not materialise as anticipated or at all, resulting in lower-than-expected margins. There is no assurance that the Issuer will be successful in acquiring new businesses or realising any of the anticipated benefits of the companies that it may acquire in the future. If the Issuer undertakes acquisitions, but does not realise these benefits, the Issuer's business, prospects, results of operation and financial condition could be materially adversely affected.

***Any suspension, downgrade or withdrawal of the Issuer's credit ratings by an international rating agency could have a negative impact on its business.***

Any adverse revisions to the Issuer's credit ratings for domestic or international debt by international rating agencies may adversely impact the credit rating of its indebtedness (including the Capital Securities), the Issuer's ability to raise additional financing via debt issuances and the interest rates and other commercial terms under which such additional financing is available. Any suspension, downgrade or withdrawal of the Issuer's credit ratings by an international rating agency could have a material adverse effect on the Issuer's business, prospects, results of operations and financial condition.

***The Issuer may be unable to adapt sufficiently quickly to technology developments.***

Rapidly shifting consumer behaviours and the proliferation of internet, social and device (mobile, tablet) technologies are changing the way customers research, purchase and maintain the products and services they consume in their day to day lives, and this is reflected in the evolving banking models for consumers and businesses, both in Romania and internationally. These developments affect the manner in which customers manage their financial affairs and core products (from operating accounts to deposits to credit facilities and wealth management instruments).

Money transmission and data driven integrated services are also forecast to evolve rapidly in the coming years with numerous new players entering the payments environment, facilitated by regulatory and market forces such as the revised Payment Services Directive (EU) 2015/2366 ("PSD2") which aims to reduce fraud while opening up payment markets to new entrants. On 28 June 2023, the European Commission published a draft proposal of a payment services package which should replace PSD2. The package is comprised of the following: (i) a draft Payment Services Regulation in the internal market, aiming to address all rules concerning payment services provider's activities, and also embedding some requirements from the Regulatory Technical Standards for Strong Customer Authentication and

Common and Secure open standards of Communication, as well as requirements from European Banking Authority guidelines and opinions; and (ii) a draft Directive on Payment Services and Electronic Money Services in the internal market, that will incorporate electronic money institutions as a sub-category of payment institutions and therefore embed, and subsequently repeal, the existing Electronic Money Directive (Directive 2009/110/EC). There is a high degree of uncertainty with regards to the proposed new framework, and subsequently how and when this will be implemented in the EU.

Additionally, the EU adopted Regulation (EU) 2022/2554, or the Digital Operational Resilience Act ("**DORA**"), in November 2022, which has been applicable since 17 January 2025. DORA, which will apply as *lex specialis* for the entities in the financial sector, including the Issuer, regarding cybersecurity, aims to achieve a common level of digital operational resilience as well as consolidate and upgrade existing Information Communication Technologies ("**ICT**") risk requirements that had been addressed separately in different regulations and directives, such as Directive (EU) 2022/2555 (otherwise known as the NIS 2 Directive). DORA establishes a set of uniform requirements for network and information systems security structured in five pillars: (i) ICT risk management and governance, (ii) ICT-related incident management, classification and reporting, (iii) digital operational resilience testing, (iv) management of third-party ICT risk, including certain mandatory provisions that must be included in the agreements concluded with the ICT third-party providers, and (v) information and intelligence sharing. The financial sector faces risks and uncertainties regarding the implementation of DORA given that it has stringent compliance timelines and that some of its technical standards are still under public consultation.

Analytically driven and customer focused new entrants are changing the way financial services companies are approaching their routes to market, service and fulfilment value chains, operating models and core competencies so that they remain relevant and compete in the newly consumerised and digital arena.

Although the Issuer's ability to adapt such technology developments and related regulatory requirements is a constant priority for its management and the Issuer has implemented several measures in this direction so far (including by re-launching Salt Bank as the first fully-digital Romanian bank), the Issuer may not be able to respond to external developments in a sufficiently timely manner, which may negatively affect the Issuer's results, financial conditions and prospects.

***The Issuer may be subject to the risk of excessive leverage.***

The leverage concept represents the relative value of assets, off balance-sheet commitments and contingent obligations to pay, to render a service or to grant real guarantees, inclusive of obligations arising from the financing received, assumed commitments, derivative instruments or repo transactions and exclusive of obligations that can only be executed during the liquidation of the relevant institution, in relation to the own funds of that institution.

The Issuer has a cautious attitude towards the issue of leverage related risk, taking into consideration the potential increases of this risk as a result of own funds deterioration due to unrealised, expected or incurred losses in accordance with applicable accounting regulations. However, the Issuer's assessments may prove inadequate which may in turn negatively affect the Issuer's results, financial conditions and prospects.

***The Issuer may be subject to restrictive debt covenants that may limit its future financing and operations and to pursue business opportunities and activities. In addition, the Issuer may not be able to refinance maturing debt on terms that are as favourable as those from which it previously benefited.***

The Issuer's ability to refinance its debt depends on a number of factors, including the liquidity and capital conditions in the credit markets and it may not be able to do so on satisfactory terms, including in relation to the covenants, or at all. If the Issuer cannot refinance its debt, it may not be able to meet the debt repayment obligations. In addition, the terms of any refinancing indebtedness may be materially more burdensome than the indebtedness it refinances. Such terms, including in relation to the covenants and additional restrictions on the Issuer's operations and higher cost of funding, could have an adverse effect on its results of operations and financial condition.

Furthermore, the Issuer's inability to meet repayment obligations under its existing agreements could, in relation to certain agreements other than those entered under the MREL framework, trigger various cross-

default and cross-acceleration provisions, resulting in the acceleration of a substantial portion (if not all) of the Issuer's debt and could have a material adverse effect on its business, prospects, results of operations and financial condition.

***Derivative transactions may expose the Issuer to unexpected risk and potential losses.***

From time to time, the Issuer may be party to certain derivative transactions, such as interest rate and/or foreign exchange swap contracts, with financial institutions to hedge against certain financial risks. Changes in the fair value of these derivative financial instruments that are not cash flow hedges, are reported in profit and loss, and accordingly could materially affect its reported results in any period. Moreover, it may be exposed to the risk that Issuer's counterparty in a derivative transaction may be unable to perform its obligations as a result of being placed in receivership or otherwise. In the event that a counterparty to a material derivative transaction is unable to perform its obligations thereunder, the Issuer may experience losses that could have a material adverse effect on its financial condition, financial returns and results of operations.

***The Issuer is subject to substantial regulation and regulatory and governmental oversight. Any new governmental or regulatory requirements and changes in perceived levels of adequate capitalisation and leverage could subject the Issuer to increased capital requirements standards and require it to obtain additional capital or liquidity in the future.***

As a financial institution, the Issuer is subject to extensive regulation, as well as to certain administrative measures and policies. Moreover, the Issuer holds an authorisation issued by the NBR, and the NBR and other regulatory authorities supervise its activities. Applicable legal provisions address, *inter alia*, capital adequacy, risk management and prevention of money laundering. The fulfilment of these regulations implies substantial costs and could significantly limit potential operations. Furthermore, national regulatory authorities have substantial discretion in implementing the regulatory framework regarding banks and this discretion has been increasing during recent years. Regulations may be imposed on an ad hoc basis by governments and regulators in response to a financial crisis, and these may especially affect financial institutions such as the Issuer that are deemed to be systemically important. These factors could, in different ways, generate a decrease of the profit margins and to an increase in the costs that the Issuer incurs in its activity.

The Issuer is also required to comply with EU regulations, which are of direct applicability, and with EU directives, which have to be implemented in national legislation. Following the financial crisis, the European banking sector was faced with (i) increasing competitiveness; (ii) increasing the centralisation of the regulatory acts; (iii) increasing market transparency and (iv) movement towards the establishment of a sole regulation and a sole supervisory mechanism. These factors could, in different ways, lead to a decrease in profit margins, an increase in financing costs and administrative costs etc.

Moreover, regulatory authorities (particularly the NBR) conduct continuous or periodic analysis regarding the Issuer's operations. If regulatory authorities identify a breach of law, whether or not intentional, different sanctions may be applied, including withdrawal of the banking authorisation. As a rule, the NBR has a range of constraining measures at its disposal in case of failure to comply with the applicable regulations. The Issuer may, *inter alia*, be put under the special administration of the NBR, a procedure within which the director (in the name of the NBR) can, *inter alia*, negotiate the restructuring of the Issuer's debts, the suspension of the Issuer's activity of attracting deposits or granting loans, or the sale of assets etc.

Any legislative or regulatory actions and any required changes to the business operations of the Issuer resulting from such legislation and regulations, as well as any deficiencies in the Issuer's compliance with such legislation and regulation, could result in significant loss of revenue, limit the ability of the Issuer to pursue business opportunities in which it might otherwise consider engaging and provide certain products and services, affect the value of assets that it holds, require the Issuer to increase its prices for the services it provides and therefore reduce demand for its products and services, impose additional compliance and other costs on the Issuer or otherwise adversely affect its business.

The main regulations and regulatory and governmental oversight that can adversely impact the Issuer include but are not limited to the following:

- (a) Following the legal and regulatory evolutions, particularly the Basel Agreement for Banking Supervision, the Issuer may be requested to comply with higher capital and liquidity requirements and may incur substantial costs related to the monitoring and meeting these requirements, as detailed below.

In June 2011 and January 2013, the Basel Committee on Banking Supervision ("BCBS") published its (final) international regulatory framework for credit institutions (known as "**Basel III**"), which is a comprehensive set of reform measures to strengthen the regulation, supervision and risk management of the banking sector. On 27 June 2013, the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Capital Requirements Directive IV – "**CRD IV**") and the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation – "**CRR**") transposing (main parts of) Basel III into European law, have been published. On 7 June 2019, revised rules on capital and liquidity, i.e., Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures ("**CRD V**") and Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 ("**CRR II**") have been published in the Official Journal of the European Union. As at the date of this Prospectus, the provisions of CRD IV and CRD V have been transposed into the national legislation, while the CRR and CRR II are directly applicable in Romania, without the need for national implementation measures.

The revised rules on capital requirements provides, *inter alia*:

- the leverage ratio requirement imposing institutions to maintain a Tier 1 capital of at least 3 per cent. of their non-risk-weighted assets. Furthermore, global systemically important institutions ("**G-SIIs**") have to hold an additional leverage ratio buffer on top of the leverage ratio applicable to all banks.
- the net stable funding requirement ("**NSFR**"), which requires banks to ensure that they have enough stable and sustainable funding sources to match their exposures, therefore preventing liquidity crises.
- a new approach to risk exposure, reflecting the principles of the Fundamental Review of the Trading Book ("**FRTB**") designed by the BCBS.

In accordance with Article 131 para. (6) of CRD V, the NBR has reviewed on an individual, sub-consolidated or consolidated basis the other systemically important institutions ("**O-SIIs**") which have been authorised within the Romanian jurisdiction, based on data available as at December 2024 and has identified a number of seven credit institutions which qualify as O-SII, including the Issuer. According to the National Committee for Macroprudential Oversight, the Issuer obtained a systemic-importance score of 2187 basis points, and its O-SII buffer applicable as at 1 April 2025 is 2.5 per cent. of risk weighted assets.

As per National Bank of Romania Order 12/24.12.2015, as subsequently amended and supplemented, the countercyclical capital buffer for credit institutions which have credit exposures in Romania, including the Issuer, is set to 1 per. cent of risk weighted assets.

On 19 June 2024, Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending the Capital Requirements Directive IV as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks ("**CRD VI**") and Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024

amending the Capital Requirements Regulation as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor ("**CRR III**") were published in the Official Journal of the EU. Among the numerous changes, the following may prove of particular relevance to the Issuer:

- comprehensive requirements on ESG: CRD VI will now require banks to (i) explicitly take into account the short, medium and long term for the coverage of ESG risks in their strategies and processes to assess and maintain on an ongoing basis the amounts, types and distribution of internal capital, (ii) draw up and implement specific plans, quantifiable targets and processes to monitor and address the financial risks arising from ESG factors in the short, medium and long term, (iii) provide for specific requirements for strategies, policies, processes and systems regarding ESG risks, taking into account their specificities such as their forward-looking nature and their distinctive impacts over short, medium and long-term time horizons;
- more rigorous methods of assessing customer credit risk, requiring banks to adopt sophisticated risk assessment processes for greater accuracy. At the same time, there's an increased emphasis on transparency, the bank being required to disclose detailed information about risk exposures and capital adequacy, to foster trust and understanding among stakeholders.

Member states (including Romania) have 18 months to transpose CRD VI into national legislation (i.e., until January 2026), whilst CRR III has been applicable since 1 January 2025.

There is a high degree of uncertainty with regards to the newly adopted regulatory frameworks, and how this will be implemented in the EU. While the Issuer complies with regulatory provisions and holds excess capital, at this stage, it is too early to draw firm conclusions regarding the impact of these capital requirements, and how will they affect the Issuer.

Moreover, in case of possible future changes in the financial services regulatory framework regulating capital requirements, the Issuer may face an increased regulatory burden and register higher compliance costs. Compliance with new requirements may also restrict certain types of transactions, affect the Issuer's strategy and limit or require the amendment of rates or fees that the Issuer charges on certain loans and other products, any of which could lower the return on the Issuer's investments, assets and equity. The Issuer may also be required to raise capital, loss-absorbing capacity and/or liquidity to meet any new or changing requirements. New regulatory requirements may also have indirect consequences for the global financial system, the Romanian financial system or the Issuer's business, including increasing competition, increasing general uncertainty in the markets, or favouring or disfavouring certain lines of business.

- (b) The transposition of the Bank Recovery and Resolution Directive may have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank Recovery and Resolution Directive (the "**BRRD**", Directive 2014/59/EU on the Bank Recovery and Resolution of credit institutions and investment firms), which entered into force in EU Member States as at 1 January 2015 established rules designed to harmonise and improve the tools for dealing with bank crises across the EU to ensure that shareholders, creditors and unsecured depositors mandatorily participate in the recapitalisation and/or the liquidation of troubled banks. Such mandatory participation shall be through the so-called bail-in (and conversion and write down) tool, introduced under the BRRD. Under the bail-in tool there is a strict requirement for contribution to loss absorption and recapitalisation of the failing bank by its private sector investors and creditors, including holders of Capital Securities issued by the Issuer, as they occur at the moment the tool is adopted as per a valuation prepared according to art. 36 of BRRD. The BRRD imposes a specific "waterfall" as to such burden sharing, starting from common shareholders to subordinated debt holders and up to eligible for bail-in senior creditors, while applying the "no creditor is worse off" principle, as opposed to the strict hierarchy of claims under the generally applicable insolvency proceedings. Certain senior creditors however are ineligible for bail-in (including individual depositors with accounts up to €100,000 (the amount covered by the guarantee scheme)). BRRD has been modified by Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the Bank Recovery and Resolution Directive as regards the loss-absorbing and

recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC ("**BRRD II**"). The BRRD has been implemented in Romania into national law by Law no. 312/2015 (the "**Romanian Recovery and Resolution Act**") on recovery and resolution of credit institutions, which entered into force in December 2015. Further, in order to transpose the provisions of BRRD II, the Recovery and Resolution Act was amended by way of Law no. 320/2021 amending and supplementing Law no. 312/2005 regarding the recovery and resolution of credit institutions and investment firms, as well as amending and supplementing certain laws in the financial field. When a credit institution is assessed as failing or being likely to fail, resolution authorities have a set of instruments and measures for the orderly restructuring of those credit institutions, which ensure that shareholders and creditors bear losses, in line with a previously established resolution plan, thereby ensuring the continuity of critical functions. In addition, institutions have to meet, at all times, minimum requirements of own funds and of eligible liabilities ("**MREL**") set by the resolution authority on a case-by-case basis and shall be calculated as the amount of own funds and eligible liabilities expressed as a percentage of total risk exposure amount ("**TREA**") and total exposure measure ("**TEM**") of the institution. The BRRD as implemented through the Recovery and Resolution Act also requires that credit institutions draw up "recovery plans" which set out certain arrangements and measures that may be taken to restore the long-term viability of the financial institution in the event of a material deterioration of its financial position. The recovery plans are submitted for review by the competent authorities who will assess the appropriateness of the plans, taking into consideration the appropriateness of the institution's capital and funding structure to the level of complexity of the organisational structure and the risk profile of the institution.

There is a risk that the Issuer may not be able to meet these minimum requirements for own funds and eligible liabilities, which could materially adversely affect the Issuer's ability to make payments on the Capital Securities, directly affecting the Holders. See "*In certain circumstances, the Issuer may decide not to pay interest on the Capital Securities or be required not to pay such interest*" below. Apart from potentially being subject to resolution tools and exercise of other powers as set out under the Recovery and Resolution Act, the Issuer may also be subject to the regime instituted by the general national bankruptcy proceedings for credit institutions.

***Legislative changes and initiatives on consumer protection focused on financial and banking regulation that might entail retroactive changes to bank-customer arrangements.***

There are recent legislative changes and several legal initiatives (some of which are domestic, while others are transposing EU directives) that could negatively affect banking activities in Romania. The proposed changes may impact certain aspects essential to the Issuer's business, such as making the transfer of non-performing credit loans economically unfavourable, modification of the provisions according to which loan agreements concluded by credit institutions qualify as a writ of execution, capping interest rates in relation to consumer loans and enhancing the powers of the Romanian Consumers' Protection National Authority ("**ANPC**").

The above-mentioned effects may be triggered by the legal provisions laid down in the following draft laws:

- (c) the draft law to supplement Government Emergency Ordinance no. 50/2010 on credit contracts for consumers ("**G.E.O. no. 50/2010**") (registered with the Chamber of Deputies under no. PL-x nr. 85/2018); the draft law proposes, inter alia, the amendment of G.E.O. 50/2010 such that in case of an assignment of a claim arising from a credit agreement, the assignee will not be entitled to claim from the debtor more than double the price it has paid itself in relation to such an assigned loan receivable;
- (d) the draft law on the protection of consumers against speculative assignments of claims (registered with the Chamber of Deputies under no. PL-x nr. 665/2019); the draft law aims to protect consumers against speculative assignments of claims made by a financial creditor (i.e., credit institutions, non-bank financial institutions or an entity carrying out the activity of debt recovery) to a third party, including an entity carrying out debt recovery activities. The assignment of receivables is considered speculative if (i) the transfer has no equivalent in a real economic fact or (ii) it is not carried out for reasons of mobilisation of commercial receivables, refinancing of the financial creditor or for the provision of financial guarantees. In this context,

the draft law provides that in case of a speculative assignment of receivables: (i) the assignee will be entitled to recover from the consumer only the price it has paid itself in relation to such an assigned loan receivable; (ii) the consumer will be entitled to settle the debt by paying the real value of the assignment to the assignee. The competent authority to verify the speculative nature of the assignment is the ANPC;

- (e) the draft law on the protection of consumers against unfair or untimely enforcement (registered with the Chambers of Deputies under no. PL-x no. 663/2019); aside from the fact that the provisions of the draft law are unclear and may be subject to various interpretations, the legal initiative provides that agreements or other legal documents used in enforcement procedures (such as credit or mortgage agreements) shall no longer be deemed writs of execution by virtue of law. Furthermore, it also stipulates that in the case of execution of the "family home", the family has the right not to leave the home for one year after the completion of the procedure, in order to be able to find another home within such term;
- (f) the draft law on protection of consumers against currency risk in credit agreements (registered with the Chambers of Deputies under no. PL-x no. 662/2019); the legal initiative stipulates that in order to balance and maintain the social utility of the contract, at the consumer's request, financial creditors are obliged to convert the contract's payment currency into RON or another currency in which consumers obtain their incomes. Furthermore, it also provides that the conversion will be made at the exchange rate from the date of conclusion or perfection of the contract, plus a maximum variation of 20 per cent. compared to such an exchange rate;
- (g) the draft law for amending and supplementing Law no. 77/2016 on the *datio in solutum* of real estate in order to settle the obligations assumed through loans (adopted by the Senate and registered with the Chambers of Deputies under no. PL-x no. 341/2023); the legal initiative provides for the repeal of the provisions of the aforementioned law that exclude from its application the loans granted through the "Prima Casă" program. Moreover, the legal initiative provides that, where the enforcement procedure has been initiated against the debtor by the creditor and the debtor subsequently submits a *datio in solutum* notice, the enforcement costs incurred, as well as the enforcement officer's fee, will be borne by the creditor.
- (h) the draft law on protection of consumers (registered with the Chambers of Deputies under no. PL-x no. 776/2022); the draft law seeks to replace the general framework on the protection of consumers regulated by Government Ordinance no. 21/1992 on consumer protection, as republished and further amended. Among others, the draft law seeks to introduce fines for breaches of the said legislation, which in the case of legal entities with a turnover exceeding RON 10,000,000 which are found to include abusive clauses in agreements with consumers may range from RON 10,000 to RON 160,000;
- (i) the draft law to supplement Law no. 193/2000 on unfair terms in contracts concluded between professionals and consumers (registered with the Chambers of Deputies under no. PL-x no. 446/2023); The draft law provides that in contracts between professionals and consumers it is prohibited to fix the price in a currency other than the national currency. In this context, a clause providing otherwise would be considered abusive. It remains unclear how such provision will be applied in relation to loans granted in EUR or other currencies where generally the interest and fees are expressed in the same currency of the loans. Similarly, it is to be determined whether current accounts in EUR with fees in the same currency will be affected;
- (j) the draft law to amend article 95 of G.E.O no. 50/2010 on credit agreements for consumers and article 135 para. (2) of Emergency Ordinance no. 52/2016 on credit agreements offered to consumers for real estate property ("**G.E.O. no. 52/2016**") and to amend and supplement G.E.O no. 50/2010 on consumer credit agreements (registered with the Chamber of Deputies under no. PL-x no. 723/2023); under the current legislative framework, during the enforcement, the charging of interest and penalty interest is prohibited. However, this prohibition is only applicable in relation to contracts concluded after the entry into force of G.E.O. no. 50/2010 and G.E.O. no. 52/2016. This legislative proposal aims to standardize the application of this prohibition also to credit agreements concluded before the entry into force of the relevant legislation;

- (k) draft law regarding the statute of ANPC (adopted by the Chambers of Deputies and registered with the Senate under no. L468/2016). The draft law aims to enhance the powers of ANPC, while also changing the sanctioning regime, by introducing the possibility of applying sanctions applicable to the turnover of the infringer, compared to the sanctions currently existing in the current legislation; and
- (l) draft law regarding the attributions of the NBR in the field of consumer protection of financial-banking products and services and for the amendment of certain normative acts (registered with the Chamber of Deputies under no. PL-x no. 350/2024), pursuant to which the NBR may become the national authority responsible for the protection of consumers of financial and banking products and services, taking over the powers of the ANPC in this field. The transfer of power is designed to take place without a substantive change in content or manner of exercise, with the NBR taking over and performing all the existing powers of the ANPC in relation to financial-banking products and services offered by: (i) credit institutions, (ii) payment institutions and specialised account information service providers, (iii) electronic money institutions, (iv) non-bank financial institutions, as well as (v) branches in Romania of these entities established in other Member States or in third countries operating on the territory of Romania, and (vi) agents of the entities referred to in items (ii) and (iii) herein, registered in other Member States, acting under the right of establishment and providing payment services in Romania. If adopted by the Chamber of Deputies, the legislative proposal is expected to require a transition period of 18 months from publication in the Official Gazette, time during which the NBR will organise its activity to accommodate the transfer and exercise of new powers.

The above draft laws (except for the draft law on protection of consumers, registered with the Chambers of Deputies under no. PL-x no. 776/2022) provide for retroactive application, in relation to ongoing agreements, with respect to ongoing enforcement procedures. The proposed draft laws reiterate provisions which have been previously declared unconstitutional, which leads to uncertainty as to their approval in the current form.

Regarding recently adopted legislation, Law no. 243/2024 on consumer protection regarding the total cost of lending and the assignment of receivables provides, *inter alia*:

- **Interest Rate Caps:** For mortgage loans, the effective annual interest rate cannot exceed the NBR lending facility interest rate by more than 8 percentage points and for consumer loans, it cannot exceed the NBR rate by more than 27 percentage points.
- **Total Cost of Credit:** The total cost includes all expenses (interest, penalty interest, fees, taxes, etc.) and is capped based on the loan amount (i) maximum 1 per cent. per day for loans of up to RON 5,000; (ii) maximum 0.8 per cent. per day for loans between RON 5,001 to RON 10,000; and (iii) maximum 0.6 per cent. per day for loans between RON 10,001 to RON 25,000. In all cases, the total amount payable by the consumer cannot exceed twice the loan amount.
- **Applicability to Ongoing Agreements:** The law applies to existing agreements that are still active. If the interest rate or total cost exceeds the set thresholds, consumers can seek reductions through amicable review by the creditor (e.g., requesting a reduction, partial termination, rescheduling, refinancing, or giving in payment the mortgaged property), judicial procedures or alternative dispute resolution procedures.

While the law does not apply to credit institutions such as the Issuer, it may affect non-banking financial institutions within the Group.

Romania has also transposed Directive (EU) 2020/1828 of the European Parliament and of the Council of 25 November 2020 on representative actions for the protection of the collective interests of consumers and repealing Directive 2009/22/EC ("**Representative Actions Directive**"), by way of Law no. 414/2023 on representative actions for the protection of consumers' collective interests. The law gives powers to organisations or public bodies with prerogatives in certain domains include in the annex to the law, such as consumer protection, health services, transportation, payment services, energy etc. to seek injunctive or redress measures on behalf of consumers through representative actions against professionals such as the Issuer. The law does not, however, provide a limitative list of the organisations or public bodies with such prerogatives.

Romania is also expected to transpose Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC ("**New Consumer Credit Directive**") which shall address technological developments in the credit market and, in particular, improve consumer protection in the credit market (e.g. including measures to limit borrowing rates, annual percentage rates of charge or total costs of credit to the consumer). The transposition of the New Consumer Credit Directive is due by 20 November 2025. EU member states are expected to apply the transposed measures from 20 November 2026.

The initiatives and recent legislative enactments presented above may result in significant losses for creditors (such as the Issuer and members of the Group), affecting profitability and solvency, and may lead to systemic risks becoming manifest. The legislative uncertainty associated with the banking sector also leads to tighter credit standards and lower financial intermediation.

***Compliance with anti-money laundering, anti-corruption and anti-terrorism financing rules and the imposition of economic sanctions programmes against certain countries, citizens or entities involve significant costs and efforts and non-compliance may have severe legal and reputational consequences.***

The Issuer is subject to rules and regulations regarding money laundering, corruption and the financing of terrorism. These rules and regulations have been tightened in recent years and may be further tightened and more strictly enforced in the future in particular by implementing the fourth anti-money laundering directive (Directive (EU) 2015/849 of the European Parliament and of the Council) and the fifth anti-money laundering directive (Directive (EU) 2018/843 of the European Parliament and of the Council), the national implementation of which has been completed by the adoption of Law no. 129/2019 on preventing and combating money laundering and terrorist financing and amending and supplementing certain legislative acts. In recent years, enforcement of these laws and regulations against financial institutions in Romania has become more stringent and proactive. Monitoring compliance with anti-money laundering, anti-corruption, anti-terrorism financing and sanctions rules can result in a significant financial burden on banks and other financial institutions and can pose significant technical problems. Although the Issuer has internal policies and procedures and several monitoring measures designed to ensure compliance with the applicable anti-money laundering, anti-corruption, anti-terrorism financing or sanctions rules, these cannot provide complete assurance that the Issuer's employees, management members, partners, agents, service providers or intermediaries will not take actions in violation of these rules for which the Issuer or another member of the BT Group may be ultimately held responsible. The Issuer cannot therefore guarantee that it is in compliance with all applicable anti-money laundering, anti-corruption, anti-terrorism financing and sanctions rules at all times.

Any violation of anti-money laundering, anti-corruption, anti-terrorism financing or sanctions rules, or even alleged violations, may have severe legal, monetary and reputational consequences and could have a material adverse effect on the Issuer's business, financial condition, results of operations, liquidity or prospects.

***Applicable Romanian insolvency and bankruptcy laws, as well as other laws and regulations governing creditors' rights may limit the Issuer's ability to obtain payments on defaulted loans and advances.***

Romanian bankruptcy and enforcement laws may not offer in all respect the same level of rights, remedies and protections that creditors enjoy under the legal regimes in other EU jurisdictions. In particular, Romanian bankruptcy and enforcement laws and practice may make it comparatively more difficult and time-consuming for the Issuer to recover amounts in respect of its secured and unsecured claims before the Romanian courts. In recent years, insolvency in Romania witnessed mixed dynamics, e.g., the number of companies having declared themselves insolvent shrank by half, yet this favourable evolution was offset by a larger incidence of such cases among large companies. Insolvent companies, as well as the companies reporting net losses, have largely been responsible for the worsening payment discipline across the economy. Considering that a significant part of the Issuer's assets are due from debtors and/or secured by assets that are or are likely to be in the future subject to Romanian bankruptcy and enforcement laws, the above could adversely affect the Issuer's business, financial condition, results of operations, liquidity or prospects and its ability to make payment under the Capital Securities.

Inability to obtain effective legal remedies in a reasonably timely manner may adversely affect the Issuer's business, financial condition, results of operations, liquidity or prospects.

***The governments in CEE countries, including Romania, may react to economic and financial crises with increased protectionist measures.***

The governments in CEE countries, such as Romania, could take various measures to protect the national economy, currency or fiscal income in response to financial and economic crises, including among other things:

- (a) order loans denominated in foreign currencies (such as EUR, USD or CHF) to be converted into local currencies at set interest and/or exchange rates, in some cases below market rates or allow loans to be assumed by government entities, potentially resulting in a reduction in value of such loans;
- (b) set out regulations limiting interest rates and fees for services that can be charged and other terms and conditions;
- (c) prohibit money transfers abroad by banks receiving state support measures (e.g., loans granted to banks from sovereigns or covered by sovereign deposit guarantees); and
- (d) introduce or amend laws and regulations, as well as extend measures, previously introduced on a temporary basis or apply additional regulatory obligations on financial institutions or which are relevant, directly or indirectly, to the banking sector.

Any of these or similar governmental actions could have a material adverse effect on the Issuer's business, financial condition, results of operations, liquidity or prospects.

***The Issuer may be subject to fines, awards of damages or other penalties arising from legal proceedings, contractual claims and disputes, as well as negative publicity arising therefrom.***

In the context of its day-to-day operations the Issuer is exposed to litigation risk, among others, as a result of changing and developing consumer protection legislation and legislation on the provision of banking and investment services.

The Issuer may be adversely affected by other contractual claims, complaints and litigation, including from counterparties with whom it has contractual relationships, customers, competitors or regulatory authorities, as well as any adverse publicity that it may attract.

Any such litigation, complaints, contractual claims, or adverse publicity could have a material adverse effect on the Issuer's business, reputation, results of operation and financial condition. Please see "Description of the Issuer", Section 23 "Legal and administrative proceedings" for a discussion concerning governmental, legal or arbitration proceedings which may be relevant for the Issuer.

***The Issuer is one of the credit institutions currently under investigation by the Romanian Competition Council in relation to the determination of the ROBID/ROBOR reference interest rate and in relation to calculating and applying the FICO score, which may result in fines and/or reputational impact.***

In November 2022 the Romanian Competition Council launched an antitrust investigation involving all ten banks (including the Issuer) which contribute to the determination of the ROBID/ROBOR reference interest rate.

Moreover, in September 2023 the Romanian Competition Council launched an antitrust investigation involving eighteen banks, shareholders of Biroul de Credit S.A. (including the Issuer) in relation to calculating and applying the FICO score, used for determining the creditworthiness of a consumer, in the process of granting consumer loans.

Given the current stage of the investigations, the Romanian Competition Council has not issued its investigation reports or any preliminary conclusions, thus there is no indication from the Romanian Competition Council in relation to an alleged breach by the Issuer of the applicable competition legislation. However, if the Issuer were to be found to have committed competition law breaches, applicable sanctions may have a material adverse effect in the Issuer's reputation and business, as they may include sizeable fines, of up to 10 per cent. of the Issuer's consolidated turnover in the year prior to sanctioning. Even in the absence of any sanctions imposed on the Issuer, news of the investigations and

potential sanctions applicable to the other credit institutions under investigation may trigger a negative public perception with regards to the entire panel of investigated banks, including the Issuer. Negative publicity and negative public opinion could adversely affect the Issuer's ability to maintain and attract customers, which could have a material adverse effect on the Issuer's business, results of operation and financial condition.

***The Issuer is one of the credit institutions sanctioned by ANPC for using misleading commercial practices concerning the instalments computing method under loans granted to individuals***

In May 2023, ANPC sanctioned the Issuer, as well as 18 other credit institutions, for using misleading commercial practices concerning the instalments computing method applicable to loans granted to individuals, namely by structuring the instalments due in the first years of the facility as 75 per cent. interest and 25 per cent. principal. In addition to the fine amounting to RON 550,000, ANPC proposed the measure of issuing new reimbursement schedules, both for ongoing loans and loans to be granted in the future, where the principal of the loan is paid by individuals in equal instalments throughout the credit period. The Issuer contested such order in court and, as a result, on 16 June 2023, the Cluj Court of Appeal suspended its effects until the final settlement of the disputes concerning the contravention report and the relevant ANPC order initiated by the Issuer. Subsequently, the Court ruled in favour of the Issuer in first instance, dismissing the fine on 18 April 2024. ANPC appealed such ruling in August 2025, the first term in front of the court of appeal not being fixed at the date of this Prospectus.

**Risks relating to Romania as an emerging market**

***The economy of Romania is more vulnerable to fluctuations in the global economy than developed markets.***

The economy of Romania is vulnerable to market downturns and economic slowdowns elsewhere in the world. The impact of global economic developments is often felt more strongly in emerging markets, such as Romania, than it is in more mature markets. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment/ The Romanian economy could then face severe liquidity constraints, causing it to, among other things, raise tax rates or impose new taxes. This would have a significant impact on the Issuer's business, reputation, results of operation and financial condition.

Romania has undergone substantial political, economic and social change in recent years. As is typical of emerging markets, it does not possess the full business, legal and regulatory infrastructures that would generally exist in more mature free market economies. In addition, the tax, currency and customs legislation in Romania is subject to varying interpretations and changes, which can occur frequently. These issues continue to result in relatively high poverty rates, low standards of living and low wages.

Moreover, Romania has experienced periods with significant political instability. For the past several years, the political environment in Romania has been unstable, dominated by political conflict and under significant pressure from street protests. Potential conflicts between the Government, the Parliament and the country's President may lead to further political and social turmoil, which could hinder policymaking, as well as slow down economic development and institutional reforms.

The future economic direction of Romania remains largely dependent upon the effectiveness of economic, financial and monetary measures undertaken of its government, together with tax, legal, regulatory and political developments. Any potential failure by the Issuer to manage the risks associated with its business in emerging markets could have a material adverse effect on its results of operations. Any such development may materially adversely affect the Issuer's business, reputation, results of operation and financial condition.

***Corruption could create a difficult business climate in Romania and Republic of Moldova.***

Corruption remains one of the main risks confronting companies with business operations in Romania and Moldova. International and local media, as well as global organisations, continue to issue concerning reports on corruption levels in these countries. According to the 2025 Transparency International Corruption Perceptions Index, which ranks countries from 1 (least corrupt) to 180 (most corrupt), Romania is ranked 65th and Republic of Moldova 76th (2024: 65th for Romania and 76th for Republic of Moldova) Corruption has been reported to affect the judicial systems and some of the regulatory and

administrative bodies in Romania, which may be relevant for the Issuer's business and could have an adverse effect on the Issuer's business, prospects, results of operations and financial condition.

***Increase in borrowing costs of the Romanian government could have a negative impact on the Issuer's profitability and financial condition.***

Romania entered 2025 with one of the widest fiscal gaps in the EU. On a European System of Accounts basis (the standard used by Eurostat), the general government deficit rose from 6.6 per cent. of GDP in 2023 to a record 9.3 per cent. in 2024, the highest in the EU that year. This deterioration reflected rapid growth in wage and pension and higher interest costs alongside weak revenue performance.

As at 31 August 2025, the cash-basis execution published by the Romanian Ministry of Finance shows the consolidated budget at a deficit of 4.54 per cent. of GDP up from 4.04 per cent. of GDP at the end of July; for 2025, the January – August consolidated budget stood at a deficit of 4.59 per cent. of GDP.

The European Commission and the Romanian government have agreed that 2025 should close with a deficit of 8.4 per cent. of GDP—a revised target set during the autumn budget update and presented by the Prime Minister and finance authorities in September 2025. The Council's decision also tightened Romania's parameters under the Excessive Deficit Procedure, pointing to the need for “effective action” and capping net-expenditure growth.

Hitting a deficit of 8.4 per cent. of GDP in 2025 will require tight control for the remainder of 2025 and the full effect of recently adopted measures (higher indirect taxes/excises, spending restraint) to flow through the last months. The risk of imbalance remains, as slower growth or weaker revenue could push the deficit higher, while stronger tax enforcement and faster EU-fund absorption would have a positive impact.

Indirect taxes (VAT and excises) and direct taxes increased as part of the first fiscal consolidation package adopted in July 2025. This may have a negative impact on the disposable income and financial position of Romanian individuals and companies, lowering their capacity to borrow new money or to repay existing debt. More specifically, in July 2025, Law no. 141/2025 on certain fiscal-budgetary measures increased the tax on the turnover of credit institutions from 2 per cent. as at 30 June 2025 to 4 per cent. starting with 1 July 2025 until 31 December 2026. Revenues of the Issuer could be negatively impacted by an increase in taxation aiming to reduce the public deficit.

The failure of the fiscal consolidation process could trigger a downgrade of Romania's sovereign rating to non-investment grade, making external funding of the country more difficult and more expensive. This would have a negative impact on the economic growth, lowering demand for loans and capacity of debtors to repay their debt, as well as on the Issuer's financial results, business and prospects.

***Political uncertainty in Romania could have a negative impact on the Issuer's business.***

Romania may continue to experience political instability, which could adversely affect the Issuer's operations, financial performance and overall business prospects. An unstable political environment may undermine investor confidence in Romania, leading to adverse market reactions and heightened perceptions of sovereign risk. If political instability hinders the adoption of timely or consistent further fiscal measures, the government may face difficulties maintaining the country's creditworthiness. A weakening investment climate could further constrain access to external financing, potentially triggering higher funding costs for domestic banks and corporates, including the Issuer. Additionally, the risk of RON depreciation could escalate if uncertain policy signals or delayed reforms dampen market sentiment. Prolonged currency volatility may lead to inflated funding expenses, especially for liabilities denominated in foreign currencies, thereby exerting pressure on the Issuer's liquidity and capital position.

Rising interest rates also remain a distinct possibility if political instability results in diminished confidence among international investors or compels the Romanian authorities to introduce tighter monetary policies. Should borrowing costs increase substantially, the Issuer may encounter both a decline in lending demand and diminished asset quality if clients struggle to service higher-rate obligations. Moreover, if inflationary tendencies deepen in an environment of delayed or inconsistent economic policy interventions, the National Bank of Romania could adopt further rate hikes, amplifying funding expenses for the Issuer and amplifying its exposure to credit and market risk.

Consequently, any one or more of these factors may adversely impact the Issuer's financial condition, business operations and prospects.

***Any downgrade of Romania's credit ratings by an international rating agency could have a negative impact on the Issuer's business.***

The long-term foreign and domestic currency debt of Romania is currently rated BBB-/A-3 (negative outlook) by S&P, Baa3/P-3 (negative outlook) by Moody's and BBB-/F3 (negative outlook) by Fitch Ratings Ireland Ltd. ("**Fitch**"). Any adverse revisions to Romania's credit ratings for domestic or international debt by these rating agencies may lead to similar downgrades to the Issuer's credit ratings which would materially adversely impact the Issuer's ability to raise additional financing and the interest rates and other commercial terms under which such additional financing is available. This could hamper the Issuer's ability to obtain financing (including the Capital Securities), which could have a material adverse effect on its business, prospects, results of operations and financial condition.

***Romania's difficulties related to its post-accession process to the European Union may adversely affect the Issuer's business.***

Romania entered the European Union in January 2007 and continues to undergo legislative changes due to its accession to, and its continued integration with, the EU. As part of the accession process, the EU has established a series of measures for Romania to fulfil basic EU membership requirements. The European Commission was tasked with monitoring Romania's progress, which it does by issuing annual compliance reports. The European Commission's progress reports and follow ups on the Co-operation and Verification Mechanism ("**CVM**") are closely following the progress and the issues that need to be further addressed. The report dated 22 November 2022 assessed progress on the recommendations dated January 2017, as well as the additional recommendations dated November 2018. The conclusion of such report is that the progress made by Romania under the CVM is sufficient to meet Romania's commitments made at the time of its accession to the EU and as a result the CVM requirements were lifted as of 15 September 2023. Romania still has to continue working consistently on translating the remaining commitments specified in the report dated 22 November 2022 into concrete legislation and on continued implementation, within the annual Rule of Law Report cycle and with the support of other parts of the EU rule of law toolbox. Monitoring now continues under the annual Rule of Law Report cycle, which focuses on implementation and systemic reforms. The 2024 Rule of Law Report, published on 24 July 2024, highlights Romania's efforts to improve judicial independence, digitalisation of the justice system, and anti-corruption measures. However, it also notes persistent challenges, including delayed legislative responses affecting corruption case outcomes, lack of lobbying regulations, and vulnerabilities in public procurement and media transparency. Romania must continue translating its remaining commitments into concrete legislative, administrative, and institutional measures, supported by the broader EU rule of law toolbox

If the Romanian authorities fail to translate this commitment into concrete legislative, administrative and other measures, Romania could face EU sanctions, which could have a material adverse effect on financial operations, investments and capital flows in the country, and consequently, on the Issuer's business, prospects, operational results and financial position. Such sanctions may take the form, for example, of a temporary suspension of the application of relevant provisions governing the relations of Romania with any other EU member state or member states or the suspension of member states' obligations to recognise and enforce, under the conditions laid down in EU law, Romanian judgments and judicial decisions. The legal and judicial system in Romania is less familiar with these types of transactions by comparison with other European countries, which makes an investment in the Capital Securities riskier than investments in securities of an issuer that operates in a more developed legal and judicial system.

The legal and judicial system in Romania is less familiar with these types of transactions than those of other European countries. Commercial law, competition law, securities law, company law, bankruptcy law and other areas of law are relatively new to local judges while such related legal provisions have been and continue to be subject to constant changes as new laws are being adopted in order to keep pace with the transition to a market economy and EU legislation. Existing laws and regulations in Romania may be applied inconsistently or may be interpreted in a manner that is restrictive and non-commercial. It may not be possible, in certain circumstances, to obtain legal remedies in a timely manner in these countries. The relatively limited experience of a significant number of the magistrates practicing in these

markets, specifically with regard to capital markets issues, and the existence of a number of issues relating to the independence of the judiciary system may lead to ungrounded decisions or to decisions based on considerations that are not grounded in the law.

In addition to the foregoing, resolving cases may at times involve very considerable delays. The court system in Romania is underfunded relative to those of other European countries. The enforcement of judgments may also prove difficult, which means that the enforcement of rights through court systems may be laborious, especially where such judgments may lead to closure of businesses or job losses. This lack of legal certainty and the inability to obtain effective legal remedies in a timely manner may adversely affect the Issuer's business and may also make it difficult for investors in the Capital Securities to address any claims that they may have.

***Holders may be unable to effect service of process or enforce foreign judgments against the Issuer or its assets in the jurisdictions in which it operates.***

The Issuer is incorporated in Romania and, while the Capital Securities are governed by English law, they are issued pursuant to Romanian law, which may limit the legal recourse investors in the Capital Securities may enjoy against it. Furthermore, the terms and conditions applicable to the Capital Securities include a non-exclusive asymmetric jurisdiction clause.

The recognition and enforcement of foreign judgments under the Hague Convention of 2 July 1919 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters, which is already in force among EU Member States and other third countries including the UK as of 1 July 2025, and provides for the mutual recognition and enforcement of judgments from/to non-EU countries that are party to the convention, depends on where certain eligibility criteria are met. Furthermore, the recognition and enforcement of foreign judgments in administrative, customs, criminal or other public law related matters is subject to special legislation and certain conditions may need to be fulfilled. Foreign judgements issued in non-EU member states, including the UK, which provide for protective measures or for which only a temporary enforcement is available cannot be recognised and enforced in Romania.

In addition, the laws of Romania permit an action to be brought before a court of competent jurisdiction in Romania for the recognition and enforcement of a final and conclusive judgment in personam rendered by a court from an EU member state, provided that the relevant conditions set forth in EC Regulation No. 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters are met (e.g., provisional, protective measures cannot be recognised and enforced under this regulation unless certain conditions are met, such as, the defendant being summoned to appear). In addition, other conditions may be applicable with respect to specific matters, under special Romanian legislation or international conventions. Similar rules on the recognition and enforcement of foreign court judgments apply to judgments issued in non-EU member states which are parties to the 2007 Lugano Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters.

The limitations set out above may deprive investors in the Capital Securities of effective legal recourse for claims related to their investment.

## **Risks related to the Capital Securities**

### ***The Capital Securities are complex instruments that may not be suitable for all investors***

The Capital Securities may not be suitable for all investors. Each potential investor in the Capital Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor, either on its own or with the help of its financial and other professional advisers, should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Issuer and the Capital Securities, the merits and risks of investing in the Capital Securities and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Capital Securities and the impact such investment will have on its overall investment portfolio;

- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Capital Securities, including where the currency for payments in respect of the Capital Securities is different from the potential investor's currency and including the possibility that the entire principal amount of the Capital Securities could be lost;
- (iv) understand thoroughly the terms of the Capital Securities, including the provisions relating to the payment and cancellation of interest and any write-down of the Capital Securities, and be familiar with the behaviour of any relevant indices and the financial markets in which they participate; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Capital Securities are complex financial instruments making it difficult to compare them with other similar financial instruments due to a lack of fully harmonised structures, trigger points and loss absorption. A potential investor should not invest in the Capital Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Capital Securities will perform under changing conditions, the likelihood of a Principal Write-down, reaching the point of non-viability or cancellation of coupons (as discussed below in the risk factors "*The principal amount of the Capital Securities may be reduced (Written Down) to absorb losses*" and "*In certain circumstances, the Issuer may decide not to pay interest on the Capital Securities or be required not to pay such interest*"), the resulting effects on the value of the Capital Securities, and the impact of this investment on the potential investor's overall investment portfolio. These risks may be difficult to evaluate given their discretionary or unknown nature.

#### ***The Capital Securities constitute deeply subordinated obligations***

The Capital Securities constitute direct, unsecured, unguaranteed and subordinated obligations of the Issuer. In the event of normal bankruptcy proceedings (*faliment*) or liquidation (*lichidare*) of the Issuer, the rights and claims (if any) of the Holders to payment under the Capital Securities in respect of the Prevailing Principal Amount (including any accrued and uncanceled interest, Coupons or damages awarded for breach of any obligations under the Conditions, if any are payable) will rank, subject to such exceptions as are from time to time mandatory under applicable law: (i) junior to the rights and claims of Senior Creditors, present and future; (ii) *pari passu* without any preference among themselves and with all rights and claims of creditors in respect of Parity Obligations, present and future; and (ii) senior only to the rights and claims of creditors in respect of Junior Obligations, present and future.

Before the occurrence of any event referred to above, Holders may already have lost the whole or part of their investment in the Capital Securities as a result of a write-down of the principal amount of the Capital Securities following a Trigger Event (as defined in Condition 20 (*Definitions*)) (i.e. if the Issuer CET1 Ratio or the Group CET1 Ratio is less than 5.125 per cent. as determined by the Issuer or the Competent Authority) and/or a write-down or conversion of the principal amount of the Capital Securities pursuant to the exercise of any Bail-in and Loss Absorption Power by the Resolution Authority (see the risk factor "*The principal amount of the Capital Securities may be reduced (Written Down) to absorb losses*" below). In the event of normal bankruptcy proceedings (*faliment*) or liquidation (*lichidare*) of the Issuer, payment of any remaining principal amount not so written down to a Holder will, by virtue of such subordination, only be made after all Senior Creditors of the Issuer have been satisfied in full. If any such event occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due and payable under the Capital Securities. A Holder may therefore recover less than the holders of Senior Obligations of the Issuer.

In addition, no Holder shall be entitled, and waives any right, to exercise any right of set-off or netting against moneys owed by the Issuer in respect of the Capital Securities. If an amount payable by the Issuer in respect of any Capital Security to any Holder is unduly discharged by set-off or netting, the respective Holder must pay an amount equal to the discharged amount to the Issuer, (or, in the event of its bankruptcy or liquidation, to the liquidator or other relevant insolvency official (as the case may be and to the extent applicable)) and, until such time as payment is made, shall hold an amount equal to such amount discharged on behalf and for the benefit of the Issuer (or the liquidator or other relevant insolvency official of the Issuer) and, consequently, the discharge shall be deemed as not having occurred.

Although the Capital Securities may pay a higher rate of interest than securities which are not, or not as deeply, subordinated, there is a real risk that an investor in deeply subordinated securities such as the Capital Securities will lose all or some of its investment should the Issuer become insolvent.

***The Issuer is not prohibited from issuing further debt, which may rank pari passu with or senior to the Capital Securities***

The Conditions of the Capital Securities do not limit the amount of liabilities ranking senior or *pari passu* in priority of payment to the Capital Securities which may be incurred or assumed by the Issuer from time to time, whether before or after the issue date of the Capital Securities nor do they restrict the Issuer in issuing Additional Tier 1 instruments with other write-down mechanisms or trigger levels or that convert into shares upon a Trigger Event. The Issuer may be able to incur significant additional secured or unsecured unsubordinated indebtedness and/or prior-ranking subordinated indebtedness. If the Issuer becomes insolvent or is liquidated, or if payment under any secured or unsecured unsubordinated and/or prior-ranking subordinated debt obligations is accelerated, the Issuer's secured or unsecured unsubordinated or, as the case may be, prior-ranking subordinated lenders would be entitled to exercise the remedies available to a secured or unsecured unsubordinated and/or prior-ranking subordinated lender before the Holders.

Unsubordinated liabilities of the Issuer may also arise from events that are not reflected on the balance sheet of the Issuer, including, without limitation, insurance or reinsurance contracts, derivative contracts, the issuance of guarantees or the incurrence of other contingent liabilities on an unsubordinated basis. Claims made under such guarantees or such other contingent liabilities will become unsubordinated liabilities of the Issuer that in a normal bankruptcy proceedings (*faliment*) or liquidation (*lichidare*) of the Issuer will need to be paid in full before the obligations under the Capital Securities may be satisfied.

Also, there is a risk that, as a result of Article 234<sup>2</sup> of Law no. 85/2014 on insolvency prevention and proceedings (as the same may be amended, supplemented or replaced from time to time) (the "**Romanian Insolvency Act**"), capital instruments which are expressed to rank *pari passu* with, or junior to, the Capital Securities and which fully disqualify as own funds or are reclassified as a tier of own funds ranking higher than the Capital Securities, may, in the normal bankruptcy proceedings (*faliment*) or liquidation (*lichidare*) of the Issuer, rank senior to the Capital Securities. See also Condition 2.2 (*Subordination*), which provides that the ranking of the Capital Securities is subject to such exceptions as are from time to time mandatory under applicable law (which, as at the date of this Prospectus, would include the above-mentioned Article 234<sup>2</sup> of the Romanian Insolvency Act).

As a result, the Capital Securities are subordinated to any secured or unsecured unsubordinated indebtedness and/or prior-ranking subordinated indebtedness that the Issuer may incur in the future. If any event referred to in the risk factor "*The Capital Securities constitute deeply subordinated obligations*" above were to occur, the Issuer may not have enough assets remaining after these payments to pay amounts due and payable under the Capital Securities and the Holders may therefore recover rateably less (if anything) than the lenders of the Issuer's secured or unsecured unsubordinated debt and/or prior-ranking subordinated debt in the event of normal bankruptcy proceedings (*faliment*) or liquidation (*lichidare*) of the Issuer. Even if the claims of senior ranking creditors would be satisfied in full, Holders may still not be able to recover the full amount due because the proceeds of the remaining assets must be shared *pro rata* among all other creditors holding claims ranking *pari passu* with the claims of the Holders in respect of the Capital Securities.

In addition, the incurrence of additional capital instruments with interest cancellation provisions similar to the Capital Securities may increase the likelihood of (partial) interest payment cancellations under the Capital Securities if the Issuer is not able to generate sufficient Distributable Items or to maintain adequate capital buffers to make interest payments falling due on all outstanding capital instruments of the Issuer in full. See the risk factor "*In certain circumstances, the Issuer may decide not to pay interest on the Capital Securities or be required not to pay such interest*" below.

If the Issuer's financial condition were to deteriorate, investors could suffer direct and materially adverse consequences, including suspension of interest and reduction of interest and principal and, if the Issuer was liquidated (whether voluntarily or involuntarily), investors could suffer loss of their entire investment.

***In certain circumstances, the Issuer may decide not to pay interest on the Capital Securities or be required not to pay such interest***

The Issuer may at any time elect, in its sole and absolute discretion, to cancel the payment of any interest in whole or in part at any time that it deems necessary or desirable and for any reason and without any restriction on the Issuer thereafter. Further, the Issuer will be required to cancel (in whole or in part, as applicable) any interest payment otherwise due to be paid to the extent that: (a) such payment of interest, when aggregated with any interest payments or distributions paid or scheduled to be paid in the then current financial year on the Capital Securities and all other own funds instruments (excluding any such interest payments on Tier 2 Capital instruments and/or which have already been provided for, by way of deduction, in the calculation of Distributable Items) would cause the amount of Distributable Items (if any) then available to the Issuer to be exceeded or (b) such payment of interest, when aggregated with other relevant distributions, would cause the Maximum Distributable Amount (if any) then applicable to the Issuer and/or the Group to be exceeded or (c) the Competent Authority orders the Issuer to cancel the payment of such interest.

In addition, any accrued but unpaid interest will be cancelled following the occurrence of a Trigger Event. As a result, a Holder may not at any time receive any payments of interest on the Capital Securities (which, due to the absence of a fixed maturity date, may be until perpetuity).

***Mandatory cancellation of interest due to lack of Distributable Items***

Distributable Items relate to the Issuer's profits and distributable reserves determined on the basis of the Issuer's non-consolidated accounts, as further described in Condition 3.2(b) (*Mandatory cancellation of interest*). The amount of Distributable Items available to pay interest on the Capital Securities may be affected, *inter alia*, by other discretionary interest payments on other (existing or future) capital instruments, including CET1 distributions and any write-ups of principal amounts of Discretionary Temporary Write-down Instruments (if any).

As at 30 June 2025, the Issuer's Distributable Items were approximately RON 2,655.6 million and approximately RON 4,005.6 million as at 30 September 2025. In addition, the amount of Distributable Items may potentially be adversely affected by the performance of the business of the Issuer in general, factors affecting its financial position (including capital and leverage ratios and requirements), the economic environment in which the Issuer operates and other factors outside of the Issuer's control. Earnings may furthermore fluctuate significantly and may materially adversely affect Distributable Items of the Issuer.

***Mandatory cancellation of interest due to Maximum Distributable Amount restrictions***

The Maximum Distributable Amount will apply in circumstances where the Issuer does not meet its combined capital buffer requirement ("**CBR**") or any equivalent requirement (see also below and in the risk factor "*CRD includes capital requirements that are in addition to the minimum regulatory Common Equity Tier 1 capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Capital Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payments*").

Under article 126<sup>2</sup> of the Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, along with the related implementing regulations, including article 293 of NBR Regulation no. 5/2013 regarding prudential requirements for credit institutions (implementing article 141(2) CRD) (the "**Article 141(2) CRD Implementing Legislation**"), institutions that fail to meet the CBR (broadly, the combination of the capital conservation buffer, the institution-specific countercyclical capital buffer, the systemic risk buffer and the global systemically important institutions buffer and/or the other systemically important institutions buffer, in each case as applicable to the institution) will be subject to restricted discretionary payments (which are defined broadly by CRD as distributions in connection with CET1 capital, payments on Additional Tier 1 Capital instruments (including interest amounts on the Capital Securities and any write-ups of principal amounts (if applicable) and payments of discretionary staff remuneration).

In the event of a breach of the CBR, the restrictions under the Article 141(2) CRD Implementing Legislation will be scaled according to the extent of the breach of the CBR and calculated as a percentage

of the institution's profits. Such calculation will result in a maximum distributable amount ("**Maximum Distributable Amount**" or "**MDA**") in each relevant period.

MDA restrictions would need to be calculated for each separate level of supervision. It follows that MDA restrictions should be calculated at the Issuer and Group level. For each such level of supervision, the level of restriction will be scaled according to the extent of the breach of the CBR applicable at such level and calculated as a percentage of the respective profits calculated at such level. The MDA would thus be assessed separately for each level of supervision based on this calculation and distributions would be restricted by the lowest amount.

Such calculation will result in the MDA in each relevant period. As an example, the scaling is such that in the bottom quartile of the CBR, no discretionary distributions will be permitted to be paid. As a consequence, in the event of breach of the CBR it may be necessary to reduce payments that would, but for the breach of the CBR, be discretionary, including potentially exercising the Issuer's discretion to cancel (in whole or in part) interest payments in respect of the Capital Securities. In such circumstances, the aggregate amount of distributions which the Issuer can make on account of dividends, interest payments, write-up amounts and redemption amounts on its Tier 1 instruments (including the Capital Securities) and certain bonuses will be limited.

#### *Mandatory cancellation of interest due to a failure to comply with MREL requirements*

A failure by the Issuer to comply with the minimum requirement for own funds and eligible liabilities ("**MREL**") under BRRD means the Issuer could become subject to the MDA restrictions on certain discretionary payments, including payments on Additional Tier 1 instruments such as the Capital Securities (subject to a potential nine month grace period in case specific conditions are met) (the "**M-MDA**"). Article 91<sup>1</sup> of Law no. 312/2015 on the recovery and resolution of credit institutions and investment firms, as well as for the amendment and completion of certain financial sector regulations (implementing article 16a BRRD) (the "**Article 16a BRRD Implementing Legislation**") clarifies, for the purposes of restrictions on distributions, the relationship between Pillar 1 minimum own funds requirements ("**P1R**"), Pillar 2 requirements (which are binding and breach of which can have direct legal consequences for banks) ("**P2R**"), the MREL requirement and the CBR (the so called "**stacking order**"). Under article 16a BRRD, an institution such as the Issuer shall be considered as failing to meet the CBR for the purposes of article 16a BRRD where it does not have MREL in an amount and of the quality needed to meet, at the same time, the requirement defined in article 128(6) of the CRD (i.e. the CBR) as well as each of the P1R, the P2R and the MREL requirement. This requirement recognises that breaches of the CBR (whilst still complying with P1R and P2R) may be due to a temporary inability to issue new eligible debt for MREL purposes. For these situations, BRRD envisages a nine-month grace period before restrictions under article 16a BRRD will apply. During the grace period, the relevant authorities will be able to exercise other powers available to them that are appropriate in view of the financial situation of the relevant institution.

On 30 June 2025, the Issuer's MREL ratio was 32.71 per cent. of the consolidated Group Risk Weighted Assets ("**RWA**"). The MREL requirement as at 30 June 2025 was 25.7 per cent. of the consolidated Group's RWA, without CBR buffers of 6 per cent. The buffer to M-MDA restrictions was 15.08 per cent. or EUR 2,783,289,892 to total MREL and 18.58 per cent. or EUR 3,429,404,629 to subordinated MREL. On 30 September 2025, the Issuer's MREL ratio was 33.14 per cent. of the consolidated Group's RWA. The MREL requirement as at 30 September 2025 was 25.7 per cent. of the Group's RWA, without CBR buffers. The buffer to M-MDA restrictions was 16.84 per cent. or EUR 3,169,893,396 to total MREL and 20.34 per cent. or EUR 3,828,906,694 to subordinated MREL.

There can be no assurance, however, that the Issuer will continue to meet the MREL requirement or that any buffer would be sufficient to protect against a breach of the CBR resulting in restrictions on payments on its CET1 instruments and Additional Tier 1 instruments, such as the Capital Securities.

#### *Impact of CET1 capital requirements on interest payment restrictions*

The amount of CET1 capital required to meet the CBR or any equivalent requirement will be relevant to assess the risk of interest payments being cancelled. See also below in the risk factor "*CRD includes capital requirements that are in addition to the minimum regulatory Common Equity Tier 1 capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Capital Securities in certain circumstances, in which case the Issuer will automatically cancel*

*such interest payments".* The market price of the Capital Securities is likely to be affected by any fluctuations in the Issuer CET1 Ratio and/or the Group CET1 Ratio. Any indication or perceived indication that these ratios are tending towards the MDA or M-MDA trigger level may have an adverse impact on the market price of the Capital Securities.

The Issuer's capital requirements are, by their nature, calculated by reference to a number of factors any one of which or combination of which may not be easily observable or capable of calculation by investors. See also below in the risk factor *"The Issuer CET1 Ratio and the Group CET1 Ratio will be affected by a number of factors, any of which may be outside the Issuer's control, as well as by its business decisions and, in making such decisions, the Issuer's interests may not be aligned with those of the investors"*.

Holder may not be able to predict accurately the proximity of the risk of discretionary payments (of interest and principal) on the Capital Securities being prohibited from time to time as a result of the operation of article 141a CRD and article 16a BRRD. In any event, the Issuer will have discretion as to how the MDA will be applied if insufficient to meet all expected distributions and is not obliged to take the interests of investors in the Capital Securities into account.

#### *Mandatory cancellation of interest imposed by supervisory or resolution authorities*

CRD gives the Competent Authority certain supervisory measures and powers which would apply if the Issuer fails (or is likely to fail) to comply with applicable regulations. There are no ex-ante limitations on the discretion to use this power. In such circumstances, the Competent Authority could require the Issuer to suspend payments of interest on Additional Tier 1 instruments (including the Capital Securities). Furthermore, the CRD provides the Competent Authority coupon cancellation powers in the context of the regular supervisory review and evaluation process of the Issuer which may force the Issuer to cancel interest payments to Holders, even if the Issuer has sufficient Distributable Items and no MDA restrictions apply.

Payment of interest may also be affected by any application of the legislation in Romania implementing the BRRD.

#### *Mandatory cancellation of interest due to failing to meet leverage ratio requirements*

CRD includes a requirement for credit institutions to calculate, report, monitor and publish their leverage ratios, defined as their Tier 1 capital as a percentage of their total exposure measure. As part of the European Commission's legislative initiatives to amend and supplement certain provisions of, *inter alia*, CRD, the Capital Requirements Regulation ((EU) No 575/2013, as amended, "**CRR**") and BRRD (the "**EU Banking Reforms**"), introduced a leverage ratio buffer requirement or 'surcharge' for G-SIIs, including a restriction on distributions (including on payments of Additional Tier 1 instruments, such as the Capital Securities) in case of failure to meet the leverage ratio buffer requirement. On the date of this Prospectus, the Issuer does not qualify as G-SII. However, there can be no assurance that relevant EU or Romanian policymakers or regulators will not extend the leverage ratio buffer requirement to non-G-SIIs.

In addition, there can be no assurance that the leverage ratio specified above, or any of the P1R, P2R, CBR or MREL requirements applicable to the Issuer will not be amended in the future to include new and more onerous capital requirements, which in turn may affect the Issuer's capacity to make payments of interest on the Capital Securities.

#### *Potential impact of the above risks on payments of interest, the rights of Holders and the market price of the Capital Securities*

It follows from the above that there can be no assurance that an investor will receive payments of interest in respect of the Capital Securities, and the Issuer's ability to make interest payments on the Capital Securities will depend on a combination of factors including (i) the level of distributable reserves and the profits the Issuer has accumulated in the financial year preceding any interest payment date, (ii) the amount of outstanding capital instruments with interest cancellation provisions similar to the Capital Securities, (iii) the CBR of the Issuer and any other capital or buffer requirement applicable to the Issuer as applicable at each solvency level from time to time and (iv) the application of certain discretionary powers of the Competent Authority in respect of the Issuer. Furthermore, even if there were to be

sufficient funds to make interest payments on the Capital Securities, the Issuer may still elect to cancel such interest payment for any reason and for any length of time. Furthermore, no interest will be paid on any principal amount that has been written down following a Trigger Event and/or following the exercise of Bail-in and Loss Absorption Powers and interest on any remaining principal amount following such write-down is subject to the Issuer having sufficient Distributable Items and, if applicable, sufficient Net Profit and the MDA not being exceeded (see the risk factor "*The principal amount of the Capital Securities may be reduced (Written Down) to absorb losses*" below).

In addition to the above, in response to the outbreak of communicable diseases, pandemics and epidemics or health emergencies, as well as to other crises that impact the financial markets and economy, legislative and/or regulatory authorities may at any time introduce temporary emergency legislative measures which may impose further restrictions on the Issuer to make distributions, such as in particular the suspension of payments of interest on Additional Tier 1 instruments (including the Capital Securities).

Any interest not paid shall be deemed cancelled and shall not accumulate or be payable at any time thereafter. Cancellation of interest shall not constitute a default under the Capital Securities for any purpose. Investors shall have no further rights in respect of any interest not paid and shall not be entitled to any compensation or to take any action to cause the bankruptcy, liquidation, dissolution or winding up of the Issuer. Furthermore, cancellation of interest payments shall not in any way impose restrictions on the Issuer, including restricting the Issuer from making distributions or equivalent payments in connection with junior ranking or *pari passu* ranking instruments.

Any actual or anticipated cancellation of interest on the Capital Securities will likely have an adverse effect on the market price of the Capital Securities. In addition, as a result of the interest cancellation provisions of the Capital Securities, the market price of the Capital Securities may be more volatile than the market prices of other debt securities on which interest accrues which is not subject to such cancellation and may be more sensitive generally to adverse changes in the Issuer's financial condition. Any indication or perceived indication that the Issuer CET1 Ratio and/or the Group CET1 Ratio is trending towards the minimum applicable CBR, triggering any MDA restrictions (either under CRD or under BRRD), may have an adverse effect on the market price of the Capital Securities.

***The principal amount of the Capital Securities may be reduced (Written Down) to absorb losses***

The Capital Securities are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Additional Tier 1 Capital of the Issuer. Such eligibility depends upon a number of conditions being satisfied. One of these relates to the ability of the Capital Securities and the proceeds of their issue to be available to absorb any losses of the Issuer. Accordingly, if the Issuer CET1 Ratio and/or the Group CET1 Ratio falls below 5.125 per cent. as determined by the Issuer or the Competent Authority (a "**Trigger Event**"), the Prevailing Principal Amount of the Capital Securities will be reduced with an amount at least sufficient to immediately cure the Trigger Event, and any accrued but unpaid interest will be cancelled. A Principal Write-down may occur at any time on one or more occasions (**provided, however, that** the principal amount of a Capital Security shall never be reduced to below one cent). Any Principal Write-down of the Capital Securities shall not constitute a default of the Issuer. Investors shall not be entitled to any compensation or to take any action to cause the bankruptcy, liquidation, dissolution or winding up of the Issuer (without prejudice to any principal amount subsequently written-up at the discretion of the Issuer in accordance with the Principal Write-up mechanism as set out in Condition 7.2 (*Principal Write-up*)).

A Principal Write-down is expected to occur simultaneously with the concurrent *pro rata* write-down or conversion into shares or other instruments of ownership of the prevailing principal amount of any Loss Absorbing Instruments. However, this will not necessarily be the case. In particular, investors must note that to the extent such write-down or conversion into shares or other instruments of ownership of any Loss Absorbing Instruments is not effective for any reason (i) the ineffectiveness of any such write-down or conversion into shares or other instruments of ownership shall not prejudice the requirement to effect a Principal Write-down of the Capital Securities and (ii) the write-down or conversion into shares or other instruments of ownership of any other Loss Absorbing Instruments which is not effective shall not be taken into account in determining the Write-down Amount of the Capital Securities. Therefore, the write-down or conversion into shares or other instruments of ownership of other Loss Absorbing Instruments is not a condition for a Principal Write-down of the Capital Securities and, as a result of failure to write down or convert into shares or other instruments of ownership such other Loss Absorbing

Instruments, the Write-down Amount of the Capital Securities may be higher. Holders may lose all or some of their investment as a result of such a Principal Write-down of the Prevailing Principal Amount of the Capital Securities. In particular, the Issuer may be required to, or the Competent Authority may elect to, write down the Prevailing Principal Amount of the Capital Securities following the occurrence of a Trigger Event such that the CET1 ratios are restored to a level higher than 5.125 per cent. in the case of the Issuer CET1 Ratio and the Group CET1 Ratio.

No assurance can be given that a Principal Write-down will be applied towards not only curing the Trigger Event but also towards restoring the Issuer CET1 Ratio and/or the Group CET1 Ratio to a level above the Trigger Event. In such an event, the Write-down Amount will be greater than the amount by which the then Prevailing Principal Amount would have been written down if the Issuer had been required to write down the principal amount of the Capital Securities to the extent necessary to restore the Issuer CET1 Ratio and/or the Group CET1 Ratio to 5.125 per cent. (as applicable).

Furthermore, it is possible that, following a material decrease in the Issuer CET1 Ratio and/or Group CET1 Ratio, a Trigger Event in relation to the Capital Securities occurs simultaneously with a trigger event in relation to other Loss Absorbing Instruments having a higher trigger level. If this were to occur, the Prevailing Principal Amount of the Capital Securities will be reduced *pro rata* with such Loss Absorbing Instruments having a higher trigger level up to an amount sufficient to restore the Issuer CET1 Ratio and the Group CET1 Ratio to not less than 5.125 per cent. **provided that**, with respect to each other Loss Absorbing Instrument (if any), such *pro rata* write-down and/or conversion shall only be taken into account to the extent required to restore the Issuer CET1 Ratio and/or the Group CET1 Ratio (as the case may be) contemplated above to the lower of (x) such other Loss Absorbing Instrument's trigger level and (y) the trigger level in respect of which the relevant Trigger Event under the Capital Securities has occurred, in each case, in accordance with the terms of the relevant instruments and the Applicable Banking Regulations.

The Issuer's current and future outstanding junior and *pari passu* ranking securities might not include write-down or similar features with triggers comparable to those of the Capital Securities. As a result, it is possible that the Capital Securities will be subject to a Principal Write-down, while junior and *pari passu* ranking securities remain outstanding and continue to receive payments. Also, the Conditions do not in any way impose restrictions on the Issuer following a Principal Write-down, including restrictions on making any distribution or equivalent payment in connection with (i) any Junior Obligations (including, without limitation, any ordinary shares of the Issuer) or (ii) in respect of any Parity Obligations.

Investors may lose all or some of their investment as a result of a Principal Write-down or of reaching the point of non-viability. Although (in case of a Principal Write-down only following a Trigger Event) the Conditions allow for the principal amount to be written-up again, due to the limited circumstances in which a Principal Write-up may be undertaken any reinstatement of the Prevailing Principal Amount of the Capital Securities and recovery of such investment may take place over an extended period of time or not at all. In addition, if an Enforcement Event as defined in Condition 10 (*Enforcement*) occurs prior to the Capital Securities being written-up in full pursuant to Condition 7.2 (*Principal Write-up*), Holders' claims for principal in liquidation or bankruptcy will be based on the reduced principal amount (if any) of the Capital Securities. Further, during the period of any Principal Write-down pursuant to Condition 7.1 (*Principal Write-down*), interest will accrue on the reduced principal amount of the Capital Securities and is subject to the Issuer having sufficient Distributable Items and, if applicable, sufficient Net Profit and any applicable MDA not being exceeded. Also, any redemption at the option of the Issuer upon the occurrence of a Tax Event, a Withholding Tax Event or a Capital Event during such period will take place at the reduced principal amount of the Capital Securities.

The written down principal amount will not be automatically reinstated if the Issuer CET1 Ratio and/or the Group CET1 Ratio are restored above a certain level. It is the extent to which the Issuer makes a profit from its operations (if any) that will affect whether the principal amount of the Capital Securities may be reinstated to its Original Principal Amount. The Issuer's ability to write-up the principal amount of the Capital Securities will depend on certain conditions, such as there being sufficient Net Profit (being the lower of (i) the consolidated net profit after tax of the Issuer as shown in the most recent audited annual consolidated accounts of the Issuer and (ii) the unconsolidated net profit after tax of the Issuer as shown in the most recent audited annual unconsolidated accounts of the Issuer) and, if applicable, the MDA not being exceeded. No assurance can be given that these conditions will ever be met. Moreover,

even if met, the Issuer will not in any circumstances be obliged to write-up the principal amount of the Capital Securities. Also the Competent Authority has the power to prohibit a write-up in the context of the regular supervisory review and evaluation process or if the Issuer fails (or is likely to fail) to comply with applicable regulations. However, if any write-up were to occur, it will have to be undertaken on a *pro rata* basis with any other instruments qualifying as Additional Tier 1 Capital providing for a reinstatement of principal amount in similar circumstances that have been subject to a write-down (see Condition 7.2(a) (*Principal Write-up*)).

The market price of the Capital Securities is expected to be affected by any actual or anticipated write-down of the principal amount of the Capital Securities as well as by the Issuer's actual or anticipated ability to write-up the reduced principal amount to its original principal amount.

***The Issuer CET1 Ratio and the Group CET1 Ratio will be affected by a number of factors, any of which may be outside the Issuer's control, as well as by its business decisions and, in making such decisions, the Issuer's interests may not be aligned with those of the investors***

The market price of the Capital Securities is expected to be affected by fluctuations in the Issuer CET1 Ratio and/or the Group CET1 Ratio. Any indication or perceived indication that the Issuer CET1 Ratio and/or the Group CET1 Ratio is trending towards the write-down trigger of 5.125 per cent. may have an adverse effect on the market price of the Capital Securities. The level of the Issuer CET1 Ratio and/or the Group CET1 Ratio may significantly affect the trading price of the Capital Securities.

The occurrence of a Trigger Event is inherently unpredictable and depends on a number of factors, any of which may be outside the Issuer's control. Because the Issuer CET1 Ratio and the Group CET1 Ratio may be calculated as at any date, a Trigger Event could occur at any time. The calculation of the Issuer CET1 Ratio and/or the Group CET1 Ratio could be affected by one or more factors, including, among other things, changes in the mix of the Issuer's business, major events affecting its earnings, expected credit losses and impairments, dividend payments by the Issuer, accounting changes, regulatory changes (including the imposition of additional minimum capital or capital buffer requirements or changes to definitions and calculations of regulatory capital ratios and their components or the changes to the interpretation thereof by the relevant authorities or case law) and the Issuer's ability to manage risk-weighted assets in both its ongoing businesses and those which it may seek to exit or enter. Examples of the regulatory changes which may impact the Issuer CET1 Ratio and/or the Group CET1 Ratio are Basel IV, the ECB's targeted review of internal models (TRIM), the regulation on minimum loss coverage for non-performing exposures ("NPE") complementing Regulation (EU) No 575/2013 relating to own funds (Regulation (EU) 2019/630 (including associated supervisory expectations), the European Banking Authority's ("EBA").

The Issuer CET1 Ratio, the Group CET1 Ratio, Distributable Items and any MDA will also depend on the Issuer's decisions relating to its businesses and operations, as well as the management of its capital position, and may be affected by changes in applicable accounting rules or by changes to regulatory adjustments which modify the regulatory capital impact of accounting rules. For example, the Issuer may decide not to, or not be able to, raise capital at a time when it is feasible to do so, even if that would result in the occurrence of a Trigger Event.

Investors will not be able to monitor movements in the Issuer CET1 Ratio and/or the Group CET1 Ratio or any distance to MDA trigger levels on a continuous basis and it may therefore not be foreseeable when a Trigger Event may occur or whether interest payments must be cancelled. The Issuer will have no obligation to consider the interests of investors in connection with its strategic decisions, including in respect of its capital management. Investors will not have any claim against the Issuer relating to decisions that affect the business and operations of the Issuer, including its capital position, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause investors to lose all or part of the value of their investment in the Capital Securities.

The usual reporting cycle of the Issuer is for the Issuer CET1 Ratio and the Group CET1 Ratio to be reported on a quarterly basis in conjunction with the Issuer's quarterly financial reporting, which may mean investors are given limited warning of any deterioration in the Issuer CET1 Ratio and/or the Group CET1 Ratio. Investors should also be aware that the Issuer CET1 Ratio and the Group CET1 Ratio may be calculated as at any date and, as a result thereof, a Trigger Event may occur as at any date.

The factors that influence the Issuer CET1 Ratio may not be the same as the factors that influence the Group CET1 Ratio. At the date of this Prospectus, the capital instruments eligible as own funds differ on a consolidated Group basis compared to on a consolidated Issuer basis. The risk-weighted assets and deductions of the own funds and eligible liabilities of the Issuer differ as well from those of the Group. Eligible liabilities of the Issuer (issued for MREL purposes) are the same on a consolidated Group and consolidated Issuer basis.

Since a Trigger Event will occur if any one of the CET1 ratio thresholds is breached regardless of whether or not the other CET1 ratio thresholds are breached, the additional uncertainties resulting from differences in the factors affecting the two CET1 ratios may have an adverse impact on the market price or the liquidity of the Capital Securities.

Due to the uncertainty regarding whether a Trigger Event will occur, it will be difficult to predict when, if at all, the Prevailing Principal Amount of the Capital Securities may be written down. Accordingly, the trading behaviour of the Capital Securities may not necessarily follow the trading behaviour of other types of subordinated securities. Any indication or perceived indication that the Issuer CET1 Ratio and/or the Group CET1 Ratio is trending towards the minimum applicable combined capital buffer may have an adverse effect on the market price of the Capital Securities. Under such circumstances, investors may not be able to sell their Capital Securities easily or at prices that will provide them with a yield comparable to more conventional investments.

***CRD includes capital requirements that are in addition to the minimum regulatory Common Equity Tier 1 capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Capital Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payments***

A minimum CBR is imposed on top of the minimum CET1 capital requirement of 4.5 per cent. of the Issuer's total risk exposure amount ("**TREA**") as calculated in accordance with article 92 CRR and any P2R applicable to the Issuer. The Romanian legislator has implemented the CBR in the Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, along with the related implementing regulations, including NBR Regulation no. 5/2013 regarding prudential requirements for credit institutions, in each case as the same may be amended, supplemented or replaced from time to time).

The CBR consists of the following elements:

- **Capital conservation buffer:** set at 2.5 per cent. of TREA;
- **Institution-specific countercyclical capital buffer:** the institution-specific countercyclical capital buffer rate shall consist of the weighted average of the countercyclical capital buffer rates that apply in the jurisdictions where the relevant credit exposures are located; this rate will be between 0 per cent. and 2.50 per cent. of TREA (but may be set higher than 2.50 per cent. where the designated authority (in Romania, the NBR) considers that the conditions justify this). The designated authority in each member state must set the countercyclical capital buffer rate for exposures in its jurisdiction on a quarterly basis; at the date of this Prospectus, NBR imposes a 1 per cent. countercyclical capital buffer.
- **Systemic relevance buffer:** the systemic relevance buffer consists of a buffer for G-SIIs and for O-SIIs, to be determined by NBR. The buffer rate for O-SIIs can be up to 2.00 per cent. of TREA ("**O-SII Buffer**"). The buffer rate for G-SII can be between 1.00 per cent. and 3.50 per cent. of TREA. NBR periodically reviews the identification of G-SIIs and O-SIIs as well as the applicable buffer rate. At the date of this Prospectus, NBR imposes a 2.5 per cent. O-SII Buffer on the Issuer; and
- **Systemic risk buffer:** potentially set as an additional loss absorbency buffer to prevent and mitigate long term non-cyclical systemic or macro prudential risks not covered in CRD to be determined by NBR. At the date of this Prospectus, NBR imposes a 0 per cent. systemic risk buffer.

The CBR must be met with CET1 Capital.

It follows from the above that, on 30 June 2025, the Issuer's CBR on a consolidated basis is 6 per cent. of CET1 Capital (including a 2.5 per cent. capital conservation buffer, a 1 per cent. countercyclical capital buffer and a 2.5 per cent. O-SII Buffer) above the Pillar 1 CET1 requirement of 4.5 per cent. and the Pillar 2 CET1 requirement of 2.16 per cent., or 6.66 per cent. in aggregate. On 30 September 2025, the Issuer's CBR on a consolidated basis is 6 per cent. of CET1 Capital (including a 2.5 per cent. capital conservation buffer, a 1 per cent. countercyclical capital buffer and a 2.5 per cent. O-SII Buffer) above the Pillar 1 CET1 requirement of 4.5 per cent. and the Pillar 2 CET1 requirement of 2.16 per cent., or 6.66 per cent. in aggregate.

However, in the future the Issuer may need to comply with a higher countercyclical capital buffer, O-SII buffer or Pillar 2 requirement. For example, the relevant competent authorities may impose a systemic risk buffer or increase the countercyclical capital buffer in the EU member states in which the Issuer operates. Also, any increase by NBR of the CBR may require the Issuer not only to increase its CET1 capital ratio but also its overall amount of MREL.

Pillar 2 capital can consist of additional own funds requirement (P2R) and additional own funds guidance (P2G). Accordingly, in the capital stack of a bank, the P2G is in addition to (and "sits above") that bank's P1R, P2R, and CBR. If a bank does not meet its P2G, the mandatory restrictions on discretionary payments (including payments on its CET1 and additional tier 1 instruments such as the Capital Securities) based on its MDA will not automatically apply. Instead, the Competent Authority will carefully consider the reasons and circumstances and may impose individually tailored supervisory measures. However, only if a bank fails to maintain its CBR, e.g. because of a breach of P2R, the mandatory restrictions on discretionary payments (including payments on its CET1 and additional tier 1 instruments such as the Capital Securities) based on its MDA will apply. However, there can be no assurance as to the relationship between the "Pillar 2" additional own funds requirements and the restrictions on discretionary payments (including distributions on the Capital Securities) and as to how and when effect will be given to the EBA's guidelines and/or the EU Banking Reforms in Romania, including as to the consequences for a bank of its capital levels falling below the P1R, P2R and/or CBR referred to above.

See also the risk factor *"In certain circumstances, the Issuer may decide not to pay interest on the Capital Securities or be required not to pay such interest"* above on the introduction of MDA restrictions in case the Issuer does not have MREL in an amount and of the quality needed to meet, at the same time, the CBR and each of the P1R, the P2R and the MREL requirement.

The Issuer's capital ratios are above the regulatory minimum requirements, both at the Issuer and at the Group level.

As at 30 June 2025, the Issuer had a CET1 capital ratio of 19.55 per cent., which is above the 2024 supervisory review and evaluation process ("**SREP**") requirement. As at 30 June 2025, the Issuer was required to hold on a minimum CET1 capital ratio of 12.67 per cent. which is composed of 4.5 per cent. P1R, 2.17 per cent. P2R, a 2.5 per cent. capital conservation buffer, a 2.5 per cent. O-SII Buffer and a 1 per cent. countercyclical capital buffer. The MDA trigger level as at 30 June 2025 is 15.56 per cent, thus the buffer to MDA restriction is 3.99 per cent. at the Issuer level.

As at 30 September 2025, the Issuer had a CET1 capital ratio of 18.10 per cent., which is above the 2024 SREP requirement. As at 30 September 2025, the Issuer was required to hold a minimum CET1 capital ratio of 12.67 per cent., which is composed of 4.5 per cent. P1R, 2.17 per cent. P2R, a 2.5 per cent. capital conservation buffer, a 2.5 per cent. O-SII Buffer and a 1 per cent. countercyclical capital buffer. The MDA trigger level as at 30 September 2025 is 15.68 per cent, thus the buffer to MDA restriction is 2.42 per cent. at the Issuer level.

As at 30 June 2025, the Group had a CET1 capital ratio of 18.63 per cent., which is above the 2024 SREP requirement. As at 30 June 2025, the Issuer was required to hold on a consolidated basis a minimum CET1 capital ratio of 12.66 per cent., which is composed of 4.5 per cent. P1R, 2.16 per cent. P2R, a 2.5 per cent. capital conservation buffer, a 2.5 per cent. O-SII Buffer and a 1 per cent. countercyclical capital buffer. The MDA trigger level as at 30 June 2025 is 15.71 per cent., thus the buffer to MDA restriction is 2.93 per cent. at the Group level.

As at 30 September 2025, the Group had a CET1 capital ratio of 17.75 per cent., which is above the 2024 SREP requirement. As at 30 September 2025, the Issuer was required to hold on a consolidated basis a

minimum CET1 capital ratio of 12.66 per cent., which is composed of 4.5 per cent. P1R, 2.16 per cent. P2R, a 2.5 per cent. capital conservation buffer, a 2.5 per cent. O-SII Buffer and a 1 per cent. countercyclical capital buffer. The MDA trigger level as at 30 September 2025 is 15.77 per cent, thus the buffer to MDA restriction is 1.98 per cent. at the Group level.

There can be no assurance, however, that the Issuer will continue to maintain its current ratio levels or that such levels would be sufficient to protect against a future breach of the CBR resulting in restrictions on payments on its CET1 instruments and Additional Tier 1 instruments, such as the Capital Securities.

***CRD and CRR are subject to change and ongoing interpretation, which may affect the Capital Securities***

Many of the defined terms in the Conditions depend on the interpretation of CRD and CRR by the Competent Authority, which may change over time. Also, CRD and CRR are subject to continuous revision by the EU legislator.

Any change in the laws or regulations of Romania (including tax laws applicable to the Capital Securities), Applicable Banking Regulations or any change in the application or official interpretation thereof may in certain circumstances result in the Issuer having the option to redeem the Capital Securities in whole but not in part (see the risk factor "*The Capital Securities are subject to optional early redemption at the fifth anniversary of the Issue Date, each Interest Payment Date thereafter or at any time upon the occurrence of a Tax Event, Withholding Tax Event or a Capital Event, subject to certain conditions*" below). In any such case, the Capital Securities would cease to be outstanding, which could materially and adversely affect investors and frustrate their investment strategies and goals.

Any legislative and regulatory uncertainty could affect an investor's ability to value the Capital Securities accurately and therefore affect the market price of the Capital Securities given the extent and impact on the Capital Securities of one or more regulatory or legislative changes.

***A Holder may lose all or part of its investment in the Capital Securities, including the principal amount plus any accrued but unpaid interest, following the exercise of the Bail-in and Loss Absorption Powers by the Resolution Authority***

In addition to being subject to a possible write-down as a result of the occurrence of a Trigger Event in accordance with the Conditions, the Capital Securities may also be subject to the exercise by the Resolution Authority of the Bail-in and Loss Absorption Powers, which include (i) the write-down of capital instruments or conversion of capital instruments into shares (in circumstances where the competent resolution authority would, in its discretion, determine that the Issuer has reached the point of non-viability) (the "**Write Down and Conversion Power**") and (ii) the bail-in tool, through which the Issuer may be recapitalised either by way of the permanent write-down or the conversion into common shares of some or all of its liabilities (in circumstances where the Issuer would meet the conditions for resolution) (the "**Bail-In Tool**").

These powers (including the expropriation of liabilities of, or claims against, a bank), if exercised with respect to the Issuer, may impact the Capital Securities and will, subject to certain exceptions, lead to counterparties of the Issuer (including Holders) not being entitled to invoke events of default or set off their claims and risking to lose all or a substantial part of their investments in the Capital Securities.

***(Pre-)Resolution measures***

If the Issuer was to reach a point of non-viability, the NBR could take pre-resolution measures before the conditions for resolution are met. These measures include the Write Down and Conversion Power. A write-down of capital instruments or conversion of capital instruments into shares could adversely affect the rights and effective remedies of holders of Capital Securities and the market value of their Capital Securities could be negatively affected.

The BRRD provides resolution authorities with broader powers to implement resolution measures with respect to banks which meet the conditions for resolution, which may include (without limitation) the sale of the bank's business, the separation of assets, the Bail-In Tool, the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments and discontinuing the listing and admission to trading of financial instruments.

These powers and tools are intended to be used prior to the point at which any bankruptcy or liquidation proceedings with respect to the Issuer could have been initiated. Although the applicable legislation provides for conditions to the exercise of any resolution powers and EBA guidelines set out the objective elements for determining whether an institution is failing or likely to fail, it is uncertain how the relevant resolution authority would assess such conditions in any particular pre-bankruptcy scenario affecting the Issuer and in deciding whether to exercise a resolution power. The relevant resolution authority is also not required to provide any advance notice to the Holders of its decision to exercise any resolution power. Therefore, the Holders may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer or the Holders' rights under the Capital Securities.

Any financial public support is only to be considered as a final resort as resolution authorities are required to first assess and exploit, to the maximum extent practicable, the use of the resolution powers mentioned above, including the Bail-In Tool.

When applying the resolution tools and exercising the resolution powers, including the preparation and implementation thereof, the resolution authorities are not subject to (i) requirements to obtain approval or consent from any person either public or private, including but not limited to the holders of shares or debt instruments, or from any other creditors, and (ii) procedural requirements to notify any person including any requirement to publish any notice or prospectus or to file or register any document with any other authority, that would otherwise apply by virtue of applicable law, contract, or otherwise. In particular, the resolution authorities can exercise their powers irrespective of any restriction on, or requirement for consent for, transfer of the financial instruments, rights, assets or liabilities in question that might otherwise apply.

#### *The Bail-in Tool*

The NBR can only exercise resolution powers, such as the Bail-In Tool, when it has determined that the Issuer meets the conditions for resolution.

Once it is determined that the Issuer meets the conditions for resolution, the NBR may apply the Bail-In Tool. When applying the Bail-In Tool, the NBR must apply the following order of priority:

1. CET1 capital instruments;
2. principal amount of Additional Tier 1 capital instruments (such as Capital Securities qualifying as Additional Tier 1 Capital);
3. principal amount of Tier 2 capital instruments;
4. subordinated debt that is not Additional Tier 1 capital or Tier 2 capital;
5. unsecured claims resulting from debt instruments within the meaning of article 234<sup>1</sup> of the Romanian Insolvency Act; and
6. the rest of bail-in-able liabilities (such as senior debt instruments) in accordance with the order of the payment of claims in bankruptcy proceedings, including the ranking provided for in article 234 of the Romanian Insolvency Act, to the extent required.

Instruments of the same ranking are generally written down or converted to equity on a *pro rata* basis subject to certain exceptional circumstances set out in the BRRD.

Although the write-down or conversion into shares or other instruments of ownership of the Capital Securities may be part of the Bail-In Tool, such write-down or conversion would in any event occur prior to bail in of Tier 2 capital instruments and senior debt instruments or other eligible liabilities.

It is possible that pursuant to the Romanian Insolvency Act, the Romanian Recovery and Resolution Act, BRRD or other resolution or recovery rules which may in the future be applicable to the Issuer (including, but not limited to, CRD), new powers may be granted by way of statute to the NBR and/or any other relevant authority which could be used in such a way as to result in debt, including the Capital Securities, absorbing losses or otherwise affecting the rights and effective remedies of Holders in the course of any

resolution of the Issuer. The Issuer is unable to predict what effects, if any, existing or future powers may have on the financial system generally, the Issuer's counterparties, the Issuer, any of its consolidated subsidiaries, its operations and/or its financial position.

Exercise of the foregoing powers could involve taking various actions in relation to the Issuer or any securities issued by the Issuer (including the Capital Securities) without the consent of the Holders in the context of which any termination or acceleration rights or events of default may be disregarded. In addition, Holders will have no further claims in respect of any amount written off, converted or otherwise applied as a result thereof. There can be no assurance that the taking of any such actions would not adversely affect the rights of Holders, the price or value of their investment in the Capital Securities and/or the ability of the Issuer to satisfy its obligations under the Capital Securities.

Holders may have only very limited rights to challenge and/or seek a suspension of any decision of the relevant resolution authority to exercise its (pre-)resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise. Application of any of the measures, as described above, shall not constitute an event of default under the Capital Securities and Holders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of the application of such measures. Accordingly, if the Bail-In Tool or the Write-Down and Conversion Power is applied, this may result in claims of Holders being written down or converted into equity. In addition, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Holders in the resolution of the Issuer and there can be no assurance that Holders would recover such compensation promptly.

Pursuant to Condition 18 (*Acknowledgement of Bail-in and Loss Absorption Powers*), each Holder acknowledges and accepts that any liability arising under the Capital Securities may be subject to the exercise of the above-mentioned Bail-In Tool and Write-Down and Conversion Power as may be exercised by the relevant resolution authority.

The Romanian Insolvency Act, the Romanian Recovery and Resolution Act and the BRRD could negatively affect the position of Holders and the credit rating attached to the Capital Securities, in particular if and when any of the above proceedings would be commenced against the Issuer, since the application of any such legislation may affect the rights and effective remedies of the Holders as well as the market value of the Capital Securities.

#### ***No scheduled redemption***

The Capital Securities are undated securities in respect of which there is no fixed redemption or maturity date. The Issuer is under no obligation to redeem the Capital Securities at any time (see Condition 5 (*Redemption and Purchase*)); although the Conditions include several options for the Issuer to redeem the Capital Securities, there is no contractual incentive for the Issuer to exercise any of these call options and the Issuer has full discretion under the Conditions not to do so for any reason. There will be no redemption at the option of investors.

This means that Holders have no ability to cash in their investment, except:

- (a) if the Issuer exercises its rights to redeem or purchase the Capital Securities;
- (b) by selling their Capital Securities; or
- (c) by claiming for any principal amounts due and not paid in any normal bankruptcy proceedings (*faliment*) or liquidation (*lichidare*) of the Issuer.

Accordingly, there is uncertainty as to when (if ever) an investor in the Capital Securities will receive repayment of the Prevailing Principal Amount of the Capital Securities.

***The Capital Securities are subject to optional early redemption on any day falling in the period commencing on (and including) the First Call Date and ending on (and including) the First Reset Date, at each Interest Payment Date thereafter or at any time upon the exercise of the Clean-up Call***

***Option or the occurrence of a Tax Event, Withholding Tax Event or a Capital Event, subject to certain conditions***

The Issuer may, at its option, redeem all, but not some only, of the Capital Securities on any day falling in the period commencing on (and including) at the First Call Date and ending on (and including) the First Reset Date, at each Interest Payment Date thereafter (the "**Issuer Call Option**"), at any time, if the aggregate Prevailing Principal Amount of the Capital Securities is 25 per cent. or less of the aggregate nominal amount of the Capital Securities originally issued (the "**Clean-up Call Option**") or at any time upon the occurrence of a Tax Event, Withholding Tax Event or a Capital Event, in each case at their Prevailing Principal Amount plus accrued and unpaid interest (if any). Any such redemption shall be subject to Condition 5 (*Redemption and Purchase*) which provides, among other things, that (i) the Competent Authority must give its prior written permission and (ii) the Issuer must demonstrate to the satisfaction of the Competent Authority that the Issuer complies with article 78 CRR (or any equivalent or substitute provision under Applicable Banking Regulations), which may include (a) the replacement of the Capital Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer or (b) that the own funds and eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum own funds and eligible liabilities requirements (including any applicable buffer requirements) by a margin that the Competent Authority considers necessary at such time.

The Issuer shall also have the right to redeem the Capital Securities following a Principal Write-down upon the occurrence of a Tax Event, Withholding Tax Event or a Capital Event before the Prevailing Principal Amount has been restored to the Original Principal Amount. Accordingly, Holders risk only receiving the amount of principal so reduced by the Principal Write-down. However, if a Principal Write-down has occurred, the Issuer shall not be entitled to redeem the Capital Securities by exercising the Issuer Call Option or its Clean-up Call Option until the reduced principal amount of the Capital Securities is increased up to their Original Principal Amount pursuant to conditions for Principal Write-up.

An optional redemption feature is likely to limit the market value of the Capital Securities. During any period when the Issuer may elect, or in case of an actual or perceived increased likelihood that the Issuer may elect, to redeem the Capital Securities, the market value of the Capital Securities generally will not rise substantially above, and may in fact decrease below, the price at which they can be redeemed. This may also be true prior to any redemption period. In addition, investors will not receive a make-whole amount or any other compensation in the event of any early redemption of Capital Securities.

If the Issuer redeems the Capital Securities in any of the circumstances mentioned above, there is a risk that the Capital Securities may be redeemed at times when the redemption proceeds are less than the current market value or the Original Principal Amount of the Capital Securities or when prevailing interest rates may be relatively low, in which latter case investors may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

It is not possible to predict whether any of the circumstances mentioned above will occur and so lead to the circumstances in which the Issuer is able to elect to redeem the Capital Securities, and if so, whether or not the Issuer will elect to exercise such option to redeem the Capital Securities. In the case of any redemption, an investor may not be able to reinvest the redemption proceeds in a comparable security with a rate of return that is as high as that of the Capital Securities.

***There is variation or substitution risk in respect of the Capital Securities***

The Issuer may, if a Tax Event, Withholding Tax Event, Capital Event or an Alignment Event has occurred and is continuing, subject to compliance with any conditions prescribed under Applicable Banking Regulations and without any consent or approval of the Holders, substitute the Capital Securities or vary the Conditions in order to ensure such substituted or varied Capital Securities continue to qualify as Additional Tier 1 Capital.

Following such variation or substitution the resulting securities must have, *inter alia*, at least the same ranking and interest rate and the same interest payment dates, redemption rights, existing rights to accrued interest which has not been paid and assigned at least the same (solicited) ratings as the Capital Securities.

While the Issuer cannot make changes to the terms of the Capital Securities that are materially less favourable to a Holder, there can be no assurances as to whether any of these changes will negatively affect any particular investor. In addition, the tax and stamp duty consequences of holding such varied or substituted Capital Securities could be different for some categories of investors from the tax and stamp duty consequences of their holding the Capital Securities prior to such variation or substitution. See Condition 6 (*Substitution and Variation*).

***The Capital Securities are subject to modification, waivers and substitution***

The Conditions contain provisions for convening meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

In addition, under certain circumstances an Independent Adviser or the Issuer (as applicable) may in its discretion specify changes to the Conditions pursuant to Condition 3.1(f) (*Reference Rate Replacement*).

It is possible that any modified or substitution Capital Securities will contain conditions that are contrary to the investment criteria of certain investors. Any resulting sale of the Capital Securities, or of the modified or substitution securities, may be adversely affected by market perception of and price movements in the terms of the modified or substitution securities.

***The Conditions do not provide for events of default allowing acceleration of the Capital Securities***

The Conditions do not provide for events of default allowing acceleration of the Capital Securities if certain events occur, for example if the Issuer fails to pay any amount of interest or principal when due. Accordingly, if the Issuer fails to meet any obligation under the Capital Securities, including the payment of interest or the Prevailing Principal Amount of the Capital Securities following the exercise of a right to redeem the Capital Securities as referred in Condition 5 (*Redemption and Purchase*), such failure will not give the Holder any right to accelerate the Capital Securities. Accrued but unpaid interest will be deemed cancelled (see the risk factor "*In certain circumstances, the Issuer may decide not to pay interest on the Capital Securities or be required not to pay such interest*" above). The only remedies available to the Holder for recovery of amounts owing in respect of due but unpaid Prevailing Principal Amount will be to (i) institute proceedings for the winding up or liquidation of the Issuer and prove or claim in the winding up or liquidation of the Issuer, if default is made by the Issuer in the payment of the Prevailing Principal Amount when due in respect of the Capital Securities and such default continues for a period of seven business days in Romania, to the extent allowed under applicable law; and (ii) to demand payment of its claim in the normal bankruptcy proceedings (*faliment*) or liquidation (*lichidare*) of the Issuer, provided that repayment of Capital Securities will only be effected after the Issuer has obtained the prior written permission of the Competent Authority pursuant to article 77 CRR. Normal bankruptcy proceedings (*faliment*) or liquidation (*lichidare*) of the Issuer may take place if any of the events specified in the risk factor "*The Capital Securities constitute deeply subordinated obligations*" above were to occur. See Condition 10 (*Enforcement*).

In addition, no Holder may exercise or claim any right of set-off or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Capital Securities.

***A reset of the interest rate could affect the market value of an investment in the Capital Securities***

The Rate of Interest of the Capital Securities will be reset as from the First Reset Date and as from each date which falls five, or an integral multiple of five, years after the First Reset Date. Such Rate of Interest will be determined two Business Days prior to the relevant reset date and as such is not pre-defined at the date of issue of the Capital Securities; it may be lower than the Initial Rate of Interest and may adversely affect the yield or market value of the Capital Securities.

***Benchmark regulation and reform***

The Euro-zone inter-bank offered rate ("EURIBOR") and other interest rate or other types of rates and indices which are deemed to be "benchmarks" may from time to time be the subject of ongoing regulatory reform. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks

could be eliminated entirely, or there could be other consequences, including those which cannot be predicted. The Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the EU. The Benchmark Regulation could have a material impact on any securities linked to EURIBOR (such as the Capital Securities) or other benchmarks, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. In addition, the Benchmark Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks" and administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations and reforms, and the risks associated therewith.

The potential elimination of, or the potential changes in the manner of administration of, or changes in the methodology pursuant to which, EURIBOR or any other benchmark are determined or any other reforms to or other proposals affecting EURIBOR or any other relevant benchmarks may adversely affect the trading market for EURIBOR or other benchmark based securities (including the Capital Securities) and could require an adjustment to the Conditions to reference an alternative benchmark, or result in other consequences, including those which cannot be predicted, in respect of the Capital Securities. In addition, any future changes in the method pursuant to which EURIBOR and/or other relevant benchmarks are determined or the transition to a successor benchmark may result in, among other things, a sudden or prolonged increase or decrease in the reported benchmark rates, a delay in the publication of any such benchmark rates, trigger changes in the rules or methodologies in certain benchmarks discouraging market participants from continuing to administer or participate in certain benchmarks, and, in certain situations, could result in a benchmark rate no longer being determined and published. Accordingly, in respect of a security referencing EURIBOR (such as the Capital Securities) or any other relevant benchmark, such proposals for reform and changes in applicable regulation could have a material adverse effect on the value of and return on such a securities (including potential rates of interest thereon).

Investors should be aware that, if EURIBOR or any other relevant benchmark were discontinued or otherwise unavailable, the Reset Rate of Interest on the Capital Securities which references any such benchmark will be determined for the relevant period by the fall-back provisions applicable to the Capital Securities in accordance with Condition 3.1(f) (*Reference Rate Replacement*). Depending on the manner in which the relevant benchmark rate is to be determined under the Conditions, this may (i) be reliant upon the provision by reference banks of offered quotations for such rate which, depending on market circumstances, may not be available at the relevant time, (ii) be reliant on the Independent Advisor or the Issuer being able to determine a Successor Reference Rate or an Alternative Reference Rate (each as defined in the Conditions) or (iii) result in the effective application of a fixed rate based on the rate which applied in the previous period when the relevant benchmark was available. The effective application of a fixed rate to what was previously a fixed rate reset could have a material adverse effect on the value of and return on the Capital Securities.

The appointment of an Independent Advisor by the Issuer to determine the Successor Reference Rate or Alternative Reference Rate may lead to a conflict of interests between the Issuer and the Holders, as such Independent Advisor will be appointed and paid by the Issuer and may influence the amount of interest receivable under the Capital Securities.

Furthermore, it is possible that the Issuer may itself determine a fall-back interest rate. If there is no replacement reference rate customarily used by the relevant market, the Issuer may determine in its discretion the most comparable to the reference rate (see definition of Alternative Reference Rate in the Conditions). In such case, the Issuer will make such determinations and adjustments as it deems appropriate, in accordance with the Conditions. In making such determinations and adjustments, the Issuer may be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion.

Pursuant to the Conditions, if a Reference Rate Event has occurred when any Rate of Interest (or component thereof) remains to be determined by reference to the Reset Rate of Interest (or component thereof), then the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine

(with the Issuer's agreement) (a) a Successor Reference Rate or (b) alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Reference Rate, an Alternative Reference Rate, and, in either case, an Alternative Screen Page and an Adjustment Spread (if applicable). The use of any such Successor Reference Rate or Alternative Reference Rate may result in the Capital Securities performing differently (including paying a lower Interest Rate) than they would do if the Reset Rate of Interest were to continue to apply in its current form.

Reference Rate Event means (i) the Reset Rate of Interest (or any component thereof) has ceased to be published on the Screen Page as a result of such benchmark ceasing to be calculated or administered, (ii) a public statement by the administrator of the Reset Rate of Interest (or any component part thereof) that (in circumstances where no successor administrator has been or will be appointed that will continue publication) it has ceased or will cease publishing such Reset Rate of Interest (or any component part thereof) permanently or indefinitely or that it will cease to do so by a specified future date, (iii) a public statement by the supervisor of the administrator of the Reset Rate of Interest (or any component part thereof) that such Reset Rate of Interest (or any component part thereof) has been or will be, by a specified future date, permanently or indefinitely discontinued, (iv) a public statement by the supervisor of the administrator of the Reset Rate of Interest (or any component part thereof) that means that the Reset Rate of Interest (or any component part thereof) will, by a specified future date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Capital Securities (v) a public statement by the supervisor of the administrator of the Reset Rate of Interest (or any component part thereof) that, in the view of such supervisor, (a) such Reset Rate of Interest (or any component part thereof) is or will, by a specified future date, be no longer representative of an underlying market or (b) the methodology to calculate such Reset Rate of Interest (or any component part thereof) has materially changed or (vi) it has or will, by a specified date within the following six months, become unlawful for the Fiscal Agent or the Issuer to calculate any payments due to be made to any Holder using the Reset Rate of Interest (including, without limitation, under the Benchmarks Regulation, or such regulation as it forms part of United Kingdom domestic law by virtue of the EUWA, if applicable).

The Issuer shall promptly following the determination of any Successor Reference Rate or Alternative Reference Rate and Alternative Screen Page and Adjustment Spread (if any) give notice thereof to the Agent and the Holders in accordance with Condition 14 (*Notices*). Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

If a Successor Reference Rate or Alternative Reference Rate is determined by the relevant Independent Adviser or the Issuer (as applicable), the Conditions also provide that an Adjustment Spread will be applied to such Successor Reference Rate or Alternative Reference Rate. The Adjustment Spread is either a spread (which may be positive or negative) or a formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines should be applied to the relevant Successor Reference Rate or the relevant Alternative Reference Rate (as applicable), as a result of the replacement of the Reset Rate of Interest (or relevant component part thereof) with the relevant Successor Reference Rate or the relevant Alternative Benchmark Rate (as applicable). While any Adjustment Spread may be expected to be designed to eliminate or minimise any potential transfer of value between counterparties, the application of the Adjustment Spread to the Capital Securities may not do so and may result in the Capital Securities performing differently (which may include payment of a lower interest rate) than they would do if the Original Reference Rate were to continue to apply in its current form.

Due to the uncertainty concerning the availability of successor rates and alternative reference rates, the involvement of an Independent Adviser and the possibility that a licence or registration may be required under applicable legislation for establishing and publishing fallback interest rates, the relevant fallback provisions may not operate as intended at the relevant time. In addition, uncertainty as to the continuation of EURIBOR, the availability of quotes from reference banks to allow for the continuation of EURIBOR, and the rate that would be applicable if EURIBOR is discontinued may also adversely affect the trading market and the value of the Capital Securities and the determination of any successor or alternative rate could lead to economic prejudice or benefit (as applicable) to investors. At this time, it is not possible to predict what the effect of these developments will be or what the impact on the value of the Capital Securities will be. More generally, any of the above changes or any other consequential changes to EURIBOR as a result of international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such

changes, could have a material adverse effect on the liquidity and value of, and return on, the Capital Securities.

Furthermore, if the Issuer is unable to appoint an Independent Adviser or if the Issuer and the Independent Adviser appointed by it cannot agree upon, or cannot select a Successor Reference Rate or an Alternative Reference Rate and Alternative Screen Page in accordance with the Conditions prior to the relevant cut-off date, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the Reset Rate of Interest or the relevant component part thereof (as applicable) in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of debt securities denominated in euro, or, if it determines that there is no such rate, which (if any) rate is most comparable to the Reset Rate of Interest or the relevant component part thereof (as applicable) and the Alternative Reference Rate shall be the rate so determined by the Issuer and the Alternative Screen Page shall be such page of an information service as displays the Alternative Reference Rate. Any such consequence could have a material adverse effect on the value of and return on the Capital Securities.

***Because the Global Capital Security is held on behalf of Euroclear and Clearstream, investors will have to rely on the procedures for transfer, payment and communication with the Issuer of Euroclear and Clearstream and any nominee service providers used by such investors to hold their investment in the Capital Securities***

The Capital Securities will be represented by the Temporary Global Security which is exchangeable for the Permanent Global Security. The Global Capital Securities will be held by a common depositary for Euroclear and Clearstream. Holders will not be entitled to receive Definitive Capital Securities, except in certain limited circumstances, as more fully described in the section headed "*Form of the Capital Securities*" below.

Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Capital Securities. While the Capital Securities are represented by the Global Capital Securities, holders of the Capital Securities will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their participants.

The Issuer will discharge its payment obligations under the Capital Securities by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Capital Security must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Capital Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Capital Securities.

Holders of beneficial interests in the Global Capital Securities will not have a direct right to vote in respect of the Capital Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Capital Securities will not have a direct right under the Global Capital Securities to take enforcement action against the Issuer in the event of a default under the Capital Securities but will have to rely upon their rights under the Deed of Covenant.

None of the Issuer, the Joint Lead Managers or the Fiscal Agent shall be responsible for the acts or omissions of any relevant nominee service provider or Euroclear or Clearstream, nor makes any representation or warranty, express or implied, as to the services provided by any relevant nominee service provider or Euroclear or Clearstream.

***Definitive Capital Securities where denominations involve integral multiples may be subject to minimum denomination considerations***

As the Capital Securities have a denomination consisting of the minimum denomination of €200,000 plus integral multiples of €1,000 in excess thereof up to (and including) €399,000, it is possible that such Capital Securities may be traded in amounts that are not integral multiples of such minimum denomination of €200,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum denomination of €200,000 in its account with the relevant clearing system at the relevant time may not receive a Definitive Capital Security in respect of such

holding (in the limited circumstances in which Definitive Capital Securities could be printed) and would need to purchase a principal amount of Capital Securities such that its holding amounts to €200,000.

If Definitive Capital Securities would ever be issued, holders should be aware that Definitive Capital Securities which have a denomination that is not an integral multiple of minimum denomination of €200,000 may be illiquid and difficult to trade and Holders may therefore be unable to sell such Definitive Capital Securities.

***Tax consequences of holding the Capital Securities may be complex***

Potential purchasers and sellers of the Capital Securities should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country where the Capital Securities are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available in relation to the tax treatment of financial instruments such as the Capital Securities. Potential investors are advised not to rely solely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Capital Securities. Only such adviser is in a position to duly consider the specific situation of the potential investor. This risk factor should be read in connection with the taxation sections of this Prospectus. See "Taxation" below.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Capital Securities are legal investments for it, (ii) Capital Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Capital Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Capital Securities under any applicable risk-based capital or similar rules.

***An investor's actual yield on the Capital Securities may be reduced from the stated yield by transaction costs***

When Capital Securities are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Capital Securities. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or *pro-rata* commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, investors must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), investors must also take into account any follow-up costs (such as custody fees). Prospective investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Capital Securities before investing in the Capital Securities.

***Romanian law provisions in relation to Holders' meetings are untested, which may interfere with customary operation of the Capital Securities in unpredictable ways.***

As the Issuer is a joint stock company organised under the laws of Romania, certain provisions of Romanian law provide for the possibility of Holders' meetings (*adunarea obligatarilor*) and Holders' representatives (*reprezentantul obligatarilor*) in relation to the Capital Securities.

Under Romanian law, meetings of Holders are vested with the following powers (together, the "**Romanian Law Meeting Powers**"): (a) to appoint a Holders' representative and one or more deputies and establish the remuneration of the Holders' representative (the "**Holders' Representative Appointment Power**"); (b) to carry out all acts of supervision and defence of the applicable Holders' common interests in relation to the applicable notes or to authorise any appointed holders' representative

in this respect (the "**Common Interests Power**"); (c) to establish a fund, which may be constituted from any interest payments due to the holders in respect of their notes, in order to cover the expenses necessary for the defence of the rights of the holders and establish at the same time the rules for the management and administration of such a fund (the "**Fund Power**"); (d) to oppose any amendment to the articles of association of the Issuer or to the terms and conditions of Capital Securities, in each case which could adversely affect the rights of the Holders (the "**Amendments Power**"); and (e) to express a position on the issue of any new securities by the Issuer (the "**Security Opinion Power**"). Romanian law also requires that certain statutory minimum quorum and voting thresholds be met in connection with the exercise of these powers. Under the statutory minimum thresholds, with respect to an exercise of the Holders' Representative Appointment Power, the Common Interests Power and/or the Fund Power, at least a majority of the votes cast at a Holders' meeting must be cast in favour of such exercise, provided that such votes cast in favour also represent at least one-third of the Prevailing Principal Amount of the outstanding Capital Securities (which in effect permits exercise of the Holders' Representative Appointment Power, the Common Interests Power and/or the Fund Power with the support of as little as one-third of the aggregate principal amount of the notes outstanding). With respect to an exercise of the Amendments Power and/or the Security Opinion Power, at least 80 per cent. of the votes cast at a Holders' meeting must be cast in favour, provided that a quorum of two-thirds of the Prevailing Principal Amount of the outstanding Capital Securities was initially present.

Certain of these Romanian Law Meeting Powers, and/or the statutory minimum thresholds at which they may be exercised, differ from the rights, duties, powers, authorities or discretions that are customarily provided for in indentures and related documents for offerings of instruments similar to the Capital Securities and/or from the specified thresholds or circumstances under which the latter may customarily be exercised or performed. Moreover, the relevant provisions of Romanian law are unclear and untested and unfamiliar to the Romanian courts, which creates significant uncertainty in relation to the ways in which such provisions may eventually be applied or enforced in practice. Consequently, it is possible that the Romanian Law Meeting Powers could interfere with the customary exercise or performance of rights, duties, powers, authorities or discretions in indentures and related documents for offerings of instruments similar to the Capital Securities in unpredictable ways. For example, although there is no relevant precedent, under the statutory minimum thresholds, resolutions that may be adopted pursuant to the Romanian Law Meeting Powers by Holders of as little as one-third of the aggregate Prevailing Principal Amount of the outstanding Capital Securities could potentially be used to initiate enforcement proceedings. Conversely, although there is no relevant precedent, under the statutory minimum thresholds, resolutions that may be adopted pursuant to the Romanian Law Meeting Powers by holders of as little as one-third of the aggregate Prevailing Principal Amount of the outstanding Capital Securities outstanding could potentially seek to block the exercise of powers that, under typical provisions, would customarily be permitted to Holders representing a specified percentage in the aggregate Prevailing Principal Amount of the outstanding Capital Securities outstanding or to individual Holders of securities. Further, although there is no relevant precedent, it expects that holders of the relevant notes would not, under Romanian law, be permitted to institute legal action in Romanian courts to the extent such legal action is contrary to a resolution of a duly convened holders' meeting.

### **Risks related to the market generally**

#### ***A secondary market may not develop for the Capital Securities***

If the Capital Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

The Capital Securities may have no established trading market when issued, and one may never develop. In particular, holdings in the Capital Securities upon issue may be concentrated as one or more investors may purchase and hold a significant proportion of the total issuance. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Capital Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Capital Securities.

Market liquidity in hybrid financial instruments similar to the Capital Securities has historically been limited. In the event a trigger event occurs in relation to an Additional Tier 1 instrument or interest payments are suspended, potential price contagion and volatility to the entire asset class is possible. Any

indication or perceived indication that the Issuer CET1 Ratio and/or the Group CET1 Ratio is trending towards the minimum applicable combined capital buffer and/or the MDA trigger level may have an adverse effect on the market price of the Capital Securities. Similarly, any indication or perceived indication that the amount of Distributable Items available to pay interest on the Capital Securities is decreasing may have an adverse effect on the market price of the Capital Securities. Moreover, the Issuer's discretion regarding the payment of interest significantly increases uncertainty in the valuation of Additional Tier 1 instruments, this uncertainty might have a negative impact on liquidity and volatility of the Capital Securities.

Moreover, although pursuant to Condition 5.6 (*Purchases*) the Issuer can purchase Capital Securities, the Issuer is not obliged to do so, and any such purchase is subject to permission by the Competent Authority and restricted in any case in the first five years after the Issue Date unless permitted by Applicable Banking Regulations. Purchases made by the Issuer could affect the liquidity of the secondary market of the Capital Securities and thus the price and the conditions under which investors can negotiate these Capital Securities on the secondary market. Furthermore, the Capital Securities may trade with accrued interest, which may be reflected in the trading price of the Capital Securities. However, if a payment of interest on any interest payment date is cancelled (in whole or in part) as described herein and thus is not due and payable, purchasers of such Capital Securities will not be entitled to such interest payment on the relevant interest payment date.

In addition, investors should be aware of changes in global credit market conditions, whereby there is a general lack of liquidity in the secondary market which may result in investors suffering losses on the Capital Securities in secondary resales even if there is no decline in the performance of the Capital Securities or the assets of the Issuer. The Issuer cannot predict whether these circumstances will occur and whether, if and when they do, there will be a more liquid market for the Capital Securities and instruments similar to the Capital Securities at that time.

Although application has been made for the Capital Securities to be admitted to trading on the regulated market of Euronext Dublin, there is no assurance that such application will be accepted or that an active trading market will develop.

***The Capital Securities are subject to exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Capital Securities in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Capital Securities, (ii) the Investor's Currency-equivalent value of the principal payable on the Capital Securities and (iii) the Investor's Currency-equivalent market value of the Capital Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***The price of Capital Securities is affected by changes in interest rates***

Investment in the Capital Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of the Capital Securities.

***The Interest Rate on the Capital Securities will be reset on each Reset Date, which may affect the market value of the Capital Securities***

The Capital Securities will initially earn Interest at a fixed rate of interest to, but excluding, the First Reset Date. From, and including, the First Reset Date, however, and every Reset Date thereafter, the Interest Rate will be reset as described in Condition 3.1(a) (*Interest rate and Interest Payment Dates*). This Reset Rate of Interest could be less than the Initial Rate of Interest and/or the Rate of Interest that applies immediately prior to such Reset Date, which could affect the amount of any Interest payments under the Capital Securities and therefore the market value of an investment in the Capital Securities.

***The credit ratings of the Capital Securities or the Issuer may not reflect all risks***

Moody's has assigned or is expected to assign an expected rating to the Capital Securities. This rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Capital Securities or the standing of the Issuer. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In addition, there is no guarantee that any rating of the Capital Securities and/or the Issuer will be maintained by the Issuer following the date of this Prospectus. If any rating assigned to the Capital Securities and/or the Issuer is revised, lowered, suspended, withdrawn or not maintained by the Issuer, the market value of the Capital Securities may be reduced.

A change in rating may, among other factors, be due to a change in the methodology applied by a rating agency to rating securities with similar structures to the Capital Securities, as opposed to any revaluation of the Issuer's financial strength or other factors such as conditions affecting the financial services industry generally. Holders and prospective investors should be aware that such a change in the methodology of a rating agency could result in the Capital Securities being downgraded, potentially to non-investment grade or receiving a lower rating than that is currently or at the time of the offering of the Capital Securities expected from that rating agency.

In addition to ratings assigned by any hired rating agencies, rating agencies not hired by the Issuer to rate the Capital Securities may assign unsolicited ratings. If any non-hired rating agency assigns an unsolicited rating to the Capital Securities, there can be no assurance that such rating will not differ from, or be lower than, the ratings provided by a hired rating agency. The decision to decline a rating assigned by a hired rating agency, the delayed publication of such rating or the assignment of a non-solicited rating by a rating agency not hired by the Issuer could adversely affect the market value and liquidity of the Capital Securities.

***The Issuer, the Fiscal Agent and the Joint Lead Managers may engage in transactions adversely affecting the interests of the holders of Capital Securities***

The Fiscal Agent, the Joint Lead Managers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. Potential investors should be aware that the interests of the Issuer may conflict with the interests of the holders of the Capital Securities. Moreover, investors should be aware that the Issuer, acting in whatever capacity, will not have any obligations *vis-à-vis* investors and, in particular, it will not be obliged to protect the interests of investors.

***Romanian tax legislation may change so interest payments on Capital Securities may no longer benefit from currently applicable withholding tax exemption.***

As per Romanian domestic legislation, there is no withholding tax obligation for the Issuer in respect of interest paid to Romanian tax resident entities and Romanian tax resident individuals.

Moreover, for interest obtained by tax non-resident entities and tax non-resident individuals, a domestic legislation exemption is provided, as per article 229 (1) let. b) of the Fiscal Code. As per this domestic exemption, interest on debt securities (such as the Capital Securities) issued by Romanian companies is tax exempt if the debt securities are issued under a prospectus approved by a competent regulatory authority and the interest is paid to a holder which is non-tax resident in Romania and which is not an affiliated person to the Issuer of the debt securities. Otherwise, a 10 per cent. rate would be applicable for non-resident individuals who are tax residents of an EU country or of a country with which Romania concluded a double tax treaty, or 16 percent for other tax non-resident individual or entities.

Romanian tax law and practice are subject to change. If the aforementioned tax exemptions are repealed, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the non-affiliated Holders after such deduction for or on account of withholding shall equal the respective amounts which would have been receivable in the absence of such deduction, in accordance with Condition 8 (*Taxation*).

Other than the potential additional amounts mentioned in the preceding paragraph (if withholding taxes become applicable to interest payments for Capital Securities), the Issuer will not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Capital Securities and all payments made by the Issuer will be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

***The Issuer's gross-up obligation under the Capital Securities is limited.***

The Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the Conditions applies only to payments of interest due and paid under the Capital Securities and not to payments of principal (which term, for these purposes, includes any final redemption amount, early redemption amount, optional redemption amount and any other amount (other than interest) which may from time to time be payable).

As such, the Issuer would not be required to pay any additional amounts under the Conditions to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Capital Securities, Holders would, upon repayment or redemption, be entitled to receive only the net amount of such redemption or repayment proceeds after deduction of the amount required to be withheld. Therefore, Holders may receive less than the full amount due under the Capital Securities, and the market value of the Capital Securities may be adversely affected as a result.

## OVERVIEW

*This overview must be read as an introduction to this Prospectus and any decision to invest in any Capital Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus.*

Words and expressions defined in "Conditions" and "Form of the Capital Securities" below, respectively, shall have the same meanings in this overview.

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issuer:</b>                 | Banca Transilvania S.A.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Joint Lead Managers:</b>    | BofA Securities Europe SA<br>BT Capital Partners S.A.<br>J.P. Morgan SE<br>Morgan Stanley Europe SE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>The Capital Securities:</b> | €500,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Capital Securities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Fiscal Agent:</b>           | The Bank of New York Mellon, London Branch                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Currency:</b>               | Euro                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Issue Price:</b>            | 100 per cent. of the aggregate Original Principal Amount of the Capital Securities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Issue Date:</b>             | 27 November 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Form:</b>                   | <p>The Capital Securities are in bearer classic global note ("CGN") form and will initially be represented by a Temporary Global Capital Security which will be deposited on the Issue Date with a common depositary for Euroclear and/or Clearstream.</p> <p>The Temporary Global Capital Security will be exchangeable as described therein for a Permanent Global Capital Security not earlier than 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership. The Permanent Global Capital Security will be exchangeable for definitive Capital Securities only in the certain limited circumstances described in "Form of the Capital Securities" below. Any interest in a Global Capital Security will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream.</p> |
| <b>Maturity Date:</b>          | The Capital Securities are perpetual and have no fixed maturity date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Denominations:</b>          | €200,000 and integral multiples of €1,000 in excess thereof up to (and including) €399,000.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Status:</b>                 | <p>The Capital Securities constitute direct, unsecured, unguaranteed and deeply subordinated obligations of the Issuer.</p> <p>In the event of normal bankruptcy proceedings (<i>faliment</i>) or liquidation (<i>lichidare</i>) of the Issuer, the rights and claims (if any) of the Holders to payment under the Capital Securities in respect of the Prevailing Principal Amount (including any accrued and uncanceled interest, Coupons or damages awarded for breach of any obligations under these Conditions, if any are payable) shall rank subject to such exceptions as are from time to time mandatory under applicable law:</p>                                                                                                                                                                                                                      |

- i. junior to the rights and claims of Senior Creditors, present and future;
- ii. *pari passu* without any preference among themselves and with all rights and claims of creditors in respect of Parity Obligations, present and future; and
- iii. senior only to the rights and claims of creditors in respect of Junior Obligations, present and future.

By virtue of such subordination, payments to a Holder in respect of the Prevailing Principal Amount of the Capital Securities will, in the event of the liquidation or bankruptcy of the Issuer, only be made after all Senior Obligations of the Issuer have been satisfied. No Holder may exercise or claim any right of set-off or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Capital Securities.

**Interest:**

Subject as described under "*Interest Cancellation*" below, interest will accrue on the outstanding Prevailing Principal Amount of the Capital Securities on a non-cumulative basis:

- (a) from (and including) the Issue Date to (but excluding) the First Reset Date, at a fixed rate of 7.125 per cent. per annum; and
- (b) from (and including) the First Reset Date and thereafter, at a fixed rate per annum reset on each Reset Date based on the prevailing 5-year Mid-Swap Rate plus 4.783 per cent.,

payable semi-annually in arrear in equal instalments on 27 May and 27 November of each year, the first Interest Payment Date being 27 May 2026.

**Interest Cancellation:**

The Issuer may, in its sole discretion (but subject at all times to the requirements for mandatory cancellation of interest payments), at any time elect to cancel any interest payment (in whole or in part) which is otherwise due to be paid for an unlimited period and on a non-cumulative basis.

Further, the Issuer shall cancel (in whole or in part, as applicable) any interest payment otherwise due to be paid to the extent that:

- (a) the payment of such interest, when aggregated with any interest payments or distributions paid or scheduled to be paid by the Issuer in the then current Financial Year on the Capital Securities and all other own funds instruments (excluding any such interest payments on Tier 2 Capital instruments of the Issuer and/or which have already been provided for, by way of deduction, in the calculation of Distributable Items) would cause the amount of Distributable Items (if any) then available to the Issuer to be exceeded; or
- (b) such payment of interest, when aggregated together with other distributions of the Issuer of the kind referred to in article 141(2) CRD Directive (as transposed in Romanian law by article 126<sup>2</sup> of the Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, along with the related

implementing regulations, including article 293 of NBR Regulation no. 5/2013 regarding prudential requirements for credit institutions, in each case as the same may be amended, supplemented or replaced from time to time), article 141b(2) CRD Directive (as transposed in Romanian law by article 126<sup>3</sup> of the Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, along with the related implementing regulations, including article 295<sup>2</sup> of NBR Regulation no. 5/2013 regarding prudential requirements for credit institutions, in each case as the same may be amended, supplemented or replaced from time to time), article 16a BRRD (as transposed in Romanian law by article 91<sup>1</sup> of Law no. 312/2015 on the recovery and resolution of credit institutions and investment firms, as well as for the amendment and completion of certain financial sector regulations, in each case as the same may be amended, supplemented or replaced from time to time) and/or referred to in any other applicable provisions of the Applicable Banking Regulations which require a maximum distributable amount to be calculated, in each case to the extent applicable to the Issuer and/or the Group, would cause the Maximum Distributable Amount (if any) then applicable to the Issuer and/or the Group to be exceeded; or

- (c) the Competent Authority orders the Issuer to cancel the payment of such interest.

Any interest (or part thereof) not paid by reason of cancellation above shall be cancelled and shall not:

- (a) accumulate or be payable at any time thereafter and Holders shall have no further rights or claims in respect of any interest (or part thereof) not paid, whether in the case of bankruptcy, liquidation or the dissolution of the Issuer or otherwise;
- (b) constitute an event of default of the Issuer or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever;
- (c) entitle the Holders to any compensation or to take any action to cause the bankruptcy, liquidation, dissolution or winding up of the Issuer; or
- (d) in any way impose restrictions on the Issuer, including (but not limited to) restricting the Issuer from making any distribution or equivalent payment in connection with Junior Obligations or Parity Obligations.

**Trigger Event:**

A "Trigger Event" will occur if, at any time the Issuer CET1 Ratio or Group CET1 Ratio is less than 5.125 per cent. as determined by the Issuer or the Competent Authority.

**Principal Write-down:**

On a Trigger Event Write-down Date, the Issuer shall:

- (a) irrevocably cancel all interest accrued on each Capital Security up to (and including) the Trigger Event Write-

down Date (whether or not the same has become due at such time); and

- (b) irrevocably reduce the then Prevailing Principal Amount of each Capital Security by the relevant Write-down Amount (such reduction being referred to as a "**Principal Write-down**", and "**Written Down**" being construed accordingly) with effect from the Trigger Event Write-down Date, such Principal Write-down to be effected, save as may be otherwise required by Applicable Banking Regulations and/or the Competent Authority, subject to Condition 7.1(e) (*Other Loss Absorbing Instruments*), *pro rata* and concurrently with the Principal Write-down of the other Capital Securities and the write-down or conversion into equity (as the case may be) of the then prevailing principal amount of any Loss Absorbing Instruments.

**"Write-down Amount"** means, on any Trigger Event Write-down Date, the amount by which the then Prevailing Principal Amount of each outstanding Capital Security is to be Written Down and which is calculated per Calculation Amount of such Capital Security, being the minimum of:

- (i) the amount per Calculation Amount (together with, subject to Condition 7.1(e) (*Other Loss Absorbing Instruments*), the concurrent *pro rata* Principal Write-down of the other Capital Securities and the write-down or conversion into equity of the prevailing principal amount of any Loss Absorbing Instruments) that would be sufficient to immediately restore the Issuer CET1 Ratio or Group CET1 Ratio (as the case may be) to not less than 5.125 per cent.; or
- (ii) if the amount determined in accordance with (i) above would be insufficient to restore the Issuer CET1 Ratio or Group CET1 Ratio (as the case may be) to 5.125 per cent, the amount necessary to reduce the Prevailing Principal Amount of the Capital Security to one cent.

A Principal Write-down may occur on one or more occasions and accordingly the Capital Securities may be Written Down on one or more occasions (**provided, however, that** the principal amount of a Capital Security shall never be reduced to below one cent).

Any Principal Write-down of the Capital Securities shall not:

- (a) constitute an event of default of the Issuer or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever;
- (b) constitute the occurrence of any event related to the insolvency of the Issuer or entitle the Holders to any compensation or to take any action to cause the bankruptcy, liquidation, dissolution or winding up of the Issuer.

The Holders shall have no further rights or claims against the Issuer (whether in the case of bankruptcy, liquidation or the dissolution of the Issuer or otherwise) with respect to any interest

cancelled and any principal Written Down (including, but not limited to, any right to receive accrued but unpaid and future interest or any right of repayment of principal, but without prejudice to their rights in respect of any reinstated principal following a Principal Write-up as described under "*Principal Write-up*" below).

**Principal Write-up:**

Subject to compliance with the Applicable Banking Regulations, if a positive Net Profit is recorded (a "**Return to Financial Health**") at any time while the Prevailing Principal Amount is less than the Original Principal Amount, the Issuer may, at its full discretion but subject to Conditions 7.2(b), 7.2(c) and 7.2(d), increase the Prevailing Principal Amount of each Capital Security (a "**Principal Write-up**") up to a maximum of its Original Principal Amount on a *pro rata* basis with the other Capital Securities and with any other Discretionary Temporary Write-down Instruments capable of being written-up in accordance with their terms at the time of the Principal Write-up (based on the then prevailing principal amounts thereof), **provided that** the Maximum Write-up Amount is not exceeded.

The "**Maximum Write-up Amount**" means the Net Profit (i) multiplied by the aggregate issued original principal amount of all Written-Down Additional Tier 1 Instruments, and (ii) divided by the Tier 1 Capital of the Issuer as at the date when the Principal Write-up is operated, both (i) and (ii) as calculated on an solo or consolidated basis (as applicable).

**Issuer Call Option on and after the First Call Date:**

Subject to Condition 5.7 (*Conditions for Redemption and Purchase*), the Issuer may, at its option, redeem the Capital Securities on any day falling in the period commencing on (and including) the First Call Date and ending on (and including) the First Reset Date or on each Interest Payment Date thereafter, in whole but not in part, at their Prevailing Principal Amount, together with accrued and unpaid interest to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8 (*Taxation*) (unless cancelled or deemed cancelled).

**Redemption for Taxation Reasons:**

Subject to Condition 5.7 (*Conditions for Redemption and Purchase*), if a Tax Event or Withholding Tax Event has occurred and is continuing, then the Issuer may, at its option, redeem the Capital Securities in whole (but not in part), at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled or deemed cancelled) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8 (*Taxation*).

**Regulatory Call Option:**

Subject to Condition 5.7 (*Conditions for Redemption and Purchase*), the Issuer may at its option redeem the Capital Securities (in whole but not in part), at any time at their Prevailing Principal Amount, together with interest accrued and unpaid to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8 (*Taxation*) (unless cancelled or deemed cancelled) upon the occurrence of a Capital Event that is continuing.

**Clean-up Call Option:**

Subject to Condition 5.7 (*Conditions for Redemption and Purchase*), if, at any time, the aggregate Prevailing Principal Amount of the Capital Securities is 25 per cent. or less of the aggregate nominal amount of the Capital Securities originally issued, as further described in Condition 5.5 (*Redemption upon the exercise of the Clean-up Call option*), the Issuer may, at its option, redeem all (but not some only) of the Capital Securities on any date, upon giving not less than 15 nor more than 60 days' notice to the Holders (which notice shall specify the date for redemption and shall be irrevocable), at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled or deemed cancelled in accordance with the Conditions) to, but excluding, the date of redemption.

**Conditions for Redemption and Purchase:**

Any optional redemption of Capital Securities and any purchase of Capital Securities is, *inter alia*, subject to, in each case if and to the extent then required under the Applicable Banking Regulations:

- (a) the Competent Authority having given its prior written permission to such redemption or purchase pursuant to article 77 of CRR;
- (b) the Issuer having demonstrated to the satisfaction of the Competent Authority that the Issuer complies with article 78 of CRR (or any equivalent or substitute provision under Applicable Banking Regulations), which may include (a) the replacement of the Capital Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer or (b) that the own funds and eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum own funds requirements and eligible liabilities requirements (including any applicable buffer requirements) by a margin that the Competent Authority considers necessary at such time;
- (c) in the case of a redemption as a result of a Capital Event, a Tax Event or a Withholding Tax Event, the Issuer having delivered a certificate signed by two duly authorised representatives to the Agent (and copies thereof being available at the Agent's Specified Office during its normal business hours) not less than 5 calendar days prior to the date set for redemption that the relevant Capital Event, Tax Event or Withholding Tax Event has occurred and is continuing; and
- (d) in the case of redemption or repurchase before five years after the issue date of the Capital Securities:
  - A. in the case of redemption due to the occurrence of a Capital Event, (i) the Competent Authority considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the Capital Event was not reasonably foreseeable at the time of the issuance of the Capital Securities; or

B. in the case of redemption due to the occurrence of a Withholding Tax Event or Tax Event, the Issuer demonstrates to the satisfaction of the Competent Authority that such Withholding Tax Event or Tax Event is material and was not reasonably foreseeable at the time of issuance of the Capital Securities; or

C. before or at the same time of such redemption or repurchase, the Issuer having replaced the Capital Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority having permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or

D. the Capital Securities being purchased for market making purposes in accordance with Applicable Banking Regulations.

Following the occurrence of a Principal Write-down, the Issuer shall not be entitled to redeem the Capital Securities through exercising its Issuer Call Option or its Clean-up Call Option until the principal amount of the Capital Securities is increased up to their Original Principal Amount pursuant to conditions for Principal Write-up.

**Taxation:**

All payments of principal and interest in respect of the Capital Securities will be made without withholding or deducting taxes of Romania, unless such withholding or deduction is required by law. In that event, the Issuer will pay such additional amounts as will result in the Holders receiving such amounts of interest as they would have received in respect of the Capital Securities had no such withholding been required, subject to certain exceptions, as provided in Condition 8 (*Taxation*).

**Substitution and Variation:**

If a Capital Event, Tax Event, Withholding Tax Event or Alignment Event has occurred and is continuing, or to ensure the effectiveness or enforceability of Condition 18 (*Acknowledgement of Bail-in and Loss Absorption Powers*), subject to compliance with any conditions prescribed under Applicable Banking Regulations, the prior permission of the Competent Authority (if required) and having given not less than 15 nor more than 60 days' notice to the Fiscal Agent and the Holders, the Issuer may at its option, without any requirement for the consent or approval of the Holders, substitute all (but not some only) of the Capital Securities or vary the terms of all (but not some only) of the Capital Securities so that they remain or, as appropriate, become, Qualifying Securities **provided that** (i) such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted Capital Securities, (ii) such variation or substitution would not itself directly lead to a downgrade in any of the credit ratings of the Capital Securities as assigned to such Capital Securities by any Rating Agency immediately prior to such variation or substitution (unless any such downgrade is solely attributable to the effectiveness and enforceability of Condition 18 *Acknowledgement of Bail-in and Loss Absorption Powers*), (iii) they remain or, as appropriate, become compliant with

Applicable Banking Regulations with respect to Additional Tier 1 Capital, and (iv) such substitution or variation shall not result in terms that are materially less favourable to the Holders (unless any such prejudice is solely attributable to the effectiveness and enforceability of Condition 18 (*Acknowledgement of Bail-in and Loss Absorption Powers*)).

Following such variation or substitution the resulting securities must have *inter alia*, at least the same ranking, the same interest rate, equivalent redemption rights and the same existing rights to accrued interest which has not been paid as the Capital Securities.

**Purchases:**

Subject to Condition 5.7 (*Conditions for Redemption and Purchase*), the Issuer or any of its subsidiaries may at their option, (**provided that** all unmatured Coupons and Talons appertaining thereto are purchased therewith), purchase Capital Securities in the open market or otherwise and at any price.

**Enforcement:**

Any failure by the Issuer to pay interest or the Prevailing Principal Amount when due in respect of the Capital Securities shall not constitute an event of default and does not give Holders any right to demand repayment of the Prevailing Principal Amount.

Each of the following events is an “**Enforcement Event**”:

- (a) To the extent allowed under applicable law, if default is made by the Issuer in the payment of the Prevailing Principal Amount when due in respect of the Capital Securities and such default continues for a period of seven business days in Romania, any Holder may institute proceedings for the winding up or liquidation of the Issuer and prove or claim in the winding up or liquidation of the Issuer; or
- (b) If a court order is made for the winding up or liquidation of the Issuer (except for the purpose of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligations of the Issuer under the Capital Securities) or the Issuer is otherwise declared bankrupt or put into liquidation, in each case, by a court or agency or supervisory authority in Romania, then any Holder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Capital Security held by the Holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Prevailing Principal Amount and any accrued but unpaid interest from the previous Interest Payment Date up to (but excluding) the date of repayment (to the extent payment of such interest amount is not cancelled pursuant to Condition 3.2 (*Interest cancellation*)), without presentment, demand, protest or other notice of any kind **provided that** repayment of Capital Securities will only be effected after the Issuer has obtained the prior written permission of the Competent Authority pursuant to article 77 CRR.

No other remedy against the Issuer shall be available to the Holders, whether for recovery of amounts owing in respect of the

|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              | Capital Securities or in respect of any breach by the Issuer of any of its obligations under or in respect of the Capital Securities.                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Meetings of Holders and Modification:</b> | The Agency Agreement contains provisions for convening meetings of the Holders (including by way of conference call or by use of a videoconference platform) to consider matters relating to the Capital Securities.                                                                                                                                                                                                                                                                                                                                             |
| <b>Governing Law:</b>                        | The Capital Securities the Coupons and the Talons and all non-contractual obligations arising out of or in connection with any of them will be governed by, and construed in accordance with, the laws of England except for the provisions of Condition 2 ( <i>Status of the Capital Securities</i> ) and Condition 18 ( <i>Acknowledgement of Bail-in and Loss Absorption Powers</i> ) and all non-contractual obligations arising out of or in connection with them which shall be governed by and shall be construed in accordance with the laws of Romania. |
| <b>Ratings:</b>                              | The Capital Securities are expected to be rated B1 by Moody's Investors Service Cyprus Limited (" <b>Moody's</b> "). Moody's is established in the EEA and is registered under the Regulation (EC) No. 1060/2009 (as amended). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.                                                                                                                                                            |
| <b>Listing and Admission to Trading:</b>     | Application has been made to Euronext Dublin for the Capital Securities to be admitted to the Official List and trading on the Regulated Market.                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Selling Restrictions:</b>                 | <p>There are selling restrictions in relation to the EEA and the United Kingdom, United States, Italy, Singapore and Hong Kong. See "<i>Subscription and Sale</i>" below.</p> <p>The Issuer is Category 2 for the purposes of Regulation S under the U.S. Securities Act of 1933, as amended. The TEFRA D Rules shall apply.</p>                                                                                                                                                                                                                                 |
| <b>Risk Factors:</b>                         | There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Capital Securities. These include risks relating to the Issuer's business. In addition, there are factors which are material for the purpose of assessing the market risks associated with the Capital Securities. These include the fact that the Capital Securities may not be a suitable investment for all investors and certain market risks. See " <i>Risk Factors</i> " above.                                                                         |
| <b>Use of Proceeds:</b>                      | An amount equal to the net proceeds from the issue of the Capital Securities, estimated to amount to EUR 500,000,000, will be used for the general financing purposes of the Issuer and meeting regulatory capital requirements.                                                                                                                                                                                                                                                                                                                                 |
| <b>Clearing Systems:</b>                     | Euroclear and Clearstream                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>ISIN:</b>                                 | XS3239211132                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Common Code:</b>                          | 323921113                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>CFI:</b>                                  | See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the National Numbering Agency that assigned the ISIN.                                                                                                                                                                                                                                                                                                                                                                                                     |

**FISN:**

See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the National Numbering Agency that assigned the ISIN.

## DOCUMENTS INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (c) an English language translation of the audited consolidated and separate financial statements and the auditors' report thereon and of the notes thereto of the Issuer as at and for the years ended 31 December 2024 and 31 December 2023 (the "**Audited Financial Statements**");
- (d) an English language translation of the unaudited interim condensed consolidated and separate financial statements of the Issuer and the auditor's review opinion thereon for the six month period ended on 30 June 2025 and 30 June 2024 (the "**Unaudited Reviewed Interim Financial Statements**"); and
- (e) an English language translation of the unaudited, unreviewed interim condensed consolidated and separate financial statements of the Issuer for the nine month period ended on 30 September 2025 (the "**Unaudited Unreviewed Interim Financial Statements**").

Copies of the documents specified above as containing information incorporated by reference in this Prospectus may be inspected, free of charge, at:

- <https://www.bancatransilvania.ro/files/app/media/relatii-investitori/aga-en/2025/Consolidated-and-Separate-Financial-Statements-as-at-December-31-2024/Annual-Consolidated-and-Separate-Financial-Statements.pdf>
- <https://www.bancatransilvania.ro/files/app/media/relatii-investitori/aga-en/2025/Consolidated-and-Separate-Financial-Statements-as-at-December-31-2024/Independent-Auditor-Report-IFRS.pdf>
- <https://www.bancatransilvania.ro/files/app/media/relatii-investitori/aga-en/2024/Consolidated-and-Separate-Financial-Statements-as-at-December-31-2023/Consolidated-and-Separate-Financial-Statements.pdf>
- <https://www.bancatransilvania.ro/files/app/media/relatii-investitori/aga-en/2024/Consolidated-and-Separate-Financial-Statements-as-at-December-31-2023/Independent-Auditor-Report.pdf>
- <https://www.bancatransilvania.ro/files/app/media/relatii-investitori/financial-results/2025/1st-Semester/Interim-condensed-consolidated-and-separate-financial-statements.pdf>
- [www.bancatransilvania.ro/files/app/media/relatii-investitori/financial-results/2025/1st-Semester/Review-opinion-interim-condensed.pdf](https://www.bancatransilvania.ro/files/app/media/relatii-investitori/financial-results/2025/1st-Semester/Review-opinion-interim-condensed.pdf)
- <https://www.bancatransilvania.ro/files/app/media/relatii-investitori/financial-results/2025/3rd-Quarter/Interim-Condensed-Consolidated-and-Separate-Financial-Statements-30.09.2025.pdf>

Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus. Unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus.

## TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

The € 500,000,000 Undated Additional Tier 1 Fixed Rate Resettable Callable Capital Securities (the "**Capital Securities**", which expression shall in these Terms and Conditions (the "**Conditions**"), unless the context otherwise requires, include any further capital securities issued pursuant to Condition 16 (*Further Issues*) and forming a single series with the Capital Securities) of Banca Transilvania S.A. (the "**Issuer**") have the benefit of an agency agreement dated the Issue Date (such agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") made between the Issuer, The Bank of New York Mellon, London Branch as fiscal agent and agent bank (in such capacity the "**Agent**" which expression shall include any successor Agent) and any other paying agents appointed pursuant to the Agency Agreement (together with the Agent, the "**Paying Agents**", which expression shall include any successor or additional paying agent appointed from time to time in connection with the Capital Securities).

Any reference herein to "**Holders**" shall mean the holders of the Capital Securities. Any reference herein to "**Couponholders**" shall mean the holders of the Coupons (as defined below), and shall, unless the context otherwise requires, include the holders of the Talons (as defined below).

Copies of the Agency Agreement are available for viewing at the Specified Offices (as defined in the Agency Agreement) of each of the Agent and the other Paying Agents, the original Specified Offices of which are set out below, and at the registered offices of the Issuer and of the Agent and copies may be obtained from those offices. The Holders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement which are binding on them.

Words and expressions defined in the Agency Agreement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated.

### 1. Denomination, Form, and Title

#### 1.1 Form and denomination

This Undated Additional Tier 1 Fixed Rate Resettable Callable Capital Securities are being issued on 27 November 2025 (the "**Issue Date**") in euro in the aggregate principal amount of EUR 500,000,000 (in words: *five hundred million euros*). The Capital Securities are in bearer form, serially numbered, in the denominations of €200,000 and integral multiples of €1,000 in excess thereof up to (and including) €399,000 each with interest coupons (each a "**Coupon**") and talons (each a "**Talon**") for further Coupons attached on issue. No definitive Capital Securities will be issued with a denomination above €399,000. Capital Securities of one denomination may not be exchanged for Capital Securities of any other denomination. No person shall have any right to enforce any term or condition of the Capital Securities under the Contracts (Rights of Third Parties) Act 1999.

#### 1.2 Title

Title to the Capital Securities, Coupons and Talons will pass by delivery.

#### 1.3 Holder absolute owner

The holder of any Capital Security, Coupon or Talon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

### 2. Status of the Capital Securities

#### 2.1 Status

The Capital Securities and Coupons (including any accrued interest or damages awarded for breach of any obligations under these Conditions, if any are payable) constitute direct, unsecured, unguaranteed and subordinated obligations of the Issuer. The Issuer intends, on the Issue Date, that the Capital Securities shall constitute Additional Tier 1 Capital. The rights and claims of the Holders and Couponholders are subordinated as described in Condition 2.2 (*Subordination*).

The Capital Securities do not contribute to a determination that the liabilities of the Issuer exceed its assets.

## 2.2 Subordination

In the event of normal bankruptcy proceedings (*faliment*) or liquidation (*lichidare*) of the Issuer, the rights and claims (if any) of the Holders to payment under the Capital Securities in respect of the Prevailing Principal Amount (including any accrued and uncanceled interest, Coupons or damages awarded for breach of any obligations under these Conditions, if any are payable) shall rank, subject to such exceptions as are from time to time mandatory under applicable law:

- (i) junior to the rights and claims of Senior Creditors, present and future;
- (ii) *pari passu* without any preference among themselves and with all rights and claims of creditors in respect of Parity Obligations, present and future; and
- (iii) senior only to the rights and claims of creditors in respect of Junior Obligations, present and future.

By virtue of such subordination, payments to a Holder in respect of the Prevailing Principal Amount of the Capital Securities will, in the event of the liquidation or bankruptcy of the Issuer, only be made after all claims of the Senior Creditors have been satisfied.

## 2.3 No set-off, netting or enhancement of seniority

The Capital Securities are not subject to any set-off or netting arrangements that would undermine their capacity to absorb losses in resolution. Accordingly, no Holder shall be entitled, and waives any right, to exercise any right of set-off or netting against moneys owed by the Issuer in respect of such Capital Securities. The Capital Securities are neither secured, nor subject to a guarantee that enhances the seniority of the claims under the Capital Securities. The Capital Securities are not subject to any other arrangement that enhances the seniority of the claims under the Capital Securities.

If an amount payable by the Issuer in respect of any Capital Security to any Holder is unduly discharged by set-off or netting, the respective Holder must pay an amount equal to the discharged amount to the Issuer, (or, in the event of its bankruptcy or liquidation, to the liquidator or other relevant insolvency official (as the case may be and to the extent applicable)) and, until such time as payment is made, shall hold an amount equal to such amount discharged on behalf and for the benefit of the Issuer (or the liquidator or other relevant insolvency official of the Issuer) and, consequently, the discharge shall be deemed as not having occurred.

## 3. Interest and interest cancellation

### 3.1 Interest

#### (a) Interest rate and Interest Payment Dates

The Capital Securities bear interest on their outstanding Prevailing Principal Amount at the applicable Rate of Interest from (and including) the Issue Date. Subject to cancellation of any interest payment (in whole or in part) pursuant to Condition 3.2 (*Interest cancellation*) or Condition 7 (*Principal Write-down and Principal Write-up*), interest shall be payable semi-annually in arrear in equal instalments on each Interest Payment Date. The level of interest payments made on the Capital Securities will not be amended on the basis of the credit standing of the Issuer.

The amount of interest per €1,000 in Original Principal Amount payable on each Interest Payment Date in respect of each Interest Period commencing before the First Reset Date will, provided there is no Principal Write-down pursuant to Condition 7 (*Principal Write-down and Principal Write-up*) and subject to any cancellation of interest (in whole or in part) pursuant to Condition 3.2 (*Interest cancellation*), be € 35.625.

The Rate of Interest for each Interest Period commencing on or after the First Reset Date will be the Reset Rate of Interest applicable to the Reset Period during which such Interest Period falls plus the Margin, converted from an annual basis to a semi-annual basis, all as determined by the Agent. The Agent will, as soon as practicable after 11:00 a.m. (Central European time) on each Reset Rate of Interest Determination Date, determine the applicable Reset Rate of Interest.

(b) *Interest Accrual*

Subject always to Condition 7 (*Principal Write-down and Principal Write-up*) and to cancellation of interest (in whole or in part) pursuant to Condition 3.2 (*Interest cancellation*), each Capital Security will cease to bear interest from and including its due date for redemption.

(c) *Publication of Reset Rate of Interest and amount of interest*

The Agent will cause each Reset Rate of Interest and the amount of interest payable per Calculation Amount for each Reset Period commencing on or after the First Reset Date determined by it to be notified to each listing authority, stock exchange and/or quotation system (if any) by which the Capital Securities have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also promptly be given to the Holders in accordance with Condition 14 (*Notices*).

(d) *Notifications etc.*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 3 (*Interest and interest cancellation*) by the Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and the Holders and (subject as aforesaid) no liability to any such person will attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(e) *Calculation of interest amounts and any broken amounts*

Save as provided above in respect of equal instalments, the amount of interest payable per Calculation Amount (subject to Condition 7 (*Principal Write-down and Principal Write-up*) and to cancellation in whole or in part pursuant to Condition 3.2 (*Interest cancellation*)) in respect of each Capital Security for any period (an "**Accrual Period**", being the period from and including the date from which interest begins to accrue to but excluding the date on which it falls due) shall be calculated by the Agent by:

- (i) applying the applicable Rate of Interest to the Calculation Amount;
- (ii) multiplying the product thereof by (a) the actual number of days in the Accrual Period divided by (b) two times the actual number of days from and including the first day of the Accrual Period to but excluding the next following Interest Payment Date; and
- (iii) rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

If the Prevailing Principal Amount of the Capital Securities changes on one or more occasions during any Accrual Period, the Agent shall separately calculate the amount of interest (in accordance with this Condition 3.1(e)) accrued on each Capital Security for each period within such Accrual Period during which a different Prevailing Principal Amount subsists, and the aggregate of such amounts shall be the amount of interest payable (subject to Condition 7 (*Principal Write-down and Principal Write-up*) and to cancellation in whole or in part pursuant to Condition 3.2 (*Interest cancellation*)) in respect of a Capital Security for the relevant Accrual Period.

(f) *Reference Rate Replacement*

If a Reference Rate Event has occurred when any Rate of Interest (or component part thereof) remains to be determined by reference to the Reset Rate of Interest (or component part thereof), then the following provisions shall apply:

- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Reference Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Reference Rate, an alternative rate (the "**Alternative Reference Rate**") and, in either case, an alternative screen page or source (the "**Alternative Screen Page**") and an Adjustment Spread (if applicable) no later than three (3) Business Days prior to the relevant Reset Rate of Interest Determination Date relating to the next succeeding Reset Period (the "**IA Determination Cut-off Date**") for purposes of determining the Reset Rate of Interest (or component part thereof) applicable to the Capital Securities for all future Reset Periods (subject to the subsequent operation of this Condition 3.1(f) if a further Benchmark Event occurs);
- (ii) the Alternative Reference Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the Reset Rate of Interest or the relevant component part thereof (as applicable) in customary market usage for the purposes of determining reset rates of interest (or the relevant component part thereof) in respect of debt securities denominated in euro, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the Reset Rate of Interest or the relevant component part thereof (as applicable), and the Alternative Screen Page shall be such page of an information service as displays the Alternative Reference Rate;
- (iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Reference Rate or an Alternative Reference Rate and Alternative Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (i) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the Reset Rate of Interest or the relevant component part thereof (as applicable) in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of debt securities denominated in euro, or, if it determines that there is no such rate, which (if any) rate is most comparable to the Reset Rate of Interest or the relevant component part thereof (as applicable) and the Alternative Reference Rate shall be the rate so determined by the Issuer and the Alternative Screen Page shall be such page of an information service as displays the Alternative Reference Rate; provided, however, that if this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Reference Rate and Alternative Screen Page prior to the Reset Rate of Interest Determination Date relating to the next succeeding Reset Period in accordance with this sub-paragraph (iii), the Rate of Interest applicable to the next succeeding Reset Period shall be equal to the Rate of Interest applicable to the Capital Securities in respect of the Reset Period preceding such Reset Period (or alternatively, in the case of the first Reset Rate of Interest Determination Date, the Rate of Interest shall be the Initial Rate of Interest). For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Reset Period, and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 3.1(f);
- (iv) if a Successor Reference Rate or an Alternative Reference Rate and an Alternative Screen Page is determined in accordance with the preceding provisions, such Successor Reference Rate or Alternative Reference Rate and

Alternative Screen Page shall be the benchmark and the Screen Page in relation to the Capital Securities for all future Reset Periods (subject to the subsequent operation of this Condition 3.1(f));

- (v) If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (A) that an Adjustment Spread is required to be applied to the Successor Reference Rate or Alternative Reference Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Reference Rate or Alternative Reference Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Reference Rate or Alternative Reference Rate;
- (vi) if a Successor Reference Rate or an Alternative Reference Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify consequential amendments to related definitions in addition to the method for determining the reference rate, in order to follow market practice in relation to the Successor Reference Rate or Alternative Reference Rate and/or Adjustment Spread, which changes shall apply to the Capital Securities for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 3.1(f)); and
- (vii) the Issuer shall promptly following the determination of any Successor Reference Rate or Alternative Reference Rate and Alternative Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Agent and the Holders in accordance with Condition 14 (*Notices*). Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Agent of the same, the Issuer shall deliver to the Agent a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (x) that a Reference Rate Event has occurred, (y) the relevant Successor Reference Rate, Alternative Reference Rate or Alternative Screen Page and, (z) where applicable, any Adjustment Spread and/or the specific terms of any relevant consequential changes in each case as determined in accordance with the provisions of this Condition 3.1(f); and
- (B) certifying that the relevant consequential changes referred to above are necessary to ensure the proper operation of such Successor Reference Rate, Alternative Reference Rate, Alternative Screen Page or, where applicable, any Adjustment Spread.

As used in this Condition 3.1(f):

**"Adjustment Spread"** means either a spread (which may be positive or negative) or a formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines should be applied to the relevant Successor Reference Rate or the relevant Alternative Reference Rate (as applicable), as a result of the replacement of the Reset Rate of Interest (or relevant component part thereof) with the relevant Successor Reference Rate or the relevant Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which:

- (i) in the case of a Successor Reference Rate, is recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Reset Rate of Interest (or relevant component part thereof) with the Successor Reference Rate by any Relevant Nominating Body; or

- (ii) in the case of a Successor Reference Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate as a result of the replacement of the Reset Rate of Interest (or relevant component part thereof) with the Successor Reference Rate or Alternative Benchmark Rate (as applicable);

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense;

**"Reference Rate Event"** means:

- (i) the Reset Rate of Interest (or any component part thereof) has ceased to be published on the Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the Reset Rate of Interest (or any component part thereof) that (in circumstances where no successor administrator has been or will be appointed that will continue publication) it has ceased or will cease publishing such Reset Rate of Interest (or any component part thereof) permanently or indefinitely or that it will cease to do so by a specified future date; or
- (iii) a public statement by the supervisor of the administrator of the Reset Rate of Interest (or any component part thereof) that such Reset Rate of Interest (or any component part thereof) has been or will, by a specified future date, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Reset Rate of Interest (or any component part thereof) that means that the Reset Rate of Interest (or any component part thereof) will, by a specified future date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Capital Securities; or
- (v) a public statement by the supervisor of the administrator of the Reset Rate of Interest (or any component part thereof) that, in the view of such supervisor, (i) such Reset Rate of Interest (or any component part thereof) is or will, by a specified future date, be no longer representative of an underlying market or (ii) the methodology to calculate such Reset Rate of Interest (or any component part thereof) has materially changed; or
- (vi) it has or will, by a specified date within the following six months, become unlawful for the Agent or the Issuer to calculate any payments due to be made to any Holder using the Reset Rate of Interest (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011 or such regulation as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Reference Rate Event is a public statement within sub-paragraphs (ii), (iii), (iv) or (v) above, as applicable, and the specified future date in such public statement is more than six months after the date of that public statement, the Reference Rate Event shall not be deemed occur until the date falling six months prior to such specified future date.

Notwithstanding any other provision of this Condition 3.1(f), no Successor Reference Rate or Alternative Reference Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the terms of the Capital Securities will be made pursuant to this Condition 3.1(f), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Capital Securities as Additional Tier 1 instruments of the Issuer.

**"Relevant Nominating Body"** means, in respect of a reference rate: (i) the central bank for the currency to which the reference or screen rate (as applicable) relates, or any central bank or other

supervisory authority which is responsible for supervising the administrator of the reference or screen rate (as applicable); or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the reference or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

**"Successor Reference Rate"** means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (with the Issuer's agreement) determines is a successor to or replacement of the Reset Rate of Interest (or relevant component part thereof) which is formally recommended by any Relevant Nominating Body.

### 3.2 Interest cancellation

#### (a) *Optional cancellation of interest*

The Issuer may, in its sole discretion (but subject at all times to the requirements for mandatory cancellation of interest payments pursuant to Condition 3.2(b)), at any time elect to cancel any interest payment (in whole or in part) which is otherwise due to be paid ("**Optional Cancellation of Interest**") for an unlimited period and on a non-cumulative basis. The Issuer may use such cancelled payments without restrictions to meet its obligations as they fall due.

#### (b) *Mandatory cancellation of interest*

The Issuer shall cancel (in whole or in part, as applicable) any interest payment otherwise due to be paid to the extent that:

- (i) such payment of interest, when aggregated with any interest payments or distributions paid or scheduled to be paid by the Issuer in the then current Financial Year on the Capital Securities and all other own funds instruments (excluding any such interest payments on Tier 2 Capital instruments of the Issuer and/or interest payments which have already been provided for, by way of deduction, in the calculation of Distributable Items) would cause the amount of Distributable Items (if any) then available to the Issuer to be exceeded;
- (ii) such payment of interest, when aggregated together with other distributions of the Issuer of the kind referred to in article 141(2) CRD Directive (as transposed in Romanian law by article 126<sup>2</sup> of the Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, along with the related implementing regulations, including article 293 of NBR Regulation no. 5/2013 regarding prudential requirements for credit institutions, in each case as the same may be amended, supplemented or replaced from time to time), article 141b(2) CRD Directive (as transposed in Romanian law by article 126<sup>3</sup> of the Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, along with the related implementing regulations, including article 295<sup>2</sup> of NBR Regulation no. 5/2013 regarding prudential requirements for credit institutions, in each case as the same may be amended, supplemented or replaced from time to time), article 16a BRRD (as transposed in Romanian law by article 91<sup>1</sup> of Law no. 312/2015 on the recovery and resolution of credit institutions and investment firms, as well as for the amendment and completion of certain financial sector regulations, in each case as the same may be amended, supplemented or replaced from time to time) and/or referred to in any other applicable provisions of the Applicable Banking Regulations which require a maximum distributable amount to be calculated, in each case to the extent applicable to the Issuer and/or the Group, would cause the Maximum Distributable Amount (if any) then applicable to the Issuer and/or the Group to be exceeded; or

- (iii) the Competent Authority orders the Issuer to cancel the payment of such interest;

together the "**Mandatory Cancellation of Interest**".

Interest payments may also be cancelled in accordance with Condition 7 (*Principal Write-down and Principal Write-up*).

As used in these Conditions:

"**Distributable Items**" shall have the meaning assigned to such term in the Applicable Banking Regulations then applicable, but amended so that for so long as there is any reference therein to "before distributions to holders of own funds instruments" it shall be read as a reference to "before distributions to holders of own funds instruments (excluding any Tier 2 Capital instruments)".

"**Maximum Distributable Amount**" means any applicable maximum distributable amount relating to the Issuer and/or the Group required to be calculated pursuant to article 141(2) of the CRD Directive (as implemented in Romanian law by article 126<sup>2</sup> of the Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, along with the related implementing regulations, including article 293 of NBR Regulation no. 5/2013 regarding prudential requirements for credit institutions, in each case as the same may be amended, supplemented or replaced from time to time) and/or article 141b(2) CRD Directive (as transposed in Romanian law by article 126<sup>3</sup> of the Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, along with the related implementing regulations, including article 295<sup>2</sup> of NBR Regulation no. 5/2013 regarding prudential requirements for credit institutions, in each case as the same may be amended, supplemented or replaced from time to time), and/or article 16a BRRD (as transposed in Romanian law by article 91<sup>1</sup> of Law no. 312/2015 on the recovery and resolution of credit institutions and investment firms, as well as for the amendment and completion of certain financial sector regulations, in each case as the same may be amended, supplemented or replaced from time to time), and/or pursuant to any other applicable provisions of the Applicable Banking Regulations which require a maximum distributable amount to be calculated.

(c) *Notice of cancellation of interest*

Upon the Issuer electing (pursuant to Condition 3.2(a)) or determining that it shall be required (pursuant to Condition 3.2(b)) to cancel (in whole or in part) any interest payment, the Issuer shall as soon as reasonably practicable give notice to the Holders in accordance with Condition 14 (*Notices*), specifying the amount of the relevant cancellation and, accordingly, the amount (if any) of the relevant interest that will be paid on the relevant payment date; **provided, however, that** any failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation or deemed cancellation of interest, or give Holders any rights as a result of such failure.

In the absence of such notice being given, if the Issuer does not make an interest payment on the relevant due date (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the Issuer's exercise of its discretion or obligation to cancel such interest payment (or the portion of such interest payment not paid), and accordingly such interest (or the portion thereof not paid) shall not be due and payable.

If the Issuer provides notice to cancel a portion, but not all, of an interest payment and the Issuer subsequently does not make a payment of the remaining portion of such interest on the relevant interest payment date, such non-payment shall evidence the Issuer's exercise of its discretion to cancel such remaining portion of interest, and accordingly such remaining portion of interest shall also not be due and payable.

(d) *Interest non-cumulative; no event of default*

Any interest (or part thereof) not paid by reason of Optional Cancellation of Interest or Mandatory Cancellation of Interest above shall be cancelled and shall not:

- (i) accumulate or be payable at any time thereafter and Holders shall have no further rights or claims in respect of any interest (or part thereof) not paid, whether in the case of bankruptcy (*faliment*), liquidation (*lichidare*) or the dissolution of the Issuer or otherwise;
- (ii) constitute an event of default of the Issuer or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever;
- (iii) entitle the Holders to any compensation or to take any action to cause the bankruptcy (*faliment*), liquidation (*lichidare*), dissolution or winding up of the Issuer; or
- (iv) in any way impose restrictions on the Issuer, including (but not limited to) restricting the Issuer from making any distribution or equivalent payment in connection with Junior Obligations or Parity Obligations.

4. **Payments**

(a) *Method of Payment*

Payments of principal and interest in respect of each Capital Security will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Capital Security except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the Specified Office of any of the Paying Agents.

Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Each Capital Security should be presented for payment together with all relative unmatured Coupons (which expression shall, for the avoidance of doubt, include Coupons falling to be issued on exchange of matured Talons). Upon the date on which any Capital Security becomes due and repayable, all unmatured Coupons appertaining to the Capital Security (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the Specified Office of any Paying Agent in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 9 (*Prescription*). Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

(b) *Payments subject to fiscal or other laws*

All payments in respect of the Capital Securities are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

(c) *Deduction for unmatured Coupons*

If a Capital Security is presented without all unmatured Coupons relating thereto, then:

- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
  - (x) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this subparagraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
  - (y) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8.1 (*Payment without Withholding*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due. No payments will be made in respect of void Coupons.

(d) *Payments on Business Days*

If the due date for payment of any amount in respect of any Capital Security or Coupon is not a Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(e) *Payments other than in respect of matured Coupons*

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Capital Securities at the Specified Office of any Paying Agent outside the United States.

(f) *Partial payments*

If a Paying Agent makes a partial payment in respect of any Capital Security or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and the date of such payment.

## 5. **Redemption and Purchase**

5.1 **No fixed maturity and no incentive to redeem**

The Capital Securities are perpetual and have no fixed maturity date. The Capital Securities will become repayable only as provided in this Condition 5 (*Redemption and Purchase*) and in Condition 10 (*Enforcement*). The Capital Securities are not subject to any arrangement that includes an incentive for the Issuer to redeem them.

5.2 **Redemption at the Option of the Issuer**

Subject to Condition 5.7 (*Conditions for Redemption and Purchase*), the Issuer may, at its option, having given not less than 15 nor more than 60 calendar days' notice to the Holders in accordance with Condition 14 (*Notices*) (which notice shall, subject as provided in Condition 5.7 (*Conditions for Redemption and Purchase*), be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Capital Securities on any day falling in the period commencing on (and including) the First Call Date and ending on (and including) the First Reset Date or on each Interest Payment Date thereafter at their Prevailing Principal Amount, together with accrued and unpaid interest (excluding interest which has been cancelled or deemed cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8 (*Taxation*).

5.3 **Redemption for Taxation Reasons**

Subject to Condition 5.7 (*Conditions for Redemption and Purchase*), if a Tax Event or a Withholding Tax Event has occurred and is continuing, then the Issuer may, after having given not less than 15 nor more than 60 calendar days' notice to the Holders in accordance with Condition 14 (*Notices*) (which notice shall, subject as provided in Condition 5.7 (*Conditions for Redemption and Purchase*), be irrevocable) may, at its option, redeem the Capital Securities in whole (but not in part), at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled or deemed cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8 (*Taxation*).

"**Tax Event**" means the receipt by the Issuer of an opinion of counsel in the relevant Taxing Jurisdiction (experienced in such matters) to the effect that, as a result of: (i) any amendment to, or change in, the laws or treaties (or any regulations thereunder) of the Taxing Jurisdiction affecting taxation; (ii) any governmental action in the Taxing Jurisdiction; or (iii) any amendment to, or change in, the official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in the Taxing Jurisdiction, irrespective of the manner in which such amendment, change, action, pronouncement, interpretation or decision is made known, which amendment or change is effective or such governmental action, pronouncement, interpretation or decision is announced, on or after the Issue Date of the Capital Securities the Issuer is, or will be, subject to additional taxes, duties or other governmental charges with respect to the Capital Securities.

"**Taxing Jurisdiction**" means the jurisdiction in which the Issuer is incorporated at the relevant time or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any other jurisdiction or any political subdivision thereof or any authority or agency therein or thereof, having power to tax in which the Issuer is treated as having a permanent establishment, under the income tax laws of such jurisdiction.

"**Withholding Tax Event**" means the receipt by the Issuer of an opinion of counsel in the relevant Taxing Jurisdiction (experienced in such matters) to the effect that, as a result of any change in the laws of any Taxing Jurisdiction or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date of the Capital Securities, the Issuer would be required to pay additional amounts as provided in Condition 8 (*Taxation*).

#### 5.4 **Redemption upon a Capital Event**

Subject to Condition 5.7 (*Conditions for Redemption and Purchase*), if a Capital Event has occurred and is continuing, the Issuer may at its option, having given not less than 15 nor more than 60 calendar days' notice to the Holders in accordance with Condition 14 (*Notices*) (which notice shall, subject as provided in Condition 5.7 (*Conditions for Redemption and Purchase*), be irrevocable and shall specify the date fixed for redemption), redeem the Capital Securities, in whole (but not in part), at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled or deemed cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8 (*Taxation*).

A "**Capital Event**" shall occur if there is a change in the regulatory classification of the Capital Securities that has resulted or would be likely to result in the Capital Securities being excluded, in whole or in part, from the Additional Tier 1 Capital of the Issuer and/or the Group or reclassified as own funds of lower quality of the Issuer and/or the Group, which change in regulatory classification (or reclassification) becomes effective on or after the Issue Date. For the avoidance of doubt, a Capital Event shall not be deemed to have occurred in case of a partial exclusion of the Capital Securities as a result of (i) a Principal Write-down or (ii) a change in the regulatory assessment of the tax effects of a Principal Write-down.

#### 5.5 **Redemption upon the exercise of the Clean-up Call option**

Subject to Condition 5.7 (*Conditions for Redemption and Purchase*), if, at any time, the aggregate Prevailing Principal Amount of the Capital Securities is 25 per cent. or less of the aggregate nominal amount of the Capital Securities originally issued (and, for these purposes, any further Capital Securities issued pursuant to Condition 16 (*Further Issues*) and consolidated with the Capital Securities as part of the same series shall be deemed to have been originally issued and any Principal Write-down and/or Principal Write-up of the principal amount of the Capital Securities shall be ignored), the Issuer may at its option, having given not less than 15 nor more than 60 calendar days' notice to the Holders in accordance with Condition 14 (*Notices*) (which notice shall, subject as provided in Condition 5.7 (*Conditions for Redemption and Purchase*), be irrevocable and shall specify the date fixed for redemption), redeem the Capital Securities, in whole (but not in part), at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled or deemed cancelled in accordance with these Conditions) to, but excluding, the date of redemption.

#### 5.6 **Purchases**

Subject to Condition 5.7 (*Conditions for Redemption and Purchase*), the Issuer or any of its subsidiaries may at their option purchase Capital Securities (**provided that** all unmatured Coupons and Talons appertaining thereto are purchased therewith) in the open market or otherwise and at any price.

#### 5.7 **Conditions for Redemption and Purchase**

##### (a) *General conditions for redemption and purchase*

Any optional redemption of Capital Securities pursuant to Condition 5.2 (*Redemption at the Option of the Issuer*), 5.3 (*Redemption for Taxation Reasons*), 5.4 (*Redemption upon a Capital Event*) or 5.5 (*Redemption upon the exercise of the Clean-up Call Option*) and any purchase of Capital Securities pursuant to Condition 5.6 (*Purchases*) are subject to the following conditions, in each case if and to the extent then required by Applicable Banking Regulations:

- (i) the Competent Authority having given its prior written permission to such redemption or purchase pursuant to article 77 of CRR;
- (ii) the Issuer having demonstrated to the satisfaction of the Competent Authority that the Issuer complies with article 78 of CRR (or any equivalent or substitute provision under Applicable Banking Regulations), which may include (a) the

replacement of the Capital Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer or (b) that the own funds and eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum own funds requirements and eligible liabilities requirements (including any applicable buffer requirements) by a margin that the Competent Authority considers necessary at such time;

- (iii) in the case of a redemption as a result of a Capital Event, a Tax Event or a Withholding Tax Event, the Issuer having delivered a certificate signed by two duly authorised representatives to the Agent (and copies thereof being available at the Agent's Specified Office during its normal business hours) not less than 5 calendar days prior to the date set for redemption that the relevant Capital Event, Tax Event or Withholding Tax Event has occurred and is continuing; and
- (iv) in the case of redemption or repurchase before five years after the issue date of the Capital Securities:
  - A. in the case of redemption due to the occurrence of a Capital Event, (i) the Competent Authority considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the Capital Event was not reasonably foreseeable at the time of the issuance of the Capital Securities; or
  - B. in the case of redemption due to the occurrence of a Withholding Tax Event or Tax Event, the Issuer demonstrates to the satisfaction of the Competent Authority that such Withholding Tax Event or Tax Event is material and was not reasonably foreseeable at the time of issuance of the Capital Securities; or
  - C. before or at the same time of such redemption or repurchase, the Issuer having replaced the Capital Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority having permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
  - D. the Capital Securities being purchased for market making purposes in accordance with Applicable Banking Regulations.

Notwithstanding the above conditions, if, at the time of such redemption or repurchase, the prevailing Applicable Banking Regulations permit the redemption or repurchase only after compliance with one or more alternative or additional pre-conditions to those set out in this Condition 5.7(a), the Issuer having complied with such other and/or (as appropriate) additional pre-condition(s).

Any refusal of the Competent Authority to grant permission shall not constitute an Enforcement Event or an event of default for any purpose.

*(b) No redemption whilst the Capital Securities are written down*

Following the occurrence of a Principal Write-down, the Issuer shall not be entitled to redeem the Capital Securities pursuant to Condition 5.2 (*Redemption at the Option of the Issuer*) or Condition 5.5 (*Redemption upon the exercise of the Clean-up Call option*) until the principal amount of the Capital Securities is increased up to their Original Principal Amount pursuant to Condition 7.2 (*Principal Write-up*) (and any notice of redemption which has been given in such circumstances shall be automatically rescinded and shall be of no force and effect).

*(c) Occurrence of Trigger Event supersedes notice of redemption*

If the Issuer has given a notice of redemption of the Capital Securities pursuant to Condition 5.2 (*Redemption at the Option of the Issuer*), 5.3 (*Redemption for Taxation Reasons*), 5.4 (*Redemption upon a Capital Event*) or 5.5 (*Redemption upon the exercise of the Clean-up Call Option*) and, after giving such notice but prior to the relevant redemption date, a Trigger Event has occurred, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, the Capital Securities will not be redeemed on the scheduled redemption date and, instead, a Principal Write-down shall occur in respect of the Capital Securities as described under Condition 7 (*Principal Write-down and Principal Write-up*).

Following the occurrence of a Trigger Event, the Issuer shall not be entitled to give a notice of redemption of the Capital Securities pursuant to Condition 5.2 (*Redemption at the Option of the Issuer*), 5.3 (*Redemption for Taxation Reasons*), 5.4 (*Redemption upon a Capital Event*) or 5.5 (*Redemption upon the exercise of the Clean-up Call Option*) before the Trigger Event Write-Down Date.

## 5.8 Cancellations

All Capital Securities which are redeemed, and all Capital Securities which are purchased and surrendered to the Agent for cancellation, will (subject to Condition 5.7 (*Conditions for Redemption and Purchase*)) forthwith be cancelled (together with all unmatured Coupons attached thereto or surrendered therewith at the time of redemption).

## 6. Substitution and Variation

### 6.1 Substitution and Variation

If a Withholding Tax Event, a Tax Event, a Capital Event or an Alignment Event has occurred and is continuing, or to ensure the effectiveness or enforceability of Condition 18 (*Acknowledgement of Bail-in and Loss Absorption Powers*), the Issuer may, subject to (i) compliance with any conditions prescribed under Applicable Banking Regulations (without any requirement for the consent or approval of the Holders) and (ii) prior approval of the Competent Authority (if required), and having given not less than 15 nor more than 60 days' notice to the Agent (in accordance with the Agency Agreement) and the Holders in accordance with Condition 14 (*Notices*) (which notice shall, subject as provided in Condition 6.2 be irrevocable), at any time, either: (a) substitute all (but not some only) of the Capital Securities for new Capital Securities, which are Qualifying Securities, or (b) vary the terms of the Capital Securities so that they remain or, as appropriate, become, Qualifying Securities, provided that, in each case, (i) such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted Capital Securities and (ii) such variation or substitution would not itself directly lead to a downgrade in any of the credit ratings of the Capital Securities as assigned to such Capital Securities by any Rating Agency immediately prior to such variation or substitution (unless any such downgrade is solely attributable to the effectiveness and enforceability of Condition 18 (*Acknowledgement of Bail-in and Loss Absorption Powers*))), (iii) they remain or, as appropriate, become compliant with Applicable Banking Regulations with respect to Additional Tier 1 Capital, and (iv) such substitution or variation shall not result in terms that are materially less favourable to the Holders (unless any such prejudice is solely attributable to the effectiveness and enforceability of Condition 18 (*Acknowledgement of Bail-in and Loss Absorption Powers*))).

For the avoidance of doubt, any such substitution or variation shall not be deemed to be a modification or amendment for the purposes of Condition 15 (*Meetings of Holders*). Such substitution or variation will be effected without any cost or charge to the Holders.

For the purpose of this Condition 6 a variation or substitution shall be "**materially less favourable to holders**" if such varied or substituted securities do not:

- (i) include a ranking at least equal to that of the Capital Securities pursuant to Condition 2 (*Status of the Capital Securities*);

- (ii) have the same interest rate and the same interest payment dates as those from time to time applying to the Capital Securities;
- (iii) have equivalent redemption rights as the Capital Securities;
- (iv) have the same currency of payment, and denomination as the Capital Securities prior to such variation or substitution;
- (v) preserve any existing rights under the Capital Securities to any accrued interest which has not been paid in respect of the period from (and including) the interest payment date last preceding the date of substitution or variation; or
- (vi) have a listing on a recognised stock exchange if the Capital Securities were listed immediately prior to such variation or substitution.

An "**Alignment Event**" will be deemed to have occurred if, as a result of a change in or amendment to the Applicable Banking Regulations or interpretation thereof, at any time after the Issue Date, the Issuer would be able to issue a capital instrument qualifying as Additional Tier 1 Capital that (i) contains one or more provisions that are, in the reasonable opinion of the Issuer, different in any material respect from those contained in these Conditions or (ii) excludes one or more provisions in these Conditions.

## 6.2 Occurrence of Trigger Event following notice of substitution or variation

If the Issuer has given a notice of substitution or variation of the Capital Securities pursuant to Condition 6.1 (*Substitution and variation*) and, after giving such notice but prior to the date of such substitution or variation (as the case may be), a Trigger Event has occurred, the Issuer shall:

- (a) only be entitled to proceed with the proposed substitution or variation (as the case may be) **provided that** such substitution or variation will not affect the timely operation of the Principal Write-down in accordance with Condition 7.1 (*Principal Write-down*);
- (b) as soon as reasonably practicable, give Holders notice in accordance with Condition 14 (*Notices*) specifying whether or not the proposed substitution or variation (as the case may be) will proceed and, if so, whether any amendments to the substance and/or timing of such substitution or variation (as applicable) will be made; and
- (c) if it determines that the proposed substitution or variation (as the case may be) will not proceed, the notice given in accordance with Condition 6.1 (*Substitution and variation*) shall be rescinded and of no force and effect.

## 7. Principal Write-down and Principal Write-up

### 7.1 Principal Write-down

#### (a) *Trigger Event*

Upon the occurrence of a Trigger Event, a Principal Write-down will occur without delay but no later than within one month or such shorter period as may be required by the Competent Authority (such date being a "**Trigger Event Write-down Date**"), all in accordance with this Condition 7.1 (*Principal Write-down*).

#### (b) *Trigger Event Write-down Notice*

Upon the occurrence of a Trigger Event, the Issuer shall:

- (i) immediately notify the Competent Authority that a Trigger Event has occurred;
- (ii) determine the Write-down Amount as soon as possible and no later than the relevant Trigger Event Write-down Date;

- (iii) give notice to Holders (a "**Trigger Event Write-down Notice**") in accordance with Condition 14 (*Notices*), which notice shall specify (A) that a Trigger Event has occurred, (B) the Trigger Event Write-down Date and (C) if it has then been determined, the Write-down Amount; and
- (iv) no later than the giving of the Trigger Event Write-down Notice, deliver to the Agent a certificate signed by two duly authorised representatives of the Issuer stating a Trigger Event has occurred.

The determination that a Trigger Event has occurred, including the underlying calculations, and the Issuer's determination of the relevant Write-down Amount shall be irrevocable and be binding on the Holders.

If the Write-down Amount has not been determined at the time the Issuer gives the Trigger Event Write-down Notice, the Issuer shall, as soon as reasonably practicable following such determination having been made, give a further notice to Holders in accordance with Condition 14 (*Notices*), confirming the Write-down Amount. Failure to provide any notice referred to in this Condition will not have any impact on the effectiveness of, or otherwise invalidate, any such Principal Write-down or give Holders any rights as a result of such failure.

(c) *Cancellation of interest and Principal Write-down*

On a Trigger Event Write-down Date, the Issuer shall:

- (i) irrevocably cancel all interest accrued on each Capital Security up to (and including) the Trigger Event Write-down Date (whether or not the same has become due at such time); and
- (ii) irrevocably reduce the then Prevailing Principal Amount of each Capital Security by the relevant Write-down Amount (such reduction being referred to as a "**Principal Write-down**", and "**Written Down**" being construed accordingly) with effect from the Trigger Event Write-down Date, such Principal Write-down to be effected, save as may be otherwise required by Applicable Banking Regulations and/or the Competent Authority and subject to Condition 7.1(e) (*Other Loss Absorbing Instruments*), *pro rata* and concurrently with the Principal Write-down of the other Capital Securities and the write-down or conversion into equity (as the case may be) of the then prevailing principal amount of any Loss Absorbing Instruments.

Condition 3.2 (*Interest cancellation*) shall apply accordingly in respect of interest payments cancelled on a Trigger Event Write-down Date in accordance with Condition 7 (*Principal Write-down and Principal Write-up*).

For the avoidance of doubt, as of the Issue Date there are no outstanding Loss Absorbing Instruments of the Issuer whose terms provide for their conversion into equity upon the occurrence of a Trigger Event.

(d) *Write-down Amount*

In these Conditions, "**Write-down Amount**" means, on any Trigger Event Write-down Date, the amount by which the then Prevailing Principal Amount of each outstanding Capital Security is to be Written Down and which is calculated per Calculation Amount of such Capital Security, being the minimum of:

- (i) the amount per Calculation Amount (together with, subject to Condition 7.1(e) (*Other Loss Absorbing Instruments*), the concurrent *pro rata* Principal Write-down of the other Capital Securities and the write-down or conversion into equity of the prevailing principal amount of any Loss Absorbing Instruments) that would be sufficient to immediately restore the Issuer CET1

Ratio and/or the Group CET1 Ratio (as the case may be) to not less than 5.125 per cent.; or

- (ii) if the amount determined in accordance with (i) above would be insufficient to restore the Issuer CET1 Ratio and/or the Group CET1 Ratio (as the case may be) to 5.125 per cent., the amount necessary to reduce the Prevailing Principal Amount of the Capital Security to one cent.

The Write-down Amount for each Capital Security will therefore be the product of the amount calculated in accordance with this Condition 7.1(d) (*Write-down Amount*) per Calculation Amount and the Prevailing Principal Amount of each Capital Security divided by the Calculation Amount (in each case immediately prior to the relevant Trigger Event Write-down Date).

In calculating any amount in accordance with Condition 7.1(d)(i), the CET1 Capital (if any) generated as a result of the cancellation of interest pursuant to Condition 7(c)(i) shall not be taken into account.

(e) *Other Loss Absorbing Instruments*

To the extent the write-down or conversion into equity of any Loss Absorbing Instruments is not effective for any reason (i) the ineffectiveness of any such write-down or conversion into equity shall not prejudice the requirement to effect a Principal Write-down of the Capital Securities pursuant to Condition 7.1 (*Principal Write-down*) and (ii) the write-down or conversion into equity of any Loss Absorbing Instrument which is not effective shall not be taken into account in determining the Write-down Amount of the Capital Securities.

Any Loss Absorbing Instruments that may be Written Down or converted to equity in full (save for any one cent floor) but not in part only shall be treated for the purposes only of determining the relevant *pro rata* amounts in Condition 7.1(c)(ii) (*Cancellation of interest and Principal Write-down*) and 7.1(d)(i) (*Write-down Amount*) as if their terms permitted partial write-down or conversion into equity.

In the event of a concurrent write-down of any other Loss Absorbing Instrument (if any), the *pro rata* write-down and/or conversion of such Loss Absorbing Instrument shall only be taken into account to the extent required to restore the Issuer CET1 Ratio and/or the Group CET1 Ratio (as the case may be) contemplated above to the lower of (x) such Loss Absorbing Instrument's trigger level and (y) the trigger level in respect of which the relevant Trigger Event under the Capital Securities has occurred, in each case, in accordance with the terms of such Loss Absorbing Instrument and the Applicable Banking Regulations.

(f) *No default*

Any Principal Write-down of the Capital Securities shall not:

- (i) constitute an event of default of the Issuer or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever;
- (ii) constitute the occurrence of any event related to the insolvency of the Issuer or entitle the Holders to any compensation or to take any action to cause the bankruptcy (*faliment*), liquidation (*lichidare*), dissolution or winding up of the Issuer.

The Holders shall have no further rights or claims against the Issuer (whether in the case of bankruptcy (*faliment*), liquidation (*lichidare*) or the dissolution of the Issuer or otherwise) with respect to any interest cancelled and any principal Written Down in accordance with this condition (including, but not limited to, any right to receive accrued but unpaid and future interest or any right of repayment of principal, but

without prejudice to their rights in respect of any reinstated principal following a Principal Write-up pursuant to Condition 7.2 (*Principal Write-up*)).

(g) *Principal Write-down may occur on one or more occasions*

A Principal Write-down may occur on one or more occasions and accordingly the Capital Securities may be Written Down on one or more occasions (**provided, however, that** the principal amount of a Capital Security shall never be reduced to below one cent).

## 7.2 Principal Write-up

(a) *Principal Write-up*

Subject to compliance with the Applicable Banking Regulations, if a positive Net Profit is recorded (a "**Return to Financial Health**") at any time while the Prevailing Principal Amount is less than the Original Principal Amount, the Issuer may, at its full discretion but subject to Conditions 7.2(b) (*Maximum Distributable Amount*), 7.2(c) (*Maximum Write-up Amount*) and 7.2(d) (*Principal Write-up and Trigger Event*), increase the Prevailing Principal Amount of each Capital Security (a "**Principal Write-up**") up to a maximum of its Original Principal Amount on a *pro rata* basis with the other Capital Securities and with any other Discretionary Temporary Write-down Instruments capable of being written-up in accordance with their terms at the time of the Principal Write-up (based on the then prevailing principal amounts thereof), **provided that** the Maximum Write-up Amount is not exceeded as determined in accordance with Condition 7.2(c) (*Maximum Write-up Amount*) below.

Any Principal Write-up Amount will be subject to the same terms and conditions as set out in these Conditions. For the avoidance of doubt, the principal amount of a Capital Security shall never be increased to above its Original Principal Amount.

(b) *Maximum Distributable Amount*

A Principal Write-up of the Capital Securities shall not be effected in circumstances which (when aggregated together with other distributions of the Issuer of the kind referred to in article 141(2) CRD Directive (as transposed in Romanian law by article 126<sup>2</sup> of the Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, along with the related implementing regulations, including article 293 of NBR Regulation no. 5/2013 regarding prudential requirements for credit institutions, in each case as the same may be amended, supplemented or replaced from time to time), article 141b(2) CRD Directive (as transposed in Romanian law by article 126<sup>3</sup> of the Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, along with the related implementing regulations, including article 295<sup>2</sup> of NBR Regulation no. 5/2013 regarding prudential requirements for credit institutions, in each case as the same may be amended, supplemented or replaced from time to time), article 16a BRRD (as transposed in Romanian law by article 91<sup>1</sup> of Law no. 312/2015 on the recovery and resolution of credit institutions and investment firms, as well as for the amendment and completion of certain financial sector regulations, in each case as the same may be amended, supplemented or replaced from time to time) or in any other applicable provisions of the Applicable Banking Regulations which require a maximum distributable amount to be calculated, in each case to the extent applicable to the Issuer and/or the Group) would cause the Maximum Distributable Amount, if any, to be exceeded, if required to be calculated at such time.

(c) *Maximum Write-up Amount*

A Principal Write-up of the Capital Securities will not be effected at any time in circumstances to the extent the sum of:

- (i) the aggregate amount of the relevant Principal Write-up on all the Capital Securities;
- (ii) the aggregate amount of any interest on the Capital Securities that was paid or calculated (but disregarding any such calculated interest which has been cancelled) on the basis of a Prevailing Principal Amount that is lower than the Original Principal Amount at any time after the end of the then previous Financial Year;
- (iii) the aggregate amount of the increase in principal amount of each Discretionary Temporary Write-down Instrument to be written-up at the time of the relevant Principal Write-up and the increase in principal amount of the Capital Securities or any Discretionary Temporary Write-down Instruments resulting from any previous write-up since the end of the then previous Financial Year; and
- (iv) the aggregate amount of any interest payments on each Loss Absorbing Instrument (other than the Capital Securities) that were paid or calculated (but disregarding any such calculated interest which has been cancelled) on the basis of a prevailing principal amount that is lower than the original principal amount at which such Loss Absorbing Instrument was issued at any time after the end of the then previous Financial Year,

would exceed the Maximum Write-up Amount.

In these Conditions, the "**Maximum Write-up Amount**" means the Net Profit (i) multiplied by the aggregate issued original principal amount of all Written-Down Additional Tier 1 Instruments, and (ii) divided by the Tier 1 Capital of the Issuer as at the date when the Principal Write-up is operated, both (i) and (ii) as calculated on a solo or consolidated basis (as applicable).

*(d) Principal Write-up and Trigger Event*

A Principal Write-up will not be effected whilst a Trigger Event has occurred and is continuing. Further, a Principal Write-up will not be effected in circumstances where such Principal Write-up (together with the simultaneous write-up of all other Discretionary Temporary Write-down Instruments) would cause a Trigger Event to occur.

*(e) Principal Write-up pro rata with other Discretionary Temporary Write-down Instruments*

The Issuer undertakes that it will not write-up the principal amount of any Discretionary Temporary Write-down Instruments capable of being written-up in accordance with their terms at the time of the relevant write-up unless it does so on a *pro rata* basis with a Principal Write-up on the Capital Securities.

*(f) Principal Write-up may occur on one or more occasions*

Principal Write-up may be made on one or more occasions until the Prevailing Principal Amount of the Capital Securities has been reinstated to the Original Principal Amount.

Any decision by the Issuer to effect or not to effect any Principal Write-up on any occasion shall not preclude it from effecting (in the circumstances permitted by this Condition 7.2 (*Principal Write-up*)) or not effecting any Principal Write-up on any other occasion.

*(g) Notice of Principal Write-up*

The Issuer shall, as soon as reasonably practicable following its formal decision to effect a Principal Write-up in respect of the Capital Securities and in any event not later than five Business Days prior to the date on which the Principal Write-up shall take effect, give notice of such Principal Write-up to the Holders in accordance with Condition 14 (*Notices*). Such notice shall confirm the amount of such Principal Write-up and the date on which such Principal Write-up is to take effect.

### 7.3 **Foreign Currency Instruments**

If, in connection with any Principal Write-down or Principal Write-up of the Capital Securities, any instruments are not denominated in the Accounting Currency at the relevant time ("**Foreign Currency Instruments**", which may include the Capital Securities and any relevant Loss Absorbing Instruments), the determination of the relevant Write-down Amount or Write-up Amount (as the case may be) in respect of the Capital Securities and the relevant write-down (or conversion into equity) amount or write-up amount (as the case may be) of Loss Absorbing Instruments shall be determined by the Issuer based on the relevant foreign currency exchange rate used by the Issuer in the preparation of its regulatory capital returns under the Applicable Banking Regulations.

## 8. **Taxation**

### 8.1 **Payment without Withholding**

All payments of principal and interest in respect of the Capital Securities and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Taxing Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Holders or Couponholders after such withholding or deduction shall equal the respective amounts of interest which would otherwise have been receivable in respect of the Capital Securities or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Capital Security or Coupon:

- (a) in respect of payment of any Prevailing Principal Amount; or
- (b) presented for payment by or on behalf of a Holder or Couponholder who is liable for such taxes or duties in respect of such Capital Security or Coupon by reason of his having some connection with the Taxing Jurisdiction other than the mere holding of such Capital Security or Coupon or the receipt of principal or interest in respect thereof; or
- (c) presented for payment more than 30 calendar days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth calendar day assuming that day to have been a Business Day; or
- (d) in respect of payment of interest to an affiliate of the Issuer.

The Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA Withholding**") as a result of a Holder, Couponholder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA Withholding. The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA Withholding deducted or withheld by the Issuer, any Paying Agent or any other party.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Holders in accordance with Condition 14 (*Notices*).

## 8.2 **Additional Amounts**

Any reference in these Conditions to any amounts (including any payments or cancellation of interest) in respect of the Capital Securities shall be deemed also to include any additional amounts which may be payable under this Condition 8 (*Taxation*). For the avoidance of doubt, additional amounts shall only be payable to the extent the Issuer has sufficient Distributable Items and such payment would not cause the Maximum Distributable Amount, if any, to be exceeded, if required to be calculated at such time.

## 9. **Prescription**

The Capital Securities and Coupons will become void unless claims in respect of principal and are made within a period of ten years (or, in the case of interest, five years) after the Relevant Date (as defined in Condition 8.1 (*Payment without Withholding*)) therefore.

Any Coupon sheet issued on exchange of a Talon shall not include any Coupon which payment claim would be void pursuant to this Condition or Condition 4(e) (*Deduction for unmatured Coupons*) or any Talon which would be void pursuant to Condition 4(e) (*Deduction for unmatured Coupons*).

## 10. **Enforcement**

Without prejudice to paragraph (ii) of this Condition 10 (*Enforcement*), any failure by the Issuer to pay interest or the Prevailing Principal Amount when due in respect of the Capital Securities shall not constitute an event of default and does not give Holders any right to accelerate repayment of the Prevailing Principal Amount.

Each of the following events is an "**Enforcement Event**":

- (i) To the extent allowed under applicable law, if default is made by the Issuer in the payment of the Prevailing Principal Amount when due in respect of the Capital Securities and such default continues for a period of seven business days in Romania, any Holder may institute proceedings for the winding up or liquidation of the Issuer and prove or claim in the winding up or liquidation of the Issuer.
- (ii) If a court order is made for the winding up or liquidation of the Issuer (except for the purpose of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligations of the Issuer under the Capital Securities) or the Issuer is otherwise declared bankrupt or put into liquidation, in each case, by a court or agency or supervisory authority in Romania, then any Holder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Capital Security held by the Holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Prevailing Principal Amount and any accrued but unpaid interest from the previous Interest Payment Date up to (but excluding) the date of repayment (to the extent payment of such interest amount is not cancelled pursuant to Condition 3.2 (*Interest cancellation*)), without presentment, demand, protest or other notice of any kind **provided that** repayment of Capital Securities will only be effected after the Issuer has obtained the prior written permission of the Competent Authority pursuant to article 77 CRR.

Without prejudice to the preceding paragraphs of this Condition 10 (*Enforcement*), the Holder of any Capital Security may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Capital Securities (other than, without prejudice to the preceding paragraphs of

this Condition 10 (*Enforcement*), any obligation for the payment of any principal or interest in respect of the Capital Securities) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, except with the prior approval of the Competent Authority.

No remedy against the Issuer, other than as referred to in this Condition 10 (*Enforcement*), shall be available to the Holders, whether for recovery of amounts owing in respect of the Capital Securities or in respect of any breach by the Issuer of any of its obligations under or in respect of the Capital Securities.

For the avoidance of doubt any exercise of any Bail-in and Loss Absorption Powers by the Resolution Authority will not constitute an Enforcement Event, an event of default or a breach of the Issuer's obligations or duties in respect of the Capital Securities, or a failure to perform any of the Issuer's obligations or duties in respect of the Capital Securities in any manner whatsoever, and shall not, of itself, entitle Holders to petition for the bankruptcy or liquidation of the Issuer. For the avoidance of any doubt, the resolution, suspension and moratorium shall not constitute an Enforcement Event or an event of default that would be able to lead to any acceleration of payments or trigger early redemption (in whole or in part).

**11. Replacement of Capital Securities, Coupons and Talons**

Should any Capital Security, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Capital Securities, Coupons or Talons must be surrendered before replacements will be issued.

**12. Agent and Paying Agents**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the Specified Office through which any Paying Agent acts, **provided that:**

- (i) so long as the Capital Securities are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe; and
- (iii) there will at all times be an Agent.

Any variation, termination, appointment or change shall only take effect (other than in the case of bankruptcy, when it shall be of immediate effect) after not less than 30 nor more than 45 calendar days' prior notice thereof shall have been given to the Holders in accordance with Condition 14 (*Notices*).

**13. Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon forming part of such Coupon sheet may be surrendered at the Specified Office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including a further Talon, subject to the provisions of Condition 9 (*Prescription*). Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

Upon the due date for redemption of any Capital Security, any unexchanged Talon relating to such Capital Security shall become void and no Coupon will be delivered in respect of such Talon.

#### 14. Notices

All notices to Holders regarding the Capital Securities shall be valid if published in the Financial Times or another leading English language daily newspaper with circulation in London. Notices to be given by any Holder shall be in writing and given by lodging the same, together with the relative Capital Security or Capital Securities, with the Agent.

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Capital Securities are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. For so long as the Capital Securities are admitted to the official list and to trading on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin and Euronext Dublin so requires, all notices shall also be published on the website of Euronext Dublin (<https://direct.euronext.com/#/rispublication>). Any such notices will, if published more than once, be deemed to have been given on the date of the first publication, as provided above. The holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders in accordance with this Condition.

#### 15. Meetings of Holders and Modification

##### Meetings of Holders

The Agency Agreement contains provisions for convening meetings of the Holders (including by way of conference call or by use of a videoconference platform) to consider matters relating to the Capital Securities. Holders of any Capital Securities may meet in holders' meetings (in Romanian, *adunarea obligatarilor*) (any such meeting a "**Holders' Meeting**") in order to take decisions in accordance with their interests. As the Issuer is a credit institution organised under the laws of Romania, the conduct and powers of the Holders' Meeting will be governed by the provisions of the Company Law no. 31/1990, as further amended and republished, Law no. 24/2017 on financial instruments issuers and market operations, as further amended and republished, and any other mandatory legal provisions that may in the future regulate the conduct and powers of the Holders' Meeting.

Any modification or waiver of the Conditions which affects the Capital Securities will be performed in accordance with the Applicable Banking Regulations and is subject to the prior approval of the Competent Authority (if, and to the extent, then required).

##### (a) **Holders' Representative**

The Holders' Meeting may appoint a representative (the "**Holders' Representative**") of the Holders and one or more substitute representatives.

The Holders' Representative and the substitute representative(s) cannot be involved in the management of the Issuer.

In the event of incompatibility, resignation or revocation of a Holders' Representative, the Holders' Meeting will elect a replacement representative unless a substitute representative has been already appointed, in which case such substitute representative shall automatically assume the role of Holders' Representative.

All interested parties will at all times have the right to obtain the name and address of the Holders' Representative(s) at the Issuer's headquarters or by email to the e-mail address [actionariat@btrl.ro](mailto:actionariat@btrl.ro).

The Holders' Representative(s) shall have the right to represent the Holders of Capital Securities before the Issuer and the courts of justice. The Holders' Representative(s) may also be entrusted by the Holders' Meeting to perform supervisory actions and to protect the common interests of the Holders of Capital Securities.

##### (b) **Calling of the Holders' Meeting**

The Holders' Meeting may be called at the request of one or more Holders of Capital Securities representing at least one quarter of the aggregate Prevailing Principal Amount of the outstanding Capital Securities or, following the appointment of the Holders' Representative, upon the request of such Holders' Representative.

The Issuer will pay all expenses relating to the calling and holding of the Holders' Meetings and all administrative expenses related to such Holders' Meeting, it being expressly stipulated that no expenses may be withheld from the interest payable on the Capital Securities.

The convening notice of the Holders' Meeting shall be given by the Issuer, or if the Holders' Representative convened the meeting, it shall be given by the Holders' Representative, in a manner described above in Condition 14 (*Notices*) and shall include: (i) the date, time and place of the Holders' Meeting, each as determined by the Issuer or the Holders' Representative, provided that the date fixed for the Holders' Meeting shall be not less than 30 nor more than 60 days' after the date of such notice and the place of Holders' Meeting shall be an appropriately chosen venue in Cluj-Napoca; (ii) the agenda and the text of any resolutions to be submitted to the Holders' Meeting; (iii) the Meeting Record Date (as defined below); and (iv) such additional information (if any) as the Issuer or the Holders' Representative shall consider appropriate for the purposes of the Holders' Meeting.

The convening notice for the Holders' Meeting shall be published in the Romanian Official Gazette and in a newspaper of general circulation in Cluj-Napoca, as well as on the Issuer's website ([www.bancatransilvania.ro](http://www.bancatransilvania.ro)), on the website of the Bucharest Stock Exchange ([www.bvb.ro](http://www.bvb.ro)) and on such other stock exchange where the Capital Securities may be admitted to trading in accordance with Condition 14 (*Notices*). The convening notice for the Holders' Meeting shall be published at least 30 days prior to the date on which the Holders' Meeting is scheduled to take place.

For the avoidance of doubt, if the Issuer, having been requested to call a Holders' Meeting as contemplated above, fails to give notice of such Holders' Meeting in the manner and within the timeframe contemplated above or fails to thereafter cause the Holders' Meeting to be held on the date and at the time and place contemplated by such notice, then the Holders' Representative is entitled to, and shall, call a Holders' Meeting for transaction of the intended business, such Holders' Meeting to be held on such date and at such time and place as the Holders' Representative shall determine and notify Holders of Capital Securities.

Holders of Capital Securities representing all of the outstanding Capital Securities may waive any convening formalities set out above.

Upon its convening of any Holders' Meeting, the Issuer or the Holders' Representative, as applicable, will fix in advance a record date (the "**Meeting Record Date**") for the determination of Holders of Capital Securities entitled to participate in the Holders' Meeting, which shall be following the date of the convening notice for the Holders' Meeting and will not be a date which is more than 60 days prior to the respective Holders' Meeting. Promptly after any Meeting Record Date is set pursuant to this clause, the entity convening the Holders' Meeting shall cause notice of such Meeting Record Date to be given to the Issuer, the Holders' Representative as well, in writing.

The right of each Holder of Capital Securities to participate in Holders' Meetings will be evidenced by the entries in the Register as of the record date mentioned in the notice calling the Holders' Meeting.

The Holders of Capital Securities may be represented by proxies, other than, as applicable, the directors, managers, members of the Board of Directors, auditors or officers ("*funcționari*") of the Issuer. The powers of attorney shall be submitted with the Issuer in original at least 48 hours in advance of the Holders' Meeting. Failure to submit such original powers of attorney within such deadline will result in the relevant Holder of Capital Securities losing its right to vote in that Holders' Meeting.

(c) ***Powers of Holders' Meetings and Voting***

A Holders' Meeting has the following powers:

- (i) to appoint a Holders' Representative and one or more substitute representatives, to set their remuneration and to dismiss or replace any such representative;
- (ii) to perform all supervisory actions, as well as actions for protecting the common interests of the Holders of Capital Securities, or to authorise a representative to perform such actions;
- (iii) to create a fund, which may be withheld from the amounts representing the interest to which the Holders of Capital Securities are entitled, in order to cover the expenses related to the protection of their rights, as well as to establish the rules for the management of such fund;
- (iv) to oppose any amendment of the articles of association of the Issuer or of the Conditions of the Capital Securities which may affect the rights of the Holders of Capital Securities (for the avoidance of doubt, this is without prejudice to the provisions of Condition 6.1 (*Substitution and Variation*) or Condition 3.1(f) (*Reference Rate Replacement*)); and
- (v) to pronounce itself on the issuance of new securities by the Issuer.

The resolutions of the Holders' Meeting are adopted by open vote.

Holders' Meetings may take a valid decision on items (i)-(iii) above only with a majority representing at least one third (1/3) of the aggregate Prevailing Principal Amount of the outstanding Capital Securities. In any other case, the Holders' Meeting may validly take a decision in the presence of Holders of Capital Securities representing at least two thirds (2/3) of the aggregate Prevailing Principal Amount of the outstanding Capital Securities and with a majority of at least four fifths (4/5) of the aggregate Prevailing Principal Amount of the outstanding Capital Securities represented at the Holders' Meeting. No business (other than choosing a chairman and designating secretaries) may be transacted at a Holders' Meeting in the absence of relevant quorum, unless quorum necessary for that business is present when the Holders' Meeting is called to order.

Decisions of the Holders' Meeting are binding on all Holders of Capital Securities including those who did not participate or vote at such meeting.

**Chairman and Secretary.** The Holders present shall elect one of themselves to take the chair (the "**Chairman**") and one to three Holders to act as secretaries. The Issuer shall appoint a technical secretary from among its employees. If the Issuer fails to appoint the technical secretary, the Holders' Representative has the right to and shall appoint one.

**Participation.** The following may attend and speak at a Holders' Meeting: (i) the Holders and their counsel; (ii) the Chairman; (iii) the Holders' Representative and its counsel; and (iv) any representatives of the Issuer and its counsel. No one else may attend or speak without the consent of the Holders' present, expressed by vote.

**Effect and Publication of Passed Resolutions.** Any resolution passed at any Holders' Meeting duly held in accordance with this Section shall be binding on all Holders of the Capital Securities, whether or not present or represented at the Holders' Meeting. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. Within 15 days of being passed, the Issuer shall give notice of the passing of any resolution to Holders of the Capital Securities in the manner described below in Condition 14 (*Notices*) and file any such resolution with the Cluj Trade Registry for the purposes of its publication with the Romanian Official Gazette, but failure to do so shall not invalidate the resolution.

**Minutes.** Minutes shall be made of all resolutions and proceedings at every Holders' Meeting setting forth, among other things, the applicable percentage of Holders of the Capital Securities that voted in favour thereof and whether such resolutions were passed and signed by the Chairman of that Holders' Meeting and by the secretaries (any such signed minutes, the

"**Meeting Minutes**"). Until the contrary is proven, such Meeting Minutes shall be conclusive evidence of the matters in them.

(d) **Notice of decisions to Issuer**

The Issuer shall be informed of the decisions of the Holders' Meetings within a maximum of three days as of their adoption. The Issuer shall thereafter comply with any transparency and other obligations it may have under applicable laws in relation to such decisions, as described above in Section "*Effect and Publication of Passed Resolutions*". The decisions made by the Holders' Meetings will be enforceable ("*opozabile*") against the Issuer, who will comply with such decisions to the extent these are deemed mandatory under these Conditions or otherwise under the provisions of applicable legal provisions.

16. **Further Issues**

The Issuer may from time to time without the consent of the Holders or Couponholders create and issue further capital securities, having terms and conditions the same as those of the Capital Securities, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Capital Securities.

17. **Governing Law and Submission to Jurisdiction**

17.1. **Governing Law**

The Capital Securities, the Coupons and the Talons and all non-contractual obligations arising out of or in connection with any of them are governed by English law except for the provisions of Condition 2 (*Status of the Capital Securities*) and Condition 18 (*Acknowledgement of Bail-in and Loss Absorption Powers*) and all non-contractual obligations arising out of or in connection with them which shall be governed by and shall be construed in accordance with the laws of Romania.

17.2. **Jurisdiction**

The Issuer irrevocably agrees for the benefit of the Holders, the Couponholders and the holders of the Talons that the Courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Capital Securities (including a dispute relating to any non-contractual obligation arising out of or in connection with the Capital Securities) (respectively, "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts. The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum. The submission to the jurisdiction of the Courts of England shall not (and shall not be construed so as to) limit the right of the Holders of the Capital Securities or of any of them to take Proceedings in any other court of member states in accordance with the Brussels Ia Regulation in accordance with its Chapter II, Sections 1 and 2 or of states that are parties to the Lugano II Convention in accordance with Title II, Sections 1 and 2. To the extent allowed by law, the Holders of Capital Securities may take concurrent Proceedings in any number of such jurisdictions. For the purposes of this Condition, "**Brussels Ia Regulation**" means Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, as amended and "**Lugano II Convention**" means the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, signed on 30 October 2007.

17.3. **Service of Process**

The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to Law Debenture Corporate Services Limited or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the

Issuer shall forthwith appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Holder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Agent. Nothing contained herein shall affect the right to serve process in any other manner permitted by law.

**18. Acknowledgement of Bail-in and Loss Absorption Powers**

- 18.1 Notwithstanding and to the exclusion of any other term of the Capital Securities or any other agreements, arrangements or understanding between the Issuer and any Holder (which, for the purposes of this Condition 18, includes each holder of a beneficial interest in the Capital Securities), by its acquisition of the Capital Securities, each Holder acknowledges and accepts that any liability arising under the Capital Securities may be subject to the exercise of Bail-in and Loss Absorption Powers by the Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:
- (i) the effect of the exercise of any Bail-in and Loss Absorption Powers by the Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:
    - (A) the reduction of all, or a portion, of the Relevant Amounts in respect of the Capital Securities on a permanent basis;
    - (B) the conversion of all, or a portion, of the Relevant Amounts in respect of the Capital Securities into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the holder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Capital Securities;
    - (C) the cancellation of the Capital Securities or the Relevant Amounts in respect of the Capital Securities; and
    - (D) the amendment or alteration of the perpetual nature of the Capital Securities (as applicable) or amendment of the amount of interest payable on the Capital Securities, or the date on which interest becomes payable, including by suspending payment for a temporary period; and
  - (ii) the variation of the terms of the Capital Securities, as deemed necessary by the Resolution Authority, to give effect to the exercise of any Bail-in and Loss Absorption Powers by the Resolution Authority.
- 18.2 No repayment or payment of Relevant Amounts in respect of the Capital Securities, will become due and payable or be paid after the exercise of any Bail-in and Loss Absorption Power by the Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.
- 18.3 Neither a reduction or cancellation, in part or in full, of the Relevant Amounts, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in and Loss Absorption Power by the Resolution Authority with respect to the Issuer, nor the exercise of the Bail-in and Loss Absorption Power by the Resolution Authority with respect to the Capital Securities will be an event of default or a default for any purpose.
- 18.4 Upon the exercise of the Bail-in and Loss Absorption Power by the Resolution Authority with respect to the Capital Securities, the Issuer will provide a written notice to the Holders in accordance with Condition 14 (*Notices*) as soon as practicable regarding such exercise of the Bail-in and Loss Absorption Power. The Issuer will also deliver a copy of such notice to the Agent for information purposes. For avoidance of doubt, any delay or failure by the Issuer in delivering any notice referred to in this Condition 18.4 shall not affect the validity or enforceability of the Bail-in and Loss Absorption Powers.

19. **Provision of Information**

For so long as any Capital Security remains outstanding, the Issuer will be subject to ongoing transparency and disclosure obligations, as set out in Directive 2004/109/EC (also known as the Transparency Directive, as amended by Directive 2010/73/EU), as implemented into Romanian law by Law no. 24/2017 on financial instruments issuers and market operations and Regulation no. 5/2018 on financial instruments issuers and market operations issued by the Romanian Financial Authority, including (but not limited to):

- (a) publication of an annual report, including the Issuer's annual accounts together with the report of the Board of Directors of the Issuer, the statement of responsible persons, as well as the independent auditor's report, within four months after the end of each Financial Year;
- (b) publication of a half-year report, including the Issuer's half-yearly figures, together with the report of the Board of Directors of the Issuer, the statement of responsible persons, as well as the independent auditor's report, to the extent the accounts have been reviewed, within three months after the end of the first six months of each Financial Year; and
- (c) in case of interest payment, any potential subscription, cancellation or repayment rights – publication of announcements regarding the applicable time period, payment date and payment methods (including details regarding the Paying Agents) as well as the places where payment will take place.

20. **Definitions**

In these Conditions:

**"5-year Mid-Swap Rate"** means, in relation to a Reset Period and the Reset Rate of Interest Determination Date in respect of such Reset Period:

- (i) the mid-swap rate for euro swaps with a term of 5 years which appears on the Screen Page as of 11:00 a.m. (Central European time) on such Reset Rate of Interest Determination Date; or
- (ii) if such rate does not appear on the Screen Page at such time on such Reset Rate of Interest Determination Date, the Reset Reference Bank Rate on such Reset Rate of Interest Determination Date.

**"5-year Mid-Swap Rate Quotations"** means the arithmetic mean of the bid and ask rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

- (i) has a term of 5 years commencing on the relevant Reset Date;
- (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (iii) has a floating leg based on six-month EURIBOR (calculated on an Actual/360 day count basis).

If the six-month EURIBOR rate cannot be obtained because of the occurrence of a Reference Rate Event, the six-month EURIBOR rate shall be calculated in accordance with Condition 3.1(f) (*Reference Rate Replacement*).

**"Accounting Currency"** means euro or such other primary currency used in the presentation of the Issuer's accounts from time to time.

**"Accrual Period"** has the meaning given in Condition 3.1(e) (*Calculation of interest amounts and any broken amounts*).

**"Additional Tier 1 Capital"** means the additional tier 1 capital of the Issuer within the meaning of Chapter 3 (*Additional Tier 1 capital*) of Title I (*Elements of own funds*) of Part Two (*Own Funds and Eligible Liabilities*) of CRR, as implemented and/or applicable in Romania, and/or any such equivalent or substitute term under the Applicable Banking Regulations, including any applicable transitional, phasing in or similar provisions.

**"Alignment Event"** has the meaning given to it in Condition 6.1 (*Substitution and Variation*).

**"Applicable Banking Regulations"** means at any time, the laws, regulations, rules, requirements, standards, guidelines and policies relating to capital adequacy applicable to the Issuer including, without limitation to the generality of the foregoing, those regulations, rules, requirements, standards, guidelines and policies relating to capital adequacy and resolution then in effect of the Competent Authority (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer) at such time (and, for the avoidance of doubt, including as at the Issue Date the rules contained in, or implementing, CRD, and BRRD).

**"Applicable Resolution Framework"** means any relevant laws and regulations applicable to the Issuer at the relevant time pursuant to, or which implement, or are enacted within the context of BRRD or any other resolution or recovery rules which may from time to time be applicable to the Issuer.

**"Bail-in and Loss Absorption Powers"** means any loss absorption, write-down, conversion, transfer, modification, suspension, moratorium or similar or resolution related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Romania, relating to (i) the transposition of the BRRD and (ii) the instruments, rules and standards created under the BRRD, including but not limited to Article 48 of BRRD, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period);

**"BRRD"** means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (as amended from time to time, including by Directive (EU) 2019/879), as transposed in Romanian law by Law no. 312/2015 on the recovery and resolution of credit institutions and investment firms, as well as for the amendment and completion of certain financial sector regulations, and Law no. 85/2014 on insolvency prevention and proceedings, in each case as the same may be amended, supplemented or replaced from time to time.

**"Business Day"** means:

- (i) a day on which (a) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Bucharest and (b) T2 is operating; and
- (ii) in the case of Condition 4(f) (*Payments on Business Days*) only, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account, on which T2 is open.

**"Calculation Amount"** means, initially €1,000 in principal amount of each Capital Security, or, following adjustment (if any) downwards or upwards to Condition 7 (*Principal Write-down and Principal Write-up*), the amount resulting from such adjustment.

**"Capital Event"** has the meaning given in Condition 5.4 (*Redemption upon a Capital Event*).

**"Capital Securities"** has the meaning given in the Introduction.

**"CET1 Capital"** means, at any time, (i) in relation to the Group, the common equity tier 1 capital of the Group, and (ii) in relation to the Issuer, the common equity tier 1 capital of the Issuer, in each case, expressed in the Accounting Currency and calculated by the Issuer, all in accordance with Chapter 2 (*Common Equity Tier 1 capital*) of Title I (*Elements of own funds*) of Part Two (*Own Funds and Eligible Liability*) of CRR, as implemented and/or applicable in Romania, and/or any such equivalent or substitute calculation or term under Applicable Banking Regulations, including any applicable transitional, phasing in or similar provisions.

**"Competent Authority"** means any authority having primary responsibility for the prudential supervision of the Issuer at the relevant time (being at the date hereof, the National Bank of Romania).

**"Coupon"** has the meaning given in Condition 1 (*Form, Denomination and Title*).

**"Couponholders"** has the meaning given in the Introduction.

**"CRD"** means any, or any combination of, the CRD Directive, the CRR, and any CRD Implementing Measures.

**"CRD Directive"** means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (as amended from time to time, including by Directive (EU) 2024/1619) or such other directive as may come into effect in place thereof, as transposed in Romanian law by the Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, along with the related implementing regulations, including NBR Regulation no. 5/2013 regarding prudential requirements for credit institutions, in each case as the same may be amended, supplemented or replaced from time to time.

**"CRD Implementing Measures"** means any regulatory capital rules implementing the CRD or CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards or implementing technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Competent Authority, European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a solo basis) and/or the Group (on a consolidated basis).

**"CRR"** means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (as amended from time to time, including by Regulation (EU) 2024/1623) or such other regulation as may come into effect in place thereof.

**"Discretionary Temporary Write-down Instruments"** means, at any time, any instrument (other than the Capital Securities and Junior Obligations) issued by the Issuer which at such time (a) qualifies as Additional Tier 1 Capital of the Issuer and/or the Group, (b) has had all or some of its principal amount written-down and (c) has terms providing for a write-up or reinstatement of its principal amount, at the relevant issuer's discretion, upon reporting a net profit.

**"Distributable Items"** has the meaning given in Condition 3.2(b) (*Mandatory Cancellation of interest*).

**"euro"** or **"€"** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

**"Euronext Dublin"** means the regulated market of The Irish Stock Exchange plc, trading as Euronext Dublin.

**"Financial Year"** means the financial year of the Issuer (being the one-year period in respect of which it prepares annual audited financial statements) from time to time, which as at the

Issue Date runs from (and including) 1 January in one calendar year to (but excluding) the same date in the immediately following calendar year.

**"First Call Date"** means 27 November 2030.

**"First Reset Date"** means 27 May 2031.

**"Foreign Currency Instruments"** has the meaning given in Condition 7.3 (*Foreign Currency Instruments*).

**"Group"** means at any time, the prudential consolidation group comprising the Issuer pursuant to Chapter 2 of Part One of the CRR.

**"Group CET1 Ratio"** means, at any time, the ratio of CET1 Capital of the Group to the Risk Exposure Amount of the Group, expressed as a percentage, all as calculated on a consolidated basis in accordance with the Applicable Banking Regulations.

**"Holder"** has the meaning given in the Introduction and Condition 1 (*Form, Denomination and Title*).

**"Initial Period"** means the period from (and including) the Issue Date to (but excluding) the First Reset Date.

**"Initial Rate of Interest"** means 7.125 per cent. per annum.

**"Interest Payment Date"** means 27 May and 27 November in each year from (and including) 27 May 2026.

**"Interest Period"** means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

**"Issue Date"** means 27 November 2025.

**"Issuer CET1 Ratio"** means, at any time, the ratio of CET1 Capital of the Issuer to the Risk Exposure Amount of the Issuer, expressed as a percentage, all as calculated on a solo basis in accordance with the Applicable Banking Regulations.

**"Junior Obligations"** means (i) the Ordinary Shares, all other classes of share capital and other common equity tier 1 instruments of the Issuer pursuant to article 28 of CRR and (ii) any other obligation of the Issuer which ranks, or is expressed to rank, junior to the Capital Securities.

**"Loss Absorbing Instruments"** means, at any time, any instrument issued by the Issuer which qualifies as Additional Tier 1 Capital of the Issuer on a solo basis or of the Group on a consolidated basis and has terms pursuant to which all or some of its principal amount may be written-down (whether on a permanent or temporary basis) or converted into equity (in each case in accordance with its conditions) on the occurrence, or as a result, of the Issuer CET1 Ratio and/or the Group CET1 Ratio falling below a certain trigger level.

**"Mandatory Cancellation of Interest"** has the meaning given in Condition 3.2(b) (*Mandatory Cancellation of interest*).

**"Margin"** means 4.783 per cent.

**"Maximum Distributable Amount"** has the meaning given in Condition 3.2(b) (*Mandatory Cancellation of interest*).

**"Maximum Write-up Amount"** has the meaning given in Condition 7.2(c) (*Maximum Write-up Amount*).

**"Net Profit"** means the lower of (i) the consolidated net profit after tax of the Issuer as shown in the most recent audited annual consolidated accounts of the Issuer and (ii) the unconsolidated

net profit after tax of the Issuer as shown in the most recent audited annual unconsolidated accounts of the Issuer.

**"Optional Cancellation of Interest"** has the meaning given in Condition 3.2(a) (*Optional cancellation of interest*).

**"Ordinary Shares"** means ordinary shares of the Issuer or depository receipts issued in respect of such Ordinary Shares as the context may require.

**"Original Principal Amount"** means, in respect of a Capital Security at any time the principal amount (which, for these purposes, is equal to the nominal amount) of such Capital Security at the Issue Date without having regard to any subsequent Principal Write-down or Principal Write-up pursuant to Condition 7 (*Principal Write-down and Principal Write-up*).

**"Parity Obligations"** means (i) obligations of the Issuer in respect of the prevailing principal amount of any other capital securities qualifying, in whole or in part, as Additional Tier 1 Capital pursuant to article 52 CRR and (ii) any other obligations of the Issuer which rank, or are expressed to rank, *pari passu* with the Capital Securities.

**"Prevailing Principal Amount"** means, in respect of a Capital Security at any time, the Original Principal Amount of such Capital Security as reduced by any Principal Write-down of such Capital Security at or prior to such time pursuant to Condition 7 (*Principal Write-down and Principal Write-up*) (on one or more occasions) and, if applicable following any Principal Write-down, as subsequently increased by any Principal Write-up of such Capital Security (on one or more occasions) at or prior to such time pursuant to Condition 7 (*Principal Write-down and Principal Write-up*).

**"Principal Write-down"** has the meaning given in Condition 7.1 (*Principal Write-down*).

**"Principal Write-up"** has the meaning given in Condition 7.2 (*Principal Write-up*).

**"Principal Write-up Amount"** means, on any Principal Write-up, the amount by which the then Prevailing Principal Amount is to be written-up and which is calculated per Calculation Amount.

**"Qualifying Securities"** means securities issued directly by the Issuer that contain terms which at such time result in such securities being eligible to qualify towards the Issuer's Additional Tier 1 Capital for the purposes of, and in accordance with, the relevant Applicable Banking Regulations, (in the case of a variation or substitution due to a Withholding Tax Event, Tax Event, Alignment Event or Capital Event) to at least the same extent as the Capital Securities prior to the relevant Withholding Tax Event, Tax Event, Alignment Event or Capital Event.

**"Rate of Interest"** means:

- (iii) in the case of each Interest Period falling in the Initial Period, the Initial Rate of Interest;  
or
- (ii) in the case of each Interest Period which commences on or after the First Reset Date, a rate per annum equal to the sum of (A) the Reset Rate of Interest applicable to the Reset Period in which that Interest Period falls and (B) the Margin, converted from an annual basis to a semi-annual basis,

all as determined by the Agent in accordance with Condition 3 (*Interest and interest cancellation*).

**"Relevant Amounts"** means the outstanding principal amount of the Capital Securities, together with any accrued but unpaid interest and additional amounts due on the Capital Securities. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Bail-in and Loss Absorption Powers by the Resolution Authority;

**"Reset Date"** means the First Reset Date and each date which falls five, or an integral multiple of five, years after the First Reset Date.

**"Reset Period"** means each period from (and including) a Reset Date to (but excluding) the next Reset Date.

**"Reset Rate of Interest"** means, in respect of any Reset Period, the 5-year Mid-Swap Rate determined on the Reset Rate of Interest Determination Date applicable to such Reset Period, as determined by the Agent, subject to any amendments pursuant to Condition 3.1(f).

**"Reset Rate of Interest Determination Date"** means, in respect of the determination of the Reset Rate of Interest applicable during any Reset Period, the day falling two Business Days prior to the Reset Date on which such Reset Period commences.

**"Reset Reference Bank Rate"** means, with respect to a Reset Rate of Interest Determination Date, the percentage rate determined on the basis of the 5-year Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Agent at approximately 11:00 a.m. (Central European time) on such Reset Rate of Interest Determination Date. If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the 5-year Mid-Swap Rate in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Date, 2.432 per cent. per annum.

**"Reset Reference Banks"** means six leading swap dealers in the interbank market selected by the Agent in its discretion after consultation with the Issuer.

**"Resolution Authority"** means any resolution authority with the ability to exercise any Bail-in and Loss Absorption Powers in relation to the Issuer or with primary responsibility for the oversight and supervision of the Issuer's eligible liabilities and/or loss absorbing capacity from time to time (being, at the Issue Date, the National Bank of Romania).

**"Return to Financial Health"** has the meaning given in Condition 7.2(a) (*Principal Write-up*).

**"Risk Exposure Amount"** means the total risk exposure amount of the Issuer or (as applicable) the Group, calculated by the Issuer in accordance with article 92(2)(a) CRR or any succeeding provision.

**"Screen Page"** means Reuters screen "ICESWAP2" or such other page as may replace it on Reuters or, as the case may be, on such other information service that may replace Reuters, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the relevant 5-year Mid-Swap Rate.

**"Senior Creditors"** means (a) depositors of the Issuer (other than in respect of those whose deposits by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the Holders of the Capital Securities, if any), (b) unsubordinated creditors of the Issuer, and (c) subordinated creditors of the Issuer (including in respect of obligations qualifying as Tier 2 Capital instruments under the Applicable Banking Regulations) other than those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the Holders of the Capital Securities.

**"Talon"** has the meaning given in Condition 1 (*Form, Denomination and Title*).

**"Tax Event"** has the meaning given in Condition 5.3 (*Redemption for Taxation Reasons*).

**"Taxing Jurisdiction"** has the meaning given in Condition 5.3 (*Redemption for Taxation Reasons*).

**"T2 Settlement Day"** means any day on which T2 is open for the settlement of payments in euro.

**"T2"** means the real time gross settlement system operated by the Eurosystem, or any successor system.

**"Tier 1 Capital"** means the tier 1 capital of the Issuer for the purposes of the Applicable Banking Regulations, including any applicable transitional, phasing in or similar provisions.

**"Tier 2 Capital"** means the tier 2 capital of the Issuer for the purposes of Applicable Banking Regulations, including any applicable transitional, phasing in or similar provisions.

A **"Trigger Event"** will occur if, at any time the Issuer CET1 Ratio and/or the Group CET1 Ratio is less than 5.125 per cent. as determined by the Issuer or the Competent Authority.

**"Trigger Event Write-down Date"** has the meaning given in Condition 7.1(a) (*Trigger Event*).

**"Trigger Event Write-down Notice"** has the meaning given in Condition 7.1(b) (*Trigger Event Write-down Notice*).

**"Withholding Tax Event"** has the meaning given in Condition 5.3 (*Redemption for Taxation Reasons*).

**"Write-down Amount"** has the meaning given in Condition 7.1(d) (*Write-down Amount*).

**"Written-Down Additional Tier 1 Instrument"** means, at any time, any instrument (including the Capital Securities) issued by the Issuer which qualifies as Additional Tier 1 Capital of the Issuer on a solo basis or of the Group on a consolidated basis and which, immediately prior to the relevant Principal Write-up of the Capital Securities at that time, has a prevailing principal amount that, due to it having been Written Down, is lower than the original principal amount it was issued with.

In these Conditions reference to any provisions of law or regulation shall be deemed to include reference to any successor law or regulation.

## FORM OF THE CAPITAL SECURITIES

The Capital Securities will initially be in the form of the Temporary Global Capital Security which will be deposited on or around the Issue Date with a common depository for Euroclear and Clearstream, Luxembourg.

The Temporary Global Capital Security will be exchangeable in whole or in part for interests in the Permanent Global Capital Security not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Capital Security unless exchange for interests in the Permanent Global Capital Security is improperly withheld or refused. In addition, interest payments in respect of the Temporary Global Capital Security cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Capital Security will become exchangeable in whole, but not in part, for Capital Securities in definitive form ("**Definitive Capital Securities**") in the denominations of EUR 200,000 and higher integral multiples of EUR 1,000 in excess thereof up to and including EUR 399,000 each at the request of the bearer of the Permanent Global Capital Security if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 10 (*Enforcement*) occurs.

So long as the Capital Securities are represented by a Temporary Global Capital Security or a Permanent Global Capital Security and the relevant clearing system(s) so permit, the Capital Securities will be tradeable only in the minimum denomination of EUR 200,000 and higher integral multiples of EUR 1,000 in excess thereof, notwithstanding that no Definitive Notes will be issued with a denomination above EUR 399,000.

Whenever the Permanent Global Capital Security is to be exchanged for Definitive Capital Securities, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Capital Securities, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Capital Security to the bearer of the Permanent Global Capital Security against the surrender of the Permanent Global Capital Security to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Capital Securities have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has duly requested exchange of the Permanent Global Capital Security for Definitive Capital Securities; or
- (b) the Permanent Global Capital Security (or any part of it) has become due and payable in accordance with the Conditions and payment in full of the amount of principal falling due with all accrued interest thereon (to the extent not cancelled pursuant to the Conditions) has not been made to the bearer in accordance with the terms of the Permanent Global Capital Security on the due date for payment,

then the Permanent Global Capital Security (including the obligation to deliver Definitive Capital Securities) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Capital Security will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Capital Security or others may have under a deed of covenant dated the Issue Date (the "**Deed of Covenant**") executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to an interest in the Permanent Global Capital Security will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Capital Security became void, they had been the holders of Definitive Capital Securities in an aggregate principal amount equal to the principal amount of Capital Securities they were shown as holding in the records of Euroclear and/or (as the case may be) Clearstream, Luxembourg.

In addition, the Temporary Global Capital Security and the Permanent Global Capital Security will contain provisions which modify the Conditions as they apply to the Temporary Global Capital Security and the Permanent Global Capital Security. The following is a summary of certain of those provisions:

- (a) *Payments:* All payments in respect of the Temporary Global Capital Security and the Permanent Global Capital Security will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Capital Security or (as the case may be) the Permanent Global Capital Security to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Capital Securities.
- (b) *Payments on business days:* In the case of all payments made in respect of the Temporary Global Capital Security and the Permanent Global Capital Security "**business day**" means any day on which T2 is open.
- (c) *Calculation of interest:* the calculation of any interest amount in respect of any Capital Security which is represented by the Temporary Global Capital Security or the Permanent Global Capital Security will be calculated on the aggregate Prevailing Principal Amount of the Capital Securities represented by the Temporary Global Capital Security or the Permanent Global Capital Security (as the case may be) and not by reference to the Calculation Amount.
- (d) *Notices:* Notwithstanding Condition 14 (*Notices*), while all the Capital Securities are represented by the Permanent Global Capital Security (or by the Permanent Global Capital Security and/or the Temporary Global Capital Security) and the Permanent Global Capital Security is (or the Permanent Global Capital Security and/or the Temporary Global Capital Security) deposited with a common depositary for Euroclear and Clearstream, Luxembourg, notices to Securityholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to Holders in accordance with Condition 14 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

## **USE OF PROCEEDS**

An amount equal to the net proceeds from the issue of the Capital Securities, estimated to amount to EUR 500,000,000, will be used for the general financing purposes of the Issuer and meeting regulatory capital requirements.

## DESCRIPTION OF THE ISSUER

### 1. Introduction

#### *Summary information on the Issuer.*

The Issuer is an operating company and the parent company of its corporate group. Together with its subsidiaries (listed in the group structure in Section "*Summary information on the BT Group*" below), the Issuer will be collectively named the "**BT Group**". The Issuer is a banking institution incorporated and organised as a joint-stock company under Romanian law. It is registered with the Romanian Trade Register Office under the number of J1993004155124 and is a Romanian tax resident. The Issuer's corporate seat is in Cluj-Napoca, Calea Dorobantilor 30-36, postal code 400117, Cluj-Napoca, Cluj county, Romania, phone number +40 264 407 150 and fax +40 264 407 179.

As at 30 September 2025, the Issuer's network comprised 533 units, which included one head office in Cluj-Napoca, 42 branches, 477 agencies, three work units, eight healthcare division units, two private banking agencies, one branch in Italy (the branch in Italy offers services such as current accounts, cards, loans and term deposits) and one regional office located in Bucharest, employing 11,010 employees, including 10,289 active employees. As at 31 December 2024, the number of total employees of the Issuer was 10,423 and the number of active employees increased to 9,744, respectively, while the network decreased in terms of work units (three) and increased in terms of agencies (457), with one additional head office located in Bucharest, while the other units did not register any fluctuations. As at 30 June 2024, the Issuer had a network of 512 units in Romania, of which 42 were branches, as well as a total number of employees of 10,321 of whom 9,676 were active employees.

The Issuer was incorporated on 16 December 1993 for an undetermined period and started its activity as a banking institution in 1994, being licensed by the National Bank of Romania (the "**NBR**").

The Issuer pursues a universal banking model, comprising retail and wholesale banking operations, issuance of debit and credit cards, corporate, mortgage and consumer loans, money transfers and trade finance. It provides services to a broad client base that includes retail and business clients (both local and international). At 30 June 2025, an increase to 4.8 million active customers was recorded, with 4.3 million individuals and over 510,000 legal entities. The number of digitalised customers also increased to 4.7 million. As at 31 December 2024, the number of active customers increased to 4.6 million (over 4.4 million being digitised customers), out of whom approximately 4.1 million were individuals and over 484,000 were legal entities. As at 31 December 2023, it had 4.2 million active customers (over 3.7 million of them being digitised customers), out of whom approximately 3.8 million were individuals and 453,000 were legal entities. As at 30 June 2024, the number of active customers was 4.3 million of which 3.86 million were individuals and 0.47 million were legal entities, of which 4.1 million represented digitised customers.

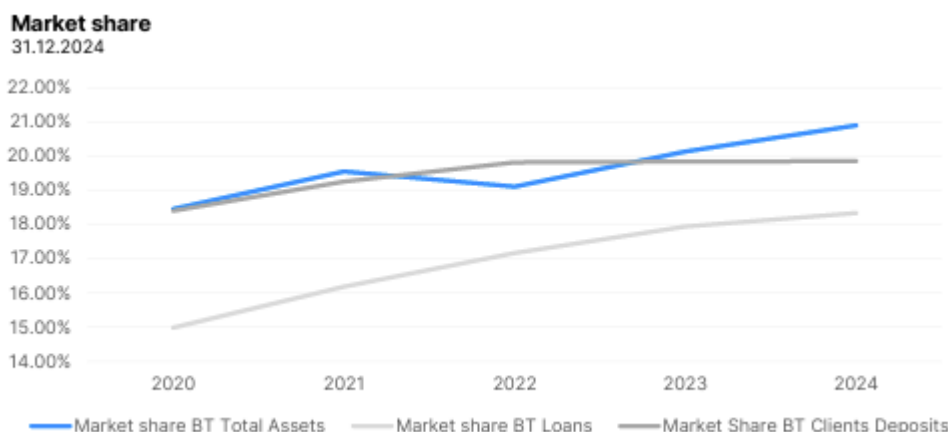
The Issuer is the leading bank in Romania with a 20.9 per cent. market share by total assets as at 31 December 2024<sup>1</sup> and, according to the Issuer, approximately 22 per cent. estimated market share by total assets as at 30 June 2025 (the Issuer's estimation based on total assets of the Issuer by reference to total assets in the sector, according to NBR<sup>2</sup>). In 2023 and 2024, the Issuer was also the largest bank in Southeast Europe by total assets<sup>3</sup> since 2018. The evolution of the market share of the Issuer from 2020 to 2024 is shown in the chart below:

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<sup>1</sup>Source: [https://www.bnr.ro/uploads/2025-06-23annualreport2024\\_documentpdf\\_545\\_1759914105.pdf](https://www.bnr.ro/uploads/2025-06-23annualreport2024_documentpdf_545_1759914105.pdf)

<sup>2</sup>Source : <https://www.bnr.ro/en/12602-aggregate-indicators-for-credit-institutions>.

<sup>3</sup>Source: <https://top100.seenews.com/rankings/top-100-banks/>



The Issuer's shares are listed in the "Premium Category" on the Main Market of the Bucharest Stock Exchange ("BSE") and are traded under the symbol TLV and ISIN ROTLVAACNOR1 and the Issuer's shares are included in the main index of the BSE as well as other relevant BSE indexes. It is one of the two companies that first qualified Romania for its emerging market status in the FTSE Russell ranking in 2020<sup>4</sup>. The Issuer was also awarded "CEE's best bank for SMEs" in 2022<sup>5</sup> by the British magazine Euromoney after also holding the title of "Best Bank in Romania" in 2004, 2016, 2017, 2020, 2021<sup>6</sup>, 2023<sup>7</sup> and 2024<sup>8</sup>.

For the third consecutive year, the Issuer is placed in the "Low Risk category" of the Sustainalytics' analysis related to ESG risk management, initiatives and performance, its ESG Risk Rating being 14.9, as updated in November 2024<sup>9</sup>, an improvement over the score obtained in 2023 (15.1). In November 2024, the Issuer was ranked at no. 119 out of 1,040 banks globally, placing it in the top 11 per cent. of both companies analysed by Sustainalytics and banks<sup>10</sup>. The Issuer is awarded with an ESG rating of 3.3/5 following the FTSE Russell assessment<sup>11</sup>.

The Issuer was awarded in 2023 the Gold Level Recognition by Romania Corporate Sustainability and Transparency Index for its 2022 Sustainability Report<sup>12</sup>. This recognition was awarded for the third consecutive year and was valid until November 2024. In 2024, the Issuer was awarded the Best Rated rating in the Gold Recognition category, with the highest rating of 95 points among the companies assessed<sup>13</sup>.

The Issuer also obtained in 2025 a 77/100 ESG score from LSEG Data & Analytics, a London Stock Exchange Group Company<sup>14</sup>. This score places it on the 81<sup>st</sup> position (with a 76 environment score, 69

<sup>4</sup> Source: [https://research.ftserussell.com/products/downloads/FTSE\\_FAQ\\_Document\\_Romania.pdf](https://research.ftserussell.com/products/downloads/FTSE_FAQ_Document_Romania.pdf)

<sup>5</sup> Source: <https://www.euromoney.com/article/2a3xg0e8mxmw6m7t7s7i8/awards/awards-for-excellence/cees-best-bank-for-smes-2022-banca-transilvania>

<sup>6</sup> Source: [https://www.bancatransilvania.ro/news/comunicate-de-presa/banca-transilvania-best-bank-in-romania-recunoastere-din-partea-publicatiei-euromoney?fbclid=IwAR0aTp28muKsi2r8LITpRuMO6yEpg-SJaLj\\_GwqXhngmli7Q3cV6jsqDf4](https://www.bancatransilvania.ro/news/comunicate-de-presa/banca-transilvania-best-bank-in-romania-recunoastere-din-partea-publicatiei-euromoney?fbclid=IwAR0aTp28muKsi2r8LITpRuMO6yEpg-SJaLj_GwqXhngmli7Q3cV6jsqDf4)

<sup>7</sup> Source: <https://en.bancatransilvania.ro/news/comunicate-de-presa/banca-transilvania-best-bank-in-romania-recunoastere-din-partea-publicatiei-euromoney>

<sup>8</sup> Source: <https://en.bancatransilvania.ro/news/noutati/bt-fost-desemnata-best-bank-si-best-bank-smes-romania-de-catre-euromoney>

<sup>9</sup> Source: [The Issuer's Sustainability report 2024](#)

<sup>10</sup> Source: [The Issuer's Sustainability report 2024](#)

<sup>11</sup> Source: <https://www.bancatransilvania.ro/en/investor-relations/environment-social-governance/ratings-and-awards>

<sup>12</sup> Source: <https://en.bancatransilvania.ro/news/noutati/bt-una-dintre-companiile-cu-cel-mai-mare-ranking-al-sustenabilitatii>

<sup>13</sup> Source: <https://sustainabilityindex.ro/romania-cst-index-2024/>

<sup>14</sup> Source: <https://www.lseg.com/en/data-analytics/sustainable-finance/esg-scores?esg=Banca+Transilvania+SA>

social score and 88 governance score) out of 1,145 assessed banking services companies in the world and is the best ESG rating achieved by a rated company in Romania.

In 2025, the Issuer obtained for the sixth consecutive year a maximum Vektor rating (10 out of 10) for communication with investors, following the evaluation of the Romanian Association for Investor Relations<sup>15</sup>, being also the most awarded company for its communication with shareholders and investors at the ARIR Gala<sup>16</sup>. The Issuer was also awarded at the BVB Awards 2025 for its performance in the 2024 trading year for the most traded share on the BVB regulated market in 2024, the issuer with the highest increase in liquidity in 2024 and the best communication with journalists by an issuer in 2024 (Financial Press Award) categories<sup>17</sup>. In addition, BT Asset Management was awarded the best performing local investment fund prize (for BT Technology) and BT Capital Partners was the winner of the most active intermediary on the bond segment category.

The Issuer has also been included by Brand Finance in the top 500 most valuable brands in the world, ranked 225th in 2025 (up 27 places compared to 2024), with a brand value of USD 955 million<sup>18</sup> (compared to USD 686.5 million in 2023). It is also ranked 3 of Top 10 Strongest Banking Brands Worldwide, with a Brand Strength Index (BSI) of 95.3/100.

The Issuer was designated, for the second year in a row, the most attractive employer in the financial sector, according to the survey conducted by Randstad Romania Employer Brand Research<sup>19</sup>.

In November 2025, Moody's published the following upgraded ratings for the Issuer<sup>20</sup>:

|                                                              |                      |
|--------------------------------------------------------------|----------------------|
| Long-term and short-term deposits:                           | Baa1/P-2             |
| Long-term and short-term issuers:                            | Baa2/P-3             |
| Long-term and short-term Counterparty Risk Ratings (CRR):    | Baa1/P-2             |
| Basic Credit Assessment (BCA):                               | ba1 and Adjusted BCA |
| Long-term and short-term Counterparty Risk (CR) Assessments: | Baa2(cr)/P-2(cr)     |
| Outlook on long-term deposit and issuer ratings:             | Negative             |

On 19 November 2024, Fitch published the following ratings for the Issuer<sup>21</sup>:

|                                        |      |
|----------------------------------------|------|
| Long-term Issuer Default Rating (IDR): | BBB- |
| Short-term Issuer Default Rating:      | F3   |

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<sup>15</sup> Source: <https://en.bancatransilvania.ro/news/comunicate-de-presa/rating-vektor-maxim-pentru-comunicarea-bt-din-2024-cu-investitorii-si-actionarii>

<sup>16</sup> Source: <https://en.bancatransilvania.ro/news/noutati/bt-cea-mai-premiata-companie-pentru-comunicarea-cu-actionarii-si-investitorii>

<sup>17</sup> Source: <https://m.bvb.ro/AboutUs/MediaCenter/PressItem/Bursa-de-Valori-Bucuresti-a-premiat-performerii-anului-bursier-2024-in-cea-de-a-12-a-editie-a-evenimentului-devenit-traditie-pe-piata-de-capital-din-Romania/6166>

<sup>18</sup> Source: <https://en.bancatransilvania.ro/news/noutati/valoarea-brandului-banca-transilvania-a-crescut-cu-39-si-atinge-valoarea-de-955-de-milioane-de-dolari>

<sup>19</sup> Source: <https://en.bancatransilvania.ro/news/comunicate-de-presa/bt-cel-mai-atractiv-angajator-din-domeniul-financiar-conform-randstad-employer-brand-research>

<sup>20</sup> Source: <https://en.bancatransilvania.ro/news/comunicate-de-presa/moodys-ratings-a-imbunatatit-ratingurile-de-emitent-si-de-depozit-ale-bancii-transilvania>

<sup>21</sup> Source: <https://www.fitchratings.com/research/banks/fitch-upgrades-banca-transilvania-to-bbb-outlook-stable-19-11-2024>

Viability Rating (VR):

bbb-

On 20 December 2024, Fitch revised the Issuer's Outlook from Stable to Negative<sup>22</sup>, following Fitch's revision of the Outlook on Romanian sovereign Long-Term IDR to Negative from Stable on 17 December 2024<sup>23</sup>, that was affirmed on 21 February 2025<sup>24</sup>.

On 10 March 2025, Fitch reviewed the rating of the Issuer, with no changes being made to the aforementioned ratings.

As at 31 December 2024 compared to 31 December 2023, and as at 30 June 2024 compared to 30 June 2025, the Issuer and BT Group had on a separate and on a consolidated basis, the following key financial indicators:

| In thousands                                              |                                        | RON, 31 December 2024 |             | 31 December 2023 |             | 30 June 2025 |             | 30 June 2024 |             |
|-----------------------------------------------------------|----------------------------------------|-----------------------|-------------|------------------|-------------|--------------|-------------|--------------|-------------|
|                                                           |                                        | BT Group              | Issuer      | BT Group         | Issuer      | BT Group     | Issuer      | BT Group     | Issuer      |
| Total assets                                              |                                        | 207,035,478           | 184,263,912 | 169,169,225      | 161,784,971 | 208,156,110  | 195,725,127 | 177,893,691  | 169,168,045 |
| Loans and advances to customers                           | and to                                 | 90,779,626            | 81,389,989  | 72,008,224       | 71,550,404  | 94,929,065   | 95,981,805  | 74,205,293   | 75,074,430  |
| Deposits from customers                                   | from                                   | 167,869,266           | 150,785,254 | 138,052,954      | 134,443,350 | 164,468,946  | 158,513,624 | 142,671,139  | 139,022,502 |
| Total equity attributable to equity holders of the Issuer | equity to equity holders of the Issuer | 16,617,540            | 14,219,105  | 13,223,992       | 11,829,366  | 17,176,822   | 15,199,757  | 14,211,927   | 12,569,149  |

**Source:** Audited Financial Statements for 2024 and 2023 and Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2025 and 30 June 2024

#### Summary information on the BT Group

The following table presents the members of the BT Group as at the date of this Prospectus:

| Subsidiary        | Field of activity                                                   | Percentage of direct and indirect stake 2025 (as at the date of this Prospectus) | Percentage of direct and indirect stake 2024 (31.12.2024) |
|-------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------|
| Victoriabank S.A. | Financial and banking activities and investments subject to license | 44.63%                                                                           | 44.63%                                                    |
| BCR Chisinau S.A. | Financial and banking activities and investments subject to license | -                                                                                | 44.63%                                                    |

<sup>22</sup> Source: <https://www.fitchratings.com/research/banks/fitch-revises-banca-transilvania-outlook-to-negative-affirms-idr-at-bbb-20-12-2024>

<sup>23</sup> Source: <https://www.fitchratings.com/research/sovereigns/fitch-revises-romania-outlook-to-negative-affirms-at-bbb-17-12-2024>

<sup>24</sup> Source: <https://www.fitchratings.com/research/sovereigns/fitch-affirms-romania-at-bbb-outlook-negative-21-02-2025>

|                                           |                                                                                 |        |        |
|-------------------------------------------|---------------------------------------------------------------------------------|--------|--------|
| BT Capital Partners S.A.                  | Investments                                                                     | 99.62% | 99.62% |
| 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%   |
| BT Asset Management SAI S.A.              | Asset management                                                                | 100%   | 100%   |
| BT Solution Asistent in Brokeraj S.R.L.   | Insurance broker                                                                | -      | 100%   |
| BT Asiom Agent de Asigurare S.R.L.        | Insurance broker                                                                | -      | 100%   |
| BT Safe Agent de Asigurare S.R.L.         | Insurance broker                                                                | -      | 100%   |
| BT Intermedieri Agent de Asigurare S.R.L. | Insurance broker                                                                | -      | 100%   |
| BT Leasing MD S.R.L.                      | Leasing                                                                         | 100%   | 100%   |
| BT Microfinantare IFN S.A.                | Consumer loans                                                                  | 100%   | 100%   |
| Improvement Credit Collection S.R.L.      | Activities of collection agents and Credit reporting bureaus                    | 100%   | 100%   |
| VB Investment Holding B.V.                | Activities of holdings                                                          | 61.82% | 61.82% |
| BT Pensii S.A.                            | Activities of pension funds (except those in the public social security system) | 100%   | 100%   |
| Salt Bank S.A.                            | Financial and banking activities                                                | 100%   | 100%   |
| Avant Leasing IFN S.A.                    | Financial leasing                                                               | -      | 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                             | 99.53% | 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                             | 99.53% | 100%   |
| BTP Store Hub Oradea                      | Renting and subletting of                                                       | 100%   | 100%   |

|                                                                       |                                                                                        |        |      |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------|------|
| S.R.L.                                                                | own or rented real estate                                                              |        |      |
| OTP Bank Romania S.A.                                                 | Financial and banking activities                                                       | -      | 100% |
| Inter Terra S.R.L.                                                    | Buying and selling of own real estate                                                  | 99.53% | 100% |
| OTP Advisors S.R.L.                                                   | Other activities auxiliary to financial services, except insurance and pension funding | -      | 100% |
| OTP Factoring S.R.L.                                                  | Asset management                                                                       | 100%   | 100% |
| REA Project One Company S.R.L.                                        | Real estate development                                                                | -      | 100% |
| GOVCKA Project Company S.R.L.                                         | Real estate development                                                                | -      | 100% |
| OTP Consulting Romania S.R.L.                                         | Other activities auxiliary to financial services, except insurance and pension funding | -      | 100% |
| Inno Investments S.A.I. S.A. (formerly OTP Asset Management SAI S.A.) | Asset management                                                                       | 100%   | 100% |
| OCN Microinvest S.R.L.                                                | Financial and banking activities                                                       | 44.63% | -    |

As at 31 December 2024, BCR Chisinau S.A., OTP Bank Romania S.A. and BT Building S.R.L. were also subsidiaries of the Issuer. However, on 28 February 2025, BT Building S.R.L. and OTP Bank Romania S.A. were absorbed by way of a merger by the Issuer, as the absorbing company, and on 13 March 2025, BCR Chisinau S.A. was absorbed by way of a merger by Victoriabank S.A. as absorbing company.

On 1 December 2024, OTP Leasing S.A. merged with, and was absorbed by, BT Leasing Transilvania IFN S.A.

As at 31 December 2024, by decisions of BT Leasing Transilvania IFN S.A., in capacity as sole shareholder of each of BT Solution Asistent in Brokeraj S.R.L., BT Asiom Agent de Asigurare S.R.L., BT Safe Agent de Asigurare S.R.L. and BT Intermedieri Agent de Asigurare S.R.L., the dissolution of the aforementioned companies was approved by transferring all assets to the sole shareholder, BT Leasing Transilvania IFN S.A., without liquidation.

As at 31 December 2024, the following subsidiaries were excluded from the consolidation perimeter within the BT Group due to the lack of significant assets or liabilities, expenses or revenues: Code Crafters by BT S.R.L., Fond Alternativ BTP Retail S.R.L., BTP Store Hub Oradea S.R.L., BT Intermedieri Agent de Asigurare S.R.L., BT Asiom Agent de Asigurare S.R.L., BT Solution Asistent in Brokeraj S.R.L., BT Safe Agent de Asigurare S.R.L., REA Project One Company S.R.L., OTP Factoring S.R.L., GOVCKA Project Company S.R.L., OTP Advisors S.R.L., OTP Consulting Romania S.R.L. and Sinteza (as associate). In April 2025, the sale of OTP Consulting Romania S.R.L. was completed, and in June 2025, the sale of Avant Leasing IFN S.A. took place.

In February 2025, the Issuer finalised the merger between the Issuer, as absorbing company, and OTP Bank Romania S.A. and BT Building S.R.L. as absorbed companies, and on 13 March 2025 the merger between Victoriabank S.A., as the absorbing company, and BCR Chişinău S.A., as the absorbed company, was finalised.

OTP Advisors S.R.L. has also been deregistered from the Trade Register as at 14 February 2025. In April 2025, the sale of OTP Consulting Romania S.R.L. was completed, therefore it is no longer a subsidiary of the BT Group as at the date of this Prospectus.

As at 30 June 2025, five subsidiaries were excluded from the consolidation perimeter due to not holding any significant assets or liabilities, expenses or revenues (i.e., Code Crafters by BT S.R.L., BTP Retail S.R.L., BTP Store Hub Oradea S.R.L., OTP Factoring S.R.L., Sinteza (as associate)).

Furthermore, in July 2025, OTP Factoring S.R.L. was liquidated and, at the date of this Prospectus, it is currently in the process of deregistration. GOVCKA Project Company S.R.L. and REA Project One Company S.R.L. were deregistered in August 2025.

On 2 October 2025, Victoriabank S.A. completed the acquisition of 100 per cent. of the share capital of OCN Microinvest S.R.L., thus being a subsidiary of the Issuer at the date of this Prospectus.

As at the date of this Prospectus, the BT Group is a Romanian banking and financial group consisting of the Issuer and 22 subsidiaries. As at 31 December 2024, the BT Group had 13,629 active employees, up from 11,841 as at 31 December 2023. As at 30 June 2025, the BT Group had 12,996 active employees, up from 12,201 as at 30 June 2024.

The Issuer is the main operating company, accounting for 89 per cent. of the total assets of the BT Group and for 75 per cent. of the BT Group's net profit, both as at 31 December 2024. As at 30 June 2025, the Issuer accounts for 94 per cent. of the total assets of the BT Group and for 90 per cent. of the BT Group's net profit. As at 30 June 2024, the Issuer accounted for 95 per cent. of the total assets of the BT Group and for 84 per cent. of the BT Group's net profit.

The total assets of the BT Group and of the Issuer, respectively, as at 31 December 2024 compared to 31 December 2023, as well as at 30 June 2025 and 30 June 2024, are set out in the table below (amounts in RON thousands and consolidated in respect of the BT Group).

| <b>Total assets</b>                            | <b>31 December 2024</b>                                           | <b>31 December 2023</b>                                           | <b>30 June 2025</b>                                               | <b>30 June 2024</b>                                               |
|------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|
| <i>(in thousands and percentages of total)</i> |                                                                   |                                                                   |                                                                   |                                                                   |
| BT Group                                       | 207,035,478                                                       | 169,169,225                                                       | 208,156,110                                                       | 177,893,691                                                       |
| Issuer                                         | 184,263,912, representing 89 per cent. of BT Group's total assets | 161,784,971, representing 96 per cent. of BT Group's total assets | 195,725,127, representing 94 per cent. of BT Group's total assets | 169,168,045, representing 95 per cent. of BT Group's total assets |

**Source:** Audited Financial Statements for 2024 and 2023 and Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2025 and 30 June 2024

The table below shows the breakdown and structure of the total assets at BT Group level as at 31 December 2024, 31 December 2023, 30 June 2025 and 30 June 2024:

|                                                 | <b>31 December 2024</b> | <b>31 December 2023</b> | <b>30 June 2025</b> | <b>30 June 2024</b> |
|-------------------------------------------------|-------------------------|-------------------------|---------------------|---------------------|
| <b>Total assets</b>                             | <b>207,035,478</b>      | <b>169,169,225</b>      | <b>208,156,110</b>  | <b>177,893,691</b>  |
| <i>(in thousand RON)</i>                        |                         |                         |                     |                     |
| Customer loans (including loans and advances to | 96,369,862              | 75,570,907              | 100,738,397         | 78,788,360          |

|                                                                                                                                                                                                                                                                                                                                                                         |            |            |            |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|------------|------------|
| customers and<br>finance lease<br>receivables)                                                                                                                                                                                                                                                                                                                          |            |            |            |            |
| Securities<br>(including<br>financial assets<br>measured at fair<br>value through<br>other items of<br>comprehensive<br>income plus<br>financial assets at<br>amortized cost<br>(debt<br>instruments ) plus<br>financial assets<br>held for trading<br>plus financial<br>assets measured<br>mandatorily at<br>fair value through<br>profit or loss plus<br>derivatives) | 68,410,267 | 51,775,442 | 70,749,330 | 61,043,939 |
| Cash and current<br>accounts with<br>Central Banks                                                                                                                                                                                                                                                                                                                      | 21,950,170 | 24,252,600 | 21,319,723 | 27,131,184 |
| Placements with<br>banks and public<br>institutions                                                                                                                                                                                                                                                                                                                     | 13,714,870 | 12,272,959 | 7,122,430  | 5,104,958  |
| Property and<br>equipment and<br>investment<br>property                                                                                                                                                                                                                                                                                                                 | 1,655,373  | 1,278,903  | 1,637,836  | 1,375,501  |
| Other assets (non-<br>financial and<br>financial) <sup>25</sup>                                                                                                                                                                                                                                                                                                         | 4,934,936  | 4,018,414  | 6,588,394  | 4,449,749  |

**Source:** Audited Financial Statements for 2024 and 2023 and Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2025 and 30 June 2024

The table below shows the breakdown and structure of the total liabilities and equity at BT Group level as at 31 December 2024, 31 December 2023, 30 June 2025 and 30 June 2024:

|                                         | <b>31 December<br/>2024</b> | <b>31 December<br/>2023</b> | <b>30 June 2025</b> | <b>30 June 2024</b> |
|-----------------------------------------|-----------------------------|-----------------------------|---------------------|---------------------|
| <b>Total liabilities<br/>and equity</b> | <b>207,035,478</b>          | <b>169,169,225</b>          | <b>208,156,110</b>  | <b>177,893,691</b>  |

<sup>25</sup> Reconciling balance determined as Total assets – (Customer loans (including loans and advances to customers and finance lease receivables) + Securities (including financial assets measured at fair value through other items of comprehensive income plus financial assets at amortized cost (debt instruments) plus financial assets held for trading plus financial assets measured mandatorily at fair value through profit or loss plus derivatives) + Cash and current accounts with Central Banks + Placements with banks and public institutions + Property and equipment and investment property).

(in RON,  
thousand)

|                                             |             |             |             |             |
|---------------------------------------------|-------------|-------------|-------------|-------------|
| Deposits from customers                     | 167,869,266 | 138,052,954 | 164,468,946 | 142,671,139 |
| Equity plus non-controlling interest        | 17,436,573  | 13,896,508  | 17,998,483  | 14,992,081  |
| Loans from banks and financial institutions | 12,237,716  | 9,548,567   | 14,036,054  | 10,132,577  |
| Subordinated liabilities                    | 2,530,535   | 2,423,218   | 2,580,659   | 2,411,832   |
| Other financial liabilities                 | 3,767,710   | 2,521,170   | 5,949,793   | 5,128,888   |
| Other liabilities <sup>26</sup>             | 3,193,678   | 2,726,808   | 3,122,175   | 2,557,174   |

**Source:** Audited Financial Statements for 2024 and 2023 and Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2025 and 30 June 2024

The following table sets out the net profit of the BT Group and the Issuer respectively for the year ended 31 December 2024 and 31 December 2023, as well as for the six-month period ended 30 June 2025 and 30 June 2024 (amounts in RON thousands and consolidated in respect of the BT Group).

| Net Profit                              | 31 December 2024                                                 | 31 December 2023                                                 | 30 June 2025                                                     | 30 June 2024                                                     |
|-----------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|
| (in thousands and percentages of total) |                                                                  |                                                                  |                                                                  |                                                                  |
| BT Group                                | 4,730,524 (after applying a tax expense of RON 711,845 thousand) | 2,984,230 (after applying a tax expense of RON 721,733 thousand) | 1,970,267 (after applying a tax expense of RON 358,427 thousand) | 2,145,945 (after applying a tax expense of RON 357,496 thousand) |
| Issuer                                  | 3,531,678, representing 75 per cent. of BT Group's net profit    | 2,490,572, representing 83 per cent. of BT Group's net profit    | 1,776,399 (representing 90 per cent. of BT Group's net profit)   | 1,810,147 (representing 84 per cent. of BT Group's net profit)   |

**Source:** Audited Financial Statements for 2024 and 2023 and Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2025 and 30 June 2024

The following table sets out the key expenses of the BT Group for the year ended 31 December 2024 and 31 December 2023, as well as for the six-month period ended 30 June 2025 and 30 June 2024 on a consolidated basis:

<sup>26</sup> Reconciling balance determined as Total liabilities and equity – (Deposits from customers + Equity plus non-controlling interest + Loans from banks and financial institutions + Subordinated liabilities + Other financial liabilities).

| <b>Key expenses</b><br><i>(in RON, thousand)</i>                                                                  | <b>31 December 2024</b> | <b>31 December 2023</b> | <b>30 June 2025</b> | <b>30 June 2024</b> |
|-------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|---------------------|---------------------|
| Personnel expenses                                                                                                | 2,599,594               | 1,967,518               | 1,357,346           | 1,166,157           |
| Depreciation and amortization                                                                                     | 516,700                 | 450,548                 | 280,375             | 241,632             |
| Other operating expenses                                                                                          | 1,743,097               | 1,087,845               | 1,004,806           | 742,571             |
| Net expense from impairment allowance, expected losses on assets, provisions for other risks and loan commitments | 575,304                 | 513,088                 | 480,492             | 54,950              |
| Income tax                                                                                                        | 711,845                 | 721,733                 | 358,427             | 357,496             |

**Source:** Audited Financial Statements for 2024 and 2023 and Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2025 and 30 June 2024

The total net income of the BT Group for the year ended 31 December 2024 and 31 December 2023, as well as for the six-month period ended 30 June 2025 and 30 June 2024 was as follows:

| <b>BT Group,</b><br><i>in RON thousand</i> | <b>31 December 2024</b> | <b>31 December 2023</b> | <b>30 June 2025</b> | <b>30 June 2024</b> |
|--------------------------------------------|-------------------------|-------------------------|---------------------|---------------------|
| Net interest income                        | 6,907,762               | 5,256,680               | 3,914,132           | 3,124,445           |
| Net fee and commission income              | 1,487,831               | 1,267,647               | 793,708             | 696,000             |
| Operating income                           | 10,061,399              | 7,724,962               | 5,451,713           | 4,575,599           |
| Net trading income                         | 938,291                 | 657,016                 | 528,910             | 477,770             |

**Source:** Audited Financial Statements for 2024 and 2023 and Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2025 and 30 June 2024

In addition, the trading and other operating income<sup>27</sup>, on a consolidated level, was RON 1,665.8 million for the year ended 31 December 2024 and RON 1,200.6 million for the year ended 31 December 2023. For the six-month period ended 30 June 2025, the consolidated trading and other operating income was RON 743.9 million, while for the six-month period ended 30 June 2024, it amounted to RON 755.2 million.

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<sup>27</sup> Includes: net trading income, net loss/gain from assets measured at FVOCI, net loss/gain from assets measures at FVPL, contribution to the Bank Deposit Guarantee Fund and Resolution Fund and other operating income.

As at 31 December 2024, the net fees and commissions ratio of the average customer deposits (including accruals) on a consolidated basis reached 0.97 per cent. compared to 0.98 per cent. in 2023. The net fees and commission for the six-month period ended 30 June 2024, as a ratio of the average customer deposits reached 0.99 per cent., on a consolidated basis and decreased for the same period of 2025, where the net fees and commissions reached 0.96 per cent.

As at the date of this Prospectus, the BT Group's main fields of activity are:

- (a) banking services, carried out:
  - (i) in Romania, by the Issuer and Salt Bank S.A. (previously Idea Bank S.A.);
  - (ii) in the Republic of Moldova, by Victoriabank S.A.; and
  - (iii) in Italy, through the Issuer's branch;
- (b) leasing, microfinancing and consumer finance, carried out:
  - (i) in Romania mainly by BT Leasing Transilvania IFN S.A., BT Direct IFN S.A. and BT Microfinanțare IFN S.A.; and
  - (ii) in the Republic of Moldova, by BT Leasing MD S.R.L. and OCN Microinvest S.R.L.;
    - (1) asset management, carried out only in Romania by BT Asset Management S.A.I. S.A. and INNO Investments S.A.I. S.A.;
    - (2) real estate activities, carried out by BTP One S.R.L., BTP Retail S.R.L., BTP STORE HUB TURDA S.R.L., BTP STORE HUB ORADEA S.R.L., Inter Terra S.R.L.;
- (c) brokerage and investment services, carried out via BT Capital Partners S.A.;
- (d) pension funds management, carried out by BT Pensii S.A.;
- (e) insurance agents and brokers, carried out by BT Broker de Asigurare S.R.L.;
- (f) development of custom software, carried out by Code Crafters by BT S.R.L.;
  - (3) debt collection, carried out by Improvement Credit Collection S.R.L. investment activities, carried out by BT Investments S.R.L.;
  - (4) holding activities, carried out by VB Investment Holding B.V.; and
  - (5) alternative investment funds, carried out via BT Property Alternative Investment Real Estate Fund, BT Invest 1 Alternative Investment Fund and BT Invest Alternative Investment Fund (BT Property Alternative Investment Real Estate Fund and BT Invest 1 Alternative Investment Fund are included in the accounting consolidation perimeter, but not in the prudential consolidation perimeter, while BT Invest Alternative Investment Fund is neither included in the accounting consolidation perimeter, nor in the prudential consolidation perimeter).

Starting with January 2024, the BT Group has control through Victoriabank S.A. in BCR Chisinau S.A., which was subsequently merged through absorption by Victoriabank S.A. in March 2025. Since May 2024, the BT 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 BT Group has control in OTP Bank Romania S.A., OTP Advisors S.R.L. (subsequently deregistered in February 2025), OTP Factoring S.R.L. (subsequently dissolved in July 2025), REA Project One Company S.R.L. (subsequently deregistered in August 2025), GOVCKA Project Company S.R.L. (subsequently deregistered in August 2025 and OTP Consulting Romania S.R.L. (subsequently sold in April 2025). In February 2025, OTP Bank Romania S.A. merged through

absorption with the Issuer. Starting with October 2024, the BT Group has control in OTP Asset Management SAI S.A., subsequently rebranded as Inno Investments S.A.I. S.A. in June 2025.

In May 2024, the Issuer acquired BRD Societate de Administrare a Fondurilor de Pensii Private S.A., a Romanian company part of Groupe Société Générale S.A., carrying out the businesses of management of pillar III pension funds (facultative private pension funds) and the management of pillar II pension funds (mandatory private pension funds) through the management of two pension funds. Following the approval of the acquisition from the relevant authorities, BT Pensii S.A. manages FPF BRD Medio under the new name Pensia Mea Plus starting with 28 April 2025.

On 2 October 2025, Victoriabank completed the acquisition of 100 per cent. of the share capital of OCN Microinvest S.R.L., a leader in microfinancing on the Moldavian financial market.

Below is a short description of the most material subsidiaries of the Issuer.

#### ***Salt Bank S.A. (formerly Idea Bank S.A.)***

Salt Bank S.A. ("**Salt Bank**") is a Romanian banking institution established in 1998 under the name Idea Bank S.A., which was acquired by the BT Group in October 2021.

The banking and financial services provided by Idea Bank include current accounts, deposit-taking, lending, day-to-day financing, medium- and long-term financing, letters of guarantee and documentary credits, internal payment services, and foreign exchange, foreign exchange operations, storage services.

In May 2024, as a rebranding initiative of the former Idea Bank S.A., Salt Bank was launched, being the first 100 per cent. Romanian neobank. It is the first fully digital (without physical banking units) bank "made in Romania", thus offering banking services to customers only through digital channels. Concretely, it offers its services through a mobile banking application (and wallet). As an element of differentiation compared to other neo-banks or fintech that offer such platforms, Salt Bank offers customer support services through its own call centre. In March 2024, Salt Bank launched its digital application – Salt Bank (both on Android and iOS), which helped Salt Bank increase its customer base to over 380 thousand clients by the end of 2024.

As at 31 December 2024, Salt Bank had 320 active employees, 380,000 customers, total assets of RON 1,253.33 million and net loss of RON 152.50 million on a separate basis. As at 30 June 2024, Salt Bank had 261 employees, 225,000 customers, total assets of RON 815.31 million and net loss of RON 42.8 million on a separate basis. As at 30 June 2025, the number of employees increased to 401, the number of customers increased to 520,000, reported total assets of RON 1,886.5 million and it has a net loss of RON 113.1 million.

Salt Bank was the international winner of "Best use of Tech in Retail Banking" award in 2024 at Banking Tech Awards London<sup>28</sup>, being included in competition for three categories.

In 2025, Salt Bank introduced several new features and enhancements. These include the "Automatic Saver" for effortless savings, subscriptions and bill payment management, insurance products (like road assistance and MTPL), personal lending, and investment options in funds. Salt Bank's digital application also launched advanced security features like "Call Monitor" and "Help Mama", and expanded its offering with Salt Business for entrepreneurs. Looking ahead to the end of 2025, Salt plans to introduce investments in shares (launched in October 2025) and address the needs of the diaspora. These developments underscore Salt Bank's commitment to continuous innovation, customer protection, and delivering a comprehensive, emotionally engaging digital banking experience.

During 2024, Salt Bank has transferred to its subsidiary, Avant Leasing IFN S.A., the whole portfolio of leasing receivables with a total value of EUR 150 million. Subsequently, Avant Leasing IFN S.A. transferred virtually all its leasing receivables portfolio to BT Leasing Transilvania S.A., while the entity itself was sold outside the BT Group in June 2025.

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<sup>28</sup> Source: <https://informaconnect.com/banking-tech-awards/2024-winners/>

### ***Victoriabank S.A.***

Victoriabank S.A. ("**Victoriabank**") is Republic of Moldova's third-largest lender with over 30 years of activity, with a market share of 15.84 per cent. based on total assets as at 30 June 2025. Victoriabank is one of the most recognised brands in the Republic of Moldova.

The Issuer has a direct and indirect shareholding of 44.63 per cent. in Victoriabank and, together with EBRD, holds 72.19 per cent. of Victoriabank's share capital through a stake of 61.82 per cent. of VB Investment Holding BV, a joint venture vehicle set up together with EBRD.

The priorities of the Issuer for Victoriabank are to support the business environment in the Republic of Moldova, especially the SME and microenterprise sector, and to develop a wider range of products and services for retail clients, while enhancing the relevant corporate governance standards in line with those of the BT Group. Victoriabank is the first credit institution that brought cards, ATMs, POS and contactless payments with electronic devices to the Republic of Moldova and continues to deploy digital capabilities to the benefit of its customer base and to invest in digital platforms, products and services. Victoriabank is also the first and only 100 per cent. online bank in the Republic of Moldova, where customers can refresh their data and perform all base operations online.

On 15 January 2024, Victoriabank acquired 100 per cent. of the share package in BCR Chisinau S.A. and in March 2025, Victoriabank has absorbed BCR Chisinau S.A. through a merger.

On 2 October 2025, Victoriabank completed the acquisition of 100 per cent. of the share capital of OCN Microinvest S.R.L., a leader in microfinancing on the Moldavian financial market, with over 46,000 clients, 17 units and almost 400 employees.

As at 31 December 2024, Victoriabank reported total assets on a separate basis of RON 6,342 million and net profit of RON 155.3 million, had over 330,000 customers, and 1,116 active employees. As at 30 June 2024, Victoriabank reported total assets on a separate basis of RON 5.7 billion, net profit of RON 52.24 million, had over 316,000 customers, and 1,097 active employees. In the first six months of 2025, the total assets on a separate basis increased to RON 7,155 million, while the net profit decreased to RON 46.8 million, registering 350.633 customers, and 1,176 active employees.

### ***BT Microfinantare IFN S.A.***

BT Microfinantare IFN S.A. ("**BT Mic**") is a Romanian non-banking financial institution dedicated to the financing of small businesses, including start-ups, which complements the Issuer's role in supporting Romanian entrepreneurs. It addresses entrepreneurs with a turnover of up to RON 1 million, regardless of business sector and form of organisation.

BT Mic is the largest microfinance company in Romania by total assets, currently working with more than 24,300 small businesses in 4,000 municipalities and 420 sectors of activities to support and develop day-to-day business, purchase goods, pay suppliers, invest in and/or open new outlets, purchase machinery, equipment and tools, etc.

BT Mic together with the Issuer play a significant role in the development of the entrepreneurial ecosystem in Romania, the most recent initiative being STUP, a physical and virtual space dedicated to supporting the entrepreneur community with almost 33,000 members (including over 7,500 entrepreneurs who have established over 630 new businesses). BT Mic and the Issuer have created the necessary infrastructure to connect entrepreneurs with providers of services and products for setting up, running and managing a business. The initiative includes events for entrepreneurs and future entrepreneurs, to enhance the financial and entrepreneurial education in Romania.

As at 31 December 2024, it had 308 active employees, 22,160 customers and reported RON 1,218.28 million in total assets and RON 72.28 million in net profit. As at 30 June 2024, it had 277 active employees, 20,000 customers and reported RON 1.11 billion in total assets and RON 38.61 million in net profit. In the first half of 2025, BT Mic had an increased number of 336 active employees, and an increase/a decrease of 24.94 customers, as well as total assets amounting to RON 1.40 billion and net profit of RON 42.40 million.

### ***BT Leasing Transilvania IFN S.A.***

BT Leasing Transilvania IFN S.A. ("**BT Leasing**") is a Romanian non-banking financial institution, offering leasing solutions for a wide range of vehicles and equipment mostly to corporate clients. In 2019 BT Leasing bonds debuted on the Bucharest Stock Exchange, making it the second BT Group company to use the financing mechanisms of the Bucharest Stock Exchange.

On 10 May 2024, BT Leasing took over from Avant Leasing IFN S.A. a portfolio of 15,060 contracts, of which 14,015 were leasing contracts and 1,045 were credit contracts. On 1 December 2024, BT Leasing merged with OTP Leasing România IFN S.A., acting as the absorbing company. Through the merger, BT Leasing took over a number of 42,000 customers, over 63,000 contracts and total assets of over RON 6.1 billion.

As at 31 December 2024, BT Leasing was servicing 40,447 active customers and had 326 employees. As at 31 December 2024, BT Leasing had total assets of RON 6,168.76 million and net profits of RON 193.01 million on a separate basis. As at 30 June 2024, BT Leasing had 35,709 active customers 303 employees, while the reported total assets were valued at RON 5,090.47 million and the net profit recorded amounted to RON 111 million. The number of active customers increased to 42,005, the number of employees reached 337, as well as the total assets, valued at RON 6,296.94 million and net profit of RON 224 million as at 30 June 2025.

#### ***BT Direct IFN S.A.***

BT Direct IFN S.A. is a Romanian non-banking financial institution dedicated to providing consumer loans to private individual customers.

As at 31 December 2024, it had over 227,057 active customers, serviced by 205 employees and total assets of RON 1,148.86 million and net profit of RON 52.09 million. As at 30 June 2025, it had over 261,000 active customers (237,000 as at 30 June 2024), serviced by 209 active employees (196 as at 30 June 2024), total assets of RON 1.2 billion (RON 1 billion as at 30 June 2024) and net profit of RON 23.4 million (RON 18 million as at 30 June 2024).

#### ***BT Capital Partners S.A.***

BT Securities S.A. was established in 2003, following the change in the name and registered office of Transilvania Capital Invest S.A.

At the beginning of 2016, BT Securities S.A., the brokerage company of the BT Group, became BT Capital Partners S.A., after taking over the investment banking activity of Capital Partners, the most important independent consulting Romanian company in the field of mergers and acquisitions and corporate finance, thus becoming an exclusive member of Oaklins International, one of the largest global alliances of independent companies in the field of mergers and acquisitions.

In its new formulation, BT Capital Partners S.A. provides consulting services for fund raising on capital markets, consultancy on mergers and acquisitions, brokerage services, structuring of complex financing schemes and strategic management counselling, market research and strategic advisory.

As at 31 December 2024, BT Capital Partners S.A. had 59 active employees, 35,194 customers and total assets under custody of RON 879.79 million (RON 513.03 million as at 31 December 2023) and net profit of RON 25.55 million. In the first 6 months of 2025, BT Capital Partners S.A. had 65 active employees (58 active employees as at 30 June 2024), 46,694 customers (32,203 customers as at 30 June 2024) and total assets under custody of RON 26.20 billion (RON 17.98 billion as at 30 June 2024), with net profit of RON 16.4 million (RON 9.17 million as at 30 June 2024).

#### ***BT Asset Management SAI S.A.***

BT Asset Management SAI S.A. is the open-ended and closed-ended investment management company of the BT Group, authorised by the Romanian Financial Supervisory Authority. It offers a full range of investment products, from fixed income funds, mixed funds and index funds to equity funds and a real estate fund as an alternative savings and investment option.

Access to the capital market is provided to customers through investments in Romania, Europe and the USA, through RON, EUR, USD and GBP investments.

As at 31 December 2024, it managed 17 investment funds (14 undertakings for collective investment in transferable securities and 3 alternative investment funds) counting 253,036 customers, out of which 251,577 private individuals and 1,459 legal entities, as well as 42 employees. As at 31 December 2024, BT Asset Management SAI S.A. is one of the largest asset management administrators in Romania with net assets under management of over RON 6.079 billion and a market share of 20.20 per cent. and net profit of RON 38 million. As at 30 June 2025, it managed 17 investment funds (14 UCITS and 3 AIFs) counting 320,036 customers, out of which 318,531 private individuals and 1,505 legal entities, as well as 41 employees, with net assets under management of over RON 6.923 billion (RON 5.488 billion as at 30 June 2024) and a market share of 21.40 per cent. (21 per cent. as at 30 June 2024), as well as net profit of RON 24.9 million (RON 20 million as at 30 June 2024).

#### ***BT Pensii S.A.***

BT Pensii S.A. manages the optional pension fund Pensia Mea (My Pension), being the only Romanian company for the management of optional pension funds.

As at 31 December 2024, there were 27 employees and over 95,839 participants in the pension fund managed by BT Pensii S.A., with managed funds amounting to RON 290.5 million with net loss of RON 1.82 million. As at 30 June 2025, there were 41 employees and over 160,000 participants in the pension fund managed by BT Pensii S.A., with managed funds amounting to RON 636 million and net loss of RON 0.16 million, compared to the same period of 2024 (registering 26 employees, 64,300 participants, managed funds of RON 257 million and net loss of RON 0.58 million).

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

BT Leasing MD S.R.L., is the first company opened by the Issuer directly in the Republic of Moldova and, as far as Management is aware, continues to be the market leader in terms of the leasing portfolio size with a market share of 36 per cent. as at December 2024.

As at 31 December 2024, it had 1,492 active customers, 2,020 active contracts and 44 employees. Its profit as at 31 December 2024 was RON 6.19 million and it had assets of RON 160.82 million, with a net leasing portfolio of RON 154.17 million. As at 30 June 2024, it had 1,600 active customers (with 2,100 active leasing agreements), 41 employees and EUR 0.65 million in profit, with assets valuing RON 153 million. As at 30 June 2025, the number of active customers decreased to 1,426, and the number of active leasing agreements to 1,986, employing 42 active employees and generating RON 3.7 million in total profit, with total assets of RON 166 million.

#### ***Improvement Credit Collection S.R.L.***

Improvement Credit Collection S.R.L. was set-up in 2013. Its main activity is debt collection, through both extra-judicial and judicial proceedings.

As at 31 December 2024, Improvement Credit Collection S.R.L. had a net profit of RON 12.59 million and total assets of RON 35.07 million. As at 30 June 2025, Improvement Credit Collection S.R.L. had a net profit of RON 9.19 million and total assets of RON 31.52 million (which increased from a net profit of RON 7.03 million and total assets of RON 27.79 million as at 30 June in 2024).

## **2. Share capital and shareholders**

As at 30 June 2025, the Issuer's issued and subscribed share capital was RON 9,168,798,460 divided into 916,879,846 ordinary shares with a nominal value of RON 10 each.

The ordinary shares of the Issuer all have the same nominal value and bestow to the shareholders the same rights in respect of the Issuer.

The shares of the Issuer are listed in the "Premium Category" on the Main Market of the BSE, with a market capitalisation of RON 30.75 billion, as at 30 June 2025<sup>29</sup>.

The shareholding structure of the Issuer as at 30 June 2025 is set out in the table below.

| Shareholder                                             | 31 December 2024 | 30 June 2025 |
|---------------------------------------------------------|------------------|--------------|
|                                                         | %                | %            |
| NN Group*                                               | 9.37             | 9.37         |
| European Bank for Reconstruction and Development (EBRD) | 5.16             | 5.16         |
| Romanian individuals                                    | 24.21            | 25.47        |
| Romanian companies                                      | 45.20            | 44.64        |
| Foreign individuals                                     | 1.11             | 1.16         |
| Foreign companies                                       | 14.95            | 14.20        |
| Total                                                   | 100.00           | 100.00       |

*Source: Audited Financial Statements for 2024 and Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2025*

*\* NN Group N.V. and the pension funds managed by NN Pensii SAFAP S.A. and NN Asigurari de Viata S.A.*

### 3. History

The Issuer was set up on 16 December 1993 in Cluj-Napoca, one of the largest cities in Romania, at the initiative of a group of businesspeople. The initial team comprised 13 people. The entrepreneurial spirit of its founders led to the growth and consolidation of the Issuer, initially in Cluj-Napoca and later at regional and national level.

The Issuer's banking activity was originally focused on the SME sector. Due to market demand, it shortly also expanded to cover the retail sector as well.

In 1997, the Issuer became the first banking institution listed on the Bucharest Stock Exchange. In 1999, the Issuer also entered into the first collaboration of the Issuer with EBRD to support local SMEs and in 2001 EBRD became shareholder of the Issuer with an initial participation of 15 per cent.

Between 2002 and 2008 the Issuer accelerated its nationwide expansion, in parallel with the consolidation of the BT Group as a financial group. Within this timeframe, the Issuer increased its number of locations from 40 to 500 locations throughout Romania. After having successfully adapted its business model to meet the challenges of the international financial crisis, in 2004 the Issuer entered the top 10 banking institutions in Romania by total assets.

Further to its organic growth, by the end of 2011, the Issuer entered the top 3 banking institutions in Romania by total assets<sup>30</sup>.

In 2013, the Issuer opened a branch in Italy, which began its operational activity in 2014.

<sup>29</sup> Source: <https://bvb.ro/FinancialInstruments/SelectedData/Indicators>

<sup>30</sup> Source: <https://www.bnr.ro/DocumentInformation.aspx?idInfoClass=6874&idDocument=13516&directLink=1>.

Since then, the BT Group's growth continued not only via organic means but also via several acquisitions, as further presented in *"Proven track record in acquiring and integrating other companies"* of Strength section below.

In 2015, the Issuer acquired Volksbank Romania S.A. Further to its merger into the Issuer, the Issuer's total number of employees reached approximately 7,300.

In 2016, through its subsidiary, BT Capital Partners S.A. (the former BT Securities S.A.), the BT Group took over the investment banking activity of Capital Partners, Romania's leading independent consulting firm in the field of M&A and Corporate Finance. Following the take-over of the Capital Partners brand and team, BT Securities S.A. became BT Capital Partners S.A.

The consolidation of the Issuer's market share and strength as a local and regional player continued in 2018 with the acquisition of Bancpost S.A. ("**Bancpost**"), together with ERB Retail Services IFN S.A. and ERB Leasing IFN S.A. Following this transaction, the Issuer became the owner of 99.15 per cent. shares in the acquired companies. On 31 December 2018, Bancpost was merged into the Issuer, while its subsidiaries, BT Direct IFN S.A. and BT Leasing IFN S.A. merged with each of ERB Retail Services IFN S.A. and, respectively, ERB Leasing IFN S.A.

Further to the acquisition, in 2018 the Issuer became the largest banking institution in Romania<sup>31</sup> and the largest bank in the Southeast Europe ("**SEE**")<sup>32</sup>, in both cases by total assets.

In 2018, the Issuer also became the main shareholder of Victoriabank, one of the main banks in the Republic of Moldova. It was the first time in the past 14 years that a bank outside the Republic of Moldova had invested in this market. The Issuer has a direct and indirect shareholding of 44.63 per cent. in Victoriabank and together with EBRD holds 72.19 per cent. of Victoriabank's share capital through a stake of 61.82 per cent. of VB Investment Holding BV, a joint venture vehicle set up together with EBRD.

In addition, in June 2018, the Issuer sold its operational leasing subsidiary, BT Operational Leasing S.R.L., to Autonom Rent a Car, one of the largest rental companies in Romania.

The BT Group further expanded its financial services portfolio by acquiring in 2019 Certinvest Pensii S.A., a company authorised as a pension fund manager. In June 2020 Certinvest Pensii was rebranded to become BT Pensii S.A.

The BT Group managed to adapt its activities and business to the pandemic challenges and reached another growth milestone in 2021, through the acquisition from the Getin Group of Idea Bank S.A. (currently Salt Bank S.A.) and the other companies operating under the Idea brand in Romania (Idea Investments S.A. (currently Idea Investments S.R.L., merged in 2022 into BT Investments S.R.L.), Idea Leasing IFN S.A. (currently Avant Leasing IFN S.A., subsequently sold in June 2025), Idea Broker de Asigurari S.R.L. (currently BT Broker de Asigurare S.R.L.). Idea Bank S.A. has not been and is not currently intended to be merged into the Issuer, being rebranded in May 2024 as Salt Bank S.A., the first 100 per cent. Romanian neobank. It is the first fully digital (without banking units) bank "made in Romania", thus offering banking services to customers only through digital channels.

In 2022, the Issuer sold its participation of 51.12 per cent. in Timesafe S.R.L., the developer of an online invoice payment solution, to Mozaik Investments.

The BT Group further consolidated its position on the leasing market through the acquisition in June 2022 by the Issuer from Molesey Holdings Limited and Hyundai Auto Romania S.R.L. of 100 per cent. in the share capital of Tiriace Leasing (one of the leading players on the vehicle and equipment leasing market in Romania), which was merged into BT Leasing with effect from 1 January 2023.

In March 2023, Banca Comercială Română S.A. and Victoriabank have come to an agreement for the full sale of the shares held by Banca Comercială Română S.A. in the subsidiary BCR Chişinău S.A. The

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<sup>31</sup> Source: [https://www.bnr.ro/uploads/2018-6-annualreport\\_documentpdf\\_545\\_1733482759.pdf](https://www.bnr.ro/uploads/2018-6-annualreport_documentpdf_545_1733482759.pdf)

<sup>32</sup> Source: <https://top100.seenews.com/downloads/>

completion of the transaction took place on 15 January 2024 and BCR Chişinău S.A. was subsequently absorbed through a merger by Victoriabank S.A. as at February 2025.

On 9 February 2024 the Issuer concluded an agreement for the acquisition of 100 per cent. of the shares in OTP Bank Romania S.A., the transaction being completed on 30 July 2024. As part of the transaction pursuant to which OTP Bank Romania has been acquired, the Issuer has also acquired other companies within the OTP Romania Group as part of the same transaction (including OTP Leasing Romania IFN S.A.). The acquisition of OTP Asset Management SAI S.A. (which is part of the transaction perimeter) was completed in October 2024, and in June 2025 it was rebranded as Inno Investments S.A.I. S.A. On 1 December 2024, BT Leasing Transilvania IFN S.A., as absorbing company, merged with OTP Leasing Romania IFN S.A., as absorbed company. In February 2025, the Issuer absorbed OTP Bank Romania S.A. by way of merger.

In May 2024, the Issuer concluded an agreement for the acquisition of BRD Societate de Administrare a Fondurilor de Pensii Private S.A., a Romanian company part of Groupe Société Générale S.A., carrying out the businesses of management of pillar III pension funds (facultative private pension funds) and the management of pillar II pension funds (mandatory private pension funds) through the management of two pension funds. The transaction was approved by the relevant authorities in April 2025. Starting on 28 April 2025, BT Pensii S.A. manages the voluntary pension fund corresponding to pillar III, formerly known as BRD Medio, under the name "Pensia Mea Plus"<sup>33</sup>.

On 2 October 2025, Victoriabank, the Moldovan subsidiary of the Issuer, completed the acquisition of 100 per cent. of the share capital of OCN Microinvest S.R.L., a leading player in the microfinancing sector, thus consolidating BT Group's presence in the Republic of Moldova.

#### **4. Strengths**

##### ***Market leadership and robust growth in dynamic and promising economy.***

According to the Issuer's estimates, the Issuer is the largest bank in its main market of operation in Romania, with total assets of RON 184.26 billion (on a separate basis) as at 31 December 2024 (RON 195.73 billion (on a separate basis) as at 30 June 2025) and a market share by total assets in 2024 of 20.9 per cent. and of 22 per cent., as estimated by the Issuer as at 30 June 2025 (the Issuer's estimation based on total assets of the Issuer by reference to total assets in the sector, according to NBR<sup>34</sup>). At BT Group level, the total assets amount to RON 207.04 billion as at 31 December 2024 (RON 208.16 billion as at 30 June 2025). Through other entities in the BT Group, the Issuer is also one of the leading participants in Romania in leasing, consumer finance, asset management, pension funds and financial services intermediation. Since 2018, the Issuer also holds a control position in Victoriabank, the fourth largest bank in the Republic of Moldova. Romania is a relatively large (with 18.90 million people in 2025, the second largest in CEE after Poland<sup>35</sup>) and rapidly growing market, its compound annual growth rates ("CAGR") of the gross domestic product ("GDP")<sup>36</sup> in the period from 2020 to 2025, at 3.9 per cent., outpacing significantly the EU average CAGR for the same period, of 2.8 per cent.<sup>37</sup>. The Romanian economy presented a high degree of resilience in the context of the overlapping shocks since 2020, continuing the EU convergence process, with real GDP/capita at EUR 13,100 (provisional data) in 2024 (higher by EUR 30 than in 2023)<sup>38</sup>.

In recent years, the Issuer continued to invest and grow in Romania, both in the banking sector - where the Issuer, on a standalone basis, registered growth in total assets of 13.89 per cent. as at 31 December 2024 compared to 31 December 2023 (from RON 161.78 billion to RON 184.26 billion) and 15.70 per

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<sup>33</sup> Source: <https://en.bancatransilvania.ro/news/comunicate-de-presa/bt-pensii-este-noul-administrator-al-fondului-brd-medio-care-devine-pensia-mea-plus>

<sup>34</sup> Source : <https://www.bnr.ro/en/12602-aggregate-indicators-for-credit-institutions>.

<sup>35</sup> Source: <https://www.worldometers.info/population/countries-in-the-eu-by-population/>

<sup>36</sup> Source: EIU

<sup>37</sup> Source: <https://www.worldeconomics.com/Regions/EU/>

<sup>38</sup> Source: [https://ec.europa.eu/eurostat/databrowser/view/sdg\\_08\\_10/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/sdg_08_10/default/table?lang=en)

cent. as at 30 June 2025 compared to 30 June 2024 (from RON 169.17 billion to RON 195.73 billion), while maintaining a ROE of 25.32 per cent. as at 30 September 2025 (23.58 per cent. on a consolidated basis) and of 24.15 per cent. as at 30 June 2025 (22.24 per cent. on a consolidated basis), compared to 27.12 per cent. as at 31 December 2024 (30.20 per cent. on a consolidated basis) and 29.68 per cent. as at 30 June 2024 (29.71 per cent. on a consolidated basis) - as well as in the other financial services the BT Group is offering by diversifying and deepening the penetration of financial products and cross-selling to its loyal client base.

The Issuer's growth is correlated with, but outperforms, the growth in the Romanian financial sector (CAGR in total assets, between 2019 and the end of 2024 of 3.88 per cent. for the Eurozone average)<sup>39</sup>, while the Romanian financial sector reflects a growth of 12.23 per cent. from 2019 to end of December 2024. At the same time, not only is the Romanian banking market significantly more profitable with an average ROE of 18.17<sup>40</sup> per cent. in June 2025 compared to the 10.11<sup>41</sup> per cent. Eurozone average in the first half of 2025, but it has ample room for growth as its public debt/GDP ratio was 54.8<sup>42</sup> per cent. in December 2024, compared with 87.4 per cent. Eurozone average (as at end of December 2024)<sup>43</sup>.

***Extensive network with decentralised, entrepreneurial local decision making.***

With 513 branches, agencies and offices in Romania, 1,937 ATMs and more than 148,000 POS terminals at the end of December 2024 (534 branches, agencies and offices in Romania, over 2,000 ATMs and more than 169,000 POS terminals at 30 June 2025), the Issuer provides in depth coverage of the entire country and has one of the largest physical networks of the banks present in Romania. The BT Group operates further 65 branches in the Republic of Moldova through Victoriabank. The Issuer's physical presence allows it to offer reach, immediate support and assistance to its customers and is also leveraged by the other BT Group entities in offering an integrated, multi-faceted financial services offering. The Issuer's model of a devolved, decentralised decision-making system with significant autonomy at local level allows it to be nimble in making and implementing decisions and well-attuned to local characteristics and client needs.

***Deep Strong relationships with the clients and the community.***

The BT Group includes some of the most recognizable brands in Romania, with the Issuer, in particular, being the third most well-known brand, according to Brand Finance<sup>44</sup>. The Issuer has an extensive client base which numbered, at 31 December 2024 over 4.57 million active clients (increasing from over 4.24 million active clients<sup>45</sup> as at 31 December 2023), comprising over 4.09 million retail clients, over 473,000 active SME clients<sup>46</sup> and over 10,000 active corporate and large corporate clients. At 30 June 2025, there are over 4.8 million active clients (4.3 million active clients as at 30 June 2024), comprising over 4.3 million retail clients, over 502,000 active SME clients and over 11,000 active corporate and large corporate clients. At 30 September 2025, the number of active clients increased to 4.9 million, including over 4.38 million retail clients, over 511,000 active SME clients, as well as over 11,000 active medium and large corporate clients. Relationships with these clients are deep, strong, typically spanning over a long period of time and numerous types of products, from deposits from customers (RON 150.8 billion at the end of 2024 and RON 158.5 billion at 30 June 2025, compared to RON 139 billion at 30 June 2024), to business or consumer loans (over 135,000 consumer loans granted in 2024 and consumer loans valued at RON 17 billion granted at 30 June 2025, compared to RON 13.7 billion at 30 June 2024), to home acquisition loans (more than 15,000 in total amount of more than RON 4.5 billion in 2024 and in

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<sup>39</sup> Source: ECB Data Portal

<sup>40</sup> Source: <https://www.bnr.ro/en/2550-interactive-database>

<sup>41</sup> Source: <https://www.bankingsupervision.europa.eu/press/pr/date/2025/html/ssm.pr250917~6554cd2316.en.html>

<sup>42</sup> Source: <https://tradingeconomics.com/romania/government-debt-to-gdp>

<sup>43</sup> Source: <https://ec.europa.eu/eurostat/en/web/products-euro-indicators/w/2-22042025-bp>

<sup>44</sup> Source: <https://brandirectory.com/reports/romania#romania-2025>

<sup>45</sup> Active clients are defined as clients who either had accessed a loan or opened a deposit or had credit transactions in the last 3 months.

<sup>46</sup> SME clients in this context refers to small and medium enterprises plus micro business clients.

total amount of more than RON 24.6 billion at 30 June 2025, compared to RON 19 billion for the same period of 2024), cards (7 million cards at the end of 2024, including the cards issued for acquired OTP Bank Romania S.A. clients, 7.7 million cards at 30 June 2025, compared to 6.3 million cards at 30 June 2024, and 7.9 million cards at 30 September 2025) to electronic payments (over 4.5 million cards enrolled at 31 December 2024 and over 7.6 million cards enrolled at 30 June 2025). With many corporate clients other than large companies, the relationship starts very early after their incorporation, the BT Group has many corporate relationships initiated very early after their incorporation. The Issuer strongly believes in building its business in ways which benefit the community and participated actively in the government relief programs, IMM Invest & "Farmer's Credit", as well as government grants in the context of the pandemic recovery programmes. Moreover, the Issuer is the initiator or a leading participant in numerous community support initiatives targeting individuals as well as SMEs and micro businesses.

***Proven track record in acquiring and integrating other companies.***

To complement its strong organic growth, the Issuer has made, since 2015, several important business combinations. In 2015, the Issuer acquired Volksbank Romania S.A., which was, at the time, a top 10 Romanian Bank. In 2016, through its subsidiary, BT Capital Partners S.A., the BT Group took over the investment banking activity of Capital Partners, at the time Romania's leading independent consulting firm in the field of M&A and Corporate Finance. In 2018, the Issuer acquired Bancpost, another sizeable bank, together with ERB Retail Services IFN S.A. and ERB Leasing IFN S.A. In 2018, the Issuer also became the main indirect shareholder of Victoriabank, one of the main banks in the Republic of Moldova. The BT Group further expanded its financial services portfolio in 2019 by acquiring Certinvest Pensii S.A., a company authorised as a pension fund manager (rebranded to become BT Pensii S.A.). Then, in 2021, the Issuer acquired Idea Bank S.A. (currently Salt Bank) and the other companies operating under the Idea brand in Romania (Idea Investments S.A. (currently Idea Investments S.R.L.), Idea Leasing IFN S.A. (currently Avant Leasing IFN S.A., subsequently sold in June 2025), Idea Broker de Asigurari S.R.L. (currently BT Broker de Asigurare S.R.L.)). The BT Group further consolidated its position in the leasing market through the acquisition in June 2022 by the Issuer of 100 per cent. of the share capital of Tiriace Leasing IFN S.A., one of the leading players in the vehicle and equipment leasing market in Romania, which as at 1 January 2023 was merged successfully into BT Leasing. All of these acquisitions have been in line with the BT Group's development strategy and have been successfully integrated into the BT Group.

In March 2023, Banca Comercială Română S.A. and Victoriabank S.A. have come to an agreement for the full sale of the shares held by Banca Comercială Română S.A. in the subsidiary BCR Chişinău S.A. The completion of the transaction took place on 15 January 2024 and BCR Chisinau S.A. was subsequently absorbed by way of a merger by Victoriabank S.A. on 28 February 2025.

On 9 February 2024 the Issuer concluded an agreement for the acquisition of 100 per cent. of the shares in OTP Bank Romania S.A., the transaction being completed on 30 July 2024. As part of the transaction pursuant to which OTP Bank Romania has been acquired, the Issuer has also acquired other companies within the OTP Romania Group as part of the same transaction (including OTP Leasing Romania IFN S.A.). The acquisition of OTP Asset Management SAI S.A. (which is part of the transaction perimeter) was completed in October 2024. OTP Assets Management SAI S.A. has been subsequently rebranded as Inno Investments S.A.I. S.A. The Issuer and OTP Bank Romania S.A. merged in 28 January 2025, while, on 1 December 2024, BT Leasing Transilvania IFN S.A., as absorbing company, merged with OTP Leasing Romania IFN S.A., as absorbed company.

In May 2024, the Issuer concluded an agreement for the acquisition of BRD Societate de Administrare a Fondurilor de Pensii Private S.A., a Romanian company part of Groupe Société Générale S.A., carrying out the businesses of management of pillar III pension funds (facultative private pension funds) and the management of pillar II pension funds (mandatory private pension funds) through the management of two pension funds. The transaction was approved by the relevant authorities in April 2025. Starting with

28 April 2025, BT Pensii S.A. is the manager of BRD Medio, a pillar III pension fund, operating under the new name "Pensia Mea Plus"<sup>47</sup>.

On 2 October 2025, the Issuer, through Victoriabank, completed the acquisition of 100 per cent. of the share capital of OCN Microinvest S.R.L., a leading provider of microfinancing services for entrepreneurs and consumers in the Republic of Moldova.

### ***Digitalisation***

BT Pay was the first payment wallet to be launched in Romania, and the Issuer believes to be one of the most digitised banks in the country. Seven years after its launch, the application has evolved and added new functionalities and has become the mobile application of choice for everyday banking for retail customers.

Digitisation brought significant benefits to Issuer's customers with real-time access to account information, instant payments and transfers, faster banking and helped the Issuer streamline its processes and improve the services offered to the customers. In 2024, the number of digitally enabled unique customers increased by 19 per cent. compared to 31 December 2023, reaching over 4.4 million customers, compared to 3.7 million digitally enabled customers in 2023 and representing 96 per cent. of active customers. In the first six months of 2025, the number of digitally enabled unique customers increased by 6.8 per cent. compared to the same period of 2024, reaching over 4.7 million customers, compared to 4.1 million digitally enabled customers at 30 June 2024, and representing 95 per cent. of active customers.

As at 31 December 2024, the Issuer's "BT Pay" digital application ("**BT Pay**") had more than 3.5 million users (an increase of 27 per cent. year on year) and approximately 64 per cent. of the cards issued are registered in payment wallets (BT Pay, Apple Pay, Google Pay, etc.). As at 30 June 2025, BT Pay had more than 4.2 million users (an increase of 28 per cent. compared to the same period of 2024) and approximately 70 per cent. of the cards issued are registered in payment wallets (BT Pay, Apple Pay, Google Pay, etc.).

Since January 2024, customers have been able to open a full bank account online using BT Pay. In 2024, NFC card payments increased by 36 per cent. compared to 2023, while as at 30 June 2025, NFC card payments increased by 30 per cent. compared to the similar period of 2024, amounting to a total of 150 million transactions. In addition, the total volume of P2P and account-to-account transactions made through the Issuer's digital channels increase by over 54 per cent. in 2024 compared to 2023 and by over 62 per cent. in as at 30 June 2025 compared to the first half of 2024. In addition, BT Pay users can invest entirely online in BT Asset Management mutual funds through the Investments feature, which has onboarded over 122,000 clients as at 30 June 2025 (feature launched in September 2024). Users may also opt for private pension plans, save through the Round Up functionality (approximately 400,000 accounts opened since launch), and access a comprehensive portfolio of savings and term deposit products directly within BT Pay. This growth highlights the increasing reliance on digital banking services and the issuer's commitment to providing its customers with convenient, efficient solutions.

In 2025, BT Pay launched an online platform for Romanian diaspora, considering that approximately 700,000 customers are Romanian living abroad, in 40 countries. Thus, BT Pay aims to help its customers to manage their funds and enjoy the benefits of BT Pay irrespective of their country of residence.

In an effort to sustain the SME sector, the Issuer devoted time and resources to enhancing the all-in-one BT Go banking platform for entrepreneurs. BT Go has become an adaptable business ecosystem with over 380,000 users and a number of 11 million transactions in the first half of 2025. This is an increase from 100,000 users and a transaction value of over RON 4.5 billion as at 30 June 2024. BT Go offers a useful set of features, including easy payment transfers, standard and negotiated foreign exchange (FX), opening and closing classic and negotiated deposits, managing limits, blocking and unblocking cards, and bulk downloading statements. BT Go also integrates the FGO invoicing solution and RO e-Factura

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<sup>47</sup> Source: <https://en.bancatransilvania.ro/news/comunicate-de-presa/bt-pensii-este-noul-administrator-al-fondului-brd-medio-care-devine-pensia-mea-plus>

directly. Additionally, BT Go has dedicated features for receivables collection, such as aging and monitoring and sending notifications to customers.

***Highly experienced management team.***

The board of directors and senior management team of the Issuer is made up of professionals who have, on average, more than 25 years of experience in the financial services sector. The Chairman of the Board of Directors, Mr. Horia Ciorcila, is one of the founders of the Issuer and other BT Group companies as well as several other successful companies in other business sectors. Mr. Ciorcila has been a member of the Board of Directors of the Issuer since its establishment and is serving his sixth term as the Chairman of the Board of Directors, which started in 2022. The CEO of the Issuer, Mr. Omer Tetik, has 28 years of experience in the financial industry, of which 15 years were as a bank CEO, and has been the Issuer's CEO since 2013, throughout the period in which the Issuer has experienced the most growth and transformation in its history. The majority of the senior management team of the Issuer have been with the Issuer for extensive periods of time (many of them for their entire or most of their career) and have made significant contributions to bringing it to the position it enjoys today. The Issuer believes that the collective sectorial knowledge and leadership capabilities of its senior management team will enable them to continue to successfully execute the Issuer's strategy.

## **5. Strategy**

The mission of the Issuer is to support businesses and communities throughout Romania anywhere and anytime, online and through its territorial network, delivering positive experiences and helping them turn their plans into reality. Specific components of the Issuer's strategy include the following:

***Consolidating the leadership position in Romania by leveraging BT Group's reputation, product range and client base.***

The BT Group believes in the Romanian economy, has grown in and with it, and is committed to actively helping to shape its future success. By building on their strong reputation, further expanding their product offerings, deepening relationships with its considerable client base and attracting new clients, the Issuer and the BT Group believe they can help their clients and the Romanian economy grow and substantially increase their own business at constant or improving profit margins. In management's view, the BT Group will continue to pursue a balanced mortgage and consumer loans book and continued high performance in debit and credit cards for the retail segment. In the corporate segment, the BT Group will maintain growth and dispersion in all segments, with a focus on resilient sectors, such as healthcare, manufacturing, agribusiness, utilities, FMCG and public sector.

***Enhancing client experience and relationships.***

The Issuer will continue to pursue a client-centric business approach through an omnichannel experience, offering multiple options for client interaction and integrating its market-leading territorial presence with call center support and its leading digital platform. The Issuer's ambition is to get closer to its clients by offering products and services that are personalised, suit the needs of the clients and are easily accessible. The Issuer is invested in the success of its corporate clients and is seeking to help them enhance their business through business mentoring, creation of networks and other support measures that go beyond the typical banking services.

***Maintaining and increasing its strong capital position, including through issuance of MREL compliant securities.***

The Issuer believes in a prudent approach in relation to its capital requirements and maintains a strong capital base, with a ratio of own funds to total risk weighted assets ("CAR"), on a consolidated basis, of 20.06 per cent. at the end of December 2024, of which 17.67 per cent. was Tier 1 capital, and 2.39 per cent. was Tier 2 capital and CAR of 20.77 per cent. on a consolidated basis at 30 June 2025, of which 18.63 per cent. was Tier 1 capital, and 2.14 per cent. was Tier 2 capital (by comparison to the CAR of 26.15 per cent., Tier 1 capital of 22.98 per cent. and 3.17 per cent. Tier 2 capital on a consolidated basis as at 30 June 2024).

In addition, the Issuer maintained a robust MREL capacity of 32.71 per cent. of TREA, ensuring a reserve of 1 percentage point above the total MREL requirement of 25.7 per cent. plus 6 per cent. combined

buffer requirements at 30 June 2025. Throughout 2025, the Issuer implemented measures to strengthen its capital base and increase MREL-eligible instruments, including the successful execution of its first local SNP issuance under the Sustainable Finance Framework for RON 1.5 billion, settled on 3 July 2025.

***Sustainable development and supporting sustainable development of the clients, local communities and the Romanian economy.***

Sustainability lies at the core of the BT Group strategy. ESG factors, including decreasing greenhouse gas emissions, increasing the share of renewable energy in total consumption, continuous implementation of digital flows and issuing new sustainable products are integrated in the BT Group's business model. The Issuer is part of the leading framework for international cooperation in banking on sustainability, as it has adhered to the Principles for a Responsible Banking System<sup>48</sup>, established through a partnership between the UN - through the United Nations Environment Programme Finance Initiative (UNEP FI) – and the international banking community, composed of over 345 banks. The Issuer's lending policies and procedures are based on responsible financial principles, and its focus is on developing its loan portfolio and investing in sustainable sectors where it can stimulate innovation and have a positive impact on communities. Specifically, the Issuer set clear objectives in the sustainability strategy and targets to grant green loans of up to RON 3.5 billion during 2023-2025. In 2024, BT Group's ESG highlights included green loans granted to companies amounting to RON 1,787 million (increasing by 60 per cent. when compared with 2023). Financing for renewable energy projects increased by 76 per cent. compared to 31 December 2023, while special climate projects, including water efficiency, increased by over 60 per cent. compared to 2023. On the retail side, in 2024, the Issuer granted green loans to private individuals amounting to RON 2.26 billion and also granted a RON 587 million in green mortgages (grade A energy efficiency certificate). Approximately 7.3 per cent. of the Issuer's retail loan portfolio are green loans. As regards the leasing entities, 1 in 2 leasing financings granted by BT Leasing Transilvania IFN S.A. in 2024 were for hybrid and/or electric vehicles, amounting to RON 1,230 million, recording a 54 per cent. growth since 2023.

The Issuer published its first Sustainable Finance Framework in November 2023 and the first sustainable bond issue of EUR 500 million based on the Sustainable Finance Framework took place in December 2023, for the purpose of financing and/or refinancing a portfolio of green or socially responsible loans.

In September 2024, the Issuer issued its second consecutive round of sustainable bonds, a Senior Non-Preferred EUR 700 million 6NC5 MREL eligible instrument, and 64 per cent. of the issuance was subscribed by investors with an ESG mandate.

In June 2025, the Issuer issued its third consecutive round of sustainable bonds, representing Senior Preferred Eligible 7NC6 MREL eligible bonds, amounting in total RON 1.5 billion. This was the Issuer's first issuance of sustainable bonds in RON, on the Bucharest Stock Exchange.

In March 2025, the Issuer published its first Sustainability Statement drawn-up in accordance with the Corporate Sustainability Reporting Directive (CSRD) principles. The inaugural reporting in line with CSRD and the European Sustainability Reporting Standards (ESRS) was endorsed by a Limited Assurance Report issued by the Issuer's auditor on 4 April 2025. In June 2025, the Issuer released the fifth edition of the Sustainability Report.

The preparation and publication of the Allocation and Impact Report for the EUR 1.2 billion sustainable bond issuance were completed in June 2025, for the year ended December 2024, in accordance with the Sustainable Finance Framework. Typically, the allocation structure for the sustainable bonds allows for 40 per cent. of the proceeds into green categories, such as green buildings, renewable energy and clean transportation, while 60 per cent. of the proceeds are allocated to social categories (employment generation, access to healthcare, access to education etc.) The full range of allocation and impact metrics are determined and published via the Allocation and Impact Report, which are subject to independent limited assurance reports issued by external auditors that covers only the allocation of proceeds.

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<sup>48</sup> Source: <https://www.unepfi.org/member/banca-transilvania/>

The Issuer manages its internal waste through a structured approach that integrates environmental responsibility into daily operations, focusing on optimizing resource consumption, minimizing waste generation, maximizing recycling, and embedding ESG criteria into procurement and logistics. Regular training is provided to staff on environmental management, and internal policies are reviewed to ensure alignment with regulations and best practices. Externally, the Issuer identifies waste management as a significant environmental risk in the sectors it finances, such as agriculture, manufacturing, construction, and transportation. Waste management and circular economy considerations are incorporated into ESG assessments for corporate lending, with client risk ratings adjusted based on their practices and recommendations provided for improvement. This demonstrates the Issuer's commitment to resource efficiency and supporting the transition to a circular economy.

#### ***Accelerating digital transformation.***

The BT Group continues to be focused on implementing comprehensive and substantial strategic efforts toward digital transformation, in line with the "phygital" concept, which implies the integration of physical and digital experiences in a fluid and coherent way, especially in customer interactions, thus offering its customers comprehensive and competitive services, difficult to replicate by competitors, thus complementing its branch, POS and ATM network. Processes are being automated and simplified to improve client service and client experience and minimise costs. BT integrated early artificial intelligence (Intreb BT- the educational platform), to simplify interactions and increase users accessibility and for employees BT adopted Microsoft 365 Copilot and GitHub Copilot to assist them in developing new habits and enhance productivity in the software development field. For instance, using FLOWX.AI advanced technology, enrolment of clients has been reduced to 5 minutes for retail and 15 minutes for corporate clients, while BT Pay, the Issuer's e-wallet application, received market recognition and the Best UX in Remote Lending Award for its 100 per cent. Online Overdraft functionality (Future Banking 2022 Gala), which allows access to an approved overdraft limit in approximately 5 minutes and is considered one of the first banking and payments super-apps, including complementary options: donations, offers and health products. The Issuer is not limiting itself to simply reorganising its structures and processes along these lines, it has built and launched in May 2024 Salt Bank, the first fully digital bank in Romania, by rebranding Idea Bank, which was acquired in 2021.

#### ***Further expansion of the BT Group if interesting acquisition opportunities arise.***

Part of the development of the BT Group was achieved through acquisition and successful integration of various financial sector businesses. BT Group will continue to carefully analyse opportunities for expansion through acquisitions as they arise, focusing on strategic fit and creation of shareholder value.

## **6. Activities**

### ***Activities of the BT Group***

The BT Group provides a comprehensive range of competitive financing products and services to retail and corporate clients. Its main market is Romania, save for the activities carried out by the Issuer in Italy through its branch and those carried out in the Republic of Moldova by Victoriabank S.A., and BT Leasing MD S.R.L and OCN Microinvest S.R.L. However, the impact of these entities on the balance sheet and income statement is not material at BT Group level.

The activity of the BT Group and of the Issuer is split into the following main business segments by reference to targeted customers/markets and products and services offered. These also mirror the management and financial reporting lines:

- (a) large corporate clients – mainly companies/group of companies with an annual turnover exceeding RON 200 million, as well as legal entities created to serve a particular function, public entities and financial institutions based on specific classification criteria.

The income generated by this segment results from lending operations, current business operations (transaction banking, treasury, trade finance and retail products) and other related services (leasing, asset management, consultancy on mergers and acquisitions, capital market advisory services);

- (b) medium corporates – mainly companies with an annual turnover between RON 20 and 200 million, and it also includes entities operating in the public sector, financial institutions or legal entities serving particular functions, included in this category based on specific classification criteria.

The Issuer offers a full range of financial services to its medium corporate clients, including: lending facilities, current operations, treasury services, but also additional services such as bonus packages for employees, structured finance, co-financing of EU funded projects; the Issuer also facilitates the access to the services provided by the BT Group subsidiaries, such as: bancassurance, consultancy on mergers and acquisitions, asset management, financial and operating lease, with the purpose to increase its profitability and non-risk income;

- (c) SME clients – mainly companies with an annual turnover between RON 3 and 20 million.

This segment includes companies that have undergone the incipient growth stages and whose business activity requires further attention. Consequently, the needs of such companies become more specific, with priority for financing;

- (d) micro business clients – mainly companies customers with an annual turnover up to RON 3 million.

The limited trading history (many such clients are newly set-up companies), the entrepreneur's expertise and the market on which the company operates generate specific needs for this client category, which the Issuer and the other members of the BT Group aim to serve through dedicated product and service packages, which have become a hallmark in the Romanian banking sector.

Lending products are accessed more frequently once the business grows and requires loans for working capital or investments, letters of guarantee, EU project co-financing, credit cards, leasing, invoice discounting or factoring;

- (e) retail clients.

The BT Group and the Issuer provide retail clients with a wide range of products and services, including loans (consumer loans, car purchase loans, personal need loans and mortgage loans), savings and deposit accounts, payment services and securities trading. These banking products are differentiated by several customer segments, from children, students, employees from the public or private sector, seniors, as well as the premium and private banking segments;

- (f) treasury.

Please see "*Activities of the Issuer*" Section below for further information on each business segment.

In addition, leasing and consumer credits (such as lease facilities, consumer loans and microfinance) granted by the non-banking financial institutions are reported separately within the BT Group. Other activities cover the services offered by the companies within the BT Group in the areas of investments management, brokerage, factoring, real estate and other activities which do not fall within the main segments and result from financial and strategic decisions taken by the Issuer.

The BT Group and the Issuer are exposed to currency risk through open positions generated by foreign exchange transactions. There is also a risk that the net vales of monetary assets and liabilities in foreign currency may change, as a result of exchange rate variation.

The table below sets out the total monetary assets and total monetary liabilities of the BT Group as at 31 December 2024, with a breakdown per type of main currency:

| <b>BT Group</b>     | <b>RON</b> | <b>EUR</b> | <b>USD</b> | <b>Other currencies</b> | <b>Total</b> |
|---------------------|------------|------------|------------|-------------------------|--------------|
| <i>In thousands</i> | <i>RON</i> |            |            |                         |              |

|                                  |             |            |           |           |             |
|----------------------------------|-------------|------------|-----------|-----------|-------------|
| Total<br>monetary<br>assets      | 124,389,740 | 65,412,188 | 5,698,833 | 6,444,530 | 201,945,291 |
| Total<br>monetary<br>liabilities | 113,839,669 | 62,719,478 | 6,468,314 | 5,181,741 | 188,209,202 |

Source: *Audited Financial Statements for 2024*

The following tables set out the total assets and total liabilities and equity of the BT Group by reporting segments as at 31 December 2024 and 31 December 2023, as well as 30 June 2025 and 30 June 2024:

Reporting segments as at 31 December 2024 (BT Group)

| <b>Group</b><br><i>In RON thousand</i>                                                                      | Large<br>Corporate | Mid<br>Corporate  | SME              | Micro            | Retail            | Treasury           | Leasing and<br>consumer<br>loans<br>granted by<br>non-banking<br>financial<br>institutions | Other –<br>Group | Intra-group<br>eliminations<br>&<br>adjustments | Total              |
|-------------------------------------------------------------------------------------------------------------|--------------------|-------------------|------------------|------------------|-------------------|--------------------|--------------------------------------------------------------------------------------------|------------------|-------------------------------------------------|--------------------|
| Gross loans and finance<br>lease receivables                                                                | 31,930,199         | 14,017,594        | 6,898,830        | 6,571,500        | 40,620,944        | -                  | 8,485,389                                                                                  | 7,134            | (6,555,760)                                     | <b>101,975,830</b> |
| Provisions for principal                                                                                    | (1,070,784)        | (1,011,428)       | (572,835)        | (754,145)        | (1,790,336)       | -                  | (560,039)                                                                                  | (553)            | 154,152                                         | <b>(5,605,968)</b> |
| Loans and finance lease<br>receivables net of<br>provisions                                                 | 30,859,415         | 13,006,166        | 6,325,995        | 5,817,355        | 38,830,608        | -                  | 7,925,350                                                                                  | 6,581            | (6,401,608)                                     | <b>96,369,862</b>  |
| Portfolio of Debt<br>instruments, Equity<br>instruments and<br>Derivative instruments,<br>net of provisions | -                  | -                 | -                | -                | -                 | 68,206,227         | -                                                                                          | 575,257          | (371,217)                                       | <b>68,410,267</b>  |
| Treasury and inter-bank<br>operations                                                                       | -                  | -                 | -                | -                | -                 | 37,081,163         | 392,681                                                                                    | 1,028,015        | (2,836,819)                                     | <b>35,665,040</b>  |
| Property and equipment<br>and investment property,<br>Intangible assets and<br>goodwill                     | 60,549             | 195,036           | 205,588          | 365,356          | 1,151,185         | 61,104             | 187,509                                                                                    | 558,683          | 500                                             | <b>2,785,510</b>   |
| Right-of-use assets                                                                                         | 19,151             | 55,549            | 47,433           | 118,895          | 317,228           | 16,070             | 40,114                                                                                     | 2,892            | (30,698)                                        | <b>586,634</b>     |
| Other assets                                                                                                | 1,531,485          | 852,353           | 422,470          | 428,740          | 2,534,551         | -                  | 193,388                                                                                    | 602,946          | (3,347,768)                                     | <b>3,218,165</b>   |
| <b>Total assets</b>                                                                                         | <b>32,470,600</b>  | <b>14,109,104</b> | <b>7,001,486</b> | <b>6,730,346</b> | <b>42,833,572</b> | <b>105,364,564</b> | <b>8,739,042</b>                                                                           | <b>2,774,374</b> | <b>(12,987,610)</b>                             | <b>207,035,478</b> |
| Deposits from customers<br>and current accounts                                                             | 10,569,746         | 13,784,353        | 10,745,201       | 25,161,550       | 108,488,644       | 1,992,508          | -                                                                                          | 7,670            | (1,929,251)                                     | <b>168,820,421</b> |

|                                                   |                   |                   |                   |                   |                    |                  |                  |                   |                    |                    |
|---------------------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------|------------------|-------------------|--------------------|--------------------|
| Loans from banks and other financial institutions | 101,380           | 316,363           | 98,191            | 88,028            | 177                | 1,116,594        | 7,117,235        | 10,854,787        | (7,455,039)        | <b>12,237,716</b>  |
| Subordinated liabilities                          | -                 | -                 | -                 | -                 | -                  | 2,528,096        | -                | -                 | 2,439              | <b>2,530,535</b>   |
| Lease liabilities                                 | 152,487           | 84,614            | 49,055            | 44,676            | 272,708            | 1,577            | 39,316           | 2,927             | (29,862)           | <b>617,498</b>     |
| Other liabilities                                 | 1,181,379         | 707,754           | 314,885           | 298,306           | 1,856,216          | 1,564            | 239,827          | 900,615           | (107,811)          | <b>5,392,735</b>   |
| <b>Total liabilities</b>                          | <b>12,004,992</b> | <b>14,893,084</b> | <b>11,207,332</b> | <b>25,592,560</b> | <b>110,617,745</b> | <b>5,640,339</b> | <b>7,396,378</b> | <b>11,765,999</b> | <b>(9,519,524)</b> | <b>189,598,905</b> |
| Equity and related items                          | -                 | -                 | -                 | -                 | -                  | -                | -                | 17,436,573        | -                  | <b>17,436,573</b>  |
| <b>Total liabilities and equity</b>               | <b>12,004,992</b> | <b>14,893,084</b> | <b>11,207,332</b> | <b>25,592,560</b> | <b>110,617,745</b> | <b>5,640,339</b> | <b>7,396,378</b> | <b>29,202,572</b> | <b>(9,519,524)</b> | <b>207,035,478</b> |

**Source:** Audited Financial Statements for 2024

Reporting segments as at 31 December 2023 (BT Group)

| <b>Group</b><br><i>In RON thousand</i>                                                                      | Large<br>Corporate | Mid<br>Corporate  | SME              | Micro            | Retail            | Treasury          | Leasing and<br>consumer<br>loans<br>granted by<br>non-banking<br>financial<br>institutions | Other -<br>Group | Intra-group<br>eliminations<br>&<br>adjustments | Total              |
|-------------------------------------------------------------------------------------------------------------|--------------------|-------------------|------------------|------------------|-------------------|-------------------|--------------------------------------------------------------------------------------------|------------------|-------------------------------------------------|--------------------|
| Gross loans and finance<br>lease receivables                                                                | 24,495,579         | 10,326,066        | 5,898,243        | 5,568,144        | 32,511,846        | -                 | 5,776,244                                                                                  | 5,569            | (4,161,160)                                     | <b>80,420,532</b>  |
| Provisions for principal                                                                                    | (862,525)          | (870,182)         | (440,455)        | (727,415)        | (1,683,224)       | -                 | (371,706)                                                                                  | (337)            | 106,219                                         | <b>(4,849,625)</b> |
| Loans and finance lease<br>receivables net of<br>provisions                                                 | 23,633,054         | 9,455,884         | 5,457,789        | 4,840,729        | 30,828,622        | -                 | 5,404,538                                                                                  | 5,232            | (4,054,941)                                     | <b>75,570,907</b>  |
| Portfolio of Debt<br>instruments, Equity<br>instruments and<br>Derivative instruments,<br>net of provisions | -                  | -                 | -                | -                | -                 | 51,336,974        | -                                                                                          | 472,915          | (34,447)                                        | <b>51,775,442</b>  |
| Treasury and inter-bank<br>operations                                                                       | -                  | -                 | -                | -                | -                 | 37,490,235        | 251,854                                                                                    | 607,464          | (1,823,994)                                     | <b>36,525,559</b>  |
| Property and equipment<br>and investment property,<br>Intangible assets and<br>goodwill                     | 103,951            | 186,358           | 181,611          | 245,055          | 788,770           | 47,964            | 176,569                                                                                    | 399,958          | (1,973)                                         | <b>2,128,263</b>   |
| Right-of-use assets                                                                                         | 37,066             | 57,433            | 44,387           | 82,799           | 259,331           | 13,162            | 24,309                                                                                     | 12,484           | (16,911)                                        | <b>514,060</b>     |
| Other assets                                                                                                | 789,646            | 548,044           | 240,844          | 221,838          | 1,542,044         | -                 | 193,043                                                                                    | 478,275          | (1,358,740)                                     | <b>2,654,994</b>   |
| <b>Total assets</b>                                                                                         | <b>24,563,717</b>  | <b>10,247,719</b> | <b>5,924,631</b> | <b>5,390,421</b> | <b>33,418,767</b> | <b>88,888,335</b> | <b>6,050,313</b>                                                                           | <b>1,976,328</b> | <b>(7,291,006)</b>                              | <b>169,169,225</b> |
| Deposits from customers<br>and current accounts                                                             | 9,114,874          | 11,784,649        | 9,048,912        | 19,929,075       | 88,569,988        | 2,465,711         | -                                                                                          | 3,962            | (1,829,604)                                     | <b>139,087,567</b> |

|                                                   |                   |                   |                  |                   |                   |                  |                  |                   |                    |                    |
|---------------------------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|------------------|-------------------|--------------------|--------------------|
| Loans from banks and other financial institutions | 256,482           | 326,772           | 87,055           | 62,507            | 23,629            | 363,251          | 4,774,002        | 7,815,009         | (4,160,140)        | <b>9,548,567</b>   |
| Subordinated liabilities                          | -                 | -                 | -                | -                 | -                 | 2,441,255        | -                | -                 | (18,037)           | <b>2,423,218</b>   |
| Lease liabilities                                 | 119,145           | 84,621            | 43,420           | 34,827            | 238,786           | 800              | 24,404           | 4,272             | (16,924)           | <b>533,351</b>     |
| Other liabilities                                 | 731,496           | 520,038           | 216,918          | 181,761           | 1,354,357         | 1,043            | 205,047          | 545,969           | (76,615)           | <b>3,680,014</b>   |
| <b>Total liabilities</b>                          | <b>10,221,997</b> | <b>12,716,080</b> | <b>9,396,305</b> | <b>20,208,170</b> | <b>90,186,760</b> | <b>5,272,060</b> | <b>5,003,453</b> | <b>8,369,212</b>  | <b>(6,101,320)</b> | <b>155,272,717</b> |
| Equity and related items                          | -                 | -                 | -                | -                 | -                 | -                | -                | 13,896,508        | -                  | <b>13,896,508</b>  |
| <b>Total liabilities and equity</b>               | <b>10,221,997</b> | <b>12,716,080</b> | <b>9,396,305</b> | <b>20,208,170</b> | <b>90,186,760</b> | <b>5,272,060</b> | <b>5,003,453</b> | <b>22,265,720</b> | <b>(6,101,320)</b> | <b>169,169,225</b> |

**Source:** Restated comparative figures from Audited Financial Statements for 2024

Reporting segments as at 30 June 2025 (BT Group)

| <b>Group</b><br><i>In RON thousand</i>                                                          | Large<br>Corporate | Mid<br>Corporate  | SME              | Micro            | Retail            | Treasury          | Leasing and<br>consumer<br>loans<br>granted by<br>non-banking<br>financial<br>institutions | Other –<br>Group | Intra-group<br>eliminations<br>&<br>adjustments | Total              |
|-------------------------------------------------------------------------------------------------|--------------------|-------------------|------------------|------------------|-------------------|-------------------|--------------------------------------------------------------------------------------------|------------------|-------------------------------------------------|--------------------|
| Gross loans and finance lease receivables                                                       | 33,470,162         | 14,256,639        | 7,061,619        | 6,861,928        | 43,055,062        | -                 | 8,938,670                                                                                  | 6,731            | (6,604,636)                                     | <b>107,046,175</b> |
| Provisions for principal                                                                        | (1,271,206)        | (1,239,122)       | (678,449)        | (805,171)        | (1,902,970)       | -                 | (568,022)                                                                                  | (508)            | 157,670                                         | <b>(6,307,778)</b> |
| Loans and finance lease receivables net of provisions                                           | 32,198,956         | 13,017,517        | 6,383,170        | 6,056,757        | 41,152,092        | -                 | 8,370,648                                                                                  | 6,223            | (6,446,966)                                     | <b>100,738,397</b> |
| Portfolio of Debt instruments, Equity instruments and Derivative instruments, net of provisions | -                  | -                 | -                | -                | -                 | 70,530,560        | -                                                                                          | 589,858          | (371,088)                                       | <b>70,749,330</b>  |
| Treasury and inter-bank operations                                                              | -                  | -                 | -                | -                | -                 | 27,976,725        | 300,516                                                                                    | 1,061,740        | (896,828)                                       | <b>28,442,153</b>  |
| Property and equipment and investment property, Intangible assets and goodwill                  | 61,651             | 201,606           | 198,926          | 424,226          | 1,279,891         | 151,868           | 188,949                                                                                    | 300,544          | 8,741                                           | <b>2,816,402</b>   |
| Right-of-use assets                                                                             | 15,683             | 48,710            | 42,119           | 107,915          | 296,628           | 28,818            | 46,773                                                                                     | 7,054            | (41,543)                                        | <b>552,157</b>     |
| Other assets                                                                                    | 1,152,800          | 619,360           | 299,491          | 309,960          | 1,996,864         | -                 | 185,582                                                                                    | 2,070,103        | (1,776,489)                                     | <b>4,857,671</b>   |
| <b>Total assets</b>                                                                             | <b>33,429,090</b>  | <b>13,887,193</b> | <b>6,923,706</b> | <b>6,898,858</b> | <b>44,725,475</b> | <b>98,687,971</b> | <b>9,092,468</b>                                                                           | <b>4,035,522</b> | <b>(9,524,173)</b>                              | <b>208,156,110</b> |

|                                                   |                   |                   |                   |                   |                    |                  |                  |                   |                    |                    |
|---------------------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------|------------------|-------------------|--------------------|--------------------|
| Deposits from customers and current accounts      | 9,621,467         | 12,095,450        | 9,783,852         | 23,239,379        | 110,454,520        | 1,152,324        | -                | 3,893             | (895,351)          | <b>165,455,534</b> |
| Loans from banks and other financial institutions | 102,752           | 272,628           | 85,537            | 57,339            | 161                | 2,017,253        | 7,168,149        | 10,921,185        | (6,588,950)        | <b>14,036,054</b>  |
| Subordinated liabilities                          | -                 | -                 | -                 | -                 | -                  | 2,578,452        | -                | -                 | 2,207              | <b>2,580,659</b>   |
| Lease liabilities                                 | 147,246           | 79,970            | 43,931            | 39,568            | 258,657            | 5,603            | 46,805           | 7,273             | (41,382)           | <b>587,671</b>     |
| Other liabilities                                 | 1,311,335         | 770,615           | 349,374           | 331,701           | 2,136,500          | 1,139            | 247,826          | 2,374,447         | (25,228)           | <b>7,497,709</b>   |
| <b>Total liabilities</b>                          | <b>11,182,800</b> | <b>13,218,663</b> | <b>10,262,694</b> | <b>23,667,987</b> | <b>112,849,838</b> | <b>5,754,771</b> | <b>7,462,780</b> | <b>13,306,798</b> | <b>(7,548,704)</b> | <b>190,157,627</b> |
| Equity and related items                          | -                 | -                 | -                 | -                 | -                  | -                | -                | 17,998,483        | -                  | <b>17,998,483</b>  |
| <b>Total liabilities and equity</b>               | <b>11,182,800</b> | <b>13,218,663</b> | <b>10,262,694</b> | <b>23,667,987</b> | <b>112,849,838</b> | <b>5,754,771</b> | <b>7,462,780</b> | <b>31,305,281</b> | <b>(7,548,704)</b> | <b>208,156,110</b> |

**Source:** Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2025

Reporting segments as at 30 June 2024 (BT Group)

| <b>Group</b><br><i>In RON thousand</i>                                                                      | Large<br>Corporate | Mid<br>Corporate  | SME              | Micro            | Retail            | Treasury          | Leasing and<br>consumer<br>loans<br>granted by<br>non-banking<br>financial<br>institutions | Other -<br>Group | Intra-group<br>eliminations<br>&<br>adjustments | Total              |
|-------------------------------------------------------------------------------------------------------------|--------------------|-------------------|------------------|------------------|-------------------|-------------------|--------------------------------------------------------------------------------------------|------------------|-------------------------------------------------|--------------------|
| Gross loans and finance<br>lease receivables                                                                | 25,660,489         | 10,984,496        | 5,704,682        | 5,742,478        | 33,785,680        | -                 | 7,129,388                                                                                  | 7,464            | (5,247,379)                                     | <b>83,767,298</b>  |
| Provisions for principal                                                                                    | (856,461)          | (865,679)         | (511,590)        | (652,934)        | (1,783,962)       | -                 | (433,583)                                                                                  | (424)            | 125,695                                         | <b>(4,978,938)</b> |
| Loans and finance lease<br>receivables net of<br>provisions                                                 | 24,804,028         | 10,118,817        | 5,193,092        | 5,089,544        | 32,001,718        | -                 | 6,695,805                                                                                  | 7,040            | (5,121,684)                                     | <b>78,788,360</b>  |
| Portfolio of Debt<br>instruments, Equity<br>instruments and<br>Derivative instruments,<br>net of provisions | -                  | -                 | -                | -                | -                 | 60,914,985        | -                                                                                          | 519,627          | (390,673)                                       | <b>61,043,939</b>  |
| Treasury and inter-bank<br>operations                                                                       | -                  | -                 | -                | -                | -                 | 31,887,858        | 328,615                                                                                    | 1,399,677        | (1,380,008)                                     | <b>32,236,142</b>  |
| Property and equipment<br>and investment property,<br>Intangible assets and<br>goodwill                     | 47,123             | 154,562           | 171,844          | 345,301          | 919,323           | 48,622            | 176,699                                                                                    | 444,491          | (2,020)                                         | <b>2,305,945</b>   |
| Right-of-use assets                                                                                         | 15,200             | 46,364            | 41,811           | 109,383          | 259,481           | 13,142            | 38,493                                                                                     | 3,572            | (27,661)                                        | <b>499,785</b>     |
| Other assets                                                                                                | 890,587            | 559,908           | 288,607          | 291,591          | 1,734,587         | -                 | 213,614                                                                                    | 533,650          | (1,493,024)                                     | <b>3,019,520</b>   |
| <b>Total assets</b>                                                                                         | <b>25,756,938</b>  | <b>10,879,651</b> | <b>5,695,354</b> | <b>5,835,819</b> | <b>34,915,109</b> | <b>92,864,607</b> | <b>7,453,226</b>                                                                           | <b>2,908,057</b> | <b>(8,415,070)</b>                              | <b>177,893,691</b> |
| Deposits from customers<br>and current accounts                                                             | 9,497,983          | 11,824,669        | 8,733,925        | 20,192,947       | 93,698,508        | 709,417           | -                                                                                          | 2,872            | (1,378,214)                                     | <b>143,282,107</b> |

|                                                   |                   |                   |                  |                   |                   |                  |                  |                   |                    |                    |
|---------------------------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|------------------|-------------------|--------------------|--------------------|
| Loans from banks and other financial institutions | 182,960           | 344,623           | 102,207          | 84,257            | 6,801             | 985,566          | 5,947,406        | 7,725,311         | (5,246,554)        | <b>10,132,577</b>  |
| Subordinated liabilities                          | -                 | -                 | -                | -                 | -                 | 2,430,187        | -                | -                 | (18,355)           | <b>2,411,832</b>   |
| Lease liabilities                                 | 117,099           | 72,435            | 42,798           | 38,262            | 237,125           | 1,124            | 38,466           | 3,712             | (27,454)           | <b>523,567</b>     |
| Other liabilities                                 | 1,246,253         | 764,643           | 371,610          | 366,277           | 2,319,931         | 1,233            | 242,151          | 1,334,064         | (94,635)           | <b>6,551,527</b>   |
| <b>Total liabilities</b>                          | <b>11,044,295</b> | <b>13,006,370</b> | <b>9,250,540</b> | <b>20,681,743</b> | <b>96,262,365</b> | <b>4,127,527</b> | <b>6,228,023</b> | <b>9,065,959</b>  | <b>(6,765,212)</b> | <b>162,901,610</b> |
| Equity and related items                          | -                 | -                 | -                | -                 | -                 | -                | -                | 14,992,081        | -                  | <b>14,992,081</b>  |
| <b>Total liabilities and equity</b>               | <b>11,044,295</b> | <b>13,006,370</b> | <b>9,250,540</b> | <b>20,681,743</b> | <b>96,262,365</b> | <b>4,127,527</b> | <b>6,228,023</b> | <b>24,058,040</b> | <b>(6,765,212)</b> | <b>177,893,691</b> |

**Source:** Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2024

The structure of the credit and leasing portfolio of the BT Group and of the Issuer as at 31 December 2024 and 31 December 2023, as well as at 30 June 2025 and 30 June 2024 is the following:

| <i>In RON thousand</i>                                                                                   | <b>Group</b>       |                   | <b>Issuer</b>      |                   |
|----------------------------------------------------------------------------------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                                                                                          | <b>31 December</b> |                   | <b>31 December</b> |                   |
|                                                                                                          | <b>2024</b>        | <b>2023</b>       | <b>2024</b>        | <b>2023</b>       |
| Corporate and public institutions                                                                        | 39,410,671         | 31,891,165        | 40,584,047         | 35,424,045        |
| Small and medium enterprises                                                                             | 13,400,981         | 10,254,551        | 11,695,683         | 9,063,280         |
| Consumer loans and card loans granted to retail customers                                                | 16,522,596         | 13,392,845        | 14,520,308         | 12,674,358        |
| Mortgage loans                                                                                           | 24,083,037         | 19,053,458        | 19,303,938         | 18,701,951        |
| Loans and finance lease receivables granted by non-banking financial institutions                        | 8,472,986          | 5,765,371         | -                  | -                 |
| Other                                                                                                    | 85,559             | 63,142            | 78,423             | 57,578            |
| <b>Total loans and advances to customers and financial lease receivables before impairment allowance</b> | <b>101,975,830</b> | <b>80,420,532</b> | <b>86,182,399</b>  | <b>75,921,212</b> |
| Allowances for impairment losses on loans and advances to customers, financial lease receivables         | (5,605,968)        | (4,849,625)       | (4,792,410)        | (4,370,808)       |
| <b>Total loans and advances to customers and financial lease receivables net of impairment allowance</b> | <b>96,369,862</b>  | <b>75,570,907</b> | <b>81,389,989</b>  | <b>71,550,404</b> |

|                                                                                                          | <b>Group</b>       |                   | <b>Issuer</b>      |                   |
|----------------------------------------------------------------------------------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                                                                                          | <b>30 June</b>     |                   | <b>30 June</b>     |                   |
|                                                                                                          | <b>2025</b>        | <b>2024</b>       | <b>2025</b>        | <b>2024</b>       |
| Corporate and public institutions                                                                        | 41,136,779         | 31,409,991        | 46,813,663         | 36,017,978        |
| Small and medium enterprises                                                                             | 13,923,750         | 11,444,416        | 13,300,767         | 10,895,377        |
| Consumer loans and card loans granted to retail customers                                                | 17,734,035         | 14,274,103        | 16,937,526         | 13,628,332        |
| Mortgage loans                                                                                           | 25,225,278         | 19,446,392        | 24,589,909         | 19,012,198        |
| Loans and finance lease receivables granted by non-banking financial institutions                        | 8,923,912          | 7,118,424         | -                  | -                 |
| Other                                                                                                    | 102,421            | 73,972            | 95,690             | 66,507            |
| <b>Total loans and advances to customers and financial lease receivables before impairment allowance</b> | <b>107,046,175</b> | <b>83,767,298</b> | <b>101,737,555</b> | <b>79,620,392</b> |
| Allowances for impairment losses on loans and advances to customers, financial lease receivables         | (6,307,778)        | (4,978,938)       | (5,755,750)        | (4,545,962)       |
| <b>Total loans and advances to customers and financial lease receivables net of impairment allowance</b> | <b>100,738,397</b> | <b>78,788,360</b> | <b>95,981,805</b>  | <b>75,074,430</b> |

***Source:** Audited Financial Statements for 2023 and 2024 and Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2025 and on 30 June 2024*

#### ***The Issuer***

According to the Issuer's estimates, the Issuer is the largest banking institution in Romania, with a market share in 2024 of 20.90 per cent. by total assets and an estimated market share of 22 per cent. as at 30 June 2025 (the Issuer's estimation based on total assets of the Issuer by reference to total assets in the

sector, according to NBR<sup>49</sup>). It is also the market leader by level of capital, in accordance with the information published in the NBR's annual report for 2024.

The Issuer has a strong financial profile, with a net interest margin on a consolidated basis, varying in the last three years between 3.30 per cent. in 2022 to 3.73 per cent. in 2023 to 4.02 per cent. in 2024 and on a separate basis varying in the last three years between 2.93 per cent. in 2022 to 3.13 per cent. in 2023 and to 3.42 per cent. in 2024, on an annualised basis. As at 30 June 2025, the net interest margin on a consolidated basis was 3.97 per cent. and on a separate basis was 3.51 per cent. (4.02 per cent. on a consolidated basis and 3.48 per cent. on a separate basis as at 30 June 2024). As at 30 September 2025, the net interest margin on a consolidated basis was 4.00 per cent. and 3.57 per cent. on a separate basis.

The net fee and commission income on a consolidated basis varying in the last three years was between 1.03 per cent. in 2022, 0.98 per cent. in 2023, 0.97 per cent. in 2024, 0.96 per cent. at the end of June 2025 (0.99 per cent. at 30 June 2024) and 0.97 per cent. as at 30 September 2025 and on separate basis between 0.91 per cent. in 2022, 0.88 per cent. in 2023, 0.89 per cent. in 2024, 0.88 per cent. at 30 June 2025 (0.89 per cent. at 30 June 2024) and 0.90 per cent. as at 30 September 2025, as average on consumer deposits (including accruals). The Issuer's net trading income, on a separate basis, was RON 707,487 thousand as at 31 December 2024 (RON 539,743 thousand as at 31 December 2023), and RON 451,296 thousand as at 30 June 2025 (RON 371,951 thousand as at 30 June 2024). At BT Group level, the net trading income was RON 938,291 thousand as at 31 December 2024 (RON 657,016 thousand as at 31 December 2023) and RON 528,910 thousand as at 31 June 2025 (RON 477,770 thousand as at 30 June 2024).

In relation to costs, the Issuer has a high efficiency level, registering a cost to income ratio of up to 46.89 per cent. on a consolidated basis (44.42 per cent. on a separate basis) as at 30 September 2025, 48.47 per cent. on a consolidated basis (45.77 per cent. on a separate basis) as at 30 June 2025 (47.00 per cent. on a consolidated basis (45.46 per cent. on a separate basis) in the six-month period ended on 30 June 2024), 48.30 per cent. on a consolidated basis (45.38 per cent. on a separate basis) in 2024 with similar levels in the previous two years, namely 45.38 per cent. on a consolidated basis (45.60 per cent. on a separate basis) in 2023 and 47.51 per cent. on a consolidated basis (49.65 per cent. on a separate basis) in 2022.

The net cost of risk level in 2022 was 0.70 per cent. in 2023 it was 0.39 per cent., on a consolidated basis, and, in 2024, it slightly increased to 0.47 per cent. on a consolidated basis. As at 30 June 2025, the net cost of risk was 0.89 per cent., increased from 0.13 per cent. (annualised) on a consolidated basis on 30 June 2024. As at 30 September 2025, the net cost of risk on a consolidated basis was 0.85 per cent., increased from 0.27 per cent. as at 30 September 2024.

The Issuer's banking activity and product offering focuses on retail and SME customers. Serving millions of customers through a network of 516 units (including agencies, branches and offices) and multiple digital channels, the Issuer is one of the main financiers of the Romanian Economy.

Despite the unpredictable economic climate, the Issuer's business continued its growth in 2024. The table below shows the evolution of the number of clients per main business lines of the Issuer in 2024 compared to 2023, between the first half of 2025 and the first half of 2024, and between the first nine months of 2025 and the similar period of 2024.

| Active clients *                  | 31 Decem<br>ber<br>2024 | 31 Decem<br>ber<br>2023 | 2024 /<br>2023<br>(%) | 30<br>June<br>2025 | 30<br>June<br>2024 | H1<br>2025 /<br>H1<br>2024<br>(%) | 30<br>Septe<br>mber<br>2025 | 30<br>Septe<br>mber<br>2024 | Q3<br>2025 /<br>Q3<br>2024<br>(%) |
|-----------------------------------|-------------------------|-------------------------|-----------------------|--------------------|--------------------|-----------------------------------|-----------------------------|-----------------------------|-----------------------------------|
| Large<br>Corpor<br>ate<br>Clients | 1,509                   | 1,517                   | -0.5                  | 1,732              | 1,523              | 13.7                              | 1,728                       | 1,484                       | 16.44                             |

<sup>49</sup> Source : <https://www.bnr.ro/en/12602-aggregate-indicators-for-credit-institutions>.

|                          |                  |                  |             |                  |                  |             |                  |                  |              |
|--------------------------|------------------|------------------|-------------|------------------|------------------|-------------|------------------|------------------|--------------|
| Medium corporate clients | 8,761            | 11,197           | -21.8       | 9,298            | 8,440            | 10.2        | 9,419            | 8,567            | 9.95         |
| SME clients              | 25,002           | 25,358           | -1.4        | 26,820           | 24,765           | 8.3         | 27,298           | 24,770           | 10.21        |
| Micro businesses clients | 448,472          | 415,679          | +7.9        | 475,446          | 433,755          | 9.6         | 484,530          | 431,885          | 12.19        |
| Retail clients           | 4,088,127        | 3,785,742        | +8.0        | 4,330,718        | 3,860,724        | 12.2        | 4,382,670        | 3,902,160        | 12.31        |
| <b>Total</b>             | <b>4,571,871</b> | <b>4,239,493</b> | <b>+7.8</b> | <b>4,844,014</b> | <b>4,329,207</b> | <b>11.9</b> | <b>4,905,645</b> | <b>4,368,866</b> | <b>12.29</b> |

\*The allocation of legal persons into segments is made per internal standards and policies of the Issuer.

Corporate lending activity (including loans granted to micro companies, SMEs and large corporate) in 2024 amounted to RON 52.3 billion (RON 44.5 billion in 2023) and at 30 June 2025 amounted to RON 60.1 billion (RON 46.9 billion on 30 June 2024), while the retail loans amounted to RON 33.9 billion (RON 31.4 billion in 2023) and to RON 41.6 billion (RON 32.7 billion on 30 June 2024).

In addition to offering banking services to its clients, the Issuer also facilitates access to the services provided by the BT Group subsidiaries, such as bancassurance, consultancy on mergers and acquisitions, asset management and financial leases, with the purpose to increase its profitability and non-risk income.

The Issuer was actively involved in various Romanian government's relief programmes, such as "IMM Invest Plus" which was designed to assist SMEs and was approved by the Romanian government in September 2022. The budget for this programme was RON 17.75 billion and was further increased in 2023 to RON 20.25 billion and decreased to RON 12.5 billion in 2024. This follows the Issuer's involvement in similar programmes in 2022, including the "Start-Up Nation Pillar 3" programme that was relaunched in July 2022, and which the Issuer covered almost 70 per cent. of the subscribed beneficiaries.

In addition to this, the Issuer is best positioned in two critical sectors:

- *Healthcare* – the Issuer is the largest lender to the medical sector on the basis of accounts opened, with a market share of 40.06 per cent. of the medical market and has contributed significantly to the development of the Romanian private healthcare system especially in the last 15 years with the establishment of the Medical Division. As at 30 June 2025, the Issuer granted more than RON 1.1 billion in new loans (year to date) to the private healthcare system in Romania and had RON 2.86 billion in outstanding loans in the sector. As at 30 June 2025, the Issuer had almost RON 2.93 billion in deposits and resources, being the bank of choice for medical doctors to keep their savings; and
- *Agriculture* – the Issuer is one of the largest lenders in the agriculture sector in Romania, with over 25 per cent. market share and over 35,000 agriculture customers as at 30 June 2025. As at June 2025, the Issuer granted more than RON 1.4 billion during the first six month of 2025, in new agribusiness loans. The outstanding loans balance for the Agribusiness sector amounts to approximately RON 7.5 billion, as at 30 June 2025. Nonetheless, the balance of Agribusiness clients' deposits amounts to over RON 2.77 billion, as at 30 June 2025.

#### ***Large corporate clients***

The clients in this category usually have specific and sophisticated needs and have access to an all-inclusive package of banking products and services. Through its centralised and customised approach,

the Issuer seeks to ensure high operational efficiency, a prompt assessment of the specific needs of this type of clients in order to offer the appropriate customised solutions, but also an in-depth perception of the risk profile in order to maintain a high quality loan portfolio.

In 2024, the Issuer strengthened its role as a strong supporter of the Romanian corporate sector by providing financing solutions for both investment projects and for the establishment of a liquidity buffer either downstream or upstream in the supply chain. Sectors like sustainable agriculture, IT&C, infrastructure, industry, education and health care services remain of interest for the Issuer, maintaining the position of leader in offering financial solutions and banking services in a professional and efficient manner for its clients in this category.

In 2024, the Issuer collaborated with European Bank for Reconstruction and Development (EBRD) on a Risk Sharing Framework programme to finance large companies in the local market such as Omnia Europe. Also, the EBRD and Banca Transilvania are backing Profi, a leading Romanian company, to expand supply chain financing. Under this transaction participating suppliers will benefit from the EBRD's Advice for Small Businesses (ASB) programme and the expertise of external consultants, who will support them to develop effective green transition plans, adapt innovative solutions in their operations and publish Science Based Targets (SBTi) commitments<sup>50</sup>.

The positive results of 2024 translated into the production of gross loans and finance lease receivables of RON 31.9 billion (increased with 30.4 per cent. since 31 December 2023) at BT Group level and of RON 33.5 billion at 30 June 2025 (increased from RON 25.7 billion at 30 June 2024) at BT Group level.

The Issuer continued to have a strategic approach focused on resilient sectors like healthcare, industrial, manufacturing, agribusiness, utilities and FMCG. The large corporate gross loans and finance lease receivables represent, as at 31 December 2024, 31.31 per cent. of the gross loans and finance lease receivables within the BT Group (similar to the level recorded as at 31 December 2023 of 30.46 per cent.) and as at 30 June 2025, 31.27 per cent. of the gross loans and finance lease receivables within the BT Group (similarly to 30.63 per cent. recorded as at 30 June 2024).

### ***Mid Corporate Clients***

The most frequent requests coming from this category of clients, which the Issuer is typically addressing, include tailored financing solutions, access to a wide range of banking services, pricing based on financial performance, dedicated and flexible relationship management, operational agility. Depending on the activity type, the customised approach related to customers is supported by two existent specialisations, notably Agribusiness and Healthcare.

The Issuer offers a full array of financial services to its mid corporate clients, including lending facilities, current operations, treasury services, but also additional services such as bonus packages for employees, structured finance and co-financing of EU funded projects.

As at 31 December 2024, 8,761 mid corporate clients were assisted by the Issuer's branches in Romania, in a business model that emphasises the immediate needs of the customer (at 30 June 2025, 9,298 clients). As at 31 December 2024, new loans for mid corporate customers reached RON 7.8 billion with an increase of 8.5 per cent. compared to 2023 (RON 7.2 billion in 2023), while as at 30 June 2025, loans for mid corporate customers reached RON 3.5 billion, decreasing by 1.6 per cent. compared to 30 June 2025 (RON 3.6 billion).

As at 31 December 2024, at BT Group level, the balance of gross loans and finance lease receivables increased by 35.75 per cent. (compared to 31 December 2023), reaching RON 14.0 billion (at 30 June 2025, the balance of gross loans and finance lease receivables increased by 29.79 per cent. on a consolidated level (compared to 30 June 2024, of RON 10.98 billion), reaching RON 14.3 billion), while the balance for deposits and current accounts for mid corporate clients reached RON 13.8 billion, an

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<sup>50</sup> Source: <https://en.bancatransilvania.ro/news/comunicate-de-presa/berd-si-bt-sustin-profi-pentru-finantarea-lantului-de-aprovizionare>

increase of 16.97 per cent. (compared to 31 December 2023) (at 30 June 2025, it represents RON 12.1 billion, an increase of 2.29 per cent. from RON 11.8 billion as at 30 June 2024).

### ***Small and Medium Enterprises (SMEs)***

The Issuer has a diversified SME support ecosystem in Romania in terms of approach, team, products and services.

The gross loans and finance lease receivables balance increased in 2024 to RON 6.9 billion, compared to RON 5.9 billion at 31 December 2023, at BT Group level. As at 30 June 2025, the gross loans and finance lease receivables balance increased to RON 7.1 billion, compared to RON 5.7 billion at 30 June 2024, on a consolidated level. As at 31 December 2024, the number of clients also decreased by 1.4 per cent. compared to 31 December 2023, with more than 5,500 new loans representing over RON 3.8 billion. As at 30 June 2025, an increase of 8.3 per cent. is recorded in the number of clients compared to 30 June 2024, as well as almost 4,800 new loans representing over RON 1.65 billion new funding.

### ***Micro Business Clients***

As at 31 December 2024, almost 450,000 active customers were managed by this business line, which reflected a 7.9 per cent. increase compared to the end of 2023 (415,679 as at 31 December 2023). As at 30 June 2025, the number of active customers increased by 9.6 per cent. to 475,446 active customers compared to the first half of 2024 (433,755 active customers).

The financing model based on a rapid platform sustains a superior lending performance, translating into 10,700 loans granted in the first semester of 2025 (8,555 loans granted in the same period of 2024, over 18,000 loans granted in 2024, and 15,793 loans granted in 2023) and a gross loans and finance lease receivables balance of RON 6.9 billion as at 30 June 2025 at BT Group level, registering an increase of 19.49 per cent. compared to the gross loans and finance lease receivables balance in the same period of 2024 (RON 5.7 billion) (RON 6.6 billion as at 31 December 2024 on a consolidated level, increased by 18.02 per cent. compared to the gross loans and finance lease receivables balance at the end of 2023). The deposit balance of micro business clients increased by 15.09 per cent. as at 30 June 2025 (RON 23.2 billion) compared to the same period of 2024 (RON 20.2 billion) and by 26.26 per cent. as at 31 December 2024 compared to the end of 2023.

In supporting access to financing, an important role was played by the microfinance subsidiary, BT Microfinance IFN S.A.

Micro and SME business clients took advantage of the Governmental programmes (e.g., microgrants issued by the Ministry of Economy, Energy and Business Environment) meant to support Romanian entrepreneurship.

### ***Retail clients***

The number of retail clients increased by 12.2 per cent. per cent. as at 30 June 2025 compared to 30 June 2024, thus reaching approx. 4.3 million (3.9 million in the first half of 2024) and by 8.0 per cent. as at 31 December 2024 (4.1 million) compared to 31 December 2023 (3.7 million). The retail client gross loans and financial lease receivables balance as at 30 June 2025 was RON 43.1 billion (RON 33.8 billion as at 30 June 2024) and as at 31 December 2024 it amounted to RON 40.6 billion (RON 32.5 billion as at 31 December 2023).

In the first half of 2025, the Issuer's network was further strengthened and expanded, comprising at the end of June 2025 over 2,000 ATMs, more than 169,000 POS terminals, 684 multifunctional machines and more than 511 BT Express terminals that are used for various transactions, including utility bills payments.

At the end of June 2025, the Issuer had issued over 7.7 million cards (7 million as at 31 December 2024), including the cards issued for acquired OTP clients, out of which 5.2 million unique cards are registered in the payment applications and e-wallets used by the Issuer, such as: BT Pay, Apple Pay, Google Pay, Fitbit Pay and Garmin Pay (4.5 million as at 31 December 2024). The Issuer also issued the first virtual cards in the world launched with MasterCard and McLaren (amounting to over 20,000 cards issued in one month), as well as the BT Visa Untold cards, which are the first cards issued in Romania with sensory

branding (amounting to approximately 200,000 cards). Out of the 7.7 million cards, over 730,000 were credit cards. The number of transactions with the Issuer's cards also increased by 20 per cent. as at 30 June 2025 compared to 30 June 2024 and by 23 per cent. as at 31 December 2024 compared to 31 December 2023. As at 30 September 2025, the number of cards issued by the Issuer increased to 7.9 million.

As at June 2025, the Issuer registered a 30 per cent. increase in payments by phone/NFC compared to the same period of 2024 (36 per cent. increase in 2024 compared to 2023). The volume of transactions made through BT Pay increased by 62 per cent. compared to 30 June 2024 (54 per cent. increase in 2024 compared to 2023).

In the first half of 2025, more than 11,500 mortgage loans were awarded to retail clients, exceeding RON 3.4 billion and increasing the balance of mortgage loans to RON 24.6 billion at Issuer level (by comparison, in 2024, more than 15,000 mortgage loans were awarded to retail clients, exceeding RON 4.5 billion, and the balance of mortgage loans increased to RON 19.3 billion on a separate basis). In the same period of 2025, the Issuer also granted more than 77,800 consumer loans, amounting to RON 3.9 billion (133,000 consumer loans amounting to RON 6.5 billion at the end of 2024) and the balance of such loans reaching RON 17 billion (RON 14.5 billion at the end of 2024).

In the same period, the digitalisation process accelerated even further, with the introduction of new digital solutions tailored to customer needs.

### ***Treasury***

The treasury activities in the Issuer are complementary to the other products and services offered to the customers of the five business lines of the Issuer.

The principles and strategic objectives governing the Issuer's treasury activities are:

- a) prudence – with respect to the management of liquidity surplus, the due date of assets and debts, the interest rate structure and the market risks to which the Issuer is exposed, in line with the risk limits established in the Issuer's Risk Strategy and/or the regulations governing the Romanian banking sector;
- b) dispersion – as concerns counterparty exposures' limits arising from all specific treasury operations;
- c) income maximisation – under prudent conditions and considering the estimated multiannual evolution of cyclical macroeconomic indicators;
- d) strategize - develop strategies and pricing to boost commercial lending within balance sheet management and Asset and Liabilities Management; and
- e) risk management - developing hedging products and strategies for the Issuer's customers, including providing market access and price distribution through digital solutions.

Following the general trend of the increasing number of operations at the Issuer's level, FX activity was also stimulated, the net income from foreign exchange transactions income increasing by 16.24 per cent. in 2024 at a consolidated level compared to 2023, reaching RON 797 million in December 2024 (RON 685 million in December 2023). At 30 June 2025, the net income from foreign exchange transactions income increased by 24.24 per cent. (RON 434 million) at a consolidated level compared to 30 June 2024 (RON 349 million).

Through its subsidiaries, the Issuer offers complementary services such as asset management, stock exchange trading and investments, corporate and public debt offerings, leasing, insurance, factoring, etc.

## **7. Liquidity**

The current liquidity reserves of the Issuer are adequate to cover liabilities that fall or may fall due for payment. Liquidity reserves are required to be available at short notice, following the occurrence of a stress scenario.

Crisis simulation scenarios have been elaborated by considering various severity levels, various probabilities and different periods of occurrence. Their purpose is to identify / assess potential losses and the potential impact of events or the factors that may generate a liquidity crisis. Additionally, they offer information regarding the impact of liquidity risk determinants on the BT Group's and the Issuer's capacity to provide liquidity to its customers and to maintain adequate liquidity levels.

The prudential ratios ensure a favourable position of the Issuer in the banking system.

The Issuer's net loan to deposit ratio was 53.98 per cent. as at 31 December 2024, below the aggregate 67.56 per cent. rate of the banking system in Romania and, in the first half of 2025, the separate gross loan to deposit ratio was 64.18 per cent. compared to the aggregate 67.82 per cent. rate of the Romanian banking sector<sup>51</sup>.

At BT Group level, as at 31 December 2024, the net loan to deposit ratio was 57.41 per cent., with a slight increase compared to 54.74 per cent. as at 31 December 2023. As at 30 June 2025, the gross loan to deposit ratio on a consolidated basis was 65.09 per cent., with a slight increase compared to 58.71 per cent. as at 30 June 2024, while the net loan to deposit ratio stood at 61.25 per cent.

As at 30 September 2025, the Issuer had a net loan to deposit ratio of 61.43 per cent. and a gross loan to deposit ratio of 65.18 per cent. On consolidated basis, the net loan to deposit ratio stood at 61.95 per cent., while the gross loan to deposit ratio stood at 65.88 per cent.

The Issuer has a consistent deposit base, which allows for a good liquidity ratio.

As at 30 June 2025, the liquidity coverage ratio at consolidated level, calculated according to the requirements introduced by Basel III, registered the value of 355 per cent. (382 per cent. as at 30 June 2024, 506 per cent. as at 31 December 2024 and 747 per cent. as at 31 December 2023), being well above the minimum required level of 100 per cent. The net stable funding ratio reached as at 30 June 2025 the value of 233 per cent. (244 per cent. as at 30 June 2024, 262 per cent. as at 31 December 2024 and 232 as at 31 December 2023), more above the minimum required level of 100 per cent.

#### ***Cash and current accounts with central banks***

In the first half of 2025, the minimum reserve requirements ratio at the NBR was 8 per cent. for RON denominated balances and 5 per cent. for EUR denominated balances. The interest paid by the NBR for the reserves held by the Issuer with the NBR is at 0.8 per cent. per year for RON reserves, and 0.17 per cent. for EUR denominated reserves.

In total, as at 30 June 2025, BT Group had RON 21.32 billion in cash and current accounts with central banks (a 21.42 per cent. decrease compared to 30 June 2024 when the BT Group had RON 27.13 billion in cash and current accounts with central banks, while at 31 December 2024 the consolidated level was RON 21.95 billion, decreased from RON 24.25 billion as at 31 December 2023), out of which RON 19.14 billion at 30 June 2025, RON 24.86 billion at 30 June 2024, RON 16.91 billion at the end of 2024 and RON 22.29 billion at the end of 2023 were held for the Issuer (without including the accrual and interest receivables).

As at 31 December 2024, the liquidity ratio was 50.47 per cent. at Issuer level (46.60 per cent. as at 30 June 2025). As 31 December 2024, cash and current accounts with central banks amounted to RON 16.91 billion at Issuer level, 24.13 per cent. lower compared to 31 December 2023 (RON 19.14 billion as at 30 June 2025, decreasing by 23.03 per cent. from RON 24.86 billion as at 30 June 2024) and above the minimum acceptable level required by the NBR to cover liquidity risk. Cash and current accounts with central banks consist mainly of minimum required reserve held with Central Banks (RON 12.19 billion at Issuer level), representing 72.11 per cent. of the total balance (RON 16.9 billion at Issuer level as at 31 December 2024). At 30 June 2025, on a separate basis, cash and current accounts with central banks consists mainly of minimum required reserve held with Central Banks (RON 14.12 billion at Issuer level),

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<sup>51</sup> Source: <https://www.bnr.ro/en/2550-interactive-database>

representing 73.78 per cent. of the total balance, while Cash on hand and other values represents 26.22 per cent. (RON 5.02 billion) of the total balance.

#### ***Placements with banks and public institutions***

At 31 December 2024, placements with banks included current accounts, sight, collateral and term deposits with other banks, reverse-repo securities and loans and advances to credit institutions, which are all included in the statement of financial position and represented RON 13,612 million at Issuer level, 7.87 per cent. higher compared to the value as at 31 December 2023 (RON 12,619 million). At 30 June 2025, the placements with banks amount to RON 5,782 million on a separate basis (increased by 34.22 per cent. compared to RON 4,308 million at 30 June 2024). Variations in this category are mostly determined by the evolution of the balance of current accounts at other banks, the volume of placements at credit institutions, the volume of term deposits and loans and advances granted to credit institutions up to three months, but also by the volume of reverse-repo operations. Except for sale and reverse-repo agreements, the amounts due from other banks are not guaranteed. At BT Group level the placements with banks increased 11.75 per cent. as at 31 December 2024 compared to 31 December 2023, and with 39.52 per cent. as at 30 June 2025 (RON 7,122 million) compared to 30 June 2024 (RON 5,105 million).

The quality analysis of the placements with banks as at 31 December 2024 and 31 December 2023, according to the rating agencies is detailed below:

| <b>BT Group</b>        | <b>31 December 2024</b>      |                                  | <b>31 December 2023</b>      |
|------------------------|------------------------------|----------------------------------|------------------------------|
| <i>In RON thousand</i> | <b>Placements with banks</b> | <b>Reverse repo transactions</b> | <b>Placements with banks</b> |
| Investment grade       | 11,843,939                   | 1,001,246                        | 12,266,959                   |
| Non-investment grade   | 869,685                      | -                                | 6,000                        |
| <b>Total</b>           | <b>12,713,624</b>            | <b>1,001,246</b>                 | <b>12,272,959</b>            |

| <b>Issuer</b>          | <b>31 December 2024</b>      |                                  | <b>31 December 2023</b>      |
|------------------------|------------------------------|----------------------------------|------------------------------|
| <i>In RON thousand</i> | <b>Placements with banks</b> | <b>Reverse repo transactions</b> | <b>Placements with banks</b> |
| Investment grade       | 11,933,888                   | 1,001,246                        | 11,322,137                   |
| Non-investment grade   | 676,923                      | -                                | 1,297,204                    |
| <b>Total</b>           | <b>12,610,811</b>            | <b>1,001,246</b>                 | <b>12,619,341</b>            |

***Source:*** Audited Financial Statements for 2023 and 2024

#### ***Securities***

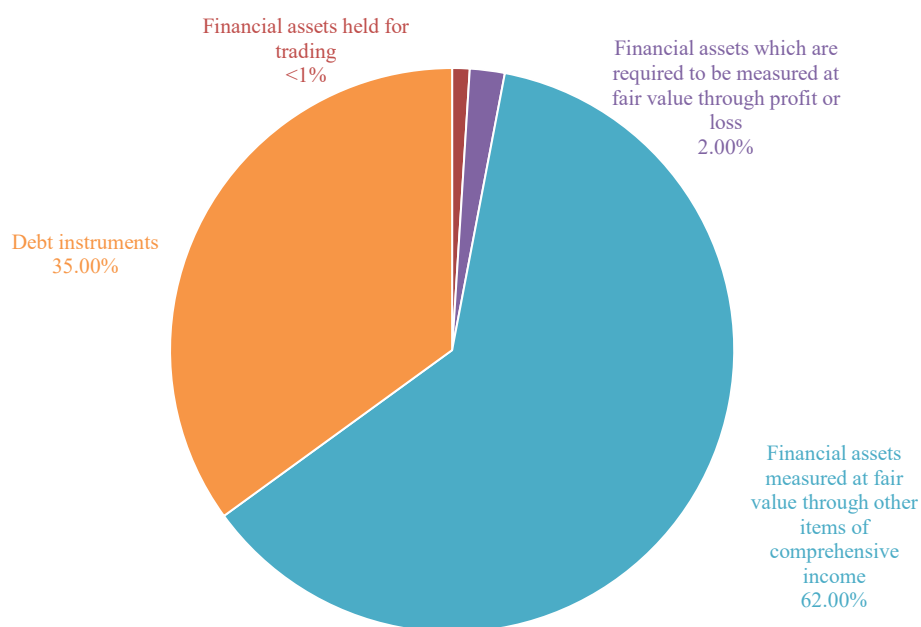
Securities<sup>52</sup> increased as at 30 June 2025 by 5.2 per cent. compared with 31 December 2024 reaching RON 68.10 billion while as at 31 December 2024 the increase was 29.2 per cent. compared to 2023, reaching RON 64.72 billion, at the Issuer's level (RON 50.08 billion as at 31 December 2023). On a consolidated basis, at BT Group level, the securities<sup>52</sup> reached as at 30 June 2025 over RON 70.7 billion higher by 3.4 per cent. compared to 31 December 2024 value of 2024 RON 68.41 billion. The increase in these instruments is directly correlated with the increase of the managed portfolio of government bonds.

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<sup>52</sup> which includes derivatives, financial assets held for trading, financial assets which are required to be measured at fair value through profit or loss, financial assets measured at fair value through other items of the comprehensive income and debt instruments at amortised cost.

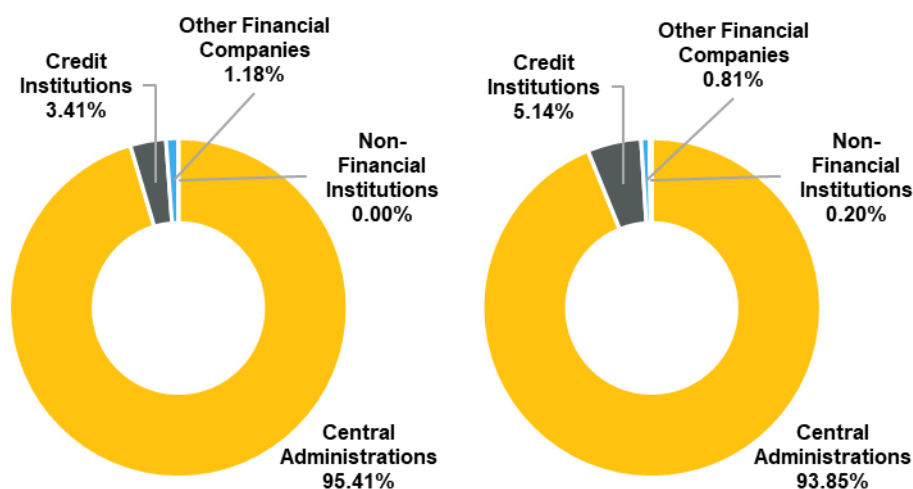
At 31 December 2024, on a consolidated basis, the financial assets held for trading, non-trading financial assets mandatorily at fair value through profit or loss, financial assets measured at fair value through other items of comprehensive income and debt instruments at amortised costs represented 32.96 per cent. in the total assets (30.53 per cent. as at 31 December 2023), while cash and current accounts with central banks represented 10.6 per cent. (14.3 per cent. as at 31 December 2023). In this category there are also equity investments in several entities (such as Transfond, Biroul de Credit, Swift Belgium, CCP.RO Bucharest S.A. and Depozitarul Central S.A.).

The securities portfolio<sup>52</sup> at BT Group level at 31 December 2024 was RON 68,410,267 thousand, with the following breakdown by product:

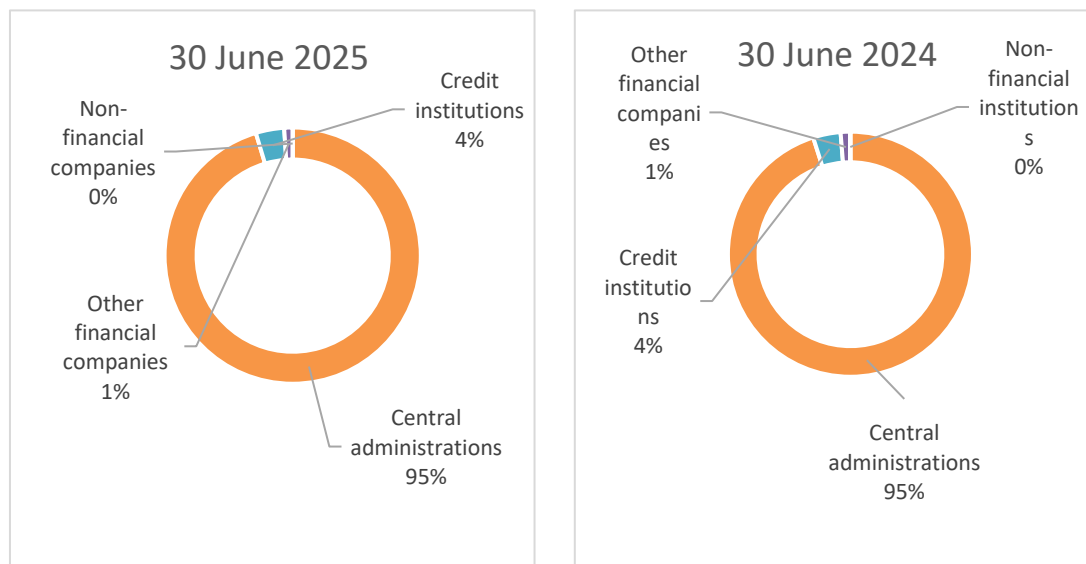


*Source: Audited Financial Statements for 2024*

The breakdown of the Issuer's investment securities as at 31 December 2024 compared to 31 December 2023 is as follows:



The breakdown of the Issuer's debt instruments as at 30 June 2025 compared to 30 June 2024 is as follows:



## 8. Funding

The BT Group and the Issuer have access to diverse funding sources. Funds are raised by using a broad range of instruments, including deposits from customers or banks, loans from development institutions and financial institutions and share capital. Access to diverse funding sources ensures flexibility to attract funds, limiting the dependence on one type of financing or financing partner and leading to an overall decrease of financing costs.

The BT Group and the Issuer try to maintain a balance between continuity and flexibility in attracting funds, by signing financing contracts with different maturities and in different currencies. At the same time, the BT Group and the Bank continually assess liquidity risk by identifying and monitoring changes in the financing contracts, and by diversifying the funding sources. Also, by determining and monitoring the net FCY positions and the exchange rate volatility, the Bank has aimed to create a portfolio that is optimally correlated in terms of FCY assets and liabilities, as well as a balanced approach to trading operations on the foreign exchange market.

The main financing sources of the BT Group are described below.

### *Deposits from customers*

At BT Group level, customer deposits increased significantly by 21.6 per cent. as at 31 December 2024 compared to 31 December 2023 and by 15.28 per cent. as at 30 June 2025 (RON 164.5 billion) compared to 30 June 2024 (RON 142.7 billion), while the general growth rate recorded at the banking system level as at 31 December 2024 was 12.4 per cent. compared to 31 December 2023<sup>53</sup>.

In total, at BT Group level the carry value of deposits from customers amounted to RON 167.87 billion as at 31 December 2024 (RON 138.05 billion as at 31 December 2023), out of which retail deposits amount to RON 108.51 billion (up from RON 88.57 billion as at 31 December 2023) representing 64.64 per cent., and corporate deposits amount to RON 59.36 billion (up from RON 49.48 billion) representing 35.36 per cent. As at 30 June 2025, customer deposits at consolidated level consist of 67.16 per cent. retail deposits amounting to RON 110.46 billion (RON 93.7 billion at 30 June 2024) and 32.84 per cent. corporate deposits amounting to RON 54.01 billion (RON 48.97 billion at 30 June 2024).

<sup>53</sup> Source: [https://www.bnr.ro/uploads/2025-06-23annualreport2024\\_documentpdf\\_545\\_1759914105.pdf](https://www.bnr.ro/uploads/2025-06-23annualreport2024_documentpdf_545_1759914105.pdf)

For additional information on breakdown of the customer deposits please see Section 6 "Activities – Activities of the BT Group" above.

The following table shows the split of the customer deposits by type of deposit:

| <i>In RON thousand</i> | <b>Group</b>            |                         | <b>Issuer</b>           |                         |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                        | <b>31 December 2024</b> | <b>31 December 2023</b> | <b>31 December 2024</b> | <b>31 December 2023</b> |
| Current accounts       | 80,616,609              | 69,999,127              | 73,448,427              | 67,447,241              |
| Sight demand           | 1,490,483               | 953,695                 | 1,045,586               | 739,327                 |
| Term deposits          | 84,417,244              | 66,019,978              | 75,233,217              | 65,215,377              |
| Collateral deposits    | 1,344,930               | 1,080,154               | 1,058,024               | 1,041,405               |
| <b>Total</b>           | <b>167,869,266</b>      | <b>138,052,954</b>      | <b>150,785,254</b>      | <b>134,443,350</b>      |
|                        | <b>30 June 2025</b>     | <b>30 June 2024</b>     | <b>30 June 2025</b>     | <b>30 June 2024</b>     |
|                        |                         |                         |                         |                         |
| Current accounts       | 78,039,287              | 69,516,735              | 74,723,043              | 67,510,303              |
| Sight demand           | 1,165,225               | 1,027,781               | 1,170,003               | 873,587                 |
| Term deposits          | 83,985,666              | 70,971,504              | 81,391,316              | 69,524,400              |
| Collateral deposits    | 1,278,768               | 1,155,119               | 1,229,262               | 1,114,212               |
| <b>Total</b>           | <b>164,468,946</b>      | <b>142,671,139</b>      | <b>158,513,624</b>      | <b>139,022,502</b>      |

**Source:** Audited Financial Statements for 2023 and 2024 and Unaudited Reviewed Interim Financial Statements for the six month period on 30 June 2025 and 30 June 2024

#### ***Deposits from other banks***

Sight deposits from other banks increased significantly in 2024 compared to 2023, from RON 497.39 million as at 31 December 2023 to RON 688.18 million as at 31 December 2024 at BT Group level. At 30 June 2025, sight deposits from other banks amounted to RON 614.7 million, compared to RON 489.9 million at 30 June 2024, on consolidated level.

Term deposits decreased from RON 537.23 million as at 31 December 2023 to RON 262.97 million as at 31 December 2024 at BT Group level, out of which RON 511.77 million are held by the Issuer. By way of comparison, at 30 June 2025, term deposits amount to RON 371.88 million, increased from RON 121.11 million at 30 June 2024 at Group level.

| <i>In RON thousand</i> | <b>BT Group</b>         |                         | <b>Issuer</b>           |                         |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                        | <b>31 December 2024</b> | <b>31 December 2023</b> | <b>31 December 2024</b> | <b>31 December 2023</b> |
| Sight demand           | 688,183                 | 497,386                 | 662,005                 | 509,707                 |
| Term deposits          | 262,972                 | 537,227                 | 511,773                 | 572,059                 |
| <b>Total</b>           | <b>951,155</b>          | <b>1,034,613</b>        | <b>1,173,778</b>        | <b>1,081,766</b>        |
|                        | <b>30 June 2025</b>     | <b>30 June 2024</b>     | <b>30 June 2025</b>     | <b>30 June 2024</b>     |
|                        |                         |                         |                         |                         |
| Sight demand           | 614,712                 | 489,854                 | 632,958                 | 496,402                 |
| Term deposits          | 371,876                 | 121,114                 | 441,962                 | 121,114                 |
| <b>Total</b>           | <b>986,588</b>          | <b>610,968</b>          | <b>1,074,920</b>        | <b>617,516</b>          |

**Source:** Audited Financial Statements for 2023 and 2024 and Unaudited Reviewed Interim Financial Statements for the six month period on 30 June 2025 and 30 June 2024

### **Loans from banks and other financial institutions**

As at 31 December 2024, the BT Group registered liabilities to other banks and financial institutions of RON 12.24 billion out of which RON 11.21 billion are owed by the Issuer, displaying a 28.16 per cent. growth at the BT Group level versus 31 December 2023, when the total amounted to RON 9.55 billion at BT Group level and RON 8.58 billion at Issuer level. Due to the acquisition of OTP entities in Romania during 2024, the Issuer requested and obtained, before 31 December 2024, waivers for those financial covenants that were exceeded solely due to the acquisition. Such cases were deemed to be of a temporary nature, until the merger date by absorption of OTP Bank Romania S.A. into the Issuer (i.e., 28 February 2025).

As at 30 June 2025, liabilities to other banks and financial institutions on consolidated level are RON 14.04 billion, out of which RON 13.23 billion are owed by the Issuer, displaying a 38.52 per cent. growth at the BT Group level compared to 30 June 2024, when the total amounted to RON 10.13 billion (BT Group level), and RON 9.03 billion (Issuer level) respectively.

The following table shows the loans from governmental entities and financial institutions divided by categories and the interest rates applied to them:

| <i>In RON thousand</i>                    | <b>BT Group</b>         |                         | <b>Issuer</b>           |                         |
|-------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                           | <b>31 December 2024</b> | <b>31 December 2023</b> | <b>31 December 2024</b> | <b>31 December 2023</b> |
| Loans from public administration          | 27,703                  | 33,048                  | -                       | -                       |
| Loans from commercial banks               | 686,506                 | 943,981                 | -                       | 376,530                 |
| <i>Romanian banks</i>                     | 686,506                 | 567,451                 | -                       | -                       |
| <i>Foreign banks</i>                      | -                       | 376,530                 | -                       | 376,530                 |
| Loans from development banks              | 939,485                 | 1,240,927               | 900,339                 | 1,200,214               |
| Repurchase agreements (repo transactions) | 201,226                 | 363,251                 | 162,529                 | 363,251                 |
| Other funds from financial institutions   | 144,069                 | 139,026                 | 2,531                   | 3,551                   |
| Issued bonds                              | 10,238,727              | 6,828,334               | 10,144,092              | 6,640,249               |
| <b>Total</b>                              | <b>12,237,716</b>       | <b>9,548,567</b>        | <b>11,209,491</b>       | <b>8,583,795</b>        |
|                                           | <b>30 June 2025</b>     | <b>30 June 2024</b>     | <b>30 June 2025</b>     | <b>30 June 2024</b>     |
| Loans from government entities            | 24,022                  | 41,546                  | -                       | -                       |
| Loans from commercial banks               | 533,237                 | 1,056,817               | -                       | 377,263                 |
| <i>Romanian banks</i>                     | 533,237                 | 679,554                 | -                       | -                       |
| <i>Foreign banks</i>                      | -                       | 377,263                 | -                       | 377,263                 |
| Loans from development banks              | 872,603                 | 1,151,937               | 844,153                 | 1,113,090               |

|                                           |                   |                   |                   |                  |
|-------------------------------------------|-------------------|-------------------|-------------------|------------------|
| Repurchase agreements (repo transactions) | 2,017,253         | 973,964           | 2,017,253         | 973,964          |
| Other funds from financial institutions   | 129,560           | 160,922           | 2,320             | 3,057            |
| Issued bonds                              | 10,459,379        | 6,747,391         | 10,363,162        | 6,559,382        |
| <b>Total</b>                              | <b>14,036,054</b> | <b>10,132,577</b> | <b>13,226,888</b> | <b>9,026,756</b> |

**Source:** Audited Financial Statements for 2023 and 2024 and Unaudited Reviewed Interim Financial Statements for the six month period on 30 June 2025 and 30 June 2024

| Currency | 31 December 2024 |               | 31 December 2023 |               |
|----------|------------------|---------------|------------------|---------------|
|          | Minimum          | Maximum       | Minimum          | Maximum       |
| EUR      | 0.15%            | 8.88%         | 0.15%            | 8.88%         |
| RON      | 4.60%            | Robor 3m+3.3% | 0.00%            | ROBOR 3m+3.3% |
| USD      | N/A              | N/A           | N/A              | N/A           |
| MDL      | 3.00%            | 6.37%         | 0.00%            | 7.46%         |
|          | 30 June 2025     |               | 30 June 2024     |               |
|          | Minimum          | Maximum       | Minimum          | Maximum       |
| EUR      | 0.00%            | 8.88%         | 0.15%            | 8.88%         |
| RON      | 0.00%            | 6.00%         | 5.10%            | Robor 3m+3.3% |
| USD      | N/A              | N/A           | N/A              | N/A           |
| MDL      | 1.60%            | 11.88%        | 3.00%            | 6.60%         |

**Source:** Audited Financial Statements for 2023 and 2024 and Unaudited Reviewed Interim Financial Statements for the six month period on 30 June 2025 and 30 June 2024

In addition, in 2022, the Issuer accessed a loan fully subscribed by IFC, the first ever blue financing loan in Central and Eastern Europe, granted with a view to support sustainable use of water in Romania, for a term of 7 years. As at 31 December 2024, the balance of the loan was RON 494 million, while at 30 June 2025 the loan balance was RON 504.74 million (with the increase in the balance due to the FX rate).

On 3 October 2022, Idea Bank S.A. contracted a loan with maturity in 2027. As at 31 December 2024, the balance of the loan components was RON 12.65 million (EIB) and RON 0.67 million (EIF), balance which was transferred to the Issuer before Idea Bank S.A. became SALT Bank As at 30 June 2025, the loan balance was RON 10.75 million (EIB) and RON and RON 0.57 million (EIF).

As part of its growth plan, the Issuer issued a series of senior non-preferred MREL eligible notes amounting to EUR 500 million in April 2023, under its EUR 1,000,000,000 medium term note programme (which concluded in August 2023). As a result of high interest from institutional investors in the notes, the Issuer issued further tranches of EUR 100 million and 190 million in June and August 2023, respectively.

The second EMTN Program, with a maximum aggregate principal amount outstanding of EUR 1.5 billion, was approved at the Extraordinary General Meeting of Shareholders of the Issuer on 29 September 2023. Under this Programme, the Issuer has issued two consecutive sustainable bonds in accordance with the Sustainable Finance Framework, which is a premiere in CEE:

- In 2023, the Issuer issued EUR 500 million of 5-year Senior Non-Preferred Notes, in sustainable format, with a coupon of 7.25 per cent. The notes have an ESG label, with a social component (60 per cent.) and a green component (40 per cent.), being the first of this kind for the Issuer;
- In 2024, the Issuer issued EUR 700 million of 6-year Senior Non-Preferred Notes, in sustainable format, with a social component (60 per cent.) and a green component (40 per cent.), with a coupon of 5.125 per cent.; and
- In 2025, the Issuer issued RON 1.5 billion of 7-year Senior Non-Preferred Notes, in sustainable format, with a coupon of 8.875 per cent. This was the largest bond issuance on the Bucharest Stock Exchange and was addressed both to local and international investors.

The Issuer continued to be present as a bond issuer on a regular basis starting with 2023, as part of its endeavours to ensure compliance with regulatory requirements and to enhance the bank's visibility and reputation in the financial markets.

As at 31 December 2024, the outstanding issued MREL bonds amounted to EUR 2,039 million equivalent of RON 10,144 million, contributing to an optimal level of MREL-eligible funding in line with European standards. As at 30 June 2025, the outstanding issued MREL bonds amounted to EUR 2,040, equivalent of RON 10,363 million. It should be noted that the settlement of the RON 1.5 billion bond issuance priced on 26 June 2025 was settled on 3 July 2025.

### ***Subordinated liabilities***

Subordinated debt includes subordinated loans from development banks and financial institutions, as well as non-convertible bonds.

As at 31 December 2024, the BT Group's subordinated loans contracted with development banks, international financial institutions and other international funds include the following:

- a loan contracted in 2024 in the amount of MDL 289 million, equivalent of RON 74.38 million, bearing an interest of Chibor6M+6.5, due in 7 years;
- a loan contracted in 2024 in the amount of MDL 192 million, equivalent of RON 49.45 million, bearing an interest of Chibor6M+6.25, due in 7 years;
- In 2023, the Issuer issued a package of Tier 2 subordinated notes totalling EUR 200 million, equivalent as at 31 December 2024 to RON 994.82 million, (as at 30 June 2025 to RON 1,016 million) bearing an interest of 6M EURIBOR+6.68 per cent. p.a. and due in 2033; EUR 100 million was subscribed by IFC and EUR 100 million was subscribed by the Asian Infrastructure Investment Bank; and
- In 2018, the Issuer issued non-convertible bonds amounting to EUR 285 million, equivalent as at 31 December 2024 to RON 1,417.62 million (as at 30 June 2025 to RON 1,447 million), bearing an interest of 6M EURIBOR+3.75 per cent. p.a. and due in 2028. The nominal value of each such bond is EUR 100,000.

| <i>In RON thousand</i>                                  | <b>BT Group</b>         |                         | <b>Issuer</b>           |                         |
|---------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                         | <b>31 December 2024</b> | <b>31 December 2023</b> | <b>31 December 2024</b> | <b>31 December 2023</b> |
| Loans from development banks and financial institutions | 122,959                 | 12,562                  | -                       | -                       |
| Non-convertible bonds                                   | 2,407,576               | 2,410,656               | 2,405,137               | 2,403,652               |

|                                                         |                     |                     |                     |                     |
|---------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total</b>                                            | <b>2,530,535</b>    | <b>2,423,218</b>    | <b>2,405,137</b>    | <b>2,403,652</b>    |
|                                                         | <b>30 June 2025</b> | <b>30 June 2024</b> | <b>30 June 2025</b> | <b>30 June 2024</b> |
| Loans from development banks and financial institutions | 123,038             | -                   | -                   | -                   |
| Non-convertible bonds                                   | 2,457,621           | 2,411,832           | 2,455,415           | 2,405,188           |
| <b>Total</b>                                            | <b>2,580,659</b>    | <b>2,411,832</b>    | <b>2,455,415</b>    | <b>2,405,188</b>    |

*Source: Audited Financial Statements for 2023 and 2024 and Unaudited Reviewed Interim Financial Statements for the six month period on 30 June 2025 and 30 June 2024*

## 9. Investments

### *Recent material investments*

In recent years, the Issuer's network had undergone significant changes due to digitalisation and global changes and trends in the banking industry. The last three years have highlighted the importance of digital platforms and remote access to financial products and services, contributing significantly to the growth in the number of customers using online and mobile banking platforms.

Beyond the benefits it brings to customers, such as real-time access to their account information, immediate payment and transfers, the digitalisation process also helps the streamlining of the Issuer's processes and continuous improvement of the services offered to its customers. In 2024, the total realised investment budget of the Issuer was RON 539 million (VAT included), 83.83 per cent. of the budgeted amount. The total investment budget for 2025 amounts to RON 843 million (VAT included).

(a) The main investment areas in the last years were new online solutions:

- In 2025, BT Pay became the exclusive digital banking platform for individual clients, merging services from BT24 and NeoBT and launching a redesigned web platform. The app introduced features like online issuance of supplementary and virtual cards, digital loan and overdraft requests, enhanced account management, and international expansion to Italy. Clients also benefited from improved transaction search, real-time notifications, and the ability to close certain accounts online.
- A standout innovation was the integration of investment and savings products directly into BT Pay. Users can now invest in BT Asset Management funds, set up recurring investments, and manage deposits and pension contributions—all within the app. These enhancements, along with user experience upgrades and expanded language support, reflect BT Pay's commitment to digital innovation and comprehensive financial services.
- One of the main focuses of the Issuer was BT GO, an ecosystem for entrepreneurs which brings together business management solution and the financial/ banking needs of a business. In 2025, BT Go introduced features such as online opening and closing of savings accounts, recurring payments for bills and subscriptions, instant euro payments and beneficiary verification for Italian legal entities, and fully online negotiated deposits. The app also enhanced integration with FGO for automated invoicing and payments, enabled multi-signature transactions, introduced user roles for better team collaboration, and added tools like a budget payments menu, customizable favourite accounts, CSV export, and availability in the Huawei Store—making business banking more efficient and user-friendly.

(b) Involvement in the community

- The BT Groups' community engagement strategy is based on six principles:
  - supporting the Romanian economy and entrepreneurs;

- supporting elite sport activity;
  - supporting the cultural & artistic environment;
  - supporting young talents and developing new ideas;
  - providing support and solidarity to disadvantaged communities; and
  - involvement in environmental and environmental protection projects.
- The main sectors for which support is granted by the BT Group are cultural, artistic, educational, science and research, humanitarian, philanthropic, sports, protection of human rights, medical and health, assistance and social services, environmental protection, social and community, representation of professional associations, as well as maintenance, restoration, conservation and enhancement of historical monuments.
  - During 2024, the Issuer invested RON 80 million in social projects, supporting 300 partner organizations and 315 community initiatives. An important channel was the BT Pay app, through which more than 10,000 donations were made, amounting to approximately RON 1 million directed to social causes. At the same time, the Issuer has innovated community support mechanisms, amplifying the impact of donations made on streaming platforms and other digital media. A landmark initiative was the campaign run together with "O Mână de Ajutor" Association and content creator Silviu Faiăr, which mobilized a total amount of more than EUR 204,000. Community contributions amounted to EUR 102,000, matched by the Issuer to extend the benefits of the project. The campaign exceeded its initial targets, providing direct support to over 8,000 people in 36 counties in Romania and Republic of Moldova.
  - In 2024 and 2025, the Issuer continued to invest in projects supporting the Romanian economy, entrepreneurs, professional sports, or the cultural and artistic environment. Financial education remained a priority through the FIT – Finance Made Simple program, which reached tens of thousands of children and young people across the country, both in schools and at major festivals. At the same time, reforestation efforts mobilized thousands of volunteers, and partnerships with initiatives like Via Transilvanica promoted sustainable tourism and the development of local communities. The Issuer continued collaborations with organizations such as Asociația Blondie, SOS Children's Villages, and Little People.

(c) Waste management:

The Issuer manages its internal waste through a structured approach that integrates environmental responsibility into daily operations, focusing on optimizing resource consumption, minimizing waste generation, maximizing recycling, and embedding ESG criteria into procurement and logistics. Regular training is provided to staff on environmental management, and internal policies are reviewed to ensure alignment with regulations and best practices. Externally, the Issuer identifies waste management as a significant environmental risk in the sectors it finances, such as agriculture, manufacturing, construction, and transportation. Waste management and circular economy considerations are incorporated into ESG assessments for corporate lending, with client risk ratings adjusted based on their practices and recommendations provided for improvement. This demonstrates the Issuer's commitment to resource efficiency and supporting the transition to a circular economy.

***Ongoing investments***

The process of accelerated digitalisation continued in 2024 and is envisaged to continue in the next years, with significant increases in the use of the remote banking solutions offered to customers.

In 2024, the number of digitally enabled unique customers increased to 4.4 million customers (compared to 3.7 million digitalised clients in 2023) and representing 96 per cent. of active customers.

Furthermore, the Issuer's card transactions number increased by 23 per cent. when compared to the previous year, phone payments increased by 36 per cent. as at 31 December 2024, compared to those

made last year and approximately 64 per cent. of the unique cards issued by the Issuer are enrolled in the payment applications made available by the Issuer (such as, BT Pay, Apple Pay, Google Pay etc.). The allocated budget in 2024 for digital initiatives and software improvements is in amount of approximately RON 489.80 million (VAT included).

As at 30 June 2025, the number of unique digitized customers reached 4.7 million. The Issuer reached over 5.2 million unique cards in BT Pay, Apple Pay, Google Pay, Fitbit Pay and Garmin Pay wallets, and the number of phone payments in the first half of 2025 increased by more than 30 per cent. compared to the same period of 2024, reaching 150 million. At the same time, money transfers from BT Pay are increasingly appreciated, their volume increased by 62 per cent. compared to those made in the first half of the previous year. As for the volume of non-card transactions made by individual customers through digital channels, they registered an increase of 15 per cent. compared to the same period last year.

For 2025, the Issuer's investment plan includes the continuous investment in IT and cards, its network of agencies and branches, security and other digital initiatives.

## **10. Loan portfolio**

### ***Quality of the loan portfolio***

The Issuer pursues a clear and comprehensive risk management policy in terms of loan granting, consistent with the applicable legal requirements and correlated with its general strategic objectives, such as: adequate and prudent management of risks, diversification of products, mitigation of the negative impact generated by the economic environment maximisation of long-term value generation and generating a positive impact on the economy and society.

Concentrations of credit risk that arise from financial instruments exist for groups of counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The major concentrations of credit risk arise by individual counterparty and by type of customer in relation to the BT Group's and the Issuer's loans and advances, loan commitments, finance lease and guarantees issued.

As at 31 December 2024, the Group's net credit portfolio (including leasing receivables) increased by 27.5 per cent. when compared to 31 December 2023.

At the Issuer's level, loans and advances to customers as presented in the financial statements as at 31 December 2024 amounted to RON 81.4 billion, up by 13.8 per cent. compared to the end of the previous year. As at 30 June 2025, loans and advances to customers as presented in the financial statements increased to RON 96.0 billion, representing a 17.9 per cent. increase compared to the level recorded at the end of the previous year and a 27.8 per cent. increase compared to the balance as at 30 June 2024 due to the merger with OTP Bank but also as a result of organic growth.

The Issuer, on a separate basis, has a balanced loan portfolio, with an NPL ratio based on EBA methodology on a slightly upward trend versus previous year. Non-performing loans based on EBA methodology represented 2.07 per cent. of the Issuer's total loan portfolio at 31 December 2024, increasing slightly compared to 31 December 2023 (where the NPL ratio based on EBA methodology was at 1.98 per cent.). As at 30 June 2025, the NPL ratio based on EBA methodology at the level of the Issuer was 2.65 per cent., while as at 30 September 2025, the NPL ratio based on EBA methodology at the level of the Issuer was 2.56 per cent.

The Stage 3 ratio (assets impaired at the reporting date) as at 31 December 2024 was 2.55 per cent., lower than that of 2.65 per cent. on 31 December 2023 on a separate basis (3.01 per cent. and 3.26 per cent. respectively on a consolidated basis). As at 30 June 2025, the Stage 3 ratio was 2.82 per cent. on a separate basis (level maintained as at 30 September 2025 as well) and 3.32 per cent. on a consolidated basis (decreased to 3.27 per cent. as at 30 September 2025).

### ***On-balance and Off-balance sheet exposures***

As at 31 December 2024, the total on-balance and irrevocable off-balance sheet exposure was RON 108,846,295 thousand, compared to RON 85,485,284 thousand as at 31 December 2023 for the BT Group

and RON 89,925,528 thousand as at 31 December 2024, compared to RON 79,930,464 thousand as at 31 December 2023 for the Issuer.

As at 30 June 2025, the total irrevocable on-balance and off-balance sheet exposure was RON 112,649,740 thousand (RON 88,618,791 thousand as at 30 June 2024) for the BT Group and RON 106,085,365 thousand (RON 83,230,448 thousand as at 30 June 2024) for the Issuer.

These amounts reflect the maximum accounting loss that would be recognised at the reporting date if the customers failed completely to perform their contractual obligations and if any collateral or security proved to be of no value.

The BT Group and the Issuer hold guarantees for loans and advances to customers in the form of pledge over cash deposits, mortgage over property, guarantees and other pledges over equipment and/or receivables. The estimates of fair value are based on the collateral value assessed at the date of lending, except when a loan is individually assessed subsequently. Collateral is generally not held over loans and advances to companies.

The BT Group and the Issuer use risk grades for loans both individually and collectively assessed. According to the BT Group's and the Issuer's policies, a loan can be assigned a corresponding risk grade based on a 6-level classification: very low risk, low risk, moderate risk, sensitive risk, high risk and the highest risk for non-performing loans (default). The classification of loans into groups is mainly based on the client scoring systems of the BT Group and the Issuer.

The table below presents the concentration by class of the on-balance sheet exposures related to the Issuer's and Group's loan and leasing portfolio as at 31 December 2024 and 31 December 2023:

|                                                                                                          | BT Group           |                   | Issuer            |                   |
|----------------------------------------------------------------------------------------------------------|--------------------|-------------------|-------------------|-------------------|
| <i>RON thousand</i>                                                                                      |                    |                   |                   |                   |
|                                                                                                          | 31 December 2024   | 31 December 2023  | 31 December 2024  | 31 December 2023  |
| Corporate and public institutions                                                                        | 39,410,671         | 31,891,165        | 40,584,047        | 35,424,045        |
| Small and medium enterprises                                                                             | 13,400,981         | 10,254,551        | 11,695,683        | 9,063,280         |
| Consumer loans and card loans granted to retail customers                                                | 16,522,596         | 13,392,845        | 14,520,308        | 12,674,358        |
| Mortgage loans                                                                                           | 24,083,037         | 19,053,458        | 19,303,938        | 18,701,951        |
| Loans and finance lease receivables granted by non-banking financial institutions                        | 8,472,986          | 5,765,371         | -                 | -                 |
| Other                                                                                                    | 85,559             | 63,142            | 78,423            | 57,578            |
| <b>Total loans and advances to customers and financial lease receivables before impairment allowance</b> | <b>101,975,830</b> | <b>80,420,532</b> | <b>86,182,399</b> | <b>75,921,212</b> |
| Allowances for impairment losses on loans and financial lease receivables                                | (5,605,968)        | (4,849,625)       | (4,792,410)       | (4,370,808)       |
| <b>Total loans and advances to customers and financial lease receivables net of impairment allowance</b> | <b>96,369,862</b>  | <b>75,570,907</b> | <b>81,389,989</b> | <b>71,550,404</b> |

*Source: Audited Financial Statements for 2023 and 2024*

The table below presents the concentration by class of the on-balance sheet exposures related to the Issuer's and Group's loan and leasing portfolio as at 30 June 2025 and 30 June 2024:

| <i>RON thousand</i>                                                                                      | BT Group           |                   | Issuer             |                   |
|----------------------------------------------------------------------------------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                                                                                          | 30 June 2025       | 30 June 2024      | 30 June 2025       | 30 June 2024      |
| Corporate and public institutions                                                                        | 41,136,779         | 31,409,991        | 46,813,663         | 36,017,978        |
| Small and medium enterprises                                                                             | 13,923,750         | 11,444,416        | 13,300,767         | 10,895,377        |
| Consumer loans and card loans granted to retail customers                                                | 17,734,035         | 14,274,103        | 16,937,526         | 13,628,332        |
| Mortgage loans                                                                                           | 25,225,278         | 19,446,392        | 24,589,909         | 19,012,198        |
| Loans and finance lease receivables granted by non-banking financial institutions                        | 8,923,912          | 7,118,424         | -                  | -                 |
| Other                                                                                                    | 102,421            | 73,792            | 95,690             | 66,507            |
| <b>Total loans and advances to customers and financial lease receivables before impairment allowance</b> | <b>107,046,175</b> | <b>83,767,298</b> | <b>101,737,555</b> | <b>79,620,392</b> |
| Allowances for impairment losses on loans and financial lease receivables                                | (6,307,778)        | (4,978,938)       | (5,755,750)        | (4,545,962)       |
| <b>Total loans and advances to customers and financial lease receivables net of impairment allowance</b> | <b>100,738,397</b> | <b>78,788,360</b> | <b>95,981,805</b>  | <b>75,074,430</b> |

*Source: Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2025 and ended on 30 June 2024*

The table below contains the on-balance and off-balance sheet exposures (loans and advances to customers and financial lease receivables), split by economic sector concentration for 31 December 2024 and 31 December 2023:

|                                        | BT Group         |                  | Issuer           |                  |
|----------------------------------------|------------------|------------------|------------------|------------------|
|                                        | 31 December 2024 | 31 December 2023 | 31 December 2024 | 31 December 2023 |
| Retail (Mortgage and Consumer & Cards) | 39.45%           | 40.30%           | 37.70%           | 39.33%           |
| Trading                                | 11.41%           | 11.43%           | 9.95%            | 10.34%           |
| Government institutions                | 9.41%            | 10.92%           | 11.24%           | 11.65%           |
| Production                             | 7.72%            | 7.68%            | 7.28%            | 7.22%            |

|                        |             |             |             |             |
|------------------------|-------------|-------------|-------------|-------------|
| Services               | 4.91%       | 4.83%       | 4.28%       | 4.19%       |
| Constructions          | 5.34%       | 4.71%       | 4.55%       | 4.03%       |
| Agriculture            | 4.57%       | 4.10%       | 4.02%       | 4.05%       |
| Transportation         | 3.79%       | 4.07%       | 2.87%       | 2.97%       |
| Real estate            | 4.65%       | 3.57%       | 3.68%       | 3.76%       |
| Energy industry        | 2.53%       | 3.06%       | 2.47%       | 3.19%       |
| Others                 | 2.09%       | 1.97%       | 1.77%       | 1.57%       |
| Self-employed          | 1.54%       | 1.48%       | 1.22%       | 1.12%       |
| Financial institutions | 1.70%       | 1.00%       | 8.18%       | 5.77%       |
| Telecommunications     | 0.53%       | 0.53%       | 0.54%       | 0.49%       |
| Mining industry        | 0.16%       | 0.13%       | 0.10%       | 0.10%       |
| Chemical industry      | 0.18%       | 0.19%       | 0.13%       | 0.18%       |
| Fishing                | 0.02%       | 0.03%       | 0.02%       | 0.04%       |
|                        | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |

**Source:** Audited Financial Statements for 2023 and 2024

In addition, the table below sets-out the gross loans and advances to customers before impairment allowance (excluding lease receivables) of BT Group with the risk distribution divided by portfolio per sectors as at 30 June 2025 and 31 December 2024:

| <i>In RON thousand</i>                         | <b>BT Group</b>     |                         | <b>Issuer</b>       |                         |
|------------------------------------------------|---------------------|-------------------------|---------------------|-------------------------|
|                                                | <b>30 June 2025</b> | <b>31 December 2024</b> | <b>30 June 2025</b> | <b>31 December 2024</b> |
| Retail                                         | 44,382,594          | 41,926,881              | 41,623,125          | 33,902,669              |
| Trading                                        | 9,678,756           | 9,671,511               | 8,644,806           | 7,921,676               |
| Manufacturing                                  | 7,244,111           | 6,907,277               | 6,858,878           | 5,895,487               |
| Agriculture and Forestry                       | 4,530,595           | 4,483,984               | 4,437,741           | 3,567,576               |
| Services                                       | 4,082,716           | 3,850,920               | 3,674,131           | 3,021,682               |
| Real Estate                                    | 5,157,748           | 4,599,634               | 5,164,406           | 3,268,275               |
| Constructions                                  | 3,258,865           | 3,072,761               | 3,142,422           | 2,652,422               |
| Transportation                                 | 3,258,236           | 3,298,744               | 2,947,295           | 2,736,393               |
| Self-employed                                  | 1,607,615           | 1,412,545               | 1,308,239           | 1,088,856               |
| Others                                         | 630,431             | 609,212                 | 591,969             | 567,174                 |
| Financial Institutions and Insurance Companies | 1,647,936           | 1,511,080               | 8,024,874           | 7,345,469               |
| Telecommunications                             | 325,963             | 197,802                 | 305,850             | 192,034                 |
| Energy Industry                                | 2,014,904           | 2,135,772               | 1,924,156           | 1,850,760               |

|                                                                              |                    |                   |                    |                   |
|------------------------------------------------------------------------------|--------------------|-------------------|--------------------|-------------------|
| Extractive Industry                                                          | 194,293            | 115,735           | 192,543            | 86,868            |
| Chemical Industry                                                            | 156,223            | 160,921           | 152,088            | 119,460           |
| Government Bodies                                                            | 10,676,219         | 10,221,339        | 10,670,571         | 10,107,807        |
| Health and social welfare services                                           | 2,001,645          | 1,812,776         | 1,971,199          | 1,771,846         |
| Education                                                                    | 118,371            | 109,437           | 84,356             | 70,862            |
| Fishing                                                                      | 20,463             | 16,932            | 18,906             | 15,083            |
| <b>Total loans and advances to customers before impairment allowance (*)</b> | <b>100,987,684</b> | <b>96,115,263</b> | <b>101,737,555</b> | <b>86,182,399</b> |
| Allowances for impairment losses on loans                                    | (6,058,619)        | (5,335,637)       | (5,755,750)        | (4,792,410)       |
| <b>Total loans and advances to customers, net of impairment allowance</b>    | <b>94,929,065</b>  | <b>90,779,626</b> | <b>95,981,805</b>  | <b>81,389,989</b> |

*Source: Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2025*

#### ***Loan collateral policy***

The BT Group and the Issuer hold collateral against loans and advances to customers in the form of mortgages over land and buildings, pledges on equipment and inventories, letter of guarantees, insurance policies and other guarantees. The estimates of fair value are based on the collateral value assessed on the loan granting date and periodically updated during the lifespan of the loan, at least annually, regardless of the collateral type.

The pledges presented below comprise pledges without dispossession and do not include guarantees related to the lease contracts granted by BT Leasing IFN S.A.

Property includes land, residential and commercial buildings, "Security interests in movable property" includes pledges on movable assets (cars, equipment, inventories etc.) and the category "Other collateral" includes collateral deposits and other guarantees received. An analysis of the collateral values split per types of loans and advances and lease receivables granted to customers is presented below:

|                                                                                                                     | <b>BT Group</b>         |                         | <b>Issuer</b>           |                         |
|---------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <i>In RON thousand</i>                                                                                              | <b>31 December 2024</b> | <b>31 December 2023</b> | <b>31 December 2024</b> | <b>31 December 2023</b> |
| <i>Collaterals related to loans and lease receivables with moderate, sensitive and high risk and impaired loans</i> |                         |                         |                         |                         |
| Property                                                                                                            | 12,144,138              | 10,310,465              | 11,323,343              | 10,203,057              |
| Security interests in movable property                                                                              | 1,400,430               | 1,356,309               | 1,219,880               | 967,550                 |
| Other collateral                                                                                                    | 2,692,158               | 2,426,735               | 2,449,193               | 2,364,575               |
| <b>Total</b>                                                                                                        | <b>16,236,726</b>       | <b>14,093,509</b>       | <b>14,992,416</b>       | <b>13,535,182</b>       |

*Collaterals related to loans and lease receivables with very low risk and low risk*

|                                           |                   |                   |                   |                   |
|-------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Property                                  | 63,910,623        | 51,456,544        | 55,295,604        | 50,758,471        |
| Security interests in<br>movable property | 3,428,608         | 3,578,133         | 3,130,370         | 2,633,557         |
| Other collateral                          | 6,908,286         | 6,789,005         | 5,769,602         | 6,368,216         |
|                                           | <b>74,247,517</b> | <b>61,823,682</b> | <b>64,195,576</b> | <b>59,760,244</b> |
| <b>Total</b>                              | <b>90,484,243</b> | <b>75,917,191</b> | <b>79,187,992</b> | <b>73,295,426</b> |

***Source:** Audited Financial Statements for 2023 and 2024*

The financial effect of the Issuer's and BT Group's collateral is presented separately highlighting the collateral values, as follows:

- (a) for those assets in which the collateral is equal to or higher than the book value of the asset ("over-collateralization of assets"); and
- (b) for those assets in which the collateral is lower than the book value of the asset ("under-collateralization of assets").

| BT Group 31 December 2024                                                                |                         |                        |                         |                        |                         |                        |                         |                        |
|------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|
| <i>In RON thousand</i>                                                                   | Exposures stage 1       |                        | Exposures stage 2       |                        | Exposures stage 3       |                        | POCI                    |                        |
|                                                                                          | Under-collateralization | Over-collateralization | Under-collateralization | Over-collateralization | Under-collateralization | Over-collateralization | Under-collateralization | Over-collateralization |
| <b>Corporate</b>                                                                         |                         |                        |                         |                        |                         |                        |                         |                        |
| - Gross exposure                                                                         | 25,586,340              | 8,581,813              | 2,957,408               | 1,429,564              | 391,749                 | 271,701                | 51,956                  | 140,140                |
| - Collateral                                                                             | 4,500,759               | 16,730,124             | 1,377,725               | 2,761,445              | 114,766                 | 556,253                | 30,820                  | 481,473                |
| <b>Small and medium enterprises</b>                                                      |                         |                        |                         |                        |                         |                        |                         |                        |
| - Gross exposure                                                                         | 7,080,394               | 3,143,039              | 1,778,470               | 597,626                | 583,997                 | 128,968                | 46,154                  | 42,333                 |
| - Collateral                                                                             | 2,676,405               | 6,302,322              | 783,093                 | 1,521,941              | 166,406                 | 330,465                | 21,824                  | 110,105                |
| <b>Consumer loans and card loans granted to retail customers</b>                         |                         |                        |                         |                        |                         |                        |                         |                        |
| - Gross exposure                                                                         | 11,432,221              | 1,416,230              | 2,264,817               | 392,269                | 749,663                 | 134,718                | 33,457                  | 99,221                 |
| - Collateral                                                                             | 117,983                 | 5,481,428              | 36,376                  | 1,238,300              | 44,200                  | 346,819                | 10,632                  | 238,019                |
| <b>Mortgage loans</b>                                                                    |                         |                        |                         |                        |                         |                        |                         |                        |
| - Gross exposure                                                                         | 3,381,107               | 17,672,467             | 108,649                 | 2,610,152              | 40,688                  | 149,060                | 39,986                  | 80,928                 |
| - Collateral                                                                             | 2,317,787               | 35,663,663             | 78,824                  | 5,278,635              | 24,546                  | 300,164                | 30,869                  | 136,381                |
| <b>Loans and finance lease receivables granted by non-banking financial institutions</b> |                         |                        |                         |                        |                         |                        |                         |                        |
| - Gross exposure                                                                         | 6,127,669               | 24,999                 | 1,561,282               | 38,440                 | 601,346                 | 2,506                  | 107,863                 | 8,881                  |
| - Collateral                                                                             | 412,242                 | 44,804                 | 104,843                 | 64,950                 | 24,127                  | 5,529                  | 3,303                   | 13,893                 |
| <b>Other</b>                                                                             |                         |                        |                         |                        |                         |                        |                         |                        |
| - Gross exposure                                                                         | 23                      | -                      | 65,385                  | -                      | 20,062                  | -                      | 89                      | -                      |
| - Collateral                                                                             | -                       | -                      | -                       | -                      | -                       | -                      | -                       | -                      |

**Source:** Audited Financial Statements for 2024

**Issuer 31 December 2024**

| <i>In RON thousand</i>                                           | <b>Exposures stage 1</b>       |                               | <b>Exposures stage 2</b>       |                               | <b>Exposures stage 3</b>       |                               | <b>POCI</b>                    |                               |
|------------------------------------------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
|                                                                  | <b>Under-collateralization</b> | <b>Over-collateralization</b> | <b>Under-collateralization</b> | <b>Over-collateralization</b> | <b>Under-collateralization</b> | <b>Over-collateralization</b> | <b>Under-collateralization</b> | <b>Over-collateralization</b> |
| <b>Corporate</b>                                                 |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                 | 28,459,446                     | 7,445,177                     | 2,674,544                      | 1,378,935                     | 307,087                        | 255,496                       | 2,147                          | 61,215                        |
| - Collateral                                                     | 3,071,492                      | 14,434,122                    | 1,260,775                      | 2,696,173                     | 97,952                         | 533,389                       | 85                             | 320,521                       |
| <b>Small and medium enterprises</b>                              |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                 | 5,924,770                      | 2,903,663                     | 1,658,140                      | 572,464                       | 502,496                        | 120,239                       | 1,270                          | 12,641                        |
| - Collateral                                                     | 2,311,180                      | 5,832,306                     | 739,819                        | 1,473,100                     | 138,365                        | 315,647                       | 251                            | 54,442                        |
| <b>Consumer loans and card loans granted to retail customers</b> |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                 | 9,878,391                      | 1,160,264                     | 2,212,406                      | 370,244                       | 701,445                        | 132,116                       | 9,323                          | 56,119                        |
| - Collateral                                                     | 27,133                         | 4,885,948                     | 28,771                         | 1,191,204                     | 42,133                         | 340,174                       | 4,614                          | 162,363                       |
| <b>Mortgage loans</b>                                            |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                 | 141,877                        | 16,363,403                    | 45,058                         | 2,567,275                     | 22,147                         | 136,414                       | 3,436                          | 24,328                        |
| - Collateral                                                     | 86,165                         | 33,547,230                    | 33,184                         | 5,209,466                     | 11,366                         | 280,351                       | 2,704                          | 55,567                        |
| <b>Other</b>                                                     |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                 | 23                             | -                             | 58,310                         | -                             | 20,004                         | -                             | 86                             | -                             |
| - Collateral                                                     | -                              | -                             | -                              | -                             | -                              | -                             | -                              | -                             |

**Source:** Audited Financial Statements for 2024

**BT Group 31 December 2023**

| <i>In RON thousand</i>                                                                   | <b>Exposures stage 1</b>       |                               | <b>Exposures stage 2</b>       |                               | <b>Exposures stage 3</b>       |                               | <b>POCI</b>                    |                               |
|------------------------------------------------------------------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
|                                                                                          | <b>Under-collateralization</b> | <b>Over-collateralization</b> | <b>Under-collateralization</b> | <b>Over-collateralization</b> | <b>Under-collateralization</b> | <b>Over-collateralization</b> | <b>Under-collateralization</b> | <b>Over-collateralization</b> |
| <b>Corporate</b>                                                                         |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                                         | 20,832,352                     | 6,382,402                     | 2,362,538                      | 1,601,041                     | 337,735                        | 291,392                       | 3,447                          | 80,258                        |
| - Collateral                                                                             | 3,941,546                      | 12,786,793                    | 974,101                        | 2,849,112                     | 97,063                         | 626,218                       | 424                            | 348,818                       |
| <b>Small and medium enterprises</b>                                                      |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                                         | 4,735,027                      | 2,612,868                     | 1,717,144                      | 647,864                       | 373,375                        | 147,264                       | 3,538                          | 17,471                        |
| - Collateral                                                                             | 2,025,266                      | 5,091,464                     | 796,380                        | 1,675,187                     | 115,372                        | 333,460                       | 1,935                          | 72,804                        |
| <b>Consumer loans and card loans granted to retail customers</b>                         |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                                         | 8,270,433                      | 1,392,001                     | 2,344,927                      | 417,436                       | 719,929                        | 170,292                       | 14,502                         | 63,325                        |
| - Collateral                                                                             | 46,091                         | 5,389,769                     | 47,100                         | 1,154,343                     | 51,001                         | 441,953                       | 6,582                          | 168,826                       |
| <b>Mortgage loans</b>                                                                    |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                                         | 359,920                        | 16,474,089                    | 75,095                         | 1,913,801                     | 35,700                         | 160,545                       | 7,213                          | 27,095                        |
| - Collateral                                                                             | 271,341                        | 31,898,453                    | 54,387                         | 3,712,987                     | 22,156                         | 333,946                       | 5,845                          | 58,760                        |
| <b>Loans and finance lease receivables granted by non-banking financial institutions</b> |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                                         | 4,653,369                      | 28,716                        | 663,788                        | 20,759                        | 366,935                        | 3,908                         | 27,896                         | -                             |
| - Collateral                                                                             | 323,402                        | 49,557                        | 41,811                         | 64,361                        | 17,365                         | 9,388                         | 299                            | 262                           |
| <b>Other</b>                                                                             |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                                         | 16                             | -                             | 45,451                         | 925                           | 16,674                         | -                             | 76                             | -                             |
| - Collateral                                                                             | -                              | -                             | 4,051                          | 7,212                         | -                              | -                             | -                              | -                             |

**Source:** Audited Financial Statements for 2023

**Issuer 31 December 2023**

|                                                                  | <b>Exposures stage 1</b>       |                               | <b>Exposures stage 2</b>       |                               | <b>Exposures stage 3</b>       |                               | <b>POCI</b>                    |                               |
|------------------------------------------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| <i>In RON thousand</i>                                           | <b>Under-collateralization</b> | <b>Over-collateralization</b> | <b>Under-collateralization</b> | <b>Over-collateralization</b> | <b>Under-collateralization</b> | <b>Over-collateralization</b> | <b>Under-collateralization</b> | <b>Over-collateralization</b> |
| <b>Corporate</b>                                                 |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                 | 24,468,963                     | 6,375,021                     | 2,311,217                      | 1,585,722                     | 316,754                        | 283,906                       | 3,446                          | 79,016                        |
| - Collateral                                                     | 3,843,351                      | 12,612,270                    | 949,103                        | 2,822,877                     | 92,558                         | 615,023                       | 424                            | 343,203                       |
| <b>Small and medium enterprises</b>                              |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                 | 4,337,458                      | 2,090,179                     | 1,674,958                      | 547,180                       | 321,117                        | 76,867                        | 1,470                          | 14,051                        |
| - Collateral                                                     | 1,823,010                      | 4,330,917                     | 773,915                        | 1,528,326                     | 73,755                         | 232,914                       | 545                            | 65,419                        |
| <b>Consumer loans and card loans granted to retail customers</b> |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                 | 7,666,069                      | 1,382,168                     | 2,325,810                      | 417,403                       | 636,922                        | 169,841                       | 12,873                         | 63,272                        |
| - Collateral                                                     | 44,429                         | 5,365,962                     | 47,100                         | 1,154,267                     | 50,905                         | 440,927                       | 6,581                          | 168,704                       |
| <b>Mortgage loans</b>                                            |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                 | 210,047                        | 16,288,292                    | 71,353                         | 1,911,240                     | 30,733                         | 155,977                       | 7,214                          | 27,095                        |
| - Collateral                                                     | 138,091                        | 31,602,217                    | 51,026                         | 3,708,873                     | 17,548                         | 326,581                       | 5,845                          | 58,760                        |
| <b>Other</b>                                                     |                                |                               |                                |                               |                                |                               |                                |                               |
| - Gross exposure                                                 | 17                             | -                             | 40,868                         | -                             | 16,617                         | -                             | 76                             | -                             |
| - Collateral                                                     | -                              | -                             | -                              | -                             | -                              | -                             | -                              | -                             |

**Source:** Audited Financial Statements for 2023

### ***Exposure to high-risk Eurozone countries***

The economy of Eurozone (the main economic partner of Romania) slightly grew in 2024, with year-on-year growth pace increasing from 0.4 per cent. in 2023 to 0.9 per cent. in 2024, according to Eurostat.

According to the provisional information from Eurostat, the Romanian economy grew by 0.8 per cent. year-on-year in 2024, decelerating from 2.4 per cent. in 2023. . This slowing-down, was determined by the demand-side factors: private consumption, tighter monetary policy, investment weakness and negative net exports along with supply-side constraints. Moreover, fiscal, and structural imbalances added more pressure together with political uncertainty and weak eurozone growth. In 2024, Poland's GDP rose by 2.9 per cent. year-on-year, while Czechia and Hungary posted more modest increases of 1.1 per cent. and 0.5 per cent., respectively<sup>54</sup>.

### ***Sustainable financing***

In 2024 the green loans granted by the Issuer to legal entities amounted to RON 1,787 million, a 60 per cent. growth compared to 2023. In 2024, main lending destinations benefitting the environment, using the CAFI (Climate Assessment for Financial Institutions) classification, included:

- (a) renewable energy – RON 1,050.3 million;
- (b) green buildings – RON 516.8 million;
- (c) special environmental financing: RON 182.0 million; and
- (d) other: RON 38.4 million.

Special environmental funding includes funding for equipment for the collection and recycling of waste, including waste from farms, the recovery of parts of waste and its revalorization, equipment such as batteries for energy storage or for stabilizing energy grids, equipment for collecting information on reducing carbon footprint.

The bank has set a target of RON 3.5 billion in green loans by the end of 2025 (green loan ratio – 5 per cent. of the value of the corporate portfolio). In view of the performance recorded during 2023 and 2024, totalling RON 2.8 billion (80 per cent. of the target), the target has been revised upwards to RON 5 billion for the period 2025-2027.

The green financing of companies is performed through a dedicated green credit IT application (CAFI), developed by IFC and implemented in the Issuer from 2020. Any new funding that has a potential positive impact on the environment is tested based on criteria set in line with best practice and designated as green funding if and only if it is satisfactorily proven, through related calculations, to generate a positive environmental impact.

At the same time, in 2024, the Issuer granted green mortgage loans worth RON 587 million, representing 13 per cent. of the total mortgage loans granted in 2024. The balance of green mortgages as at 31 December 2024 amounts to RON 2,265 million representing 12 per cent. of the total mortgage and real estate loans outstanding as at 31 December 2024. In 2024, approximately 1 in 9 originated mortgage real estate loans qualify as green mortgages.

In the first six months of 2025, the Issuer granted green mortgage loans worth RON 720 million, representing 21 per cent. of the total mortgage loans granted in 2025. The balance of green mortgages as at 30 June 2025 amounts to RON 2,730 million representing 11 per cent. of the total mortgage and real estate loans outstanding as at 30 June 2025.

### ***Impairment methodology***

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<sup>54</sup>Source [https://ec.europa.eu/eurostat/databrowser/view/tec00115/default/table?lang=en&category=t\\_na10.t\\_nama10.t\\_nama\\_10\\_ma](https://ec.europa.eu/eurostat/databrowser/view/tec00115/default/table?lang=en&category=t_na10.t_nama10.t_nama_10_ma)



Parameters used in the calculation of ECL are determined by considering the grouping of financial asset portfolios according to similar characteristics considered decisive in originating and monitoring credit risk, respectively the type of counterparty (debtor), products and currencies.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type:

- (a) for amortizing products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis; and
- (b) for revolving products and other commitments, for determining the exposure in default, the unused part is taken into account, being applied a credit conversion factor, estimated by the Issuer, based on its own historical analysis.

In determining whether a significant increase in credit risk occurred since initial recognition the BT Group considers reasonable and supportable information that is relevant and can be obtained without undue cost and effort. The assessment of the significant increase of the risk is made at individual level, analysing the criteria of each asset.

The BT Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

(a) Quantitative criteria:

The Issuer uses quantitative criteria as the primary indicator of significant increase in credit risk ("**SICR**") for all material portfolios. Quantitative SICR indicators include a comparison of the remaining lifetime PD at reporting data with the residual lifetime PD at the date of initial recognition. The Issuer established thresholds for significant increases in credit risk based on both a percentage (relative) and absolute change in PD compared to initial recognition. The degree of deterioration will depend on the level of the initial rating. In general, a significant increase in credit risk is considered to have occurred with a relative increase of more than 150 per cent. compared to the initial PD for companies and more than 100 per cent. for individuals. Regarding absolute threshold, this is set to more than 100bp for individuals and more than 200bp for companies. Qualitative criteria for retail portfolios (individuals):

- Significant increase in credit risk perceived by the risk analysis team for individually assessed exposures;
- It is classified as performing restructured;
- LTV analysis for secured retail loans (above a relative threshold combined with days past due indicator);
- Denominated in high-risk currency category;
- Loan products with higher associated risk;
- Facilities owned by customers with sensitive ratings;
- Change in rating grade; and
- The number of days past due recorded by the debtor.

(b) Qualitative criteria for company portfolios:

- Significant increase in credit risk perceived by the risk analysis team for individually assessed exposures (debtor level), concluded through including these in the Issuer's Watch List;
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates (rating deterioration);

- Actual or expected forbearance operation;
- Early signs of cash flow/liquidity problems such as delay in servicing of trade creditors/loans;
- The borrower is assigned to Remediation department;
- Facilities owned by customers with sensitive ratings; and
- The number of days past due recorded by the debtor.

#### (c) Backstop

This is applied, and the financial instrument considered to have experienced a significant increase in credit risk, if the borrower is more than 30 days past due on its contractual payments. Also, when the whole outstanding amount of the loan becomes overdue (its final maturity date is passed), then it will be classified in stage 2.

The high level of provisioning reflects the Issuer's preventive approach as well as the change in methodology in calculating provisions taking into account the recommendations of the NBR and EBA. This category mirrors also the increase in new loan production during the year.

The total balance of impairment allowances for loans of the Issuer was RON 4,792 million as at 31 December 2024 compared to RON 4,371 million as at 31 December 2023, increasing by 9.6 per cent. As at 30 June 2025, the total balance of impairment allowances of the Issuer was RON 5,756 million, compared to RON 4,546 million as at 30 June 2024.

The Stage 3 Coverage Ratio (by taking into account a ratio between the allowances for impairment losses on loans and financial lease receivables and the total loans and advances to customers and financial lease receivables before impairment allowance), on a consolidated basis, was set out as follows: 67.21 per cent. as at 30 September 2025, 66.29 per cent. as at 30 June 2025, 63.73 per cent. as at 31 December 2024, 65.22 per cent. as at 30 June 2024 and 63.80 per cent. as at 31 December 2023. The same indicator on a separate basis stood at 69.87 per cent. as at 30 September 2025, 69.65 per cent. as at 30 June 2025, 69.46 per cent. as at 31 December 2024, 68.63 per cent. as at 30 June 2024 and 67.52 per cent. as at 31 December 2023 .

The NPL ratio based on EBA methodology (separate basis) decreased to 2.56 per cent. as at 30 September 2025, after having increased to 2.65 per cent. as at 30 June 2025, from a level of 2.06 per cent. as at 31 December 2024 and 2.03 per cent. as at 31 December 2023.

## 11. Risk management

The BT Group's objective in terms of risk management is to integrate the assumed medium-risk appetite in the Issuer's decision-making process, by promoting a proper alignment between assumed risks, available capital and performance targets, while also considering the tolerance to financial and non-financial risks. In determining the risk appetite and tolerance, the BT Group takes into consideration all the material risks it is exposed to, given its specific activity and being mainly influenced by the credit risk.

The Issuer's risk management is performed at two levels: a strategic level represented by the Board of Directors and the Leaders' Committee and an operational level represented by the other committees. The Issuer's leaders, the executive managers and the risk management structures within the Issuer are responsible for the definition and/or monitoring of risk management policies in their field of expertise. The Board of Directors periodically reviews the activity of these committees.

The Board of Directors monitors the compliance with the BT Group's and the Issuer's risk policies and the adequacy of the general risk management framework in connection with the risks to which the BT Group and the Issuer are exposed to. The Risk Management Committee advises the Board of Directors regarding the risk appetite and the global strategy regarding the management of the current and future risks and assists the Board of Directors in overseeing the implementation of the strategy by the Leaders' Committee.

Risk management policies and systems are reviewed regularly (mainly annually) with the participation of the Leaders Committee and the responsible persons from different departments involved, in order to reflect the changes in market conditions, as well as in the products and services provided.

The crisis simulation process is an integral part of the risk management process. The Issuer reviews the crisis simulation programme regularly, at least semi-annually, and assesses its efficiency and adequacy to the defined purposes/objectives.

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

- (a) the existence of a solid culture in terms of risk management, both at the level of the BT Group's structures and at the level of its business lines;
- (b) protection of the financial stability: the Issuer controls the risk in order to limit the impact of potential adverse events on the capital and profitability;
- (c) limiting excessive risk taking;
- (d) ensuring a solid and sustainable capital and financing base;
- (e) independent perspective: the risk management function is structured 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 Issuer's control processes;
- (f) portfolio diversity in order to prevent dangerous concentration risks;
- (g) limiting the concentration and volatility of the income sources;
- (h) homogenous approach and global risk monitoring at BT Group level;
- (i) compliance with the norms and regulations imposed by the national and international authorities in the field;
- (j) the existence of business continuity plans for the banking activities;
- (k) issuance and periodic revision of the recovery plan at the level of the BT Group; and
- (l) no activities that would 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 within the BT Group's and the Issuer's activity. In this context, the Issuer's management:

- (a) continuously assesses the risks likely to affect the Issuer's business and goals and takes actions whenever any changes appear in its business conditions;
- (b) ensures the existence of an adequate activity management framework within the Issuer, considering both internal factors (the complexity of the organisational 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). The risk management framework includes internal regulations, limits and controls that ensure the identification, assessment, monitoring, mitigation and reporting of the risks pertaining to the Issuer's activity in general and where applicable, at the level of the business lines.
- (c) identifies the risks: the Issuer's exposure to business-related risks in its daily operations and transactions (including lending, dealing, and capital market operations) is identified and aggregated in the Issuer's risk management infrastructure.
- (d) evaluates/measures the risk: the Issuer performs an evaluation of identified risks by specific models and calculation methods: a system of ratios with related limits, a methodology for assessing the risk

events likely to generate losses, calculation of specific risk provisions for impaired assets, estimation of the future evolution of assets value, etc.

- (e) monitors and controls the risks: the policy and the procedures implemented for an effective risk management are meant to mitigate risks inherent to the business. The Issuer 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 the specific and performance of the operations.
- (f) reports the risk: for the specific risk categories, the Issuer has established transparent regular reporting mechanisms, so that the management body and all the relevant units are provided with precise, concise, comprehensible and significant reports in due time, and to be able to exchange relevant information on risk identification, quantification or assessment and monitoring.
- (g) computes and assesses the internal capital and the needs of internal capital: for the assessment of capital adequacy to risks, the Issuer identifies and evaluates all significant risks to which it is or might be exposed. The Issuer continuously calculates and assesses its internal capital and internal capital requirements to cover the Issuer's business needs and risks.

Management considers that the main risk categories to which the BT Group is exposed to are:

- (a) Credit risk
- (b) Liquidity and credit risk
- (c) Operational risk
- (d) Market risk
- (e) Interest rate risk related to activities outside the trading book
- (f) Reputational risk
- (g) The risk associated with excessive usage of leverage
- (h) Strategic risk
- (i) Systemic risk
- (j) Compliance risk

#### ***Credit Risk***

The management of credit risk is periodically updated and improved. It is designed to cover all credit exposures deriving from the banking business and includes the following basic components:

- risk assessment system for new credit products or significant changes in the existing products;
- lending methodology to ensure a healthy credit portfolio;
- integrated IT systems to manage the relationship with the clients and originate loans, both for loans granted to companies, and to individuals;
- individual counterparty rating system;
- risk assessment system for transactions;
- validation process of the models;
- active management of loan portfolio;

- concentration limits on client/group of clients/products/regional/sectorial/collateral suppliers/types of collateral;
- pricing methodology based on risks;
- methodology for identifying higher real or potential risk (early warning); systematic and consistent system to establish proper allowances for the loss in accordance with the applicable accounting regulations in the field of credit risk;
- proactive management of fraud risk;
- continuous improvement of the overdue collection process; and
- back-testing methodology for provisions allocated to the Issuer's loan portfolio regarding the adequacy of the default probability parameter, the non-repayment status and the provision level.

The management of credit risk consists mainly in:

- organizing an internal procedure system, capable to create the legal framework applied in the lending process, allowing the avoidance and minimisation of risks offset; development/improvement of credit risk management procedures (strategy, policies, norms related to credit risk management); permanent enhancement of approval /loan granting activities;
- the maintenance of an adequate process for credit management, control and monitoring; and
- the organisational structure of the Issuer, as there are departments and committees with responsibilities in credit risk supervision and management.

As part of its credit risk management, in December 2023 the Issuer entered into a non-STS synthetic securitisation transaction with the European Investment Fund ("EIF") and the European Investment Bank ("EIB"), effective from 31 March 2024. The synthetic securitisation transaction is structured on a portfolio of loans granted to legal entities, with the initial securitisation being for an amount of RON 2,027.5 million. In the context of the securitisation transaction, the Issuer retains at least 5 per cent. of the exposure of each loan included in the securitisation 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 per cent. from initial portfolio, is assumed by the Issuer.

As part of the arrangement, EIF, acting as guarantor, issued an irrevocable and unconditional financial guarantee in favour of the Issuer, guaranteeing the coverage of the loss related to each reference obligation, should such loss be allocated to the mezzanine and senior tranche, for an initial aggregate amount of RON 1,995.1 million (representing 98.4 per cent. of securitised portfolio, after exceeding the losses retained by the Issuer related to junior tranche and synthetic excess spread, which cumulatively represent 2.8 per cent. of the total volume of the initial portfolio).

The guarantee is set to expire on 31 December 2039. The EIF guarantee is counter-guaranteed by the EIB through a back-to-back hedging arrangement.

In order to fulfil its objective to support the real economy by transferring the benefits of more efficient use of the Issuer's capital to the end-customer, in the form of a lower cost of loan, the Issuer 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 financing projects aligned with climate action and environmental sustainability, thus supporting the transition to a low-carbon economy.

The below stated amounts represent the securitised portfolio as at 30 June 2025:

| <i>RON million</i> | <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<br/>synthetic<br/>securitization</b> |      |      |          |          | 2,016.53 |
|                                             | 2023 | 2039 | SME & CO | 2,027.5  | 15,425   |
| Senior<br>tranche                           |      |      |          | 1,670.67 | 1,661.47 |
| Mezzanine<br>tranche                        |      |      |          | 324.40   | 322.62   |
| Junior tranche                              |      |      |          | 32.44    | 32.44    |

*Source: Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2025*

**The credit risk appetite determined a priori for 2024 was "medium -low".**

### ***Liquidity Risk***

**The liquidity risk appetite in 2024 was set as "low"** due to the structural correlations of the Issuer's assets and liabilities, namely the mix of instruments designed for the use of temporary liquidity excess, but also due to the weight of stable resources raised from clients in total funds; the liquidity risk profile is determined in a conscious manner and in line with the international and domestic market conditions, but also by considering the Issuer's development under the current legal circumstances, with the purpose to achieve both prudential and profitability requirements. Liquidity management is centralised within the Issuer.

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

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

Efficient liquidity management is performed also intraday to ensure all the assumed settlements/payments by the Issuer, on own behalf or on the customers' behalf, in RON or FCY, over the account or cash, within the internal, legal and compulsory limits.

Moreover, the Issuer also applies a liquidity buffer to cover the additional liquidity needs that may occur on a short period of time under stress conditions.

During 2024, the Issuer recorded very good levels of liquidity indicators, thus demonstrating a strong position, registering a more comfortable liquidity level in a fragile overall economic context.

Furthermore, attention is given to:

- correlation of the growth rate of resources/loans;
- diversification of the range of instruments correlated with the institution's risk appetite;
- monitoring of liquidity coverage ratio (LCR); and
- adequate capital allocation.

### ***Operational Risk***

Operational risk represents the risk to incur losses from defective processes, errors generated by IT systems, inadequate employee activities and other external events.

To identify, evaluate, monitor and diminish the operational risk, the Issuer:

- permanently assesses the operational risk exposures, based on historical data;
- assesses the products, processes and systems to determine the associated risk levels and to implement the necessary measures to eliminate/diminish the risk or bring them to acceptable levels; and
- identifies, assesses, monitors and manages the risks associated with information technology (ICT), it has appropriate processes and controls in place to ensure that all risks are identified, analysed, 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.

In order to achieve the main objective of efficient operational risk management within the current banking activity, it is necessary to continuously monitor the controls implemented at different levels, to assess their efficiency and to implement adequate measures for the reduction of the impact of operational risk events.

The BT Group's strategy for decreasing the exposure to operational risk is based mainly on permanent compliance with the current legal framework and market conditions, personnel training, the efficiency of the internal control systems (organisation and implementation), continuous improvement of IT systems and consolidation of IT security systems of the Issuer, usage of alternative means to reduce the risks (signing of specific insurance policies, implementing measures to limit and reduce the effects of identified operational risk incidents via current activity standardisation, automatization of a large number of processes, continuously monitored; reducing the redundant data volume collected at the level of different entities of the Issuer; assessment of products, processes and systems in order to determine the significant ones in terms of inherent operational risk), capitalizing the recommendations and conclusions resulted as a consequence of performed controls by internal and external bodies in the operational risk field, update of continuity plans, as well as the evaluation and testing of the processes on a regular basis.

The operational risk assessment is closely related to the Issuer's overall risk management: its results are part of the operational risk monitoring and control process and is constantly compared with the risk profile defined in the risk management strategy.

**The operational risk appetite determined a priori for 2024 was "medium-low".**

#### ***Market Risk***

**The market risk profile adopted by the Issuer was "medium-low" in 2024** due to the structure and size of the trading portfolio, the prudential approach of all operations running such a risk and the numerous limits implemented and daily monitored within the Issuer's current business. In order to reduce market risk inherent for operations performance, the Issuer adopted a prudential approach to protect its profits from fluctuations in prices, interests and exchange rates on the market, which represent external and independent factors. The Issuer implements a series of principles in terms of quality, maturity, diversity and risk degree of the constitutive elements.

The Issuer performs a daily evaluation of all banking positions, marking to market its trading book, 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 in case of unstable market conditions.

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

#### ***Interest Rate and Price 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 analysed within the stress tests performed for the portfolio of securities held by the Issuer and the price risk

is analysed within the stress tests related to the share and fund unit portfolio held by the Issuer. No information on risk level is available at this moment.

#### ***Foreign Exchange Risk***

The Issuer applies a series of rules with regard to operations sensitive to exchange rate fluctuations, the realisation, registration and mark-to-market thereof, as well as the impact of exchange rates on the Issuer's assets, liabilities and balance sheet. No information on risk level is available at this moment.

#### ***Counterparty credit risk and settlement risk from exposures resulting from derivative financial instruments and from transactions with financial instruments.***

These risks represent a possible loss that could occur because of a wrong settlement of the treasury operations; the purpose of this risk management type is to adopt a prudent policy regarding the selection of counterparties, custodians, the management of counterparty operations and the maturities of the related operations. No information on risk level is available at this moment.

#### ***Interest Rate Risk Related to Activities Outside the Trading Book.***

**The interest rate risk profile in activities outside the Issuer's trading book was "medium-low" for 2024**, in 2024 the Issuer adopting a set of strict principles for the management and monitoring of such risk, including establishing a risk management process focused on keeping interest rates within prudential limits. The interest rate risk management aims to minimise the possible negative impact on net income, as well as to preserve the economic value of the equity under the conditions of adverse fluctuations of the interest rates.

The Issuer uses management tools such as GAP analysis, the economic value of assets, forecasts regarding the interest rate trends, the interest types and levels of the Issuer'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 in the interest rate gap management.

A detailed analysis of credit, liquidity and market and interest rate risk is available in the BT Group's consolidated financial statements. The BT Group fits within the assumed risk limits of the Issuer, promoting an adequate alignment for the assumed risks, available capital and performance targets, taking into consideration the tolerance to financial and non-financial risk.

#### ***Reputational Risk***

The reputation risk is the risk to incur losses or to fail in achieving estimated profits due to the lack of public confidence in the integrity of the BT Group. **The appetite to reputational risk for 2024 was established at "low"**, based on public and business partners' confidence maintenance and the economic-financial position of the Issuer. The management of the reputation risk is performed by way of: undertakings in order to attract the best partners, both clients and suppliers; recruitment and retention of best employees; minimizing litigations; strict regulations; prevention of crisis situations; and the consolidation of the Issuer's credibility and the shareholders' confidence; ongoing improvement of the relationship with shareholders; establishing a more favourable environment for investments and access to capital; continuous and open communication with stakeholders (shareholders, mass 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, inclusive of obligation arising from the financing received, assumed commitments, derivative instruments or repo transactions and exclusive of obligations that can only be executed during the liquidation of the institution, in relation to the own funds of the institution.

The Issuer 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 a priori risk appetite of the Issuer towards the leverage related

risk was set to "low" in 2024, determined through the utilisation of some quantitative methods for evaluation and mitigation.

The Issuer 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 Issuer, 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 unfavourable business decisions, improper implementation of decisions or the low adaptability to changes in the business environment. **The strategic risk appetite was set as "low" in 2024 based on the following aspects:** risk management practices are a part of the Issuer's strategic planning, the exposure to strategic risk reflects strategic goals that are not excessively "aggressive" and are compatible with the developed business strategies, the business initiatives are well designed and supported by communication channels, operating systems and adequate delivery networks.

In order to ensure effective 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 BT Group also performs analysis 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.

The Issuer'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 Issuer both against possible negative effects that the system may have on the institution, and vice versa. In this respect, the Issuer 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 stabilise the institution and restore its financial position as soon as possible, without adversely affecting the market.

At the same time, to protect itself from the system risk generated by the other market participants, the Issuer has established exposure limits towards its counterparties and constantly monitors the exposure towards them. No information on risk level is available at this moment.

### ***Compliance Risk***

The 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.

The main levers through which the BT Group ensures an efficient management of the compliance risks are the following:

- development and application of the compliance risk assessment methodologies through the use of risk indicators;
- monitoring the compliance and communicating results according to the Issuer's reporting lines;
- analysis of those situations with potential conflict of interest at the Issuer 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; and

- 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 the Issuer was set for 2025 as “medium”, in compliance with the Issuer’s internal compliance strategy.**

## 12. Capital requirements

The European Union’s legal framework for banks which applies to the Issuer and the BT Group is based on the Basel III guidelines. In this regard, the Issuer is required to satisfy first the applicable minimum capital requirements pursuant to the CRR ("**Pillar 1 Requirement**"). In addition to these minimum capital requirements, the Issuer must at all times meet the capital requirements that are imposed by the NBR following the supervisory review and evaluation process ("**Pillar 2 Requirement**" and together with Pillar 1 Requirement, the "**TSCR**").

Further, the Issuer must also satisfy at all times a combined buffer requirement, which consists of the sum of: (a) a capital conservation buffer, (b) a systemic risk buffer, and (c) an O-SII Buffer and d) an institution-specific countercyclical capital buffer, in each case, on a consolidated basis. The TSCR and the combined buffer requirement make up the Issuer’s OCR, which operates as its maximum distributable amount threshold.

As at 30 June 2025 and as at 30 September 2025, the OCR of the Issuer amounted to 17.86 per cent., consisting of:

- (a) 11.86 per cent. TSCR (comprising 8 per cent. Pillar 1 Requirement and 3.86 per cent. Pillar 2 Requirement); and
- (b) 6 per cent. combined buffer requirement.

As at 31 December 2024, the OCR of the Issuer amounted to 17.18 per cent., consisting of:

- (x) 11.68 per cent. TSCR (comprising 8 per cent. Pillar 1 Requirement and 3.68 per cent. Pillar 2 Requirement); and
- (y) 5.5 per cent. combined buffer requirement.

As at 31 December 2023 and 30 June 2024, the OCR of the Issuer amounted to 16.37 per cent., consisting of:

- (a) 10.87 per cent. TSCR (comprising 8 per cent. Pillar 1 Requirement and 2.87 per cent. Pillar 2 Requirement); and
- (b) 5.5 per cent. combined buffer requirement.

As at 30 June 2025, the BT Group and the Issuer complied with the regulations on capital adequacy, the level of the capital adequacy ratio exceeding the minimum mandatory requirements imposed by the law. The table below shows the main indicators monitored by the NBR through the prudential supervision system, deemed most significant for the Issuer’s evolution:

| Ratio                      | Required level | Issuer level 31 December 2021 | Issuer level 31 December 2022 | Issuer level 31 December 2023 | Issuer level 31 December 2024 | Issuer level 30 June 2025 | Issuer level 30 September 2025 |
|----------------------------|----------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------------|--------------------------------|
| CAR (with profit included) | >8%            | 24.48%                        | 21.61%                        | 21.97%                        | 23.69%                        | 21.85%                    | 20.28%                         |

The internal capital adequacy assessment process within the Issuer is part of the administration and management process of the credit institution, of its decision-making culture, which states that the management body ensures the proper identification, measurement, aggregation and monitoring of the

Issuer's risks, and provides for an adequate internal capital in line with the risk profile and the use and development of effective risk management systems.

The following computation methods are used by the Issuer and the BT Group:

- (a) *credit risk*: RWA (risk weighted assets) standardised approach;
- (b) *market risk*: capital requirements with respect to the foreign exchange risk and the trading portfolio are calculated based on the standardised approach; and
- (c) *operational risk*: capital requirements for the coverage of operational risk are calculated according to the basic indicator approach.

The BT Group manages its capital base in a flexible manner, by monitoring regulatory capital requirements according to the NBR and CRR, by anticipating the adequate adjustments required for the achievement of its objectives, as well as by optimizing the structure of assets and shareholders' equity.

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

Without prejudice to art. 383 para. (1) letter i) of the CRD IV Regulation, the Issuer holds and maintains at all times a sufficient amount of authorised share capital or of other Common Equity Tier 1 instruments, so that, in the event that NBR exercises the powers referred to in art. 383 para. (1) let. e) and f) in relation to the Issuer or any of its subsidiaries, the Issuer is not prevented from issuing sufficient new shares or other instruments of ownership to ensure that the conversion of liabilities into shares or other instruments of ownership could be carried out effectively.

According to the applicable legal requirements on regulatory capital, the BT Group's and the Issuer's own funds include:

- (a) **Tier I**, which includes subscribed and paid in capital, share premiums, eligible reserves, retained earnings and deductions laid down in the applicable legal provisions; and
- (b) **Tier II** own funds, which include subordinated loans and deductions laid down in the applicable legal provisions.

The level of own funds as at 30 June 2025, 30 June 2024, 31 December 2024 and 31 December 2023 are as follows:

| <i>In RON,<br/>thousand</i> | BT Group                |                         |                   |                   | Issuer                  |                         |                   |                   |
|-----------------------------|-------------------------|-------------------------|-------------------|-------------------|-------------------------|-------------------------|-------------------|-------------------|
|                             | 31<br>Decembe<br>r 2024 | 31<br>Decembe<br>r 2023 | 30 June<br>2025   | 30 June<br>2024   | 31<br>Decembe<br>r 2024 | 31<br>Decembe<br>r 2023 | 30 June<br>2025   | 30 June<br>2024   |
| Tier 1 own funds            | 16,707,830              | 12,692,053              | 17,467,521        | 15,362,583        | 14,413,233              | 11,363,215              | 15,944,395        | 14,098,634        |
| Tier 2 own funds            | 2,101,345               | 2,262,063               | 1,999,531         | 2,121,316         | 1,978,386               | 2,260,454               | 1,876,493         | 2,131,049         |
| <b>Total own funds</b>      | <b>18,809,175</b>       | <b>14,954,116</b>       | <b>19,467,052</b> | <b>17,483,899</b> | <b>16,391,619</b>       | <b>13,623,669</b>       | <b>17,820,889</b> | <b>16,219,522</b> |

**Source:** Audited Financial Statements for 2023 and 2024, Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2025

As at 30 June 2025, the Issuer met and exceeded its MREL requirements of 25.70 per cent. plus combined buffer requirements of 6 per cent. and its subordination requirements of 22.20 per cent., which came into effect on 1st of March 2025. As at 30 June 2025, the Issuer has an MREL capacity of 32.71 per cent. composed of subordinated debt and own funds.

The capital adequacy ratio ("CAR") is calculated as a ratio between own funds and total risk weighted assets:

|                                     | BT Group               |                        |                 |                 | Issuer                 |                        |                 |                 |
|-------------------------------------|------------------------|------------------------|-----------------|-----------------|------------------------|------------------------|-----------------|-----------------|
| In %                                | 31<br>December<br>2024 | 31<br>December<br>2023 | 30 June<br>2025 | 30 June<br>2024 | 31<br>December<br>2024 | 31<br>December<br>2023 | 30 June<br>2025 | 30 June<br>2024 |
| Common<br>Equity<br>Tier 1<br>ratio | 19.02                  | 18.29                  | 18.63           | 22.98           | 20.83                  | 18.32                  | 19.55           | 24.20           |
| Tier 1<br>ratio                     | 19.02                  | 18.29                  | 18.63           | 22.98           | 20.83                  | 18.32                  | 19.55           | 24.20           |
| Tier 2<br>ratio                     | 2.39                   | 3.26                   | 2.13            | 3.17            | 2.86                   | 3.65                   | 2.30            | 3.64            |
| CAR                                 | 21.41                  | 21.55                  | 20.77           | 26.15           | 23.69                  | 21.97                  | 21.85           | 27.84           |

**Source:** Audited Financial Statements for 2023, Unaudited Reviewed Interim Financial Statements for the six months period ended on 30 June 2025

Additional evidence of the solid capital levels of the Issuer and of BT Group is represented also by the level of annual payouts and dividends, as follows:

- (a) in 2023 (for the profit of 2022), BT Group has issued 91,000,000 free shares, with a nominal value of 10 RON/share, with the value of RON 910 million representing 41.8 per cent. of the Issuer's net profit (on a separate basis). The Issuer's remaining net profit has been transferred to reserve to sustain further growth plans in 2023 and beyond;
- (b) On 29 September 2023, the Ordinary General Shareholders Meeting of the Issuer approved a dividend distribution from the profit of 2022 as well as the reserves of the previous years as follows: RON 897,540,893 from the net profit reserves related to the year 2022 (41.2 per cent.), as well as RON 4,914,768.77 from the net profit reserves related to the previous years, totalling RON 902,455,661.77 in cash dividends. Pursuant to this decision, the total payout ratio of the Issuer's profit for 2022 increased to 83.2 per cent.; and
- (c) On 25 April 2024, the General Shareholders Meeting of the Issuer approved (i) a cash dividend distribution from the profit of 2023 in the amount of RON 1,000,000,000 from the net profit reserves for the year 2023 (the gross dividend/share was RON 1.2521000331); and (ii) the issuance of 118,221,613 free shares, with a nominal value of RON 10 each and a total nominal value of RON 1,182,216,130, from the net profit reserves for the year 2023. Pursuant to this decision, the total payout ratio of the Issuer's profit for 2023 was at 87.6 per cent.

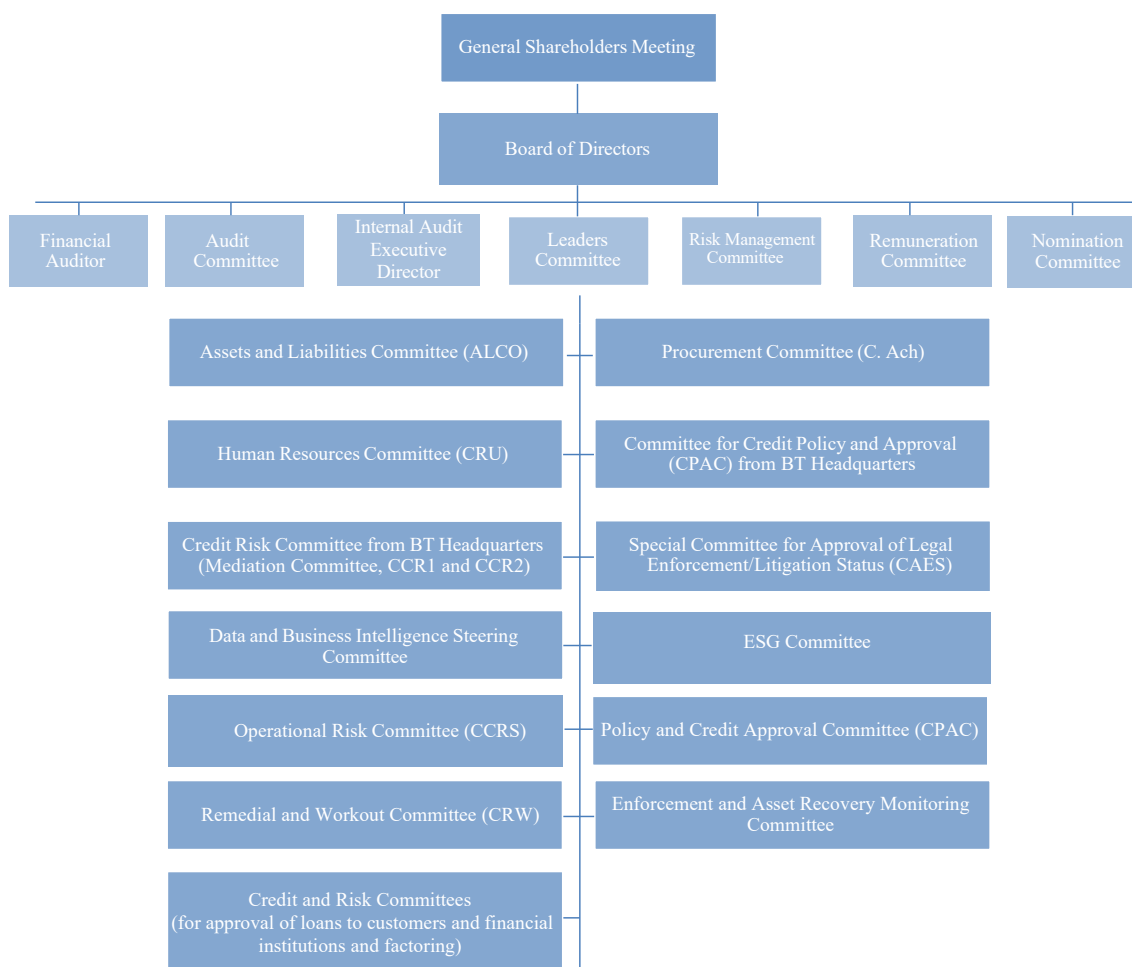
- (d) On 25 April 2025 the General Shareholders Meeting of the Issuer approved (i) a cash dividend distribution from the profit of 2024 in the amount of 1,589,254,950 (the gross dividend/share being RON 1.7333295709), reflecting a Dividend payout of 45.00 per cent; and (ii) the issuance of 173,442,379 new shares at a nominal value of RON 10/share and a total nominal value of RON 1,734,423,790, from the net profit reserves for the year 2024, reflecting a Free shares payout of 49.1 per cent. Pursuant to this decision, the total payout ratio of the Issuer's profit for 2024 was at 94.1 per cent.
- (e) On 28 October 2025 the General Shareholders Meeting of the Issuer approved a distribution of RON 0,6420341921 gross dividend per share, from the reserves related to other years, as follows: the amount of RON 283,308,894 from the net profit reserves related to the year 2015, the amount of RON 264,096,036 from the net profit reserves related to the year 2016, as well as the amount of RON 152,595,070 from the net profit reserves related to the year 2019, thus the total amount of RON 700,000,000 being granted as cash dividends.

### 13. Management

The Issuer's management is organised based on a one-tier system of corporate governance, through the Board of Directors which delegates the management of the Issuer to the Leaders' Committee, ensuring the executive management under the supervision of the Board of Directors.

The Issuer believes it is following the provisions of applicable mandatory regulations and the regulations of the Bucharest Stock Exchange. The general structure and operating conditions of the Issuer are contained in its Articles of Association, which are approved by the General Meeting of Shareholders.

The following diagram illustrates the main management structure of the Issuer.



**Board of Directors**

The management of the Issuer is entrusted by the General Meeting of Shareholders to a Board of Directors. The Board of Directors is vested with the guidance, coordination, supervision and control of the Issuer's management. Its main tasks include appointment of the executive management, monitoring of the achievement of the strategy and objectives adopted by the General Meeting of Shareholders, approval of draft budget and investment programmes to be presented to the General Meeting of Shareholders, approval and implementation of a strategic plan for at least two years (reviewed at least annually), supervision of the compliance risk management, assessment of capital adequacy towards risks, approval of various policies.

The business addresses for the members of the Board of Directors is at the Issuer's headquarters, located at 30 – 36 Calea Dorobantilor, Postal code 400117, Cluj-Napoca, Romania.

The Board of Directors consists of 7 non-executive directors elected by the General Meeting of Shareholders for mandates of 4 years. One of the members is appointed as chairman. Further to approval of by the General Meeting of Shareholders of the appointment of a director and before the actual start of his/her mandate, he/she must be approved by the NBR.

Members of the Board of Directors are not involved in the fulfillment of operational tasks within the Issuer – these being an exclusive attribute of the executive management, mainly the Leaders' Committee.

On 28 April 2022 the General Meeting of Shareholders appointed a new Board of Directors for a four year mandate, with the following composition: Horia Ciorcilă, Thomas Grasse, Ivo Gueorguiev, Vasile Puscaș, Mirela-Ileana Bordea, Florin Predescu-Vasvari and Lucyna Stanczak-Wuczynska.

The current members of the Board of Directors and their activities outside the BT Group are:

(a) Horia Ciorcilă - Chairman of the Board of Directors (Non-executive Member)

Horia Ciorcilă has been part of the Issuer's story since the bank's early stages, and at less than 30 years old, he was among the founders of the Issuer. Since 2002 he has been the Chairman of the Board. The businesses, projects and initiatives of which he is a part of, are related to the most diverse fields: financial-banking, telecommunications, medical, real estate, education, sports, hospitality and the food industry. In 2020, he was named one of the most admired businesspeople by the Romanian business community according to CEO Awards 2020 Gala, Business Magazine.

He graduated from the Cluj-Napoca Polytechnic Institute, Faculty of Computer Automation. In 2014 he contributed to the founding of the EMBA University of Hull, the first 100 per cent. British business school in Cluj-Napoca, a partnership between BT, University of Hull (UK), Babes-Bolyai University and Electrogrup (Romania).

Since 2013, Horia Ciorcilă has also been a member of the board of directors of Evergent Investments (former SIF Moldova), an alternative investment fund listed on the Bucharest Stock Exchange.

(b) Thomas Grasse – Vice-Chairman of the Board of Directors (Non-Executive Independent Member)

Thomas Grasse is the Deputy Chairman of the Board of Directors and chairs the Risk Management Committee. He is a graduate of the Bankakademie Frankfurt, Business School of Finance and Management and started his career in 1974 with Hypo-Bank, Mannheim (Germany). He has an experience of over 45 years in the financial sector.

In addition to being a director of the Issuer, he is the chairman of the board of directors of Victoriabank S.A. His current and past roles included the position of Deputy Chairman of the Board of Directors and has substantial experience in boards of systemically important financial institutions listed on Stock Exchanges both in and outside of the EU.

(c) Ivo Gueorguiev - Non-Executive Independent Member

Ivo Gueorguiev is a member of the Board of Directors of the Issuer and the Chairman of the Audit Committee. He has an experience of over 35 years in the financial sector. Mr. Gueorguiev is also the chairman of the board of directors of Salt Bank S.A. In addition to his positions within the

Group, Mr Gueorguiev is also a member of the board of directors of Paynetics (Bulgaria and United Kingdom), Phyre AD (Bulgaria) and Intera Financial Services ISC (Bulgaria).

He holds a master of Science in International Business from the University of National and World Economy in Sofia, Bulgaria.

(d) Vasile Puscas - Non-Executive Independent Member

Vasile Puscas is a member of the Issuer's Board of Directors and the Chairman of the Remuneration and Nomination Committee. Mr. Puscas is a Professor at Babes-Bolyai University in Cluj-Napoca, diplomat and consultant, and has over 40 years of activity in Romania, Italy and the United States.

He negotiated the re-granting of the Most Favoured Nation Clause to Romania (1993), which operationalised the Romanian-American Post-1989 Trade Agreement. He acted as Romania's Chief Negotiator with the European Union and played a key role in Romania's accession to the European Union.

He is a pioneer in the Romanian higher education system by establishing, in 1990, the courses of International Relations and European integration. He is the author and co-author of over 100 books and 250 articles.

He holds a Bachelor degree in History and Social Sciences and a PhD in history, both from the Babes-Bolyai University, Cluj-Napoca (Romania).

As at the date of this Prospectus, he is also a member of the Board of Directors of Teraplast S.A.

(e) Mirela Bordea - Non-Executive Independent Member

Mirela Bordea is a member of the Board of Directors of the Issuer. She has experience of over 44 years in the financial sector, having been employed or part of the management in other two banks on the Romanian market. Former positions held by Ms. Bordea include member of the board of directors in Romanian Banking Association, vice-president and member of the board of directors in Credit Europe Bank (Romania) (previously Finansbank), head of risk management and loan monitoring department and member of the credit and NPL committee in Banca de Credit Industrial si Comercial and director in the loans department in Banca de Credit Industrial si Comercial.

Ms. Bordea does not hold any other positions in other companies. She graduated from the Academy of Economic Studies, International Economic Relations.

(f) Florin Predescu Vasvari - Non-Executive Independent Member

Mr. Vasvari is a member of the Board of Directors of the Issuer. Prior to being appointed as member of the Board of Directors of the Issuer, Mr. Vasvari was director of finance at London Business School and at the moment continues to hold positions in various other organisations such as: professor of accounting and head of the department at Faculty of Accounting at London Business School, Academic Director, at London Business School, member of the board of directors and finance committee at London Business School, president of Alkeemia Spa, member of the board of directors in Sunwave Pharma, senior advisor and member of the risk committee at Blantyre Capital and member of the board of directors and member of investment committee at Morfosis Capital.

Mr. Vasvari holds a bachelor degree Faculty of Cybernetics Economics, Statistics and Computer Science, Academy of Economic Studies, Bucharest, Romania, a master in Economics from Department of Economics, University of Toronto, Canada and a PhD in Accounting, Rotman School of Management, University of Toronto, Canada.

(g) Lucyna Stanczak-Wuczynska - Non-Executive Independent Member

Ms. Stanczak-Wuczynska is a member of the Board of Directors of the Issuer. Ms. Stanczak-Wuczynska has a large experience in the management of companies on the financial market, with over 25 years of experience in the financial sector. Her experience include the positions of member

of the advisory board in Concordia 21 Private Equity Fund, member of the supervisory board in Alior Bank, Poland, observed of the supervisory board in Polkometel Ltd., member of the supervisory board, chairman and member of the investment committee of the Board Polish State Wealth Fund, member of the supervisory board and vice-chairman in Awbud Group, Poland and several management positions in EBRD. She graduated from Warsaw School of Economics, Poland with a master in Economics, Finance and Statistics, and also post-graduate studies in College Europe, Economics and Integration.

In addition to being a director of the Issuer, since 2015 and until 2022 she held the position of member of the supervisory board in Erste Bank Hungary and since 2021 she holds the position of chairman of the supervisory board and member of risk, audit and nomination/remuneration committees in BNP Paribas Bank Polska.

The main committees of the Board of Directors are set out below. The Board of Directors appoints their members (among the directors) and decides their powers and operational rules.

#### *Audit Committee*

The Audit Committee supervises the performance of external auditors, makes recommendations with regard to their appointment and remuneration and assesses the internal audit system developed by the head of the internal control. The committee has the right to make recommendations to the Board of Directors with regard to the efficiency of the internal audit department, as well as with regard to the remuneration of the head and staff of this department.

The members of the Audit Committee are:

- Ivo Gueorguiev, Chairman;
- Thomas Grasse; and
- Mirela Bordea.

#### *Remuneration Committee*

The Remuneration Committee issues competent and independent opinions on the remuneration policies and practices, on the remuneration of the personnel involved in risk management, capital adequacy and liquidity. The Remuneration Committee analyses and ensures that the general principles and policies for staff remuneration and benefits correspond to the business strategy, objectives, values and long-term interests of the Issuer.

The members of the Remuneration Committee are:

- Vasile Puscas, Chairman
- Horia Ciorcila, Member, and
- Ivo Gueorguiev, Member.

#### *Nomination Committee*

The Nomination Committee provides competent and independent opinions on the nomination and suitability analysis policies and practices in accordance with regulatory requirements. The Nomination Committee identifies and recommends for approval candidates to fill vacancies in the management body, assesses the balance of knowledge, skills, diversity and experience within the management body and prepares a description of roles and capabilities for appointment to a particular position and assesses the time expectations for this.

The members of the Nomination Committee are:

- Florin Predescu Vasvari, Chairman

- Horia Ciorcila, Member, and
- Ivo Gueorguiev, Member.

#### *Risk Management Committee*

The Risk Management Committee is in charge of the independent review, the assessment and recommendation of actions regarding the Issuer's risk strategy, profile, appetite and tolerance, the risk management system, the risk policies, as well as the capital adequacy in relation to the assumed risks. This committee monitors compliance with the NBR regulations and recommendations with regard to the risk management and compliance functions.

The members of the Risk Management Committee are:

- Thomas Grasse, Chairman;
- Ivo Gueorguiev, member;
- Lucyna Stanczak-Wuczynska; and
- Florin Predescu Vasvari, member.

#### *Leaders Committee*

The Board of Directors appoints up to 11 executive managers of the Issuer. Among them, the CEO and Deputy CEOs are the Issuer's leaders (*conducatori*) and members of the Leaders Committee.

The Board of Directors mandates the Issuer's leaders (as a rule, acting jointly) with the power to organise and manage the Issuer's business. Decisions within the Leaders Committee are made with unanimity. In the case of lack of consensus, the relevant matter is decided upon by the Board of Directors.

Among other activities, the Leaders' Committee analyses, endorses, approves or submits to the Board of Directors for approval internal regulations, cost monitoring reports, project of the budget of revenues and expenses, project of investment program, balance sheet, profit and loss statement and periodic reports on the Issuer's activity.

Further to approval of by the Board of Directors the appointment of a leader and before the actual start of his/her mandate, he/she must be approved by the NBR.

The leaders may further delegate part of their powers to the Executive Management Committee, comprising all the executive managers of the Issuer (up to 11). The CEO is the chairman of the Executive Management Committee. Decisions in this committee are taken with the majority of its members.

*The current members of the Leaders Committee and their activities outside the BT Group are:*

(a) Omer Tetik - Chief Executive Officer

Omer Tetik has been CEO of the Issuer since 2013. Under his coordination, the Issuer became the leader of the Romanian banking market and the largest bank in Southeast Europe (Please see "*Description of the Issuer*", Section 3 "*History*" for further information). In 2020, he was named Banker of the Year for the 25th Anniversary of the Financial Market and one of the most admired CEOs (Business Magazine).

Prior to becoming the CEO of the Issuer, Mr. Tetik was the president and vice-president of Credit Europe Bank (Romania), in relation to retail banking, marketing, sales, alternative sale channels, card operations, retail loans, business and data analyses. He also fulfilled the position of deputy vice-president and manager of Finansbank.

In addition to being the CEO of the Issuer, Mr. Tetik is also a member of the board of directors of Salt Bank since 2022 and BT Capital Partners since 2015.

(b) George Calinescu - Deputy CEO, Chief Financial Officer

George Calinescu has 25 years of experience in banking and audit. As a member of the Issuer's team, since 2013, he is part of one of the youngest executive management teams from the Romanian banking system. In addition to the bank's financial team, he coordinates the data and information management at the level of BT Financial Group. His management style is based on supporting the coordinated team to achieve excellence.

He is a fellow member of ACCA, one of the largest organisations of accounting experts worldwide. In 2019, he was named the best Chief Financial Officer in the relation with investors (BVB and ARIR Gala).

Prior to becoming the Deputy CEO and Chief Financial Officer of the Issuer, Mr. Calinescu has held several high-level positions within RBS Bank (Romania), such as member of the supervisory board and administrator. He also fulfilled the position of director of several companies in the financial field, such as Bancpost and ABN AMRO Bank (Romania).

In addition to being the Deputy CEO and Chief Financial Officer of the Issuer, Mr. Calinescu holds the position of director in Improvement Credit Collection S.R.L. (Romania), and Code Crafters by BT S.R.L. (Romania).

(c) Catalin Caragea - Deputy CEO, Chief Risk Officer

Catalin Caragea was appointed as Deputy CEO of the Issuer on 7 August 2024, upon the termination of the mandate as Deputy CEO of Mrs. Luminita - Delia Runcan, following the completion of the authorisation process from the supervisory authorities regarding the appointment of Mrs. Luminita - Delia Runcan as CEO of OTP Bank Romania SA.

Catalin Caragea has been part of the Issuer's team since February 2024. With extensive experience in treasury and risk management, he now coordinates eight of the most challenging areas of activity in the bank, such as: compliance, risk management, anti-fraud, operational risk management.

Prior to becoming the Deputy CEO and Chief Risk Officer of the Issuer, Mr. Caragea fulfilled several positions, including positions as Member of the board of directors at the level of other top banks in Romania and abroad, such as: Executive Director, Credit Risk Methods Department at Erste Group Bank AG, Austria (2020 - 2024), Deputy Executive Director, Credit Risk Methods Department at Erste Group Bank AG, Austria (2019 - 2020) and Head of Credit Portfolio Management at Raiffeisen Bank, Romania (2012 - 2013). Catalin Caragea is currently a member of the Board of Supervision at Inno Investments S.A.I. S.A.

(d) Leontin Toderici - Deputy CEO, Chief Operations Officer

Leontin Toderici coordinated projects of strategic importance for the Issuer, the first two being world premieres: replacing the bank's core banking with the Oracle Flexcube solution having as technical platform Exadata and Exalogic technology (2011) and launching the Western Union money transfer service through ATM (2010), respectively the integration of Bancpost, ERB Retail Services IFN and ERB Leasing IFN in the BT Financial Group (2018). With 25 years of experience in banking, since 2005 he coordinates the operations area of Banca Transilvania.

Prior to becoming the Deputy CEO and Chief Operations Officer of the Issuer, Mr. Toderici fulfilled several positions within the company, such as: system engineer, programming analyst, settlement department manager.

In addition to being the Deputy CEO and Chief Operations Officer of the Issuer, Mr. Toderici holds the position of vice president of the board of directors in Transfond (Romania) and the position of director in BT Capital Partners (Romania) and Code Crafters by BT S.R.L. (Romania).

(e) Tiberiu Moisă - Deputy CEO MidCorporate and SMEs

Tiberiu Moisă has contributed to the Issuer's business story for 18 years, entrusted with entrepreneurs – medium, small and large clients. Also, he has launched initiatives, thus being an essential part of them, which represent #morethanbanking, with high impact on different communities: BTMic, Transilvania Executive Education, BTClub or Clujul Are Suflet Foundation.

Prior to becoming the Deputy CEO and Deputy CEO MidCorporate and SMEs, Mr. Moisa worked for the National Bank of Greece, Romania as head of operations and for ABN AMRO Romania, as Branch Manager Targu-Mures. He also fulfilled several positions within the Issuer, such as corporate and SME clients manager and executive manager corporate and SME clients.

In addition to being the Deputy CEO and coordinating the MidCorporate and SMEs commercial activities of the Issuer, Mr. Moisa holds the position of president of the council board of Transilvania Executive Education Foundation. Mr. Moisa is also the Chairman of the Board of Directors of BT Microfinantare IFN S.A., Chairman of the Board of Director of BT Leasing Transilvania IFN S.A. and a member of the board of directors of Victoriabank.

(f) Oana Ilaş - Deputy CEO Retail Banking

Oana Ilaş is the newest and youngest member of the Leaders Committee, having started her mandate in October 2022. She coordinates the private banking and retail areas and the retail products development and management area, respectively: loans, cards, bancassurance, deposits, retail digital projects, retail data analytics, contact center & customer care, credit processing, as well as the BT branches from abroad.

Prior to becoming a Deputy CEO and member of the Leaders Committee, Ms Ilaş acted as Executive Director, Retail Products Development and Management, previously being the Coordinating Director of the same department. She has been working in the BT headquarters since 2004, when she made the move into cards and retail banking. Her career at BT started in 2002 as a Customer Advisor in the Cluj Branch.

In addition to being the Deputy CEO Retail Banking, Ms Ilaş is also a member of the board of directors of Biroul de Credit, the Chairwoman of Visa Romania, Member of the Board of Directors of BT Asset Management S.A.I. S.A and Member of the Board of Directors of BT Direct IFN S.A.

(g) Bogdan Pleşuvescu – Deputy CEO, Chief Legal Officer

Bogdan Pleşuvescu has over 20 years of experience in five banks from Romania and the Republic of Moldova. He is the newest member of BT's Leaders Committee, joining in March 2023.

He coordinates Banca Transilvania Financial Group's subsidiaries, as well as the activity of the legal, workout, insolvency, foreclosure, asset recovery and collection departments.

From 2018 to 2023 he was CEO of Victoriabank (Republic of Moldova), in which BT is a shareholder. During 2013 - 2018 he was also part of the BT team, acting as Executive Director Legal, Workout and Insolvency. He also worked for Credit Europe Bank Romania, ABN Amro/RBS Bank Romania and Finansbank, and started his career at the Authority for Managing State Assets.

He was President of the Romanian Association of Banks' Legal Commission until 2018, and is the founder of the Legal Advisors in the Financial and Banking System Association.

He graduated the A.I. Cuza Police Academy, Law Faculty, Bucharest. He specialised in International Law by attending post-graduate courses in International Law at the Faculty of Law, University of Bucharest.

In addition to being the Deputy CEO and Chief Legal Officer of the Issuer, Mr. Plesuvescu holds the position of chairman of the Board of BT Leasing MD S.R.L and chairman of the Board of Directors of Improvement Credit Collection.

(h) Andrzej Dominiak - Deputy CEO, Chief Technology Officer

Andrzej Dominiak was appointed as Deputy CEO and Chief Technology Officer in 2024, and he is part of the BT Group team since 2022, when he held the position of IT Executive Director, until his current position.

Prior to becoming the Deputy CEO and Chief Technology Officer, Mr. Dominiak occupied various positions within banks around Europe, such as Chief Information Officer for PrivatBank, Ukraine

(2021 - 2022), as Chief Innovation Officer for Alior Bank, Poland (2018 – 2021), Director, Technology Operations for Nordea Bank, The Netherlands (2017 – 2018).

In addition to being the Deputy CEO and Chief Technology Officer of the Issuer, Mr. Dominiak holds the position of member of the Board of Directors of Code Crafters by BT.

The key collective decision-making and advisory bodies of the Leaders Committee are set out below. The Leaders Committee appoints their members (among the executive managers) and decides their powers and operational rules.

#### *Assets and Liabilities Management Committee*

This Committee is appointed by the Leaders' Committee.

The Assets and Liabilities Management Committee receives informative materials and reports from the specialised departments of the Issuer, analyses them and takes decisions with respect to the management of the interest risk / FX risk / liquidity risk / price risk and the related activity segments, with the purpose to ensure an adequate management of the Issuer's assets and liabilities.

#### *Procurement Committee*

The main objective of the Procurement Committee is to decide the procurement policy of the Issuer and to approve all investments involving costs outside the contractual framework or exceeding the cost limits stipulated by contract according to the competence limits established through internal norms.

#### *Human Resources Committee*

The Human Resources Committee is established to develop and increase the efficiency of the decision making process in connection with the Issuer's employees.

#### *Committee for Credit Policy and Approval*

Its main objective is to establish the Issuer's credit policy and approve the credit facilities that exceed in terms of value or conditions the competences of other bodies or employees of the Issuer.

#### *Credit Risk Committees (Mediation Committee, CCR1 and CCR2)*

Their main objective is the analysis and approval of loans, respectively the restructuring of loans according to the competencies granted. The Committee for Credit Policy and Approval authorizes CCR1, CCR2 and Mediation Committee (CM) to approve loans (the competence is established by specific internal regulations).

#### *Committees Specific to the activity of the Credit Recovery Department and the Workout, Insolvency and Bankruptcy Department*

The main purpose of this committee is the analysis and decision-making regarding the implementation of the remediation/workout solutions proposed by the Credit Recovery Department (CRD) and the Workout, Insolvency and Bankruptcy Department (WIBD). The remedy solutions aim to address the situation of customers in difficulty, in order to maximise their ability to repay the relevant exposures, while the workout solutions aim to increase the recovery level of the bank's exposure.

#### *Committee for Monitoring Debt Enforcement and Realization of Assets*

The Committee for Monitoring Debt Enforcement and Realization of Assets is appointed by the Leaders' Committee, its main responsibility being to supervise the management of real-estate assets which are under enforcement or arise from the execution of collaterals backing the loans granted to retail or company clients.

#### *Special Committee for Approval of Legal Enforcement/Litigation Status*

The Special Committee for Approval of Legal Enforcement / Litigation Status has as main objective the analysis and decision-making on triggering enforcement procedures for customers proposed by debit collection officers within the Debt Collection Department.

#### *Financial Institutions Credit Committee*

The purpose of the committee is to supervise the activities involving the credit exposure of the Issuer in relation to other Romanian or foreign financial institutions. It approves all the derogations from the applicable internal rules and procedures regarding the cooperation between the Issuer and other financial institutions.

#### *Data Management Steering Committee*

The committee strengthens the bank's data strategy and reflects the management's commitment to monitoring and managing the implementation of programs, platforms, and data governance. The committee establishes, supports, and monitors the bank's data management capabilities and serves as the framework for escalating issues or reporting decisions with an impact on the bank's data strategy.

#### *Factoring Committee*

Its main objective is to analyze and approve factoring facilities, in both local currency and foreign currency, that fall under its competence, based on the information included in the credit memorandums/Risk Evaluation Forms, and in accordance with the granted competencies.

#### *Branch Credit and Risk Committee*

The main purpose of this committee is the analysis and approval of legal entity loans, the restructuring of legal entity loans according to the competencies granted, respectively, the management and monitoring of the individual loan portfolio.

#### *Operational Risk Committee*

The main purpose of this committee is assessing the operational risk resulting from the Issuer's activities, ensuring that each organisational structure implements specific operational risk control policies and procedures and takes remedial action whenever a high-risk level area is identified and then monitors their implementation. It ensures that the formalisation and complexity of operational risk and information technology risks are appropriate to the Issuer's risk profile and business strategy and examines future technology trends that may affect the Issuer's strategic plans, including monitoring emerging technologies and how to mitigate the risks in the field of IT security associated with them.

#### *ESG Committee*

The committee works towards establishing a solid framework that integrates ESG (Environmental, Social, Governance) factors in risk management, financing practices, and client engagement strategies. The main goal is to develop and oversee the implementation of the bank's sustainability strategy, ensuring proper integration of sustainability risks and opportunities into the business mode.

### **14. Conflicts of interest**

The Issuer is not aware of any actual or potential material conflicts of interest between the private interests or duties of the members of the Board of Directors, the Leaders Committee or the senior management of the Issuer and their duties to the Issuer.

Conflicts of interest and their management are regulated internally by the Issuer's Policy on Conflict of Interest Prevention and Management. The purpose of this policy is to establish, implement and maintain effective criteria to identify actual and potential conflicts of interest by identifying relationships, services, activities or transactions of the Issuer where conflicts of interest may arise, as well as the manner to manage such conflict of interest. All employees and members of management are required to comply with the provisions contained in this policy and to bring to the attention of the Compliance Department any situation that may represent a potential conflict of interest.

Some of the members of the management bodies of the Issuer have or may have, in the future, similar positions within the BT Group or other affiliated entities, situation which may give rise to potential conflicts of interest, to the extent the Issuer enters into business relations with the respective entities. To the extent such potential conflicts of interests may appear, the relevant persons will fully comply with the applicable legal provisions and internal regulations applicable, dealing with conflicts of interest.

## 15. Corporate governance of the BT Group

Corporate Governance plays an essential role in increasing the BT Group's performance. It provides strategic direction, ensures that goals are met, risks are properly managed and resources are responsibly employed. It is the foundation of Issuer's and the BT Group's business model: sustainable, with a positive impact.

The Issuer is committed to comply with the Code of Corporate Governance of the Bucharest Stock Exchange and to enforce the defined principles of such market. Both the previous form of the BVB's Corporate Governance Code and the updated form that came into force on 1 January 2025, can be consulted on the BVB's website<sup>55</sup>. The first year of reporting compliance with the new Code is 2026, for the 2025 financial year, and the Issuer is currently endeavouring to ensure that there will be no provisions of the Code for which the Issuer will not ensure compliance. As the parent company, the Issuer endeavours to implement the corporate governance of the BT Group members in compliance with EU and Romanian legislation, local secondary legislation and regulatory requirements to each respective BT Group member, while also considering internal rules and other applicable regulations.

The concepts governing the work within the group are: "client service", based on cross-selling products, flexibility to the Issuer customer requirements and the use of centralised IT systems and "client centricity", based on a unitary approach of common customers of the BT Group, from the business culture, risk, corporate governance and compliance perspective.

The Issuer, as parent company of the BT Group, aims to maximise the contribution of the subsidiaries to the Issuer's value and to use more efficiently the resources within the BT Group.

The BT Group's corporate governance is implemented:

- (a) in accordance with fundamental corporate and regulatory, where applicable, rules through various bodies of the BT Group members:
  - by voting at general meetings of the BT Group members;
  - by exercising supervision through the board of directors of the BT Group members;
  - with proposals for appointing the management of the BT Group members;
  - with proposals for appointing representatives of the Issuer's to the supervisory bodies of the BT Group members; and
  - through participation of the Issuer's representatives in various committees and commissions of the BT Group members.
- (b) through mechanisms that ensure an efficient business monitoring and continuous synergy among the BT Group members:
  - business integration: the Issuer aligns the objectives at group level, through cross sales (including defining specific group products) in order to offer to the clients of the BT Group an attractive offer of financial products and services, by offering, at group level, a variety of financial solutions (lending, financial leasing, microfinance, savings, trading, etc.);
  - consolidation of each entity from the BT Group business;
  - organizing the activities and the group's subsidiaries according to the clients' segmentation in order to address their needs and requirements effectively;

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<sup>55</sup> <https://bvb.ro/Regulations/LegalFramework/BvbRegulations>

- optimizing the financing structures between entities and aligning them with the group risk management policies;
- make the support functions more efficient, including by centralizing the functions at the group level, where feasible, and in compliance with the regulations in force for each subsidiary. The main support services refer to HR, IT, administrative services, internal audit, accounting and reporting and debt collection services and realisation of assets.
- prioritizing the projects within the BT Group according to the degree of need, strategic importance and efficient allocation of resources;
- aligning the subsidiaries with the BT Group's standards regarding the general business conditions, accounting policies, risk management policies and implementation of robust internal control, HR management and remuneration policies;
- cascading the principles of the smart operating model at the level of the subsidiaries; and
- identifying scalability opportunities with regard to the activity of the subsidiaries, as well the organisation, in line with the business model within the BT Group and the applicable regulations.

## **16. Independent Auditors**

Deloitte Audit S.R.L. ("**Deloitte**"), with headquarters at 84-98 and 100-102 Calea Grivitei, The Mark building, 9<sup>th</sup> floor, District 1, Bucharest, member of the Chamber of Financial Auditors of Romania, audited the Issuer's consolidated and separate financial statements as at and for the year ended 31 December 2023 and on 31 December 2024, incorporated by reference herein.

Deloitte was appointed as the financial auditor of the Issuer through the decisions of the Ordinary General Shareholders Meeting of the Issuer of 26 April 2023 and will audit the financial statements of the Issuer for the 2023-2027 financial exercises, in accordance with the International Financial Reporting Standards, as stated in the NBR order no. 27/2010.

## **17. Internal Audit**

The Internal Audit Department is the independent control body responsible for the Issuer's internal audit system on an ongoing basis.

The internal audit is an independent and objective activity that provides assurance to the Issuer on the degree of control over its operations, guides the Issuer to improve its operations, and contributes to adding value to such operations.

The Internal Audit Department ensures the objective examination of the BT Group's overall activities, for the purpose of an independent assessment of risk management, of the internal control system, of the management and execution processes, to assess whether the quality level of the internal control framework is both effective and efficient and to support the achievement of the BT Group's objectives. The Internal Audit Department also issues recommendations for the improvement of such activities.

Open channels of communication are in place at the level of the Issuer between Internal Audit Department's representatives, Audit Committee and the Board of Directors, ensuring the efficiency of the internal audit function. While the management is responsible for setting and reviewing an adequate and effective framework for internal control, including internal audit function, the Internal Audit Department directly reports its findings and proposals for significant improvement of internal controls to the management and the Audit Committee. The Audit Committee reports directly to the Board of Directors any information necessary for the exercise of its powers.

Duties regarding the internal audit function are noted among the main responsibilities of the Audit Committee, in particular as regards the examination of the internal audit operation, plans and activities, as well as the internal audit personnel and structure, together with the management and the internal audit manager.

To this end, the Audit Committee 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 Audit Committee has the right to make recommendations to the Board of Directors on the effectiveness of the Internal Audit Department's performance and on the remuneration of the head and staff of this department.

The Audit Committee examines the efficiency of the Issuer's internal controls, working together with the external and internal audit to closely monitor every identified deficiency and to control the remediation thereof.

### **Policy regarding diversity and equal chances**

This policy aims to promote diversity within the Issuer's management body (Board of Directors and Leaders' Committee). The Issuer recognizes and embraces the benefits of a diversified management body as a pathway to improve the quality of its performance. The Issuer's principles also apply to the entities within the Group. Since 2023, the Group is one of the signatories of the Charter of Diversity in Romania.

In order to achieve sustainable and balanced development, the Issuer considers the increased leadership diversity as an essential element in supporting the achievement of its strategic objectives.

#### Measurable objectives concerning the maintenance of the standards of diversity in the management body of the Issuer

The selection of candidates will be based on a range of diversity perspectives, including, but not limited to, gender, age, cultural and educational profile, ethnicity, professional experience, skills, knowledge and seniority. The final decision will be based on the merit and contribution that the selected candidates will bring to the governing body. The Remuneration and Nomination Committee uses several criteria in selecting candidates for the position of an administrator, director or manager, including background diversity.

During 2024, the number of women employees attending trainings for professional development was over 71 per cent. of the total number of employees. At the level of hiring/promotions that have been made at director level, approximately 32 per cent. of those appointed to these positions are women.

## **18. HR**

Human resources ("HR") drives improvements and innovative practices to enable the best possible employee engagement and strong business results. The Issuer believes that investment in employees is a key change enabler.

In 2024 the priorities of the HR Department of the Issuer continued to be: ensuring a constructive working climate, health, protection and safety of employees and their families, quality selection and recruitment, continuous professional and personal development of all colleagues, career planning for the network and some departments in the headquarters, development of management and leadership skills for all levels of coordination and leadership to grant support and sustain the work of colleagues under subordination. All this had a decisive impact on the bank's performance, on increasing the retention and commitment of employees to the bank.

As at 31 December 2024, the Issuer had 10,423 employees, out of whom 9,744 were active. 71 per cent. of them are women and 29 per cent. are men. The average age of the Issuer's employees is of 39 years. The staff turnover decreased slightly in the last year, namely 9.06 per cent. in 2024 compared to 9.9 per cent. in 2023 at BT Group level excluding the Moldovan subsidiaries.

As at 30 June 2025, the Issuer had 11,057 employees, out of whom 10,345 were active employees. As at 30 September 2025, the Issuer had 11,010 employees, including 10,289 active employees.

In the past few years, the Issuer and the BT Group have made substantial progress in improving the HR management function by implementing several programmes such as: health, protection and safety, personal development, performance evaluation, benefits, by improving the recruitment and remuneration policies.

*Organisational climate & culture BT Employee Experience Index*

Constantly concerned with building a constructive culture, where people cooperate and are preoccupied with achieving their goals and own professional development, as part of the internal BT Employee Experience Index, the BT team has, for the second year in a row, nominated colleagues who they consider to be role models of collegiality, collaboration and support. Also in this iteration, the departments/departments with which the employees interact most often in their daily work and whose speed of response and resolution of requests they particularly appreciate were assessed

The internal BT Employee Experience Index (BT EEI) has a bi-annual frequency and three main objectives:

- measuring the Net Promoter Employer Score (eNPS);
- measuring the quality of the interaction between managers and members of the teams they coordinate;
- the extent to which the Issuer's strategy is known by the entire team;
- collecting proposals / recommendations that can increase the employees' satisfaction level;
- measuring the quality of collaboration with other colleagues from other departments, based on frequent professional interactions; and
- evaluating the degree of collaboration with departments within the organization, depending on the interaction had during the year.

Based on the information collected after analysing the data, specific initiatives and actions for the employees were implemented. Over 8,052 suggestions were received, which were analyzed and supported the decisions to improve the organizational climate. The participation rate of the employees from the BT Group was 87 per cent. in the study carried out in July-August 2024.

#### *Personal development*

The Issuer continued to play a key role in the professional development of its employees. Record figures for participation in development programs were recorded in 2024: over 291,866 cumulative participations: classroom, webinars, e-Learning. Most trainings were about hard skills (96 per cent.), namely knowledge related to products and services, applications, workflows, as well as specific skills (financial analysis, project management, legal, IT, etc.).

In addition to the programs already implemented in the bank, regarding specific needs in the area of hard skills (products, services, lending products, methodologies / workflows, platforms and software applications, etc.), a series of programs have been developed that address the development needs in the soft skills area. In 2024, 851 employees of the Issuer benefited from the "*Learn from Home*" programme.

#### *Performance evaluation*

In 2024, the criteria for assessing individual contribution of each employee were updated. For this purpose, nine competencies were defined for each role in the organization and each employee has set together with the direct manager a minimum of 2 individual SMART objectives (specific, measurable, attainable, relevant and time-bound). Individual competences are grouped into 3 categories:

- 3 CORE competencies - are those competencies common to all Issuer's employees;
- 3 competencies common to each job 'family' - those competencies common to a group of Issuer's employees (members of the same department/division)
- 3 job-specific competences - those competences needed by each employee to be able to perform their specific duties.

The employee performance review process continued to be improved and updated to support the Bank's culture of sustainable performance orientation and high ethical standards. The objective was to build a more agile and valuable performance management process for colleagues. To this end, new functionalities have been developed in the existing specific platform.

## *Benefits*

One of the points of focus of the Issuer is to build mechanisms to motivate employees, to create a place where people should have the opportunity to learn, grow and thus capitalise the team spirit.

The following programmes continued in 2024:

- (a) **Saves Lives Screening Programme**, developed and run with our healthcare partner Regina Maria Network, is a programme to prevent the most common types of cancer. The Issuer is the only company in Romania that carries out such a programme available to all its employees, and all investigations are carried out free of charge. In 2024, more than 2,241 screenings were performed.
- (b) **Voluntary health insurance for the Issuer's employees** who opted for this benefit has been extended and the additional option of second medical opinion as well as post-hospitalisation convalescence from accident or illness was added. Additional packages have been added that can be purchased at a preferential price of Telemedicine and Top Up Protect (which includes the settlement of expenses for 10 serious diseases), both for employees and for the family.

A dedicated page has been created on the internal communication platform (BTHub) for the Issuer's employees - wellbeing - where all the materials addressed to colleagues have been posted, grouped on three main dimensions: physical health / financial health / mental health. Therapy and psychological support services for problems related to anxiety, stress, etc. were also added as benefits for the Issuer's employees.

## *Recruitment*

Bringing new people to the Issuer's team is a priority for the HR agenda. In 2024 several projects with an impact in the area of recruitment / retention / engagement continued, including:

- (a) The BT career plan - developed to ensure predictability and transparency of the promotion and career development opportunities at the level of the Issuer. This programme is active in the Issuer's network and in the relevant Directorates at Head Office, with around 800 employees benefiting from it in 2024.
- (b) BT Internship
  - in 2024 the Issuer implemented 3 practice projects funded by the European Social Fund:
    - two internship projects for students: "Good experiences keep us together" and "From the bench to the Bank - the first steps towards discovering your career". In both projects, 800 students from business and technical faculties from all over the country will be practicing on the Issuer's premises for 2 years.
    - An internship project for students: "Internship and training for valuable professionals", where, in a partnership with the "Costin Kiritescu" Economic College in Bucharest, 268 students will intern at the Issuer for a period of 3 years.
    - FutureUP: a programme organized in collaboration with the Babeş-Bolyai University and the UBB Students' Organization from Cluj-Napoca, through which 5 technical students, out of 30 who applied for the program, joined BT teams, being employees of the bank.
  - Programs for students: Engineering Summer University, in collaboration with the Technical University of Cluj-Napoca, which was attended by over 100 students interested in technical programs and projects; Junior Summer University in collaboration with Babes-Bolyai University, which was attended by over 100 students interested in the financial-banking field and in collaboration with the County School 72 Inspectorate, which was attended by over 120 students interested in economic development;
  - BT Bridge: we bring together new employees from Head Office with colleagues from the network to learn from them about BT customers, how to serve them, products, challenges, etc. and collect ideas for improvement;

- BT Primul Pass: internship programme organized for the operations team of the Cluj Branch and the assigned agencies.
- Internship in the technical area: 10 participants from a single traineeship in the Application Administration area, of which 4 stayed within BT.

In 2024, other internship programmes were carried out within the Issuer's departments. About 80 students practiced in the Issuer's agencies in Cluj-Napoca and 66 students practiced in the operations team of the agencies in Bucharest. A significant number of them became Issuer's employees after their internship.

- (c) A Different Kind of School in BT - in 2024 we partnered with 7 schools in Cluj-Napoca. During the A Different Week, we invited an external trainer who organized workshops, by age groups, with topics in the area of financial analysis. 140 students participated, from preparatory classes up to the 8th grade.

#### *Remuneration policy*

The Remuneration Policy of the Issuer was approved by the general meeting of shareholders. The Issuer ensures a fair and competitive remuneration, strictly respecting the skills and performance, with two properly balanced components: a fixed component and a variable component.

#### *Employees' health, protection and safety*

The projects in the Health & Wellbeing area implemented in the BT Group continued in 2023 as well. The aim of these projects is to prevent health problems at all relevant levels: social, emotional, professional, financial and family.

In 2024, already known projects were continued and new ones were implemented:

- The Screening Saves Lives Programme, developed and run with our partner: Regina Maria Clinics Network, is a programme to prevent the most common types of cancer. All investigations in the programme are carried out free of charge.
- The voluntary health insurance for BT employees who opted for this benefit was extended and the additional option of second medical opinion as well as posthospitalization convalescence from accident or illness was added. Additional packages have been added that can be purchased at a preferential price of Telemedicine and Top Up Protect (which includes the settlement of expenses for 10 serious diseases), both for employees and for the family.
- The refund of the annual anti-influenza vaccination campaign and additional benefits in the co-payment system: complex imaging investigations (MRI and CT) and kinetic and physiotherapy medical services, within the Kinetic medical clinics.
- Campaign for the early detection of precancerous lesions and colorectal cancer, a programme carried out in Bucharest, together with the Coalition of Organizations of Patients with Chronic Diseases in Romania (COPAC) and the Dr. Carol Davila Central Military Emergency University Hospital, through the ROCCAS II Bucharest – Ilfov program.
- Information and awareness campaign regarding the importance of donating blood by organizing voluntary actions, together with the Blood Transfusion Center in Arad and Cluj-Napoca. There was one blood donation campaign where 136 employees from Cluj-Napoca and Arad donated blood.
- Medical Advisor visits at the bank headquarters.
- #SafePeopleofBT was a project that was born in the pandemic and has since been developed through podcasts on various health-related topics, relevant for employees.
- Workshops for parents and children: in partnership with an external trainer specialized in parenting, workshops were organized for employees who are parents on various topics of interest to them: Getting children settled at school, Building healthy family relationships, Managing stress in the

family. At the same time, for employees' children, aged 10-15, we organized workshops on topics such as: Trusting myself, What I do on the internet - online safety, Body science, Public speaking.

- (i) Schedule for parents returning from maternity leave: This program supports the gradual integration of the employee after an absence of approximately 2 years. Parents have a flexible schedule during the first month after returning to the office. Based on the positive feedback received after the launch of this program, this gradual accommodation approach was maintained when mothers returned to work.

## **19. Information technology**

The BT Group's and the Issuer's information and communication technology ("ICT") infrastructure is built with the aim to respond to and support their vision of providing to both customers and employees a positive interaction experience (with their systems and products), anytime and anywhere.

The current competition between the fintech companies creates customised and attractive interaction experience, which allows an easy access to new technologies. At the same time, regulators, by constantly issuing new requirements, are putting additional pressure on banks to adopt and implement innovative technologies that enable process and flow automations.

The ICT division within the BT Group and the Issuer offers technological excellence services in line with the Issuer's mission and objectives, through the following actions:

- (a) providing smart solutions for the customer needs through an interactive delivery approach for an easy digital banking experience of the "All Screens" type and in the "24/7" system;
- (b) the use of stable and safe technological platforms;
- (c) agile mode of working; and
- (d) relying on human resources and internal capabilities, ongoing development, combined with cooperation and partnerships with external providers.

Following this approach, the ICT division is responsible for implementing the strategy consisting of the following pillars:

- (a) an omnichannel customer experience, integrated on all devices;
- (b) the self-service component on mobile platforms;
- (c) digitalisation of the E2E service, automation and robotisation of the internal interactions or interactions with customers, for an intuitive use and without using paper;
- (d) refreshing the IT systems infrastructure for a smooth and short integration, providing safe and resilient products and services to customers;
- (e) exploring Private Cloud / Hybrid capabilities to ensure fast scalability;
- (f) aligning and adjusting the ICT governance, based on internationally recognised practices;
- (g) the involvement of the Process, Project Management, Architecture and Operational Security teams as activators for approving the idea, managing the necessary changes and approving the delivery method;
- (h) run & change bank-based security approach through the security-by-design and the privacy-by-design concepts;
- (i) increased agility in providing solutions to improve the interaction experience in accessing BT's products and services;
- (j) adequate management of the ICT resources: people, skills and abilities;

- (k) growth, training and continuing to attract talented staff with key technology skills; and
- (l) partnership with the technology providers to increase the delivery capacity of the ICT team.

The projects in the digital area, with an impact on most company and retail business lines, are evaluated by the Compliance Department from the compliance risk and KYC / AML / CFT risk perspectives, aiming to comply with the provisions of the regulatory framework on customer knowledge, money laundering prevention and terrorist financing, by formulating risk opinions from an early stage and subsequently by drawing up specific sheets for evaluating the banking products and thus allocating a degree of compliance risk.

These risk assessment criteria are set out in specific internal regulations. Risk assessment involves identifying areas where risk management efforts need to be focused in the KYC, combating money laundering or terrorist financing context and the compliance risk.

In case of identifying some risk factors within the performed assessments, the Compliance Department will propose the monitoring / mitigation measures. If the risk factors cannot be mitigated by the identified measures, the opinion of the Compliance Department shall be to not approve the launch of the product / service resulting from the projects carried out.

In the existing primary architecture, the service-oriented architecture (SOA) principles of stratification and decoupling have been implemented. Most of the applications integrated with the CORE systems are based on open standards (SOAP / REST web services / XML web services). Customer, product, and account data is stored in the Flexcube central banking system and is accessed primarily through web services and APIs. There are peer-to-peer integrations and Internet Banking / Mobile Banking systems to ensure their performance requirements. To support the future development of modular solutions, omnichannel and Cloud Ready, the Issuer must continue to invest in appropriate orchestration and modularisation layers.

## **20. Compliance**

The compliance function, an integral part of the BT Group's control functions, provides its management bodies with consultancy on the implementation of the legal and regulatory framework and on the standards that the BT Group must fulfil, to ensure that the possible impact of any legal and regulatory changes on the BT Group's activities is assessed on an ongoing basis.

The Issuer's Compliance Department ("**Compliance Department**") has an important role in the implementation of the Issuer's compliance and integrity programme. It assists and advises its management bodies in the implementation of various compliance policies existing at the level of the BT Group and has additional responsibilities in accordance with the BT Group's rules of organisation and organisation.

The BT Group's main pillars of business compliance, ethics and responsibility are:

- (a) Anti-corruption policy;
- (b) Compliance with competition law;
- (c) Compliance with legislative regulations;
- (d) Conflicts of interest and reporting mechanisms;
- (e) Involvement in political activities and causes;
- (f) Information security and personal data protection;
- (g) Human rights; and
- (h) Assessing and managing climate change risks and opportunities.

### ***Anti-corruption policy***

BT Group's members of management as well as employees, have access to and are informed of the group's policies in the anti-corruption area. In addition, when the regulatory framework in this area is updated, the

persons concerned are informed and provided with the relevant rules. To this end, various online and on-site trainings on anti-corruption policies and procedures take place every year.

As at 30 June 2025, at the level of the BT Group there were no confirmed incidents of corruption involving employees and leading to their dismissal or disciplinary action, there were no confirmed incidents of corruption leading to the termination or suspension of collaboration with business partners and there were no legal actions against any BT Group companies or their employee's alleging corruption.

The BT Group's anti-corruption policies and procedures are not communicated to business partners, but the position on corruption is communicated to business partners through an anti-corruption clause in the contractual agreements. In addition, when contracts are concluded/amended, the Issuer ensures controls to monitor their compliance with standards and legislation in this area.

#### ***Compliance with competition law***

Compliance with competition rules is a priority throughout the BT Group's activity, necessary for maintaining a healthy competitive environment to the benefit of consumers' interests and for preventing and sanctioning behaviours that hinder, restrict or distort competition.

The policy regarding compliance with competition rules follows the fundamental values of the BT Group and regulates its firm position on compliance with competition law. The policy lists the principles that all employees and collaborators must adhere to, to ensure high standards of professional conduct and integrity of the work carried out for or on its behalf.

The BT Group's employees are encouraged to report any potential competition violations to the Chief Governance Officer. The Issuer can sanction employees both for their own violations and for non-reporting of violations of other employees.

As at 31 December 2024 and as at 30 June 2025 (to the best of the Issuer knowledge), there were no legal actions regarding anti-competitive behaviour and antitrust and monopoly violations in which the Issuer was identified as a participant.

#### ***Compliance with legislative regulations***

The BT Group permanently seeks to conduct its business in compliance with national and international legal regulations.

As at 31 December 2024 and as at 30 June 2025, (to the best of the Issuer knowledge) there were no incidents of non-compliance with regulations and/ or voluntary codes on labelling and information regarding the BT Group's products and services or marketing communications, including advertising, promotion, and sponsorship of products and services.

#### ***Conflicts of interest and reporting mechanisms***

Conflicts of interest and their management are regulated internally by the Issuer's Policy on Conflict of Interest Prevention and Management. The purpose of this policy is to establish, implement and maintain effective criteria to identify actual and potential conflicts of interest by identifying relationships, services, activities or transactions of the Issuer where conflicts of interest may arise, as well as the manner to manage such conflict of interest. All employees and members of management are required to comply with the provisions contained in this policy and to bring to the attention of the Compliance Department any situation that may represent a potential conflict of interest.

As at 31 December 2024 and as at 30 June 2025, there were no situations that could constitute relevant conflicts of interest at the BT Group level.

The reporting process of violations of internal regulations and/or legal provisions or irregularities within the BT Group is described in the Whistleblower Procedure designed to ensure an appropriate framework for the management of the BT Group's activities. The objectives of the procedure are, among others, to provide support for the internal warning mechanism, which can be used by the BT Group's employees to communicate their concerns regarding the management framework of the BT Group's activity and to

encourage the reporting of behaviours and situations that may have serious consequences for the BT Group, while ensuring the confidentiality and security of employees who report risk situations.

As at 31 December 2024 and as at 30 June 2025, no complaints/referrals were received from the employees through such channels.

#### ***Involvement in political activities and causes***

The BT Group's employees can carry out individual political activities, after business hours, provided that they do not position themselves as the representative of the Issuer's or the BT Group in these relations and do not obtain benefits from this activity deriving from their position as employees of the Issuer. Any candidacy for positions in the local or central administration, on political grounds, sponsorship, or participation in election campaigns as a candidate from a particular political party must be declared by the employee before applying, endorsed by his/ her superior, and brought to knowledge to the Compliance Department. The Compliance Department assesses the potential impact and formulates an opinion on the risk of conflict of interest or damage to the image of the Issuer associated with the declared situation, the opinion being forwarded to the competent body in order to issue a resolution of approval or rejection.

According to the internal compliance rules, the Issuer has not supported and does not support political causes or parties.

As at 30 June 2025, no complaints/referrals were received by the Issuer in this respect.

#### ***Information security and personal data protection***

The information security area, inter alia, focused on the implementation of measures for increasing the level of information/cyber security. Furthermore, all internal regulations on information security at the Issuer level are developed in accordance with the ISO 27001 standard, and the Information Security Management System is developed in accordance with these requirements.

Responsibilities in information security are assigned to a dedicated department, subordinated to the CRO (Chief Risk Officer), which has the following organisational components: cyber security, vulnerability management, information and security governance and digital identity management.

Each entity of the BT Group has developed a public policy on the processing and protection of personal data (privacy policy), made available to the general public through the website of each entity of the BT Group. Through the privacy policy, each BT Group entity informs persons concerned about issues related to the processing of their personal data, in accordance with the provisions of art. 13-14 of the General Data Protection Regulation ("GDPR"). Mandatory training programs for the BT Group's employees are organised to ensure that the Group's employees comply with the policies, procedures, and mechanisms implemented internally to ensure cybersecurity and the protection of personal data.

The BT Group entities have also implemented a series of internal regulations to ensure compliance with the legal provisions on the processing of personal data, as well as the provisions requiring adequate security of personal data and other information subject to professional secrecy in the financial sector. The main internal regulations refer to:

- (a) general rules on the processing and protection of personal data within the activity of each BT Group entity;
- (b) procedures on the management of security incidents and personal data breaches, respectively;
- (c) procedures on the regular training of employees of BT Group entities in the field of personal data processing and protection;
- (d) rules regarding the obligations of BT Group entities' employees to maintain the confidentiality of personal data and information subject to professional secrecy;
- (e) regulations on the management of applications by which the data subjects exercise their rights provided by the GDPR;
- (f) rules on the personal data processing in the direct marketing activity;

- (g) procedures on the management of relations with contractual partners of the BT Group entities regarding processing and protection of personal data;
- (h) procedures to establish the need to develop, implement and approve an impact assessment on the protection of personal data (PDIA);
- (i) regulations on the preparation and record-keeping of personal data processing activities, as well as for the identification, analysis, and management of risks related to personal data processing activities;
- (j) rules on information security, including ensuring access, access, and control of access of employees and collaborators to information in the IT network of Group entities, access, and remote work;
- (k) regulations and measures regarding information categorisation;
- (l) anti-virus measures and policies;
- (m) information security policies regarding the acquisition and development of IT solutions, as well as for IT system updates;
- (n) logging/journaling, backup, and archiving procedures and measures;
- (o) business continuity plans and procedures and disaster recovery plans; and
- (p) procedures and measures to ensure physical security in the premises and equipment of the Issuer and/or other BT Group entities.

In 2024, the Issuer received 10,615 requests from data subject related to the processing and protection of personal data (of which 65 per cent. related to the processing of this type of data in the Credit Bureau system), of which 4,539 were resolved in favour of the data subjects.

As at the date of this Prospectus, to the best of the Issuer's knowledge, there were no material issues with respect to information security.

### ***Human rights***

The BT Group follows European and national rules on the protection of human rights, including but not limited to the rights established in the European Convention on Human Rights. Necessary measures are taken to ensure the continued monitoring of fundamental human rights, encouraging and continuously developing good practices in this field.

Increased attention is given in the BT group to the selection of third parties with whom business relationships are created, in order to initiate cooperation only with those entities adhering to human rights principles.

As at the date of this Prospectus, to the best of the Issuer's knowledge, there were no material human rights incidents.

### ***Climate change risks and opportunities***

Climate risk is assessed within the BT Group from two perspectives:

- (a) at the client level, as part of the environmental and social risk analysis, the impact of climate risk on the company's activity and the extent to which its activity affects the environment (emissions to water, air, soil) is analysed, based on the principle of double materiality;
- (b) at portfolio level, based on a heat map reflecting the environmental, social, and governance risks associated with the sectoral distribution of the loan portfolio, the exposure of the portfolio to these risks, including climate risk is analysed.

To manage these climate risks, the BT Group uses the sectoral exclusion list aligned with IFC/EBRD recommendations. In addition, the BT Group uses processes and tools to identify and assess environmental risk in line with best practice and IFC/EBRD standards in its corporate credit analysis, translated into internal working instructions, which are regularly reviewed.

These processes are aimed to assess the environmental impacts (water, soil, and emissions) of the company applying for funding, as well as the impact of climate change on the company's business. The level of detail and complexity of this analysis is also determined by criteria related to the size of the company, project, or transaction.

The Issuer performs an environmental risk factor analysis on any credit application, based on an internal matrix, adapted to the value of the transaction and the risk level of the sector. The assessment is performed through questions addressed to the client, and additional specific data collection, with the client's answers critically evaluated by the credit/ risk analyst based on internal rules and specific environmental, social, and governance risk analysis guidelines. The risks identified are factored into the internal analysis models (e.g., by including an additional Capex for the implementation of a drip irrigation system for an agricultural activity).

The internal risk factor assessment models are built on IFC performance standards. The internal lending rules provide for the possibility of impacting the client's internal rating following the performed environmental and social risk analysis.

Following the analysis of environmental and social risks (including climate risk) environmental and social risk is associated with the exposure, which translates into: additional cash flow scenarios impacting the lending decision, impact on the client's internal rating, and consequently the collateral level or price level.

The Issuer is continually refining and mapping the entire financing and investment portfolio against environmental, social, and governance risks for each sector of activity (such as agriculture, construction, transport, etc.) to identify the necessary measures to mitigate the potential negative effects of climate change on outstanding loans. This mapping can contribute to the adoption of measures in the lending business so that the negative environmental impact is mitigated and the positive impact on the environment, but also on society and the communities the Issuer is part of, is enhanced.

Concerning the real estate collateral portfolio, the Issuer does not accept assets located in areas with a potential risk of flooding or near watercourses/ wetlands, which may affect the structural strength of buildings. Consequently, from the perspective of the real estate collateral portfolio, the Issuer does not estimate substantial risks from natural risks associated with climate change.

The Board of Directors is informed at the transaction level (in terms of exposures) on the climate risk. Regular Board of Directors briefings are also made on the implementation of the sustainability strategy, with the assessment of the portfolio's exposure to environmental risks (including climate risk).

The BT Group is actively involved in working groups at national and European levels. The BT Group follows the initiatives of task forces (such as TCFD) or the private sector (UNEP FI-PRB - membership completed in January 2022) to improve reporting of nonfinancial information and to align with the vision the company has set for the future within the Sustainable Development Goals and the Paris Agreement. Seven areas of interest have been identified: financing projects for renewable energy production and distribution, supporting companies of all sizes for higher energy efficiency especially in the current national and global context of evolving costs, allocating capital to the area of sustainable mobility and transport and related projects (charging stations, etc.), crediting climate change adaptation projects, supporting projects that generate efficiency in terms of water consumption and quality, financing real-estate green building projects and special environmental transactions.

## **21. Material contracts**

There are no material contracts that have not been entered into in the ordinary course of the Issuer's business, which could result in any group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to noteholders in respect of the notes being issued.

## **22. Recent developments**

### **Share capital increase**

On 25 April 2025, the extraordinary general meeting of shareholders of the Issuer decided to increase the share capital by the amount of RON 1,734,423,790 by issuing 173,442,379 new shares, with a nominal value of RON 10/share. The increase of the share capital was achieved by incorporating the reserves constituted from the net profit of the year 2024, in the amount of RON 1,734,423,790, by issuing a number of 173,442,379 shares with a nominal value of RON 10/share, for the benefit of shareholders registered in the Shareholders' Register held by the Central Depository on the registration date set by the general meeting of shareholders as of 18 July 2025. The share capital after the share capital increase is RON 10,903,222,250, divided into 1,090,322,225 shares, each with a nominal value of RON 10.

The completion of the legal procedures regarding this increase and the allocation of new shares to the shareholders produced effects starting on 21 July 2025, when the new shares have been allotted to the shareholders registered in the Issuer's shareholder registry as at 18 July 2025.

### **Completion of the OCN Microinvest S.R.L. acquisition by Victoria Bank S.A.**

In October 2025, Victoriabank has successfully finalized the acquisition of 100 per cent. of the share capital of OCN Microinvest S.R.L., a leader in microfinancing on the Moldavian financial market, with over 46,000 clients, 17 units and almost 400 employees.

## **23. Legal and administrative proceedings**

As at 30 June 2025, the Issuer was involved in 153 legal disputes, of which 26 were not related to credit agreements and the remaining 127 disputes arose from credit agreements. The proportion of disputes won in favour of the Issuer is 78 per cent. for the first six months of 2025 and it was approximately 74 per cent. in 2024 and 74 per cent. in 2023. In cases relating to currency stabilisation, challenges to enforcement, debt enforcement and claims, the success rate is 83.5 per cent. for the first six months of 2025 and it was approximately 77 per cent. in 2024 and 78 per cent. in 2023. The Issuer received 1 fine with a total value of RON 5,000, 4 non-financial sanctions (such as warnings) and by June 2025 there were 94 cases submitted to alternative dispute resolution mechanisms, 50 to Alternative Banking Dispute Resolution Centre and 44 to the National Bank of Romania, all related to potential non-compliance with laws and regulations on the provision and use of financial products and services.

As at 31 December 2024, the Issuer registered a total balance of provisions for litigation, risk and charges amounting to RON 45.69 million and amounting to RON 128.66 million at BT Group level, with a decrease of 69.2 per cent. compared to 2023 on a separate basis and a decrease of 17.8 per cent. at BT Group level. As at 30 June 2025, the Issuer registered a total balance of provisions for litigation, risk and charges amounting to RON 118.60 million and amounting to RON 126.60 million at BT Group level.

### ***Consumer protection claims***

Actions in 2023 and 2024, represent litigations regarding potentially abusive clauses, various claims, enforcement appeals, payment claims, actions on the conversion and stabilisation of the exchange rate of loans granted in foreign currency, requests for non-credit banking operations as well as other various categories.

In the years ended 31 December 2023 and 31 December 2024, the litigations decided in favour of the Issuer represented approximately 74 per cent. of the total. In terms of potential abusive clauses, enforcement appeals, payment claims, and actions on the conversion and stabilisation of the exchange rate of loans granted in foreign currency, the success rate was around 78 per cent. in the year ended 31 December 2023 and 77 per cent. in the year ended 31 December 2024.

The provision for abusive clauses is an estimated amount for potential litigations facing the Issuer derived from the retail credit contracts inherited from the mergers with Volksbank Romania and Bancpost. The provision is periodically reviewed by the Issuer by incorporating historical data regarding new litigations in the last years (a show-up ratio) and the loss probability for such cases (calculated as a historical positive versus negative outcome of litigations).

The last review for abusive clauses provision has been performed as at 30 June 2025 when the Issuer adjusted the provision based on the trend of such new litigations (show-up ratio) and the probability loss estimated at this date.

The Romanian High Court of Cassation and Justice (HCCJ) granted the retrial of a 2014 class-action lawsuit against Volksbank Romania (which in 2016 merged with the Issuer) over the freezing of the Swiss franc value after the Bucharest Court of Appeal previously dismissed the case. The lawsuit alleged that the banks froze the value of the Swiss franc when it granted loans, after which the exchange rate between Romanian leu and Swiss franc unexpectedly increased, leaving debtors to pay high rates. In 2021, in the retrial, the Bucharest Court of Appeal rejected once again the consumers' appeal (file number 44191/3/2014\*). The consumers filed for a second appeal to the HCCJ which was partially admitted on 30 May 2023. Further on, HCCJ noted some of the parties' settlement resolution that stated the consumers' will to cease the proceeding and annulled the corresponding part of the initial ruling. Additionally, for the other recurring parties' claims, the HCCJ overruled the initial ruling and instated their obligation to pay the litigation costs to the Issuer.

#### ***Proceedings relating to the Competition Council Decision***

In 2020, the entire leasing sector in Romania was subject to a competition investigation. By Order of the President of the Competition Council no 1.149/20.11.2017, the Competition Council launched an investigation regarding the possible violation of art. 5 paragraph (1) of the Competition Law no. 21/1996 and of art. 101 paragraph (1) of the Treaty on the Functioning of the European Union by the Association of Romanian Financial Companies, the Federation of Romanian Financial Services Employers, the Romanian Leasing and Credit Employers, the IFN Credit Employers, their members, and Diplomat Consult S.R.L. on the financial leasing services and consumer lending markets.

Following these investigations, the BT Leasing Transilvania IFN S.A. (currently merged into BT Leasing IFN S.A.), as a member of the Association of Romanian Financial Companies, was sanctioned along with 15 other member leasing companies in Romania for violating competition law by participating in commercially sensitive information exchange. The fine amounted to RON 4,327,225.22.

The decision was challenged before the Bucharest Court of Appeal, under the provisions of Law 21/1996 on competition, and the Court partially upheld the company's objections regarding the financial sanctions enforced (Case no. 3158/2/2021). The request regarding the annulment of the Order of the President of the Competition Council no 1.149/20.11.2017 has been overruled, as per the Bucharest Court of Appeals ruling no. 1903/18.11.2024.

During the year ended 31 December 2024, there were no legal actions regarding anti-competitive behaviour and antitrust and monopoly violations in which the Issuer was identified as a participant.

#### ***Anticipated individual fiscal solutions ("AIFS") and Fiscal Inspection Report ("FIR")***

The Issuer requested the Romanian fiscal authorities to issue an official opinion on the fiscal treatment of the Volksbank Romanian acquisition gain through an anticipated individual fiscal solution. The Issuer proposed the consideration of the acquisition gain as non-taxable income by taking into account all the arguments, calculating a lower tax debt with the amount of RON 264,096,037.

The Romanian fiscal authorities issued a negative opinion, considering that the acquisition gain is taxable (as recorded based on IFRS). The sole argument to sustain this position being that the acquisition gain is not included in the list of non-taxable income elements specifically stipulated in the Fiscal Code.

The Issuer considered the acquisition gain as non-taxable income for the calculation of the comprehensive income, based on arguments such as:

- (a) non-correlation of the fiscal legislation with the accounting legislation;
- (b) the provisions for domestic mergers were updated and harmonised also in line with Directive 2009/133/EC and in this respect, clearly the intention of the law was that the specific taxation rules (taking in account the tax neutrality of the merger) should prevail over the general taxation rules;

- (c) the merger with Volksbank Romania was based on strong economic grounds (it was not undertaken for certain fiscal benefits). The merger should be neutral from a tax point of view i.e. the bargain gain should not be taxable;
- (d) the fiscal treatment should be balanced: considering the opposite case, whereby the purchase price is higher than the value of acquired identifiable assets and liabilities, a positive goodwill would have been recorded, which, as per Romanian fiscal legislation is not to be amortised for fiscal purposes and hence does not have any fiscal impact;
- (e) avoidance of double taxation;
- (f) European jurisprudence – which stipulates that the EU legislation should prevail when the fiscal legislation of a member state is unclear or lacks specific provisions.

The Issuer initiated court proceedings in this respect in 2017. The case was submitted to the Court of Appeal of Cluj in April 2017. In November 2017, the Court of Appeal of Cluj admitted the case at trial and issued a judgment in favour of the Issuer, confirming the Issuer's approach to consider the acquisition gain as non-taxable income.

On 23 June 2020, the High Court of Cassation and Justice ruled in the case file pending, admitting the tax authorities' appeal against the sentence of the Cluj Court of Appeal, annulled the first instance decision, retrialled the case and in retrial rejected the action filed by the Issuer as not founded.

On 12 October 2021, the High Court of Cassation and Justice of Romania suspended the judgment of the review request and the Court of Justice of European Union was notified. The request was settled by the European Court of Justice without the additional hearing of the parties and without appointing an Attorney General. The HCCJ issued the final ruling annulling the initial Court decision and dismissing the case during the retrial, as the European Court instated that it lacks competence to issue a ruling since the subject matter isn't subjected to European legal provisions, but to Romanian ones. In the final decision issued by the HCCJ, it dismissed the renewed request for a preliminary ruling to be submitted to the Court of Justice of the European Union and dismissed, as inadmissible, the application for revision of the final judgment delivered on appeal on 23 June 2020, by the High Court of Cassation and Justice. The ruling was final and binding, thereby precluding the Issuer from obliging the National Agency for Fiscal Administration to issue an advance tax ruling with content contrary to that of the ruling issued in 2016. Nonetheless, the Issuer preserved the opportunity to raise, in substance, the issue concerning the compatibility of the national tax legislation applicable as at 31 December 2015 with European Union law. These arguments were further developed in the context of new tax litigation proceedings arising from the tax inspection occurred in 2021 and the desk audit in 2023.

In February 2023, a fiscal inspection of the Issuer's activity for the years 2015 and 2016 was completed. In the FIR, the control team noted that the Issuer did not apply the provisions of the AIFS and that the Issuer should have included the gain from the purchase in advantageous conditions of Volksbank Romania shares in its tax base for 2015. Following the FIR, the tax authorities issued a decision to change the tax base for 2015, which does not have direct effects, because in 2015 the Issuer benefited from taking over the fiscal loss after the merger with Volksbank.

The Issuer filed an appeal against the decisions taken by the tax authorities following the above FIR and in February 2023 it also filed a request to suspend this decision in court. In the case of the appeal, the settlement was suspended by the tax authorities until a final resolution for the revision before the High Court of Cassation and Justice of Romania in the SFIA case is reached and the case description is summarised above. The request to suspend the decision was rejected by the Cluj Court of Appeal at the end of February 2023. The Issuer made an appeal to the High Court of Cassation and Justice against this decision.

On 14 June 2023, a new deadline took place in the file before the High Court of Cassation and Justice of Romania, where the Issuer submitted a new request for a preliminary ruling to the Court of Justice of the European Union, under the conditions of extensive case supporting arguments.

Also, on 27 June 2023, the Issuer's appeal was rejected during the suspension procedure. During May 2023, ANAF initiated a documentary check of the Issuer's activity for 2017 and 2018. Following this control, on 13 June 2023, the Issuer was notified of the tax decision establishing additional obligations representing profit tax in the amount of RON 90,275,215 for year 2017, respectively RON 173,820,822 for year 2018,

in total of RON 264,096,037. Additionally to these tax liabilities will be added ancillary tax obligations. The Issuer filed an appeal against the tax decision taken by the tax authorities following the documentary check of the years 2017 and 2018 detailed above and filed a request to suspend this decision in Court during June 2023. The request to suspend the decision was judged at the level of the Cluj-Napoca Court of Appeal, which rejected it at the beginning of July 2023. The Issuer and its team of lawyers consider that the legal steps to support the case of non-taxation of the gain from Volksbank S.A. acquisition transaction were seen as more than likely to have chances of success in the end. However, in order to limit a potential negative impact from ancillary tax liabilities in case of an unfavourable legal decision, the Issuer decided to pay on 5 July 2023 the amount of RON 264 million representing additional tax liabilities established following the documentary check for 2017 and 2018.

At the beginning of July 2023, the request to suspend the decision was judged at the level of the Cluj Court of Appeal, which rejected the request of the Issuer.

At the end of July 2023, the tax authorities established ancillary tax liabilities following the payment of additional tax obligations established following the documentary verification for 2017 and 2018 in the amount of RON 154,972,067. The Issuer issued a letter of guarantee suspending the obligation to pay this amount until a final settlement of the above-mentioned legal issues is reached. The Issuer appealed through the preliminary administrative proceedings against the additional tax liabilities claimed by the authorities.

On 3 October 2023, the tax authorities rejected the Issuer's appeal against the decision to change the taxable base established by FIR, and on 11 October 2023, the tax authorities also rejected the tax appeal raised by the Issuer regarding the payment of tax amounts established under documentary checks.

Going forward, on 20 March 2024, the Issuer submitted to the Cluj Court of Appeal, the request to sue against the decision to adjust the taxable base established by the RIF, and on 1 April 2024, the Issuer submitted to the Court of Appeal Cluj, the challenge against the decision issued by the DGAMC as a result of the documentary verification.

The Issuer analysed requests of IFRIC 23 corroborated with lawyers opinion that represent the causes mentioned above on Court and considers that the Bank has winning chances, considering that the Issuer actioned based on European regulations related tax treatment for the non-taxation of the gain from Volksbank acquisition transaction, fact clarified by Romanian fiscal legislation on 1 January 2016. Regarding these events provisions of risks and charges were previously made using the most probable value method and recognised the amount of RON 264 million in debts regarding the current profit tax s, which were reflected at the time as expenses in the corresponding financial statements.

On 6 December 2024, the Cluj Court of Appeal admitted the Issuer's claims and annulled the tax authority's decisions as well as reports mentioned previously. The ruling is not yet final as it has been recurred by tax authorities on 27 January 2025, within the legal term, and as such the Issuer stands to recover payments made only if said ruling is withheld (case no. 268/33/2024). The amount representing accessory tax liabilities, amounting to RON 154,972,067, related to the additional tax liabilities established following the documentary verification for the years 2017 and 2018 is no longer owed by the Issuer.

The Issuer will monitor and analyse the evolution of the tax topic at each reporting date, in accordance with the relevant provisions of the accounting regulations, to determine if additional adjustments are necessary.

### ***Victoriabank litigation***

The Issuer's subsidiary, Victoriabank, was notified on 6 July 2020 that it is being investigated in a case initiated by the Prosecutor's Office of the Republic of Moldova, and on 6 August 2020, a precautionary seizure was placed on some of the subsidiary's assets in order to cover the claims in the file - amounting to approximately the equivalent of RON 460 million. Given the nature of the case and the legal limitations related to the investigation, the Issuer and its subsidiary possesses limited information about this case, mainly being the lawyers' analysis of the content of the indictment related to these investigations. Given the stage of the investigation, that relates to a period before the Issuer was a shareholder of the subsidiary, the BT Group and the Issuer did not recognise a provision for this case, but will monitor the evolution of the topic at each reporting date, in accordance with the relevant provisions of the accounting regulations.

As at 31 December 2024, the total assets of Victoriabank represented 3.02 per cent. of the consolidated assets of BT Group, while as at 31 December 2023, the total assets of Victoriabank represented 3.3 per cent.

of the consolidated assets of BT Group. Considering that the precautionary seizure represents approximately 7.8 per cent. of Victoriabank's total assets, the impact of the case on BT Group's financial standing would be non-material.

#### ***Data protection proceedings***

In 2024, at the Issuer level, there were no losses, or leaks/thefts of personal data for the Issuer, while the number of GDPR-derived complaints totalled 4,539 (a 28.4 per cent. increase over 2023). As at 30 June 2025, the Issuer received 3,260 GDPR-derived complaints. As at 31 December 2024, the Issuer received 1 complaint from the NBR, as regulatory body, and 2 investigation addresses received from ANSPDCP on data protection matters.

At Victoriabank, the collection, storage, and processing of personal data is done in accordance with the Personal Data Protection Act No. 133 of 08.07.2011, the Victoriabank Personal Data Processing Security Policy, and the Victoriabank Information Security Policy. The personal data security measures adopted by the bank ensure an adequate level of personal data security and guarantee the protection of the information received and the bank's information systems. By June 2025, 7 of the registered requests were settled in favour of the data subject at Victoriabank.

#### ***Other significant litigation***

For other significant litigation and regulatory enforcement matters, the BT Group believes the possibility of an outflow of funds is remote and the amount cannot be reliably estimated, and accordingly such matters are not included in the contingent liability estimates. The BT Group and the Issuer will monitor the evolution of the topics at each reporting date, in accordance with applicable laws and regulations.

## BUSINESS ENVIRONMENT

### *Macroeconomic environment in Romania.*

The Issuer operates mainly in Romania, a member state of the European Union.

Romania is a key economy in Central and Eastern Europe ("CEE"), with a population in 2024 of approximately 19.06 million, the second largest after Poland (with 36.62 million). By comparison in 2024 the population of respectively the Czech Republic, Hungary and Bulgaria were 10.9 million, 9.58 million and 6.44 million<sup>56</sup> respectively.

In 2024, Romania's economy showed a GDP growth of 0.8 per cent. (annualized). According to the [National Statistics office](#) figures, private consumption grew strongly last year and was the main contributor to this growth. Turnover in retail trading, which is an indicator of private consumption, rose by 8.6 per cent. (annualized). Sales of non-food products were particularly important, registering a growth of 14.8 per cent. (annualized). For food, goods and fuel, the increase was just under 4 per cent.

The convergence of GDP/capita (calculated at PPP exchange rates) of Romania compared to EU average (i.e. 77.9 per cent.) as at 2024, overpassing Hungary (76.7 per cent.) and Croatia, Slovakia, Latvia, Greece or Bulgaria. Romania's 2 pp annual advance, starting since the year 2000, was among the strongest in Europe.

In the first quarter of 2025 Romania's public debt as percentage of GDP was also much lower than the CEE3 and EU-27 levels, at 55.8 per cent. compared to 58.7 per cent. for CEE3 and, respectively, 81.8 per cent.<sup>57</sup> for the EU.

In recent years Romania also managed to significantly improve the absorption rate for EU funds for the 2014 - 2020 financial exercise to 96.7 per cent. as at 29 August 2025, compared to 24 per cent. as at 31 December 2018<sup>58</sup>. With respect to the 2021 – 2027 financial exercise, the absorption rate as at 29 August 2025 is 11.81 per cent. It is also one of the most significant CEE beneficiaries of the EU Recovery and Resilience Facility, with the relevant amounts representing 8.8 per cent. of its 2023 GDP, compared to 5.30 per cent. for Hungary, 6.52 per cent. for Bulgaria, 5.21 per cent. for Slovakia and 7.99 per cent. for Poland. In the context of the global rise in inflation, inflation has also spilled over in Romania<sup>59</sup>. Thus, as at 30 September 2025 the consumer price index (HICP) in Romania reached 8.6 per cent., above the CEE3 level of 4.02 per cent. and the 2.6 per cent. in EU-27<sup>60</sup>.

The NBR has reacted proactively to the macroeconomic environment, decreasing the monetary policy rate to 6.75 per cent. in July 2024, subsequently decreasing it to 6.5 per cent. in August 2024<sup>61</sup> and maintaining it at this level in October 2025<sup>62</sup>. ROBOR3M (the Romanian Interbank Offer Rate) reached 5.92 per cent. at the end of December 2024, increasing to 6.40 per cent. in 17 October 2025<sup>63</sup>.

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<sup>56</sup> Source: [https://ec.europa.eu/eurostat/databrowser/view/tps00001/default/table?lang=en&category=t\\_demo.t\\_demo\\_pop](https://ec.europa.eu/eurostat/databrowser/view/tps00001/default/table?lang=en&category=t_demo.t_demo_pop)

<sup>57</sup> Source: <https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-21072025-ap>

<sup>58</sup> Sources: Romanian Ministry of Investments and European Funds (<https://mfe.gov.ro/wp-content/uploads/2025/09/147be547957c8d3ee68ce868391284c6.xlsx>)

<sup>59</sup> Source: European Commission ([https://ec.europa.eu/economy\\_finance/recovery-and-resilience-scoreboard/](https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/))

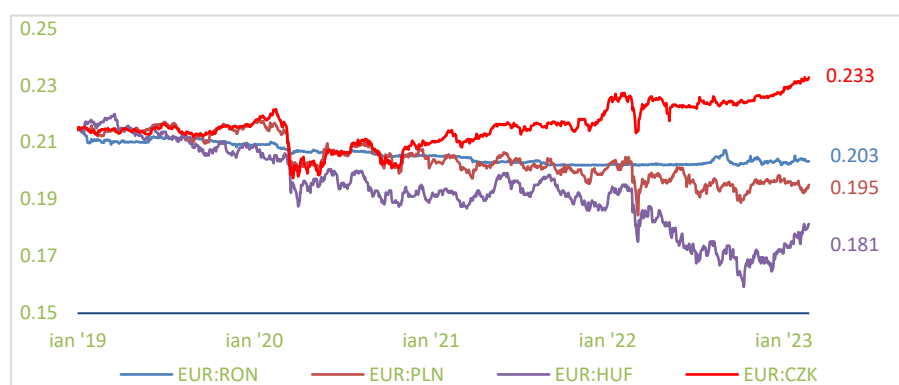
<sup>60</sup> Source: Eurostat ([https://ec.europa.eu/eurostat/databrowser/view/prc\\_hicp\\_manr\\_custom\\_12779300/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/prc_hicp_manr_custom_12779300/default/table?lang=en))

<sup>61</sup> Source: <https://bnro.ro/Rata-dobanzii-de-politica-monetara-1744.aspx>

<sup>62</sup> Source: <https://www.bnr.ro/en/24907-2025-10-08-nbr-board-decisions-on-monetary-policy>

<sup>63</sup> Source: <https://www.bnr.ro/en/24027-interest-rates-on-the-interbank-market-robid-robior>

The NBR interventions and monetary policy helped the RON to EUR exchange rate remain stable compared to other currencies in the region, as shown in the chart below, the RON/EUR exchange rate remaining at around 0.2 as at 14 October 2025, in a constant position since January 2019.



### ***The Romanian banking sector – key indicators.***

Per information made public by the NBR, in recent years, including in 2024 and the first half of 2025, the prudential and financial positions of the Romanian banking sector remained generally better than the European Union average, despite some disruptive events: the broad-based worsening of the financial market sentiment towards banks, the lingering geopolitical tensions in the region and the persistence of high inflation and interest rates.

According to the data published by NBR<sup>64</sup>, total net assets in the Romanian banking sector were of RON 894.0 billion at 30 June 2025 compared to RON 428 billion as at 31 December 2017<sup>65</sup>. Based on information from the same source, the total loans to households, non-financial corporates and financial corporates that are not microfinance institutions reached RON 444.03 billion as at 30 September 2025<sup>66</sup> an increase of 7.5 per cent. from September 2024 and 0.8 per cent. from August 2025. compared to 233 billion as at 31 December 2017. The total loan CAGR of Romania from the end of 2017 to 30 September 2025 reached 8.66 per cent., being thus more than double the 3.4 per cent. rate<sup>67</sup> increase in the same period in Europe.

The loan to deposit ratio in Romania as at as at 30 June 2025 was 67.82 per cent.<sup>68</sup>, thus significantly lower than the approximately 106 per cent. average in Europe as at June 2025. The Common Equity Tier 1 (CET1) ratio of the Romanian banking system was 21.40 per cent. in Romania as at March 2025<sup>69</sup> compared to the 17.5 per cent. as at March 2025 in the EU<sup>70</sup>. The return on equity of the Romanian banking sector was at 17 per cent. as at 30 June 2025<sup>71</sup>, compared with the EEA average of 10.7 per cent. as at 30 June 2025<sup>72</sup>. Furthermore, there is still ample room for continued growth in the Romanian banking sector, as the

<sup>64</sup> Source: [https://www.bnr.ro/uploads/2025-06raportasuprastabilit%C4%83%C8%9Biifinanciare-iunie2025\\_documentpdf\\_545\\_1751529449.pdf](https://www.bnr.ro/uploads/2025-06raportasuprastabilit%C4%83%C8%9Biifinanciare-iunie2025_documentpdf_545_1751529449.pdf)

<sup>65</sup> Source: <https://www.bnro.ro/Aggregate-Indicators-for-Credit-Institutions-3369.aspx>

<sup>66</sup> Source: <https://www.bnr.ro/en/2550-interactive-database>

<sup>67</sup> Includes EU countries participating in the Single Supervisory Mechanism, per ECB definition.

<sup>68</sup> Source: [https://www.bnr.ro/en/report?i=IAICT\\_CC\\_DC](https://www.bnr.ro/en/report?i=IAICT_CC_DC).

<sup>69</sup> Source: [https://www.bnr.ro/uploads/2025-06raportasuprastabilit%C4%83%C8%9Biifinanciare-iunie2025\\_documentpdf\\_545\\_1751529449.pdf](https://www.bnr.ro/uploads/2025-06raportasuprastabilit%C4%83%C8%9Biifinanciare-iunie2025_documentpdf_545_1751529449.pdf)

<sup>70</sup> Source: <https://www.eba.europa.eu/sites/default/files/2025-09/0b362777-be60-43a4-a8dd-3287500d7cc6/EBA%20Dashboard%20-%20Q2%202025.pdf>

<sup>71</sup> Source: [https://www.bnr.ro/en/report?i=IAICT\\_ROE](https://www.bnr.ro/en/report?i=IAICT_ROE).

<sup>72</sup> Source: <https://www.eba.europa.eu/sites/default/files/2025-09/0b362777-be60-43a4-a8dd-3287500d7cc6/EBA%20Dashboard%20-%20Q2%202025.pdf>

penetration rate for non-government loans is at 24.0 per cent.<sup>73</sup> of the GDP, below the average in Euro Area (around 78.27 per cent.) as at 31 March 2025<sup>74</sup>, while for deposits, as at 30 June 2025 it is at 33 per cent. of the GDP, significantly less than the EU average of 98 per cent.

The solvency ratio across the Romanian banking sector is above the EU average, at 24.23 per cent. in June 2025 as compared to 20.24 per cent. in the EU in June 2024<sup>75</sup>.

Indicators related to asset quality in the Romanian banking sector have also been improving, with the sector non-performing loans ratio decreasing from 6.5 per cent. in 2017 to 2.81 per cent. at June 2025<sup>76</sup>. In March 2025 the provisioning rate for non-performing loans in the Romanian banking sector was 661 per cent., thus significantly higher than the 42.1 per cent. average in the European Union as at March 2025<sup>77</sup>.

### **Competition**

The Romanian banking system has gone through a consolidation process during the recent years, marked by mergers and acquisition deals having as target credit institutions and non-banking financial institutions, as well as portfolio purchases. Following this process, the number of banks active on the Romanian financial market as at June 2025 was 31, 10 of which were branches of foreign banks<sup>78</sup>.

Per information made available by the NBR, as at the end of December 2024, the banks with majority Romanian shareholding had a market share of approximately 37.56 per cent. by total net assets, while as at June 2025 the market share was 37.9 per cent., while as at June 2025 foreign ownership banks and branches reached 62.1 per cent. of total bank assets.

The main foreign banking groups present in Romania are Erste, Raiffeisen Bank International, Société Générale and UniCredit.

As at 30 June 2025, the Issuer continues to be the largest bank in Romania, with total assets of RON 195.7 billion and a market share of 22 per cent. by total assets (the Issuer's estimation based on total assets of the Issuer by reference to total assets in the sector, according to NBR<sup>79</sup>). BCR ranks second, with total assets of RON 120.9 billion and a correlative market share of approximately 14 per cent., while CEC Bank ranks third with total assets of RON 99.4 billion corresponding to a market share of 11 per cent. The other two peers in the top five, BRD – Groupe Société Générale and Raiffeisen Bank have total assets of RON 90 billion and RON 83 billion respectively, with corresponding market shares of 10 and, respectively, 10 per cent.

The Issuer's growth rate in the last five years (*i.e.*, 2019 to 2024) for both assets and deposits has significantly outperformed the average growth rate of its peers. Thus, for assets the Issuer's CAGR was 16.1 per cent. (compared to 14.7 per cent. peers average) and for deposits the Issuer's CAGR was 15.2 per cent. (compared to 14.1 per cent. peers average).

As at 30 June 2025, the Issuer also had ample liquidity volumes, with a gross loans to deposit ratio of approx. 64.2 per cent.<sup>80</sup>, compared to its peers' average of 67.82 per cent.<sup>81</sup> as at 30 June 2025. For additional information on liquidity of the Issuer, please refer to "*Description of the Issuer*", Section 7 "*Liquidity*" above.

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<sup>73</sup> Source: [https://www.bnr.ro/uploads/2025-06-23annualreport2024\\_documentpdf\\_545\\_1759914105.pdf](https://www.bnr.ro/uploads/2025-06-23annualreport2024_documentpdf_545_1759914105.pdf)

<sup>74</sup> Source: <https://www.ceicdata.com/en/indicator/romania/private-debt--of-nominal-gdp>

<sup>75</sup> Source: [https://www.bnr.ro/uploads/2025-06-23annualreport2024\\_documentpdf\\_545\\_1759914105.pdf](https://www.bnr.ro/uploads/2025-06-23annualreport2024_documentpdf_545_1759914105.pdf)

<sup>76</sup> Source: [https://www.bnr.ro/uploads/2025-06-23annualreport2024\\_documentpdf\\_545\\_1759914105.pdf](https://www.bnr.ro/uploads/2025-06-23annualreport2024_documentpdf_545_1759914105.pdf)

<sup>77</sup> Source: [https://www.bnr.ro/uploads/2025-06-23annualreport2024\\_documentpdf\\_545\\_1759914105.pdf](https://www.bnr.ro/uploads/2025-06-23annualreport2024_documentpdf_545_1759914105.pdf)

<sup>78</sup> Source: <https://www.bnro.ro/L-REGISTRUL-INSTITUTIE%8%9aILOR-DE-CREDIT-25252.aspx>

<sup>79</sup> Source : <https://www.bnr.ro/en/12602-aggregate-indicators-for-credit-institutions>.

<sup>80</sup> Source: <https://www.bancatransilvania.ro/files/app/media/relatii-investitori/financial-results/2025/1st-Semester/Presentation.pdf>

<sup>81</sup> Source: [https://www.bnr.ro/en/report?i=IAICT\\_CC\\_DC](https://www.bnr.ro/en/report?i=IAICT_CC_DC)

The investments in, and prioritisation of, digitalisation, lead to an efficient operating platform for the Issuer and a cost to income ratio as at 31 December 2024 of 45.38 per cent. and of 45.77 per cent. as at 30 June 2025, slightly higher than its peers' average 45.25 per cent., as at June 2025 as a consequence of the mergers taken place in 2025, subsequently decreased to 44.42 per cent. as at 30 September 2025. Moreover, the Issuer's return on equity on a consolidated basis was 23.58 per cent. as at 30 September 2025 and at the end of June 2025 22.24 per cent. with an average of 26.86 per cent. over the last three years. As at 30 September 2025, the return on equity on a separate basis was 25.32 per cent., while as at 30 June 2025, the Issuer had a return on equity of 24.15 per cent. (compared to the average of its peers of 18.17 per cent) with an average of 25.86 per cent. over the last three years. The Romanian banking sector faces substantial competition on the lending and financial services markets that come from (i) non-banking financial institutions; (ii) payment institutions; (iii) electronic money institutions; (iv) entities directly notifying, in line with the European passport procedures, their intent to provide services on the territory of Romania (as at the date of this Prospectus, a total number of 331 credit institutions from other EU Member States had notified to the NBR their intention to provide services in Romania on a cross-border basis)<sup>82</sup>; and (v) fintech companies.

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<sup>82</sup> Source: <https://www.bnro.ro/DocumentInformation.aspx?idDocument=11313&directLink=1>

## TAXATION

*The following is a general description of certain tax considerations relating to the Capital Securities to legal entities which are not individuals (whether they have legal personality or not). A general description of tax considerations applicable to natural persons in case of trading the Capital Securities on the secondary market is also included.*

*In regard to legal entities and natural persons that hold the Capital Securities, it does not purport to be a complete analysis of all tax considerations relating to the Capital Securities, whether Romania or elsewhere. The tax laws of an investor's jurisdiction and of the Issuer's jurisdiction of incorporation might have an impact on the income received from the Capital Securities.*

*Prospective purchasers of the Capital Securities should consult their own tax advisers as regards the applicable tax implications in Romania and as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Capital Securities and receiving payments of interest, principal and/or other amounts under the Capital Securities and the consequences of such actions under the tax laws of those countries. This summary is based upon the Romanian tax law as in effect on the date of this Prospectus and is subject to any change in tax law that may take effect after such date.*

### **Romanian Taxation**

#### **1. Romanian Taxation**

##### **1.1. Definition of terms used**

In accordance with the provisions of Law no. 227/2015 regarding the Fiscal Code as subsequently amended and supplemented ("**Fiscal Code**") and the related methodological norms approved by Government Decision no. 1/2016 for the approval of the Methodological Norms for the application of the Fiscal Code as subsequently amended and supplemented ("**Methodological Norms**"), the income generated from holding and trading corporate bonds is taxable in Romania under certain conditions, as per the below.

According to the provisions of the Fiscal Code, there are certain conditions that must be met in order for an entity to be subject to taxation of income or profit obtained in Romania. When determining the tax consequences in Romania, the following definitions will be applied:

- a "**Romanian legal entity**" means any legal entity established and operating in accordance with the Romanian legislation.
- a "**legal entity established under European law**" means any legal entity established under the conditions and mechanisms provided by European regulations.
- a "**foreign legal entity**" means any legal entity that is not a Romanian legal entity and any legal entity established according to the European legislation that does not have its registered office in Romania.
- a "**resident**" in Romania means any natural person who has tax residency in Romania, any Romanian legal entity, any foreign legal entity having the place of effective management in Romania, any legal entity with its registered office in Romania, established according to the European legislation.
- a "**non-resident**" means any "natural person" who has tax residency outside Romania, any foreign legal entity, any other foreign entities, including undertakings for collective investment in transferable securities without legal personality, which are not registered in Romania, as per the applicable law.
- "**interest**" is defined as any amount to be paid or received for the use of money, whether it is to be paid or received as part of a debt, in connection with a deposit or under a financial leasing, sale with payment of the price in instalments or deferred.
- "**affiliated entities**" – an entity is affiliated with another entity/natural person if their relation is defined by at least one of the following cases:
  - a) a legal entity is affiliated with another legal entity if at least it holds, directly or indirectly, including the holdings of affiliated persons, at least 25 per cent. of the value / number of participation titles or voting rights in the other legal entity or if it effectively controls that legal entity.

b) a legal entity is affiliated with another legal entity if a person holds, directly or indirectly, including the holdings of affiliated persons, at least 25 per cent. of the value / number of participation titles or voting rights in the other legal entity or if it effectively controls that legal entity.

c) an individual is affiliated with a legal entity if the individual holds, directly or indirectly, including the holdings of affiliated persons, at least 25 per cent. of the value/number of participation titles or voting rights of a legal entity, or if they effectively control the legal entity.

## **1.2 Taxation of Romanian tax resident holders of Capital Securities**

### **1.2.1. Taxation of interest payments**

#### **(i) Romanian tax resident legal entities**

The interest obtained from holding of Capital Securities by legal entities which are tax residents in Romania represents taxable income for such Holders when calculating their tax results that are subject to corporate income tax, microenterprise tax, minimum turnover tax, as well as supplemental tax for banks and oil and gas.

The corporate income tax rate is of 16 per cent. If the resident legal entity is subject to minimum turnover tax, the interest income is taxed at 1 per cent. tax rate. If the resident entity applies the microenterprise income taxpayer regime, then the interest income will be included in the taxable base (representing the gross income), to which a rate of 1 per cent., respectively 3 per cent. is applied.

For legal entities that are subject to supplemental tax the following tax rates apply:

- 4 per cent. and respectively 2 per cent. for banks
- 0.5 per cent. for oil and natural gas sector.

Holders which are Romanian tax resident legal entities will receive the gross amount of interest on the Capital Securities held.

Tax compliance obligations in regard to the above are applicable at the level of the holders of Capital Securities.

#### **(ii) undertakings for collective investment in transferable securities without legal personality established in Romania and of pension funds without legal personality, privately managed and established in Romania by civil society contract**

Tax compliance obligations will not apply to the interest obtained from holding of Capital Securities in case of undertakings for collective investment in transferable securities without legal personality established in Romania and of pension funds without legal personality, privately managed and established in Romania by civil society contract. Each associate / participant in these undertakings / funds is subject to taxation within the meaning of corporate income tax/microenterprise income tax/minimum turnover tax/supplemental tax or personal income tax, depending on the income obtained.

#### **(iii) Romanian Tax resident individuals (should be applicable in case of secondary market trade)**

In case of Capital instruments issued by legal entities resident in Romania, on capital markets outside Romania, the income in the form of interest paid by the Issuer and recorded in the taxpayer's account during the fiscal year is subject to a 10 per cent. tax rate on their amount.

Starting August 2025, the income tax due on the related interest income is calculated, declared and paid by each individual taxpayer by 25 May of the year which follows the year when the interest income is paid.

Moreover, interest income may be subject to capped health insurance contributions if the annual interest income and other non-salary income derived by the individuals exceeds the annual income thresholds provided by the legislation. If due, the health insurance contributions must be declared and paid by the individual by 25 May of the year following the one the interest income is paid.

### **1.2.2. Taxation of capital gains**

In general, the taxable gain or loss from the transfer of Capital Securities is calculated as the difference between the sale price and the tax value (acquisition/subscription cost), which includes transaction-related costs and costs related to the transfer of ownership, supported by relevant justifying documents.

#### **(i) Romanian tax resident legal entities**

Capital gains/losses obtained by legal entities residents in Romania from the transfer of Capital Securities will be considered taxable/deductible when calculating the tax result for corporate income tax purposes at a 16 per cent. rate, at the level of the above-mentioned entity. Tax losses can be carried forward and offset against up to 70 per cent. of taxable profits earned in each of the following five (5) consecutive years.

If the resident entity applies the microenterprise income tax regime or minimum turnover tax, then only the income from the sale of the Capital Securities will be included in the taxable base (representing the gross income, without deducting the acquisition, transaction, transfer, other costs.), to which a rate of 1 per cent. (microenterprise income tax/ minimum turnover tax), respectively 3 per cent. (microenterprise income tax) is applied.

The Capital gains/losses obtained by banks from the transfer of Capital Securities will be considered taxable/deductible (at 4 per cent. and 2 per cent. respectively) for supplemental tax purposes.

For oil and natural gas companies the revenues obtained from the transfer of Capital Securities will be subject to 0.5 per cent. supplemental tax.

Taxes related to capital gains obtained by Romanian tax resident legal entities will not be withheld at source; the tax compliance obligations will be undertaken at the level of said legal entity.

#### **(ii) undertakings for collective investment in transferable securities without legal personality established in Romania and of pension funds without legal personality, privately managed and established in Romania by civil society contract**

Tax compliance obligations will not arise regarding the capital gains obtained from the transfer of Capital Securities at the level of the undertakings for collective investment in transferable securities without legal personality established in Romania and of pension funds without legal personality, privately managed and established in Romania by civil society contract. Each associate / participant in these undertakings / funds is subject to taxation within the meaning of corporate income tax/microenterprise income tax/minimum turnover tax/supplemental tax or personal income tax, depending on the income obtained.

#### **(iii) Romanian Tax resident individuals**

Capital gains derived from the transfer of Capital Securities issued by a Romanian resident, through a Romanian resident intermediary, is subject to income tax of 1 per cent. (if the securities are held for a period of more than 365 days, inclusive) or 3 per cent. (if they are held for a period of less than 365 days). The Romanian resident intermediary is required to calculate, withhold, declare and pay the income tax for each individual gain (based on Article 96<sup>1</sup> of the Fiscal Code). Losses are not recognised; they cannot be offset or carried forward and they represent final losses of the taxpayer. For capital gains derived starting January 2026, the income tax rate is expected to increase to 3 per cent. (if the securities are held for a period of more than 365 days, inclusive) and to 6 per cent. (if they are held for a period of less than 365 days), based on legislation currently under the approval process.

Capital gains derived from the transfer of Capital Securities issued by a Romanian resident, through a foreign intermediary, is subject to 10 per cent. income tax which needs to be calculated, reported and paid by the individual tax payer by 25 May of the year which follows the year when the gain is derived. The income tax rate is expected to increase to 16 per cent. for capital gains derived starting January 2026, based on legislation currently under the approval process.

Moreover, capital gains may be subject to capped health insurance contributions if the annual capital gains and other non-salary income derived by the individual exceeds the annual income thresholds provided by the legislation. If due, the health insurance contributions must be declared and paid by the individual by 25 May of the year following the one when the gain is derived.

### **1.2.3 Interest cancellation**

In case of interest cancellation, no tax effect is generated for the Holder, and no withholding obligation arises for the Issuer.

#### **1.2.4. Redemption of capital securities**

Upon redemption, any interest payments will be taxed under the rules set out in paragraph 1.2.1. There is no withholding obligation for the repayment of principal amounts.

In case of redemption of the Corporate Securities by the Issuer, if the value of redemption principal amount is equal to the subscription value/acquisition price, then no tax effect will be generated for the Holder. If the redemption value is higher /lower than the subscription value/acquisition price, then a gain/loss should be registered by the Holder.

*For Romanian tax resident legal entities* such gain will be taxed under the rules applicable for corporate income tax computation, microenterprise tax, minimum turnover tax, as well as supplemental tax for banks and oil and natural gas sector.

*For Romanian tax resident individuals* upon redemption, any interest payments will be taxed under the rules set out in paragraph 1.2.1 (iii). In case of redemption, if the redemption value is higher /lower than the subscription value/ acquisition price, than a gain/loss will be subject to the rules set out in paragraph 1.2.2. (iii).

#### **1.2.5 Principal Write-down and Principal Write-up**

In case of **principal write-down**, a loss will arise for the Holder of the Capital Securities:

- For Romanian tax resident legal entities any loss incurred from principal write-down will have the tax regime provided by the Fiscal Code in force at the date when the loss is incurred.
- For Romanian tax resident individuals, no tax implications should be generated by the principal write-down.

In case of **principal write-up**, a gain will arise for the Holder of the Capital Securities:

- For Romanian tax resident legal entities any gain incurred from principal write-up will have the tax regime provided by the Fiscal Code in force at the date when the gain is incurred.
- For Romanian tax resident individuals, no tax implications should be generated by the principal write-up.

### **1.3 Taxation of tax non-resident holders of Capital Securities**

#### **1.3.1. Taxation of interest**

In general, interest income obtained by tax non-residents is subject to 16 per cent. withholding tax, if the interest payer is a Romanian tax resident. The income payer has the obligation to withhold the tax at source, as well as declare and pay it to the Romanian tax authorities.

However, as per article 229 (1) b) of the Fiscal Code, interest on debt instruments (including Capital Securities) issued by resident legal entities, established according to the Romanian Companies Law no. 31/1990 as further amended and republished, obtained from Romania by non-residents, is exempt from withholding tax, if:

- debt instruments are issued based on a prospectus approved by the competent regulatory authority, and
- the interest is paid to a non-resident which is not affiliated to the issuer of the respective debt instruments.

**(i) Tax non-resident legal entities and tax non-resident individuals, which are not affiliated to the Issuer**

The interest on Capital Securities paid to tax non-resident legal entities and tax non-resident individuals is exempt from taxation in Romania, and therefore will not be withheld at source, as the Capital Securities are issued based on a prospectus approved by the competent regulatory authority.

**(ii) Tax non-resident legal entities and tax non-resident individuals, affiliated to the Issuer**

The interest is subject to withholding in Romania at 10 per cent. for affiliated individuals who are tax residents of an EU country or of a country with which Romania concluded a double tax treaty and 16 per cent. for affiliated legal entities and other affiliated non-resident individuals. The rate can be reduced or eliminated based on the provisions of the treaty for the avoidance of double taxation concluded between Romania and the country of tax residency of the non-resident affiliated legal entity/ non-resident affiliated individual that obtains the income. In order to benefit from the more favourable provisions of a treaty for the avoidance of double taxation, the non-resident affiliate must obtain and provide the tax resident income payer with a tax residency certificate (valid for the respective fiscal year) issued by the tax authorities of the country of tax residency and a net withholding clause is included for such interest payments in Condition 8 (*Taxation*). Under certain conditions, the exemption provided for interest payments under the EU Interest and Royalties Directive (Directive 2003/49/EC) may apply to payments between affiliated entities, in accordance with the provisions of the Fiscal Code transposing the Directive 2003/49/EC. As mentioned above, the income payer has the obligation to request the necessary documents/information for the application of more favorable provisions. If the conditions of the Directive 2003/49/EC are fulfilled at a time after the withholding tax at source, the tax non-resident legal entity may request from the tax authorities in Romania, through the income payer, the refund of the tax.

Tax compliance obligations for interest payments made to affiliates are applicable at the level of the Issuer. The tax non-resident entity or individual has the obligation to obtain a Romanian tax identification code if they do not already hold such a code in Romania. This can also be performed by the Issuer on their behalf.

**(iii) Non-resident undertakings for collective investment in transferable securities without legal personality and pension funds without legal personality established outside Romania.**

The interest on Capital Securities paid to non-resident undertakings for collective investment in transferable securities without legal personality or pension funds without legal personality established outside Romania is exempt from taxation in Romania based on art. 229 (1) let. b) of the Fiscal Code, if the Capital Securities are issued on the basis of a prospectus approved by the competent regulatory authority and the beneficiary is not affiliated to the issuer.

**1.3.2. Taxation of capital gains**

**(i) Tax non-resident legal entities and tax non-resident individuals**

The Fiscal Code provides as non-taxable capital gains obtained by non-resident entities and non-resident individuals from the trading of Capital Securities on capital markets outside Romania. The tax non-resident legal entity or non-resident individual does not have the obligation to obtain a Romanian tax identification code.

**(ii) Non-resident undertakings for collective investment in transferable securities without legal personality and pension funds without legal personality established outside Romania.**

Art 228 let. b) of the Fiscal Code provides as non-taxable capital gains obtained by non-resident entities from the trading of Capital Securities on capital markets outside Romania. Moreover, art. 228 let. a) of the Fiscal Code also provides as non-taxable capital gains obtained by non-resident undertakings for collective investment in transferable securities without legal personality, as long as said undertakings are recognised by the competent regulatory authority that activates on that market.

The non-resident undertakings or foreign pension funds are not required to obtain a tax identification code in Romania.

**1.3.3 Interest cancellation**

In case of interest cancellation, no tax effect is generated for the Holder, and no withholding obligation arises for the Issuer.

### **1.3.4. Redemption of capital securities**

Upon redemption, any interest payments will be taxed under the rules set out in paragraph 1.3.1.

In case of redemption of the Corporate Securities by the Issuer, if the value of redemption is equal to the subscription value, then no tax effect should be generated. If the redemption value is higher /lower than the subscription value, than a gain/loss should be registered. Such gain/loss is not subject to withholding tax by the Issuer and the tax treatment should be applied by each Holder according to the tax rules in their country of jurisdiction.

### **1.3.5 Principal Write-down and Principal Write-up**

In case of **principal write-down/write-up**, a loss/gain should arise for the Holder of the Capital Securities:

- For tax non-resident legal entities the tax treatment of any loss/gain incurred from principal write-down/ write-up should be applied by each Holder according to the tax rules in its country of jurisdiction.
- For tax non-resident individuals, the tax treatment of any loss/gain incurred from principal write-down /write-up should be applied by each Holder according to the tax rules in its country of jurisdiction.

### **1.4 Considerations relating to value added tax**

Investment transactions (purchase-sale) with financial instruments such as Capital Securities, including intermediation but excluding their administration or safekeeping, are exempt from VAT according to art. 292 (2) point 5 of the Fiscal Code.

### **FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold tax on certain payments it makes ("foreign passthrough payments") to persons that fail to meet certain certification, reporting, or related requirements.

The Issuer does not have any FATCA reporting and withholding obligations in respect of the Capital Securities based on the current legislation. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Capital Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Capital Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Capital Securities, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthrough payment" are published would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer).

Holders should consult their own tax advisors regarding how these rules may apply to their investment in Capital Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on Capital Securities, the Issuer will not be required to pay additional amounts as a result of the withholding.

### **CRS & FATCA reporting**

In accordance with the provisions of FATCA and Standard for Automatic Exchange of Financial Account Information in Tax Matters, also referred to as the Common Reporting Standard (CRS) regulations if the Holders are identified as relevant persons from a FATCA and CRS perspective their personal information and financial data, should be reported to the relevant tax authorities by the responsible reporting financial

institutions, which, depending on the reporting jurisdiction's provisions may include the following information:

a) the name, address, tax residency jurisdiction(s), fiscal identification number(s), as well as the date and place of birth (in the case of a natural person) of each person who is the subject of the report and who is the holder of the respective account and, in the case to an entity that is the account holder and that, after applying specific fiscal due diligence procedures is identified as a passive non-financial entity having one or more persons who exercise control and who is a/are person (s) subject to reporting, the name, address, tax residency jurisdiction(s), and tax identification number of the entity, as well as the name, address, tax residency jurisdiction(s), tax identification number and date and place of birth of each person who the subject of the report;

b) account number (or its functional equivalent in the absence of an account number);

c) the account balance or value at the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during the year or the respective period, closing the account; and

d) the total gross amount paid or credited to the account holder in relation to that account during the calendar year or other appropriate reporting period in relation to which the reporting financial institution is the debtor, including the aggregate amount of any redemptions paid to the account holder account during the calendar year or other appropriate reporting period.

## SUBSCRIPTION AND SALE

BofA Securities Europe SA, BT Capital Partners S.A., J.P. Morgan SE and Morgan Stanley Europe SE (the "**Joint Lead Managers**") have, pursuant to a subscription agreement dated on or around 25 November 2025 (the "**Subscription Agreement**"), jointly and severally agreed with the Issuer upon the terms and subject to the satisfaction of certain conditions, to subscribe the Capital Securities at an issue price of 100 per cent. of their principal amount less a combined selling, management and underwriting commission.

The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses and has agreed to indemnify the Joint Lead Managers against certain liabilities incurred in connection with the issue of the Capital Securities. The Subscription Agreement may be terminated in certain circumstances prior to the closing of the issue of the Capital Securities.

### **United States of America**

Capital Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Capital Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver Capital Securities, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of Capital Securities within the United States or to, or for the account or benefit of, U.S. persons, and such Joint Lead Manager will have sent to each dealer to which it sells the Capital Securities during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Capital Securities within the United States or to, or for the account or benefit of, U.S. persons.

### **Prohibition of Sales to EEA Retail Investors**

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Capital Securities which are the subject of the offering contemplated by this Prospectus to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **United Kingdom**

#### ***Prohibition of Sales to UK Retail Investors***

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Capital Securities which are the subject of the offering contemplated by this Prospectus to any retail investor in the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the UK by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as

a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the UK by virtue of the EUWA.

#### ***Other regulatory restrictions***

Each Joint Lead Manager represents, warrants and undertakes to the Issuer and each other Joint Lead Manager that:

- (i) *Financial promotion*: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Capital Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Capital Securities in, from or otherwise involving the United Kingdom.

#### **Republic Of Italy**

The offering of the Capital Securities has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation. Each Joint Lead Manager has represented and agreed that any offer, sale or delivery of the Capital Securities or distribution of copies of this Prospectus or any other document relating to the Capital Securities in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Any such offer, sale or delivery of the Capital Securities or distribution of copies of this Prospectus or any other document relating to the Capital Securities in the Republic of Italy must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time) and any other applicable laws and regulations;
- (ii) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and 2 November 2020); and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

#### **Hong Kong**

Each Joint Lead Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Capital Securities (except for Capital Securities which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the "**SFO**") other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Capital Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so

under the securities laws of Hong Kong) other than with respect to Capital Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

### **Singapore**

Each Joint Lead Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Capital Securities or caused the Capital Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Capital Securities or cause the Capital Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Capital Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

### **General**

Each Joint Lead Manager has represented and agreed that it will comply in all material respects with all applicable laws and regulations in force in any jurisdiction in or from which it purchases, offers, sells or delivers any Capital Securities or any interest therein or possesses or distributes this Prospectus or any other offering material relating to the Capital Securities, in all cases at its own expense.

## GENERAL INFORMATION

### Authorisation

1. The creation and issue of the Capital Securities has been authorised by a resolution of the General Meeting of Shareholders of the Issuer dated 28 October 2025 and, respectively, the decision of the Board of Directors dated 17 November 2025. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Capital Securities.

### Listing

2. Application has been made to Euronext Dublin for the Capital Securities to be admitted to the Official List of Euronext Dublin and to trading on the Regulated Market with effect from the Issue Date.
3. The estimated total expenses related to the admission to trading amount to EUR 10,000.

### Legal and Arbitration Proceedings

4. Save as disclosed in the "*Description of the Issuer*" Section 23 "*Legal and administrative proceedings*" of this Prospectus, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer and or the Issuer and its Subsidiaries.

### Significant/Material Change

5. Since 31 December 2024, there has been no material adverse change in the prospects of the Issuer or the Issuer and its Subsidiaries.
6. Since 30 September 2025 there has been no significant change in the financial position or financial performance of the Issuer or the Issuer and its Subsidiaries.

### Auditors

7. On 26 April 2023, Deloitte Audit S.R.L. was appointed as statutory auditor of the Issuer for the financial years 2023-2027. Deloitte has audited the consolidated and separate financial statements of the Issuer for the years ended 31 December 2023 and 31 December 2024.

### Documents on Display

8. For so long as the Capital Securities are listed on Euronext Dublin and admitted to trading on the Regulated Market, copies of the following documents (together with English translations thereof) may be inspected during normal business hours at the offices of the Issuer or at <https://www.bancatransilvania.ro/en/investor-relations>:
  - (a) the constitutive act of the Issuer (as the same may be updated from time to time);
  - (b) the Audited Financial Statements, the Unaudited Reviewed Interim Financial Statements and the Unaudited Unreviewed Interim Financial Statements; and
  - (c) the Fiscal Agency Agreement and the Deed of Covenant.

For the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus. This Prospectus will be available, in electronic format, on the website of Euronext Dublin (<https://live.euronext.com>).

### Clearing of Capital Securities

9. The Capital Securities have been accepted for clearance through Euroclear and Clearstream systems. The International Securities Identification Number (ISIN) for the Capital Securities is XS3239211132 and the Common Code is 323921113 .

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream is 42 Avenue JF Kennedy L-1855 Luxembourg.

#### **Yield**

10. 7.125 per cent. per annum. The yield is calculated at the Issue Date on the basis of the Issue Price until the First Reset Date. It is not an indication of future yield. Since the Rate of Interest will be reset at the First Reset Date (unless the Issuer redeems the Capital Securities on any day falling in the period commencing on (and including) the First Call Date and ending on (and including) the First Reset Date ), an indication of yield relating to periods after the First Reset Date cannot be given.

#### **Conflicts of Interest**

11. Certain of the Joint Lead Managers have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business for which they have received, and may in the future receive, fees. Certain of the Joint Lead Managers and their affiliates may have positions, deal or make markets in the Capital Securities, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates including, without limitation, the Capital Securities. The Joint Lead Managers and/or their affiliates may receive allocations of Capital Securities (subject to customary closing conditions), which may affect the future trading of the Capital Securities. Certain of the Joint Lead Managers of their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Capital Securities. Any such positions could adversely affect future trading prices of the Capital Securities. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

#### **Irish Listing Agent**

12. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to Capital Securities and is not itself seeking admission of Capital Securities to the Official List of Euronext Dublin or to trading on the Regulated Market for the purposes of the Prospectus Regulation.

#### **The Legal Entity Identifier**

13. The Legal Entity Identifier (LEI) of the Issuer is 549300RG3H390KEL8896.

***Registered Office of the Issuer***

**Banca Transilvania S.A.**  
30 - 36 Calea Dorobantilor  
400117, Cluj-Napoca, Cluj County  
Romania

***Structuring Coordinator***

**BofA Securities Europe SA**  
51 rue La Boétie  
75008 Paris  
France

***Joint Lead Managers***

**BofA Securities Europe SA**  
51 rue La Boétie  
75008 Paris  
France

**BT Capital Partners  
S.A.**  
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The Office, Corpurile C-D, intrare C, etaj 2, Cluj-  
Napoca, 400603, România

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(TaunusTurm)  
60310 Frankfurt am Main  
Germany

**Morgan Stanley Europe SE**  
Grosse Gallusstrasse 18 60312  
Frankfurt-am-Main  
Germany

***Fiscal Agent***

**The Bank of New York Mellon, London Branch**  
160 Queen Victoria Street  
London EC4V 4LA  
United Kingdom

***Legal Advisers***

*To the Issuer as to English law:*

**Freshfields LLP**  
100 Bishopsgate  
London, EC2P 2SR  
United Kingdom

*To the Issuer as to Romanian law:*

**Filip SCA**  
Equilibrium Building  
2 Gara Herastrau Street  
11 Floor  
020334, 2nd District, Bucharest  
Romania

*To the Joint Lead Managers as to English law:*

**Clifford Chance LLP**  
10 Upper Bank Street  
London, E14 5JJ  
United Kingdom

*To the Joint Lead Managers as to Romanian law:*

**Clifford Chance Badea SPRL**  
Excelsior Center  
28-30 Academiei Street  
Sector 1, Bucharest

010016

***Auditors to the Issuer***

**Deloitte Audit S.R.L.**  
84-98, 100-102 Calea Grivitei  
The Mark Building, Floor 9,  
District 1, Bucharest

***Listing Agent***

**Arthur Cox Listing Services Limited**  
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The Republic of Ireland