



# **REGULATORY DISCLOSURE REPORT**

**Banca Transilvania Financial Group**

**H1**

**According to the provisions of the following regulatory framework:**

- Regulation of the National Bank of Romania No. 5/2013 on prudential requirements for credit institutions with subsequent amendments and additions.
- Regulation No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and the following amendments.
- Commission Implementing Regulation (EU) 3172/2024 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 637/2021.
- Commission Implementing Regulation (EU) 637/2021 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council.
- Commission Implementing Regulation (EU) 763/2021 of 23 April 2021 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 59/2014 (EU) of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities.

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## INTRODUCTION

Through this document, Banca Transilvania Financial Group complies with the technical criteria regarding transparency and publication according to the requirements of the National Bank of Romania Regulation no. 5/2013 on prudential requirements for credit institutions as well as Regulation no. 575/2013 on prudential requirements for credit institutions (Capital Requirements Regulation), Part 8.

The information subject to publication requirements represents the outcome of a comprehensive assessment targeting the areas mentioned throughout the document, with the evaluation carried out in accordance with both the requirements and the frequencies stipulated by the applicable regulations previously presented.

The data in this document refer to the reporting date of June 30, 2025, unless otherwise specified.

This document is prepared on a consolidated basis in accordance with the International Financial Reporting Standards (IFRS).

Information presented is in accordance with the Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 are available on the bank's website (<https://www.bancatransilvania.ro/>).

## SCOPE OF APPLICATION

Banca Transilvania S.A. (the “Parent company”, “BT”) is a joint-stock company registered in Romania. The Bank started its activity as a banking institution in 1993 and is licensed by the National Bank of Romania (“BNR”, the “Central Bank”) to conduct banking activities. The Bank started its activity in 1994, and its main operations involve banking services for legal entities and individuals.

Banca Transilvania Group (the “Group”) includes the Parent company and its subsidiaries, based in Romania and in the Republic of Moldova. The consolidated and separate financial statements as of June 30, 2025 include the Parent company and its subsidiaries (hereinafter referred to as the “Group”).

The Group’s main fields of activity are:

- banking through Banca Transilvania S.A., Victoriabank S.A. and Salt Bank S.A.,
- leasing and consumer finance mainly through BT Leasing Transilvania IFN S.A., BT Direct IFN S.A., BT Microfinantare IFN S.A. and BT Leasing MD S.R.L.,
- asset management through BT Asset Management S.A.I. S.A. and INNO Investments S.A.I. S.A. (OTP Asset Management S.A.I. S.A.),
- brokerage and investments through BT Capital Partners S.A. and
- pension funds management BT Pensii S.A..

Additionally, the Bank also has control over two investment funds it consolidates.

The detailed presentation of the above information can be found in Interim Condensed Consolidated and Separate Financial Statements as of June 30, 2025, published on the Bank’s website (<https://www.bancatransilvania.ro>).

## OWN FUNDS

### OWN FUNDS REQUIREMENTS

The Group’s and the Bank’s own funds are based on the applicable legal requirements on regulatory capital and include:

- Common Equity Tier 1, which includes subscribed and paid in capital, share premiums, eligible reserves, retained earnings and deductions stipulated by the applicable legal provisions;
- Tier II, which includes subordinated borrowings and deductions stipulated by the applicable legal provisions.

## Main characteristics of capital instruments

1	Issuer	Banca Transilvania	Banca Transilvania	VICTORIABANK	VICTORIABANK
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ROTLVADBC023	XS2641792465	YYMDCVICB101	YYMDSVICB001
3	Governing law(s) of the instrument	OUG nr.99/2006, CRR	OUG nr.99/2006, CRR	English Law, CRR	English Law, CRR
	<b>Regulatory treatment</b>				
4	Transitional CRR rules	Level 2	Level 2	Level 2	Level 2
5	Post-transitional CRR rules	Level 2	Level 2	Level 2	Level 2
6	Eligible at solo/(sub)consolidated / solo&(sub)consolidated	individual and consolidated	individual and consolidated	individual and consolidated	individual and consolidated
7	Instrument type (types to be specified by each jurisdiction)	Subordinated securities (bonds)	Subordinated loan (bonds)	Subordinated loan	Subordinated loan
8	Amount recognized in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	€ 284.61	€ 198.96	€ 9.70	€ 14.55
9	Nominal amount of instrument	€ 285.00	€ 200.00	€ 10.00	€ 15.00
EU-9a	Issue price	€ 285.00	€ 200.00	€ 10.00	€ 15.00
EU-9b	Redemption price	€ 285.00	€ 200.00	€ 10.00	€ 15.00
10	Accounting classification	debts at amortized cost	debts at amortized cost	debts at amortized cost	debts at amortized cost
11	Original date of issuance	26/06/2018	29/06/2023	18/12/2024	20/12/2024
12	Perpetual or dated	dated	dated	dated	dated
13	Original maturity date	26/06/2028	29/06/2033	15/12/2031	15/12/2031
14	Issuer call subject to prior supervisory approval	nu	nu	nu	nu
15	Optional call date, contingent call dates and redemption amount	n/a	n/a	n/a	n/a
16	Subsequent call dates, if applicable	n/a	n/a	n/a	n/a
	<b>Coupons / dividends</b>	0	0	0	0
17	Fixed or floating dividend/coupon	floating	floating	floating	floating

18	Coupon rate and any related index	EURIBOR 6M + 3.75%	EURIBOR 6M+6.68%	indicator 6M+5.75%+0.50%	indicator 6M+6%+0.50%
19	Existence of a dividend stopper	n/a	n/a	n/a	n/a
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	n/a	n/a	n/a	n/a
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	n/a	n/a	n/a	n/a
21	Existence of step up or other incentive to redeem	n/a	n/a	n/a	n/a
22	Noncumulative or cumulative	n/a	n/a	n/a	n/a
23	Convertible or non-convertible	nu	nu	nu	nu
24	If convertible, conversion trigger(s)	n/a	n/a	n/a	n/a
25	If convertible, fully or partially	n/a	n/a	n/a	n/a
26	If convertible, conversion rate	n/a	n/a	n/a	n/a
27	If convertible, mandatory or optional conversion	n/a	n/a	n/a	n/a
28	If convertible, specify instrument type convertible into	n/a	n/a	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	n/a	n/a	n/a	n/a
30	Write-down features	n/a	n/a	n/a	n/a
31	If write-down, write-down trigger(s)	n/a	n/a	n/a	n/a
32	If write-down, full or partial	n/a	n/a	n/a	n/a
33	If write-down, permanent or temporary	n/a	n/a	n/a	n/a
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a	n/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	subordinated to all other debts	subordinated to all other debts	subordinated to all other debts	subordinated to all other debts
36	Non-compliant transitioned features	nu	nu	nu	nu
37	If yes, specify non-compliant features				
37a	Link to the full term and conditions of the instrument (signposting)				

## Reconciliation of own funds elements with the statement of financial position

	RON thous. 30.06.2025
<b>Capital base in RON thousand</b>	
Shareholders' equity according to the Group's balance sheet	17,176,822
Non-controlling interests	821,661
Anticipated dividend	-
Additional value adjustments	(45,823)
Goodwill	(154,363)
Deferred tax receivables	-
Intangible assets	(572,606)
Other adjustments	241,831
<b>Common Equity Tier 1 capital (CET1)*</b>	<b>17,467,520</b>
<b>Total Tier 1 capital I</b>	<b>17,467,520</b>
Tier 2 instrument	2,411,832
Other adjustments	(412,301)
<b>Total Tier 2 capital</b>	<b>1,999,531</b>
<b>Total capital base*</b>	<b>19,467,052</b>

\* The Group Own Funds include the statutory profits of the Group, respectively of the Bank for the year 2024, and take into account the GSM decision regarding the distribution of the net profit realized, the amount that will be distributed as dividends being deducted from the total own funds.

## Financial position

### Template EU CC2 - Reconciliation of regulatory own funds with the balance sheet in the audited financial statements

		RON thous.		
		a	b	c
Assets - Breakdown by asset classes according to the balance sheet from the published financial statements		IFRS H1 2025	Prudential H1 2025	Reference
1	Cash and current accounts with Central Banks	21,319,723	21,319,722	
2	Derivatives	174,665	174,665	
3	Financial assets held for trading and measured at fair value through profit or loss	388,786	18,755	
4	Non-trading financial assets mandatorily at fair value through profit or loss	1,460,950	2,112,585	
5	Financial assets measured at fair value through other items of comprehensive income	43,248,217	43,248,217	
6	Financial assets at amortized cost - of which:	131,582,463	131,623,860	
7	- Placements with banks	7,122,430	7,105,950	



8	- Loans and advances to customers	94,929,065	94,988,003	
9	- Debt instruments	25,476,712	25,476,712	
10	- Other financial assets	4,054,255	4,053,196	
11	Finance lease receivables	5,809,331	5,809,331	
12	Investments in subsidiaries	28,942	20,008	
13	Investment in associates	-	-	
14	Property and equipment and investment property	1,637,836	1,361,828	
15	Intangible assets	1,021,598	1,021,550	CC1 row 8
16	Goodwill	156,968	154,363	CC1 row 8
17	Right-of-use assets	552,157	570,492	
18	Current tax assets	-	-	
19	Deferred tax assets	339,676	312,577	
20	Other non-financial assets	434,798	434,130	
21	<b>Total assets</b>	<b>208,156,110</b>	<b>208,182,083</b>	
<b>Liabilities - Breakdown by liabilities classes according to the balance sheet from the published financial statements</b>				
22	Derivatives	248,724	248,724	
23	Deposits from banks	986,588	986,588	
24	Deposits from customers	164,468,946	164,500,342	
25	Loans from banks and other financial institutions	14,036,054	14,005,551	
26	Subordinated liabilities	2,580,659	2,580,659	
27	Current tax liability	117,432	116,898	
28	Provisions for other risks and loan commitments	665,625	665,625	
29	Lease liabilities	587,671	607,206	
30	Other financial liabilities	5,949,793	5,949,609	
31	Other non-financial liabilities	481,499	485,006	
32	<b>Total liabilities excluding financial liabilities to holders of fund units</b>	<b>190,122,991</b>	<b>190,146,208</b>	
33	Financial liabilities to holders of fund units	34,636	-	
34	<b>Total liabilities</b>	<b>190,157,627</b>	<b>190,146,208</b>	
<b>Equity - Breakdown by equity classes according to the balance sheet from the published financial statements</b>				
35	Share capital	9,255,300	9,255,300	CC1 row 1
36	Treasury shares	(15,287)	-	CC1 row 16
37	Share premiums	28,110	28,110	CC1 row 1
38	Retained earnings	7,869,293	7,891,724	CC1 row 2 +CC1 row3 + CC1 EU-3a
39	Revaluation reserves from tangible assets	43,830	43,830	
40	Reserves on financial assets measured at fair value through other items of comprehensive income	(1,375,534)	(1,375,534)	
41	Other reserves	1,371,110	1,370,947	
42	<b>Total equity attributable to equity holders of the Bank</b>	<b>17,176,822</b>	<b>17,214,377</b>	
43	Non-controlling interest	821,661	821,498	
44	<b>Total equity</b>	<b>17,998,483</b>	<b>18,035,875</b>	
45	<b>Total liabilities and equity</b>	<b>208,156,110</b>	<b>208,182,083</b>	

## Own funds (prudential)

### Template EU CC1 - Composition of regulatory own funds

		RON thous.	
		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>		<b>30.06.2025</b>	
1	Capital instruments and the related share premium accounts	9,283,409	CC2 row 35+ CC2 row 37
2	Retained earnings	4,193,606	CC2 row 38 + CC2 row 39 + CC2 row 40 + CC2 row 41
3	Accumulated other comprehensive income (and other reserves)	3,500,237	
EU-3a	Funds for general banking risk	77,893	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1		
5	Minority interests (amount allowed in consolidated CET1)		
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend		
<b>6</b>	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>17,055,145</b>	
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>		<b>30.06.2025</b>	
7	Additional value adjustments (negative amount)	(45,823)	
8	Intangible assets (net of related tax liability) (negative amount)	(726,970)	CC2 row 15+ CC2 row 16
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value		
12	Negative amounts resulting from the calculation of expected loss amounts		
13	Any increase in equity that results from securitised assets (negative amount)		
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		
15	Defined-benefit pension fund assets (negative amount)		
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	(100,250)	CC2 row 36 (partial) - treasury shares
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		

19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	(46,066)	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)		
EU-20c	of which: securitisation positions (negative amount)	(46,066)	
EU-20d	of which: free deliveries (negative amount)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		
22	Amount exceeding the 17,65% threshold (negative amount)		
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences		
EU-25a	Losses for the current financial year (negative amount)		
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		
27a	Other regulatory adjustments	1,331,484	
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>412,376</b>	
29	<b>Common Equity Tier 1 (CET1) capital</b>	<b>17,467,520</b>	
<b>Additional Tier 1 (AT1) capital: instruments</b>		<b>30.06.2025</b>	
30	Capital instruments and the related share premium accounts		
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1		
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1		
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1		
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		
35	of which: instruments issued by subsidiaries subject to phase out		
36	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>		
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>		<b>30.06.2025</b>	
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)		
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		
42a	Other regulatory adjustments to AT1 capital		
43	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>		

44	Additional Tier 1 (AT1) capital		
45	Tier 1 capital (T1 = CET1 + AT1)	17,467,520	
Tier 2 (T2) capital: instruments		30.06.2025	
46	Capital instruments and the related share premium accounts	1,999,531	
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR		
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2		
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		
49	of which: instruments issued by subsidiaries subject to phase out		
50	Credit risk adjustments		
51	Tier 2 (T2) capital before regulatory adjustments	1,999,531	
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)		
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
54a	Not applicable		
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		
EU-56b	Other regulatory adjustments to T2 capital		
57	Total regulatory adjustments to Tier 2 (T2) capital		
58	Tier 2 (T2) capital	1,999,531	
59	Total capital (TC = T1 + T2)	19,467,052	
60	Total risk-weighted assets	93,736,480	
Capital ratios and requirements including buffers		30.06.2025	
61	Common Equity Tier 1 capital	18.63%	
62	Tier 1 capital	18.63%	
63	Total capital	20.77%	
64	Institution CET1 overall capital requirements	12.65%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	1.00%	
67	of which: systemic risk buffer requirement		
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	2.50%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage		
68	Common Equity Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	9.75%	
National minima (if different from Basel III)		30.06.2025	
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)		30.06.2025	

72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)		
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)		
<b>Applicable caps on the inclusion of provisions in Tier 2</b>		<b>30.06.2025</b>	
76	Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)		
77	Cap on inclusion of credit risk adjustments in T2 under standardized approach		
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)</b>		<b>30.06.2025</b>	
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

## Template EU KM1 - Key metrics template

Banca Transilvania has chosen to apply until December 31, 2025 the temporary treatment of unrealized gains and losses valued at fair value through other elements of the comprehensive result, in accordance with art. 468 of Regulation (EU) 575/2013, amended by Regulation (EU) 2024/1623 of May 31, 2024. The Bank removes from the calculation of CET1 elements the amount calculated according to the provisions of the regulation.

		RON thous.				
		a	b	c	d	e
		30.06.2025	31.03.2025	31.12.2024	30.09.2024	30.06.2024
	<b>Available own funds (amounts)</b>					
1	Common Equity Tier 1 (CET1) capital	17,467,520	15,835,536	16,707,830	15,643,698	15,362,583
	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17,467,520	15,835,536	16,117,842	15,119,082	14,874,006
	CET1 capital as if the temporary treatment of unrealized gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied	15,914,125	14,182,259	14,816,360	14,329,167	13,702,156
2	Tier 1 capital	17,467,520	15,835,536	16,707,830	15,643,698	15,362,583
	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17,467,520	15,835,536	16,117,842	15,119,082	14,874,006

	Tier 1 capital as if the temporary treatment of unrealized gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	15,914,125	14,182,259	14,816,360	14,329,167	13,702,156
3	Total capital	19,467,052	17,915,681	18,809,175	17,745,513	17,483,899
	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	19,467,052	17,915,681	18,219,187	17,220,898	16,995,322
	Total capital as if the temporary treatment of unrealized gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	17,913,657	16,262,404	16,917,704	16,430,982	15,823,472
<b>Risk-weighted exposure amounts</b>						
4	Total risk exposure amount	93,736,480	89,847,607	87,865,302	79,980,144	66,853,108
4a	Total risk exposure pre-floor	93,736,480	89,847,607			
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>						
5	Common Equity Tier 1 ratio (%)	18.63%	17.62%	19.02%	19.56%	22.98%
	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.63%	17.62%	18.44%	19.00%	22.25%
	CET1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealized gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	16.98%	15.78%	16.95%	18.01%	20.50%
5a	Not applicable					
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)					
6	Tier 1 ratio (%)	18.63%	17.62%	19.02%	19.56%	22.98%
	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.63%	17.62%	18.44%	19.00%	22.25%
	Tier 1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealized gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	16.98%	15.78%	16.95%	18.01%	20.50%
6a	Not applicable					
6b	Tier 1 ratio considering unfloored TREA (%)					
7	Total capital ratio (%)	20.77%	19.94%	21.41%	22.19%	26.15%
	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	20.77%	19.94%	20.84%	21.64%	25.42%
	Total capital (as a percentage of risk exposure amount) as if the temporary treatment of unrealized gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	19.11%	18.10%	19.35%	20.65%	23.67%

7a	Not applicable					
7b	Total capital ratio considering unfloored TREA (%)					
	<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>					
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.84%	3.83%	3.83%	3.83%	2.83%
EU 7e	of which: to be made up of CET1 capital (%)	2.16%	2.15%	2.15%	2.15%	1.59%
EU 7f	of which: to be made up of Tier 1 capital (%)	2.88%	2.87%	2.87%	2.87%	2.12%
EU 7g	Total SREP own funds requirements (%)	11.84%	11.83%	11.83%	11.83%	10.83%
	<b>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</b>					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
9	Institution specific countercyclical capital buffer (%)	1.00%	1.00%	1.00%	1.00%	1.00%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	2.50%	2.00%	2.00%	2.00%	2.00%
11	Combined buffer requirement (%)	6.00%	5.50%	5.50%	5.50%	5.50%
EU 11a	Overall capital requirements (%)	17.84%	17.33%	17.33%	17.33%	16.33%
12	CET1 available after meeting the total SREP own funds requirements (%)	9.75%	8.75%	10.14%	10.69%	14.86%
	<b>Leverage ratio</b>					
13	Total exposure measure	214,723,935	214,098,664	217,035,610	209,265,666	185,703,160
14	Leverage ratio (%)	8.13%	7.40%	7.70%	7.48%	8.27%
	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	8.13%	7.40%	7.45%	7.24%	8.03%
	Leverage ratio as if the temporary treatment of unrealized gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	7.41%	6.62%	6.89%	6.89%	7.45%
	<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-

EU 14c	Total SREP leverage ratio requirements (%)	-	-	-	-	-
	<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>					
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirement (%)	-	-	-	-	-
	<b>Liquidity Coverage Ratio</b>					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	69,508	64,481	65,291	63,809	60,054
EU 16a	Cash outflows - Total weighted value	30,628	29,576	29,271	28,165	25,693
EU 16b	Cash inflows - Total weighted value	11,185	14,378	16,476	13,983	10,085
16	Total net cash outflows (adjusted value)	19,578	15,307	12,900	14,303	15,717
17	Liquidity coverage ratio (%)	355%	421%	506%	446%	382%
	<b>Net Stable Funding Ratio</b>					
18	Total available stable funding	174,639,235	169,644,305	172,070,130	164,967,000	147,615,702
19	Total required stable funding	75,083,218	68,618,353	65,334,161	68,109,843	60,459,909
20	NSFR ratio (%)	232.59%	247.23%	263.37%	242.21%	244.15%

## MINIMUM REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES (MREL)

The Bank Recovery and Resolution Directive (BRRD) introduced the minimum requirements for own funds and eligible liabilities (MREL) in 2016 for European Union institutions. MREL's purpose is to ensure these institutions always maintain sufficient own funds and eligible liabilities in order to absorb any possible losses and to recapitalize.

MREL requirement applies to a wide range of European institutions under the BRRD, regardless of their size or systemic importance.

Moreover, resolution authorities determine MREL individually for each institution, taking into account the resolution strategy, type of entity, and specific characteristics of the credit institution: size, business model, funding model, and risk profile.

MREL is determined as the sum of two main components: loss absorption amount (LAA) and recapitalization amount (RA), the last one including an additional amount necessary to maintain sufficient market confidence in the credit institution under resolution (market confidence charge – MCC).

The MREL requirement is expressed as a ratio between the sum of own funds and eligible liabilities and the total risk exposure amount (TREA), respectively as a ratio between the sum of own funds and eligible liabilities and the institution's total exposure measure (TEM), calculated in accordance with art. 429 and 429a of Regulation (EU) no. 575/2013, reported by the credit institution.



$$\text{MREL}_{TREA} = \frac{\text{Total own funds and eligible liabilities}}{\text{Total risk exposure amount}}$$

$$\text{MREL}_{TEM} = \frac{\text{Total own funds and eligible liabilities}}{\text{Total exposure measure}}$$

At national level, the BRRD framework was implemented through Law 312/2015 which addresses the recovery and resolution of credit institutions and investment firms, including subsequent amendments and additions.

Thus, the National Bank of Romania (NBR) as the National Resolution Authority (NRA) determined for Banca Transilvania a minimum requirement of own funds and eligible liabilities that needs to be fulfilled with eligible capital and debt instruments, based on the consolidated financial statements.

Banca Transilvania ensures the fulfillment of the minimum requirement of own funds and eligible liabilities set by the NRA and plans its integration in the financial statements, carries out the necessary actions and the dynamics of key capital indicators to achieve MREL target and provides periodic (quarterly) reports on compliance and the financing structure of the eligible liabilities, both to the Management Body and to the National Resolution Authority.

In July 2025, Banca Transilvania S.A. listed on the Bucharest Stock Exchange its first sustainable bond issue of 1.5 billion lei. The bond issue consists of 2,500 sustainable, eligible (in line with MREL requirements), non-preferred, non-preferential corporate bonds with a nominal value of RON 600,000, maturing in 2032 and bearing annual interest of 8.875%.

## **2024 BOND PROGRAMS :**

- ISIN: XS2908597433

On 25 September 2024, Banca Transilvania sold EUR 700 million in bonds, while investor demand exceeded EUR 2.5 billion. This marks the second year running that BT has issued under the Sustainable Finance Framework.

Orders were submitted by almost 170 institutional investors, mostly international, i.e. 95%. The offer was placed by 131 investment funds, pension funds, commercial banks, insurance companies and other companies from 28 countries, including Europe, the US, Asia and the Middle East. Over 64% of the investors who subscribed to BT's sustainable bonds also have ESG objectives in their investment policies.

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

The favourable financial market conditions and the dynamics of the order book resulted in a final coupon of 5.125 per annum, yielding 40 basis points lower than initially expected. The entire sale process was completed within a few hours and, given the high level of interest in the market, which persisted even after the price reduction, Banca Transilvania decided to increase the amount raised to EUR 700 million.

The bonds mature in 2030, are listed on the Dublin Stock Exchange and are eligible for the Minimum Requirement for Own Funds and Eligible Liabilities (MREL), helping to ensure an optimal level of funds

at all times, distinct from customer deposits which are guaranteed by the Deposit Guarantee Fund, in line with European banking standards.

The first ESG bond issue, also oversubscribed in a few hours, was announced by Banca Transilvania in November 2023, when it raised €500 million.

BT implemented a series of actions during 2023 that allowed the Bank to strengthen its capital base and to accumulate MREL eligible instruments: issuance of MREL eligible senior non-preferred bonds and Tier 2 eligible subordinated notes under the EMTN programmes approved by the GSM in 2022 and 2023, as well as the incorporation of significant portions of the 2022 and 2023 profits into own funds items .

### **2023 BOND PROGRAMS:**

- EMTN 1/ XS2616733981
- EMTN 2/ XS2724401588

Amid the turmoil in financial markets in 2023, senior preferred bond issuance provided a safer investment alternative for risk-averse investors, increasing market stability and contributing to the resilience of financial institutions.

In this context, BT, with the support of strategic partners, entered the bond market in April 2023 under the first Bond Program approved at the Extraordinary General Meeting of Shareholders in November 2022, the first issue in Europe in terms of size following the events that affected the international banking sector at the beginning of the year.

The program was designed both to meet regulatory requirements and to enhance the bank's visibility and reputation in the financial markets, as it was the first program to be listed on an international market Euronext Dublin. This allowed BT to reach a wider range of investors, communicating BT's story and financial performance in the local market, as well as the potential for growth alongside the Romanian economy. Through the confidence of investors, demonstrated by the high level of interest from the very beginning of the issue, the bank is delivering on its commitment to shareholders, raising the capital needed for the bank's organic growth and stability.

BT issued EUR 500 million of 4-year Senior Non-Preferred Bonds with a coupon of 8.875% in its first issue, with investors placing over EUR 850 million. The proceeds of this first issuance were treated as MREL-eligible debt securities. More than 80% of the total issue was subscribed by investors from almost 20 countries, placing orders amounting to more than EUR 850 million, with the EBRD being the lead investor with a subscription of EUR 90 million. As a result of the strong institutional interest, the Bank decided to increase the size of the issue by EUR 100 million in June 2023 and by EUR 190 million in August 2023. The global program coordinator (arranger) was Morgan Stanley and the co-managers (dealers) were BT Capital Partners and ING Bank, selected by Banca Transilvania on the basis of their reputation, experience and relevant track record in the bond business.

Also in June 2023, under the same Program, IFC (International Finance Corporation) provided EUR 100 million to the bank as part of a EUR 200 million *subordinated bond package*, together with AIIB (Asian Infrastructure Investment Bank). The bonds were listed on the Bucharest Stock Exchange with a maturity of 10 years, a coupon rate of EURIBOR 6M + 6.68%, complying with Basel III, EU and Romanian regulatory frameworks. This hybrid Tier 2 capital instrument contributed to increasing BT's and the Romania banking sector resilience. This IFC - supported financing facility, together with AIIB, contributes to the scaling up of financing efforts in areas of interest for the transition to a sustainable economy in Romania. For example, the use of funds raised for green mortgages will contribute to the reduction of energy consumption and greenhouse gas emissions.

The second Program was approved at the Extraordinary General Meeting of Shareholders on 29 September 2023. Under this new Program, BT has issued the first bonds with an ESG label, with a social component (minimum 50%) and a green component. The program is listed on the Dublin Stock Exchange. The bonds are MREL eligible, contributing, according to European standards, to ensuring an optimal level of MREL eligible funds.

Thus, Banca Transilvania issued EUR 500 million of Senior Non-Preferred Bonds. 90% of the total issue was subscribed by investors from 21 countries, of which 108 investors were financial institutions, investment and pension funds, commercial and central banks, as well as insurance and trading companies. Investor interest in the instruments issued by BT remained high, with investors placing orders of more than EUR 1,650 million, a coupon rate of 7.25% and a maturity of 5 years. The sale of the bonds was coordinated by arrangers JP Morgan SE, Citigroup Global Markets Europe AG, ING Bank N.V (which also acted as sole sustainability advisor) and BT Capital Partners was co-manager.

The first ESG-labelled issue has been integrated into BT Group's Sustainable Finance Framework. Sustainalytics has reviewed the categories, eligibility criteria and estimated impact through such financings, providing an Opinion for the benefit of investors.

Thus, Banca Transilvania becomes an active issuer in the international markets, both programs contributing to the bank's overall financial stability and growth. In terms of quantified impact, both programs led to improved capital adequacy ratios and lending capacities. The programs have strengthened the Bank's ability to navigate change and capitalize on opportunities. Both issues were rated by Fitch at the time of issuance, assigning a BB rating to each bond series.

## Template KM2: Key metrics – TLAC requirements (at resolution group level)

RON thous.

		Minimum requirement for own funds and eligible liabilities (MREL)	G-SII Requirement for own funds and eligible liabilities (TLAC)				
		a	b	c	d	e	f
		30.06.2025	30.06.2025	31.03.2025	31.12.2024	30.09.2024	30.06.2024
<b>Own funds and eligible liabilities, ratios and components</b>							
1	Own funds and eligible liabilities	30,657,348					
EU-1a	Of which own funds and subordinated liabilities	30,657,348					
2	Total risk exposure amount of the resolution group (TREA)	93,736,480					
3	Own funds and eligible liabilities as a percentage of the TREA	32.71%					
EU-3a	Of which own funds and subordinated liabilities	32.71%					
4	Total exposure measure (TEM) of the resolution group	214,723,935					
5	Own funds and eligible liabilities as percentage of the TEM	14.28%					
EU-5a	Of which own funds or subordinated liabilities	14.28%					
6a	Does the subordination exemption in Article 72b(4) of Regulation (EU) No 575/2013 apply? (5% exemption)						
6b	Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion in accordance with Article 72b(3) of Regulation (EU) No 575/2013 is applied (max 3.5% exemption)						
6c	If a capped subordination exemption applies in accordance with Article 72b (3) of Regulation (EU) No 575/2013, the amount of funding issued that ranks <i>pari passu</i> with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks <i>pari passu</i> with excluded liabilities and that would be recognised under row 1 if no cap was applied (%)						
<b>Minimum requirement for own funds and eligible liabilities (MREL)</b>							
EU-7	MREL expressed as a percentage of the TREA	24.60%					
EU-8	Of which to be met with own funds or subordinated liabilities	21.10%					
EU-9	MREL expressed as a percentage of the TEM	5.81%					
EU-10	Of which to be met with own funds or subordinated liabilities	4.37%					

## CAPITAL REQUIREMENTS

The internal capital adequacy assessment process to risks is integrated in the management and steering process of Banca Transilvania and also in its decision-making culture, aimed at ensuring that the governing body adequately identifies, measures, aggregate and monitors the Group's risks, maintains internal capital adequate to the risk profile, and uses and develops robust risk management systems.

The following computation methods are used by the Bank and the Group:

- Credit risk: RWA (risk weighted assets) standardized approach;
- Credit risk of the counterparty: the method of calculating risk-weighted assets is the standard method;
- Market risk: capital requirements with respect to the foreign exchange risk and the trading portfolio are calculated based on the standardized approach;
- Operational risk: capital requirements for the coverage of operational risk are calculated according to the basic indicator approach.

The Group manages its capital base in a flexible manner, by monitoring regulatory capital requirements, 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 the total own funds (common equity tier 1, additional tier 1 and tier 2) on the one hand and risk-weighted assets (RWA) on the other hand.

## Template 4: EU OV1 – Overview of total risk exposure amounts (RWAs)

RON thous.

		a	b	c
		RWA		Minimum capital requirements
		30.06.2025	31.03.2025	30.06.2025
1	Credit risk (excluding CCR)	75,468,653	72,356,433	6,037,492
2	Of which the standardised approach	75,468,653	72,356,433	6,037,492
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	-	-	-
EU 4a	Of which equities under the simple risk weighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	Counterparty credit risk - CCR	112,576	152,595	9,006
7	Of which the standardised approach	112,576	152,595	9,006
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-
9	Of which other CCR	-	-	-
10	Credit valuation adjustments risk - CVA risk	192,408	153,368	15,393
EU 10a	Of which the standardised approach (SA)	-	-	-
EU 10b	Of which the basic approach (F-BA and R-BA)	192,408	153,368	15,393
EU 10c	Of which the simplified approach	-	-	-
11	Not applicable	-	-	-
12	Not applicable	-	-	-
13	Not applicable	-	-	-
14	Not applicable	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	-	-	-
EU 19a	Of which 1250% / deduction	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	-	-	-
21	Of which the Alternative standardised approach (A-SA)	-	-	-
EU 21a	Of which the Simplified standardised approach (S-SA)	4,011,459	3,086,588	320,917
22	Of which the Alternative Internal Models Approach (A-IMA)	-	-	-
EU 22a	Large exposures	-	-	-
23	Reclassifications between trading and non-trading books	-	-	-
24	Operational risk	13,951,385	13,951,197	1,116,111
EU 24a	Exposures to crypto-assets	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
26	Output floor applied (%)	-	-	-
27	Floor adjustment (before application of transitional cap)	-	-	-
28	Floor adjustment (after application of transitional cap)	-	-	-
29	<b>Total</b>	<b>93,736,480</b>	<b>89,700,181</b>	<b>7,498,918</b>

The Bank has chosen to apply the transitional arrangements according to art. 500a of CRR on RWA related to exposures to the central governments and central banks of Member States.

## Template CMS1 – Comparison of modelled and standardized RWA at risk level

RON thous.

		a	b	c	d	EU d
		RWA				RWEA which is the basis for the minimum threshold for capital requirements
		RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardised approaches are used	Total Actual RWA (a + b)	RWA calculated using full standardised approach	
1.00	Credit risk (excluding counterparty credit risk)	-	-	75,468,653	75,468,653	
2.00	Counterparty credit risk	-	-	112,576	112,576	
3.00	Credit valuation adjustment	-	-	192,408	192,408	
4.00	Securitisation exposures in the banking book	-	-	-	-	
5.00	Market risk	-	-	4,011,459	4,011,459	
6.00	Operational risk	-	-	13,951,385	13,951,385	
7.00	Residual RWA	-	-	-	-	
8.00	<b>Total</b>	-	-	<b>93,736,480</b>	<b>93,736,480</b>	

## Template CMS2 - Comparison of modelled and standardised RWA for credit risk at asset class level

RON thous.

		a	b	c	d	EU d
		RWA				
		RWA for modelled approaches that banks have supervisory approval to use	RWA for column (a) if re-computed using the standardised approach	Total Actual RWA	RWA calculated using full standardised approach	RWEA which is the basis for the minimum threshold for
1	Central governments and central banks	-	-	-	4,608,617	-
EU 1a	Regional governments or local authorities	-	-	-	622,409	-
EU 1b	Public sector entities	-	-	-	709,392	-
EU 1c	Categorised as Multilateral Development Banks in SA	-	-	-	-	-
EU 1d	Categorised as International organisations in SA	-	-	-	-	-
2	Institutions	-	-	-	2,090,128	-
3	Equity	-	-	-	606,458	-
4	Not applicable	-	-	-	-	-
5	Corporates	-	-	-	15,328,117	-
5.1	Of which: F-IRB is applied	-	-	-	-	-
5.2	Of which: A-IRB is applied	-	-	-	-	-
EU 5a	Of which: Corporates - General	-	-	-	-	-
EU 5b	Of which: Corporates - Specialised lending	-	-	-	-	-
EU 5c	Of which: Corporates - Purchased receivables	-	-	-	-	-
6	Retail	-	-	-	17,161,848	-
6.1	Of which: Retail - Qualifying revolving	-	-	-	-	-
EU 6.1a	Of which: Retail - Purchased receivables	-	-	-	-	-
EU 6.1b	Of which: Retail - Other	-	-	-	-	-
6.2	Of which: Retail - Secured by residential real estate	-	-	-	-	-
7	Not applicable	-	-	-	-	-
EU 7a	Of which: Retail - Categorised as secured by mortgages on immovable	-	-	-	23,341,712	-
EU 7b	Collective investment undertakings (CIU)	-	-	-	-	-
EU 7c	Categorised as exposures in default in SA	-	-	-	1,703,032	-
EU 7d	Categorised as subordinated debt exposures in SA	-	-	-	3,695,534	-
EU 7e	Categorised as covered bonds in SA	-	-	-	-	-
EU 7f	Categorised as claims on institutions and corporates with a short-term	-	-	-	-	-
8	Others	-	-	-	5,713,981	-
9	Total	-	-	-	75,581,228	-

Starting with January 2025, the Bank applies the basic approach for the CVA capital requirement. Therefore, only forms CVA1 and CVA2 will be submitted annually, and forms CVA3 and CVA4 will be discarded.

### Capital requirement for credit risk

Banca Transilvania calculates the risk-weighted exposure amounts for credit, counterparty credit and dilution risk using the standardized approach according to Regulation 575/2013, Part 3, Title II, Chapter 2.

### Capital requirement for market risk

Banca Transilvania calculates the own funds requirements for position risk, foreign exchange risk and commodity risks using the standardized approaches in accordance with Regulation no. 575/2013 Article 92(3)(b) and (c).

## **Capital requirement for operational risk**

Banca Transilvania calculates the risk exposure amount for operational risk, using the basic approach, in accordance with Regulation 575/2013, Part III, Title III, Chapter 2.

## **EXPOSURE TO COUNTERPARTY CREDIT RISK**

### **SETTING CREDIT LIMITS RELATED TO COUNTERPARTY CREDIT RISK EXPOSURES**

Throughout its activity, Banca Transilvania has exposures to other Romanian or foreign banks through treasury and commercial operations, in local or foreign currency, within certain exposure limits.

Exposure limits are calculated and monitored for both treasury and commercial activities, representing Banca Transilvania's maximum exposures on a partner bank, calculated as a percentage of own funds. Treasury operations are divided depending on the type of transaction, foreign exchange market or money market and depending on the date of settlement, respectively on maturity. Exposure limits according to the date of settlement, respectively maturity are cumulative.

The method for determining exposure limits uses the principle of comparison between individual financial ratios calculated for the partner bank and the average ratios calculated for the group of banks it belongs to. Ultimately, financial ratios are weighted with quality indicators, indicators regarding the control of the Bank and the country rating;

The data which represents the basis for determining the exposure limit for partner banks consists of the following:

- financial ratios
- quality indicators
- indicators regarding bank control
- country rating

In order to determine the own funds requirements for counterparty risk the bank uses the standardized approach, while the own funds requirements for credit assessment adjustment risk are determined using the basic approach (BA-CVA).



## Template 25: EU CCR1 – Analysis of CCR exposure by approach

RON thous.

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-		-	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		-	-	-	-	-
1	SA-CCR (for derivatives)	41,204	240,630		1.4	394,567	394,567	394,567	112,576
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	<i>Of which securities financing transactions netting sets</i>			-		-	-	-	-
2b	<i>Of which derivatives and long settlement transactions netting sets</i>			-		-	-	-	-
2c	<i>Of which from contractual cross-product netting sets</i>			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	<b>Total</b>	<b>41,204</b>	<b>240,630</b>	<b>-</b>	<b>1.4</b>	<b>394,567</b>	<b>394,567</b>	<b>394,567</b>	<b>112,576</b>

## Template 26: EU CCR2 – CVA capital charge

RON thous.

	a	b
	Exposure value	RWAs
1 Total transactions subject to the Advanced method		
2 (i) VaR component (including the 3× multiplier)		
3 (ii) stressed VaR component (including the 3× multiplier)		
4 Transactions subject to the Standardised method	394,567	192,408
EU-4 Transactions subject to the Alternative approach (Based on the Original Exposure Method)		
<b>5 Total transactions subject to own funds requirements for CVA risk</b>	<b>394,567</b>	<b>192,408</b>

## Template 31: EU CCR5-A – Impact of netting and collateral held on exposure values

RON thous.

	a	b	c	d	e
	Gross positive fair value or net carrying amount	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposure
1 Derivatives	14,108,642	-	14,108,642	-	14,028,443
2 SFTs	2,377,504	-	11,636	2,005,868	-
3 Cross-product netting	-	-	-	-	-
<b>4 Total</b>	<b>16,486,146</b>	<b>-</b>	<b>14,120,278</b>	<b>2,005,868</b>	<b>14,028,443</b>

## Template 32: EU CCR5– Composition of collateral for exposures to CCR

RON thous.

	a	b	c	d	e	f	g	h
Collateral type	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1 Cash – domestic currency	-	-	-	3,450	-	458,051	-	360,000
2 Cash – other currencies	-	80,199	-	113,686	-	1,638,078	-	86,084
3 Domestic sovereign debt	-	-	-	-	-	-	-	-
4 Other sovereign debt	-	-	-	-	-	-	-	-
5 Government agency debt	-	-	-	-	-	359,387	-	2,180,738
6 Corporate bonds	-	-	-	-	-	-	-	-
7 Equity securities	-	-	-	-	-	-	-	-
8 Other collateral	-	-	-	-	-	-	-	-
9 Total	-	80,199	-	117,136	-	2,455,516	-	2,626,822

## Template CCR8: Exposures to central counterparties

RON thous.

	a	b
	EAD (post-CRM)	RWA
<b>1 Exposures to QCCPs (total)</b>		-
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3 (i) OTC derivatives	-	-
4 (ii) Exchange-traded derivatives	-	-
5 (iii) Securities financing transactions	-	-
6 (iv) Netting sets where cross-product netting has been approved	-	-
7 Segregated initial margin	-	
8 Non-segregated initial margin	-	-
9 Pre-funded default fund contributions	-	-
10 Unfunded default fund contributions	-	-
<b>11 Exposures to non-QCCPs (total)</b>		-
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13 (i) OTC derivatives	394,567	112,576
14 (ii) Exchange-traded derivatives	-	-
15 (iii) Securities financing transactions	359,387	-
16 (iv) Netting sets where cross-product netting has been approved	-	-
17 Segregated initial margin	-	
18 Non-segregated initial margin	-	-
19 Prefunded default fund contributions	-	-
20 Unfunded default fund contributions	-	-

## FINANCIAL RISKS RELATED TO OPERATIONS WITH FINANCIAL INSTRUMENTS

In carrying out transactions with derivative financial instruments, the Bank is subject to market risk, credit risk, operational risk and legal risk associated with derivative products.

Control over derivative operations include proper segregation of duties, monitoring of risk management, supervision of management and other activities designed to ensure that the control objectives of the bank will be achieved. These control objectives include the following:

- ◆ Authorized execution. Derivative transactions are executed in accordance with policies approved by the bank.
- ◆ Comprehensive and accurate information. Information regarding derivatives, including information related to fair value, is recorded on time, it is complete and correct when recorded in the accounting system and it is classified, described and reflected in an appropriate manner and in accordance with the provisions of EU regulation 648/2012 (EMIR).
- ◆ Preventing or detecting errors. Errors in processing of accounting data for derivatives are prevented or detected on time.
- ◆ Permanent monitoring. Activities involving derivatives are monitored on a permanent basis to recognize and measure events that affect related assertions present in financial statements.
- ◆ Valuation. Changes in the value of derivatives are recorded and appropriately presented to the competent authorities, both operationally and in terms of control. The assessment is part of the ongoing monitoring activities, in compliance with EU regulation 648/2012 (EMIR).

## CAPITAL BUFFERS

According to the regulated approaches for the determination of the minimum capital requirements and the EU Regulation 575/2013 corroborated with the provisions of the NBR Regulation 5/2013 and considering the capital buffers required by the NBR, the Group maintains:

- a capital conservation buffer of 2.5% of the total value of the risk-weighted exposures;
- an O-SII buffer of 2.5% of the total risk weighted exposures;
- at 30 June 2025, the value of systemic risk buffer is 0% of the value of the risk-weighted exposures;
- the countercyclical capital buffer specific to the institution of 1% of the value of the risk weighted exposures at 30 June 2025.

The Group discloses the following information regarding compliance with the countercyclical capital buffer requirement mentioned in Title VII, Chapter 4 of Directive 2013/36/EU.

### EU CCyB2 – Cuantumul amortizorului anticiclic de capital specific instituției

		a
1	Total risk exposure amount	93,736,480
2	Institution specific countercyclical capital buffer rate	1.00%
3	Institution specific countercyclical capital buffer requirement	937,365

## CREDIT RISK ADJUSTMENTS

### DEFINITIONS FOR ACCOUNTING PURPOSES OF "OVERDUE" AND 'IMPAIRED'

Financial assets are considered "*overdue*" when there is an amount representing principal, interest or commission that was not paid at maturity. Outstanding exposures are reported at the total carrying amount of the exposure.

Under IFRS 9, a *financial asset is credit-impaired* when one or more events have occurred and have a significant impact on the expected future cash flows of the respective financial asset.

Evidence that a financial asset is impaired includes observable data about the following events:

- significant financial difficulty of the issuer or borrower;
- a breach of contract, such as a default or past-due event;
- the lender, for economic or contractual reasons relating to the borrower's financial difficulty, grants the borrower a concession that would not otherwise be considered;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for the financial asset because of financial difficulties;
- the purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

### DESCRIPTION OF THE APPROACHES AND METHODS ADOPTED FOR DETERMINING SPECIFIC AND GENERAL CREDIT RISK ADJUSTMENTS

#### **Impairment adjustments**

Based on future scenarios, the Group assesses the expected credit loss ("ECL") related to the assets in the form debt instruments measured at amortized cost.

The Group recognizes a provision for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased value measured by probability-weighted range of possible outcomes;
- The time value of money; and
- Information about past events, current conditions and reasonable and justifiable forecasts of future economic conditions that are available without unreasonable cost and effort at the reporting date.

#### ***Measurement of the provision expected credit losses (ECL)***

The measurement of the expected credit loss provision for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. customer default probability and the resulting losses).

A range of significant professional judgements are also required when applying the accounting requirements for measuring ECL, such as:

- Establishing groups of similar financial assets for ECL measurement;
- Determining criteria for significant increase in credit risk;
- Establishing appropriate models and assumptions for the ECL measurement ;
- Establishing the number and relative weightings of forward-looking scenarios for ECL;

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ("SICR") since initial recognition is identified, the financial instrument is classified into 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then classified into 'Stage 3'.

#### *Definition of default and credit-impaired assets*

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- The borrower is more than 90 days overdue on its contractual payments (also including the new default definition which is referring to significant overdue amount);
- The borrower meets unlikeliness to pay criteria:
  - The debtor is experiencing significant financial difficulty;
  - The borrower is in nonperforming forbearance situation due to concessions that have been made by the Bank relating to the borrower's financial difficulty;
  - The borrower is in insolvency status or bankruptcy (or other type of judicial reorganization, both retail and companies) or is becoming probable that the borrower will enter bankruptcy;
  - The borrower for whom legal procedures have started (forced execution started by the Bank);
  - The borrower and/or the mortgage guarantor sent notification for "dation in payment";
  - The debtor is managed by the special recovery structures of the Bank (Workout unit etc.);
  - Suspension of interest accrual;
  - Write off (total/partial) or sale;
  - Establishment of specific adjustments for credit risk due to the deterioration of credit quality, on the background of the exposure in Stage 3 (according to IFRS9);
- An active market for that financial asset has disappeared because of financial difficulties;
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The definitions of *credit-impaired* and *default* are aligned as far as possible so that stage 3 represents all loans which are considered defaulted or otherwise credit-impaired.

An instrument is considered to no longer be in default (i.e., 'cured') when it no longer meets any of the default criteria for a sustained period of time, depending on the primary trigger that led to its initial classification as defaulted. This period has been determined based on an analysis that considers the probability of a financial instrument returning to default after being cured, using various possible

definitions of 'cure', as well as expert judgment. For example, the cure period for the arrears criterion begins at 3 months, while the cure period for restructured assets begins at 1 year.

*Measurement of the expected credit loss. Description of parameters, assumptions and estimation techniques*

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

Loss Given Default (LGD) represents a Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty and availability of collateral or other credit support.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. The ECL for each future month is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- 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.
- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default.

Forward-looking economic information is also included in determining the 12-month and lifetime ECL. These assumptions vary by product type.

In normal market conditions, the assumptions underlying the ECL are monitored and reviewed on a bi-annual basis.

**Derecognition policy**

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and

- (i) the Group and the Bank substantially transfer all the risks and rewards of ownership, or
- (ii) the Group and the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

The Group shall directly reduce the gross carrying amount of a financial asset when they have no reasonable expectations of recovering this financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event (IFRS 9.5.4.4).

Other events that lead to a derecognition are:

- Debt forgiveness or receivable write-off;
- Sale/assignment of receivables to a third party;
- Sale of loan portfolios.

Based on an analysis, the Group may decide to derecognize an impaired asset by presenting it off-balance sheet (write-off). These assets will continue to be subject to recovery procedures. The assessment of whether a write-off is necessary and appropriate is based on several factors, including debt service analysis and the existence of collateral or other debt recovery sources.

The Group enters into transactions in which it retains contractual rights to receive cash flows from assets, but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all risks and rewards.

The transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

- Has no obligation to make payments unless it collects equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) provided by the Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognized because the Group retains substantially all the risks and rewards based on the predetermined repurchase price, and the criteria for derecognition are therefore not met.

**TOTAL AMOUNT OF EXPOSURES AFTER ACCOUNTING OFFSETS AND WITHOUT TAKING INTO ACCOUNT THE EFFECTS OF CREDIT RISK MITIGATION, BY TYPE OF EXPOSURE CLASSES**

Template EU CR1: Performing and non-performing exposures and related provisions :

RON thous.

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
00 Cash balances at central banks and other demand deposits	18,548,874	18,548,874	-	-	-	-	(4,461)	(4,461)	-	-	-	-	-	-	-
5 Loans and advances	111,958,761	95,948,955	16,009,806	4,085,645	-	4,085,645	(3,908,008)	(1,675,434)	(2,232,574)	(2,526,101)	-	(2,526,101)	(2,957,997)	50,982,518	1,120,812
2 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 General governments	10,882,806	10,848,338	34,468	2,719	-	2,719	(92,475)	(88,868)	(3,607)	(2,443)	-	(2,443)	(3,909)	5,826	-
4 Credit institutions	6,227,354	6,227,354	-	-	-	-	(6,978)	(6,978)	-	-	-	-	(340)	-	-
5 Other financial corporations	2,764,105	2,744,986	19,119	53,143	-	53,143	(36,497)	(31,547)	(4,950)	(51,289)	-	(51,289)	(7,648)	156,771	395
6 Non-financial corporations	47,157,836	37,504,762	9,653,074	2,481,177	-	2,481,177	(2,591,353)	(1,164,713)	(1,426,640)	(1,426,753)	-	(1,426,753)	(2,030,038)	23,330,144	729,024
7 Of which SMEs	36,028,274	28,703,857	7,324,417	2,066,795	-	2,066,795	(1,933,769)	(817,500)	(1,116,269)	(1,162,676)	-	(1,162,676)	(416,978)	19,004,884	586,266
8 Households	44,926,660	38,623,515	6,303,145	1,548,606	-	1,548,606	(1,180,705)	(383,328)	(797,377)	(1,045,616)	-	(1,045,616)	(916,062)	27,489,777	391,393
9 Debt securities	68,659,842	68,659,842	-	144,750	-	144,750	(183,853)	(183,853)	-	(72,375)	-	(72,375)	-	-	-
10 Central banks	257,003	257,003	-	-	-	-	(258)	(258)	-	-	-	-	-	-	-
11 General governments	64,992,083	64,992,083	-	-	-	-	(173,110)	(173,110)	-	-	-	-	-	-	-
12 Credit institutions	2,355,955	2,355,955	-	144,750	-	144,750	(2,690)	(2,690)	-	(72,375)	-	(72,375)	-	-	-
13 Other financial corporations	977,523	977,523	-	-	-	-	(1,317)	(1,317)	-	-	-	-	-	-	-
14 Non-financial corporations	77,278	77,278	-	-	-	-	(6,478)	(6,478)	-	-	-	-	-	-	-
15 Off-balance-sheet exposures	36,030,216	33,768,721	2,261,495	329,964	-	329,964	271,587	197,927	73,660	124,727	-	124,727	-	6,149,833	98,279
16 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 General governments	948,415	948,415	-	-	-	-	2,736	2,736	-	-	-	-	-	1,484	-
18 Credit institutions	3,728,314	3,728,314	-	-	-	-	4	4	-	-	-	-	-	-	-
19 Other financial corporations	299,696	299,627	69	703	-	703	1,719	1,713	6	463	-	463	-	15,368	190
20 Non-financial corporations	25,818,279	24,612,826	1,205,453	319,453	-	319,453	213,862	171,691	42,171	119,571	-	119,571	-	5,933,303	97,939
21 Households	5,235,512	4,179,539	1,055,973	9,808	-	9,808	53,266	21,783	31,483	4,693	-	4,693	-	199,678	150
22 Total	235,197,693	216,926,392	18,271,301	4,560,359	-	4,560,359	(3,824,735)	(1,665,821)	(2,158,914)	(2,473,749)	-	(2,473,749)	(2,957,997)	57,132,351	1,219,091



# Template EUCQ1 - Credit quality of forborne exposures

RON thous.								
	a	b	c	d	e	f	g	h
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted	Of which impaired				
005 Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010 Loans and advances	611,932	1,093,243	1,093,243	1,093,243	(145,016)	(603,115)	774,037	449,642
020 Central banks	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-
040 Credit institutions	-	-	-	-	-	-	-	-
050 Other financial corporations	549	190	190	190	(125)	(181)	-	-
060 Non-financial corporations	512,817	840,283	840,283	840,283	(125,302)	(489,515)	580,611	316,696
070 Households	98,566	252,769	252,769	252,769	(19,589)	(113,419)	193,426	132,946
080 Debt Securities	-	-	-	-	-	-	-	0
090 Loan commitments given	2,566	10,776	10,776	10,776	313	8,780	3,182	1,862
100 Total	614,498	1,104,019	1,104,019	1,104,019	(144,703)	(594,334)	777,220	451,504

Template EU CQ4: Quality of non-performing exposures by geography

RON thous.

	a	b	c	d	e	f	g
	Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing	Of which defaulted	Of which subject to impairment			
<b>1 On-balance-sheet exposures</b>	<b>116,044,404</b>	<b>4,085,644</b>	<b>77,287</b>	<b>116,044</b>	<b>(6,434,108)</b>		-
2 Romania	109,201,463	4,006,884	4,007	109,201	(6,283,408)		-
3 Spain	3,018,987	73,275	73,275	3,019	(136,862)		-
4 Republic of Moldova	1,465,313	123	0	1,465	(680)		-
5 Other countries	2,358,641	5,363	5	2,359	(13,158)		-
<b>6 Off-balance-sheet exposures</b>	<b>36,360,181</b>	<b>329,964</b>	<b>330</b>			<b>396,315</b>	
7 Romania	35,585,887	147,031	147			385,354	
8 Republic of Moldova	432,990	669	1			10,823	
9 Other countries	341,304	182,264	182			137	
<b>10 Total</b>	<b>152,404,585</b>	<b>4,415,609</b>	<b>77,617</b>	<b>116,044</b>	<b>(6,434,108)</b>	<b>396,315</b>	-

\*In the "Other countries" category, countries whose exposure is below 1% of the bank's total exposure are included.

**Template EU CQ5: Credit quality of loans and advances to non-financial corporations by industry**

		RON thous.					
		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
1	Agriculture, forestry and fishing	4,909,304	365,449	365,449	4,909,304	(562,710)	-
2	Mining and quarrying	236,704	4,413	4,413	236,704	(15,684)	-
3	Manufacturing	7,689,447	348,352	348,352	7,689,447	(741,289)	-
4	Electricity, gas, steam and air conditioning supply	2,061,955	1,990	1,990	2,061,955	(114,975)	-
5	Water supply	435,062	15,700	15,700	435,062	(39,091)	-
6	Construction	4,189,821	460,159	460,159	4,189,821	(527,053)	-
7	Wholesale and retail trade	11,150,616	526,176	526,176	11,150,616	(824,666)	-
8	Transport and storage	4,224,333	312,001	312,001	4,224,333	(393,867)	-
9	Accommodation and food service activities	1,891,078	73,879	73,879	1,891,078	(122,671)	-
10	Information and communication	86,266	3,559	3,559	86,266	(6,458)	-
11	Financial and insurance activities	885,517	23,393	23,393	885,517	(51,736)	-
12	Real estate activities	299,975	37,519	37,519	299,975	(30,440)	-
13	Professional, scientific and technical activities	5,425,064	109,011	109,011	5,425,064	(177,321)	-
14	Administrative and support service activities	1,372,325	65,652	65,652	1,372,325	(99,492)	-
15	Public administration and defense, compulsory social security	1,165,137	43,617	43,617	1,165,137	(75,827)	-
16	Education	5,339	59	59	5,339	(489)	-
17	Human health services and social work activities	129,876	4,463	4,463	129,876	(7,156)	-
18	Arts, entertainment and recreation	2,151,860	35,622	35,622	2,151,860	(129,476)	-
19	Other services	1,329,334	50,162	50,162	1,329,334	(97,706)	-
20	Total	49,639,013	2,481,177	2,481,177	49,639,013	(4,018,106)	

**Template EU CQ7 - Collateral obtained by taking possession and execution processes**

		RON thous.	
		a	b
		<b>Collateral obtained by taking possession</b>	
		<b>Value at initial recognition</b>	<b>Accumulated negative changes</b>
010	Property, plant and equipment (PP&E)	-	-
020	Other than PP&E	50,119	(10,586)
030	<i>Residential immovable property</i>	13,334	(820)
040	<i>Commercial Immovable property</i>	18,533	(7,879)
050	<i>Movable property (auto, shipping, etc.)</i>	18,252	(1,887)
060	<i>Equity and debt instruments</i>	-	-
070	<i>Other collateral</i>	-	-
<b>080</b>	<b>Total</b>	<b>50,119</b>	<b>(10,586)</b>

## EXPOSURE TO MARKET RISK

Compared to 2024, the year 2025 marked a decrease in risk-weighted assets and capital requirements, due to the reorganization of the bank's portfolios. The decreasing value of trading book was determined mainly by decreasing value of bond's from trading book, at the level of fund units and shares, no significant changes were recorded.

### Template 34: EU MR1 – Market risk under the standardised approach

RON thous.

		a	b
	Market risk according to the standardized approach	RWAs	Capital requirement
	<b>Outright products</b>	<b>1,854,318</b>	<b>148,345</b>
1	Interest rate risk (general and specific)	758,644	60,691
2	Equity risk (general and specific)	181,350	14,508
3	Foreign exchange risk	914,324	73,146
4	Commodity risk		
	<b>Options</b>		
5	Simplified approach		
6	Delta-plus approach		
7	Scenario approach		
8	<b>Securitisation</b> (specific risk)		
9	<b>Total</b>	<b>1,854,318</b>	<b>148,345</b>

## **LIQUIDITY AND FUNDING RISK**

Liquidity risk is the current or future risk of negatively affecting profits and capital determined by the bank's inability to meet its obligations at their maturity.

Liquidity risk has two main components: either difficulties in procuring the funds at the related maturities needed to refinance current assets, or the inability to convert an asset into liquidity at a value close to its fair value, within a reasonable period. The Group is continuously acting to mitigate this type of risk.

The Group has access to diversified funding sources. Funds are raised through a broad range of instruments, such as deposits from customers or from partner banks, loans from development institutions and financial institutions as well as share capital. Access to various funding sources improves the flexibility of fundraising, limits the reliance on a single type of funding and type of partner and leads to an overall decrease of implied funding costs. The Group seeks to maintain a balance between continuity and flexibility in attracting funds, by signing financing contracts with different maturities and in different currencies. The Group continuously manages liquidity risk by identifying and monitoring changes in funding and by diversifying the funding sources.

The Assets and Liabilities Management Committee of the Bank is responsible of the periodic review of liquidity indicators and sets the corrective measures for balance sheet figures, so as to eliminate unacceptable deviations from the liquidity risk management perspective.

The liquidity risk appetite in 2025 was set as “low” due to the appropriate structural correlations of the bank's assets and liabilities, the mix of instruments designed for the use of temporary liquidity excess, but also due to the share 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 bank's solid development under the current legislative frameworks, with the purpose to achieve both prudential and profitability requirements. The bank manages liquidity at a centralized level.

The main principles in determining the types of instruments used by Treasury in order to optimize temporary liquidity excess are: holding a diversified portfolio of investments (more than 5 types/categories) taking into consideration the reversed correlation between the risk level and the liquidity level, establishing the minimum and/or maximum accepted levels for the significant categories of investments, paying special attention to liquid assets easily convertible into cash that are eligible for collateral, without materially affecting the initial yield of investments, respectively their profitability.

For a solid management of liquidity risk, the Group constantly seeks to attract liquidity through treasury operations, external financing, capital markets, etc. taking into account various factors such as the issuer's rating, the issuance maturity and volume, trading markets.

The operative management of liquidity is carried out on several intraday horizons, on a daily basis, or on a longer timeframe, in line with the liquidity management policy which includes the management of assets from a market trading capacity perspective and the liabilities' structure, the management of liquidity denominated in main currencies, the definition of specific liquidity ratios monitored on a daily basis, including early warning signals, the assessment of future cash flows and cash flow mismatches and counterbalancing capacity, the elaboration of an alternative liquidity management plan, so as to ensure the execution of all settlements/ payments of the bank carried out in its own name or on behalf of its customers, in RON or FCY, on accounts or in cash, within the internal, legal and mandatory limits.

Moreover, the Bank also takes into account a liquidity reserve consisting mainly in cash, unencumbered government securities and minimum required reserve surplus, for the purpose to cover the additional liquidity needs that may occur over a short period of time, under stress conditions.

During the year 2025, the Bank registered comfortable levels of liquidity indicators, thus demonstrating a solid position and having a comfortable liquidity position in a generally fragile economic context.

The main source of funding is represented by the Retail segment, which also receives the lowest exit rates within the LCR indicator. Within the Retail segment, the largest share is held by accounts that maintain a stable relationship with the bank.

Other important sources for the bank in terms of diversification, but which have higher exit rates, are: corporate deposits, funding lines from financial institutions (banks and development institutions).

The quantitative information about LCR presents the values and dates for each quarter preceding the publication date, calculated as simple averages of observations made at the end of each month, over the 12 months preceding the end of each quarter.

The bank's average LCR of 432% (twelve-month average) as of June 30, 2025 was calculated in accordance with the internal normative framework, while the year-end LCR as of June 30, 2025 stands at 355%.

The LCR is calculated in all significant currencies that make up at least 5% of the total Balance Sheet (RON, EUR and aggregated in RON). There is no explicit LCR risk appetite for the specific currencies but according to Article 4 paragraph 5 of Commission Delegated Regulation (EU) 2015/61 all liquidity coverage ratio results, are monitored.

# LCR

		a				b			
Scope of consolidation ( solo/ consolidated)		Total unweighted value				Total weighted value			
Currency and units ( RON million)									
EU 1a	Quarter ending on (DD Month YYYY)	30-Jun-25	31-Mar-25	31-Dec-24	30-Sep_24	30-Jun-25	31-Mar-25	31-Dec-24	30-Sep_24
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
<b>HIGH-QUALITY LIQUID ASSETS</b>									
1	Total high-quality liquid assets (HQLA)					69,508	64,481	65,291	63,809
<b>CASH-OUTFLOWS</b>									
2	Retail deposits and deposits from small business customers, of which:	135,756	133,934	131,541	129,759	11,427	11,295	10,964	10,767
3	Stable deposits	83,655	80,806	79,896	76,240	4,183	4,040	3,995	3,812
4	Less stable deposits	50,749	51,892	50,566	47,568	5,892	6,018	5,890	5,532
5	Unsecured wholesale funding	34,033	34,910	35,288	33,434	18,690	17,796	17,759	16,867
6	Operational deposits ( all counterparties ) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits ( all counterparties )	34,033	34,910	35,288	33,434	18,690	17,796	17,759	16,867
8	Unsecured debt	-	-	-	-	-	-	-	-
9	Secured wholesale funding	-	-	-	-	-	-	-	-
10	Additional requirements	4,595	4,626	4,671	4,575	274	278	334	349
11	Outflows related to derivatives exposures and other collateral requirements	23	27	23	42	23	27	23	42
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	4,572	4,599	4,648	4,533	251	251	311	306
14	Other contractual funding obligations	2,074	1,670	1,671	1,704	237	207	215	182
15	Other contingent funding obligations	57	52	1,620	2,027	-	-	-	-
16	<b>TOTAL CASH OUTFLOWS</b>	-	-	-	-	<b>30,628</b>	<b>29,576</b>	<b>29,271</b>	<b>28,165</b>
<b>CASH-FLOWS</b>		-	-	-	-				
17	Secured lending ( e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	10,503	14,770	17,320	14,449	8,547	13,216	15,548	13,127
19	Other cash Inflows	2,638	1,162	939	867	2,638	1,162	928	856
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)	-	-	-	-	-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)	-	-	-	-	-	-	-	-
20	<b>TOTAL CASH FLOWS</b>	<b>13,140</b>	<b>15,932</b>	<b>18,259</b>	<b>15,317</b>	<b>11,185</b>	<b>14,378</b>	<b>16,476</b>	<b>13,983</b>
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 75% cap	13,140	15,932	18,259	15,317	11,185	14,378	16,476	13,983
<b>TOTAL ADJUSTED VALUE</b>									
EU-21	<b>LIQUIDITY BUFFER</b>					69,508	64,481	65,291	63,809
22	<b>TOTAL NETCASH OUTFLOWS</b>					19,578	15,307	12,900	14,303
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>					355%	421%	506%	446%



**NSFR** - It aims to promote long-term resilience over a longer time span by creating incentives for the bank to finance its activities with the most stable funding sources.

		30.06.2025					31.03.2025				
		a	b	c	d	e	a	b	c	d	e
(In currency amount)		Unweighted value by residual maturity				Weighted	Unweighted value by residual maturity				Weighted
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) item											
1	Capital:	17,467,520	-	-	1,999,531	19,467,052	15,835,536	-	-	2,080,145	17,915,681
2	Regulatory capital	17,467,520	-	-	1,999,531	19,467,052	15,835,536	-	-	2,080,145	17,915,681
3	Other capital instruments		-	-	-	-		-	-	-	-
4	Retail deposits and deposits from small business customers:		112,949,505	15,705,458	9,262,257	128,937,671		108,617,848	13,784,901	10,294,867	124,191,25
5	Stable deposits		70,748,678	6,970,263	5,936,523	79,769,516		66,948,131	7,730,154	6,127,783	77,072,154
6	Less stable deposits		42,200,828	8,735,195	3,325,734	49,168,155		41,669,717	6,054,747	4,167,084	47,119,101
7	Wholesale funding:		30,822,514	3,690,672	12,720,393	25,945,857		32,991,734	1,967,011	13,487,304	27,182,229
8	Operational deposits		-	-	-	-		-	-	-	-
9	Other wholesale funding		30,822,514	3,690,672	12,720,393	25,945,857		32,991,734	1,967,011	13,487,304	27,182,229
10	Liabilities with matching interdependent assets		-	-	-	-		-	-	-	-
11	Other liabilities:	-	33,307	30,783	273,264	288,655	-	48,611	47,033	331,623	355,140
12	NSFR derivative liabilities	-	-	-	-	-	-	-	-	-	-
13	All other liabilities and equity not included in the above categories	-	33,307	30,783	273,264	288,655	-	48,611	47,033	331,623	355,140
14	Total ASF	174,639,235					169,644,305				
Required stable funding (RSF) item											
15	Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	1,365,943	-	-	-	-	1,382,192
EU- 15 a	Assets encumbered for a residual maturity of one year or more in a cover pool	-	-	-	-	-	-	-	-	-	-
	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-
17	Performing loans and securities:	-	25,275,070	10,676,701	69,383,797	70,462,318	-	22,238,758	11,420,666	65,671,099	65,511,084
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	10,716,296	135,441	629,199	1,768,549	-	8,021,593	1,847,063	4,045,282	5,770,973
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	11,497,878	9,454,811	37,293,100	63,373,089	-	10,453,258	8,331,077	31,420,515	53,902,686
	With a risk weight of less than or equal to 35% under the Basel III standardised approach for credit risk	-	54,633	53,857	1,280,094	7,956,846	-	64,336	74,644	1,302,136	15,517,034
21	Performing residential mortgages, of which:	-	1,222,368	875,620	26,403,981	-	-	1,151,091	825,092	25,117,416	-
22	With a risk weight of less than or equal to 35% under the Basel III standardised approach for credit risk	-	492,016	397,191	10,193,749	-	-	811,144	607,649	21,371,937	-
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	1,838,528	210,829	5,057,518	5,320,680	-	2,612,816	417,434	5,087,886	5,837,425
24	Assets with matching interdependent liabilities	-	-	-	-	-	-	-	-	-	-
25	Other assets:	-	8,608,186	163,739	964,013	1,543,485	-	13,738,647	133,263	783,378	1,213,325
26	Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
27	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties	-	-	-	-	-	-	-	-	-	-
28	NSFR derivative assets	-	-	-	-	-	-	371	-	-	-
29	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-	-	-	-	-	-
30	All other assets not included in the above categories	-	8,608,186	163,739	964,013	1,543,485	-	13,738,276	133,263	783,378	1,213,325
31	Off-balance sheet items	-	4,273,531	5,672,370	20,989,821	1,711,472	-	2,102,931	1,630,389	4,891,822	511,752
32											
33	Total RSF	75,083,218					68,618,353				
34	Net Stable Funding Ratio (%)	233%					247%				

## EXPOSURE TO INTEREST RATE RISK ON POSITIONS NOT INCLUDED IN THE TRADING BOOK

Banca Transilvania Group is exposed to interest rate risk resulting from:

- Trading activities of fixed income financial instruments (interest rate risk from trading activities)
- Fundraising and placement activities in customers relations (interest rate risk from banking activities). The main sources of interest rate risk are represented by the imperfect correlation between the maturity dates (for fixed interest rates) or the pricing reset dates (for variable interest rates) with respect to interest bearing assets and liabilities, the adverse changes of the yield curve (un-parallel shift of interest rate curves related to interest bearing assets and liabilities). The management of interest-bearing assets and liabilities is carried out in the context of the Group's/the Bank's exposure to interest rate fluctuations.

The Group uses a mix of fixed and variable interest-bearing instruments to control the mismatch between the dates on which the interest on assets and liabilities is adjusted to the market rates or the maturity mismatch between assets and liabilities.

Interest rate risk is managed through a system of limits and diversified indicators.

The Assets and Liabilities Management Committee is the body that monitors the compliance with these limits, being assisted in the daily monitoring by the Treasury Risk Analytics and Reporting Department and Risk Management for Market and Liquidity Department.

Interest rate risk management on positions not included in the trading book is carried out through the standardized approach for calculation of the potential changes in the group's economic value due to changes on the interest rates, according to BNR Regulation no. 5/2013 on prudential requirements for credit institutions, as subsequently amended and supplemented.

The standard movement of interest rates used is of +/-200 basis points, for each currency that exceeds 5% of total assets or liabilities from the banking book (RON and EUR) and aggregate for positions in insignificant currencies.

Bank implemented the requirements of EBA Guidelines on the Management of Interest Rate Risk arising from Non-Trading Book Activities which covers repricing risk, yield curve risk, option risk and basis risk.

The bank measures the interest rate risk in banking book by calculating weekly/monthly a series of relevant ratios.

Period	ΔEVE		ΔNII	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
Parallel up	-1,298,629	-1,812,782	277,886	277,886
Parallel down	0	671,671	-277,886	-277,886
Steepener	0	123,701		
Flattener	-857,940	-589,173		
Short rate up	-1,358,222	-1,374,560		
Short rate down	0	567,044		
<b>Maximum</b>	<b>1,358,222</b>	<b>1,812,782</b>		
<b>Period</b>	<b>30.06.2025</b>		<b>30.06.2024</b>	
<b>Tier 1 capital</b>	<b>17,467,520</b>		<b>15,362,583</b>	

The results of the analysis at consolidated level can be found in the table below

Potential change in economic value	RON thousand
Own funds	19,467,052
Potential decrease in economic value +/-200bp	-
Total value	1,500,620
Impact in own funds	7.71%

## EXPOSURE TO SECURITISATION POSITIONS

Banca Transilvania (the Bank) concluded on December 22, 2023 a non-STS synthetic securitisation transaction with the European Investment Fund (EIF) and the European Investment Bank (EIB), effective from March 31, 2024. The synthetic securitisation transaction is structured on a portfolio of loans granted to legal entities, initial securitisation in amount of RON 2,027.5 million . No External Credit Assessment Institution was involved.

During the transaction, the Bank retains at least 5% 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% from initial portfolio, is assumed by the Bank.

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

The monitoring and reporting of the securitisation transaction is executed according to the related internal flow that covers the governance and organization of synthetic securitisation process within Banca Transilvania.

The accounting impact up to the reporting date is on the profit and loss statement through the payment of the guarantee fee, as per the guarantee contract, respectively the receipt of the retroceded amount as per the retrocession contract. Only after the losses retained by the bank have been exceeded, the bank is entitled to claim the losses allocated to the mezzanine and senior tranches. As of 30 June 2025, the recorded losses were fully allocated to the excess synthetic spread, consuming approximately 45% of its outstanding balance. Non-performing exposures represent around 1% of the total value of the securitized portfolio and are covered by specific credit risk adjustments at a rate of approximately 80%.

The reference portfolio remains on the bank's balance sheet, no transfer or sale of the securitized assets took place. No SSPE entity was involved in the securitisation transaction. Losses are allocated to tranches in reverse order of seniority, first to the synthetic excess spread and then to the tranches, starting with the lowest senior tranche. The scheduled maturity date of the guarantee is December 31, 2039.

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

The risk-weighted exposure value of securitized exposures is based on the standardized approach (SEC-SA), i.e. the collateralized portion of securitisation positions is transferred to the European Investment Fund, which is included in the list of multilateral development banks to which a 0% risk weight is applied, under the substitution approach. The amount of the synthetic excess spread as well as the junior tranche are deducted from the amount of Common Equity Tier 1 in accordance with Article 253(1) and Article 36(1)(k) of Regulation (EU) No 575/2013.

The transaction has a replenishment period of 2 years (until 31.12.2025), during which the Bank has the right, at each reference period, to add new credit loans to the securitisation perimeter up to the maximum replenishment amount, if the eligibility criteria are met cumulatively; and/or to increase the notional amount for the existing loans in the securitisation portfolio in case of an increase in exposure occurred.

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

The Bank's objective is to support the real economy by transferring the benefits of more efficient use of the Bank's capital to the end-customer, in the form of a lower cost of loan. To this end, Banca Transilvania has concluded with the EIB a Mezzanine and a Senior Retrocession Agreement and Commitment Agreement for increased support for SMEs and Midcaps, to supply new lending of more than RON 2,64 billion, including also projects aligned with climate action and environmental sustainability, thus supporting the transition to a low-carbon economy.

The below stated amounts represent the securitized portfolio as of June 30, 2025:

*RON million*

	Date of contract	End of maturity	Portfolio type	Maximum amount of securitized portfolio	Securitized portfolio (Nb. Loans)	Outstanding amount
<b>EIF synthetic securitization</b>	2023	2039	SME & CO	2.027,5	15.425	2.016,53
Senior tranche				1.670,67		1.661,47
Mezannine tranche				324,40		322,62
Junior tranche				32,44		32,44

## Template EU-SEC1 - Securitisation exposures in the non-trading book

RON thous.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STs			of which SRT		STS	Non-STs			STS	Non-STs		
			of which SRT		of which SRT											
1	Total exposures	-	-	-	-	1,890,859	1,890,859	1,890,859	-	-	-	-	-	-	-	-
2	Retail (total)	-	-	-	-	1,481,151	1,481,151	1,481,151	-	-	-	-	-	-	-	-
3	residential mortgage	-	-	-	-	71,517	71,517	71,517	-	-	-	-	-	-	-	-
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	other retail exposures	-	-	-	-	1,409,634	1,378,287	1,378,287	-	-	-	-	-	-	-	-
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	-	-	409,708	409,708	409,708	-	-	-	-	-	-	-	-
8	loans to corporates	-	-	-	-	216,634	216,634	216,634	-	-	-	-	-	-	-	-
9	commercial mortgage	-	-	-	-	193,074	193,074	193,074	-	-	-	-	-	-	-	-
10	lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## Template EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

RON thous.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions
1	Total exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Traditional transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic transactions	1,860,260	-	-	-	46,066	-	-	1,860,260	46,066	-	-	-	46,066	-	-	-	46,066
10	Securitisation	1,860,260	-	-	-	46,066	-	-	1,860,260	46,066	-	-	-	46,066	-	-	-	46,066
11	Retail underlying	1,457,323	-	-	-	36,088	-	-	1,457,323	36,088	-	-	-	36,088	-	-	-	36,088
12	Wholesale	402,937	-	-	-	9,978	-	-	402,937	9,978	-	-	-	9,978	-	-	-	9,978
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## Template EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

RON thous.

		NON-RECENT		
		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
			Of which exposures in default	
1	Total exposures	2,016,529	21,587	18,655
2	Retail (total)	1,586,320	19,516	24,260
3	residential mortgage	72,486	-	(326)
4	credit card	-	-	-
5	other retail exposures	1,513,834	19,516	24,587
6	re-securitisation	-	-	-
7	Wholesale (total)	430,209	2,071	(3,763)
8	loans to corporates	230,789	1,340	(3,279)
9	commercial mortgage	199,420	731	(484)
10	lease and receivables	-	-	-
11	other wholesale	-	-	-
12	re-securitisation	-	-	-

### LEVERAGE RATIO

Within the framework of EU Regulation no.575/2013 and in addition to the total capital requirements, the leverage ratio was implemented as a new instrument to limit the risk of excessive indebtedness. The leverage ratio is the ratio of capital to the leverage exposure, specifically the tier 1 capital in relation to unweighted exposure on and off the statement of financial position.

### Description of the processes used to manage the risk of excessive leverage

Banca Transilvania uses quantitative methods for the evaluation and mitigation of leverage risk. Monitoring and managing risk indicators related to excessive leverage risk takes place on two levels, namely at Board of Director/Leaders Committee and CRO, through periodical reports.

### Description of the factors that had an impact on the leverage Ratio during the period to which the disclosed leverage Ratio refers

As at 30.06.2025, the leverage ratio according to the transitional definition slightly increased from 7.40% at 31.03.2025 to 8.13%, mainly due to the increase of the leverage ratio exposures.

## Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

RON thous.

		a
		Applicable amount 30.06.2025
1	Total assets as per published financial statements	208,156,110
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(366,130)
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	394,567
9	Adjustment for securities financing transactions (SFTs)	359,387
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	7,120,591
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	(940,590)
13	<b>Total exposure measure</b>	<b>214,723,935</b>

## Template EU LR2 - LRCom: Leverage ratio common disclosure

RON thous.

		a	b
		Applicable amount 30.06.2025	Applicable amount 31.03.2025
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	207,789,980	206,637,856
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)		
4	(Adjustment for securities received under securities financing transactions that are recognized as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)	(940,590)	(748,349)
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs)</b>	<b>206,849,390</b>	<b>205,889,506</b>
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	57,685	162,757

EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardized approach		
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	336,882	381,676
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardized approach		
EU-9b	Exposure determined under Original Exposure Method		
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)		
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardized approach)		
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)		
11	Adjusted effective notional amount of written credit derivatives		
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
<b>13</b>	<b>Total derivatives exposures</b>	<b>394,567</b>	<b>544,433</b>
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions		
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
16	Counterparty credit risk exposure for SFT assets		
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		
17	Agent transaction exposures		
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)		
<b>18</b>	<b>Total securities financing transaction exposures</b>		
19	Off-balance sheet exposures at gross notional amount	32,742,011	32,455,240
20	(Adjustments for conversion to credit equivalent amounts)	(25,621,420)	(27,365,464)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		
<b>22</b>	<b>Off-balance sheet exposures</b>	<b>7,120,591</b>	<b>5,089,777</b>
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)		
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))		
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)		
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)		
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))		
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)		
EU-22g	(Excluded excess collateral deposited at triparty agents)		
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		



EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)		
<b>EU-22k</b>	<b>(Total exempted exposures)</b>		
23	Tier 1 capital	17,467,520	15,835,536
24	<b>Total exposure measure</b>	214,723,935	214,098,664
<b>25</b>	<b>Leverage ratio</b>	<b>8.13%</b>	<b>7.40%</b>
EU-25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)		
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)		
26	National minimum leverage ratio requirement		
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU-26b	of which: to be made up of CET1 capital		
27	Leverage ratio buffer requirement (%)		
EU-27a	Overall leverage ratio requirement (%)		
EU-27b	Choice on transitional arrangements for the definition of the capital measure		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable		
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables		
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)		
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)		
31	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)		
31a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)		

## Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		a
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	CRR leverage ratio exposures 30.06.2025 207,789,980
EU-2	Trading book exposures	4,222,269
EU-3	Banking book exposures, of which:	203,567,711
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	87,383,012
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	2,153,152
EU-7	Institutions	7,063,197
EU-8	Secured by mortgages of immovable properties	44,504,912
EU-9	Retail exposures	25,615,758
EU-10	Corporates	17,688,763
EU-11	Exposures in default	1,543,485
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	17,615,434

### USE OF THE INTERNAL RATINGS BASED APPROACH TO CREDIT RISK

Banca Transilvania does not use Internal Ratings Based Approach for credit risk assessment.

### USE OF CREDIT RISK MITIGATION TECHNIQUES

Banca Transilvania has solid and adequate formalized policies and procedures, regarding credit risk mitigation techniques in order to control residual risk.

We hereby mainly refer to the following aspects:

- Internal Norm on residual risk management that aims at following the principle of prudence in order to reduce the Bank's risk when accepting collaterals
- the lending rules both for legal entities and individuals provide for a mandatory legal opinion as part of the credit documentation, in order to minimize the legal risk regarding guarantee enforcement

Banca Transilvania reviews on a regular basis, but at least annually, the adequacy, effectiveness and the operation of these policies and procedures.

For identifying, evaluating, monitoring and controlling residual risk Banca Transilvania takes into consideration the following:

- The collateralization approach applied by BT is tailored based on the client's risk profile, the type of loan or other elements, according to the provisions of the lending rules.
- Setting the amount of the evaluable properties proposed as loan guarantees is made through evaluations based on the appraisals carried out mostly by external NAAVR (National Agency of the Authorized Valuers from Romania) valuers agreed by the Bank through specific approval

procedures and recorded in the evaluation reports/other similar documents attached to the loan documentation and also through valuation reports drawn up by other appraisers authorized by ANEVAR in line with the provisions in the *Gov. Order 52 / 2016 on consumer credit agreements for real estate*, only after passing through the internal verification procedure in order to determine an opinion on the conformity of the valuation report with the valuation standards and the applicable legal provisions and alignment of these reports with the Bank's specific additional requirements. The valuation reports establish the market value of the properties.

- Valuation reports will be developed on the basis of the Property Valuation Standards and the Guide for the Loan Guarantee Valuation- GEV520, in accordance with the provisions of the NBR Regulations and the specific requirements contained in the Norm for the management of residual risk.
- In the bank's accounting records, the guarantees are recorded at the guarantee value established by weighting the market value established in the evaluation reports with the risk adjustment indicators of the guarantees.
- All goods proposed to be taken as collateral need to meet a set of conditions stipulated in the internal applicable regulations.
- The Bank will implement methodologies for backtesting of the collateral value on a periodical basis, at least yearly.

In order to manage the guarantees bought in the lending process and to mitigate the related risks, Banca Transilvania has implemented the BT Guarantee application to manage in a uniform and structured way, all data relating to guarantees. Appropriate data quality is ensured by processes, controls and other similar measures provided in the specific internal provisions.

## MAIN TYPES OF COLLATERAL ACCEPTED BY THE INSTITUTION

The group accepts the following types of collateral:

- **Real estate mortgage** on immovable assets owned by the client or other guarantors. Mortgage will be of 1st rank and will be proved by land book extract.

Goods that are eligible to be the subject of mortgage:

- buildings, lands and their accessories
- land free of constructions
- construction without the related land
- land with existing buildings

According to their destination, constructions can be residential or non-residential (commercial).

- **Mortgage on movable property:** All movable tangible and intangible assets which have an economic value, and which can be transferred to the bank or to a third party, in care of foreclosure of real estate mortgage, can be object of a mortgage on movable property.

# Template 18: EU CR3 – CRM techniques – Overview

		RON thous.				
		a	b	c	d	e
		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
1	Loans and advances	63,941,075	52,103,330	45,299,427	6,803,902	-
2	Debt securities	70,507,292				
3	Total	191,060,121	52,103,330	45,299,427	6,803,902	-
EU-5	Of which defaulted					

# Template 19: EU CR4 – Standardised approach – Credit risk exposure and CRM effects

		RON thous.					
		a	b	c	d	e	f
Exposure classes		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
1	Central governments or central banks	87,383,012	-	93,681,240	65	4,608,617	5%
2	Non-central government public sector entities	2,022,443	802,938	2,434,448	8,220	1,331,801	55%
EU 2a	Regional government or local authorities	1,733,275	661,069	1,733,275	-	622,409	36%
EU 2b	Public sector entities	289,168	141,869	701,172	8,220	709,392	100%
3	Multilateral development banks	130,709	-	3,480,532	-	-	0%
EU 3a	International organisations	-	-	-	-	-	0%
4	Institutions	7,063,197	84,846	7,557,518	151,100	2,090,128	27%
5	Covered bonds	-	-	-	-	-	0%
6	Corporates	17,688,763	14,238,048	15,485,524	1,671,489	15,328,117	89%
6.1	Of which: Specialised Lending	496,764	200,523	491,875	32	540,822	110%
7	Subordinated debt exposures and equity	3,070,148	-	3,070,148	-	4,301,993	140%
EU 7a	Subordinated debt exposures	2,463,690	-	2,463,690	-	3,695,534	150%
EU 7b	Equity	606,458	-	606,458	-	606,458	100%
8	Retail	25,615,758	11,619,714	22,284,947	2,543,376	17,161,848	69%
9	Secured by mortgages on immovable property and ADC exposures	44,504,912	5,423,653	41,952,572	103,164	23,341,712	56%
9.1	Secured by mortgages on residential immovable property - non IPRE	27,999,512	489,692	25,932,892	39,463	8,554,302	33%
9.2	Secured by mortgages on residential immovable property - IPRE	41,236	1,102	40,159	-	35,188	88%
9.3	Secured by mortgages on commercial immovable pro	11,727,154	4,200,180	11,350,815	63,702	9,891,176	87%
9.4	Secured by mortgages on commercial immovable pro	3,738,607	407,488	3,732,632	-	3,538,932	95%
9.5	Acquisition, Development and Construction (ADC)	998,403	325,191	896,075	-	997,102	111%
10	Exposures in default	1,543,485	176,514	1,543,485	43,111	1,703,032	107%
EU 10a	Claims on institutions and corporates with a short-term	-	-	-	-	-	0%
EU 10b	Collective investment undertakings	-	-	-	-	-	0%
EU 10c	Other items	12,654,427	-	12,777,155	246,170	5,713,981	44%
11	Not applicable	-	-	-	-	-	0%
12	TOTAL	201,676,852	32,345,713	204,267,567	4,766,694	75,581,228	36%

## Template 20: EU CR5 – Standardised approach

RON thous.

Exposure classes		Risk weight																										Total	Of which unrated		
		0-1 %	2-5 %	6-10 %	11-15 %	16-20 %	21-25 %	26-30 %	31-35 %	36-40 %	41-45 %	46-50 %	51-55 %	56-60 %	61-65 %	66-70 %	71-75 %	80-90 %	90-100 %	100-150 %	150-250 %	250-500 %	500-750 %	750-1,000 %	1,000-1,250 %	1,250-1,500 %	1,500-2,000 %			Over 2,000 %	
1	Central governments or central banks	60,747,714	-	-	29,599,536	393,445	-	-	-	-	-	-	2,903,270	-	-	-	-	-	-	127,339	-	-	-	-	-	-	-	-	-	-	93,686,304
2	Non-central government public sector entities	-	-	-	-	1,388,583	-	-	-	-	-	-	-	-	-	-	-	-	-	1,054,084	-	-	-	-	-	-	-	-	-	-	2,442,668
EU 2a	Regional governments or local authorities	-	-	-	-	1,388,583	-	-	-	-	-	-	-	-	-	-	-	-	-	344,692	-	-	-	-	-	-	-	-	-	-	1,733,275
EU 2b	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	709,392	-	-	-	-	-	-	-	-	-	-	709,392
3	Multilateral development banks	3,480,532	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,480,532
EU 3a	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Institutions	189,379	-	-	-	5,091,151	842,164	-	-	-	-	-	1,529,361	-	-	7,988	-	-	-	48,582	-	-	-	-	-	-	-	-	-	-	7,708,617
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71,182	-	-	-	16,544,987	-	-	468,044	70,800	-	-	-	-	-	-	17,157,013
6.1	Of which: Specialised Lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,863	-	-	468,044	-	-	-	-	-	-	-	491,907
7	Subordinated debt exposures and equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	606,458	-	-	-	2,463,690	-	-	-	-	-	-	3,070,148
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,463,690	-	-	-	-	-	-	2,463,690
EU 7b	Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	606,458	-	-	-	-	-	-	-	-	-	-	606,458
8	Retail exposures	-	-	-	-	-	-	-	-	-	1,496,678	-	-	-	-	23,227,527	-	-	-	104,117	-	-	-	-	-	-	-	-	-	-	24,828,322
9	Secured by mortgages on immovable property and ADC exposures	-	-	-	-	20,430,414	4,462	3,394	-	2,562	-	329	-	5,157,227	-	-	-	-	14,449,667	4,050	71,845	-	1,931,786	-	-	-	-	-	-	-	42,055,737
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	20,430,414	-	-	-	-	-	-	-	5,156,876	-	-	-	-	385,065	-	-	-	-	-	-	-	-	-	-	-	25,972,355
9.1.1	No loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.1.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.1.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	4,462	3,394	-	2,562	-	329	-	351	-	-	-	-	4,050	-	-	-	25,010	-	-	-	-	-	-	-	40,159
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,414,516	-	-	-	-	-	-	-	-	-	-	-	11,414,516
9.3.1	No loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.3.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.3.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,606,088	-	71,845	-	1,054,699	-	-	-	-	-	-	-	3,732,632
9.5	Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43,998	-	-	-	852,077	-	-	-	-	-	-	-	896,075
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,353,722	-	-	-	232,873	-	-	-	-	-	-	-	1,586,596
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10c	Other items	7,399,344	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,713,981	-	-	-	-	-	-	-	-	-	-	-	13,023,325
11	not applicable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 11c	TOTAL	71,726,969	-	-	29,599,536	27,393,593	846,626	3,394	-	1,499,240	4,432,631	329	-	28,465,917	-	-	-	-	40,002,939	4,050	71,845	468,044	4,699,149	-	-	-	-	-	-	-	209,034,262

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS (ESG RISKS)

### INTRODUCTION

Disclosures on *Environmental, Social, and Governance (ESG)* risks are made in accordance with Article 449a of the *EU Regulation No. 575/ 2013 on prudential requirements for credit institutions and investment firms*, as amended (*CRR*). Additionally, the *EU Implementing Regulations No. 637/ 2021* or *No. 2453/ 2022* set out the technical implementation standards for the disclosure of ESG risks (both qualitative and quantitative), on a semi-annual basis, in predefined reporting forms. Banca Transilvania (*the Bank/ BT*), as parent institution of the Banca Transilvania Financial Group (*GFBT/ the Group*), reports on a consolidated level, considering the provisions of the relevant national and European regulatory framework, including the guidelines issued by the *European Banking Authority (EBA)*.

The Group's mission is to support the businesses and communities we serve (anywhere and anytime/ online and through our dedicated network), providing positive customer experiences, contributing to Romania's sustainable development through responsible banking and impact financing, the respect/ courage and responsibility towards the environment we are part of and towards people and their aspirations, being values deeply rooted in the culture and tradition of GFBT. The Group understands how the sustainability agenda flows down from global priorities to local realities, providing an objective perspective on how actions and activities relate to the global sustainable development agenda and how operations and businesses play a role in Romania's transition to a more sustainable economy.

In addition to the information contained in this document, aspects regarding the identification and management of ESG risks at the Bank and GFBT level can also be found in the other reports *published on the Bank's own website, or on the websites of the Group's subsidiaries*; as example, we mention only the following information published on Banca Transilvania's website:

- ✓ [Board of Director's Report](#), as well as [Annex 1 - Sustainability Statement](#), respectively [Annex 2 - Remuneration Report of the Management Board of Banca Transilvania](#) for 2024;
- [Board of Directors' Report](#) - also includes information on BT's business model and top management, the Bank's impact on the economy and society, aspects related to BT's Brand and details its strategic objectives and achievements (including those related to sustainability); the *human resources management* chapter addresses topics such as organizational culture and climate, personal development, performance appraisal and employee benefits, recruitment and remuneration policy, employee health, safety and security, and the *risk management section* shows how the risks to which GFBT is exposed are identified and managed. *Corporate governance* chapter informs on BT's committees, as well as their organizational/ decision making process; it also covers aspects of GFBT's *Diversity Policy/ Principles on Respect for Human Rights/ Anti-Bribery and Anti-Corruption Practices/ Protection against Money Laundering Activities*;
- [Annex 1 - Sustainability Statement](#) - complements the [Board of Director's Report](#), by detailing *general aspects* (on GFBT's strategy and business model, governance and related responsibilities, impacts/ risks and opportunities), *environmental information* (including taxonomy, climate change and circular economy), *social information* (GFBT' team, customers and users of GFBT products and services, sustainable financing, entrepreneurship education and financial literacy), as well as *governance information*;

- [Annex 2 - Remuneration Report of the Management Board of Banca Transilvania](#) - complements the [Board of Directors' Report](#), including details on the remuneration policy and its mechanisms, (including sustainability as a performance objective) and provides clarification on the remuneration of the management body and the application of *malus and claw-back* arrangements in the awarding of variable remuneration.
- ✓ <https://www.bancatransilvania.ro/relatii-investitori/environment-social-governance> - including sections on:
  - [ESG commitment](#) – the Bank assuming firm commitment to treat the non-financial performance as important as the financial performance;
  - [Environmental impact, people & community and corporate governance](#);
  - [Sustainable Financing Framework](#), including details on GFBT's sustainability strategy and sustainable financing framework, third party opinion (Morningstar Sustainalytics), the assurance – from external auditors, the Bank's self assessment on the implementation of responsible banking principles, [Allocation and Impact Report](#) on the financing obtained through the sustainable financing framework, as well as the aspects related to the Bank's ESG bond issues;
  - [Awards and recognition](#) (details regarding brand value, ratings awarded by various rating agencies, communication with investors, community recognition, etc);
  - [Reports](#) (e.g. [Sustainability Report](#), report on the impact of loans granted to SMEs by BT, etc);
  - [ESG complaints](#) – through which anyone can file a complaint at the touch of a button, the complaints being automatically forwarded to the email address [sesizariESG@btrl.ro](mailto:sesizariESG@btrl.ro), where they are taken up by a group of ESG experts within the organization, who then formulate responses to complainants;
- ✓ <https://www.bancatransilvania.ro/relatii-investitori/guvernanta-corporativa/general/principii-de-guvernanta-corporativa> - including information on: [BT Governance](#)/ [Social and Environmental Engagement Policy](#)/ [BT's Management Body Remuneration Policy](#)/ [Environmental Policy](#)/ [GFBT's Code of Ethics and Conduct](#)/ [Anti Bribery and Corruption Policy](#).
- ✓ <https://www.bancatransilvania.ro/news/> - location where relevant information on the actions taken by the Bank/ Group is published (eg: press releases, news, announcements, infographics, etc), most of which also containing ESG aspects.

## LEGISLATIVE CHANGES ON THE REFERENCE PERIOD (Jan - June 2025)

In recent years, European Supervisory Authorities (ESAs) – EBA (*European Banking Authority*)/ EIOPA (*European Insurance and Occupational Pensions Authority*)/ ESMA (*European Securities and Markets Authority*) and the most important international bodies, closely worked to prevent/ reduce the negative impact the new crises and risks could have on the financial sector; for example, the most representative legislative initiatives developed and/or in force since the last [Transparency Report for December 2024](#) , impacting the activity of credit institutions in ESG area are:

- (i) *January 2025* – EBA published *EBA/GL/2025/01 Guidelines on the management of Environmental, Social and Governance (ESG) risks*, with recommendation on: (a) identifying, measuring, managing and monitoring ESG risks; (b) assessing the impact of ESG risks on the institutions' risk profile and solvency; (c) the content of transition plans (specific timeline, targets, and quantifiable milestones) to enable the monitoring of the financial risks arising from ESG factors, including those resulting



from the transition to climate neutrality by 2050. The guideline complements previous ECB actions (November 2020 - *Guidelines on climate and environmental risks*; November 2022 – *Guidelines on good practices for managing climate and environmental risks*, a new guideline on this topic being expected by the end of 2025) and BIS (*Bank for International Settlement*) (April 2021 - *Climate risk and transmission channels*). EBA/GL/2025/01 will enter into force on January 11, 2026;

ii) *January 2025* – EBA launched for public consultation *EBA/CP/2025/02 Guidelines on ESG scenario analysis*, to supplement the above-mentioned guidelines, focusing on the role of scenario analysis in strengthening institutions' resilience to environmental risks, starting with climate scenarios and continuing with scenarios aiming to test the institutions' resilience to severe shocks in the short-, medium- and long-term. The document will enter into force on January 11, 2026;

iii) *February 2025* – EBA published *EBA/REP/2025/06 Report on data availability and feasibility of adopting a standard methodology for ESG exposures*. The document highlights the current challenges in collecting and standardizing ESG data, particularly in terms of quality, granularity, comparability and transparency. Methodologies for assessing environmental risks, particularly climate risks, are the most advanced, while those for social and governance risks are mostly qualitative. ESG scores are the most commonly used, but there are significant challenges in using them as potential basis for a standardized methodology, due to the complexity and variability generated by different approaches/ data sources/ methodologies. Even among rating agencies (ECAI) there are significant differences in approach, both in terms of methodologies and ESG risk evaluation, with proposal from ESMA for their future alignment. Regarding the data availability and accessibility, EBA concludes there are currently insufficient elements to develop a standardized methodology to help identify and qualify ESG risks, with a view for aligning them in the future;

iv) *June 2025* - ESAs launched a joint public consultation, *JC/2025/30 Joint guidelines to ensure that consistency, long-term considerations, and common standards for assessment methodologies are integrated into the stress testing of environmental, social and governance risks*, with feedback expected by September 19, 2025, with the final version due to come into force on January 11, 2026; the document is addressed to the competent authorities, specifying the necessity to consistently integrate ESG risks into supervisory stress testing activities. The main recommendations concern: (a) ensuring sufficient human and material resources for the preparation of ESG stress-tests and for the development of data management, collection and analysis capabilities; (b) conducting ESG stress-tests by testing the resilience of capital and liquidity positions and the ability to absorb losses in the event of short- and medium-term economic and financial shocks, and testing the resilience of the strategy and business model to a range of medium- and long-term ESG-related scenarios; (c) integrating the results of the materiality analysis; dynamic assessment, allowing for adjustments as ESG risks evolve, new data becomes available, and the institution refines its own risk identification process, with a phased approach recommended, initially by prioritizing climate & environmental risks; (d) development of short-, medium-, and long-term stress-tests, considering multiple levels of granularity and applying proportionality principle;

v) *July 2025* - EBA launched for public consultation *EBA/CP/2025/13 Guidelines on product oversight and governance arrangements for retail banking products to take into account products with ESG features and greenwashing risks*, aiming to amend *EBA/GL/2015/18 Guidelines on product oversight and governance arrangements for retail banking products*, looking at how to regulate internal processes, functions, and strategies related to the design, marketing, and review of banking products

throughout their life cycle, while integrating ESG features through a proportionate and specific approach. The guideline will enter into force on 1st of December, 2026;

vi) July 2025 - In an effort to simplify the complexity of reporting under *the Corporate Sustainability Reporting Directive (CSRD)*, the European Commission adopted *the Voluntary standard for non-listed micro-, small- and mid-sized enterprises (VSME)* developed by EFRAG, which targets voluntary sustainability reporting for SMEs, while encouraging large companies and financial institutions to requesting sustainability information from SMEs to base their requests on the voluntary standard as far as possible;

vi) July 2025 - EFRAG (*European Financial Reporting Advisory Group*) - published a draft report on the revision and simplification of *the European Sustainability Reporting Standards (ESRS)*, as part of the broader reforms launched by the Omnibus initiatives. The main revisions aim to: (a) simplify the *double materiality assessment (DMA)*; flexibility in the assessments of impacts, risks and opportunities (IROs); (b) better readability and conciseness of sustainability statements, as well as greater connectivity with corporate reporting, allowing summaries, the use of annexes and the disclosure of related information, aiming not only to improve the clarity of the information presented, but also to avoid the effort of duplication of information; (c) the reduction of mandatory data-points in thematic standards and the centralisation of PAT (Policies, Actions, Targets) narratives only at the level of *ESRS 2 – General Disclosures*; (d) improving the understanding, clarity and accessibility of standards, as well as clarifying the structure, by separating mandatory content from voluntary content, including removing insignificant data points and reallocating requirements in line with the relevant disclosure requirements (DRs); (e) the introduction of exemptions, including those based on '*undue cost of effort*', the partial application of an area where data is limited, while allowing flexibility in defining limits that reduce greenhouse gases (GHGs); (f) increased interoperability with the ISSB standards (*International Sustainability Standards Board*), aiming at aligning GHG with the provisions of the ISSB and GHG Protocol, etc. The public consultation period is open until the end of November 2025. In line with these actions, a proposal for the revision of the SFDR (*Sustainable Finance Disclosure Regulation*) framework is also expected to be published by the European Commission by the end of 2025;

vii) July 2025 – SBTi (*Science Based Targets Initiatives*) – launched *the Net-Zero Standard for Financial Institutions*, which sets criteria for climate-responsible finance. The fulfilment of the SBTi criteria requires financial institutions to: (a) immediately stop financing new coal-fired projects; (b) phasing out the financing of companies in the oil and gas production sector by 2030; (c) the publication of a fossil fuel policy covering the exploration, scale-up and future financing of this sector; (d) assessing exposure to deforestation and requesting recovery plans; (e) aligning the real estate, insurance and equity markets to Net-Zero; (f) requesting transition plans from customers. This is the first Net-Zero standard to target the activity of financial institutions;

viii) July 2025 - ECB (*European Central Bank*) - updated its collateral governance framework to include climate-related considerations; from mid-2026 collateral is to be assessed by applying a climate factor, adjusting the value based on an '*uncertainty score*' climate-related, targeting a sector-specific stressor, issuer-specific exposure and asset-specific vulnerability.

In connection with this document – *Pillar 3 – Transparency Report – ESG section* – , in May 2025 EBA launched for public consultation the legislative package related to *the Technical Implementing Standards (ITS) on the amended disclosure requirements for ESG risks, equity exposures and aggregate*

*exposure to shadow-banking entities*. Regarding the ESG section, the review of the regulatory framework aims to: (a) implement differentiated sets of reports, depending on the type and size of institutions; (b) aligning the information included in *the Transparency Report* with that of *the EU Taxonomy Report*; (c) transitional provisions to support institutions, with large, listed institutions – such as BT – applying the existing disclosure rules until the end of 2026, with the exception of *those related to the Green Asset Rate (GAR)* and the *EU Taxonomy Regulation* (e.g. Templates 6 to 10, as well as specific columns in Templates 1 and 4); (d) interim guidelines on the application of the provisions until the entry into force of those ITS, EBA encouraging competent authorities to provide institutions with the necessary flexibility – a *No-action letter* in this regard being issued and communicated to the competent authorities on 05.08.2025; (e) further recommendations on the frequency of preparation of some of the reports, taking into account the application of the principle of proportionality and the results of the materiality analyses. The public consultation ended on 22.08.2025, the Bank submitting a series of questions on EBA website, requesting the clarification of some of the aspects mentioned in the new ITS draft, given the identification of some inconsistencies/ mismatches between the templates, or with other prudential reports or paragraphs from the text of the same document.

Considering the new provisions of the ITS under public consultation, as well as the provisions of the *No-action letter*, Templates 6 to 10 will not be published in this report - **quantitative section**.

## QUALITATIVE REQUIREMENTS

### 1. ENVIRONMENTAL RISK

#### ***Strategy and business processes***

*(a) the institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on the institution's business environment, business model, strategy and financial planning*

The business strategies of GFBT entities focus on supporting the Romanian private economy, responsible lending through which funds are directed towards investments with a positive impact on the environment and communities, and excludes sectors with a negative impact from financing, assuming the mission of improving the population's access to finance, increasing the degree of financial intermediation and supporting social and economic inclusion, through active involvement in the financial education of the population, entrepreneurs and SMEs.

In the context of recent efforts by European authorities and bodies to reduce the complexity/ burden of various ESG reporting, the Group remains firmly committed to continue to provide a high level of ESG transparency and to comply with its obligations in the field of sustainability, environmental protection and communities.

An assessment of ESG factors and their implications is carried out at the level of each subsidiary of the Group, applying the principle of proportionality, taking into account the object of activity of each GFBT member entity, their business and risk strategies and the mechanisms for the transmission of

ESG factors to traditional risks. The results of the analyses, the risks and opportunities identified are subsequently translated into strategies and business decisions, their implementation being followed according to the provisions of the internal regulatory framework of each subsidiary, maintaining a recurring frequency of information to the management and relevant entities of the Parent Bank.

**Note:** more details can be found in [the Board of Directors' Report/ Sustainability Report/ Annex 1 – Sustainability Statement](#).

*(b) Objectives, targets and limits for assessing and addressing short-, medium- and long-term environmental risk and evaluating performance against these objectives, targets and limits, including forward-looking information in the design of strategy and business processes*

The Group is committed to consider social and environmental aspects into account, developing products and services that support these efforts, while pursuing regulatory requirements, market analysis and its own specialized expertise; the products that are prioritized for development are equally determined by the requirements of GFBT's *Sustainable Development Strategy*, economic considerations and regulatory requirements. The Group aims to make a relevant contribution to financing a just and gradual transition to a low-carbon economy and building a sustainable future.

For supporting this objective, GFBT has developed its [Sustainable Financing Framework](#), which includes details on eligible green and social categories, the project evaluation and selection process, and annexes comprising the *Exclusion List for eligible loans for micro-enterprises and SMEs* (regularly adjusted, by considering the compliance with *EBRD Reference List* and *IFC Environmental and Social Risk Performance Standards*, as well as best practices in ESG Analysis).

The Group is also committed for promoting sustainable business activities in the industrial sectors and regions in which it operates. In this regard, the following actions are considered:

- [preparing and promoting green and ESG loans and products to support investments made by corporate and public authorities under the National Recovery and Resilience Financing Plan;](#)
- [strengthening collaboration with international financial institutions within the European framework;](#)
- [increasing the focus on energy efficiency, smart agriculture and adaptation projects, efficient transport and water efficiency;](#)
- [continuing the partnership with the main institutions for sustainable lending \(IFC, EBRD, EIB, EIF, etc.\), including in the field of climate finance, digital transition, blue/ green finance, sustainability guarantee;](#)
- [the continuation of products and initiatives dedicated to electric and hybrid vehicles \(prices and commissions lower than the standard ones\) through the leasing subsidiary;](#)
- [continuing initiatives and promoting products with sustainability features also by the other GFBT subsidiaries.](#)

**Note:** more details can be found in [the Board of Directors' Report, Annex 1 – Sustainability Statement](#) and [Sustainability Report](#) (which include separate sections on the company's strategy and business model), as well as in the [Allocation and Impact Report](#) – June 2025.

*(c) Current investment activities and (future) investment targets towards environmental objectives and activities aligned to the EU taxonomy*

Among the actions GFBT took to *reduce the carbon footprint resulted from their own activity* we exemplify: investments in IT infrastructure (digital infrastructure reduces dependence on fossil fuel-based operations, and Cloud computing optimizes energy consumption), RPA (Robotic Process Automation), automated solutions such as Chatbots and platforms and applications for digital collaboration and remote document access, reduction of resource consumption (electricity, paper, fuel), in conjunction with the increase in the share of renewable energy in the own energy consumption, responsible consumption (limitation of printing, in conjunction with the use of recyclable paper, purchase of energy-efficient appliances, use of electronic equipment with low energy consumption, use of monitors and computers with high ecological standards in terms of environmental protection, carrying out most of the activities in energy-efficient buildings, keeping the vehicles in their own fleet in the area of those with the lowest possible consumption and degree of pollution, as well as optimizing the fuel consumption related to them), efficient waste management, producing internal information materials to raise awareness for reducing the carbon footprint and reducing greenhouse emissions, the continuation of afforestation initiatives with the involvement of our employees and collaborators, etc.

Regarding the *actions to reduce the carbon footprint in the financed activity*, we mention for example: the revision of strategies by industries, with the promotion, limitation, or, as the case may be, stopping financing of certain sectors of activities; the development and promotion of sustainable products, or those that encourage a more responsible consumption; continuing the collaborations with international and national financial institutions that promote ESG initiatives, etc.

GFBT's commitment to a sustainable economy is also reflected in the actions taken, on 25.05.2025 registering the first issue of sustainable bonds in RON of Banca Transilvania, worth RON 1.5 billion (the Bank's first RON issue, listed on the Bucharest Stock Exchange (BVB) - symbol TLV32, which marks, due to the value and type of the bond issue, *a record on the Romanian banking market*). The issue consists of 2,500 corporate, sustainable, eligible (in line with MREL requirements), non-preferential bonds, with a nominal value of RON 600,000, maturing in 2032 and with an annual interest rate of 8.875%. The amount attracted from the bond issue will be used by the Bank to finance sustainable projects, according to the eligibility criteria in the [\*BT's sustainable financing framework\*](#).

In terms of collaboration with institutions that promote ESG initiatives, in addition to the already existing collaborations, in the 1st half of 2025 BT held discussions with the IDB (*Investment and Development Bank* – the only development bank of the Romanian state, created to stimulate sustainable economic development, increased competitiveness and innovation) and developed the necessary documentation (which also included ESG considerations) to be included in the list of selected financial intermediaries (banks and other non-banking institutions) for the distribution of guarantees from the IDB. The provision of these guarantees (individual public sector guarantees and portfolio guarantees for SMEs) aims to: (a) improve access to finance for micro-enterprises and SMEs, start-ups, innovative enterprises, agricultural enterprises and farmers; (b) promoting better access to finance for economically viable infrastructure projects, local and regional development projects; (c) supporting a climate- and energy-neutral economy and promoting sustainable development; (d)

providing consultancy and technical assistance services to support investments (about IDB products here: <https://www.bidromania.eu/produse/garantii/garantii-de-portofoliu-pentru-imm-uri>).

**Note:** more details can be found in [the Board of Directors' Report, – Sustainability Statement](#) and [Sustainability Report](#) (which include separate sections on the company's strategy and business model), as well as in the [Allocation and Impact Report](#) – June 2025.

*(d) Policies and procedures for direct and indirect engagement with new and existing counterparties on their environmental risk mitigation and reduction strategies*

At the level of GFBT entities, ESG aspects are considered both at the level of the business strategy/ risk strategy, and in the case of some of the subsidiaries and distinct strategies, there are ESG/ sustainability strategies (depending on the significance of ESG risks at the level of those subsidiaries). Within them, the objectives regarding sustainable financing are assumed, and specifically policies/ norms for know-your-customer and lending are developed, which provide distinctly for actions to be pursued in relation to new or existing counterparties. For example, in case of bank subsidiaries, for any initiation of business relationships with customers, due-diligence is carried out related to the geographical area from which they come and the sectors in which they operate, with a series of restrictions both in terms of AML (Anti Money Laundering) risk and credit risk (applying a list of exclusions, with the aim of promoting sustainable lending as a priority).

The ESG factors of the counterparty are also taken into account at the level of GFBT processes, in the flow for the selection of suppliers and solutions, in financing decisions and social responsibility projects.

**Note:** more details can be found in [the Board of Directors' Report](#) (Risk Management Chapter), [Annex 1 – Sustainability Statement](#) and [the Sustainability Report](#) (which includes separate sections (E1-2) on Policies related to climate change mitigation and adaptation).

## **Governance**

*(e) The responsibilities of the Governing Body for setting the risk framework, overseeing and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering the relevant transmission channels*

Starting from the principle of the 3 lines of defense, responsibilities for ESG risk management have been defined at GFBT level, under the coordination of the management body.

**Note:** more details can be found both in the section dedicated to governance risk of this transparency report, and in the [Board of Directors' Report](#), [Annex 1 – Sustainability Statement](#) and [Sustainability Report](#).

*(f) The integration by the management body of the short, medium and long-term effects of environmental factors and risks, the organizational structure both within business lines and internal control functions*

Similar to the observation in point (e), the principle of the 3 lines of defence also applies in the field of ESG; the lines of business (*first line of defence*) play a key role in achieving ESG objectives and promoting sustainable finance, and the risk management and compliance functions (*second line of defence*) oversee and support the activities of the first line of defence. *The third line of defense*, internal audit, periodically assesses ESG factors, both within specific missions/dedicated to the ESG area (previously established in *the Audit Plan*) and *within various audit missions* (also following factors of an E/S or G nature) (e.g. correlated with audit missions in the area of governance, human resources, risk management, reporting, procurement, marketing, occupational safety, etc.).

ESG responsibilities are assigned in the committees and management roles of the various functions of the Group, up to the Division/Management level and through traceability, at the level of the risk structures in the Group's subsidiaries;

**Note:** more details can be found in the section dedicated to *governance risk* of this transparency report, as well as in [the Board of Directors' Report](#), [Annex 1 – Sustainability Statement](#) and [Sustainability Report](#).

*(g) Integration of environmental and risk management measures into internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities and the feedback loop from risk management to the management body, covering relevant reporting channels*

Changes to policies, procedures, rules and methodologies related to ESG integration are reviewed by the relevant organisational units at least once a year, or more frequently, in the event of significant events with an impact on the business, ensuring the relevant units are properly involved in the implementation and/or reconciliation/ validation proposals; depending on the type of documentation, the materials may reach for information and/or approval, as the case may be, up to the level of *the Specific Committees/ Steering Committee (CC) or the Board of Directors (BoD)*. After review, the documents are posted on the Intranet (with specific access rights), in some cases there are common provisions, applicable to the entire Group.

**Note:** more details can be found in the section dedicated to *governance risk* of this transparency report, as well as in [the Board of Directors' Report](#), [Annex 1 – Sustainability Statement](#) and [Sustainability Report](#).

*h) Environmental risk reporting lines and reporting frequency*

Specific Committees/ CCs or BoDs are kept up to date with ESG issues through *periodic*, or *ad-hoc* reports. In addition, information on the actions aimed at integrating ESG factors into the management framework is also reported at the level of *the ESG Committee* (including the result of the ESG risk significance assessment, carried out at least once a year), and at the level of the Board of Directors, *the Financial Statements are submitted*, accompanied by the *Transparency Report* and *the Directors' Report*, with the related annexes.

**Note:** more details can be found in the section dedicated to *governance risk* of this transparency report, as well as in [the Board of Directors' Report](#) (risk management and corporate governance sections), [Annex 1 – Sustainability Statement](#) (Governance and Responsibilities section and Governance Disclosures Chapter) and [the Sustainability Report](#).

*(i) Align remuneration policy with the institution's environmental risk objectives*

See the detailed aspects of *governance risk*, in conjunction with the sections related to *the Policy and the process on the assessment of the adequacy of the members of the management body*, respectively *the Remuneration Policy*, included within this transparency report and within the [Board of Directors' Report](#) (Management of Human Resources Chapter), respectively, [Annex 1 – Sustainability Statement](#) (Governance Information Chapter), [Annex 2 – Remuneration Report of the Management Board of Banca Transilvania](#) and [the Sustainability Report](#).

**Risk management**

*(j) Integration of short, medium and long-term effects of environmental factors and risks into the risk framework*

The Group approaches ESG risks and factors in an integrated perspective, incorporating them into key risk management frameworks. Furthermore, *GFBT's Sustainable Development Strategy* aims to implement ESG factors in risk management processes and strengthen ESG risk awareness across all GFBT subsidiaries. Basically, ESG factors and related risks are managed through specific processes and controls, and a phased approach is pursued for the implementation of risk limits, taking into account the application of the principle of proportionality, in line with regulatory expectations and ESG awareness at macroeconomic level.

*(k) Definitions, methodologies and international standards underpinning the environmental risk management framework*

The definitions, methodologies and types of instruments and analyses applied at Group level vary depending on the activities carried out by each of the subsidiaries and the portfolios and assets covered by them. The risk assessment process is designed using the EBRD/ IFC guidelines, adapted to the operating environment and risk appetite of each of the Group's subsidiaries, correlated with the businesses carried out by each of them, the methods and tools applied being developed based on the best practices in the field, applying both the Group's own experience and, as the case may be, know-how provided by external consultants (specialized companies in the field), constantly following the evolution of the regulatory framework and the recommendations/ methodologies of the competent bodies.

*(l) Processes to identify, measure and monitor activities and exposures (and collateral, where appropriate) sensitive to environmental risks, covering relevant transmission channels*



Proper risk management and control are essential to ensure reliable and sustainable value and to protect the financial and reputational strength of the Group. To this end, specific processes and responsibilities have been defined and established for the identification, management, monitoring and control of ESG risks, including environmental/ climate-related risks, in the Group's risk management framework, pursuing long-term business soundness and continuity and extending the benefits to all Group stakeholders, while considering the application of the principle of proportionality.

With regard to the processes for identifying, measuring and monitoring ESG-sensitive activities and exposures, the Bank has launched a GAP analysis on the occasion of the publication of the new EBA Guidelines and the documents currently under public consultation, reflecting a prudent approach by the Group, compared to the provisions of the new regulatory framework, proportionate to the activities carried out by each of the subsidiaries, related to its own activities and strategies. Currently, the Bank has included ESG risk in the ICAAP analysis (*Internal Risk Adequacy Assessment Process*), taking into account a possible impact on solvency, over a time horizon similar to the traditional risk assessment (when determining the credit risk stress- tests, taking into account the estimation of impairment adjustments, simulating the increase of *ECL (expected credit loss)* by considering both the client's rating used at the reporting date, and the ESG score). The Bank pursues a phased approach to the development of stress test scenarios, as also recommended by the ESAs in document *JC/2025/30 Common Guidelines to ensure consistency, long-term considerations and common standards in risk stress tests*, published in June 2025 and mentioned above, in the section dedicated to the legislative amendments.

At the same time, the *ESG risk opinions* (the result of the ESG analysis process) issued by the *ESG Risk Analysis Department* are integrated into the credit financial analysis process. Currently, analysts ask clients to fill in *Questionnaires* whose structure differs, depending on the level of exposure and the implicit environmental risk; the Bank has developed 5 types of questionnaires (how to use them being detailed in the internal document *ESG analysis flow*, which contains both a general guide for the application of ESG principles in customer financial analysis, and specific guides, depending on the type of evaluation forms). The complexity of the forms increases in proportion to the level of exposure (from a simplified form containing questions on compliance with legal requirements for ESG – labour and environmental protection, to a detailed and granular form, covering a wide range of topics, including issues related to the waste management process, energy efficiency, calculation of emissions, staff restructuring, etc.), the existence of human resources policies, the existence of anti-fraud policies and others). Based on the information collected from clients, public external sources and sensitivity/ vulnerability to ESG risks, the nature and severity of ESG risks to which the client is exposed is assessed.

To determine climate, physical and transition risks, the Bank has implemented an implicit mapping system (using the *Heat-map* application), based on which a level of risk is assigned on a 7-step scale, ranging from "very low" to "very high", the implicit risk being assigned according to the sector in which the company operates and the geolocation (at county level) of the activity or project financed – thus it is possible to differentiate between companies that carry out the same activity (e.g. cereal cultivation), but in different locations (counties). ESG risk analysts can adjust the resulting level of risk (by increasing or decreasing it), considering the management approach to mitigate these risks

(e.g. an exposure to the agriculture sector in an area with a high risk of drought is classified as a situation of high climate risk, which can be reduced if there is investment in equipment to adapt to these risks). At the same time, through ESG analysis, recommendations can be made to clients for better management of ESG impact and mitigation of identified risks, and various conditions can be established that aim to reduce imminent risks. Following the ESG analysis of the client/ transaction, an ESG score is assigned on which the approval committee is operationally informed, the lending decision also taking into account these risks, in addition to financial factors. The approval decision thus also includes the non-financial conditions set and any recommendations.

Assurance on the fulfilment of the ESG conditions/ agreed action plans is carried out within the framework of the standard client monitoring process (at least annually for exposures exceeding a certain limit), in addition to the usual checks (which also involve obtaining information about clients from external sources, including their websites, to ensure compliance with the recommendations and the regulatory framework applicable in the related sector of activity), and visits by the team of ESG analysts to the companies' headquarters.

Last but not least, the training process of both employees and customers/ potential customers continues (by participating in conferences, webinars, visits and training sessions).

The Group also recognises the importance of protecting natural capital and biodiversity as an emerging priority to reduce the negative impact on its financial assets and reputation, committing to identify areas of potential vulnerability and strategic priorities in the assessment of significance for environmental risk (similar to climate risks, biodiversity issues being analyzed in the lending activity, taking into account the national legislation on *Natura 2000 sites*, protected areas in Romania, etc., in accordance with the list of exclusions assumed, at the same time, also pursuing, as the case may be, the request for impact studies on biodiversity).

Depending on its own business model, each GFBT subsidiary decides, based on the Group's alignment recommendations, how it implements and applies the ESG risk assessment procedure related to its customers. By way of example, BTAM (*BT Asset Management*) also promotes funds with environmental and social characteristics (CSM), or a combination of them (3 such funds), in compliance with limits imposed on the ESG risk score provided by Morningstar Sustainalytics, and the issuers within these funds must comply with a minimum level of the CSM requirements, according to the provisions of the leaflet. The ESG limits have been set in such a way as to cover both the proportion of issuers in the portfolio that have a Morningstar Sustainalytics rating, and their distribution according to the score awarded (aiming to limit the number of issuers if they obtain a rating below a certain score, or to eliminate them completely from the fund composition, if they do not meet the minimum ESG scoring criteria).

**Note:** supplementary information can be found in [the Board of Directors' Report](#) (Risk Management Chapter, respectively *Corporate Governance*), [Annex 1 – Sustainability Statement](#) (Environmental Information Chapter, respectively *Governance Information*) and [the Sustainability Report](#).

*(m) Activities, commitments and exposures contributing to the mitigation of risks*

In its relationship with its clients, GFBT institutions apply an *ESG Exclusion List* within the lending process, a list that defines activities and behaviors whose controversial nature and impact make them incompatible with the values of the Group companies. The legislative and economic impacts of climate change, financing or investments in companies exposed to climate, physical and transitory risks, represent a significant risk to core business in the medium and long term. In addition, there is a risk that the Group will be affected by the reputational risk or other consequences/ sanctions, in the event that the financed projects are promoted as "*sustainable*", and subsequently it turns out that they do not comply with the granting criteria, the clients using the financing for completely different purposes than those for which they were granted ("*greenwashing*"). Thus, it is necessary to implement controls both at the time of customer analysis and later, during their monitoring. In the process of monitoring exposures, including at the level of visits to customers, or related to the monitoring of negative information in the press, if incidents or risks are identified on aspects related to climatic factors/ environmental impact, they are taken into account and certain remedial conditions may be imposed on customers, or the financing decision may be reconsidered (*as detailed in point (l) above*).

The actions taken by the GFBT to reduce carbon emissions have been described in point (c).

**Note:** more information can be found in [Annex 1 – Sustainability Statement](#) (sections: *Impacts, Risks, Opportunities* and *Sustainable Financing*, respectively the *Environmental Information* chapter), as well as in [the Sustainability Report](#) and the [Allocation and Impact Report](#).

*(n) Implement tools to identify, measure and manage environmental risks*

The assessment of the materiality of ESG risk is a process to be carried out at least on an annual basis and involves analyzing all factors that could impact the activity of GFBT entities, defining a series of relevant indicators for establishing the ESG risk appetite and tolerance, which define the ESG risk profile; at the same time, at the strategic level, specific actions to mitigate these risks are defined, and a series of operational actions are established, aiming to reduce the negative impact both on its own activities and on the economy and the environment. With regard to the transition plan towards the Net-Zero target, please consider the additional aspects specified in this report.

**Note:** more information can be found in [Annex 1 – Sustainability Statement](#) (sections: *Basis for the preparation of the sustainability statement, Impacts, risks, opportunities, Customers and users of GFBT products and services, Sustainable finance*, respectively *Climate change*, regarding the implementation of the PCAF methodology (*Partnership for Carbon Accounting Financials*) and the calculation of the carbon footprint), as well as in [the Sustainability Report](#) and [the Allocation and Impact Report](#).

*(o) The results and outcome of the risk instruments implemented and the estimated impact of environmental risk on the capital and liquidity risk profile*

The results of the analyses carried out by the responsible areas of the Bank are incorporated into the annual review process of the business strategy, the general risk strategy, the ESG strategy and the lending policies, in the internal risk reporting and in other aspects related to the internal process for

ensuring adequate capitalization (the internal capital and liquidity adequacy assessment process – ICAAP/ ILAAP). In addition, we specify that taking into account the new guidelines issued by the EBA/ ESAs that are to enter into force in the next period, the Bank is in the process of carrying out the GAP analyses for all the new regulations developed/ under public consultation, and will identify the additional measures necessary to ensure the implementation of their provisions (as the case may be, possible changes at the level of the systems, workflows and methodologies).

*(p) Availability, quality and accuracy of data and efforts to improve these aspects*

The Group pays particular attention to the development of data management and collection capabilities that support both the access to high-quality ESG data and its processing process, with several projects being initiated in this regard, while taking into account the proposals for recent changes to the regulatory framework that are to enter into force in the next 1-2 years. The use of a variety of sources (external, internal), as well as increasing knowledge of relevant indicators in the ESG sphere, allows for the refinement and improvement of the set of information available over time. The Bank is committed to continuously improving its database through its operations and stakeholder relationship, extending collection efforts to GFBT subsidiaries as well, with a view to applying the principle of proportionality, as recommended by the competent authorities. From the date of the last transparency report until now, among the actions implemented/ underway, we mention:

- *Regarding credit analysis* – the Bank aims to continuously improve the *Heat Map* application (mentioned above), in order to better meet the reporting requirements currently under discussion at EBA level; at the same time, it has initiated actions aimed at developing dedicated fields in the system, which would allow the voluntary collection of data on carbon emissions from customers – the action is all the more in support of improving the process of data collection, given that information of this nature requires separate monitoring, to reflect the exposure in the portfolio deriving from company-specific reporting, given the recent proposals for changes to the reporting framework under review;
- *Regarding the area of guarantees/ collaterals* - the Collateral Management Framework project was initiated, which involves the development of the integrated collateral management application (Collateral Management System), aiming to increase the capacity to individualize and streamline the collateral structures, pursuing structures with high quality and better operationalization of information at system level. The project also aims to collect information for proper management of collateral and in the light of ESG risk, in particular for the quantification of physical risk in the collateral valuation process (with the ECB's proposal in relation to the future application of climate factors when assessing collateral, also taking into account the vulnerability given by the location of collateral). In addition, also in the collateral area, we mention the implementation of a tool that ensures the daily and continuous inspection of all energy certificates (EPCs) that enter the Bank via the collateral application;
- *In the effort to reduce the carbon footprint of its own activity* – at the level of the Procurement area, discussions have been initiated for the development of an application that allows the reporting of CO2 volumes directly based on invoices; digitization actions and projects aimed at reducing resource consumption also continue;
- *A new application for integrity alerts (Whistlelink)* - in the spirit of the commitment to uphold the highest ethical standards in the professional activity and to integrate modern solutions into the

organization, a new application for integrity alerts has been implemented, at the level of GFBT; the application is available for both internal and external notifications, being also mentioned on the website, in section <https://bancatransilvania.whistlelink.com>.

- Banca Transilvania is the first banking institution in Romania to integrate artificial intelligence into online communication, services and processes, using both Robotic Process Automation (RPA) and Large Language Model (LLM)).

*(q) A description of the limits for environmental risks (as drivers of prudential risks) that are set and the trigger for escalation and exclusion in case of violation of these limits*

The processes for setting limits and triggering escalation and exclusion in case of violation of these limits follow the provisions of the regulatory framework, so a series of strategic and/or operational limits are applied that may vary depending on the risk appetite and tolerance of each GFBT entity, established both with regard to ESG risks and with regard to the traditional risks they influence, their follow-up and monitoring being carried out in accordance with the common and/or specific provisions of each subsidiary, as the case may be.

The risk appetite framework integrates what has been defined in terms of strategic guidelines, and the materiality assessment and dispersion of ESG risks by NACE codes are used to identify, at least annually, specific actions aimed at limiting ESG risks, in particular with regard to sectors with the highest exposure to these risks, while also including specific actions related to the Group's strategic choices. Exposure percentages are constantly monitored, with a particular focus on high-carbon sectors.

In the move towards a low-emission economy, the Group is advancing in defining the transition framework, and at BT level, a phased program for the development of sectoral strategies is underway, with alignment, where relevant, with the EU Taxonomy. Thus, based on the risk profile of each sector, prudential criteria and limits are established, and, where appropriate, specific financing conditions or restrictions may be applied. These strategies are reviewed regularly (at least annually) and are monitored as part of internal risk management processes. The Bank has finalized and implemented *the Energy Sector Strategy* and is in the process of developing the *Strategy for the Construction Sector*. In case of the energy sector, the approach is differentiated by sub-segments (electricity, oil and gas, and coal), aiming to gradually align with climate objectives and continue to reduce exposures to emission-intensive activities, especially in case of coal extraction and processing. These initiatives are correlated with the necessary actions that SBTi recommends to achieve the Net-Zero target (e.g. *the Net-Zero Standard for Financial Institutions*, launched in July 2025).

*(r) Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework*

The transmission channels between environmental risk and traditional risks can be summarized as follows:

	Physical risk	Transition risk
	<ul style="list-style-type: none"> <li>• <i>Climate-related</i> (extreme weather events, chronic weather issues)</li> <li>• <i>Environmental-related</i> (water stress, resource scarcity, biodiversity loss, pollution, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Climate-related</i> (policy and regulations, technology, consumer perception)</li> <li>• <i>Environmental-related</i> (policy and regulations, technology, consumer perception)</li> </ul>
Credit risk	Probabilities of default (PD) and loss given default (LGD) of exposures in sectors or geographical areas vulnerable to physical risk may be affected, for example, by lower valuations of collateral in real estate portfolios, as a result of increased risk of flooding, landslides, heat waves that can cause fires, seismic areas, etc. Companies' activities may also be severely affected by physical risk, especially if they operate in areas of drought (particularly affecting the agricultural sector), landslides, etc.	Energy efficiency standards can trigger substantial adaptation costs and lower profitability, leading to a higher probability of default, as well as lower collateral values. Consumer behavior can also impact both new product development decisions and the devaluation of the existing assets that are not aligned with the new technologies, leading to increased company expenses and decisions to revise budgets to meet the business strategy.
Market risk	Severe physical events can lead to changes in market expectations and could result in sudden revaluations, higher volatility, and losses in asset values in certain markets.	Transition risk drivers may cause a sudden revaluation of securities and derivatives, for example for products associated with industries affected by asset lock-ups.
Operational risk	The institution's operations may be disrupted due to damage to property, branches, and data centers, as a result of extreme weather events and/or operating costs may increase.	Changing consumer perceptions of climate issues may lead to reputational and liability risks for the institution, as a result of scandals caused by financing environmentally controversial activities. Simply associating the institution's name with projects or companies with harmful environmental practices can affect the public and customers' perception of the institution, reducing the trust in it.
Other types of risk (liquidity risk, model risk, business risk)	Liquidity risk may be affected if customers withdraw money from their accounts to finance damage repairs.	Transition risk factors may affect the viability of certain lines of business and may lead to strategic risk for certain business models, if the necessary adaptation or diversification is not implemented. A sudden revaluation of securities, for example due to asset lock-ups, may reduce the value of high-quality liquid assets, affecting liquidity reserves. Changes in environmental regulations may also affect access to sources of financing, or alter the costs associated with them.

## 2. SOCIAL RISKS

### ***Business strategy and processes***

*(a) Adjust the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning*

In addition to the environmental pillar, GFBT's *Sustainable Development Strategy* is also based on performance and people. In terms of *performance*, the Group aims for a fair and inclusive banking system that provides access to financial services for all companies and individuals and promotes financial literacy (these measures include, but are not limited to, easy access to resources – including the network of agencies/ branches, ATMs and POS – as well as the development of digital channels as sustainable alternatives, as well as educational actions aimed at raising awareness among employees, customers, society/communities). The Group integrates sustainability criteria into financing decisions and promotes responsible financial principles, supporting the climate and sustainability banking needs of clients, from small and early-stage companies to large companies, using capital and expertise to help clients working on the transition of their business model and operations, in order to reduce emissions. *People* – GFBT believes that employees are the key to achieving sustainability goals, prioritizing their engagement, well-being and professional development, while encouraging a diverse and inclusive workplace. The Group is involved in educating the workforce, aiming on the one hand to increase living standards in a more sustainable way, and on the other hand, to improve the ability to support customers in the transition. At the same time, the Group works closely with local communities to understand their needs and to create sustainable solutions together to face the challenges they face, supporting social initiatives and non-governmental organizations that align with the vision of sustainability.

Social concerns are a key element in GFBT's values, policies and practices, starting with *the Code of Ethics and Conduct* applicable to all employees, a culture of compliance with anti-money laundering and countering the financing of terrorism policies, sustained efforts for customer and employee satisfaction.

Social factors are taken into account when developing *Business Strategies* at the level of GFBT entities, both in relation to its own employees and towards customers and society. The analysis on the degree of achievement of the objectives contained in the business strategy takes place annually, the results of the analysis being communicated to the management structures through internal reports.

**Note:** more information can be found in [the Board of Directors' Report](#) (Chapter *Human Resources Management*, respectively *Corporate Governance*), [Annex 1 – Sustainability Statement](#) (sections *Governance and Responsibilities*, *Strategy and Business Model of the Company*, and Chapter *Social Information*), as well as in the [Sustainability Report](#).

*(b) Objectives, targets and limits for assessing and addressing social risk in the short, medium and long term and assessing performance against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes*

Commitment to social issues is visible through membership, participation and follow-up to the recommendations provided by competent authorities, international bodies and best practices in the field. The Group, through its social component, continues to be a leader in offering financial services, the initiatives also focusing on digitally vulnerable entities, offering basic current accounts for payments, in a simplified version, to digitally vulnerable people (e.g. seniors, or without internet access, or with a basic level of training). At the same time, it provides access to financial products, financial and entrepreneurial counseling, training and mentoring in business to start-ups, micro-entrepreneurs and social organizations. The Group has a constant presence in government programs, and the long-term strategy has included lending products or banking services to help the community. Also, with a wide range of action, GFBT also supports the community through entrepreneurial projects, thus supporting *the EBRD's Country Strategy for Romania*, which aims to develop SMEs and strengthen local supply chains.

Below are just a few examples of the GFBT's social commitments:

#### Towards employees

- Non-discriminatory and inclusive attitude (promoting diversity among employees, including cultural, gender or ethnic diversity); safe and attractive jobs – the existence of a collective labour agreement; fair and transparent performance-based remuneration and benefits system; flexible employment opportunities; health, well-being, and mental health benefits; promotion of programs for families;
- Clear and transparent communication on training and continuous development opportunities for employees (including leadership development programs).

At the Group level, the approach of collecting information on the degree of employee satisfaction continued, through the *BT Employee Experience Index (BT EEI)* which runs bi-annually (the participation rate being over 85%, both at the level of BT and at the level of the subsidiaries of the Group). The exercise aims, in addition to measuring the *Net Promoter Score (eNPS)* and the quality of the interaction between managers and the members of the teams they coordinate and/or the collaboration with other colleagues within other departments, as well as collecting proposals/recommendations that can increase employee satisfaction.

#### Towards customers

- Providing a wide range of services tailored to customer needs, across multiple geographies, applying technologies for fraud prevention and proper management of security incidents (strong digital strategy, including strengthening security and innovation in digital payments); improving financial awareness of banking services, product structure, financing possibilities and fraud prevention; in-branch and remote access through digital channels (expanding online services and maintaining the option of personal customer service, strengthening the advisory function); Multifunctional ATMs, etc.;



- Active involvement in providing products with social benefits (e.g. to women entrepreneurs, young people or the elderly; support for unemployment prevention and/or mitigation programs; access to health care and access to education, etc.); support for innovation (business incubator, etc.); changes in market sentiment (changing customer preferences, digitalization).

#### *Towards communities*

- Active involvement, by running a wide range of government or financial education programs (including those of socially disadvantaged groups); cooperation with NGOs, professional organisations and universities; encouraging volunteering and developing a culture of giving; Sponsoring; providing crisis assistance;
- Signing partnerships with intermediaries who work in sustainable fields and have a positive impact within communities, awarding sustainable awards;
- Timely payment of taxes and taxes and bearing additional burdens (moratoriums, additional taxes on profit and/or turnover, etc.).

**Note:** More information can be found in [Annex 1 – Sustainability Statement](#) (Customers and users of GFBT products and services section), as well as in the [Sustainability Report](#).

#### *(c) Policies and procedures regarding direct and indirect engagement with new and existing counterparties on their strategies to mitigate and reduce socially harmful activities*

GFBT's commitment to society is not limited to business activities, but also believes that it can generate a significant positive impact on society through financial literacy and access to banking products for financially excluded groups (*see points (a) and b) above*). Employees are a key element in the successful transformation of GFBT's organization, corporate culture and competencies, sustainable human resource management also encompassing effective diversity and inclusion management, attracting, retaining and engaging highly qualified employees being crucial for GFBT's business success, pursuing work-life balance.

In addition, within the framework of business relations, the Bank follows the extent to which its clients undertake: (a) that the financed projects are designed and implemented in compliance with the legal regulations on environmental protection, health and national safety, undertaking, as the case may be, to submit all appropriate authorizations and approvals; (b) comply with national standards and legislation on environmental, human rights, employment issues (including those relating to occupational safety and security, employment of minors, forced labour, non-discriminatory practices, etc.); (c) comply with applicable International Sanctions legislation; (d) not to engage directly or indirectly in criminal activities, or that deliberately violate or circumvent human rights or legal regulations, likely to be against public morals or ethics, and if during the duration of the loan any environmental or social incident is revealed, it may be considered as an early warning signal, or even a default event, as the case may be.

As an example, we list some of the actions carried out by the Bank between *January and June 2025*:

- Blood donation campaign - organization of 2 sessions (Bucharest and Cluj), in collaboration with the Transfusion Center, with the participation of 200 colleagues from both locations where the initiatives took place;
- Body assessment sessions – organized together with Enayati representatives in the Green Court Bucharest headquarters (2 days), where over 50 colleagues benefited from a body assessment and an appropriate plan, recommended by a nutrition specialist;
- Easter fairs for collecting donations – organizing thematic internal events in Bucharest and Cluj, for collecting donations for the social cases supported by *Bucharest has a Soul*, respectively *Cluj has a Soul*. The total amount raised from sales (44,295 ron) was doubled by BT to support the initiative;
- Urban Camp – 2 weeks organized in the headquarters in Bucharest, with the participation of 33 employees' children, aged between 7 and 13 years, who benefited from programs and activities with trainers specialized in emotional education and practical skills;
- Continuation of the "Young and Free" project - dedicated to students of the eleventh and twelfth grades -, designed to prepare young students for the Baccalaureate, as well as for the subsequent stages of their educational journey, responding to the need of young people to develop their educational, personal and financial skills, as well as to create a real connection between the business environment and future potential candidates. The project was carried out in collaboration with 3 high schools in Bucharest, involving 6 tutors who offered 120 hours of tutoring, as well as other partners; over 80% of the participants passed the baccalaureate exam with grades between 7.00 and 10.00;
- Continuation of the projects initiated previously and which were also mentioned in the previous reporting, the Bank winning 3 internship projects financed by the European Social Fund (2 addressed to students - *"Good experiences keep us together"* and *"From the bank, to the bank - the first steps towards discovering your career"* which take place over a period of 2 years, and 1 project addressed to students, *"Practice and training for valuable professionals"*, carried out over a period of 3 years). Also in support of students and pupils, a broader program of actions took place in the first half of 2025, including: *Global Money Week*; *How to job @ ASB*; *Job Fair @ CUNBM*; *School differently*.

**Note:** more information can be found in [the Board of Directors' Report](#) (Management of Human Resources Chapter, respectively Corporate Governance), [Annex 1 – Sustainability Statement](#) (Governance and Responsibilities, Strategy and Business Model sections of the company and chapter Social Information), as well as in the [Sustainability Report](#).

## Governance

(d) *The responsibilities of the governance body for setting the risk framework, overseeing and managing the implementation of objectives, strategy and policies in the context of social risk management covering counterparties' approaches to: (i) Community and societal activities, (ii) Employee relations and labor standards, (iii) Customer protection and product responsibility, (iv) Human rights*

The final decisions on ESG issues belong as appropriate, to the Specific Committees/ CC or BoD. The relevant departments manage ESG issues in accordance with their processes, the sub-tasks being

fulfilled according to the area of responsibility and duties defined within the *Organisation and Management Regulation* (ROA) of each of the GFBT subsidiaries.

The materialization of social risks usually affects the reputation of institutions, so the Group pays special attention to this aspect, through a robust control system, which involves the application of the *3 lines of defense*, similar to the way of managing the other risks. The area of product governance and consumer protection reflects how the Group understands the management of social risks, from the design stage of products and services, to the after-sales stage and the follow-up of customer feedback (the Group ensures that products and services are designed to meet the needs of the target market, at a fair price and in a transparent manner, and the processes and controls established throughout the lifecycle take into account the interests of customers).

**Note:** more information can be found in [the Board of Directors' Report](#) (Corporate Governance Chapter), [Annex 1 – Sustainability Statement](#) (Governance and Responsibilities sections, Social Information chapter), as well as in the [Sustainability Report](#).

*(e) Integration of social factor and risk management measures into the internal governance arrangements, including the role of committees, allocation of tasks and responsibilities and the feedback loop from risk management to the management body*

The management process as a generic model is based on the principle of the 3 lines of defence and also applies to the management cycle of identified social risks (similar to the process related to *environmental risk*, described in the dedicated section). **The ESG Committee** (established in 2024) decides on strategic coordination topics, facilitates lessons learned, initiates areas of intervention and decides on the implementation of appropriate measures, and if necessary, decides on escalation to the BoD.

**Note:** more information can be found in [the Board of Directors' Report](#) (Corporate Governance Chapter), [Annex 1 – Sustainability Statement](#) (Governance and Responsibilities sections, Social Information chapter), as well as in the [Sustainability Report](#).

*(f) Reporting lines and frequency of reporting on social risk*

Similar to the actions reflected in relation to environmental risk, and in the case of social risk, the Specific Committees/ CC or BoD (as the case may be), are kept informed through periodic and/or ad-hoc reports.

**Note:** more details can be found in the section dedicated to *governance risk* of this Transparency Report, [the Board of Directors' Report](#) (Risk Management Chapter, respectively Corporate Governance), [Annex 1 – Sustainability Statement](#) (Governance and Responsibilities section and Governance Disclosures chapter), as well as in the [Sustainability Report](#).

*(g) Align remuneration policy in line with the institution's risk objectives*

In order to assess the adequacy of the performance of the management body, including at the level of the Board committees, in addition to the specific objectives, ESG criteria (KPIs – Key Performance Indicators) were also integrated, aimed at both the achievement of objectives and the reporting process.

**Note:** see the detailed aspects of *governance risk*, in conjunction with the sections related to the *Policy and the process on the assessment of the adequacy of the members of the management body*, respectively the *Remuneration Policy*, included in this transparency report and in [the Board of Directors' Report \(Human Resources Management Chapter\)](#), respectively, [Annex 1 – Sustainability Statement \(Governance Information Chapter\)](#), [Annex 2 – Remuneration Report of the management body of Banca Transilvania](#), as well as in the [Sustainability Report](#).

## **Risk management**

*(h) Definitions, methodologies and international standards underpinning the social risk management framework*

The Group addresses ESG risks/ factors in an integrated way, incorporating them into the risk management framework, correlated with traditional risks. Social risk assessments focus on issues such as human capital, product safety, customer support, accessibility, and the list is not exhaustive. The group analyzes the results and is concerned with improving them, year after year. Social risks are largely those that materialise due to poor standards of respect for basic rights, inclusion or inefficient labour relations, and unfair and non-transparent practices. Social risks materialize in particular through reputational damage, inefficient or even disruptive operations, or loss of workforce, and ultimately financial claims and liabilities due to improper practices. Similar to what is stated in relation to environmental risk management, the Group is guided by the principles established by international best practices and the developments promoted and issued by international supervisory authorities.

*(i) Processes to identify, measure and monitor social risk-sensitive activities and exposures (and collateral, if any) covering the relevant transmission channels*

ESG risk management also takes into account an implicit social risk assessment for all legal entities; in addition, for clients with significant investments there is an additional level of social risk assessment, in addition to the default assessment, applicable to all clients, including social aspects (e.g. regarding human rights/employees, child labor and forced labor, etc.) within the ESG questionnaire. As regards the collateral assessment process, aspects relating to the infrastructure and accessibility of the location are considered.

(j) *Activities, commitments and assets contributing to social risk mitigation*

To mitigate social risks, the Group is considering several commitments and actions, such as:

	<b>Potential risk</b>	<b>Potential impact</b>	<b>Mitigation measures</b>
Integrity in corporate conduct	risk of non-compliance with the applicable legislation; ineffective response to regulatory changes; reputational risks	fines and penalties, restrictions on business activities; damage to reputation and brand	internal control system (3 lines of defense); adequate internal regulatory framework; specialized training for employees; warning systems
Financial inclusion and production support	offering products/ services that are inadequate for customer needs; reputational risks	loss of competitiveness, customers, and market share, with an impact on profitability	development of the offer to promote the financial inclusion of vulnerable people; solutions to support the non-profit sector; offer to support customer needs
Sustainable investments and insurance	assessment and control of ESG risks within the investment portfolio; investments in controversial sectors; reputational risks; non-compliance with regulations	loss of competitiveness, market share, and ESG-aware customers, with impact on profitability	integration of ESG factors into the investment process; development of the ESG product range through subsidiary channels; activities to engage companies; ESG training; internal control system; commitment to <i>the Principles for Responsible Investment (PRI)</i>
Community support and commitment to culture	reputational risks	damage to reputation and brand	development of investments and partnerships with social impact in communities; training and employment projects for the younger generation; initiatives to promote culture; development of initiatives to support the community
Occupational safety	conflicts and related risks of labor disputes	litigation; strikes, with an impact on customer service continuity/ profitability; employee dissatisfaction	investments in Group employees; responsible management of merger processes, with the reallocation of employees to other activities or structures; new hires to promote generational change; management of labor conflict risks; labor relations system
Retention, improvement, diversity, and inclusion of Group people	inadequate employee growth and motivation; inability to attract and retain talent; termination of employment relationships with managers in relevant roles; insufficient focus on diversity and inclusion issues	employee dissatisfaction with impact on productivity; lack of properly trained and qualified staff; inadequate levels of customer service; damage to reputation and brand	investment in training activities; talent attraction strategy (short and long term), various communication actions/ channels defined according to different targets of interest; talent management programs; employee recognition; succession plans for business continuity; initiatives to strengthen diversity and inclusion, specific training on diversity and inclusion issues; regulations on sexual orientation and identity diversity; rules to combat sexual harassment; certifications on relevant issues
Health, safety, and well-being	accidents at work; occupational diseases;	employee dissatisfaction impacting productivity;	health and safety training; infection risk assessment and management; workplace

of Group employees	risks associated with serious events; theft; inadequate employee motivation; difficulties in balancing work and private life	damage to persons/ property as a result of serious events or during robberies; damage to reputation and brand; loss of skills as a result of employee departures	risk assessment; subjective and social condition risk assessment; workplace stress assessment; work-life balance initiatives; flexible working and new organizational models; providing solutions for well-being and quality of life within the Group
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Also, an adequate and efficient complaints procedure is an important part of the due diligence processes necessary to prevent and remedy potential adverse human rights and environmental impacts in one's own business operations and supply chain. At the same time, the provision of sustainability reports in accordance with reputable standards contributes to mitigating potential risks, with the Group pursuing regular discussions with stakeholders to identify material topics, preum and continuous review of the content of the reports, in line with the evolution of the applicable frameworks/regulations/guidelines, as well as to provide sustainability information in an efficient manner.

**Note:** more information can be found in [the Board of Directors' Report](#) (Corporate Governance Chapter), [Annex 1 – Sustainability Statement](#) (Governance and Responsibilities sections and Social Information chapter), as well as in the [Sustainability Report](#).

*(l) Description of social risk boundary setting and escalation triggers and exclusion in the event of a breach of these boundaries*

Similar to the process described in the section on *environmental risk*. Social banking initiatives focus on financially vulnerable people (people at risk of poverty or social exclusion), start-ups, micro-entrepreneurs and social organisations, providing them with access to financial products and financial advice.

The Bank thus takes into account the social factors, so at least annually, for the materiality analysis that precedes the review of the risk strategy, it analyzes the social factors, in order to identify the risks and opportunities associated with them. The process of setting limits and escalation is similar to that described in relation to environmental risk.

**Note:** more information is described in points a) and b) above, as well as in [the Board of Directors' Report](#) (Corporate Governance Chapter), [Annex 1 – Sustainability Statement](#) (Governance and Responsibilities sections and Social Information chapter), as well as in the [Sustainability Report](#).

*(m) Description of the link (transmission channels) between environmental risks and credit risk, liquidity and funding risk, market risk, operational risk and reputational risk*

Similar to the flow reflected in the section dedicated to *environmental risk*.

### 3. GOVERNANCE RISK

#### **Governance**

*(a) Integration of counterparty governance performance into the institution's governance arrangements, including committees of the highest governance body, committees responsible for economic, environmental and social decision-making*

GFBT recognizes that sustainable practices are based on sound governance, taking significant steps to align operations with sound governance principles, from compliance and risk policies, to the integration of ESG factors, not only into the Group's strategic objectives, but also into the day-to-day business, contributing to a sustainable future for the communities served.

Thus, the Group has aligned corporate governance with ESG requirements, by providing specific responsibilities, starting with the Board of Directors of each of GFBT's subsidiaries, ESG tasks being assigned to both Board members and Board committees (e.g. Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee) and specific committees (e.g.: ESG Committee, Credit Policy and Approval Committee, Procurement Committee, etc.) – where they are specific to subsidiaries -, their list and duties being briefly presented on the BT website.

**Note:** more details on *the structure and organisation of the risk management function, the scope and type of reporting and risk measurement systems, the overview of the management body, the Remuneration Committee/ Nominating Committee /Risk Management Committee/ Audit Committee*, as well as on *the flow of risk information to the management structure, the policy and process for assessing the suitability of the members of the management body, the diversity policy on the selection of members of the management structure and the remuneration policy* can be found in the specific sections included in this transparency report, as well as in [the Board of Directors' Report](#) (Chapter Corporate Governance), [Annex 1– Sustainability Statement](#) (Governance and Responsibilities sections), [Annex 2 – Remuneration Report of the management body of Banca Transilvania](#), as well as in the [Sustainability Report](#).

As far as Banca Transilvania is concerned, the duties of the members of the Board of Directors expressly include, as set out in *the Organization and Administration Regulation of Banca Transilvania (ROA)*, the supervision of the implementation and compliance with high sustainability standards, both in terms of lending activity and in the current activity. At the level of the Board of Directors, *GFBT's Sustainable Development Strategy* is established for a horizon of at least 3 years, in close correlation with the business strategy. The ROA also provides that the verification of compliance with internal regulations relating to ESG standards falls to the Audit Committee, while the Remuneration Committee and the Nomination Committee approve the remuneration and nomination policies in accordance with ESG principles and standards, ensuring that the general principles and staff remuneration and benefits policies correspond to the business strategy, BT's long-term values and objectives. Similarly, the Risk Management Committee also has powers to align sound risk management policies with ESG standards.

The Bank has established **the ESG Committee** (an inter-divisional decision-making and escalation body on sustainability, which enables the holistic management of the sustainable orientation of the business model), which is composed of the Deputy General Manager – CRO, as well as permanent members of the management of the ESG Integration and Investor Relations Departments/



Sustainable Corporate Governance and International Financial Markets/ Strategic Management of the Risks/ ESG Risk Analysis and Sustainable Finance/ European Programs and Green Loans/ Retail Segments and Products/ Purchasing/ Prudential Reporting and Statistics Service. The main objectives of the ESG Committee include: (a) developing an ESG regulatory and cooperation framework; (b) developing and supervising the implementation of the Bank's sustainability strategy; (c) monitoring regulatory developments; (d) facilitating ESG education and awareness; (e) encouraging the involvement of various stakeholders; (f) coordinating the accurate and transparent reporting and publication of ESG performance to relevant stakeholders, regulators and reporting frameworks.

Under the subordination of the Deputy General Manager - COO (*Chief Operations Officer*) there is the dedicated structure that manages the purchasing, investment and logistics activity, having responsibilities also regarding the management of the impact of the Bank's activity on the environment, also coordinating the activity of the Physical Security Division/ Occupational Safety and Health and Emergency Situations Unit. In Romania, at GFBT level, the aspects related to the occupational health and safety of employees are internally regulated in *the Rules on Health, Safety at Work (OSH)* and *Emergency Situations (OS)*, developed in accordance with the legislation in force and updated in accordance with the provisions of the regulatory framework; all GFBT employees undergo mandatory OSH/SU training courses, which also include related test sections.

At the executive management level, *the Chief Executive Officer* is responsible for coordinating the implementation of the ESG strategy at the level of Banca Transilvania through *the ESG Integrations & Investors Relationship Department*, in collaboration with the departments involved in this process on each line of activity, such as: (a) *Sustainable Corporate Governance and Financial Markets Department* (through two dedicated units, *Financial Markets and Due Diligence Unit*, respectively *Sustainable Governance and Ethical Unit*); (b) *ESG Risk Analysis Department*; (c) *Green Programs and Credits Department*; (d) *Agribusiness Department*; (e) *Human Resources Division*; (f) *Non-Financial and ESG Risk Management Division* (through *ESG and Emerging Risks Unit*); (g) *Collateral Risk and Valuations Division*; (h) *Marketing, Communication and PR Department*; (i) *Procurement, Investment and Logistics Division*; (j) *Physical Security Division*, etc.

The Bank is firmly [committed](#) to treating non-financial performance as seriously as financial performance.

Similarly, an ESG officer has been appointed at the level of the subsidiaries, whose main activity is to develop, implement and update measures, procedures and policies for ESG risk management. At the same time, these managers are in contact with the members of the relevant departments of the Parent Bank, ensuring a permanent link in terms of ESG risk management. On a case-by-case basis, GFBT subsidiaries have set up their own ESG Committees/ Environmental Committees.

*(b) Institution's accounting for the role of the counterparty's highest governance body in non-financial reporting*

See point a) above.



*(c) The integration into the institution's governance arrangements of the governance performance of their counterparties, including: i) Ethical considerations; ii) Strategy and risk management; iii) Inclusiveness; iv) Transparency; v) Conflicts of interest management; vi) Internal communication on critical concerns*

The Group understands governance through responsible corporate management, in line with the interests of internal and external stakeholders and compliance with ethical standards. To cope with the ever-increasing complexity of national and international laws and regulations, GFBT is constantly developing its risk management and adapting it to current developments and challenges, and the principles of the 3 lines of defense model for risk management also apply to ESG risks.

**Note:** more information can be found in [the Board of Directors' Report](#) (Chapters Human Resources Management, Risk Management and Corporate Governance), [Annex 1 – Sustainability Statement](#), [Annex 2 – Remuneration Report of the Management Board of Banca Transilvania](#), as well as in the [Sustainability Report](#).

### **Risk management**

*(d) The integration into the institution's risk management arrangements of the governance performance of their counterparties, taking into account: i) Ethical considerations; ii) Risk strategy and management; iii) Inclusiveness; iv) Transparency; v) Conflicts of interest management; vi) Internal communication on critical concerns*

Risk management pursues, on the one hand, internal governance aspects implemented at Group level (for the best possible risk assessment and mitigation), as well as aspects related to the ESG governance of clients (included in the ESG score, in the case of non-retail clients).

**Note:** more information can be found in [the Board of Directors' Report](#) (Chapters Human Resources Management, Risk Management and Corporate Governance), [Annex 1 – Sustainability Statement](#), [Annex 2 – Remuneration Report of the Management Board of Banca Transilvania](#), as well as in the [Sustainability Report](#).

## **QUANTITATIVE REQUIREMENTS**

### **General considerations**

When preparing the reporting forms, the Bank took into account the specific report templates, as well as the aspects contained in the *No-action letter* published by the EBA on 05.08.2025 and addressed to the competent authorities, which clarifies that starting with June 2025 reporting, till the entry into force of the *Technical Implementation Standards (ITS) on the amended disclosure requirements for ESG risks, equity exposures and aggregate exposure to shadow-banking entities*, for full alignment with the EU Taxonomy under review, templates 6 to 10, as well as certain specific columns in templates 1 and 4 are not published.

# Template 1 (Form 1) - Banking book - Indicators of potential climate transition risk

Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Gross carrying amount (Mln EUR)				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)				GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Scope 3 financed emissions									
1 Exposures towards sectors that highly contribute to climate change*	8,312.18	341.11	-	1,721.75	436.57	(692.99)	(250.30)	(247.75)	1,852,940.36	1,376,542.63		6,091.43	1,914.05	306.11	0.59	3.64
2 A - Agriculture, forestry and fishing	966.68	-	-	330.48	71.96	(110.80)	(48.78)	(42.44)	416,269.85	371,673.16		767.06	160.13	39.49	-	3.43
3 B - Mining and quarrying	46.61	15.54	-	11.00	0.87	(3.09)	(1.61)	(0.35)	16,997.48	15,501.24		40.76	5.85	-	-	2.44
4 B.05 - Mining of coal and lignite	0.02	0.02	-	-	-	-	-	-	3.76	3.46		0.02	-	-	-	2.76
5 B.06 - Extraction of crude petroleum and natural gas	14.33	14.33	-	-	-	(0.73)	-	-	5.92	5.45		14.33	-	-	-	0.09
6 B.07 - Mining of metal ores	0.09	-	-	-	-	-	-	-	5.13	4.72		0.09	-	-	-	4.44
7 B.08 - Other mining and quarrying	30.86	-	-	9.95	0.79	(2.17)	(1.49)	(0.29)	16,729.81	15,253.91		25.01	5.85	-	-	3.58
8 B.09 - Mining support service activities	1.30	1.19	-	1.05	0.08	(0.18)	(0.12)	(0.06)	252.86	233.70		1.30	-	-	-	1.26
9 C - Manufacturing	1,514.12	40.61	-	558.15	68.59	(145.97)	(81.34)	(34.21)	544,364.43	446,681.95		1,094.09	403.89	16.11	0.02	3.10
10 C.10 - Manufacture of food products	346.93	-	-	165.52	18.85	(28.20)	(17.71)	(6.08)	100,475.70	88,574.32		261.49	84.87	0.57	-	3.17
11 C.11 - Manufacture of beverages	108.19	-	-	14.26	0.30	(4.35)	(2.14)	(0.25)	15,078.20	13,290.89		62.97	31.16	14.05	-	4.34
12 C.12 - Manufacture of tobacco products	0.01	-	-	-	-	-	-	-	2.02	1.78		0.01	-	-	-	0.60
13 C.13 - Manufacture of textiles	22.54	-	-	11.96	0.69	(2.31)	(1.80)	(0.31)	5,105.52	4,904.16		15.20	7.34	-	-	3.00
14 C.14 - Manufacture of wearing apparel	27.68	-	-	5.67	4.19	(3.02)	(0.79)	(1.67)	7,758.76	7,579.21		25.99	1.69	-	-	2.02
15 C.15 - Manufacture of leather and related products	8.14	-	-	2.62	1.00	(0.85)	(0.29)	(0.44)	2,072.04	2,030.36		6.53	1.61	-	-	2.85
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of other products of wood and cork	60.12	-	-	21.19	8.12	(9.97)	(4.36)	(4.72)	18,234.62	16,274.75		56.90	3.22	-	-	2.07
17 C.17 - Manufacture of pulp, paper and paperboard	35.29	-	-	12.23	0.52	(3.00)	(1.94)	(0.17)	5,678.29	5,527.63		21.93	13.36	-	-	3.63
18 C.18 - Printing and service activities related to printing	21.95	-	-	7.20	0.48	(1.33)	(0.71)	(0.31)	5,027.43	4,923.51		15.46	6.49	-	-	1.19
19 C.19 - Manufacture of coke oven products	40.61	40.61	-	0.02	0.26	(4.71)	-	(0.26)	33,702.62	30,237.66		40.53	0.09	-	-	0.01
20 C.20 - Production of chemicals	33.34	-	-	11.75	0.12	(2.50)	(2.05)	(0.08)	5,547.35	4,195.64		30.63	2.71	-	-	3.17
21 C.21 - Manufacture of pharmaceutical preparations	23.08	-	-	2.56	-	(0.80)	(0.09)	-	1,064.03	926.30		22.66	0.27	0.15	-	1.25
22 C.22 - Manufacture of rubber products	123.95	-	-	15.33	6.38	(11.03)	(2.39)	(3.48)	188,871.82	164,097.60		86.59	37.36	-	-	3.53
23 C.23 - Manufacture of other non-metallic mineral products	104.18	-	-	44.72	1.02	(12.22)	(10.20)	(0.62)	13,875.27	6,433.15		83.30	20.89	(0.01)	-	3.41
24 C.24 - Manufacture of basic metals	56.30	-	-	44.34	1.46	(7.28)	(6.42)	(0.64)	37,127.70	20,236.16		53.58	2.72	-	-	1.62
25 C.25 - Manufacture of fabricated metal products, except machinery and equipment	103.23	-	-	43.00	5.83	(10.92)	(7.27)	(2.30)	22,725.10	6,548.77		75.21	27.78	0.24	-	3.37
26 C.26 - Manufacture of computer, electronic and optical products	23.34	-	-	0.63	0.70	(0.72)	(0.04)	(0.23)	5,232.70	5,120.31		8.42	14.91	-	-	5.39
27 C.27 - Manufacture of electrical equipment	73.41	-	-	51.97	3.25	(11.22)	(7.97)	(2.68)	18,537.70	18,152.44		72.44	0.97	-	-	0.67
28 C.28 - Manufacture of machinery and equipment n.e.c.	25.87	-	-	3.31	0.52	(1.56)	(0.64)	(0.33)	4,867.87	4,636.63		25.05	0.82	-	-	1.47
29 C.29 - Manufacture of motor vehicles, trailers and semi-trailers	143.25	-	-	41.08	7.49	(14.11)	(4.56)	(5.06)	26,114.94	24,937.00		23.02	120.22	-	-	5.08
30 C.30 - Manufacture of other transport equipment	32.71	-	-	17.58	1.64	(2.30)	(1.31)	(0.87)	5,764.14	5,642.40		22.69	10.02	-	-	2.63
31 C.31 - Manufacture of furniture	66.91	-	-	36.14	4.96	(11.40)	(7.59)	(3.16)	14,842.30	8,592.59		57.04	9.87	-	-	2.72
32 C.32 - Other manufacturing	18.71	-	-	3.61	0.57	(1.32)	(0.71)	(0.36)	3,593.47	2,054.16		13.66	3.92	1.11	0.02	4.45
33 C.33 - Repair and installation of machinery and equipment	14.38	-	-	1.46	0.25	(0.87)	(0.36)	(0.19)	3,064.84	1,764.53		12.78	1.60	-	-	3.08
34 D - Electricity, gas, steam and air conditioning supply	406.02	260.44	-	33.48	0.39	(22.64)	(1.99)	(0.10)	190,245.33	96,281.58		203.92	102.77	99.33	-	5.34
35 D35.1 - Electric power generation, transmission and distribution	305.62	160.34	-	4.72	0.39	(17.67)	(0.53)	(0.10)	97,371.95	50,254.57		128.12	99.83	77.67	-	6.07
36 D35.11 - Production of electricity	200.27	160.34	-	4.64	0.29	(12.82)	(0.51)	(0.08)	11,499.74	7,690.65		59.50	63.10	77.67	-	7.60
37 D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	100.19	100.10	-	28.71	-	(4.95)	(1.44)	-	92,779.41	45,980.98		75.59	2.94	21.66	-	3.10
38 D35.3 - Steam and air conditioning supply	0.20	-	-	0.05	-	(0.02)	(0.02)	-	93.97	46.03		0.20	-	-	-	3.85
39 E - Water supply; sewerage, waste management and remediation activities	85.67	-	-	33.52	3.09	(7.70)	(3.59)	(1.12)	82,246.56	13,572.01		70.83	14.84	-	-	2.97
40 F - Construction	825.01	-	-	146.21	90.61	(103.78)	(23.58)	(59.22)	119,738.84	108,737.21		742.13	67.26	15.62	-	2.50
41 F.41 - Construction of buildings	386.86	-	-	74.37	33.17	(41.53)	(11.29)	(19.62)	60,536.26	54,414.23		339.66	34.59	12.61	-	2.74
42 F.42 - Civil engineering	216.17	-	-	28.56	46.32	(43.14)	(3.72)	(34.28)	22,335.21	20,516.53		198.32	15.10	2.76	-	1.80
43 F.43 - Specialised construction activities	221.98	-	-	43.28	11.11	(19.11)	(8.58)	(5.32)	36,867.37	33,806.45		204.15	17.57	0.25	-	2.76
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	2,195.65	24.52	-	327.05	103.61	(162.38)	(47.81)	(60.45)	160,070.96	143,024.56		1,962.48	222.19	10.83	0.16	2.53
45 H - Transportation and storage	831.81	-	-	170.31	61.44	(77.56)	(29.27)	(31.61)	262,200.57	125,964.68		692.03	91.79	47.98	-	3.43
46 H.49 - Land transport and transport via pipelines	645.67	-	-	123.34	50.52	(62.11)	(23.82)	(25.49)	198,987.77	70,742.05		571.21	26.63	47.83	-	3.34
47 H.50 - Water transport	5.53	-	-	2.85	2.03	(0.76)	(0.11)	(0.64)	549.97	282.82		5.20	0.33	-	-	3.79
48 H.51 - Air transport	12.67	-	-	10.32	-	(0.68)	(0.62)	-	5,997.70	1,979.26		12.67	-	-	-	1.87
49 H.52 - Warehousing and support activities for transportation	110.10	-	-	18.88	5.38	(8.36)	(2.83)	(2.70)	35,804.98	32,401.95		73.54	36.40	0.15	-	3.70
50 H.53 - Postal and courier activities	57.84	-	-	14.93	3.50	(5.64)	(1.89)	(2.77)	20,860.15	20,558.60		29.41	28.43	-	-	4.20
51 I - Accommodation and food service activities	372.37	-	-	71.73	14.55	(24.15)	(9.29)	(7.18)	27,164.44	23,868.43		205.57	151.04	15.76	-	5.13
52 J - Real estate activities	1,068.24	-	-	39.81	21.47	(34.92)	(3.04)	(11.08)	33,641.90	31,237.81		312.55	694.29	60.99	0.41	6.88
53 Exposures towards sectors other than those that highly contribute to climate change*	5,386.58	-	-	186.94	62.99	(135.56)	(32.03)	(43.77)	-	-		4,594.13	465.38	313.12	13.95	2.30
54 K - Financial and insurance activities	1,424.67	-	-	5.57	17.77	(24.28)	(1.03)	(9.73)	-	-		1,384.20	29.07	11.40	-	0.68
55 Exposures to other sectors (NACE codes J, M - U)	3,961.91	-	-	181.37	45.22	(111.29)	(31.01)	(34.04)	-	-		3,209.93	436.31	301.72	13.95	2.88
56 TOTAL	13,698.76	341.11	-	1,908.69	499.56	(828.55)	(282.34)	(291.52)	2,041,300.52	1,529,557.38		10,685.57	2,379.43	619.22	14.54	3.11

**Template 2 (Form 2) - Banking portfolio - Indicators of potential transition risk related to climate change: loans secured by real estate - energy efficiency of the collateral**

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
Counterparty sector		Total gross carrying amount amount (in MEUR)															
		Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral  efficiency (EP score in kWh/m² of collateral) estimated		
		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G			
1	Total EU area	8,958.48	702.09	3,353.92	696.15	92.62	25.08	39.03	1,743.59	2,255.62	726.58	114.15	36.48	17.95	14.54	4,049.57	
2	Of which Loans collateralised by commercial immovable property	3,754.46	217.98	760.79	176.60	40.70	6.22	13.40	481.05	502.06	167.55	44.39	10.91	4.98	4.73	2,538.77	
3	Of which Loans collateralised by residential immovable property	5,202.33	484.11	2,593.13	519.56	51.92	18.86	25.63	1,262.53	1,753.56	559.02	69.76	25.57	12.97	9.81	1,509.12	
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties																
5	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated																
6	Total non-EU area	307.76	0.35	1.76	0.21	0.01	-	-	0.72	1.39	0.21	0.01	-	-	-	305.43	
7	Of which Loans collateralised by commercial immovable property	160.19	-	0.53	-	-	-	-	-	0.53	-	-	-	-	-	159.67	
8	Of which Loans collateralised by residential immovable property	133.72	0.35	1.23	0.21	0.01	-	-	0.72	0.86	0.21	0.01	-	-	-	131.92	
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties																
10	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated																

**Template 3 (Form 3) – Banking portfolio – Indicators of potential transition risk related to climate change: alignment indicators**

	a	b	c	d	e	f	g
	Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (Mn EUR)	Alignment metric**	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)
1	Power	27	73.41				
1	Power	2712	7.36				
1	Power	3314	0.61				
1	Power	35	406.02				
1	Power	351	305.62				
1	Power	3511	200.27				
1	Power	3513	103.66				
1	Power	3514	1.69				
1	Power	4321	82.88				

	a	b	c	d	e	f	g
	Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (Mn EUR)	Alignment metric**	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)
2	Fossil fuel combustion	8	14.77				
2	Fossil fuel combustion	9	0.12				
2	Fossil fuel combustion	91	1.19				
2	Fossil fuel combustion	910	1.19				
2	Fossil fuel combustion	192	40.61				
2	Fossil fuel combustion	1920	40.61				
2	Fossil fuel combustion	2014	0.27				
2	Fossil fuel combustion	352	100.19				
2	Fossil fuel combustion	3521	0.10				
2	Fossil fuel combustion	3522	50.33				
2	Fossil fuel combustion	3523	49.76				
2	Fossil fuel combustion	6	14.33				
2	Fossil fuel combustion	61	1.18				
2	Fossil fuel combustion	610	1.18				
2	Fossil fuel combustion	62	13.15				
2	Fossil fuel combustion	620	13.15				
3	Automotive	2815	1.64				
3	Automotive	29	143.25				
3	Automotive	291	84.24				
3	Automotive	2910	84.24				
3	Automotive	292	6.13				
3	Automotive	2920	6.13				
3	Automotive	293	52.88				
3	Automotive	2932	48.77				
4	Aviation	3030	7.35				
4	Aviation	3316	0.59				
4	Aviation	511	12.23				
4	Aviation	5110	12.23				
4	Aviation	512	0.45				
4	Aviation	5121	0.45				
4	Aviation	5223	7.92				
5	Maritime transport	301	3.33				
5	Maritime transport	3011	2.56				
5	Maritime transport	3012	0.77				
5	Maritime transport	3315	1.88				
5	Maritime transport	50	5.53				
5	Maritime transport	501	0.08				
5	Maritime transport	5010	0.08				
5	Maritime transport	502	0.02				
5	Maritime transport	5020	0.02				
5	Maritime transport	5222	5.37				
5	Maritime transport	5224	7.26				
5	Maritime transport	5229	53.71				

	a	b	c	d	e	f	g
	Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (Mn EUR)	Alignment metric**	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)
6	Cement, clinker and lime production	235	0.24				
6	Cement, clinker and lime production	2351	0.17				
6	Cement, clinker and lime production	2352	0.08				
6	Cement, clinker and lime production	236	59.12				
6	Cement, clinker and lime production	2361	34.85				
6	Cement, clinker and lime production	2363	19.91				
6	Cement, clinker and lime production	2364	0.03				
6	Cement, clinker and lime production	811	8.99				
6	Cement, clinker and lime production	89	7.03				
7	Iron and steel, coke, and metal ore production	24	56.30				
7	Iron and steel, coke, and metal ore production	242	0.44				
7	Iron and steel, coke, and metal ore production	2420	0.44				
7	Iron and steel, coke, and metal ore production	2434	0.01				
7	Iron and steel, coke, and metal ore production	244	43.59				
7	Iron and steel, coke, and metal ore production	2442	40.44				
7	Iron and steel, coke, and metal ore production	2444	0.01				
7	Iron and steel, coke, and metal ore production	2445	-				
7	Iron and steel, coke, and metal ore production	245	3.11				
7	Iron and steel, coke, and metal ore production	2451	0.85				
7	Iron and steel, coke, and metal ore production	2452	0.01				
7	Iron and steel, coke, and metal ore production	25	103.23				
7	Iron and steel, coke, and metal ore production	251	55.85				
7	Iron and steel, coke, and metal ore production	2511	46.82				
7	Iron and steel, coke, and metal ore production	4672	14.00				
7	Iron and steel, coke, and metal ore production	5	0.02				
7	Iron and steel, coke, and metal ore production	52	0.02				
7	Iron and steel, coke, and metal ore production	520	0.02				
7	Iron and steel, coke, and metal ore production	7	0.09				
7	Iron and steel, coke, and metal ore production	72	0.09				
7	Iron and steel, coke, and metal ore production	729	0.09				
8	Chemicals	2011	1.19				
8	Chemicals	2013	0.12				
8	Chemicals	2015	0.09				
8	Chemicals	2016	0.31				
8	Chemicals	202	0.22				
8	Chemicals	2020	0.22				
8	Chemicals	203	19.56				
8	Chemicals	2030	19.56				
8	Chemicals	204	10.64				
8	Chemicals	2041	3.77				
8	Chemicals	2042	6.87				
8	Chemicals	205	0.96				
8	Chemicals	2059	0.96				
9	... potential additions relevant to the business model of the institution	0	-				

**Template 4 (Form 4) - Banking portfolio - Indicators of potential climate transition risk: exposures to the 20 companies with the highest carbon dioxide emissions**

Template 4 reflects the aggregate exposures as of June 30, 2025, to the Top 20 most polluting companies worldwide, in accordance with Article 449a of the CRR. The definition of the companies with the highest carbon emissions is based on the list provided during the *Fit for 55* exercise (considering top 50 polluters, as communicated to the institutions participating to the exercise). As of June 30, 2025, **GFBT has no exposure to the world's top polluters.**

**Template 5 (Form 5) - Banking book - Indicators of potential physical risk related to climate change: exposures subject to physical risk**

Appendix 2 (Form 2) – Banking book – breakdown of potential physical risk related to climate change – exposures subject to physical risk																
a		b	c	d	e	f	g	h	i	j	k	l	m	n	o	
Variable: Geographical area subject to climate change physical risk - acute and chronic events		Gross carrying amount (Mln EUR)														
		of which exposures sensitive to impact from climate change physical events														
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				
															<= 5 years	> 5 year <= 10 years
1	A - Agriculture, forestry and fishing	966.68	767.06	160.13	39.49	-	3.52				629.22	330.48	71.96	(110.80)	(48.78)	(42.44)
2	B - Mining and quarrying	46.61	40.76	5.85	-	-	2.51				25.06	11.00	0.87	(3.09)	(1.61)	(0.35)
3	C - Manufacturing	1,514.12	1,094.09	403.89	16.11	0.02	3.13				256.59	558.15	68.59	(145.97)	(81.34)	(34.21)
4	D - Electricity, gas, steam and air conditioning supply	406.02	203.92	102.77	99.33	-	5.40				233.65	33.48	0.39	(22.64)	(1.99)	(0.10)
5	E - Water supply; sewerage, waste management and remediation activities	85.67	70.83	14.84	-	-	2.93				4.75	33.52	3.09	(7.70)	(3.59)	(1.12)
6	F - Construction	825.01	742.13	67.26	15.62	-	2.35				153.21	146.21	90.61	(103.78)	(23.58)	(59.22)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	2,195.65	1,962.48	222.19	10.83	0.16	2.45				105.97	327.05	103.61	(162.38)	(47.81)	(60.45)
8	H - Transportation and storage	831.81	692.03	91.79	47.98	-	3.62				116.42	170.31	61.44	(77.56)	(29.27)	(31.61)
9	I - Real estate activities	1,068.24	312.55	694.29	60.99	0.41	7.02				78.13	39.81	21.47	(34.92)	(3.04)	(11.08)
10	Loans collateralised by residential immovable property	5,336.06	197.66	650.07	2,044.98	2,443.34	18.36				23.48	640.57	97.44	(58.60)	(21.47)	(26.60)
11	Loans collateralised by commercial immovable property	3,914.65	1,887.99	1,782.90	237.51	6.25	5.33				773.92	738.42	165.25	(282.36)	(102.31)	(89.42)
12	Reposessed colaterals															
13	Other relevant sectors (breakdown below where relevant)															

