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R.B. - P.J.R. 12 - 019 - 18.02.1999
Nr. Înreg. Reg. Com.: J12 / 4155 / 1993

REGULATORY DISCLOSURE REPORT BANCA TRANSILVANIA GROUP AS OF 30.06.2019

In accordance with EU Capital Requirements Regulation 575/2013 (CPR), Part 8

Sediul Central: str. George Bariţiu, nr. 8, 400027, Cluj-Napoca
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Introduction

With this document, Banca Transilvania Financial Group fulfils its disclosure requirements under Part 8 of EU Capital Requirements Regulation (CRR) 575/2013.

This document is available on the bank's website (https://www.bancatransilvania.ro/) and was published in conjunction with the date of the official release of BT's financial statements. This is a free translation of the original document in Romanian, which is the official document.

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Own funds

REQUIREMENTS RELATED TO OWN FUNDS

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

- Tier I, 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 caracteristics of capital instruments

1	Issuer	Banca Transilvania	Banca Transilvania	EEEF	IFC
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)				
3	Governing law(s) of the instrument	OUG nr.99/2006, CRR	OUG nr.99/2006, CRR	OUG nr.99/2006, CRR	OUG nr.99/2006, CRR
	Regulatory treatment				
4	Transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	solo and consolidated	solo and consolidated	solo and consolidated	solo and consolidated
7	Instrument type (types to be specified by each jurisdiction)	bonds	bonds	subordinated loan	subordinated loan
8	Amount recognised in regulatory capital (in million)	€ 285.00	€ 1.63	€ 20.48	$34.47
9	Nominal amount of instrument (agregate)	€ 285.00	€ 30.00	€ 25.00	$40.00
9a	Issue price	€ 285.00	€ 30.00	€ 25.00	$40.00
9b	Redemption price - in currency of issue	€ 285.00	€ 30.00	€ 25.00	$40.00

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10	Accounting classification	liabilities at amortised cost	liabilities at amortised cost	liabilities at amortised cost	liabilities at amortised cost
11	Original date of issuance	26/06/2018	22/05/2013	30/09/2013	31/10/2014
12	Perpetual or dated	dated	dated	dated	dated
13	Original maturity date	26/06/2028	22/05/2020	30/09/2023	15/10/2023
14	Issuer call subject to prior supervisory approval	no	no	no	no
15	Optional call date, contingent call dates and redemption amount (s. 9b)	n/a	n/a	n/a	n/a
16	Subsequent call dates, if applicable	n/a	n/a	n/a	n/a
	Coupons / dividends				
17	Fixed or floating dividend/coupon	variable	variable	variable	variable
18	Coupon rate and any related index	EURIBOR 6M + 3.75%	EURIBOR 6M + 6.25%	EURIBOR 6M+6.2%	LIBOR 6M+5.8%
19	Existence of a dividend stopper	n/a	n/a	n/a	n/a
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	n/a	n/a	n/a	n/a
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	yes	yes	no	no
24	If convertible, conversion trigger(s)	Decision of the bondholders	Decision of the bondholders	n/a	n/a
25	If convertible, fully or partially	Fully or partially	Fully or partially	n/a	n/a
26	If convertible, conversion rate	Correlated with the price of TLV shares	Correlated with the price of TLV shares	n/a	n/a
27	If convertible, mandatory or optional conversion	optional	optional	n/a	n/a
28	If convertible, specify instrument type convertible into	Common equity Tier1	Common equity Tier1	n/a	n/a

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29	If convertible, specify issuer of instrument it converts into	Banca Transilvania	Banca Transilvania	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 non-subordinated liabilities	subordinated to all other non-subordinated liabilities	subordinated to all other non-subordinated liabilities	subordinated to all other non-subordinated liabilities
36	Non-compliant transitioned features	no	no	no	no
37	If yes, specify non-compliant features	-	-	-	-

Reconciliation of own funds elements with the statement of financial position

Capital base in RON thousand	**30.06.2019**
Shareholders' equity according to the Group's balance sheet	7,942,973
Non-controlling interests	331,592
Anticipated dividend	0
Additional value adjustments	-20,676
Goodwill	-4,294
Deferred tax receivables	0
Intangible assets	-286,943
Other adjustments	-1,100,182
Common Equity Tier 1 capital	**6,862,470**
Total Tier 1 capital I	**6,862,470**
Tier 2 instrument	1,681,641
Other adjustments	-89,969
Total Tier 2 capital	**1,591,672**

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Total capital base	**8,454,142**

Statement of financial position

Assets - In RON thousand	IFRS H1 2019	Prudential H1 2019
Cash reserve	11,585,791	11,585,765
Loans and advances to banks	6,706,620	6,705,955
Impairment losses on loans and advances to banks	-1,718	-1,718
Loans and advances to customers	43,785,979	43,753,613
Impairment losses on loans and advances	-2,659,049	-2,659,417
Financial assets held for trading and measured at fair value through profit or loss	750,683	825,848
Derivatives	6,928	6,928
Financial assets held for trading and measured at FVOCI	19,832,455	19,832,455
Financial assets which are required to be measured at fair value through profit or loss	291,495	291,237
Intangible fixed assets	1,099,654	1,082,843
Tangible fixed assets	166,462	254,749
Other assets	81,565,300	81,678,258
Total assets	**11,585,791**	**11,585,765**

Liabilities and Equity in RON thousand	IFRS H1 2019	Prudential H1 2019
Deposits from banks	1,754,106	1,754,106
Deposits from clients	67,419,792	67,447,406
Provisions for liabilities and charges	463,717	459,957
Derivatives	10,515	10,515
Other liabilities	1,960,964	2,040,842
Subordinated capital	1,681,641	1,681,641
Equity	8,274,565	8,283,791
Consolidated equity	7,036,782	7,051,004
Consolidated profit/loss	906,191	897,682
Non-controlling interests	331,592	335,105
Total liabilities and equity	**81,565,300**	**81,678,258**

Own funds (prudential)

Own funds in RON thousand	30.06.2019
Capital instruments and the related share premium accounts	4,929,237
Retained earnings	232,054
Accumulated other comprehensive income (and other reserves)	1,773,217
Funds for general banking risk	77,893

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Minority interests (amount recognized in consolidated CET1)	0
Common Equity Tier 1 (CET1) capital before regulatory adjustments	7,012,401
Additional value adjustments	-114,762
Intangible assets (net of related tax liability)	-286,943
Goodwill	-4,294
Deferred tax assets that rely on future profitability excluding those arising from temporary difference (net of related tax liability where the conditions in Article 38 (3) are met)	0
Regulatory adjustments to unrealised gains and losses	0
Direct and indirect holding of own CET1 instruments	-42,203
Deferred tax assets arising from temporary difference	0
Other transitional adjustments to Common Equity Tier 1	298,272
Total regulatory adjustments to Common Equity Tier 1 (CET1)	-149,931
Common Equity Tier 1 (CET1) capital	**6,862,470**
Tier 1 capital (T1 = CET1 + AT1)	**6,862,470**
Tier 2 (T2) capital: instruments and subordinated loans	1,591,672
Tier 2 (T2) capital before regulatory adjustment	1,591,672
Tier 2 (T2) capital: regulatory adjustments	
Total regulatory adjustments to Tier 2 (T2) capital	
Tier 2 (T2) capital	**1,591,672**
Total capital (TC = T1 + T2)	**8,454,142**
Risk weighted assets	49,003,525
Common Equity Tier 1 (as a percentage of total risk exposure amount	14.00%
Tier 1 (as a percentage of total risk exposure amount	14.00%
Total capital (as a percentage of total risk exposure amount	17.25%

Capital requirements

The internal process for the assessment of capital adequacy to risks is integrated in the administration and management process of Banca Transilvania and in its decision making culture, according to which the management body must ensure the proper identification, measurement, aggregation and monitoring of risks, the preservation of internal capital levels adjusted to the bank's risk profile, as well as the use and development of sound risk management systems.

The following computation methods are used by the Bank and the Group:
Credit risk: RWA (risk weighted assets) standardized approach;
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 (core tier 1, additional tier 1 and tier 2) on the one hand and risk-weighted assets (RWA) on the other hand.

CAPITAL REQUIREMENTS

Template 4: EU OV1 – Overview of RWAs

RON thd.

		RWAs		Minimum capital requirements
		30.06.2019	31.12.2018	30.06.2019
1	Credit risk (excluding CCR)	**33,651,858**	**31,506,894.96**	**2,692,149**
2	Of which the standardised approach	33,651,858	31,506,894.96	2,692,149
3	Of which the foundation IRB (FIRB) approach	0	0	0
4	Of which the advanced IRB (AIRB) approach	0	0	0
5	Of which equity IRB under the simple risk-weighted approach or the IMA	0	0	0
6	CCR	**10,385**	**6,801**	**831**
7	Of which mark to market	6,024	4,025	482
8	Of which original exposure	0	0	0
9	Of which the standardised approach	0	0	0
10	Of which internal model method (IMM)	0	0	0
11	Of which risk exposure amount for contributions to the default fund of a CCP	0	0	0
12	Of which CVA	4,360	2,776	349
13	Settlement risk	0	0	0

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14	Securitisation exposures in the banking book (after the cap)	0	0	0
15	Of which IRB approach	0	0	0
16	Of which IRB supervisory formula approach (SFA)	0	0	0
17	Of which internal assessment approach (IAA)	0	0	0
18	Of which standardised approach	0	0	0
19	Market risk	**8,111,071**	**7,727,012**	**648,886**
20	Of which the standardised approach	8,111,071	7,727,012	648,886
21	Of which IMA	0	0	0
22	Large exposures	0	0	0
23	Operational risk	7,230,211	6,863,811	578,417
24	Of which basic indicator approach	7,230,211	6,863,811	578,417
25	Of which standardised approach	0	0	0
26	Of which advanced measurement approach	0	0	0
27	Amounts below the thresholds for deduction (subject to 250% risk weight)	0	0	0
28	Floor adjustment	0	0	0
29	**Total**	**49,003,525**	**46,104,519.02**	**3,920,282**

Capital requirement for credit risk

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

RON thd.

MINIMUM CAPITAL REQUIREMENT FOR CREDIT, COUNTERPARTY CREDIT AND DILUTION RISKS AND FREE DELIVERIES - standardised approach	**Credit, dilution and free deliveries risk**	**Counterparty credit risk**
Total	**2,692,631**	**482**
Central governments or central banks	213,485	0
Regional governments or local authorities	3,074	0
Public sector entities	1,559	0
Multilateral Development Banks	0	0
International Organizations	0	0
Institutions	149,103	396
Corporates	744,808	86
Retail	916,852	0
Secured by mortgages on immovable property	321,362	0
Exposures in default	157,218	0
Items associated with particular high risk	0	0
Covered bonds	0	0

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Claims on institutions and corporates with a short-term credit assessment	0	0
Collective investments undertakings (CIU)	0	0
Equity	0	0
Other items	185,169	0

Capital requirement for market risk

Banca Transilvania calculates Risk exposure amount for position, foreign exchange and commodities risks using the standardized approaches in accordance with Regulation no. 575/2013 Article 92(3)(b)and(c).

RON thd.

Capital requirement for position, foreign exchange and commodities risks under standardised approaches (SA)	**556,379**
Traded debt instruments	477,156
Equity	12,862
Foreign Exchange	66,361
Commodities	0
Particular approach for position risk in CIUs	0

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.

RON thd.

Total risk exposure amount for operational risk (opr)	**7,230,211**

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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 trade operations, in local or foreign currency, within certain exposure limits.
Exposure limits are calculated and they govern two types of operations: treasury and trade, these 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 (operational risk) or money market (credit risk) and depending on the date of settlement, respectively on maturity. Exposure limits according to the date of settlement, respectively maturity are not cumulative, but exclusive.
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. Finally, 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:

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

The own funds requirements for the risk of credit valuation adjustment (CVA) for derivate financial instruments is calculated according to Art. 382, pct. 1.
Intragroup transactions are excluded from own funds requirements application for CVA risk according to Art. 382, pct. 4, lt. b.
In the CVA calculation algorithm, Banca Transilvania applies Art.384, which describes the standardized method. So, the own funds requirement is determinate on portfolio level for each counterpart.

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

RON thous.

		a	b	c	d	e	f	g
		Notional	Replacement cost/current market value	Potential futurecredit exposure	EEPE	Multiplier	EAD post CRM	RWA
1	Mark to market		6,928	10,863			17,791	6,024
2	Original exposure							
3	Standardised approach							

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4	IMM (for derivatives and SFTs)							
5	Of which securities financing transactions							
6	Of which derivatives and long settlement transactions							
7	Of which from contractual crossproduct netting							
8	Financial collateral simple method (for SFTs)							
9	Financial collateral comprehensive method (for SFTs)							
10	VaR for SFTs							
11	Total							4,025

Template 26: EU CCR2 – CVA capital charge

RON Thd

		30.06.2019	
		Exposure value	**RWAs**
1	Total portfolios subject to the advanced method		
2	(i) VaR component (including the 3× multiplier)		
3	(ii) SVaR component (including the 3× multiplier)		
4	All portfolios subject to the standardised method	16,722	4,360
EU4	Based on the original exposure method		
5	Total subject to the CVA capital charge	**16,722**	**4,360**

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	17,791	0	17,791	0	17,791
2	SFTs	275,535	0	83	275,452	0
3	Cross-product netting	0	0	0	0	0
4	Total	**293,326**	**0**	**17,874**	**275,452**	**17,791**

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

RON thous.

		a	b	c	d	e	f
		Collateral used in derivative transactions				**Collateral used in SFTs**	
		Fair value of collateral received		**Fair value of posted collatera**		**Fair value of collateral received**	**Fair value of posted collateral**
		Segregated	**Unsegregated**	**Segregated**	**Unsegregated**		
1	Cash	0	0	0	32,107	0	0
2	Financial Assets	0	0	0	0	195,139	80,486
4	**Total**	**0**	**0**	**0**	**32,107**	**195,139**	**80,486**

MANAGEMENT OF FINANCIAL INSTRUMENTS ELIGIBLE AS GUARANTEES

Banca Transilvania keeps records of the financial instruments portfolio held in its own name and behalf, providing daily information regarding volume, number, maturity, yield (etc.), the entity and jurisdiction of assets /financial instruments eligible for guarantee.

In accordance with the legislation in force, financial instruments held in its own name can be used in order to guarantee certain financial obligations undertaken by Banca Transilvania. Pledging of financial instruments is made directly on the account of the guarantee supplier (non-possesory pledge).

Internal-operational records reflect in a distinct manner the financial instruments which are pledged (differentiated on purposes, depending on the guaranteed obligation) and the financial instruments which are free from liens. Such clear distinction of pledged instruments results in the proper and real time determination of the quantity of financial instruments available for trading in the bank's own account.

Monitoring the value of financial instruments in its own portfolio is performed daily (available balance, market value, haircut, etc.).

FINANCIAL RISKS RELATED TO FINANCIAL INSTRUMENTS OPERATIONS

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 separation of obligations, 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.

Evaluation. 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).

Credit risk adjustments

DEFINITIONS FOR ACCOUNTING PURPOSES OF 'PAST DUE' AND 'IMPAIRED'

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.
The proof that a financial asset is credit-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;

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- 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.

A financial asset classified as impaired upon initial recognition will be maintained as such until its derecognition.

The Group assesses on forward-looking basics the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and fair value through other items of the comprehensive income and the exposure from loan commitments and financial guarantee contracts. The Group recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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 moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward- looking information.
- purchased or originated credit-impaired financial assets ("POCI") are those financial assets that are credit- impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

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

Allowances for impairment

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 loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).
A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for ECL; and
- Establishing groups of similar financial assets for the purposes of measuring 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 moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward- looking information.

Purchased or originated credit-impaired financial assets are those financial assets that are credit- impaired on initial recognition. Their ECL is always measured on a lifetime basis.

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

In determining whether a significant increase in credit risk occurred since initial recognition the Group considers reasonable and supportable information that is relevant and can be obtained without undue cost and effort.

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria:

The remaining Lifetime PD at the reporting date has increased, compared to the residual Lifetime PD expected at the reporting date when the exposure was first recognised, so that it exceeds the relevant threshold (assessed also via the movements between various rating notches and also via comparing the PD curves).

These thresholds have been determined separately for different portfolio types, by assessing how the Lifetime PD moves prior to an instrument becoming delinquent. The Lifetime PD movements on instruments which do not subsequently become delinquent have also been assessed, to identify the 'natural' movement in Lifetime PD which is not indicative of a significant increase in credit risk.

Qualitative criteria:

For Retail portfolios, if the financial asset meets one or more of the following criteria:

- It is classified as performing restructured;
- Subject to Law 77/2016;
- Denominated in high-risk currency;

For Company portfolios, loans are considered impaired, if the borrower meets one or more of the following criteria:

- Significant increase in credit risk perceived by the risk analysis team for individually assessed exposures;
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates;
- Actual or expected forbearance or restructuring;
- Actual or expected significant adverse change in operating results of the borrower;

- Significant change in collateral value (secured facilities only) which is expected to increase risk of default;
- Early signs of cash flow/liquidity problems such as delay in servicing of trade creditors/loans.

The assessment of SICR incorporates forward-looking information.
In relation to Treasury financial instruments, where a Watchlist is used to monitor credit risk, this assessment is performed at the counterparty level and on a periodic basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

Backstop

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

Low credit risk exemption

The Group has not used the low credit risk exemption for any financial instruments in the period ended 30 June 2019.

If there is evidence that the SICR criteria are no longer met, the instrument is transferred back to Stage 1. If an exposure has been transferred to Stage 2 based on a qualitative indicator, the Group monitors whether that indicator continues to exist or has changed.

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:

Quantitative criteria

- The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria
The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in nonperforming forbearance;
- The borrower is insolvent;
- The borrower is in a breach of a significant financial covenant(s);
- An active market for that financial asset has disappeared because of financial difficulties;
- Concessions have been made by the lender relating to the borrower's financial difficulty;
- It is becoming probable that the borrower will enter bankruptcy;
- 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.

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An instrument is considered to no longer be in default (i.e. to have "cured") when it no longer meets any of the default criteria for a consistent period of time, depending on the main trigger for the default classification. This period has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions and also expert opinion. For example the healing period for days past due criteria start at 3 months while the healing period for forborne asset start at one year.

Measurement of the expected credit loss Explanation of inputs, 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 amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12month 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.

The assumptions underlying the ECL are monitored and reviewed on a bi-annual basis.
Forward-looking information incorporated in the ECL models

The assessment of SICR and measurement of ECL incorporates forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. Expert judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided by the Group's Economics team and provide the best estimate view of the economy over the next three years. After three years, to project the economic variables out for the full remaining lifetime of each instrument, a mean reversion approach has been used.

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The impact of these economic variables has been determined by performing statistical regression analysis.

	2019	2020	2021
Real GDP (%, YoY)	2.8	3.3	3.7
Unemployment rate (%)	4.3	4.7	5.2
Inflation (HICP) (%)	3.3	2.7	2.8
Key interest rate ROBOR 3M (%)	2.6	2.6	2.9
Key interest rate EURIBOR 3M (%)	(0.1)	0.4	0.2
Exchange rate EUR/RON	4.7	4.8	4.8

In addition to the base economic scenario, the Group also consider other possible scenarios along with scenario weightings. At 1 January 2019 and 30 June 2019, for all portfolios the Group concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).
As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Derecognition **policy**

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

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

The Group enters into transactions where it retains the 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 of the 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) furnished by the Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

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

Template 11: EU CR1-A – Credit quality of exposures by exposure class and instrument

		a	b	c	d	e	f	g
		Gross carrying values of						**Net values**
		Defaulted exposures	**Non-defaulted exposures**	**Specific credit risk adjustment**	**General credit risk adjustment**	**Accumulated write-offs**	**Credit risk adjustment charges of the period**	**(a+b-c-d)**
1	Central governments or central banks	0	0	0	0	0	0	0
2	Institutions	0	0	0	0	0	0	0
3	Corporates	0	0	0	0	0	0	0
4	*Of which: Specialised lending*	0	0	0	0	0	0	0
5	*Of which: SMEs*	0	0	0	0	0	0	0
6	Retail	0	0	0	0	0	0	0
7	*Secured by real estate property*	0	0	0	0	0	0	0
8	*SMEs*	0	0	0	0	0	0	0
9	*Non-SMEs Qualifying revolving*	0	0	0	0	0	0	0

10	*Other retail*	0	0	0	0	0	0	0
	Retail	0	0	0	0	0	0	0
11	*Secured by real estate property*	0	0	0	0	0	0	0
12	*SMEs*	0	0	0	0	0	0	0
13	*Non-SMEs*	0	0	0	0	0	0	0
14	Equity	0	0	0	0	0	0	0
15	***Total IRB approach***	0	0	0	0	0	0	0
16	Central governments or central banks	0	10,220,114	5,975	0	0	-11,158	10,214,139
17	Regional governments or local authorities	0	177,040	4,352	0	0	1,147	172,687
18	Public sector entities	0	43,073	1,019	0	0	-1,031	42,054
19	Multilateral development banks	0	0	0	0	0	0	0
20	International organisations	0	0	0	0	0	0	0
21	Institutions	0	6,765,178	14,031	0	0	1,643	6,751,147
22	Corporates	0	13,086,568	413,747	0	0	-38,887	12,672,821
23	*Of which: SMEs*	0	7,730,592	203,950	0	0	-4,026	7,526,642
24	Retail	0	23,847,106	472,714	0	0	39,241	23,374,392
25	*Of which: SMEs*	0	9,615,505	182,680	0	0	21,000	9,432,825
26	Secured by mortgages on immovable property	0	11,929,246	74,888	0	0	-14,812	11,854,358
27	*Of which: SMEs*	0	841,256	9,665	0	0	1,001	831,591
28	Exposures in default	3,898,852	0	2,047,878	0	3,246,323	8,116	1,850,973

29	Items associated with particularly high risk	0	0	0	0	0	0	0
30	Covered bonds	0	0	0	0	0	0	0
31	Claims on institutions and corporates with a shortterm credit assessment	0	0	0	0	0	-143	0
32	Collective investments undertakings	0	0	0	0	0	0	0
33	Equity exposures	0	0	0	0	0	0	0
34	Other exposures	0	6,222,475	974,297	0	0	106,912	5,248,178
35	***Total standardised approach***	**3,898,852**	**72,290,800**	**4,008,903**	**0**	**3,246,323**	**91,028**	**72,180,749**
36	***Total***	**3,898,852**	**72,290,800**	**4,008,903**	**0**	**3,246,323**	**91,028**	**72,180,749**
37	Of which: Loans	3,571,037	39,033,563	2,867,110	0	3,246,323	-18,117	39,737,490
38	Of which: Debt securities	0	21,298,373	980,610	0	0	95,954	20,317,763
39	Of which: Offbalance-sheet exposures	327,815	11,958,864	161,183	0	0	13,191	12,125,496

Template 12: EU CR1-B – Credit quality of exposures by industry or counterparty types

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
		Defaulted exposures	Non-defaulted exposures					Defaulted exposures
1	Agriculture, forestry and fishing	121,329	2,431,666	94,561	0	127,827	12,420	2,458,434
2	Mining and quarrying	127,811	67,214	105,781	0	70,847	3,153	89,244
3	Manufacturing	554,334	5,219,560	411,773	0	508,290	-21,603	5,362,121
4	Electricity, gas, steam and air conditioning supply	52,885	687,186	49,446	0	285,390	-4,920	690,625
5	Water supply	21,374	178,229	10,911	0	62,819	-3,653	188,692
6	Construcțion	656,240	2,759,157	425,249	0	295,766	78,529	2,990,148
7	Wholesale and retail trade	625,040	6,350,218	549,979	0	631,867	-1,230	6,425,279
8	Transport and storage	149,138	1,720,090	107,747	0	48,911	9,986	1,761,481
9	Accomodation and food service	64,126	625,188	33,413	0	17,884	601	655,900

10	Information and communication	41,299	711,593	45,456	0	48,241	-15,945	707,436
11	Financial and insurance activities	3,006	6,656,713	13,255	0	2,660	-2,257	6,646,464
12	Real estate activities	88,668	1,068,840	47,874	0	35,753	403	1,109,634
13	Proffesional, scientific and technical activities	60,398	576,041	49,706	0	41,626	-1,389	586,732
14	Administrative and support service activities	14,111	518,975	20,702	0	70,489	-188,367	512,384
15	Public administration and defence, compulsory social security	171	180,347	4,480	0	6,326	-2,981	176,037
16	Education	802	62,279	1,730	0	2,795	174	61,351
17	Human health services and social work activities	26,920	998,815	29,695	0	24,877	-6,552	996,040
18	Arts, entertainment and recreation	1,296	216,741	7,719	0	2,234	-65	210,319
19	Other services	13,472	6,330,848	982,112	0	458	110,980	5,362,208
20	Central banks	0	10,220,114	5,975	0	0	(11,158)	10,214,139
21	Households	1,276,432	24,710,985	1,011,338	0	961,265	134,901	24,976,080
19	***Total***	**3,898,852**	**72,290,800**	**4,008,903**	**0**	**3,246,323**	**91,028**	**72,180,749**

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Template 14: EU CR1-D – Ageing of past-due exposures

		a	b	c	d	e	f
		Gross carrying values					
		≤ 30 days	**> 30 days ≤ 60 days**	**> 60 days ≤ 90 days**	**> 90 days ≤ 180 days**	**> 180 days ≤ 1 year**	**> 1 year**
1	Loans	4,430,909	397,370	278,051	226,908	353,177	804,451
2	Debt securities	0	0	0	0	0	0
3	***Total exposures***	**4,430,909**	**397,370**	**278,051**	**226,908**	**353,177**	**804,451**

Template 15: EU CR1-E – Non-performing and forborne exposures

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Gross carrying amount of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees received financiare primite	
			Of which performing but past due > 30 days and <= 90 days	Of which performing forborne	Of which non-performing				On performing exposures		On non-performing exposues		On non-performing exposures	Of which forborne exposures
						Of which defaulted	Of which impaired	Of which forborne		Of which forborne		Of which forborne		
10	Debt securities	22,470,418	0	0	0	0	0	0	5,600	0	0	0	0	0
20	Loans and advances	57,415,370	430,048	404,118	3,042,996	3,037,838	3,039,731	1,626,884	1,007,594	57,733	1,649,029	841,517	1,259,617	1,016,691
30	Off-balance-sheet exposures	13,510,243		15,504	322,324	322,324		7,579	70,321	2,033	106,775	1,480	183,595	9,040

TemplateTemplate 16: EU CR2-A –
Changes in the stock of general and specific credit risk adjustments

		a	b
		Accumulated specific credit risk adjustment	**Accumulated general credit risk adjustment**
1	**Opening balance**	**-2,703,684**	**0**
2	Increases due to origination and acquisition	-445,794	0
3	Decrease due to derecognition repayments and disposals	353,301	0
4	Changes due to change in credit risk (net)	-111,996	0
5	Changes due to modifications without derecognition (net)	10,831	0
6	Changes due to update in the institution's methodology for estimation (net)	0	0
7	Decrease in allowance account due to write-offs	242,535	0
8	Other adjustments	-9,749	0
9	**Closing balance**	**-2,664,556**	**0**
10	Recoveries of previously written-off amounts recorded directly to the statement of profit or loss	124,192	0
11	Amounts written-off directly to the statement of profit or loss	0	0

Template 17: EU CR2-B – Changes in the stock of defaulted and impaired loans and debt securities

		a
		Gross carrying value defaulted exposures
1	**Opening balance**	**4,005,669**
2	Loans and debt securities that have defaulted or impaired since the last reporting period	916,715
3	Returned to non-defaulted status	131,816
4	Amounts written off	231,312
5	Other changes	660,405
6	**Closing balance**	**3,898,852**

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Exposure to market risk

In the first half of 2019 compared to the end of 2018, there were no significant changes in the trading portfolio.

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

	30.06.2019	Capital requirements	RWAs
	Outright products		
1	Interest rate risk (general and specific)	5,964,446	477,156
2	Equity risk (general and specific)	160,775	12,862
3	Foreign exchange risk	829,519	66,361
4	Commodity risk	0	0
	Options		
5	Simplified approach	0	0
6	Delta-plus method	0	0
7	Scenario approach	0	0
8	Securitisation (specific risk)		
9	**Total**	**6,954,740**	**556,379**

Exposure to interest rate risk on positions not included in the trading book

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

Banca Transilvania Group is exposed to interest rate risk resulting from:
Fixed income security trading (interest rate risk from trading activities)
Funds raised and placed in relation to non-bank customers (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 by monitoring the interest rate GAP (mismatch) and by means of a system of limits and indicators approved on maturity bands (time intervals) for interest reset.

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 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).

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

Potential change in economic value	RON thousand
Own funds	**8,454,142**
Potential decrease in economic value +/-200bp	
Total value	**174,796**
Impact in own funds	**2.07%**

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Leverage

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, specifficaly 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 30.06.2019, the leverage ratio according to the transitional definition decreased slightly from 8.56% at 31.12.2018 to 7.98%, mainly due to the increase of the leverage ration exposures.

RON thd.

Reconciliation of the total exposure measure with the relevant information disclosed in published financial statements	Applicable amount
Total assets as per published financial statements	81,565,300
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	112,958
Adjustments for derivative financial instruments	0
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	4,141,340
Other adjustments	0
Total leverage ratio exposure	**85,687,457**

On-balance sheet exposures (excluding derivatives and SFTs)	Applicable amount
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	81,976,530
(Asset amounts deducted in determining Tier 1 capital)	-149,931
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	**81,826,599**

Derivative exposures	Applicable amount
Adjusted effective notional amount of written credit derivatives	1,181,196
Total derivatives exposure	**1,181,196**

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Other off-balance sheet exposures	**Applicable amount**
Off-balance sheet exposures at gross notional amount	12,286,679
(Adjustments for conversion to credit equivalent amounts)	0
Other off-balance sheet exposures	**12,286,679**

Capital and total exposures	**Applicable amount**
Tier 1 capital	6,862,470
Total leverage ratio exposures	85,985,730
Leverage ratio (transitional)	**7.98%**

Split-up of on balance sheet exposures	**Applicable amount**
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	81,976,530
Trading book exposures	21,939,068
Banking book exposures, of which::	60,037,462
Covered bonds	0
Exposures treated as sovereigns	10,214,139
Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	91,961
Institutions	5,301,851
Secured by mortgages on immovable property	11,675,422
Retail exposures	17,170,630
Corporates	8,714,928
Exposures in default	1,620,353
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	5,248,178

Use of credit risk mitigation techniques

CREDIT RISK MITIGATION TECHNIQUES

Banca Transilvania has solid and adequate policies and procedures in writing, 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 revises 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 guarantee method used by BT is customized according to the customer's risk profile, the type of loan or other elements, according to the provisions of the lending rules.

Setting the amount of the properties proposed as loan guarantees is made through evaluations based on the appraisals carried out mostly by external NAAVR (National Agency of the Authorized Valuators from Romania) valuators 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.

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 asstes 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:

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

According to their destination, contructions 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 tranfered to the bank or to a third party, in care of foreclosure of the mortgage can be object of a mortgage on movable property.

Template 18: EU CR3 – CRM techniques – Overview

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		a	b	c	d	e
		Exposures unsecured	**Exposures to be secured**	**Exposures secured by collateral**	**Exposures secured by financial guarantees**	**Exposures secured by credit derivatives**
		Carrying amount	**Carrying amount**			
1	Total loans	33,640,231	23,775,139	22,205,620	1,569,519	0
2	Total debt securities	21,870,455	0	0	0	0
3	**Total exposures**	**69,620,892**	**23,775,139**	**22,205,620**	**1,569,519**	**0**
4	Of which defaulted	1,916,950	1,443,213	1,388,205	55,008	0

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

RON Thd

		a	b	c	d	e	f
		Exposures before CCF and CRM		**Exposures post CCF and CRM**		**RWAs and RWA density**	
	Exposure classes	**On-balance-sheet amount**	**Off-balance-sheet amount**	**On-balance-sheet amount**	**On-balance-sheet amount**	**RWA**	**RWA density**
1	Central governments or central banks	10,214,139	-	10,214,139	-	2,668,563	26%
2	Regional government or local authorities	75,091	97,596	74,761	2,083	38,422	50%
3	Public sector entities	16,869	25,184	16,735	2,755	19,490	100%
4	Multilateral development banks	0	0	0	0	0	
5	International organisations	0	0	0	0	0	
6	Institutions	5,301,851	1,432,575	5,518,526	136,378	1,863,785	33%
7	Corporates	8,714,928	3,956,823	8,502,828	955,368	9,310,102	98%
8	Retail	17,170,630	6,203,762	14,983,284	1,847,410	11,460,652	68%
9	Secured by mortgages on immovable property	11,675,422	178,936	11,587,272	58,441	4,017,025	34%
10	Exposures in default	1,620,353	230,621	1,620,353	138,763	1,965,227	112%
11	Higher-risk categories	0	0	0	0	0	
12	Covered bonds	0	0	0	0	0	
13	Institutions and corporates	0	0	0	0	0	

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	with a short-term credit assessment						
14	Collective investment undertakings	0	0	0	0	0	
15	Equity	0	0	0	0	0	
16	Other items	5,248,178	-	7,519,564	200,896	2,314,617	0
17	**Total**	**60,037,461.63**	**12,125,496.10**	**60,037,461.63**	**3,342,094.24**	**33,657,881.93**	**53%**

Template 20: EU CR5 – Standardised approach

	Exposure classes	**Risk weight**																**Total**	**Of which unrated**
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Deducted		
1	Central governments or central banks	2,854,488	0	0	0	5,863,861	0	0	0	0	1,495,791	0	0	0	0	0		10,214,139	
2	Regional government or local authorities	0	0	0	0	0	0	76,844	0	0	0	0	0	0	0	0		76,844	
3	Public sector entities	0	0	0	0	0	0	0	0	0	19,490	0	0	0	0	0		19,490	
4	Multilateral development banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
5	International organisations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
6	Institutions	0	0	0	0	4,220,555	0	862,795	0	0	588,276	0	0	0	0	0		5,671,626	
7	Corporates	0	0	0	0	0	0	0	0	0	9,380,161	79,105	0	0	0	0		9,459,265	
8	Retail	0	0	0	0	0	0	0	0	16,830,694	0	0	0	0	0	0		16,830,694	

9	Secured by mortgages on immovable property	0	0	0	0	0	11,645,713	0	0	0	0	0	0	0	0	0		11,645,713	
10	Exposures in default	0	0	0	0	0	0	0	0	0	1,346,894	412,222	0	0	0	0		1,759,116	
11	Higher-risk categories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
12	Covered bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
13	Institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
14	Collective investment undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
15	Equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
16	Other items	5,405,843	0	0	0	0	0	0	0	0	2,314,617	0	0	0	0	0		7,720,460	
17	Total	**8,260,331**	**0**	**0**	**0**	**10,084,415**	**11,645,713**	**939,639**	**0**	**16,830,694**	**15,145,229**	**491,326**	**0**	**0**	**0**	**0**		**63,397,347**	

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Annex I –Template on the comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs

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Available capital (amounts)		
1	Common Equity Tier 1 (CET1) capital	6,862,470
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7,012,401
3	Tier 1 capital	6,862,470
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7,012,401
5	Total capital	8,454,142
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	8,604,073
Risk-weighted assets (amounts)		
7	Total risk-weighted assets	49,003,525
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	48,705,253
Capital ratios		
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	14.00%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.31%
11	Tier 1 (as a percentage of risk exposure amount)	14.00%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.31%
13	Total capital (as a percentage of risk exposure amount)	17.25%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.56%
Leverage ratio		
15	Leverage ratio total exposure measure	85,687,457
16	Leverage ratio	8.18%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7.98%

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