



Banca oamenilor
întreprinzători

Allocation and Impact Report

September



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CEO Message

Reflecting on our unwavering commitment to the sustainable development of the local economy, I am pleased to present the **Allocation and Impact Report of our 2023 Sustainable Finance Framework**.

Banca Transilvania became the largest bank in Romania by focusing its strategy and business model to grow the national economy and communities. Supporting small businesses reach bankable standard levels, and sustaining the entrepreneurial environment has been the DNA of BT since its beginnings. Our first Allocation and Impact Report echoes our commitment to deliver a positive economic, environmental and social impact.

The 2023 sustainable bonds issue represents a significant, yet natural, milestone in our sustainability journey and strategy. Sustainable finance in BT has gone and continues to go beyond a buzzword or beyond a simple concern for regulatory compliance. It is based on a deep sense of responsibility and duty we owe to our customers, the well-being of our economy and communities, the preservation of our environment, and the empowerment of future generations.

Through this report, we aim to provide our stakeholders with a comprehensive overview of the allocation of the funds raised through the 2023 sustainable bonds issue and the positive environmental and social impact generated. I invite you to explore the insights and data presented in this report, which showcase the tangible outcomes of our sustainable finance approach of BT.

We continue to see appetite from investors to place their assets where they can potentially generate wider societal benefits. Thank you for your continued support and collaboration as we work together to create a more sustainable and resilient future for all.



Ömer Tetik
CEO, Banca Transilvania

Business and Sustainability Strategy

Banca Transilvania's mission, as a private bank with majority Romanian capital, is to support the business environment and the general public through innovative financial services and products. As a local bank, BT has focused its strategy on developing the national economy and communities.

BT pursues a universal banking model, comprising retail, MSMEs and wholesale banking operations and it provides services to a broad client base. The banking activity and product offering focus on retail and MSME customers. With 511 branches, agencies and offices in Romania, 1,865 ATMs and more than 120,000 POS terminals at the end of 2023, BT provides in depth coverage of the entire country and has one of the largest physical networks in Romania. The physical presence of BT allows it to offer reach, immediate support and assistance to its customers and is also leveraged by the other BT Group entities in offering an integrated, multi-faceted financial services offering.

Banca Transilvania's growth has been strongly interconnected with the development of the Romanian economy. The bank has contributed and will continue to support a more inclusive local economy. Through its business model, its nation-wide geographical coverage and offering access points even in economically underdeveloped or less populated areas, Banca Transilvania provides its customers with a range of dedicated solutions that support Romanian entrepreneurs, small business and SMEs regardless of their location or size of business, facilitating access to finance and information related to financial products and services.

Serving millions of customers through its branch network and multiple digital channels, BT is the main financier of the Romanian economy and runs a third of the payments made by the local population and companies.

By integrating our comprehensive 3-pillar strategy centered around Performance, People, and Environment, we are dedicated to driving positive change and creating lasting impact in the communities we serve.

Our Sustainability Pillars are rooted in sound corporate governance and the adoption of sustainability best practices.

Our performance, objectives, progress, achievements, risk management and identification of opportunities are presented in detail in our Sustainable Reporting Suite.

Performance



We are committed to creating a fair banking and financial system that provides access to financial services for all businesses and people and promotes financial inclusion.

Our performance commitments:

support the growth of the Romanian financial sector

invest in digitization to broaden financial inclusion

contribute to the financial education of companies and entrepreneurs

focus on developing our loan portfolio in sustainable sectors where we can stimulate innovation and have a positive impact on our communities

People



Employees are the keystone to achieving our business goals in a sustainable manner.

We, therefore, make their well-being and professional development a priority, while fostering a diverse and inclusive workplace.

Environment



Our aim is to reduce our environmental impact, both directly and through our role as a bank in what regards capital allocation.

We are committed to the transition to a low-carbon economy, and we seek to implement solutions that support our responsible use of resources.

Sustainable Reporting Suite

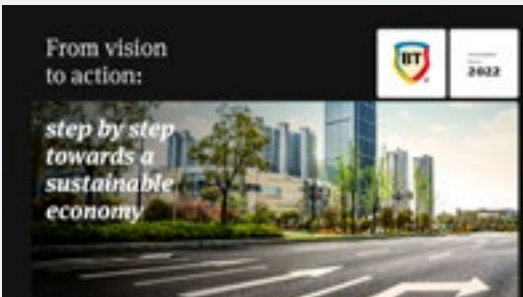
Dedicated ESG section on our website for updates, communication, commitments and reporting of our ESG initiatives: [Impact - Environment Social Governance](#) | [Banca Transilvania](#)

Sustainability Reports



2023 main highlights:

- We completed the inventory of GHG emissions generated
- We have been able to extend the carbon footprint calculation to all relevant categories of our own activities, including the purchase of goods and services
- As concerns the impact generated by the allocation of capital through financing and investments, we calculated the financed emissions for the second consecutive year
- The financed emissions calculation was included in our auditors' limited assurance report
- We issued our first sustainability bond of EUR 500 million as part of our commitment to responsible finance
- We issued subordinated bonds worth EUR 200 million with a use of proceeds dedicated to green mortgages



2022 main highlights:

- BT computed for the first time the financed emissions in accordance with PCAF methodology
- Set a 3.5 billion lei target of green loans to be granted during 2023-2025, as part of defining clear sustainability objectives
- BT joined the United Nations Environment Programme Finance Initiative (UNEP-FI) and signed the Principles for Responsible Banking
- First financing for blue loans in Central and Eastern Europe of EUR 100 million lei



2021 main highlights:

- For the first time, a selection of the non-financial information was subject to an assurance process performed by our auditor in accordance with the International Standard on Assurance Engagements 3000
- Strengthen our impact financing by deploying CAFI – Climate Assessment for Financial Institutions, an application provided by the IFC to help determine the climate eligibility of financed projects and measure their environmental impact
- Implementation of the EBA guidelines on loan origination and monitoring, which introduce the inclusion of environmental, social, and corporate governance (ESG) factors in credit and risk analysis



2020 main highlights:

- BT prepares and publishes its first Sustainability Report in accordance with Global Reporting Initiative, displaying our sustainability progress and providing details about what we do, beyond banking, for Romania, people, business and the environment

Annual Reports and Financial Information

Board of Directors Report



Financial Statements



Our Supporting Regulations

These supporting regulations are instrumental in demonstrating the bank's commitment to environmental and social responsibility, as well as transparency in reporting. By integrating them into our business, we ensure that allocation and impact decisions are consistent with the principles of transparency, integrity, and social impact.

Guided by them, we can provide our investors and stakeholders with a clear and accountable framework for the use of green and social bond proceeds, and we can ensure that our allocation decisions consider long-term sustainability goals, risk management and stakeholder engagement, contributing to a more robust and sustainable investment strategy.

Supporting regulations, standards, or frameworks for sustainability-related disclosure and reporting



Global Reporting Initiative (GRI)

BT Group's Sustainability Report is aligned with the GRI standards

[more details here](#)



Task Force on Climate-related Financial Disclosures (TCFD)

Banca Transilvania and its subsidiaries follow the voluntary recommendations of the TCFD

[more details here](#)



Carbon Disclosure Project (CDP)

In 2023, BT Group participated, for the first time, to the climate change questionnaire from CDP

[more details here](#)



UN Sustainable Development Goals (UN SDGs)

BT Group's sustainability strategy is consistent with the UN SDGs

[more details here](#)



UN Principles for Responsible Banking (UN PRB)

Banca Transilvania adheres to the UNEP FI PRB in 2022

[more details here](#)



Partnership for Carbon Accounting Financials (PCAF)

In 2022, BT Group estimated, for the first time, the financed emission of its loan and investment portfolio based on the PCAF standard

[more details here](#)



Sustainable Finance Framework

Sustainable Finance
Framework Overview

As we rapidly approach 2030, it is clear that the European financial landscape will be profoundly transformed by the principles of the sustainable finance concept, which will gradually become an intrinsic part of its structure. This transformation is underpinned by regulatory and policy frameworks, including the EU Taxonomy (Regulation 852/2020) and the Sustainable Finance Disclosure Regulation, the Corporate Sustainability Reporting Directive, which include or support the gradual integration of environmental, social, and governance (ESG) criteria into the core business of financial institutions. The ambitious European Green Deal, which aims to make Europe the first carbon-neutral continent, has driven an unprecedented flow of capital into green investment, renewable energy, and sustainable infrastructure in recent years.

As a result, the ecosystem of financial products and services benefits from an influx of innovation and the development of new solutions such as sustainability bonds, all supported by advances in digitalization and technology that promise transparency and efficiency.

Stakeholder pressure is accelerating, reflecting a high societal demand for transparency and accountability in how financial institutions generate impacts on the environment and communities. In pursuing its ambitious goals, Europe is not only reshaping its financial system but also setting a global standard, promoting international cooperation, and harmonizing sustainability regulation.

Therefore, we recognize that our role as Romania's largest bank and financial group is fundamental in shaping the future of sustainable finance nationally and contributing to Europe's sustainability goals.

Our first **Sustainable Finance Framework** was published in 2023 and represents our commitment to responsible financing and sustainable development. In alignment with our broader sustainability strategy, our aim is to issue sustainable finance instruments to finance and refinance projects that enable the transition to a low-carbon and climate-resilient economy and/or have a positive social impact and alleviate social problems.

Through strategic allocations and a focus on impact assessment, we believe we can drive positive change within the country and contribute to addressing Romania's environmental and social challenges.

Our focus on aligning with Romania's environmental and social priorities shows a deep understanding of the pressing challenges facing the country.

Environmental concerns such as pollution, deforestation, and climate change require urgent attention, while social challenges like access to financing, poverty, inequality, and healthcare access also demand innovative solutions.



Through our Sustainable Finance Framework, we are not only providing financial support but also encouraging businesses and organizations to prioritize sustainable practices and social responsibility in their operations. This will ultimately contribute to building a more resilient and inclusive society in Romania.

By issuing sustainable finance instruments, BT will provide additional transparency around funded projects that carry environmental and social benefits. In addition, sustainable finance instruments will help diversify BT's investor base, broaden the dialogue with existing investors and contribute to the development of the sustainable finance market.

Sustainable Finance Framework Overview

BT Group has established the Sustainable Finance Framework ([Framework](#)) under which Banca Transilvania, BT Mic, BT Leasing, Victoriabank, BT Leasing Moldova may issue green and/or social financing instruments ("Sustainable Finance Instruments"), which may include senior bonds (preferred and non-preferred), subordinated bonds, covered bonds, medium term notes, commercial papers, and loans **to finance and/or refinance green and/or social eligible loans** ("Eligible Loans") **with a positive environmental and/or social benefit**.

The Framework is governed by:

- [ICMA Green Bond Principles 2021](#) (GBP),
- [ICMA Social Bond Principles 2023](#) (SBP),
- [ICMA Sustainability Bond Guidelines 2021](#) (SBG),
- [LMA/APLMA/LSTA Green Loan Principles 2023](#) (GLP),
- [LMA/APLMA/LSTA Social Loan Principles 2023](#) (SLP)

and follows the recommendations of [ICMA Guidelines for Green, Social, Sustainability and Sustainability, June 2022](#), while the Eligibility Criteria contemplated under this Framework may directly contribute to the achievement of [UN SDGs](#) and [EU Environmental Objectives](#).

The Framework has been assessed by Sustainalytics. The [Second Party Opinion](#) reflects the Framework's alignment with current market standards and the extent to which the eligible project categories are credible and impactful.

- The Second-Party Opinion assessed:
- The Framework's alignment with the SBG, GBP, and SBP, as administered by ICMA, and the GLP and SLP, as administered by LMA, APLMA, and LSTA;
 - The credibility and anticipated positive impacts of the use of proceeds;
 - The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

Sustainalytics is of the opinion that the BT Group Sustainable Finance Framework is credible and impactful and aligns with the four core components of the GBP, SBP, GLP and SLP.

The use of proceeds under the Sustainable Finance Framework aligns closely with our core values in supporting the entrepreneurial ecosystem in Romania, our client proposition, our trajectory as a local player to the number one bank in Romania and with our commitment to contribute to the climate agenda in Romania and Europe.

Our project categories under the 2023 Framework are twofold on two main categories, each branching out to more specific needs:

1

Green Eligible Categories

which include:

Green Buildings

Renewable Energy

Clean Transportation

Environmentally Sustainable Management of Living Natural Resources and Land Use

2

Social Eligible Categories

which include:

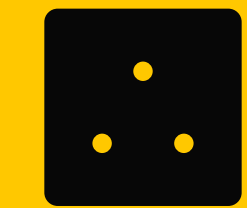
Employment Generation

Access to Healthcare

Access to Education

To ensure compliance with the established criteria, Banca Transilvania has instituted a clear decision-making process involving a working group of cross-departmental experts in ESG and data management. This group is tasked with reviewing the Framework, evaluating eligible loan portfolios, and overseeing the allocation of proceeds, which are managed under a portfolio approach to ensure they match or exceed the proceeds from issued instruments within 24 months of issuance.

The allocation and impact reporting will be published on an annual basis, until full allocation or until maturity, and will include the information as described in the Framework, aligning the reporting, on a best effort basis, with the approach described in the ICMA "Handbook – Harmonized Framework for Impact Reporting (June 2023)" and "Harmonized Framework for Impact Reporting for Social Bonds (June 2023)".



**Issued
Sustainable
Bonds**

Issued Sustainable Bonds

EUR 1,500,000,000 MTN 2/EURO
MEDIUM TERM NOTE PROGRAMME

GMS decision:	Convening Notice
ISIN:	XS2724401588
Type:	senior non-preferred eligible notes
ESG label:	sustainable
Use of proceeds:	green and social categories (minimum 50% under social categories)
Currency:	EUR
Issue amount:	500,000,000
Issue date:	7 December 2023
Maturity Date:	7 December 2028
Listed On:	Irish Stock Exchange / Euronext Dublin
Clearing System (ICSDs):	Clearstream/Euroclear



Allocation and Impact Summary

Allocation and Impact Summary

As of 31 December 2023, the initial amount of EUR 500,000,000 has been fully allocated, as the portfolio of Eligible Loans exceeds the balance of proceeds from its outstanding sustainable bond (XS2724401588).

The allocation structure was determined to be: 40% green financings (EUR 200,000,000) and 60% social financings (EUR 300,000,000), in both cases the portfolio of Eligible Loans exceeding these amounts.

Allocation overview

Portfolio date:

31 Dec. 2023

Eligible Project Category	Eligible Project Subcategory	Eligible portfolio – subcategory EUR m	Eligible portfolio – category EUR m*	Number of Eligible Loans #
■ Green Buildings	Residential	143.87	293.13	2,584
	Commercial	149.26		15
■ Renewable Energy	Solar power	81.89	81.89	64
■ Clean Transportation	Zero emissions vehicles	0.19	0.19	6
■ SME Financing	Underdeveloped regions	2,165.64	2,988.36	58,357
	Female-owned	542.31		26,035
	Youth-owned	18.26		1,361
	Start-ups	192.34		8,413
	Self-employed farmers	69.81		2,539
■ Access to Healthcare	Healthcare facilities	113.89	146.14	73
	Primary care facilities	8.63		536
	Palliative care facilities	5.89		32
	Dialysis and oncology facilities	17.73		7
■ Access to Education	Education facilities	0.27	0.27	2
Total		3,509.98	3,509.98	100,024

*EUR/RON = 4.9746 as of 31.12.2023

Outstanding Sustainability Bonds

Instrument (CCY/ type)	Instrument (ISIN)	Issuance Date	Maturity	Amount EUR m
EUR / SNP	XS2724401588	07/12/2023	07/12/2028	500
Total				500

Percentage of Eligible Loan Portfolio allocated

14.25%

Percentage of net proceeds of outstanding Sustainability Bonds allocated to Eligible Loan Portfolio

100%

Eligible Loan Portfolio unallocated (EUR m)

EUR 3,009.98

New loans added to the portfolio since December 2022 (EUR m)

EUR 1,703.12

New loans added to the portfolio since December 2020 (EUR m)

EUR 3,082.31

The loan portfolio of Banca Transilvania as of 31 December 2023 was filtered based on the eligibility criteria as described in the Framework under the section Use of Proceeds.

- The outstanding amount for the corporate portfolio is determined based on the gross exposure in accordance with IFRS as adopted by the EU.
- The outstanding amount for the green mortgages portfolio reflects only the principal, excluding any accrued interest or related fees associated with the portfolio.
- To avoid the risk of double-counting, loans granted from sources other than own sources were excluded based on the flags recorded in the operational systems. Loans categorized under the Blue Loan, those from specific programs such as the European Energy Efficiency Fund and the Romania - SME Sustainable Energy Efficiency Financing facility, as well as loans under various other financing sources are individually flagged. This enables accurate identification and traceability for each reporting date.

→ When an eligible loan fulfills criteria under multiple eligible categories, they are allocated only into one category (to avoid double-counting), in the below order:

1. Green Loans to Companies
2. Primary care facilities
3. Healthcare
4. Palliative care
5. Dialysis and oncology facilities
6. Education facilities
7. Female-owned
8. Youth-owned
9. Start-ups
10. Self-employed farmers

→ Others:

- Factoring without recourse facilities is not included in the Allocation and Impact Reporting
- Allocation in the youth-owned category does not require a majority shareholding.
- For syndicated or co-financed loans, both the allocation and impact are calculated proportionally based on our specific share, ensuring that only our portion of the account is considered.
- Regarding financing for clean transportation, the leasing subsidiaries handle the management of these funds, leading to minimal exposure for BT in this sector.

Impact
overview

Portfolio date:

31 Dec. 2023

Eligible Project Category	Eligible Project Subcategory	Eligible portfolio	Eligibility for Sustainability Bonds	Share of Total Financing – pro-rata	Share of Total Financing for Bond: XS2724401588 - EUR 500m	Estimated annual GHG emissions reduced/ avoided	Total installed capacity	Estimated annual energy savings	Total contribution to Romanian gross output	Total contribution to Romanian GVA**	Workers supported	Other indicators (Healthcare & Education)	SGD Contribution
		EUR m*		%		tCO ₂ e/year	MW	MWh/year	EUR m	EUR m	#		
a/	b/	c/	d/	e/	f/	g/	g/	g/	g/	g/	g/	g/	
<div></div> Green Buildings	Residential	143.87	100%	4.10%	15.34%	1,644	/	19,145	/	/	/	/	<div><div>7</div><div>RENEWABLE ENERGY</div></div> <div><div>11</div><div>INDUSTRIAL CLUSTERS AND INFRASTRUCTURE</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div>
	Commercial	149.26	100%	4.25%	15.91%	3,221	/	9,071	/	/	/	/	<div><div>7</div><div>RENEWABLE ENERGY</div></div> <div><div>11</div><div>INDUSTRIAL CLUSTERS AND INFRASTRUCTURE</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div>
<div></div> Renewable Energy	Solar power	81.89	100%	2.33%	8.73%	173,216	802	/	/	/	/	/	<div><div>7</div><div>RENEWABLE ENERGY</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div>
<div></div> Clean Transportation	Zero emissions vehicles	0.19	100%	0.00%	0.02%	27	/	/	/	/	/	/	<div><div>7</div><div>RENEWABLE ENERGY</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div>

a/ Eligible category under the ICMA Green/ Social Bond Principles and LMA Green/ Social Loan Principles

b/ Eligible sub-category

c/ Signed amount represents the amount legally committed by the issuer for the portfolio or portfolio components eligible for Sustainability Bond financing

d/ This is the share of the total portfolio costs that is Sustainability Bond eligible

e/ This is the share of the total portfolio that is financed by the issuer (pro-rata approach)

f/ This is the share of the total portfolio as per the intended allocation (40% towards green financing and 60% towards social financing)

g/ Impact indicators:

- Estimated annual GHG emissions reduced/avoided (in tCO₂e/year)
- Total installed capacity (MW)
- Estimated annual energy savings (MWh/year)
- Total contribution to Romanian gross output (EUR m)
- Total contribution to Romanian GVA (EUR m)
- Workers supported (#)
- Other indicators

*EUR/RON = 4.9746 as of 31.12.2023

**GVA = gross value added

Impact
overview

Portfolio date:

31 Dec. 2023

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		EUR m*		%		tCO ₂ e/year	MW	MWh/year	EUR m	EUR m	#		
a/	b/	c/	d/	e/	f/	g/	g/	g/	g/	g/	g/	g/	
<div><div></div>SME Financing</div>	Underdeveloped regions	2,165.64	100%	61.70%	41.45%	/	/	/	4,573	1,669	284,658	/	<div><div><div>5</div><div>Gender Equality</div></div><div><div>8</div><div>Decent Work and Economic Growth</div></div><div><div>1</div><div>No Poverty</div></div><div><div>10</div><div>Reduced Inequalities</div></div></div>

a/ Eligible category under the ICMA Green/ Social Bond Principles and LMA Green/ Social Loan Principles

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*EUR/RON = 4.9746 as of 31.12.2023

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Impact
overview

Portfolio date:

31 Dec. 2023

Eligible Project Category	Eligible Project Subcategory	Eligible portfolio	Eligibility for Sustainability Bonds	Share of Total Financing – pro-rata	Share of Total Financing for Bond: XS2724401588 - EUR 500m	Estimated annual GHG emissions reduced/ avoided	Total installed capacity	Estimated annual energy savings	Total contribution to Romanian gross output	Total contribution to Romanian GVA**	Workers supported	Other indicators (Healthcare & Education)	SGD Contribution
		EUR m*		%		tCO ₂ e/year	MW	MWh/year	EUR m	EUR m	#		
a/	b/	c/	d/	e/	f/	g/	g/	g/	g/	g/	g/	g/	
<div><div></div><div>Access to Healthcare</div></div>	Healthcare facilities	113.89	100%	3.24%	2.18%	/	/	/	/	/	/	2,875 beds	<div><div>3</div><div>IMPROVED HEALTHCARE SERVICES</div></div>
	Primary care facilities	8.63	100%	0.25%	0.17%	/	/	/	/	/	/	576,574 patients	
	Palliative care facilities	5.89	100%	0.17%	0.11%	/	/	/	/	/	/	471 beds	
	Dialysis and oncology facilities	17.73	100%	0.51%	0.34%	/	/	/	/	/	/	1 unit	
<div><div></div><div>Access to Education</div></div>	Education facilities	0.27	100%	0.01%	0.01%	/	/	/	/	/	/	2 projects	<div><div>4</div><div>QUALITY EDUCATION</div></div> <div><div>10</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div>
Total (all categories)		3,509.98	100%	100%	100%	178,108	802	28,216	6,286	2,309	393,086		

a/ Eligible category under the ICMA Green/ Social Bond Principles and LMA Green/ Social Loan Principles

b/ Eligible sub-category

c/ Signed amount represents the amount legally committed by the issuer for the portfolio or portfolio components eligible for Sustainability Bond financing

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- Estimated annual energy savings (MWh/year)
- Total contribution to Romanian gross output (EUR m)
- Total contribution to Romanian GVA (EUR m)
- Workers supported (#)
- Other indicators

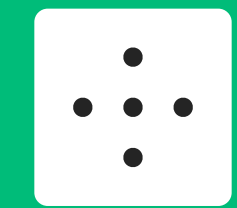
*EUR/RON = 4.9746 as of 31.12.2023

**GVA = gross value added

Impact per € mln of outstanding
BT Sustainability Bond
(40/60 Green/Social allocation)

Green Impact	p/€ mln impact tons of CO ₂ /year	189.88
	p/€ mln impact MWh of energy savings/year	30.08
Social Impact	p/€ mln impact Total contribution to Romanian gross output (EUR m)	1.20
	p/€ mln impact Total contribution to Romanian GVA (EUR m)	0.44
	p/€ mln impact number of workers supported	75.24
	p/€ mln impact # of patients (primary care facilities)	110.36
	p/€ mln impact # of beds (Healthcare & Palliative care)	0.64
	p/€ mln impact # of dialysis & oncology facilities	0.0002
	p/€ mln impact # of education facilities	0.0004





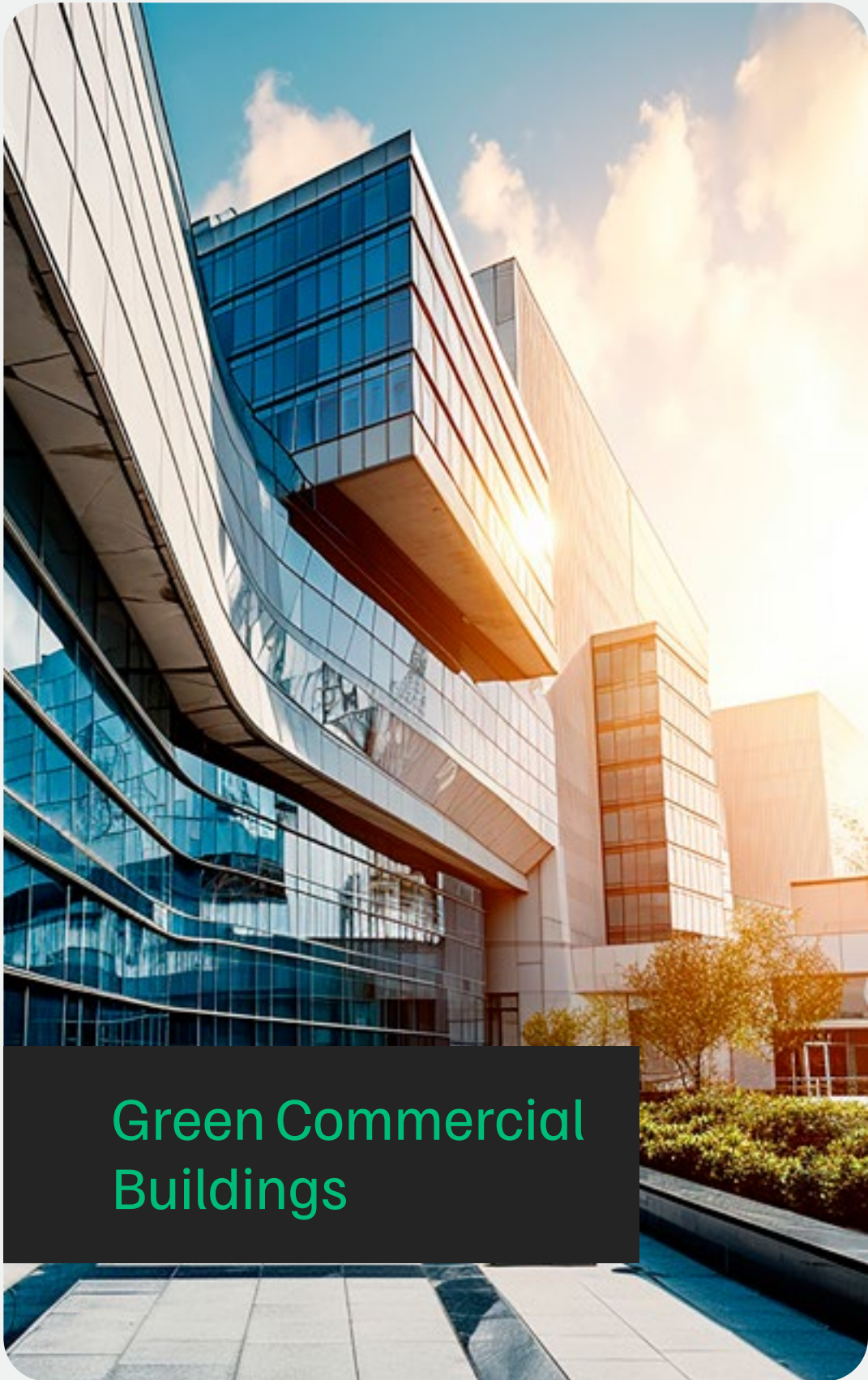
Green Eligible Loan Portfolio

Green Commercial Buildings

Renewable Energy

Green Residential Buildings

Green Eligible Loan Portfolio



Green Commercial Buildings

Allocation

Eligible Project Category	Eligible Project Subcategory	Eligible Project Subcategory Type	Allocated amount	Number of buildings	Floor Area
			EUR m	#	m²
<div></div> Green Buildings	Commercial	Hotel	5	2	6,496
		Office Building	58	9	96,740
		Production facility	10	4	24,037
		Retail Real Estate	77	18	80,090
Total			150	33	207,363

Green Buildings Certification	Allocated amount	Number of buildings	Floor Area
	EUR m	#	m²
BREEAM	73	15	127,272
EDGE	77	18	80,090
Total	150	33	207,363

A portion of the funds raised through the sustainable finance framework has been allocated to support the development of energy-efficient and environmentally friendly building projects. These green buildings aim to reduce carbon emissions and promote sustainable practices in the construction sector.

By funding energy-efficient building projects we can generate social positive impacts by reducing carbon emissions, improving air quality and promote resource conservation. We are investing responsibly with long-term positive outcome.



To assess the eligibility of loans for “green financing”, Banca Transilvania (BT) and its subsidiaries utilize the Climate Assessment for Financial Institutions (CAFI) application developed by the International Finance Corporation (IFC). This platform serves as a valuable tool for assessing the climate eligibility of financed projects and measuring their developmental impact.

The CAFI tool is a web-based platform that allows financial institutions to determine whether a project complies with internationally recognized criteria for climate finance, as defined by the [IFC's Definitions for Climate-Related Activities](#) and the [Common Principles for Climate Mitigation Finance Tracking](#). It facilitates the calculation of projects impacts using standardized methodologies. Currently, the CAFI solution is used by 254 partner financial institutions in 44 countries. CAFI follows publicly available methodologies harmonized among multilateral development banks. With over ten years of operational history, CAFI has undergone rigorous validation, earning a "reasonable assurance" certificate from an external auditor, which attests to the robustness of its methodology and accuracy.

The evaluation process of the projects begins with categorizing them into areas such as climate change adaptation, energy efficiency, green buildings, renewable energy, transport, water efficiency among others. The analysis is carried out using either a pre-established algorithm or by a panel of internal and external specialists, depending on the characteristics of each loan. This expert team determines whether a funded project can be classified as a green loan. More than 60 BT employees have been trained by IFC’s specialists to access the CAFI platform, enabling them to validate loans as "green financing".

Once a loan meets the CAFI criteria for the relevant categories, it is flagged in Banca Transilvania’s operational systems for identification, monitoring and reporting purposes.

The CAFI platform allows for reporting across a range of categories: adaptation, blue finance, energy efficiency, green buildings, renewable energy, transport, water efficiency, and more. However, only loans related to green buildings, renewable energy and transportation have been selected for inclusion in the Allocation and Impact Report after careful consideration that CAFI criteria align closely with those described in the Framework’s Use of Proceeds Section.

Impact

Eligible Project Subcategory Type	Green Buildings Certification	Allocated amount	Estimated annual GHG emissions reduced/ avoided	Estimated annual energy savings
		EUR m	tCO ₂ e/year	MWh/year
Hotel	BREEAM	5	152	458
Office Building	BREEAM	58	980	2,951
Production facility	BREEAM	10	108	325
Retail Real Estate	EDGE	77	1,981	5,337
Total		150	3,221	9,071

Renewable Energy

Allocation

As part of our commitment to tackling climate change, we have also invested in renewable energy projects. These investments will help accelerate the transition to clean energy sources such as solar, wind and hydro, and reduce dependence on fossil fuels.

By including renewable energy projects in our loan portfolio, we have diversified our risks and reduced our exposure to industries that may be negatively affected by climate change regulations or market shifts.

Supporting renewable energy projects demonstrates our commitment to sustainability and aligns our lending strategy with global efforts to combat climate change.

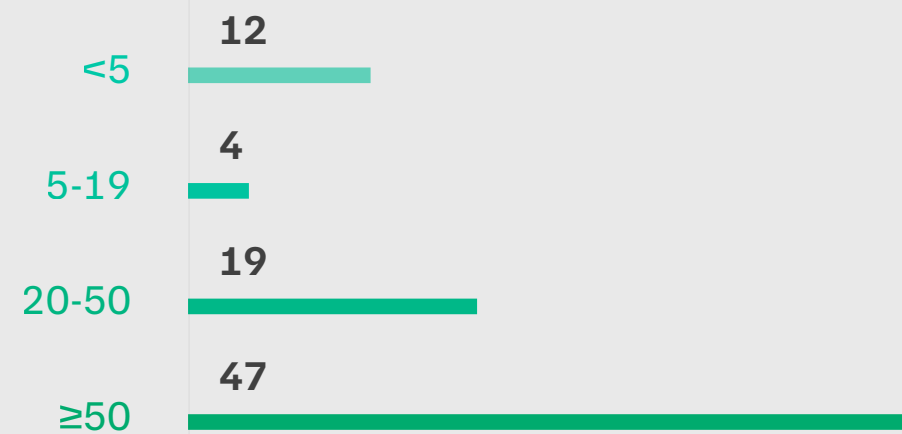
Impact

Classification based on the Installed capacity	Allocated amount	Estimated annual GHG emissions reduced/ avoided	Total installed capacity
MW	EUR m	tCO ₂ e/year	MW
<5	12	15,685	24
5-19	4	16,233	25
20-50	19	64,622	103
≥50	47	76,676	650
Total	82	173,216	802

Classification based on the Installed capacity

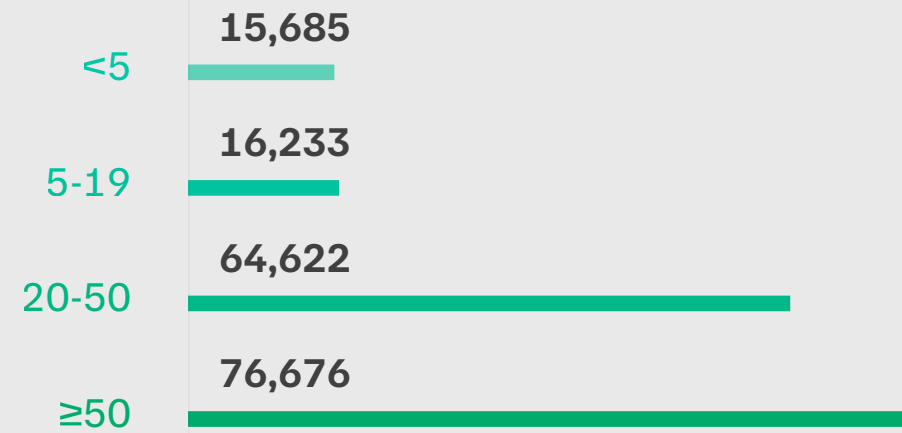
Allocated amount

EUR m



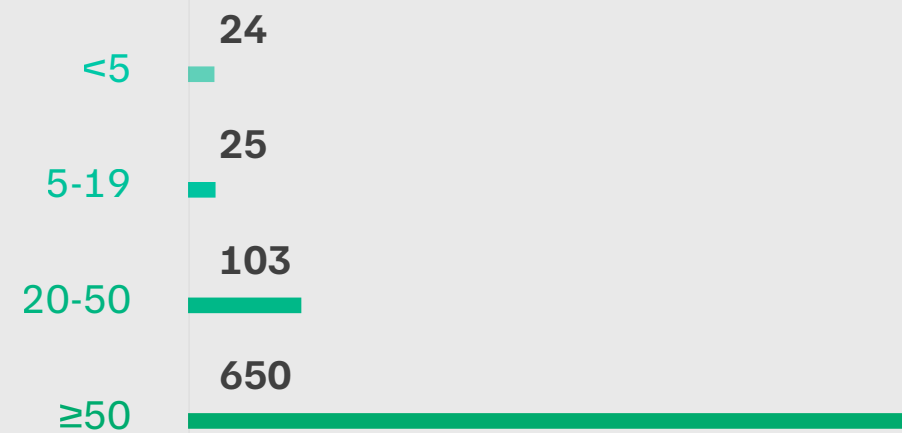
Estimated annual GHG emissions reduced/avoided

tCO₂e/year



Total installed capacity

MW



Aramis photovoltaic system for the green energy supply of an upholstered furniture factory production

The funding granted in 2022 consists of an investment to install a photovoltaic panel system to generate electricity on the roof of the production halls at the Aramis factory, one of the biggest European names in the furniture sector, which produces more than 4 million mattresses and upholstered furniture every year, delivered worldwide. This system, which will supply clean energy, will be integrated throughout the entire production cycle, starting from the primary processing of wood and textile materials for the covers, the assembly of semi-finished products to obtain finished products, their storage, and delivery to customers.

The photovoltaic system will consist of 8,166 photovoltaic panels, resulting in a minimum output of 4,451 kW. The company estimates a reduction in electricity consumption by approx. 4,880 MWH/year, representing 32.73% of annual electricity consumption.

The purpose of this investment is to cover the base of electricity consumption during the day, with peak consumption taken from the public electricity grid. Aramis' targets are ambitious: to reduce greenhouse gas consumption by 50% by 2030 (compared to 2020) and to identify raw materials from renewable sources that can be used in IKEA-branded products by at least 90%. Following the implementation of this investment, a reduction of greenhouse gas emissions in tons of CO₂ equivalent is 3,015 t/year.



Additional Sustainability indicators throughout the narrative/ [ICMA Harmonized Framework on impact Reporting](#)/ page 12 of the Handbook

1. Energy efficiency components produced or procured (m ² , m ³ , tonnes or %)	2. Annual GHG emissions reduced/avoided in tonnes of CO ₂ equivalent
ARAMIS/ The photovoltaic system will consist of 8,166 photovoltaic panels, resulting in a minimum output of 4,451 kW representing 32.73% of annual electricity consumption.	ARAMIS/ Following the implementation of this investment, a reduction of greenhouse gas emissions in tonnes of CO ₂ equivalent is 3,015 t/year.

Romaqua photovoltaic power plant to produce the energy needed by Borsec water bottling plants

In 2022 BT financed the second phase of construction of the 4.44 MW photovoltaic power plant in Sebes, to produce the energy needed by all the group's factories and locations. Upon completion and integration of the second project, Borsec, a Romaqua Group partner, will have a total installed capacity of 5.42 MWp, which will generate up to 7,085 MWh/year of electricity, thus reducing electricity costs and contribute to the achievement of carbon emission reduction targets of more than 1,870 tonnes per year.

The direct and indirect investments made by the Romaqua Group in terms of environmental protection are incorporated in technologies that lead to fuel and energy savings, pollution reduction, waste reduction, environmental projects, protection of natural reserves, or in the process of recovery of production waste.

Additional Sustainability indicators throughout the narrative/ [ICMA Harmonized Framework on impact Reporting](#)/ page 12 of the Handbook

- 1. Decrease in the carbon intensity factor (tCO₂e/MWh)

CO₂ reduction targets of more than 1,870 tonnes /year.

- 2. Capacity of renewable energy plant(s) constructed or rehabilitated in MW

Upon completion and integration of the second project, Borsec, a Romaqua Group partner, will have a total installed capacity of 5.42 MWp, which will generate up to 7,085 MWh/year of electricity.

ENGIE Romania

The ENGIE Romania Group is currently the largest player in the distribution and supply of natural gas in Romania, with over 2 million active customers, and is also present in the electricity supply segment. To accelerate the transition to a sustainable economy, the company has set ambitious targets for renewable energy generation capacity, aiming to develop 500 MW of capacity by 2025 and 1 GW by 2030.

We are proud to support the company's strategy of decarbonization and alignment with the EU's climate targets by financing the Ariceștii - Rahtivani project, which consists of a solar photovoltaic park with an installed capacity of 37 MW.

The park will be developed on an area of 57 ha and the estimated production is equivalent to the energy consumption of about 31,000 families. In addition, the increased green energy production capacity will enable the company to develop products that will, in turn, support its customers' decarbonization efforts by increasing the share of renewable energy in the total energy supplied.

Additional Sustainability indicators throughout the narrative/ [ICMA Harmonized Framework on impact Reporting](#)/ page 12 of the Handbook

- 1. Energy efficiency components produced or procured (m², m³, tonnes or %)

ENGIE / Develop 500 MW of capacity by 2025 and 1 GW by 2030.

- 2. Number of households served with energy efficiency solutions such as smart meters

Engie /The estimated production is equivalent to the energy consumption of about 31,000 families.

- 3. Area of land remediated/rehabilitated (m² / hectares)

Engie/ The park will be developed on an area of 57 ha.

Green Loans to Companies – Impact Methodology

The impact of our green loans granted to companies in terms of greenhouse gas (GHG) emissions reduction and energy savings is systematically computed using the Climate Adaptation Finance Initiative (CAFI), an established tool developed by the International Finance Corporation (IFC), a member of the World Bank Group.

The CAFI tool aligns with the International Financial Institutions' Guideline for a Harmonized Approach to GHG Accounting. This framework aims to standardize the measurement of GHG emissions and energy savings across investment projects, enhancing comparability and transparency among the various international financial institutions (IFIs) who have adopted the tool, thereby reinforcing the credibility and transparency of our sustainability initiatives. Through this rigorous approach, our bank strives to demonstrate its commitment to mitigating climate change and promoting sustainable energy practices.

Key Definitions:

- **Baseline Emissions:**
GHG emissions that would occur in the absence of the project, estimable as an annual average or for a specific year.
- **Assessment Boundary:**
The physical area that encompasses significant GHG emission sources affected by the project, including direct and indirect sources.
- **Project Emissions:**
GHG emissions occurring in a project scenario, estimated in metric tonnes of CO₂ equivalent.
- **Absolute Emissions:**
Total annual GHG emissions from Scope 1, and when applicable, Scope 2 and Scope 3 sources within the project boundary.
- **Relative Emissions:**
The difference between project emissions and baseline emissions, providing a measure of the project's impact.

GHG Reduced refers to the annualised estimations of greenhouse gas (GHG) emissions that reflect the difference between project emissions and baseline emissions within a specified assessment boundary.

This measurement quantifies the decrease in GHG emissions resulting from an investment project that implements practices or technologies that are more sustainable or efficient than those represented in the baseline scenario.

GHG Reduced is expressed in metric tonnes of CO₂ equivalent (tCO₂e) and calculated using established methodologies consistent with the latest international guidelines, such as those provided by the Intergovernmental Panel on Climate Change (IPCC).

Energy Saved refers to the quantified reduction in energy consumption resulting from the implementation of a specific project or initiative.

This measure reflects the difference between the energy usage levels under the project scenario compared to a defined baseline scenario, which represents the energy consumption that would have occurred without the investment.

Energy savings can include improvements from enhanced energy efficiency, the adoption of alternative energy sources, or the elimination of unnecessary energy expenditure, ultimately leading to a decrease in associated operational costs and resource depletion.

Energy Saved is typically expressed in appropriate units such as kilowatt-hours (kWh) or gigajoules (GJ), depending on the context of the project.

Green Residential Buildings

Allocation

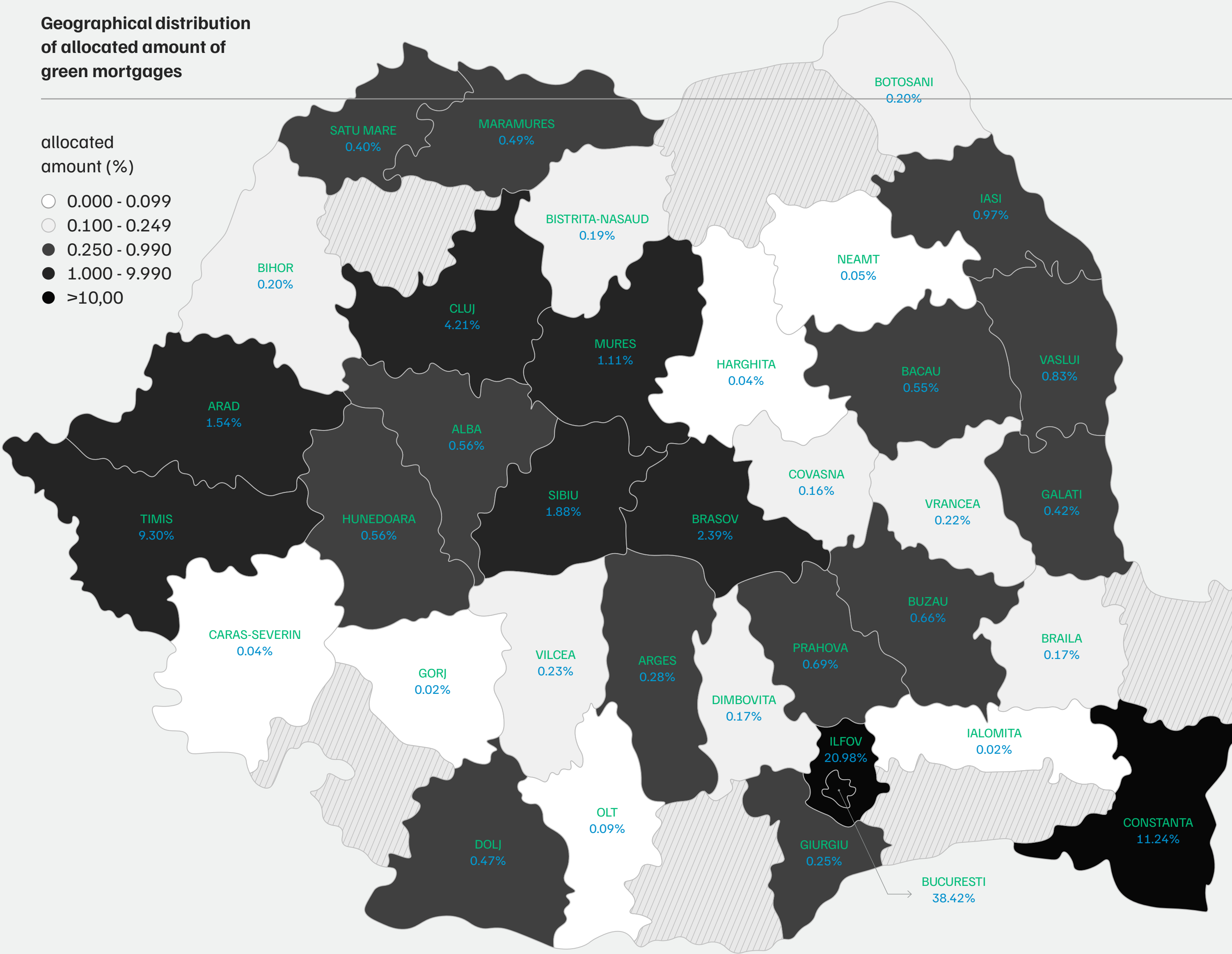
Eligible Project Category	Eligible Project Subcategory	Eligible Project Subcategory Type	Allocated amount	Number of loans	Floor Area
			EUR m	#	m²
<div></div> Green Buildings	Residential	Apartment	112	2,180	128,971
		House	32	404	52,024
Total			144	2,584	180,995



The mortgage portfolio was filtered in accordance with the criteria established in the Framework. Specifically, mortgages granted for the acquisition of energy-efficient homes, defined as those with an Energy Performance Certificate (EPC) label of A or higher, and constructed prior to December 31, 2020. The relevant data was collected from the energy performance certificates submitted by customers, which are retained within the credit files

Additionally, the year of construction is accurately recorded in the operational systems managing the collaterals, ensuring that the selection of green mortgages exclusively included properties built up to December 31, 2020.

Geographical distribution of allocated amount of green mortgages



Impact

Eligible Project Subcategory Type	Estimated annual GHG emissions reduced/ avoided	Estimated annual energy savings
	tCO ₂ e/year	MWh/year
Apartment	1,188.5	14,142.3
House	455.4	5,003.1
Total	1,643.9	19,145.4

The final energy consumption and the floor area of residential buildings, including both apartments and houses, were obtained from the energy performance certificate (EPC). CO₂ emissions for each building were also extracted from the EPC when available; if not, they were derived from our carbon footprint calculations as of 31 December 2023 in accordance with PCAF methodology (further details are described in our [2023 Sustainability report](#)).

The CO₂ emissions and final energy consumption figures were then compared to emission and energy benchmarks.

The emission benchmark of 39 kg/CO₂/m²/y was calculated based on 2021 data for Romania from Odyssee* database, by dividing the CO₂ emissions for residential buildings with the average floor area at national level.

The energy benchmark of 265 kWh/m²/y was extracted from 2021 data for Romania from Odyssee database and represents the residential unit consumption per m² with climatic corrections.

The results were adjusted by applying an attribution factor, which reflects the ratio of the outstanding financed amount (numerator) to the total value of the building (denominator).

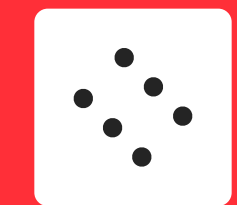
11 t CO₂/ year/ EUR estimated annual GHG emissions reduced/avoided for EUR 1 mn invested.

133 MWh/ year/ EUR estimated annual energy savings for EUR 1 mn invested.

$$\text{CO}_2 \text{ savings } \left(\frac{\text{tCO}_2}{\text{year}} \right) = - \frac{1}{1,000} \times \sum \left\{ \left[\text{CO}_2 \text{ emmissions per building } \left(\frac{\text{kgCO}_2}{\text{m}^2 \times \text{year}} \right) - \text{Emission benchmark } \left(\frac{\text{kgCO}_2}{\text{m}^2 \times \text{year}} \right) \right] \times \text{Floor area } (m^2) \times \text{BT Share} \right\}$$

$$\text{Final energy savings } \left(\frac{\text{MWh}}{\text{year}} \right) = - \frac{1}{1,000} \times \sum \left\{ \left[\text{Final energy per building } \left(\frac{\text{kWh}}{\text{m}^2 \times \text{year}} \right) - \text{Emission benchmark } \left(\frac{\text{kWh}}{\text{m}^2 \times \text{year}} \right) \right] \times \text{Floor area } (m^2) \times \text{BT Share} \right\}$$

*Odyssee, the European energy efficiency project | Enerdata



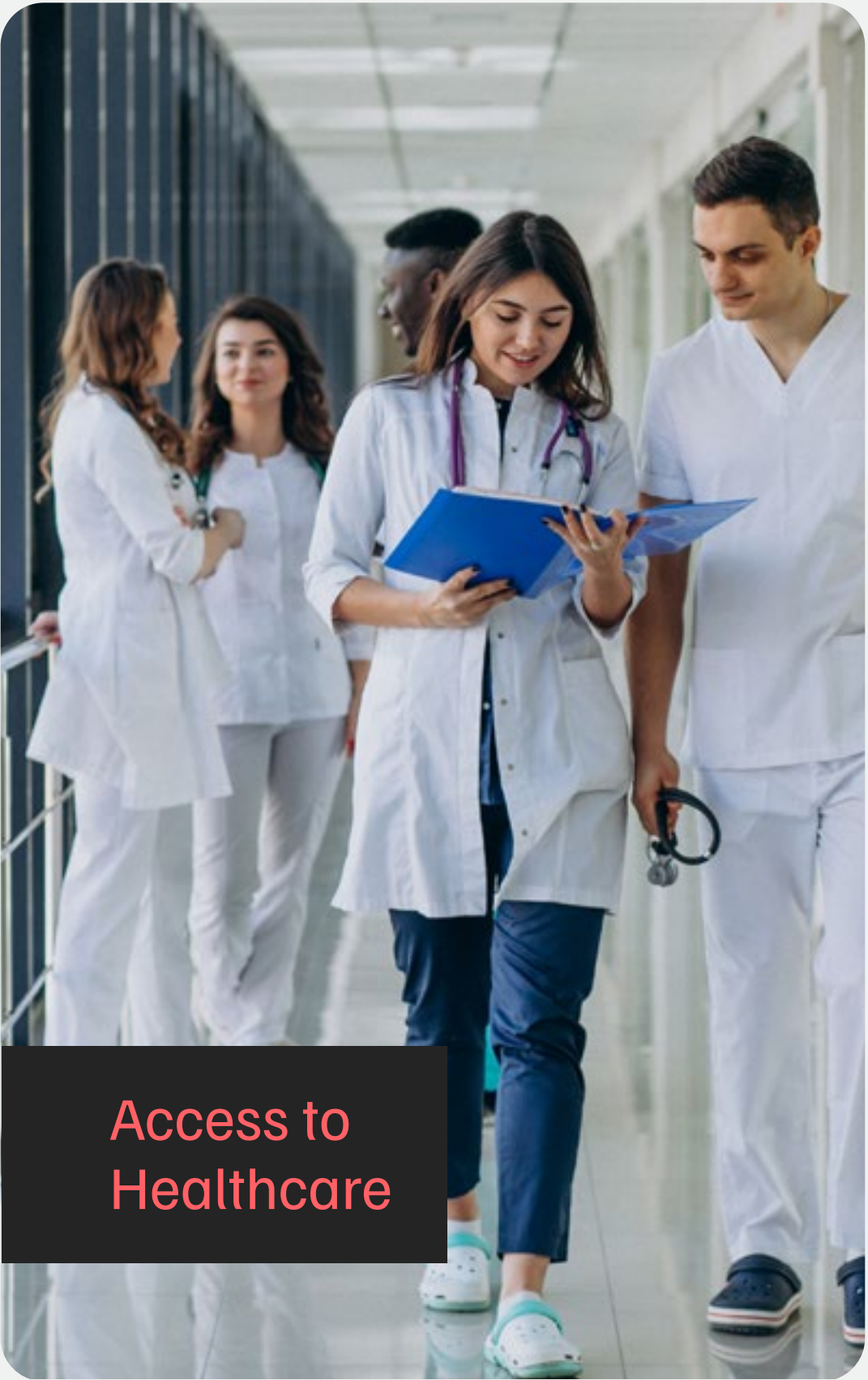
Social Eligible Loan Portfolio

Loans to MSEMÉ

Access to Healthcare

Access to Education

Social Eligible Loan Portfolio



Loans to MSEMSE

Allocation

For the purposes of this report, the definition of an MSME aligns with that of a European SME.

The main factors, as collected and stored in the operational systems, determining whether an enterprise is an SME are (i) staff headcount and (ii) either turnover or balance sheet total, are as follows:

Company category	Staff headcount	Turnover	or Balance sheet total
Medium-sized	< 250	≤ € 50 m	≤ € 43 m
Small	< 50	≤ € 10 m	≤ € 10 m
Micro	< 10	≤ € 2 m	≤ € 2 m

Regarding their geographic location, the methodology takes into account the country and region of the company's incorporation rather than the actual site of the financed project. This is based on data gathered and stored in the operational system from the corporate documents submitted by clients.

Socio-economically disadvantaged areas are identified as NUTS 2 (2021) regions, where: i) the GDP per capita is below the national average; and ii) the GDP purchasing power standard per capita is less than 75% of the EU-27 average.

The sub-categories of the MSME portfolio are determined based on the information collected and stored in the system related to the MSME's shareholders, specifically their gender and age (to identify female-owned and youth-owned businesses) as well as details about the MSME itself, such as the incorporation date (to classify start-ups), legal form of organization, and economic activity (to identify self-employed farmers and validate against Banca Transilvania's exclusion list.

In this report, self-employed farmers are identified as individuals registered as self-employed in the National Trade Registry, classified under the legal statuses of PFA (persoana fizica autorizata) or II (intreprindere individuala). It's important to note that the MSME classification for this group does not fully align with the definitions used in other reporting contexts, including regulatory reporting. Specifically, for self-employed farmers category, the MSME classification relies on criteria related to employee numbers and total revenues, which are sourced from data outside the entity's financials.

Impact

The impact assessment of Banca Transilvania SME lending portfolio financed by social bonds was, carried out by Cambridge Econometrics (CE), an expert consultant for impact analysis. The analysis focuses on loans provided to SMEs in Romania as at 31 December 2023 and estimates gross value added (GVA) and employment supported by lending to SMEs in Romania. For the detailed methodology click [here](#).

An input-output (I-O) analysis approach was used to estimate the employment and GVA impacts of supporting SMEs in the Romanian economy. These impacts arise from the SMEs' operations (expenditures), which create further spending in the Romanian economy. The I-O analysis revealed the following:

- Direct impacts: those that arise specifically from the lending to SMEs (and therefore the SMEs' spending) by sector.
- Indirect impacts: those generated when suppliers of goods and services must themselves purchase inputs from other sectors of the economy.
- Induced impacts: those produced by employees in sectors where the direct and indirect impacts take place, spending their additional wages and salaries on consumer products and services.

The analysis was based on the 2020 Romanian I-O table, and the results were adjusted for inflation and productivity by sector.

Limitations

There is a distinction between the new employment created by new (additional) activity supported by Banca Transilvania's loans and any existing employment retained (safeguarded) by the financial support provided by Banca Transilvania's loans. In cases in which the SMEs would not have been able to survive in the absence of Banca Transilvania financing, all the existing jobs would have been lost.

We estimate the employment supported by the value of Banca Transilvania loans (i.e. employment created and/or safeguarded). We cannot distinguish whether the loans create employment or safeguard existing jobs, and in fact some jobs could be both created and safeguarded.

Sector	NACE 1-digit	Total gross output impacts		Total GVA impacts		Total employment impacts		SME employees		Impacts	Gross output	GVA	Employment	GDP
		RON, millions	% of total	RON, millions	% of total	000s	% of total	000s	% of total					
Agriculture etc.	A	3,582.2	11.4	1,644.4	14.3	42.0	43.7	24.6	6.3	Direct	14,788.8	5,992.9	61.7	6,564.0
Extractive-related Activities	B	185.5	0.6	107.2	0.9	0.4	0.4	1.6	0.4	Indirect	8,038.2	3,528.4	21.1	3,864.7
Manufacturing	C	4,651.9	14.9	1,507.6	13.1	10.2	10.7	73.8	18.8	Induced	8,445.4	1,963.4	13.1	2,150.5
Electricity, gas & water	D-E	1,034.9	3.3	341.8	3.0	1.2	1.3	6.1	1.5	Total	31,272.4	11,484.7	95.9	12,579.2
Construction	F	2,091.6	6.7	615.3	5.4	4.1	4.3	60.1	15.3					
Distribution	G	5,436.5	17.4	2,323.3	20.2	14.3	14.9	88.5	22.5					
Transport & storage	H	2,127.9	6.8	800.3	7.0	5.0	5.2	47.2	12.0					
Accommodation & food services	I	958.3	3.1	429.8	3.7	5.2	5.4	28.5	7.2					
Information & communications	J	959.4	3.1	541.5	4.7	1.2	1.3	5.8	1.5					
Business Professional and Financial Services	K-N	4,107.6	13.1	2,171.2	18.9	4.7	5.0	33.3	8.5					
Public Administration	O-Q	1,207.5	3.8	746.0	6.5	6.0	6.2	16.7	4.3					
Other services	R-U	494.0	1.6	256.3	2.2	1.6	1.6	6.9	1.7					
Compensation of employees	-	4,435.1	14.2	-	-	-	-	-	-					
Total		31,272.4	100.0	11,484.7	100.0	95.9	100.0	393.1	100.0					

Access to Healthcare

Allocation

Banca Transilvania has identified healthcare as one of its key focus areas among various economic sectors. With over 17 years of active involvement in the healthcare market, Banca Transilvania has maintained its status as the leading lender in the medical sector, supporting more than 70,000 healthcare professionals and institutions, which accounts for 40% of the market. In 2023, the bank made a substantial contribution to the development of the Romanian private healthcare system by providing loans totaling RON 1.25 billion.

For the purpose of this report, the loans were selected by Banca Transilvania's specialized division, Divizia pentru Medici (DPM). All loans granted to healthcare facilities are flagged in the operational systems as managed by DPM. However, this report’s selection process, in addition to the DPM designation, also considered the affiliation with the national healthcare system, as outlined in the criteria depicted in the Framework. Therefore, only loans granted to healthcare facilities that are affiliated with the national healthcare system are included, regardless of whether these are privately owned hospitals, primary care centers, palliative care units, or dialysis and oncology facilities. This information is gathered and monitored by the specialized division based on documentation supplied by the healthcare facility.

Healthcare facilities – Allocation and Impact

Category/Geographical distribution	Outstanding balance	No. of Loans	No. of beds
	mil. EUR		
Healthcare facilities	113.89	73	2,875
ARAD	1.07	1	96
BACAU	1.48	3	74
BIHOR	1.76	4	158
BUCURESTI	91.79	34	1,953
CLUJ	9.78	11	72
DIMBOVITA	0.98	2	50
DOLJ	1.72	3	103
IASI	0.88	6	45
MARAMURES	0.78	6	28
MURES	3.66	3	296

Palliative care facilities	5.89	32	471
ARAD	3.81	20	212
BUCURESTI	0.36	2	85
MARAMURES	0.55	4	40
SIBIU	1.05	2	50
VILCEA	0.13	4	84
Dialysis and oncology facilities	17.73	7	N/A
BRASOV	17.73	7	N/A
Grand Total	137.51	112	3,346

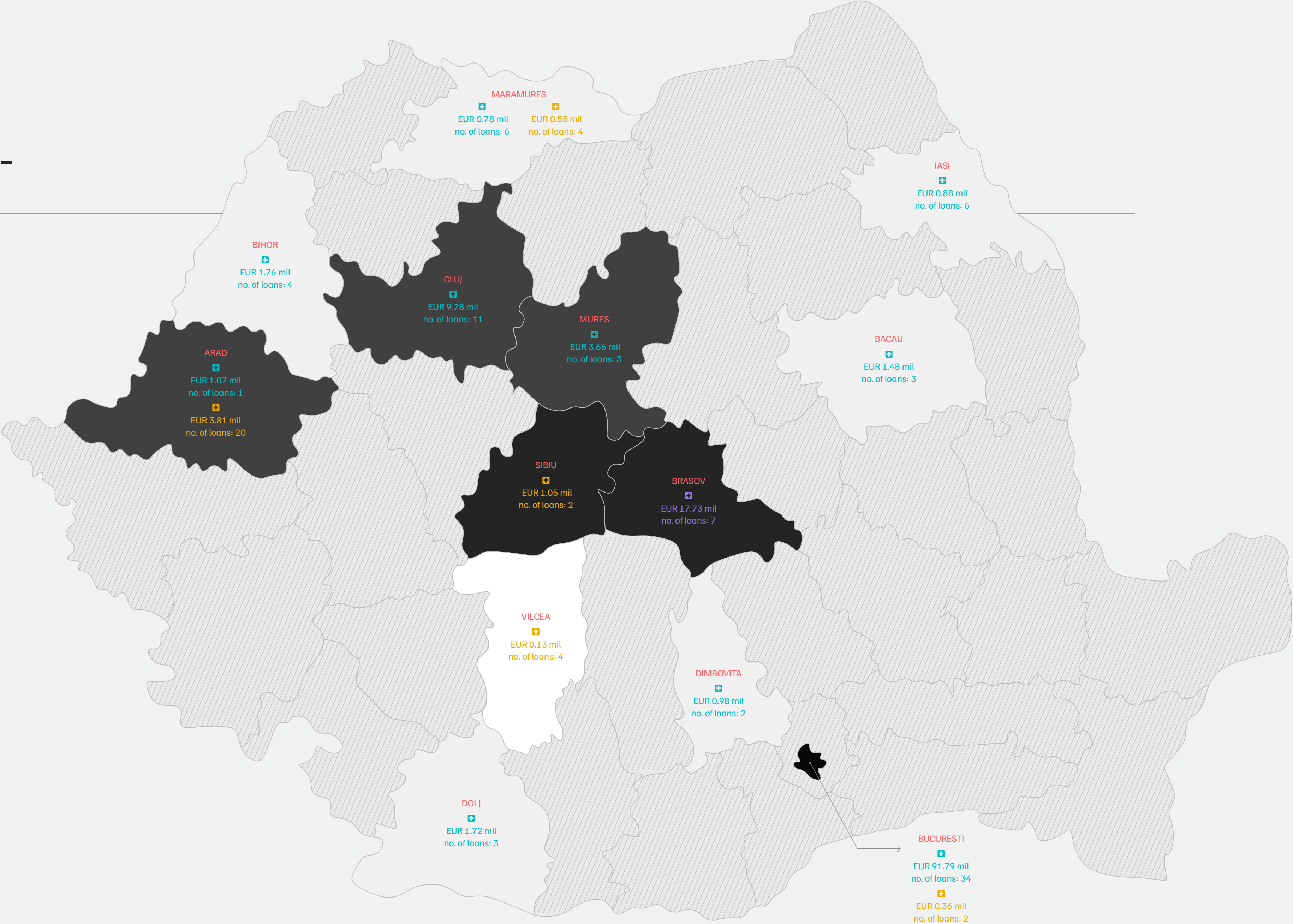
Healthcare facilities – Allocation

by outstanding
balance (mil. EUR)

- 0.00 - 0.49
- 0.50 - 1.99
- 2.00 - 9.99
- 10.00 - 19.99
- >20.00

- Healthcare facilities
- Palliative care facilities
- Dialysis and oncology facilities

- County
- Category
- Outstanding balance
- No. of loans



Healthcare facilities – Impact

no. of beds

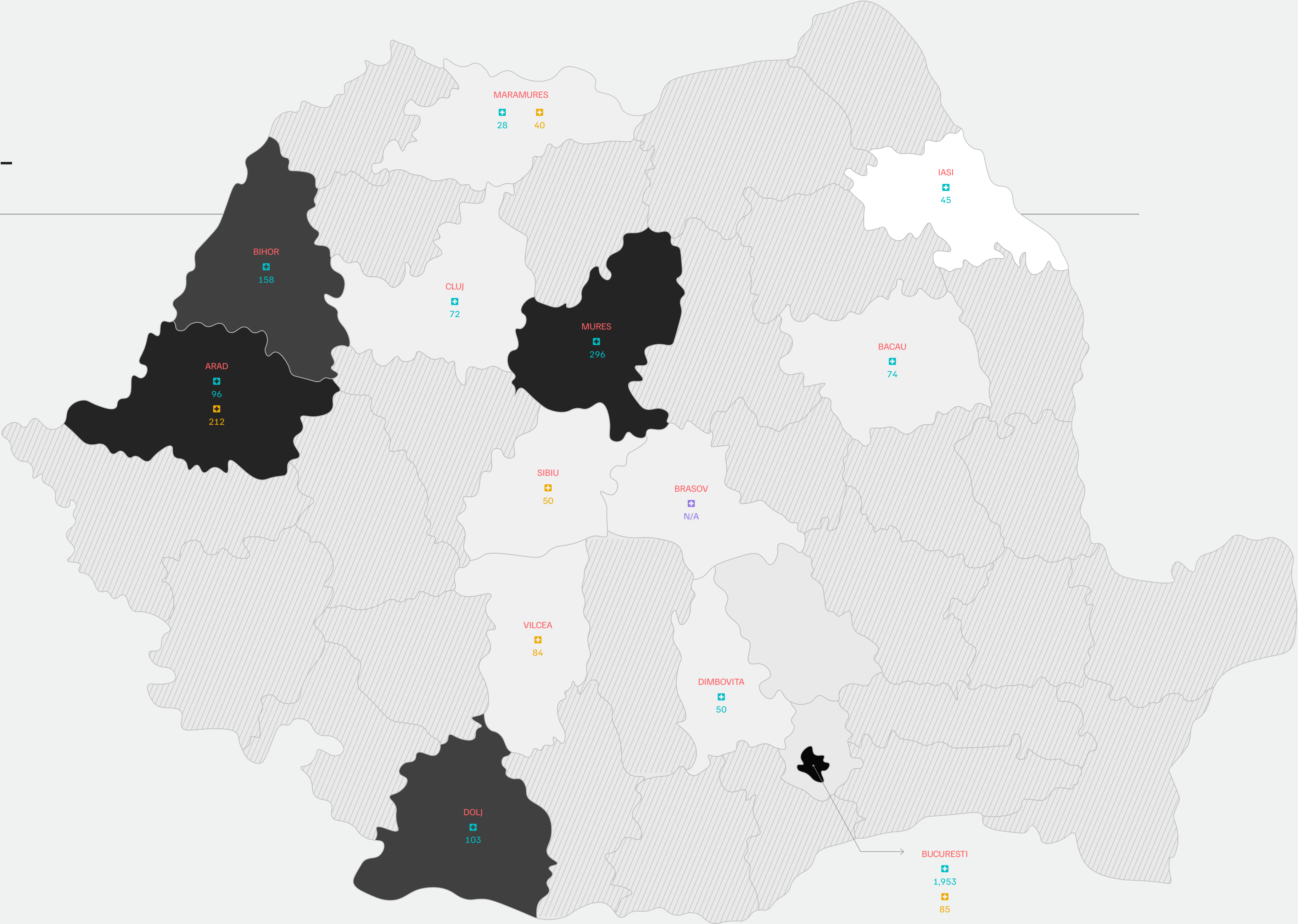
- 0 - 49
- 50 - 99
- 100 - 199
- 200 - 999
- >1,000

- Healthcare facilities
- Palliative care facilities
- Dialysis and oncology facilities

County

Category

No. of beds



Transylvania Medical Centre, Cluj-Napoca

The project entailed the financing of a research and development center for the diagnosis and treatment of cerebrovascular accidents, including the building and equipping with high-performance medical equipment (MRI, angiograph), as well as 2 4x4 ambulances.

The objective of the project is to develop and upgrade society's infrastructure and capacity, achievable by developing a Healthcare Research and Development Centre on one of the most common causes of morbidity and mortality in Romania - cerebral vascular accident (CVA), with specialized research departments where studies on neurovascular emergencies will be carried out.

Medima Health Group

The Jiu Imaging Centre is part of Medima Health - a national network of clinics of excellence in medical imaging and radiology, providing MRI/CT/PETCT services. The network of clinics operates in 18 cities in Romania, with 3 clinics in Bucharest.

Medima Health provides patients with access to high-performance imaging investigations, performed with modern technologies, at affordable prices and with no long waiting times.

Medima Jiului has the first open MRI in the Medima network. Open MRI helps patients suffering from claustrophobia, mobility, or weight issues as it offers the advantage of a comfortable and fast MRI examination. Compared to a conventional MRI, all sides are open, and it is more spacious. This helps to reduce anxiety throughout the imaging investigation, which helps perform complex investigations for different categories of patients. With the open MRI, medical investigations become easier, even among children.

The financing from the Bank consisted of an investment loan for the purchase of medical equipment.



Medima Health
#BTClients



Centrul Medical Laser System SRL

Established in 2000, the company operates in the healthcare sector, offering medical activities structured as follows:

Outpatient – at the headquarters in Arad, with 27 medical offices for specialties, such as: Allergology, Cardiology, Cosmetic and Reconstructive Surgery, General Surgery, Oral and Maxillofacial Surgery, Paediatric Surgery, Balneotherapy and Medical Recuperation, Dermatovenerology, Diabetes Mellitus, Nutrition and Metabolic Diseases, Gastroenterology, Endocrinology, Internal Medicine, Occupational Medicine, Neurosurgery, internal medicine, occupational medicine, neurosurgery, neurology, paediatric neuropsychiatry, obstetrics-gynaecology, otorhinolaryngology, paediatric orthopaedics, ophthalmology, orthopaedic traumatology, paediatrics, pneumology, psychiatry, psychology, stomatology, urology, paraclinical studies).

Para-clinical examinations at the Medical Analysis Laboratory in Arad. It is a RENAR certified laboratory, under contract with the Health Insurance House (CAS)

Medical-surgical interventions with day or extended hospitalisation at the hospital in Arad. The facility has a capacity of 24 beds for permanent hospitalisation and 12 beds for daily hospitalisation (obstetrics-gynaecology, gastroenterology).

Medical rehabilitation – in the treatment centre of Arad Hospital (orthopaedic rehabilitation - traumatology - neurology, balneology)

The number of patients per day is about 200-250/day in the outpatient centre and 120/day in the recovery room.

Elderly and palliative care at the Arad and Oradea centers. The palliative care hospital in Arad built in 2010 has a capacity of 116 beds and it has its own closed-circuit pharmacy. In Oradea the palliative care hospital has a capacity of 96 beds.

It partners with Regina Maria, Medicover, Medsana, Medisystem and Clinica Polisano national medical Networks. Also, in the field of health insurance, it has contractual partnerships with Allianz Tiriac, Interamerican, Eureko, Enima, Duna Signal and Omniasig, companies to which it provides its clients with medical expertise.

The Group

Policlinica Laser System established in 2009, providing specialised outpatient medical services, medical consultations and medical laboratory tests. The company has a contractual relationship with the Health Insurance House and is expanding its activities in the field of oncology, a specialisation that is poorly represented in Arad County, a department with a few wards in the county hospital.

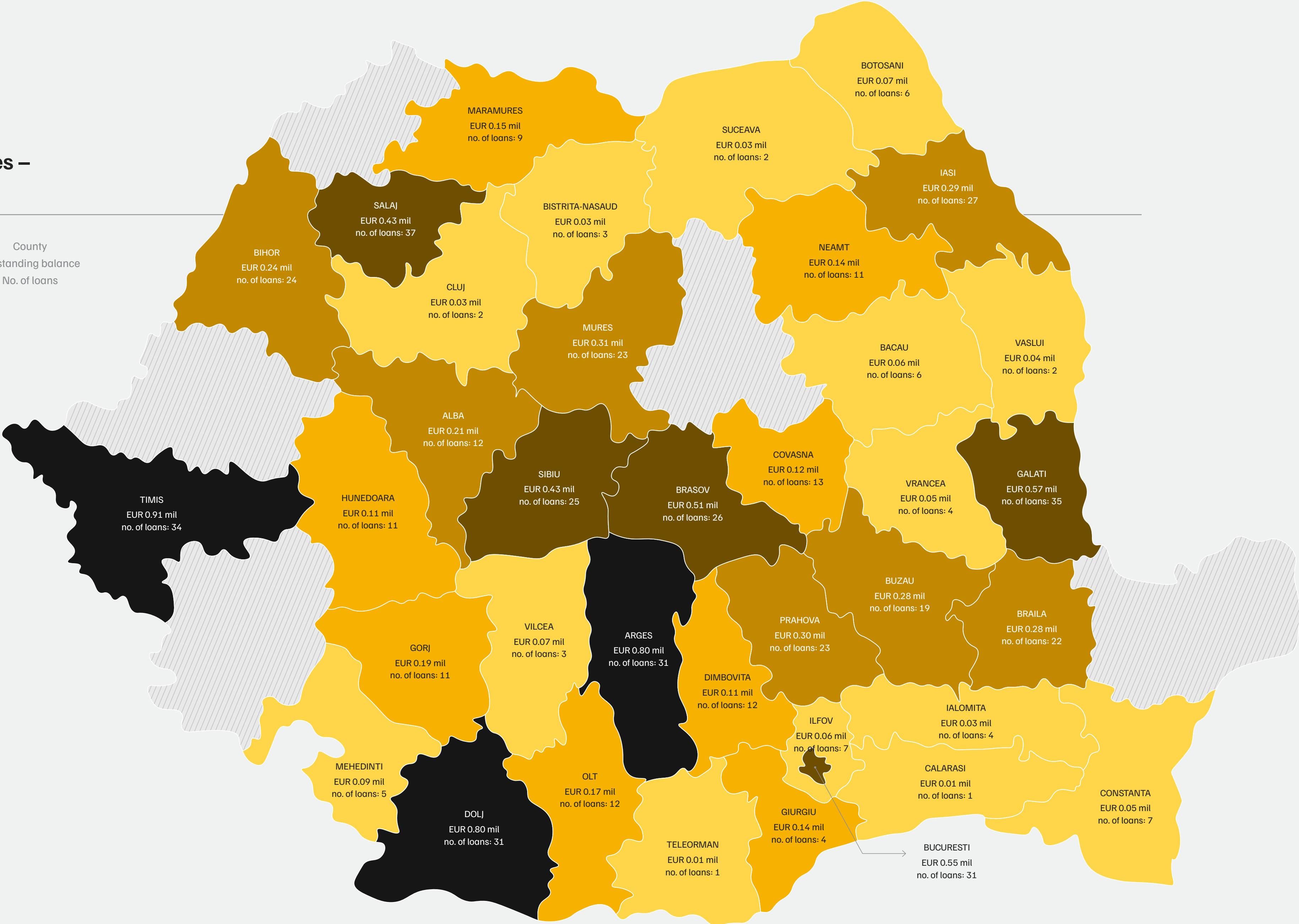
Laser Hospice - Hospital for the chronically ill - palliative care and recovery unit in Drobeta T. Severin. It has a capacity of 96 beds, with 100% occupancy rate and is under agreement with the Health Insurance House for all the beds.

Primary care facilities – Allocation

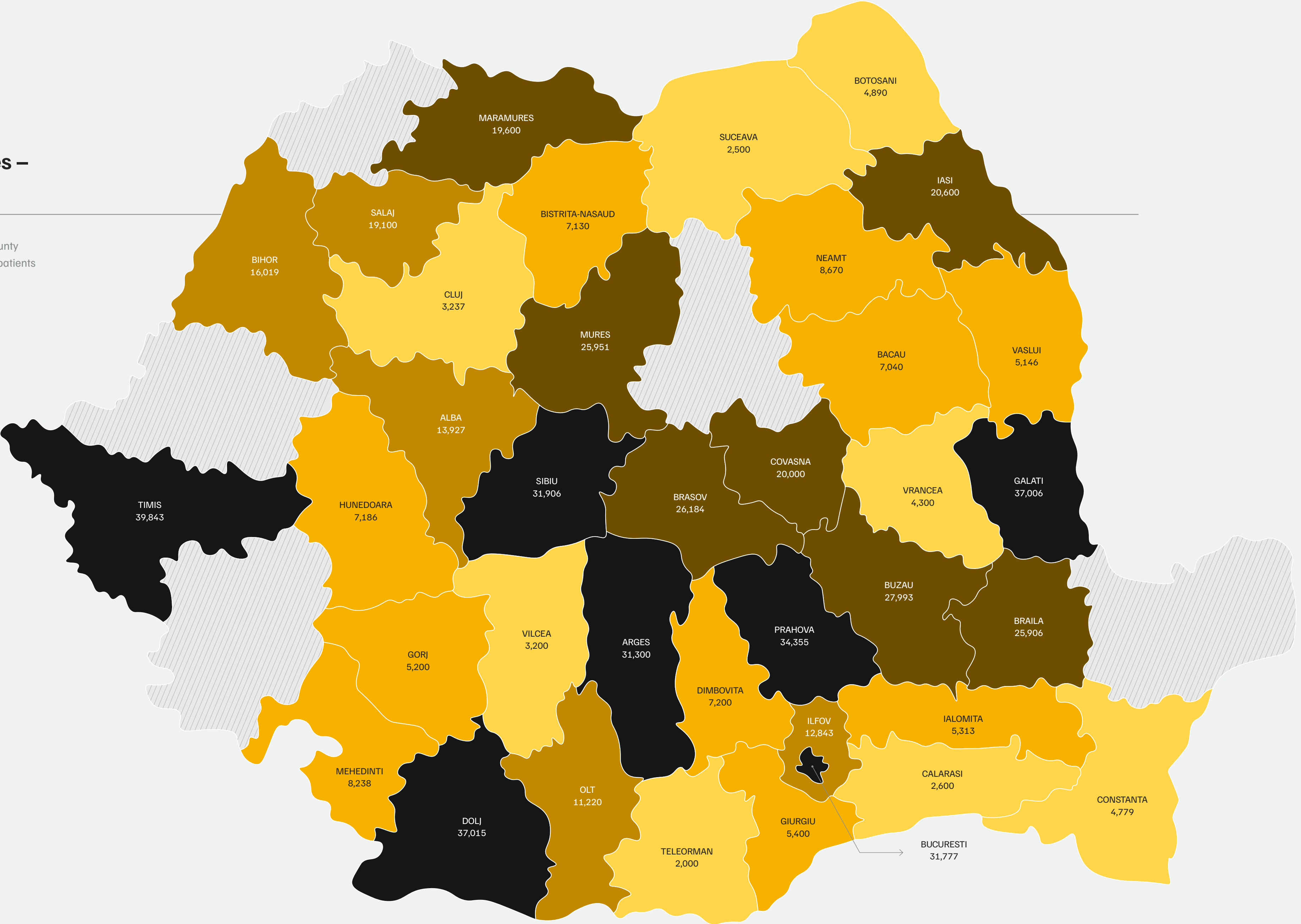
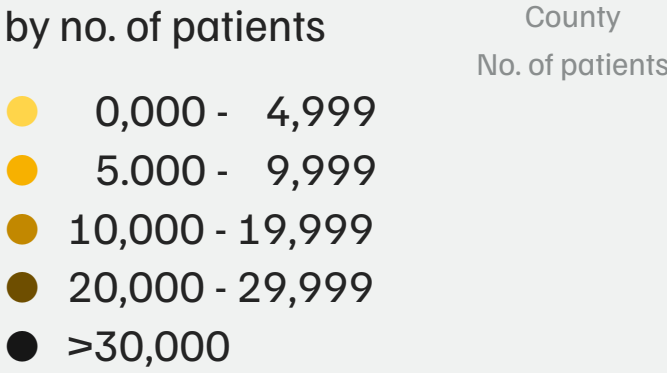
by outstanding amount (mil. EUR)

- 0.000 - 0.099
- 0.100 - 0.199
- 0.200 - 0.399
- 0.400 - 0.799
- >0.800

County
Outstanding balance
No. of loans



Primary care facilities –
Impact





We have put the spotlight on what matters for us the most, that is primary care, emphasizing the enormous role general practitioners have. There are 11,000 general practitioners (GP) in Romania. Almost 60% GPs will retire in the next few years, and many of the younger ones have gone abroad. Financing from the Health Insurance Fund is falling and too few GPs are willing to invest. They feel they don't get the attention and respect they deserve, that their role is too bureaucratic. A radical health policy would drive patients to primary care and encourage doctors to specialize and develop their professional and entrepreneurial skills.

And this is where we step in. We understand that GPs treat people, as well as diseases, and that our health depends on their invisible efforts. It is time to show our gratitude and support.

Access to Healthcare – Impact Methodology

Our primary objective with this financing is to strengthen the national healthcare system's capacity, ultimately enhancing patient care and improving access to vital medical services. We measure our impact using key performance indicators, such as the number of patients treated in primary care facilities and the total number of beds supported in healthcare and palliative care settings. Data on patient treatment numbers and bed capacity were gathered directly from our clients.

The financing provided to the dialysis and oncology facility has allowed us to make a meaningful contribution to specialized treatment services.

Access to Education

Allocation

Eligible loans in the Access to Education category are filtered according to economic activity (NACE code) and the classification as a public institution, as outlined in the Framework. While private educational institutions and facilities are a key focus of Banca Transilvania’s business strategy, they are not included in this Allocation and Impact Report. This exclusion is because they do not fully comply with the condition that such facilities must be accessible to the general public, regardless of individuals' ability to pay, and the assessment that these expenditures lack significant social impact.

The eligible loans that align with the aforementioned criteria were selected by the designated working group, and their selection and allocation were approved by the ESG Working Group of Banca Transilvania.

Impact

Banca Transilvania is committed to providing comprehensive financing solutions for public education facilities, including schools, universities, student housing, third-level education institutions, and vocational training centers, to support the development of educational infrastructure and improve access to education.

As of December 31, 2023, funding has been allocated to two public education projects.

CASE STUDIES EDUCATION

"Ep. Dr. Alexandru Rusu" School

The bank granted the school a 24-month line of credit of 400,000 lei, necessary for working capital, to pay the salaries of teaching and non-teaching staff, contributions to the state budget, utilities, and other expenses generated by the teaching activity.

In the 2021-2022 school year, the school had an enrolment of 204 children, including 91 preschoolers and 113 schoolchildren. 75% of the children enrolled in school and 80% of the children enrolled in kindergarten attend the after-school program.



INDEPENDENT LIMITED ASSURANCE REPORT

INDEPENDENT LIMITED ASSURANCE REPORT
(ISAE 3000 (REVISED))

To the Board of Directors of

Banca Transilvania S.A.

We have been requested to conduct a limited assurance engagement on the allocation of proceeds included in the Banca Transilvania S.A.’s Allocation and Impact Report of the Sustainable Bond ISIN XS2724401588 (referred here as the “Allocation Report”) issued by Banca Transilvania S.A. (the “Bank”) including financial information for the period ending 31 December 2023 in accordance with provisions of the Sustainable Finance Framework issued by the Bank in November 2023 (the “Framework”).

Responsibilities of the client

The Bank is responsible for the preparation of the Allocation Report in accordance with the Framework.

In preparing the Allocation Report, the board of directors of the Bank used Bank’s self-developed Framework.

This responsibility of the board of directors of the Bank includes the selection and application of appropriate methods for preparing the Allocation Report as well as making assumptions and estimates related to individual disclosures, which are reasonable in the circumstances. In addition, the board of directors is responsible for such internal control they have determined necessary to enable the preparation of the Sustainable Bond Report that is free from material misstatements, whether intentional or unintentional.

Responsibilities of the practitioner

Our engagement has been conducted in accordance with the International Standard on Assurance Engagements 3000 (Revised) applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) established by the International Auditing and Assurance Standards Board (“IAASB”). In accordance with this standard, we have planned and performed our engagement to obtain a limited assurance regarding the subject matter of the engagement.

We applied International Standard on Quality Management 1, Quality management for firms that perform audits and review of historical financial information, and other assurance and related services engagements (“ISQM1”), and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We complied with the applicable independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the “Code”). The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our limited assurance engagement was limited only to the allocation of proceeds in accordance with the Framework, and we did not address any other information included in the Allocation Report of the Bank as at December 31, 2023. Accordingly, our conclusion below applies only to the allocation of proceeds and not all data presented, or any other information included in the Allocation Report of the Bank.

The scope of our work

The scope of our work covered, among other, the following:

- Inspection of the section 3 of the Framework and respective information presented in the Bond Prospectus dated December 5, 2023, particularly the sections related to total Green Bond proceeds and its use.
- Conducting interviews with relevant Bank’s employees that participated in the preparation of the Allocation Report about the process of preparation, the measures on hand and precautionary measures (system) for the preparation of the Allocation Report.
- Understanding of the process for evaluation and selection of the eligible projects, which might be financed by the Sustainable Bond proceeds, and verify whether this process includes the eligibility criteria set out in the Framework. The eligible project, which might be financed by the Sustainable Bond proceeds, must be in line with the Framework.
- Inspection of the description of the projects financed and check project-related materials to determine eligibility in comparison with the of Framework to assess whether the Sustainable Bond proceeds have been allocated in accordance with the Framework on sample basis.
- Evaluation, on sample basis, that the Sustainable Bond proceeds have been used in line with the rules to (re)finance relevant project expenditures in line with the rules specified in the Framework.
- Verification that the nominal amount balance of Sustainable Bond proceeds corresponds to the aggregate nominal amount as per the Sustainable Bond Prospectus for issuance of the Sustainable Bond.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

In a limited assurance engagement, the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

The procedures performed do not constitute an audit according to the International Standards on Auditing, nor an examination of the effectiveness of the Bank’s internal control systems, or an examination of compliance with laws, regulations, or other matters. Accordingly, our performance of the procedures does not result in the expression of an opinion, or any other form of assurance on the Bank’s internal control systems or its compliance with laws, regulations, or other matters.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Inherent limitations

There are no globally recognized mandatory practices for evaluating and measuring the information disclosed in the Allocation Report. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time. The basis for reported allocation of Bond proceeds may differ between different reporting frameworks, including whether proceeds may be allocated to existing projects or only to new projects, and the basis on which eligibility of projects is determined. Moreover, the process which the Bank adopts to define, gather, and report data on its non-financial performance is not subject to the formal processes adopted for financial reporting. Therefore, Bank’s reported allocation of Bond proceeds and our assurance thereon must be read and understood in conjunction with the Framework.

Conclusion

Based on the procedures performed and the evidence obtained, nothing came to our attention that causes us to believe that the allocation of proceeds included in the Allocation Report for the period ending 31 December 2023, have not been prepared and presented, in all material respects, according to section 3 of the Sustainable Finance Framework issued by the Bank in November 2023.

Purpose of the report and liability

We issue this report on the basis of the engagement agreed with Banca Transilvania S.A. The limited assurance engagement has been performed for purposes of Banca Transilvania S.A. and the report is solely intended to inform Banca Transilvania S.A. on the results of this limited assurance engagement and shall not be used for any other purpose. Our report shall not be deemed adequate for use by any party that wishes to acquire rights towards us, other than the Bank, for any purpose or in any context.

This report is therefore not intended to provide third parties with support in making any investment or financial decisions. Our responsibility with respect to our Client, i.e., Banca Transilvania S.A. is governed by the Engagement Letter dated 28 August 2024. We do not assume any responsibility to any third party.

Any party other than the Bank, which gains access to our report or a copy hereof and choses to rely on our report (or a portion hereof), shall do so on its own responsibility. Our engagement was conducted so as to report on such matters that we must report in an independent limited assurance report, and not for other purposes.

On behalf of:
Deloitte Audit SRL

Irina Dobre

For signature, please refer to the original Romanian version.

Bucharest, Romania
September 23, 2024



Banca oamenilor
întreprinzători

