

BI-ANNUAL REPORT, as at 30 June 2020

Semestrial report, as per A.S.F. regulation no.5/2018

Report date: August 14, 2020

Name of the company: BANCA TRANSILVANIA S.A.

Registered office: no.8 G.Baritiu str., Cluj-Napoca, jud. Cluj, postal code 400027

Phone/fax: 0264.407.150; 0264.407.179

Tax identification no: RO 5022670

Trade Register no: J12/4155/16.12.1993

Registered capital, subscribed and paid: RON 5,216,090,590

The regulated market where the issued securities are traded: Bucharest Stock Exchange

Main features of the securities issued by the company:

5,216,090,590 nominal shares with a par value of RON 1/share.

I. Significant events in the first 6 months of 2020

Amendments brought to the Articles of Association:

Following the decision of the General Meeting of Shareholders as at 29.04.2020, it was decided to increase the share capital with the amount of RON 521.609.059 by issuing 521.609.059 new shares, at a nominal value of RON 1/share. The legal procedures for the registration of the share capital increase required by the capital market authorities (the Financial Supervision Authority, the Central Depository) are to be completed in early October 2020.

By means of the same Decision, it has been approved the change to art. 14 – Leaders’ Committee from the Articles of Incorporation, as follows:

Leaders’ Committee

The management, organization and coordination of the bank’s current business is ensured by the leaders (directors) of the bank (Chief Executive Officers and deputy CEOs), appointed by the Board

of Directors, who together form the Leaders' Committee. The Chief Executive Officer and deputy CEOs will form together the Leaders' Committee. The Board of Directors mandates the bank's leaders to exercise jointly the powers of organization and management of the bank's activity. The bank leaders are vested with the rights, obligations and responsibilities provided in the relevant legislation and the Articles of Association for the activities they coordinate according to the bank's organization chart, including the right to represent the Bank in relation to third parties. The leaders may, based on the received mandate, delegate some of their responsibilities in a clear and transparent way to specific committees/other structures or individually the Banks' employees. The Leaders' Committee shall adopt decisions by consensus; in case of disagreement, the subject will be forwarded to the Board of Directors. The Bank is validly bound in property related operations and current business in line with the internal regulations.

Acquisitions performed by Banca Transilvania in the first 6 months of 2020:

Not the case.

Main transactions regarding affiliates:

Last year in October a firm commitment was signed for the acquisition of Certinvest Pensii, the only local player among pension fund managers in Romania, and, in the first half of 2020, following the approval of transferring 95.1% of the company's share capital to BT Asset Management SAI SA and 4.9% to BT Investment S.R.L., falls within the consolidation perimeter of the BT Group. Also, the name of the company was changed from "Certinvest Pensii Societate de Administrare a Fonduri de Pensii Facultative S.A." in "BT Pensii - Societatea de Administrare a Fonduri de Pensii Facultative S.A.".

Risk Management

The management of Banca Transilvania S.A. continuously assesses the risks likely to affect the bank's business and goals and takes actions whenever any changes appear in its business conditions.

The main risks and uncertainties identified for the next 6 months of 2020:

- Depreciation of the national currency against the euro;
- Fluctuations of supply costs/resource costs;
- Significant economic effects of the Covid-19 pandemic (financial blockage at the level of companies, decrease in consumption and further damages to certain economic sectors (hospitality, passengers transport, entertainment services, etc.);
- Impact on the volumes of financing granted due to the increase in the number of ineligible clients (as a result of the deterioration of the balance sheet positions/creditworthiness);

- On the medium term, non-performing credit rates may be affected, depending on the consequence of the pandemic on the economy.

II. Detailed information

1. Statement of Financial Position

1.1.a.1 Assets, liabilities and equity at bank level

The financial position of the bank at the end of the first semester 2020, compared to the same period of last year, is the following:

Bank Indicators (RON thousands)	Jun-20	Dec-19	Jun-19	Jun-20 vs Dec-19%	Jun-20 vs Jun-19%
Cash and cash equivalents	14,237,537	13,480,195	10,641,713	5.6%	33.8%
Derivatives	14,193	4,803	6,929	195.5%	104.8%
Financial assets held for trading and measured at fair value through profit or loss	16,422	17,509	14,797	-6.2%	11.0%
Financial assets measured mandatorily at fair value through profit or loss	1,292,490	1,148,691	695,604	12.5%	85.8%
Financial assets measured at fair value through other comprehensive income	26,262,827	23,637,807	19,820,422	11.1%	32.5%
- of which pledged securities (repo agreements)	2,605,615	-	87,377		2,882.0%
Financial assets at amortized cost - of which:	50,335,223	47,412,890	44,723,125	6.2%	12.5%
- Placements with banks	9,575,543	6,995,346	4,732,235	36.9%	102.3%
- Loans and advances to customers	38,951,420	38,601,915	37,709,488	0.9%	3.3%
- Debt instruments	1,191,160	1,176,834	1,357,614	1.2%	-12.3%
- Other financial assets	617,100	638,795	923,788	-3.4%	-33.2%
Equity investments	486,360	486,360	537,677	0.0%	-9.5%
Property and equipment and investment property	580,707	575,038	508,124	1.0%	14.3%
Intangible assets	214,648	202,345	257,245	6.1%	-16.6%
Right-of-use assets	373,879	366,212	433,247	2.1%	-13.7%
Other non-financial assets	113,285	106,225	99,416	6.6%	14.0%
Total assets	93,927,571	87,438,075	77,738,299	7.4%	20.8%

Bank Indicators (RON thousands)	Jun-20	Dec-19	Jun-19	Jun-20 vs Dec-19%	Jun-20 vs Jun-19%
Deposits from banks	411,777	304,461	260,443	35.2%	58.1%
Deposits from customers	77,126,529	74,353,723	64,857,337	3.7%	18.9%

Loans from banks and other financial institutions	3,679,426	895,673	1,043,636	310.8%	252.6%
Subordinated liabilities	1,670,094	1,696,602	1,677,894	-1.6%	-0.5%
Current tax liability	47,760	38,130	106,760	25.3%	-55.3%
Deferred tax liability	567	7,899	9,016	-92.8%	-93.7%
Provisions for other risks and loan commitments	494,981	498,457	441,995	-0.7%	12.0%
Financial liabilities held-for-trading	34,283	12,331	10,515	178.0%	226.0%
Lease liabilities	379,558	365,931	430,988	3.7%	-11.9%
Other financial liabilities	1,523,721	689,531	1,059,606	121.0%	43.8%
Other non-financial liabilities	86,034	78,894	105,549	9.1%	-18.5%
Total liabilities excluding financial liabilities to holders of fund units	85,454,730	78,941,632	70,003,739	8.3%	22.1%
Total liabilities	85,454,730	78,941,632	70,003,739	8.3%	22.1%
Share capital	5,302,592	5,302,419	4,901,594	0.0%	8.2%
Treasury shares	0	(48,655)	0	-100.0%	
Share premiums	28,614	28,396	28,396	0.8%	0.8%
Retained earnings	2,357,574	2,376,845	2,076,958	-0.8%	13.5%
Revaluation reserves from tangible assets	20,059	20,710	20,139	-3.1%	-0.4%
Reserves on financial assets measured at fair value through other items of comprehensive income	96,108	148,834	133,936	-35.4%	-28.2%
Other reserves	667,894	667,894	573,537	0.0%	16.5%
Total equity	8,472,841	8,496,443	7,734,560	-0.3%	9.5%
Total liabilities and equity	93,927,571	87,438,075	77,738,299	7.4%	20.8%

At the end of the first 6 months of 2020, the bank's assets are in amount of RON 93,927.57 million, 20.8% higher than in the same period of the previous year and 7.4% higher as compared with the end of year 2019.

Significant increases were registered for the following assets categories:

- In the first semester of 2020, net loans accounted RON 38,951.42 million, increasing by 3.3% compared to 30.06.2019, and as compared to December 2019 loans granted to customers recorded a lower increase of 0.9%, because of the unfavorable economic context generated by the COVID-19 pandemic;
- Cash and cash equivalents, which increased by 33.8% compared to the same period of last year, reaching RON 14,237.54 million on 30.06.2020 compared to RON 10,641.71 million on 30.06.2019;
- Bank placements in the first semester of 2020 represent RON 9,575.54 million, increasing by 102.3% as compared to the same period of the previous year and by 36.9% as compared to end of year 2019, mainly due to higher placements to credit institutions;

- The balance of financial assets measured at fair value through other comprehensive income increased by approximately 33% compared to the same period of last year, reaching RON 26,262.83 million, respectively by 11.1% compared to the end of the previous year, as a result of the increase in the government securities portfolio.

More than 68,500 new loans were granted to individuals and corporates during the first semester of 2020.

The rate of NPE according to EBA is 4.35% as of June 30, 2020.

The loans to deposits ratio at the end of June 2020 is 54%.

The bank's solvency calculated as at June 30, 2020, taking into account the cumulative profit for the first semester of 2020, is 20.91% (19.67% without including the profit), comfortably above the 8% minimum reference threshold - the adequacy of own funds, required by the Regulation (EU) no. 575/2013 on prudential requirements for credit institutions, which applies starting with 2014.

The financial data of Banca Transilvania S.A. confirm that the bank has adequate capitalization and a comfortable level of liquidity.

The equity of Banca Transilvania S.A. on June 30, 2020 amounts RON 8,472.84 million, showing a 9.5% increase compared to the same period of last year, when it amounted RON 7,734.54 million.

The Extraordinary General Meeting of Shareholders of Banca Transilvania from April 29, 2020, approved the granting of dividends amounting RON 600,000,000 the gross dividend/share amounting RON 0.1150286771 as well as the granting of free shares by increasing the share capital with the amount of RON 521,609,059 by issuing 521,609,059 new shares with a nominal value of RON 1/share.

We state that the bank's shareholding structure is constantly changing due to the fact that Banca Transilvania's shares are traded on the securities market, in compliance with the provisions of Law 52/1994 and the Norms of A.S.F. Currently, Banca Transilvania's shares are listed on the Bucharest Stock Exchange, Category I.

The structure of Banca Transilvania S.A. shareholders as at June 30, 2020 is presented in the Annex to this document.

1.1.a.2 Assets, liabilities and equity at the group level

Group BT Indicators (RON thousands)	Jun-20	Dec-19	Jun-19	Jun-20 vs Dec-19%	Jun-20 vs Jun-19%
Cash and cash equivalents	15,220,340	14,583,143	11,648,252	4.4%	30.7%
Derivatives	14,193	4,803	6,929	195.5%	104.8%
Financial assets held for trading and measured at fair value through profit or loss	254,554	272,607	199,089	-6.6%	27.9%
Financial assets measured mandatorily at fair value through profit or loss	1,054,958	877,989	551,594	20.2%	91.3%
Financial assets measured at fair value through other comprehensive income	26,286,018	23,658,311	19,832,456	11.1%	32.5%
- of which pledged securities (repo agreements)	2,605,615	-	87,377		2,882.0%
Financial assets at amortized cost - of which:	52,806,041	49,606,584	47,769,815	6.4%	10.5%
- Placements with banks	10,355,506	7,775,140	5,464,517	33.2%	89.5%
- Loans and advances to customers	39,568,051	39,175,404	38,169,118	1.0%	3.7%
- Debt instruments	2,210,487	1,968,031	2,074,337	12.3%	6.6%
- Other financial assets	671,997	688,009	965,143	-2.3%	-30.4%
Finance lease receivables	1,174,340	1,178,443	1,096,700	-0.3%	7.1%
Investment in Associate	2,317	3,316		-30.1%	
Property and equipment and investment property	781,174	727,526	643,343	7.4%	21.4%
Intangible assets	251,442	235,429	287,201	6.8%	-12.5%
Goodwill	13,913	10,478	4,295	32.8%	223.9%
Right-of-use assets	393,543	388,025	456,311	1.4%	-13.8%
Deferred tax assets	23,007	16,755	-	37.3%	
Other non-financial assets	164,951	158,872	166,015	3.8%	-0.6%
Total assets	98,440,791	91,722,281	81,565,300	7.3%	20.7%

Group BT Indicators (RON thousands)	Jun-20	Dec-19	Jun-19	Jun-20 vs Dec-19%	Jun-20 vs Jun-19%
Deposits from banks	402,858	296,138	249,286	36.0%	61.6%
Deposits from customers	79,992,860	77,037,060	67,380,562	3.8%	18.7%
Loans from banks and other financial institutions	4,225,788	1,473,920	1,544,051	186.7%	173.7%
Subordinated liabilities	1,673,561	1,700,207	1,681,641	-1.6%	-0.5%
Current tax liability	48,794	42,203	109,086	15.6%	-55.3%
Deferred tax liability	-	-	736		-100.0%
Provisions for other risks and loan commitments	518,060	533,881	463,717	-3.0%	11.7%
Financial liabilities held-for-trading	34,283	12,331	10,515	178.0%	226.0%
Lease liabilities	399,183	387,441	454,692	3.0%	-12.2%
Other financial liabilities	1,739,027	909,100	1,247,015	91.3%	39.5%

Other non-financial liabilities	111,881	112,012	130,286	-0.1%	-14.1%
Total liabilities excluding financial liabilities to holders of fund units	89,146,295	82,504,293	73,271,587	8.1%	21.7%
Financial liabilities to holders of fund units	15,338	4,152	19,147	269.4%	-19.9%
Total liabilities	89,161,633	82,508,445	73,290,734	8.1%	21.7%
Share capital	5,302,592	5,302,419	4,901,594	0.0%	8.2%
Treasury shares	(15,287)	(63,942)	(15,287)	-76.1%	0.0%
Share premiums	31,235	31,016	27,643	0.7%	13.0%
Retained earnings	2,757,378	2,708,300	2,286,523	1.8%	20.6%
Revaluation reserves from tangible assets	17,167	17,818	17,264	-3.7%	-0.6%
Reserves on financial assets measured at fair value through other items of comprehensive income	95,173	147,904	133,834	-35.7%	-28.9%
Other reserves	689,785	687,727	591,403	0.3%	16.6%
Total equity attributable to equity holders of the Bank	8,878,043	8,831,242	7,942,974	0.5%	11.8%
Non-controlling interest	401,115	382,594	331,592	4.8%	21.0%
Total equity	9,279,158	9,213,836	8,274,566	0.7%	12.1%
Total liabilities and equity	98,440,791	91,722,281	81,565,300	7.3%	20.7%

The group ended the first semester of 2020 with RON 98.4 billion worth of assets, of which RON 93.9 billion are the bank total assets, net loans (including leasing receivables) accounting for 41.4% of group's assets.

As at June 30, 2020, the weight of Banca Transilvania's assets in the total assets of the group was 95.4%.

1.1.b. Profit and loss account

The main elements of the Individual Profit and Loss Account as compared to the same period last year, are as follows:

Indicators (RON thousands)	Bank		Jun-20 vs Jun-19%	Group		Jun-20 vs Jun-19%
	Jun-20	Jun-19		Jun-20	Jun-19	
Interest income calculated using the effective interest method	1,621,956	1,564,533	3.7%	1,761,762	1,712,520	2.9%
Other similar income	5,099	7,829	-34.9	52,098	73,226	-28.9%
Interest expense calculated using the effective interest method	(331,402)	(233,175)	42.1%	(360,095)	(264,596)	36.1%
Other similar expense	(624)	(873)	-28.5%	(729)	(990)	-26.4%
Net interest income	1,295,029	1,338,314	-3.2%	1,453,036	1,520,160	-4.4%
Fee and commission income	452,317	473,442	-4.5%	525,444	539,409	-2.6%
Fee and commission expense	(152,567)	(131,438)	16.1%	(173,616)	(148,420)	17.0%
Net fee and commission income	299,750	342,004	-12.4%	351,828	390,989	-10.0%

Net trading income	138,720	151,001	-8.1%	127,639	191,227	-33.3%
Net income from financial assets measured at fair value through comprehensive income	137,324	30,860	345.0%	137,337	30,888	344.6%
Net income from financial assets which are required to be measured at fair value through profit or loss	1,448	63,383	-97.7%	34,595	78,374	-55.9%
Contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund	(69,795)	(107,615)	-35.1%	(72,751)	(109,247)	-33.4%
Other operating income	55,689	59,868	-7.0%	64,210	78,120	-17.8%
Operating income	1,858,165	1,877,815	-1.0%	2,095,894	2,180,511	-3.9%
Net expense from impairment allowance, expected losses on assets, provisions for other risks and loan commitments	(273,056)	(3,782)	7,119.9%	(299,260)	(50,650)	490.8%
Personnel expenses	(482,450)	(458,435)	5.2%	(545,503)	(522,894)	4.3%
Depreciation and amortization	(146,796)	(137,812)	6.5%	(158,784)	(149,798)	6.0%
Other operating expenses	(255,307)	(263,326)	-3.0%	(297,064)	(318,863)	-6.8%
Operating expenses	(1,157,609)	(863,355)	34.1%	(1,300,611)	(1,042,205)	24.8%
Profit before income tax	700,556	1,014,460	-30.9%	795,283	1,138,306	-30.1%
Income tax expense	(93,143)	(166,465)	-44.0%	(105,220)	(195,949)	-46.3%
Profit for the period	607,413	847,995	-28.4%	690,063	942,357	-26.8%
Profit of the Group attributable to Equity holders of the Bank	607,413	847,995	-28.4%	670,238	906,191	-26.0%
Profit of the Group attributable to non-controlling interests	-	-		19,825	36,166	-45.2%
Profit for the period	607,413	847,995	-28.4%	690,063	942,357	-26.8%

As Compared to the similar period of 2019, the activity was significantly affected by the impact of the COVID-19 pandemic, as is reflected in the results of the first semester of 2020.

Gross profit obtained by Banca Transilvania S.A. in the first six months of 2020 was RON 700.56 million, decreasing with 31% versus previous semester in 2019, variation caused by the impact of the COVID-19 pandemic.

Net profit obtained by Banca Transilvania S.A. at 30.06.2020 in amount of RON 607.41 million, was also 28% lower versus the same period of 2019 (RON 848.00 million as at June 30, 2019).

The net interest income decreased by 3.2% as compared to the corresponding period of last year, being impacted by a lower number of new loans granted and lower interest rates (influenced by the decrease in ROBOR), situation generated by the COVID 19 pandemic.

The net pace of fee and commission income during first semester of 2020 compared to the same period in 2019 was -12.4%.

Operating income registered RON 1,858.17 million in the first half of 2020, 1% lower than the same period of last year, when it reached RON 1,877.82 million.

The Bank's operating efficiency is maintained at a comfortable level of 47.6%.

The coverage of NPE with total provisions is 107% (according to EBA).

The result per share after the first 6 months of 2020, respectively after the first 6 months of 2019, restated taking into consideration BT's share capital increase that will take place in October 2020, respectively August 2019 is the following:

Indicators	Bank Jun-20	Bank Jun-19	Jun-20 vs Jun-19 %	Group Jun-20	Group Jun-19	Jun-20 vs Jun-19 %
Net profit for the period (RON thousands)	607,413	847,995	-28.4%	690,063	942,357	-26.8%
Basic earnings per share	-	-	-	0.1174	0.1744	-32.71%
Diluted earnings per share	-	-	-	0.1172	0.1740	-32.66%

Other information regarding first half of 2020:

The automation and digitalization of processes aiming to give a better experience to customers, represents one of the main areas where Banca Transilvania has invested and continues to invest. The main accomplishments in this field in the first semester of 2020 are the following:

- From the beginning of the pandemic until the end of June, 2020, 12 online banking facilities were launched, among which: the digital card is displayed in the BT Pay application before a customer receives it in physical format; the online opening of a current account (NEOcont); the possibility to withdraw money by using the phone application BT Pay from all the bank's ATMs; the option to make donations through the telephone; launching online shopping hubs with merchants who are BT customers, namely #Directlatine and #InMișcare; the possibility for companies to order online Meal Tickets cards through the BT Ticket application, and others;

Banca Transilvania is the market leader in the cards market, with 4.1 million cards in portfolio out of which over 520,000 are credit cards. BT currently has the most complete range of payment options, from physical to digital cards, BT Pay, ApplePay, Fitbit Pay, Garmin Pay, wearables, etc., allowing customers to use, in addition, what is more convenient for them at various times.

The bank has reached over 1 million unique digital cards active in BT Pay, Apple Pay, Fitbit Pay or Garmin Pay and the number of payments by phone has increased 5 times in June 2020 compared to June 2019;

The transactions performed with 4.1 million cards and BT Pay accessories - application, watch, bracelet and contactless sticker - increased by 21% vs. the same period of the last year;

As of June 30, 2020, 1,724 ATMs are installed, out of which approximately 520 are BT Express Plus multifunctional, through which self-banking can be carried out - from cash deposits in lei and foreign currency, to foreign exchange and contactless or code-based cash withdrawals;

The bank has an extensive network for accepting payment cards – over 64,800 POSs on June 30, 2020 compared to over 54,500 POSs on June 30, 2019;

The Bank's number of active employees as at June 30, 2020 is 8,180 (7,734 at June 30, 2019).

1.1.c. Cash flow statement and liquidity position

The cash flow statement detailing the cash flows from operating, investment and financing activities is part of the Financial Statements that accompany this report.

The liquidity ratio computed in accordance with NBR regulations in force at 30.06.2020 was between 1.77 and 22.81, being above the minimum level of 1, as required by the NBR Regulation No. 25/8.11.2011, applied from 31.01.2012.

2. The analysis of the bank's activity

2.1 Presentation and analysis of trends, elements and events or uncertainty factors that could impact the bank's liquidity vs. the same period of the last year

The Romanian economic environment:

- According to the data published by the National Trade Register Office, 49.1 thousand companies were launched in the first semester of 2020, i.e. YoY decrease by 37.1% amid the pandemic;
- Likewise, the number of companies under insolvency decreased by 26.2% YoY to 2,360 in the first half of 2020.

- The National Bank of Romania reduced the reference interest rate to 1.75% (historical minimum) and the levels of the minimum reserve requirements applicable to FCY liabilities of the credit institutions (from 8% to 6%) in the first half of this year and implemented unconventional monetary easing measures (including a program to purchase government securities on the secondary market), decisions caused by the incidence of the pandemic and the consequences of this unprecedented shock;
- Pursuant to the statistics of the National Bank of Romania, total non-governmental loans increased by 0.4% MoM and by 4.1% YoY to RON 270.1 billion in June, given that the incidence of the pandemic and the consequences of this shock were offset by the relaxed mix of economic policies;
- Increase of the RON denominated loan balance, at a monthly pace of 1.1% and 6% YoY, to RON 183.2 billion in June.
- In the first six months of 2020, household loans went up 1.7% ytd, to RON 145.5 billion, and company loans increased by 0.1% ytd to RON 124.6 billion.
- Non-governmental deposits decreased at a monthly pace of 0.4% to RON 382.1 billion in June (advance of 13.4% YoY).
- In the period January-June 2020, customer deposits increased by 7.7% ytd, to RON 239.4 billion, and company deposits decreased by 1.8% ytd to RON 142.7 billion.
- Thus, the loan-deposit ratio end of June was 70.7% (74.9% to RON and 63.2% to FCY).

2.2 Presentation and analysis of the effects on financial statements of all capital expenditures, current and anticipated, compared to the same period of last year

Investments in tangible and intangible assets were RON 795.36 million at June 30, 2020, compared to RON 765.37 million at June 30, 2019. As compared with the first semester of 2019, tangible and intangible assets did not register a significant evolution, showing an increase of approximately 4%.

2.3 Presentation and analysis of the economic events, transactions and changes that significantly impact the main revenues of the bank

The main activity of the bank was performed under normal conditions, with no exceptional circumstances. All legal requirements were followed, in terms of the correct and up-to-date organization and management of accounting, in terms of accounting principles, as well as in terms of complying with the accounting rules and regulations in force.

The Separate and Consolidated Financial Statements were prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and in force at the interim

reporting date, June 30, 2020. The data presented regarding the first semester of 2020 are based on the organisation and accounting rules as stated by the Law no. 82/1991, republished and further amended and completed, Law no. 163/2018, Government Emergency Ordinance no. 99/2006, NBR Order no. 27/2010 for the approval of the accounting rules under International Financial Reporting Standards adopted by the European Union applicable to credit institutions – republished, NBR Order no. 10/2012 for the approval of the semestrial accounting reporting system applicable to the entities that fall within the scope of the NBR’s accounting regulations with subsequent amendments and completions, as well as other NBR instructions in the field.

3. Changes that affect the share capital and the administration of the company

3.1 Description of cases in which the company could not fulfill its financial obligations in the reporting period

Not the case.

3.2 Description of any changes in the rights of the shareholders of the company

On the 24th of April 2020, the Ordinary and Extraordinary General Shareholders’ Meetings of Banca Transilvania S.A approved the net profit distribution in the sum of RON 1,620,511,500 as follows:

- Allocation of the sum of RON 231,366,623 for legal and other reserves, of the sum of RON 1,389,144,877 for net profit reserves to be distributed, of which RON 600,000,000 will be paid as dividends. Approval of a gross dividend per share of RON 0.1150286771.

With regards to the payment of dividends, **October 5, 2020** was approved as registration date, **October 4, 2020** as ex-date and **October 6, 2020** as payment date.

- Increase of the bank’s share capital with the amount of RON 521,609,059, by the issue of 521,609,059 new shares, with a nominal value of RON 1/share (10 new shares will be attributed for every 100 shares). The date of **October 15, 2020** was approved as registration date, **October 14, 2020** being the ex-date and **October 16, 2020** the payment date for the free shares to be issued after the increase of the share capital.

Following the increase, the share capital of the Bank worthing RON 5,216,090,590 will increase to RON 5,737,699,649, divided into 5,737,699,649 shares with a nominal value of RON 1 /share.

The legal procedures for the registration of the share capital increase required by the capital market authorities (the Financial Supervision Authority, the Central Depository) are to be completed in early October 2020.

3.3 Changes in the management structure of the bank (board, executive level etc.)

There were no changes in the Board of Directors.

There were no changes in the Leaders' Committee.

By the Decision of the General Meeting of Shareholders from 29.04.2020 it was decided to appoint KPMG Audit SRL as financial auditor of the bank for auditing the financial statements of the bank for the financial years 2020-2023, prepared in accordance with the International Financial Reporting Standards, according to the NBR Order no. 27/2010 with the subsequent amendments. The procedure of prior approval of the financial auditor by the National Bank of Romania is in progress.

4. Significant transactions

There were no major contracts concluded by BT in the first half of 2020 related to acquisitions, mergers, divisions, etc. There was no information concerning significant major transactions concluded by BT with the persons it cooperates with or in which such persons were involved during the first half of 2020.

5. Conclusions

The crisis caused by the Covid-19 pandemic, since the beginning of the first quarter of 2020, has created a health crisis and at the same time an unprecedented economic disruption. In this context, the bank and the group had as major objectives to support the customers, employees, communities and the economy in general. Solidarity and mobilization were the key words that defined the second quarter of the year at Banca Transilvania.

Through successful prevention and security measures, the bank and the group have been able to ensure the continuity of physical and digital operations. A major part of the employees were able to work from home. More than 80% of the bank's branches remained opened during the critical period caused by the pandemic.

BT has launched the most consistent package in Romania to support customers with loans, affected by the pandemic context. The measures implemented by the bank have far exceeded the mandatory legal framework, providing customers with financial support in these challenging times. More than 41,000 individual and corporate customers benefited from payment holidays.

Banca Transilvania also participated in the SME Invest program where more than 1,000 colleagues were involved. By the end of June, the bank had approved more than 4,000 loans.

Banca Transilvania has contributed with over EUR 2 million - representing money and medical equipment - to prevent and limit the spread of the epidemic, but also to increase people's access to testing and treatment.

At the same time, the day-to-day activity went on and the bank ensured the continuity of operations, has launched commercial campaigns and maintained the pace of network modernization projects and diversification of customer interaction options with the bank.

Given the context created by the Covid-19 pandemic, the bank and the group results exceeded the expectations while maintaining a solid capitalization and a comfortable level of liquidity.

ANNEX: The present report has attached the copies of the following documents:

1. Summarized consolidated and separate financial statements prepared in accordance with IAS 34 “Interim Financial Reporting” as endorsed by the European Union as at June 30, 2020:
 - Consolidated and separate statement of profit and loss and other comprehensive income;
 - Consolidated and separate statement of financial position;
 - Consolidated and separate statement of changes in equity;
 - Consolidated and separate statement of cash flow;
 - Notes to the summarized consolidated and separate financial statements;

2. The statement of the Deputy CEO of Banca Transilvania assuming the responsibility for the summarized financial statements for the first semester of 2020;

Note: The financial statements for the first semester of 2020 were revised by KPMG Audit SRL – the external auditor of Banca Transilvania S.A.

**CHAIRMAN OF THE
BOARD OF DIRECTORS
HORIA CIORCILĂ**

**CHIEF EXECUTIVE OFFICER

ÖMER TETİK**

SHAREHOLDERS STRUCTURE AT

30.06.2020

EXPLANATIONS	No.of holders	No. Shares	Percentage %
ROMANIAN CAPITAL	33,355	3,598,145,035	68.98
Individuals	32,699	1,069,732,973	20.51
Companies	656	2,528,412,062	48.47
of which Financial Investment Companies	5	964,434,051	18.49
FOREIGN CAPITAL	977	1,617,945,555	31.02
Individuals	742	55,954,025	1.07
Companies	235	1,561,991,530	29.95
TOTAL	34,332	5,216,090,590	100