

CONSOLIDATED DIRECTORS' REPORT

**for the three month period ended
31 March 2022**

**In compliance with the Financial Supervision
Authority's Regulation no. 5/2018**

Identification Details of the Issuer

Report date: May 06, 2022

Name of the company: BANCA TRANSILVANIA S.A.

Registered office: 30-36 Dorobanților street, Cluj-Napoca, Cluj county, postal code 400117

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 6,311,469,680

The regulated market where the issued securities are traded:

The company's shares are listed on the Bucharest Stock Exchange (symbol: TLV).

Main features of the securities issued by the company:

6,311,469,680 nominal shares with a par value of RON 1/share.

Banca Transilvania's Financial Group Presentation

Transilvania Bank Group („the Group” or „BT Group”) was established in 2003 with Banca Transilvania („the Bank” or „BT”) as the main subsidiary. Besides Banca Transilvania, BT Group has the following subsidiaries: Victoriabank S.A., Idea Bank S.A., BT Capital Partners S.A., BT Leasing Transilvania IFN S.A., Idea Leasing IFN S.A., BT Investments S.R.L., Idea Investments S.A., Idea Broker de Asigurare S.R.L., BT Direct IFN S.A., BT Building S.R.L., BT Asset Management SAI S.A., BT Solution Agent de Asigurare S.R.L., BT Asiom Agent de Asigurare S.R.L., BT Safe Agent de Asigurare S.R.L., BT Intermedieri Agent de Asigurare S.R.L., BT Leasing Moldova(MD) S.R.L., BT Microfinanțare IFN S.A., VB Investment Holding B.V., Improvement Credit Collection S.R.L., BT Pensii S.A. and Code Crafters by BT S.R.L..

The main Group's fields of activity are: banking through Banca Transilvania S.A. („the Bank”), Victoriabank S.A. and through Idea Bank S.A., investment and brokerage through BT Capital Partners S.A., leasing and consumer finance mainly through BT Leasing Transilvania IFN S.A., Idea Leasing IFN S.A., BT Direct IFN S.A., BT Microfinanțare IFN S.A. and BT Leasing MD S.R.L., asset management through BT Asset Management S.A.I S.A. and administration of voluntary pension funds through BT Pensii S.A.. Moreover, the Bank controls three investment funds that are also included in the consolidation and is associated in Sinteza S.A. with a holding percentage of 31.15%.

Banca Transilvania is a public listed company founded in 1993, headquartered in Cluj-Napoca, with majority romanian shareholders – 72.65% as of the end of March 2022. Currently, BT occupies the first place in the top of the banking system in Romania.

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. (Financial Supervisory Authority). Currently, Banca Transilvania's shares are listed on the Bucharest Stock Exchange, Category I.

The structure of Banca Transilvania S.A. shareholders as at March 31, 2022 is presented in the Appendix 1 to this document.

I. Significant Events During the Period January-March 2022

Amendments brought to the Articles of Association

There have been no changes.

Main Transactions Regarding Affiliates

In the first quarter of 2022, there were no transactions with the Bank's affiliated parties which could influence substantially the financial position of the Group.

Important events

The Board of Directors of Banca Transilvania S.A. has approved, on 14.01.2022, the completion of the transaction regarding the acquisition of the total holding owned by Molesey Holdings Limited and Hyundai Auto Romania S.R.L. in the capital of Tiriac Leasing IFN S.A., the contract being also signed in the same day.

This transaction does not represent a significant change in the financial position of Banca Transilvania, the assets to be added representing less than 1% of the assets of the BT group. Also, the field of activity already exists within the BT Financial Group.

Tiriac Leasing IFN S.A. will continue to operate as a separate entity until the completion of the acquisition procedures, and only after this date will the integration process within the BT Financial Group commence. The integration process will take place only after fulfilling all the legal

procedures, as well as after requesting and obtaining all the necessary approvals from the competent authorities.

Changes in the first quarter of 2022 regarding Banca Transilvania Financial Group

At the level of the Group's subsidiaries, the following changes occurred:

BT MICROFINANȚARE IFN S.A.

- On 14.01.2022, Mr. Szekely Daniela was appointed as administrator, in place of Mr. Dudoiu Andrei, for the current term, valid until 28.06.2022.
- It was also decided to reformulate and explain the main object of activity, as follows:

"6492 Other lending activities - microfinance of legal entities.

The main object of activity consists in granting credits and can take the form of:

- *Microcredits granted to legal entities;*
- *Consumer loans;*
- *Mortgage;*
- *Real estate loans;*
- *Financing commercial transactions;*
- *Discounting and lump sum operations;*
- *Other lending activities. "*

and the CAEN code 6499 in the secondary object of activity has been completed and detailed as follows:

"6499 - other financial intermediation n.c.a. - issuing guarantees and assuming commitments - acquiring participations in the capital of other entities, as well as factoring activities"

CODE CRAFTERS by BT S.R.L

- On 10.02.2022, the company Code Crafters by BT S.R.L was established, being associated with Banca Transilvania S.A. (99.9%) and BT Investments S.R.L. (0.1%). The members of the Board of Directors are: Mr. Călinescu George (Chairman of the Board), Mrs. Nistor Gabriela and Mr. Toderici Leontin.

TIMESAFE S.R.L

- As of 14.02.2022, Timesafe S.R.L. is no longer part of Banca Transilvania Financial Group, following the sale by BT Investments S.R.L. of the entire participation held (51.12%).

Risk Management

The management of Banca Transilvania S.A. continuously assesses the risks to which the Bank's activity is or may be exposed, which may affect the achievement of its objectives, and takes action on any change in the conditions under which it operates.

The main risks and uncertainties identified for the next period are mainly due to the consequences of the coronavirus pandemic:

- Risks of lower economic growth than estimates and high inflation, exacerbated by the conflict and tensions in the region;
- Acceleration of consumer prices, coupled with the depreciation of the national currency against the Euro, compared to current levels;
- Delaying the absorption of European funds, in particular through the National Recovery and Resilience Plan, could have possible negative effects.

II. Detailed Information

1. Financial Statements

1.1.a. Statement of Financial Position at Group and Bank level

The statement of the financial position of the Group and the Bank at the end of March 2022, compared to the end of last year and the end of March 2021, is as follows:

Indicators (RONmn)	Group				
	Mar-22	Dec-21	Mar-21	Mar'22 vs Dec'21 %	Mar'22 vs Mar'21 %
Cash and current accounts with Central Bank	14,327	18,321	16,798	-21.8%	-14.7%
Placements to banks	5,548	10,394	6,596	-46.6%	-15.9%
Treasury financial instruments	46,003	44,204	41,697	4.1%	10.3%
Loans and advances to customers, net	57,035	54,630	41,851	4.4%	36.3%
Finance lease receivables	1,531	1,488	1,244	2.9%	23.1%
Tangible and intangible assets	1,977	1,989	1,687	-0.6%	17.2%
Other assets	1,879	1,475	1,016	27.4%	85.0%
Total assets	128,301	132,501	110,888	-3.2%	15.7%
Deposits from customers	107,421	108,022	93,185	-0.6%	15.3%
Deposits from banks	1,081	1,024	357	5.5%	202.3%
Loans from banks and other financial institutions	4,200	7,930	1,697	-47.0%	147.5%
Subordinated loans	1,782	1,762	1,712	1.1%	4.1%
Other liabilities	3,979	3,199	2,911	24.4%	36.7%
Total liabilities	118,464	121,937	99,863	-2.8%	18.6%
Equity	9,837	10,564	11,025	-6.9%	-10.8%
Total liabilities and equity	128,301	132,501	110,888	-3.2%	15.7%

Indicators (RONmn)	Bank				
	Mar-22	Dec-21	Mar-21	Mar'22 vs Dec'21 %	Mar'22 vs Mar'21 %
Cash and current accounts with Central Bank	12,688	16,764	15,751	-24.3%	-19.4%
Placements to banks	4,928	9,613	5,938	-48.7%	-17.0%
Treasury financial instruments	44,905	42,786	40,511	5.0%	10.8%
Loans and advances to customers, net	54,611	52,239	41,362	4.5%	32.0%
Tangible and intangible assets	2,404	2,429	2,072	-1.1%	16.0%
Other assets	1,619	1,232	866	31.4%	87.0%
Total assets	121,155	125,062	106,499	-3.1%	13.8%
Deposits from customers	102,644	102,698	90,401	-0.1%	13.5%
Deposits from banks	950	952	350	-0.3%	171.3%
Loans from banks and other financial institutions	3,736	7,458	1,187	-49.9%	214.8%
Subordinated loans	1,727	1,706	1,709	1.2%	1.1%
Other liabilities	3,569	2,894	2,795	23.3%	27.7%
Total liabilities	112,625	115,709	96,442	-2.7%	16.8%
Equity	8,530	9,353	10,058	-8.8%	-15.2%
Total liabilities and equity	121,155	125,062	106,499	-3.1%	13.8%

At the end of the first three months of 2022, the Group's assets reach RON 128 billion, decreasing by 3.2% compared to the end of last year and by 15.7% compared to the end of March 2021. At the same time, the Bank's assets decreased by 3.1% compared to the end of the previous year and increased by 13.8% compared to March 2021, reaching RON 121.2 billion.

The evolution of the Group and the Bank assets is summarized as follows:

Loans' portfolio: At Group level, considering also the receivables from leasing contracts, registered an increase of 4.4% and 36.3% respectively compared to the end of 2021 and the end of March 2021, respectively. The positive evolution was mainly determined by the increase of the loans' portfolio managed by the Bank, by 4.5% compared to the end of the previous year and by 32.0% compared to the end of the same period of 2021.

Between January and March 2022, about 63,000 new loans were granted, out of which over 58,000 to retail customers.

At the Bank's level, the net loans at the end of March 2022 amount to RON 54.6 billion. All the business lines supported the increases compared to the analyzed periods, each of them registering favorable evolutions towards the end of the year as the new production of loans doubled.

Provisions' stock: Banca Transilvania recorded at the end of March 2022 expenses from the adjustments for financial assets for other risks and credit commitments in the amount of RON 101

million (including recoveries from off-balance sheet loans). The balance of provisions reached the level of RON 3.8 billion at the end of March 2022.

The non-performing NPE exposure rate according to the EBA is 2.91% as of March 31, 2022 and the coverage with total provisions of the non-performing exposures according to the EBA is 179%.

Cash and current accounts with Central Bank together with the placements to banks represent as at March 31, 2022 approximately 15% of the total assets at both Group and Bank level, the balances of these elements registering a drop compared to the end of 2021 and to the same period of the previous year, at both Group and Bank level.

At the Group level, the cash and current accounts with the Central Bank decreased by approximately 21.8% compared to the end of 2021 and by approximately 14.7% compared to the level registered on March 31, 2021, amounting to RON 14,327 million. At the Bank's level, the decrease is of approximately 24.3% by comparison with December 2021 and by 19.4% versus March 2021, the final balance as at March 31, 2022 amounting to RON 12,688 million. The most significant element of this asset category is the minimum compulsory reserve held with the National Bank of Romania with a weight of approximately 70%.

Placements to banks, at the end of March 2021, show a negative evolution at both Group and Bank level, decreasing by 46.6% and 48.7% respectively compared to December 31, 2021. Compared to March 31, 2021, the drop is approximately 15.9% for the Group and 17.0% for the Bank. The variations are mainly determined by the volume of placements in credit institutions but also by the volume of reverse repo operations and loans granted to credit institutions.

Treasury financial instruments include: financial assets measured at fair value through other comprehensive income, financial assets mandatorily measured at fair value through profit or loss, financial assets held for trading and measured at fair value through profit or loss, debt instruments measured at amortised cost as well as derivative instruments. Of those listed, the most significant category is the one of financial assets measured at fair value through other comprehensive income with a weight of over 95% in the total category of treasury financial instruments, at Bank level and a weight of over 94% at Group level, representing at the same time, over 33% of the Group and the Bank's total assets.

The treasury instruments increased by quasi 4.1% compared to December 31, 2021 for the Group and with 5.0% for the Bank, respectively, by 10.3% for the Group and 10.8% for the Bank compared to March 31, 2021, reaching RON 46,003 million at Group level, respectively RON 44,905 million

at Bank level. The increase in these instruments is directly correlated with the increase of the managed portfolio of government bonds.

Resources from clients: Regarding the balance sheet liabilities, the most significant category, representing approximately 84% of the total liabilities and equity, in the three analyzed periods, is represented by the category of customers' deposits. At Group level, the customers' deposits reached RON 107,421 million on March 31, 2022, decreasing by 0.6% compared to the end of the previous year and by 15.3% compared to March, 2021. At Bank level, the balance of the customers' deposits reached RON 102,644 million on March 31, 2022, at about the same level as at the end of the previous year and increasing by 13.5% compared to March 31, 2021.

For the Group, 67% of the total customers' deposits represent savings of the individuals and 33% savings of the legal entities customers while for the bank 66% of the total customers' deposits represent savings of the individuals and 34% savings of the legal entities customers. The share of current accounts at the Group level is approximately 64%, while fixed-term deposits represent around 34% of the total customers' deposit balances as of March 31, 2022.

The loan-to-deposit ratio is 56.9% as at the end of March 2022 at Bank level, the gross loans level being of RON 58.4 billion while the customers deposits reached RON 102.6 billion.

The equity of Banca Transilvania S.A. as at 31.03.2022 amounts to RON 8,530 million, decreasing by 15.2% compared to the same period last year when it amounted to RON 10,058 million, an evolution influenced by inflationary pressures that affected treasury assets.

Solvency: The Bank's solvency calculated as at March 31, 2022 is 21.23% (20.61% without the profit of the first three months included), being at a comfortable level, above the minimum reference threshold of 8% , value imposed by the Regulation (EU) no. 575/2013 on prudential requirements for credit institutions, which apply starting with 2014.

Banca Transilvania S.A. financial data confirms that the Bank has an adequate capitalization and a comfortable level of liquidity.

1.1.b. Profit and Loss Account

The main elements of the Profit and Loss Account at Group and Bank level for the first three months of 2022, compared to the same period last year, are as follows:

Indicators (RONmn)	Group			Bank		
	Mar-22	Mar-21	Mar'22 vs Mar'21 %	Mar-22	Mar-21	Mar'22 vs Mar'21 %
Net interest income	969	750	29.3%	810	666	21.7%
Net fees and commissions income	259	213	21.5%	219	181	20.7%
Net trading income	167	146	14.5%	155	96	61.4%
Net income from financial assets measured at fair value through comprehensive income	(14)	72	-119.9%	(15)	72	-120.5%
Net income from financial assets which are required to be measured at fair value	(6)	23	-126.4%	(17)	55	-131.1%
Contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund	(147)	(85)	72.8%	(144)	(82)	75.0%
Other operating income	69	41	68.4%	43	35	24.4%
Total operating income	1,296	1,160	11.7%	1,052	1,023	2.8%
Net expense from impairment allowance, expected losses on assets, provisions for other risks and loan commitments	(134)	146	-191.3%	(101)	144	-170.2%
Personnel expenses	(398)	(313)	26.9%	(339)	(279)	21.4%
Depreciation and amortization	(93)	(90)	3.6%	(82)	(88)	-6.4%
Other operating expenses	(199)	(150)	32.0%	(166)	(128)	29.9%
Total operating expenses	(823)	(407)	102.1%	(688)	(350)	96.5%
Profit before income tax	473	753	-37.1%	363	673	-46.0%
Income tax expense	(73)	(96)	-24.3%	(56)	(92)	-39.2%
Net profit	400	656	-39.0%	308	581	-47.1%
Profit of the Group attributable to equity holders of the Bank	383	651	-41.1%	308	581	-47.1%
Profit of the Group attributable to non-controlling interests	17	5	206.9%			
Net profit	400	656	-39.0%	308	581	-47.1%

The **gross profit** registered by the Group during January-March 2022 amounts to RON 473 million, decreasing by 37.1% compared to the same period of 2021, while the Bank reported a gross profit of RON 363 million, 46.0% less than the profit registered during the same period in 2021.

The negative impact comes mainly from a higher cost of risk in March 2022, given the geo-political tensions in Eastern Europe that put pressure on the economy and inflation, compared to the release of provisions in March 2021, as well as the increase in operating expenses. Operating revenues increased slightly over the same period in 2021.

Thus, the **net profit** obtained by Banca Transilvania as at March 31, 2022, representing RON 308 million, is 47.1% less compared to the same period of 2021 when it amounted to RON 581 million. The net profit of the Group as at March 31, 2022, add up to RON 400 million, is 39.0% lower compared to the same period of 2021 when it amounted to RON 656 million.

The **net interest income** increased by approximately 29.3% at Group level and by 21.7% at Bank level, being influenced by a larger number of newly granted loans and also by ROBOR recovery.

Net fees and commissions income during the first three months of 2022 is also expanding at both Group and Bank level by 21.5% and 20.7% respectively compared to the same period in 2021. The increase of card transactions as well as an enhancement of the digitalization of customers largely determined the favorable evolution of this category of income.

Net trading income was 14.5% higher than in the same period of last year at the Group level, and 61.4% at the Bank level. The increase in the number of foreign exchange transactions as well as the increase in the exchange rate have significantly influenced this positive development.

In total, the **operating income** reached, at the end of the first quarter of 2022, RON 1,296 million at Group level and at RON 1,052 million at Bank level, with 11.7% and 2.8% respectively higher compared to the same period of last year.

The **operating expenses** increased by comparison with the similar period of 2021, influenced by the expenses from the adjustments for financial assets for other risks and credit commitments, therefore the total operating expenses at Group level were 102.1% higher compared to the first three months of 2021 and at Bank level with 96.5% better in comparison to the same period.

Operational result: In this context, the operational efficiency shows a comfortable level, of 50.6%, increasing however compared to the level of 45.6% reported during the first three months of 2021.

The **result per share** at three months of 2022 and three months 2021, is the following:

Indicators	Bank Mar-22	Bank Mar-21	Mar-22 vs Mar-21 %	Group Mar-22	Group Mar-21	Mar-22 vs Mar-21 %
Net profit for the period (RON thousands)	307,518	581,263	-47.1%	400,334	656,328	-39.0%
Basic earnings per share	-	-	-	0.0542	0.0920	-41.0%
Diluted earnings per share	-	-	-	0.0542	0.0920	-41.0%

An additional set of financial indicators computed as at March 31, 2022 are presented in Appendix 2.

Other information regarding the first three months of 2022:

Facilitating customers' access to BT services and to their personal information, aiming to provide the best possible customer experience by automating and digitizing processes is one of the main areas in which Banca Transilvania has invested and continues to invest.

These investments have made Banca Transilvania a market leader in the cards market, with 4.8 million cards in portfolio, out of which over 570,000 are credit cards. The transactions made with the 4.8 million cards increased by 37% compared to the same period last year.

BT has over 2.9 million unique digitized customers. These customers use at least one of the bank's digital solutions - applications, Internet Banking or Mobile Banking.

The bank reached over 2.4 million unique cards in BT Pay, Apple Pay, Google Pay, Fitbit Pay and Garmin Pay wallets, and the number of payments by phone doubled in the first quarter of 2022 compared to the third quarter of 2021, 30% of POS payments are made by phone. At the same time, the money transfers from BT Pay are more and more appreciated, their volume doubling in the first quarter of 2022 compared to the same period last year.

As of March 31, 2022, BT had installed 1,790 ATMs, out of which approximately 547 are multifunctionals, through which self-banking can be carried out - from cash deposits in RON and foreign currency, to foreign exchange and contactless or code-based cash withdrawals. Also, the Bank has approximately 503 BT Express terminals that are used for various operations, including bill payments, 86,580 POS installed and collaborates with approximately 4,207 e-commerce merchants.

There were 35% more interactions in the first quarter of 2022 than in the same period last year in the BT Visual Help application, the digital platform through which customers who call the Call Center team are guided to the digital self-service area where they have access to information about accounts, cards and transactions and can perform some card-specific actions using the phone. The month-on-month increase was steady, reaching almost 170,000 in March.

The number of Internet Banking users exceeded 1.9 million in the first quarter of this year, up by 49% compared to the same period of the previous year. The volume of transactions through Internet Banking and Mobile Banking increased by 47% compared to the first quarter of 2021.

In the first quarter of this year, BT continued to be actively involved in government support programs, with payments of RON 450 million through the IMM Invest program and RON 170 million through the AGRO IMM Invest program, respectively.

The Group's number of active employees as at March 31, 2022 is 10,898 (10,800 at December 31, 2021).

The Bank's number of active employees as at March 31, 2022 is 8,755 (8,651 at December 31, 2021).

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 coverage ratio (LCR), calculated according to the requirements introduced by Basel III, registered the value of 307.97% on 31.03.2022, being well above the minimum required level of 100%.

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 figures released by the National Trade Register Office the number of the newly set up companies contracted by 4.43% yoy to 23,749 during January-February 2022, an evolution strongly influenced by the overlapping supply-side shocks. On the other hand, according to the statistics of the National Trade Register Office the number of the companies that entered insolvency climbed by 22.24% yoy to 962 during January – February 2022, given the challenges associated to the transition between the cycles, in a context dominated by the supply-side shocks and the deterioration of the risk perception.

In 1Q 2022 the National Bank of Romania (NBR) hiked the monetary policy rate from 1.75% to 2.50%, in order to counter the high level of the inflationary pressures and to anchor the mid-run inflationary expectations in convergence towards the target of the central bank. On the other hand, the central bank maintained the levels of the MRRs at 8% for RON and 5% for the FX segment in 1Q 2022.

The figures released by the National Bank of Romania (BNR) confirm the consolidation of the positive climate for the non-government loans in February, an evolution determined by the continuity of the post-pandemic recovery and the low level of the real financing costs.

The non-government loans rose for the 21th month in a row in February, by 1.3% MoM to RON 330.8bn (a record level) (the yoy pace accelerated to 15.8%, the best dynamics since 2009).

There can be noticed the increase of the RON-denominated loans by 1.7% MoM and by 20.1% YoY to RON 239.8bn (a record high level), an evolution supported by the low level of the real financing

costs (especially in the context of the intensifying inflationary pressures). At the same time, the FX-denominated loans rose by 0.3% MoM and by 5.9% YoY to RON 91bn in February.

Consequently, during January-February 2022 the household loans inched up by 0.7% ytd to RON 165.5bn, given the reopening of the economy and the low level of the real financing costs.

At the same time, the corporate loans climbed by 3.4% ytd to RON 165.3bn during January-February, due to the continuity of the post-pandemic economic recovery and to the low level of the real financing costs.

The figures released by the National Bank of Romania (NBR) also show the increase of the non-government deposits by 0.5% MoM and by 12.6% YoY to RON 481.3bn in February (a record level).

Consequently, during January – February 2022 the household deposits rose by 0.9% ytd to RON 286.3bn, given the high level of the savings rate.

On the other hand, the household deposits adjusted by 0.2% ytd to RON 195bn in February, due to the overlapping supply-side shocks and to the low level of the real interest rates.

Consequently, the loans-to-deposits ratio rose from 68.2% in January to 68.7% in February.

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

At the Group level, investments in tangible and intangible assets were RON 1,977 million at March 31, 2022, compared to RON 1,989 million at December 31, 2021 and RON 1,687 million at March 31, 2021. As compared with the two periods analysed, tangible and intangible assets registered an decrease of 0.6%, while compared to March 31, 2021, the increase is of approximately 17.2%.

At the Bank level, investments in tangible and intangible assets were RON 2,404 million at March 31, 2022, compared to RON 2,429 million at December 31, 2021 and RON 2,072 million at March 31, 2021. As compared with the two periods of the previous year, the value of the tangible and intangible assets registered a slight decrease of 1.1% compared to the end of 2021, but a significant increase of 16.0% compared to March 31, 2021.

At both Group and Bank level, the change in fixed assets was mainly determined by the category of property, plant and equipment and real estate investments, including the assets related to the right of use.

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 interim condensed consolidated and separate financial statements of the Group and the Bank have been prepared in accordance with IAS 34 “Interim Financial Reporting” as endorsed by the European Union, effective as at the Group’s and Bank’s interim reporting date, March 31, 2022. The data presented regarding the first quarter of 2022 are based on the organisation and accounting rules as stated by the Law no. 82/1991, republished and further amended and completed, Government Emergency Ordinance no. 99/2006 further amended and completed, 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 with subsequent amendments, 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

At the Ordinary and Extraordinary General Meetings of the Shareholders of Banca Transilvania S.A. from 28.04.2022, the following decisions were adopted:

- Increase of the share capital with the amount of RON 765,112,650 by issuing 765,112,650 new shares at a nominal value of RON 1/share as well establishing a price of RON 0 (zero) to compensate for the fractions of shares resulting from applying the algorithm and rounding the results, according to the legal provisions in force and also granting a mandate to the Board of Directors in order to establish a price higher than the approved one (if applicable).

The increase in the share capital will be carried out through the capitalization of reserves from the net profit of the year 2021, in amount of 765,112,650, by issuing a number of 765,112,650 shares, with a nominal value of RON 1/share in the benefit of the shareholders registered with the Shareholding Register held by the Central Depository at the registration date that will be established by the GSM (proposed date July 13th, 2022);

Sources for capital increase	Sums (RON)
Capitalization of reserves from the net profit of the year 2021	765,112,650

Considering the above, each shareholder registered on the registration date, July 13th 2022, will receive free of charge, for each 100 shares owned, a total number of shares calculated as follows: $100 \times (765,112,650 / \text{RON } 6,311,469,680)$. The purpose of the capital increase is to sustain the current activity of the company.

- Approval of the consolidation of the nominal value of a share at Banca Transilvania SA, from 1 RON/share to 10 RON/share, by increasing the nominal value of the shares simultaneously with the reduction of the total number of shares (10 shares with a nominal value of 1 RON/share = 1 share with a nominal value of 10 RON/share), while also establishing a price of 2.5273 RON/share (having at the date of registration the nominal value of 1 RON) for the compensation of the fractions of shares resulting according to the formula detailed in the informative document, in accordance with the legal provisions in force, and granting a mandate to the Board and individually of its members for the implementation of this decision, including for the approval of the specific documentation.

Approval of the date August 17th, 2022 as the registration date (the date of payment being the next working day according to the applicable legal provisions) and of the ex-date August 16th, 2022, for consolidation of the nominal value of the shares at Banca Transilvania.

- Approval of dividend distribution from the profit of 2021, in total amount of 800,000,000 RON, being granted as cash dividends. Approval of a gross dividend per share of RON 0.1267533618.

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.

There were no changes in the Statutory auditor.

4. Significant Transactions

There were no significant transactions in the first quarter of 2022. 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 quarter of 2022.

5. Conclusions

Geo-political tensions in Eastern Europe caused by the outbreak of the Russo-Ukrainian War (February 24) have put pressure on the economy and inflation through higher energy and commodity prices and disrupted international trade. However, the post-pandemic economic recovery continued, driven by the dissipation of the impact of the Omicron variant of coronavirus.

In the first quarter of this year, Banca Transilvania continued to strengthen its market position through both responsible organic growth and new acquisitions - the signing in January 2022 of an agreement to acquire Țiriac Leasing.

By setting up its own technology company Code Crafters, whose business will begin in April 2022, with a team of people with solid experience in both technology and outsourcing companies and banking, BT is taking a big step towards achieving strategic goals in the field. digitization, namely the further development of intelligent operating systems, innovation and process simplification, as well as the further development of fully digitalized customer interaction flows.

Banca Transilvania's number one priority has been and continues to be the support of businesses, with a focus on small businesses and active participation in programs to support the Romanian economy (IMM Invest, Noua Casă, European Union Grants Program).

Banca Transilvania understands its role at the level of Romanian society, namely the responsibility to get involved and contribute to the well-being of the community through projects with positive environmental and social impact, supporting new ideas, facilitating community access to information, support and solidarity.

BT proved to be with the Ukrainians through a series of concrete actions:

- Support with financial services, through various facilities / gratuities;
- Humanitarian involvement, both through the donations made and through the possibility of making donations through the BT Pay application to organizations that help Ukrainians;
- Employment at BT of Ukrainians with experience in banking, Romanian and English speakers.

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

1. Interim condensed consolidated and separate financial statements prepared in accordance with IAS 34 “Interim Financial Reporting” as endorsed by the European Union:
 - Interim Consolidated and Separate Statement of Profit or Loss and Statement of Other Comprehensive Income;
 - Interim Consolidated and Separate Statement of Financial Position;
 - Interim Consolidated and Separate Statement of Changes in Equity;
 - Interim Consolidated and Separate Statement of Cash Flow;
 - Notes to the Interim Condensed Consolidated and Separate Financial Statements;

2. The statement of the Deputy CEO of Banca Transilvania assuming the responsibility for the preparation of the interim condensed consolidated and separate financial statements for the period ended on March 31, 2022;

Note: The financial statements for the periods ended March 31 are not audited nor revised.

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

**CHIEF EXECUTIVE OFFICER

ÖMER TETİK**

SHAREHOLDERS STRUCTURE AT

31.03.2022

EXPLANATIONS	No.of holders	No. Shares	Percentage %
ROMANIAN CAPITAL	40,324	4,585,553,893	72.65
Individuals	39,576	1,343,832,279	21.29
Companies	748	3,241,721,614	51.36
of which Financial Investment Companies	5	1,154,733,090	18.30
FOREIGN CAPITAL	1,045	1,725,915,787	27.35
Individuals	781	66,230,464	1.05
Companies	264	1,659,685,323	26.30
TOTAL	41,369	6,311,469,680	100

ECONOMIC AND FINANCIAL RATIOS AS AT 31.03.2022

<u>Ratio</u>	<u>Method of computation</u>	<u>31.03.2022</u>
1. Current Liquidity Ratio	Current assets/Current liabilities	106.09%
2. Indebtedness Ratio	Borrowed capital/Shareholder's equity *100	28.49%
	Borrowed capital/Capital employed*100	22.17%
3. Accounts receivable turnover rate	Average client balance/Turnover*365	Not applicable
4. Fixed assets turnover rate	Turnover/Fixed assets	0.62

Nota: Point 3 "average client balance" does not apply to financial banking institutions.