

CONSOLIDATED DIRECTORS' REPORT

**for the nine month period ended
30 September 2022**

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

Identification Details of the Issuer

Report date: November 10th, 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 : 7,076,582,330

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:

707,658,233 nominal shares with a par value of RON 10/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., Code Crafters by BT S.R.L. and Țiriac Leasing IFN S.A.

The Group's main fields of activity are: banking through Banca Transilvania S.A. („the Bank”), and Victoriabank S.A., leasing and consumer finance mainly through BT Leasing Transilvania IFN S.A., BT Direct IFN S.A., BT Microfinanțare IFN S.A., BT Leasing MD S.R.L. and Țiriac Leasing IFN S.A., asset management through BT Asset Management S.A.I. S.A. brokerage and investments through BT Capital Partners S.A. and pension funds management BT Pensii S.A. Additionally, the Bank also has control over two investment funds it consolidates.

Banca Transilvania is a public listed company founded in 1993, headquartered in Cluj-Napoca, with majority romanian shareholders – 74.68% as of the end of September 2022. Currently, BT places first 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 September 30, 2022 is presented in the Appendix 1 to this document.

I. Significant Events During the Period July-September 2022

Amendments brought to the Articles of Association

As a result of the Decisions of the Extraordinary General Meeting (“EGM”) of Banca Transilvania Shareholders of April 28th, 2022, the amendment of the bank's constitutive act was approved, as follows:

- Removing the second sentence from point d) of article 10 - Modification of the Share Capital.
- Removing sub-points e), k), m), n) and o) related to point e) of article 13 - the Board of Directors.
- Rephrasing of sub-item i) related to point e) of article 13 - the Board of Directors, as follows:
(i) approves the aquisition of a holding in other competing companies to bank's managers or directors;
- Rephrasing of point f) of article 13 - the Board of Directors, as follows:
The Board of Directors usually meets at least once a quarter and whenever necessary, in the presence of at least half of its members. Participation in the meetings of the Board of Directors can also take place remotely (video-conference, telephone conference, etc.). The convening notices must be sent to all the members of the Board of Directors and shall include the venue, the time and the agenda of the meeting. The members of the Board of Directors may take part in the meeting by telephone and that aspect is to be recorded in the minutes of the meeting. No decision can be made on issues that are not included in the agenda, except for cases of emergency and provided that such decision is ratified in the following meeting by the members who were not present when it was made. The Board of Directors shall be chaired by the Chair and in his/her absence by a member of the Board of Directors appointed for this by the Chair. The decisions of the Board of Directors shall be made (1) with an absolute majority of the votes of the attending members and (2) with at

least half of the total number of directors and each such decision must be recorded in the minutes to be signed by the Chair and by the secretary.

- Rephrasing of point h) of Article 13 - the Board of Directors, as follows:

The Board of Directors shall appoint a secretary, either from among its members or from among the employees in managerial positions concerning the operational activity. The proceedings of the Board of Directors shall be recorded in minutes.

- Rephrasing of point m) of Article 13 - the Board of Directors, as follows:

No director may be a member on more than five Boards of Directors, except for the case provided under paragraph (2), article 15316 of Romanian Law no. 31/1990. Moreover, the rules established in the G.E.O. no. 99/2006 regarding the maximum number of mandates that directors can accumulate will be taken into account.

- Elimination of points h), i), l), m) and n) of Article 16 - On Registers, Balance Sheet and Profit Distribution.

- Elimination of Article 19 - Relations with the National Bank.

The procedures at the Trade Register Office (“ORC”) attached to the Cluj Court were completed at the beginning of July 2022, being issued by the competent authority the certificate of registration of mentions no. 135597/01.07.2022 and Resolution no. 19753/04.07.2022.

Main Transactions Regarding Affiliates

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

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

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

BT LEASING TRANSILVANIA IFN S.A.

- On 16.08.2022 the EGM of BTL approved in principle the merger by absorption of BT LEASING TRANSILVANIA IFN SA - as absorbing company with TIRIAC LEASING IFN SA - as absorbed company.
- On September 5th, 2022, the BTL’s General Meeting of Shareholders (“GMS”) approved the merger project drawn up on September 2nd, 2022, whereby TIRIAC LEASING IFN SA, as an absorbed company, will merge with S.C. BT Leasing Transilvania IFN SA, as absorbing company. The absorbing company will fully take over the patrimony of the absorbed company, with all the assets and liabilities, with all the ongoing contracts, with all the rights and obligations of the companies that will be absorbed.
 - The date of the merger balance sheet is 31.12.2021.

- The effective date of the merger will be December 15th, 2022.
- On 03.08.2022, BTL acquired the entire share package of Tiriac Leasing from BT, becoming its sole shareholder.

IDEA LEASING IFN SA

- On 26.07.2022, the members of the Board of Directors of Idea Leasing decided to appoint Mr. Tiberiu Moisă as President of the Board of Directors of Idea Leasing IFN SA.

TIRIAC LEASING IFN SA

- On 30.06.2022, the shareholders of Tiriac Leasing decided to move the company's headquarters to Cluj-Napoca, Constantin Brâncuși str., no. 74-76, Cluj County and the opening of a work point in Bucharest, Blvd. Expozitiei, no. 2, sector 1.
- On 03.08.2022, following the takeover of the entire Tiriac Leasing share package by BT Leasing Transilvania IFN SA, the Constitutive Act was updated.
- On 16.08.2022 EGM of Tiriac Leasing approved in principle the merger by absorption of BT LEASING TRANSILVANIA IFN SA - as absorbing company with TIRIAC LEASING IFN SA - as absorbed company.
- On 25.08.2022, the Board of Directors of Tiriac Leasing decided to appoint Mr. Tiberiu Moisă as President of the Board of Directors of Tiriac Leasing IFN SA for the remaining period of the administrator's mandate.
- On September 5th, 2022, the Tiriac Leasing GMS approved the merger project drawn up on September 2nd, 2022, whereby TIRIAC LEASING IFN SA, as an absorbed company, will merge with S.C. BT Leasing Transilvania IFN SA, as absorbing company. The absorbing company will fully take over the patrimony of the absorbed company, with all the assets and liabilities, with all the ongoing contracts, with all the rights and obligations of the companies that will be absorbed.
 - The date of the merger balance sheet is 31.12.2021.
 - The effective date of the merger will be December 15th, 2022.

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 generated as a result of the consequences of the coronavirus pandemic and the geopolitical context generated by the Russian-Ukrainian conflict:

- Risks of lower economic growth than estimates and high inflation, exacerbated by the conflict and tensions in the region;
- Deterioration of internal macroeconomic balances, including as a result of international geopolitical developments;
- Increase in financing costs, generated by more restrictive monetary policies;
- Increase in production costs, especially due to the rising cost of energy, fuels and raw materials, as well as global blockages in supply;
- Accelerated rise of consumer prices, coupled with the depreciation of the national currency against the Euro, compared to current levels;
- Delays in 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 September 2022, compared to the end of last year and the end of September 2021, is as follows:

Indicators (RONmn)	Group				
	Sep'22	Dec'21	Sep'21	Sep'22 vs Dec'21 %	Sep'22 vs Sep'21 %
Cash and current accounts with Central Bank	16,508	18,321	19,625	-9.9%	-15.9%
Placements to banks	5,343	10,394	4,760	-48.6%	12.2%
Treasury financial instruments	47,448	44,204	43,737	7.3%	8.5%
Loans and advances to customers, net	65,058	54,630	45,445	19.1%	43.2%
Finance lease receivables	2,739	1,488	1,364	84.1%	100.8%
Tangible and intangible assets	2,141	1,989	1,720	7.6%	24.5%
Other assets	2,045	1,475	1,262	38.7%	62.0%
Total assets	141,282	132,501	117,913	6.6%	19.8%
Deposits from customers	113,439	108,022	99,375	5.0%	14.2%
Deposits from banks	1,824	1,024	646	78.0%	>100%
Loans from banks and other financial institutions	10,451	7,930	1,554	31.8%	>100%
Subordinated loans	1,784	1,762	1,722	1.2%	3.6%
Other liabilities	3,135	3,199	3,720	-2.0%	-15.7%
Total liabilities	130,632	121,937	107,018	7.1%	22.1%
Equity	10,649	10,564	10,895	0.8%	-2.3%
Total liabilities and equity	141,282	132,501	117,913	6.6%	19.8%

Indicators (RONmn)	Bank				
	Sep'22	Dec'21	Sep'21	Sep'22 vs Dec'21 %	Sep'22 vs Sep'21 %
Cash and current accounts with Central Bank	14,547	16,764	18,539	-13.2%	-21.5%
Placements to banks	6,303	9,613	4,111	-34.4%	53.3%
Treasury financial instruments	46,278	42,786	42,633	8.2%	8.6%
Loans and advances to customers, net	63,215	52,239	44,991	21.0%	40.5%
Tangible and intangible assets	2,415	2,429	2,081	-0.6%	16.1%
Other assets	2,008	1,232	1,062	63.0%	89.2%
Total assets	134,767	125,062	113,417	7.8%	18.8%
Deposits from customers	110,253	102,698	96,622	7.4%	14.1%
Deposits from banks	1,718	952	638	80.4%	>100%
Loans from banks and other financial institutions	9,188	7,458	1,152	23.2%	>100%
Subordinated loans	1,754	1,706	1,719	2.8%	2.0%
Other liabilities	2,698	2,894	3,485	-6.8%	-22.6%
Total liabilities	125,611	115,709	103,617	8.6%	21.2%
Equity	9,155	9,353	9,800	-2.1%	-6.6%
Total liabilities and equity	134,767	125,062	113,417	7.8%	18.8%

At the end of the first nine months of 2022, the Group's assets reach RON 141.3 billion, expanding by 6.6% compared to the end of last year, and by 19.8% compared to the end of September 2021. At the same time, the Bank's assets show an increase of 7.8% compared to the end of the previous year and a growth of 18.8% compared to September 2021, amounting to RON 134.8 billion.

The changes in the Group's and Bank's assets is summarized as follows:

Loan portfolio: At Group level, considering also the receivables from leasing contracts, the loan portfolio registered an increase of 20.8% and 44.8% respectively, compared to the end of 2021 and the end of September 2021, respectively. The loan portfolio managed by the Bank increased considerably, by 21% compared to the end of the previous year and by 40.5% compared to the end of the same period of 2021.

Between January and September 2022 over 206,000 new loans were granted, out of which more than 191,000 to retail customers.

Provisions stock: Banca Transilvania recorded at the end of September 2022 expenses from the adjustments for financial assets for other risks and credit commitments in the amount of RON 198 million (including recoveries from off-balance sheet loans). The balance of provisions reached the level of RON 4.1 billion at the end of September 2022.

The non-performing loans ratio according to the EBA is 2.55% as of September 30, 2022 and the coverage with total provisions of the non-performing loans according to the EBA is 187%.

Cash and current accounts with Central Bank together with the placements to banks represent as at September 30, 2022 approximately 15% of the total assets at the 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 9.9% compared to the end of 2021 and by approximately 15.9% compared to the level registered on September 30, 2021, amounting to RON 16,508 million. At the Bank level, their balance was RON 14,547 million, registering a decrease of 13.2% compared to December 31, 2021 and of 21.5% compared to September 30, 2021. The most significant element of this asset category is the minimum compulsory reserve held with the National Bank of Romania.

Placements to banks, at the end of September 2022, show a negative change at both Group and Bank level, of -48.6% and -34.4% respectively compared to December 31, 2021. Compared to September 30, 2021, placements to banks posted increases of 12.2% for the Group and 53.3% for the Bank, these variations being 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 debt instruments measured at amortised cost with a weight of over 53% in the total category of treasury financial instruments, both at Group and Bank level, representing at the same time, approximately 18% of the Group and the Bank's total assets at the end of the first nine months of 2022.

The treasury instruments increased by almost 7.3% compared to December 31, 2021 for the Group and by 8.2% for the Bank, respectively, by 8.5% for the Group and 8.6% for the Bank compared to September 30, 2021, reaching RON 47,448 million at Group level, respectively RON 46,278 million at Bank level. The increase in these instruments is directly correlated with the increase in the managed portfolio of government bonds.

Resources from clients: At Group level, the customers' deposits reached RON 113,439 million on September 30, 2022, rising by 5% compared to the end of the previous year and by 14.2% compared to September 30, 2021. At Bank level, the balance of the customers' deposits reached RON 110,253 million on September 30, 2022 rising by 7.4% during 2022, and by 14.1% compared to September 30, 2021, the positive evolution being determined by five successive increases in deposits' interest rates on since February 2022.

For both the Group and the Bank, 66% of the customers' deposits savings belong to individuals, and 34% savings to legal entities customers. Also, current accounts are 60% out of total customers' deposits, while funding through deposits represent 40% as of September 30, 2022.

The loan-to-deposit ratio is 61.0% as at the end of September 2022 at Bank level, the gross loans level amounting to RON 67.3 billion while the customers deposits reached RON 110.3 billion.

The equity of Banca Transilvania S.A. as at the end of September 2022 amounts to RON 9,155 million, decreasing by 2.1% versus the end of 2021, when it amounted to RON 9,353 million, an evolution influenced by inflationary pressures that affected treasury assets.

The Bank's **solvency** calculated as at September 30, 2022 is 23.05% (22.05% without the profit of the third quarter. The net profit of the first half of the year was included in Own Funds), 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 nine months of 2022, compared to the same period last year, are as follows:

Indicators (RONmn)	Group			Bank		
	Sep'22	Sep'21	Sep'22 vs Sep'21 %	Sep'22	Sep'21	Sep'22 vs Sep'21 %
Net interest income	3,146	2,267	38.7%	2,616	1,997	31.0%
Net fees and commissions income	852	701	21.5%	727	600	21.3%
Net trading income	553	388	42.7%	502	313	60.5%
Net (loss)/income from financial assets measured at fair value through comprehensive income	(98)	174		(102)	174	
Net (loss)/income from financial assets which are required to be measured at fair value	(80)	58		(93)	105	
Contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund	(152)	(89)	71.0%	(144)	(82)	75.0%
Other operating income	207	119	74.2%	340	124	>100%
Total operating income	4,428	3,618	22.4%	3,847	3,232	19.0%
Net expense from impairment allowance, expected losses on assets, provisions for other risks and loan commitments	(318)	33		(198)	9	
Personnel expenses	(1,211)	(963)	25.8%	(1,022)	(855)	19.6%
Depreciation and amortization	(287)	(267)	7.6%	(257)	(258)	-0.4%
Other operating expenses	(674)	(487)	38.2%	(720)	(413)	74.3%
Total operating expenses	(2,489)	(1,684)	47.8%	(2,197)	(1,518)	44.8%
Profit before income tax	1,939	1,934	0.2%	1,650	1,714	-3.8%
Income tax expense	(261)	(265)	-1.7%	(209)	(240)	-13.2%
Net profit	1,678	1,669	0.6%	1,441	1,474	-2.2%
Profit of the Group attributable to equity holders of the Bank	1,609	1,635	-1.5%	1,441	1,474	-2.2%
Profit of the Group attributable to non-controlling interests	69	34	101.7%			
Net profit	1,678	1,669	0.6%	1,441	1,474	-2.2%

The **gross profit** registered by the Group during the first nine months of 2022 amounts to RON 1,939 million, increasing slightly over the level recorded in January-September 2021, while the Bank reported a gross profit of RON 1,650 million, down by 3.8% versus the profit registered during the same period of 2021, the significant increases in interest, commission and trading income being diminished by the recording of losses from financial assets valued at fair value and by a higher level of provisions, in line with the conditions of the current economic environment. Thus, the **net profit** obtained by Banca Transilvania in the first nine months 2022, of RON 1,441 million, is lower by 2.2% compared to the same period of 2021, while the net profit of the Group amounts to 1,678 million lei (+0.6%).

Net interest income grew strongly, showing as of the end of September 2022 an increase of 38.7% at Group level and of 31.0% at Bank level, supported by increases in ROBOR rates and a growth in the number of newly granted loans.

Net fees and commissions income also shows growths in the first nine months of 2022, both at Group and Bank level, of 21.5% and 21.3%, respectively, compared to the same period of 2021, mainly due to an increase in card transactions as well as to the increasing degree of customers' digitalization.

Net trading income rose by 42.7% at the Group level, and by 60.5% at the Bank level, significantly higher net income from derivative instruments and foreign exchange transactions being recorder in the analyzed period versus the previous year.

Operating revenues at the end of the first 9 months of 2022 amounted to RON 4,428 million at Group level and to RON 3,847 million at Bank level, being also higher by 22.4% and 19.0% respectively, as compared to the same period last year.

Operating expenses at the Group level increased by 47.8% compared to those reported in the similar period of 2021, and those at the Bank level by 44.8%, influenced by net expenses with depreciation adjustments, expected losses for assets, provisions for other lending risks and commitments and an increase in personnel expenses (BT continued to expand its employee base, since the beginning of the year, the number of employees has increasing by 2.9%, at the Group level and respectively by 4.3% at the Bank level).

Operational result: The operational efficiency continues to be at a comfortable level of 52%, increasing however compared to the level of 47.2% reported during the first nine months of 2021.

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

INDICATORS	Bank Sep'22	Bank Sep'21	Sep'22 vs Sep21 %	Group Sep'22	Group Sep'21	Sep'22 vs Sep'21 %
Net profit for the period (RON thousands)	1,440,949	1,473,711	-2.2%	1,677,860	1,668,606	0.6%
Basic earnings per share	-	-	-	0.2277	0.2313	-1.5%
Diluted earnings per share	-	-	-	0.2277	0.2313	-1.5%

An additional set of financial indicators computed as at September 30, 2022 are presented in Appendix 2.

Other information regarding the first nine months of 2022

During the third quarter of 2022, Banca Transilvania has opened *Stup* (translated to English as “*the Hive*”), a physical and virtual space dedicated to supporting the entrepreneurial community. Under the umbrella of *#sefacelastup*, BT has created the required infrastructure to connect entrepreneurs with service and product providers for setting up and managing a business. At *Stup* there are also events for entrepreneurs and future entrepreneurs, organized both by BT and by the partners of this initiative.

In order to facilitate direct communication with clients, Banca Transilvania also launched in this third quarter the concept of Dialog Agencies, consisting of almost 50 offices dedicated to business consultancy of clients, located in 19 cities in the country.

Banca Transilvania is a market leader in the cards market, with 5.2 million cards in portfolio at September 30, 2022, out of which over 590,000 are credit cards. The transactions made with the 5.2 million cards increased by 33% compared to the same period last year (9M 2022).

BT has over 3.2 million unique digitized customers, that use at least one of the bank's digital solutions - applications, Internet Banking or Mobile Banking, and represent 84% of the bank's active customers.

The bank reached over 2.7 million unique cards in BT Pay, Apple Pay, Google Pay, Fitbit Pay and Garmin Pay wallets, and the number of payments by phone increased by 65% in 9M 2022 compared to 9M 2021.

As of September 30, 2022, BT had installed 1,820 ATMs, out of which approximately 586 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 514 BT Express terminals that are used for various operations, including bill payments, 93,798 POS installed and collaborates with approximately 4,678 e-commerce merchants.

The first nine months of 2022 saw three times as many interactions on the BT Visual Help app compared to the same period last year – the month-on-month increase was steady, reaching almost 200,000 in September.

The number of Internet Banking users exceeded 1.9 million at the end of September 2022, up by 15% compared to the same period of the previous year. The volume of transactions through Internet Banking and Mobile Banking increased by 38% compared to same nine months of 2021.

The Group's number of active employees as at September 30, 2022 is 11,113 (10,800 at December 31, 2021).

The Bank's number of active employees as at September 30, 2022 is 9,024 (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 235.57% on September 30, 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

Macroeconomic environment in Romania

According to the figures released by the National Trade Register Office the number of the newly set up companies diminished by 1.39% YoY to 90.126 during January – July 2022. On the other hand, the figures of National Trade Register Office show the increase of the number of insolvencies by 11.28% YoY to 4.282 during January – August 2022, an evolution determined by the overlapping supply-side shocks and the consequences of the crisis in Ukraine.

In 3Q 2022 the National Bank of Romania (NBR) continued the post-pandemic monetary cycle, by increasing the policy rate, in order to counter the inflationary pressures and to anchor the mid-run inflationary expectations, in convergence towards the target interval. The central bank hiked the monetary policy rate from 4.75% at the end of 2Q to 6.50% at the end of 3Q. On the other hand, the central bank maintained the levels of the MRRs at 8% for RON and 5% for FX during 3Q2022.

The figures released by NBR show the consolidation of the positive climate on the credit market in September and the first 9 months of 2022, an evolution reflecting the resilience to the overlapping supply-side shocks and to the regional geo-political tensions. The non-government loans rose for the 28th month in a row in September, by an accelerating MoM pace to 1.6%, to RON 364.8bn (a record high level) (the YoY improving to 16%).

This evolution was determined by the increase of the FX-denominated loans by 5.8% MoM and 20% YoY to RON 107.2bn, given the low level of the financing costs in EUR: the household and corporate components rose by 1.2% MoM to RON 25.3bn and by 7.4% MoM to RON 81.9bn.

The RON-denominated loans contracted by 0.1% MoM (up by 14.3% YoY) to RON 257.6bn in September, due to the decline of the corporate component by 0.8% MoM to RON 110bn, partially counterbalanced by the increase of the household segment by 0.4% MoM to RON 147.6bn.

During January – September 2022 the corporate loans climbed by 20% ytd to RON 191.9bn, an evolution supported by the continuity of the investment flows in the economy, given the increase of the foreign direct investments and the improvement of the EU funds absorption rate.

The household loans advanced by 5.2% ytd to RON 172.9bn during January-September: the consumer component rose by 3.3% ytd to RON 63.8bn (the maximum since December 2010), while the housing segment increased by 5.4% ytd to RON 106.1bn (a record level).

The NBR figures also show the increase of the non-government deposits by 1% MoM and 8.7% YoY to RON 491.7bn in September. During January – September 2022 the household deposits rose by 0.9% ytd to RON 286.5bn.

The corporate deposits advanced by 5% ytd to RON 205.2bn in September. Consequently, the loans-to-deposits ratio stood at 74.2% in September, the highest since November 2019.

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 2,141 million at September 30, 2022, compared to RON 1,989 million at December 31, 2021 and RON 1,720 million at September 30, 2021. As compared with the two periods analysed, tangible and intangible assets registered an increase of 7.6%, while compared to the end of the previous year, and of 24.5% compared to September 30, 2021.

At the Bank level, investments in tangible and intangible assets were RON 2,415 million at September 30, 2022, compared to RON 2,429 million at December 31, 2021 and RON 2,081 million at September 30, 2021. As compared with the two periods of the previous year, the value

of the tangible and intangible assets registered a slight decline of 0.6% compared to the end of the previous year, but increased by 16.1% compared to September 30, 2021.

At both Group and Bank level, the change in fixed assets was mainly determined by the category of property, equipment and investment property, 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, September 30, 2022. The data presented 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

As a result of the Decisions of the Extraordinary General Meeting of the Shareholders of Banca Transilvania on April 28th, 2022, the consolidation of the nominal value of a Banca Transilvania SA share was approved, 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), as well as the establishment of a price in the amount 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. The legal procedures for registering the consolidation of the nominal value before the authorities and entities involved in this process were completed in the second part of August 2022.

Last but not least, in connection with the increase of the bank's share capital, as a result of the Decisions of the Banca Transilvania's Extraordinary General Meeting of Shareholders of April 28th, 2022, we specify, in addition to the information reported in the semi-annual report, the fact that all the legal registration procedures before authorities and entities involved in this process were completed in the first part of July 2022.

3.3 Changes in the Management Structure of the Bank (Board, Executive Level etc.)

In the third quarter of 2022, there were no changes in the Board of Directors. During the first nine months of 2022, however, the new Board of Directors was elected, for the 2022-2026 mandate with the following composition: Horia Ciorcilă, Thomas Grasse, Ivo Gueorguiev, Vasile Puscaș, Mirela-Ileana Bordea, Florin Predescu-Vasvari, Lucyna Stanczak-Wuczynska.

In the third quarter of 2022, there were no changes in the Leaders' Committee. During the first nine months of 2022, however, the term of office of Mrs. Mihaela Nădășan was terminated as a result of her death. Moreover, Banca Transilvania's Board of Directors decided to appoint Ioana-Mihaela Ilas as Deputy CEO, position which became vacant following the termination of the mandate of Mrs. Gabriela-Cristina Nistor.

There were no changes in the Statutory auditor.

4. Significant Transactions

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

5. Conclusions

The global macroeconomic climate continued to deteriorate in the third quarter of 2022, in the context of high inflationary pressures and the persistence of the events in Ukraine and their consequences, more pronounced at the level of European economies. However, Banca Transilvania maintained its solid financial position and comfortable level of capitalization. Thus, at the end of September 2022, the Bank records a net profit of RON 1.4 billion, an expansion of total assets of 7.8%, reaching RON 134.8 billion, with an increase in the loan portfolio of 21% and a solvency ratio of 23.05%.

Events subsequent to the date of the consolidated statement of financial position

On the 18th of October 2022, was held the Extraordinary General Shareholders' Meeting of Banca Transilvania S.A., where the following were approved:

- a program of corporate bond issues, denominated in euro and/or RON and/or in another currency, as the case may be, under market conditions in terms of interest rate, with a maturity of not more than 10 years, with the frequency of the annual or semi-annual coupon, for a maximum amount of EUR 1 billion or equivalent, on the basis of a flexible structure, through several separate issues, carried out over a maximum period of 10 years, with the delegation of powers to determine the conditions of the issuance program to the Management Board ('the bonds');
- the conduct of a public offer and/or private placement relating to first tranche bonds, which will be addressed to (i) qualified investors and/or (ii) up to 150 natural or legal persons other than qualified investors per Member State in accordance with the applicable legislative framework, with the delegation of powers to the Board of Directors on the offer of bonds for subsequent tranches ('the offer');
- The approval of the Company's performance of all necessary, useful and/or timely actions and formalities for the purpose of admission of bonds to trading on the regulated market administered by the Bucharest Stock Exchange and/or on the regulated market and/or in other trading venues in other jurisdictions after the offer is made;
- The date of November 15th, 2022 as registration date and ex-date – November 14th, 2022, in order to identify the shareholders who will benefit from other rights and over whom the effects of the EGMS decisions are reflected.

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 September 30, 2022.

NOTE: The financial statements for the periods ended September 30 are not audited nor revised.

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

**CHIEF EXECUTIVE OFFICER
ÖMER TETİK**

**SHAREHOLDERS STRUCTURE AT
09/30/2022**

EXPLANATIONS	No.of holders	No. Shares	Percentage %
ROMANIAN CAPITAL	42,502	528,464,167	74.68
Individuals	41,782	159,064,525	22.48
Companies	720	369,399,642	52.20
of which Financial Investment Companies	5	132,450,142	18.72
FOREIGN CAPITAL	996	179,194,066	25.32
Individuals	748	7,572,596	1.07
Companies	248	171,621,470	24.25
TOTAL	43,498	707,658,233	100

ECONOMIC AND FINANCIAL RATIOS AS AT 09/30/2022

<u>Ratio</u>	<u>Method of computation</u>	<u>09/30/2022</u>
1. Current Liquidity Ratio	Current assets/Current liabilities	105.92%
2. Indebtedness Ratio	Borrowed capital/Shareholder's equity *100	36.59%
	Borrowed capital/Capital employed*100	19.23%
3. Accounts receivable turnover rate	Average client balance/Turnover*365	Not applicable
4. Fixed assets turnover rate	Turnover/Fixed assets	2.18

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