

CONSOLIDATED DIRECTORS' REPORT

**for the three-month period ended
31 March 2024**

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

Identification Details of the Issuer

Report date: May 10th, 2024

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 7,986,582,330

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: 798,658,233 nominal shares with a par value of RON 10/share.

Banca Transilvania's Financial Group Presentation

Banca Transilvania 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., Salt Bank S.A., BCR Chișinău S.A., BT Capital Partners S.A., BT Leasing Transilvania IFN S.A., Idea Leasing IFN S.A., BT Investments S.R.L., BT (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 Asistent în Brokeraj 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., BTP One S.R.L., BTP Retail S.R.L and Code Crafters by BT S.R.L.

The main Group's fields of activity are: banking through Banca Transilvania S.A., Victoriabank S.A., BCR Chișinău S.A and Salt Bank 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., brokerage and investments through BT Capital Partners S.A. and pension funds management through BT Pensii S.A. Moreover, the Bank controls two investment funds that are also included in the consolidation and is associated in Sinteza S.A. with a holding percentage of 31.09%.

Banca Transilvania is a public listed company founded in 1993, headquartered in Cluj-Napoca, with majority romanian shareholders – 76.95% as of the end of March 2024. Currently, BT occupies the first place in the top of the banking system in Romania, by total assets.

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, 2024 is presented in the Appendix to this document.

I. Significant Events During the Period January-March 2024

Amendments brought to the Articles of Association

There have been no changes.

Main Transactions Regarding Affiliates

In the first quarter of 2024, there were no transactions with the Bank's affiliated parties which could influence substantially the financial position of the Group.

Changes in the first quarter of 2024 regarding Banca Transilvania Financial Group

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

BT ASSET MANAGEMENT SAI S.A.

- On 02.02.2024, the General Meeting of Shareholders ("GMS") decided to grant a new mandate of administrator with a duration of 4 years, starting with 08.04.2024 and until 07.04.2028, to Mrs. Runcan Luminița Delia and the appointment of Mr. Nistor Ioan Alin as administrator in place of Mr. Bernát Aurel, for a 4 years mandate, starting with 08.04.2024 and until 07.04.2028.

BT MICROFINANTARE IFN S.A.

- On 16.02.2024, the extension of the mandate for two of the company's managers was registered at the Trade Registry Office, as follows:
 - Alexandru Valentina – Deputy General Director, extension of the mandate by 4 years, until 09.03.2028;

- Ene Marian – Deputy General Director, extension of the mandate by 4 years, until 09.03.2028.

IDEA BROKER DE ASIGURARE S.R.L.

- On 31.01.2024, the change of the company name to BT Broker de Asigurare SRL was registered at the Trade Registry Office according to the Sole Associate Decision no. 3/22.11.2023 and the Decision of the Financial Supervisory Authority no. 57/22.01.2024.

IDEA LEASING IFN S.A.

- On 29.03.2024, the change of the company name to Avant Leasing IFN S.A. was registered at the Trade Registry Office according to GMS Decision no. 1/20.03.2024.

SALT BANK S.A.

- On 11.03.2024 the mandate of Mr. Constantin Daniel Popescu, Deputy General Director for Technology (CTO), ended;
- On 19.03.2024, started the 4 years administrator mandate of Mrs. Gabriela Cristina Nistor and Mr. Ivo Alexandrov Gueroguiev took over the role of President of the Board of Directors, replacing Mrs. Mioara Popescu, whose mandate expired in 31.12.2023.

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 a result of the consequences of the global economic slowdown and the volatility of international markets, and the geopolitical context of geopolitical conflicts, which is still ongoing:

- risks of lower economic growth than estimates, Romania's economy being closely linked to global markets, especially the countries of the European Union and still high inflation, aggravated by the conflict and tensions existing at the level of the region and the associated sanctions;
- deterioration of internal macroeconomic balances, including as a result of international geopolitical developments and market volatility, as well as uncertainties regarding the future conduct of tax and revenue policy;

- the increase in financing costs, generated by more restrictive monetary policies and the increase in public debt;
- the increase in 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;
- Increasing exposure to cyber risks in the context of accelerating the digitalization of processes and the interconnectivity of financial infrastructures.

II. Detailed Information

1. Financial Statements

1.1.a. Financial Results Summary

Indicators	Group		Bank	
	Mar' 24	Mar' 23	Mar' 24	Mar' 23
ROE (Net profit/average equity)	39.71%	37.22%	32.77%	34.29%
ROA (net profit/annual average of total assets)	2.83%	2.34%	2.22%	1.97%
Cost/income	45.72%	45.54%	45.10%	46.48%
Total net income, <i>RON thousand</i>	2,215,991	1,740,464	1,910,018	1,443,608
Provisions for credit risk, <i>RON thousand</i>	(2,941)	51,784	45,959	40,454
Gross profit, <i>RON thousand</i>	1,308,155	968,294	1,072,628	781,905
Net profit, <i>RON thousand</i>	1,132,407	837,701	913,240	675,902
Basic earnings per share, <i>RON</i>	1.1486	0.8800		
Diluted earnings per share, <i>RON</i>	1.1486	0.8800		
<i>Other information:</i>				
Number of agencies, branches and offices			510	513
No of active employees	12.037	11.326	9.600	9.175

*calculated with an annualized impact of the contribution to the Guarantee Fund of Bank Deposits (FGDB) and the Resolution Fund

Key profitability and financial performance indicators ROE, ROA and Cost/Income were impacted by the registration of the turnover tax.

1.1.b. 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 2024, compared to the end of last year and the end of March 2023, is as follows:

Indicators (RONmn)	Group				
	Mar'24	Dec'23	Mar'23	Mar'24 vs Dec'23 %	Mar'24 vs Mar'23 %
Cash and current accounts with Central Bank	25,244	24,253	17,859	4.1%	41.4%
Placements to banks	11,266	12,273	4,351	-8.2%	158.9%
Treasury financial instruments	56,642	51,775	52,246	9.4%	8.4%
Loans and advances to customers, net	73,287	72,008	64,973	1.8%	12.8%
Finance lease receivables	3,770	3,563	2,872	5.8%	31.2%
Tangible and intangible assets	2,622	2,642	2,297	-0.8%	14.2%
Other assets	3,154	2,655	3,332	18.8%	-5.4%
Total assets	175,984	169,169	147,931	4.0%	19.0%
Deposits from customers	141,197	138,053	126,779	2.3%	11.4%
Deposits from banks	535	1,035	833	-48.3%	-35.8%
Loans from banks and other financial institutions	10,179	9,549	4,375	6.6%	132.7%
Subordinated loans	2,462	2,423	1,775	1.6%	38.7%
Other liabilities	6,520	4,213	3,285	54.7%	98.5%
Total liabilities	160,893	155,273	137,048	3.6%	17.4%
Equity	15,091	13,897	10,883	8.6%	38.7%
Total liabilities and equity	175,984	169,169	147,931	4.0%	19.0%

Indicators (RONmn)	Bank				
	Mar'24	Dec'23	Mar'23	Mar'24 vs Dec'23 %	Mar'24 vs Mar'23 %
Cash and current accounts with Central Bank	23,304	22,286	15,458	4.6%	50.8%
Placements to banks	11,358	12,619	5,592	-10.0%	103.1%
Treasury financial instruments	54,580	50,076	49,923	9.0%	9.3%
Loans and advances to customers, net	72,658	71,550	63,457	1.5%	14.5%
Tangible and intangible assets	2,865	2,889	2,526	-0.8%	13.4%
Other assets	2,864	2,365	3,042	21.1%	-5.8%
Total assets	167,629	161,785	139,997	3.6%	19.7%
Deposits from customers	136,977	134,443	122,306	1.9%	12.0%
Deposits from banks	542	1,082	838	-49.9%	-35.3%
Loans from banks and other financial institutions	9,013	8,584	3,162	5.0%	185.0%
Subordinated loans	2,455	2,404	1,746	2.1%	40.6%
Other liabilities	5,862	3,443	2,748	70.3%	113.3%
Total liabilities	154,849	149,956	130,801	3.3%	18.4%
Equity	12,780	11,829	9,196	8.0%	39.0%
Total liabilities and equity	167,629	161,785	139,997	3.6%	19.7%

The Group's assets reached almost RON 176 billion at the end of the first three months of 2024, increasing by 4% compared to the end of 2023 and by 19% compared to the end of March 2023. At the Bank level, assets increased by 3.6% compared to the end of the previous year and by 19.7% compared to March 2023, reaching RON 167,6 billion.

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

Loans' portfolio: considering also the receivables from leasing contracts, the credit portfolio at the Group's level at the end of March 2024 was above the level at the end of 2023 (+2%), and up by 13.6% compared to the end of March 2023. At the Bank's level, net loans at the end of March 2024 represent RON 72.7 billion, up by 1.5% compared to the end of the previous year, and 14.5% above the balance of net loans as of March 31, 2023.

Between January and March 2024, over 74,600 new loans were granted, out of which over 68,600 to retail customers.

Provisions' stock: Banca Transilvania recorded at the end of March 2024 a net income from adjustments for financial assets for other risks and credit commitments in the amount of RON 46 million (including recoveries from off-balance sheet loans). The balance of provisions reached the level of RON 4.4 billion at the end of March.

The non-performing loan ratio (NPL ratio) according to the EBA is 2.01% as of March 31, 2024 and the coverage with total provisions of the non-performing loans according to the EBA is 198.23%.

Cash and current accounts with Central Bank together with the placements to banks decreased by 0.7% compared to the end of December 2023 but increased by 64.7% compared to March 31, 2023, at the Bank level and as at March 31, 2024, these represent 21% of the total assets. At Group level, the balances of these elements are maintained at the level of the end of December 2023 and are increasing by 64.4% as compared to March 31, 2023, having a weight of 21% in the Group's total assets.

At the Group level, the cash and current accounts with the Central Bank increased by 4.1% compared to the end of 2023, and by 41.4% compared to the level registered on March 31, 2023, amounting at the end of March 2024 to RON 25,244 million. At the Bank's level, the increase is of 4.6% by comparison with December 2022 and by 50.8% versus March 2023, the final balance as at March 31, 2024 amounting to RON 23,304 million. The most significant element of this asset

category is the minimum compulsory reserve held with the National Bank of Romania with a weight over 84%.

Placements to banks, at the end of March 2024, show a negative evolution at both Group and Bank level, decreasing by 8.2%, and 10.0% respectively compared to December 31, 2023. Compared to March 31, 2023, this category shows an increase of 158.9% for the Group, while for the Bank the increase is 103.1%. Variations in this category are mostly determined by the volume of sight, collateral and term deposits at credit institutions, but also by the volume of the term deposit at the Central Bank.

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 amortized 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 73% in the total category of treasury financial instruments, at Bank level and a weight of 71% at Group level. At the same time, they represent almost 24% of total Bank's assets.

The treasury instruments increased by 9.4% compared to December 31, 2023, for the Group and by 9.0% for the Bank, respectively by 8.4% for the Group and 9.3% for the Bank compared to March 31, 2023, reaching RON 56,642 million at Group level, respectively RON 54,580 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: At Group level, the balance of the customers' deposits reached RON 141,197 million on March 31, 2024, increasing by 2.3% compared to the end of the previous year and by 11.4% compared to March 31, 2023. At Bank level, the balance of customers' deposits reached RON 136,977 on March 31, 2024, increasing by 1.9% compared to the end of the previous year and by 12% compared to March 31, 2023.

For both the Group and the Bank, 64% of the total customers' deposits represent savings of the individuals and 36% savings of the legal entities' customers.

The loan-to-deposit ratio is 56.3% as at the end of March 2024 at Bank level, the gross loans level being of RON 77.1 billion while the customers deposits reached approximately RON 137 billion.

The equity of Banca Transilvania S.A. as at 31.03.2024 amounts to RON 12,780 million, increasing by 8% compared to the end of 2023 and by 39% compared to the same period last year. The impact on equity is mainly given by the variations in the retained earnings (incorporation of the profit of the period).

The internal process of evaluating the adequacy of the capital to the risks is a component of the administration and management process and decision-making culture of Banca Transilvania, which aims to enable management to ensure the identification, measurement, aggregation and adequate monitoring of the institution's risks credit, holding an internal capital adequate to the risk profile and the use and development of solid risk management systems.

The Group and the Bank comply with Regulations in terms of Own Funds and Solvency, the level of the capital risk adequacy indicator far exceeding the minimum limits imposed by the legislation. On March 31, 2024 and December 31, 2023, respectively, the Group and the Bank met all regulatory requirements regarding own funds.

Indicators	Group			Bank		
	Mar-24	Dec-23	Mar'24 vs Dec'23 %	Mar-24	Dec-23	Δ Mar'24 vs Dec'23 %
Tier 1 basic own funds ratio	16.64%	18.29%	-9.0%	16.59%	18.32%	-1.7%
Tier 1 own funds ratio	16.64%	18.29%	-9.0%	16.59%	18.32%	-1.7%
Solvency indicator	19.74%	21.55%	-8.4%	20.06%	21.97%	-1.9%

Indicators (RONmn)	Group			Bank		
	Mar-24	Dec-23	Mar'24 vs Dec'23 %	Mar-24	Dec-23	Δ Mar'24 vs Dec'23 %
Tier 1 basic own funds	12,034	12,692	-5.2%	10,718	11,363	-5.7%
Tier 2 own funds	2,242	2,262	-0.9%	2,241	2,260	-0.8%
Total own funds	14,276	14,954	-4.5%	12,959	13,624	-4.9%

Note: The calculation of the Group's and the Bank's own funds considers the statutory profit of the Group, respectively of the Bank for the financial period ended on December 31, 2023. For the three-month period ended March 31, 2024, the current profit was not considered in the calculation of own funds. Regulatory capital as at March 31, 2024 and December 31, 2023 was calculated according to the IFRS standards endorsed by the European Union.

Solvency: The Bank's solvency calculated as at March 31, 2024 is 21.47% (20.06% without the profit of the first three months of 2024 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.c. Profit and Loss Account

The main elements of the Profit and Loss Account at Group and Bank level for the first three months of 2024, compared to the same period last year, are as follows:

Indicators (RONmn)	Group			Bank		
	Mar'23	Mar'22	Mar'23 vs Mar'22 %	Mar'23	Mar'22	Mar'23 vs Mar'22 %
Net interest income	1,543	1,242	24.2%	1,325	1,031	28.4%
Net fees and commissions income	338	288	17.3%	296	251	18.0%
Net trading income	191	135	41.1%	157	123	27.8%
Net gain / loss (-) from financial assets measured at fair value through other items of comprehensive income	62	67	-7.4%	61	67	-9.2%
Net gain / loss (-) from financial assets which are required to be measured at fair value through profit and loss	44	24	88.2%	60	18	236.9%
Contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund	(71)	(92)	-22.4%	(65)	(89)	-27.6%
Other operating income	110	77	42.7%	77	43	76.8%
Total operating income	2,216	1,740	27.3%	1,910	1,444	32.3%
Net expense from impairment allowance, expected losses on assets, provisions for other risks and loan commitments	(3)	52		46	40	13.6%
Personnel expenses	(580)	(476)	21.8%	(482)	(401)	20.3%
Depreciation and amortization	(119)	(107)	11.8%	(104)	(98)	6.8%
Other operating expenses	(338)	(241)	40.4%	(297)	(204)	45.7%
Total operating expenses	(1,041)	(772)	34.8%	(837)	(662)	26.6%
Profit before income tax	1,175	968	21.4%	1,073	782	37.2%
Income tax expense	(176)	(131)	34.6%	(159)	(106)	50.4%
Net profit	1,000	838	19.3%	913	676	35.1%
Profit of the Group attributable to equity holders of the Bank	1,052	805	30.8%	913	676	35.1%
Profit of the Group attributable to non-controlling interests	80	33	142.6%	0	0	
Net profit	1,132	838	35.2%	913	676	35.1%

The **net profit** recorded in the first three months of 2024 at Group level (RON 1,132 million), exceeds by more than 35% the net profit from the similar period last year (RON 838 million).

The increase of over 35% is also preserved at the Bank level, RON 913 million being the net profit obtained in the first quarter of the current year by Banca Transilvania versus RON 676 million, for the first three months of the previous year.

The **net interest income** shows an increase of 24.2% at Group level and by 28.4% at Bank level, reaching RON 1,543 million, respectively RON 1,325 million for the first three months of the current year.

In the context of the continuous increase in the number of transactions and the number of active clients, as well as the diversification of the types of operations available to clients, the category of **net fees and commissions income** shows a positive dynamic, registering increases both at the Group level and at the Bank level by 17.3% and 18% respectively compared to the same period of 2023.

Net trading income in the first quarter of 2024 was higher than that obtained in the same period of 2023 by 41.1% at the Group level, and by 27.8% at the Bank level, due to the increase in net income from foreign exchange transactions but also the recording of net income from derivative instruments and net income from financial assets held for trading, while for the similar period last year, expenses were recorded for the last two categories.

Thus, at the end of the first quarter of 2024, **operating income** reached, RON 2,216 million at Group level and RON 1,910 million at Bank level, with 27.3% and 32.3% respectively higher compared to the same period of last year.

Both the Bank and the Group recorded **operational expenses** increasing by 26.6% and 34.8%, respectively, compared to the same period last year. The most consistent increase (+45.7% at the Bank level) was registered for the "other operational expenses" category, which includes the turnover tax expense. The category of staff allowances also recorded increases: +20.3% for the Bank, respectively 21.8% for the Group, these being determined by the increase in the value of the meal vouchers granted to employees, by the adjustment of fixed salaries against the background of increased inflation as well as the expansion of the employee base, their number increasing year-on-year by 6.3% at the Group level and by 4.6% at the Bank level.

Operational result: The Bank's operational efficiency remains at a comfortable level, of 45.1%, decreasing compared to the level of 46.5% reported during the first three months of 2023 (calculated with an annualized impact of the contribution to the Guarantee Fund of Bank Deposits (FGDB) and the Resolution Fund).

The **result per share** at three months of 2024 and three months 2023, is the following:

Indicators	Bank Mar-24	Bank Mar-23	Mar-24 vs Mar-23 %	Group Mar-24	Group Mar-23	Mar-24 vs Mar-23 %
Net profit for the period (RON thousands)	913,240	675,902	35.1%	1,132,407	837,701	35.2%
Basic earnings per share	-	-	-	1.1486	0.8800	30.5%
Diluted earnings per share	-	-	-	1.1486	0.8800	30.5%

Other information regarding the first three months of 2024:

Banca Transilvania is a market leader in the cards market, with 6.1 million cards in portfolio, out of which 650,000 are credit cards. The transactions made with the 6.1 million cards increased by 24%, as compared to the same period last year.

In the first quarter of the year, over 130,000 individuals became BT customers, some of them using the new online enrollment process through BT Pay launched at the end of January.

BT has over 3.2 million unique digitized customers, which represent 92% of the bank's active customers. This is one of the indicators that BT constantly monitors, reflecting the degree of digitization of the bank. These customers - individuals and companies - use at least one of the bank's digital solutions - applications, Internet Banking or Mobile Banking.

In terms of the volume of non-card transactions made by individuals through digital channels, they registered a 30% increase compared to the first quarter of last year.

The bank reached over 3.8 million unique cards in BT Pay, Apple Pay, Google Pay, Fitbit Pay and Garmin Pay wallets, and the number of phone payments increased by 40% in the first quarter of 2024 compared to the first quarter of 2023, reaching 51 million. At the same time, BT Pay money transfers are increasingly appreciated, their volume increasing by 65% compared to those made in the same period of 2023.

As of March 31, 2024, BT had installed 1,870 ATMs, out of which 626 are multifunctional. Also, the Bank has 498 BT Express terminals that are used for various operations other than cash release, more than 130,000 POS installed and collaborates with approximately 6,000 e-commerce merchants.

Compared to the same period last year, there were 40% more interactions in Q1 2024 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, with the help of the phone. The month-on-month increase has been steady, reaching nearly 400,000 interactions in March.

The Group's number of active employees as at March 31, 2024 is 12,037 (11,841 at December 31, 2023).

The Bank's number of active employees as at March 31, 2024 is 9,600 (9,547 at December 31, 2023).

1.1.d. 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 773% on 31.03.2024, being well above the minimum required level of 100%. The immediate liquidity of the bank on March 31, 2024 (51.9%) has improved compared to December 31, 2023 (50.8%).

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:

Data from the National Trade Registry Office (ONRC) indicate a decrease in the number of registered companies by 2.02% year-on-year to 25,109 between January and February 2024.

At the same time, according to ONRC statistics the number of companies entering insolvency increased by 13.48% y/y to 1,120 units in January and February 2024. Also, firm write-offs increased by 54.16% y/y to 17,400 firms in the first two months of this year.

The National Bank of Romania (NBR) kept the monetary policy interest rate at 7.00%, a level set in January 2023. The central bank prefers to be cautious with further monetary policy easing, even though inflation has continued to decrease. The NBR also decided to keep the interest rate on the lending facility at 8% per annum and the interest rate on the deposit facility at 6% per annum.

The reserve requirement rates for credit institutions' liabilities in lei and foreign currency also remain at the same levels of 8% for lei and 5% for foreign currency.

As for non-government credit, it reached RON 383.9 billion in February, down slightly from January. Compared to February 2023, the balance recorded an increase of 4.71%. However, this increase is much reduced, comparatively, the increase in the balance of non-governmental credit in February 2023 compared to 2022 was 9.58%. The average annual growth for the last 12 months being 5.96%.

In non-governmental credit, loans granted to companies reached 191.1 billion lei but recorded a decrease in growth rate compared to previous months, with an increase of 6.40% y/y (in February) with an average annual growth rate of 10.58%.

Loans to households increased in the first two months of the year, at a rate of 2.60% y/y in February. Housing credit resumed growth in February, after a marginal decline in January compared to December, amid higher lending at the end of the year. The consumer credit component recorded sustained growth in the first two months of the year, rising 6.38% y/y in February. The annual growth rate for the last 12 months was 2.64%.

In terms of non-government deposits, February 2024 brings a new high of RON 582.6 billion, after an average annual growth of 10.88%, with the advance coming from corporate deposits. November 2023 had the highest year-on-year growth of 12.14%.

The last two months of the year also brought the highest year-on-year increases in the corporate deposit component with increases of 13.00% in February and 13.54% in January. In absolute value, company deposits reached RON 217.1 billion in February.

Household deposits increased by 11.96% y/y in February with an average annual growth rate of 11.31%. The population's term deposits recorded the highest growth with an average annual rate of 35.99%.

The loan-to-deposit ratio was 67.84% in December 2023 down from 71.42% in December 2022.

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 2,622 million at March 31, 2024, compared to RON 2,642 million at December 31, 2023 and RON 2,297 million at March 31, 2023. As compared with the two periods analyzed, tangible and intangible assets registered a slight decrease of 0.8% compared to the end of the previous year and an increase of 14.2% compared to March 31, 2023.

At the Bank level, investments in tangible and intangible assets were RON 2,865 million on March 31, 2024, compared to RON 2,889 million at December 31, 2023 and RON 2,526 million at March 31, 2023. As compared with the two periods of the previous year, the value of the tangible and intangible assets registered a slight decrease of 0.8% compared to the end of 2023, but an increase of 13.4% compared to March 31, 2023.

At both Group and Bank level, the change in fixed assets was mainly determined by the category of intangible assets, tangible assets 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, 2024. The data presented regarding the first quarter of 2024 are based on the organization 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 25.04.2024, the following decisions were adopted:

- Increase of the share capital with the amount of RON 1,182,216,130 by issuing 118,221,613 new shares at a nominal value of RON 10/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 2023, in amount of 1,182,216,130 lei, by issuing a number of 118,221,613 shares, with a nominal value of RON 10/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 19th, 2024)

Sources for capital increase	Sums (RON)
Capitalization of reserves from the net profit of the year 2023	1,182,216,130

Considering the above, each shareholder registered on the registration date, July 19th 2024, will receive free of charge, for each 100 shares owned, a total number of shares calculated as follows: $100 \times (118,221,613 / 798,658,233)$. The purpose of the capital increase is to sustain the current activity of the company.

- Approval of the share buyback by the Bank, in accordance with the applicable legal provisions, under the following terms and conditions: up to 6,500,000 shares (0.81% of the total shares included in the share capital) with a nominal value of RON 10/share at a minimum price equal to the market price on BSE at the moment of the buyback and a maximum price of RON 38 for a period of maximum 18 months as of the publishing date of the EGMS resolution in the Official Gazette of Romania, Part IV, part of a stock option plan with the purpose of implementing a remuneration program and a personnel incentive program for a period of at least 4 years as well as the payment of fixed remuneration, and the granting of a mandate for the Board of Directors for the enforcement of this resolution.
- Informing shareholders about the acquisition of stakes in the share capital of OTP Bank Romania S.A., OTP Asset Management Romania S.A.I. S.A. and OTP Leasing Romania S.A., and the subsidiaries of these entities.
- Approval of the date of July 19th, 2024 as the registration date and of the ex-date – July 18th, 2024, for the identification of the shareholders who will benefit from the results of the Extraordinary GMS and to whom the effects of the Extraordinary GMS Decisions are

applicable, including but not limited to the identification of the shareholders who will benefit from the shares allocated following the capital increase.

- Approval of the date of July 22nd, 2024 as the payment date for distribution of shares following the share capital increase.
- Approval of the distribution of cash dividends from the profit for the year 2023, as follows: the amount of 1,000,000,000 lei from the net profit reserves for the year 2023, the total amount being granted as cash dividends. Approval of a gross dividend/share of RON 1.2521000331.
- Approval of the date of June 12th, 2024 as the registration date and of the ex date – June 11th, 2024, for the identification of the shareholders who will benefit from the results of the Ordinary GMS and to whom the effects of the Ordinary GMS Decisions are applicable.
- Approval of June 26th, 2024 as the payment date for the dividend.

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

There were no changes in the Board of Directors during the first quarter of 2024.

At the Leaders' Committee level, we specify that, following the approval received from the National Bank of Romania regarding Mr. Andrzej Klaudiusz Dominiak for the position of Deputy General Director - CTO (Chief Technology Officer), he became a member of the bank's senior management, exercising this capacity starting with March of 2024.

There were no changes in the Statutory auditor during the first quarter of 2024.

4. Significant Transactions

There were no significant transactions in the first quarter of 2024. 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 2024.

5. Conclusions

In the first quarter of 2024, Banca Transilvania continued to show sustained organic growth, especially due to the growing volume of transactions. The transactions made with the 6.1 million cards in the portfolio increased by 24% compared to the same period last year. Regarding the volume of non-card transactions made by individual customers through digital channels, they registered a 30% increase compared to the first quarter of last year.

Between January and March 2024, more than 74,600 new loans were granted, of which more than 68,600 new loans were granted to retail customers.

The portfolio of managed clients is close to 4.3 million. In order to cope with the changes related to digitization, the emergence of other generations, the core banking computer system was upgraded. Investments in technology and applications are accelerating. For example, BT Pay has reached 3 million users, and BT Go is gaining ground.

The total assets of the Group reached at the end of the first three months of 2024, almost RON 176 billion, registering an increase of 4% compared to the end of 2023 and 19% compared to the end of March 2023. At the Bank level, the assets have registered an increase of 3.6% compared to the end of the previous year, respectively 19.7% compared to March 2023, reaching the value of RON 167.6 billion.

The loan-deposit ratio at the Bank level is 56.3% at the end of March 2024, the volume of gross loans being RON 77.1 billion, while the resources attracted from the clientele are approximately RON 137 billion.

The consolidated net profit of the Banca Transilvania Financial Group recorded in the considered period is RON 1,132 million (+35.2% compared to March 2023), of which the bank's is RON 913 million (+35.1% compared to March 2023).

This year marked 30 years since Banca Transilvania grew in Romania and continues to support the Romanian economy.

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, 2024;

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
31.03.2024**

EXPLANATIONS	No. of holders	No. Shares	Percentage%
ROMANIAN CAPITAL	54,675	614,582,273	76.95
Individuals	53,924	179,103,522	22.43
Companies	751	435,478,751	54.53
of which Financial Investment Companies	5	146,383,509	18.2
FOREIGN CAPITAL	1,093	184,075,960	23.05
Individuals	865	8,517,170	1.07
Companies	228	175,558,790	21.98
TOTAL	55,768	798,658,233	100