

CONSOLIDATED DIRECTORS' REPORT

**for the six-month period ended
30 June 2024**

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

Identification Details of the Issuer

Report date: August 19, 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 9,168,798,460

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: 916,879,846 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., Avant Leasing IFN S.A., BT Investments S.R.L., BT 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, Fun Shop Park Turda SRL 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. and Salt Bank S.A., leasing and consumer finance mainly through BT Leasing Transilvania IFN S.A., Avant 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 – 77.08% as of the end of June 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 since Banca Transilvania's shares are traded on the securities market, in compliance with the provisions of Law 52/1994 and the Norms of Financial Supervisory Authority (“ASF”). Currently, Banca Transilvania’s shares are listed on the Bucharest Stock Exchange, Category I.

The structure of Banca Transilvania S.A. shareholders as of June 30, 2024 is presented in the Appendix to this document.

I. Significant Events During the Period January-June 2024

Amendments brought to the Articles of Association

As a result of the Decisions of the Extraordinary General Meeting of Transilvania Bank Shareholders of April 25, 2024, it was decided to increase the share capital by the amount of RON 1,182,216,130 by issuing a number of 118,221,613 new shares, with a nominal value of 10 RON/share. The increase of the share capital was achieved by incorporating the reserves constituted from the net profit of the year 2023, in the amount of RON 1,182,216,130, by issuing a number of 118,221,613 shares with a nominal value of 10 RON/share, for the benefit of the shareholders registered in the Shareholders' Register held by the Central Depository on the registration date July 19, 2024. Therefore, the new share capital is RON 9,168,798,460, respectively 916,879,846 shares with a nominal value of 10 RON/share.

The legal procedures for registering the capital increase at the at National Trade Register Office and ASF were completed in the second part of June of 2024.

Main Transactions Regarding Affiliates

There were no transactions with the Bank’s affiliated parties which could influence substantially the financial position of the Group in the first semester of 2024.

Changes in the first half 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 for an interval 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. The new composition of the Board of Directors was approved by ASF by Authorization no. 40/08.04.2024.

BT PENSII – S.A.F.P.F. S.A.

- On 23.05.2024, GMS decided to grant a new administrator mandate with a duration of 4 years, starting on 01.09.2024 and ending on 31.08.2028, to Ms Crăciun Anca Eugenia and Mr Bernát Aurel
- On 23.05.2024, GMS decided to approve the increase of the Company's capital through a cash contribution of 7,000,000 lei through the issuance of 7,000,000 new shares with a nominal value of 1 lei/share from the existing shareholders, in proportion to the number the shares they own
- On 28.05.2024, BT Pensii – S.A.F.P.F. SADDLE. took over from BRD Societate de Administrare a Fondurilor de Pensii Private S.A. the management activity of the BRD Medio Optional Pension Fund, pillar III pension fund (optional), including all assets related to this activity (including employees, contracts and tangible movable assets), the transaction being subject to the approval of the ASF.

BTP STORE HUB TURDA S.R.L.

- On 09.05.2024, the BT Property Alternative Investment Real Estate Fund managed by BT Asset Management SAI S.A. acquired Funshop Park Turda S.R.L., a company with headquarters in Dumbravița, Timiș county and object of activity "Rental and subletting of own or leased real estate". On 28.06.2024, the ORC admitted the file to change the company's headquarters in Cluj-Napoca, Cluj county and to change the name of the company to BTP Store Hub Turda S.R.L..

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.

- On 08.05.2024 GMS BT Microfinatare decided to change the registered office of the company to the address Calea Serban Voda, no. 206, floor 4, U-Center Bilding A, sector 4, Buchares, move registred with ORC on 14.05.2024.

BT 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
- On 15.04.2024, respectively on 20.05.2024 and 08.07.2024, the sole associate of BT Broker decided: the termination of the mandate of Administration of Mrs. Chesa Ruxandra-Laura starting from the date of approval of the new Board of Administration by ASF; the appointment of a Board of Directors consisting of 3 administrators with full powers each:
 - Runcan Luminita
 - Plesuvescu Bogdan
 - Morar Ionut-Catalin

The mandate of the administrations will begin with the approval of their appointment by the ASF and will last for 4 years and the remuneration related to each administrator will be RON 1,500/month.

AVANT 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.

At the level of the Board of Directors of Salt Bank, in the first semester of 2024, the following took place:

- Mr. Ivo Alexandrov Gueorguiev began exercising his responsibilities as President of the Board of Directors of Salt Bank starting from 15.03.2024, the date of approval by the National Bank of Romania
- starting from 15.03.2024, Mrs. Cristina Gabriela Nistor started exercising the responsibilities of administrator, member of the Board of Administration, as a result of receiving the approval of the in this sense.

At the level of executive management, starting from 11.03.2024, the position of Deputy General Director for Technology (CTO) became vacant, following the termination of the mandate of Mr. Constantin Daniel Popescu at the request of the manager.

On 10.05.2024, the Receivables Assignment Agreement was concluded with Idea Leasing IFN SA (currently called Avant Leasing IFN SA), whereby Salt Bank, as the Assignor, assigned a portfolio of receivables resulting from leasing contracts and credit contracts previously acquired through the receivables purchase contract ("Receivables Acquisition Agreement") of 15.05.2014, as amended and/or supplemented by additional act no. 1/01.09.2014, additional act no. 2/05.11.2014 and additional act no. 3/30.12.2014 (amended by the errata of 21.05.2015).

VICTORIABANK S.A.

As a consequence of the changes occurring in Victoriabank S.A., the new structure of the Board of Directors requires mentioning:

- Grasse Thomas – Chariman of the Board of Directors
- Franklin Peter – Board of Directors Member
- Moisa Tiberiu – Board of Directors Member
- Sabaz Mehmet Murat – Board of Directors Member
- Mancinskis Maris – Board of Directors Member
- Ludmila Costin – Board of Directors Member

The executive body level of Victoriabank, the Management Board has, at the moment, the following structure:

- Khanikyan Levon – President of the Management Board
- Aursulesei Mihai-Mircea – Vice-president of the Management Board
- Şerban Sorin – Vice-president of the Management Board
- Corniciuc Vitalie – Vice-president of the Management Board
- Malos Elena-Ionela – Vice-president of the Management Board

Victoriabank was also acquired in January 2024 BCR Chişinău. The agreement to sell the shares held by Banca Comercială Română to BCR Chişinău was announced during 2023, and subsequently all approvals from the authorities were obtained regarding the completion of the transaction.

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 generated by the ongoing conflicts:

- risks of lower economic growth than estimates, Romania's economy being closely linked to climate in 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 the maintenance of 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;
- increasing pressures on the commercial real estate markets against the background of the tightening of financing costs of construction materials;
- delays in the absorption of European funds, especially through the National Recovery and Resilience Plan, could have possible negative effects contributing to maintaining a low degree of financial intermediation;
- Increasing exposure to cyber risks in the context of accelerating the digitalization of processes and the interconnectivity of financial infrastructures.

Synthetic securitisation activity related to the loan portfolio

Banca Transilvania (the Bank) concluded on December 22, 2023 a non-STS synthetic securitisation transaction with the European Investment Fund (EIF) and the European Investment Bank (EIB), effective from March 31, 2024. The synthetic securitization transaction is structured on a portfolio of loans granted to legal entities, initial securitisation in amount of RON 2,027.5 million. During the transaction, the Bank retains at least 5% of the exposure of each loan included in the securitization portfolio.

The credit risk of the mezzanine and senior tranches is transferred to the EIF, while the credit risk of the junior tranche, representing 1.6% from initial portfolio, is assumed by the Bank.

EIF - as Guarantor, issued an irrevocable and unconditional Financial Guarantee in favour of Banca Transilvania (the Beneficiary) to guarantee the coverage of the loss related to each reference

obligation, should such loss be allocated to the mezzanine and senior tranche, initial total amount of RON 1,995.1 million which represents 98.4% of securitised portfolio, after exceeding the losses retained by the Bank related to junior tranche and synthetic excess spread (cumulatively 2.8% of the total volume of the initial portfolio). The scheduled maturity date of the guarantee is December 31, 2039.

The EIF guarantee is counter-guaranteed by the EIB through a back-to-back hedge arrangement.

The Bank's objective is to support the real economy by transferring the benefits of more efficient use of the Bank's capital to the end-customer, in the form of a lower cost of loan. To this end, Banca Transilvania has concluded with the EIB a Mezzanine and a Senior Retrocession Agreement and Commitment Agreement for increased support for SMEs and Midcaps, to supply new lending of more than RON 2.64 billion, including also projects aligned with climate action and environmental sustainability, thus supporting the transition to a low-carbon economy.

The below stated amounts represent the securitized portfolio as of June 30, 2024:

<i>RON million</i>						
	Date of contract	End of maturity	Portfolio type	Maximum amount of securitized portfolio	Securitized portfolio (Nb. Loans)	Outstanding amount
EIF synthetic securitization	2023	2039	SME & CO	2,027.5	14,710	2,025.2

II. Detailed Information

1. Financial Statements

1.1.a. Financial Results Summary

Indicators	Group		Bank	
	Jun' 24	Jun' 23	Jun' 24	Jun' 23
ROE (Net profit/average equity)	35.01%	29.16%	31.51%	28.62%
ROA (net profit/annual average of total assets)	2.61%	2.11%	2.18%	1.81%
Cost/income	46.55%	45.53%	45.03%	47.29%
Total net income, <i>RON thousand</i>	4,575,599	3,675,459	3,956,294	2,993,834
Provisions for credit risk, <i>RON thousand</i>	(54,950)	(47,547)	(30,861)	16,417
Gross profit, <i>RON thousand</i>	2,503,441	1,933,595	2,127,008	1,573,975
Net profit, <i>RON thousand</i>	2,145,945	1,581,667	1,810,147	1,268,967
Basic earnings per share, <i>RON</i>	2.2299	1.6659		
Diluted earnings per share, <i>RON</i>	2.2299	1.6659		
<i>Other information:</i>				

Indicators	Group		Bank	
	Jun' 24	Jun' 23	Jun' 24	Jun' 23
Number of agencies, branches and offices			512	514
No of active employees	12,201	11,374	9,676	9,199

*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 June 2024, compared to the end of last year and the end of June 2023, is as follows:

Indicators (RONmn)	Group				
	Jun'24	Dec'23	Jun'23	Jun'24 vs Dec'23 %	Jun'24 vs Jun'23 %
Cash and current accounts with Central Bank	27,131	24,253	22,763	11.9%	19.2%
Placements to banks	5,105	12,273	4,228	-58.4%	20.8%
Treasury financial instruments	61,044	51,775	51,754	17.9%	17.9%
Loans and advances to customers, net	74,205	72,008	66,447	3.1%	11.7%
Finance lease receivables	4,583	3,563	3,014	28.6%	52.1%
Tangible and intangible assets	2,806	2,642	2,302	6.2%	21.9%
Other assets	3,020	2,655	2,561	13.7%	17.9%
Total assets	177,894	169,169	153,068	5.2%	16.2%
Deposits from customers	142,671	138,053	127,427	3.3%	12.0%
Deposits from banks	611	1,035	453	-40.9%	34.7%
Loans from banks and other financial institutions	10,133	9,549	6,561	6.1%	54.4%
Subordinated loans	2,412	2,423	2,737	-0.5%	-11.9%
Other liabilities	7,075	4,213	3,597	67.9%	96.7%
Total liabilities	162,902	155,273	140,775	4.9%	15.7%
Equity	14,992	13,897	12,293	7.9%	22.0%
Total liabilities and equity	177,894	169,169	153,068	5.2%	16.2%

Indicators (RONmn)	Bank				
	Jun'24	Dec'23	Jun'23	Jun'24 vs Dec'23 %	Jun'24 vs Jun'23 %
Cash and current accounts with Central Bank	24,860	22,286	20,048	11.5%	24.0%
Placements to banks	4,308	12,619	5,309	-65.9%	-18.9%
Treasury financial instruments	59,222	50,076	49,479	18.3%	19.7%
Loans and advances to customers, net	75,074	71,550	65,092	4.9%	15.3%
Tangible and intangible assets	2,981	2,889	2,523	3.2%	18.1%
Other assets	2,723	2,365	2,116	15.2%	28.7%

Total assets	169,168	161,785	144,568	4.6%	17.0%
Deposits from customers	139,023	134,443	122,446	3.4%	13.5%
Deposits from banks	618	1,082	436	-42.9%	41.8%
Loans from banks and other financial institutions	9,027	8,584	5,446	5.2%	65.8%
Subordinated loans	2,405	2,404	2,708	0.1%	-11.2%
Other liabilities	5,527	3,443	3,080	60.5%	79.4%
Total liabilities	156,599	149,956	134,116	4.4%	16.8%
Equity	12,569	11,829	10,452	6.3%	20.3%
Total liabilities and equity	169,168	161,785	144,568	4.6%	17.0%

The Group's assets reached RON 177.9 billion at the end of June 2024, increasing by 5.2% compared to the end of 2023 and by 16.2% compared to the end of June 2023. At the Bank level, assets increased by 4.6% compared to the end of the previous year and by 17.0% compared to June 2023, reaching RON 169,2 billion.

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

Loans' portfolio: also considering the receivables from leasing contracts, the credit portfolio at the Group's level at the end of June 2024 was above the level at the end of 2023 (+4.3%), and up by 13.4% compared to the end of June 2023. At the Bank's level, net loans at the end of June 2024 represent RON 75.1 billion, up by 4.9% compared to the end of the previous year, and 15.3% above the balance of net loans as of June 30, 2023.

Between January and June 2024, over 152,000 new loans were granted, out of which over 140,000 to retail customers.

Provisions' stock: Banca Transilvania recorded at the end of June 2024 a net expense from adjustments for financial assets for other risks and credit commitments in the amount of RON 31 million (including recoveries from off-balance sheet loans). The balance of provisions reached the level of RON 4.5 billion at the end of June.

The non-performing loan ratio (NPL ratio) according to the EBA is 2.1% as of June 30, 2024, and the coverage with total provisions of the non-performing loans according to the EBA is 200.4%.

Cash and current accounts with Central Bank together with the placements to banks decreased both at the Group level and at the Bank level compared to the end of December 2023 by 11.7% and 16.4% respectively but increased by 19.4% and 15% respectively compared to June 30, 2023, at the Group level and that of the Bank. At the reporting date, they represent 18% at the Group level, respectively 17% for the Bank, as a share of total assets.

At the Group level, the cash and current accounts with the Central Bank increased by 11.9% compared to the end of 2023, and by 19.2% compared to the level registered on June 30, 2023, amounting at the end of June 2024 to RON 27,131 million. At the Bank's level, the increase is of 11.5% by comparison with December 2023 and of 24% versus June 2023, the final balance as at June 30, 2024 amounting to RON 24,860 million. The most significant element of this asset category is the minimum required reserve held with the National Bank of Romania with approximately 83%.

Placements to banks, at the end of June 2024, show a negative evolution at both Group and Bank level, decreasing by 58.4%, and 65.9% respectively compared to December 31, 2023. Variations in this category are mostly determined by the volume of sight, collateral, and term deposits at credit institutions.

Treasury financial instruments include financial assets measured at fair value through other items of comprehensive income, financial assets which are required to be 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 items of comprehensive income with a weight of 67.5% in the total category of treasury financial instruments, at Bank level and a weight of 66% at Group level. The respective category also represents 23.6% of the Bank's total assets, respectively 22.6% of the Group's total assets.

The treasury instruments increased by 17.9% compared to December 31, 2023, for the Group and by 18.3% for the Bank, respectively by 17.9% for the Group and 19.7% for the Bank compared to June 30, 2023, reaching RON 61,044 million at Group level, respectively RON 59,222 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 142,671 million on June 30, 2024, increasing by 3.3% compared to the end of the previous year and by 12% compared to June 30, 2023. At Bank level, the balance of customers' deposits reached RON 139,023 on June 30, 2024, increasing by 3.4% compared to the end of the previous year. The increases are mainly determined by the term deposits component (RON +5 billion, respectively RON +4.3 billion on June 30, 2024, versus December 31, 2023 for the Group, respectively the Bank).

Of the total customers' deposits, 66% represent savings of the individuals and 34% savings of the legal entities' customers at the Group level and for the Bank, 65% of the total belong to individuals and 35% to legal entities.

The loan-to-deposit ratio is 57.3% as at the end of June 2024 at Bank level, the gross loans level being of RON 79.6 billion while the customers deposits reached over RON 139 billion.

The equity of Banca Transilvania S.A. as at 30.06.2024 amounts to RON 12,569 million, increasing by 6.3% compared to the end of 2023 and by 20.3% compared to the same period of last year.

The Bank's Board of Directors approves the conceptual design of the internal process for the assessment of the capital adequacy to risks, at least the scope, methodology and general objectives, and establishes the strategy regarding the planning of the capital, own funds and the capital adequacy to risks in Banca Transilvania S.A..

The Board of Directors makes decisions regarding the directions to be followed within the capital adequacy process, establishes the main projects in the field to be implemented, as well as the main objectives to be met for the best control of the correlation of the risks to which the Bank is exposed and the necessary shareholders' equity required to cover them and the development of sound 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 June 30, 2024 and December 31, 2023, respectively, the Group and the Bank met all regulatory requirements regarding own funds.

Indicators	Group			Bank		
	Jun-24	Dec-23	Jun'24 vs Dec'23 %	Jun-24	Dec-23	Δ Jun'24 vs Dec'23 %
Tier 1 basic own funds ratio	22.98%	18.29%	4.69%	24.20%	18.32%	5.87%
Tier 1 own funds ratio	22.98%	18.29%	4.69%	24.20%	18.32%	5.87%
Solvency indicator	26.15%	21.55%	4.60%	27.84%	21.97%	5.87%

Indicators (RONmn)	Group			Bank		
	Jun-24	Dec-23	Jun'24 vs Dec'23 %	Jun-24	Dec-23	Δ Jun'24 vs Dec'23 %
Tier 1 basic own funds	15,363	12,692	21.0%	14,099	11,363	24.1%
Tier 2 own funds	2,121	2,262	-6.2%	2,121	2,260	-6.2%
Total own funds	17,483	14,954	16.9%	16,220	13,624	19.1%

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 six-month period ended June 30, 2024, the current profit of the bank was

considered in the calculation of own funds. Regulatory capital as at June 30, 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 June 30, 2024 is 27.84%, 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 six months of 2024, compared to the same period of last year, are as follows:

Indicators (RONmn)	Group			Bank		
	Jun'24	Jun'23	Jun'24 vs Jun'23 %	Jun'24	Jun'23	Jun'24 vs Jun'23 %
Net interest income	3,124	2,529	23.6%	2,675	2,037	31.3%
Net fees and commissions income	696	607	14.7%	610	529	15.4%
Net trading income	478	329	45.3%	372	283	31.4%
Net gain / loss (-) from financial assets measured at fair value through other items of comprehensive income	85	85	-0.2%	84	85	-1.6%
Net gain / loss (-) from financial assets which are required to be measured at fair value through profit and loss	67	53	25.2%	131	49	168.8%
Contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund	(88)	(92)	-3.9%	(75)	(87)	-14.2%
Other operating income	214	165	29.8%	160	98	62.6%
Total operating income	4,576	3,675	24.5%	3,956	2,994	32.1%
Net expense from impairment allowance, expected losses on assets, provisions for other risks and loan commitments	(55)	(48)	15.6%	(31)	16	
Personnel expenses	(1,166)	(979)	19.1%	(965)	(821)	17.4%
Depreciation and amortization	(242)	(218)	10.7%	(212)	(197)	7.6%
Other operating expenses	(743)	(497)	49.5%	(622)	(418)	48.8%
Total operating expenses	(2,205)	(1,742)	26.6%	(1,829)	(1,420)	28.8%
Acquisition gain	133					
Profit before income tax	2,370	1,934	22.6%	2,127	1,574	35.1%
Income tax expense	(357)	(352)	1.6%	(317)	(305)	3.9%
Net profit	2,013	1,582	27.3%	1,810	1,269	42.6%
Profit of the Group attributable to equity holders of the Bank	2,041	1,523	34.0%	1,810	1,269	42.6%
Profit of the Group attributable to non-controlling interests	105	58	80.0%			
Net profit	2,146	1,582	35.7%	1,810	1,269	42.6%

The consolidated **net profit** of Banca Transilvania Financial Group recorded in the first six months of 2024 (RON 2,146 million), exceeds by 35.7% the net profit from the similar period of 2023 (RON 1,582 million). Banca Transilvania obtained in the first semester of the current year a net profit of RON 1,810 million, which represents an increase of 42.6% compared to the result recorded for the first six months of the previous year.

The significant increase of 23.6% at Group level and 31.3% at Bank level in the case of **net interest income** reflects a sustained commercial activity, both in terms of lending to the individuals and companies, simultaneous attracting resources from both individuals and legal entities. For the first half of the current year, net interest income was recorded at the Group level in the amount of RON 3,124 million and at the Bank level, RON 2,675 million.

The category of **net fees and commissions income** shows a positive evolution, registering increases both at the Group level and at the Bank level by 14.7% and 15.4% respectively compared to the same period of 2023. 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, determined the increases recorded in the respective category.

Net trading income recorded by the Group for the first six months of 2024 (RON 478 million), respectively by the Bank (RON 372 million) shows an increase of 45.3% and 31.4% respectively compared to the values from the similar period of last year, due to the increase from foreign exchange transactions but also the recording of net income from derivative instruments, while for the similar period of last year derivative instruments generated expenses.

Thus, at the end of the first half of 2024, **operating income** reached, RON 4,576 million at Group level and RON 3,956 million at Bank level, with 24.5% and 32.1% respectively higher compared to the same period of last year.

Both the Group and the Bank recorded **operational expenses** increasing by 26.6% and 28.8%, respectively, compared to semester I 2023. The most consistent increase (+48.8% at the Bank level) was registered for the "other operational expenses" category, which includes the turnover tax expense, that in the first six months of the year reached the level of RON 132 million. The category of staff allowances also recorded increases: +17.4% for the Bank, respectively 19.1% 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 7.3% at the Group level and by 5.2% at the Bank level.

Operational result: The Bank's operational efficiency remains at a comfortable level, of 45.03%, decreasing compared to the level of 47.29% reported during the first six 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 six months of 2024 and six months 2023, is the following:

Indicators	Bank Jun-24	Bank Jun-23	Jun-24 vs Jun-23 %	Group Jun-24	Group Jun-23	Jun-24 vs Jun-23 %
Net profit for the period (RON thousands)	1,810,147	1,268,967	42.6%	2,145,945	1,581,667	35.7%
Basic earnings per share				2.2299	1.6659	33.9%
Diluted earnings per share				2.2299	1.6659	33.9%

Other information regarding the first six months of 2024:

Banca Transilvania is a market leader in the cards market, with 6.3 million cards in portfolio, out of which 664,000 are credit cards. The transactions made with the 6.3 million cards increased by 24%, as compared to the same period of 2023.

In the first half of the year, over 250,000 individuals became BT customers (+7% more compared to the same period of last year), a significant percentage of them choosing to open an online account through BT Pay, a process launched at the end at the beginning of 2024.

BT has over 4.1 million unique digitized customers, which represent 94% 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 26% increase compared to the first half of last year.

The bank reached over 4 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 semester of 2024 compared to the first semester of 2023, reaching 113 million. At the same time, BT Pay money transfers are increasingly appreciated, their volume increasing by 60% compared to those made in the same period of 2023.

As of June 30, 2024, BT had installed 1,901 ATMs, out of which 643 are multifunctional. Also, the Bank has 499 BT Express terminals that are used for various operations other than cash release, more than 137,000 POS installed, 28,000 STAR partner locations and collaborates with approximately 6,600 e-commerce merchants.

Compared to semester I 2023, in the first semester of 2024 the interactions in the BT Visual Help application increased by 30%, 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. Interactions within the platform are approaching 2.2 million hits in the first semester of 2024.

The Group's number of active employees as at June 30, 2024 is 12,201 (11,841 at December 31, 2023).

The Bank's number of active employees as at June 30, 2024 is 9,676 (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 384% on 30.06.2024, being well above the minimum required level of 100%. The immediate liquidity of the bank on June 30, 2024 (50.4%) has improved compared to December 31, 2023 (50.7%).

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 Register Office (ONRC) indicate a decrease in the number of registered firms by 12.20% y/y to 68,223 between January and June 2024.

At the same time, according to ONRC statistics, the number of companies that declared insolvency increased by 8.32% y/y to 3,684 units between January and June 2024. Likewise, company deregistrations increased by 34.38% y/y to 45,547 companies in the first six months of this year.

The National Bank of Romania (NBR) lowered (by 0.25 pp) the monetary policy interest rate to 6.75% as of July 8, 2024, the Lending Facility to 7.75% and the Deposit Facility to 5.75%.

The required minimum reserve ratios for credit institutions' liabilities in lei and foreign currency were kept at the same levels of 8% for lei and 5% for foreign currency.

As for non-government credit, it amounted to RON 400.7 billion in June 2024, up 1.8% from May 2024. Compared with June 2023, the balance registered an increase of 6.7%. It is the highest growth rate in the last one year, taking the average annual growth rate for the last 12 months to 5.51%.

Whitin non-government credit, loans to companies amounted to 198.1 billion lei, an accelerated growth of 2.31% compared to May and 5.76% compared to the same period of last year. This brings the average annual growth rate to 7.57%.

Lending to households also increased, at a 5.98% y/y pace in June, the fastest pace in the last year. Housing loans increased to 2.01% y/y, the highest level this year, continuing the upward trend since the beginning of the year. The consumer loans component recorded a strong growth of 12.60% y/y, taking the volume of these loans to new highs (RON 71.5 bn). Lending in national currency continued its upward trend (9.64% y/y), while lending in euro continued its downward trend (-17.35% y/y).

In terms of non-government deposits, June 2024 brings a new high of RON 585.4 billion, a decrease of -1.2% compared to May 2024, but an increase of 9.8% compared to June 2023.

Household deposits reduced their growth rate, influenced by the fall in deposit interest rates, to 12.42 % growth y/y. Within this category, overnight deposits accelerated their growth rate (4.09% y/y) while term deposits slowed down their growth rate (20.84% y/y), also due to the decrease in deposit interest rates. The average annual growth rate of household deposits is 12.3%.

Companies' deposits continue to temper their pace of growth at 7.91% y/y reducing the average annual growth rate to 9.9%. The decline is more accelerated in recent months especially for term deposits, amid reductions in deposit interest rates.

The ratio of loans originated to deposits attracted was 66.23% in March 2024 down from 67.82% in December 2023.

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 2,806 million on June 30, 2024, compared to RON 2,642 million at December 31, 2023 and RON 2,302 million at June

30, 2023. As compared with the two periods analyzed, tangible and intangible assets registered an increase of 6.2% compared to the end of the previous year and 21.9% compared to June 30, 2023.

At the Bank level, investments in tangible and intangible assets were RON 2,981 million on June 30, 2024, compared to RON 2,889 million on December 31, 2023, and RON 2,523 million at June 30, 2023. As compared with the two periods of the previous year, the value of the tangible and intangible assets registered an increase of 3.2% compared to the end of 2023 and 18.1% compared to June 30, 2023.

At both Group and Bank level, the change in fixed assets was mainly determined by the category of intangible assets and tangible assets real estate investments.

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, June 30, 2024. The data presented regarding the first semester 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

The Extraordinary General Meeting of Shareholders from April 25, 2024, decided to increase 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 as the setting of a price of RON 0 for the compensation of the share fractions resulting from the application of the algorithm and the rounding of the results, according to the legal provisions.

The increase in the share capital was carried out through the capitalization of reserves from the net profit of the year 2023, in amount of RON 1,182,216,130 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 July 19, 2024.

Each shareholder registered at the registration date, July 19, 2024, received, free of charge, for each 100 shares owned, a total number of shares, calculated by the following formula $100 \times (118.221.613/798.658.233)$.

The Ordinary General Meeting of Shareholders from April 25, 2024, decided the distribution of cash dividends from the profit for the year 2023, as follows: the amount of RON 1,000,000,000 from the net profit reserves for the year 2023, the total amount being granted as cash dividends and approved of a gross dividend/share of RON 1.2521000331.

Also, within the same decision, the date of June 12, 2024, approved as the registration date and of the ex-date – June 11, 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, including the right to receive dividends and the date of June 26, 2024 as the date of payment for the payment of dividends.

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

There were no changes in the Board of Directors.

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.

4. Significant Transactions

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

5. Conclusions

Banca Transilvania (the Bank) concluded on December 22, 2023 a non-STS synthetic securitisation transaction with the European Investment Fund (EIF) and the European Investment Bank (EIB), effective from March 31, 2024. The synthetic securitization transaction is structured on a portfolio of loans granted to legal entities, initial securitisation in amount of RON 2,027.5 million. During the transaction, the Bank retains at least 5% of the exposure of each loan included in the securitization portfolio.

The Bank's objective is to support the real economy by transferring the benefits of more efficient use of the Bank's capital to the end-customer, in the form of a lower cost of loan. To this end, Banca Transilvania has concluded with the EIB a Mezzanine and a Senior Retrocession Agreement and Commitment Agreement for increased support for SMEs and Midcaps, to supply new lending of more than RON 2.64 billion, including also projects aligned with climate action and environmental sustainability, thus supporting the transition to a low-carbon economy.

The total assets of the Group reached RON 177.9 billion at the end of the first semester of 2024, registering an increase of 5.2% compared to the end of last year, and the total assets of the Bank registered an increase of 4.6% compared to the end of the previous year.

At the Bank's level, net loans at the end of June 2024 represent RON 75.1 billion, up by 4.9% compared to the level recorded at the end of the previous year.

In the first half of the year, over 250,000 individuals became BT customers (increasing by 7% compared to the same period of last year), a significant percentage of them choosing to open an online account through BT Pay, a process launched at the beginning of 2024.

The purchases made with the 6.3 million cards that Banca Transilvania has in its portfolio increased by 24% compared to Semester I 2023.

Regarding the volume of non-card transactions made by individual customers through digital channels, they registered a 26% increase compared to the first half of last year.

The consolidated net profit of the Banca Transilvania Financial Group recorded in the reference period is RON 2,146 million (+35.7% compared to June 2023), of which the Bank's is RON 1,810 million(+42.6% compared to June 2023).

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

The Board of Directors of Banca Transilvania S.A. approved on February 8, 2024 the completion of the transaction for the acquisition of 100% of the shares of OTP Bank Romania S.A. as well as other companies within the OTP Romania Group (including OTP Asset Management SAI S.A. and OTP Leasing Romania IFN S.A.).

As at July 30, 2024, the closing documents for the acquisition of the entire 100% stake held by OTP Bank Nyrt and Merkantil Bank Zrt. in the share capital of OTP Bank Romania S.A. were signed, following the receipt of necessary approvals from supervisory authorities. The amount paid by Banca Transilvania S.A. for both entities was EUR 340,199,349. The completion of the transaction in relation to OTP Asset Management SAI S.A. will take place at a later date, after receiving the necessary legal approvals from the supervisory authorities. At the date of obtaining control, the net assets according to both acquired entities' records are worth RON 2,535.5 million. In order to comply with the provisions of the International Financial Reporting Standards (IFRS 3 "Business Combinations") at the date of publication of Interim Condensed Consolidated and Separate Financial Statements, Banca Transilvania Group, together with an independent valuer, is in the process of measuring the fair value of the assets and liabilities of OTP Bank Romania Group.

The Group has agreed the acquisition of BRD Pension participation (BRD Societate de Administrare a Fondurilor de Pensii Private) from Société Generale during May 2024 and is in process to complete all legal steps and related authorization from Financial Supervision Authority.

The financial statements subject of this report were not affected by these subsequent events.

The interim, consolidated and individual financial statements consolidated were approved by the Board of Directors on August 19, 2024 and were signed on its behalf.

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 summarized financial statements for the first half of 2024;

Note: The financial information as of and for the 6-month period ended June 30, 2024 and 6 months ended June 30, 2023 is reviewed. The financial information for December 31, 2023 is audited.

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

**CHIEF EXECUTIVE OFFICER
ÖMER TETİK**

**SHAREHOLDERS STRUCTURE AT
30.06.2024**

EXPLANATIONS	No. of holders	No. Shares	Percentage%
ROMANIAN CAPITAL	59,151	615,621,278	77.08
Individuals	58,370	187,780,709	23.51
Companies	781	427,840,569	53.57
of which Financial Investment Companies	5	141,805,923	17.83
FOREIGN CAPITAL	1,545	183,036,955	22.92
Individuals	1,312	8,860,289	1.11
Companies	233	174,176,666	21.81
TOTAL	60,696	798,658,233	100