

Think

**Banca Transilvania's commitment
for responsible growth**

Banca Transilvania's sustainability policy includes details about our approach beyond banking, it is about how and what we do for Romania, people, business and nature.

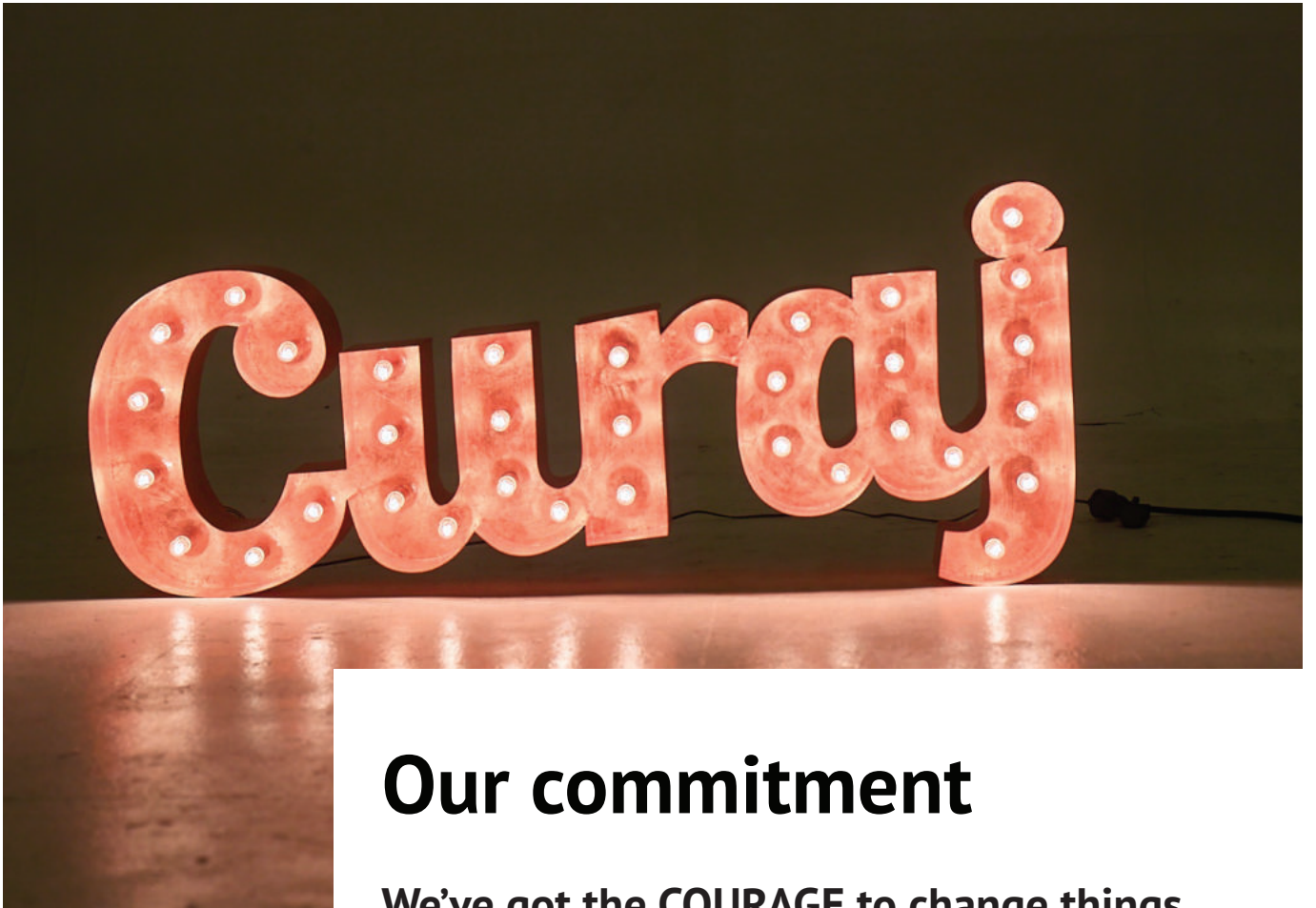
What we do, the more than 8,000 BT employees, in the office every day, is important for the development of the entire economy and is part of the lives of millions of people.

We live in times of limited resources, and from here comes one of our main responsibilities as a bank, as a good citizen.

#WeAreWhatWeDo

#MoreThanBanking





Our commitment

We've got the COURAGE to change things.

But in order to change them, we want to change our mindsets with which we build everything, day by day.

Thoughts about what we have around us: people, environment, transparency, ethics and responsibility.

Thoughts about what we leave behind and especially about what will come.

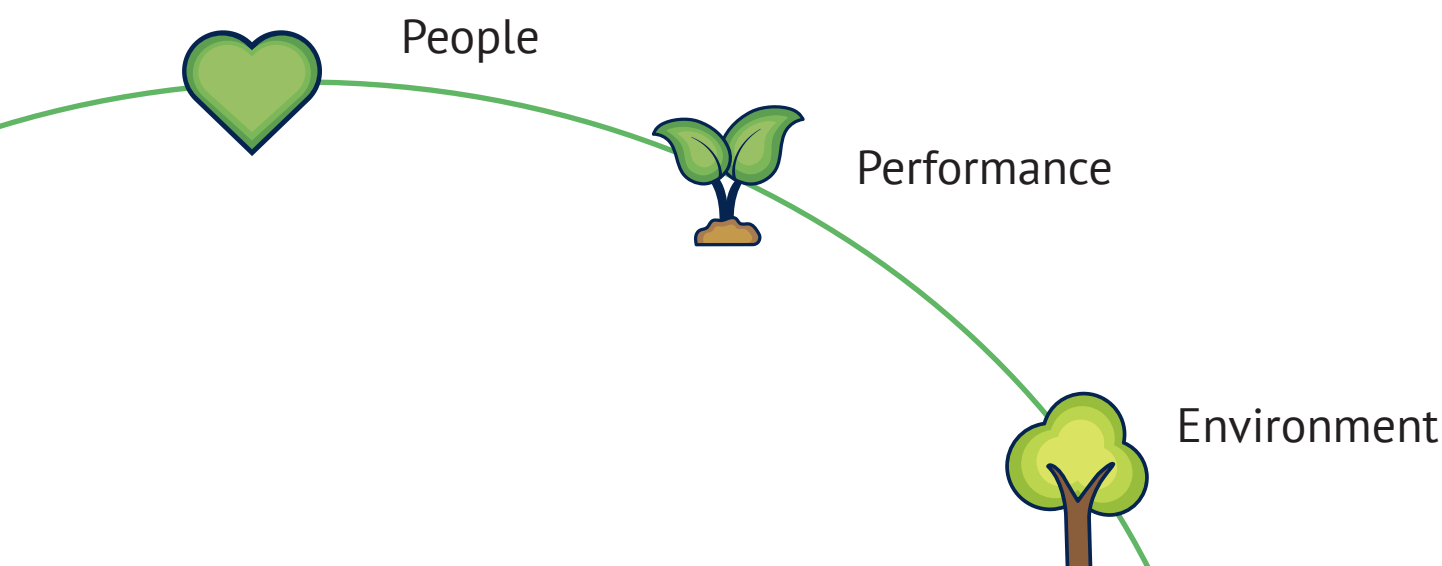
This is our philosophy: #morethanbanking.

We support the dreams of the Romanians. We are growing Romania.

Positive impact

Through all our actions, we want to generate a positive impact on the economy and society, and our stakeholders to contribute to its multiplier effect.

- As the banking market leader and main lender of the Romanian economy, we know what our responsibility is and which are the expectations towards BT. Our bank contributes to the growth of the banking industry, provides access to services and products for over 3 million customers who work with us and is a trendsetter in many ways.
- As part of the community, we want to be a good citizen.
- At the society level, by supporting the Romanian entrepreneurial spirit, we want to contribute more and more to the development and transformation of as many industries as possible.



Sustainability landscape

Society

- BT Supports the Romanian entrepreneurial spirit
- It contributes to the development and transformation of many

Banking industry

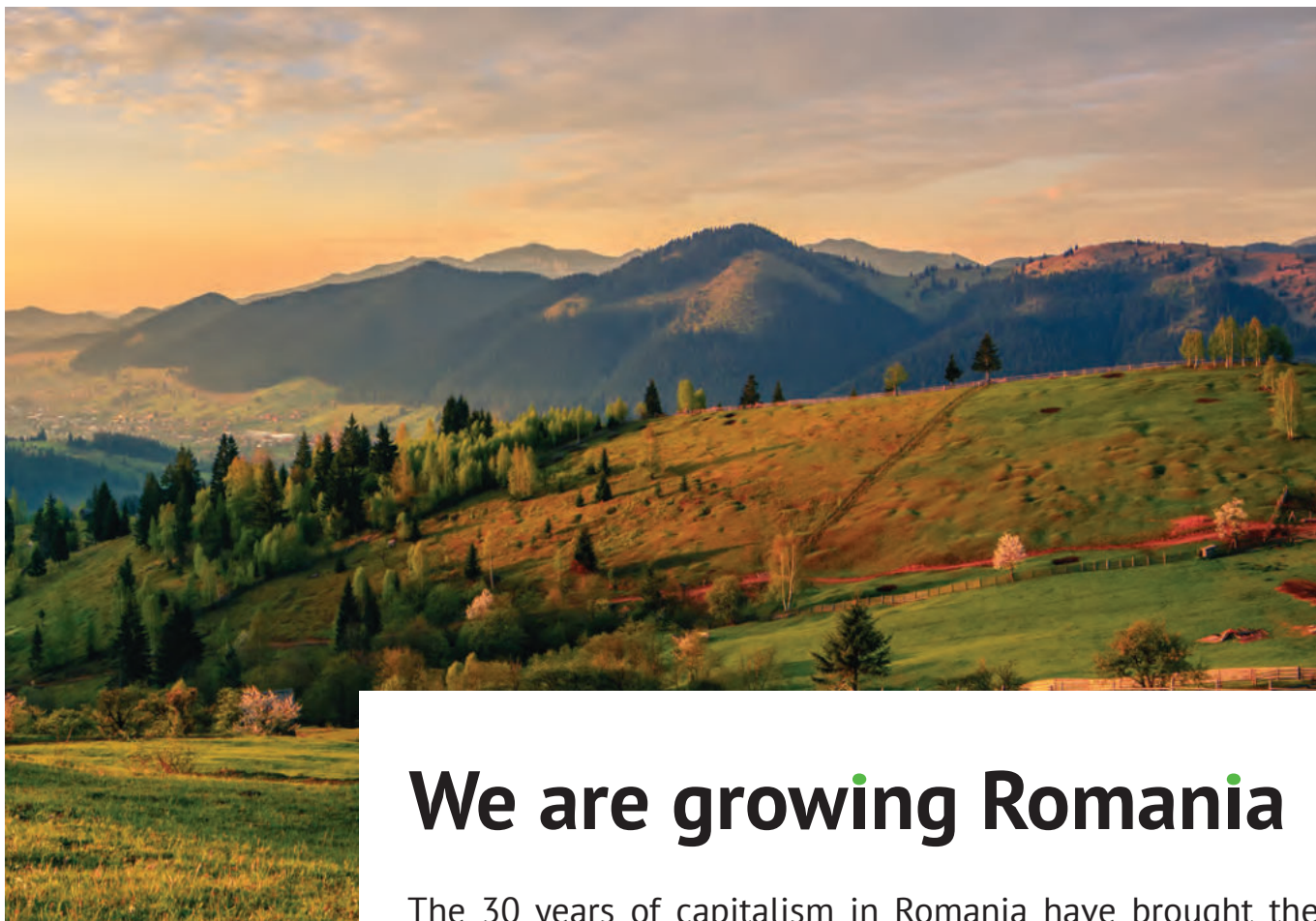
- BT contributes to the growth of the banking industry
- Access to services and products
- Trendsetter

Community

- BT gives something back to the community
- BT, a good citizen

Banca Transilvania

- Good business
- Human banking



We are growing Romania

The 30 years of capitalism in Romania have brought the greatest transformations Romania has ever gone through - in terms of mentality, technology and lifestyle. They also brought challenges and responsibilities, as well as international know-how.

We are the only banking institution with roots here, which has grown with together with its customers and understands them best. We have financed the economy in good times and in times of crisis, such as the current pandemic.

How do we grow Romania? We finance ideas, people, business. We contribute to the increase of the banking degree, to the increase of the Romanians' access to banking, to funds. We contribute to the country's digitalization.

Romania is our home, and BT, one of the pillars on which Romania relies on.

Let's do it, Romania!

10 transactions / second
with the bank cards

Over 700.000
clients have credits granted
by BT

250.000 legal
entities customers grow
with our bank

Over 30.000
investors trust and invest
in BT

9.600 Romanians
bought a house in 2019
with the help of BT

Over 3 milioane
clients work exclusively
with us

10.000 small
businesses grow together
with BT Mic

BT donated more than
2 mil. EUR
in the context of the
pandemic generated by
COVID-19

**We are the largest institutional
lender of the State through taxes
and government bonds.**



Sustainable financing

We are financing ideas that have a positive impact on the Romanians lives, on the society and on the environment: buying an environmentally friendly house or an electric car, developing a solution for smart cities. We are growing agribusiness and business in the field of education.

We support the ambitions of the Romanians.

BT Supports the Romanian entrepreneurial spirit.

10 BT approaches for responsible lending

Sustainable financing is nothing but a responsible loan for both the bank and the customer. Through what we do every day at the bank, we connect money, customer savings, funds attracted from investors with ambitious entrepreneurial projects. BT's lending decisions are based on the principle of a responsible use of money and we take into account the risks implied by every transaction, the expected profitability, but also the impact the project has both on the environment as well as the community. We evaluate both financial and nonfinancial information.

- We support **projects on increasing energy efficiency** in various fields, like agriculture and medicine, circular economy, small businesses, renewable energy projects, or the purchasing of electric or hybrid cars. Through financing, we stimulate innovation and we have a positive impact - in agriculture, in the medical sector, in education, in manufacturing or service providing, as well as in creative industries.
- We contribute to **the growth of new business ideas**, enhancing the development of start-ups so they become local champions in their community
- We **assure the financial inclusion** by financing small companies, single partner service providers and family businesses.
- We aim to build a portfolio of **green financing/ climate financing**.
- We have increased **the share of ESG aspects** (environmental, social and corporate governance risk) in the decisions taken into consideration in the lending process for companies.
- **We will extend the non-financial ESG analysis model (environmental and social risk assessment) for all our customers, across our portfolio.** The environmental risk has been analysed by BT for over 10 years now, for every business customer, the bank also having a dedicated team.
- In cases when the investment may generate an environmental risk, our approach is to **agree on a risk mitigation plan together with our clients**.
- We have a strong partnership with **energy efficiency funds**, present in Romania.
- **We do not finance certain projects:** production and trade of weapons, production and trade of alcohol and tobacco, harmful chemicals, unsustainable exploitation of forests, gambling etc.

ESG analysis (environmental, social and corporate governance risk) for lending

We analyse each project in terms of non-financial risks through the following questions, in order to better assess and identify these possible risks:

- **Environment:** Which are the waste management policies in the company? What about the water supply source for the production activity? What measures have been taken for reducing energy consumption? Is there a wastewater treatment plant for the water resulting from the manufacturing process? Is the technological waste resulting from the production process collected and how?
- **Employees:** Which are the risks associated with the employees' safety and security at work? What prevention and monitoring measures have been implemented? Is there a business continuity plan in case of a critical situation? Is there an action plan for emergencies?
- **Partnerships:** Are there procedures in place for choosing subcontractors and collaborating with suppliers (procurement chain management)?
- **Corporate Governance:** Which are the governance standards regarding the Board of Directors?

Tomorrow can be different

All banks talk about loans and it is normal. At BT, we know that a loan is an important decision from all points of view. In addition to the issues presented above, which are related to sustainability, we strongly believe in raising our customers' awareness when they want to get a loan. No matter how big the dream is, the credit is a big decision, especially when it is long-term. Therefore, we talk to our customers so they can make the best possible decision, based on the current reality, but also of the reality of tomorrow.

A responsible bank also means responsible loans.





Corporate Governance

Corporate governance is an ongoing process and reflects the main purpose of BT. That core reason for being and the positive impact we bring to the society itself.

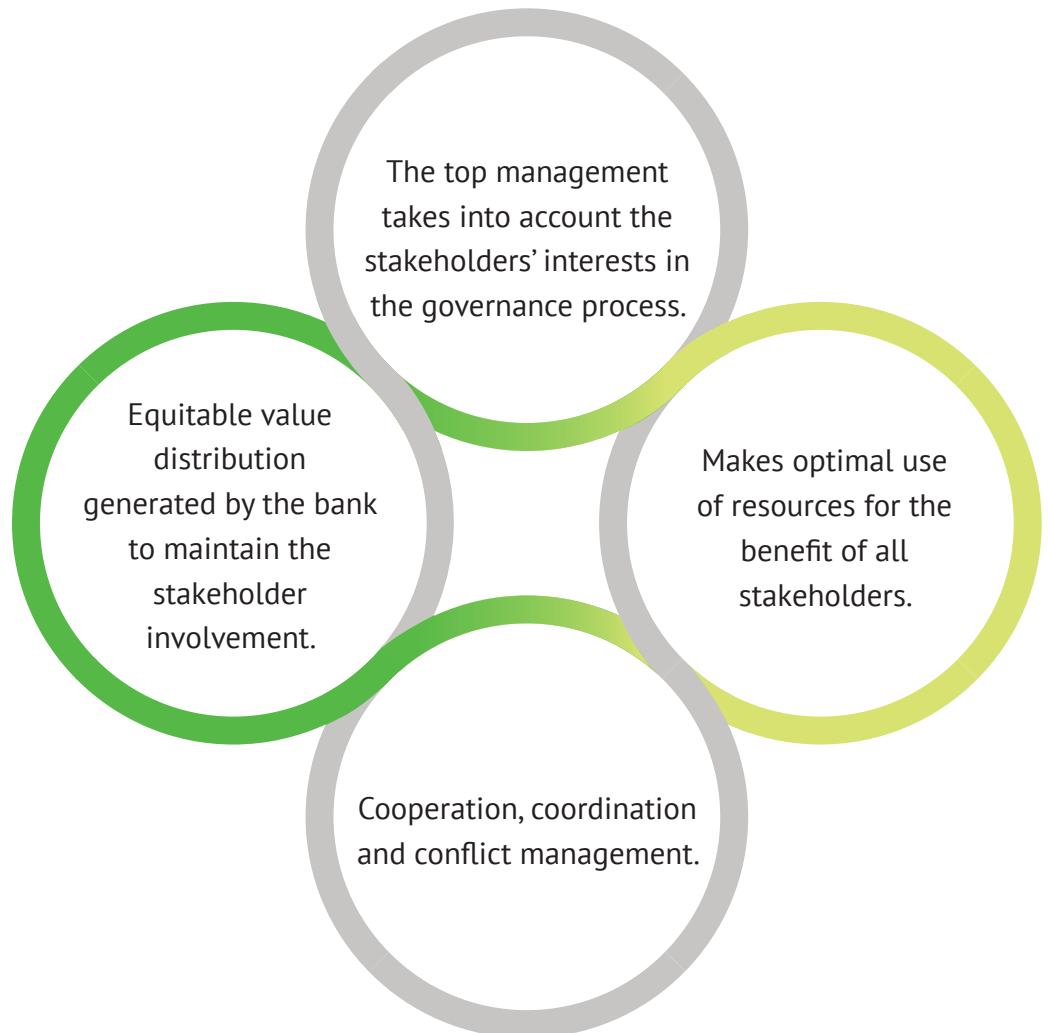
Governance encompasses responsibilities and practices at the top management level, gives a strategic direction, helps achieve objectives and manage risks properly, as well as use resources responsibly.

Good governance. Good company

BT Corporate Governance Model

Corporate governance plays a key role in increasing the bank's performance, opening up to new markets and the bank's sustainable development. In addition to the direction given in BT, governance also refers to good practices in all the relations BT has with its stakeholders.

BT applies the Stakeholder-Based Corporate Governance Model, described below:



Good practices in BT's Corporate Governance

The strategic management of BT is ensured by the General Meeting of Shareholders by establishing the organizational objectives and allocating the necessary resources to fulfill them.

Banca Transilvania's management structure includes The Board of Directors and the Leaders/Leaders' Committee.

- Diversity: Banca Transilvania encourages diversity of gender, age, nationality and ethnicity in its management structures. 4 women are members of the Board of Directors and Leaders' Committee.
- Constant monitoring of the eligibility criteria for the position of bank manager or administrator: the bank has policies for assessing the adequacy of the management structures, including ensuring in-service training and knowledge testing.
- Periodic reporting of the BT's management structures structure regarding diversity, term of office, experience, remuneration, maintenance of the eligibility conditions. The Bank includes in its reports also indicators relevant to good corporate governance practices in the banking sector.

Aționarii, cel mai important stakeholder pentru Banca Transilvania

The bank has over 20 years of experience on the Romanian capital market and is the first banking institution listed on BVB.

BT is the longest issuer from the BET component, the first index developed by the Romanian stock exchange in 1997.

The bank became a member of the Association for Investor Relations in Romania (ARIR, 2020).

Banca Transilvania is one of the two companies - together with Nuclearelectrica - that qualified Romania for the status of Secondary Emerging Market category from the Frontier Market category. BT has been included in FTSE indices on secondary emerging markets.

Fiind o companie listată la Bursa de Valori București, pentru BT, acționarii sunt principalul stakeholder/grup de interes. Politica sa este să aplice cele mai bune practici în relația cu acționarii – inclusiv cu cei potențiali, prin:

- Information on shareholders' rights;
- Permanent information about the bank's activity, with the correct management of inside information.
- Maintaining the common classes of joint shares (excluding any non-voting preference shares);
- Equal voting rights: one share held - one vote. Monitoring the equal rights of shareholders.
- Access to financial and non-financial information.
- Maintaining the standards of the Vektor index, which analyses the communication with the shareholders and which, in the case of BT, can be found on the company page on the website of the Bucharest Stock Exchange. BT obtained the maximum score in 2021 and 2020.



We get involved into the community

What does community involvement mean to us? More than banking, to be a good citizen, a good neighbour, and do meaningful businesses.

This is our philosophy, and every step for the community is a plus.

A company is doing well if does good things and actions itself.

#ThinkGood

BT, part of the community

As it is normal, people want to work with companies that do more than business. Ethical, transparent, friendly, involved companies. We always want to be such a company, which is why we get involved in the communities we belong to, we support ideas from the most diverse fields, projects and social causes, we facilitate access to information and know-how.

- **Social implication**

We help, we contribute, we inspire.

We believe in solidarity and in the impact we can have on society, for its own well-being.

- **Social Responsibility**

We contribute to solving some topics of interest for the society, such as financial education and entrepreneurship.

We are part of the solution for the society's problems, such as the pandemic generated by COVID-19.

We are one of the largest taxpayers in Romania. We pay taxes.

**25 million RON were
invested in 2019 in over
1000 CSR programs**

We want to make a change in the following areas:

- Education - because we trust in the long-term impact on society. BT is the learning organization, so it runs projects for the personal and professional development of its employees, especially through the BT Academy. On the other hand, it is the company from which people and communities can learn, through the bank's contribution to the financial and entrepreneurial education. Such as BT Club, EMBA University of Hull, partnerships with various universities in the country mentoring programs for students, but also internship programs. On the other hand, the bank helps children and young people without opportunities to have access to school, and one of the projects is the BT foundation, Clujul are Suflet or the most recent action "Pune suflet in ghiozdane".
- Hospitals & social causes - because health is the most important thing. In the context of the pandemic generated by Covid-19, BT donated over 2 million euros to help hospitals, doctors and the Romanians.
- Sports - because we share the same values. BT continued to invest in sports programs, competitions, clubs and federations. We financially support various sports entities, especially those that have sustained programs to promote the benefits of sport among children and young people. Since 2018, we have a partnership with Simona Halep precisely because we have something in common, Romania, and together we want to increase the confidence and optimism of the Romanians, as well as to promote sports education.
- Art and culture - because it promotes new ideas, national identity. We also support big events in Romania, such as IF TIFF, Gopo Awards, Sibiu International Theater Festival.

BT's involvement in COVID-19 crisis management. The story goes on

We know that BT is needed, especially since we are navigating through times like never before. #Suntemceacefacem and, for this reason, since the beginning of the pandemic, we have been next to the communities, customers, employees, entrepreneurs and the economy.

- **Mobilization for health:** We mobilized our forces right from the first wave of the medical crisis with money and equipment. In total, our contribution was over 2 million euros to help hospitals and communities in 30 cities in Romania.
- **Accelerate the launch of online banking solutions:** We have accelerated the launch of online banking facilities to allow permanent access to our products and services. BT has come up with almost 20 launches since March insofar, for #distance banking.
- **Customer support measures:** We are the first bank to announce measures to support its customers with loans that were affected by the pandemic. The bank has launched the most consistent package to support customers with loans, the measures implemented by the bank far exceeding the mandatory legal framework, being close to its customers during this challenging period.
- **Business continuity:** In parallel with these, the day-to-day work went on: BT ensured the continuation of its operations, launched commercial campaigns, maintained the pace of network modernization projects and launched various options regarding the customers interaction with the bank. Likewise, during march – may 2020 the bank had the same pace of employment in comparison to the same period of last year, with almost 70 new jobs / month.

Solidarity and mobilization have been the key words of our approach since the beginning of the pandemic.



BT, friendly with the environment

As part of the community, we want to be a good citizen, a good neighbour, a good bank.

#ThinkGreen means for BT the responsible use of natural resources, the support of business ideas, green loans, forestry volunteering programs, but also online banking.

BT - more geographies, more communities

A first responsibility we have towards the environment is to diminish the impact of our activity on the environment. With over 500 agencies and branches in almost 180 cities, we are part of as many geographies and communities.

We are concerned of energy efficiency, renewable energy, transport and mobility, as well as responsible purchasing practices. Banca Transilvania, being a Green Bank, pays attention to the social, ethical and environmental dimensions of the eco approach, for the environment and natural resources protection.

- **Energy:** We use only computers and laptops that comply with the environmental standards; the light frames of the BT premises are equipped with dusk sensors;
- **Green buildings:** the use of sustainable practices in the design and management of the real estates, including conducting energy assessment analyses for the premises where we operate and certifying a list of the premises as “green buildings” (on a system of certification BREEAM, LEED, DGNB);
- **Going Digital!** Promoting the digital alternatives for the documents management - both within the bank and in the relation with our customers, suppliers and other partners; online documents to replace the printed ones; using recyclable paper;
- **Selective waste collection;**
- **Monitoring:** We have an efficient energy management framework to reduce the use of natural resources and prevent the pollution. We monitor and optimize those actions that can reduce the total energy consumption.

Transylvania Forest

Our involvement in the community life also means investments every year in volunteer actions for afforestation in different localities in the country. We thus do good things for the Romanians, for Romania and we also encourage volunteering.

- Over 300,000 euros in volunteer programs dedicated to afforestation in Cluj (Tritenii de Jos), Bistrița-Năsăud (Budeși, Budeți-Fânațe, Sânmihaiu de Câmpie, Călărași (Jegălia) and Bucharest (Videle);
- Over 10,000 volunteers With approximately 1,500 participants in each afforestation action, the green volunteer actions were the largest volunteer actions in the country.
- Almost 50 hectares have been forested;
- Over 200,000 seedlings were planted, for which the attachment rate is almost 90%.

A first responsibility we have towards the environment is to diminish the impact of our activity on the environment. With over 500 agencies and branches in almost 180 cities, we are part of as many geographies and communities.

We have long-term partners, moving together forward, namely Tășuleasa Social and the More Green Association. You can find more about the topic in BT Talks podcast – Volunteering, Forestry and Education (February, 2020).

Creating a community close to the forest, to the environment, is one of the greatest achievements of the volunteer actions for planting Transylvania Forest.





People of BT

Banca Transilvania is for us the place where we learn. For some of us - not a few, 1,700 - BT is the first job, for others part of our lives and our families, for years. We grew up together.

What we do every day at the office is directly related to over 3 million customers. We've helped some of them have their first home, others to have the first banking application of their lives or their first business.

We have something special, which cannot be copied: The BT spirit. We do things with a lot of passion, and when there is passion, everything you do is long lasting. This is how our story started 27 years ago, in Romania, in Cluj-Napoca, with a team of 13 persons and one branch. The story goes on.

#HumanBanking

Personal Development. Wiser, better

BT means people. And investing in people is one of the bank's priorities. Banca Transilvania is the learning organization, so it runs projects for the personal and professional development of its employees, especially through the BT Academy.

More than 5,000 employees benefited from courses and trainings in 2019.

The programs we have at the bank are blended learning, a mix of methods and tools: trainings, e-learning, tutorials and podcasts. They are intended for both new team members and those in different stages of their personal and professional development.

Development initiatives:

- **First Time Manager**
- **BT DEP** – BT Director's Exchange Programme
- **GROW** – Get Ready Open Wings, Leadership Strategic Program developed together with professors from London Business School;
- **New e-learning platform, but also BT Con(vention)** festival dedicated to employees;
- **Robotics:** From Zero to Hero;
- **UX** – From sign to design;
- **Upgrade** – Human & Professional Banking;
- **EMBA Scholarships.**

Wellbeing. Care for the people

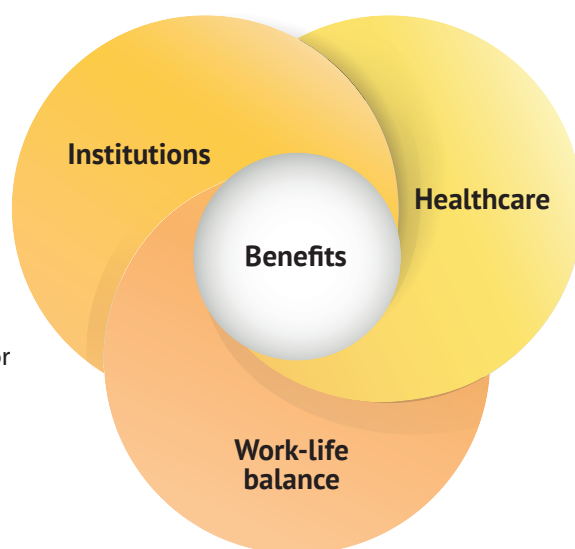
Almost 3,300 of our colleagues (50% of the BT team) have children up to 18 years old.

Parents employees: over 5,000 children have parents at BT.

One of the major concerns of Banca Transilvania, related to its people, is to build mechanisms to motivate them and an environment where all members of the organization have the opportunity to learn, grow and perform better in the team.

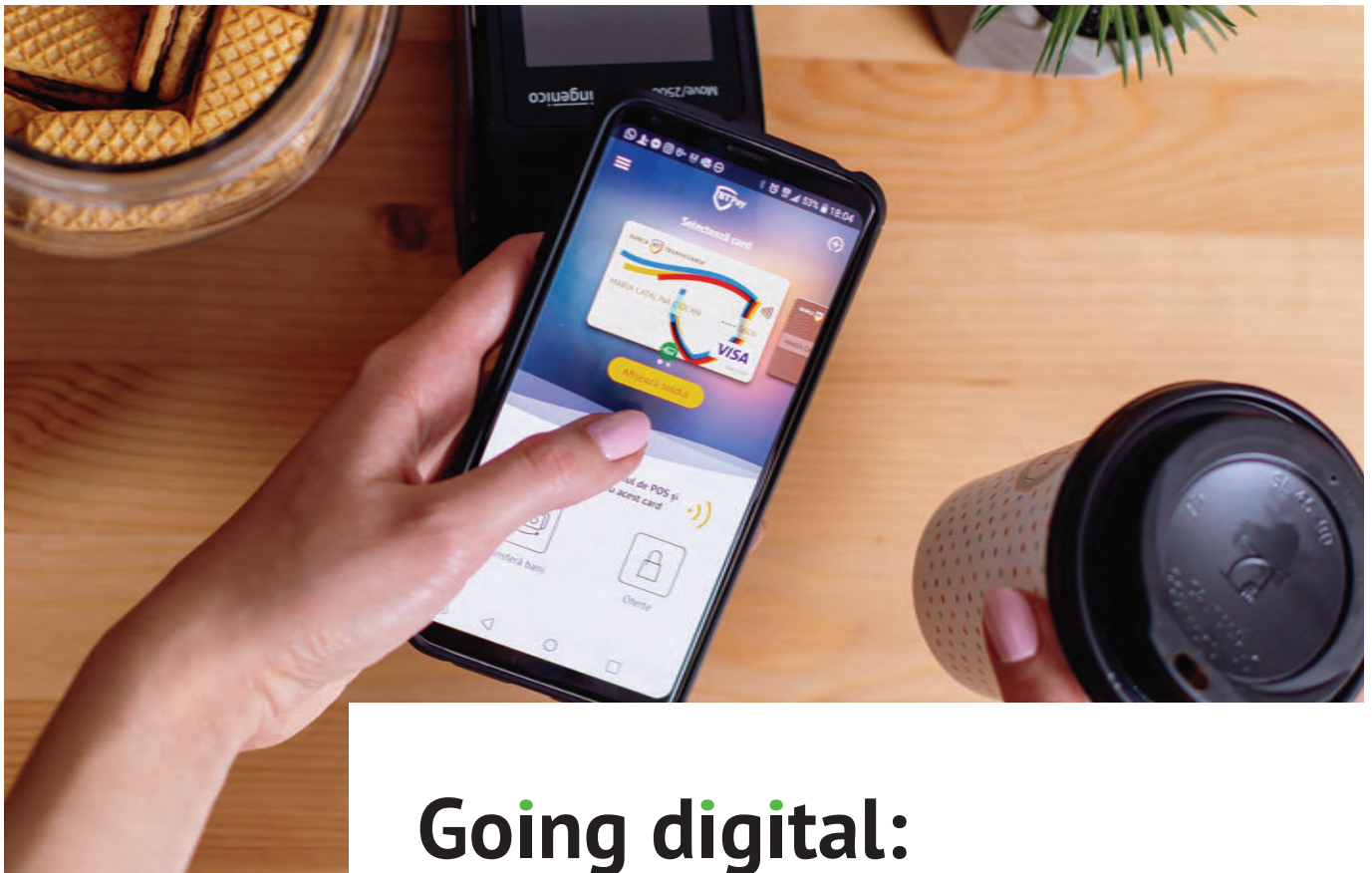
We believe that wellbeing is our responsibility, as a company, but also a right for each of our colleagues. It is a new mathematics, with benefits related to well-being, mental and physical health, but also to the balance between personal and professional life.

- discounts holiday
- premium meal
- vouchers card
- optional pension
- awards, premiums
- benefits and gratuities for certain services and products



- medical subscription
- coaching mentoring
- teambuilding
- subscriptions with gym discount

- work-from-home
- flexible schedule
- two days off for the employee birthday



Going digital: Efficient ↑ consumption ↓

Due to online banking, customers interact with BT and their funds anytime, anywhere and in real time.

Via phone banking, multifunctional ATMs, WhatsApp banking, digital cards, chatbots, 100% online account opening, we reduce distances, help customers use their resources better and together we are more environmentally friendly. We transform the lives of the Romanians and grow communities, such as the BT Pay community, for which phone banking has become almost an automation, a good habit.

Once a choice or an alternative, digital banking is now more and more part of everyone's life. We, at BT, contribute to this every day.

#ThinkDigital

Online banking at BT: everything is more interconnected, and the bank has a different mentality

In an increasingly digital world, our customers have many options precisely because BT products and services now mean digital solutions. In-house, teams from the digital, IT, retail banking, SMEs areas but also colleagues from branches and agencies are involved. we also collaborate with fin-techs.

The investments in technology and the launch of online solutions are a priority for Banca Transilvania precisely because it means greater efficiency. Due to these actions, over 90% of the repetitive operations are carried out without human intervention, and through STP (Straight-through processing) and with the help of robots the financial transactions are accelerated.

We have also integrated the Artificial Intelligence & Machine Learning into our services, and with the help of lifelong learning algorithms we get to know our customers better, which helps us launch customized products and services and deliver superior digital experiences.

We also collaborate with Romanian and foreign fin-techs. At Banca Transilvania we see the collaboration with them as an opportunity to make banking more accessible and to launch new digital services.

Highlights BT & going digital

- **Open Banking – game changer:** interconnection of the accounts and data from several banks and fin-techs, which allows the launch of new products.
- **The transition from banking to neo-banking through NEO,** which will replace the BT internet banking and mobile banking application. We constantly launch new features in NEO, one of them being NEOcont, the possibility of opening 100% remotely an account at the bank.
- **Transforming BT Pay into the first banking super-app in Romania,** by integrating three types of facilities: transactions, donations and sports activity monitoring.
- **BT chatbots** (Livia, Raul, Ino, David and Aida) for conversational banking and non-stop customer and employee assistance with various useful information.

The story goes on

Starting with September 2020, we collaborate with The CSR Agency, a consulting and management agency specialized in CSR and sustainability. We started working together on the BT Sustainability Report for 2020, which will be in line with the Global Reporting Initiatives (GRI) Standards. The report will be published in March 2021 and will present the impact of our bank on the economy, society and the environment, our challenges, solutions and achievements to contribute to a better future, through the stakeholders' involvement.

**Sustainability is no longer about doing less harm,
it's about doing more good.**

#MoreThanBanking