

## **Financial Results as at September 30, 2023**

### **Banca Transilvania – Accelerated Growth of Client Base and Operations**

#### **Consolidation of BT Group and Investments in Infrastructure**

- During the first nine months of the year, Banca Transilvania's client base and operations grew significantly, above the sector average.
- Given the business size and volume of operations, BT is the leading processor of payments, transactions, and cash transactions, with low costs for customers.
- July-September was the best quarter of this year in terms of housing loans: the level of approved loans shows a 22% increase in the first nine months of 2023 compared to the same period in 2022.
- The value of loans granted to individuals and companies increased by 4% versus the same period last year, whereby the net loans and leasing receivables portfolio reached RON 72.6 billion, which means an increase of approx. 70% in the loan outstanding balance, as compared to three years ago.
- The growth of the bank's business is also reflected in the evolution of the total number of processed transactions, i.e. 1.35 billion transactions in the first nine months of the year, increasing by 27.4% as compared to the same period in 2022. This increase reflects the doubling of the monthly average of operations over a three-year period.

*"It has been a good nine months for Banca Transilvania, in which we have further increased our transaction volumes and thus strengthened our market leadership. The size of our business and the economies of scale allow us to be a universal bank, with an inclusive approach, offering a full range of products and services - online and cash - at low prices for customers. We work for more than 4 million clients, from individuals to SMEs and corporations. We take great pride that a local player brings added value to our economy and supports the competitiveness of companies. We remain cautious, given the volatility and uncertainty in the market, but optimistic about the Romania's ability to perform above the average in the region", Ömer Tetik, CEO, Banca Transilvania.*

**Financial Results in the First Nine Months:**

- Banca Transilvania Financial Group's net consolidated profit is RON 2,291.5 million, out of which the Bank's net profit amounts to RON 1,859.5 million. The subsidiaries and the equity participations contributed with RON 432 million to the BT Group's profitability.
- Banca Transilvania's consolidated assets consolidated to RON 157.6 billion (+12.2% vs. December 31, 2022), whereas consolidated net loans and lease receivables reached RON 72.6 billion (+6.75% vs. December 31, 2022).
- BT Group's operating income reached RON 5.6 billion (+27.12% y/y), mirroring the increase in business volumes and the number of processed transactions.
- Deposits from customers reached RON 126.6 billion (+8.66%). Savings with BT amount to RON 82.7 billion for individuals and to RON 43.9 billion for companies.

**Lending, Transactions and Financial Inclusion:**

- Retail loans at consolidated level went up to RON 31.9 billion. The volume of granted loans increased by 13% in the first nine months as compared to the same period in 2022.
- More than 15,700 loans were granted to SMEs, worth over RON 4 billion.
- RON 16 billion accounts for loans to companies, with a gross loan balance at consolidated level of RON 35.3 billion.
- Banca Transilvania continued to support entrepreneurs through the SME Invest programme, with RON 2.5 billion financing granted in the first nine months of the year.
- BT's card portfolio counts 5.8 million cards, of which 3 million are also digital cards enrolled in BT Pay, Apple Pay, Google Pay, Fitbit Pay and Garmin Pay.
- Number of phone payments: +46% in Q3 vs. the same period in 2022.
- Number of transactions with BT cards: +23% vs. the same period last year.
- ≈90% of BT's clients use at least one of BT's online banking apps.

**Further Financial Information**

- ROE improved compared to the first nine months of last year and reached 25.79%;
- Balance of provisions grew by 7.01% up to RON 4.3 billion, as compared to the end of 2022 (RON 4.02 billion).
- Cost of risk: 0.25%;
- The Bank's operational efficiency, calculated with an annualized impact of the contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund: 45.79%;
- Capital adequacy ratio: 22.94%, profit included;

- Non-performing loans, under the EBA definition: 2.22%.

### **Cash Dividends for Over 40,000 Shareholders**

Following the approval of the General Meeting of Shareholders in September this year, Banca Transilvania distributed, earlier this month, cash dividends of RON 902.5 million, from the profit reserves of 2022 and 2021.

### **Banca Transilvania | Communication & Public Relations**

#### ***For investors:***

- *Investors wishing to participate in the conference call on the financial results for the first nine months of 2023, organized by Banca Transilvania on November 13, this year, starting at 4:00 pm (Romanian time), must send a request by email to the following address: [investor.relations@btrl.ro](mailto:investor.relations@btrl.ro).*
- *The report on the first nine months of 2023, prepared in accordance with the provisions of Article 67 of Law No 24 of 2017 on issuers of financial instruments and market operations (including information in editable format), is available on BT's website, section [Investor Relations](#) section, starting with November 10, this year, 6:00 P.M.*
- *The financial statements as at September 30, 2023 and September 30, 2022 are unaudited and unreviewed, and those as at December 31, 2022 are audited.*

Contact for investors: [investor.relations@btrl.ro](mailto:investor.relations@btrl.ro)

Contact for the media: [comunicare@btrl.ro](mailto:comunicare@btrl.ro)

**Banca Transilvania S.A.**  
**LEI CODE: 549300RG3H390KEL8896**

**INTERIM CONDENSED CONSOLIDATED AND SEPARATE  
FINANCIAL STATEMENTS**

**As of September 30, 2023**

# **Banca Transilvania S.A.**

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# Banca Transilvania S.A.

## Interim Consolidated and Separate Statement of Profit or Loss

<i>RON thousand</i>	Notes	Group				Bank			
		3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022
Interest income calculated using the effective interest method		2,099,575	6,131,517	1,543,961	3,966,434	1,944,864	5,513,858	1,381,636	3,510,112
Other interest like income		97,246	262,510	66,233	152,560	11,927	28,369	10,198	18,440
Interest expense calculated using the effective interest method		(930,852)	(2,597,970)	(495,336)	(971,726)	(892,161)	(2,437,410)	(468,899)	(907,321)
Other interest like expense		(977)	(2,552)	(540)	(1,554)	(1,864)	(5,272)	(1,470)	(4,830)
<b>Net interest income</b>	5	<b>1,264,992</b>	<b>3,793,505</b>	<b>1,114,318</b>	<b>3,145,714</b>	<b>1,062,766</b>	<b>3,099,545</b>	<b>921,465</b>	<b>2,616,401</b>
Fee and commission income		540,685	1,493,721	465,558	1,291,604	462,691	1,290,521	403,074	1,104,485
Fee and commission expense		(205,717)	(552,046)	(164,130)	(439,201)	(176,408)	(475,320)	(141,824)	(377,390)
<b>Net fee and commission income</b>	6	<b>334,968</b>	<b>941,675</b>	<b>301,428</b>	<b>852,403</b>	<b>286,283</b>	<b>815,201</b>	<b>261,250</b>	<b>727,095</b>
Net trading income	7	195,918	524,841	172,425	553,234	168,314	451,461	143,638	502,095
Net gain/loss realised from financial assets measured at fair value through other items of comprehensive income	8	41,513	126,599	(27,656)	(98,140)	40,778	125,855	(31,555)	(102,496)
Net gain/loss realised from financial assets which are required to be measured at fair value through profit or loss	9	25,470	78,859	(28,027)	(80,435)	36,511	85,219	(14,972)	(92,702)
Contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund	10	(763)	(92,831)	(1,295)	(152,308)	-	(86,886)	-	(143,513)
Other operating income	11	90,999	255,908	62,785	207,339	52,780	150,871	229,309	339,893
<b>Operating income</b>		<b>1,953,097</b>	<b>5,628,556</b>	<b>1,593,978</b>	<b>4,427,807</b>	<b>1,647,432</b>	<b>4,641,266</b>	<b>1,509,135</b>	<b>3,846,773</b>
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	12	(168,286)	(225,842)	(164,241)	(369,070)	(159,093)	(143,628)	(123,470)	(233,303)
(Other) Provisions and reversal of provisions		557	10,566	25,863	51,482	2,742	3,694	24,901	35,466
Personnel expenses	13	(471,013)	(1,450,418)	(392,511)	(1,211,029)	(386,821)	(1,208,122)	(328,274)	(1,022,086)
Depreciation and amortization		(113,228)	(331,479)	(98,435)	(286,902)	(101,268)	(298,554)	(89,822)	(257,486)
Other operating expenses	14	(254,701)	(751,362)	(227,164)	(673,510)	(210,623)	(628,312)	(367,658)	(719,775)
<b>Operating expenses</b>		<b>(1,006,671)</b>	<b>(2,748,535)</b>	<b>(856,488)</b>	<b>(2,489,029)</b>	<b>(855,063)</b>	<b>(2,274,922)</b>	<b>(884,323)</b>	<b>(2,197,184)</b>
<b>Profit before income tax</b>		<b>946,426</b>	<b>2,880,021</b>	<b>737,490</b>	<b>1,938,778</b>	<b>792,369</b>	<b>2,366,344</b>	<b>624,812</b>	<b>1,649,589</b>
Income tax expense (-)	15	(236,605)	(588,533)	(106,109)	(260,918)	(201,884)	(506,892)	(90,866)	(208,640)
<b>Net profit for the period</b>		<b>709,821</b>	<b>2,291,488</b>	<b>631,381</b>	<b>1,677,860</b>	<b>590,485</b>	<b>1,859,452</b>	<b>533,946</b>	<b>1,440,949</b>
<b>Net Profit of the Group attributable to:</b>									
Equity holders of the Bank		688,942	2,212,206	601,728	1,609,276	590,485	1,859,452	533,946	1,440,949
Non-controlling interests		20,879	79,282	29,653	68,584	-	-	-	-
<b>Net profit for the period</b>		<b>709,821</b>	<b>2,291,488</b>	<b>631,381</b>	<b>1,677,860</b>	<b>590,485</b>	<b>1,859,452</b>	<b>533,946</b>	<b>1,440,949</b>

**Interim Consolidated and Separate Statement of Other Comprehensive Income**

<i>RON thousand</i>	Note	Group				Bank			
		3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022 restated (*)	9 months ended September 30, 2022 restated (*)	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022 restated (*)	9 months ended September 30, 2022 restated (*)
<b>Net Profit for the period</b>		<b>709,821</b>	<b>2,291,488</b>	<b>631,381</b>	<b>1,677,860</b>	<b>590,485</b>	<b>1,859,452</b>	<b>533,946</b>	<b>1,440,949</b>
<b>Items that will not be reclassified as profit or loss, net of tax</b>		<b>941</b>	<b>(52)</b>	-	-	-	<b>(941)</b>	-	-
Other elements of comprehensive income		941	(52)	-	-	-	(941)	-	-
Income tax on items which may not be reclassified to other comprehensive income		-	-	-	-	(207)	(207)	-	-
<b>Items which are or may be reclassified to profit or loss</b>		<b>150,794</b>	<b>1,366,109</b>	<b>(1,069)</b>	<b>(3,755,853)</b>	<b>34,338</b>	<b>1,243,348</b>	<b>(33,971)</b>	<b>(3,761,198)</b>
<b>Fair value reserve (financial assets measured at fair value through other items of comprehensive income), of which:</b>		<b>99,249</b>	<b>1,534,868</b>	<b>(34,176)</b>	<b>(4,491,457)</b>	<b>41,367</b>	<b>1,482,192</b>	<b>(40,032)</b>	<b>(4,478,889)</b>
Net loss(-)/gain from disposal of financial assets measured at fair value through other items of comprehensive income, transferred to profit or loss account		(41,513)	(126,599)	27,656	98,140	(40,778)	(125,855)	31,555	102,496
Fair value changes of financial assets measured at fair value through other items of comprehensive income		140,762	1,661,467	(61,832)	(4,589,597)	82,145	1,608,047	(71,587)	(4,581,385)
Effect of reclassification of financial assets measured at fair value through other items of comprehensive income to amortized cost		-	-	-	-	-	-	-	-
<b>Translation of financial information of foreign operations to presentation currency</b>		<b>68,777</b>	<b>81,375</b>	<b>33,244</b>	<b>18,833</b>	<b>(91)</b>	<b>(222)</b>	<b>(27)</b>	<b>(6)</b>
<b>Income tax on items which are or may be reclassified to profit or loss</b>		<b>(17,232)</b>	<b>(250,134)</b>	<b>(137)</b>	<b>716,771</b>	<b>(6,938)</b>	<b>(238,622)</b>	<b>6,088</b>	<b>717,697</b>
<b>Total comprehensive income for the period</b>		<b>861,556</b>	<b>3,657,545</b>	<b>630,312</b>	<b>(2,077,993)</b>	<b>624,823</b>	<b>3,101,859</b>	<b>499,975</b>	<b>(2,320,249)</b>
<b>Total comprehensive income attributable to:</b>									
Equity holders of the Bank		840,677	3,578,263	600,659	(2,146,577)	624,823	3,101,859	499,975	(2,320,249)
Non-controlling interest		20,879	79,282	29,653	68,584	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>861,556</b>	<b>3,657,545</b>	<b>630,312</b>	<b>(2,077,993)</b>	<b>624,823</b>	<b>3,101,859</b>	<b>499,975</b>	<b>(2,320,249)</b>
<b>Basic earnings per share</b>		<b>0.8644</b>	<b>2.7757</b>	<b>0.8515</b>	<b>2.0175</b>	-	-	-	-
<b>Diluted earnings per share</b>		<b>0.8644</b>	<b>2.7757</b>	<b>0.8515</b>	<b>2.0175</b>	-	-	-	-

(\*) Please see note 34

The interim consolidated and separate financial statements were approved by the Board of Directors on November 10, 2023 and were signed on its behalf by:

Ömer TETIK  
Chief Executive Officer

George CĂLINESCU  
Deputy Chief Executive Officer

# Banca Transilvania S.A.

## Interim Consolidated and Separate Statement of Financial Position

<i>In RON thousand</i>	Note	Group		Bank	
		30-09-2023 RON thousand	31-12-2022 RON thousand	30-09-2023 RON thousand	31-12-2022 RON thousand
<b>Assets</b>					
Cash and current accounts with Central Banks	16	19,780,771	14,540,717	17,858,994	12,645,157
Derivatives		193,863	218,443	193,863	218,443
Financial assets held for trading	18	327,722	321,370	35,771	30,693
Non-trading financial assets mandatorily at fair value through profit or loss	18	1,250,192	1,106,041	1,656,802	1,474,595
Financial assets measured at fair value through other items of comprehensive income	21	44,966,625	43,485,732	44,609,274	43,124,154
- of which pledged securities (repo agreements)		560,752	1,833,170	560,752	1,833,170
Financial assets at amortized cost - of which:		84,595,056	74,714,992	82,864,201	72,995,600
- Placements with banks and public institutions	17	8,036,295	5,567,332	8,911,708	6,634,858
- Loans and advances to customers	19	69,340,570	65,200,920	68,436,612	63,449,954
- Debt instruments	21	5,163,529	2,059,712	3,657,978	975,159
- Other financial assets	22	2,054,662	1,887,028	1,857,903	1,935,629
Finance lease receivables	20	3,266,458	2,812,597	-	-
Investments in subsidiaries		-	-	710,384	708,412
Investment in associates		2,279	3,737	-	-
Property and equipment and investment property		1,212,330	1,174,446	714,394	731,037
Intangible assets		571,459	506,238	467,138	429,960
Goodwill		298,727	154,363	-	-
Right-of-use assets		420,255	487,957	616,570	696,798
Current tax receivables		-	14,947	-	26,627
Deferred tax assets		531,576	791,605	508,965	747,800
Other non-financial assets	23	204,776	177,610	141,025	130,953
<b>Total assets</b>		<b>157,622,089</b>	<b>140,510,795</b>	<b>150,377,381</b>	<b>133,960,229</b>



# Banca Transilvania S.A.

## Interim Consolidated and Separate Statement of Financial Position *(continued)*

<i>In RON thousand</i>	Note	Group		Bank	
		30-09-2023 RON thousand	31-12-2022 RON thousand	30-09-2023 RON thousand	31-12-2022 RON thousand
<b>Liabilities</b>					
Derivatives		48,411	41,695	48,411	41,695
Deposits from banks	24	315,130	1,678,082	357,327	1,631,542
Deposits from customers	25	129,927,655	119,731,729	126,589,201	116,503,842
Loans from banks and other financial institutions	26	7,207,266	4,840,928	6,264,408	3,562,483
Subordinated liabilities	27	2,810,467	1,748,260	2,781,730	1,718,909
Lease liabilities		423,868	492,956	588,127	663,680
Other financial liabilities	29	3,635,799	1,764,364	2,834,395	1,315,969
Current tax liability		122,806	-	108,871	-
Provisions for other risks and loan commitments	28	488,522	500,546	420,164	431,296
Other non-financial liabilities	30	216,485	215,374	138,169	132,636
<b>Total liabilities excluding financial liabilities to holders of fund units</b>		<b>145,196,409</b>	<b>131,013,934</b>	<b>140,130,803</b>	<b>126,002,052</b>
Financial liabilities to holders of fund units		25,693	25,328	-	-
<b>Total liabilities</b>		<b>145,222,102</b>	<b>131,039,262</b>	<b>140,130,803</b>	<b>126,002,052</b>
<b>Equity</b>					
Share capital		8,073,083	7,163,083	8,073,083	7,163,083
Treasury shares		(15,287)	(64,750)	-	(49,463)
Share premiums		32,102	31,235	28,614	28,614
Retained earnings		5,048,009	4,457,854	3,598,162	3,558,320
Revaluation reserves from tangible assets		38,233	70,355	24,518	35,678
Reserves on financial assets measured at fair value through other items of comprehensive income		(2,431,652)	(3,728,492)	(2,436,397)	(3,736,653)
Other reserves		990,011	989,581	958,598	958,598
<b>Total equity attributable to equity holders of the Bank</b>		<b>11,734,499</b>	<b>8,918,866</b>	<b>10,246,578</b>	<b>7,958,177</b>
Non-controlling interest		665,488	552,667	-	-
<b>Total equity</b>		<b>12,399,987</b>	<b>9,471,533</b>	<b>10,246,578</b>	<b>7,958,177</b>
<b>Total liabilities and equity</b>		<b>157,622,089</b>	<b>140,510,795</b>	<b>150,377,381</b>	<b>133,960,229</b>

The interim consolidated and separate financial statements were approved by the Board of Directors on November 10, 2023 and were signed on its behalf by:

Ömer TETİK  
Chief Executive Officer

George CĂLINESCU  
Deputy Chief Executive Officer

# Banca Transilvania S.A.

## Interim Consolidated Statement of Changes in Equity

For the nine-month period ended September 30, 2023

Group <i>In RON thousand</i>	Attributable to the equity holders of the Bank									
	Share capital	Treasury shares	Share premiums	Revaluation reserves	Reserves from financial assets measured through other items of comprehensive income	Other reserves	Retained earnings	Total attributable to the equity holders of the Bank	Non-controlling interest	Total
<b>Balance as of 01 January 2023</b>	<b>7,163,083</b>	<b>(64,750)</b>	<b>31,235</b>	<b>70,355</b>	<b>(3,728,492)</b>	<b>989,581</b>	<b>4,457,854</b>	<b>8,918,866</b>	<b>552,667</b>	<b>9,471,533</b>
Profit for the period	-	-	-	-	-	-	2,212,206	<b>2,212,206</b>	79,282	<b>2,291,488</b>
Gains from fair value changes of financial assets measured at fair value through other items of comprehensive income, net of deferred tax	-	-	-	-	1,296,840	-	-	<b>1,296,840</b>	-	<b>1,296,840</b>
Retained earnings from revaluation reserves	-	-	-	(10,564)	-	-	10,564	-	-	-
Foreign currency translation of foreign operations	-	-	-	-	-	-	69,269	<b>69,269</b>	-	<b>69,269</b>
Other items of comprehensive income, net of tax	-	-	-	-	-	-	(52)	<b>(52)</b>	-	<b>(52)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,564)</b>	<b>1,296,840</b>	<b>-</b>	<b>2,291,987</b>	<b>3,578,263</b>	<b>79,282</b>	<b>3,657,545</b>
<b>Contributions of/distributions to the shareholders</b>										
Increase in share capital through the conversion of debt	910,000	-	-	-	-	-	(910,000)	-	-	-
Distribution to statutory reserves	-	-	-	-	-	430	(430)	-	-	-
Acquisition of treasury shares	-	(19,347)	-	-	-	-	-	<b>(19,347)</b>	-	<b>(19,347)</b>
Payments of treasury shares	-	68,810	-	-	-	-	(66,329)	<b>2,481</b>	-	<b>2,481</b>
Dividends distributed to shareholders SOP 2023 Scheme	-	-	-	-	-	-	(902,456)	<b>(902,456)</b>	-	<b>(902,456)</b>
	-	-	-	-	-	-	49,144	<b>49,144</b>	-	<b>49,144</b>
Transfer of retained earnings to liabilities to holders of fund units	-	-	-	-	-	-	365	<b>365</b>	-	<b>365</b>
Other adjustments	-	-	867	(21,558)	-	-	127,874	<b>107,183</b>	33,539	<b>140,722</b>
<b>Total contributions of/distributions to the shareholders</b>	<b>910,000</b>	<b>49,463</b>	<b>867</b>	<b>(21,558)</b>	<b>-</b>	<b>430</b>	<b>(1,701,832)</b>	<b>(762,630)</b>	<b>33,539</b>	<b>(729,091)</b>
<b>Balance as of 30 September 2023</b>	<b>8,073,083</b>	<b>(15,287)</b>	<b>32,102</b>	<b>38,233</b>	<b>(2,431,652)</b>	<b>990,011</b>	<b>5,048,009</b>	<b>11,734,499</b>	<b>665,488</b>	<b>12,399,987</b>

The explanatory notes to the financial statements from page 11 to page 60 are an integral part of these financial statements.

# Banca Transilvania S.A.

## Interim Consolidated Statement of Changes in Equity *(continued)*

For the nine-month period ended September 30, 2022

Group <i>In RON thousand</i>	Attributable to the equity holders of the Bank									
	Share capital	Treasury shares	Share premiums	Revaluation reserves	Reserves from financial assets measured through other items of comprehensive income restated (*)	Other reserves restated (*)	Retained earnings	Total attributable to the equity holders of the Bank restated (*)	Non-controlling interest	Total restated (*)
<b>Balance as of 01 January 2022</b>	<b>6,397,971</b>	<b>(15,287)</b>	<b>31,235</b>	<b>73,292</b>	<b>(996,697)</b>	<b>864,893</b>	<b>3,736,875</b>	<b>10,092,282</b>	<b>471,852</b>	<b>10,564,134</b>
Profit for the period	-	-	-	-	-	-	1,609,276	<b>1,609,276</b>	68,584	<b>1,677,860</b>
Gains from fair value changes of financial assets measured at fair value through other items of comprehensive income, net of deferred tax (*)	-	-	-	-	(3,771,716)	-	-	<b>(3,771,716)</b>	-	<b>(3,771,716)</b>
Retained earnings from revaluation reserves	-	-	-	(12,618)	-	-	12,618	-	-	-
Foreign currency translation of foreign operations	-	-	-	-	-	-	15,863	<b>15,863</b>	-	<b>15,863</b>
Other items of comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period restated (*)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,618)</b>	<b>(3,771,716)</b>	<b>-</b>	<b>1,637,757</b>	<b>(2,146,577)</b>	<b>68,584</b>	<b>(2,077,993)</b>
<b>Contributions of/distributions to the shareholders</b>										
Increase in share capital through the conversion of debt	765,112	-	-	-	-	-	(765,112)	-	-	-
Distribution to statutory reserves	-	-	-	-	-	2,731	(2,731)	-	-	-
Acquisition of treasury shares	-	(114,203)	-	-	-	-	-	<b>(114,203)</b>	-	<b>(114,203)</b>
Payments of treasury shares	-	100,835	-	-	-	-	(102,910)	<b>(2,075)</b>	-	<b>(2,075)</b>
Dividends distributed to shareholders	-	-	-	-	-	-	(800,000)	<b>(800,000)</b>	-	<b>(800,000)</b>
SOP 2022 Scheme	-	-	-	-	-	-	75,145	<b>75,145</b>	-	<b>75,145</b>
Transfer of retained earnings to liabilities to holders of fund units	-	-	-	-	-	-	7,500	<b>7,500</b>	-	<b>7,500</b>
Other adjustments	-	-	-	-	-	-	7,615	<b>7,615</b>	25,609	<b>33,224</b>
<b>Total contributions of/distributions to the shareholders restated (*)</b>	<b>765,112</b>	<b>(13,368)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,731</b>	<b>(1,580,493)</b>	<b>(826,018)</b>	<b>25,609</b>	<b>(800,409)</b>
<b>Balance as of 30 September 2022 restated (*)</b>	<b>7,163,083</b>	<b>(28,655)</b>	<b>31,235</b>	<b>60,674</b>	<b>(4,768,413)</b>	<b>867,624</b>	<b>3,794,139</b>	<b>7,119,687</b>	<b>566,045</b>	<b>7,685,732</b>

(\*) Please see note 34

The explanatory notes to the financial statements from page 11 to page 60 are an integral part of these financial statements.

# Banca Transilvania S.A.

## Interim Separate Statement of Changes in Equity *(continued)*

For the nine-month period ended September 30, 2023

Bank	Attributable to the equity holders of the Bank							
<i>In RON thousand</i>	Share capital	Treasury shares	Share premiums	Revaluation reserves	Reserves from financial assets measured through other items of comprehensive income	Other reserves	Retained earnings	Total
<b>Balance as of 01 January 2023</b>	7,163,083	(49,463)	28,614	35,678	(3,736,653)	958,598	3,558,320	7,958,177
Profit for the period	-	-	-	-	-	-	1,859,452	1,859,452
Gains from fair value changes of financial assets measured at fair value through other items of comprehensive income, net of deferred tax	-	-	-	-	1,300,256	-	-	1,300,256
Retained earnings from revaluation reserves	-	-	-	(11,160)	-	-	11,160	-
Other items of comprehensive income, net of tax	-	-	-	-	-	-	(1,127)	(1,127)
<b>Statement of comprehensive income for the period</b>	-	-	-	(11,160)	1,300,256	-	1,869,485	3,158,581
<b>Contributions of/distributions to the shareholders</b>								
Increase in share capital by incorporating the reserves make up of profit	910,000	-	-	-	-	-	(910,000)	-
Acquisition of treasury shares	-	(19,347)	-	-	-	-	-	(19,347)
Payments of treasury shares	-	68,810	-	-	-	-	(66,329)	2,481
Dividends distributed to shareholders	-	-	-	-	-	-	(902,456)	(902,456)
SOP 2023 Scheme	-	-	-	-	-	-	49,142	49,142
<b>Total contributions of/distributions to the shareholders</b>	910,000	49,463	-	-	-	-	(1,829,643)	(870,180)
<b>Balance as of 30 September 2023</b>	8,073,083	-	28,614	24,518	(2,436,397)	958,598	3,598,162	10,246,578

The explanatory notes to the financial statements from page 11 to page 60 are an integral part of these financial statements.

# Banca Transilvania S.A.

## Interim Separate Statement of Changes in Equity *(continued)*

For the nine-month period ended September 30, 2022

Bank	Attributable to the equity holders of the Bank							
<i>In RON thousand</i>	Share capital	Treasury shares	Share premiums	Revaluation reserves	Reserves from financial assets measured through other items of comprehensive income restated (*)	Other reserves	Retained earnings	Total restated (*)
<b>Balance as of 01 January 2022</b>	<b>6,397,971</b>	-	<b>28,614</b>	<b>42,234</b>	<b>(1,004,667)</b>	<b>837,564</b>	<b>3,051,409</b>	<b>9,353,125</b>
Profit for the period	-	-	-	-	-	-	1,440,949	<b>1,440,949</b>
Gains from fair value changes of financial assets measured at fair value through other items of comprehensive income, net of deferred tax (*)	-	-	-	-	(3,761,193)	-	-	<b>(3,761,193)</b>
Retained earnings from revaluation reserves	-	-	-	(11,843)	-	-	11,843	-
Other items of comprehensive income, net of tax	-	-	-	-	-	-	(5)	<b>(5)</b>
<b>Statement of comprehensive income for the period restated (*)</b>	-	-	-	<b>(11,843)</b>	<b>(3,761,193)</b>	-	<b>1,452,787</b>	<b>(2,320,249)</b>
<b>Contributions of/distributions to the shareholders</b>								
Increase in share capital by incorporating the reserves make up of profit	765,112	-	-	-	-	-	(765,112)	-
Acquisition of treasury shares	-	(114,202)	-	-	-	-	-	<b>(114,202)</b>
Payments of treasury shares	-	100,834	-	-	-	-	(102,910)	<b>(2,076)</b>
Dividends distributed to shareholders	-	-	-	-	-	-	(800,000)	<b>(800,000)</b>
SOP 2022 Scheme	-	-	-	-	-	-	75,145	<b>75,145</b>
<b>Total contributions of/distributions to the shareholders</b>	<b>765,112</b>	<b>(13,368)</b>	-	-	-	-	<b>(1,592,877)</b>	<b>(841,133)</b>
<b>Balance as of 30 September 2022 restated (*)</b>	<b>7,163,083</b>	<b>(13,368)</b>	<b>28,614</b>	<b>30,391</b>	<b>(4,765,860)</b>	<b>837,564</b>	<b>2,911,319</b>	<b>6,191,743</b>

(\*) Please see note 34

**Interim Consolidated and Separate Statement of Cash Flows**  
**For the nine-month period ended September 30**

<i>In RON thousand</i>	Note	Group		Bank	
		30-09-2023	30-09-2022	30-09-2023	30-09-2022
<b>Cash-flow from operating activities</b>					
Profit for the period		2,291,488	1,677,860	1,859,452	1,440,949
<b>Adjustments for:</b>					
Depreciation and amortization		331,479	286,902	298,554	257,486
Impairment allowance, expected losses and write-offs of financial assets, provisions for other risks and loan commitments		405,327	485,527	275,065	360,700
Adjustment of financial assets at fair value through profit or loss		(78,859)	80,435	(85,219)	92,702
Income tax expense		588,533	260,918	506,892	208,640
Interest income		(6,394,027)	(4,118,994)	(5,542,227)	(3,528,552)
Interest expense		2,600,522	973,280	2,442,682	912,151
Other adjustments		(156,761)	867,881	(242,685)	149,505
<b>Net profit adjusted with non-monetary elements</b>		<b>(412,298)</b>	<b>513,809</b>	<b>(487,486)</b>	<b>(106,419)</b>
<b>Changes in operating assets and liabilities(*)</b>					
Change in financial assets at amortized cost and placements with banks		(1,469,794)	(1,097,049)	(1,082,121)	(3,058,551)
Change in loans and advances to customers		(4,378,341)	(10,828,545)	(5,085,538)	(11,256,887)
Change in finance lease receivables		(390,107)	(1,236,550)	-	-
Change in financial assets at fair value through profit or loss		(65,292)	(39,999)	(96,988)	(47,750)
Change in financial assets held for trading and measured at fair value through profit or loss - derivatives		24,580	(197,752)	24,580	(198,837)
Change in equity instruments		10,823	7,231	(5,078)	1,756
Changes in debt instruments		(17,175)	21,697	-	-
Change in other financial assets		(206,002)	(427,726)	31,013	(652,262)
Change in other assets		(120,728)	(72,442)	(95,674)	(74,514)
Change in deposits from customers		9,758,478	5,289,126	9,645,830	7,417,570
Change in deposits from banks		(1,358,045)	796,562	(1,269,518)	762,941
Change in financial liabilities held-for-trading		6,716	7,421	6,716	7,911
Change in repo operations		(1,255,305)	(5,497,847)	(1,255,305)	(5,497,847)
Change in other financial liabilities		968,127	19,142	615,403	(54,931)
Change in other liabilities		1,111	(12,293)	5,533	(9,111)
Income tax (paid)/recovered		(179,404)	(248,553)	(107,086)	(197,078)
Interest received		5,017,185	2,937,416	4,256,278	2,404,750
Interest paid		(1,842,484)	(755,732)	(1,726,373)	(702,963)
<b>Net cash-flow from/(used in) operating activities</b>		<b>4,092,045</b>	<b>(10,822,084)</b>	<b>3,374,186</b>	<b>(11,262,222)</b>

## Interim Consolidated and Separate Statement of Cash Flows (continued)

For the nine-month period ended September 30

In RON thousand	Note	Group		Bank	
		30-09-2023	30-09-2022	30-09-2023	30-09-2022
<b>Cash-flow used in investment activities</b>					
Acquisition of financial assets measured at fair value through other items of comprehensive income		(13,482,353)	(10,477,227)	(13,451,345)	(10,345,485)
Sale/redemption of financial assets measured at fair value through other items of comprehensive income		13,633,342	7,421,956	13,599,452	7,418,588
Net acquisitions of property and equipment		(113,943)	(120,793)	(47,535)	(76,173)
Net acquisitions intangible assets		(157,798)	(109,297)	(122,594)	(105,986)
Proceeds from disposal of property and equipment		1,482	2,517	684	869
Acquisition of equity investments		-	(338,596)	-	(338,596)
Income from sale of shares		-	16,964	-	188,105
Dividends collected	11	9,189	5,495	5,912	208,719
Interest received		1,186,108	498,992	1,181,761	387,507
<b>Net cash-flow used in investment activities</b>		<b>1,076,027</b>	<b>(3,099,989)</b>	<b>1,166,335</b>	<b>(2,662,452)</b>
Gross proceeds from loans from banks and other financial institutions		3,979,916	7,720,159	3,898,154	7,388,315
Gross payments from loans from banks and other financial institutions		(545,734)	(420,654)	(120,360)	(161,259)
Gross proceeds from subordinated loans from banks and other financial institutions		991,660	-	991,660	-
Gross payments from subordinated loans from banks and other financial institutions		-	(24,700)	-	-
Repayment of the principal portion of the lease liabilities		(114,280)	(111,287)	(119,842)	(169,603)
Dividend payments		(748)	(801,093)	(748)	(801,093)
Payments for treasury shares		(19,347)	(114,203)	(19,347)	(114,202)
Interest paid		(136,964)	(54,662)	(95,404)	(38,933)
<b>Net cash-flow from / (used in) financing activities</b>		<b>4,154,503</b>	<b>6,193,560</b>	<b>4,534,113</b>	<b>6,103,225</b>

(\* ) Changes in operating assets and liabilities only include the effect of net treasury flows, the non-monetary effect of the merger being eliminated

In RON thousand	Note	Group		Bank	
		30-09-2023	30-09-2022	30-09-2023	30-09-2022
<b>Cash and cash equivalents at January 1</b>		<b>18,459,296</b>	<b>27,356,745</b>	<b>15,342,973</b>	<b>24,880,094</b>
The impact of exchange rate variations on cash and cash equivalents		25,784	79,982	60,181	76,286
Net increase/decrease (-) in cash and cash equivalents		9,296,791	(7,808,495)	9,014,453	(7,897,735)
<b>Cash and cash equivalents as of September 30</b>	16	<b>27,781,871</b>	<b>19,628,232</b>	<b>24,417,607</b>	<b>17,058,645</b>

## Banca Transilvania S.A.

# Notes to the Interim Condensed Consolidated and Separate Financial Statements

## 1. Reporting entity and basis of preparation

### a) Reporting entity

#### **Banca Transilvania S.A.**

Banca Transilvania S.A. (the “Parent company”, “BT”) is a joint-stock company registered in Romania. The Bank started its activity as a banking institution in 1993 and is licensed by the National Bank of Romania (“BNR”, the “Central Bank”) to conduct banking activities. The Bank started its activity in 1994 and its main operations involve banking services for legal entities and individuals. Banca Transilvania Group (the “Group”) includes the Parent company and its subsidiaries, based in Romania and in the Republic of Moldova. The consolidated and separate financial statements as of September 30, 2023 include the Parent company and its subsidiaries (hereinafter referred to as the “Group”).

The Group’s fields of activity are: banking through Banca Transilvania S.A. Victoriabank S.A., and Idea 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 BT Pensii S.A. Additionally, the Bank also has control over two investment funds it consolidates and is associated in Sinteza S.A. with a holding percentage of 31.09%. Starting April 2023 the Bank has control, through an investment fund, over a newly established company BTP One S.R.L. and BTP Retail S.R.L.

The Bank carries out its banking activity through its head office located in Cluj-Napoca and 42 branches, 455 agencies, 5 work units, 8 healthcare division units, 2 private banking agencies in Romania, 1 branch in Italy and 1 regional office located in Bucharest (December 31, 2022: 42 branches, 454 agencies, 6 work units, 8 healthcare division units, 2 private banking agencies in Romania, 1 branch in Italy and 1 regional office located in Bucharest).

The Group’s number of active employees as of September 30, 2023 was 11,604 (December 31, 2022: 11,256 employees).

The Bank’s number of active employees as of September 30, 2023 was 9,366 (December 31, 2022: 9,109 employees).

The registered address of the Bank is 30-36 Calea Dorobantilor, Cluj-Napoca, Romania.

The ownership structure of the Bank is presented below:

	<b>30-09-2023</b>	<b>30-09-2022</b>
NN Group (*)	9.47%	10.16%
The European Bank for Reconstruction and Development (“EBRD”)	6.87%	6.87%
Romanian individuals	22.28%	22.48%
Romanian companies	44.24%	42.84%
Foreign individuals	1.09%	1.07%
Foreign companies	16.05%	16.58%
<b>Total</b>	<b>100%</b>	<b>100%</b>

(\*) NN Group N.V. and the pension funds managed by NN Pensii SAFAP S.A. and NN Asigurări de Viață S.A.

The Bank’s shares are listed on the Bucharest Stock Exchange and are traded under the ticker TLV.

The explanatory notes to the financial statements from page 11 to page 60 are an integral part of these financial statements. 11



## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **1. Reporting entity and basis of preparation (continued)**

#### **a) Reporting entity (continued)**

The Group's subsidiaries are represented by the following entities:

<b>Subsidiary</b>	<b>Field of activity</b>	<b>Percentage of direct and indirect stake 30-09-2023</b>	<b>Percentage of direct and indirect stake 31-12-2022</b>
Victoriabank S.A.	Financial and banking activities and investments subject to license	44.63%	44.63%
BT Capital Partners S.A.	Investments	99.59%	99.59%
BT Leasing Transilvania IFN S.A.	Leasing	100%	100%
BT Investments S.R.L.	Investments	100%	100%
BT Direct IFN S.A.	Consumer loans	100%	100%
BT Building S.R.L.	Investments	100%	100%
BT Asset Management SAI. S.A.	Asset management	100%	100%
BT Solution Agent de Asigurare S.R.L.	Insurance broker	99.95%	99.95%
BT Asiom Agent de Asigurare S.R.L.	Insurance broker	99.95%	99.95%
BT Safe Agent de Asigurare S.R.L.	Insurance broker	99.99%	99.99%
BT Intermedieri Agent de Asigurare S.R.L.	Insurance broker	99.99%	99.99%
BT Leasing MD S.R.L.	Leasing	100%	100%
BT Microfinanțare IFN S.A.	Consumer loans	100%	100%
Improvement Credit Collection S.R.L.	Activities of collection agents and credit reporting bureaus	100%	100%
VB Investment Holding B.V.	Activities of holdings	61.81%	61.81%
BT Pensii S.A.	Activities of pension funds (except those in the public social security system)	100%	100%
Idea Bank S.A.	Other monetary intermediation	100%	100%
Idea Leasing IFN S.A.	Financial leasing	100%	100%
Idea Broker de Asigurare S.R.L.	Activities of insurance agents and brokers	100%	100%
Code Crafters by BT S.R.L.	Activities to create custom software	100%	100%
Țiriac Leasing IFN S.A.(*)	Financial leasing	-	100%
BTP ONE S.R.L.	Renting and operating of own or leased real estate	100%	-
BTP Retail S.R.L.	Renting and operating of own or leased real estate	100%	-

(\*) *Tiriac Leasing IFN S.A. was absorbed through merger by BT Leasing IFN S.A. starting with January 1, 2023.*

#### **b) Declaration of conformity**

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 of the Group's and Bank's interim reporting date, September 30, 2023. They do not include all the information required for a complete set of financial statements in accordance with the International Financial Reporting Standard ("IFRS") endorsed by the European Union. However, certain notes are included in order to explain the events and transactions that are significant in order to understand the changes in the Group's and the Bank's financial position and performance as of the last annual separate and consolidated financial statements as of and for the year ended December 31, 2022.

Financial information for the periods of 9 months and 3 months, respectively, ended at September 30, 2023 is unaudited and not reviewed. Financial information for the periods of 9 months and 3 months, respectively, ended at September 30, 2022 are unaudited and not reviewed.

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 1. Reporting entity and basis of preparation (*continued*)

#### c) Basis of measurement

The interim condensed consolidated and separate financial statements were prepared on historical cost basis, except for the financial instruments recognized at fair value through profit or loss, the financial instruments at fair value through other items of comprehensive income and property and equipment and investment property.

#### d) Functional and presentation currency

The items included in the financial statement of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the entities within the Group is the Romanian leu "RON", "EUR" and the Moldovan leu "MDL". The interim condensed consolidated and separate financial statements are presented in Romanian lei "RON", rounded to the nearest thousand.

The exchange rates for the major foreign currencies were:

Currency	30-09-2023	31-12-2022	Fluctuation %
Euro (EUR)	1: RON 4.9746	1: RON 4.9474	0.55 %
American dollar (USD)	1: RON 4.6864	1: RON 4.6346	1.12 %

#### e) Use of estimates and judgements

The preparation of the interim condensed consolidated and separate statement in accordance with the IAS 34 "Interim Financial Reporting", as endorsed by the European Union implies that the management uses estimations and judgements that affect the application of accounting policies, as well as the reported value of assets, liabilities, incomes and expenses. The estimates and associated assumptions are based on historical data and various other factors that are considered to be relevant under the given circumstances, the result of which forms the basis of the judgements used in assessing the carrying value of the assets and liabilities for which no other evaluation sources are available. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis.

The review of the accounting estimates are recognized in the period in which the estimate is reviewed, if the review affects only that period, or in the period of the review and future periods if the review affects both current and future periods.

The Group and the Bank make estimates and assumptions that affect the amounts of assets and liabilities reported within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the given circumstances.

#### i) Impairment losses on loans and advances to customers

The Group and the Bank are frequently reviewing (mostly monthly) the loan and finance lease receivables portfolio in order to assess the impairment. In determining whether an impairment loss should be recorded, the Group and the Bank make judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows related to a portfolio of loans and finance lease, before such decrease can be identified with respect to an individual loan/lease investment in that portfolio.

## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **1. Reporting entity and basis of preparation (continued)**

#### **e) Use of estimates and judgements (continued)**

##### **(i) Impairment losses on loans and advances to customers (continued)**

For example, the observable data might be the unfavorable changes in the payment behavior of certain debtors within a group or in the economic, national or local circumstances, which correlate with default incidents affecting the debtors' group.

When scheduling future cash flows, the management uses estimates based on the past experience related to losses from loans with similar risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any gaps between estimated losses and actual losses, but also to assess the effects of the local financial market uncertainties on the valuation of assets and the debtors' operating environment.

The loan loss estimation considers the visible effects of the current and future expected market conditions on the individual/collective assessment of expected credit losses on loans and advances to customers. Hence, the Group and the Bank have estimated the expected credit losses for loans and advances to customers and receivables from finance lease based on the internal methodology and assessed that no further expected credit losses is required except as already provided for in the interim condensed consolidated and separate financial statements.

Individually significant assets are assessed and monitored individually, regardless of the stage allocation, determined using the automated criteria. Thus, a specialized team of experts uses professional judgement to assess the unlikeliness to pay and determine the scenarios used to compute the ECL.

The three-stage expected credit loss impairment model in IFRS 9 depends on whether the credit risk has increased significantly since initial recognition. If the credit risk has not increased significantly, the impairment charge equals the expected credit losses resulting from default events that are possible within the next 12 months (stage 1). If the credit risk has increased significantly, the loan is more than 30 days past due, or the loan is in default or otherwise impaired, the impairment charge equals the lifetime expected credit losses (stage 2 and stage 3).

In determining the impairment for expected credit losses, management incorporates forward-looking information, exercises judgement and uses estimates and assumptions. The estimation of expected credit losses involves forecasting future economic conditions over 3 years.

The macroeconomic scenarios, applied for the third quarter of 2023, reflect an economic environment characterized by a series of uncertainties due to the ongoing geopolitical tensions, with direct implications for the population and economic agents. This situation has led to an upward trend in the prices of raw materials and agri-food products, combined with existing pressure in the labor market. Even though energy and gas prices have temporarily stabilized in European markets, due to the support provided by the government through energy price capping programs, for both household and industrial consumers, the situation can be negatively influenced by a reconfiguration of the current capping schemes because of the macroeconomic imbalance Romania is facing.

Although recent efforts to combat inflation are showing signs of success, the risks brought to light by supply chain disruptions, rewiring of trade relationships, along with significantly increased financing costs (interest rates) and tighter financial conditions, represents key aspects to monitor in a macroeconomic environment marked by volatility and uncertainties.

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 1. Reporting entity and basis of preparation *(continued)*

#### e) Use of estimates and judgements *(continued)*

##### *(i) Impairment losses on loans and advances to customers (continued)*

Part of the impact on the expected losses from the credit risk related to the year 2023 was the result of the review of the macroeconomic scenarios. Usually, the Bank uses 3 types of scenarios: main/central scenario (that is most probable to happen), optimistic scenario and pessimistic scenario (which is not necessarily a crisis scenario). Scenario weights are determined by a statistical analysis but also by an expert opinion, considering the possible results of each scenario.

The weights percentages allocated to the scenarios used by the Bank on September 30, 2023 are: 55 % (December 31, 2022: 55%) on central scenario, 35 % (December 31, 2022: 35%) on pessimistic scenario and 10% (December 31, 2022 10%) on the optimistic one.

Optimistic scenario – Macro indicators	<b>2023</b>	<b>2024</b>	<b>2025</b>
Real PIB (% each year)	2.4	4.3	4.7
Unemployment rate (%)	5.5	5.4	5.4
Inflation (%), yearly	9.7	4.9	5.0
ROBOR 3M (%), year average	6.6	5.0	4.0
EURIBOR 3M (%)	3.5	4.2	3.8
Central scenario - Macro indicators	<b>2023</b>	<b>2024</b>	<b>2025</b>
Real PIB (% each year)	2.1	3.5	4.4
Unemployment rate (%)	5.5	5.5	5.5
Inflation (%), yearly	9.8	5.1	5.2
ROBOR 3M (%),year average	6.6	5.2	4.1
EURIBOR 3M (%)	3.4	3.6	2.6
Pessimistic scenario - Macro indicators	<b>2023</b>	<b>2024</b>	<b>2025</b>
Real PIB (% each year)	0.4	0.5	1.5
Unemployment rate (%)	5.5	5.5	5.5
Inflation (%), yearly	10.2	8.7	7.8
ROBOR 3M (%),year average	7.0	8.8	6.7
EURIBOR 3M (%)	3.3	2.8	1.4

For comparison, macroeconomic indicators used at the end of 2022, for the central scenario are:

	<b>2023</b>	<b>2024</b>	<b>2025</b>
Real PIB (% each year)	2.33	4.16	5.01
Unemployment rate (%)	5.19	5.13	5.10
Inflation (%), yearly	8.59	4.65	5.21
ROBOR 3M (%), year average	7.18	5.21	4.89
EURIBOR 3M (%)	2.56	1.82	1.58

The incorporation of forward-looking elements reflects the expectations of the Group and the Bank and involves the creation of scenarios, including an assessment of the probability for each scenario.

The Group and the Bank have drawn up statistical analyzes and identified key economic variables impacting credit risk and expected credit losses for each portfolio.

## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **1. Reporting entity and basis of preparation (continued)**

#### **e) Use of estimates and judgements (continued)**

##### **(i) Impairment losses on loans and advances to customers (continued)**

Considering mentioned macroeconomic context, the management continued to apply its own value judgments using a series of post-model adjustments, adopting a conservative position in line with the expectations provided by the banking supervisory authorities. The post-model adjustments applied in 2020-2021 to estimate the effect of the pandemic event were revised in the year 2022, being eliminated those considerations that targeted the industries directly affected by the mobility restrictions imposed to manage the pandemic, as well as those set for the loans/ borrowers that benefited of the postponement of payment under OUG 37/2020.

The Group and the Bank decided to keep the other adjustments since the effects of the energy crisis and the turbulences that the economic environment is going through on the background of inflation and the ongoing conflict in Eastern Europe cannot be reasonably estimated, and the government aid in the economy is still active or will be supplemented. During the year 2023, the Bank revised the assumptions regarding post-model adjustments related to macroeconomic risks specific to certain industries that were heavily affected by supply chain disruptions and rising energy costs, classified as sensitive sectors. The revision aimed to evaluate whether corrective measures are necessary, either to eliminate or introduce new sensitive sectors. The decision was to maintain the current scheme until the end of the year, with continuous monitoring of portfolios to proactively identify difficulties/ stress signals and intervene specifically on this type of post-model adjustments, if necessary.

The geopolitical tensions will slow down the economic growth and it is difficult to estimate the impact of this event on the future business of the Group's customers. The process of identifying the potential effect on the Romanian economy is ongoing and estimating the effect of the military conflict on the economic environment will be a continuous challenge in 2023. The Bank remains vigilant in monitoring geopolitical and economic relations.

Also, we analyzed those product portfolios with high associated credit risk and the typologies that could be affected to some extent by the military conflict between Russia and Ukraine; but given that the Group and the Bank do not have significant direct exposure in the belligerent countries, no significant action was taken on that specific post-model adjustments.

Another main consideration of the introduction of post-model adjustments is the fact that the prediction of internal rating assessment models can be affected by aid measures provided by governments, the latter preventing the occurrence of non-payment events at the level of debtors who, otherwise, would have faced difficulties in servicing debts to various creditors.

The amount of post model adjustments applied is representing 18.75% of total ECL (17.5% in December 2022) considering:

- expectation related to sensitive industries and high-risk products;
- expectations regarding the increase in default rates taking into account high inflation, rising interest rates, as well as the geopolitical situation (expert judgement);
- expert individual analysis of significant exposures, performed to reflect and better understand the situations and difficulties faced by borrowers that could affect their ability to meet their obligations – watch list exposures have been transferred from stage 1 to stage 2 and ECL volume has been adjusted to ensure sufficient impairment coverage.

Due to the COVID-19 pandemic, the negative evolution of inflation and interest rates, as well as the military conflict, financial markets have been very volatile, generating short-term challenges in cash flow management and also significant mark-up variations at market.

## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **1. Reporting entity and basis of preparation (continued)**

#### **e) Use of estimates and judgements (continued)**

##### **(i) Impairment losses on loans and advances to customers (continued)**

The Group and the Bank stands on a comfortable position of liquidity, therefore the market disruptions didn't seriously affect it. In terms of interest rate risk, the pressure was felt on net interest margin due to interest rates levels.

The trading book of the Group and the Bank consist of bonds, equities, collective investment units and derivatives, whose valuation was affected by market volatilities, reserves registering a downward trend and reaching in the negative zone. The most significant part of the trading book is represented by bonds, of which the majority are kept at fair value through other comprehensive income, thus allowing that market-to-market impact to be observable in other comprehensive income and not in Consolidated and Separate Statement of Profit or Loss. Note 4 provides more details on the fair value measurement of financial instruments.

At the same time, the Bank holds, outside the trading portfolio (the banking portfolio), financial instruments (securities) held mainly for liquidity purposes and as a source of collateral for Lombard and stand-by facilities, as well as to ensure a secure source of income.

##### **(ii) Tax disputes**

The Bank requested the Romanian fiscal authorities to issue an advance tax ruling ("AIFS") on the fiscal treatment of the Volksbank S.A. bargain gain. The Bank proposed the consideration of the bargain gain as non-taxable income by taking into account all the arguments, calculating a lower corporate income tax for fiscal year 2015, in the amount of RON 264,096 thousand.

The Romanian fiscal authorities issued a negative opinion, considering that the bargain gain is taxable (as recorded based on IFRS), the sole argument to sustain this position being that the bargain gain is not included in the list of non-taxable income elements specifically stipulated in the Fiscal Code applicable as of December 31, 2015.

The Bank's estimation in regard to presenting the gain from the acquisition as non-taxable income in the interim consolidated summarized financial statements as of March 31, 2023 and in the consolidated and individual financial statements as of December 31, 2022, was based on solid arguments, as follows:

- Non-correlation of the fiscal legislation with the accounting legislation: The Fiscal Code does not contain specific provisions regarding the merger of two or several taxpayers that apply IFRS as the basis for accounting and the fiscal legislation is not correlated with the accounting legislation;
- Starting 1 January 2016, in the updated version of the Fiscal Code, the provisions for domestic mergers were updated and harmonized also in line with Directive 2009/133/EC and in this respect, clearly the intention of the lawmaker was that the specific taxation rules (taking in account the tax neutrality of the merger) should prevail over the general taxation rules;
- The merger with Volksbank S.A. was based on economic grounds (it was not undertaken for certain tax benefits);
- The merger should be neutral from a tax point of view i.e. the bargain gain should not be taxable;

## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **1. Reporting entity and basis of preparation (*continued*)**

#### **e) Use of estimates and judgements (*continued*)**

##### **(ii) Tax disputes (*continued*)**

- The fiscal treatment should be applied uniformly: considering the opposite case, whereby the purchase price is higher than the value of acquired identifiable assets and liabilities, a positive goodwill would have been recorded, which, as per Romanian fiscal legislation is not to be amortized for fiscal purposes and hence does not have any fiscal impact;
- Avoidance of double taxation;
- European jurisprudence – which stipulates that the EU legislation should prevail when the fiscal legislation of a member state is unclear or lacks specific provisions.

The Bank initiated court proceedings in this respect in 2017. The case was submitted to the Court of Appeal of Cluj in April 2017. In November 2017, the Court of Appeal of Cluj admitted the case at trial and issued a judgment in favour of the Bank, confirming the Bank's approach to consider the bargain gain as non-taxable income.

Further, on June 23, 2020, the High Court of Cassation and Justice ruled in the case file pending, admitting ANAF's appeal against the sentence of the Cluj Court of Appeal, cancelled the first instance decision, judge the case and in retrial rejected the action filed by Banca Transilvania S.A. as unfounded. Based on the information made available by the High Court of Cassation and Justice once the reasoning of the judgment of June 23, 2020 was published, the Bank filed a request for review of this decision, for which a first appearance took place on March 31, 2021.

On 12 October 2021, the High Court of Cassation and Justice of Romania suspended the judgement of the review request and the Court of Justice of European Union was notified. The Court of Justice of European Union issued a decision in this case on April 27, 2023. On June 14, 2023, a new deadline took place in the file before the High Court of Cassation and Justice of Romania, where Banca Transilvania S.A. submitted a new request for a preliminary ruling to the Court of Justice of the European Union, under the conditions of extensive case supporting arguments.

On September 20, 2023, the High Court of Cassation and Justice rejected as inadmissible the request for review of the final decision pronounced on appeal on June 23, 2020 by the High Court of Cassation and Justice and at the same time, rejected the possibility to apply to the European Court of Justice.

Since the decision of the High Court of Cassation and Justice is final, Banca Transilvania can no longer obtain the obligation of the National Fiscal Administration Agency to issue an advanced tax ruling. However, in the lawyers' opinion, the possibility of debating the essential legal issue, namely the compatibility of national tax legislation with European law, remains an open option, with chances of winning.

Simultaneously, in February 2023, a tax audit of the Bank's activity for the years 2015 and 2016 was completed. In the Fiscal Inspection Report ("RIF"), the audit team noted that the Bank did not apply the provisions of the SFIA and that the Bank should have included the gain from the purchase in advantageous conditions of Volksbank S.A. shares in its taxable base for FY 2015.

Following the RIF, the tax authorities issued a decision to change the taxable base for 2015, which does not have direct effects, because in 2015 the Bank benefited from taking over the tax loss after the merger with Volksbank S.A. The Bank filed an appeal against the decisions taken by the tax authorities following the above RIF and filed a request to suspend this decision in court during February 2023.

## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **1. Reporting entity and basis of preparation (*continued*)**

#### **e) Use of estimates and judgements (*continued*)**

##### **(ii) Tax disputes (*continued*)**

In the case of the appeal, the settlement was suspended by the tax authorities until a final resolution for the revision before the High Court of Cassation and Justice of Romania in the AIFS case is reached, the case description being summarized above.

Regarding the request to suspend the decision, it was judged at the Cluj Court of Appeal at the end of February 2023, and it was rejected. Going further the Bank made an appeal to the High Court of Cassation and Justice against this decision. Also, on June 27, 2023, the Bank's appeal was rejected during the suspension procedure.

Forwards, during May 2023, ANAF initiated a documentary check of the bank's activity for 2017 and 2018. Following this audit, on June 13, 2023, Banca Transilvania S.A. was notified of the tax decision establishing additional obligations representing profit tax in the amount of RON 90,275,215 for year 2017, respectively RON 173,820,822 for year 2018, totalizing RON 264,096,037. Additionally to these tax liabilities will be due ancillary tax obligations.

The Bank filed an appeal against the tax decision taken by the tax authorities following the documentary check of the years 2017 and 2018 detailed above and filed a request to suspend this decision in Court during June 2023.

However, in order to limit a potential negative impact from ancillary tax liabilities in case of an unfavorable legal decision, Banca Transilvania S.A. decided to pay on July 5, 2023 the amount of RON 264 million representing additional tax liabilities established following the documentary check for 2017 and 2018.

At the beginning of July 2023, the request to suspend the decision was judged at the level of the Cluj Court of Appeal, which rejected the request of Banca Transilvania. At the end of July 2023, the tax authorities established ancillary tax liabilities related to profit tax established additionally following the documentary verification for 2017 and 2018, in the amount of RON 154,972,067. The Bank issued a letter of guarantee suspending the obligation to pay this amount until a final settlement of the above-mentioned legal issues is reached. The Bank appealed against the additional tax liabilities claimed by the authorities, through its lawyers who represent it in the above mentioned cases.

As a result of the payment of the additional corporate income tax, Banca Transilvania no longer declared an appeal against the decision given by the Cluj Court of Appeal against the decision given on the request for suspension.

On October 3, 2023, the tax authorities rejected the bank's appeal against the decision to change the taxable base established by RIF, and on October 11, 2023, they also rejected the tax appeal raised by Banca Transilvania regarding the payment of tax amounts established under documentary checks.



## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **1. Reporting entity and basis of preparation (continued)**

#### **e) Use of estimates and judgements (continued)**

##### **(ii) Tax disputes (continued)**

The Bank analysed requests of IFRIC 23 corroborated with lawyers opinion that represent the causes mentioned above on Court and considers that the Bank has winning chances, according to the opinion of the lawyers representing it, considering that the Bank actioned based on European regulations related tax treatment for the non-taxation of the gain from Volksbank S.A. acquisition transaction, fact clarified also by Romanian tax legislation in place beginning with January 1, 2016. Banca Transilvania S.A. will continue to diligently pursue this litigation and, in the case of success, stands to recover the payment made.

Considering, however, the inconsistency with which the Romanian tax authorities treated the gain from the acquisition from a tax point of view, the Bank took a prudent approach to reflect this level of uncertainty in the interim financial statements as of September 30, 2023 using the most probable value method and recognized the amount of RON 200 million in debts regarding the current profit tax.

The Bank will monitor and analyze the evolution of the tax topic at each reporting date, in accordance with the relevant provisions of the accounting regulations, to determine if additional adjustments are necessary.

##### **(iii) Risk provisions for abusive clauses and litigation**

The provision for abusive clauses is an estimated amount for potential litigations facing the Bank derived from the retail credit contracts inherited from Volksbank S.A. and Bancpost S.A. merger. The provision is periodically reviewed by the Bank by incorporating historical data regarding new litigations in the last years (a show-up ratio) and the loss probability for such cases (calculated as a historical positive versus negative outcome of litigations). The last review for abusive clauses provision has been performed as of September 30, 2023 when the Bank adjusted the provision based on the trend of such new litigations (show-up ratio) and the probability loss estimated at this date.

##### **(iv) Other significant litigation**

The Bank's subsidiary, Victoria Bank SA, was notified on July 6, 2020 that it is being investigated in a case instrumented by the Prosecutor's Office of the Republic of Moldova, and on August 6, 2020, a precautionary seizure was placed on some of the subsidiary's assets. In order to cover the claims in the file - amounting to approximately RON 474 million in equivalent.

Given the nature of the case and the legal limitations related to the investigation, the Bank and its subsidiary possesses limited information about this case, by also considering the lawyers' analysis of the content of the indictment related to these investigations. Given the stage of the investigation, that relates to a period before the Bank was a shareholder of the subsidiary, the Group and the Bank did not recognize a provision for this case, but will monitor the evolution of the topic at each reporting date, in accordance with the relevant provisions of the accounting regulations.

For other significant litigation and regulatory enforcement matters, the Group believes the possibility of an outflow of funds is more than remote but less than probable but the amount is not reliably estimable, and accordingly such matters are not included in the contingent liability estimates. The Group and the Bank will monitor the evolution of the topics at each reporting date, in accordance with the relevant provisions of the accounting regulations.

## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **2. Significant accounting policies**

The significant accounting methods and policies applied by the Group and the Bank entities in these interim condensed consolidated and separate financial statements are the ones also applied in the consolidated and separate financial statements as of and for the fiscal year ended December 31, 2022, except for the followings:

#### **a) New and amended IFRS Accounting Standards that are effective for the current year**

In the current year, the Group and the Bank has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for reporting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. The following new standards, as well as updates to existing standards, came into force for annual periods beginning after January 1, 2023 and may be applied earlier.

**IFRS 17 Insurance Contracts - New standard IFRS 17 “Insurance Contracts” including the June 2020 and December 2021 Amendments to IFRS 17 - issued by IASB on 18 May 2017.** The new standard requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 “Insurance Contracts” and related interpretations while applied. Amendments to IFRS 17 “Insurance Contracts” issued by IASB on 25 June 2020 defer the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. Additionally, the amendments issued on 25 June 2020 introduce simplifications and clarifications of some requirements in the Standard and provide additional reliefs when applying IFRS 17 for the first time.

**Amendments to IFRS 17 “Insurance contracts”** - Initial Application of IFRS 17 and IFRS 9 – Comparative Information issued by IASB on 9 December 2021. It is a narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time.

**Amendments to IAS 1 - Disclosure of Accounting Policies** - issued by IASB on 12 February 2021. Amendments require entities to disclose their material accounting policies rather than their significant accounting policies and provide guidance and examples to help preparers in deciding which accounting policies to disclose in their financial statements.

**Amendments to IAS 8 - Disclosure of Accounting Policies, Changes in Accounting Estimates and Errors** - Definition of Accounting Estimates issued by IASB on 12 February 2021. Amendments focus on accounting estimates and provide guidance how to distinguish between accounting policies and accounting estimates.

**Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction** - issued by IASB on 6 May 2021. According to amendments, the initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities.

**International Tax Reform — Pillar Two Model Rules** issued by IASB on 23 May 2023. The amendments introduced a temporary exception to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules and disclosure requirements about company’s exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 2. Significant accounting policies (*continued*)

#### b) New and revised IFRS Accounting Standards in issue and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, no new and revised IFRS Accounting Standards have been issued and adopted by the EU but are not yet effective.

#### c) New and revised IFRS Accounting Standards in issue but not adopted by the EU.

At present, IFRS as adopted by the EU do not significantly differ from IFRS adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not adopted by the EU as the date of authorisation of these financial statements.

**Amendments to IAS 12 - International Tax Reform – Pillar Two Model Rules** (IASB effective date: 1 January 2023) - exception specified in amendments to IAS 12 (that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes) is applicable immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are required for annual reporting periods beginning on or after 1 January 2023.

**Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (IASB effective date: 1 January 2024).** - **Non-current Liabilities with Covenants** issued by IASB on 31 October 2022. Amendments issued on January 2020 provide more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments issued on October 2022 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability and set the effective date for both amendments to annual periods beginning on or after 1 January 2024.

**Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback IASB effective date: 1 January 2024).** Amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

**Amendments to IAS 7 and IFRS 7 -Supplier Finance Arrangement (IASB effective date: 1 January 2024).** Amendments add disclosure requirements, and 'signposts' within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.

**IFRS 14 - Regulatory Deferral Accounts (IASB effective date: 1 January 2016)** - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard. This standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.

**Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” - Lack of Exchangeability** issued by IASB on 15 August 2023. Amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **2. Significant accounting policies (*continued*)**

#### **c) New and revised IFRS Accounting Standards in issue but not adopted by the EU (*continued*)**

**Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.** The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

The Group does not expect that the amendments, when initially applied, could have a material impact on its financial statements. According to the Group’s and Bank’s estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to IAS 39: “Financial Instruments: Recognition and Measurement” would not significantly impact the financial statements, if applied as at the balance sheet date.

### **3. Segment reporting**

The Group segment reporting is based on components of entity that the management monitors in making decisions. The business segments are presented in a manner which is consistent with the internal reporting documentation submitted to the Leaders’ Committee. The Leaders’ Committee, with the assistance of the Board of Directors, is responsible for the allocation of resources and the assessment of the business segments’ performance, being considered as an operational decision-making factor.

The reporting format is based on the internal management reporting format. All items of assets and liabilities, incomes and expenses are allocated to the business segments either directly or based on reasonable criteria established by the management.

The clients of Victoriabank S.A. and Idea Bank S.A., are classified according to the Bank’s standards. The segment “Leasing and loans to non-banking financial institutions” includes the leasing and consumer finance companies, as described in Note 1. The remaining non-banking subsidiaries are included in the segment “Other-Group”. The “Intra-group eliminations & adjustments” segment comprises intra-group operations.

The reporting segments are organized and managed separately, depending on the nature of products and services provided, each segment being specialized on certain products and operating on different markets.

A business segment is a component of the Group and of the Bank:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses related to transactions with other components of the same entity);
- The operating results of which are reviewed regularly by the entity’s decision maker in order to make decisions about resources to be allocated to the segment and to assess its performance;
- For which distinct financial information is available.

The segment reporting of the Group is described below:

## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **3. Segment reporting (continued)**

**Large Corporate Clients („LaCo”):** The Group and the Bank include in this category mainly companies/group of companies with an annual turnover exceeding RON 100 million, as well as legal entities created to serve a particular function (SPV), public entities and financial institutions included in this category based on specific classification criteria. The companies in this category usually have specific and sophisticated needs. Through its centralized and customized approach, the Bank seeks to ensure high operational efficiency, a prompt assessment of the specific needs of this type of clients in order to offer the appropriate customized solutions, but also an in-depth perspective of the risk profile in order to maintain a high-quality loan portfolio.

The Large Corporate clients have access to an all-inclusive package of banking products and services, the incomes generated by this segment resulting from lending operations, current business operations (transaction banking, treasury, trade finance and retail products) and other related services (leasing, asset management, consultancy on mergers and acquisitions, capital market advisory services). Through the services provided, the Bank aims at extending its cooperation to the business partners of the LaCo segment - clients/suppliers/employees - by focusing on the increase of non-risk income.

**Medium Corporate Customers („MidCo”):** The Group and the Bank include in this category mainly the companies with an annual turnover between 9 and 100 million RON. By setting such value thresholds in the classification of MidCo clients, the Bank can address the most frequent requests coming from this category of clients: tailored financing solutions, access to a wide range of banking services, pricing based on financial performance, dedicated and flexible relationship management, operational agility. Depending on the activity type, the customized approach related to customers is supported by two existent specializations, notably Agribusiness and Healthcare. The MidCo segment includes also entities operating in the public sector, financial institutions or legal entities serving particular functions, included in this category based on specific classification criteria. The Bank offers a full range of financial services to its Mid Corporate clients, including lending facilities, current operations, treasury services, but also additional services such as bonus packages for employees, structured finance, co-financing of EU funded projects; the Bank also facilitates the access to the services provided by the Group subsidiaries, such as bancassurance, consultancy on mergers and acquisitions, asset management, financial and operating lease, with the purpose to increase its profitability and non-risk income.

**SME clients** - companies with an annual turnover between 2 and 9 million RON. These are companies that have undergone the incipient growth stages and whose business activity requires further attention. Consequently, the needs of such companies become more specific, with priority for financing.

**Micro Business clients** – company customers with an annual turnover up to 2 million RON. This category comprises the largest number of companies and the most diverse types of entities, such as limited liability companies, freelancers, sole proprietorships, etc. The business lifespan (many such clients are fresh companies), the entrepreneur’s expertise and the market on which the company operates generate certain needs that the Group and the Bank attempt to serve through product and service packages dedicated to this category of customers, which have become a hallmark in the banking sector over the years. Lending products are accessed more frequently as the Micro or SME business takes shape: loans for working capital or investments, letters of guarantee, EU project co-financing, credit cards, leasing, invoice discounting or factoring.

## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **3. Segment reporting (continued)**

Another important category of products refers to general operations, incoming and outgoing payments, cheques, promissory notes, FX operations, salary payment agreements or bancassurance services. Increased attention is given to the digitalization of our products and services, our clients showing more and more interest in internet & mobile banking, e-commerce, last generation POSs and the integration of financial data in the proprietary accounting systems.

**Retail customers:** The Group and the Bank provides a wide range of banking products and services to individuals, differentiated by several customer segments, from children, students, employees from the public or private sector, seniors, as well as the Premium and Private Banking segments. The Group's and the Bank's offer includes transactional banking products, current account subscriptions, bancassurance products, a diversified offer of debit and credit cards, deposits and savings accounts, consumer loans and mortgages, as well as access to the larger network of ATMs and partner merchants through the "STAR" loyalty program. Also, the Group and the Bank, together with their partners, offer private clients access to a wide range of investments (investment funds, government securities and bonds), pensions, car leasing.

The retail products of the Group and the Bank are accessible to customers through a mix of distribution channels, through the Bank's network of agencies, through digital channels and especially through the BT Pay application. The Bank's retail strategy aims at the continuous development of digital flows that involve a simpler interaction, the origination of new products and services, speed and efficiency, as well as the communication and servicing of customers from a distance, through solutions that allow them direct and immediate access to information. The Group and the Bank support financial inclusion and will continue their efforts to ensure all segments of the population have access to banking products and services in general.

**Treasury:** The Group and the Bank comprise in this category the treasury services.

**Leasing and consumer finance granted by non-banking financial institutions:** the Group includes in this category financial products and services such as lease facilities, consumer loans and microfinance provided by the non-banking financial institutions of the Group.

**Other:** The Group and the Bank incorporate in this category the services offered by other financial entities within the Group: asset management, brokerage, factoring and real estate.

In terms of geographical distribution, the Group and the Bank cover mainly the Romanian territory, except for the Italy branch operations linked to the Bank while at the Group level there is the banking activity of Victoriabank S.A. and the financial lease activity of BT Leasing Moldova; however, the impact of these entities on the balance sheet and income statement is not material at Group level. There is no further information regarding the geographical distribution used by the management of the Group and the Bank; therefore, it is not presented here

For periods of 9 months ended on September 30, 2023 and September 30, 2022, the Group or the Bank did not record income exceeding 10% of total income in relation to a single customer.

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 3. Segment reporting (continued)

The table below presents financial information per segments regarding the consolidated statement of financial position for the periods ended on September 30, 2023, and comparative data for December 31, 2022:

#### Business segments as of September 30, 2023

Group <i>In RON thousand</i>	Large Corporate	Mid Corporate	SME	Micro	Retail	Treasury	Leasing and consumer loans granted by non-banking financial institutions	Other - Group	Removals & adjustments	Total
Gross loans and finance lease receivables	13,827,986	11,436,734	5,311,002	4,721,011	31,936,816	-	5,283,293	8,480,868	(3,654,707)	77,343,003
<i>Allowances for impairment losses on loans and finance lease receivables</i>	(778,828)	(974,547)	(399,930)	(625,164)	(1,698,409)	-	(348,288)	(4,326)	93,517	(4,735,975)
Loans and finance receivables-net Portfolio of Debt instruments and Equity instruments, net of provisions	13,049,158	10,462,187	4,911,072	4,095,847	30,238,407	-	4,935,005	8,476,542	(3,561,190)	72,607,028
Treasury and inter-bank operations	-	-	-	-	-	51,485,799	-	456,207	(40,075)	51,901,931
Intangible assets	81,768	179,485	173,281	264,502	651,587	38,362	175,917	377,479	142,414	2,084,795
Right-of-use assets	26,739	49,284	39,251	82,393	194,796	10,232	20,488	11,346	(14,274)	420,255
Other assets	719,957	556,648	240,796	226,670	1,562,690	-	193,536	462,931	(1,172,214)	2,791,014
<b>Total assets</b>	<b>13,877,622</b>	<b>11,247,604</b>	<b>5,364,400</b>	<b>4,669,412</b>	<b>32,647,480</b>	<b>80,791,790</b>	<b>5,550,390</b>	<b>10,807,079</b>	<b>(7,333,688)</b>	<b>157,622,089</b>
Deposits and current accounts	8,574,871	12,144,703	6,783,232	17,977,540	84,884,362	2,259,652	-	315,831	(2,697,406)	130,242,785
Loans from banks and other financial institutions	217,932	274,159	92,191	70,421	28,352	561,854	4,335,686	5,281,119	(3,654,448)	7,207,266
Subordinated liabilities	-	-	-	-	-	2,829,130	-	-	(18,663)	2,810,467
Finance lease financial liabilities	87,464	70,652	32,267	27,112	194,701	702	20,671	4,647	(14,348)	423,868
Other liabilities	882,350	661,779	261,842	241,056	1,658,895	841	222,079	683,276	(74,402)	4,537,716
<b>Total liabilities</b>	<b>9,762,617</b>	<b>13,151,293</b>	<b>7,169,532</b>	<b>18,316,129</b>	<b>86,766,310</b>	<b>5,652,179</b>	<b>4,578,436</b>	<b>6,284,873</b>	<b>(6,459,267)</b>	<b>145,222,102</b>
Equity and related items	-	-	-	-	-	-	-	12,399,987	-	12,399,987
<b>Total liabilities and equity</b>	<b>9,762,617</b>	<b>13,151,293</b>	<b>7,169,532</b>	<b>18,316,129</b>	<b>86,766,310</b>	<b>5,652,179</b>	<b>4,578,436</b>	<b>18,684,860</b>	<b>(6,459,267)</b>	<b>157,622,089</b>

The explanatory notes to the financial statements from page 11 to page 60 are an integral part of these financial statements.

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 3. Segment reporting (continued)

#### Business segments as of December 31, 2022

Group In RON thousand

	Large Corporate	Mid Corporate	SME	Micro	Retail	Treasury	Leasing and consumer loans granted by non- banking financial institutions	Other - Group	Intra-group eliminations & adjustments	Total
Gross loans and finance lease receivables	12,560,167	9,966,452	4,643,518	4,634,808	30,119,009	-	4,612,312	8,442,599	(2,449,354)	72,529,511
Provisions for principal	(751,732)	(991,971)	(356,153)	(559,485)	(1,503,005)	-	(403,567)	(16,224)	66,143	(4,515,994)
Loans and finance lease receivables net of provisions	11,808,435	8,974,481	4,287,365	4,075,323	28,616,004	-	4,208,745	8,426,375	(2,383,211)	68,013,517
Portfolio of Debt instruments, Equity instruments and Derivative instruments, net of provisions	-	-	-	-	-	47,039,771	15,909	465,793	(330,175)	47,191,298
Treasury and inter-bank operations	-	-	-	-	-	21,681,878	93,324	399,105	(2,066,258)	20,108,049
Property and equipment and investment property, Intangible assets and goodwill	86,459	176,082	109,076	257,541	797,050	50,753	30,636	342,643	(11,456)	1,838,784
Right-of-use assets	29,949	54,903	30,372	86,362	251,345	15,360	17,431	13,438	(11,203)	487,957
Other assets	623,728	473,012	202,070	210,549	1,423,491	-	255,394	97,507	(414,561)	2,871,190
<b>Total assets</b>	<b>12,548,571</b>	<b>9,678,478</b>	<b>4,628,883</b>	<b>4,629,775</b>	<b>31,087,890</b>	<b>68,787,762</b>	<b>4,621,439</b>	<b>9,744,861</b>	<b>(5,216,864)</b>	<b>140,510,795</b>
Deposits from customers and current accounts	7,727,114	10,028,370	6,159,056	15,942,884	79,880,405	3,741,780	-	2,202	(2,072,000)	121,409,811
Loans from banks and other financial institutions	148,810	464,372	62,783	54,555	56,351	1,818,574	3,487,240	1,231,522	(2,483,279)	4,840,928
Subordinated liabilities	-	-	-	-	-	1,766,159	-	-	(17,899)	1,748,260
Lease liabilities	99,999	76,728	34,046	33,909	235,707	702	17,420	5,572	(11,127)	492,956
Other liabilities	509,017	386,845	133,626	132,536	884,225	713	353,383	412,347	(265,385)	2,547,307
<b>Total liabilities</b>	<b>8,484,940</b>	<b>10,956,315</b>	<b>6,389,511</b>	<b>16,163,884</b>	<b>81,056,688</b>	<b>7,327,928</b>	<b>3,858,043</b>	<b>1,651,643</b>	<b>(4,849,690)</b>	<b>131,039,262</b>
Equity and related items	-	-	-	-	-	-	-	9,471,533	-	9,471,533
<b>Total liabilities and equity</b>	<b>8,484,940</b>	<b>10,956,315</b>	<b>6,389,511</b>	<b>16,163,884</b>	<b>81,056,688</b>	<b>7,327,928</b>	<b>3,858,043</b>	<b>11,123,176</b>	<b>(4,849,690)</b>	<b>140,510,795</b>



## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 3. Segment reporting (continued)

The table below presents financial information per segments regarding the consolidated statement of the operating profit before net expenses with the impairment allowance for loans and advances to customers, for the periods ended at September 30, 2023, and comparative data for September 30, 2022:

#### *Business segments as of September 30, 2023*

<b>Group</b> <i>In RON thousand</i>	<b>Large Corporate</b>	<b>Mid Corporate</b>	<b>SME</b>	<b>Micro</b>	<b>Retail</b>	<b>Treasury</b>	<b>Leasing and consumer loans granted by non-banking financial institutions</b>	<b>Other - Group</b>	<b>Removals &amp; adjustments</b>	<b>Total</b>
Net interest income	191,976	329,599	207,995	359,190	1,077,852	477,659	321,011	819,710	8,513	3,793,505
Net commission income	43,077	89,361	81,691	317,786	337,441	(2,268)	21,969	47,860	4,758	941,675
Net trading income	13,749	51,923	48,679	92,114	177,133	116,672	9,518	14,100	953	524,841
Net gain from financial assets measured through comprehensive income	-	-	-	-	-	64,931	-	61,668	-	126,599
Net loss (-)/Net gain from financial assets which are required to be measured through profit or loss	-	-	-	-	-	77,193	-	1,666	-	78,859
Contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund	(5,748)	(8,535)	(4,671)	(11,888)	(61,989)	-	-	-	-	(92,831)
Other operating income	10,885	9,666	4,824	4,457	119,351	1,838	69,323	98,148	(62,584)	255,908
<b>Total income</b>	<b>253,939</b>	<b>472,014</b>	<b>338,518</b>	<b>761,659</b>	<b>1,649,788</b>	<b>736,025</b>	<b>421,821</b>	<b>1,043,152</b>	<b>(48,360)</b>	<b>5,628,556</b>
Personnel expenses	(81,265)	(188,869)	(136,928)	(211,667)	(623,417)	(26,705)	(88,965)	(92,604)	2	(1,450,418)
Other operating expenses	(35,294)	(73,768)	(58,507)	(83,914)	(307,265)	(32,721)	(55,228)	(125,936)	21,271	(751,362)
Depreciation and amortization	(20,741)	(40,991)	(29,717)	(54,571)	(164,309)	(9,832)	(14,003)	(15,344)	18,029	(331,479)
<b>Total Expenses</b>	<b>(137,300)</b>	<b>(303,628)</b>	<b>(225,152)</b>	<b>(350,152)</b>	<b>(1,094,991)</b>	<b>(69,258)</b>	<b>(158,196)</b>	<b>(233,884)</b>	<b>39,302</b>	<b>(2,533,259)</b>
<b>Operating profit before net provision expenses for assets, other risks and commitments</b>	<b>116,639</b>	<b>168,386</b>	<b>113,366</b>	<b>411,507</b>	<b>554,797</b>	<b>666,767</b>	<b>263,625</b>	<b>809,268</b>	<b>(9,058)</b>	<b>3,095,297</b>

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 3. Segment reporting (continued)

#### Business segments as of September 30, 2022

<b>Group</b> <i>In RON thousand</i>	<b>Large Corporate</b>	<b>Mid Corporate</b>	<b>SME</b>	<b>Micro</b>	<b>Retail</b>	<b>Treasury</b>	<b>Leasing and consumer loans granted by non- banking financial institutions</b>	<b>Other - Group</b>	<b>Removals &amp; adjustments</b>	<b>Total</b>
Net interest income	140,522	302,584	168,714	376,846	1,133,627	524,779	247,112	242,827	8,703	<b>3,145,714</b>
Net commission income	39,860	82,139	71,829	279,592	312,009	(1,363)	18,171	47,269	2,897	<b>852,403</b>
Net trading income	7,453	43,854	44,430	85,003	180,190	198,551	5,278	(11,712)	187	<b>553,234</b>
Net gain from financial assets measured through comprehensive income	-	-	-	-	-	(52,099)	-	(46,041)	-	<b>(98,140)</b>
Net loss (-)/Net gain from financial assets which are required to be measured through profit or loss	-	-	-	-	-	(77,723)	-	(2,712)	-	<b>(80,435)</b>
Contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund	(8,308)	(14,268)	(8,120)	(21,141)	(100,471)	-	-	-	-	<b>(152,308)</b>
Other operating income	58,776	54,834	46,726	45,594	133,829	4,923	38,571	71,928	(247,842)	<b>207,339</b>
<b>Total income</b>	<b>238,303</b>	<b>469,143</b>	<b>323,579</b>	<b>765,894</b>	<b>1,659,184</b>	<b>597,068</b>	<b>309,132</b>	<b>301,559</b>	<b>(236,055)</b>	<b>4,427,807</b>
Personnel expenses	(64,174)	(158,583)	(94,440)	(188,720)	(511,050)	(25,708)	(71,469)	(96,885)	-	<b>(1,211,029)</b>
Other operating expenses	(66,506)	(97,641)	(75,717)	(119,313)	(314,616)	(24,173)	(60,080)	(113,235)	197,771	<b>(673,510)</b>
Depreciation and amortization	(17,001)	(33,269)	(19,819)	(52,264)	(149,760)	(9,570)	(8,674)	(12,470)	15,925	<b>(286,902)</b>
<b>Total Expenses</b>	<b>(147,681)</b>	<b>(289,493)</b>	<b>(189,976)</b>	<b>(360,297)</b>	<b>(975,426)</b>	<b>(59,451)</b>	<b>(140,223)</b>	<b>(222,590)</b>	<b>213,696</b>	<b>(2,171,441)</b>
<b>Operating profit before net provision expenses for assets, other risks and commitments</b>	<b>90,622</b>	<b>179,650</b>	<b>133,603</b>	<b>405,597</b>	<b>683,758</b>	<b>537,617</b>	<b>168,909</b>	<b>78,969</b>	<b>(22,359)</b>	<b>2,256,366</b>

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 3. Segment reporting (continued)

The table below presents financial information per segments regarding the consolidated statement of the operating profit before net expenses with the impairment allowance for loans and advances to customers, for the 3-month period ended at September 30, 2023, and comparative data for 3-month period ended September 30, 2022:

#### *Business segments for the 3-month period ended September 30, 2023*

<b>Group</b> <i>In RON thousand</i>	<b>Large Corporate</b>	<b>Mid Corporate</b>	<b>SME</b>	<b>Micro</b>	<b>Retail</b>	<b>Treasury</b>	<b>Leasing and consumer loans granted by non-banking financial institutions</b>	<b>Other - Group</b>	<b>Removals &amp; adjustments</b>	<b>Total</b>
Net interest income	86,636	115,049	78,882	147,290	412,828	42,400	115,519	263,555	2,833	1,264,992
Net commission income	13,846	31,433	29,574	112,804	116,420	(636)	7,895	18,580	5,052	334,968
Net trading income	6,098	17,981	16,962	31,886	65,875	49,417	450	7,151	98	195,918
Net gain from financial assets measured through comprehensive income	-	-	-	-	-	21,533	-	19,980	-	41,513
Net loss (-)/Net gain from financial assets which are required to be measured through profit or loss	-	-	-	-	-	24,578	-	892	-	25,470
Contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund	5	(33)	(38)	-	(697)	-	-	-	-	(763)
Other operating income	2,561	2,809	241	717	44,838	62	22,607	42,896	(25,732)	90,999
<b>Total income</b>	<b>109,146</b>	<b>167,239</b>	<b>125,621</b>	<b>292,697</b>	<b>639,264</b>	<b>137,354</b>	<b>146,471</b>	<b>353,054</b>	<b>(17,749)</b>	<b>1,953,097</b>
Personnel expenses	(25,851)	(63,243)	(46,500)	(66,726)	(193,391)	(9,189)	(32,270)	(34,145)	302	(471,013)
Other operating expenses	(11,982)	(26,497)	(19,908)	(28,396)	(105,057)	(11,823)	(18,287)	(37,300)	4,549	(254,701)
Depreciation and amortization	(7,307)	(14,192)	(10,832)	(19,268)	(55,099)	(2,988)	(4,785)	(4,773)	6,016	(113,228)
<b>Total Expenses</b>	<b>(45,140)</b>	<b>(103,932)</b>	<b>(77,240)</b>	<b>(114,390)</b>	<b>(353,547)</b>	<b>(24,000)</b>	<b>(55,342)</b>	<b>(76,218)</b>	<b>10,867</b>	<b>(838,942)</b>
<b>Operating profit before net provision expenses for assets, other risks and commitments</b>	<b>64,006</b>	<b>63,307</b>	<b>48,381</b>	<b>178,307</b>	<b>285,717</b>	<b>113,354</b>	<b>91,129</b>	<b>276,836</b>	<b>(6,882)</b>	<b>1,114,155</b>

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 3. Segment reporting (continued)

*Business segments for the 3-month period ended September 30, 2022*

<b>Group</b> <i>In RON thousand</i>	<b>Large Corporate</b>	<b>Mid Corporate</b>	<b>SME</b>	<b>Micro</b>	<b>Retail</b>	<b>Treasury</b>	<b>Leasing and consumer loans granted by non- banking financial institutions</b>	<b>Other - Group</b>	<b>Removals &amp; adjustments</b>	<b>Total</b>
Net interest income	59,023	127,902	73,415	187,464	485,651	190,511	92,414	(104,380)	2,318	<b>1,114,318</b>
Net commission income	16,461	32,053	26,350	97,799	107,376	(864)	6,788	14,466	999	<b>301,428</b>
Net trading income	2,032	16,592	15,174	29,637	61,896	34,502	1,937	10,660	(5)	<b>172,425</b>
Net loss (-)/ Net gain from financial assets measured through comprehensive income	-	-	-	-	-	(16,028)	-	(11,628)	-	<b>(27,656)</b>
Net loss (-)/Net gain from financial assets which are required to be measured through profit or loss	-	-	-	-	-	(28,686)	-	659	-	<b>(28,027)</b>
Contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund	89	(449)	(42)	(2)	(891)	-	-	-	-	<b>(1,295)</b>
Other operating income	44,097	43,365	40,577	40,431	67,692	121	17,340	15,994	(206,832)	<b>62,785</b>
<b>Total income</b>	<b>121,702</b>	<b>219,463</b>	<b>155,474</b>	<b>355,329</b>	<b>721,724</b>	<b>179,556</b>	<b>118,479</b>	<b>(74,229)</b>	<b>(203,520)</b>	<b>1,593,978</b>
Personnel expenses	(21,119)	(50,916)	(31,352)	(59,641)	(163,030)	(8,335)	(26,591)	(31,527)	-	<b>(392,511)</b>
Other operating expenses	(47,737)	(56,850)	(50,185)	(64,067)	(133,754)	(8,236)	(18,247)	(33,072)	184,984	<b>(227,164)</b>
Depreciation and amortization	(6,468)	(10,939)	(6,994)	(17,651)	(51,432)	(3,066)	(2,966)	(4,238)	5,319	<b>(98,435)</b>
<b>Total Expenses</b>	<b>(75,324)</b>	<b>(118,705)</b>	<b>(88,531)</b>	<b>(141,359)</b>	<b>(348,216)</b>	<b>(19,637)</b>	<b>(47,804)</b>	<b>(68,837)</b>	<b>190,303</b>	<b>(718,110)</b>
<b>Operating profit before net provision expenses for assets, other risks and commitments</b>	<b>46,378</b>	<b>100,758</b>	<b>66,943</b>	<b>213,970</b>	<b>373,508</b>	<b>159,919</b>	<b>70,675</b>	<b>(143,066)</b>	<b>(13,217)</b>	<b>875,868</b>

## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **4. Fair value of financial assets and liabilities**

The Group and the Bank measure the fair value of financial instruments by using the following fair value hierarchy:

#### ***Level 1 in the fair value hierarchy***

The fair value of financial assets and liabilities included in Level 1 in the fair value hierarchy is determined based on quoted prices in active markets for identical assets or liabilities. Quoted prices that are being applied must be readily and regularly available from an exchange or active index/market location and prices must represent actual and regularly occurring market transactions on an arm's length basis.

#### ***Level 2 in the fair value hierarchy***

The fair value of financial assets and liabilities included in Level 2 in the fair value hierarchy is determined by using evaluation methods which contain observable market data when market prices are not available. Level 2 evaluations generally use observable market parameters, such as interest rates and yield curves observable at commonly quoted intervals, present volatilities, and credit spreads.

#### ***Level 3 in the fair value hierarchy***

The fair value of financial assets and liabilities included in Level 3 in the fair value hierarchy is determined by using input data that are not based on observable market information (unobservable data inputs shall reflect the assumptions made by the market participants to establish the price of an asset or a liability, including risk assumptions).

The objective of valuation techniques is to derive the fair value that reflects a price for the financial instrument at the reporting date, price that would be obtained by the market participants acting at arm's length.

The availability of observable market data and models reduces the need for the Management to operate judgements and estimations and also reduces the uncertainty associated with the determination of the fair value. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The management uses its judgment to select the valuation method and makes assumptions that are mainly based on market conditions existing at the date of the consolidated/separate statement of the financial position.

#### **i) Fair value hierarchy analysis of financial instruments carried at fair value**

At level 1 in the fair value hierarchy, the Group and the Bank included in the category of assets: equity instruments and debt instruments at fair value through profit or loss, bonds classified as assets evaluated at fair value through other items of comprehensive income.

At level 2 in the fair value hierarchy, the Group and the Bank included in the category of assets: derivatives held at fair value through profit or loss, bonds classified as assets measured at fair value through other items of comprehensive income and some bonds measured at fair value through profit or loss; and in the category of liabilities: derivatives classified as financial liabilities held for trading.

At level 3 in the fair value hierarchy, the Group and the Bank included in the category of assets: equity instruments, fixed assets and investment property.

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 4. Fair value of financial assets and liabilities *(continued)*

#### i) Fair value hierarchy analysis of financial instruments carried at fair value *(continued)*

The table below presents the financial instruments measured at fair value in the statement of financial position, at the end of the reporting period, by fair value levels:

Group <i>In RON thousand</i>	Level 1 - Quoted market prices in active markets	Level 2 - Valuation techniques – observable inputs	Level 3 - Valuation techniques – unobservable inputs	Total
<b>September 30, 2023</b>				
<b>Financial assets held for trading and measured at fair value through profit or loss, of which:</b>	<b>207,454</b>	<b>108,330</b>	<b>11,938</b>	<b>327,722</b>
- Equity instruments	202,006	-	-	<b>202,006</b>
- Debt instruments	5,448	108,330	11,938	<b>125,716</b>
<b>Derivatives</b>	<b>-</b>	<b>193,863</b>	<b>-</b>	<b>193,863</b>
<b>Financial assets measured at fair value through other items of comprehensive income</b>	<b>44,346,004</b>	<b>145,188</b>	<b>475,433</b>	<b>44,966,625</b>
- Equity instruments	-	-	148,843	<b>148,843</b>
- Debt instruments	44,346,004	119,275	326,590	<b>44,791,869</b>
- Loans and advances	-	25,913	-	<b>25,913</b>
<b>Financial assets which are required to be measured at fair value through profit or loss, of which:</b>	<b>856,597</b>	<b>50,120</b>	<b>343,475</b>	<b>1,250,192</b>
- Equity instruments	272,411	-	-	<b>272,411</b>
- Debt instruments	584,186	50,120	343,475	<b>977,781</b>
<b>Total financial assets measured at fair value in the statement of financial position</b>	<b>45,410,055</b>	<b>497,501</b>	<b>830,846</b>	<b>46,738,402</b>
<b>Non-financial assets at fair value</b>	<b>-</b>	<b>-</b>	<b>1,212,330</b>	<b>1,212,330</b>
- Property and equipment and investment property	-	-	1,212,330	<b>1,212,330</b>
<b>Total assets measured at fair value in the statement of financial position</b>	<b>45,410,055</b>	<b>497,501</b>	<b>2,043,176</b>	<b>47,950,732</b>
<b>Financial liabilities held-for-trading</b>	<b>-</b>	<b>48,411</b>	<b>-</b>	<b>48,411</b>
<b>December 31, 2022</b>				
<b>Financial assets held for trading and measured at fair value through profit or loss, of which:</b>	<b>212,829</b>	<b>97,692</b>	<b>10,849</b>	<b>321,370</b>
- Equity instruments	212,829	-	-	<b>212,829</b>
- Debt instruments	-	97,692	10,849	<b>108,541</b>
<b>Derivatives</b>	<b>-</b>	<b>218,443</b>	<b>-</b>	<b>218,443</b>
<b>Financial assets measured at fair value through other items of comprehensive income</b>	<b>42,685,840</b>	<b>140,126</b>	<b>659,766</b>	<b>43,485,732</b>
- Equity instruments	-	-	151,693	<b>151,693</b>
- Debt instruments	42,685,840	113,270	508,073	<b>43,307,183</b>
- Loans and advances	-	26,856	-	<b>26,856</b>
<b>Financial assets which are required to be measured at fair value through profit or loss, of which:</b>	<b>830,870</b>	<b>98,617</b>	<b>176,554</b>	<b>1,106,041</b>
- Equity instruments	242,037	-	-	<b>242,037</b>
- Debt instruments	588,833	98,617	176,554	<b>864,004</b>
<b>Total assets measured at fair value in the statement of financial position</b>	<b>43,729,539</b>	<b>554,878</b>	<b>847,169</b>	<b>45,131,586</b>
<b>Non-financial assets at fair value</b>	<b>-</b>	<b>-</b>	<b>1,174,446</b>	<b>1,174,446</b>
- Property and equipment and investment property	-	-	1,174,446	<b>1,174,446</b>
<b>Total assets measured at fair value in the statement of financial position</b>	<b>43,729,539</b>	<b>554,878</b>	<b>2,021,615</b>	<b>46,306,032</b>
<b>Financial liabilities held-for-trading</b>	<b>-</b>	<b>41,695</b>	<b>-</b>	<b>41,695</b>

# Banca Transilvania S.A.

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 4. Fair value of financial assets and liabilities (continued)

#### i) Fair value hierarchy analysis of financial instruments carried at fair value (continued)

Bank <i>In RON thousand</i>	Level 1 - Quoted market prices in active markets	Level 2 - Valuation techniques – observable inputs	Level 3 - Valuation techniques – unobservable inputs	Total
<b>September 30, 2023</b>				
<b>Financial assets held for trading and measured at fair value through profit or loss, of which:</b>	<b>35,771</b>	-	-	<b>35,771</b>
- <i>Equity instruments</i>	35,771	-	-	35,771
<b>Derivatives</b>	-	<b>193,863</b>	-	<b>193,863</b>
<b>Financial assets measured at fair value through other items of comprehensive income</b>	<b>44,104,558</b>	<b>145,188</b>	<b>359,528</b>	<b>44,609,274</b>
- <i>Equity instruments</i>	-	-	19,400	19,400
- <i>Debt instruments</i>	44,104,558	119,275	340,128	44,563,961
- <i>Loans and advances</i>	-	25,913	-	25,913
<b>Financial assets which are required to be measured at fair value through profit or loss, of which:</b>	<b>1,263,207</b>	<b>50,120</b>	<b>343,475</b>	<b>1,656,802</b>
- <i>Equity instruments</i>	272,021	-	-	272,021
- <i>Debt instruments</i>	991,186	50,120	343,475	1,384,781
<b>Total financial assets measured at fair value in the statement of financial position</b>	<b>45,403,536</b>	<b>389,171</b>	<b>703,003</b>	<b>46,495,710</b>
<b>Non-financial assets at fair value</b>	-	-	<b>714,394</b>	<b>714,394</b>
- <i>Property and equipment and investment property</i>	-	-	714,394	714,394
<b>Total assets measured at fair value in the statement of financial position</b>	<b>45,403,536</b>	<b>389,171</b>	<b>1,417,397</b>	<b>47,210,104</b>
<b>Financial liabilities held-for-trading</b>	-	<b>48,411</b>	-	<b>48,411</b>
<b>December 31, 2022</b>				
<b>Financial assets held for trading and measured at fair value through profit or loss, of which:</b>	<b>30,693</b>	-	-	<b>30,693</b>
- <i>Equity instruments</i>	30,693	-	-	30,693
<b>Derivatives</b>	-	<b>218,443</b>	-	<b>218,443</b>
<b>Financial assets measured at fair value through other items of comprehensive income</b>	<b>42,445,030</b>	<b>140,126</b>	<b>538,998</b>	<b>43,124,154</b>
- <i>Equity instruments</i>	-	-	17,663	17,663
- <i>Debt instruments</i>	42,445,030	113,270	521,335	43,079,635
- <i>Loans and advances</i>	-	26,856	-	26,856
<b>Financial assets which are required to be measured at fair value through profit or loss, of which:</b>	<b>1,199,424</b>	<b>98,617</b>	<b>176,554</b>	<b>1,474,595</b>
- <i>Equity instruments</i>	241,712	-	-	241,712
- <i>Debt instruments</i>	957,712	98,617	176,554	1,232,883
<b>Total financial assets measured at fair value in the statement of financial position</b>	<b>43,675,147</b>	<b>457,186</b>	<b>715,552</b>	<b>44,847,885</b>
<b>Non-financial assets at fair value</b>	-	-	<b>731,037</b>	<b>731,037</b>
- <i>Property and equipment and investment property</i>	-	-	731,037	731,037
<b>Total assets measured at fair value in the statement of financial position</b>	<b>43,675,147</b>	<b>457,186</b>	<b>1,446,589</b>	<b>45,578,922</b>
<b>Financial liabilities held-for-trading</b>	-	<b>41,695</b>	-	<b>41,695</b>

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 4. Fair value of financial assets and liabilities (continued)

#### ii) Financial instruments not carried at fair value

At level 1 in the fair value hierarchy, the Group and the Bank included in the category of assets that are not held at fair value: financial assets at amortized cost - debt instruments, represented by bonds issued by central administrations and credit institutions.

At level 2 in the fair value hierarchy, the Group and the Bank included in the category of assets that are not held at fair value: placements with banks, financial assets measured at amortized cost - debt instruments and in the category of liabilities: deposits from banks and from customers.

At level 3 in the fair value hierarchy, the Group and the Bank included in the category of assets: loans and advances and finance lease receivables and other financial assets; and some financial assets evaluated at amortized cost - debt instruments representing bonds issued by credit institutions and companies, and in the category of liabilities: loans from banks and other financial institutions, subordinated loans and other financial liabilities.

The table below presents the fair value and the fair value hierarchy for the financial assets and liabilities that are not measured at fair value in the statement of financial position on September 30, 2023:

In RON thousand	Notes	Carrying amount	Fair value	Group			Carrying amount	Fair value	Bank		
				Level 1	Fair value hierarchy Level 2	Level 3			Level 1	Fair value hierarchy Level 2	Level 3
<b>Assets</b>											
Placements with banks	17	8,036,295	8,036,295	-	8,036,295	-	8,911,708	8,911,708	-	8,911,708	-
Loans and advances to customers	19	69,340,570	69,073,290	-	-	69,073,290	68,436,612	68,191,885	-	-	68,191,885
Finance lease receivables	20	3,266,458	3,268,746	-	-	3,268,746	-	-	-	-	-
Financial assets at amortized cost - debt instruments	21	5,163,529	5,173,328	2,083,419	1,481,363	1,608,546	3,657,978	3,651,689	2,027,267	-	1,624,422
Other financial assets	22	2,054,662	2,054,662	-	-	2,054,662	1,857,903	1,857,903	-	-	1,857,903
<b>Total assets</b>		<b>87,861,514</b>	<b>87,606,321</b>	<b>2,083,419</b>	<b>9,517,658</b>	<b>76,005,244</b>	<b>82,864,201</b>	<b>82,613,185</b>	<b>2,027,267</b>	<b>8,911,708</b>	<b>71,674,210</b>
<b>Liabilities</b>											
Deposits from banks	24	315,130	315,130	-	315,130	-	357,327	357,327	-	357,327	-
Deposits from customers	25	129,927,655	129,946,002	-	129,946,002	-	126,589,201	126,604,715	-	126,604,715	-
Loans from banks and other financial institutions	26	7,207,266	7,206,164	-	-	7,206,164	6,264,408	6,263,306	-	-	6,263,306
Subordinated liabilities	27	2,810,467	2,810,467	-	-	2,810,467	2,781,730	2,781,730	-	-	2,781,730
Lease liabilities		423,868	423,868	-	-	423,868	588,127	588,127	-	-	588,127
Other financial liabilities	29	3,635,799	3,635,799	-	-	3,635,799	2,834,395	2,834,395	-	-	2,834,395
<b>Total liabilities</b>		<b>144,320,185</b>	<b>144,337,430</b>	<b>-</b>	<b>130,261,132</b>	<b>14,076,298</b>	<b>139,415,188</b>	<b>139,429,600</b>	<b>-</b>	<b>126,962,042</b>	<b>12,467,558</b>



**Notes to the Interim Condensed Consolidated and Separate Financial Statements**

**4. Fair value of financial assets and liabilities (continued)**

**ii) Financial instruments not carried at fair value (continued)**

The table below presents the fair value and the fair value hierarchy for the financial assets and liabilities that are not measured at fair value in the statement of financial position on December 31, 2022:

RON thousand	Note	Carrying amount	Group			Carrying amount	Bank				
			Fair value	Fair value hierarchy			Fair value	Fair value hierarchy			
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		
<b>Assets</b>											
Placements with banks and public institutions	17	5,567,332	5,567,332	-	5,567,332	-	6,634,858	6,634,858	-	6,634,858	-
Loans and advances to customers	19	65,200,920	65,617,870	-	-	65,617,870	63,449,954	64,180,286	-	-	64,180,286
Finance lease receivables	20	2,812,597	2,793,665	-	-	2,793,665	-	-	-	-	-
Financial assets at amortized cost - debt instruments	21	2,059,712	2,042,369	587,268	1,046,756	408,345	975,159	954,551	-	954,551	-
Other financial assets	22	1,887,028	1,887,028	-	-	1,887,028	1,935,629	1,935,629	-	-	1,935,629
<b>Total assets</b>		<b>77,527,589</b>	<b>77,908,264</b>	<b>587,268</b>	<b>6,614,088</b>	<b>70,706,908</b>	<b>72,995,600</b>	<b>73,705,324</b>	-	<b>7,589,409</b>	<b>66,115,915</b>
<b>Liabilities</b>											
Deposits from banks	24	1,678,082	1,678,082	-	1,678,082	-	1,631,542	1,631,542	-	1,631,542	-
Deposits from customers	25	119,731,729	119,559,333	-	119,559,333	-	116,503,842	116,339,982	-	116,339,982	-
Loans from banks and other financial institutions	26	4,840,928	4,855,524	-	-	4,855,524	3,562,483	3,577,079	-	-	3,577,079
Subordinated liabilities	27	1,748,260	1,748,260	-	-	1,748,260	1,718,909	1,718,909	-	-	1,718,909
Lease liabilities		492,956	492,956	-	-	492,956	663,680	663,680	-	-	663,680
Other financial liabilities	29	1,764,364	1,764,364	-	-	1,764,364	1,315,969	1,315,969	-	-	1,315,969
<b>Total liabilities</b>		<b>130,256,319</b>	<b>130,098,519</b>	-	<b>121,237,415</b>	<b>8,861,104</b>	<b>125,396,425</b>	<b>125,247,161</b>	-	<b>117,971,524</b>	<b>7,275,637</b>

**Notes to the Interim Condensed Consolidated and Separate Financial Statements**

**5. Net interest income**

	Group				Bank			
	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022
<i>In RON thousand</i>								
<b>Interest income calculated using the effective interest method</b>	<b>2,099,575</b>	<b>6,131,517</b>	<b>1,543,961</b>	<b>3,966,434</b>	<b>1,944,864</b>	<b>5,513,858</b>	<b>1,381,636</b>	<b>3,510,112</b>
- Cash and current accounts with Central Banks at AC	110,766	263,407	31,890	58,630	98,599	197,236	6,699	12,552
- Placements with banks and public institutions at AC	81,034	192,202	16,442	66,394	100,560	246,960	27,655	81,425
- Loans and advances to customers at AC	1,448,093	4,216,921	1,162,739	2,913,419	1,321,931	3,797,351	1,046,003	2,561,626
- Debt instruments at FVOCI	393,551	1,214,554	159,768	700,280	391,976	1,209,305	158,119	694,234
- Debt instruments at AC	66,131	244,433	173,122	227,711	31,798	63,006	143,160	160,275
<b>Other similar interest income</b>	<b>97,246</b>	<b>262,510</b>	<b>66,233</b>	<b>152,560</b>	<b>11,927</b>	<b>28,369</b>	<b>10,198</b>	<b>18,440</b>
- Finance lease receivables	85,318	234,140	56,036	134,120	-	-	-	-
- Non-recourse factoring receivables	11,927	28,369	10,197	18,440	11,927	28,369	10,198	18,440
<b>Total interest income</b>	<b>2,196,821</b>	<b>6,394,027</b>	<b>1,610,194</b>	<b>4,118,994</b>	<b>1,956,791</b>	<b>5,542,227</b>	<b>1,391,834</b>	<b>3,528,552</b>
<b>Interest expense related to financial liabilities measured at amortized cost</b>	<b>930,852</b>	<b>2,597,970</b>	<b>495,336</b>	<b>971,726</b>	<b>892,161</b>	<b>2,437,410</b>	<b>468,899</b>	<b>907,321</b>
- Cash and current accounts with Central Banks	1	175	97,016	182,016	-	-	96,808	181,232
- Deposits from banks	1,844	18,026	18,206	38,252	2,214	17,342	17,656	35,752
- Deposits from customers	750,803	2,218,042	330,478	606,345	726,686	2,103,276	315,106	563,999
- Loans from banks and other financial institutions	178,204	361,727	49,636	145,113	163,261	316,792	39,329	126,338
<b>Other similar expense</b>	<b>977</b>	<b>2,552</b>	<b>540</b>	<b>1,554</b>	<b>1,864</b>	<b>5,272</b>	<b>1,470</b>	<b>4,830</b>
- Lease liabilities	977	2,552	540	1,554	1,864	5,272	1,470	4,830
<b>Total interest expense</b>	<b>931,829</b>	<b>2,600,522</b>	<b>495,876</b>	<b>973,280</b>	<b>894,025</b>	<b>2,442,682</b>	<b>470,369</b>	<b>912,151</b>
<b>Net interest income</b>	<b>1,264,992</b>	<b>3,793,505</b>	<b>1,114,318</b>	<b>3,145,714</b>	<b>1,062,766</b>	<b>3,099,545</b>	<b>921,465</b>	<b>2,616,401</b>

The interest income and expense related to the financial assets and liabilities, other than those held at fair value through profit or loss, are determined using the effective interest rate method.

Interest income for the period ended at September 30, 2023 includes the net interest income on impaired financial assets amounting RON 152,706 thousand (September 30, 2022: RON 109,645 thousand) for the Group and RON 127,604 thousand (September 30, 2022: RON 79,273 thousand) for the Bank.

# Banca Transilvania S.A.

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 6. Net fee and commission income

	Group				Bank			
	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022
<i>In RON thousand</i>								
<b>Fee and commission income</b>								
Commissions from treasury and inter-bank operations	75,648	211,279	66,340	180,195	75,668	211,297	66,332	179,538
Client transactions	444,703	1,225,114	377,277	1,056,760	371,970	1,036,913	320,398	885,715
Lending activity (i)	15,460	43,549	16,983	41,232	14,679	41,266	16,192	38,849
Finance lease management	3,316	9,440	3,761	9,540	-	-	-	-
Other fee and commission income	1,558	4,339	1,197	3,877	374	1,045	152	383
<b>Total fee and commission income</b>	<b>540,685</b>	<b>1,493,721</b>	<b>465,558</b>	<b>1,291,604</b>	<b>462,691</b>	<b>1,290,521</b>	<b>403,074</b>	<b>1,104,485</b>
<b>Fee and commission expense</b>								
Commissions from treasury and inter-bank	143,389	394,883	116,839	310,063	117,980	326,247	96,016	253,623
Client transactions	55,298	136,098	38,401	108,105	48,137	116,822	32,348	88,926
Lending activity (i)	6,318	19,121	8,391	19,561	9,667	30,346	12,948	33,025
Other fees and commissions	712	1,944	499	1,472	624	1,905	512	1,816
<b>Fee and commission expenses</b>	<b>205,717</b>	<b>552,046</b>	<b>164,130</b>	<b>439,201</b>	<b>176,408</b>	<b>475,320</b>	<b>141,824</b>	<b>377,390</b>
<b>Net fee and commission income</b>	<b>334,968</b>	<b>941,675</b>	<b>301,428</b>	<b>852,403</b>	<b>286,283</b>	<b>815,201</b>	<b>261,250</b>	<b>727,095</b>

(i) Lending-related fees include guarantee assessment and amendment fees.

### 7. Net trading income

	Group				Bank			
	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022
<i>In RON thousand</i>								
Net income from foreign exchange transactions	186,012	491,013	138,785	409,159	159,858	433,868	121,661	345,546
Net income/(expense) from derivatives	(1,618)	(26,035)	28,400	164,285	(1,612)	(26,130)	28,445	164,914
Net income/(expense) from financial assets held-for-trading	13,168	27,189	10,792	(12,254)	5,612	12,661	161	399
Net income/(expense) from foreign exchange position revaluation	(1,644)	32,674	(5,552)	(7,956)	4,456	31,062	(6,629)	(8,764)
<b>Net trading income</b>	<b>195,918</b>	<b>524,841</b>	<b>172,425</b>	<b>553,234</b>	<b>168,314</b>	<b>451,461</b>	<b>143,638</b>	<b>502,095</b>

The explanatory notes to the financial statements from page 11 to page 60 are an integral part of these financial statements.

**Notes to the Interim Condensed Consolidated and Separate Financial Statements**

**8. Net gain/loss from financial assets measured at fair value through comprehensive income**

	Group				Bank			
	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022
<i>In RON thousand</i>								
Income from the sale of financial assets measured at fair value through other items of comprehensive income	41,885	127,620	4,078	19,193	41,150	126,876	177	14,713
Losses from the sale of financial assets measured at fair value through other items of comprehensive income	(372)	(1,021)	(31,734)	(117,333)	(372)	(1,021)	(31,732)	(117,209)
<b>Net gain/loss from financial assets measured at fair value through comprehensive income</b>	<b>41,513</b>	<b>126,599</b>	<b>(27,656)</b>	<b>(98,140)</b>	<b>40,778</b>	<b>125,855</b>	<b>(31,555)</b>	<b>(102,496)</b>

**9. Net gain/loss from financial assets which are required to be measured at fair value through profit or loss**

	Group				Bank			
	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022
<i>In RON thousand</i>								
Income from financial assets which are required to be measured at fair value through profit or loss	54,985	153,468	40,090	143,325	57,341	167,467	48,723	152,018
Losses from financial assets which are required to be measured at fair value through profit or loss	(29,515)	(74,609)	(68,117)	(223,760)	(20,830)	(82,248)	(63,695)	(244,720)
<b>Net gain/loss from financial assets which are required to be measured at fair value through profit or loss</b>	<b>25,470</b>	<b>78,859</b>	<b>(28,027)</b>	<b>(80,435)</b>	<b>36,511</b>	<b>85,219</b>	<b>(14,972)</b>	<b>(92,702)</b>

## Banca Transilvania S.A.

### Notes to the Interim Condensed Consolidated and Separate Financial Statements

#### 10. Contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund

The impact of the breakdown of the annual contribution to the two funds, as reflected in the separate and consolidated statement of financial position, is the following:

	Group				Bank			
	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022
<i>In RON thousand</i>								
Contribution to the Bank Deposit Guarantee Fund	800	47,177	1,223	89,976	-	44,875	-	86,543
Bank Resolution Fund	(37)	45,654	72	62,332	-	42,011	-	56,970
<b>Total</b>	<b>763</b>	<b>92,831</b>	<b>1,295</b>	<b>152,308</b>	<b>-</b>	<b>86,886</b>	<b>-</b>	<b>143,513</b>

#### 11. Other operating income

	Group				Bank			
	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022
<i>In RON thousand</i>								
Dividend income	384	9,189	92	5,495	51	5,912	200,057	208,719
Income from insurance intermediation	46,708	126,949	39,630	107,284	31,022	82,671	24,931	72,595
Income from indemnities, fines and penalties	3,182	9,391	2,454	8,134	1,297	5,364	1,272	4,770
Income from VISA, MASTERCARD, WU services	9,960	21,399	1,380	9,720	9,952	21,036	818	8,949
Gain arising from derecognition of financial assets measured as amortised cost	-	-	-	7,844	-	-	-	-
Other operating income (i)	30,765	88,980	19,229	68,862	10,458	35,888	2,231	44,860
<b>Total</b>	<b>90,999</b>	<b>255,908</b>	<b>62,785</b>	<b>207,339</b>	<b>52,780</b>	<b>150,871</b>	<b>229,309</b>	<b>339,893</b>

(i) The category "Other operating income" includes the following types of income: debt recoveries related to closed accounts, cash at hand differences, income from recovered legal expenses, marketing bonuses, other recoveries from operating expenses.

**Notes to the Interim Condensed Consolidated and Separate Financial Statements**

**12. Net expenses/Net income (-) from impairment allowance, expected losses on assets, provisions for other risks and loan commitments**

**(a) Net expenses/net income (-) from impairment allowance, expected losses on financial assets not measured at fair value through profit or loss**

<i>In RON thousand</i>	<b>Group</b>				<b>Bank</b>			
	<b>3 months ended September 30, 2023</b>	<b>9 months ended September 30, 2023</b>	<b>3 months ended September 30, 2022</b>	<b>9 months ended September 30, 2022</b>	<b>3 months ended September 30, 2023</b>	<b>9 months ended September 30, 2023</b>	<b>3 months ended September 30, 2022</b>	<b>9 months ended September 30, 2022</b>
Net impairment allowance on assets (i)	247,850	428,686	220,998	591,317	199,859	291,202	175,050	417,075
Net loss on loans written off	3,192	4,228	1,354	4,779	1	2	-	-
Net loss on finance lease receivables written off	33	150	4,240	14,492	-	-	-	-
Provisions for other risks and loan commitments	(3,919)	(6,179)	(6,052)	(5,310)	(9,821)	(12,445)	(7,750)	(20,910)
Recoveries from loans written off	(78,045)	(190,051)	(46,512)	(167,939)	(30,946)	(135,131)	(43,830)	(162,862)
Recoveries from finance lease receivables written off	(825)	(10,992)	(9,787)	(68,269)	-	-	-	-
<b>Net expenses/Net income (-) from impairment allowance, expected losses on assets, provisions for other risks and loan commitments</b>	<b>168,286</b>	<b>225,842</b>	<b>164,241</b>	<b>369,070</b>	<b>159,093</b>	<b>143,628</b>	<b>123,470</b>	<b>233,303</b>

(i) Net expenses / net income (-) on assets include the following:

<i>In RON thousand</i>	<b>Group</b>				<b>Bank</b>			
	<b>3 months ended September 30, 2023</b>	<b>9 months ended September 30, 2023</b>	<b>3 months ended September 30, 2022</b>	<b>9 months ended September 30, 2022</b>	<b>3 months ended September 30, 2023</b>	<b>9 months ended September 30, 2023</b>	<b>3 months ended September 30, 2022</b>	<b>9 months ended September 30, 2022</b>
Loans and advances to customers	180,991	365,178	206,868	535,958	139,619	229,019	173,983	406,155
Treasury and inter-bank operations	89	(413)	(142)	(3,523)	128	2,451	3,582	4,405
Finance lease receivables	8,168	1,036	15,678	50,969	-	-	-	-
Investment securities	56,700	52,260	(1,284)	5,279	57,103	51,780	(1,586)	6,444
Other financial assets	1,902	10,625	(122)	2,634	3,009	7,952	(929)	71
<b>Net expenses/net income (-) on assets</b>	<b>247,850</b>	<b>428,686</b>	<b>220,998</b>	<b>591,317</b>	<b>199,859</b>	<b>291,202</b>	<b>175,050</b>	<b>417,075</b>

**Notes to the Interim Condensed Consolidated and Separate Financial Statements**

**12. Expenses from impairment allowance, expected losses on assets, provisions for other risks and loan commitments  
(continued)**

**(b) (Other) Provisions and reversal of provisions**

	Group				Bank			
	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022
<i>In RON thousand</i>								
Other non-financial assets	(1,044)	(4,761)	(351)	(16,751)	-	(182)	(229)	(1,453)
Litigation and other risks	487	(5,805)	(25,512)	(34,731)	(2,742)	(3,512)	(24,672)	(34,013)
<b>(Other) Provisions and reversal of provisions</b>	<b>(557)</b>	<b>(10,566)</b>	<b>(25,863)</b>	<b>(51,482)</b>	<b>(2,742)</b>	<b>(3,694)</b>	<b>(24,901)</b>	<b>(35,466)</b>

**13. Personnel expenses**

	Group				Bank			
	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022
<i>In RON thousand</i>								
Gross salaries	416,143	1,259,179	347,947	1,039,488	345,280	1,043,034	293,327	866,004
Social protection contribution	18,103	53,404	14,928	42,869	11,185	32,364	9,513	27,052
Share-based payments to employees	15,392	50,235	21,813	73,749	15,395	48,265	21,812	72,781
3rd Pension Pillar	3,511	13,025	4,215	12,362	3,100	11,948	3,936	11,548
Other staff expenses	25,009	77,045	21,501	62,519	21,980	68,332	19,538	56,022
Net income(-)/expenses with provisions for overdue vacations and other provisions	(7,145)	(2,470)	(17,893)	(19,958)	(10,119)	4,179	(19,852)	(11,321)
<b>Total</b>	<b>471,013</b>	<b>1,450,418</b>	<b>392,511</b>	<b>1,211,029</b>	<b>386,821</b>	<b>1,208,122</b>	<b>328,274</b>	<b>1,022,086</b>

**Notes to the Interim Condensed Consolidated and Separate Financial Statements**

**14. Other operating expenses**

<i>In RON thousand</i>	<b>Group</b>				<b>Bank</b>			
	<b>3 months ended September 30, 2023</b>	<b>9 months ended September 30, 2023</b>	<b>3 months ended September 30, 2022</b>	<b>9 months ended September 30, 2022</b>	<b>3 months ended September 30, 2023</b>	<b>9 months ended September 30, 2023</b>	<b>3 months ended September 30, 2022</b>	<b>9 months ended September 30, 2022</b>
Rent and operating lease expense	2,256	6,448	2,054	6,230	1,618	4,630	1,416	4,427
Repairs and maintenance expenses	85,290	227,706	67,712	186,094	72,636	200,034	59,895	163,042
Advertising, marketing, entertainment and sponsorship expenses	28,657	96,688	26,817	81,502	23,554	84,641	23,569	72,544
Mail, telecommunication and SMS traffic expenses	17,925	52,112	15,633	45,928	15,226	44,084	13,047	38,341
Materials and stationery expenses	23,900	69,884	25,912	66,434	21,141	62,432	24,073	61,160
Other professional fees, including legal expenses	10,917	32,385	11,090	24,930	4,734	15,327	6,728	13,249
Net Income/ Expenses regarding movable and immovable assets resulting from debt enforcement	(314)	-	1,667	14,386	-	-	-	-
Electricity and heating	10,058	30,450	8,196	29,306	9,237	26,681	7,292	26,036
Business travel, transportation and temporary relocation expenses	16,036	45,973	13,717	38,718	15,183	43,758	13,154	36,656
Insurance costs	8,252	24,475	7,202	19,432	7,369	21,940	6,445	16,806
Taxes and fees	5,830	21,916	7,717	32,877	4,823	18,487	6,827	30,687
Losses from disposal of tangible assets	(10)	-	910	6,660	54	54	-	-
Security and protection	7,933	22,056	5,845	14,553	7,522	20,906	5,311	13,202
Expenses related to archiving services	4,625	14,239	5,135	16,184	4,379	13,500	4,928	15,498
Expenses related to database queries from the Trade Register and the Credit Bureau	2,048	6,853	2,042	5,699	1,488	5,022	1,659	5,173
Expenses with foreclosed assets	3,588	6,751	2,289	6,207	2,211	5,998	1,293	3,971
Audit, advisory and other services provided by the independent auditor	1,160	7,970	2,124	4,863	645	5,248	1,361	3,173
Loss arising from derecognition of financial assets measured as amortised cost	-	-	-	-	-	-	178,800	178,800
Other operating expenses	26,550	85,456	22,345	77,078	18,803	55,570	11,829	36,907
<b>Total other operating expenses</b>	<b>254,701</b>	<b>751,362</b>	<b>227,164</b>	<b>673,510</b>	<b>210,623</b>	<b>628,312</b>	<b>367,658</b>	<b>719,775</b>



**Notes to the Interim Condensed Consolidated and Separate Financial Statements**

**15. Income tax expense**

	Group				Bank			
	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022	3 months ended September 30, 2023	9 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2022
<i>In RON thousand</i>								
<b>Gross Profit</b>	<b>946,426</b>	<b>2,880,021</b>	<b>737,490</b>	<b>1,938,778</b>	<b>792,369</b>	<b>2,366,344</b>	<b>624,812</b>	<b>1,649,589</b>
<b>Statutory tax rate (2023: 16%; 2022: 16%)*</b>	<b>(151,428)</b>	<b>(460,803)</b>	<b>(117,998)</b>	<b>(310,204)</b>	<b>(126,779)</b>	<b>(378,615)</b>	<b>(99,970)</b>	<b>(263,934)</b>
<b>Fiscal effect of income tax on the following elements:</b>	<b>(85,177)</b>	<b>(127,730)</b>	<b>11,889</b>	<b>49,286</b>	<b>(75,105)</b>	<b>(128,277)</b>	<b>9,104</b>	<b>55,294</b>
- Non-taxable income	(1,201)	50,419	6,913	73,427	33,528	84,203	33,524	100,839
- Non-deductible expense	(18,533)	(91,162)	(20,763)	(95,036)	(30,697)	(111,747)	(49,794)	(116,384)
- Tax deductions	23,352	104,165	26,423	76,023	22,135	101,567	25,947	74,269
- Income related items	(28,051)	(30,499)	(693)	(5,171)	(71)	(2,300)	(573)	(3,430)
- Expense related items	39,256	39,347	9	43	-	-	-	-
- Profit tax related to fiscal uncertainties	(100,000)	(200,000)	-	-	(100,000)	(200,000)	-	-
<b>Income tax expense</b>	<b>(236,605)</b>	<b>(588,533)</b>	<b>(106,109)</b>	<b>(260,918)</b>	<b>(201,884)</b>	<b>(506,892)</b>	<b>(90,866)</b>	<b>(208,640)</b>

(\*) Statutory tax rate for Victoria Bank S.A. and Leasing Moldova S.R.L. is 12%

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 16. Cash and current accounts with Central Banks

<i>In RON thousand</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Minimum reserve requirement	15,779,922	10,137,298	14,137,830	8,572,013
Cash on hand and other values	4,000,849	4,403,419	3,721,164	4,073,144
<b>Total</b>	<b>19,780,771</b>	<b>14,540,717</b>	<b>17,858,994</b>	<b>12,645,157</b>

Reconciliation of cash and cash equivalents with the separate and consolidated statement of financial position

<i>In RON thousand</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Cash and current accounts with Central Banks (*)	19,775,795	14,861,467	17,856,663	12,644,490
Placements with banks - maturity below 3 months	7,434,784	3,327,241	6,560,944	2,659,429
Reverse-repo transactions	-	-	-	-
Loans and advances to credit institutions with maturity below 3 months	-	39,054	-	39,054
Financial assets measured at fair value through other items of comprehensive income with maturity below 3 months	-	-	-	-
Financial assets at amortized cost – debt instruments with maturity below 3 months	571,292	231,534	-	-
<b>Cash and cash equivalents in the cash flow statement</b>	<b>27,781,871</b>	<b>18,459,296</b>	<b>24,417,607</b>	<b>15,342,973</b>

(\*) At Group level, the cash and current accounts with Central Banks do not include the accrual and interest receivable in the amount of RON 4,976 thousand (2022: RON 10,546 thousand ) and at the level of the Bank in the amount of RON 2,331 thousand (2022: RON 667 thousand).

### 17. Placements with banks

<i>In RON thousand</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Current accounts with other banks	942,285	1,034,034	538,326	519,775
Sight and term deposits with other banks	6,584,996	3,001,471	7,864,368	4,583,256
Reverse repo transactions	-	989,564	-	989,564
Loans and advances to credit institutions	509,014	542,263	509,014	542,263
<b>Total</b>	<b>8,036,295</b>	<b>5,567,332</b>	<b>8,911,708</b>	<b>6,634,858</b>

Except for sale and reverse-repo agreements, the amounts due from other banks are not guaranteed.

As of September 30, 2023, the placements with banks included reverse-repo securities, term deposits and loans and advances to credit institutions with maturity up to 3 months, which are also included in the separate and consolidated statement of cash flows, as follows: reverse-repo in amount of RON 0 thousand, deposits in amount of RON 3,851,131 thousand and loans and advances to credit institutions of RON 0 thousand at Group level, and reverse-repo of RON 0 thousand, deposits in amount of RON 3,644,209 and loans and advances to credit institutions in amount of RON 0 thousand at Bank level (December 31, 2022: reverse-repo in amount of RON 0 thousand, deposits in amount of RON 2,340,720 thousand and advances to credit institutions of RON 39,054 thousand at Group level, and reverse-repo of RON 0 thousand, deposits in amount of RON 1,799,386 thousand and loans and advances to credit institutions in amount of RON 39,054 thousand at Bank level).

## Banca Transilvania S.A.

# Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 18. Financial assets at fair value through profit or loss

#### a) Held-for-trading financial assets measured at fair value through profit or loss

The structure of financial assets held-for-trading and measured at fair value through profit or loss is presented in the table below:

<i>In RON thousand</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Equity instruments	202,006	212,829	35,771	30,693
Debt instruments	125,716	108,541	-	-
<b>Total</b>	<b>327,722</b>	<b>321,370</b>	<b>35,771</b>	<b>30,693</b>

For the period ended September 30, 2023, the Group held shares listed on the Bucharest Stock Exchange and the main stock exchanges in Europe.

For the period ended September 30, 2023, the Group owned significant investments amounting to RON 165,086 thousand in the following entities: Evergent Investments S.A. and Transilvania Investments Alliance S.A. (December 31, 2022: RON 181,222 thousand in Evergent Investments S.A. and Transilvania Investments Alliance S.A.).

#### b) Financial assets which are required to be measured at fair value through profit or loss

The structure of financial assets which are required to be measured at fair value through profit or loss is presented in the table below:

<i>In RON thousand</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Equity instruments	272,411	242,037	272,021	241,712
Debt instruments	977,781	864,004	1,384,781	1,232,883
<b>Total</b>	<b>1,250,192</b>	<b>1,106,041</b>	<b>1,656,802</b>	<b>1,474,595</b>

As of September 30, 2023, the Group had significant investments in financial assets which are required to be measured at fair value through profit or loss as follows:

- equity instruments, in the amount of 272,021 thousand lei in VISA Inc. (December 31, 2022: RON 241,712 thousand),
- debt instruments, units in investment funds (the most significant being the investment funds managed by BT Asset Management) and participation certificates.

### 19. Loans and advances to customers

The commercial lending activity of the Group and the Bank focuses on granting loans to individuals and legal entities domiciled in Romania, the Republic of Moldova and Italy. The structure of the credit portfolio of the Group and the Bank as of September 30, 2023 and December 31, 2022 is the following:

<i>In RON thousand</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Corporate and government institutions	30,096,244	28,526,290	33,135,197	30,397,258
Small and medium enterprises	10,038,524	9,294,327	8,780,874	8,156,625
Consumer loans and card loans granted to retail customers	13,402,294	12,649,654	12,651,702	11,836,977
Mortgage loans	18,469,181	17,384,457	18,118,338	17,018,290
Loans granted by non-banking financial institutions	1,882,284	1,654,683	-	-
Other	64,083	74,138	56,596	64,945
<b>Total loans and advances to customers before impairment allowance (*)</b>	<b>73,952,610</b>	<b>69,583,549</b>	<b>72,742,707</b>	<b>67,474,095</b>
Allowances for impairment losses on loans	(4,612,040)	(4,382,629)	(4,306,095)	(4,024,141)
<b>Total loans and advances to customers net of impairment allowance</b>	<b>69,340,570</b>	<b>65,200,920</b>	<b>68,436,612</b>	<b>63,449,954</b>

The explanatory notes to the financial statements from page 11 to page 60 are an integral part of these financial statements. 46

## Banca Transilvania S.A.

# Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 19. Loans and advances to customers (continued)

The risk distribution of the credit portfolio per sectors, as of September 30, 2023 and December 31, 2022, is the following:

<i>In RON thousand</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Retail	32,854,763	30,948,280	30,826,610	28,920,184
Trading	8,787,145	8,089,725	8,112,764	7,497,861
Manufacturing	4,861,099	4,440,374	4,549,695	4,166,932
Agriculture	3,272,565	3,130,204	3,154,436	3,034,711
Services	3,366,526	2,881,235	3,073,386	2,616,009
Real Estate	2,557,600	2,412,739	2,623,958	2,460,459
Constructions	2,295,233	1,711,912	2,048,430	1,489,575
Transportation	2,497,058	2,370,619	2,007,143	1,919,864
Self-employed	1,103,075	998,317	899,426	823,227
Others	1,194,298	1,069,132	1,043,197	921,198
Financial Institutions	451,076	663,221	3,768,946	2,832,928
Telecommunications	225,002	246,275	184,230	215,330
Energy	1,311,951	1,660,047	1,300,013	1,648,987
Mining	80,435	63,088	74,157	55,739
Chemical Industry	134,217	71,672	130,222	68,238
Government Institutions	8,938,882	8,806,034	8,925,506	8,783,219
Fishing	21,685	20,675	20,588	19,634
<b>Total loans and advances to customers before impairment allowance (*)</b>	<b>73,952,610</b>	<b>69,583,549</b>	<b>72,742,707</b>	<b>67,474,095</b>
Allowances for impairment losses on loans	(4,612,040)	(4,382,629)	(4,306,095)	(4,024,141)
<b>Total loans and advances to customers, net of impairment allowance</b>	<b>69,340,570</b>	<b>65,200,920</b>	<b>68,436,612</b>	<b>63,449,954</b>

(\*) Total loans and advances to customers before impairment allowance are diminished by the fair value adjustments for the portfolio of loans taken over through acquisitions, determined based on the valuation report.

### 20. Finance lease receivables

The Group acts as a lessor under finance lease agreements, concluded mainly for financing motor vehicles and equipment. The lease agreements are denominated in EUR, RON and MDL and typically run for a period between 1 and maximum 10 years, with the transfer of ownership over the leased assets upon the termination of the lease agreement.

The lease receivables are secured by the underlying assets and by other collateral. The breakdown of finance lease receivables according to their maturity is presented below:

<i>In RON thousand</i>	<b>30-09-2023</b>	<b>31-12-2022</b>
Finance lease receivables with maturity below 1 year, gross	1,333,719	1,164,053
Finance lease receivables with maturity more than 1 year, gross	2,493,235	2,051,959
<b>Total finance lease receivables, gross</b>	<b>3,826,954</b>	<b>3,216,012</b>
Future interest related to finance lease receivables	(436,561)	(270,050)
<b>Total finance lease receivables, net of future interest</b>	<b>3,390,393</b>	<b>2,945,962</b>
Impairment allowances for finance lease receivables	(123,935)	(133,365)
<b>Total finance lease receivables</b>	<b>3,266,458</b>	<b>2,812,597</b>

The lease contracts are originated and managed through BT Leasing Transilvania IFN S.A., BT Leasing Moldova S.R.L and Idea Leasing IFN S.A..

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 21. Investment securities

#### a) Financial assets measured at fair value through other items of comprehensive income

In RON thousand	Group		Bank	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
<b>Debt instruments, of which</b>	<b>44,791,869</b>	<b>43,307,183</b>	<b>44,563,961</b>	<b>43,079,635</b>
- Central administrations	42,180,430	40,668,232	41,938,984	40,427,422
- Credit institutions	2,233,663	2,183,444	2,233,663	2,183,444
- Other financial companies	301,084	385,997	314,622	399,259
- Non-financial institutions	76,692	69,510	76,692	69,510
<b>Equity instruments, of which:</b>	<b>148,843</b>	<b>151,693</b>	<b>19,400</b>	<b>17,663</b>
- Other financial companies	144,133	147,302	15,192	13,740
- Non-financial institutions	4,710	4,391	4,208	3,923
<b>Loans and advances to customers</b>	<b>25,913</b>	<b>26,856</b>	<b>25,913</b>	<b>26,856</b>
- Central administrations	25,913	26,856	25,913	26,856
<b>Total</b>	<b>44,966,625</b>	<b>43,485,732</b>	<b>44,609,274</b>	<b>43,124,154</b>

#### b) Financial assets at amortized cost - debt instruments

For the period ended on September 30, 2023, the Group classified as financial assets measured at amortized cost - debt instruments, bonds in amount of RON 5,163,529 thousand, and bonds in amount of RON 3,657,978 thousand for the Bank (December 31, 2022: RON 2,059,712 thousand for the Group and RON 975,159 thousand for the Bank).

In RON thousand	Group		Bank	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
<b>Debt instruments, of which</b>				
- Central Banks	570,720	229,294	-	-
- Central administrations	2,963,241	1,387,383	2,013,215	517,327
- Credit institutions	577,017	336,481	592,212	351,278
- Other financial companies	1,006,625	62,194	1,006,625	62,194
- Non-financial institutions	45,926	44,360	45,926	44,360
<b>Total</b>	<b>5,163,529</b>	<b>2,059,712</b>	<b>3,657,978</b>	<b>975,159</b>

### 22. Other financial assets

In RON thousand	Group		Bank	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
Amounts under settlement	998,024	1,006,326	967,312	966,833
Non-recourse factoring	589,389	398,757	589,389	398,757
Sundry debtors and advances for non-current assets	458,936	462,226	267,040	529,056
Cheques and other instruments to be encashed	59,462	50,851	59,462	50,851
Other financial assets	7,162	10,604	844	8,340
Impairment allowance for other financial assets	(58,311)	(41,736)	(26,144)	(18,208)
<b>Total</b>	<b>2,054,662</b>	<b>1,887,028</b>	<b>1,857,903</b>	<b>1,935,629</b>

As of September 30, 2023, out of RON 2,054,662 thousand (December 31, 2022: RON 1,887,028 thousand), the Group's other impaired financial assets amounted to RON 28,778 thousand (December 31, 2022: RON 11,104 thousand).

As of September 30, 2023 out of RON 1,857,903 thousand (December 31, 2022: RON 1,935,629 thousand), the Bank's other impaired financial assets amounted to RON 3,901 thousand (December 31, 2022: RON 4,335 thousand).

The explanatory notes to the financial statements from page 11 to page 60 are an integral part of these financial statements. 48

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**23. Other non-financial assets**

<i>In RON thousand</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Inventories and similar assets	87,018	76,806	54,129	44,873
Accrued expenses	101,797	100,748	89,376	92,042
VAT and other taxes to be received	23,706	16,297	2,272	1,905
Other non-financial assets	11,153	7,290	3,153	220
Impairment allowance for other non-financial assets	(18,898)	(23,531)	(7,905)	(8,087)
<b>Total</b>	<b>204,776</b>	<b>177,610</b>	<b>141,025</b>	<b>130,953</b>

**24. Deposits from banks**

<i>In RON thousand</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Sight deposits	183,900	330,045	191,260	357,910
Term deposits	131,230	1,348,037	166,067	1,273,632
<b>Total</b>	<b>315,130</b>	<b>1,678,082</b>	<b>357,327</b>	<b>1,631,542</b>

**25. Deposits from customers**

<i>In RON thousand</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Current accounts	65,099,218	66,933,900	63,170,010	65,004,360
Sight deposits	859,632	994,890	632,813	753,703
Term deposits	62,466,256	50,620,317	61,618,583	49,583,917
Collateral deposits	1,502,549	1,182,622	1,167,795	1,161,862
<b>Total</b>	<b>129,927,655</b>	<b>119,731,729</b>	<b>126,589,201</b>	<b>116,503,842</b>

Deposits from customers can be also analysed as follows:

<i>In RON thousand</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Retail	85,199,752	79,880,462	82,700,011	77,873,189
Legal entities	44,727,903	39,851,267	43,889,190	38,630,653
<b>Total</b>	<b>129,927,655</b>	<b>119,731,729</b>	<b>126,589,201</b>	<b>116,503,842</b>

**26. Loans from banks and other financial institutions**

<i>In RON thousand</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Loans from central administrations	31,279	25,714	-	-
Loans from commercial banks	990,672	1,304,939	376,015	371,006
- Romanian banks	614,657	933,933	-	-
- Foreign banks	376,015	371,006	376,015	371,006
Loans from development banks	1,308,019	1,420,904	1,261,529	1,366,877
Repurchase agreements (repo transactions)	561,854	1,818,574	561,854	1,818,574
Other funds from financial institutions	64,287	86,904	4,103	6,026
Issued bonds	4,251,155	183,893	4,060,907	-
<b>Total</b>	<b>7,207,266</b>	<b>4,840,928</b>	<b>6,264,408</b>	<b>3,562,483</b>

## Banca Transilvania S.A.

# Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 26. Loans from banks and other financial institutions (continued)

The covenants stipulated in the loan agreements signed with the creditors were met by the Group and the Bank on September 30, 2023 and December 31, 2022.

The table below summarizes the underlying securities of repo agreements:

<i>In RON thousand</i>	Group				Bank			
	30-09-2023		31-12-2022		30-09-2023		31-12-2022	
	Carrying amount		Carrying amount		Carrying amount		Carrying amount	
	Transferred assets	Related liabilities	Transferred assets	Related liabilities	Transferred assets	Related liabilities	Transferred assets	Related liabilities
	560,752	561,854	1,833,170	1,818,574	560,752	561,854	1,833,170	1,818,574
<b>Total</b>	<b>560,752</b>	<b>561,854</b>	<b>1,833,170</b>	<b>1,818,574</b>	<b>560,752</b>	<b>561,854</b>	<b>1,833,170</b>	<b>1,818,574</b>

### 27. Subordinated liabilities

As of September 30, 2023 and December 31, 2022, the covenants stipulated in the loan agreements signed with the creditors were met by the Group and the Bank.

<i>In RON thousand</i>	Group		Bank	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
Loans from development banks and financial institutions	346,650	335,048	324,850	312,802
Non-convertible bonds	2,463,817	1,413,212	2,456,880	1,406,107
<b>Total</b>	<b>2,810,467</b>	<b>1,748,260</b>	<b>2,781,730</b>	<b>1,718,909</b>

### 28. Provisions for other risks and loan commitments

The following items are included under Provisions for other risks and loan commitments:

<i>In RON thousand</i>	Group		Bank	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
Provisions for loan commitments, financial guarantees and other commitments given	347,879	354,012	313,417	326,341
Provisions for untaken holidays	32,492	29,209	26,433	22,129
Provisions for other employee benefits	54,199	58,670	35,836	35,020
Provisions for litigation, other risks and charges (*)	53,952	58,655	44,478	47,806
<b>Total</b>	<b>488,522</b>	<b>500,546</b>	<b>420,164</b>	<b>431,296</b>

(\*) Provisions for other risks and charges primarily include provisions for litigation and other risks taken after the merger with Volksbank Romania S.A. and Bancpost S.A.

### 29. Other financial liabilities

<i>In RON thousand</i>	Group		Bank	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
Amounts under settlement	2,350,897	1,449,276	1,774,853	1,138,402
Sundry creditors	319,568	230,853	109,404	104,547
Dividends payable	927,925	26,639	928,345	26,639
Other financial liabilities	37,409	57,596	21,793	46,381
<b>Total</b>	<b>3,635,799</b>	<b>1,764,364</b>	<b>2,834,395</b>	<b>1,315,969</b>

## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **30. Other non-financial liabilities**

<i>In RON thousand</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Other taxes payable	63,109	61,902	43,557	39,833
Other non-financial liabilities	153,376	153,472	94,612	92,803
<b>Total</b>	<b>216,485</b>	<b>215,374</b>	<b>138,169</b>	<b>132,636</b>

### **31. Earnings per share**

The calculation of basic earnings per share was based on the net consolidated profit attributable to ordinary shareholders of the parent company of RON 2,212,206 thousand (2022: RON 1,609,276 thousand) and on the weighted average number of ordinary shares outstanding during the year of 796,988,210 (2022 recalculated: 797,666,990 shares).

On September 30, 2022 and September 30, 2023 the Bank no longer held convertible bonds, the number of diluted shares in circulation being the same as the weighted average number of shares and the diluted earnings per share is the same as the basic earnings per share.

	<b>Group</b>	
	<b>30-09-2023</b>	<b>30-09-2022</b>
Ordinary shares issued as of 1 January	707,658,233	631,146,962
The impact of shares issued as of 1 January	91,000,000	76,511,265
The impact of the shares repurchased during the year	(1,670,023)	(991,237)
The impact of the shares obtained from bonds conversion	-	-
The retroactive adjustment of the weighted average number of outstanding shares as of September 30, 2022	-	91,000,000
<b>Weighted average number of shares</b>	<b>796,988,210</b>	<b>797,666,990</b>
The number of shares that may be issued upon the conversion of bonds into shares	-	-
<b>Weighted average number of diluted shares</b>	<b>796,988,210</b>	<b>797,666,990</b>

### **32. Capital management**

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 National Bank of Romania monitors capital requirements both at the Group and at the Bank level.

Capital adequacy is determined according to the Regulation (EU) No 575/2013 of the European Parliament and of the Council and requires a minimum mandatory own funds level of:

- 4.5 % for core tier 1 own funds;
- 6.0 % for tier 1 own funds;
- 8.0 % for total own funds.



## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **32. Capital management (continued)**

Likewise, pursuant to the regulated approaches for the determination of the minimum capital requirements and the EU Regulation 575/2013 corroborated with the provisions of the NBR Regulation 5/2013 and considering the capital buffers required by the NBR, the Group and the Bank maintain:

- a capital conservation buffer of 2.5% of the total value of the risk-weighted exposures between January 1, 2023-September 30, 2023;
- an O-SII buffer of 2% of the total risk weighted exposures;
- a systemic risk buffer of 0% of the total value of the risk-weighted exposures (buffer imposed starting with the adequacy ratio calculated for 30 September 2018).

#### ***Own funds adequacy***

The Group and the Bank use the following calculation methods in order to determine own fund requirements:

- Credit risk: standardized method;
- Market risk: capital requirements with respect to the foreign exchange risk and the trading portfolio are calculated based on the standard method;
- Operational risk: own fund requirements for the coverage of operational risk are calculated according to the base method.

The Group and the Bank comply with the above regulations, the level of the capital adequacy ratio exceeding the minimum mandatory requirements imposed by the law.

As of September 30, 2023 and December 31, 2022, the Group and the Bank complied with all the capital adequacy requirements.

Under the current capital requirements set by the European Banking Authority, banks have to maintain a ratio of regulatory capital to risk weighted assets (“statutory capital ratio”) above a prescribed minimum level.

The amount of capital that the Group managed was RON 13,453,395 thousand as of 30 September 2023 (31 December 2022: RON 12,584,713 thousand), regulatory capital amounts to RON 8,376,065 thousand (31 December 2022: RON 7,860,501 thousand) and the Group and the Bank have complied with all externally imposed capital requirements throughout 2023 and 2022.

According to the applicable legal requirements on regulatory capital, the Group’s and the Bank’s own funds include:

- Tier I, which includes subscribed and paid in capital, share premiums, eligible reserves, retained earnings and deductions laid down in the applicable legal provisions;
- Tier II own funds, which include subordinated loans;

The Group and the Bank manage their capital base in a flexible manner, by monitoring regulatory capital requirements, by anticipating the adequate adjustments required for the achievement of its objectives as well as by optimizing the structure of assets and shareholders’ equity.

The planning and monitoring activity takes into consideration the total own funds, on the one hand and the requirements of own funds, on the other hand.

## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **32. Capital management (continued)**

The level and the requirements of own funds as of September 30, 2023 and December 31, 2022 are as follows:

<i>In RON thousand</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Tier 1 own funds	11,044,602	11,123,258	10,143,151	10,234,719
Tier 2 own funds	2,408,793	1,461,455	2,405,692	1,453,940
<b>Total own funds</b>	<b>13,453,395</b>	<b>12,584,713</b>	<b>12,548,843</b>	<b>11,688,659</b>

The capital adequacy ratio (CAR) is calculated as a ratio between own funds and total risk-weighted assets:

<i>In %</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Core tier one ratio	17.14	18.40	17.71	18.92
Tier 1 ratio	17.14	18.40	17.71	18.92
CAR	20.88	20.81	21.91	21.61

*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, 2022. For the nine-month period ended September 30, 2023, the current profit on June 30, 2023 was considered in the calculation of own funds. Regulatory capital as of September 30, 2023 and December 31, 2022 was calculated according to the IFRS standards endorsed by the European Union*

### **33. Credit risk management**

Concentrations of credit risk that arise from financial instruments exist for groups of counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The major concentrations of credit risk arise by individual counterparty and by type of customer in relation to the Group's and the Bank's loans and advances, loan commitments, finance lease and guarantees issued.

The table below presents the concentration by class of the on-balance sheet exposures related to the Group's and the Bank's loan and leasing portfolio:

<i>RON thousand</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Corporate and public institutions	30,096,244	28,526,290	33,135,197	30,397,258
Small and medium enterprises	10,038,524	9,294,327	8,780,874	8,156,625
Consumer loans and card loans granted to retail customers	13,402,294	12,649,654	12,651,702	11,836,977
Mortgage loans	18,469,181	17,384,457	18,118,338	17,018,290
Loans and finance lease receivables granted by non-banking financial institutions	5,272,677	4,600,644	-	-
Other	64,083	74,139	56,596	64,945
<b>Total loans and advances to customers and financial lease receivables before impairment allowance</b>	<b>77,343,003</b>	<b>72,529,511</b>	<b>72,742,707</b>	<b>67,474,095</b>
Allowances for impairment losses on loans and financial lease receivables	(4,735,975)	(4,515,994)	(4,306,095)	(4,024,141)
<b>Total loans and advances to customers and financial lease receivables net of impairment allowance</b>	<b>72,607,028</b>	<b>68,013,517</b>	<b>68,436,612</b>	<b>63,449,954</b>

As of September 30, 2023, the total irrevocable on-balance and off-balance sheet exposure was of RON 82,155,838 thousand (December 31, 2022: RON 76,641,699 thousand) for the Group and RON 76,545,141 thousand (December 31, 2022: RON 70,676,453 thousand) for the Bank.

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 33. Credit risk management (continued)

The amounts presented above reflect the maximum accounting loss that would be recognized at the reporting date if the customers failed completely to perform their contractual obligations and if any collateral or security proved to be of no value.

The Group and the Bank hold guarantees for loans and advances to customers in the form of pledge over cash deposits, mortgage over property, guarantees and other pledges over equipment and/or receivables. The estimates of fair value are based on the collateral value assessed at the date of lending, except when a loan is individually assessed subsequently. Collateral is generally not held over loans and advances to banks.

The Group and the Bank use risk grades for loans both individually and collectively assessed. According to the Group's and the Bank's policies, a loan can be assigned a corresponding risk grade based on a 6-level classification: very low risk, low risk, moderate risk, sensitive risk, high risk and the highest risk for non-performing loans (default).

The classification of loans into groups is mainly based on the client scoring systems of the Group and the Bank.

The exposures to credit risk for loans and advances to customers and financial lease receivables at Group consolidated level, as of September 30, 2023, are presented below:

At amortized cost	Assets for which the credit risk has not increased significantly since the initial recognition (Stage 1)	Assets for which the credit risk has significantly increased since the initial recognition, but which are not impaired (Stage 2)	Assets impaired at the reporting date (Stage 3)	Assets impaired on initial recognition (POCI)	Total 2023
<i>In RON thousand</i>					
Corporate and public institutions	25,327,538	4,013,989	665,386	89,331	<b>30,096,244</b>
Small and medium enterprises	7,133,244	2,436,126	443,722	25,432	<b>10,038,524</b>
Consumer loans and card loans granted to retail customers	9,621,909	2,848,278	849,612	82,495	<b>13,402,294</b>
Mortgage loans	16,631,150	1,596,615	200,861	40,555	<b>18,469,181</b>
Loans and finance lease receivables granted to non-banking financial institutions	4,271,121	639,930	331,938	29,688	<b>5,272,677</b>
Other	18	47,017	16,038	1,010	<b>64,083</b>
<b>Total loans and advances to customers and financial lease receivables before impairment allowance</b>	<b>62,984,980</b>	<b>11,581,955</b>	<b>2,507,557</b>	<b>268,511</b>	<b>77,343,003</b>
Allowances for impairment losses on loans and financial lease receivables	(1,263,311)	(1,785,744)	(1,626,372)	(60,548)	<b>(4,735,975)</b>
<b>Total loans and advances to customers and financial lease receivables net of impairment allowance</b>	<b>61,721,669</b>	<b>9,796,211</b>	<b>881,185</b>	<b>207,963</b>	<b>72,607,028</b>

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 33. Credit risk management *(continued)*

The exposures to credit risk for loans and advances to customers and financial lease receivables at Group consolidated level, as of December 31, 2022, are presented below:

At amortized cost	Assets for which the credit risk has not increased significantly since the initial recognition (Stage 1)	Assets for which the credit risk has significantly increased since the initial recognition, but which are not impaired (Stage 2)	Assets impaired at the reporting date (Stage 3)	Assets impaired on initial recognition (POCI)	Total 2022
<i>In RON thousand</i>					
Corporate and public institutions	23,847,856	3,757,281	777,495	143,658	<b>28,526,290</b>
Small and medium enterprises	6,402,597	2,507,699	352,313	31,718	<b>9,294,327</b>
Consumer loans and card loans granted to retail customers	8,863,654	3,005,369	685,385	95,246	<b>12,649,654</b>
Mortgage loans	15,997,110	1,165,452	178,275	43,620	<b>17,384,457</b>
Loans and finance lease receivables granted to non-banking financial institutions	3,504,776	669,249	393,398	33,221	<b>4,600,644</b>
Other	59	59,862	13,139	1,079	<b>74,139</b>
<b>Total loans and advances to customers and financial lease receivables before impairment allowance</b>	<b>58,616,052</b>	<b>11,164,912</b>	<b>2,400,005</b>	<b>348,542</b>	<b>72,529,511</b>
Allowances for impairment losses on loans and financial lease receivables	(1,161,644)	(1,699,201)	(1,564,848)	(90,301)	<b>(4,515,994)</b>
<b>Total loans and advances to customers and financial lease receivables net of impairment allowance</b>	<b>57,454,408</b>	<b>9,465,711</b>	<b>835,157</b>	<b>258,241</b>	<b>68,013,517</b>

The exposures to credit risk for loans and advances to customers at Bank level, as of September 30, 2023, are presented below:

At amortized cost	Assets for which the credit risk has not increased significantly since the initial recognition (Stage 1)	Assets for which the credit risk has significantly increased since the initial recognition, but which are not impaired (Stage 2)	Assets impaired at the reporting date (Stage 3)	Assets impaired on initial recognition (POCI)	Total 2023
<i>In RON thousand</i>					
Corporate and public institutions	28,426,673	3,982,955	638,114	87,455	<b>33,135,197</b>
Small and medium enterprises	6,093,187	2,270,341	398,581	18,765	<b>8,780,874</b>
Consumer loans and card loans granted to retail customers	8,973,126	2,827,322	771,283	79,971	<b>12,651,702</b>
Mortgage loans	16,294,982	1,591,014	191,787	40,555	<b>18,118,338</b>
Other	18	40,315	15,979	284	<b>56,596</b>
<b>Total loans and advances to customers before impairment allowance</b>	<b>59,787,986</b>	<b>10,711,947</b>	<b>2,015,744</b>	<b>227,030</b>	<b>72,742,707</b>
Allowances for impairment losses on loans	(1,196,881)	(1,712,614)	(1,354,845)	(41,755)	<b>(4,306,095)</b>
<b>Total loans and advances to customers net of impairment allowance</b>	<b>58,591,105</b>	<b>8,999,333</b>	<b>660,899</b>	<b>185,275</b>	<b>68,436,612</b>

**Notes to the Interim Condensed Consolidated and Separate Financial Statements**

**33. Credit risk management (continued)**

The exposures to credit risk for loans and advances to customers at Bank level, as of December 31, 2022, are presented below:

<b>At amortized cost</b> <i>In RON thousand</i>	<b>Assets for which the credit risk has not increased significantly since the initial recognition (Stage 1)</b>	<b>Assets for which the credit risk has significantly increased since the initial recognition, but which are not impaired (Stage 2)</b>	<b>Assets impaired at the reporting date (Stage 3)</b>	<b>Assets impaired on initial recognition (POCI)</b>	<b>Total 2022</b>
Corporate and public institutions	25,849,924	3,696,136	751,853	99,345	<b>30,397,258</b>
Small and medium enterprises	5,384,495	2,416,945	333,164	22,021	<b>8,156,625</b>
Consumer loans and card loans granted to retail customers	8,136,588	2,986,380	627,095	86,914	<b>11,836,977</b>
Mortgage loans	15,642,497	1,159,993	172,259	43,541	<b>17,018,290</b>
Other	60	51,524	13,080	281	<b>64,945</b>
<b>Total loans and advances to customers before impairment allowance</b>	<b>55,013,564</b>	<b>10,310,978</b>	<b>1,897,451</b>	<b>252,102</b>	<b>67,474,095</b>
Allowances for impairment losses on loans	(1,081,557)	(1,636,145)	(1,253,317)	(53,122)	<b>(4,024,141)</b>
<b>Total loans and advances to customers net of impairment allowance</b>	<b>53,932,007</b>	<b>8,674,833</b>	<b>644,134</b>	<b>198,980</b>	<b>63,449,954</b>

**34. Current tax liability**

Below is listed the structure of the current tax liability for the Group and the Bank:

	<b>Group</b>		<b>Bank</b>	
	<b>30-09-2023</b>	<b>31-12-2022</b>	<b>30-09-2023</b>	<b>31-12-2022</b>
Current tax liability	186,902	-	172,967	-
Profit tax related to fiscal uncertainties - asset	64,096	-	64,096	-
<b>Total</b>	<b>122,806</b>	<b>-</b>	<b>108,871</b>	<b>-</b>

## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **35. Reclassifications of comparative figures of the period ended September 30, 2022**

In 2023, the Group and the Bank restated certain amounts (presented in the table below) in the Interim Condensed Consolidated and Separate Financial Statements of Comprehensive Income for the 9 months, respectively 3 months period ended September 30, 2022, as well as in the Interim Condensed Consolidated and Separate Statements of Changes in Equity for the 9 months period ended September 30, 2022.

These changes were made in response to the reviews carried out by the management of the Group and the Bank, through which the analysis of the business model of the financial assets measured at fair value through other items of the comprehensive income was revised. Originally, in 2022 the Group and the Bank has reclassified in the Interim Condensed Consolidated and Separate Financial Statements for the ninth-month period ending on September 30, 2022 the financial assets from the category of financial assets measured at fair value through other items of the comprehensive income in the category of financial assets measured at amortized cost.

After the publication of the Interim Condensed Consolidated and Separate Financial Statements for the ninth-month period ending September 30, 2022, the management of the Group and the Bank continued the analysis of the business model for the respective financial assets and concluded that they do not meet all the requirements of the IFRS 9 standard to allow reclassification, so it proceeded upon the reversal of the effects of this accounting operation, keeping the financial assets in the category in which they were initially designated - respectively "Financial assets measured at fair value through other items of the comprehensive income". The annual Consolidated and Separate Financial Statements as at December 31, 2022 had no impact as a result of these changes.

The operation did not generate any restatement regarding the Consolidated and Separate Statement of the Financial Position as at December 31, 2022, respectively the Interim Condensed Consolidated and Separate Statement of the Profit or Loss for the 9 months, respectively 3 months period ended September 30, 2022.

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 35. Reclassifications of comparative figures of the period ended September 30, 2022 (continued)

i) The comparative figures of Interim Condensed Consolidated and Separate Statement of Other Comprehensive Income are presented below:

<i>RON thousand - Group</i>	3 months ended September 30, 2022 reported	Restatements	3 months ended September 30, 2022 restated	9 months ended September 30, 2022 reported	Restatements	9 months ended September 30, 2022 restated
<b>Net Profit for the period</b>	<b>631,381</b>	-	<b>631,381</b>	<b>1,677,860</b>	-	<b>1,677,860</b>
<b>Items which are or may be reclassified to profit or loss</b>	<b>16,985</b>	<b>(18,054)</b>	<b>(1,069)</b>	<b>(792,110)</b>	<b>(2,963,743)</b>	<b>(3,755,853)</b>
<i>Fair value reserve (financial assets measured at fair value through other items of comprehensive income), of which:</i>	<b>(12,599)</b>	<b>(21,577)</b>	<b>(34,176)</b>	<b>(954,691)</b>	<b>(3,536,766)</b>	<b>(4,491,457)</b>
Effect of reclassification of financial assets measured at fair value through other items of comprehensive income to amortised cost (a)	-	-	-	3,515,189	<b>(3,515,189)</b>	-
Income tax on items which are or may be reclassified to profit or loss (b)	<b>(3,660)</b>	<b>3,523</b>	<b>(137)</b>	<b>143,748</b>	<b>573,023</b>	<b>716,771</b>
<b>Total comprehensive income for the period</b>	<b>648,366</b>	<b>(18,054)</b>	<b>630,312</b>	<b>885,750</b>	<b>(2,963,743)</b>	<b>(2,077,993)</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Bank	618,713	(18,054)	600,659	817,166	(2,963,743)	(2,146,577)
Non-controlling interest	(29,653)	-	29,653	68,584	-	68,584
<b>Total comprehensive income for the period</b>	<b>648,366</b>	<b>(18,054)</b>	<b>630,312</b>	<b>885,750</b>	<b>(2,963,743)</b>	<b>(2,077,993)</b>
<i>RON thousand - Bank</i>	3 months ended September 30, 2022 reported	Restatements	3 months ended September 30, 2022 restated	9 months ended September 30, 2022 reported	Restatements	9 months ended September 30, 2022 restated
<b>Net Profit for the period</b>	<b>533,946</b>	-	<b>533,946</b>	<b>1,440,949</b>	-	<b>1,440,949</b>
<b>Items which are or may be reclassified to profit or loss</b>	<b>(15,917)</b>	<b>(18,054)</b>	<b>(33,971)</b>	<b>(797,455)</b>	<b>(2,963,743)</b>	<b>(3,761,198)</b>
<i>Fair value reserve (financial assets measured at fair value through other items of comprehensive income), of which:</i>	<b>(18,455)</b>	<b>(21,577)</b>	<b>(40,032)</b>	<b>(942,123)</b>	<b>(3,536,766)</b>	<b>(4,478,889)</b>
Effect of reclassification of financial assets measured at fair value through other items of comprehensive income to amortised cost (net of adjustments for depreciation) (a)	-	-	-	3,515,189	(3,515,189)	-
Income tax on items which are or may be reclassified to profit or loss (b)	2,565	3,523	6,088	144,674	573,023	717,697
<b>Total comprehensive income for the period</b>	<b>518,029</b>	<b>(18,054)</b>	<b>499,975</b>	<b>643,494</b>	<b>(2,963,743)</b>	<b>(2,320,249)</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Bank	518,029	(18,054)	499,975	643,494	(2,963,743)	(2,320,249)
Non-controlling interest	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>518,029</b>	<b>(18,054)</b>	<b>499,975</b>	<b>643,494</b>	<b>(2,963,743)</b>	<b>(2,320,249)</b>

## Notes to the Interim Condensed Consolidated and Separate Financial Statements

### 35. Reclassifications of comparative figures of the period ended September 30, 2022 (continued)

As at September 30, 2022, the Group and the Bank made the following reclassifications with impact in the comparative figures from the Interim Condensed Consolidated and Separate Statement of Other Comprehensive Income related to the period ended at September 30, 2022:

(a) Impact in reserve from the reclassification of financial assets measured at amortized cost in assets measured at fair value through other items of comprehensive income, net of adjustments for depreciation;

(b) The impact on the tax reserve from the reclassification of financial assets measured at amortized cost in assets measured at fair value through other items of comprehensive income.

ii) The comparative figures of interim condensed consolidated and separate statement of changes in equity are presented below:

<i>In RON thousand – Group</i>	<b>Reserves from financial assets measured through other items of comprehensive income</b>	<b>Total attributable to the equity holders of the Bank</b>	<b>Total</b>
Losses from fair value changes of financial assets measured at fair value through other items of comprehensive income, net of deferred tax (net off the FVOCI reclassification effect into AC)	(807,973)	(807,973)	(807,973)
Restatements	(2,963,743)	(2,963,743)	(2,963,743)
Losses from fair value changes of financial assets measured at fair value through other items of comprehensive income, net of deferred tax	(3,771,716)	(3,771,716)	(3,771,716)
<b>Total comprehensive income for the period reported</b>	<b>(807,973)</b>	<b>817,166</b>	<b>885,750</b>
Restatements	(2,963,743)	(2,963,743)	(2,963,743)
<b>Total comprehensive income for the period restated</b>	<b>(3,771,716)</b>	<b>(2,146,577)</b>	<b>(2,077,993)</b>
<b>Balance as at September 30, 2022 reported</b>	<b>(1,804,670)</b>	<b>10,083,430</b>	<b>10,649,475</b>
<b>Restatements</b>	<b>(2,963,743)</b>	<b>(2,963,743)</b>	<b>(2,963,743)</b>
<b>Balance as at September 30, 2022 restated</b>	<b>(4,768,413)</b>	<b>7,119,687</b>	<b>7,685,732</b>

<i>In RON thousand – Bank</i>	<b>Reserves from financial assets measured through other items of comprehensive income</b>	<b>Total</b>
Losses from fair value changes of financial assets measured at fair value through other items of comprehensive income, net of deferred tax (net off the FVOCI reclassification effect into AC)	(797,450)	(797,450)
Restatements	(2,963,743)	(2,963,743)
Losses from fair value changes of financial assets measured at fair value through other items of comprehensive income, net of deferred tax	(3,761,193)	(3,761,193)
<b>Total comprehensive income for the period reported</b>	<b>(797,450)</b>	<b>(797,450)</b>
Restatements	<b>(2,963,743)</b>	<b>(2,963,743)</b>
<b>Total comprehensive income for the period restated</b>	<b>(3,761,193)</b>	<b>(3,761,193)</b>
<b>Balance as at September 30, 2022 reported</b>	<b>(1,802,117)</b>	<b>(1,802,117)</b>
<b>Restatements</b>	<b>(2,963,743)</b>	<b>(2,963,743)</b>
<b>Balance as at September 30, 2022 restated</b>	<b>(4,765,860)</b>	<b>(4,765,860)</b>

As at September 30, 2022, the Group and the Bank made the following restatements with impact in the comparative figures from the Interim Condensed Consolidated and Separate Statement of Changes in Equity related to period ended at September 30, 2022:

(a) The impact in the reserve from the reclassification of financial assets measured at amortized cost into assets measured at fair value through other items of comprehensive income, net of adjustments for depreciation and net of tax;

(b) Other restatement in the Interim Condensed Consolidated Statement of Changes in Equity was performed on the line "Distribution to statutory reserves" from the "Total comprehensive income for the period" in "Contributions of/ distributions to the Shareholders".



## **Notes to the Interim Condensed Consolidated and Separate Financial Statements**

### **36. Events subsequent to the date of the interim consolidated and separate statement of financial position**

On November 6, 2023, Banca Transilvania S.A. paid dividends in accordance with the Decision of the Ordinary Meeting of Shareholders from September 29, 2023. Payments representing the dividends due to the shareholders shall be made in accordance with the applicable legal provisions.

The gross value of the dividend per share was RON 1.13, and the dividend tax will be withheld, in line with the legal provisions in force at the payment date. The above-mentioned Decision of the Ordinary Meeting of Shareholders also stipulates the registration date of October 23rd, 2023 and the ex-date of October 20th, 2023.

The interim consolidated and separate financial statements were approved by the Board of Directors on November 10, 2023 and were signed on behalf of the Board.

Ömer TETIK  
*Chief Executive Officer*

George CĂLINESCU  
*Deputy Chief Executive Officer*

# **CONSOLIDATED DIRECTORS' REPORT**

**for the nine month period ended  
30 September 2023**

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

## Identification Details of the Issuer

**Report date:** November 10, 2023

**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 at 30.09.2023:** RON 7.986.582.330

**The regulated market where the issued securities are traded:** Bucharest Stock Exchange

**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

Transilvania Bank Group („the Group” or „BT Group”) was established in 2003 with Banca Transilvania („the Bank” or „BT”) established in 1993 as the main subsidiary. Besides Banca Transilvania, BT Group has the following subsidiaries: Victoriabank S.A., Idea Bank S.A., BT Capital Partners S.A., BT Leasing Transilvania IFN S.A., Idea Leasing IFN S.A., BT Investments S.R.L., Idea 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 de 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. and Code Crafters by BT S.R.L.

The main Group's fields of activity are: banking through Banca Transilvania S.A. („the Bank”), Victoriabank S.A. and through Idea Bank S.A., investment and brokerage services through BT Capital Partners S.A., leasing and consumer finance mainly through BT Leasing Transilvania IFN S.A., Idea Leasing IFN S.A., BT Direct IFN S.A., BT Microfinanțare IFN S.A. and BT Leasing MD S.R.L., asset management through BT Asset Management S.A.I S.A. and administration of voluntary pension funds through BT Pensii S.A. Moreover, the Bank controls two investment funds that are also included in the consolidation and is associated in Sinteza S.A. with a holding percentage of 31.09%. Starting April 2023 the Bank has control, through an investment fund, over the newly established companies BTP One S.R.L. and BTP Retail S.R.L.

Banca Transilvania is a public listed company, headquartered in Cluj-Napoca, with Romanian shareholders majority – 75.89% as of the end of September 2023. Currently, in Romania, BT is the first bank according to 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 ASF (Financial Supervisory Authority). Currently, Banca Transilvania's shares are listed on the Bucharest Stock Exchange, Category I.

The structure of Banca Transilvania S.A. shareholders as at September 30, 2023 is presented in the Appendix to this document.

## **I. Significant events during January-September 2023**

### **Amendments brought to the Articles of Association**

As a result of the Decisions of the Extraordinary General Meeting of Transilvania Bank Shareholders of April 26, 2023, it was decided to increase the share capital by the amount of RON 910,000,000 by issuing a number of 91,000,000 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 2022, in the amount of RON 910,000,000, by issuing a number of 91,000,000 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. Therefore, the new share capital is RON 7,986,582,330, respectively 798,658,233 shares with a nominal value of RON 10/share.

The legal procedures for registering the capital increase at the National Trade Register Office, ASF and the Central Depository were finalized in the second part of 2023, and the capital increase became effective on 24<sup>th</sup> of July 2023.

At the same time, as a result of the Decisions of the Ordinary General Meeting of Transilvania Bank Shareholders of April 26, 2023, it was decided to appoint Deloitte Audit SRL as the bank's financial auditor for the audit of the bank's financial statements for the financial years 2023-2027, drawn up in accordance with the International Standards of Financial Reporting, according to the Order of the National Bank of Romania ("NBR") no. 27/2010 with subsequent amendments, as well as the termination of the mandate of the existing auditor. The completion of the process of approval and registration before the competent authorities of the financial auditor was completed at the beginning of August 2023.

The Ordinary General Meeting of Shareholders dated 29.09.2023 approved the distribution of cash dividends from the profit of 2022 as well as from the reserves related to other years, as follows: the amount of RON 897,540,893 from the net profit reserves related to the year 2022, as well as the amount of RON 4,914,768.77 from the net profit reserves related to previous years, thus the total amount of RON 902,455,661.77 being granted as cash dividends. Also, a program of corporate bond issues was approved, denominated in EUR and/or RON and/or in another currency, as the case may be, under market conditions regarding the interest rate, with a maximum maturity of 10 years, with the frequency the annual or semi-annual coupon, for a maximum amount of 1,500,000,000 euros, carried out over a maximum period of 5 years.

### **Main Transactions Regarding Affiliates**

There were no significant transactions regarding affiliates in the third quarter of 2023.

### **Changes in the third quarter of 2023 regarding Banca Transilvania Financial Group**

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

#### **BT LEASING TRANSILVANIA IFN S.A.**

- On 03.08.2023, the mandate contract in the position of Manager and Deputy General Director Legal and Collection of Mrs. Simona Sopen was terminated by mutual agreement of the parties, as a result of retirement, effective as of 03.08.2023;
- On the same date, the duties of the Deputy Legal and Collection General Director were taken over by the General Director, Mr. Ionut Morar, on an interim basis.

#### **BT DIRECT IFN S.A.**

- On 09.08.2023, the appointment of Mrs. Puhalschi Iuliana, Romanian citizen, born on 13.02.1986, was approved as Manager and person responsible for the management and administration of the activity of providing payment services, as well as Deputy General Director of BT Direct IFN SA, for a mandate that will take effect from the date of approval by the National Bank of Romania until 01.08.2027, or until revocation from the position of Company Manager by the Board of Directors.

#### **IDEA LEASING IFN SA**

- On 25.07.2023, the company's shareholders decided to appoint Deloitte Audit SRL, as the financial auditor of the company with a mandate from 01.01.2023 to 31.12.2026, for the

audit of the financial statements related to the financial years 2023-2026, as well as the termination of the existing auditor's mandate.

#### **IDEA BROKER DE ASIGURARE SRL**

- The sole shareholder of Idea Broker, Idea Leasing IFN SA approved on 08.06.2023 the transfer of all 600 shares, representing 100% of the share capital of Idea Broker de Asigurare S.R.L., with a nominal value of RON 250/share, to a legal entity outside the company, BT Leasing Transilvania IFN S.A. The assignment will take place after its approval by ASF.

#### **BT ASSET MANAGEMENT SAI S.A.**

- Following the appointment of Mr. Bernat Aurel to the position of Executive Director of Financial Institutions and Investor Relations within Banca Transilvania, the Board of Directors approved on 19.07.2023: (i) the termination of the mandate of General Director of Mr. Bernat Aurel by agreement of the parties, starting from 01.08.2023, (ii) the appointment of Mr. Dascăcal Sergiu-Dan as General Director, starting from 01.08.2023 and until 31.05.2027, and (iii) the appointment of Mr. Irimiea Victor Tudor as Deputy General Director, for a term of 4 (four) years starting from the date of the approval decision issued by the Financial Supervision Authority;
- Considering the appointment of Deloitte Audit S.R.L. as auditor of the parent company Banca Transilvania, the Ordinary General Meeting of Shareholders decided on 18.09.2023 to revoke the financial auditor of the company, KPMG Audit S.R.L., and appoint Deloitte Audit S.R.L. as financial auditor of the company and of the administered funds for auditing the financial statements related to the financial years 2023-2026;
- On 25.09.2023, the Financial Supervisory Authority issued the decision authorizing Ms. Ilaș Ioana-Mihaela as a member of the Board of Directors for a term of 4 (four) years.

#### **BT CAPITAL PARTNERS S.A.**

- Considering the appointment of Deloitte Audit S.R.L. as auditor of the parent company Banca Transilvania, the Ordinary General Meeting of Shareholders decided on 08.09.2023 to revoke the financial auditor of the company, KPMG Audit S.R.L., and appoint Deloitte Audit S.R.L. as the financial auditor of the company for auditing the financial statements related to the financial years 2023-2026.

#### **BT PENSII S.A.F.P.F. SA**

- On 07.09.2023, the Ordinary General Meeting of Shareholders approved the increase of the company's capital through a cash contribution of RON 5,000,000 through the issuance

of 5,000,000 new shares with a nominal value of RON 1/share from the existing shareholders, proportional to the number of shares they own;

- Considering the appointment of Deloitte Audit S.R.L. as auditor of the parent company Banca Transilvania, the Ordinary General Meeting of Shareholders decided on 27.09.2023 to revoke the financial auditor of the company, KPMG Audit S.R.L., and appoint Deloitte Audit S.R.L. as financial auditor of the company and of the managed fund for auditing the financial statements related to the financial years 2023-2026.

### **BC Victoriabank S.A.**

- On 25.07.2023 the Board of Directors approved the transaction with BT Leasing MD (affiliated person) in the amount of EUR 3 million.

### **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 Russian-Ukrainian conflict, 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 prolongation of the conflict and tensions existing at the level of the region and the associated sanctions;
- deterioration of internal macroeconomic balances, Romania having one of the highest budgetary deficit in Europe, one of the reasons being the international geopolitical developments and market volatility;
- the increase in financing costs, generated by more restrictive monetary policies and the increase in public debt;
- acceleration of 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 as well as the higher costs of construction materials;

- delays in the absorption of European funds, in particular through the National Recovery and Resilience Plan, could have possible negative effects on the ability to reduce internal imbalances and support strategic investments in the transition process towards a green economy;
- uncertainties associated with fiscal changes with an impact on the business environment, especially on small companies as well as those in the IT field;
- amplification of cyber risks - in the context of the acceleration of digitalization processes and the use of modern technologies, both in the public and in the private environment.

## II. Detailed information

### 1. Financial Statements

#### 1.1.a. Financial Results Summary

Indicators	Group		Bank	
	Sep'23	Sep'22	Sep'23	Sep'22
ROE (Net profit/average equity)	28.87%	22.62%	25.79%	23.32%
ROA (net profit/annual average of total assets)	2.05%	1.64%	1.74%	1.50%
Cost/income	44.82%	48.62%	45.79%	51.49%
Total net income, <i>RON thousand</i>	5,628,556	4,427,807	4,641,266	3,846,773
Provisions for credit risk, <i>RON thousand</i>	(215,277)	(317,588)	(139,934)	(197,837)
Gross profit, <i>RON thousand</i>	2,880,021	1,938,778	2,366,344	1,649,589
Net profit, <i>RON thousand</i>	2,291,488	1,677,860	1,859,452	1,440,949
Basic earnings per share, <i>RON</i>	2.7757	2.0175		
Diluted earnings per share, <i>RON</i>	2.7757	2.0175		
<i>Other information:</i>				
Number of agencies, branches and offices			513	519
No of active employees	11,604	11,113	9,366	9,024

Key profitability and financial performance indicators ROE, ROA and Cost/Income improved in the first nine months compared with the first nine months of the previous year both at Bank and Group level, due to increasing revenues and an adequate control of costs.



### 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 September 2023, compared to the end of last year and the end of September 2022, is as follows:

Indicators (RONmn)	Group				
	Sep'23	Dec'22	Sep'22	Sep'23 vs Dec'22 %	Sep'23 vs Sep'22 %
Cash and current accounts with Central Bank	19,781	14,541	16,508	36.0%	19.8%
Placements to banks	8,036	5,567	5,343	44.3%	50.4%
Treasury financial instruments	51,902	47,191	47,448	10.0%	9.4%
Loans and advances to customers, net	69,341	65,201	65,058	6.3%	6.6%
Finance lease receivables	3,266	2,813	2,739	16.1%	19.3%
Tangible and intangible assets	2,505	2,327	2,141	7.7%	17.0%
Other assets	2,791	2,871	2,045	-2.8%	36.5%
<b>Total assets</b>	<b>157,622</b>	<b>140,511</b>	<b>141,282</b>	<b>12.2%</b>	<b>11.6%</b>
Deposits from customers	129,928	119,732	113,439	8.5%	14.5%
Deposits from banks	315	1,678	1,824	-81.2%	-82.7%
Loans from banks and other financial institutions	7,207	4,841	10,451	48.9%	-31.0%
Subordinated loans	2,810	1,748	1,784	60.8%	57.5%
Other liabilities	4,962	3,040	3,135	63.2%	58.3%
<b>Total liabilities</b>	<b>145,222</b>	<b>131,039</b>	<b>130,632</b>	<b>10.8%</b>	<b>11.2%</b>
Equity	12,400	9,472	10,649	30.9%	16.4%
<b>Total liabilities and equity</b>	<b>157,622</b>	<b>140,511</b>	<b>141,282</b>	<b>12.2%</b>	<b>11.6%</b>

Indicators (RONmn)	Bank				
	Sep'23	Dec'22	Sep'22	Sep'23 vs Dec'22 %	Sep'23 vs Sep'22 %
Cash and current accounts with Central Bank	17,859	12,645	14,547	41.2%	22.8%
Placements to banks	8,912	6,635	6,303	34.3%	41.4%
Treasury financial instruments	50,154	45,823	46,278	9.5%	8.4%
Loans and advances to customers, net	68,437	63,450	63,215	7.9%	8.3%
Tangible and intangible assets	2,508	2,566	2,415	-2.2%	3.9%
Other assets	2,508	2,841	2,008	-11.7%	24.9%
<b>Total assets</b>	<b>150,377</b>	<b>133,960</b>	<b>134,767</b>	<b>12.3%</b>	<b>11.6%</b>
Deposits from customers	126,589	116,504	110,253	8.7%	14.8%
Deposits from banks	357	1,632	1,718	-78.1%	-79.2%
Loans from banks and other financial institutions	6,264	3,562	9,188	75.8%	-31.8%
Subordinated loans	2,782	1,719	1,754	61.8%	58.6%
Other liabilities	4,138	2,585	2,698	60.1%	53.4%
<b>Total liabilities</b>	<b>140,131</b>	<b>126,002</b>	<b>125,611</b>	<b>11.2%</b>	<b>11.6%</b>
Equity	10,247	7,958	9,155	28.8%	11.9%
<b>Total liabilities and equity</b>	<b>150,377</b>	<b>133,960</b>	<b>134,767</b>	<b>12.3%</b>	<b>11.6%</b>

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

At the end of the first nine months of the year, the Group's assets reached RON 157.6 billion, increasing by 12.2% compared to the end of last year and by 11.6% compared to the end of September 2022, mainly due to the increase in total assets of the Bank, which reached RON 150.4 billion.

**Loans' Portfolio:** At Group level, considering also the receivables from leasing contracts, the net loans' portfolio amounted to RON 72.6 billion, being 6.75% above the level of end-of-year 2022, and by 7.10% above the end of September 2022.

At the Bank level, net loans stands at RON 68.4 billion at the end of September 2023, expanding by 7.9% in the last nine months, and by 8.3% compared to the same period of the previous year. As for business lines, the balance of net loans to entities registered the most significant increases, of 11.57% compared to the end of the previous year.

BT continues to be an important partner in the governmental support programs, granting over RON 2.5 billion loans in the first nine months of the year.

Between January and September 2023, more than 209,000 new loans were granted to individual customers and companies.

**Provisions' stock:** Banca Transilvania recorded at the end of September 2023 a net expense from adjustments for financial assets for other risks and credit commitments in the amount of RON 140 million (including recoveries from off-balance sheet loans). The balance of provisions reached RON 4.3 billion at the end of September 2023.

The non-performing NPL ratio according to the EBA (European Banking Authority) stands at 2.22% at September 30, 2023 and the degree of coverage with total provisions of the non-performing loans according to EBA is 197,75%.

**Cash and current accounts** with Central Banks represent as at September 30, 2023, 13% of the total assets at Group level, respectively 12% at the Bank level, increasing compared to December 31, 2022 at both Group and Bank level.

At the Group level, the cash and current accounts with the Central Banks increased by 36,0% and 19,8% compared to the end of 2022 and respectively compared to September 30, 2022, amounting to RON 19,781 million. At the Bank's level, the growths are of 41.2% compared to December 31, 2022 and of 22.8 % compared to September 30, 2022, the final balance amounting to RON 17.859 million. The minimum required reserves, represent the most significant component in this asset category, with a weight of over 79% and an increase of 64.9% compared to December 2022, at the Bank level.

**Placements to banks** at the end of September 2023 grew compared to both analyzed periods, at Group and also at Bank level: by 44.3% and 34.3% respectively compared to December 31, 2022, and by 50.4%, respectively by 41.4% compared to September 30, 2022. This increase is caused by the balance of the Bank's deposits and current accounts at other banks, which grew from RON 4,582 million (December 2022) to RON 7,864 million (September 2023).

**Treasury financial instruments** include: financial assets measured at fair value through other comprehensive income, financial assets mandatorily measured at fair value through profit or loss, financial assets held for trading and measured at fair value through profit or loss, debt instruments measured at amortised cost as well as derivative instruments. Among those listed, in the total of treasury financial instruments, the most significant category is represented by financial assets measured at fair value through other comprehensive income representing approximately 33% of both the Group's and the Bank's total assets, at the end of the first nine months of 2023.

As compared to December 31, 2022, the treasury instruments increased by approximately 10% at Group level and by 9.5% at Bank level, while compared to September 30, 2022, these increased by 9.4% for the Group and by 8.4% for the Bank, reaching RON 51,902 million at Group level, respectively RON 50,154 million at Bank level. The increase in these instruments is directly correlated with the increase of the managed portfolio of bonds at the Bank level.

**Resources from clients.** At the Group level, customer deposits reached RON 129,928 million on September 30, 2023, increasing by 8.5% compared to the end of the previous year and by 14.5% compared to September 30, 2022. At Bank level, the balance of the customers' deposits reached RON 126,589 million on September 30, 2023, growing by 8.7% compared to the end of the previous year and by 14.8% compared to September 30, 2022.

Of the total customers' deposits, approximately 66% represent savings of the individuals and approximately 34% savings of the legal entities customers, both for the Group and the Bank. As of September 30 2023, the share of current accounts and fixed-term deposits are approximately equal.

**The loan-to-deposit ratio** at Bank level stands at 57.5% as at the end September 2023, the volume of gross loans being RON 72.7 billion, while the resources attracted from customers are RON 126.6 billion.

**Loans from banks and other financial institutions** represents 4.5% of total debt at the Bank level, increasing significantly during the first nine months of 2023, displaying a 75.8% growth versus end of December 2022, due to an additional issue of MREL eligible international bonds of EUR 190 million in August, on top of the EUR 600 million issued in April and June 2023. Over 90% of Loans

from banks and other financial institutions represent financing from international financial institutions, and have a maturity of more than 1 year.

**Subordinated loans** registered also a material growth of 61.8%, reaching RON 2,782 million at the end of September 2023, compared to RON 1,719 million the end of December 2022, at the Bank level; the increase in the category consists of a subordinated bond package of EUR 200 million provided by IFC and Asian Infrastructure Investment Bank (AIIB). Thus, Subordinated loans reach 2% of total debts of the Bank.

Thus, Banca Transilvania issued MREL eligible bonds of nearly EUR 1 billion in the first nine months of 2023, as part of the initiative to finance the economy through bond issues.

**The equity** of Banca Transilvania S.A. as at 30.09.2023 amounts to RON 10,247 million, up by 28.8% compared to the end of the previous year, when it amounted to RON 7,958 million, as a result of the incorporation of RON 910 million representing the reserves constituted from the net profit of the year 2022 and the improvement of reserves for securities by over RON 1,300 million.

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 September 30, 2023 and December 31, 2022, respectively, the Group and the Bank met all regulatory requirements regarding own funds.

Indicators	Group			Bank		
	Sep'23	Dec'22	Sep'23 vs Dec'22 %	Sep'23	Dec'22	Δ Sep'23 vs Dec'22 %
Tier 1 basic own funds ratio	17.14%	18.40%	-6.8%	17.71%	18.92%	-1.2%
Tier 1 own funds ratio	17.14%	18.40%	-6.8%	17.71%	18.92%	-1.2%
Solvency indicator	20.88%	20.81%	0.3%	21.91%	21.61%	0.3%

Indicators (RONmn)	Group			Bank		
	Sep'23	Dec'22	Sep'23 vs Dec'22 %	Sep'23	Dec'22	Δ Sep'23 vs Dec'22 %
Tier 1 basic own funds	11,045	11,123	-0.7%	10,143	10,235	-0.9%
Tier 2 own funds	2,409	1,461	64.8%	2,406	1,454	65.5%
Total own funds	13,453	12,585	6.9%	12,549	11,689	7.4%

**Solvency:** The Bank's solvency calculated as at September 30, 2023 is 22.94% (21.91% without the profit of the third quarter, the net profit of the first half of the year was included in Own Funds), being at a comfortable level, above the minimum reference threshold of 8%, value imposed by the Regulation (EU) no. 575/2013 on prudential requirements for credit institutions, which apply starting with 2014.

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

### 1.1.c. Profit and loss account

The main elements of the Profit or Loss Account at Group and Bank level for the first nine months of 2023, compared to the same period last year, are as follows:

Indicators (RONmn)	Group			Bank		
	Sep'23	Sep'22	Sep'23 vs Sep'22 %	Sep'23	Sep'22	Sep'23 vs Sep'22 %
Net interest income	3,794	3,146	20.6%	3,100	2,616	18.5%
Net fees and commission income	942	852	10.5%	815	727	12.1%
Net trading income	525	553	-5.1%	451	502	-10.1%
Net income/(loss) from financial assets measured at fair value through other items of comprehensive income	127	(98)		126	(102)	
Net income/(loss) from financial assets required to be measured at fair value through profit or loss	79	(80)		85	(93)	
Contribution to the Bank Deposit Guarantee Fund and to the Resolution Fund	(93)	(152)	-39.1%	(87)	(144)	-39.5%
Other operating income	256	207	23.4%	151	340	-55.6%
<b>Total operating income</b>	<b>5,629</b>	<b>4,428</b>	<b>27.1%</b>	<b>4,641</b>	<b>3,847</b>	<b>20.7%</b>
Net expense from impairment allowance, expected losses on assets, provisions for other risks and loan commitments	(215)	(318)	-32.2%	(140)	(198)	-29.3%
Personnel expense	(1,450)	(1,211)	19.8%	(1,208)	(1,022)	18.2%
Depreciation and amortization	(331)	(287)	15.5%	(299)	(257)	15.9%
Other operating expense	(751)	(674)	11.6%	(628)	(720)	-12.7%
<b>Total operating expenses</b>	<b>(2,749)</b>	<b>(2,489)</b>	<b>10.4%</b>	<b>(2,275)</b>	<b>(2,197)</b>	<b>3.5%</b>
<b>Profit before income tax</b>	<b>2,880</b>	<b>1,939</b>	<b>48.5%</b>	<b>2,366</b>	<b>1,650</b>	<b>43.5%</b>
Income tax expense (-)	(589)	(261)	125.6%	(507)	(209)	143.0%
<b>Net profit</b>	<b>2,291</b>	<b>1,678</b>	<b>36.6%</b>	<b>1,859</b>	<b>1,441</b>	<b>29.0%</b>
Profit of the Group attributable to equity holders of the Bank	2,212	1,609	37.5%	1,859	1,441	29.0%
Profit of the Group attributable to non-controlling interests	79	69	15.6%			
<b>Net profit</b>	<b>2,291</b>	<b>1,678</b>	<b>36.6%</b>	<b>1,859</b>	<b>1,441</b>	<b>29.0%</b>

Banca Transilvania recorded a profit of RON 1,859 million in the first nine months of 2023, which is 29% higher compared to the same period of 2022, when it amounted to RON 1,441 million. Similar growth has been achieved at Group level, with a net profit reaching RON 2,291 million, +36.6% over the same period of 2022 when it amounted to RON 1,678 million.

As of 30.09.2023, **Net interest income** grew significantly by 20.6% at the Group and 18.5% at Bank level determined both by the increase in lending activity to the population and companies, and by market rates which are still higher than last year (average 3-month and 6-month ROBOR being around 7% in the first nine months of 2023).

Continuous increase in the number of transactions, the number of clients and diversification of the operations available to customers caused **Net fees and commissions income** to show an increase during the first nine months of 2023, at both Group and Bank level by 10.5% and approximately 12.1% respectively, compared to the same period of 2022.

**Net trading income** was 5.1% lower than in the same period last year at Group level and by 10.1% at the Bank level, impacted by the decrease in income from interest rate and exchange rate derivatives, partially offset by higher income from foreign exchange transactions.

**Operating revenues** grew significantly in the first nine months of 2023 and amounted to RON 5,629 million at Group level and to RON 4,641 million at Bank level, being also higher by 27.1% and 20.7% respectively, as compared to the same period last year.

Both the Bank and the Group recorded **Operating expenses** increasing by 3.5% and 10.4%, respectively, compared to the same period last year. The most consistent increase was recorded in the case of salary expenses, which went up 18.2% for the Bank, determined by the salary raises, benefits granted to employees to support them against the background of increased inflation, as well as the expansion of the employee base - employee number increased by 4.4% at the Group level and by 3.8% at the Bank level compared to last year. Personnel expenses represent 57% of the total operational expenses recorded in the first nine months of the current year. Other operating expenses of the Bank decreased by 12.7% compared to those recorded in the same period of last year.

**Operational result.** Given the above, the Bank's operational efficiency continued to improve, reaching 45.79%, while in the first nine months of 2022 it was 51.49% (calculated with an annualized impact of the contribution to the Bank Deposit Guarantee Fund (FGDB) and the Resolution Fund).

The **result per share** for the first nine of 2023 and 2022, recalculated with the share capital increase realized in July 2023 is as follows:

Indicators	Group Sep'23	Group Sep'22	Sep'23 vs Sep'22%	Bank Sep'23	Bank Sep'22	Sep'23 vs Sep'22%
<b>Net profit for the period (RONmn)</b>	<b>2,291</b>	<b>1,678</b>	<b>36.6%</b>	<b>1,859</b>	<b>1,441</b>	<b>29.0%</b>
Basic earnings per share	2.7757	2.0175	37.6%	-	-	-
Diluted earnings per share	2.7757	2.0175	37.6%	-	-	-

### **Other information regarding the first nine months of 2023:**

Banca Transilvania is the market leader in the field of cards, having 5.8 million cards in its portfolio, out of which 630,000 are credit cards. Purchases made with the 5.8 million cards increased by 23% compared to the same period last year.

BT has over 3.6 million unique digitized customers, which represent 89% of the bank's active customers. This is one of the indicators that it 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.

The bank reached over 3 million unique cards in BT Pay, Apple Pay, Google Pay, Fitbit Pay and Garmin Pay wallets. The number of payments by phone increased by 46% in Q3 2023 compared to Q3 2022. At the same time, BT Pay money transfers are increasingly appreciated, their volume increased by 79% compared to those made in the same period last year.

As of September 30, 2023, Banca Transilvania owns a network of 1,850 ATMs, out of which 606 are multifunctional, through which self-banking can be done: from cash deposits in RON and foreign currency, to currency exchange and contactless cash withdrawals or code base. The Bank also owns over 494 BT Express terminals that are used for various operations, including bill payment, over 118,000 installed POS and collaborates with over 5,000 merchants, e-commerce users.

Compared to the same period of the previous year, in Q3 2023 interactions in the BT Visual Help application grew by 48%. BT Visual help is 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 approached 850,000 hits in Q3 2023.

The number of Internet Banking users exceeded 2.4 million in Q3 of this year, up by 22% compared to the same period of the previous year. The volume of transactions made through Internet Banking and Mobile Banking increased by 6% compared to the Q3 2022.

The Group's number of active employees as at September 30, 2023 is 11,604 (11,256 at December 31, 2022).

The Bank's number of active employees as at September 30, 2023 is 9,366 (9,109 at December 31, 2022).

### **1.1.c. Cash flow statement and liquidity position**

The cash flow statement detailing the cash flows from operating, investment and financing activities is part of the Financial Statements that accompany this report.

The liquidity coverage ratio (LCR), calculated according to the requirements introduced by Basel III, stands at 612% on 30.09.2023, being well above the minimum required level of 100%. The immediate liquidity of the bank on September 30, 2023 (49.76%) has improved compared to December 31, 2022 (44.5%), and the NSFR (Net Stable Funding Ratio) calculated for September 30, 2023 is 229%, while at the end of the year previously it was 220%.

## **2. The analysis of the bank's activity**

### **2.1 Presentation and analysis of trends, elements and events or uncertainty factors that could impact the bank's liquidity vs. the same period of the last year**

#### **Macroeconomic environment in Romania**

According to the figures released by the National Trade Register Office the number of the newly set up companies decreased by 5.87% YoY to 99.92 thousands during January – August 2023.

On the other hand, the number of the companies that entered the insolvency procedure contracted by 7.17% YoY to 3,975 in the first eight months of 2023.

At the monetary policy meetings in 3Q 2023 the Board of the NBR maintained the reference rate at 7.00% and the MRRs at 8.00% for RON and 5.00% for FX.

The figures published by the central bank show the increase of the non-government loans by an accelerating MoM pace to 0.6%, to RON 381.2 billion in September (a record high level).

In YoY terms the non-government loans maintained on a downward trend recently, to 4.5% in September, the weakest dynamics since October 2020 (the period of the COVID-19 pandemic).



The RON – denominated loans rose by 0.5% MoM and an accelerating YoY pace to 0.7%, to RON 259.4 billion in September.

At the same time, the FX-denominated loans increased by 1.0% MoM and by 13.6% YoY to RON 121.7 billion in September.

Between December 2022 and September 2023, the corporate loans rose by 8.4% to RON 208.3 billion, an evolution confirming the consolidation of the post-pandemic investment cycle.

The household loans inched up by 0.8% YTD to RON 172.9 billion in September, an evolution determined by the increase by of the consumer component by 3.6% YTD to RON 64.9 billion (the highest level since September 2010) (the housing loans contracted by 1.1% YTD to RON 105 billion).

According to the NBR statistics the non-government deposits climbed by 2.7% MoM and an accelerating YoY pace to 11.4% to RON 547.9 billion in September.

From December 2022 to September 2023 the household deposits rose by 6.5% to RON 322.3bn, while the corporate deposits advanced by 7.2% to RON 225.7 billion.

Therefore, the loans-to-deposits ratio declined to 69.6% in September, the lowest level since February 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**

**Investments in tangible and intangible assets** of the Group were RON 2,505 million at September 30, 2023, compared to RON 2,327 million at December 31, 2022 and RON 2,141 million at September 30, 2022. As compared to the two periods of the previous year, the value of tangible and intangible assets grew 7.7% compared to the end of the previous year and 17% compared to September 30, 2022.

At the Bank level, investments in tangible and intangible assets were RON 2,508 million at September 30, 2023, compared to RON 2,566 million at December 31, 2022 and RON 2,415 million at September 30, 2022. As compared with the two periods of the previous year, the value of the tangible and

intangible assets decreased by 2.2% compared to the end of 2022 and a increased by 3.9% compared to September 30, 2022.

### **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 consolidated and individual interim financial statements of the Group and the Bank were drawn up in accordance with IAS 34 "Interim financial reporting" adopted by the European Union, in force on the interim reporting date of the Group and the Bank, September 30, 2023. The data presented related to the conclusion of the third quarter of 2023 consider the organization and management of accounting in accordance with Law no. 82/1991 republished with subsequent amendments and additions; EU Regulation no. 575/2013 with subsequent amendments and additions; NBR Regulation no. 5/2013 with subsequent amendments and additions; NBR order no. 27/2010 for the approval of accounting regulations in accordance with the International Financial Reporting Standards adopted by the European Union applicable to credit institutions - republished with subsequent amendments and additions, 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**

During the General Meeting of Shareholders ("GMS") of September 29, 2023, the following were approved:

- a dividend distribution from the profit of 2022 as well as the reserves of the previous years as follows: the amount of RON 897,540,893 from the net profit reserves related to the year 2022, as well as the amount of RON 4,914,768.77 from the net profit reserves related to the previous years, thus the total amount of RON 902,455,661.77 being granted as cash dividends and a gross dividend/share of RON 1.13 (taking into account the number of shares entitled to dividend as of the registration date);
- the date of October 23<sup>rd</sup>, 2023 as the registration date and of the ex-date October 20<sup>th</sup>, 2023, 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.
- November 6, 2023 was set as the date of payment for the distribution of dividends;
- a program of corporate bond issues, denominated in euro and/or RON and/or in another currency, as the case may be, under market conditions in terms of interest rate, with a maturity of not more than 10 years, with the frequency of the annual or semi-annual coupon, for a maximum amount of EUR 1,500,000,000 or equivalent, on the basis of a flexible structure, through several separate issues, carried out over a maximum period of 5 years.

### **3.3 Changes in the management structure of the Bank (board, executive level etc.)**

There were no changes at the level of the Board of Directors or at the level of executive management.

At the level of the statutory auditor, as result of the decisions of the Ordinary General Shareholders Meeting of Banca Transilvania of April 26, 2023, it was decided to appoint Deloitte Audit SRL as the financial auditor for the Bank who will audit the financial situations of the Bank for the 2023-2027 financial exercises, in accordance with the International Financial Reporting Standards, as stated in the NBR order no. 27/2010, as well as the termination of the appointment of the existing auditor.

## **4. Significant transactions**

There were no significant transactions in the third quarter of 2023. There were no significant major transaction concluded by BT with the persons it cooperates with or in which such persons were involved during the third quarter of 2023.

## 5. Conclusions

In the first nine months of 2023, Banca Transilvania sustained an organic growth, especially due to the increasing volume of transactions. Over 209,000 loans were granted, while the portfolio of clients exceeds 4.1 million. The consolidated net profit of the Banca Transilvania Financial Group recorded in the period is RON 2,291 million (+36.6% compared to September 2022), of which the Bank's is RON 1,859 million (+29% compared to September 2022). The Bank's operational efficiency continued to improve, reaching 45.79%, while the reported level for the first nine months of 2022 was 51.49% (calculated with an annualized impact of the contribution to the Deposit Guarantee Fund Banking - FGDB and the Resolution Fund).

In the first nine months of 2023, Banca Transilvania shares, adjusted for the dividend in shares granted in July, yielded a return of 25.2%, while the BET index registered an increase of 22.9%.

Both TLV shares and the BET index have entered a pronounced uptrend since the latter part of June. This favorable context for the local capital market was boosted by the Hidroelectrica IPO and continued in the weeks following the listing. The capitalization of Banca Transilvania reached EUR 3.5 billion at the end of September 2023.

BT keeps SMEs at the center of its strategy, having unique competences in the market and branches in all areas of Romania. In October 2023, Banca Transilvania) and the European Investment Fund (EIF) signed a guarantee agreement by which BT will grant loans to SMEs with portfolio guarantees worth RON 1.5 billion. Companies will be able to access loans of up to EUR 7.5 million through Banca Transilvania, both for working capital and for investments, with guarantees of a maximum of 70% of the value of the credit facilities. The agreement concerns two programs intended for the private sector, Competitiveness (The SME Competitiveness Guarantee) and Sustainability (The SME Sustainability Guarantee), financed by the Recovery and Resilience Facility of the National Recovery and Resilience Plan (PNRR) and benefiting from the support of InvestEU.

BT has a very good position in the Micro, SME and Mid-Corporate markets, but also in specialized sectors such as Medical and Agro, that will continue to benefit from public investments and European funding. There is a big gap in comparison to Western Europe in terms of the medical sector that drives the need for investment and BT has the necessary capabilities to help customers.

Regarding the retail banking sector, there are several areas where network effects have been reached - BT Pay is the most used banking and payments app Romania, while the STAR program is the largest merchant and credit card ecosystem.

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

On November 6, 2023, Banca Transilvania S.A. paid dividends in accordance with the Decision of the Ordinary Meeting of Shareholders from September 29, 2023. Payments representing the dividends due to the shareholders shall be made in accordance with the applicable legal provisions.

The gross value of the dividend per share was RON 1.13, and the dividend tax will be withheld, in line with the legal provisions in force at the payment date. The above-mentioned Decision of the Ordinary Meeting of Shareholders also stipulates the registration date of October 23<sup>rd</sup>, 2023 and the ex-date of October 20<sup>th</sup>, 2023.

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

1. Summarized consolidated and separate financial statements prepared in accordance with IAS 34 “Interim Financial Reporting” as endorsed by the European Union as at September 30, 2023:
  - Consolidated and separate statement of profit and loss and other comprehensive income;
  - Consolidated and separate statement of financial position;
  - Consolidated and separate statement of changes in equity;
  - Consolidated and separate statement of cash flow;
  - Notes to the summarized consolidated and separate financial statements.
  
2. The statement of the Deputy CEO of Banca Transilvania assuming the responsibility for the summarized financial statements for the period ended on September 30, 2023.

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

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

**CHIEF EXECUTIVE OFFICER  
ÖMER TETİK**

**SHAREHOLDERS STRUCTURE AT  
30.09.2023**

<b>Explanations</b>	<b>No.of holders</b>	<b>No. Shares</b>	<b>Percentage %</b>
<b>ROMANIAN CAPITAL</b>	<b>47,599</b>	<b>606,067,292</b>	<b>75.89</b>
Individuals	46,888	177,973,357	22.28
Companies	711	428,093,935	53.60
of which Financial Investment Companies	5	147,842,608	18.51
<b>FOREIGN CAPITAL</b>	<b>1,028</b>	<b>192,590,941</b>	<b>24.11</b>
Individuals	795	8,677,253	1.09
Companies	233	183,913,688	23.03
<b>TOTAL</b>	<b>48,627</b>	<b>798,658,233</b>	<b>100</b>

## **STATEMENT**

As per provisions the article 30 of the Accounting Law no. 82/1991, republished, we hereby state that we take full responsibility for preparing the interim condensed financial statements as at September 30, 2023 and confirm that:

- a) The accounting policies used to prepare the interim condensed consolidated and separate financial statements are in accordance with the International Financial Reporting Standards as endorsed by the European Union (“IFRS”), applicable as at the reporting date September 30, 2023;
- b) The interim condensed consolidated and separate financial statements, prepared as at September 30, 2023 present a true image of the assets, liabilities, statement of financial position, statement of profit or loss of Banca Transilvania S.A.;
- c) Banca Transilvania S.A. carries its business on an ongoing basis;
- d) The Interim Report has been prepared in accordance with the ASF Regulation no. 5/2018 and reflects the fair and complete information at the reporting date.

**DEPUTY CEO,**

**GEORGE CĂLINESCU**

November 10, 2023

Refer to the original signed  
Romanian version

Refer to the original signed  
Romanian version

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**TRANSLATOR’S EXPLANATORY NOTE:** The above is provided as a free translation from Romanian which is the official and binding version