

# ALPHA BANK ROMANIA.

Nonfinancial Statement

20

22

# CONTENTS

---

**01**

Context

**02**

About Alpha Bank Romania

**03**

Business Model

**07**

Social and employee matters

**09**

Disclosures pursuant to Art. 8  
Taxonomy Regulation

**04**

Corporate Governance

**05**

Compliance and Ethics

**06**

Risk Management

**08**

Together for the environment

Annex

Glossary

# CONTEXT



This Non-Financial Statement (the “Statement” or the “NFS”) of Alpha Bank Romania SA (“ABR”, the “Bank”), has been prepared in accordance with the provisions of NBR Order no. 27/ 2010 for the approval of accounting regulations in accordance with International Financial Reporting Standards, applicable to credit institutions, as further amended and completed, EU Regulation no. 852/ 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/ 2088 (Taxonomy Regulation), EU Commission Delegated Regulations no. 2139/ 2021 (Climate Delegated Act) and EU Commission Delegated Regulations no. 2178/ 2021 (Environmental Delegated Act).

The Statement is published annually together with the annual report and annual financial statements.

In drawing of the NFS the following principles were and are always complied with:

- **Stakeholders’ inclusiveness:** Alpha Bank Romania’s activities take into consideration the interests and expectations of stakeholders in order to sustain and promote a sustainable business and social environment for all parties involved.
- **Sustainability:** the NFS took into consideration the context of the market in which Alpha Bank Romania operates.
- **Year on Year Comparison & Accuracy:** the indicators, where available, show Year on Year (YoY) comparability, thus allowing accurate monitoring of the performance.
- **Reliability:** all data presented have been collected from and validated by the units involved in the reporting process.

## **1.1. Scope of reporting**

The data enclosed within this NFS covers all operations of Alpha Bank Romania in 2022 (1 January -31 December 2022) and are presented, where available and deemed needed for the scope, in comparison with those for the previous year.

## **1.2. Reporting stream**

The information and data collected and presented in this report were based on:

- The involvement of all units of the Bank which were responsible and relevant for the material issues related to the NFS.
- Internal teams that were in charge with collecting, analyzing, consolidating, and validating the information, each for their own area of responsibility.
- Skilled personnel which was involved in consolidating the information. They had the right qualifications and/ or abilities to discern and compile the information for the report, for example: GRI certification, CFI ESG specialization, ISO 14001:2015 and ISO 19011:2018 internal auditor certifications.

The Statement, subsequent to its approval by the management body, is published on ABR website both in Romanian and English language to ensure full transparency and availability to all stakeholders.

## ABOUT ALPHA BANK ROMANIA



## About ALPHA BANK ROMANIA

---

Alpha Bank Romania is a member of Alpha Bank Group, one of the largest banking and financial groups in Greece. The international activities of the Group are extended, in addition to Romania, to the United Kingdom, Luxemburg and Cyprus.

Alpha Bank Romania has a branch network of 133 units that fully covers the national territory. Out of the total number of units, 125 are accessible to people with disabilities.

All Bank's activities are directed towards supporting the sustainable growth of the Bank and are governed by principles enforced by ethics and laws:

- Integrity and honesty
- Objectivity and independence
- Discretion and confidentiality
- Disciplined and reasonable risk taking
- Transparency

and by the values upon which Alpha Bank Romania conducts its business:

## EVOLUTION THROUGH



## PILLARS OF COMMITMENTS



# BUSINESS MODEL





---

## 3.1. Overview

Alpha Bank Romania is a systemic financial institution, ranked among the top 10 banks in Romania in terms of total assets. It has provided and continues to provide universal banking operations in Romania over the last 27 years, under the form of a wide range of modern services and products for individuals, as well as for SMEs and the corporate clients.

The Business Model of ABR aims to create value for its stakeholders (i.e. shareholders, clients, employees etc.). Moreover, ABR supports the Romanian economy, through the services and products offered, which are continuously enhanced, including through the adoption of digitalization and incorporation of social and environmental characteristics, and actively contributes to society through CSR projects.

Alpha Bank Romania invests in its employees, in its network and infrastructures in order to develop and place on the market high quality services and products. It also works together with its stakeholders to identify their requirements in a timely manner and hence ensure responsible operation and support to society.

Alpha Bank Romania strives to provide a healthy work environment, in which its employees broaden their knowledge and skills both for own development and to be better positioned to contribute to the development of new products and services.

The Bank is paying particular interest to the energy efficient mortgage sector, being the first financial institution participating in market level initiatives in this respect – as at 31.12.2022, ABR is the only bank in Romania that has joined the Energy Efficient Mortgage Label certification scheme, is a member of the Romanian Council of Green Buildings (RoGBC) and is a participant in the European Energy Efficient Mortgages Initiative.

At the date of issuance of this report, Alpha Bank Romania is conducting a large internal project aimed at further incorporating ESG within all aspects of its operations, from business strategy, internal governance, risk management framework to internal and external reporting processes and data management. Moreover, within this project, the Bank is conducting also an impact analysis which should enable identifying the most significant ESG impact areas and hence enhance the integration of environmental and social factors into its business strategy and processes, including through the expansion of ESG relevant KPIs.

Please see <https://www.energy-efficient-mortgage-label.org/issuers/directory>

---

## 3.2. 2022 business developments

In 2022 Alpha Bank Romania continued to stand by its commitment towards its customers and the Romanian economy, despite the challenging macro environment, while recording a solid commercial and financial performance.

The Bank continued to support Romania's economic growth by actively participating in programs implemented by the Romanian Government: IMM Invest, Agro IMM Invest, IMM Prod, Garant Construct, Rural Invest and Innovation.

New funding provided to corporates registered a 40% increase while 2022 new SME's loan originations recorded a similar evolution, 43.5% versus previous year. New origination of mortgages in 2022 grew by approximately 20% YoY.

Versus the previous year Alpha Bank Romania continued its digital innovation and transformation agenda, with a wide range of projects ranging from distribution channels to products and services and internal processes. In this context in December 2022, the Bank launched its Digital Onboarding Platform for individuals and customers are now able to remotely initiate a banking relationship, open a current account, receive a debit card and receive online banking credentials. Alpha Bank Romania's Contact Center capabilities have also been extended with Dana, the Bank's virtual assistant, offering various fully automated services.

During 2022 Alpha Bank Romania rolled out full coverage of its branch network with multifunctional machines (ATM 24/7 Banking) thus allowing customers to perform a wide range of transactions unattended and outside of business hours.

In the field of payment solutions for merchants, the bank consolidated its position as a top player, with the volume of payments processed through the POS, Tap to Phone and e-commerce solutions offered by Alpha Bank recording an annual growth of 36%. During 2022, the Bank launched the first card tokenization option in the Romanian market for online merchants and integrators to ensure a safer and smoother payment experience.

As well, in 2022 Alpha Bank Romania launched a new design for debit and credit cards, inspired by Greek mythology incorporating sustainability principles as all new issued cards are produced from recycled materials.

---

The result of all actions conducted by Alpha Bank Romania towards the improvement in the customer experience for its clients and their overall satisfaction reflect in the slight increase of the Net Promoter Score\* (NPS) to 30, in 2022, compared to 2021, when it reached 24.

*\* Net promoter score (NPS), commonly referred to as net promoter, is a metric that evaluates how likely customers are to recommend the goods or services of a business to others. In essence, the NPS can be seen as a measure of client experience and loyalty. The goal of the statistic is to identify customers who are less pleased with the products or services and turn them into brand advocates.*

Alpha Bank Romania also continued to support culture and community involvement, while promoting financial education through a series of programs dedicated to pre-university students.

The social responsibility programs are carried out in accordance with the Bank's values and objectives, which target areas of interest such as society, the environment, and people.

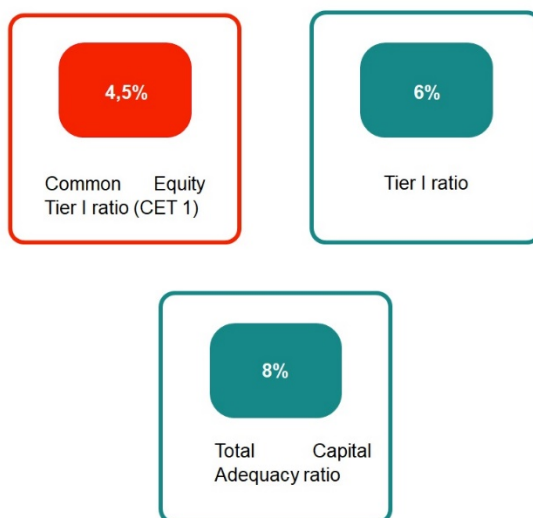
The 2022 CSR Programs Highlights, the Distinctions & Awards granted to Alpha Bank Romania, and 2022 key actions can be found in the Annex.

### 3.3. Regulatory Framework and developments

Alpha Bank Romania is supervised by the National Bank of Romania ("NBR") according to the new "Capital Adequacy of investment firms and credit institutions" framework, widely known as Basel III, as formalized through the Regulation (EU) 575/2013 dated 26 June 2013, along with the Directive (EU) 2013/36 dated 26 June 2013 as well as the Financial Supervisory Authority. The fundamental principles of the above directive have been incorporated in NBR Regulation no. 5/2013 on prudential requirements for credit institutions, as further amended and supplemented.

The aforementioned framework sets the minimum own funds requirements as follows:

The aforementioned framework sets the minimum own funds requirements as follows



---

On top of the minimum own funds' requirements the Bank considers the regulatory capital buffers.

- Capital Conservation buffer of 2.5%
- O-SII capital buffer between 1% and 3%
- Systemic risk capital buffer between 0% and 2%
- Countercyclical buffer between 0% and 2.5%

*Note: According to NBR's Order no. 7/2021, Alpha Bank Romania is a systemically important bank and must maintain an O-SII capital buffer.*

### **Supervisory Review and Evaluation Process (SREP)**

The NBR conducts annually a Supervisory Review and Evaluation Process (SREP) to set prudential limits and other qualitative requirements to banking institutions.

This process evaluates the:

- Sustainability and viability of business model
- Adequacy of governance and risk management
- Assessment of risk to capital
- Assessment of risks to liquidity and funding

The minimum capital requirements is determined by the NBR following the assessment of the institution's risk profile.

# CORPORATE GOVERNANCE



---

## 4.1. Overview

Alpha Bank Romania has adopted a unitary management system and operates within a corporate governance framework comprised of the Bank's Incorporation Act, the Policy on the structure, duties and responsibilities of the Board of Directors and of the Executive Committee, the Bank's Operations By-Laws, (organizational structure represented by units, divisions, departments and desks, territorial network, roles and responsibilities of the units and of the operational committees) accompanied by relevant policies and procedures, as the case may be. The internal governance framework consists of several internal documents comprising all the components stipulated by Article 4 of NBR Regulation 5/2013 regarding prudential requirements for credit institutions, as subsequently amended and supplemented.

The General Assembly of Shareholders is constituted, under the law, of all the Bank's shareholders and is competent to decide on matters falling within its competence, in accordance with the legal provisions and of this Articles of Incorporation.

Shareholder's  
structure as  
at 31.12.2022

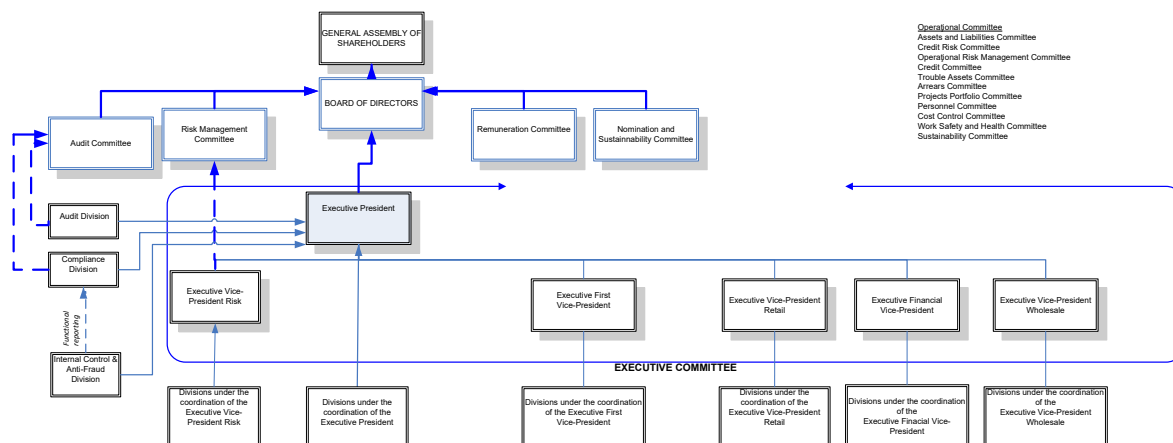
Alpha International Holdings Single Member S.A.: 99,91838%  
Eirini Brintaki: 0,08162%

Social Capital: 958.811.443,20 RON



General Assemblies are chaired by the Chairman of the Board of Directors or in his absence, by the Executive President. In the absence of both, the General Assembly appoints another president for chairing the General Assembly among the members of the Board of Directors. The Bank's management body consists of the Board of Directors and the Executive Committee.

The organizational structure of Alpha Bank Romania SA is, as at 31.12.2022, the following:



The Board of Directors (“BoD”) represents the oversight function of the management body, establishing the strategy, objectives and the general orientation of the Bank, ensuring oversight and coordination of the senior management (Executive Committee).

Convicting judgements against the Senior Management for any human rights violations during the year	Measurement Unit	Date 31.12.2019	Date 31.12.2020	Date 31.12.2021	Date 31.12.2022
Cases	Number	0	0	0	0

The Board of Directors is comprised of 9 (nine) members, out of which 3 (three) are independent. The number of the members of the Board of Directors can be modified at any time by decision of the Extraordinary General Assembly of Shareholders. The duration of the mandate of the members of the Board of Directors cannot exceed 4 (four) years and they may be reelected.

The Members of the Board of Directors (BoD) have the appropriate qualifications to cover the “fit and proper” criteria – i.e., good reputation, character, and integrity, financial and/or other professional or business experience adequate to the nature and complexity of the credit institution’s activity and/ or the entrusted responsibilities. They must exercise their duties aiming at the proper and effective functioning of the BoD and of the Bank in the context of the applicable legal and regulatory framework specific to their position.

During 2022, 4 (four) advisory committees functioned at the level of the Board of Directors, whose members were appointed by the Board of Directors, each committee having a specific advisory role and providing assistance in supervising the necessary implementations on the areas of organization and functioning of the management body (Board of Directors and the Executive Committee), audit, risk management, remuneration, as appropriate.

---

## 4.2. ESG Governance

In 2022, the Bank continued the process of specific integration of dedicated sustainability governance elements at the level of the management body. In this respect, the main aspects are presented below:

- In June 2022, the Board of Directors revised the Charters of its advisory Committees, focusing on integrating and formalizing the explicit role on the sustainability area, in alignment to the Group framework, the main changes being, without limitation, as follows:
  - the Nomination Committee was renamed into Nomination and Sustainability Committee. One of its Members, in the person of Mrs. Sorana Baciú, Independent Director (who is also the Chairman of the Audit Committee and member of the Risk Management Committee), was appointed as the member in charge of overseeing ESG issues, given her expertise on the area (please also see the brief professional profile available in the Corporate Governance Statement section, at page 36 of the present Report of the Board of Directors). The scope of the Committee was enlarged with the pursuit of the implementation of Environmental, Social and Governance (ESG) standards according to the regulatory framework and the relevant best practices, thereby strengthening the Bank's long-term commitment to creating value in its sustainable development. ESG includes environmental issues like climate change and natural resources scarcity, social issues like labor and workforce considerations, corruption, bribery, and human rights as well as governance issues like Board of Directors diversity and remuneration issues.
  - The Scope of the Risk Management Committee has been enlarged to ensure the Bank adequately embeds ESG risks in the overall risk appetite statement and framework, business strategy and risk management framework.
  - The Audit Committee's responsibilities were updated with the oversight of the non-financial information reporting, including sustainability and ESG disclosures as well as with ensuring the liaison with other Board Committees in relation to issues concerning the effective adherence to responsible practices relating to ESG.

The Remuneration Committee's responsibilities were enriched with the assessment of the alignment of the remuneration policy with the Bank's Environmental, Social and Governance (ESG) objectives, e.g., long-term resilience of the business strategy under ESG considerations and risk appetite in order to avoid conflicts of interest when business decisions are made and to facilitate the implementation of ESG risk-related objectives.



- 
- During 2022, the Board of Directors had on its agenda matters related to environmental, social and governance aspects, including without limitation, the following:

On the Environmental dimension:

- Approval of the Environmental and Social Risk Management Policy On the Social dimension:
- Approval of the Environmental and Social Risk Management Policy
- Follow-up on staff turnover and approval of new actions under the Staff Retention Plan
- Performance appraisal and personnel remuneration related matters
- Training plan of the management body members, with focus on sustainability and ITC & Cybersecurity
- Through its Audit Committee, information on the staff trainings performed under the compliance area of responsibility
- Management Body training
- Diversity and targets, as it can be read in the Corporate Governance Statement of the present Report of the Board of Directors

On the Governance dimension:

- Approving the formal independence and respectively in thought of the members of the management body and respectively the remuneration of the Administrators
  - Approval of Anti-Bribery and Anti-Corruption policies, Code of Conduct, Transparency Policy, Outsourcing Policy.
- In August 2022, following the launch of the **Group ESG project**, a local project was launched also at ABR level focusing on the following streams:
- Operating Model
  - Business & Strategic Planning
  - Climate Risk Management Framework
  - Sustainable Finance Framework
  - Data and processes
  - Regulatory Disclosures

Ever since, the liaison between the Group and the local Bank in terms of initiatives and program has been ensured through the Project. The organizational chart of the Bank as far as the ESG area is concerned did not change during the reporting period but changes could take place as a result of the ESG Project roll out.

In December 2022, the **Sustainability Committee** was set up as an operational committee reporting to the Executive Committee with the scope of taking cognizance of and deciding upon Sustainability and Environmental, Social and Corporate Governance related (“ESG”) matters to ensure an internal governance framework that allows the Bank to manage ESG risks and consider all sustainability topics.

- 
- One of the responsibilities of the Sustainability Committee, as included in the committee charter, is to establish the ESG strategy including ESG targets and KPIs, ensure that these are aligned with and incorporated into the risk appetite framework, business plan etc., and monitor Bank's performance against the targets set. It also proposes criteria for sustainable credit approvals, debt issuances and investments.

Also, a **Work Safety and Health Committee** operates under the supervision of the Executive Committee, approving the annual occupational safety and health program in order to improve the working environment. It meets whenever necessary, at least once a quarter, and the minutes of the meetings are notified to the Executive Committee on a quarterly basis. In 2022, the Committee convened in 4 such sessions.

In 2022, the Board of Directors, with the support of the Nomination & Sustainability Committee assessed the effectiveness of its operations as well as that of its consultative committees. Also, both the individual suitability assessment of the members of the management body and the collective suitability of the management body were performed along the lines of the applicable legal and regulatory framework. The sustainability related topics were part of the continuous professional training of the members of the management body in 2022, provided by one of the Big-4 consulting companies, and will continue as a focal point for the program of the year 2023, with the purpose to ensure the necessary skills for enhanced strategy integration and supervision of the related risks.

The Board of Directors has delegated part of its responsibilities to an Executive Committee elected from among the members of the Board of Directors or from outside of it. The Executive Committee consists of 6 (six) members and represents the senior management (management body in the management function), the Board of Directors representing the management body in the supervisory function.

*Note: Further details can be found under Transparency and Publication Reports published on Alpha Bank Romania website under: [Guvernanta Corporativa](#)*

---

### 4.3. Diversity of the Administration and Management Body

The Bank considers the diversity of the management body when recruiting new members and applies a diversity policy, as more diverse management body can support improved decision-making in terms of strategies and risk-taking by facilitating a wider range of views, opinions, experiences, personal perceptions, values, and contexts, thus improving the quality of its performance, and having a long-term and sustainable development.

In this regard, all appointments are made based on merit and in accordance with regulatory requirements, without discrimination as to ethnicity/ nationality, gender, religion, sexual orientation, age, physical ability, family status or other ideologies and considering diversity issues.

The Bank encourages the presence of female members in the management body to enhance the quality of its performance and ensure balance, as long as professional criteria for appointment are met.

As at 31 December of each financial year	Number of Board of Directors members	Gender distribution	
		M	F
2016	9	8	1
2017	9	8	1
2018	9	8	1
2019	9	6	3
2020	9	6	3*
2021	9	6	3
2022	9	6	3**

\* Out of which 1 Director of feminine gender was in process of obtaining the NBR prior approval

\*\* A 4<sup>th</sup> female Director is in process of obtaining the NBR prior approval, replacing one of the masculine gender Directors

*Notă: Informații detaliate privind Adunarea Generală a Acționarilor, organul de conducere și comitetele acestuia, precum și privind diversitatea, se regăsesc în Declarația privind Guvernarea Corporativă, care face parte integrantă din actualul Raport al Consiliului de Administrație pentru anul 2022, la paginile 36 - 48 și în secțiunea RAPOARTE PRIVIND TRANSPARENȚA ȘI PUBLICAREA de pe website-ul oficial al Băncii, la: [Guvernare Corporativă](#) (faceți clic pentru a accesa link-ul)*

## COMPLIANCE AND ETHICS



---

**The Compliance Division** assists the management body in identifying, assessing and monitoring the compliance risk associated with the Bank's activities. It has the mission to establish the methodologies for measuring/ assessing the compliance risk arising from breaches or non-compliance with the legislative and regulatory framework, continuously verifying that the Bank's processes are formalized at an appropriate level to prevent breaches of external rules (laws, regulations, etc.) and internal regulation such as codes of conduct, ethics and other more.

The operation of the Compliance Division is established under the National Bank of Romania's Regulation no. 5/2013 on prudential requirements for credit institution, as further amended and completed, as part of the second line of defense, representing one of the three pillars of the Internal Control System. The Division is independent of the operational units that it controls, and has unrestricted access at all data and information within the Bank, necessary for carrying out its role. The Division reports to the Board of Directors via the Audit Committee and is organized under the administrative coordination at the level of the senior management. There is close collaboration with Group Compliance Division, both at the manager level and the compliance officers' level.

In line with the local applicable legislation, the manager of Alpha Bank Romania Compliance Division, coordinator of the compliance function, reports to the Board of Directors via the Audit Committee and it is subordinated to the Executive President.

Alpha Bank Romania, in accordance with the provisions of Law no.129/2019 for preventing and combating money laundering and financing terrorism, also appointed a Anti-Money-Laundering (AML) Compliance Officer that is a member of the Bank's senior management (Executive Committee member).

The Anti-Money-Laundering (AML) arm of the compliance function has the mission to contribute to the prevention of risks related to the use of the financial system in order to launder the revenues from criminal activities and eluding the international sanctions and terrorist financing based on the reference regulations, e.g.: Law 129/2019, NBR Regulation 2/2019, NBR Regulation 28/2009.

The Bank, recognizing the risks posed by money laundering and the financing of terrorist actions/ activities and their possible consequences, as well as the importance of combating financial crime, established and implemented a policy to prevent money laundering and terrorist financing. Whenever a change occurred in the policy the approval of the Board of Directors of the Bank is requested, considering the recommendations of the International Financial Action Task Force (FATF) and the applicable regulatory framework. AML's policy is endorsed by the Group's Compliance Division and approved by the Bank's Board of Directors.

---

The Bank's compliance function is structured along three lines of defense:

**The 1<sup>st</sup> line of defense:** The Bank's Business Units, which are responsible for the implementation of the Compliance Policy, Anti Money Laundering/ Know Your Customer/ Combating the Financing of Terrorism/ applying international sanctions Policy and related procedures.

**The 2<sup>nd</sup> line of defense:** The Compliance Division, along with Internal Control & Anti-Fraud Division are part of it. Internal Control & Anti – Fraud Division is organized at the level of the Head Office and is under the administrative subordination of the Executive President, with functional reporting line to the Compliance Division.

1. The mission of the Anti-Fraud function is to permanently and systematically verify the Bank's activity and to contribute to the identification and prevention of internal/ external frauds, by:

- ensuring the compliance of the bank's activity with the provisions of its own internal norms through periodic operative controls, especially at the level of the territorial network;
- sampling testing of the operations and functioning of the internal control activities;
- analysis of suspicions of fraud, both external and internal, in the processes of crediting, trading through cards, payment operations, etc.;
- collaboration with the authorities for the prevention and identification of fraudulent transactions and their blocking.

Reports on the activity of the Internal Control and Anti-Fraud Division are submitted quarterly to the Executive Committee and Audit Committee.

**The 3<sup>rd</sup> line of defense:** The level three controls are carried out by the Internal Audit Function, whose mission is to assist the Bank to fulfill its objectives, contributing through its activity, independent and objective, to the systematic evaluation and improvement of the adequacy and effectiveness of the internal control framework, risk management and corporate governance processes.

The Manager of Alpha Bank Romania Audit Division, coordinator of the audit function, reports functionally to the Board of Directors of the Bank through the Audit Committee and administratively to the Bank's Executive President.

The 1<sup>st</sup> and 2<sup>nd</sup> lines of defense report to the management body, which exercises governing level controls.

Alpha Bank's fundamental policies in relation to environmental, social and governance issues are listed below and are available for the employees of the Bank in a dedicated section on the Alpha Bank Romania's Intranet.

---

## **Codes and policies addressing ethics & responsibility:**

- Ethics
- Conduct
- Whistleblowing Mechanism
- Anti-Corruption and Anti-Bribery
- Sponsorship
- Prevention of conflict of interests
- Personal data protection
- Complaints management
- Information security
- Market abuse
- Know Your Customer, Anti-Money Laundering, combating terrorism financing and applying International Sanctions

**Policies** on Employee Health & Safety, including diversity, inclusion and remuneration

**Policies** addressing the management of significant risks, including: credit risk (comprising environmental & social, settlement, concentration, residual), market risk, liquidity and funding, interest rate risk in the banking book, operational risk (including fraud risk, conduct risk, Information Technology and Communication, security as well as legal risks), reputational risk, compliance risk, strategic risk, excessive leverage risk, covered bond issuance risk.

### **Policies addressing:**

- Business Continuity Management
- Tax
- Outsourcing
- Disclosures

**Policies** on the organization and functioning of the management body, including diversity and remuneration matters.

**The anti-corruption and anti-bribery policy** approved by the Board of Directors, is revised on annual basis, in December. Last revision took place in December 2022. The Bank has zero tolerance for bribery and corruption. To this end, the Bank:

- Adopts legal requirements necessary to install a strong anti-bribery and anti-corruption environment;
- Does not offer bribes, directly or indirectly on behalf of the Bank, to gain a business advantage;
- Does not accept bribes or agree to accept them on behalf of the Bank and the Group to influence business;
- Ensures the protection of the employee who refuses to accept bribes, demotion, or any negative impact;
- Takes all necessary measures to keep personnel informed of this policy.

---

The Bank ensures compliance with this Policy through adequate procedures which are relevant to the type of business of the Bank. Moreover, procedures are reviewed regularly, at least annually, to ensure appropriateness.

Every employee of the Bank is responsible for the prevention, detection and reporting of bribery and other forms of corruption. To this end, the Bank's personnel is obliged to report any breaches or suspected breaches of the policies that comes to their attention by using the means provided in the Whistleblowing Policy and related procedures through which Alpha Bank Romania receives, assesses, and investigates anonymous and nonanonymous reports on serious irregularities, omissions or offences that came to the attention mainly of its personnel, customers, or suppliers.

The process is covered by the Whistleblowing Policy that is disclosed, as well, on Alpha Bank Romania's website: [Informatii si documente | Info Utile | Alpha Bank](#) (click to follow)

Metric	Measurement unit	Date 31.12.2021	Date 31.12.2022
Alerts under Whistleblowing Policy	Număr	1	0
<b>Zero significant findings following examination by the competent committee</b>			

A major commitment of the Bank is to maintain the highest level of ethical and professional behavior, having zero tolerance towards illegal and irregular acts affecting its prestige and credibility.

The Bank has implemented the **Policy on the prevention of conflict of interests** which aims to define the rules, standards and principles of professional conduct, in order to effectively identify and manage, but also try to prevent, cases of conflict of interests which may arise in the context of the Bank providing products and services in accordance with the provisions of the regulatory framework and best practices, including where such conflicts of interests arise in the context of the MiFID II business. Also, the Bank has established an internal control system to minimize the risk of conflict of interest and potential damage to the interests of the Bank and customers.

For the purpose of identifying cases of Conflict of Interests which could be detrimental to the interests of the Customers and/ or the Bank's interests and reputation, the Bank verifies constantly whether it is engaged, as a result of the provision of banking operations, investment services and activities, or of ancillary services on Financial Instruments, or in any other way, in one of the following situations: (1) Customer-related conflicts; (2) Bank-related conflicts, (3) third parties related conflicts.



---

The Bank monitors on a regular basis all types of conflicts of interest: real, potential, and apparent. No real conflicts of interest were identified during 2022.

Training programs (courses and awareness) on anti-corruption policies and procedures and conflict of interests, know your customer/ anti-money laundering/ combating terrorism financing and applying International Sanctions are conducted annually for the Bank's personnel to raise awareness about the newly implemented and future policies

Indicator	Measurement unit	Date 31.12.2021	Date 31.12.2022
Employees that attended compliance specific training programs throughout the year	Number	2.435	2.554

Operating in a market where competition is growing and the globalization of services requires competitive business strategies, Alpha Bank Romania pays special attention to the needs of stakeholders. We are respecting internationally recognized guidelines and principles and local legal frameworks, along with the Code of Conduct, supplemented by the provisions of the Code of Conduct issued by the Romanian Association of Banks, the Code of Ethics and the principles of Corporate Governance of the Bank.

*Note: Detailed information on the Code of Ethics can be found on the official website of the Bank, at: [codul-de-etica.pdf \(alphabank.ro\)](#) (click to follow link)*

In 2022, 593 Alpha Bank Romania's employees undertook total of 1,482.5 hours of eLearning course on Totara: Banking Secret; Code of conduct; Dress Code. The course is automatically assigned to all new employees in the mandatory training package to be completed in the first 2 weeks after employment.

As of 31.12.2022, all Alpha Bank employees passed through 6 mandatory courses: GDPR, Cyber Security, Anti-Fraud, KYC & AML, Bank Secrecy & Privacy, Conflict of interests. In addition to these compulsory courses, the employees are taking at least two other courses of their choice, out of 120 courses incorporated by Totara, the internal e-learning platform.

The number of active courses on Totara and available for all employees at 31.12.2021 was of 112 and at 31.12.2022 of 120.

# RISK MANAGEMENT



---

## 6.1. Risk profile

Alpha Bank Romania, based on its solid reputation, its good organization, its well-trained staff, its longstanding relationships with its customer base and its conservative risk policies, is successfully operating up to date adjusting itself to the prevailing circumstances.

The Bank's focus throughout 2022 was to maintain its risk profile in line with its risk strategy, within the risk appetite limits, ensuring the safe and sound functioning of the daily business operations and supporting the strategic management initiatives considering a balanced risk-return approach.

## 6.2. Risk Management Strategy and Policy

The risk management strategy and policy are approved by the Board of Directors and constitutes the main pillar supporting the Bank in the implementation of its overall business strategy and continuous operation under normal and adverse economic conditions.

**The risk management framework** is dynamic and evolves constantly in response to changes in strategic goals, and internal (organizational and business) and external (market) conditions. The significant risk management strategy and policy is reviewed annually. Risk analysis is integrated into the Bank's annual strategic planning process and strategic plan goals are reviewed against the risk policy. Internal Audit is responsible for providing an independent review of the integrity of the overall risk management processes and ensuring the appropriateness and effectiveness of the controls applied.

The risk management function is independent of the operational functions, with sufficient authority, importance, resources, and access to the management body. The function is responsible for ensuring compliance and monitors the implementation of the risk management strategy and policy in accordance with the regulatory framework. In this respect, it is actively involved, from an early stage, in developing the strategy for significant risk management and provides a complete picture of the entire range of risks to which the Bank is exposed, contributing to the establishment of an effective risk management processes.

The Risk Management function ensures that all identified risks are effectively monitored by operational units. It periodically monitors the Bank's current risk profile and examines it in relation to its strategic objectives and risk appetite to allow senior management to make decisions.

The Bank's personnel are fully aware of its responsibilities in terms of risk management. Operating units are primarily responsible for the day-to-day management of risks, considering the Bank's risk appetite and risk capacity, in accordance with its existing policies, procedures, and controls.

---

During the day-to-day operations, the operational units identify, measure, and evaluate, monitor, mitigate and report the risks arising from the normal activity of the Bank in accordance with the risk management process.

Non-financial risks are included among the individual hazards identified by the Bank, in addition to those that are typical of the financial sector, such as credit risk, market risk, exchange rate risk, liquidity risk, and operational risks (including IT risks and cyber risks).

The management and continual monitoring of such risks is an essential requirement for generating and protecting value and has an impact on issues that the Bank considers to be priorities, such as maintaining a high level of service and customer satisfaction.

As of 31.12.2022, environmental factors are integrated into loan origination and monitoring processes and also into reputational risk mitigation processes.

### **6.3. Environmental & social risks**

Alpha Bank Romania has implemented strengthened oversight and control measures designed to ensure that all types of financing to new and existing business lending obligors/projects are assessed to identify, quantify, manage and monitor, and, where appropriate, mitigate, the Environmental & Social risks. One of the main components of this framework are the Environment & Social risk assessment and monitoring procedures, implemented throughout the credit risk management process, from the appraisal of the initial credit proposal to the monitoring process, in order to understand the environmental and social risks associated with the obligor's operations before they become significant or result in an adverse outcome for the bank. For these purposes, Alpha Bank Romania uses the following set of procedures and stages of the overall credit risk assessment process:

- Screening obligors/ projects, at the initial stage of evaluation;
- Categorizing obligors/ projects based on their Environment & Social risks;
- Conducting Environment & Social Due Diligence;
- Decision-making;
- Monitoring the obligor's Environment & Social performance; and
- Managing an obligor's non-compliance with the Group's Environment & Social standards and rules.

Alpha Bank Romania has implemented an Environment & Social risk scoring matrix, where client's exposure to environmental and social risk is identified and classified as high/medium/low based on several factors (size of the loan, maturity, NACE code, use of proceeds and collateral).

Once a new obligor/ project has been approved, the Bank monitors the ongoing compliance with the environmental and social factors. The contractual agreement stipulates clauses related to these risks, given that the environmental and social risks or compliance status of the obligor may change from the time of the obligor/ project approval.

---

Alpha Bank Romania already started actively gathering information concerning energy performance of collateral for households' mortgages since 2018. No other data concerning the environmental risks and factors are being gathered systematically at the moment, but Alpha Bank Romania is aiming to improve the data availability concerning environmental risks during 2023.

Alpha Bank Romania has integrated the risk management of environmental and social risk only into its credit risk and reputational risk management yet. However, it plans to continue the ESG risk integration into other banking risk categories in the upcoming years.

### *Cyber risk*

As far as the cyber risk is concerned, most customers are increasingly using online payment and trading services (through various internet banking platforms, mobile banking, etc.), remote communication channels (contact center, email, chat), and mobile wallet applications (Google Pay, Apple Pay, etc.). In this regard, the Bank is involved in cyber security and information management activities, thus supporting its business objectives. The Bank's strategy is to ensure compliance with legal and regulatory requirements, information security standards, the maintenance of an Information Security Management System certified according to ISO 27001: 2013, as well as a Business Continuity Management System certified according to ISO 22301: 2019.

The Bank aims to comply with a series of security requirements by implementing multi-level controls, which target people, processes, and technology. These principles are based on best practices in the field, such as ISO / IEC 27001, PCI-DSS, COBIT5, etc., which cover all information and information assets of the Bank.

Alpha Bank Romania views security measures as being addressed both from the client – partners perspective and that of internal clients, the employees, In 2022, the new security awareness course prepared at group level was implemented at the local level as well, and was attended by ~90% of employees. To raise awareness among employees, informative emails were sent to them and starting with 2023 a Cybersecurity Awareness page will be operational on the internal communication platform Evo. The plan is to add awareness materials monthly. As of 31.12.2022, the Bank recorded a decrease in the number of Security incidents as a result of the implemented control measures.

The responsibility in terms of information security is conveyed to the Company Information Security Officer (CISO) who's unit monitors, among other responsibilities:

- 
- adaptation of the Security Framework;
  - the Bank's compliance with the Group Cybersecurity and Information Security Framework;
  - coordinates the Information Security Incident Handling Procedure for the Bank and conducts further investigation in cooperation with the Group Information Security Officer, whenever a security breach occurs (Security Forensics Analysis). He cooperates with all related parties and the Group Information Security Officer to protect the Bank's clients, employees, assets, information and public image

# SOCIAL AND EMPLOYEE MATTERS



Alpha Bank employees are a prerequisite of the Group's competitiveness.

IDENTIFIED LINES	ACTIONS
Managing, attracting, developing and retaining talent	<p>The Bank participated and advertised for the vacancies in the major job fairs at national level.</p> <p>Employer brand awareness campaign was deployed in main social media (LinkedIn, mass media).</p>
Diversity, inclusion, and equal opportunities	<p>Annual Review of related policies to include principles of diversity in both Board of Directors and Employees, in accordance with the legislative and regulatory framework in force. The Bank promotes a culture that fosters diversity and inclusion for its workforce, having zero tolerance to discrimination as per provisions of the norms and procedures, which are being followed.</p> <p>In 2022, the Bank organized a dedicated training session on discrimination and harassment at workplace for over 200 participants with managerial positions from central functions and branch network.</p>
Training and professional development	<p>The Bank continued the deployment of learning activity in online-environment mainly, preserving the induction training sessions as online-based learning. Training opportunities are offered to employees in both regulatory, hard and soft skills programs.</p> <p>Induction and Regulatory/ Compliance sessions represented more than half of the training investment in 2022 (training hours), while the rest of the training was focused on management topics and specialized skills (IT&amp;C, Project Management, contact center etc.).</p> <p>GDPR, IT Security &amp; other special trainings are mandatory and had to be undertaken by all employees.</p>
Innovation, multi-channel approach and digitalization	<p>In 2022, the Bank rolled-out a major upgrade of the on-line performance management tool, offering the possibility of performance monitoring on a quarterly or mid-year basis. An HR chatbot was successfully launched for online management of employees' documents requests (certificates etc.). 2<sup>nd</sup> phase of chatbot in progress (issuance of other HR-related documents).</p>
Staff commitment, engagement and satisfaction	<p>The Bank continued the deployment of employee engagement survey; transparent top-down communication of results was ensured; action plans were deployed at divisions level; policies were updated based on survey results.</p> <p>Employee engagement is part of the Banks performance KPIs and is also part of the performance matrix for managerial positions.</p>



A breakdown of the Bank's workforce as of 31.12.2022 is presented below:

Metric	Measurement Unit	Date 31.12.2022
Total workforce (headcount on 31 <sup>st</sup> of December of the reported year)	Number	2,062
Total male employees	Number	439
Total female employees	Number	1,623
Employees with disabilities	Number	8

In terms of age distribution, the majority of Alpha Bank Romania's employees are between 26 and 40 years of age. In terms of length of service, half of the employees were over 5 years with the Bank, a level which is consistent with our continuing growth as a company.

Age distribution	Measurement Unit	Workforce
Total workforce (headcount on 31 <sup>st</sup> of December of the reported year)	Number	2,062
Total Employees – Between 18 and 25 years	Number	239
Total Employees – Between 26 and 40 years	Number	882
Total Employees – Between 41 and 50 years	Number	610
Total Employees – Over 51 years	Number	331

No instances of fatalities for the reported year, either among employees or external collaborators, and no cases of professional illness have been recorded, either. The absenteeism rate among staff was 2.03%.

No Trade Unions operate at ABR level.

A total of 121,257 hours of training were undertaken during 2022, compared to 103,872 hours the previous year.

Metric	Measurement Unit	Data 31.12.2022
Total training hours of employees included in the top 10% of employees by total compensation	Number	6,636.50
Average training hours of employees included in the top 10% of employees by total compensation	Number	31.30
Total training hours of employees included in the bottom 90% of employees by total compensation	Number	114,621.00
Average training hours of employees included in the bottom 90% of employees by total compensation	Number	48.28

The mandatory courses and digital transformation courses are delivered through TOTARA – an internal eLearning application.

The main training categories are: Induction and Regulatory/ Compliance (59%), Training programs for Relationship Officers (32%), Training programs on management topics (3%), while 6 % belong to other various categories (specialized topics in IT&C, Project Management, contact center etc.).

GDPR, IT Security & other special trainings are mandatory and must be undertaken by all employees.



Metric	Measurement Unit	Data 31.12.2022
Type of training – Educational programs on retail customers (Hours)	Hours	34,631.00
Type of training – Educational programs on retail customers out of Total training hours(%)	Percentage (%)	0.29
Type of training – Introduction/ General training (Hours)	Hours	72,038.50
Type of training – Introduction/ General training out of Total training hours (Hours) (%)	Percentage (%)	0.59
Type of training – Training programs on business customers (Hours)	Hours	4,097.50
Type of training – Training programs on business customers out of Total training hours (Hours) (%)	Percentage (%)	0.03
Type of training – Training programs in management (Hours)	Hours	3,090.00
Type of training – Training programs in management out of Total training hours (Hours) (%)	Percentage (%)	0.03
Type of training – Miscellaneous (specialized Division subjects, IT etc.) (Hours)	Hours	7,400.50
Type of training – Miscellaneous (specialized Division subjects, IT etc.) out of Total training hours (Hours) (%)	Percentage (%)	0.06
Average hours of training per year per employee	Hours	47.00
Training per employee gender – Male	Number	8.79
Training per employee gender – Female	Number	11.56
Average days of training per employee	Number	5.86
Total amount of expenditure on employee training purposes	Number	251,768.78

The Bank encourages the principles of balance between personal and professional life for all employees as a mean to increase employee engagement and an overall good life standard. Alpha Bank Romania also ensures a flexible and friendly work environment that meets individual needs.

### **Flexibility**

In all areas allowing it, we strongly encourage a hybrid working system and different starting hours, for maximum integration of personal with professional needs.

---

## **Work/ life balance**

The Bank grants up to 30 vacation days depending on work experience and free extra paid days for special events in employee's life. ABR covers an extensive private medical insurance for its employees and grants special prices for family members, covering both inpatient and outpatient care services by assuring corporate contracts with several top medical providers on Romanian market. Additionally, it covers an accident insurance, granting financial support for recovery after such events. Part of the work/life balance policy includes monthly webinars on distinctive topics of interest like: stress management, ergonomics principles at work, nutrition best practices, parenting etc.

## **Financial support**

As an employer in financial services, the Bank grants to its employees, special rates on banking products and services, allowance for special events and other specific benefits (e.g. meal tickets) aligning our reward practice with the best practices on financial market.

## **Training and development**

We invest in rapid integration of newcomers, granting extensive induction program, a dedicated Buddy, developing annual training plans, continuous access to an eLearning platform, corporate subscription to corporate library.

## **Health and safety at the workplace**

Under the responsibility of the Banking Security Unit, the activity that manages the aspects of health and safety at work, is organized at Headquarters level and is under the direct coordination of the Executive Vice President Risk.

The activity of the department is coordinated by a manager, and the area regarding Safety and Health at Work and Emergency Situations is managed at the level of the head of desk who coordinates the Internal Service for Prevention and Labor Protection.

The Internal Labor Prevention and Protection Service of Alpha Bank Romania is responsible for the organization, development, and control of all activities for the prevention of occupational risks and for the protection of employees, for each job. It establishes the minimum training requirements in the field of safety and health at work, ensures the verification, coordination and evaluation of the actions taken by the external prevention and protection services. The Internal Labor Prevention and Protection Service regulates the status of worker representatives with specific responsibilities in the field of safety and health at work in Alpha Bank Romania.

---

The general principles on which the work of the Internal Labor Prevention and Protection Service is based, are:

- the principle of preventing professional risks;
- the principle of informing and training ABR workforce;
- the principle of consulting employees or their representatives.

Wellbeing webinars were part of the private medical benefits packages granted by the Bank for their employees in 2022. Attendance was voluntary and we recorded in average 80 attendees per live session. The recorded sessions are made available to all employee on the dedicated section of the internal communication platform.

All employees benefit as provided by local Law no. 319/2006 on work health and security, periodically and whenever necessary of training and medical control. Alpha Bank Romania pays special attention to employees who are under the incidence of GEO 96/2003 on protecting maternity at the job.

Alpha Bank Romania appreciates and promotes the responsibility of each employee. Therefore, employees must be aware of and carry out their activities responsibly and in compliance with Occupational Health and Safety legislation and internal procedures so as not to expose themselves or others to the danger of occupational injury or illness.

All the quarterly meetings of the Safety and Health at Work Committee (SHWC) of Alpha Bank Romania were organized according to the schedule established by the employer, meetings during which the committee's secretary informed the SHWC regarding the situation in terms of safety and health at work of the employees of the organization, drafted the minutes of the meetings, posted them on the bank's portal to inform all employees, in accordance with the law, and sent a copy of them to the Territorial Labor Inspectorate of the Municipality of Bucharest, each time, within the time stipulated by the Law.

The activity specific to the field of safety and health at work in the Bank was carried out in accordance with the applicable legislation in force for the reported period.

As of 31.12.2022, 361 general introductory trainings were carried out, 468 at the workplace, 14 resumption of activity, 34 collective trainings and 3,872 periodic trainings.

Training in the field of labor protection is part of professional training and aims to acquire knowledge and develop skills for safety and health at work.

---

The labor protection training includes three phases:

- general introductory instruction;
- training at the workplace;
- periodic training.

The purpose of the general introductory training is to inform about the specific activities of the respective unit and the main labor protection measures that must be observed during work. The general introductory training is done in the labor protection cabinet or in other specially arranged spaces, by persons with attributions and responsibilities in the field of labor protection, empowered by decision by the employer.

The duration of the general introductory training depends on the specifics of the activity, the complexity of the technological processes, the degree of mechanization and automation and the level of training of the new employees and is at least 8 hours.

Employees who work remotely, must comply with the Romanian legislation in this field, before starting work from home. To this aim, they sign a discretionary declaration.

<b>Training of employees for Work Safety and Health</b>				
	<b>Course</b>	<b>Compulsory</b>	<b>No of participants out of the total employees' number</b>	<b>Optional</b>
<b>The training sessions from the year 2022 were carried out every six months according to the theme and schedule approved by the employer</b>	Regular training every six months	Yes	All employees	No

In the case of work accidents, the employer appoints a research commission that investigates the incident, prepares an accident file that it sends for approval to the Territorial Labor Inspectorate (TLI) of the county where the Alpha Bank Romania S.A. workplace is registered where the employee carries out his activity.

If an accident is registered on the basis of the TLI's approval of the accident file, the TLI sends a list of measures to be undertaken by the employer, including implementation deadlines, after those measures are completed, the employer is obliged to inform the TLI in writing.

**TOGETHER FOR THE ENVIRONMENT**



At the level of Alpha Bank Romania not only the products we choose to finance generate an environmental impact, but also our day-to-day operations, especially in terms of energy, waste and emissions.

In terms of consequence, we view with great responsibility the proper management of our resources to help reduce the impact.

Paper, plastic, batteries, printer cartridges, waste are included in the waste management administration to reduce the amount of waste generated, especially by reducing consumption of resources. Similar attention is directed towards the use of energy and decrease in fuel consumption.

Metric	Measurement unit	Date 31.12.2022
Total amount of energy consumed	Megawatt hour (MWh)	15.126,20
Amount of non-renewable energy consumed	Megawatt hour (MWh)	11.348,90
Indirect energy consumption (relevant to scope 2 – electricity)	Megawatt hour (MWh)	8.394,00
Amount of electricity consumed from renewable energy sources	Megawatt hour (MWh)	3.777,30
Percentage of electrical power used that is derived from non-renewable sources	Percentage (%)	55
Percentage of electrical power from renewable sources	Percentage (%)	45
Energy intensity	kWh/m2	0,27
Paper directed to pulping and then recycling	Tons	206,53
Shredded copier paper recycled	Kg	1.962
Total amount of printer consumables purchased	Kg	1.962
Total amount of printer consumables recycled	Kg	1.08
Percentage of recycling printer consumables (%) throughout the year	Percentage (%)	55

In respect to the supply chain management, Alpha Bank Romania respects and promotes human rights through the business policies it applies, its responsible supply chain and the relations it develops with its customers. Further details on this matter can be found under the Code of Ethics of Alpha Bank Romania disclosed on the bank's website: [codul-de-etica.pdf \(alphabank.ro\)](#) (click to follow)



---

In particular, the scope of Alpha Bank Romania's Procurement framework is planning, evaluating, approving, executing, managing, and controlling the Bank's investment and operating expenses related to the purchase of goods, acquisition of services, implementation of its projects. The above activities are performed in accordance with procedures and control mechanisms, for the timely, correct, and effective execution of the required procurement actions, at the optimal price and at a specified time.

Alpha Bank Romania develops good relations with its suppliers based on the principles of fairness, transparency, and equal treatment.

In 2022, the payments to domestic suppliers represented 78.25% of the total payment towards suppliers, geographically & business ownership diverse due to the Bank business spread across the country.

# DISCLOSURES PURSUANT TO ART. 8 TAXONOMY REGULATION



---

## 9.1. Applicable regulatory framework

We have listed below the main documents shaping the regulatory framework for the new disclosure requirements according to Art. 8 Taxonomy Regulation and complementary information, inter alia, on the further developments of the Taxonomy Regulation.

- **Taxonomy Regulation**

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

- **Climate Delegated Act**

Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

- **Art. 8 Delegated Act**

Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities and specifying the methodology to comply with that disclosure obligation.

## 9.2. Other related regulations

Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

---

This complementary delegated act is an amendment extending the Climate Delegated Act (2021/2139) to include activities related to the nuclear energy and fossil fuel sectors. The amendment to the Climate Delegated Act has also been reflected in the Taxonomy Delegated Act (2021/2178) with addition of a new Annex XII which defines how nuclear energy and fossil fuel related activities will be reported.

### **Q&As and reports for good practices:**

- **European Commission's FAQs as at December 2021**

Frequently asked questions: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy Regulation Article 8 Disclosures Delegated Act.

- **European Commission's FAQs as at 2 February 2022**

Frequently asked questions (FAQs) document aiming to clarify the content of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation ('Disclosures Delegated Act') to aid its implementation.

- **Draft notice by European Commission on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation as at 19 December 2022**

The draft contains FAQs on CAPEX, OPEX and turnover KPIs. At the same time, the draft expands the FAQs to include answers related to nuclear and fossil energy.

- **Draft notice by European Commission on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and do no significant harm to other environmental objective**

Frequently asked questions aimed at clarifying information on the technical criteria for identifying economic activities that contribute significantly to climate change mitigation or adaptation and do not cause significant harm to another environmental objective.

- **Platform on Sustainable Finance's report on Data and usability of the EU Taxonomy as at 11 October 2022**

The report does not change or extend the requirements of the EU Taxonomy. It is a statement by the Platform on good practices in the market.

---

## Draft reports and proposals:

- **Platform considerations on voluntary information as part of Taxonomy-eligibility reporting as at December 2021**

This document provides supplementary information in order to help users of the EU taxonomy with the voluntary use of templates for KPI reporting under the Taxonomy Delegated Act for eligibility reporting.

- **Platform on Sustainable Finance's report with supplementary advice on methodology and technical screening criteria for the climate and environmental objectives of the EU Taxonomy as at 28 November 2022**

The report is a supplement to the recommendations published by the Platform on sustainable finance in March 2022 and should be read in that context. The recommendations and criteria set out here includes two parts: 1. an update on the work undertaken since March 2022, a framework methodology to describe 'enabling activities', and recommendations for the European Commission; 2. additional technical screening criteria that have been developed in the past seven months.

- **Platform on Sustainable Finance's report on Minimum safeguards as at 11 October 2022**

The report specifies the application of minimum safeguards set out in Article 18 of the Taxonomy Regulation.

- **Platform on Sustainable Finance's report on social taxonomy as at 28 February 2022**

The report proposes a structure for a social taxonomy within the present EU legislative environment on sustainable finance and sustainable governance.

- **Platform on Sustainable Finance's report on environmental transition taxonomy as at 29 March 2022**

The purpose of this report is to inform the Commission, capital markets, companies and other economic actors and stakeholders on the ways in which an extended environmental Taxonomy can become a Taxonomy for transitioning the whole European economy.

---

## Article 8 Taxonomy Regulation

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050 in line with EU goals, as the Taxonomy is a classification system for environmentally sustainable economic activities.

In the following section, we as a credit institution, present the proportion in total assets of exposures to Taxonomy-eligible and Taxonomy non-eligible economic activities related to the first two environmental objectives (climate change mitigation and climate change adaptation), together with the related disclosures in accordance with Art. 8 Taxonomy Regulation and Art. 10 (3) of the Art. 8 Delegated Act.

### 9.3. Source of data

The elements used for on-balance sheet assets for eligibility purposes refer to the definitions of the Commission Implementing Regulation (EU) 2021/451 (FinRep) and gross carrying amounts reported by the Bank based on the FinRep requirements.

The FinRep is prepared in accordance with the National Bank of Romania (NBR) Order no. 27/2010 for approving accounting Regulations in accordance with International Financial Reporting Standards, applicable to credit institutions and subsequent amendments (the "NBR Order 27/2010") and submitted to the NBR on a regular basis.

The following table summarizes the definition we used in the preparation of the EU Taxonomy disclosures.



Requirement	Management Rule applied
Gross Carrying amount	Total prudential assets corresponding to FinRep balance sheet less any impairment
The proportion of trading portfolio	FinRep Asset Class "Held for Trading" except derivatives
The proportion of exposures to central governments, central banks and supranational	FinRep asset exposures related to the corresponding portfolio
Total Covered Assets	Total assets accounting for denominator of GAR (Green Asset Ratio)
The proportion of derivatives	FinRep Derivatives Asset Class classified as "Hedge Accounting"
The proportion of on-demand interbank loans	Loans and advances identified as receivables on demand with credit institutions
The proportion of exposures to undertakings that are in scope of the NFRD	Exposures to large Financial or Non-Financial institution inside EU that is a Public Interest Entity with more than 500 of employees on consolidated basis
The proportion of exposures to undertakings that are not in scope of the NFRD	Any Financial or Non-Financial institution that is not a NFRD undertaking
The proportion of exposures to EU Taxonomy eligible activities	<ul style="list-style-type: none"> <li>• Exposures towards NFRD undertakings that meet the description of economic activity for climate change adaptation or climate change mitigation</li> <li>• Exposures to Households for house purchase, house renovation or purchase of motor vehicle</li> <li>• Local government exposures for public housing</li> </ul>
The proportion of exposures to EU Taxonomy non-eligible activities	Exposures to NFRD undertakings, households and Local government that do not meet the conditions for being Taxonomy eligible.

---

## 9.4. Limitations

The disclosures related to Taxonomy-eligibility of the Bank's assets and activities should have been based on the most recent public data related to Taxonomy-eligibility of the activities of the Bank's underlying investees or counterparties, subject to NFRD (KPI based on turnover for non-financial entities and eligibility ratio for financial entities). Most of the Bank's counterparties have

not yet disclosed their Taxonomy reports, therefore reported eligibility towards the Bank's NFRD counterparties for this year is very limited.

The determination of counterparties that are subject to NFRD is based on a comprehensive internal analysis, considering all public interest entities with more than 500 employees, in accordance with NFRD requirements transposed through Ministry of Finance Order No. 1938 of 17 August 2016 on the amendment and completion of Accounting Regulations. Local implementation of NFRD differs within EU countries, and the classification may change in the future.

We are determined to refine our data collection processes in order to be able to collect all the information necessary to determine Taxonomy eligibility for home renovation loans and house purchase loans as we are currently not able to distinguish them, and we reported these as one item.

The limitations of data affect the presentation of Taxonomy-eligible activities. Over the coming years, we will work towards disclosing the Taxonomy alignment of our portfolio. This will entail expanding our data gathering capabilities and enhancing the internal framework as to be able to accurately determine the alignment of our eligible clients.

## 9.5. Taxonomy-eligible

We have examined the eligibility of the assets on our balance sheet against the EU Taxonomy. Our disclosure is limited to "eligibility" as a transitional step towards "alignment", in accordance with requirements mentioned by Art. 8 of the Taxonomy Regulation and Art. 10 (3) of the EU Taxonomy Climate Delegated Act. A "Taxonomy-eligible economic activity" is an economic activity that is listed in the specified Technical Screening Criteria.

The table below illustrates the mandatory eligibility disclosures required by Art. 8 Delegated Act. The metrics presented below exclude Alpha Bank Romania's green assets ratio which is a disclosure requirement starting in 2024. By complying with the eligibility disclosure requirement this year, we are also preparing for the additional assessments needed in order to disclose Taxonomy alignment in the future, in accordance with the applicable regulatory requirements.



<b>Taxonomy Disclosures as of 31 December 2022</b>			
In thousand RON	Gross Carrying Amount	% in Total Assets	% in Covered Assets
Exposures to Taxonomy-eligible economic activities	7,273,794	33.9%	41.3%
Exposures to Taxonomy non-eligible economic activities	1,649,905	7.7%	9.4%
Exposures to undertakings that are not in scope of the NFRD	6,063,472	28.2%	34.4%
Derivatives	-	0.0%	0.0%
On-demand interbank loans	1,902,568	8.9%	10.8%
Other assets	737,749	3.4%	4.2%
<b>Total Covered Assets</b>	<b>17,627,490</b>	<b>82.0%</b>	<b>100%</b>
Trading portfolio	1,632	0.0%	
Exposures to central governments, central banks and supranational issuers	3,857,625	18.0%	
<b>Total Assets</b>	<b>21,486,748</b>	<b>100%</b>	

<b>Taxonomy Disclosures as of 31 December 2021</b>			
In thousand RON	Gross Carrying Amount	% in Total Assets	% in Covered Assets
Exposures to Taxonomy-eligible economic activities	6,637,298	34.4%	41.6%
Exposures to Taxonomy non-eligible economic activities	2,903,619	15.1%	18.2%
Exposures to undertakings that are not in scope of the NFRD	4,841,597	25.1%	30.3%
Derivatives	1,237	0.0%	0.0%
On-demand interbank loans	969,603	5.0%	6.1%
Other assets	599,453	3.1%	3.8%
<b>Total Covered Assets</b>	<b>15,952,808</b>	<b>82.7%</b>	<b>100.0%</b>
Trading portfolio	-	-	
Exposures to central governments, central banks and supranational issuers	3,325,805	17.3%	
<b>Total Assets</b>	<b>19,278,613</b>	<b>100.0%</b>	

---

We express the exposures as a percentage of the gross carrying amount of total assets, as presented in the Bank's 31 December 2022 FinRep reporting. We have used the gross carrying amounts based on the definitions of the Commission Implementing Regulation (EU) 2021/451 (FinRep) as at 31 December 2022, as required under the Taxonomy regulation. Total assets in the financial statements do not reconcile with the total assets above, as the total assets in the balance sheet are presented on a net basis, whereas for taxonomy disclosures, we considered the gross carrying amount of each asset category analyzed, including that of total assets, as clarified by the European Commission in the FAQ on Article 8 Delegated Act issued in January 2022.

In addition, total covered assets used as the denominator for the Green Asset Ratio calculation exclude the trading portfolio and exposures to central governments, central banks and supranational issuers. The eligibility ratio as a percentage of covered assets is 41.3% as of 31 December 2022 (41.6% as of 31 December 2021).

For the disclosures as of 31 December 2022, derivative exposures were allocated to row "Trading portfolio" and were, therefore, excluded from covered assets (as compared to the disclosures as of 31 December 2021), since the row Derivatives in covered assets should consist only of derivatives which are part of hedge accounting. However, the impact is insignificant as it represents less than 0.05% of total assets in both years.

We have analyzed the banking book exposures with financial institutions, undertakings subject to NFRD (transposed by Ministry of Finance Order No. 1938 of 17 August 2016 on the Amendment and Completion of Accounting Regulations), households and local governments covered by the EU Taxonomy Climate Delegated Act for eligibility purposes. The exposures refer to our non-trading portfolio comprised of loans and advances, debt securities and equities, based on elements disclosed in the Bank's 31 December 2022 FinRep reporting.

As presented above, as of 31 December 2022, 7.27 million RON out of our total 21.49 million RON in assets was considered EU Taxonomy-eligible. This corresponds to 33.9 % of total assets on our balance sheet being considered EU Taxonomy-eligible economic activities, while 7.7 % was considered Taxonomy non-eligible economic activities.

---

The share of assets on our balance sheet that does not enter in scope of the EU Taxonomy is as follows:

- 18.0 % of total assets is represents exposures to central governments, central banks and supranational issuers.
- 0.01% of total assets comprises of derivatives in trading portfolio.
- 28.2 % of total assets represents exposures to undertakings that are not obliged to publish non-financial information pursuant to the Non-Financial Reporting Directive (NFRD).
- 8.9 % of totals assets consist of on-demand loans with credit institutions.
- 3.4 % of total assets represents other assets eliminated from the calculation.

## **9.6. Taxonomy Eligibility**

As of 31 December 2022 our EU Taxonomy-eligible assets comprise of our mortgage portfolio in amount of 7.19 million RON, motor vehicle loans of 0.02 million RON and exposures towards NFRD undertakings of 0.07 million RON.

Given the complexity of the criteria for Taxonomy alignment, and the additional data collection and assessment requirements necessary in order to classify activities as aligned, we note that only a portion of EU Taxonomy-eligible assets identified will also be EU Taxonomy-aligned. For example, based on guidance from the European Commission, only mortgages used to finance residential real estate that is within the top 15% in terms of energy efficiency (at least Energy Label A), or which has achieved a primary energy demand improvement of 30% after renovation, can be classified as EU Taxonomy aligned assets.

Reversely, as more data becomes available to the Bank from counterparties, the ratio of Taxonomy-eligible exposures could change favorably, and work is under way to allow for more detailed assessments possible in the future.

Our investments include an outstanding balance of 21 million RON for sustainability-linked bonds, issued by a reputable, Romanian-owned company. The sustainability performance objective of the bonds is the reduction in average CO2 emissions by the operational fleet by 25% by 2025, a medium term goal. As the company is not subject to NFRD, the bonds cannot be considered Taxonomy-eligible in the current scope of Taxonomy. However, with the implementation of CSRD into EU Taxonomy, we expect the sustainability-linked bonds be Taxonomy-eligible. We intend to expand our investments in sustainable financial instruments and are currently looking into revisiting our investment strategy to enable us to achieve this objective.

---

## **9.7. Taxonomy non-eligible activities and non-NFRD entities**

As the EU Taxonomy is still being developed and because data from undertakings on Taxonomy aligned activities is limited, Alpha Bank Romania does not yet fully utilize Taxonomy alignment in its business strategy, target setting, product design and processes or in its engagement with customers and other stakeholders.

There was a significant decrease in proportion of Taxonomy non-eligible activities (8.8 percentage points by reference to their ratio to covered assets) which was due to the fact that as compared to 31 December 2021, for the purposes of the disclosures as of 31 December 2022, certain exposures were reclassified into the category “Exposures to undertakings that are not in scope of the NFRD” (which recorded an increase of 4.1 percentage points by reference to their ratio to covered assets) and others to the “On-demand interbank loans” (which recorded an increase of 4.7 percentage points by reference to their ratio to covered assets).

## **9.8. Eligibility ratio**

For the financial year 2022 the disclosed eligibility ratio decreased by 0.3 percentage points compared to the disclosures for the previous year (31 December 2022: 41.30% and 31 December 2021: 41.60%). The main cause of the decrease is the significant increase in exposures to non-NFRD undertakings and to On-demand interbank loans which are part of Covered assets, however, are excluded from the numerator of eligibility ratio. The decrease is partly offset by an increase in exposures towards Taxonomy-eligible economic activities and improvement in data quality of KPIs of NFRD undertakings.

## **9.9. Nuclear energy and fossil gas exposures**

For the clients in scope of our mandatory disclosure, as of 31 December, Alpha Bank Romania has not identified any exposures to the nuclear energy and fossil gas sectors on the basis of the economic activities covered in the Complementary Delegated Act.

---

## 9.10. Next steps related to EU taxonomy reporting

For the financial year 2023 Alpha Bank Romania is committed to report the extent to which economic activities are aligned with the Taxonomy regulation. As Taxonomy alignment is another step from the Taxonomy eligibility, it comes with additional requirements for economic activities to be fulfilled. For any eligible activity to be Taxonomy aligned, it is necessary to perform an evaluation of technical screening criteria as stipulated in Climate delegated act, an evaluation that economic activity does not significantly harm any other environmental objective and an evaluation that the economic activity is performed with the minimum safeguards. Based on the criteria for Taxonomy alignment Alpha Bank is aware that only a fraction of reported eligible portfolio will meet the requirements for being Taxonomy aligned. Alpha Bank Romania realizes that a lot of information is dependent on its counterparties and information disclosed in their respective Taxonomy reports.

To gather sufficient information Alpha Bank Romania started collecting NACE codes according to the use-of-proceeds for new loans, however, for existing loans the information collection might not be possible in all cases.

To improve our reporting on the EU Taxonomy eligibility of the assets on our balance sheet (as well as the EU Taxonomy alignment of these assets from 2024), we will:

- Expand our established client engagement processes in order to refine data collection on eligibility and alignment from our counterparties subject to NFRD.
- Enhance technological capabilities to ensure we fully capture Taxonomy relevant data and identify Taxonomy eligible activities more easily.
- Refine strategy to include Taxonomy-related priorities, such as the development of products that support Taxonomy-eligible activities.
- Evaluate technical screening criteria, “do no significant harm” principle and minimum safeguards criteria for exposures towards our counterparties in scope of NFRD and specific households loans.

We aim towards providing coaching for our counterparties in order to support them with their Taxonomy transition by:

- Refining our data collection processes to ensure we collect all necessary data on the energy efficiency of the residential real estate we finance.
- Gradually including Taxonomy-related priorities in the sales procedures (once processes and data collection procedures have been refined for Taxonomy purposes).
- Redesigning client questionnaires in order to better identify Taxonomy eligibility and alignment elements.

Consulting with management in regard to including GAR-related objectives within the Bank’s strategic objectives and business plan.

---

## ANNEX

### 2022 Distinctions & Awards granted to Alpha Bank Romania

When	What	About
December	STP Platinum Award	Alpha Bank Romania received the Straight-Through-Processing (STP) Platinum 2021 award from the Bank of New York Mellon (BNY Mellon), for its outstanding ability to process international payments promptly and safely.
December	Sustainable Connections Award	Ramona Grigore, Alpha Bank Romania's Human Resources Manager, received the Sustainable Connections' award – Special Award for programs and projects regarding employee retention and talent attraction, at the 2022 Career Magazine Awards Gala.
December	Savings Bank of the Year	Alpha Bank Romania received the Bank of the Year award for Savings, at the Piața Financiară Magazine Awards Gala
November	The special award for resilience in the Romanian banking industry	Sergiu Oprescu, Executive President of Alpha Bank Romania and General Manager of the Alpha Bank International Network, received the "Special Award for resilience in the banking industry in Romania, but also for one of the most loyal readers of the Financial Newspaper", during ZF's 24 years anniversary gala.
November	Excellence in Banking Customer Service Award	Alpha Bank Romania received the "Excellence in Banking Customer Service" award, as part of the Business Arena magazine "Awards for Excellence 2022" Gala.
October	Bank of the Year Award for SMEs	Alpha Bank Romania received the Bank of the Year award for SMEs at the Financial Leaders' Hall of Fame 2022 event, organized by Business Arena magazine.
October	Banker of the Year	Sergiu Oprescu, Executive President of Alpha Bank Romania and General Manager of the Alpha Bank International Network, was named Banker of the Year at the Financial Leaders' Hall of Fame 2022 event, organized by Business Arena magazine.

---

<b>October</b>	Alpha PhonePOS application, awarded by Visa for outstanding results	The Alpha PhonePOS application was awarded for the outstanding results obtained, within VISA Acquiring
<b>September</b>	Excellence Award	Alpha Bank Romania received the Excellence Award in the 4 <sup>th</sup> edition of the Industrial Property Gala, organized by Universul Juridic Publishing Group. The distinction was awarded for outstanding performance in the activity of affirming, promoting, and protecting industrial property rights in 2022.
<b>June</b>	The award for solvency and liquidity	Alpha Bank Romania received the award for solvency and liquidity in the 15 <sup>th</sup> edition of the Top Bankers gala, organized by the Finmedia media trust and Piața Financiară magazine.
<b>May</b>	The most active issuing bank in Romania in 2021 & Transaction of the year – Green Trade	The European Bank for Reconstruction and Development (EBRD) awarded Alpha Bank Romania the award “The most active issuing bank in Romania in 2021” and the award “Transaction of the year for sustainable trade – Green Trade”, within the TFP – Trade Facilitation Program.
<b>February</b>	e-Product Award	The Alpha PhonePOS application was awarded in the e-Product category, at the eFinance Gala.

## 2022 Key Actions Alpha Bank Romania

When	What	Details
January	PayU, eMAG and Alpha Bank Romania are expanding the Instant Money Back service in Hungary	After the success recorded on the local market, PayU, eMAG and Alpha Bank Romania extend the Instant Money Bank service to Hungary as well, so that eMAG customers who make online payments with a saved card and make a return, receive the value of the returned products within a maximum of 30 minutes from when the return is settled.
March	Alpha Bank Romania launches three ESG investment funds managed by Alpha Asset Management AEDAK	Alpha Bank Romania launches on the local market three investment funds that are part of Alpha (LUX) Global Funds, managed by Alpha Asset Management A.E.D.A.K., a member of the Alpha Bank Group specialized in investment management, and supervised by the Commission de Surveillance du Secteur Financier from Luxembourg. Alpha (LUX) Global Funds respects environmental, social and governance (ESG) criteria in investment analysis and decision-making processes, offering a wide diversification by asset types, geographical areas and currencies.
April	Moody's Investors Service revised upward the ratings for Alpha Bank Romania's deposits	The international rating agency Moody's Investors Service revised upward the rating of Alpha Bank Romania for long-term deposits, from "Ba2" to "Ba1", as well as the qualification for financial soundness (BCA), from "b1" to "ba3". The rating outlook for long-term deposits was changed from positive to stable.
April	Moody's revised upward to A2 the rating given to the issue of mortgage bonds of Alpha Bank Romania	The international rating agency Moody's Investors Service revised up by one step, to A2 from A3, the rating given to the issue of mortgage bonds launched by Alpha Bank Romania.



---

<b>June</b>	Alpha Bank Romania supports the entrepreneurial environment through the programs: IMM Prod, Garant Construct, Rural Invest and Innovation	Alpha Bank Romania joins the four new government programs whose main priorities are boosting local production, supporting constructions including in the “green” area, stimulating productivity and competitiveness in the agricultural field, as well as supporting projects with an innovative and digital component: IMM Prod, Garant Construct, Rural Invest and Innovation.
<b>July</b>	Mobexpert and Alpha Bank launch a premium co-branded card in partnership with Mastercard	Mobexpert and Alpha Bank Romania launch a co-branded shopping card through which customers of the largest furniture manufacturer and retailer in Romania can benefit from up to 36 interest-free installments for purchases in Mobexpert stores and online at <a href="http://www.mobexpert.ro">www.mobexpert.ro</a> . In addition, customers can enjoy unique advantages, such as a 10% discount on products that do not benefit from other discounts or a 50% discount on the price of transport and assembly services.
<b>August</b>	Alpha Bank Romania supports the entrepreneurial environment by participating in Start-Up Nation 2022	Alpha Bank Romania reaffirms its commitment towards supporting the Romanian entrepreneurial environment, thus being selected by the Ministry of Entrepreneurship and Tourism as a partner bank for the implementation of the Start-Up Nation program.
<b>September</b>	Alpha Bank Romania is the partner bank for the Woman Manager program 2022 – 2027	Alpha Bank Romania was selected as a partner bank for the implementation of the Woman Manager 2022 – 2027 program, carried out with the Ministry of Entrepreneurship and Tourism (MAT).

---

## Acțiunile cheie din 2022 ale Alpha Bank Romania

Când	Ce	Detalii
ianuarie	PayU, eMAG și Alpha Bank Romania extind serviciul Instant Money Back în Ungaria	După succesul înregistrat pe piață locală, PayU, eMAG și Alpha Bank Romania extind serviciul Instant Money Bank și în Ungaria, astfel încât clienții eMAG care efectuează plăți online cu un card salvat și fac un retur, să poată primi contravaloarea produselor returnate în maxim 30 de minute de la soluționarea returului.
martie	Alpha Bank Romania lansează trei fonduri de investiții ESG administrate de Alpha Asset Management AEDAK	Alpha Bank Romania lansează pe piață locală trei fonduri de investiții ce fac parte din Alpha (LUX) Global Funds, administrate de Alpha Asset Management A.E.D.A.K., membră a Grupului Alpha Bank specializată în administrarea investițiilor și supravegheate de Commission de Surveillance du Secteur Financier [Comisia de Supraveghere a Sectorului Financiar] din Luxemburg. Fondurile Alpha (LUX) Global Funds respectă criteriile de mediu, sociale și de guvernanță (ESG) în analiză investițiilor și în procesele decizionale, oferind o diversificare vastă pe tipuri de active, zone geografice și valute.
aprilie	Moodys a revizuit în creștere ratingurile pentru depozitele Alpha Bank Romania	Agenția internațională de rating Moody's Investors Service a revizuit în creștere ratingul Alpha Bank Romania pentru depozitele pe termen lung, de la „Ba2” la „Ba1”, precum și calificativul pentru soliditatea financiară (BCA), de la „b1” la „ba3”. Perspectiva de rating pentru depozitele pe termen lung a fost schimbată de la pozitivă la stabilă.

October	Peleş National Museum – Alpha Bank Romania partnership for increasing the degree of digitization	The Peleş National Museum and Alpha Bank Romania provide tourists with complete payment solutions to improve the experience of accessing the museum, until recently the only available payment method was cash only. Thus, the Peleş National Museum now benefits from Alpha Bank POS terminals, which accept cards issued under the logos of the most important payment organizations in the world – Visa, Mastercard, American Express, UnionPay – at the ticket sales points of Peleş and Pelişor castles, but also at the souvenir shop.
November	CFR Călători and Alpha Bank Romania, agreement regarding the provision of travel card payment services online and directly on the train	Following the completion of the public procurement procedures, CFR Călători and Alpha Bank Romania concluded long-term framework agreements for the accessibility and simplification of the payment process for the purchase of travel permits, by electronic means. Alpha Bank Romania offers the national rail passenger transport operator the e-commerce service for the online purchase of travel cards as well as the Alpha PhonePOS application that allows payment of train travel cards by bank card.
December	Alpha Bank Romania launches for the first time on the local market the card tokenization option for merchants and online integrators	Alpha Bank Romania, was recognized for the innovations introduced for the first time on the local market in the field of payment services (Tap-To-Phone, Instant Money Back, Instant Disbursement, etc.), announces the launch of the card token functionality, integrated into the scheme systems of cards (Mastercard MDES, VISA VTS). Compared to other token solutions, the one integrated in the Alpha Bank eCommerce platform improves the security of transactions by replacing sensitive card data with an EMVCo token.

---

## **CSR Programs Highlights**

### **Lines: Society / Health / Social assistance**

#### **Save the Children organization**

Project “Support for refugee children from Ukraine” on the territory of Romania.

Alpha Bank supported the initiative of the Save the Children Association, in the project “Support for refugee children from Ukraine” in Romania.

The funds granted to Save the Children for refugee mothers and children from Ukraine were used in the development of the complex assistance of Save the Children, for psycho-emotional counseling, communication in the Ukrainian language, counseling on the legal rights of refugees, in the distribution of first aid kits adapted to as many children as possible, in offering financial aid for the movement to other destinations of families with children who did not want to apply for asylum and stay in Romania, spaces for the mother and child, especially for those with newborns, SIM cards, meal vouchers and more.

The organization Save the Children Romania campaigns for social involvement in the life of the community, so that programs that concern children bring long-term benefits to the entire community. This is the major role of the branches and local offices that the organization has in 14 counties and in Bucharest, by defining the needs of the community, identifying the resources and social services available at the local level, and involving all social actors Save the Children deploys.

This project had a positive impact. It took place at national level through the offices and subsidiaries of the Save the Children Organization and came to the aid of refugee mothers and children from Ukraine on Romanian territory.

### **Education**

#### **APPE – Association for the promotion of performance in education**

“Financial education for pre-university education” project

Alpha Bank continued to support the financial education activities developed by the Association for the Promotion of Performance in Education, a non-governmental organization that wants to maximize performance in education in Romania, by supporting the study of the discipline “financial education” from an early age.

---

The Association for the Promotion of Educational Performance (APPE), is a non-governmental organization, an affiliated member O.C.D.E, founded in 2014, based on the collaboration partnership concluded with the Ministry of National Education (MEN), has launched the tenth edition of the national program “Financial Education” , a program that will also be implemented in the 2022-2023 school year, at the level of the entire pre-university education (preschool, primary, secondary and high school).

### **Education/ Culture/ Art**

#### **Dr. Gheorghe Telea-Bologa Memorial Center Association (ASTRA Sibiu Museum)**

Sponsorship of cultural-educational programs implemented by the Astra Sibiu Museum.

Alpha Bank supports the ASTRA Museum project which invests in programs aimed at improving the cultural life of the community and encouraging people to make tradition an active part of their everyday lives.

The ASTRA Sibiu Museum has become, since 2014, one of the main cultural institution in Romania that generates sustainable development programs through cultural actions offered to the public.

After extensive field research, in rural Romania, the needs of these communities, the degree of literacy, culturalization, but the most important aspect is that they discovered resources and values that could become engines of local development.

So they found that the relationship with the urban is very important because it is the main potential consumer of these resources. In this sense, their strategy was to create a relationship between the source and resource community and the visiting public.

They did not stop here and in 2022 they generated actions in rural communities, carrying out activities such as: the development of an educational platform, generating specific activities, where 1,025 activities were carried out (workshops with popular craftsmen, educators, theater, music, games, holidays). They were attended by 19,704 visitors, where 45 craftsmen had a source of income, 23 partner schools, 62 participating institutions and 92 teaching staff.

### **Culture/ Art**

#### **FITS — Democracy through Culture Foundation (Sibiu International Theater Festival)**

Sponsorship of the Performance Scholarship and Volunteer Program within the Sibiu International Theater Festival.

---

Alpha Bank continued to support the volunteering program and the performance scholarship within the Sibiu International Theater Festival. It had 400 volunteers.

The Sibiu International Theater Festival (FITS) is the first major festival in Central and Eastern Europe, one of the largest festivals in the world and the largest event dedicated to performing arts in Romania.

Annually, the festival is an occasion for celebration, with exceptional performances invited from countries such as: Great Britain, Germany, France, USA, Poland, Israel, Japan, Austria, Switzerland, Italy, China, Spain, Republic of Moldova, etc. FITS is organized under the High Patronage of the Presidency of Romania, with the support of the Sibiu City Hall, the Sibiu Local Council, the Government of Romania, the Ministry of Culture, the Ministry of Education, the Ministry of National Defense, the Romanian Cultural Institute, the Sibiu County Council. This event brings together great artists of the world stage, offering the audience the opportunity to enjoy some of the world's most acclaimed performances, internationally recognized and rewarded with prestigious awards.

The Sibiu International Theater Festival was this year in its 29th edition and took place between June 24 and July 3, 2022, with the theme Beauty. In this difficult but challenging period, the Sibiu International Theater Festival, together with the "Radu Stanca" Sibiu National Theater and all associated structures, have managed to identify the best solutions, in such a way that the dialogue created together with the public stays under the sign of quality and emotion. After two years of pandemic, disease, suffering, war, migration and despair, beauty remains the engine of hope, and the miracle of beauty can save the world, as a great writer said. In times like these, financial difficulties, the threat of conflicts, isolation and all vicissitudes, we must oppose with smile, harmony, trust in beauty, through creation and inner joys.

The performances of the Sibiu International Theater Festival were available in performance halls, in non-conventional spaces, in churches, in the central squares of Sibiu and in the homes of the spectators, through the official FITS website, [www.sibfest.ro](http://www.sibfest.ro), [www.scena-digitala.ro](http://www.scena-digitala.ro), Facebook page and YouTube channel.

FITS kept the tradition of large performances in open spaces, to which public access was free, and additionally broadcast a series of shows with free access online.

---

The Sibiu Performance Exchange is an associated structure of the Sibiu International Theater Festival (FITS), registered trademark at OSIM. It gives chances to all artists, cultural operators, performance institutions and cultural networks who want to meet important producers from all over the world. Through its events, the Exchange offers participants, since the first edition in 1997, the ideal context to promote their artistic projects and establish partnerships in the field of performing arts.

According to the organizers, during the 10 days of the festival, tens of thousands of people filled the markets, theaters and streets. Another hundreds of thousands of people followed online, 100,000 visitors on the sibfest.ro website, to which are added 840,000 Facebook users and 50,000 Instagram users.

500 volunteers took part in the Performance Exchange during the festival.

It takes place at local level, but taking into account the scale of the festival and at the national level.

## **Culture / Art**

### **The Society for Classical Music Association**

Sponsorship of cultural events organized by the Classical Music Society

Alpha Bank Romania supports the cultural projects of the Association for Classical Music.

The Society for Classical Music is a cultural foundation that organizes its own cultural events, in partnership, or supports such events of other cultural and scientific associations and foundations. The association specializes in cultural management services. They started by managing projects in the field of classical music, not knowing then that they would end up in other fields of culture.

The company's activity began by managing projects in the field of classical music and hence the origin of the name (concerts, recitals, competitions, master classes, musical and general culture courses, etc.), then it expanded to other fields of culture: theater, literature, cinematography, visual arts, etc., and soon it will also administer projects in the scientific educational field, especially in the area of fundamental sciences.

---

Over the years, they have organized over 100 cultural events, from small private concerts to large public concerts, at the Romanian Athenaeum or at various philharmonics in the country, and some were even absolute firsts.

It is mainly carried out at the local level, but some projects have been carried out at the national level.

More details can be seen at the link below.

<https://www.societateamuzicala.ro/category/despre-societatea-muzicala>

## **Sports**

### **World Junior Chess Championship (ACS Chess Club Universul, Romanian Chess Federation and Constanța Junior CS)**

#### Sponsorship of the World Junior Chess Championship

Alpha Bank supported the World Junior Chess Championship organized by the Romanian Chess Federation, CS Chess Club Universul and CS Junior Constanța, which took place between September 6-17, 2022, at the Exhibition Pavilion in the Mamaia resort.

The competition was held in 3 age categories of 14, 16 and 18 years, boys and girls separately. More than 600 young people from 72 countries, from 5 continents, participated in the competition, including the best 80 Romanian juniors in these categories. They played 11 consecutive rounds to capture the titles of champions and world champions. Of course, only 6 of them emerged winners. At the end of the 11 rounds, four Romanian players achieved spectacular results and even if they did not get a place on the podium, we are proud to see them in the world top 10 and we congratulate them!

During the World Championship, several specialized seminars were organized, among which we list: seminar of globally licensed coaches, seminar for international referees, seminar for competition organizers, school chess seminar.

Although it took place at a local level, the Championship enjoyed national and international media coverage, considering the number of countries that sent their representatives to this contest.



---

## GLOSSARY

ABR	Alpha Bank Romania
AML	Anti-money laundering
BoD	Board of Directors
CFI	Corporate Finance Institute
CSR	Corporate Social Responsibility
CSRD	Corporate sustainability reporting directive
CSSM	Committee for Safety and Health at Work
ESG	Environmental, Social and Governance
FAQ	Frequently asked questions
FinRep	Financial Reporting for prudential purposes
GDPR	General Data Protection Regulation
GRI	Global Reporting Initiative
KPI	Key Performance Indicator
ICT	Information and communication technology
IFRS	International Financial Reporting Standards
NBR	National Bank of Romania
NFRD	Non-Financial Reporting Directive
NFS	Nonfinancial Statement
NPS	Net Promoter Score
SME	Small Medium Enterprises
SREP	Supervisory Review and Evaluation Process
TLI	Territorial Labor Inspectorate
YoY	Year on Year
TLI	Territorial Labor Inspectorate



ALPHA BANK