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Article

The informational relevance of social accounting for the management of financial institutions. A case study: Banca Transilvania Financial Group

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Abstract: This paper analyzes the relevance of social accounting information for managing financial institutions, using Banca Transilvania Financial Group (BTFG) as a case study. It explores how social accounting data can enhance decision-making processes within these institutions. Social information from BTFG's annual integrated reports was used to construct a social balance sheet, and financial data was collected to calculate economic value added (EVA) and social value added (SVA). Research question include: Does social accounting represent a lever for substantiating the managerial decision in financial institutions? Results show that SVA is a valuable indicator for financial institution managers, reflecting the institution's contributions to social well-being, environmental impact, and community support. Policy implications suggest regulatory bodies should mandate the inclusion of social accounting metrics in financial reporting standards to encourage socially responsible practices, enhance transparency, and incentivize institutions achieving high SVA. This paper contributes to the literature by demonstrating the practical application of social accounting in financial institutions and highlighting the importance of SVA as a managerial tool. It aligns with existing research on integrating corporate social responsibility (CSR) metrics into financial decision-making, enhancing the understanding of combining social and economic indicators for comprehensive performance assessment The abstract covers motivation, methodology, results, policy implications, and contributions to the literature.

Keywords: social balance sheet; decision-making process; social value added; economic value added; financial institution

1. Introduction

The concept of social accounting has gained particular importance as a result of high-level industrialization and aims to measure the general public about social responsibility (CSR) actions (Abbas, 2020). In a broad sense, CSR refers to the awareness of the effects of organizations' actions on the social system as a whole and to the adjustment of organizations' policies so that these policies should be consistent with the goals and values of the society (Busco and Sofra, 2021). The tools of social accounting are: the social balance sheet, the extra-financial dashboard, the Scorecard balance sheet and the social audit. A useful social accounting tool is the social balance sheet. With its help, organizations can quantify, capitalize and compare their social value added (SVA) and demonstrate their contribution to society (Wnuczak, 2018). Organizations can measure their effort on social values resulting from their commercial activity and which are not reflected in traditional financial statements (Argento et al., 2019). An objective of the social balance sheet is to report the activities of the organization that affect the society and the environment, which can be determined and described or measured. At the beginning, organizations have not inclined to disclose the damage caused to the environment or the community in their financial statements, but with the passage of time and the increase of the determinations and requirements of sustainable development, they were urged to be responsible and obey the aspects of social responsibility (Lu et al., 2021).

Consequently, the social balance sheet is a component of the CSR reporting that organizations prepare and with the help of which compliance with social reporting policies is highlighted (Yu et al., 2020). The social balance sheet, as a tool of social accounting, synthesizes, analyzes, evaluates and makes known to the interested parties the commitment of the organization regarding compliance with CSR requirements (Topor et al., 2022). The social balance sheet has the role of describing the long-term benefits to interested parties, a fact that contributes to better strategic planning in order to develop the image and reputation of organizations (Carroll and Brown, 2021). The social balance sheet elements are extracted from the integrated reports, more precisely from the information contained in the prepared non-financial reports (Tiron-Tudor et al., 2019). Currently, at European level, Directive 95/2014 of the EU and Directive 2464/2022 of the EU requires organizations that have an average number of 500 or more employees at the balance sheet date to prepare, in addition to the financial reports, also the non-financial reports called integrated reports (European Parliament and Council of the European Union, 2011; European Parliament and Council of the European Union, 2022a and European Parliament and Council of the European Union, 2022b). The organizations that do not fulfill this condition can present integrated reports in a voluntary manner, but it is necessary to include a series of elements for understanding the development, performance, position and impact of their activity on the environment and the community (Fărcaş, 2020). The banking organizations have been among the promoters of integrated reporting, and they reported non-financial information specific to the social balance sheet from an early stage, in a voluntary manner (Demir and Maung, 2021).

The political implications of the study reveal regulation of the Romanian banking sector in accordance with European directives and international standards. The relevance of CSR policies in the context of governmental objectives for sustainable development and social equity (Brei and Schclarek, 2020). Decision-makers can stimulate or regulate banks' involvement in socially responsible activities to promote social welfare and environmental sustainability (Gropp et al., 2019). There are implications in systemic risk management (Boot and Thakor, 2010). This results from the importance of proactive regulation to anticipate and manage systemic risks, safeguarding depositors' funds and preventing economic disruptions (Caprio and Honohan, 2004). Furthermore, political implications play a fundamental role in financial stability and consumer protection (Brei and Schclarek, 2020). The effectiveness of banking regulations in promoting financial stability, protecting consumer interests, and aligning banking policies with national and European economic objectives. Political aspects can also influence managerial decisions in social activities (Zingales, 2015). The influence of shareholder interests on decisions regarding banks' social involvement (Gropp et al., 2019). Decision-makers could regulate these decisions to balance shareholder interests with public welfare (Greenbaum et al., 2019). The importance of social accounting and transparency in reporting societal contributions influences public trust in financial institutions and public policy discussions on banking regulations and corporate governance (Gropp et al., 2019).

This paper analyzes CSR indicators from the social balance sheet through a case study of Banca Transilvania SA, a leading bank in Romania. As part of the Financial Group Banca Transilvania (BTFG), the bank has shown a strong commitment to social responsibility, contributing to social development, stakeholder income, job creation, and environmental sustainability (Banca, 2023).

While extensive research exists on CSR in general, specific studies in sectors, especially in banking, are limited (Marino et al., 2021). There is a recognized need for more focused research to understand the unique challenges and opportunities in the banking sector. The case study method allows for an in-depth analysis of specific CSR and social accounting practices of Banca Transilvania, providing detailed perspectives that may not be captured through broader surveys or quantitative studies. Using economic indicators such as EVA and SVA offers a concrete, quantifiable measure of the bank's societal contributions, enhancing the rigor and relevance of the study. The complexity of measuring social added value and the lack of standardized data could have discouraged previous research.

Many existing studies focus on qualitative aspects of CSR, lacking the quantitative rigor needed to measure Social Value Added (SVA) and Economic Value Added (EVA) (Ntim et al., 2020; Tomsheck and Schmitt, 2021). Social accounting requires detailed and often proprietary data, which may not be readily available. Due to the lack of method and standardized framework for social accounting, it is challenging to compare results from different studies. Furthermore, there is a gap between longitudinal studies tracking the long-term impact of CSR initiatives and social accounting practices on organizational performance and societal outcomes (Zaman and Sikander, 2020).

Other authors such as Du and Temouri (2020) have conducted limited research on how social accounting influences managerial decision-making in financial institutions, an area this study aims to address. By addressing these gaps, this paper contributes to a deeper understanding of the role of social accounting in CSR and its potential to guide managerial decisions in the banking sector.

The research question guiding this study is: Does social accounting represent a lever for substantiating the managerial decision in financial institutions? The motivation for this research stems from a comprehensive study of integrated reporting within the banking system. Banca Transilvania was chosen due to its significant role in the Romanian economy and active involvement in community and non-financial actions, providing insights into the national financial environment and possible improvements in the banking system (NBR, 2023). This research aims to provide valuable findings regarding technological innovations, responses to global economic events, cybersecurity, customer experience, and sustainability in the banking sector.

The study is structured as follows: The first part introduces the general elements of the social balance sheet and focuses on specific aspects of BTFG. The methodology and results section presents economic indicators such as EVA and SVA, measuring BTFG's actual contribution to society. The final part discusses findings and suggests new research directions.

2. Literature review

2.1. CSR and scope of social accounting

The concept of Corporate Social Responsibility (CSR) has been associated with social accounting or socio-economic accounting (Štreimikienė and Ahmed, 2021). CSR's linkage to the accounting system highlights the significance of accounting professionals' activities (Adams, 2017; Siminica et al., 2019). Social accounting collects financial accounting information to assist management in evaluation, performance, control, decision-making, and reporting (Marín et al., 2017).

Social accounting, developed 30 years ago, is considered a subcategory of financial accounting (Ceesay et al., 2021). It focuses on evaluating and presenting non-financial information and the social performance of organizational activities that impact society and the environment (Dumitru and Dragomir, 2021). Beneficiaries of social accounting information include internal stakeholders (employees, managers, capital owners) and external stakeholders (suppliers, customers, creditors, investors, state institutions, and other interested parties) (Rajnoha et al., 2017).

In the specialized literature, social accounting has been defined in various ways. Ferramosca and Verona (2020) view it as the application of double registration to social analysis. Kolb (2018), Heimann and Lobre-Lebraty (2018) assert that social accounting measures and reports the impact of an organization and its activities on society, both internally and externally. Social accounting should highlight and report the social and environmental effects of organizations' economic actions (Contini et al., 2020; Moyo et al., 2020).

The research conducted by Marín et al. (2017) was based on data collected from 236 companies. They used this data to analyze the relationship between corporate social responsibility (CSR) and competitiveness, particularly examining how innovation and investment mediate this relationship. The findings indicated that while CSR does not directly influence competitiveness, innovation and investment significantly mediate this effect, demonstrating their role in enhancing the impact of CSR on competitiveness.

Other studies such as that of Szegedi, Khan and Lentner (2020) examines CSR disclosure practices in Pakistan's banking sector and their impact on financial performance, highlighting that proper CSR disclosure can enhance financial performance, measured by return on equity (ROE) and return on assets (ROA).

Nyabakora and Mohabir (2024) did a study likely employs bibliometric methods such as citation analysis, co-citation analysis, and keyword analysis to map the knowledge base and intellectual structure of CSR research. It aims to provide insights into how CSR has evolved over time, the most impactful works and authors, and emerging areas of interest within the domain. By doing so, it helps scholars and practitioners understand the landscape of CSR research and identify gaps or opportunities for future study.

Siddique et al. (2023) conducted a systematic literature review on CSR as a pathway to sustainable banking. This study analyzes 30 documents from 2012 to 2022, focusing on CSR dimensions and theories related to sustainable banking. It maps out relevant theories and CSR dimensions to guide future research on sustainable banking in different contexts, particularly highlighting the influence of the Paris Agreement and Sustainable Development Goals (SDGs).

The article by Slimene and Obeid (2022) aims to investigate how banks across different countries incorporate CSR into their operations and the resulting impact on their performance. It assesses the extent to which banks engage in CSR activities and how these activities are communicated to stakeholders. The article conducts empirical analysis using data from a wide range of international banks. The study results demonstrate a positive relationship between CSR involvement and bank performance. Banks actively involved in CSR tend to show better financial performance and improved risk management practices.

2.2. Forms and practices of social balance sheet

Currently, the social balance sheet lacks a universally valid and applicable form at national or international levels. In Europe, social balance presentation takes two forms:

- Quantifying the social impact of an organization similarly to economic value added.
- Referring to the quantitative and qualitative human capital, its category and structure, and the way organizational activities are conducted (Miller et al., 2018).

In Latin America, particularly Brazil, social reporting is practiced using a social balance sheet model recommended by the Brazilian Institute of Social and Economic Analysis (IBASE) (Medrado and Jackson, 2016).

2.3. CSR practices in the banking system and social performance

The banking sector is subject to non-financial reporting rules and legislative regulations at both national and European levels (Integrated Reporting, 2023). These regulations impact accounting and corporate management policies, ensuring that CSR reporting quality and social balance sheet preparation align with social responsibility factors (Dzinkowski, 2015; Hart and Sharfman, 2015).

The Romanian banking system supports sustainable and long-term business models through adjusted investments and products (European Parliament and Council of the European Union, 2014). Over time, various opinions on social reporting and the social balance sheet have emerged globally and in Europe. The ISO26000 standard, published in 2010, provides guidelines on CSR principles and integrating socially responsible behavior into organizations, though it does not recommend evaluating social policies (Eccles and Serafeim, 2017; Yeazitzis et al., 2021).

Shaukat, Qiu, and Trojanowski (2016) studied the relationship between Economic Value Added (EVA) and social performance, concluding that organizations creating added value must align their activities with CSR actions. Wnuczak (2018) identified the Expanded Value Added Statement (EVAS), Social Return on Investment (SROI), and integrated reporting (Global Reporting Initiative—GRI) as examples of CSR reporting. Wnuczak applied the concept of EVA to measure credit organizations' performance, introducing terms like earnings before interest and taxes (EBIT), social earnings before interest and taxes (SEBIT), and social value added (SVA). Organizations using social balance sheets aim for social transparency and environmental information, thus achieving sustainable competitive advantages (Rupley et al., 2017).

This paper includes key studies, such as the work by Bernini et al. (2022) which explores the digitalization-reputation link in Italian banking groups. Their research focuses on how digital transformation affects the reputation of banks, using a multiple case study approach and content analysis to generate a digital disclosure index. They find that digital activities significantly impact the bank's reputation, highlighting that digitalization should be integrated with strategic communication to improve overall performance and efficiency.

Kuzey and Uyar (2017) conducted research focused on the application of Economic Value Added (EVA) in the Turkish banking sector, specifically examining its role in evaluating bank performance and guiding strategic decisions. The study assesses the financial performance of banks by calculating EVA, which measures the value created beyond the required return for the company's shareholders. This approach provides a clearer picture of a bank's profitability compared to traditional accounting measures. The authors' research demonstrates how EVA can be used to make more informed strategic decisions, highlighting the importance of value creation in the banking industry. They analyzed data from various Turkish banks, comparing their EVA results with traditional performance metrics such as net income and Return on Equity (ROE). They found that EVA offers a more accurate representation of a bank's financial health by considering the cost of capital, thus providing a better understanding of value creation.

The article advocates for increased attention to CSR in the banking industry, suggesting that responsible banking practices can lead to sustainable growth and improved stakeholder relationships. This served as the basis of our work, where we aimed to analyze the banking sector in Romania using similar indicators. Investors' trust in banking stability has increased interest in CSR investments and their visibility through social balance sheets. Based on documentation on social balance sheet elements, the following hypotheses were proposed:

Hypothesis$_1$: SVA is correlated with the estimated EVA.

Hypothesis$_2$: SVA is estimated based on EBIT.

Hypothesis$_3$: SVA is not influenced by the evolution of total net loans and advances granted to customers.

Hypothesis$_4$: The estimated SVA is not influenced by the evolution of non-performing loans (NPL).

3. BTFG—Involvement in social activities

BTFG is a leader of the banking market in Romania, it has as a firm commitment the promotion and implementation of the concept of "sustainable banking", in order to be a "trend setter", an example of good practices regarding ESG (Environment-Social-Governance), taking into account that the most important trend of the capital markets in recent years is the prioritization and development of green and sustainable assets (Banca, 2023).

BTFG has appreciated that non-financial performance is as important as financial performance and, for this reason, has implemented responsible growth as part of its business strategy. As a responsible member of the community, they permanently support the entrepreneurial spirit and actively contribute to the development and transformation of the economic business environment in Romania. BTFG has among its guiding principles the continuous improvement of CSR practices. The CSR indicators, to which the BTFG has directed its attention, refer to three categories of social actions: education, products with social impact and eco-efficiency. In the area of education, BTFG has funded small and medium-sized enterprises that run educational programs, made donations to underprivileged children and funded a number of other beneficiaries of other education programs for society. Regarding the category of products with social impact, BTFG has consolidated its position on the national market through the number of clients who have accessed green credits and launched a program called "Let's practice with ZâmBT", intended for students to carry out the internship practice. Regarding eco-efficiency, BTFG finances programs with a positive impact for the environment (low energy consumption and recyclable materials) and moreover, it aims, within the group, at reducing the CO_2 emissions per person, at reducing the consumption of paper, water and electricity per person and also at having a higher percentage of employees working in energy certified buildings. The social objectives specific to CSR are also divided into three categories and refer to: social performance, employees and the environment. Through the objective of social performance, BTFG aims at promoting products and offers of green financing, financial education or with positive social impact and at supporting the transition to a more sustainable economy. It does not neglect the material and human resources in all the BTFG banking units and aims at ensuring qualitative reporting in accordance with sustainable requirements and compliance with all standards of good practices in the field. The objective related to the salaried staff refers to the involvement of the BT group team in volunteering actions, to the promotion and running of campaigns and training sessions on aspects regarding diversity and equal opportunities or to the facilitation of the recruitment of staff from within the communities through internship programs and partnerships with educational institutions. The environmental objective of the BTFG refers to the purchase of renewable energy, the issuance of new cards from recycled materials and the use of recycled paper for ATM and POS rolls.

4. Research methodology

We analysed the existing connections and relationships between the social and financial performance within Romanian banking entities in order to answer the research question. The research methods used in other banking studies were based on panel data modelling (Aras et al., 2018; Gutiérrez-Ponce and Wibowo, 2023; Shakil et al., 2019), content analysis (Matuszak and Rózańska, 2017) or Heckman regression models for the association between corporate social responsibility (CSR) and financial performance (FP) (Wu and Shen, 2013).

To draft our research and to answer the question, we used both qualitative and quantitative research methods. Even though we used multiple research methods, our paper is mainly considered an exploratory and inferential one. We performed data analysis and modelling through methods based on analytical data and synthetic calculations.

For qualitative research, we started from the study of specialized literature, considering the complexity and the need to deepen the dimension and implications of CSR in order to present and understand the debated topic and the analyzed elements. Within our quantitative research, we applied: content analysis, observation of the practical peculiarities of BTFG, statistical processing, forecasting and interpretation of data collected and analyzed from a descriptive and dynamic point of view.

4.1. Data source

Our research consists of analyzing the CSR elements presented in the form of the social balance sheet as part of the integrated annual reports of the BTFG, which provides generous information about the social aspects addressed over a longer period of time. We research studies and analyzes the specific CSR indicators contained in the integrated reports of the BTFG in the period 2019–2021 in order to determine the social contribution in the community as well as its evolution. In this sense, our research involved two steps:

Step one: we went through the integrated reporting, specifically tracking the information provided by the BTFG's social accounting. This information was structured in a social balance sheet from which the necessary data was then extracted for the calculation of the Economic Value Added (EVA) and Social Value Added (SVA) indicators.

Step two: at this stage, we conducted quantitative research was carried out, which consisted in the identification, analysis, calculation and comparison of the data regarding the EVA and SVA indicators. The Our purpose of the research is to provide a more thorough analysis of the economic and CSR indicators, in order to obtain a real measure of the social contribution in the community of BTFG. Considering the specificity of the BTFG activity, it is necessary to determine whether the evolution of SVA within the BTFG is influenced by specific economic indicators such as: EVA; the organization's earnings before interest, taxes or depreciation—EBIT (T-1); net loans and advances granted to customers, after impairment adjustments; non-performing loans from the current year, compared to the previous year.

Our database containing the information was represented by the official website of GFBT, which offers in a transparent manner details about its activity. The volume of the collected data has been enough in order for it to be processed accordingly.

4.2. Processing data to obtain results

We centralized the data extracted from the GFBT database in a Microsoft Excel sheet where we used a series of formulas~~.~~ To obtain our research results, we computed indicators such as: Economic Value Added (EVA); net operating profit after tax (Pnei); weighted average cost of capital (CMP); nominal market value (Vpn) and the contribution of the organization to different interested parties. These are presented in **Table 1**.

Table 1. Comprehensive overview of key financial indicators and their formulas.

Indicator	Formula/Method	Description
Economic Value Added (EVA)	Method 1: EVA = Pnei – (Liabilities + Equity) × CMP capital Method 2: EVA = (debt + Kp) × (Rki – CMP of equity) Method 3: EVA = V – A	Pnei = Net operating profit after taxation; CMP = Weighted average cost; Kp = equity; Rki = return on invested capital; V = sales; A = Procurement of goods/services made by the organization from third parties.
Net operating profit after tax (Pnei)	Pnei = Operating profit/Operating result × (1 − Profit tax rate)	
Weighted average cost of capital (CMP)	$\text{CMP of capital} = \frac{\text{Ke} \times \text{Equity capital} + \text{Kd}(1 - \text{Profit tax}) \times \text{Debts}}{\text{Equity} + \text{Debts}}$	Ke = cost of equity (capital) = Interest expenses not related to debt ÷ Equity; Kd = cost of debt = Interest expenses related to debt ÷ Debt.
Nominal market value (Vpn)	$\text{Vpn} = (\text{debts} + \text{Kp})\text{at market value} + \sum_{t=1}^{\infty} \frac{\text{EVA}_t}{(1 + \text{CMP of capital})^t}$	Vpn = Nominal market value is the nominal value (equity + debt), measured at market values.
The contribution of the organization to different interested parties	S + EBIT= S + I + Db + D + DEP + R	S = sum of wages; EBIT = the organization’s earnings before interest, taxes or depreciation; I = taxes paid by the organization; Db = interest paid by the organization; D = dividends paid by the organization; DEP = depreciation related to the period; R = retained earnings.

To compare these SVA figures reported by the BTFG with a more realistic EVA estimate, we need specific data on operating income, as well as the amounts of accounting liabilities and market liabilities of equity.

After calculating these indicators through the methods presented beforehand, we can make economic forecasts by following these steps: establishing the indicators which are about to be predicted, collecting and analysing information regarding the past and present of the entity, choosing forecast methods and making projected calculations, qualitative analysis of the obtained results and establishing values which will be considered during evaluation.

5. Research results

5.1. Contribution to social development and welfare

Through the documentation carried out on the integrated report of the BTFG, it was noticed that although many specific aspects of CSR are presented, a social balance sheet at the Group level is not elaborated. With the help of the extracted information, it was decided to create a social balance sheet grouped into the following sections: contribution to social development and well-being; generating revenue for stakeholders; job creation (direct and indirect); the organization’s contributions to society through direct investments and contributions to the environment. In this sense, the CSR aspects were centralized and regrouped in five main categories and the years 2019–2021 were taken as the reference period, according to **Table 2**. The Romanian currency is lei. As of July 1st 2023, the lei-euro exchange rate was 1 euro = 4.9403 lei.

Table 2. Social balance sheet of BTFG during 2019–2021.

Elements	2021	2020	2019
I. Contribution to social development and welfare			
Total value of investments in social projects (thousands of lei)	27,000	24,000	25,000
No. of projects supported through the sponsorship programs promoted	125	105	154
The number of partners involved in social programs alongside	115	154	37
Funding allocated to support education programs (scholarships, work and travel programs, training and development of educational competences/skills) (thousands of lei)	18,760	-	15,860
II. Generating revenue for stakeholders			
Payments to the state budget, in the form of profit tax resulting from the activity of BTFG (thousands of lei)	278,265	198,350	283,690
Total investments in technology and innovation (thousands of lei)	334,783	268,651	202,345
The economic value generated (thousands of lei)	4,684,798	3,670,325	4,314,320
Investments in BREEAM - Building Research Establishment certified real estate projects (thousands of lei)	360,000	364,000	-
Percentage of share of shareholders	22.21%	21.56%	20.85%
Dividends distributed to shareholders (thousands of lei)	500,000	600,000	818,566
Gross wages and benefits granted to employees (thousands of lei)	1,328,277	1,097,491	1,038,289
III. Responsible employer—Jobs			
Number of new employees	1425	986	1994
Full-time employment reports	9832	9464	9071
Part-time work report (<8 h)	108	169	159
Number of employees with disabilities	39	41	44
Number of students taking part in the practice program “Let’s practice with ZâmBT”	350	350	-
Number of students taking part in intership with the possibility of further employment in the technical field	163	20	-
Number of students taking part in intership with the possibility of further employment in the legal field	17	-	-
Number of students taking part in intership and considered eligible with the possibility of further employment in the IT field	36	-	-
Employee development training and vocational training (thousands of lei)	5125	3578	4351
Training of employees in Occupational Safety and Health (training hours)	14,186	-	-
The number of training hours for the beneficiaries of the diversity and equal opportunities program	900	60	872

Table 2. (*Continued*).

Elements	2021	2020	2019
IV. Contributions to society			
Number of donations made through BT Pay	12,225	-	640
Number of donations made on the website	4079	1250	-
Total value of the donations made (lei)	434,345	-	66,200
Total value of the donations carried out (lei)	434,345	-	3200
The number of beneficiaries who have acquired basic financial competences/skill as a result of diversity and equal opportunities programs	-	7521	109
The number of local suppliers with whom responsible purchases have been concluded	4505	4997	4913
Value of responsible purchases concluded with local suppliers (thousands of lei)	1,177,963	1,194,864	1,036,783
V. Contributions to the environment			
The value of loans granted for green projects intended for legal entities (thousands of lei)	538,100	313,899	344,687
• green constructions according to the assessment app—Climate Assessment for Financial Institutions (CAFI)	340,500	-	-
• production of electricity from renewable sources	153,900	188,946	197,636
• energy efficiency	33,500	48,460	78,340
• efficient transportation	9800	-	-
• special environmental financing (wastewater treatment)	400	45,393	35,990
• adaptation to climate change	-	31,100	32,721
• number of organizations that received green funding	261	130	189
Saving the plastic used (kg)	1170	-	-
Saving paper used (kg)	111,460	93,580	85,880
Direct emissions of greenhouse gases (tons of CO_2)	4831.92	9161.40	9938.90
Intensity of GHG emissions (total amount of CO_2 emissions/Turnover) (CO_2/thousand of lei)	8.65×10^{-4}	5.78×10^{-4}	6.26×10^{-4}
The value of green loans for individuals (thousands of lei)	1,356,000	226,348	-
• loans granted in partnership with the EBRD for goods or real estate with superior energy performance	144,000	166,000	-
• green credits (on BREEAM, LEED, DGNB certification system)	959,000	-	-
• leasing for electric or hybrid vehicles	253,000	60,348	-
Net electricity reduction achieved by BTFG by investments in the modernization of the head offices and administrative offices (replacement of old boilers, thermal power plants, LED bulbs, building envelopes) (toe/year)	124.92	229.7	199.7

The information and data given in **Table 2** provides a comprehensive overview of the social contribution of BTFG. Thus, it can be noticed that regarding the contribution to social development and well-being, the Group has been actively involved in investments in social projects, the main sectors supported are: artistic; cultural; education; humanitarian; sport; social protection; environment protection; assistance and social services; as well as maintenance, restoration, preservation and enhancement of historical monuments, etc.

The income generation section for interested parties shows the evolution of the contribution to the state budget, employees, shareholders as well as the evolution of the directly generated economic value and investments in technology and innovation. The separate highlighting of these elements within the salaries would bring a better highlighting of the social impact that the Group generates. The "Let's practice with ZâmBT" program gives full support to independent activities with assistance for direct employment, training and mediation in the field of work. Finally, regarding the global investments in technology and innovation launched by BTFG and included in the report, they had an increasing trend during the analyzed period (from 202,345 lei in 2019 to 334,783 lei in 2021).

The responsible employer-jobs section shows the evolution of different categories of employment relationships as well as the evolution of various internship, training and professional training programs. Regarding BTFG's investments in the training programs regarding the "Let's practice with ZâmBT" impact, in 2020 BTFG signed a contract with the EU for the period 2020–2022. The project had in mind a number of 350 students from ten university centers.

Contributions to society reflect the evolution of the number and value of donations made through BT Pay and on the BTFG website by customers as well as by BTFG through social projects such as "I'm OK" and "Cluj has a soul" in which the total value of donations made by BTFG was approximately 66,200 lei. Mention of these aspects in the social balance sheet should be included because it reflects the fiscal distribution with social value added.

In the environmental contributions section, you can see: the evolution of credits/loans granted for green projects intended for legal entities and individuals; the degree of saving of plastic and paper used by BTFG; loans granted in partnership with EBRD for goods or real estate with superior energy performance (through the BREEAM, LEED, DGNB certification system); leasing for electric or hybrid vehicles. Regarding the destination of green credits, BTFG has designed six categories for their inclusion: energy from renewable sources; green buildings; energy efficiency (15% reduction compared to the technological level average for the country); the efficiency of water consumption; efficient transport and adaptation to climate change.

5.2. Social and economic value indicators

For a more accurate evaluation of the social contribution, the following indicators were used: Economic Value Generated; Economic Value Distributed; Social Value Added and Economic Value Retained. The Social Value Added (SVA) was calculated to measure its contribution to society, in the form of investments in the community, and the Economic Value Added (EVA) to measure the added value brought to the interested parties. The Economic Value is structured into:

Economic Value Generated (EVA-G), calculated as the sum of operating revenues, gains from acquisitions and adjustments for depreciation (where we find net expenses with depreciation adjustments, expected losses for financial assets that are not valued at fair value through the profit or loss account), to which net income with other provisions is added;

Distributed Economic Value (EVA-D), calculated as the sum of operating costs (consisting of depreciation expenses and other operational expenses), SVA (in the form of investments in the community), salaries and benefits paid to employees (where we also find salary contributions paid to the State Budget and Social Insurance Budgets) and payments to the State Budget, in the form of Profit Tax;

Retained Economic Value (EVA-R), calculated as the difference between EVA-G and EVA-D.

All these calculations to be found in **Table 3** for the period 2019–2021.

Table 3. The economic value generated and distributed according to the integrated reporting of BTFG. (thousand of lei).

Description	2021	2020	2019
Economic Value Added Generated (EVA-G)	4,684,798	3,670,325	4,314,320
Operating income	4,934,037	4,536,165	4,606,966
Earnings from acquisitions	7377	0	0
Adjustments for impairment	256,616	865,840	292,646
Economic Value Added Distributed (EVA-D)	2,660,265	2,246,247	2,466,427
Operating costs (depreciation and other operating expenses)	1,026,723	926,406	1,119,448
Social Value Added (SVA), in the form of investments in the community	27,000	24,000	25,000
Salaries and benefits paid to employees (here you can also find the salary contributions paid to the State Budget and the Social Insurance Budgets)	1,328,277	1,097,491	1,038,289
Payments to the state budget, in the form of Profit Tax	278,265	198,350	283,690
Economic Value Added Retained EVA-R (EVA-R = EVA-G − EVA-D)	2,024,533	1,424,078	1,847,893

In order for BTFG to become as socially responsible as possible and to make the best managerial decisions, it must know and anticipate the impact of its activity on the community and on the environment. This enables the group to implement those CSR measures and make the best decisions to manage this impact in a positive way.

Thus, in order to determine the evolution over time of the contribution of the economic and social value produced by the BTFG for the interested parties, for a certain period of time, a forecast of the main economic and CSR indicators is necessary.

5.3. Forecast of economic and CSR indicators

In order to be able to make a more realistic estimate of the evolution of SVA in the period 2022–2025, the collection of data from the sustainability reports of GFPT was extended over a period of four years. Thus, in the period 2020–2021, the following indicators that can influence the estimation of BTFG's SVA were analyzed: EVA; EBIT (T-1); total loans and advances granted, net loans after depreciation adjustments and non-performing loans from the current year, compared to the previous year, according to **Table 4**. The assessment of the predicted results of the BTFG will be done taking into account the specifics of the activity and in accordance with the object of the activity. Thus, the calculation of economic indicators: EBIT (T-1); WAC (weighted average cost) of the capital; EVA; non-performing loans as well as the estimated SVA indicator of BTFG for the period 2020–2025.

The development of the economic forecasts of the economic and CSR elements within the BTFG was initially carried out by calculating the arithmetic average of the historical increase or decrease of operating income (current year compared to the previous year for the period 2020–2021), their calculation being presented in **Table 4**.

Regarding operating revenues, it was noticed that they varied from one to another during the analyzed period between a minimum of −1.54% (it decreased from 4,536,165 lei in 2020 to 4,934,037 lei in 2021) and a maximum of 8.77%, (increasing in the next year to 5,220,211 lei in 2022) resulting in an arithmetic average of the period of 3,62%. Thus, we will consider that all the financial and CSR elements found in **Table 4** for the period 2022–2025 will increase by a percentage of 5.8% (in 2022 compared to 2021); 1.8% (in 2023 compared to 2022), with a percentage of 2.2% (in 2024 compared to 2023) and with a percentage of 2.4% (in 2025 compared to 2024). Following the analysis of the forecast of economic indicators and CSR of BTFG, an increasing trend can be observed in the period 2022–2025 of EBIT (T-1) (from 2,046,543 lei in 2022 to 2,167,541 lei in 2025) and estimated EVA (from 2,039,758 lei in 2022 to 2,160,353 lei in 2025) and a downward trend of the Non-performing loans indicator (from 3.30% in 2022 to 3.20% in 2024). The increasing trend in the period 2022–2025 of the EBIT indicator (T-1) and the estimated EVA shows that BTFG can rely on its own capital, which represents a stable source of financing available to the Group. A positive and increasing level of it essentially contributes to attracting financing, necessary to carry out the activity in optimal conditions, as well as to make new investments in socially responsible activities.

The downward trend in the period 2022–2025 of the Non-performing Loans indicator means that BTFG has increased the quality of the loan portfolio granted and their coverage with specific provisions and mortgage guarantees is at a comfortable level and in accordance with the Group's risk coefficient. For the calculation of the forecast for the period 2022–2025 of the CSR indicator - estimated SVA, the SVA reported in the period 2020–2021 was taken into account. It can be seen that the evolution of the SVA has an increasing trend starting from 2020. The SVA indicator increases from 24,000 lei in 2020 to 30,433 lei in 2025. This fact indicates that BTFG will contribute to a greater extent to social and economic well-being in the community in which it operates.

This may be due to EBIT (T-1) growth, cost reduction, or both. An increase in SVA can have a positive impact on employees, investors and the community in general. Based on the predicted evolution of the added social value, the financial forecasts can be developed to support the future economic-financial and CSR decisions of the BTFG.

The benefits brought by the results of the economic forecasts obtained as a result of the analysis carried out are materialized in terms of improving the process of identification and use of CSR elements. Thus, with the help of the social balance sheet as a tool of social accounting, the added social value can be measured and evaluated.

Starting from the financial forecasts made in **Table 4** we will make a financial projection both for the Economic Value Generated (EVA-G), the Economic Value Distributed (EVA-D), and the Economic Value Retained (EVA-R) from the Social Balance, as well as for SVA, to forecast how investments in the community will evolve, depending on EVA-G, EVA-D and EVA-R. The results obtained are presented in **Tables 5** and **6**.

Taking into account the SVA projection for 2022–2025 based on the data from the Social Balance 2020–2022 of the BTFG (**Table 6**), the following observations can be made:

- the SVA value throughout the forecast period has an upward trend from 28,566 lei in 2022 to 30,255 lei in 2025. This increase indicates that BTFG will contribute to a greater extent to the social well-being of the community in which it operates;
- the SVA value throughout the forecast period (2022–2025) remains within the percentage limit of 0.98% of EVA-D and 1.39% of EVA-R, limits within which it also fell in the analyzed period (2020–2021). The positive value of SVA in the forecasted period indicates that the economic activity of BTFG has a positive impact on the environment and the community, through its contribution to the creation of jobs, earnings for employees, contributions to the public budget;
- for the forecasted period, only three directions of the SVA will be maintained, thus continuing the community support policy: involvement in the community (with 42.41% of the SVA), facilitating the community's access to information, know-how (with 46.98% of the SVA) and 10.61% of the SVA being allocated for support and solidarity;
- in terms of supporting the Romanian economy, entrepreneurs and new ideas throughout the forecasted period, they will be supported through a policy of reducing interest and commissions related to the loans granted.

Table 4. Estimation of economic indicators and CSR at BTFG for the period 2022–2025 (thousands of lei).

Description	2025	2024	2023	2022	2021	2020
Operating revenues	5,528,846	5,431,087	5,314,175	5,220,211	4,934,037	4,536,165
Operating expenses	2,956,707	2,904,427	2,841,906	2,791,656	2,638,616	2,913,737
NOPAT - net operating profit after tax	3,196,171	3,136,066	3,068,558	3,014,300	2,849,055	2,305,760
Earnings from acquisitions	8266	8120	7945	7805	7377	0
Gross Profit - Profit before tax	2,580,406	2,534,779	2,480,215	2,436,360	2,302,798	1,622,428
Profit Tax	412,865	405,565	396,834	389,818	278,265	198,350
Profit Tax (%)	16.00%	16.00%	16.00%	16.00%	12.08%	12.23%
Other income, not included in the tax base	0	0	0	0	0	0
EBIT (T-1) (Net profit)	2,167,541	2,129,215	2,083,380	2,046,543	2,024,533	1,424,078
Dividends paid in the current year, related to the previous fiscal year	563,578	550,369	538,522	529,000	500,000	600,000
What % of net profit, previous year, was distributed in the current year	26.47%	26.42%	26.31%	26.13%	35.11%	32.47%
SVA (reported)/net profit for the previous year	1.5029%	1.4265%	1.4209%	1.4110%	1.8960%	1.2988%
Weighted average cost of estimated capital (WACEC)						
Total Assets	149,349,604	145,849,223	142,709,612	140,186,259	132,501,190	107,492,397
Total Debts	137,442,170	134,220,869	131,331,575	129,009,405	121,937,056	97,078,039
Total Equity	11,907,434	11,628,354	11,378,037	11,176,854	10,564,134	10,414,358
Debt interest expenses (interest expenses related to debts)	622,507	607,917	594,831	584,313	552,281	681,981
Cost of Debt (Kd)	0.4529%	0.4529%	0.4529%	0.4529%	0.4529%	0.7025%
Interest expenses that are not related to debts	1,525	1,489	1,457	1,431	1,353	1,351
Cost of Equity (Ke)	0.0128%	0.0128%	0.0128%	0.0128%	0.0128%	0.0130%
Weighted average cost of the capital (WACC)	0.3511%	0.3511%	0.3511%	0.3511%	0.3511%	0.5342%
Estimated EVA	2,160,353	2,122,156	2,076,473	2,039,758	1,927,937	1,362,623
Reported SVA	-	-	-	-	27,000	24,000
SVA estimated	30,433	29,720	29,080	28,566	-	-
Estimated increase/decrease in EVA (%) compared to the previous year	2.4000%	2.2000%	1.8000%	5.8000%	41.4872%	−23.8851%

Table 4. (*Continued*).

Description	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**
SVA increase/decrease (%) compared to the previous year	1.8000%	2.2000%	1.8000%	5.8000%	12.5000%	−4.0000%
SVA reported current year/EBIT (T-1), related to the previous year	1.4209%	1.4265%	1.4209%	1.4110%	1.8960%	1.2988%
Reported SVA in the current year/estimated EVA for the current year	1.4257%	1.4313%	1.4257%	1.4817%	1.9815%	1.3406%
Total loans and advances granted, net after depreciation adjustments	61,576,293	60,133,099	58,838,649	57,798,280	54,629,754	40,892,544
Non-performing loans (%)	3.15%	3.20%	3.25%	3.30%	3.35%	3.83%
Bad loans	1,939,653	1,924,259	1,912,256	1,907,343	1,830,097	1,566,184
The difference between (non-performing loans) NPLs (%) previous year and NPLs (%) current year (Dcn)	-	-	-	-	0.48%	0.53%
The difference between the current DDC and the previous DDC	-	-	-	-	0.05%	0.08%
GDP growth according to EU forecast (%)	2.40%	2.20%	1.80%	5.80%	-	-
	Arithmetic average of the "Increase/decrease of Operational Revenues in the current year compared to the previous year" calculated for the period 2020-2022					
Increase/decrease in Operational Revenues in the current year compared to the previous year	3.62%				8.77%	−1.54%

Table 5. EVA projection 2022–2025 based on data from the social balance 2020–2021 of BTFG. (thousands of lei).

Description	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**
Economic Value Added Generated (EVA-G)	5,280,501	5,156,740	5,045,734	4,956,516	4,684,798	3,670,325
Operating income	5,561,433	5,431,087	5,314,175	5,220,211	4,934,037	4,536,165
Earnings from acquisitions	8315	8120	7945	7805	7377	0
Adjustments for impairment	289,246	282,467	276,387	271,500	256,616	865,840
Economic Value Added Distributed (EVA-D)	3,100,007	3,027,525	2,962,353	2,909,974	2,660,265	2,246,247
Operating costs (depreciation and other operating expenses)	1,157,278	1,130,154	1,105,826	1,086,273	1,026,723	926,406
Social value added (SVA), in the form of investments in the community	30,255	29,720	29,080	28,566	27,000	24,000
Salaries and benefits paid to employees (here we also find salary contributions paid to the State Budget and Social Insurance Budgets)	1,497,176	1,462,086	1,430,613	1,405,317	1,328,277	1,097,491
Payments to the state budget, in the form of Profit Tax	415,298	405,565	396,834	389,818	278,265	198,350
Economic Value Added Retained (EVA-R = EVA-G − EVA-D)	2,180,494	2,129,215	2,083,380	2,046,543	2,024,533	1,424,078

Table 6. Projection of SVA 2022–2025 based on data from the social balance 2020–2021. (thousands of lei).

Elements		**2025**	**2024**	**2023**	**2022**	**2021**	**2020**
A.	Economic Value Added Generated (EVA-G)	5,280,501	5,156,740	5,045,734	4,956,516	4,684,798	3,670,325
B.	Economic Value Added Distributed (EVA-D)	3,100,007	3,027,525	2,962,353	2,909,974	2,660,265	2,246,247
B.S.V.A.	of which, investments in the community (SVA)	30,255	29,720	29,080	28,566	27,000	24,000
B.SVA.1.	Supporting the Romanian economy and the entrepreneurs	0	0	0	0	0	1150
B.SVA.2.	Community involvement of BTFG	12,830	12,603	12,332	12,114	11,450	9082
B.SVA.3.	Supporting new ideas	0	0	0	0	0	983
B.SVA.4.	Facilitate community access to information, know-how	14,214	13,963	13,662	13,421	12,685	10,276
B.SVA.5.	Support, solidarity	3210	3154	3086	3031	2865	2509
C.	Economic Value Retained (EVA-R)	2,180,494	2,129,215	2,083,380	2,046,543	2,024,533	1,424,078
SVA.1.	Increase/Decrease of SVA in the current year compared to the previous year	1.80%	2.20%	1.80%	5.80%	12.50%	−4.00%
SVA.2.	What % of EVA-D is SVA	0.98%	0.98%	0.98%	0.98%	1.01%	1.07%
SVA.3.	What % of EVA-R is SVA	1.39%	1.40%	1.40%	1.40%	1.33%	1.69%
SVA.4.1.	Supporting the Romanian economy and entrepreneurs in total SVA	0.00%	0.00%	0.00%	0.00%	0.00%	4.79%
SVA.4.2.	Community involvement in total SVA	42.41%	42.41%	42.41%	42.41%	42.41%	37.84%
SVA.4.3.	Supporting new ideas in total SVA	0.00%	0.00%	0.00%	0.00%	0.00%	4.10%
SVA.4.4.	Facilitating community access to information, know-how in total SVA	46.98%	46.98%	46.98%	46.98%	46.98%	42.82%
SVA.4.5.	Support, solidarity in total SVA	10.61%	10.61%	10.61%	10.61%	10.61%	10.45%

6. Discussion

The paper "The informative dimension of social accounting in the decision support process in financial institutions. A case study: Banca Transylvania Financial Group" refers to the specific CSR information and activities that belong to the banking organization. By collecting, analyzing and forecasting the data, the direct impact on the community, the environment and the social performance of the organization was determined. The results of the study have allowed the validation/invalidation of the hypotheses issued within the initial stage of the paper:

$Hypothesis_1$: The SVA is closely correlated with the estimated EVA for the next year – not validated, since from the results presented in **Tables 3** and **4** one can notice that a decrease in the profit that will be obtained by the organization in the following year does not lead to a decrease in the amount allocated for SVA. For example, in the year 2021 the estimated profit to be obtained (EVA) is in the amount of 1,362,623 lei and it is lower than the profit obtained (EBIT (T-1) in the year 2020, which is in the amount of 1,424,078 lei; the amount allocated for SVA in 2021 was 27,000 lei, which is higher than the amount allocated for SVA in 2020, amounting to 24,000 lei. We can conclude that the SVA is not closely correlated with the EVA estimate for the next year. However, SVA and EVA could be correlated taking into account that both indicators measure an organization's contribution to the economy and society. Yet, SVA takes into account the social impact of the activity of an organization, including environmental aspects and engaging in CSR activities, while EVA focuses only on economic aspects. To estimate the SVA for the next year, factors such as costs consumed, value added, future sales and the social impact of the GFBT activity should be considered. Consideration should also be given to any anticipated changes in the business environment that may impact the SVA.

$Hypothesis_2$: SVA is estimated based on EBIT (T-1) related to the current year—it is not validated because from the data analysis carried out in **Tables 3 and 4**, it can be seen that the SVA for the following year is not estimated according to the EBIT (T-1) related to the current year. SVA varies, if we were to refer to EBIT (T-1), as a percentage value it varied between 1.8512% and 1.8960% for the analyzed period. If we refer to EVA, the percentage allocated to SVA from EVA varies between 1.8980% and 1.9815%, for the analyzed period (2020–2021). The same thing can be noticed by comparing the increase/decrease in EVA, in percentage values compared to the previous year (CDEVA), with the increase/decrease in SVA, in percentage size, compared to the previous year (CDSVA). Analyzing the year 2020 we can see that CDEVA was −23,885% and CDSVA was −4,000%, concluding that for each percentage point related to CDEVA, CDSVA has 5.971 percentage points. We can draw the following conclusion, that for a 2020 CDEVA value of −23.885%, the CDSVA should have been equal to 14,261%, but this principle is not observed for any of the analyzed years 2020–2021.

$Hypothesis_3$: SVA is not influenced by the evolution of the indicator Total net credits and advances granted to customers, after depreciation adjustments—it is validated. Taking into account the specifics of BTFG's activity, we cannot help but wonder if the SVA for the following year is in close correlation with the evolution of the indicator Total loans/credits and advances granted to customers, net after depreciation adjustments from the current year compared to the previous year. As we can see from the analysis of the indicator Total loans and advances granted to customers, net after depreciation adjustments, it results that it has an upward trend (growing from 40,892,544 lei in 2020 to 54,629,754 lei in 2021) throughout the period analyzed. This means that the lending activity of the organization did not suffer due to the economic difficulties felt at the level of the Romanian economy during the analyzed period. At the same time, if we analyze the reported SVA, we can see that it does not have an upward trend, but it varies, from one year to another. From what we have noticed, we can conclude that the estimated SVA is not in close correlation with the evolution of the indicator Total credits and advances granted to customers from the current year compared to the previous year (the SVA reported in 2020 was in the amount of 24,000 lei higher than the SVA reported in 2021 in the amount of 27,000).

Hypothesis$_4$: The estimated SVA is not influenced by the evolution of the indicator Non-performing loans from the current year, compared to the previous year—it is validated. As we can see from the analysis of the indicator Non-performing loans analyzed at the percentage level from **Table 4** we can see that it has a decreasing trend throughout the analyzed period (falling from 3.83% to 3.35% in 2020 compared to 2021). This means that the indicator analyzed in relation to Total loans and advances granted to clients, net after impairment adjustments are in a continuous decrease, from which we can conclude that BTFG has improved its loan portfolio, focusing on clients with good and very good reliability. At the same time, if we analyze the reported SVA, we can easily see that it does not have an upward or downward trend, but it varies from one year to another 24,000 lei (2020) to 27,000 lei (2021). From the above, we can conclude that the SVA estimate is not in close correlation with the evolution of the NPL (non-performing loans) indicator from the current year compared to the previous year. Following what has been presented, it results that the decisive factors in the formation of EVA have a moderate interest in investments in the community, the allocations are made according to the compulsory targets for the payment of the dividends, the increase of the share capital of the organization at the same time with the assignment of new shares as well as with the redemption of own shares.

Similar research in the domain has demonstrated a positive relationship between social and financial performance. Thus, one can refer to authors such as Gutiérrez-Ponce and Wibowo (2023) which have demonstrated through their studies how Indonesian banks develop sustainable activities which influence their financial performance positively. Other authors such as Esteban-Sanchez, Cuesta-Gonzalez, Paredes-Gazquez (2017) highlight the importance and the relationship between the corporate social performance and the financial performance during the 2005–2010 crisis for 154 financial entities from 22 countries. Gutiérrez-Ponce, Chamizo-González, and Arimany-Serrat, (2022) have evaluated how CSR reports are transmitted in a transparent manner and whether this information influences the return on assets.

Menicucci and Paolucci (2023) investigate the impact of CSR on the banks’ performance within the Italian banking system. The analysis consists of the relationships between 10 dimensions of the CSR pylons and the banking indicators during 2016–2020.

Gutiérrez-Ponce (2023) analyses the corporate sustainability reports, the standards they use and their relationship with the performance regarding the objectives of sustainable development for Spanish listed entities. The study reveals that the listed companies have accomplished their sustainable development objective only after it was imposed by law.

According to the authors Galletta, Mazzù and Naciti (2022) there is an increasing awareness within the banking system regarding the necessity of integrated CSR dimensions within strategies, processes, and financial instruments in order to generate value from medium- and long-term perspectives. They came to this conclusion as a follow-up of making a bibliometric analysis on 271 publications that appeared during 1986–2021.

Miralles-Quirós, Miralles-Quirós and Redondo-Hernández (2019) examine whether the environmental, social and governance (CSR) performances of the commercial banks listed on 20 different markets offer relevant information and have a significant impact on the price of stocks during 2002–2015. The study's results demonstrate that the market investors appreciate the three CSR pylons differently.

Given the results of the anterior studies in the domain and the results of the present study, one appreciates that the interest for the social performance improves the entity's financial performance in the long-term. The reason for this conclusion comes from the good results obtained for the case study.

7. Conclusion

The purpose of the research is represented by the quantification of the social contribution of GFBT within the community by understanding the economic and CSR indicators. Thus, to accomplish the purpose of the research the following was under observation: the analysis of the financial and non-financial performance within the Romanian banking system through SVA and EVA indicators, the study of the clients' behavior through usage preferences of the banking services, the study of regulations and of the legal framework by analyzing their impact on the activities of the Romanian banks, including the conformity with European directives, monitoring the financial stability through predictions which may identify potential systemic risks allow for preventive measures to take place.

The results of the research carried out through the analysis of the contribution of BTFG to society and the environment, it is possible to answer affirmatively to the question: Does social accounting represent a lever for substantiating the managerial decision in the chariot of financial institutions? In motivating the answer, we start from the basic social aspects that BTFG promotes, the way in which it is directly involved in activities that contribute to the improvement of the social and economic scene as well as the environment itself, and we refer to the social indicators used to create the social balance sheet. The main indicator to quantify the social contribution of BTFG in the period 2020–2021 is SVA, but in order to highlight the efficiency of the resources used, it was necessary to correlate it with EVA and CPM (Weighted Average Cost) of the capital.

Analysis of the information provided by social accounting, we believe that it would be useful to introduce new specialized terminologies, i.e., instead of Social

Economic Value, use the term Social Value Used, or Social Value Invested in the Community, using the same structure of the economic value statement/declaration. This approach could be separated from economic value added distributed (EVA–D) or economic value added retained (EVA-R). Moreover, we believe that obtaining a realistic estimate of the organization's contribution to society can be improved by additional adjustments to accurately assess its final impact reported in the social balance sheet prepared at the end of the period. Through this research, the information valences of social accounting (social balance sheet) for the management of banking financial institutions have been demonstrated. The adoption of decisions regarding the involvement of financial and banking institutions in social activities is also related to the interests of shareholders in maximizing the contribution of organizations to society. Given all the aspects presented in this work, we can say that through social accounting, especially through its specific tools, managers can understand and appreciate the social value of organizations.

The findings of the study have relevant political implications, especially in the context of the Romanian banking sector and its regulatory environment. The study examines how Romanian banks adhere to both national regulations and European directives. The political implications arise from the effectiveness of these regulations in promoting financial stability, protecting consumer interests, and ensuring banks align with broader economic policies set by governmental and supranational bodies such as the EU. Political stakeholders, including policymakers and regulatory authorities, are interested in ensuring that banking regulations foster a stable and competitive financial environment.

There are implications for systemic risk management through the monitoring of financial stability and anticipating potential systemic risks. The study highlights the political imperative of proactive regulation. Political authorities must implement policies to mitigate risks to the banking system, protect depositors' funds, and prevent disruptions that could affect the broader economy. Understanding these risks informs regulatory decisions aimed at maintaining stability and confidence in the financial sector. The research underscores how banks like BTFG contribute socially and environmentally. Politically, this aspect is significant as it aligns with government agendas related to sustainable development, social equity, and environmental protection. Policymakers can use findings from CSR evaluations to encourage or regulate banks' involvement in socially responsible activities, thereby promoting national goals related to social welfare and environmental sustainability.

The political implications also extend to decision-making within financial institutions regarding social activities. The study suggests that managerial decisions on social involvement are influenced by shareholders' interests in maximizing societal contributions. Policymakers might consider incentivizing or regulating these decisions to ensure alignment with broader societal objectives, balancing shareholders' interests with public welfare. The study's focus on social accounting and transparency in reporting societal contributions can influence public perception of banks and their role in society. Politically, this can affect trust in financial institutions and influence public policy discussions regarding banking regulations, corporate governance, and transparency requirements. The political implications of the research lie in its understanding of regulatory effectiveness, systemic risk management, CSR practices, stakeholder interests, and public trust. These implications inform policymakers on the best ways to regulate and incentivize banks to contribute positively to society while maintaining financial stability and public confidence.

Future research directions could expand the study to include more financial institutions from Romania and across Europe to improve generalization. Comparing different banks can provide a more comprehensive understanding of CSR's impact on financial performance. Additionally, studies over a longer period could observe long-term trends and the sustained impact of CSR activities on financial performance. This could help identify patterns and lasting effects of CSR investments. Conducting comparative analyses of CSR practices and their financial impact in different regions or countries can offer insights into how varying regulatory environments and cultural contexts influence the relationship between CSR and financial performance. Future research could integrate additional variables that may influence the relationship between SVA and EVA, such as market conditions, customer satisfaction, and employee engagement. A more holistic approach can provide a deeper understanding of the factors leading to CSR success. Moreover, comparing reporting models by analyzing different social reporting structures and business models in the financial sector at national and European levels can identify best practices and the most effective reporting frameworks to guide policy development and corporate strategy.

A new research direction could explore the role of technological advances, such as blockchain, in improving the transparency and effectiveness of CSR reporting. Evaluating the impact of technology can offer insights into future trends and opportunities for improving CSR practices. Addressing these limitations and pursuing the suggested future research directions can build a stronger and more comprehensive understanding of the interaction between social accounting, CSR activities, and financial performance in the banking sector.

The research limitations relate to the scope of the case study. The research is limited to BTFG and may not fully represent the entire Romanian or European banking sector. The specific organizational practices and contextual factors of BTFG may not be generalizable to other financial institutions. The study relies on available data that may have inherent biases or limitations. This includes the accuracy of CSR reports and financial data from BTFG.

The time frame may also be a limitation. The data analyzed in the study spans a relatively short period, which may not capture long-term trends or the effects of external economic conditions over a longer period. The study is conducted within the context of the Romanian banking system, and the findings may be influenced by local regulations, economic conditions, and cultural factors that differ from those in other regions. The validation/invalidation of hypotheses is based on the specific metrics and data used, which may not encompass all factors influencing the SVA and EVA correlations. Other potentially influential variables may not have been considered.

Considering all discussed aspects, we conclude that our research demonstrates the importance of social accounting and CSR within financial institutions. By implementing indicators such as SVA and EVA and adjusting them according to organizational specifics, a clear picture of these entities' social contributions can be obtained. The highlighted political and economic implications emphasize the need for effective regulations that support financial stability and promote social responsibility.

For the future, it is recommended to extend the research nationally and across Europe and deepen long-term studies for a complete understanding of CSR's impact on financial performance. The current research limitations provide starting points for improvements and new exploration directions, thus contributing to better integration of social responsibility into the management strategies of financial institutions.

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