

INVESTOR DAY

WHERE EVERY INSIGHT COMPOUNDS

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TREASURY
INSIGHTS

DRAGOŞ BANU

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EXECUTIVE DIRECTOR, TREASURY



Dragoș Banu has been an executive director in the Treasury Department of Banca Transilvania since 2015, with more than 20 years of experience in the banking industry. His professional background includes key roles in treasury, market risk management and financial control. He has held management positions in these areas at positions at Citi Bank Romania, Millennium Bank UniCredit and NextBank, which strengthened his expertise in liquidity and financial risk management.

A graduate of the Academy of Economic Studies in Bucharest, he has attended numerous professional training courses that have deepened his knowledge in the financial banking field. Recognized for his strategic and leadership skills, he actively contributes to the optimization of treasury activities and the implementation of innovative financial solutions.

MAIN AREAS OF FOCUS

BALANCE SHEET AND LIQUIDITY MANAGEMENT

Continuous balance sheet management, from pricing to targeted structure by product and duration, at currency level.

High percentage of eligible, liquid instruments on the asset side.

Large, stable and diversified customer funding that brings benefits on pricing stability, stickiness and tenor distribution.

SUPPORT FOR FOR COMMERCIAL ASSETS GROWTH

Provide all ingredients for healthy growth in commercial assets: liquidity, pricing stability, customized solutions.

Internalize all flows for an efficient resource distribution across business lines (tenor and currency transformation).

MARKET ACCESS FOR ALL OUR CUSTOMERS

Solutions for efficient pricing and fast transactional response on all channels.

Dedicated trading platform with real-time pricing capabilities.

From plain vanilla products to more complex treasury instruments.

BRIDGE BETWEEN LOCAL AND INTERNATIONAL MARKETS

Sizable counterparty limits, both amount and tenor, from and for most local and international names, bridge between all market tiers.

Market making and liquidity support for the market even in adverse conditions. Trading, to a lesser extent, by comparison to ALM.

TREASURY IN NUMBERS

NET INTEREST INCOME

5.5 BN
RON

- Interest rate management by currency at balance sheet level by managing liquidity and interest rate gaps / sensitivity.
- Enabled by stable, diversified funding coupled with a well-balanced mix of floating & fixed rate products.
- Successful market access under our EMTNs

CUSTOMER FX VOLUME

23 BN
EUR

- Almost EUR 2 BN average monthly volume managed with relatively low utilization of FX position limits
- With a total revenue of over RON 620 MN estimated for year-end (both professional and commercial FX)

OUTSTANDING INTEREST RATE DERIVATIVES

1.6 BN
EUR

- Vast majority of volume is used for our risk management purposes
- And there are certain transactions offered to customers for interest rate risk mitigation

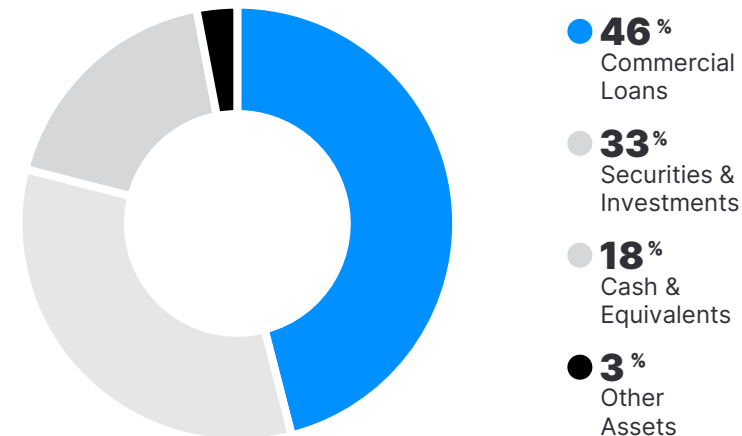
FIXED INCOME PORTFOLIO

60 BN
RON

IN 185 BN TOTAL ASSETS, OR 32.4%

- 3 business models: FVOCI, HTC and FVPL
- An estimated RON 2.3 BN in accrual revenue in 2024
- With more than 80% of eligible marketable instruments
- Active management to lower the weight in favor of commercial asset growth

ASSET COMPOSITION



CUSTOMER FUNDING

CUSTOMER LIABILITIES

Diverse structure by segment, largely driven by Retail, very stable, a large number of tickets and relatively small notional, on main currencies in the balance sheet.

Average ticket / Average tenor for deposits (NMDs excluded):

54.000 RON

10 months

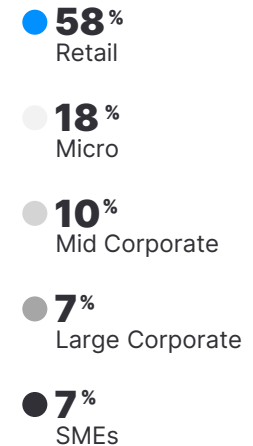
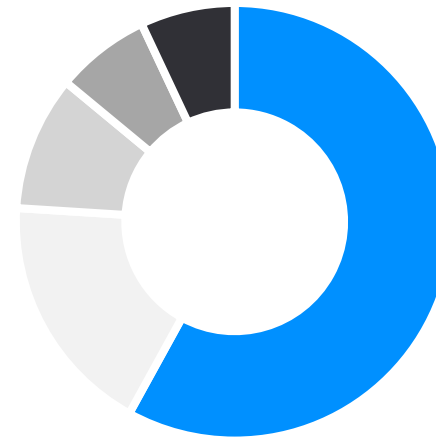
13.900 EUR

11 months

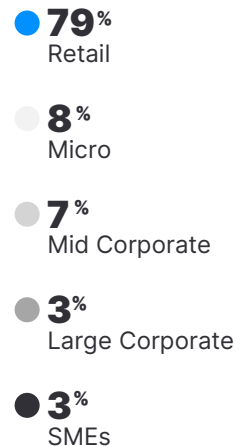
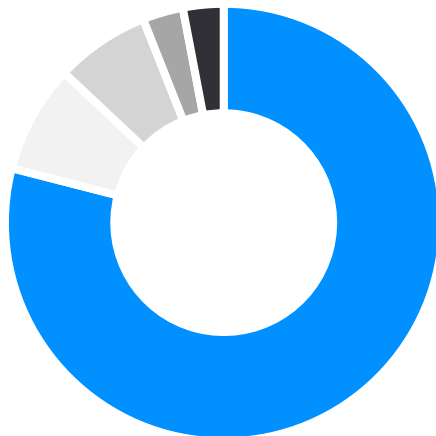
14.000 USD

9 months

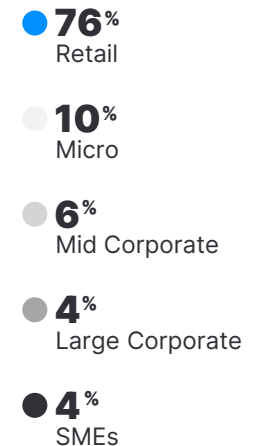
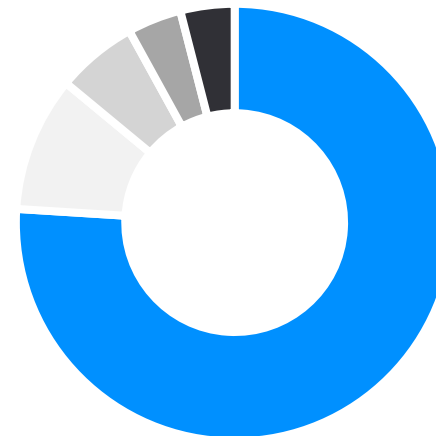
CUSTOMER FUNDING - RON



CUSTOMER FUNDING - EUR



CUSTOMER FUNDING - USD



OPERATIONAL PLATFORM

CORE SYSTEM

- Ongoing development of automated solutions to handle high volumes of customer transactions and ensure good execution across all distribution channels.
- Tailor-made solutions for hedging against financial risk for all business segments, whether it's for retail and SMEs at the portfolio level or large corporates at a trade or structure level.
- The large scale of the bank provides the opportunity to understand commercial market dynamics, trends and customer needs as well as to capitalize on internalized flows from a revenue perspective.

CALYPSO

A front-to-back implementation that proves to be a very good platform for:

- Asset classes and new product development
- Portfolio and position management with appropriate risk measurement and real-time capabilities
- Counterparty limit maintenance (settlement and pre-settlement)
- Integration with: Refinitiv / LSEG, Bloomberg, single-dealer and inter-dealer platforms, core system, SWIFT messages and data warehouse
- Straight-through processing on certain types of transactions

BT MONEY CONNECT

A relatively new proprietary solution, covering this features:

- Real-time pricing and market access for customers
- Dedicated feed for electronic channels
- Request-for-quote capabilities form branches

Currently available products:

- FX spot and derivatives (outright, swaps, par forwards and NDFS)
- Term deposits for various tenors

To be further developed as an order management system.

LOOKING FORWARD

ASSETS AND LIABILITIES MANAGEMENT

- Internal pricing mechanisms to manage liquidity and interest rate gaps, positioning for different market conditions
- While constantly maintaining exposure in approved risk limits and closely monitoring alignment with strategic objectives of the bank

SUPPORT GROWTH IN COMMERCIAL ASSETS/LENDING

- Focus on growing weight of commercial assets in the balance sheet
- Gradually improve LtD ratio, by supporting business lines with efficient pricing
- Funding structure with adequate tenor distribution and maintaining strong liquidity buffers to support lending to real economy.

ADEQUATE INTEREST RATE RISK MANAGEMENT/POSITIONS

- Maintain adequate interest rate positions to both benefit from a) our pricing capacity given size and tenor structure of funding sources and b) keep a predictable net interest income
- Further develop market access / counterparty limits to allow for different hedging strategies via interest rate derivatives for the bank and customers

CONTINUOUS PRODUCT AND OPERATIONAL DEVELOPMENT

- People, products, systems, integrations that will result in an efficient operational platform to sustain bank's future growth projections, both in terms of organic development and future potential acquisitions
- Capitalize advantages offered by the size of balance sheet / positions

WE KEEP GROWING TOGETHER



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