

# INVESTOR DAY

WHERE EVERY INSIGHT COMPOUNDS

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**WELCOME REMARKS**

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**MACROECONOMIC LANDSCAPE: FACTORS  
TO **OVERCOME** CHALLENGES**

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**RETAIL: KEY **GROWTH** DRIVERS**

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**SMEs: THE MORE THE **BETTER****

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**LARGE CORPORATE: **MOVING** THE GIANTS**

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**TREASURY: **INSIGHTS****

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**RISK: **SAFEGUARD** & BUSINESS ENABLER**

# WELCOME

# REMARKS

ÖMER TETİK

## BT HIGHLIGHTS

1<sup>ST</sup>

Largest bank  
in Romania

4.4<sup>MN</sup>

Active Romanian  
customers

95%

Digitalized retail  
customers

2.2<sup>BN  
EUR</sup>

Attracted from the capital  
markets since 2023

### PERFORMANCE METRICS

2,709<sup>MN  
RON</sup>

**Net Profit** for 9M'24 while **ROE**  
remains around **30%** at the bank level

▲ 3.47%

**NIM** a result of diversified exposures  
across segments and industries

4.10<sup>RON</sup>

**EPS** shows confident  
high returns

26.26%

**CAR** – allowing a calibrated risk and  
liquidity policy

45.55%

**Efficient operating platform (CIR)**,  
while continuing to drive the  
digitization of processes and  
customer experience

2.01%

**NPL** Ratio level reflects a prudent  
risk strategy

**BANCA TRANSILVANIA FINANCIAL GROUP**  
**THE ONLY FULLY**  
**INTEGRATED FINANCIAL**  
**GROUP IN ROMANIA**

## **VERTICAL INTEGRATION**

### **COMPLEMENTARY AND SYNERGETIC ECOSYSTEM**

Retail Banking    Large Corporate  
SMEs                Treasury  
Corporate

### **BEST (TO BECOME) APP ECOSYSTEM**

BT Pay              BT GO

### **BEST PHYSICAL NETWORK IN ROMANIA**

500+ Branches

### **LARGEST ATM NETWORK**

2.000+ across the country

### **CARD ACCEPTANCE**

POS                      E-commerce  
164.000+

### **NATIONWIDE CASH PROCESSING CAPABILITIES**

**BT ACTS** AS AN  
**INDEPENDENT,**  
CLOSED LOOP, **ECOSYSTEM**  
WHICH **PROVIDES**  
**BANKING** FOR THE  
INDIVIDUALS, SMEs AND  
CORPORATES – **ALL**  
WITHIN ITS OWN  
**CAPABILITIES**  
(APPS, BRANCHES,  
**ATM, POSes** AND  
**CASH** PROCESSING CENTERS).

## HORIZONTAL INTEGRATION

### BT Asset Management®

- One of the largest asset managers in Romania
- AUM over RON 5 BN, **+27%** vs YE'23
- Launch of the investments feature in BT Pay +500 clients onboarded daily

### BT Capital Partners®

- Market leader with **~25%** share
- Co-manager of BT EUR 700 MN Sustainable bonds issuance from Sep'23
- Joint bookrunner for Romgaz first issuance amounting to EUR 500 under their EMTN Program

### BT Direct®

- **+12%** market share based on loan portfolio
- +10% assets growth vs YE'23
- Record volume of loans granted in Sep'24, amounting to RON 20 MN

### BT Leasing®

- One of the largest leasing companies in Romania
- Integration of OTP Leasing ongoing
- **~30%** of leasing portfolio composed of hybrid or electric cars

### BT Mic®

- **+30%** YoY growth. First microlender for more than 75% of its clients
- +800 clients financed in Sep'24, more than 20K active clients
- 2 years of STUP: over 27K members in the community, over 10K business solutions accessed

### BT Pensii

- **+25%** YoY growth in terms of participants
- Acquisition of BRD Pensii will lead to business expansion & new market segments
- In Sep'24 BT Pensii dominated the Romanian voluntary pensions market, 48% of signed contracts

### victoriabank®

- **3<sup>rd</sup>** largest bank in Moldova
- **+14%** market share
- Focused on continuous digitalization and integration of BCR Chisinau
- Strengthen its market position and increase synergies with Romania and the EU.

### Salt

- More than **225k** clients
- First Romanian neobank
- Constant new features added to the app
- Client profile: over 50% of the clients come from large cities of Romania, 79% of the clients are aged between 21-50 years old

**COMPLEMENTARITY DRIVEN BY  
NETWORK EFFECTS**



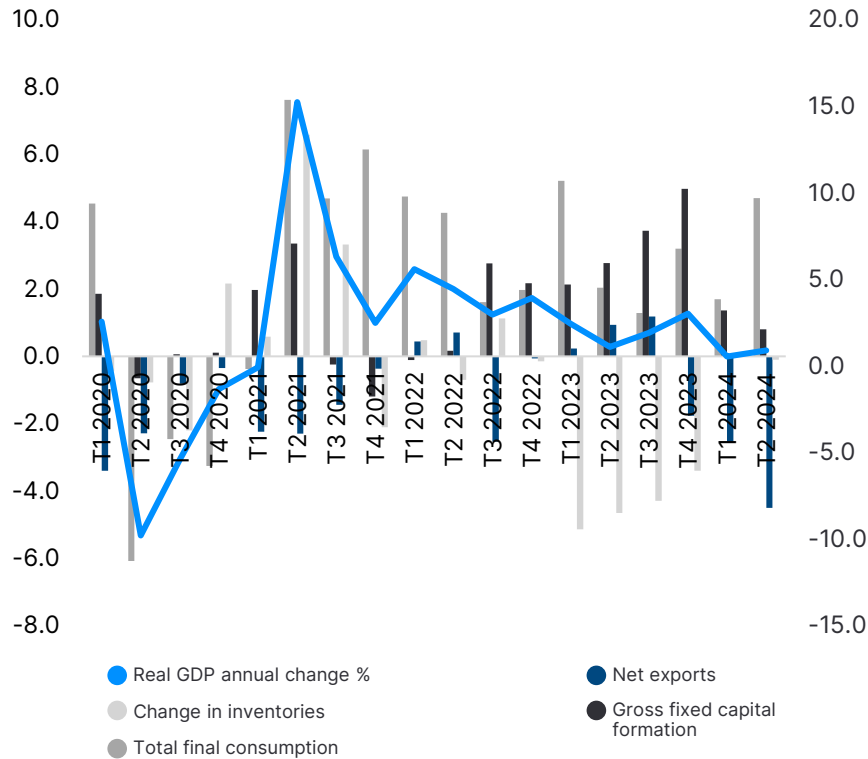
**MACROECONOMIC LANDSCAPE**

**FACTORS TO  
OVERCOME  
CHALLENGES**

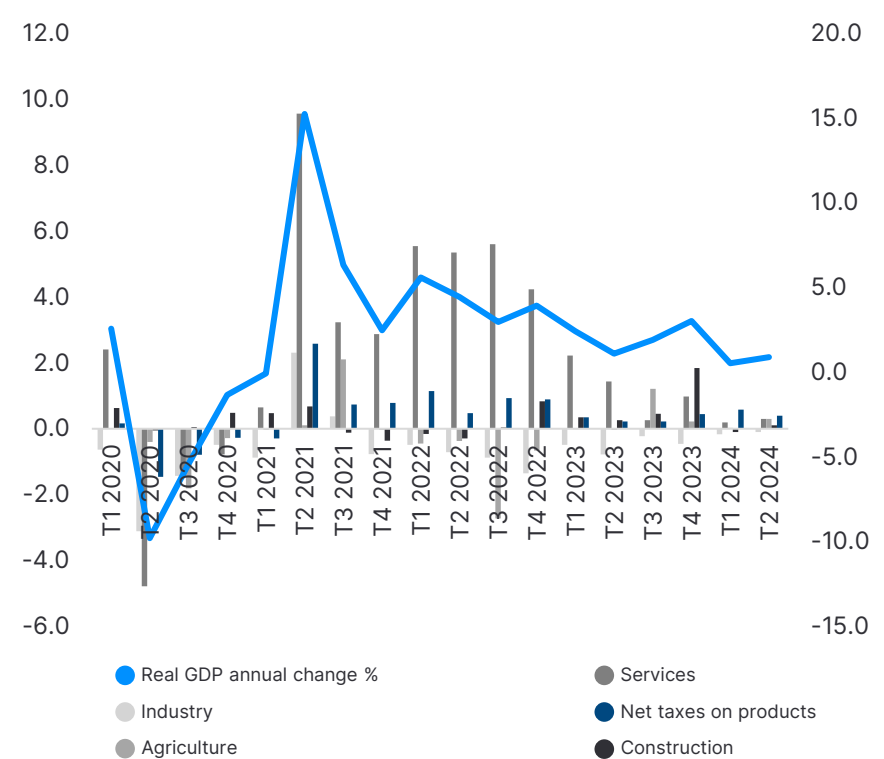
**IOAN NISTOR**

# GDP DYNAMICS – CONTRIBUTORS

CONTRIBUTIONS THE ECONOMIC GROWTH - DEMAND



CONTRIBUTIONS THE ECONOMIC GROWTH - SUPPLY



## GDP H1 0.7%

Final consumption **4.7%**

Gross fixed capital formation **0.8%**

Net exports **-4.5%**

Changes in inventories **-0.1%**

## GDP H1 0.7%

Rebound of the industry

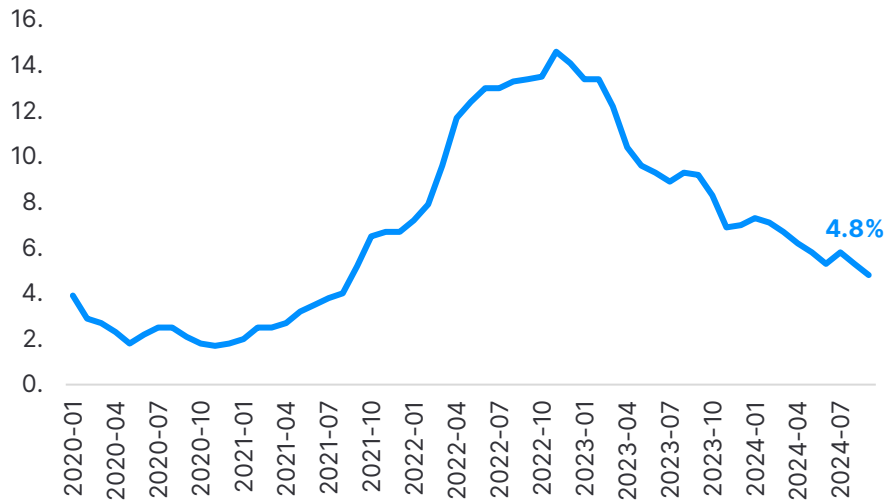
Potential strong agriculture output

Slowdown of services

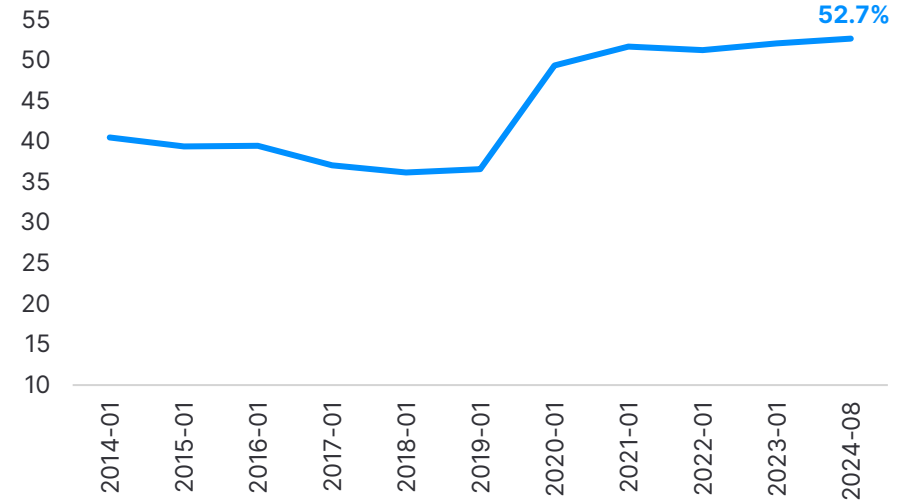
Rebound of construction sector

# IMPORTANT MACRO INDICATORS

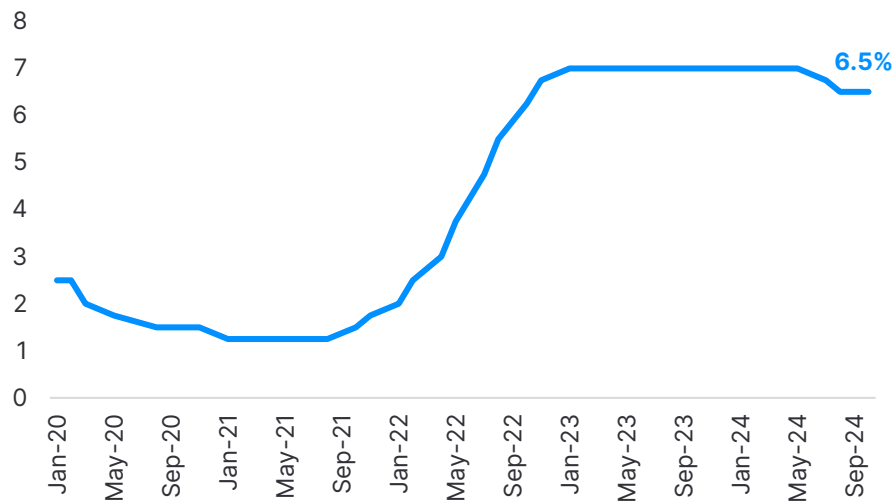
## HICP %, STICKY INFLATION RATE, BUT DECREASING



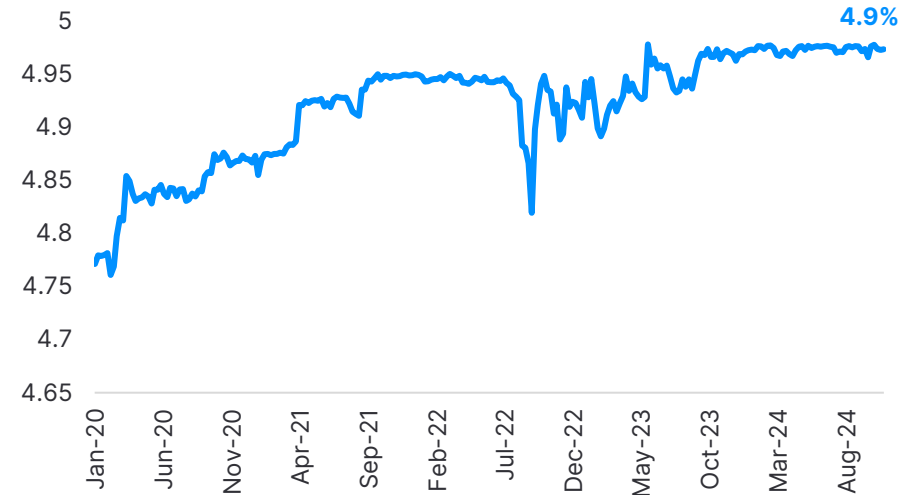
## DEBT TO GDP RATE INCREASING, BUT BELOW EU AVERAGE



## NBR POLICY RATE %, EXPECTED CUTS GOING FORWARD

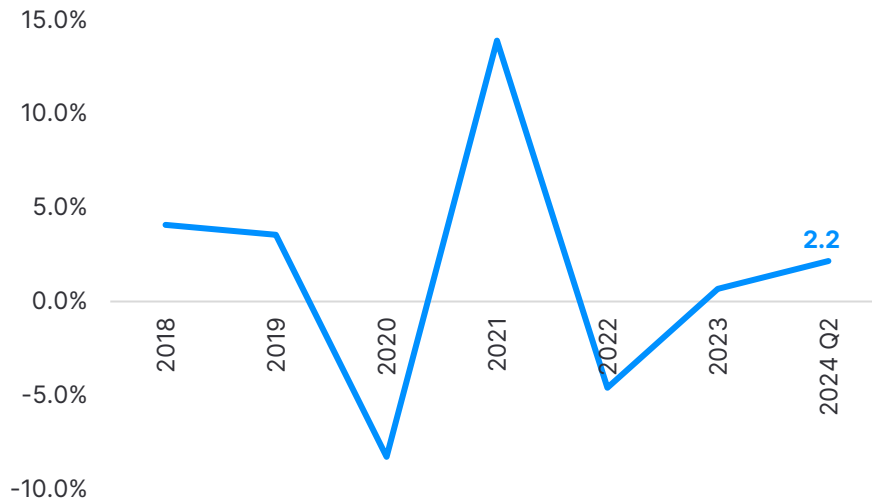


## EUR/RON EXCHANGE RATE, STABLE EVOLUTION EXPECTED

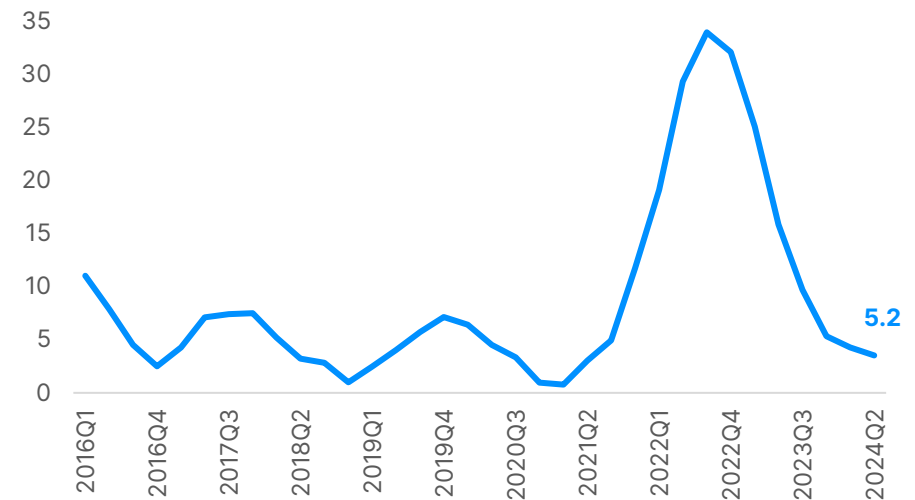


# MOLDOVA

## REAL GDP ANNUAL CHANGE %



## INFLATION RATE %



## MACROECONOMIC DATA – FORWARD LOOKING

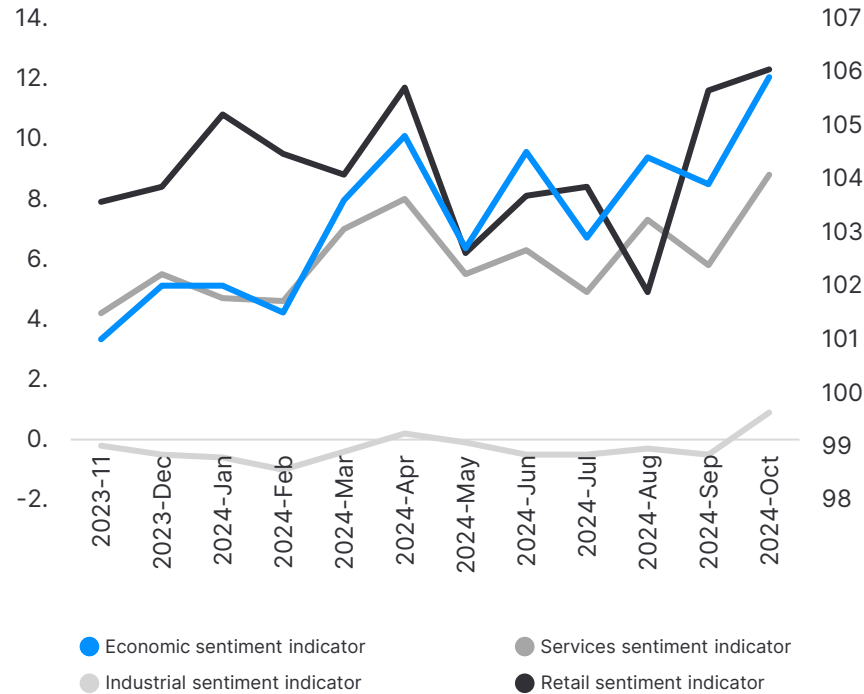
- Progress towards EU accession continues
- Substantial progress made in reducing energy dependence
- Slower than expected growth in 2023. Good recovery in 2024.
- H1 '24 =>2.2% | 2025 =>3.1% | 2026=>2.9%
- Contributors: Household final consumption. Gross fixed capital formation.
- Inflation expectations remain in target band.
- Exports/Imports: Romania, Ukraine, EU, Türkiye
- Government debt to GDP: 34.60%
- Low unemployment rate: 4.9%

## STRENGTHS – FORWARD LOOKING

- Strong agricultural production (fruit, vegetables), wine
- Strong Information and communication technology industry (over 10% of GDP, and 80% of the output of the IT companies is exported)
- International financial support linked to the implementation of reforms
- Substantial international aid (4.35% of GDP)
- Transfers from expatriates, income from cross-border workers

# KEY TAKEAWAYS

## CONFIDENCE INDICATORS



## IMPORTANT MILESTONES

Volume index per capita for GDP, EU = **100**

GDP/capita Romania 2013 => **55**

GDP/capita Romania 2023 => **80**

Actual individual consumption (AIC), EU= **100**

AIC Romania (2013) = **56**

AIC Romania (2023) = **89**

EU Funds (ESIF, EAFRD, EAGF) absorption rate => **96.7%**

5.78 Billion Euro in RRF Grants (**42.5%**)

3.63 billion Euro RRF Loans (**24.3%**)

## OVERVIEW

- Romania's Imports (**73.3%**) and Exports (**72.6%**) with EU Member States
- High level of remittances (2.67% of GDP)
- Important agricultural rebound, machinery and equipment
- Low and stable unemployment rate **5.5%**
- Large Energy producer – limited imports
- Large scale renewable electricity
- Important player in the EU automotive industry
- Demographics – 19 MN population

**RETAIL**

**KEY**

**GROWTH**

**DRIVERS**

OANA İLAŞ

# SCALE, NETWORK EFFECTS & BLENDING HUMAN WITH DIGITAL

## ADVANTAGES OF SCALE

### LARGE & DIVERSE COMMUNITY

**4 MN individuals** – Universal bank serving customers across the entire socio-demographic spectrum

**30% of 15-29 age** cohort are BT customers - Magnetism to younger generations

**95% digitized clients** – High appetite for digital

**+2 MN customers** with recurrent income for which BT is the primary bank

## NETWORK EFFECTS

### PAYMENT ECOSYSTEM

**Leader:** 6.6 MN Cards

**Acquirer:** +164K POS & Soft POS, 6.8K eCommerce

**Facilitator:** 80% of money transfers are BT - BT

**BT Pay:** Largest Romanian digital bank

**Pay with BT Pay:** Seamless, secure and user friendly

**STAR:** Largest credit card program; +29K merchant locations

## PHYGITAL

### CUSTOMER FOCUSED

**500+ branches** – we believe in “human touch”

**100% digital** – we believe in a simple financial life via BT Pay

**1-to-1** – Contact Centre blends interactions with self-help automation (57% use integrated platforms)

**+1 MN** since launch – BT Pay – authentication as a service live in Contact Center; rolling out into branches

**MOST VALUABLE LOCAL BANKING BRAND**

# THE FINANCIAL SUPER APP

## 2024 NEW FEATURES

### Fully digital onboarding

Allowing BT Pay to leverage new markets & segments

### Investments fund

Fully digital origination, driving long-term financial wealth creation

### Pay with BT Pay

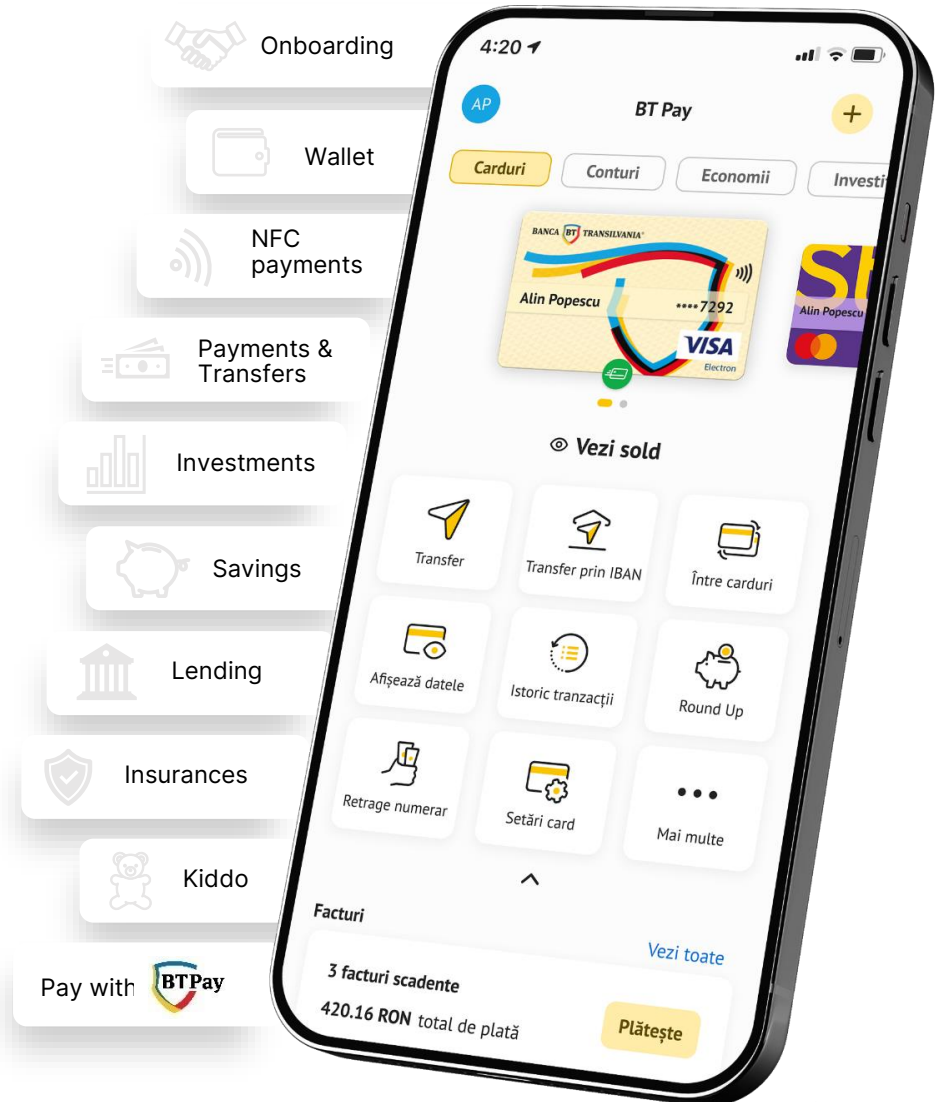
Seamless & secure online payment experience.  
6.000 BT websites have embedded Pay with BT Pay feature

### Loan origination

100% digital personal loans sales

### Community-oriented

Co-branded card launched in just 1 week.  
+120K BT VISA Untold cards launched to date



**SPEED TO MARKET, CONTINUOUS  
INNOVATION, TRENDSETTER**



# SYNERGIES CREATE A VIRTUOUS STRATEGIC CYCLE

## TODAY IN BT PAY

### BT ASSET MANAGEMENT

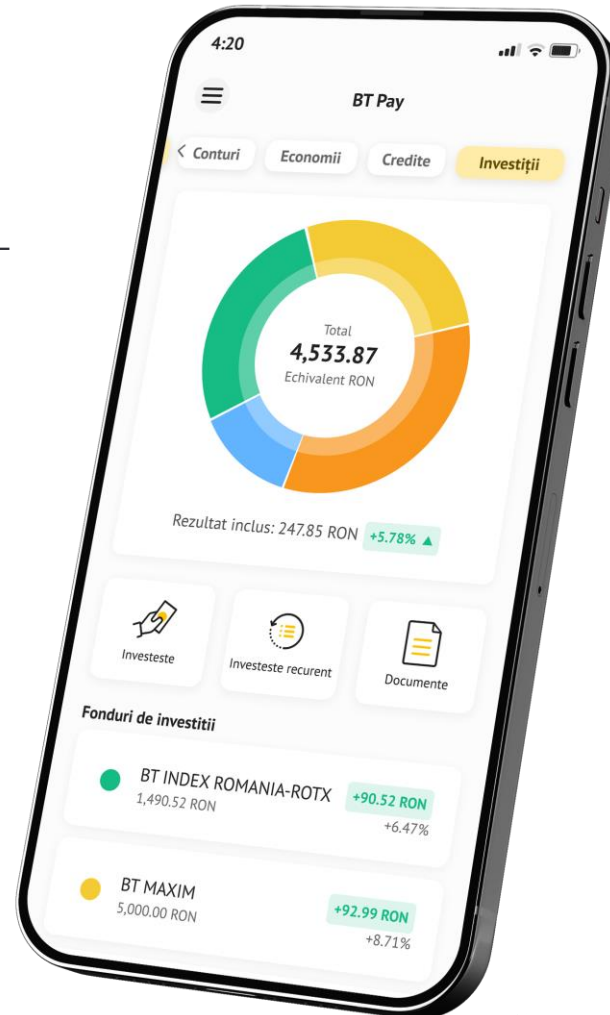
**167<sup>k</sup>** Customers

- Launched end Q3 – c. 41% of new customers now onboarded digitally – a “new market”
- Turbocharge growth via BT Pay
- Cross-sell via Premium segment
- Accelerate Direct Invest- recurring investments

### BT DIRECT

**50<sup>k</sup>** Cards in app

- Continue organic growth



## NEXT IN BT PAY

### BT PENSII

**78<sup>k</sup>** Customers

- Continue organic growth
- Accelerate growth through “packaged” investment bundles

### BT CAPITAL PARTNERS

**30<sup>k</sup>** Investors

- Continue organic growth
- Raise visibility and accessibility via BT Pay

### BT LEASING

- Cross-sell via Premium segment

## FOUR KEY GROWTH ENGINES ACROSS RETAIL



### Premium Club

- 100K customers, a strong starting position
- Differentiated service, exclusive products, investments
- Live in Bucharest + Cluj with dedicated RMs and flagship branches

Market leader in Romanian Premium Banking, with national roll-out, dedicated products and 250K customers



### Bucharest

- Market share below other major markets
- Major focus for growth across all product lines
- Premium Club to serve as a driver for onboarding new-to-bank customers

Close the gap in market share vs. other markets



### Diaspora

- One of the highest % of population living abroad in the EU, but with strong links to Romania – c.3% of GDP remittances p.a.
- Readiness is here: BT Pay The ideal engine for acquisition, seamless payments & family banking, driving FX revenue

Banca Transilvania as the financial link between Romanians across the Globe



### Non-risk revenues

- Growing revenue via BT Pay driven digital sales
- Higher value products distributed via trusted advisors in-branch

Diversify revenues via organic growth and new P&I products (e.g. payment protection)

# LEVERAGING AI AND DATA TO AUGMENT STRONG FOUNDATIONS

## STRONG STARTING POSITION & STRATEGY



Core strengths: scale, network and unique blend of digital and human



BT Pay: the financial “Super App”, with more features to come



Group: uniquely positioned to help drive material growth across BT



Strategy: focus on growth areas and revenue diversification

## ENABLING SPACE FOR INNOVATION

**FUTURE CALL CENTRE: BLENDING HUMAN CONNECTION WITH DIGITAL TOOLS**

- **Fusion of AI technology with customer-centric approach:** virtual assistant in BT Pay dealing with simple needs, freeing up capacity for complex, personalized customer needs
- **Rules engine:** predictive technology to empower agents to anticipate customer needs, moving from “fighting fires” to “preventing them”

**AUTOMATED CAMPAIGNS: INTEGRATE DATA, PRODUCTS & CUSTOMER BEHAVIOUR FOR PERSONALIZED UP-SELLING**

- **From bulk to personalized:** use a centralized platform across all channels to deliver personalized sales messages, tailored to customer’s unique preferences and needs
- **Right** product, **right** place, **right** channel, **right** time

**LEADING TO SUSTAINABLE, LONG-TERM  
VALUE CREATION FOR BT GROUP**

**SMEs**

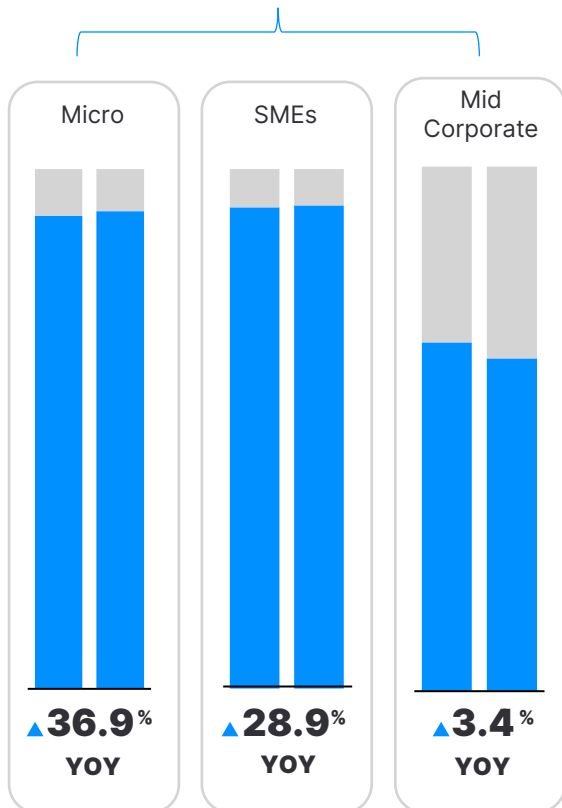
# **THE MORE THE BETTER**

TIBERIU MOISĂ

# TRENDS IN PERFORMANCE

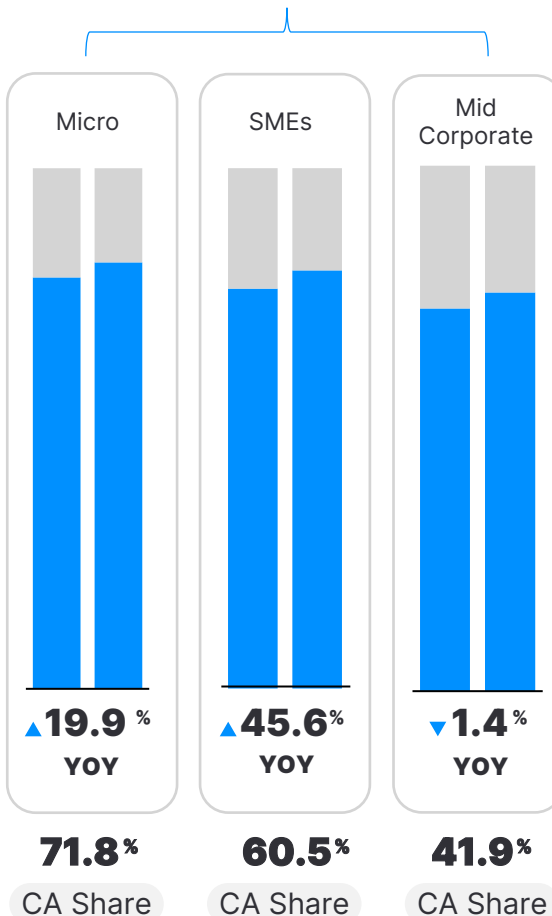
## LOANS

Overall +16.3% YoY



## DEPOSITS

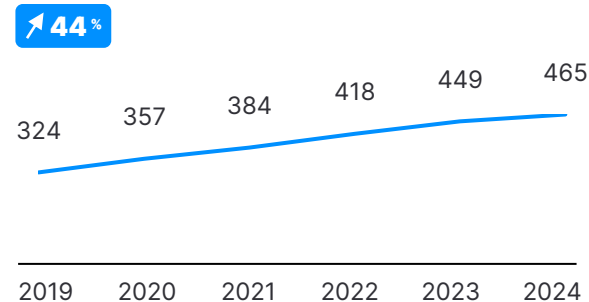
Overall +16.6% YoY



## LAST 5 YEARS TRENDS

ACTIVE CLIENTS

THOUSAND



## MARKET SHARE EFFECTS

~ 33%

OF START-UPS IN ROMANIA ARE BT CLIENTS

COMPANIES IN ROMANIA

3 OUT OF 10

ARE BT CUSTOMERS

MICRO + SMEs + MID CORPORATE CLIENTS

27.6%

OF BT TOTAL LOAN BOOK

**50,000**

**52,000 FINANCED COMPANIES OUT OF WHICH 52% ARE MICRO**

## FUTURE GROWTH VERTICALS

### **CONTINUE TO LEVERAGE GRANTS & GOVERNMENT PROGRAMMES**

- Continue the active involvement in Governmental programmes (e.g. IMM Invest – SMEs Invest, Farmers Loan - Creditul Fermierului, Woman Entrepreneur - Femeia Antreprenor etc.)

### **GROWTH POTENTIAL IN THE LENDING**

- Focus on attracting new clients from sectors with potential
- Involvement in new EU programmes to access available facilities, in particular guarantee and/or risk-sharing schemes
- Enable the growth trend of NFCI in the total income structure
- Carrefully looking for synergies within BT Group

### **GROWING THE CLIENTS BASE**

- Focus on enhancing client service and customer journey
- Smoothly integrate the Micro & SMEs OTP clients

### **GOING DIGITAL**

- Leveraging on BT GO capabilities to complement banking services
- Increase penetration rate of the Unlimited package

## BT SPECIALTIES IN ROMANIA

BT IS BEST POSITIONED IN CRITICAL SECTORS THAT ARE TO BENEFIT FROM THE NEXT INVESTMENT CYCLE

### HEALTHCARE

18<sup>YO</sup>

In healthcare financing market

~40%

Market share in no. of opened accounts

~34<sup>K</sup>

Number of customers

~0.95<sup>BN RON</sup>

Value of new loans

~2.89<sup>BN RON</sup>

Deposits

~2.46<sup>BN RON</sup>

Loans

### TRENDS AND OPPORTUNITIES

- 1 **Underinvested sector** – expenses around <6% of GDP (2<sup>nd</sup> to last in the EU as of 2024), compared with >10% in EU
- 2 **High growth potential** – Main healthcare operations through public hospitals with fragmented and underdeveloped private market
- 3 **Strong financing partner position** – Investments prioritized by Government and through RRPR

### AGRICULTURE

1<sup>ST</sup>

Bank in Romania with a dedicated division

~22%

Market share in agriculture financing

~44<sup>K</sup>

Number of customers

~2.56<sup>BN RON</sup>

Value of new loans

~2.45<sup>BN RON</sup>

Deposits

~5.86<sup>BN RON</sup>

Loans

### TRENDS AND OPPORTUNITIES

- 1 Romania has **one of the largest cultivated areas** in the EU and is a **top producer** of sunflower, corn, and wheat.
- 2 In 2023, there was a >RON 3 BN **trade deficit**, with total agriculture investments making up just 2% of GDP as of 2024
- 3 **Focus on narrowing the deficit**, significant investments required in agriculture; +EUR 3.25 BN public investments, through the 2021-2027 Rural Development National Plan



# BT GO: BUSINESS. BANKING. ALL INCLUSIVE

MAKING BUSINESS  
MORE INCLUSIVE FOR

**150<sup>K</sup>**

ENROLLED  
USERS

SPEEDING UP  
FINANCIAL TRANSACTIONS

**10.5<sup>BN</sup>**  
RON

VALUE OF  
PAYMENTS

SIMPLIFYING  
ACCOUNTING WITH OVER

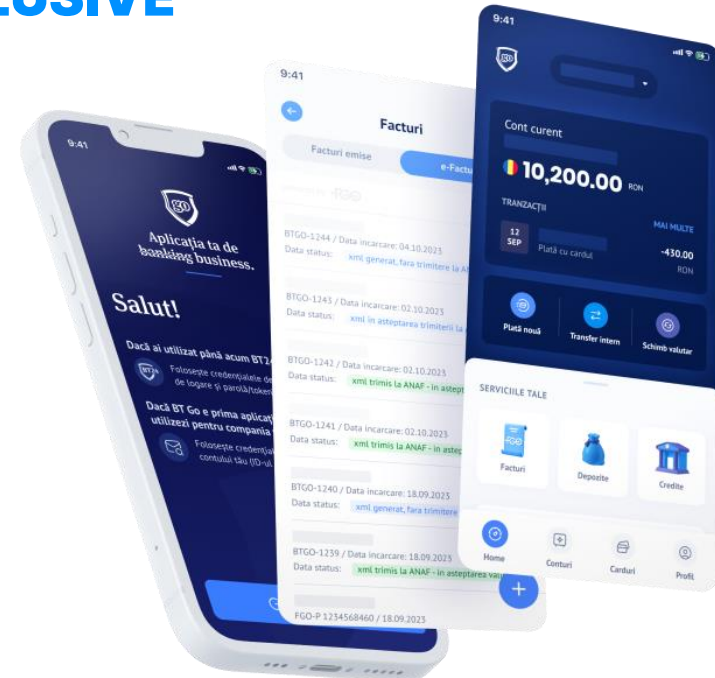
**24<sup>K</sup>**

E-FACTURA  
ISSUED

BUILDING AN  
ENVIRONMENT FOR

**13<sup>K</sup>**

FGO CONNECTED  
COMPANIES



## CONSTANT UPDATES

- View/Limits' management and Block/Unblock Cards
- Bulk Download Statement
- FGO Integration and RO e-Factura
- Easy Payment Transfer
- Standard and negotiated FX
- Open and Close Classic and Negotiated Deposits

## NEXT STEPS

- Targeting 200K legal entities in BT GO portfolio until the end of 2024
- Launching Online Onboarding to boost New to Bank digital customer's acquisition
- Launching the first lending product through BT GO including early total/partial reimbursements
- Launching 100% online Digital Card issuance

## STUP. THE PLACE OF YOUNG AND SMALL BUSINESSES



A physical and virtual space dedicated to **supporting the entrepreneurs' community**.

A place where **business needs** are addressed in a transparent and applied way: from brainstorming a business idea to launching the company on the market.

A concept store for entrepreneurs, where **everyday 1 new business is born**.

A place focused **on the entrepreneur**, on their **experience**, on their **needs**, on facilitating access to the best solutions.

A place for networking that became the **mirror of Bucharest start-ups community**.

**LARGE CORPORATE**  
**MOVING**  
**THE GIANTS**

COSMIN CĂLIN


# FULL SPECTRUM OF CAPABILITIES TO BEST SERVE CLIENTS


**Payment Solutions**

**LBO**

**DCM**

**Liquidity Management**

**Syndicated Loans**

**Working Cap. Solutions**

**Lending**

**Structured Finance**

**Trade Finance**

## 4 PILLARS OF FOCUS

### 360° LEAN

#### CUSTOMER CENTRIC MODEL

One-stop-shop sustained by nationwide network as distribution channel for mass products

Centralized, dedicated professional expertise & client coverage

### ONE BANK SYNERGIES

#### LEADING MARKET SHARE

>4 million active clients  
6.6 million cards  
Largest wallet (BT Pay)

- ~2.000 ATMs
- >160.000 POS & Soft POS

Most valuable banking brand

### FULL FLEDGED OFFERING

#### COMPANY & EMPLOYEES

- Tailored made products
- Structured Finance & Infrastructure financing
- Financial markets
- IPO & DCM
- M&A with customized LBO
- Supply chain solutions
- Full range employee benefits

### UNIQUE ECOSYSTEM

#### LIMITLESS APPROACH

From private entrepreneur to public company, proving the universal bank position

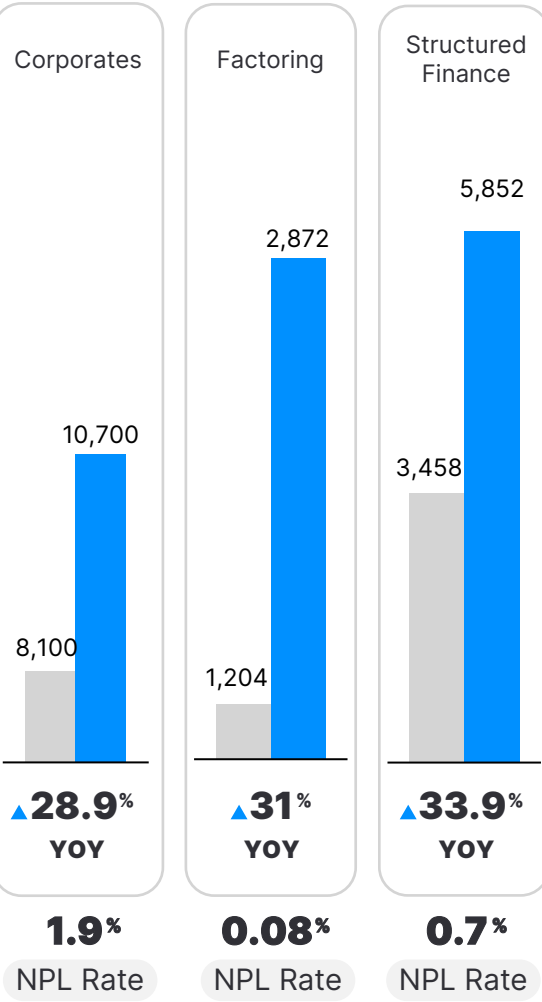
From local champions to subsidiaries of global corporations

# TRENDS IN PERFORMANCE

RON | MN

## MARKET POSITION

## LAST 5 YEARS TRENDS



- Short Term Loans
- Factoring
- Project Finance
- Long Term Loans
- Reverse Factoring
- Syndications



PENETRATION OF POTENTIAL TARGET MARKET

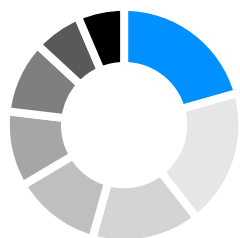
55%



SHARE OF THE WALLET\*

25%

\*Business captured from total potential target

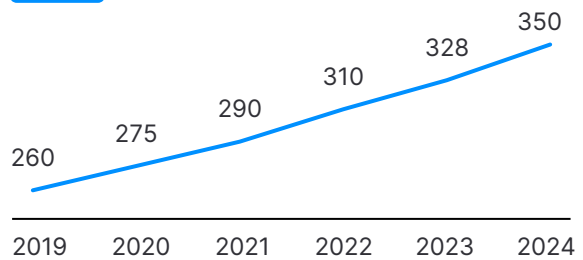


### LOANS BY SECTOR

- 20.6% Food & Bev. Retail
- 18.8% Project Finance
- 14.9% Diversified
- 12.1% Energy
- 10.4% Industrials
- 10% Agriculture
- 6.7% Public
- 6.4% Construction

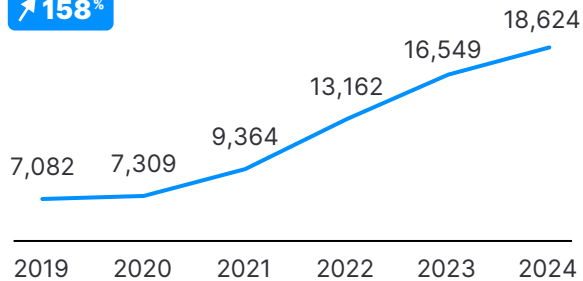
### CLIENTS (GROUPS)

▲35%



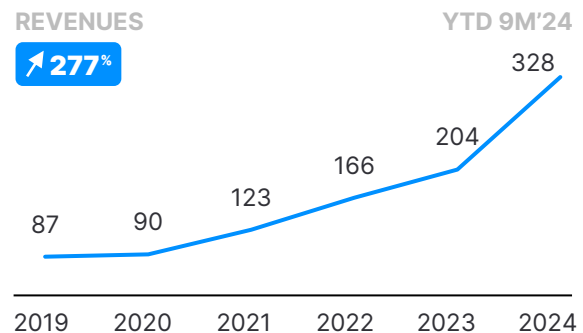
### LOANS

▲158%



### REVENUES

▲277%



## SAMPLE OF **SUCCESSFUL DEALS** BETWEEN 2023 & 2024

FEB'23

RETAIL SECTOR

75 MN  
EUR

Investment Loan

MAY'23

ENERGY SECTOR

25 MN  
EUR

Investment Loan

MAY'23

FOOD SECTOR

63 MN  
EUR

Investment Loan

JUN'23

BUILDING SECTOR

31 MN  
EUR

Investment Loan

MAR'24



AUTO SECTOR

84 MN  
EUR

General Co. Purposes

APR'24

INDUSTRIALS

40 MN  
EUR

Investment Loan

APR'24



ENERGY SECTOR

165 MN  
RON

Syndicated Financing

MAY'24



ENERGY SECTOR

750 MN  
RON

General Co. Purposes

MAY'24

RETAIL SECTOR

234 MN  
RON

Working Cap. Financing

JUN'24



ENERGY SECTOR

500 MN  
RON

Syndicated Financing

JUN'24

ENERGY SECTOR

64 MN  
EUR

Investment Loan

JUN'24

INFRASTRUCTURE

200 MN  
RON

Investment Loan

SEP'24

HEALTH SECTOR

30 MN  
EUR

Investment Loan

SEP'24

INFRASTRUCTURE

325 MN  
RON

Working Cap. Financing

SEP'24

BUILDING SECTOR

30 MN  
EUR

Investment Loan

# SUSTAINED FUTURE GROWTH: MAIN PILLARS

## PREFFERED BANKING PARTNER FOR CLIENTS

- Obsession for excellence in client service
- Constant innovative approach in product offering including tailored made solutions
- Constant support local entrepreneurs tapping new markets and growing regionally | advisory on M&A and DCM
- Platform for connecting local entrepreneurs to multinational corporates

## PRIME FINANCIER OF NATIONAL STRATEGIC PROJECTS

- Infrastructure sharp development in the next 3 years
- Projects for securing the energy independence of Romania
- Projects to ensure the reduction of the carbon footprint and increase the energy production from green sources

## SUPPORTER OF REGIONAL DEVELOPMENT PROJECTS

- Regional public hospital – total projects in excess of EUR 2 BN under development
- Enhancement of public transportation – projects in excess of EUR 5 BN under development

## TOP LENDER OF WORKING CAPITAL SOLUTIONS

- Create strong businesses for every buyer and supplier by offering trade solutions that empower our clients to streamline supply chain
- Our main goal is to assure a healthy working capital position that is key to every company's financial health and stability
- Focus on supply chain finance as a smart option for companies to diversify funding sources and enrich relationships with their trade partners

## MAIN PROVIDER TO LBOS AND SYNDICATED TRANSACTIONS

- Financing growth plans and acquisitions: Acquisition financing, Co-investments
- Facilitating changes in shareholder ownership/composition: Management buy-out,
- Enabling shareholder/management succession (i.e. in family-owned companies), Enabling shareholder exit, Co-investments

# CONCLUSIONS & STRATEGIC APPROACH **GOING FORWARD**

LEVERAGING ON THE POWER OF COMBINED BUSINESS LINES TO EXECUTE THE LONG-TERM STRATEGY

## FACTORS IMPACTING THE BUSINESS



Macroeconomic, interest rate and fiscal policy environment including post electoral period



Influence of geopolitics on trade corridors and regional expansion opportunities



Growing scale complexity of private markets and financial sponsors



Competition from non-bank financial institutions and financial sponsors

## LONG-TERM STRATEGY



### OBSESSION FOR CLIENT EXPERIENCE

Focus on a tailor-made approach and operational excellence to deliver a superior client journey and drive efficiency



### EXPANDING CLIENT FRANCHISE

Organic growth in high potential markets and industries while maintaining the traditional support and guidance of entrepreneurs to further expand and diversify



### MAINTAIN SOUND ASSET QUALITY CULTURE

Rigorous client selection with a long-term relationship approach and strong credit underwriting and control culture



### DELIVERING STRONG FINANCIAL RESULTS

Focus on capital efficiency, diversified income streams and strong asset quality



### LEVERAGING ONE BANK POWER

Special focus on maximizing cross synergies between the 4 business lines



**TREASURY**  
**INSIGHTS**

DRAGOŞ BANU

# MAIN AREAS OF FOCUS

## BALANCE SHEET AND LIQUIDITY MANAGEMENT

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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

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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

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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

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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

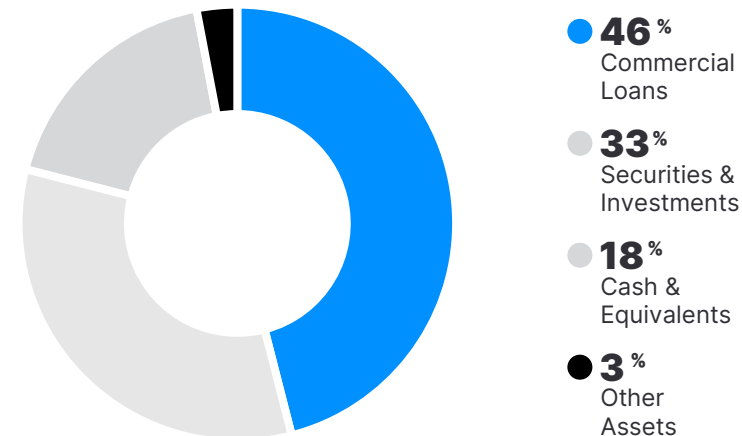
### FIXED INCOME PORTFOLIO

**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

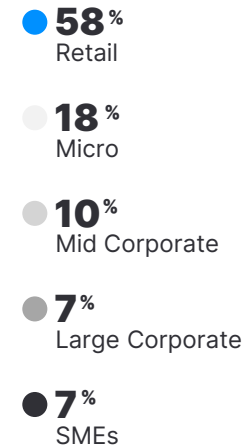
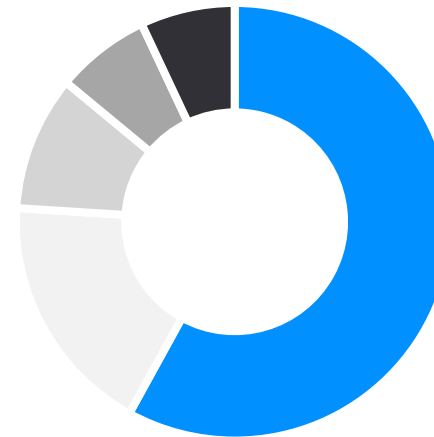
**13.900 EUR**

11 months

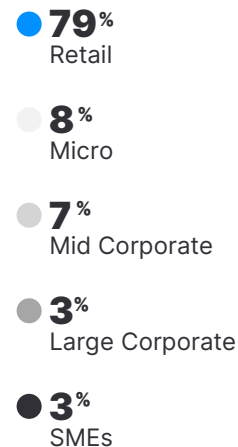
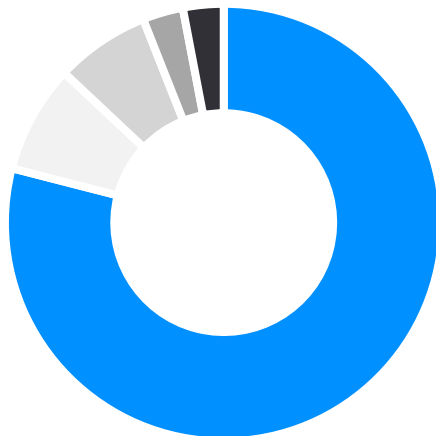
**14.000 USD**

9 months

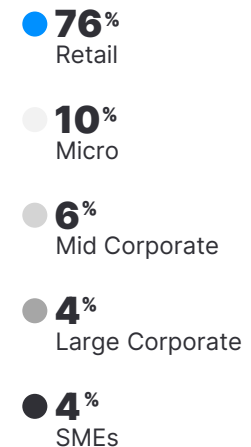
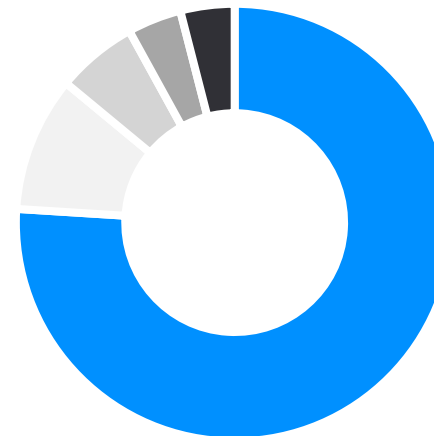
## CUSTOMER FUNDING - RON



## 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

**RISK**

**SAFEGUARD**

**& BUSINESS**

**ENABLER**

CĂTĂLIN CARAGEA

# RISK STRUCTURE IN BANCA TRANSILVANIA

## BT RISK MANAGEMENT

A cornerstone of safeguarding the bank & a business enabler

## BT RISK GOVERNANCE

Integrated in a modern and market standard Group Corporate Governance

### CHIEF RISK OFFICER LINE



**STRATEGIC  
RISK  
MANAGEMENT**



**RISK  
ANALYTICS**



**CREDIT RISK  
UNDERWRITING**



**NON-  
FINANCIAL RISK  
MANAGEMENT  
& COMPLIANCE**



Centralized risk and compliance oversight



Group-wide risk appetite framework

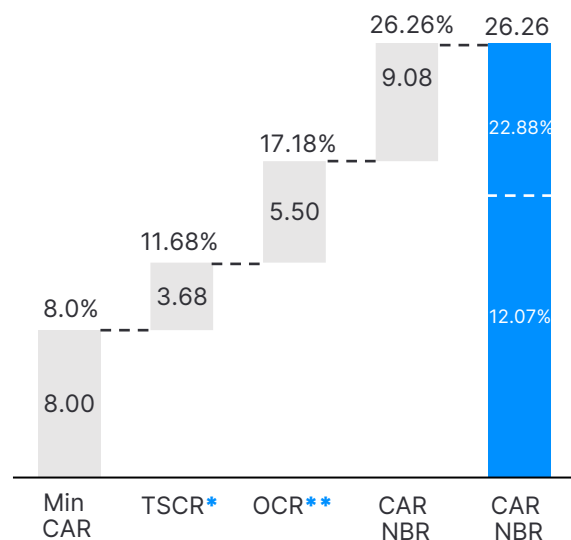


People: skills, motivation, growth, performance



# BT & GFBT HAVE A GOOD STANDING POINT

## CAPITAL RATIOS (INCLUDING PROFIT), %



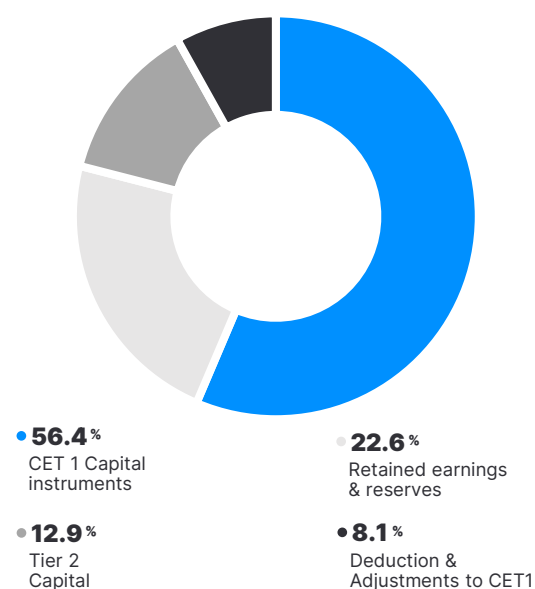
\*TCSR includes Min CAR and additional requirements as regulated by NBR  
\*\*OCR includes TCSR and capital buffers

## STAND-ALONE BASIS, NBR COMPUTATION FRAMEWORK, TRANSITIONAL, PROFIT INCLUDED

Capital buffers account for 5.5%:

- 2.5% conservation buffer plus
- 2% O-SII buffer plus
- 0% systemic risk buffer plus
- 1% countercyclical buffer

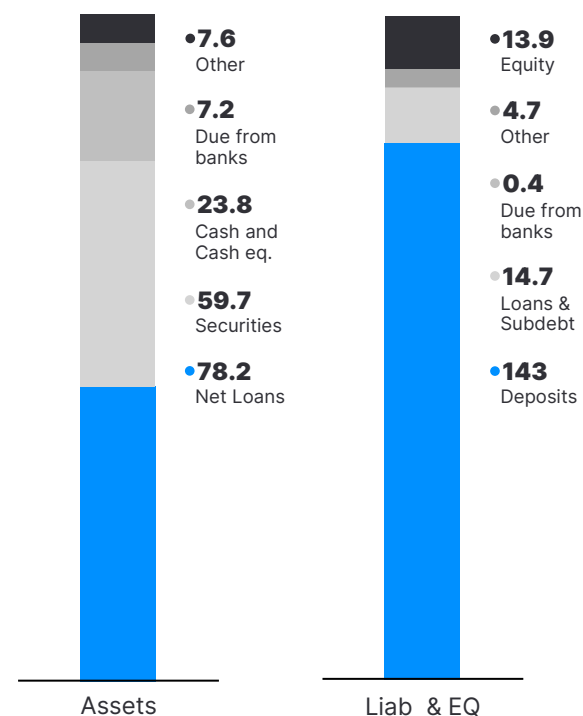
## OWN FUNDS' STRUCTURE, %



Banca Transilvania has **strong capital positions**, well above those imposed by capital requirements and regulatory guidance:

<b>OWN FUNDS</b>	RON 16.3 BN
<b>TOTAL RISK EXPOSURE</b>	RON 62.1 BN
<b>RWA DENSITY</b>	35%

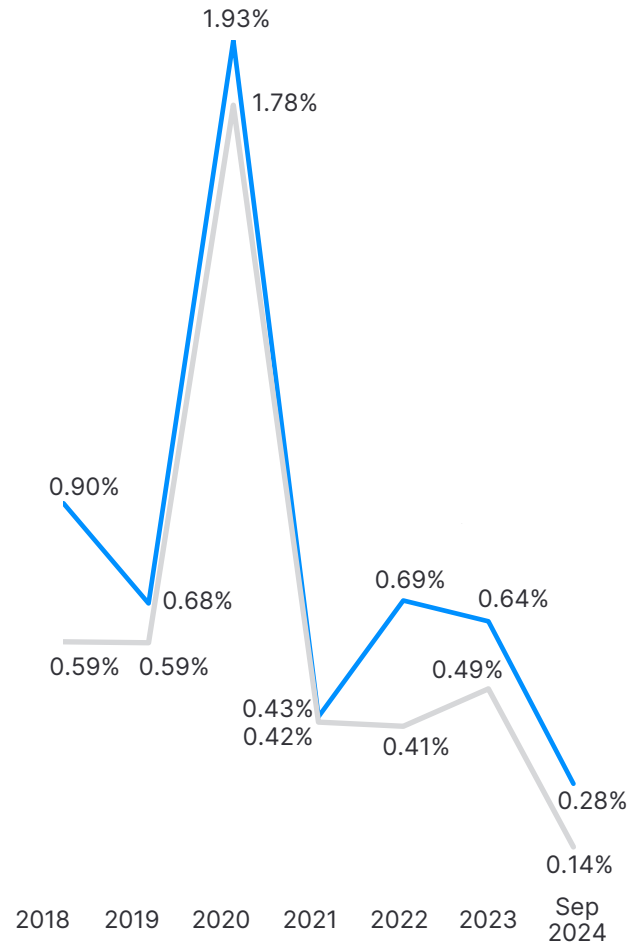
## LIQUID BALANCE SHEET, RON BN



<b>LOAN-TO-DEPOSIT RATIO</b>	58.02%
<b>IMMEDIATE LIQUIDITY</b>	49.87%
<b>LCR</b>	507%
<b>NSFR</b>	272%

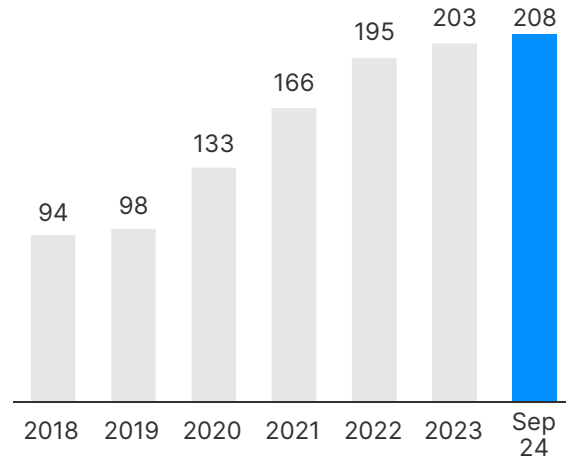
# BT & GFBT HAVE A GOOD STANDING POINT

## COST OF RISK, %



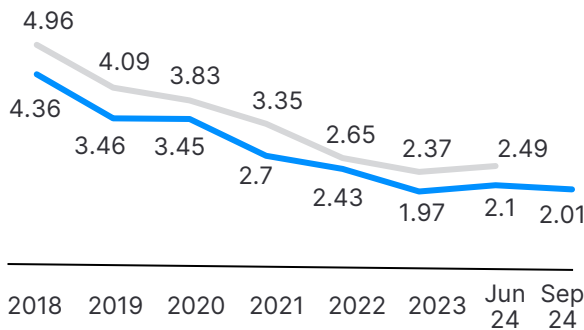
- CoR Group
- CoR Bank

## NPL COVERAGE RATIO\* (EBA), %



\*Total ECL to EBA NPL

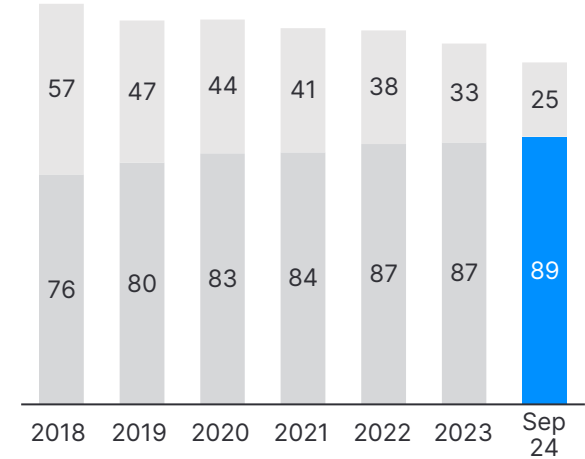
## NPL RATIO % (EBA \*\*)



- BT
- Romanian Banking Sector

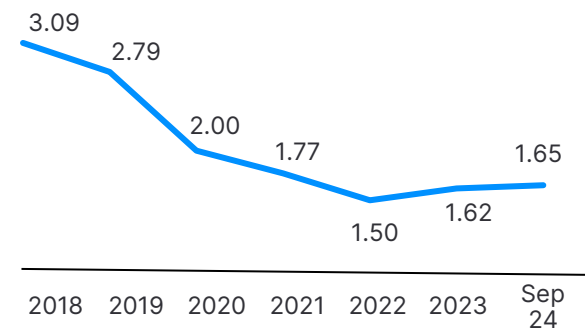
\*\*According to EBA definition AQT-3.2.

## NPL COVERAGE RATIO (PAR90), %



- NPL coverage with mortgage collaterals
- NPL coverage with provisions

## NPL % (PAR 90)



# BUSINESS ENABLER WHILE PRESERVING THE ACTUAL CORE

LEVERAGING OUR CLIENT BASE AND OPPORTUNITIES TO FOSTER GROWTH WHILE MAINTAINING STRONG CAPITAL AND FINANCIAL STABILITY



Digital innovation and Data excellence

Digital lending and automation

Credit Portfolio Management

Financial Crime Risk Management

Diversified funding and management of interest rate risk

# DEALING AND ENSURING REGULATORY COMPLIANCE

**EBA IRRBB REFORMS**

**DORA**

**ESG**

## **EBA STRESS TEST**

—  
First single Romanian bank part of the extensive European exercise

**EBA IRRBB REFORMS**

**RECOVERY AND  
RESOLUTION**

**NEW EU AML & CFT  
PACKAGE OF LAWS**

# BANCA TRANSILVANIA READY TO FACE THE CHALLENGES

## GLOBAL AND LOCAL / REGIONAL RISKS



Banca Transilvania is the Romanian banking sector leader and is well integrated in the region, thus facing the same local and regional risks other important players' encounter.

## ALL RISKS ARE INTERCONNECTED MORE THAN EVER



Risks are not predictable anymore, thus launching mitigation measures in advance becomes challenging.

**Strategy:** Prepare for the unexpected risks

## CYBER RISKS AND FRAUD RISKS – MAIN RISKS WORLDWIDE



- Geopolitical risks – **Global risk**
- Migration and climate risks – **Global risks**
- AI risk – **Global risk**
- Regulatory requirements – **European risk**
- Credit Risk – Default risk on Companies and Private Individuals – **Romanian risk**
- Financial Intermediation - **Romanian risk**
- Sovereign concentration risk – **Romanian risk**
- Balance-sheet risk – **Romanian risk**

# Q&A SESSION

# WE KEEP GROWING TOGETHER



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