



**INVESTOR  
DAY**

# **CONFERENCE CALL**

---

**Transcript**

13<sup>th</sup> November 2024

## HOST

---



### **ÖMER TETIK**

**Chief Executive Officer**

Ömer Tetik is the CEO of Banca Transilvania since 2013 and under his leadership BT has become the largest bank in Romania and South-East Europe. He is a member of the Board of Directors of BT Capital Partners and he is a strong supporter of the Romanian capital market development.

He has over 20 years of banking experience in Romania, Russia and Turkey. He started his career at ATA Securities in Turkey (Izmir) and a year later moved to Istanbul to join the treasury team of Finansbank. In 1997 he moved to Russia taking the position of Treasury and Capital Markets Department Coordinator of Finansbank Moscow. He moved to Romania in 2000, when the same bank gave him a new assignment as Deputy Vice President. Ten years later he became Vice President and then CEO of Credit Europe Bank, formerly Finansbank.

## SPEAKERS

Listed in order of their appearance on stage

---



### **IOAN NISTOR**

**Chief Economist of Banca Transilvania**

Ioan IOAN NISTOR is an economist and academic, currently serving as the Chief Economist at Banca Transilvania. With a distinguished academic background, he is a Professor of Finance at Babeş-Bolyai University in Cluj-Napoca, where he also held the position of Dean of the Faculty of Business for eight years. He has been teaching at universities abroad and has extensive expertise in corporate finance, banking, and behavioral finance, and is actively involved in both academia and the financial industry.

He holds an MBA from the University of Hull (UK), as well as a certification in ESG Investing from the CFA Institute. His commitment to values-based leadership was strengthened by his graduation from the prestigious Aspen

Institute - Public Service Leadership program. He has also expanded his global perspective through post-doctoral program at Kobe University in Japan. Since 2020, he has been a member of the boards of BT Asset Management and BT Leasing.



## **OANA ILAȘ**

### **Deputy CEO, Retail Banking**

Oana Ilaș coordinates the Individual and Private Banking division, the development and management of retail products: loans, cards, bancassurance, deposits, digital retail projects, retail data analytics, contact centre & customer care, credit processing and BT's overseas offices. She is also a Board Member of BT Direct and BT Asset Management.

She is contributing to the development of a strong cards team, where the integrated issuing and acceptance solutions secure the bank's top market position. This achievement is reinforced by a dynamic digital transformation journey that has introduced numerous innovations over the years.

Oana Ilaș holds a Marketing degree from Babeș-Bolyai University Cluj-Napoca, an Executive MBA from the University of Sheffield, UK and has completed various specialized courses.



## **TIBERIU MOISĂ**

### **Deputy CEO, MidCorporate and SMEs**

Tiberiu Moisă has dedicated two decades to the business history of Banca Transilvania, handling tasks related to corporate clients of all sizes - medium, large and small.

He has also initiated and played a role in projects that go beyond traditional banking (#morethanbanking) and have a significant impact on various communities, including initiatives such as BT Mic, Transilvania Executive Education, BT Club and Clujul are Suflet.

His efforts have influenced BT's positioning as the bank for entrepreneurial people. Today, the bank serves more than

450,000 corporate customers and is the largest ecosystem for Romanian entrepreneurs, with a remarkable 40% of local companies working with BT.



## **COSMIN CĂLIN**

### **Executive Director, Head of Large Corporate**

Cosmin Călin has been appointed as Executive Director Large Corporate in March 2018, handling at the same time the Structured Finance and Factoring business of Banca Transilvania. His career span over close to 25 years primarily in Corporate Banking both local in Romania and regional (Greece, Bulgaria, Serbia, Turkey).

He began his banking career in Romania, in 1999, at Bancpost – EFG Eurobank Group. In 2004, he joined the National Bank of Greece Group to help consolidate their Romanian acquisitions, taking on executive roles in Corporate Banking and participating in the Group's Balkans M&A activities.

Over the past 6 years, BT has developed a reputation as financiers for both local and multinational corporations, as well as for strategic projects in Romania. The bank has shown consistent growth and established itself as a significant counterparty for large corporate clients.



## **DRAGOȘ BANU**

### **Executive Director, Head of 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.



## **CĂTĂLIN CARAGEA**

**Deputy CEO - Chief Risk Officer**

Cătălin Caragea brings more than two decades of risk management experience to Banca Transilvania Group. He has worked in Romanian and international banks such as Raiffeisen Bank Romania, BCR and Erste Group Vienna.

At Banca Transilvania, he coordinates the risk management and compliance area, namely: integrated risk management, risk modelling, risk management and analysis of credit, market and liquidity risks, compliance, operational, including anti-fraud, information and technology security and business continuity.

## **ANCHORS**

---



## **AUREL BERNAT**

**Executive Director Financial Institutions  
& Investor Relations**

Cătălin Caragea brings more than two decades of risk management experience to Banca Transilvania Group. He has worked in Romanian and international banks such as Raiffeisen Bank Romania, BCR and Erste Group Vienna.

At Banca Transilvania, he coordinates the risk management and compliance area, namely: integrated risk management, risk modelling, risk management and analysis of credit, market and liquidity risks, compliance, operational, including anti-fraud, information and technology security and business continuity.



## **DIANA MAZURCHIEVICI**

### **ESG Integration & Investor Relations Director**

Director ESG Integration & Investor Relations Diana Mazurchievici has been part of the banking system since 2017. She is the Head of ESG Integration and Investor Relations at Banca Transilvania since June 2022, responsible for overseeing ESG and sustainability initiatives, mergers and acquisitions, and investor relations.

She is a member of ACCA and holds an Executive MBA from the Maastricht School of Management. With a vast experience and a strong commitment to positive change, Diana contributes to the success of Banca Transilvania's ESG initiatives.



**AUREL BERNAT**

Welcome to Cluj, welcome to Banca Transilvania. Just a couple of words about ourselves. This is the first Investor Day event held by Banca Transilvania, and hopefully, we'll have the chance of seeing today not only financial results (about which we already discussed during Monday's Q3 Financial Results call) but also provide answers to the questions raised about how the future will look like. We will share these insights with you.

We are in Cluj. We would like to mention that this is our home, also known as the heart of Transilvania, home to more than 100,000 students each year. This is something relevant for us, new people coming to the city and onboarding in Banca Transilvania, but also for the universities. The city has a history of more than 2,000 years already, and we are proud to say that we support the local basketball team, having in Cluj the largest indoor arena in S-E Europe, a sports venue hosting approximately 12,000 people.

In terms of what we did so far to promote our investor relations activity and the relationship with our investors, partners, intermediaries, and so on, we started a couple of years ago. First, mainly by phone calls. Afterwards, we introduced, as of last year, the video calls for the quarterly financial results, which probably for most of you have already become a norm. Starting with today, we are also introducing this communication channel, namely the investor day event.

The schedule for today will be as follows. After my short, brief introduction, Ömer Tetik, the CEO of Banca Transilvania, will provide an overview of our business. Ioan Nistor, our Chief Economist, will drop a few words about the macroeconomic Romanian landscape. The focus afterwards will be on growth and the strategy that we see for each business line. We will begin with Oana Ilas, Deputy CEO, Head of Retail, talking about key growth drivers. Then, we will transition to the SMEs business line with Tiberiu Moisa, Head of Mid Corporate and SMEs. Cosmin Calin will be, let's say, "moving the giants", because he will be presenting the large corporate side of our story. Dragos Banu, our Treasury Executive Director will be giving us some comprehensive insights about treasury and dealing.

Last but not least, Catalin Caragea, our CRO, will be presenting the risk side of our story, and hopefully, he will manage to have a business approach style, which will give you confidence in everything that we are doing. Without further delays, I invite Ömer, CEO of Banca Transilvania, and wish him good luck. Thank you.

---



**ÖMER TETİK**

Thank you and welcome. We started well. This is our first trial, so please bear with us. Thank you very much for being with us, for allocating your time.

This is our second event dedicated to investors held this week. Monday, we proudly announced our financial results, our business results. After years of saying that it's not only me and the investor relations team, we are here to admit that there are a lot of people in BT working hard and providing these business results, the results that you see us deliver. We would like for you to get to know them better today.

It's a very hectic period for everyone, with a lot of geopolitical and local challenges. Everybody's doing budgets. On the one hand, with the business lines, I have to be very optimistic and push them to grow. On the other hand, with the board, I have to be very cautious and keep them on the ground and also with investors by transmitting good messages. Then, going to the risk side, we want to manage our ever-growing portfolios and control our risks even better. But we are very comfortable where we are.

It has been, so far, the beginning of a nice journey with our size growth, with our business lines growth. We are, I think, the only vertically and horizontally integrated financial group in Romania. When we speak about numbers, we see that between our business lines, the synergies are very strong. Also, our subsidiaries in all business areas—I will try to give you some basic numbers—are growing in their segments very strongly.

We are the largest bank in Romania. This is something that we are very happy about, but our aim is, and will always be, remaining the best bank, the bank of choice in Romania in



all the segments that we are present in. Sometimes, the size doesn't help you grow fast. With the help of our IT operations, risk and finance departments, we managed to grow fit so far, reaching already 4.4 million customers. This is 75% of the active population in Romania. When we speak about market shares and where we arrived, as you are with us now connected from different geographies, not only from Romania, you might know that we are the most active participant on the capital markets as an issuer, as a borrower.

We have managed only since 2023 to attract more than EUR 2 billion from the markets. We have also done consecutive successful transactions during this year. The profitability is definitely the result of a lot of hard work and effort, but also our strategy has been very stable, very much focused on Romania, very much focused on the diversification of our business lines.

Also, we have focused on financial inclusion, where we see a lot of growth opportunities. We have presented a strong net interest margin during our video conference. Some of the analysts and investors were asking which level is sustainable. We think that a 325 basis points net interest margin is a quite sustainable level for us, and we're looking at this when we prepare our budget or strategy. We also have a very strong capital adequacy ratio, capital ratios on several fronts.

We are definitely a challenge for the supervisory authorities locally and internationally because we are now the largest bank in Southern Eastern Europe. We are a listed bank with Romanian pension funds, private pension funds being our largest investors. Romanians are our largest investors. We don't have a group behind—we don't have a mother bank behind. That's why we try to maintain a prudent approach in terms of capital and liquidity planning going forward. The NPL ratio, along with the rest of the market, has been performing well. Our cost of risk is just a couple of dozen basis points, considering the business lines that we pursue: retail banking and SME banking. It shows that we are managing our risks well. We are also doing well in recoveries. Nonetheless, we are best in class in terms of the NPL ratio in Romania. As I was mentioning, when we

speaking about synergies, since I started doing banking, the word synergy in each bank, in each board, was giving almost physical pain to executives. But this is the institution where we see them coming from retail, SMEs, and large corporates. We have an exceptional ecosystem, which is contributing to each other's growth, with our cards, POSs, ATMs, and network. We are developing businesses in all areas, bringing new customers on the corporate side because we are good in retail banking or bringing new customers on the retail side because our colleagues from mid corporate and large corporate are capturing blue chips from Romania.

We are also doing things sometimes against the tides, including cash processing. When our competitors are announcing that they are going out of cash, we are happily entering this segment, establishing nationwide cash processing centers because this is how the economy works, and this is what the customers need. We are addressing their needs, which helps us grow further.

We still believe in digital banking, as we said. We have and we grow our physical network in Romania. Thanks to the OTP integration, we will be having new locations, especially in those regions and in those cities where our market share is lower than our general market share.

We will be maintaining a strong focus on our network, which we think is one of our main assets, the capital of BT, part of BT's growth story. Meanwhile, BT Pay and BT Go - you will hear more about our plans during today's presentation, are helping us digitalize our customers' base.

In the presentation, you will see that over 95% of our customers already use one of BT's digital channels. I think that we did well on digitalization so far, but we still have a lot more to do. There are things that we couldn't deliver so far; we still see them as opportunities.

Romania has the lowest level of financial inclusion, a 27%-28% loans to GDP ratio. This shows that we have a lot to deliver. We are not even at the top of our potential yet.

We are very happy to see that as a horizontally integrated

group, all our subsidiaries are performing very well. BT Asset Management is already, if not the largest, one of the largest asset managers in Romania, managing over EUR 1 billion in assets under management. We are already offering access to Romanians, who are more and more interested in investing, through BT Pay and BT24. We are looking forward to our competitor, but also sister bank, Salt, offering asset management opportunities to their customers.

BT Capital Partners, in a maybe comparatively smaller market, delivered very important transactions. Besides being co-manager of BT's transactions, you have seen that recently, in the Romgaz issue, BT Capital Partners took an active role. Strong market share and strong profitability show that this is a business in which we can grow further.

BT Direct, our consumer finance entity, is a success story showing that with the right people and the right mindset, if you capture good markets, you can do good business. This is a segment where we see competitors leaving, where we see that interest is decreasing. On the other hand, we are on an accelerated and profitable growth phase. This is also creating new customer acquisition possibilities for BT.

BT Leasing is our main competitor in M&A. In fact, they are performing their third integration now, the OTP Leasing integration. They have strong track records and experience in what they realized and how they made it. We are very happy about their financial results but also their market positioning.

BT Mic, "small BT" or BT MicroFinanțare, is already the size of a small bank in Romania, growing fast. Only in September, more than 800 customers were credited, financed by BT Mic, and these numbers are growing. We are more present in urban areas with BT Mic. We have different plans with BT Mic to expand further, but also with STUP, our initiative there, which has become the main financial education and training hub for small and medium-sized entrepreneurs in Romania. It has become a brand itself, almost as large as BT Group in Romania.

BT Pensii is the sector on which we are very focused. This

is the business that we want to grow. We want to become, for some of you, a direct competitor. Hopefully, we'll manage to do that. When we look at the numbers, new business generation in the last couple of months, especially in September, more than 48% of the newly signed contracts in the Romanian voluntary pensions market were performed by BT Pensii, which is showing that we have the right team there and the right market positioning. We are very small when I'm saying that we are trying to become competitors to some of you. We have a lot of things to do, but we are coming up strongly.

Victoriabank, our international experience in Moldova, is the third largest bank with a 14% market share. They also have an M&A appetite, and recently acquired BCR Chisinau, which is in the full integration phase. In the afternoon, you will have the chance to meet Levon, our CEO, at Victoriabank. It's a good business story.

I cannot end without mentioning Salt, our new bank. I drew a lot of sympathy in the market when I said that we had to create our own competition in banking. Now, I regret that because they are a very serious competitor. They also started getting customers from us. But with more than 250,000 customers and features being added every month, every quarter, we think that we are on the right track. Hopefully, we will also be able to proudly present positive financial results of Salt in 2026.

Now, we are, like other new banks, focusing on customer numbers, on transaction numbers, on growth, but also, we are happy about the positioning, brand image, and acceptance of the brand by the customers.

Thank you very much for being here. As I said, I usually speak a lot during investors' conferences, but I want to leave the floor to the real team who is executing the tasks.

We will start with Ioan Nistor. He recently joined us as our Chief Economist. We would like to listen to him to understand the challenges and the opportunities. I'm always saying that Romanians are very unfair with themselves and with their own country. We are always complaining about what is not done. Usually, politicians

who are saying what is not functioning are gaining votes, but I think BT is a good example that when you focus on what should be done and you do it, you have good results. Only like this can you push the country further.

We see a lot of opportunities for Romania. I like to say that we are cautiously bullish, but we are in fact very bullish about Romania, about what will happen. When we look at the picture of Romania every five years, it is a tremendous growth story, a tremendous development story.

I think that the BT group will be part of this growth story further. Thank you again for being here

---



**AUREL BERNAT**

Before giving the floor to Ioan Nistor, I was thinking how to describe him, and two words came to my mind: young, professional, and overall, a nice guy. Well, the first part, with the young, he's not that young, but at least he's extremely nice. The second thing that I might say about him, I enjoy saying this: During his free time, he likes to go to Japan and teach there in some universities. The nicest part of it is that he teaches in Japanese. This time, I won't be telling him to do the same thing because at least myself, I will have a problem, but anyhow, he will do it in English.

Thank you, Ioan, for being here.

---



**IOAN NISTOR**

Thank you, Aurel, for the overwhelming introduction. Good morning, everyone. Yes, indeed, I've been part of BT Group for the past five years with different roles in BT Asset Management and BT Leasing.

At the beginning of this year, I joined BT as Chief Economist at its headquarters. Before this, I was the Dean of the Faculty of Business at the largest university in Romania, Babes-Bolyai University, for eight years. I enjoy teaching, and I'm still doing it in my free time. It's a pleasure to talk about the numbers, not only the numbers but the story behind the numbers. This is what I'm trying to do today—to look at the factors to overcome the challenges. I chose this title for my presentation because I'm going to walk you through the macroeconomic landscape in the next couple of minutes.

We know that economies move differently as they are cyclical. Sectors also move differently. Therefore, economies have challenges, but it's important not only to look at these challenges, but also to the factors to overcome these challenges. I will try to point some of those factors today.

The most common macroeconomic indicator is GDP. Let's not look just at the GDP but at the contributors to the GDP in Romania. Recent data put us, at half-year, at 0.7% overall growth, a 0.5% growth for the first quarter, and 0.9% growth for the second quarter. Now, looking on the left side of the screen, we have the GDP and the contributors to the GDP. It's very important to look at each one and how they influenced the overall GDP.

Now, we have the final consumption, which for the past quarter delivered most of the contribution to the GDP: 4.7% for the last quarter, and we believe that will be a strong contributor from now on in the overall GDP. Then we have the gross fixed capital formation—the investments—which, although slowed down a little bit in the last quarter, still delivered a 2.7% average growth for the past four quarters.

Now, on the other side, on the negative side, we have the net exports, which delivered minus 4.7%, which is mainly due to the fact that imports increased a lot to meet the demand on the market, and exports slowed down as a result of the challenges in the western economies, as Romania does most of the exports in the EU.

The same thing happened with the changes in inventory, with a marginal fluctuation of 0.1%.

If we look at the same GDP, on the right side of the screen, and analyze it from the supply perspective, we see the same 0.7% overall growth, but we see which sectors contributed here. We have the services, which for the past quarters delivered most of the contribution here. It slowed down a little bit in the previous quarters, but we see a growth potential here as well. The same thing with agriculture; we see potential for agriculture to deliver a positive contribution to the GDP from now on.

Then, even for constructions, which for the past two quarters saw a decline, this sector posted a positive contribution. The decline was mostly because of changes in legislation.

Then, on the negative side, we have the only sector that delivers a minus 0.1%, which is the industry. In fact, the industry has delivered a negative contribution for the past 11 quarters, but we estimate that this might be the last one or at least one of the last

quarters with a negative contribution of the industry.

As we'll show in the next slides, the industry looks like it's going to recover in the next quarters. I'll just walk you quickly through the next important indicators.

Inflation—sticky, I would call it. Yesterday, we received the results for inflation, and it's up to 5%. That's why we've not seen a cut from the National Bank of Romania in the last week meeting for the reference rate. We expect inflation rate, starting next year - especially after the first quarter, to decrease and we'll probably see two or three rate cuts in the following year from the National Bank. When it comes to debt to GDP, there was an increase this year and last year. We are looking at the latest numbers, which stand at 52.7%, still below the EU's average of 81.2%.

When it comes to the exchange rate, it remained stable, flat, one of the best performers in the region; we don't expect to see high volatility here as well.

Now, just a few words about Moldova—very important. By the time it managed to recover from the pandemic, it found itself in the middle of the geopolitical turmoil. It managed to recover last year, a little bit slower than expected, but delivered very good results this year, with a 2.2% GDP growth at half-year, and we see good potential from now on at +3.1% for next year and +2.9% in three years' time.

It's very important to mention here that, following the elections, we see the progress towards the EU accession continuing. Then it managed to break most of its exports and imports with Russia but increased the levels with the EU, Romania, Ukraine, and Turkey, which shows huge potential from here on its economy. Also, it started reducing the energy dependence, which is very important for Moldova from here on.

Good GDP, low unemployment, so overall good results at the macro level for Moldova. The same thing in terms of inflation. It picked up during the turmoil, but now it's within the band of the National Bank. Strong agricultural potential; the IT sector brings a good contribution to the GDP.

Now, before I end my presentation, I want to look at the takeaways from Romania and what we expect. I like the behavioral part very much, especially the confidence indicators, which are one of the indicators that give us a forward-looking perspective, which is very important. These confidence indicators—there are four of them, which are followed by Eurostat—and all of them show us a good

perspective, a good forward-looking view for Romania from now on.

We even see the industry—the one element that somehow synced with the contribution that had to the GDP—now going up towards a positive path. The same thing from retail, same thing from the ACI, so for the whole economic index.

Important milestones: 10 years ago, Romania was at 55% of the EU average GDP per capita; now we're at approximately 80% of the EU average. Actual individual consumption: 56%, and now we are at 89%.

In terms of EU funds, Romania managed to absorb 96.7% from the previous program, which leads us to believe that we'll be able to absorb most, if not all, of the money comprised in the current program. So far, we are at 42.5% in terms of grants and 24.3% in terms of loans.

Other key elements we have here in terms of imports and exports: energy producer, and thus limited imports, which is very important, especially during this period. Having a low and stable unemployment level, Romania remains an important player in the EU automotive sector, and there's strong potential for the agriculture sector to deliver from now on as well. Thank you very much.



**AUREL BERNAT**

I always like to see the bright side of the story, because this is what keeps us alive and grows us. Next on the stage, we will be focusing more on the business side of our story, capturing more growth than the Romanian economy. I will invite Oana Ilaş, who I consider to be one of the most enthusiastic persons that I have ever known. Oana, welcome.



**OANA ILAŞ**

Thank you, Aurel. For my presentation, I will try to be as enthusiastic as I actually am about the retail business, which is really part of my soul. I try to transmit this, as much as I can, towards the entire team. I can say that I think this is one of the most powerful competitive advantages of BT—that we do have a very energetic, enthusiastic, and passionate team.

Very quickly about myself: I have been with the bank since 2002. I started in the Cluj branch. Gradually, I have grown with the bank



and assumed more and more responsibilities. I started in the headquarters, with Gabi here present, whom I am grateful to for everything that I learned related to payments, back in 2004. I really thought that I would not be able to do more than cards, that I would be able to love anything else but cards. But I've learned that the retail universe is very beautiful and rewarding.

So, I am more than happy that I can share with you how BT Group—because more and more we are talking about BT Group, as Ömer mentioned—these synergies have really become a togetherness and concrete materialization of togetherness for the last several years now. I will share with you how BT Group is prepared to meet the challenges and opportunities of the very fast-changing financial landscape that we have in retail banking. For the last couple of years, we have focused a lot on strengthening our position as the leading financial institution in Romania, leveraging a lot on a combination, a set of strengths that we have, namely scale, digital innovation, a lot of focus on customer centricity, and also a very good mix of distribution channels.

I will go on further through the growth strategy, and I will highlight how we intend to use cutting-edge technology, data-driven insights, and a great presence in the market in order to provide long-term value for customers, for investors, for stakeholders, and for our employees as well.

Going further in the strengths—because the strengths are the foundation for where we intend to go—I will start with the scale and reach. In BT, we have decided from the beginning to position ourselves as a universal bank, and of course, that this is not the easiest path always, but it's very rewarding because we can talk about scale and reach.

At this point, BT serves more than 4 million retail customers, and this is very rewarding for us because BT has turned into the trusted financial institution choice for individuals in Romania. We are covering a wide range of segments spanning through the entire socio-economic spectrum, and this allows us to offer tailored products and services while further developing tailored products and services, benefiting from an important economy of scale when doing this. Notably, we have very good penetration into the 15 to 29 age group, where we have at this point 30% of this population engaged to a certain degree with Banca Transilvania.

Because this segment is very demanding, we are also very committed to delivering to the clients, at a very good pace, new features, proper financial education, and also embedded life experiences on top of traditional banking. As concerns

digitization, BT has engaged itself on a digital journey for more than seven, eight years ago, and at this point, we can proudly say that 95% of our retail customers have, to a certain degree, contact with at least one of the platforms we are offering on the retail side—either mobile banking or internet banking.

Here, we do have things to do further on, and our focus and target is to merge everything under the umbrella of the BT Pay universe and to make it what we believe it can become in the future—not just a mobile banking application but rather an integrator and an authentication tool.

I will talk further about how we envision this. Gladly, I can say that out of this portfolio of retail customers, more than 2 million receive recurrently in their account their incomes, regardless of the income type: pensions, scholarships, salaries from public-owned companies, or private-owned companies. This allows us to build up and to upsell and cross-sell very efficiently. Another strength that we have on the retail side is this capacity to generate network effects, and this is, of course, on top of the scale that I mentioned earlier.

Because cards, of course, are at my soul and part of me, from the beginning, we positioned ourselves as a bank aiming to approach this card payment system which turned out to be an ecosystem in both issuing and acquiring. Although this is not the easiest road, at this point, we have 6.6 million cards, more than 164,000 POS terminals—both classical ones and soft terminals—and more than 6,000 websites acquired by BT in e-commerce. We are in a strong leadership position, allowing us to create this macro environment—not just micro, but macro environment—because we are big enough to generate these closed-loop value propositions.

We started in 2011 with the first iteration of our multi-merchants loyalty scheme, with Star, which has turned out to be the largest loyalty program in Romania. Thank you, Ömer, for joining BT; otherwise, I don't know how we would have positioned ourselves in this area. Now, Star is the largest loyalty program in Romania, linking together more than 600,000 credit card holders with approximately 30,000 merchants' locations, thus generating synergies and benefits for both the merchants and the cardholders as well. And it's evolving, as we are topping it up with the newest technology, with e-commerce value propositions for our cardholders.

Another recently launched feature is the Pay with BT Pay. So, unless you wouldn't have been in the position to be on the acquiring side also, this would not have been a value proposition

for our cardholders. At this point, with a strong market share on both sides, we were able to launch it and to link together the e-commerce with our BT Pay and with the cardholders' experience, thus able to generate the best experience in terms of payments. With just one click, with authentication in BT Pay, and then by generating added value for the merchants as well because their acceptance rate increased significantly. The checkout experience is thus improved significantly, and of course, the cardholders, who are both ours and merchants' customers, are happier.

Another strength, mentioned also before, is the digital approach that is part of our business operating model and of our story. We have more than 500 branches, where we are investing further to provide better and better experiences—for the training of our people, to equip the branches with the best terminals.

On the other hand, we are investing heavily in digital initiatives so that we are improving every single day the digital ecosystem. We are investing also in the contact center because the more digitized we are in the relationship with our customers, the more interactions are pushed towards the contact center. Also, we have seen this coming, and we have invested heavily in the contact center to digitize and automate as much as we can of the interactions.

At this point, we are at approximately 60% of the interactions that our customers have with BT being done self-served, allowing our colleagues in the contact center to concentrate more on the more complex tasks and interactions with the customers, where the human resource can really bring value.

I mentioned that we intend to grow BT Pay's role as a "remote control" that we are equipping our customers with, and to use it not just for the products origination or for transactional purposes but also as an authentication tool. We implemented, it represented a premiere in Romania, the authentication with this instrument directly in contact center, and it's a feature very liked by the customers as it improves significantly the work of our colleagues in the contact center.

So, these are the selected main strengths that give us a good foundation for what is about to come, and I will further on talk briefly about this digital ecosystem, this digital universe that we are expanding. At this point, Banca Transilvania has several mobile applications, but we are in the process of merging them all together and putting everything here, in BT Pay. BT Pay started as a wallet back in January 2018, but it benefited a lot from the sympathy of the end customers, and we gradually, based on its success, decided to switch the app to an approach where we

transfer the other functionalities into this app, and now it's a pretty complex application.

We are trying to keep the simplicity of the app, and this is, of course, a challenge. This year, we are committed to providing further a good pace of deliveries, and we embedded it with full digital onboarding in early January, with the introduction of the investment funds. The BT Asset Management functionalities were embedded in BT Pay, and just this feature is like an application per se. It is very liked by the customers because they can easily onboard and sell, buy unit funds, see their portfolio in BT Pay.

We implemented the Pay with BT Pay, the cash loan origination, so, at this point, the entire consumer lending is covered in BT Pay: credit cards, overdrafts, and cash loans. The most rewarding aspect out of all of this is that, with this ecosystem, we managed to change a little bit the way retail banking is done in Banca Transilvania—from a one-to-one approach to community banking.

Through this ecosystem, we created micro networks between friends, between families, between parent and child—with a special version of the application where the parent can control the behavior of the kid—with other circles of friends, with issuing cards, as joint accounts directly in the application, connecting it to complementary services with bill payments, providers, and everything in this app.

So, at this point, it's not just that you are joining BT, but you are joining a community that values more and more what's happening there. I talked at the beginning of the presentation about the group synergies. The beauty of it is that we are not talking about group synergies; group synergies became a reality, and I think that I have never felt before such a togetherness feeling as now because the roadmap and everything that happens between the teams, the development teams, the product, the product owners, and the teams in the Group are all together just one; and that's part of our story and part of our future growth.

We have a very good growth potential there because benefiting from this scale of 4 million customers and increasing every single day, we can amazingly integrate new opportunities for all the subsidiaries that we have in the Group. We test it with BT Direct, which is part of the application, and with BT Asset Management, where we are already successful after the implementation of the investment funds. We are working towards integrating the pension funds (all pillars of the pension funds) and also the rest of the subsidiaries.

Because we talk about the future, and I know that you want to know about how we see the growth and how we feel about the growth, we've selected several pillars where we do think that we can further grow. One is the premium club. The premium banking segment is something very dear to us; we launched it one year ago, and early this spring, we also launched the premium club aiming to incorporate under the umbrella of the premium club not just the banking product, but also the subsidiaries' products, and to go with a tailored approach towards this segment of clients.

We created a hybrid operating model where we selected, for now, Bucharest and Cluj flagship branches, and we intend to further open flagship branches for premium banking in all major cities of Romania. We are also servicing our customers through dedicated RMs in the contact center because we learned that, for this category of customers, it is very important to respond with good speed and adequate knowledge. So, we trained people in the contact center to properly answer the needs of this category of customers.

Another pillar, another very important pillar for us in terms of growth, where we do feel that we still have good potential, is Bucharest. Of course, this is where we have a lower market share compared to other regions in the country, and here, with the better and better equipment that we have with the better environment that we have, we can more easily open new accounts for new customers of the bank. By integrating more sophisticated financial instruments, of course, we can reach them better, and we feel that by narrowing a little the gap that we have in Bucharest compared to the rest of the country, we will be in an even better position as the leader of Romania's most important financial hub.

The diaspora comes naturally to join this ecosystem and, actually, it is part of the ecosystem. We do have a very strong segment of this population joining naturally the BT Pay ecosystem because now, that we have the digitized feature on the onboarding flow, they can easily access it from distance and not use BT Pay just as a simple daily banking application. This category of clients can now access digital cards; they can access the investments universe and everything that is coming in this ecosystem.

They can easily access these micro networks that we created there, with their family and friends and they can exchange money. Very importantly: this large scale of people that we reached allows us - for example, for money movements, so non-card payments, we exceeded a percentage of 80% of this money movements initiated by BT customers to go towards BT accounts—either retail accounts or company accounts opened with Banca Transilvania. So, we do feel that for this specific segment, we will have some

very good use cases to further grow on and to naturally join the ecosystem.

Of course, the non-risk revenues pillar is very important for us as well, and here we have, for several years, started to focus a lot and to grow on the bank assurance pillar. We grew a lot in bill payments, on other complementary services that we integrated into this ecosystem, and we feel that there's a very good potential to further grow.

Of course, when we are talking about the future, we cannot abstract from the latest technology since BT somehow always aims to be a trendsetter in as many areas as possible, so we started to integrate AI responsibly and ethically in our work. We launched Ask BT last year, and we have learned a lot. It was a learning curve for us as well, and now we are in the position where the technology evolved more since that point and we will deploy it also in our ecosystem. Based on generative AI and open AI, we will link BT Pay with customer support so that the customers can much more easily find answers to their basic needs; also, we free up the time for our colleagues in the contact center.

Very importantly, we are in the process of deploying the rules engine also for our colleagues in the contact center because they have a huge load of calls, and we merged the IT systems with AI algorithms so that we are moving from "fighting the fires" to "preventing the fires." When a customer calls, we are authenticating that customer directly from BT Pay without asking additional questions, as we traditionally used to do. Then, the agent in the contact center, will see exactly what the problem is and what the solution is for that specific customer, thus improving significantly the level of customer satisfaction.

On top of everything, we are also moving from the bulk to hyper-personalized offerings campaign management tools and going towards real-time campaign management tools aiming to offer the right product at the right place, through the right channel, and at the right time, with the proper tools in place. By having such a huge database of customers, we have very good insights and data. We can make the best use of this data, improve customer satisfaction and generate more revenues. This is something that we will definitely grow on.

I will end up my retail banking presentation, but not before leaving you with a very strong belief. We are very well equipped, with an evolving mindset and an evolving set of instruments and tools, to further build a very resilient and diversified financial landscape, aiming and targeting to meet both the needs of today and tomorrow. Thank you.



**AUREL BERNAT**

I told my colleagues they will make the IR team's life extremely easy, because when they talk about a high number of synergies, this is mostly everything that you, as investors, are looking for. Now, talking about synergies, we will continue with the SMEs. Next in line will be Tiberiu Moisa; we call him Tibi. He has been in the corporate banking business for more than 25 years now, but he still sticks to the beautifulness of the SMEs. Tibi, the floor is yours.



**TIBERIU MOISĂ**

Thank you. I think I will celebrate 22 years since I joined BT. It's quite wonderful. In a way, it also worries me, but it's sort of too late now to worry about it. I think everyone—and myself especially—I identify so much with BT and BT's mission that it's just something that I stopped thinking about. Maybe it's just my lack of imagination. Indeed, I was lucky enough to grow with the bank throughout the years and to work with businesses of all sizes.

I have personally met—I was a privileged witness—and I saw the rise, sometimes the fall, but mostly the rise of many local business champions that we all admire. Because I have witnessed this, since the late '90s, I also know when I look at them that there was a time when they were really small businesses. There was a time when they were really not so sure about the decisions in front of them. I also realized, at the same time, that there was a time when BT was not a big bank, and we were also struggling with our own decisions and strategic choices.

So, in the following slides, right after we've presented our retail business, we are going to take a look at what we generically call the SMEs business, our SMEs business line. Our SMEs business basically is the combination of three segments: the micro companies—the very small ones, the, let's say, truly SMEs and the medium-sized corporates. This is actually based on the broader European definition of SMEs. Specifically, in our case, that would mean businesses starting from 0 to EUR 40 million in yearly turnover.

We often say small is beautiful, and we mean that in many ways. However, real synergies happen when you have

many accounts, be it small, medium, or big. BT has always been an organization with a growth mindset, and we were always looking for critical mass. However, when you experience for real the market share effects—the benefits of large scale—what it means to have many customers, so the moment we experience this for real, this has influenced and changed us, I think, substantially ever since.

I'm going to give you a few examples, not going into the very specific details, because these are already available to you, but I'm going to show you something that will make this market share effect—"the more, the better story"—clearer and easier to follow for everyone. So, a few examples: on the top right side of the screen, you have a positive, constant trend in terms of business accounts. Every year, the number of business accounts that are working with BT constantly increases. We are now at almost half a million active business accounts. This is quite massive when you think about the total number of businesses that are active in Romania.

For example, from what we can trace as being registered in the trade registry, we know that at least 3 out of 10 active companies in Romania have their accounts opened with BT. We're also paying very close, very careful attention, to the newborn companies, and we measure quite often the dynamics there. One out of three newborn companies—so companies that are being newly set up—they open their first banking account with Banca Transilvania. We call this the "maternity".

Again, the majority of these almost half a million accounts are small accounts making few transactions per month, because that is the nature of small businesses. However, collectively, these small accounts make an amazingly big result. For example, collectively, all these business accounts would make for more than 35% of the entire domestic currency funding of the bank. For example, just the micros—the smallest ones— would alone make for almost 20% of all the domestic funding of the bank.

If you follow the first graph - well, I'm looking at the screen, but to be honest, I cannot really see that far away, you will see that micros not only make up the 20% that I mentioned,



but the majority of it—more than 70%—are just current accounts balances. This means small amounts, transitory amounts left there from one day to another.

So, in terms of all that, it's quite interesting. We didn't mention in the presentation, but we're also the largest issuer of business cards, with a portfolio of more than 600,000. This is also combined in a value proposition with the largest fleet of POS devices or software POSs—the new form of these new software applications for acquiring businesses. So, everything is connected.

I will also mention a few things about our lending capacities. Here, the percentages on the left side of the screen are a bit misleading because, at the beginning of the year, we ran a portfolio re-segmentation. We do it from time to time just to update with the trends that we're following. Clients' businesses moved from left to right. The percentages there are not really that relevant, but I can tell you that, on average, this year, the growth of the loan book for these micros, SMEs, and medium-sized corporates has been of at least 15%. That is way beyond the system's dynamic this year.

Each and every one of these segments and sub-segments is beyond their yearly budget figures. This is why, as Ömer mentioned at the beginning, at every year-end, we have these ongoing discussions about capacities and potential for next year. But there's always this contradiction between the potential—the things that we can institutionally own and can do as an organization—and the economic conditions. We always have to find this middle ground between growing and growing in very good conditions.

In terms of lending, I will give you a figure which I think illustrates perfectly the moment of BT and the potential in front of us, which is this one: 50,000. In 2024, sometime in the summer, we have hit this number for the first time in our history. 50,000 means 50,000 companies, irrespective of their size, which are financed by BT—so companies that have a loan from BT.

Obviously, the majority of these accounts—more than 75%—are micros. These are low-ticket—small-ticket loans,

because this is the natural way in that environment. But 50,000 is a number that you will not meet often; you will probably have to add up the next banks all together to reach that number. And there are other legal entities that are being supported and financially enabled by some of our subsidiaries.

These 50,000 loans show not just our internal capacity to originate or to service such a diversified loan book, but it also shows the reach we have in the market, the fact that we always expect that the next business champions in Romania will somehow derive and grow from these ones. I will come back to this 50,000 at some moment in time because it also brings challenges to us.

It's not easy, again, to originate, to service, and to manage such a big loan book in terms of numbers—not just volumes—because volumes you can handle. When you have to handle thousands and thousands of credit applications, it's a different story, but I will come back to that.

A few more words about our lending philosophy and growth potential. Basically, even though we do follow the dynamics of the industries, BT is present everywhere at this moment in time. Again, I'm returning to the title: “the more, the better”—the network effects, the market share effects that you've kept on hearing from all of us today, and probably you will hear about this until the end of the day.

So, being everywhere means that, at all times—anytime—when something interesting happens somewhere in Romania, whether it's an investment project, a new business initiative, or business formation, there's a good chance that BT is present in that conversation. In terms of the lending philosophy, we are really following the quality of the debtor and the potential of the debtor, besides just this idea of the sector.

A few words—a comment on this year and last year. I think ever since the pandemic—the landscape was quite rich, with different government initiatives meant to support the business environment, to restore trust, and to create more accessibility in terms of financial inclusion. The market

expects now, on a yearly basis, that the government or various EU programs are launched in order to support businesses.

Sometimes these programs—which BT is always joining, and typically we have the highest market share—can be a burden from an operational standpoint for the bank, but also for the businesses. However, as they are increasingly important for customers, they are important for us as well. We need to be there, irrespective of the type of the program—be it grants, mini grants, European funding, risk-sharing schemes, start-up nation up to the larger businesses' state aid programs—BT has to be there. That's one thing.

Another thing that we have a clear focus on, a contextual focus for this year, obviously, refers to OTP customers. We are preparing and welcoming slightly more than 30,000 legal entities—clients of all sizes, of course—from OTP. That is already happening gradually, but we are going to have a massive, more proper welcome somewhere next year when we finalize the integration and the merger.

I promised that I would get back to the 50,000. So, obviously, if you imagine 50,000 companies of all sizes applying for loans to BT, you can also imagine the bank and the customers collecting, on a yearly basis, hundreds of thousands of balance sheets, trial balances, and all sorts of financial documents, reporting, and assessing collateral. It's pure craziness. And it's crazy not just for us, of course. It is for customers as well.

In that respect, digitalization—both internally and externally—and using data are going to become more and more great enablers for us. In terms of micro businesses, probably this could be an end-to-end solution. In terms of SMEs or corporates, this could improve efficiency. This could improve customer experience.

So, we expect from digitalization—and we focus on digitalization—to be a great enabler for BT, and these 50,000 loans. Probably, on a yearly basis, we are going to hit new records one after another.

Moving to the last thing that I selected for this short presentation on lending. I said that we are present across all sectors and industries. However, we have two very dear to us BT sectors, and we're very proud to present: our healthcare division and our agribusiness division. They are both running for more than a decade with dedicated teams. Dedicated teams mean specialized personnel, not just bankers. For example, we have Agri engineers in the bank, and we also have some medical doctors working for the bank so that we understand and can deal with what customers expect from us. We are the leading lender in both sectors—both healthcare and Agri—and we believe that both sectors are high-growth potential sectors for Romania. Of course—not just them, but healthcare services especially, the private sector, is going to develop, and this is going to happen also with the private health insurance. These are very much linked together.

In Agri, there's an ongoing discussion about Romania's commercial deficit. Apart from the chemical industry, the most visible industry that needs to be addressed is agriculture. If we connect better the primary agriculture with the processing and then the food industry, then the whole value for Romania can become much more interesting.

Also, from a macroeconomic perspective, this is why we believe these sectors are both high-growth potential sectors. I think that's enough for lending, it's something that we do all the time. I will also spend a few minutes talking about our new digital business application, which is called BT Go.

Just like Oana said, right now we're struggling, in a way, using in parallel a few digital channels that we are going to be simplified and closed. Most likely, this consolidation is going to be organized next year.

BT Go is going to be the ultimate business app for our customers, and BT Go will move from what banking applications typically do—like transferring money from one account to another and looking at the way to manage transactions and accounts—to actually manage a business. Managing a business doesn't mean just payments, though

payments are important because everyone makes a payment. So, we need to make that as a feature.

Apart from payments—when a payment is performed between two companies or one company and a consumer or vice-versa— a lot has happened already. Invoices have been issued, goods were shipped, a sale process was completed.

What we typically see in banks, when transactions are carried out, is just the end of some activities. These are all part of the everyday struggle of any entrepreneur, especially for small business owners, because they are always short on staff, so they do everything themselves. Whoever manages to provide a better value in terms of this everyday struggle and reconciles and combines everything in one app, I think that is the winning scenario, and this is what BT Go does. It combines banking with accounting.

So, we are now moving into the territory of accounting, also working with partners like FCO, which is one of the leading invoicing companies in Romania, digital invoicing companies in Romania. We are also preparing amazing things and surprises for the roadmap of next year. Here on the screen, we've got all sorts of technical details and features, but the idea is to simplify the everyday struggle of the small business owners.

I will end my presentation by describing one of our initiatives that was quite unusual. The name is STUP. In Romanian, STUP. In English, it would be "beehive". It's a place for young entrepreneurs. It's a place for young businesses, for early days' businesses.

Again, I started by saying that we had the pleasure to meet, throughout the years, most of the Romanian big champions that everyone admires. Sometimes, if you ask these people, if you take them from today's reality, where they are surrounded by consultants, where they are surrounded by knowledgeable teams just like we are here in BT, if you take them out of that territory and you ask them about their first year of activity, when their business was very, very small, when there was no one around them, you would feel the emotion of these people. They will start telling you that

actually they had no idea about what they should do and some of the decisions that now you know retrospectively.

Sometimes, when you look back, everything makes sense because it's the way we remember things. But when you are right there and you are young, and you basically don't know, you just have an idea, having a place where you can go, sit, tell your story, someone would listen, and provide proper advice for these early days is something valuable. This can be priceless. This is what we felt about this place.

We organized it in Bucharest. Not even today, after two years, we can really describe it. Every time someone asks what this place called STUP is and why it has been so successful. Thousands and thousands of people just show up. Right now, after two years, almost 10% or maybe beyond 10% of all small businesses in Bucharest have been there at least once, physically seeking advice, taking proper solutions, all these advisory services.

We have a full team on STUP. Everything is provided free of charge because for us, this is part of the mission and it's also part of the environment we're trying to understand best. We're trying to understand better than anybody else. I'm sure we will have the opportunity to talk more about this place. It's a place where you can even set up your own company, so you enter the place worryless, in a sense, as an individual. By the time you leave, you already have set up your company.

In these two years, on average, on a daily basis, at least one business was born in STUP. Who knows, maybe in some years from now, somebody will, in a conference, share the story of its own business now being a very admired company, saying, you know, I made my company in a place called STUP belonging to BT. But for sure we are going to talk about it on some other occasion. I have to close, hoping that you are all as excited as we are about this whole potential. Thank you.



**AUREL BERNAT**

In Bucharest, it would be quite a pleasure going and seeing STUP because it's a very nice place. For those of you who are just traveling or crossing by, this should also be an invitation to visit STUP. Until now, you saw the two different business lines that traditionally Banca Transilvania has: the retail and the SME, but a couple of years ago we obviously expanded. There came a new guy in town. His name is Cosmin Calin. He will be presenting you the large corporate business. I was thinking about how to describe him; finally, I ended up having just one word: he's an extremely focused guy. Cosmin, thank you.

---



**COSMIN CĂLIN**

Hello. Good morning. Thank you very much, Aurel, for the kind words. So, in just a couple of brief words, my name is Cosmin Calin. I have 25 years of experience in the banking business, 24 years in corporate banking. I tried retail for one year, but it was not the preferred choice, so finally, I decided it's easier to do corporate banking. I have spent the last six years in BT. In BT, I'm covering large corporate, project finance and factoring.

Coming back to large corporate, if Tiberiu presented very well that small is beautiful, actually large is complicated, is picky, and demanding. Therefore, the natural choice of BT was to do SME and retail banking. But seeing the, let's say, success in retail and the SMEs banking and also the growing champions, as Tiberiu mentioned, the natural choice was to shift gradually also to large corporates, project finance, specialized lending, and factoring.

In the next couple of minutes, I will take you briefly through the journey. We have said "moving the giants" because it depicts the effort entailed to convince a huge entrepreneur, a multinational client, or a global client to come and actually stick with BT. After a couple of years, they declare that BT is the preferred choice.

Moving to the first question in all the discussions that we had with these clients: what's your value proposition? Everybody is offering the same. Everybody is offering the same regionally or globally. You are offering only locally. Why should we pick you and not the other guys?

We are coming from a couple of pillars, four pillars on which our corporate business is developed. First, it was to cover the full range of products from the plain vanilla products to the more complex products, like debt capital markets product-related leveraged by our syndicated loans, club loans. This is just to offer you this 360% product coverage.

As you heard also from Oana and Tiberiu presentations, the basic value of BT is starting from the client. Everything is developed around the client. So, as in case of retail banking business or in the case of the SME business, the large corporate main pillar is to be 360% client centric. We have developed a kind of unique blend between the central coverage of a specialized team with the network that is also covering and offering regional network distribution.

Another very important, pillar that we have, which grew the business, is the size of the bank. You saw from the previous presentations that BT is number one in many, many, sectors, and this creates sectorial leadership and also synergies and cross-synergies between the business lines.

Subsequently, we have a fully-fledged product offering covering all the retail needs that large corporate clients are asking for, to the main, let's say, complex needs that large corporate clients are demanding.

Last but not least, we are talking about a unique ecosystem in which we dream big, meaning that a client, like Tibi said, which was a small entrepreneur came to us with the idea and today it's a big corporation. We have so many success stories. We are offering all the products for these big corporations to come globally or also to come regionally.

All the pillars reflected and benchmarked the performance. We have made a comparison year-on-year on the performance, and you can see that all the segments are showing a 30% increase in business while in the last six years, from 2019 to 2024, there was a huge increase in the level of the business, level of the clients, and finally in the level of revenues.

Last but not least, it is important to see that the origination was done under very conservative scenarios. You can see the NPL rate attached to the large corporate business, to the structured finance and to factoring. It is important that in the last six years, we have managed to attract and move the giants. 55% of what we have targeted until now we have succeeded to attract, stabilize, and develop a business together with them.

Out of this, 25% is our share in the transaction wallet of these clients. Here is kind of a synopsis of selected deals that we have done in the last two years. We can see also bilateral deals and also syndicated deals in which we had the prime role of arrangement.

We are talking about mixed sectors, we are talking about champions in various sectors, and we are talking about everything:



from entrepreneurship companies to local companies, regional companies, or even global companies.

The next question is: okay, you have managed to post the growth, you have managed to attract the “giants”, and you have managed to stabilize the “giants” to do banking with you. What's next? Is there any source of growth and how do you plan to grow?

Again, here we are relying on a couple of pillars. The main pillar remains being the preferred banking choice of the clients. In this pillar, the most important issue is to be, let's say, obsessed with client excellence and service excellence.

As I said at the beginning, large corporate is a very selective and very demanding business, you need to be innovative, and the work that characterized BT in the last six years was its adaptation to what's new and what is more demanding from the clients.

Last but not least, we are trying to create, and we have created in many cases, a platform between local and multinational clients. We are linking, either through supply chain solutions or business-to-business solutions, the local clients with the multinational clients.

Another important pillar is represented by the strategic projects that are developed in Romania right now. Starting with 2023, there are a couple of strategic projects that Romania has started and is undergoing, in the sense of becoming self-sustained from the energy point of view, reducing the carbon footprint, and also investing very much in renewable energy.

We started being and we are planning to be, one of the prime financiers for these strategic projects. Moving to the strategic national projects also to the strategic regional projects that have started coming together. We have selected a number of projects related to the regional developments, like regional hospitals, regional infrastructure projects. There are projects worth more than a couple of billions of euros that have started and that will be underway in the next coming period.

The pandemics and pre-pandemic as well as the geopolitical issues have made cash and cash flows become one of the most important aspects to be considered by a company. Based on what we have done, this imposed us as a top lender in providing cash flow solutions to our supply chain, to our reverse factoring programs, in which we have created liquidity for the SMEs, and we have created liquidity for the entire economy, leveraging some multinational or some very strong large corporate clients.

Last but not least, in the last couple of years, we have positioned ourselves as a solution provider. Some large companies are too small to be big or too big to be small locally or too small to be big regionally. What we have provided in terms of solutions together with our colleagues from the BT Capital Partners are tailor-made solutions for a company to go public, for a company to go regional, for a company to have an M&A process, or for a company to have access to a syndicated loan through which it can develop locally, regionally, or also for a company to have an M&A program both regionally and locally.

The conclusions, which are linked also to the future growth, take of course into consideration that the next period will have many challenging aspects from the macroeconomic aspects, from the fiscal aspects, monetary policy, post-election environment, geopolitical movements, changing the import-export borders, new markets, complexity of the know-your-client requirements, to the complexity of the clients' structure.

Everything looks like the next period will have its challenges. To face these challenges, we are sticking to the same principles that we have developed and focused on in these six years. The first is the obsession for client excellence. Client service is the number one takeaway and number one objective in our case, and this means being flexible and to having tailor-made products in order to respond to any kind of fluctuation that can happen in the future.

Secondly, is the focus on organic growth, market developments, and also sticking to our clients in order for them to grow originally or to expand also globally. Third, is the fundamental origination and strictness in the origination, as well as the profitability and capital efficiency employed in developing the large corporate portfolio.

And last but not least, but also the most important, I will say, are the synergies between the business lines and the synergies between various segments of the group which are all para important. These synergies resulted in a profitable business and materialized not only in "moving the giants", but also in the big clients sticking with us and declaring that we are the preferred banking option. Thank you very much.



**AUREL BERNAT**

We had retail, we had SMEs, we had large corporate, we had everything in our sights, but there is the treasury, which as Tibi said a few moments ago, is the “secret business” of Banca Transilvania. I invite Dragos to give us some details about how he handles money at the end of the day. And before giving you the floor, I wish to say congrats for your daughter. We know that she is turning 18 today, so we wish that she will have a wonderful life ahead. Now work-life balance should be in balance. Thank you for the half-day that you will be spending with us.



**DRAGOȘ BANU**

Thank you very much, thank you for the kind words. Thank you. Yes, very special day indeed, 13th of November. My daughter turns 18. It's already 10 years since I'm with the bank. Actually, to be more specific, nine years and nine months exactly. Who knew, I would say? Prior to joining Banca Transilvania, I've worked in different other small and large banks, but nothing comparable to, I would say, this “giant”. And because Aurel just mentioned, he said the “secret business line”, or as I think of us: the treasury in the bank is the unit that closes all the positions that are stemming out of the business lines.

My colleagues already presented their results and future plans, so obviously, there is a lot of focus and a lot of questions surrounding liquidity management and interest rate management. There are, I would say, all sorts of aspects that must be taken into consideration. It's a fine balance. Although we have part of the business focused around customers as well, having customer-facing transactions, the most important part of our activity would be balance sheet management, assets and liabilities management.

This is mainly driven by a continuous focus and attention to both market dynamics and timing when it comes to the actual positions, which are very large. Most of you have already seen the financial results, which are, I would say, impressive. That comes to a large extent stemming out of the fact that all those positions are closed somehow within the bank, without too much risk.

Immediately after me, you will have a couple of words from our colleague Catalin, and he will guide you through the risk numbers of the bank. As I said, offering support for the business lines, for their growth plans is one of the most important aspects that we focus on. Cosmin was mentioning earlier the fact that he's supporting the big corporates. That comes with a lot of impact in cash flow management, providing liquidity, and more importantly, providing liquidity at a competitive price.

That happens in a balance sheet that actually is set to somehow support this growth. I would say, based on what I know from the local market sector, this word that was already mentioned many times today: synergies. I cannot say it enough; we see it, and we also see the fact that size really does matter.

The fact that we have access to such a stable funding structure, coming from different customer segments, different types of customers, and to their end, different products, be it non-material deposits, current accounts, or term deposits create those synergies. Then, obviously, as you probably very well know by now, it was mentioned by Ömer earlier the fact that we have very good access to capital markets, and we raised a lot of liquidity.

For us, the fact that we raised it as an MREL instrument, which is eligible for different capital ratios, and the fact that we can actually sustain growth from that perspective in direct connection with RWA. I would say the secondary effect would be the fact that we have to manage that liquidity.

In our case, that's a huge pile of liquidity, but it's safe to say that this is probably one of the nicest problems to have. Having liquidity at hand makes all the sense in the world: it gives you a lot of flexibility in timing whenever you want to deploy a certain trade, be it large or small, choosing timing in, accessing the market with different campaigns in retail or jumping directly to a large corporate in a decently sized ticket that seems to work perfectly well in Banca Transilvania.

Obviously, there is a lot of work behind it. If we look at a couple of numbers that are driving our day-to-day business and our focus for future growth, probably we will end up with EUR 5.5 billion only in net interest income. That's a huge number that is coming out of both commercial lending and also from our fixed income positions, which are now roughly standing at RON 60 billion.

Obviously, a couple of words about that particular portfolio. We usually manage it in a relatively safe manner in the sense that from a duration perspective, we tend to keep it relatively low. For this, we always have liquidity at hand, even stemming out of this portfolio, we can always call the shots whenever we have a rollover of maturities in the portfolio; we can always choose the next asset class to deploy it.

Probably the most important aspect to remember is the fact that more than 80% of the instruments are eligible for different liquidity facilities at both ECB and NBR. This gives a lot of peace of mind for everybody at the table when talking about new positions, growth plans, and it actually represents, in a certain way, a liquidity

buffer. We think of it as a very decent liquidity buffer, be it Repo in the market, or accessing facilities for short-term facilities in adverse market conditions. This gives us a lot of peace of mind.

Coming back to the customers business, it is worth mentioning that we are operating EUR 23 billion per year in FX customer volume alone. So, think of it as a position, as a business that has a lot of benefits in the sense that all that volume is internalized. It is only rarely needed for us to go and actually close in the market.

Whenever we access the market, we have that side of the business as well, i.e. trading on interbank. From a risk perspective, that's the usage itself, and the risk limits are relatively low, so this happens again because of the synergies, all the types of customers we have that have all sorts of needs. We talk about them in the treasury world as FX, but in Banca Transilvania most of them are related to payments, as very well pointed by Tiberiu earlier. It tends to come out of the normal economic activity of our customers. That is, from my perspective, a huge business.

There is an off-balance sheet part of the balance sheet, the outstanding interest rate derivatives. It started with nothing; actually, there was no transaction, there was no deal, there was no outstanding, and currently, slowly, steadily, we grew it up to EUR 1.6 billion. It's a little over EUR 1.6 billion in outstanding.

It is more than important to mention that we use that part of the business, more than 95% of the outstanding is meant as hedges for the balance sheet. So, interest rate positions coming out of the balance sheet are actually closed using interest rate derivatives. That is not necessarily a trading position.

Obviously, that has the potential to create a bit of volatility in P&L. We are in the process of implementing hedge accounting in the near future, so that would actually release that kind of volatility out of P&L. We tend to look at the business as an exercise in which we would rather give a bit of peace of mind while avoiding a lot of volatility in both P&L or the OCI - other comprehensive income - item. We tend to linearize as much as we can the results in order to avoid any negative surprises.

All my colleagues have already talked about different positions in the balance sheet, different types of customers and number of customers. In our case this translates into a structure that is very safe. From a certain perspective, it gives us peace of mind when it comes to pricing. In a way, I consider this slide the "secret weapon" in which we can actually be proactive in different campaigns, offering different products with very good pricing.

I just mentioned total customer funding for obvious reasons, which is split by business lines. If you look at the numbers already available, you could draw a conclusion regarding NMDs as a weight in total customer funding. On the other hand, even deposits in themselves, as term deposits are very well distributed, with a low ticket average value. We have—and the numbers are already on the slide, RON 54,000 value of the average ticket. For a bank like ours, a ticket with the average duration of around 10 months, says a lot about stickiness.

I wouldn't actually put a number because, again, when one talks about stickiness, everybody tends to understand different things. I would tell you one problem that I'm facing each and every day—again, the nice type of problem to have these days. Whenever we talk about core deposits, stickiness, or stuff like that, whatever statistical model we are using, trying to understand the numbers' behavior, in our case, it gets cluttered by the fact that the data series itself is always growing.

So, that brings a certain volatility in the model, which is hard to be comprehended because, at one point, one might say, "I have 90% core deposits—that's a very high number." But then the core itself will always be surpassed. Okay, I know that. And especially because I'm working in Treasury, we always tend to stay away from judging the future based on history.

Unfortunately, it's a very, very long history. We have a ton of data points that are actually pointing to the fact that as long as the balance sheet is growing, we are growing, and apparently, deposits are more and more stable. That gives a lot of firepower that goes back into the business lines. That goes back into the fact that we can originate growth in lending.

Also, it is important to be competitive about it. In a balance sheet like ours, obviously, the future looks good. There is no other way, I would say. I mean, it's like it's already embedded in the model. Obviously, in order to sustain such a high number of transactions and high volumes, we need to have an operational platform that is fit for this purpose. In our case, I mentioned a couple of things here, but they are not all the systems that we are using.

Probably the most important, or the biggest, system that we are using is Calypso, it's our front-to-back implementation. This was a project that started somewhere in 2018, and that was the year in which we went live with the implementation. It gave us exactly this easiness in moving different asset classes and products, developing an infrastructure from a pure product perspective and start the implementation that would sustain the volumes that we are running currently. Again, without it probably the off-balance

sheet side would not be at the level that it is now. It comes with a lot of oversight from different stakeholders—be it internal auditors, external auditors, regulators; things must add up. When you run such high volumes, one would have to avoid at all costs any operational mishap, I would say.

On the other hand, not so long ago, because of an issue that we had with one of our providers, we used a real-time platform to offer real-time effects—be it forward or derivatives, or even spot—to our customers. But we soon realized that having an external provider for a product like this keeps us away from developing that particular product, as it cannot be easily customized.

It cannot be integrated with the systems that we already have—our systems, and channels—the number of electronic channels that we have. So, we created our own solution, which in our case had a lot of benefits in reaction time, speed in offering continuous pricing to both branches and our end customers. The number of customers enrolled in the platform is not high. There are around 3,500 customers enrolled, which is not a large number for Banca Transilvania. On the other hand, not many customers need real-time pricing. We started from a narrow product and then developed the platform in such a way that it provides pricing to each and every channel that we already operate. Obviously, the focus is, as you probably guessed by now, towards retail, operating in BT Pay, and then migrate all corporate clients towards BT Go. But currently, we still have other solutions that still need pricing. Until we reach that day in which, as Tibi said, we will have a party when we finalize the migration towards a simplified offering for our customers, we still have to provide pricing solutions.

Going forward, to be honest, in our case it's very easy to try to understand what will happen, just by taking note of all the business decisions that are happening in the retail, SMEs, and large corporates business lines. In a nutshell, we have to sustain that kind of growth, so whatever the balance sheet has in store for us, we need to be ready.

The beauty of it is that we kind of started early. Since I mentioned the systems earlier, even from a people's perspective and the actual integrations that we already have with different platforms and solutions that are available for us, I think we will be more than ready in order to accommodate an ever-growing number of transactions and an ever-growing number of tickets on the asset side.

One thing is still clear for us: from a footprint perspective in the balance sheet, our main aim is, in a way, shifted towards supporting the lending side of the business. Therefore, commercial assets

would probably have to be a bit higher. For that matter, we would have to sustain that initiative with a lot of liquidity and pricing competitiveness.

This is it from my side. Thank you very much for your time. And again, thank you very much for being here.

---



**AUREL BERNAT**

Before going further, because we have one more presentation to go, I would once again kindly ask you to address your questions through our app, because after this last presentation, we'll be starting the Q&A. The questions will be read by my colleague Diana, and depending on who the addressee is, they will be coming on stage to provide the answers.

Now, the final presentation belongs to Catalin Caragea, who is the latest arrival in Banca Transilvania. He was, I would say, searching for heaven, and finally, he realized that this is the place. So, I invite you on stage and wish you best of luck.

---



**CĂTĂLIN  
CARAGEA**

Thank you. I learned when I was in school that when you are the new kid on the block —because we were living during communist times, and we were living in blocks—you don't have to put pressure on people. Now you made me nervous. I think I have a hard mission now because, after more than one and a half hours, during which my colleagues walked you through the frontstage of the bank, I have the duty to bring you backstage, and I will start by presenting myself because this is how it's polite. I learned these things during communist times also. I've genuinely been a risk manager for the last 20 years; this is what I've done. I want to believe about myself that I know how to do other things, but this thing, I believe that I can handle it. Where did I do it? I did it in two of the largest banking groups, that are active in the region and not only. In the last five years I worked abroad. Now, I found my place.

Why do I say that I found my place? What distinguishes BT from other places? I'm saying other places because I was speaking about stages here. As in a theatre, when the two stages do not function together—back and front—the play is bad, but in BT this play is good. I will try to introduce you a bit in my presentation, in advance, referring to the name that I gave to it. You see, there is safeguarding and business enabling, but these concepts are not separated, these are working together.

In risk management we try to be structured. I will first try to walk



you through the way in which we see the structure of BT from a functional perspective of risk management. When we are looking at our risk strategy and our functional pillars, we are looking at four pillars.

The first one is strategic risk management, the overarching function of risk management. The second one is something that stays with risk or was built in risk, like the foundations of AI, and now has the opportunity to be elevated at levels never seen before—this is risk analytics. The third pillar, because we are a commercial bank, is credit risk underwriting—retail, SME, large corporate, all together. The fourth pillar—and when I'm counting the pillars, none are necessarily in disorder because all are complementary—this is the non-financial risk management and compliance. These four pillars are supported or sustained by a proper risk governance in our philosophy, which is about centralized oversight on risk management and compliance, and a risk appetite framework.

Last but not least, people, because we are—and I think my colleague Nevenca will speak later on about this topic in better words than mine—but I think we are living and working in an industry where the “raw materials” are people. And if we don't go and focus on our people, then the output is not going to be the one that we desire.

When we speak about risk management, we speak about figures. I will try to guide you through the presentation and to show you some figures that you can easily read also on our website, on all our investor relations presentations. I will try to give you some hints as to what stays behind these figures because a figure is just a figure without the story behind it.

We start with the capital position of the bank. We see that we have a more than comfortable capital position with the total capital adequacy ratio of around 26%, tier one almost 23%. If I'm looking at the banking sectors averages in both Romania and abroad, our ratios are above the market. If I'm comparing these figures with the minimum regulatory requirement, what do I see? I see a very nice buffer which I have there and this, corroborated with the structure of the own funds—which is very simple and very loss-absorbing—is putting the base for the growth strategy of the bank, but also for the main purpose of the capital adequacy: to cover unexpected losses or any variances that are coming out of the regulatory landscape.

Moving on the right hand-side of the slide on liquidity. What do we see there? We see that BT, Banca Transilvania Group, is benefiting from its large-scale customer base when attracting

funding. But not only on this, because we have been proving—also with the last bond issuance— our capability to attract funds also from the markets. This is visible in our liquidity ratios. This good liquidity is putting us in a very comfortable position; the liquidity, combined with the capital position, is placing BT on a journey to work towards one of the challenges that the Romanian economy and financial sector is facing, namely the financial intermediation. I think this is also one of our duties.

Being a commercial bank, we always look to the asset quality. When we are looking at the asset quality, we are looking at it in terms of figures: low cost-of-risk, below the guidance. We expect CoR to stay there. Our NPL ratio stands at 2%, market is at around 2.5%. Now here, we are presenting two angles of the coverage ratio; you know that in literature there are several angles, but on all angles, we are well covered. And this does nothing else. These figures are doing nothing else. They are mirroring our prudent underwriting standards in risk management philosophy. For example, the NPL coverage, what is it saying? A NPL coverage ratio indicates our capability to cover expected losses.

If before I was speaking about capital and our capability to cover unexpected losses, here we are showing also the other side of the plate, namely covering the expected. As I said, our role is also to enable business, and, in our theatre play, we are working together with our colleagues from the business lines. Here we are focusing from risk management to the demand of our colleagues from the business lines while still preserving our strong balance sheet and financial standing because it is important not to forget about this aspect also. We are working on five pillars: digital innovation and data excellence. Without these two things, digital innovation and data excellence, there is no future. Digital lending and automation being performed, being optimized, helping our business colleagues to improve the customer journey, will improve the bank's balance sheet for sure.

Portfolio management: we must have an oversight, an overview of what is happening in our portfolio. Concentration risk is one of the risks that when it happens, you have less to do and you'll see more of it at the end of my presentation.

Financial crime risk management, is one of the things that we have to work on to protect our customers and ourselves the most in today's world, and we are investing heavily there.

Last but not least, diversified funding as a strategy. Managing the interest rate in the banking book is one of the reasons. Also, managing the liquidity because funding is about liquidity. These are one of the risks that must be managed on a continuous basis if

you want to have results.

All this being said, of course, we cannot move away from the regulatory landscape. We are acting, and we are running our play here, all together, in a highly regulated industry. On this slide, you are seeing just some satellites of the legislations that have been issued, and that we need to comply with. Most probably, as we speak, some guys there in Frankfurt are still writing some other legislations, which we don't know, but we will embrace because we must do so.

I will mention just one item, the one which is placed exactly in the center of this slide: the EBA's stress test 2025, which will be a painful exercise for us. None of us from BT, except me, went through this exercise before. At the end of this exercise however I'm pretty sure that our skills, systems, and methodologies will be at another level.

And what is the main background of this exercise? We are sitting at the same table with the large players because this exercise is joined only by the large companies and by the large banks. This is where BT stands today in Romania.

Just to end my presentation with less pleasant remarks, because in risk management, we are also looking forward, at the horizon, we are looking at which risks are levitating around us, and which will be the future challenges. We are trying also to transform these challenges into opportunities, as much as we can, or if not, try to mitigate or face them prepared.

The first risk, or the most important risk that all CROs today are seeing, it's cyber and financial crime or anti-fraud risk, as displayed on the slide. This is coming from everywhere. Of course, there are also other types of risks because BT, due to its scale, is similarly impacted by the regulatory environment. Being in the open world, we are facing all the global risks, challenges, regional risks, and changes. Of course, also the Romanian risks, the local ones, we have to deal with all of them.

Just as a closing remark, the recent history, last 5 years, taught us that it's a game changer when it comes to managing risks. What happened? There were events that nobody, or very few people, were thinking of. I will mention here COVID or the geopolitical conflict. Nobody was looking at these aspects, nobody was making scenarios. You don't make scenarios for this kind of stuff.

The traditional way of managing risks is that you are building scenarios, you are preparing measures, and you are already there to counteract that scenario. Now, the game changed. Moreover,

everything is nowadays interconnected. What can we do in order to face unforeseen risks? Two things that we are working on, and we will stick to this. I promise you, as a CRO. I promise that I will look at it and we will do our best. I don't want to make promises. How are we going to do this? Three things: a strong financial position, strong capital position, strong balance sheet. Thank you very much.

---



**AUREL BERNAT**

Thank you Catalin. While you were speaking, our market cap was going up, and now we reached a new peak. So, yes, thanks to everyone, and put some extra pressure on our market cap while you leave. Now that we finished with our presentations, it is time for the Q&A, and I would invite Diana to read the questions that you have already addressed to us. Each colleague of mine, to whom the questions are addressed, will come to the stage and provide answers. Thank you.

---



**DIANA  
MAZURCHIEVICI**

Thank you. Hello everyone, thank you for being with us today. We have quite a high number of questions coming from the participants. I will try to go through them for each of our management representatives. So, the first set of questions would be addressed to our CEO, Mr. Tetik. Mr. Tetik, I'll give you the floor. In terms of growth prospects that we looked at, can you please elaborate a bit on how do you plan to finance this growth in 2025?

---



**ÖMER TETIK**

We have been discussing a lot on the liquidity aspect. Definitely, we have a very good position in terms of loans to deposits ratio. We are not even the most aggressive bank in terms of deposits pricing. So, liquidity I don't think is an issue. Also, on the capital side, the good results that we announced last quarter will adapt, will give us this internal capital that we can use. Plus, we will definitely continue being active in the international markets, making different kinds of issuances to support our funding with alternative instruments. I think our "nice to have problem" is actually generating assets faster in order to increase our profitability, not to find resources for those assets.



**DIANA  
MAZURCHIEVICI**

Carrying on, we have two more questions on a similar topic. Can you please share your view on the potential growth of Banca Transilvania regionally, not just in Romania and Moldova?



**ÖMER TETIK**

We say this very often. Except for our interest in the diaspora through BT digital applications and through SALT, we don't have international ambitions except for Victoriabank in Moldova and our growth through Victoriabank in Moldova. We feel both comfortable here, but also, we think that we should maintain focus. Romania, as I was saying, has the lowest financial inclusion amount EU states. There is a lot to do. Our estimation—these are rough numbers—is that in order to maintain our market share, we should be doubling our balance sheet in the next 7 years. So, in the next 7 years, we should create another BT, and this will help us only maintain the market share. Everybody's growing, and financial inclusion is growing. So, we don't want to lose focus. We are a Romanian bank, in Romania, where we don't need to read newspapers in order to understand things. This gives us a strong position. Maybe later, much later, we may also look around, but not in the very near future.



**DIANA  
MAZURCHIEVICI**

Thank you. Next question: is there any impact expected from the U.S. election results, and potentially also from the upcoming elections in Romania?



**ÖMER TETİK**

I suppose the U.S. elections are impacting everyone one way or another, emotionally or financially, commercially. Definitely, it's very important how U.S. policy will be shaped, how much predictability will be brought by this very unpredictable leadership, but it's not a choice between who would be a better choice. Romania is an important partner in NATO and the European Union. Our geopolitical positioning gives us also an upper hand. I hope we will be able to use these, let's say, upcoming possibilities. Regarding the local elections, although now, before the elections, political parties are a bit more aggressive towards each other, it still seems that after the elections are over the existing coalition will prevail or at least continue in the existing form. We see continuity. Romania is very much aligned with the European Union policies and plans in terms of long-term strategy. We don't see any adverse changes, at least not immediately after the elections, not for 2025.

---



**DIANA  
MAZURCHIEVICI**

Thank you. Last question: can you comment on your appetite for further mergers and acquisitions and the likelihood that interesting opportunities will emerge?



**ÖMER TETİK**

When I'm in our head office, I hesitate to speak about mergers and acquisitions because my colleagues are not very happy about this since it's a lot of work. But I'm glad to say that yes, we still have an open appetite. That is why we also keep a strong liquidity and capital position. It will be tougher, it will be not as comfortable or cheap from now on, and we don't see - we don't have any ongoing discussions or transactions in which we are involved. But yes, if there will be opportunities, we are looking at those targets also in non-banking financial institutions, especially leasing, maybe pensions.



**DIANA  
MAZURCHIEVICI**

Actually, this is the last question. Any plans to use the excess capital, and should we expect any change in the payout ratio for dividends?



**ÖMER TETİK**

We didn't finish our budget yet. We should take maybe 2024 growth as a guidance. We had a high single-digit growth this year. In 2025, most probably, we will be having a similar growth, maybe even a low double-digit growth. We also need to use our capital for our business growth. Most probably the allocation percentage will be there. Definitely, it's up to our shareholders, up to you, following our proposal to decide, and I hope that you will support us further.



**DIANA  
MAZURCHIEVICI**

Thank you. Next set of questions is for Mr. Caragea, our CRO. In terms of provisioning, we have several questions. First, why are the provisioning levels, I would imagine, cost of risk lower than the market currently? Next, has the bank incorporated already the downward revised economic GDP forecast for 2025 in the expected credit loss provisions, and what would be the reasons and the sources of the recoveries from the write-offs?



**CĂTĂLIN  
CARAGEA**

Thank you. It's a very complex question, but the answer is not so complicated. When coming about risk cost ratio, yes, we are witnessing today, in 2024, quite a low level. However, if we are disentangling the risk cost, you will see that the generation and the new NPL generation, and automatically the risk cost generation, is low as well. And this is compensated. On one hand, by our continuous efforts in recoveries. If, at first sight, it might seem that the recoveries are high, yes, but if you are looking solely at the recoveries, they are still up to around 10 basis points. In a normalized risk cost for the Romanian economy, which I would

estimate, we didn't see it fluctuate since the last financial crisis. It is very hard to estimate, but for my own flavor, it should be between 1% and 1.5% of normalized risk cost, so 10 basis points is nearly nothing. Do not forget that our philosophy, which was explained by our colleagues in business, is to take care of our customers until the end. That is kind of leaving aside the IFRS or the accounting standards. This is still bringing all the time some upsides. When coming to the incorporation of the, let's say, future and economic forecast, I wouldn't say that it's a bad economic forecast in Romania. When I explained to you, at the beginning of my presentation, our coverage provisions, this is reflected and this is also in line with the methodologies and with the IFRS methodologies.

I would like to mention something: when looking at the NPL ratio, which basically is the risk generation, we observed this year two trends, and this I also mentioned on Monday's call when we announced the Q3 financial results. Two trends: one on unsecured loans and one on SME loans which posted a slight increase in the NPLs. Most probably, we believe that it is a rebound of the effects, of the inflationary effects from last year and of the prices, especially in energy. But this slight updrift that we have seen in the NPLs ratio is still within the normal variance of these portfolios, which are sensitive portfolios by general definition, however these are still within our risk appetite.



**DIANA  
MAZURCHIEVICI**

Thank you. Now, one topic related to regulatory changes ahead of us: what is the impact of Basel IV on the bank?





**CĂTĂLIN  
CARAGEA**

We are still keeping our guidance about the impact of Basel IV, and for the time being, we are seeing it as neutral.

---



**DIANA  
MAZURCHIEVICI**

Thank you. Do you see any large infrastructure investments needed in the coming years related to the new requirements?



**CĂTĂLIN  
CARAGEA**

Yes, because then I would say that these requirements are comprising all angles. And here I'm talking solely about the regulatory requirements, because in our function, as a business enabler, as I said previously, we also have to invest in our infrastructure. Due to the fact that all regulatory requirements are becoming more and more complex, we cannot deal with them in a traditional way. Basically, what is the outcome of this situation? More investments in systems, tools, people.

---



**DIANA  
MAZURCHIEVICI**

Last question for you, thank you. ESG is an integral part of BT culture. Do you expect that also the future issuances will be in green or sustainable format?



**CĂTĂLIN  
CARAGEA**

Yes.



**DIANA  
MAZURCHIEVICI**

Thank you. Moving on, the next set of questions is addressed to our head of SMEs and Mid Corporate in Banca Transilvania, Mr. Moisa. We have a question a little bit broader: how do you see the potential of the loan demand of SMEs and companies in 2025, post-elections?



**TIBERIU MOISĂ**

We expect a normal year, of course. We talk about challenges. We do this almost on a yearly basis. I think for at least 6 or 7 years, we've been talking about maybe a slow downturn that is going to happen at some moment in time. I think we got used expecting all the time something bad to happen, considering that nothing bad actually happened in the last 15 years, since the big financial crisis 15 years ago.

So, we expect a normal economic environment, though with more challenges than this year. We don't really expect a dramatic negative downturn. We are going to see credit demand, of course. Like I said, given all these different European programs and government initiatives, the market sort of used the market, so a behavior was created. The market expects some new instruments, some new interesting things—a grant here, there—and sometimes businesses are postponing or delaying their decisions, waiting for somebody to pay the interest rate, somebody to create a collateral opportunity, somebody to just create an

incentive for the investment to be made.

This is why, for example, this year, in the first quarter, the credit demand was rather weak, and we had to actually be very active, to go out and look for the credit demand. Then, as the year went by, the credit demand reactivated. So, a great part of our micro and SMEs loan book is backed by all sorts of government sovereign guarantees or other types of risk-sharing agreements.

We expect the credit demand to be there. The market sentiment, as usual, will influence decisions, especially for smaller companies. The credit demand is going to form, but we think it's going to happen just like this year or last year, it's going to form gradually throughout the year. Discussions about the budget are going to happen in the following weeks. We are going to have the same controversial discussions about us being cautious, but then again BT always adapted to the market conditions. So, if the market favored us to be bolder about credit demand, we did it. We always adapt. The benchmark we set for this year is more than 10%. So, depending on the segment, 15%, 16%, 14%—it's going to be maybe difficult to match, but then again, it's just me being cautious about the budget discussions.



**DIANA  
MAZURCHIEVICI**

Next question refers to the resilience of our clients. How resilient would BT clients and implicitly BT be in a context of a slowdown of the Romanian economy and increased taxation?



**TIBERIU MOISĂ**

I wouldn't talk about taxation because we're just all speculating there; nobody really knows yet what is going to happen. The more we talk about our expectations that taxation will increase, the more likely is this thing to happen, so I suggest we don't talk about it.

In terms of resilience, I wouldn't talk about the resilience of BT customers because being so large in terms of market share means that BT is connected and somehow relates to the resilience of the Romanian economy. If something happens, it doesn't matter whether it's a BT customer per se or somebody else's customer. There's always a supply chain; there will probably always be a BT customer involved one way or the other.

So, talking about the resilience of the economy, of course, smaller businesses tend to be more fragile irrespective of the economic cycle, but obviously, during a slowdown period, these smaller businesses will be more fragile than their usual fragility. Now, the way we approach this is related to the design of our lending products. We have this very old school principle in terms of lending: small companies, small financial burden, small debt.

I told you that our average tickets for these businesses are typically very small, and they are somehow easier to manage by ourselves and by our customers. So, we don't just rely on the resilience of the businesses, but also on the way we model all these activities. In terms of our credit origination and underwriting policies, we are this combination of a flexible and strict bank altogether. I don't know whether this makes sense for you or not, but this combination, this perhaps difficult combination, is the thing we're always trying to do.

We are going out there trying to select the best companies with the best cases for development, and then we are being flexible to this company. In that sense, I think that the resilience is there, and I think that the Romanian business landscape has developed in terms of experience. Now, apart from the previous crisis, in the last 5 years, we've had all sorts of mini-crises or short-term crises, so I believe there are skills and competencies there to handle in that sense.

However, in the unlikely event of something unexpected to happen, the bank is also quite prepared, experienced, and has large teams that are dedicated, and they know how to handle such cases, so we're not just waiting and relying on something not to happen; we have everything ready and prepared in case we need to act.

---



**DIANA  
MAZURCHIEVICI**

Thank you. Last question: Which are the industries where you see growth potential for 2025, and do we expect the recent growth trend of SME customers to continue in the next period?



**TIBERIU MOISĂ**

We're basically everywhere, across all industries and sectors, though we have some favorite sectors. We try for every sector to identify and to focus on the best targets that we can find, because you can find interesting companies in any sector. There are some sectors, of course, that have good potential and good perspectives. I mentioned healthcare. I am a great believer in Romanian healthcare sector. I think there's a lot to do, there's a lot to invest, and we are very well positioned. So, healthcare.

I also believe that critical infrastructure accelerated already and it's going to continue at this pace—that's amazing. I think within 5 years, if we maintain this rhythm, we will probably do in 5 years what we didn't do in the last 30 years. I think of critical infrastructure, if financed properly and well-structured, also represents a high-growth potential sector for bank services, because we have a large population.

The energy sector, the transition to green is another good example. Even though maybe some things will slow down in terms of intensity, it still makes sense—this whole transition to electricity and digitalization.

I think we've got enough sectors to work with, but I wouldn't leave aside the agriculture and food industry. I think I already mentioned that.

---



**DIANA  
MAZURCHIEVICI**

Thank you. This question is addressed to our Head of Retail, Mrs. Ilaş. The first question would be about BT Pay: How do you see BT Pay as a future ecosystem in order for clients to have access to other non-banking services?



**OANA ILAŞ**

I see the BT Pay ecosystem growing further on, we are aiming probably to target at least 5 million users in the years to come. As I mentioned, we have just started integrating not just the bank's products and services, but also the products and services from our subsidiaries. We are looking to integrate everything that makes sense for our customers to help them meet their needs on a daily basis. So, we started to add the charge for the SIM cards for mobile phones and the road taxes features, and there are so many complementary services that we can further explore and scale in this ecosystem.



**DIANA  
MAZURCHIEVICI**

Thank you. In terms of lending, what do you expect for 2025 and maybe the next 2 or 3 years?



**OANA ILĂȘ**

In terms of demand, our expectations for 2025 are pretty much connected to what is happening in 2024. We do see an increase in the origination for retail lending, but of course, we have a lot of dependencies on what is coming, and we have some uncertainty. However, we have a very good database of customers, as I mentioned, with customers having their salaries with Banca Transilvania. We do see great room and potential to target our customers with the right lending products as well.

---



**DIANA  
MAZURCHIEVICI**

Thank you. I would say the last question: Do you expect that the preference for fixed interest rates in the case of mortgages will continue in the next period?

---



**OANA ILĂȘ**

I think so, at least for the next year, given that still the IRCC is at a higher level as compared to the fixed rates that our customers are used to. The retail customers are very sensitive to pricing, as we know. I do think that at least for the next year, we will still see a good appetite for fixed interest rates as an introductory period, but not just for mortgage loans, also for consumer loans, at least for the next year. I still see that we will have a higher demand for fixed rates loans.

---



**DIANA  
MAZURCHIEVICI**

Thank you. We still have one more question on BT Pay as a follow-up: What can be the competitive edge of BT Pay when everyone spends a lot on digitalization?





**OANA ILĂȘ**

Yes, thank you for this question. This is something that is at our foundation, and I mentioned it as part of our strength at the beginning of my presentation. Scale and reach are very important for us, and this is what we are focusing on to expand the community. We do think that by creating these mini-networks within this ecosystem and bringing together friends, families, and parents with kids, and other use cases, we strengthen this position, not only transforming it into a customer-to-BT banking relationship but into something more, into community banking.

---



**DIANA  
MAZURCHIEVICI**

Thank you, Oana.



**OANA ILĂȘ**

Thank you.



**DIANA  
MAZURCHIEVICI**

The next set of questions is actually for you, Aurel, if you may.





**AUREL BERNAT**

What a nice surprise! Thank you.



**DIANA  
MAZURCHIEVICI**

In terms of asset management and pension funds, what is the strategy to grow further those subsidiaries?



**AUREL BERNAT**

Well, in terms of asset management, I will start with this. We have the current transaction with OTP Asset Management. What we envisage to do is to maintain two separate companies: BT Asset Management, handling the, let's say, the large-scale, large-volume type of business, and OTP Asset Management, to be reshuffled into an alternative investment fund manager.

Going on the long run, we truly believe that the asset management side of the story is still underdeveloped in Romania in terms of impact on GDP, and both venture capital, private equity, etc. will become something relevant during the next 5 to 10 years from now on. What we want to do is still manage all these markets in a very efficient manner. On the other side, you were asking about pensions?



**DIANA  
MAZURCHIEVICI**

Yes, and we have one more related question to pensions. Do you actively pursue a larger market share in pensions timeline and profitability?



**AUREL BERNAT**

Yes, as you perhaps well know, BT Pensii now only has the third pillar pension fund, which is nearly breakeven. But the main transaction of ours remains the acquisition of BRD Pensii, which will be a two-stage transaction: first, the business transfer of the third pillar, and afterwards the acquisition of the second pillar and of the management company. We believe in this, and I'll keep it brief. We believe in this private pensions business due to the fact that starting with 2024 the contribution was increased for the second pillar from 3.75% to 4.75%. On the long run, it will definitely remain one of the main pillars for the Romanian society. I would compare it, hopefully in the near future, with the 401(k) Plan from the United States. We want to develop the entire capital market and, last but not least, the brokerage company of ours, BT Capital Partners, as well.



**DIANA  
MAZURCHIEVICI**

Thank you. We have a couple of questions for our Head of Large Corporate, Mr. Calin. Regarding the resilience and recovery funds, what do you see in the market, in the real economy as of now, and what do you expect for the next year?



**CĂTĂLIN  
CARAGEA**

Thank you for the questions. Regarding PNRR 2024 growth, the first actual movements in deploying the PNRR funds under different schemes, these funds were primarily disbursed for renewable energy projects. Right now, it started also the disbursement for infrastructure projects, quite intensely, and also for the storage capacities. The projects started to be selected, and right now, the financing package has started to provide.

Next year, PNRR is expected to be a very important accelerator for the infrastructure, for the primary infrastructure, as well as for regional hospitals that are an important stake under PNRR. Also, we are seeing and expecting, and we have quite a significant pipeline of projects in terms of storage capabilities, because energy storage is the name of the game in balancing, let's say, the development of sustainable energy and renewable energy in Romania.

---



**DIANA  
MAZURCHIEVICI**

Also related to the energy sector, we have a question related to ESG. So, you are a major player in the market. What would be the impact from an ESG perspective, and how do you manage it?



**CĂTĂLIN  
CARAGEA**

ESG is a prime concern in our case, in structuring and originating a transaction, and ESG is starting to be extremely complex. It's no longer just financing a renewable project, but it entails also ticking the many boxes related to social, environmental, and also organizational aspects. Right now, financing a renewable project or financing any type of energy-related project involves complex discussions and structures in order to tackle and tick all the ESG-related boxes.



**DIANA  
MAZURCHIEVICI**

Thank you. We don't have any other questions, so we can close the Q&A session.



**AUREL BERNAT**

Thank you, Diana. I must thank everyone, especially those who are watching our live stream. Thank you for being here with us and have a great day. All the best from Cluj!

## **INVESTOR DAY RESOURCES**

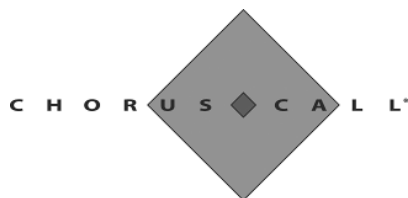


**Presentation**



**Platform**

**Conference Call Conducted by**  
**Chorus Call Hellas**



Chorus Call Hellas  
Provider of teleconferencing services  
Tel: +30 210 94 27 300  
Fax: + 30 210 94 27 330  
Web: [www.choruscall.com](http://www.choruscall.com)

