

Banca Transilvania consolidated its loan portfolio steadily in 2022

Preliminary financial results as at 31 December 2022

- BT financed companies with RON 19.8 billion and retail clients with RON 8.2 billion during 2022.
- The bank granted more than 260,000 loans last year and has more than 1.14 million loans in its portfolio.
- BT was the largest partner in the Government programs launched in 2022, with a total financed amount exceeding RON 3.3 billion.
- The number of active customers continued to grow: more than 3.9 million customers work with BT, of which 3.5 million are retail clients and 400,000 are companies.
- During 2022, the corporate income tax paid by BT to the State amounts to more than 1% of all corporate income tax collected by the Government from companies in Romania.
- Total taxes and duties paid by Banca Transilvania in 2022 exceeded RON 1.1 billion.

"2022 has been a very complicated year, marked by the war in Ukraine and multiple economic uncertainties, caused by inflation and by the energy crisis. Despite this difficult context, Romania's economy has weathered this period well. Regarding Banca Transilvania, we continued to be the largest lender in Romania and the most important partner in the Government programs launched in 2022. We also continued to invest in technology, digitalization and infrastructure and strengthened the Bank's and the Group's position on the local market. The financial results confirm our expectations and are the foundation for our future ambitions. We closely monitor and remain mindful of the geopolitical and macroeconomic developments, but, at the same time, keep ourselves open to potential opportunities", states Horia Ciorcilă, Chairman of the Board of Directors, Banca Transilvania.

BT Financial Group's assets reached RON 140.5 billion at the end of last year. Loans accelerated to RON 68 billion and deposits reached RON 119.7 billion, of which RON 79.9 billion pertaining to retail customers and RON 39.85 billion to corporate customers. BT Financial Group's consolidated net profit amounted to RON 2,488.4 million, while on a stand-alone basis, BT reported RON 2,178 million as net profit. The bank's operating profit increased to RON 2,698.7 million. The bank's operational efficiency, reflected through the cost/income ratio, remained at a comfortable level of 49.7%, on the back of a proper cost management and efficiency gains rendered by processes' automation.

The bank's management will propose to the Board of Directors an allocation of the profit for 2022 for the bank's capitalization amounting to over RON 900 million, with the remaining part being allocated to reserves from retained earnings. The profit appropriation proposal is in line with the prudential recommendations of the National Macroprudential Supervisory Committee and the National Bank of Romania, given the volatile international context and the domestic challenges. Thus, the profit for 2022 will be used to sustain the lending and development of the Romanian economy in the future.

BT has financed the Romanians and the companies

- More than 12,000 Romanians have bought a house with BT's support, the volumes granted during 2022 exceeding RON 3.6 billion. The total residential housing portfolio amounted to RON 17 billion.
- More than 100,000 consumer loans amounting to RON 3.8 billion were granted last year. The total outstanding balance of such loans reached RON 9.6 billion.
- The bank granted more than 16,000 new loans, worth RON 4.5 billion, to about 16,300 SME&Micro clients during 2022.
- The SME loan portfolio increased to RON 22.5 billion.
- The number of new loans granted by the Bank increased by almost 10% in 2022 compared to 2021, with the largest increase in the LargeCorporate segment, where the number of loans increased by 48%.
- The loan portfolio increased by over 21%, of which a significant increase of over 30% was related to the corporate loans portfolio. More than half of the portfolio increase was generated by working capital loans. Regarding the retail loan portfolio, the increase, in comparison to the previous year, is +8%.

Other financial information

The non-performing loans (EBA) ratio is 2.44% as at 31 December 2022 and the total provision coverage of non-performing loans is 195%. BT's Capital Adequacy Ratio, with profit included, for 2022, stands at 21.62%, and excluding profit, at 19.26%.

Banca Transilvania Financial Group, steps towards consolidation

- **Leadership in asset management:** BT Asset Management has become the largest mutual fund manager in Romania.

- **First steps towards building the first 100% digital bank in Romania** around Idea::Bank, part of the BT Group, entity acquired in 2021.
- **Strategic steps in the automotive market:** During the past year, Țiriac Leasing and Idea::Leasing were integrated into the BT Group. BT Leasing and Țiriac Leasing became one company, BT Leasing, following the merger of the two companies, in January 2023.

Last year saw the start of the BT's Board of Directors 2022 - 2026 mandate. Under this BoD's leadership, Banca Transilvania Financial Group aims to become the market leader in all business segments, pursue organic growth, make new acquisitions, further develop its digital strategy and increase the synergy between its subsidiaries.

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The preliminary financial statements as at 31.12.2022 are unaudited or unreviewed and those as at 31.12.2021 are audited. The Preliminary financial results for 2022 are available on the bank's website, BT/Investor Relations, on 24 February 2023, starting at 18.00.

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