



Banca Transilvania,
no. 1 bank in Romania
March 2022



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[Banca Transilvania](#) has made history so far because it has the entrepreneurial spirit in its DNA. As a local bank, we have always had the ability to act quickly and to constantly optimize our business model. Bold and cautious, optimistic and innovative - this is how we, at Banca Transilvania, have been during these 28 years.

Today we are the largest investor of the Romanian economy, with over 20 years of experience on the capital market. Since the beginning of the BT story, the bank has reinvested in Romania, for a responsible and sustainable growth, almost all the profit and we have thus managed to support the Romanian economy, companies, entrepreneurs and the Romanians' ambitions.

What gives us COURAGE? The financial position of the bank, the level of liquidity and its robust capitalization, the sustainable approach, the investments realized so far in digitalization, help us navigate with confidence through this period. Moreover, without all these, we would not have been able to support the clients affected by the current economic and social context. What we have built so far at BT - from the beautiful dream of the founders, to becoming the largest bank in the country.

2021 started with optimism for Banca Transilvania, with a focus on opportunities, maintaining our firm commitment to contribute to the economy's recovery. Now, with the figures ahead of us, we are glad that all these plans are confirmed. It has been a year of recovery for the economy, in which we have made an essential contribution to this dynamic.

We have consistently financed people and companies, increased the volume of operations and generated value for customers and shareholders. We also continued our commitment to strengthening the banking system through the acquisition of Idea::Bank.

We will continue to support our customers' dreams and ambitions through solutions, products, but also by investing in people and technology. We will strengthen our position in the market both through rational organic growth and through possible acquisitions related to the banking activity or to the activity of the BT Group companies.

I would like to thank to everyone who knows that **TOGETHER**, as a team, we have the synergies to succeed: shareholders, customers, employees and partners.

Horia Ciorcilă

Key figures



Market leader in Romania:
>18% market share



Net profit: RON 307.52 million

3.6 million clients



Loans: RON 58.6 billion

72% Romanian capital

Almost 1,000 new
retail loans/day

Deposits: RON 107.42 billion

2 million people
are using the BT Pay app

4.8 million cards



Over 40,000
shareholders



12 transactions/second
with BT cards

CAR: 21.23%

Total provisioning
coverage of non-performing
exposures: 179%



~3 million unique digitalized customers

Non-performing
exposures ratio: 2.91%

Business model of Banca Transilvania



Value for customers	We contribute to the prosperity of people and companies. We support ideas, digital solutions, proximity, expertise, consultancy, customized products.	
Resources	Employees, equity, interest income, fee and commission income, etc. Partnership with financing institutions, network, ATMs, POS terminals, apps, brand awareness	
Client segments	<p>Retail – Freemium Free approach – basic products accessed by the large mass of customers (current accounts, debit cards). The approach ensures a critical mass of clients who can be subsequently contacted for cross/up-selling.</p> <p>Premium – additionally chargeable products and services (credit cards, SMS Alert, Internet and Mobile Banking).</p>	<p>Companies – Segmented approach. Specialization per business segments depending on the size of the business (Large Corporate, Mod Corporate, SME, Micro) and per field of activity: physicians and agribusiness.</p> <p>Through specialization, we grow competences, develop the relationship with the clients and contribute to the creation of the largest ecosystem for the support of the Romanian entrepreneurs.</p>
Relationship with the clients	<p>Consultancy & support in branches/agencies and call center, support via chatbots, self-service via internet banking, mobile banking, apps, customized services, social media</p> <p>Integrated offer: banking, microfinance, consumer finance, lease, asset management, etc.</p>	
Channels (Omnichannel)	Branches/Agencies, call center, electronic services	
Key activities	BT is a universal bank that provides banking services and products to individuals and companies.	
Key partners	Service providers, solutions and technologies, fintechs, associations, authorities	
Cost structure	Technology, digitalization, modernization of premises, taxes	
Income	Interest, fees and commissions	

Pillars of the business model



- Banca Transilvania is in the top 500 most valuable banking brands in the world, ranked 302nd ([Brand Finance Banking 500 2022](#)).
- BT's brand value has increased up to USD 460 million (from USD 441 million in 2021).
- Banca Transilvania's brand strength (Brand Strength Index): +19% compared to 2021. The brand entered AAA+ territory and puts BT in the top 10 global banking on this indicator.

The Romanian market

- Banca Transilvania is the largest lender in Romania.
- Romania is member of the Euro-Atlantic structures, the leader of the SEE region, with a population of over 19 million.
- GDP/capita at Purchasing Power Parity: >72% of the European Union average and > 71% of the OECD average.
- In 2020 the World Bank included Romania in the category of upper middle income countries.
- At the beginning of 2022 the Organisation for Economic Cooperation and Development launched the negotiations with several countries, including Romania.
- Among the sectors with important investment potential in Romania we mention: industry, infrastructure, agriculture, education, IT&C, tourism, as well as energy, especially in the context of the transition towards a new economic model, based on green energy and digitalisation.
- As regards IT&C, the value added climbed by 13.4% YoY in 2021. The weight of the IT&C in GDP outpaced 6% in the pandemic year 2021. More info available on [BTresearch](#)

72.9%

of Eurozone average
GDP/capita at purchasing
power parity (PPP)

- The evolution of the Romanian economy in 2021 was determined by the contribution of the domestic demand (in the context of the reopening process, supported by the vaccination campaign) and by the low level of the real financing costs.
- Romania presented a high level of resilience to the overlapping supply-side shocks and to the political tensions in 2021, an evolution mainly supported by the improvement of the contribution of the production factors to the YoY pace of the potential GDP.
- The international agencies affirmed the sovereign rating, while the financing costs declined in 2021, evolutions also influenced by the policy-mix.
 - In the Spring of 2021 the S&P improved the rating outlook from negative to stable.
 - At the same time, Moody's improved the sovereign rating outlook from negative to stable last autumn.
- Several companies are at present included in the FTSE index, where Banca Transilvania is a component (MedLife, Purcari, Impact, Conpet, Sphera Franchise Group). More information on [BTresearch](#)

+5.9% y/y

Romania's economy
relaunched in 2021

12.81% y/y

Average growth of total assets at sector level

- The positive climate on the Romanian banking sector consolidated at the beginning of 2022, being noticed the resilience to the overlapping shocks, including the outbreak of the crisis in Ukraine.
- The resilience was supported by several factors, including the continuity of the post-pandemic economic cycle, the low level of the real financing costs and the monetary cycle implemented by the central bank.
- On can notice the increase of the non-government loans by 15.6% YoY on average in 1Q 2022.
- At the same time, the non-government deposits climbed by 12.4% YoY during January – March 2022.
- The total assets and the net aggregate financial result of the banking sector rose by YoY average paces of 12.81% and 63.88% in 2021.
- 34 banks are active in Romania at present, Banca Transilvania being the largest financial institution. The banks controlled by the Romanian capital represent around 20% of the banking sector, while 80% are controlled by the foreign capital. More information on [BTresearch](#)

BT's road to banking leadership

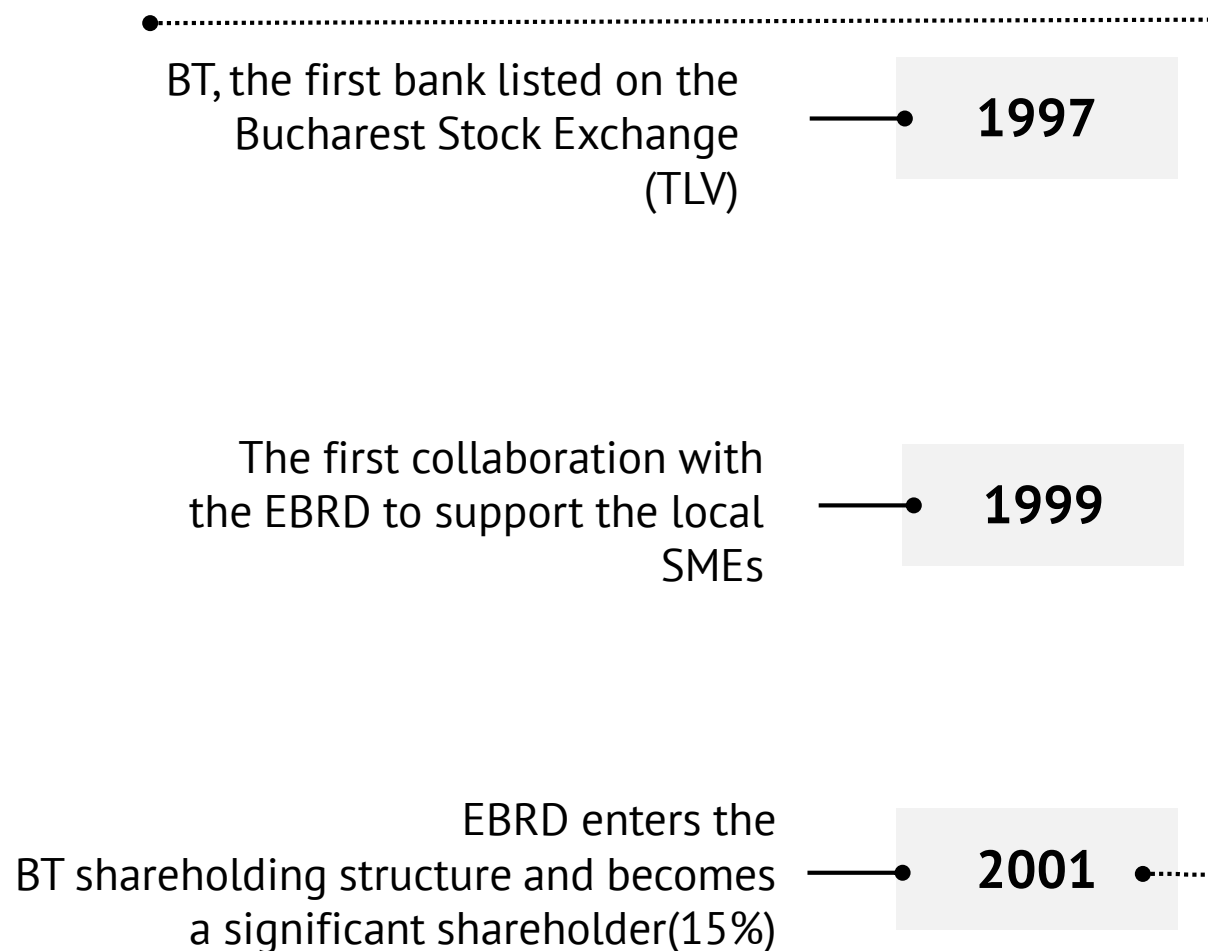
When and how did our **story** begin?

In **1993**, in Cluj-Napoca, a group of businessmen had the idea of founding a bank, Banca Transilvania.

One of the most beautiful Romanian entrepreneurship stories, BT, started in three apartments from Cluj, with a capital of 2 million USD. The first branch? In Cluj-Napoca. The first team? 13 people.

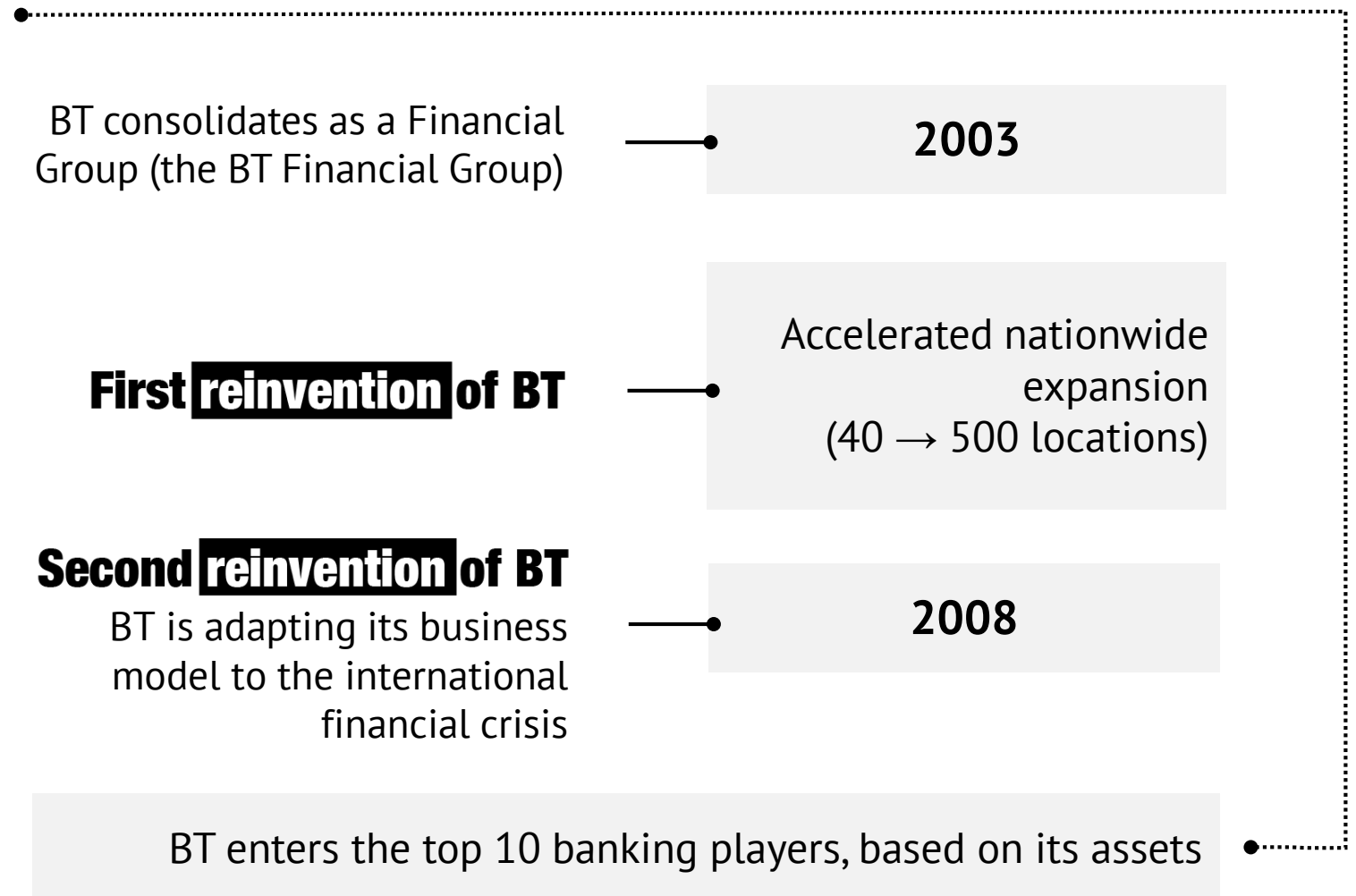
Chapter 1 of the BT's story : 1994-2001

Step by step development in Transilvania



Chapter 2 of the BT's story : 2002-2008

Ambitious development nationwide



Chapter 3 of the BT's story: 2009-2016

Consolidation & maturation



BT enters the top 3 banking players, based on its assets

2012

Third **reinvention** of BT

[BT acquires and integrates Volksbank Romania](#)

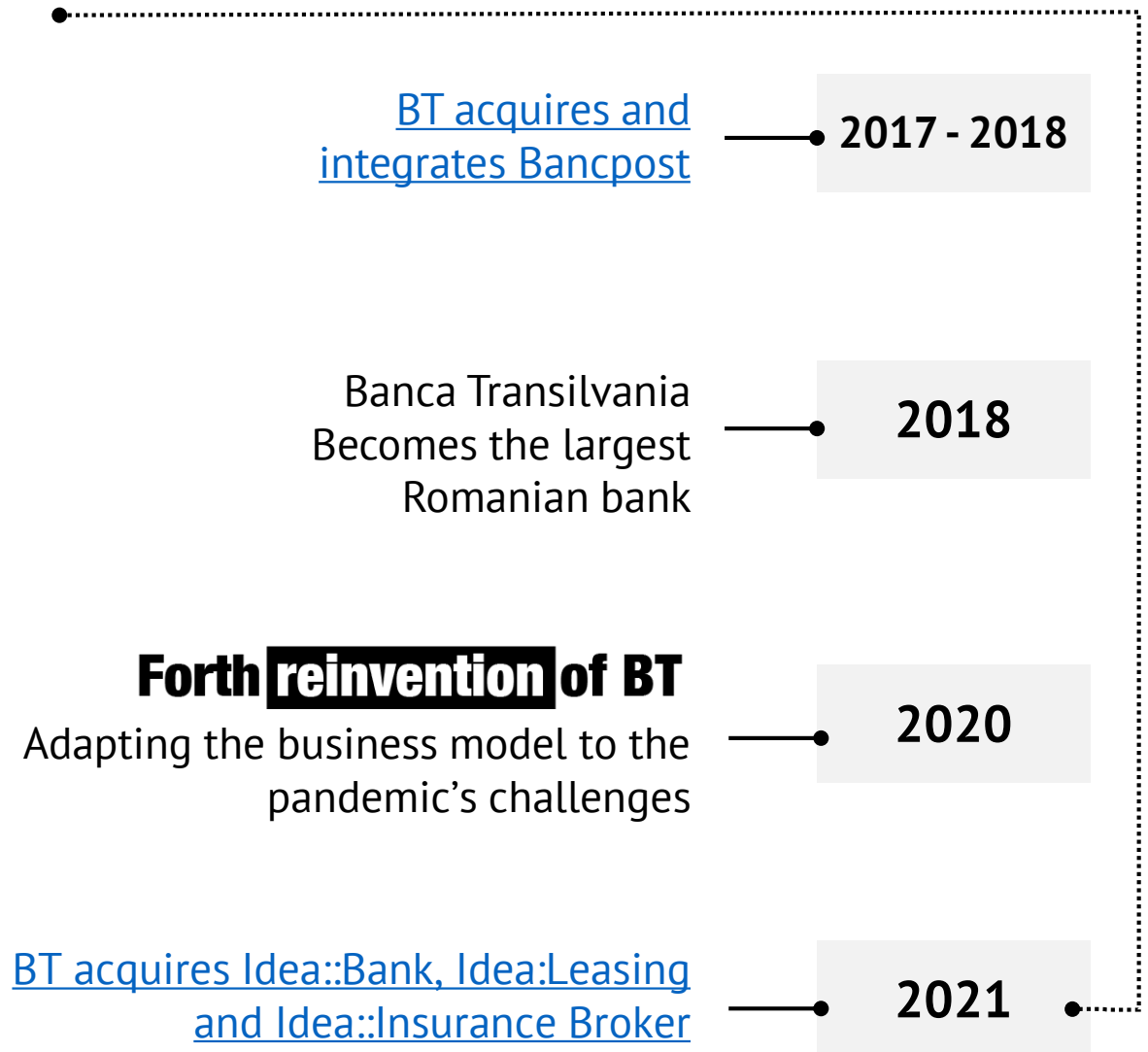
2015 - 2016

BT becomes the second largest Romanian bank

2016

Chapter 4 of the BT's story: 2017 - 2021

Leadership in Banking



Banca Transilvania
has sustained the growth
both in lending and in operations

- **Romanians continued to make plans this year:** almost 63,000 loans were granted by Banca Transilvania during the first 3 months of the year, amounting to RON 6,357 million. It represents a 61% increase in loans compared to the first quarter of 2021.
- **The bank has an increase of RON 2.5 billion of the loans balance, +5%,** compared to the end of last year.
- **The number of customers has continued to grow,** currently more than 3.6 million customers are working with BT, of which 3.3 million are individuals and 390,000 are legal entities.
- **The bank's operations showed solid growth:** the number of transactions for both the individuals and legal entities customers, across all BT channels, was +35% compared to the same period of 2021.
- **The bank launched Code Crafters,** a company through which the bank increases its IT solutions development capacity.

BT's and the capital market

BT's contribution to the development of the Romanian capital market



2022 Awards:

- BT, Most traded share on the main market of the BVB in 2021.
- BT Capital Partners, Most active intermediary on both BVB markets in 2021.
- Maximum VEKTOR rating (10) for the communication with investors in 2021 and 2020, as assessed by [ARIR](#). The indicator is also mentioned on the BVB website/[BT page](#).
- BT is the first bank in Romania to be listed on the Bucharest Stock Exchange (1997).
- The bank is one of the only two companies in Romania to qualify for *emerging market status from frontier market*. The bank is included in the FTSE Global Equities Index Series (2020).
- BT Capital Partners is the country's largest retail broker, the exclusive member of Oaklins in Romania.
- BT Leasing is the second BT Financial Group company to use the financing mechanisms of the Bucharest Stock Exchange (2019).

BT market capitalization (2017-2020)



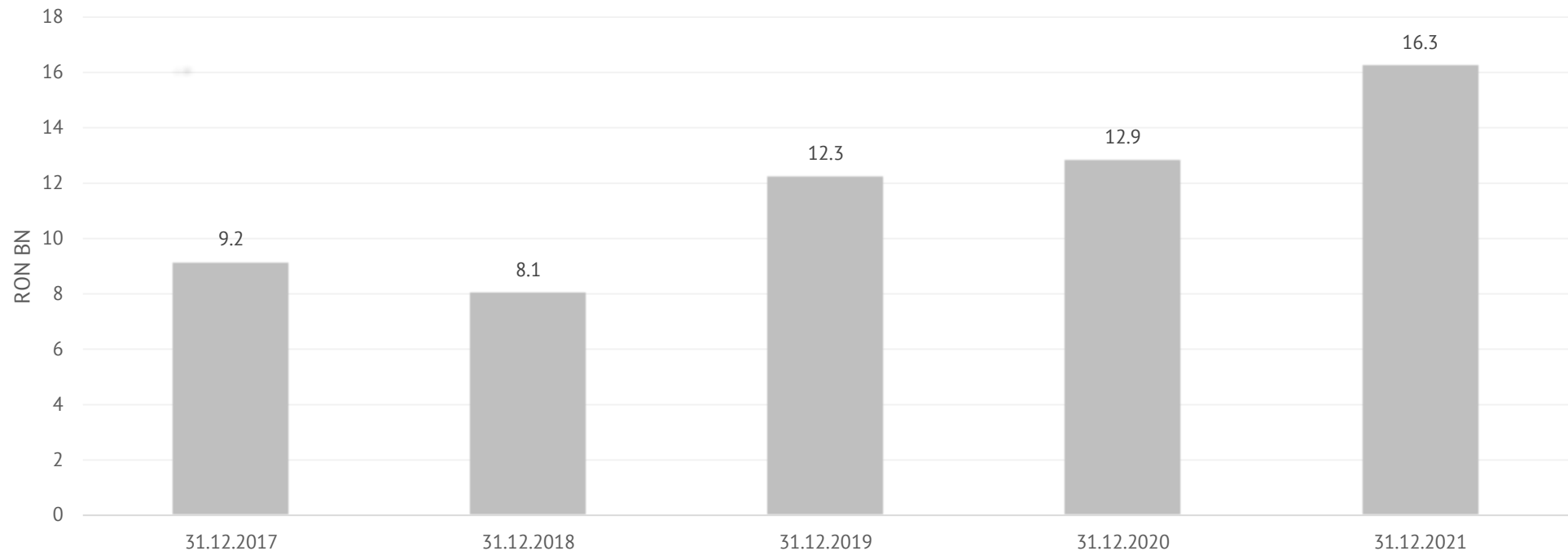
31.12.2021: RON 16.3 billion (EUR 3.7 billion)

31.12.2020: RON 12.9 billion (EUR 2.7 billion)

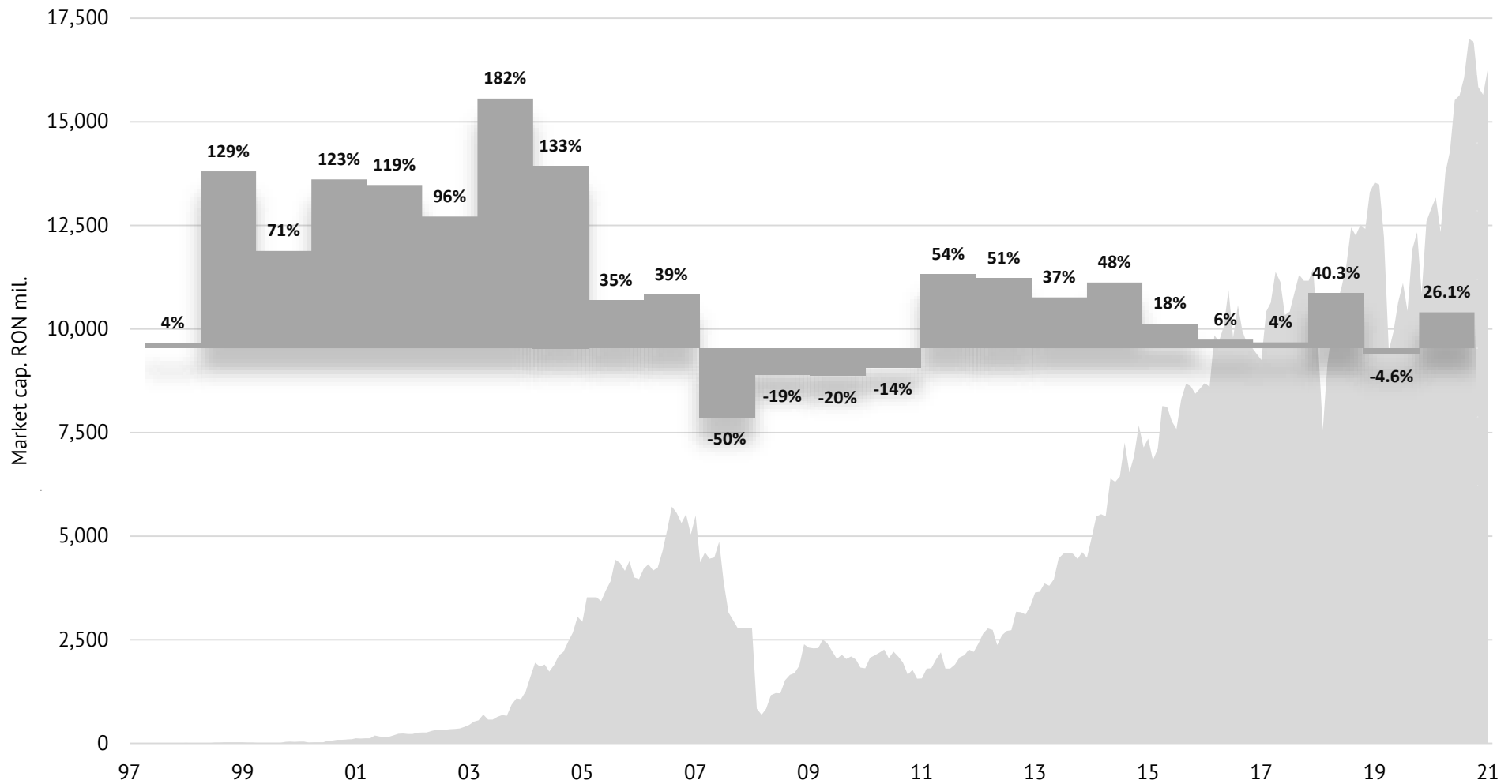
31.12.2019: RON 12.3 billion (EUR 2.6 billion)

31.12.2018: RON 8.1 billion (EUR 1.7 billion)

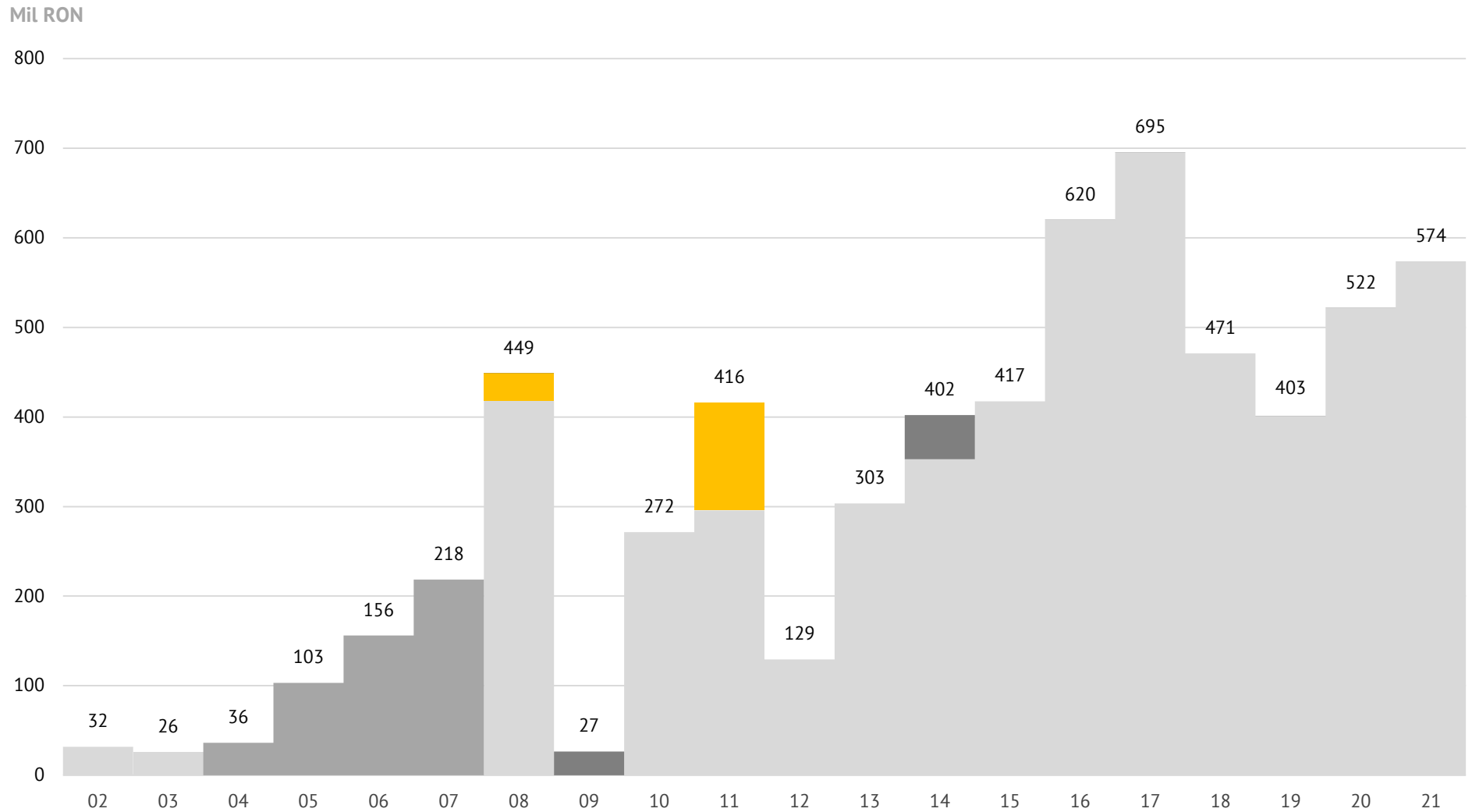
31.12.2017: RON 9.2 billion (EUR 2 billion)



BT capital increases on the BSE



BT attracted on the stock exchange, from its listing until 2021, 6,27 bln. lei



The BT capital increased by: Conversion Cash Free shares + cash Free shares

Superior yield for the **TLV shares** during the last 10 years to surpass 2007 maximum values



rescaled, 02/12=100



The TLV shares, among the very few to surpass the maximum values from 2007



price _{18/11/20} 2.60 lei

No. shares 6,311 m

capitalization 16,410 mil lei

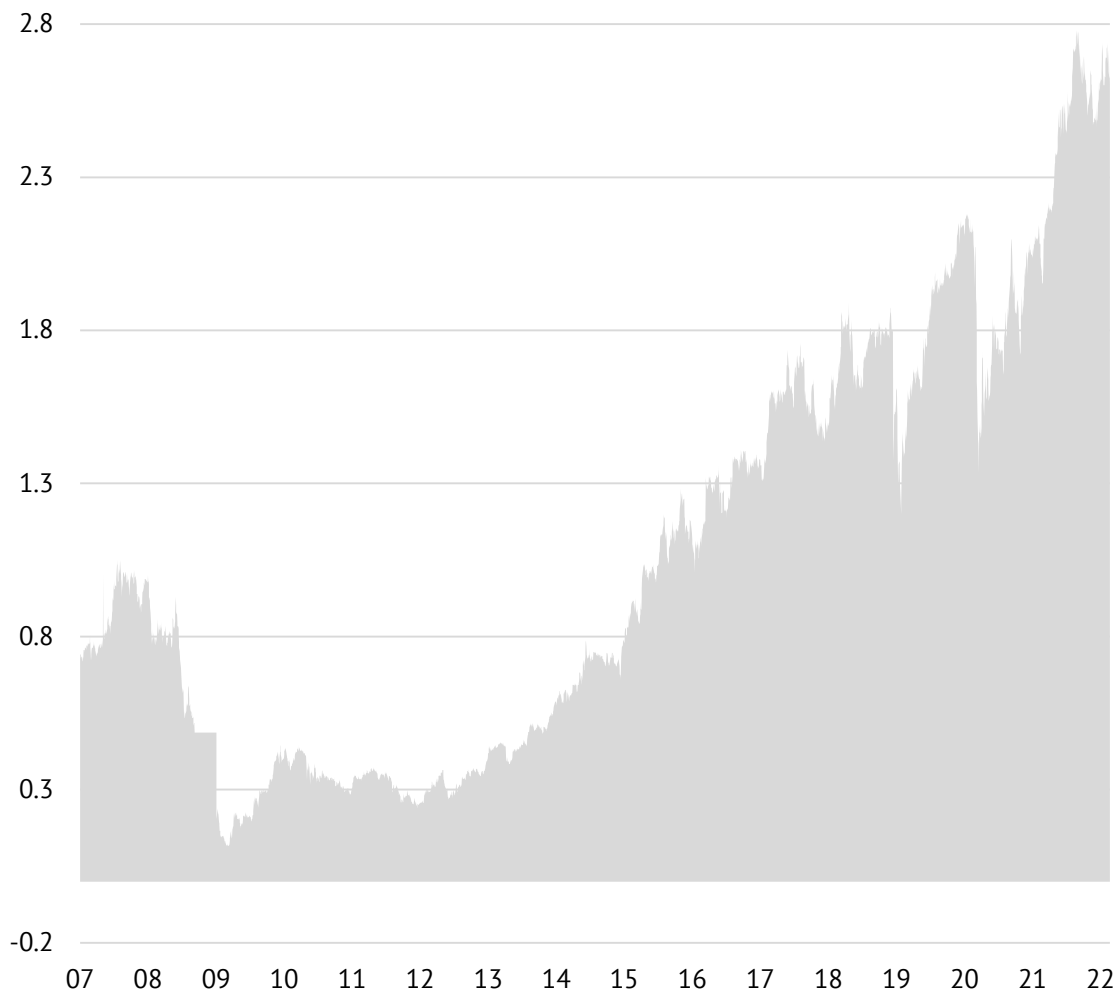
evolution YTD +0.8%

evolution YoY +31.4%

vs. maxim 2007 +148%

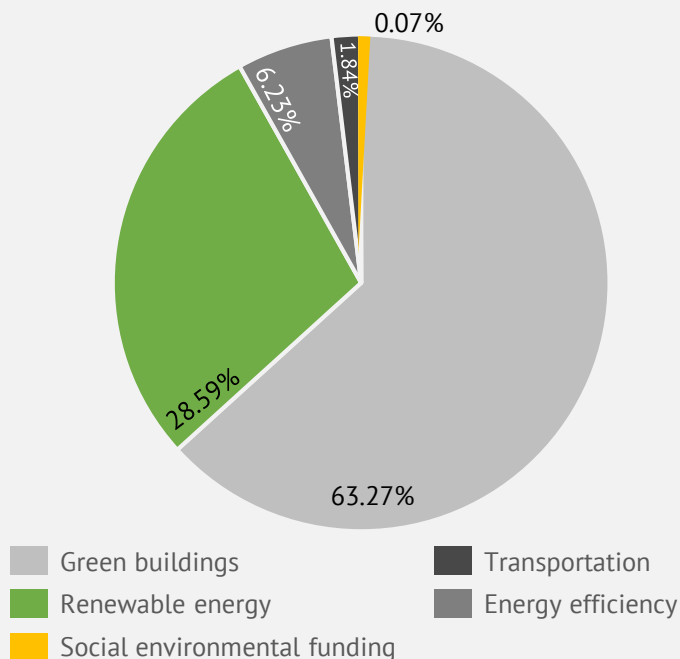
vs. minim 2009 +2,195%

TLV evolution 2007-2022



Sustainability Report 2021.
Financing our future

SHARE OF GREEN LOANS BY SECTOR IN 2021, ACCORDING TO CAFI



**GHG REDUCED: 619,038 tCO₂/year,
EQUIVALENT OF:**



121,004

Gasoline-powered passenger
vehicles driven for one year

70,739

Homes' energy use for
one year



1,532 HA

Capture of carbon dioxide from the
atmosphere by 1,532 HA of forest

Sustainability Report 2021.

Financing our future



Our objectives focus on increasing and promoting impact finance,
i.e. green or sustainability-oriented lending.

C O M P A N I E S

RON 538 MIL

value of corporate green loans as
assessed by IFC methodology via
CAFI (Climate Assessment for
Financial Institutions) platform

RON 360 MIL

outstanding loans for BREEAM
certified real estate projects, apart
from green buildings

RON 91.8 MIL

outstanding loans granted to
waste recycling companies

RON 46 MIL

outstanding loans granted for
energy efficiency purposes

[Sustainability Report 2021](#)

R E T A I L

RON 144 MIL

loans to private individuals, in
partnership with the EBRD, for
the purchase of residential
property or energy-efficient assets

RON 253 MIL

car leasing for electric or hybrid
vehicles

RON 959 MIL

in financing under the Green
Mortgage Loan product

RON 68 MIL

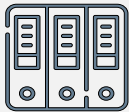
mobile payments, doubled as
compared with 2020

[Auditors' Assurance Opinion](#)



1,170kg

Amount of plastic saved by cards made of recycled materials



>111t

Paper saved as a result of paper reduction measures



87%

Electricity consumption from renewable sources



51%

Decrease in direct GHG emissions intensity compared with 2020



1 IN 4

cars financed by BT Leasing in 2021 are 100% electric or hybrid

Sustainability Report 2021.



Financing our future

Impact financing also means our positive footprint in financing and supporting key areas for community and societal development

>32,000

of clients in agribusiness department, o/w >20k are small farmers

6,400

number of outstanding loans granted by BT Mic to companies with female shareholders

RON 19 MIL

outstanding loans financing education and training projects

75%

proportion of BT Mic portfolio where BT was the first lender

10%

of total training hours dedicated to data protection and information security

93%/72%

of supplier expenditure directed to local companies (RO/MD)

RON >5 MIL

annual training budget

RON 27 MIL

value of sponsorship granted by BT Financial group



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