

BANCA TRANSILVANIA

Q3 Financial Results

The 13th of November 2023

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Q3 2023 BT overview

1st

LARGEST RETAIL AND
COMMERCIAL BANK IN ROMANIA

4M

ACTIVE ROMANIAN
CUSTOMERS

~90%

DIGITALIZED RETAIL
CLIENTS

>500

BRANCHES ALL OVER
ROMANIA

PERFORMANCE HIGHLIGHTS

RON
1,859 MIL

Net Profit for the first 9M 2023 while **ROE** exceeds **25%** at the bank level

<50%

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

>3%

NIM a result of diversified exposures across segments and industries

22.94%

CAR – solid capital ratios allowing RON 0.9 bn in cash dividends

AGENDA

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Macroeconomic Landscape

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Business Performance

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Sustainability

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Digital

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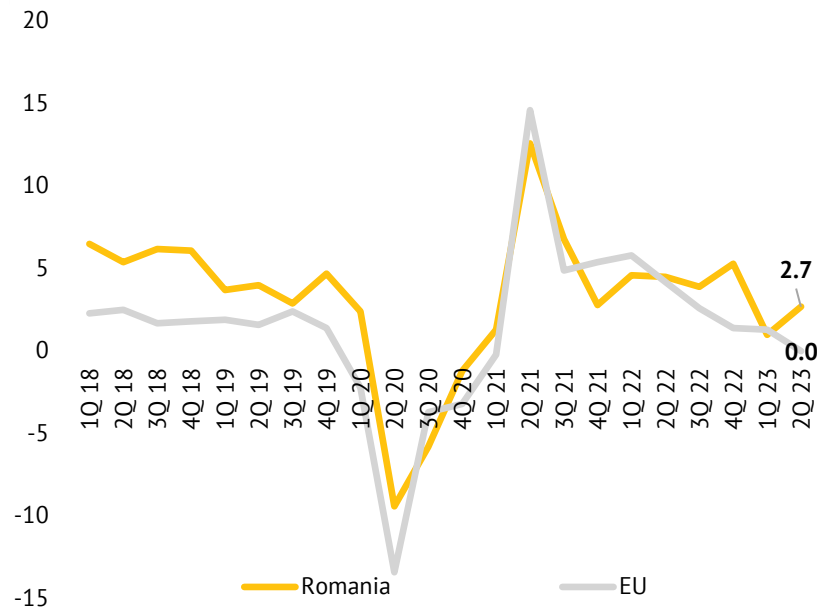
BT Financial Group

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Appendix

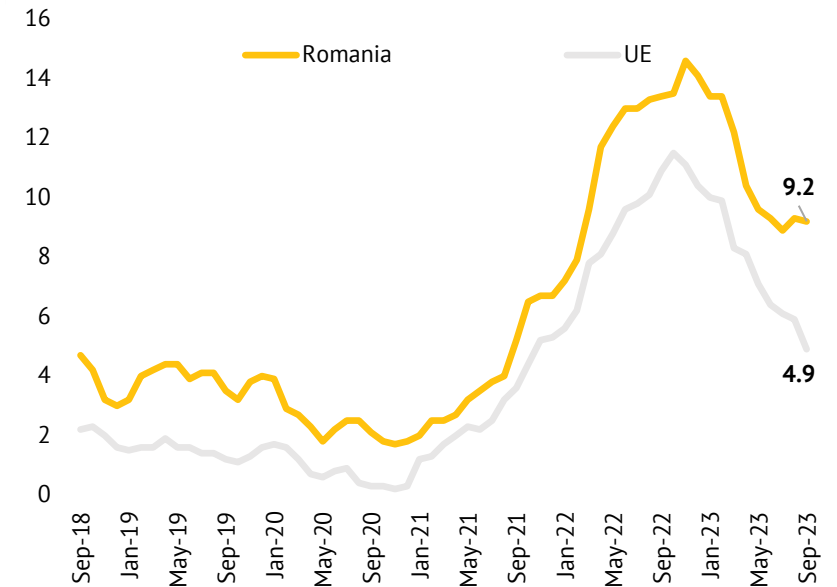
ECONOMIC ACTIVITY

GDP DYNAMICS (% YoY)



Source: Eurostat

CONSUMER PRICES (HICP) (% YoY)



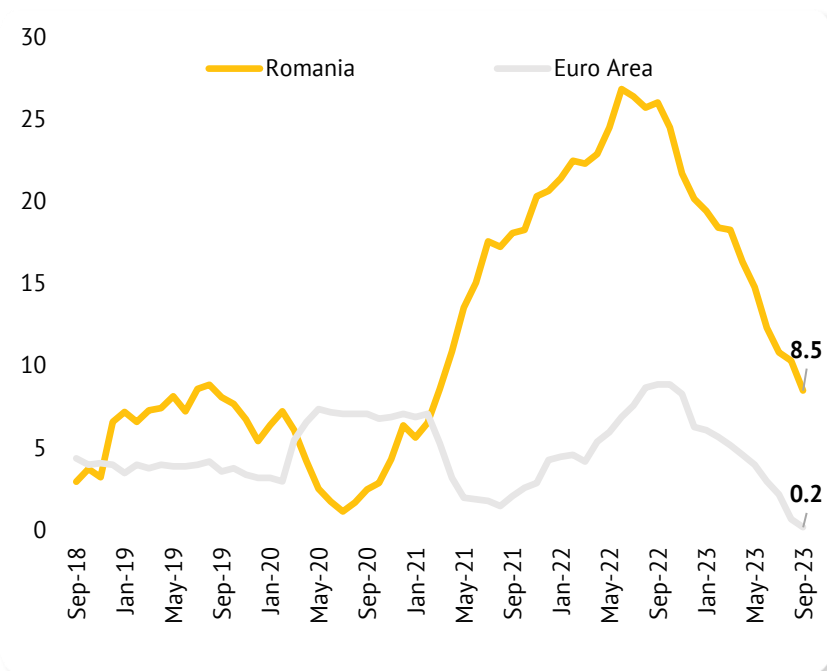
Source: Eurostat

Consolidation of the investment cycle in the context of tempered inflationary pressures

- The YoY pace of the GDP accelerated to 2.7% in Q2, compared to the stagnation of the economy in the European Union
- The YoY pace of the consumer prices decelerated to 9.2% in September, signaling the slowing down trend for the inflationary pressures
- At the monetary policy meeting held in November, the National Bank of Romania (NBR) maintained the policy rate at 7.00%

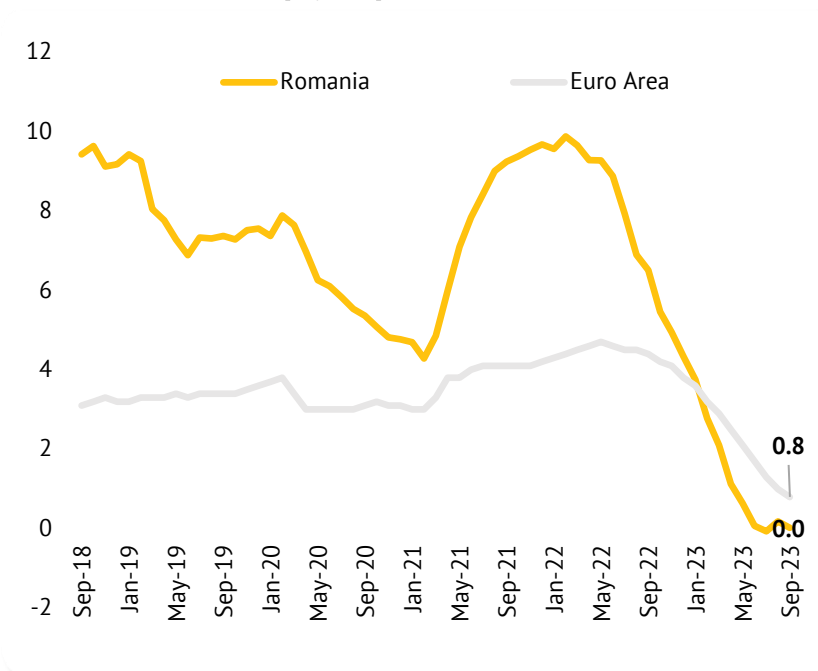
LENDING

CORPORATE LOANS (% YoY)



Source: National Bank of Romania (NBR)

HOUSEHOLD LOANS (% YoY)



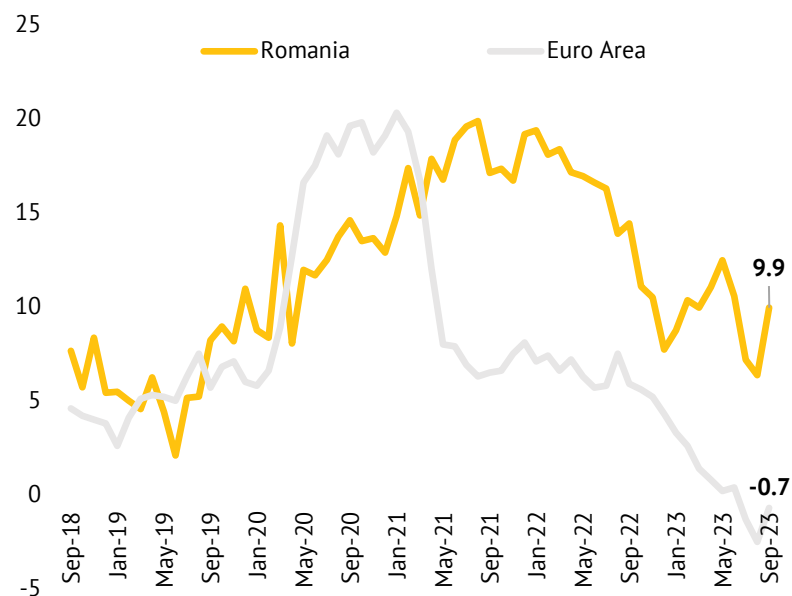
Source: National Bank of Romania (NBR)

The YoY pace of lending slowed down in 3Q

- The non-government loans decelerated to 4.5% YoY in September, the weakest dynamics since October 2020
- Corporate loans increased by 8.5% YoY in September, highly above the dynamics in the Euro Area, the main economic partner
- The household loans stagnated YoY in September, a weaker pace compared to the Euro Area
- Loans-to-deposits ratio stood at 69.6% in September at the Romanian Banking sector level

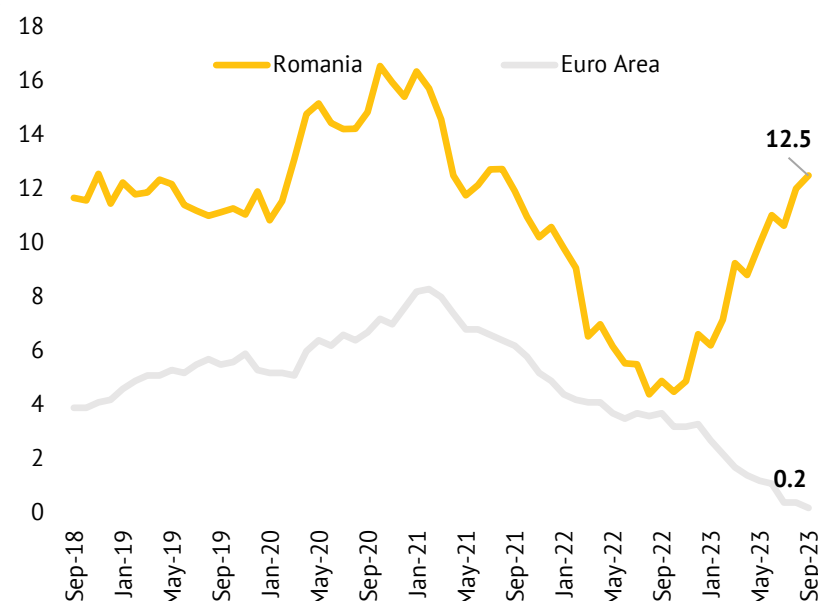
DEPOSITS

CORPORATE DEPOSITS (% YoY)



Source: National Bank of Romania (NBR)

HOUSEHOLD DEPOSITS (% YoY)



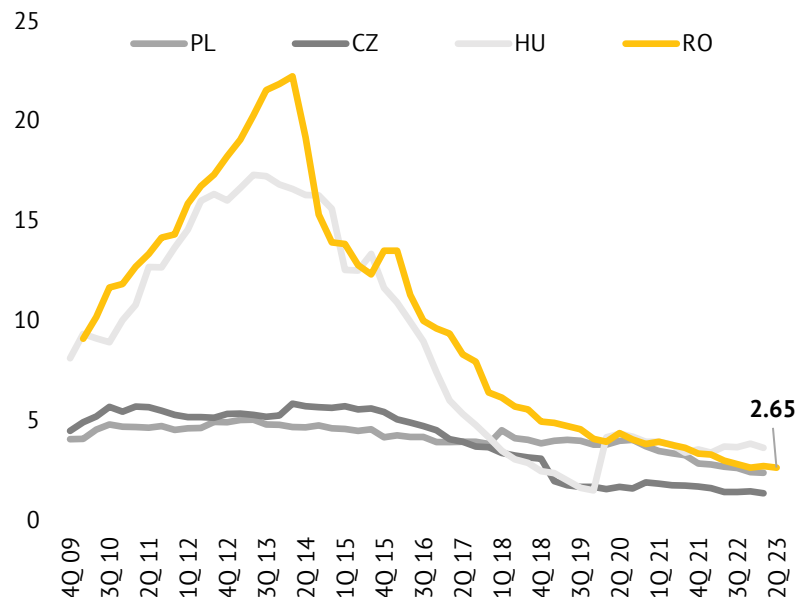
Source: National Bank of Romania (NBR)

The YoY pace of deposits continued its acceleration in 3Q

- Non-government deposits accelerated to 11.4% in September, the highest rate since February 2022, on the back of the high level of the interest rates and the persistence of the macroeconomic and geopolitical uncertainties
- Corporate deposits accelerated from 6.4% in August to 9.9% in September
- Household deposits accelerated from 12.0% YoY in August to 12.5% YoY in September, the highest level since August 2021

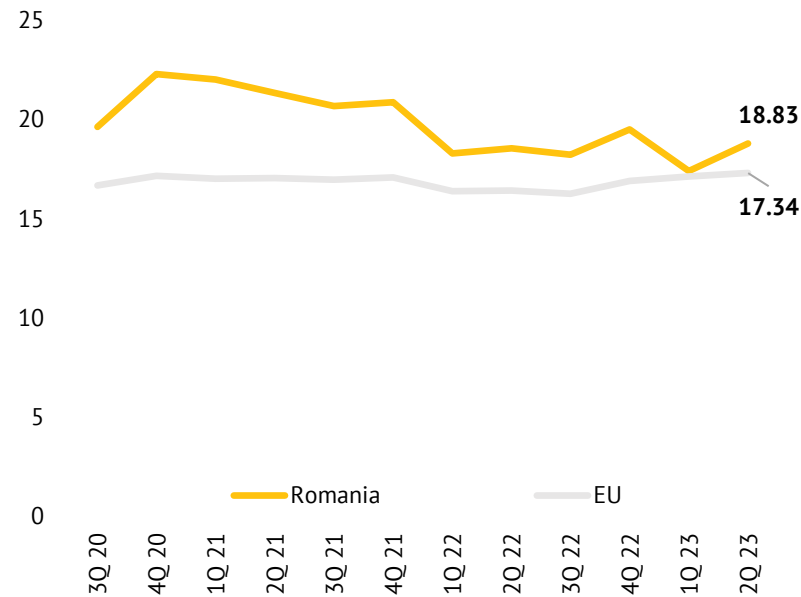
BANKING SECTOR

NPL RATIO (%)



Source: National Bank of Romania (NBR)

TIER 1 (%)



Source: European Banking Authority

Strong asset quality and robust capitalization of the banking sector

- The total assets of the banking sector in Romania rose by an average annual pace of 11.0%, while the non-performing loans ratio continued its downward trend
- The capital adequacy ratio in the Romanian banking sector continued to be higher compared to the EU average in 2Q
- The ROA and ROE indicators stood at 1.88% and 21.11% in 1H2023

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BT Performance

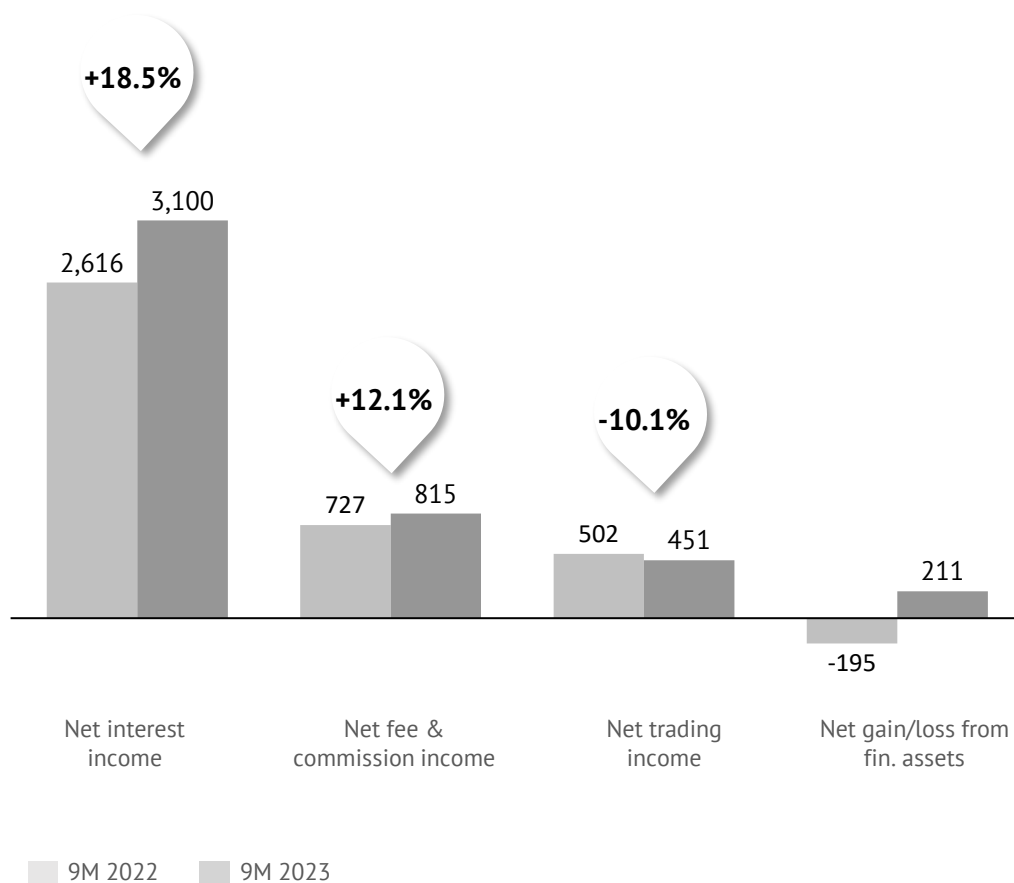
	INDIVIDUAL			CONSOLIDATED		
	9M 2023	9M 2022	Δ	9M 2023	9M 2022	Δ
PROFITABILITY						
Net interest income, <i>RONmn</i>	3,099.5	2,616.4	18.5%	3,793.5	3,145.7	20.6%
Net fee and commission income, <i>RONmn</i>	815.2	727.1	12.1%	941.7	852.4	10.5%
Operating expenses, <i>RONmn</i>	(2,135.0)	(1,999.3)	6.8%	(2,533.3)	(2,171.4)	16.7%
Pre-provision operating profit, <i>RONmn</i>	2,506.3	1,847.4	35.7%	3,095.3	2,256.4	37.2%
Net profit, <i>RONmn</i>	1,859.5	1,440.9	29.0%	2,291.5	1,677.9	36.6%
EPS, RON				2.7757	2.0175	37.6%
Cost of risk, net	0.25%	0.39%	-0.13 pp	0.37%	0.59%	-0.21 pp
NIM	3.04%	2.86%	0.18 pp	3.57%	3.22%	0.36 pp
ROE	25.79%	23.32%	2.47 pp	28.87%	22.62%	6.26 pp
Cost-to-income ratio*	45.79%	51.49%	-5.71 pp	44.82%	48.62%	-3.80 pp

*Computed assuming the annual contribution to Deposits Guarantee Fund and Resolution Fund to be evenly allocated over 12 months.

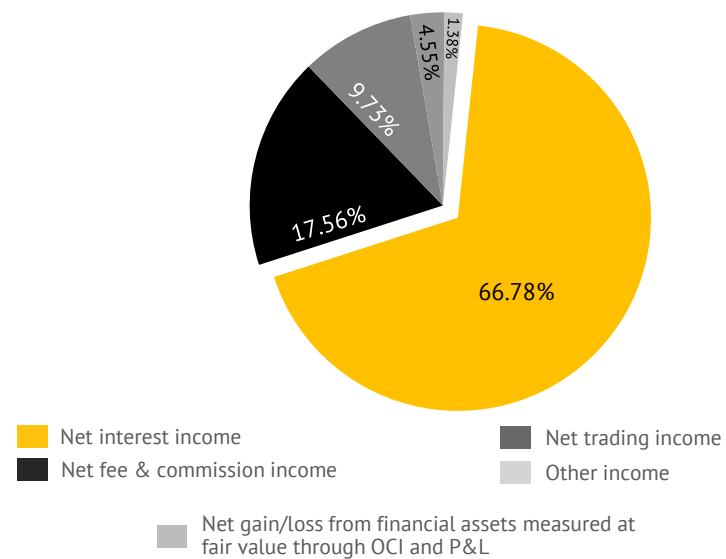
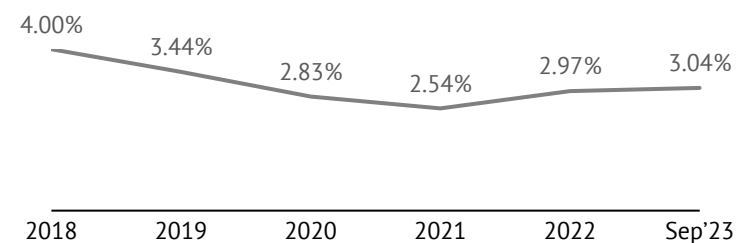
	SEP/23	DEC/22	Δ	SEP/23	DEC/22	Δ
BS HIGHLIGHTS						
Total assets, <i>RONmn</i>	150,377	133,960	12.3%	157,622.1	140,510.8	12.2%
Gross loans, <i>RONmn</i>	72,743	67,474	7.8%	77,343.0	72,529.5	6.0%
Deposits from customers, <i>RONmn</i>	126,589	116,504	8.7%	129,927.7	119,731.7	8.5%
Gross loans-to-deposits ratio	57.46%	57.92%	-0.45 pp	59.53%	60.58%	-1.05 pp
NPL (EBA)	2.22%	2.44%	-0.22 pp			

	SEP/23	DEC/22		SEP/23	DEC/22	
CAPITAL						
Tier 1 capital ratio (profit included)	18.74%	18.92%		18.60%	18.37%	
Total capital ratio (profit included)	22.94%	21.61%		22.34%	20.78%	

Trends in income structure

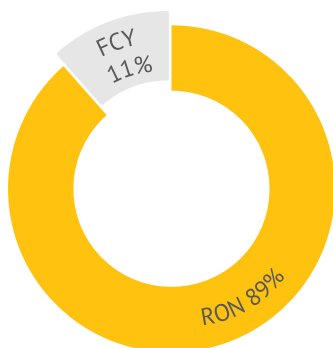


NIM

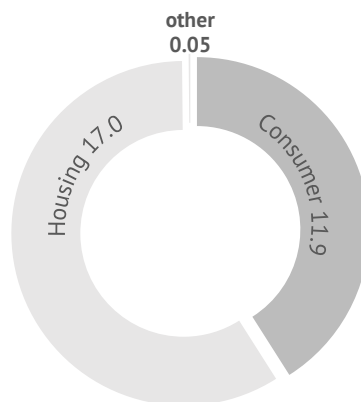


Continuous loan growth

LOANS TO HOUSEHOLD



Sep/23



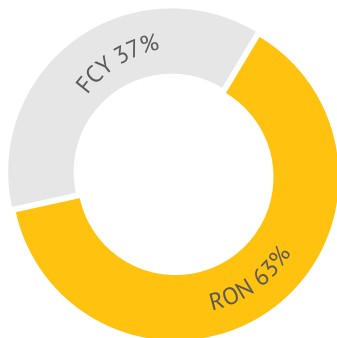
Dec/22
RON 28.9bn

+6.6%

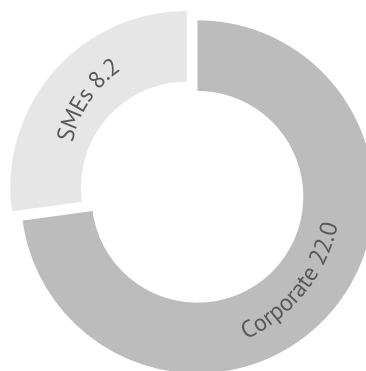


Sep/23
RON 30.8bn

LOANS TO COMPANIES

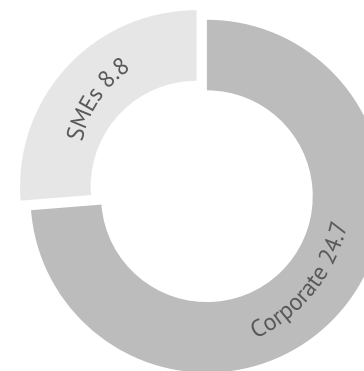


Sep/23



Dec/22
RON 30.1bn

+11.0
%

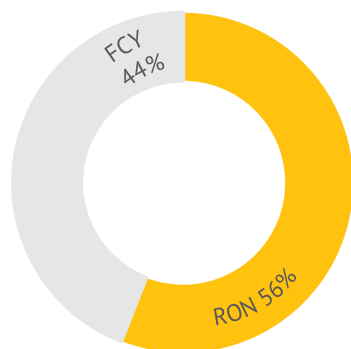


Sep/23
RON 33.4bn

*SMEs identified according to internal classification rules

Deposit base, strong growth

DEPOSITS FROM HOUSEHOLD

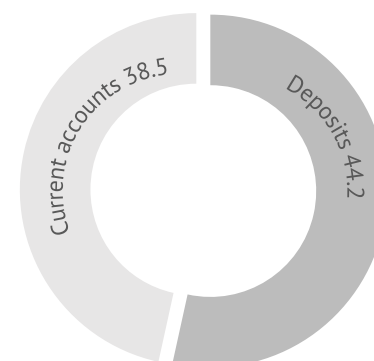


Sep/23



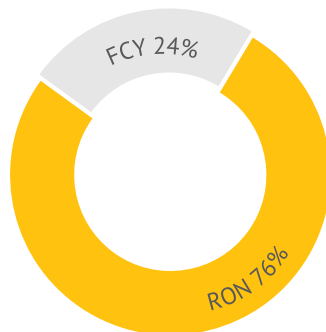
Dec/22
RON 77.9bn

+6.2%

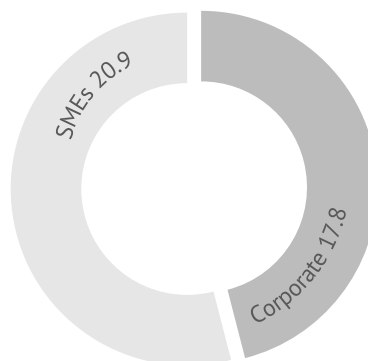


Sep/23
RON 82.7bn

DEPOSITS FROM COMPANIES

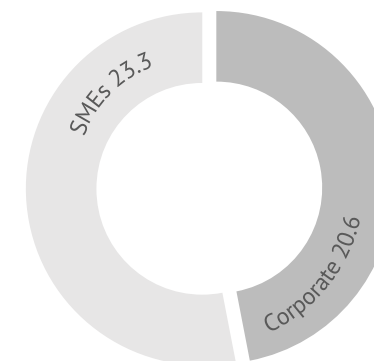


Sep/23



Dec/22
RON 38.6bn

+13.6%



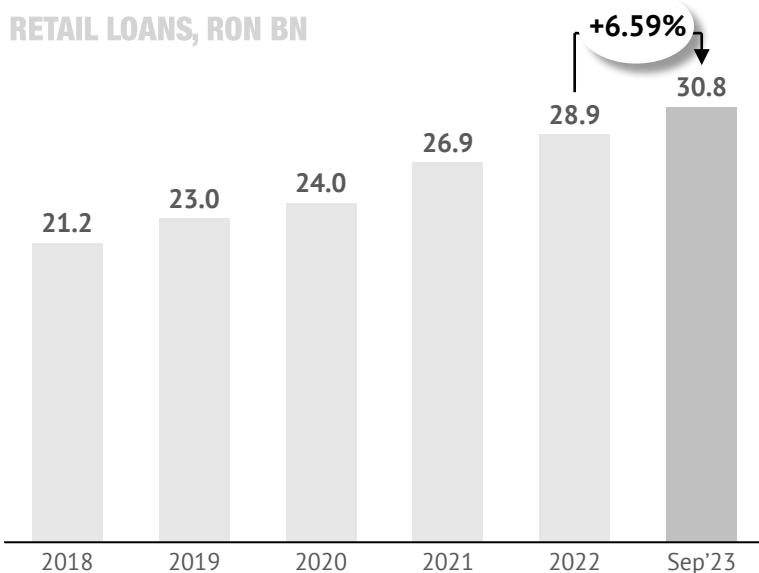
Sep/23
RON 43.9bn

*SMEs identified according to internal classification rules

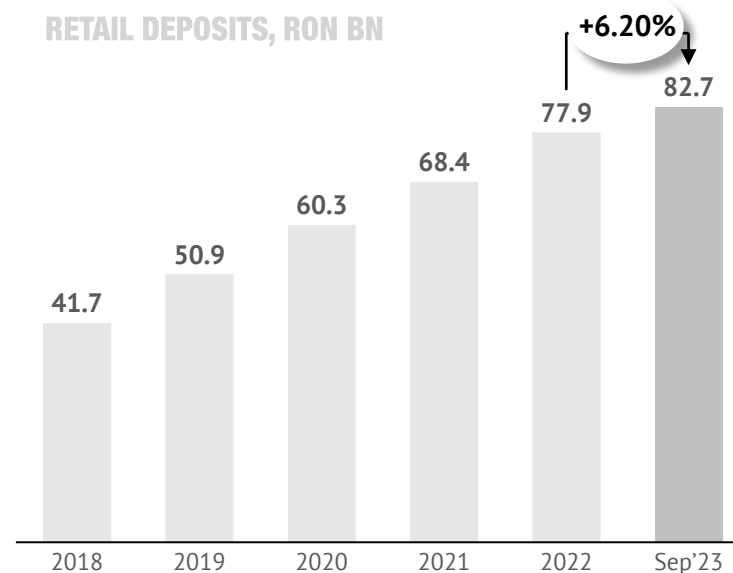
Retail Banking

Retail lending shows a more vivid evolution as the new production picked up (+13%)

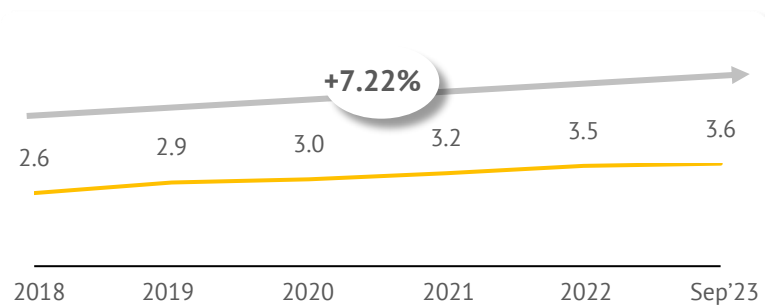
RETAIL LOANS, RON BN



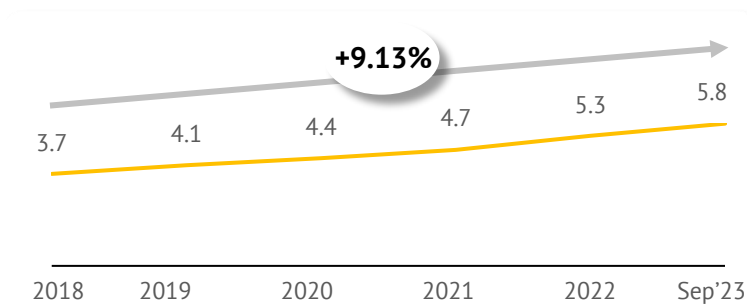
RETAIL DEPOSITS, RON BN



ACTIVE CLIENTS, MN



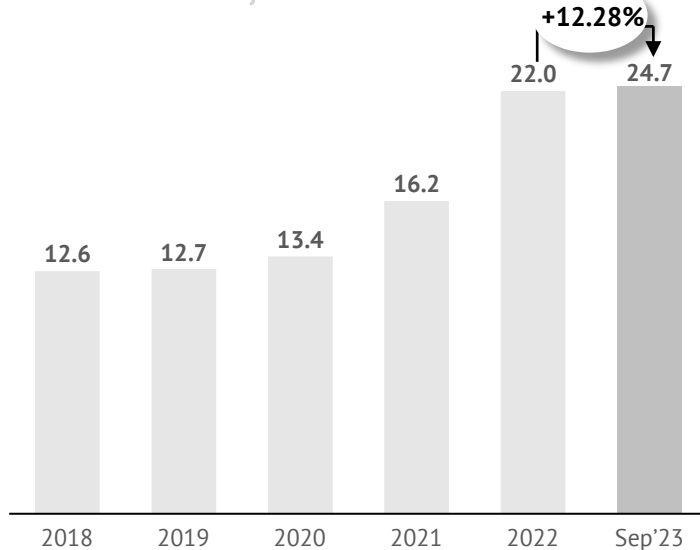
NO. OF CARDS, MN



SME & Corporate Banking

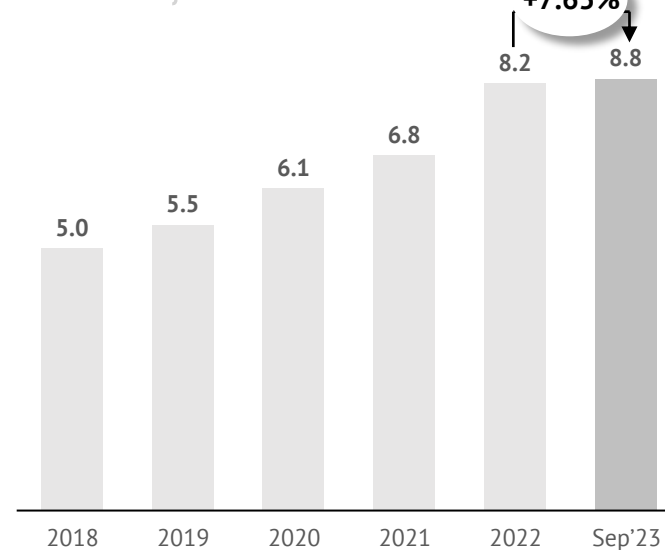
more than **RON 16bn** new production

CORPORATE LOANS, RON BN



- Upgrading of operational capabilities (cash-pooling, swift for corporates, EBICS implementation, cross-currency payments, encrypted inter-bank payroll payment)
- PNRR projects postponed for 1Q2024
- Continue focusing on strategic and renewable projects

SME LOANS, RON BN



- Strong credit origination activity
- European Investment Fund and BT signed a guaranteed agreement (RRF) to support SMEs amounting to RON 1.5 billion
- More than RON 2.5 billion in approved loans under IMM Invest

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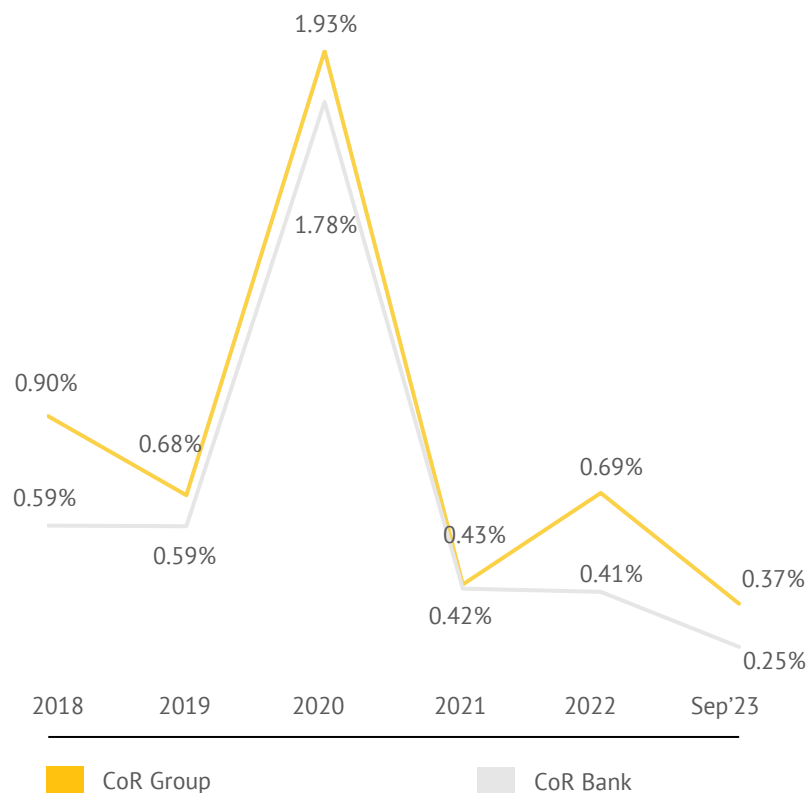
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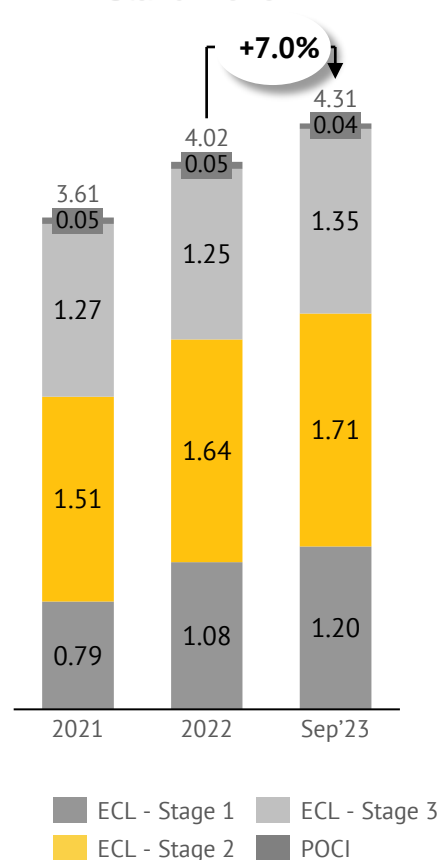
Sound credit risk management – stable asset quality

COST OF RISK, %

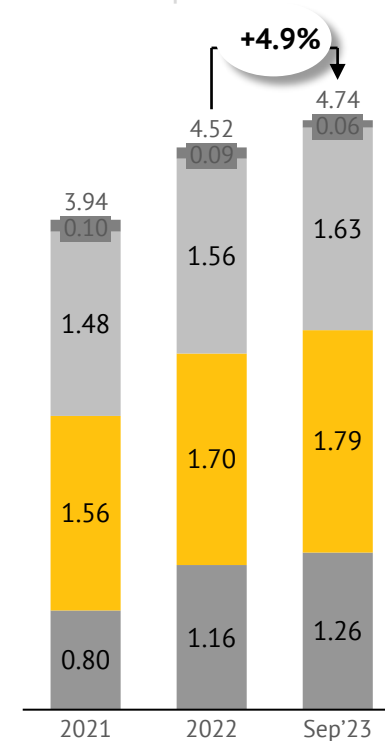


STOCK OF LOAN LOSS PROVISIONS, RON

BT – Stand Alone



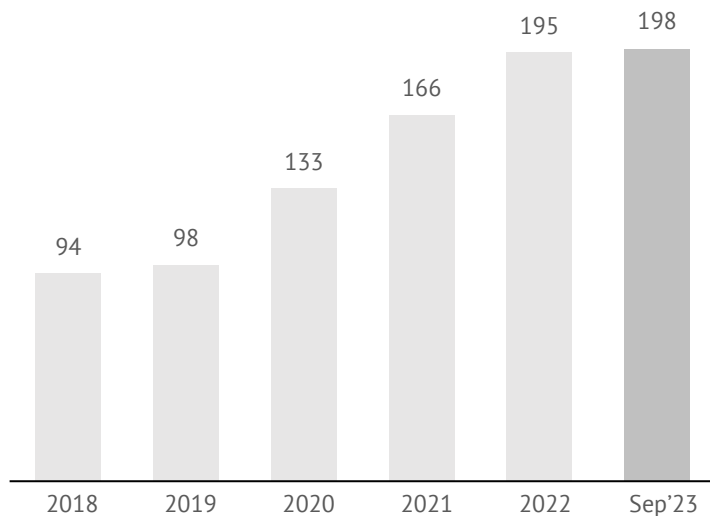
BT – Group





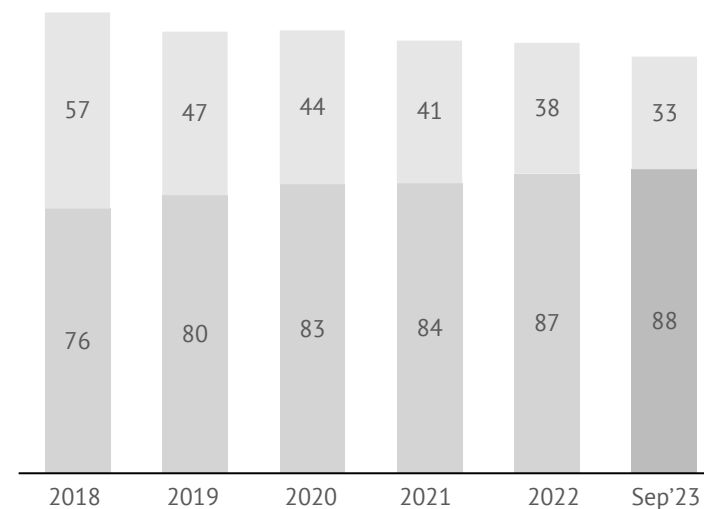
NPL: High resilience of loan quality due to dispersed portfolio

NPL COVERAGE RATIO* (EBA), %

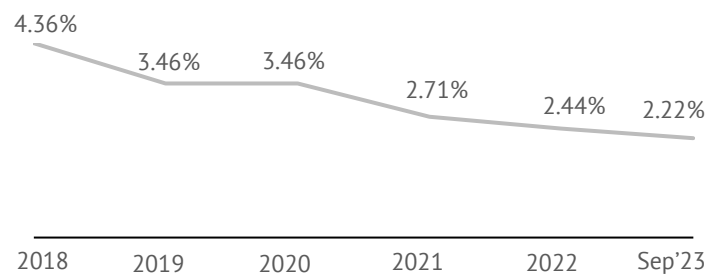


*Total ECL to EBA NPL

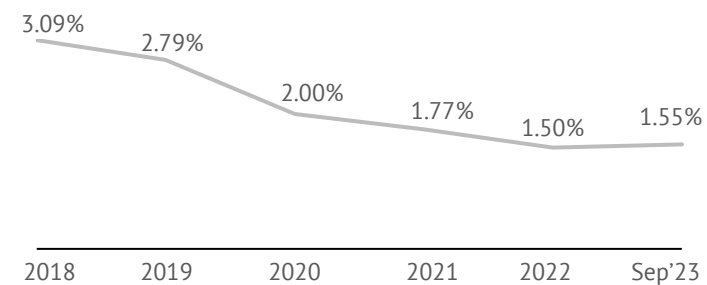
NPL COVERAGE RATIO (PAR90), %



■ NPL coverage with mortgage collaterals
■ NPL coverage with provisions



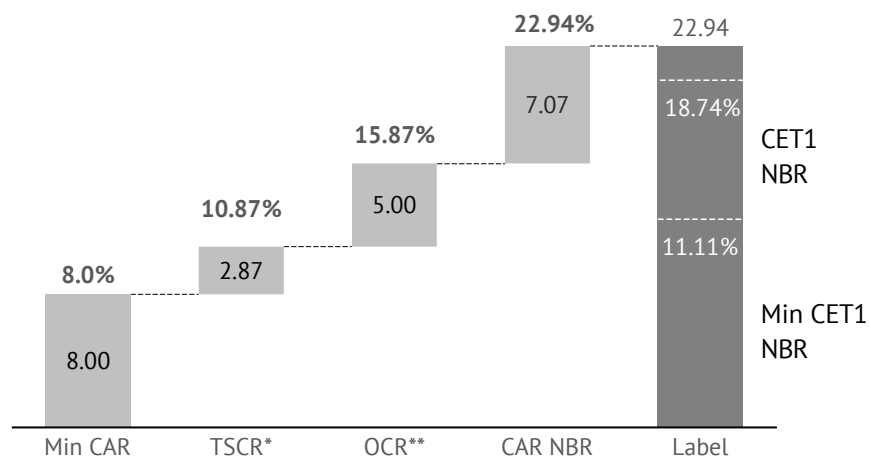
NPL Ratio (EBA)



NPL (PAR 90)

Comfortable solvency levels - maintained

CAPITAL RATIOS, %



STAND-ALONE BASIS, NBR COMPUTATION

FRAMEWORK, TRANSITIONAL, PROFIT INCLUDED:

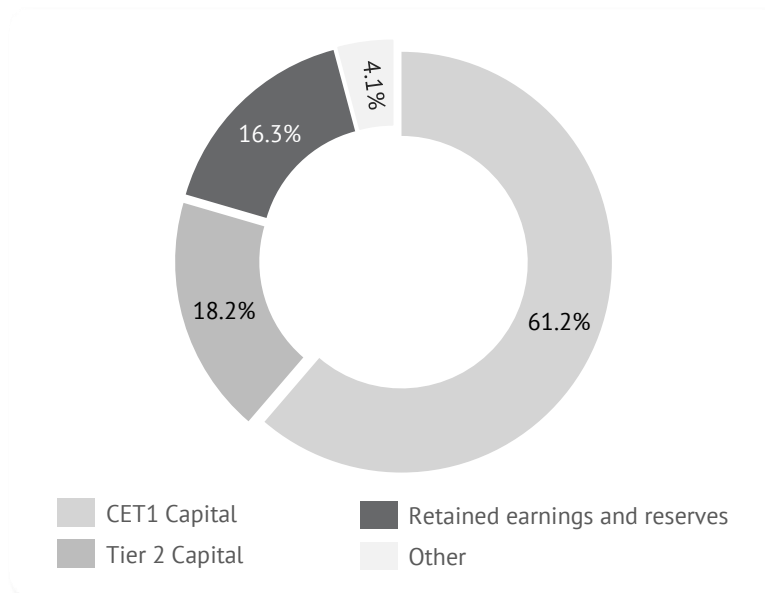
*TSCR includes Min CAR and additional requirements as regulated by NBR

**OCR includes TCSR and capital buffers

Capital buffers account for 5%:

- 2.5% conservation buffer plus
- 2% O-SII buffer plus
- 0% systemic risk buffer plus
- 0.5% countercyclical buffer (1% starting with Oct-23)

OWN FUNDS' STRUCTURE, %

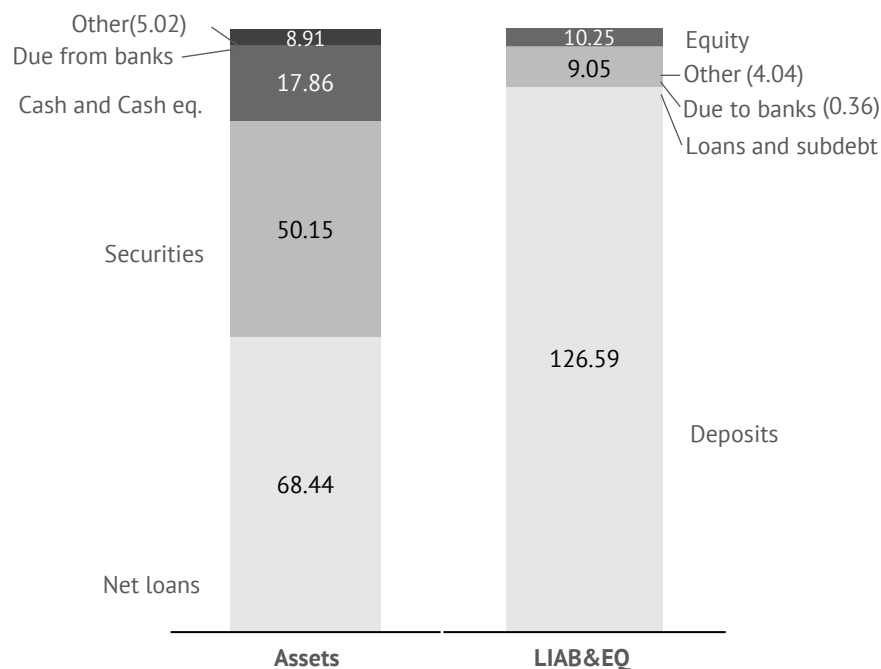


Banca Transilvania has strong capital positions, well above those imposed by capital requirements and regulatory guidance:

OWN FUNDS	RON 13.1BN
TOTAL RISK EXPOSURE	RON 57.3BN
RWA DENSITY	38%

High liquidity levels – maintained over the first nine months of the year

LIQUID BALANCE SHEET, %



LOAN-TO-DEPOSITS RATIO	57.5%
IMMEDIATE LIQUIDITY	49.8%
LCR	612%
NFSR	229%

NEW MTN PROGRAM APPROVED IN SEPTEMBER 2023



The second re-tap of EUR 190 million in August 2023 concluded the implementation of the EUR 1 billion MTN program approved in October 2022.



As per Sep'23 GSM a new MTN program of corporate bond issues was approved: EUR 1.5 billion, multi-currency, to be carried out over a maximum period of 5 years.



As per Sep'23 GSM, Banca Transilvania distributed, on 6th October 2023, **cash dividends of RON 902.5 million**, from the profit reserves of 2022 and 2021, given the robust capital ratios and high liquidity.

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Securing the future: a road map for sustainable investments



HEALTHCARE

16 YO.

IN HEALTHCARE
FINANCING MARKET

>40%

MARKET SHARE IN
HEALTHCARE FINANCING

~66K

NUMBER OF
CUSTOMERS

840MN

VALUE OF
NEW LOANS

~4.8BN

DEPOSITS

~3.4BN

LOANS



AGRICULTURE

1st

BANK IN ROMANIA WITH
A DEDICATED DIVISION

>20%

MARKET SHARE IN
AGRICULTURE FINANCING

>40K

NUMBER OF
CUSTOMERS

2.8BN

VALUE OF
NEW LOANS

2.4BN

DEPOSITS

5.5BN

LOANS

More sustainable Romania, one business at a time

GREEN INVESTMENTS FOR A GREENER FUTURE



BT granted EUR 47 million to E-INFRA Group for the construction of the **Doicești-Șotânga photovoltaic (PV) park**, with an installed power of 80 MW.

The PV park consists of more than 123,000 solar panels with a lifespan of 25 years, being built on an area of over 115 hectares. It is also connected to the National Energy System through the two 110 kV/MT/JT transformation stations, Doicești and Șotânga.

FROM VALUABLE INSIGHTS TO ACTIONABLE INTELLIGENCE

In June-September, BT hosted 3 events dedicated to local entrepreneurs in **Bucharest, Cluj, and Timisoara**, with over 420 participants.

Themed ***Renewable Energy: Technical Solutions and Financing Opportunities***, these sessions featured panels on green energy production and energy efficiency solutions for businesses. We are committed to supporting entrepreneurs in their transition to a more sustainable future, by providing them with **access to expert knowledge and financial resources**.



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STUP: first year in figures

14,000

MEMBERS IN THE
COMMUNITY

6,000

PARTICIPANTS TO
EVENTS

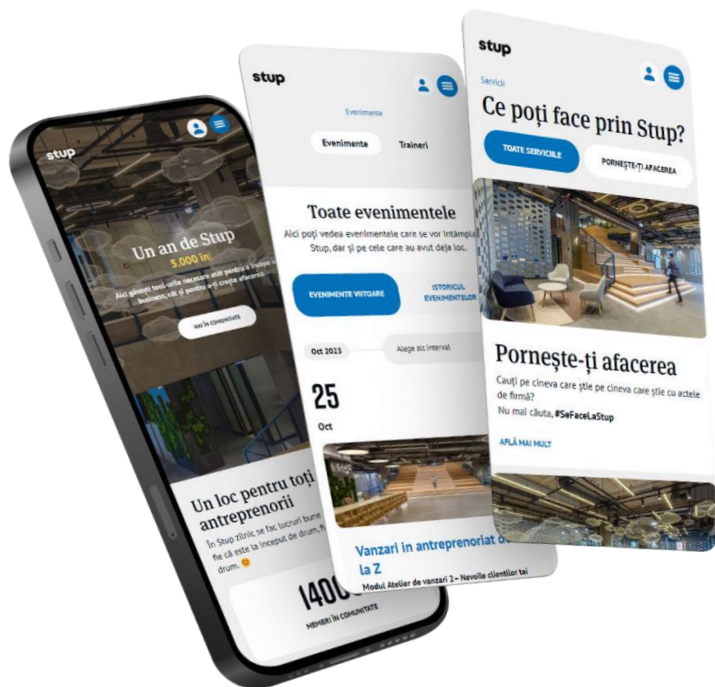
5,000

ONE-ON-ONE
MEETINGS

2,600

ENTREPRENEURS ACCESSING
STUP SOLUTIONS

STUP – One stop shop for Entrepreneurs



One-stop-shop for entrepreneurs

Sprint in Entrepreneurship

First steps in business: from
establishment to financial analysis

Stup Unplugged

Online solutions: from accounting
solutions to electronic signature

Stup Edition in ZF Online

Stup Fest: a dedicated shopping
event for entrepreneurs

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Banca Transilvania Financial Group as of 30/09/2023



TOTAL ASSETS
RON 150BN



TOTAL AUM
RON 4,300MN



TOTAL ASSETS
RON 952MN



TOTAL ASSETS
RON 844MN



TOTAL ASSETS
RON 3,465MN



TOTAL ASSETS
RON 878MN



TOTAL AUM
RON 196MN



TOTAL ASSETS
RON 5,272MN



TOTAL ASSETS*
RON 2,263MN

*Values refer to Idea Group

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INCOME STATEMENT, IFRS INDIVIDUAL

RON I MN	9M 2023	9M 2022	Δ
Net interest income	3,099.5	2,616.4	18.5%
Net fee and commission income	815.2	727.1	12.1%
Net trading income	451.5	502.1	-10.1%
Other net income	275.1	1.2	>100%
OPERATING INCOME	4,641.3	3,846.8	20.7%
Personnel expenses	(1,208.1)	(1,022.1)	18.2%
D&A	(298.6)	(257.5)	15.9%
Other operating expenses	(628.3)	(719.8)	-12.7%
OPERATING EXPENSES	(2,135.0)	(1,999.3)	6.8%
PRE-PROVISION OPERATING PROFIT	2,506.3	1,847.4	35.7%
COST OF RISK	(139.9)	(197.8)	-29.3%
NET INCOME BEFORE TAXATION	2,366.3	1,649.6	43.5%
Income tax (expense)/revenue	(506.9)	(208.6)	143.0%
NET INCOME	1,859.5	1,440.9	29.0%

ANNEX 1

BALANCE SHEET, IFRS INDIVIDUAL

RON | MN

	SEP/23	DEC/22	Δ
Cash & cash equivalents	17,859.0	12,645.2	41.2%
Placements with banks and public institutions	8,911.7	6,634.9	34.3%
Loans to customers, net	68,436.6	63,450.0	7.9%
T-bills & securities	50,153.7	45,823.0	9.5%
Fixed assets	1,181.5	1,161.0	1.8%
Right-of-use assets	616.6	696.8	-11.5%
Investments in associates	710.4	708.4	0.3%
Current tax assets	0.0	26.6	
Deferred tax assets	509.0	747.8	-31.9%
Other financial assets	1,857.9	1,935.6	-4.0%
Other non-financial assets	141.0	131.0	7.7%
TOTAL ASSETS	150,377.4	133,960.2	12.3%
Deposits from banks	357.3	1,631.5	-78.1%
Deposits from customers	126,589.2	116,503.8	8.7%
Loans from banks and FIs	6,264.4	3,562.5	75.8%
Subordinated loan	2,781.7	1,718.9	61.8%
Current tax liabilities	108.9	0.0	
Deferred tax liabilities	0.0	0.0	
Provisions for other risks and charges	420.2	431.3	-2.6%
Financial liabilities from leasing contracts	588.1	663.7	-11.4%
Other financial liabilities	2,882.8	1,357.7	112.3%
Other non-financial liabilities	138.2	132.6	4.2%
TOTAL LIABILITIES	140,130.8	126,002.1	11.2%
SHAREHOLDERS' EQUITY	10,246.6	7,958.2	28.8%
TOTAL LIABILITIES AND EQUITY	150,377.4	133,960.2	12.3%

ANNEX 2

INCOME STATEMENT, IFRS CONSOLIDATED

RON I MN	9M 2023	9M 2022	Δ
Net interest income	3,793.5	3,145.7	20.6%
Net fee and commission income	941.7	852.4	10.5%
Net trading income	524.8	553.2	-5.1%
Other net income	368.5	(123.5)	
OPERATING INCOME	5,628.6	4,427.8	27.1%
Personnel expenses	(1,450.4)	(1,211.0)	19.8%
D&A	(331.5)	(286.9)	15.5%
Other operating expenses	(751.4)	(673.5)	11.6%
OPERATING EXPENSES	(2,533.3)	(2,171.4)	16.7%
PRE-PROVISION OPERATING PROFIT	3,095.3	2,256.4	37.2%
COST OF RISK	(215.3)	(317.6)	-32.2%
NET INCOME BEFORE TAXATION	2,880.0	1,938.8	48.5%
Income tax (expense)/revenue	(588.5)	(260.9)	125.6%
NET INCOME	2,291.5	1,677.9	36.6%

ANNEX 2

BALANCE SHEET, IFRS CONSOLIDATED

RON I MN

	SEP/23	DEC/22	Δ
Cash & cash equivalents	19,780.8	14,540.7	36.0%
Placements with banks and public institutions	8,036.3	5,567.3	44.3%
Loans to customers, net	72,607.0	68,013.5	6.8%
T-bills & securities	51,901.9	47,191.3	10.0%
Fixed assets	2,082.5	1,835.0	13.5%
Right-of-use assets	420.3	488.0	-13.9%
Investments in associates	2.3	3.7	-39.0%
Current tax assets	0.0	14.9	
Deferred tax assets	531.6	791.6	-32.8%
Other financial assets	2,054.7	1,887.0	8.9%
Other non-financial assets	204.8	177.6	15.3%
TOTAL ASSETS	157,622.1	140,510.8	12.2%
Deposits from banks	315.1	1,678.1	-81.2%
Deposits from customers	129,927.7	119,731.7	8.5%
Loans from banks and FIs	7,207.3	4,840.9	48.9%
Subordinated loan	2,810.5	1,748.3	60.8%
Current tax liabilities	122.8	0.0	
Deferred tax liabilities	0.0	0.0	
Provisions for other risks and charges	488.5	500.5	-2.4%
Financial liabilities from leasing contracts	423.9	493.0	-14.0%
Other financial liabilities	3,709.9	1,831.4	102.6%
Other non-financial liabilities	216.5	215.4	0.5%
TOTAL LIABILITIES	145,222.1	131,039.3	10.8%
SHAREHOLDERS' EQUITY	11,734.5	8,918.9	31.6%
Non-controlling interest	665.5	552.7	20.4%
TOTAL LIABILITIES AND EQUITY	157,622.1	140,510.8	12.2%



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