



Banca Transilvania,
the banking market leader in Romania
August 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:
>19% market share



Net profit: 907 million

3.75 million clients



Loans: RON 64.9 billion

72% Romanian capital

Deposits: RON 110.9 billion

2.5 million unique
digital cards in wallets

Almost 800 new
retail loans/day

5 million cards



12 transactions/second
with BT cards

Over 40,000
shareholders



>3 million unique
digitalized customers



CAR: 22.39%

Total provisioning coverage of
non-performing exposures: 180%

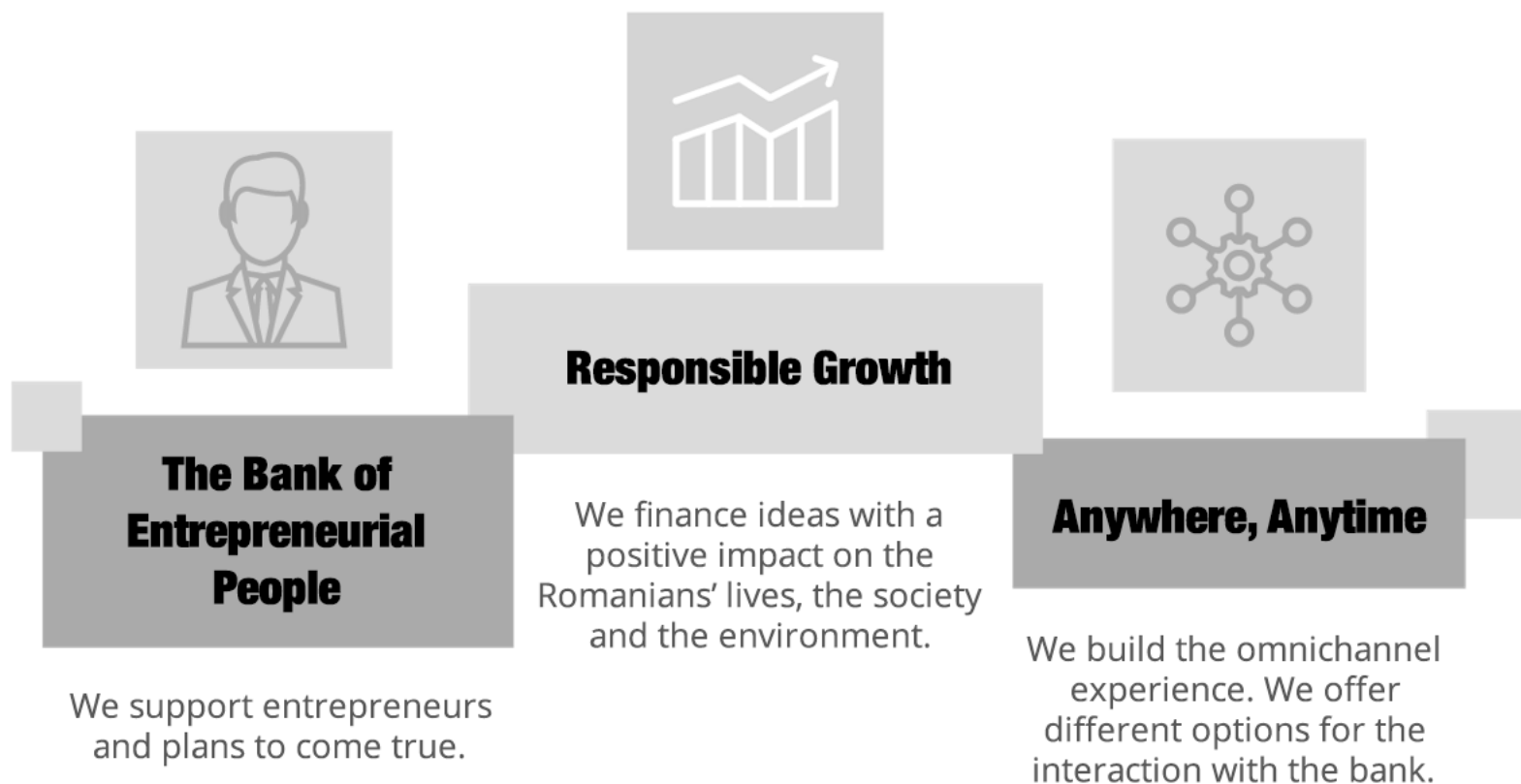
Non-performing
exposures ratio: 2.55%

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

72,8%

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

- Banca Transilvania represents the most important lender in Romania.
- Romania is the largest country in Southern-Eastern Europe, with a population of over 19m, member of the Euro-Atlantic structures.
- GDP/capita at PPP: >72% of the EU average and >71% of OCDE level.
- At the beginning of 2022, the Organisation for Economic Cooperation and Development launched the negotiations with several countries, including Romania.
- The sectors with high development potential in Romania: industry, infrastructure, agriculture, education, IT, tourism, as well as energy, especially taking into account the transition towards a new economic model, based on green energy and digitalisation.
- For instance, the gross value added in IT&C +13.4% YoY in 2021 and up by 23.6% YoY in 1Q 2022. The weight of the IT&C in GDP rose to 6.35% in 2021, a record high level. More information on [BTResearch](#).

- The increase of the foreign direct investments by over **20%** YoY in 1H2022 confirms the confidence of the foreign capital in the mid-run growth and development potential of Romania.
- Our economy presented a high level of resilience to the overlapping supply-side shocks, the domestic political tensions (2021) and the regional geo-political tensions (2022), an evolution determined by the improvement of the contribution of the production factors to the YoY pace of the potential output.
- The economic policy measures implemented in 2020 contributed to the confirmation of the investment rating and to the decline of the long-term financing cost in Romania in 2021.
 - In the Spring of 2021 S&P improved the sovereign rating outlook from negative to stable.
 - Moody's revised the rating outlook from negative to stable in the Autumn of 2021.
- Several companies are at present in the FTSE indexes, which includes Banca Transilvania. More information on [BTResearch](#).

+5.8% YoY

The growth pace of Romanian economy in H1 2022

+12.5% YoY

The average growth pace of total assets at sector level

- The positive climate across the Romanian banking sector consolidated in 1H 2022, being noticed the resilience to the overlapping shocks, including the outbreak of the crisis in Ukraine.
- This resilience was determined by the continuity of the post-pandemic economic recovery, the low level of the real financing costs and the monetary cycle implemented by the central bank.
- There can be noticed the increase of the non-government loans by an average annual pace of **16.2%** in 1H2022.
- The non-government deposits climbed by **11.1%** YoY during January-June.
- The total assets and the net aggregate financial result of the banking sector improved by average annual paces of **12.5%** and **14.1%**, respectively in 1H 2022.
- In Romania are active 34 banks at present, Banca Transilvania being the leader. The banks controlled by Romanian capital have a cumulated market share of over 18%, while those controlled by the foreign capital of around 80%. More information on [BTResearch](#).

BT's road to banking leadership

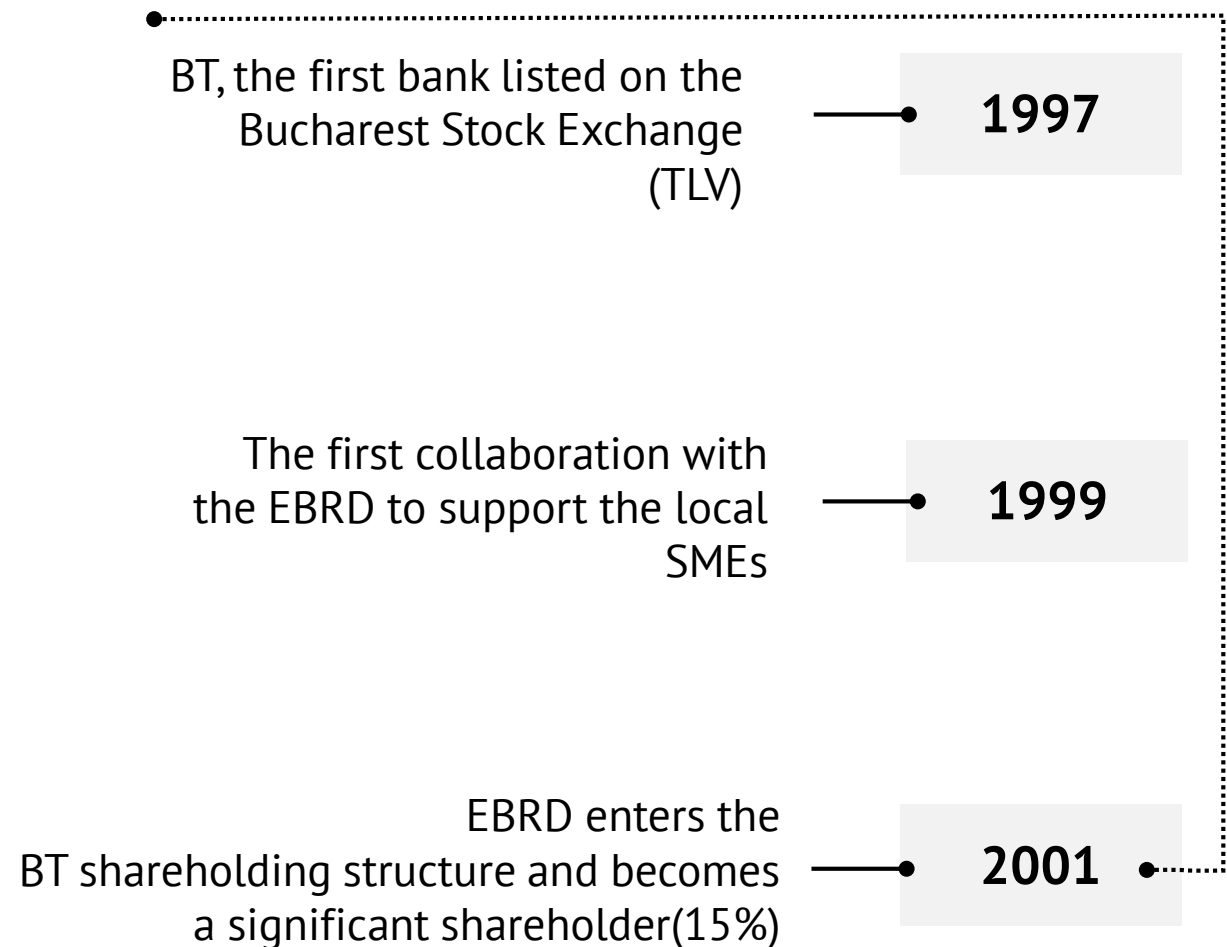
When and how did our **story** begin?

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.

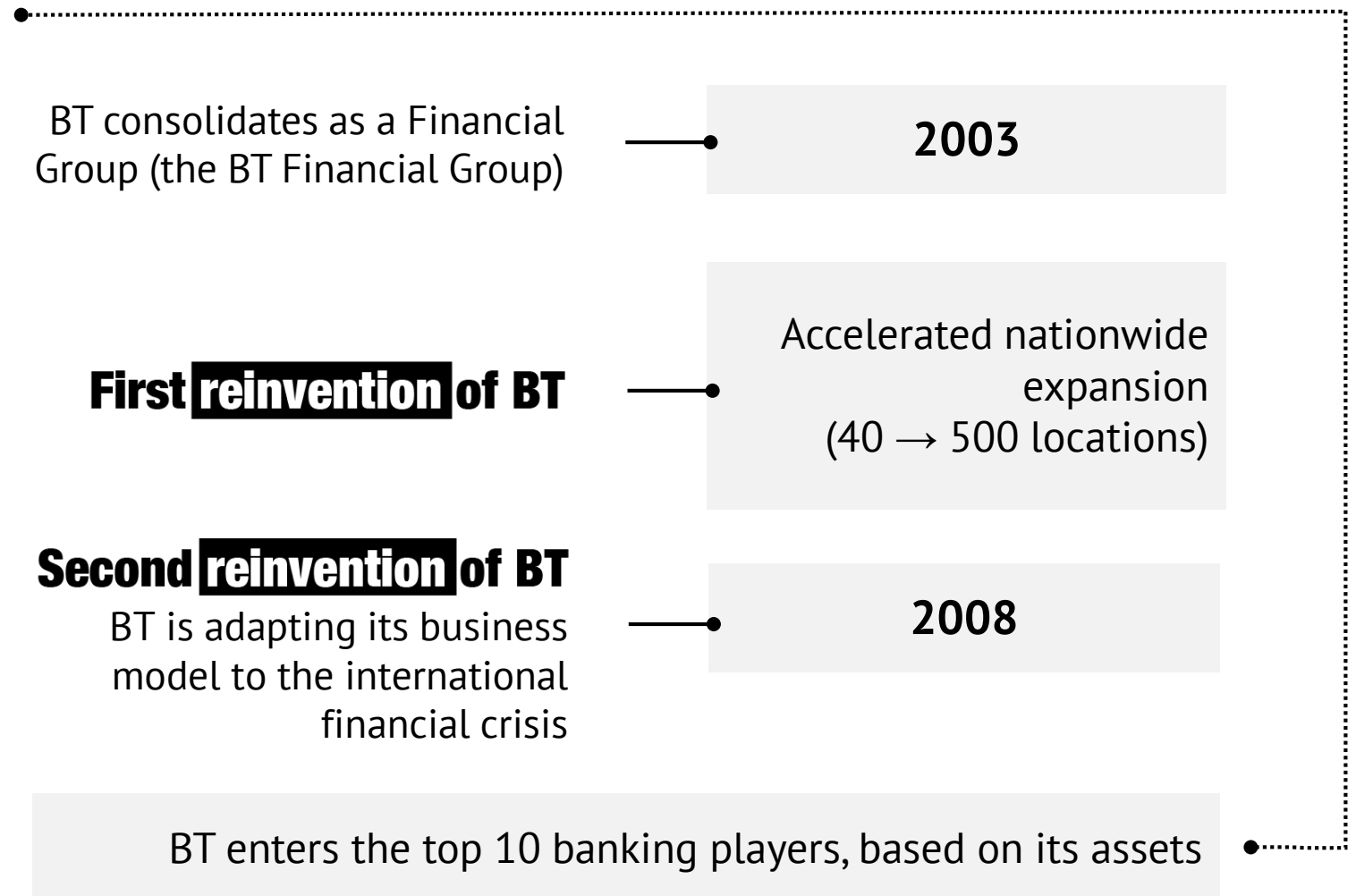
Chapter 1 of the BT's story : 1994-2001

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](#)

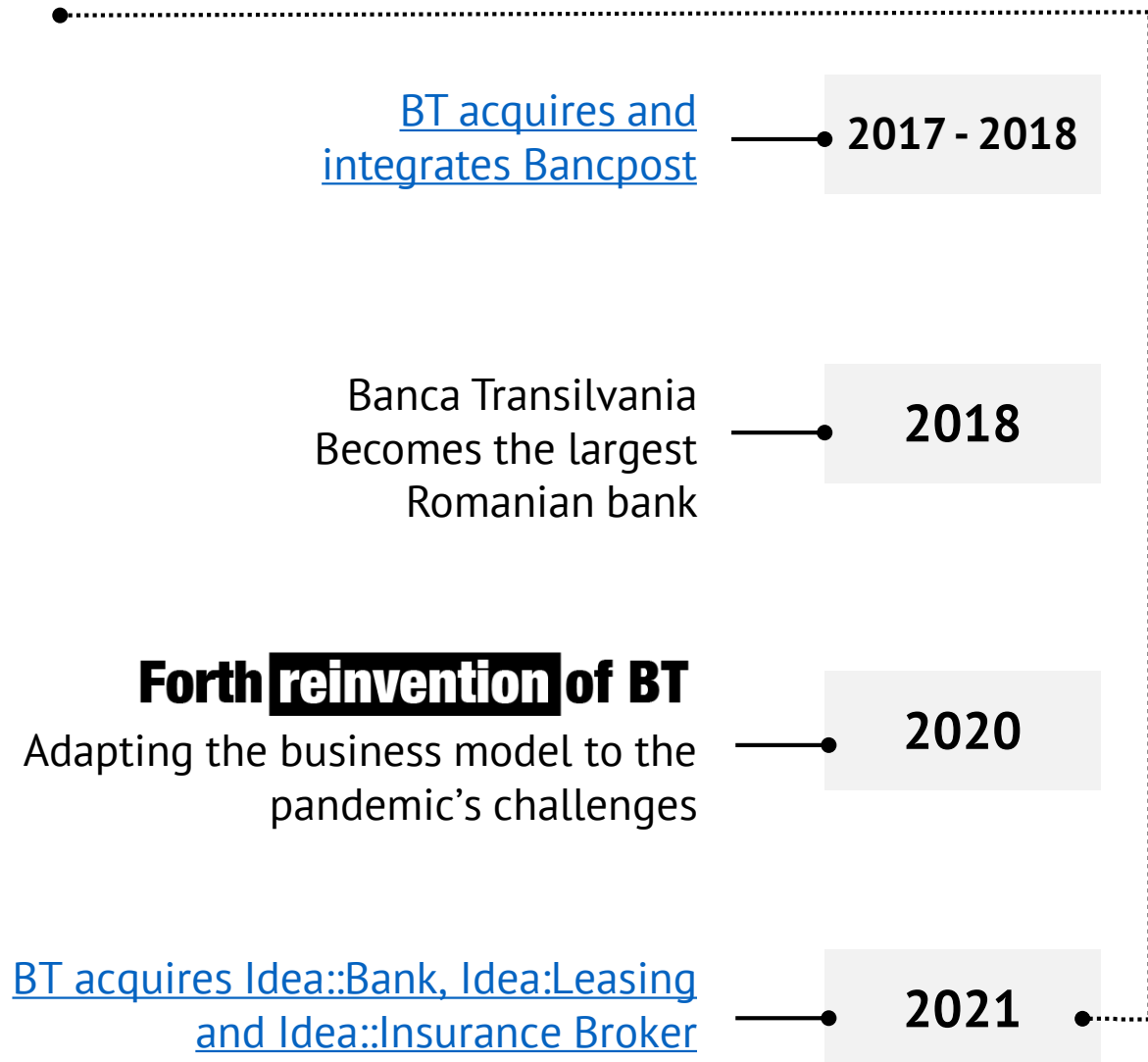
2015 - 2016

BT becomes the second largest Romanian bank

2016

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

Leadership in Banking



**Banca Transilvania continues
financing the economy**

- **The number of customers continued to grow**, with BT attracting 285,000 customers in the first six months of the year, reaching a total figure of 3.75 million customers.
- **Loans increased** to RON 64.9 billion, +15.58% compared to the end of last year.
- **BT offered good returns to customers with savings.** The deposits reached RON 110.9 billion, of which RON 72.8 billion represent deposits of individuals and RON 38.1 billion of legal entities.
- **Building the digital behaviour:** BT has over 3 million unique digitalised customers, which represents 82% of the total customers' base.
- **BT, the largest partner in government programmes:** SME Invest and AGRO SME Invest, as well as in other SME guarantee schemes launched in 2022, with a total financed value exceeding RON 2.8 billion.
- **Consolidation and growing expertise:** Banca Transilvania started building the first 100% digital bank in Romania around Idea::Bank, part of the BT Group, bank that was acquired this year. [#FinancialResults](#)

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 (2017-2021)



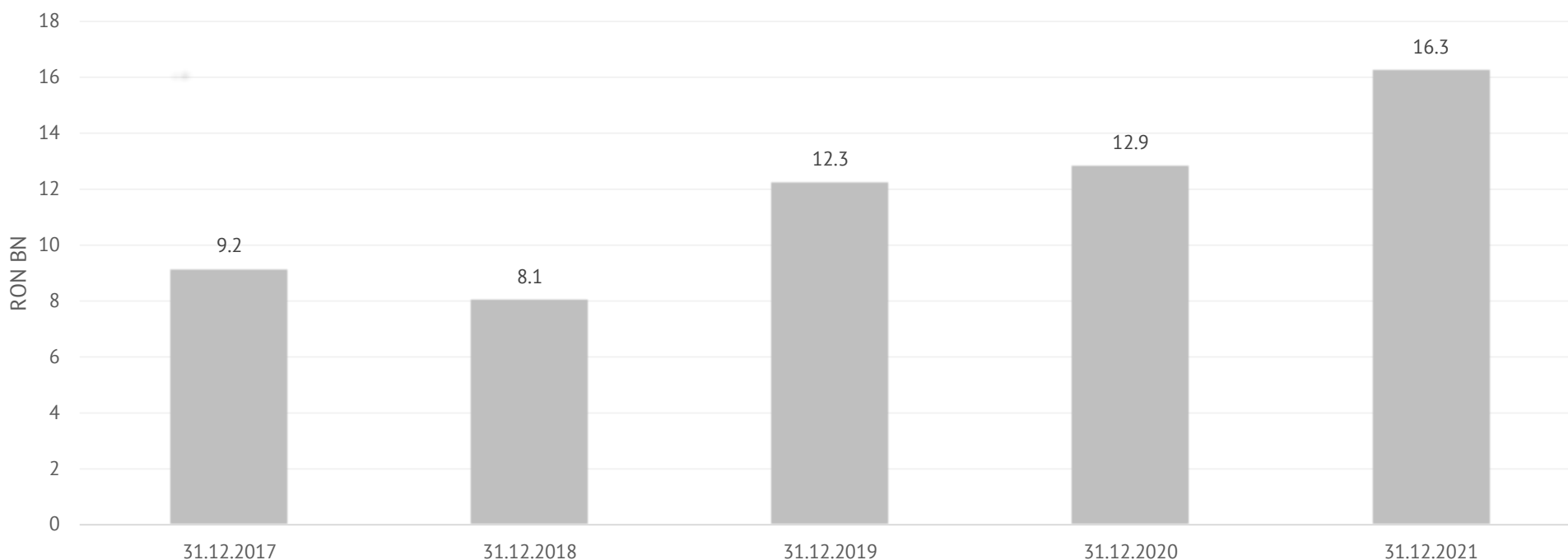
31.12.2021: RON 16.3 billion (EUR 3.7 billion)

31.12.2020: RON 12.9 billion (EUR 2.7 billion)

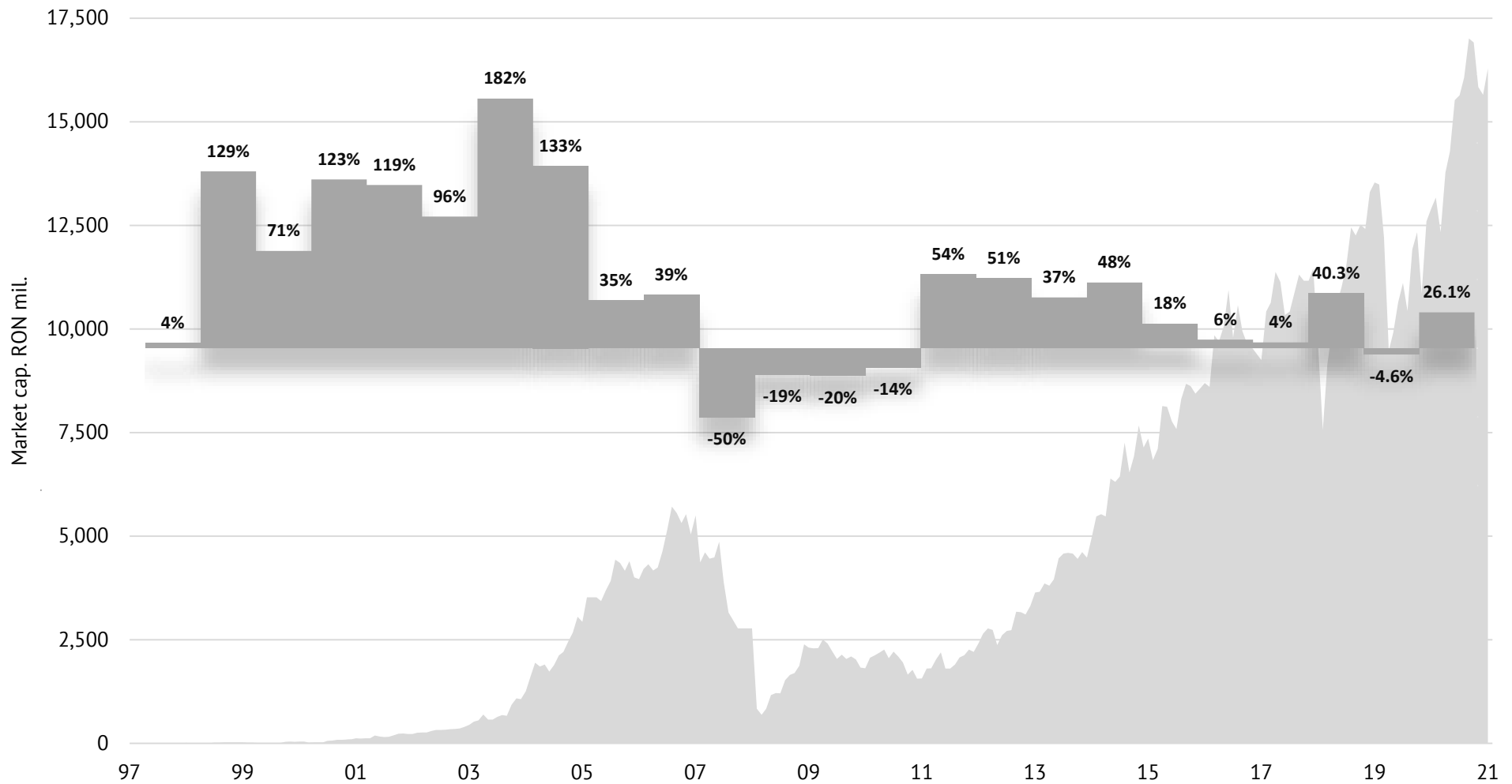
31.12.2019: RON 12.3 billion (EUR 2.6 billion)

31.12.2018: RON 8.1 billion (EUR 1.7 billion)

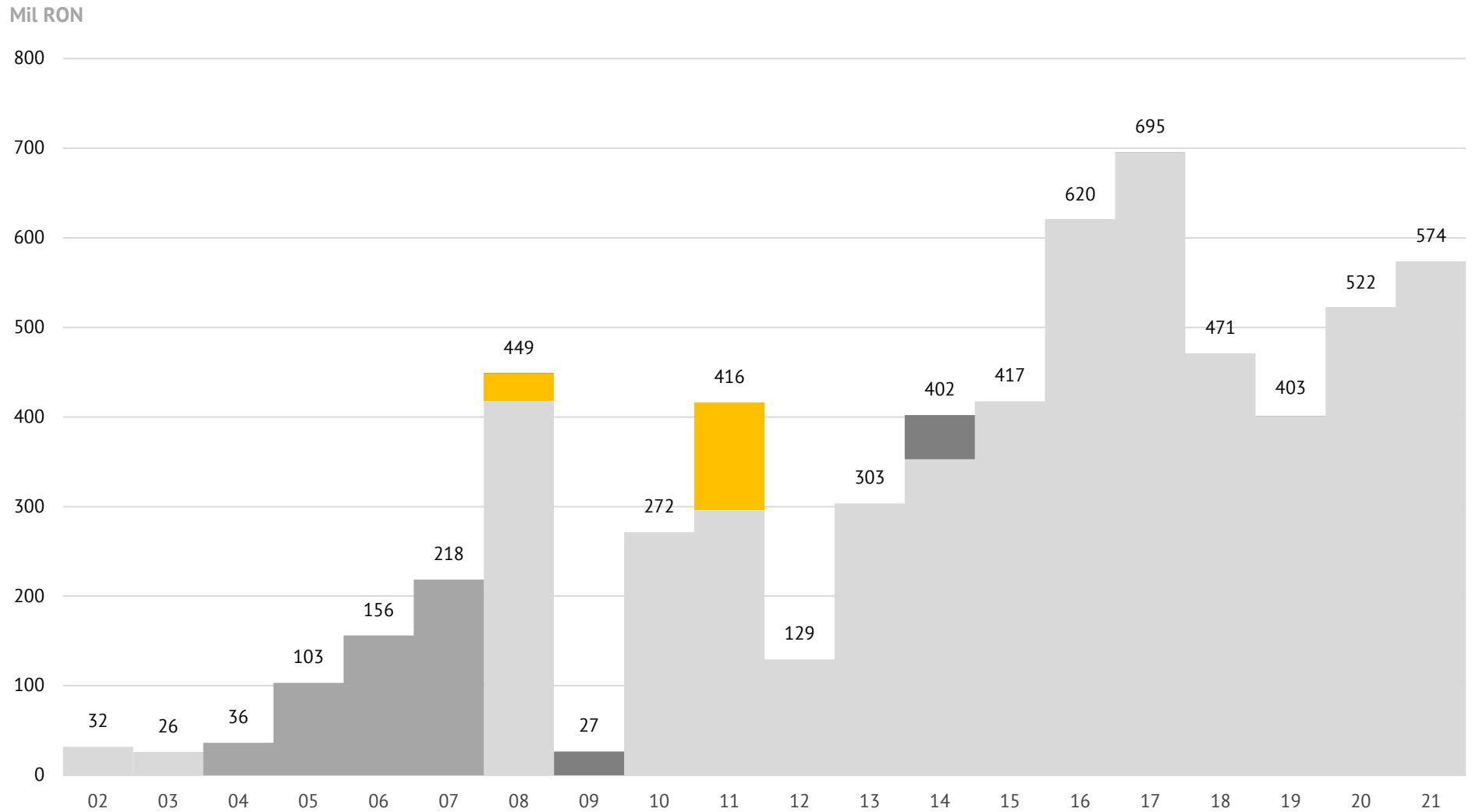
31.12.2017: RON 9.2 billion (EUR 2 billion)



BT capital increases on the BSE



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

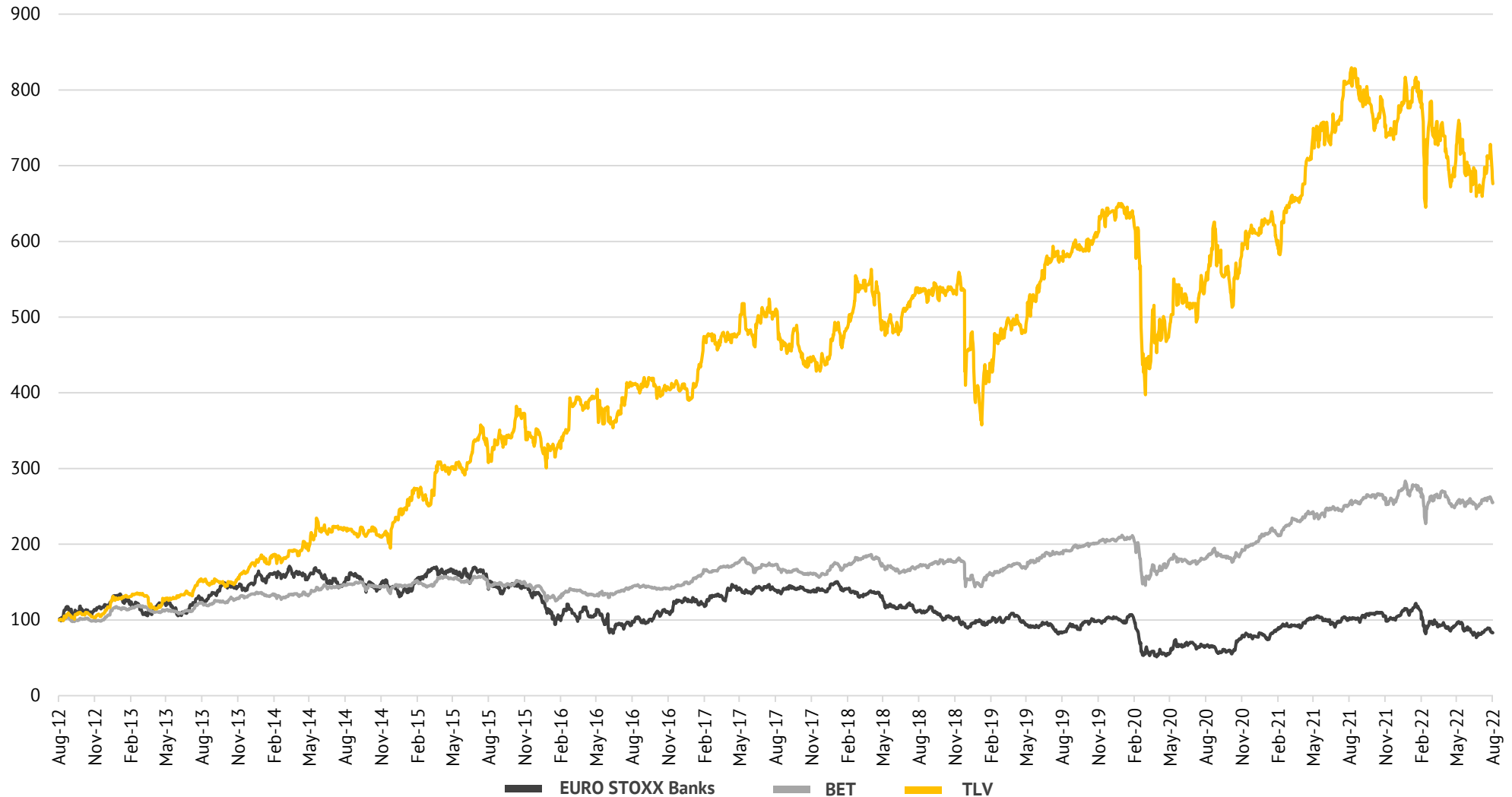


The BT capital increased by: Conversion Cash Free shares + cash Free shares

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} 20.2 lei

No. shares 707.7 m

capitalization 14.436 mil lei

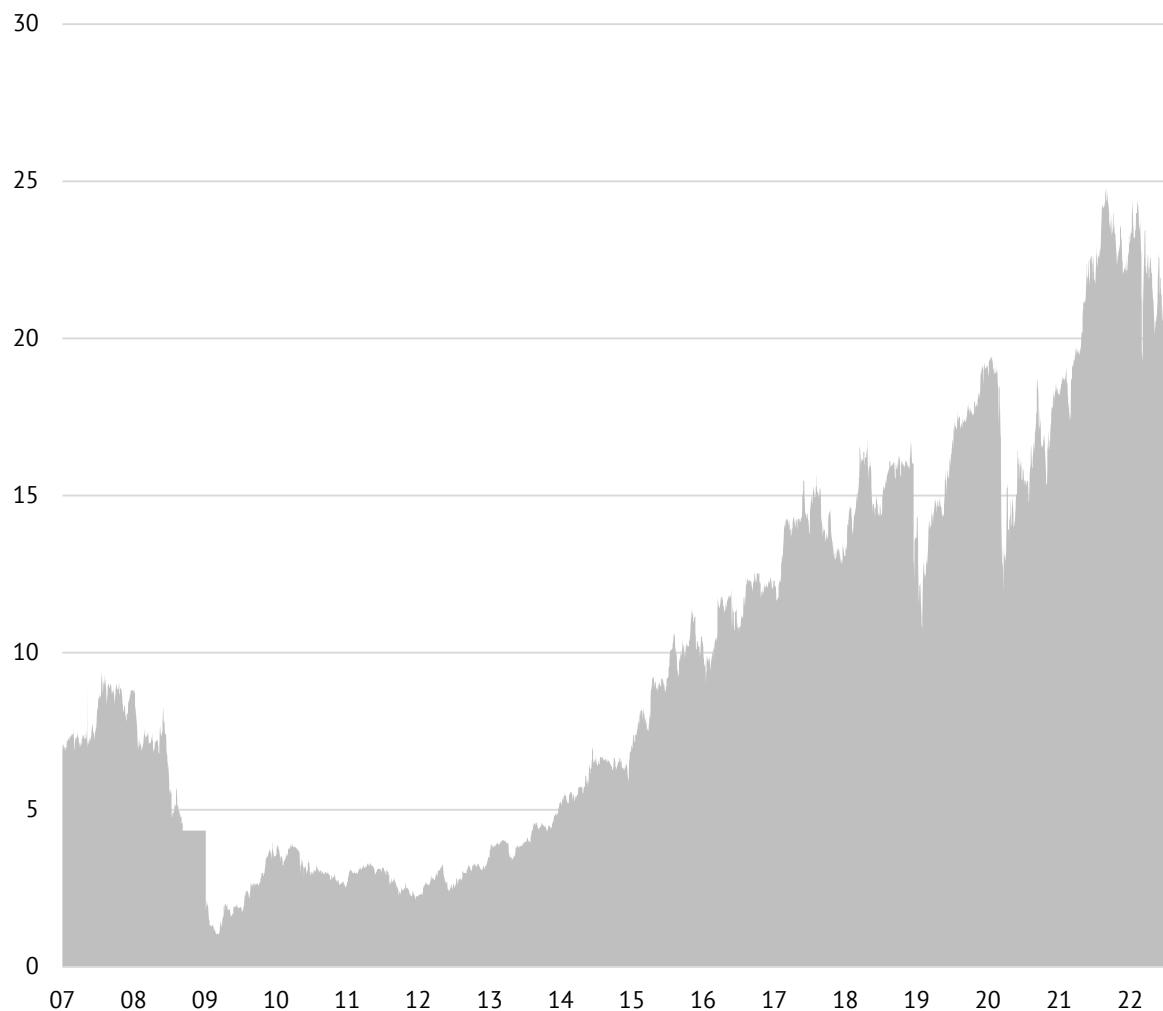
evolution YTD -12.2%

evolution YoY -16.8%

vs. maxim 2007 +116.4%

vs. minim 2009 +1.902,4%

TLV evolution 2007-2022



Sustainability

journey in 2022

Sustainability journey in 2022



First ESG Risk Rating obtained in June 2022 from Sustainalytics:



Top 15%
of all Sustainalytics universe

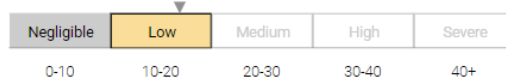
No.133

from 1,003 banks globally

Top 8%

of regional banks

17.0 Low Risk



Strong performance was noted in the following area:

- ✓ governance of product offer and;
- ✓ exclusion lists of polluting sectors, such as the financing of fossil fuels;
- ✓ responsible marketing policy;
- ✓ initiatives implemented for human capital development.

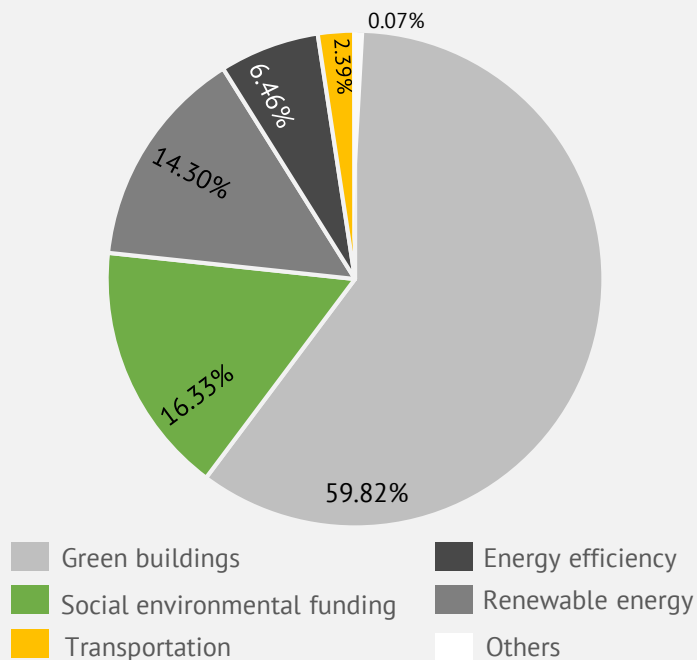
First ever blue financing loan in Central and Eastern Europe

The landmark €100 million loan will increase funding for blue economy projects in Romania:

- ✓ to improve access to water
- ✓ to improve water management practices
- ✓ to reduce and wastewater treatment.



SHARE OF GREEN LOANS BY SECTOR 30.06.2022, ACCORDING TO CAFI



GHG REDUCED: 718,823 tCO₂/year, EQUIVALENT OF:



154,884

Gasoline-powered passenger vehicles driven for one year

90,545

Homes' energy use for one year



1,961 HA

Capture of carbon dioxide from the atmosphere by 1,961 HA of forest which was not transformed in cropland

Sustainability journey in 2022



Green or sustainability-oriented banking: a must for a better future:

C O M P A N I E S

RON 784 MN

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

130%

increase in the number of green loans granted in H1 2022 as compared with full year 2021

RON 350 MN

outstanding loans for BREEAM certified real estate projects, in addition to green loans above

R E T A I L

RON 1,417 MN

green loans to private individuals in the loan portfolio as of 30.06.2022

RON 502 MN

car leasing for electric or hybrid vehicles, financed value of RON 144mn in H1 2022 (806 vehicles)

1.5 MN cards

environmentally friendly cards

1 in 5

Mortgages granted in H1 2022 are green mortgages (grade A energy efficiency certificate)

