

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.

Banca Transilvania | Communications and Public Relations

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.

Investors contact investor.relations@btrl.ro | Press contact comunicare@btrl.ro

**SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022**

ASSETS	Bank			Group		
	31-dec-22 RON thousand	31-dec-21 RON thousand	Δ dec 22 vs dec 21	31-dec-22 RON thousand	31-dec-21 RON thousand	Δ dec 22 vs dec 21
Cash and cash equivalents at Central Bank	12,645,157	16,763,625	-24.57%	14,540,717	18,320,913	-20.63%
Placements with banks and public institutions	6,634,858	9,612,690	-30.98%	5,567,332	10,394,297	-46.44%
Financial assets held for trading of which:	249,136	111,049	124.35%	539,813	419,377	28.72%
<i>Derivatives</i>	218,443	79,842	173.59%	218,443	80,927	169.93%
<i>Equity instruments</i>	30,693	31,207	-1.65%	212,829	205,313	3.66%
<i>Debt instruments</i>	-	-	-	108,541	133,137	-18.47%
Loans and advances to customers - net (*)	63,449,954	52,238,523	21.46%	68,013,517	56,117,785	21.20%
Financial assets measured mandatorily at fair value through profit or loss	1,474,595	1,465,497	0.62%	1,106,041	1,108,316	-0.21%
Financial assets measured at fair value through other comprehensive income	43,124,154	40,853,784	5.56%	43,485,732	41,193,373	5.56%
Financial assets at amortized cost - debt instruments	975,159	355,331	174.44%	2,059,712	1,483,111	38.88%
Equity investments	708,412	735,486	-3.68%	-	-	-
Investments in associates	-	-	-	3,737	4,459	-16.19%
Property plant and equipment	731,037	652,581	12.02%	1,174,446	1,064,215	10.36%
Intangible assets	429,960	334,783	28.43%	506,238	406,244	24.61%
Right-of-use assets	696,798	706,647	-1.39%	487,957	492,021	-0.83%
Goodwill	-	-	-	154,363	22,424	588.38%
Current tax assets	26,627	-	-	14,947	-	-
Deferred tax assets	747,800	227,724	228.38%	791,605	257,885	206.96%
Other financial assets	1,935,629	884,171	118.92%	1,887,028	1,054,904	78.88%
Other non-financial assets	130,953	120,142	9.00%	177,610	161,866	9.73%
Total assets	133,960,229	125,062,033	7.12%	140,510,795	132,501,190	6.04%

(*) At a group level it also includes the impact of leasing activities

	Bank			Group		
	31-dec-22 RON thousand	31-dec-21 RON thousand	Δ dec 22 vs dec 21	31-dec-22 RON thousand	31-dec-21 RON thousand	Δ dec 22 vs dec 21
LIABILITIES						
Held for trading financial liabilities	41,695	38,689	7.77%	41,695	39,179	6.42%
Deposits from banks	1,631,542	952,453	71.30%	1,678,082	1,024,259	63.83%
Deposits from customers	116,503,842	102,698,085	13.44%	119,731,729	108,021,629	10.84%
Loans from banks and other financial institutions	3,562,483	7,457,843	-52.23%	4,840,928	7,929,500	-38.95%
Other subordinated liabilities	1,718,909	1,706,234	0.74%	1,748,260	1,762,484	-0.81%
Provisions for other risks and for loan commitments	431,296	493,006	-12.52%	500,546	538,460	-7.04%
Current tax liability	-	62,076	-	-	68,357	-
Deferred tax liabilities	-	-	-	-	-	-
Financial lease liabilities	663,680	716,569	-7.38%	492,956	498,597	-1.13%
Other financial liabilities (*)	1,315,969	1,440,467	-8.64%	1,789,692	1,860,504	-3.81%
Other non-financial liabilities	132,636	143,486	-7.56%	215,374	194,087	10.97%
Total liabilities	126,002,052	115,708,908	8.90%	131,039,262	121,937,056	7.46%
EQUITY						
Share capital	7,163,083	6,397,971	11.96%	7,163,083	6,397,971	11.96%
Treasury shares	(49,463)	-	-	(64,750)	(15,287)	323.56%
Share premiums	28,614	28,614	-	31,235	31,235	-
Retained earnings	3,558,320	3,051,409	16.61%	4,457,854	3,736,875	19.29%
Other reserves	(2,742,377)	(124,869)	-	(2,668,556)	(58,512)	-
Total equity	7,958,177	9,353,125	-14.91%	8,918,866	10,092,282	-11.63%
Non-controlling interests	-	-	-	552,667	471,852	17.13%
Total liabilities and equity	133,960,229	125,062,033	7.12%	140,510,795	132,501,190	6.04%

(*) At a group level it also includes the financial liabilities towards fund unit holders

Note: The preliminary annual financial statements as at 31.12.2022 are not audited or reviewed and those as at 31.12.2021 are audited.

DEPUTY CEO

GEORGE CĂLINESCU

**COORDINATING MANAGER
ACCOUNTING AND REPORTING
MIRCEA ȘTEFĂNESCU**

SEPARATE AND CONSOLIDATED PROFIT AND LOSS ACCOUNT AS AT DECEMBER 31, 2022

	Bank			Group		
	31-dec-22	31-dec-21	Δ dec 22	31-dec-22	31-dec-21	Δ dec 22
	RON	RON	vs dec 21	RON	RON	vs dec 21
	thousand	thousand		thousand	thousand	
Interest income calculated using the effective interest method	5,136,663	3,236,110	58.73%	5,769,630	3,570,594	61.59%
Other similar income	30,203	11,668	158.85%	262,146	125,159	109.45%
Interest expense	(1,502,270)	(501,261)	199.70%	(1,602,950)	(552,281)	190.24%
Other similar expense	(6,356)	(6,681)	-4.86%	(2,167)	(1,353)	60.16%
Net interest income	3,658,240	2,739,836	33.52%	4,426,659	3,142,119	40.88%
Fee and commission income	1,526,826	1,219,845	25.17%	1,781,324	1,432,875	24.32%
Fee and commission expense	(528,369)	(413,569)	27.76%	(613,492)	(471,518)	30.11%
Net fee and commission income	998,457	806,276	23.84%	1,167,832	961,357	21.48%
Net trading income	597,139	461,286	29.45%	686,070	528,682	29.77%
Net loss/gain from financial assets measured through other comprehensive income	(126,119)	178,960	-170.47%	(121,638)	179,023	-167.95%
Net loss/gain from financial assets mandatorily measured through profit and loss	(13,842)	64,488	-121.46%	(17,252)	38,409	-144.92%
Contribution to the Banking Deposits Guarantee Fund and Resolution Fund	(143,513)	(82,022)	74.97%	(153,684)	(90,000)	70.76%
Other operating income	389,627	179,354	117.24%	291,969	181,824	60.58%
Operating income	5,359,989	4,348,178	23.27%	6,279,956	4,941,414	27.09%
Personnel expenses	(1,385,160)	(1,159,065)	19.51%	(1,655,533)	(1,328,277)	24.64%
Depreciation and amortization	(350,902)	(340,579)	3.03%	(392,996)	(357,831)	9.83%
Other operating expenses	(925,226)	(591,339)	56.46%	(935,219)	(695,892)	34.39%
Operating expenses	(2,661,288)	(2,090,983)	27.27%	(2,983,748)	(2,382,000)	25.26%
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	(320,081)	(354,630)	-9.74%	(553,162)	(385,844)	43.36%
(Other) Provisions and reversal of provisions	42,060	119,803	-64.89%	58,007	129,228	-55.11%
Profit before income tax	2,420,680	2,022,368	19.70%	2,801,053	2,302,798	21.64%
Income tax expense	(242,681)	(239,664)	1.26%	(312,636)	(278,265)	12.35%
Net profit	2,177,999	1,782,704	22.17%	2,488,417	2,024,533	22.91%

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DEPUTY CEO

GEORGE CĂLINESCU

**COORDINATING MANAGER
ACCOUNTING AND REPORTING
MIRCEA ȘTEFĂNESCU**

Note to the financial information as at 31.12.2022

The information presented for the period ended December 31, 2022 as well as for the prior periods, was prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and applicable at that date. The financial information relates to the Bank and the Group and it does not constitute a complete set of financial statements.

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