

# TRANSFOND

2018

1 Ficusului Blvd.



District 1 Bucharest Romania 013971

t. (+40) 21 201 77 00

e. info@transfond.ro

ANNUAL REPORT





**CONTENTS**

ABBREVIATIONS	2
THE GENERAL MANAGER'S MESSAGE	3
THE STRATEGIC PERSPECTIVE OF THE COMPANY	4
ORGANIZATION AND GOVERNANCE	6
FINANCIAL STATEMENTS	11
THE QUALITY MANAGEMENT SYSTEM, INFORMATION SECURITY AND BUSINESS CONTINUITY	13
THE COMPANY'S ACTIVITY	15
STATISTICS SECTION	23

## ABBREVIATIONS

<b>ACH</b>	Automated Clearing House
<b>RAB</b>	Romanian Association of Banks
<b>EACHA</b>	European Automated Clearing House Association
<b>e-Arhiv@</b>	TRANSFOND Electronic documents Archiving Service
<b>e-Factor@</b>	TRANSFOND Electronic Invoicing Service
<b>PEACH</b>	Pan-European Automated Clearing House
<b>ReGIS</b>	"Real Time Electronic Gross Interbank Settlement" - Real time gross settlement system for large value or urgent payments in lei (in excess of 50.000 lei), provided by NBR
<b>SaFIR</b>	"Settlement and Financial Instruments Registration" - Government securities depository and settlement system, provided by NBR
<b>SAP</b>	Participants Management service, offered by TRANSFOND
<b>SCT</b>	SEPA Credit Transfer
<b>SCTInst</b>	SEPA Instant Credit Transfer
<b>SDD</b>	SEPA Direct Debit
<b>SENT</b>	"Electronic System for Net basis settlement of TRANS FOND" - Automated Clearing House (the electronic system for the processing of low value payments, less than 50,000 RON), provided by TRANS FOND
<b>SEP</b>	Electronic Payments System
<b>SEPA</b>	Single Euro Payment Area
<b>TRANSFOND</b>	Company for Funds Transfer and Settlement - TRANSFOND S.A.



## THE GENERAL MANAGER'S MESSAGE

“ Being in the middle of the Romanian financial community, TRANSFOND is constantly making efforts to maintain the highest quality levels in operating the interbank retail payments infrastructure, as well as adapting it to the European operational standards.

These efforts are reflected through the high satisfaction degree of our clients, for each of the offered services, as well as by the financial statements of the company, which have maintained an optimal level during the past years.

2018 marked the beginning of the transition to real-time processing of retail payments, through the successful completion, of the project for the development and implementation of the real-time retail payments infrastructure - **Instant Payments**, by TRANSFOND.

The new service developed by TRANSFOND offers banks and other participants to the Automated Clearing House - SENT the platform where they can compete with equal opportunities, with the offers of the unconventional payment services providers, by using an innovative service, in line with regional and international trends.

This service is the result of the efforts made by TRANSFOND specialists, the experts of the payment institutions, the Romanian Association of Banks and National Bank of Romania, during the entire project.

Instant Retail Payments have become the development target for all the clearing house infrastructures in the world, as in a world where all information flows in real time, this is the expected standard for initiating and executing a low-value payment.

Therefore, TRANSFOND offers an infrastructure for interbank real-time retail payments to the financial and banking community in Romania. We are convinced that this service will also contribute to the reduction of cash payments in Romania, having the potential for a more comprehensive financial inclusion of people, as well as

for spreading electronic payments in geographic regions and in business areas where, until currently, cash is predominant.

At the same time, on the same development line of payment services, in 2018 TRANSFOND started the project - **AllasPay**, meant to facilitate payments with mobile devices. This service consists of a database that will allow matching the IBAN of the participating clients to an instant payment, with their telephone numbers or other identification elements of their own (e.g.: email address), the payment being initiated regardless of the fact that the initiating client knows the IBAN code of the recipient client. The service shall be operational at the end of 2019.

In terms of e-Business services, TRANSFOND has remained market leader for the banking and financial segment, for E-Documents Archiving Service, and for the Electronic Invoicing the number of customers is constantly increasing, especially in the leasing sector, but also in other sectors of the economy attracted towards modernization and efficiency, with the support of the collaborating banks.

For 2019 we wish to maintain the interest of the financial community for new developments in the field of payment services for the local market and we hope that the efforts to increase the level of banked payments in Romania will yield more consistent results.”

SABIN CARANTINĂ  
GENERAL MANAGER





**01**

**THE STRATEGIC PERSPECTIVE  
OF THE COMPANY**

**TRANSFOND**

## THE STRATEGIC PERSPECTIVE OF THE COMPANY

### VISION

TRANSFOND has taken on the role of main partner of the Romanian financial and banking community in the field of payments and additional/complementary services to interbank payments, by capitalizing on the available infrastructure and know-how.

### MISSION

In accordance with the requirements of the PFMI<sup>1</sup> and of the NBR Regulation no. 3/2018, TRANSFOND's mission is a permanent one and focuses on the following:

- ensuring the safety and efficiency of the Automatic Clearing House for retail interbank payments;
- supporting broad-based financial stability in the general public interest, including taking into account the needs of all parties involved and relevant to the Automatic Clearing House (National Bank of Romania, direct and indirect participants, end-users of retail payments services);
- the development of local retail payments as a whole.

### VALUES

#### INTEGRITY, RESPECT AND EQUALITY OF CHANCE

Everything we do is guided by integrity and correctness, respecting the legal provisions in force, as well as the anticorruption policy of the company, showing respect to our team members, customers, partners and suppliers. Equality of chance is a fundamental value promoted by TRANSFOND, by applying a policy that encourages

consideration of employees and partners, regardless of gender, age, ethnic origin, religion, disabilities, political beliefs or social origin, promoting their equal treatment.

#### CLIENT-ORIENTED

We dedicate our resources to understanding and satisfying customer needs. We are accountable to our customers, as well as to the environment we conduct our business in.

#### TEAM WORK

We encourage and acknowledge teamwork, mutual support within teams, our employees' availability to collaborate with and provide unconditional support to their colleagues, with a view to solving all problems. All our employees are encouraged to share the knowledge and experience they have accumulated, just like their own opinions and ideas, across the company. As a rule, we celebrate individual and collective success.

#### FLEXIBILITY AND DYNAMISM

We adapt our procedures, programs and actions to our customers and market's needs as well as to technology changes.

#### INNOVATION

We encourage and appreciate the creativity of our people and take into account innovative development ideas.

#### CREDIBILITY

We respect the promises made to our

customers and to our partners.

#### RESPECT FOR THE ENVIRONMENT

TRANSFOND invests in new environmental friendly technologies, respectively in those technologies that determine the decrease of environmental impact, by considerably removing paper as well as related processes (transport, packaging, storage, archiving etc.). Promoting these principles is carried out by the environmental policy undertaken by the company both in its entirety as well as at the level of each employee.

#### CORPORATE SOCIAL RESPONSIBILITY

The company undertakes activities in order to support social solidarity, financial education, development of the quality of the medical act, as well as the cultural field, in accordance with the social responsibility policy adopted.

<sup>1</sup>PFMI – Principles for Financial Market Infrastructures.



**02**

**ORGANIZATION AND  
GOVERNANCE**

**TRANSFOND**

## SHAREHOLDERS

1	THE NATIONAL BANK OF ROMANIA
2	BLOM BANK FRANCE S.A.
3	BRD - GROUPE SOCIETE GENERALE S.A.
4	ROMANIAN COMMERCIAL BANK S.A.
5	UNICREDIT BANK S.A.
6	THE ROMANIAN IMPORT EXPORT BANK EXIMBANK S.A.
7	BANCA ROMĂNEASCĂ S.A. MEMBER OF THE NATIONAL BANK OF GREECE GROUP
8	CREDIT EUROPE BANK ROMANIA S.A.
9	BANCA TRANSILVANIA S.A.
10	PATRIA BANK S.A.
11	ALPHA BANK ROMÂNIA S.A.
12	ING BANK N.V.
13	FIRST BANK ROMÂNIA S.A.
14	CITIBANK EUROPE PLC
15	THE COMMERCIAL BANK INTESA SANPAOLO ROMANIA S.A.
16	CREDIT AGRICOLE BANK ROMANIA S.A.
17	LIBRA INTERNET BANK S.A.
18	RAIFFEISEN BANK S.A.
19	IDEA BANK S.A.
20	CEC BANK S.A.

<sup>1</sup>In the order mentioned in the company Bylaws.







## THE BOARD OF DIRECTORS OF TRANSFOND

**Dan Costin Nițescu**  
President

**Radu Grațian Ghețea**  
Vicepresident

**Leontin Toderici**  
Vicepresident

**Gabriela Mihailovici**  
Elena Georgescu

**Dan Corneliu Pascariu**  
Mișu Negrițoiu

**Mihai Bogza**  
Doru Bebe Bulață

MEMBERS

## EXECUTIVE MANAGEMENT OF TRANSFOND

**Sabin Carantină**  
Chief Executive Officer

**Mirela Rațiu**  
Deputy Chief Executive Officer

## CORPORATE GOVERNANCE. SUPERVISION AND MONITORING OF THE INTERBANK PAYMENT SYSTEM

TRANSFOND believes that a solid management mechanism maximizes the company's ability to ensure the stability of the Automated Clearing House for small value interbank payments (non-card retail payments), as well as to diversify and improve the quality of services offered, for the benefit of its shareholders and company clients.

The governing mechanisms of TRANSFOND comply with the provisions of the NBR Regulation no. 3/2018 regarding monitoring of the financial market infrastructures and of payment instruments. At the same time, TRANSFOND is an organization operating in agreement with the companies' law no. 31/1990 with further amendments and supplements, under the management of its shareholders. According to the company's bylaws, its shareholders can only be credit institutions, together with the central bank.

The shareholders appoint and elect, every 4 years, an Board of Directors made up of 9 members - individuals who represent *intuitu personae* each and all shareholder of the company.

The Board of Directors governs the company's activities and together with the company's executive management have the role and responsibility to establish and follow the achievement of stability and continuity objectives of the Automatic Clearing House for interbank payments, as well as the development of new services.

The value of TRANSFOND management mechanism is reflected in the performance achieved in delivering the interbank electronic payments services, as well as in the capacity to develop and diversify its business.

TRANSFOND maintains a permanent dialogue with the authority for monitoring and resolution of the payment systems within the NBR.

# TRANSFOND

## ORGANIZATION AND GOVERNANCE

## SOCIAL RESPONSIBILITY

For TRANSFOND, given its specific basic activity, whose growth can be exclusively influenced by the general social and economic development of the market it serves, social responsibility is a natural concern. Therefore, the company carries out certain activities with an emphasis on community involvement such as social solidarity, financial education, quality development of the medical act, as well as in the field of culture.

In 2018, TRANSFOND has supported the cultural project of "*Magazin Istoric*", with the purpose of encouraging research and publishing of scientific works with historical character.

At the same time, the company has offered financial support for „Sf. Sava” College in Bucharest, for the participation of Arcadia project team (formed of five students in the 11th grade at „Sf. Sava” College) at the annual conference of National Space Society (NSS), held in the United States of America, Los Angeles. The Project of Arcadia team participated at the NASA Ames Space Settlement international competition finishing on the 3rd position within the small teams' section.

The company also provided financial support to the S-Baroc International Cultural Association for staging the theatre show „*Legământ*”, within the Main Theatre in Bucharest.

Last but not least, the company provided financial support for two children's homes (the Children's Home run by St. Iustina Association in Mărcuș, respectively the Children's Home in Domnești), to support their current activities .



**03**

**FINANCIAL  
STATEMENTS**

**TRANSFOND**

# FINANCIAL STATEMENTS

## ANNUAL BALANCE SHEET

AS OF 31 OF DECEMBER 2018	LEI
<b>ASSETS</b>	
<b>FIXED ASSETS</b>	<b>18.728.796</b>
Intangible fixed assets	1.587.145
Tangible fixed assets	17.083.751
Financial fixed assets	57.900
<b>CURRENT ASSETS</b>	<b>39.587.692</b>
Stocks	76.730
Receivables	6.007.554
Short term financial investments	0
Cash and Accounts in banks	33.503.408
<b>PRE-PAID EXPENSES</b>	<b>2.316.534</b>
<b>LIABILITIES</b>	
Debts payable within one year	3.114.801
Debts payable within a period exceeding one year	0
Provisions for contingent charges	1.616.852
Pre-paid income	24.349
Capitals	55.877.020

## PROFIT AND LOSS ACCOUNT

AS OF 31 OF DECEMBER 2018	LEI
<b>TOTAL INCOME</b>	<b>64.621.131</b>
Operating income	63.957.300
Financial income	663.831
<b>TOTAL EXPENDITURE</b>	<b>39.126.206</b>
Operating expenses	39.107.004
Financial expenses	19.202
<b>GROSS RESULTS</b>	<b>25.494.925</b>
Income tax	4.080.717
<b>NET PROFIT FOR THE FINANCIAL YEAR</b>	<b>21.414.208</b>





**04**

**THE QUALITY MANAGEMENT  
SYSTEM, INFORMATION  
SECURITY AND BUSINESS  
CONTINUITY**

**TRANSFOND**

## QUALITY MANAGEMENT

The permanent concern for maintaining the highest quality standards for the activities developed within the company has materialized in the continuous improvement of the Quality Management System, implemented and certified as proven by the last external audit carried out in May 2018 by the certification body SC. INTERTEK LABTEST SRL, with a UKAS accreditation (The United Kingdom Accreditation Service). This was a recertification audit of the quality management system and it was completed with the recertification of the company for a new three-year period. We must mention that TRANSFOND holds this certification since 2009, followed by 3 consecutive recertifications: 2012, 2015, 2018.

Maintaining the certification of the management, quality and information security systems represents the efforts of the entire organization towards providing the highest quality services to its clients and constituting the expression of the organization's competence in offering value to all interested parties: customers, shareholders, employees, suppliers, community.

## INFORMATION SECURITY

The implementation and certification of an ISO 27001 Information Security Management System (SMSI) is a strategic decision for any organization because it gives an important guarantee regarding the security of the certified company, but also of the clients' and business partners' information. TRANSFOND's SMSI system is based on a risk approach to which the organization is exposed and has the purpose to establish, implement, operate, monitor, review, maintain and improve information security.

TRANSFOND has aligned to the requirements of the new version of the standard ISO 27001:2013 starting with 2015, and during 28.02 - 07.03.2017 the recertification audit for the SMSI has been carried out, which ended with an audit report in which the auditors have acknowledged the compliance with the ISO 27001:2013 standard and have suggested to the certification entity the granting of a new certificate, for another three-year period.

In March 2018 the 1st supervision audit of SMSI was conducted, and ended with a report in which the auditors found that the information security management system is fully effective and in compliance with the requirements of the ISO 27001:2013 standard, therefore they proposed the certification body maintain the certification.

## BUSINESS CONTINUITY

TRANSFOND's role within the financial and banking system, technology dependence and environmental specific threats in which the company operates are significant factors that have led to the implementation of a business continuity management system aligned to the BS 25999 requirements. Ensuring the continuity of infrastructure services has been one of the major concerns of the company in 2018, the use of the alternative facilities in the two company premises being carried on in order to ensure disaster recovery capacity.

In 2018 TRANSFOND organized a complex business continuity exercise regarding SENT. The test took place on the production environment and was based on a scenario in which the head office and its staff are completely unavailable. The exercise was carried out entirely in the planned conditions, without incident, all the proposed objectives being achieved.

The joint efforts of the systemic elements minimize the impact of such situations on the company and allow TRANSFOND to quickly resume its critical processes so as the payment systems and financial instrument settlement systems operate appropriately.

## RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Risk management is an integral part of all decision-making and business processes within the company. In this respect, the risks to which the company's activity is or may be exposed, which can affect the achievement of the objectives, are analysed and monitored, and measures are taken regarding any change of the conditions in which it operates.

In 2018, risk management activity has been focused mainly on one-off risk analyses. A global risk analysis (annual analysis) was also concluded, which testify that TRANSFOND, by applying the control measures, falls in the category of companies with low risk on short term and moderate risk on medium and long term.

# THE QUALITY MANAGEMENT SYSTEM, INFORMATION SECURITY AND BUSINESS CONTINUITY





**05**

**THE COMPANY'S  
ACTIVITY**

**TRANSFOND**



## SENT – THE AUTOMATED CLEARING HOUSE

TRANSFOND was founded in 2000 for the development and technical operation of the Electronic Payments System in Romania. It was commissioned in 2005, in three stages, for its three components (The Automated Clearing House - SENT, The Real Time Gross Settlement System - ReGIS and the Government Securities Depository and Settlement System - SaFIR), followed by the launch of the component for electronic processing of debit instruments (checks, bills of exchange and promissory notes) within SENT, in 2008. The system was developed for the adoption of the European standards, by launching the SEPA Program, during 2012 - 2016. Starting March 2018, the technical operation of ReGIS and SaFIR is provided by the National Bank of Romania.

## HISTORY

1991	The National Bank of Romania initiated the reform of the Romanian payment system.
1995	Commissioning of the interbank payment system in national currency on paper, having predefined settlement periods.
1999	The National Bank of Romania has decided to outsource the transfer of interbank funds in national currency with settlement in the central bank's money.
2000 (July)	The Romanian banking community and NBR established, in accordance with the commitments undertaken toward the European Union, the Company for Funds Transfer and Settlement - TRANSFOND S.A., as operator of the payment system.
2001 (May)	NBR's outsourcing of the payment activity to TRANSFOND (except for the transfer of funds related to the State Treasury) went live.
2002 (November)	The European Commission Delegation in Bucharest concluded the specific procedures for PHARE projects, the Romanian party becoming thus able to begin the implementation stage of the EPS project.
2003 (June)	Centralization of high value interbank payments at a single point for each bank, processed by TRANSFOND central unit.
2003 (September)	The State Treasury became a participant in the payment system operated by TRANSFOND.
2005 (April)	ReGIS system went live.
2005 (May)	SENT system went live.
2005 (October)	SaFIR system went live.
2008 (October)	The SENT module for electronic processing of Interbank Debit Instruments (cheques, bills of exchange and promissory notes) went live.
2012 (November)	The SENT service for processing payment orders in lei in SEPA format went live.
2013 (December)	The EURO Component of SENT for processing payment orders in euro currency with settlement in TARGET2 system went live.
2016 (April)	The SENT Component for the processing interbank Direct Debits in SEPA format in national currency went live.
2018 (March)	The technical operation of ReGIS and SaFIR is ensured by the National Bank of Romania.
2018 (December)	SENT - Instant Payments Component in national currency was developed.

Together with the operationalization of the SENT Automated Clearing House, in 2005, TRANSFOND has become a central point of the financial and banking infrastructure by ensuring the processing of low value<sup>3</sup> payment orders and of the debit payment instruments, regardless of the interbank value, in national currency. The system processes, currently 95% of the total of interbank payments on Romanian territory (according to the number of operations). This aspect, as well as the care for ensuring services at the highest quality standards, with a high degree of availability and safety, corroborated with the encouragement for migrating the cash payments towards the electronic environment, represents the main concern of TRANSFOND specialists.

<sup>3</sup> Below the 50.000 Lei value (exclusively)



The SENT system of TRANSFOND has registered a continuous development process, in its endeavour to adopt the effective European standards, as well as for meeting the expectations and needs of the payment institutions, both in the present as well as in the future, at the same time with adopting the single currency - Euro. Therefore, in November 2012, TRANSFOND has released a new processing service of payment orders in SEPA format, in local currency, and in December 2013, the company has operationalized the EURO Component of the SENT system dedicated to processing national and cross-border payments in Euro currency with settlement in TARGET2, at the same commission level with the one used in the RON Component (respectively 0.51 RON/payment and 0 RON/collection).

Subsequently to this development, on April 11th, 2016 the processing of Direct Debits in SEPA format in national currency (SDD) went live. The SDD component includes an additional centralized management service of the interbank direct debit mandates - RUM. Therefore, Romania has become the first EU non-Euro member state, which has fully applied SEPA standards for payments in national currency. In this process of alignment to the SEPA standards of the infrastructure for retail payments in RON, RAB has become, by agreement with the European Payment Council (EPC), the administrator of the SEPA schemes for payments in RON.

In 2018, compared to 2017, the operations processed by TRANSFOND through **SENT - Multiple Payments Components in RON** have evolved as follows:

- the volume of the low value payment orders has increased by 16.8% and their value by 13.5%;
- the volume of the debit instruments has decreased by 7.1% and their value has remained relatively

unchanged;

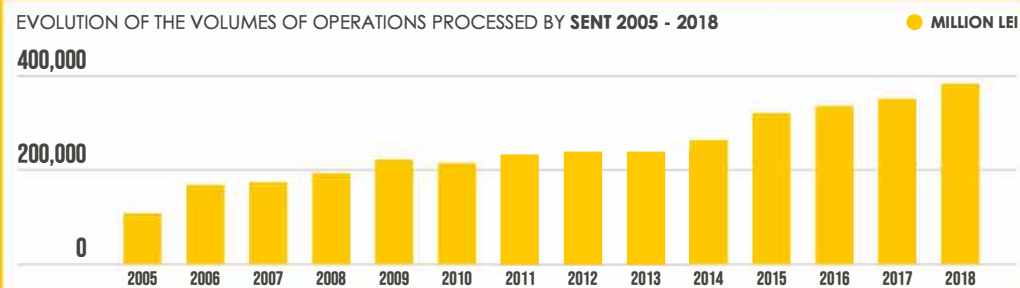
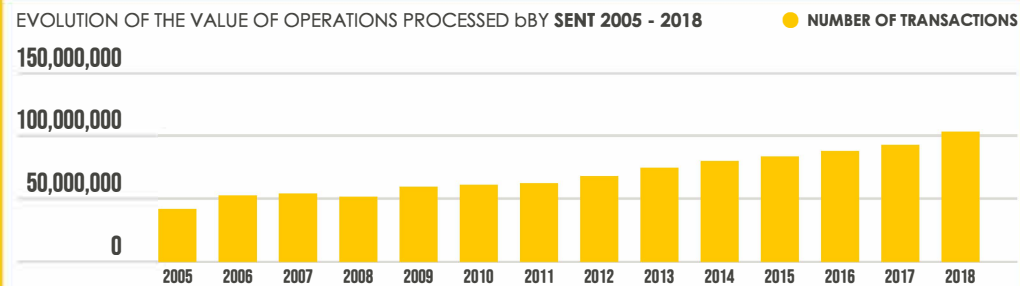
- the volume of direct debit operations has increased by 8% and their value has decreased by 18.6%.

The decreasing tendency of the debit payment instruments has been maintained especially due to redirecting some of the payments executed with debit payment instruments from the interbank circuit on the intra-bank solutions, due to the migration from checks (with prohibition of using one-year period instrument by issuers in the case of incidents to their payment) partially bills of exchange and promissory notes or cash and, last but not least, due to a tendency to reduce the acceptance of these payment instruments, determined by the need of immediate liquidity of suppliers.

The increase of approximately 8% of direct debit volume compared to 2017 was determined by the extension of the use of this type of payment by consumers, following promotion campaigns made by some of the participants among beneficiaries. The overall increase of the operations volume in SENT - Multiple Payments Component in RON (especially low value payment orders) by approximately 15.8% and of their value by 11.4%, in 2018 compared to the previous year, can be explained by the slight improvement the economy.

The volume of operations in SENT - Multiple Payments Component in Euro (payment orders regardless of the value) has registered an increase of 19%, mainly due to the increase in the volume of cross-border payments received from TRANSFOND's partner clearing house (equensWorldline).

*The evolution of the volume and the value of payment instruments processed through SENT, in the period 2005 -2018, graphically illustrated below, is detailed in the Statistics Section.*



At international level as well as at European level in particular, the authorities in the field, together with experts in the profile industry consider that instant payments processing becomes the new standard for payments processing of any type, but especially of the retail ones.

In this context TRANSFOND started the Instant Payments project, which aimed to offer the banking community a new product, capable of processing payments 24/7 in maximum 10 seconds, account-2-account, according to the European Standards in the field.

TRANSFOND operationalized the service on December 10, 2018, offering banks the infrastructure of interbank retail payments in real time.

During the project development, TRANSFOND successfully collaborated with the National Bank of Romania - which endorsed the Automated Clearing House System Rules that include Instant Payments, as well as with the Romanian Association of Banks - Administrator of the National Payment Schemes, within which the Instant Payments working groups have been active.

To complete Instant Payments, TRANSFOND will launch AliasPay, a component which will allow payments initiation through mobile devices, knowing only the mobile number of the beneficiary, instead of its IBAN. By using AliasPay, payment services clients will be able to initiate or collect various amounts, up to the limit of 50.000 RON, either by Instant Payments, or by traditional payment orders.

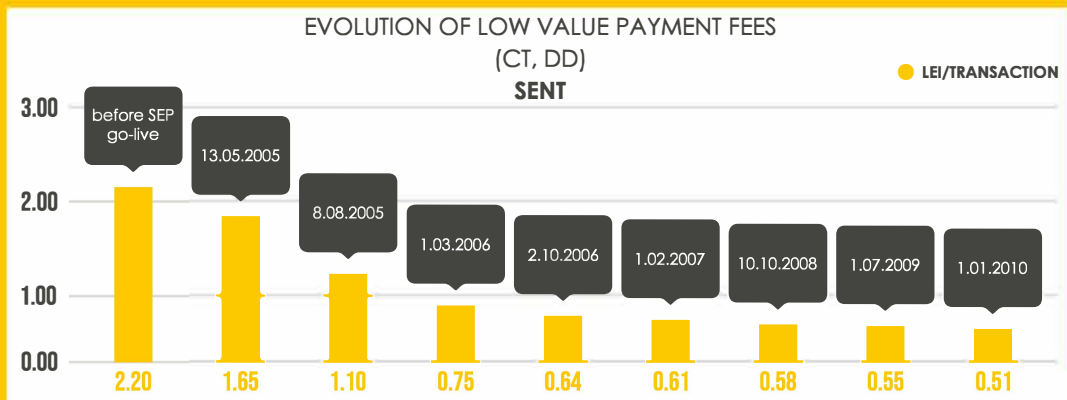
### FEES CHARGED IN SENT

In an effort to offer a complex and complete array of services to the Romanian banking community, that would streamline the undertakings' activity by reducing the transaction costs, TRANSFOND initiated along with the commissioning of the Electronic Payment System, a sustained campaign for the reduction of the fees charged in all three components. The efforts made in order to reduce fees and ensure a shorter time for making the transfer also aimed at attracting high volumes of payments from cash to the electronic environment.

The fees charged in SENT have been periodically reduced since 2005 to date. Thus, in the direct relation with the banking system, they reached approximately 24% of the value of fees charged for paper-based operations. The company has been able to absorb this financial impact by implementing systematic cost-control policies, including through consistent reorganisation of the activity, along with the efficient management of SENT, with an availability of more than 99.99%, during all the 13 years of operation.

Moreover, the fees which were maintained at the level of 2010 have diminished in real terms, by inflation, by approximately 25%<sup>4</sup>.

<sup>4</sup>Comparison between 2018 and 2010.





## EVOLUTION OF FEES CHARGED BY TRANSFOND FOR OPERATIONS PROCESSED IN SENT

SYSTEM	FEE TYPE	FEE VALUE VALID FROM... (LEI)								
		BEFORE SENT GO-LIVE	AFTER SENT GO-LIVE *	8/8/2005	1/3/2006	2/10/2006	1/2/2007	10/10/2008 **	1/7/2009	1/1/2010
SENT	Total fee/payment transactions, charged as follows	2,09	1,65	1,10	0,75	0,64	0,61	0,58 CT and DD	0,55 CT and DD	0,51 CT and DD
								1 - DI electronically processed	0,95 - DI electronically processed	0,88 - DI electronically processed
	Payment order - payer	1,045	1,10	1,10	0,75	0,64	0,61	0,58 - CT	0,55 - CT	0,51 - CT
								0,58 - DD	0,55 - DD	0,51 - DD
	Payment order - beneficiary	1,045	0,55	—	—	—	—	1 - DI electronically processed	0,95 - DI electronically processed	0,88 - DI electronically processed

\* On May 13, 2005 the SENT system went live.

\*\* On October 10th, 2008, the electronic processing of debit instruments module went live.



## E-BUSINESS SERVICES

In addition to its main concern in the field of payments, the company offers cutting-edge technological solutions for the financial and banking community in Romania, completely integrated in the value chain of services developed until the present day. The innovative character of the organization is proved by the in-house development of high standard services in the digital sphere, such as e-Arhiv@ and e-Factor@, both premieres for the Romanian market, at the time of their go-live.

### E-ARHIV@ SYSTEM - ARCHIVING OF DOCUMENTS IN ELECTRONIC FORMAT

Starting July 8th, 2009, TRANSFOND became the first electronic archive administrator accredited in Romania, by launching e-Arhiv@, based to the Order of the Minister of Communications and Information Society no. 522/08.07.2009, being entitled to perform electronic archive management activities under Law no. 135/2007 concerning the electronic archiving, its data centres obtaining the necessary authorizations, every 3 years since its authorization, respectively 2012, 2015 and 2018. The reauthorization has always involved a prior external audit carried out by an auditor appointed by MCSI, the audit value being borne by

TRANSFOND, according to the effective legal regulations.

By offering e-Arhiv@, TRANSFOND ensures its customers' relief from the obligations of fulfilling the legal and technological accreditation requirements as electronic archive administrator and archive hosting data centre, as well as of the high investment and operational costs related to the implementation of an electronic archiving solution in accordance with the effective legal provisions.

The high performance level of the services offered by TRANSFOND, corroborated with its reputation for proven safety and professionalism in services administration, led to a market share of over 85% on the banking segment for e-Arhiv@ in 2018, the company thus maintaining the market leader position in this sector.

During 2018, e-Arhiv@ has registered an average level of availability of 99,87%, compared to the assumed contractual level of 95%.

## E-FACTUR@SYSTEM - ELECTRONIC INVOICING SERVICES

The electronic invoicing service e-Factur@, launched in 2010 by TRANSFOND, allows businesses to issue, archive and deliver the invoices in electronic format, completely or partially replacing the similar process on paper, depending on the issuing customer's or the payer's needs.

The service offered by TRANSFOND, part of Additional Optional Services to the payments systems according to SEPA at European level, brings important economic benefits as an integral part of the sale flow within a company, as well as an improvement of the use of human resources and time required to perform actions related to the invoicing process.

The development of e-Factur@ as a service provided to the real economy by TRANSFOND, through collaborating banks, was based originally on the European and global trend in the field (both, in general, disfavoring the use of paper based documents in favour of the electronic ones and in particular, the optimisation of internal processes of any business by reducing invoicing costs), as well as on the fact that, in Europe, the service has been increasingly established as a banking product. Moreover, the invoice being most often the initiator of a payment, a direct connection has been shaped with the basic activity of TRANSFOND - administrator of the Automated Clearing House.

e-Factur@ has been developed based on a modular platform, in the form of a unique secured application, to which both the invoice issuers as well as their recipients can connect.

Regarding the archiving component of the electronic invoices, TRANS FOND provides, as an integral part of e-Factur@, Invoice e-Archive, through e-Arhiv@.

The number of invoice recipients has increased by almost 29% in 2018, reaching 27.000, compared to the previous year.

The volume of invoices processed in e-Factur@ has increased by approximately 26% in 2018 compared to the volume processed in 2017 and has exceeded 1,96 million invoices/year.

The availability of e-Factur@ in 2018 has been maintained at a high level, respectively 99,9% compared to a contractually undertaken level of 95%.

TRANS FOND has continued to pursue the efforts of bringing awareness to the general public regarding the electronic invoicing services in 2018. The importance of e-Business services both for a better business management and for environmental protection is a constant focus of the company. The potential benefits that an electronic invoice brings to all parties involved, constitute one of the reasons that led to TRANS FOND developing this business line.

By its nature, e-Factur@ can be interfaced with ERP systems (Enterprise Resource Management) used by companies that issue invoices, as well as by their recipients (in the business-to-business relation), for enhancing automation of internal financial processes, thus substantially reducing processing cost and time. The central application is completely managed by TRANSFOND, both technically as well as functionally, so that the clients can direct their efforts to other business areas.

As benefits of adopting such a service we must emphasize both the optimization of processes for invoice issuers, as well as important savings regarding the issuing, archiving and delivery/transmission of the invoices.

As invoices recipients are concerned, mention should be made that the invoice is assuredly delivered in short time and the risk of any errors that may occur in its processing, related to human intervention, is significantly reduced. There is also a cash flow optimisation, both for the invoice issuer, as well as the recipient .

**E-BUSINESS  
SERVICES**



## LEVEL OF CUSTOMER SATISFACTION

TRANSFOND annually performs a study regarding customer satisfaction. In 2018, the questionnaires concerning TRANSFOND's customers have focused on studying their degree of satisfaction regarding the services offered by the company, with the following investigated areas: The Automated Clearing House - SENT, electronic archiving system - e-Arhiv@ and the electronic invoicing service - e-Factur@.

Regarding SENT, the total satisfaction percentage is 96.73%, with a slight increase compared to the one registered the previous year (95.15%).

For e-Factur@ (including the e-Arhiv@ component), we have questioned the customers in operation in December 2018. The total satisfaction percentage is 89.23%, a small decrease compared to the one registered the previous year (93.6%).

For e-Arhiv@ we have questioned the customers in operation in December 2018. The total satisfaction percentage is 95.45%, similar to the one registered in the previous year (95.7%).

We can conclude that the general reaction of the banks of the other categories of customers questioned in relation to the services offered by TRANSFOND in 2018 is a positive one, reflecting the efforts of the company to permanently improve its activity.



**06**

**STATISTICS  
SECTION**

**TRANSFOND**



## PAYMENTS STATISTICS

YEAR	Volume of electronic payments during 2005 (May) – 2018 (number of operations)	Value of electronic payments during 2005 (May) – 2018 (million Lei)
	SENT (CT+DD+DI)	SENT (CT+DD+DI)
2005	31.934.558	81.284
2006	54.796.193	143.067
2007	55.434.395	167.321
2008	51.694.644	206.118
2009	55.439.612	233.049
2010	56.683.175	231.329
2011	57.414.143	248.036
2012	58.837.613	259.187
2013	62.010.032	262.726
2014	68.535.783	278.328
2015	76.708.532	304.883
2016	82.098.172	317.904
2017	91.450.060	344.223
2018	105.886.325	383.444

### NOTES

\* On May 13, 2005 the SENT system went live.

\*\* On October 10th, 2008, the electronic processing of debit instruments module went live.

## PERFORMANCE OF TRANSFOND SERVICES IN 2018

The operation of SENT in 2018 has been executed within normal parameters, in compliance with the laws, regulations and the related contractual framework.

The average availability during 2018 was 100% from the software application point of view, and from the point of view of technical services and of customers' perception on the SENT services rendered, it has reached 99,981%.

