

TRANSFOND

ANNUAL REPORT 2021

Time is of the essence.





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AliasPay	Payment initiation service using the recipient's phone number instead of the IBAN
e-Arhiv@	TRANSFOND Electronic Documents Archiving Service
e-Business	The complementary-to-payments infrastructure business line of TRANSFOND
e-Factur@	Serviciul de Facturare Electronică oferit de TRANSFOND
ReGIS	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
SaFIR	Settlement and Financial Instruments Registration - Government securities depository and settlement system, provided by NBR
SCT	SEPA Credit Transfer
SCTInst	SEPA Instant Credit Transfer
SDD	SEPA Direct Debit
SENT	Electronic System for Net basis settlement of TRANSFOND- Automated Clearing House (the electronic system for the processing of low value payments, less than 50,000 RON), provided by TRANSFOND
SEP	Electronic Payments System
SEPA	Single Euro Payment Area
SPL	Standardized Proxy Lookup
TRANSFOND	The Company for Funds Transfer and Settlement – TRANSFOND S.A.

Message of the General Manager

Last year, 2021, saw a significant increase of the payment volumes processed through the Automated Clearing House - SENT, as compared to the previous year, due to higher use of digital services, including electronic payments. TRANSFOND's activity recorded increased performance while providing high security environment for the services supplied, in parallel with economic safety and profitability.

Also, 2021 marked the launch of AliasPay (SPL type service - Standardized Proxy Lookup), which facilitates the initiation of an alias-based payment (mobile telephone number) which the payer knows by the time of the transaction's initiation. Until the end of 2021, this service enrolled three participating banks.

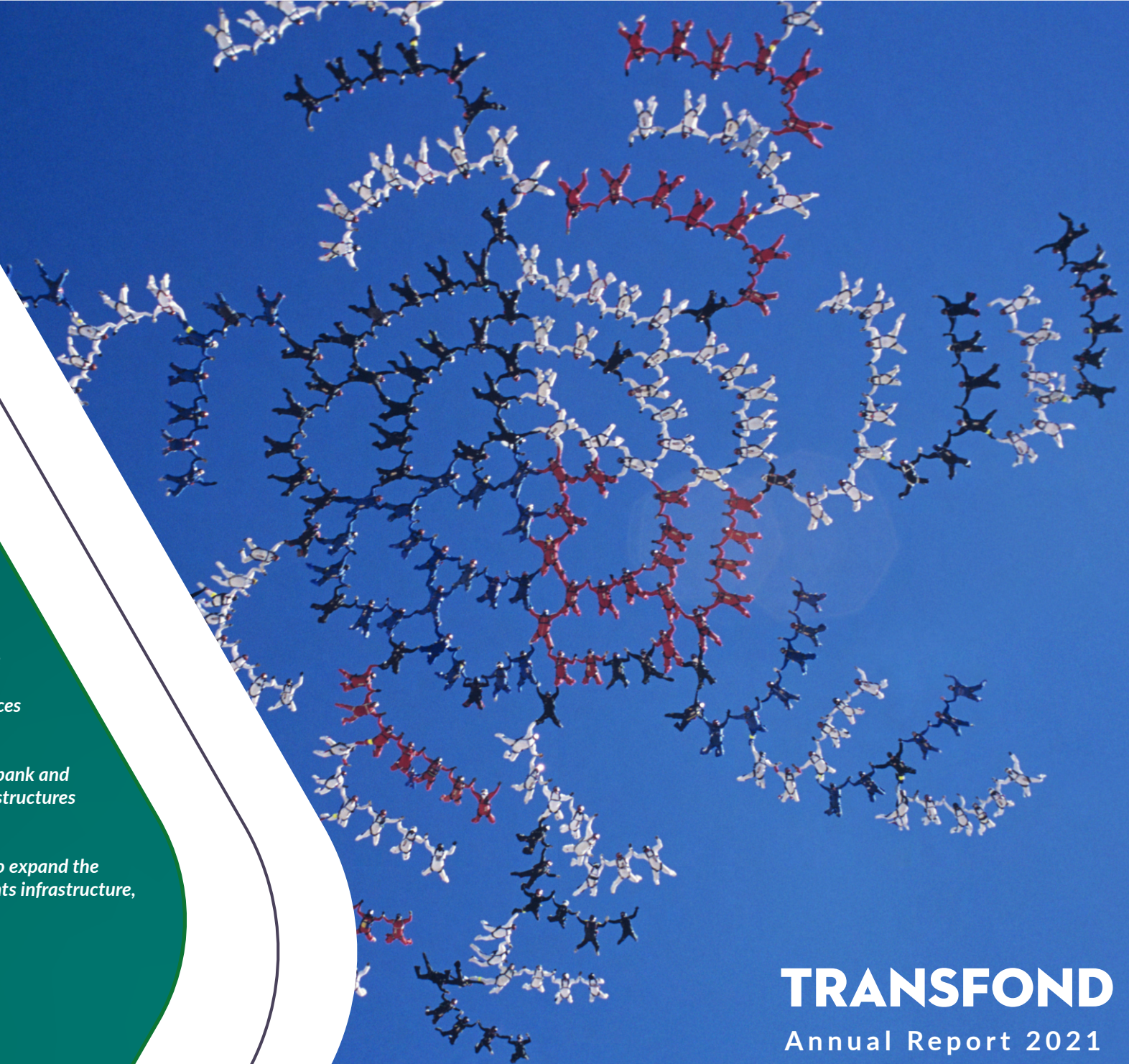
Regarding the external environment of the company, the economic crisis triggered by the succeeding decrees and laws for state of emergency/state of alert in Romania, involving complete or partial shutdown of some activities, against the background of the COVID - 19 pandemic declared by the World Health Organization, translated into chain effects, spread across all economic sectors. Even under these circumstances, by employing specific risk management solutions, all the necessary measures have been implemented so that TRANSFOND provided services under optimum conditions, adjusted to the new circumstances, with notable financial results.

Employees efforts materialized also in recording a 100% availability for payment services, 99.11% for the electronic archiving services and 100% for the electronic invoicing service.

Concerning e-Business services, TRANSFOND maintained its market leader position in the banking financial segment for the archiving services of the documents in electronic format, and for the electronic invoicing - although affected in 2021 by the impact of the pandemic which generated the diminishing of the economic activity - the constantly rising number of the services beneficiaries wanting to receive electronic invoices was noticed.

TRANSFOND maintained permanent communication with the banking and financial community members, with the central bank and with all those interested and involved in the activity of the company, in the interest of developing local retail payments infrastructures and implicitly, the company itself.

For 2022, our goal is to develop, in collaboration with the banking and financial community members, innovative solutions to expand the offer of payment services for the local market, which would noticeably value the opportunities offered by the instant payments infrastructure, in order to support the digitalization process all across Romania.





**The strategic
perspective
of the company**

Strategic Perspective

Vision

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

Mission

According to the NBR Regulation requirements no. 3/2018 on the monitoring of the financial market infrastructure and of the payment instruments, as subsequently amended and supplemented, the mission of TRANSFOND consists in:

- Ensuring the safety and efficiency of the Automated Clearing House for interbank retail payments;
- Supporting broad-based financial stability in a wide sense, in the general public interest, including considering the needs of all the parties involved and relevant for the Automated Clearing House (The National Bank of Romania, direct and indirect participants, end users for the retail payments services);
- Developing the local market of retail payments as a whole.

Values

Integrity, respect and equality of opportunity

Integrity and correctness define everything that we do, by observing the valid legal provisions, as well as the company anticorruption policy, showing respect to our team members, to the clients, partners and suppliers. The equality of chances represents a fundamental value promoted by TRANSFOND, by applying a specific policy, which encourages taking into consideration the employees and the partners, irrespective 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 the customers' needs. We are accountable to our customers, as well as to the environment where we conduct our business in.

Team work

We encourage and acknowledge teamwork, mutual support within teams, our employees' availability to collaborate and provide unconditional support to their colleagues with a view to solve all the situations that may arise. All our employees are encouraged to share the knowledge and experiences they gathered, their own opinions and ideas within the company. As a rule, we all celebrate the individual and collective success.

Flexibility and dynamism

We adjust our internal regulations, procedures, programs, and actions to our customers and market's needs, as well as to technology and legislation changes.

Innovation

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

Credibility

We respect the promises made to our clients and to our partners.

Respect for the environment

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

Corporate social responsibility

Our company performs support activities in the field of social solidarity, financial education, development of the quality medical act, as well as the cultural field, according to the adopted social responsibility policy.



An aerial photograph of a large group of skydivers in various colorful suits (red, blue, yellow, white) forming a large circle in the sky. They are holding hands and looking towards the camera. The background shows a patchwork of green and brown fields from a high altitude.

**Organization
and
Governance**

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

Shareholders





BOARD OF DIRECTORS

DAN COSTIN NIȚESCU
President

RADU GRAȚIAN GHEȚEA
Vice-President

LEONTIN TODERICI
Vice-President

MEMBERS

GABRIELA MIHAILOVICI	DAN CORNELIU PASCARIU
ELENA GEORGESCU	MIȘU NEGRÎTOIU
MIHAI BOGZA	DORU BEBE BULATĂ

EXECUTIVE MANAGEMENT

SABIN CARANTINĂ
General Manager

MIRELA RAȚIU
Manager

Corporate Governance. Automated Clearing House Supervision and Monitoring

TRANSFOND believes that a solid management mechanism maximizes the company's ability to ensure the stability of the Automated Clearing House system for low-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 the company's customers.

TRANSFOND's governance mechanisms comply with the provisions of the NBR Regulation no. 3/2018 regarding monitoring of the financial market infrastructures and of payment instruments, as subsequently amended and supplemented. At the same time, TRANSFOND is an organization operating in accordance with the Companies Law no. 31/1990 with further amendments and supplements under the management of its shareholders. According to the company's bylaws (art. 1, paragraph 2), its shareholders can only be credit institutions regulated by the banking legislation, together with the central bank.

The shareholders appoint and elect, every 4 years, a Board of Directors consisting of 9 members - natural individuals, representing *intuitu personae* each and all shareholders 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 monitor the

achievement of the stability and continuity objectives of the Automated Clearing House for interbank payments according to the laws and regulations in force, as well as the development of new related services, under conditions of effective risk management.

The value of TRANSFOND's management mechanism is reflected through the performances achieved in delivering the interbank electronic payments services, as well as in the capacity to develop and diversify its business, as well as, but not least, through the financial results.

Social Responsibility

For TRANSFOND, social responsibility is a permanent concern.

Thus, the company also carried out community involvement activities in 2021, being active in supporting orphanages, in supporting special healthcare cases, as well as in supporting cultural projects.





**Financial
Statements**

ANNUAL BALANCE SHEET

As of 31 of December 2021 Lei

ASSETS

FIXED ASSETS	21.864.421
Intangible fixed assets	338.007
Tangible fixed assets	21.468.514
Financial fixed assets	57.900
CURRENT ASSETS	58.536.252
Stocks	74.564
Receivables	9.621.696
Short term financial investments	0
Cash and Accounts in banks	48.839.991
PRE-PAID EXPENSES	3.322.049
LIABILITIES	
Debts payable within one year	5.264.009
Debts payable within a period exceeding one year	0
Provisions for contingent charges	4.878.753
Pre-paid income	136.754
Capitals	73.443.206

PROFIT AND LOSS ACCOUNT

As of 31 of December 2021 Lei

TOTAL INCOME	92.265.922
Operating income	91.675.575
Financial income	590.347
TOTAL EXPENDITURE	47.951.280
Operating expenses	47.943.465
Financial expenses	7.816
GROSS RESULTS	44.314.642
Income tax	6.906.459
NET PROFIT FOR THE FINANCIAL YEAR	37.408.183

FINANCIAL STATEMENTS





**Risk Management
System and Internal
Control, Information
security, Operational
Continuity and Quality
Management**

Risk Management System and Internal Control

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 may affect achieving our objectives, are analyzed and monitored, and measures are taken regarding any change in the conditions company operates in.

In 2021 a global risk analysis was performed (this analysis is performed annually). This analysis led to the conclusion that TRANSFOND, by applying the control measures, is included in the category of companies with a low risk in the short-term and moderate risk in the medium and long-term.

Risk management activity was focused in 2021 mainly on one-off risk analyses (e.g. updating the Recovery and/or orderly liquidation plan of TRANSFOND SENT system for compliance with NBR Regulation n° 3/2018, or execution of an analysis on the company risks considering mainly the strategic objectives of TRANSFOND).

Throughout 2021, the entire procedural framework in the field of risks (General Policy for risk management and Risks Management Methodology) was reviewed and updated. From an internal audit point of view, the system operated according to the planned parameters, without signaling breaches of the implemented controls.

Information Security

The implementation and certification of an Information Security Management System (ISMS) according to ISO 27001 is a strategic decision for any organization as it offers an important guarantee regarding the information

security of the certified company, as well as the security information of the customers and business partners. TRANSFOND's ISMS system is based on a risk approach to which the organization is exposed to and aims to establish, implement, operate, monitor, review, maintain and improve information security. TRANSFOND aligned with the requirements of the new version of ISO 27001:2013 standard starting with 2015.

In 2021 a surveillance ISMS audit was performed which resulted in maintaining the certification. This certification ensures that the best practices of planning, installing, configuring, using and maintaining the information systems have been applied.

In 2021, the entire procedural framework related to information security (General information Security Policy, Specific policies, Roles and responsibilities in the field of information security, Cyber resilience Strategy, etc.) was revised and updated.





Operational Continuity

TRANSFOND's role within the financial-banking system, its dependence on the technological evolution and the 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 requirements of BS 25999.

The joint efforts of the systemic elements minimize the impact of possible crisis situations on the company and allow TRANSFOND to quickly resume its critical processes for the purpose of the appropriate functioning of its critical processes such as the payment systems and financial instrument settlement systems, as well as the other services offered by the company.

The process of improving the business continuity management system and updating the business continuity plan is ongoing. Thus, in the first part of 2021 there were updates of the continuity documentation, and in the second semester continuity tests were successfully conducted for each of the services offered by TRANSFOND (SENT, e-Arhiv@, e-Factor@).

At the same time, following the pandemic situation generated by COVID - 19, the crisis management team was activated, developing and implementing a Plan of measures to limit the effects of the spread of the disease and to provide business continuity. So far, measures proved to be effective, and as a result, business continuity has not suffered.

Quality Management

Permanent concern for maintaining the highest quality standards for the activities carried out within the company has materialized in the continuous improvement of the Quality Management System, implemented and certified under the ISO 9001:2008 standard.

In May 2021, a recertification audit of the Quality Management System (QMS) was carried out by the certification body SC INTERTEK LABTEST SRL, with UKAS accreditation (The United Kingdom Accreditation Service), following which TRANSFOND retains the QMS recertification for another three years. TRANSFOND has held this certification since 2009, the current recertification being the fourth awarded.

Maintaining the certification of quality and information security management systems represents the effort made by the entire organization towards providing the best quality services to its customers and the expression of the organization's competence to provide value to all stakeholders: customers, shareholders, employees, suppliers, community.

**Company
Activity**





Automated Clearing House - SENT

TRANSFOND was founded in 2000 with the purpose of developing and technically operating the Electronic Payments System (SEP) 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 Depository and settlement system for government securities - SaFIR). SENT system has been, since the year of SEP operationalization, in the administration and operation of TRANSFOND while the administration and technical operation of ReGIS and SaFIR systems is fully ensured by the National Bank of Romania, starting with March 2018.

During the over 17 years of uninterrupted activity in support of the financial-banking community of Romania, SENT system of TRANSFOND has registered a process of continuous development, in an effort to adopt European payment standards, as well as to meet the current or future requirements and needs of payment institutions, in preparation for the scenario of adopting the single currency - Euro. Thus, in November 2012, TRANSFOND launched the new processing service for SEPA payment orders, in the local currency, and in December 2013, the company turned operational the EURO Multiple Payments Component of the SENT system dedicated to processing the national and cross-border payments in Euro with settlement in the TARGET2 system, at the same fee level with the one applied in the RON Multiple Payments Component (respectively RON 0.51/payment and RON 0/collection). Subsequently, in April 2016, the processing of Direct Debit in SEPA format in national currency (SDD) went live. The SDD component includes an

additional service for centralized management of interbank direct debit mandates - RUM. Adjacent, TRANSFOND provides end users with an application for issuing direct debit mandates - AM. Also, in April 2019 TRANSFOND launched the Instant Payments component in national currency.

In September 2020¹, TRANSFOND launched a service related to the types of payments already offered within the SENT system – AliasPay, through which consumers, clients of payment service providers participating in the Clearing House, can easily initiate payments between two accounts opened at different credit institutions (participating in the service), using only the mobile phone number of the payment beneficiary.

More information regarding the timeline of SENT system provided by TRANSFOND can be found in the following table.

¹The first participants of this AliasPay service were operationalized in March 2021.



Background

1991	The National Bank of Romania initiated the reform of the Romanian payment system.
1995	The interbank payments system in national currency paper based, with pre-defined settlement time ranges was commissioned.
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 (iuly)	The Romanian banking community and the NBR established, in accordance with the commitments undertaken toward the European Union and in order to comply with the requirements of the PSAL II Agreement with the World Bank, 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. The project started under the coordination of the National Bank of Romania and in the implementation of TRANSFOND S.A..
2003 (september)	The State Treasury became a participant in the payment system operated by TRANSFOND.
2005 (april)	ReGIS component of SEP went live.
2005 (may)	SENT component of SEP went live.
2005 (october)	SaFIR component of SEP 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 for national currency went live.
2018 (march)	Starting with this date, the technical administration and operation of ReGIS and SaFIR systems is provided by the National Bank of Romania.
2019 (april)	The Instant Payments in RON service was launched – as a component of SENT.
2020 (september)	AliasPay was launched - an auxiliary SPL type application (Standardized Proxy Lookup), which allows the initiation of payments via mobile devices, knowing only the beneficiary's mobile phone number, instead of his/her IBAN.



Along with the operationalization of the Automated Clearing House, registered under the name of SENT, in 2005, TRANSFOND became a central point of the financial banking infrastructure, by ensuring the processing of low-value payment orders and of debit payment instruments, regardless of their value, in national currency (these payments are commonly known in the specialty literature as “retail payments”). The system currently processes 95% of the total cardless interbank payments in Romania (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 of the migrating the cash payments to the electronic environment, represents the main concern of TRANSFOND specialists.

SENT - TRADITIONAL PAYMENTS IN LEI AND EURO

The evolution of SENT system - Multiple Payment Component (MPC) in RON (processing of traditional payments) experienced, in 2021, an increase in the volume of operations by over 20% and in their value by 17%, compared to the previous year, a rate higher than the growth of recent years, due to the pandemic boosting the use of electronic means of payment.

A maximum of transactions processed in 2021 was reached on June 14, when SENT system processed over 1.1 million transactions.

The evolution of traditional payments processed through the SENT system can be summarized as follows:

- the volume of low-value payment orders increased by approximately 20%, and their value by over 17%;
- the volume of debit payment instruments decreased by almost 10%, and their value decreased by more than 10%;
- the volume of direct debits increased by over 16%, and their value increased by over 153%.

The increase overall in SENT System – MPC in RON of the operations’ volume by almost 20% and of their value by almost 17% in 2021 compared to the previous year, was much above the increase rhythm of the recent years, following the Corona virus pandemic and the expansion of the use of the digital payment means and the electronic trade.

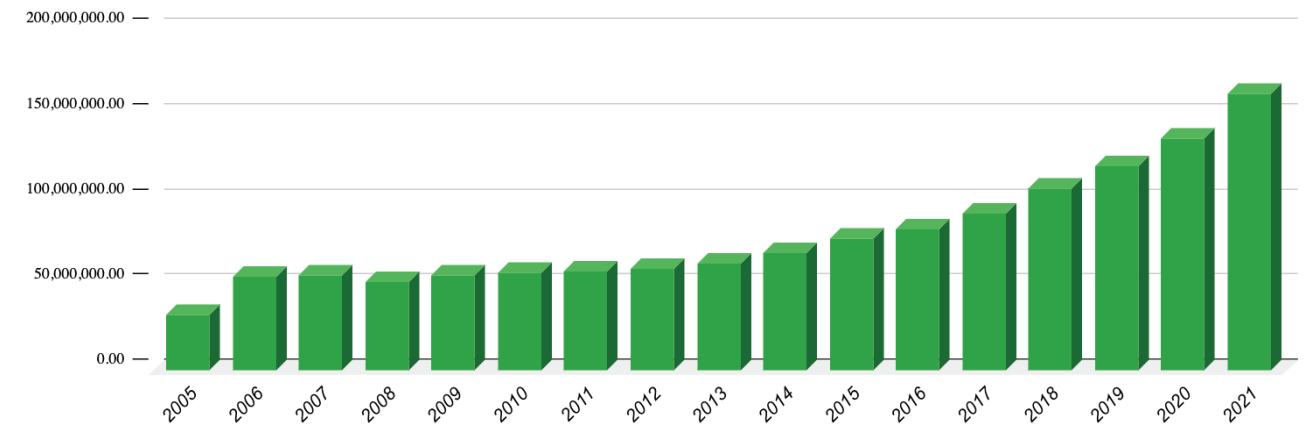
The downward trend in the volume of debit instruments has been maintained, in particular as a result of the redirection of some of the payments from the interbank circuit to intra-bank solutions, and of the migration from cheques to cash or card payments and, last but not least, as a result of a trend to reduce the payment acceptance of these instruments, caused by the immediate liquidity needs of the supplying companies.

An increase by more than 16% in the volume of direct debits compared to 2020 was determined by the expansion of the use of this type of instructions by the customers of the participants, following the promotion campaigns performed by some participants among beneficiaries. The increase by more than 153% of the value of direct debits was due to adopting the use of this instrument, especially during the 2nd semester of 2021 by energy companies.



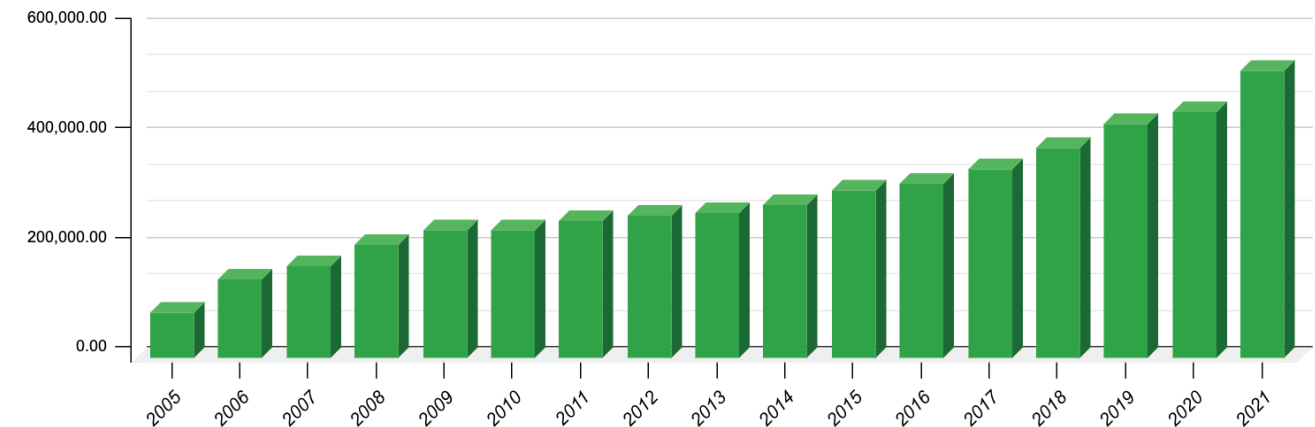


Evolution of the volumes of operations processed by SENT - Multiple Payments Component in Lei (2005-2021)



No. of Transactions

Evolution of the value of operations processed by SENT - Multiple Payments Component in Lei (2005-2021)

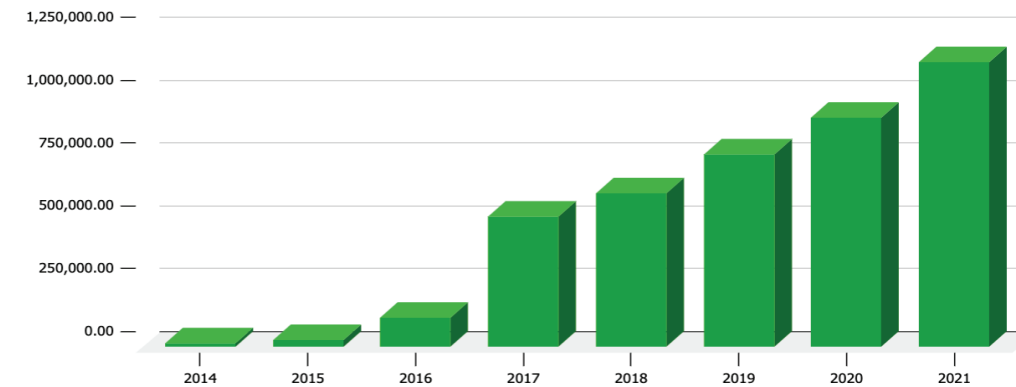


Million Lei



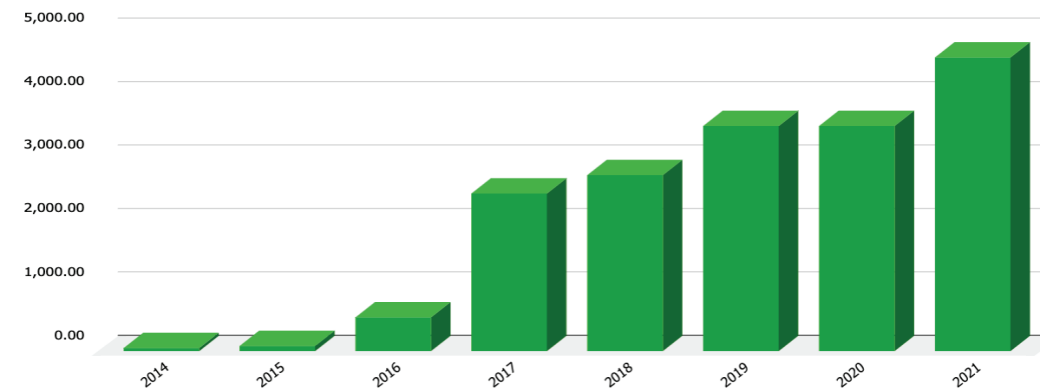
Regarding the operations processed through **SENT - Multiple Payment Component in Eur**, they registered an increase in the number of payment orders processed by over 24%, as a result of the increase in the volume of cross-border collections received from the partner clearing house TRANSFOND (EquensWorldline SE), but also in the volume of payments of SENT participants.

Evolution of the volumes of operations processed by SENT - Multiple Payments Component in Euro (2014-2021)



No. of Transactions

Evolution of the value of operations processed by SENT - Multiple Payments Component in Euro (2014-2021)



Million Euro

Volume and value evolution of payment instruments processed through the SENT system - Multiple Payment Components in RON and Euro, graphically illustrated above, is detailed in the Statistics Section.



THE INSTANT PAYMENTS COMPONENT OF SENT SYSTEM IN RON

At international level, as well as at European level in particular, authorities together with industry experts, consider that instant payments processing is becoming the new standard for processing payments of any kind, especially in the retail area.

In this context, on April 2019, TRANSFOND launched together with the first customers, an Instant Payments service, which offers the banking community and payment institutions a new infrastructure product, capable of processing payments 24/7/365 in a maximum of 10 seconds, account-2-account, according to the European standards in the field.

The volume of the operations processed in the Instant Payments Component of SENT system in RON, increased in 2021 four times compared to the previous year, exceeding 3 million operations, following the promotion efforts of the participants to this service among their beneficiaries, as well as the accession of two new participants - their total number becoming six, respectively Banca Transilvania, CEC Bank, Libra Internet Bank, BCR, Vista Bank and Patria Bank.

A maximum of transactions processed in 2021 was reached on 2nd of December, when the Instant Payment service of the SENT system processed over 22.000 transactions.

The defining attributes of the Instant Payment service - SPEED, SECURITY and CONTINUITY

Speed is ensured by the use of the highest technologies in service delivery and compliance with relevant European standards.

Safety and security reside in the fact that instant payments are transferred via interbank transfer by TRANSFOND and have the final and irrevocable settlement provided by the National Bank of Romania. In addition, the service is provided to end customers by banks and other payment institutions authorized and prudently supervised by the NBR

The provision of continuous payment services, 24/7, is the decisive factor for its adoption by the new generations of consumers and business and/or institution managers. The technology selected in the construction of the specific interbank infrastructure unequivocally ensures the condition of non-stop operation, and in parallel, stimulates the adjustment and even optimization of internal processes of the participants, in order to meet the same requirements.

SENT - OTHER FUNCTIONALITIES

AliasPay service (SPL type application – Standard Proxy Lookup), makes possible for bank customers to initiate interbank payments using their mobile phone, instead of IBAN number. The service has been operational since September 2020, with the launch for end consumers on 18th of March 2021, in partnership with Banca Transilvania and CEC Bank. In September 2021 ING Bank joined this service.

The financial services consumers in Romania will be able to use AliasPay as long as banks which they have an account with (the payment service providers) connect to this service. In order to become a beneficiary of payments through AliasPay, any customer of a participating bank must first activate this service. By subscribing to AliasPay, the alias data is transmitted to TRANSFOND, so that from that moment the customer will be able to receive amounts in an account in a very simple way, based on the phone number used to initiate the payment by any customer of a participating bank.

For banks and other payment service providers, AliasPay service brings a number of benefits, including: operational safety, efficiency, ensuring interoperability at SEPA level without the need for other developments by the participant, electronic archiving (optional), HelpDesk available 24/7/365, reuse of communication networks through which payment institutions are already connected to the SENT system managed by TRANSFOND. The level of security and availability of the service is similar to that ensured for the operation of the Automated Interbank Clearing House, TRANSFOND providing, in the case of AliasPay, a response time to queries of less than 2 seconds.

The performance of the SENT services in 2021

In 2021, SENT system operated within normal parameters, according to the laws, regulations and the related contractual framework.

SENT system as a whole (IT application, infrastructure and technical operation services) offered the highest possible level of quality of the services provided. The availability in 2021 was 100% for SENT technical services and also 100% in terms of IT application and customer perception of SENT services provided.

FEES

In an effort to offer the banking community in Romania a complex and full range of services, that would streamline the undertakings' activity by reducing the transaction costs, TRANSFOND initiated along with the commissioning of the Electronic Payment System production, a sustained campaign for fees reduction took place in all three components. The efforts made in order to decrease the fees and to ensure a reduced transfer time were also aimed at attracting high volumes from cash to the electronic environment.

SENT fees charged to payment institutions (banks and non-banks alike) have been periodically reduced since 2005 to date. Thus, across time, fees level reached approximately 24% of the value for paper printed processed operations. The company has been able to absorb this financial impact by applying systematic cost control policies, including consistent reorganization of the activity, along with an efficient SENT administration, while providing an availability of more than 99.99%, during all the 16 years of operation.

Starting with November 2021, TRANSFOND decreased the fee related to instant payments processing, encouraging one more time payment institutions to use this type of instructions. Thus, real time payments are offered by TRANSFOND to the Romanian banking and financial community for a price lower than the SCT – RON 0.45 /per initiated SCTInst (compared to RON 0.51 – the cost of the processing of an initiated SCT). Instant payment became practically the cheapest infrastructure service for retail payments offered by TRANSFOND, the transaction fee recording a decrease by 11.8% compared to the previous level and similar to the classic SEPA payment order.



e-BUSINESS SERVICES

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

THE e-ARHIV@ SYSTEM - ELECTRONIC ARCHIVING OF DOCUMENTS

Starting with July 2009, TRANSFOND became the first accredited electronic archive administrator in Romania, by launching the e-Arhiv@ service, being entitled to perform electronic archive management activities according to the provisions of Law no. 135/2007 regarding the electronic archiving, its data centers obtaining all the reauthorizations which followed every 3 years, respectively 2012, 2015, 2018 and 2021. The reauthorization always involved an external prior audit carried out by an auditor appointed by the Ministry of Communications and Information Society, according to the effective legal regulations.

By offering e-Arhiv@, TRANSFOND provides its clients with the relief from the obligations to comply with the legal and technological requirements of accreditation as electronic archive administrator and of authorization of the data center for electronic archive hosting, as well as of the costs raised by investments and operating their own electronic archiving solution according to the valid legal provisions.



The high level of performance of the services offered by TRANSFOND, corroborated with its reputation for proven safety and professionalism in services administration, led to a market share of approximately 97% on the banking segment for e-Arhiv@, the company thus maintaining the market leader position in this sector. e-Arhiv@ continued to register in 2021 a high level of availability, 99.91%, compared to the undertaken contractual level of 95%.



THE e-FACTUR@ SYSTEM - ELECTRONIC INVOICING SYSTEM

The electronic invoicing service e-Factur@, launched in 2010 by TRANSFOND, allows businesses to issue, deliver and archive the invoices in electronic format, completely or partially replacing the similar process on paper, depending on the issuing customer or the payer needs. The service offered by TRANSFOND, part of Additional Optional Services to the payments systems according to SEPA regulations at European level, brings important economic benefits as an integral part of the sale flow within a company, as well as an optimization 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, originated in the European and worldwide trend in the field ((both, in general, disavouring the use of paper based documents in favour of the electronic ones and in particular, the optimization of internal processes of any business by reducing the invoicing costs), as well as in the fact that, in Europe, this 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.

The e-Factur@ service was 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, TRANSFOND provides to the invoice issuers, as an integral part of e-Factur@, Invoice e-Archiv@, through e-Arhiv@ service (for archiving invoices generated in electronically format). In order to help the customers issuing invoices whose working hours was affected by the pandemic, TRANSFOND introduced, starting with 2020, two new facilities in e-Factur@, consisting in the extension of the working hours for receiving files in the system and the expansion to one year of the time range during which the issued invoices are available to be viewed and downloaded by the issuers. These modifications were made after consulting the customers, being reflected in a reviewed version of the terms and conditions for e-Factur@.

In 2021, the number of the electronic invoice recipients (with an open account in e-Factur@) increased by 17% compared to the previous year, reaching 41.127 recipients for viewing and downloading the invoices. The increase of recipient customers in e-Factur@ is mostly due to their adoption of receiving on-line invoices, during the pandemic. The availability of e-Factur@ in 2021 reached the maximum level of 100%, much higher than the 95% contractual level.

The importance of e-Business services both for a better business management and for environment protection, represents a constant of company activities. The potential benefits that an electronic invoice brings to all parties involved, makes up one of the reasons which led TRANSFOND to the development of this business line.

By its nature, e-Factur@ can be interfaced with ERP systems (Entreprise Resource Management) used by invoicing companies, as well as by their recipients (in the business-to-business relationship), for the purpose of facilitating the automation of internal financial processes, thus substantially reducing costs 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 e-Factur@, we must emphasize both the optimization of processes for invoice issuers, as well as important savings regarding issuing, archiving and delivery/sending invoices. In the case of the invoice recipients, the invoice is assuredly delivered in short time, and the risk of errors which may occur during its processing, associated with the human intervention, is significantly diminished. There is also an increase cash flow optimization both for the invoices issuers as well as the for the recipients.





Customer Satisfaction

TRANSFOND performs annually a study regarding customer satisfaction. In 2021, the questionnaires concerning TRANSFOND's customers have focused on studying their degree of satisfaction regarding the services offered by the company, including as investigated areas: The Automated Clearing House - SENT, the electronic archiving service - e-Arhiv@ and the electronic invoicing service - e-Factor@.

Regarding SENT system, a total satisfaction percentage amounted to 97.43%, slightly increased compared to the one of the previous year (97.10%). For e-Factor@ (including e-Arhiv@ component of the invoices), customers in production in December 2021 were questioned. Total satisfaction percentage is 92.77%.

In the case of the e-Arhiv@ service, customers in production in December 2021 were questioned. The total satisfaction percentage is 97.69%. As a conclusion, the general reaction of banks and other categories of customers interviewed regarding the services offered by TRANSFOND in 2021 was a positive one, reflecting TRANSFOND's efforts to constantly improve its activity.

**Statistics
Section**



SENT STATISTICS – ELECTRONIC PAYMENTS IN LEI

Volumes and values of electronic payments in Lei processed during 2005 (April) - 2021		
Year	Volume of electronic payments in Lei processes during 2005 (April) - 2021 (number of operations)	Volume of electronic payments in Lei processes during 2005 (April) - 2021 (million Lei)
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
2019	119.434.133	426.408
2020	135.303.866	447.395
2021	161.890.262	522.414



SENT STATISTICS - ELECTRONIC PAYMENTS IN EURO

Volumes and values of electronic payments in Euro processed during 2014 - 2021

Year	Volume of electronic payments in Euro processes during 2014 - 2021 (number of operations)	Volume of electronic payments in Euro processes during 2014 - 2021 (million Lei)
2014	15,895	44,51
2015	26,446	86,55
2016	116,048	531,44
2017	518,224	2.470,98
2018	614,138	2.775,10
2019	767,413	3.538,78
2020	911.143	3.540,69
2021	1.133.378	4.617,73

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