



BANCA  TRANSILVANIA

BANCA TRANSILVANIA

Q3 2018 financial results

November 15th 2018



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Agenda



- 1 Banking sector dynamics
- 2 Q3 2018 Highlights
- 3 Performance in Q3 2018
- 4 Overview of business lines
- 5 BT Financial Group
- a Financial statements

Bank assets continued to expand during 1H18 reaching RON 435bn as credit activity gathers pace

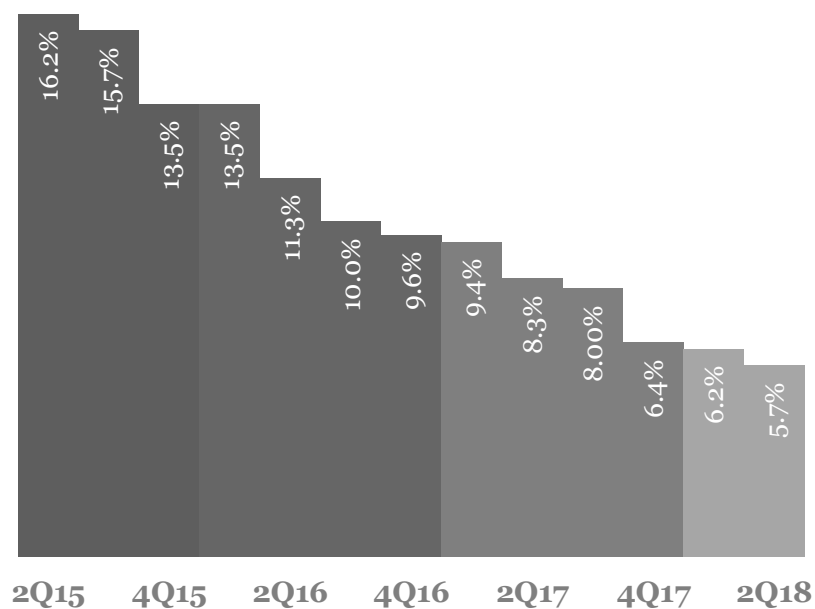
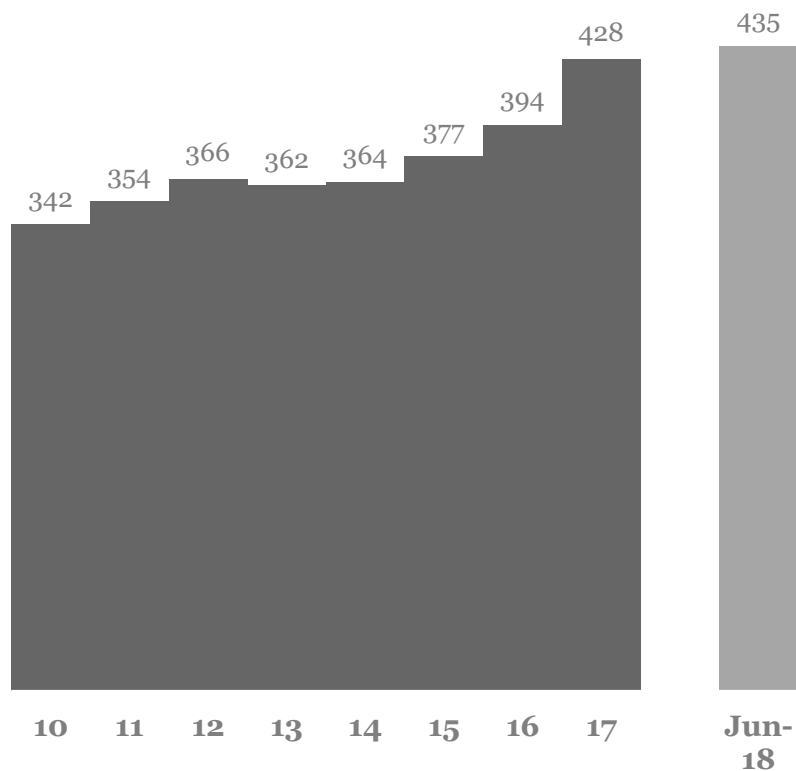


Bank assets rose 1.6% YTD as of Jun end

Loan quality further improving, NPE ratio drops below 6%

total bank net assets, RONbn source: NBR

NPE ratio (EBA), % source: NBR

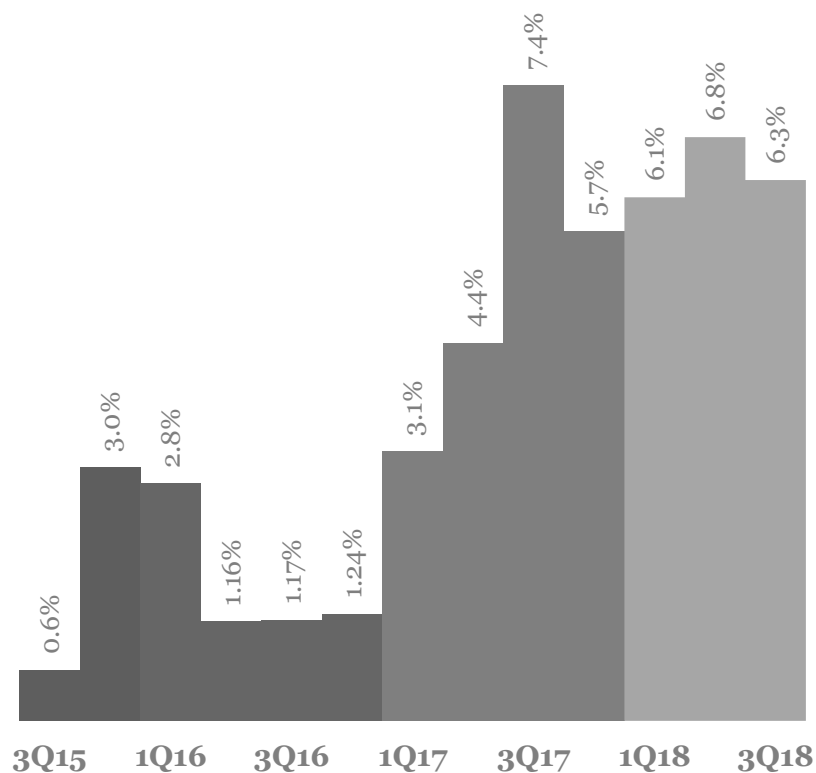


Lending up 6.3% YoY to RON 248bn end of Q3'18



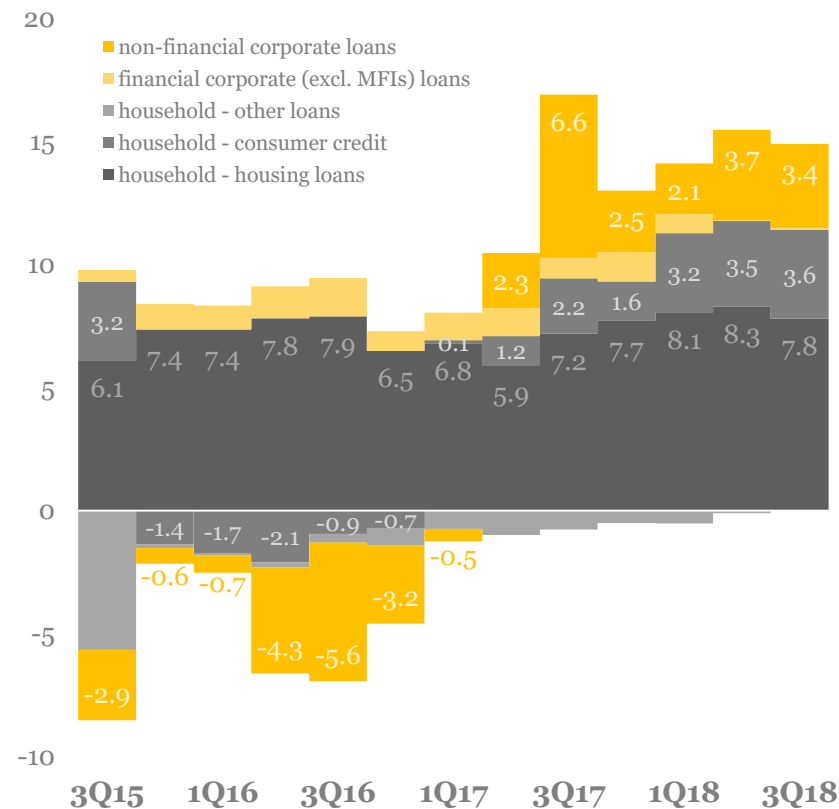
Private loans expanding at a fast pace

%YoY source: NBR



Housing loans remain the main driver of credit growth

YoY, RONbn source: NBR



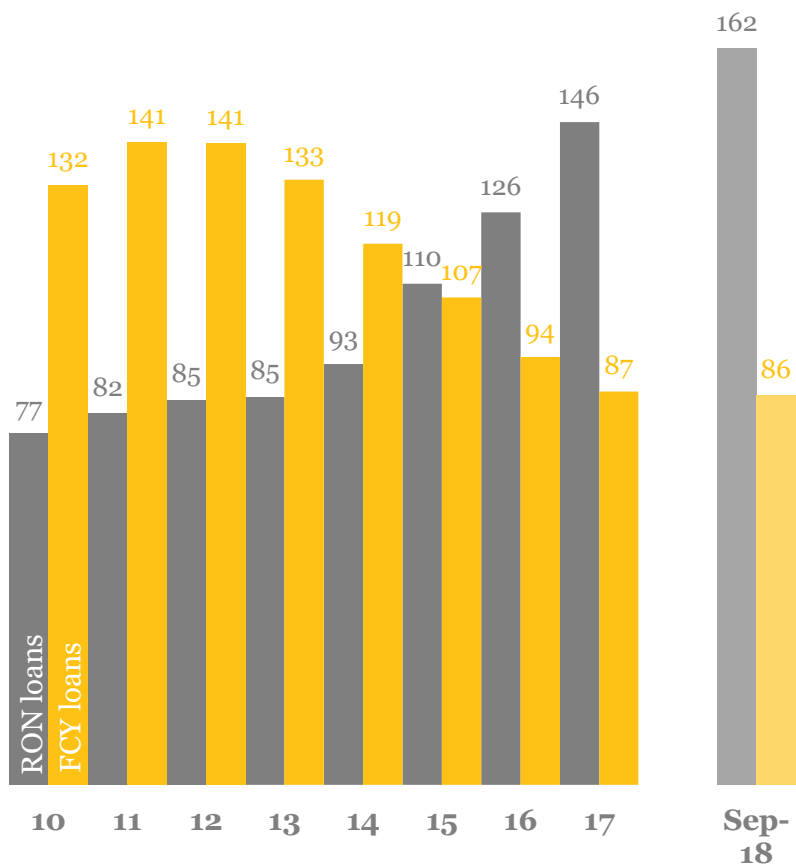
Local currency loans at RON 162bn make up 2/3 of the private credit



LCY loans more than double compared to 2010

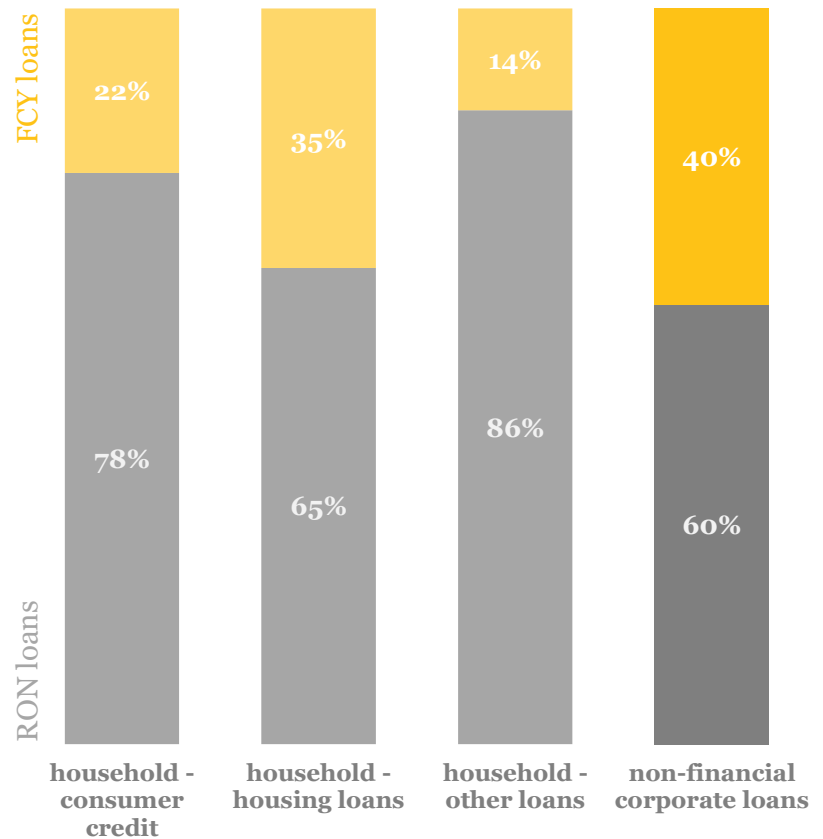
All types of credit are now mostly RON denominated

RONbn source: NBR



structure by currency as of Sep

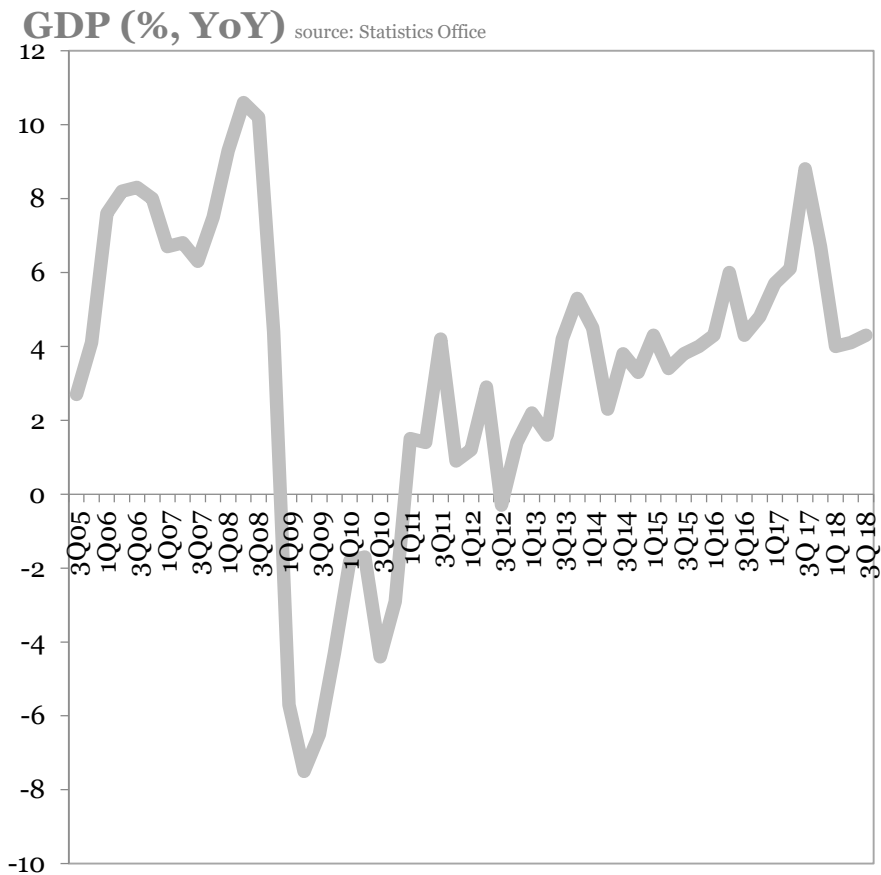
source: NBR



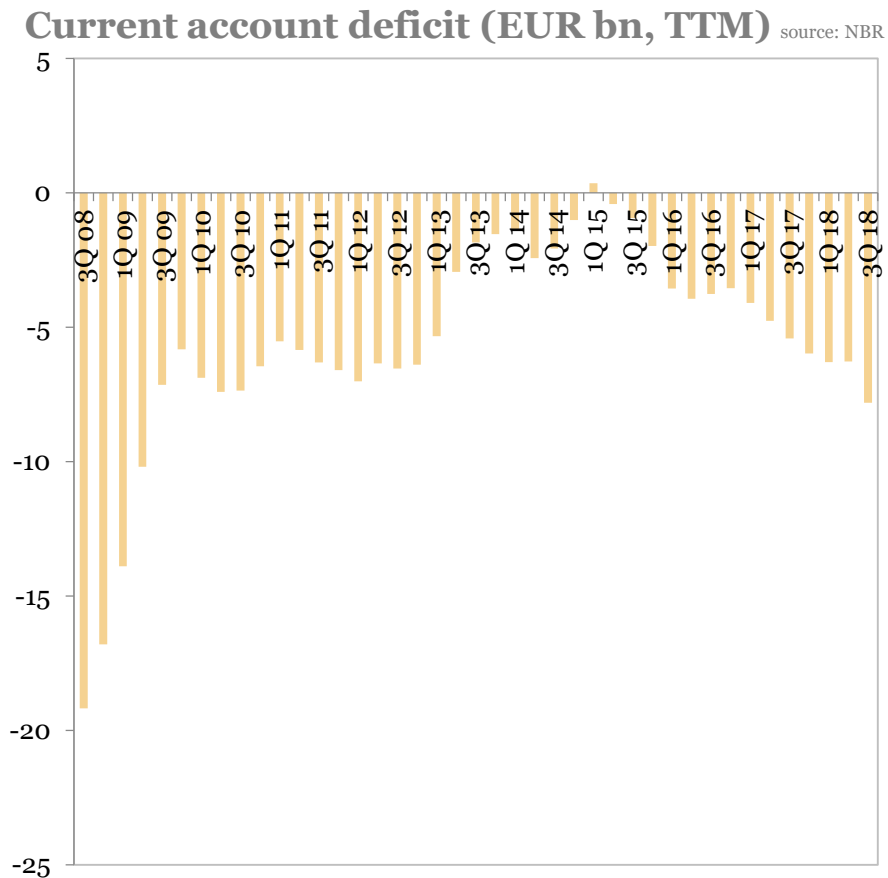
The real economy & investment cycle



Evolution around the potential pace



Deterioration of the current account

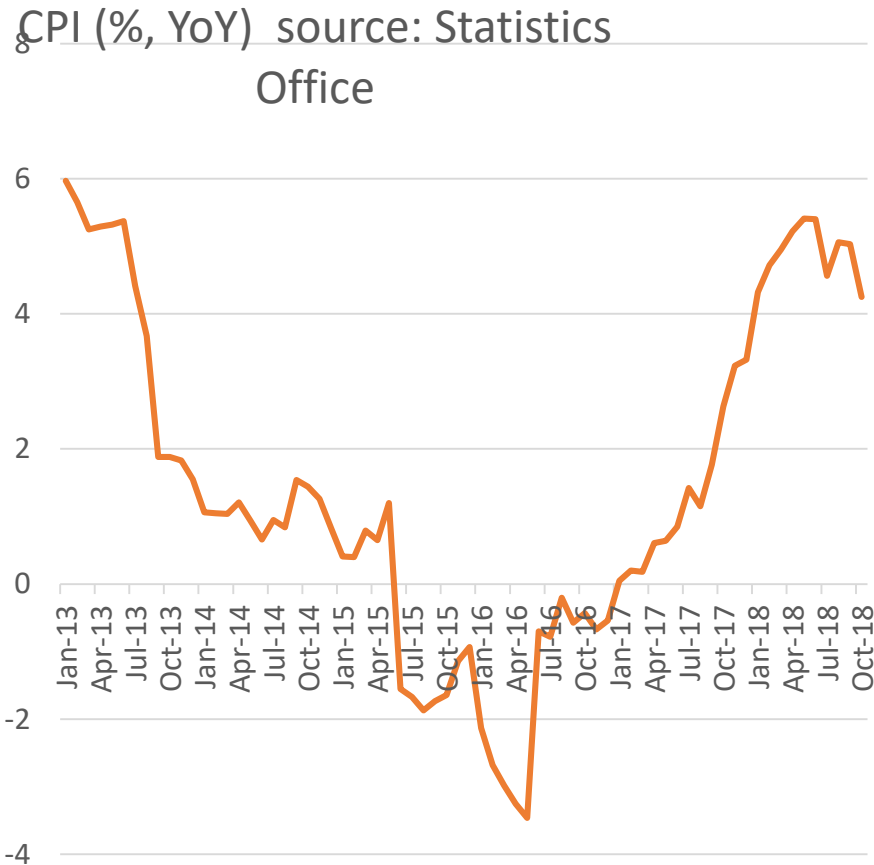


The financial economy

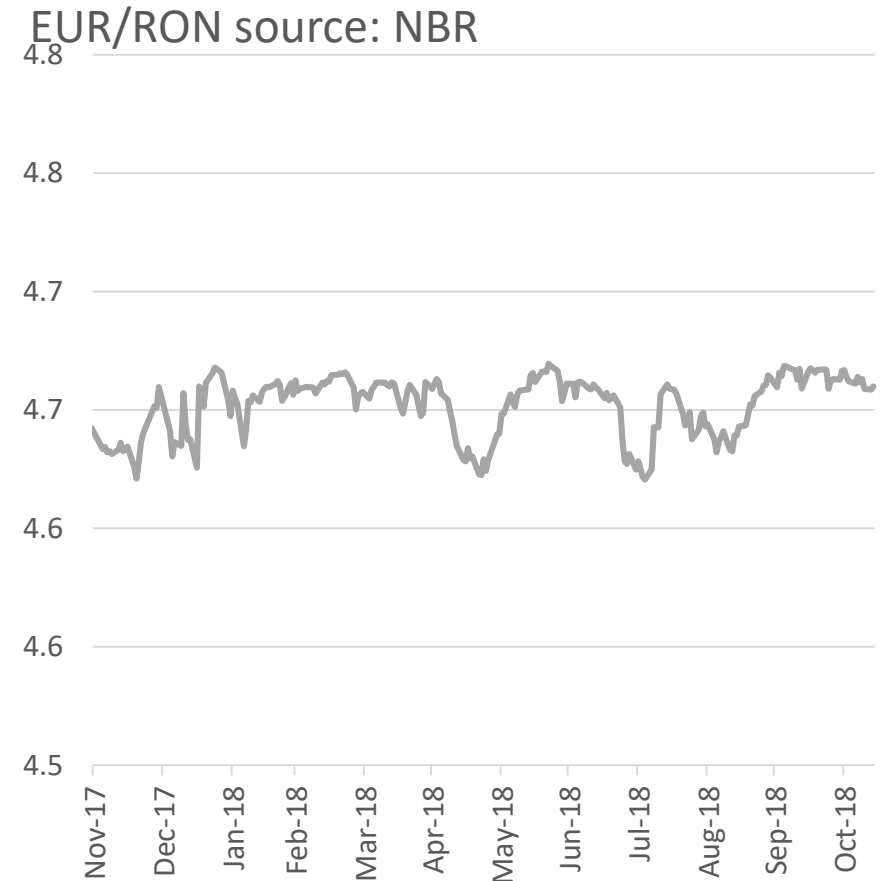
Inflationary pressures fading out gradually, while EUR/RON resilient to the volatility on the global markets



Inflation changed the trend



EUR/RON stability



A solid yellow circle is positioned on the left side of the slide, partially overlapping the text.

Banca Transilvania's business development and financial performance in Q3 2018

Q3 2018 BT Highlights



	YTD Sep 2018	YTD Sep 2017	Δ	
profitability	Net interest income RONmn	1,562.9	1,320.3	18.4%
	Net fee and commission income RONmn	466.7	424.3	10.0%
	Operating expenses RONmn	(1,053.3)	(957.6)	10.0%
	Gross profit before provisions RONmn	1,189.2	959.6	23.9%
	Net income RONmn	979.1	779.8	25.5%
	Cost of risk, net (%)	-0.32%	0.16%	
	NIM*	3.54%	3.19%	0.3 pp
	ROE	19.00%	16.68%	2.3 pp
	Cost-to-income ratio	46.97%	49.95%	-3.0 pp
credit activity	Sep-18	Dec-17	Δ	
	Gross loans to customers RONmn	34,690.5	31,828.3	9.0%
	Deposits from customers RONmn	52,384.2	49,099.2	6.7%
	Gross loans-to-deposits ratio	66.22%	64.82%	1.4 pp
	NPL ratio	3.13%	3.05%	0.1 pp
capital	Sep-18	Dec-17	Δ	
	Total equity RONmn	7,175.9	6,970.1	3.0%
	Tier 1 capital ratio (profit included)	18.81%	18.25%	3.1%
Total capital ratio (profit included)	23.16%	19.21%	20.5%	

**without POCI adjustments*

Business performance Q3 2018

at a glance



Total assets at RON 64.7bn

Balance sheet consolidation

Capital adequacy ratio at 23.16%

Strong capital base, supporting organic and non organic growth

Net fees and commissions at RON 467mn +10% Y/Y

Increased number of operations and additional cross-sell

CoR, net

CoR at -0.32%, recoveries and releases are higher than provision expenses

Net profit at RON 979mn

Net profit positively influenced by increase in interest income, fees and commissions income and decrease in provisions

Cost/income at 46.97%

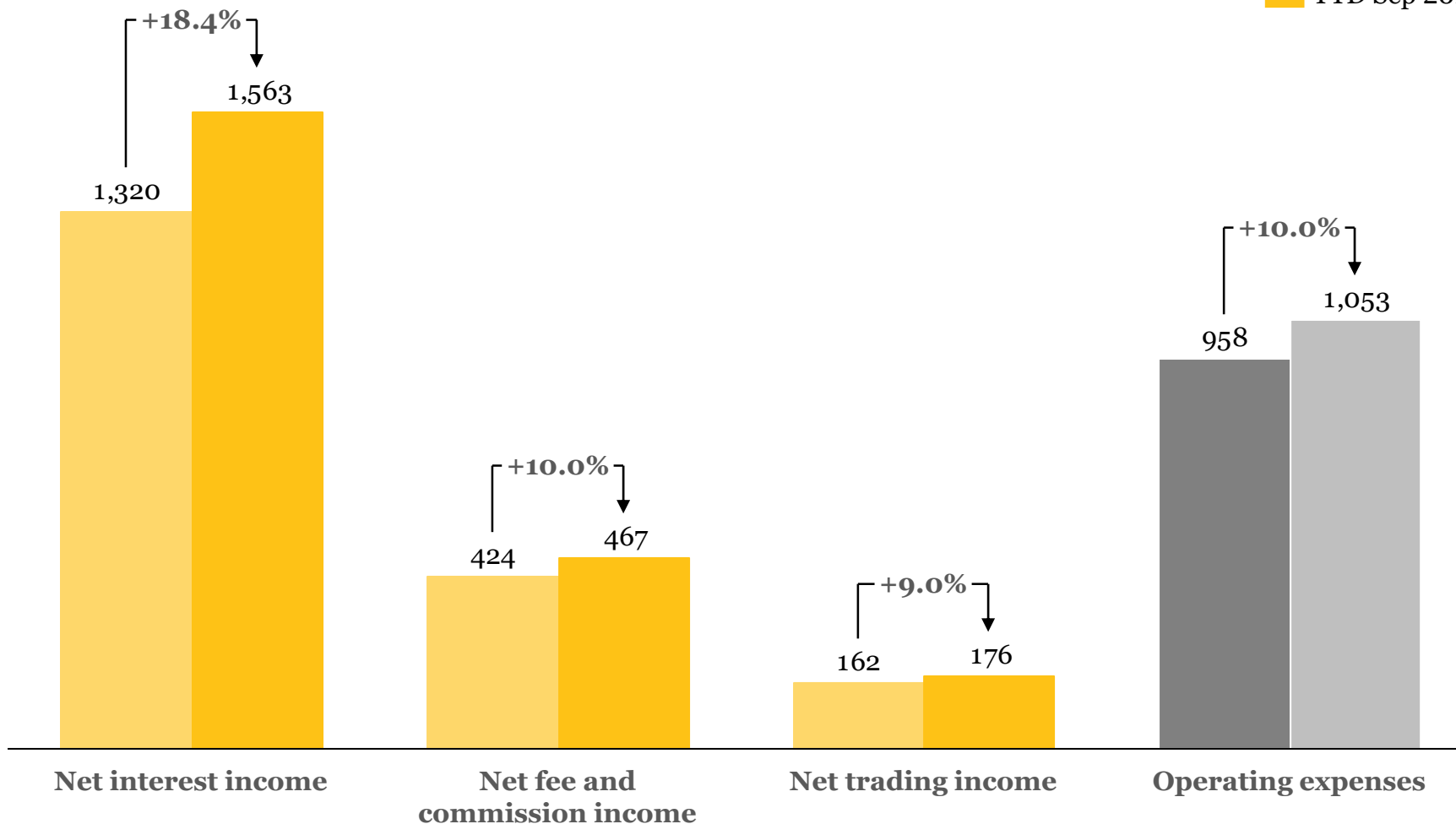
Operational efficiency closely monitored

Trends in income structure

RONmn



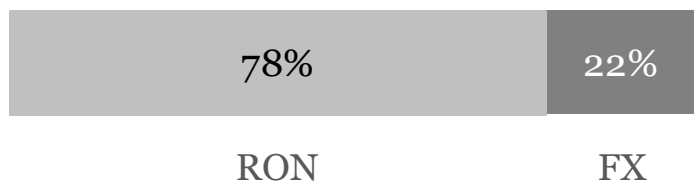
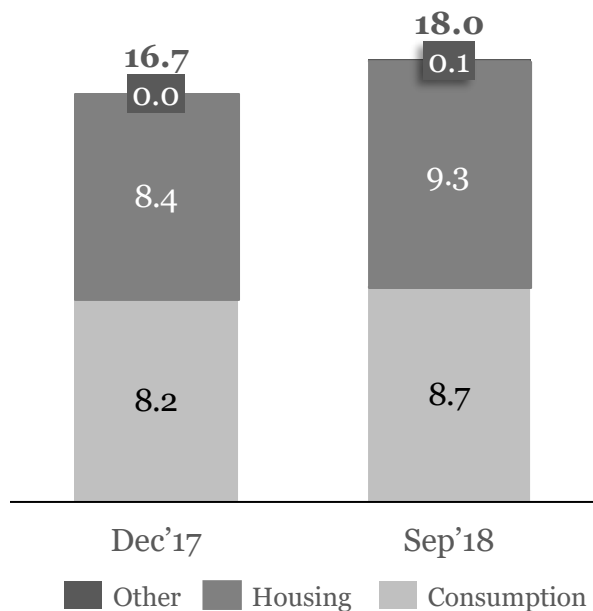
YTD Sep 2017
YTD Sep 2018



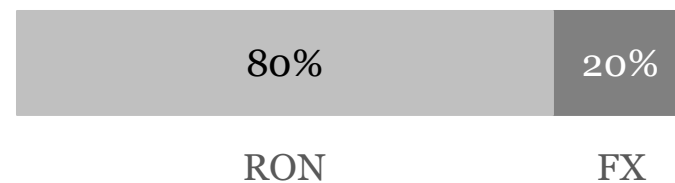
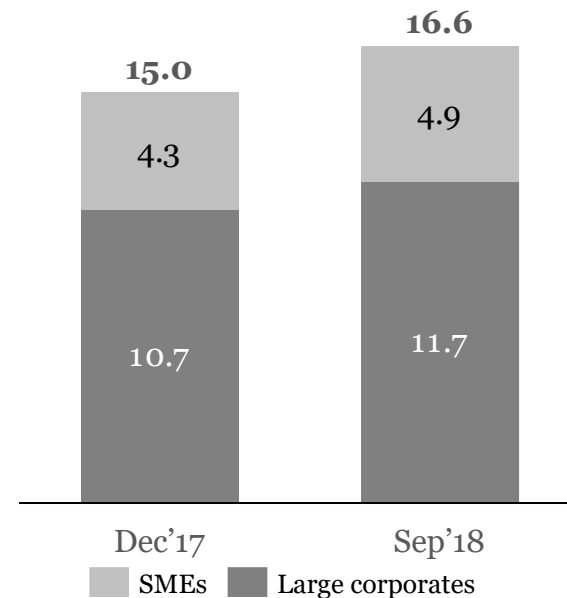
Loan structure



Loans to households, RONbn



Loans to companies, RONbn

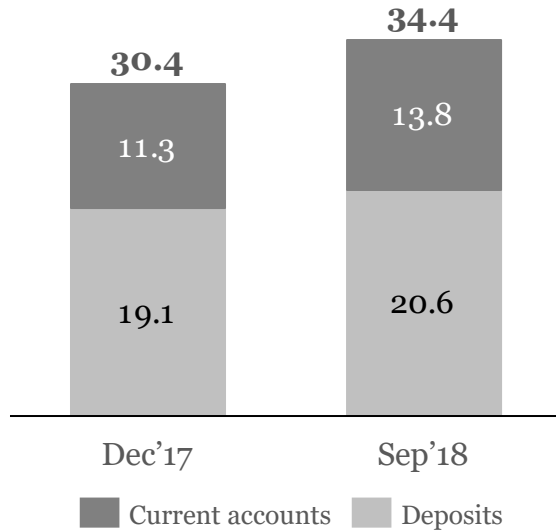


*SMEs identified according to internal classification rules

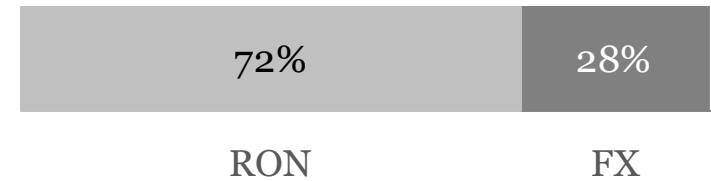
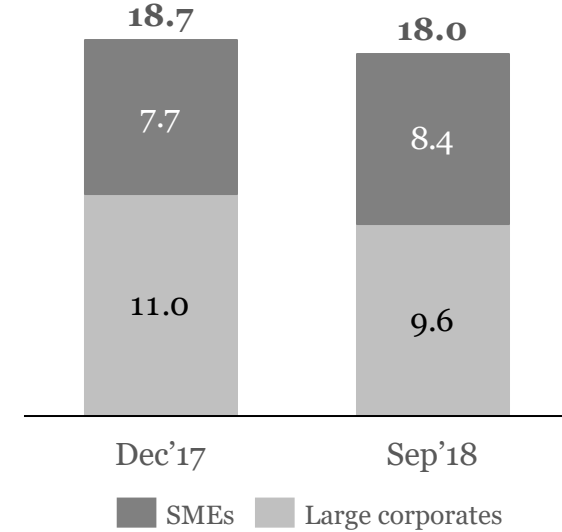
Deposit structure



Deposits from households, RONbn



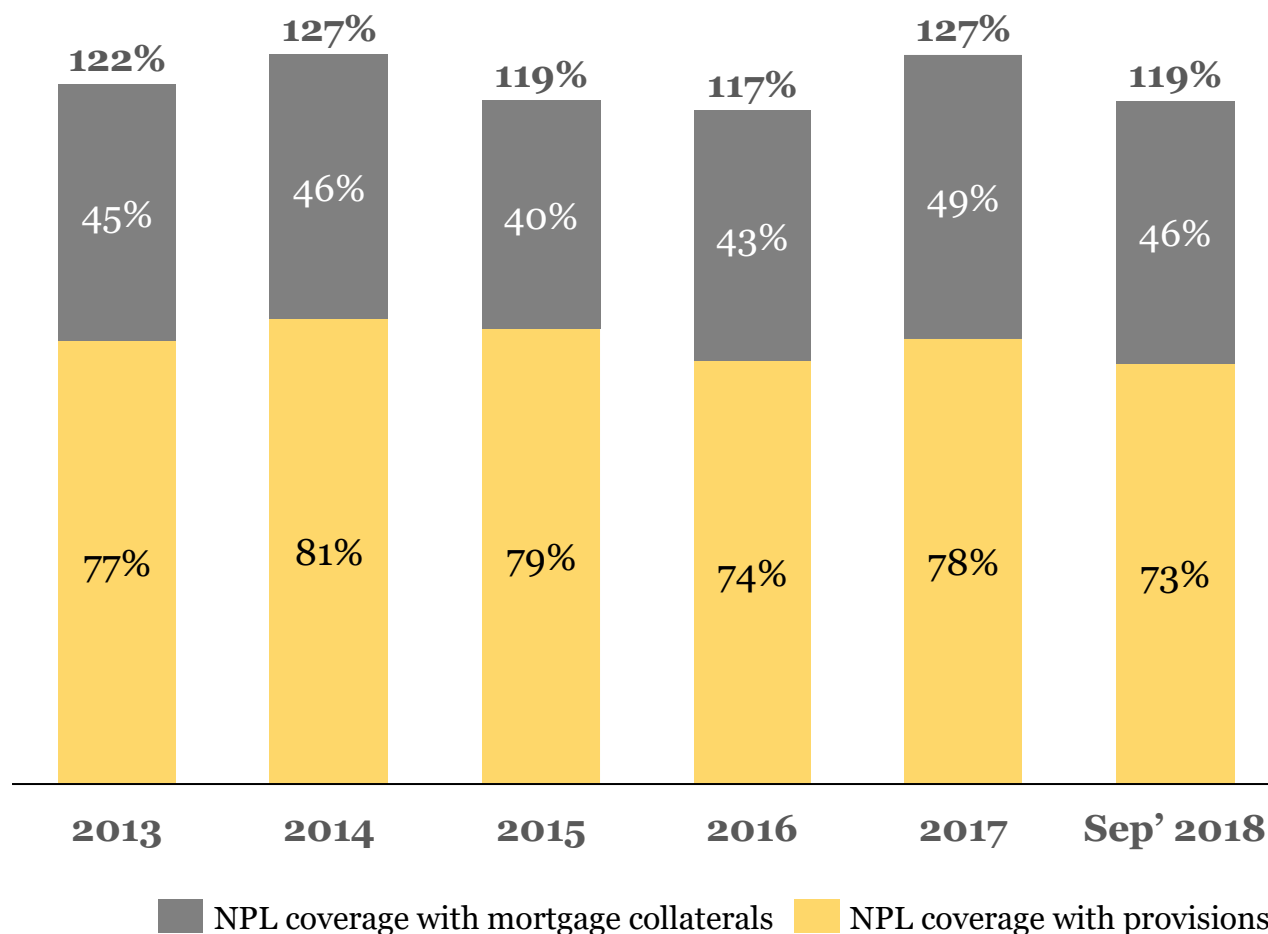
Deposits from companies, RONbn



**SMEs identified according to internal classification rules*

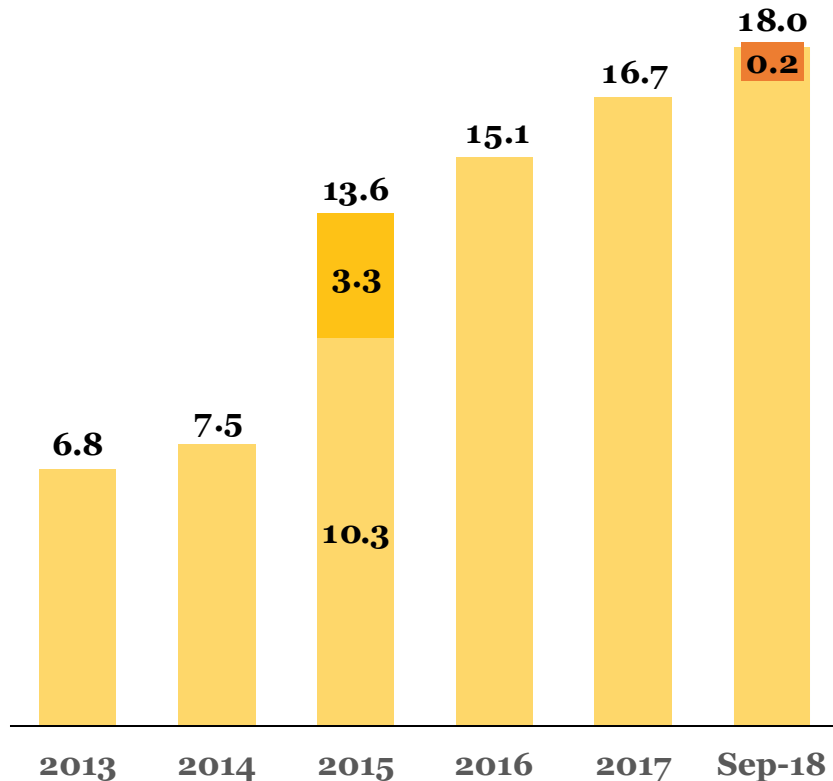
NPL ratio at 3.13%

Banca Transilvania continued to provide a sound coverage ratio for its PAR 90 portfolio



Retail banking

retail loan portfolio reached RON 18bn as of Sep 2018

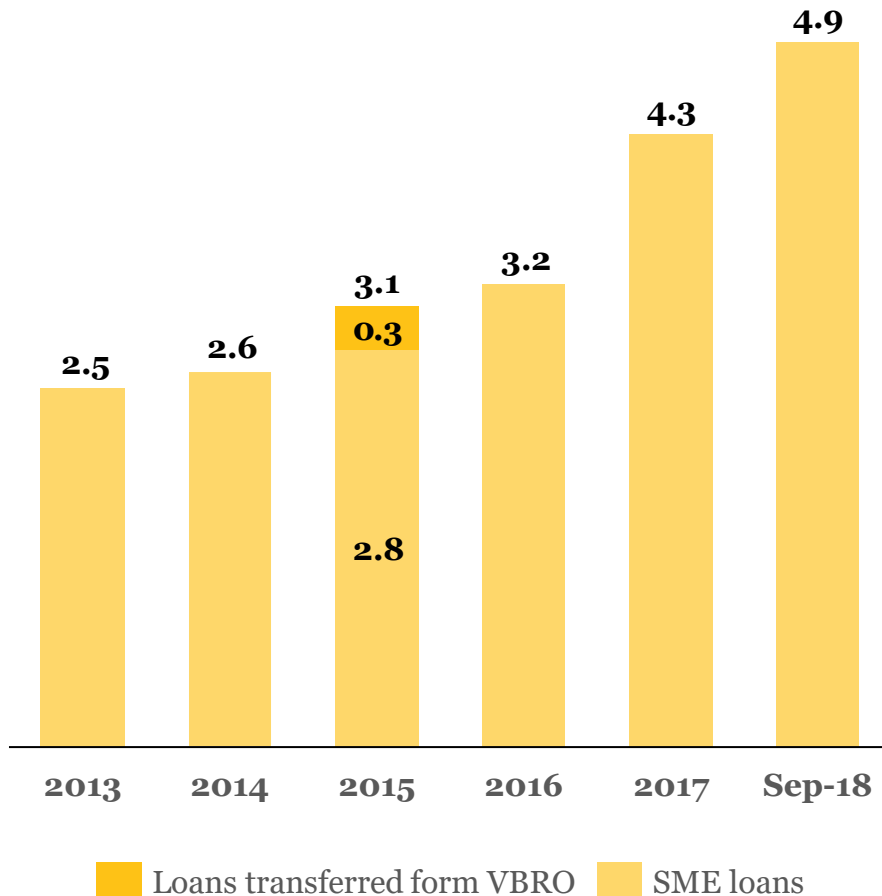


Loans transferred from VBRO Retail loans
Loans transferred from Bancpost

- 60,000 non-card retail loans disbursed in the first nine months of 2018
- 3.2 mn active cards, with a market share of about 19%
- The Bank manages a portfolio of 410.000 credit cards, representing 30% of the Romanian retail card transactions.
- BT Pay- first bank wallet in Romania – has over 180.000 downloads; A 33% increase compared to Q2 2018 for mobile-phone transactions and money transfers.

SME banking

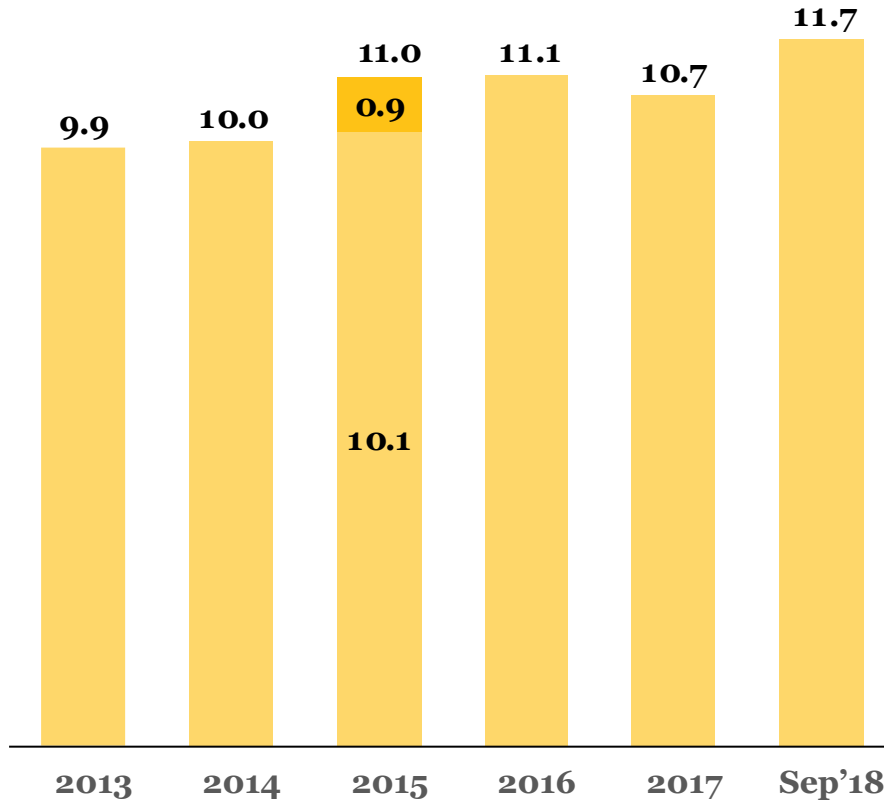
SME loan portfolio at RON 4.9bn and 252,400 active clients



- **First non-banking solutions platform for SMEs, BT Store**
- **Banca Transilvania continued its specific focus on the SME business sector, offering more than 15,000 new loans in the first nine months of 2018**

Corporate banking

corporate loan portfolio reached RON 11.7bn



- Sectorial specialization is a main focus
- BT is present with lending facilities especially in the industrial manufacturing and agribusiness segments
- Joint actions BT and Bp to ensure common clients customized approach

Loans transferred form VBRO Corporate loans

Banca Transilvania Financial Group

as of 30.09.2018*



BANCA TRANSILVANIA[®]

Total assets: RON 64.7bn



Total assets: RON 9.1bn



Total assets: RON 3.5bn



Total assets: RON 136mn



Total assets: RON 162mn



Total assets: RON 906mn



Total assets: RON 288mn



AuM: RON 3,824mn

**Total assets for Bancpost are computed under IFRS;
Total assets for Victoriabank are computed under local FINREP standards, at official MDL/RON exchange rate as at 30.09.2018;
Total assets for subsidiaries other than banks are presented under RAS rules.*

annex I

income statement YTD Sep 2018 – individual figures



IFRS individual, RONmn	YTD Sep 2018	YTD Sep 2017	Δ
Net interest income	1,562.9	1,320.3	18.4%
Net fee and commission income	466.7	424.3	10.0%
Net trading income	176.5	162.0	9.0%
Other net income	36.5	10.7	240.6%
Operating income	2,242.5	1,917.2	17.0%
Personnel expenses	(584.2)	(528.3)	10.6%
D&A	(80.2)	(64.8)	23.8%
Other operating expenses	(388.9)	(364.5)	6.7%
Operating expenses	(1,053.3)	(957.6)	10.0%
Cost of risk	84.3	(37.8)	
Net income before taxation	1,273.4	921.9	38.1%
Income tax (expense) / revenue	(294.4)	(142.0)	107.3%
Net income after taxation	979.1	779.8	25.5%

annex II

balance sheet 30.09.2018 – individual figures



IFRS individual, RONmn	Sep 2018	Dec 2017	Δ
Cash & cash equivalents	6,204.0	6,637.7	-6.5%
Placements with banks	4,133.7	5,302.3	-22.0%
Loans to customers, net	32,510.6	29,914.0	8.7%
T-bills & securities	19,478.8	16,115.7	20.9%
Fixed assets	583.2	533.4	9.3%
Participations	1,183.8	156.6	655.8%
Current tax assets	22.9	148.6	-84.6%
Deferred tax assets	32.2	173.2	-81.4%
Other financial assets	429.3	211.9	102.6%
Other assets	108.2	108.5	-0.3%
Total assets	64,686.9	59,302.1	9.1%
Deposits from banks	161.9	127.9	26.5%
Deposits customers	52,384.2	49,099.2	6.7%
Loans from banks and FIs	1,535.1	1,099.9	39.6%
Subordinated loan	1,759.0	414.6	324.3%
Provisions for other risks and charges	317.0	373.1	-15.0%
Other financial liabilities	1,294.0	1,154.8	12.1%
Other liabilities	59.8	62.4	-4.2%
Total liabilities	57,511.1	52,332.0	9.9%
Shareholders' equity	7,175.9	6,970.1	3.0%

annex III

income statement YTD Sep 2018 – consolidated figures



IFRS consolidated, RONmn	YTD Sep 2018	YTD Sep 2017	Δ
Net interest income	2,089.6	1,379.0	51.5%
Net fee and commission income	569.2	458.8	24.1%
Net trading income	169.9	204.9	-17.1%
Other net income	427.2	47.0	809.8%
Operating income	3,255.9	2,089.7	55.8%
Personnel expenses	(732.7)	(560.8)	30.7%
D&A	(121.4)	(89.9)	35.1%
Other operating expenses	(733.2)	(405.5)	80.8%
Operating expenses	(1,587.3)	(1,056.2)	50.3%
Cost of risk	(103.3)	(53.9)	91.6%
Bargaining gain	110.8	0.0	
Net income before taxation	1,676.1	979.6	71.1%
Income tax (expense) / revenue	(435.0)	(150.1)	189.9%
Net income after taxation	1,241.1	829.5	49.6%

annex IV

balance sheet 30.09.2018 – consolidated figures



IFRS consolidated, RONmn	Sep 2018	Dec 2017	Δ
Cash & cash equivalents	8,823.7	6,637.7	32.9%
Placements with banks	5,301.6	5,348.1	-0.9%
Loans to customers, net	38,433.4	30,249.0	27.1%
T-bills & securities	22,076.8	16,096.2	37.2%
Fixed assets	805.0	766.9	5.0%
Current tax assets	0.0	146.9	-100.0%
Deferred tax assets	73.5	187.1	-60.7%
Other financial assets	791.6	234.3	237.8%
Other assets	246.1	138.8	77.3%
Total assets	76,551.7	59,805.0	28.0%
Deposits from banks	282.6	127.9	120.9%
Deposits from customers	62,787.9	48,932.2	28.3%
Loans from banks and FIs	1,737.7	1,487.0	16.9%
Subordinated loan	1,763.0	414.6	325.3%
Current tax liabilities	92.2	0.0	
Provisions for other risks and charges	381.6	382.8	-0.3%
Other financial liabilities	1,549.1	1,216.2	27.4%
Other liabilities	125.4	104.0	20.5%
Total liabilities	68,719.5	52,664.9	30.5%
Shareholders' equity	7,542.2	7,125.4	5.8%
Non-controlling interest	290.0	14.7	1873.8%
Total liabilities and equity	76,551.7	59,805.0	28.0%



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