

Press Release, February 15, 2017

Sound organic growth, one year after the merger between Banca Transilvania and Volksbank Romania

The 2016 results confirm the positive trend of the year beginning, surpassing of the budget for 2016

• Financial Results as at December 31, 2016 •

- Almost 175,000 new loans granted by BT to Retail, SME and Corporate clients;
- Operational efficiency remained a focus point for the bank's management, both in terms of increasing number of clients, respectively transactions.
- More than 800 thousand internet banking users and almost 250 thousand mobile banking users. BT continues to invest in automation and digitalization with respect to banking processes, in order to improve customer experience.
- In 2016, Banca Transilvania allocated almost RON 18 million in social responsibility programs dedicated to financial and entrepreneurial education, volunteering, sports, culture and social cases;
- BT Club offered financial education courses to more than 8,000 local entrepreneurs, organizing 60 seminars across the country in 2016.
- During 2016, Banca Transilvania launched a new branding concept, unanimously embraced by the shareholders, customers and the entire team of BT Financial Group. The new brand identity is suggestively related to Romania, novelty, reputation and energy, all core values of BT.
- Banca Transilvania Group ended the year 2016 with assets totaling RON 51.95 billion, of which RON 51.8 billion represents the stand-alone figure of the bank.
- BT remains focused on small entrepreneurs; hence the forthcoming initiative of launching a dedicated platform for this customer segment.

BT's operating income reached RON 2,823.4 million and the net profit RON 1.233 million, including deferred tax income. At Group level, the operating income reached RON 2.987 million and the net profit RON 1.282 million. BT's assets amount to RON 51.8 billion, of which net loans represent RON 27.2 billion; customer deposits stand at RON 41.9 billion.

Horia Ciorcila, Chairman of BT's Board of Directors declared: *"2016 represented a new phase in consolidating the BT Group and we are pleased that this year we delivered again better than promised. It is essential for us to constantly improve the relationship with our clients, which is why we will invest extensively in the latest technologies to maximise the efficiency of our business model. We will continue to grow organically, financing the*

Romanian economy and making sure we value our competitive advantage of local decision-making. Our growth path will be prudent and responsible, aware of the multiple challenges of the local and European economic environment. On the other hand, we believe that the market consolidation process will continue and we are open to and interested in potential acquisitions, however, any such decision has to be rational and to make sense, adding value to our business. I would like to thank our shareholders, clients and employees for their trust and involvement - both for the positive results so far, as well as for the 23 years of existence celebrated by our bank on February 16”.

Ömer Tetik, Banca Transilvania’s CEO, said: *“In 2016, we achieved good results in terms of organic growth and profitability, one year after the merger with and integration of Volksbank Romania. As a network bank, with a well-trained staff, backed by advanced technologies, we address client needs. Although we do have high targets and ambitious plans, we maintain a prudent lending policy and an adequate provision coverage with respect to exposures.”*

Banca Transilvania’s financial results, end of 2016:

- Banca Transilvania’s net profit amounts to RON 1,233 million, whereas that of the Group amounts to RON 1,282 million.
- Commission income grew by 11.4%.
- BT’s operating efficiency confirms the trend of 2016, with a cost/income ratio at 41%. Excluding the impact of RON 185 million from the Visa Europe transaction, the cost/income ratio stays at a comfortable level of 44%.
- BT granted close to 18,000 new loans to the SME sector in 2016.
- From January to December 2016, gross loans, excluding the write-offs, grew by 10.3% across all business lines.
- The loan/deposit ratio stays at 70%.
- As at December 31, 2016, Banca Transilvania counts a portfolio of 2.82 million cards, generating transactions 25% higher compared to the similar period of the previous year. The bank’s market share in terms of card transaction volume is 20%. BT counts 329,000 credit cards enrolled in the STAR loyalty program.

Other financial information:

- As at December 31, 2016, BT booked net expenses with depreciation adjustments and provisions of RON 654.2 million (including the impact of write-offs amounting to RON 1,995 million); the largest portion of the provisions booked as expenses in 2016 serves BT’s endeavor

to enhance the quality of its assets and is in line with the bank's conservative approach in terms of credit risk management;

- Non-performing loans PAR >90 represent 4.62% of Banca Transilvania's total loan portfolio, a significant improvement compared to the 9.75% as at the end of 2015; NPE according to EBA definitions stands at 9.84% as at December 2016.
- The coverage of non-performing loans with related provisions and mortgage collateral remains at a comfortable level of 117.47% and in line with the bank's risk appetite;
- BT's CAR is 18.52%, 2016 profit included (15.69% without profit).
- Deferred tax receivables as at December 2016, increased compared to June 2016 (by RON 324,775 thousand). The increase is mainly due to the fact that the bank recognized in 2016 the deferred tax receivables related to the bargaining gain resulting from the acquisition of Volksbank Romania, in line with all applicable legal provisions. Deferred tax receivables related to the bargaining gain represent the largest portion of the aforementioned amount.

The financial statements as at 31.12.2016 are not audited or reviewed, whereas the financial statements as at 31.12.2015 are audited.

Press contact: comunicare@bancatransilvania.ro