

CONSOLIDATED REPORT

BANCA TRANSILVANIA FINANCIAL GROUP

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General information

BT Financial Group was formed in 2003 and its main component Banca Transilvania experienced a continuous expansion, operating in different financial sectors in Romania to offer its clients integrated financial products and services: banking, investment management, consumer finance, leasing and real estate transactions.

Its activities are dedicated to Corporate clients, SME's and Retail Banking and the concept in the BT group's business is "client servicing", based on cross-selling of products, flexibility in meeting clients' requirements and use of centralized information systems.

The Group members are companies established under the Law 31/1990, each having its own bylaw. From this point of view each company must carry on a profitable business and make sure that the legal requirements relating to the operation of companies in Romania are fulfilled.

BT is the core (parent company) of the BT Group and the main stockholder of its subsidiaries.

In December 2014, the bank signed a contract for the purchase of 100% of the Volksbank Romania SA share capital from Österreichische Volksbanken AG, Groupe BPCE, DZ BANK AG and WGZ BANK AG. The two banks operate as separate entities in the months following this transaction, until the completion of legal formalities and obtaining all related approvals, subsequently Volksbank to be integrated into the BT structure. This transaction is in line with the bank's strategy adding value by acquiring a new client portfolio and the bank's involvement in finding alternative conversion solutions is a social responsibility aiming to support clients in difficult conditions and not an obligation derived from any court decisions.

The gross value of the investments made by the Bank in the group, according to the International Standards for Financial Reporting adopted by the European Union, increased by 1% in 2014 vs. 2013, reaching 116,86 million lei at the end of 2014, which is higher than in 2013, when they were 115,96 million lei.

The bank has equity investments in the following group subsidiaries:

Subsidiary	Business profile	% Direct Equity investment	% Total Equity investment
BT Securities SA	Investments /brokerage	98.68%	98.68%
BT Leasing Transilvania IFN SA	Leasing	51.72%	100.00%
BT Investments SRL	Investments	100.00%	100.00%
BT Direct IFN SA	Consumer finance	93.70%	100.00%
BT Building SRL	Real estate	4.17%	100.00%
BT Asset Management SAI SA	Management of assets	80.00%	80.00%
BT Compania de Factoring SRL	Factoring	99.46%	100.00%
BT Leasing MD SRL	Leasing	100.00%	100.00%
Improvment Credit Collection	Credit collection and reporting	99.89%	100.00%

In 2014 the share capital of Improvement Credit Collection was increased by a BT equity investment of 900 thousand Lei, thus reaching to have a participation of 99,89%.

The main achievements of subsidiaries in 2014 and projections for 2015

IMPROVEMENT CREDIT COLLECTION

The Company Improvement Loan Collection SRL was founded in 2013, its sole shareholder being the Factoring Company and on 16.04.2014 its share capital was increased when BT became a shareholder. Currently, the capital structure is the following: 900,000 lei Banca Transilvania, 1,000 lei the Factoring company.

Its business is defined under NACE 8291 - Agencies for collecting and offices for reporting credits, respectively debt collection activity (category of late collection).

The company started to obtain income in April 2014, when it began its activity of amiable collection, monitoring and control of debt portfolios outsourced by BT.

The company Improvement Credit Collection has a net profit in amount of 1.675 thousand lei in 2014.

As regards the budget targets for 2014, the company Improvement Credit Collection proposed and managed:

- to develop an amiable collection structure by setting up in April 2014 a unit in Cluj-Napoca;
- to develop its organization structure and to use efficiently the available resources necessary for collecting and monitoring the entire volume of receivables outsourced by BT.

Compared with 2014, the 2015 budget provides for a 52% increase in operating income as a result of improving the results of its activity and earning commissions and, consequently, a 107% increase in operating expenses. The goal may be achieved by expanding its portfolio, providing collection services to other credit institutions, thus generating additional revenues.

BT Leasing Transilvania IFN S.A

BT Leasing IFN Transilvania S. A. is operating as a non-banking financial institution, having its business in financing of tangible assets in the lease system.

The company proposes financing solutions for clients wishing to have rapid and simple access to financial support as well as customized offers and financial consultancy for choosing the best solution.

On 31.12.2014, the number of employees was 103, almost the same as in the last year.

At the end of 2014, BT Leasing had a number 2,149 contracts (2,140 at 31.12.2013) and leasing receivables (principal without VAT) of 281 million lei (275 million lei in 2013).

Its main objectives for 2015 are:

- to increase its portfolio by at least 15%
- to maintain PAR at max. 10%
- to reach the target of at least 48 million eur new contracts
- to increase its market share to 3%.

BT Securities S.A.

BT Securities continued its business in 2014 on a capital market with higher quotations due to macro-economic stability, but such results were not reflected in higher trade volumes. Brokerage was maintained at a low level in conjunction with lower average percentage of fees charged from clients, determined by the competitors' attempt to gain market share by lowering their fee levels.

The main achievements of BT Securities in 2014 were the following:

- The volume of deals on the BSE of 780.24 million lei was in line with the budget value;
- The volume of deals on the Vienna Stock Exchange exceeded the budget value by 25 %.

The target of the corporate business revenues was not reached as the bid in the public tender of Telecom SA held by the Romanian state was not carried out.

The main objectives of BT Securities for 2015 are to increase its market share, to continue successful bidding for contracts in public tenders, to consolidate the financial results of the company by capitalizing on opportunities, to develop new products and to promote the existing ones.

BT Leasing Moldova S.R.L.

The limited liability company BT Leasing Moldova, a member of BT Financial Group is a company founded in September 2008, with business in financial leasing. The share capital is fully owned by BT.

Analysing the market trends in Moldova, the financing policy of the company continuously strives to identify and to finance new projects for new and used cars, trucks and vans, equipment and machinery, offered to support the investments of economic agents and the needs of individuals. The company's financial results were influenced by the overall economic situation generated by the Russian currency crisis and the ruble collapse.

In 2014, BT Leasing MD financed goods in value of:

- ✓ 5 million euro (entry value),
- ✓ 3,6 million euro (financed value) and signed
- ✓ 252 lease contracts

On 31 December 2014, the lease portfolio had a value of 5,08 million euro.

For 2015 BTLeasing Moldova proposes to consolidate its position on the market aiming to be the leasing company for Moldovan entrepreneurs, building a range of products and services primarily dedicated to them.

BT Asset Management S.A.

It is a company of the BT Financial Group specialized in asset management, with business in the management of open-end funds and closed-end funds, provided services both to individuals and companies, supplying various options of investments to investors wishing to fructify opportunities on the capital market.

The business of BT Asset Management is defined under NACE 6499 as "Other types of financial brokerage" (management of collective investments in securities in Romania or in another member state).

The structure of the share capital as at 31.12.2014 is the following: 80% Banca Transilvania, 10% SIF Banat-Crisana, 10% SIF Muntenia.

BT Asset Management SAI is managing such open-end funds as BT Obligatiuni, BT Clasic, BT Index Romania ROTX, BT Index Austria ATX, BT Maxim and the closed-end funds BT Invest and BT Invest 1.

On the 31st of December 2014, the managed funds were 105.30% higher than on the 31st of December 2013, at the end of 2014 its market share being 7.15% vs. 4.81% in 2013, the gross profit in value of 8,272 thousand lei was 61.79% higher than in the previous year.

As regards the implementation of the proposed projects, the situation is the following:

- BT Euro Bonds issue, instruments with fixed income denominated in Euro, launched in March 2014 and reaching 45 mill euro at the year-end;
- Development of the sales force with higher mobility: 3 regional managers and back-office support;
- Integration of open-end funds operations in BT24 (operating in March 2015).

The main objectives of BT Asset management budget proposed for 2015 are a market share of 8.25% and maintaining ROE > 28% by measures to support its business and the sale process and to reach a gross result of 9.60 million, which would be 16.08% higher than in the previous year.

BT Direct IFN S.A.

BT Direct is a financial non-banking institution, founded in 2003, as a member of the BT Financial Group with business in financing clients wishing to meet their needs through consumer loans.

In 2014, BT Direct signed a total of 11,031 consumer loan contracts (linked consumer credits and personal needs credits) in total value of 54,14 million lei, the total financed value being 24.09% higher than in 2013. The total of 11,031 credit contracts included 3,813 linked consumer credits (for purchase of goods/services from retailers) in total value of 7.98 million lei and 7,218 personal needs loans in total value of 46.16 million lei.

On 31 December 2014, the company's portfolio included a **total exposure (overdue + outstanding)** in total value of 80.03 million lei, which is 20.84% higher than the similar value in 2013.

The total income from financing operations rased with 16% than the value of the previous year 2013. BT Direct IFN SA achieved a gross profit in 2014, amounting to 3.84 million lei, which is higher 38% than the value obtained in 2013.

In the current macro-economic conditions the target for 2015 of BT Direct is to increase its total financed value with 5% more than in 2014, to start a partnership with C.N. Posta Romana for brokering personal needs loans through their Post Offices and to increase the number of partnerships with stores selling products that are currently funded by BT Direct.

BT Investments S.R.L.

The company BT Investments SRL has its main business - lending under contracts; in 2006 the company redefined its NACE code, respectively 6619 - auxiliary financial brokerage (except for insurances and pension funds).

From its inception, the company successively increased its share capital by cash contribution or reserve capitalization, thus, at the end of 2014 it was 50,939,900 lei.

In 2014 the equity investments of BT INVESTMENTS SRL did not change, so on 31.12.2014 they were the following:

✓ In companies of the Group (lei)	2013	2014
BT LEASING	24,374,134	24,374,134
BT DIRECT	1,693,472	1,693,472
BT BUILDING	3,321,892	3,321,892
COMPANIA DE FACTORING	200,000	200,000
BT OPERATIONAL LEASING	4,084,997	4,084,997
✓ In companies outside the Group (lei)	2013	2014
NAPOCA RADIO	12,550	12,550

At the end of 2014, the profit and loss account included:

- ✓ total revenues: 547,839 lei
- ✓ total expenses: 119,508 lei
- ✓ net profit: 428,331 lei

Compania de Factoring S.R.L.

Compania de Factoring S.R.L. is a limited liability company founded in 2006 and its main business defined under the NACE code 8291 is "Activities of collection agencies and offices for credit reporting."

In 2014 the company's activities focused on improving efficiency and recovery of overdue amounts and rescheduling certain exposures.

The share capital has the following structure: BT 55,300,000 million lei, BT Leasing Transilvania IFN 100,000 lei and BT Investments SRL 200,000 lei.

At the end of 2014, the company achieved a net profit of 735 thousand lei from receivables previously provisioned.

For 2015 the company proposes to continue identifying strategies in order to increase efficiency of in the recovery process and to minimize costs in collection processes.

BT Operational Leasing S.R.L.

BT Operational Leasing SA is a member of the BT Financial Group offering complex solutions for financing and management of cars, outsourced management of all operations for the use of the car fleet, short and medium term lease of cars as well as sales of second hand vehicles.

In 2014 the company achieved a gross profit of 1,469 thousand lei.

In 2015 the financial ratios will have a spectacular growth due, on the one hand, to collecting an increased volume of lease amounts from the 2014 contracts and, on the other hand, to the 154% increase in the number of new cars to be leased in 2015, providing a 167% higher turnover from 13.930 thousand in 2011 to 23.315 thousand in 2015.

Risk management at the level of BT group

Risk management is an integral part of all decision-making and business processes in the Group. The Group's management continuously evaluates risks that the Group's activity is or may be exposed to, which may affect the Group's efforts to reach its targets and takes measures in response to any modifications in the business conditions.

The objectives in the management of significant risks are focused on ensuring capital adequacy to the bank's risk profile and realization of the projected budget ratios with risks controlled in order to ensure continuity of the bank's business on a sound basis and to protect the interests of shareholders and clients.

For an adequate management of significant risks, the group uses a system of procedures for authorizing operations likely to be affected by such risks, a system to determine risk exposure limits and their monitoring, a risk exposure reporting system as well as related programs to train the staff in this respect.

The risk management is focused on the analysis of risk appetite/profile in order to minimize the risk/profit ratio in different business areas of the Group. The management framework, risk management mechanisms and processes, consisting of its own regulatory system (strategies, policies, rules, procedures, regulations) and control (by individuals, departments, committees), operational flows, the method of setting specific costs (interest, fees) in relation with the requirements provided by the regulations in force are the basis for the Group's risk appetite and the management of risks.

The Group's risk appetite is in accordance with its appropriate risk management policies, coupled with its overall strategies, the Group's shareholders equity and experience in risk management. The entities within the group may in their turn adopt their own risk appetite in line with the principles set out above.

To ensure the most effective internal control, the Group constantly identifies and assesses significant risks, both at Group level and, individually, at bank and subsidiary levels, considering such internal factors as business nature, complexity of organization structure, staff quality and turnover, etc. and

external factors (economic conditions, changes in the competitive environment and in the legislation, technological processes etc.).

Risks are (mainly) assessed by taking into consideration any possible occurrence of certain risks/events, their frequency in business as well as classifying them into categories of significant risks.

The bank's capital adequacy is governed by local regulations in compliance with European Directives. For assessing the internal capital adequacy to risks, the group identifies and evaluates all significant risks to which it may be exposed. The Group continuously calculates and assesses its internal capital and capital requirements to cover the bank's business needs and related risks.

MANAGEMENT AND CONTROL OF CREDIT RISK

The main objectives of the group in terms of credit risk management are to maintain a reasonable balance between profitability and exposures to credit risk considering the market margin volatility and the bank's efforts to maximize profits.

Starting from the group's history in investing, the proposed strategy to avoid credit risk concentration provides limits/ratios for exposures based on: the business size of economic agents, business types, credit types, currencies, credit exposures to total assets, collateral structure.

The main rules provided by the internal strategy are meant to:

- Create and maintain constantly an adequate framework for credit risk management;
- Permanently improve the process of credit granting/ approval
- Maintain an adequate process of managing, controlling and monitoring credits;
- Prepare the methodology for provisioning and for calculating prudential value adjustments related to credit risk.

The Group determines competence limits for its units nationwide and the HO, which represents maximum limits for approving credits, granting guarantees, avals, etc.

LIQUIDITY RISK MANAGEMENT AND CONTROL

The group strategy for liquidity management provides the main elements (principles, ratios, management techniques etc.) in order to obtain the expected returns on assets, under the conditions of appropriate liquidity management, which is prudent, consciously assumed and adapted to the market conditions and development targets, while also being in line with the current legal provisions. The Group permanently controls liquidity risk, by identifying and monitoring changes in financings and diversifying the financing base.

Liquidity management is structured on 3 components:

- Strategic component - approval of balance sheet items and annual liquidity management strategy with optimal levels of ratios assumed by the Group during the year;
- Management component - monitoring and approving the short and medium term actions on a weekly, monthly and quarterly basis;
- Operational component - daily actions within competence limits;

Supervising and limiting liquidity risk is based on daily monitoring set of relevant liquidity ratios.

MARKET RISK MANAGEMENT AND CONTROL

The Group's objectives in the market risk management are meant to obtain high returns from the trade book in conditions of relatively low market risk, consciously assumed and adapted to the market and group development conditions.

The strategy for the market risk management is conceived based on the updates of internal and international legal framework imposed by the international financial crisis, considering the Group's recent experience on the financial markets, in general, and on the banking markets, in particular. The Group has a flexible approach in the management of its foreign currency position within the permissible limits for this ratio.

The Group / Bank is constantly concerned with improving the techniques, methods and current practices of market risk management.

MANAGEMENT AND CONTROL OF INTEREST RATE RISK EXCEPT FOR THE TRADE BOOK

The main purpose in interest rate risk management is to minimize the possible negative impact on the bank's net income and capital by adverse movements in interest rates. The supervision, evaluation and limitation of interest rate risk are performed with specific instruments, respectively static or dynamic GAP analysis, economic value of assets in line with the standardized methodology provided by the NBR regulations.

MANAGEMENT AND CONTROL OF OPERATIONAL RISK

The Group's objectives in terms of operational risk management are to ensure the reduction of effects produced by operational risk events, to maintain a low level of incidents and losses in the nature of operational risk and to ensure protection against risks which are not exclusively under the Group's control.

The management of operational risks is compulsory at all organization levels and risk management policies are consistent with business lines specificity.

The identification, evaluation and monitoring of operational risks is a continuous process based on:

- Permanent control (permanent supervision of sensitive activities, formalized accounting/financial supervision by generalizing the implementation of dual control, segregation of tasks, specific responsibilities at different management levels, etc.) and specific instructions regarding operational risks (ex: collection of operational losses, their monitoring and evaluation);
- Periodic control;
- Reporting operational risk events

Reducing exposure to operational risks is achieved through permanent adequacy of regulations to legal provisions and market conditions, staff training, continuous improvement of IT solutions and strengthening information security systems, measures to limit / reduce the effects of operational risk incidents, fructifying recommendations and conclusions arising from the abovementioned controls, maintaining business continuity plans.

In order to limit the operational risk effects specific insurance policies are taken out.

MANAGEMENT AND CONTROL OF REPUTATION RISK

The Group's objectives in the reputation risk management are to make sure that the brand image of the group is maintained / consolidated consistently in line with its strategy and values.

The management of reputation risk is realized by undertaking actions to maximize the Group's reputation in a permanent process, which should be integrated with the development of the Group's business.

MANAGEMENT AND CONTROL OF STRATEGIC RISK

The Group's objective in the strategic risk management is to provide the framework for establishing an adequate strategic risk management, by relating the strategic objectives, the ways and means to reach such objectives, the resources used to achieve them with the implementation of related decisions.

The strategic perils are addressed based on the following quality elements:

- Risk management practices are an integral part of the strategic planning;
- Exposure to strategic risk reflects strategic objectives which are not excessively aggressive and are compatible with the developed business strategies;
- Business initiatives are well conceived and sustained by adequate communication channels, operating systems and delivery networks.

Business strategy of the BANCA TRANSILVANIA Financial Group

The companies of BT Financial Group operate both credit and stock markets, offering their clients a comprehensive portfolio of products complementary to those of the Bank.

The main objective of the BT Financial Group for 2015 is to strengthen cross-selling relationship with the bank, but also to fructify the opportunities offered by alternative distribution channels. Banca Transilvania is the main component of BT Financial Group and constitutes the distribution platform for the entire range of products and services, aiming to preserve a balance between service portfolio and risk profile, while ensuring a favourable operational efficiency in order to maintain a steady pace of development and a satisfactory level of profitability.

Internal and external audit

The general audit objectives in 2014 were focused especially on the risk management and the evaluation of the general control system on deals and/ or flows. The audit commitments were concerned with risks relating to:

Compliance:

- Contractual compliance (contracts with third parties and clients);
- Legal compliance (compliance with legislation and internal norms)

Controls of flows and transactions: evaluation of control systems implemented on transactions and flows.

Financial statements: pursuit of compliance with legal provisions in the preparation of financial statements.

The audit was carried out in line with the Audit Statute of BT Financial Group and the principles provided in the International Audit Standards.

The consolidated financial statements of BT Financial Group for the financial exercise ended on 31 December 2014 were audited by the external auditor KPMG Audit SRL.

The audit opinion showed that the financial statements were prepared adequately in all significant aspects, reflecting the bank's financial position, the operational results and cash flows in conformity with the International standards of Financial Reporting adopted by the European Union.

The Group's consolidated financial statements according to IFRS

In compliance with the Accounting Law no. 82/1991 (republished) and with the NBR Order no. 27/2010 with the subsequent amendments, the BT financial group prepared for the year ended on 31.12.2014 consolidated financial statements in conformity with the International Standards for Financial Reporting and the accounting policies of the group. At individual level, the Bank also prepared a set of financial statements in conformity with the International Standards for Financial Reporting.

The Group's consolidated financial statements prepared according to the International Financial Reporting Standards (IFRS) adopted by the European Union, in force at the date of annual reporting, 31 December 2014, describe the financial position of Banca Transilvania SA and its subsidiaries, being presented as if it were a single economic entity.

The consolidated financial statements include:

- consolidated financial position;
- consolidated P & L account and other elements of global results;
- consolidated treasury flows;
- consolidated statements of shareholders' equity;
- explanatory notes to consolidated annual financial statements.

EVOLUTION OF THE MAIN FINANCIAL RATIOS UNDER IFRS

The consolidated statement of the financial position and the consolidated profit and loss account and other comprehensive income as at 31.12.2014, prepared under IFRS, are presented in Exhibit 1, respectively Exhibit 2.

The evolution of the main financial ratios of BT Group as at 31 December 2014, compared to 2013, is presented below:

Thousand Lei	IFRS STATEMENTS		
BT GROUP	31.12.2014	31.12.2013	2014/2013 (%)
Total Assets	35,795,927	32,236,943	11%
Total Liabilities	31,998,664	29,054,150	10%
Total Shareholders' Equity	3,797,263	3,182,793	19%
Operational income	2,078,030	1,752,966	19%
Operational expenses	-1,562,394	-1,285,508	22%
Gross profit for the financial year	515,636	467,458	10%
Income tax	-73,183	-69,849	5%
Net profit	442,453	397,609	11%

At the end of 2014, *total assets* amounted to 35,795,927 thousand lei, which is 11% higher than those at the end of 2013 (32,236,943 thousand Lei), the highest weight being held by the bank's assets. In terms of assets the market share of Banca Transilvania was 9.78% at the end of 2014, being ranked the third in the NBR classification.

The credits balance is 5% higher than that in the previous year. The loan portfolio kept the structure existing in 2014, being mainly in lei. The Group kept its prudent lending policy, with a focus on risk dispersion. In 2014 loans rose from 16,577,839 ths. lei to 17,418,689 thousand lei, due to the increase both in the number of loans at the bank's and the subsidiaries' level and its portfolio diversification. The weight of loans in total assets at the end of 2014 was 49% (2013: 51%).

The provisions for lending, leasing and other assets remained at the same level, respectively 2,669,159 thousand lei in 2014 vs. 2,645,654 thousand lei in 2013.

The weight in *investments in securities* is represented by T-bonds, accounting for 10,771,835 thousand lei as at 31.12.2014, which is 21% higher than in the previous period.

Cash and deposits with banks rose 12 % from the previous year (from 5,773,753 thousand lei to 6,458,438 thousand lei).

Tangible and intangible assets in 2014 were 411,961 thousand lei, slightly lower than last year when they accounted for 412,457 thousand lei.

Deposits from clients rose 17% from the 2013 level (from 25,741,012 thousand lei at the end of 2013 to 29,994,916 th. lei at the end of 2014). On 31.12.2014, the bank's debts reached 31,998,664 thousand lei, which is 10% higher than those in the previous year.

On 31.12.2014 the *borrowings* from banks and other financial institutions decreased by 51% from the previous year (from 2,146,743 thousand lei to 1,052,687 thousand lei).

The *equity* of the entities in the group increased by 19% in 2014, from 3,182,793 thousand lei to 3.797.263 thousand lei.

The positive result, recorded in 2014, was supported by the Group's efforts to streamline activities, to control costs and to improve in the cost/income ratio.

The *gross profit* of the group was 515,636 thousand lei as at 31.12.2014 vs. 467,458 thousand lei in the previous year and the 10% increase was due to the organic growth of the bank's business. Net profit increased by 11%, from 397,609 thousand lei to 442.453 thousand lei.

The development of new products and services and the focus on increasing activity in all areas of interest for the Group generated *operational revenues* 19% higher than previous year, reaching the amount of 2,078,030 thousand lei as at 31.12.2014. Despite the upward trend in income from interests, this increase was driven by income from fees and the sale of financial instruments.

The net income from interests was 15 % higher than in the last year (from 1,023,368 thousand lei in 2013, to 1,175,675 thousand lei in 2014) in principal due to lower expenses with interests to clients. The 14 % increase in the net income from interests and fees was due to the organic growth of the bank's business. The net income from trading was 12% lower than in the previous year (143,915 thousand lei vs. 126,795 thousand lei), as a result of the financial markets' volatility.

The *operational expenses* of 877,954 thousand lei were at the previous year level (871,228 thousand lei in 2013).

The expenses with provisions were 65% higher than last year (414,280 thousand lei in 2013 vs. 684,440 thousand lei in 2014, with the aim to maintain a high quality of assets.

At the end of 2014 expenses with staff amounted to 474,422 thousand lei, which is 3% higher than in the previous year due to business growth and higher remunerations based on employees' performances.

The expenses with depreciation at the group level were in amount of 66,148 thousand lei, i.e. 1% higher than the precedent year.

Other operating expenses, including taxes, rents, maintenance and repairs and others dropped from 343,771 thousand lei in 2013 to 337,384 thousand lei in 2014, representing a 2% save.

The capital adequacy ratio at the group level calculated according to the rules in force (including the group's profit in 2014) recorded a level of 17.53% at year-end (15.22% as at 31.12.2013).

Corporate social responsibility

In 2014 the BT group was socially involved via the following foundations: "Cluj has Soul", "BT Charity" and "Transilvania".

"Crosul BT" - a traditional running competition, which had a humanitarian component in 2014.

Ghita Muresan Summer Camp Tour - basketball dedicated program in Romania, especially to children and their parents, conceived as a summer camp. The event was conducted in Cluj-Napoca.

International Film Festival of Comedy "Comedy Cluj", an event which promotes artistic talents in the area of film / comedy section.

The "Cluj has Soul" foundation is the greatest social project initiated and developed by BT, helping young people between 14 and 20 years old (from underprivileged families or under social care) to have a better life.

In over 6 years of activity, the foundation provided assistance to 1.600 teenagers.

Also, the BT Financial Group got involved in projects meant to encourage donations to sporting activities, educational projects on financial issues for pupils or students), but also directly supporting projects aimed at helping, financially and emotionally, sick children.

Environmental protection policy

At the level of the BT Group, compliance with environmental and social legislation in force and the use of appropriate social and environmental practices are important factors in demonstrating effective business management.

The BT Financial Group complies with environmental protection legislation in all its activity. The Group has environmental concerns and is guided by “green principles” in terms of using resources as responsibly as possible, contributing to the protection of natural environment.

The Group has implemented environmental and social risk management aiming to identify and to monitor environmental and social risks associated with projects financed by the Group.

Events subsequent to closing financial exercise

No events were recorded after the balance sheet date likely to have an impact on the 2014 financial statements. Only a part of the conditions in the contract for buying Volksbank Romania S.A, have been met by the date when the financial statements are approved. The deal is estimated to come to an end in the second quarter of 2015.

Other information about the preparation of financial statements

The entities in the BT group fulfilled their legal obligations regarding the organization and correct management of the accounting books, compliance with accounting principles as well as the observance of rules and methods stipulated by regulations in force.

The obligations to the state and local budget and special funds were complied with, the disbursements being performed in accordance with the legal provisions in force.

The 2014 financial operations were correctly recorded based on documents legally prepared.

The Management Report presented in the General Shareholders Meeting by each entity in the Group contains a realistic analysis of its own business during the financial exercise as well as its financial position at the end of 2014.

Projections for Banca Transilvania Financial Group in 2015

In the long term, BT Group member companies aim to increase their return on capital at least similar to the BT capital return (minimum 13%):

- To increase the volume of the Group's assets at a rate of 7%;
- To optimize the use of capital in terms of keeping the risk profile similar to that existing;
- To increase the leverage effect at the level of subsidiaries by increasing investments;
- To improve the group structure in order to adapt it to the new regulatory and reporting requirements and to make efficient use of capital at group level in the context of the CRD IV provisions coming into force;
- To increase assets managed by companies and to develop local sales support;
- To diversify and to streamline the distribution channels;
- BT Leasing's projection is to increase sales volume by 40% and contracts to 70 million lei;
- BT Direct proposes a 26% increase in its loan portfolio in 2015 and a 25% higher net profit;
- BT Operational Leasing's goal is to increase its turnover by more than 130%, based on a 5% higher market share on operational leasing market.

According to the investment budget of the bank for 2015, proposed for approval, new resources will be allotted to the capitalization of the subsidiaries in the group:

Investment budget:

- Branches + buildings	48.85 million lei
- IT and cards investment	69.13 million lei
- Various investments	10.74 million lei
- Security	12.57 million lei
- Total investments	141,29 million lei

Investments in subsidiaries **6,50 million lei**

Considering all this presented in the report, we submit for approval to the General Meeting of Shareholders the consolidated financial statements prepared in compliance with NBR Order no. 27/2010, as further modified, and the International Accounting Standards applicable to credit institutions, adopted by the European Union, together with the Administrator's Consolidated Report and the Report of the Independent Auditor, specifying that all other aspects included in the individual entity reports remain valid.

BOARD OF DIRECTORS
CHAIRMAN
HORIA CIORCILA

Annex 1

Consolidated statement of financial position as 31.12.2014
Convenience Translation*

	2014	2013	2014	2013
	RON	RON	EUR	EUR
Assets	thousand	thousand	thousand	thousand
Cash and cash equivalents	4,234,181	4,105,571	944,687	915,462
Placements with banks	2,224,257	1,668,182	496,253	371,972
Loans and receivables - securities	162,801	92,335	36,322	20,589
Financial assets at fair value through P&L account	143,931	82,282	32,112	18,347
Loans and advances to customers	17,418,689	16,577,839	3,886,279	3,696,532
Provision of lending	-2,590,460	-2,576,125	-577,957	-574,425
Net investments in leasing	244,274	243,151	54,500	54,218
Provision of lease	-78,699	-69,529	-17,559	-15,504
Securities available for sale	10,771,835	8,886,331	2,403,301	1,981,477
Property and equipment	339,721	328,227	75,795	73,188
Intangible assets	72,240	84,230	16,117	18,782
Goodwill	376	376	84	84
Other assets	183,622	168,419	40,969	37,555
Total assets	35,795,927	32,236,943	7,986,419	7,188,206
Liabilities				
Deposits from banks	133,348	418,755	29,751	93,374
Deposits from customers	29,994,916	25,741,012	6,692,157	5,739,740
Loans from banks and other financial institutions	1,052,687	2,146,743	234,865	478,682
Other subordinated liabilities	348,872	200,627	77,837	44,736
Other liabilities related to securities	45,871	137,497	10,234	30,659
Deferred tax liabilities	41,040	58,125	9,156	12,961
Other liabilities	368,046	336,924	82,115	75,126
Total liabilities excluding financial liabilities to holders of fund units	31,984,780	29,039,683	7,136,115	6,475,278
Financial liabilities to holders of fund units	13,884	14,467	3,098	3,228
Total liabilities	31,998,664	29,054,150	7,139,213	6,478,506
Equity				
Share capital	2,695,125	2,292,937	601,309	511,280
Treasury shares	-21,253	-1,075	-4,742	-240
Share premiums	38,873	0	8,673	0
Retained earnings	597,213	530,372	133,243	118,262
Revaluation reserve	27,000	30,218	6,024	6,738
Other reserves	456,138	327,692	101,769	73,069
Total equity attributable to equity holders of the Bank	3,793,096	3,180,144	846,276	709,109
Non-controlling interest	4,167	2,649	930	591
Total equity	3,797,263	3,182,793	847,206	709,700
Total liabilities and equity	35,795,927	32,236,943	7,986,419	7,188,206

Annex 2**Consolidated statement of profit or loss
and other comprehensive income for
the year ended 31 December 2014**

	Convenience Translation*			
	2014	2013	2014	2013
	RON thousand	RON thousand	EUR thousand	EUR thousand
Interest income	1,797,538	1,879,260	404,432	425,268
Interest expense	-621,863	-855,892	-139,914	-193,685
Net interest income	1,175,675	1,023,368	264,518	231,583
Fee and commission income	514,135	446,857	115,676	101,122
Fee and commission expense	-88,586	-74,561	-19,931	-16,873
Net fee and commission income	425,549	372,296	95,745	84,249
Net trading income	126,795	143,915	28,528	32,567
Net gain from sale of available for sale financial instruments	339,082	202,637	76,291	45,856
Contribution to the Banking Deposits Guarantee Fund	-73,152	-64,398	-16,459	-14,573
Other operating income	84,081	75,148	18,918	17,006
Operating income	2,078,030	1,752,966	467,541	396,688
Net impairment allowance on assets, other liabilities and loan commitments	-684,440	-414,280	-153,994	-93,750
Personnel expenses	-474,422	-462,214	-106,741	-104,597
Depreciation and amortization	-66,148	-65,243	-14,883	-14,764
Other operating expenses	-337,384	-343,771	-75,909	-77,793
Operating expenses	-1,562,394	-1,285,508	-351,527	-290,904
Profit before income tax	515,636	467,458	116,014	105,784
Income tax expense	-73,183	-69,849	-16,466	-15,807
Profit for the year attributable to:	442,453	397,609	99,548	89,977
Equity holders of the Bank	441,085	396,821	99,240	89,799
Non controlling interests	1,368	788	308	178
Profit for the year	442,453	397,609	99,548	89,977