



Press release

April 29, 2014

BT's financial results as at March 31, 2014

Banca Transilvania, 23% gross profit increase versus March 31, 2013

- Growth trend maintained in Q1 2014: +23% gross profit, +2.5% loan balance, +3% deposits
- Operational efficiency improved: cost/income ratio reached 46.9% at the end of Q1 2014
- Prudential provisioning policy: the coverage ratio for Q1 2014 was 123.4%
- Gross profit in Q1 2014: RON 123.5 mil., 23% higher as compared to Q1 2013

Banca Transilvania registered a gross profit of RON 123.5 million, which is 23% higher as compared to the same period in 2013, as well as a net profit of RON 103.4 million. At the end of the first 3 months of 2013, the bank's assets amounted to RON 32,924 million, the loan balance was 2.5% higher than at the end of 2013, while total deposits from customers grew by 3% over the 2013 level, all increases having exceeded the budgeted level.

During the 1st quarter of 2014, company and retail clients were granted more than 22.700 new loans, amounting to RON 2,315 million.

Ömer Tetik, Banca Transilvania's CEO states: "*The bank's major objective for 2014 resides in increasing the bank's revenues and boosting efficiency. According to the figures, transaction volumes and operating income levels have experienced significant increases, growing faster than the bank's assets. Our clients use more and more of BT's services, as we are becoming their main bank. In terms of lending, we focus on responsible growth, as the retail sector, namely individuals and small companies, remains our main target.*"

FINANCIAL RESULTS BT 2014 - details:

The ongoing support of the real economy, the development of new product and services, i.e. the focus on activity growth in all fields of interest, explain Banca Transilvania's increase in operating income during the first quarter in 2014, reaching RON 425 million, which is 19% higher as compared to the same period last year (RON 357 million). The net

interest margin in Q1 2014 was 3.36%. Likewise, Banca Transilvania's positive result in 2014 is due to the streamlining and cost-control initiatives which improved the cost-income ratio by almost 300 basis points vs. Q1 2013, reaching 46.9% in Q1 2014.

As at 31.03.2014, BT's loan balance amounted to RON 19,641 million and deposits reached RON 26,674 million, with a loan/deposit ratio of 73.63%.

The number of the bank's active clients (individuals and companies) went up, as well, from 1.76 million clients as at 31.12.2013 to almost 1.78 million as at 31.03.2014. Banca Transilvania directed its attention on Retail and SME clients, as well as on specialized segments such as the agriculture and the healthcare sectors. The number of operations performed via BT accounts increased in line with the growth of the active client base, being 14% higher as compared to the same period in 2013.

During the last years, Banca Transilvania has preserved a prudent lending policy, focusing on risk dispersion. Non-performing loans, PAR >90, represent 12.97% of the total loan portfolio of Banca Transilvania, end of Q1 2014, being below the average value for the Romanian banking system. Non-performing loans are covered by related provisions and mortgage collateral at a level of 123.4%, featuring a relatively stable level in the last two years.

The net provision expenses for assets and loan commitments amount to RON 102 million, Banca Transilvania continuing to apply the same prudent provisioning policy, which it had adopted from the very beginning of the financial crisis. The strategy resulted in the consolidation of the bank's financial stability. Total provision balance amounted to RON 2,607 million, as at March 31, 2014 vs. RON 2,493 million, as at end 2013.

Banca Transilvania ended Q1 2014 with a portfolio of 2.14 million cards, generating transactions 15% higher vs. Q1 2013. The market share in terms of transaction volumes exceeded 17%. Significant retail related increases were recorded in Q1 2014, loans worth RON 379 million being granted. As for company customers, BT extended 5,800 new loans, with an average exposure per client of RON 331 thousand.

The Bank's CAR is 13.49%, considering the aggregated profit for the first quarter.

Starting with May 1st, Mrs. Luminița Runcan will occupy the position of Deputy CEO, Chief Risk Officer, until the respective date being Deputy CEO, Chief Treasury Officer.

Communication & Public Relations Office

Annex

FINANCIAL RESULTS, 31.03.2014

STATEMENT OF FINANCIAL POSITION

RON thd.

	31-Mar -14	31-Dec-13	Δ 31.03.2014 Vs 31.12.2013
Cash and cash equivalents	4,130,565	4,101,913	0.7%
Deposits with banks	834,503	1,666,177	-49.9%
Securities	125,565	92,335	36.0%
Financial assets at fair value through profit or loss and derivatives	9,201	11,122	-17.3%
Loans and advances to customers - net	17,034,442	16,667,200	2.2%
-Loans and advances to customers - gross	19,641,462	19,160,259	2.5%
- Loan provisions	(2,607,020)	(2,493,059)	4.6%
Investment securities, available for sale	10,187,817	8,936,455	14.0%
Intangible assets	79,698	82,908	-3.9%
Tangible assets	297,290	289,046	2.9%
Equity investments	73,956	73,956	0%
Other assets	151,092	144,753	4.4%
Total assets	32,924,129	32,065,865	2.7%
Deposits from banks	499,379	418,755	19.3%
Deposits from customers	26,674,456	25,803,860	3.4%
Loans from banks and other financial institutions	1,736,013	2,067,261	-16.0%
Subordinated liabilities	334,651	337,913	-1.0%
Deferred tax liabilities	59,881	59,985	-0.2%
Other liabilities	473,834	295,597	60.3%
Total liabilities	29,778,214	28,983,371	2.7%
Shareholders' equity			
Share capital	2,292,937	2,292,937	0.0%
Revaluation reserves	28,512	28,997	-1.7%
Treasury shares	-11,828	-818	
Retained earnings	534,993	430,043	24.4%
Other reserves	301,301	331,335	-9.1%
Total shareholders' equity	3,145,915	3,082,494	2.1%
Total liabilities and shareholders' equity	32,924,129	32,065,865	2.7%

STATEMENT OF PROFIT OR LOSS
RON thd.

	31- Mar-14	31-Mar -13	Δ Mar 14 vs. Mar13
Interest income	445,205	472,417	-5.8%
Interest expenses	(169,339)	(241,708)	-29.9%
Net interest income	275,866	230,709	19.6%
Fee and commission income	109,951	94,195	16.7%
Fee and commission expenses	(18,767)	(14,335)	30.9%
Net fee and commission income	91,184	79,860	14.2%
Net trading income	26,631	31,994	-16.8%
Profit (loss) from financial assets available for sale	40,863	20,417	100.1%
Contribution, Deposits Guarantee Fund	(17,683)	(15,442)	14.5%
Other operating income	7,884	9,255	-14.8%
Operating income	424,745	356,793	19.0%
Personnel expenses	(108,234)	(90,172)	20.0%
Depreciation and amortization	(14,686)	(12,049)	21.9%
Other operating expenses	(76,189)	(75,648)	0.7%
Operating expenses	(199,108)	(177,869)	11.9%
Net impairment losses on assets and credit commitments	(102,101)	(78,535)	30.0%
Profit before income tax	123,536	100,389	23.1%
Income tax expense	(20,105)	(15,993)	25.7%
Net profit	103,430	84,396	22.6%