



Half Yearly Report as of 30 June 2015

Half yearly report, pursuant to CNVM Regulation no, 1/2006

Report date: 10.08.2015

The name of the company: BANCA TRANSILVANIA S,A,

Registered office: CLUJ-NAPOCA str,G, Baritiu nr,8

Phone/fax no,: 0264.407.150 ; 0264.407.179

Tax identification no, with the Trade Registry: RO5022670

Registration no, with the Trade Registry: J12/4155/1993

The regulated market on which the issued securities are traded: the Bucharest Stock Exchange

Registered capital subscribed and paid: 2,608,623,861 LEI

Main features of the securities issued by the company:

- 2,608,623,861 NOMINAL SHARES with a par value of 1 LEI/share

1. Financial Statements Analysis

1.a.1 Assets, Liabilities and Equity at bank level

In 2015 Banca Transilvania focus its efforts on the continuing support for the real economy, the development of new products and services, increasing productivity in all areas of interest, The financial position of the bank at the end of H1 2015, compared to the same period last year looks as follows:

Description - Bank	Th lei				
	Jun-15	Dec-14	Jun-14	vs,Dec'14%	vs,Jun'14%
Cash and cash equivalents	3,500,575	4,225,966	3,986,259	-17.17	-12.18
Deposits at banks	4,211,995	2,216,105	1,541,786	90.06	173.19
Bonds	174,096	162,801	171,070	6.94	1.77
Financial assets at fair value and derivatives	52,729	52,311	52,538	0.80	0.36
Loans and advances to clients (incl leasing) - net	19,861,307	17,517,192	17,303,831	13.38	14.78
Loans and advances to clients - gross	22,254,796	20,019,990	19,773,371	11.16	12.55

Description - Bank	Th lei				
	Jun-15	Dec-14	Jun-14	vs,Dec'14%	vs,Jun'14%
<i>Loan loss provisions Provizioane din activitatea de creditare</i>	(2,393,489)	(2,502,798)	(2,469,540)	-4.37	-3.08
Available for sale assets	9,823,356	10,852,865	10,193,181	-9.49	-3.63
Intangible assets	66,237	70,466	76,158	-6.00	-13.03
Tangible assets	281,772	289,662	292,262	-2.72	-3.59
Investments in equity	432,811	74,856	74,856	478.19	478.19
Other assets	196,322	157,288	169,999	24.82	15.48
Total active	38,601,200	35,619,512	33,861,940	8.37	14.00
Deposits from banks	833,046	133,348	152,916	524.72	444.77
Deposits from customers	31,917,049	30,045,502	26,903,544	6.23	18.64
Loans from banks and other financial institutions	1,335,430	949,053	2,538,320	40.71	-47.39
Subordinated liabilities	407,164	394,658	331,533	3.17	22.81
Deferred tax liabilities	4,658	43,716	92,500	-89.34	-94.96
Other liabilities	473,067	351,274	438,777	34.67	7.81
Total Liabilities	34,970,414	31,917,551	30,457,590	9.56	14.82
Share capital	2,695,125	2,695,125	2,645,680	0.00	1.87
Share premium	38,873	38,873	0	0,00	0,0
Revaluation reserve	27,106	27,852	27,859	-2.68	-2.7
Own shares	-217	-10,468	0	-97.93	0.0
Retained earnings	681,120	490,160	256,791	38.96	165.24
Other reserves	188,779	460,419	474,020	-59.00	-60.17
Total equity	3,630,786	3,701,961	3,404,350	-1.92	6.65
Total liabilities and equity	38,601,200	35,619,512	33,861,940	8.37	14.00

At the end of the first 6 months of 2015 bank's assets total 38,601.20 million lei, an increase by 14% versus the same period last year, the increase being of 4,739.26 million lei,

From the assets positions significant increases were for:

- investments in shares, which increased by 478.19% vs the same period of last year, reaching 432.81 million LEI, the increase of 357.96 million lei due to the acquisition of Volksbank Romania SA;
- amounts placed to banks, which increased by 173.19% versus the same period last year, reaching 4,212.00 million lei;

- loans and advances to clients (net), where there was an increase of 14.78% compared to the end of the first 6 months of 2014, In the first half of 2015, the balance of the loans is 13.38% over the end of 2014.

In the first half of 2015 the bank granted to companies and individuals over 67,700 new loans, over 11,000 loans per month, which totaled 3,529 million lei, The first half of 2015 brought significant increases for Banca Transilvania, in the Retail business line being granted loans totaling 1,288 million lei, In the area of Companies, the bank granted in the first semester of 2015 approximately 10,500 new loans.

Banca Transilvania kept over the last years a policy of prudent lending, keeping a focus on the credit risk dispersion, Non performing loans, with days past due (DPD) over 90 days, represent 9.84% of the total loans at the end of the first semester in 2015, The bank kept the degree of coverage with provisions, even while some of the loans that were fully provisioned were taken off balance sheet, The non performing loans coverage with loan loss provisions and mortgages represents over 119.21%, a value which is in line with the last two years.

The total provisions reached 2,393.49 million lei, representing 10.75% of total loans.

The year 2015 confirmed the trend observed in 2014 with respect to the improvement in the payment behavior of Retail and SME clients.

The combined effect of this trend and the reduction in the non-performing loans historical exposures of these clients lead to the decrease by 13% in the volume of loans overdue by 90 days on the above mentioned segments.

In the first half of 2015 the bank took off balance sheet loans with DPD over 360 days and covered fully with provisions totaling 438 million lei.

At the end of 30.06.2015 the balance of loans in Banca Transilvania was of 22,254.80 million lei and the deposits taken from clients reached 31,917.05 million lei, the loans to deposits ratio being 69.73%,

The capital adequacy ratio of the bank computed at the end of 30 June 2015 taken into consideration the net result of 2015 was of 16.40% (15.56% without the net results of 2015), being at a comfortable level versus the regulatory requirements.

Fitch Ratings reconfirmed the „BB-“ rating, with a stable perspective, for the long term financing in foreign currency and “B” for those on short term, Banca Transilvania’s financial position and Fitch rating confirms that the bank has an adequate level of capital and a comfortable level of liquidity.

The Bank’s equity at the end of 30.06.2015 reached 3,630.79 million lei, with 6.65% over the amount at the end of 30.06.2014, The shareholding structure of the bank is in continuous change due to the fact that Banca Transilvania shares are actively traded on the stock market, At the moment the shares are listed at Bucharest Stock Exchange, category I, The shareholding structure at 30 June 2015 is presented in the Appendix.

The General Extraordinary Shareholders’ Assembly of 29.04.2015 decided the increase in the banks’ share capital from 2,608,623,861 lei to 3,026,003,679 lei, with the amount of 417,379,818 lei, representing reserves from the net profit of 2014 in the amount of 406,823,021 lei and the amount of 10,556,797 lei representing share premium for the conversion of bonds into shares.

The share capital increase was finalized during July 2015.

Following the share capital increase, all shareholders on record at the registration date of 15 June 2015 received for each 100 shares owned a round number of shares computed using the formula $100 * (417,379,818 / 2,608,623,861)$,

1.a.2 Assets, Liabilities and Equity at group level

Description - Group level	Th lei				
	Iun-15	Dec-14	Iun-14	vs,Dec'14%	vs,Iun'14%
Cash and cash equivalents	4,118,608	4,234,181	3,989,084	-2.73	3.25
Deposits at banks	3,838,809	2,224,257	1,544,187	72.59	148.60
Bonds	174,096	162,801	171,070	6.94	1.77
Financial assets at fair value and derivatives	206,414	143,931	136,398	43.41	51.33
Loans and advances to clients (incl leasing) - net	24,486,760	17,662,963	17,452,680	38.63	40.30
<i>Loans and advances to clients - gross</i>	<i>27,137,941</i>	<i>20,332,122</i>	<i>20,077,722</i>	<i>33.47</i>	<i>35.16</i>
<i>Loan loss provisions</i>	<i>(2,651,181)</i>	<i>(2,669,159)</i>	<i>(2,625,042)</i>	<i>-0.67</i>	<i>1.00</i>
Available for sale assets					

Th lei

Description - Group level	Iun-15	Dec-14	Iun-14	vs,Dec'14'	vs,Iun'14%
Available for sale assets	11,054,095	10,771,835	10,119,663	2.62	9.23
Intangible assets and goodwill	81,520	72,616	78,092	12.26	4.39
Tangible assets	410,157	339,721	338,383	20.73	21.21
Investments in equity	0	0	0	0.00	0.00
Other assets	292,453	183,622	231,510	59.27	26.32
Total active	44,662,912	35,795,927	34,061,067	24.77	31.13
Deposits from banks	270,815	133,348	152,916	103.09	77.10
Deposits from customers	35,600,323	29,994,916	26,840,211	18.69	32.64
Loans from banks and other financial institutions	1,481,691	1,052,687	2,621,372	40.75	-43.48
Subordinated liabilities	407,243	394,743	197,167	3.17	106.55
Deferred tax liabilities	2,198	41,040	91,490	-94.64	-97.60
Other liabilities*	1,105,958	381,930	610,464	189.57	81.17
Total Liabilities	38,868,228	31,998,664	30,513,620	21.47	27.38
Share capital	2,695,125	2,695,125	2,645,680	0.00	1.87
Share premium	26,226	27,000	29,081	-2.87	-9.82
Revaluation reserve	-19,394	-21,253	-14,016	-8.75	38.37
Own shares	2,866,257	597,213	391,410	379.94	632.29
Retained earnings	182,553	456,138	478,512	-59.98	-61.85
Other reserves	5,789,640	3,793,096	3,530,667	52.64	63.98
Total equity	5,044	4,167	16,780	21.05	-69.94
Non controlling interest	44,662,912	35,795,927	34,061,067	24.77	31.13
Total liabilities and equity					

(*) at the consolidated level the financial position includes also financial liabilities to owners of fund units

At the end of the first six months of 2015 Banca Transilvania's assets have a share of 86.43% in the total BT Group assets.

1.b. Income statement analysis

The main Income statement components at stand alone and consolidated level, compared to the same period last year are as follows:

Th lei

Description	Bank Jun-15	Bank Jun-14	Vs,Jun-14 %	Group Jun-15	Group Jun-14	Vs,Jun-14 %
Interest income	769,174	894,828	-14.04	905,589	914,989	-1.03

5

Th lei

Description	Bank Jun-15	Bank Jun-14	Vs,Jun-14 %	Group Jun-15	Group Jun-14	Vs,Jun-14 %
Interest expense	(247,137)	(325,863)	-24.16	(263,832)	(327,785)	-19.51
Net interest income	522,037	568,965	-8.25	641,757	587,204	9.29
Fee and commission income	260,848	230,743	13.05	279,294	237,605	17.55
Fee and commission expenses	(49,943)	(37,424)	33.45	(49,546)	(37,877)	30.81
Net fee and commission income	210,905	193,319	9.10	229,748	199,728	15.03
Net trading income	69,824	56,155	24.34	60,330	48,971	23.20
Net earnings from the sale of financial instruments held for sale	200,490	107,575	86.37	200,286	107,854	85.70
Deposit Guarantee Fund contribution	(80,944)	(73,152)	10.65	(95,216)	(73,152)	30.16
Other income	43,145	17,124	151.96	61,003	28,759	112.12
Operating income	965,457	869,986	10.97	1,097,908	899,364	22.08
Staff expenses	(244,467)	(216,258)	13.04	(292,663)	(226,369)	29.29
Depreciation and amortization charges	(26,942)	(29,685)	-9.24	(40,911)	(33,596)	21.77
Other operating expenses	(212,935)	(158,230)	34.57	(248,902)	(165,930)	50.00
Operating expenses	(484,344)	(404,173)	19.84	(582,476)	(425,895)	36.77
Loans Loss Provision Expenses	(254,806)	(256,373)	-0.57	237,873	(257,718)	-192.30
Purchasing gains				1,564,480	0	0.00
Profit before tax	226,307	209,540	8.00	2,317,785	215,751	974.29
Corporate tax expense	(36,099)	(28,506)	26.64	(38,816)	(29,046)	33.64
Net profit	190,208	181,034	5.07	2,278,969	186,705	1,120.63

Banca Transilvania recorded positive results in the first semester of this year, The gross profit of the first six months was of 226,31 million lei, an increase of 8% versus the same period of last year.

The net profit for the period ending 30.06.2015 was of 190.21 million lei, exceeding the result of the same period last year by 5.07%.

Since 1 January 2015, BT Group applied for the period of the first 6 months of 2015 and also retrospectively the provisions of IFRIC 21 "Levies". Following the changes of the accounting rules, the contribution to the Deposit Guarantee Fund in the Banking System was recognised as

6

an expense entirely when the obligating event occurred and generated the payment of levy (april 2015). Before this interpretation, the contribution to DGFB was recorded as an expense in advance and recognised afterward as an expense during the reporting period, The impact of applying IFRIC 21 in the statement of profit or loss and the separate and consolidated statement of financial position is 40.47 million lei and will reduce the effect by the end of the financial year, In the comparative period of 2014 the impact was 36.6 million lei.

The increase in fees and commissions income in the first half of 2015 versus the same period of last year was of over 9.10%.

The increase in Banca Transilvania's operating income was due primarily to three factors: the continuous support for the economy, the development of new products and services and the focus on growth in the areas of interest for Banca Transilvania, All these factors led to an operating income for the period ended 30.06.2015 of 965.46 million lei, with 10.97% over the sme period last year.

Operating expenses in the first semester of 2015 grew by 19.84% versus the same period of last year, primarily due to expenses related to the implementation of the integration plan with Volksbank Romania.

With the purpose to maintain the coverage ratio of non performing loans with provisions, even in the situation where part of the loans fully covered with provisions were taken off balance sheet, Banca Transilvania recorded in the first semester of 2015 net expenses with provisions of 254.81 million lei, compared with 256.27 million lei, for the same period last year.

The result per share at 6 months, recomputed taking into consideration the share capital increase from July 2015 is as follows:

Description	Bank Jun-15	Bank Jun-14	Vs,Jun -14 %	Group Jun-15	Group Jun-14	Vs,Jun-14 %
Net Profit for the period (th LEI)	190,208	181,034	5.07	2,278,969	186,705	1,120.63
Basic EPS	0.0629	0.0688	-8.58	0.7528	0.0707	964.78
Diluted EPS	0.0629	0.0688	-8.58	0.7485	0.0707	958.70

Other details related to the activity in the first semester this year:

- ⇒ Banca Transilvania had at the end of the first semester of the current year 541 locations, compared to 542 locations at the end of the same period last year;
- ⇒ The total active number of staff at the end of 30 June 2015 was 6,357, compared to 6,134 at the end of 30 June 2014;
- ⇒ The number of active clients of the Bank (individuals and companies) increased by 9% versus the same period in 2014, from 1.76 million clients to 1.92 million, The focus of the bank was on Retail and SME clients, and on the specialized segments;
- ⇒ The number of operations processed through Banca Transilvania clients' accounts increased by over 10% versus the same period of 2014;
- ⇒ Banca Transilvania closed the first semester of 2015 with a cards portfolio of 2.39 million cards, generating a number of transactions with 18.02% greater than the same period of last year, The market share of the bank in terms of the volume of transactions with cards is 17.90%;
- ⇒ In the first semester of 2015 Banca Transilvania granted loans to retail clients of 1,287.69 million lei and 1,396.88 million lei converted loans from Volksbank Romania S,A, In what concerns loans to companies the bank granted in the first semester of 2015 10,500 new loans;
- ⇒ At the end of 30 June 2015 Banca Transilvania had 948 ATMs and 22,820 POSs, versus 905 ATMs and 19,966 POSs at the end of June 2014.

1.c. Cash flow statement and liquidity position

The cash flow statement detailing the cash flows from operating, investment and financing activities is part of the Financial Statements that accompany this report.

The liquidity indicator computed in accordance with the NBR regulations as at the end of 30.06.2015 was between 1.71 and 15.70, being above the minimum of 1 (as per NBR Regulation 25/8.11.2011 with application from 31.01.2012).

Banca Transilvania continues to have an excess liquidity, with a quick liquidity indicator of 45.27%, better than the average of the banking system.

2. OTHER ELEMENTS RELATED TO THE ACTIVITY IN THE FIRST SEMESTER IN 2015

2.1 Analysis of trends, elements and events or uncertainty factors that could impact the banks' liquidity

The local economic environment:

- ⇒ At the macroeconomic level, the evolution of indicators in the first half of 2015, confirm a favourable dynamic, The economy felt the impact of reduced VAT rate on food and food services (from 24% to 9% since 1-st of June), which increased the internal income of the population and contributed to credit growth in lei, For the upcoming months we expect that the investment in domestic industry will intensify its dynamic, a process that will be sustained by the dynamic of private consumption and export potential,
- ⇒ The saving behavior of the population changed due to the decrease of the interest rates, New deposits placed by bank clients decreased overall at banking system level by 10% in the first six months of 2015, according to NBR data,
- ⇒ National Bank of Romania decreased the Minimum Reserve Requirements from 10% to 8% for the deposits in lei and maintaining the 14% rate for foreign currency deposits.

2.2 The analysis of the effects on the financial statements of the investments, compared to the same period of last year

Investments in tangible and intangible assets were of 348.01 million lei at the end of 30 June 2015, compared to 368.42 million at the end of 30 June 2014, the decrease of 20.41 million lei being due to the delay in some investments to the proposed merger of Banca Transilvania with Volksbank.

2.3 Analysis of the events, transactions and changes that significantly impact the revenues of the bank

The activity of the bank was in normal conditions, without exceptional circumstances, All legal requirements related to the the management of the accounting function and following the accounting principles were respected.

The Condensed Consolidated and Stand-alone Financial Statements were drafted in accordance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”), that were in force at 30 June 2015, The data presented related to the closing of the first semester 2015 is based on the rules for accounting organization and management, in accordance with the Law no, 82/1991, published as further amended and completed, the NBR Order no.27/2010 approving the accounting rules under International Financial Reporting

Standards adopted by the European Union, as amended and supplemented by the NBR Order no, 29/December 29th, 2011, the NBR Order no,1/January 30th, 2013, Regulation 575/2013 of the EU Parliament, as well as other NBR instructions in the area.

The obligations to the state and local budget and special funds were correctly determined and the related payments were made according to the legal provisions.

The income, expenses and results for the first six months of 2015 are reflected accurately in the income statements.

3. CHANGES THAT AFFECT THE SHARE CAPITAL AND THE ADMINISTRATION OF THE COMPANY

3.1 Description of cases in which the company was in impossibility to respect its financial obligations in the reporting period, There were no such cases.

3.2, Description of changes in the rights of the shareholders, There were no such cases.

3.3 Changes in the management structure of the bank (board, executive) :

- Registration at the Chamber of Commerce following the NBR approval of the appointment of mr Tiberiu Moisa as Deputy CEO of the bank;
- Registration at the Chamber of Commerce following the NBR approval of the appointment of mr Thomas Gunter Grasse as member of the Board of Administrators,
- Closing of the transaction to acquire Volksbank Romania SA
- Following the General Shareholders' Assembly from 29 April 2015:
 - the share capital increase was approved;
 - the merger with Volksbank Romania SA was preliminary approved;
 - Mr Radu Hanga was appointed Executive Director;
 - the mandate contract of Mr Andrei Dudoiu was terminated; Mr Dudoiu was previously Deputy CEO - Companies Division and at the present time is President of the Directorate of Volksbank Romania.

The share capital increase and the transfer of the new shares into the shareholders' accounts was finalized in July 2015.

4. SIGNIFICANT TRANSACTIONS

The registration with the Chamber of Commerce of the whole ownership - 100% shares - (directly and indirectly) by Banca Transilvania SA of Volksbank Romania SA.

10

APPENDICES

The following are annexed to this report, in copy:

- Letter of registration to NBR of the reporting for the first semester 2015;
- Balance sheet as at 30.06.2015;
- Income statement for the period ended 30.06.2015;
- Statement of cash flows for the period ended 30.06.2015;
- The declaration of the CEO of Banca Transilvania regarding the taking over the responsibility for the financial statements for the period ended 30 June 2015;
- The shareholding structure of Banca Transilvania as at 30 June 2015;
- Copies of the documents representing the changes in the bank constitutive documents and the management structure (board of administrators, executive).

NB: The financial statements for the period ended 30 June 2015 and 30 June 2014 were not audited by the external auditor KPMG.

President Board of Directors
HORIA CIORCILA

CEO
ÖMER TETIK

Deputy CEO - CFO
GEORGE CALINESCU