



BANCA TRANSILVANIA
1H 2015 financial results

August 5th 2015



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AGENDA

- 1 **1H 2015 highlights**
- 2 **banking sector dynamics**
- 3 **performance in 1H 2015**
- 4 **overview of business lines**
- 5 **BT Financial Group**



1H 2015 HIGHLIGHTS

	1H 2015 (unaudited)	1H 2014 (unaudited)	Δ	
PROFITABILITY	Operating income RONmn	965.5	870.0	11.0%
	Operating expenses RONmn	(484.3)	(404.2)	19.8%
	Gross profit before provisions RONmn	481.1	465.8	3.3%
	Net income RONmn	190.2	181.0	5.1%
	EPS RON	0.06	0.07	-14.3%
	Cost of risk %	2.3%	2.6%	-12.2%
	NIM	2.9%	3.5%	-0.6 pp
	ROE	10.4%	11.6%	-1.2 pp
	Cost-to-income ratio	50.2%	46.5%	3.7 pp
CREDIT ACTIVITY		Jun-15	Dec-14	Δ
	Gross loans to customers RONmn	22,254.8	20,020.0	11.2%
	Deposits from customers RONmn	31,917.0	30,045.5	6.2%
	Loans-to-deposits ratio	69.7%	66.6%	3.1 pp
	NPL ratio	9.8%	10.9%	-1.0 pp
CAPITAL	Total equity RONmn	3,630.8	3,702.0	-1.9%
	Tier 1 capital ratio (profit included)	14.9%	12.7%	17.3%
	Total capital ratio (profit included)	16.4%	14.2%	15.5%



ROMANIAN BANKING SECTOR – 2015 briefing

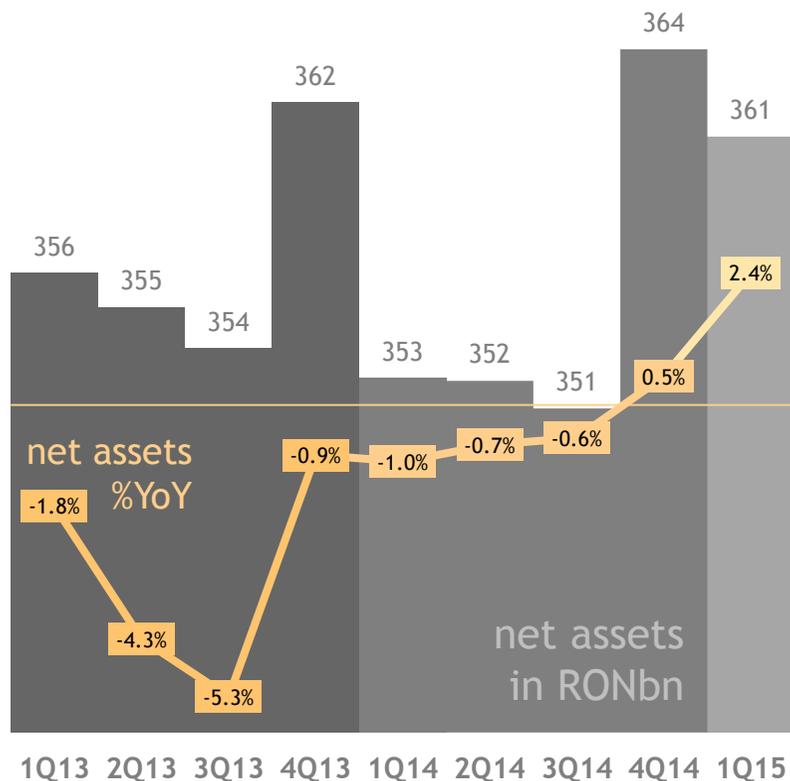
- The Romanian banking system stays solid:
 - average CAR at 18% (a record level)
 - NPL ratio markedly improved to 13.3% from cca. 22% in 2013
- Top 7 banks hold ~66% of total assets / Top 3 banks ~40%
- The non-government loans rose by 2% ytd, as the increase of the RON component (by 11.2% ytd) counterbalanced the decline of the FX component (by 5.2%)



NON-PERFORMING LOANS DROP in the aftermath of 2014 balance sheet clean-up

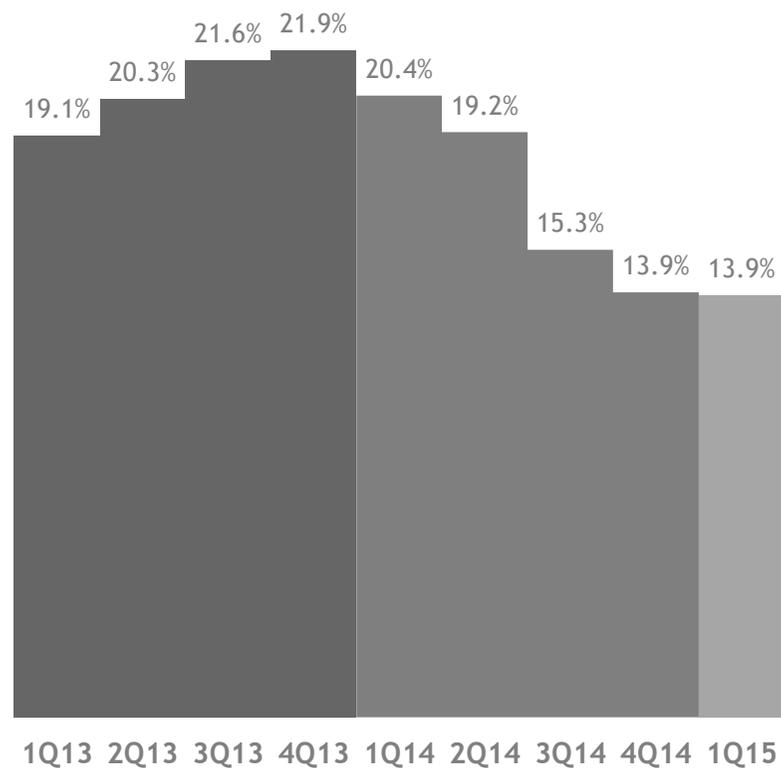
Net assets of banks switching to positive dynamics

total bank assets source: NBR



Significant drop in NPL after 2014 balance sheet clean-up*

NPL ratio – local industry, % source: NBR



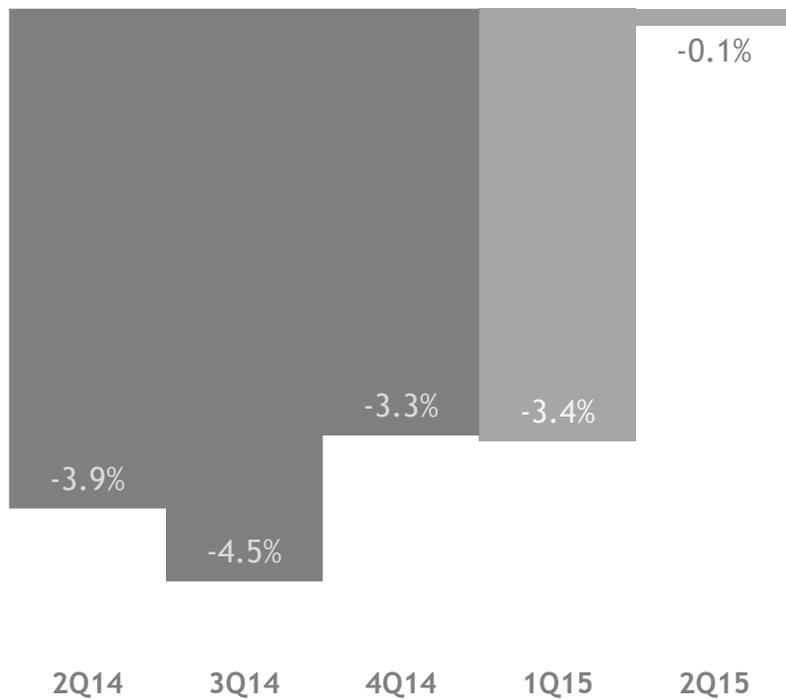
*13.3% end of May 2015



CREDIT IN RON continues to gather momentum

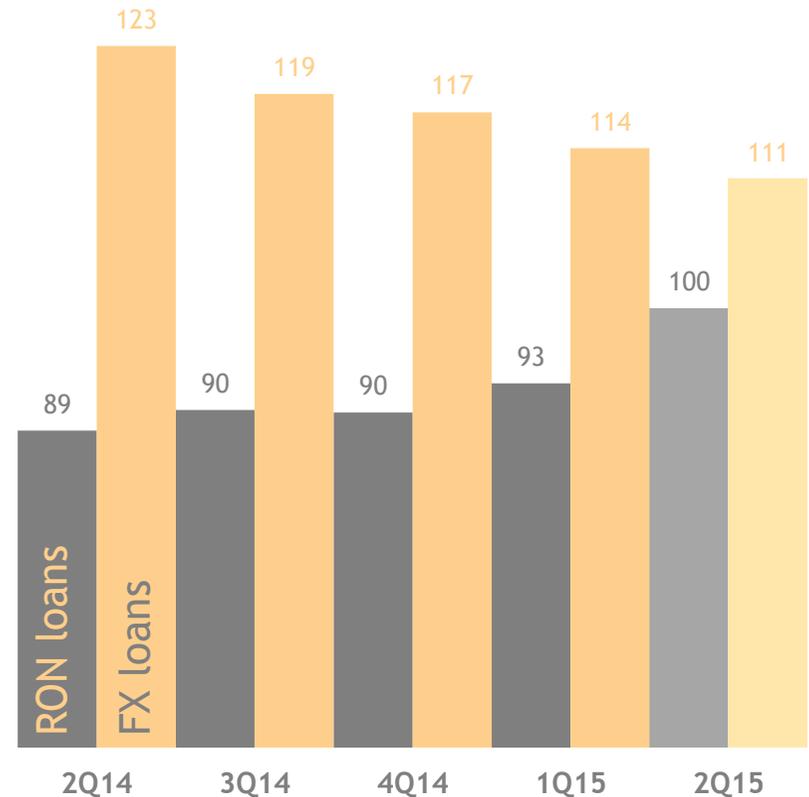
RON denominated lending growth offsets FCY lending contraction

loans non-government, %YoY source: NBR



Loans in domestic currency, the credit activity driver

loans non-government, RONbn source: NBR





BUSINESS PERFORMANCE IN 1H 2015

at a glance

Total assets at RON 38.6 bn
↗ 8.4%YTD

- Strong growth of the loan portfolio across all business line
- Partial switch from AFS portfolio to other assets categories (due to banks & loans)
- Healthy growth of deposit base by 6%

Capital adequacy ratio at
16.4%

Net fees and commissions at
RON 211mn ↗ 9%YoY

- Driven by increased number of operations and additional cross-sell

CoR on a sound path
↘ by 80bp QoQ

- The second quarter permitted the improvement of the the overall H1 CoR to 2.3%, from 2.8% in Q 1 2015

Net profit at
RON 190mn ↗ 5%YoY

- The results of the first half of 2015 are positively influenced by a strong operating income growth of 11% YoY
- In terms of expenses, several one-off items are included, mainly linked to the integration plan of Volksbank Romania

Cost/income at 50.2%

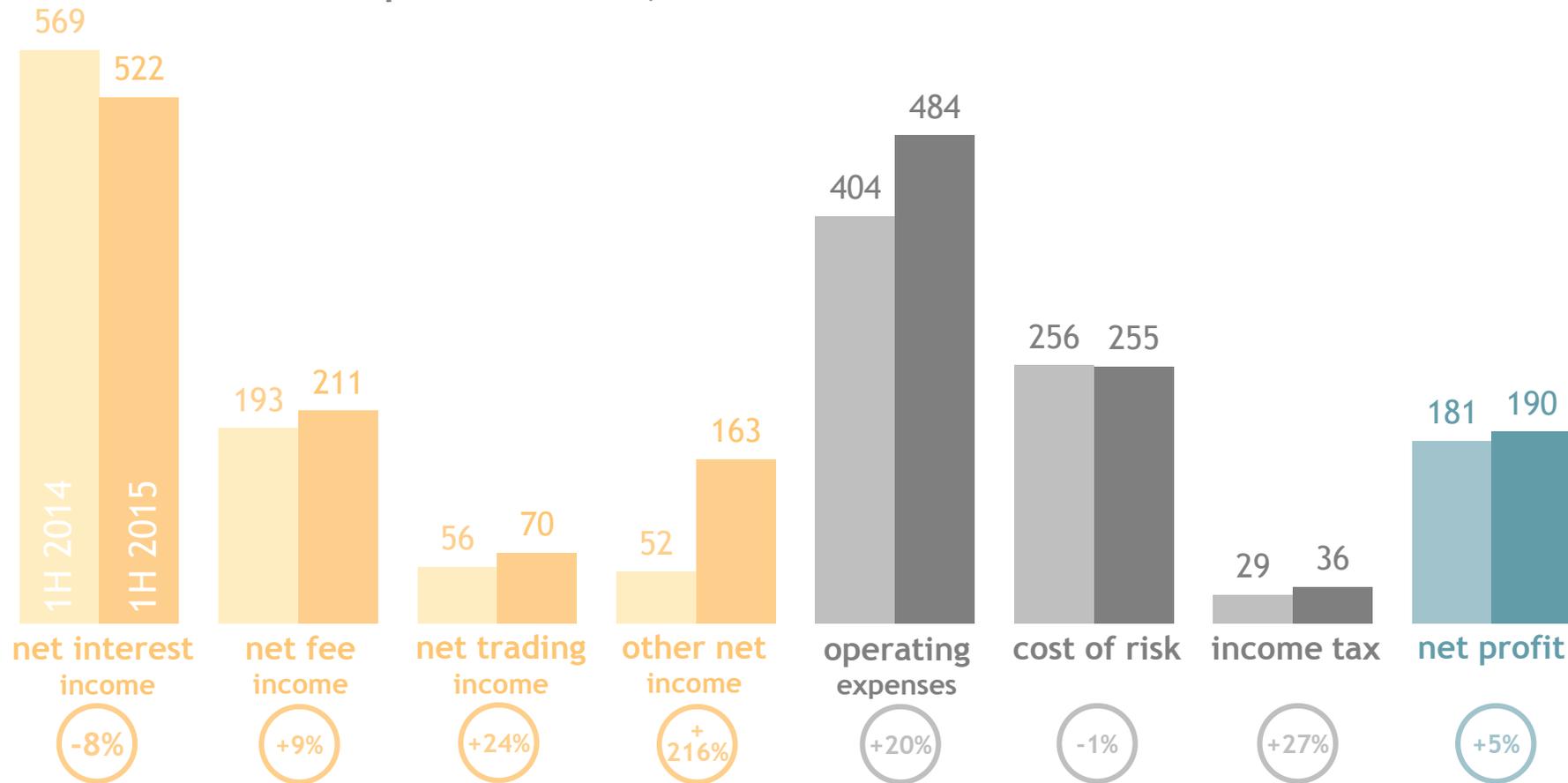
- Beside the one-off type of integration related expenses, a booking change regarding the Deposit Guarantee Fund contribution had a negative impact at H1 level, however, at financial year level the impact is neutralized.
- Without the one-off expense above, Cost/Income reaches 44%



PROFIT&LOSS ACCOUNT STRUCTURE

Sound growth of net fee income confirm the focus on cross-sell and turnover growth

detailed income and expense structure, RONmn

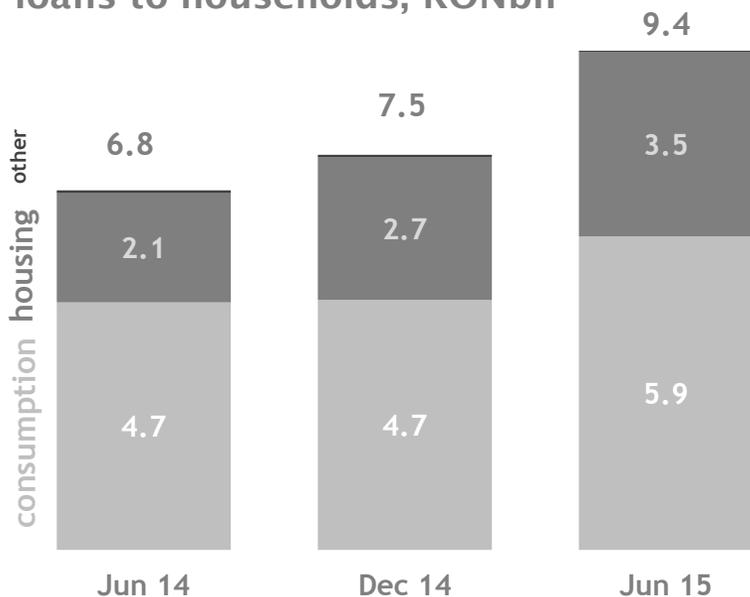




LOAN STRUCTURE

Loans to households up 39% YoY on regained confidence

loans to households, RONbn

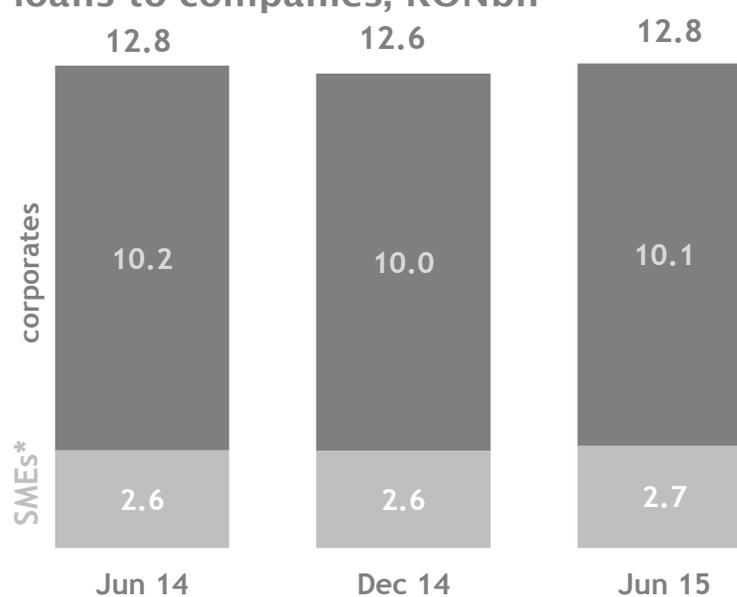


loans to households, RONbn



Loans to companies balancing toward investment loans

loans to companies, RONbn



loans to companies, RONbn



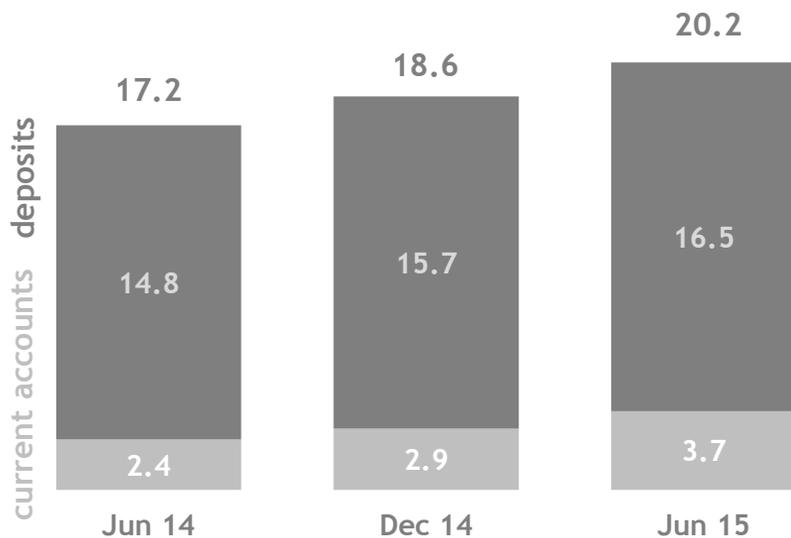
*SMEs identified according to internal classification rules 10



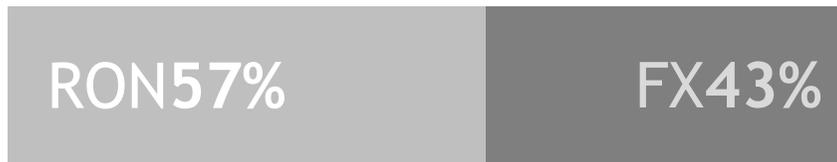
DEPOSIT STRUCTURE

Deposits from households continue the previous path

deposits from households, RONbn

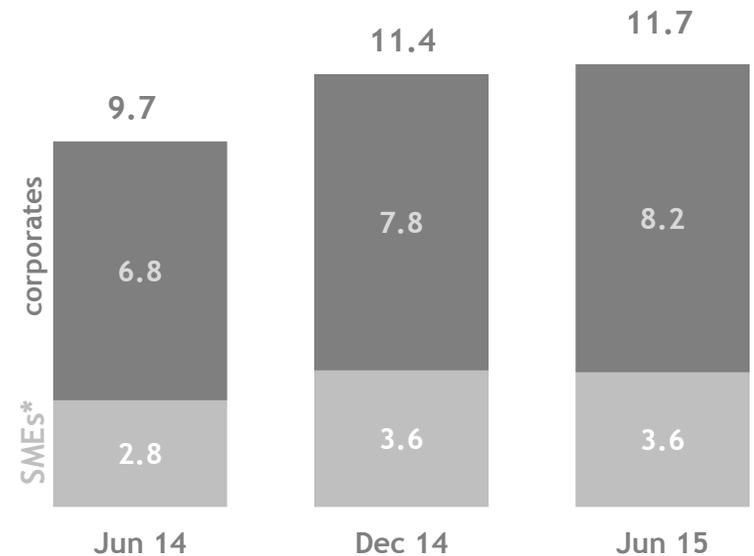


deposits from households, RONbn



Deposits from companies remain stable

deposits from companies, RONbn



deposits from companies, RONbn



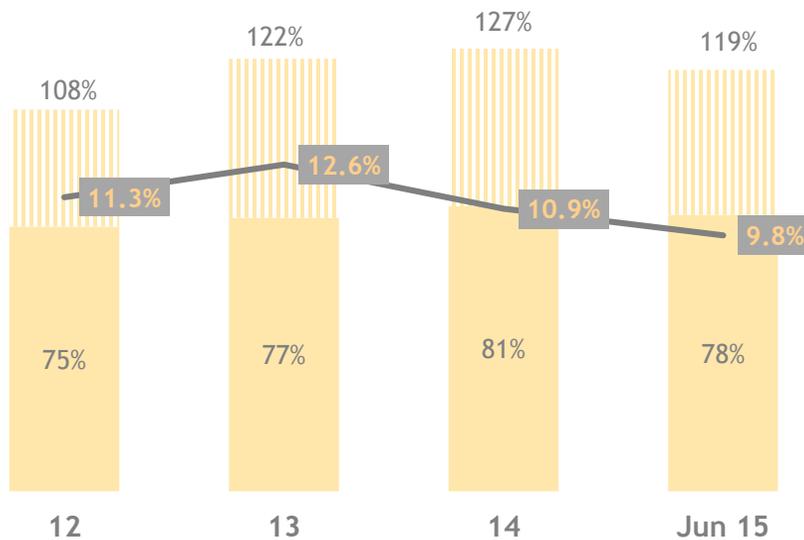
*SMEs identified according to internal classification rules 11



NPL RATIO AT 9.8%

one of the lowest in the local banking industry

NPL ratio and NPL coverage



▨ NPL coverage with provisions and mortgage collateralals
■ NPL coverage with provisions
— NPL ratio

- Banca Transilvania continued the conservative provisioning policy, providing a sound coverage ratio for its PAR 90 portfolio
- The formation of new NPLs slowed down to lowest level in the last 4 years for the Corporate exposures
- Retail and SME loans continue the reversed trend noticed end of 2014

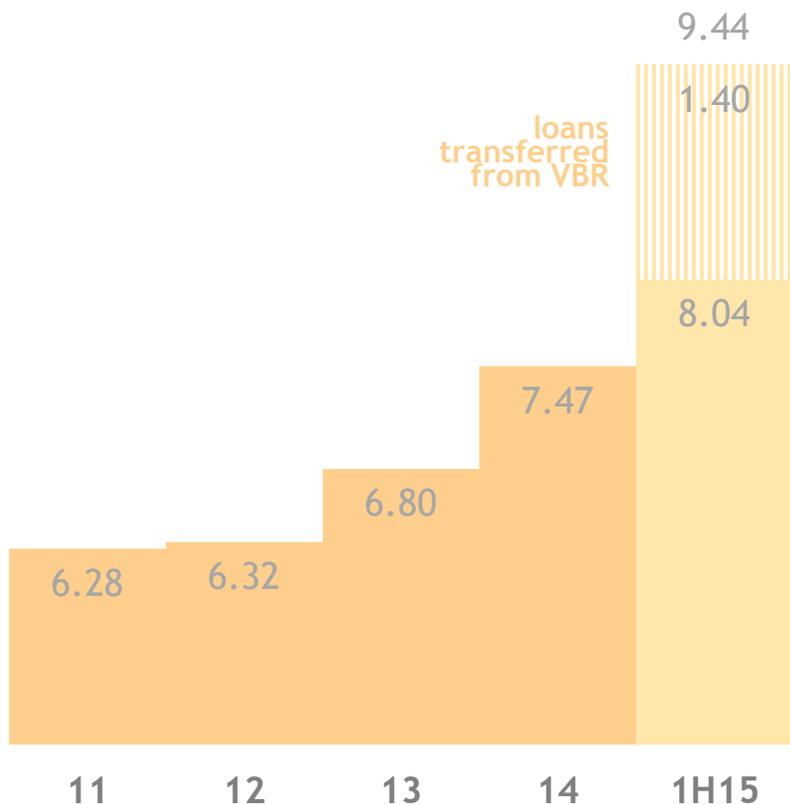


BUSINESS LINES

retail banking

Retail loan portfolio reached RON 9.4bn in 1H 2015

retail loan portfolio, RONbn source: BT



- Sound organic growth of its retail loan portfolio
- Good execution of Volksbank Romania CHF loan portfolio conversion; in 4 weeks of conversion close to 50% of all CHF exposures in Volksbank have been converted to RON or EUR and moved to BT
- Banca Transilvania is number 1 in terms of the transactions turnover on its cards portfolio with a market share of 19.35%; a total card portfolio of close to 2.4 million (8% up against H1 2014)
- BT 24 and mobile banking remained top priority

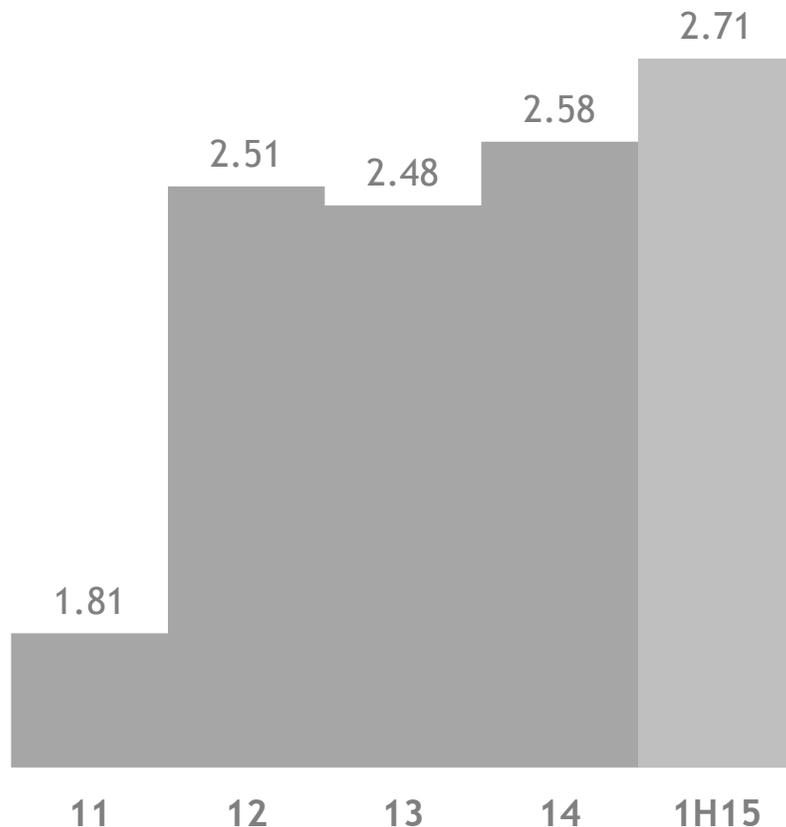


BUSINESS LINES

SME banking

SME loan portfolio up to RON 2.7bn and 179,000 active clients

SME loan portfolio, RONbn source: BT



- Banca Transilvania continued its specific focus on the SME business sector, processing over RON 650 million new loans in 6 months of 2015
- An attractive cash management offer, tailored on SME needs, boosted the number of SME client accounts to 179,000
- BT continued its partnership with DFIs, offering special loan and guarantee products to its SME clients: Jeremie, RoSeff
- Agriculture, Healthcare and European Structural Funds are on BT radar as specialized sectorial approaches



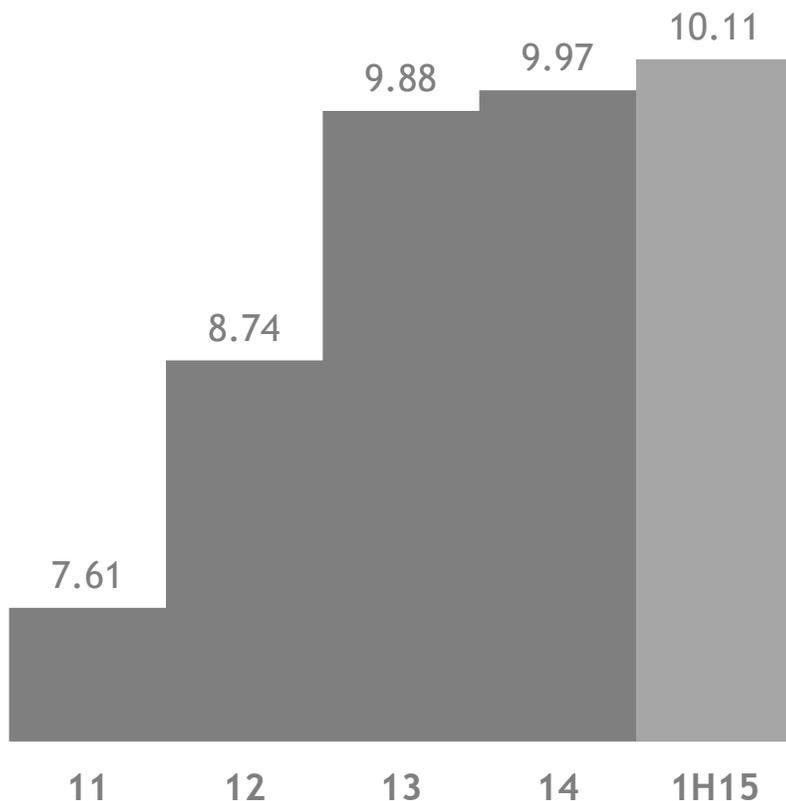
BUSINESS LINES

corporate banking

Corporate loan portfolio above RON 10bn for the first time

corporate loan portfolio, RONbn

source: BT



- Corporate loans inflexioned at country level during this spring, evolution determined by the acceleration of the real economy and attractive funding costs
- Positive sign, again at country level, is also the fact that the new corporate loans rose by 6.2% Y/Y in 1H15, thus continuing the up-side trend initiated in 2014; this trend will most probably continue, being reflected in the coming quarters in growth at total balances level



BANCA TRANSILVANIA FINANCIAL GROUP

full array of financial services

As of 30.06.2015:



Total assets: 38.6 RON bn



Total assets: 9.8 RON bn



Total assets: 97 RON mn



Total assets: 89 RON mn



Total assets: 57 RON mn



Total assets: 26 RON mn



Total assets: 293 RON mn



1H 2015 HIGHLIGHTS – Consolidated Figures

	1H 2015 (unaudited)*	1H 2014 (unaudited)**	Δ	
PROFITABILITY	Operating income RONmn	1,097.9	899.4	22.1%
	Operating expenses RONmn	(582.5)	(425.9)	36.8%
	Gross profit before provisions RONmn	515.4	473.5	8.9%
	Net income RONmn	2,279.0	186.7	1120.6%
	Cost of risk %	-1.6%	2.6%	-162.3%
	EPS RON	0.75	0.07	964.8%
	ROE	64.2%	11.4%	462.0%
	Cost-to-income ratio	53.1%	47.4%	12.0%
CREDIT ACTIVITY		Jun-15	Dec-14	Δ
	Gross loans to customers RONmn	26,810.2	20,009.1	34.0%
	Deposits from customers RONmn	35,600.3	29,994.9	18.7%
Loans-to-deposits ratio	75.3%	66.7%	8.6 pp	
CAPITAL	Total equity RONmn	5,794.7	3,797.3	52.6%
	Tier 1 capital ratio	12.0%	11.8%	1.3%
	Total capital ratio	13.1%	13.3%	-1.3%
	Tier 1 capital ratio (Profit included)	20.5%	12.7%	61.4%
	Total capital ratio (Profit included)	21.6%	14.1%	52.7%

*with purchase gain

**with full guarantee fund contribution booked as of 1st H 2014



ANNEX I INCOME STATEMENT

IFRS, individual, RONmn	1H 2015	1H 2014	Δ
Net interest income	522.0	569.0	-8.2%
Net fee and commission income	210.9	193.3	9.1%
Net trading income	69.8	56.2	24.3%
Other net income	162.7	51.5	215.6%
Operating income	965.5	870.0	11.0%
Personnel expenses	(244.5)	(216.3)	13.0%
D&A	(26.9)	(29.7)	-9.2%
Other operating expenses	(212.9)	(158.2)	34.6%
Operating expenses	(484.3)	(404.2)	19.8%
Cost of risk	(254.8)	(256.3)	-0.6%
Net income before taxation	226.3	209.5	8.0%
Income tax expense	(36.1)	(28.5)	26.6%
Net income after taxation	190.2	181.0	5.1%



ANNEX II BALANCE SHEET

IFRS, individual, RONmn	Jun-15	Dec-14	Δ
Cash & cash equivalents	3,500.6	4,226.0	-17.2%
Placements with banks	4,212.0	2,216.1	90.1%
Loans to customers, net	19,861.3	17,517.2	13.4%
T-bills & securities	9,823.4	10,852.9	-9.5%
Fixed assets	348.0	360.1	-3.4%
Participations	432.8	74.9	478.2%
Other assets	423.1	372.4	13.6%
Total assets	38,601.2	35,619.5	8.4%
Deposits from banks	833.0	133.3	524.7%
Deposits customers	31,917.0	30,045.5	6.2%
Loans from banks and FIs	1,335.4	949.1	40.7%
Subordinated loan	407.2	394.7	3.2%
Deferred tax liabilities	4.7	43.7	-89.3%
Other liabilities	473.1	351.3	34.7%
Total liabilities	34,970.4	31,917.6	9.6%
Shareholders' equity	3,630.8	3,702.0	-1.9%



ANNEX III INCOME STATEMENT

IFRS, consolidated, RONmn	1H 2015	1H 2014	Δ
Net interest income	641.8	587.2	9.3%
Net fee and commission income	229.7	199.7	15.0%
Net trading income	60.3	49.0	23.2%
Other net income	166.1	63.5	161.7%
Operating income	1,097.9	899.4	22.1%
Personnel expenses	(292.7)	(226.4)	29.3%
D&A	(40.9)	(33.6)	21.8%
Other operating expenses	(248.9)	(165.9)	50.0%
Operating expenses	(582.5)	(425.9)	36.8%
Cost of risk	237.9	(257.7)	
Bargaining gain	1,564.5		
Net income before taxation	2,317.8	215.8	974.3%
Income tax expense	(38.8)	(29.0)	33.6%
Net income after taxation	2,279.0	186.7	1120.6%



ANNEX IV BALANCE SHEET

IFRS, consolidated, RON mn	Jun-15	Dec-14	Δ
Cash & cash equivalents	4,118.6	4,234.2	-2.7%
Placements with banks	3,838.8	2,224.3	72.6%
Loans to customers, net	24,486.8	17,663.0	38.6%
T-bills & securities	11,054.1	10,771.8	2.6%
Fixed assets	491.7	412.3	19.2%
Participations	0.0	0.0	
Other assets	673.0	490.4	37.2%
Total assets	44,662.9	35,795.9	24.8%
Deposits from banks	270.8	133.3	103.1%
Deposits customers	35,600.3	29,994.9	18.7%
Loans from banks and FIs	1,481.7	1,052.7	40.8%
Subordinated loan	407.2	394.7	3.2%
Deferred tax liabilities	2.2	41.0	-94.6%
Other liabilities	1,106.0	381.9	189.6%
Total liabilities	38,868.2	31,998.7	21.5%
Total equity	5,794.7	3,797.3	52.6%



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