

Press release, 10<sup>th</sup> August 2017

## **Banca Transilvania, robust business growth for the first semester**

### **• Financial results as at 30 June 2017 •**

The first semester of 2017 was a period of organic growth for the Financial Group Banca Transilvania (“the Group”), with clear focus on streamlining and simplification, in line with the proposed strategic lines of 2017.

The net profit for the six-month period ended 30 June 2017 of Banca Transilvania (“the Bank”) amounts to RON 496 million, while the Group recorded a net profit of RON 513 million. The Group closed the first semester of 2017 with RON 53.4 billion in total assets, out of which RON 53.2 billion related to the Bank, comprised of loans and advances to customers and net finance lease investments in proportion of 54%.

During the reported period, the loans granted to customers (unadjusted by the impairment allowance and before any write-off operations) increased by 5% for each of the business lines. In the first semester of 2017, Banca Transilvania granted a number of 80.000 new loans to individuals, SMEs and Corporate customers, which translates into a daily number of over 700 loans processed and approved by the Bank, totaling over RON 6 billion, amount directed by the Bank to the growth and development of the Romanian economy.

Nearly 45% of the Romanian start-ups, meaning around 34.000 out of 80.000 new companies, opened an account with Banca Transilvania during the six-month period ended 30 June 2017.

*“Our results confirm the internal growth estimations for this year and we are pleased to see that our role in the Romanian economy grows with every progress achieved by each of our business lines. This progress translates also in the 80.000 new loans which have been granted this year to our customers. Banking is changing radically and with an accelerated pace, being aware of this, we are rolling out a vast and complex digitalization process, aiming business and customer interaction simplification. We invest in online platforms and processes, but at the same time we pay attention to related risks, to be able to provide our customers with the best possible digital-network combination. For the rest of the year, as the bank of the entrepreneurs, we will play our role contributing to a faster pace of public and private investments, counting on predictable public policies”* - states Horia Ciorcilă, Chairman of the Board of Administration of Banca Transilvania.

**The growth of Banca Transilvania via strategic business lines and niche strategies.  
Information related to the first semester of 2017:**

- **SMEs & micro:** the number of active customers of Banca Transilvania increased by over 18% as compared with previous period (first semester of 2016) to nearly 230.000, while the first six months of 2017 brought 47% additional volumes of placements (RON 1.6 bn in 2017, as compared with RON 1.1 bn in 2016, partially driven by a re-segmentation of the company business lines). During this first half of the year [BT Mic](#) was launched, an entity dedicated entirely to financing small businesses. In only four months since its launching, [BT Mic](#) provided financing of RON 90 million to nearly 2.000 micro companies, with the purpose of enhancing the Bank's objective to sustain Romanian entrepreneurs. These Start-up segment complements the commercial clients' business lines which are formed of SMEs, mid corporate clients and large corporate clients.
- **Retail Banking:** As of 30 June 2017, Banca Transilvania numbered nearly 3 million cards issued to customers, with a transactional volume of RON 22 billion during the first six month of 2017. The number of payments concluded with cards exceeded 60% of the total number of transactions. Contactless payments increased as compared with previous period by 4.7 times as regards the number of transactions and by 5.9 times as regards the volumes of transactions. The Bank granted nearly 35.000 loans to its retail customers (excluding cards), with a significant increase for consumer loans as compared with the first semester of 2016: +24% in terms of volumes and +14% in terms of number. Through the loyalty program Star, dedicated to clients with shopping cards, BT developed partnerships with over 10,000 shops. Out of the 330,000 credit cards issued by BT, 320,000 are Star cards. The cards business is also part of the overall digitalisation plan of Banca Transilvania, during the first six months of 2017 a new shopping application [STAR.card](#) was launched, the [BT contactless watch](#) for payments instead of the classic cards was presented to the market and [Livia robot](#) that offers customers non-stop assistance regarding information of their current accounts, products and services via Facebook Messenger and Skype platforms became part of BT sales team.
- **Corporate Banking:** Banca Transilvania is following its strategic guidelines designed for this business segment, with focus on digitalization, specialisation and continuous improvement of customer experience. During this semester, the Bank has finalized the implementation of differentiated approach between Large Corporate clients and Mid Corporate clients, including dedicated separate teams. The highlights for the first six

month of 2017 included, beside a significant lending activity (new production of loans rising to RON 2.8 bn), a higher level of cash management transactions (customers' turnover amounted to RON 72 bn triggering the growth of non-risk revenues in total revenues by 5.4% as compared with the first semester of 2016). Other developments worth to be mentioned are: implementation of digital signature system for the benefit of Large Corporate clients; the option of automated reconciliation of bank statements provided by BT Ultra ERP and the upgrade of the factoring platform. Also, Banca Transilvania was a more active presence on the syndicated loans and on the capital market, participating to important transactions.

- **Banking services and products offered via internet and mobile banking:** 900 thousands of the Bank's customers are enjoying internet banking services, while over 300 thousands customers are using mobile banking.
- **Streamlining of products and services:** the Bank's strategy towards the streamlining of its range of products and services contributed greatly to the 12.7% growth rate of the operating revenues obtained from commission, as a result of an increased volumes of transactions.

**Other information:**

- Banca Transilvania contributed to the State Budget, in its own name and on behalf of its employees and customers, with taxes and contributions amounting to over RON 2.1 billion in the last 5 years, out of which RON 165 million related to the first semester of 2017.
- Banca Transilvania continued its involvement and dedication to the community, by employing, solely in the first semester of 2017, RON 13.4 million into programs designed to tackle financial education issues, entrepreneurship, sports, cultural events and social causes.
- The capital adequacy ratio of Banca Transilvania is 18,35%, without including the results of the first semester of 2017.
- The NPE ratio is 8,1%, while the coverage ratio is 65% (total impairment allowances allocated to non-performing exposures, as defined by EBA guidelines).

**Information for the Bank's shareholders:**

The report for the first semester of 2017, prepared in accordance with the provisions of Article 113, paragraph C of CNVM Regulation nr. 1/2006 regarding the issuers of and operations with securities, will be available on the site of Banca Transilvania (section [Investors Relations/Financial Results](#)) beginning with 10<sup>th</sup> August 2017.

*The Condensed Consolidated and Separate Financial Statements as of and for the six-month period ended 30 June 2017 were subject to a limited review carried by the external auditor, while the Consolidated and Separate Financial Statements as of and for the year ended 31 December 2016 were audited*

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