

Press Release, February 27, 2019

**BT's Preliminary Financial Results as at December 31, 2018****Banca Transilvania, the largest lender of the local economy in 2018:  
customer support twinned by the Bancpost integration**

- 196,000 loans to companies and individual customers granted in 2018●
- Over RON 9 billion worth of loans extended to Romanian companies●

Banca Transilvania - a Romanian born and raised bank - celebrated its 25th year of activity and became the main lender of the Romanian economy, using the experience and capital accumulated over time with the purpose to support the entire business environment in Romania.

For BT, 2018 represented a sequel of responsible organic growth, major investments in the customers' digital experience, Bancpost integration and the outset for business model replication in Victoriabank, Republic of Moldova.

*“Banca Transilvania continued to be the most active player in the banking sector, supporting the Romanian economy, due to continuous capital boosts and to the relevant expertise gathered over its 25 years of existence, here, in our own country. During these years, we managed to constantly grow the Bank's capital base through yearly profit accumulation, cash capital increases from shareholders and subordinated debt instruments, to be able to maintain the alert lending pace across all customer types: from established SMEs to start-ups and population. Being the largest Romanian financial group, we are aware of our responsibility towards the local economy, and towards our over 3 million customers, out of whom 700,000 are beneficiaries of loans, as well as of our duty to over 31,000 Romanian individual shareholders, investors on the BSE and the indirect 7 million shareholders through the second pillar pension funds.” – stated Mr. Horia Ciorcilă, Chairman of the BT's Board of Directors.*

Banca Transilvania Financial Group assets reached RON 77.9 billion at the end of the last year and the loans and advances granted to customers rose to RON 38.02 billion. Group's net consolidated profit was RON 1,257.17 million, out of which Banca Transilvania recorded a bottom-line result of RON 1,219.39, figure including the Bancpost integration expenses. The bank's operating profit has rose to RON 1,801.41 million due to streamlining of activities and business consolidation. Customer deposits reached RON 65.16 billion, of which RON 43.34 are individual deposits and RON 21.82 billion are corporate deposits.

In 2018, besides the merger and integration between Banca Transilvania and Bancpost, BT Leasing merged with ERB Leasing, company purchased from Eurobank Group, once with Bancpost and ERB Retail Services. BT Direct and ERB Retail Services, non-banking institutions consumer finance companies will merge in the first half of 2019.

Another important aspect is that Banca Transilvania managed to maintain a comfortable level of cost/income ratio at 49.9%.

BT's Board of Directors, decided in the meeting which took place yesterday, February 26<sup>th</sup> to propose to the General Shareholders Meetings (GSM) which will take place in April 2019, to distribute as cash dividends the amount of 818.121.781 lei (gross), representing a gross dividend per share of 0.17 lei. Also, it will be proposed to the GSM to capitalize the difference up to the distributable 2018 profit.

### **Supporting the entrepreneurs, the population and community in 2018**

- ~65,000 fixed interest loans were granted to individuals last year;
- BT has a 3.7 million cards portfolio, meaning a 21% market share in terms of issued cards in Romania;
- RON 15.5 billion SME loans (SME according to the European Definition)
- RON 11 billion mortgage and home equity loans;
- 125 BT units were rebranded and refurbished during 2018;
- RON 23 million were directed to our community, to education and sports through over 1,000 social responsibility projects, last year.

### **The important investments in digitalization generate visible positive effects on the business:**

- Close to 200 million transactions were performed last year with BT cards. Each second means 6 transactions with BT cards;
- 475,000 credit cards are in the Group's portfolio, generating approximately 35% of the transactions performed with credit cards to the retailers from Romania. More than 60,000 transactions take place every day with the BT credit cards;
- 50,000 POSs are managed by Banca Transilvania, which account for 25% of the POSs installed in Romania;
- In 2018, 2 million transactions were performed on average, every day, through BT;
- The number of BT24 Internet Banking users exceeded 1 million, + 14% increase compared to the same period of last year, whereas the number of Mobile Banking users reached 560,000, + 34%;

- The volume of transactions made via Internet Banking is +20%, and via Mobile Banking +54% compared to the same period of last year;
- BT Pay, the first wallet application from Romania, launched in January 2018, currently offers 12 different functionalities developed over a 10 month-period, as well as, many non-stop cash and cards management functions: contactless payments, money transfer, monitoring and reports on card transactions, etc. The number of payments with mobile devices and the number of money transfers between wallet users picked up by +35% in Q4\_2018 as compared to Q3\_2018, while the volume of transactions increased by 50%;
- Other banking solutions offered through the online BT Store platform were accessed, on average, by 100 entrepreneurs/month, since its launch in August 2018;
- As of 2018 year-end, BT had close to 350 BT Express Plus units, multifunctional machines that invite to self-banking operations such as cash deposits/withdrawals of in local or foreign currencies. The number of cash deposits doubled during December 2018 compared to January 2018, reaching to 400,000 operations.

#### **Other financial information & the Fitch rating:**

- NPE according to EBA, is at 4.97% as at December 31, 2018.
- NPE coverage ratio according to the EBA standards is 94%. In case collateral is considered the coverage rate is 133%;
- The bank's total CAR (excluding the profit of 2018) is at 18,59%, while the level including the profit is at 21.53%;
- In January, Fitch Ratings confirmed the long-term credit rating of Banca Transilvania (IDR) to 'BB +' with a stable outlook, respectively the level of the viability rating to "bb+".

#### **The additional tax on assets**

In anticipation of a decision regarding the additional tax on bank assets, Banca Transilvania reiterates the idea that the banks' capital and competencies have been built over time and can be quickly lost without the proper investments. Romania needs a strong banking system and higher lending growth rates, to reduce the gaps from the Western countries. The decrease of the available profit for capitalization will slow down the development of the Romanian banking system and will affect the economic growth. However, as a Romanian bank and company, BT will stand by its customers, so that they will be as less as possible affected by the potential tax on assets.

#### **BT, +50 positions in the Brand Finance Banking 500 ranking**

BT moved up 50 positions in the Brand Finance Banking 500 2019 ranking, published by The Banker, with a 39% increase on the brand value, up to USD 242 million, respectively a rating

improvement from A+ to AA, compared to 2018. Banca Transilvania is the only Romanian banking brand included in the Brand Finance Banking 500 this year.

The 2018 preliminary financial results are available on the BT website, [at the following link: www.bancatransilvania.ro/actionari/rezultate-financiare](http://www.bancatransilvania.ro/actionari/rezultate-financiare), on February 27 2019, starting with 8.30.

## **Banca Transilvania**

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