

Press Release, August 14, 2020

BT's Financial Results as at June 30, 2020
Banca Transilvania, economy and community supporter during
the Pandemic as well

Through the actions and activities rolled out during the first half of 2020, Banca Transilvania remained close to the Romanian economy, its people and entrepreneurs.

- During the first wave of the medical crisis, the Bank has quickly mobilized funding and equipment for the healthcare sector, has accelerated the launching of several online banking facilities to ensure ongoing access to its products and services.
- BT was the first bank in Romania to announce support measures for its borrowers affected by the pandemic and to launch the most comprehensive support package, whereby the measures implemented by BT exceeded the mandatory legal framework by far, staying close to its clients throughout this challenging period.
- Despite any emergencies driven by the pandemic, its daily activity remained as usual: BT ensured the continuity of operations, launched commercial campaigns and maintained the implementation pace of network modernization projects and the diversification of the client-bank interaction options.

“Solidarity. Solidarity and mobilization were key words for the second quarter of 2020 for Banca Transilvania. The whole BT team focused on prevention of virus-contamination, on business continuity via its wide network & digital channels, trying to offer the best alternatives to help our clients and our community. Starting with the efforts to ensure the functionality of its systems at high speed during the state of emergency and with the swiftly announced most comprehensive financial support package for clients and companies, to the efforts of more than 2,000 colleges in the SME Invest program and donations of more than EUR 2 million for medical and protection equipment, Banca Transilvania and #ThePeopleOfBT proved that we are here to serve the communities where BT is present. We live unprecedented and challenging moments, both for people and businesses; however, BT is well prepared to support its partners and come out of this crisis stronger together. We know that by being close to our clients through difficult times, we not only save the present, but also the future”, said Mr. Ömer Tetik, CEO of Banca Transilvania.

Financial Results as at June 30, 2020

At the end of the of the first semester of 2020, Banca Transilvania Financial Group's assets reached RON 98.4 billion, loans went up to RON 40.7 billion and deposits reached RON 80.0 billion, of which RON 57.2 billion are retail savings and RON 22.8 billion company savings. The Bank's cost/income ratio remains at a comfortable level of 47.60%.

BT Group's net consolidated profit is RON 690.06 million, out of which the Bank's profit amounts to RON 607.41 million. The subsidiaries and the capital investments contributed with over RON 82 million to the BT Group's profit.

Non-performing exposures, according to EBA, amount to 4.35% as at June 30, 2020. The total provision coverage ratio, as per the applicable EBA standards, is 107%. If the collateral is also taken into account, the coverage ratio amounts to 126%. The bank's CAR is 19.67% (profit for the year excluded) and 20.91% (profit for the year included).

The impact of the current context on the loan portfolio impairment stands rooted in a prudent approach. Modifications to impairment methodology were in line with regulator's guidelines and best market practices. Considering the effect of the healthcare and economic crisis, the cost of risk during H1 of 2020 was of 1.3%, compared to 0 during the same period of 2019, thus the outstanding balance of provisions increased by 16.5% to RON 2,951 mn, as compared to end of 2019 (RON 2,533 mn).

Financing to Romanians in the First Six Months

During the period January-June, 2020 Banca Transilvania granted over 68,000 loans to companies and retail clients. Company loans in this period amount to more than RON 3.6 billion. The Bank counts approx. 2.9 million Retail clients, 325,000 SME & Micro clients and more than 10,000 active corporate clients.

BT's Involvement in the COVID-19 Context

- Banca Transilvania's contribution for the prevention and management of the pandemic, as well as for people's access to testing and treatment exceeded EUR 2 million - in cash and medical equipment. Support for hospitals in more than 30 cities was provided. Besides the donation itself, #ThePeopleOfBT were involved, day and night, in the procurement of materials and equipment in a scarcity period everywhere in the world.
- More than 41,000 retail and company clients had their installments deferred.
- BT is the main bank in the SME Invest program and by the end of June, the Bank had approved under this program approx. 4,000 SME loans, supporting companies that mean more than 60,000 jobs.
- From the onset of the pandemic until the end of June, 2020, 12 online banking facilities were launched, among which: the digital card uploaded in the BT Pay app before the client receives the physical card; online opening of current accounts (NEOcont); possibility to withdraw cash from all the bank's ATMs with the mobile phone, via BT Pay; donations over the phone; launch of online shopping hubs with

retailers that are BT's clients, i.e. #RightAtYourPlace and #OnTheGo; the possibility for the companies to order Meal Voucher Cards online, via the BT Tichet app, etc.

- The bank has reached more than 1 million unique cards in the BT Pay, Apple Pay, Fitbit Pay and Garmin Pay wallets, and the number of mobile phone payments went up 5 times in June 2020 vs, June 2019.
- Out of more than 1,700 BT ATMs, almost 520 are BT Express Plus multifunctional ATMs, supporting self-banking, cash deposit and FX operations, 24/7. In the first 6 months of this year, the number of cash deposit operations via BT Express Plus exceeded 4.6 million, which means almost 780,000 operations/month;
- More than 100,000 cash withdrawals have been performed with BT Pay.
- More than 30,000 cards issued in Romania by other banks and finetchs have been enrolled for money transfers in BT Pay.
- 7 times more interactions in the BT Visual Help application in the period March-June 2020, vs. January-February, 2020. The month-on-month growth was steady, reaching to almost 83,000 in June.
- [I Ask BT](#) was one of the most accessed communication channels of Banca Transilvania from the start of the pandemic until the end of June, with 900,000 visitors and more than 1.2 million visits in March-June, 2020. The peak was on April 14, when the site registered almost 23,000 visitors. There was a 73% increase in the number of visitors in H1 2020 vs. H1 2019.
- The Bank kept the same recruitment pace for new employees in H1 as in H1 2019, counting 500 new team members.
- The number of BT24 Internet Banking users exceeded 1.3 million in H1, 2020, i.e. +10% vs. the same period of the last year, while Mobile Banking users count 880,000, +28% vs. H1, 2019. Transaction volumes via Internet Banking and Mobile Banking grew by 14% as compared to the H1, 2019.
- 27 BT units were modernized from the beginning of the pandemic until June 30, of which 9 are relocated, continuing with the last year's pace. This has a positive impact on approx. 227,000 clients and 330 BT employees in 21 cities.

BT's Priorities by the End of the Year: Solidarity, Economy Support and Further Implementation of the Online Banking Plans

Banca Transilvania will continue to finance the population and the companies, while staying involved in managing the pandemic challenges.

- The Bank's focus within the SME Invest program will be on completing the allocation of the remaining amounts in the next two months, estimating a total number of minimum 10,000 loans.
- Also with regard to the SME activity, BT will allocate significant resources to get involved in the implementation of other governmental programs and not only - such as grants or guarantee facilities.
- NEO, the new Internet Banking and Mobile Banking platform is in its final testing stage with real users, being currently in *beta* version for part of the clients.
- BT works to increase and affirm BT Pay as the first super payment application in Romania, which integrates many facilities and is part of our clients' daily life.

The report for H1, 2020, prepared in accordance with the provisions of Article 65 of Law No. 24 / 2017 on issuers of financial instruments and market operations is available on BT's website, under [Investor relations](#), starting with August 14, 9:00 o' clock.

The financial statements as at 30.06.2020 and 30.06.2019 are reviewed; the ones as at 31.12.2019 are audited.

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