



BANCA TRANSILVANIA
2017 preliminary financial results

February 15th 2017



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Agenda



- 1 Banking Sector Dynamics
- 2 2017 Highlights
- 3 Performance in 2017
- 4 Overview of Business Lines
- 5 BT Financial Group
- a Financial Statements

Bank assets

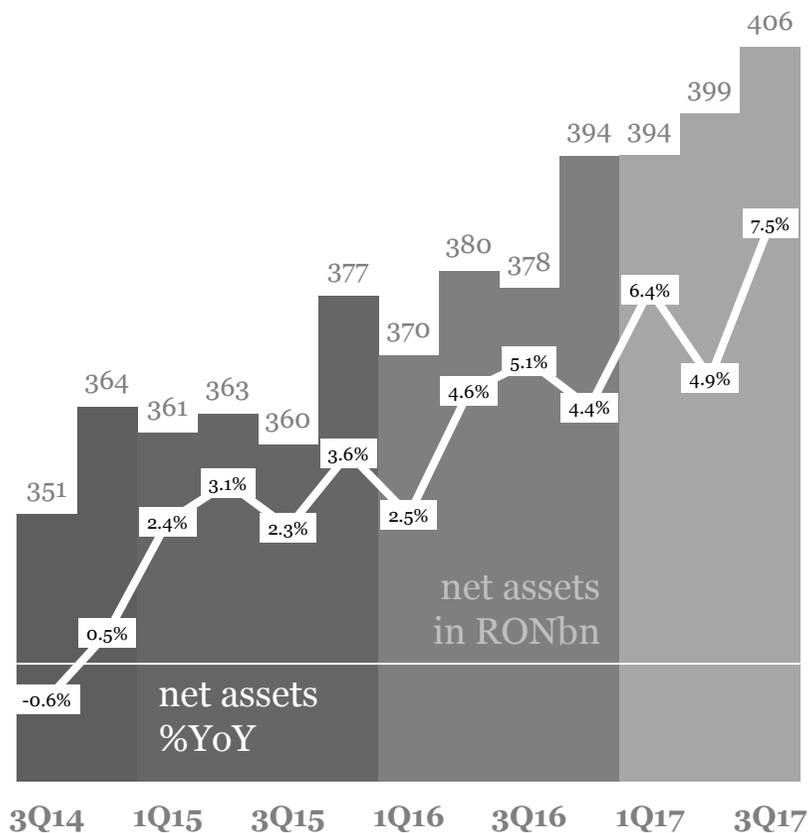
above RON 400bn threshold for the first time



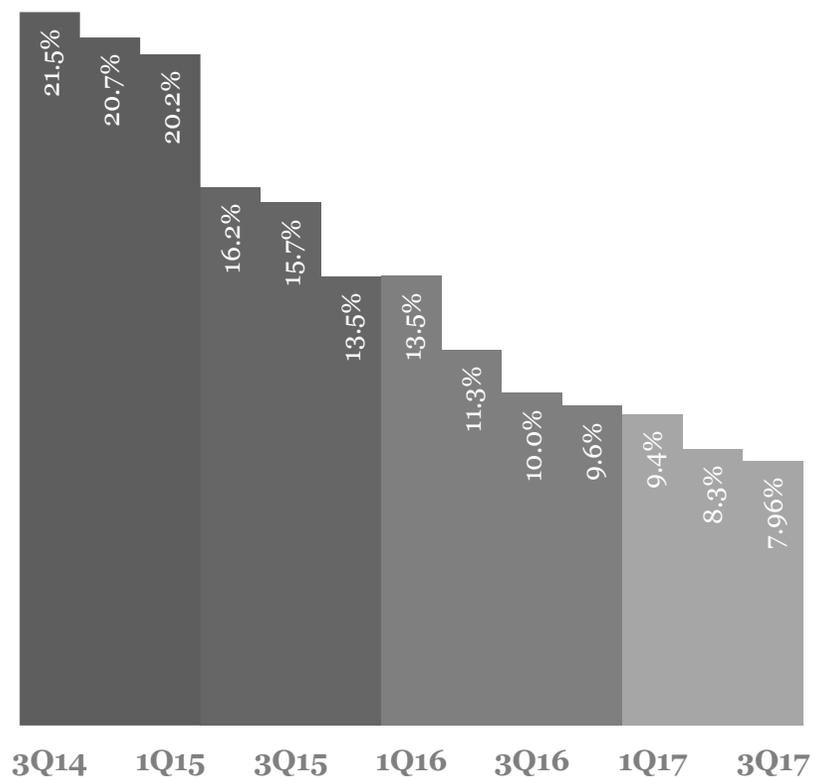
Bank assets expanded by over 3% YTD in Sep as loans to companies revived

Loan quality has been continuously improving since Sep 2014

total bank net assets source: NBR



NPL ratio, % source: NBR

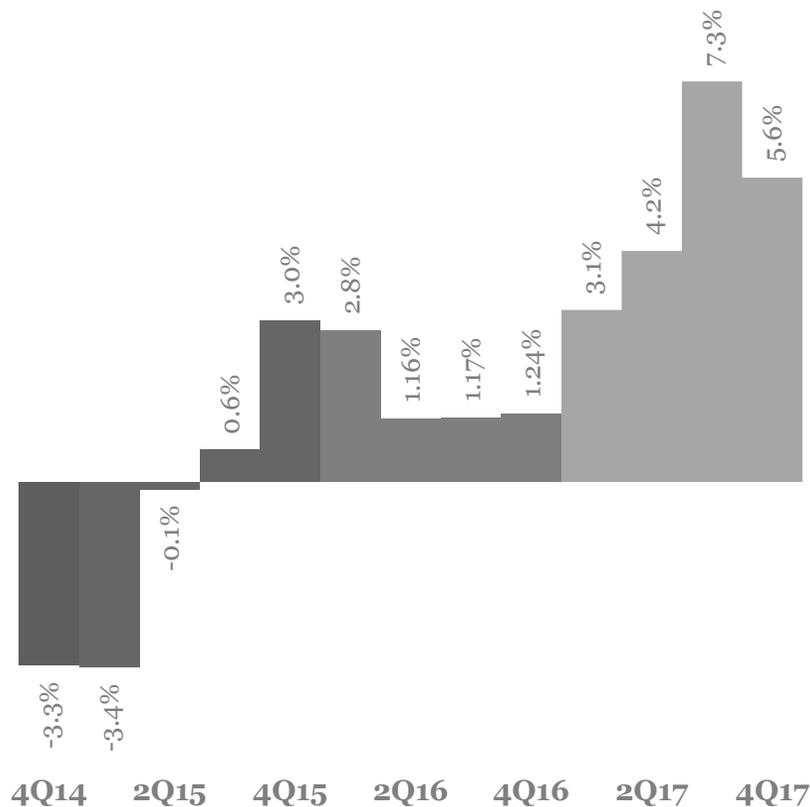


Credit activity gathered pace in 2017 as corporate loans switched to a positive dynamic



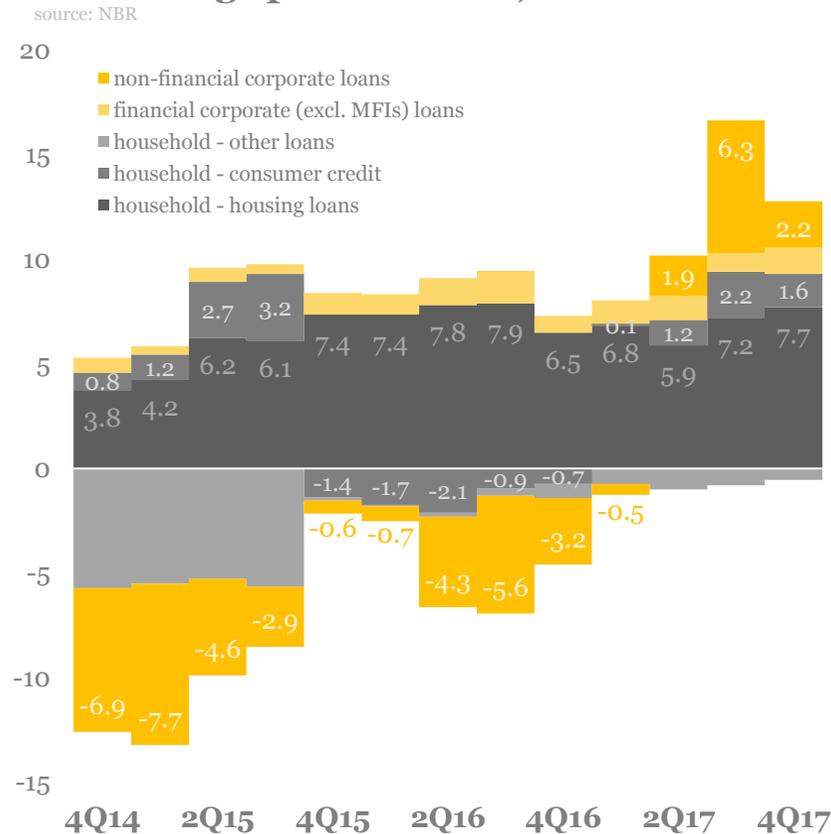
Private loans advanced during 2017 at the fastest pace since 2011

private loans, %YoY source: NBR



Lending largely supported by housing and corporate loans

YoY change private loans, RONbn source: NBR



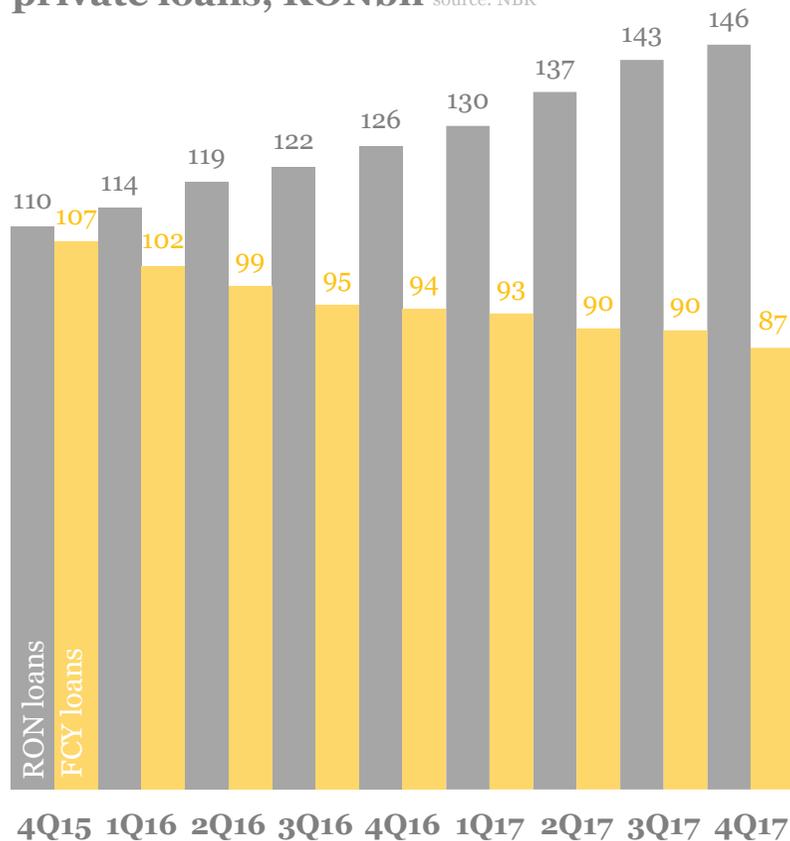
LCY loans remain the driver of lending in Romania



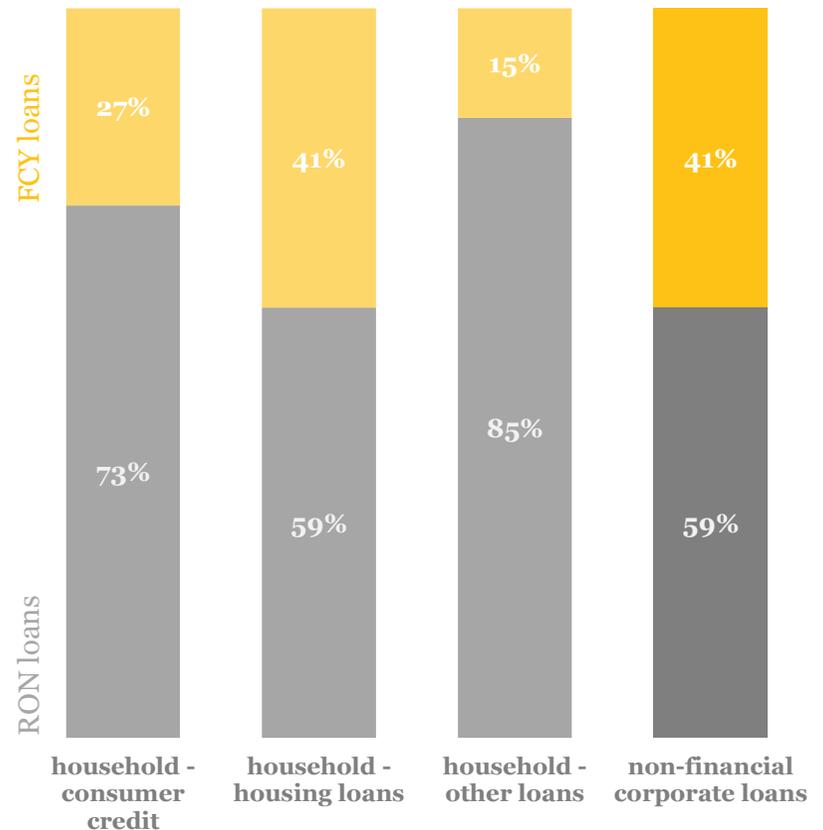
At RON 146bn, LCY loans account for 63% of total private loans in 2017

Loans in RON now make up the greatest portion of each loan segment

private loans, RONbn source: NBR



private loans in 2017 source: NBR



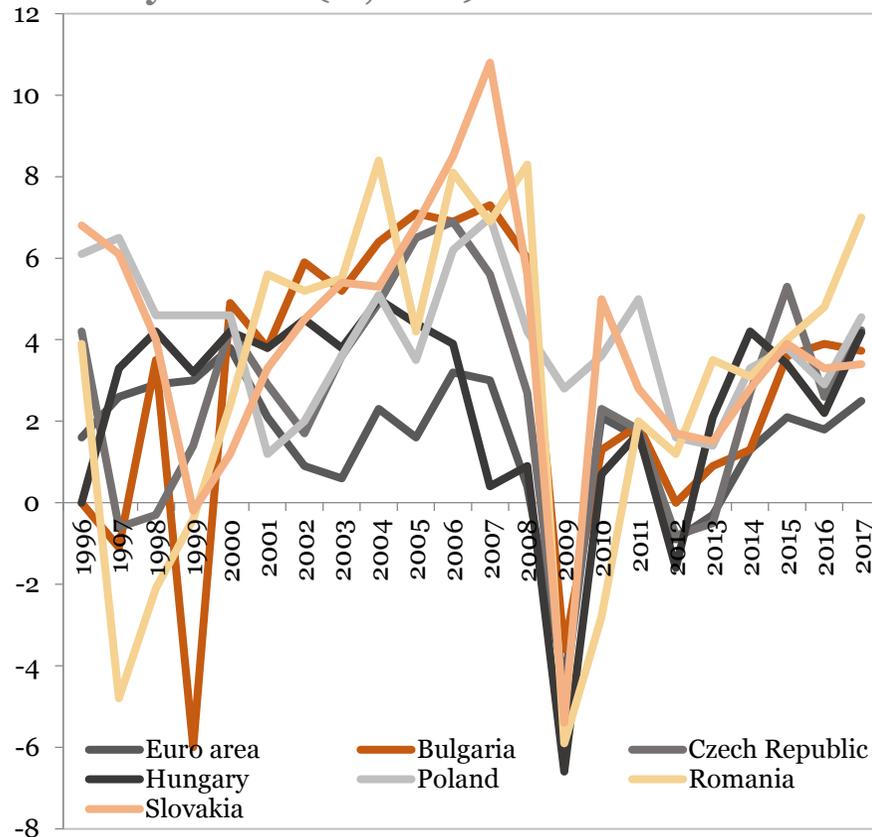
The real economy

GDP up by 7% YoY in 2017, the highest pace since 2008

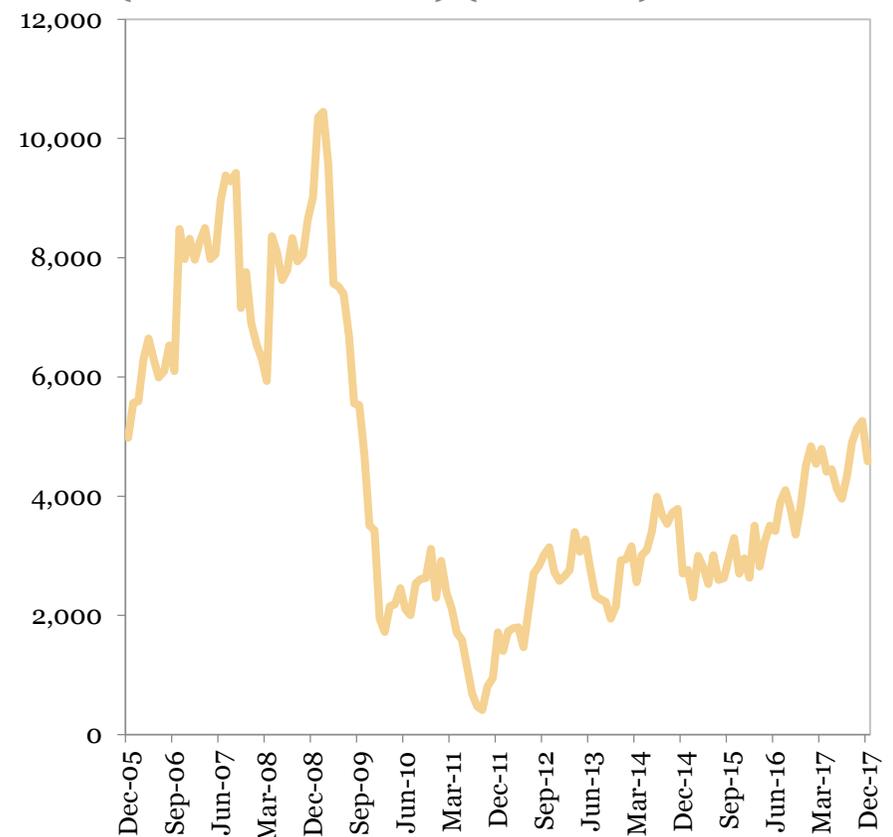
Romania – regional leader in terms of growth pace

Consolidation of the foreign direct investment

GDP dynamics (% YoY) source: Eurostat



FDI (12M cumulative) (EUR mn) source: NBR

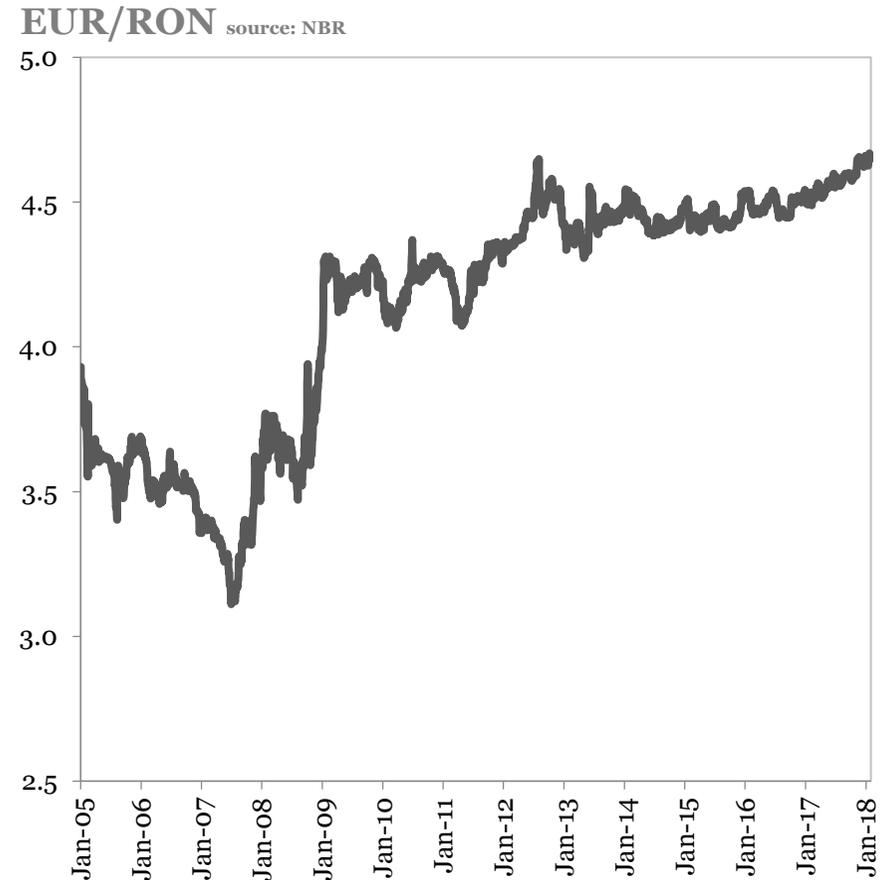
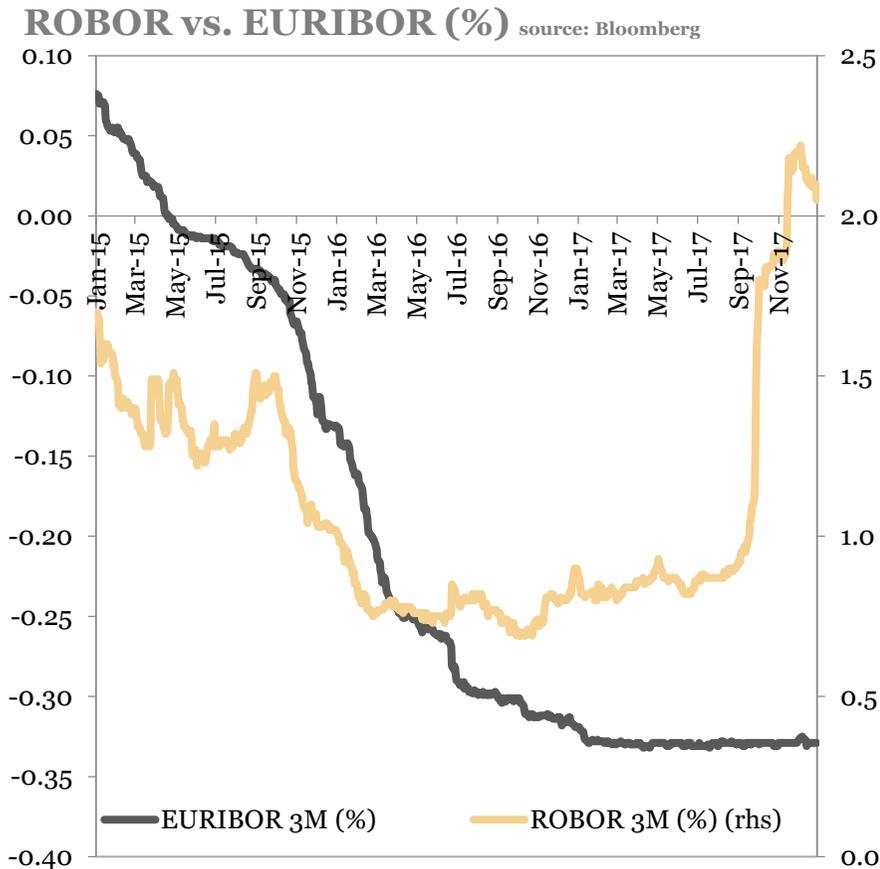


The financial economy

The intensification of the inflationary pressures (CPI at the highest level since 2013) determined NBR to launch the post-crisis cycle by narrowing the corridor in 4Q2017 and signaling the increase of the rate in 2018

ROBOR doubled in 4Q 2017

EUR/RON at record levels



A solid yellow circle is positioned on the left side of the slide, partially overlapping the text.

Banca Transilvania's business development and financial performance 2017 – preliminary figures

2017 highlights



	2017	2016	Δ	
profitability	Net interest income RONmn	1,808.4	1,710.7	5.7%
	Net fee and commission income RONmn	581.0	509.5	14.0%
	Operating expenses RONmn	(1,298.3)	(1,151.4)	12.8%
	Gross profit before provisions RONmn	1,377.1	1,653.3	-16.7%
	Net income RONmn	1,186.0	1,228.4	-3.5%
	Cost of risk, net (%)	0.00%	2.23%	-100.2%
	NIM	3.19%	3.34%	-0.1 pp
	NIM*	3.10%	3.11%	0.0 pp
	ROE	18.34%	21.52%	-3.2 pp
Cost-to-income ratio	48.53%	41.05%	7.5 pp	
credit activity	Dec-17	Dec-16	Δ	
	Gross loans to customers RONmn	31,692.8	29,379.7	7.9%
	Deposits from customers RONmn	49,099.2	41,851.8	17.3%
	Gross loans-to-deposits ratio	64.55%	70.20%	-5.7 pp
NPL ratio	3.05%	4.62%	-1.6 pp	
capital	Dec-17	Dec-16	Δ	
	Total equity RONmn	6,970.1	5,984.1	16.5%
	Tier 1 capital ratio (profit included)	20.20%	17.14%	17.9%
Total capital ratio (profit included)	21.16%	18.30%	15.7%	

*without one-off adjustments (PPA adjustments : incurred loss and expected loss)

Business performance 2017

at a glance



Total assets at RON 59.3 bn

Accelerated balance sheet growth, driven by both loans and deposits

Capital adequacy ratio at 21.16%

Strong capital base, supporting organic and non organic growth

Net fees and commissions at RON 581 mn +14% Y/Y

Increased number of operations and additional cross-sell

CoR, net

CoR at 0%, recoveries and releases are higher than related expenses

Net profit at RON 1,186 mn

Net profit positively influenced by increase in interest income, fees and commissions income and decrease in provisions

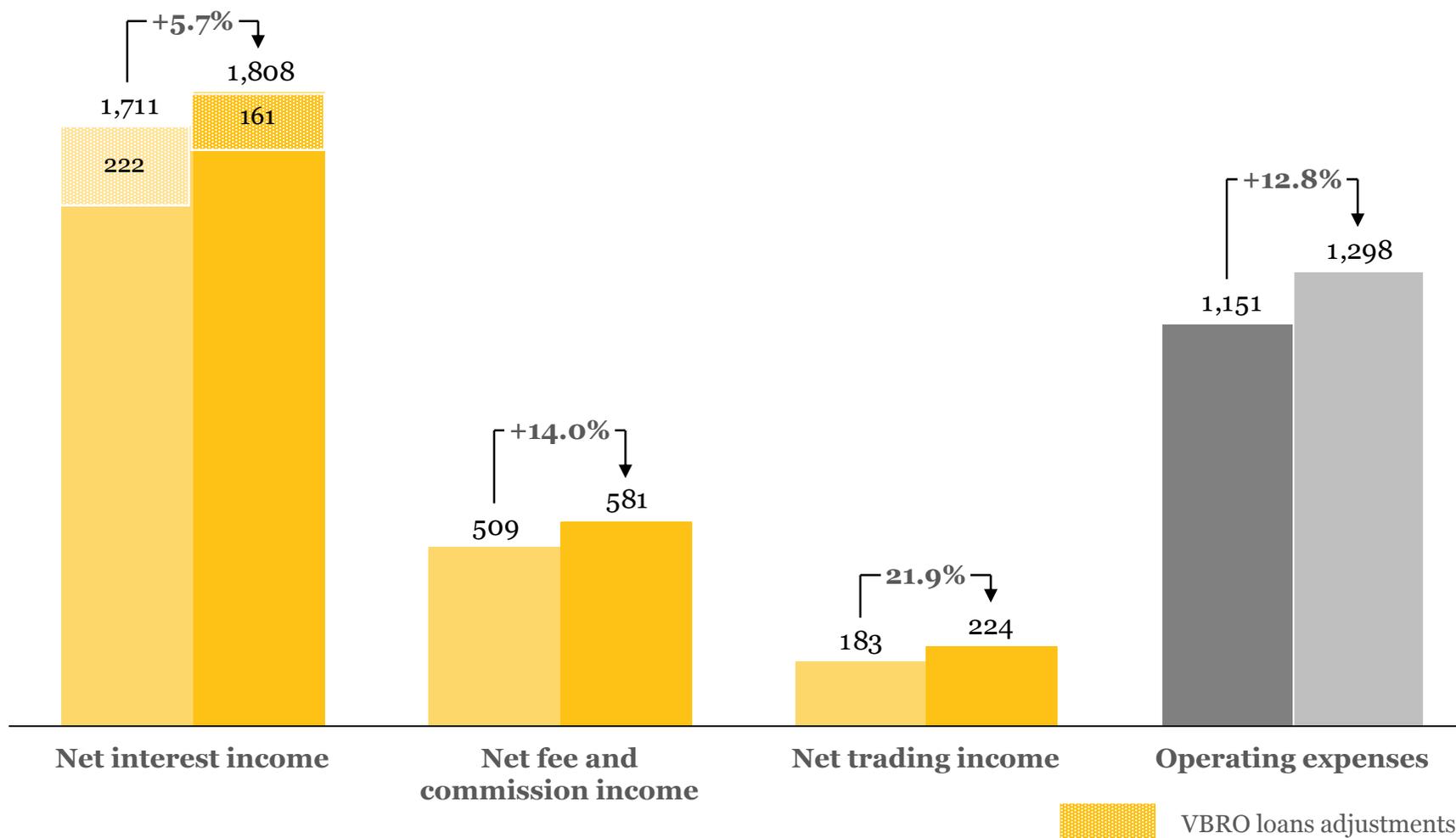
Cost/income at 48.53%

With a clear target to improve in the near future

Trends in income structure



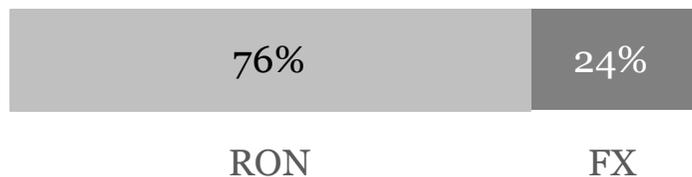
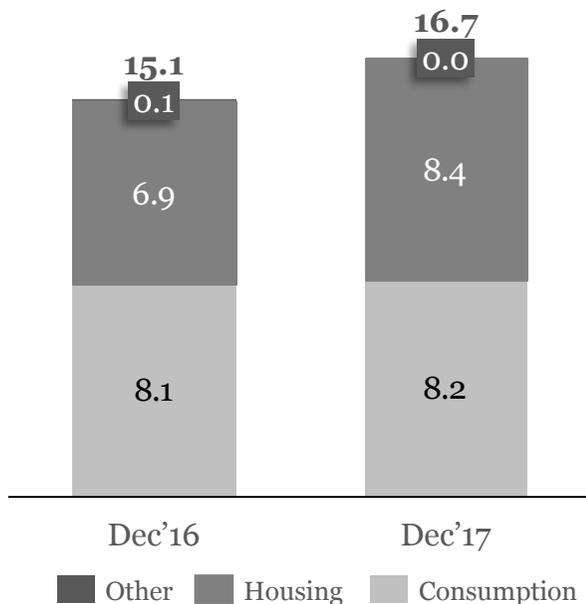
2016
2017



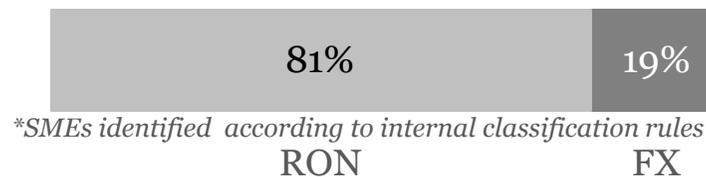
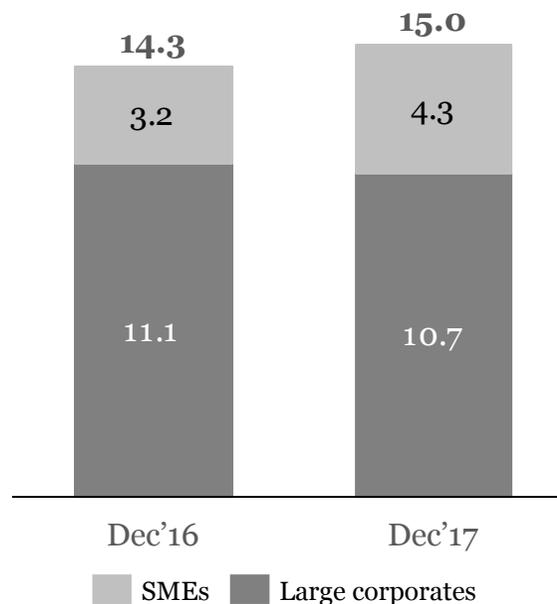
Loan structure



Loans to households, RONbn



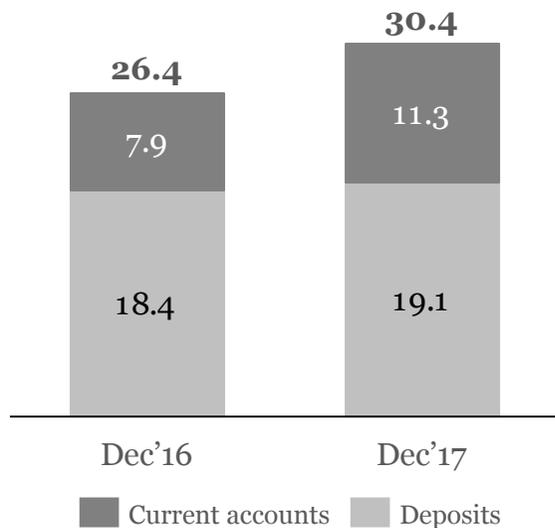
Loans to companies, RONbn



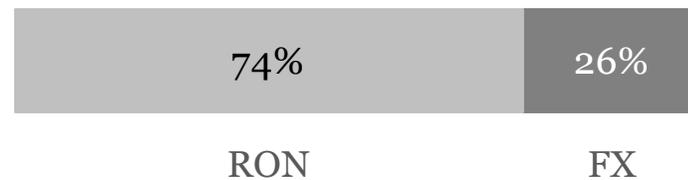
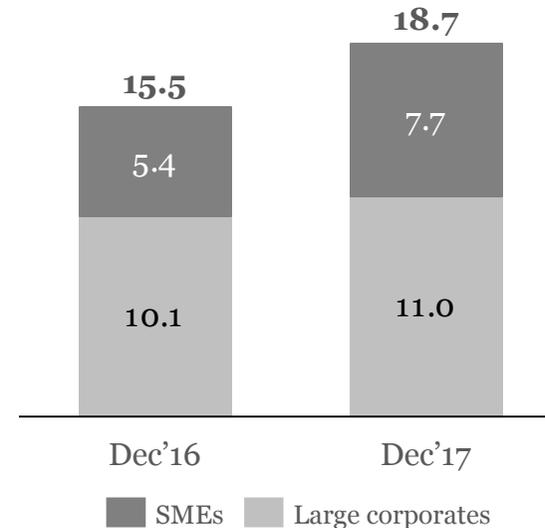
Deposit structure



Deposits from households, RONbn



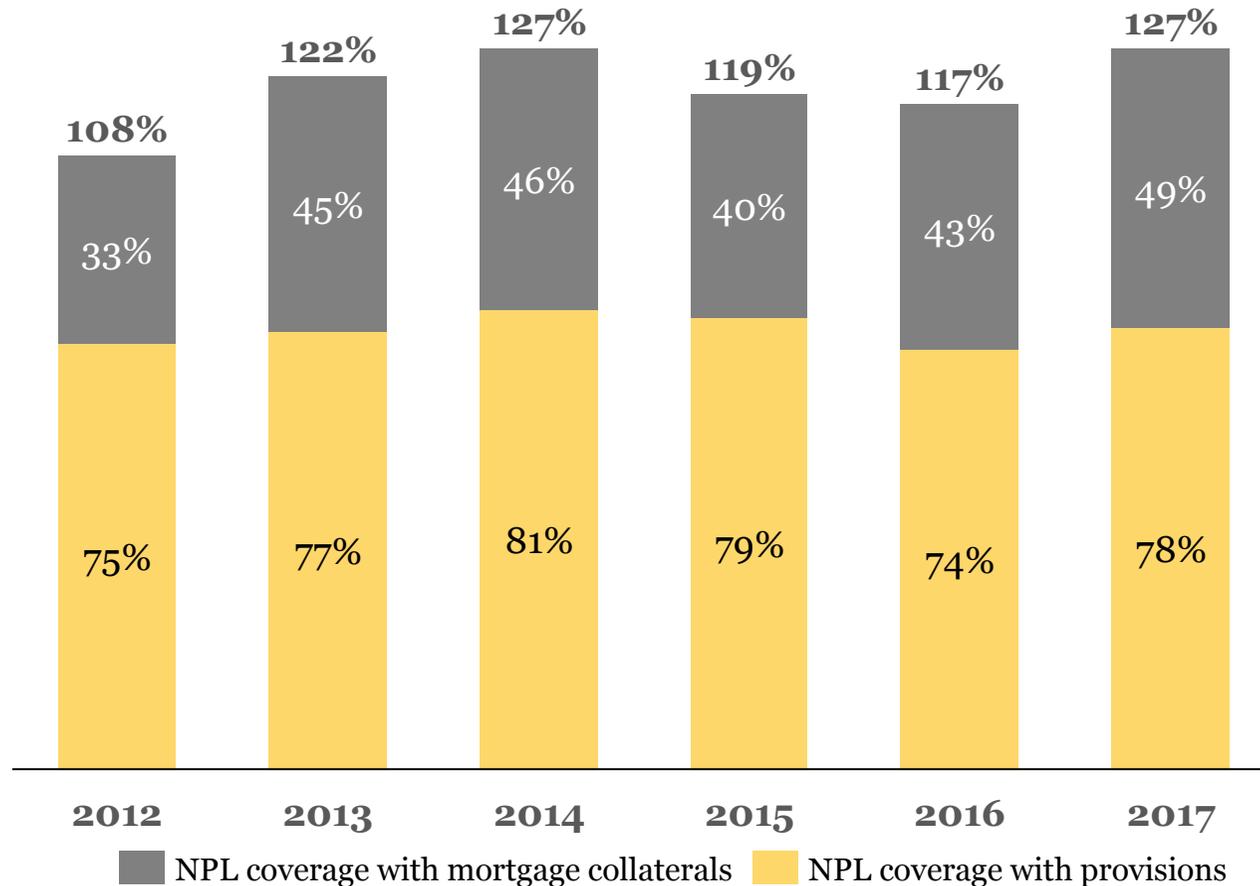
Deposits from companies, RONbn



**SMEs identified according to internal classification rules*

NPL ratio at 3.05%

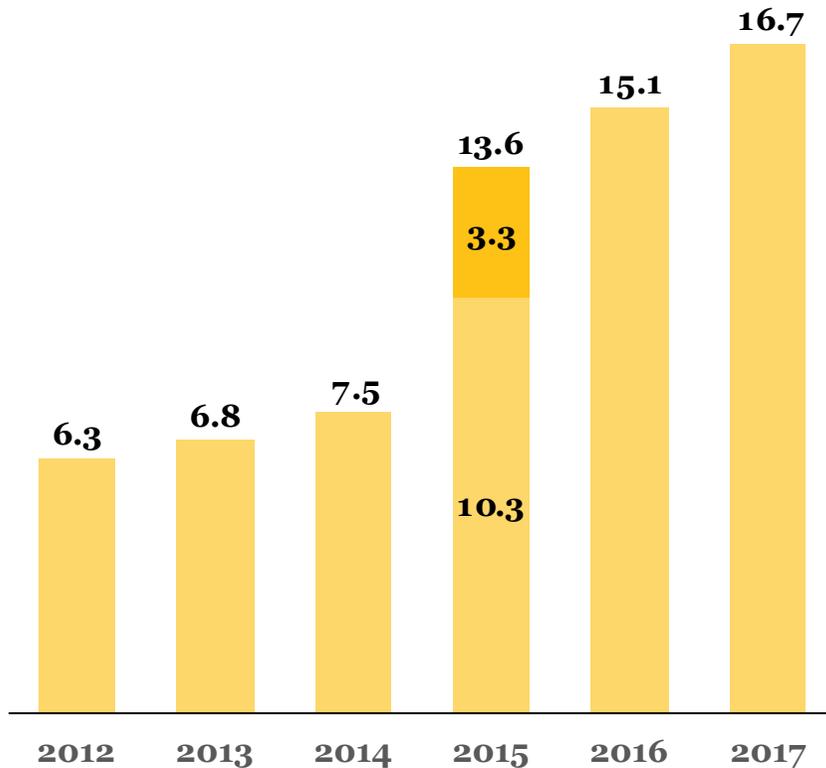
Banca Transilvania continued to provide a sound coverage ratio for its PAR 90 portfolio



**For Financial Statements purposes the gross loans are netted by the unwinding adjustment; For coverage ratio purposes the respective adjustment is included in the total stock of provisions*

Retail banking

retail loan portfolio reached RON 16.7 bn as of Dec'17

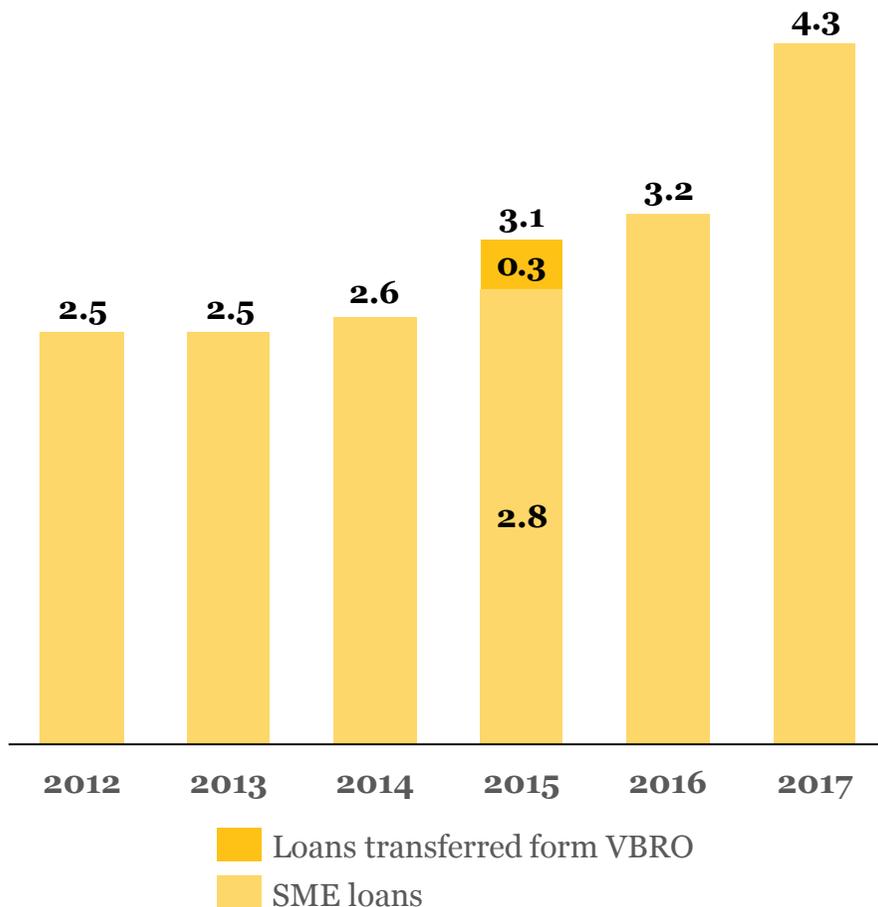


 Loans transferred from VBRO
 Retail loans

- **73,000 non-card retail loans disbursed in 2017**
- **Market share for retail loans at December 2016 -14.25%**
- **Mobile banking users: over 350,000**
- **3 mn active cards; BT is the market leader, both in terms of number of cards, as well as volume of transactions generated by its cards, with a market share of about 20%**

SME banking

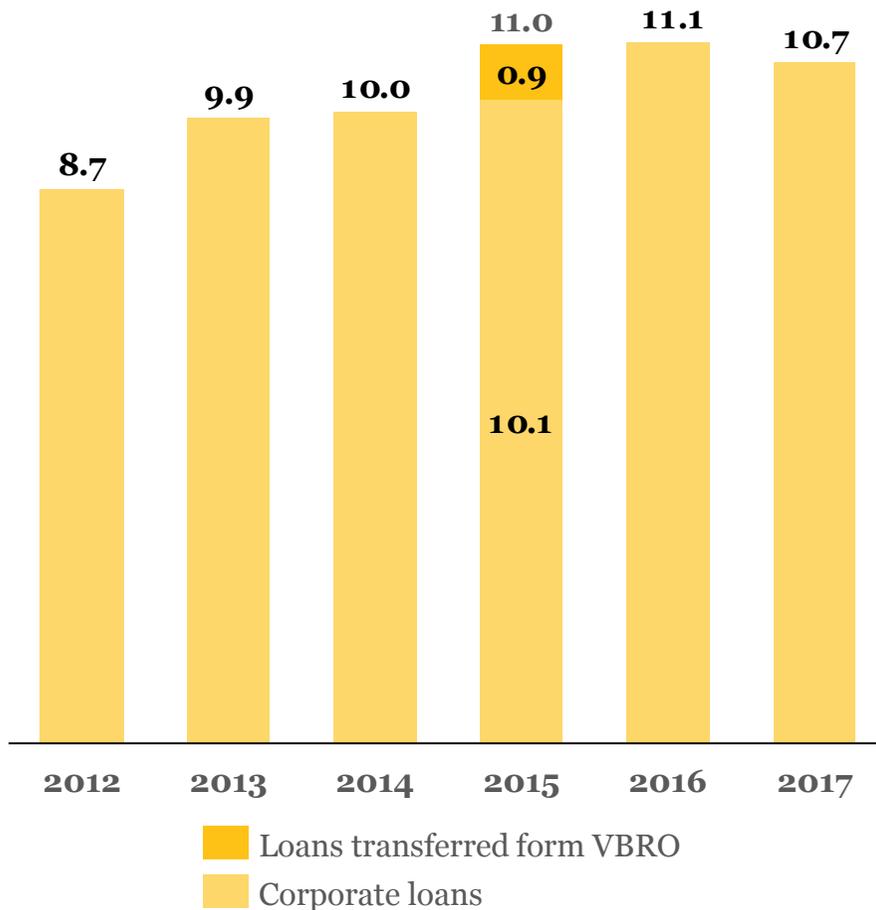
SME loan portfolio at RON 4.3 bn and 236,000 active clients



- Banca Transilvania continued its specific focus on the SME business sector, offering over 16,000 new loans in 2017
- Next to the bank, the microfinance subsidiary BT Mic granted 3,500 loans

Corporate banking

corporate loan portfolio at almost RON 11 bn



- The reorganizational process was concluded, including client new segmentation & deeper sectorial specialization
- BT was present with lending facilities especially in the industrial manufacturing and agribusiness segments
- BT continued to play an important role as co-lender of EU structural funds eligible projects

Banca Transilvania Financial Group

as of 31.12.2017*



BANCA TRANSILVANIA[®]

Total assets: RON 59.3 bn

 **BT Capital Partners[®]**
Grupul Financiar Banca Transilvania
Total assets: RON 63 mn

 **BT Direct[®]**
Grupul Financiar Banca Transilvania
Total assets: RON 139 mn

 **BT Operational Leasing[®]**
Grupul Financiar Banca Transilvania
Total assets: RON 187 mn

 **BT Asset Management S.A.I.[®]**
Grupul Financiar Banca Transilvania
AuM: RON 4,062 mn

 **BT Leasing[®]**
Grupul Financiar Banca Transilvania
Total assets: RON 782 mn

 **BT Mic[®]**
Grupul Financiar Banca Transilvania
Total assets: RON 171 mn

*Total assets for subsidiaries are presented under RAS rules

2017 highlights – consolidated figures



	2017	2016	Δ	
profitability	Net interest income RONmn	1,890.4	1,764.0	7.2%
	Net fee and commission income RONmn	626.8	546.3	14.7%
	Operating expenses RONmn	(1,445.4)	(1,271.0)	13.7%
	Gross profit before provisions RONmn	1,471.0	1,716.9	-14.3%
	Net income RONmn	1,242.0	1,277.0	-2.7%
	EPS RON	0.2871	0.3491	-17.8%
	Cost of risk, net (%)	0.12%	2.99%	-96.0%
	NIM	3.22%	3.34%	-3.5%
	NIM*	3.13%	3.11%	0.5%
	ROE	18.43%	21.37%	-13.8%
Cost-to-income ratio	49.56%	42.54%	16.5%	
credit activity	Dec-17	Dec-16	Δ	
	Gross loans to customers RONmn	32,120.1	29,477.9	9.0%
	Deposits from customers RONmn	48,932.2	41,681.5	17.4%
Gross loans-to-deposits ratio	65.64%	70.72%	-7.2%	
capital	Dec-17	Dec-16	Δ	
	Total equity RONmn	7,125.3	6,134.5	16.2%
	Tier 1 capital ratio (profit included)	20.23%	17.36%	16.6%
Total capital ratio (profit included)	21.17%	18.50%	14.4%	

*without one-off adjustments (PPA adjustments : incurred loss and expected loss)

annex I

income statement 2017– preliminary individual figures



IFRS individual, RONmn	2017	2016	Δ
Net interest income	1,808.4	1,710.7	5.7%
Net fee and commission income	581.0	509.5	14.0%
Net trading income	223.7	183.5	21.9%
Other net income	62.4	401.0	-84.4%
Operating income	2,675.5	2,804.7	-4.6%
Personnel expenses	(715.4)	(631.5)	13.3%
D&A	(90.1)	(72.4)	24.5%
Other operating expenses	(492.8)	(447.5)	10.1%
Operating expenses	(1,298.3)	(1,151.4)	12.8%
Cost of risk	1.4	(654.2)	-100.2%
Net income before taxation	1,378.5	999.1	38.0%
Income tax (expense) / revenue	(192.5)	229.3	-184.0%
Net income after taxation	1,186.0	1,228.4	-3.5%

annex II

balance sheet 2017 – preliminary individual figures



IFRS individual, RONmn	Dec 2017	Dec 2016	Δ
Cash & cash equivalents	6,637.8	5,293.6	25.4%
Placements with banks	5,079.4	2,524.9	101.2%
Loans to customers, net	29,914.0	27,210.0	9.9%
T-bills & securities	16,338.5	15,402.1	6.1%
Fixed assets	533.4	448.7	18.9%
Participations	156.6	136.7	14.6%
Current tax assets	148.6	125.1	18.8%
Deferred tax assets	173.2	373.9	-53.7%
Other financial assets	211.9	170.2	24.5%
Other assets	108.5	84.5	28.5%
Total assets	59,302.1	51,769.6	14.6%
Deposits from banks	127.9	247.3	-48.3%
Deposits from customers	49,099.2	41,851.8	17.3%
Loans from banks and FIs	1,099.9	2,246.5	-51.0%
Subordinated loan	414.6	424.1	-2.2%
Provisions for other risks and charges	373.1	507.0	-26.4%
Other financial liabilities	1,154.9	441.2	161.8%
Other liabilities	62.4	67.8	-7.9%
Total liabilities	52,332.0	45,785.5	14.3%
Shareholders' equity	6,970.1	5,984.1	16.5%

annex III

income statement 2017 – preliminary consolidated figures



IFRS consolidated, RONmn	2017	2016	Δ
Net interest income	1,890.4	1,764.0	7.2%
Net fee and commission income	626.8	546.3	14.7%
Net trading income	278.3	197.4	41.0%
Other net income	120.9	480.3	-74.8%
Operating income	2,916.4	2,988.0	-2.4%
Personnel expenses	(763.2)	(665.8)	14.6%
D&A	(125.5)	(93.9)	33.6%
Other operating expenses	(556.7)	(511.3)	8.9%
Operating expenses	(1,445.4)	(1,271.0)	13.7%
Cost of risk	(28.8)	(658.1)	-95.6%
Net income before taxation	1,442.2	1,058.8	36.2%
Income tax (expense) / revenue	(200.1)	218.2	-191.7%
Net income after taxation	1,242.0	1,277.0	-2.7%

annex IV

balance sheet 2017 – preliminary consolidated figures



IFRS consolidated, RONmn	Dec 2017	Dec 2016	Δ
Cash & cash equivalents	6,637.8	5,293.7	25.4%
Placements with banks	5,090.2	2,563.8	98.5%
Loans to customers, net	30,248.4	27,234.0	11.1%
T-bills & securities	16,318.9	15,399.7	6.0%
Fixed assets	766.5	645.3	18.8%
Current tax assets	146.9	119.1	23.3%
Deferred tax assets	187.1	378.7	-50.6%
Other financial assets	234.8	194.2	20.9%
Other assets	173.8	115.7	50.2%
Total assets	59,804.3	51,944.2	15.1%
Deposits from banks	127.9	247.3	-48.3%
Deposits from customers	48,932.2	41,681.5	17.4%
Loans from banks and FIs	1,487.0	2,304.9	-35.5%
Subordinated loan	414.6	424.1	-2.2%
Provisions for other risks and charges	382.8	514.6	-25.6%
Other financial liabilities	1,216.1	507.3	139.7%
Other liabilities	104.0	111.9	-7.1%
Total liabilities	52,664.7	45,791.5	15.0%
Shareholders' equity	7,125.3	6,134.5	16.2%
Non-controlling interest	14.3	18.2	-21.2%
Total liabilities and equity	59,804.3	51,944.2	15.1%



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