



BANCA TRANSILVANIA 2015 Financial Results



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AGENDA

- 1 Banking Sector Dynamics**

- 2 2015 Preliminary highlights**

- 3 Performance in 2015**

- 4 Overview of Business Lines**

- 5 BT Financial Group**



ROMANIAN BANKING SECTOR – 2015 briefing

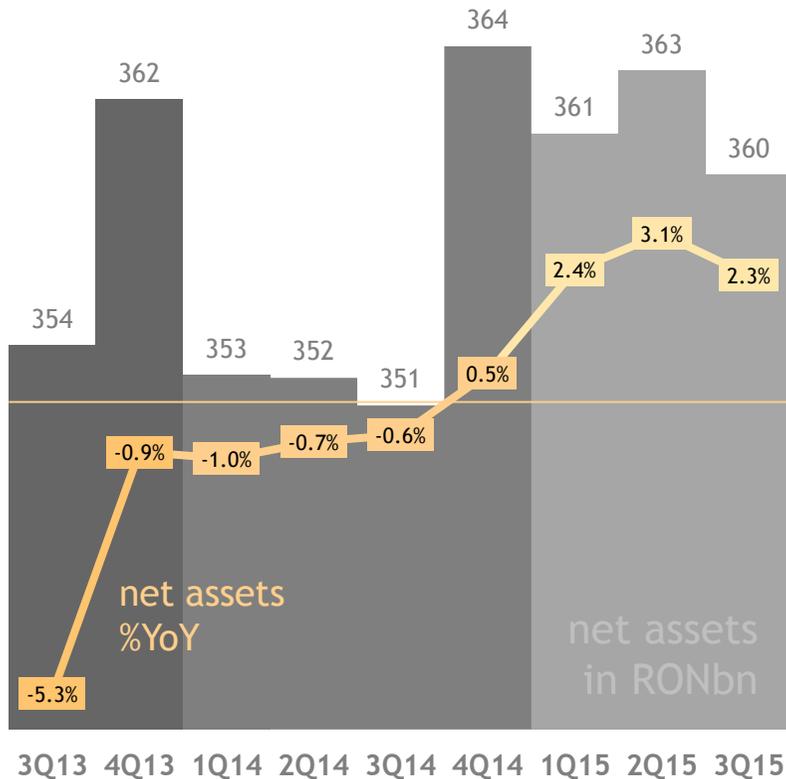
- The Romanian banking system stays solid:
 - average CAR at 18.7%
 - NPL ratio markedly improved to less than 12% from cca. 22% in 2013
- The non-government loans rose by 3.6% ytd, as the increase of the RON component (by 20.6% ytd) counterbalanced the decline of the FX component (by 9.7%)



BANK ASSETS RECOVERING AT A 2-3% ANNUAL RATE

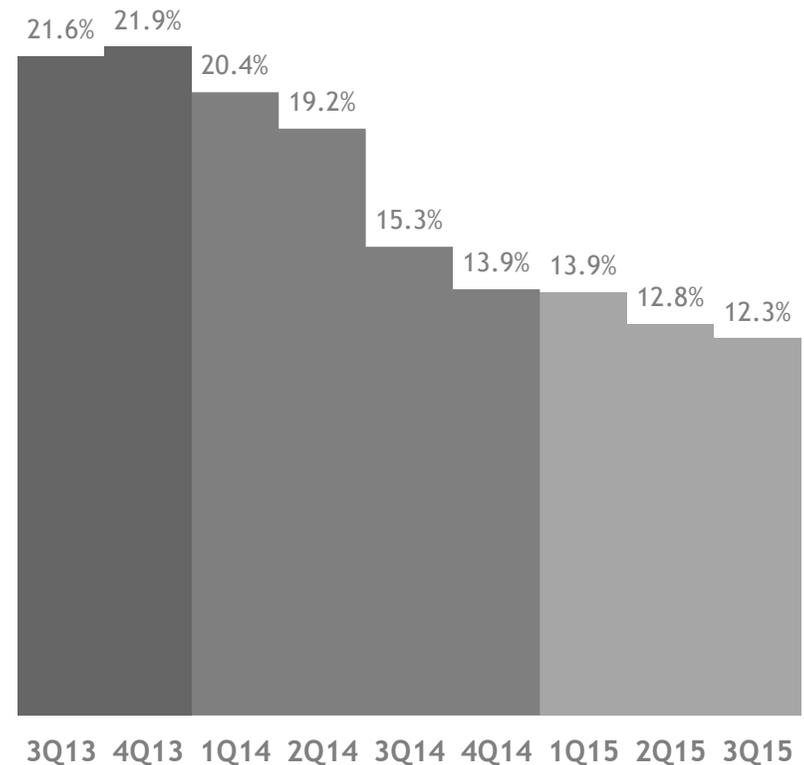
Bank assets recovering at a relatively stable annual growth rate

total bank net assets source: NBR



NPL numbers have continuously improved during 2015

NPL ratio, % source: NBR

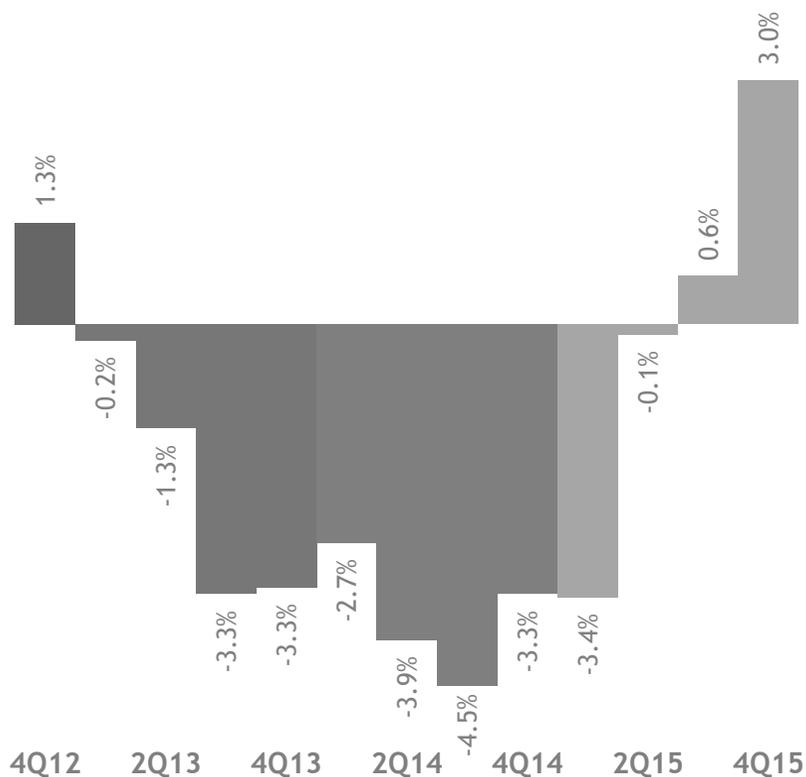




LENDING IN RON outweighs lending in FCY

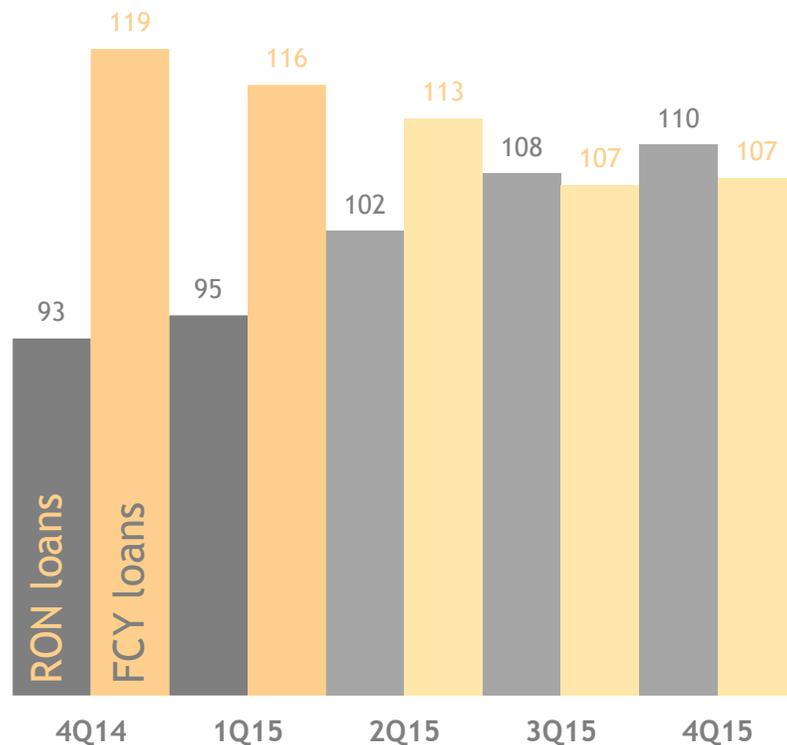
Lending activity accelerated in the second half of 2015

loans non-government, %YoY source: NBR



RON loans have exceeded FCY loans starting with 3Q 15

loans non-government, RONbn source: NBR



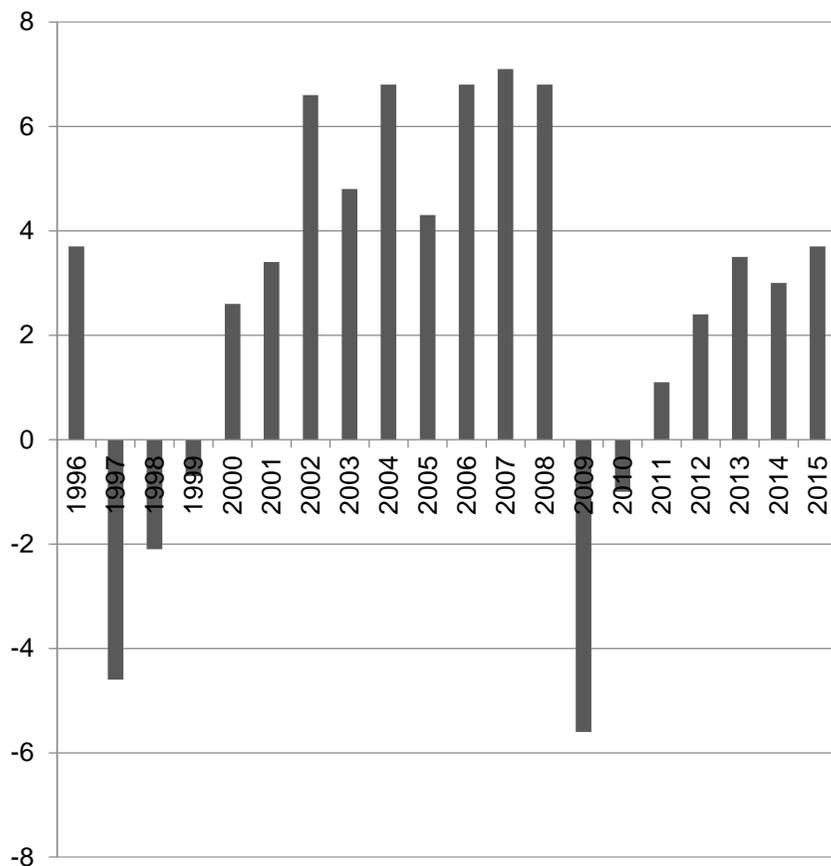


ROMANIAN ECONOMY

on an upward trend due to the domestic demand

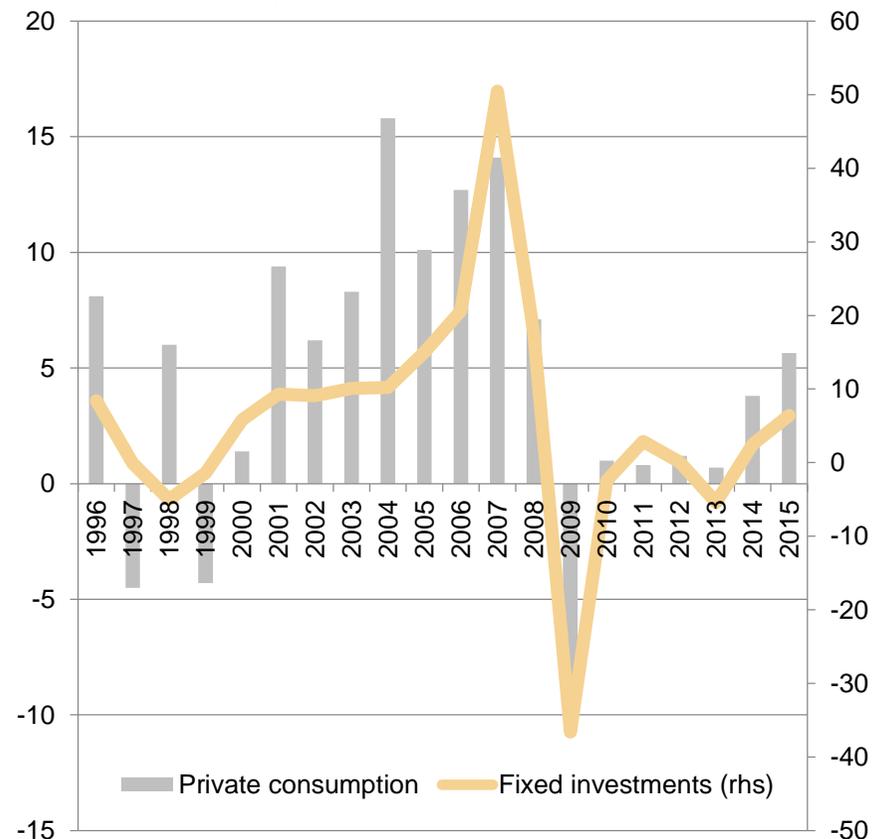
GDP rose by 3.7% YoY in 2015
the highest pace since 2008

GDP, %YoY source: Statistics Office (INS)



Domestic demand speeding up

Private consumption vs. fixed investments, %YoY source: Statistics Office (INS)

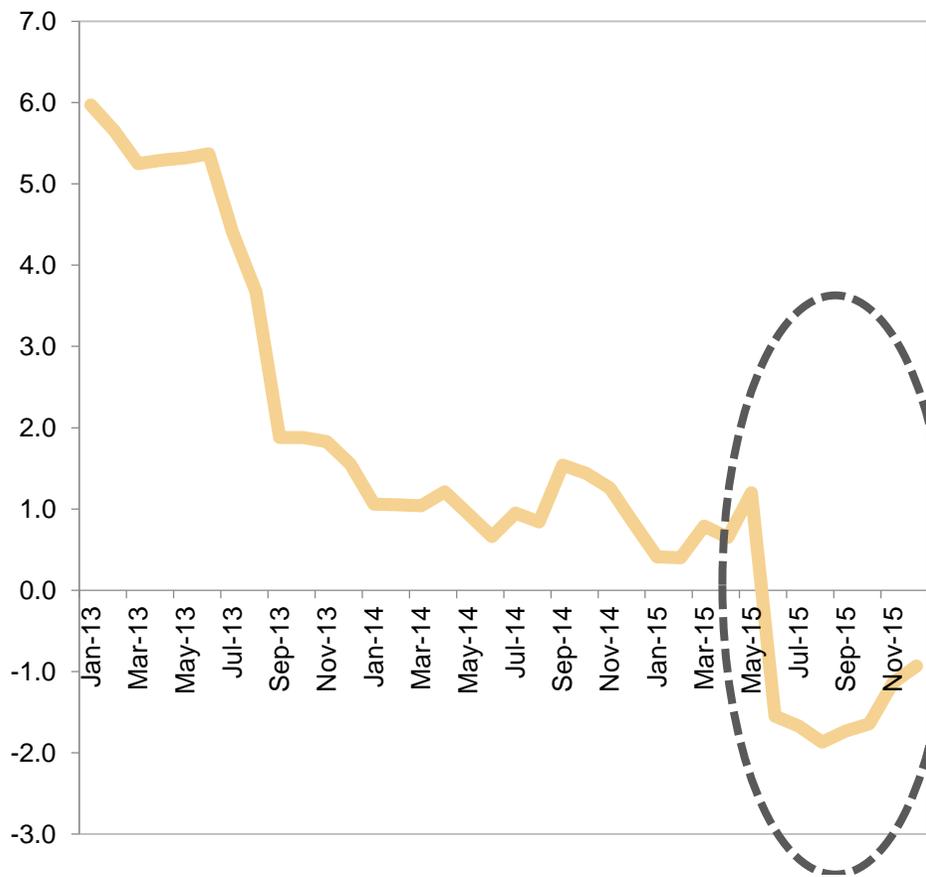




HIGH MACRO-FINANCIAL STABILITY before the introduction of the Fiscal Act

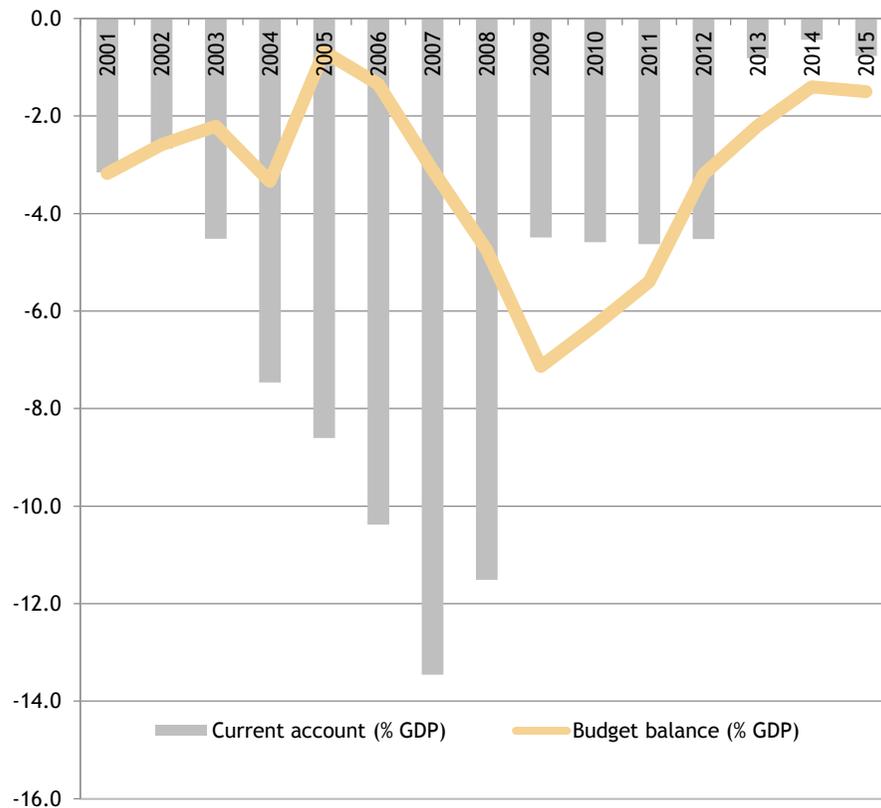
Decline of the consumer prices due to VAT cut

consumer prices, %YOY source: Statistics Office (INS)



C/A and public finance deficits close to record low levels

C/A vs. budget deficits (%GDP) source: NBR, Ministry of Finance





Banca Transilvania's business development and financial performance at the end of 2015



YTD Dec'15 Highlights

	Mil. RON	YTD Dec'15 (unaudited)	YTD Dec'14 (audited)	Δ
PROFITABILITY	Operating income	2,286.2	2,000.5	14.3%
	Operating expenses	(1,341.9)	(828.4)	62.0%
	Bargaining gain	1,650.6		
	Gross profit before provisions	2,594.9	1,172.1	121.4%
	Net income	2,418.0	434.3	456.7%
	EPS RON	0.80	0.15	448.6%
	Cost of risk (%)	1.16%	3.3%	-65.1%
	NIM (%)	3.1%	3.4%	-0.3 pp
	ROE without Bargaining gain (%)	18.6%	12.8%	5.8 pp
	ROE with Bargaining gain (%)	45.4%		
	Cost-to-income ratio (%) without Bargaining gain	58.7%	41.4%	17.3 pp
Cost-to-income ratio (%) with Bargaining gain	34.1%		34.1 pp	
CREDIT ACTIVITY		Dec-15	Dec-14	Δ
	Gross loans to customers	28,790.6	20,020.0	43.8%
	Deposits from customers	38,395.3	30,045.5	27.8%
	Loans-to-deposits ratio	75.0%	66.6%	8.4 pp
NPL ratio	9.7%	10.9%	-1.1 pp	
CAPITAL		Dec-15	Dec-14	Δ
	Total equity	6,016.4	3,702.0	62.5%
	Tier 1 capital ratio (profit included)	21.2%	15.5%	
Total capital ratio (profit included)	22.6%	17.3%		



BUSINESS PERFORMANCE 2015

at a glance

Total assets at RON 47.2 bn
↗ 32.6% YTD

- Organic growth of loan portfolio in 2015 disregarding VBRO acquisition
- Boost due to VBRO acquisition
- Significant growth of customer deposits

Capital adequacy ratio at 22.6%

- Strong capital base, supporting organic and non organic growth

Net fees and commissions at RON 457.6 mn
↗ 12.0% Y/Y

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

CoR on a sound path
↘ by 50.0% Y/Y

- Positively affected by the fair value adjustments estimated for the loan portfolio transferred from VBRO, as well as the positive effect of other programs at Volksbank level
- CoR at 1.16% as compared to 3.3% as of end of 2014

Net profit at
RON 2,418 mn ↗ 500% Y/Y

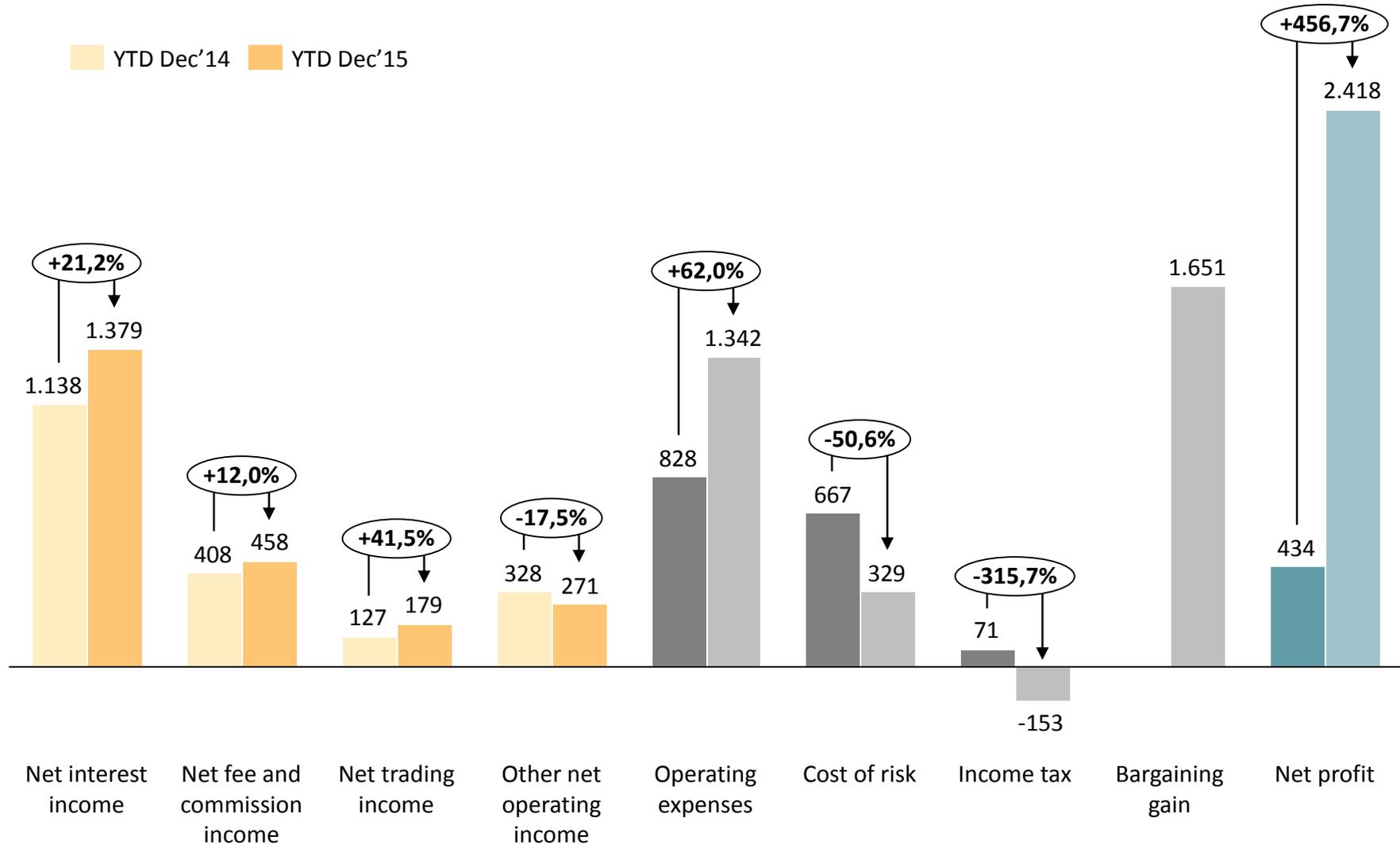
- Operating income positively influenced by increase in commission income and trading income
- Net profit reflects the 9 months result of VBRO and also the bargaining gain linked to the acquisition

Cost/income at 58.7%

- Cost to income was negatively influenced by one-off type of expenses linked to VBRO integration
- Without the 9 months results of VBRO and without one-offs cost to income is below 50%



PROFIT&LOSS ACCOUNT STRUCTURE

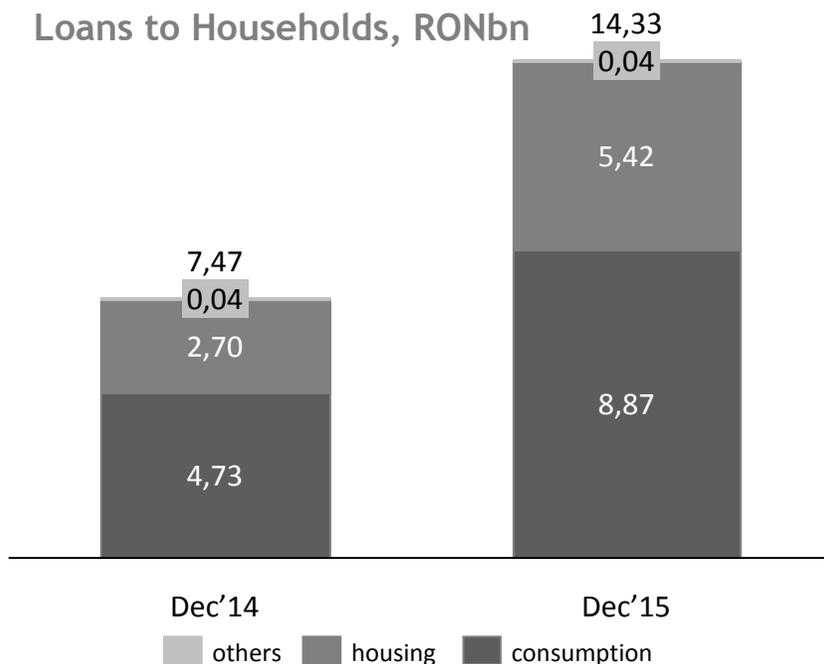




LOAN STRUCTURE

Loans to households 2 times higher than in 2014

Loans to Households, RONbn



Loans to Households, RONbn

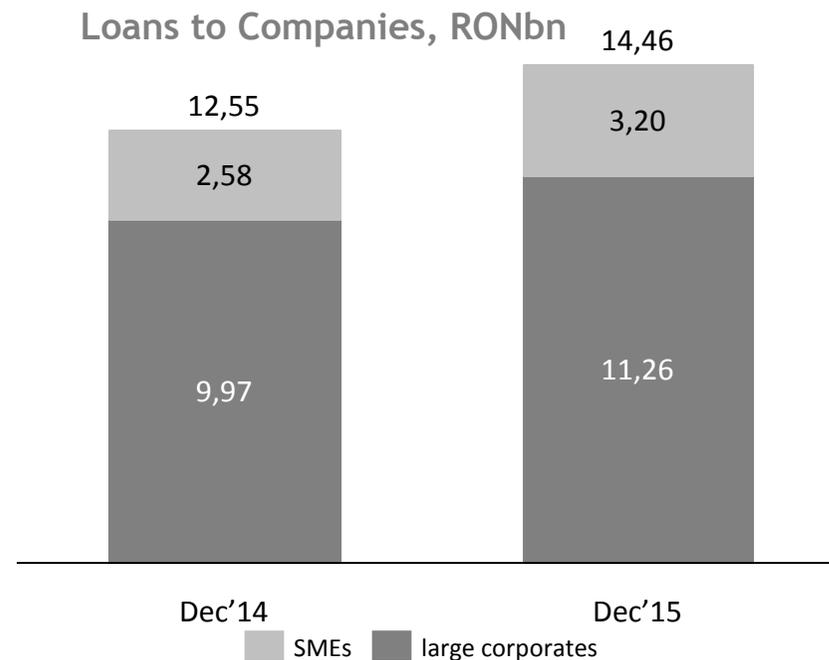


RON

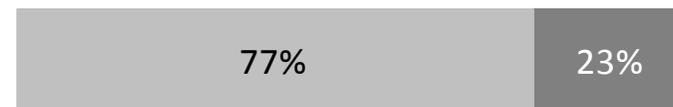
FX

Higher proportion of investment loans to companies

Loans to Companies, RONbn



Loans to Companies, RONbn



RON

FX

*SMEs identified according to internal classification rules



DEPOSIT STRUCTURE

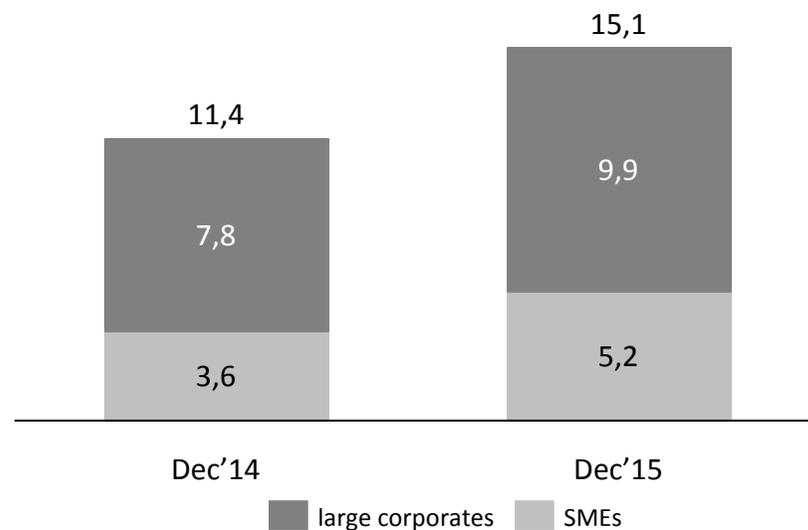
Deposits from households continue the growth path

Deposits from Households, RONbn



Deposits from companies remain stable

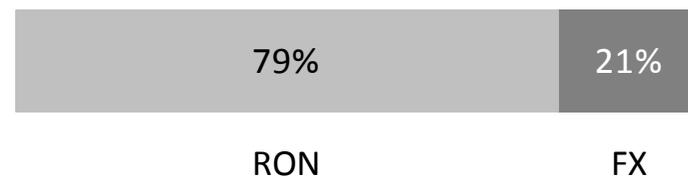
Deposits from Companies, RONbn



Deposits from Households, RONbn



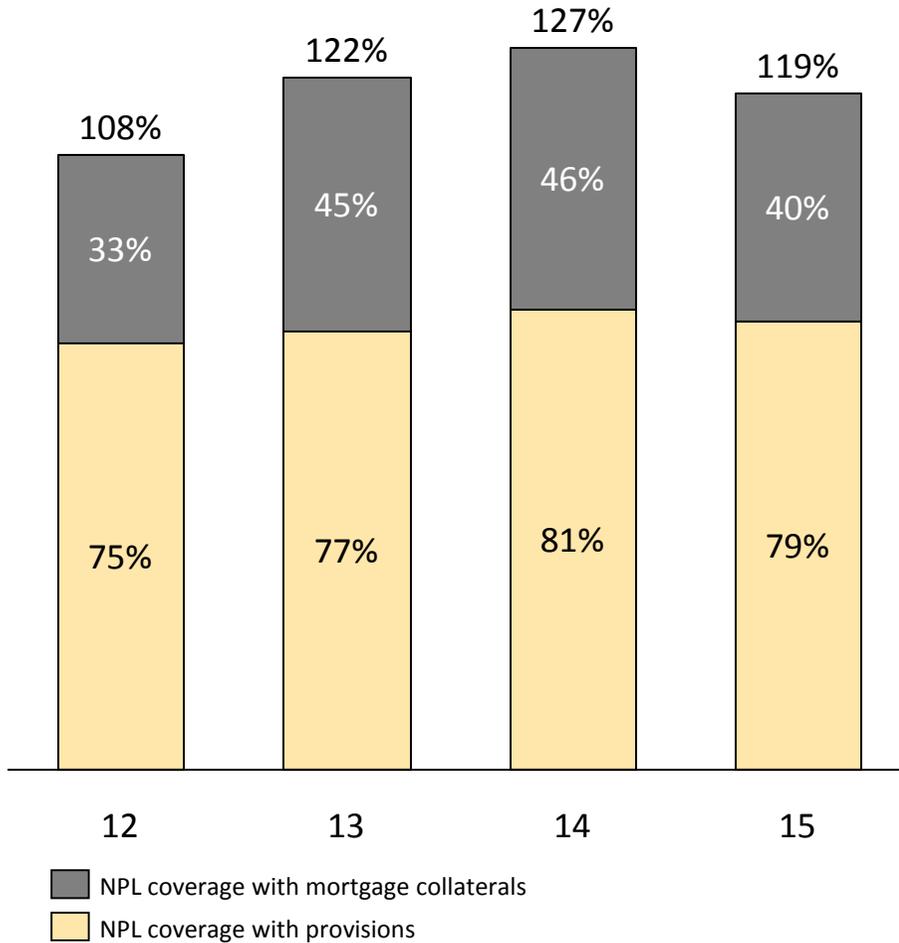
Deposits from Companies, RONbn



*SMEs identified according to internal classification rules



NPL RATIO AT 9.75%



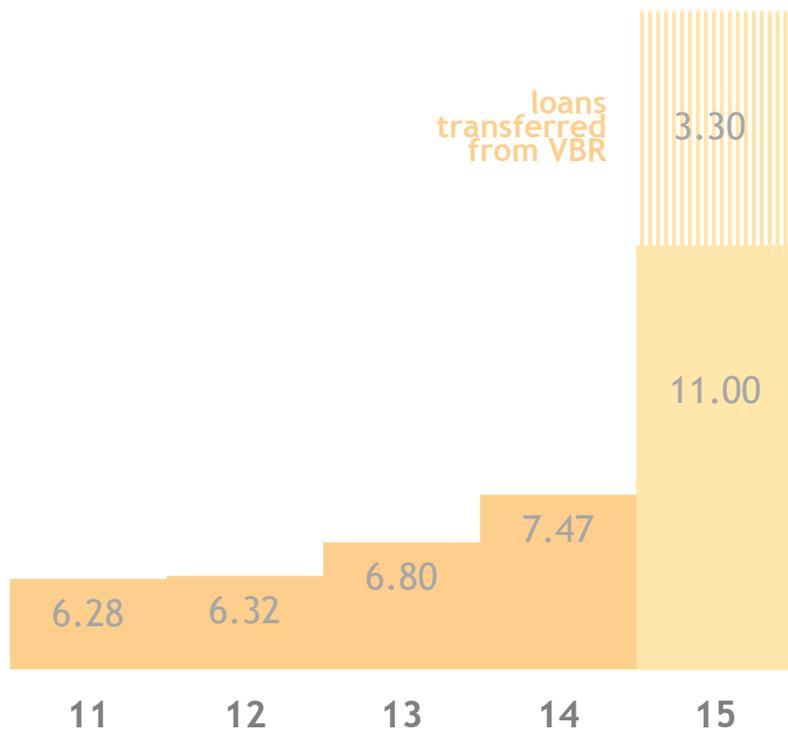
- Banca Transilvania continued the conservative provisioning policy, providing a sound coverage ratio for its PAR 90 portfolio



Retail banking

Retail loan portfolio reached RON 14.33bn in 2015

Retail Loan Portfolio, RONbn source: BT



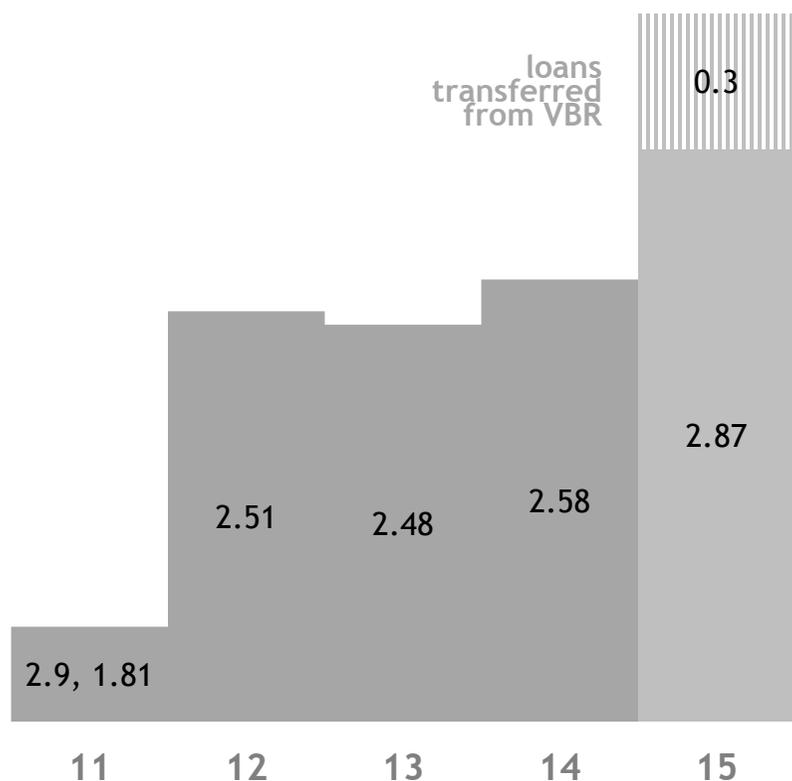
- Sound organic growth of loan portfolio in 2015 disregarding the boost from VBRO acquisition
- Banca Transilvania is number 1 in Romania in terms of the transactions turnover on its cards portfolio with a market share of 18.5%; a total card portfolio of close to 2.5 million (19.15% more transactions than last)
- BT 24 and mobile banking remained top priority



SME Banking

SME loan portfolio up to RON 3.17bn and 184,500 active clients

SME Loan Portfolio, RONbn source: BT



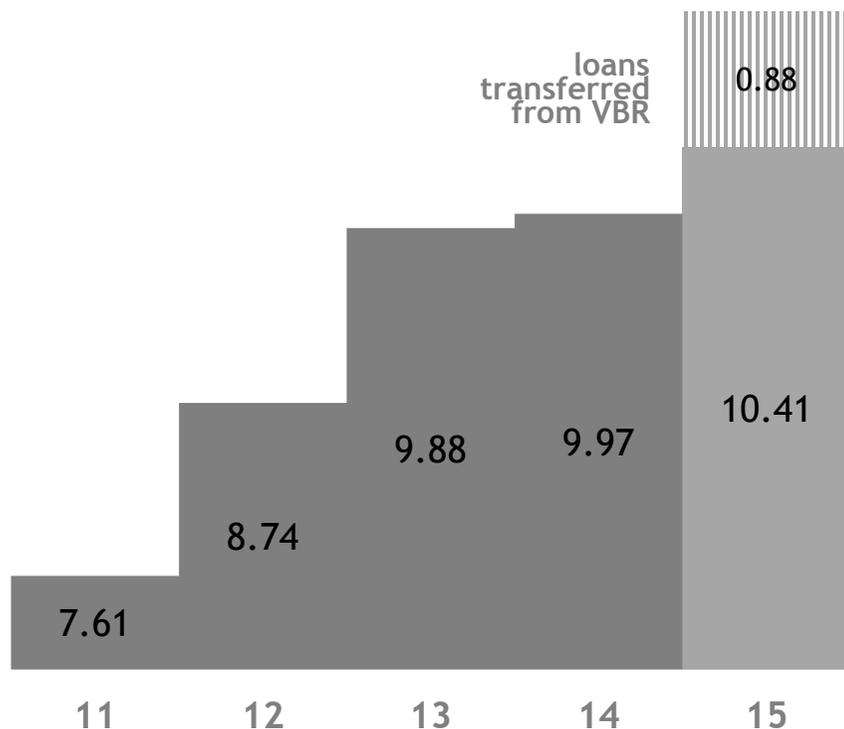
- Banca Transilvania continued its specific focus on the SME business sector, processing over 16,300 new loans in 2015
- BT continued its partnership with DFIs, offering special loan and guarantee products to its SME clients
- Agriculture, Healthcare and European Structural Funds are on BT radar as specialized sectorial approaches



Corporate Banking

Corporate loan portfolio above RON 11.2bn

Corporate Loan Portfolio, RONbn source: BT



- 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

full array of financial services

As of 31.12.2015:



Total assets: 47.2 RON bn



Total assets: 82 RON mn.



Total assets: 106 RON mn.



Total assets: 74 RON mn.



Total assets: 32 RON mn.



Total assets: 369 RON mn.



YTD Dec'15 Highlights – Consolidated figures

	Mil. RON	Dec-15 (unaudited)	Dec-14 (audited)	Δ
PROFITABILITY	Operating income	2,382.6	2,078.0	14.7%
	Operating expenses	(1,401.3)	(878.0)	59.6%
	Bargaining gain	1,650.6		
	Gross profit before provisions	2,631.8	1,200.1	119.3%
	Net income	2,448.8	442.5	453.5%
	EPS RON	0.8	0.1	445.4%
	Cost of risk (%)	1.17%	2.5%	
	ROE without Bargaining gain (%)	18.3%	17.7%	
	ROE with Bargaining gain (%)	45.1%		
	Cost-to-income ratio (%) without Bargaining gain	58.8%	42.2%	
	Cost-to-income ratio (%) with Bargaining gain	34.7%		
CREDIT ACTIVITY		Dec'15	Dec'14	Δ
	Gross loans to customers	28,254.6	20,332.1	39.0%
	Deposits from customers	38,301.7	29,994.9	27.7%
	Loans-to-deposits ratio (%)	73.8%	67.8%	
CAPITAL	Total equity	6,140.0	3,797.3	61.7%
	Tier 1 capital ratio (profit included) (%)	21.8%	15.8%	
	Total capital ratio (profit included) (%)	23.2%	17.6%	



ANNEX I INCOME STATEMENT

IFRS, individual, RONmn	Dec-15* unaudited	Dec-14 audited	Δ
Net interest income	1,378.7	1,137.6	21.2%
Net fee and commission income	457.6	408.4	12.0%
Net trading income	179.4	126.8	41.5%
Other net income	270.5	327.7	-17.5%
Operating income	2,286.2	2,000.5	14.3%
Personnel expenses	(651.6)	(451.6)	44.3%
D&A	(77.6)	(57.4)	35.3%
Other operating expenses	(612.7)	(319.4)	91.8%
Operating expenses	(1,341.9)	(828.4)	62.0%
Cost of risk	(329.4)	(667.1)	-50.6%
Bargaining Gain	1,650.6		
Net income before taxation	2,265.5	505.0	348.6%
Income tax expense	152.5	(70.7)	-315.7%
Net income after taxation	2,418.0	434.3	456.7%

*Preliminary figures



ANNEX II BALANCE SHEET

IFRS, individual, RON mn	Dec-15* unaudited	Dec-14 audited	Δ
Cash & cash equivalents	5,104.9	4,226.0	20.8%
Placements with banks	3,569.8	2,216.1	61.1%
Loans to customers, net	25,107.5	17,517.2	43.3%
T-bills & securities	12,481.0	11,068.0	12.8%
Fixed assets	409.1	360.1	13.6%
Participations	84.9	74.9	13.4%
Other assets	483.3	157.3	207.3%
Total assets	47,240.5	35,619.5	32.6%
Deposits from banks	388.4	133.3	191.3%
Deposits customers	38,395.3	30,045.5	27.8%
Loans from banks and FIs	985.1	949.1	3.8%
Subordinated loan	416.4	394.7	5.5%
Deferred tax liabilities	0.0	43.7	-100.0%
Other liabilities	1,038.9	351.3	195.7%
Total liabilities	41,224.1	31,917.6	29.2%
Shareholders' equity	6,016.4	3,702.0	62.5%

*Preliminary figures



ANNEX III INCOME STATEMENT

IFRS, consolidated, RONmn*	Dec -15 unaudited	Dec - 14 audited	Δ
Net interest income	1,421.2	1,175.7	20.9%
Net fee and commission income	487.1	425.5	14.5%
Net trading income	178.8	126.8	41.0%
Other net income	295.6	350.0	-15.5%
Operating income	2,382.6	2,078.0	14.7%
Personnel expenses	(676.8)	(474.4)	42.7%
D&A	(91.7)	(66.1)	38.6%
Other operating expenses	(632.8)	(337.4)	87.6%
Operating expenses	(1,401.3)	(878.0)	59.6%
Cost of risk	(330.1)	(684.4)	-51.8%
Bargaining gain	1,650.6		
Net income before taxation	2,301.8	515.6	346.4%
Income tax expense	147.0	(73.2)	-300.9%
Net income after taxation	2,448.8	442.5	453.5%

*Preliminary figures



ANNEX IV BALANCE SHEET

IFRS, consolidated, RONmn	Dec-15* unaudited	Dec-14 audited	Δ
Cash & cash equivalents	5,109.1	4,234.2	20.7%
Placements with banks	3,585.0	2,224.3	61.2%
Loans to customers, net	25,227.4	17,663.0	42.8%
T-bills & securities	12,507.4	11,078.6	12.9%
Fixed assets	526.7	412.3	27.7%
Participations	0.0	0.0	
Other assets	521.7	183.6	184.1%
Total assets	47,477.4	35,795.9	32.6%
Deposits from banks	388.4	133.3	191.3%
Deposits customers	38,301.7	29,994.9	27.7%
Loans from banks and FIs	1,129.7	1,052.7	7.3%
Subordinated loan	416.4	394.7	5.5%
Deferred tax liabilities	0.0	41.0	-100.0%
Other liabilities	1,101.1	381.9	188.3%
Total liabilities	41,337.4	31,998.7	29.2%
Total equity	6,140.0	3,797.3	61.7%

*Preliminary figures



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