



BANCA TRANSILVANIA

September 2015 Financial Results



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AGENDA

- 1 Banking Sector Dynamics**

- 2 YTD Sep'15 Highlights**

- 3 Performance in YTD Sep'15**

- 4 Overview of Business Lines**

- 5 BT Financial Group**



ROMANIAN BANKING SECTOR – 2015 briefing

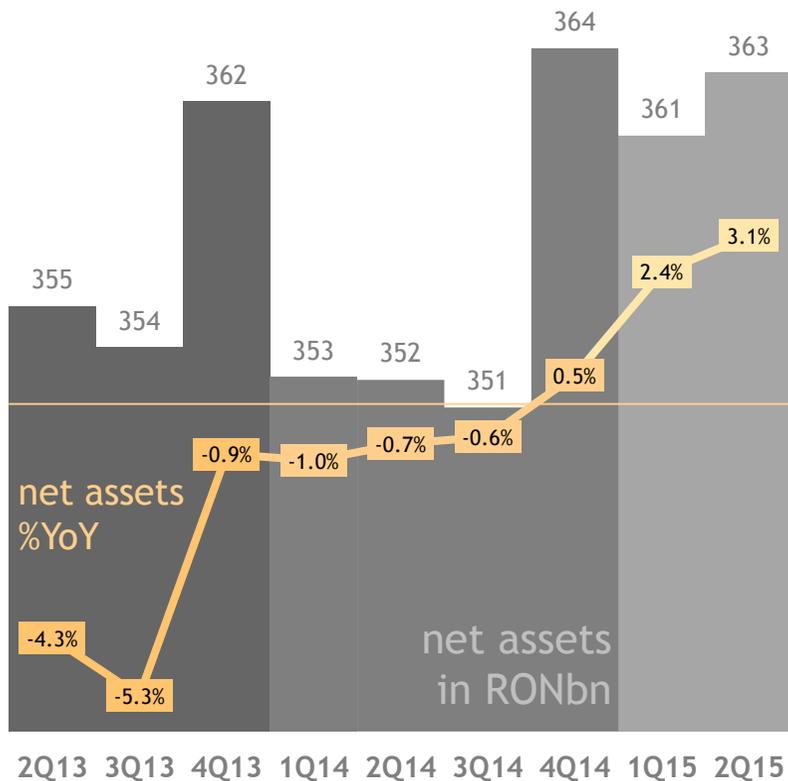
- The Romanian banking system stays solid:
 - average CAR at 18%
 - NPL ratio markedly improved to less than 13% from cca. 22% in 2013
- Top 7 banks hold ~66% of total assets / Top 3 banks ~40%
- The non-government loans rose by 2% ytd, as the increase of the RON component (by 11.2% ytd) counterbalanced the decline of the FX component (by 5.2%)



BANK ASSETS RETURN TO GROWTH

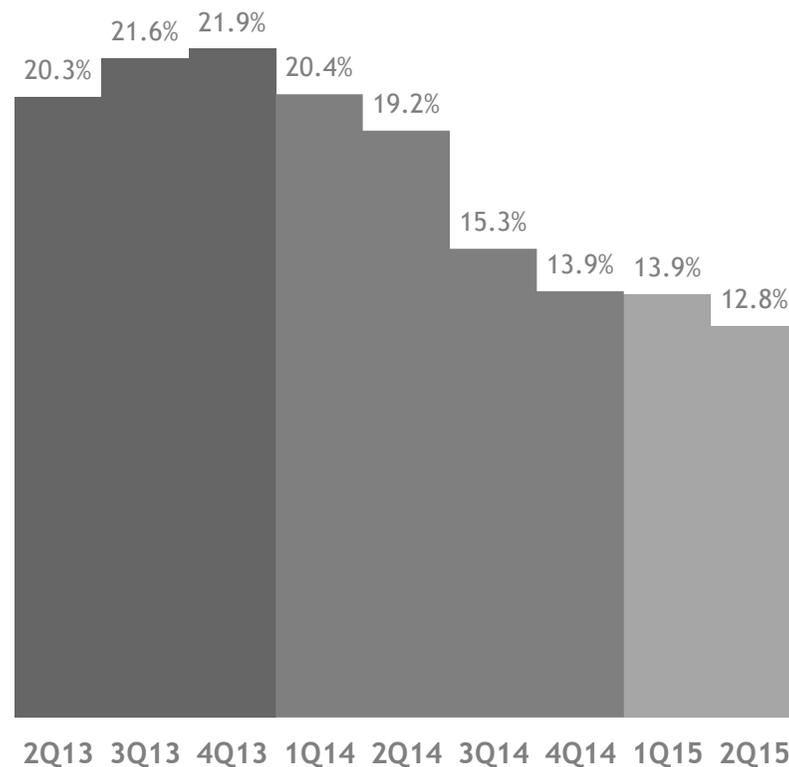
Bank assets growth pace picking up in 2015

total bank net assets source: NBR



NPL continue to decline, dropping below 13% as of June

NPL ratio, % source: NBR



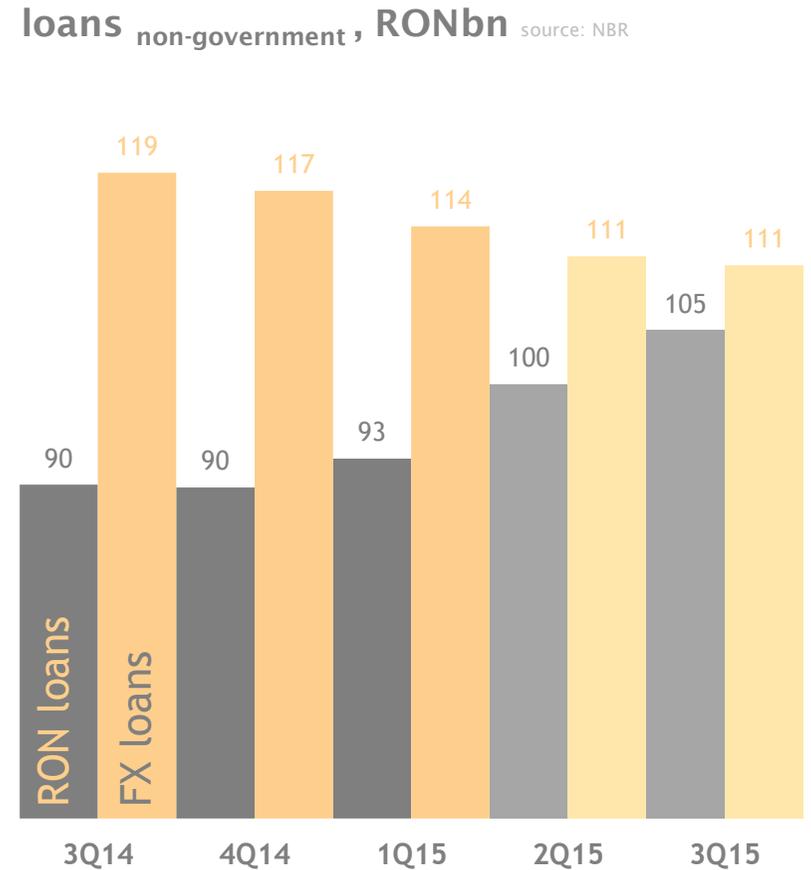
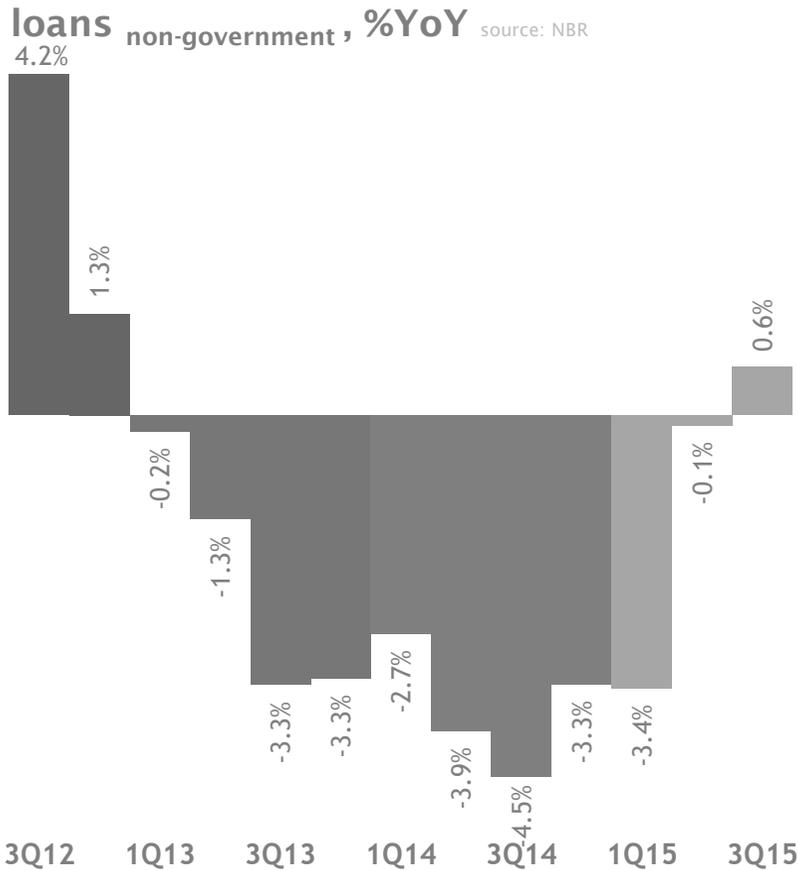


LENDING IN RON

pushes the credit activity back into positive after a long time

Lending inches into positive territory for the first time since Feb 2013

Loans in domestic currency remain the credit activity driver





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



YTD SEP'15 highlights

		YTD Sep'15 (unaudited)	YTD Sep'14 (unaudited) *	Δ
PROFITABILITY	Mil. RON			
	Operating income	1,453.6	1,430.9	1.6%
	Operating expenses	(717.6)	(613.2)	17.0%
	Gross profit before provisions	735.9	817.8	-10.0%
	Net income	313.0	322.6	-3.0%
	EPS RON	0.104	0.108	-4.5%
	Cost of risk (%)	1.9%	2.9%	-33.6%
	NIM (%)	2.9%	3.4%	-0.5 pp
ROE (%)	11.2%	13.3%	-1.9 pp	
Cost-to-income ratio (%)	49.4%	42.8%	6.6 pp	
CREDIT ACTIVITY		Sep'15	Dec'14	Δ
	Gross loans to customers	23,848.5	20,020.0	19.1%
	Deposits from customers	32,527.2	30,045.5	8.3%
	Loans-to-deposits ratio	73.3%	66.6%	6.7 pp
NPL ratio	9.5%	10.9%	-1.4 pp	
CAPITAL	Total equity	3,860.5	3,702.0	4.3%
	Tier 1 capital ratio (profit included)	14.9%	15.5%	-3.9 %
	Total capital ratio (profit included)	16.1%	17.3%	-6.9 %

* with full guarantee fund contribution booked as of 1st H 2014



BUSINESS PERFORMANCE YTD SEP'15 at a glance

Total assets at RON 39.4 bn
↗ 10.6% YTD

- Healthy growth of the loan portfolio across all business line
- Partial switch from AFS portfolio to other assets categories (due to banks & loans)
- Continued growth of deposit base by 6%

Capital adequacy ratio at 16.1%

- Strong capital base, supporting both organic and inorganic growth

Net fees and commissions at RON
324 mn ↗ 8.4% Y/Y

- Driven by increased number of operations and additional cross-sell
- Operational revenues grew by 11% in 9m of 2015

CoR on a sound path
↘ by 40bp Q/Q

- In the third quarter, the YTD CoR decreased to 1.9%, from 2.3% in Q2 2015

Net profit at
RON 313mn ↘ 3% Y/Y

- Operating income positively influenced by increase in commission income and trading income
- The results of the first 9 months in 2015 were influenced by one-off expense items linked to Volksbank integration process

Cost/income at 49.4%

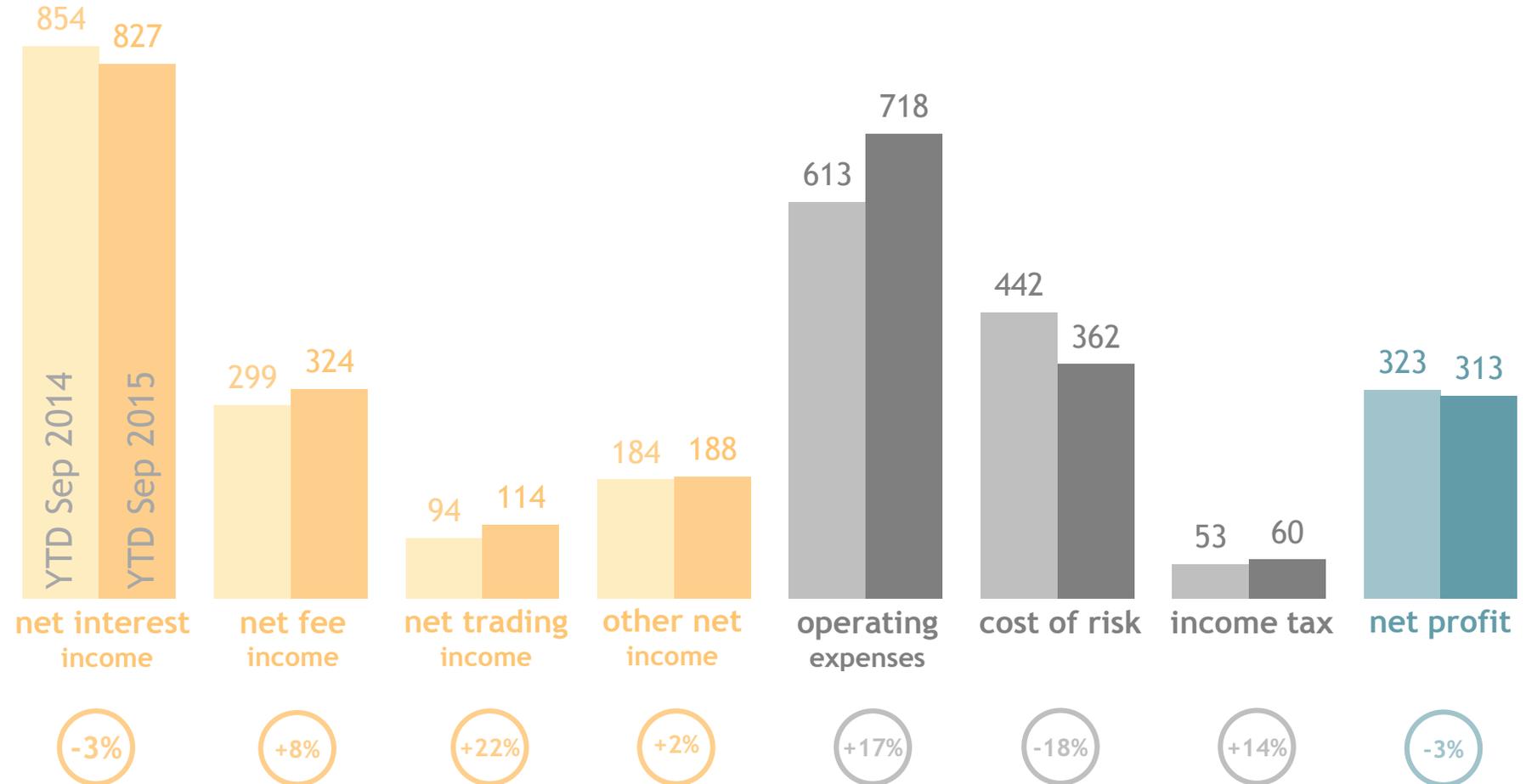
- Cost to income was negatively influenced by one-off type of expenses and by the change regarding the booking of the Deposit Guarantee Fund contribution
- Without the one-off expenses above, Cost/Income stays at 46%



PROFIT & LOSS ACCOUNT STRUCTURE

balance evolution of different income and expense items

Detailed Income and Expense Structure, RONmn

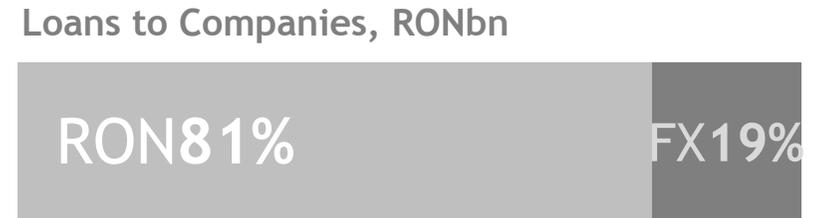
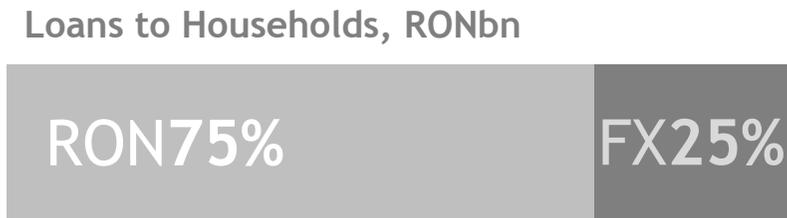
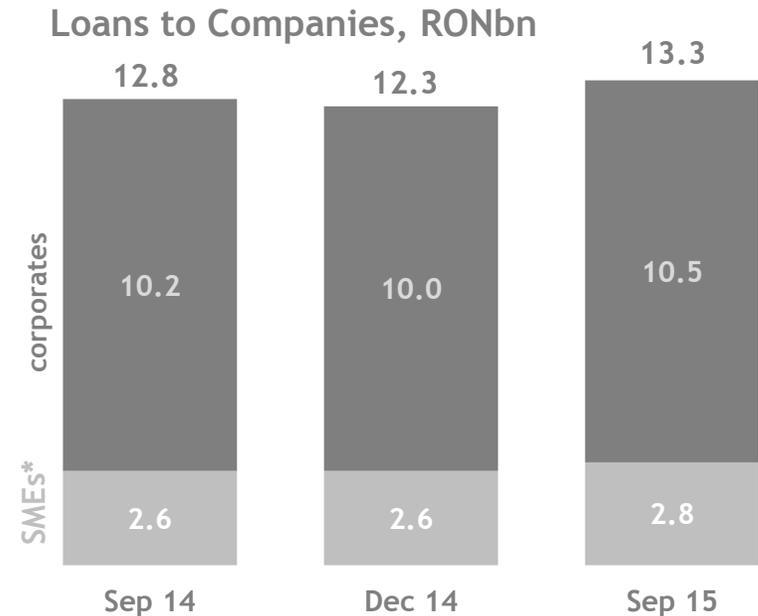
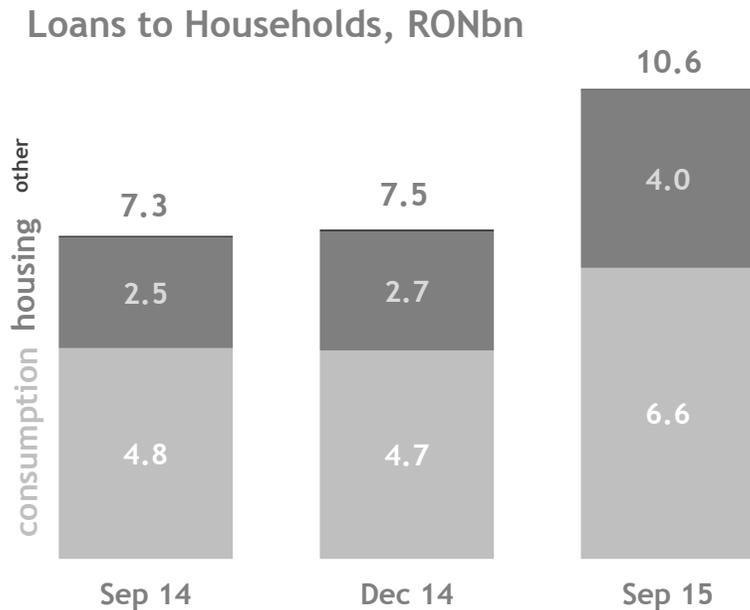




LOAN STRUCTURE

Loans to households up by 45% Y/Y, also on regained confidence

Higher proportion of investment loans to companies



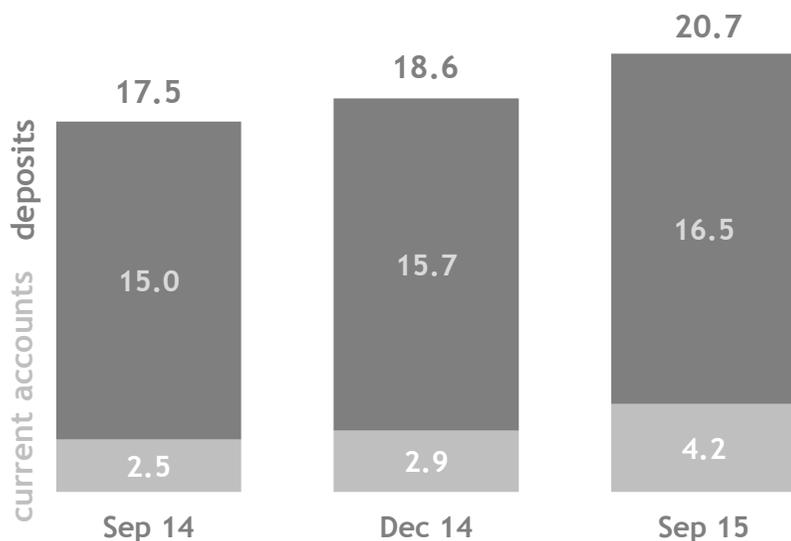
*SMEs identified according to internal classification rules 10



DEPOSIT STRUCTURE

Deposits from households continue the growth path

Deposits from Households, RONbn

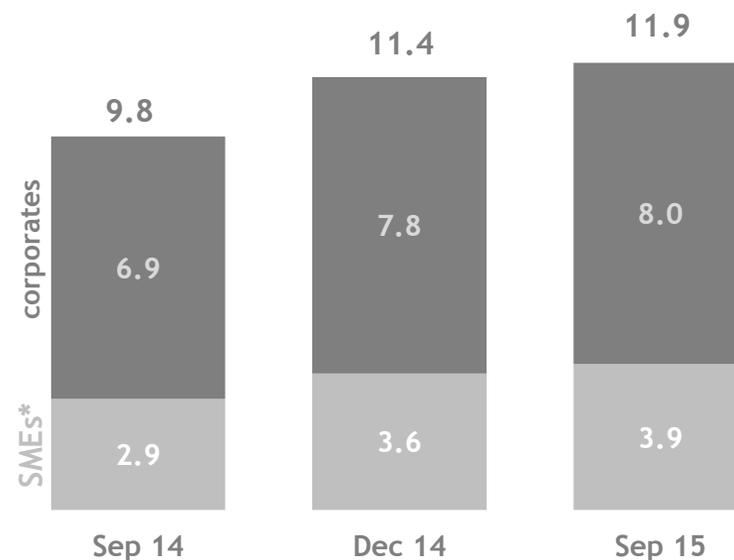


Deposits from Households, RONbn



Deposits from companies remain stable

Deposits from Companies, RONbn



Deposits from Companies, RONbn

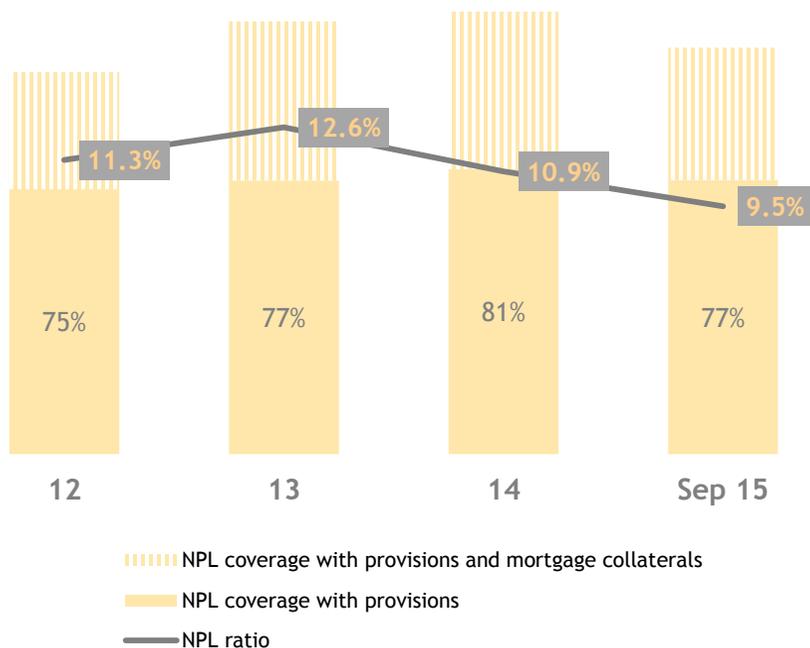


*SMEs identified according to internal classification rules



NPL RATIO AT 9.5%

NPL ratio and NPL coverage

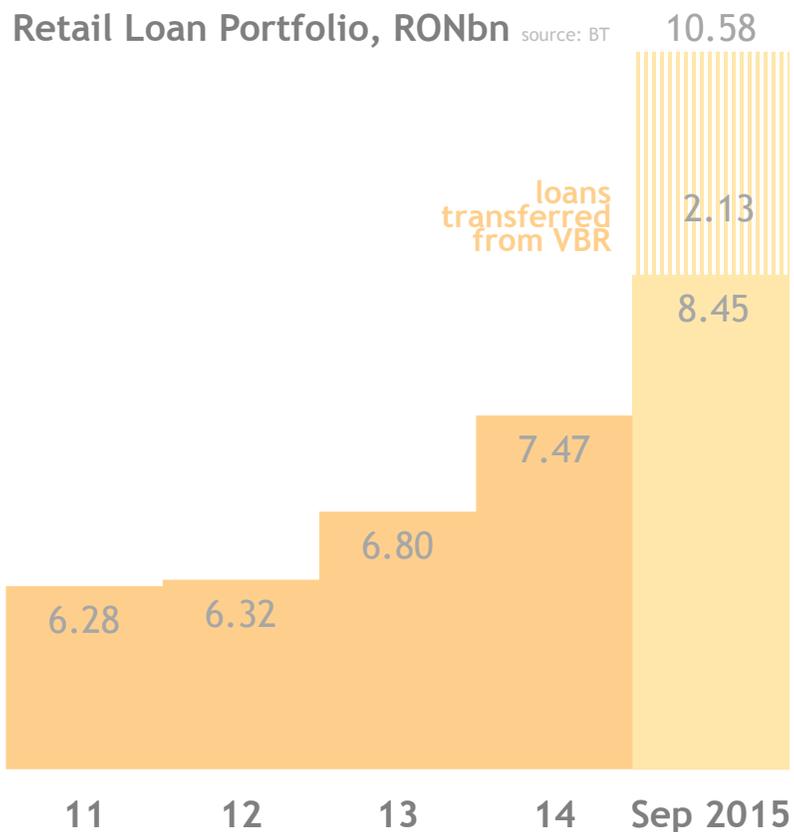


- Banca Transilvania continued the conservative provisioning policy, providing a sound coverage ratio for its PAR 90 portfolio
- NPLs ratio at the lowest level in the last 4 years
- Retail and SME related NPLs stay on a decreasing trend



RETAIL BANKING

Retail loan portfolio reached RON 10.6bn in September 2015



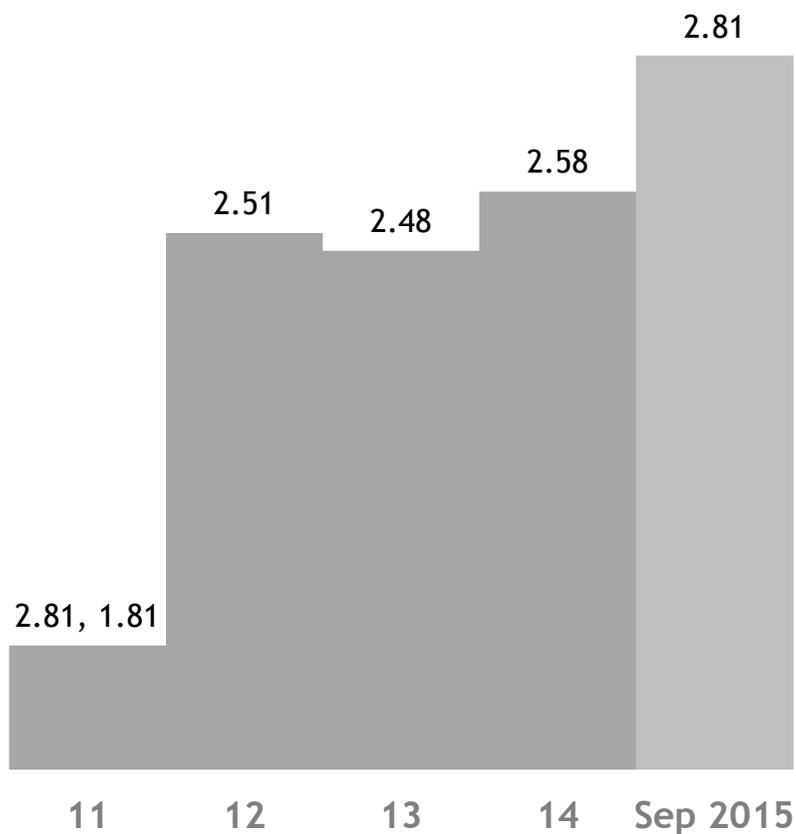
- Sound organic growth of 13% during 9 months of 2015
- CHF loan portfolio conversion successfully completed in August
- Banca Transilvania is number 1 in Romania in terms of the transactions turnover on its cards portfolio with a market share of 19.4%; a total card portfolio of close to 2.5 million (9% up against H1 2014)
- BT 24 and mobile banking remained top priority



SME BANKING

SME loan portfolio up by 9%

SME Loan Portfolio, RONbn source: BT



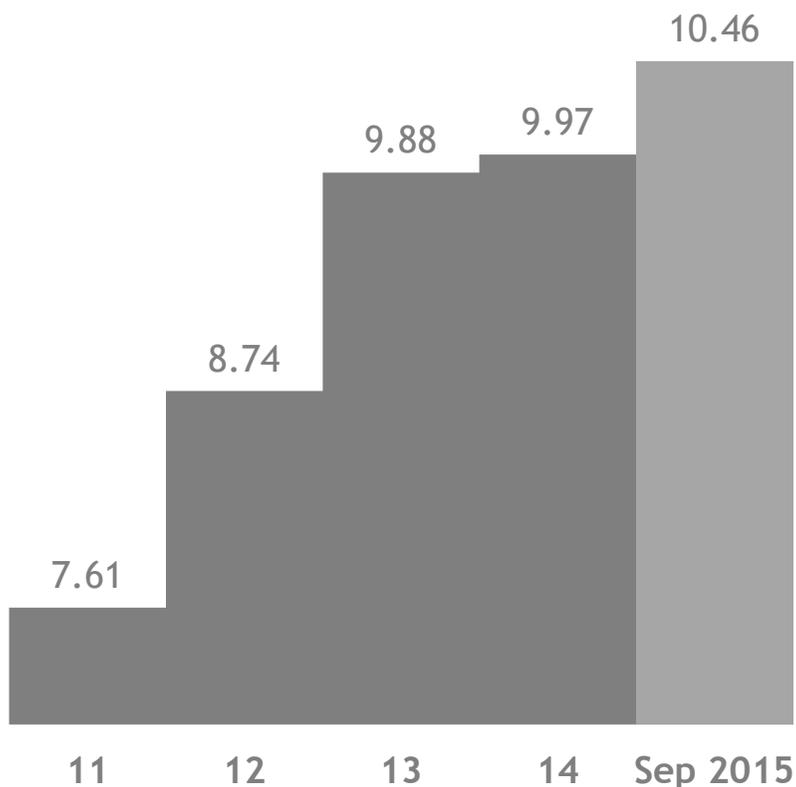
- Banca Transilvania continued its specific focus on the SME business sector, processing over 15,000 new loans in 9 months of 2015
- The portfolio of attractive cash management facilities, tailored on SME needs, boosted the number of SME client accounts to 260,000
- BT continued its partnership with 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 stable above RON 10bn

Corporate Loan Portfolio, RONbn source: BT



- Corporate loans inflexioned at country level during this spring, evolution determined by the acceleration of the real economy and attractive funding costs
- 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 30.09.2015:



Total assets: 39.4 RON bn



Total assets: 8.3 RON bn



Total assets: 89 RON mn



Total assets: 106 RON mn



Total assets: 67 RON mn



Total assets: 28 RON mn



Total assets: 313 RON mn



TLV SHARES on Bucharest Stock Exchange

Price 09/11/15 **RON 2.63**

No. of shares **3,026mn**

Market cap **RON 7,958mn**

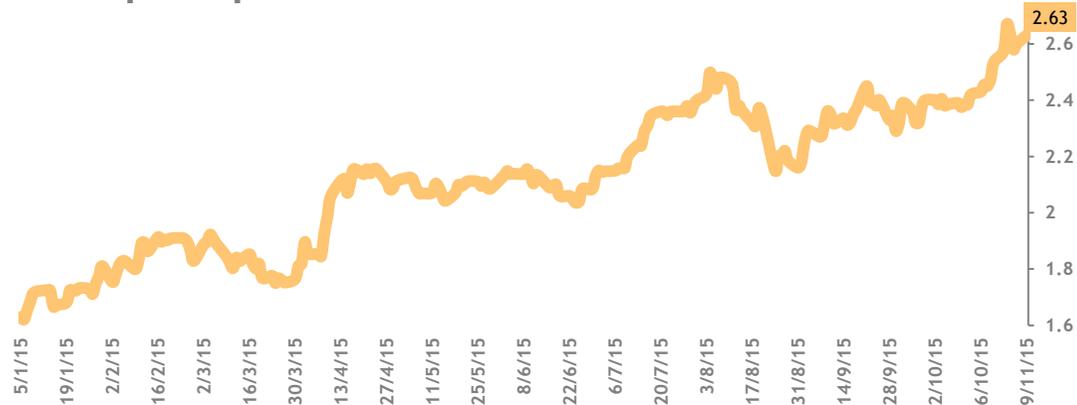
Price change **↗ 59.9%YTD**

Price change **↗ 70.2%YoY**

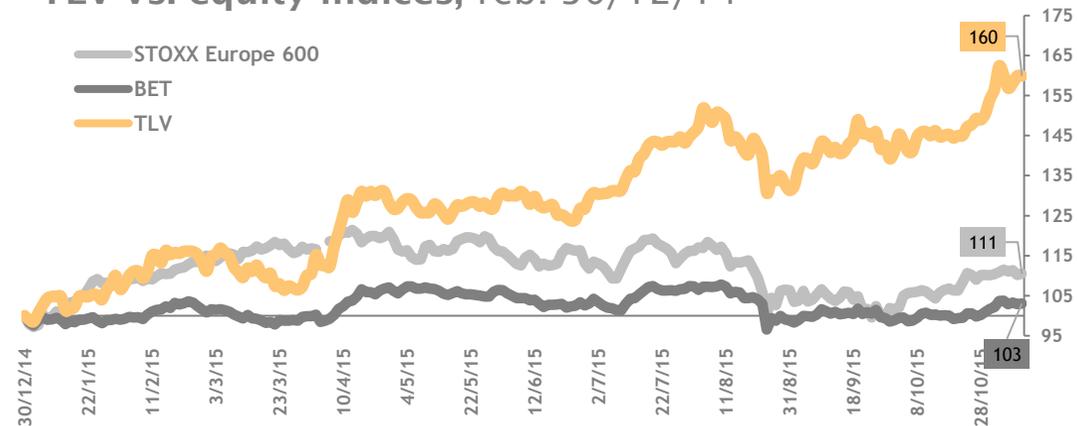
Min YTD 2015 **RON 1.621**

Max YTD 2015 **RON 2.670**

TLV price performance YTD 2015



TLV vs. equity indices, reb. 30/12/14





YTD SEP'15 HIGHLIGHTS - consolidated figures

	YTD Sep'15 (unaudited)*	YTD Sep'14 (unaudited)**	Δ
PROFITABILITY			
Mil. RON			
Operating income	1,721.1	1,484.5	15.9%
Operating expenses	(954.9)	(646.6)	47.7%
Gross profit before provisions	766.1	837.9	-8.6%
Net income	2,296.2	338.1	579.1%
EPS RON	0.76	0.11	568.5%
Cost of risk (%)	-0.10%	3.44%	-102.8%
ROE (%)	54.16%	13.5%	302.3%
Cost-to-income ratio (%)	55.5%	43.6%	27.4%
CREDIT ACTIVITY			
	Sep'15	Dec'14	Δ
Gross loans to customers	27,801.3	20,332.1	36.7%
Deposits from customers	35,644.1	29,994.9	18.8%
Loans-to-deposits ratio (%)	78.0%	67.8%	15.1%
CAPITAL			
Total equity	5,931.8	3,797.3	4.3%
Tier 1 capital ratio (profit included) (%)	20.3%	15.8%	28.4%
Total capital ratio (profit included) (%)	21.3%	17.6%	21.5%

*with bargaining gain, preliminary calculation, subject to adjustments in accordance with IFRS 3

**with full guarantee fund contribution booked as of 1st H 2014



ANNEX I INCOME STATEMENT

IFRS, individual, RONmn *	YTD Sep'15	YTD Sep'14	Δ
Net interest income	826.8	853.9	-3.2%
Net fee and commission income	324.4	299.3	8.4%
Net trading income	114.3	93.7	22.0%
Other net income	188.0	184.1	2.1%
Operating income	1,453.6	1,430.9	1.6%
Personnel expenses	(372.9)	(332.4)	12.2%
D&A	(40.6)	(44.0)	-7.8%
Other operating expenses	(304.2)	(236.7)	28.5%
Operating expenses	(717.6)	(613.2)	17.0%
Cost of risk	(362.4)	(442.0)	-18.0%
Net income before taxation	373.5	375.8	-0.6%
Income tax expense	(60.5)	(53.2)	13.8%
Net income after taxation	313.0	322.6	-3.0%

* The financial information as at 30 September 2014 and 30 September 2015 has not been audited or reviewed



ANNEX II BALANCE SHEET

IFRS, individual, RONmn *	Sep-15	Dec-14	Δ
Cash & cash equivalents	3,937.7	4,226.0	-6.8%
Placements with banks	4,188.5	2,216.1	89.0%
Loans to customers, net	21,431.2	17,517.2	22.3%
T-bills & securities	8,864.8	11,068.0	-19.9%
Fixed assets	344.5	360.1	4.3%
Participations	431.8	74.9	476.8%
Other assets	198.9	157.3	-26.4%
Total assets	39,397.4	35,619.5	10.6%
Deposits from banks	737.7	133.3	453.2%
Deposits customers	32,527.2	30,045.5	8.3%
Loans from banks and FIs	1,308.8	949.1	37.9%
Subordinated loan	403.8	394.7	2.3%
Deferred tax liabilities	42.7	43.7	-2.2%
Other liabilities	516.7	351.3	47.2%
Total liabilities	35,536.9	31,917.6	11.3%
Shareholders' equity	3,860.5	3,702.0	4.3%

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ANNEX III INCOME STATEMENT

IFRS, consolidated, RONmn *	YTD Sep'15	YTD Sep'14	Δ
Net interest income	1,031.8	882.2	16.9%
Net fee and commission income	354.9	311.4	14.0%
Net trading income	126.8	89.9	41.0%
Other net income	207.6	200.9	3.3%
Operating income	1,721.1	1,484.5	15.9%
Personnel expenses	(486.1)	(348.2)	39.6%
D&A	(66.0)	(50.3)	31.2%
Other operating expenses	(402.8)	(248.1)	62.4%
Operating expenses	(954.9)	(646.6)	47.7%
Cost of risk	18.1	(445.2)	
Bargaining gain	1,575.5		
Net income before taxation	2,359.8	392.7	500.9%
Income tax expense	(63.7)	(54.6)	16.6%
Net income after taxation	2,296.2	338.1	579.1%

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ANNEX IV BALANCE SHEET

IFRS, consolidated, RONmn *	Sep-15	Dec-14	Δ
Cash & cash equivalents	4,476.7	4,234.2	5.7%
Placements with banks	3,139.4	2,224.3	41.1%
Loans to customers, net	25,066.6	17,663.0	41.9%
T-bills & securities	10,602.7	11,078.6	-4.3%
Fixed assets	466.4	412.3	13.1%
Participations	0.0	0.0	
Other assets	281.0	183.6	53.0%
Total assets	44,032.8	35,795.9	23.0%
Deposits from banks	180.6	133.3	35.5%
Deposits customers	35,644.1	29,994.9	18.8%
Loans from banks and FIs	581.6	1,052.7	-44.8%
Subordinated loan	403.8	394.7	2.3%
Deferred tax liabilities	42.0	41.0	2.3%
Other liabilities	1,248.8	381.9	227.0%
Total liabilities	38,101.0	31,998.7	19.1%
Total equity	5,931.8	3,797.3	56.2%

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