



Press release

Cluj-Napoca, August 1, 2013

## **Banca Transilvania - Financial results for H1 2013**

Banca Transilvania ended the first half of 2013 with a higher gross profit, namely lei 209.42 million versus lei 193.22 million, as at 30.06.2012. The net profit is lei 180.19 million, close to the level registered for H1 2012, when it was lei 179.62 million.

Fitch Ratings has recently affirmed Banca Transilvania's ratings at BB- with stable outlook, in terms of Long-term foreign currency Issuer Default (IDR). The main driving forces behind this rating are BT's strong deposit base, the bank's profitability and low level of FCY loans.

*"Banca Transilvania's H1 results confirm our estimates and we are confident of meeting the budget target for 2013. Despite the difficult economic environment, we have reached a substantial profit level. We will continue to be active on the market, to optimize our business model, while also contributing to the revival of the Romanian economy"* - stated Horia Ciorcilă, Chairman of Banca Transilvania's Board of Directors.

### **Financial highlights as at 30.06.2013:**

- Net profit: RON 180.19 mill.; gross profit: RON 209.42 mill.;
- Operating income: RON 733.55 mill.;
- Credit risk costs: RON 140.98 mill.;
- Total assets: RON 30,122.42 mill., 2% higher than as at 31.12.2012;
- Loans to customers: RON 17,300 mill.;
- The loan/term deposits and LT borrowings ratio is 77.30%, reflecting the bank's high liquidity level;
- Number of active clients: almost 1.68 million.

Banca Transilvania's operating income is lei 733.55 million for H1 2013, similar to the level of 30.06.2012.

Operating expenses are 4% higher than during H1 2012, due to the costs involved in amortizing the new core-banking IT system.

Net provision expenses were lei 141.03 million as compared with lei 182.72 million as at 30.06.2012. Net loan provision expenses were lei 140.98 million corresponding to 179.13 million lei end of H1 2012.

The 52% cost/income ratio as at 30.06.2013 falls within acceptable limits, this being one of BT's top priorities.

Banca Transilvania's assets reached RON 30,122.42 million end of H1 2013, namely 2% higher than the amount registered as at 31.12.2012. This increase is mainly generated by investments in available-for-sale assets, which grew by 19% vs. end of 2012, amounting to 7,760.50 million lei.

The Bank's loan portfolio has the same structure, predominantly in local currency. End of H1 2013, loan portfolio balance (including accruals) amounted to RON 17,724.78 million, of which 64% are loans to companies and 36% loans to individuals. Non-performing loans (PAR 90) account for 11.94 % of the bank's total loan portfolio.

The balance of loan provisions increased from 2,111 million lei (end of 2012) to 2,191.98 million lei (H1 2013), ensuring an adequate non-performing loan coverage ratio of 105.53%.

Total resources from clients rose with 4% vs. end of 2012, the deposit balance amounting to 24,165.05 million lei at 30.06.2013.

Banca Transilvania's liquidity is very good, with the loan/term deposits and LT borrowings ratio below 80%, an adequate level compared to the Romanian banking system. The capital adequacy ratio is also at a comfortable level, 11.85% - profit included and 10.92% profit excluded.

The number of operations performed via BT accounts increased with 7.52% vs. the same period of the previous year. The number of active customers, both individuals and companies grew from 1.56 million customers, end of H1 2012 to 1.68 million, end of H1 2013.

## **Marketing & Communication Division**

### **About Banca Transilvania:**

Banca Transilvania is one of the largest banks in Romania, in terms of assets. Our mission is to support the business environment. BT's activity is organized on 4 main business lines: retail, SME, corporate, and the Healthcare Division. Banca Transilvania has over 6.000 employees, a network of over 550 units and almost 1.68 million active clients. BT is the first banking institution in Romania to be listed on the Bucharest Stock Exchange (BSE) in 1997. Our strategy is supported by strong shareholders, among them the European Bank for Reconstruction and Development (EBRD), which holds 15% of share capital.

### **Contact details:**

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Annex

**FINANCIAL RESULTS, 30.06.2013**

<b>BALANCE SHEET</b>				<b>Δ 30.06.13 vs. 31.12.12</b>
	<b>thd. LEI</b>	<b>30-Jun -13</b>	<b>31-Dec-12</b>	
Cash and cash equivalents		4,800,518	5,576,290	0.86
Placements with banks		1,252,467	1,304,788	0.96
Loans and receivables - securities		78,046	78,326	1.00
Financial assets at fair value through profit or loss and derivatives		37,514	39,179	0.96
Loans and advances to customers - net		15,532,794	15,457,481	1.00
-Loans and advances to customers - gross		17,724,776	17,568,485	1.01
- Loan provisions		(2,191,982)	(2,111,004)	1.04
Investment securities, available for sale		7,760,496	6,529,701	1.19
Intangible assets		82,336	80,090	1.03
Tangible assets		291,845	290,006	1.01
Equity investments		74,053	74,053	1.00
Other assets		212,349	142,130	1.49
<b>Total assets</b>		<b>30,122,418</b>	<b>29,572,044</b>	<b>1.02</b>
Deposits from banks		242,100	45,953	5.27
Deposits from customers		24,165,047	23,232,922	1.04
Loans from banks and other financial institutions		1,968,601	2,969,302	0.66
Subordinated liabilities		424,379	288,810	1.47
Deferred tax liabilities		46,714	28,228	1.65
Other liabilities		403,400	311,892	1.29
<b>Total liabilities</b>		<b>27,250,241</b>	<b>26,877,107</b>	<b>1.01</b>
<b>Equity</b>				
Share capital		2,292,937	1,989,543	1.15
Revaluation reserves		31,279	38,125	0.82
Own shares		-	-7,752	0.00
Retained earnings		253,303	376,144	0.67
Other reserves		294,658	298,877	0.99
<b>Total equity</b>		<b>2,872,177</b>	<b>2,694,937</b>	<b>1.07</b>
<b>Total liabilities and equity</b>		<b>30,122,418</b>	<b>29,572,044</b>	<b>1.02</b>

**PROFIT AND LOSS ACCOUNT**  
*thd LEI*

	30-Jun-13	30-Jun-12	Δ H1 13 vs. H1 12
Interest income	1,010,330	1,002,137	1.01
Interest expenses	(492,223)	(527,641)	0.93
<b>Net interest income</b>	<b>518,107</b>	<b>474,496</b>	<b>1.09</b>
Fee and commission income	199,264	232,391	0.86
Fee and commission expenses	(31,910)	(27,108)	1.18
<b>Net fee and commission income</b>	<b>167,354</b>	<b>205,283</b>	<b>0.82</b>
Net trading income	59,921	65,724	0.91
Contribution, Deposits Guarantee Fund	(32,175)	(26,895)	1.20
Other operating income	20,343	26,663	0.76
<b>Operating income</b>	<b>733,550</b>	<b>745,271</b>	<b>0.98</b>
Personnel expenses	(200,442)	(190,048)	1.05
Depreciation and amortization	(27,514)	(23,844)	1.15
Other operating expenses	(155,146)	(155,439)	1.00
<b>Operating expenses</b>	<b>(383,102)</b>	<b>(369,331)</b>	<b>1.04</b>
Net impairment losses on assets and credit commitments	(141,033)	(182,717)	0.77
<b>Profit before income tax</b>	<b>209,415</b>	<b>193,223</b>	<b>1.08</b>
Income tax expense	(29,230)	(13,604)	2.15
<b>Net profit</b>	<b>180,185</b>	<b>179,619</b>	<b>1.00</b>