



Press Release April 28, 2016

Banca Transilvania, back to business

Sustained Growth and Operating Efficiency in Q1, 2016

● Financial Results as at March 31, 2016 ●

- Sustained Retail and Corporate lending activity growth: almost 35,000 new loans (Retail, SME and Corporate)
- The Bank's operating efficiency has increased while maintaining favorable cost conditions for its clients
- The number of operations performed via BT increased by 13% as compared to the same period last year
- The card portfolio has reached 2.6 million; card transactions grew by almost 25%
- Banca Transilvania has accelerated its network modernization pace

After an atypical 2015 in the history of Banca Transilvania, the first quarter of this year was a back-to-business year for BT, with a series of new projects targeting the increase in operating efficiency, preparing the ground for a full range of multi-channel sales & digitalization, as well as the modernization of the bank's branch and agency network.

BT's operating income reached RON 599.1 million, being 10.7% above the level in the same period of 2015 i.e. RON 541.3 million. The net profit of the Bank as at March 31, 2016 was RON 228.5 million, which is 50.8% higher than in Q1 2015.

Banca Transilvania's assets amount to RON 46.12 billion, of which net loans RON 25.5 billion, on the increase by 1.5% as compared to the net loan balance at the end of 2015.

Banca Transilvania continued to support the Romanian entrepreneurs: almost 35,000 new loans, with a total amount of more than RON 1,377 million, were granted to companies and individuals in Q1.

Ömer Tetik, Banca Transilvania's CEO, said: *"The first quarter of 2016 features sound, sustainable growth of the lending activity and number of operations. Our target is to use the background provided by our solid financial statements in order to invest in new projects, modernize the network, digitize, automate, and modernize flows, so that our bank becomes a convenience store. We wish to increase our income through higher volumes, without raising the costs for clients."*

Sediul Central

Cluj-Napoca, Cluj
Str. G. Barițiu nr. 8, 400027
Tel.: +(4)0264.407.150 | Fax: +(4)0264.407.179
www.bancatransilvania.ro

Banca oamenilor întreprinzători

Results of the current activity of Banca Transilvania in Q1, 2016:

- BT's net profit is RON 228.5 million;
- The number of operations through BT accounts grew by over 13% as compared to the same period of 2015, while the income from operating commissions was 16% higher.
- BT continued to focus on the SME sector in Q1, 2016, granting almost 4,000 new loans to its clients.
- The loan/deposit ratio is more efficient, increasing from 65% end of 2015 to 69% end of Q1, 2016;
- BT's operating efficiency improved, so that the cost/income ratio dropped to 45.2%, even if the expense with the contribution to the Deposit Guarantee Fund was recorded in Q1 for the whole year;
- As at March 31, 2016, Banca Transilvania's portfolio counted 2.60 million cards, generating transactions almost 25% higher relative to the similar period of the previous year. The bank's market share in terms of card transaction volume is 19%. BT has over 286,000 credit cards, enrolled in the STAR loyalty program.

Other financial information:

- As at March 31, 2016, BT registered net expenses with depreciation adjustments and provisions of RON 59.6 million (including the impact of write-offs amounting to RON 296 million);
- Non-performing loans PAR >90 are 9.04% of Banca Transilvania's total loan portfolio;
- The coverage of non-performing loans with related provisions and mortgage collaterals remains at a comfortable level of 119.84% and in line with the bank's risk appetite;
- The total balance of adjustments (provisions and other value adjustments) as at 31.03.2016 is RON 3,456 million, representing 11.90% of the total loan portfolio.
- BT's CAR is 18.20%, considering the profit for Q1, 2016 and the special dividend payout proposal (17.40% without profit).

The Most Important Decisions of BT's General Meeting of Shareholders

Banca Transilvania's General Meeting of Shareholders took place yesterday, April 27, and the most important decisions are:

- Increase of the bank's share capital with the amount of RON 620,000,000, by the issue of 620,000,000 new shares, with a nominal value of RON 1/share. This will imply the capitalization of the reserves from the net profit of the year 2015 to the benefit of the shareholders registered with the Shareholders' Register held by the Central Depository at the registration date May 31, 2016.
- Election of a new member of BT's Board of Directors, following the available vacancy, for the period remaining until the end of the mandate of the existing Board of Directors, i.e. April 2018.

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Doru Lionăchescu, Founder Chairman and Principal Partner of Capital Partners is the newly elected Board member.

The financial statements as at 31.03.2016 are not audited or reviewed, whereas the financial statements as at 31.12.2015 are audited.

Banca Transilvania

Press contact: comunicare@bancatransilvania.ro

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