



Press release
August 10, 2015

Financial results at June 30, 2015 **BT: sustained organic growth in H1 2015**

Key information - on BT bank only basis:

- Total assets: plus 8.4% compared to the end of 2014, reaching RON 38,601 million
- Operating income: RON 965.5 million, 11% higher compared to RON 870 million in the similar period last year
- Gross profit: RON 226.31 million, 8% higher vs. H1 2014

Horia Ciorcilă, Chairman of the Board, declared: “We are contented with the half year results of BT Financial Group. They confirm that both our organic growth expectations and the Volksbank acquisition forecasts have been correct and ensure an optimistic outlook for the near future. We keep our focus on the development of BT Financial Group, on the relationship with our customers, and we remain one of the important lenders to the Romanian economy, as we witness loan demand growth triggered by the improvement of the business environment and the customer confidence enhancement.”

Operating income, end of H1 2015: RON 965 million, 11% higher compared to the similar period last year

Ömer Tetik, BT CEO, stated: “The financial results of this first semester are in line with the bank’s strategy, giving way for an optimistic perspective over the whole year. We recorded a consistent growth above market average in terms of lending activities and number of clients. The increase in business volumes and in cross sell is reflected by the accelerated dynamics of operating income.”

At 30.06.2015, the loan portfolio balance amounted to RON 22,255 million, whereas customer deposits reached RON 31,917 million

At the end of H1 2015, the loan portfolio balance was 13.4% higher compared to the end of 2014, even though the loan write-off process continued in H1 2015 (RON 438 million). The total customer deposits were more than 6.2% higher as compared to December 2014.

Non-performing loans PAR >90 represent 9.84% of Banca Transilvania's credit portfolio, falling below the 10% threshold for the first time within the last years.

BT's current business:

- Gross profit is at RON 226.31 million, 8% higher compared to H1 2014; the impact of accounting standards which are applicable starting with January 2015 is included. More precise, according to the new accounting rule IFRIC 21 „Taxes” (from IASB), the contribution to the Deposit Guarantee Fund has to be booked in full at the time of its determination and not on a monthly basis as in the past. The impact of such change is visible on interim basis, the amounts being RON 40.5 million in 2015, respectively, RON 36.6 million in 2014. Without such accounting rule change, the gross profit of H1 2015 would have been RON 266.81 million.
- The number of active clients - both individuals and companies - increased by 9% compared to the same period last year, from 1.76 million to 1.92 million clients.
- The number of operations through BT accounts was 10% higher versus the same period of 2014, with a fee income increase exceeding 9%.
- During H1 2015, the bank granted, across all business lines, more than 67,000 new loans in total amount of RON 3,529 million.
- Banca Transilvania ended H1 2015 with a portfolio of 2.39 million cards, generating transactions 18.02% higher than in the similar period of last year. The bank's market share in terms of card transaction volumes reached 17.9%. BT has 240,000 credit cards, enrolled in the STAR loyalty program.
- Despite one-off expenses incurred in relation to Volksbank integration plan and the accounting rule changes highlighted above, BT enjoys better than market average operational efficiency, with a cost/income ratio of 50.17%.
- Net interest margin improved from 2.80 pp end of Q1 2015, to 2.85 pp at full H1 2015 level.

4 transactions / second with BT cards
1.1 million BT transactions / day

Other financial data:

- In H1 2015, BT booked net provision expenses for assets and lending commitments of RON 255 million.
- NPL coverage with related provisions and mortgage collateral stands above 119.21%, value which has been relatively stable over the past two years.
- The total provision balance as at 30.06.2015 amounted to RON 2,393 million, representing 10.75% of total loans.
- The bank's CAR was 16.4%, considering the cumulated profit for 2014 and H1 2015.

CAR: 16.4 %

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Banca oamenilor întreprinzători

Banca Transilvania Financial Group

With reference to the balance sheet, the weight of subsidiaries (including Volksbank Romania) represents 14% of total group assets. The positive difference is reflected mainly at loan portfolio basis, which amounts to RON 26.8 billion at group level. In terms of liabilities, the positive difference is also concentrated around customer-related activities, clientele deposits counting for RON 35.6 billion. The equity of BT Financial Group was at the end of June 2015, at RON 5.79 billion.

The positive dynamics of operating and fee income emphasizes that the group strategy is correlated and focused on operational synergies.

As concerns the impact of Volksbank Romania integration project on financial results, it is worth mentioning that the estimates and forecasts presented on the occasion of the General Meeting of Shareholders from April 2015 are confirmed by the interim financial statements of the first half of this year.

Financial Results for BT Financial Group and for Banca Transilvania are available within the “Investor relations” section on www.bancatransilvania.ro site.

Banca Transilvania | Communication & Public Relations

About Banca Transilvania:

Banca Transilvania is one of the top three banks in Romania in terms of assets, with a market share of 9.8%. The bank's activity is based on three main business lines: Corporate, SME and Retail. BT counts over 6,000 employees, 550 units and 1.92 million active clients. The bank's strategy is supported by international shareholders, among which the European Bank for Reconstruction and Development (EBRD) and IFC, a member of the World Bank Group.

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