



Press release
August 12, 2016

Banca Transilvania, focus on customer experience

Q2 results confirm the trend of the year beginning and the budget for 2016

• Financial Results as at June 30, 2016 •

- 75,000 new loans (retail, SME and corporate)
- BT's operating efficiency continued to follow a positive trend, with higher volumes of operations and lower costs for customers
- The number of operations through BT accounts grew by almost 15% as compared to the same period of 2015
- Banca Transilvania's cards portfolio reached 2.64 million, generating transactions almost 25% higher relative to June 30, 2015
- BT is currently running a process of customer relationship optimization, aiming to enhance satisfaction and loyalty among its clients
- The modernization of BT's branch network continued at fast pace
- The relationship with our 200,000 SME clients remains a top priority

BT's operating income reached RON 1,415.2 million and the net profit RON 458.3 million. Financial results include certain non-recurring transactions (Visa Europe & additional provisions due to a conservative approach related to the Walkaway Law), with a gross positive impact of about 11 million lei. BT's assets amount to RON 47.89 billion, of which net loans RON 25.8 billion; customer deposits stand at RON 39 billion. Banca Transilvania continues its growth at group level, with focus on its subsidiaries, which recorded positive dynamics on their specific operating markets: investment banking, leasing, operational leasing, brokerage etc.

Horia Ciorcilă, Chairman of Banca Transilvania's Board of Directors, declared: *„We have strong backgrounds and equity position, healthy organic growth and focus on new business segments - Corporate Banking, micro-finance and creative industries. This half-year achievements confirm the year beginning trend and are in-line with the promises made to our shareholders. We continue to support the Romanian economy and have optimistic views with regard to our future performance. In the same time, we are well-positioned to withstand potential challenges due to difficult economic conditions both locally and at European level.”*

Ömer Tetik, Banca Transilvania's CEO, said: *„Our clients are our most valuable asset. At the present, we focus on remodeling banking flows and processes, with the purpose of a revolutionary change of customers' interaction with BT. Our main investments are oriented towards innovation, customer*

Sediul Central

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service and technology. Therefore, we trust that our efforts will pay off. We are ready to take advantage of all growth opportunities that the market has to offer”.

Banca Transilvania’s H1, 2016 results:

- BT’s net profit is RON 458.3 million;
- The number of operations through BT accounts grew by over 15% as compared to the same period of 2015, similar to the income from operating commissions (15%);
- Banca Transilvania granted almost 10,000 new loans to SME clients;
- Customers acquired from Volksbank Romania contracted more than 55,000 products offered by Banca Transilvania.
- The loan/deposit ratio reached 66% at the end of H1 2016;
- BT’s operating efficiency confirms the trend from the first quarter of this year, with a cost/income ratio of 39%, even if the impact resulting from the contribution to the Deposits Guarantee Fund was booked in this semester, with reference to the whole year. Excluding the profit of RON 185 million resulting from the Visa Europe transaction, the cost/income ratio stays at a comfortable level of 44.9%.
- As at June 30, 2016, Banca Transilvania’s cards portfolio grew to 2.64 million, 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 beyond 19%. BT has a portfolio of 300,000 credit cards, enrolled in the STAR loyalty program.

Other financial information:

- As at June 30, 2016 BT registered net expenses with depreciation adjustments and provisions of RON 325.2 million (including the impact from the RON 365 million write-offs); the largest portion of the provisions booked as expenses in Q2 2016 serves a prudential purpose, reflecting the outcome of stress tests carried out after the enforcement of the Walkaway law and being in line with Banca Transilvania’s conservative approach in terms of credit risk management;
- Non-performing loans PAR >90 are 9.17% 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 124.63% and in line with the bank’s risk appetite;
- BT’s CAR is 18.17%, considering the profit for H1, 2016 (16.62% without profit).

The financial statements as at 30.06.2016 are reviewed, whereas the financial statements as at 31.12.2015 are audited.

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