



Press release

February 13, 2015

**BT Financial Results at December 31, 2014**  
**Ongoing growth for Banca Transilvania in 2014:**  
**+11% on operations, +11.2% total assets**

- +11.2% total assets, +5.3% loan portfolio balance, +16.4% deposits
- Higher operational efficiency: cost/income ratio at 41.9%, end of 2014
- Gross profit in 2014: RON 521.28 million, 17.6% higher compared to 2013
- Structural liquidity: 55.3% - above the banking system average
- Prudent provisioning policy - total coverage ratio end of 2014: 126.5%

At the end of 2014, the bank's total assets reached RON 35,645 million, with a loan portfolio balance 5.3% higher than at the end of 2013, while the total customer deposits were more than 16.4% higher as compared to the same period.

In 2014, Banca Transilvania granted 146,000 new loans to companies and retail clients, totalling over RON 9.095 million.

Horia Ciorcilă, Chairman of Banca Transilvania's Board of Directors declared: „We are pleased to announce positive results for 2014, the year when Banca Transilvania celebrated its 20th anniversary. As already known by our shareholders and clients, we remained faithful to our promises. In 2014, continuing our local investment policy, we decided to embrace new challenges, such as the acquisition of Volksbank România. For the future, we will maintain a pragmatic and entrepreneurial attitude, focusing on profitable growth opportunities both for the bank and at Group level. We will preserve the endeavour to increase efficiency and support the Romanian economy, attentive and cautious to the challenges raised by the current economic environment in Romania and in the neighbouring region.”

## **FINANCIAL RESULTS BT 2014 - details**

Our constant support to the real economy and development of new products and services - the focus on increasing activity on all areas of interest to the bank - have led to increasing operational income, which amounted to RON 1,996 million in 2014, 20% higher compared to the similar period of last year, when it amounted to RON 1,659 million. The net interest margin in 2014 was 3.37%. BT's positive results were supported by activity streamlining and cost control initiatives, which together with the

### **Sediul Central**

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

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overall business growth lead to an improvement of the cost to income ratio in 2014 by more than 14 percentage points versus 2013, notably 41.92%.

The number of active clients - both individuals and companies - increased by 7.4% compared to the same period last year, from 1.76 million to 1.89 million clients. Banca Transilvania maintained its attention on retail and SME clients, with tailored approaches for specialized segments. The number of operations through BT accounts was 11% higher versus the same period of 2013, with a fee income increase exceeding 13.5%. Starting 2014, Banca Transilvania became of systemic importance with regard to Transfond national clearing system, with a market share of 10.9% in terms of settlements.

Banca Transilvania ended 2014 with a portfolio of 2.34 million cards, generating transactions 16.7% higher than for the same period of last year. The bank's market share in terms of transaction volumes reached 17.9%. The credit card portfolio increased by 21% within the last 12 months.

The year 2014 brought consistent figure increases in the retail segment for Banca Transilvania, with granted loans exceeding RON 2,099 million. In terms of companies, during 2014 the Bank granted approximately 22,000 new loans.

As at 31.12.2014, the loan portfolio balance reached RON 20,020 million, whereas deposits from clients amounted to RON 30,046 million, resulting in a loan to deposit ratio of 66.6%. Banca Transilvania continues to record a very comfortable liquidity level, with a quick ratio of 55.28%, considerably better than the banking market average.

Further to the undertaking initiated in H2/2014 in compliance with the recommendation of the National Bank of Romania, we continued to write off loans with a debt service of more than 360 days, which are fully covered by depreciation adjustments. Write-offs amounted to RON 759 million in 2014.

Over the past years, Banca Transilvania has pursued a prudent lending policy, with special attention granted to risk dispersion. Non-performing loans, PAR >90 represent 10.87% of Banca Transilvania's credit portfolio end of 2014, being below the average of the Romanian banking system. In order to maintain provision coverage for NPLs even after fully provisioned loans had been written off, Banca Transilvania registered in 2014 net provision expenses for assets and lending commitments of RON 638 million, resulting in NPL coverage with related provisions and mortgage collateral by more than 126.5%, value which has been relatively stable over the past two years. The total provision balance as at 31.12.2014 amounts to RON 2,474 million, representing 12.4% of total loans.

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The year 2014 confirmed the improvement trend from 2013 regarding the payment behaviour of retail and SME clients. The repayment behaviour improvement, together with the write-off of nonperforming exposure in respect of these clients resulted in a 19% drop in the volume of more than 90 days overdue loans related to the abovementioned client segments.

The bank's CAR was 17.35%, the 2014 cumulated profit being included.

**Banca Transilvania | PR and Communication Office**

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Annex

FINANCIAL RESULTS, 31.12.2014

<b>BALANCE SHEET</b> <i>thd. RON</i>	<b>31-Dec-14</b>	<b>31-Dec-13</b>	<b>Δ 31.12.2014</b> <b>vs.31.12.2013</b>
Cash and cash equivalents	4,225,966	4,101,913	3.0%
Due from banks	2,216,105	1,666,177	33.0%
Loans and receivables - securities	162,801	92,335	76.3%
Financial assets at fair value through profit or loss and derivatives	52,311	11,122	370.3%
Loans and advances to customers - net	17,546,443	16,667,200	5.3%
-Loans and advances to customers - gross	20,019,990	19,160,259	4.5%
-Loan provisions	(2,473,547)	(2,493,059)	-0.8%
Investment securities, available for sale			21.4%
	10,852,865	8,936,455	
Intangible assets	70,466	82,908	-15.0%
Tangible assets	289,537	289,046	0.2%
Equity investments	74,856	73,956	1.2%
Other assets	153,936	144,753	6.3%
<b>Total assets</b>	<b>35,645,286</b>	<b>32,065,865</b>	<b>11.2%</b>
Deposits from banks	133,348	418,755	-68.2%
Deposits from customers	30,045,502	25,803,860	16.4%
Loans from banks and other financial institutions	949,053	2,067,261	-54.1%
Subordinated liabilities	394,658	337,913	16.8%
Deferred tax liabilities	44,852	59,985	-25.2%
Other liabilities	362,137	295,597	22.5%
<b>Total liabilities</b>	<b>31,929,550</b>	<b>28,983,371</b>	<b>10.2%</b>
<b>Shareholders' equity</b>			
Share capital	2,695,125	2,292,937	17.5%
Share premium	38,873	0	
Revaluation reserves	27,852	28,997	-3.9%
Own shares	-10,468	-818	1,179.7%
Retained earnings	503,123	430,043	17.0%
Other reserves	461,231	331,335	39.2%
<b>Total equity</b>	<b>3,715,736</b>	<b>3,082,494</b>	<b>20.5%</b>
<b>Total liabilities and shareholders' equity</b>	<b>35,645,286</b>	<b>32,065,865</b>	<b>11.2%</b>

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PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

<i>thd. RON</i>	31- Dec-14	31-Dec -13	Δ Dec14 vs. Dec13
Interest income	1,756,614	1,846,013	-4.8%
Interest expenses	(619,014)	(855,631)	-27.7%
<b>Net interest income</b>	<b>1,137,600</b>	<b>990,382</b>	<b>14.9%</b>
Fee and commission income	498,805	435,175	14.6%
Fee and commission expenses	(92,187)	(73,439)	25.5%
<b>Net fee and commission income</b>	<b>406,618</b>	<b>361,736</b>	<b>12.4%</b>
Net trading income	126,805	128,832	-1.6%
Gains (losses) on available-for-sale assets	338,784	203,613	66.4%
Contribution, Deposits Guarantee Fund	(73,152)	(64,398)	13.6%
Other operating income	58,957	39,172	50.5%
<b>Operating income</b>	<b>1,995,612</b>	<b>1,659,337</b>	<b>20.3%</b>
Personnel expenses	(458,573)	(441,242)	3.9%
Depreciation and amortization	(57,385)	(56,780)	1.1%
Other operating expenses	(320,560)	(310,829)	3.1%
<b>Operating expenses</b>	<b>(836,518)</b>	<b>(808,851)</b>	<b>3.4%</b>
Net impairment losses on assets and credit commitments	(637,811)	(407,384)	56.6%
<b>Profit before income tax</b>	<b>521,283</b>	<b>443,102</b>	<b>17.6%</b>
Income tax expense	(73,179)	(68,204)	7.3%
<b>Net Profit</b>	<b>448,104</b>	<b>374,898</b>	<b>19.5%</b>

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	31- Dec-14	31-Dec -13	Δ Dec14 vs. Dec13
<b>Profit for the year</b>	<b>448,104</b>	<b>374,898</b>	<b>19.5%</b>
<b>Items that may never be reclassified to profit or loss</b>	<b>751</b>	<b>-5,568</b>	
Increases/decreases from revaluation of property and equipment, net of tax	447	-5,517	
Other comprehensive income items	304	-51	
<b>Items that are or may be reclassified to profit or loss</b>	<b>103,831</b>	<b>10,303</b>	<b>907.8%</b>
Fair value reserves (from available-for-sale financial assets) net of tax, out of which:	103,831	10,303	907.8%
Net gain from transactions with available-for-sale financial instruments transferred to profit and loss account	-310,804	-187,552	65.7%
Fair value changes of available-for-sale financial instruments	414,635	197,855	109.6%
<b>Total comprehensive income for the year</b>	<b>552,686</b>	<b>379,633</b>	<b>45.6%</b>

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