



Press release

August 4, 2014

BT Financial Results at June 30, 2014

Banca Transilvania continues the growth path compared to reference periods: operations +11%, total assets +5.7%

- +5.7% total assets, +3.8% loan portfolio balance, +4.3% deposits
- Higher operational efficiency: cost/income ratio improved to 44.6% end of H1 2014
- Prudential provisioning policy: coverage ratio end of H1 2014 - 123.24%
- Gross profit at 30.06.14: RON 246.14 mil., 17.5% higher than for H1 2013
- Liquidity ratio: 51.5%, exceeding banking system average

Banca Transilvania closed the first half of 2014 with a gross profit of lei 246.1 million, 17.5% higher than for the same period of 2013, respectively a net profit of RON 212.1 million. At the end of the first 6 months, the bank's assets reached RON 33,899 million, with a loan portfolio balance 3.8% higher than at the end of 2013, while the total deposits from customers were more than 4% higher as compared to the same period - all these results are above budgeted level.

During the first semester of 2014, new loans granted to companies and retail clients reached a total number of 66.300, amounting to RON 5,200 million.

Horia Ciorcila, Banca Transilvania's Chairman of the Board of Directors, stated: *"We consider the first half of 2014 results to be satisfactory. With a better cost/income ratio and a prudent coverage ratio, we feel prepared to face market challenges, across all business lines. With a high liquidity and a sound capital base, with a consolidated and efficient team and strategy we are confident of continuing our growth path, taking advantage of any market opportunity."*

Ömer Tetik, Banca Transilvania's CEO, stated: *"The first half of 2014 meant overall growth for BT - from profit to operational volume and total assets. We have reached our goals to raise efficiency of processes and increase operational revenues, while*

maintaining lending in support of the Romanian economy. Our main focus continues to be loan portfolio and revenue growth”.

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 during the first semester of 2014, which amounted to RON 907 million, 24% higher than H1 2013, when RON 734 million. The net interest margin reached 3.45% during the first semester of this year. BT's positive results in 2014 were also supported by streamlining and cost control initiatives, leading to an improvement of the cost to income ratio by more than 7 percentage points in comparison to H1 2013, reaching 44.6% in H1 2014.

The number of the bank's active clients - both individuals and companies - was maintained at the level registered at 31.12.2013, namely 1.76 million clients. Banca Transilvania's attention was focused on retail and SME clients, with tailored approaches for specialized segments, such as agriculture and healthcare. In line with the increase of the active client base, the number of operations performed via BT accounts was augmented by 11% in comparison to the same period of 2013, with a fee income pace of 15%.

As at 30.06.2013 the loan portfolio balance reached RON 19,773 million, with resources from clients amounting to RON 26,904 million and resulting in a loan to deposit ratio of 73.50%. Banca Transilvania continues to register a very comfortable liquidity level, with an immediate liquidity ratio of 51.5%, considerably better than the banking market average.

According to the recommendation of the National Bank of Romania, Banca Transilvania proceeded to writing off loans with a debt service of more than 360 days, which were fully covered by depreciation adjustments. As a result of this operation, during the 1st semester of 2014, loans amounting to a gross value of RON 320 million were written off.

Over the past years, Banca Transilvania has pursued a prudent lending policy, granting special attention to risk dispersion. Non-performing loans, PAR >90 represent 12.30% of Banca Transilvania's credit portfolio, end of H1 2014, being below the average of the

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Banca oamenilor întreprinzători

Romanian banking system. By aiming to maintain provision coverage of NPLs, even after fully provisioned loans had been written off, during H1 2014 Banca Transilvania registered net provision expenses for assets and lending commitments of RON 256 million, resulting in NPL coverage with related provisions and mortgage collateral by more than 123%, value which has been relatively stable over the past two years.

This strategy contributes to the consolidation of the bank's financial stability. The total provision balance was RON 2,470 million at June 30, 2014, as opposed to 2,493 million - end of 2013, this level being partly influenced by the abovementioned write-offs performed during H1 2014.

Banca Transilvania has ended H1 2014 with a portfolio of 2.2 million cards, generating transactions 16% higher than for the same period of last year. The bank's market share in terms of transaction volumes reached 17.3%. The first semester of 2014 brought consistent retail segment figure increases for Banca Transilvania, with granted loans reaching RON 956 mil. In terms of companies, during H1 2014 the Bank granted approximately 12,400 new loans, with an average exposure of RON 450 thd. per client.

The bank's CAR was 14.16%, considering the first semester profit.

During the month of June, Fitch Ratings Agency has affirmed the long term foreign currency IDR at 'BB-' with Stable outlook, while the short term foreign currency IDR was affirmed at 'B'. The viability rating reflects strong deposit funding base, stable profitability and internal capital generation, low concentrations in the loan book, a low share of foreign-currency lending and reasonable coverage of impaired loans with accounting provisions.

PR and Communication Office

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Annex

FINANCIAL RESULTS, 30.06.2014

BALANCE SHEET	30-Jun -14	31-Dec-13	Δ 30.06.14 Vs 31.12.13
thd. RON			
Cash and cash equivalents	3,986,259	4,101,913	-2.8%
Placements with banks	1,541,786	1,666,177	-7.5%
Loans and receivables - securities	171,070	92,335	85.3%
Financial assets at fair value through profit or loss and derivatives	52,538	11,122	372.4%
Loans and advances to customers - net	17,303,831	16,667,200	3.8%
-Loans and advances to customers - gross	19,773,371	19,160,259	3.2%
- Loan provisions	(2,469,540)	(2,493,059)	-0.9%
Investment securities, available for sale	10,193,181	8,936,455	14.1%
Intangible assets	76,158	82,908	-8.1%
Tangible assets	292,262	289,046	1.1%
Equity investments	74,856	73,956	1.2%
Other assets	206,597	144,753	42.7%
Total assets	33,898,538	32,065,865	5.7%
Deposits from banks	152,916	418,755	-63.5%
Deposits from customers	26,903,544	25,803,860	4.3%
Loans from banks and other financial institutions	2,538,320	2,067,261	22.8%
Subordinated liabilities	331,533	337,913	-1.9%
Deferred tax liabilities	92,500	59,985	54.2%
Other liabilities	444,336	295,597	50.3%
Total liabilities	30,463,149	28,983,371	5.1%
Shareholders' equity			
Share capital	2,645,680	2,292,937	15.4%
Revaluation reserves	27,859	28,997	-3.9%
Own shares	0	-818	-100.0%
Retained earnings	287,830	430,043	-33.1%
Other reserves	474,020	331,335	43.1%
Total equity	3,435,389	3,082,494	11.4%
Total liabilities and shareholders' equity	33,898,538	32,065,865	5.7%

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PROFIT AND LOSS ACCOUNT
thd. RON

	30- Jun-14	30-Jun -13	Δ Jun 14 vs. Jun13
Interest income	894,828	928,856	-3.7%
Interest expenses	(325,863)	(470,736)	-30.8%
Net interest income	568,965	458,120	24.2%
Fee and commission income	230,743	199,264	15.8%
Fee and commission expenses	(37,424)	(31,910)	17.3%
Net fee and commission income	193,319	167,354	15.5%
Net trading income	56,155	59,921	-6.3%
Gains (losses) on available-for-sale assets	107,575	59,987	79.3%
Contribution, Deposits Guarantee Fund	(36,554)	(32,175)	13.6%
Other operating income	17,124	20,343	-15.8%
Operating income	906,584	733,550	23.6%
Personnel expenses	(216,258)	(200,442)	7.9%
Depreciation and amortization	(29,685)	(27,514)	7.9%
Other operating expenses	(158,230)	(155,146)	2.0%
Operating expenses	(404,173)	(383,102)	5.5%
Net impairment losses on assets and credit commitments	(256,273)	(141,033)	81.7%
Profit before income tax	246,138	209,415	17.5%
Income tax expense	(34,065)	(29,230)	16.5%
Net profit	212,073	180,185	17.7%

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