



BANCA TRANSILVANIA
Q1 2017 Financial Results

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AGENDA

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1 Banking Sector Dynamics

2 Q1 2017 Highlights

3 Performance in Q1 2017

4 Overview of Business Lines

5 BT Financial Group

A Financial Statements

BANK ASSETS

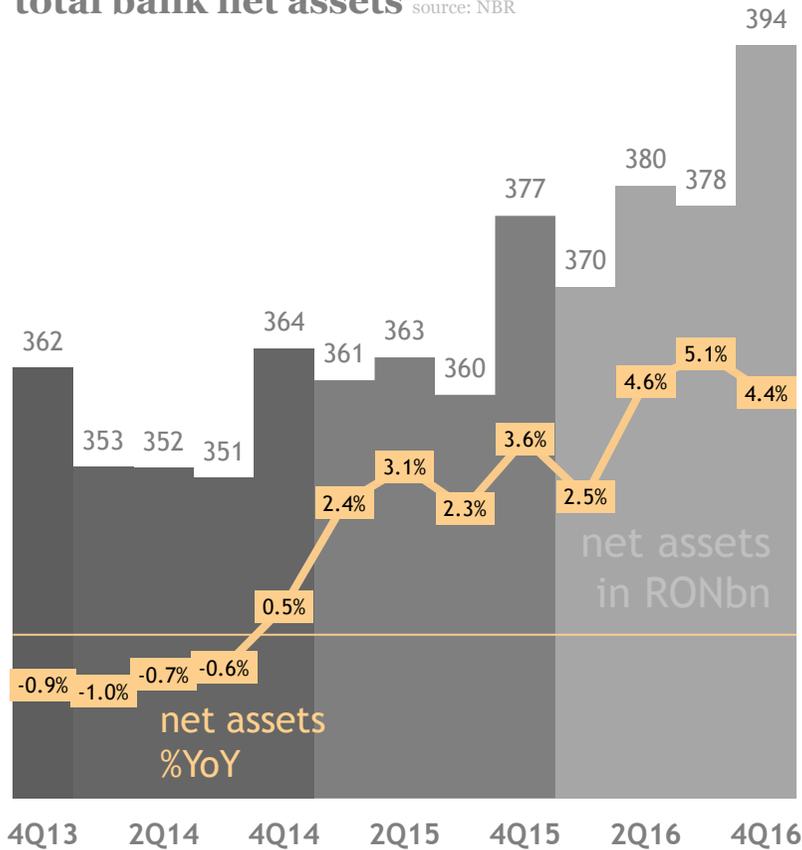
drawing near the RON 400bn benchmark



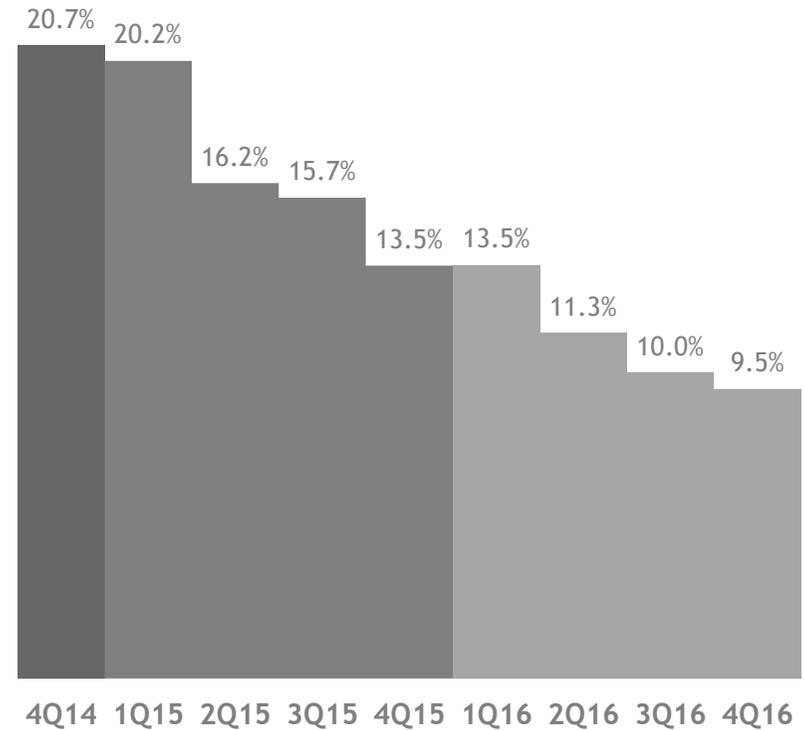
Bank assets reach record levels

NPL ratio below 10% threshold

total bank net assets source: NBR



NPL ratio, % source: NBR



LCY LOANS TO HOUSEHOLDS

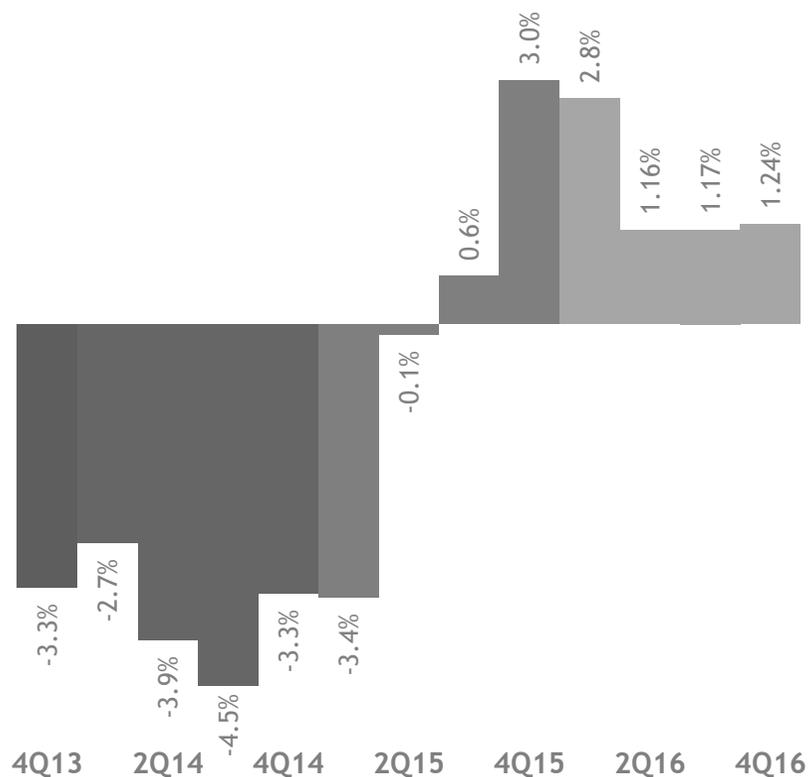
supporting the credit activity throughout the whole year



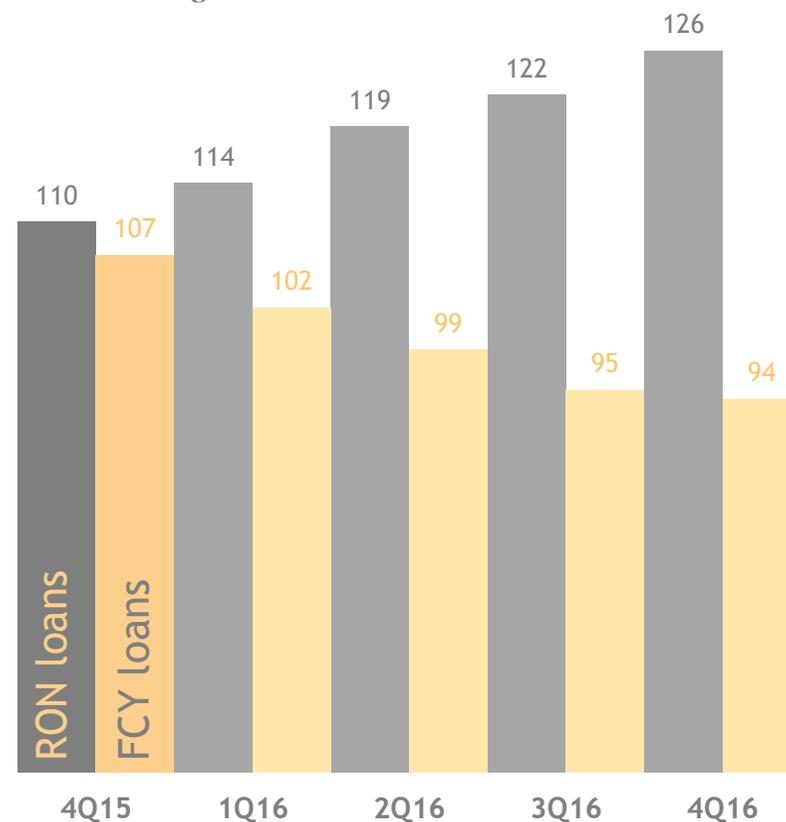
The rise in credit to households offsetting the decline in corporate loans

Loans in LCY amounting to 57% of total loans at 2016-end

loans non-government , %YoY source: NBR



loans non-government , RONbn source: NBR



ROMANIAN REAL ECONOMY

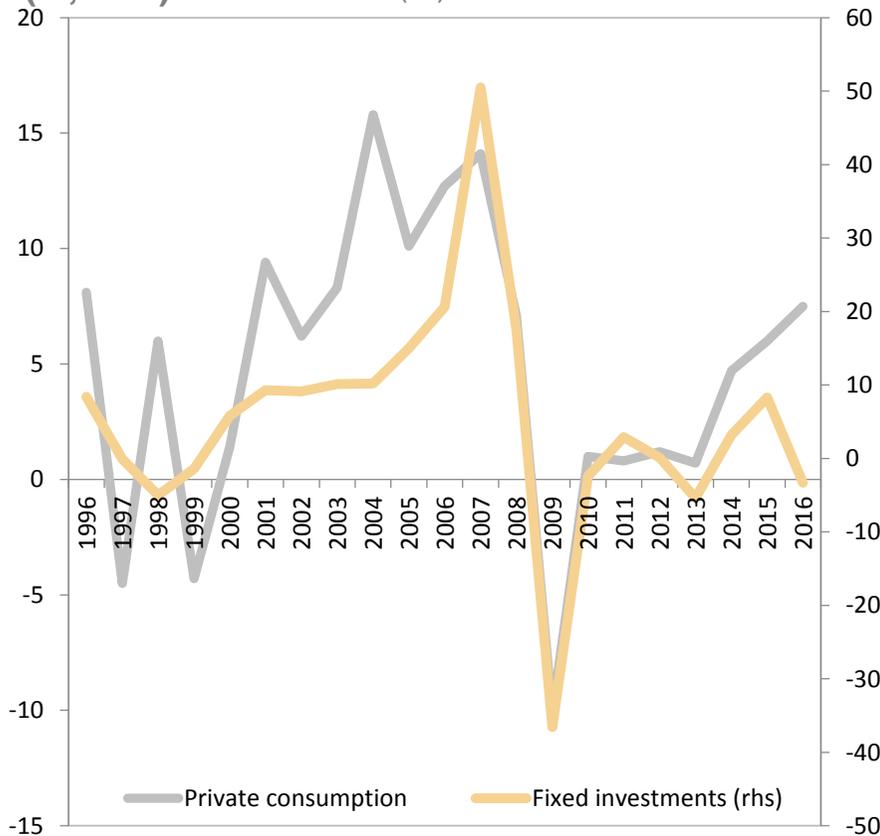


Acceleration to 4.8% YoY in 2016, highest since 2008

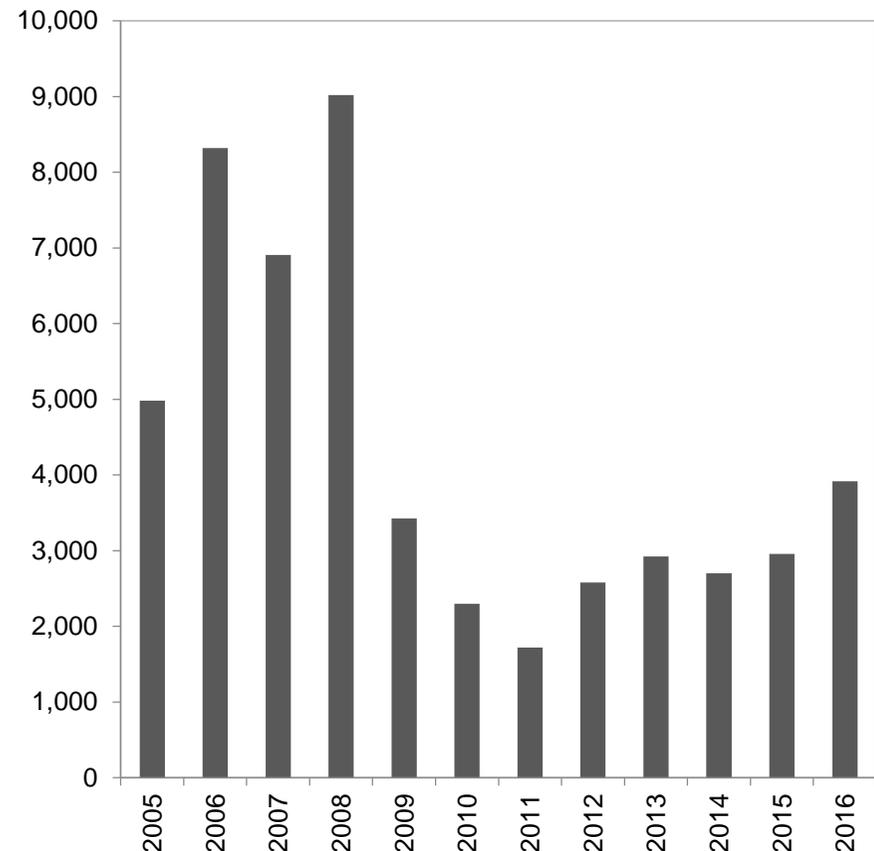
Two stages of the Fiscal Act: divergence consumption vs. investments

Strong increase of FDI's ~ EUR 4bn

Private consumption vs. fixed investments (% YoY) source: Statistics Office (NIS)



FDIs (EUR, mn) source: National Bank of Romania (NBR)



FINANCIAL ECONOMY

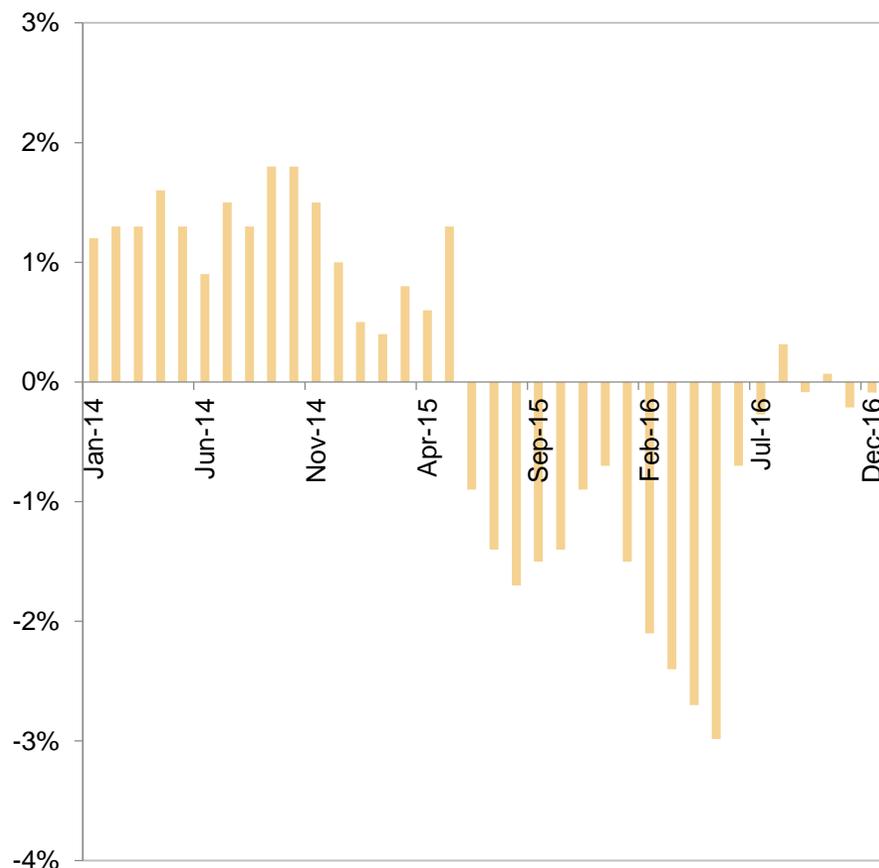
higher global financing costs vs. twin deficits and political risks in Romania

7



The impact of the VAT cuts is fading out ... HICP YoY changing the trend

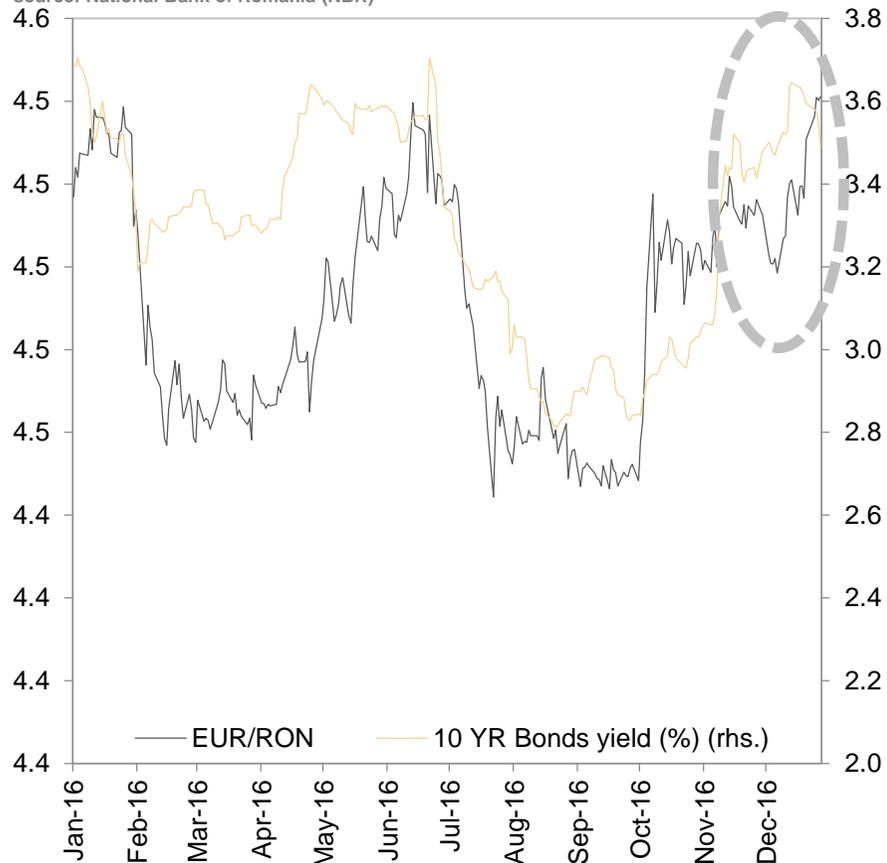
HICP (YoY) source: Statistics Office (NIS)



Huge volatility and high pressure on bonds and FX markets

EUR/RON vs. 10 YR T-Bonds yield (%)

source: National Bank of Romania (NBR)





Banca Transilvania's Business Development and Financial Performance Q1 2017

Q1 2017 HIGHLIGHTS



	Mil. RON	Q1 2017	Q1 2016	Δ
PROFITABILITY	Operating income RONmn	586.6	600.2	-2.3%
	Operating expenses RONmn	(300.0)	(270.8)	10.8%
	Gross profit before provisions RONmn	286.7	329.3	-13.0%
	Net profit RONmn	246.2	228.5	7.7%
	Cost of risk, net (%)	-0.08%	0.87%	-109.0%
	NIM	3.26%	3.56%	-0.3 pp
	NIM*	3.15%	3.15%	0.0 pp
	ROE	17.08%	15.31%	1.8 pp
	Cost-to-income ratio	51.13%	45.13%	6.0 pp
CREDIT ACTIVITY		Mar-17	Dec-16	Δ
	Gross loans to customers RONmn	30,324.7	29,379.7	3.2%
	Deposits from customers RONmn	41,754.0	41,851.8	-0.2%
	Gross Loans-to-deposits ratio	72.63%	70.20%	2.4 pp
NPL ratio	4.90%	4.62%	0.3 pp	
CAPITAL		Mar-17	Dec-16	Δ
	Total equity RONmn	6,263.9	5,984.1	4.7%
	Tier 1 capital ratio (profit included)	17.52%	17.14%	2.2%
Total capital ratio (profit included)	18.60%	18.30%	1.7%	

*without one-off adjustments (PPA adjustments : incurred loss and expected loss)

BUSINESS PERFORMANCE Q1 2017

at a glance

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Total assets at RON 51.9 bn

- Enhanced ALM for higher efficiency

Capital adequacy ratio at 18.6%

- Strong capital base, supporting organic and non organic growth

Net fees and commissions at RON 129.4 mn ↗ 11.1% Y/Y

- Driven by increased number of operations and additional cross-sell

CoR, net

- CoR at -0.08%, including releases and recoveries

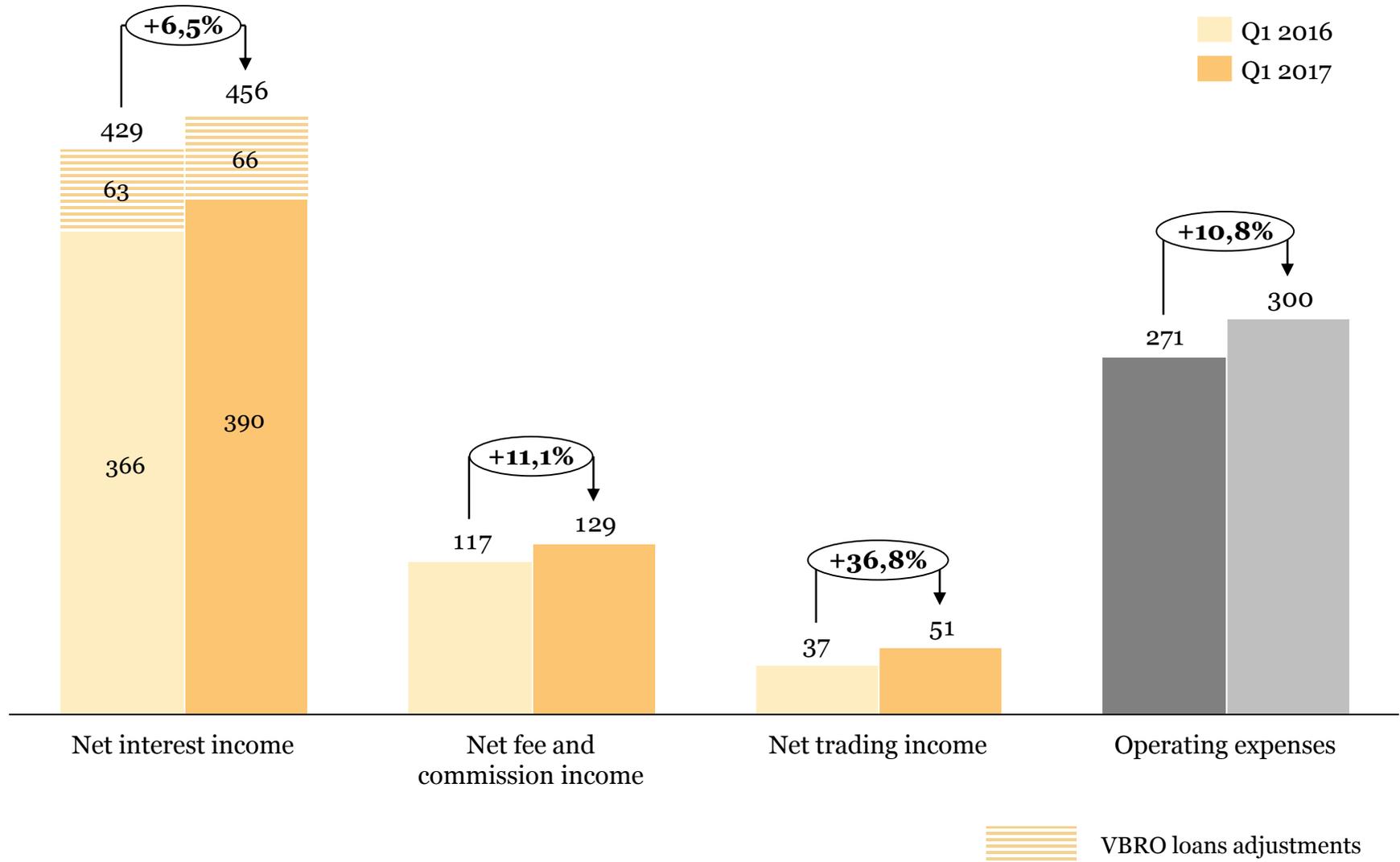
Net profit at RON 246.2 mn

- Net profit positively influenced by increase in interest income, fees and commissions and decrease in provisions

Cost/income at 51.13%

- Cost to income at a comfortable level, with some expenses booked in advance for the whole year

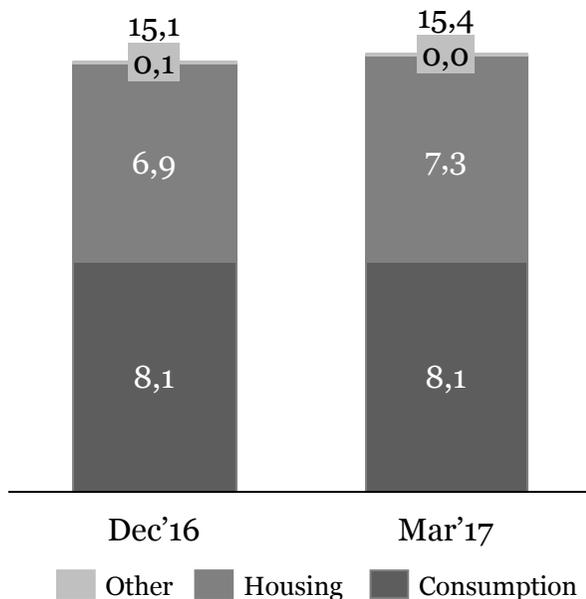
TRENDS IN INCOME STRUCTURE



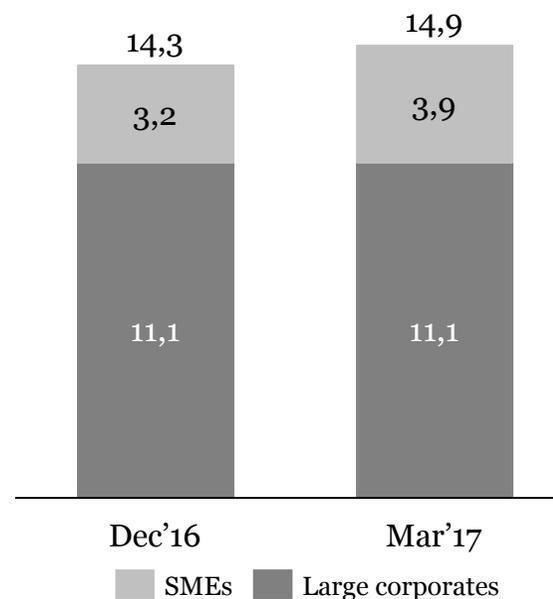
LOAN STRUCTURE



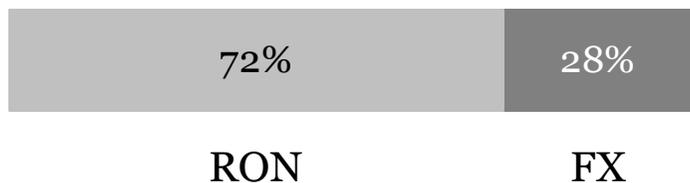
Loans to Households, RONbn



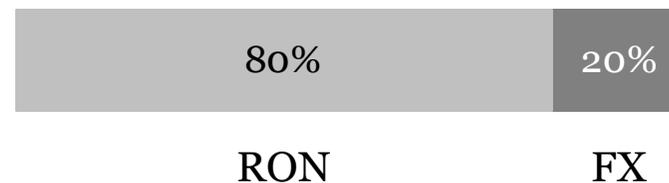
Loans to Companies, RONbn



Loans to Households



Loans to Companies

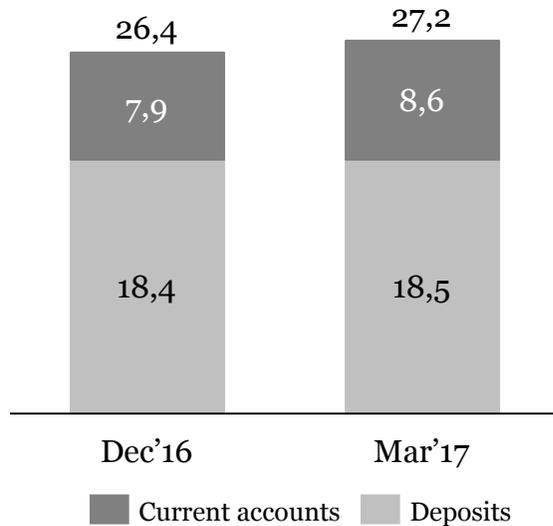


*SMEs identified according to internal classification rules

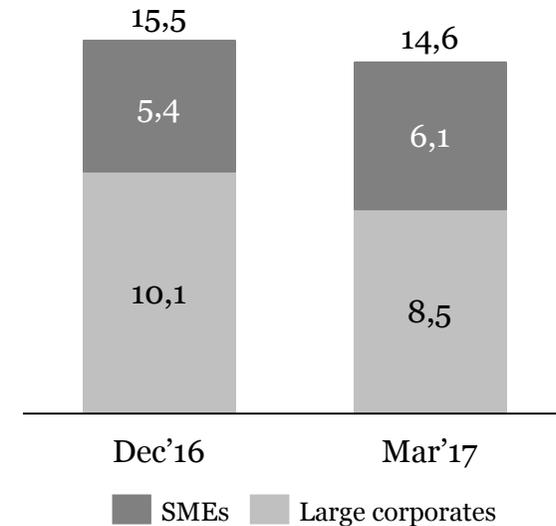
DEPOSIT STRUCTURE



Deposits from Households, RONbn



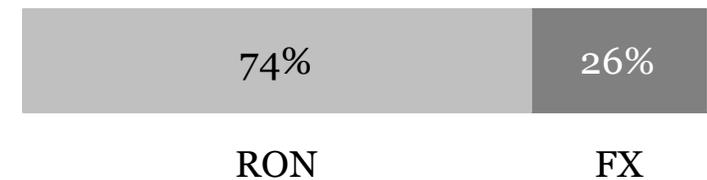
Deposits from Companies, RONbn



Deposits from Households

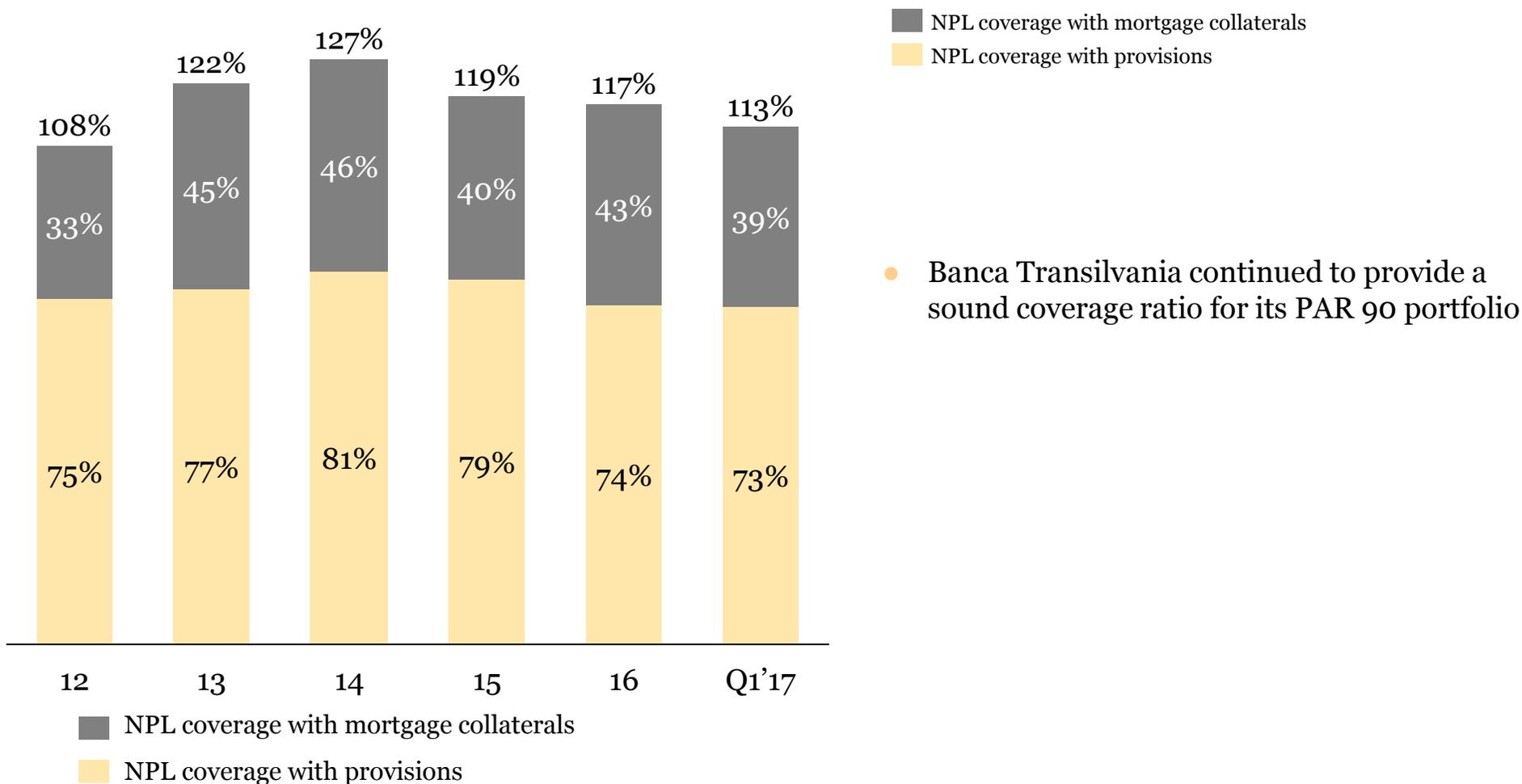


Deposits from Companies



*SMEs identified according to internal classification rules

NPL RATIO AT 4.90%



*For Financial Statements purposes the gross loans are netted by the unwinding adjustment; For coverage ratio purposes the respective adjustment is included in the total stock of provisions



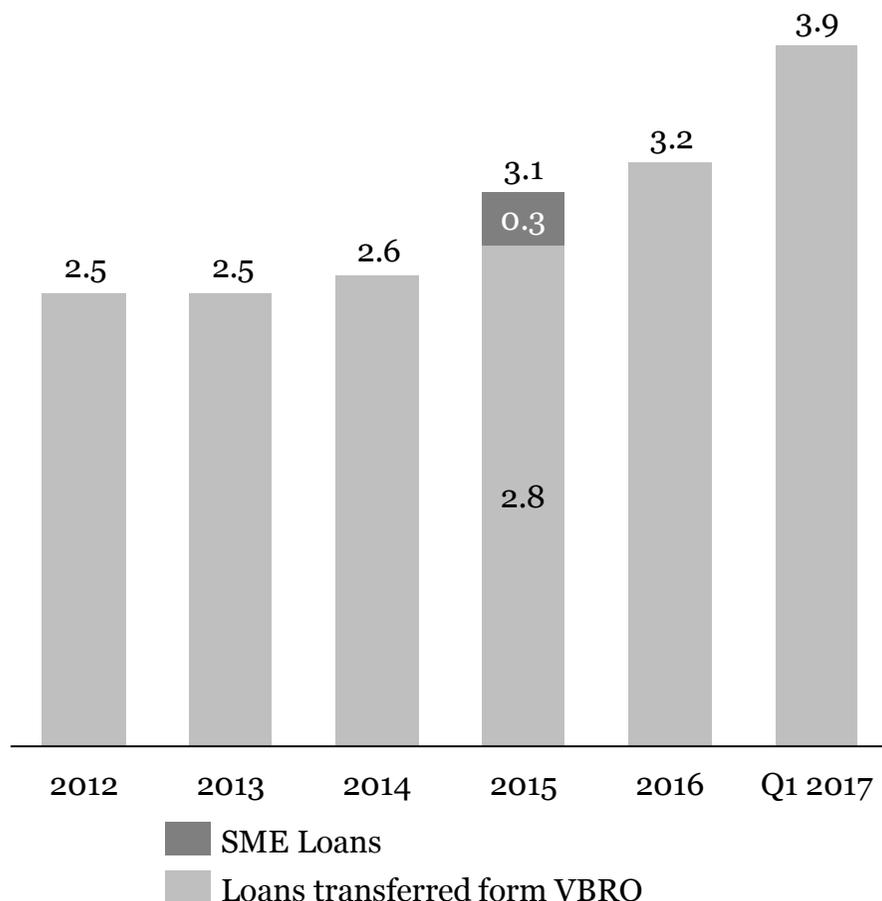
Retail loan portfolio reached RON 15.4 bn as at Mar'17



- 15,000 non-card retail loans disbursed in Q1 2017
- Market share for retail loans at December 2016 - 14.25%
- Internet banking users: over 820,000
- Mobile banking users: over 300,000
- 2.9 mn active cards, of which more than 330,000 credit cards; BT is the market leader, both in terms of number of cards, as well as volume of transactions generated by its cards, with a market share of almost 20%.



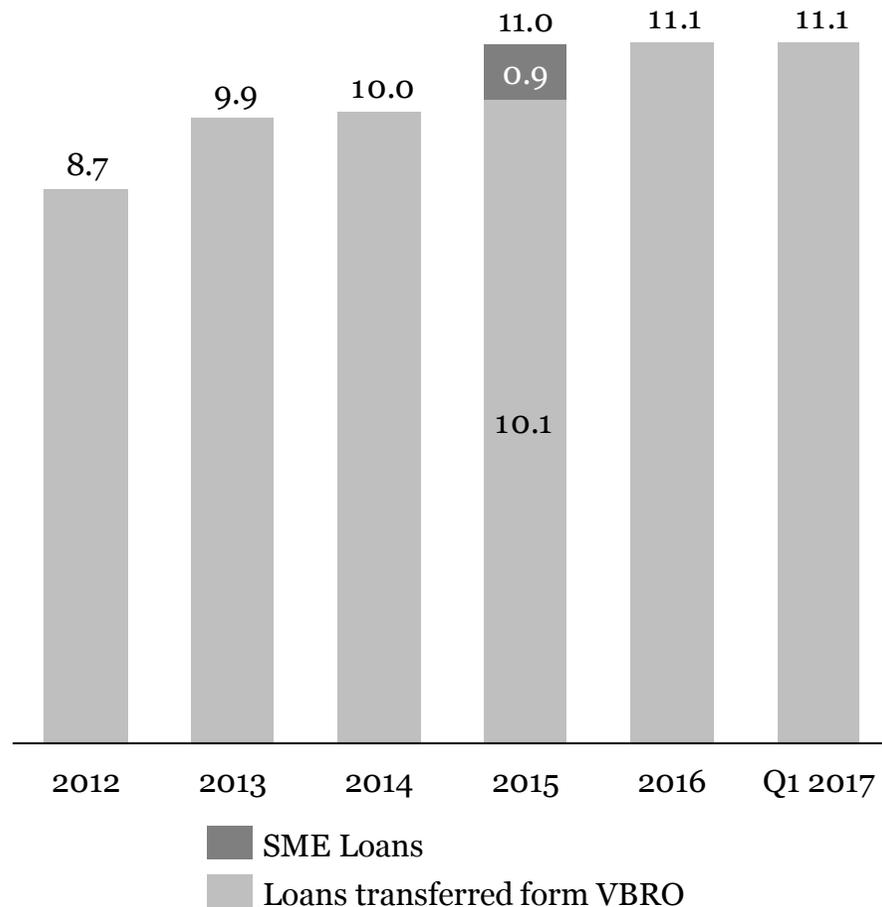
SME loan portfolio at RON 3.9 bn and 214,700 active clients



- Banca Transilvania continued its specific focus on the SME business sector, offering almost 4,000 new loans in Q1 2017
- BT launched a new platform to support the small and micro companies
- BT continued its partnership with DFIs, offering special loan and guarantee products to its SME clients
- Agriculture, Healthcare and European Structural Funds are on BT radar as specialized sectorial approaches



Corporate loan portfolio above RON 11.1 bn



- The reorganizational process was concluded, including client new segmentation & deeper sectorial specialization
- BT was present with lending facilities especially in the industrial manufacturing and agribusiness segments
- BT continued to play an important role as co-lender of EU structural funds eligible projects



As of 31.03.2017*:

BANCA TRANSILVANIA[®]

Total assets: 51.9 RON bn

 **BT Capital Partners[®]**
Grupul Financiar Banca Transilvania

Total assets: 72 RON mn.

 **BT Direct[®]**
Grupul Financiar Banca Transilvania

Total assets: 139 RON mn.

 **BT Operational Leasing[®]**
Grupul Financiar Banca Transilvania

Total assets: 145 RON mn.

 **BT Asset Management S.A.I.[®]**
Grupul Financiar Banca Transilvania

AuM: 3,509 RON mn.

 **BT Leasing[®]**
Grupul Financiar Banca Transilvania

Total assets: 605 RON mn.

**Total assets for subsidiaries are presented under RAS rules*

Q1 2017 HIGHLIGHTS – Consolidated Figures

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	Mil. RON	Q1 2017	Q1 2016	Δ
PROFITABILITY	Operating income	647.5	621.8	4.1%
	Operating expenses	(332.4)	(288.4)	15.3%
	Gross profit before provisions	315.1	333.4	-5.5%
	Net income	266.9	231.1	15.5%
	EPS RON	0.0615	0.0632	-2.8%
	Cost of risk, net (%)	0.00%	0.86%	-100.5%
	NIM	3.27%	3.57%	-8.4%
	NIM*	3.16%	3.17%	-0.1%
	ROE (%)	18.07%	15.32%	17.9%
	Cost-to-income ratio (%)	51.33%	46.38%	10.7%
CREDIT ACTIVITY		Mar-17	Dec-16	
	Gross loans to customers RONmn	30,412.8	29,477.9	3.2%
	Deposits from customers RONmn	41,555.6	41,681.5	-0.3%
	Loans-to-deposits ratio	73.19%	70.72%	3.5%
CAPITAL		Mar-17	Dec-16	
	Total equity RONmn	6,440.3	6,152.7	4.7%
	Tier 1 capital ratio (Profit included)	17.73%	17.36%	2.2%
	Total capital ratio (Profit included)	18.81%	18.50%	1.7%

*without one-off adjustments (PPA adjustments : incurred loss and expected loss)

ANNEX I INCOME STATEMENT YTD Q1 2017 - Individual

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IFRS, individual, RONmn	Q1 2017	Q1 2016	Δ
Net interest income	456.3	428.6	6.5%
Net fee and commission income	129.4	116.5	11.1%
Net trading income	50.5	36.9	36.8%
Other net income	(49.7)	18.1	-373.8%
Operating income	586.6	600.2	-2.3%
Personnel expenses	(165.0)	(151.5)	8.9%
D&A	(19.6)	(17.6)	11.4%
Other operating expenses	(115.4)	(101.7)	13.5%
Operating expenses	(300.0)	(270.8)	10.8%
Cost of risk	5.92	(60.6)	
Bargaining gain	0.0	0.0	
Net income before taxation	292.6	268.7	8.9%
Income tax expense	(46.4)	(40.2)	15.3%
Net income after taxation	246.2	228.5	7.7%

ANNEX II BALANCE SHEET Q1 2017 - Individual

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IFRS, individual, RONmn	Mar-17	Dec-16	Δ
Cash & cash equivalents	4,428.0	5,293.6	-16.4%
Placements with banks	2,820.0	2,524.9	11.7%
Loans to customers, net	28,168.7	27,210.0	3.5%
T-bills & securities	15,190.3	15,402.1	-1.4%
Fixed assets	466.6	448.7	4.0%
Participations	136.7	136.7	0.0%
Deferred tax assets	317.1	373.9	-15.2%
Other assets	361.0	379.7	-4.9%
Total assets	51,888.5	51,769.6	0.2%
Deposits from banks	700.8	247.3	183.4%
Deposits customers	41,754.0	41,851.8	-0.2%
Loans from banks and FIs	1,736.9	2,246.5	-22.7%
Subordinated loan	425.7	424.1	0.4%
Other liabilities	1,007.2	1,015.9	-0.9%
Total liabilities	45,624.5	45,785.5	-0.4%
Shareholders' equity	6,263.9	5,984.1	4.7%

ANNEX III INCOME STATEMENT YTD Q1 2017 - Consolidated

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IFRS, consolidated, RONmn	Q1 2017	Q1 2016	Δ
Net interest income	473.1	439.7	7.6%
Net fee and commission income	138.7	124.0	11.9%
Net trading income	61.0	31.3	95.3%
Other net income	(25.3)	26.9	
Operating income	647.5	621.8	4.1%
Personnel expenses	(175.3)	(158.3)	10.8%
D&A	(27.2)	(21.9)	24.0%
Other operating expenses	(129.9)	(108.2)	20.1%
Operating expenses	(332.4)	(288.4)	15.3%
Cost of risk	0.3	(60.0)	
Bargaining gain	0.0	0.0	
Net income before taxation	315.4	273.3	15.4%
Income tax expense	(48.5)	(42.3)	14.7%
Net income after taxation	266.9	231.1	15.5%

ANNEX IV BALANCE SHEET 2016 - Consolidated

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IFRS, consolidated, RONmn	Mar-17	Dec-16	Δ
	4,428.0	5,293.7	-16.4%
Cash & cash equivalents	2,878.2	2,563.8	12.3%
Placements with banks	28,175.1	27,234.0	3.5%
Loans to customers, net	15,176.4	15,399.7	-1.5%
T-bills & securities	670.9	645.3	4.0%
Fixed assets	323.9	378.7	-14.5%
Deferred tax assets	414.3	428.9	-3.4%
Other assets	52,066.9	51,944.2	0.2%
Total assets			
	700.8	247.3	183.4%
Deposits from banks	41,555.6	41,681.5	-0.3%
Deposits customers	1,780.3	2,304.9	-22.8%
Loans from banks and FIs	425.7	424.1	0.4%
Subordinated loan	0.0	0.0	
Other liabilities	1,164.2	1,133.8	2.7%
Total liabilities	45,626.6	45,791.5	-0.4%
Total equity	6,440.3	6,152.7	4.7%
Total liabilities and equity	52,066.9	51,944.2	0.2%



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