



BANCA TRANSILVANIA®

End of 2014 - Preliminary Financial Results IFRS individual



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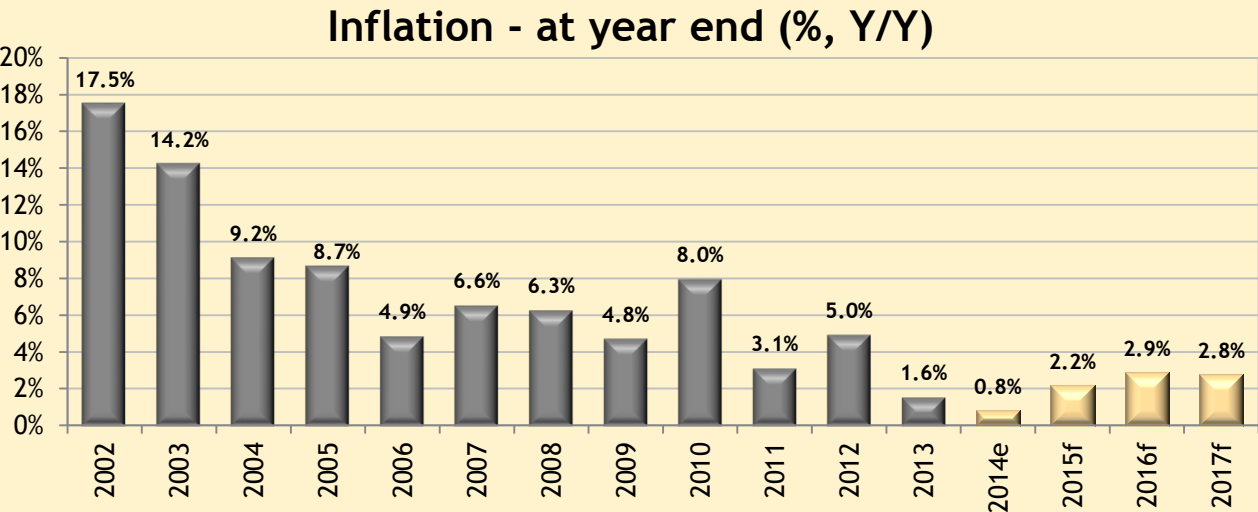
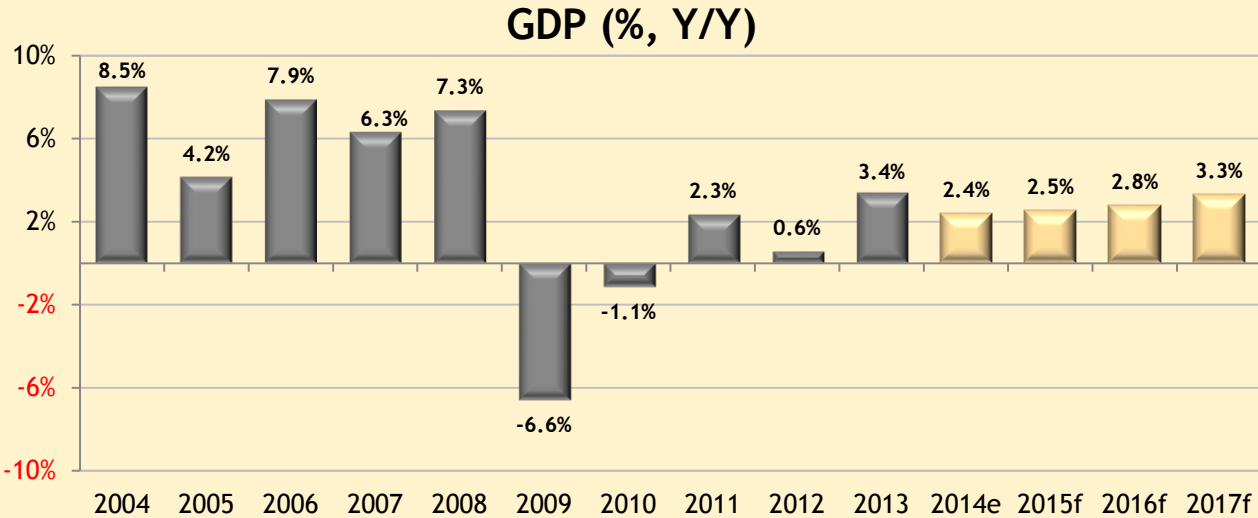


PRESENTATION TOPICS

- **Macroeconomic environment**
- BANCA TRANSILVANIA on its home market
- Overview of business lines
- 2014 preliminary results
- Conclusions
- Q&A



Macroeconomic environment

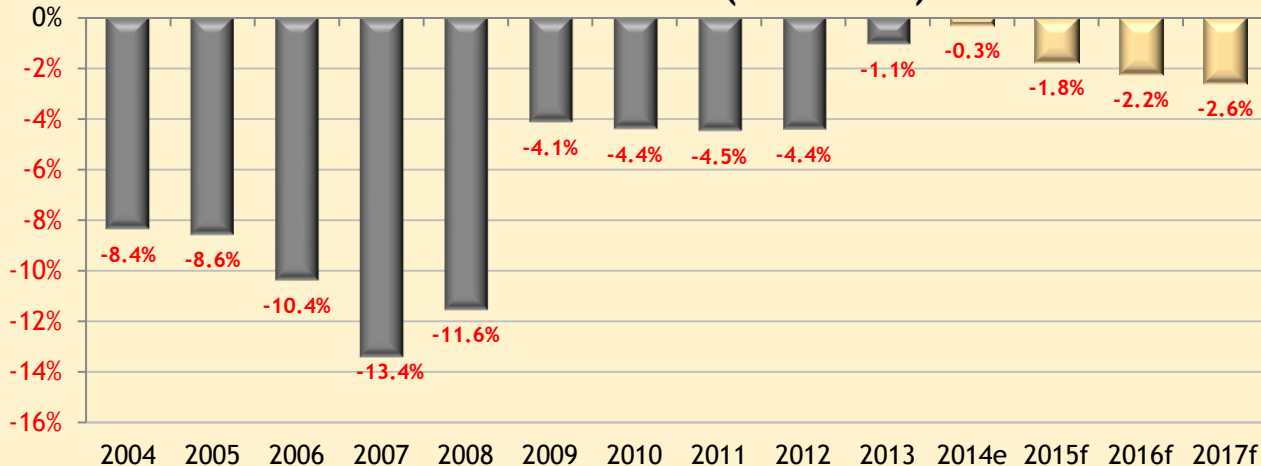


- In 3Q14 the GDP rose by 1.8% Q/Q as the fixed investments stabilized (+0.9% Q/Q) while the private consumption increased by 1.4% Q/Q (Statistics Office data).
- During 1-3Q14 the economy rose by 2.9% Y/Y, being noticed the increase of the private consumption (by 5% Y/Y) and the record high level of exports (up by 7.8% Y/Y).
- In 2014 the average inflation diminished to 1.07% Y/Y (a record low level), an evolution influenced by the agricultural output (2013/2014) and by the decline of the oil price (in 2H14).
- NBR continued to relax the monetary policy in January 2015, by cutting the reference interest rate to 2.5% (the central bank kept the MRRs levels at 10% for RON and 14% for FX).

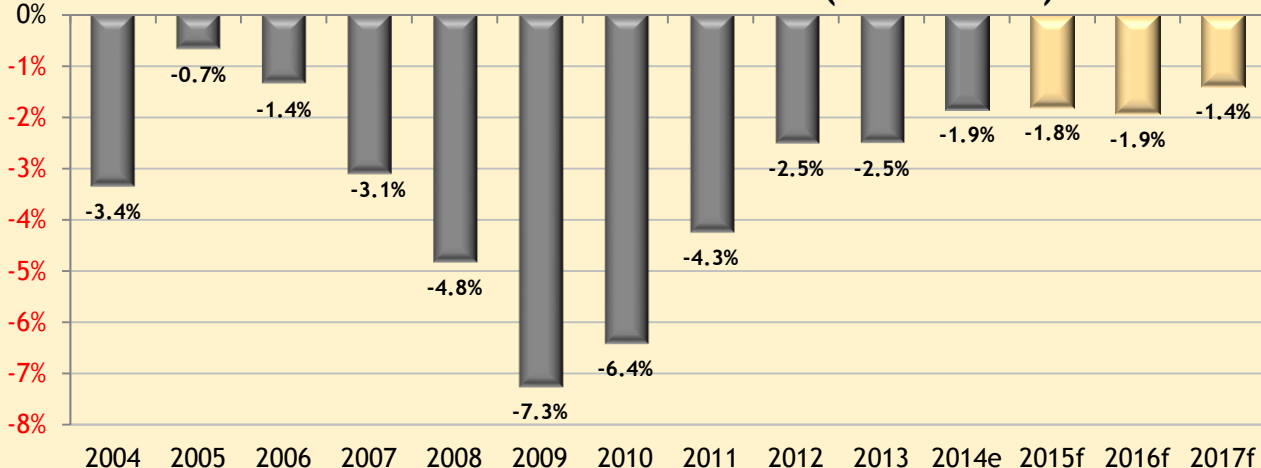


Macroeconomic environment

Current Account (% of GDP)



Public Finance Balance (- % of GDP)

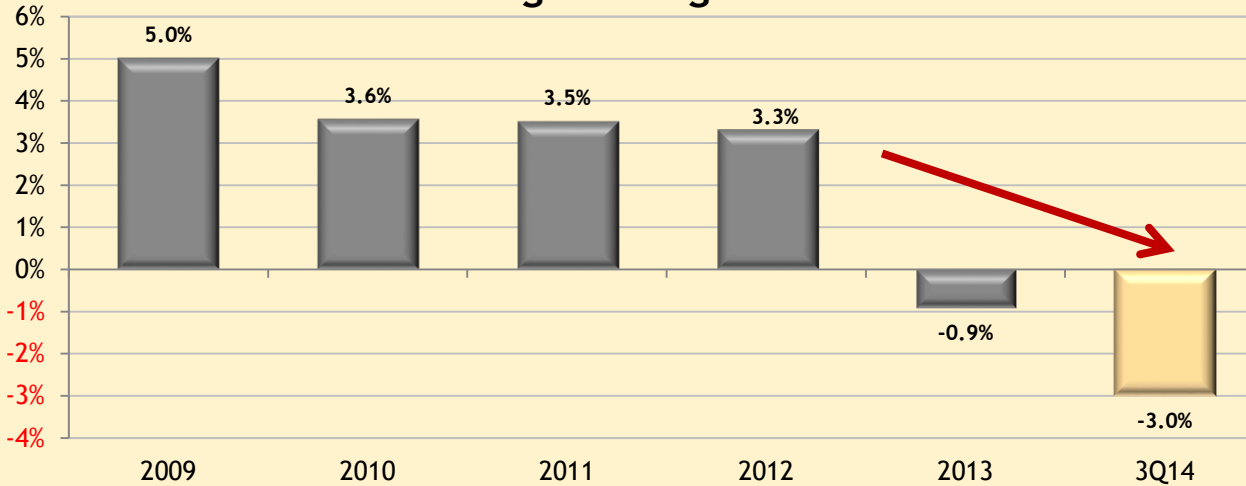


- The current account continued to adjust in 2014.
- During January-November 2014 the current account presented a deficit of EUR 302 mln (a record low level), down by 62% Y/Y.
- IMF forecasts a gradual increase of the current account deficit in the mid-run, to 2.6% of GDP in 2017.
- The public finance continued to consolidate in 2014: a budget deficit of 1.85% of GDP (the lowest level of the past 8 years).
- This evolution was influenced by the decline of the financing costs, introduction of new taxes and the decrease of the public investments.
- For 2015 the Government negotiated with IMF/EU a deficit of 1.83% of GDP.



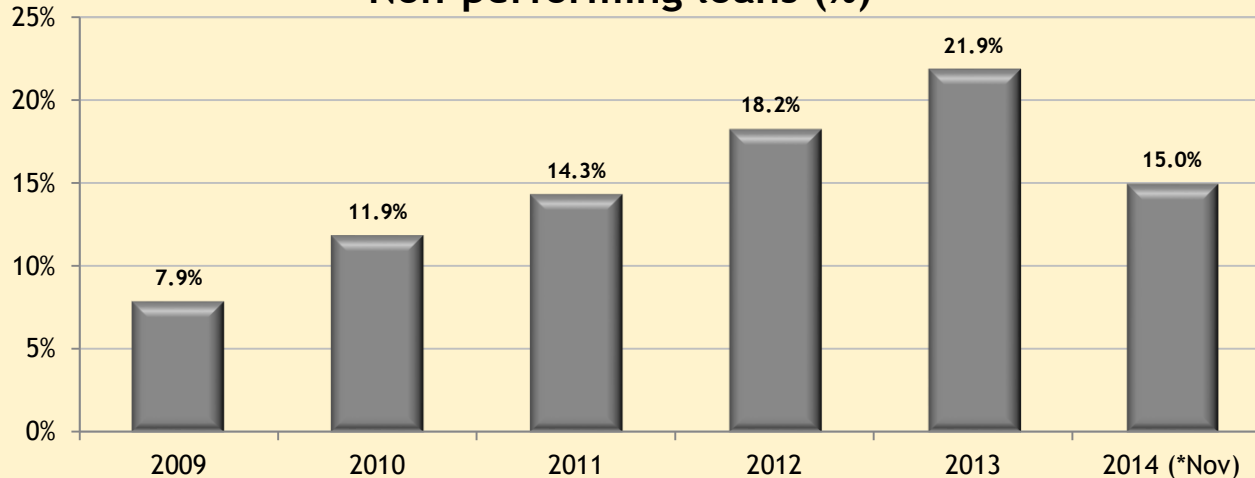
Romanian Banking System

Total banking assets growth rates



- BT achieved 8.4% growth during 2013 and 6.2% increase during 3Q 2014.

Non-performing loans (%)



- BT benchmarks well at 10.9% as at the end of 2014.



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Banca Transilvania's strengths in 2014

- Business and loan portfolio growth, while the overall banking sector was deleveraging (despite write offs)
- Focus on Retail & SME clients, more than 146,000 new loans being processed during the year
- Diverse revenue streams
- Broad spread of risk
- Strong growth of operations (11%), with special attention paid to operational efficiency; cost/income ratio at less than 42%



Banca Transilvania's strengths in 2014

- Active balance sheet management, keeping the net interest margin around 3.4% throughout the year
- Loan / deposit ratio: 67% end of 2014; strong liquidity position in all currencies
- Local currency focus (65% of total loans in RON)
- Focus on additional channels and products: online and mobile banking, credit cards market
- Solid capitalization (CAR 17.35%, end of 2014) and good funding structure

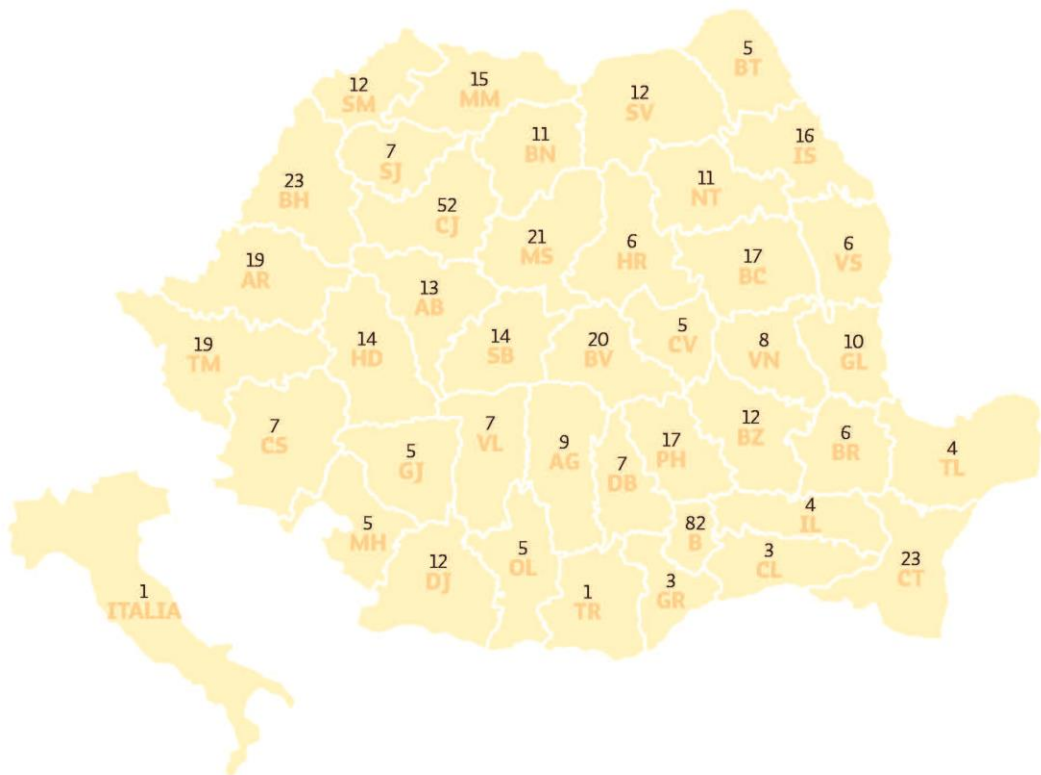


Loan quality and coverage ratios

- Significant improvement of on balance sheet loan quality, PAR 90 decreased from 12.6% end of 2013 to 10.9% end of 2014, further to both write-off operations and to a decrease of the PAR 90 formation pace in 2014 compared to previous years
- Cost of risk was at 320 bp
- Coverage ratio was maintained at similar levels for the last 2 years, specific provisions + mortgage collateral related to PAR 90 ensure a 126% coverage
- The provisioning methodology was adapted during the year to comply with EBA standards



Geographical coverage & market share



Market shares, Q3 2014

Market share by assets: 9.67%

Deposits (lei): 13.46%

Loans (lei): 14.79%

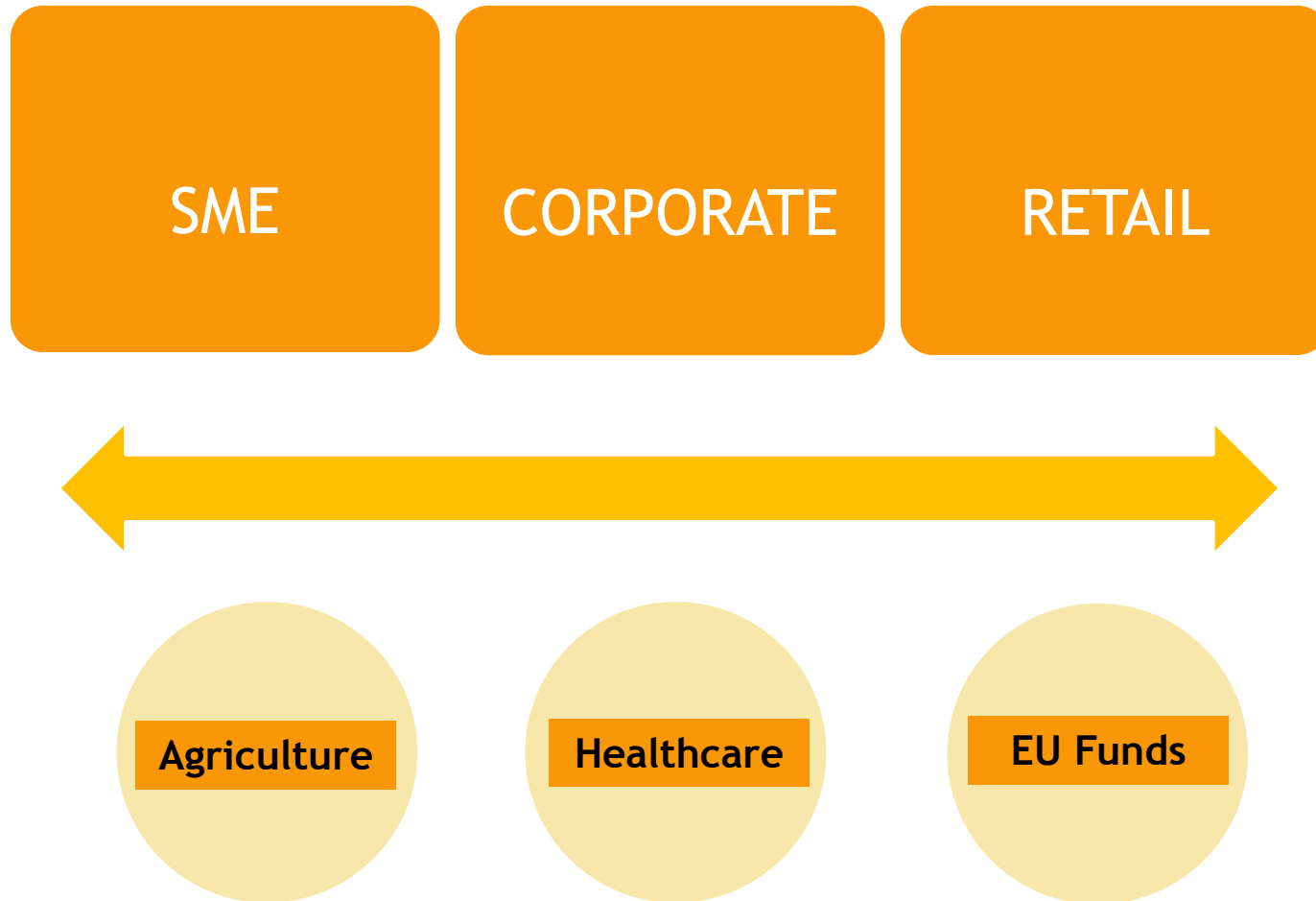


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Business Lines & Sectorial Approaches



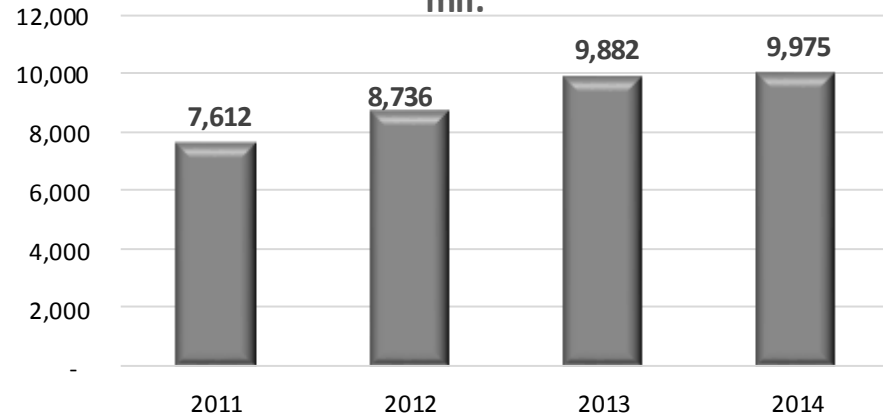


Overview of business lines

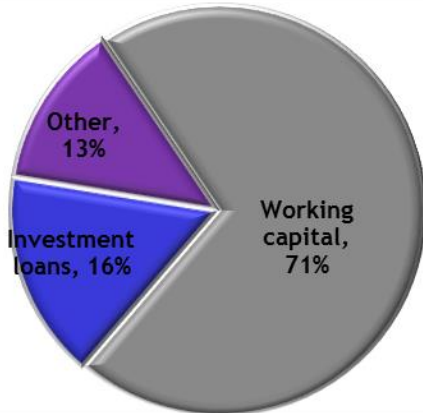
Corporate Clients

- well diversified portfolio in terms of type and industry exposure; trade is slowly declining, while manufacturing and agriculture are advancing;
- domestic currency lending is dominant;
- loan portfolio end of 2014 amounts to RON 9,975 mill. representing 49.8% of total BT loans.

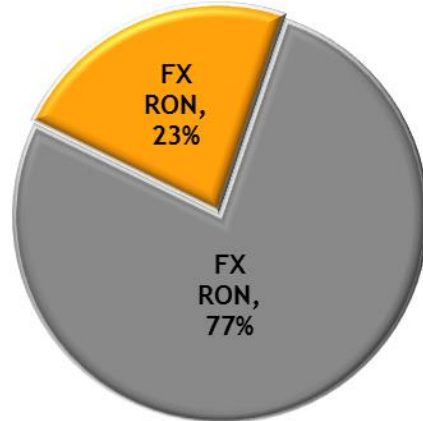
Loans: Corporate Portfolio Breakdown, RON mil.



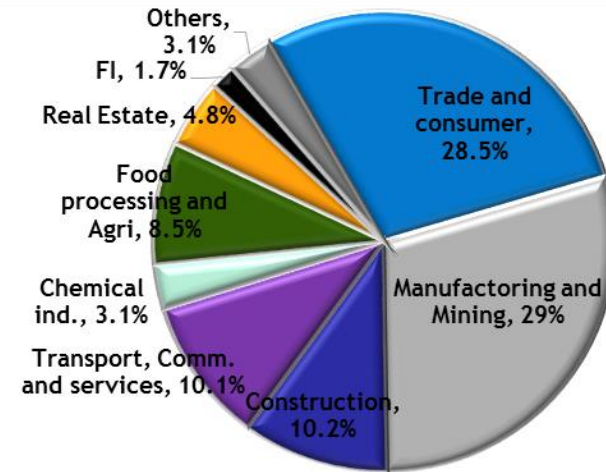
By type



By currency



By industry





Overview of business lines

SME Banking

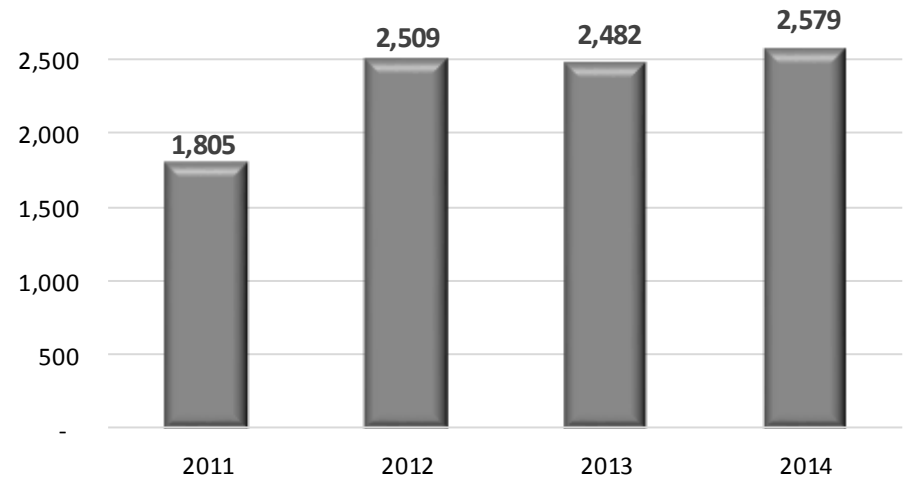
SME Services

- 20 SME-dedicated products;
- Loan portfolio reaching RON 2,579 mil. end of 2014
- over 260,000 active clients.

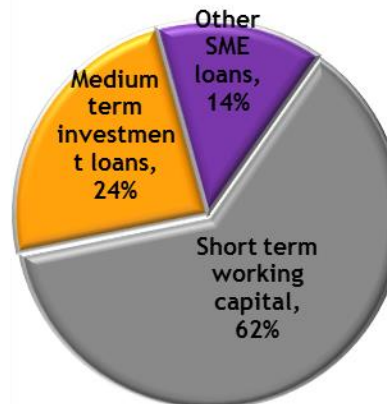
SME Loans

- Remodeling the SME credit approach starting with 2011 within a new platform (SME 3.0).
- Dispersion, small debts, limiting the no. of loans per client, the winning principles of SME 3.0 platform (PAR 90 is 1.5% in the last 2 years).
- The Bank's extensive branch network is ideally fit for this customer profile.

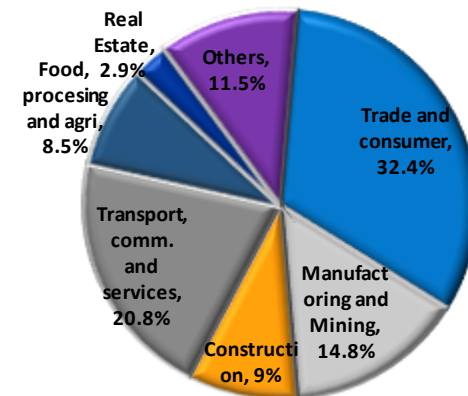
SME Loan Evolution and Breakdown, RON mill.



By type



By industry





Overview of business lines

SME Banking

- Besides specialized banking services, we provide to our SME clients training and networking opportunities, free of charge, via Clubul Intreprinzatorului Roman, club established in 2006 which counts now over 17,000 members
- All the dedicated initiatives brought us a consistent number of SME clients, more than 150,000 SME companies have their main bank account with BT (15% market share in terms of active SMEs)
- Only 10% of them have loans => significant growth potential on an existing client base
- The expertise gathered during more than 10 years of banking with SME clients, is a valuable asset for BT, difficult to be challenged by our competition



Overview of business lines

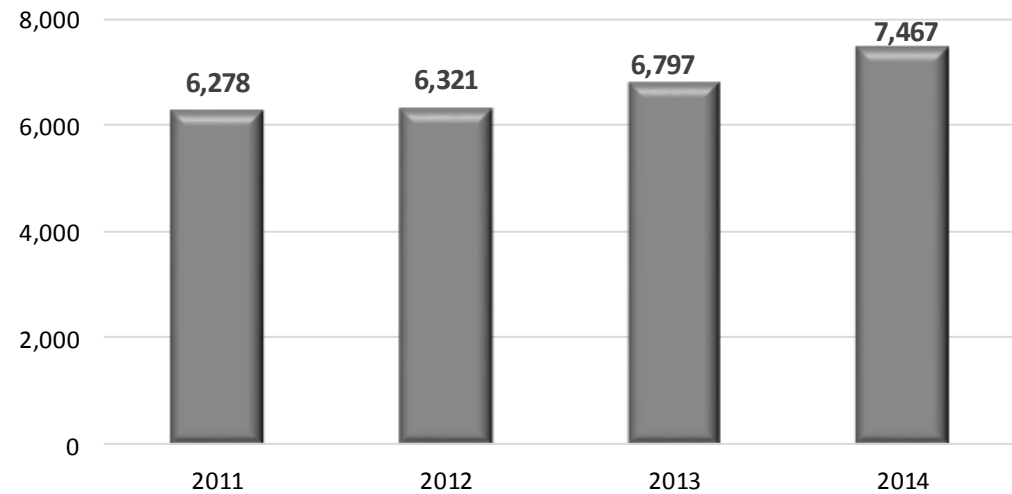
Retail Banking

Strategy

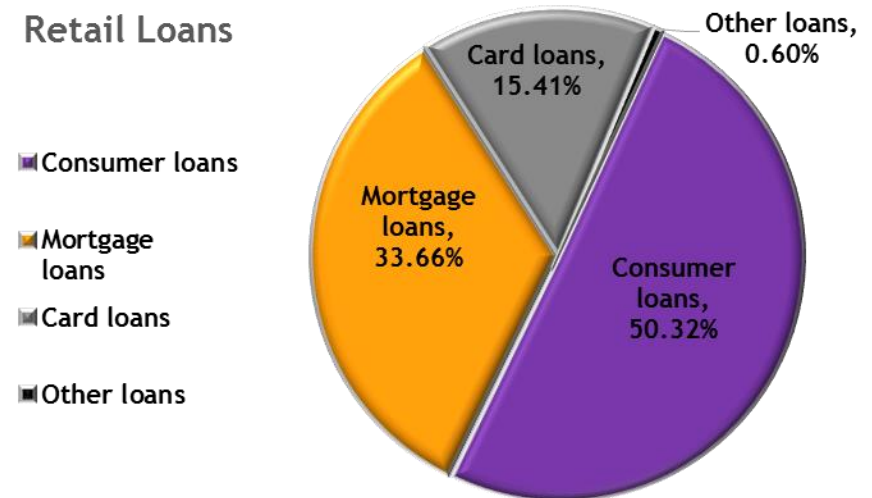
- To consolidate our Top 3 position in cards in Romania
- Client segmentation
- More revenues from “operational” products and value added services

End of 2014 the Retail loan portfolio reached RON 7,467 mill, counting for 37% of the total loan portfolio

Retail Loan Growth and Breakdown, RON mill.



Retail Loans



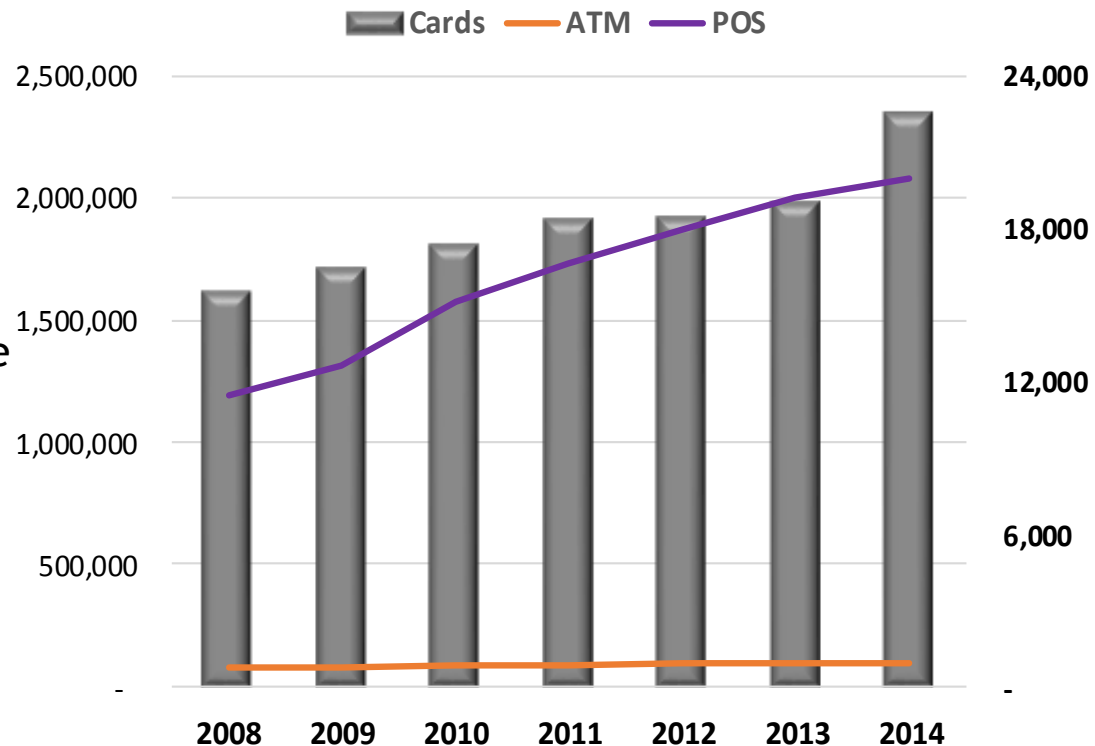


Overview of business lines

Retail Banking

Bank Cards & ATMs

- 3rd largest issuer of credit/debit cards in Romania
 - over 2.34 million Visa and MasterCard issued
 - 16.96% market share - cards issued
 - 17.89% market share - transactions volume
 - The largest Visa issuer in Romania
- Market leader in premium cards
- Strong loyalty program for credit cards
- STAR CARD - over 5,800 card merchant locations enrolled in the program
- Over 20,000 POS terminals
- 929 ATMs, 8.6% market share in terms of ATM network



Source: Company Data



PRESENTATION TOPICS

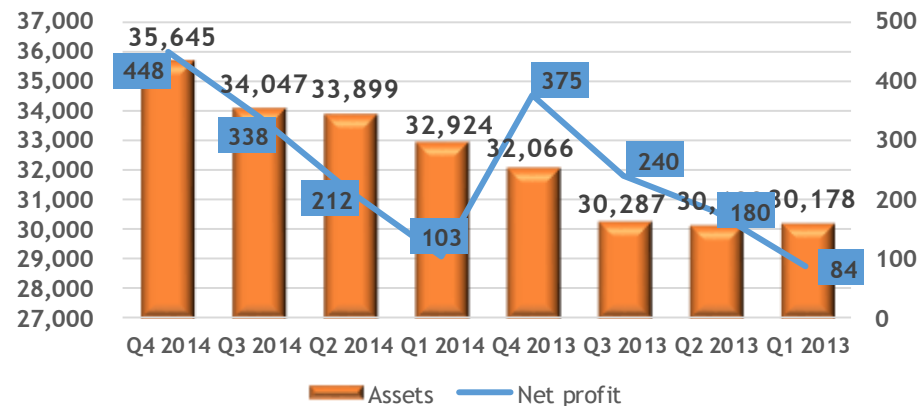
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Summary 2014

- ✓ Net Profit: RON 448 million
- ✓ Cost / Income: 41.92%
- ✓ ROE: 13.25%
- ✓ Loan portfolio: + 5.3% vs. Dec.13

Net Profit & Assets Evolution (RON million)



Key Indicators (RON million)	FY 2014	Q3 2014	H1 2014	Q1 2014	FY 2013	Q3 2013
Total Loans & Accruals	20,020	20,029	19,773	19,641	19,160	18,415
Cost / Income (YTD)	41.92%	42.31%	44.6%	46.9%	48.7%	50.7%
NIM (YTD)	3.4%	3.4%	3.4%	3.4%	3.2%	3.2%
Net Profit (YTD) *	449	338	212	103	375	240
Annualized ROE	13.25%	13.87%	13.62%	14.00%	12.79%	11.24%

* Net profits represent cumulated net profits.



2014 financial highlights (IFRS non-consolidated)

m RON	31.12.2014	31.12.2013	Δ
Cash and cash equivalents	4,226	4,102	3%
Placements with banks	2,216	1,666	33%
T bills and securities	11,068	9,040	22.4%
Loans to customers, net	17,546	16,667	5.3%
Fixed assets and participations	435	446	-2.46%
Other assets	154	145	6.3%
Total assets	35,645	32,066	11.2%
Shareholders' equity	3,716	3,082	20.5%
Subordinated loan	395	338	16.8%
Due to customers	30,045	25,804	16.4%
Due to banks and FIs	1,082	2,486	-56.5%
Other liabilities	407	355	14.6%
Total liabilities	35,645	32,066	11.2%



2014 financial highlights (IFRS non-consolidated)

Income statement

m RON	31.12.2014	31.12.2013	Δ
Net interest income	1,138	990	14.9%
Net commissions income	407	362	12.4%
Other operating income	452	308	46.7%
Operating income	1,996	1,659	20.3%
Operating expenses	837	809	3.4%
Profit before provisions	1,159	850	36.3%
Provisions	638	407	56.6%
Gross profit	521	443	17.6%
Net profit	448	375	19.5%



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Conclusions

We continue to support the Romanian economy, targeting both organic growth and portfolio acquisitions (especially Retail loan portfolios)

We keep our focus on business segments and sectors where we have expertise: SMEs, Retail, Healthcare, Agriculture, EU structural funds

2015

The budget proposal for 2015 will be presented at the end of March.

Main guidelines: we continue the organic growth, targeting loan portfolio growth; we expect the net interest margin above 300 bp, the cost of risk below 250 bp and the cost/income ratio below 45%.



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Q&A session

1. What are BT conversion plans with regard to CHF denominated loans in VB?

We will maintain an individual approach, based on customer profile. As the case may be, we will opt for conversion at market price with specific discounts, with the aim to solve social problems and to improve the quality of the loan portfolio, based on fair and socially responsible banking principles. With regard to the recent volatility of the CHF exchange rate, we rely on natural hedge, considering that parent funding denominated in CHF is to be converted into capital.

1. Are there any contractual obligations for BT to perform the conversion at specific rates?

We are not subject to any contractual obligation involving the conversion at a specific rate, but we are nevertheless committed to waive and clear any potentially litigious clauses, thus ensuring a fair treatment of all customers.

3. Expected closing and release of additional information on VB transaction

Closing is expected to take place no earlier than the beginning of April and no later than the beginning of May. Additional information will be provided either upon Closing or during the GSM, whichever occurs sooner.

4. Guidance on 2015 expectations

As concerns budget expectations, figures will be presented end of March.

In brief, we will focus on organic growth, as VB integration is handled in a completely separate manner from the daily business. Moreover, we estimate a decrease in the cost of risk below 250 bp and in PAR 90 below 10%, while maintaining an active management of AFS portfolio.



Q&A session

5. Please provide an indication regarding costs of capital for VB integration

Integration costs are already included in the transaction structure.

In terms of infrastructure, IT-related integration efforts are significantly lower, because at the time of the acquisition VB was in the process of migration to the same core banking system currently used by BT.

Among other synergies resulting from the integration, we have to mention the better use of BT's excess liquidity and the stronger footprint on the southern region of Romania.

6. Please provide details on VB balance sheet

As BT is not yet the owner of VB Romania, we are not allowed to disclose such details. We can only recommend that VB management should present updated information. As highlighted at the beginning of the conference call, the results presented today are on a stand-alone basis, while consolidated figures will be presented at the end of March as part of the financial reporting package prepared for the General Shareholders Meeting.



Q&A session

7. Considering the strong CAR, are there any changes in the dividend policy?

BT plans to continue the organic growth and to be active on the market in terms of future potential acquisitions. Although we do not expect changes regarding the dividend policy, the decision belongs however to the shareholders of the bank.

8. Which is the average maturity of the bonds portfolio?

The current average maturity of our bonds portfolio is below 3 years, being proactively managed in order to reduce its average maturity and to offset expected changes of the interest rate trend. Moreover, the weight of the AFS portfolio in total assets is not going to remain at the current level, amounts moving to loan portfolio exposures, as a result of both organic growth and portfolio acquisitions.

9. Expected impact of Interchange fee changes

Expected fee reductions will be offset by a growing credit card portfolio, BT having a clear strategy in this sense.



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