



BANCA TRANSILVANIA

June 2016 Financial Results

August 2016



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AGENDA

- 1** Banking Sector Dynamics

- 2** H1 2016 Highlights

- 3** Performance in H1 2016

- 4** Overview of Business Lines

- 5** BT Financial Group

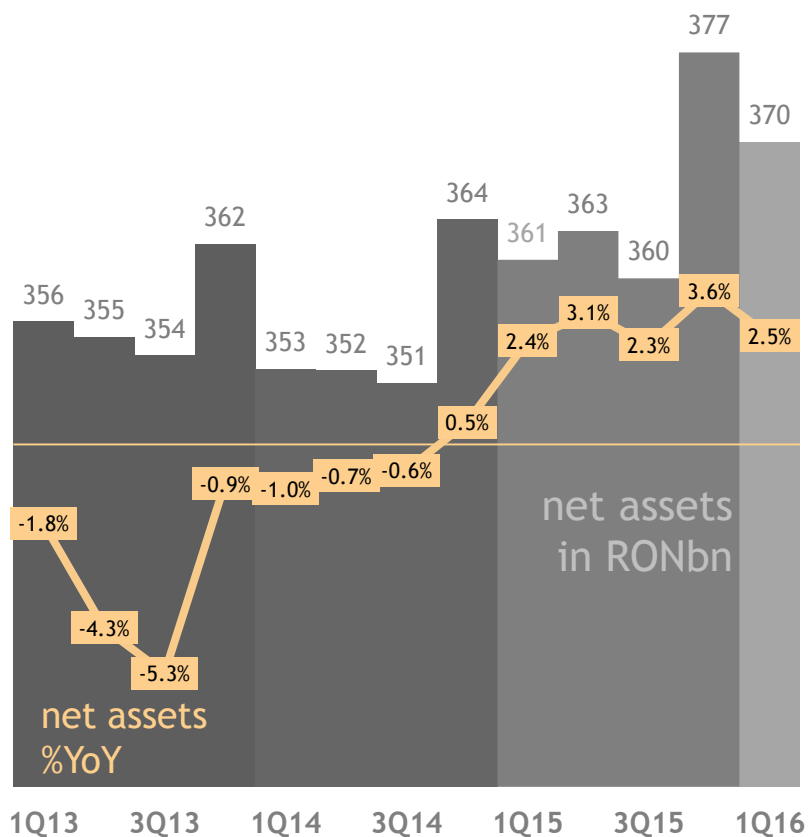
- A** Financial Statements



BANK ASSETS continue to grow at a steady pace in 2016

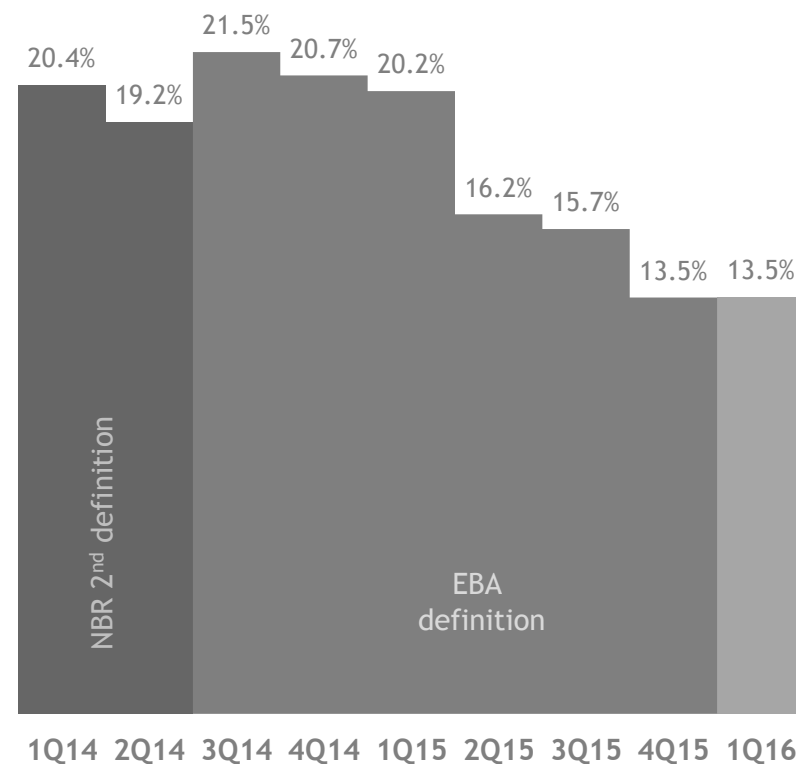
Bank assets advanced by 2.5%
YoY over the first quarter

total bank net assets source: NBR



NPL ratio stabilized at 13.5%

NPL ratio, % source: NBR



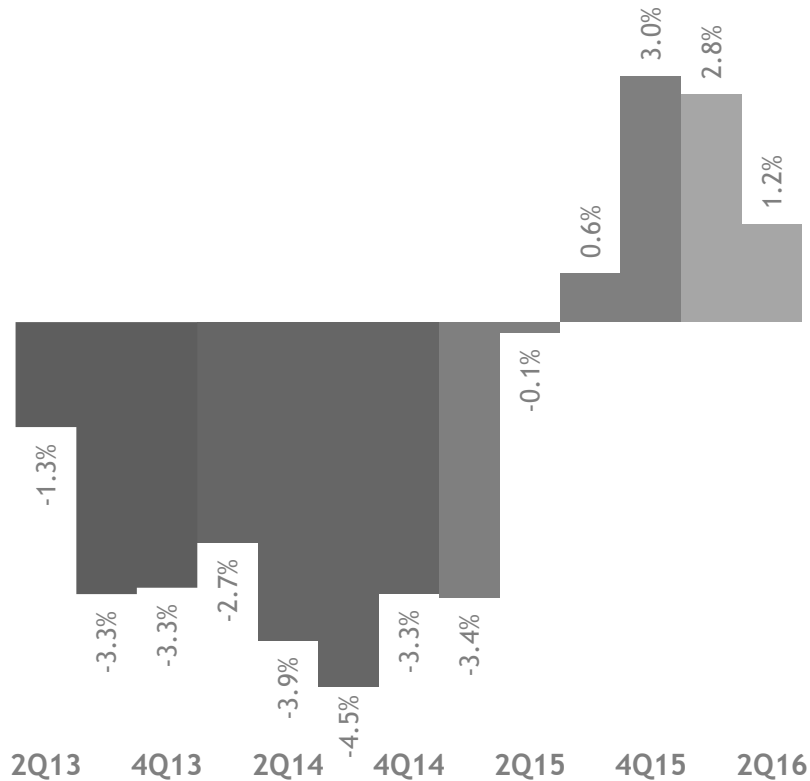


LCY LOANS DISPLAY DOUBLE-DIGIT ANNUAL GROWTH despite slowdown in overall lending activity

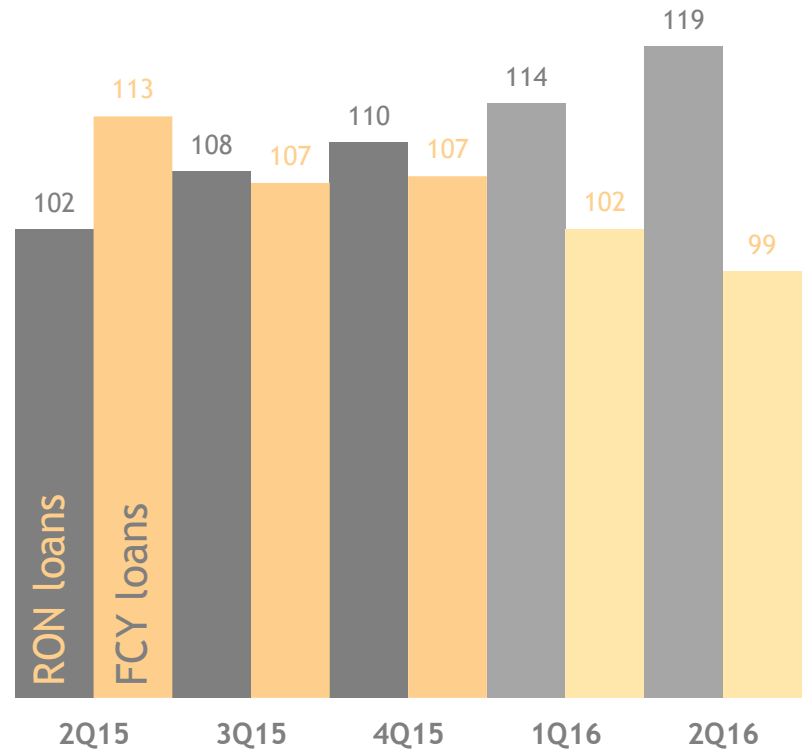
Lending activity slowing down over the first two quarters of 2016

Yet loans in LCY continue expanding, now at 54% of total

loans non-government, %YoY source: NBR



loans non-government, RONbn source: NBR





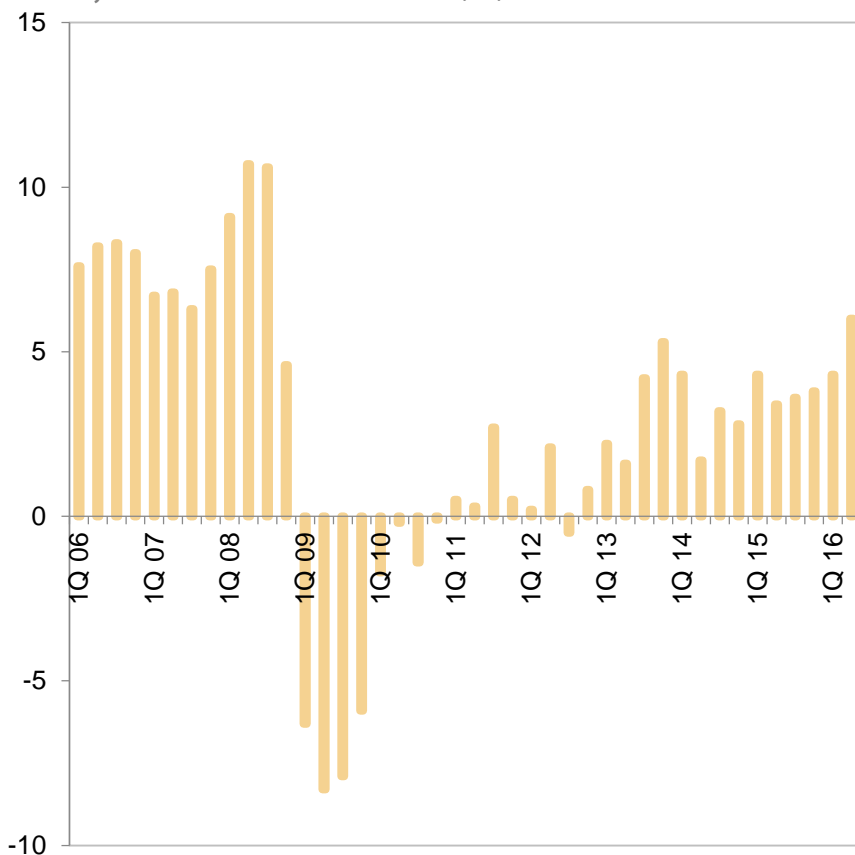
ROMANIAN ECONOMY

Strong increase of the private consumption

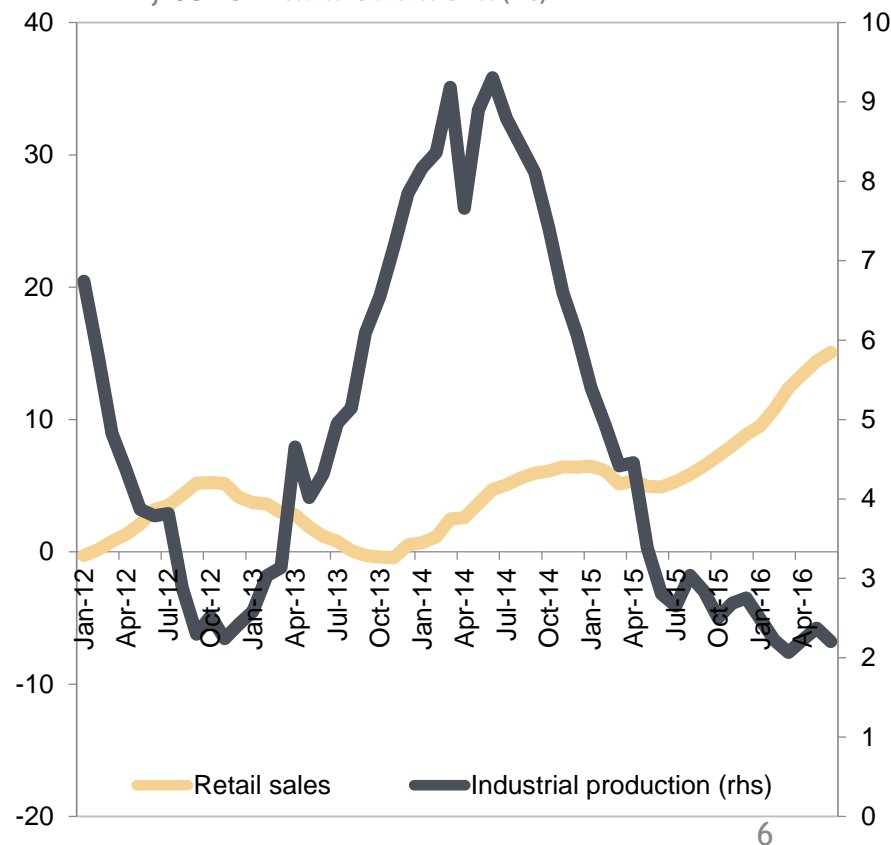
GDP rose by 5.2% YoY in 1H2016, due to the expansionary policy-mix

Stimulated consumption vs. sluggish investments

GDP, %YoY source: Statistics Office (INS)



Retail sales vs. industrial production, MA12, %YoY source: Statistics Office (INS)

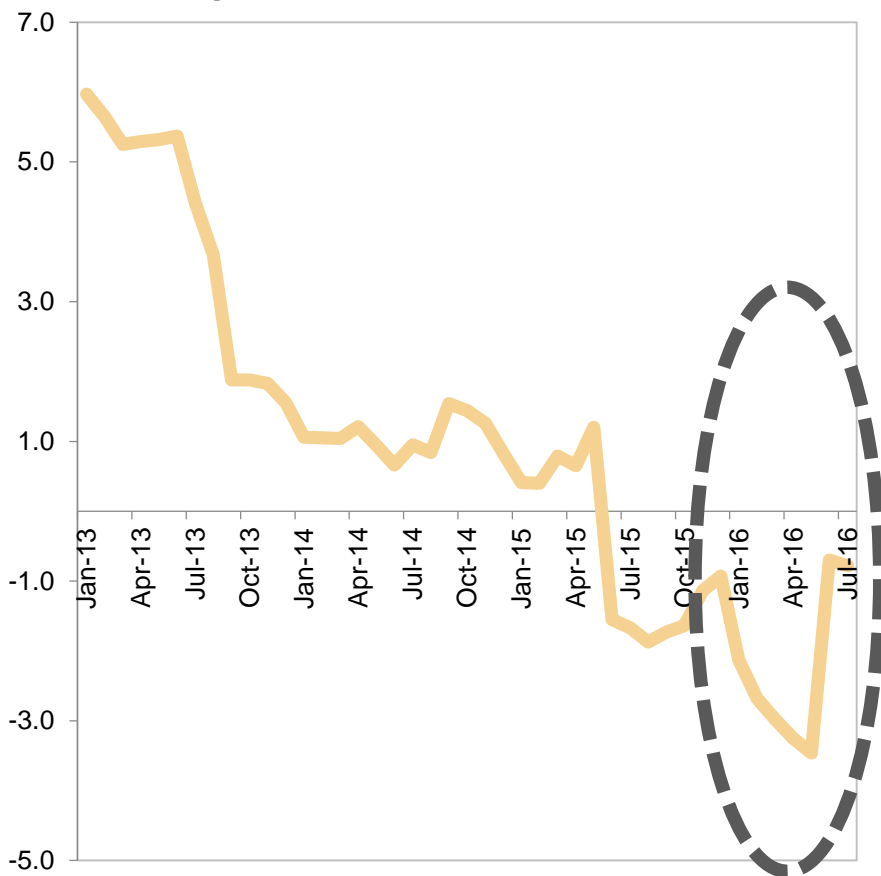




THE IMPACT OF THE PRO-BREXIT VOTE HIGHER PRUDENCE AND LOWER FINANCING COSTS

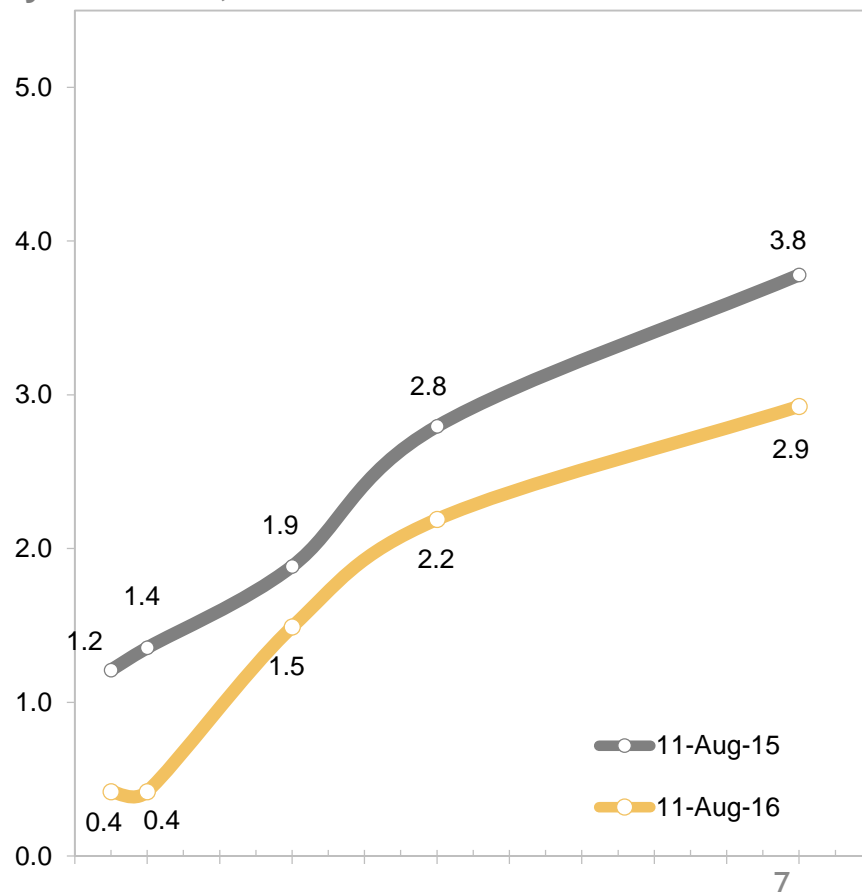
Inflexion of the CPI dynamics, as the impact of the VAT cuts is fading out

consumer prices, %YOY source: Statistics Office (INS)



The 10YR financing costs down close to the record low levels

yield curve, % source: NBR





Banca Transilvania's business development and financial performance H1 2016



H1 2016 HIGHLIGHTS

	Mil. RON	H1 2016	H1 2015	Δ
PROFITABILITY	Operating income	1,415.2	946.8	49.5%
	Operating expenses	(551.7)	(483.7)	14.1%
	Gross profit before provisions	863.5	463.1	86.5%
	Net profit	458.3	190.2	140.9%
	EPS RON	0.13	0.05	140.9%
	Cost of risk (%)	2.20%	2.33%	-5.7%
	NIM (%)	3.40%	2.84%	0.6 pp
	ROE (%)	16.49%	10.40%	6.1 pp
Cost-to-income ratio (%)		38.98%	51.09%	-12.1 pp
CREDIT ACTIVITY		Jun-16	Dec-15	Δ
	Gross loans to customers	28,642.4	27,740.0	3.3%
	Deposits from customers	39,020.7	38,395.3	1.6%
	Loans-to-deposits ratio	66%	65%	1 pp
NPL ratio		9.17%	9.75%	-0.6 pp
CAPITAL		Jun-16	Dec-15	Δ
	Total equity	5,301.0	6,117.8	-13.3%
	Tier 1 capital ratio (profit included)	16.98%	16.43%	3.3%
Total capital ratio (profit included)		18.17%	17.82%	1.9%



BUSINESS PERFORMANCE 2016

at a glance

Total assets at RON 47.9 bn

- Enhanced ALM for higher efficiency

Capital adequacy ratio at 18.2%

- Strong capital base, supporting organic and non organic growth, after special dividend payout

Net fees and commissions at RON 242.9 mn ↗ 15.2% Y/Y

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

Conservative CoR

- CoR at 2.20%, mainly driven by a very conservative approach with regard to the Walkaway law

Net profit at RON 458.3 mn ↗ 140.9% Y/Y

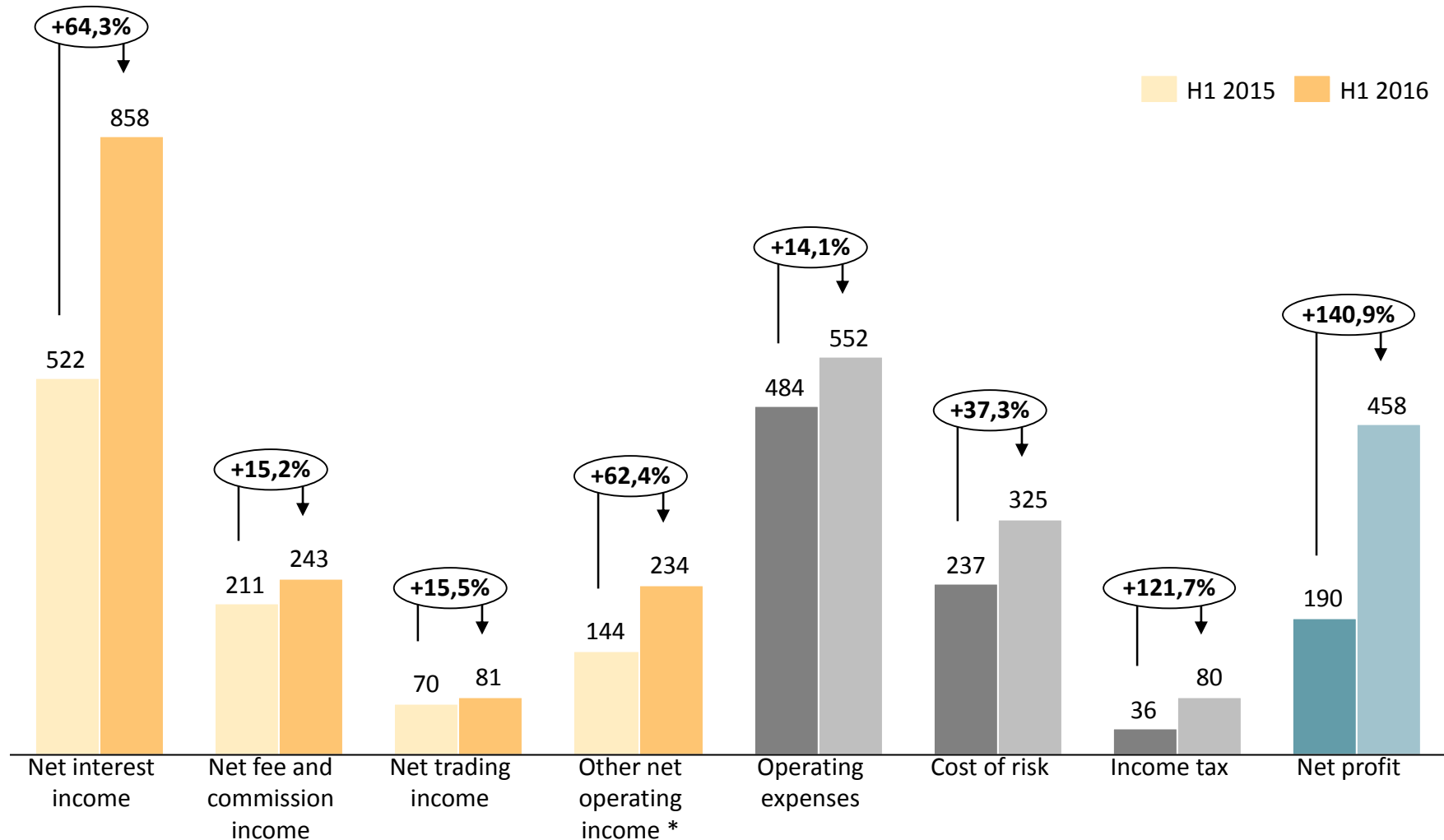
- Operating income positively influenced by increase in all income positions

Cost/income at 39.0%

- Cost to income was positively influenced by both recurrent and one-off items



DETAILED INCOME STRUCTURE

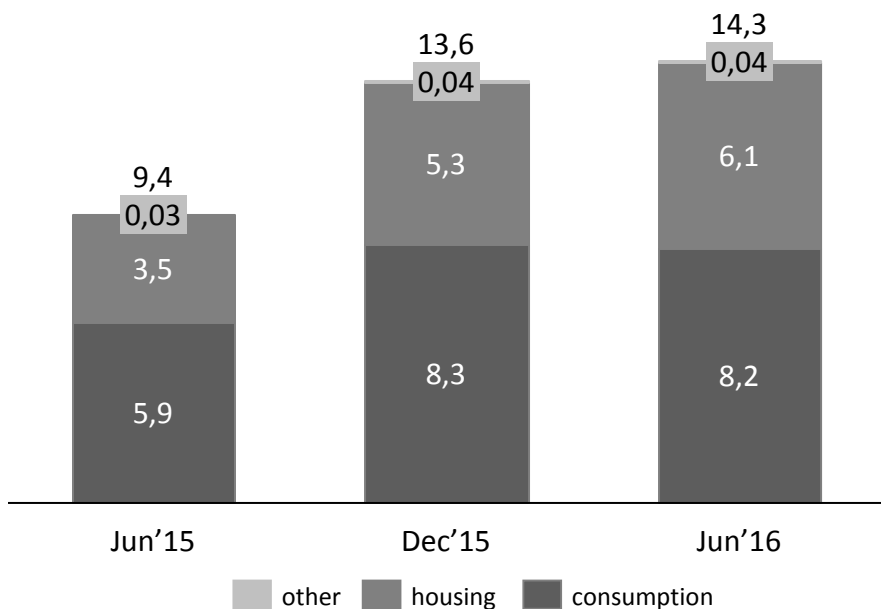


* Visa transaction related income is included here

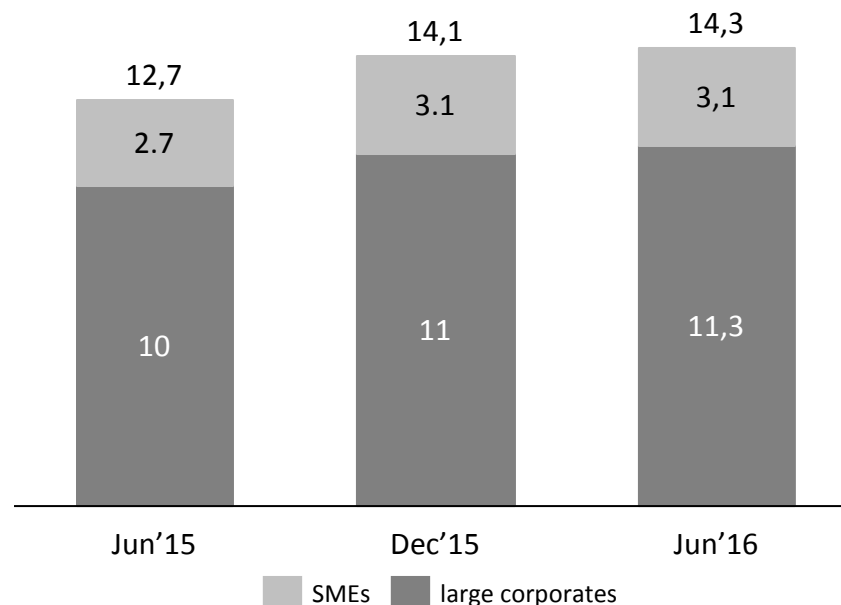


LOAN STRUCTURE

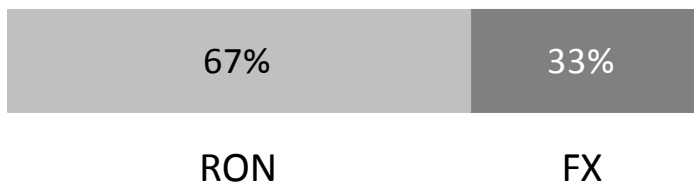
Loans to Households, RONbn



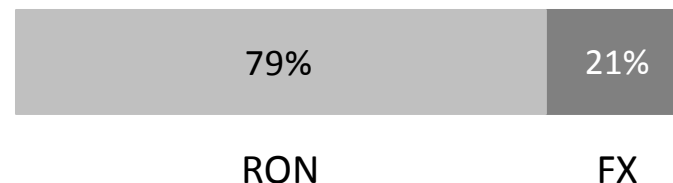
Loans to Companies, RONbn



Loans to Households, RONbn



Loans to Companies, RONbn

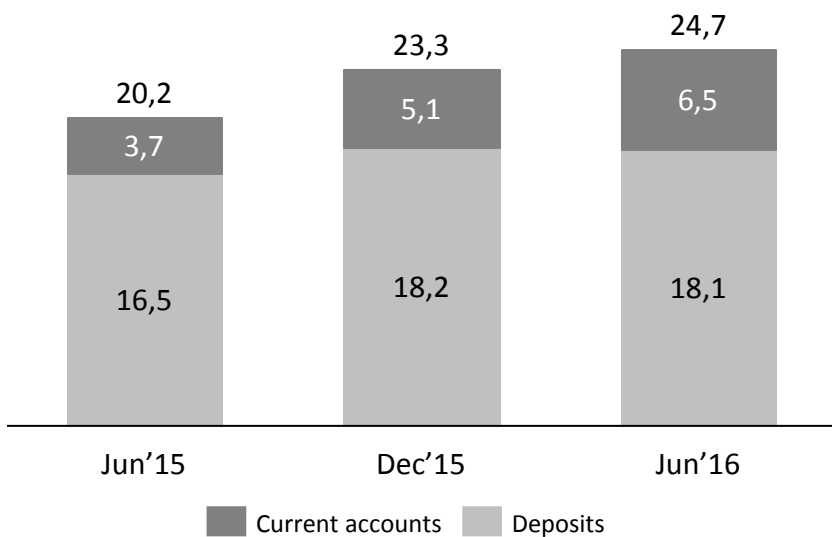


*SMEs identified according to internal classification rules

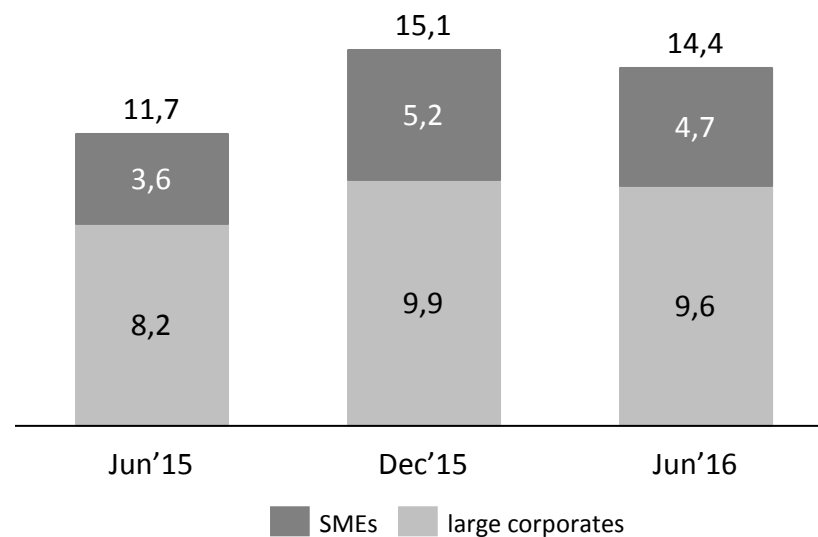


DEPOSIT STRUCTURE

Deposits from Households, RONbn



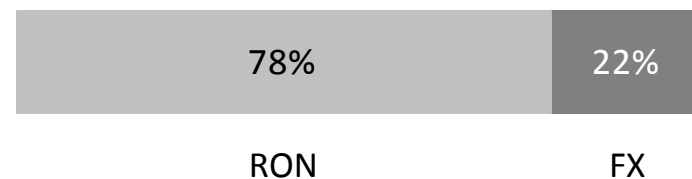
Deposits from Companies, RONbn



Deposits from Households, RONbn



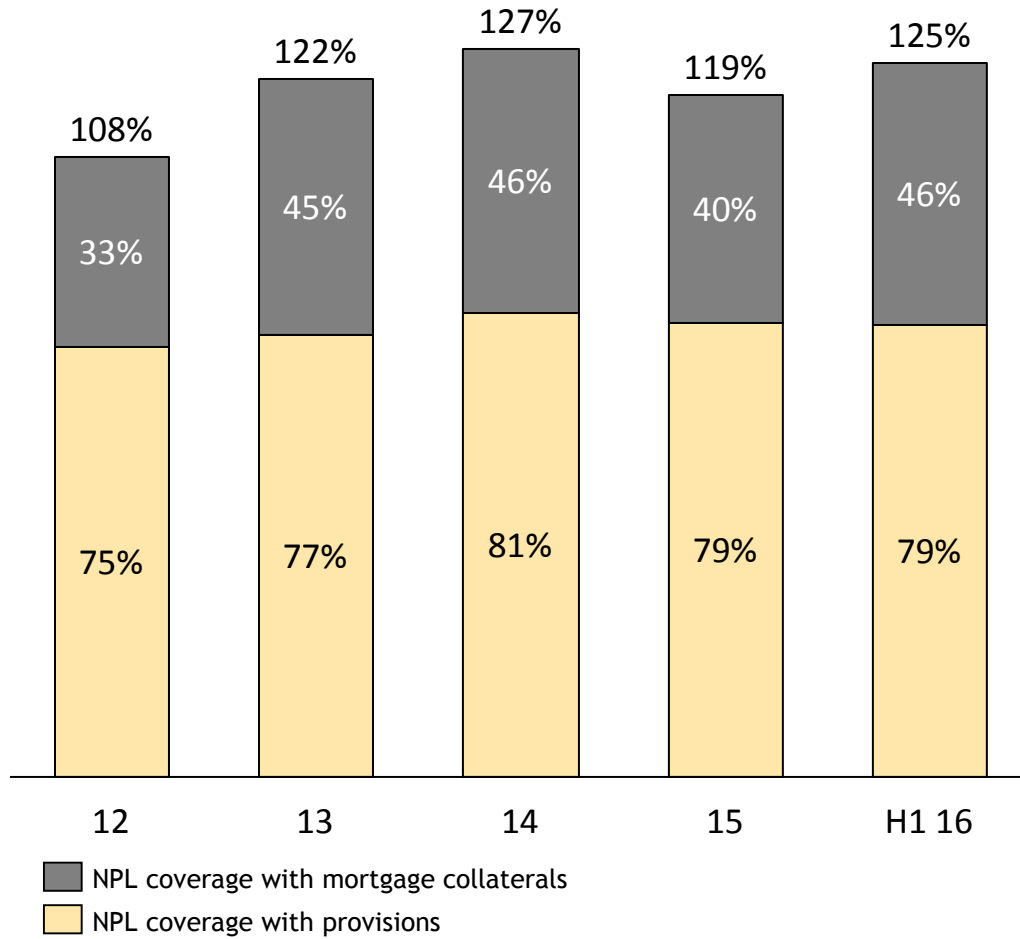
Deposits from Companies, RONbn



*SMEs identified according to internal classification rules



NPL RATIO AT 9.17%



- Banca Transilvania continued to provide a sound coverage ratio for its PAR 90 portfolio

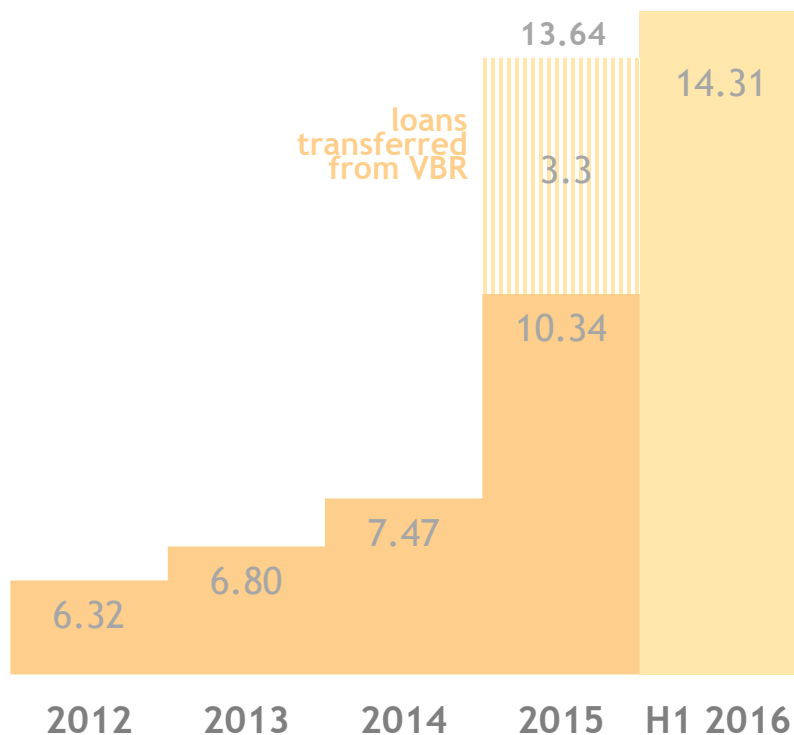
*For Financial Statements purposes the gross loans are netted by the unwinding adjustment; For coverage ratio purposes the respective adjustment is included in the total stock of provisions



Retail banking

Retail loan portfolio reached RON 14.3 bn as at Jun'16

Retail Loan Portfolio, RONbn source: BT



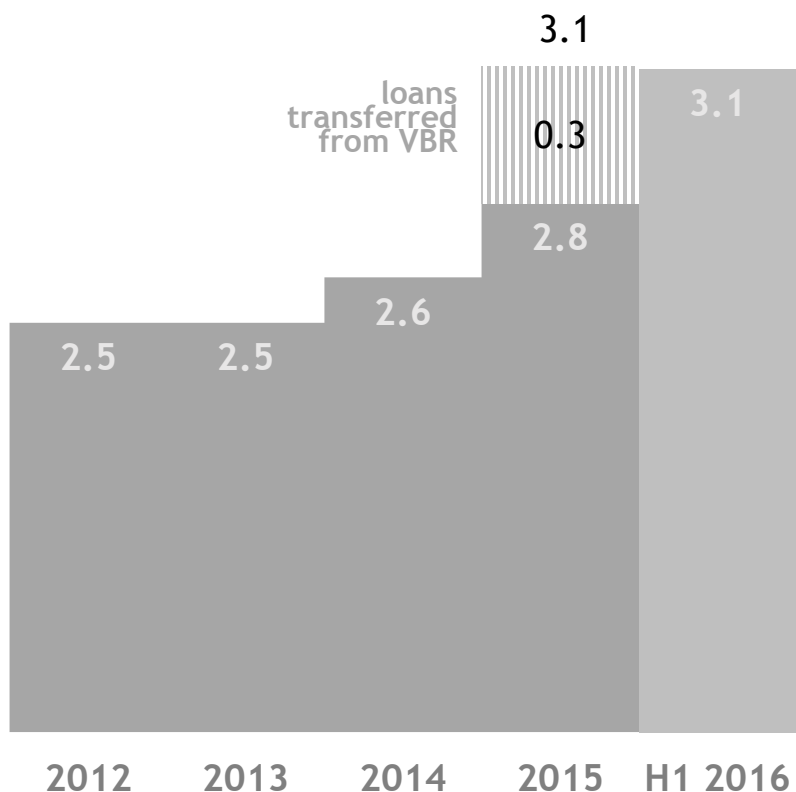
- 32,500 non-card retail loans
- Market share for retail loans at June 2016 - 14%
- Internet banking users +19%
- Mobile banking users +33%
- 2.7 active cards, of which about 300,000 credit cards; BT is the market leader, both in terms of number of cards, as well as volume of transactions generated by its cards, with a market share of over 19%;



SME Banking

SME loan portfolio at RON 3.1 bn and 196,300 active clients

SME Loan Portfolio, RONbn source: BT



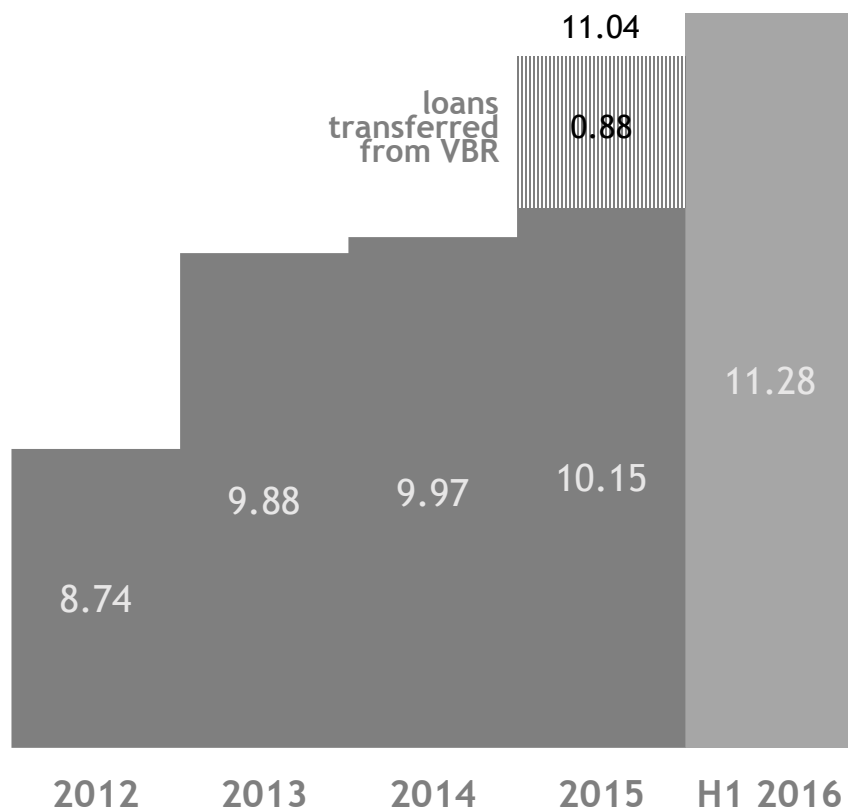
- Banca Transilvania continued its specific focus on the SME business sector, offering almost 10,000 new loans in H1 2016
- BT continued its partnership with DFIs, offering special loan and guarantee products to its SME clients
- Agriculture, Healthcare and European Structural Funds are on BT radar as specialized sectorial approaches



Corporate Banking

Corporate loan portfolio above RON 11.28 bn

Corporate Loan Portfolio, RONbn source: BT



- An important reorganizational process was started in the Corporate business line, including client resegmentation & 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



BANCA TRANSILVANIA FINANCIAL GROUP

full array of financial services

As of 30.06.2016:



Total assets: 47.9 RON bn



Total assets: 73 RON mn.



Total assets: 115 RON mn.



Total assets: 107 RON mn.



AuM: 2,795 RON mn.



Total assets: 437 RON mn.



H1 2016 HIGHLIGHTS – consolidated figures

	Mil. RON	H1 2016	H1 2015	Δ
PROFITABILITY	Operating income	1,479.0	1,378.2	7.3%
	Operating expenses	(596.0)	(582.2)	2.4%
	Gross profit before provisions	883.0	795.9	10.9%
	Net income	481.1	2,071.6	-76.8%
	EPS RON	0.13	0.57	-76.8%
	Cost of risk (%)	2.22%	0.31%	618.8%
	ROE (%)	16.49%	50.65%	-67.4%
	Cost-to-income ratio (%)	40.30%	42.25%	-4.6%
CREDIT ACTIVITY		Jun' 16	Dec' 15	
	Gross loans to customers	28,779.4	28,012.3	2.7%
	Deposits from customers	38,926.5	38,301.7	1.6%
Loans-to-deposits ratio (%)	67%	66%	1.1%	
CAPITAL	Total equity	5,458.6	6,240.8	-12.5%
	Tier 1 capital ratio (profit included) (%)	17.18%	16.70%	2.9%
	Total capital ratio (profit included) (%)	18.35%	18.07%	1.6%



ANNEX I INCOME STATEMENT H1 2016 - individual

IFRS, individual, RONmn	H1 2016	H1 2015	Δ
Net interest income	857.7	522.0	64.3%
Net fee and commission income	242.9	210.9	15.2%
Net trading income	80.7	69.8	15.5%
Other net income*	233.9	144.0	62.4%
Operating income	1,415.2	946.8	49.5%
Personnel expenses	(304.8)	(243.8)	25.0%
D&A	(35.7)	(26.9)	32.4%
Other operating expenses	(211.2)	(212.9)	-0.8%
Operating expenses	(551.7)	(483.7)	14.1%
Cost of risk	(325.2)	(236.8)	37.3%
Net income before taxation	538.3	226.3	137.9%
Income tax expense	(80.0)	(36.1)	121.7%
Net income after taxation	458.3	190.2	140.9%

* Including Visa transaction



ANNEX II BALANCE SHEET H1 2016 - individual

IFRS, individual, RON mn	Jun-16	Dec-15 (audited)	Δ
Cash & cash equivalents	5,096.7	4,997.9	2.0%
Placements with banks	2,503.77	3,889.5	-35.6%
Loans to customers, net	25,851.2	25,107.5	3.0%
T-bills & securities	13,585.2	12,389.4	9.7%
Fixed assets	416.5	409.5	1.7%
Participations	84.9	84.9	0.0%
Other assets	352.9	464.0	-24.0%
Total assets	47,891.2	47,342.7	1.2%
Deposits from banks	509.5	388.4	31.2%
Deposits customers	39,020.7	38,395.3	1.6%
Loans from banks and FIs	1,337.9	985.1	35.8%
Subordinated loan	412.9	416.4	-0.8%
Deferred tax liabilities	0.0	0.0	
Other liabilities	1,309.1	1,039.7	25.9%
Total liabilities	42,590.1	41,224.9	3.3%
Shareholders' equity	5,301.0	6,117.8	-13.3%



ANNEX III INCOME STATEMENT H1 2016 - consolidated

IFRS, consolidated, RONmn	H1 2016	H1 2015	Δ
Net interest income	881.8	940.1	-6.2%
Net fee and commission income	258.5	229.8	12.5%
Net trading income	79.7	60.3	32.2%
Other net income *	258.9	148.0	75.0%
Operating income	1,479.0	1,378.2	7.3%
Personnel expenses	(318.1)	(292.4)	8.8%
D&A	(45.2)	(40.9)	10.4%
Other operating expenses	(232.7)	(248.9)	-6.5%
Operating expenses	(596.0)	(582.2)	2.4%
Cost of risk	(317.9)	(336.1)	-5.4%
Bargaining gain	0.0	1,650.6	
Net income before taxation	565.1	2,110.4	-73.2%
Income tax expense	(84.0)	(38.8)	116.5%
Net income after taxation	481.1	2,071.6	-76.8%

* Including Visa transaction



ANNEX IV BALANCE SHEET H1 2016 - consolidated

IFRS, consolidated, RONmn	Jun-16	Dec-15	Δ
Cash & cash equivalents	5,096.7	4,997.9	2.0%
Placements with banks	2,524.6	3,908.9	-35.4%
Loans to customers, net	25,913.9	25,225.6	2.7%
T-bills & securities	13,601.6	12,416.9	9.5%
Fixed assets	580.1	526.7	10.1%
Participations	0.0	0.0	
Other assets	425.7	503.0	-15.4%
Total assets	48,142.7	47,579.1	1.2%
Deposits from banks	509.5	388.4	31.2%
Deposits customers	38,926.5	38,301.7	1.6%
Loans from banks and FIs	1,403.6	1,129.7	24.2%
Subordinated loan	413.0	416.4	-0.8%
Deferred tax liabilities	0.0	0.0	
Other liabilities	1,431.5	1,102.0	29.9%
Total liabilities	42,684.1	41,338.3	3.3%
Total equity	5,458.6	6,240.8	-12.5%
Total liabilities and equity	48,142.7	47,579.1	1.2%



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