

Press release, April 25, 2018

Banca Transilvania: sound evolution, investing in the Romanian economy and in technology

During the first three months of this year Banca Transilvania continued to be the partner of Romanian entrepreneurs, supporting the economic growth and investing for a better banking experience for its almost 2.5 million active customers.

BT's strategy is supported by strong international shareholders such as EBRD, IFC - World Bank Division and investment funds. Moreover, Banca Transilvania has now more than 28,000 Romanian individual shareholders and almost 55% Romanian capital.

Banca Transilvania's net profit is RON 366 million, whereas Banca Transilvania Financial Group's net profit amounts to RON 389 million. During the first three months of 2018, Banca Transilvania granted 44,000 new loans to Retail, SME and Corporate clients.

"It was an upright start for the year, with results as expected, focusing on the experience we provide to customers in all our business segments. We have made significant investments in network's redesign and service digitization" - says Ömer Tetik, CEO, Banca Transilvania.

BT – sound evolution during the first quarter of 2018:

- The Group's assets as at the end of Q1 2018 amounted to RON 60.1 billion, of which the bank counts for RON 59.6 billion, net loans representing 50.98% of the Group's assets;
- Income from operating fees and commissions went up by 18.2%;
- The Bank's operating efficiency is maintained at a comfortable level, below 47%;
- In the period January - March 2018, BT granted 44,000 new loans;
- The loan/deposit ratio at the end of Q1, 2018 was 65%.

Operating income growth remained a main focus, confirmed by the growing commission and trading income.

Technologies and digital

- During Q1 2018, BT started its collaboration with Personetics, market leader in cognitive banking applications, to offer a better digital experience to the BT clients, individuals or SMEs, by including the artificial intelligence into its services. The cognitive banking application will offer to the BT clients' personalized financial

support in real time, will be integrated with the new version of BT 24 Internet Banking and will be launched by mid this year.

- BT Pay, retailers' payment application and money transfer via phone, launched at the end of January this year, has been downloaded by more than 90,000 clients.
- The robot Livia de la BT® offered during the period January-March 2018 over 200,000 answers, via Facebook Messenger and Skype, to questions concerning the accounts, products and services of Banca Transilvania.
- Over 400,000 people got informed, during the first three months of the year, via the platform Întreb BT, regarding services, products and banking operations. This is Banca Transilvania's largest financial education online program.

Other financial information:

- As at March 31, 2018 Banca Transilvania's counted a portfolio of 3.08 million cards, generating transactions almost 34% higher compared to the similar period of the previous year. The bank's market share in terms of cards transaction volumes is over 20%. BT has over 388,000 credit cards enrolled in the STAR loyalty program.
- Non - performing exposures according to EBA definition, amount 6.35% as at March 31, 2018.
- The coverage of EBA NPE with total provisions is at 71%.
- The bank's CAR is 19.23% including the profit of Q1, 2018 and 18.15% without this quarter profit.
- Banca Transilvania continued to be involved in the life of the community in the first part of 2018, through programs such financial and entrepreneurial educations, sports, culture and social causes. Some examples in this respect are: almost 20 courses for entrepreneurs organized countrywide by the BT Club, supporting the „I want to be an entrepreneur” program and business accelerators; important forestry actions, involving more than 2,000 volunteers. BT is also the main supporter of Romanian basketball.

Info for shareholders: Q12018 report according to Art.113Cof NSC Regulation 1/2006 will be available on BT's website (Investors/Financial results), <https://www.bancatransilvania.ro/actionari/rezultate-financiare/>, starting with April 25, 2018. The financial statemets as at 31.03.2018 and 31.03.2017 are not auditated or reviewed.

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Shareholders contact: Investor.Relations@bancatransilvania.ro

**SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018**

	Bank			Group		
	31-Mar-18 <i>RON thousand</i>	31-Dec-17 <i>RON thousand</i>	Δ Mar 18 <i>vs Dec 17</i>	31-Mar-18 <i>RON thousand</i>	31-Dec-17 <i>RON thousand</i>	Δ Mar 18 <i>vs Dec 17</i>
ASSETS						
Cash and cash equivalents at Central Bank	5,554,067	6,637,692	(16.33)%	5,554,111	6,637,725	(16.33)%
Placements with banks	3,225,659	5,079,500	(36.50)%	3,264,137	5,125,282	(36.31)%
Loans and receivables - securities	220,750	222,792	(0.92)%	220,750	222,792	(0.92)%
Financial assets available for sale of which:	85,343	83,135	2.66%	287,388	274,850	4.56%
<i>Derivatives</i>	13,671	9,854	38.74%	13,671	9,854	38.74%
<i>Equity instruments</i>	71,673	73,281	(2.19)%	211,683	213,838	(1.01)%
<i>Debt instruments</i>	-	-	-	62,034	51,158	21.26%
Loans and advances to customers- net*	30,282,345	29,914,039	1.23%	30,654,349	30,248,962	1.34%
Financial assets at fair value through profit and loss	623,868	-	-	398,658	-	-
Financial assets at fair value through other comprehensive income	18,127,957	16,032,612	13.07%	18,133,800	15,821,300	14.62%
Equity investments	326,633	156,631	108.54%	-	-	-
Investments in associates	-	-	-	182,762	-	-
Property and equipment	408,274	407,649	0.15%	641,621	633,668	1.26%
Intangible assets	139,262	125,761	10.74%	146,483	133,255	9.93%
Goodwill	-	-	-	2,774	2,774	-
Current tax assets	127,854	148,594	(13.96)%	124,538	146,858	(15.20)%
Deferred tax assets	119,591	173,243	(30.97)%	137,706	187,145	(26.42)%
Other financial assets	232,759	211,913	9.84%	256,388	234,317	9.42%
Other non- financial assets	101,121	108,514	(6.81)%	122,525	136,041	(9.94)%
Total assets	59,575,483	59,302,075	0.46%	60,127,990	59,804,969	0.54%

* at group level, it also includes the impact of the leasing activity

	Bank			Group		
	31-Mar-18	31-Dec-17	Δ Mar 18	31-Mar-18	31-Dec-17	Δ Mar 18
	<i>RON thousand</i>	<i>RON thousand</i>	<i>vs Dec 17</i>	<i>RON thousand</i>	<i>RON thousand</i>	<i>vs Dec 17</i>
LIABILITIES AND EQUITY						
Deposits from banks	116,603	127,946	(8.87)%	116,603	127,946	(8.87)%
Deposits from customers	49,080,539	49,099,201	(0.04)%	48,905,156	48,932,195	(0.06)%
Loans from banks and other financial institutions	1,342,352	1,099,891	22.04%	1,749,855	1,487,022	17.68%
Other subordinated liabilities	412,271	414,578	(0.56)%	412,271	414,578	(0.56)%
Provisions for other risks and for loan commitments	401,824	373,117	7.69%	411,337	382,849	7.44%
Held for trading financial liabilities	11,284	11,906	(5.22)%	11,284	11,906	(5.22)%
Other financial liabilities (*)	946,170	1,142,938	(17.22)%	998,787	1,204,333	(17.07)%
Other non-financial liabilities	67,440	62,425	8.03%	138,448	104,028	33.09%
Total liabilities	52,378,483	52,332,002	0.09%	52,743,741	52,664,857	0.15%
Equity						
Share capital	4,427,940	4,427,940	-	4,427,940	4,427,940	-
Treasury shares	(57,471)	(32,140)	78.81%	(72,758)	(47,427)	53.41%
Share premiums	28,381	28,381	-	28,381	28,381	-
Retained earnings	2,383,774	1,981,886	20.28%	2,560,502	2,202,764	16.24%
Other reserves	414,376	564,006	(26.53)%	422,957	513,764	(17.67)%
Total equity	7,197,000	6,970,073	3.26%	7,367,022	7,125,422	3.39%
Non-controlling interest	-	-	-	17,227	14,690	17.27%
Total liabilities and equity	59,575,483	59,302,075	0.46%	60,127,990	59,804,969	0.54%

Note: The financial information as at March 31, 2018 are not audited or revised and for December 31, 2017 are audited.

() at consolidated level, it also comprises the financial debt towards fund unit holders.*

DEPUTY GENERAL DIRECTOR
GEORGE CĂLINESCU

FINANCIAL REPORTING MANAGER
MIRCEA ȘTEFĂNESCU

SEPARATE AND CONSOLIDATED PROFIT AND LOSS ACCOUNT AS AT MARCH 31, 2018

	Bank			Group		
	31-Mar-18	31-Mar-17	Δ Mar 18	31-Mar-18	31-Mar-17	Δ Mar 18
	<i>RON thousand</i>	<i>RON thousand</i>	<i>vs Mar 17</i>	<i>RON thousand</i>	<i>RON thousand</i>	<i>vs Mar 17</i>
Interest income	578,648	509,009	13.68%	606,252	526,089	15.24%
Interest expense	(60,413)	(52,693)	14.65%	(63,000)	(52,954)	18.97%
Net interest income	518,235	456,316	13.57%	543,252	473,135	14.82%
Fee and commission income	184,096	156,288	17.79%	193,345	163,799	18.04%
Fee and commission expense	(31,111)	(26,847)	15.88%	(30,129)	(25,089)	20.09%
Net fee and commission income	152,985	129,441	18.19%	163,216	138,710	17.67%
Net trading income	54,563	50,536	7.97%	57,078	61,025	(6.47)%
Net loss /gain from the sales of financial instruments available-for sale	-	(19,941)	-	-	(19,114)	-
Net loss/(gain) on financial assets measured through comprehensive income	(1,102)	-	-	(1,116)	-	-
Net gain /loss from financial assets measured trough profit and loss	24,342	-	-	13,318	-	-
Contribution to the Banking Deposits Guarantee Fund and Resolution Fund	(34,646)	(49,696)	(30.28)%	(34,646)	(49,696)	(30.28)%
Other operating income	21,388	15,298	39.81%	59,048	38,785	52.24%
Operating income	735,765	581,954	26.43%	800,150	642,845	24.47%
Personnel expenses	(192,457)	(164,972)	16.66%	(203,605)	(175,324)	16.13%
Depreciation and amortization	(24,406)	(19,590)	24.58%	(35,401)	(27,155)	30.37%
Other operating expenses	(133,058)	(110,730)	20.16%	(147,000)	(125,240)	17.37%
Operating expenses	(349,921)	(295,292)	18.50%	(386,006)	(327,719)	17.79%
Net impairment(-) / income allowance on assets, provisions for other risks and loan commitments	54,271	5,915	817.51%	50,925	294	-
Profit before income tax	440,115	292,577	50.43%	465,069	315,420	47.44%
Impairment/Income tax expense(-)	(74,112)	(46,411)	59.69%	(76,100)	(48,504)	56.89%
Profit net	366,003	246,166	48.68%	388,969	266,916	45.73%

Note: The financial information as at March 31, 2018 and March 31, 2017 are not audited or revised.

DEPUTY GENERAL DIRECTOR
GEORGE CĂLINESCU

FINANCIAL REPORTING MANAGER
MIRCEA ȘTEFĂNESCU

ECONOMIC AND FINANCIAL RATIOS AS AT 31.03.2018

Name of ratio	Computing method	31.03.2018
1. Current liquidity ratio	Current assets/current liabilities	112.06%
2. Indebtedness ratio	Borrowed capital/shareholders' equity*100	16.80%
	Borrowed capital/capital employed*100	14.39%
3. Accounts receivable turnover rate	Average client balance/Turnover*365	n/a
4. Fixed assets turnover rate	Turnover/Fixed assets	1.00

Note: Point 3 "average client balance" does not apply to financial banking institutions.

DEPUTY CEO
GEORGE CĂLINESCU

FINANCIAL REPORTING MANAGER
MIRCEA ȘTEFĂNESCU