

Press Release, February 27, 2020

BT's Preliminary Financial Results as at December 31, 2019**Banca Transilvania, main lender of the economy also in 2019**

2019 was a year with very good results for Banca Transilvania and another year during which the bank had a strong contribution to the local economy, with about 223,000 loans granted to companies and individuals. The Bank's new loan production was over 10.5 billion RON for company clients - thus supporting their business development, economic growth and job creation, especially in sectors like: manufacturing, retail, IT, healthcare, agriculture and construction. Over 9,600 Romanians bought a residential property with Banca Transilvania mortgage loans.

The number of active customers increased by 15%, reaching about 3.3 million, and the number of customers having their salary accounts at BT increased by 64%, to 1.8 million, also following the bank's merger with Bancpost.

2019 results reflect robust capitalization of Banca Transilvania, with total equity of 8.5 billion RON (1.8 billion EUR), up by 15% compared to 2018. Close to 65% of the bank's capital is Romanian owned, with 31,000 direct investors and about 7 million indirect investors – via pension funds.

“For BT, 2019 was a good year, we grew sustainable and we delivered sound financials. As market leader, we have clear responsibilities towards Romania and we know that our role is essential in lending to the Romanian economy and funding Romanians’ ambitions. We try to do more than banking, to inspire and motivate people - colleagues, customers or business partners - attentive with their concerns. During 2020, we will continue investments in innovation to enhance the quality of our services to clients. We will continue to grow the role of our business in economy, we pay attention to market challenges and opportunities”, states Mr. Horia Ciorcilă, Chairman of the Board of Directors, Banca Transilvania.

End of 2019, Banca Transilvania Financial Group total assets reached RON 91.7 billion and the loans RON 40.35 billion. Customers' deposits reached RON 77.04 billion, of which RON 51.67 billion are retail deposits.

Net consolidated profit of Banca Transilvania Financial Group amounts to RON 1,848.07 million, whereas that of the bank amounts to RON 1,620.89 million. The Board of Directors of Banca Transilvania decided on 26th of February to propose to the shareholders to approve in the General Shareholders' Meeting the distribution as cash dividend of around 60% of the

distributable retained earnings related to 2019 results. The tax on the annual assets amounted to 103.6 million RON. Efficiency and business consolidation contributed to the growth of the operating profit which reached RON 2,131.87 million. The cost to income ratio of Banca Transilvania, including the bank asset tax, remained at a comfortable level of 47.1%.

The bank took a step forward in the direction of #maimultdecatabanking (#morethanbanking) promoting in a more visible way the responsible approach towards sustainability and natural resources. In February 2020 the bank launched, an online platform with relevant information regarding the BT's ESG activities. On www.bancatransilvania.ro/think following links can be accessed: Think Green, People of BT, We are growing Romania, Romania, Governance and Leadership, Ratings.

BT, part of the community and partner of Romanians, in figures:

- 500,000 credit cards, making over 22 million transactions throughout the year;
- SME loans reached RON 16.5 billion (according to the European definition of SMEs);
- Outstanding mortgage/ housing loans are RON 11.8 billion;
- ≈ RON 25 million were invested in social programs, in education and sport, via over 1,000 social responsibility projects, so that BT routes part of its financial strength back to the communities it belongs to.

In 2019, BT Financial Group announced also entering the field of private pensions by acquiring Certinvest Pensii, the only local player among the pension funds in Romania.

Going – digital results:

- 20% of the last year retail loans started with an online application;
- 30% of the deposits were done via BT24 Internet Banking;
- BT systems processed over 2.5 million transactions per day;
- The bank counted in 2019 ≈278 million BT card transactions. Every second, on average, 9 transactions with BT cards take place; at peak times, the number of transactions/second reaches approximately 100;
- Nearly 40 million transactions were made through BT24 Internet Banking and Mobile Banking, + 32% in 2019 compared to 2018;
- BT customers have 10 self-banking solutions available - applications, internet banking, mobile banking, chatbots and multifunctional ATMs, with mobile banking as preferred self-banking channel. 35% of total customer inquiries and requests were solved through self-banking;
- 59,600 POSs are operated by Banca Transilvania, counting for 26% of total POSs installed in Romania;

- At the end of the year, BT had a nationwide network of 500 BT Express Plus multifunctional ATMs, that allow self-banking operations and more than 1200 cash ATMs.

BT's customers favorite products and services in 2019. Trends:

- Individual customers preferred the shopping and travelling credit cards: over 100,000 credit cards were issued last year;
- The number of customers using the bank's own wallet-app, BT Pay, is almost 550,000, representing a 3.6-fold increase compared to previous year;
- The start-ups applied for BT Mic loans: half of the total 10,000 customers were financed in 2019;
- SME & Micro customers loan requests grew: BT granted to 18,000 customers 22,000 new loans, amounting to RON 3.3 billion.

Other financial information:

- The non-performing exposures ratio, according to the EBA definition, is 4,36% as at December 31, 2019;
- Total provisions coverage ratio of the non-performing exposures according to the EBA standards is 98%. If collaterals are also considered, the coverage ratio is 128%;
- The bank's CAR is without 2019 profit is at 17.74% and at 21.20% profit included.

BT's bet on agribusiness:

- Banca Transilvania is the largest lender to the Romanian agriculture; following the focus on supporting entrepreneurs and a sustainable growth, agribusiness was one of 2019 priorities and will continue to be also this year;
- During 2019, the bank granted almost 4,500 loans, counting for RON 2 billion and reached to 31,000 agribusiness clients;
- The demand for agribusiness working capital loans (+ 39% number of new loans and 5% as value) and for APIA loans (22% as a number of new loans and 65% as value) was on a growth trend;
- During 2020 the focus will be to support the agribusiness's specialization and revamping to increase productivity and reduce the impact on the environment. The bank, as part of local communities, will contribute to the repositioning of the Romanian agriculture: with technology overtaking the gross work. The bank will also grant scholarships for 10 agronomy students this year;
- 25% of the country's active population works in agriculture and Romania is important for Europe, being its eighth agriculture producer, according to the EU data ([Eurostat](#)).

BT involved in healthcare - Divizia pentru Medici:

- Banca Transilvania is the market leader, reaching 48,000 customers;
- Investment loans for hospital constructions and medical equipment acquisitions were in demand, BT granting over RON 730 million loans;
- The healthcare customers - individuals, SMEs or Corporate - find at BT *one stop shop*, including specialized Private Banking services.

Ratings for Banca Transilvania:

- *Business:* [Fitch Ratings](#) reconfirmed the rating of Banca Transilvania for long-term financing (IDR) at "BB +", with a stable outlook, as well as the viability rating (VR) at "bb +" level;
- *Investor Relations:* Banca Transilvania obtained the maximum score for Vektor Index (communication with the investors in 2019), based on the assessment of the [Romanian Investor Relations Association](#). Details are published on the Bucharest Stock Exchange website;
- *Brand value:* The bank climbed 100 positions in the [Brand Finance Banking](#) top to the 339th position. BT ranks in the global top 10, considering the brand's growth pace in value and strength;
- *Employees:* BT received the [Best Place to Work For](#) certification in Romania. This is an international assessment program, conducted in over 100 countries around the world. The evaluation considered the following criteria: leadership, employee involvement, compensation and benefits for employees, professional and personal development, team and team relationships, BT involvement in the community, human resources policies and wellbeing.

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Information for Banca Transilvania's shareholders: *The preliminary financial statements as at 31.12.2019 are not audited or reviewed, whereas the financial statements as at 31.12.2018 are audited.* The 2019 preliminary financial results are available on the BT website, at the following link: <https://www.bancatransilvania.ro/en/investor-relations/> on February 27 2019, starting with 8.30 AM.

Banca Transilvania | Communication and Public Relations

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**SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019**

ASSETS	Bank			Group		
	31-dec-19 RON thousand	31-dec-18 RON thousand	Δ dec 19 vs dec 18	31-dec-19 RON thousand	31-dec-18 RON thousand	Δ dec 19 vs dec 18
Cash and cash equivalents at Central Bank	13,480,195	9,083,471	48.40%	14,583,143	10,322,121	41.28%
Placements with banks	6,995,346	4,000,416	74.87%	7,774,311	4,650,137	67.18%
Financial assets held for trading of witch:	22,312	15,648	42.59%	277,410	213,527	29.92%
<i>Derivatives</i>	4,803	3,066	56.65%	4,803	3,066	56.65%
<i>Equity instruments</i>	17,509	12,582	39.16%	144,040	112,481	28.06%
<i>Debt instrumnets</i>	-	-		128,567	97,980	31.22%
Loans and advances to customers - net (*)	38,601,915	36,355,974	6.18%	40,353,847	37,817,084	6.71%
Financial assets measured mandatorily at fair value through profit or loss	1,148,691	609,638	88.42%	877,989	456,127	92.49%
Financial assets measured at fair value through other comprehensive income	23,637,807	21,363,908	10.64%	23,658,311	21,374,708	10.68%
Financial assets at amortized cost - debt instruments	1,176,834	431,099	172.98%	1,968,031	1,082,418	81.82%
Equity investments	486,360	537,677	-9.54%	-	-	
Investments in associates	-	-		3,316	-	
Property plant and equipment	575,038	482,321	19.22%	727,917	593,903	22.56%
Intangible assets	202,345	253,847	-20.29%	234,606	283,219	-17.16%
Right-of-use assets	366,212	-		388,025	-	
Goodwill	-	-		10,478	4,295	143.96%
Deferred tax assets	-	48,687	-100%	16,755	73,920	-77.33%
Other financial assets	638,795	811,065	-21.24%	682,827	843,237	-19.02%
Other non-financial assets	106,225	125,163	-15.13%	163,137	182,058	-10.39%
Total assets	87,438,075	74,118,914	17.97%	91,720,103	77,896,754	17.75%

(*) At a group level it also includes the impact of leasing activities

	Bank			Group		
	31-dec-19 <i>RON</i> <i>thousand</i>	31-dec-18 <i>RON</i> <i>thousand</i>	Δ dec 19 vs dec 18	31-dec-19 <i>RON</i> <i>thousand</i>	31-dec-18 <i>RON</i> <i>thousand</i>	Δ dec 19 vs dec 18
LIABILITIES						
Deposits from banks	304,461	207,608	46.65%	296,138	195,348	51.60%
Deposits from customers	74,353,723	62,522,369	18.92%	77,037,060	65,160,466	18.23%
Loans from banks and other financial institutions	895,673	1,185,556	-24.45%	1,283,664	1,703,551	-24.65%
Other subordinated liabilities	1,696,602	1,651,518	2.73%	1,890,463	1,655,377	14.20%
Provisions for other risks and for loan commitments	498,457	444,673	12.10%	533,881	472,722	12.94%
Held for trading financial liabilities	12,331	4,226	191.79%	12,331	4,226	191.79%
Current tax liability	37,750	43,935	-14.08%	41,823	40,953	2.12%
Deferred tax liabilities	7,899	-		-	-	
Financial lease liabilities	365,931	-		387,441	-	
Other financial liabilities (*)	689,531	532,941	29.38%	914,233	650,623	40.52%
Other non-financial liabilities	78,894	114,872	-31.32%	109,058	133,415	-18.26%
Total liabilities	78,941,252	66,707,698	18.34%	82,506,092	70,016,681	17.84%
EQUITY						
Share capital	5,302,419	4,898,982	8.24%	5,302,419	4,898,982	8.24%
Treasury shares	(48,655)	(23,271)	109.08%	(63,942)	(38,558)	65.83%
Share premiums	28,396	28,381	0.05%	31,016	28,381	9.28%
Retained earnings	2,377,131	2,075,470	14.53%	2,708,381	2,257,065	20.00%
Other reserves	837,532	431,654	94.03%	853,543	441,666	93.26%
Total equity	8,496,823	7,411,216	14.65%	8,831,417	7,587,536	16.39%
Non-controlling interests	-	-		382,594	292,537	30.78%
Total liabilities and equity	87,438,075	74,118,914	17.97%	91,720,103	77,896,754	17.75%

Note: The financial information as at December 31, 2019 are not audited nor revised and as at December 31, 2018 are audited.

() At a group level it also includes the financial liabilities towards fund unit holders*

DEPUTY CEO
GEORGE CĂLINESCU

FINANCIAL REPORTING MANAGER
MIRCEA ȘTEFĂNESCU

SEPARATE AND CONSOLIDATED PROFIT AND LOSS ACCOUNT AS AT DECEMBER 31, 2019

	31-dec-19	Bank	Δ dec 19	31-dec-18	Group	Δ dec 19
	RON	31-dec-18	vs dec 18	RON	31-dec-19	vs dec 18
	thousand	RON		thousand	RON	
		thousand			thousand	
Interest income calculated using the effective interest method	3,200,637	2,855,070	12.10%	3,510,027	3,055,334	14.88%
Other similar income	-	-		144,369	126,715	13.93%
Interest expense	(513,775)	(377,160)	36.22%	(578,712)	(432,491)	33.81%
Other similar expense	(1,715)	(2)		(1,935)	(9)	
Net interest income	2,685,147	2,477,908	8.36%	3,073,749	2,749,549	11.79%
Fee and commission income	1,002,739	923,948	8.53%	1,147,918	1,029,941	11.45%
Fee and commission expense	(290,124)	(229,276)	26.54%	(327,629)	(252,233)	29.89%
Net fee and commission income	712,615	694,672	2.58%	820,289	777,708	5.48%
Net trading income	318,518	263,448	20.90%	410,596	252,163	62.83%
Net gain/(loss) from financial assets measured through other comprehensive income	116,804	(7,774)		116,825	(7,555)	
Net gain/(loss) from financial assets mandatorily measured through profit and loss	165,060	(40,529)		125,609	(2,570)	
Contribution to the Banking Deposits Guarantee Fund and Resolution Fund	(107,615)	(39,164)	174.78%	(110,965)	(41,423)	167.88%
Other operating income	140,740	245,419	-42.65%	178,869	217,591	-17.80%
Operating income	4,031,269	3,593,980	12.17%	4,614,972	3,945,463	16.97%
Personnel expenses	(899,058)	(965,972)	-6.93%	(1,038,289)	(1,065,162)	-2.52%
Depreciation and amortization	(287,449)	(129,250)	122.40%	(311,204)	(162,514)	91.49%
Other operating expenses	(712,888)	(697,351)	2.23%	(841,455)	(806,615)	4.32%
Operating expenses	(1,899,395)	(1,792,573)	5.96%	(2,190,948)	(2,034,291)	7.70%
Net impairment(-) / income allowance on assets, provisions for other risks and loan commitments	(244,729)	(230,791)	6.04%	(292,646)	(364,421)	-19.70%
Earnings from acquisitions	-	71,830		-	160,077	
Profit before income tax	1,887,145	1,642,446	14.90%	2,131,378	1,706,828	24.87%
Income tax expense(-)/income	(266,253)	(423,055)	-37.06%	(283,311)	(446,148)	-36.50%
Profit net	1,620,892	1,219,391	32.93%	1,848,067	1,260,680	46.59%

Note: The financial information as at December 31, 2019 are not audited nor revised and as at December 31, 2018 are audited.

DEPUTY CEO
GEORGE CĂLINESCU

FINANCIAL REPORTING MANAGER
MIRCEA ȘTEFĂNESCU

Note to the financial information as at 31.12.2019

The information presented for the period ended December 31, 2019 as well as for the prior periods, was prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and applicable at that date. The financial information relates to the Bank and the Group and it does not constitute a complete set of financial statements.

The information for the financial year 2019 is not audited or revised while the information for the financial year 2018 is audited.

Banca Transilvania