

Press Release, May 8, 2019

**Banca Transilvania Financial Group,
the Largest Ecosystem for the Support of Romanian Entrepreneurs**

• BT Financial Group's Financial Results as at 31.03.2019

In the first quarter of the year, Banca Transilvania Financial Group continued to offer its support to the Romanian entrepreneurs and economy in the form of integrated banking, brokerage, asset management, leasing and consumer finance services and products. The financial results are positive, with assets in amount of RON 79.7 billion. Banca Transilvania Financial Group's net profit amounts to RON 507.46 million, including the RON 71 million contribution of its subsidiaries.

Likewise, the first quarter of the year reflects the Group's sound capitalization, with RON 8.2 billion in equity, i.e. +8% vs. the end of 2018.

Banca Transilvania, the core entity of BT Financial Group, is the largest bank in Romania and the most significant lender of the Romanian economy. Through its subsidiaries, the Group supports the Romanian entrepreneurs, from start-ups to SMEs and Large Corporate.

BT Group Q1 Financial Results:

- Banca Transilvania Financial Group's net consolidated profit is RON 507.46 million, out of which the Bank's profit amounts to RON 436.07 million;
- The Group's assets as at the end of Q1 2019 amounted to RON 79.7 billion, out of which RON 75.9 billion for the bank, net loans representing 48.5% of the BT Group's assets;
- BT Group's loan balance increased by 2.1% as compared to December 2018;
- 5,200 loans in amount of RON 215 million were granted by the BT Group's companies in the first quarter of 2019;
- 1,300 lease contracts were concluded in the first three months of the year, amounting to RON 210 million;
- 326,000 cards in Victoriabank's portfolio;
- 240,000 EuroLine credit cards in the portfolio of ERB Retail Services, as well as 1,200 partner shops.

Results of the Largest Subsidiaries of Banca Transilvania Financial Group:

- **BT Mic, the First Go-To Lender for 60% of the Clients**

[BT Mic](#), the company of Banca Transilvania Financial Group dedicated to the financing of small enterprises counted 8,500 clients and 10,000 loans at the end of March, after only two years as of its incorporation. 2,000 of the financed enterprises are start-ups, younger than 12 months.

- **BT Leasing, Positive Trend in 2019, after the Best 2018**

The leasing company of the Banca Transilvania Financial Group, [BT Leasing](#) continued its growth in the first quarter of 2019, its financing volumes amounting to more than RON 170 million, i.e. +7% versus the same period of last year. In 2018, the company finance lease portfolio exceeded RON 650 million, +17% vs. 2017. The value of total assets managed by BT Leasing increased in 2018 by 25%, up to RON 1 billion, whereby 90% is represented by Romanian SMEs. 50% of the financing is generated by Banca Transilvania's network and 30% by partnerships with dealers and importers in the automotive and equipment industry. The merger between BT Leasing and ERB Leasing took place in 2018, as well.

- **BT Asset Management S.A.I., the Third Player on the Mutual Fund Market**

More than 35% of the operations carried out through [BT Asset Management](#) in Q1 were online transactions, via BT24. During the same period of the year, investment operations came close to 7,500. Recently, the company launched BT Dolar Fix, its first investment fund with fund units issued in US dollars. BT Asset Management S.A.I. is the company of the Banca Transilvania Financial Group specialized in asset management, with more than 44,000 active clients, 10 open investment funds that cover the fixed income/mixed-shares range with investments mainly in Romania and with more than RON 250 million direct investments in shares listed on the Bucharest Stock Exchange.

- **BT Capital Partners, among top 3 leading intermediaries on the Stock Exchange in Q1 2019**

[BT Capital Partners](#), exclusive member in Romania of Oaklins, registered more than 10% of the total traded amount on the Bucharest Stock Exchange in the first quarter of the year, i.e. almost RON 550 million. According to BSE, the company is among the top 3 leading intermediaries on the Stock Exchange in Q1 2019. In February 2019, BT Capital Partners intermediated the listing on the BSE of the subordinate corporate bonds issued by Idea::Bank S.A. Likewise, the company was the exclusive financial advisor for Brise Group, one of the largest agribusiness groups in Romania, which concluded a strategic partnership of more than EUR 50 million with the Chinese investment fund CEE Equity Partners.

Integration of ERB Retail Services and of Victoriabank into BT Financial Group

ERB Retail Services and [BT Direct](#), non-banking institutions in the field of consumer finance, are in the process of their integration into BT Financial Group, a process taking place on several levels: legal, products & services, human resources. The merger will take place this year. ERB Retail Services is the company purchased by BT along with Bancpost and ERB Leasing in April 2018.

Banca Transilvania became shareholder of [Victoriabank](#) in January 2018, and the bank from the Republic of Moldova is in the course of being integrated into the BT Financial Group. Victoriabank's business and strategy have been reconfigured so far. Recently, the two banks, BT and Victoriabank, granted the first transborder Romania -Moldova syndicated loan in amount of EUR 21 million, to the commercial center Shopping MallDova. BT and the European Bank for Reconstruction and Development support the growth of Victoriabank, the entrepreneurs and economy of the Republic of Moldova through a strategic partnership.

BT Financial Group & Its Involvement in Financial and Entrepreneurial Education

BT plays its role in financial & entrepreneurial educational programs, as well as in CSR programs, at the level of the group, as well. BT Group is the partner of the Bucharest Stock Exchange in the mentoring program - [Made in Romania: Liga BVB](#), 2019 edition, launched in February, aiming at identifying and supporting Romanian companies for their listing on the stock exchange. Moreover, it supports the networking platform for companies listed on the BSE, [Investing Romania](#), as well as [Fluent în finanțe](#), a financial education platform, as well as seminars organized in different cities. In the first three months of the year, training courses were organized via [BT Club](#), gathering almost 800 participating entrepreneurs, which encouraged the Bank to extend this initiative to the Republic of Moldova where it launched Victoriabank Club. Additionally, the BT Group remained active in the he community's life, through the forestation missions Transilvania Forest 5.0 (in Bistrita-Nasaud) and Victoriabank Forest 1.0 (in the Republic of Moldova).

The consolidated financial results supplement the separate financial statements communicated to investors and the Bucharest Stock Exchange through the current report of Banca Transilvania dated 25.04.2019. The financial results are available on [BT's website](#).

Banca Transilvania | Communication & Public Relations

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019**

	31-mar-19 <i>RON thousand</i>	31-dec-18 <i>RON thousand</i>	Δ mar 19 vs dec 18
ASSETS			
Cash and cash equivalents at Central Bank	11,241,500	10,322,121	8.91%
Placements with banks	5,999,466	4,650,137	29.02%
Loans and receivables - securities	416,792	436,947	-4.61%
Financial assets held for trading of witch:	188,466	213,527	-11.74%
<i>Derivatives</i>	3,250	3,066	6.00%
<i>Equity instruments</i>	83,652	112,481	-25.63%
<i>Debt instrumnets</i>	101,564	97,980	3.66%
Loans and advances to customers- net*	38,608,953	37,817,084	2.09%
Financial assets at fair value through profit and loss	498,211	456,127	9.23%
Financial assets measured at fair value through other items of the comprehensive income	19,628,986	21,374,708	-8.17%
Equity investments	681,153	645,471	5.53%
Property and equipment	1,092,267	593,903	83.91%
Intangible assets	285,602	283,219	0.84%
Goodwill	4,295	4,295	-
Deferred tax assets	46,521	73,920	-37.07%
Other financial assets	806,113	843,237	-4.40%
Other non- financial assets	165,937	182,058	8.85%
Total assets	79,664,262	77,896,754	2.27%

*it also includes the impact of the leasing activity

	31-mar-19 <i>RON thousand</i>	31-dec-18 <i>RON thousand</i>	Δ mar 19 vs dec 18
LIABILITIES			
Deposits from banks	264,670	195,348	35.49%
Deposits from customers	65,278,294	65,160,466	0.18%
Loans from banks and other financial institutions	1,494,193	1,703,551	-12.29%
Other subordinated liabilities	1,711,311	1,655,377	3.38%
Provisions for other risks and for loan commitments	481,896	472,722	1.94%
Held for trading financial liabilities	8,589	4,226	103.24%
Current tax liability	66,443	40,953	62.24%
Other financial liabilities (*)	1,769,465	650,623	171.96%
Other non-financial liabilities	88,408	133,415	-33.73%
Total liabilities	71,163,269	70,016,681	1.64%
EQUITY			
Share capital	4,901,594	4,898,982	0.05%
Treasury shares	(78,547)	(38,558)	103.71%
Share premiums	27,643	28,381	-2.60%
Retained earnings	2,758,066	2,257,065	22.20%
Other reserves	582,055	441,666	31.79%
Total equity	8,190,811	7,587,536	7.95%
Non-controlling interest	310,182	292,537	6.03%
Total liabilities and equity	79,664,262	77,896,754	2.27%

(*)it also comprises the financial debt towards fund unit holders

Note: The financial information as at March 31, 2019 are not audited or revised and as at December 31, 2018 are audited.

DEPUTY GENERAL DIRECTOR
GEORGE CĂLINESCU

FINANCIAL REPORTING MANAGER
MIRCEA ȘTEFĂNESCU

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
AS AT MARCH 31, 2019**

	31-mar-19	31-mar-18	Δ mar 19
	RON thousand	RON thousand	vs. mar 18
Interest income	877,736	606,252	44.78%
Interest expense	(128,375)	(63,000)	103.77%
Net interest income	749,361	543,252	37.94%
Fee and commission income	254,989	193,345	31.88%
Fee and commission expense	(68,297)	(30,129)	126.68%
Net fee and commission income	186,692	163,216	14.38%
Net trading income	80,470	57,078	40.98%
Net gain/(loss) on financial assets measured through comprehensive income	6,666	(1,116)	697.31%
Net gain / (loss) from financial assets measured through profit and loss	35,591	13,318	167.24%
Contribution to the Banking Deposits Guarantee Fund and Resolution Fund	(108,477)	(34,646)	213.10%
Other operating income	38,508	59,048	-34.79%
Operating income	988,811	800,150	23.58%
Personnel expenses	(253,714)	(203,605)	24.61%
Depreciation and amortization	(73,430)	(35,401)	107.42%
Other operating expenses	(162,980)	(147,000)	10.87%
Operating expenses	(490,124)	(386,006)	26.97%
Net impairment(-) / income allowance on assets, provisions for other risks and loan commitments	106,101	50,925	108.35%
Profit before income tax	604,788	465,069	30.04%
Impairment/Income tax expense(-)	(97,325)	(76,100)	27.89%
Net profit	507,463	388,969	30.46%

Note: The financial information as at March 31, 2019 and March 31, 2018 are not audited or revised.

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