

PRESS RELEASE FOR Q3 2016 FINANCIAL RESULTS BANCA COMERCIALA CARPATICA

- ❖ For the first 9 months of 2016 (Q316) **the bank reached the budgeted target in terms of total operating revenue (+1%)**, despite the fact that the value of the operating revenues is with -14% below the level of the same period of 2015 (75.8M RON, compared with 88.4M RON in 2015)
- ❖ **The net reported loss for the first 9 months of 2016 (37.3M RON) is with 10.7M RON less than the budgeted loss for this period**, mainly due to the registration of some loans provisions, lower than the budget level (8.3M RON), respectively, to some write-offs recoveries bigger with 3.1M RON compared with the budgeted level.
- ❖ Compared with the same period of the previous year, the bank lost 14% of the operating revenues (net revenue form banking activities), this loss being offset almost entirely by the **reduction of the operational expenses with 11%**. The reductions of the recurrent operational expenses are in line with the forecasted expenses from the incomes and expenses budget (economy of -3% compared with the budget) and in the context of annualised terms it represents a reduction with -13% compared with the same period of the previous year.
- ❖ **The net loss for the first 9 months of 2016 is with 10.8M RON bigger than the loss registered in the same period of the previous year**, mainly as a consequence of the booked provisions, three times bigger compared with the same period of 2015, during the process of cleaning-up the balance-sheet by non-performing loans.
- ❖ **Solvability** – capital adequacy ratio of 12.6%, grew up from 4.9% at 31 December 2015; the solvability's return over the minimum regulated level is a consequence of the increased capital from February 2016.