

**Banca Transilvania S.A.**

**Individual Financial Statements**

**30 June 2012**

Prepared in accordance with the  
International Financial Reporting  
Standards as endorsed by the European  
Union

# **Banca Transilvania S.A.**

## **Contents**

Individual income statement	1
Individual statement of comprehensive income	2
Individual statement of financial position	3
Individual statement of changes in equity	4 - 5
Individual statement of cash flows	6 - 7
Notes to the individual financial statements	8 - 30

# Banca Transilvania S.A.

## Individual income statement

*As at June 30, 2012*

	Note	June 2012 <i>RON thd.</i>	June 2011 <i>RON thd.</i>
Interest income		1,002,137	883,795
Interest expense		-527,641	-442,142
<b>Net interest income</b>	4	<b>474,496</b>	<b>441,653</b>
Fee and commission income		232,391	208,957
Fee and commission expense		-27,108	-22,647
<b>Net fee and commission income</b>	5	<b>205,283</b>	<b>186,310</b>
Net trading income	6	65,724	54,302
Other operating income	7	26,661	9,579
<b>Operating income</b>		<b>772,164</b>	<b>691,844</b>
Net impairment losses on assets, other liabilities and credit commitments	8	-164,359	-186,841
Personnel expenses	9	-208,404	-173,725
Depreciation and amortization	19,20	-23,844	-24,724
Other operating expenses	10	-182,334	-156,296
<b>Operating expenses</b>		<b>-578,941</b>	<b>-541,586</b>
<b>Profit before income tax</b>		<b>193,223</b>	<b>150,258</b>
Income tax expense	11	-13,604	-28,153
<b>Profit for the period</b>		<b>179,619</b>	<b>122,105</b>
Basic earnings per share		0,1010	<b>0,0827</b>
Diluted earnings per share		0,1010	<b>0,0827</b>

# Banca Transilvania S.A.

## Individual statement of comprehensive income

As at June 30, 2012

	Note	June 2012	June 2011 <i>RON thd.</i>
<b>Profit for the period</b>		<b>179,619</b>	<b>122,105</b>
<b>Other comprehensive income, net of income tax</b>			
Fair values gains/(losses) from available for sale investments (net of deferred tax)		56,553	5,393
Other comprehensive income, net of income tax		-105	12
<b>Total comprehensive income for the period</b>		<b>236,067</b>	<b>127,510</b>

Horia Ciorcila  
*Chairman*

Maria Moldovan  
*Chief Financial Officer*

**Individual statement of financial position**

*as at June 30, 2012*

	Note	June 2012 <i>RON thd.</i>	December 2011 <i>RON thd.</i>
<b>Assets</b>			
Cash and cash equivalents	12	4,435,660	4,546,532
Placements with banks	13	1,332,708	566,608
Loans and receivables – securities	14	51,042	202,819
Financial assets at fair value through profit and loss	15	32,020	119,521
<i>Loans and advances to customers - gross</i>	16	<i>16,932,748</i>	<i>15,694,642</i>
<i>Provisions</i>	16	<i>1,913,016</i>	<i>1,659,352</i>
Loans and advances to customers – net	16	15,019,732	14,035,290
Investment securities, available for sale	17	7,535,527	5,813,219
Investment securities, held to maturity	17	0	819
Tangible assets	19	265,396	266,586
Intangible assets	20	73,655	69,136
Equity investments	18	72,783	69,978
Deferred tax asset	21	16,273	26,974
Other assets	22	132,892	100,364
<b>Total assets</b>		<b>28,967,688</b>	<b>25,817,846</b>
<b>Liabilities</b>			
Deposits from banks	23	260,163	251,181
Deposits from customers	24	22,172,789	20,280,230
Loans from banks and other financial institutions	25	3,400,154	2,468,988
Other subordinated liabilities	26	267,914	260,148
Other liabilities	27	316,308	237,495
<b>Total liabilities</b>		<b>26,417,328</b>	<b>23,498,042</b>
<b>Equity</b>			
Share capital	28	1,989,543	1,860,159
Share premiums		0	732
Retained earnings		283,487	234,983
Own shares		-4,633	-1,904
Revaluation reserve		33,710	34,134
Other reserves	29	248,253	191,700
<b>Total equity</b>		<b>2,550,360</b>	<b>2,319,804</b>
<b>Total liabilities and equity</b>		<b>28,967,688</b>	<b>25,817,846</b>

Horia Ciorcila  
*Chairman*

Maria Moldovan  
*Chief Financial Officer*

## Banca Transilvania S.A.

### Individual statement of changes in equity

As at June 30, 2012

In RON thd.

	Share capital	Share premiums	Own shares	Revaluation reserves	Other reserves	Retained earnings	Total
<b>Balance at December 31, 2011</b>	<b>1,860,159</b>	<b>732</b>	<b>-1,904</b>	<b>34,134</b>	<b>191,700</b>	<b>234,983</b>	<b>2,319,804</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	179,619	<b>179,619</b>
<b>Other comprehensive income, net of income tax</b>							
Transfer from revaluation surplus to retained earnings	-	-	-	-424	-	424	-
Fair value change gains (losses) from available-for-sale financial assets (net of deferred tax)	-	-	-	-	56,553	-	<b>56,553</b>
Other comprehensive income items	-	-	-	-	-	-105	<b>-105</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-424</b>	<b>56,553</b>	<b>179,938</b>	<b>236,067</b>
Increase in share capital through incorporation of reserves from the statutory profit	128,652	-	-	-	-	-128,652	-
Acquisitions of own shares	-	-	-13,193	-	-	-	<b>-13,193</b>
Share capital increase through the use of share premiums	732	-732	-	-	-	-	-
Distribution of own shares	-	-	10,464	-	-	-2,782	<b>7,682</b>
<b>Contributions by and distributions to owners</b>	<b>129,384</b>	<b>-732</b>	<b>-2,729</b>	<b>-</b>	<b>-</b>	<b>-131,434</b>	<b>-5,511</b>
<b>Balance at June 30, 2012</b>	<b>1,989,543</b>	<b>0</b>	<b>-4,633</b>	<b>33,710</b>	<b>248,253</b>	<b>283,487</b>	<b>2,550,360</b>

The accompanying notes from pages 8 to 30 from an integral part of these individual financial statements.

## Banca Transilvania S.A.

### Individual statement of changes in equity

For the year ended 31 December 2011

In RON thd.

	Share capital	Share premiums	Own shares	Revaluation reserves	Other reserves	Retained earnings	Total
<b>Balance as at 31 December 2010</b>	1,560,500	-	-	26,874	184,266	300,406	2,072,046
<b>Total comprehensive income for the period</b>							
Profit for the year	-	-	-	-	-	228,547	228,547
<b>Other comprehensive income, net of income tax</b>							
Transfer from revaluation surplus to retained earnings	-	-	-	-1,080	-	1,080	-
Fair value change gains (losses) from available-for-sale financial assets (net of deferred tax)	-	-	-	-	-1,855	-	-1,855
Other comprehensive income	-3,398	-	-	8,340	-	16,575	21,517
<b>Total comprehensive income for the period</b>	<b>-3,398</b>	<b>-</b>	<b>-</b>	<b>7,260</b>	<b>-1,855</b>	<b>246,202</b>	<b>248,209</b>
Increase in share capital through incorporation of reserves from the profit	302,336	-	-	-	-	-302,336	-
Acquisition of own shares	-	-	-1,904	-	-	-	-1,904
Increase in share capital through cash contribution	721	732	-	-	-	-	1,453
Distribution to statutory reserves	-	-	-	-	9,289	-9,289	-
<b>Contributions by and distributions to owners</b>	<b>303,057</b>	<b>732</b>	<b>-1,904</b>	<b>-</b>	<b>9,289</b>	<b>-311,625</b>	<b>-451</b>
<b>Balance at 31 December 2011</b>	<b>1,860,159</b>	<b>732</b>	<b>-1,904</b>	<b>34,134</b>	<b>191,700</b>	<b>234,983</b>	<b>2,319,804</b>

The accompanying notes from pages 8 to 30 from an integral part of these individual financial statements.

# Banca Transilvania S.A.

## Consolidated cash flow statement

As at June 30, 2012

<i>In RON thd.</i>	Note	30 June 2012	31 December 2011
<b>Cash flow from/ (used in) operating activities</b>			
Profit for the period		179,619	228,547
<b>Adjustments for:</b>			
Depreciation and amortization	19,20	23,844	49,261
Impairments and write-offs of financial assets	8	164,361	381,335
Fair value adjustment of financial assets at fair value through profit and loss		-6,638	4,844
Income tax expense	11	13,604	53,900
Other adjustments		-14,093	-85,235
<b>Net profit adjusted with non-monetary elements</b>		<b>360,697</b>	<b>632,652</b>
<b>Changes in operating assets and liabilities</b>			
Change in investment securities		-1,561,604	-2,007,002
Change in deposits and placements to/from banks		252,629	-55,710
Change in loans and advances to customers		-1,174,314	-2,010,368
Change in financial assets at fair value through profit and loss		94,138	-34,351
Change in other assets		-31,265	-24,154
Change in deposits from clients		1,895,115	2,927,950
Change in other liabilities		103,753	81,649
Income tax collected / paid		-39,489	-47,878
<b>Net cash from/ (used in) operating activities</b>		<b>-100,340</b>	<b>-537,212</b>
<b>Cash flow from / (used in) investing activities</b>			
Net acquisitions of property and equipment and intangible assets		-26,248	-88,125
Acquisition of subsidiaries and investments in associates		-10	-16,500
Dividends collected		140	422
<b>Net cash flow from/(used in) investing activities</b>		<b>-26,118</b>	<b>-104,203</b>
<b>Cash flow from / (used in) financing activities</b>			
Proceeds from increase of share capital		-	1,454
Net proceeds/(payments) from loans from banks and other financial institutions subordinated liabilities and debt securities issued		885,965	1,068,084
Proceeds from investments held to maturity		780	1
Treasury payments		-13,193	-1,904
<b>Net cash flow from/ (used in) financing activities</b>		<b>873,552</b>	<b>1,067,635</b>



## Banca Transilvania S.A.

### Consolidated cash flow statement (continued)

As at June 30, 2012

<i>In RON thd.</i>	30 June 2012	31 December 2011
Net increase in cash and cash equivalents	747,094	426,220
Cash and cash equivalents at 1 January	5,019,370	4,593,150
<b>Cash and cash equivalents at end of period</b>	<b>5,766,464</b>	<b>5,019,370</b>

### Reconciliation of cash and cash equivalents to individual statement of financial position

<i>In RON thd.</i>	Note	30 June 2012	31 December 2011
Cash and cash equivalents	12	4,435,660	4,546,532
Placements with banks, less than 3 months maturity	13	1,332,708	474,812
Less accrued interest		-1,904	-1,974
<b>Cash and cash equivalents in the cash flow statement</b>		<b>5,766,464</b>	<b>5,019,370</b>

### Cash flows from operating activities include

<i>In RON thd.</i>	30 June 2012	30 June 2011
Interest collected	918,295	858,229
Interest paid	496,203	446,334

# Banca Transilvania S.A.

## Notes to the individual financial statements

### 1. Reporting entity an basis of presentation

#### a) Reporting entity

Banca Transilvania S.A. was incorporated in Romania in 1993 and is licensed by the National Bank of Romania to conduct banking activities. The Bank started its activity in 1994 and its main operations involve banking services for corporate and individuals. The Bank carries its activity through its business place in Cluj-Napoca and, 63 branches, 448 agencies and 33 bank units, 10 medical divisions and 1 regional center located in Bucharest. (2011: 63 branches, 447 agencies, 32 bank units, 9 medical divisions and 1 regional center located in Bucharest) throughout the country and in Cyprus (a branch and an agency). The Bank accepts deposits and grants loans, carries out funds transfers in Romania and abroad, exchanges currencies and provides banking services for its corporate and retail customers.

The Bank's number of employees as at June 30, 2012 was 6,730 (31 December 2011: 6,788).

The registered address of the Bank is 8 George Baritiu Street, Cluj-Napoca, Romania.

The structure of the equity holders of the Bank is presented below:

	<b>30 June 2012</b>	<b>31 December 2011</b>
European Bank for Reconstruction and Development ("EBRD")	14.61%	14.61%
Romanian individuals	24.90%	25.98%
Romanian companies	26.58%	26.35%
Foreign individuals	2.00%	2.21%
Foreign companies	31.91%	30.85%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The Bank's shares are listed on the Bucharest Stock Exchange and are traded under the symbol TLV.

#### b) Statement of compliance

The individual financial statements of the Bank have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as endorsed by the European Union, effective at the Bank's reporting date, 30 June 2012.

These financial statements meet the requirements laid down in the NBR's Chairman Order No. 27/2010 („NBR Order No.27/2010") supplemented by NBR Order 29/28.12.2011 on the preparation by the credit institutions of the individual financial statements in accordance with the International Financial Reporting Standards.

#### c) Basis of evaluation

The consolidated financial statements of the Bank are prepared on a fair value basis, for financial assets and liabilities held at fair value through profit and loss and available-for-sale instruments, except from those for which a reliable measure of fair value is not available.

Other financial assets and liabilities and non-financial assets and liabilities are stated at amortized cost, revaluated amount or historical cost.

#### d) Functional and presentation currency

The individual financial statements are presented in Romanian lei "RON", which is the Bank's functional and presentation currency, rounded to the nearest thousand.

# Banca Transilvania S.A.

## Notes to the individual financial statements

### 2. Methods and significant accounting policies

The methods and significant accounting policies have been consistently applied by the Bank throughout the presented periods within these individual financial statements.

#### a) Foreign currency transactions

##### *i) Foreign currency transactions*

Transactions in foreign currencies are booked in RON at the official exchange rate at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of the individual statement of financial position are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the exchange rate valid at the date when the fair value is determined

##### *ii) Translation of foreign currency operations*

The result and financial position of foreign operations, which have a functional currency different from the functional and presentation currency of the Bank, are translated into the functional currency as follows:

- assets and liabilities, both monetary and non-monetary, of this entity have been translated at the closing rate at the date of the individual statement of the financial;
- income and expenses items of these operations have been translated at the average exchange rate of the period, as an estimated for the exchange rates from the dates of the transactions; and
- all resulting exchange difference have been classified as equity until the disposal of the investment.

The exchange rates of major foreign currencies were:

Currency	30 June 2012	31 December 2011	Variation %
Euro (EUR)	1: RON 4.4494	1: RON 4.3197	3.00%
US Dollar (USD)	1: RON 3.5360	1: RON 3.3393	5.89%

#### b) Accounting method for the effect of hyperinflation

According to IAS 29 and IAS 21, the financial statements of an entity whose functional currency of a hyperinflationary economy should be stated in terms of measuring unit current at the date of individual statement of financial position i.e. non-monetary items are restated using a general price index from the date of acquisition or contribution.

#### c) Interest income and expenses

Interest income and expenses related to financial investments are recognized in the income statement at amortized cost using the effective interest rate method.

# Banca Transilvania S.A.

## Notes to the individual financial statements

### 2. Significant accounting policies (continued)

#### d) Fee and commission income

Fees and commission income arises on financial services provided by the Bank: loan commissions, commitment fees, card fees, cash management services, brokerage services, investment advice and financial planning, investment banking services, project and structured finance transactions, and asset management services.

Fee and commission directly attributable to the financial asset or liability origination (both income and expense) are included in the measurement of the effective interest rate.

Other fee and commission income arising on the financial services provided by the Bank including investment management services, brokerage services, and account services fees are recognized as the related service is provided in the income statement. Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

#### e) Net trading income

Net trading income represents the difference between the gain and loss related to the trading assets and liabilities and included all fair value changes realized and unrealized and net foreign exchange differences.

#### f) Dividends

Dividend income is recognized in the income when the right to receive income is established.

#### g) Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

#### h) Income tax

Income tax for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it relates to equity elements.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of prior periods.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the consolidated statement of financial position.

The tax rate used to calculate the current and deferred tax position at June 30, 2012 is 16% (31 December 2011: 16%).

# Banca Transilvania S.A.

## Notes to the individual financial statements

### 2. Significant accounting policies (continued)

#### i) Financial assets and liabilities

##### (i) *Classifications*

The Bank classifies its financial assets and liabilities in the following categories:

*Financial assets or financial liabilities at fair value through profit or loss.* This category has two sub-categories: financial assets or financial liabilities held for trading, and those designated at fair value through profit or loss at inception. A financial instrument is classified in this category if acquired principally for the purpose of short term profit-taking or if so designated by management. *Loans and receivables* are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that the Bank intends to sell immediately or in the near term, those that the Bank, upon initial recognition, designates as at fair value through profit and loss, those that the Bank, upon initial recognition, designates as available for sale or those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration. Loans and receivables comprise loans and advances to banks and customers and net lease investments.

*Held-to-maturity investments* are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the positive intention and ability to hold to maturity. *Available-for-sale financial assets* are those financial assets that are designated as available for sale or are not classified as loans and advances, held-to-maturity investments or financial assets at fair value through profit or loss.

##### (ii) *Recognition*

Financial assets and financial liabilities are initially recognized at fair value plus, in case of financial assets and financial liabilities not carried at fair value through profit or loss, directly attributable transaction costs.

##### (iii) *Derecognition*

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

##### (iv) *Offsetting*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when and only when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

##### (v) *Amortized cost measurement*

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, less any reduction for impairment.

##### (vi) *Fair value measurement*

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

## **Notes to the individual financial statements**

### **2. Significant accounting policies (continued)**

#### *(vii) Identification and measurement of impairment*

At each balance sheet date the Bank assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets or a group of financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset (“loss generating event”), and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

If there is objective evidence that an impairment loss on financial assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

If during a future period, an event that took place after the date of the impairment recognition generates decrease in the impairment expense, the formerly recognized impairment loss is reversed either directly or through the adjustment of an impairment account. The impairment decrease is recognized through profit and loss.

#### *Loans and advances to customers*

The Bank, based on its internal impairment assessment methodology included observable data on the following loss events, as objective evidence that loans and advances to customers or groups of customers are impaired:

- (a) significant financial difficulty of the borrower determined in accordance with the Bank's internal rating system;
- (b) a breach of contract, such as a default or delinquency in interest or principal payments of the borrowers (individually and in the same group of borrowers);
- (c) the lender, for economic or legal reasons relating to the borrower's or lessee's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider such as the rescheduling of the interest or principal payments;
- (d) is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- (e) credible information indicating a measurable decrease in the estimated future cash flows of a group of financial assets from the date of the initial recognition, regardless of the fact that the decrease cannot be identified for each asset, including:
  - i)* unfavorable change in the payment behavior of the Bank's debtors, or
  - ii)* national or local economic circumstances that can be correlated to the loss / depreciation of the Bank's assets.

# Banca Transilvania S.A.

## Notes to the individual financial statements

### 2. Significant accounting policies (continued)

#### i) Financial assets and liabilities (continued)

##### *(vii) Identification and measurement of impairment (continued)*

The Bank regularly reviews the methodology and assumptions used to estimate future cash flows to reduce differences between estimated and actual losses.

##### *Available for sale financial assets*

For financial assets classified as available-for-sale, when a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized directly in equity shall be released directly from equity and recognized in profit or loss even though the financial asset has not been derecognize.

##### *Financial assets carried at cost*

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed through income statement.

#### j) Cash and cash equivalents

Cash and cash equivalents comprise: cash on hand, unrestricted balances held at National Bank of Romania and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value.

#### k) Trading assets and liabilities

Trading assets and liabilities are those assets and liabilities that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.

#### l) Derivatives

##### *(i) Derivatives held for risk management purposes*

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the individual statement of the financial position.

#### m) Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term.

Loans and advances are stated at net value after the deducting of the provision for impairment.

#### n) Investment securities

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as either held-to-maturity, fair value through profit and loss or available-for-sale.

# Banca Transilvania S.A.

## Notes to the individual financial statements

### 2. Significant accounting policies (continued)

#### n) Investment securities (continued)

##### (i) Held to maturity

Held-to-maturity investments are carried at amortized cost using the effective interest method.

##### (ii) Fair value through profit and loss

The Bank carries some investment securities at fair value, with fair value changes recognized immediately in profit or loss.

##### (iii) Available for sale

Debt securities such as treasury bills issued by the Government of Romania are classified as available-for-sale assets.

Other securities such as investments in unit funds are classified as available-for-sale assets and are carried at their market prices.

Other equity investments in listed or unlisted companies are classified as available-for-sale assets and are carried at the fair value. Where no reliable estimate of fair value is available, equity investments are stated at restated cost less impairment.

#### o) Property and equipment

##### (i) Recognition and measurement

Items of property and equipment are stated at their cost or revalued amount less accumulated depreciation value and impairment losses. Capital expenditure on property and equipment in the course of construction is capitalized and depreciated once the assets enter into use.

##### (iii) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land do not depreciate.

The estimated useful lives are as follows:

Buildings	50 years
Leasehold improvements (average)	7 years
Computers	3 years
Furniture and equipment	3 – 20 years
Vehicles	4 – 5 years

The leasehold improvements are depreciated over the rental contract period, which varies between 1 and 52 years. Depreciation methods, useful lives and residual values are reassessed at the reporting date.

#### p) Intangible assets

##### Software

Amortization is recognized in income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimate useful life of software is three years.



# Banca Transilvania S.A.

## Notes to the individual financial statements

### 2. Significant accounting policies (continued)

#### r) Impairment of non-financial assets

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

#### s) Deposits from customers

Deposits from customers are initially measured at fair value plus transaction costs, and subsequently measured at amortized cost using the effective interest method.

#### t) Debt securities issued and loans from banks and other financial institutions

Borrowings such as loans from banks and other financial institutions and debt securities issued are recognized initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs occurred. Debt securities and loans from banks and other financial institutions are subsequently stated at amortized cost.

#### u) Provisions

A provision is recognized in the consolidate statement of financial position when the Bank has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### v) Financial guarantees

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

#### x) Employee benefits

##### (i) Short term benefits

Short-term employee benefits include wages, salaries, bonuses and social security contributions. Short-term employee benefits are recognized as expense when services are rendered.

##### (ii) Defined contribution plans

The Bank, in the normal course of business makes payments to the Romanian State funds on behalf of its employees for pension, health care and unemployment benefit. All relevant contributions to the Romanian State pension plan are recognized as an expense in the income statement as incurred. The Bank does not have any further obligations.

#### y) Earnings per share

The Bank presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

#### aa) Own shares

Own equity instruments required (treasury shares) are deducted from equity. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of the Bank's own equity instruments.

## Banca Transilvania S.A.

### Notes to the individual financial statements

#### 3. Financial assets and liabilities

##### *Accounting classifications and fair values*

<i>In RON thd.</i>	Note	Financial assets at fair value through profit and loss	Held to maturity	Loans and receivables	Available for sale	Amortized cost	Total accounting value	Fair value
<b>30 June 2012</b>								
<b>Financial assets</b>								
Cash and cash equivalents	12	-	-	-	-	4,435,660	4,435,660	4,435,660
Placements with banks	13	-	-	-	-	1,332,708	1,332,708	1,332,708
Loans and receivables – securities	14	-	-	-	-	51,042	51,042	51,042
Financial assets at fair value through profit and loss	15	32,020	-	-	-	-	32,020	32,020
Loans and advances to customers	16	-	-	15,019,732	-	-	15,019,732	15,019,732
Investments securities	17	-	-	-	7,535,527	-	7,535,527	7,535,527
<b>Total financial assets</b>		<b>32,020</b>	<b>-</b>	<b>15,019,732</b>	<b>7,535,527</b>	<b>5,819,410</b>	<b>28,406,689</b>	<b>28,406,689</b>
<b>Financial Liabilities</b>								
Deposits from banks	23	-	-	-	-	260,163	260,163	260,163
Deposits from customers	24	-	-	-	-	22,172,789	22,172,789	22,177,262
Loans from banks and other financial institutions	25	-	-	-	-	3,400,154	3,400,154	3,400,154
Other subordinated loans	26	-	-	-	-	267,914	267,914	267,914
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,101,020</b>	<b>26,101,020</b>	<b>26,105,493</b>

## Banca Transilvania S.A.

### Notes to the individual financial statements

#### 3. Financial assets and liabilities (continued)

##### Accounting classifications and fair values

<i>In RON thd.</i>	Note	Financial assets at fair value through profit and loss	Held to maturity	Loans and receivables	Available for sale	Amortized cost	Total accounting value	Fair value
<b>31 December 2011</b>								
<b>Financial assets</b>								
Cash and cash equivalents	12	-	-	-	-	4,546,532	4,546,532	4,546,532
Placements with banks	13	-	-	-	-	566,608	566,608	566,608
Loans and receivables – securities	14	-	-	-	-	202,819	202,819	202,819
Financial assets at fair value through profit and loss	15	119,521	-	-	-	-	119,521	119,521
Loans and advances to customers	16	-	-	14,035,290	-	-	14,035,290	14,035,290
Investments securities	17	-	819	-	5,813,219	-	5,814,038	5,814,038
<b>Total financial assets</b>		<b>119,521</b>	<b>819</b>	<b>14,035,290</b>	<b>5,813,219</b>	<b>5,315,959</b>	<b>25,284,808</b>	<b>25,284,804</b>
<b>Financial Liabilities</b>								
Deposits from banks	23	-	-	-	-	251,181	251,181	251,181
Deposits from customers	24	-	-	-	-	20,280,230	20,280,230	20,282,215
Loans from banks and other financial institutions	25	-	-	-	-	2,468,988	2,468,988	2,468,988
Other subordinated loans	26	-	-	-	-	260,148	260,148	260,148
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,260,547</b>	<b>23,260,547</b>	<b>23,262,532</b>

**Notes to the individual financial statements**

**4. Net interest income**

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>30 June 2011</b>
<b>Interest income</b>		
Loans and advances to customers	701,196	712,105
Current accounts held with banks	18,598	19,994
Held for trading securities	268,560	135,780
Placements with banks	13,783	15,916
<i>Total interest income</i>	<u>1,002,137</u>	<u>883,795</u>
<b>Interest expense</b>		
Deposits from customers	456,719	406,884
Loans from banks and other financial institutions and issued bonds	64,285	32,612
Deposits from banks	6,637	2,646
<i>Total interest expense</i>	<u>527,641</u>	<u>442,142</u>
<b>Net interest income</b>	<b><u>474,496</u></b>	<b><u>441,653</u></b>

**5. Net fee and commission income**

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>30 June 2011</b>
<b>Fee and commission income</b>		
Transactions	175,349	155,942
Loans management and guarantees issuance	57,033	53,002
Other fee and commission income	9	13
<i>Total fee and commission income</i>	<u>232,391</u>	<u>208,957</u>
<b>Fee and commission expense</b>		
Bank commissions	21,502	18,563
Transactions	5,606	4,084
<i>Total fee and commission expense</i>	<u>27,108</u>	<u>22,647</u>
<b>Net fee and commission income</b>	<b><u>205,283</u></b>	<b><u>186,310</u></b>

**Notes to the individual financial statements**

**6. Net trading income**

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>30 June 2011</b>
Net income from foreign exchange transactions (i)	53,664	54,129
Net income from financial assets at fair value through profit and loss	8,326	3,927
Net income from revaluation of assets and liabilities held in foreign currency	3,734	-3,754
<b>Net trading income</b>	<b>65,724</b>	<b>54,302</b>

(i) Net income from foreign exchange transactions also include the realized and unrealized gain and loss from spot and forward contracts.

**7. Other operating income**

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>30 June 2011</b>
Dividend income	140	107
Other operating income	26,521	9,472
<b>Total</b>	<b>26,661</b>	<b>9,579</b>

**8. Net impairment losses on assets, other liabilities and credit commitments**

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>30 June 2011</b>
Net charge of impairment losses on financial assets (i)	179,144	185,683
Losses from off-balance receivables	90	5,986
Other liabilities – credit commitments	3,483	-4,600
Recoveries from loans previously written off	-2	-228
Income from provisions for other benefits granted to employees and from restructuring	-18,356	-
<b>Net impairment losses on assets, other liabilities and credit commitments</b>	<b>164,359</b>	<b>186,841</b>

(i) Net charge with impairment losses contains the following:

<i>In RON thd.</i>	<b>Note</b>	<b>30 June 2012</b>	<b>30 June 2011</b>
Loans and advances to customers	16	179,125	156,216
Investment securities	18	-	30,470
Other assets	22	19	-1,003
<b>Net charge with impairment losses</b>		<b>179,144</b>	<b>185,683</b>

**Notes to the individual financial statements**

<b>9. Personnel expenses</b>	<b>30 June 2012</b>	<b>30 June 2011</b>
<i>In RON thd.</i>		
Wages and salaries	140,748	128,045
Contribution to social security	29,281	26,759
Bonuses for employees, of which:	20,018	1,100
- for shares granted 2011	1,100	1,100
- for shares granted 2012	6,580	-
- cash	12,338	-
Meal tickets and other taxes related to personnel	8,114	8,803
Contribution to health fund	9,544	8,376
Contribution to unemployment fund	699	642
<b>Total</b>	<b>208,404</b>	<b>173,725</b>

The shares granted in 2011 and 2012 are free shares, and the shares granted in 2011 the subscription price was RON 1.1/share.

Provided that the employees who have expressed their purchase option for the shares granted in 2012 comply with the performance criteria, such shares will be deferred over a three-year's period.

Banca Transilvania's number of employees as at June 30, 2012 was 6,730 persons (31 December 2011: 6,788 persons).

<b>10. Other operating expenses</b>	<b>30 June 2012</b>	<b>30 June 2011</b>
<i>In RON thd.</i>		
Rents	44,842	42,624
Repairs and maintenance	24,838	21,410
Materials and consumables	13,088	11,409
Postage and telecommunications	14,067	15,051
Advertising and promotional expenses	8,176	10,620
Security and protection	10,510	10,590
Taxes	29,255	25,171
Electricity and heating	7,950	6,924
Travel and transport	2,887	2,547
Legal, advisory and consulting	1,928	1,568
Loss on sale of property and equipment	22	-127
Other operating expense	24,771	8,509
<b>Total</b>	<b>182,334</b>	<b>156,296</b>

**Notes to the individual financial statements**

**11. Income tax expense**

*Tax reconciliation*

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>30 June 2011</b>
<b>Gross profit</b>	<b>193,223</b>	<b>150,258</b>
<b>Taxation at statutory rate of 16% (2011: 16%)</b>	30,916	24,041
Non-deductible expenses and non-taxable revenues and other permanent differences	-17,312	4,112
<b>Profit (loss) tax expense</b>	<b>13,604</b>	<b>28,153</b>

**12. Cash and cash equivalents**

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>31 December 2011</b>
Minimum required reserve	4,030,349	4,178,416
Cash on hand	321,514	334,258
Current accounts held with other banks	83,797	33,858
<b>Total</b>	<b>4,435,660</b>	<b>4,546,532</b>

**13. Placements with banks**

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>31 December 2011</b>
Sight and term deposits placed at other banks	540,511	498,464
Loans and advances to banks	792,197	68,144
<b>Total</b>	<b>1,332,708</b>	<b>566,608</b>

**14. Loans and receivables – securities**

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>31 December 2011</b>
Securities reclassified as loans and receivables	51,042	202,819
<b>Total</b>	<b>51,042</b>	<b>202,819</b>

**15. Financial assets at fair value through profit and loss**

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>31 December 2011</b>
<i>Tradable assets (listed shares)</i>	32,020	119,521
<b>Total</b>	<b>32,020</b>	<b>119,521</b>

## Banca Transilvania S.A.

All shares in listed companies are listed on the Bucharest Stock Exchange.

### 16. Loans and advances to customers

The Bank's commercial lending is concentrated on companies and individuals domiciled in Romania and Cyprus. Economic sector risk concentrations within the customer's loan portfolio as at June 30, 2012 and as at 31 December 2011, was as follows:

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>31 December 2011</b>
Individuals	6,090,880	5,819,493
Trading	2,866,180	2,712,410
Manufacturing	2,372,352	2,196,027
Services	879,895	829,219
Construction	960,091	838,050
Transport	687,317	632,995
Real estate	524,970	474,057
Free lancers	365,165	340,535
Agriculture	699,303	560,453
Chemical industry	304,412	322,707
Energy industry	287,541	249,034
Financial institutions	288,330	197,103
Telecommunications	115,689	108,477
Mining industry	164,273	142,517
Governmental bodies	27,408	27,560
Fishing	10,111	4,607
Others	288,831	239,398
<b>Total loans and advances to customers before provisions</b>	<b>16,932,748</b>	<b>15,694,642</b>
Less provisions for impairment losses on loans	-1,913,016	-1,659,352
<b>Total loans and advances to customers, net of provisions</b>	<b>15,019,732</b>	<b>14,035,290</b>

Movement in provision for impairment loss on loans and advances to customers granted was as follows:

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>31 December 2011</b>
Balance at 1 January	1,659,352	1,277,866
Net impairment provision expense	186,131	310,298
Adjustment of the interest income for depreciated loans	67,533	71,188
<b>Balance at end of period</b>	<b>1,913,016</b>	<b>1,659,352</b>



**Notes to the individual financial statements**

**17. Investment securities**

	<b>30 June 2012</b>	<b>31 December 2011</b>
<i>In RON thd.</i>		
<i>Investment securities available-for-sale</i>		
Unlisted debt and other fixed income instruments:		
Treasury securities issued by the Government of Romania	5,812,292	5,395,348
Eurobond issued by the Romanian Government	1,446,032	359,532
Bonds in USD issued by the Romanian Government	115,240	-
Bonds	19,677	39,386
Fund units	140,606	17,273
Equity investment, of which:	1,680	1,680
- Equity investment, gross	1,680	1,680
- Impairment provision on equity investment	0	
<b>Total investment securities available-for-sale</b>	<b>7,535,527</b>	<b>5,813,219</b>
<i>Investment securities held-to-maturity</i>		
Treasury securities issued by the Government of Romania	0	819
<b>Total investment securities held-to-maturity</b>	<b>0</b>	<b>819</b>
<b>Total investment securities</b>	<b>7,535,527</b>	<b>5,814,038</b>

## Notes to the individual financial statements

### 18. Investment securities

	30 June 2012	31 December 2011
<i>In RON thd.</i>		
Equity investments, of which:	72,783	69,978
- Gross equity investments	169,983	167,178
- Provision for equity investment depreciation	-97,200	-97,200
<b>Total net investments</b>	<b>72,783</b>	<b>69,978</b>

Effect of the provision change for the depreciation of the Bank's equity investments was:

	30 June 2012	31 December 2011
<i>In RON thd.</i>		
Balance as at January 1	97,200	45,130
Net provision expenses	-	52,070
<b>Balance at end of period</b>	<b>97,200</b>	<b>97,200</b>

### 19. Property and equipment

	Land and buildings	Computers and equipment	Vehicles	Assets in progress	Total
<i>In RON thd.</i>					
<b>Gross carrying amount</b>					
Balance at January 1, 2011	285,106	183,748	26,596	6,391	501,841
Additions	7,373	18,939	2,008	42,864	71,184
Disposals	(1,807)	(9,153)	(544)	(21,538)	(33,042)
<b>Balance at December 31, 2011</b>	<b>290,672</b>	<b>193,534</b>	<b>28,060</b>	<b>27,717</b>	<b>539,983</b>
<b>Balance at January 1, 2012</b>	<b>290,672</b>	<b>193,534</b>	<b>28,060</b>	<b>27,717</b>	<b>539,983</b>
Additions	5,818	20,099	261	16,359	42,537
Disposals	(1,608)	(1,781)	(60)	(23,368)	(26,817)
<b>Balance at June 30, 2012</b>	<b>294,882</b>	<b>211,852</b>	<b>28,261</b>	<b>20,708</b>	<b>555,703</b>
<b>Amortization and depreciation</b>					
Balance at January 1, 2011	100,652	121,975	18,701	0	241,328
Charge for the year	17,842	20,778	3,838	0	42,458
Accumulated depreciation of disposals	(1,112)	(8,804)	(473)	0	(10,389)
<b>Balance at December 31, 2011</b>	<b>117,382</b>	<b>133,949</b>	<b>22,066</b>	<b>0</b>	<b>273,397</b>
<b>Balance at January 1, 2012</b>	<b>117,382</b>	<b>133,949</b>	<b>22,066</b>	<b>0</b>	<b>273,397</b>
Charge for the year	7,713	10,854	1,635	0	20,202
Accumulated depreciation of disposals	(1,562)	(1,679)	(51)	0	(3,292)
<b>Balance as at June 30, 2012</b>	<b>123,533</b>	<b>143,124</b>	<b>23,650</b>	<b>0</b>	<b>290,307</b>
<b>Net carrying amount</b>					
As at January 1, 2012	173,290	59,585	5,994	27,717	266,586
As at June 30, 2012	171,349	68,728	4,611	20,708	265,396



**Notes to the individual financial statements**

**20. Intangible assets**

	Software
<i>In RON thd.</i>	2011
<b>Gross carrying amount</b>	
<b>Balance as at January 12011</b>	<b>87,442</b>
Additions	36,236
Disposals	(13,058)
<b>Balance at December 31, 2011</b>	<b>110,620</b>
<b>Accumulated amortization</b>	
<b>Balance as at January 12011</b>	<b>40,079</b>
Expenses of the year	6,803
Disposals	(5,398)
<b>Balance at December 31, 2011</b>	<b>41,484</b>
<b>Net carrying amount</b>	
<b>As at January 12011</b>	<b>47,363</b>
<b>As at December 31, 2011</b>	<b>69,136</b>
	Software
<i>In RON thd.</i>	2012
<b>Net carrying amount</b>	
<b>Balance at January 1, 2012</b>	<b>110,620</b>
<b>Additions</b>	<b>9,851</b>
Disposals	(1,690)
<b>Balance as at June 30, 2012</b>	<b>118,781</b>
<b>Accumulated amortization</b>	
<b>Balance at January 1, 2012</b>	<b>41,484</b>
Expenses of the year	3,642
Disposals	0
<b>Balance as at June 30, 2012</b>	<b>45,126</b>
<b>Net carrying amount</b>	
<b>As at January 1, 2012</b>	<b>69,136</b>
<b>As at June 30, 2012</b>	<b>73,655</b>

**Notes to the individual financial statements**

**21. Deferred tax assets and liabilities**

*In RON thd.*

	<b>30 June 2012</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
Loans and advances to customers	169,670		169,670
Investment securities, available-for-sale		-69,902	-69,902
Other assets	1,938		1,938
<b>Total</b>	<u>171,608</u>	<u>-69,902</u>	<u>101,706</u>
Net temporary differences			<u><b>16,273</b></u>
<b>Deferred tax asset 16%</b>			

*In RON thd.*

	<b>31 December 2011</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
Loans and advances to customers	169,670	-	169,670
Investment securities, available-for-sale		-3,020	-3,020
Other assets	1,938	-	1,938
<b>Total</b>	<u>171,608</u>	<u>-3,020</u>	<u>168,588</u>
Net temporary differences			<u><b>168,588</b></u>
<b>Deferred tax asset 16%</b>			<u><b>26,974</b></u>

**22. Other assets**

*In RON thd.*

	<b>30 June 2012</b>	<b>31 December 2011</b>
Amounts under settlement	23,741	21,845
Assets repossessed	26,495	38,187
Prepayments	43,465	15,060
Sundry debtors	31,733	19,313
VAT receivable	1,033	7
Other assets	7,876	6,662
Provision for other assets	-1,452	-1,431
Subsidies	1	721
<b>Total</b>	<u><b>132,892</b></u>	<u><b>100,364</b></u>

Movement in provision for impairment loss on other assets for the period was as follows:

*In RON thd.*

	<b>2012</b>	<b>2011</b>
<b>Balance as at January 1</b>	1,431	2,854
Net provision expense	21	-1,423
<b>Balance as at June 30, 2012</b>	<u><b>1,452</b></u>	<u><b>1,431</b></u>

**Notes to the individual financial statements**

**23. Deposits from banks**

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>31 December 2011</b>
Term deposits	43,387	115,414
Sight deposits	216,776	135,767
<b>Total</b>	<b>260,163</b>	<b>251,181</b>

**24. Deposits from customers**

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>31 December 2011</b>
Current accounts	3,380,295	3,137,219
Sight deposits	162,434	142,330
Term deposits	18,153,584	16,521,761
Collateral deposits	476,476	478,920
<b>Total</b>	<b>22,172,789</b>	<b>20,280,230</b>

*Deposits from customers can be also analyzed as follows:*

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>31 December 2011</b>
Retail customers	14,652,816	13,401,149
Corporate customers	7,519,973	6,879,081
<b>Total</b>	<b>22,172,789</b>	<b>20,280,230</b>

**25. Loans from banks and other financial institutions**

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>31 December 2011</b>
Loans from commercial banks	-	-
<i>Romanian banks</i>	-	-
<i>Foreign banks</i>	-	-
Loans from development banks (BERD, IFC)	654,312	756,393
Other funds from financial institutions	2,745,842	1,712,595
Of which: Securities in custody (NBR)	1,901,686	1,276,023
<b>Total</b>	<b>3,400,154</b>	<b>2,468,988</b>

## Notes to the individual financial statements

### 26. Other subordinated liabilities

In 2006, the Bank contracted a subordinated loan agreement with five credit institutions for EUR 60,000 thousand bearing an variable interest rate available during the respective period of Euribor + 3,4%. The loan shall be repaid by one installment at the seventh anniversary from the contract date

### 27. Other liabilities

*In RON thd.*

	<b>30 June 2012</b>	<b>31 December 2011</b>
Amounts under settlement	257,510	124,797
Other fees payable	20,399	45,120
Sundry creditors	9,232	23,500
Other liabilities	17,325	17,561
Provisions	11,842	26,517
<b>Total</b>	<b>316,308</b>	<b>237,495</b>

### 28. Share capital

The statutory share capital of the Bank as of June 30, 2011 was represented by 1,903,042,413 ordinary shares of RON 1 each (31 December 2011: 1,773,658,066 shares of RON 0.1 each). The ownership structure of the Bank is presented in Note 1.

The capital increased by incorporating the reserves in the statutory profit amounting to RON 129,384,347 was registered at the Trade Register in June 2012.

### 29. Other reserves

As at June 30, 2012 and December 31, 2011 the reserves include the following:

*In RON thd.*

	<b>30 June 2012</b>	<b>31 December 2011</b>
General banking risks	77,893	77,893
Statutory reserve	116,939	116,939
Fair value losses taken to equity (net of tax) on available for sale investments	53,421	-3,132
<b>Total</b>	<b>248,253</b>	<b>191,700</b>

## **Notes to the individual financial statements**

### **30. Related parties transactions**

#### **Transactions with shareholders**

During H1 2012 the following banking transactions were carried out with the shareholders:

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>31 December 2011</b>
<b>Assets</b>		
Loans to shareholders granted by Banca Transilvania SA.	44	53
<b>Liabilities</b>		
Current accounts, deposits, related	189,668	155,323
Loans from financial institutions	208,709	265,325
Subordinated loans	53,583	52,030
<b>Income statement</b>		
Interest income	18	42
Performance commission income	-	521
Interest, commission expense	11,851	23,813

#### **Transactions with key management personnel**

During H1 2012, the following banking transactions were carried out with key personnel:

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>31 December 2011</b>
<b>Assets</b>		
Loans to key personnel granted by Banca Transilvania SA, related interest and provisions	112,823	108,076
<b>Liabilities</b>		
Current accounts at Banca Transilvania SA, deposits and accrued	46,719	41,469
<b>Commitments to key personnel</b>		
<b>Income statement</b>		
Interest, commission income	3,460	7,717
Interest, commission expense	914	4,903



## **Notes to the individual financial statements**

### **31. Commitments and contingencies**

At any time the Bank has outstanding commitments to extend credit. These commitments take the form of approved loans and overdraft facilities. Outstanding loan commitments have a commitment period that does not extend beyond the normal underwriting and settlement period of one month to one year

<i>In RON thd.</i>	<b>30 June 2012</b>	<b>31 December 2011</b>
Guarantees issued	1,137,631	945,948
Loan commitments	2,561,929	2,294,691
<b>Total</b>	<b>3,699,560</b>	<b>3,240,639</b>

### **32. Earnings per share**

#### **Basic earnings per share**

The calculation of basic earnings per share (basic and diluted) was based on net profit attributable to ordinary shareholders of RON 179,619 thousand (at June 30, 2011: 122,105 RON thd) and the weighted average number of the ordinary shares outstanding during the year calculated as follows:

	<b>2012</b>	<b>2011</b>
Ordinary shares issued at 1 January	1,773,658,066	1,470,600,998
Effect of shares issued until June 30, 2012	5,465,008	5,784,275
Weighted average number of shares as at June 30, 2012	1,779,123,074	1,476,385,273

### **33. Subsequent events**

No subsequent events relevant to the Bank and H1 2012 existed after the date of the individual financial statements.

Horia Ciorcila  
*Chairman*

Maria Moldovan  
*Chief Financial Officer*