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## **Independent Auditors' Report (free translation<sup>1</sup>)**

The Shareholders'  
Banca Transilvania S.A.

### **Report on the consolidated financial statements**

- 1 We have audited the accompanying consolidated financial statements of Banca Transilvania S.A. (the "Bank") and its subsidiaries (the "Group"), which comprises the consolidated balance sheet as at 31 December 2007 and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.
- 2 This report is made solely to the Bank's shareholders, as a body. Our audit work has been undertaken so that we might state to the Bank's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Management's responsibility for the consolidated financial statements**

- 3 Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditors' responsibility**

- 4 The financial statements of one consolidated company, which statements reflect total assets constituting RON 5,148 thousand and a negative financial performance constituting RON 19.749 thousand as of and for the year ended 31 December 2007, were audited by other auditors whose report have been furnished to us. Our audit report, insofar as it relates to the amounts included for those consolidated company, is based solely on the furnished report of the other auditors.

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<sup>1</sup> TRANSLATOR'S EXPLANATORY NOTE: The above translation of the auditors' report is provided as a free translation from Romanian which is the official and binding version.

- 5 Our responsibility is to express an opinion on the consolidated financial statements of the Group based on our audit and the audits of other auditors. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.
- 6 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 7 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

- 8 In our opinion, the accompanying consolidated financial statements of Banca Transilvania S.A.'s Group present fairly, in all material respects, the financial position of the Group as at 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

### **Emphasis of matters**

- 9 Without qualifying our opinion, we draw attention to the following:
  - As presented in Notes 3j and 20 and 21 to the consolidated financial statements, the Group has estimated the impairment loss provision for loans and advances to customers and net lease investments at RON 162,219 thousand based on the internal methodologies developed and applied as at 31 December 2007. Because of the limitations mentioned in Note 3j related to the information management and analysis of important aspects of the methodologies applied in obtaining future estimated cash flows from loans and advances to customers and net lease investments, that estimate may differ from the value that would have been obtained if the Group would have had an information system with the necessary features required to obtain qualitative estimates regarding the timing and amounts of the expected future cash flows.
  - As presented in Note 2c to the consolidated financial statements, the Group has presented in Euros for the convenience of readers the amounts reported in RON in the consolidated balance sheet and in the consolidated income statement. This presentation does not form part of the audited consolidated financial statements.



**Report on conformity of the administrators' report with the consolidated financial statements**

In accordance with the Order of the National Bank of Romania no. 5/2005, article no. 175, point 2) we have read the accompanying administrators' report on the consolidated financial statements of Banca Transilvania S.A. and its subsidiaries (the "Group") prepared in accordance with International Financial Reporting Standards as endorsed by the European Union as at and for the year ended 31 December 2007. The administrators' report as presented from page 1 to 19 is not a part of the Group's consolidated financial statements. In the administrators' report we have not identified any financial information which is not consistent, in all material respects, with the information presented in the Group's consolidated financial statements as at 31 December 2007.

**Refer to the original signed  
Romanian version**

KPMG Audit SRL  
Bucharest, Romania  
21 March 2008