

Banca Transilvania S.A.

**Consolidated Financial
Statements**

31 December 2009

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

Banca Transilvania S.A.

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Banca Transilvania S.A.

Consolidated income statement

For the year ended 31 December

	Note	Convenience Translation*			
		2009 RON thousand	2008 RON thousand	2009 EUR thousand	2008 EUR thousand
Interest income		2,109,440	1,545,740	497,826	419,730
Interest expense		(1,355,111)	(953,056)	(319,805)	(258,793)
Net interest income	8	754,329	592,684	178,021	160,937
Fee and commission income		417,098	428,533	98,435	116,364
Fee and commission expense		(46,293)	(47,379)	(10,925)	(12,865)
Net fee and commission income	9	370,805	381,154	87,510	103,499
Net trading income	10	143,201	69,511	33,795	18,875
Other operating income	11	48,441	42,977	11,432	11,670
Operating income		1,316,776	1,086,326	310,758	294,981
Net impairment losses on assets	12	(490,784)	(157,564)	(115,825)	(42,785)
Personnel expenses	13	(349,124)	(386,033)	(82,393)	(104,823)
Depreciation and amortization	23, 24	(68,042)	(63,137)	(16,058)	(17,144)
Other operating expenses	14	(299,957)	(294,093)	(70,789)	(79,859)
Operating expenses		(1,207,907)	(900,827)	(285,065)	(244,611)
Share of profits/(losses) in associates	22	10,298	(28,581)	2,430	(7,761)
Profit from sale of associates and joint ventures	22, 38	38,596	268,814	9,109	72,994
Profit before income tax		157,763	425,732	37,232	115,603
Income tax expense	15	(21,048)	(65,745)	(4,967)	(17,852)
Profit for the year		136,715	359,987	32,265	97,751
Profit for the year attributable to:					
Equity holders of the Bank		138,323	361,672	32,644	98,209
Non-controlling interest		(1,608)	(1,685)	(379)	(458)
Profit for the year		136,715	359,987	32,265	97,751
Basic earnings per share		0.1304	0.3368		
Diluted earnings per share		0.1304	0.2964		

* Refer to Note 2c.

TRANSLATOR'S EXPLANATORY NOTE: The above translation of the consolidated financial statements is provided as a free translation from Romanian which is the official and binding version.

Banca Transilvania S.A.

Consolidated statement of comprehensive income

As at 31 December

	Note	Convenience Translation*			
		2009	2008	2009	2008
		RON	RON	EUR	EUR
		thousand	thousand	thousand	thousand
Profit for the year		136,715	359,987	32,265	97,751
Other comprehensive income, net of income tax					
Fair values gains/(losses) from available for sale investments (net of deferred tax)		44,405	(65,890)	10,480	17,892
Other changes		2,950	(17,853)	696	(4,848)
Total comprehensive income for the period		184,070	276,244	43,441	110,795
Total comprehensive income attributable to:					
Equity holders of the Bank		186,692	276,028	44,059	74,952
Non-controlling interest		(2,622)	216	(618)	59
Total comprehensive income for the period		184,070	276,244	43,441	75,011

* Refer to Note 2c.

The consolidated financial statements were approved by the Board of Directors on 29 March 2010 and were signed on its behalf by:

Horia Ciorcila
Chairman

Maria Moldovan
Chief Financial Officer

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Consolidated statement of financial position

As at 31 December

	Note			Convenience Translation*	
		2009	2008	2009	2008
		RON thousand	RON thousand	EUR thousand	EUR thousand
Assets					
Cash and cash equivalents	16	3,186,997	3,698,738	753,748	928,119
Placements with banks	17	1,535,915	828,608	363,255	207,922
Financial assets at fair value through profit and loss	18	44,865	14,522	10,611	3,644
Loans and advances to customers	19	11,481,759	10,884,901	2,715,519	2,731,331
Net lease investments	20	271,312	380,779	64,167	95,548
Investment securities, available for sale	21	2,573,466	798,250	608,643	200,304
Investment securities, held to maturity	21	11,654	11,655	2,756	2,925
Investments in associates	22	42,404	28,663	10,029	7,192
Property and equipment	23	305,000	385,404	72,135	96,709
Intangible assets	24	12,389	14,628	2,930	3,671
Goodwill	24	8,369	8,369	1,979	2,100
Deferred tax asset	25	16,719	21,068	3,954	5,287
Other assets	26	122,181	73,140	28,898	18,351
Total assets		19,613,030	17,148,725	4,638,624	4,303,103
Liabilities					
Deposits from banks	27	259,134	38,325	61,287	9,617
Deposits from customers	28	14,989,199	12,097,091	3,545,054	3,035,504
Loans from banks and other financial institutions	29	2,160,404	2,877,809	510,951	722,124
Other subordinated liabilities	30	253,665	239,685	59,994	60,144
Debt securities issued	31	1,262	63,601	298	15,959
Other liabilities	32	111,332	175,877	26,330	44,133
Total liabilities		17,774,996	15,492,388	4,203,914	3,887,481
Equity					
Share capital	33	1,176,237	1,149,595	278,189	288,466
Treasury shares		(333)	(200)	(79)	(50)
Share premiums		97,684	76,566	23,103	19,213
Retained earnings		354,157	265,677	83,761	66,665
Reevaluation reserve		22,543	23,852	5,332	5,985
Other reserves	34	179,948	130,427	42,560	32,728
Total equity attributable to equity holders of the Bank		1,830,236	1,645,917	432,866	413,007
Non-controlling interest		7,798	10,420	1,844	2,615
Total equity		1,838,034	1,656,337	434,710	415,622
Total liabilities and equity		19,613,030	17,148,725	4,638,624	4,303,103

* Refer to Note 2c.

The consolidated financial statements were approved by the Board of Directors on 29 March 2010 and were signed on its behalf by:

Horia Ciorcila
Chairman

Maria Moldovan
Chief Financial Officer

Banca Transilvania S.A.

Consolidated statement of changes in equity

For the year ended 31 December 2009

<i>In RON thousand</i>	Attributable to the equity holders of the Bank							Total
	Share capital	Treasury shares	Share premiums	Reevaluation reserves	Other reserves	Retained earnings	Non-controlling interest	
Balance as at 31 December 2008	1,149,595	(200)	76,566	23,852	130,427	265,677	10,420	1,656,337
Total comprehensive income for the period								
Profit for the year	-	-	-	-	-	138,323	(1,608)	136,715
Other comprehensive income, net of income tax								
Transfer from revaluation surplus to retained earnings	-	-	-	(1,309)	-	1,309	-	-
Fair values gains from available for sale investments (net of deferred tax)	-	-	-	-	44,405	-	-	44,405
Other changes	-	-	-	-	1,376	2,588	(1,014)	2,950
Total comprehensive income for the period	-	-	-	(1,309)	45,781	142,220	(2,622)	184,070
Increase in share capital through conversion of bonds	26,642	-	-	-	-	-	-	26,642
Increase in share premiums through incorporation of differences from the conversion of bonds	-	-	21,118	-	-	-	-	21,118
Distribution to statutory reserves	-	-	-	-	3,740	(3,740)	-	-
Acquisition of treasury shares	-	(133)	-	-	-	-	-	(133)
Distribution of dividends for 2008 financial year	-	-	-	-	-	(50,000)	-	(50,000)
Contributions by and distributions to owners	26,642	(133)	21,118	-	3,740	(53,740)	-	(2,373)
Balance at 31 December 2009	1,176,237	(333)	97,684	22,543	179,948	354,157	7,798	1,838,034

Banca Transilvania S.A.

Consolidated statement of changes in equity

For the year ended 31 December 2008

<i>In RON thousand</i>	Attributable to equity holders of the Bank							Total
	Share capital	Treasury shares	Share premiums	Reevaluation reserves	Other reserves	Retained earnings	Non-controlling interest	
Balance at 31 decembrie 2007	700,979	-	98,602	24,061	172,957	266,371	10,204	1,273,174
Total comprehensive income for the period								
Profit for the year	-	-	-	-	-	361,672	(1,685)	359,987
Other comprehensive income, net of income tax								
Transfer from revaluation surplus to retained earnings	-	-	-	(209)	-	209	-	-
Fair values gains from available for sale investments (net of deferred tax)	-	-	-	-	(65,890)	-	-	(65,890)
Other changes	-	-	-	-	-	(19,754)	1,901	(17,853)
Total comprehensive income for the period	-	-	-	(209)	(65,890)	342,127	216	276,244
Increase in share capital through appropriation of retained earnings	319,461	-	-	-	-	(319,461)	-	-
Increase in share capital through incorporation of share premiums	98,602	-	(98,602)	-	-	-	-	-
Cash contribution to share capital	30,553	-	76,566	-	-	-	-	107,119
Distribution to statutory reserves	-	-	-	-	23,360	(23,360)	-	-
Acquisition of treasury shares	-	(200)	-	-	-	-	-	(200)
Contributions by and distributions to owners	448,616	(200)	(22,036)	-	23,360	(342,821)	-	106,919
Balance as at 31 December 2008	1,149,595	(200)	76,566	23,852	130,427	265,677	10,420	1,656,337

Consolidated cash flow statement

For the year ended 31 December

In RON thousand

Cash flow from/ (used in) operating activities

	Note	2009	2008
Profit for the year		136,715	359,987
Adjustments for:			
Depreciation and amortization	23,24	68,042	63,137
Impairments and write-offs of financial assets		490,784	161,492
Share of profit in associate, net of dividends		10,298	28,581
Fair value adjustment of financial assets at fair value through profit and loss		(17,203)	51,208
Profit from sale of associates and joint ventures		(38,596)	(268,814)
Income tax expense	15	21,048	65,745
Other adjustment		(85,769)	36,995
		<hr/>	<hr/>
Net profit adjusted with non-monetary elements		585,319	498,331
Changes in operating assets and liabilities			
Change in investment securities		(1,702,780)	(371,893)
Change in placement with banks		(101,705)	(4,000)
Change in loans and advances to customers		(1,034,093)	(2,537,511)
Change in net lease investments		104,893	(89,164)
Change in financial assets at fair value through profit and loss		(13,140)	(1,912)
Change in other assets		(51,168)	(20,350)
Change in deposits from banks and customers		3,114,883	1,618,937
Change in other liabilities		(5,918)	8,450
Income tax paid		(82,943)	(106,280)
		<hr/>	<hr/>
Net cash from/ (used in) operating activities		813,348	(1,005,392)
Cash flow from / (used in) investing activities			
Net acquisitions of property and equipment and intangible assets		(24,138)	(154,035)
Net proceeds from sale of associates and joint ventures		44,693	299,330
Proceeds from sale of equity investments		-	721
Acquisition of subsidiaries (net of cash acquired) and investments in associates		(24,039)	(4,696)
Dividends collected		2,017	4,338
		<hr/>	<hr/>
Net cash flow from/(used in) investing activities		(1,467)	145,658
Cash flow from /(used in) financing activities			
Proceeds from increase of share capital		-	107,119
Subscription of non-controlling interest to the share capital of subsidiaries		-	584
Net proceeds/(payments) from loans from banks and other financial institutions, subordinated liabilities and debt securities issued		(681,477)	1,014,407
Payments for dividends		(48,793)	-
Payments for treasury shares		(12,297)	-
		<hr/>	<hr/>
Net cash flow from financing activities		(742,567)	1,122,110

Consolidated cash flow statement (continued)

For the year ended 31 December

<i>In RON thousand</i>	2009	2008
Net increase in cash and cash equivalents	69,314	262,376
Cash and cash equivalents at 1 January	4,462,650	4,200,274
Cash and cash equivalents at 31 December	4,531,964	4,462,650

Reconciliation of cash and cash equivalents to statement of financial position

<i>In RON thousand</i>	Note	31 December 2009	31 December 2008
Cash and cash equivalents	16	3,186,997	3,698,738
Placements with banks, less than 3 months maturity		1,349,220	770,649
Less accrued interest		(4,253)	(6,737)
Cash and cash equivalents in the cash flow statement		4,531,964	4,462,650

Cash flows from operating activities include:

<i>In RON thousand</i>	2009	2008
Interest collected	2,066,742	1,537,442
Interest paid	1,377,312	875,854

