

**BANCA TRANSILVANIA S.A.**

**Individual Financial Statements**

**30 June 2013**

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

**INTERIM REPORT**

# **Banca Transilvania S.A.**

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# Banca Transilvania S.A.

## Individual income statement

*As at June 30, 2013*

	Note	June 2013 <i>RON thd</i>	June 2012 <i>RON thd</i>
Interest income		1.010.330	1.002.137
Interest expenses		-492.223	-527.641
<b>Net interest income</b>	4	<b>518.107</b>	<b>474.496</b>
Fee and commission income		199.264	232.391
Fee and commission expenses		-31.910	-27.108
<b>Net fee and commission income</b>	5	<b>167.354</b>	<b>205.283</b>
Net trading income	6	59.921	65.724
Deposit Guarantee Fund contribution		-32.175	-26.895
Other operating income	7	20.343	26.663
<b>Operating income</b>		<b>733.550</b>	<b>745.271</b>
Personnel expenses	9	-200.442	-190.048
Depreciation and amortization	19,20	-27.514	-23.844
Other operating expenses	10	-155.146	-155.439
<b>Operating expenses</b>		<b>-383.102</b>	<b>-369.331</b>
Net impairment charges of financial assets and credit commitments	8	-141.033	-182.717
<b>Profit before income tax</b>		<b>209.415</b>	<b>193.223</b>
Income tax expense	11	-29.230	-13.604
<b>Profit for the period</b>		<b>180.185</b>	<b>179.619</b>
<b>Basic earnings per share</b>		<b>0.0944</b>	<b>0,0989</b>
<b>Diluted earnings per share</b>		<b>0.0944</b>	<b>0.0989</b>

## Banca Transilvania S.A.

### Individual statement of comprehensive income

As at June 30, 2013

	Note	June 2013	June 2012 <i>RON thd.</i>
<b>Profit for the period</b>		<b>180.185</b>	<b>179.619</b>
<b>Other comprehensive income, net of income tax</b>			
Fair values gains/(losses) from available for sale investments (net of deferred tax)		-4.219	56.553
Other comprehensive income, net of income tax		-27	-105
<b>Total comprehensive income for the period</b>		<b>175.939</b>	<b>236.067</b>

Luminta Runcan  
*Deputy CEO*

Mariana Ilea  
*Deputy Manager*  
*General Accounting Dept*

**Individual statement of financial position**

*as at June 30, 2013*

	Note	June 2013 <i>RON thd.</i>	December <i>RON thd.</i>
<b>Assets</b>			
Cash and cash equivalents	12	4.800.518	5.576.290
Placements with banks	13	1.252.467	1.304.788
Loans and receivables – securities	14	78.046	78.326
Financial assets at fair value through profit and loss	15	37.514	39.179
<i>Loans and advances to customers - net</i>	16	15.532.794	15.457.481
<i>Loans and advances to customers - brut</i>	16	17.724.776	17.568.485
<i>Provisions</i>	16	2.191.982	2.111.004
Investment securities, available for sale	17	7.760.496	6.529.701
Tangible assets	19	291.845	290.006
Intangible assets	20	82.336	80.090
Equity investments	18	74.053	74.053
Other assets	22	212.349	142.130
<b>Total assets</b>		<b>30.122.418</b>	<b>29.572.044</b>
<b>Liabilities</b>			
Deposits from banks	23	242.100	45.953
Deposits from customers	24	24.165.047	23.232.922
Loans from banks and other financial institutions	25	1.968.601	2.969.302
Subordinated liabilities	26	424.379	288.810
Liabilities related to tax on profit		46.714	28.228
Other liabilities	27	403.400	311.892
<b>Total liabilities</b>		<b>27.250.241</b>	<b>26.877.107</b>
<b>Equity</b>			
Share capital	28	2.292.937	1.989.543
Retained earnings		253.303	376.144
Own Shares		-	-7.752
Reevaluation reserve		31.279	38.125
Other reserves	29	294.658	298.877
<b>Total equity</b>		<b>2.872.177</b>	<b>2.694.937</b>
<b>Total liabilities and equity</b>		<b>30.122.418</b>	<b>29.572.044</b>

Luminta Runcan  
*Deputy CEO*

Mariana Ilea  
*Deputy Manager*  
*General Accounting Dept*

## Banca Transilvania S.A.

### Individual statement of changes in equity

As at June 30, 2013

In RON thd.

	Share capital	Share premiums	Own shares	Revaluation reserves	Other reserves	Retained earnings	Total
<b>Balance at December 31, 2012</b>	<b>1.989.543</b>	-	-7.752	38.125	298.877	376.144	2.694.937
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	180.185	180.185
<b>Other comprehensive income, net of income tax</b>							
Transfer from revaluation surplus to retained earnings	-	-	-	-1.840	-	1.840	-
Fair value change gains (losses) from available-for-sale financial assets (net of deferred tax)	-	-	-	-	-4.219	-	-4.219
Other comprehensive income items	-	-	-	-	-	-27	-27
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1.840</b>	<b>-4.219</b>	<b>181.998</b>	<b>175.939</b>
Increase in share capital through incorporation of reserves from the statutory profit	303.394	-	-	-	-	-303.394	-
Acquisitions of own shares	-	-	-11.755	-	-	-	-11.755
Other items	-	-	-	-5.006	-	-282	-5.288
Distribution of own shares	-	-	19.507	-	-	-1.163	18.344
<b>Total shareholders contributions</b>	<b>303.394</b>	<b>-</b>	<b>7.752</b>	<b>-5.006</b>	<b>-</b>	<b>-304.839</b>	<b>1.301</b>
<b>Balance at June 30, 2013</b>	<b>2.292.937</b>	<b>0</b>	<b>-0</b>	<b>31.279</b>	<b>294.658</b>	<b>253.303</b>	<b>2.872.177</b>

## Banca Transilvania S.A.

### Individual statement of changes in equity

For the year ended 31 December

In RON thd.

	Share capital	Share premiums	Own shares	Revaluation reserves	Other reserves	Retained earnings	Total
<b>Balance as 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>
<b>Total comprehensive income for the period</b>							
Profit for the year	-	-	-	-	-	320.432	<b>320.432</b>
<b>Other comprehensive income, net of income tax</b>							
Transfer from revaluation surplus to retained earnings	-	-	-	-747	-	747	-
Retained earnings	-	-	-	4.738	-	-	<b>4.738</b>
Fair value change gains (losses) from available-for-sale financial assets (net of deferred tax)	-	-	-	-	90.139	-	<b>90.139</b>
Other comprehensive income	-	-	-	-	-	-33.652	<b>-33.652</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.991</b>	<b>90.139</b>	<b>287.527</b>	<b>381.657</b>
Increase in share capital through incorporation of reserves from the profit	128.652	-	-	-	-	-128.652	-
Acquisition of own shares	-	-	-20.945	-	-	-	<b>-20.945</b>
Increase in share capital through cash contribution	732	-732	-	-	-	-	-
Distribution to statutory reserves	-	-	-	-	17.038	-17.038	-
Payments in the form of shares	-	-	15.097	-	-	-676	<b>14.421</b>
<b>Total shareholders contributions</b>	<b>129.384</b>	<b>-732</b>	<b>-5.848</b>	<b>-</b>	<b>17.038</b>	<b>-146.366</b>	<b>-6.524</b>
<b>Balance at 31 December 2012</b>	<b>1.989.543</b>	<b>-</b>	<b>-7.752</b>	<b>38.125</b>	<b>298.877</b>	<b>376.144</b>	<b>2.694.937</b>

# Banca Transilvania S.A.

## Consolidated cash flow statement

As at June 30, 2013

	Note	30 June 2013	30 June 2012
<i>In RON thd.</i>			
<b><i>Cash flow from/ (used in) operating activities</i></b>			
Profit for the period		<b>180.185</b>	<b>179.619</b>
<b><i>Adjustments for:</i></b>			
Depreciation and amortization	19,20	27.514	23.844
Impairments and write-offs of financial assets	8	141.599	179.215
Fair value adjustment of financial assets at fair value through profit and loss		1.693	-6.638
Income tax expense	11	29.230	13.604
Other adjustments		-68.207	-28.926
<b><i>Net profit adjusted with non-monetary elements</i></b>		<b>312.014</b>	<b>360.718</b>
<b><i>Changes in operating assets and liabilities</i></b>			
Change in investment securities		-1.206.329	-1.561.604
Change in deposits and placements to banks		-39.712	243.574
Change in loans and advances to customers		-131.564	-1.174.313
Change in financial assets at fair value through profit and loss		-28	94.138
Change in other assets		-85.008	-45.941
Change in deposits from banks		195.879	9.055
Change in deposits from clients		955.653	1.895.115
Change in other liabilities		105.453	118.407
Income tax collected / paid		-13.256	-39.489
<b><i>Net cash from/ (used in) operating activities</i></b>		<b>93.102</b>	<b>-100.340</b>
<b><i>Cash flow from / (used in) investing activities</i></b>			
Net acquisitions of tangible and intangible assets		-28.604	-26.248
Acquisition of participations		-	-10
Dividends collected		141	140
<b><i>Net cash flow from/(used in) investing activities</i></b>		<b>-28.463</b>	<b>-26.118</b>
<b><i>Cash flow from /(used in) financing activities</i></b>			
Net proceeds/(payments) from loans from banks and other financial institutions, subordinated liabilities and debt securities issued		-879.269	885.965
Proceeds from investments held to maturity		-	780
Treasury payments		-11.755	-13.193
<b><i>Net cash flow from/ (used in) financing activities</i></b>		<b>-891.024</b>	<b>873.552</b>



## Banca Transilvania S.A.

### Consolidated cash flow statement (continued)

As at June 30, 2013

<i>In RON thd.</i>	30 June 2013	30 June 2012
Net increase/decrease in cash and cash equivalents	-826.385	747.094
Cash and cash equivalents at 1 January	6.879.478	5.019.370
<b>Cash and cash equivalents at end of period</b>	<b>6.053.093</b>	<b>5.766.464</b>

### Reconciliation of cash and cash equivalents with the individual statement of financial position

<i>In RON thd.</i>	Note	30 June 2013	30 June 2012
Cash and cash equivalents	12	4.800.518	4.435.660
Placements with banks, less than 3 months maturity		1.256.312	1.332.708
Less accrued interest		-3.737	-1.904
<b>Cash and cash equivalents in the cash flow statement</b>		<b>6.053.093</b>	<b>5.766.464</b>

### Cash flows from operating activities include

<i>In RON thd.</i>	30 June 2013	30 June 2012
Interest collected	1.000.418	947.318
Interest paid	472.173	529.280

# 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, 442 agencies and 32 bank units, 10 medical divisions and 1 regional center located in Bucharest. (2012: 63 branches, 445 agencies, 31 bank units, 10 Healthcare Division units 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, 2013 was 6,798 (31 December 2012: 6,780).

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 2013</b>	<b>31 December 2012</b>
European Bank for Reconstruction and Development ("EBRD")	14,61%	14,61%
Romanian individuals	21,15%	23,06%
Romanian companies	24,59%	26,32%
Foreign individuals	2,27%	2,84%
Foreign companies	37,38%	33,17%
<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 2013.

Starting with 1 January 2012, as laid down in the NBR's Chairman Order No. 27/2010, the Bank applies the IFRS standards endorsed by the European Union as the legal reporting base.

#### c) Basis of evaluation

The consolidated financial statements of the Bank are prepared on a fair value basis: assets and liabilities held at fair value through profit and loss and available-for-sale instruments, except for 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 with a have a functional currency different from the 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 financial individual statement;
- 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 differences have been classified as equity until the disposal of the investment.

The exchange rates of major foreign currencies were:

Currency	30 June 2013	31 December 2012	Fluctuation %
Euro (EUR)	1: LEU 4,4588	1: LEU 4,4287	0,68%
US American (USD)	1: LEU 3,4151	1: LEU 3,3575	1,72%

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

According to IAS 29 and IAS 21, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the date of the 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 commissions resulted from financial services offered by the Bank: loan granting, commitment fees, card fees, cash management services, brokerage services, investment advice and financial planning, investment banking services, 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 from financial services delivered by the Bank including investment management, brokerage and account services fees is recognized in the income statement as service when provided. Other fees and commission expenses refer mainly to the trade fees and services which are recognized in the income statement the moment the services are performed.

#### **e) Net trading income**

Net trading income represents the difference between the gain and loss related to the trading assets and liabilities and includes all fair value changes realized and unrealized as well as 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, 2013 is 16% (31 December 2012: 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 financial instruments designated at fair value through profit or loss at initial recognition. A financial instrument is classified in this category if acquired mainly for the purpose of short term profit or if it was designated by management in this category. *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 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, due to 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.

# Banca Transilvania S.A.

## 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 the National Bank of Romania and highly liquid financial assets with original maturities of less than three months, which are subject to significant risk of fair value modification.

#### **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 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	4 years
Furniture and equipment	3 – 24 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, as collections from those instruments (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.

##### (iii) Other benefits

Based on the mandate granted by shareholders, the Bank's Board of Directors decides with regards to the number of shares included in the employee fidelity plan. The fair value as at the grant date of share-based compensation awards - stock options – granted to employees is recognized as personnel expenses, with a corresponding increase in equity, over the period when the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the value of awards for which the related service and non-market related performance conditions are expected to be met, so that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market related performance conditions at the vesting date.

# **Banca Transilvania S.A.**

## Notes to the individual financial statements

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

#### **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 2013</b>								
<b>Financial assets</b>								
Cash and cash equivalents	12	-	-	-	-	4.800.518	4.800.518	4.800.518
Placements with banks	13	-	-	-	-	1.252.467	1.252.467	1.252.467
Loans and receivables – securities	14	-	-	-	-	78.046	78.046	78.046
Securities held for trading and derivatives	15	37.514	-	-	-	-	37.514	37.514
Loans and advances to customers	16	-	-	15.532.794	-	-	15.532.794	15.532.794
Investments securities	17	-	-	-	7.760.496	-	7.760.496	7.760.496
<b>Total financial assets</b>		<b>37.514</b>	<b>-</b>	<b>15.532.794</b>	<b>7.760.496</b>	<b>6.131.031</b>	<b>29.461.835</b>	<b>29.461.835</b>
<b>Financial Liabilities</b>								
Deposits from banks	23	-	-	-	-	242.100	242.100	242.100
Deposits from customers	24	-	-	-	-	24.165.047	24.165.047	24.183.782
Loans from banks and other financial institutions	25	-	-	-	-	1.968.601	1.968.601	1.968.601
Other subordinated loans	26	-	-	-	-	424.379	424.379	424.379
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.800.127</b>	<b>26.800.127</b>	<b>26.818.862</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 2012</b>								
<b>Financial assets</b>								
Cash and cash equivalents	15	-	-	-	-	5.576.290	5.576.290	5.576.290
Placements with banks	16	-	-	-	-	1.383.114	1.383.114	1.383.114
Financial assets at fair value through profit and loss	17	39.179	-	-	-	-	39.179	39.179
Loans and advances to customers	18	-	-	15.457.481	-	-	15.457.481	15.457.481
Investments securities	19	-	-	-	6.529.701	-	6.529.701	6.529.701
<b>Total financial assets</b>		<b>39.179</b>	<b>-</b>	<b>15.457.481</b>	<b>6.529.701</b>	<b>6.959.404</b>	<b>28.985.765</b>	<b>28.985.765</b>
<b>Financial Liabilities</b>								
Deposits from banks	25	-	-	-	-	45.953	45.953	45.953
Deposits from customers	26	-	-	-	-	23.232.922	23.232.922	23.238.176
Loans from banks and other financial institutions	27	-	-	-	-	2.969.302	2.969.302	2.969.302
Other subordinated loans	28	-	-	-	-	288.810	288.810	288.810
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.536.987</b>	<b>26.536.987</b>	<b>26.542.241</b>
<b>31 December 2012</b>								

**Notes to the individual financial statements**

**4. Net interest income**

<i>RON thd.</i>	<b>30 June 2013</b>	<b>30 June 2012</b>
<b>Interest income</b>		
Loans and advances to customers	725.750	701.196
Current accounts held with banks	15.533	18.598
Held-for-trading securities	256.245	268.544
Placements with banks	12.802	13.799
<i>Total interest income</i>	<u>1.010.330</u>	<u>1.002.137</u>
<b>Interest expense</b>		
Deposits from customers	440.115	456.719
Loans from banks and other financial institutions and issued bonds	49.612	64.285
Deposits from banks	2.496	6.637
<i>Total interest expense</i>	<u>492.223</u>	<u>527.641</u>
<b>Net interest income</b>	<b><u>518.107</u></b>	<b><u>474.496</u></b>

**5. Net fee and commission income**

<i>RON thd.</i>	<b>30 June 2013</b>	<b>30 June 2012</b>
<b>Fee and commission income</b>		
Transactions	181.431	175.156
Loans management and guarantees issuance	17.374	57.033
Other fee and commission income	459	202
<i>Total fee and commission income</i>	<u>199.264</u>	<u>232.391</u>
<b>Fee and commission expense</b>		
Bank commissions	26.423	21.502
Transactions	5.487	5.606
<i>Total fee and commission expense</i>	<u>31.910</u>	<u>27.108</u>
<b>Net fee and commission income</b>	<b><u>167.354</u></b>	<b><u>205.283</u></b>

## Notes to the individual financial statements

### 6. Net trading income

<i>RON thd.</i>	<b>30 June 2013</b>	<b>30 June 2012</b>
Net income from foreign exchange transactions (i)	52.394	57.398
Net income from financial assets at fair value through profit and loss	7.527	8.326
<b>Net trading income</b>	<b>59.921</b>	<b>65.724</b>

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

### 7. Other operating income

<i>RON thd.</i>	<b>30 June 2013</b>	<b>30 June 2012</b>
Dividend income	141	140
Contribution to the Deposit Guarantee Fund	-32.175	-26.895
Other operating income	20.202	26.523
<b>Total</b>	<b>-11.832</b>	<b>-232</b>

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

<i>RON thd.</i>	<b>30 June 2013</b>	<b>30 June 2012</b>
Net charge of impairment losses on financial assets (i)	141.000	179.144
Losses from off-balance receivables	620	90
Other liabilities – credit commitments	-587	3.483
<b>Net impairment losses on financial assets and credit commitments</b>	<b>141.033</b>	<b>182.717</b>

(i) The net charge with impairment losses on assets contains the following:

<i>RON thd.</i>	<b>Note</b>	<b>30 June 2013</b>	<b>30 June 2012</b>
Loans and advances to customers	16	140.979	179.125
Other assets	22	21	19
<b>Net charge with impairment losses on assets</b>		<b>141.000</b>	<b>179.144</b>

**Notes to the individual financial statements**

**9. Personnel expenses**

	<b>30 June 2013</b>	<b>30 June 2012</b>
<i>RON thd.</i>		
Wages and salaries	141.177	140.748
Contribution to social security	29.358	29.281
Bonuses for employees, of which:	29.029	20.018
- for shares granted in 2011	0	1.100
- for shares granted in 2012	1.275	6.580
- for shares granted in 2013	16.988	0
- cash	10.766	12.338
Meal tickets and other taxes related to personnel	8.986	8.114
Contribution to health fund	8.595	9.544
Contribution to unemployment fund	1.073	699
Income from other employee allowances and restructuring	-17.776	-18.356
<b>Total</b>	<b>200.442</b>	<b>190.048</b>

The shares granted in 2012 and 2013 are free shares.

Provided that the employees who expressed their purchase option for the shares comply with the performance criteria, they will enjoy their rights within a period of maximum 3 years.

Banca Transilvania's number of employees as at June 30, 2013 was 6.798 (31 December 2012: 6.780 persons).

**10. Other operating expenses**

	<b>30 June 2013</b>	<b>30 June 2012</b>
<i>RON thd.</i>		
Rents	43.878	44.842
Repairs and maintenance	32.061	24.838
Materials and consumables	12.555	13.088
Postage and telecommunication	9.979	14.067
Advertising and promotional expenses	7.678	8.176
Security and protection	9.818	10.510
Taxes	3.289	2.360
Electricity and heating	9.564	7.950
Travel and transportation	2.986	2.887
Legal, advisory and consulting	3.866	1.928
Loss on sale of property and equipment	680	22
Other operating expense	18.792	24.771
<b>Total</b>	<b>155.146</b>	<b>155.439</b>

**Notes to the individual financial statements**

**11. Income tax expense**

*Tax reconciliation*

<i>RON thd.</i>	<b>30 June 2013</b>	<b>30 June 2012</b>
<b>Gross profit</b>	<b>209.415</b>	<b>193.223</b>
<b>Taxation at statutory rate of 16% (2012: 16%)</b>	33.506	30.916
Non-deductible expenses and non-taxable revenues and other permanent differences	-4.276	-17.312
<b>Profit (loss) tax expense</b>	<b>29.230</b>	<b>13.604</b>

**12. Cash and cash equivalents**

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
Minimum required reserve	4.325.500	4.974.894
Cash at hand	430.113	519.554
Current accounts held with other banks	44.905	81.842
<b>Total</b>	<b>4.800.518</b>	<b>5.576.290</b>

**13. Placements with banks**

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
Sight and term deposits placed at other banks	964.162	1.237.227
Loans and advances to banks	288.305	67.561
<b>Total</b>	<b>1.252.467</b>	<b>1.304.788</b>

**14. Loans and receivables – securities**

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
Securities reclassified as loans and receivables	78.046	78.326
<b>Total</b>	<b>78.046</b>	<b>78.326</b>



## Notes to the individual financial statements

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

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
Tradable assets	5.866	39.179
Derivatives	31.648	-
<b>Total</b>	<b>37.514</b>	<b>39.179</b>

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 loan portfolio as at June 30, 2013 and as at 31 December 2012, was the following:

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
Individuals	6.412.255	6.325.313
Trading	2.911.124	2.882.807
Manufacturing	2.420.816	2.507.113
Services	1.024.509	941.908
Construction	1.015.502	990.287
Transport	688.146	702.256
Real estate	523.260	526.755
Freelancing	390.788	382.202
Agriculture	804.720	729.524
Chemical industry	321.310	315.305
Energy industry	295.148	322.277
Financial institutions	308.444	312.254
Telecommunication	85.924	125.484
Mining industry	158.600	170.697
Governmental bodies	27.933	31.030
Fishing	7.954	7.255
Others	328.343	296.018
<b>Total loans and advances to customers before provisions</b>	<b>17,724.776</b>	<b>17.568.485</b>
Less provisions for impairment losses on loans	-2,191,982	-2.111.004
<b>Total loans and advances to customers, net of provisions</b>	<b>15,532.794</b>	<b>15.457.481</b>

The movement in provisions for impairment losses on loans and advances to customers granted was as follows:

**Notes to the individual financial statements**

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
Balance at 1 January	2.111.004	1.659.352
Net impairment provision expense	140.979	369.662
Provisions for off-balance loans	-131.720	-63.404
Adjustment of the interest income for depreciated loans	65.356	137.632
Net expenses from foreign exchange	6.363	7.762
<b>Balance at end of period</b>	<b>2.191.982</b>	<b>2.111.004</b>

**17. Investment securities**

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
<b>Investment securities available-for-sale</b>	<b>7.600.749</b>	<b>6.374.614</b>
<b><i>Unlisted debt and other fixed income instruments:</i></b>		
Treasury securities issued by the Government of Romania, of which (i):	6.486.938	5.540.477
- discount securities	34.639	13.405
- coupon securities	30.739	30.635
- Benchmark securities (LEI)	4.574.996	4.305.860
- treasury securities with coupon (EUR)	1.846.564	1.190.577
Eurobonds issued by the Romanian Government	815.925	705.063
Bonds in USD issued by the Romanian Government	288.366	119.294
Bonds, of which (ii):	9.520	9.780
- municipal bonds issued by Bucharest town hall	8.896	9.128
- municipal bonds issued by Alba Iulia town hall	624	652
<b>Fund units</b>	<b>158.078</b>	<b>153.407</b>
<b>Equity instruments evaluated at cost</b>	<b>1.669</b>	<b>1.680</b>
<b>Total investment securities available-for-sale</b>	<b>7.760.496</b>	<b>6.529.701</b>

**18. Investment securities**

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
Equity investments, of which:	74.053	74.053
- Gross equity investments	171.253	171.253
- Provision for equity investment deprecia- tion	-97.200	-97.200
<b>Total net investments</b>	<b>74.053</b>	<b>74.053</b>

The effect of the change in provisions for the depreciation of the Bank's equity investments was the following:

<i>RON thd.</i>	<b>30 June</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>
Balance at 1 January	97.200	97.200
<b>Balance at June 30</b>	<b>97.200</b>	<b>97.200</b>

## Notes to the individual financial statements

### 19. Tangible assets

*RON thd.*

Gross carrying amount	Land and buildings	Computers and equipment	Vehicles	Assets in progress	Total
<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>
Acquisitions	617	13.060	392	44.803	58.872
Transfers from ongoing investments	17.903	23.419	1.221	-	42.543
Revaluation	321	1.804	2.506	-	4.631
Outputs	-2.857	-7.109	-3.371	-42.543	-55.880
<b>Balance at December 31, 2012</b>	<b>306.656</b>	<b>224.708</b>	<b>28.808</b>	<b>29.977</b>	<b>590.149</b>
<b>Balance at January 1, 2013</b>	<b>306.656</b>	<b>224.708</b>	<b>28.808</b>	<b>29.977</b>	<b>590.149</b>
Acquisitions	-	4.492	-	18.712	23.204
Transfers from ongoing investments	3.535	12.915	429	-	16.879
Outputs	-1.787	-1.073	-103	-18.018	-20.981
<b>Balance at June 30, 2013</b>	<b>308.404</b>	<b>241.042</b>	<b>29.134</b>	<b>30.671</b>	<b>609.251</b>
<b>Amortization and depreciation</b>					
<b>Balance at January 1, 2012</b>	<b>117.382</b>	<b>133.949</b>	<b>22.066</b>	<b>-</b>	<b>273.397</b>
Expense of the year	13.947	22.245	3.141	-	39.333
Accumulated depreciation of disposals	-2.751	-6.748	-3.287	-	-12.786
Revaluation	199	-	-	-	199
<b>Balance at December 31, 2012</b>	<b>128.777</b>	<b>149.446</b>	<b>21.920</b>	<b>-</b>	<b>300.143</b>
<b>Balance at January 1, 2013</b>	<b>128.777</b>	<b>149.446</b>	<b>21.920</b>	<b>-</b>	<b>300.143</b>
Expense of the year	5.464	12.030	2.002	-	19.496
Accumulated depreciation of disposals	-1.246	-890	-97	-	-2.233
Revaluation	-	-	-	-	-
<b>Balance at 30.06.2013</b>	<b>132.995</b>	<b>160.586</b>	<b>23.825</b>	<b>-</b>	<b>317.406</b>
<b>Net carrying amount</b>					
<b>at January 1, 2013</b>	<b>177.879</b>	<b>75.262</b>	<b>6.888</b>	<b>29.977</b>	<b>290.006</b>
<b>at June 30, 2013</b>	<b>175.409</b>	<b>80.456</b>	<b>5.309</b>	<b>30.671</b>	<b>291.845</b>

## Notes to the individual financial statements

### 20. Intangible assets

<i>RON thd.</i>	Software 2013	Software 2012
<b>Gross carrying amount</b>		
<b>Balance as at 1 January</b>	<b>128.495</b>	<b>110.620</b>
Inputs	10.264	18.044
Transfers from ongoing investments	70.603	1.923
Outputs	-70.603	-2.092
<b>Balance as at 30 June</b>	<b>138.759</b>	<b>128.495</b>
<b>Accumulated amortization</b>		
<b>Balance as at 1 January</b>	<b>48.405</b>	<b>41.484</b>
Expenses of the year	8.018	7.089
Outputs	-	-168
<b>Balance as at 30 June</b>	<b>56.423</b>	<b>48.405</b>
<b>Net carrying amount</b>		
<b>as at 1 January</b>	<b>80.090</b>	<b>69.136</b>
<b>as at 30 June</b>	<b>82.336</b>	<b>80.090</b>

### 21. Deferred tax assets and liabilities

<i>RON thd.</i>	30 June 2013		Net
	Assets	Liabilities	
Loans and advances to customers	101.700	-263.718	-162.018
Investment securities, available-for-sale	211*	-98.784	-98.573
Other assets	0	-31.290	-31.290
<b>Total</b>	<b>101.911</b>	<b>-393.792</b>	<b>-291.881</b>
Net temporary differences			<b>-291.881</b>
<b>Deferred tax liability</b>			<b>46.714</b>

\*Note: For the amount of RON 211 thousand, a tax of 10% was applied (the tax applicable in Cyprus). For the other amounts the tax is 16%.

<i>RON thd.</i>	31 December 2012		Net
	Assets	Liabilities	
Loans and advances to customers	135.600	-209.770	-74.170
Investment securities, available-for-sale		-102.252	-102.252
<b>Total</b>	<b>135.600</b>	<b>-312.022</b>	<b>-176.422</b>
Net temporary differences			<b>-176.422</b>
<b>Deferred tax liability 16%</b>			<b>28.228</b>

## Notes to the individual financial statements

### 22. Other assets

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
Amounts under settlement	25.201	30.036
Inventories and related	39.163	39.713
Prepayments	48.552	18.129
Sundry debtors	29.006	29.044
VAT and profit tax receivables	24.688	26.885
Other assets	48.040	603
Provision for other assets	-2.301	-2.280
<b>Total</b>	<b>212.349</b>	<b>142.130</b>

The movement in provisions for impairment loss on other assets for the period was as follows:

<i>RON thd.</i>	<b>2013</b>	<b>2012</b>
<b>Balance as at January 1</b>	2.280	1.431
Net provision expense	21	849
<b>Balance at the end of the period</b>	<b>2.301</b>	<b>2.280</b>

### 23. Deposits from banks

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
Term deposits	203.473	1.617
Sight deposits	38.627	44.336
<b>Total</b>	<b>242.100</b>	<b>45.953</b>

## Notes to the individual financial statements

### 24. Deposits from customers

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
Current accounts	4.094.749	3.663.733
Sight deposits	166.080	156.541
Term deposits	19.441.810	18.922.365
Collateral deposits	462.408	490.283
<b>Total</b>	<b>24.165.047</b>	<b>23.232.922</b>

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

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
Retail customers	16.656.084	15.655.353
Corporate customers	7.508.963	7.577.569
<b>Total</b>	<b>24.165.047</b>	<b>23.232.922</b>

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

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
Loans from development banks (BERD, IFC)	448.541	530.261
Other funds from financial institutions	1.520.060	2.439.041
of which: <i>Securities in custody with the NBR</i>	<i>500.215</i>	<i>1.721.650</i>
<i>Securities in custody with other financial institutions</i>	<i>292.883</i>	<i>-</i>
<b>Total</b>	<b>1.968.601</b>	<b>2.969.302</b>

## Notes to the individual financial statements

### 26. Subordinated liabilities

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
Subordinated term borrowings	291.181	288.810
Subordinated term securities	133.198	-
<b>Total</b>	<b>424.379</b>	<b>288.810</b>

In 2013, the Bank contracted a loan by issuing unsecured, convertible and subordinated bonds in amount of EUR 30.000 thousand, at a variable interest rate of Euribor 6m+6,25%, with maturity in 2020. The main investor is IFC.

### 27. Other liabilities

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
Amounts under settlement	319.733	217.664
Other taxes payable	21.703	21.821
Sundry creditors	13.327	14.590
Other liabilities	30.124	20.977
Provisions	18.513	36.840
<b>Total</b>	<b>403.400</b>	<b>311.892</b>

### 28. Share capital

The statutory share capital of the Bank as of June 30, 2013 was represented by 2.206.436.324 ordinary shares of RON 1 each (31 December, 2012: 1.903.042.413 shares of RON 1 each). The ownership structure of the Bank is presented in Note 1.

The capital increased by incorporating the reserves established from the statutory profit amounting to RON 303.393.911 and was registered with the Trade Register in June 2013.

### 29. Other reserves

As at June 30, 2013 and December 31, 2012 the reserves include the following:

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
General banking risks	77.893	77.893
Statutory reserve	133.977	133.977
Fair value losses taken to equity (net of tax) on available for sale investments	82.788	87.007
<b>Total</b>	<b>294.658</b>	<b>298.877</b>

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

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

#### **Transactions with shareholders**

During H1 2013 the following banking transactions were carried out with the shareholders:

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
<b>Assets</b>		
Loans to shareholders granted by Banca Transilvania SA.	-	763
<b>Liabilities</b>		
Current accounts, deposits, related	42.509	114.422
Loans from financial institutions	117.723	146.805
Subordinated loans	73.409	53.331
<b>Income statement</b>		
Interest income	16	156
Performance commission income	10	294
Interest, commission expense	5.210	18.848

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

During H1 2013, the following banking transactions were carried out with key personnel:

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
<b>Assets</b>		
Loans to key personnel granted by Banca Transilvania SA, related interest and provisions	96.711	96.992
<b>Liabilities</b>		
Current accounts at Banca Transilvania SA, deposits and accrued	50.386	50.584
<b>Commitments to key personnel</b>	6.811	6.570
<b>Income statement</b>		
Interest, commission income	2.377	4.695
Interest, commission expense	1.026	1.885

## **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 limits approved for credit cards and overdraft facilities. Outstanding loan commitments have a commitment period that does not exceed the normal underwriting and settlement period of one month to one year.



## Banca Transilvania S.A.

<i>RON thd.</i>	<b>30 June 2013</b>	<b>31 December 2012</b>
Guarantees issued	1.678.526	1.754.770
Loan commitments	2.662.167	2.464.906
<b>Total</b>	<b>4.340.693</b>	<b>4.219.676</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 180.185 thousand (at June 30, 2012: RON 179.619 thd.) and the weighted average number of the ordinary shares outstanding during the year calculated as follows:

	<b>30 June 2013</b>	<b>30 June 2012</b>
Ordinary shares issued at 1 January	1.903.042.413	1.773.658.066
Effect of shares issued until 30 June	5.028.628	42.035.776
Weighted average number of shares as at 30 June	1.908.071.041	1.815.693.842

### 33. Subsequent events

No subsequent events relevant to the Bank and to its evolution in H1 2013 occurred after the date of the individual financial statements.

Luminta Runcan  
*Deputy CEO*

Mariana Ilea  
*Deputy Manager,  
General Accounting  
Department*