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Independent Auditor's Report (free translation¹)

To the shareholders of
Banca Transilvania S.A.

Report on the individual financial statements

1 We have audited the accompanying individual financial statements of Banca Transilvania S.A. ("the Bank"), which comprise the balance sheet as at 31 December 2011, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, from pages 1 to 62, presenting the following:

- Total assets: 25,745,165,072 lei
- Net profit for the year: 131,870,976 lei

Management's responsibility for the individual financial statements

2 Management is responsible for the preparation and fair presentation of these individual financial statements in accordance with the Order of the President of the Board of Administrators of the National Bank of Romania no. 13/2008 and related amendments and as described in the accounting policies presented in the notes to the individual financial statements and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

- 3 Our responsibility is to express an opinion on these individual financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing as adopted by the Romanian Chamber of Financial Auditors. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the individual financial statements are free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the individual financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the individual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the individual 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 policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the individual financial statements.

¹ TRANSLATOR'S EXPLANATORY NOTE: The above translation of the auditor's report is provided as a free translation from Romanian which is the official and binding version.

- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

- 6 In our opinion, the individual financial statements of the Bank as at and for the year ended 31 December 2011 have been prepared, in all material respects, in accordance with the Order of the President of the Board of Administrators of the National Bank of Romania no. 13/2008 and related amendments and as described in the accounting policies presented in the notes to the individual financial statements.

Emphasis of matter

- 7 Without qualifying our opinion, we draw attention to Note 18 *Subsequent Events* to the individual financial statements which describes that, starting 1 January 2012, based on the Order of the National Bank of Romania no. 27/2010 for the approval of accounting regulations conforming with International Financial Reporting Standards, applicable to credit institutions, the Bank has discontinued the application of the Romanian accounting and reporting framework under the Order of the President of the Board of Administrators of the National Bank of Romania no. 13/2008 and related amendments. Effective 1 January 2012, the International Financial Reporting Standards as endorsed by the European Union have become the sole financial reporting framework for credit institutions in Romania.

Other matters

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 and the report on conformity, or for the opinion we have formed.

The accompanying individual financial statements are not intended to present the financial position, results of operations, cash flows and a complete set of notes to the individual financial statements of the Bank in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Romania. Accordingly, the accompanying individual financial statements are not designed for those who are not informed about Romanian legal and statutory requirements including the Order of the President of the Board of Administrators of the National Bank of Romania no. 13/2008 and related amendments and as described in the accounting policies presented in the notes to the individual financial statements.



Report on conformity of the administrators' report with the individual financial statements

In accordance with the Order of the President of the Board of Administrators of the National Bank of Romania no. 13/2008 and related amendments, article 208, point (e), we have read the Administrators' Report presented from page 1 to 40. The administrators' report is not a part of the individual financial statements. In the administrators' report we have not identified any financial information which is not in accordance, in all material respects, with the information presented in the accompanying individual financial statements as at 31 December 2011.

For and on behalf of KPMG Audit SRL:

**Refer to the original signed
Romanian version**

Furtuna Cezar-Gabriel

registered with the Chamber of Financial
Auditors of Romania under no 1526/20.11.2003

Bucharest, 28 March 2012

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Romanian version**

KPMG AUDIT S.R.L.

registered with the Chamber of Financial
Auditors of Romania under no 9/2001