

DEPARTMENT 41
NAME OF THE CREDIT INSTITUTION: BRD GROUPE SOCIETE GENERAL BUSINESS (write the main business)
ADDRESS: BUCHAREST, 1st district
1-7 Ion Mihalache Bvd
PHONE: 301.68.25 FAX: 301.68.28
NUMBER WITH THE TRADE REGISTRY: J40/608/1991

FORM OF PROPERTY 34
Other monetary intermediation activities
NACE Code 6419
SOLE REGISTRATION NUMBER 361579

BALANCE SHEET
as at JUNE 30, 2010

- lei -

ASSETS	Position code	Note	Financial period	
			31-Dec-09	30-Jun-10
A	B	C	1	2
Cash and current accounts with Central Banks	010	2.1.	9,846,200,083	10,040,526,349
Treasury bills and other bills eligible for refinancing with Central Banks	020	2.2.	2,088,070,784	3,286,922,794
- treasury bills and similar securities	023		2,088,070,784	3,286,922,794
- other bills eligible for refinancing with Central Banks	026		0	0
Loans and advances to credit institutions	030		1,599,909,535	1,614,374,455
- on demand	033	2.3.a	216,408,226	227,065,766
- others	036	2.3.b	1,383,501,309	1,387,308,689
Loans and advances to customers	040	2.4.	30,744,792,444	31,523,092,453
Bonds and other fixed-income securities	050	2.5.	3,500,000	0
- issued by public bodies	053		0	0
- issued by others, out of which:	056		3,500,000	0
- own-debt securities	058		0	0
Shares and other variable yield securities	060	4	53,563,943	52,691,391
Equity investments, out of which:	070	2.6.	59,401,222	59,401,222
- equity investments in credit institutions	075		29,017,185	29,017,185
Investments in affiliated undertakings, out of which:	080	2.7.	71,645,029	78,236,389
- Investments in credit institutions	085		0	0
Intangible assets, out of which:	090		79,139,911	77,476,661
- set-up costs	093		0	0
- goodwill, if acquired for good and valuable consideration	096		0	0
Tangible assets, out of which:	100		1,321,987,959	1,297,249,616
- land and buildings for the operating activity	105		1,013,110,217	1,003,129,453
Share capital subscribed and not paid in	110		0	0
Other assets	120	2.8.	177,747,034	222,463,365
Prepaid expenses and accrued income	130	2.9.	334,294,941	403,842,498
Total Assets	140		46,380,252,885	48,656,277,192

DIRECTOR,
Last and first names
GUY MARIE CHARLES POUPET

Signature

Unit stamp

PREPARED BY

Last and first names

Capacity

Signature

Registration no. with
the professional body

ADINA ILEANA

RADULESCU

Head of General

Accounting Division

BALANCE SHEET
as at JUNE 30, 2010

- lei -

LIABILITIES	Position code	Note	Financial period	
			31-Dec-09	30-Jun-10
A	B	C	1	2
Amounts owed to credit institutions	300	2.10.	9,967,109,277	10,053,028,972
- on demand	303		974,214,044	954,124,202
- at term	306		8,992,895,233	9,098,904,770
Amounts owed to customers	310	2.11.	29,271,144,409	30,967,689,590
- deposits, out of which:	313		18,479,864,650	20,489,684,462
- on demand	314		2,849,788,917	4,095,137,068
- at term	315		15,630,075,733	16,394,547,394
- other liabilities, out of which:	316		10,791,279,759	10,478,005,128
- on demand	317		10,664,429,414	10,353,737,123
- at term	318		126,850,345	124,268,005
Debts evidenced by certificates:	320	6	735,000,000	735,000,000
- interbank debts evidenced by certificates, bonds, outstanding negociable debt securities	323		735,000,000	735,000,000
- other securities	326		0	0
Other liabilities	330	2.14.	528,096,173	868,420,806
Deferred income and accruals	340	2.15.	483,795,867	464,299,002
Provisions , out of which:	350	8	95,456,479	67,925,196
- provisions for pensions and similar obligations	353		31,727,555	35,571,537
- provision for taxes	355		2,016,865	2,016,865
- other provisions	356		61,712,059	30,336,794
Subordinated debt	360		845,640,000	873,760,000
Share capital	370		696,901,518	696,901,518
Share premium	380		0	0
Reserves	390		513,552,229	513,552,229
- legal reserves	392		244,156,714	244,156,714
- statutory or contractual reserves	394		0	0
- reserves for banking risks	396		269,358,296	269,358,296
- reserve for mutual aid	397		0	0
- mutual guarantee reserve	398		0	0
- other reserves	399		37,219	37,219
Revaluation reserves	400		502,889,119	502,713,158
Own shares (-)	410		0	0
Retained earnings				
- Profit	423		1,961,598,097	2,546,076,345
- Loss	426		0	0
Profit or loss for the financial year				
- Profit	433		779,069,717	366,910,376
- Loss	436		0	0
Distribution of the profit	440		0	0
Total liabilities	450		46,380,252,885	48,656,277,192

DIRECTOR,
Last and first names
GUY MARIE CHARLES POUPEY

Signature

Unit stamp

PREPARED BY

Last and first names

Capacity
Signature

Registration no. with
the professional body

ADINA ILEANA
RADULESCU
Head of General
Accounting Division

BALANCE SHEET
as at **JUNE 30, 2010**

- lei -

OFF-BALANCE SHEET ITEMS	Position code	Note	Financial period	
			31-Dec-09	30-Jun-10
A	B	C	1	2
Contingent liabilities, out of which:	600		8,825,626,340	8,843,476,856
- acceptances and endorsements	603		6,125,768,595	6,284,982,685
- collaterals and pledged assets	606		2,465,237,206	2,213,432,249
Commitments, out of which:	610		3,818,299,451	3,478,440,217
- commitments of sale and repurchase	615		0	0

DIRECTOR,
Last and first names
GUY MARIE CHARLES POUPET

Signature

Unit stamp

PREPARED BY
Last and first names
ADINA ILEANA
RADULESCU
Head of General
Accounting Division

Capacity
Signature

Registration no. with
the professional body

Translation of the original version in Romanian

PROFIT AND LOSS ACCOUNT
as at JUNE 30, 2010

- lei -

Name of item	Position Code	Note C	Financial period	
			30-Jun-09	30-Jun-10
Interest and similar income, out of which:	010		2,392,125,919	1,838,500,716
- from bonds and other fixed income securities	015		253,870	22,279,350
Interest and similar expenses	020		1,465,994,993	724,876,159
Income from securities, out of which	030		1,565,594	1,765,259
- income from shares and other variable yield securities	033		528,790	0
- income from equity investments	035		1,036,804	1,765,259
- income from investments in related parties	037		0	0
Commission income	040		368,039,533	372,267,050
Commission expenses	050		45,323,562	50,331,768
Net profit / loss from financial operations	060		391,598,072	320,525,710
Other operating income	070		35,032,314	33,729,181
General administrative expenses	080		590,161,050	569,686,457
- Staff expenses, out of which:	083		357,019,795	346,121,590
- Salaries	084		260,341,618	252,581,843
- Social security, out of which:	085		72,129,756	71,139,373
- pension related costs	086		54,141,519	52,944,657
- Other administrative expenses	087		233,141,255	223,564,867
Value adjustments in respect of tangible and intangible assets	090		65,505,409	64,854,846
Other operating expenses	100		116,234,290	112,815,859
Value adjustments on receivables and provisions for contingent liabilities and commitments	110		1,428,318,965	1,805,201,592
Reversal of value adjustments on receivables and provisions for contingent liabilities and commitments	120			1,197,908,975
Value adjustments on transferable securities - non-current financial assets - investments and shares held in related parties	130		27,072	61,867
Reversal of value adjustments on transferable securities - non-current financial assets - investments and shares held in related parties	140		0	670,918
Profit or loss on ordinary activities				
- Profit	153		511,484,983	437,539,261
- Loss	156		0	0
Extraordinary income	160		0	0
Extraordinary charges	170		0	0

Translation of the original version in Romanian

Name of item	Position Code	Note C	Financial period	
			30-Jun-09	30-Jun-10
Result of the extraordinary activity				
- Profit	183		0	0
- Loss	186		0	0
Total income	190		9,546,274,146	8,991,016,151
Total expenses	200		9,034,789,163	8,553,476,890
Gross result				
- Profit	213		511,484,983	437,539,261
- Loss	216		0	0
Income tax	220		86,196,687	70,628,885
Other taxes	230			
Net result for the year				
- Profit	243		425,288,296	366,910,376
- Loss	246			

DIRECTOR,
Last and first names
GUY MARIE CHARLES POUPEY

Signature

Unit stamp

PREPARED BY

Last and first names

Capacity

Signature

ADINA ILEANA
RADULESCU
Head of General
Accounting Division

Registration no. with
the professional body

Translation of the original version in Romanian

INFORMATIVE DATA

30

- RON -

I. INCOME DATA	Position code	Number of units	Amounts
A	B	1	2
Units with profit	101	1	366,910,376
Units with loss	102	0	0

II. DATA ON OVERDUE PAYMENTS	Position code	Total col.2 + 3	of which:	
			For current business	For investment business
A	B	1	2	3
OVERDUE PAYMENTS – TOTAL				
(pos.202+206+212 la 216+221+222+227), out of which:	201	0	0	0
Outstanding accounts payable – TOTAL (pos. 203 to 205),	202			
out of which:		0	0	0
- more than 30 days	203	0	0	0
- more than 90 days	204	0	0	0
- more than 1 year	205	0	0	0
Arrears to national insurance fund – TOTAL (pos.207 to 211),	206			
out of which:		0	0	0
- contributions to public social insurance, due by employers, employees and other assimilated persons	207	0	0	0
- contributions to social health insurance fund	208	0	0	0
- contribution to additional pension	209	0	0	0
- contributions to unemployment insurance budget	210	0	0	0
- other personnel-related debts	211	0	0	0
Arrears to special funds and other funds' budgets	212	0	0	0
Arrears to other creditors	213	0	0	0
Overdue taxes and fees to the State budget	214	0	0	0
Overdue taxes and fees to the local budgets	215	0	0	0
Received loans overdue TOTAL (pos.217 la 220), of which:	216	0	0	0
- arrears less than 30 days old	217	0	0	0
- arrears more than 30 days old	218	0	0	0
- arrears more than 90 days old	219	0	0	0
- arrears more than 1 year old	220	0	0	0
Overdue interests on received loans	221	0	0	0
Overdue cash deposits received - TOTAL (pos.223 to 226),	222*)			
din care:		0	0	0
- arrears less than 30 days old	223*)	0	0	0
- arrears more than 30 days old	224*)	0	0	0
- arrears more than 90 days old	225*)	0	0	0
- arrears more than 1 year old	226*)	0	0	0
Overdue interests on cash deposits received	227*)	0	0	0

III. AVERAGE NUMBER OF EMPLOYEES	Position code	30-Jun-09	30-Jun-10
A	B	1	2
Average number of employees	301	8,500	8,429

IV. PAYMENTS OF INTERESTS AND ROYALTIES	Position code	Amounts - RON -
Gross income from interests paid by Romanian entities to non-resident natural persons from the EU Member States, of which:		5,047,191
- tax payable to the State Budget	401	
Gross income from interests paid by Romanian entities to affiliated**) non-resident natural persons from the EU Member States, of which:		10,119,409
- tax payable to the State Budget	402	0
	403	
	404	1,011,908
Income from royalties paid by Romanian juridical persons to affiliated non-resident juridical persons from the EU Member States, of which:		0
- tax payable to the State Budget	405	
	406	0

V. MEAL TICKETS	Position code	Amounts - RON -
Counter-value of meal tickets given to employees	501	7,962,427

VI. INNOVATION EXPENSES***)	Position code	Amounts - RON -	
		December 31, last year	December 31, current year
A	B		
- innovation expenses finalised during the period	601	0	0
- innovation expenses finalising during the period	602	0	0
		0	0
- innovation expenses abandoned during the period	603		

*) to be completed by credit institutions only

**) For the statute of "affiliated juridical persons", there shall be considered the provisions of art.7 point.21 in Law no.571/2003 on the Tax regime, as further amended and completed.

***) Innovation expenses are determined according to the Commission Regulation no. 1450/2004, published in the Official Journal of the European Union, series L267/14.08.2004.

DIRECTOR,
Last and first names
GUY MARIE CHARLES POUPET

Signature

Unit stamp

PREPARED BY
Last and first names
ADINA ILEANA RADULESCU

Capacity
Head of General Accounting

Signature

Registration number with
the professional body

Translation of the original version in Romanian

General Information

BRD – Groupe Société Générale SA (“BRD” or the “Bank”), a joint-stock company with private equity, began its activity as a state-owned banking company at the end of 1990, by taking over the assets of the former Investment Bank.

Starting of March 1999, the Bank has been a member of the Société Générale Group, headquartered in 29 Boulevard Haussmann, 75009, Paris, France.

The Bank has its head office in Bucharest, 1-7 Ion Mihalache Boulevard, and is registered with the Trade Register as a joint-stock company.

The Bank operates as a sole business entity, with a high degree of homogeneity between its products and services, between the risks and the benefits generated by them, between the activities of the Bank and the corresponding legal regulations.

The Bank offers a wide range of services consisting in: demand and term deposits, deposit certificates, domestic and external market operations, extension of loans, cards operations and derivative financial instruments, as well as other banking services, both to corporate and private customers.

The structure of the Bank’s shareholders is the following:

Nr. crt.	BRD Shareholders	Number of shares (nominal value - 1RON) June 30' 2010	%
1	Société Générale	413,721,288	59.37
2	SIF BANAT-CRISANA I	32,463,577	4.66
3	SIF MOLDOVA II	30,385,528	4.36
4	SIF TRANSILVANIA III	34,872,840	5.00
5	SIF MUNTENIA IV	36,787,440	5.28
6	SIF OLTENIA V	38,373,908	5.51
7	BERD	34,845,050	5.00
8	Other Shareholders	75,451,887	10.82
	TOTAL	696,901,518	100.00

BRD shares have been listed in the 1st category of the Bucharest Stock Exchange since January 15, 2001, and included in the BET and BET C indexes.

Basis of the presentation

BRD applies the Order no. 13/2008 of the National Bank of Romania for the approval of the Accounting norms in compliance with the European directives, applicable to credit institutions, as subsequently amended and completed.

Half-year accounting reports were prepared in accordance with the National Bank of Romania Order No.8 dated August 18th, 2008, for approval of semi-annual Accounting Reporting System for credit institutions, non banking financial institutions and Deposit Guarantee Fund.

Note 1. Accounting principles, policies and methods

a) Cash, current accounts with Central Bank

The cash includes the cash on hand (Romanian and foreign banknotes and coins that are legal tender, including the ones in the ATMs and foreign exchange automatic machines - ASV), travellers' cheques bought and not remitted to the issuers for collection.

The current accounts with Central Bank represent the balances of the cash accounts with the central bank, the National Bank of Romania („NBR”), including the minimum legal reserve.

b) Public bonds and other securities accepted for refinancing at the central bank

This item includes treasury bills and debt securities on public bodies, issued in Romania, as well as the similar instruments issued abroad, where they are accepted for refinancing by the central bank of the country or countries in which the credit institution is set.

It also includes other securities accepted for refinancing by the central banks, i.e. the securities held in the portfolio, which were purchased from credit institutions or from the customers, if accepted as per the national legislation for refinancing by the central bank of the country or countries in which the credit institution is set.

The securities presented in this balance sheet item are the financial assets represented by a security, a public bond or a bond tradable on a regulated market, or any security, public bond or bond having been subject to a transaction for valuable consideration, knowingly made by two parties in normal commercial conditions.

The securities included in this item may be classified in trading securities, securities available for sale or securities held to maturity.

Trading securities

Trading securities are those securities mainly purchased to generate profit following the short-term fluctuations of the price or of the intermediary's margin. Securities are classified as trading securities if, irrespective of the reason for which they were purchased, they represent a part of a portfolio for which there is proof of a recent actual rhythm of obtaining short-term gains.

Public bonds classified as trading securities are initially evaluated at the acquisition cost, made up of the purchase price (the purchase expenses are not included).

After the initial recognition, trading securities are evaluated at their market value, and the differences from revaluation are entered in the accounting books under the incomes or expenses accounts, as applicable.

For the instruments for which there is no active market, the evaluation is made based on the generally accepted evaluation models or techniques, so as to ensure a reasonable expression of the market value.

The assignment of the trading securities is entered in the books at the sale price, and the differences between the sale price and the book value are entered in the incomes or expenses accounts, as applicable.

Transfers from the trading securities category to other categories (securities available for sale and securities held to maturity) are allowed only in rare situations, namely situations determined by singular, uncommon events and with a very low probability of reoccurrence in the near future. It is not allowed to reclassify securities from other securities categories as trading securities.

Securities available for sale

Securities available for sale are those securities, other than the ones representing fixed assets, which cannot be classified as trading securities or as securities held to maturity.

Securities available for sale are initially evaluated at the acquisition cost, made up of the purchase cost, including the acquisition expenses, and the interests computed for the elapsed period.

Where the acquisition price is different from the repayment price, the difference is amortized for the remaining life of the security, based on the expenses or incomes, as the case may be.

After the initial recognition, securities available for sale are revaluated at the lowest between the market value and the purchase cost. Provisions for depreciation are made for the negative difference between the two. The positive difference between the market value and the acquisition cost of the securities available for sale is presented in the explanatory notes. The securities available for sale are evaluated based on the evaluation techniques or, for the unquoted ones, based on the pricing models. These assets are evaluated by using models that can incorporate data obtained on the market and/or following presumptions regarding financial performance.

For fixed-income securities classified as securities available for sale, the receivables from the interests calculated for the period between their issuance and the acquisition time (the elapsed coupon) may be entered in the security accounts or in the corresponding related receivable accounts. In the latter case, the difference between the acquisition cost and the coupon for the elapsed period is entered in the corresponding security accounts.

Transfers from the category of securities available for sale to the category of trading securities are not allowed.

In the case of the transfer from the category of securities available for sale to the category of securities held to maturity, the net book value of such securities at the transfer date becomes their new purchase cost/price. This transfer can be made in the following cases:

- a change in the intention or capacity of the bank to hold such assets;

- two fiscal years have elapsed since the sale or reclassification of securities held to maturity, of significant amounts.

Securities held to maturity

Securities held to maturity are those securities for which BRD has the firm intention and capacity to keep until maturity. The classification of the securities in this category depends on:

- the conditions and characteristics of the financial asset; and
- the capacity and actual intention of the credit institution to hold such instruments until maturity.

A prior condition for a security to be classified as held to maturity is the assessment of the intention and capacity of the credit institution to hold such instruments until their maturity; this assessment must be made not only upon the initial purchase, but also at the closing of each financial year.

Securities held to maturity are recognized at the purchase time at their purchase price, including the purchase expenses.

They may be transferred to the category of securities available for sale following a change in the intention or capacity of the bank to hold until maturity the instruments in the category of securities held to maturity.

c) Amounts receivable from credit institutions

The amounts receivable from credit institutions represent placements of BRD in current accounts and deposits with other banks, as well as loans extended to credit institutions.

Only the amounts that may be withdrawn at any time without prior notice or the amounts for which a due date or a prior notice of 24 hours or one banking day was set are considered as amounts at sight.

d) Amounts receivable from customers

The amounts receivable from customers represent all the receivables, including those related to the factoring operations held over customers other than credit institutions.

The loans extended by BRD by disbursing the funds directly to the borrower are recorded in the balance sheet when such funds are made available to the borrower. Such loans are presented in the balance sheet at their value less the adjustments for depreciation

The interests receivable (calculated and not yet due) corresponding to the current year are calculated at the date of disbursement of the funds and are recorded in the accounting books on a monthly basis and on the due date of the operations, if the related funds are due during the month, in the "Related amounts receivable" accounts within the account groups, as counterpart of the income accounts.

e) Bonds and other fixed-income securities

This item includes bonds and other tradable fixed-income securities, issued by credit institutions or other companies or public bodies, if they were not entered under the asset position “Public bonds and other securities accepted for refinancing at the central bank”.

Fixed-income securities are those securities that generate fix or determinable payments and that have a fixed maturity.

To bonds and other fixed-income securities, there are assimilated those securities having interest rate depending on certain specific factors, such as the interest rate on the inter-banking or European market.

The securities included in this item may be classified in trading securities, securities available for sale or securities held to maturity.

The evaluation subsequent to the initial recognition is done depending on the classification established at the acquisition time, i.e. trading securities or securities available for sale.

f) Shares and other variable income securities

This item includes all the shares and other variable income securities that cannot be included in the asset positions “Participating Interests” or “Investments in affiliated undertakings”, and that can be entered as trading securities, securities available for sale or securities held to maturity.

Fixed-income securities are those securities that do not generate fix or determinable payments and that do not have a fixed maturity.

Shares and other variable income securities are evaluated upon the entry in the patrimony at the acquisition cost.

Portfolio securities, such as shares and other variable income securities are deemed long-term investments, being held by BRD for a long period, without the right to interfere in the management of the company the securities of which it holds. After the date of the initial recognition, long term investments are evaluated at the current or going value, determined based on the financial condition of the issuer, the quotation of the security and other factors. For depreciations, value adjustments are made as the difference between the acquisition cost and the current or going value.

g) Derivative instruments

The bank performs transactions with derivative financial instruments, such as: forward, swap and foreign exchange options, as well as interest rate swaps.

The bank performs transactions with derivative financial instruments in order to cover the risks related to fluctuations in the interest rate and foreign exchange rates.

Derivative financial instruments are initially recognized in the balance sheet at their fair value when BRD performs transactions with such derivatives. Following the initial recognition, the

derivative financial instruments are evaluated at their fair value, the positive values being recognized as assets, and the negative ones as liabilities, in the profit and loss account.

Derivative instruments are evaluated based on the data available on the market, the interest rates and the swap rates of exchange, the forward exchange contracts. The most used evaluation methods include swap models and forward prices, using the calculation of the current value.

h) Participating Interests

Participating Interests (Equity interests) represent shares and other variable income securities, other than the Investments in affiliated undertakings, held by BRD in the capital of other trading companies, the durable holding of which is deemed useful to the activity of the bank. These interests must meet one of the following conditions:

- a) Represent between 20% and 50% of the voting rights of the shareholders or partners;
- b) Represent less than 20% of the voting rights of the shareholders or partners, but the Bank shall exercise a significant influence (the right to participate, either directly or indirectly, in the financial and operational policy decisions of the company, without having exclusive or common control over such company).

Equity interests are evaluated at the purchase cost when entering the patrimony.

After recognition, participating interests are evaluated at the current or going value determined depending on the issuer's financial statements or on the quotation of the security and other factors.

For depreciations, adjustments are made, set as the difference between the historical cost and the current or going value.

i) Investments in affiliates

Investments in affiliates include the securities represented by shares and other variable income securities held by BRD in other companies, controlled in an exclusive manner (more than 50% of the voting rights of the shareholders or partners), included or likely to be included by global integration in a consolidated whole.

Investments in affiliated undertakings are evaluated at the acquisition cost when entering the patrimony. After the date of the initial recognition, immobilized securities are evaluated at the current or going value, determined according to the issuer's financial condition, to the quotation of the security and to other factors. For depreciations, adjustments are made, set as the difference between the historical cost and the current or going value.

j) Intangible assets

Intangible assets represent identifiable non-monetary assets, without a material support. They include: goodwill, set-up costs, other intangible assets (acquired computer applications,

licences and other acquired rights), down-payments for intangible assets and intangible assets in progress.

BRD considers as goodwill and recognizes as asset any surplus of the acquisition cost above its part in the fair value of the identifiable assets and liabilities, acquired following the acquisition of a company, at the transaction date.

The goodwill resulting from the acquisition of Société Générale Bucharest on December 1, 1999, is linearly amortized over a 10-year period, starting from the acquisition time (December 1999). The Bank chose this policy in order to line up with the policy of the Société Générale Group.

Set-up costs, as well as other intangible assets are entered at the acquisition cost and linearly amortized over a 3-year period.

k) Tangible assets

Tangible assets are assets that:

- are held by the institution to be used in the delivery of services, for administrative purposes or to be rented to third parties, in compliance with the legal provisions specific to credit institutions;

and

- are used for a period longer than one year.

Tangible assets are initially evaluated at the acquisition cost. Subsequent expenses are recognized as a component of the asset under the form of investments made in the tangible assets, provided they result in improving their initial technical parameters and lead to future benefits, additional to those initially estimated.

All the other expenses ensuring the maintenance of the initial parameters are recognized in the profit and loss account.

Durations used in calculating the depreciation:

Type of asset	Years
Constructions	10-40
Computers and equipment	3-6
Furniture	10
Motor vehicles	5

A tangible asset is written-off when assigned or retired, when no other future economic benefit is expected from its further use.

Gains or losses from the transfer or retirement of a tangible asset are determined as the difference between the incomes from the sale of the fixed asset or of its components, and the non-amortized value and they are presented in the profit and loss account.

In case of total or partial destruction of tangible assets, the related receivable or compensatory amounts collected from third parties, as well as the purchase of new assets are distinct operations and recorded as such based on supporting documents.

Thus, the depreciation of the assets is entered at the time it is found, and the collection of the compensations is entered under incomes.

After the initial recognition as assets, for land, buildings and other tangible assets, the institution has adopted the alternative rule of evaluation of tangible assets, which consists in revaluating them at their fair value, based on evaluations made by qualified professionals. Thus, these assets are presented at the revaluated acquisition cost, less the accrued depreciation and any permanent depreciation accrued.

If a fixed asset is revaluated, then all the other assets in its group must be revaluated, except where there is no active market for the said asset.

Value growths are entered as surplus from revaluation, a component of own funds. Value decreases are deducted from the existing revaluation surplus of similar assets. If such a surplus does not exist or is insufficient, the value decreases corresponding to the revaluation are entered directly in the profit and loss account.

The revaluation surplus included in the own funds is directly transferred to other retained earnings when such surplus is realized. It is considered that the entire surplus is realized upon the retirement or the transfer of the asset.

All tangible assets, except for lands, are depreciated according to their useful life.

Starting 2005, from the point of view of useful life, the policy adopted by the bank was to line up the useful life of tangible assets to the policy of the group, in compliance with the normal service durations established according to the Catalogue on the classification of fixed assets and useful lives of fixed assets in terms of tax.

In terms of depreciation method, it was adopted the maintenance of the linear method in the books and, for tax purposes, it was applied the facility stipulated by the fiscal law in force on the accelerated depreciation of technological equipment, computers and peripherals thereof.

Assets in process are not depreciated before their release.

l) Debts to credit institutions

Debts to credit institutions are all the debts arising from banking transactions, to national or foreign credit institutions.

These debts are presented at the contractual value, updated with the related debts calculated for the current fiscal year.

m) Debts to customers

Debts to customers include the amounts owed to the customers, other than credit institutions.

Deposits mean exclusively the deposits that meet the conditions required to this effect by the legal provisions in force.

Interests owed, calculated and not yet due, corresponding to the current year, are calculated since the date of receipt of the funds and are entered in the accounting books on a monthly basis or at the due date of the operations if the related funds must be repaid during the month, in the account “Related debts” within the groups of accounts, as counterpart of the expense accounts.

n) Debts evidenced by securities

This item includes both the deposit certificates that are negotiable securities, and fixed-income bonds issued by BRD.

Bonds are initially recognized at their issuance value, and the issuance expenses are recognized during their entire life, being amortized on a monthly basis. The related debts are entered in the profit and loss account on a monthly basis.

o) Reserves

Reserve categories:

- Legal reserves;
- Statutory or contractual reserves;
- Reserves for banking risks;
- Revaluation reserves;
- Other.

Legal reserves are set-up from the profit of the bank, on an annual basis, within the quotas and limits set by the law. They can be used only in compliance with the law.

Statutory or contractual reserves are made from the net profit, according to the provisions of the memorandum of association.

The reserves for the banking risks include the general reserve for the credit risk (created by the end of the fiscal year 2003) and the reserve for general banking risks (created in the period 2004 – 2006). They may be used for the purposes stipulated by the legal provisions.

Revaluation reserves are made from the differences arising from the revaluation of tangible assets and cannot be distributed.

Other reserves are created in compliance with the legal provisions or with the decisions of the general meeting of the shareholders, according to the legal provisions.

The amounts registered in the balance carried forward, representing the surplus from revaluation reserves, are taxed when they change destination. Also, a tax is levied on the value of the amortisation of the surplus from revaluation used to cover subsequent depreciations.

p) Provisions

A provision is recognised when there is a present obligation arising from previous events and when it is probable that an outflow of resources embodying a future economic benefit is required to settle the obligation, and when a reliable estimate can be made with respect to the amount of the obligation. This obligation must be:

- legal or contractual – arising from a contract, from the legislation or from another effect of the law;
- or
- constructive – arising from previously-set practices, from the bank policy or from inducing the partners to believe that the bank will honour its responsibilities.

The provisions for future losses from operations are not recognised.

Periodically, provisions are adjusted in order to reflect the best available estimation.

q) Recognition of incomes and expenses

Incomes are recognized in the profit and loss account when there has been an increase of the future economic benefits, other than those resulting from the shareholders' contributions, corresponding to the increase of an asset or to the diminution of a liability, and this increase can be assessed in a credible manner.

Incomes from interests are calculated for all the interest-bearing assets recognised in the balance sheet.

Recognising the incomes from the commissions for the financial services delivered by the bank depends on their economic nature.

The accounting treatment applicable to the commissions for the financial services is set depending on the classification of the respective commissions, as follows:

- The commissions that are an integrant part of the actual interest rate of a financial instrument, collected in advance and recognised as an adjustment of the incomes from interests, by means of the linear method, throughout the life of the respective financial instrument;
- The commissions gained as and when the services are delivered, but collected in advance, and which are to be recognised in the income account as and when such services are delivered or during the commitment period;
- The commissions gained upon the fulfilment of a main contractual obligation are recognised as income when the service is delivered.

Expenses are recognised in the profit and loss account when there has been a reduction of the future economic benefits, on account of the diminution of an asset or of the increase of a liability, and such reduction can be assessed in a credible manner.

r) Employee benefits

Short-term benefits

Short-term benefits include allowances, salaries, premiums, contributions to social securities. Short-term benefits are recognised as expenses as and when the services are delivered.

Social insurance

The bank contributes to the private pension fund created by BRD Fond de Pensii for the employees who sign the subscription contract therewith, and recognized this contribution in the expenses accounts for personnel-related social security, where the Collective Employment Agreement stipulates such costs.

Post-employment benefits

BRD pays, at the time of retiring of its personnel, post-employment benefits set according to the Collective Employment Agreement, the amounts being estimated by the “projected unit credit actuarial valuation method”, and recognized in the profit and loss account based on the accrual principle. The surplus or deficit arising from changes in the discount rate and from other actuarial assumptions is recognised as income or expense over the expected average remaining working lives of the employees that participate in the plan.

s) Conversion of balances expressed in foreign currency

Transactions in foreign currency are entered at the rate of exchange at the transaction date. At the balance-sheet date, monetary assets and liabilities denominated in foreign currency are converted by means of the NBR official rate of exchange for the respective day, except for the assets in foreign currencies registered as long-term investments, which are converted in lei at the rate of exchange in force at the date of their purchase.

The exchange gaps originating in the settlement of the transactions at rates different from those at the transaction date, as well as the exchange gaps not realized corresponding to the monetary assets and liabilities denominated in other currencies are recognized in the profit and loss account, during the period.

t) Taxation

Current tax refers to the due profit tax computed according to the Romanian fiscal regulations and recorded in the period it refers to.

u) Off-balance sheet contingent liabilities

Contingent liabilities are not recognized in the balance sheet. They are disclosed in the notes, unless when the possibility of an outflow of resources embodying economic benefits is remote.

v) Off-balance sheet commitments

This item includes all the irrevocable commitments that could generate a risk. Commitments are not recognized in the balance sheet, but are disclosed in the notes if an inflow of economic benefits is probable to occur.

w) Analysis of the cash for cash-flow calculation purposes

In order to calculate the cash-flows, the cash and cash equivalents consist of: cash, cheques and traveller's cheques, accounts with NBR and current accounts and deposits with banks, except for collateral deposits and the minimum legal reserve.

x) Affiliated persons

Persons are deemed affiliated to the bank when one of the parties, by a deed of property, contractual rights, family relations or equivalents has the possibility to directly or indirectly control the other party. Affiliated parties also include persons who are mainly owners, managers and members of the Board of Directors of BRD and members of their families.

y) Reclassifications

Where the values corresponding to the current fiscal year and to the previous fiscal year, recorded in the balance sheet and in the profit and loss account, are not comparable, the values of the previous year are reclassified accordingly so as to ensure comparability.

z) Subsequent events

Post-balance sheet events providing additional information on the BRD position at the balance sheet date (adjusting events), are presented in the financial statements. Events following the balance sheet date that are not adjusting events are disclosed in the notes, when significant.

Note 2. Information on certain balance sheet items

2.1. Cash, current accounts with the central bank

The cash on hand and in the accounts with NBR has the following structure:

Cash

	December 31', 2009	June 30', 2010
Accounts with the Central Bank	9,214,648,716	9,480,092,589
Cash in hand	631,551,367	560,433,760
Total	<u>9,846,200,083</u>	<u>10,040,526,349</u>

The National Bank of Romania requires banks to maintain reserves calculated according to specific regulations („minimum compulsory reserve”), as a percentage of the total deposits, other borrowed funds and transit amounts. NBR calculates and pays interest to banks on these reserves.

The minimum level of minimum compulsory reserve during the first half of the year remained unchange at 25% for Euro and 15% for RON.

During the first half of 2010, the interest for minimum compulsory reserve amounts ranged between 3.38% and 2.02% for RON and 1.27% and 1.07% for EUR.

2.2. Public bonds and other securities accepted for refinancing at the central bank

The structure of the securities portfolio is the following:

Public bonds and other securities

	December 31', 2009	June 30', 2010
Treasury bonds held for trading	1,102,573,401	2,296,744,803
Treasury bond available for sale	985,497,383	990,177,991
Total	<u>2,088,070,784</u>	<u>3,286,922,794</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT JUNE 30, 2010
(Amounts in RON unless otherwise specified)

Subsequently June 30 2010, the Bank's management approved the transfer of treasury bills issued by the state classified as trading instruments to available for sale instruments, due to the change in the Banks's trading policy. On the transfer date the market value of the bills becomes the new cost/purchase price. Gains or losses on these titles already recorded in the income statement will not be reversed in the sense of diminishing or increasing the amount of the bills, such gains or losses remaining recorded in the income or expense accounts.

2.3.Amounts receivable from credit institutions

The bank's placements in loans and deposits at term and on demand with the credit institutions are presented below:

Placements on demand

	December 31', 2009	June 30', 2010
Correspondent account with banks	56,787,522	54,153,496
Amounts receivable from banks	74,086,225	75,698,495
Demand deposits with banks	85,534,479	51,274,643
Repo	0	45,939,132
Total	<u>216,408,226</u>	<u>227,065,766</u>

Term receivables from credit

	December 31', 2009	June 30', 2010
Term loans to credit institutions	1,353,501,309	1,301,811,137
Term deposits with credit institutions	30,000,000	74,015,000
Repo	0	11,482,552
Total	<u>1,383,501,309</u>	<u>1,387,308,689</u>

2.4. The amounts receivable by the bank from the customers have the following structure:

Receivables from customers

	December 31', 2009	June 30', 2010
Current loans to customers	30,754,523,079	31,249,018,238
Overdue and doubtful loans	1,224,768,535	1,864,624,008
Commercial receivables	195,608,545	228,828,453
Collectible amounts	3,145,636	8,102,840
Provisions	(1,433,253,351)	(1,827,481,086)
Total	<u>30,744,792,444</u>	<u>31,523,092,453</u>

2.5. Bonds and other fixed-income securities:

Corporate bonds

	December 31', 2009	June 30', 2010
Corporate bonds- Estima Finance	3,500,000	0
Total	<u>3,500,000</u>	<u>0</u>

2.6. Participating Interests

Participating Interests

	December 31', 2009	June 30', 2010
Mobiasbanca	29,017,185	29,017,185
BRD Fond de Pensii	14,690,200	14,690,200
BRD Asigurari de Viata	13,532,085	13,532,085
F.G.C.R	1,008,983	1,008,983
ECS International	287,996	287,996
Romcard	45,589	45,589
Sogeprom	40,000	40,000
Biroul de Credit	779,184	779,184
Total	<u>59,401,222</u>	<u>59,401,222</u>

2.7. Investments in affiliated undertakings

Investments in affiliated

	December 31', 2009	June 30', 2010
BRD Finance	53,018,588	53,018,588
BRD Sogelease SRL	8,998,000	8,998,000
BRD Securities SA	1,912,705	1,912,705
ALD Automotive	5,280,151	11,871,511
ALD provision	(249,595)	(249,595)
BRD Asset Management	2,321,168	2,321,168
BRD/SG Corporate Finance SRL	364,012	364,012
Total	<u>71,645,029</u>	<u>78,236,389</u>

2.8. Other assets

Other receivables

	December 31', 2009	June 30', 2010
Derivative financial instruments	90,166,479	167,327,600
Debtors	53,772,120	51,872,495
Provisions for debtors	(23,912,572)	(13,673,639)
Stocks and assimilated	1,274,531	1,421,046
Other receivables	11,661,176	15,515,863
Corporate tax	44,785,300	0
Total	<u>177,747,034</u>	<u>222,463,365</u>

The amount of RON 167,327,600 includes revaluation gains on foreign exchange derivative transactions amounting to RON 79,742,887.

For comparability purposes the balance as of december 31' 2009 was restated.

These operations are reflected in accountancy on a net basis.

2.9. Prepaid expenses and other accruals

Prepaid expenses and other accruals

	December 31', 2009	June 30', 2010
Receivables related to extended loans	158,873,644	188,362,457
Overdue and doubtful receivables	285,726,038	402,277,533
Prepaid expenses	75,923,450	95,875,145
Receivable income	48,059,549	40,874,513
Receivables related to accounts with banks (NBR included)	3,338,370	2,524,095
Other receivables	7,051,300	29,871,079
Provisions for accrued receivables	(244,677,410)	(355,942,324)
Total	<u>334,294,941</u>	<u>403,842,498</u>

2.10. Debts to credit institutions:

Debts on demand towards credit institutions

	December 31', 2009	June 30', 2010
Bank deposits on demand	690,892,802	589,082,000
Other due amounts	115,921,497	297,244,930
Bank current accounts (loro)	167,399,745	67,797,272
Total	<u>974,214,044</u>	<u>954,124,202</u>

Term debts to credit institutions

	December 31', 2009	June 30', 2010
Deposits attracted from other financial - banking institutions	4,645,308,000	5,150,234,181
Financial loans from banks	3,700,498,675	3,730,217,610
Collateral deposits	211,410,042	218,452,979
Repo BNR	435,678,516	0
Total	<u>8,992,895,233</u>	<u>9,098,904,770</u>

2.11. Debts to customers:

Debts to customers

	December 31', 2009	June 30', 2010
Term deposits	14,770,160,084	15,550,817,293
Current accounts and term deposits of customers	13,497,834,596	14,420,231,018
Collateral deposits	859,915,649	843,730,101
Other loans, leasing, factoring, cards	143,234,080	152,911,178
Deposit certificates	0	0
Total	<u>29,271,144,409</u>	<u>30,967,689,590</u>

2.12. Leasing debts

As at June 30, 2010, the Bank recorded the following debts on the financial leasing contracts:

Debts from financial leasing

	December 31', 2009	June 30', 2010
Maturity under 1 year	7,451,243	9,558,697
Maturity between 1 and 5 years	31,548,103	26,265,526
Maturity over 5 years	33,629,608	30,290,698
Total	<u>72,628,954</u>	<u>66,114,921</u>
Interest on financial leasing contracts	13,181,626	11,460,346
Net debt in financial leasing	<u>59,447,328</u>	<u>54,654,575</u>
Maturity under 1 year	6,551,687	6,864,081
Maturity between 1 and 5 years	23,321,247	20,103,335
Maturity over 5 years	29,574,394	27,687,159
	<u>59,447,328</u>	<u>54,654,575</u>

The net debt from financial leasing represents:

- The contract signed with BRD Sogelease in March 2003, concerning floors 8 to 11 of the building located 1-7 Ion Mihalache Bd., 1st district, Bucharest. This contract was signed for a 10-year period, the total value being of EUR 15,462,840.

NOTES TO THE FINANCIAL STATEMENTS AS AT JUNE 30, 2010
(Amounts in RON unless otherwise specified)

- The contract signed with BRD Sogelease in May 2008, the object of which is represented by the Computer Centre Berceni. The contract was signed for a 10-year period, its initial value being of EUR 16,112,392. Subsequently, the contractual value was recalculated based on the updated interest, which resulted as at 30.06.2010 into a value of EUR 13,700,481.

2.13. Other liabilities
Other debts

	December 31', 2009	June 30', 2010
Derivative financial instruments	51,678,772	221,290,490
Sundry debtors	73,440,385	64,266,161
Other amounts due to the state budget, local budgets and special funds	10,115,323	18,666,203
Contributions to social security and social insurance	14,166,115	13,771,993
Intrabanking settlements	2,461,945	4,527,700
Other debts	376,233,633	525,198,086
Due corporate tax	0	20,700,173
Total	<u>528,096,173</u>	<u>868,420,806</u>

The amount of RON 221,290,490 includes revaluation loss on foreign exchange derivative transactions amounting RON 132,360,681.

For comparability purposes the balance of december 31' 2009 was restated.

These operations are reflected in accountancy on a net basis.

2.14. Deferred income and other incurred debts

Deferred income and other incurred debts

	December 31', 2009	December 31', 2010
Deferred income	275,603,155	279,519,243
Accrued interest to customers	112,485,160	100,940,503
Committed amounts	21,616,463	29,089,718
	60,659,038	15,970,012
Accrued interest to financial institutions		
	7,641,426	6,823,313
Accrued interest on subordinated loans		
Interests on deposit certificates	-	0
Interests on bonds	3,121,233	31,368,390
Accrued interest on financial leasing	2,378,940	587,823
Accrued interest on NBR loan	-	0
Accrued interest on NBR repo	290,452	0
Total	<u>483,795,867</u>	<u>464,299,002</u>

2.15. Subordinated loans

The bank signed with Société Générale (the parent company) two contracts on the extension of subordinated loans:

- a) Subordinated loan:
 - Value: EUR 100,000,000
 - Interest rate: EURIBOR 6M+0.5;
 - Due date: 06.07.2015;

- b) Subordinated loan:
 - Value: EUR 100,000,000
 - Interest rate: EURIBOR 6M+0.99;
 - Due date: 31.07.2013.

The loans will be repaid on the due date. The lender cannot request prepayment.

2.16. Reserves

This item includes the legal reserves, the reserve for banking risks (the reserve for the credit risk and the reserve for general banking risks), and other reserves.

Note 3. Information on the securities portfolio

Shares and other variable-income securities

	December 31', 2009	June 30', 2010
<i>I. Long-term investments</i>		
VISA INC	1,745,104	872,552
FRGCIP	803,200	803,200
Transfond SA	342,917	342,917
Depozitarul Central SA	58,489	58,489
Victoria Business Center	45,758	45,758
Casa de Compensare Bucuresti	17,518	17,518
Casa Romana de Compensatie	21,000	21,000
Krupp Bilstein Compa	2,700	2,700
BRM	1,085	1,085
Fondul de compensare a investitorilor	1,500	1,500
<i>Total long-term investments</i>	<i>3,039,271</i>	<i>2,166,719</i>
<i>2. Short-term investments</i>		
Simfonia	9,439,023	9,439,023
Concerto	9,080,500	9,080,500
Diverso ER	20,005,149	20,005,149
Shares ER	12,000,000	12,000,000
<i>Total short-term investments</i>	<i>50,524,672</i>	<i>50,524,672</i>
Total short-term investments	<u>53,563,943</u>	<u>52,691,391</u>

According to its prospectus, the Simfonia Fund does not invest in shares or other unstable financial instruments. In compliance with the investment policy of the Fund, at least 70% of its placements represent financial instruments with a low risk level (cash, bank deposits, deposit certificates, bonds issued by the central and local administration).

The Concerto Fund has a balanced placement strategy, its assets being invested in different types of instruments: money instruments (deposits and deposit certificates, public bonds etc.), bonds (governmental, municipal and corporate) and shares listed on the Bucharest Stock Exchange.

The objective of the open-end investment funds Diverso Europa Regional and Actiuni Europa Regional is to seek an active capitalization of the collected resources and, to this end, the assets of the funds may be invested, among others, on the monetary markets, the bond markets and the share markets in Romania and Eastern and Central Europe.

The funds' investments are managed by BRD Asset Management, a management company authorized by NSC, in which BRD-Groupe Société Générale holds 99.95%.

Note 4. Active imobilizate

The goodwill resulting from the acquisition on December 1, 1999, of Société Générale Bucharest is entered in the books at the historical cost and fully amortized until 31.12.2009.

Tangible assets are entered in the books at the fair value deemed the market value for current use.

NOTES TO THE FINANCIAL STATEMENTS AS AT JUNE 30, 2010
(Amounts in RON unless otherwise specified)

Assets	GROSS VALUE				DEPRECIATION			
	Balance as at January 1st	Increases	Decreases	Balance as at June 30	Balance as at January 1st	Depreciation recorded in 2010	Decreases	Balance as at June 30 2010
INTANGIBLE ASSETS	210,254,906	31,827,377	23,264,076	218,818,207	131,114,995	10,226,551	-	141,341,546
Goodwill	45,033,322	0	0	45,033,322	45,033,322	0	-	45,033,322
Other intangible assets	141,669,026	26,280,967	0	167,949,993	86,081,673	10,226,551	-	96,308,224
Intangible assets in progress	23,552,558	5,546,410	23,264,076	5,834,892	0	0	-	0
TANGIBLE ASSETS	1,753,178,999	57,319,738	30,369,694	1,780,129,043	431,191,040	54,628,296	2,939,909.00	482,879,427
Lands	62,078,039	1,504,423	0	63,582,462	0	0	-	0
Buildings	1,021,360,714	13,110,476	583,526	1,033,887,664	70,328,536	24,109,824	97,686.00	94,340,674
Technological equipment (machines, tools and work installations)	114,134,453	4,597,687	591,099	118,141,041	65,049,019	6,061,261	572,321.00	70,537,959
Measurement, control and adjustment devices	187,875,924	6,848,339	271,754	194,452,509	160,041,553	8,551,040	271,754.00	168,320,839
Means of transportation	22,180,034	261,572	1,643,707	20,797,899	15,805,738	1,158,916	1,643,707.00	15,320,947
Furniture, bureautics, equipment for protection of human and material values and other tangible assets	278,007,089	5,387,080	456,677	282,937,492	119,966,194	14,747,255	354,441.00	134,359,008
Tangible assets in progress	67,542,746	25,610,161	26,822,931	66,329,976	0	0	-	0
LONG-TERM INVESTMENTS	134,335,117	6,591,360	872,552	140,053,925	249,595	0	-	249,595
Bonds and other fixed-income securities	0	0	0	0	0	0	-	0
Shares and other variable-income securities	3,039,271	0	872,552	2,166,719	0	0	-	0
Participating interests	59,401,222	0	0	59,401,222	0	0	-	0
Investments in affiliated undertakings	71,894,624	6,591,360	0	78,485,984	249,595	0	-	249,595
TOTAL FIXES ASSETS	2,097,769,022	95,738,475	54,506,322	2,139,001,175	562,555,630	64,854,847	2,939,909.00	624,470,568

Note 5. Own shares and issued bonds

Shares

- The Bank's share capital as at December 31, 2009: RON 696,901,518;
- Nominal value of the BRD share: RON 1;
- Number of shares: 696,901,518.

Bonds

Bonds issued on the external market:

- Interest-bearing bonds;
- Nominal value per unit: RON 35,000;
- Coupon: 7.75% flat;
- Maturity: 12.12.2011;

Note 6. Provisions for risks and charges

Provisions for risks and charges

Name of provision	Balance as at December 31' 2009	Transfers		Balance as at June 30' 2010
		to the account	from the account	
0	1	2	3	4=1+2-3
Provisions for pensions and similar obligations	31,727,555	4,430,675	586,693	35,571,537
Provisions for taxes	2,016,865	0	0	2,016,865
Other provisions	61,735,680	27,413,493	58,812,379	30,336,794
Total	95,480,100	31,844,168	59,399,072	67,925,196

The opening balance contain RON equivalent amounts based on half-yearly financial statements exchange rate. (As at June 30th, 2010 Eur1 = Ron 4.3688 compared to EUR1= RON 4.2282 as at December 31th,2009)

Note 7. Information regarding certain items in the profit and loss account

7.1 Interest income and similar income

Interest income and similar income

	June 30', 2009	June 30', 2010
Interest income from customer operations	2,103,862,648	1,649,894,889
Interest income from NBR	214,068,983	68,591,144
Income assimilated to interest, from off-balance sheet and derivatives operations	53,547,691	56,866,668
Interest income from treasury and interbank operations	20,392,727	40,868,665
Interest income from securities	253,870	22,279,350
Total	<u>2,392,125,919</u>	<u>1,838,500,716</u>

In June 30 2009, the credit management commissions were entered in the profit and loss account on line 40 – „Commission income”. Considering that these commissions are interest-like, they were reclassified in the profit and loss account from line 40 to line 10 – “Interest income and other incomes”.

The amount of these commissions is of RON 180,347,556 for June 30 2009, and of RON 181,016,932 for June 30 2010 and these amounts were included on the line “Interest receivable from customer operations”.

7.2 Interest expense and similar expenses

Interest expenses and similar expenses

	June 30', 2009	June 30', 2010
Interest expense for customer operations	1,157,070,597	597,831,867
Interest expenses for treasury and interbank operations	253,704,717	67,139,195
Interest expense for securities	28,919,187	30,642,939
Interest expense on subordinated loans	15,251,595	7,271,878
Interest expense for off-balance sheet and derivatives operations	11,048,897	21,990,280
Total	<u>1,465,994,993</u>	<u>724,876,159</u>

7.3 Commission income

Commission income

	June 30', 2009	June 30', 2010
Commission income from customer operations	142,322,046	158,416,871
Commission income from financial services delivered	199,336,038	188,417,298
Commission income from treasury and interbank operations	25,148,107	23,375,753
Commission income from security operations	1,098,033	1,731,296
Commission income from operations with derivatives	135,309	325,832
Total commission income	<u>368,039,533</u>	<u>372,267,050</u>

7.4. Commission expenses

Commission expense

	June 30', 2009	June 30', 2010
Commission expense for treasury and interbank operations	41,033,359	45,253,124
Commission expense for financial services delivered	2,981,136	3,364,619
Commission expense for customer operations	1,237,676	1,611,393
Commission expense for securities operations	71,391	102,632
Total commission expenses	<u>45,323,562</u>	<u>50,331,768</u>

7.5. Net profit or loss from financial operations:

This item includes:

- Net income from transactions with securities other than financial assets and adjustments and reversal adjustments of the value of these securities;
- Net income from foreign exchange operations;
- Net income from other sale – purchase operations with financial instruments.

Profit or loss from financial operations

	June 30', 2009	June 30', 2010
Gains from foreign exchange operations	3,310,403,678	3,544,243,658
Losses from foreign exchange operations	3,037,010,865	3,384,975,012
<i>Profit from foreign exchange operations</i>	273,392,813	159,268,646
Income from securities operations	147,900,917	275,219,608
Expenses with securities operations	32,272,721	161,282,572
<i>Profit from securities operations</i>	115,628,196	113,937,036
Gains from operations with derivatives	2,256,517,298	1,726,710,785
Losses from operations with derivatives	2,253,940,235	1,679,390,757
<i>Profit from operations with derivatives</i>	2,577,063	47,320,028
Total incomes from financial operations, net	<u>391,598,072</u>	<u>320,525,710</u>

7.6 Other operating incomes

Other operating incomes

	June 30', 2009	June 30', 2010
Income from insurance intermediation operations	20,733,443	20,322,090
Income from services to customers	6,565,646	3,547,419
Other operating income	2,006,255	6,441,619
Income from rents	2,863,522	1,762,442
Income from assignment and decommissioning of fixed assets	1,155,473	285,365
Income from commissions for financial services - leasing	610,062	433,596
Income from professional training centres	620,759	485,544
Income obtained as marketing agent	302,258	350,620
Income from damages, fines, penalties	174,896	100,486
Total other operating income	<u>35,032,314</u>	<u>33,729,181</u>

7.7 Other operating expenses:

Other operating expenses

	June 30', 2009	June 30', 2010
Expenses with operational lease ALD	76,517,220	71,926,858
Contribution to the bank deposits guarantee fund	18,226,079	19,115,983
Expenses with other taxes, charges and related payments	10,910,612	7,908,863
Sponsorship	3,849,026	3,095,884
World employee stock ownership plan	3,750,001	2,994,828
Other operating expenses	1,762,408	6,785,942
Annulled commissions and interests	838,036	380,646
Expenses with price differences for leasing	0	0
Losses from assignment and decommissioning of fixed assets	380,908	606,855
Total other operating expenses	<u>116,234,290</u>	<u>112,815,859</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT JUNE 30, 2010

(Amounts in RON unless otherwise specified)

7.8. Other administrative expenses
Other administrative expenses

	June 30', 2009	June 30', 2010
Maintenance and utilities	46,186,531	48,381,608
Post and telecommunications	37,812,527	25,705,179
Other works and services provided by third parties	25,399,362	21,581,683
Security	25,104,788	27,382,522
Protocol and advertising	24,431,120	16,541,616
Materials	19,594,108	20,646,668
Consulting	12,753,461	12,940,003
Services provided by the group companies	11,836,757	17,357,061
Maintenance of computer programs and data access	11,342,889	13,720,346
Travels, secondments and transfers	8,657,554	6,537,114
Insurance premiums	4,724,832	7,183,700
RCI Leasing commissions	4,526,165	5,060,133
Royalties	771,161	527,234
Total administrative expenses	<u>233,141,255</u>	<u>223,564,867</u>

Note 8. Information on employees, directors and executives
Personnel expenses

	June 30', 2009	June 30', 2010
Personnel remuneration	252,677,436	244,619,416
Pensions	54,141,519	52,944,657
Other personnel expenses	24,548,421	22,400,374
Other expenses with insurance and social security	17,988,237	18,194,716
Meal tickets	7,664,182	7,962,427
Total personnel expenses	<u>357,019,795</u>	<u>346,121,590</u>

Note 9. Contingent liabilities and commitments

The Bank issues letters of guarantee and letters of credit on behalf of its customers. The risk of issuing such guarantees is similar to the risk arising from the lending activity, if the Bank is requested to pay for one of the guaranteed customers. All letters of credit issued by the Bank are collateralized.

All these commitments are acknowledged by the Romanian legislation.

No provisions were created for guarantees issued on the basis of counter guarantees.

Contingent liabilities

	December 31', 2009	June 30', 2010
Letters of bank guarantee issued in favour of the customers	6,115,612,032	6,275,346,036
Other guarantees given to other credit	2,465,237,205	2,213,432,249
Administrative and fiscal guarantees	234,620,539	345,061,922
Confirmations of documentary credits open to correspondent banks	10,156,564	9,636,649
Total	<u>8,825,626,340</u>	<u>8,843,476,856</u>

Commitments

	December 31', 2009	June 30', 2010
Financing commitments for loans	3,648,168,786	3,164,077,866
Import letters of credit	170,000,665	221,617,252
Payment acceptances and commitments	130,000	86,670,000
Bonds to be received	0	6,075,099
Total	<u>3,818,299,451</u>	<u>3,478,440,217</u>

As at 30.06.2010, the FCY operations made for trading purposes, and which have not reached maturity has the following structure:



NOTES TO THE FINANCIAL STATEMENTS AS AT JUNE 30, 2010
(Amounts in RON unless otherwise specified)

Speculative operations

	December 31', 2009	June 30', 2010
Foreign currency to receive versus foreign currency to deliver - SWAP	674,458,458	1,346,178,878
Foreign currency to deliver against foreign currency to receive - SWAP	(669,859,939)	(1,346,096,446)
Lei to receive against foreign currency to deliver	2,390,418,641	4,165,692,731
Foreign currency to deliver against lei to receive	(2,314,425,082)	(4,228,689,725)
Foreign currency to receive against lei to deliver	593,633,813	1,732,953,582
Lei to deliver against foreign currency to receive	(592,221,745)	(1,701,456,905)

NOTES TO THE FINANCIAL STATEMENTS AS AT JUNE 30, 2010
(Amounts in RON unless otherwise specified)

Name of item	31.12.2009			30.06.2010		
	Group companies	Associated companies	Management	Group companies	Associated companies	Management
LOANS						
Placements, down payments and loans extended	363,580,263	1,223,766	1,369,913	193,935,319	41,943	1,268,708
Related receivables	3,097,748	355	3,141	237,816	41	2,818
DEBTS						
Loans received	3,019,187,328	0	0	3,112,814,575	0	0
Current accounts and deposits	5,596,225,767	52,321,239	11,396,264	5,045,715,662	111,490,852	11,410,993
Related debts	72,510,259	448,198	338,621	22,683,663	342,500	92,356
Income from commissions and interests	57,137,373	43,231	87,375	22,195,708	43,760	28,948
Expenses with commissions and interests	250,338,173	14,815,561	892,193	55,308,211	2,734,478	397,257
Off-balance sheet items						
Contingent liabilities	96,208,463	0	0	1,649,983,876	190,305	0
Commitments	87,544,417	0	78,530	119,793,173	0	86,319

Note 10. Other Information

➤ Preparation of financial statements

These financial statements prepared for June 30, 2010 are individual financial statements.

➤ Risk management

Risk management is ensured by the Bank in compliance with the norms of the National Bank of Romania and by fully applying the procedures of the Société Générale Group, the parent company of the bank, the expertise of which is worldwide acknowledged.

This management is made within the limits and powers attributed to operational officers. Exposures are regularly reviewed by specialized committees made up of the bank management (Risk Committee, Asset and Liabilities Management Committee, Credit Committee).

Main types of risks:

Market risk:

The market risk is the risk of loss related to the changes in the market variables, such as interest rates and rates of exchange.

Foreign exchange risk

The foreign exchange risk is related to the variation of the rates of exchange. The bank manages the foreign exchange risk by using limits for the foreign exchange positions opened at the level of each foreign currency and of the global foreign exchange position (more restrictive limits than the ones imposed by the National Bank of Romania), monitoring on a daily basis a synthetic ratio (Value at risk) on the foreign exchange position.

Interest rate risk

The interest rate risk is related to the fluctuation in the interest rates. The Bank manages this risk by monitoring the structure/gaps of the assets and liabilities on due date/maturity intervals and by using a limit of sensitivity of the balance sheet structure to the interest rate risk.

Credit risk:

The credit risk represents the loss which the Bank would incur if a counterparty or another partner failed to meet its contractual obligations. The credit risk is implicit in traditional banking products – loans, credit commitments and other contingent liabilities, such as the letters of credit – but also in contracts of the derivatives type.

NOTES TO THE FINANCIAL STATEMENTS AS AT JUNE 30, 2010
(Amounts in RON unless otherwise specified)

The bank limits its exposure both towards individual counterparties and groups of corporate customers by credit limits established at the time of the analysis. The limit value depends on quantitative factors, such as the customer's position and financial performance, the industry position, but also on qualitative factors, such as the management quality and the structure of the shareholders. The exposure against the authorised limits is monitored on a continuous basis. For the private customers, the bank uses an acceptance scoring system, which is validated permanently.

Liquidity risk:

The liquidity risk is associated either to the difficulty in raising necessary funds in order to meet the commitments, or to the inability to sell a financial asset in due time and at its fair value.

The Bank's approach of liquidity risk management begins with the elaboration of a strategy on liquidity, approved by the Bank's Management. Based on this strategy, the Bank permanently monitors/adjusts the differences between its assets and liabilities, on time intervals, depending on the duration remaining between the balance sheet date and the maturity date.