

DEPARTMENT 41
 NAME OF THE CREDIT INSTITUTION: BRD GROUPE SOCIETE GENERAL
 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
 BUSINESS (write the main business)
 Other monetary intermediation activities
 NACE Code 6419
 SOLE REGISTRATION NUMBER 361579

BALANCE SHEET
 as at December 31, 2011

- lei -

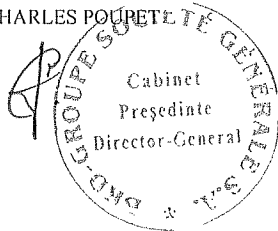
ASSETS	Position code	Note	Financial year	
			previous	ended
A	B	C	1	2
Cash and current accounts with Central Banks	010	2.1.	10,037,940,093	9,402,486,828
Treasury bills and other bills eligible for refinancing with Central Banks				
- treasury bills and similar securities	020	2.2.	3,861,463,777	4,781,276,175
- other bills eligible for refinancing with Central Banks	023		3,861,463,777	4,781,276,175
Loans and advances to credit institutions	030		1,693,145,468	994,837,960
- on demand	033	2.3.a	182,052,246	317,887,015
- others	036	2.3.b	1,511,093,222	676,950,945
Loans and advances to customers	040	2.4.	29,755,088,902	30,446,605,334
Bonds and other fixed-income securities	050	2.5.	0	95,583,118
- issued by public bodies	053		0	95,583,118
- issued by others, out of which:				
- own-debt securities	056		0	0
	058		0	0
Shares and other variable yield securities	060	4	52,936,465	58,949,368
Equity investments, out of which:	070	2.6.	70,939,149	70,899,149
- equity investments in credit institutions	075		29,017,185	29,017,185
Investments in affiliated undertakings, out of which:	080	2.7.	66,614,472	66,701,767
- Investments in credit institutions	085		0	0
Intangible assets, out of which:	090		89,648,053	84,891,260
- set-up costs	093		0	0
- goodwill, if acquired for good and valuable consideration	096		0	0
Tangible assets, out of which:	100		1,303,086,273	1,306,065,899
-land and buildings for the operating activity	105		986,040,843	1,002,909,625
Share capital subscribed and not paid in	110		0	0
Other assets	120	2.8.	191,331,485	329,815,986
Prepaid expenses and accrued income	130	2.9.	371,924,894	389,596,965
Total Assets	140		47,494,119,031	48,027,709,809

DIRECTOR,

Last and first names

GUY MARIE CHARLES POUPET

Signature



Unit stamp

PREPARED BY**

Last and first names¹

Capacity²

Signature

ADINA ILEANA

RADULESCU

Head of General
Accounting Division

Registration no. with
the professional body

* According to the classification in force as of 01.01.2008.

** Government Ordinance no. 65/1994 regarding the organisation of forensic accounting and of certified public accountants, republished

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BALANCE SHEET
as at December 31, 2011

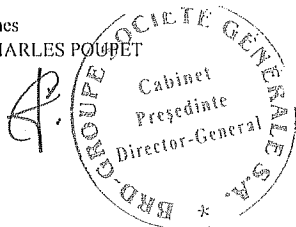
- lei -

LIABILITIES	Position code	Note	Financial year	
			previous	ended
A	B	C	1	2
Amounts owed to credit institutions	300	2.10.	10,418,908,719	10,967,856,475
- on demand	303		607,989,422	695,752,035
- at term	306		9,810,919,297	10,272,104,440
Amounts owed to customers	310	2.11.	29,624,968,258	30,077,928,761
- deposits, out of which:	313		19,271,514,899	20,348,472,286
- on demand	314		3,097,028,403	2,893,714,338
- at term	315		16,174,486,496	17,454,757,948
- other liabilities, out of which:	316		10,353,453,359	9,729,456,475
- on demand	317		10,229,089,070	9,599,505,443
- at term	318		124,364,289	129,951,032
Debts evidenced by certificates:	320	6	735,000,000	0
- interbank debts evidenced by certificates, bonds, outstanding negociable debt securities	323		735,000,000	0
- other securities	326		0	0
Other liabilities	330	2.13.	619,073,303	545,968,308
Deferred income and accruals	340	2.14.	392,341,837	370,417,408
Provisions, out of which:	350	8	85,962,204	94,551,699
- provisions for pensions and similar obligations	353		39,100,728	48,258,305
- provision for taxes	355		0	0
- other provisions	356		46,861,476	46,293,394
Subordinated debt	360		856,960,000	863,940,000
Share capital	370		696,901,518	696,901,518
Share premium	380		0	0
Reserves	390		514,623,853	520,648,392
- 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		1,108,843	7,133,382
Revaluation reserves	400		498,547,767	497,074,062
Own shares (-)	410		0	0
Retained earnings				
- Profit	423		2,550,241,737	2,927,157,818
- Loss	426		0	0
Profit or loss for the financial year				
- Profit	433		500,589,835	465,265,368
- Loss	436		0	0
Distribution of the profit	440			
Total liabilities	450		47,494,119,031	48,027,709,809

DIRECTOR,
Last and first names
GUY MARIE CHARLES POUPET

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RADULESCU
Head of General
Accounting Division

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BALANCE SHEET
as at December 31, 2011



OFF-BALANCE SHEET ITEMS	Position code	Note	Financial year	
			previous	ended
A	B	C	1	2
Contingent liabilities, out of which:	600		8,379,271,301	7,401,820,708
- acceptances and endorsements	603		5,954,008,548	5,412,985,036
- collaterals and pledged assets	606		2,265,123,806	1,961,238,039
Commitments, out of which:	610		3,337,384,237	4,337,313,903
- commitments of sale and repurchase	615		-	-

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Last and first names¹ ADINA ILEANA
RADULESCU

Capacity² Head of General
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PROFIT AND LOSS ACCOUNT
as at December 31, 2011

- lei -

Name of item	Position Code	Note C	Financial year	
			previous	ended
Interest and similar income, out of which:	010	9.1	3,676,362,994	3,542,489,527
- from bonds and other fixed income securities	015		108,088,880	271,578,494
Interest and similar expenses	020	9.2	1,340,381,583	1,263,550,870
Income from securities, out of which	030		2,342,296	2,787,353
- income from shares and other variable yield securities	033		0	0
- income from equity investments	035		2,342,296	2,787,353
- income from investments in related parties	037		0	0
Commission income	040	9.3	762,637,820	797,519,326
Commission expenses	050	9.4	105,108,138	119,946,134
Net profit / loss from financial operations	060	9.5	546,816,724	333,621,576
Other operating income	070	9.6	91,990,982	105,107,412
General administrative expenses	080		1,129,060,310	1,151,748,224
- Staff expenses, out of which:	083	10	641,162,033	645,742,042
- Salaries	084		468,456,137	469,978,203
- Social security, out of which:	085		134,597,351	134,042,947
- pension related costs	086		101,041,515	100,122,082
- Other administrative expenses	087	9.8	487,898,277	506,006,182
Value adjustments in respect of tangible and intangible assets	090		128,711,970	138,591,375
Other operating expenses	100	9.7	230,357,370	261,009,916
Value adjustments on receivables and provisions for contingent liabilities and commitments	110		4,262,937,613	3,969,187,780
Reversal of value adjustments on receivables and provisions for contingent liabilities and commitments	120		2,713,729,319	2,680,422,375
Value adjustments on transferable securities - non-current financial assets - investments and shares held in related parties	130		0	39,999
Reversal of value adjustments on transferable securities - non-current financial assets - investments and shares held in related parties	140		6,669,959	4,130,152
Profit or loss on ordinary activities				
- Profit	153		603,993,110	562,003,423
- Loss	156		0	0
Extraordinary income	160		0	0
Extraordinary charges	170		0	0

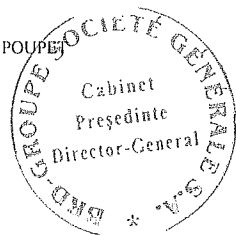
Name of item	Position Code	Note C	Financial year	
			previous	closed
Result of the extraordinary activity				
- Profit	183		0	0
- Loss	186		0	0
Total income	190		19,038,922,118	21,534,729,448
Total expenses	200		18,434,929,008	20,972,726,025
Gross result				
- Profit	213		603,993,110	562,003,423
- Loss	216		0	0
Income tax	220		103,403,275	96,738,055
Other taxes	230		0	0
Net result for the year				
- Profit	243		500,589,835	465,265,368
- Loss	246		0	0

DIRECTOR,
Last and first names
GUY MARIE CHARLES POUPEL

Signature



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Head of General Accounting
Division



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STATEMENT OF CASH FLOWS
as at December 31, 2011 - example of indirect method -

- lei -

Name of ratio	Position code	Note	Financial year	
			previous	ended
Net Result	01		500,589,835	465,265,368
<i>Income items that do not generate cash flows regarding the operating activity</i>				
± set-up or accrual of adjustments for depreciation and of provisions	02		1,118,394,177	981,360,725
+ depreciation expenses	03		128,711,970	138,591,375
± other adjustments to the elements that do not generate cash flows	04		-	-
± adjustments to the elements included in the investment or financing activities	05		8,465,828	4,864,120
± other adjustments	06		17,347,289	30,741,435
Sub-total (lines 01 to 06)	07		1,773,509,099	1,620,823,024
<i>Changes in operating assets and liabilities after adjustments of elements that do not generate cash flows regarding the operating activity</i>				
± securities that are not financial assets	08		(1,776,759,350)	(1,024,914,801)
± receivables from credit institutions	09		(528,891,141)	2,323,844,872
± receivables from customers	10		108,183,598	(1,424,124,990)
± accrued receivables	11		(237,894,239)	(303,109,052)
± other operating assets	12		139,542,556	(34,550,068)
± debts to credit institutions	13		(4,267,648,073)	2,382,202,256
± debts to customers	14		353,823,849	452,960,503
± accrued debts	15		(71,466,693)	18,921,743
± other operating liabilities	16		57,520,193	(113,948,943)
=- cash payments representing corporate tax	17		(194,516,746)	(79,870,638)
Cash flows from operating activities (lines 07 to 17)	18		(4,644,596,947)	3,818,233,906
Cash flows from investment activities				
- cash payments for the acquisition of subsidiaries or other sub-units	19		-	-
+ cash collections from the sale of subsidiaries or other sub-units	20		-	-
+ cash collections representing dividends received	21		2,342,296	2,787,353
=- cash payments for the acquisition of securities that are financial assets	22		(6,257,776)	-
+ cash collections from the sale of securities that are financial assets	23		-	-
+ cash collections representing interests received	24		-	-
- cash payments for the acquisition of land and fixed assets, intangible assets and other long-term assets	25		(125,616,744)	(139,220,308)
+ cash collections from the sale of land and fixed assets, intangible assets and other long-term assets	26		5,810,194	1,687,331
- other cash payments regarding investment activities	27		-	-
+ other cash collections regarding investment activities	28		-	-
Cash flows from investment activities (lines 19 to 28)	29		(123,722,030)	(134,745,624)

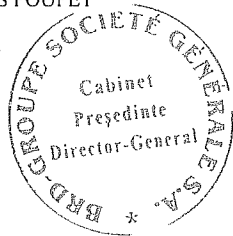
Name of ratio	Position code	Note	Financial year	
			previous	ended
Cash flows from financing activities				
+ cash collections from debts made by securities and subordinated debts	30		-	(735,000,000)
- cash payments regarding debts made by securities and subordinated debts	31		-	-
+ cash collections from the issuance of shares	32		-	-
- cash payments for the acquisition of own shares	33		-	-
=+ cash collections from the sale of own shares	34		-	-
- cash payments representing dividends	35		(195,043,737)	(125,149,683)
- other cash payments regarding financing activities	36		(12,343,054,565)	(8,442,395,500)
+ other cash collections from financing activities	37		17,062,502,080	6,609,141,002
<i>Cash flows from financing activities (lines 30 to 37)</i>	38		4,524,403,778	(2,693,404,181)
Cash at the beginning of the period	39		2,469,352,813	2,225,437,614
± Cash flows from operating activities (line 18)	40		(4,644,596,947)	3,818,233,906
± Cash flows from investment activities (line 29)	41		(123,722,030)	(134,745,624)
± Cash flows from financing activities (line 38)	42		4,524,403,778	(2,693,404,181)
± Effect of the variation of the rate of exchange on the cash	43		-	-
Cash at the end of the period (lines 39 to 43)	44		2,225,437,614	3,215,521,715

DIRECTOR,
Last and first names
GUY MARIE CHARLES POUPE

Signature



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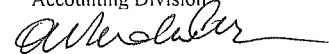
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RADULESCU
Head of General
Accounting Division

Capacity²
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STATEMENT OF CHANGES IN EQUITY
as at December 31, 2011

- RON -

Equity item	Note	Balance as at January 1st	Increase		Decrease		Balance as at December 31
			Total, out of which:	by transfer	Total, out of which:	by transfer	
0	1	2	3	4	5	6	7
Subscribed capital		696,901,518	-	-	-	-	696,901,518
Capital premiums		-	-	-	-	-	-
Legal reserves		244,156,714	-	-	-	-	244,156,714
Reserves provided for by the articles of association or contracts		-	-	-	-	-	-
General reserve for credit risk		98,596,363	-	-	-	-	98,596,363
Reserve for general banking risks		170,761,933	-	-	-	-	170,761,933
Revaluation reserves		498,547,767	-	-	1,473,705	1,473,705	497,074,062
Own shares (-)		-	-	-	-	-	-
Mutual aid reserve		-	-	-	-	-	-
Mutual guarantee reserve		-	-	-	-	-	-
Other reserves		1,108,843	6,024,339	-	-	-	7,133,382
Retained earnings		2,507,089,250	500,589,835	500,589,835	125,147,459	-	2,882,531,625
Profit not distributed		-	-	-	-	-	-
Loss not covered		-	-	-	-	-	-
Retained earnings from first-time application of IAS, less IAS 29		-	-	-	-	-	-
Credit balance		-	-	-	-	-	-
Debit balance		-	-	-	-	-	-
Retained earnings from correction of accounting errors		-	-	-	-	-	-
Sold creditor		-	-	-	-	-	-
Sold debtor		-	-	-	-	-	-
Retained earnings representing surplus from revaluation reserves		-	-	-	-	-	-
Retained earnings from adopting accounting regulations compliant with European directives		-	-	-	-	-	-
Credit balance		-	-	-	-	-	-
Debit balance		43,152,487	1,473,705	1,473,705	-	-	44,626,192
Profit or loss for the year		-	-	-	-	-	-
Credit balance		500,589,835	465,265,568	465,265,568	500,589,835	500,589,835	465,265,568
Debit balance		-	-	-	-	-	-

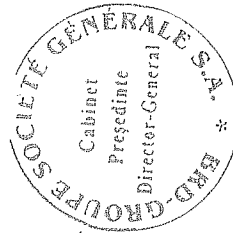
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Figures, as in the example above, must be accompanied by information regarding:

- nature of changes;
- tax treatment applied, where applicable;
- any other significant information.

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Signature
Unit stamp



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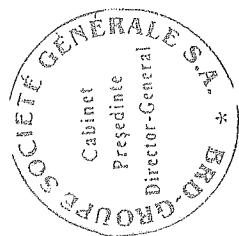
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STATEMENT OF CHANGES IN EQUITY
as at December 31, 2011

- lei -

	Note	Share capital	Capital premiums	Legal reserves	Profit or loss of the financial year	Reserves provided for in the articles of association or contracts	General reserve for credit risk	Reserve for general banking risks	Own shares (-)	Other equity					Total equity	
										Mutual aid reserve	Mutual guarantee reserve	Retained earnings	Other equity	Total equity		
Balance at the end of the financial year 2009		696,901,518	-	244,156,714	500,589,835	-	98,596,363	170,761,933	-	-	498,547,767	-	-	2,550,241,737	1,108,843	4,760,904,710
Changes (increase or decrease), out of which:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- increase of Share capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- profit allocation for 2009		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(125,147,459)
- allocations to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- profit of 2009		-	-	-	(500,589,835)	-	-	-	-	-	-	-	-	500,589,835	-	-
- profit of 2010		-	-	-	465,265,368	-	-	-	-	-	-	-	-	-	-	-
- surplus from revaluation of fixed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- revaluation reserves for 2010		-	-	-	-	-	-	-	-	(1,473,705)	-	-	-	1,473,705	-	-
- other changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the financial year 2010		696,901,518	-	244,156,714	465,265,368	-	98,596,363	170,761,933	-	-	497,074,062	-	-	2,927,157,818	7,133,382	5,107,047,158

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- nature of changes;
- tax treatment applied, where applicable;
- any other significant information.



DIRECTOR,
Last and first names
GUY MARIE CHARLES POUPEL
Signature

PREPARED BY*
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Head of General
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INFORMATIVE DATA

30

- RON -

I. INCOME DATA	Position code	Number of units	Amounts
A	B	I	2
Units with profit	101	1	465,265,368
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	I	2	3
OVERDUE PAYMENTS – TOTAL				
(pos.202+206+212 la 216+221+222+227), of which:	201	0	0	0
Outstanding accounts payable – TOTAL (pos. 203 to 205),	202			
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			
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	December 31, last year	December 31, current year
A	B	1	2
Average number of employees	301	7,980	8,011

IV. PAYMENTS OF INTERESTS AND ROYALTIES	Position code	Amounts - RON -
Gross income from interests paid by Romanian juridical persons to non-resident natural persons from the EU Member States, of which:	401	6,110,940
- tax payable to the State Budget	402	665,216
Gross income from interests paid by Romanian juridical persons to affiliated**) non-resident natural persons from the EU Member States, of which:	403	134,674,392
- tax payable to the State Budget	404	9,957
Income from royalties paid by Romanian juridical persons to affiliated non-resident juridical persons from the EU Member States, of which:	405	-
- tax payable to the State Budget	406	-

V. MEAL TICKETS	Position code	Amounts - RON -
Counter-value of meal tickets given to employees	501	16,066,789

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
- innovation expenses abandoned during the period	603	0	0

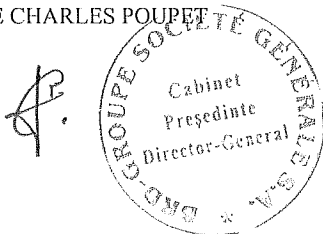
*) to be completed by credit institutions only

**) 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 POUPEL

Signature



Unit stamp

PREPARED BY****
Last and first names¹

Capacity²
Signature

Registration number with
the professional body

ADINA ILEANA RADULESCU

Head of General Accounting

⁰⁰ Government Ordinance no. 65/1994 regarding the organisation of forensic accounting and of certified public accountants, republished

¹ Annual financial statements are signed by the authorised persons, and also include their name in print.

² The capacity of the person who prepared the financial statements is filled in as follows:

- economic manager, chief-accountant or another person authorised to fill in this position, as per the law
OR

- natural or juridical persons, authorised according to the law, members of the Romanian Association of Chartered Accountants and Certified Public Accountants

STATEMENT OF NON-CURRENT ASSETS

GROSS VALUE OF NON-CURRENT ASSETS		Cod pozitive	Sold initial	Cresteri	Reduceri		Sold final (col.5= 1+2-3)
A	B				1(1)	2(2)	
INTANGIBLE ASSETS							
Goodwill		101	45,033,322	0	0	0	45,033,322
Set-up costs		102	0	0	0	0	0
Other intangible assets		103	182,974,956	20,204,321	13,581	0	203,115,696
Advances and intangible assets in progress		104	13,056,333	16,530,403	16,207,759	0	13,378,997
TOTAL (pos.101 to 104)		105	241,014,611	36,734,724	16,221,320	0	261,528,015
TANGIBLE ASSETS							
Land		106	63,011,909	5,143,945	0	0	68,155,854
Land improvements		107	0	0	0	0	0
Buildings		108	1,040,338,896	60,217,785	1,968,098	608,969	1,098,588,583
Plant and machinery		109	120,617,040	9,551,069	3,355,784	2,586,512	126,812,325
Measurement, control and adjustment devices		110	213,417,599	33,817,575	33,576,963	33,358,339	213,638,211
Means of transportation		111	21,008,314	926,489	5,634	2,169	21,929,169
Fixtures and fittings		113	287,961,408	81,320,744	18,869,156	6,622,241	350,412,996
Advances and tangible assets in progress		114	83,895,005	123,657,232	127,998,597	8,619	79,553,640
TOTAL (pos.106 to 114)		115	1,830,250,171	314,634,839	185,774,232	43,186,849	1,959,110,778
FINANCIAL ASSETS							
Public bonds and assimilated		116	0	0	0	0	0
Bonds and other fixed-income securities		117	0	0	0	0	0
Investments in affiliated undertakings		118	66,614,472	2,000,000	1,912,705	0	66,701,767
Participating interests and portfolio activities		119	73,110,168	4,072,581	42,700	0	77,140,049
TOTAL (lines 116 to 119)		120	139,724,640	6,072,581	1,955,405	0	143,841,816
NON-CURRENT ASSETS - TOTAL (lines 105+115+120)		121	2,210,989,422	357,442,144	203,950,937	43,186,849	2,364,480,609

- RON -

DEPRECIATION OF NON-CURRENT ASSETS	Position code	Initial balance	Depreciation during the year	Depreciation of retired non-current assets	Depreciation at year-end (col.9=6+7-8)
A	B	6(1)	7(2)	8(3)	9(4)
INTANGIBLE ASSETS					
Goodwill	131	45,033,322	0	0	45,033,322
Set-up costs	132	0	0	0	0
Other intangible assets	133	106,333,235	25,270,505	307	131,603,433
TOTAL (pos.131 to 133)	134	151,366,557	25,270,505	307	176,636,755
TANGIBLE ASSETS					
Land improvements	135	0	0	0	0
Buildings	136	117,309,963	47,048,554	523,705	163,834,812
Plant and machinery	137	73,764,762	19,058,497	2,563,181	90,260,078
Measurement, control and adjustment devices	138	173,227,200	28,316,855	32,315,207	169,228,848
Means of transportation	139	16,342,579	2,069,554	7,780,242	10,631,891
Fixtures and fittings	141	146,519,395	78,187,221	5,617,366	219,089,250
TOTAL (pos.135 to 141)	142	527,163,899	174,680,681	48,799,701	653,044,879
DEPRECIATIONS - TOTAL (pos.134+142)	143	678,530,456	199,951,186	48,800,008	829,681,654

PROVISIONS FOR NON-CURRENT ASSETS IMPAIRMENT LOSSES		Position Code	Initial balance	Provisions created during the year	Write-back of provisions	Final balance (col.13=(0+11-12)
A		B	10(1)	11(2)	12(3)	13(4)
INTANGIBLE LOSSES						
Goodwill		151	0	0	0	0
Set-up costs		152	0	0	0	0
Other intangible assets		153	0	0	0	0
Advances and intangible assets in progress		154	0	0	0	0
TOTAL (pos.151 to 154)		155	0	0	0	0
TANGIBLE ASSETS						
Land		156	0	0	0	0
Land improvements		157	0	0	0	0
Buildings		158	0	0	0	0
Plant and machinery		159	0	0	0	0
Measurement, control and adjustment devices		160	0	0	0	0
Means of transportation		161	0	0	0	0
Fittings and fixtures		163	0	0	0	0
Advances and tangible assets in progress		164	0	0	0	0
TOTAL (pos.156 to 164)		165	0	0	0	0
FINANCIAL ASSETS						
Public bonds and assimilated		166	0	0	0	0
Bonds and other fixed-income securities		167	0	0	0	0
Investments in affiliated undertakings		168	0	0	0	0
Participating interests and portfolio activities		169	0	0	0	0
TOTAL (pos.166 to 169)		170	0	0	0	0
PROVISIONS FOR IMPAIRMENT LOSSES - TOTAL (pos.155+165+170)		171	0	0	0	0

DIRECTOR,

Last and first names

GUY MARIE CHARLES POUPEL

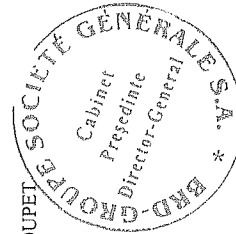
Signature

Unit stamp

PREPARED BY**

ADINA ILEANA
RADULESCUHead of General
Accounting DivisionLast and first names¹Capacity²

Signature

Registration no. with
the professional body

* According to the classification in force as of 01.01.2008.

** Government Ordinance no. 65/1994 regarding the organisation of forensic accounting and of certified public accountants, republished

¹ Annual financial statements are signed by the authorised persons, and also include their name in print.² The capacity of the person who prepared the financial statements is filled in as follows:

- economic manager, chief-accountant or another person authorised to fill in this position, as per the law

OR

- natural or juridical persons, authorised according to the law, members of the Romanian Association of Chartered Accountants and Certified Public Accountants

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.

BRD holds stakes in Romanian and foreign companies, presented in detail in note 14 herein.

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

BRD Shareholders	December 31', 2010		December 31', 2011	
	Number of shares (nominal value – 1RON)	%	Number of shares (nominal value – 1RON)	%
Société Générale	413,721,288	59.37%	419,313,688	60.17%
SIF Banat Crişana	32,463,577	4.66%	32,463,577	4.66%
SIF Oltenia	38,373,908	5.51%	32,329,238	4.64%
SIF Muntenia	28,845,330	4.14%	28,897,930	4.15%
SIF Transilvania	30,434,290	4.37%	26,294,708	3.77%
Fondul Proprietatea SA	-	0.00%	25,387,456	3.64%
SIF Moldova	26,945,688	3.87%	22,869,718	3.28%
Alți acționari	91,272,387	13.08%	109,345,203	15.69%
Banca Europeană pentru Reconstrucție și Dezvoltare ("BERD")	34,845,050	5.00%	-	0.00%
Total	<u>696,901,518</u>	<u>100%</u>	<u>696,901,518</u>	<u>100%</u>

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

During 2011, the price of the share varied between a minimum of RON 10.1 and a maximum of RON 15.8.

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

(Amounts in RON unless otherwise specified)

The stock market capitalisation of BRD as at 31.12.2011 was of MRON 7,463.82 (calculated at the closing price of RON 10.71).

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, these financial statements being prepared according to the Accounting Law no. 82/1991, republished and to regulation no.3 / 2009 concerning classification of loans and investments and the establishment, regulation and use of risk provisions.

The financial statements include:

- Balance sheet;
- Profit and loss account;
- Statement of changes in equity;
- Cash flow statement;
- Accounting policies and notes to the financial statements.

The RON/EUR rates of exchange used in the financial statements are:

Rate as at Dec.31, 2010	4.2848
Rate as at Dec.31, 2011	4.3197

The RON/USD rates of exchange used in the financial statements are:

Rate as at Dec.31, 2010	3.2045
Rate as at Dec.31, 2011	3.3393



Note1. 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 and 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



NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011
(Amounts in RON unless otherwise specified)

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 unquoted 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.



NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011
(Amounts in RON unless otherwise specified)

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 net 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.

Provisions are calculated by the bank under the principles established in Regulation of National Bank of Romania no. 3 /2009.

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.



NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011
(Amounts in RON unless otherwise specified)

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. Variable-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



NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

(Amounts in RON unless otherwise specified)

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



NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

(Amounts in RON unless otherwise specified)

- 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



NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011
(Amounts in RON unless otherwise specified)

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, whatever their name.

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

Repo agreements are sold with a simultaneous commitment contracting to repurchase at a specified future date. Debt continues to be recognized in the balance sheet.

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.



NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011
(Amounts in RON unless otherwise specified)

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.

For the scheme to grant by the parent free shares, the bank records the amounts in reserve.

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, on the date of creation of the provisions, as well as when they lose their object, provisions are analysed and regularised.

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;



NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

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- 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 with maturity up to 3 months, 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:

Items making up the balance sheet asset

2.1. Cash, current accounts with the central bank

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

	December 31', 2010	December 31', 2011
Accounts with the Central Bank	9,426,392,612	8,740,315,608
Cash in hand	611,547,481	662,171,220
Total	<u>10,037,940,093</u>	<u>9,402,486,828</u>

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

During 2011, the required minimum legal reserve for EUR decreased, from 25% in the period January – April, to 20% in the period April – December. The required minimum legal reserve for lei has remained constant - 15%. During 2010, the required minimum legal reserve was constant - 15% for lei and 25% for euro.

In 2011, the interest rate computed by the National Bank of Romania for the minimum legal reserve varied for foreign currency between 0.69% and 0.88%, and for lei between 1.29% and 1.86%. During 2010, interest rate for minimum reserves computed by the National Bank of Romania recorded a downward trend, from 2.89% to 1.56% for lei and from 1.27% to 0.88% for the euro.

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

The structure of the securities portfolio is the following:

	December 31', 2010	December 31', 2011
Treasury bonds available for sale	3,868,957,612	4,579,219,583
Treasury bonds held for trading	0	213,056,809
Impairment of treasury bond available for sale	(7,493,835)	(11,000,217)
Total	<u>3,861,463,777</u>	<u>4,781,276,175</u>

As at December 31, 2011, the positive differences between fair value and acquisition cost of the available for sale bonds amounted 129,829,453 equiv. RON. These differences are not accounted for.

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011
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Favourable difference between fair value and acquisition value of the bonds held for trading is 2,948,937 equiv. RON.

As at December 31, 2011, the bank holds in its portfolio EUR bonds bearing fixed interest rate with maturity at 3 and 4 years. Bank is exposed to changes in fair value of bonds due to market interest rate change.

To cover the interest rate risk (due to change the fair value of fixed-rate bonds), bank concluded interest rate swap transactions. The amount of the hedged items is 280 million EUR. In this regard:

- When the market interest rate increases, the fair value of bonds decreases, while increasing the value of the swap operation;
- When the market interest rate decreases, the fair value of bonds increases, while reducing the value of the swap operation.

In the swap operation, the bank will pay a fixed interest rate and will receive a variable rate. In accounting, these operations are reflected like hedge accounting.

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:

a. on demand

	December 31', 2010	December 31', 2011
Amounts receivable from banks	73,401,129	185,084,134
Demand deposits with banks	28,668,102	75,928,899
NBR Repo on demand		6,691,411
Correspondent account with banks	79,983,015	50,182,571
Total	<u>182,052,246</u>	<u>317,887,015</u>

b. at term

	December 31', 2010	December 31', 2011
Term loans to credit institutions	1,273,093,222	198,862,998
Term deposits with credit institutions	238,000,000	424,438,650
Term NBR Repo	0	53,649,297
Total	<u>1,511,093,222</u>	<u>676,950,945</u>

The variation in term loans to credit institutions is mainly due to the 250 million EUR loan to the Ministry of Finance, which reached maturity and was fully reimbured in July 2011. The outstanding deposits as at December 31, 2011 are free from burdens.

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011
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2.4. The amounts receivable by the bank from the customers have the following structure:

	December 31', 2010	December 31', 2011
Current loans to customers	29,506,272,645	29,924,346,916
Overdue and doubtful loans	2,299,296,609	2,790,952,692
Commercial receivables	259,205,681	595,166,036
Repo	0	168,929,849
Collectible amounts	5,087,262	14,591,694
Adjustments	(2,314,773,295)	(3,047,381,853)
Total	<u>29,755,088,902</u>	<u>30,446,605,334</u>

Under customer operations, outstanding syndicated loans as at December 31, 2011 represent a total of RON 1,263,976,825 equiv. lei. As at December 31, 2010, the outstanding amount for syndicated loans was 1,918,481,845 equiv. RON.

The increase in provisions as of 31 December 2011 compared to 31 December 2010 is explained by the fact that during 2011 the Bank has performed revaluations of certain types of its collateral portfolio which revealed depreciation in value of collaterals.

For adjustments variation during 2011 see note 2.8.

2.5. Bonds and other fixed-income securities:

	December 31', 2010	December 31', 2011
Timisoara municipal Bonds	0	95,583,118
Total	<u>0</u>	<u>95,583,118</u>

As at December 31, 2011, BRD has in portfolio the municipal bonds issued by the Municipality of Timisoara worthing 95,583,118 RON:

- Due date: 03/28/2028;
- Interest rate: ROBOR 6M + 0.39%.

2.6. Participating Interests*

	December 31', 2010	December 31', 2011
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
ALD Automotive	11,871,512	11,871,512
F.G.C.R	1,008,983	1,008,983
Biroul de Credit	779,184	779,184
Sogeprom	40,000	0
Total	<u>70,939,149</u>	<u>70,899,149</u>

*) The participation rates are presented in Note 14.

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011
 (Amounts in RON unless otherwise specified)

2.7. Investments in affiliated undertakings

	December 31', 2010	December 31', 2011
BRD Finance	53,018,588	53,018,588
BRD Sogelease SRL	8,998,000	8,998,000
BRD Asset Management	2,321,168	4,321,168
BRD/SG Corporate Finance SRL	364,011	364,011
BRD Securities SA	1,912,705	0
Total	<u>66,614,472</u>	<u>66,701,767</u>

In 2009, the shareholders decided in favour of BRD Securities voluntary dissolution, liquidation and removal of company. The liquidation action was finalized during 2011. The securities of the portfolio activity are presented in detail in **note 4**.

2.8. Other assets

	December 31', 2010	December 31', 2011
Derivative financial instruments	92,153,715	103,421,601
Corporate tax	22,552,488	79,870,638
Guarantees deposits	3,077,508	58,898,326
Debtors	72,848,851	58,343,046
Other receivables	14,584,794	46,453,167
Stocks and assimilated	1,069,677	1,060,751
Adjustments for debtors	(14,955,548)	(18,231,543)
Total	<u>191,331,485</u>	<u>329,815,986</u>

Position "Derivatives" include: forward exchange rate, exchange rate swaps, interest rate swaps and options exchange.

The amount of RON 103,421,601 includes gains from the revaluation of foreign exchange derivative transactions and currency swap contracts on interest rate.

Variation for impairment of loans, interest and other receivables during 2011:

Variation				Exchange differences	Balance as at December 31', 2011
	Balance as at January 1st	additions	decreases		
Adjustments for impairment of loans	(2,314,773,295)	(3,077,388,389)	2,366,313,939	(21,534,108)	(3,047,381,853)
Adjustments for accrued receivables	(470,311,899)	(466,483,571)	214,193,419	(3,532,470)	(726,134,521)
Adjustment for debtors and other receivables	(53,678,016)	(37,300,830)	31,816,834	(66,568)	(59,228,580)

Note: the table is correlated with adjustments in note 2.4 and 2.9.



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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.

Regional Europe Index Fund's objective is looking for a valuation of the assets collected resources through various financial markets investments and a diversified portfolio of investments in the Romanian market and the markets of Poland, Hungary and the Czech Republic.

For this purpose the Fund will pursue investment of assets in proportion of 75% in shares of companies that goes into a mix of indicators based on 50% BET-XT, 20% WIG-20, 10% Budapest SE Index and 20% Prague SE Index. In order to improve short-term liquidity, the fund will make investments in money markets instruments too.

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 5: Fixed assets

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. Management has estimated no significant differences between the accounting and market value at 31.12.2011.

In 2009, BRD proceeded to revalue the tangible assets such as existing buildings and land at the fair value. The revaluation was done by an independent evaluator.

In order to determine the market value, the evaluator used the following methods: the market comparison method, the income capitalization method, the cost method.

The market comparison method is based on the direct comparison of the revaluation property with other comparable properties that have been recently sold or put out for sale. This method was used in revaluing the residential land and premises, for which the comparable data were extracted from the existing market information.

The income capitalization method is based on the income generated by a property when rented, at a set occupancy rate, based on a capitalization rate that reflects the market standards and the investors' interest in properties of the kind.

The cost method: The net replacement cost is based on estimating the market value for the current use of the land, plus the gross cost for replacing the developments of the land and related buildings, minus the allocation (in terms of value) for the physical deterioration and any relevant forms of depreciation.

At the revaluation date, the accrued amortization was eliminated from the gross accounting value of buildings.

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

(Amounts in RON unless otherwise specified)

The difference between the value resulting from revaluation and the book value net of the accumulated amortization is presented in the balance sheet as the revaluation reserve, as a distinct-sub-item in the own equity items.

The assets for which an increase followed from the revaluation, as compared to the net book value, were treated as follows:

- The increase of the revaluation reserve presented in the own equity items, if there was no prior decrease recognised as asset-related expense;
- An income that would set off the expense against the decrease previously recognised for the respective asset. This income is presented in the profit and loss account under item 090 - "Corrections of the value of tangible and intangible assets".

The assets for which a decrease of the net book value followed from the revaluation were treated as follows:

- As an expense with the entire depreciation value, when no revaluation surplus is recorded in the revaluation reserve. This expense is presented in the profit and loss account under item 090 - "Corrections of the value of tangible and intangible assets".
- As a decrease of the revaluation reserve presented in the own equity item, with the minimum between the value of such reserve and the value of the decrease, and the uncovered difference is registered as expense.

The fiscal treatment of revaluation reserves:

According to the Fiscal Code, the book value and tax basis as at 31.12.2003 included the revaluation reserves resulted from the revaluations made by the said date.

The revaluation reserves corresponding to the revaluations made after 01.01.2004 were not included in the tax basis until 01.01.2007. Starting with 01.01.2007, the revaluation reserves have been included both in the book value and in the tax basis, their amortization being considered as deductible expense.

As of 01.05.2009, the revaluation reserves corresponding to the revaluations made after 01.01.2004, deducted by means of the amortization, as well as of the amount remained not amortized upon retirement, have been included in the calculation of the profit tax as taxable incomes.

The revaluation surplus is deemed realized upon the retirement of the revaluated fixed assets. For the revaluation reserves corresponding to the revaluations made after 1.01.2004, deducted before 01.05.2009, as well as for those corresponding to the revaluations performed before 01.01.2004, taxation will be done when there occurs a change in the destination of the revaluation surplus realized.



BRD

GRUPE SOCIETE GENERALE

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

(Amounts in RON unless otherwise specified)

Assets	Gross value			Depreciation			
	Balance as at January 1st, 2011	Increases	Decreases	Balance as at December 31, 2011	Depreciation recorded in 2011	Decreases	Balance as at December 31, 2011
INTANGIBLE ASSETS							
Goodwill	241,014,611	36,734,724	16,221,320	261,528,015	25,270,505	307	176,636,755
Other intangible assets	45,033,322	0	0	45,033,322	0	0	45,033,322
Intangible assets in progress	182,924,956	20,204,321	13,581	203,115,696	25,270,505	307	131,603,433
	13,056,333	16,530,403	16,207,739	13,378,997	0	0	0
TANGIBLE ASSETS							
Land	1,830,250,171	314,634,839	185,774,232	1,959,110,778	174,680,681	48,799,701	653,044,879
Buildings	63,011,909	5,143,945	0	68,155,854	0	0	0
Technological equipment (machines, tools and work installations)	1,040,338,896	60,217,785	1,968,098	1,098,588,583	47,048,554	523,705	163,834,812
Measurement, control and adjustment devices	120,617,040	9,551,069	3,355,784	126,812,325	19,058,497	2,563,181	90,260,078
Means of transportation	213,417,599	33,817,575	33,576,963	213,658,211	28,316,855	32,315,207	169,228,848
Furniture, office equipment, equipment for the protection of human and material values and other tangible assets	21,008,314	926,489	5,634	21,929,169	2,069,554	7,780,242	10,631,891
	287,961,408	81,320,744	18,869,156	350,412,996	78,187,221	5,617,366	219,089,250
Tangible assets in progress	83,895,005	123,657,232	127,998,597	79,553,640	0	0	0
LONG-TERM INVESTMENTS							
Bonds and other fixed-income securities	139,724,640	6,072,581	1,955,405	143,841,816	0	0	0
Shares and other variable-income securities	0	0	0	0	0	0	0
Participating interests	2,171,019	4,072,581	2,700	6,240,900	0	0	0
Investments in affiliated undertakings	70,939,149	0	40,000	70,899,149	0	0	0
	66,614,472	2,000,000	1,912,705	66,701,767	0	0	0
TOTAL FIXED ASSETS	2,210,989,422	357,442,144	203,950,957	2,364,480,609	199,951,186	48,800,008	829,681,634

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Note 6: Own shares and issued bonds
Shares

- The Bank's share capital as at December 31, 2011: RON 696,901,518;
- Nominal value of the BRD share: RON 1;
- Number of shares: 696,901,518.

Changes in the share capital

No	Prior level of the share capital / endowment capital	Amount requested for the increase of the share capital	Level of the share capital / endowment capital after capital increase	Observations
1	500,000	200,000	700,000	Decision of the Foreign Investors Council no. 7 / 21.05.1991
2	700,000	1,400,000	2,100,000	Decision of the Foreign Investors Council no. 23 / 13.11.1992
3	2,100,000	2,552,000	4,652,000	Decision of the General Meeting of the Shareholders no.6/18.03.1994
4	4,652,000	2,685,275	7,337,275	Decision of the General Meeting of the Shareholders no.24/29.12.1994
5	7,337,275	5,489,850	12,827,125	Decision of the General Meeting of the Shareholders no.47/24.01.1997 Hot AGA nr.49/30.05.1997
6	12,827,125	1,592,750	14,419,875	Hot AGA nr.54/24.02.1998
7	14,419,875	8,182,875	22,602,750	Decision of the General Meeting of the Shareholders no.59/24.07.1998
8	22,602,750	17,586,375	40,189,125	Decision of the General Meeting of the Shareholders no.60/04.08.1998
9	40,189,125	361,875	40,551,000	Decision of the General Meeting of the Shareholders no.63/12.11.1998 Legal base: Government ordinance no.48/1998 modified by Government ordinance no.99/1998
10	40,551,000	8,110,200	48,661,200	Decision of the General Meeting of the Shareholders no.67/6.01.1999
11	48,661,200	125,564,135	174,225,335	Decision of the General Meeting of the Shareholders no.74/20.12.1999
12	174,225,335	174,225,335	348,450,670	Decision of the General Meeting of the Shareholders no. 82/4.04.2002
13	348,450,670	69,690,134	418,140,804	Decision of the General Meeting of the Shareholders no.84 / 17.12.2002
14	418,140,804	278,760,536	696,901,340	Decision of the General Meeting of the Shareholders no.92 / 29.04.2005
15	696,901,340	178	696,901,518	Decision of the General Meeting of the Shareholders no.92/29.04.2005 Decision of the Board of Directors no.190/ 13.06.2005



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Note 7: Profit allocation

Profit allocation proposal:

	December 31', 2010	December 31', 2011
Profit to be distributed	500,589,835	465,265,368
Legal reserves	0	0
Statutory or contractual reserves	0	0
Reserve for banking risks	0	0
Reserve for the fund of general banking risks	0	0
Mutual aid reserve	0	0
Mutual guarantee reserve	0	0
Other reserves	0	0
Maturity under 1 year	0	0
Dividends	0	0
Cover of the accounting loss of the previous	0	0
Other distributions	0	0
Non-distributed profit	<u>500,589,835</u>	<u>465,265,368</u>

For 2011, the proposal for the allocation of the profit amounting to RON 465,265,368 is:

- Dividends to shareholders: RON 116,316,342
- Balance carried forward: RON 348,949,026

Note 8: Provisions for risks and charges

Name of provision	Balance as at January 1st	Transfers	Transfers	Balance as at December 31', 2011
		to the account	from the account	
0	1	2	3	4
Provisions for pensions and similar obligations	39,100,728	9,955,962	798,385	48,258,305
Provision for profit sharing for employees	44,800,000	38,400,000	44,800,000	38,400,000
Other provisions	2,061,476	5,963,003	131,085	7,893,394
Total	85,962,204	54,318,965	45,729,470	94,551,699

The opening balance contain RON equivalent amounts based on exchange rate from the date of financial statements (as at December 31th, 2011 1EUR = 4.3197RON compared to 1EUR= 4.2848RON as at December 31th,2010).

In 2011, there were set up provisions for the facilities extended to personnel of 9,955,962 RON. In 2010, the provisions set up were 8,861,175 RON.

Note 9: INFORMATION REGARDING CERTAIN ITEMS IN THE PROFIT AND LOSS ACCOUNT
9.1. Interest income and similar income

	December 31', 2010	December 31', 2011
Interest income from customer operations	3,249,147,862	2,999,503,310
Interest income from securities	108,088,881	271,578,494
Income assimilated to interest, from off-balance sheet and derivatives operations	113,105,769	96,824,683
Interest income from NBR	122,823,643	90,474,284
Interest income from treasury and interbank operations	83,196,839	84,108,756
Total	<u>3,676,362,994</u>	<u>3,542,489,527</u>

9.2 Interest expense and similar expenses

	December 31', 2010	December 31', 2011
Interest expense for customer operations	1,088,283,840	973,440,289
Interest expenses for treasury and interbank operations	137,321,980	182,000,902
Interest expense for securities	60,114,935	54,799,165
Interest expense for off-balance sheet and derivatives operations	39,390,282	33,904,337
Interest expense on subordinated loans	15,270,546	19,406,177
Total	<u>1,340,381,583</u>	<u>1,263,550,870</u>

9.3 Commission income

	December 31', 2010	December 31', 2011
Commission income from financial services delivered	390,965,524	400,942,957
Commission income from customer operations	316,484,920	330,975,923
Commission income from treasury and interbank operations	50,137,559	55,731,690
Commission income from operations with derivatives	1,355,550	5,399,389
Commission income from security operations	3,694,267	4,469,367
Total	<u>762,637,820</u>	<u>797,519,326</u>



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9.4. Commission expenses

	December 31', 2010	December 31', 2011
Commission expense for treasury and interbank operations	94,451,476	107,066,064
Commission expense for financial services delivered	7,160,809	7,271,423
Commission expense for customer operations	3,205,290	4,683,033
Commission expense for securities operations	290,563	925,614
Total	<u>105,108,138</u>	<u>119,946,134</u>

9.5. 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.

	December 31', 2010	December 31', 2011
Gains from foreign exchange operations	7,392,401,933	9,628,743,467
Losses from foreign exchange operations	7,079,217,708	9,395,698,484
<i>Profit from foreign exchange operations</i>	<i>313,184,225</i>	<i>233,044,983</i>
Income from securities operations	473,172,026	354,857,902
Expenses with securities operations	330,593,306	336,058,054
<i>Profit from securities operations</i>	<i>142,578,720</i>	<i>18,799,848</i>
Gains from operations with derivatives	3,919,362,943	4,418,671,934
Losses from operations with derivatives	3,828,309,164	4,336,895,189
<i>Profit from operations with derivatives</i>	<i>91,053,779</i>	<i>81,776,745</i>
Total	<u>546,816,724</u>	<u>333,621,576</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011
 (Amounts in RON unless otherwise specified)

9.6 Other operating incomes

	December 31', 2010	December 31', 2011
Income from insurance intermediation operations	40,914,916	39,659,789
Income from services to customers	11,078,223	25,400,491
Invoices costs	16,609,399	13,898,762
Revenues from promotion services and support trade Visa/Mastercard	2,798,051	3,643,704
Income from rents	3,228,869	3,197,613
Income from assignment and decommissioning of fixed assets	5,810,194	1,687,331
Income from professional training centres	1,121,671	1,407,433
Income from commissions for financial services leasing	1,027,551	1,192,919
Other operating income	9,402,108	15,019,370
Total	<u>91,990,982</u>	<u>105,107,412</u>

9.7 Other operating expenses

	December 31', 2010	December 31', 2011
Expenses with operational lease	148,190,436	148,522,605
Contribution to the bank deposits guarantee fund	38,286,841	68,089,937
Expenses with other taxes, charges and related payments	20,400,611	25,127,312
Sponsorship	5,861,476	7,532,731
World employee stock ownership plan	1,907,261	3,551,221
Losses from assignment and decommissioning of fixed assets	5,298,318	2,406,099
Damages, fines, penalties	811,274	1,103,333
Annulled commissions and interests	572,329	1,044,548
Other operating expenses	9,028,824	3,632,130
Total	<u>230,357,370</u>	<u>261,009,916</u>



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(Amounts in RON unless otherwise specified)

9.8. Other administrative expenses

	December 31', 2010	December 31', 2011
Maintenance and utilities	103,486,660	98,508,772
Security	55,893,433	56,937,972
Other works and services provided by third parties	48,893,236	56,082,869
Post and telecommunications	52,464,511	52,073,199
Services invoiced SG	41,644,082	45,204,157
Materials	44,433,917	41,622,352
Protocol and advertising	37,806,842	34,778,140
Maintenance of computer programs and data access	31,339,878	33,422,755
Insurance premiums	13,688,332	29,780,324
Travels, secondments and transfers	22,061,718	26,524,003
Consulting	24,735,118	19,371,440
RCI Leasing commissions	10,245,779	10,443,627
Royalties	1,204,771	1,256,572
Total	<u>487,898,277</u>	<u>506,006,182</u>

Other information:

- a) The auditor expenses for 2011 amount to RON 1,260,595 and represent the payment of the audit services for all the reporting packages, including to Société Générale.
- b) The loss from the assignment of fixed assets in 2011 amounts to RON 718,768.
- c) The interests paid during the fiscal year for subordinated loans amounted to EUR 3,899,383 (16,534,916 equiv. RON).
- d) The expenses with the simple lease operations made during the year amount to RON 148,522,605.
- e) The financial leasing instalments paid during 2011 by the bank under the contract signed with BRD Sogelease are of EUR 2,197,582 EUR (9,130,744 equiv. RON).

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011
(Amounts in RON unless otherwise specified)

Note 10: Information on employees, directors and executives

	December 31', 2010	December 31', 2011
Personnel remuneration	452,533,581	453,911,414
Pensions	101,041,515	100,122,082
Other personnel expenses	38,108,545	41,720,892
Other expenses with insurance and social security	33,555,837	33,920,865
Meal tickets	15,922,555	16,066,789
Total personnel expenses	<u>641,162,033</u>	<u>645,742,042</u>

At the end of 2010, the bank made a cumulated provision of RON 39,100,728 to cover the contractual indemnities given to the employees upon their retirement. In 2011 the provision was increased to RON 48,258,305.

In compliance with the Collective Employment Agreement for 2011, the Bank recognised as charges the social security contribution – private pension fund set up with BRD Fond de Pensii, of a net amount of EUR 200/year/employee.

The Bank did not sign any pension agreements distinct from the pension system in Romania. The pension system in Romania stipulates current payments made by the employer, calculated as a percentage of the current gross payments. These amounts are registered as expenses in the period for which the respective remuneration is due to the employee.

In 2011, the gross allowances paid to the directors were of RON 577,490. The Bank does not have any contractual obligations regarding the payment of pensions to its former executives and directors.

The average number of employees of the Bank in 2011 was of 8,011 people. The average statistically number was determined based on time actually worked. Of the total time allocated is deducted the disease for sick leave, maternity, child care up to 2 years, leave without pay. The total number of employees at the end of 2011 was 8,235 people.



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NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

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Note 11: TRANSACTIONS WITH PARTIES IN SPECIAL RELATIONS WITH THE CREDIT INSTITUTION

Name of item	2010		2011			
	Group companies	Associated companies	Management	Group companies	Associated companies	Management
LOANS						
Placements, down payments and loans extended	139,189,124	-	1,486,666	433,064,116	-	1,421,260
Related receivables	791,601	-	3,370	632,528	-	4,509
DEBTS						
Loans received	8,201,062,587	-	-	6,836,704,840	-	-
Current accounts and deposits	1,613,279,165	572,490	4,069,447	2,799,434,905	4,305,700	7,022,307
Related debits	4,361,145	8,840	10,429	28,938,417	113,702	39,077
Income from commissions and interests	29,513,691	2,102	75,878	40,351,852	6,458,778	84,762
Expenses with commissions and interests	122,269,889	420,443	540,732	182,376,640	2,409,629	140,399
Off-balance sheet items						
Contingent liabilities	433,918,753	-	-	504,195,807	-	-
Commitments	104,839,015	-	114,969	65,684,341	-	95,459

* As at December 31, 2010, the contingent liabilities balance was modified to also consider the guarantees issued for SG Group entities

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011
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The parties in special relations with the bank are financed at the market interest rate.

Note 12: INFORMATION REGARDING REPORTABLE SEGMENTS

The Bank provides products and services and operates in geographical areas with similar risks and benefits.

Note 13: 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', 2010	December 31', 2011
Letters of bank guarantee issued in favour of the customers	5,947,963,960	5,409,515,522
Other guarantees given to other credit institutions	2,265,123,806	1,961,238,039
Administrative and fiscal guarantees	160,138,947	27,597,633
Letters of credit	0	2,159,850
Confirmations of documentary credits open to correspondent banks	6,044,588	1,309,664
Total	<u>8,379,271,301</u>	<u>7,401,820,708</u>

Commitments

	December 31', 2010	December 31', 2011
Financing commitments for loans	2,995,395,055	3,930,434,892
Import letters of credit	243,521,491	249,493,412
Payment acceptances and commitments	92,500,000	92,500,000
Bonds to be received	5,967,691	64,885,600
Total	<u>3,337,384,237</u>	<u>4,337,313,903</u>

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As at December 31, 2011, the FCY operations made for trading purposes, and which have not reached maturity has the following structure:

Speculative operations

	December 31', 2010	December 31', 2011
Foreign currency to receive versus foreign currency to deliver - SWAP	1,338,037,726	1,617,501,106
Foreign currency to deliver against foreign currency to receive - SWAP	(1,341,047,276)	(1,615,380,135)
Lei to receive against foreign currency to deliver	2,891,129,183	4,793,656,837
Foreign currency to deliver against lei to receive	(2,855,597,564)	(4,731,224,503)
Foreign currency to receive against lei to deliver	1,191,077,233	2,314,638,738
Lei to deliver against foreign currency to receive	(1,215,625,054)	(2,334,830,802)

Note 14: OTHER INFORMATION:
➤ Bank network:

As at December 31, 2011, the bank carried out its business through 945 territorial agencies coordinated by 21 groups.

➤ Assets and liabilities in foreign currency

As at December 31, 2011, the total assets and liabilities in foreign currency expressed in foreign currencies converted into lei, are:

	31 decembrie 2010	31 decembrie 2011
Total assets in foreign currency	24,536,320,158	24,633,483,044
Total liabilities in foreign currency	22,806,763,041	22,463,956,380

➤ Derivative financial instruments:

<i>Portfolio</i>	<i>Instrument</i>	<i>Active</i>	<i>Passive</i>
transaction	Forward on rate of exchange	22,160,347	16,199,231
transaction	Swap on rate of exchange	41,162,506	25,987,395
transaction	Swap on interest rate	8,730,995	28,606,968
transaction	Options on rate of exchange -CALL	31,367,753	-
transaction	Options on rate of exchange - PUT	-	31,367,753
hedge	Swap on interest rate	-	38,537,480
	Total	<u>103,421,601</u>	<u>140,698,827</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011
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➤ **Reconciliation between the accounting and fiscal results:**

	December 31', 2010	December 31', 2011
Other funds	500,589,835	465,265,368
Capital cost allowance	143,123,350	155,114,819
Dividends received from another Romanian or foreign person	2,331,076	2,779,867
Other non taxable incomes	251,307,843	397,256,816
Total deductions	396,762,269	555,151,502
Corporate tax	103,403,275	96,738,055
Fines, delay penalties and gross-up paid or due to Romanian or foreign authorities, seizures of goods and values	281,479	694,864
Depreciation	128,711,969	138,591,375
Sponsoring expenses	5,885,662	7,515,027
provisions and reserves beyond the legal limits	278,091,692	386,519,572
Other non-deductible expenses	53,319,411	101,061,109
Total non-deductible expenses	569,693,488	731,120,002
Assimilated incomes	9,534,805	10,347,796
Net accounting income	500,589,835	465,265,368
TAXABLE PROFIT	<u>683,055,859</u>	<u>651,581,664</u>

➤ **Participating Interests:**

The information regarding the companies in which the Bank holds participating interests is detailed hereinafter.



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No.	Company	Company object	Address	Type of shares	End date of financial year	Currency	Profit/Loss	Share capital	Reserves	BRD quota
1	BRD Corporate Finance SRL CUI: 10210077, J40/1082/1998	Business and management consulting	Ion Mihalache, nr.1-7, etaj 13, sector 1, Bucuresti, 011171	Shares	31.12.2011	RON	-168,178	300,000	417,454	100.00%
2	BRD Sogetease IFN SA CUI: 14080565, J40/6764/2001	Contract-based lending (financial leasing)	Ion Mihalache, nr.1-7, bloc Turn, etaj 12, sector 1, Bucuresti, 011171	Common shares	31.12.2011	RON	19,209,467	9,000,000	133,957,466	99.98%
3	BRD Finance IFN SA CUI: 16334236 J40/6083/2004	Other lending activities	Ion Mihalache, nr.1-7, etaj 15, cam. 241, sector 1, Bucuresti, 011171 Turn BRD	Common shares	31.12.2011	RON	11,315,280	108,200,000	-33,553,187	49.00%
4	Fondul de Garantare a Creditului Rural IFN SA CUI: 5439903, J40/3050/1994	Other lending activities	Occidentului, nr. 5, sector 1, Bucuresti	Common shares	31.12.2011	RON	13,348,680	10,930,530	14,127,892	33.33%
5	BRD Societate de administrare a fondurilor de pensii private SA. CUI: 22001457, J40/12386/2007	Administration of pension funds – pillars II and III	Splaiul Independentei nr. 15, bloc 100, Tronson 1, etaj 6, sector 5, Bucuresti	Common shares	31.12.2011	RON	-1,992,993	29,980,000	-10,335,789	49.00%
6	ALD Automotive SRL CUI: 17043227, J40/20912/2004	Rental of motor vehicles and small capacity commercial vehicles	Ion Mihalache, nr.1-7, Turn BRD, etaj 3, cam. 202-203, 204, 205-206, 207-209, sector 1, Bucuresti, 011171	Shares	31.12.2011	RON	22,112,006	58,230,750	4,664,834	20.00%
7	Victoria Art & Business Center SA CUI: 16558128, J40/10631/2004	Rental and sub-rental of own or rented real estate properties	Calea Victoriei, nr. 15, et.V, cam. 521 Podium, sector 3, Bucuresti	Common shares	31.12.2011	RON	375,467	1,457,600	4,549,142	3.14%
8	Societatea de Transfer de Fonduri si Decontari-TransFonD SA CUI: 13215516, J40/6820/2000	Other types of financial intermediations	Bd. Ficusului, nr. 1, sector 1, Bucuresti	Common shares	31.12.2011	RON		6,720,000		2.72%



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No.	Company	Company object	Address	Type of shares	End date of financial year	Currency	Profit/Loss	Share capital	Reserves	BRD quota
9	BRD Asigurari de Viata SA CUI: 24870553, J40/20877/2008	Life insurance activities	Splaiul Independentei nr. 15, bloc 100, Tronson 1, etaj 5, sector 5, Bucuresti	Common shares	31.12.2011	RON	-641,900	27,616,500	-4,828,945	49.00%
10	BRD Asset Management SAI SA CUI: 13236071, J40/7066/2000	Fund administration activities	Bucuresti, Str. Clucerul Udricani nr 1-3, bi 106A, sector 3	Common shares	31.12.2011	RON	2,243,503	4,000,000	2,409,863	99.98%
11	Mobiasbanca - Groupe Societe Generale SA	Other monetary intermediation activities	Bd. Stefan cel Mare si Sfint 81-a, Chisinau, MD-2012, Republica Moldova	Common shares	31.12.2011	MDL	69,346,947	100,000,000	555,612,267	20.00%
12	Societe Generale European Business Services SA CUI: 27883477 J40/151/2011	Support service activities	B-dul Ion Mihalache nr. 1-7, et. 5 cam. 234, sector 1, Bucuresti	Common shares	31.12.2011	RON	-4,501,208	8,600,000	0	0.05%
13	Biroul de Credit SA CUI: 16140132, J40/2176/2004	Activities auxiliary to financial intermediation (except for insurance and pension funds)	Str. Stanta Vineri nr. 29, etaj 4, sector 3, Bucuresti	Common shares	31.12.2011	RON	3,791,529	4,114,615	8,978,103	18.85%
14	Fondul Roman de Garantare a Creditelor pentru Intreprinzatorii Privati IFN SA CUI:3682077 J40/7657/1993	Other lending activities	Matasari, nr. 46, sector 2, Bucuresti 32292	Common shares	31.12.2011	RON	213,741	16,065,609	10,559,532	6.23%
15	SC Depozitarul Central SA CUI: 9638020, J40/5890/1997	Other types of financial intermediations	B-dul Carol I nr. 34-36, Clădirea IBC Modern, etaj 3, 8 și 9, sector 2, Bucuresti	Common shares	31.12.2011	RON	4,607,456	25,291,953	3,680,575	1.06%
16	Casa de Compensare Bucuresti SA CUI: 8807210, J40/6981/1996	Other types of financial intermediations	B-dul Carol I, nr. 34-36, etaj 12, sector 2, Bucuresti	Common shares	31.12.2011	RON	106,422	6,835,850	-550,781	0.26%
17	Bursa Romana de Marfuri SA CUI: 1562694, J40/19450/1992	Administration of financial markets	Piata Presel Libere, nr. 1, sector 1, Bucuresti	Common shares	31.12.2011	RON	1,190,088	7,552,000	-3,442,542	0.13%



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No.	Company	Company object	Address	Type of shares	End date of financial year	Currency	Profit/Loss	Share capital	Reserves	BRD quota
18	S.C. Casa Română de Compensare S.A. CUI: 13160771 J32/1014/1998	Intermediation of financial transactions	Str. M. Kogălniceanu nr. 2, Sibiu, județul Sibiu.	Common shares	31.12.2011	RON	-356,533	10,813,500	1,780,954	0.37%
19	Fondul de Compensare a Investitorilor CUI: 18005590 J40/16596/2005	Other financial intermediation	B-dul Carl I nr. 34-36, etaj 12, camera 10, sector 2, Bucuresti	Common shares	31.12.2011	RON	356,236	344,350	15,286,621	0.44%
20	Bursa de Valori Bucuresti CUI: 17777754 J40/12328/2005	Administration of financial markets	B-dul Carl I nr. 34-36, etaj 13-14, sector 2, Bucuresti	Common shares	31.12.2011	RON		76,741,980		1.48%
21	Somesbalastire SA CUI: 203048; J12/28/1991		Cluj-Napoca, str. Oraștiei nr. 2A, jud. Cluj.	Common shares	31.12.2011	RON		216,194		0.3896%
22	Bil Investitii SA CUI: 18284959 J40/515/2011		B-dul Independentei nr. 16, bl. B5, cam. 22B, Braila, jud. Braila.	Common shares	31.12.2011	RON		16,077,925		0.0040%
23	Landouamiipt SA CUI: 23634279 J17/1490/2008		Spl. Nicolae Titulescu nr. 5, et. 2, biroul 17, Pavilion Administrativ, Timisoara, jud. Timis.	Common shares	31.12.2011	RON		563,889		0.0021%
24	ValmParticipatii SA CUI: 23656633 J38/1074/2008		Str. Calea lui Traian nr. 171, bl. 7 et. 1, cam. 32, Raminicu Valcea, jud. Valcea.	Common shares	31.12.2011	RON		3,600,000		0.0020%
25	Minointerest SA CUI: 23631175 J09/522/2009		B-dul Independentei bl. B5, cam. 20, Braila, jud. Braila.	Common shares	31.12.2011	RON		-		0.0000%
26	SPV Investis Imob SA CUI: 21285989 J40/4600/2007		București, B-dul Pierre de Coubertin nr. 3-5, sector 2.	Common shares	31.12.2011	RON		5,865,700		0.0307%
27	VISA				31.12.2012					
28	Swift				31.12.2011					



➤ **Preparation of financial statements**

These financial statements prepared for the year ended on December 31, 2011 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 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.



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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.

➤ **Subsequent events**

No significant subsequent events that would affect the financial statements were noticed.