BUCHAREST STOCK EXCHANGE

Consolidated financial statements prepared
in accordance with International Financial Reporting Standards
adopted by the
European Union

DECEMBER 31, 2010

CONTENTS

DISCLAIMER

This document was translated from Romanian. The Romanian version of “Consolidated financial statements prepared in accordance with International Financial Reporting Standards” is the BVB official document.

Consolidated profit and loss account

for the financial year ended on December 31 *(thousands lei)*

	Note	2010	2009
Revenues from services		33.146	25.020
Other revenues		307	218
Operating revenues	8	**33.453**	**25.238**
Operating expenses	9	-27.867	-29.368
Operating profit / (loss)		**5.586**	**-4.130**
Financial revenues		8.942	13.988
Financial expenses		-1.327	-214
Net revenues from interests afferent to assets covering guarantee, compensation and margin funds		1.405	1.612
Net financial revenues	10	**9.020**	**15.386**
Adjustment for depreciation of receivables	16	111	-156
Net expenses with provisions	21	-1.764	-54
Profit before taxation		**12.953**	**11.046**
Income tax expense	11	-2.425	-1.710
Profit for the year		**10.528**	**9.336**
Profit assigned to:			
Non-controlling interests		2.034	1.023
Equity holders of the parent		8.494	8.313
Profit for the year		**10.528**	**9.336**
Earnings per share:			
Basic earnings per share	24	1,11	1,08
Diluted earnings per share	24	1,11	1,08

The consolidated financial statements were approved by the Board of Governors on August 4, 2011 and signed by:

President,	General Manager,	Economic Director,
Stere Farmache	Valentin Ionescu	For: Maria Niculae Based on decision 702/28.07.2011

The explanatory notes to the financial statements from page 7 to 74 are an integral part of these consolidated financial statements

Consolidated statement of the global result

for the financial year ended on December the 31st ***(thousands lei)***

	Note	2010	2009
Profit for the year		10.528	9.336
Reevaluation of financial assets available for sale	10	58	97
Total global result for the year		**10.586**	**9.433**
Sums assigned to:			
Non-controlling interests		2.034	1.023
Equity holders of the parent		8.552	8.410
Total global result for the year		**10.586**	**9.433**

The consolidated financial statements have been approved by the Board of Governors on August 4, 2011 and signed by:

President,	General Manager,	Economic Director,
Stere Farmache	Valentin Ionescu	For: Maria Niculae Based on decision 702/28.07.2011

The explanatory notes to the financial statements from page 7 to 74 are an integral part of these consolidated financial statements

Consolidated statement of the financial position

As of December 31 ***(thousands lei)***

	Note	December 31st 2010	DEcember 31st 2009	January 1st 2009
Assets				
Tangible assets	12	2.157	2.439	3.430
Intangible assets	13	1.152	2.656	4.525
Receivables regarding the deferred tax	14	157	184	217
Financial assets held to maturity covering the guarantee, compensation and margin fund	15	2.296	2.273	2.273
Other financial assets held to maturity	15	9.446	2.418	7.909
Financial assets available for sale	15	1.036	968	811
Total fixed assets		**16.244**	**10.938**	**19.165**
Commercial receivables and other receivables	16	2.235	2.800	2.134
Prepaid expenses	17	224	477	279
Financial assets held to maturity covering the guarantee, compensation and margin fund	15	15.139	14.855	13.188
Other financial assets held to maturity	15	18.384	15.751	63.359
Cash and cash equivalents	18	91.251	92.874	44.986
Other assets		185	29	73
Total current assets		**127.418**	**126.786**	**124.019**
Total assets		**143.662**	**137.724**	**143.184**
Equity				
Issued capital	23	76.742	76.742	76.742
Legal reserve	23	5.362	4.739	4.096
Reevaluation reserve	23	1.637	1.637	1.637
Other reserves	23	37	8	2.806
Reserve regarding the fair value	23	-346	-404	-501
Retained earnings	23	13.341	13.321	15.666
Total equity assignable to the Company's shareholders		**96.773**	**96.043**	**100.446**
Non-controlling interests		16.958	15.860	19.241
Total equity		**113.731**	**111.903**	**119.687**
Liabilities				
Commercial liabilities and other liabilities	19	4.024	3.699	3.196
Unearned revenues	20	750	642	611

The explanatory notes to the financial statements from page 7 to 74 are an integral part of these consolidated financial statements

Consolidated statement of the financial position

As of December 31 ***(thousands lei)***

Debt with the current income tax		586	359	221
Provisions	21	1.818	54	-
Guarantee, compensation and margin fund for settled transactions	22	22.753	21.067	19.469
Total current liabilities		**29.931**	**25.821**	**23.497**
Total liabilities and equity		**143.662**	**137.724**	**143.184**

The consolidated financial statements have been approved by the Board of Governors on August 4, 2011 and signed by:

President,	General Manager,	Economic Director,
Stere Farmache	Valentin Marcel Ionescu	For: Maria Niculae

The explanatory notes to the financial statements from page 7 to 74 are an integral part of these consolidated financial statements

Consolidated statement of changes in equity

for the financial year ended on December the 3t *(thousands lei)*

	Issued capital	Retained earnings	Reevaluation reserve for financial assets available for sale	Reevaluation reserve	Other reserves	Legal reserve	Total attributable to shareholders	Non-controlling interests	Total equity
Balance as of January 1 2009	76.742	15.666	-501	1.637	2.806	4.096	100.446	19.241	119.687
Total global result afferent to the period									
Profit or loss	-	8.313	-	-	-	-	8.313	1.023	9.336
Other elements of the global result									
Reserve for assets available for sale	-	-	97	-	-	-	97	-	97
Total other elements of the global result	-	-	97	-	-	-	97	-	97
Total global result afferent to the period	-	8.313	97	-	-	-	8.410	1.023	9.433
Transactions with shareholders registered directly in equity									
Contributions from and distribution to shareholders									
Legal reserve increment	-	-643	-	-	-	643	-	-	-
Dividends paid to BVB shareholders	-	-10.015	-	-	-	-	-10.015	-	-10.015
Total contributions from and distribution to shareholders	-	-10.658	-	-	-	643	-10.015	-	-10.015
Changes of interests in subsidiaries which did not result in the loss of control									
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-793	-793
Acquisition of non-controlling interests	-	-	-	-	-2.798	-	-2.798	-3.611	-6.409
Total changes of interests in subsidiaries	-	-	-	-	-2.798	-	-2.798	-4.404	-7.202
Total transactions with shareholders	-	-10.658	-	-	-2.798	643	-12.716	-4.404	-17.217
Balance as of December 31 2009	**76.742**	**13.321**	**-404**	**1.637**	**8**	**4.739**	**96.043**	**15.860**	**111.903**

The explanatory notes to the financial statements from page 7 to 74 are an integral part of these consolidated financial statements

Consolidated statement of changes in equity

for the financial year ended on December the 3t *(thousands lei)*

	Issued capital	Retained earnings	Reevaluation reserve for financial assets available for sale	Reevaluation reserve	Other reserves	Legal reserve	Total assignable to shareholders	Non-controlling interests	Total equity
Balance as of January 1 2010	76.742	13.321	-404	1.637	8	4.739	96.043	15.860	111.903
Total global result afferent to the period									
Profit or loss	-	8.494	-	-	-	-	8.494	2.034	10.528
Other elements of the global result									
Reserve for assets available for sale	-	-	58	-	-	-	58	-	58
Total other elements of the global result	-	-	58	-	-	-	58	-	58
Total global result afferent to the period	-	8.494	58	-	-	-	8.552	2.034	10.586
Transactions with shareholders registered directly in equity									
Contributions from and distribution to shareholders									
Legal reserve increment	-	-623	-	-	-	623	-	-	-
Dividends paid to BVB shareholders	-	-7.851	-	-	-	-	-7.851	-	-7.851
Total contributions from and distribution to shareholders	-	-8.474	-	-	-	623	-7.851	-	-7.851
Changes of interests in subsidiaries which did not result in the loss of control									
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-645	-645
Acquisition of non-controlling interests	-	-	-	-	29	-	29	-291	-262
Total changes of interests in subsidiaries	-	-	-	-	29	-	29	-936	-907
Total transactions with shareholders	-	-8.474	-	-	29	623	-7.822	-936	-8.758
Balance as of December 31 2010	**76.742**	**13.341**	**-346**	**1.637**	**37**	**5.362**	**96.773**	**16.958**	**113.731**

The explanatory notes to the financial statements from page 7 to 74 are an integral part of these consolidated financial statements

Consolidated statement of cash flows

for the financial year ended on December the 31st 2010
(thousands lei)

	Note	2010	2009
Cash flows from operating activities			
Net profit of the period		10.528	9.336
Adjustments for:			
Fixed assets amortization	12, 13	2.494	3.372
Revenues from interests	10	-7.966	-13.650
Net revenues from interests afferent to assets covering the guarantee, compensation and margin fund	10	-1.405	-1.612
Adjustment for depreciation of receivables	16	-111	156
Expense with provisions	21	1.764	54
Income tax expense	11	2.425	1.710
Other adjustments		-34	-133
		7.695	**-767**
Modification of commercial receivables and other receivables		520	-778
Modification of prepaid expenses		253	-198
Modification of commercial liabilities and other liabilities		343	299
Modification of unearned revenues		269	31
Modification of the guarantee, compensation and margin fund		1.091	982
Paid income tax		-2.784	-1.539
Net cash from operating activities		**7.839**	**-1.972**
Cash flows from investing activities			
Cashed-in interests		7.232	14.954
Cashed-in interests afferent to assets covering the guarantee, compensation and margin fund		2.057	2.458
Acquisitions from other financial assets kept to maturity, on long term	15	-7.941	-1.009
Acquisitions of financial assets held to maturity covering the guarantee, compensation and margin fund, on long term	15	-198	-
Net variation of financial assets kept to maturity, on short term		-1.020	52.744
Net variation of financial assets held to maturity covering the guarantee, compensation and margin fund, on short term		-132	-1.834
Acquisitions of tangible and intangible assets	12, 13	-801	-512
Cash-ins from sale of fixed assets		-	10
Cashed-in dividends		24	70
Acquisition of non-controlling interests		-257	-6.406
Net cash from / (used in) investing activities		**-1.036**	**60.475**
Cash flows from financing activities			
Paid dividends		-7.791	-9.834
Dividends paid to non-controlling interests		-635	-781
Net cash used in financing activities		**-8.426**	**-10.615**
Net decrease in cash and cash equivalents		**-1.623**	**47.888**
Cash and cash equivalents on January 1st	18	92.874	44.986
Cash and cash equivalents on December 31st	**18**	**91.251**	**92.874**

The explanatory notes to the financial statements from page 7 to 71 are an integral part of these consolidated financial statements

for the financial year ended on December the 31st 2010 (thousands lei)

1. Reporting entity

On June 21st 1995, through Decision D20 of the Romanian National Securities Commission was founded the Bucharest Stock Exchange as a public, autonomous institution, based on the provisions of Law no. 52/1994 regarding securities and stock exchanges.

Until the date of it becoming a joint-stock company, the Bucharest Stock Exchange operated in the compliance of provisions of Law no. 52/1994, respectively of GEO no. 28/2002 regarding securities, financial investments services and regulated markets, as a public institution, with non-patrimonial purpose, financed from own sources. On July 15th 2005, through decision no. 12270/SC/2005 passed in case file no. 531497/SC/2005, was accepted the request to reorganize the Bucharest Stock Exchange by changing the legal status into a joint-stock company, without patrimonial liquidation and without the interruption of the activity of the former public institution. The patrimony of the Bucharest Stock Exchange became according to art. 285 paragraph 1 of Law no. 297/2004 regarding the capital market, the patrimony of S.C. Bursa de Valori Bucuresti S.A. - Bucharest Stock Exchange (hereinafter referred to as "BVB" or "the Company"). On the date of changing the legal status, the issued capital of the new joint-stock company was made up of the cumulated result of the public institution. This issued capital was evenly and freely distributed among the securities companies (the current financial investment services companies) active at that time. On August 31st 2005 (reference date), BVB, an absorbing company, merged by absorption with S.C. Bursa Electronica Rasdaq S.A., absorbed company, the latter transferring the universal right over its own patrimony to the absorbing company.

The official headquarters of BVB is Bucharest, no. 34-36 Carol Boulevard, 13th and 14th floors, district 2, Romania. BVB has not opened any subsidiaries in other cities. The main field of activity at BVB is "the Administration of financial markets". Starting June 8th 2010, BVB shares are listed on the regulated market in Romania at the Bucharest Stock Exchange, under the symbol "BVB". The consolidated financial statements of the Company for the financial year ended on December 31st 2010 include the financial information of the Company and its subsidiaries (hereinafter referred to as "the Group"). The following entities are subsidiaries of BVB:

Subsidiary	Field of activity	Percentage of ownership on December 31st 2010	Percentage of ownership on December 31st 2009	Percentage of ownership on January 1st 2009
Depozitarul Central (Central Depository)	Clearing/settlement of transactions with shares and bonds traded at the Bucharest Stock Exchange and keeping the register of shareholders	67,3351%	66,8000%	57,0067%
Fondul de Compensare a Investitorilor (Investors Compensation Fund)	Compensation in case of inability of the members of the Fund to return funds or financial instrument owed to or belonging to investors and held on their behalf in case of providing financial investments services or individual portfolio management	60,9961%	56,9275%	56,9275%
Casa de Compensare Bucuresti (Bucharest Clearing House)	Registration, guarantee, clearing and settlement of transactions with derivatives performed at the Bucharest Stock Exchange	52,5080%	52,5080%	52,5080%
Institutul de Guvernanta Corporativa (Corporate Governance Institute)	Professional training of listed companies and of participants to the capital market in the field of corporate governance and sustainable development	100%	100%	100%

1. Reporting entity (continued)

The Corporate Governance Institute had on December 31st 2010 net assets in amount of 8 thousand lei (December 31st 2009: -30 thousand lei) and a result for year 2010 in amount of 38 thousand lei in profit (2009: 57 thousand lei in loss). This entity was deemed by the management of BVB as insignificant in terms of including in the consolidated financial statements of the Group.

2. Bases of preparation

(a) Statement of compliance

The consolidated financial statement of the Group were prepared in compliance with the International Financial Reporting Standards adopted by the European Union ("IFRS") in force on the date of the annual reporting of the Group, respectively on December 31st 2010.

This set of financial statements represents the first IFRS financial statements of the Group and IFRS 1 ("Adopting IFRS for the first time") was applied. The detailing of the transition to IFRS with the effects on the financial position and the financial performance of the Group is presented in note 7.

The consolidated financial statements contain the consolidated statement of the financial position, the consolidated profit and loss account, the consolidated statement of the global result, the consolidated statement of changes in equity, the consolidated statement of cash flow and explanatory notes.

Considering the fact that the shares of the parent are listed on the regulated market in Romania starting month June 2010, year 2010 is the first year in which the BVB Group has the obligation to preparation consolidated financial statements.

The consolidated financial statements were approved for issuing by the Board of Governors of BVB on August 4th 2011.

Differences between the statutory financial statements and those of IFRS

The accounting records of the Company and its subsidiaries are kept in lei, in compliance with the Romanian Accounting Regulations ("RAG"). The statutory accounts were reconsidered in order to reflect the differences existing between RAG and IFRS. Accordingly, the statutory accounts were adjusted where necessary in order to harmonize these financial statements in all significant respects with IFRS.

The most important changes brought to the statutory financial statements in order to line them up with IFRS are:

- grouping several elements into wider categories;
- adjusting the elements of assets and liabilities according to IAS 29 ("Financial reporting in hyperinflationary economies") due to the fact that Romanian economy was a hyperinflationary economy until December 31st 2003;
- Adjusting to fair values and depreciating the value of financial instruments in compliance with IAS 39 ("Financial instruments - recognition and measurement");
- recognizing the goodwill of acquisitions (IAS 27 "Consolidated and separate financial statements", IFRS 3 "Business combinations");
- Constituting provisions for deferred tax (IAS 12 "Income taxes"); and
- presenting required information in compliance with IFRS.

2. Bases of preparation (continued)

(b) Bases of evaluation

The consolidated financial statements were prepared based on the historical cost or amortized cost, except for the financial assets available for sale which are evaluated at their fair value.

Other financial assets and liabilities are presented at the amortized cost.

The methods used for determining the fair value are presented in note 4.

(c) Functional and presentation currency

The elements included in the financial statement of each entity in the Group are evaluated using the currency of the economic environment in which the entity is operating ("functional currency"), namely the LEU. The consolidated financial statements are presented in the currency LEI, which is the functional and presentation currency of the Group, the sums being rounded up to the closest thousand.

(d) The use of estimates and professional judgments

The preparation of financial statements in compliance with the IFRS adopted by the European Union involves the use by the management of certain estimates and hypotheses which affect the application of the accounting policies, as well as the reported value of assets, liabilities, revenues and expenses. The estimates and judgments associated thereto are based on historical data and on other factors deemed relevant in given circumstances, while the result of these factors form the basis of the judgments used on determining the accounting value of assets and liabilities for which there are no other sources of evaluation available. The proper results can be different from the estimated values. The estimates and judgments are revised periodically. The revisions of the accounting estimates are recognized in the period in which the estimation is being revised, if the revision affects only that period or in the current period and in future periods, if the revision affects both the current period and future periods.

The judgments performed by the management in the application of the IFRS which have a significant effect on the financial statements as well as the estimates that involve a significant risk of a material adjustment in the course of the upcoming year are presented in note 3 (i).

3. Significant accounting policies

The significant accounting methods and policies were applied consistently by entities within the Group throughout the financial years presents in these consolidated financial statements.

(a) Bases of consolidation

(i) Business combinations

The Group adopted in advance IFRS 3 "*Business combinations*" (2008) and IAS 27 "*Consolidated and separate financial statements*" (2008) for all business combinations which occurred. Being the first application of IFRS in financial statements, the Group chose to adopt IFRS 3 "*Business combinations*" (2008) and IAS 27 "*Consolidated and separate financial statements*" (2008) starting with the financial year which began on January 1st 2008. All business combination which occurred are accounted for through the method of acquisition. The control represents the power to establish the entity's operation and financial policies in order to obtain benefits from the its activity. Upon evaluating the control, the Group is considering the potential vote rights which can be currently exerted. The date of acquisition is the date on which the control is transferred to the purchaser. The professional reasoning is applied in order to determine the date of acquisition and whether the transfer of control between the parties took place.

3. Significant accounting policies (continued)

(a) Bases of consolidation (continued)

(i) Business combinations (continued)

The group evaluates the goodwill at the fair value of the counter performance transferred including the recognized value of the non-controlling interests in the acquired entity, minus the net recognized value (fair value) of the obtained identifiable assets and assumed liabilities, all evaluated on the date of the acquisition.

The transferred counter performance includes the fair value of transferred assets, of liabilities assumed by the Group in relation to the previous shareholders of the acquiring entity and of the equity instruments issued by the Group. The transferred counter performance also includes the fair value of the contingent counter performance.

A contingent debt of the acquiring entity is assumed in a business combination only if such debt represents a present obligation arising from a previous event and its value can be credibly evaluated.

The Group evaluates the non-controlling interests as a part held by minority shareholders in identifiable net assets of the acquiring entity.

The transaction costs of the Group afferent to a business combination, such as commissions for mediating the transaction, fees for legal consultancy services, fees for due diligence services and other fees for professional and consultancy services are provided for in the profit and loss account when supported.

The Group applied the provisions of IAS 27 "*Consolidated and separate financial statements*" (revised in January 2008). The revised IAS 27 requires the Group to allocate the total global result to the owners of the parent and to the non-controlling interests, even if such results in a deficient balance for the interests it is not controlling.

The revised standard specifies the fact that the changes in the participation of the parent in a subsidiary which do not result in the loss of control must be registered as own capital transactions. According to the revised standard, the acquisitions of non-controlling interests are accounted for as transactions with shareholders in their quality as owners and, subsequent to such transactions a goodwill is not recognized. The result of these transactions is recognized by the Group in "Other reserves".

(ii) Subsidiaries

Subsidiaries are entities under the control of the Company. The financial statements of the subsidiaries are included in the consolidated financial statements at the moment when exerting the control begins and until such control ceases. The accounting policies of the subsidiaries were modified, where deemed necessary, in order to line them up with the policies adopted by the Group. The list of the Group's subsidiaries is presented at Note 1.

(iii) Acquisitions from entities under shared control

In case of acquisitions from entities under shared control, the assets and liabilities acquired are provided for at the accounting values previously recognized in the consolidated financial statements of the shareholder controlling the Group. The components of the equity of the acquired entities are added to the corresponding components within the equity of the Group except for the Issued capitals of the acquired entities which are recognized as part of the share premiums. The sums in cash paid for the acquisition are directly recognized in equity.

for the financial year ended on December the 31st 2010 (thousands lei)

3. Significant accounting policies (continued)

(a) Bases of consolidation (continued)

(iv) Investments in associated entities (investments accounted through the equity method)

Associated entities are such entities over which the Group exerts a significant influence; but it doesn't hold control over the financial policies and operations of such entities. A significant influence is deemed to exist when the Group holds between 20% and 50% of the voting rights in another entity. The joint ventures are those entities over the activities of which the Group exerts a shared control established through a contractual agreement and requiring a unanimous agreement in order to make decisions regarding the financial and operational strategies. The investments in associated entities are accounted for using the equity method and are initially provided for at costs. The Group's investment includes the goodwill identified upon the acquisition, net from any losses in depreciation cumulated. The consolidated financial statements include the quota of the Group from the revenues, expenses and changes in equity of investments accounted for through the equity method, after line-up adjustments of accounting policies to those of the Group, from the date it begins to the date on which the significant influence or shared control ceases.

When the share of losses afferent to the Group exceeds its participation in the investment accounted for through the equity method, the accounting value of the participation, including any long-term investment, is reduced to zero, while the recognition of subsequent losses is interrupted except for the case when the Group has an obligation or has performed payments on behalf of the entity in which it invested.

(v) Transactions eliminated upon consolidation

The balances and transactions within the Group, as well as any unrealized profits or losses and resulted from transactions within the Group are eliminated upon drawing-up the consolidated financial statements. The unrealized profits afferent to the transactions with the associated entities accounted for using the equity method are eliminated as being offset by the investment in the associated entity. The unrealized losses are eliminated in the same way as the unrealized gains, but only to the extent to which there are no indications of value depreciation.

(b) Foreign currency

The operations expressed in foreign currency are registered in LEI at the official exchange rate on the date of settlement the transaction. The assets and money liabilities registered in estimates on the date of drawing up the consolidated statement of the financial accounting position are expressed in LEI at the exchange rate on the respective day. The gains or losses from the settlement of such and from the conversion of assets and money liabilities denominated in the foreign currency using the exchange rate at the end of the financial year are provided for in the result of the financial year. Assets and non-monetary liabilities which are evaluated at the historical cost in foreign currency are registered in LEI at the exchange rate on the date of the transaction. The assets and non-monetary liabilities expressed in foreign currency which are evaluated at the fair value are registered in LEI at the exchange rate on the date on which the fair value was determined.

The conversion differences are presented in the profit and loss account, except for the differences resulted from the conversion of the financial instruments classified as being available for sale, which are included in the reserve originating from the modification of the fair value of these financial instruments. The exchange rates of main currencies were as follows:

Currency	Spot exchange rate December 31st 2010	Spot exchange rate December 31st 2009	Spot exchange rate December 31st 2008	Average exchange rate 2010	Average exchange rate 2009
BUR	4,2848	4,2282	3,9852	4,2099	4,2373
USD	3,2045	2,9361	2,8342	3,1779	3,0493

3. Significant accounting policies (continued)

(c) Accounting for the effect of hyperinflation

According to IAS 29 ("Financial reporting in hyperinflationary economies"), the financial statements of an entity the functional currency of which is the currency of a hyperinflationary economy should be presented in terms of the current purchase power of the respective currency on the date of drawing-up the consolidated statement of the financial position, meaning the non-monetary elements are reconsidered by applying the general price index on the date of the acquisition or contribution.

According to IAS 29 an economy is considered hyperinflationary if, among other factors, the cumulated index of inflation exceeds 100% throughout a period of three years.

The continuous decrease of the inflation rate and other factors related to the characteristics of the economic environment in Romania indicates the fact the economy the functional currency of which was adopted by the Group ceased to be hyperinflationary, with an effect on the financial periods starting January 1st 2004. The provisions of IAS 29 were adopted in the preparation of financial statements only for those entries older than January 1st 2004. The values expressed in the current measuring unit on December 31st 2003 are treated as base for the accounting values reported in these consolidated financial statements and do no represent evaluated values, replacement cost or any other measurement of the current value of assets or of prices at which transactions may be held at this moment.

(d) Financial assets and liabilities

Financial assets

The Group initially recognizes the receivables and deposits on the date they were initiated. All the other financial assets (including the assets designated at fair value through the profit and loss account) are initially recognized on the date of trading when the Group becomes part of the contractual conditions of the instrument.

The Group derecognizes a financial asset when the contractual rights over the cash flows generated by the asset expire or when the rights to cash-in the contractual cash flows of the financial asset are changed through a transaction by means of which the risks and benefits of the property right over the financial assets are altered significantly. Any interest in the transferred financial asset which is created or kept by the Group is recognized separately as an asset or debt.

Financial assets and liabilities are compensated, and in the statement of the financial position is presented the net value only when the Group has the legal right to compensate the values and intends either to settlement them on a net basis, or to realize the asset and to simultaneously extinguish the obligation.

The Group classifies held financial assets as follows: financial assets at the fair value through the profit and loss account, financial assets held until maturity, receivables and financial assets available for sale.

(i) Financial assets at the fair value through the profit and loss account

A financial asset is classified as being at the fair value through the profit and loss account if it is classified as held for trading or if it is designated as such upon initial recognition. Financial assets are designated as being evaluated at their fair value through the profit and loss account if the Group is administering these investments and makes decisions to buy or sell based on the fair value. Upon initial recognition, the trading costs assigned are recognized in the profit and loss account in the moment they are supported. The financial instruments at their fair value through the profit and loss account are evaluated at their fair value and the subsequent changes are recognized in the profit and loss account.

3. Significant accounting policies (continued)

(d) Financial assets and liabilities (continued)

(ii) Financial assets held to maturity

If the Group has the intention and capacity to keep the debt instruments until maturity, then these financial assets can be classified as investments held to maturity. The financial assets held until maturity are initially recognized at their fair value plus the trading costs directly assignable.

After the initial recognition, the financial assets held until maturity are evaluated at amortized cost using the effective interest method, minus the value of depreciation losses. Any sale or reclassification before the maturity date of more than an insignificant value of the investments held until maturity and which does not occur close to the maturity thereof leads to the reclassification of all investments held until maturity in the category of assets available for sale, and the Group will be unable to classify the investment instruments as held until maturity in the ongoing year and the upcoming two financial years.

While carrying out its activity, the Group also performs repurchase agreements with government bonds. These mean placements in banks, having as guarantees from the banks the government bonds. The bonds received for the repurchase agreements have fixed maturity and are assimilated to bank deposits, with the same rules of recognition, evaluation and derecognition.

(iii) Receivables

Receivables are financial assets with fixed or determinable payments which are not derived on an active market. Such assets are initially recognized at their fair value plus any other trading costs directly assignable. After the initial recognition, the receivables are evaluated at their initial value minus the value of depreciation losses. The receivables include commercial receivables and other receivables.

Cash and cash equivalents include the cash balance, sums in current bank accounts and fixed-term deposits with initial maturity dates of up to three months.

(iv) Financial assets available for sale

Financial assets available for sale are non-derivate financial assets which are designated as available for sale and which are not classified in any of the previous categories. The Group's investments in own capital instruments and in certain debt instruments are classified as financial assets available for sale.

After the initial recognition, these are evaluated at their fair value, while subsequent changes, other than the depreciation losses (see note 3 (i)) and differences in exchange rate afferent to own capital instruments available for sale, are recognized in other elements of the global result and are presented within the equity in the reserve regarding the fair value. When an investment is derecognized, the gain or loss accumulated in other elements of the global result is transferred into the profit and loss account.

In case the fair value cannot be credibly established, the participations designated as financial assets available for sale are registered at a reconsidered price less the provision for the value depreciation.

Financial liabilities

The Group initially recognizes the debt instruments issued and the subordinated liabilities on the date they are initiated. All the other liabilities (including the liabilities designated at their fair value through the profit and loss account) are initially recognized on the date of trading, when the Group becomes part of the contractual conditions of the instrument.

3. Significant accounting policies (continued)

(d) Financial assets and liabilities (continued)

The Group derecognizes a financial debt when the contractual obligations are paid or are cancelled or they expire.

Financial assets and liabilities are compensated, and in the statement of the financial position is presented the net value only when the Group has the legal right to compensate the values and intends either to settlement them on a net basis, or to realize the asset and to simultaneously extinguish the obligation.

The Group holds the following non-derivate financial liabilities: financial liabilities, commercial liabilities and other liabilities. Such financial liabilities are initially recognized at their fair value plus any other trading costs directly assignable. After the initial recognition, these financial liabilities are evaluated at amortized cost using the effective interest method.

(e) Financial assets and liabilities covering the guarantee, compensation and margin fund

The financial assets and liabilities from the guarantee, compensation and margin fund refer to the services provided by the following subsidiaries: Casa de Compensare Bucuresti SA (Bucharest Clearing House), Depozitarul Central SA (Central Depository) and Fondul de Compensare a Investitorilor SA (Investors Compensation Fund).

The guarantee fund and margin accounts administered by the Bucharest Clearing House S.A.

Casa de Compensare Bucuresti SA - Bucharest Clearing House SA ("CCB") acts as a central counterparty for the clearing members accepted within the CCB system, in view of performing registration, guarantee, clearing and settlement operations of transactions with derivatives traded at the Bucharest Stock Exchange. Its role is to perform registration, guarantee, clearing and settlement operations of transactions with derivatives concluded on the Derivatives Market from the Bucharest Stock Exchange.

Starting with the moment of confirming clearing-settlementreports, CCB stands as mediator between the compensation members, becoming a counterparty for the operations required to be carried out by the same on the post-transaction platform. CCB's obligations as a central counterparty cease on the moment of the daily settlement.

In case a compensatory member is unable to pay its obligations, CCB takes over the respective obligations and fulfills them, replacing the incapacitated party.

In view of ensuring the resources necessary for a good operation of the clearing-settlementmechanism afferent to derivatives, the participants to the compensation - settlement system (compensatory members) constitute financial guarantees and make available collaterals in the margin accounts in view of guaranteeing the financial obligations resulted from operations with derivatives held on the derivatives market. For the same purpose, CCB has set up the guarantee fund which is constituted from the contributions to money funds, securities and bank letters of guarantee in favor of CCB submitted by each compensatory member in view of covering the liabilities registered after the liquidation of the sums in the accounts of the compensatory members.

CCB registers within its balance sheet a debt equal to the financial guarantees and the guarantee fund constituted by the participants to the clearing-settlementsystem, in parallel with the registration of the corresponding assets (cash, deposits, securities, etc.) As a result, the assets and liabilities from the CCB activity are close in terms of size.

The net sums obtained from the investments and placements performed by the CCB with regard to the money availabilities registered in the guarantee fund and in the margin accounts and submitted in the form of financial guarantees are constituted as financial resources at the disposal of CCB.

3. Significant accounting policies (continued)

(e) Financial assets and liabilities covering the guarantee, compensation and margin fund (continued)

The financial resources originating from the investment of sums submitted as collaterals belong to CCB. The financial resources originating from the investment of the guarantee fund - to an extent of 90% - are not distributed to the compensatory members, but are capitalized and included in the total resources of the guarantee fund. The remaining 10% of the value of the financial resources originating from the investment of the guarantee fund go to CCB.

The contributions to the guarantee fund of a compensatory member, as well as the financial guarantees which were not used are returned only after canceling from the Register of Compensatory Members, based on the decision of the Board of Governors of CCB to withdraw the quality as a compensatory member. The capitalized resources originating from investing the guarantee fund are not distributed to the compensatory members.

The compensation fund administered by the Fondul de Compensare a Investitorilor SA - Investors Compensation Fund SA

Fondul de Compensare a Investitiilor SA - Investors Compensation Fund ("FCI") has as objective the compensation of investors in case the intermediaries providing financial services for clients on the capital market or a firm administering the investments are unable to honor their obligations in relation to their clients. All intermediaries authorized to provide financial investment services and investments management firms which manage individual investment portfolios must be members of the Fund.

The compensation fund is constituted from non-refundable contributions obtained from its members (financial investment services firms, assets management firms, banks). FCI does not distribute dividends.

FCI registers in its balance sheet a debt equal to the compensation fund constituted by the members, in parallel with registering the corresponding asset (cash deposited as contribution by the fund members). As a result, the assets and liabilities from the FCI activity are close in terms of size. The revenues from investing the fund's resources can be used to cover expenses related to the administration and operation of FCI or in order to increment the resources of the compensation fund.

The guarantee and margin fund administered by the Central Depository SA

Depozitarul Central SA - Central Depository SA provides services of storage, registration, clearing and settlement for transactions with financial instruments (shares, fixed income securities, government bonds, funds, etc.) performed by the Bucharest Stock Exchange.

The compensatory participants have the obligation to contribute to the constitution of the guarantee fund at the Central Depository. The interests afferent to administering the guarantee fund shall be quarterly distributed to the participants to the clearing-settlement and registry system in the sense of capitalizing such in the guarantee fund and of updating the contributions of the participants.

The contributions to the guarantee fund of a participant to the clearing-settlement and registry system shall be returned to him, in case the quality as participant to the clearing-settlement and registry system of the Central Depository ceases, after retaining possible payment obligations thereof to the Central Depository.

The guarantee fund shall be dissolved in case the Central Depository SA is dissolved, and the contributions to the guarantee fund of the participants to the clearing-settlement and registry system shall be returned to them.

3. Significant accounting policies (continued)

(e) Financial assets and liabilities from guarantee and margin funds (continued)

The margins of the participants to the clearing-settlement and registry system are constituted by depositing initial and additional margins by each participant to the clearing-settlement and registry system. The interests afferent to administering the margins shall be quarterly distributed to the participants to the clearing-settlement and registry system in the sense of capitalizing such in the account of the initial margin and of updating the contributions of the participants.

The margin of a participant to the clearing-settlement and registry system shall be returned to him, in case the quality as participant to the clearing-settlement and registry system of the Central Depository ceases, after retaining possible payment obligations thereof to the Central Depository.

The sums afferent to the margins of the participants to the clearing-settlement and registry system shall be returned to them in case the Central Depository SA is dissolved.

The Central Depository registers in its balance sheet a debt equal to the guarantee and margin fund constituted by the participants, in parallel with registering the corresponding asset (cash deposited by the participants).

The accounting treatment for the transactions specific to the Bucharest Clearing House SA, to the Investors Compensation Fund SA and to the Central Depository SA is the following:

- the receivables and current liabilities in the relation with the participants to the Bucharest Clearing House, Central Depository SA and Investors Compensation Fund SA represent sums to be cashed in or paid for settlements, margin calls and re registered initially at the fair value and are afterwards recognized at amortized cost.
- the collaterals, the guarantee fund and the investors compensation fund are sums received from participants for constituting the margins and financial guarantees or contributions to the guarantee fund and, respectively, to the investors compensation fund and are initially recognized at the fair value; afterwards, these sums are recognized at amortized cost.
- the assets covering the collaterals, the guarantee fund and the compensation fund are represented in cash in bank accounts, fixed-term deposits in banks or government bonds; they are divided into long-term assets or short-term assets, depending on the residual maturity on the date of the balance sheet; they are initially recognized at the fair value, and afterwards at amortized cost using the effective interest method.

(f) Tangible assets

(i) Recognition and evaluation

The tangible assets are highlighted at reconsidered or reevaluated cost, less the accumulated amortization and the provision for value depreciation.

The reevaluations must be performed with sufficient regularity, so that the accounting value does not differ substantially from the one which may be determined using the fair value on the date of the balance sheet. If a fixed asset is reevaluated, all the other assets in the group it is a part of must also be reevaluated. If the result of the reevaluation is an increase compared to the net accounting value, then such will be recognized in equity. The increase shall be recognized in the profit and loss account to the extent to which it compensates the expense with the previously recognized decrease in the profit and loss account for the same asset. If the result of the reevaluation is a decrease of the net accounting value, such is treated as an expense with the entire value of the depreciation. The decrease shall be recognized in the equity to the extent to which in the reevaluation reserve is registered a sum referring to the respective asset. The decrease recognized in equity reduces the value accumulated in the position Reevaluation reserves.

3. Significant accounting policies (continued)

(f) Tangible assets (continued)

(i) Recognition and evaluation (continued)

The leasing contracts in which the Group undertakes to a significant extent all the risks and benefits afferent to the property right over the good are classified as financial leasing. The tangible assets obtained through financial leasing are recognized at a value equal to the minimum between the fair value and updated value of the minimum leasing payments since the beginning of the leasing, less the cumulated amortization and the provision for value depreciation.

(ii) Subsequent costs

The Group recognizes in the accounting value of a tangible asset the replacement cost thereof when this cost is supported or if it is likely that the economic benefits included in that asset shall be transferred to the Group and the cost of this asset can be measured credibly. All the other costs are recognized as expense in the profit and loss account in the moment of their performance.

The expenses generated by replacing a component of the tangible asset elements which is highlighted separately, including inspections or capital repairs, are capitalized. Other subsequent expenses are capitalized to the extent to which they improve the future performances of those tangible assets elements. All the other expenses with the repairs and maintenance are registered in the profit and loss account in the moment of their performance.

(iii) Amortization of tangible assets

Amortization is calculated using the straight-line method for the life span estimated for each element in the category of tangible assets. The goods obtained by leasing are amortized over a shorter period between the duration of the leasing and the lifespan. The lands are not subject to amortization.

When reevaluating a tangible asset, the cumulated amortization on the date of the reevaluation is recalculated proportionally to the change of the gross value of the asset, so that the accounting value of the asset, after reevaluation, is equal to its reevaluated value.

The useful life spans for the current period and comparable periods are the following:

Buildings	40 years
Machines and equipment	5-12 years
Installations, furniture and accessories	5-10 years

The amortization methods, useful life spans and remaining values are revised at the end of each financial year and are adjusted correspondingly.

3. Significant accounting policies (continued)

(g) Intangible assets

Goodwill

Goodwill arising from the acquisition of subsidiaries is included in intangible assets. In order to evaluate the goodwill at the moment of the initial recognition, see note 3(a)(i).

Acquisition of non-controlling interests

The acquisitions of non-controlling interests are accounted for as transactions with shareholders in their quality as owners and, subsequent to such transactions a goodwill is not recognized.

Subsequent evaluation

The goodwill is evaluated at cost minus the losses accumulated from depreciation. The goodwill is tested for depreciation yearly or more frequently if events or changes in circumstances indicate the possibility of a depreciation.

Other intangible assets

Other intangible assets (including informatic programs) acquired by the Group and which have a determined useful life span are evaluated at cost or reevaluated cost minus the amortization accumulated and the losses accumulated from depreciation.

(i) Subsequent expenses

The subsequent expenses are capitalized only when they increase the value of the future economic benefits incorporated in the asset to which they are destined. All the other expenses, including expenses for the depreciation of the goodwill and the brands generated internally are recognized in the profit and loss account in the moment they are supported.

(i) The amortization of intangible assets

Amortization is calculated for the cost of the asset or another value which replaces the cost, minus the residual value. Amortization is recognized in the profit and loss account using the straight-line method for the useful life span estimated for intangible assets, other than the commercial fund, on the date on which they are available for use, this modality reflecting most accurately the foreseen way of consumption of the economic benefits incorporated in the asset.

The useful life spans estimated for the current period and for comparable periods are the following:

Informatic programs	1-6 years
Development costs	5-7 years

The amortization methods, useful life spans and remaining values are revised at the end of each financial year and are adjusted correspondingly.

(h) Prepaid expenses and unearned revenues

The expenses and revenues which occur in the current period but which refer to the following periods are registered in prepaid expenses, respectively unearned revenues, as the case may be. Monthly, the share corresponding to that respective month from prepaid expenses, respectively unearned revenues, is registered in expenses or revenues.

3. Significant accounting policies (continued)

(i) Depreciation

(i) Financial assets

A financial asset which is not accounted at fair value through the profit and loss account is tested at each reporting date in order to determine whether there is objective proof regarding the existence of a depreciation. A financial asset is considered depreciated if there is objective proof indicating the fact that after the initial recognition an event occurred which caused a loss, and this event had a negative impact over the future forecasted cash flows of the asset and the loss can be credibly estimated.

The objective proof indicating the fact that financial assets (including capital instruments) are depreciated may include the non-fulfillment of payment obligations by a debtor, the restructuring of a sum owed to the Group according to terms which the Group would not accept in other conditions, indications that a debtor or issuer is to undergo bankruptcy or payment inability, the disappearance of an active market for an instrument. Moreover, for an investment in capital instruments, a significant and prolonged decrease under cost of its fair value is an objective depreciation proof.

The Group considers the depreciation proof for receivables and investments held to maturity both at the level of a specific assets and at collective level. All receivables and investments held until maturity which are individually significant are tested for depreciation. All receivables which are individually significant for which was not ascertained a specific depreciation are then collectively tested in order to determine the existence of a depreciation which was not yet identified.

The receivables which are not individually significant are grouped depending on similar risk characteristics and are collectively tested for depreciation.

In order to test collective depreciation, the Group uses historical tendencies regarding the probability of non-fulfillment of payment obligations, the period required for recovering and the value of the supported losses, adjusted according to the professional reasoning of the management regarding the probability that due to current economic and crediting conditions, the actual losses may be bigger or smaller than those indicated by the historical trends.

A loss from depreciation afferent to a financial asset evaluated at amortized cost is calculated as difference between its accounting value and the present value of the future forecasted cash flows, updated using the initial effective interest method of the asset. The losses are recognized in the profit and loss account and are presented in an account for adjusting receivables. The interest afferent to a depreciated asset is recognized hereinafter by amortizing the update. When an subsequent event determines the decrease of the loss from depreciation, such is resumed through the profit and loss account.

The depreciation losses afferent to investments available for sale are recognized transferring into the profit and loss account the cumulated loss which was recognized in other elements of the global result and presented in the reserve regarding the fair value within equity. The cumulated loss transferred from other elements of the global result in the profit and loss account is the difference between the acquisition cost, net from main reimbursements and amortization, and the current fair value minus any loss from depreciation previously recognized in the profit and loss account. The changes of the provisions for the depreciation assignable to the value over time of money are reflected as a component of the income from interests.

3. Significant accounting policies (continued)

(i) Depreciation (continued)

(i) Financial assets (continued)

If, in a subsequent period, the fair value of a depreciated debt instrument available for sale increases and the increase can be associated objectively with an event that occurred after the loss from depreciation being recognized in the profit and loss account, then the loss from depreciation is resumed, and the value of the resuming is recognized in the profit and loss account. Still, any subsequent recovering of the fair value of a depreciated capital instrument available for sale is recognized in other elements of the global result.

(ii) Non-financial assets

The accounting values of the non-financial assets of the Group, others than the real-estate investments, stocks and receivables regarding the deferred tax, are revised at each reporting date in order to determine whether there is proof regarding the existence of a depreciation. If there is such proof, the recoverable value of the asset is estimated. For the goodwill and intangible assets which have undetermined useful life spans or which are not yet available for use, the recoverable value is estimated simultaneously each year.

The recoverable value of an asset or a unit generating cash is the maximum amount between the use value and fair value minus the sale costs. When determining the use value, the future forecasted cash flows are updated in order to determine the present value, using an update rate before taxation which reflects the current evaluations of the market regarding the value in time of money and the risks specific to the asset.

To test the depreciation, the assets which cannot be tested individually are grouped at the level of the smallest group of assets generating cash entries from the continual use and which are to a great extent independent from cash entries generated by other assets or groups of assets ("cash generatin unit"). For the purpose of testing the depreciation of the commercial fund, the cash generating units to which was allocated the commercial funs are monitored in the purpose of internal reporting, on the condition of setting a threshold to the level of the Operating segment. The goodwill acquired within a business combination is allocated to the groups of cash generating units which are forecasted to benefit from the effects of the combination.

The Group's corporate assets do not generate separate cash flow entries. If there are indications that a corporate asset is depreciated, then the recoverable value is determined for the cash generating unit to which the assets belongs.

A loss from depreciation is recognized if the accounting value of an asset or of a cash generating unit exceeds the estimated recoverable value. The depreciation losses are recognized in the profit and loss account. The depreciation losses recognized in the report with the cash generating units are used firstly to reduce the accounting value of the goodwill allocated to the units, if necessary, and then pro-rata for the reduction of the accounting value of the other assets within the unit (group of units).

A depreciation loss in relation to the goodwill is not resumed. In relation to other assets, the losses from depreciation recognized in the previous periods are evaluated on each reporting data in order to determine if there is proof that the loss decreased or ceased to exist. A depreciation loss is resumed if there were changes of the estimates used to determine the recoverable value. A depreciation loss is resumed only to the extent to which that accounting value of the asset does not exceed the accounting value which could have been determined, net from amortization, if no depreciation were recognized.

3. Significant accounting policies (continued)

(i) Depreciation (continued)

(ii) Non-financial assets (continued)

The goodwill which is part of the accounting value of an investment in an associated entity is not recognized separately and therefore is not tested for depreciation separately. On the other hand, the total value of an investment in an associated entity is tested for depreciation as an individual asset when there is objective proof that the investment in that associated entity could be depreciated.

(j) Benefits of the employees

(i) Short-term benefits

Employees' short-term benefits include salaries, indemnifications and contributions to social security. Short-term benefits are recognized as expenses as services are provided.

(ii) Determined contributions plans

The entities within the Group perform payments on behalf of its own employees to the pension system of the Romanian state, to health insurance and to the unemployment fund, while carrying out its normal activity. All the Group's employees are members and they also have the legal obligation to contribute (through social contributions) to the pension system of the Romanian state (a plan of determined contributions of the State). All the afferent contributions are recognized in the result of the period in which they are performed.

(iii) Determined benefits plans

A determined benefits plan is a post-employment benefit plan, other than a determined contributions plan.

According to the Romanian legislation, the Group's entities have the obligation to pay a benefit upon retiring worth up to two gross salaries to each employee the moment he retires. The Group has no other obligation to its employees, based on the Romanian law, regarding the pensions and it does not participate in any other pensions plan. The indemnification for pension in case of illness is granted only if the retiring decision is definitive.

(iv) Other long-term benefits of the employees

The Group does not grant long-term benefits to employees except for those presented above.

(v) Benefits for employment contract termination

The benefits for the termination of employment contracts are recognized as an expense the moment the Group can demonstrate, without a real possibility of waiving, the commitment to an official detailed plan either to terminate employment contracts before the normal retiring date, or to offer benefits for terminating employment contracts subsequent to an offer to encourage willing unemployment.

The expenses with the benefits for employment contract termination for willing unemployment are recognized if the Group has made an offer to encourage the willful choice of unemployment, if it is likely that the offer is accepted and if the number of the people accepting it can be credibly estimated. If the benefits are due less than 12 months after the reporting period, such are updated at their present value.

The employees who are lain off due to reasons independent from them shall benefit from the active measures for fighting against unemployment and the compensations established from case to case. For the lay-offs performed during period 2008-2010 between 2 and 4 gross compensatory salaries were granted.

3. Significant accounting policies (continued)

(k) Provisions

Provisions are recognized in the consolidated statement of the financial position when for the Group arises an obligation related to a past event and it is likely that in the future may be required to consume some economic resources which will extinguish this obligation and a reasonable estimate of the value of the obligation can be made. For the update of the provision, the future cash flows are updated using an update rate before taxation which reflects the current market conditions and the risks specific to the respective debt. The amortization of the update is recognized as a financial expense.

A provision for restructuring is recognized when the Group has approved an official and detailed restructuring plan and the restructuring has either started, or was announced in public. The future Operating losses are not provisioned.

(l) Revenues

(i) Revenues from services

The revenues from provided services are recognized in the profit and loss account in the period in which they are provided to the respective services.

The main income sources are represented by:

- revenues from fees for shares and fixed-income instruments transactions - the revenues are recognized as the services are provided;
- tariffs charged for accepting for trading - the revenues are recognized on the date of accepting for trading;
- tariffs charged for maintaining for trading - the revenues are recognized linearly for the period to which it refers;
- sale of stock market information - the revenues are recognized as the services are provided;
- revenues from tariffs for storage operations for issuers of financial instruments - the revenues are recognized as the services are provided;
- revenues from register operations for issuers of financial instruments - the revenues are recognized as the services are provided;
- revenues from clearing-settlement operations of transactions with financial instruments - the revenues are recognized as the services are provided;

(ii) Commissions

When the Group acts as agent and not as main party in a transaction, the revenues are recognized at the net value of the Group's commission.

(iii) Revenues from rents

The revenues from rents are recognized in the profit and loss account linearly over the duration of the rent contract. The revenues from rents for sub-rented properties are recognized as other revenues.

3. Significant accounting policies (continued)

(m) Financial revenues and expenses

Financial revenues include revenues from interests corresponding to the invested funds (including assets available for sale), revenues from dividends, gains from the reevaluation of assets and liabilities in other currencies, gains from the sale of financial assets available for sale, changes to the fair value of the financial assets recognized at fair value through the profit and loss account and gains from risk coverage instruments recognized in the profit and loss account based on accrual accounting, using the effective interest method.

Revenues from dividends are recognized in the profit and loss account on the date on which is established the right to cash-in dividends, which in the case of quoted instruments is the ex-dividend date.

The financial expenses include losses from the sale of financial assets available for sale, losses from the reevaluation of assets and liabilities in other currencies, changes to the fair value of financial assets recognized at fair value through the profit and loss account and losses from risk coverage instruments recognized in the profit and loss account based on accrual accounting, using the effective interest method.

(n) Net revenues from interests afferent to assets covering the guarantee fund, the compensation fund and margin

Throughout the specific activities being carried out, the subsidiaries of the Company obtain net revenues from interests from investing the financial resources made available through the guarantee, compensation funds and margin accounts. These are highlighted in the profit and loss account.

The accounting treatment for net revenues from interests from investing these resources is detailed below:

- Revenues from investing the resources of the compensation fund administered by the Investors Compensation Fund (FCI) can be used to cover expenses related to the administration and operation of FCI or to increase the resources of the compensation fund,

  such not being returned to the participants to the fund. Subsequently, the Group recognizes revenues from interests from investing the resources of the compensation fund in the profit and loss account.

- The financial resources originating from investing the sums from margin accounts and from the financial guarantees administered by the Bucharest Clearing House SA belong to CCB. As such, the Group recognizes revenues from interests from investing the sums in the margin accounts and from the financial guarantees in the profit and loss account;

- The financial resources originating from the investment of the guarantee fund administered by the Bucharest Clearing House - to an extent of 90% - are not distributed to the compensatory members, but are capitalized and included in the total resources of the guarantee fund, not being at the disposal of the clearing house. Therefore, the Group recognizes in the profit and loss account both the expense with the interest, as well as revenues from interests from investing the resources of the guarantee fund - for 90% of the financial resources originating from investing the guarantee fund;

- The financial resources originating from investing the guarantee fund administered by the Bucharest Clearing House - to an extent of 10%, belong to the clearing house. Therefore, the Group recognized revenues from interests from investing the guarantee fund - for 10% of the financial resources originating from investing the guarantee fund;

3. Significant accounting policies (continued)

(n) Net revenues from interests afferent to assets covering the guarantee fund, the compensation fund and margin (*continued*)

- The interests afferent to the guarantee fund administered by the Central Depository SA are distributed quarterly to the participants by capitalizing them in the guarantee fund and the margin. Moreover, the guarantee fund and the margin are distributed to the participants once the quality as a member has ceased or when the Central Depository is dissolved. These are capitalized and included in the total resources of the guarantee fund, not being at the disposal of the Central Depository SA. Therefore, the Group recognizes in the profit and loss account both the expense with the interest, as well as revenues from interests from investing the resources of this guarantee fund.

(o) Leasing payments

The payments performed within operationla leasing contract are recognized in the profit and loss account throughout the duration of the leasing contract. The incentives afferent to the operational leasing contracts received are recognized as an integral part of the total leasing expenses, throughout the duration of the leasing contract.

The minimum leasing payments within the financial leasing contracts are divided proportionally between the expense with the leasing interest and the reduction of the leasing debt. The expense with the leasing interest is allocated to each leasing period so that it produces a constant interest rate for the remaining leasing debt. The contingent leasing payments are recognized by revising the minimum leasing payments for the remaining leasing period when the leasing adjustment is confirmed.

(p) Income tax

The afferent income tax for a financial year includes the current tax and the deferred tax. The income tax is recognized in the result of the financial year, except for the case in which it is afferent to business combinations or to other elements recognized directly in the equity or other elements of the global result.

The current tax is the tax to be paid for the period income, or to be received for the period loss, determined based on the percentages applied on the date of the consolidated statement of the financial position and on all adjustments regarding the obligations to pay the income tax afferent to previous periods.

The deferred tax is determined for those temporary differences which occur between the fiscal calculation base of the tax for assets and liabilities and the accounting value of such used for reporting in financial statements. The deferred tax is not recognized for the following temporary differences: the initial recognition of the trade fund, the initial recognition of the assets and liabilities originating from transactions which are not bunsiness combinations and which do not affect either the accounting profit or the fiscal one and differences arising from investments in subsidiaries, on the condition that such are not returned in the predictable future. The deferred tax is calculated based on the previsioned modality of realization or settlement of the accounting value of assets and liabilities, using the tax rates provided for by the legislation in force to be applied on the date of the consolidated statement of the financial position.

The receivable regarding the deferred tax is recognized only to the extent to which it is likely to obtain taxable profit in the future, after compensating with the fiscal loss of the previous years and with the income tax to be recovered. The receivable regarding the deferred tax is diminished to the extent to which the afferent fiscal benefit is unlikely to be realized.

3. Significant accounting policies (continued)

(p) Income tax (continued)

Additional taxes which appear from the distribution of dividends are recognized on the same date as the obligation to pay dividends.

The income tax quota used for the calculation of the current and deferred tax was on December 31st 2010 of 16% (December 31st 2009: 16%).

(r) Result per share

The Group presents the base gain per share ("CPA") for its ordinary shares. The base CPA is calculated dividing the gain or loss assignable to holders of ordinary shares of the parent to the weighted average of ordinary shares in circulation throughout the period. The diluted earning per share is determined by adjusting the profit and loss assignable to ordinary shareholders and by adjusting the weighted average of ordinary shares in circulation with the effect of potential ordinary shares, which include preferred shares. Until now the calculation of the diluted earning per share was not required because there were no potential ordinary shares, all issued shares having equal rights to dividends.

(s) Legal reserve

According to Romanian legislation, companies must distribute a quota equal to at least 5% of their profit before taxation, in legal reserves, until such reach 20% of the Issued capital. When that level is reached, the company may perform additional allocations only from the net profit. The legal reserve is deductible to the limit of a 5% quota applied to the accounting profit, before determining the income tax.

(t) Reporting per segments

An operational segment is a distinct component of the Group which engages into activities subsequent to which it could obtain revenues and register expenses, including revenues and expenses afferent to transactions with any of the other components of the Group and which is subjected to risks and benefits different from those of other segments. The main format of reporting per segments of the Group is represented by segmentation per activities.

(u) Dividends

Dividends are treated as profit distribution for the peiod in which they are decalred and approved by the General Shareholders' Meeting. The only profit available for distribution is the profit of the year registered in the statutory accounts, which differ from the profit in these consolidated financial statements prepared in compliance with IFRS, due to the differences between the Romanian accounting legislation and the IFRS.

3. Significant accounting policies (continued)

(v) New standards and interpretations which have not yet been adopted by the Group

Certain new standards, amendments and inetrpretations of existing standards are not in force for the financial year ended on December 31st 2010 and were not applied in the preparation of these consolidated financial statements. None of these shall have a significant impact on the financial statements except:

- IAS 24 revised - "Related party disclosures" (applicable for the financial years starting on or after January 1st 201). The amendment makes an exception of the related parties of a government body regarding disclosures related to the transactions and balances (inclusinf commitments) with (a) a government body which holds total or partial control or which has influence over the reporting entity; and (b) another entity which is also associated, through the fact that the government body holds total or partial control or has influence on both entities. The revised standard provided that the information should be presented only if the reporting entity benefits from advantages in case of applying this exception. The revised standard modifies also the definition of the related party addinf new types of relations such as, for example, associates of shareholders holding control and controlled entities or partnerships controlled through key managers. Currently, the Group is in the process of evaluating the potential effects of the revised IAS 24 on financial statements.

- IFRS 9 "Financial instruments", published on November 12th 2009 as part of the first stage of the IASB project regarding the replacement of IAS 39, refers to the classification and measurement of financial assets. The provisions of this standard represents a significant modification compared to the current requirements of IAS 39 regarding financial assets. The standard provides for two categories of measurement for financial assets: amortized cost and fair value. A financial asset can be measured at amortized cost if the business model involves the holding of the respective financial asset for the collection of cash flows and the contractual features provide for specific data for cash-ins representing exclusively main payments and interest to the main amount in the balance. Any other financial assets shall be measured at fair value. The standard eliminates the categories provided for in IAS 39: held until maturity, available for sale and credits and receivables. In case of a capital instrument which is not held for trading, the Standard allows for an irrevocable choice, upon intial recognition, at individual share-by-share level, in order to present the changes of fair value in other elements of the global result. No sum recognized in other elements of the global result shall be permitted to be reclassified at a future date.

  However, the dividends afferent to these capital instruments are recognized in the profit or loss, except for the case in which it represents evidently a partial recovery of the investment cost and as such are recognized in other elements of the global result. Investment in capital instruments for which the entity does not choose to present the changes of fair value in other elements of the global result shall be measured at the fair value and the modification of fair value shall be recognized in profit or loss.

  The standard provides that the derivatives incorporated in contract, where the support is a financial asset included in the Standard's field of applicability, are not separable; on the other hand, the hybrid financial instrument, in its entirety, is analyzed in view of measuring at amortized cost or fair value. The standard is applicable for the financial exercises that begin on or after January 1st 2013. Adoption before term is allowed. Currently, the Group is in the process of evaluating the potential effects of the revised IAS 24 on financial statements. Considering the nature of its operations, the Group is expecting tha the application of the new standard will have a significant impact on the financial statements. This standard was not adopted by the European Union yet.

3. Significant accounting policies (continued)

(v) New standards and interpretations which have not yet been adopted by the Group (*continued*)

- Improvements of IFRS 2010 - IFRS 7 "*Financial instruments: Disclosures*" (applicable for the financial years beginning on or after January 1st 2011). Amendments add an explicit requirement that the qualitative disclosure be related to the quantitative disclosure, in order to grant the users the possibility to evaluate the exposure of the entity to risks related to the financial instruments. Moreover, IASB has modified and eliminated the existing presentation requirements. The group has not yet concluded the analysis of the impact of the changes brought by this standard.
- Improvements of IFRS 2010 - IAS 1 "*Presentation of financial statements*" (applicable for financial years beginning on or after January 1st 2011). The amendments clarify the fact that the segregation of the changes of each element of equity resulting from the transactions recognized in the global result must be presented, but can also be presented either in the Statement of the evolution of equity, or in notes. Currently, the Group is in the process of evaluating the potential effects of these changes on the elements presented in the financial statements.

4. Determining the fair value

Certain accounting policies of the Group and certain disclosure requirements require the determining of the fair value both for financial assets and liabilities, an for the non-financial ones. The fair values were determined in the purpose of evaluating and/or taking over information based on the methods described below. When required, additional information regarding the hypotheses used in determining the fair values are presented in explanatory notes specific to the respective asset or debt.

(a) Tangible assets

The fair value of the tangible assets recognied as result of business combinations is based on the market value. The market value of real-estate properties is the value estimated for which a property could be changed on the date of evaluation within the transactions realized in objective conditions following a proper marketing action, between two interested parties with knowledge of the situation. The fair value of the tangible assets from the other categories (machines, equipment, installations, office accessories, etc.) is based on the market and cost methods using market prices quoted for similar elements when these are available or the replecement cost, when required.

(b) Intangible assets

The fair value of licenses obtained in a business combination is based on the updated value of the payments of royalties etimated which were avoided subsequent to holding the licenses.

The fair value of the goodwill is determined in compliance with the provisions of IFRS 3. The fair value of other intangible assets is based on the updated cash flows which are forecasted to be generated as a result of use and eventually of the sale of these assets.

(c) Investments in equities and liabilities

The fair value of financial assets at fair value through the profit and loss account held until maturity and available for sale is established by referring to the closing quotation for the bid price on the reporting date. The fair value of the investments held until maturity is determined only for the purpose of presentation.

4. Determining the fair value (*continued*)

(d) Commercial receivables and other receivables

The fair value of commercial receivables and of other receivables is estimated as the current value of future cash flows, updated with the interest rate of the market on the date of reporting, respectively December 31st 2010. This fair value is determined only for the purpose of presentation. For the financial instruments such as receivables and short-term financial liabilities, the management considers that the accounting value represents a reasonable approximation of the fair value and as such the presentation of a separate fair value is not required.

(e) Hierarchy of fair values

The Group measures the fair value of financial instruments using one of the following hierarchy methods:

- Level 1: Quotations from an active market for similar instruments
- Level 2: Evaluation techniques based on date observable on the market. This category includes evaluated instruments using: quotations from an active market for similar instruments; market quotations for similar instruments on markets which are considered less active; or other techniques of evaluation where significant data can be directly or indirectly observed in the data on the market.
- Level 3: Evaluation techniques based on data which cannot be observed on the market. This category includes all the instruments the evaluation method of which is not based on observable data and the non-observable data has a signifcant influence on the evaluation of the instrument. This category includes instruments which are evaluated based on market quotations for similar instruments where non-observable adjustments or assumprions are required in order to reflect the difference between instruments.

for the financial year ended on December the 31st 2010 (thousands lei)

4. Determining the fair value (*continued*)

(e) The hierarchy of fair values (*continued*)

The fair values of financial assets and financial liabilities, together with the accounting values presented in the statement of the financial position are the following:

	December 31st 2010		**December 31st 2009**		**January 1st 2009**	
	Accounting value	**Fair value**	**Accounting value**	**Fair value**	**Accounting value**	**Fair value**
Assets registered at fair value						
Financial assets available for sale	1.036	1.036	968	968	811	811
Assets registered at amortized cost						
Other financial assets held to maturity with maturity over a year	9.446	9.513	2.418	2.400	7.909	7.314
Financial assets held to maturity covering the guarantee, compensation and margin fund, with maturity over a year	2.296	2.361	2.273	2.230	2.273	2.014
Commercial receivables and other receivables	2.235	2.235	2.800	2.800	2.134	2.134
Prepaid expenses	224	224	477	477	279	279
Other financial assets held to maturity with maturity under a year	18.384	18.386	15.751	15.753	63.359	63.116
Financial assets held to maturity covering the guarantee, compensation and margin fund, with maturity under a year	15.139	15.122	14.855	14.830	13.188	13.113
Cash and cash equivalents	91.251	91.251	92.874	92.874	44.986	44.986
	138.975	**139.092**	**131.448**	**131.364**	**134.128**	**132.956**
Liabilities registered at amortized cost						
The guarantee, compensation and margin fund	22.753	22.753	21.067	21.067	19.469	19.469
Commercial liabilities and other liabilities	4.024	4.024	3.699	3.699	3.196	3.196
Unearned revenues	750	750	642	642	611	611
Debt with the current income tax	586	586	359	359	221	221
Total	**28.113**	**28.113**	**25.767**	**25.767**	**23.497**	**23.497**

All the financial instruments available for sale representing shares listed on various markets, in amount of 827 thousand lei (December 31st 2009: 759 thousand lei; January 1st 2009: 643 thousand lei) are classified as Level 1: prices quoted on active markets.

5. Financial risk management

The Group is exposed to the folowing risks as a result of the use of financial instruments:

- Credit Risk
- Liquidity risk
- Market risk, which includes the interest risk and currency
- The risk afferent to taxation
- Operating risk

This note presentes information referring to the exposure of the Group to each risk mentioned above, the objectives of the Group, the policies and processes of risk evaluation and management and the proceudres for capital management.

(a) The general framework regarding risk management

The Board of Governors of BVB bears the general responsibility to establish and supervise the risk management framework at the level of the Group. BVB's Board of Governors is assisted in this endeavor by the Special Commissions which have a role of consultancy.

The activity of the Special Commissions of BVB is governed by the following principles:

a) the principle of transfer of competencies from the Stock Exchange Board, as directing committees;
b) the principle of autonomy of decision;
c) the principle of objectivity;
d) the principle of protecting the investors;
e) the principle of promoting the development of the stock market;
f) the principle of the active role.

The Board of Governors is altogether responsible with the examination and approval of the strategic, operation and financial plan of BVB, as well as of the corporate structure of the Group.

The Group's risk management policies are defined such to ensure the identification and analysis risks the Group is facing, the establishment of limits and adequate controls, as well as the monitoring of risks and of the observance of established limits. Risk management policies and systems are revised regularly in order to reflect the changes occurred in market conditions and in the Group's activities. The Group, through its training and management standards and procedures, aims to develop an orderly and constructive control environment within which all employees understand their roles and obligations.The internal audit of the Group's entities supervises the way in which the management monitors the observance of risk management policies and procedures and revises the adaptation of the risk management framework in relation to the risks the entities are facing.

(b) Credit Risk

The credit risk is the risk that the Group support a financial loss as a result of the non-fulfillment of contractual obligations by a client or a counterparty to a financial instrument, and this risk mainly results from the Group's commercial receivables and financial investments, as well as from specific clearing and settlement activities carried out by the Group's subsidiaries.

(i) *Commercial receivables and other receivables*

The Group's exposure to the credit risk is mainly influenced by the individual chareacteristics of each client and of the country in which such develops its activity. Most of the Group's clients develop their activity in Romania.

5. Financial risk management (*continued*)

(b) Credit Risk (*continued)*

(i) Commercial receivables and other receivables (continued)

The Group's client base is made up of issuers of securities, financial investment services firms and other financial institutions participating to Bucharest Stock Exchange.

The Group has as clients for the activity of registration of shareholders all companies which were listed on the Rasdaq Electronic Stock Exchange (Bursa Electronica Rasdaq). Currently, although a part of these companies are undergoing a process of legal reorganization or are insolvent, there is a legal obligation that the registration services still be invoiced until delisting. For these clients the receivables are completely depreciated.

The group calculates a provision for the depreciation of receivables which represents the estimates regarding the losses from commercial receivables, other receivables and investments. The first component of this adjustment is the specific loss component afferent to uncertain clients for whom the process of receivables recovery was initiated. The second is the collective loss component, corresponding to the losses that were supported but not yet identified, being calculated based on the analysis on how old the receivables are, after enforcing the principle of contamination, using historical loss rates.

(ii) Financial investments

The Group limits its exposure to credit risk investing only in liquid instruments issued by caouterparties which have a satisfactory credit quality. The management monitors constantly the credit quality and, considering that the Group has invested in instruments with a high credit quality, the management is not expexting that these counterparites will not fulfill their contractual obligations. The table below presents the ratings granted by rating agencies to banks in which the Group holds cash and deposits, at the end of the financial reporting periods:

	December 31st 2010	**December 31st 2009**	**January 1st 2009**	**Rating agency**
BRD - Groupe Societe Generale S.A.	BBB	BBB	BBB	Fitch Ratings
Banca Transilvania S.A.	BB-	BB-	BB-	Fitch Ratings
ING Bank NV, Bucharest subsidiary	A+	A+	AA	Fitch Ratings
RBS BANK (ROMANIA) S.A.	A-1	A-1	AA-	Standard & Poors
PIRAEUS BANK ROMANIA S.A.	B	B	A-	Fitch Ratings
MKB ROMEXTERRA Bank S.A.	B	B	BB-	Standard & Poors
RAIFFEISEN BANK S.A.	Baa3	Baa3	Baa2	Moody's
Banca Comerciala Romana S.A.	BBB	BBB	BBB	Fitch Ratings
Bancpost S.A.	BB+	BB+	BBB	Fitch Ratings
MARFIN BANK (ROMANIA) S.A.	Baa3	Baa3	Baa1	Moody's
Banca Comerciala CARPATICA S.A.	NP	NP	Baa3	Moody's
CEC BANK S.A.	Baa3	Baa3	Baa3	Moody's
Credit Europe Bank (Romania) S.A.	BB	BB	BB-	Fitch Ratings
ALPHA BANK ROMANIA S.A.	B	B	A-	Fitch Ratings
VOLKSBANK ROMANIA S.A.	P-2	P-2	C-	Moody's
Citibank Europe Plc, Bucharest Subsidiary	A-1	A-1	BBB-	Standard & Poors
UniCredit Tiriac Bank S.A.	BBB	BBB	BBB	Fitch Ratings

for the financial year ended on December the 31st 2010 (thousands lei)

5. Financial risk management (*continued*)

(b) Credit Risk (*continued)*

Exposure to credit risk

The maximum exposure to credit risk is equal to the exposure from the balance sheet on the date of reporting and such was:

	December 31st 2010	December 31st 2009	January 1st 2009
Other financial assets held to maturity over a year	9.446	2.418	7.909
Financial assets held to maturity covering the guarantee, compensation and margin fund	2.296	2.273	2.273
Financial assets available for sale	1.036	968	811
Commercial receivables and other receivables	2.235	2.800	2.134
Prepaid expenses	224	477	279
Other financial assets held to maturity under a year	18.384	15.751	63.359
Financial assets held to maturity covering the guarantee, compensation and margin fund	15.139	14.855	13.188
Cash and cash equivalents	91.251	92.874	44.986
Other assets	185	29	73
Total	**140.196**	**132.445**	**135.012**

The Group monitors the exposure to credit risk by analyzing how old the receivables are that it holds, as is shown in the table below:

for the financial year ended on December the 31st 2010 (thousands lei)

5. Financial risk management (*continued*)

(b) Credit Risk (*continued*)

	Commercial receivables and other receivables			Financial assets held to maturity			Cash and cash equivalents			Financial assets available for sale		
	2010	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**
Individually provisioned												
Significant risk	931	849	661	-	-	-	-	-	-	-	-	-
Gross value	**931**	**849**	**661**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Adjustment for depreciation	931	847	661	-	-	-	-	-	-	-	-	-
Net value	**-**	**2**	**-**	-	-	-	-	-	-	-	-	-
Overdues, not provisioned individually												
Overdues under 90 days	651	502	563	-	-	-	-	-	-	-	-	-
Overdues betwen 90 and 180 days	157	222	258	-	-	-	-	-	-	-	-	-
Overdues betwen 180 and 360 days	251	626	672	-	-	-	-	-	-	-	-	-
Gross value	**1.059**	**1.350**	**1.493**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Adjustment for depreciation	162	357	387	-	-	-	-	-	-	-	-	-
Net value	**897**	**993**	**1.106**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Currents, not provisioned												
Without significant risk	1.338	1.805	1.028	45.265	35.297	86.729	91.251	92.874	44.986	1.036	968	811
Gross value	**1.338**	**1.805**	**1.028**	**45.265**	**35.297**	**86.729**	**91.251**	**92.874**	**44.986**	**1.036**	**968**	**811**
Adjustment for depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Net value	**1.338**	**1.805**	**1.028**	**45.265**	**35.297**	**86.729**	**91.251**	**92.874**	**44.986**	**1.036**	**968**	**811**
Total gross value	**3.328**	**4.004**	**3.182**	**45.265**	**35.297**	**86.729**	**91.251**	**92.874**	**44.986**	**1.036**	**968**	**811**
Total net value	**2.235**	**2.800**	**2.134**	**45.265**	**35.297**	**86.729**	**91.251**	**92.874**	**44.986**	**1.036**	**968**	**811**

5. Financial risk management (*continued*)

(b) Credit Risk (*continued)*

The Group is exposed to credit risk through the activity carried out through its subsidiaries Central Depository SA, Bucharest Clearing House SA and the Investors Compensation Fund SA.

Bucharest Clearing House SA

Bucharest Clearing House SA ("CCB") acts as a central counterparty for all clearing members accepted in the system. The role of CCB is to perform registration, guarantee, clearing and settlement operations of transactions with derivatives concluded on the derivatives market at the Bucharest Stock Exchange.

Starting with the moment of confirming clearing –settlement reports, CCB stands as mediator between the compensation members, becoming a counterpart for the operations required to be carried out by the same on the post-transaction platform. CCB's obligations as a central counterparty cease on the moment of the daily settlement.

The compensatory members jointly participate with their contributions to the guarantee fund, in case the resources of the guarantee fund corresponding to one or several compensatory members are not covered.

The guarantee fund can be used in case the collateral and the other financial guarantees submitted by the compensatory memebrs found to be insolvent are not enough to cover the liabilities resulted after the liquidation of the opened positions of the respective members.

The order of enforcement of the guarantee fund is:

a) the individual contribution (initial, annual and special) of the compensatory member who is in the situation of insolvency;
b) other reserve funds at the disposal of CCB;
c) financial resources from the liquidation of CCB receivables regarding the guarantee fund;
d) financial resources from investing in the guarantee fund;
e) the contributions of the other compensatory members (initial, annual and special);
f) short-term loan contracted by CCB in case the resources of the guarantee fund are not enough.

In case the resources available in the guarantee fund are not sufficient to cover totally the effective obligations of CCB, the Board of Governors may decide with respect to the contracting of short-term loans. The expenses afferent to the loans contracted by CCB shall be distributed to the compensatory member who determined the use of the resources of the guarantee fund.

On December 31st 2010, the fair value of the derivative contracts in settlement for which CCB acts as central counterparty, being a creditor party, respectively debtor party in relation to the compensatory members is 463.338 lei (DEcember 31st 2009: 4.178.240 lei; January 1st 2009: 122.047 lei).

Since its foundation and until present, CCB has not registered any event able to generate the use of the guarantee fund.

5. Financial risk management (*continued*)

(b) Credit Risk (*continued)*

The Investors Compensation Fund

The Investors Compensation Fund has the purpose to compensate investors in case of inability of the members of the Fund to return money funds and/or financial instrument owed to or belonging to investors which were held on their behalf on the occasion of providing services of financial investments or of administration of individual investment portfolios

The compensation of investors is done to the limit of the thresholds established according to the regulations of CNVM.

In order to ensure the necessary financial resources for the payment of compensations and for the operation of the Fund, its members are obliged to pay to the Fund an initial contribution and an annual contribution.

In case the Fund's resources are insufficient to honor the payment obligations of compensations, each member shall pay a special contribution equal to no more than double the annual contribution afferent to the respective financial year. If by doing this the Fund's resources are still insufficient to cover totally its effective obligations, the Fund may contract short-term loans which can cover exclusively the obligations generated by the payment of compensations.

Since its foundation and until present, the Fund has not registered any event able to generate the payment of compensations.

Central Depository SA

The Central Depository SA provides services of clearing and settlement for transactions with financial instruments (shares, fixed income securities, government bonds, funds, etc.) performed at Bucharest Stock Exchange. The compensatory participants have the obligation to contribute to the constitution of the guarantee fund at the Central Depository SA. In view of limiting the exposure to the risk of non-payment of the obligations resulted from the transactions concluded in the trading systems and registered in the Central Depository SA system, a trading limit for each participant is established. In case it is ascertained that on the date of settlement the participant to the clearing-settlement and register system does not have sufficient resources in its settlement account to cover the payment obligation, such may request the obtaining of a credit, either from the compensatory participant with whom he has concluded a settlement contract, or from any other crediting institution based on a contractual relation or he may request to the trading system the peformance of special sale transactions in order to cover his position.

In case the participant fails to obtain the resources needed for the settlement, the Central Depository shall resort to the following financial resources, in this order:

a) corresponding margin of the respective participant to the clearing-settlement and register system;

b) guarantee fund afferent to the participant to the clearing-settlement and register system;

c) guarantee fund afferent constituted by the other participants to the clearing-settlement and register system;

d) the margin submitted by the other participants to the clearing-settlement and register system;

If pursuing the application of the measures mentioned transactions appear the settlement of which cannot be performed successfully, such shall be excluded from settlement on net basis of the current day.

for the financial year ended on December the 31st 2010 (thousands lei)

5. Financial risk management (*continued*)

(b) Credit Risk (*continued)*

Central Depository SA (continued)

On December 31st 2010, the value of trades executed the end of year 2010 and settled in 2011 is 122.556 thousand lei (December 31st 2009: there were no transactions at the end of year 2009 and settled in year 2010; December 31st 2008: there were no transactions at the end of year 2008 and settled in year 2009).

(c) Liquidity risk

Liquidity risk is the risk that the Group encounter difficulties in fulfilling obligations associated to financial liabilities which are settled in cash or by transfer of another financial asset. The Group's approach regarding the liquidity risk is to ensure, as much as possible, that it has at any point sufficient liquidities in order to cope with liabilities when such become due, both in normal conditions and in conditions of stress, without supporting unacceptable losses or threatening the Group's reputation.

The Group has not engaged any loans, and it needs liquidities only to cover current Operating expenses and settlements performed within the clearing-settlementsystems that it operates. Considering the fact that a significant share of the Group's assets consist in placements with a ghigh degree of liquidity, the level of the liquidity risk to which the Group is exposed is low.

The contractual due dates of financial liabilities, including estimated payments with interests and excluding the impact of compensation agreements, are the following:

December 31st 2010	Accounting value	Contractual cash flows	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities not derived							
The guarantee, compensation and margin fund	22.753	22.753	22.753	-	-	-	-
Commercial liabilities and other liabilities	4.024	4.024	4.024	-	-	-	-
Total	**26.777**	**26.777**	**26.777**	**-**	**-**	**-**	**-**

December 31st 2009	Accounting value	Contractual cash flows	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities not derived							
The guarantee, compensation and margin fund	21.067	21.067	21.067	-	-	-	-
Commercial liabilities and other liabilities	3.699	3.699	3.699	-	-	-	-
Total	**24.766**	**24.766**	**24.766**	**-**	**-**	**-**	

January 1st 2009	Accounting value	Contractual cash flows	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities not derived							
The guarantee, compensation and margin fund	19.469	19.469	19.469	-	-	-	-
Commercial liabilities and other liabilities	3.196	3.196	3.196	-	-	-	-
Total	**22.665**	**22.665**	**22.665**	**-**	**-**	**-**	**-**

for the financial year ended on December the 31st 2010 (thousands lei)

5. Financial risk management (*continued*)

(c) Liquidity risk (*continued)*

It is not anticipated that the cash flows included in the analysis of maturities to be realized significantly sooner or at values significantly different.

The Group keeps sufficient liquid assets (residual maturity under 3 months) in order to cover all due liabilities.

(d) Market risk

Market risk is the risk that the variation in market prices, such as the exchange rate, interest rate and price of equity instruments affect the Group's revenues or the value of held financial instruments.

The objective of managing market risk is to manage and control exposures to market risk within certain acceptable parameters and at the same time to optimize the profitability of the investment.

Exposure to currency risk

The Group's exposure to currency risk is presented below, based on national values equivalent in lei:

December 31st 2010	**CZK**	**EUR**	**GBP**	**USD**	**RON**	**Total**
Financial assets						
Financial assets available for sale	-	827	-	-	209	**1.036**
Commercial receivables and other receivables	-	-	-	-	2.235	**2.235**
Placements (government bonds, bank deposits, cash and cash equivalents)*	10	12.822	6	10.088	113.590	**136.516**
Other assets	-	-	-	-	185	**185**
Total financial assets	**10**	**13.858**	**6**	**10.088**	**116.010**	**139.972**
Financial liabilities						
Commercial liabilities and other liabilities	-	-	-	-	4.024	**4.024**
The guarantee, compensation and margin fund	-	-	-	-	22.753	**22.753**
Total financial liabilities	**-**	**-**	**-**	**-**	**26.777**	**26.777**
Net financial assets/(liabilities)	**10**	**13.858**	**6**	**10.088**	**89.233**	**113.195**

*Contains the balance sheet positions: Other financial assets held to maturity (fixed assets), Financial assets held to maturity which cover the guarantee, compensation and margin fund (fixed assets), Other financial assets held to maturity (current assets), Financial assets held to maturity covering the guarantee, compensation and margin fund (current assets), Cash and cash equivalents

for the financial year ended on December the 31st 2010 (thousands lei)

5. Financial risk management (*continued*)

(d) Market risk (*continued*)

December 31st 2009	CZK	EUR	GBP	USD	RON	Total
Financial assets						
Financial assets available for sale	-	759	-	-	209	**968**
Commercial receivables and other receivables	-	-	-	-	2.800	**2.800**
Placements (government bonds, bank deposits, cash and cash equivalents)*	-	5.214	8	434	122.515	**128.171**
Other assets	-	-	-	-	29	**29**
Total financial assets	**-**	**6.182**	**8**	**434**	**125.344**	**131.968**
Financial liabilities						
Commercial liabilities and other liabilities	-	-	-	-	3.699	**3.699**
The guarantee, compensation and margin fund	-	-	-	-	21.067	**21.067**
Total financial liabilities	**-**	**-**	**-**	**-**	**24.766**	**24.766**
Net financial assets/(liabilities)	**-**	**6.182**	**8**	**434**	**100.578**	**107.202**

January 1st 2009	CZK	EUR	GBP	USD	RON	Total
Financial assets						
Financial assets available for sale	-	643	-	-	168	**811**
Commercial receivables and other receivables	-	-	-	-	2.134	**2.134**
Placements (government bonds, bank deposits, cash and cash equivalents)*	-	1.937	4	209	129.565	**131.715**
Other assets	-	-	-	-	73	**73**
Total financial assets	**-**	**2.748**	**4**	**209**	**131.772**	**134.733**
Financial liabilities						
Commercial liabilities and other liabilities	-	-	-	-	3.196	**3.196**
The guarantee, compensation and margin fund	-	-	-	-	19.469	**19.469**
Total financial liabilities	**-**	**-**	**-**	**-**	**22.665**	**22.665**
Net financial assets/(liabilities)	**-**	**2.748**	**4**	**209**	**109.107**	**112.068**

*Contains the balance sheet positions: Other financial assets held to maturity (fixed assets), Financial assets held to maturity which cover the guarantee, compensation and margin fund (fixed assets), Other financial assets held to maturity (current assets), Financial assets held to maturity covering the guarantee, compensation and margin fund (current assets), Cash and cash equivalents

for the financial year ended on December the 31st 2010 (thousands lei)

5. Financial risk management (*continued*)

(d) Market risk (*continued*)

Sensitivity analysis

A depreciation of the LEU on December 31st according to the data indicated below as compared to the EUR, GBP, USD and CZK would have determined an increase in the Group's result with the values presented below This analysis assumes that all the other variables, particularly interest rates, remain constant.

	December 31st 2010	**December 31st 2009**	**January 1st 2009**
Depreciation of the LEU by10% compared to the EURO	1.365	597	258
Depreciation of the LEU by10% compared to the USD	1.009	43	21
Total	**2.374**	**640**	**279**

An appreciation of the LEU on December 31st compared to the other currencies would have led to the same effect, but in the opposite sense, on the sums presented above, considering that all the other variables remain constant.

Exposure to the interest rate risk

The Group does not hold financial instruments with variable interest rates. The financial instruments held until maturity are not affected by the variation of the interest rate. Therefore, a modification of the interest rates on the date of reporting would not affect the profit and loss account nor the equity.

(e) Operating risk

The operating risk is the risk of producing certain direct or indirect losses originating from a wide range of causes associated to the Group processes, personnel, technology and infrastructure, as well as due to external factors, other than profit risk, market risk and liquidity risk, such as those arising from legal requirements and regulations and from generally accepted standards regarding organizational conduct. Operating risks originate from all the Group's operations and occur at the level of all entities. The main responsibility of developing and implementing controls related to the Operating risk belongs to the management of each unit. The responsibility is supported by the development of the Group's general standards of managing Operating risk for the following areas:

- Requirements to separate responsibilities, including the independent authorization of transactions
- Requirements to reconcile and monitor transactions
- Line-up to the regulatory and legal requirements
- Documenting controls and procedures
- Requirements of periodic analysis of Operating risk to which the Group is exposed and adapting controls and procedures in order to prevent the identified risks
- Requirements to report Operating losses and proposals to remedy the causes which generated them
- Elaborating Operating continuity plans
- Professional development and training
- Establishing ethics standards
- Preventing risks of dispute, including insurance where applied
- Diminishing risks, including the efficient use of insurance where required

for the financial year ended on December the 31st 2010 (thousands lei)

5. Financial risk management (*continued*)

(f) Capital management

The policy of the Board of Governors is to maintain a solid base of capital required to maintain the trust of investors, creditors and market and to support the future development of the entity. The Board of Governors monitors the profitability of the capital engaged, defined by the Group as the net profit from the exploitation activity divided to the Total equity, less the non-controlling interests.

The report of the Group's liabilities to the capital at the end of the period was the following:

	2010	2009	2008
Total liabilities	29.931	25.821	23.497
Cash and cash equivalents	91.251	92.874	44.986
Net liabilities	**-61.320**	**-67.053**	**-21.489**
Total equity	**113.731**	**111.903**	**119.687**

Liabilities are smaller than cash and cash equivalents.

(g) Economic environment risk

In the last year, the European financial sector faced a public debt crisis, triggered by major tax unbalances and big public liabilities in some European countries. Current fears that the deterioration of financial conditions may contribute in an subsequent stage to an additional diminishing of the investors' trust determined a joint effort of governments and central banks in view of adopting special measures in order to counteract the vicious circle of the increase of risk aversion and in order to ensure the normal functioning of the market.

The identification and evaluatin of the investments influenced by a crediting market lacking liquidities, the analysis of credit contracts and of other contractual obligations, the evaluation of significant uncertainties, including uncertainties related to the capacity of an entity to continue to operate for a reasonable period of time, all these indicate in turn other challenges.

The effects thereof on the financial market in Romania were price drops and liquidity drops on capital markets and increases of the long-term interest rates due to liquidity conditiona at international level.

The Group's debtors can also be affected by liquidity crisis situations which may affect their capacity to honor their current liabilities. The deterioration of operating conditions of creditors affect also the management of cash flow previsions and the analysis of depreciation of financial and non-financial assets. To the extent to which the information is available, the mangement reflected revised estimates of future cash flows in its depreciation policy.

5. Financial risk management (*continued*)

(g) Economical environment risk (*continued*)

The management cannot credibly establish the effects over the financial statements of the Group resulted from the deterioration of the liquidity of the financial market, the depreciation of financial assets influenced by non-liquid market conditions and elevated volatility of the national currency and financial markets. The Company's management considers that it takes all required measures to support the increase of the Group's activity in the current market conditions by:

- elaborating stratagies to manage liquidities and establish some specific measures of management of liquidity in crisis situations;
- forecasts of current liquidity;
- daily monitoring of cash flows and estimate of the effects on the Group's debtors, due to limited access to financing and limited possibility to support business growth in Romania;
- the careful examination of the conditions and clauses included in the commitments of clearing and settlement, in the present and near future.

(h) The risk afferent to taxation

Starting January 1st 2007, pursuant to Romania joining the European Union, the Group had to obey the regulations of the European Union and therefore prepared for the application of the chanegs brought by the European legislation. The Group implemented these changes, but the way of implementing thereof remains open to a fiscal audit for 5 years.

The interpretation of texts and practical implementation of the procedures of new applicable fiscal regulations lined up with the European legislation may vary from entity to entity and there is the risk that in certain situations the fiscal authorities adopt a different position than the Group's.

Moreover, the Romanian Government holds a number of agencies authorized to perform the audit (control) of companies which operate on Romanian territory. These controls are similar to fiscal audits in other countries, and can cover not only fiscal aspects but also other legal aspects and regulations aspects which are of interest to these agencies. It is possible that the Group continue to be subjected to fiscal controls as new fiscal regulations are issued.

for the financial year ended on December the 31st 2010 (thousands lei)

6. Acquisition of subsidiaries and non-controlling interests

In 2010 and in 2009 the participation of the Group to the Central Depository SA and to the Investors Compensation Fund SA incresed by the acquisition of shares. The Group was already in control over both entities since 2006.

Below is the presentation of the effect of the modification in the percentage of the participation held by BVB in the Central Depository and the Investors Compensation Fund:

	Central Depository SA	The Investors Compensation Fund
Participation on January 1st 2009	21.005	388
Effect of increasing the participation of the parent	3.611	-
Quota from the global result	-127	366
The participation of the parent on December 31st 2009	**24.489**	**754**
Participation on January 1st 2010	24.489	754
Effect of increasing the participation of the parent	218	73
Quota from the global result	2.606	216
The participation of the parent on December 31st 2010	**27.313**	**1.043**

The Group obtained control over the Central Depository SA on May 11th 2006 by subscribing to the increment of the issued capital and in-kind equity to the issued capital of the subsidiary. Subsequent to this transaction through which BVB obtained 51% of the net assets of the subsidiary, the Group registered in the profit and loss account a gain of 692 thousand lei, represented by the difference between the fair value of the counter-performance transferred in the amount of 7.222 thousand lei and a percentage of the fair value of net assets acquired in amount of 7.914 thousand lei. This fain is included in these financial statement in the Retained earnings.

The Group obtained control over the Bucharest Clearing House SA in the financial year ended on December 31st 2007 by subscribing to the share capital increase of the issued capital and in-kind equity to the issued capital of the subsidiary. Subsequent to this transaction through which BVB obtained 52,5% of the net assets of the subsidiary, the Group recognized a goodwill in amount of 135 thousand lei, represented by the difference between the fair value of the counter-performance transferred in the amount of 3.580 thousand lei and a percentage of the fair value of net assets acquired in amount of 3.445 thousand lei. Up to the date of these financial statements, the goodwill was completely depreciated.

The Group obtained control over the Investors Compensation Fund SA in financial year ended on December 31st 2006, by subscribing to the increment of the Issued capital of the subsidiary. Subsequent to this transaction through which BVB obtained 56.9% of the net assets of the subsidiary, the Group recognized a goodwill in amount of 27 thousand lei, represented by the difference between the fair value of the counter-performance transferred in the amount of 196 thousand lei and a percentage of the fair value of net assets acquired in amount of 169 thousand lei. The goodwill is included in these financial statements in intangible assets (see note 13).

for the financial year ended on December the 31st 2010 (thousands lei)

7. Adopting IFRS for the first time

These financial statements prepared for the year ended on December 31st 2010 are the first ones drawn-p according to IFRS by BVB. The accounting policies presented in note 3 were applied in the preparation of the financial statements for the year ended on December 31st 2010, the comparable statements on December 31st 2009 and opening balance sheet on January 1st 2009 (the date of transition to IFRS).The ttable below presents the reconciliation between the financial position of BVB according to the statutory individual financial positions and the financial position of the Group according to IFRS:

Assets		Statutory individual BVB			BVB IFRS differences before intra-group eliminations			Statutory individual subsidiaries			Subsidiaries IFRS differences before intra-group eliminations			Consolidation adjustments (intra-group eliminations and commercial fund)			IFRS group		
	Note:	31-Dec-10	31-Dec-09	1-Jan-09	31-Dec-10	31-Dec-09	1-Jan-09	31-Dec-10	31-Dec-09	1-Jan-09	31-Dec-10	31-Dec-09	1-Jan-09	31-Dec-10	31-Dec-09	1-Jan-09	31-Dec-10	31-Dec-09	1-Jan-09
Fixed Assets																			
Tangible assets	a	950	1.167	1.881	461	461	461	746	811	1.088	-	-	-	-	-	-	2.157	2.439	3.430
Intangible assets	b	11	99	668	-	-	-	1.114	2.530	3.830	-	-	-	27	27	27	1.152	2.656	4.525
Investments in subsidiaries	c	23.374	23.117	16.710	-	-	-	-	-	-	-	-	-	-23.374	-23.117	-16.710	-	-	-
Receivables regarding the deferred tax	d	-	-	-	102	143	146	-	-	-	55	41	71	-	-	-	157	184	217
Other financial assets held to maturity	e	-	-	-	-	-	-	-	-	-	9.446	2.418	7.909	-	-	-	9.446	2.418	7.909
Financial assets held to maturity covering the guarantee, compensation and margin fund	e	-	-	-	-	-	-	2.150	2.134	2.134	146	139	139	-	-	-	2.296	2.273	2.273
Financial assets available for sale		1.036	968	811	-	-	-	-	-	-	-	-	-	-	-	-	1.036	968	811
		25.371	**25.351**	**20.070**	**563**	**604**	**607**	**4.010**	**5.475**	**7.052**	**9.647**	**2.598**	**8.119**	**-23.347**	**-23.090**	**-16.683**	**16.244**	**10.938**	**19.165**
Current assets																			
Commercial receivables and other receivables	f,g	1.048	2.249	1.136	-	-263	-165	1.331	1.174	1.449	-144	-169	-259	-	-191	-27	2.235	2.800	2.134
Prepaid expenses		108	276	144	-	-	-	116	201	135	-	-	-	-	-	-	224	477	279
Other financial assets held to maturity	e	-	-	413	2.094	-	47.779	31.148	23.968	26.855	-14.858	-8.217	-11.688	-	-	-	18.384	15.751	63.359
Financial assets held to maturity covering the guarantee, compensation and margin fund	e	-	-	-	-	-	-	10.411	12.387	6.993	4.728	2.468	6.195	-	-	-	15.139	14.855	13.188
Cash and cash equivalents	e	63.437	64.601	71.683	-2.167	-	-47.779	29.695	25.200	23.807	286	3.073	-2.725	-	-	-	91.251	92.874	44.986
Other assets		167	8	12	-	-	-	18	21	61	-	-	-	-	-	-	185	29	73
		64.760	**67.134**	**73.388**	**-73**	**-263**	**-165**	**72.719**	**62.951**	**59.300**	**-9.988**	**-2.845**	**-8.477**	**-**	**-191**	**-27**	**127.418**	**26.786**	**124.019**

for the financial year ended on December the 31st 2010 (thousands lei)

Total assets	**90.131**	**92.485**	**93.458**	**490**	**341**	**442**	**76.729**	**68.426**	**66.352**	**-341**	**-247**	**-358**	**-23.347**	**-23.281**	**-16.710**	**143.662**	**137.724**	**143.184**

7. Adopting IFRS for the first time (*continued*)

Equity and liabilities		**Statutory individual BVB**			**BVB IFRS differences before intra-group eliminations**			**Statutory individual subsidiaries**			**Subsidiaries IFRS differences before intra-group eliminations**			**Consolidation adjustments (intra-group eliminations and commercial fund)**			**IFRS group**		
	Note:	**31-Dec-10**	**31-Dec-09**	**31-Dec-08**	**31-Dec-10**	**31-Dec-09**	**1-Jan-09**	**31-Dec-10**	**31-Dec-09**	**1-Jan-09**	**31-Dec-10**	**31-Dec-09**	**1-Jan-09**	**31-Dec-10**	**31-Dec-09**	**1-Jan-09**	**31-Dec-10**	**31-Dec-09**	**1-Jan-09**
Liabilities																			
Commercial liabilities and other liabilities	g	1.478	1.583	897	-	-	-	2.546	2.307	2.326	-	-	-	-	-191	-27	4.024	3.699	3.196
Unearned revenues		618	499	441	-	-	-	132	143	170	-	-	-	-	-	-	750	642	611
Current income tax		-	225	257	-	-	-	586	134	-36	-	-	-	-	-	-	586	359	221
Provisions		-	-	-	-	-	-	1.818	54	-	-	-	-	-	-	-	1.818	54	-
Guarantee, compensation and margin fund for settled transactions	h	-	-	-	-	-	-	10.377	9.781	9.050	12.376	11.286	10.419	-	-	-	22.753	21.067	19.469
		2.096	**2.307**	**1.595**	-	-	-	**15.459**	**12.419**	**11.510**	**12.376**	**11.286**	**10.419**	-	**-191**	**-27**	**29.931**	**25.821**	**23.497**
Issued capital	c	76.742	76.742	76.742	-	-	-	28.977	28.977	28.977	-	-	-	-28.977	-28.977	-28.977	76.742	76.742	76.742
Capital premiums	c	-	-	-	-	-	-	1.174	1.174	1.174	-	-	-	-1.174	-1.174	-1.174	-	-	-
Other reserves	a,c	1.498	1.498	1.498	1.151	1.151	1.151	2	1	2	-	-	-	-2.614	-2.642	155	37	8	2.806
Legal reserves		4.411	4.087	3.608	-	-	-	951	652	488	-	-	-	-	-	-	5.362	4.739	4.096
Reevaluation reserves	d,i	-	-	-	-346	-404	-501	-	-	-	-	-	-	-	-	-	-346	-404	-501
Intangible asets reevaluation reserves		-	-	-	-	-	-	1.637	1.637	1.637	-	-	-	-	-	-	1.637	1.637	1.637
Retained earnings		5.384	7.851	10.015	-315	-406	-208	28.529	23.566	22.564	-12.717	-11.533	-10.777	-7.540	-6.157	-5.928	13.341	13.321	15.666
		88.035	**90.178**	**91.863**	**490**	**341**	**442**	**61.270**	**56.007**	**54.842**	**-12.717**	**-11.533**	**-10.777**	**-40.305**	**-38.950**	**-35.924**	**96.773**	**96.043**	**100.446**
Non-controlling interests	c	-	-	-	-	-	-	-	-	-	-	-	-	16.958	15.860	19.241	16.958	15.860	19.241
Equity		**88.035**	**90.178**	**91.863**	**490**	**341**	**442**	**61.270**	**56.007**	**54.842**	**-12.717**	**-11.533**	**-10.777**	**-23.347**	**-23.090**	**-16.683**	**113.731**	**111.903**	**119.687**
Total equity and liabilities		**90.131**	**92.485**	**93.458**	**490**	**341**	**442**	**76.729**	**68.426**	**66.352**	**-341**	**-247**	**-358**	**-23.347**	**-23.281**	**-16.710**	**143.662**	**137.724**	**143.184**

for the financial year ended on December the 31st 2010 (thousands lei)

7. Adopting IFRS for the first time (*continued*)

Consolidated profit and loss account

		Statutory individual BVB		BVB IFRS differences before intra-group eliminations		Statutory individual subsidiaries		Subsidiaries IFRS differences before intra-group eliminations		Consolidation adjustments (intra-group eliminations)		IFRS group	
	Note	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Revenues from services	g	13.056	12.380	-	-	20.511	12.960	-	-	-421	-320	33.146	25.020
Other revenues	i,g	463	165	-311	-154	204	265	-	-	-49	-58	307	218
Operating revenues		**13.519**	**12.545**	**-311**	**-154**	**20.715**	**13.225**	**-**	**-**	**-470**	**-378**	**33.453**	**25.238**
Operating expenses	i,g	-13.130	-13.846	243	39	-15.464	-15.920	15	17	469	378	-27.867	-29.368
Operating profit / (loss)		**389**	**1337**	**-68**	**-115**	**5.251**	**-2.695**	**15**	**17**	**-1**	**-**	**5.586**	**-4.130**
Financial revenues	g,e	7.018	11.011	-	-	3.418	4.585	-114	96	-1.380	-1.704	8.942	13.988
Financial expenses	e	-899	-54	-73	-	-355	-160	-	-	-	-	-1.327	-214
Net revenues from interests afferent to assets covering guarantee, compensation and margin funds		-	-	-	-	1.439	1.674	-34	-62	-	-	1.405	1.612
Net financial revenues		**6.119**	**10.957**	**-73**	**-**	**4.502**	**6.099**	**-148**	**34**	**-1.380**	**-1.704**	**9.020**	**15.386**
Adjustment for depreciation of receivables	f	-20	-33	262	-99	-156	-114	25	90	-	-	111	-156
Net expenses with provisions		-	-	-	-	-1.764	-54	-	-	-	-	-1.764	-54
Profit before taxation		**6.488**	**9.587**	**121**	**-214**	**7.833**	**3.236**	**-108**	**141**	**-1.381**	**-1.704**	**12.953**	**11.046**
Income tax expense	d	-780	-1.257	-30	16	-1.629	-439	14	-30	-	-	-2.425	-1.710
Profit for the year		**5.708**	**8.330**	**91**	**-198**	**6.204**	**2.797**	**-94**	**111**	**-1.381**	**-1.704**	**10.528**	**9.336**
Profit assigned to:													
Non-controlling interests		-	-	-	-	2.072	979	-38	44	-	-	2.034	1.023
Equity holders of theparent		5.708	8.330	91	-198	4.132	1.818	-56	67	-1.381	-1.704	8.494	8.313
Profit for the year		**5.708**	**8.330**	**91**	**-198**	**6.204**	**2.797**	**-94**	**111**	**-1.381**	**-1.704**	**10.528**	**9.336**
Result per share:													
Basic earnings per share		0,79	1,15	0,01	-0,03	0,54	0,25	-0,01	0,01	-0,18	-0,24	1,11	1,15
Diluted earnings per share		0,74	1,15	0,01	-0,03	0,54	0,25	-0,01	0,01	-0,18	-0,24	1,11	1,15

for the financial year ended on December the 31st 2010 (thousands lei)

7. Adopting IFRS for the first time (*continued*)

Consolidated statement of the global result

	Note	Statutory individual BVB		BVB IFRS differences before intra-group		Statutory individual subsidiaries		Subsidiaries IFRS differences before intra-group		Consolidation adjustments (intra-group eliminations)		IFRS group	
	Note	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Profit for the year		5.708	8.330	91	-198	6.204	2.797	-94	111	-1.381	-1.704	10.528	9.336
Reevaluation of financial assets available for sale	d,i	-	-	58	97	-	-	-	-	-	-	58	97
Total global result		**5.708**	**8.330**	**149**	**-101**	**6.204**	**2.797**	**-94**	**111**	**-1.381**	**-1.704**	**10.586**	**9.433**
Sums assigned to:													
Non-controlling interests		-	-	-	-	2.072	979	-38	44	-	-	2.034	1.023
Equity holders of the		5.708	8.330	149	-101	4.132	1.818	-56	67	-1.381	-1.704	8.552	8.410
Total global result		**5.708**	**8.330**	**149**	**-101**	**6.204**	**2.797**	**-94**	**111**	**-1.381**	**-1.704**	**10.586**	**9.433**

Consolidated statement of cash flow

A part of the bank deposits with original maturity under 3 months included in the financial statements at "Cash and cash equivalents" were included in the statutory financial statements of the parent and of the subsidiaries in the cash flows in the investment activity.

There are no other significant adjustments in the cash flows presented in the statutory financial statements of the parent and of the subsidiaries for the purpose of drawing-up these consolidated financial statements.

for the financial year ended on December the 31st 2010 (thousands lei)

7. Adopting IFRS for the first time (*continued*)

Noets to the reconciliation of the financial position, the profit and loss account and the consolidated statement of the global result

In the notes below the increases of the positions of assets and expenses are presented as positive values, and the increases of the elements of liability and revenues are presented as negative values.

(a) The Group adopted the provisions of IAS 29 ("Financial reporting in hyperinflationary economies") for drawing-up the consolidated financial statements for those entries older than January 1st 2004. The values expressed in the current measuring unit on December 31st 2003 were treated as a base for the accounting values reported in these consolidated financial statements. Thus, the cost of the land acquired by BVB before December 31st 2003 was adjusted with the inflation index between December 31st 2003 and the date of acquisition, resulting an adjustment of 1,151 thousand lei, in counterparty with the Retained earnings. Corresponfingly, the value of the land depreciation was adjusted by the sum of 691 thousand lei. Furthermore, the value of the BVB reserve created before the BVB was transformed from a public entity into a joint-stock company was also adjusted.

The impact of the facts above is summed-up as folows:

Consolidated statement of the financial position

	December 31st 2010	**December 31st 2009**	**January 1st 2009**
Tangible assets	461	461	461
Other reserves	-1.151	-1.151	-1.151
Adjustment of the retained earnings	**-690**	**-690**	**-690**

The consolidated profit and loss account and the consolidated statement of the global result for years 2010 and 2009 presented in these financial statements did not suffer changes subsequent to this adjustment.

(b) In these consolidated financial statements, the Group evaluates the goodwill at the fair value of the counter-performance transferred including the recognized value of non-controlling interests in the acquired entity, minus the fair value on the date of acquiring the obtained identifiable assets and assumed liabilities, all evaluated on the date of the acquisition.

The present recognition adjustment of the goodwill is the result of obtaining control over the Investors Compensation Fund SA in the financial year ended on December 31st 2006, by subscribing to the increment of the Issued capital of the subsidiary. Subsequent to this transaction through which BVB obtained 56.9% of the net assets of the subsidiary, the Group recognized a goodwill in amount of 27 thousand lei, represented by the difference between the fair value of the counter-performance transferred in the amount of 196 thousand lei and a proportion of the fair value of net assets acquired in amount of 169 thousand lei.

The impact of the facts above is summed-up as folows:

for the financial year ended on December the 31st 2010 (thousands lei)

7. Adopting IFRS for the first time (*continued*)

Noets to the reconciliation of the financial position, the profit and loss account and the consolidated statement of the global result

Consolidated statement of the financial position

	December 31st 2010	**December 31st 2009**	**January 1st 2009**
Intangible assets	27	27	27
Adjustment of the retained earnings	**27**	**27**	**27**

The consolidated profit and loss account and the consolidated statement of the global result of the years 2010 and 2009 presented in these financial statements did not suffer changes subsequent to this adjustment.

(c) In the present financial statements, for the purpose of consolidating the Group's subsidiaries, the investments of the parent in subsidiaries, registered in the individual financial statements thereof, are eliminated, in counterparty with the Issued capital of the subsidiaries, other capital accounts and non-controlling interests.

The changes in the participation of the parent in a subsidiary which do not result in the loss of control are registered as own capital transactions. The acquisitions of non-controlling interests are accounted for as transactions with shareholders in their quality as owners and, subsequent to such transactions, a goodwill is not recognized. The result of these transactions is recognized by the Group in "Other reserves".

The impact of the facts above is summed-up as folows:

Consolidated statement of the financial position

	December 31st 2010	**December 31st 2009**	**January 1st 2009**
Investments in associated entities	-23.374	-23.117	-16.710
Ordinary shares (of subsidiaries)	28.977	28.977	28.977
Capital premiums	1.174	1.174	1.174
Non-controlling interests	-16.958	-15.860	-19.241
Other reserves	2.614	2.642	-155
Adjustment of the retained earnings	**-7.567**	**-6.184**	**-5.955**

The consolidated profit and loss account and the consolidated statement of the global result presented in these financial statements did not suffer changes subsequent to this adjustment.

for the financial year ended on December the 31st 2010 (thousands lei)

7. Adopting IFRS for the first time (*continued*)

Noets to the reconciliation of the financial position, the profit and loss account and the consolidated statement of the global result

(d) The Group recognized the deferred tax for those temporary differences which occur between the fiscal calculation base of the tax for assets and liabilities and the accounting value of such used for reporting in financial statements. According to Romanian accounting regulations, the deferred tax is not recognized.

For transactions which are not accounted for through the profit and loss account, the deferred tax is also recognized outside the profit and loss account, respectively in the statement of the global result or directly in equity (as is the case for the reevaluation reserve afferent to financial investments available for sale).

Consolidated statement of the financial position

	December 31st 2010	**December 31st 2009**	**January 1st 2009**
Receivables regarding the deferred tax	157	184	217
Reevaluation reserves	66	76	95
Adjustment of the Retained earnings	**223**	**260**	**312**

Consolidated profit and loss account

	2010	**2009**
Income tax expense	16	15
Adjustment of the Retained earnings	**16**	**15**

Consolidated statement of the global result

	2010	**2009**
Reevaluation of financial assets available for sale	11	18
Adjustment of the Retained earnings	**11**	**18**

for the financial year ended on December the 31st 2010 (thousands lei)

7. Adopting IFRS for the first time (*continued*)

Noets to the reconciliation of the financial position, the profit and loss account and the consolidated statement of the global result

(e) The financial instruments held by the Group are classified in the consolidated financial statements in the distinct categories presented below, different from the statutory financial statements. In the present financial statements the assets are distinguished depending on the situations when the assets are owned by the Group or are held by the Group on behalf of third parties (for the purpose of developing specific activities of compensation-settlement) and depending on the residual maturity on the date of the balance.

The current adjustment also contains, beside the reclassifications involved by those described in the previous paragraph the effect of measuring these assets at amortized cost, using the effective interest rate for each financial instrument and and of measuring assets in foreign currency at the closing exchange rate on the last day of the year.

Consolidated statement of the financial position

	December 31st 2010	December 31st 2009	January 1st 2009
Financial assets held to maturity	9.446	2.418	7.909
Financial assets held to maturity covering the guarantee, compensation and margin fund	146	139	139
Other financial assets held to maturity	-12.764	-8.217	36.091
Financial assets held to maturity covering the guarantee, compensation and margin fund	4.728	2.468	6.195
Cash and cash equivalents	-1.881	3.073	-50.504
Adjustment of the retained earnings	**-325**	**-119**	**-170**

Consolidated profit and loss account

	2010	2009
Financial expenses	73	-
Financial revenues	163	-17
Adjustment of the retained earnings	**236**	**-17**

for the financial year ended on December the 31st 2010 (thousands lei)

7. Adopting IFRS for the first time (*continued*)

Noets to the reconciliation of the financial position, the profit and loss account and the consolidated statement of the global result

(f) In the present financial statements, the commercial receivables are measured at amortized cost minus the possible adjustments for depreciation. According to the provisioning methodology of IFRS applied by the Group, it takes into consideration the depreciation proof for receivables both at the level of a specific asset and at collective level. All receivables which are individually significant are tested for depreciation. All receivables which are individually significant for which was not ascertained a specific depreciation are then collectively tested in order to determine the existence of a depreciation which was not yet identified.

The receivables which are not individually significant are grouped depending on similar risk characteristics and are collectively tested for depreciation. In order to test collective depreciation, the Group uses historical tendencies regarding the probability of non-fulfillment of payment obligations, the period required for recovering and the value of the supported losses, adjusted depending on the professional reasoning of the management regarding the probability that due to current economic conditions, the actual losses may be bigger or smaller than those indicated by the historical trends.

The provisioning policy of the Group according to the statutory requirements differ from the IFRS provisioning policy mainly by the absence of the collective component.

Thus, in the consolidated financial statements, the Group registered an additional adjustment for the depreciation of commercial receivables, resulted mainly from the collective evaluation thereof.

The impact of the facts above is summed-up as folows:

Consolidated statement of the financial position

	December 31st 2010	DEcember 31st 2009	January 1st 2009
Commercial receivables and other receivables	-144	-432	-424
Adjustment of the retained earnings	**-144**	**-432**	**-424**

Consolidated profit and loss account

	2010	2009
Adjustment for depreciation of receivables	-287	9
Adjustment of the retained earnings	**-287**	**9**

for the financial year ended on December the 31st 2010 (thousands lei)

7. Adopting IFRS for the first time (*continued*)

Noets to the reconciliation of the financial position, the profit and loss account and the consolidated statement of the global result

(g) The balances and transactions within the Group, as well as any unrealized profits or losses and resulted from transactions within the Group are eliminated when drawing-up the consolidated financial statements. The resulted adjustments are presented below:

Consolidated statement of the financial position

	December 31st 2010	**December 31st 2009**	**January 1st 2009**
Commercial receivables and other receivables	-	-191	-27
Commercial liabilities and other liabilities	-	191	27
Adjustment of the retained earnings	-	-	-

Consolidated profit and loss account

	2010	**2009**
Financial revenues (dividends included in the year's profit)	1.380	1.704
Retained earnings (year's profit)	-1.380	-1.704
Revenues from services	421	320
Other revenues	49	58
Operating expenses	-469	- 378
Operating expenses	-15	-17
Financial revenues	15	17
Adjustment of the retained earnings	**-**	**-**

(h) According to statutory adjustments, the Investors Compensation Fund SA registers in the statutory accounting the compensation fund administered in the own capital accounts. In the present consolidated financial statements, the investors compensation fund was registered as a debt (to the fund participants). The registration of this financial instrument as debt is explained by the fact that in case of inability of the members of the fund to return money funds and/or financial instrument owed to or belonging to investors which were held on their behalf on the occasion of providing services of financial investments or of administration of individual investment portfolios, the fund resources shall be used.

for the financial year ended on December the 31st 2010 (thousands lei)

7. Adopting IFRS for the first time (*continued*)

Noets to the reconciliation of the financial position, the profit and loss account and the consolidated statement of the global result

Consolidated statement of the financial position

	December 31st 2010	December 31st 2009	January 1st 2009
The guarantee, compensation and margin fund	-12.376	- 11.286	- 10.419
Adjustment of the retained earnings	**-12.376**	**- 11.286**	**- 10.419**

(i) In the present financial statements, after the initial recognition, the financial assets available for sale are evaluated at their fair value, while subsequent changes, other than the depreciation losses and differences in exchange rate afferent to own capital instruments available for sale, are recognized in other elements of the global result and are presented within the equity in the reserve regarding the fair value.

According to statutory regulations, the financial investments available for sale are evaluated at cost minus adjustments for depreciation. The value surpluses compared to the cost are not recognized.

The facts above are illustrated through the adjustments below (increase of evaluation erserve and the elimination of the impact of evaluating financial instrument in the profit and loss account).

Consolidated statement of the financial position

	December 31st 2010	December 31st 2009	January 1st 2009
Reevaluation reserve	280	328	406
Adjustment of the retained earnings	**280**	**328**	**406**

Consolidated profit and loss account

	December 31st 2010	December 31st 2009
Other revenues	311	154
Operating expenses	-243	-39
Adjustment of the retained earnings	**68**	**115**

7. Adopting IFRS for the first time (*continued*)

Noets to the reconciliation of the financial position, the profit and loss account and the consolidated statement of the global result

Consolidated statement of the global result

	2010	**2009**
Reevaluation of financial assets available for sale	47	79
Adjustment of the retained earnings	**47**	**79**

8. Reporting per segments

Information per segments are reported depending on the Group's activities. The transactions between activity segments are performed in normal market conditions.

Assets and liabilities per segments include both elements directly assignable to the respective segments and elements that can be allocated using a reasonable base.

The Group is made up by the following main segments of activity:

- Capital markets - trading (performance of transactions with securities on the regulated capital market);
- Post trading services (the services provided after concluding a transaction until the transfer into the account of the money and the transfer of the securities in the portfolio);
- Registry services (keeping and updating the register of shareholders for listed companies).

The Group's component companies were organized on segments of activity as follows: BVB represents the segment of "capital markets - trading", the Investors Compensation Fund and the Bucharest Clearing House have the segment of "post-trading services" while the activity of the Central Depository is divided between the segment of "post-trading services" and segment of "registry services".

For the services provided within the activity segments presented above revenues are obtained mainly from commissions charged to the participants to the capital market.

for the financial year ended on December the 31st 2010 (thousands lei)

8. Reporting per segments (*continued*)

The revenues, expenses and gross result of the Group for the financial year 2010 are presented below on the described segments:

2010	**Trading services**	**Clearing-settlement services**	**Registry services**	**Other activities**	**Group**
Revenues from external clients	13.056	3.773	16.467	157	33.453
Revenues from transactions with other segments (eliminated upon consolidation)	412	-	-	1.438	-
Operating expenses	-11.855	-2.949	-10.665	-2.398	-27.867
-of which expenses with the amortization of tangible and intangible assets	-665	-1.502	-327	-	-2.494
Operating profit	**1.201**	**824**	**5.802**	**-2.241**	**5.586**
Financial revenues	7.018	1.890	-	34	8.942
Financial expenses	-943	-384	-	-	-1.327
Net revenues from interests afferent to assets covering the guarantee, compensation and margin fund	-	285	-	1.120	1.405
Net financial income	**6.075**	**1.791**	**-**	**1.154**	**9.020**
Adjustment for the depreciation of receivables	220	-	-109	-	111
Provisions expense	-	-1.764	-	-	-1.764
Profit before taxation	**7.496**	**851**	**5.693**	**-1.087**	**12.953**
Income tax	811	267	1.347	-	2.425
Net Profit	**6.685**	**584**	**4.346**	**-1.087**	**10.528**

for the financial year ended on December the 31st 2010 (thousands lei)

8. Reporting per segments (*continued*)

The revenues, expenses and gross result of the Group for the financial year 2009 are presented below on the described segments:

Year 2009	**Trading services**	**Clearing and settlement services**	**Registry services**	**Other activities**	**Group**
Revenues from external clients	12.060	3.607	9.353	218	25.238
Revenues from transactions with other segments (eliminated upon consolidation)	320	-	-	1.762	-
Operating expenses	-13.453	-4.787	-10.092	-1.036	-29.368
-of which expenses with the amortization of tangible and intangible assets	-1.387	-1.658	-327	-	-3.372
Operating profit	**-1.393**	**-1.180**	**-739**	**-818**	**-4.130**
Financial income	11.011	2.915	-	62	13.988
Financial expenses	-37	-177	-	-	-214
Net revenues from interests afferent to assets covering the guarantee, compensation and margin fund	-	285	-	1.327	1.612
Net financial income	**10.974**	**3.023**	**-**	**1.389**	**15.386**
Receivables depreciation losses	-131	-	-25	-	-156
Provisions expense	-	-54	-	-	-54
Profit before taxation	**9.450**	**1.789**	**-739**	**571**	**11.046**
Income tax	-1.241	-129	-340	-	-1.710
Net Profit	**8.209**	**1.660**	**-1.079**	**571**	**9.336**

for the financial year ended on December the 31st 2010 (thousands lei)

8. Reporting per segments (*continued*)

The Group's assets and liabilities as well as the capital expenses are presented below on the described segments:

December 31st 2010	**Trading services**	**Clearing and settlement services**	**Register services**	**Other operations**	**Group**
Assets	67.407	34.713	40.999	543	143.662
Liabilities	2.096	19.373	8.322	140	29.931
Capital expenses	360	88	353		801
December 31st 2009					
Assets	69.520	36.026	32.154	24	137.724
Liabilities	2.116	18.151	5.554	-	25.821
Capital expenses	114	99	299		512
January 1st 2009					
Assets	77.166	38.631	27.012	375	143.184
Liabilities	1.596	17.494	4.379	28	23.497

9. Operating expenses

Operating expenses are made up of the following:

	2010	**2009**
Personnel expenses *i)*	13.540	15.427
Headquarters rent and utilities	2.875	3.133
Services provided by third parties *ii)*	1.966	1.646
Amortization of tangible assets (*Note 12*)	895	1.387
Amortization of tangible assets (*Note 13*)	1.599	1.985
Administrators' indemnifications	1.496	1.480
Expenses with local taxes and other taxes	1.549	1.204
Consumable materials	270	260
Repairs and maintenance	531	667
Insurances	224	184
Protocol	352	217
Advertising and marketing	560	206
Transport and travels	447	339
Telecommunications and postal services	680	405
Bank commissions	143	82
Other expenses	740	744
Total	**27.867**	**29.368**

for the financial year ended on December the 31st 2010 (thousands lei)

9. Operating expenses (continued)

i) Personnel expenses are made up of the following:

	2010	2009
Salaries	10.065	11.789
Salary contributions	3.057	3.518
The participation of employees to profit and other salary expenses	418	120
Total salary expenses	**13.540**	**15.427**

The number of employees within the Group was:

	2010		2009	
	At end of year	**Average per year**	**At end of year**	**Average per year**
Bucharest Stock Exchange SA	60	62	63	67
Central Depository SA	71	73	80	85
The Investors Compensation Fund SA	3	3	3	3
Bucharest Clearing House SA	8	8	8	8
Total number of employees	**142**	**146**	**154**	**163**

ii) The expenses with the services provided by third parties include mainly audit fees, IT maintenance services, legal assistance, other commissions and contributions.

10. Financial revenues and expenses

The financial revenues and expenses recognized in the profit and loss account include:

	2010	2009
Income from interests afferent to financial assets held to maturity *i)*	7.966	13.652
(Net loss)/Net gain from exchange rate differences	-351	123
Net revenues from interests afferent to assets covering the guarantee, compensation and margin fund *ii)*	1.405	1.612
Net financial incomerecognized in the profit and loss account	**9.020**	**15.386**

Financial revenues and expenses recognized in other elements of the global result:

	2010	2009
Modification in the fair value of financial assets available for sale	58	97
	58	**97**

for the financial year ended on December the 31st 2010 (thousands lei)

10. Financial revenues and expenses (*continued*)

i) The revenues from interests afferent to financial assets held to maturity include interests afferent to placements performed in deposits and government bonds.

ii) The net revenues from interests afferent to assets covering the guarantee, compensation and margin fund include:

	2010	**2009**
Revenues from interest	2.000	2.229
Expenses with interests	-595	-617
Total net revenues from interests afferent to assets covering the guarantee, compensation and margin fund	**1.405**	**1.612**

The Group has registered an expense with the interest afferent to the assets covering the guarantee, compensation and margin fund (in the case of funds administered by the Central Depository SA and the Bucharest Clearing House SA - see accounting policy 3 (e) - equal to the respective income in order to reflect the fact that these interests either are distributed to the participants to the guarantee and margin fund, or are capitalized to the afferent fund, not remaining at the Group's disposal.

11. Income tax expense

The reconciliation of profit before taxation with the income tax expense in the profit and loss account

	2010	**2009**
Gross accounting profit	12.953	11.046
Non-taxable and assimilated revenues	2.959	3.764
Non-settlementable and assimilated expenses	5.160	3.403
Fiscal profit	15.154	10.685
Income tax (16%)	**2.425**	**1.710**
- current tax	2.409	1.695
- deferred tax	16	15

for the financial year ended on December the 31st 2010 (thousands lei)

12. Tangible assets

	Lands and buildings	Machines and equipment	IT equipment, office equipment and furniture *ii)*	Fixed assets undergoing execution	Total
Cost					
Balance on January 1st 2009	2.193	669	12.845	-	15.707
Acquisitions	-	354	42	-	396
Outputs	-	209	1.695	-	1.904
Balance on December 31st 2009	**2.193**	**814**	**11.192**	**-**	**14.199**
Balance on January 1st 2010	2.193	814	11.192	-	14.199
Acquisitions	-	255	288	69	612
Outputs	-	47	276	-	323
Balance on December 31st 2010	**2.193**	**1.022**	**11.204**	**69**	**14.488**
Amortization					
Balance on January 1st 2009	1.303	512	10.461	-	12.276
Amortization during the year	4	95	1.288	-	1.387
Outputs	-	209	1.695	-	1.904
Balance on December 31st 2009	**1.307**	**398**	**10.054**	**-**	**11.759**
Balance on January 1st 2010	1.307	398	10.054	-	11.759
Amortization during the year	4	229	663	-	895
Outputs	-	47	276	-	323
Balance on December 31st 2010	**1.311**	**580**	**10.441**	**-**	**12.332**
Net accounting values					
Balance on January 1st 2009	890	157	2.384	-	3.430
Balance on December 31st 2009	**886**	**416**	**1.138**	**-**	**2.439**
Balance on January 1st 2010	**886**	**416**	**1.138**	**-**	**2.439**
Balance on December 31st 2010	**882**	**442**	**763**	**69**	**2.157**

i) For the land owned by BVB, the Group constituted an adjustment for depreciation in amount of 60% of the cost of the land due to the existence of a dispute referring thereto. The value of the adjustment for the depreciation is 1.303 thousand lei and has not modified in the course of years 2009 and 2010. The IT equipment, office equipment and furniture include mainly the value of servers and specialized equipment used in specific trading, settlement and other activities.

for the financial year ended on December the 31st 2010 (thousands lei)

13. Intangible assets

	Goodwill *i)*	License, software *ii)*	Fixed assets undergoing execution	Total
Cost				
Balance on January 1st 2009	162	12.778	-	12.940
Acquisitions	-	22	94	116
Outputs	-	953	-	953
Balance on December 31st 2009	**162**	**11.847**	**94**	**12.103**
Balance on January 1st 2010	162	11.847	94	12.103
Acquisitions	-	189	-	189
Outputs	-	534	94	628
Balance on December 31st 2010	**162**	**11.502**	**-**	**11.664**
Amortization				
Balance on January 1st 2009	135	8.280	-	8.415
Amortization during the year	-	1.985	-	1.985
Outputs	-	953	-	953
Balance on December 31st 2009	**135**	**9.312**	**-**	**9.447**
Balance on January 1st 2010	135	9.312	-	9.447
Amortization during the year	-	1.599	-	1.599
Outputs	-	534	-	534
Balance on December 31st 2010	**135**	**10.377**	**-**	**10.512**
Net accounting values				
Balance on January 1st 2009	27	4.498	-	4.525
Balance on December 31st 2009	**27**	**2.535**	**94**	**2.656**
Balance on January 1st 2010	**27**	**2.535**	**94**	**2.656**
Balance on December 31st 2010	**27**	**1.125**	**-**	**1.152**

i) On December 31st 2010 the goodwill in balance, in amount of 27 thousand RON originates from the acquisition of 57% of the Investors Compensation Fund SA, in 2006.

In period 2008-2010 the Investors Compensation Fund registered profit. The Group considers that the goodwill resulted as a result of the subscription of shares to the Investors Compensation Fund did not suffer depreciations.

The goodwill resulted pursuant to the infusion of capital from the Bucharest Clearing House ("CCB") in 2007, in amount of 135 thousand lei, was completely depreciated before January 1st 2009, against the background of CCB registering losses, which led to the reduction of the net asset compared to the moment of creating the commercial fund.

for the financial year ended on December the 31st 2010 (thousands lei)

13. Intangible assets (*continued*)

ii) Licenses and software include mainly the value of trading, clearing-settlement and register systems used by the Group companies in their specific activities developed.

14. Receivables regarding the deferred tax

Receivables regarding the deferred tax are assignable to the following elements:

	December 31st 2010	**December 31st 2009**	**January 1st 2009**
Financial assets held to maturity	44	14	30
Tangible assets	24	24	24
Commercial receivables and other receivables	23	69	68
Financial assets available for sale	66	77	95
Total	**157**	**184**	**217**

The variation of temporary differences throughout the year:

	Financial assets held to maturity	**Tangible assets**	**Commercial receivables and other receivables**	**Financial assets available for sale**	**Total**
Balance on January 1st 2009	30	24	68	95	**217**
Recognized in the profit and loss account	-16	-	1	-	**-15**
Recognized in other elements of the global result	-	-	-	-18	**-18**
Balance on December 31st 2009	**14**	**24**	**69**	**77**	**184**
Balance on January 1st 2010	14	24	69	77	**184**
Recognized in the profit and loss account	30	-	-46	-	**-16**
Recognized in other elements of the global result	-	-	-	-11	**-11**
Balance on December 31st 2010	**44**	**24**	**23**	**66**	**157**

for the financial year ended on December the 31st 2010 (thousands lei)

15. Financial instruments

The financial instruments held by the Group consist in:

	December 31st 2010	December 31st 2009	January 1st 2009
Government bonds with residual maturity over one year *i)*	9.446	2.418	7.909
Government bonds with residual maturity over one year for covering the guarantee, compensation and margin fund *i)*	2.296	2.273	2.273
Financial assets available for sale *iii)*Financial assets available for sale	1.036	968	811
Total fixed assets	**12.778**	**5.659**	**10.993**
Financial assets held to maturity *iv)*	18.384	15.751	63.359
Financial assets held to maturity covering the guarantee, compensation and margin fund *v)*	15.139	14.855	13.188
Total current assets	**33.523**	**30.606**	**76.547**

i) These financial assets classified as held to maturity are bonds issued by the Romanian state in lei, with maturity in 2012, acquired at a yeild between 7.08% and 9.65% (2009: maturitues between 2011 and 2012 with yeilds between 8.50% and 9.65%; 2008: maturitues between 2010 and 2012 with yeilds between 6% and 9.60%). On December 31st 2010 in the balance were also bonds in Euro issued by the Romanian state with maturity in 2013 with a yeild of 4.80%.

ii) These financial assets classified as held to maturity are bonds issued by the Romanian state in lei, with maturity between 2012 and 2013, acquired at a yeild between 7.05% and 9.54% (2009: maturitues between 2010 and 2013 with yeilds between 8% and 9.54%; 2008: maturitues between 2010 and 2013 with yeilds between 8% and 9.54%).

iii) Financial assets available for sale are shares on foreign stock markets listed on international markets and shares at the Sibiu Clearing House. The listed shares are evaluated at the closing price from the stock markets on which they are quoted in the last day of trading before the date of the balance.

iv) Financial assets held to maturity include:

	December 31st 2010	December 31st 2009	January 1st 2009
Bonds	-	-	413
Government bonds with maturity under a year	11.013	13.560	9.802
Bank deposits with maturity between 3 months and a year	7.371	2.191	53.144
Total	**18.384**	**15.751**	**63.359**

for the financial year ended on December the 31st 2010 (thousands lei)

15. Financial instruments (*continued*)

Government bonds are treasury certificates and bonds issued by the Romanian state in lei, with residual maturity up to 1 year, acquired at yeilds between 6,60% and 9,40% (2009: yeilds between 6,59% and 11%; 2008: yeilds between 8,70% and 13%).

On December 31st 2010 in the balance were also deposits guaranteed through treasury certificates in Euro issued by the Romanian state with maturity in 2011 and a yeild of 4% (reverse repo).

The fixed-term deposits are done in the currency lei in banks in Romania with initial maturities between 3 months and one year at interest rates between 6,80% and 7,10% (2009: 9,25%, 2008: 9,85% - 12%).

v) Financial assets held to maturity, with maturity under a year, which cover the guarantee, compensation and margin fund:

	December 31st 2010	December 31st 2009	January 1st 2009
Government bonds with maturity under a year for covering the guarantee, compensation and margin fund	14.856	14.565	8.048
Fixed-term deposits for covering the guarantee, compensation and margin fund	283	290	5.140
Total	**15.139**	**14.855**	**13.188**

Government bonds are treasury certificates in lei issued by the Romanian state with maturity up to 1 year, acquired at yeilds between 5,70% and 7,05% (2009: yeilds between 8% and 11,50%; 2008: yeilds between 9,20% and 14,23%).

The fixed-term deposits in banks are done in the currency lei in banks in Romania with initial maturities between 3 months and 1 year at interest rates between 5% and 7.50% (2009: 8,75% - 10%, 2008: 6,40% - 12,50%).

The acquisitions and redemptions of government bonds for all categories of financial assets above are presented in the following table:

	Government bonds with maturity over a year	Government bonds with maturity over a year for covering the guarantee, compensation and margin fund	Government bonds with maturity under a year	Government bonds with maturity over a year for covering the guarantee, compensation and margin fund
January 1st 2009	7.909	2.273	9.802	8.048
Acquisitions	1.009	-	13.560	14.565
Redemptions	6.500	-	9.802	8.048
December 31st 2009	**2.418**	**2.273**	**13.560**	**14.565**
January 1st 2010	2.418	2.273	13.699	14.426
Acquisitions	7.941	198	11.013	14.856
Redemptions	913	175	13.699	14.426
December 31st 2010	**9.446**	**2.296**	**11.013**	**14.856**

for the financial year ended on December the 31st 2010 (thousands lei)

15. Financial instruments (*continued*)

The variation of financial instruments available for sale is presented below:

	Financial assets available for sale
January 1st 2009	811
Acquisitions	42
Value increase from reevaluation	115
Sales	-
December 31st 2009	**968**
January 1st 2010	968
Acquisitions	-
Value increase from reevaluation	68
Sales	-
December 31st 2010	**1.036**

16. Commercial receivables and other receivables

The commercial receivables and other receivables of the Group are made up of the following:

	December 31st 2010	December 31st 2009	January 1st 2009
Commercial receivables - gross value *i)*	2.968	3.185	2.919
Adjustment for the depreciation of commercial receivables *ii)*	-1.093	-1.204	-1.048
Debtor balances from trading - CNVM fee	298	759	194
Undue VAT	43	51	52
Other receivables	19	9	17
Total	**2.235**	**2.800**	**2.134**

i) Commercial receivables represent mainly receivables in relation to financial investment services companies to which the services provided in the last month of the financial year were invoiced, as well as receivables for services invoiced to issuing companies listed at the stock market and to other clients: commission for maintaining in the trading system, tariff for using the additional terminal, online information sale, tariffs for the supply of indexes license, data dissemination tariff and more.

for the financial year ended on December the 31st 2010 (thousands lei)

16. Commercial receivables and other receivables (*continued*)

The adjustment for the depreciation of receivables is split as follows:

	December 31st 2010	December 31st 2009	January 1st 2009
Adjustment for the depreciation of receivables - individual component	931	847	661
Adjustment for the depreciation of receivables - collective component	162	357	387
Total	**1.093**	**1.204**	**1.048**

The action for the adjustment for the depreciation of receivables throughout the year was the following:

	2010	2009
Adjustment for depreciation - individual component		
Balance on January 1st	847	661
Losses from depreciation	84	186
Resuming from depreciation	-	-
Balance on December 31st	**931**	**847**
Adjustment for depreciation - collective component		
Balance on January 1st	357	387
Losses from depreciation	-	-
Resuming from depreciation	-195	-30
Balance on December 31st	**162**	**357**
Total	**1.093**	**1.204**

16. Prepaid expenses

Prepaid expenses in amount of 224 thousand lei (December 31st 2009: 477 thousand lei; January 1st 2009: 279 thousand lei) represent mainly the cost of acquisition of government bonds, prepaid rents, insurance premiums for equipment, IT equipment maintenance, insurance premiums for civil liability insurance for administrators and various subscriptions.

for the financial year ended on December the 31st 2010 (thousands lei)

18. Cash and cash equivalents

Cash and cash equivalents held by the Group are made up of:

	December 31st 2010	December 31st 2009	January 1st 2009
Bank deposits with original maturity smaller than 3 months	85.646	19.891	21.574
Current accounts in banks	5.560	72.959	23.359
Cash register	45	24	53
Total	**91.251**	**92.874**	**44.986**

19. Commercial liabilities and other liabilities

The commercial liabilities and other liabilities of the Group are made up of the following:

	December 31st 2010	December 31st 2009	January 1st 2009
Commercial liabilities *i)*	875	887	1.117
Debtor balances from trading - CNVM fee	680	826	127
Owed salary contributions	154	322	344
Owed taxes	53	110	114
Payable VAT	148	155	174
Payable dividends	515	275	75
Advance payments received from clients	148	182	196
Received guarantees	27	27	27
Participation of employees to profit	635	215	299
Liabilities to employees	200	203	-
Other liabilities	589	497	723
Total	**4.024**	**3.699**	**3.196**

i) Commercial liabilities represent mainly obligations to internal suppliers, some not older than 30 days, paid at the beginning of year 2011.

for the financial year ended on December the 31st 2010 (thousands lei)

20. Unearned revenues

Unearned revenues consis in:

	December 31st 2010	December 31st 2009	January 1st 2009
Revenues from register activities (*Note 3 (1)*)	129	143	171
Revenues from maintaining to the stock market quota (*Note 3 (1)*)	621	499	440
Total	**750**	**642**	**611**

21. Provisions

Provisions are made up of:

	December 31st 2010	December 31st 2009	January 1st 2009
Provisions for disputes	1.818	54	-
Total	**1.818**	**54**	**-**

The action of provisions in the financial years 2010 and 2009 is the following:

	2010	2009
Provisions on January 1st	54	-
Constitutions of provisions in the course of the year	1.818	54
Resuming provisions in the course of the year	-54	-
Provisions on December 31st	**1.818**	**54**

Provision labor disputes

Throughout year 2010 was canceled the provision in amount of 54 thousand lei constituted in 2009 pursuant to the court procedures initiated by two of the employees of the Central Depository SA, the employment contracts of whom had been terminated by the Central Depository in year 2009. The sentences passed by the court in year 2010 were favorable to the Central Depository, being irrevocable. Thus, the provision was resumed on revenues.

for the financial year ended on December the 31st 2010 (thousands lei)

21. Provisions (*continued*)

Dispute provision - Pitesti Courthouse

The provision was constituted for a trial in which the court ruled the obligation of the company Central Depository SA, jointly with the defendants, to pay the sum of 1.818 thousand lei, representing damages to all plaintiffs in the file. In this file were sentenced a number of 22 defendants, of which only 5 had the quality of employees of the Central Depository. The total prejudice caused by the 5 former employees of the Company is 304.880 lei. The Central Depository filed an appeal against the Penal sentence, which prevents the obligation of the Company to pay the sums mentioned until the definitive resolution of the trial (appeal and possibly recourse in case during the appeal is sentenced a decision not favorable to the company). The Central Depository does not have the quality of a civil liable party except for not more than for the 5 former employees, not for all 22 defendants, the other 17 defendants not being employees or former employees of the Company.

22. The guarantee, compensation and margin fund

The guarantee, compensation and margin fund is made up by:

	December 31st 2010	December 31st 2009	January 1st 2009
Guarantee fund for transactions with derivatives	1.239	1.279	1.404
Margin for transactions with derivatives	3.867	3.397	2.891
Guarantee fund for transactions with securities	4.072	3.998	3.465
Margin for transactions with securities	1.200	1.106	1.290
Investors compensation fund	12.375	11.287	10.419
Total	**22.753**	**21.067**	**19.469**

23. Equity and reserves

(a) Issued capital

On December 31st 2008, 2009 and 2010 BVB had the same issued capital in amount of 76.741.980 lei divided into 7.674.189 shares with nominal value 10 lei/share, dematerialized, with the same voting, split on the following categories:

	December 31st 2010	December 31st 2009	January 1st 2009
Ordinary shares	7.674.198	7.674.198	7.132.299
"Preferred" shares	-	-	541.899
Total	**7.674.198**	**7.674.198**	**7.674.198**

for the financial year ended on December the 31st 2010 (thousands lei)

23. Capital and reserves (*continued*)

(a) Issued capital (continued)

The structure of shareholders as of December 31st 2010	Number of shares	% in Issued capital
Legal entities, of which:	**6.739.710**	**87,82**
- Romanian	5.734.184	74,72
- foreign	1.005.526	13,10
Natural persons, of which:	**934.488**	**12,18**
- Romanian	921.978	12,01
- foreign	12.510	0,17
Total	**7.674.198**	**100**

In the course of year 2009 there were changes in the structure of the issued capital by converting all "preferred" shares in ordinary shares according to the provisions of the Decision of the General Shareholders Meeting no.1/November 6th 2009 and of the Decision of the Special Extraordinary Shareholders Meeting, holders of preferred shares, no.1/November 7th 2009. These "preferred" shares were held by financial investment services companies without trading right and that is why these shares no longer granted a voting right in the General Shareholders Meeting. The shares were entitled like that in order to set them apart from the voting right shares. From the point of view f the right to distributed dividends, these "preferred" shares granted equal rights as did the ordinary shaers.

According to the provisions of article 129 paragraph 1 of Law 297/2004 regarding the capital market, no shareholder of any market operator will be able to hold, directly or indirectly, more than 5% of the Total voting rights. Furthermore, according to the Articles of Incorporation of BVB, the subscription, obtaining and holding of Company shares shall be done with the observance of the condition that no shareholder hold directly or indirectly more than 5% of the Total voting rights. As a consequence, on December 31st 2010, no shareholder of BVB was a significant shareholder. Also, BVB did not hold shares on own behalf.

By Decision no. 632/18.05.2010 issued by CNVM was approved the prospect prepared in view of accepting to trading on the regulated market administered by BVB of its own shares. On June 8th 2010 the first transactions were made with shares issued by BVB. The closing price in the last trading session of year 2010 was 40,75 lei/share.

(b) Dividends

BVB's Board of Governors submitted for the Approval of the General Shareholders Meeting the proposal to distribute the net statutory profit per year 2010 of the parent in amount of 5,383,497 lei, in quantum of 100% in the form of gross dividends.

According to Decision no. 2 of the General Shareholders Meeting on April 30th 2010, BVB announced the distribution to the shareholders registered in the Shareholders' Register on reference date April 19th 2010 of the undistributed profit afferent for year 2009 in amount of 7.850.762 lei, as dividends. The value of the dividend was 1,0230 lei gross/share. In year 2010 were paid dividends in amount of 7.791.340 lei. From the profit of year 2010, the subsidiary Central Depository SA proposed to the General Shareholders Meeting that the statutory profit accumulated be used mainly for the economical-financial consolidation of the company, by constituting reserves in view of increasing the issued capital, in amount of 5,617.168 lei. From the profit of year 2009, the Central Depository SA distributed dividends in amount of 2.024.561 lei.

23. Capital and reserves (*continued*)

(c) Legal reserve

According to the legal requirements, the Group constitutes legal reserves in quantum of minimum 5% of the profit registered according to the Trade Register up to the level of 20% of the Issued capital. Legal reserves cannot be distributed to shareholders.

Legal reserves cannot be used to cover losses from operating activities.

(d) Other reserves

In other reserves are included the sums paid in addition to minority shareholders compared to the accounting value of net assets taken over in the case of acquisitions of non-controlling interests and other non-distributing reserves created before BVB was transformed from a public entity into a joint-stock company.

(e) Reevaluation reserve

Reevaluation reserves resulted from the reevaluation of intangible assets of the subsidiary Central Depository SA.

(f) Fair value reserve

This reserve includes the cumulated net changes of fair values of financial assets available for sale from the date of classifying them in this category and up to the date on which they were derecognized or depreciated.

(g) Retained earnings

The Group's Retained earnings represents the Retained earnings of the parent and the Retained earnings of the subsidiaries assigned to the Equity holders of the parent .

24. Result per share

The calculation of the result per share on December 2010 is based on the profit assignable to ordinary shareholders of the parent in amount of 8.494 thousand lei (2009: 8.313 thousand lei) and the weighted average of ordinary shares in circulation of 7.674.198 (2009: 7.674.198).

In the course of year 2009 took place the conversion of all "preferred" shares into ordinary shares. However, these "preferred" shares were entitled like this only to set them apart from ordinary shares, those shares held by the financial investment services companies suspended from trading and which no longer had voting rights in the General Shareholders Meeting of BVB, these shares granting however equal rights to dividends, as did ordinary shares. For this reason, these "preferred" shares do not have a dilution effect on the result per share.

for the financial year ended on December the 31st 2010 (thousands lei)

25. Transactions with affiliated parties

Key management personnel

December 31st 2010

Members of the Board of Governors - up to the date of February 19th 2010:

• Mr. Stere Constantin FARMACHE	president
• Mr. Sergiu Ovidiu POP	vice-president
• Mr. Dan Viorel PAUL	vice-president
• Mr. Mircea BOTTA	general secretary
• Mrs. Dana Mirela IONESCU	member
• Mr. Liviu GIUGIUMICA	member
• Mr. Rares NILAS	member
• Mr. Octavian MOLNAR	member
• Mr. Adrian MANAILA	member

Members of the Board of Governors - starting with the date of February 20th 2010:

• Mr. Stere Constantin FARMACHE	president
• Mr. Mircea BOTTA	vice-president
• Mr. Ciprian ZAH	vice-president
• Mr. Siminel ANDREI	general secretary
• Mr. Daniel TEPES	member
• Mr. Cosmin GHEOERGHIU	member
• Mr. Lucian ISAC	member
• Mr. Ionel ULEIA	member
• Mr. Octavian MOLNAR	member

Members of executive management:

• Mrs. Anca DUMITRU	general director – until September 26th 2010
• Mr. Valentin Marcel IONESCU	general director – starting September 27th 2010
• Mr. Alin BARBU	deputy general director
• Mr. Marcel TANASESCU	economic director
• Mr. Calin MACEDON	director
• Mrs Ileana BOTEZ	director

December 31st 2009

Members of the Board of Governors:

• Mr. Stere FARMACHE	president
• Mr. Sergiu Ovidiu POP	vice-president
• Mr. Dan Viorel PAUL	vice-president
• Mr. Mircea BOTTA	general secretary
• Mrs Dana Mirela IONESCU	member
• Mr. Liviu GIUGIUMICA	member
• Mr. Rares NILAS	member
• Mr. Octavian MOLNAR	member
• Mr. Adrian MANAILA	member

for the financial year ended on December the 31st 2010 (thousands lei)

25. Transactions with affiliated parties (*continued*)

Members of executive management:

- Mrs. Anca DUMITRU general director
- Mrs. Petra ALEXANDRU director – up to the date of 30.06.2009
- Mr. Alin BARBU director
- Mr. Marcel TANASESCU economic director

In the course of year 2010, the salaries paid to key personnel in the management of BVB were in amount of 1.200 thousand lei (2009: 1.030 thousand lei). In 2010 the expenses with the indemnifications of the members of the Board of Governors and the members of the Special Commissions were in amount of 583 thousand lei (the financial year ended on December 31st 2009: 545 thousand lei).

The Group did not grant any loans, advance payments or guarantees in favor of the members of the Board of Governors or the executive directors of BVB.

26. Commitments and contingent liabilities

(a) Court actions

The Group in the object of a number of summonings in court resulted from the normal course of activity developed. The management of the Group considers that beside the sums already registered in these financial statements as provisions or adjustments for the depreciation of assets and described in the notes to these financial statement, further summoning in court will not have significant adverse effects on the economic results and on the Group's financial position.

(c) Operating leasing

The Group has the following commitments arising from rental contracts:

	2010	**2009**
Obligations from rent contracts due under a year starting December 31st	1.754	2.405
Obligations from rent contracts due over a year starting December 31st	2.486	695
Total	**6.250**	**5.109**

These commitments can be canceled with a notice of 3 months. Rental contracts for the hedquarters of the entities are concluded for periods of up to 3 years, that is why there are no commitments with the rent that have due dates in excess of five years.

26. Commitments and contingent liabilities (*continued*)

(d) Commitments outside the balance sheet

The Group is exposed to credit risk through the activity carried out through its subsidiaries Central Depository SA, Bucharest Clearing House SA and the Investors Compensation Fund SA.

On December 31st 2010, the fair value of the derivatives in settlement for which CCB acts as central counterparty, being a creditor party, respectively debtor party in relation to the compensatory members is 463.338 lei (December 31st 2009: 4.178.240 lei; December 31st 2008: 122.047 lei).

On December 31st 2010, the value of the transactions with securities with the transaction date at the end of year 2010 and settled in 2011 is 122.556 thousand lei (December 31st 2009: 0 thousand lei; December 31st 2008: 0 thousand lei).

Until present time no event was registered by the Investors Compensation Fund able to generate payment of compensations.

27. Events subsequent to the date of the balance sheet

Up to the date of publishing these financial statement no significant events took place capable of affecting the consolidated statement of the Group's financial position on December 31st 2010.