

BASE PROSPECTUS



**BANCA COMERCIALĂ ROMÂNĂ S.A.
BCR FINANCE B.V.**

GUARANTEED BY

BANCA COMERCIALĂ ROMÂNĂ S.A.

EUR 3,000,000,000

Euro Medium Term Note Programme

An application has been made to the *Luxembourg Commission de Surveillance du Secteur Financier* (the "CSSF"), which is the Luxembourg competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in Luxembourg, for the approval of this Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with regard to the issue of notes issued under the Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus during the period of twelve months after the date hereof. Under the Programme, the Issuers, subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities specified in the relevant Final Terms as either domestic notes issued in the English language under Romanian law (the "**Romanian Notes**") or international notes issued in the English language under English law ("**International Notes**", and together with the Romanian Notes, the "**Notes**"). Applications have been made for the International Notes to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of the Directive 2004/39/EC on markets in financial instruments. Application may be made, during the period of twelve months after the date hereof, for a certificate of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the CSSF to *Comisia Națională a Valorilor Mobiliare* ("CNVM"), the competent authority in Romania. Further application may be made, during the period of twelve months after the date hereof, for the Romanian Notes to be admitted to, and admitted to trading on, the Spot Regulated Market (the "**Romanian Market**") of the Bucharest Stock Exchange (*Bursa de Valori București S.A.*, the "**BVB**") which is a regulated market for the purposes of the Directive 2004/39/EC on markets in financial instruments. Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one month and no maximum maturity. The aggregate principal amount of Notes outstanding will not at any time exceed EUR 3,000,000,000 (or the equivalent in other currencies).

The relevant Final Terms in respect of any issue of any Notes will specify whether or not such Notes will be admitted to listing and/or trading on any other market and/or stock exchange.

For the purpose of admitting any particular issue of Notes to listing and/or trading in any Member State of the European Economic Area, the Issuer may request the CSSF from time to time to provide competent authorities in such other host Member States with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with Article 5.4 of the Prospectus Directive, and relevant implementing legislation in Luxembourg. Notes may also be issued under this Programme that are neither listed nor admitted to trading on any stock exchange or regulated market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and, subject to certain exceptions, may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S ("Regulation S") under the Securities Act). The Notes are being sold in reliance on the exemption from the provisions of Section 5 of the Securities Act provided by Regulation S.

Each series of International Notes issued in bearer form ("**Bearer Notes**") will be initially represented by a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**" and together with the Temporary Global Note, the "**Global Note**"). International Notes in registered form ("**Registered Notes**") will be represented by individual note certificates (each an "**Individual Note Certificate**"), one Individual Note Certificate being issued in respect of each Noteholder's entire holding of registered Notes of one series or, in the case of International Notes, by a global Note in registered form (the "**Global Registered Note**"). Romanian Notes will be nominative, dematerialised (registered) Notes.

Each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "NGN"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper (the "**Common Safekeeper**") for Euroclear System ("**Euroclear**") and/or Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**"). Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. Global Notes which are not issued in NGN form ("**Classic Global Notes**" or "CGNs") and Global Registered Notes will be deposited on the issue date with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depository**"). The Romanian Notes will be deposited on or about the issue date with the Romanian Central Depository ("**RCD**") on behalf of the relevant Issuer.

The provisions governing the exchange of interests in (i) Global Notes for other Global Notes or Definitive Notes and (ii) Global Registered Notes for Individual Note Certificates are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

Tranches of Notes (as defined in "*Overview of the Programme*") may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuers and the Guarantor to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below.

ERSTE GROUP BANK

Arranger and Dealer

The date of this Offering Circular is 06 July 2010

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IMPORTANT NOTICES

Each of Banca Comercială Română S.A. ("**BCR**") as an issuer, BCR Finance B.V. ("**BCR Finance**") as an issuer (each an "**Issuer**", together the "**Issuers**") and Banca Comercială Română S.A. as guarantor (the "**Guarantor**") (the Issuers together with the Guarantor the "**Responsible Persons**") accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Each Tranche (as defined herein) of (i) International Notes will be issued on the terms set out herein under "Terms and Conditions of the International Notes" (the "**International Conditions**") and (i) Romanian Notes will be issued on the terms set out herein under "Terms and Conditions of the Romanian Notes" (the "**Romanian Conditions**" and, together with the International Conditions, the "**Conditions**"), as amended and/or supplemented by a document specific to such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "Final Terms and Drawdown Prospectuses" below. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

The Issuers and the Guarantor have confirmed to the Dealer named under "Subscription and Sale" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuers or the Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuers or the Guarantor or the Dealer.

Neither the Dealer nor any of its affiliates has authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuers or the Guarantor since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuers, the Guarantor and the Dealer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "Subscription and Sale". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States or to U.S. persons.

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Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes in any jurisdiction where it is unlawful to do so and should not be considered as a recommendation by the Issuers, the Guarantor, the Dealer or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuers and the Guarantor.

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed EUR 3,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Programme Agreement). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement as defined under "Subscription and Sale".

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**" or "**euro**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended. References to "**ROL**" are references to the lawful currency of Romania prior to 1 July 2005, while references to "**RON**" are to the new lawful currency of Romania, following redenomination of the Romanian currency on 1 July 2005.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms or a Drawdown Prospectus in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for any Issuer or Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms or is a Drawdown Prospectus which specifies that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms or drawdown prospectus, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuers nor the Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for either Issuer or the Dealer to publish or supplement a prospectus for such offer.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or persons acting on behalf of the Stabilising Manager(s)) in accordance with all applicable laws and rules.

SUMMARY

This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any information incorporated by reference. Following the implementation of the Prospectus Directive (Directive 2003/71/EC) in each Member State of the European Economic Area, no civil liability attaches to the Responsible Persons in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus, including any information incorporated by reference. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member States, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Words and expressions defined in the "Terms and Conditions of the International Notes" or the "Terms and Conditions of the Romanian Notes" below or elsewhere in this Base Prospectus have the same meanings in this summary.

Issuers:	<p>Banca Comercială Română S.A. or BCR is a credit institution licensed by the NBR to conduct banking activities BCR is indirectly majority owned by Erste Group Bank AG and is incorporated as a joint stock company for an indefinite period of time under the laws of Romania. BCR together with the companies within the Group provide a full range of banking and financial services, including deposit taking, lending, mortgage lending, investment banking, securities trading and derivatives business (on its own account and for its customers), portfolio management, project finance, international trade finance, corporate finance, capital and money market services, foreign exchange, leasing, factoring, bank assurance and private pension fund management.</p> <p>BCR Finance B.V. is a wholly owned subsidiary of BCR, the ultimate holding entity being Erste Group Bank AG. BCR Finance is incorporated as a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) for an indefinite period of time under the laws of The Netherlands. The main activity of BCR Finance is the provision of financing to the Group.</p>
Guarantor:	Banca Comercială Română S.A.
Arranger:	Erste Group Bank AG
Dealer:	Erste Group Bank AG and any other Dealer appointed from time to time by the Issuers and the Guarantor either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Fiscal Agents:	<p>BNP Paribas Securities Services, Luxembourg Branch in respect of the International Notes</p> <p>Banca Comercială Română S.A. in respect of the Romanian Notes</p>
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of International Notes will be the Terms and Conditions of the International Notes as supplemented, amended and/or replaced to the extent described in the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Romanian Notes will be the Terms and Conditions of the Romanian Notes as supplemented, amended and/or replaced to the extent described in the relevant Final Terms or, as the case may be, the relevant Drawdown

Prospectus.

- Listing and Trading:** Applications have been made for the International Notes to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange. Application may be made during the period of twelve months after the date hereof for a certificate of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the CSSF to the CNVM, the competent authority in Romania. Further application may be made during the period of twelve months after the date hereof for the Notes to be admitted to, and admitted to trading on, the Romanian Market. Unlisted Notes may be issued pursuant to this Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading on any other market and/or stock exchange.
- Clearing Systems:** For International Notes, Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
- Romanian Notes will in all cases be cleared through the Romanian Central Depository ("RCD").
- Initial Programme Amount:** Up to EUR 3,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed at any one time.
- Issuance in Series:** Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
- Forms of Notes:** The Notes may be International Notes or Romanian Notes, as specified in the relevant Final Terms. International Notes may be issued in bearer form or in registered form. Romanian Notes may be issued in registered form.

Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "New Global Note" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and,

if appropriate, a Talon for further Coupons.

Each Tranche of Registered Notes will be in the form of Individual Note Certificates or, in the case of International Notes, a Global Registered Note, in each case as specified in the relevant Final Terms. Each Global Registered Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

Each Tranche of Romanian Notes will be nominative, dematerialised (registered) Notes, issued in the Specified Denomination. Romanian Notes may be deposited on or around the relevant issue date with RCD.

Currencies:	Notes may be denominated in euro or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements and, without limitation, in the case of currencies other than euro and RON, subject to specific corporate approval by the relevant Issuer and, where relevant, the Guarantor. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
Status of the Notes:	Notes may be issued on a subordinated or unsubordinated basis, as specified in the relevant Final Terms.
Status of the Guarantee:	Notes issued by BCR Finance will be unconditionally and irrevocably guaranteed by the Guarantor, on an unsubordinated or a subordinated basis, as specified in the relevant Final Terms.
Issue Price:	Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Maturities:	Any maturity of no less than one month, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Redemption:	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Final Terms. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Final Terms.
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.
Tax Redemption:	Except as described in "Optional Redemption" above, early redemption will only be permitted for tax reasons as described in International Condition 10(c) (<i>Redemption for tax reasons</i>) or Romanian Condition 10(c) (<i>Redemption for tax reasons</i>), as applicable.
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between

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the issue date and the maturity date of the relevant Series.

- Fixed Interest Rate Notes:** Fixed interest will be payable in arrear on the date or dates in each year specified in Part A of the relevant Final Terms.
- Floating Rate Notes:** Floating Rate Notes will bear interest set separately for each Series:
- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as defined in the Conditions); or
 - (ii) by reference to LIBOR or EURIBOR (or such other benchmark as may be specified in Part A of the relevant Final Terms) as adjusted for any applicable margin.
- Zero Coupon Notes:** Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.
- Index-linked Notes:** Index-linked Notes may either be issued as Index-linked Interest Notes where payments of interest will be made by reference to a single index or other factors or as Index-linked Redemption Notes where payment of principal will be calculated by reference to a single index or other factors or may be issued as a combination of Index-linked Interest Notes and Index-linked Redemption Notes.
- Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Index-linked Notes will be calculated by reference to such stock or commodity or other index, currency exchange rate and/or formula as the relevant Issuer and the relevant Dealer or other purchaser may agree (as indicated in Part A of the relevant Final Terms).
- Fund-linked Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Fund-linked Notes will be calculated by reference to such fund or basket of funds as the relevant Issuer and the relevant Dealer or other purchaser may agree (as indicated in Part A of the relevant Final Terms).
- Equity-linked Notes:** Payments in respect of Equity-linked Notes will be calculated by reference to such single equity security or basket of equity securities, as indicated in Part A of the relevant Final Terms.
- Commodity-linked Notes:** Payments in respect of Commodity-linked Notes will be calculated by reference to a commodity, as indicated in Part A of the relevant Final Terms.
- Subordinated Notes:** Subordinated Notes issued by BCR may be issued in accordance with the regulatory capital rules applicable to BCR under Romanian law from time to time.
- Other Notes:** Terms applicable to High Interest Notes, Low Interest Notes, Step-up Notes, Step-down Notes, Inverse/Reverse Floating Rate Notes, Fixed to Floating Rate Notes, Instalment Notes, Dual Currency Notes, Reverse Dual Currency Notes, Optional Dual Currency Notes, Partly-paid Notes, and any other type of Note that an Issuer, the Guarantor and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms and/or Drawdown Prospectus.
- Denominations:** No Notes may be issued under the Programme which (a) have a minimum denomination of less than EUR 1,000 (or nearly equivalent

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in another currency) or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the relevant Issuer or by any entity to whose group such Issuer belongs. Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Negative Pledge: The Notes will have the benefit of a negative pledge as described in International Condition 5 (*Negative Pledge*) or Romanian Condition 5 (*Negative Pledge*), as applicable.

Cross Default: The Notes will have the benefit of a cross default as described in International Condition 14 (*Events of Default*) or Romanian Condition 13 (*Events of Default*), as applicable.

Risk Factors: Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuers to fulfill their obligations under the Notes are discussed under "Risk Factors" below and include risks related to the Notes and risks related to the Issuers, such as:

- Risks related to the Issuers and their business, such as: competition from other global, national and local banks; economic fluctuations and tightening of lending conditions; dependence of BCR Finance's ability to service its debt obligations upon receipt of funds from other Group members; impact of regulatory changes;

- Risks relating to investments in emerging markets, such as: fluctuations in the global economy; legislative and judicial factors; risks arising from the disclosure and the availability of public information;

- Risks associated with the trading of the Notes, such as: risks related to the secondary market generally; risks arising from BVB being substantially smaller and less liquid; risks arising from the inability to list the Notes on the Luxembourg Stock Exchange and/or the BVB; restrictions in early redemption of Romanian Notes; and

- Risks associated with various types of Notes issued under the Programme, such as option price risk, inflation risk, liquidity risk, market price risk, early redemption risk, reinvestment risk, risk of potential conflicts of interest; exchange rate risks and exchange controls.

Taxation: All payments in respect of Notes will be made free and clear of withholding taxes of Romania or The Netherlands, as the case may be, unless the withholding is required by law. In that event, the relevant Issuer will (subject as provided in International Condition 13 (*Taxation*) or Romanian Condition 12 (*Taxation*), as applicable) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.

Governing Law: International Notes will be governed by English law. Romanian Notes will be governed by Romanian law.

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Enforcement of Notes in Global Form: In the case of Global Notes, individual investors' rights against the relevant Issuer will be governed by a Deed of Covenant dated 12 June 2009, a copy of which will be available for inspection at the specified office of the International Fiscal Agent.

Selling Restrictions: For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, Romania and The Netherlands, see "Subscription and Sale" below.

RISK FACTORS

Prospective investors should read the entire Base Prospectus. Words and expressions defined in the "Terms and Conditions of the International Notes" or the "Terms and Conditions of the Romanian Notes" below (as applicable) or elsewhere in this Base Prospectus have the same meanings in this section.

Investing in Notes issued under the Programme involves certain risks. Prospective investors should consider, among other things, the following:

Risks related to the Issuers and their business

Competition from other global, national and local banks

BCR competes with global, national and local banking and financial services companies. Some international competitors may be larger and have greater financial, technical and operating resources. The banking and financial services industries are highly competitive on the basis of both price and service and there are many companies competing for the same customers in the markets in which BCR operates.

Economic fluctuations and tightening of lending conditions

Since the second half of 2007, disruption in the global credit markets, coupled with the repricing of credit risk and serious illiquidity, have created increasingly difficult conditions in the financial markets. During 2008, these conditions started to affect the Romanian market in which the Group operates and they continue to do so. Financial markets are subject to periods of historic volatility, which may impact the Group's ability to fund its business in a similar manner, and at a similar cost, to the funding raised in the past. The present challenging market conditions have resulted in greater volatility, reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. Changes in the credit, securities, investment and inter-bank markets, including changes in interest and exchange rates, may affect the financial performance of the Group. In addition, the financial performance of the Group could be adversely affected by a worsening of general economic conditions in the markets in which it operates.

Demand for loans depends primarily on the general economic conditions of the economy, consumer confidence, lending rules and conditions, as well as demographic factors and consumer preferences. In periods of economic uncertainty and decline, consumers tend to decrease their overall spending and limit their banking indebtedness.

After large increases in levels of consumer credit in Romania, the National Bank of Romania (the "NBR") tightened the conditions for granting consumer credit, thus making consumer credit less accessible to Romanian individuals with lower incomes. Moreover, following the financial support agreement reached by the Romanian Government and the IMF in March 2009, through the 2010 letter of intent, the Romanian Government committed to reduce public sector wages by 25 per cent. and certain social allowances by 15 per cent. as of June 2010, thus making consumer credit less accessible to certain Romanian individuals. As a consequence, BCR's business, financial condition and results of operations could be materially affected.

Failure or malfunctioning of IT systems

In common with other banks, BCR's activities are increasingly dependant on highly sophisticated information technology ("IT") systems. IT systems are vulnerable to a number of factors, such as computer virus infection, malicious hacking, physical damage to vital IT centres and software or hardware malfunctions. Additionally, further operational risks may stem from inadequate or failed internal processes, people and systems or from external events. Failure to manage such risks may affect BCR's ability to fulfil its obligations under Notes issued under the Programme.

Dependence of BCR Finance's ability to service its debt obligations upon receipt of funds from other Group members

BCR Finance is a special purpose vehicle and its primary assets are the interests received under the loans granted by BCR Finance to BCR. BCR Finance's ability to meet its financial obligations will depend on the ability of BCR to generate funds and to pay interests under the loans received from BCR Finance. BCR Finance's obligations are guaranteed by BCR. Without calling on such guarantee, there can be no

assurance that BCR Finance will receive sufficient funds from other members of the Group as its debtors, to meet its financial obligations

Tax residence of BCR Finance

BCR Finance is incorporated in The Netherlands and is currently considered a Dutch resident for tax purposes. Generally, in order to maintain Dutch tax residence, management and control of BCR Finance must take place in The Netherlands. If management and control of BCR Finance were to be conducted in a jurisdiction other than The Netherlands, the existing tax residence of BCR Finance in The Netherlands could be jeopardised. Consequently, BCR Finance must meet all applicable requirements for Dutch tax residence under the tax legislation of The Netherlands, the relevant tax treaties and the provisions of its Articles of Association. If BCR Finance fails to meet these requirements or, in some cases, even if BCR Finance does meet these requirements, the tax authorities of another jurisdiction, in which the interests of BCR Finance are managed or where strategic or significant operational decisions or resolutions are made, could conclude that BCR Finance is resident in that jurisdiction for tax purposes or has a taxable presence there. Taxation of BCR Finance in a jurisdiction other than The Netherlands could have a material adverse effect on the financial condition and results of operations of BCR Finance, by increasing tax expenses.

Impact of regulatory changes

BCR is subject to financial services laws, regulations, administrative actions and policies in Romania. Changes in supervision and regulation, changes in laws, regulations or regulatory policies or increased competition in the market could materially affect BCR's business and the banking products and services offered. Furthermore, the introduction of new regulations, such as the introduction of a new framework for capital adequacy rules commonly known as Basel II or changes in accounting matters and/or their application, may adversely affect BCR's business, in line with the entire banking system, as its implementation and compliance may result in costs that currently cannot be definitively determined.

Market risk

Fluctuations in the debt and equity markets may affect the market value and liquidity of the Issuers' assets and, thus, the Issuers' ability to service their payment obligations under the Notes or the Guarantee.

Credit risk

The Issuers are exposed to a variety of counterparty and credit risks, including risks arising from changes in credit quality and the recoverability of loans and other amounts due from borrowers and other counterparties. Third parties that owe Issuers money, securities or other assets may not pay or perform under their obligations due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

The development of the Issuers' operating performance, loan loss levels or write-downs and impairments, as applicable, could adversely affect their results and may result in capital requirements that could constrain their operations, reducing their ability to service payments under the Notes and potentially adversely affecting the trading price of the Notes.

Change of interest rates

Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) may adversely affect BCR's results of operations and costs of funding.

Currency risk

Most of BCR's assets and customers are located in Romania and financial transactions in currencies other than the RON give rise to foreign currency risks, leading to a material adverse effect on BCR's business, operations, financial condition or prospects which, in turn, could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes.

Liquidity risk

The Issuers are exposed to liquidity risks which could materialise in the event that their respective obligations are not matched to their assets. In particular, ready access to funds is essential to any banking business, including that operated by BCR and its subsidiaries. BCR's main sources of funding are deposits from corporations and private individuals. BCR is therefore vulnerable to any downturn in economic conditions or other factors which would precipitate a significant increase in the level of withdrawal of such funds. Failure to manage such risks may affect BCR's ability to fulfil its obligations under Notes and/or the Guarantee.

Concentration of the BCR's loan book

BCR's loan portfolio (and that of its banking subsidiaries) is focussed on individual customers and corporate customers in certain industries, particularly trade, agriculture, food production and real estate. The decrease of public sector wages by 25 per cent. and other certain social allowances by 15 per cent as of June 2010 (following the financial support agreement between the IMF and the Romanian Government) and any other development, which has a negative effect on the financial condition of such customers may have an adverse effect on BCR's financial condition.

Risks relating to investments in emerging markets

Economic and political environment

Investors in emerging markets, such as Romania, should be aware that these markets are subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks. Investors should also note that emerging economies, such as the economy of Romania, are subject to rapid change and that the information set out herein may become outdated relatively quickly. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved, and investors are urged to consult their own legal and financial advisers before making an investment in the Notes.

Accession to the European Union

Romania entered the European Union in 2007, has undergone and continues to undergo changes in legislation due to its EU accession. As a result of these changes, there is a lack of established practice under many securities, tax and other regulatory regimes in Romania and new regulations are subject to contradictory or ambiguous and frequently changing interpretations by Romanian regulatory authorities. Consequently, companies operating in this region may face tax, securities and other regulatory compliance-related risks that may be less predictable than in countries with more stable regulatory systems. As part of the EU accession process, the European Union has established a series of measures for new member states to adhere to in order to fulfil basic EU membership requirements. Similarly, the European Commission progress report on the Co-operation and Verification Mechanism with Romania approved and published by the Commission on 22 July 2009 indicated, as a general remark, that, important reform proposals have been tabled by the government and that the positive track record of the prosecution is starting to be complemented by action of the judiciary system. However, in order for Romania to be able to demonstrate sustained progress, it is indicated that the judicial reform process should not be politicised. In the view of the Commission, the Mechanism acts as a support tool that needs to be maintained until these reforms are achieved. An Interim report was published on 23 March 2010 and the Commission will reassess further progress in the summer of 2010. Unless satisfactory reforms are made in the near future, Romania could face EU sanctions, which could have a material adverse effect on the trading price of the Notes.

Disclosure and availability of public information

The reporting, accounting and financial practices applicable to Romanian companies differ, in certain important respects, from those applicable to similar companies in other European countries. For example, less financial information on Romanian financial institutions is publicly available than in many other European countries. However, Romanian commercial banks, which are regulated by the NBR, are subject to mandatory disclosure rules, which require them to provide information relating to certain financial indicators to the NBR.

Fluctuations in the global economy

Romania's economy is vulnerable to market downturns and economic slowdowns elsewhere in the world. The impact of global economic developments is often felt more strongly in emerging markets such as Romania than it is in more mature markets. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Romania and its economy could face severe liquidity constraints, with a significant impact on BCR's activities. In addition, the market value of the Notes may be impacted by developments in Romania or elsewhere in the emerging markets, including by developments that do not relate to BCR. In particular investors should note that, further to the European Union and the IMF agreeing upon a bailout package of 110 billion euro for Greece (aimed to prevent Greece from a debt default), there are also fears that financial doubts will contaminate other European economies. As a consequence, the secondary market for the Notes may be illiquid. The Issuers cannot predict when these circumstances will change.

Legislative and judicial factors

BCR's operations in Romania are subject to, and must comply with, a variety of Romanian laws and regulations governing a number of matters, including banking, data protection, labour relations, welfare, competition and tax. The Romanian Constitution was significantly amended at the end of 2003 for the purpose of harmonising it with EU standards, while banking law, competition law, securities law, companies law, bankruptcy law and other laws continue to be revised and new laws are being enacted in order to keep pace with the transition to a market economy and with the accession to the European Union. Primary legislation often takes effect immediately and before the preparation of secondary regulations. Any failure to comply with applicable laws or regulations may result in fines or other sanctions by the relevant regulator and may have negative reputation consequences. In addition, the legal and judicial systems in Romania are not as developed as in some other European countries. Existing laws and regulations may be applied inconsistently and it may not be possible, in certain circumstances, to obtain legal remedies in a reasonably timely manner. The relatively limited experience of a significant number of the magistrates and the existence of a number of issues relating to the independence of the judiciary system may lead to ungrounded decisions or to decisions based on non-legal considerations. The Romanian judicial system may at times generate unjustified delays in the resolution of cases. The enforcement of judgments sometimes proves difficult which has meant that the enforcement of rights through the Romanian court systems may be laborious. This lack of legal certainty and the inability to obtain effective legal remedies in a reasonably timely manner may adversely affect BCR's business, financial condition and results of operations, and the trading price of the Notes.

Risks associated with the trading of the Notes

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

The BVB is substantially smaller and less liquid

As at 31 December 2009, 3 corporate bond issues were registered for trading on the Spot Market of the BVB. A very small number of debt securities represent the gross majority of the debt trading volumes of BVB. There is no guarantee that the Romanian Notes, even though expected to be listed on the Spot Market of the BVB, will be actively traded, and if they are not, this is likely to increase their price volatility and/or adversely affect the price of the Romanian Notes.

Inability to list the Notes on the Luxembourg Stock Exchange and/or the BVB

The admission of the International Notes to trading on the Luxembourg Stock Exchange and of the Romanian Notes to trading on the BVB requires that this Base Prospectus be approved by the CSSF, as the competent authority in Luxembourg under the Prospectus Directive and that the CNVM in Romania

Date: 06 July 2010

receive a certificate from the CSSF confirming that this Base Prospectus has been approved thereby, and that the Luxembourg Stock Exchange and the BVB approve the listing and trading on the relevant stock exchange. Admission to trading on the BVB and the Luxembourg Stock Exchange is subject to certain requirements. The Issuers intend to take all necessary steps to ensure that the International Notes are admitted to trading on the Luxembourg Stock Exchange and that the Romanian Notes are admitted to trading on the BVB as soon as possible after the issuance of the relevant Notes. However, there is no guarantee that, should the admission conditions change, all of such listing conditions will be met. Consequently, should the applicable admission conditions change, there is no assurance that the International Notes will be admitted to trading on the Luxembourg Stock Exchange and that the Romanian Notes will be admitted to trading on the BVB on the estimated dates or at all.

Integral multiples of less than EUR 50,000

In relation to any issue of International Notes which is specified in the relevant Final Terms as having a denomination consisting of a minimum Specified Denomination of at least EUR 50,000 plus a higher integral multiple of another smaller amount, it is possible that the International Notes may be traded in amounts in excess of EUR 50,000 (or its equivalent) that are not integral multiples of EUR 50,000 (or its equivalent). In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

Suspension of trading in the Notes

The Luxembourg Stock Exchange and the BVB have the right to suspend trading in listed bonds if the issuer fails to comply with the regulations of the exchange (such as, for example, specific disclosure requirements) or if such suspension is necessary to protect the interests of market participants or the orderly functioning of the market is temporarily endangered. There can be no assurance that trading in the Notes will not be suspended. Any suspension of trading could adversely affect the trading price of the Notes. Moreover, if the Issuers fail to fulfil certain requirements or obligations under the applicable laws and regulations relevant to companies whose securities are listed on the Luxembourg Stock Exchange or the BVB, or if the orderly stock exchange trading, the safety of trading thereon or investors' interests are endangered, the Notes can be excluded from trading on the respective stock exchange. There can be no assurance that such a situation will not occur in relation to the Romanian and/or the International Notes.

Restrictions in early redemption of Romanian Notes

It is intended that Romanian Notes be admitted to trading on the BVB. Except for very limited cases expressly provided for by the Romanian securities legislation, transactions with securities listed on the BVB must be performed through the BVB systems, at the market price of the relevant securities. Romanian Terms and Conditions provide for situations where, at the relevant Issuer's option or at the Noteholders' option, Romanian Notes may be partially redeemed before maturity, at the price agreed in the Romanian Terms and Conditions.

As Romanian securities legislation contemplates no such partial redemption outside the BVB system, unless the applicable legislation is amended, alternative arrangements will need to be put in place and Noteholders may have to invest additional efforts in order for Romanian Notes to be partially redeemed before maturity as agreed in the Romanian Terms and Conditions. In the worst case, Romanian Notes may not be partially redeemed before maturity.

Insufficient reflection by credit ratings and securities analysts

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The trading market for the Notes will be influenced by the research and reports that industry or securities analysts publish about the Issuers or their businesses. If one or more of the analysts who cover the Issuers or their industries downgrade the Notes, the market price of the Notes would likely decline. If one or more of these analysts ceases coverage of the Issuers or fails to regularly publish reports on the Issuers,

the Issuers could lose visibility in the financial markets, which could cause the market price of the Notes or trading volume to decline.

Noteholders' rights

BCR and BCR Finance are organised and existing under the laws of Romania and The Netherlands, respectively. Accordingly, their corporate structure, as well as the rights and obligations of the Noteholders, may be different from the rights and obligations of holders of Notes listed on the Luxembourg Stock Exchange or BVB, respectively and incorporated in other jurisdictions. The exercise of certain Noteholders' rights for non-Romanian or non-Dutch investors in a Romanian and Dutch company, respectively, may be more difficult and costly than the exercise of rights in companies incorporated in other EU member states.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. Resolutions of general meetings of Noteholders may be taken with majorities different from the majorities required for adoption of equivalent resolutions in other EU member states. Also, defined majorities can bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Risks associated with various types of Notes issued under the Programme

Option price risk

The option price is the premium which is paid by an investor to acquire an option. The option premium is primarily affected by the difference between the price of the underlying asset and the strike price, the time remaining for the option to be exercised, and the volatility of the underlying asset. Affecting the option price to a lesser degree are factors such as interest rates, market conditions, and the dividend rate of the underlying asset. Changes in the price and volatility of the underlying asset strongly influence the option price. The value of an option tends to decrease as its expiration date approaches and the option becomes worthless after that date.

Inflation risk

Inflation risk describes the possibility that the value of assets such as the Notes or income therefrom will decrease as inflation shrinks the purchasing power of a currency. Inflation causes the rate of return to decrease in value. If the inflation rate exceeds the interest paid on any Notes the yield on such Notes will become negative.

Liquidity risk

Regardless of whether the Notes are listed or not on the Luxembourg Stock Exchange or the BVB, as applicable, there can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. If the Notes are not listed on any stock exchange, pricing information for such Notes may, however, be more difficult to obtain, which may adversely affect the liquidity of the Notes. In an illiquid market, an investor might not be able to sell its Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country-specific reasons.

Market price risk

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Note. The holder of Notes is therefore exposed to the risk of an unfavourable development of market prices of its Notes which materialises if the holder sells the Notes prior to the final maturity of such Notes. If the holder decides to hold the Notes until final maturity the Notes will be redeemed at the amount set out in the relevant Final Terms.

Risk of early redemption

The applicable Final Terms will indicate whether the relevant Issuer may have the right to call the Notes prior to maturity (an optional call right) if any or whether the Notes will be subject to early redemption upon the occurrence of an event specified in the applicable Final Terms (an early redemption event). The relevant Issuer will always have the right to redeem the Notes if such Issuer is required to make additional (gross-up) payments for reasons of taxation. If such Issuer redeems the Notes prior to maturity or the Notes are subject to early redemption due to an early redemption event, a holder of such Notes is exposed to the risk that, due to early redemption, its investment will have a lower than expected yield. The relevant Issuer might exercise its optional call right if the yield on comparable Notes in the capital markets falls, which means that the investor may only be able to reinvest the redemption proceeds in Notes with a lower yield.

Reinvestment risk

Noteholders may be subject to the risk that interest earned from an investment in the Notes, in the event of an early redemption of any Notes, may not be able to be reinvested in such a way that they earn the same rate of return as the redeemed Notes.

Currency risk/Dual Currency Notes

A holder of Notes denominated in a foreign currency and a holder of Dual Currency Notes is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks and governments. A change in the value of any foreign currency against the euro, for example, will result in a corresponding change in the euro value of Notes denominated in a currency other than euro and a corresponding change in the euro value of interest and principal payments made in a currency other than in euro in accordance with the terms of such Notes. If the underlying exchange rate falls and the value of the euro correspondingly rises, the price of the Notes and the value of interest and principal payments made thereunder expressed in euro falls.

Fixed Rate Notes

A holder of Fixed Rate Notes is exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate. While the nominal interest rate of Fixed Rate Notes as specified in the applicable Final Terms is fixed during the life of such Notes, the current interest rate on the capital market for issues of the same maturity (the "**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the price of Fixed Rate Notes also changes, but in the opposite direction. If the market interest rate increases, the price of Fixed Rate Notes typically falls, until the yield of such Notes is approximately equal to the market interest rate. If the market interest rate falls, the price of Fixed Rate Notes typically increases, until the yield of such Notes is approximately equal to the market interest rate. If the holder of Fixed Rate Notes holds such Notes until maturity, changes in the market interest rate are without relevance to such holder as the Notes will be redeemed at a specified redemption amount, usually the principal amount of such Notes.

Floating Rate Notes

Floating Rate Notes tend to be volatile investments. A holder of Floating Rate Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of Floating Rate Notes in advance. If Floating Rate Notes are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, the market value may be more volatile than those for Floating Rate Notes that do not include these features. If the amount of interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the interest rates on interest payable will be increased. The effect of a cap is that the amount of interest will never rise above and beyond the predetermined cap, so that the holder will not be able to benefit from any actual favourable development beyond the cap. The yield could therefore be considerably lower than that of similar Floating Rate Notes without a cap.

Inverse/Reverse Floating Rate Notes

Inverse Floating Rate Notes (also called Reverse Floating Rate Notes) have an interest rate which is determined as the difference between a fixed interest rate and a floating rate reference rate such as the Euro Inter-bank Offered Rate ("EURIBOR") or the London Interbank Offered Rate ("LIBOR") which means that interest income on such Notes falls if the reference interest rate increases. Typically, the market value of Inverse Floating Rate Notes is more volatile than the market value of other more conventional floating rate notes based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest payable on the Notes, but may also reflect an increase in prevailing interest rates, which may further adversely affect the market value of such Notes.

Fixed to Floating Rate Notes

Fixed to Floating Rate Notes bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since such Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed to Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes relating to the same reference rate. In addition, the new floating rate at any time may be lower than the interest rates payable on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the then prevailing interest rates payable on its Notes.

Zero Coupon Notes

Zero Coupon Notes do not pay current interest but are issued at a discount from their nominal value. Instead of periodical interest payments, the difference between the redemption price and the issue price constitutes interest income until maturity and reflects the market interest rate. A holder of Zero Coupon Notes is exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate. Prices of Zero Coupon Notes are more volatile than prices of Fixed Rate Notes and are likely to respond to a greater degree to market interest rate changes than interest bearing notes with a similar maturity.

Index-linked Notes

Index-linked Notes may either be issued as Index-linked Interest Notes where payments of interest will be made by reference to a single index or other factors (including changes in the price of securities and commodities or movements in exchange rates) and/or such formula as may be specified by the relevant Issuer and Dealer(s) (as indicated in the applicable Final Terms) or as Index-linked Redemption Notes where payment of principal will be calculated by reference to a single index or other factors (including changes in the price of securities and commodities or movements in exchange rates) and/or such formula as may be specified by the relevant Issuer and Dealer(s) (as indicated in the applicable Final Terms) or may be issued as a combination of Index-linked Interest Notes and Index-linked Redemption Notes.

If payment of interest is linked to a particular index, a holder of Index-linked Interest Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income or may even receive no interest at all which may have the effect that the yield of an Index-linked Interest Note is negative. If payment of principal is linked to a particular index, a holder of Index-linked Redemption Notes is exposed to the risk that the repayment amount is uncertain. Depending on the calculation of the repayment amount, the yield of an Index-linked Redemption Note may be negative and an investor may lose the value of its entire investment or parts of it. The more volatile the relevant index, the greater is the uncertainty in respect of interest income and repayment amount. Uncertainty with respect to interest and repayment amount makes it impossible to determine the yield of Index-linked Notes in advance.

Risks in connection with caps

If the interest rate and/or redemption amount of an issue of Notes are not fixed but will be determined according to the structure of Notes as set out in the relevant Final Terms of the Notes, such an issue may also incorporate a cap. The effect of a cap is that the amount of interest and/or the redemption amount will never rise above the predetermined cap, so that the holder will not be able to benefit from any actual

favourable development beyond the cap. The yield could therefore be considerably lower than that of similarly structured Notes without a cap.

Risk of potential conflicts of interest

Each of the Issuers, the Dealer(s) or any of their respective affiliates not only issue Notes but also have other business areas which independently do business with companies that might be part of the assets underlying Notes (e.g., an index, single shares or baskets). It cannot be ruled out that decisions made by those independent business areas may have a positive or a negative impact on the underlying value.

Equity-linked Notes

Equity-linked Notes may either be issued as Equity-linked Interest Notes where payment of interest will be calculated by reference to a single equity security or a basket of equity securities (as indicated in the applicable Final Terms) or as Equity-linked Redemption Notes where payment of principal will be calculated by reference to a single equity security or a basket of equity securities (as indicated in the applicable Final Terms). Equity-linked Redemption Notes may also provide that the redemption will be by physical delivery of reference items. Accordingly, an investment in Equity-linked Redemption Notes may bear similar risks as a direct equity investment and investors should take advice accordingly. In case of Equity-linked Redemption Notes, the investor may lose the value of his entire investment or part of it.

Fund-linked Notes

Fund-linked Notes may either be issued as Fund-linked Interest Notes where payment of interest will be calculated by reference to a fund or a basket or portfolio of funds (as indicated in the applicable Final Terms) or as Fund-linked Redemption Notes where payment of principal will be calculated by reference to a fund or a basket or portfolio of funds (as indicated in the applicable Final Terms). Fund-linked Redemption Notes may also provide that the redemption will be by physical delivery of reference items. Accordingly, an investment in Fund-linked Redemption Notes may bear similar risks as a direct fund investment and investors should take advice accordingly. In particular, an investor may be exposed to the market risk of the positions in which the fund (or funds) invests and the risk that the management of the fund (or funds) may act negligently or fraudulently. The performance (positive or negative) of the fund may have a direct impact on the Fund-linked note. In case of Fund-linked Redemption Notes, the investor may lose the value of his entire investment or part of it.

Notes linked to Hedge Funds

Special investment considerations apply to Notes linked to hedge funds. An investment in Notes which economically represent a hedge fund carries a high degree of risk. Hence, only a small part of the disposable funds should be invested into such Notes and not all disposable funds or funds financed by credit should be invested into such Notes. An investment into such Notes will be offered to investors particularly knowledgeable in investment matters. Investors should participate in the investment only if they are in a position to consider carefully the risks associated with such Notes.

Commodity-linked Notes

Payments in respect of Commodity-linked Notes will be dependent upon the performance of the underlying commodity. An investment in Commodity-linked Notes is not the same as an investment in the underlying commodity or an investment which is directly linked to such commodity. The performance of the underlying commodity may go down as well as up and its performance at any specific date may not reflect its prior or future performance. There can be no assurance as to the future performance of the underlying commodity. Accordingly, before investing in Commodity-linked Notes, prospective investors should carefully consider whether an investment based on the performance of an underlying commodity is suitable for them. Commodity-linked Notes involve complex risks, which include, among other things, commodity price risks, credit risk and/or political and general economic risks.

Subordinated Notes

An Issuer may issue Subordinated Notes. The obligations of such Issuer in case of Subordinated Notes constitute unsecured and subordinated obligations. In the event of the liquidation or bankruptcy of an Issuer, such obligations will be subordinated to the claims of all unsubordinated creditors of such Issuer

so that in any such event no amounts will be payable under such obligations until the claims of all unsubordinated creditors of such Issuer will have been satisfied in full.

Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the ("**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Legal investment considerations

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes.

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Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (i) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of BCR in respect of the years ended 31 December 2008 and 2009 (set out in the 2008 and 2009 annual consolidated financial statements of BCR respectively);
- (ii) BCR Finance BV Report for the period March 4, 2009 through December 31, 2009 .

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, on BCR's website, www.bcr.ro, as well as on the website of the Luxembourg Stock Exchange, www.bourse.lu. Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

Any information not listed in the cross-reference list but included in the documents incorporated by reference is given for information purposes only.

Information	Source
Documents incorporated by reference of BCR	
Statement of comprehensive income – Financial Statements - Consolidated and Bank for the year ended 31 December 2009	BCR Consolidated Financial Statements (The Group and the Bank) prepared in accordance with IFRS for the year ended 31 December 2009, page 1
Statement of financial position – Financial Statements – Consolidated and Bank for the year ended 31 December 2009	BCR Consolidated Financial Statements (The Group and the Bank) prepared in accordance with IFRS for the year ended 31 December 2009, page 2
Statement of changes in equity – Financial Statements – Consolidated and Bank for the year ended 31 December 2009	BCR Consolidated Financial Statements (The Group and the Bank) prepared in accordance with IFRS for the year ended 31 December 2009, page 3
Statement of cash flows – Financial Statements – Consolidated and Bank for the year ended 31 December 2009	BCR Consolidated Financial Statements (The Group and the Bank) prepared in accordance with IFRS for the year ended 31 December 2009, page 4
Notes to the financial statements – Consolidated and Bank for the year ended 31 December 2009	BCR Consolidated Financial Statements (The Group and the Bank) prepared in accordance with IFRS for the year ended 31 December 2009, pages 5 to 102
Independent Auditor's report for the year ended 31 December 2009	BCR Consolidated Financial Statements (The Group and the Bank) prepared in accordance with IFRS for the year ended 31 December 2009, first two un-numbered pages
Consolidated income statement – Financial Statements Bank and consolidated for the year ended 31 December 2008	BCR Consolidated Financial Statements (The Group and the Bank) prepared in accordance with IFRS for the year ended 31 December 2008, page 5
Consolidated balance sheet – Financial Statements Bank and consolidated for the year ended 31 December 2008	BCR Consolidated Financial Statements (The Group and the Bank) prepared in accordance with IFRS for the year ended 31 December 2008, page 6
Consolidated statement of recognized income and expense – Financial Statements Bank and consolidated for the year ended 31 December 2008	BCR Consolidated Financial Statements (The Group and the Bank) prepared in accordance with IFRS for the year ended 31 December 2008, page 7

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Information	Source
Consolidated cash flow statement – Financial Statements Bank and consolidated for the year ended 31 December 2008	BCR Consolidated Financial Statements (The Group and the Bank) prepared in accordance with IFRS for the year ended 31 December 2008, page 8
Notes to the financial statements Bank and consolidated for the year ended 31 December 2008	BCR Consolidated Financial Statements (The Group and the Bank) prepared in accordance with IFRS for the year ended 31 December 2008, pages 9 to 91
Independent Auditor's report for the year ended 31 December 2008	BCR Consolidated Financial Statements (The Group and the Bank) prepared in accordance with IFRS for the year ended 31 December 2008, pages 3 and 4

Documents incorporated by reference of BCR Finance

Balance sheet as at 31 December 2009	BCR Finance BV Report for the period 4 March 2009 through 31 December 2009, page 7
Statement of income for the period March 4, 2009 through December 31, 2009	BCR Finance BV Report for the period March 4, 2009 through December 31, 2009, page 8
Statement of cash flows for the period March 4, 2009 through December 31, 2009	BCR Finance BV Report for the period March 4, 2009 through December 31, 2009, page 9
General notes to the financial statements	BCR Finance BV Report for the period 4 March 2009 through 31 December 2009, pages 10 to 12
Notes to the balance sheet and the statement of income	BCR Finance BV Report for the period 4 March 2009 through 31 December 2009, pages 13 to 15
Auditor's report	Auditor's report dated 2 June 2010 on the financial statements of BCR Finance as at 31 December 2009, the two last pages at the end of BCR Finance BV Report for the period 4 March 2009 through 31 December 2009

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GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuers may from time to time issue Notes denominated in euro or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements and, without limitation, in the case of currencies other than euro and RON, subject to specific corporate approval by the relevant Issuer and, where relevant, the Guarantor. An issue of Notes under the Programme may have any maturity of no less than one month, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

The Notes may be International Notes or Romanian Notes, as specified in the relevant Final Terms. International Notes may be issued in bearer form or in registered form. Romanian Notes may be issued in registered form.

Notes may be issued on a subordinated or unsubordinated basis, as specified in the relevant Final Terms. Notes issued by BCR Finance will be unconditionally and irrevocably guaranteed by the Guarantor, on an unsubordinated or a subordinated basis, as specified in the relevant Final Terms.

Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of International Notes will be the Terms and Conditions of the International Notes as supplemented, amended and/or replaced to the extent described in the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Romanian Notes will be the Terms and Conditions of the Romanian Notes as supplemented, amended and/or replaced to the extent described in the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus.

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed EUR 3,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Programme Agreement)). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement.

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USE OF PROCEEDS

The net proceeds of each issuance will be used for the Group's general financing purposes (which may include granting loans to BCR's customers or making intra-group loans). If, in respect to any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of each Issuer and the Guarantor and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the relevant Issuer and the Guarantor have endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained in the relevant Final Terms. Such information will be contained in the relevant Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, may be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of International Notes which is the subject of Final Terms are the International Conditions as supplemented, amended and/or replaced to the extent described in the relevant Final Terms. The terms and conditions applicable to any particular Tranche of Romanian Notes which is the subject of Final Terms are the Romanian Conditions as supplemented, amended and/or replaced to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the relevant Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer(s) and the Guarantor and the relevant Notes or (2) by a registration document (the "**Registration Document**") containing the necessary information relating to the Issuer(s) and the Guarantor, a securities note (the "**Securities Note**") containing the necessary information relating to the relevant Notes and, if necessary, a summary note. In addition, if the Drawdown Prospectus is constituted by a Registration Document and a Securities Note, any significant new factor, material mistake or inaccuracy relating to the information included in the Registration Document which arises or is noted between the date of the Registration Document and the date of the Securities Note which is capable of affecting the assessment of the relevant Notes will be included in the Securities Note.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of International Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of International Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of International Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the International Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the International Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the International Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the International Fiscal Agent; and
- (ii) receipt by the International Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; **provided, however, that** in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

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The Permanent Global Note will be exchangeable in whole, but not in part, for Bearer Notes in definitive form ("**Definitive Notes**"):

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in International Condition 14 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the International Fiscal Agent within 30 days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of International Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the International Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the International Notes.

If the relevant Final Terms specifies the form of International Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the International Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the International Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the International Fiscal Agent within 30 days of the bearer requesting such exchange

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the International Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in International Condition 14 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global

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Note against the surrender of the Permanent Global Note to or to the order of the International Fiscal Agent within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Bearer Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that International Note and will consist of the terms and conditions set out under "Terms and Conditions of the International Notes" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any International Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the International Notes while in Global Form" below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the International Notes in global form, the International Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Registered Notes

Each Tranche of International Notes in registered form (the "**Registered Notes**") will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Final Terms. Each Global Registered Note will be deposited on or around the relevant issue date with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depository and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of International Notes as being "Individual Note Certificates", then the International Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of International Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the International Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note ", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in International Condition 14 (*Events of Default*) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the relevant Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note, to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

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Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of International Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Registered Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "Terms and Conditions of the International Notes" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the International Note were it in definitive form to the extent described under "Summary of Provisions Relating to the International Notes while in Global Form" below.

Romanian Notes

Each Tranche of Registered Notes will nominative, dematerialised (registered) Notes, issued in the Specified Denomination. Romanian Notes will be deposited on or around the relevant issue date with the RCD.

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DESCRIPTION OF THE GUARANTEE

Pursuant to the Deed of Guarantee, the Guarantor has unconditionally and irrevocably guaranteed (i) to each Noteholder the due and punctual payment of all sums from time to time payable by BCR Finance in respect of the relevant Notes as and when the same become due and payable and accordingly has undertaken to pay to such Noteholder, in the manner and currency prescribed by the relevant Conditions for payments by BCR Finance in respect of such Note, any and every sum or sums which BCR Finance is at any time liable to pay in respect of such Note and which BCR Finance has failed to pay; and (ii) to each Accountholder the due and punctual payment of all sums from time to time payable by BCR Finance to such Accountholder in respect of the Direct Rights (as such term is defined in the Deed of Covenant) as and when the same become due and payable and accordingly has undertaken to pay to such Account holder, in the manner and currency prescribed by the relevant Conditions for payments by BCR Finance in respect of the Notes, any and every sum or sums which BCR Finance is at any time liable to pay to such Accountholder in respect of the Notes and which BCR Finance has failed to pay.

The Deed of Guarantee has been delivered to and will be held by the International Fiscal Agent and the Romanian Fiscal Agent for so long as the Programme remains in effect and thereafter until all the obligations of BCR Finance under or in respect of the Notes (including, without limitation, its obligations under the Deed of Covenant) have been discharged in full. Noteholders and Accountholders may obtain a copy of the Deed of Guarantee free of charge from the relevant Fiscal Agent.

TERMS AND CONDITIONS OF THE INTERNATIONAL NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Final Terms, will be endorsed on each International Note in definitive form issued under the Programme. The terms and conditions applicable to any International Note in global form will differ from those terms and conditions which would apply to the International Note were it in definitive form to the extent described under "Summary of Provisions Relating to the International Notes while in Global Form" below.

1. Introduction

- (a) *Programme:* Banca Comercială Română S.A. ("**BCR**") and BCR Finance B.V. ("**BCR Finance**") (each an "**Issuer**", together the "**Issuers**") have established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 3,000,000,000 in aggregate principal amount of notes (the "**Notes**") guaranteed by Banca Comercială Română S.A. (the "**Guarantor**").
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche of International Notes is the subject of a final terms (the "**Final Terms**") which supplements these terms and conditions (the "**International Conditions**"). The terms and conditions applicable to any particular Tranche of International Notes are these International Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these International Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated on or about 06 July 2010 (the "**Agency Agreement**") between the Issuers, the Guarantor, BNP Paribas Securities Services, Luxembourg Branch as fiscal agent (the "**International Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the International Notes), BNP Paribas Securities Services, Luxembourg Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the International Notes), the paying agents named therein (together with the International Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these International Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.
- (d) *Deed of Guarantee:* The Notes are the subject of a deed of guarantee dated 12 June 2009 (the "**Deed of Guarantee**") entered into by the Guarantor.
- (e) *Deed of Covenant:* The International Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). International Notes which are Registered Notes are constituted by a deed of covenant dated 12 June 2009 (the "**Deed of Covenant**") entered into by the Issuers.
- (f) *The Notes:* All subsequent references in these International Conditions to "Notes" or "International Notes" are to the Notes or International Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at 5 Regina Elisabeta Blvd, 030016 Bucharest 3, Romania, and on www.bcr.ro and copies may be obtained from 5 Regina Elisabeta Blvd, 030016 Bucharest 3, Romania.
- (g) *Summaries:* Certain provisions of these International Conditions are summaries of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant and are subject to their detailed provisions. The holders of the International Notes (the "**Noteholders**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively), if any, are bound by, and are deemed to have notice of, all the

provisions of the Agency Agreement, Deed of Guarantee and the Deed of Covenant applicable to them. Copies of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2. **Interpretation**

- (a) *Definitions:* In these International Conditions the following expressions have the following meanings:

"Accrual Yield" has the meaning given in the relevant Final Terms;

"Asset Backed Finance" means External Indebtedness secured by a security (and any security created in substitution for any such security) in the form of any mortgage, charge, pledge or other form of encumbrance or security interest (whether or not also securing other indebtedness or obligations) relating to any securitisation, financing or refinancing of, or the acquisition of, any specified asset or assets, but only to the extent that such security is taken over such specified assets that are being financed or acquired and the recourse of the person making the External Indebtedness available or entering into the relevant arrangement or agreement(s), is limited to such specified assets;

"Business Centre(s)" means the city or cities specified as such in the relevant Final Terms;

"Business Day" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) additional Business Centre;

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or "Modified Business Day Convention" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**

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- (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the International Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"Calculation Amount" has the meaning given in the relevant Final Terms;

"Call Option" means a call option in accordance with the provisions of International Condition 10(d) (*Redemption at the option of the Issuer*);

A **"Change of Control"** shall be deemed to have occurred at each time that Erste Group Bank ceases to own directly or indirectly (i) more than 50 per cent. of the issued or allotted ordinary share capital of BCR or (ii) such number of the shares in the capital of BCR carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of BCR;

"Commodity-linked Note" means an International Note specified as such in the relevant Final Terms;

"Coupon Sheet" means, in respect of a Note, a coupon sheet relating to the Note;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these International Conditions or the relevant Final Terms and:

- (i) if **"Actual/Actual (ICMA)"** is so specified, means:
 - (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) where the Calculation Period is longer than one Regular Period, the sum of:
 - (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual

number of days in such Regular Period and (2) the number of Regular Periods in any year;

- (ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if "**30/360E**" or "**Eurobond Basis**" is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month),

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period

"Early Redemption Amount (Tax)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Early Termination Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these International Conditions or the relevant Final Terms;

"Equity-linked Note" means an International Note specified as such in the relevant Final Terms;

"Erste Group Bank" means Erste Group Bank AG;

"External Indebtedness" means any present or future indebtedness in the form of, or represented or evidenced by, any bonds, notes, debentures, loan stock or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange or over-the-counter or other securities market.

"Extraordinary Resolution" means a resolution passed at a meeting of Noteholders (whether originally convened or resumed following an adjournment), duly convened and held in accordance with Schedule 3 to the Agency Agreement, by a majority of not less than three quarters of the votes cast;

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"Final Redemption Amount" means, in respect of any International Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Financial Centre(s)" means the city or cities specified as such in the relevant Final Terms;

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms;

"Fixed Rate Note" means an International Note specified as such in the relevant Final Terms;

"Floating Rate Note" means an International Note specified as such in the relevant Final Terms;

"Fund-linked Note" means an International Note specified as such in the relevant Final Terms;

"Group" means BCR and its Subsidiaries from time to time and "member of the Group" shall be construed accordingly;

"Guarantee" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness;

"Guarantee of the Notes" means the guarantee of the Notes given by the Guarantor in the Deed of Guarantee;

"Holder", in the case of Bearer Notes, has the meaning given in International Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in International Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"IFRS" means International Financial Reporting Standards issued by the International Accounting Standards Board as applicable to the Group from time to time;

"Indebtedness" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect any acceptance or acceptance credit, or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise, and whether issued for cash or in whole or in part for a consideration other than cash, in each case in an aggregate principal amount in excess of EUR 30,000,000 or its equivalent in other currencies;

"Index-linked Note" means an International Note specified as such in the relevant Final Terms;

"Interest Amount" means, in relation to an International Note and an Interest Period, the amount of interest payable in respect of that International Note for that Interest Period;

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"Interest Commencement Date" means the Issue Date of the International Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning given in the relevant Final Terms;

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"ISDA Definitions" means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the International Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

"Issue Date" has the meaning given in the relevant Final Terms;

"Margin" has the meaning given in the relevant Final Terms;

"Maturity Date" has the meaning given in the relevant Final Terms;

"Maximum Rate of Interest" has the meaning given in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms;

"Member State" means a member state of the European Economic Area;

"Minimum Rate of Interest" has the meaning given in the relevant Final Terms;

"Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"Noteholder", in the case of Bearer Notes, has the meaning given in International Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in International Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"Optional Redemption Amount (Call)" means, in respect of any International Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Optional Redemption Amount (Put)" means, in respect of any International Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given in the relevant Final Terms;

"Optional Redemption Date (Put)" has the meaning given in the relevant Final Terms;

"Participating Member State" means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

"Payment Business Day" means:

- (i) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) additional Financial Centre;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (i) in relation to euro, it means the principal financial centre of such Participating Member State as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Principal Subsidiary" means any Subsidiary of BCR:

- (i) where that part of the net profits after tax but before exceptional items of such Subsidiary which is attributable to BCR represents not less than 7.5 per cent. of the consolidated net profits after tax but before exceptional items (attributable to the shareholders of BCR) of the Group; or
- (ii) where that part of the net assets of such Subsidiary which is attributable to BCR represents not less than 7.5 per cent. of the consolidated net assets (attributable to the shareholders of BCR) of the Group,

in the case of (i) and (ii) above, determined by reference to the then most recently published audited consolidated accounts of the Group and the most recently audited accounts of such Subsidiary (and its Subsidiaries, if any); or

- (iii) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary of BCR which immediately prior to such transfer is a Principal Subsidiary, **provided that** the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary.

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A certificate addressed to the International Fiscal Agent and signed by two authorised signatories of BCR confirming that a Subsidiary of BCR is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall be conclusive and binding on BCR and all the Noteholders;

"Put Option" means a put option in accordance with the provisions of International Condition 10(f) (*Redemption at the option of the Noteholders*);

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem an International Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of an International Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem an International Note at the option of the Noteholder;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the International Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these International Conditions and/or the relevant Final Terms;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

"Reference Banks" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" has the meaning given in the relevant Final Terms;

"Register" means the register maintained by the Registrar in relation to the Registered Notes;

"Regular Period" means:

- (i) in the case of International Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of International Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of International Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"Relevant Date" means, in relation to any payment, the date on which the payment in question first becomes due;

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"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Final Terms;

"Reserved Matter" means any proposal to change any date fixed for payment of principal or interest in respect of the International Notes, to reduce the amount of principal or interest payable on any date in respect of the International Notes, to alter the method of calculating the amount of any payment in respect of the International Notes or the date for any such payment, to change the currency of any payment under the International Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"Screen Rate Determination" has the meaning given in the relevant Final Terms;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"Specified Currency" has the meaning given in the relevant Final Terms;

"Specified Denomination(s)" has the meaning given in the relevant Final Terms;

"Specified Office" has the meaning given in the Agency Agreement;

"Specified Period" has the meaning given in the relevant Final Terms;

"Subsidiary" means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove a majority of the members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and IFRS, consolidated with those of the first Person;

"Talon" means a talon for further Coupons;

"TARGET2" means the Trans European Automated Real Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"TARGET Settlement Day" means any day on which TARGET2 is

open for the settlement of payments in euro;

"Treaty" means the Treaty establishing the European Communities, as amended; and

"Zero Coupon Note" means an International Note specified as such in the relevant Final Terms.

(b) *Interpretation: In these International Conditions:*

- (i) if the International Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

- (ii) if Talons are specified in the relevant Final Terms as being attached to the International Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the International Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under International Condition 13 (*Taxation*), any premium payable in respect of an International Note and any other amount in the nature of principal payable pursuant to these International Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under International Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these International Conditions;
- (vi) references to International Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in International Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the International Notes; and
- (viii) any reference to the Agency Agreement or the Deed of Guarantee shall be construed as a reference to the Agency Agreement or the Deed of Guarantee, as the case may be, as amended and/or supplemented up to and including the Issue Date of the International Notes.

3. **Form, Denomination, Title and Transfer**

- (a) *Bearer Notes*: Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) *Title to Bearer Notes*: Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) *Registered Notes*: Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (d) *Title to Registered Notes*: The Registrar will maintain the Register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (e) *Ownership*: The Holder of any International Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall

have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term or condition of any International Note governed by English law.

- (f) *Transfers of Registered Notes:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "business day" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the relevant Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuers with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **Status and Guarantee**

(a) ***Status of the International Notes***

(i) *Status of Senior Notes*

The Senior Notes (being those International Notes which specify their status as Senior) and the Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to International Condition 5 (*Negative Pledge*)) unsecured obligations of the relevant Issuer and rank *pari passu* and rateably without any preference among themselves and (subject to any applicable statutory exceptions and without prejudice as aforesaid) the payment obligations of such Issuer under the Senior Notes and Coupons relating to them rank *pari passu* with all other unsecured and unsubordinated indebtedness and monetary obligations of such Issuer, present and future.

(ii) *Status of Subordinated Notes*

The Subordinated Notes (being those International Notes which specify their status as Subordinated) and the Coupons relating to them constitute direct, unsecured obligations of the relevant Issuer and rank pari passu and rateably without any preference among themselves together with all other subordinated obligations of such Issuer other than subordinated obligations which are expressed to rank junior to the Subordinated Notes. In the event of the liquidation or bankruptcy of such Issuer, the payment obligations of that Issuer under the Subordinated Notes and Coupons relating to them will rank in right of payment after unsubordinated creditors of such Issuer but at least pari passu with all other subordinated obligations of that Issuer which are not expressed by their terms to rank junior to the Subordinated Notes and in priority to the claims of shareholders of such Issuer.

- (b) **Guarantee of the International Notes:** The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by BCR Finance in respect of the Notes. This Guarantee of the International Notes constitutes direct, general and unconditional obligations of the Guarantor which will at all times rank (i) in the case of Senior Notes, at least pari passu with all other unsecured and unsubordinated indebtedness and monetary obligations of the Guarantor, present and future, and (ii) in the case of Subordinated Notes, at least pari passu with all other subordinated obligations of the Guarantor which are not expressed by their terms to rank junior to the Guarantee and in priority to the claims of shareholders of the Guarantor.

5. Negative Pledge

- 5.1 So long as any International Note remains outstanding (as defined in the Agency Agreement) neither the relevant Issuer nor the Guarantor will, and the relevant Issuer and the Guarantor will insure that none of their respective Principal Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of their property or assets, present or future, to secure for the benefit of the holders of any External Indebtedness (i) payment of such External Indebtedness, (ii) any payment under any Guarantee of such External Indebtedness or (iii) any payment under any indemnity relating to such External Indebtedness.
- 5.2 The restrictions listed in paragraph 5.1 above will not apply: (A) to any mortgage bonds, public sector covered bonds, covered bonds, secured lending (where the collateral consists in specific assets or portfolio of assets belonging to either the Issuer or Guarantor or in the receivables deriving from such portfolio), Asset Backed Finance or comparable instruments issued by any of the Issuers and/or the Guarantor and/or any Principal Subsidiary from time to time in accordance with any applicable law; and (B) in relation to those International Notes which are Subordinated Notes.

6. Fixed Rate Note Provisions

- (a) **Application:** This International Condition 6 (*Fixed Rate Note Provisions*) is applicable to the International Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The International Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in International Conditions 11 (*Payments – Bearer Notes*) or 12 (*Payments – Registered Notes*), as applicable. Each International Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this International Condition 6 (as well after as before judgment) until the day on which all sums due in respect of such International Note up to that day are received by or on behalf of the relevant Noteholder.
- (c) **Fixed Coupon Amount:** The amount of interest payable in respect of each International Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the International Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

- (d) *Calculation of interest amount:* The amount of interest payable in respect of each International Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub unit of the Specified Currency (half a sub unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such International Note divided by the Calculation Amount. For this purpose "**sub unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note, Index-linked Interest Note, Equity-linked Note, Fund-linked Note and Commodity-linked Note Provisions**

- (a) *Application:* This International Condition 7 (*Floating Rate Note, Index-linked Interest Note, Equity-linked Note, Fund-linked Note and Commodity-linked Note Provisions*) is applicable to the International Notes only if the Floating Rate Note Provisions, Index-linked Interest Note Provisions, Equity-linked Note Provisions, Fund-linked Note Provisions or Commodity-linked Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The International Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in International Conditions 11 (Payments – Bearer Notes) or 12 (Payments – Registered Notes), as applicable. Each International Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this International Condition 7 (as well after as before judgment) until the day on which all sums due in respect of such International Note up to that day are received by or on behalf of the relevant Noteholder.
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the International Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
 - (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by prime banks in the Principal Financial Centre of the Specified Currency, selected by the

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Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the International Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the International Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the International Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) *Index-linked Interest:* If the Index-linked Interest Note Provisions are specified in the relevant Final Terms as being applicable, the Rate(s) of Interest applicable to the International Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.
- (f) *Equity-linked Notes, Fund-linked Notes and Commodity-linked Notes:* In the case of Equity-linked Notes, Fund-linked Notes and Commodity-linked Notes, the Rate of Interest applicable to the International Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.
- (g) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (h) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each International Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub unit of the Specified Currency (half a sub unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant International Note divided by the Calculation Amount. For this purpose a "sub unit" means, in the case of any currency other than euro, the lowest amount of such currency

that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

- (i) *Calculation of other amounts:* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (j) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the International Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.
- (k) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this International Condition by the Calculation Agent will (in the absence of manifest error) be binding on the relevant Issuer, the Guarantor, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. Zero Coupon Note Provisions

- (a) *Application:* This International Condition 8 (*Zero Coupon Note Provisions*) is applicable to the International Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) the day on which all sums due in respect of such International Note up to that day are received by or on behalf of the relevant Noteholder.

9. Dual Currency Note Provisions

- (a) *Application:* This International Condition 9 (*Dual Currency Note Provisions*) is applicable to the International Notes only if the Dual Currency Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Rate of Interest:* If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

10. Redemption and Purchase

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the International Notes will be redeemed at their Final Redemption Amount on the Maturity

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Date, subject as provided in International Conditions 11 (*Payments – Bearer Notes*) or 12 (*Payments – Registered Notes*), as applicable.

- (b) *Equity-linked Notes, Fund-linked Notes and Commodity-linked Notes*: Equity-linked Notes, Fund-linked Notes and Commodity-linked Notes are redeemed as specified in the applicable Final Terms.
- (c) *Redemption for tax reasons*: The International Notes may be redeemed at the option of the relevant Issuer in whole, but not in part:
 - (i) at any time (if neither the Floating Rate Note Provisions nor the Index-linked Interest Note Provisions are specified in the relevant Final Terms as being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-linked Interest Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with International Condition 20 (*Notices*) (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to (but excluding) the date fixed for redemption, if:

- (A) (1) the relevant Issuer has or, on the next Interest Payment Date, will become obliged to pay additional amounts as provided or referred to in International Condition 13 (*Taxation*) as a result of any change in, or amendment to, (i) in the case of BCR, the laws or regulations of Romania or any political subdivision or any authority thereof or therein having power to tax, or (ii) in the case of BCR Finance, to the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, as the case may be, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the International Notes, and (2) such obligation cannot be avoided by such Issuer taking reasonable measures available to it,
- (B) (1) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in International Condition 13 (*Taxation*) from any amount paid by it to the relevant Issuer in order to enable the relevant Issuer to make a payment of principal or interest in respect of the laws or regulations of Romania or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the International Notes, and (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it.

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the International Notes may be redeemed at any time, 90 days prior to the earliest date on which the relevant Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the International Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or

- (2) where the International Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the relevant Issuer or the Guarantor would be obliged to pay such additional amounts or the Guarantor would be obliged to make such withholding or deduction if a payment in respect of the International Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the relevant Issuer shall deliver or procure that there is delivered to the International Fiscal Agent: (1) where BCR is Issuer a certificate signed by two authorised signatories of BCR stating that BCR is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, (2) where BCR Finance is Issuer, a certificate signed by two directors of BCR Finance stating that BCR Finance is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of BCR Finance so to redeem have occurred and (3) an opinion of independent legal advisers of recognised standing to the effect that the relevant Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts or (as the case may be) the Guarantor has or will become obliged to make such withholding or deduction as a result of such change or amendment. The International Fiscal Agent shall be entitled to accept the certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the relevant Issuer and the Noteholders. Upon the expiry of any such notice as is referred to in this International Condition 10(c), the relevant Issuer shall be bound to redeem the International Notes in accordance with this International Condition 10(c).

- (d) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the International Notes may be redeemed at the option of the relevant Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on such Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with International Condition 20 (*Notices*) (which notice shall be irrevocable and shall oblige the relevant Issuer to redeem the International Notes or, as the case may be, the International Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (e) *Partial redemption:* If the International Notes are to be redeemed in part only on any date in accordance with International Condition 10(d) (*Redemption at the option of the Issuer*), the International Notes to be redeemed shall be selected by the drawing of lots in such place as the International Fiscal Agent approves and in such manner as the International Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the International Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in International Condition 10(d) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the International Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Redemption at the option of Noteholders:*
- (i) If the Put Option is specified in the relevant Final Terms as being applicable, the relevant Issuer shall, at the option of the Holder of any International Note redeem such International Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to (but excluding) such date. In order to exercise the option contained in this International Condition 10(f)(i),

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the Holder of an International Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such International Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which an International Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No International Note, once deposited with a duly completed Put Option Notice in accordance with this International Condition 10(f)(i), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such International Note becomes immediately due and payable or, upon due presentation of any such International Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such International Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding International Note is held by a Paying Agent in accordance with this International Condition 10(f)(i), the depositor of such International Note and not such Paying Agent shall be deemed to be the Holder of such International Note for all purposes.

- (ii) If, while any International Notes are outstanding, there occurs a Change of Control (a "**Put Event**"), the holder of each International Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the relevant Issuer gives notice to redeem the International Notes under International Condition 10(c) (*Redemption for tax reasons*) to require such Issuer to redeem or, at such Issuer's option, purchase (or procure the purchase of) that International Note on the Put Settlement Date (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Put Settlement Date.
- (iii) Promptly upon the relevant Issuer becoming aware that a Put Event has occurred, such Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with International Condition 20 (*Notices*) specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this International Condition 10(f)(ii). To exercise the option to require redemption or, as the case may be, purchase of an International Note under this International Condition 10(f)(ii) the holder of that International Note must deliver such International Note, on any day when banks are open for ordinary business in the city of the specified office of the relevant Paying Agent falling within the period (the "**Put Period**") of 45 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed Put Option Notice and in which the holder may specify a bank account complying with the requirements of this International Condition 10(f)(ii) to which payment is to be made under this International Condition 10(f)(ii). The International Note should be delivered together with all Coupons appertaining thereto maturing after the date (the "**Put Settlement Date**") which is the seventh day after the last day of the Put Period) failing which an amount will be deducted from the payment to be made by the relevant Issuer on redemption of the International Notes corresponding to the aggregate amount payable in respect of such missing Coupons.
- (iv) The Paying Agent to which such International Note and Put Option Notice are delivered will issue to the Noteholder concerned a non-transferable Put Option Receipt in respect of the International Note so delivered. The relevant Issuer shall redeem or, at the option of such Issuer, purchase (or procure the purchase of) the International Notes in respect of which Put Option Receipts have been issued on the Put Settlement Date, unless previously redeemed and purchased. Payment in respect of any International Note so delivered will be made, if the

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holder duly specified a bank account in the Put Option Notice to which payment is to be made, on the Put Settlement Date by transfer to that bank account and in every other case on or after the Put Settlement Date, in each case against presentation and surrender or (as the case may be) endorsement of such Put Option Receipt at the specified office of any Paying Agent in accordance with the provisions of this International Condition 10(f)(ii).

- (g) *No other redemption:* The relevant Issuer shall not be entitled to redeem the International Notes otherwise than as provided in paragraphs (a) to (e) above.
- (h) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the International Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this International Condition 10(h).

- (i) *Purchase:* The Issuers, the Guarantor or any of their respective Subsidiaries may at any time purchase International Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith. All International Notes purchased by the Issuers, the Guarantor or any of their respective Subsidiaries may, at the option of the relevant Issuer, be held or resold.
- (j) *Cancellation:* All International Notes so redeemed by the Issuers, the Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them may, at the option of the relevant Issuer, be cancelled and may not be reissued or resold.

11. **Payments - Bearer Notes**

This International Condition 11 is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London);
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* If any International Notes are denominated in United States dollars, payments of principal or interest in respect of such International Notes may be made at the Specified Office of a Paying Agent in New York City if:
 - (i) the relevant Issuer has appointed Paying Agents with Specified Offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at of the full amount of the principal and interest on the International Notes in the manner provided above when due;

- (ii) payment of the full amount of such principal and interest at all such Specified Offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts; and
 - (iii) such payment is then permitted by applicable United States law without involving, in the opinion of the relevant Issuer, adverse tax consequences to that Issuer.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of International Condition 13 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto, then:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; provided, however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void:* If the relevant Final Terms specifies that this International Condition 11(f) is applicable or that the Floating Rate Note Provisions or the Index-linked Interest Note Provisions are applicable, on the due date for final redemption of any International Note or early redemption in whole of such International Note pursuant to International Conditions 10(c) (*Redemption for tax reasons*), 10(d) (*Redemption at the option of the Issuer*), 10(f) (*Redemption at the option of Noteholders*) or 14 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

- (g) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the International Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to International Condition 15 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Bearer Note shall become void and no Coupon will be delivered in respect of such Talon.

12. **Payments - Registered Notes**

This International Condition 12 is only applicable to Registered Notes.

- (a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the International Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the International Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of International Condition 13 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business.

- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the relevant Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**").

13. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the International Notes and the Coupons by or on behalf of the Issuers or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Romania or any political subdivision therein or any authority therein or thereof having power to tax, or The Netherlands or any political subdivision therein or any authority therein or thereof having power to tax, as the case may be, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the relevant Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any International Note or Coupon:
 - (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such International Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the International Note or Coupon; or
 - (ii) where such withholding or deduction is imposed on a payment to an individual or a residual entity and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (iii) held by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant International Note or Coupon to another Paying Agent in a Member State; or
 - (iv) where the relevant International Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such International Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such International Note or Coupon or Note Certificate for payment on the last day of such period of 30 days; or

Any references in these International Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this International Condition 13 (*Taxation*).

- (b) *Taxing jurisdiction:* If the relevant Issuer or the Guarantor at any time becomes subject to tax on its net income, profit or gains in any taxing jurisdiction other than or in addition to Romania or The Netherlands, as the case may be, by reason only of a change in (i) the place of residence or domicile of such Issuer or the Guarantor or (ii) the activities carried on by such Issuer or the Guarantor, references in these International

Conditions to Romania or The Netherlands shall be construed as references to Romania or The Netherlands and/or such other jurisdiction.

14. **Events of Default**

14.1 *Senior Notes*. If any of the following events occurs and is continuing in relation to the Senior Notes:

- (a) *Non-payment*: default being made for a period of 15 days (in the case of interest) or 7 days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the International Notes; or
- (b) *Breach of any other obligations*: the relevant Issuer or the Guarantor failing to perform or observe any covenant, condition or provision contained in the International Notes (other than any obligation for the payment of principal or interest in respect of the International Notes) and on its part to be performed and observed, which default is incapable of remedy or is not remedied within 45 days after notice of such default shall have been given to the International Fiscal Agent at its Specified Office by any Noteholder; or
- (c) *Cross-acceleration*: any other Indebtedness of the relevant Issuer, the Guarantor or any Principal Subsidiary (i) is not paid when due nor within any grace period applicable to such Indebtedness, or (ii) has become or becomes capable of being rendered due and payable before its scheduled maturity by reason of a default by the relevant Issuer or the Guarantor, as the case may be, or (iii) if payable on demand, is not paid when demanded, or (iv) any guarantee or indemnity given by the relevant Issuer or the Guarantor, as the case may be, in respect of any Indebtedness of any other person is not honoured when due and called upon; or
- (d) *Security enforced*: the security for any Indebtedness of an Issuer or the Guarantor becomes enforceable and the creditors entitled thereto take steps to enforce the same; or
- (e) *Insolvency etc.*: (i) an Issuer or the Guarantor is adjudicated or found bankrupt (in Dutch, *faillissement*) or insolvent, or (ii) in the case of BCR Finance, any order is made by any competent court or administrative agency for, or any resolution is passed by such Issuer to apply for, the judicial appointment of an official controller (in Dutch, *bewindvoerder*) to supervise the management of such Issuer with binding authority with the effect of a moratorium of payments (in Dutch, *surséance van betaling*) in relation to such Issuer or a substantial part of the assets or (iii) an Issuer or the Guarantor is wound up or dissolved (in Dutch, *ontbonden*), otherwise than for the purposes of reconstruction, merger or amalgamation in which the successor entity assumes all the obligations of such Issuer or the Guarantor, as the case may be, with respect to the International Notes;

then the holder of any such International Note may by written notice to the Issuer and the Guarantor at the Specified Office of the International Fiscal Agent declare such International Note to be due and payable at its Early Termination Amount, together with accrued interest.

14.2 *Subordinated Notes*:

- (a) *Non-payment*: default being made for a period of 30 days (in the case of interest) or 15 days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Subordinated Notes, then the holder of such Subordinated Note may initiate the steps to apply to the competent court for the commencement of bankruptcy proceedings against the relevant Issuer or the Guarantor; or
- (b) *Insolvency*: if bankruptcy proceedings are commenced in the competent court against the Issuer or the Guarantor (upon the application of any person other than a Noteholder acting solely in such capacity), then the Holder of any Subordinated Note may file an application in such court demanding repayment of all principal amounts due under such International Notes together with accrued interest and any additional amount

- 14.3 If insolvency proceedings are commenced against an Issuer, the International Notes issued by such Issuer will cease to bear interest from the date on which judicial notice of such insolvency is published and all un-matured Coupons will thereupon become void and no payment shall be made in respect thereof.

15. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

16. **Replacement of International Notes and Coupons**

If any International Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the International Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the International Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the relevant Issuer may reasonably require. Mutilated or defaced International Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

17. **Agents**

In acting under the Agency Agreement and in connection with the International Notes and the Coupons, the Agents act solely as agents of the Issuers and the Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agent will be BNP Paribas Securities Services, Luxembourg Branch. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuers and the Guarantor reserve the right at any time to vary or terminate the appointment of any Agent, to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents, and to approve any change in the jurisdiction in which the Specified Office through which any Paying Agent acts is located; **provided, however, that:**

- (a) the Issuers and the Guarantor shall at all times maintain a fiscal agent and a registrar; and
- (b) the Issuers and the Guarantor shall at all times maintain a paying agent in a Member State in which the Issuers will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive (**provided that** there is such a Member State); and
- (c) if a Calculation Agent is specified in the relevant Final Terms, the relevant Issuer and the Guarantor shall at all times maintain a Calculation Agent; and
- (d) if and for so long as the International Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuers and the Guarantor shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

18. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the International Notes, including the modification of any provision of these International Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuers and the Guarantor (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding International Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing more than half of the aggregate principal amount of the outstanding International Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the International Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding International Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.
- (b) *Modification:* The International Notes, these International Conditions and the Deed of Guarantee may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which such parties may mutually deem necessary or desirable and which does not adversely affect the interests of the Noteholders.
- (c) *Waiver:* The International Fiscal Agent shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the relevant Issuer or the Guarantor any indemnification or payment in respect of any tax consequence for individual Noteholders or Couponholders except to the extent already provided for in International Condition 13 (*Taxation*).

19. **Further Issues**

Either Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further securities having the same terms and conditions as the International Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the outstanding securities of any series of International Notes. References in these International Conditions to the International Notes include (unless the context requires otherwise) any securities issued pursuant to this International Condition and forming a single series with such International Notes.

20. **Notices**

- (a) *Bearer Notes:* If the Bearer Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, notices to the Holders of Bearer Notes shall be valid if published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or, in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

- (b) *Registered Notes*: Notices to the Holders of Registered Notes shall be sent to them by mail at their respective addresses on the Register and, if the Registered Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

21. **Currency Indemnity**

If any sum due from the relevant Issuer in respect of the International Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these International Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the relevant Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the International Notes, the relevant Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to such Issuer and delivered to such Issuer or to the Specified Office of the International Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the relevant Issuer and shall give rise to a separate and independent cause of action.

22. **Rounding**

For the purposes of any calculations referred to in these International Conditions (unless otherwise specified in these International Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all euro amounts used in or resulting from such calculations will be rounded up to the nearest cent (with one half cent being rounded up), (d) all RON amounts used in or resulting from such calculations will be rounded up to the nearest ban (with one half ban being rounded up), and (e) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. **Governing Law and Jurisdiction**

- (a) *Governing law*: The International Notes and all non-contractual obligations arising out of or in connection with the International Notes are governed by English law.
- (b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with the International Notes (an "**International Notes Dispute**").
- (c) *Appropriate forum*: The Issuers agree that the courts of England are the most appropriate and convenient courts to settle any International Notes Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England*: International Condition 23(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this International Condition 23 (*Governing law and Jurisdiction*) prevents any Noteholder from taking proceedings relating to an International Notes Dispute

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("Proceedings") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

- (e) *Service of process:* The Issuers agree that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on them by being delivered to Erste Group Bank AG London Branch at 68 Cornhill, London EC3V 3QE or, if different, their respective registered office for the time being or at any address of such Issuer in Great Britain at which service of process may be served on it in accordance with the United Kingdom Companies Act 2006. If such Person is not or ceases to be effectively appointed to accept service of process on behalf of a Issuer, such Issuer shall, on the written demand of any Noteholder addressed to such Issuer and delivered to such Issuer or to the Specified Office of the International Fiscal Agent appoint a further Person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a Person by written notice addressed to the relevant Issuer and delivered to the relevant Issuer or to the Specified Office of the International Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This International Condition applies to Proceedings in England and to Proceedings elsewhere.

TERMS AND CONDITIONS OF THE ROMANIAN NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Final Terms, will apply to the Romanian Notes.

In relation to Romanian Notes, Banca Comercială Română S.A. will act as Romanian Fiscal Agent, Paying Agent and Calculation Agent, as necessary.

1. Introduction

- (a) *Programme:* Banca Comercială Română S.A. ("**BCR**") and BCR Finance B.V. ("**BCR Finance**") (each an "**Issuer**", together the "**Issuers**") have established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 3,000,000,000 in aggregate principal amount of notes (the "**Notes**") guaranteed by Banca Comercială Română S.A. (the "**Guarantor**"). Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. One or several Series may consist of Notes issued pursuant to these Romanian Conditions and governed by Romanian law (the "**Romanian Notes**").
- (b) *Final Terms:* Each Tranche of Romanian Notes is subject of final terms (the "**Final Terms**") which supplement these terms and conditions (the "**Romanian Conditions**"). The terms and conditions applicable to any particular Tranche of Romanian Notes are these Romanian Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Romanian Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *The Romanian Notes:* All subsequent references in these Romanian Conditions to "Romanian Notes" are to the Romanian Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms will be made available for viewing on BCR's website (www.bcr.ro) and copies may be obtained from the addresses mentioned in the relevant Final Terms.

2. Interpretation

- (a) *Definitions:* In these Romanian Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Asset Backed Finance**" means External Indebtedness secured by a security (and any security created in substitution for any such security) in the form of any mortgage, charge, pledge or other form of encumbrance or security interest (whether or not also securing other indebtedness or obligations) relating to any securitisation, financing or refinancing of, or the acquisition of, any specified asset or assets, but only to the extent that such security is taken over such specified assets that are being financed or acquired and the recourse of the person making the External Indebtedness available or entering into the relevant arrangement or agreement(s), is limited to such specified assets.

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

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- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Romanian Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"Calculation Amount" has the meaning given in the relevant Final Terms;

"Call Option" means a call option in accordance with the provisions of Romanian Condition 10(c) (*Redemption at the option of the Issuer*);

A **"Change of Control"** shall be deemed to have occurred at each time that Erste Group Bank ceases to own directly or indirectly (i) more than 50 per cent. of the issued ordinary share capital of BCR or (ii) such number of shares in the capital of BCR carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of BCR;

"CNVM" means the Romanian National Securities Commission (*Comisia Națională a Valorilor Mobiliare*)

"Commodity-linked Note" means a Romanian Note specified as such in the relevant Final Terms;

"Coupon" means a coupon relating to the Romanian Note;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Romanian Conditions or the relevant Final Terms and:

- (i) if **"Actual/Actual (ICMA)"** is so specified, means:
 - (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of

days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) where the Calculation Period is longer than one Regular Period, the sum of:

(1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(vi) if "**30/360E**" or "**Eurobond Basis**" is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month),

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"Depositary Agreement" means (any of) the agreement(s) to be entered into by the Issuers and the Romanian Central Depositary for the purpose of registering one or several Tranches of Romanian Notes with the system of the Romanian Central Depositary (RoClear);

"Early Redemption Amount (Tax)" means, in respect of any Romanian Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

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"Early Termination Amount" means, in respect of any Romanian Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Romanian Conditions or the relevant Final Terms;

"Equity-linked Note" means a Romanian Note specified as such in the relevant Final Terms;

"External Indebtedness" means any present or future indebtedness in the form of, or represented or evidenced by, any bonds, notes, debentures, loan stock or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange or over-the-counter or other securities market.

"Extraordinary Resolution" means a resolution passed at a meeting of Noteholders (whether originally convened or resumed following an adjournment), duly convened and held in accordance with Romanian Condition 16 (*Meetings of Shareholders; Modification and Waiver*), by a majority of not less than three quarters of the votes cast;

"Final Redemption Amount" means, in respect of any Romanian Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Financial Centre(s)" means the city or cities specified as such in the relevant Final Terms;

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms;

"Fixed Rate Note" means a Romanian Note specified as such in the relevant Final Terms;

"Floating Rate Note" means a Romanian Note specified as such in the relevant Final Terms;

"Fund-linked Note" means a Romanian Note specified as such in the relevant Final Terms;

"Group" means BCR and its Subsidiaries from time to time and **"member of the Group"** shall be construed accordingly;

"Guarantee" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness;

"Guarantee of the Notes" means the guarantee of the Notes (including the Romanian Notes) given by the Guarantor in the Deed of Guarantee;

"IFRS" means International Financial Reporting Standards issued by the International Accounting Standards Board as applicable to the Group from time to time;

"Indebtedness" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit, or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or

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otherwise and whether issued for cash or in whole or in part for a consideration other than cash, in each case in an aggregate principal amount in excess of EUR 30,000,000 or its equivalent in other currencies;

"Interest Amount" means, in relation to a Romanian Note and an Interest Period, the amount of interest payable in respect of that Romanian Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Romanian Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning given in the relevant Final Terms;

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"ISDA Definitions" means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Romanian Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

"Issue Date" has the meaning given in the relevant Final Terms;

"Margin" has the meaning given in the relevant Final Terms;

"Maturity Date" has the meaning given in the relevant Final Terms;

"Maximum Rate of Interest" has the meaning given in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms;

"Member State" means a member state of the European Economic Area;

"Minimum Rate of Interest" has the meaning given in the relevant Final Terms;

"Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"Noteholder" has the meaning given in Romanian Condition 3(b) (*Form, Denomination, Title and Transfer*);

"Noteholders' Register" or **"Register"** means the evidence of the Noteholders', electronically held by the Romanian Central Depository pursuant to the Depository Agreement;

"Optional Redemption Amount (Call)" has the meaning given in the relevant Final Terms;

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"Optional Redemption Amount (Put)" has the meaning given in the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given in the relevant Final Terms;

"Optional Redemption Date (Put)" has the meaning given in the relevant Final Terms;

"Participating Member State" means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

"Payment Business Day" means:

- (i) if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in Bucharest according to National Bank of Romania (NBR) calendar; or
- (ii) if the currency of payment is RON, any day on which banks are opened for business in Bucharest according to NBR calendar; or
- (iii) if the currency of payment is not euro or RON, any day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) additional Financial Centre;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (i) in relation to euro, it means the principal financial centre of such Participating Member State as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to RON, it means Bucharest;

"Principal Subsidiary" means any Subsidiary of BCR:

- (i) where that part of the net profits after tax but before exceptional items of such Subsidiary which is attributable to BCR represents not less than 7.5 per cent. of the consolidated net profits after tax but before exceptional items (attributable to the shareholders of BCR) of the Group; or
- (ii) where that part of the net assets of such Subsidiary which is attributable to BCR represents not less than 7.5 per cent. of the consolidated net assets (attributable to the shareholders of BCR) of the Group,

in the case of (i) and (ii) above, determined by reference to the then most recently published audited consolidated accounts of the Group and the most recently audited accounts of such Subsidiary (and its Subsidiaries, if any); or

- (iii) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary of BCR which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary.

A certificate addressed to the Romanian Fiscal Agent and signed by two authorised signatories of BCR confirming that a Subsidiary of BCR is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall be conclusive and binding on BCR and all the Noteholders;

"Put Option" means a put option in accordance with the provisions of Romanian Condition 10(e) (*Redemption at the option of the Noteholders*);

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"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Romanian Note at the option of the Noteholder;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Romanian Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Romanian Conditions and/or the relevant Final Terms;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

"Reference Banks" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"Reference Date" has the meaning given in the relevant Final Terms;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" has the meaning given in the relevant Final Terms;

"Regular Period" means:

- (i) in the case of Romanian Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Romanian Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Romanian Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"Relevant Date" means, in relation to any payment, the date on which the payment in question first becomes due;

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Final Terms;

"Reserved Matter" means any proposal to change any date fixed for payment of principal or interest in respect of the Romanian Notes, to reduce the amount of principal or interest payable on any date in respect of the Romanian Notes, to alter the method of

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calculating the amount of any payment in respect of the Romanian Notes or the date for any such payment, to change the currency of any payment under the Romanian Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"Romanian Business Day" means any day on which banks are open for general business in Romania according to the rules of the National Bank of Romania;

"Romanian Central Depository" means Depozitarul Central S.A., the Romanian securities' central depository;

"RON" means the lawful currency of Romania;

"Screen Rate Determination" has the meaning given in the relevant Final Terms;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"Specified Currency" has the meaning given in the relevant Final Terms;

"Specified Denomination" has the meaning given in the relevant Final Terms;

"Specified Period" has the meaning given in the relevant Final Terms;

"Subsidiary" means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (i) where the first Person directly or indirectly holds the majority of the voting rights in the second Person; or
- (ii) where the first Person can appoint or replace the majority of the members of the management or supervision bodies or any decision-making persons of the second Person; or
- (iii) where the first Person can exercise a dominant influence over the second Person where it holds shares, on the basis of an agreement made with the second Person or of the provisions of the Articles of Association of the second Person; or
- (iv) where the first Person is a shareholder of the second Person and appointed the majority of the members of the leadership, management or supervision bodies of the subsidiary during the last two financial years or controls alone the majority of the voting rights based on an agreement with the other shareholders; or
- (v) whose financial statements are, in accordance with applicable law and IFRS, consolidated with those of the first Person;

"Talon" means a talon for further Coupons;

"TARGET2" means the Trans European Automated Real Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"TARGET Settlement Day" means any day on which TARGET2 is

open for the settlement of payments in euro;

"Treaty" means the Treaty establishing the European Communities, as amended; and

"Zero Coupon Note" means a Romanian Note specified as such in the relevant Final Terms.

- (b) *Interpretation:* In these Romanian Conditions:

- (i) if the Romanian Notes are Zero Coupon Notes, references to Coupons are not applicable;
- (ii) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Romanian Condition 12 (*Taxation*), any premium payable in respect of a Romanian Note and any other amount in the nature of principal payable pursuant to these Romanian Conditions;
- (iii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Romanian Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Romanian Conditions;
- (iv) references to Romanian Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (v) if an expression is stated in Romanian Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms give no such meaning or specify that such expression is "not applicable" then such expression is not applicable to the Romanian Notes.

3. **Form, Denomination, Title and Transfer**

- (a) *Form*: Romanian Notes will be nominative, dematerialised (registered) Notes, issued in the Specified Denomination.
- (b) *Title*: Romanian Notes will be evidenced by book entries (*inscrieri în cont*) and will be registered in the system of the Romanian Central Depository, which will credit, at the option of the Noteholder, (i) the Noteholder's individual account (*cont individual*) opened at the Romanian Central Depository by the Noteholder or by a Participant on behalf of the Noteholder (the "**Individual Account**") or (ii) the omnibus account (*cont global*) opened at the Romanian Central Depository by a Participant indicated by the Noteholder (the "**Omnibus Account**"). In relation to the Romanian Notes, "**Noteholder**" means the person in whose name one or several Romanian Notes are registered at the Reference Date in the Noteholders' Register or in the books of a Participant which is registered in the Noteholders' Register.

For the purpose of these Romanian Conditions, "**Participant**" means an entity entitled to open securities' accounts with the Romanian Central Depository, in its own name or in its name and on behalf of its clients.

- (c) *Ownership*: Title over Romanian Notes will pass (i) on a delivery versus payment basis, by registration of the Romanian Notes in the Individual Account of the Noteholder or in the Noteholder's sub-account which is part of an Omnibus Account, as applicable, or (ii) as otherwise specified in the relevant Final Terms.
- (d) *Transfers of Romanian Notes*: Romanian Notes will be transferred in accordance with the applicable rules of the Romanian Central Depository and (with respect to those Romanian Notes that will be admitted to trading on the Bucharest Stock Exchange) the applicable rules of the Bucharest Stock Exchange.

All costs in connection with the transfer of a Romanian Note will be borne by the relevant Noteholder.

- (e) *Regulations concerning transfers and registration*: All transfers of the Romanian Notes and entries in the Noteholders' Register are subject to the detailed rules and regulations of the Romanian Central Depository and the applicable Romanian legislation.

4. **Status and Guarantee**

- (a) *Status of the Romanian Notes*

(i) *Status of Senior Notes*

The Senior Notes (being those Romanian Notes which specify their status as Senior) and the Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Romanian Condition 5 (*Negative Pledge*)) unsecured obligations of the relevant Issuer and rank *pari passu* without any preference among themselves and (subject to any applicable statutory exceptions and without prejudice as aforesaid) the payment obligations of such Issuer under the Senior Notes and Coupons relating to them rank *pari passu* with all other unsecured and unsubordinated indebtedness and monetary obligations of such Issuer, present and future.

(ii) *Status of Subordinated Notes*

The Subordinated Notes (being those Romanian Notes which specify their status as Subordinated) and the Coupons relating to them constitute direct, unsecured obligations of the relevant Issuer and rank *pari passu* and rateably without any preference among themselves together with all other subordinated obligations of such Issuer other than subordinated obligations which are expressed to rank junior to the Subordinated Notes. In the event of the liquidation or bankruptcy of such Issuer, the payment obligations of that Issuer under the Subordinated Notes and Coupons relating to them will rank in right of payment after unsubordinated creditors of such Issuer but at least *pari passu* with all other subordinated obligations of that Issuer which are not expressed by their terms to rank junior to the Subordinated Notes and in priority to the claims of shareholders of such Issuer.

- (b) *Guarantee of the Romanian Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by either Issuer in respect of the Notes (including the Romanian Notes). This Guarantee of the Romanian Notes constitutes direct, general and unconditional obligation of the Guarantor which will at all times rank (i) in the case of Senior Notes, at least *pari passu* with all other unsecured and unsubordinated indebtedness and monetary obligations of the Guarantor, present and future, and (ii) in the case of Subordinated Notes, at least *pari passu* with all other subordinated obligations of the Guarantor which are not expressed by their terms to rank junior to the Guarantee and in priority to the claims of shareholders of the Guarantor.

5. **Negative Pledge**

- (a) So long as any Romanian Note remains outstanding (as defined in the Agency Agreement), neither the relevant Issuer nor the Guarantor will, and the relevant Issuer and the Guarantor will ensure that none of their Principal Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of their property or assets, present or future, to secure for the benefit of the holders of any External Indebtedness (i) payment of such External Indebtedness, (ii) any payment under any guarantee of such External Indebtedness, or (iii) any payment under any indemnity relating to such External Indebtedness.
- (b) The restrictions mentioned in paragraph (a) above will not apply:
- (i) to any mortgage bonds, public sector covered bonds, covered bonds, secured lending (where the collateral consists in a specific portfolio of assets of the relevant bank or in the receivables deriving from such portfolio), Asset Backed Finance or comparable instruments issued by any of the Issuers and/or the Guarantor and/or any Principal Subsidiary from time to time in accordance with Romanian law or any other applicable law; and
- (ii) in relation to those Romanian Notes that are Subordinated Notes.

6. **Fixed Rate Note Provisions**

- (a) *Application:* This Romanian Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Romanian Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Romanian Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Romanian Condition 11 (*Payments*). Each Romanian Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Romanian Condition 6 (as well after as before judgment) until the day on which all sums due in respect of such Romanian Note up to that day are received by or on behalf of the relevant Noteholder.
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Romanian Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Romanian Notes are in more than one Specified Denomination (to the extent permitted by Romanian law), shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Romanian Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub unit of the Specified Currency (half a sub unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Romanian Note divided by the Calculation Amount. For this purpose "**sub unit**" means, in the case of any currency other than RON or euro, the lowest amount of such currency that is available as legal tender in the country of such currency, in the case of RON means one ban and, in the case of euro, means one cent.

7. **Floating Rate Note, Index-linked Interest Note, Equity-linked Note, Fund-linked Note and Commodity-linked Note Provisions**

- (a) *Application:* This Romanian Condition 7 (*Floating Rate Note, Index-linked Interest Note, Equity-linked Note, Fund-linked Note and Commodity-linked Note Provisions*) is applicable to the Romanian Notes only if the Floating Rate Note Provisions, the Index-linked Interest Note Provisions, the Equity-linked Note Provisions, the Fund-linked Note Provisions or the Commodity-linked Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Romanian Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Romanian Condition 11 (*Payments*). Each Romanian Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Romanian Condition 7 (as well after as before judgment) until the day on which all sums due in respect of such Romanian Note up to that day are received by or on behalf of the relevant Noteholder.
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Romanian Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
 - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

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- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by prime banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Romanian Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Romanian Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Romanian Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
 - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) *Index-linked Interest:* If the Index-linked Interest Note Provisions are specified in the relevant Final Terms as being applicable, the Rate(s) of Interest applicable to the Romanian Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.

- (f) *Equity-linked Notes, Fund-linked Notes and Commodity-linked Notes:* In the case of Equity-linked Notes, Fund-linked Notes and Commodity-linked Notes, the Rate of Interest applicable to the Romanian Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.
- (g) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (h) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Romanian Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Romanian Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than RON or euro, the lowest amount of such currency that is available as legal tender in the country of such currency, in the case of RON means one ban and in the case of euro means one cent.
- (i) *Calculation of other amounts:* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (j) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agent(s), the CNVM and the Bucharest Stock Exchange as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.
- (k) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Romanian Condition by the Calculation Agent will (in the absence of manifest error) be binding on the relevant Issuer, the Guarantor, the Paying Agent(s) and the Noteholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. **Zero Coupon Note Provisions**

- (a) *Application:* This Romanian Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Romanian Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) the day on which all sums due in

respect of such Romanian Note up to that day are received by or on behalf of the relevant Noteholder.

9. **Dual Currency Note Provisions**

- (a) *Application*: This Romanian Condition 9 (*Dual Currency Note Provisions*) is applicable to the Romanian Notes only if the Dual Currency Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Rate of Interest*: If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

10. **Redemption and Purchase**

- (a) *Scheduled redemption*: Unless previously redeemed or purchased, the Romanian Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Romanian Condition 11 (*Payments*).
- (b) *Equity-linked Notes, Fund-linked Notes and Commodity-linked Notes*: Equity-linked Notes, Fund-linked Notes and Commodity-linked Notes are redeemed as specified in the applicable Final Terms.
- (c) *Redemption for tax reasons*: The Romanian Notes may be redeemed at the option of the relevant Issuer in whole, but not in part:

- (i) at any time (if neither the Floating Rate Note Provisions nor the Index-linked Interest Note Provisions are specified in the relevant Final Terms as being applicable); or
- (ii) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-linked Interest Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Romanian Condition 18 (*Notices*) (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to (but excluding) the date fixed for redemption, if:

- (A) (1) the relevant Issuer has or, on the next Interest Payment Date, will become obliged to pay additional amounts as provided or referred to in Romanian Condition 12 (*Taxation*) as a result of any change in, or amendment to, (i) in the case of BCR, the laws or regulations of Romania or any political subdivision or any authority thereof or therein having power to tax, or (ii) in the case of BCR Finance B.V., to the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, as the case may be, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Romanian Notes, and (2) such obligation cannot be avoided by such Issuer taking reasonable measures available to it,
- (B) (1) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Romanian Condition 12 (*Taxation*) from any amount paid by it to the relevant Issuer in order to enable the relevant Issuer to make a payment of principal or interest in respect of the laws or regulations of Romania or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a

holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Romanian Notes, and (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the Romanian Notes may be redeemed at any time, 90 days prior to the earliest date on which the relevant Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Romanian Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or
- (2) where the Romanian Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the relevant Issuer or the Guarantor would be obliged to pay such additional amounts or the Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Romanian Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the relevant Issuer shall deliver or procure that there is delivered to the Romanian Fiscal Agent: (1) where BCR is Issuer a certificate signed by two authorised signatories of BCR stating that BCR is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, (2) where BCR Finance B.V. is Issuer, a certificate signed by two managing directors of BCR Finance B.V. stating that BCR Finance B.V. is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of BCR Finance B.V. so to redeem have occurred and (3) an opinion of independent legal advisers of recognised standing to the effect that the relevant Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts or (as the case may be) the Guarantor has or will become obliged to make such withholding or deduction as a result of such change or amendment. The Romanian Fiscal Agent shall be entitled to accept the certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the relevant Issuer and the Noteholders. Upon the expiry of any such notice as is referred to in this Romanian Condition 10(c), the relevant Issuer shall be bound to redeem the Romanian Notes in accordance with this Romanian Condition 10(c).

- (d) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Romanian Notes may be redeemed at the option of the relevant Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on such Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Romanian Condition 18 (*Notices*) (which notice shall be irrevocable and shall oblige the relevant Issuer to redeem the Romanian Notes or, as the case may be, the Romanian Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (e) *Partial redemption:* If, to the extent allowed by the applicable Romanian legislation, the Romanian Central Depository and the rules of the Bucharest Stock Exchange (in relation to those Romanian Notes that are admitted to trading thereon), the Romanian Notes are to be redeemed in part only on any date in accordance with Romanian Condition 10(d) (*Redemption at the option of the Issuer*), the Romanian Notes to be redeemed shall be selected by the drawing of lots in such place as the Romanian Fiscal Agent approves and

in such manner as the Romanian Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of the Bucharest Stock Exchange and the Romanian Central Depository and the notice to Noteholders referred to in Romanian Condition 10(d) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Romanian Notes so to be redeemed. If the Romanian Notes bear no serial numbers or, for any other reason, selection by drawing of lots is not practically possible, then the partial redemption will be made on a pro-rata basis. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Redemption at the option of Noteholders:*

- (i) If the Put Option is specified in the relevant Final Terms as being applicable, to the extent allowed by the applicable Romanian legislation and the rules of the Bucharest Stock Exchange and the Romanian Central Depository, the relevant Issuer shall, at the option of any Noteholder redeem such Romanian Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to (but excluding) such date. In order to exercise the option contained in this Romanian Condition 10(f), a Noteholder must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with the Paying Agent the certificate representing such Note(s) together with a duly completed Put Option Notice in the form obtainable from the Paying Agent. No Certificate so deposited and option exercised may be withdrawn except if, prior to the relevant Optional Redemption Date (Put) any such Note becomes immediately due and payable or if upon due presentation payment of the redemption moneys is improperly withheld or refused. The Paying Agent shall deliver a duly completed Put Option Receipt to the depositing Noteholder.
- (ii) If, while any Romanian Notes are outstanding, there occurs a Change of Control (a "**Put Event**"), any Noteholder will have the option (unless, prior to the giving of the Put Event Notice referred to below, the relevant Issuer gives notice to redeem the Romanian Notes under Romanian Condition 10(c)) to require such Issuer to redeem or, at such Issuer's option, purchase (or procure the purchase of) that Romanian Note on the Put Settlement Date (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Put Settlement Date, subject, however, to the rules of the Bucharest Stock Exchange and the Romanian Central Depository.

Promptly upon the relevant Issuer becoming aware that a Put Event has occurred, such Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with Romanian Condition 18 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Romanian Condition 10(f)(ii). To exercise the option to require redemption or, as the case may be, purchase of a Romanian Note under this Romanian Condition 10(f)(ii) the holder of that Romanian Note must deliver, on any day when banks are open for ordinary business in the city of the specified office of the Paying Agent falling within the period (the "**Put Period**") of 45 days after a Put Event Notice is given, at the specified office of the Paying Agent, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of the Paying Agent (a "**Put Option Notice**") and in which the holder may specify a bank account complying with the requirements of this Romanian Condition 10(f)(ii) to which payment is to be made under this Romanian Condition 10(f)(ii).

The Paying Agent to which such Put Notice is delivered will issue to the Noteholder concerned a non-transferable receipt (a "**Put Option Receipt**"). The relevant Issuer shall redeem or at the option of such Issuer purchase (or procure

the purchase of) the Romanian Notes in respect of which Put Option Receipts have been issued on the Put Settlement Date, unless previously redeemed and purchased, subject, however, to the applicable Romanian legislation. Payment in respect of any such Romanian Note will be made, if the holder duly specified a bank account in the Put Option Notice to which payment is to be made, on the Put Settlement Date by transfer to that bank account and in every other case on or after the Put Settlement Date, in each case against presentation of such Put Option Receipt at the specified office of the Paying Agent in accordance with the provisions of this Romanian Condition 10(f)(ii).

- (g) *No other redemption*: The relevant Issuer shall not be entitled to redeem the Romanian Notes otherwise than as provided in paragraphs (a) to (e) above.
- (h) *Early redemption of Zero Coupon Notes*: Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Romanian Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Romanian Condition 10(h).

- (i) *Purchase*: The Issuers, the Guarantor or any of their respective Subsidiaries may at any time purchase Romanian Notes in the open market or otherwise and at any price. All Romanian Notes purchased by the Issuers, the Guarantor or any of their respective Subsidiaries may, at the option of the relevant Issuer, be held or resold.

Romanian Notes so purchased and held by or on behalf of the relevant Issuer will not entitle their holder to vote within any Meeting of Noteholders and will not be taken into account for the purposes of calculating the quorums for meetings and decision making of Noteholders.

- (j) *Cancellation*: All Romanian Notes redeemed by the Issuers will be cancelled and may not be reissued or resold.

11. **Payments**

- (a) *Principal*: Payments of principal will be made by transfer to an account denominated in the currency in which the payment is due, opened by the relevant Noteholder as required in the relevant Final Terms. Noteholders will notify their bank account details to the Paying Agent by fax or registered mail, as detailed in the relevant Final Terms, (i) upon their subscription/acquisition of Romanian Notes or (ii) at least three Business Days prior to the respective Redemption Date. Noteholders who will not notify their bank account details to the Paying Agent as provided in (i) or (ii) above, will receive the payment of principal by banking transfer based on a written request addressed to the Paying Agent, specifying the bank account details for the banking transfer;
- (b) *Interest*: Payments of interest will be made by transfer to an account denominated in the currency in which the payment is due, opened by the relevant Noteholder as required in the relevant Final Terms. Noteholders will notify their bank account details to the Paying Agent by fax or registered mail, as detailed in the relevant Final Terms, (i) upon their subscription/acquisition of Romanian Notes or (ii) at least three Business Days prior to the respective Interest Payment Date. Noteholders who will not notify their bank account details to the Paying Agent as provided in (i) or (ii) above, will receive the

payment of principal by banking transfer based on a written request addressed to the Paying Agent, specifying the bank account details for the banking transfer;

- (c) *Payments subject to fiscal laws:* All payments in respect of the Romanian Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Romanian Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on Business Days:* If the due date for payment of any amount in respect to any Romanian Note is not a Payment Business Day, the Noteholder shall not be entitled to payment until the next succeeding Payment Business Day and shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.
- (e) *Record date:* Each payment in respect of a Romanian Note will be made to the person shown as Noteholder at the opening of business in Bucharest on the fifteenth day before the due date for such payment (the "**Record Date**").

12. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Romanian Notes by or on behalf of the Issuers shall be made free and clear of, and without withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Romania or The Netherlands (as applicable) or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the relevant Issuer shall make such withholding or deduction from the principal and/or interest payment made to the respective Noteholder but shall, for the avoidance of doubt, not be required to pay additional amounts. In respect of Romanian Notes issued by BCR, if a Noteholder is not resident in Romania for tax purposes, BCR will, upon request, provide the relevant Noteholder with a certificate evidencing such withholding in Romania (*certificatul de atestare a impozitului plătit de nerezidenți*), issued by the competent Romanian tax authority.
- (b) *Taxing jurisdiction:* If the relevant Issuer or the Guarantor at any time becomes subject to tax on its net income, profit or gains in any taxing jurisdiction other than or in addition to Romania or The Netherlands, as the case may be, by reason only of a change in (i) the place of residence or domicile of such Issuer or (ii) the activities carried on by such Issuer, references in these Romanian Conditions to Romania or The Netherlands shall be construed as references to Romania or The Netherlands and/or such other jurisdiction.

13. **Events of Default**

- (a) *Senior Notes:* If any of the following events occurs and is continuing in relation to Romanian Senior Notes:
 - (i) *Non-payment:* default being made for a period of 15 days (in the case of interest) or seven days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Romanian Notes; or
 - (ii) *Breach of any other obligation:* the Issuer or the Guarantor failing to perform or observe any covenant, condition or provision contained in the Romanian Notes (other than any obligation for the payment of principal or interest in respect of the Romanian Notes) and on its part to be performed and observed which default is incapable of remedy or is not remedied within 45 days after notice of such default shall have been given to the Romanian Fiscal Agent at its specified office by any Noteholder; or

- (iii) *Cross-acceleration*: any other Indebtedness of the relevant Issuer or the Guarantor or any Principal Subsidiary (i) is not paid when due nor within any grace period applicable to such Indebtedness, or (ii) has become or becomes capable of being rendered due and payable before its scheduled maturity by reason of a default by the relevant Issuer or the Guarantor, as the case may be, or (iii) if payable on demand, is not paid when demanded, or (iv) any guarantee or indemnity given by the relevant Issuer or the Guarantor, as the case may be, in respect of any Indebtedness of any other person is not honoured when due and called upon; or
- (iv) *Security enforced*: the security for any Indebtedness of the Issuer or the Guarantor becomes enforceable and the creditors entitled thereto take steps to enforce the same; or
- (v) *Insolvency*: the Issuer or the Guarantor is adjudicated or found bankrupt or insolvent, or any order is made by any competent court or administrative agency for, or any resolution is passed by the Issuer or the Guarantor (as applicable) to apply for, the judicial appointment of an official controller to supervise the management of the Issuer or the Guarantor (as applicable) with binding authority with the effect of a temporary moratorium in relation to the Issuer or the Guarantor (as applicable) or a substantial part of its assets or if the Issuer or the Guarantor (as applicable) is wound up or dissolved, otherwise than for the purposes of reconstruction, merger or amalgamation in which the successor entity assumes all the obligations of the Issuer or the Guarantor (as applicable) with respect to the Romanian Notes;

then the holder of any such Romanian Note may by written notice to the relevant Issuer and the Guarantor at the specified office of the Romanian Fiscal Agent declare such Romanian Note to be due and payable at its Early Termination Amount, together with accrued interest.

- (b) *Subordinated Notes*:
 - (i) *Non-payment*: if default occurs and is continuing for a period of 30 days (in the case of interest) or 15 days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Romanian Subordinated Notes, then the holder of any such Romanian Note may initiate the steps to apply to the competent court for the commencement of bankruptcy proceedings against the Issuer or the Guarantor.
 - (ii) *Insolvency*: if bankruptcy proceedings are commenced in the competent court against the Issuer or the Guarantor (upon the application of any person other than a Noteholder acting solely in such capacity), then the holder of any Romanian Subordinated Note may file an application in such court demanding repayment of all principal amounts due under such Romanian Notes together with accrued interest and any additional amount.
- (c) If insolvency proceedings are commenced against any of the Issuers, the Romanian Notes issued by such Issuer will cease to bear interest from the date on which judicial notice of such insolvency is published and all un-matured Coupons will thereupon become void and no payment shall be made in respect thereof.

14. **Prescription**

Claims for principal in respect of Romanian Notes shall become void within three years of the appropriate Relevant Date.

Claims for interest in respect of Romanian Notes shall become void unless within three years of the appropriate Relevant Date. Claims for principal and interest on redemption shall become void within three years of the appropriate Relevant Date.

15. **Agents**

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In acting under the Agency Agreement and in connection with the Romanian Notes, the Agents act solely as agents of the Issuers and the Guarantor and do not assume any obligations towards any of the Noteholders.

The initial Agent will be BCR. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuers and the Guarantor reserve the right at any time to vary or terminate the appointment of any Agent, to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents, and to approve any change in the jurisdiction in which the Specified Office through which any Paying Agent acts is located; **provided, however, that:**

- (a) the Issuers and the Guarantor shall at all times maintain a fiscal agent and a registrar; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the relevant Issuer and the Guarantor shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Romanian Notes are admitted to trading on the Bucharest Stock Exchange, the Issuers and the Guarantor shall maintain a Paying Agent having its Specified Office in Bucharest.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

16. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:*

Holders of Romanian Notes of the same Tranche may meet in general meetings in order to decide on their interests (each, a "**Meeting of Noteholders**").

Such meetings shall be held at the expense of the relevant Issuer and shall be convened by the relevant Issuer upon the written request of Noteholders holding not less than a quarter of the aggregate principal amount of the Romanian Notes of the same Tranche or, after the appointment of the representatives of the Noteholders, at their request.

The Meeting of the Noteholders is authorised to (among others), according to the Romanian Company Law no. 31/1990, subsequently amended and republished:

- (i) appoint a representative of the Noteholders and one or more deputies, having the right to represent them in front of the relevant Issuer and the court, deciding upon their remuneration; they shall be able to attend the General Shareholders' Meeting of the relevant Issuer;
- (ii) to perform all the acts for the supervision and the defence of the Noteholders' common interests and to authorise a representative in this respect;
- (iii) to establish a fund that may be made up of the interest due to the Noteholders, in order to cope with the expenses necessary for the defence of their rights, establishing at the same time the rules for the management of such a fund;
- (iv) to oppose to any amendment to the articles of association of the relevant Issuer or to the conditions of the loan, by means of which the rights of the Noteholders might be affected; and
- (v) to express their opinion upon the issue of new bonds.

In order that the first three types of decisions (i)-(iii) become valid, the holders of at least a third of the Romanian Notes within the same Tranche, issued and not yet refunded, must attend the Meeting and the majority thereof must vote favourably.

In the other cases (iv)-(v), the presence of at least two thirds of the non-refunded Romanian Notes within the same Tranche and the favourable vote of at least four fifths of the Romanian Notes within the same Tranche represented at the Meeting are required.

The decisions of the Meeting of Noteholders are also mandatory for the Noteholders that were not present at the Meeting or voted against that decision. The decisions made by the Meeting of Noteholders may be contested in court by the Noteholders that did not participate at the Meeting or voted against the decision and requested their opposition to be mentioned in the minutes of the Meeting.

- (b) *Modification:* These Romanian Conditions and the Deed of Guarantee may be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the parties may mutually deem necessary or desirable and which does not adversely affect the interests of the Noteholders.
- (c) *Waiver:* The Romanian Fiscal Agent shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the relevant Issuer or the Guarantor any indemnification or payment in respect of any tax consequence for individual Noteholders except to the extent already provided for in Romanian Condition 12 (*Taxation*).

17. **Further Issues**

Either Issuer may from time to time, without the consent of the Noteholders, create and issue further securities having the same terms and conditions as the Romanian Notes in all respects (or in all respects except for the first payment of interest) as to form a single series with the outstanding securities of any series (including the Romanian Notes). References in these Romanian Conditions to the Romanian Notes include (unless the context requires otherwise) any securities issued pursuant to this Romanian Condition and forming a single series with the Romanian Notes.

18. **Notices**

Notices to the Noteholders shall be published in a leading newspaper having general circulation in Romania (to be indicated in the relevant Final Terms), on BCR's website (when BCR acts either as Issuer under the Programme or as Romanian Paying Agent in respect of the notes issued in Romania by BCR Finance BV) and (with respect of the Romanian Notes that will be listed on the Bucharest Stock Exchange) will be notified to the Bucharest Stock Exchange for publication. Any such notice shall be deemed to have been given on the day of the first publication therein.

19. **Currency Indemnity**

If any sum due from the relevant Issuer in respect of the Romanian Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Romanian Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the relevant Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Romanian Notes, the relevant Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to such Issuer and delivered to such Issuer or to the Specified Office of the Romanian Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

20. **Rounding**

For the purposes of any calculations referred to in these Romanian Conditions (unless otherwise specified in these Romanian Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all euro amounts used in or resulting from such

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calculations will be rounded up to the nearest cent (with one half cent being rounded up), (d) all RON amounts used in or resulting from such calculations will be rounded up to the nearest *ban* (with one half *ban* being rounded up), and (e) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

21. **Governing Law and Jurisdiction**

- (a) *Governing law*: The Romanian Notes and all non-contractual obligations arising out of or in connection with the Romanian Notes are governed by, and shall be construed in accordance with, Romanian law.
- (b) *Competent courts*: Any dispute arising from or in connection with the Romanian Notes will be submitted to the Romanian competent courts.

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FORM OF FINAL TERMS (ISSUE OF NOTES WITH A DENOMINATION OF LESS THAN EUR 50,000 OR EQUIVALENT)

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

Final Terms dated [●]

[BANCA COMERCIALĂ ROMÂNĂ S.A.]/[BCR FINANCE B.V.] (the "Issuer")

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

[Guaranteed by **BANCA COMERCIALĂ ROMÂNĂ S.A.**]

under the **EUR 3,000,000,000 Euro Medium Term Note Programme**

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances]¹.

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances]².

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the [International]/[Romanian] Conditions (the "**Conditions**") set forth in the base prospectus dated [•] [and the Base Prospectus supplement dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the Base Prospectus supplement] [is/are] available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) [and] during normal business hours at [address]] and copies may be obtained from [address].

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and either (1) the Notes which are the subject of the Final Terms are not being (a) offered to the public in a member state (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive) or (b) admitted to trading on a regulated market in a member state or (2) the Conditions (as defined in the next paragraph) do not contain, by comparison with the Base Prospectus, any "significant new factor" within the meaning of Article 16.1 of the Prospectus Directive. If neither (1) nor (2) applies the Issuer will need to consider effecting the issue by means of a supplement to the Base Prospectus or a stand alone prospectus rather than by Final Terms.

Terms used herein shall be deemed to be defined as such for the purposes of the [International]/[Romanian] Conditions (the "**Conditions**") set forth in the Base Prospectus dated [•] [and the Base Prospectus supplement dated [•]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and must be read in conjunction with the base prospectus dated [current date] [and the Base Prospectus supplement dated [•]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the base prospectus dated [•] [and the Base Prospectus supplement dated [•]] and are attached hereto. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of a combination of these Final Terms and the Base Prospectuses dated [•] and [current date] [and the Base Prospectus supplements dated [•] and [•]]. The Base Prospectuses [and the Base Prospectus supplement] are available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) [and] during normal business hours at [address] [and copies may be obtained from [address]].

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms.]

[When completing final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

[In case of Notes linked to hedge funds insert: The Notes economically represent a hedge fund and an investment therefore carries a high degree of risk. Hence, only a small part of disposable funds should be invested in the Notes and not all disposable funds or funds financed by credit should be invested in the Notes. An investment in the Notes will be offered to investors particularly knowledgeable in investment matters. Investors should participate in the investment only if they are in a position to consider carefully the risks associated with the Notes.]

- | | | | |
|----|------|------------------|--|
| 1. | (i) | Issuer: | [Banca Comercială Română S.A.]/ [BCR Finance B.V.] |
| | (ii) | Guarantor: | Banca Comercială Română S.A.] |
| 2. | (i) | Series Number:] | [•] |
| | (ii) | [Tranche Number: | [•] |

(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)

3. Specified Currency or Currencies: [•]
4. Aggregate Nominal Amount of Notes:
 - [(i)] [Series:] [•]
 - [(ii)] [Tranche:] [•]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (i) Specified Denominations: [•]

No Notes may be issued which have a minimum denomination of less than EUR 1,000 (or nearly equivalent in and other currency)
- (ii) Calculation Amount: [•]
7. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [*Specify*/Issue Date/Not Applicable]³
8. Maturity Date: [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9. Interest Basis: [• per cent. Fixed Rate]
 [[*Specify reference rate*] +/- [•] per cent. Floating Rate]
 [Zero Coupon]
 [Index-linked Interest]
 [Equity-linked Interest]
 [Fund-linked Interest]
 [Commodity-linked Interest]
 [Other (*specify*)]
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
 [Index-linked Redemption]
 [Dual Currency]
 [Partly Paid]
 [Instalment Amount]
 [Other (*specify*)]
11. Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis*]
12. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]

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13. (i) Status of the Notes: [Senior/[Dated/Perpetual]/Subordinated]
- (ii) Status of the Guarantee: [Senior/[Dated/Perpetual]/Subordinated]
- [(iii)] [Date [Board] approval for issuance of Notes [and Guarantee] [respectively] obtained: [•] [and [•], respectively]]
- (N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee]*
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]
- (Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)])*
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph.)*
- (i) Interest Period(s): [•]
- (ii) Specified Period: [•]
- (Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*

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- (iii) Specified Interest Payment Dates: [•]
(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")
- (iv) First Interest Payment Dates: [•]
- (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other *(give details)*]
- (vi) Business Centre(s): [•]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other *(give details)*]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Fiscal Agent]): [[Name] shall be the Calculation Agent *(no need to specify if the Fiscal Agent is to perform this function)*]
- (ix) Screen Rate Determination: [For example, LIBOR or EURIBOR]
- Reference Rate:
- Interest Determination Date(s): [•]
- Relevant Screen Page: [For example, Reuters LIBOR 01/ EURIBOR 01]
- Relevant Time: [For example, 11.00 a.m. Luxembourg time]
- Relevant Financial Centre: [For example, Euro-zone *(where Euro-zone means the region comprised of the countries whose lawful currency is the euro)*]
- (x) ISDA Determination:
- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]
- (xi) Margin(s): [+/-][•] per cent. per annum
- (xii) Minimum Rate of Interest: [•] per cent. per annum
- (xiii) Maximum Rate of Interest: [•] per cent. per annum
- (xiv) Day Count Fraction: [•]
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]

17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) [Amortisation/Accrual] Yield: [•] per cent. per annum
 - (ii) Reference Price: [•]
 - (iii) Any other formula / basis of determining amount payable: [•]
18. **Index-linked Interest Note/other variable-linked interest Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Index/Formula/Underlying Equit(y)(ies)/Fund(s)/Commodit(y)(ies)/ other variable: [give or annex details]
 - (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]): [Name] shall be the Calculation Agent
(no need to specify if the Fiscal Agent is to perform this function).
 - (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula [and/or Equit(y)(ies) and/or Fund(s) and/or Commodit(y)(ies)] and/or other variable: [•]
 - (iv) Interest Determination Date(s): [•]
 - (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula [and/or Equit(y)(ies) and/or Fund(s) and/or Commodit(y)(ies)] and/or other variable is impossible or impracticable or otherwise disrupted: [•]
 - (vi) Interest or calculation period(s): [•]
 - (vii) Specified Period [•]
(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")
 - (viii) Specified Interest Payment Dates: [•]
(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or

Eurodollar Convention, insert "Not Applicable")

- (ix) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (x) Business Centre(s): [•]
- (xi) Minimum Rate/Amount of Interest: [•] per cent. per annum
- (xii) Maximum Rate/Amount of Interest: [•] per cent. per annum
- (xiii) Day Count Fraction: [•]

19. **Dual Currency Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Rate of Exchange/method of calculating Rate of Exchange: [*Give details*]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the [Fiscal Agent]): [Name] shall be the Calculation Agent (*no need to specify if the Fiscal Agent is to perform this function*)
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [•]

PROVISIONS RELATING TO REDEMPTION

20. **Call Option** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [•] per Calculation Amount
 - (b) Maximum Redemption Amount: [•] per Calculation Amount
- (iv) Notice period: [•]

21. **Put Option** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [•]

- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
 - (iii) Notice period: [•]
22. **Final Redemption Amount of each Note** [•] per Calculation Amount
- In cases where the Final Redemption Amount is Index-linked or other variable-linked:
- (i) Index/Formula/ other variable: [*give or annex details*]
 - (ii) Party responsible for calculating the Final Redemption Amount (if not the [Fiscal Agent]): [Name] shall be the Calculation Agent (*no need to specify if the Fiscal Agent is to perform this function*)
 - (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula [and/or Equit(y)(ies) and/or Fund(s) and/or Commodity(y)(ies)] and/or other variable: [•]
 - (iv) Date for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable: [•]
 - (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula [and/or Equit(y)(ies) and/or Fund(s) and/or Commodity(y)(ies)] and/or other variable is impossible or impracticable or otherwise disrupted: [•]
 - (vi) Minimum Final Redemption Amount: [•] per Calculation Amount
 - (vii) Maximum Final Redemption Amount: [•] per Calculation Amount
23. **Early Redemption Amount**
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable]
- (If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes / specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes]*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. **Form of Notes:** **Notes governed by English law:**
- Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent

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Global Note.]

[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice.]

[Permanent Global Note exchangeable for Definitive Notes on [•] days' notice / at any time / in the limited circumstances specified in the Permanent Global Note].

[Registered Notes]

Notes governed by Romanian law:

[Registered Notes]

25. New Global Note: [Yes] [No] [*Note that this Programme contemplates that Notes may be issued in NGN form even if they are not intended to be recognised as eligible collateral for Eurosystem marketing policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Before selecting the designation "Yes" consider whether the Issuer does in fact want to issue in NGN form even though the designation "No" will be selected for Part B – Item 9(vii).*]
26. Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/*give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 15(ii), 16(v) and 18(ix) relate.*]
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/*give details*]
29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]
30. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [19] (*Further Issues*) apply]
31. Consolidation provisions: [Not Applicable/The provisions [in Condition [•] apply]
32. Other final terms: [Not Applicable/*give details*]
- (When adding any other final terms consideration should be given as to whether such terms constitute a "significant new factor" and consequently trigger the need for a*

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supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

DISTRIBUTION

33. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)
- (ii) Date of [Subscription] Agreement: [•]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
34. If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
35. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
36. U.S. Selling Restrictions: [[Reg. S Compliance Category];
(In the case of Bearer Notes) - [TEFRA C/TEFRA D/ TEFRA not applicable]
(In the case of Registered Notes) - [Not Applicable]¹
37. Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported] (**Public Offer Jurisdictions**) during the period from [specify date] until [specify date] (**Offer Period**). See further Paragraph 10 of Part B below.
38. Additional selling restrictions: [Not Applicable/give details]
39. Jurisdiction and Governing Law [English law] [Romanian law]
40. Domestic or International Notes: [Domestic] [International]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on the [regulated market of the Luxembourg Stock Exchange]

¹ In the case of a US Issuer issuing Registered Notes with a maturity of 1 year or less there may be US withholding tax reasons for complying with the TEFRA regime. Specialist US tax advice should be sought in any such case.

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[Romanian Market] [*other market*] of the Notes described herein] pursuant to the EUR 3,000,000,000 Euro Medium Term Note Programme of Banca Comercială Română S.A. and BCR Finance B.V..

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. [(Relevant third party information) has been extracted from (*specify source*). Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]⁴

Signed on behalf of [BANCA COMERCIALĂ ROMÂNĂ S.A.] / [BCR FINANCE B.V.] as the Issuer:

By:
Duly authorised

Signed on behalf of BANCA COMERCIALĂ ROMÂNĂ S.A. as the Guarantor:

By:
Duly authorised

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Official list of the Luxembourg Stock Exchange/other (*specify*)/none]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [*specify relevant regulated market*] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [•].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

2. RATINGS

Ratings: The Notes to be issued have been rated:

[S & P: [•]]
[Moody's: [•]]
[[Fitch: [•]]
[[Other]: [•]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer [•]
(See ["Use of Proceeds"] wording in the Base Prospectus - if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii)] Estimated net proceeds: [•]
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii)] Estimated expenses: total [•]
[Include breakdown of expenses]
(If the Notes are derivative securities for which Annex XII of the Prospectus Directive Regulation applies it is] only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

5. **[Fixed Rate Notes only -YIELD**

Indication of yield: [•]
Calculated as [include details of method of calculation in summary form] on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **[Floating Rate Notes only — HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/OTHER] rates can be obtained from [Reuters].]

7. **[Index-linked or Equity-linked or Fund-linked or Commodity-linked or other variable-linked Notes only - PERFORMANCE OF INDEX/FORMULA/UNDERLYING EQUITY/FUND/COMMODITY/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Need to include details of where past and future performance and volatility of the index/formula/underlying equity/fund/commodity/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]⁵

[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer will not provide any post-issuance information except if required by any applicable laws and regulations.

8. **[Dual Currency Notes only - PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]⁶

[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

9. **OPERATIONAL INFORMATION**

- ISIN Code: [•]
- Common Code: [•]
- Clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking société anonyme and the relevant identification number(s)
- (a) for International Notes: [Not Applicable/give name(s) and number(s)]
- (b) for Romanian Notes: [RCD [give number]]
[Not Applicable/give name(s) and number(s)]
- Delivery: Delivery [against/free of] payment
- Names and addresses of initial Paying Agent(s) (if any): [•]
- Names and addresses of additional Paying Agent(s) (if any): [•]
- Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No][Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[Include this text if "Yes" selected in which case the Notes must be issued in NGN form.]*

10. **TERMS AND CONDITIONS OF THE OFFER**

- Offer Price: [Issue Price][specify]
- Conditions to which the offer is subject: [Not Applicable/give details]
- Time period, including any possible amendments, during which the offer will be open: [Not Applicable/give details]
- Description of the application process: [Not Applicable/give details]
- Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/give details]
- Details of the minimum and/or maximum amount of application: [Not Applicable/give details]

Details of the method and time limits for paying up and delivering the Notes: [Not Applicable/*give details*]

Manner in and date on which results of the offer are to be made public: [Not Applicable/*give details*]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/*give details*]

Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: [Not Applicable/*give details*]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/*give details*]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/*give details*]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. [None/*give details*]

¹ Include this legend where a non-exempt offer of Notes is anticipated.

² Include this legend where only an exempt offer of Notes is anticipated.

³ An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.

⁴ Include if third party information is provided, for example in compliance with Annex XII of the Prospectus Directive Regulation in relation to an index or its components, an underlying security or the issuer of an underlying security.

⁵ Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

⁶ Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

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FORM OF FINAL TERMS (ISSUE OF NOTES WITH A DENOMINATION OF AT LEAST EUR 50,000 OR EQUIVALENT)

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

Final Terms dated [•]

[BANCA COMERCIALĂ ROMÂNĂ S.A.]/[BCR FINANCE B.V.] (the "Issuer")
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[Guaranteed by BANCA COMERCIALĂ ROMÂNĂ S.A.]

under the **EUR 3,000,000,000 Euro Medium Term Note Programme**

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the [International]/[Romanian] Conditions (the "**Conditions**") set forth in the base prospectus dated [•] [and the Base Prospectus supplement dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the Base Prospectus supplement] [is/are] available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) [and] during normal business hours at [address] and copies may be obtained from [address].

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the [International]/[Romanian] Conditions (the "**Conditions**") set forth in the Base Prospectus dated [•] [and the Base Prospectus supplement dated [•]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and must be read in conjunction with the base prospectus dated [current date] [and the Base Prospectus supplement dated [•]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the base prospectus dated [•] [and the Base Prospectus supplement dated [•]] and are attached hereto. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of a combination of these Final Terms and the Base Prospectuses dated [•] and [current date] [and the Base Prospectus supplements dated [•] and [•]]. The Base Prospectuses [and the Base Prospectus supplement] are available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) [and] during normal business hours at [address] [and copies may be obtained from [address]].

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms.]

[When completing final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

[In case of Notes linked to hedge funds insert: The Notes economically represent a hedge fund and an investment therefore carries a high degree of risk. Hence only a small part of disposable funds should be invested in the Notes and not all disposable funds or funds financed by credit should be invested in the Notes. An investment in the Notes will be offered to investors particularly knowledgeable in investment

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matters. Investors should participate in the investment only if they are in a position to consider carefully the risks associated with the Notes.]

1. (i) Issuer: [Banca Comercială Română S.A./ [BCR Finance B.V.]
(ii) Guarantor: Banca Comercială Română S.A.]
2. [(i) [Series Number:] [•]
(ii) [Tranche Number:] [•]
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]
3. Specified Currency or Currencies: [•]
4. Aggregate Nominal Amount of Notes:
(i) [Series:] [•]
(ii) [Tranche:] [•]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (i) Specified Denominations: [•]
[EUR 50,000 and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 99,000]. No Notes in definitive form will be issued with a denomination above [EUR 99,000]]
(ii) Calculation Amount: [•]
7. [(i) Issue Date: [•]
(ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
8. Maturity Date: [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9. Interest Basis: [• per cent. Fixed Rate]
[[Specify reference rate] +/- [•] per cent. Floating Rate]
[Zero Coupon]
[Index-linked Interest]
[Equity-linked Interest]
[Fund-linked Interest]
[Commodity-linked Interest]
[Other (specify)]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index-linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment Amount]

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- [Other (*specify*)]
11. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. (i) Status of the Notes: [Senior/[Dated/Perpetual]/Subordinated]
(ii) Status of the Guarantee: [Senior/[Dated/Perpetual]/Subordinated]
(iii) [Date [Board] approval for issuance of Notes [and Guarantee] [respectively] obtained: [•] [and [•], respectively]]
(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee]
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate(s) of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]
- (iii) Fixed Coupon Amount(s): [•] per Calculation Amount
- (iv) Broken Amount(s): [•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]
(Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s))
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interest Period(s): [•]
- (ii) Specified Period: [•]
(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day

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Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"

- (iii) Specified Interest Payment Dates: [•]
(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")
- (iv) First Interest Payment Dates: [•]
- (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]
- (vi) Business Centre(s): [•]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Fiscal Agent]): [•]
- (ix) Screen Rate Determination:
- Reference Rate: [For example, LIBOR or EURIBOR]
- Interest Determination Date(s): [•]
- Relevant Screen Page: [For example, Reuters LIBOR 01/ EURIBOR 01]
- Relevant Time: [For example, 11.00 a.m. Luxembourg time]
- (x) ISDA Determination:
- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]
- (xi) Margin(s): [+/-][] per cent. per annum
- (xii) Minimum Rate of Interest: [•] per cent. per annum
- (xiii) Maximum Rate of Interest: [•] per cent. per annum
- (xiv) Day Count Fraction: [•]
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]

17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) [Amortisation/Accrual] Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Any other formula/basis of determining amount payable: [•]
18. **Index-linked Interest Note/other variable-linked interest Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula/other variable: *[give or annex details]*
- (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]): [Name] shall be the Calculation Agent
(no need to specify if the Fiscal Agent is to perform this function).
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula [and/or Equit(y)(ies) and/or Fund(s) and/or Commodity(y)(ies)] and/or other variable: [•]
- (iv) Interest Determination Date(s): [•]
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula [and/or Equit(y)(ies) and/or Fund(s) and/or Commodity(y)(ies)] and/or other variable is impossible or impracticable or otherwise disrupted: [•]
- (vi) Interest or calculation period(s): [•]
- (vii) Specified Period: *(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
- (viii) Specified Interest Payment Dates: [•]
(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")
- (ix) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]

- (x) Business Centre(s): [•]
 - (xi) Minimum Rate/Amount of Interest: [•] per cent. per annum
 - (xii) Maximum Rate/Amount of Interest: [•] per cent. per annum
 - (xiii) Day Count Fraction: [•]
19. **Dual Currency Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [Give details]
 - (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the [Fiscal Agent]): [Name] shall be the Calculation Agent *(no need to specify if the Fiscal Agent is to perform this function)*
 - (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]
 - (iv) Person at whose option Specified Currency(ies) is/are payable: [•]

PROVISIONS RELATING TO REDEMPTION

20. **Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [•]
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [•] per Calculation Amount
 - (b) Maximum Redemption Amount: [•] per Calculation Amount
 - (iv) Notice period: [•]
21. **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [•]
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
 - (iii) Notice period: [•]

22. **Final Redemption Amount of each Note** [•] per Calculation Amount
- In cases where the Final Redemption Amount is Index-linked or other variable-linked:
- (i) Index/Formula/other variable: [give or annex details]
 - (ii) Party responsible for calculating the Final Redemption Amount (if not the [Fiscal Agent]): [Name] shall be the Calculation Agent (no need to specify if the Fiscal Agent is to perform this function)
 - (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula [and/or Equit(y)(ies) and/or Fund(s) and/or Commodit(y)(ies)] and/or other variable: [•]
 - (iv) Determination Date(s): [•]
 - (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula [and/or Equit(y)(ies) and/or Fund(s) and/or Commodit(y)(ies)] and/or other variable is impossible or impracticable or otherwise disrupted: [•]
 - (vi) Minimum Final Redemption Amount: [•] per Calculation Amount
 - (vii) Maximum Final Redemption Amount: [•] per Calculation Amount
23. **Early Redemption Amount**
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable (If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes / specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. **Form of Notes:**
- Notes governed by English law:**
- Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.]
- [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice.]
- [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice / at any time / in the limited circumstances specified in the Permanent Global Note.]

[Registered Notes]

Notes governed by Romanian law:

[Registered Notes]

25. New Global Note: [Yes] [No] [*Note that this Programme contemplates that Notes may be issued in NGN form even if they are not intended to be recognised as eligible collateral for Eurosystem marketing policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Before selecting the designation "Yes" consider whether the Issuer does in fact want to issue in NGN form even though the designation "No" will be selected for Part B – Item 9(vii).*]
26. Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which subparagraphs 15(ii), 16(v) and 18(ix) relate.]
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/give details]
29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
30. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [19] (*Further Issues*) apply]
31. Consolidation provisions: [Not Applicable/The provisions [in Condition [•] apply]
32. Other final terms: [Not Applicable/give details] (*When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.*)

DISTRIBUTION

33. (i) If syndicated, names and addresses of Managers: [Not Applicable/give names]
- (ii) Stabilising Manager(s) (if any): [Not Applicable/give name]
34. If non-syndicated, name of Dealer: [Not Applicable/give name]

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35. U.S. Selling Restrictions: [[Reg. S Compliance Category];
(*In the case of Bearer Notes*) - [TEFRA C/TEFRA D/ TEFRA not applicable]
(*In the case of Registered Notes*) – [Not Applicable]²
36. Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [*specify, if applicable*]] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported*] (**Public Offer Jurisdictions**) during the period from [*specify date*] until [*specify date*] (**Offer Period**). See further Paragraph 10 of Part B below.
37. Additional selling restrictions: [Not Applicable/*give details*]
38. Jurisdiction and Governing Law [English law] [Romanian law]
39. Domestic or International Notes: [Domestic] [International]

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on the [regulated market of the Luxembourg Stock Exchange] [Romanian Market] [*other market*] of the Notes described herein] pursuant to the EUR 3,000,000,000 Euro Medium Term Note Programme of Banca Comerciala Romana S.A. and BCR Finance B.V..]

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. [*Relevant third party information*] has been extracted from (*specify source*). Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]¹

Signed on behalf of [BANCA COMERCIALĂ ROMÂNĂ S.A.] / [BCR FINANCE B.V.] as the Issuer:

By:
Duly authorised

Signed on behalf of BANCA COMERCIALĂ ROMÂNĂ S.A. as the Guarantor:

By:
Duly authorised

² In the case of a US Issuer issuing Registered Notes with a maturity of 1 year or less there may be US withholding tax reasons for complying with the TEFRA regime. Specialist US tax advice should be sought in any such case (from CC template).

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the *[specify relevant regulated market]* with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on *[specify relevant regulated market]* with effect from [•].] [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (ii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

- Ratings: The Notes to be issued have been rated:
- [S & P: [•]]
[Moody's: [•]]
[[Fitch: [•]]
[[Other]: [•]]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

4. [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) [Reasons for the offer [•]
(See ["Use of Proceeds"] wording in the Base Prospectus - if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]
- [(ii)] Estimated net proceeds: [•]
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of

other funding.)

- [(iii)] Estimated total expenses: [•]
(If the Notes are derivative securities for which Annex XII of the Prospectus Directive Regulation applies it is] only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)]

5. **[Fixed Rate Notes only -YIELD**

- Indication of yield: [•]
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **[Floating Rate Notes only — HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/OTHER] rates can be obtained from [Reuters].]

7. **[Index-linked or Equity-linked or Fund-linked or Commodity-linked or other variable-linked Notes only - PERFORMANCE OF INDEX/FORMULA/UNDERLYING EQUITY/FUND/COMMODITY/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Need to include details of where past and future performance and volatility of the index/formula/underlying equity/fund/commodity/other variable can be obtained. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]²

[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer will not provide any post-issuance information except if required by any applicable laws and regulations.

8. **[Dual Currency Notes only - PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]³

[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

9. **OPERATIONAL INFORMATION**

ISIN Code: [•]

Common Code: [•]

Clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking société anonyme and the relevant identification

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number(s)

(a) for International Notes: [Not Applicable/*give name(s) and number(s)*]

(b) for Romanian Notes: [RCD [*give number*]]

[Not Applicable/*give name(s) and number(s)*]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s) [•]
(if any):

Names and addresses of additional Paying Agent(s) (if any): [•]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No][Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
[*Include this text if "Yes" selected in which case the Notes must be issued in NGN form.*]

- 1 Include if third party information is provided, for example in compliance with Annex XII of the Prospectus Directive Regulation in relation to an index or its components, an underlying security or the issuer of an underlying security.
- 2 Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.
- 3 Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

SUMMARY OF PROVISIONS RELATING TO THE INTERNATIONAL NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of International Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the International Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN, for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of International Notes represented by a Global Registered Note, references in the Terms and Conditions of the International Notes to "Noteholder" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or a nominee for that depositary or common depositary.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the relevant Issuer or the Guarantor to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such a Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the relevant Issuer or the Guarantor in respect of payments due under the International Notes and such obligations of such Issuer and the Guarantor will be discharged by payment to the holder of such Global Note or Global Registered Note.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of an NGN, effectuated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the International Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the International Fiscal Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the International Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (Luxembourg time) on the seventh day after the bearer of a Temporary Global Note

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has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

- (b) Definitive Notes have not been delivered by 5.00 p.m. (Luxembourg time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the International Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (Luxembourg time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (Luxembourg time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under a deed of covenant dated 12 June 2009 (the "**Deed of Covenant**") executed by the Issuers). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of International Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the International Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (Luxembourg time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the International Notes or the date for final redemption of the International Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (Luxembourg time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant. Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the

principal amount of International Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Global Registered Notes

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, the relevant Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (Luxembourg time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the International Notes or the date for final redemption of the International Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then the Global Registered Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (Luxembourg time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note or others may have under the Deed of Covenant. Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Note will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Note became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of International Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Conditions applicable to Global Notes

Each Global Note and Registered Global Note will contain provisions which modify the Terms and Conditions of the International Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the International Notes, require presentation and/or surrender of an International Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the International Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Exercise of put option: In order to exercise the option contained in International Condition 10(f) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a

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Global Registered Note must, within the period specified in the International Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the International Fiscal Agent specifying the principal amount of International Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in International Condition 10(d) (*Redemption at the option of the Issuer*) in relation to some only of the International Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the International Conditions and the International Notes to be redeemed will not be selected as provided in the International Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding International Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with International Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxembourger Wort*) or published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Payment Business Day: Notwithstanding the definition of "Payment Business Day" in International Condition 2(a) (*Definitions*), while all the International Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, "**Payment Business Day**" means:

- (a) if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is, in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (is any) additional Financial Centre.

Record Date: Each payment in respect of the Notes represented by a Global Registered Note will be made to the person shown as the holder of the Notes represented by such Global Registered Note in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

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DESCRIPTION OF BANCA COMERCIALĂ ROMÂNĂ S.A. AS ISSUER AND GUARANTOR AND FINANCIAL INFORMATION

Introduction

The legal name of BCR is Banca Comercială Română S.A.. BCR also operates under the commercial name "BCR". BCR is a company administered under dualist system, domiciled in Romania, has its registered office at 5 Regina Elisabeta Boulevard, 030016 Bucharest 3, Romania (telephone number: +40 21 3126185), is registered at the Bucharest Trade Registry Office under registration number J40/90/1991 and has sole registration code (*cod unic de înregistrare*) no. 361757.

BCR was established on 1 December 1990 as a joint stock company pursuant to Government Resolution No. 1195/1990 concerning the establishment of Banca Comercială Română S.A. (*Hotărârea Guvernului nr. 1195/1990 privind organizarea Băncii Comerciale Române S.A.*). In 2004, the duration of the company was increased from 99 years to an undermined period of time. The updated form of the BCR's articles of association was published in the Official Gazette of Romania, Part IV, no. 248/03.02.2010.

BCR is licensed by the NBR to conduct banking activities.

In 1991, as part of the overall reform of the Romanian banking system, the commercial banking activities of NBR were transferred to BCR. On 10 September 1999, the Romanian Bank for Foreign Trade (*Banca Română de Comerț Exterior – Bancorex – S.A.*) ("**Bancorex**"), which had been declared insolvent and was under special administration, merged with BCR. As part of the merger, Bancorex's liabilities and most of its assets (in each case, provided they satisfied BCR's risk management policies) were transferred to BCR, and the government of Romania issued indemnities in respect of Bancorex's material liabilities, including those claims against Bancorex which were the subject of litigation. As part of the merger, BCR also took over many of Bancorex's employees.

As a result of the privatisation process organised by the government of Romania, Erste Bank purchased 490,399,321 shares or 61.8825 per cent. of the share capital of BCR from the Authority for State Assets Recovery (*Autoritatea pentru Valorificarea Activelor Statului*) ("**AVAS**"), the European Bank for Reconstruction and Development ("**EBRD**") and the International Finance Corporation ("**IFC**"), pursuant to a share purchase agreement dated 21 December 2005, for a total consideration of EUR 3.75 billion. As at 31 December 2008, Erste Bank owned 549,230,910 nominative shares representing 69.3063 per cent. of BCR's share capital. On 14 October 2009 Erste Bank transferred its participation in BCR to EGB Ceps Holding GmbH, a wholly owned indirect subsidiary of Erste Bank. Following this transfer, EGB Ceps Holding GmbH, was registered in BCR's shareholders' registry with a number of 549,230,910 nominative shares representing 69.3063 per cent. of BCR's share capital.

The BCR group (the "**Group**") consists of the following companies: Banca Comercială Română S.A., BCR Leasing IFN S.A., BCR Banca pentru Locuințe S.A., BCR Pensii Societate de Administrare a Fondurilor de Pensii Private S.A., BCR Partener IFN S.A. (registered with the NBR in the first quarter of 2009), BCR Finance BV (set up in the second quarter of 2009), Suport Colect S.R.L. (set up in the first quarter of 2009), BCR Procesare S.R.L. (set up in the second semester of 2009), BCR Real Estate Management S.R.L. (set up in the last quarter of 2009), Financiară S.A., Bucharest Financial Plaza S.R.L. (a direct subsidiary of Financiară S.A.), BCR Fleet Management S.R.L. (a direct subsidiary of BCR Leasing IFN S.R.L., set up in the last quarter of 2009), Anglo-Romanian Bank Limited, Banca Comercială Română Chișinău S.A., BCR Asset Management S.A. and BCR Securities S.A. For further information on the Group, see "Subsidiaries" below.

The Group is one of the leading financial services providers in Romania. It provides a full range of banking and financial services, including deposit taking, lending, mortgage lending, investment banking, securities trading and derivatives business (on its own account and for its customers), portfolio management, project finance, international trade finance, corporate finance, capital and money market services, foreign exchange, leasing, factoring, bank assurance and private pension fund management.

BCR's position in the Romanian market is reflected by its market share in respect of the following banking segments:

2009	Total industry			BCR			BCR market share (%)		
	Total	RON	FX	Total	RON	FX	Total	RON	FX

Date: 06 July 2010

2009	Total industry			BCR			BCR market share (%)		
Retail segment									
Retail loans	100.216,2	38,808.9	61,407.3	20,010.2	7,702.1	12,290.1	20.0	19.9	20.0
Housing loans	24,245.9	1.704.4	22,541.5	5,568.1	90.6	5,477.5	23.0	5.3	24.3
Consumer loans	72.814.2	36,029.0	36,785.2	14,352.8	7,589.3	6,763.5	19.7	21.1	23.5
Retail deposits.....	97,305.1	59,197.2	38,108.0	23,119.8	14,075.1	9,044.7	23.8	23.8	23.7
Term deposits	71,320.3	43,238.7	28,081.6	18,462.7	11,786.7	6,676.1	25.9	27.3	23.8
Corporate segment									
Corporate loans.....	99,665.7	40,902.0	58,763.7	21,105.1	8,923.8	12,181.3	21.2	21.8	20.7
Corporate deposits.....	70,436.7	43,493.6	26,943.1	11,105.5	7,671.9	3,436.6	15.8	17.6	12.8

Source: The NBR site for industry data (www.bnr.ro) and, for BCR data, BCR internal data

BCR's customer base and branch network have continued to expand. As at 31 December 2009 BCR had over 4.6 million customers, 711 domestic branches and 8,719 employees. BCR currently plans to have around 728 running branches by the end of 2010 in order to facilitate customer access to financial services and to maintain market share in certain geographic regions.

Business overview

Integration into Erste Group

Erste Bank der oesterreichischen Sparkassen AG ("**Erste Bank**") was established under Austrian law and registered as an Aktiengesellschaft under the Aktiengesetz, 1965 as amended. DIE ERSTE österreichische Spar-Casse Bank Aktiengesellschaft (the fifth largest Austrian banking group) changed its name to "Erste Bank der oesterreichischen Sparkassen AG" on 4 October 1997, following its merger with GiroCredit Bank Aktiengesellschaft der Sparkassen, the third largest Austrian bank.

On 9 August 2008, Erste Bank was de-merged and a bank company structure adopted, as a result of which the parent company was named Erste Group Bank AG ("**Erste Group Bank**"), which remains the sole company of the Erste group listed on a stock exchange in the EEA. Erste Group Bank is one of the leading Austrian savings bank.

In terms of total assets, Erste Group Bank together with its majority owned financial and non-financial subsidiaries and participations (the "**Erste Group**") is a leading financial services provider in Austria and Central and Eastern Europe, where it serves 17.5 million customers. Erste Group provides a full range of banking and financial services, including deposit taking, lending, mortgage lending, investment banking, securities trading and derivatives business (on its own account and for its customers), portfolio management, project finance, international trade finance, corporate finance, capital and money market services, foreign exchange, leasing, factoring and bank assurance. Its total assets amounted to EUR 201.7 billion as at 31 December 2009.

Erste Group includes Erste Bank in Austria, Česka spořitelna, a.s. in the Czech Republic, Slovenska sporiteľňa, a.s. in the Slovak Republic, Erste Bank Hungary Nyrt. in Hungary, BCR in Romania, Erste & Steiermarkische banka, d.d. in Croatia, Erste Bank a.d., Novi Sad in Serbia, JSC Erste Bank in the Ukraine, JSC Commercial Bank Center Invest in Russia, Salzburger Sparkasse Bank AG, Tiroler Sparkasse Bankaktiengesellschaft Innsbruck, ERSTE-SPARINVEST Kapitalanlagengesellschaft m.b.H., Bausparkasse der oesterreichischen Sparkassen Aktiengesellschaft, Sparkassen Versicherung AG, EBV-Leasing Gesellschaft mbH & Co KG, IMMORENT AG, S-Wohnbaubank AG and others.

Comprising 3,000 branches, Erste Group employed almost 51,000 people worldwide as at 31 December 2009 and is represented in many countries, with a particular focus on its extended home market in Central and Eastern Europe, as well as operating in the major financial centres of the world, such as New York, London and Hong Kong.

During 2007 and 2008 BCR went through an extensive transformation process aimed at establishing a more flexible and customer-oriented structure in line with Erste Group's standards. The integration and

development programme ("IDP") included the transfer of back-office activities from the branch network to the head office in Bucharest or to regional processing centres and the centralisation or outsourcing of support functions. This separation of front-office from back-office activities is aimed at achieving a higher level of customer focus amongst branch staff and consistent quality, efficiency and risk standards across the network.

Within the new structure, a new customer segmentation was introduced for retail (individuals, Micros³, private banking) and corporate banking, where GLCs⁴, LCs⁵, Large Municipalities⁶ and Real Estate⁷ are now managed centrally, and SMEs⁸ and Small Municipalities⁹ are managed locally. Furthermore, a new operating structure was implemented consisting of 6 regional centres coordinating the retail branch network, 8 regional centres for corporate business and 50 commercial centres established to ensure proximity to SME clients.

Another key achievement was implementing Erste Group's overall risk management concept: risk management functions have been separated from market functions on all levels and report to the chief risk officer of BCR. Retail risk evaluation uses a scoring analysis based on an automated IT approval system that allows quick decision-making. Group risk instruments were also adopted in the corporate business. In addition, internal procedures for bank limits and monitoring were aligned with those of Erste Group. Applications for monitoring market and operational risks have also been implemented. In order to monitor liquidity risk, BCR's asset/liability management procedures and funding strategy were brought into line with Erste Group's strategy. A transfer price system based on opportunity costs that allows determination of pricing policy and authority limits at the level of business lines was also set up.

On 1 July 2008, the integration programme has been finalized, giving way to the new Strategy Division, which, adhering to corporate governance principles continues former IDP projects and serves as a centralized point towards the implementation of the group strategy on a local level.

BCR strategy for 2010-2012 takes into consideration both the economic environment and the banking market trends and establishes that BCR should differentiate in the competitive market by adopting a "**customer focus**" approach in order to accomplish its purpose *to help customers achieve their aspirations*.

BCR strategy is strongly related to the corporate values and the new 5C model (Colleagues, Customers, Company, Community and Control) which describes our mission and purpose towards all stakeholders, and could be summarized in 5 strategic initiatives as pillars for future development:

- Quality of service;
- Risk Management and Customer insight;
- Cross selling;
- Distribution channels;
- Efficiency.

³ Small companies, with a turnover of up to EUR 1 million;

⁴ Group large companies, with a turnover above EUR 50 million or part of a group of clients including at least a company with a turnover above EUR 50 million;

⁵ Large companies, with a turnover between EUR 8 and 50 million;

⁶ Municipalities with an annual income over EUR 2 million;

⁷ Real estate project developers whose total project financing is above EUR 3 million;

⁸ Small and medium companies, with a turnover between EUR 1 and 8 million;

⁹ Municipalities with an annual income under EUR 2 million;

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As part of the **Quality of Service** initiative we plan to further streamline internal procedures, increase customer satisfaction by improving response time for all customer requests, shorten approval time for loan applications and to fully exploit the potential of sales force by increasing product knowledge.

The **Risk Management & Customer insight and Cross selling initiatives** are strongly inter-related and will result in measures taken in order to enhance customer knowledge and relationship management. Customer intimacy will be enhanced through a better understanding of the customer segments based on their needs and by developing dedicated service models together with product offerings and pricing. Furthermore, implementing a scoring system based on customer behavior and developing risk adjusted pricing for lending products will contribute to increased risk management and service of the customer needs.

By increasing customer insight, BCR will be able to continuously improve the quality of its loan portfolio.

Predominance of cash transactions in the market drives BCR to be the bank that moves people to “electronic” channels. We plan to focus on developing, promoting and selling electronic banking solutions and cash management products and to increase the usage of cards. As a component of the **distribution channels initiative** BCR will set up a strong external sales force as a result of cooperation with our strategic partners. At the same time, we intend to continue to ensure good proximity by maintaining an extensive branch network.

BCR plans to engage important resources in increasing **efficiency** across the Group. Therefore, the strategy comprises the complex project of **optimizing the Group operations and support functions**. BCR also intends to increase efficiency by reducing operational costs and streamlining the core procedures.

BCR expects that significant EU post accession funds will come throughout providing additional business. In this respect, BCR intends to facilitate the access to EU funding mainly for SME customers, but not only, in the fields of infrastructure, energy, environmental protection, industry, services and tourism.

As part of the 5C model, the strategy of BCR will also put emphasis on the Control side. With regard to this, we will continue to invest and sustain development of all customer segments that show a solid growth within acceptable and controllable risks.

BUSINESS ACTIVITIES

Products and services on offer

BCR offers a wide range of financial products and services to its customers such as:

- for corporations (including small-medium enterprises and public institutions): lending and deposit taking, cash management, trade finance, investment advice, financial planning, securities business, project and structured finance transactions, syndicated loans and asset backed transactions, Internet Banking;
- for individuals: lending (multiple destination loans which are either unsecured or secured against movable and/or immovable security (treasury loans, overdrafts, secured loans for personal purposes), mortgage loans, loans for purchase of durable goods (vehicles and appliances), savings and deposit taking business, payment services and securities business, debit and credit cards, mobile banking, Internet Banking, e-commerce.
- financial institutions: money market and treasury operations, syndicated loans and structured financing transactions, foreign currency and derivative transactions, financial instruments trading and investment, issuance of bonds.

BCR Group also offers other financial products and services, such as leasing, brokerage, asset management, real estate services and financial consultancy services.

In terms of card business development, a new and improved card-related system has been implemented, based on improved functionalities and on centralised automated teller machine ("ATM") and point of sale

("POS") networks. As of 31 December 2009, BCR had one of the largest ATM and POS networks in Romania, with 2,143 ATMs and over 16,324 POSs, available 24/7. BCR has also significantly invested in the development of alternative distribution channels (Contact Centre, Internet Banking, Self Service) in order to support the sales process.

Further to the products and services upgrade, mortgage lending has become the engine on lending in this period. BCR has the advantage of being able to offer specialized services through mortgage centres (12 mortgage centres in Bucharest and 12 located countrywide in high business potential areas). These centres are focused on the retail mortgage businesses and complete the branch system. Under this concept, BCR offers new products and services adapted to the needs of private clients and key real estate partners (brokers, real estate agencies, developers). Since the summer of 2009 mortgage lending has been supported by the Romanian Government through the First House Programme, a Programme whereby BCR became the market leader at the end of 2009 (45 per cent, of the total mortgage loans). The Programme continues in 2010, BCR aiming to maintain the same position.

During the post-accession period 2007-2013 Romania is entitled to receive from the European Union (the "EU") funds amounting to EUR 33 billion. In order to tap the opportunities offered in this field, BCR has established the EU Office structure. BCR EU Office has a countrywide presence, with dedicated EU Office managers located in all eight development regions of Romania. Under the EU Office, BCR offers:

- (i) Information related to the European funding mechanisms, grant schemes with European and national funding, open calls for proposals;
- (ii) assistance to clients, directly and through a local network of consultancy companies recommended by BCR, during the entire life of the project: preparation of funding documents, project financing (optimal funding structure for the project), project implementation;
- (iii) specific EU packages containing products and services designed for the implementation projects with European funding: bank guarantees, letters of credit ("L/Cs"), pre-financing, financing of non-eligible project costs, co-financing of eligible project costs, products with financing from other financial institutions (EBRD, EIB, etc.).

On the Treasury and investment banking side, in addition to raising funds from the capital markets (either through syndicated loans, bond issues or structured transactions), BCR offers to its clients:

- (i) syndicated loans (to commercial companies or banks) on the international and domestic markets;
- (ii) debt and equity finance transactions (origination, execution, securities sales);
- (iii) participation in consortia with other foreign or Romanian brokerage companies for bond issues and equity IPOs;
- (iv) structured financing transactions;
- (v) financial instruments trading; and
- (vi) advisory services for merger and acquisition transactions.

Loan Portfolio

BCR's principal activity is lending. BCR's loan portfolio is divided into corporate loans and retail loans. At the beginning of BCR's corporate existence, most loans were granted to corporate customers. Over the last few years, however, retail borrowers (individuals) have come to represent an increasing proportion of BCR's loan portfolio. In 2009, loans granted to private individuals represented 43.7 per cent. of its total loan portfolio (before allowance for impairment losses), compared with 46.7 per cent. in 2008. As of 31 December 2009, BCR's corporate loan portfolio represented 50.2 per cent. of all loans granted by BCR to non-banking customers, whilst retail loans (including Micros) represented 49.7 per cent. thereof.

The total volume of both corporate and retail loans has risen steadily in recent years, even when compared with inflation-adjusted figures from previous years.

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The 10 largest loans represented 5.34 per cent. of BCR's total loan portfolio as at 31 December 2009. BCR's 5 largest exposures (on and off-balance sheet) were each equal to over 10.00 per cent. of BCR's statutory own funds as at 31 December 2009, and together represent 63.33 per cent. of those funds (compared with 800.00 per cent. permitted by NBR for the cumulative value of exposures equal to or in excess of 10 per cent. of a bank's statutory own funds).

BCR's loan portfolio is diversified by sector, with the largest single corporate sector (constructions) representing 9.1 per cent. of the total loan portfolio (before allowance for impairment losses) as per the International Financial Reporting Standards ("IFRS") financial statements dated 31 December 2009. Direct loan exposures to public institutions represented 8.4 per cent. of the total loan and advances to customers, before allowance for impairment losses .

The sector diversification of the Group and BCR loan portfolio is shown below:

RON Thousand	BCR Group		BCR	
	2009	2008	2009	2008
Public sector.....	5,605,724	3,691,907	5,449,473	3,690,118
Commercial customers.....	21,468,209	19,503,029	18,499,546	17,095,437
Private customers	24,070,666	24,480,681	22,565,048	24,242,354
	51,144,599	47,675,617	46,514,067	45,027,909
Less allowance for impairment losses	(3,777,351)	(2,154,022)	(2,883,177)	(2,111,413)
TOTAL	47,367,248	45,521,595	43,630,890	42,916,496

Source: BCR Consolidated Financial Statements (The Group and the Bank) for the year ended 31 December 2009, prepared in accordance with IFRS

The following table shows the breakdown of the Group's and BCR's loan and advances to customers by sector:

RON Thousand	BCR Group		BCR	
	2009	2008	2009	2008
Individuals	21,016,575	21,048,902	19,841,804	20,623,780
Commerce.....	4,712,487	4,812,243	3,869,439	4,093,149
Constructions	4,560,497	3,710,316	4,142,337	3,439,604
Public institutions.....	5,134,502	3,691,907	4,695,091	3,690,118
Agriculture, Fishery and Food Industry.....	4,193,486	3,472,767	4,066,160	3,363,869
Transports	1,422,963	1,555,675	776,595	945,876
Financial intermediaries and real estate transactions.....	1,713,098	1,383,142	1,599,928	1,342,186
Metallic and non-metallic products industry	1,162,180	1,100,092	1,162,180	1,100,092
Chemical and petrochemical industry	669,974	763,214	669,974	763,214
Tourism and public catering.....	569,024	532,469	468,612	448,378
Textile industry, leather and footwear	481,506	512,459	481,506	512,459
Metallurgical industry	537,563	481,245	537,563	481,245
Machines and equipment industry	403,720	466,862	403,720	466,862
Electrical and thermal power industry.....	472,466	355,786	455,393	351,279
Wood industry.....	476,113	302,598	476,113	302,598
Transportation means industry	208,978	205,921	208,978	205,921
Extracting industry	171,084	126,647	69,317	86,545
Others (including governmental credit).....	3,238,383	3,153,372	2,589,357	2,810,734
	51,144,599	47,675,617	46,514,067	45,027,909
Less: allowance for impairment losses	(3,777,351)	(2,154,022)	(2,883,177)	(2,111,413)
	47,367,248	45,521,595	43,630,890	42,916,496

Source: BCR Consolidated Financial Statements (The Group and the Bank) for the year ended 31 December 2009, prepared in accordance with IFRS

The following table shows the breakdown of the assets and liabilities of the Group by profile of maturity as at 31 December 2009:

Date: 06 July 2010

BCR Group

RON Thousand	Less than 3 days	Less than 3 months	3 to 12 months	Less than 12 months	1 to 5 years	Over 5 years	Over 12 months	Total
Assets								
Cash and balances with central banks	9,896,521	-	-	9,896,521	-	-	-	9,896,521
Due from banks	370,622	1,403,721	46,760	1,821,103	11,020	60,843	71,863	1,892,966
Financial assets held for trading	-	-	251,898	251,898	145,962	3,491	149,453	401,351
Reverse repurchase agreements	-	15,687	-	15,687	-	-	-	15,687
Derivative financial instruments	-	13,222	-	13,222	-	-	-	13,222
Financial assets designated at fair value through profit or loss	-	-	-	-	67,749	97,788	165,537	165,537
Loans and advances to customers	2,733,445	1,945,141	4,857,955	9,536,541	8,549,953	29,280,754	37,830,707	47,367,248
Financial investments – available-for-sale	-	204,131	1,635,834	1,839,965	944,408	278,862	1,223,270	3,063,235
Financial investments – held-to-maturity	-	19,157	287,918	307,075	1,791,132	290,712	2,081,844	2,388,919
Property and equipment	-	-	-	-	-	1,726,600	1,726,600	1,726,600
Intangible assets	-	-	-	-	-	389,199	389,199	389,199
Current tax assets	-	-	-	-	-	155,631	155,631	155,631
Deferred tax assets	-	-	-	-	-	50,683	50,683	50,683
Other assets	13,922	731,332	1,056,007	1,801,261	8,056	1,202	9,258	1,810,519
Assets held for sale and discontinued operations	65,457	-	-	65,457	-	-	-	65,457
Total assets	13,079,967	4,332,391	8,136,372	25,548,730	11,518,280	32,335,765	43,854,045	69,402,775
Liabilities								
Due to banks	1,553,101	1,627,947	2,115,625	5,296,673	12,537,918	3,288,865	15,826,783	21,123,456
Derivative financial instruments	-	1,848,236	-	1,848,236	-	-	-	1,848,236
Due to customers	7,901,889	23,643,258	3,703,121	35,248,268	152,669	227,172	379,841	35,628,109
Debt issued and other borrowed funds	-	318,878	76,336	395,214	69,498	70,000	139,498	534,712
Trading liabilities	-	-	-	-	-	-	-	-
Current tax liabilities	-	1,835	-	1,835	-	-	-	1,835
Deferred tax liabilities	-	-	-	-	-	363,001	363,001	363,001
Other liabilities	42	1,056,797	17,200	1,074,039	126,592	-	126,592	1,200,631
Provisions	195,296	-	-	195,296	-	-	-	195,296
Subordinated Liabilities	-	-	-	-	-	1,906,112	1,906,112	1,906,112
Total Liabilities	9,650,328	28,496,951	5,912,282	44,059,561	12,886,677	5,855,150	18,741,827	62,801,388
Net	3,429,639	(24,164,560)	2,224,090	(18,510,831)	(1,368,397)	26,480,615	25,112,218	6,601,387

Source: BCR Consolidated Financial Statements (The Group and the Bank) for the year ended 31 December 2009, prepared in accordance with IFRS

BCR

RON Thousand	Less than 3 days	Less than 3 months	3 to 12 months	Less than 12 months	1 to 5 years	Over 5 years	Over 12 months	Total
Assets								
Cash and balances with central banks	9,819,190	-	-	9,819,190	-	-	-	9,819,190
Due from banks	140,301	1,190,326	46,688	1,377,315	12,172	63,575	75,747	1,453,062
Financial assets held for trading	-	-	251,898	251,898	145,962	3,491	149,453	401,351
Reverse repurchase agreements	-	15,687	-	15,687	-	-	-	15,687
Derivatives financial instruments	-	13,222	-	13,222	-	-	-	13,222
Financial assets designated at fair value through profit or loss	-	-	-	-	67,749	97,788	165,537	165,537
Loans and advances to customers	1,854,486	1,809,565	4,288,324	7,952,375	7,110,909	28,567,606	35,678,515	43,630,890
Financial investments – available-for-sale	-	204,131	1,627,361	1,831,492	944,408	1,039,968	1,984,376	3,815,868
Financial investments – held-to-maturity	-	19,037	264,961	283,998	1,593,804	278,156	1,871,960	2,155,958
Property and equipment	-	-	-	-	-	998,729	998,729	998,729
Intangible assets	-	-	-	-	-	285,539	285,539	285,539
Current tax assets	-	-	-	-	-	149,168	149,168	149,168

Date: 06 July 2010

RON Thousand	Less than 3 days	Less than 3 months	3 to 12 months	Less than 12 months	1 to 5 years	Over 5 years	Over 12 months	Total
Other assets.....	3,790	1,589,564	29,031	1,622,385	-	-	-	1,622,385
Assets held for sale and discontinued operations.....	291	-	-	291	-	-	-	291
Total assets	11,818,058	4,841,532	6,508,263	23,167,853	9,875,004	31,484,020	41,359,024	64,526,877
Liabilities								
Due to banks	180,655	3,333,353	647,102	4,161,110	12,182,705	74,858	12,257,563	16,418,673
Derivative financial instruments.....	1,848,240	-	-	1,848,240	-	-	-	1,848,240
Due to customers.....	7,764,014	23,659,500	4,215,332	35,638,846	134,232	51,824	186,056	35,824,902
Debt issued and other borrowed funds	-	318,878	76,336	395,214	69,498	70,000	139,498	534,712
Trading liabilities	-	-	-	-	-	-	-	-
Current tax liabilities.....	-	-	-	-	-	-	-	-
Deferred tax liabilities.....	-	-	-	-	-	329,504	329,504	329,504
Other liabilities	-	985,437	11,398	996,835	126,592	-	126,592	1,123,427
Provisions	186,446	-	-	186,446	-	-	-	186,446
Subordinated liabilities.....	-	-	-	-	-	1,906,112	1,906,112	1,906,112
Total Liabilities	9,979,355	28,297,168	4,950,168	43,226,691	12,513,027	2,432,298	14,945,325	58,172,016
Net	1,838,703	(23,455,636)	1,558,095	(20,058,838)	(2,638,023)	29,051,722	26,413,699	6,354,861

Source: BCR Consolidated Financial Statements (The Group and the Bank) for the year ended 31 December 2009, prepared in accordance with IFRS

In 2009, BCR's loan portfolio value continued to grow in a difficult economic environment. The volume of loans (before allowances for impairment losses) increased in 2009 compared to 2008 by 3.20 per cent., the main drivers being the following sectors: public institutions (+ 21.40. per cent., respective RON 4,695,091 thousand), constructions (+16.96 per cent., respective RON 4,142,337 thousand) and agriculture, fishery and food industry (+ 17.27 per cent., respective RON 4,066,160 thousand).

The trend over the period from 2008 to December 2009 indicates an increase in the volume of longer term loans. As a percentage of the portfolio, and based on the audited financial statements during such period, at the Group's level, loans and advances to customers with a maturity in excess of 5 years increased by 8.47 per cent. in 2009 as compared with 2008, while at BCR's level the increase was of 7.43 per cent in 2009 as compared with 2008.

	%		
Loans and advances to customers in excess of 5 years maturity (RON Thousand)	2009	2008	growth
Group	29,280,754	26,801,470	8%
BCR	28,567,606	26,444,911	7%

Source: BCR Consolidated Financial Statements (The Group and the Bank) for the year ended 31 December 2009, prepared in accordance with IFRS

FUNDING

Domestic Funding of BCR

BCR's strong local reputation has allowed it to generate substantial deposits from corporations and private individuals through its branch network, which remain its main source of funding (55.5 per cent. of total liabilities and equity as of 31 December 2009).

The following table shows the breakdown of customer deposits held by the Group and BCR as at 31 December 2008 and 31 December 2009:

Customer Deposits (RON Thousand)	BCR Group		BCR	
	2009	2008	2009	2008
Corporate customers				
Current accounts.....	1,587,767	1,535,331	1,475,749	1,513,512
Term deposits.....	7,551,913	6,247,438	8,112,925	6,630,398
Retail customers				
Current/saving accounts	6,301,462	8,999,024	6,288,265	8,997,918
Term deposits.....	20,186,967	16,112,522	19,947,963	16,095,373
	35,628,109	32,894,315	35,824,902	33,237,201

Source: BCR Consolidated Financial Statements (The Group and the Bank) for the year ended 31 December 2009, prepared in accordance with IFRS

International Funding

(a) Foreign Bilateral Financing

BCR has external long term credit lines with international banks that are used for on-lending to BCR customers seeking to finance the import of goods such as modern equipment and technology, mainly from the EU. These credit lines effectively allow BCR to provide its customers with cheaper financing on more favourable terms than would otherwise be available from other sources.

BCR has also entered into short, medium and long term funding arrangements with international banks and institutions (such as the European Bank for Reconstruction and Development ("**EBRD**"), European Investment Bank ("**EIB**") and International Finance Corporation ("**IFC**")) for the purpose of supporting the specific investment projects or trade related financing requirements of its customers, the general financing needs of BCR, financing for small and medium sized enterprises and manufacturers and mortgage loans.

As at 31 December 2009, these funding arrangements amounted to currency equivalent of approximately EUR 505.79 million, out of which 2 facilities denominated in USD amount to USD 4.6 million (EUR 3.2 million equivalent) and 25 facilities, denominated in EUR, amount to EUR 502.59 million.

(b) International Financing Programmes

BCR is involved in international financing programmes as it arranges loan agreements with sovereign or public sector guarantees granted by the EU, EBRD, EIB, International Bank for Reconstruction and Development ("**IBRD**"), European Central Bank ("**ECB**"), the Japanese government and other international financial institutions for the purpose of financing large structural programmes involving motorway modernization, agriculture, railways, mining, utilities, industrial rehabilitation and development and health and social sectors. Between 1992 and 31 December 2009, BCR had arranged 106 such agreements amounting to a currency equivalent of EUR 5.05 billion.

The bank is also involved in national or international programmes that may be used as co-financing sources for the projects financed from European funds such as SAPARD (EU's special accession programme for agriculture and rural development), PHARE 2000 (a credit line for modernising and improving the productive capacity of SMEs) and MARR (funds for developing and modernising newly established and existing SMEs), NPRD (National Programme for Rural Development sustained by the European Fund for Agriculture and Rural Development), IFAD Programme (Project for the rural development of the Apuseni Mountains financed by the International Fund for Agricultural Development), the Farmer Programme (intended to enhance the competitiveness of the agriculture, by increasing the volume of investments in agriculture), the Payment and Intervention Agency for Agriculture ("**PIAA**") Programme (subvention schemes for farmers).

(c) Debt issued and other borrowed funds

On 28 November 2006 BCR issued 2,428,278 of RON denominated bonds on the domestic bond market, thereby raising RON 242,827,800. The bonds have a face value of RON 100, a fixed annual coupon of 7.25 per cent. paid semi-annually with a 3 year maturity. BCR Securities was the lead manager of the above bond issue. Institutional investors acquired 98.63 per cent. of the issue and individuals 1.37 per cent. thereof. In November 2009, BCR repaid the corporate bonds issued in 2006 with a face amount of RON 242,000,000 and issued new listed medium term notes denominated in RON in amount of RON 70,000,000 and listed medium term notes in EUR in amount of EUR 16,100,000

The following table shows the structure of debt issued and other borrowed funds:

RON Thousand	BCR Group		BCR	
	2009	2008	2009	2008
Bonds issued	138,074	242,022	138,074	242,022
Certificates of deposit	396,638	743,803	396,638	743,803
	534,712	985,825	534,712	985,825

Date: 06 July 2010

Source: BCR Consolidated Financial Statements (The Group and the Bank) for the year ended 31 December 2009, prepared in accordance with IFRS

In addition, during 2009 BCR issued the following subordinated bonds:

- Subordinated bonds in amount of RON 18,418,224 with zero coupon and maturity more than 5 years;
- Subordinated bonds in amount of EUR 11,898,592 (RON equivalent 50,309,626), with zero coupon and maturity more than 5 years.

Financial Information

The following tables are extracted from the audited annual and consolidated financial statements of the Group as at 31 December 2008 and 2009. The consolidated financial statements have been prepared from statutory financial statements of BCR and its subsidiaries and presented in accordance with IFRS with adjustments and certain reclassifications for the purpose of the fair presentation in accordance with IFRS.

Statement of Financial Position

RON Thousand	BCR Group		BCR	
	2009	2008	2009	2008
Assets				
Cash and balances with central banks	9,896,521	14,627,318	9,819,190	14,549,574
Due from banks	1,892,966	1,117,984	1,453,062	1,120,862
Reverse repurchase agreements	15,687	13,650	15,687	13,650
Derivative financial instruments	13,222	-	13,222	-
Financial assets held for trading	401,351	223,022	401,351	223,020
Financial assets designated at fair value through profit or loss	165,537	191,595	165,537	191,445
Loans and advances to customers	47,367,248	45,521,595	43,630,890	42,916,496
Financial investments - available-for-sale	3,063,235	1,406,077	3,815,868	1,677,656
Financial investments - held-to-maturity	2,388,919	698,851	2,155,958	665,559
Property and equipment	1,726,600	1,720,530	998,729	1,613,290
Goodwill and other intangible assets	389,199	273,726	285,539	233,649
Current tax assets	155,631	-	149,168	-
Deferred tax assets	50,683	2,344	-	-
Other assets	1,810,519	1,330,708	1,622,385	1,107,581
Assets held for sale	65,457	1,953,218	291	191,022
TOTAL ASSETS	69,402,775	69,080,618	64,526,877	64,503,804
LIABILITIES AND EQUITY				
Due to banks	21,123,456	22,572,339	16,418,673	19,582,189
Repurchase agreements	-	114,233	-	114,233
Derivative financial instruments	1,848,236	1,399,977	1,848,240	1,399,977
Due to customers	35,628,109	32,894,315	35,824,902	33,237,201
Debt issued and other borrowed funds	534,712	985,825	534,712	985,825
Current tax liabilities	1,835	165,051	-	145,882
Deferred tax liabilities	363,001	141,593	329,504	140,260
Other liabilities	1,200,631	1,577,326	1,123,427	1,520,986
Provisions	195,296	166,096	186,446	164,980
Subordinated liabilities	1,906,112	1,330,000	1,906,112	1,330,000
Liabilities associated with assets held for sale	-	1,379,135	-	-
TOTAL LIABILITIES	62,801,388	62,725,890	58,172,016	58,621,533
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT				
Issued capital	2,119,693	2,119,693	2,119,693	2,119,693
Retained earnings	3,329,857	3,271,237	3,234,348	2,936,721
Available-for-sale reserve	(46,026)	(220,084)	(45,250)	(216,751)
Foreign currency translation reserve	134,402	102,583	-	-
Other capital reserve	1,036,695	1,054,039	1,046,070	1,042,608
	6,574,621	6,327,468	6,354,861	5,882,271

Date: 06 July 2010

RON Thousand	BCR Group		BCR	
	2009	2008	2009	2008
Non-controlling interests.....	26,766	27,260	-	-
TOTAL EQUITY	6,601,387	6,354,728	6,354,861	5,882,271
TOTAL LIABILITIES AND EQUITY	69,402,775	69,080,618	64,526,877	64,503,804

Source: BCR Consolidated Financial Statements (The Group and the Bank) for the year ended 31 December 2009, prepared in accordance with IFRS

Statement of Comprehensive Income

RON Thousand	BCR Group		BCR	
	2009	2008	2009	2008
Interest and similar income.....	8,840,364	7,164,710	8,495,260	6,818,393
Interest and similar expense.....	(5,002,060)	(4,124,308)	(4,876,468)	(3,934,391)
Net interest income	3,838,304	3,040,402	3,618,792	2,884,002
Fees and commission income.....	924,224	1,074,579	870,794	1,023,359
Fees and commission expense.....	(216,248)	(159,365)	(212,175)	(155,061)
Net fees and commission income	707,976	915,214	658,619	868,298
Net trading income.....	423,798	256,808	416,760	257,014
Net gain or loss on financial assets and liabilities designated at fair value through profit or loss.....	38,687	(45,791)	38,319	(45,513)
Other operating income.....	228,486	320,638	348,781	895,370
Total operating income	5,237,251	4,487,271	5,081,271	4,859,171
Credit loss expense.....	(2,282,380)	(628,633)	(2,047,221)	(616,728)
Net operating income	2,954,871	3,858,638	3,034,050	4,242,443
Personnel expenses.....	(921,743)	(1,051,058)	(843,349)	(973,813)
Depreciation and impairment of property and equipment.....	(134,483)	(124,922)	(124,966)	(120,063)
Amortization of intangible assets.....	(42,756)	(30,957)	(41,053)	(29,715)
Other operating expenses.....	(819,369)	(811,193)	(732,007)	(796,549)
Total operating expenses	(1,918,351)	(2,018,130)	(1,741,375)	(1,920,140)
Profit before tax	1,036,520	1,840,508	1,292,675	2,322,303
Income tax expense.....	(170,459)	(308,882)	(181,976)	(370,635)
Profit for the year from continuing operations	866,061	1,531,626	1,110,699	1,951,668
Discontinued operations				
Profit for the year from discontinued operations, net of tax	-	504,005	-	-
Profit for the year	866,061	2,035,631	1,110,699	1,951,668
Other comprehensive income				
Net gain/(loss) on available-for-sale financial investments	207,585	(273,924)	204,167	(270,576)
Exchange differences or translation of foreign operations	34,521	59,702	-	-
Net loss on hedge of net investment	(26,730)	-	-	-
Management share options plan	-	1,395	-	1,395
Actuarial gains on defined benefit plans	3,295	4,204	4,123	3,675
Income tax relating to the components of other comprehensive income	(30,087)	42,811	(33,327)	42,708
Other comprehensive income for the year, net of tax	188,584	(165,812)	174,963	(222,798)
Total comprehensive income for the year, net of tax	1,054,645	1,869,819	1,285,662	1,728,870
Profit attributable to:				
Equity holders of the parent.....	871,692	2,032,682	1,110,699	1,951,668
Non-controlling interests.....	(5,631)	2,949	-	-
Total comprehensive income attributable to:				
Equity holders of the parent.....	1,060,225	1,867,448	1,285,662	1,728,870
Non-controlling interests.....	(5,580)	2,371	-	-

Source: BCR Consolidated Financial Statements (The Group and the Bank) for the year ended 31 December 2009, prepared in accordance with IFRS

Statement of Cash Flows

Date: 06 July 2010

RON Thousand	BCR Group		BCR	
	2009	2008	2009	2008
OPERATING ACTIVITIES				
Profit before tax from continuing operations.....	1,036,520	1,840,508	1,292,675	2,322,303
Profit before tax from discontinued operations	-	611,165	-	-
Profit before tax	1,036,520	2,451,673	1,292,675	2,322,303
Adjustments for:				
Change in operating assets	(3,725,429)	(8,844,460)	(3,180,201)	(8,892,801)
Change in operating liabilities.....	959,245	4,059,146	394,701	4,919,543
Non-cash items included in profit before tax.....	2,355,508	1,703,964	2,095,842	1,558,619
Net gain from investing activities.....	11,227	(799,095)	(246,143)	(906,059)
Payments made against provisions	(31,765)	(81,305)	(31,404)	(81,176)
Income tax paid.....	(347,349)	(63,663)	(321,353)	(38,407)
Net cash flows from/used in) operating activities.....	257,957	(1,573,740)	4,117	(1,117,978)
INVESTING ACTIVITIES				
Purchase of property and equipment	(301,436)	(297,667)	(212,094)	(291,463)
Proceeds from sale of property and equipment.....	-	12,816	733,484	6,230
Purchase of financial investments	(6,321,609)	(1,165,478)	(6,255,513)	(1,425,794)
Proceeds from sale of financial investments.....	3,140,943	855,630	3,130,795	1,536,829
Acquisition of non-controlling interests	-	(84,101)	-	-
Dividends received.....	2,833	5,313	126,572	39,407
Proceeds from sale of discontinued operations.....	-	678,018	-	-
Net cash flows from/(used in) investing activities.....	(3,479,269)	4,531	(2,476,756)	(134,791)
FINANCING ACTIVITIES				
Proceeds from subordinated debt.....	576,112	1,330,000	576,112	1,330,000
Proceeds from debt issued and other borrowed funds	2,989,368	1,494,712	1,091,533	299,622
Repayment of debt issued and other borrowed funds	(3,556,429)	(4,895,830)	(2,809,365)	(3,963,023)
Repayment of finance lease liabilities	-	-	(503)	(9,860)
Contribution of non-controlling interest to share capital increase of subsidiaries	5,408	-	-	-
Dividends paid to non-controlling interests.....	(322)	-	-	-
Dividends paid to equity holders of the parent	(813,072)	(369,913)	(813,072)	(369,913)
Net cash flows (used in)/from financing activities.....	(798,935)	(2,441,031)	(1,955,295)	(2,713,174)
Net decrease in cash and cash equivalents.....	(4,020,247)	(4,010,240)	(4,427,934)	(3,965,943)
Cash and cash equivalents at 1 January.....	15,691,111	19,701,351	15,613,367	19,579,310
Cash and cash equivalents at 31 December.....	11,670,864	15,691,111	11,185,433	15,613,367
Operational cash flows from interest and dividends				
Interest paid.....	5,100,917	4,011,861	4,974,121	3,830,954
Interest received.....	8,201,877	6,922,229	7,978,491	6,574,826

Source: BCR Consolidated Financial Statements (The Group and the Bank) for the year ended 31 December 2009, prepared in accordance with IFRS

Recent Developments

At the end of March 2009, the Romanian government reached agreement for financial support with the International Monetary Fund (the "IMF"), the European Union and certain other international institutions, in an overall amount of EUR 20 billion under a two-year, stand-by, loan facility. News of the agreement lead to a strengthening of the RON and eased some of the liquidity constraints affecting the Romanian banking system.

At the request of the IMF, the National Bank of Romania (the "NBR") will be required to tackle capital adequacy issues for the banking sector, by performing various stress tests to determine the additional capital necessary for each bank in order to maintain its solvency ratio above 10 per cent. throughout the term of the IMF agreement, well above the minimum 8 per cent. legal minimum. In order to deal appropriately with the current global financial crisis, during 2009 BCR intends to maintain its solvency ratio above 10 per cent., in accordance with its revised risk strategy.

According to the IMF commitment letter, Romanian banks must be capitalised at the new level in two tranches, the first one by the end of September 2009, and the second one by the end of March 2010. On 10 May 2010, the IMF mission presented the conclusions of the fourth review of Romania's stand-by loan facility. According to the additional letter of intent entered between the Romanian Government and

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the IMF, the next disbursement of (around EUR 900 million) depends on the actions of the government in terms of reducing current expenditures and could be released by the end of June 2010.

The letter of intent mentions that public sector wages will be reduced by 25 per cent. as of June 2010, while certain social allowances will be reduced by 15 per cent., also as of June 2010. The 13th salary for 2010 will be eliminated.

Also, the letter of intent includes additional measures for cutting public expenditures, such as:

- the taxation of meal tickets and capital gain (including interest received from deposits);
- the rationalisation of the number of employees in the public sector as well as the number of schools and hospitals during the following months;
- early retirements will be stopped starting June 2010 and until the new reform of the pension system is implemented;

The budget deficit target agreed with the IMF is of 6.8 per cent of GDP for 2010 (from a previous 5.9 per cent.) and of 4.4 per cent. GDP for 2011.

Also, as of July 2010 certain taxes will be increased including the VAT (from 19 per cent to 24 per cent).

Should these cuts turn out to be insufficient for reaching the new budget deficit target of 6.8 per cent. of GDP, the Government will eventually resort to tax hikes.

In order to comply with the regulatory requirements of the NBR, BCR has also prepared a liquidity management strategy for 2009 and a separate strategy for managing liquidity in crisis situations (a contingency plan). This comprises a general framework of measures to mitigate the effects of, and to overcome, a potential crisis and covers various potential situations and scenarios, as well as procedures for the monitoring and mitigation of liquidity risk. This strategy for liquidity management in case of crises complies with the changes in the NBR Regulation no.1/2001 on bank liquidity and is designed to improve BCR's ability to react to various crisis scenarios.

Impacted by the tough conditions, the lending curve sloped down in the non-governmental sector in 2009 and it was only the depreciation of the local currency which kept nominal growth on the positive side (+1.00 per cent. vs. -2.6 per cent. when adjusted for the RON depreciation by 6.1 per cent.).

2009 brought a severe economic contraction (-7.1 per cent.) as the effects of the global financial crisis become highly visible in the Romanian economy. Households' consumption and gross fixed capital formation entered into deeply negative territory and mirrored the strong adjustments of the C/A deficit. Net exports made a positive contribution to real GDP following a sharper decline in imports as compared to exports.

The financial crisis has made Romanian banks turn towards local resources and try to restore their customers' confidence in the industry. Competition between banks for local resources has become aggressive and has been mainly focused on pricing to attract new deposits. A majority of banks has chosen to offer attractive interest rates for new deposits, while for existing deposits the interest rates are, in most cases, lower. This has had the effect of encouraging customers to switch frequently from one bank to another in a search for the best interest rate for new deposits. This pricing policy has also led to an increase in costs, which result from increased spending on advertising campaigns for the rates offered.

In these circumstances, BCR continues to define itself as a prudent market participant. Its main focus is to consolidate its position in the market, and secondarily to increase its deposit base. In accordance with its existing strategy, which factors in the economic environment and the market trends, BCR differentiates itself versus its competitors by a customer focused approach.

In order to meet customers' special needs in the economic downturn, BCR has decided to implement risk processes and procedures, and a pricing policy, adjusted to current operating conditions, as well as restructuring procedures for loans for any customers who may face financial difficulties. In addition,

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BCR will continue to invest in, and sustain development of, all customer segments showing solid growth within acceptable and manageable risk limits.

RISK MANAGEMENT

Credit risk management for corporate and retail customers, aligned to Erste Group standards

In 2009, BCR continued to align its risk management standards to those of Erste Group and the Basel II Agreement. The deliverables of this process consist in the implementation of new rating methods (for private individuals, corporate, municipalities and real estate clients based on Erste Group standards), the implementation of a new and comprehensive default definition, based on Basel II and Erste Group standards, the set up of a comprehensive Default and Loss data base, which will be used for the Basel II parameters calculation and the set up of the local data warehouse, comprising the Basel II relevant data.

In order to properly manage the significant risks, which may affect its activity and financial results, BCR is currently undertaking the necessary measures in order to identify risk sources, assess and monitor the bank's exposure, draw up risk exposure limits and monitor them.

Significant risks are identified and assessed both at bank level and at each organizational unit level, from the beginning of each transaction up to its completion, for normal operations as well as for greenfield activities.

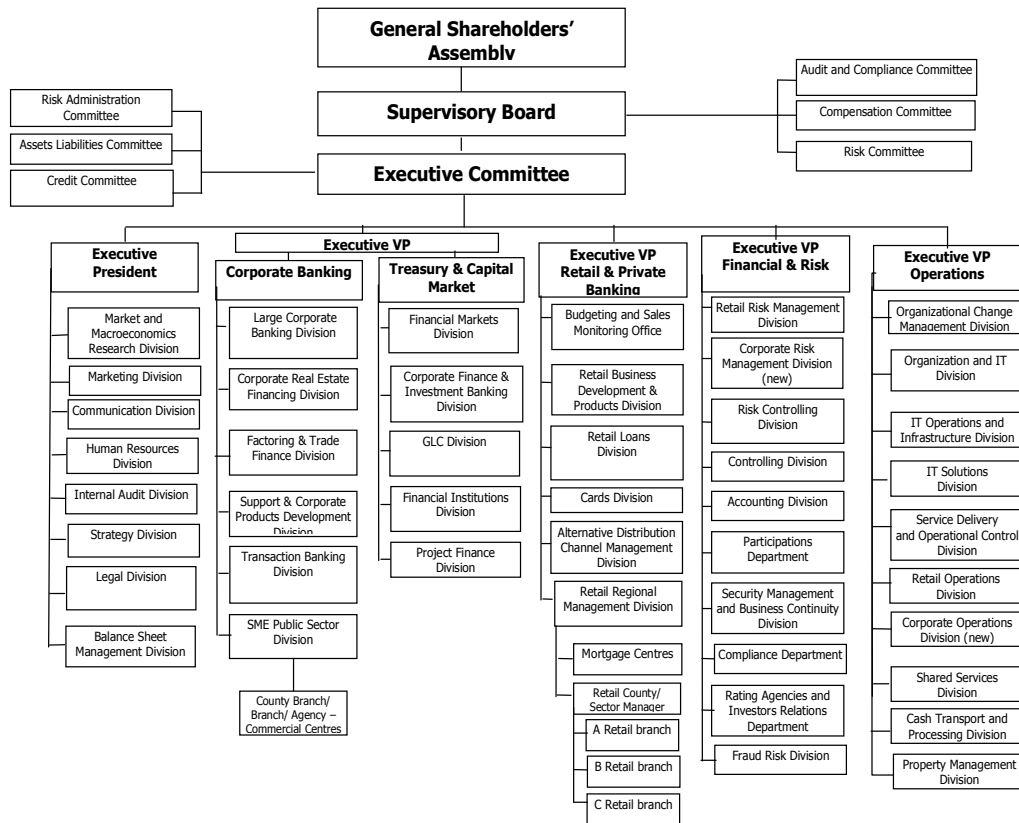
In order to identify and assess significant risks, BCR is considering both internal factors (e.g. the complexity of the organisational structure, nature of activities, quality of the staff and its migration) as well as external factors (e.g. economic environment, amendment of the legal framework, competition in the banking industry, technological progress, etc.).

For a proper management of significant risks, BCR uses:

- A system of procedures for the authorization of operations affected by the respective risks, consisting in the drawing up of credit approval competences/authority for: the granting of loans and credit-type products, interbank placements, operations with derivatives, etc.
- A system for the drawing up of risk limits and their monitoring (on countries, sovereign entities, banks, financial institutions affiliated to the banking groups (factoring companies, leasing companies, brokerage firms etc), economic sectors, etc.. The limits are drawn up in the context of the global risk profile of the bank, reflecting aspects such as capital adequacy, liquidity, the quality of the BCR credit portfolio, crisis impact etc.
- An exposures risk reporting system, as well as additional aspects related to these risks, to the proper management levels (informing reports on the bank's exposure to significant risks, the compliance with the risk limits drawn up by the bank etc. will be put forth periodically or whenever necessary).
- A system of procedures for unforeseen situations or crisis situations generated by significant risks (especially liquidity risks), including the measures to be undertaken by the bank in order to uncover the causes that led to the occurrence of the respective crisis and in order to limit/decrease the effects of the crisis.
- A system of policies and procedures which should prevent the improper utilization of: information or the direct or indirect prejudicing of the bank's reputation, disclosures of secret or confidential information, the utilization of information by the bank's personnel for personal benefits.
- Criteria for the recruitment and payment of personnel, including criteria drawn up in order to avoid conflicts of interest, which should stipulate high training, experience and integrity standards.
- Personnel training programs.

The risk management policies are regulated within BCR through an organised division structure set out in the chart below, each division having well established responsibilities.

BCR's organisational chart
- 31^t of December 2009 -



Credit Policy in respect of Loans

The management of retail and corporate credit risk represents one of the main goals of BCR strategy on the management of significant risks. These activities are consolidated under the Financial & Risk operational line. As a result, there is a clear separation between risk management specialists and the personnel with business development responsibilities.

The credit risk profile of BCR was rated medium for 2009, considering that credit risk is the main risk type to be undertaken by BCR.

The credit quality of financial assets is managed by BCR using internal credit ratings as further detailed under section "Provisions for Possible Loan Losses under Romanian Accounting Standards ("RAS") regulations" below. The table below shows the credit quality by class of assets:

Credit quality per class of financial assets

BCR Group

Ron thousand	Low Risk 2009	Management attention 2009	Sub- standard 2009	Non- performing 2009	Total 2009
Due from banks	1,779,231	22,389	48,201	43,145	1,892,966
Financial assets designated at fair value through profit or loss	104,840	60,697	-	-	165,537
Trading assets					
Treasury bills	185,854	-	-	-	185,854
Listed bonds	3,491	-	-	-	3,491
Unlisted bonds	212,006	-	-	-	212,006

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Ron thousand	Low Risk 2009	Management attention 2009	Sub- standard 2009	Non- performing 2009	Total 2009
	401,351	-	-	-	401,351
Loans and advances to customers*					
Corporate lending.....	14,279,583	11,129,210	6,654,371	2,262,860	34,326,024
Small business lending (Micros).....	221,693	1,325,413	1,130,942	875,739	3,553,787
Consumer lending.....	8,747,430	552,037	427,625	1,740,250	11,467,342
Residential mortgages.....	7,782,538	539,510	512,544	1,483,289	10,317,881
Other.....	200,622	227	3,775	-	204,624
	31,231,866	13,546,397	8,729,257	6,362,138	59,869,658
Financial investments - available for sale					
Treasury bills	1,463,949	-	-	-	1,463,949
Listed equities	19,029	11,707	-	-	30,736
Non-listed investments	1,541,590	24,279	2,681	-	1,568,550
	3,024,568	35,986	2,681	-	3,063,235
Financial investments - held to maturity					
Treasury bills	283,998	-	-	-	283,998
Listed debt securities	-	97	-	-	97
Unlisted bonds.....	2,092,376	12,448	-	-	2,104,824
	2,376,374	12,545	-	-	2,388,919
Total	38,918,230	13,678,014	8,780,139	6,405,283	67,781,666

*Loans and advances to customers and undrawn credit and loans commitments, promissory notes and guarantees/liabilities out of assets pledged as collateral security.

Source: Consolidated Financial Statements (The Group and the Bank) for the year ended 31 December 2009, prepared in accordance with IFRS

BCR

Ron thousand	Low Risk 2009	Management attention 2009	Sub- standard 2009	Non- performing 2009	Total 2009
Due from banks	1,453,062	-	-	-	1,453,062
Financial assets designated at fair value through profit or loss	104,841	60,696	-	-	165,537
Trading assets					
Treasury Bills	185,854	-	-	-	185,854
Listed bonds	3,491	-	-	-	3,491
Unlisted bonds.....	212,006	-	-	-	212,006
	401,351	-	-	-	401,351
Loans and advances to customers*					
Corporate lending.....	12,407,912	10,732,562	6,320,435	1,801,837	31,262,746
Small business lending (SME and micros)	154,490	1,261,221	833,686	694,879	2,944,276
Consumer lending.....	8,573,380	531,826	418,365	1,644,709	11,168,280
Residential mortgages.....	7,855,802	535,739	512,656	493,457	9,397,654
Other.....	197,766	-	3,759	-	201,525
	29,189,350	13,061,348	8,088,901	4,634,882	54,974,481
Financial investments available for sale					
Treasury bills	1,455,476	-	-	-	1,455,476
Listed equities	19,029	4,816	-	-	23,845
Non-listed investments	1,541,590	792,276	2,681	-	2,336,547
	3,016,095	797,092	2,681	-	3,815,868
Financial investments held to maturity					
Treasury bills	283,998	-	-	-	283,998
Listed debt securities	-	-	-	-	-
Non-listed debt securities	1,871,960	-	-	-	1,871,960

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Ron thousand	Low Risk 2009	Management attention 2009	Sub- standard 2009	Non- performing 2009	Total 2009
	2,155,958	-	-	-	2,155,958
Total	36,320,657	13,919,136	8,091,582	4,634,882	62,966,257

* Loans and advances to customers and undrawn credit and loan commitments, promissory notes and guarantees/liabilities out of the assets pledged as collateral security

Source: Consolidated Financial Statements (The Group and the Bank) for the year ended 31 December 2009, prepared in accordance with IFRS

As of 31 December 2009, BCR's stand-alone total exposure amounted to RON 62,966,257,000 and was split as follows:

BCR (stand-alone)	Amount	%
Low risk ⁽¹⁾	36,320,657	8%
Management attention ⁽²⁾	13,919,136	(21%)
Substandard ⁽³⁾	8,091,582	19%
Non-performing ⁽⁴⁾	4,634,882	57%

(1) With an overdue period between 0 and 15 days and financial performance A (based on ratings)

(2) With an overdue period between 0 and 15 days and financial performance B or debt service between 16 and 30 days and financial performance A

(3) With an overdue period between 0 and 15 days and financial performance C or D or E or a debt service between 16 and 30 days and financial performance B or C or D or E or a debt service between 31 and 90 days and a financial performance A or B or C or D or E

(4) Clients which have a debt service over 90 days

Corporate lending procedures

Sales forces are involved in the entire credit application process, including financial analysis, for which BCR uses a centralised IT application, managed by the Corporate Risk Strategy Department, which allows the front office employees to perform complex customer assessments. In addition, the authority for the approval of corporate loans is determined both based on the clients' exposures and on their ratings.

Retail lending

The retail lending approval system is also based on a system of procedures for transactions authorisation, which consists of competences/authority limits for granting loans and other related credit products, depending on BCR's exposure towards the client/group of connected clients. The Bank grants loans to the retail customers which have stable incomes and are trustworthy as regards the fulfilment of the contractual obligations towards BCR. In the loan approval process, BCR is mainly interested in the first credit repayment source and the customer's capacity to gain stable income. The loan classification is determined based on the client's financial performance and current number of days overdue. Certain exposures exceeding pre-established limits need to be approved by the Retail Credit Committee and Executive Committee, whilst the approval of the Supervisory Committee is required for loans that, according to certain predefined criteria, present a special risk.

Provisions for Possible Loan Losses under Romanian Accounting Standards ("RAS") regulations

BCR computes the value of loan impairment on a monthly basis.

The computation of the financial performance category of an economic entity is performed each time the financial statements of the economic entity are released.

The financial performance categories of individual persons are drawn up conditional upon their credit rating.

In accordance with the NBR regulations applicable to RAS data, loans are classified as **standard, watch, substandard, doubtful or loss** on the basis of (i) the customer's financial condition (from A to E), (ii) debt service (overdue period in respect of principal or interest) and (iii) whether or not legal proceedings for debt recovery have been commenced.

In order to assess the quality of the portfolio, BCR uses the borrowers' financial performance (which is classified from A to E) as follows:

- (i) Economic entities, local public authorities, authorised individuals and newly established entities have different computation algorithms, conditional upon their **credit rating**.

The computation of the financial performance relevant for each category is computed with the same frequency as that of the customer's financial statements.

- (ii) the financial performance of individuals is drawn up based on their credit rating.

The correspondence between financial performance categories and their relevant criteria is determined as follows:

Financial performance	A	B	C	D	E	
Debt service						
0-15 days	Standard Loss	Watched Loss	Sub-standard Loss	Doubtful Loss	Loss Loss	Legal procedures are not initiated
16-30 days	Watched Loss	Sub-standard Loss	Doubtful Loss	Loss Loss	Loss Loss	
31-60 days	Sub-standard Loss	Doubtful Loss	Loss Loss	Loss Loss	Loss Loss	
61-90 days	Doubtful Loss	Loss Loss	Loss Loss	Loss Loss	Loss Loss	
minimum 91 days	Loss Loss	Loss Loss	Loss Loss	Loss Loss	Loss Loss	

Loans granted to customers (risk entities) and/or the investments drawn for it are filed in the same category, based on the principle of rating downgrade by contamination, considering the less favourable individual classification category.

The classification of the portfolio in order to assess the quality is as follows:

- Low risk - Clients which have a debt service between 0 and 15 up to 15 days and financial performance A
- Management attention – Clients which have a debt service between 0 – 15 days and financial performance B or a debt service between 16 – 30 days and financial performance A
- Sub-standard – Clients which have a debt service between 0 – 15 days and financial performance C or D or E or a debt service between 16 – 30 days and financial performance B or C or D or E or a debt service between 31-90 days and financial performance A or B or C or D or E
- Non-performing loans (contaminated exposure) according to EBG standards:
 - i. for all segments except retail segment: clients which have a debt service over 90 days;
 - ii. for retail segment: The sum of all exposures of defaulted products (type of products Secured/Unsecured), with debt service over 90 days, of defaulted customers (e.g. if a customer defaults on one of his unsecured consumer loans, all unsecured consumer loans of this customer are considered NPLs, even if for the others unsecured he is current with his instalments; at the same time his mortgage loan exposures remain performing, provided that there are no overdue payments outstanding);
 - iii. all loans/exposure of the customers undergoing legal proceeding for debt recovery.

Distress loans recovery

BCR closely monitors the corporate clients which: (i) register more than 90 days overdue, (ii) go through reorganisation and/or bankruptcy procedures, according to Law no. 85/2006 and/or (iii) encounter main activity downturns.

In March 2009, the corporate side of the former Workout Division (specialised in managing impaired corporate and retail loans, as well as distress loans, which have been written off, and the evaluation activity) merged within the Corporate Risk Management Division. Thus, three new departments have been set up within the Corporate Risk Management Division: Support Risk, Workout and Collateral Management. The Workout department deals with corporate impaired and written off loans and it includes two offices: the Restructuring Office and the Enforcement and Legal Process Office, which deal with the corporate problem loans recovery as follows:

1. the Enforcement and Legal Process Office negotiates debt settlement with the clients or third parties (sale of claims) and manages the cases that require legal enforcement (including foreclosure and bankruptcy procedures) and/or reorganisation as well as the off-balance sheet cases;
2. the Restructuring Office manages cases that involve complex restructuring plans, activity reorganisations, and financial and legal support to stabilise, where appropriate, the customer's situation. They deal with the cases where the restructuring is a viable solution for the client and for the bank, to recover the debt entirely.

In September 2009, in order to speed up the recovery process through legal procedures (foreclosure included), legal advisers and the bank executors have been included in the Corporate Risk Management Division as a new department.

On the retail side, Retail Collection Department is performing collection activities as follows:

1. during the Early Collection stage, it performs actions for recovering (i) retail secured and Micro loans maximum 90 days overdue and (ii) retail unsecured loans maximum 180 days overdue;
2. for the Hard Collection stage, it is in charge of recovering retail secured and Micro loans between 90 and 180 days overdue.

For loans more than 180 days overdue (or even earlier if all the collection means have been used), the Retail Collection department can decide to start enforcement procedures, continue amiable collection (for pending repayment plans), sell or propose the debt for write-off. In addition, loans more than 180 days overdue become off-balance and, if stipulated in the loan terms, the debtors lose their right to pay in instalments.

Starting with the first quarter of 2009, the activities carried out in Workout Division have been transferred to two separate divisions: Retail Workout Department has been integrated into Retail Risk Management Division, while the Corporate Workout and Collateral Management Departments have been transferred to Corporate Credit Risk Management Division.

Under this new structure, the efficiency of the recovery process is ensured throughout the entire process, from the Early Administration Office, which analyses the reasons on early overdues (under 90 days) for overdue clients, makes restructuring or prolongation proposals if necessary, to the Restructuring Office, which deals with clients where a restructuring seems possible, in order to increase the recovery rate and the Enforcement and Legal Actions Office, dealing with clients where a restructuring is not possible.

Liquidity Risk

BCR pays careful attention to liquidity risk management by setting fundamental objectives such as ensuring the necessary funds to cover, at any time, all financial obligations assumed by BCR, and setting an appropriate balance sheet structure, for minimizing any potential negative effects. In this respect, BCR concentrates its efforts on identifying the liquidity risk resources, evaluating its risk exposures and setting appropriate limits to mitigate the possible consequences of liquidity risk.

The recent liquidity crisis on major markets underlined the importance of a proper liquidity risk management. To overcome an immediate liquidity crisis it is necessary to hold a sufficient amount of high quality collateral which can be used to attract funds if unsecured funding is not available. The two most important criteria related to the amount of collateral used for daily limit monitoring are availability and eligibility of securities.

BCR assesses its liquidity by:

- Analyzing the structure of assets, in terms of their liquidity and marketability.
- Analyzing liabilities (in terms of their volatility) and off-balance sheet elements (implying potential ins/outs of funds).
- Analyzing main currencies liquidity, both individually and aggregated.

In order to evaluate and control the liquidity risk of BCR's portfolio, BCR employs the following instruments:

- Asset and Liability Management (ALM), focused on suitably determining the appropriate balance sheet structure, by correlating resources and placements in terms of their structure and maturity.
- Computing and monitoring the liquidity ratios by maturity ranges, based on the future cash-flows analysis, in terms of on and off balance sheet assets and liabilities.
- Establishing minimum limits for the liquidity ratios.
- GAP analysis (aggregated and separated, for RON and foreign currencies).
- Monthly computations of certain liquidity ratios.

For each financial year BCR prepares:

- a strategy for managing liquidity under normal circumstances, encompassing the main objectives of BCR, with the purpose to maintain an adequate portfolio liquidity, by re-evaluating it in line with the business environment requirements;
- a contingency funding plan, a strategy for managing liquidity in crisis situations, comprising the measures required to successfully overcome a potential crisis.

Since 2007, BCR has aligned its liquidity management with the standards of Erste Group, which has required establishing new group-wide liquidity risk limits, followed by all Erste Group entities. Since BCR previously had a static approach to liquidity risk management, Erste Group introduced a new dynamic model for measuring liquidity risk, known as Traffic Light System, which is a scenario-based analysis showing BCR's ability to withstand various sorts of liquidity crises and enables judgements to be made for the optimal value of short and long term funding.

According to the Liquidity Risk Management Rulebook of Erste Group, any subsidiary whose financing from entities outside Erste Group on the money and capital markets is above 10 per cent. has to administer individually its liquidity. One of the minimum requirements of individual liquidity management in Erste Group is the creation of an Operating Liquidity Committee ("**OLC**"). Thus, BCR set up an OLC which monitors the day-to-day liquidity situation, assesses internal and external triggers of crisis scenarios and informs and forwards proposals to the Asset and Liabilities Management Committee ("**ALCO**"), which plays a central role in BCR's liquidity management. Amongst others, ALCO approves BCR's assets and liabilities structure, the funding strategies, the local liquidity manual, the fund transfer prices and BCR's financing structures (e.g. syndicated loans, bond issues, securitisation and hybrid instruments) and sets BCR's interest rate policy and the limits of interest rate, liquidity and foreign exchange ("**FX**") risks.

Following NBR Norms no 2/2008, amending NBR Norm no 1/2001 regarding banks' liquidity, from 1 August 2008, the strategy for liquidity management in case of crisis has been upgraded by a new contingency funding plan, meant to comply with the new regulatory requirements and the bank's own needs. This contingency funding plan includes a set of possible crisis scenarios and measures and alternative sources of funding and calls for the permanent monitoring by the OLS of a set of triggers, both external, showing the market situation (e.g. the interest and exchange rates) and internal, reflecting BCR's liquidity position (e.g. liquidity indicators, result of projected cash flows, resources from non-banking customers).

Market Risk

Market risk is the risk of loss that could arise from adverse changes in the market prices and interest rates, equity prices, foreign exchange rates and commodity prices, the correlations amongst them and their levels of volatility.

In terms of market risks, BCR focuses on:

- Setting the appropriate structure for its assets and liabilities, enabling it to avoid a significant negative impact in its activity and financial performance, should interest rates, foreign exchange rates and equity prices change.
- Identifying the causes behind the market risk, assessing its exposure to such risks and taking necessary steps to mitigate them.

BCR manages its exposure to movements in exchange rates by modifying its mix of assets and liabilities and its interest rate position by setting short term variable interest rates on its borrowing and lending. In order to manage market risk, in accordance to NBR regulations, the Group has established monitoring and review procedures at individual and group level, as well as limits on trading. The limits for the individual and total FX positions of BCR (calculated according to NBR Norms 4/2001) are:

1. maximum 10 per cent. of BCR's own funds for each individual adjusted FX position;
2. maximum 20 per cent. of BCR's own funds for the total FX position.

In order to deal more effectively with market risk (FX risk, interest rate risk and equity price risk), BCR implemented the VaR system in April 2005. During 2007, BCR aligned its procedures with Erste Group's standards and implemented new systems and procedures (e.g. the VaR system used in 2006 was replaced with KVaR+ by Reuters).

The evolution of the FX positions, as percentage of BCR's funds, computed according to the regulations issued by the NBR were:

FX Exposure	2009		2008	
		% of own funds		% of own funds
EUR	avg	1.34%		1.35%
	max	4.77%		8.67%
USD	avg	0.14%		0.41%
	max	1.87%		1.77%
Others	avg	N/A		N/A
	max	N/A		N/A
Total	avg	1.54%		1.75%
	Max	4.87%		8.70%

Source: BCR Consolidated Financial Statements (The Group and the Bank) for the year ended 31 December 2009, prepared in accordance with IFRS

In 2008 and 2009, BCR maintained low total FX positions. There was only one exception in December 2008, namely when the subsidiaries BCR Asigurări and BCR Asigurări de Viață were sold and BCR cashed in EUR 171.52 million (hence the maximum values for EUR and total FX positions).

The evolution of the VaR of the total FX position was:

1 day, 99%, RON VaR		2009	2008
VaR of the total FX position	avg	696,075	825,302
	max	2,657,832	5,468,150

Source: BCR Consolidated Financial Statements (The Group and the Bank) for the year ended 31 December 2009, prepared in accordance with IFRS

Currently BCR computes the VaR using the Historical simulation method. The parameters of the VaR computation are: holding period = 1 day, confidence level = 99%, lambda = 1, length of risk factors time series = 730 days. This is the Erste Group standard.

In 2008 and 2009, the trading book ("TB") consisted of:

- o The total FX position (all FX transactions done by BCR).
- o All fixed income transactions ("FI") except those ordered by the Balance Sheet Management Division ("BSM").
- o Common stock.

Formally, in order to have a clear distinction between TB and banking book ("BB"), BCR elaborated an internal procedure regarding the determination of the TB and also defined a clear folder structure in Kondor+ which allows an appropriate classification of TB/BB transactions.

In order to appropriately monitor the market risk of the trading book, BCR established a complex system of market risk limits, improved in 2009 by adding monthly and yearly stop/loss limits. The market risk of the trading book is monitored (calculated, checked against internal limits and reported) on a daily basis according to internal procedures.

The Bank developed specific norms for transactions with financial derivatives, used both as products offered to customers for risk mitigation and for hedging against the market risk exposure of its own portfolio.

As a member of the Erste holding, BCR was included beginning with October 2009 in the program of centralizing the trading activity at the Holding level.

Operational Risk

Operational risk represents the risk to register losses or not to make the estimated profit generated both by internal factors (inadequate spreading out of some internal activities, human factor, inadequate systems, etc) and external factors (economic conditions, changes in the banking field, technological progress, etc).

BCR manages operational risks by approaching the main operational risk categories (e.g. internal fraud, external fraud, the requirements relating to personnel additions and the security of the working environment, erroneous practices related to the clientele, products and activities, etc) and ensuring the appropriate frame for the identification, assessment, notification, monitoring and reporting of this significant risk.

BCR remains committed to the objective of increasing shareholder value by developing and growing business that is consistent with risk appetite, and through building more effective risk management capabilities. Responsibility for risk management resides at all levels within the Group, from the Executive down through the organization to each business manager and risk specialist. BCR is seeking an appropriate balance in its business and continuing to build the risk management capabilities that will help to deliver growth plans in a controlled environment.

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or lead to financial loss. BCR cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, BCR is able to manage the risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

In order to decrease its exposure to operational risks, the operational risk strategy of BCR for 2009 had the following priorities:

- the implementation of appropriate procedures and norms, in order to mitigate operational risks;
- draw-up clear-cut, separate activity responsibilities and centralizing back-office and support activities;

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- the centralized Front Office independent check-up of the information afferent to private individual credit applications, in order to decrease the number of frauds caused by using fake income/ID papers;
- update the internal control system especially in the areas that can be affected by frauds and other operational risks identified as high or medium;
- develop the framework for the Operational Risk and Control Self-Assessment (RCSA), perform the risk assessment for the main Business areas in order to identify the major drivers of operational risk, bring them to the attention of Top Management and prevent operational risk losses by implementing risk mitigation actions;
- update and perform the proper testing of the BCR Business Continuity Plan;
- transfer the risk through the inclusion in the group-wide insurance programme covering operational risks (property damage/Business interruption; Public liability; Internal and external fraud; Valuable assets risks; Civil liability; Technology Risks)

In addition, BCR carries certain industry standard insurance covers to mitigate operational risks (e.g. internal fraud, electronic and computer crimes, directors' and officers' liability) and the fixed assets of the whole Group.

Capital adequacy

Capital management

The primary objectives of BCR's capital management are to ensure that the Bank complies with the capital requirements and that the Bank maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities.

Capital adequacy

The solvency ratio according to national regulations (Basel II requirements) as at 31 December 2009 was of 11.87 per cent. (31 December 2008: 11.28 per cent.). In addition to the above ratio, BCR and the Group also monitor the adequacy of their capital using ratios established by BCR for International Settlements ("**BIS**") in July 1988, based upon financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

Based upon financial information prepared in accordance with IFRS the level one own funds and the level one own funds plus level two own funds capital adequacy ratios at 31 December 2009 were:

- 13.06 per cent. and 17.16 per cent., respectively (31 December 2008: 10.46 per cent. and 13.30 per cent., respectively) for the Bank
- 12.11 per cent. and 15.81 per cent., respectively (31 December 2008: 10.31 per cent. and 12.90 per cent., respectively) for the Group.

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SUBSIDIARIES

BCR's core business does not depend on its subsidiaries. In the medium term, BCR's domestic subsidiaries' main objective is to gain a market share comparable to BCR's market share in the banking sector.

Group Structure as at 31 December 2009

BCR has the following subsidiaries consolidated in the financial statements of the Group as of 31 December 2009 and 31 December 2008:

Company's Name	Country of incorporation	Nature of the business	Shareholding	
			31 December 2009	31 December 2008
Anglo-Romanian Bank Ltd	United Kingdom	Banking	100%	100%
BCR Chişinău SA	Moldova	Banking	100%	100%
Financiara SA	Romania	Financial	97.46%	97.46%
BCR Securities SA	Romania	Brokerage	89.24%	89.24%
BCR Leasing IFN SA	Romania	Financial leasing	99.35%	99.11%
BCR Asset Management SA	Romania	Asset Management (company under liquidation)	81.25%	81.25%
Bucharest Financial Piazza SRL	Romania	Real Estate	97.46%	97.46%
BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private S.A.	Romania	Pension Fund	99.99%	99.99%
BCR Banca pentru Locuinţe SA	Romania	Housing loans	80.00%	80.00%
BCR Partener IFN SA	Romania	Consumer loans	99.99%	-
BCR Finance BV	The Netherlands	Financial	100%	-
Suport Colect SRL	Romania	Workout	100%	-
BCR Procesare SRL	Romania	Cash processing and storing	100%	-
BCR Real Estate Management SRL	Romania	Real estate management	100%	-
BCR Fleet Management SRL	Romania	Operational leasing	99.35%	-

Source: BCR Consolidated Financial Statements (The Group and the Bank) for the year ended 31 December 2009, prepared in accordance with IFRS

Domestic Subsidiaries

BCR Leasing IFN S.A.

In the context of some difficult market conditions on the Romanian leasing market, within the context of global economic crisis, BCR Leasing IFN S.A. maintained in 2009 the second position in the ranking of Romanian leasing companies, with an estimated market share of approximately 11 per cent. The company's profitability was however affected by the significant increase of risk costs; therefore, 2009 is the first year that ended with loss.

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The total value of financed assets as at 31 December 2009 amounted to EUR 138 million, representing a 70 per cent. decrease as compared with 31 December 2008, in the context of an estimated decrease of the Romanian leasing market by 74 per cent.

In 2010, the domestic leasing market is expected to stagnate. Under these circumstances, BCR Leasing IFN S.A. intends to consolidate its current market share and to further strengthen its risk management policies, but at the same time maintain a good quality of the existing portfolio.

Financial Summary based on the IFRS figures

	2009	2008
	<i>(EUR thousand, except for percentages)</i>	
Lease income	41,311	46,894
Operating profit before net financing income.....	-	14,202
Net profit for the year.....	(10,877)	10,481
Total Assets.....	662,293	687,174
Total Equity	42,906	25,455
Return on Assets*	n/a	1.53
Return on Equity*	n/a	1.58

*Returns on assets and equity were calculated by dividing profit by assets and equity, respectively, as at year-end rather than as averages.

Source: Figures extracted from the IFRS audited consolidated financial statements as of 31 December 2009

BCR Pensii, Societate de administrare a Fondurilor de Pensii Private S.A.

BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private S.A. ("**BCR Pensii**") was incorporated as a joint stock company on 29 June 2007. The company was authorised by the Supervisory Commission of the Private Pensions System (CSSPP) to manage BCR Fond de Pensii Administrat Privat, a private pension fund with a medium risk profile.

The company is ranked 7th in the top of mandatory private pension funds management companies acting on the Romanian market (Pillar II), with a market share of 4.94 per cent. as at 31 December 2009 in terms of total number of participants (Source: the website of the Supervisory Commission of the Private Pensions System, www.csspp.ro)

During 2009, the merger of BCR Fond de Pensii Administrat Privat – managed by BCR Pensii and the mandatory pension fund administered by Omnisig Pensii was finalised. The necessary steps to take over two other Pillar II pension funds, OTP and respectively Prima Pensie, have also been taken. The merger transactions with the two funds have been finalized in the first quarter of 2010.

In addition, during 2009, BCR Pensii entered the optional private pensions market (Pillar III), by receiving the necessary authorisation from CSSPP and taking over BCR Prudent, a low risk fund managed by BCR Asigurari de Viata S.A.. Thus, BCR Pensii was ranked 1st on the optional private pensions market, with a 25.74 per cent. market share in terms of total number of participants. (Source: the website of the Supervisory Commission of the Private Pensions System, www.csspp.ro)

Financial Summary based on IFRS figures

	2009	2008
	<i>(RON thousand)</i>	
Total Assets.....	131,394	35,830
Total Equity	118,521	34,124
Profit for the year	(1,326)	(2,692)

Source: Figures extracted from the IFRS audited consolidated financial statements as of 31 December 2009

BCR Banca pentru Locuințe SA

BCR Banca pentru Locuințe SA ("**BCR BpL**") is a joint stock company in which BCR has a 80 per cent. shareholding and which was registered with the Trade Registry on 16 April 2008. BCR BpL's business is to grant savings and loan products for housing purposes (bauspar products). As of 31 December 2009, BCR BpL concluded 86,878 net contracts, amounting to RON 2.60 billion, according to the company's estimations, accounting for 75 per cent. of the market in terms of new business. Since its incorporation, the company performed only savings related operations, the lending activity being forecasted to commence during the first semester of 2010.

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The target for the next years is to register profit and to rank first in terms of number of contracts.

Financial Summary based on IFRS figures	2009
	<i>(RON thousand)</i>
Total Assets.....	255,131
Total Equity	52,026
Profit for the year	(6,533)

Source: Figures extracted from the IFRS audited consolidated financial statements as of 31 December 2009

BCR Partener IFN SA

BCR Partener IFN SA ("**BCR Partener**") is a joint stock company registered with the Trade Registry on 15 September 2008. BCR has a 99.99 per cent shareholding in BCR Partener.

The registration of BCR Partener with the National Bank of Romania Registry as a non-banking financial institution has been finalised in 7 January 2009. Its main business object is to grant consumer loans.

Currently, BCR Partener IFN S.A. has no operational activity.

BCR Real Estate Management SRL

The company was incorporated on 14 October 2009, having as main business object the management of the real estate based on tariffs or contracts and it represents the specialized company in real estate management in the structure of BCR Group.

In December 2009, the company's share capital increase has been completed, thus raising the capital from RON 200 to RON 19.28 million.

Suport Colect SRL

The company was set up on 26 June 2009, having as main business object the monitoring, recovery and purchase of debts from retail and corporate clients. Since the date of its incorporation and until 31 December 2009 the company took over retail and corporate debts from BCR.

In order sustain the company's development Suport Colect's share capital was increased from RON 5,000 to RON 8.945 million, in December 2009.

BCR Procesare SRL

The company was set up on 14 August 2009, having as main business object cash and other securities processing and depository services. The purpose of setting up the company was to outsource cash processing and storage in order to increase its efficiency and to reduce related costs.

In October 2009, BCR Procesare SRL share capital was increased from RON 200 to RON 7.550 mil.

The company did not perform operational activity in 2009, this activity being forecasted to start during the first quarter of 2010.

Financiara S.A.

Financiara was incorporated by Bancorex as a joint stock company on 5 September 1994 and was acquired by BCR as a result of the merger with Bancorex. Financiara is an intermediate holding company.

As at 31 December 2009, Financiara had shareholdings in seven companies, the most significant being those in other members of the Group.

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Company	Shareholding by Financiara as at 31 December 200
	(per cent.)
BCR Leasing IFN S.A.....	7.39%
BCR Asset Management S.A.	39.44%
BCR Securities S.A.....	17.59%
Bucharest Financial Piazza S.R.L.....	100.00%
World Trade Center Bucharest S.A.....	7.91%
Romcard S.A.....	20.00%
World Trade Hotel S.A.....	7.91%

Source: Financiara

Financial Summary based on IFRS figures	2009	2008
	(RON thousand, except for percentages)	
Sales.....	3,702	106,203
Operating Profit.....	3,702	105,127
profit after tax	6,016	105,885
Total Assets.....	36,988	136,063
Total Equity	35,792	17,101
Return on Assets*	7.0	77.8
Return on Equity*	7.8	608.5

* Returns on assets and equity have been calculated by dividing profit by assets and equity, respectively, as at year-end rather than as averages.

Source: Figures extracted from the IFRS audited consolidated financial statements as of 31 December 2009

Bucharest Financial Piazza S.R.L.

Bucharest Financial Piazza SRL ("**BFP**") was incorporated as a limited liability company on 8 August 1994 and is wholly-owned by Financiara. BFP continued performing its core business activity – the management of the office building located at 15 Calea Victoriei, sector 3, Bucharest (a Class A business centre which opened in 1997) (the "BFP Building").

In 2009, BFP finalized the restructuring process by:

- i) the outsourcing of cleaning and maintenance services activities (as of 1 April 2009) provided to BCR operational entities buildings and also of other secondary activities (fire prevention, labour safety protection) through transfer of undertaking towards the companies selected by BCR as suppliers of such services;
- ii) the extension of the company's business object in order to be able to perform other activities needed at the BCR Group level.

As of December 31, 2009 BFP managed also a part of the buildings acquired from BCR on April 2009.

Financial Summary based on IFRS figures	2009	2008
	(RON thousands, except for percentages)	
Sales.....	64,916	37,507
Operating Profit.....	14,556	11,175
profit after tax	12,225	9,373
Total Assets.....	374,766	93,439
Total Equity	109,112	80,954
Return on Assets*	5.2	10.03
Return on Equity*	12.9	11.58

(*) Returns on assets and equity have been calculated by dividing profit by assets and equity, respectively, as at year-end rather than as averages.

Source: Figures extracted from the IFRS audited consolidated financial statements as of 31 December 2009

BCR Fleet Management SRL

The company was set up in October 2009, being wholly owned by BCR Leasing IFN SA. Its main business object is operational leasing.

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It is estimated that the activity of BCR Fleet Management SRL will start in the second quarter of 2010.

SAI BCR Asset Management S.A.

The company is under liquidation procedure starting with July 2009.

At the end of April 2009, the entire activity of BCR Asset Management SA was transferred to the new set up dedicated entity within Erste Group - Erste Asset Management SA. Taking into consideration that BCR Asset Management remained without its object of activity, the company's General Shareholders Meeting decided on 29 May 2009 its entry into liquidation. As of 21 October 2009, the National Securities Commission has withdrawn the authorisation of BCR Asset Management SA to operate as an asset management company. The completion of the liquidation procedure is expected to take place in June 2010.

Financial Summary based on IFRS figures	2009	2008
	<i>(RON thousands, except for percentages)</i>	
Revenue	1,677	3,522
Operating Profit.....	1,638	(2,042)
Profit after tax	1,329	(3,070)
Total Assets.....	5,663	5,124
Total Equity	5,016	3,379
Return on Assets*	30.4	(59.9)
Return on Equity*	39.0	(90.9)

* Returns on assets and equity have been calculated by dividing profit by assets and equity, respectively, as at year-end rather than as averages.

Source: Figures extracted from the IFRS audited consolidated financial statements as of 31 December 2009

BCR Securities S.A.

The company is currently under liquidation procedure.

On 30 September 2009, following the reorganisation of the trading activity on regulated capital markets within BCR Group, the General Meeting of Shareholders of BCR Securities SA decided its entry into voluntary liquidation and the appointment of a liquidator. Under these circumstances, starting with 1 October 2009, the company did not perform any operational activity. As of 24 February 2009, the National Securities Commission had withdrawn the authorisation of BCR Securities SA to operate as a brokerage company and initiated the liquidation procedure on 1 April 2010 (expected to be finalized by the end of 2010).

Financial Summary based on IFRS figures	2009	2008
	<i>(RON thousands, except for percentages)</i>	
Revenues.....	3,028	2,034
Operating Profit.....	(201)	(180)
Net profit for the period	(236)	(151)
Total Assets.....	1,974	9,203
Total Equity	1,654	4,918
Return on Assets*	n/a	n/a
Return on Equity*	n/a	n/a

* Returns on assets and equity have been calculated by dividing profit by assets and equity, respectively, as at year-end rather than as averages.

Source: Figures extracted from the IFRS audited consolidated financial statements as of 31 December 2009

International Subsidiaries

Anglo-Romanian Bank Limited

Anglo-Romanian Bank Limited ("ARBL") is a multinational bank with its headquarters in London, where it was incorporated on 30 April 1973 as a joint venture bank with Bancorex, Barclays Bank International Limited and Manufacturers Hanover International Banking Corporation, New York. ARBL

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has been operating for over 36 years as a fully-licensed UK bank, regulated by the Financial Services Authority. Since 1999, it has been a wholly-owned subsidiary of BCR.

ARBL has branches in Bucharest and agencies in Constanța, Sibiu and Timișoara. Given the global financial crisis and the steps taken by BCR in order to sell this participation, the financial statements for 2009 sharply contrast with results for the previous year: compared to the profit of EUR 11.586 mil registered by the end of 2008, the company concluded the year 2009 with a EUR 3.513 mil negative result. Under these circumstances, the balance sheet size is 40 per cent. down year by year, aspect which has naturally impacted the revenues and simultaneously a significant cost increase was registered which is associated with the Frankfurt branch closure and with the substantial provisions made against lending to some clients-banks from CIS. In 2009, a net profit of EUR 6.359 mil was registered at operating level, EUR 716,000 ahead of budget.

Having in view that the sale process of the bank initiated in 2008 was not finalized, another project, having as main goal the business transformation and optimization of ARBL business has been initialised at group level. Until its completion, the bank will continue its business under the current plans and budget.

Financial Summary based on IFRS figures	2009	2008
	<i>(EUR thousand)</i>	
Interest and similar income	23,645	40,404
Interest expense and similar charges	(11,368)	(20,982)
Net interest income	12,277	19,422
Operating profit before provisions and exceptional items	12,470	16,732
Profit on ordinary activities before tax	(4,762)	17,288
Profit for the financial year	(3,919)	11,856
Total Assets.....	289,805	486,834
Total Shareholders' Equity	105,886	111,865

Source: Figures extracted from the IFRS audited consolidated financial statements as of 31 December 2009

Banca Comercială Română Chișinău S.A.

Banca Comercială Română Chișinău S.A. ("**BCR Chișinău**"), a wholly owned subsidiary of BCR, was incorporated as a joint stock company on 22 October 1998 following the opening of banking operations in the Republic of Moldova. It is a medium-sized bank within the Moldovan banking system and is authorised to perform all banking activities other than capital market intermediation. The bank continued in 2009 the consolidation within the Moldovan banking system. BCR Chisinau assets registered an increase by 8 per cent., while the market share increased from 4.9 per cent. to 5.1 per cent. The loan portfolio increased in 2009 by 6 per cent. as compared to the previous year, while the market share in terms of total loans increased from 5 per cent. to 5.9 per cent. Deposits registered an increase by 8 per cent., as compared to the previous year, having a market share of 6.5 per cent.

As a consequence of the financial crisis, a significant increase of risk provisions for loans and advances granted by BCR Chisinau was registered in 2009. In addition to this, in order to improve its liquidity and capital adequacy, BCR Chisinau increased its share capital by EUR 13 mil. and raised an EUR 7.5 million subordinated loan.

The Lotus project for integration and development of BCR Chisinau was launched on 19 February 2009. The purpose of this project is the stabilisation and expansion of the bank's activity and its branches network, simultaneously with the internal bank's restructuring in order to be aligned to the BCR and Erste Group practices as well increasing its integration in the Group.

Financial Summary based on IFRS figures	2009	2008
	<i>(MDL thousands)</i>	
Interest and similar income	128	175
Interest expense and similar charges	(59.7)	(78.1)
Net interest income	67.3	96.9
Net (charge)/release of provision for impairment losses	(412.1)	(29.6)
Operating expenses	(39.9)	(27.9)
Profit/(loss) before taxation.....	(368.9)	64.9
Profit After Tax	(363.7)	58.8
Total Assets.....	2,016.7	1,912.7
Total Equity	144.9	295.9

Source: Figures extracted from the IFRS audited consolidated financial statements as of 31 December 2009

BCR Finance B.V.

BCR Finance B.V. ("**BCR Finance**") was incorporated on 4 March 2009 as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) for an indefinite period of time under the laws of The Netherlands.

The main activity of BCR Finance is the provision of financing for the Group. Taking into consideration that it represents a financing vehicle within the Group, BCR Finance does not have a main market in which to operate and compete with other businesses.

BCR Finance BV did not perform any activity in 2009, taking into consideration the changes that occurred on international markets as an effect of the global financial crisis.

Share Capital and Shareholders

As per BCR shareholders' registry, the authorised share capital of BCR as at 31 December 2009 is RON 792,468,750, consisting of 792,468,750 registered ordinary shares of RON 1.00 each, all of which are issued fully paid. The share capital includes an amount of US\$ 50,000,000.

On 14 October 2009, EGB Ceps Holding GmbH, a wholly owned indirect subsidiary of Erste Bank, was registered in BCR's shareholders' registry with a number of 549,230,910 nominative shares representing 69.3063 per cent. of BCR's share capital. Institutional investors (including investment companies) own 238,708,035 shares representing 30.1220 per cent. of BCR's share capital and private individuals own 4,532,164 nominative shares representing 0.5719 per cent. of BCR's share capital. Erste Bank continues to be the ultimate holding entity of BCR.

BCR shareholders as at 31 December 2009 are:

EGB Ceps Holding GmbH	549,230,910	69.3063%
SIF Banat - Crişana	47,548,125	6.0000%
SIF Moldova	47,548,125	6.0000%
SIF Transilvania	47,548,125	6.0000%
SIF Muntenia	47,548,125	6.0000%
SIF Oltenia	48,479,429	6.1175%
SC Actinvest SA	15,773	0.0020%
SC Carina Import Export SRL	4,376	0.0006%
SC Certinvest SA	1,000	0.0001%
SC Milord Impex SRL	1,951	0.0002%
SC Cozamin SRL	10,647	0.0013%
Individuals	4,532,164	0.5719%
TOTAL	792,468,750	100%

On 14 May 2010, following the approval on 22 April 2010 by the Extraordinary General Meeting of Shareholders, BCR's share capital was increased to RON 1,030,209,375 by including a part worth RON 237,740,625 from the net profit obtained by BCR, related to the financial year ended 31 December 2009. The increase of the share capital was made by increasing the face value of RON 1.00 per share to the new value of RON 1.3 per share.

Management

The management and administration of BCR is vested in the General Meeting of Shareholders (the "**GMS**"), the Supervisory Board and the Executive Committee. The business address for members of the Supervisory Board and Executive Committee is 5 Regina Elisabeta Boulevard, 030016 Bucharest 3, Romania. There is no potential conflict between the duties of the Supervisory Board and Executive Committee members towards BCR and their private interests and/or other duties.

General Meeting of Shareholders

The GMS is the ultimate governing body of BCR and represents all shareholders. The GMS convenes either in ordinary meetings (each an "**Ordinary GMS**") or extraordinary meetings (each an "**Extraordinary GMS**"). Among other matters, the Ordinary GMS approves the statutory annual

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financial statements prepared in accordance with Romanian accounting standards, the budget and programme for the following year, declares the level of dividends, appoints and dismisses members of BCR's Supervisory Board and determines their remuneration, assesses the activity of the members of the Supervisory Board and decides their areas of responsibility. Among other matters, the Extraordinary GMS approves any reductions in share capital, changes to BCR's business objects, mergers or demergers of BCR, the dissolution or liquidation of BCR and the issuance of bonds. The financial statements prepared in accordance with the statutory and IFRS requirements are reviewed by the Executive Committee, the Audit and Compliance Committee and the Supervisory Board. Proposals for the level of dividends to be paid to shareholders are made by the Executive Committee, agreed by the Supervisory Board and approved by the Ordinary GMS.

Supervisory Board

The supervision, administration and coordination of the Executive Committee's activities are performed by the Supervisory Board. The Supervisory Board is composed of seven members (the "**Directors**") appointed by the Ordinary GMS for a three-year term. The Directors cannot be members of the Executive Committee or be employees of BCR. The President of the Supervisory Board may not accept or take up any office, duty or position that would conflict with his responsibilities or duties towards BCR.

The Supervisory Board has wide-ranging powers and responsibilities covering strategic, operational and organisational matters. These include appointing and dismissing the Executive President and the other members of the Executive Committee, determining the scope of the Executive Committee's authority (other than those powers set out in BCR's Charter), monitoring the implementation of BCR's strategy and business plan, and reviewing the budget and BCR's investments.

External auditors are appointed by the Ordinary GMS. From 1 July 2006, BCR's external auditor has been Ernst & Young Assurance Services SRL. The external auditor carries out the audit of BCR's statutory financial statements (prepared in accordance with RAS), BCR's individual financial statements (prepared in accordance with IFRS) and the consolidated financial statements of the Group (prepared in accordance with IFRS). On 14 May 2009, the Ordinary GMS approved the appointment of Ernst & Young Assurance Services SRL as BCR's external auditor with regard to the financial years 2009 and 2010.

On 27 August 2008, the Ordinary GMS resolved to complete the Supervisory Board of BCR by electing 2 members of the Supervisory Board from among the persons nominated by the financial investment companies, namely Mr Mihai Fercală (who received the NBR's approval on 8 January 2009) and Mr Tudor Ciurezu (who received the NBR's approval on 3 March 2009).

Also, on 27 August 2008, the Supervisory Board resolved to elect Mr Manfred Wimmer as Deputy Chairman of the Supervisory Board from the date of NBR's approval. NBR approval was obtained for Mr Manfred Wimmer on 23 October 2008 and the current members of the Supervisory Board are:

<u>Name</u>	<u>Title</u>
Andreas Treichl	Chairman
Manfred Wimmer	Deputy Chairman
Herbert Juranek	Member
Bernhard Spalt	Member
Florin Pogonaru	Member
Mihai Fercală	Member
Tudor Ciurezu	Member

On 22 April 2010, the Ordinary General Meeting of Shareholders re-elected the Supervisory Board members for a new mandate of three years, starting with 22 April 2010.

Executive Committee

The Executive Committee consists of five members appointed by the Supervisory Board for four-year terms: the Executive President and four Executive Vice Presidents. The Executive Committee is responsible for the operational management of BCR. This includes, among other things, managing the

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implementation of BCR's strategy and business plan, approving the procedures and operational framework for performing banking activities and authorising the introduction of new banking products and services. The Executive Committee also keeps the Supervisory Board properly informed in order to perform its duties efficiently. Members of the Executive Committee may not accept or take up any office, duty or position that would conflict with their responsibilities or duties towards BCR.

The current members of the Executive Committee are as follows:

<u>Name</u>	<u>Title</u>
Dominic Bruynseels	Executive President & CEO
Helmuth Hintringer	Executive Vice President, CFO & CRO
Martin Škopek	Executive Vice President, Retail and Private Banking
Oana Petrescu	Executive Vice President, Operations
Wolfgang Schoiswohl	Executive Vice President, Corporate Banking & Treasury and Capital Markets

Compensation Committee

The Compensation Committee is made of three members of the Supervisory Board appointed by the Supervisory Board. One of the Compensation Committee members is appointed by the Supervisory Board as Chairman and another as Deputy Chairman of the Compensation Committee.

The Compensation Committee reviews, reports to, advises and assists the Supervisory Board in carrying out its powers and responsibilities with respect to the compensation policy and, more particularly, advises and monitors the remuneration, bonuses and benefits of the Management Board members. The Compensation Committee has such other functions as the Supervisory Board may assign to it.

The current members of the Compensation Committee are as follows:

<u>Name</u>	<u>Position</u>
Andreas Treichl	Chairman
Manfred Wimmer	Deputy Chairman
Florin Pogonaru	Member

Audit and Compliance Committee

The Audit and Compliance Committee is made of three members of the Supervisory Board appointed by the Supervisory Board. One of the Audit and Compliance Committee members is appointed as Chairman of the Audit and Compliance Committee and another one is appointed as Deputy Chairman of the Audit and Compliance Committee.

The Audit and Compliance Committee reviews, reports to, advises and assists the Supervisory Board on the quality and performance of Bank's internal accountants and auditors, the reliability of BCR's financial information, and the adequacy of BCR's financial controls and policies.

At present, the members of the Audit and Compliance Committee are as follows:

<u>Name</u>	<u>Position</u>
Manfred Wimmer	Chairman
Florin Pogonaru	Deputy Chairman
Bernhard Spalt	Member

Risk Committee

The Risk Committee was set up as a working committee of the Supervisory Board on 21 February 2007.

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The Risk Committee is made of three members of the Supervisory Board and one replacement member who are appointed by the Supervisory Board. One of the members of the Risk Committee is appointed as Chairman and another as Deputy Chairman of the Risk Committee.

The Risk Committee has the following main responsibilities: approving the implementation of the principal lending and risk policies, procedures and internal rules, approving authority limits for lending, approving the implementation of the Management Board's approvals for granting loans with a value exceeding the authority limits mentioned above, issuing recommendations for all Supervisory Board decisions related to the Risk Committee's work.

The current members of the Risk Committee are as follows:

<u>Name</u>	<u>Position</u>
Bernhard Spalt	Chairman
Manfred Wimmer	Deputy Chairman
Florin Pogonaru	Member
Herbert Juranek	Replacement Member

Audit

BCR has an internal audit division with the following main characteristics:

- it has 42 employees as at 31 December 2009, organised in 4 departments and which have adequate certification levels (such as CAFR (Romanian Chamber of External Auditors), IIA (Institute of Internal Auditors), ISACA (Information Systems Audit and Control Association));
- it has as main focus evaluating the internal control system at the level of the Group;
- it plans the audit engagements based on a risk approach and on the maximum period of time between two audits in the same Group entity;
- it performs an adequate documentation of activities (audit charter, defined reporting channels to non-executive management, i.e. the Audit and Compliance Committee)
- it operates based on the principal of non-involvement of internal audit into operational/management activities;
- cooperation with external auditor in respect of the annual letters sent by the external auditor with improvement recommendations of internal control system.

Employees

As at 31 December 2009, BCR had 8,719 employees (compared with approximately 5,000 in December 1990, when it was established), 3,055 of which are employed by the head office in Bucharest.

Approximately 79.10 per cent. of BCR's employees belong to one trade union. Over recent years, relations between BCR and this trade union have generally been good, with no working days lost due to industrial action. The last collective labour agreement was signed on 30 December 2009 (an amendment agreement to the collective labour agreement concluded on 04 March 2009).

Employees are provided with retirement bonuses, severance packages, childbirth bonuses, meal vouchers and voluntary private pensions (up to EUR 200/employee/year).

At present, the procedure for collective redundancy schemes in Romania and employee dismissals is excessively slow and bureaucratic, since both trade unions and the Labour Authorities must be consulted in advance, and both can impose conditions.

BCR's employee turnover was of 2.9 per cent. in 2009. A career development programme has been set up to encourage high quality employees to remain with BCR, with dedicated training centres in Bucharest and Brasov. For further details on BCR's training programmes, please see "Training" below.

Bancorex Liabilities

When Bancorex merged with BCR in 1999 (please see "Description of the Issuer – General" above), the losses and liabilities of Bancorex were transferred to BCR pursuant to two government ordinances. According to these government ordinances:

- (a) the aggregate amount of Bancorex losses as these were mentioned in the merger balance sheet in 1999 and with all the new elements resulted from Bancorex activity, appeared after this date, was matched by the issue to BCR of a corresponding amount of up to RON 300,000,000 (ROL 3,000,000,000,000) Romanian government treasury bills until 2006; other claims which turn out to be losses are to be transferred by BCR at par value to AVAS, in return for additional treasury bills; and
- (b) BCR may request the extension of the guaranteed ceiling any time until 31 December 2013, in case new legal proceedings related to Bancorex are opened, in which case the Romanian Ministry of Finance has to issue letters of guarantee in favour of BCR.

In respect of liabilities arising out of claims made in legal proceedings, in many cases BCR has been indemnified by the Romanian Government and in addition was given the right to require that AVAS replace it as defendant in the court records. This substitution has been ordered in over 80 pieces of legislation. Until now, the courts, in most cases, accepted the substitution (the principle of substitution and the reasons for this were understood and accepted by the courts with some exceptions which supposed discussions related other details of the cases – ex. facts, is or not an operation resulted from Bancorex activity etc.). In light of these arrangements, the management of BCR considers that BCR's financial condition is not susceptible to be adversely affected by any of the losses or liabilities that BCR acquired from Bancorex.

Litigation

Civil litigation

BCR is currently involved in first Court level proceedings, following a writ served by the City of Bucharest (the City) regarding claims related to rent, VAT and penalties for delayed payments calculated as of 2002, amounting to RON 100,322,724.16. The claim resulted in connection with purported rent increases for four leases granted to BCR in 1991. BCR was entitled to set off in full its rental payments under the four leases against principal and interest payable by the City to BCR under a loan agreement. The loan to the City was granted by BCR on preferential terms and, correspondingly, the rental payments to be made by BCR to the City under the four leases were at below market rates until such time as the loan was repaid in full. After approximately one year, the City purported to increase the rent payable by BCR on the basis that Local Public Administration Law no 69/1991 (as in force at that time) entitled the City, as a public body, to charge for rental of property at market rates. However, BCR continued to apply the set-off mechanics in the loan and leases in accordance with their terms.

Before this case, BCR was involved in other similar cases which were irrevocably solved in favour of the bank, the bank benefiting of decisions which have authority to be taken into consideration by any Court vested with the same case. Under these conditions, BCR is confident of its success, based on the previously rendered court decisions mentioned above. In this case, on 17 February 2009, the Court of Bucharest ruled in favour of BCR and decided to reject the proceedings as being groundless. On 17 February 2010, the appeal formulated by the City was rejected. Against this last decision, the City can file recourse.

In addition to this file, in February 2010 BCR recorded a new litigation filed by the City, having the same object. In this case, the value of claims is RON 50,474,255.94. BCR will use in its defence the same arguments and evidence as in the previous case.

As at 31 December 2009, BCR was involved in civil (and commercial) litigations (as defendant) amounting to RON 407,344,081.62 (which includes the RON 100,322,724.16 amount of City's claim mentioned above). The amount of RON 50,474,255.94 (corresponding to the new litigation) is not included in amount of RON 407,344,081.62, since the litigation has been filed in February 2010.

As permitted by Romanian law, BCR has not appointed external lawyers in relation to any of these proceedings.

Criminal litigation

BCR is involved in criminal proceedings arising out of its business activities, but it does not expect any of these proceedings to have a significant effect on BCR's financial position. As permitted by Romanian law, BCR has not appointed external lawyers in relation to any of these proceedings.

Training

BCR established a new Training Strategy for 2009 – 2011 which addresses the main principles and fundamentals for all training activities within the bank: (i) training should be strategically aligned and business driven; (ii) training means planning & prioritisation; (iii) training is linked with other HR processes; (iv) the training impact should be measured.

The main training programmes are designed for:

- development of selling/marketing skills and customer service skills for retail and corporate employees;
- career development through training courses for prospective managers;
- development of skills in risk management within the banking field; and
- courses aimed at facilitating the integration of new applications into BCR's IT system.

Material Contracts

BCR has not entered into any material contracts, other than those entered into in the ordinary course of business.

THE ROMANIAN BANKING SYSTEM

The information in the following chapter covers certain aspects of the banking regulations in Romania. It is intended to provide a brief overview of the banking regulations to which BCR is subject rather than a comprehensive description of the regulation and supervision of banking in Romania.

Structure of the Romanian Banking System

As at 31 December 2009, there were 42 credit institutions active in the Romanian market and under the supervision of the NBR, of which 2 were banks fully or majority state-owned, 4 were domestic banks majority privately-owned, 25 were banks majority foreign-owned, 10 were foreign bank branches from member states and also one credit co-operative network (*rețea cooperatistă de credit*) (Source: the NBR Monthly Report – December 2009).

As at 30 September 2009, the five largest Romanian banks had a combined holding of 54.3 per cent. of the assets, 56.5 per cent. of the loans, 52.6 per cent. of the deposits and 46.6 per cent. of the capital in the Romanian commercial banks (Source: the NBR).

In addition to providing banking services, Romanian banks can also provide investment services.

Ownership structure of banks (including assets)

	Share capital (per cent.)		Assets (per cent.)	
	2008	2009	2008	2009
Banks fully or majority domestic-owned, of which:	22.8	23.5	11.8	14.7
– majority State-owned	11.4	12.2	5.2	7.3
– majority privately-owned	11.4	11.3	6.6	7.4
Banks fully or majority foreign-owned	71.2	72.6	82.6	77.9
Branches of foreign banks	6	3.9	5.6	7.4
TOTAL Banking System	100	100	100	100

Source: The NBR Monthly Report – December 2009

Number of market participants

	2008	2009
Banks with fully or majority domestic-owned, of which:		
– majority State-owned	5	6
– majority privately-owned	2	2
– majority privately-owned	3	4
Banks fully or majority foreign-owned	27	25
Branches of foreign banks	10	10
TOTAL Banking System	42	41
CREDITCOOP	1	1

Source: The NBR Monthly Report – December 2009

The two remaining State-owned banks are the Romanian Savings Bank (*Casa de Economii și Consemnațiuni*) ("CEC") and Eximbank Romania. According to a report issued by the Ministry of Economy and Finance in June 2007, CEC will not be privatised until 2011, when the restructuring proceedings will have been finalised. For further information on bank privatisations, see "Bank Privatisation" below.

Private foreign capital in Romanian banks

	Total foreign share capital (per cent.)			Total share capital in the system (per cent.)		
	2007	2008	Sept. 2009	2007	2008	Sept. 2009
Austria	29	24.4	22.5	22	18.6	17.1
Greece	28.7	29.7	35.3	21.7	22.6	26.8
The Netherlands	10.2	12.2	11.9	7.7	9.3	9
Italy	5.2	6.4	3.6	3.9	4.8	2.7
Hungary	6.4	5.7	5.5	4.9	4.4	4.2
France	6.6	5.6	5.2	5	4.3	4
Cyprus	2.3	2.7	2.7	1.8	2.1	2.1
Germany	1.6	1.7	1.5	1.2	1.3	1.1
Total EU member states	90	88.4	93.6	68.2	67.4	71.5
USA	1.7	1.9	0.8	1.3	1.4	0.6
Other countries, including EBRD	8.3	9.7	5.6	6.2	7.3	4
TOTAL Banking System	100	100	100	75.7	76.1	76.1

Source: The NBR.

As at 30 September 2009, private foreign capital in Romanian banks was mainly held by entities from Greece (35.3 per cent. of the total private foreign capital and 26.8 per cent. of the total bank capital), Austria (22.5 per cent. of the total private foreign capital and 17.1 per cent. of the total bank capital) and The Netherlands (11.9 per cent. of the total private foreign capital and 9.0 per cent. of the total bank capital).

Bank Privatisation

Privatisations of Romanian banks are governed by the Banks Privatisation Act No. 83/1997, as amended (*Legea nr. 83/1997 pentru privatizarea societăților comerciale bancare la care statul este acționar*), which supplements the legal regime applicable to corporate privatisations (i.e. the Government Emergency Ordinance No. 88/1997 concerning the privatisation of trade companies and the Act on Measures for the Acceleration of the Privatisation No. 137/2002, as amended). In addition, the Romanian Government usually enacts a special set of rules for each Romanian bank privatisation, setting out, among other things, the privatisation strategy.

Legal and Institutional Environment*Cornerstones of the Romanian Banking Regulatory Framework*

In December 2006, the Government Emergency Ordinance No. 99/2006 on credit institutions and capital adequacy (the "**Banking Act**") came into force, implementing the EU Directives in respect of credit institutions and financial investment companies. The Banking Act, as amended to date, includes the regulatory framework for all types of credit institutions (banks, state-supported savings and lending systems in the Romanian housing area, credit co-operatives, mortgage loan banks and institutions issuing electronic currency), which had previously been governed by separate acts. Law no. 312/2004 regarding the Statute of the NBR (the "**NBR Act**"), Government Ordinance no. 10/2004 regarding the bankruptcy of credit institutions, Regulation no. 4/2005 on the foreign exchange regime as subsequently amended, Regulation no. 18/2009 on government arrangements of credit institutions, internal capital adequacy assessment process and the conditions for outsourcing their activities, as subsequently amended are other significant pieces of Romanian banking legislation.

Supervision of the Romanian Banking System

The NBR is the central bank of Romania and is vested with regulatory and supervisory powers in the banking sector. The NBR's establishment, status and activities are regulated by the NBR Act.

The NBR is an independent public institution headed by a Board of Directors consisting of nine members. The executive management of the NBR is exercised by the Governor, the Senior Deputy Governor (who are, at the same time, the President and the Vice-President of the Board of Directors respectively) and two Deputy Governors (who are both members of the Board of Directors), within the monetary policy and the supervision committees. Members of the Board of Directors and the executive management are appointed by the Romanian Parliament for a renewable five-year term.

Role of the NBR

The NBR has the following main powers and responsibilities:

- determining and implementing monetary and exchange rate policy;
- authorising, regulating and supervising credit institutions and promoting and supervising the smooth operation of payment systems with a view to ensuring financial stability;
- issuing bank notes and coins to be used as legal tender in Romania;
- determining and supervising foreign exchange policy; and
- managing Romania's international reserves.

Any Romanian credit institution may only be established and operate in Romania after it receives NBR's authorisation. Also, a special authorisation from the NBR is required in the case of a merger between two or more credit institutions which form a new credit institution. The prior written approval of the NBR is also mandatory in the case of any internal changes within credit institutions related, *inter alia*, to: supplementing and/or restating the objects of activity, directors, financial auditors, setting up a subsidiary abroad or expanding a network of subsidiaries within Romania. Any changes related, among others, to a credit institution's registered office, name, significant shareholders, increases and decreases of the share capital must be reported to the NBR.

However, credit institutions which are authorised and supervised by the competent authorities from other Member States may directly provide services in Romania, based on a notification sent to the NBR by the competent authority of the relevant Member State.

The NBR monitors compliance with the Banking Act and the regulations applicable to Romanian banks. To this end, the NBR performs prudential supervision of credit institutions based on reports sent by the latter on a periodical basis. These reports reflect the activities carried out by credit institutions and their observance of the regulations in force. Should a credit institution fail to comply with applicable regulations or find itself in a precarious financial situation, the NBR may place it under special supervision for a period of up to 3 months. If at the end of the supervision period the activities of such credit institution are found to have serious deficiencies, the NBR may decide to implement measures of special management carried out by a special administrator appointed by the board of administration of the NBR. In case the own funds of a credit institution decrease below 75 per cent. of the minimum capital requirements, the NBR is obliged to place the credit institution under special management carried out by a special administrator. The special administrator must submit a written report to the NBR reflecting the financial status and options for the recovery of such credit institution. Based on the special administrator's report, the NBR can either decide to extend the activity of the special administrator for a limited period (a further six months under extraordinary circumstances), or to withdraw the authorisation and notify the competent court for the commencement of the bank's bankruptcy procedure. The measures implemented during special management cannot be suspended or cancelled by court decision (also valid in case of bankruptcy of credit institution). Nevertheless, the prejudiced party may ask for compensations.

In case of credit institutions in distress, the NBR may impose measures such as requiring significant shareholders to provide the necessary financial support, suspension of the voting rights of those shareholders not complying with the request to provide financial support, prohibition or limitation of dividend distribution while the credit institution is in distress.

In the event of non-compliance with applicable regulations, the NBR may apply sanctions and penalties to a credit institution, ranging from written warnings to fines (of up to 1 per cent. of its share capital) and/or fines for its managers (of up to six net average monthly salaries) or the withdrawal of the approval of a credit institution's manager or of the licence of the bank (thus leading to its winding up).

Banking Regulations

Capital Adequacy

Pursuant to the Banking Act, the minimum initial capital (*capitalul inițial*) of a credit institution is the RON equivalent of EUR 5,000,000. The initial capital is made up of the share capital (*capitalul social*) and various reserves. At incorporation, the initial capital is equal to the share capital, unless the new credit institution is set up as a result of a merger or de-merger. However, in accordance with the common NBR-CNVM Regulation no. 18/23/2006, upon incorporation, the initial capital of a bank must be at least RON 37,000,000 and must subsequently be maintained.

A credit institution's own funds (*fonduri proprii*) consist of (i) level one own funds, which include the bank's share capital, capital benefits (*primele de capital*), minimum required reserves and the net profit for the last financial year and (ii) level two own funds which include basic funds (consisting, *inter alia*, of amounts derived from re-evaluation of the bank's fixed assets) and supplementary funds (i.e. shares with preferential rights and capital obtained from subordinated loans).

Banks are required to maintain a level of funds equal to or exceeding the aggregate of (i) capital requirements for trading book activities, (ii) capital requirements for the bank's overall activity, (iii) capital requirements set out in NBR regulations in connection with the bank's solvency and (iv) capital required to cover other risks which are not specifically regulated, as set out under NBR/NSC Regulation no. 22/27/2006, as amended (which implements the provisions of EU Directive 2006/49/CE as further amended under Romanian law).

New NBR regulations came into force on 1 January 2007, in order to implement the provisions of EU Directives 2006/48/CE and 2006/49/CE (in accordance with the Basel II requirements).

Solvency Ratio

The solvency ratio, which is the ratio of a bank's own funds relative to its risk-weighted assets, must be at least 8 per cent., both on an individual and a consolidated basis (using the individual and the consolidated own funds).

Liquidity Ratio

Banks are required to comply with the NBR's rules on liquidity and its prudential requirements. Generally, such rules require: (i) a minimum level of liquid assets or a portfolio of liquid assets relative to assets and liabilities; (ii) compliance with restrictions and conditions that apply to certain loans and investments, deposits, guarantees and liabilities; and (iii) compliance with restrictions and conditions designed to allow a bank to match the maturities of its assets and liabilities.

Minimum Reserves ("MMR")

All banks are obliged to calculate and place monthly deposits with the NBR on the 23rd of each month, based on the application period beginning on the 24th of the previous month. These deposits must amount to the figures detailed below:

Category of minimum mandatory reserves (MMR)	RON	Foreign Currency
MMR for liabilities with a residual maturity of less than 2 years	15	25
MMR for liabilities with a residual maturity of more than 2 years with prepayment clause	15	25
MMR for liabilities with a residual maturity of more than 2 years without prepayment clause	0	0

Deposits placed as reserves carry very low interest rates: 2.02 per cent. for domestic currency (starting with the application period 24 May 2010), 1.07 per cent. for EUR (starting with the application period 24 May 2010) and 0.99 per cent. for USD (starting with the application period 24 May 2010).

For domestic currency financing, the required reserves are calculated and held in RON, in the credit institution's current account held with the NBR.

For foreign currency financing, the reserves are calculated and held either (i) only in EUR or USD (for all accounts) or (ii) in USD (for accounts held in USD), in EUR (for accounts held in EUR) and in USD and/or EUR (for accounts held in other foreign currencies), in the credit institution's "LORO" account held with the NBR. The chosen option cannot be changed for a period of 12 months.

The minimum reserve requirements imposed by the NBR and the interest rates for the deposits placed as reserves are an important tool for implementing its monetary policy, as it allows NBR to influence the volume and structure of banking liabilities.

Large Exposures

The net exposure of a bank in relation to a single client (which includes a group of clients that, due to their special relationship, represent a single risk), or to a group of interconnected clients must not exceed 25 per cent. of the bank's own funds. The maximum exposure towards members of the bank's own group must not exceed 20 per cent of the bank's own funds. The aggregate amount of the total large exposures of a bank must not exceed 800 per cent. of the bank's own funds.

A bank is deemed to have a large exposure to a single client or a group of interconnected clients if any such exposure exceeds 10 per cent. of the bank's own funds. Banks are required to notify the NBR of large exposures.

Reporting

Banks in Romania must regularly file reports with the NBR including, but not limited to, the following:

- monthly reports on the bank's own funds;
- foreign exchange operations carried out with private individuals;
- quarterly reports on the status of capital adequacy at individual level;
- monthly reports on the banks' financial information consisting of: data on balance sheet assets and liabilities, balance account of the overdue credits, changes due to revaluations;
- individual and aggregate levels of large exposures;
- solvency ratio level (quarterly at individual level and semi-annual at consolidated level);
- annual audited financial statements and semi-annual financial data;
- the classification of the bank's loan portfolio and related provisioning;
- large exposures to a single client or to a group of interconnected clients;
- currency positions;
- foreign direct investments;
- certain capital foreign exchange operations;
- trading operations with derivatives based on interest rate active support;
- the immediate liquidity indicator.

Participations

Any qualified participation¹⁰ held directly or indirectly by a bank in shares or other equities in entities other than credit institutions, financial institutions, insurance or reinsurance companies, companies which carry out activities which represent an extension of the banking business, such as leasing, factoring, investment funds' management or ancillary banking services (e.g. data processing) may not exceed 15 per cent. of its own funds. The total value of a bank's qualified participations mentioned above may not exceed 60 per cent. of its own funds.

Any person (whether an individual or an entity or a group of such persons acting in concert) intending to become a significant shareholder of a bank (i.e. directly or indirectly holding 10 per cent or more of the bank's share capital or voting rights) must notify the NBR in advance and must specify the value of the envisaged participation to be acquired and also must provide the NBR with certain information, as provided under the relevant legal provisions.

Furthermore, any significant shareholder must notify the NBR in advance of its intention to increase its shareholding or voting rights to 20 per cent., a third, or 50 per cent. or more of that bank's share capital or voting rights (or to such an extent that the bank becomes its subsidiary) and also must provide the NBR with certain information, as provided under the relevant legal provisions. The NBR may object to such acquisitions. Similarly, the NBR must be notified in advance of any decrease of a holding below the following thresholds: 50 per cent., a third, 20 per cent. or 10 per cent (or to such an extent that the bank ceases to be its subsidiary). The voting rights of the prospective or current significant shareholder are automatically suspended if it fails to comply with these notification requirements or if the NBR objects to the transaction.

In case the provisions regarding the notification requirements are not observed (or in case of the NBR's opposition to the relevant acquisition), the person that acquired shares or voting rights in excess of thresholds of 10 per cent., 20 per cent., a third or 50 per cent., must to sell the participation within three months. If the acquirer does not comply, NBR may instruct the relevant bank to cancel the shares in question. New shares bearing the same number and series will then be issued by such bank and the proceeds of the issuance (net of related expenses) remitted to the acquirer whose shares have been cancelled. If such an issuance of new shares is not possible, either in full or in part, the share capital of the bank will be reduced accordingly.

Deposit Insurance

Credit institutions in Romania are required to make contributions to the Bank Deposit Guarantee Fund (the "**Fund**"). If a bank becomes subject to bankruptcy proceedings, the Fund will reimburse each of that bank's customers up to the RON equivalent of EUR 50,000 (as of 15 October 2008).

For 2008, the contribution quota to the Fund for each credit institution was 0.1 per cent. of the total balance of its guaranteed deposits.

Bankruptcy

Romanian legislation regarding bankruptcy in general, and the bankruptcy of credit institutions in particular (i.e. Government Ordinance no. 10/2004 regarding the bankruptcy of the credit institutions, as amended), grants Romanian courts exclusive jurisdiction with respect to bankruptcy proceedings commenced against a Romanian bank.

The Standards Introduced by the Basel Committee

The Committee on Banking Supervision (the "**Basel Committee**") provides a forum for regular cooperation between its member countries on matters relating to banking supervision. Its wider objective is to improve supervisory understanding and the quality of banking supervision worldwide. The Basel Committee does not possess any formal supranational supervisory authority. Instead, it publishes

¹⁰ A direct or indirect participation of at least 10 per cent. of the share capital or voting rights in an entity, or any threshold which would allow to significantly influence the management of an entity.

statements of best practice in the expectation that individual authorities will take steps to implement them through detailed arrangements which are best suited to their own national systems.

Following extensive consultation, a capital measurement system commonly referred to as the Basel Capital Accord ("**Basel I**") was approved and released to banks in July 1988. This system provided for the implementation of the framework for a minimum capital standard by introducing a minimum ratio of a bank's capital to risk-weighted assets of 8 per cent. In 1996, an amendment to Basel I introduced specific additional capital requirements with respect to market risk (i.e. the risk of losses arising from changes in market prices). In June 2004, the Basel Committee published the International Convergence of Capital Measurement and Capital Standards, a Revised Framework ("**Basel II**"). Basel II aims to promote more risk-sensitive capital requirements by aligning more closely the risk exposure of a bank's assets with the capital reserves/own funds it is required to set aside against unexpected losses, all with a view to further strengthening the soundness and stability of the international banking system. Basel II is built on three interlocking pillars (Pillar I; minimum capital requirements Pillar II; supervisory review and Pillar III; market discipline).

Under Basel II, the minimum capital requirement consists of separate capital requirements relating to credit and market risk and a new specific capital requirement for operational risk. Operational risk is the risk associated with the internal failure of systems or personnel (e.g. fraud) or with external risks (e.g. terrorism). In addition, Basel II introduces more risk-sensitive weights in relation to credit risk. Banks are given the option to use internal ratings to determine the risk weights used for calculating risk-weighted assets, but may continue to use statutorily determined risk weights as under Basel I. Basel II is therefore not intended to alter the overall level of capital required in the banking system. The Basel Committee retained key elements of the Basel I capital adequacy framework, including the general requirement for banks to hold total capital equivalent to at least 8 per cent. of the risk-weighted assets and the basic structure of the 1996 amendment regarding the treatment of market risk. However, Basel II is intended to make banks' capital standards more risk-sensitive.

The supervisory review process recognises the responsibility of bank management for developing internal capital assessment processes and setting targets consistent with the bank's risk profile and control environment.

Market discipline is designed to complement the minimum capital requirements and the supervisory review process. Banks will have to satisfy a set of public disclosure requirements under Pillar III, as a pre-requisite for regulatory approval to use the advanced approaches to measuring risk.

As of 1 January 2007, Romanian banking regulations largely reflected Basel II and all Romanian credit institutions chose to implement Basel II in 2008.

DESCRIPTION OF BCR FINANCE B.V. AS ISSUER

General

BCR Finance B.V. ("**BCR Finance**") was incorporated on 4 March 2009 as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) for an indefinite period of time under the laws of The Netherlands. The registered office of BCR Finance is Fred. Roeskestraat 123, 1076 EE Amsterdam, The Netherlands (telephone number +31 205 77 11 77). BCR Finance is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under file number 34329474.

Share capital and shareholding

BCR Finance's authorised share capital is of EUR 2,000,000 divided into 20,000 shares of EUR 100 each. The initial issued share capital was 4,000 shares of EUR 100 each and its paid up capital was EUR 400,000.

On 14 June 2010 (following the resolution of the Extraordinary General Meeting of Shareholders of 10 June 2010) BCR Finance B.V.'s share capital was increased to EUR 2,000,000, by issuing 16,000 shares, each of a nominal value of EUR 100.

Article 10 of the Articles of Association of BCR Finance places certain restrictions on the transferability of BCR Finance's shares.

Principal activities

The main activity of BCR Finance is the provision of financing to the Group. As a financing vehicle within the Group, BCR Finance does not have a principal market in which to operate and compete with other businesses.

Pursuant to Article 3 of its Articles of Association, the main business objects of BCR Finance are: (a) to raise funds through, borrowing under loan agreements, the issuance of bonds and other debt instruments, the use of financial derivatives or otherwise and to invest and apply funds obtained by the Company in, inter alia, (interests in on-lend) loans, bonds, debt instruments, shares, warrants and other similar securities and financial derivatives with other companies within the Group; (b) to finance the companies within the Group and their business; (c) to incorporate, to participate in any way whatsoever, to manage, to supervise, to operate and to promote enterprises, business and companies within the Group; (d) to provide consultancy and to render services to enterprises and companies within the Group; (e) to guarantee (by means of corporate guarantees and/or movable and/or immovable security interests on any and all of its assets) the obligations and debts of the companies within the Group; (f) to grant security for the Company's obligations and debts; (g) to enter into agreements with the companies within the Group or third parties, including, but not limited to, financial derivatives such as interests and/or currency exchange agreements, in connection with the objects mentioned under (a) and (b); (h) to enter into agreements, including, but not limited to, bank, securities and cash administration agreements, asset management agreements and security agreements in connection with the objects mentioned under (a), (f) and (g) above; (i) to buy receivables and/or other types of assets from other members of the Group, to issue notes or other type of debt securities and use them as collateral for funding and enter any other type of securitisation related transactions.

Group structure

BCR Finance is a wholly owned subsidiary of BCR, which is a joint stock company incorporated in Romania. BCR Finance does not have and has never had any subsidiaries, associated companies, interests in joint ventures or any other equity interests in other entities. The ultimate holding entity of BCR Finance is Erste Group Bank AG.

To the extent known to BCR Finance, there are no arrangements the operation of which may at a subsequent date result in a change in control of BCR Finance.

Selected Financial information

BCR Finance has not traded since its incorporation on 4 March 2009. There has been no material adverse change in the financial position or prospects of BCR Finance since its date of incorporation. There has

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been no significant change in the financial or trading position of BCR Finance since its date of incorporation.

The following tables are extracted from the audited annual consolidated financial statements of BCR Finance BV as at 31 December 2009.

Balance Sheet as at December 31, 2009

ASSETS	<u>Notes</u>	<u>December 31, 2009</u>	
		EUR	EUR
Current assets	2.5.1		
Corporate income tax		<u>12,635</u>	12,635
Cash and cash equivalents	2.5.2		
Transaction account		<u>388,571</u>	388,571
			<u>401,206</u>
SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholder's equity	2.5.3		
Share capital		400,000	
Results current year		<u>(50,540)</u>	349,460
Current liabilities	2.5.4		
Accrued expenses and other liabilities		8,147	
Amounts due to related parties		<u>43,599</u>	51,746
			<u>401,206</u>

Statement of income for the period 4 March through 31 December 2009

	<u>Notes</u>	<u>4 March 2009 through 31 December 2009</u>	
		EUR	EUR
Interest income			
Other interest income		590	<u>590</u>
Interest margin			590
Other operating expenses	2.5.5		
General and administrative expenses		<u>63,765</u>	<u>63,765</u>
Income before taxation			(63,175)
Corporate income tax			(12,635)

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Net result		<u>(50,540)</u>
Statement of cash flows for the period 4 March through 31 December 2009		
	<u>4 March 2009 through 31 December 2009</u>	
	EUR	EUR
Cash flow from operating activities		
Net results	(50,540)	
		(50,540)
Increase accrued CIT	(12,635)	
Increase accrued expenses and other liabilities	51,746	
		39,111
Cash flow from financing activities		
Issued share capital	400,000	
		400,000
Net exchange in cash and cash equivalents		
Net increase ING account	388,571	
		388,571
Cash at beginning of the year		0
		<u>388,571</u>
Cash and cash equivalents at end of the year		<u><u>388,571</u></u>

Management

As at the date of this Base Prospectus, the board of directors of BCR Finance (the "Managing Board") comprises:

<u>Name</u>	<u>Title</u>	<u>Principal outside activity (if any) of significance to BCR Finance</u>
Oana Pascal	Managing Director	–
ATC Management B.V.	Managing Director	–
Dirk Peter Stolp	Managing Director	–

The business address of the first director above is 5 Regina Elisabeta Blvd, 030016 Bucharest 3, Romania. The business address of the second and third directors above is Fred. Roeskestraat 123, 1076 EE Amsterdam, The Netherlands.

There are no potential conflicts of interest between duties owed by the directors listed above to BCR Finance and their private interests or other duties.

BCR Finance complies with all applicable rules relating to corporate governance in force from time to time under the laws of its country of incorporation, The Netherlands.

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Notices of Meetings of Shareholders

According to article 18 of BCR Finance's Articles of Association, notices of meetings shall be sent by letter mailed to the addresses of the shareholders as shown in the register of shareholders.

TAXATION

The following is a general description of certain Romanian, Luxembourg and Dutch tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the laws and practice in force as of the date of this Base Prospectus and is subject to any change in law and the interpretation and application thereof that may take effect after such date and could be made with retroactive effect.

ROMANIA

Taxation of Noteholders resident in Romania for tax purposes

Under Law No. 571/2003 on the fiscal code as subsequently amended and supplemented (the "**Romanian Fiscal Code**"), a Romanian "resident individual" means an individual that either (a) is domiciled in Romania, or (b) has the centre of his vital interests (*centrul intereselor vitale*) located in Romania, or (c) is present in Romania for a period or several periods exceeding in aggregate 183 days during any twelve consecutive months, and that period(s) end(s) in the calendar year relevant for tax purposes, or (d) is a Romanian citizen who works abroad as an officer or an employee of the Romanian state. A Romanian "resident" means any Romanian entity, any foreign entity which has its place of effective management in Romania, any entity having its headquarters in Romania, incorporated according to European legislation and any resident individual.

Taxation on interest

Income received on the Notes by resident legal entities in the form of interest on the Notes will be subject to corporate income tax (profit tax) at the rate of 16 per cent.

From 1 July 2010, payment of interest on saving instruments (*instrumente de economisire*), such as the Notes, to resident individuals is subject to income tax at the rate of 16 per cent. The tax is withheld at source, at the moment of interest payment.

Taxation on capital gains

Income received by resident legal entities as capital gains from the transfer of Notes, will be subject to corporate income tax (profit tax) at the rate of 16 per cent.

Capital gains obtained by resident natural persons from the transfer of Notes will be subject to a tax at the rate of 16 per cent. . The tax is not withheld at source, the owner of the income being responsible for declaring and paying the tax.

Taxation of Noteholders not resident in Romania for tax purposes

Under the Romanian Fiscal Code, certain types of income from Romanian sources earned by non-residents are subject to Romanian tax at the rates prescribed by the Romanian Fiscal Code, irrespective of whether the income is received in Romania or abroad.

For the purposes of the Romanian Fiscal Code, "non-residents" are defined as any foreign legal entities, any foreign individual and any other foreign entities, including undertakings for collective investments in transferable securities without legal persona, which are not registered in Romania, according to the law.

Taxation on interest

Payments of interest on the Notes or other interest-bearing products are subject to a withholding tax of 16 per cent. where the interest is paid to a non-resident.

Payments of interest on the Notes may be made without withholding on account of Romanian tax if the interest income is attributable to a permanent establishment of the non-resident in Romania, in which case

such income will be taxed as explained above at "Taxation of Noteholders resident in Romania for tax purposes".

Taxation on capital gain

No capital gain tax is applicable to non-resident legal persons.

Capital gains obtained by non-resident individuals from the transfer of Notes will be subject to tax as described above under "Taxation of Noteholders resident in Romania for tax purposes", "Taxation on capital gains", unless the capital gains are derived from the transfer of Notes outside the territory of Romania between non-residents, in which case no tax on capital gain will be levied.

THE NETHERLANDS

For the purpose of this summary it is assumed that no holder of a Note has or will have a substantial interest, or - in case the holder of a Note is an entity - a deemed substantial interest, in any of the Issuers.

Generally speaking, an individual holding a Note has a substantial interest in an Issuer if: (a) such individual, either alone or together with his partner, directly or indirectly has or (b) certain relatives of such individual or his partner directly or indirectly have, (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of the relevant Issuer or the issued and outstanding capital of any class of shares of the relevant Issuer, or (ii) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5 per cent. or more of either the annual profit or the liquidation proceeds of the relevant Issuer.

Generally speaking, an entity holding a Note has a substantial interest in an Issuer if such entity, directly or indirectly has: (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of the relevant Issuer or the issued and outstanding capital of any class of shares of the relevant Issuer, or (ii) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5 per cent. or more of either the annual profit or the liquidation proceeds of the relevant Issuer. An entity holding a Note has a deemed substantial interest in an Issuer if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of this summary, the term entity means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Withholding tax

All payments by BCR Finance of interest and principal under the Notes can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as debt that effectively functions as equity for tax purposes as meant in article 10, paragraph 1, sub d of the Corporate Tax Act (*Wet op de vennootschapsbelasting 1969*). According to Supreme Court case law, the Notes effectively function as equity if (a) the Notes are subordinated to all other creditors of BCR Finance, (b) the Notes do not have a fixed maturity or have a maturity of more than 50 years, and (c) payments under the Notes are entirely or almost entirely dependent on BCR Finance's profits.

Taxes on income and capital gains

Residents

Resident entities

An entity holding a Note which is, or is deemed to be, resident in The Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax in respect of income or a capital gain derived from a Note at rates up to 25.5 per cent.

Resident individuals

An individual holding a Note who is, is deemed to be, or has elected to be treated as, resident in The Netherlands for income tax purposes will be subject to income tax in respect of income or a capital gain derived from a Note at rates up to 52 per cent. if:

- (i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or
- (ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding a Note will be subject to income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from a Note. The deemed return amounts to 4 per cent. of the average value of the individual's net assets in the relevant fiscal year (including the Note). Subject to application of personal allowances, the deemed return will be taxed at a rate of 30 per cent.

Non-residents

A holder of a Note which is not, is not deemed to be, and – in case the holder is an individual – has not elected to be treated as, resident in The Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from a Note unless:

- (i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or
- (ii) (the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

Gift and inheritance taxes

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder, unless:

- (i) the holder is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

Value added tax

The issuance or transfer of a Note, and payments of interest and principal under a Note, will not be subject to value added tax in The Netherlands.

Other taxes and duties

The subscription, issue, placement, allotment, delivery or transfer of a Note will not be subject to registration tax, stamp duty or any other similar tax or duty payable in The Netherlands.

Residence

A holder of a Note will not be, or deemed to be, resident in The Netherlands for tax purposes and, subject to the exceptions set out above, will not otherwise be subject to Dutch taxation, by reason only of acquiring, holding or disposing of a Note or the execution, performance, delivery and/or enforcement of a Note.

LUXEMBOURG

The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

Withholding tax

All payments of interest and principal by an Issuer in the context of the holding, disposal, redemption or repurchase of the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) the application of the Luxembourg laws of 21 June 2005 implementing the European Union Savings Directive (Council Directive 2003/48/EC) (the “**EU Savings Directive**”) and certain related agreements with certain dependent or associated territories of certain EU Member States and providing for the possible application of a withholding tax (20 per cent. from 1 July 2008 to 30 June 2011 and 35 per cent. from 1 July 2011) on interest paid to certain non Luxembourg resident investors (individuals and certain types of entities so-called "residual entities"). Such withholding tax would not be applicable in case the individual beneficial owner (in the meaning of the EU Savings Directive) (or the residual entity (in the meaning of the EU Savings Directive)) authorises the paying agent (in the meaning of the EU Savings Directive) to exchange certain information regarding the interest payment and the recipient to the relevant Luxembourg tax authorities or in the case such individual beneficial owner provides the relevant paying agent (in the meaning of the EU Savings Directive) with a certain certificate issued by the competent tax authority of the state where he or she is resident (see further paragraph "EU Savings Tax Directive" below);
- (ii) the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005 which has introduced a 10 per cent. withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg law of 21 June 2005 implementing the EU Savings Directive). This law should apply to savings income accrued as from 1 July 2005 and paid as from 1 January 2006.

Pursuant to the law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals can opt to self declare and pay a 10.00 per cent. tax on interest payments made by paying agents located in a Member State of the European Union other than Luxembourg, a Member State of the European Economic Area or in a State or territory which has concluded an agreement directly relating to the EU Savings Directive on the taxation of savings income.

The 10.00 per cent. withholding tax as described above or the 10.00 per cent. tax are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

EU SAVINGS TAX DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income (in the meaning of the EU Savings Directive) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria, and Luxembourg are permitted to apply an optional information reporting system whereby if a beneficial owner, within the meaning of the EU Savings Directive, does not comply with one of two procedures for information reporting, the relevant Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax

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system applies for a transitional period during which the withholding tax rate will raise over time to 35 per cent (20 per cent. from 1 July 2008 to 30 June 2011 and 35 per cent. as from 1 July 2011). Belgium has replaced this withholding tax regime with a regime of exchange of information to the Member State of residence as from 1 January 2010. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has announced on 13 November 2008 a proposal to amend the EU Savings Directive. If implemented, the proposed amendments would, inter alia, (i) extend the scope of the EU Savings Directive to payments made through certain intermediate structures (whether or not established in an EU Member State) for the ultimate benefit of EU resident individuals, and (ii) provide for a wider definition of interest subject to the EU Savings Directive.

The European Parliament approved an amended version of this proposal on 24 April 2009.

Investors who are in any doubt as to their position should consult their professional advisers.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuers to Erste Group Bank AG (the "**Dealer**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuers to, and purchased by, the Dealer are set out in a Programme Agreement dated on 12 June 2009 (the "**Programme Agreement**") and made between the Issuers, the Guarantor and the Dealer. Any such agreement will, inter alia, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealer and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such purchase. The Programme Agreement makes provision for the resignation or termination of appointment of existing Dealer and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

The Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the relevant Fiscal Agent or the relevant Issuer by the Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the relevant Fiscal Agent or such Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and the Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been

completed by the Final Terms contemplating such Non exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;

- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000; and (3) an annual net turnover of more than EUR 50,000,000, all as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

The Dealer has represented, warranted and agreed that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Selling Restrictions Addressing Additional Romanian Securities Laws

The Notes may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Notes may be distributed or published in Romania except under circumstances that will result in compliance with any applicable rules and regulations of Romania, including Law no. 297/2004 regarding the capital markets as amended or supplemented and all implementing regulations issued by the Romanian National Securities Commission or by the European Commission.

Selling Restrictions Addressing Additional Dutch Securities Laws

Zero Coupon Notes may not, directly or indirectly, as part of their initial distribution (or immediately thereafter) or as part of any re-offering be offered, sold, transferred or delivered in The Netherlands. As used herein Zero Coupon Notes are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer (or, in default, the Guarantor) and on which interest does not become due during their tenor or on which no interest is due whatsoever.

General

The Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses or distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuers, the Guarantor and the Dealer to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Programme Agreement provides that the Dealer shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealer described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuers. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

The establishment of the Programme was authorised by a resolution of the Extraordinary General Meeting of the Shareholders of BCR dated 27 August 2008 and by a resolution of the Extraordinary General Meeting of the Shareholders of BCR Finance dated 30 April 2009. Each of the Issuers and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the guarantee relating to them.

Legal and Arbitration Proceedings

Save as disclosed in this Base Prospectus, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuers or the Guarantor is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of either Issuer and its respective Subsidiaries or the Guarantor and its Subsidiaries.

Significant/Material Change

Save as disclosed in this Base Prospectus, since 31 December 2009 there has been no material adverse change in the prospects of BCR and its Subsidiaries nor any significant change in the financial or trading position of BCR and its Subsidiaries. Since the date of BCR Finance's incorporation (4 March 2009), there has been no material adverse change in the prospects of BCR Finance nor any significant change in the financial or trading position of BCR Finance, except for the capital increase from EUR 400,000 to EUR 2,000,000, which took place on 14 June 2010, following the approval by the Extraordinary General Meeting of the Shareholders on 10 June 2010.

Auditors

The consolidated and unconsolidated financial statements of BCR have been audited without qualification for the years ended 31 December 2008 and 2009 by Ernst & Young Assurance Services SRL, 75 Dr. Staicovici Street, Sector 5, Bucharest, Romania, who have given, and have not withdrawn, their consent to the inclusion of their report in this Base Prospectus in the form and context in which it is included. Ernst & Young Assurance Services SRL is a member of the Chamber of Financial Auditors of Romania.

The financial statements of BCR Finance as at 31 December 2009 have been audited by Ernst & Young Accountants LLP, Cross Towers, Antonio Vivaldistraat 150, 1083 HP Amsterdam, Postbus 7883, 1008 AB Amsterdam. Ernst & Young Accountants LLP is a member of the Royal Dutch Institute of Chartered Accountants (*Koninklijk Nederlands Instituut van Registeraccountants*).

Documents on Display

Copies of the following documents may be inspected during normal business hours at the Specified Office of each Paying Agent for 12 months from the date of this Base Prospectus:

- (a) the Articles of Association of each Issuer and the Guarantor;
- (b) the audited consolidated financial statements of BCR for the years ended 31 December 2008 and 2009;
- (c) the financial statements of BCR Finance as at 31 December 2009;
- (d) the Agency Agreement (which contains the forms of the Notes in global and definitive form);
- (e) the Deed of Guarantee;
- (f) the Deed of Covenant;
- (g) the Programme Agreement; and
- (h) the Procedures Memorandum;

Date: 06 July 2010

Clearing of the Notes

The International Notes have been accepted for clearance through Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and Clearstream Banking SA, 42 Avenue J.F. Kennedy, L-1855 Luxembourg and the Romanian Notes have been accepted for clearance through RCD, Bucharest, 25 Fagaras Street, Sector 1. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Passporting

In addition to the applications already described in this Base Prospectus, the Issuers may, on or after the date of this Base Prospectus, make further applications for one or more certificates of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the CSSF to the competent authority in any Member State.

Date: 06 July 2010

REGISTERED AND HEAD OFFICE OF THE ISSUERS

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030016 Bucharest, Sector 3
Romania

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The Netherlands

REGISTERED AND HEAD OFFICE OF THE GUARANTOR

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DEALER

Erste Group Bank AG
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A-1010 Vienna
Austria

FISCAL AGENTS AND PAYING AGENTS

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In respect of the Romanian Notes:

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