UniCredit Țiriac Bank

Make it simple. It's *easy* with UniCredit.

2009 Annual Report

We UniCredit people are committed to generating value for our customers.

As a leading European bank, we are dedicated to the development of the communities in which we live, and to being a great place to work.

We aim for excellence and we consistently strive to be easy to deal with.

These commitments will allow us to create sustainable value for our shareholders.

UniCredit Țiriac Bank

Times change, but commitments do not. We emerged from 2009 with a renewed sense of purpose and direction. What was important to us before is even more important today. Namely, our customers.

Accordingly, we developed a new mission statement in 2009 to reinforce those principles and practices that we believe to be drivers of greater customer centricity. Emphasized in this mission is the desire to make banking as easy as possible for our customers by offering the kind of simple, straightforward solutions that can assist them in achieving their financial goals reliably and efficiently.

This is what we call "real-life banking". It means providing our clients with more than just financial services by giving them the right support at the right time and in the right way. It is about looking our customers in the eye, working closely with them to assess their real-life needs, and then using our expertise to deliver effective solutions through smooth and easy interactions.

We believe that our rigorous dedication to simplicity and transparency will continue to advance excellence in all that we do. It will also maintain and grow the trust of our customers - a trust that is exemplified in the following pages.

This year's report features photographs and personal stories from UniCredit Group customers across Europe, highlighting the concrete role that our company has played in their lives. Each of these individuals, who represent the foundation upon which we are structuring our shared future, has told us about a time we made their life easier.

2009 Annual Report

UniCredit Tiriac Bank at a Glance

Key figures

(Thousands of RON, unless otherwise stated)

	2009	2008	GROWTH
Net profit	328,681	358,302	-8.3%
Total comprehensive income	361,624	304,523	18.8%
Shareholder's equity (eop)	2,177,607	1,815,983	19.9%
Total assets (eop)	20,434,779	17,450,958	17.1%
Bank customer deposits (eop)	10,679,747	8,649,217	23.5%
Bank customer deposits (av.)	9,664,482	7,622,157	26.8%
Bank customer loans (eop)	12,045,417	12,298,904	-2.1%
Bank customer loans (av.)	12,172,160	10,174,664	19.6%
Earnings per share (in RON)*	8.06	8.79	-8.3%

Income

	2009	2008	GROWTH
Operating income, including:	1,240,120	1,155,690	7.3%
Net interest income	641,999	605,616	6.0%
Net fee and commission income	246,310	228,652	7.7%
Net trading income**	359,532	301,048	19.4%
Net operating income	667,982	602,387	10.9%

Expenses

	2009	2008	GROWTH
Operating expenses, including:	572,138	553,303	3.4%
Staff costs	271,547	267,806	1.4%
Non-staff costs	249,490	241,138	3.5%
Depreciation	51,100	44,360	15.2%
Impairment losses and provisions	272,796	164,717	65.6%
Income tax expense	56,392	73,218	-23.0%

Ratios (%)

	2009	2008	GROWTH
Return on average assets (ROA)	1.7	2.4	-0.6pp
Return on average equity (ROE)	16.5	21.5	-5.0pp
Equity ratio (eop)***	10.7	10.4	0.3pp
Capital adequacy ratio**** (eop)	11.7	11.4	0.3pp
Tier 1 capital ratio**** (eop)	9.5	9.1	0.4pp
Non-performing loans/Gross loans	6.1	1.4	4.7pp

Resources (number) - (eop)

	2009	2008	GROWTH
Bank Operating outlets	241	242	(1)
Employees	2,967	3,297	330

Foreign exchange rate at period-end (EUR/RON)	4.2282	3.9852	6.10%
Annual average foreign exchange rate (EUR/RON)	4.2364	3.6811	15.08%

* Net profit / no. of shares
**Including - Net income on foreign exchange and on derivatives held for risk management
- Net gains on financial assets available for sale.
***Equity ratio is calculated as shareholder's equity/Total assets (eop)
****All capital related indicators, such as Tier 1 Capital, Capital adequacy ratio, RWA are stated as per NBR rules (RAS figures). RWA is calculated according to NBR Basel II for 2008 and 2009 (including Credit Risk, Market Risk and Operational Risk). In the calculation of Tier1 capital, respective Capital adequacy ratios, the 2008 own funds include the 2008 RAS profit, while 2009 own funds do not include the 2009 profit until approval of GSM. If 2009 profit was considered, the Capital adequacy ratio is 13.1% and the Tier1 capital ratio is 10.9%

COUNTPARTY CREDIT RATING (FITCHRATINGS)[1]

Foreign Currency Long-term IDR[2]	BBB
Foreign Currency Short-term IDR	F3
Individual rating	D
Support rating	2
Outlooks	Stable

[1] Equal to the Romania country ceiling assigned by FitchRatings.
[2] Issuer Default Rating.

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Dace Markeviča
Uralchem Trading Sia
Corporate Banking Client - Latvia

«Uralchem Trading has the assurance that every time, even when it comes to fairly simple banking transactions like payments, UniCredit Bank will look for and find mutually beneficial solutions. The bank's professional staff always offers helpful advice on successful business operations, thereby laying the foundation for mutual trust and a long-term partnership.»

It's easy with UniCredit.

“We would like to thank our customers for their trust in us and to reconfirm that they are in the centre of our attention.”

Răsvan Radu
Chairman of the Management Board and CEO

Statement of the CEO

Dear Reader of this report,

It is our honour to present the 2009 annual accounts of our operations, a hard period when we demonstrated prudence, solid financial strength, sustainable operational income and resilience to external risk factors.

It is difficult not to start our statement with a view of the impact of the economic crisis. Our local Romanian market, largely unscathed in the former 2008, was heavily hit by the global financial and economic crisis in 2009. The real GDP dropped by 7.1% in 2009 after a 7.1% growth in 2008, driven by over 9% slump in private consumption and 25% in investment. On the supply side industry plummeted 4% year-on-year, services 11% and construction 14%. Yet main disbalances in the economy were corrected as a result of the sharp economic slow-down. Current account deficit shrank to 4.4% after 12.3% in the previous year, largely covered by the foreign direct investments. Year-on-year inflation went down to 4.7% at the end of the period and the net monthly salary growth went into negative territory in December 2009 after years of high double-digit growth.

The fiscal deficit reached 7.4% without significant stimuli to the economy. Unemployment rate went up to 6.3% at the end of the year, still without material impact of the public sector. Many businesses, squeezed out of liquidity, reported double digit drop in turnover and those in bankruptcy more than doubled. Romania succeeded however to avoid the extreme scenario of some other CEE countries, obtaining an early IMF/EU financial support package and a non-divestment agreement with the main financial services investors in the country. The public debt was kept low, below 30% of GDP. The Romanian Leu appreciated somewhat from the low levels in 1Q 2009, liquidity was largely brought back and monetary policy was significantly relaxed driving interest rates down by the end of the year.

The sudden break in the economy coupled with the turmoil in the international financial markets brought about a rapid correction in the growth rate and profitability of the banking system. Lending growth stagnated after a 35% increase in 2008. The profitability of the system plummeted to a ROE of 2.7% only with a net profit of less than EUR 200mn, yet highly differentiated amongst market players. Default rates surged and loan loss provisions nearly doubled. Income went down. The intermediation level remained relatively low, near 40%, a mitigating factor against deeper contagion to the economy and a boosting growth factor in the long term. Customer deposits went up in the crisis context driven by the positive shift in the saving rate. The system deleveraged and kept its high capital adequacy levels. All banks carried out optimisation of their operations, yet just few of them referred to real restructuring and downsizing looking for the upcoming rebound.

UniCredit Tiriac Bank registered one of the best performance records in the market in these turbulent times, adding on its positioning. The total comprehensive income was RON 362 million, up 18.8% year-on-year and net profit RON 329 million, down 8.3%. Our operating income increased 10.9%, registering growth in all main revenue components. Our average loans went up near 20% (down 2.1% year-on-year) and average deposits near 27% (up 23.5% year-on-year), bringing the loan-to-deposit ratio down to 113% by the end of the year. The capital ratio further increased to 11.7%, above statutory norms. Non-performing loan ratio reached 6.1% pushing provision coverage of the on-balance-sheet exposures to 4.9%. Nevertheless, the profitability level was one of the highest in the market with ROE of 16.5% and ROA of 1.7%. The bank's efficiency improved further with the cost-to-income ratio at 46.1%. The total assets of the bank reached RON 20.4 billion at the end of 2009 and RON 23.4 billion on pro-forma consolidation basis.

We did adapt our business priorities to the new realities increasingly differentiating our approach to customers. In private individuals we focused on mortgaged-backed loans and UCFin consumer loans sold on the bank's counters, growing faster than the market. Personal deposits increased 27%. Small business loan portfolio went up 27% on a selective base. Corporate deposits increased 25% and loans dropped 7.5% impacted by the sharp drop in demand and deteriorated overall creditworthiness. UniCredit Tiriac Bank strengthened its market positions through focused customer care actions.

Risk management was fundamental in properly running risks and business in these times. Numerous measures were undertaken in helping troubled customers with loan restructuring. More than 3,000 loans to private individuals were restructured. Collection and work-out organisation and practices were strengthened.

New simulation and scenario playing models were introduced and the risk assessment models were carefully reviewed in line with statutory regulations and UniCredit Group rules. We did not discontinue our active investment and development programme.

New organizational, business and service models were introduced and Group divisionalization approach was implemented, focused on customer centricity, service quality and decentralization. Significant advancement was made in enhancing internal control and risk management systems. Numerous optimization initiatives were completed. Near 20% of 2008 net profit was invested in IT systems, expansion of ATM, POS and BNA network and other improvements. Investments were made in brand awareness capitalizing on the Group Championship League sponsorship.

Expecting economy to start rebounding in the second half of 2010, UniCredit Tiriac plans to redirect focus on growth balanced with prudent risk management this year. Keeping strong financials, enhancing market positioning, further improvement in customer satisfaction and investment in systems are some of the focal points in its strategy for strengthening its franchise in the Romanian market.

Reporting all these facts and achievements, we would like to thank our customers for their trust in us and to reconfirm that they are in the centre of our attention. We would like to thank our colleagues in the bank and the group who went along through these turbulent times as a strong team and made our value added possible. We would like to thank our shareholders for the capital and strong operational support in leveraging at a greatest extent on their franchise, network and expertise.

Răsvan Radu

Chairman of the Management Board and CEO
22 February 2010, Bucharest

Radu Timiș,
Cristim Group
Corporate Banking Client - Romania

«At a time of market contraction, when increased commercial pressures were combined with the effects of the financial crisis, UniCredit Tiriac Bank was open to supporting my company to launch a new business line. By supporting the new concept, the bank showed trust and confidence in our expertise, which set the stage for our expansion.»

It's easy with UniCredit.

Strategy and Results

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HIGHLIGHTS

UniCredit Group operates in 22 countries, with over 165,000 employees and approximately 9,800 branches.

UniCredit Group benefits from a strong European identity, extensive international presence and broad customer base.

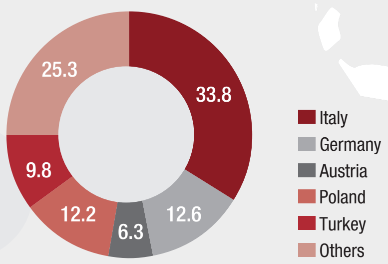
Its strategic position in Western and Eastern Europe gives the Group one of the region's highest market shares.

AUSTRIA
AZERBAIJAN
BOSNIA AND HERZEGOVINA
BULGARIA
CROATIA
CZECH REPUBLIC
ESTONIA
GERMANY
HUNGARY
ITALY
KAZAKHSTAN
KYRGYZSTAN
LATVIA
LITHUANIA
POLAND
ROMANIA
RUSSIA
SERBIA
SLOVAKIA
SLOVENIA
TURKEY
UKRAINE

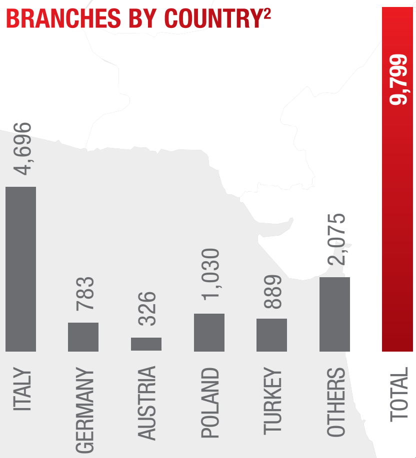
EMPLOYEES[1]	over 165,000
BRANCHES[2]	about 9,800

1. Data as at December 31, 2009. FTE "Full time equivalent"= number of employees counted for the rate of presence. Figures include all employees of subsidiaries consolidated proportionally, such as Koç Financial Service Group employees.
2. These figures include all branches of subsidiaries consolidated proportionately, such as Koç Financial Services branches.

EMPLOYEES BY COUNTRY[1] (%)



BRANCHES BY COUNTRY[2]



FOCUS

AUSTRIA, GERMANY AND ITALY

UniCredit Group has a strategic position in Austria, Germany and Italy. These three countries account for more than one-third of the GDP of all European Union economies combined and together comprise one of the continent's wealthiest transnational regions.

In each of these countries, GDP per capita is higher than for the European Union as a whole. And Germany is well positioned – in terms of GDP per capita – among the four largest EU economies: France, Germany, the United Kingdom and Italy.

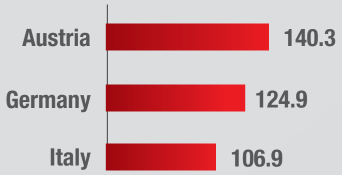
In the wake of the unprecedented slowdown in 2009, the region's economic growth is expected to resume and continue well into the foreseeable future. Specifically, real economic growth is forecast to expand, on average, by roughly 1.6 percent in Austria, 1.6 percent in Germany and 1.2 percent in Italy on average from 2010 to 2014, representing rates in line with, or even well above, those achieved in the previous five-year period.

Exports will increasingly drive future growth. In 2009, exports in goods and services for Austria, Germany and Italy equaled 50.1, 40.8 and 24.0 percent of GDP respectively – among the highest of any EU countries. And these three nations are particularly interconnected with the expanding economies of Central and Eastern Europe (CEE).
More than half of Austrian exports and one-third of German and Italian exports outside of "Old Europe" are directed to the CEE. Furthermore, more than 100,000 Austrian, German and Italian companies are active in the CEE.

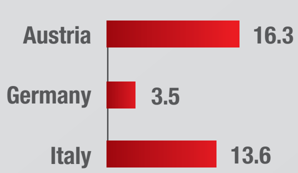
The Group's presence has grown both organically and through strategic acquisitions in these countries over the years. Ranked among the top banking network in our three core Western European countries, the Group provides access to roughly 330 branches in Austria, 780 branches in Germany and 4,700 branches in Italy.

Across Europe, UniCredit Group is refining its services by positioning its customers at the core of Group's operations. This includes the use of new client segmentation criteria designed to achieve better customer service wherever the Group operates. The first three countries to implement these changes will be Austria, Germany and Italy.

GDP PER CAPITA[1]



MARKET SHARE[2] (%)



1. Nominal GDP per capita as at December 31, 2009 (EU27=100)
Estimated of Nominal GDP per capita within the EU27 as at December 31, 2009 (last update March 16, 2010).
2. Market Share in terms of Total Customer Loans as at December 31, 2009.
Source: Eurostat, UniCredit Research.

CENTRAL AND EASTERN EUROPE

UniCredit Group is market leader in Central and Eastern Europe, where it is one of the largest banking players, with a broad network of roughly 4,000 branches.

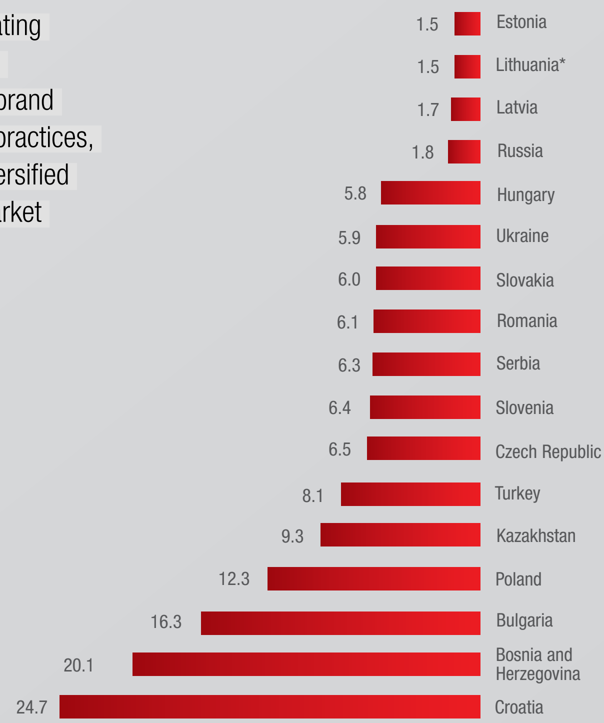
The Group has a long history in this region, which accounts for nearly half of all its employees. It is thus well positioned to benefit from the process of economic convergence that is generating higher living standards and a better business environment in these countries, 10 of which are already EU members and will adopt the euro in the coming years.

The CEE economies – which also include two of the five largest emerging markets in the world, Russia and Turkey, and one of the EU's most stable and promising markets, Poland – currently account for a share of the world economy similar in size to Germany or China. This is particularly impressive considering that their combined economies amounted to roughly half the size of the German economy only a decade ago.

The Group's footprint in this dynamic region is well diversified, with a direct presence in 19 countries. It ranks among the top 10 players in 17 countries and among the top five in 10 countries. The CEE now accounts for 13.7 percent of the Group total loans.

UniCredit Group has a proven track record of successfully integrating local CEE banks. Its market position in the CEE provides the local banks with substantial competitive advantages, including strong brand recognition, access to international markets, the sharing of best practices, and significant economies of scale. Furthermore, the Group's diversified portfolio in this region enables modular growth and increases market penetration for its global product factories.

MARKET SHARE ON CEE[3] (%)



3. Market Share in terms of Total Assets as at December 31, 2009.
* as at September 30, 2009.
Source: UniCredit Research, UniCredit CEE Strategic Analysis

BUSINESS MODEL

A model based upon four pillars:

Customer Centricity
is the focus of our Retail, Corporate & Investment Banking and Private Banking areas, which are charged with delivering specialized customer coverage to maximize long-term value and customer satisfaction.

A Multi-Local Approach
that empowers the Group's local banks to oversee our distribution networks and customer relationships.

Global Product Lines
are the value-added centers for all regions that leverage the Group's significant in-house expertise, such as Asset Management.

Global Service Lines
that supply our network coverage functions and product factories with specialized services, including Banking Back Office, ICT, Credit Collection, Procurement Services, Real Estate and Shared Service Centers.

DIVISIONAL MODEL

Strategic Business Areas
that fully leverage the Group's expertise.

CEE Divisionalization Program
that aims to achieve a "unified vision" of overall CEE business.

Business Lines
that focus on generating distinct products and services for our diversified client base.

Competence Lines
that monitor, guide and support – for their area of competence – Groupwide business activities and related risks.

OUR IDENTITY

Today's UniCredit Group is a young, multinational enterprise – the product of a number of mergers and acquisitions. Yet we benefit from the collective expertise of the banks that now comprise our Group, some of which have a long and distinguished heritage.

We have a presence in 22 countries and operate across a range of strategic business lines and customer segments. Notwithstanding this diversity, which transcends borders, cultures and markets, we aim to be one Group with no internal boundaries.

Given our size and scope, and the current era of global financial uncertainty, the core identity of our Group plays a more vital role than ever in creating sustainable value for our shareholders, serving our customers, engaging our employees, and supporting the different communities in which we live and work.

We therefore decided that it would be timely to rethink who we are and what we stand for, to redefine our mission as a Group and better express the underlying foundation of our identity.

Our Mission Statement is a public commitment – one that sets forth our goals and speaks to how we intend to grow and maintain customer loyalty while creating sustainable value for our shareholders. It is designed to guide and inspire, contributing to our corporate culture and to the shared purpose of all our colleagues.

The statement begins with "the people of UniCredit Group", because they are the heart and soul of our company, and the ones who will carry out our commitments.

Having a sense of purpose shapes one's values, and values shape behavior.

Thus, our Mission Statement was developed to be consistent with the corporate values we set forth in our Integrity Charter: *Trust, Transparency, Respect, Reciprocity, Fairness and Freedom to act.*

These values were adopted to direct and guide each of us in the course of business, providing a framework for our conduct and supporting us to meet the challenges that arise in our daily professional lives.

The Mission Statement reinforces these values and underscores our ultimate goal of sustainability.

The promises we make and our ability to deliver on them influence how our customers and stakeholders perceive us and how they assess the depth of our integrity. And we understand that integrity is saying what you do and doing what you say.

We intend to build on our diversity and to take full advantage of what can be accomplished when all the individual components of our Group act together, with a common purpose.

Because we believe the whole can be greater than the sum of its parts.

Financial Highlights[1]

Key figures

(Thousands of RON, unless otherwise stated)

	2009	2008	GROWTH
Net profit	328,681	358,302	-8.3%
Total comprehensive income	361,624	304,523	18.8%
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* Net profit / no. of shares
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- Net gains on financial assets available for sale.
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1) Unless otherwise stated, all financial performance data in this annual report refer to the attached IFRS financial statements of UniCredit Tiriac Bank, where UniCredit Leasing Corporation IFN S.A. and UniCredit Consumer Finance IFN S.A. are consolidated on equity method basis.

Counterparty Credit Rating (Fitch Ratings)

COUNTPARTY CREDIT RATING (FITCHRATINGS)[1]

Foreign Currency Long-term IDR[2]	BBB
Foreign Currency Short-term IDR	F3
Individual rating	D
Support rating	2
Outlooks	Stable

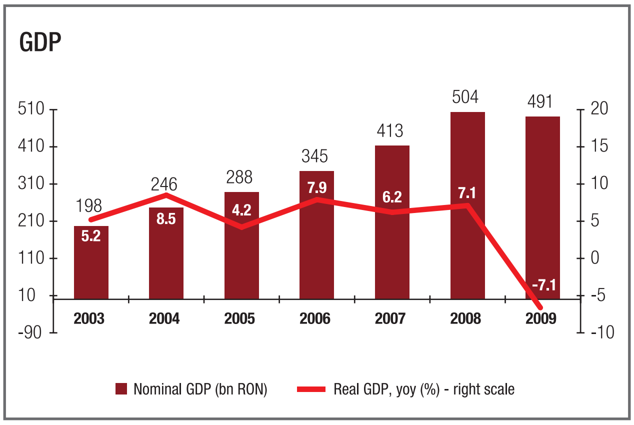
1) Equal to the Romania country ceiling assigned by FitchRatings.
2) Issuer Default Rating.

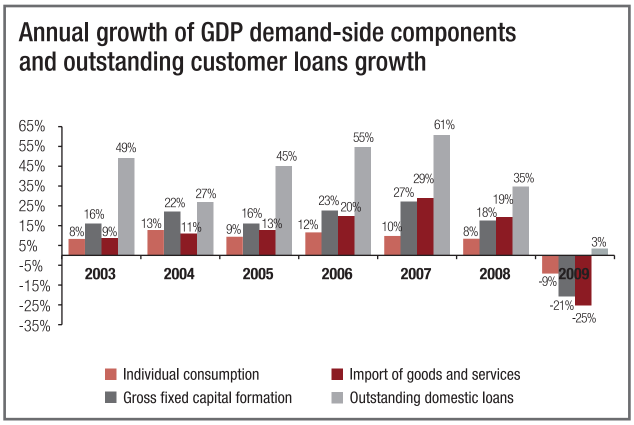
Romanian Economy

2009 Overview of economy

The process of risk re-pricing in 2009 in the international financial markets severely affected the performance of the emerging markets' economies, including also Romania, and fostered heightened uncertainty with regard to economic developments going forward. The first-round effect has been materialising through country risk deterioration (CDS reaching the peak of 776 bps in February but stabilising back towards 290 bp till the year-end), currency depreciation (6.3% drop in Q1 followed by a more stable evolution that kept the overall yearly depreciation at 6% in 2009). Although, the year 2009 brought some positive effects as well, like for the Romanian stock exchange that has been one of the most affected by the financial turmoil in the region during 2008 (BET index plummeting 70% year-on-year) and it recorded an impressive recovery of 60% year-on-year in 2009.

Recession hit severely the real economy, that contracted 7.1% in 2009 largely driven by the sharp drop in private consumption (9.2% year-on-year) and in investment (25.3% year-on-year). On the positive side, inventories and exports entered positive territory in the third and fourth quarter, respectively, and this way softened the contraction in the second half of the year. On the supply side, agriculture rose by 2.4% year-on-year in the third quarter after a 10% year-on-year drop in 1H. Still, the yearly growth stayed at negative territory with a 0.4% year-on-year drop. More encouraging is the rebound of the industrial production, as industrial value registered a positive 4% year-on-year growth in the fourth quarter (total 2009 registering a 4.3% year-on-year drop).





Romanian Economy (Continued)

On the positive side, the economy rebalanced with current account deficit melting down to 4.4% of GDP largely covered by FDI (97% coverage). The sharp contraction has been driven by the narrowing trade deficit (-65% year-on-year) but supported also by current transfers, less affected by the crisis (-31% year-on-year), and by a sharp reduction in outflows on the incomes balance (-42% year-on-year). Inflation declined at the year-end to 4.7%, close to the Central Bank upper targeted band of 4.5%, contributed by the drop in demand. Economic restructuring has been taking place also through labour force cost, wages registering a real annual drop of 5.3% at the end of the year after years of high double-digit growth. Moreover, unemployment rate soared to 7.8% at the end of the year. The government fiscal deficit in 2009 deepened from the previous year's level of 4.9% to 7.4% of GDP, close to the targeted level of 7.3% of GDP.

The IMF/EU funding programme launched in 1H reduced fiscal slippage and external financing risks and brought about reduction of sovereign risk and strengthening of the Romanian Leu. At the start of 2010 FitchRatings changed the Romania's Outlook to Stable from Negative.

Selected economic indicators

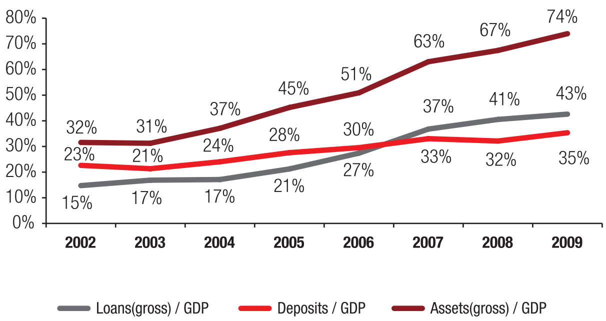
	2009	2008	2007	2006	2005	2004	2003	2002	09/08 (%, PP, #)
Nominal GDP (€ bln)	116	137	124	98	80	61	53	48	-15%
GDP per capita (€)	5,439	6,391	5,745	4,530	3,678	2,806	2,420	2,224	-15%
Real GDP growth (%)	-7.1	7.1	6.2	7.9	4.2	8.5	5.2	5.1	(14.20)
Inflation (CPI) year-on-year, Dec	4.7	6.3	6.6	4.9	8.6	9.3	14.1	17.8	(1.60)
Inflation (CPI) year-on-year, avg	5.6	7.9	4.8	6.6	9.0	11.9	15.3	22.5	(2.26)
Unemployment rate (%)	6.3	4.0	4.3	5.4	5.8	6.7	7.6	10.2	2.30
Exchange rate /€, eop	4.23	3.99	3.61	3.38	3.68	3.97	4.11	3.49	6%
Exchange rate /€, avg	4.24	3.68	3.34	3.52	3.62	4.05	3.76	3.13	15%
Intervention rate (Dec)	8.00	10.25	7.5	8.8	7.5	17.0	21.3		-2.25
Consolidated Gov. Balance / GDP(%)	-7.4	-4.9	-2.3	-1.6	-0.8	-1.2	-2.2	-2.6	(2.51)
Current account balance (€ mln)	-5,054	-16,877	-16,677	-10,156	-6,888	-5,099	-3,060	-1,623	-70%
Current account/ GDP (%)	-4.4	-12.3	-13.5	-10.4	-8.7	-8.4	-5.8	-3.3	8.0
FDI (€ mln)	4,899	9,024	7,185	8,723	5,237	5,183	1,946	1,212	-46%
FDI/GDP	4.2	6.6	5.8	8.9	6.6	8.5	3.7	2.5	(2.39)
External Public debt (€ mln)	21,656	10,267	9,507	10,066	10,947	10,271	9,638	9,168	111%
External Public debt % of GDP	18.7	8.1	8.3	9.9	13.9	16.5	20.1	21.1	10.6
Internal Public Debt (€ mln)	18,494	15,054	11,589	7,637	4,386	3,633	2,799	3,328	23%
Trade Balance-Goods (€ mln)	-6,754	-18,199	-17,822	-11,759	-7,806	-5,323	-3,955	-2,752	-63%
International Reserves (of NBR, € mln)	30,859	28,269	27,187	22,935	18,259	11,933	7,492	7,009	9%
Number of banks	42	43	41	38	39	39	38	39	(1)

Source: Central Bank, Statistical Office and UniCredit Tiriac Bank Macroeconomic and Strategic Analysis unit.

2009 Overview of banking sector

Given the ample economic restructuring, the banking market was affected in 2009 through a sharp increase in interest rates and abrupt drop in lending activity. The total loans growth of the Romanian banking system decelerated in 2009 to 3.4% year-on-year from 35% registered in the previous year. Low demand for credit on the one hand and rising concern for credit quality on the other has been behind the massive slowdown in lending activity during 2009. Overall, loans' growth decelerated in 2009, both on the corporate and the retail side (+0.8% year-on-year and +1%, respectively). On the other hand, strong surge has been registered in government loans, due to the newly issued treasury securities purchased by the banking system (up by 172% year-on-year). On the funding side, supported also by the hystorically high interest rates, the bank deposits growth was relatively high (8.3% year-on-year) although negatively impacted by the the dried up corporate sector liquidity in local currency (-8.4% year-on-year).

Bank penetration



However, the banking sector remained sound with a high solvency ratio of 14.03% (against a statutory norm of 8%) despite the strong profit drop at EUR 0.3 billion from the 2008's level of EUR 1.5 billion (-77% year-on-year). This drop was reflected in the profitability indicators like ROE (after tax) for banking system which fell to the level of 2.7% from 18.5% registered previous year, and ROA (after tax) down to 0.2% (compared to 1.6% in 2008). The crisis accelerated the implementation of cost-optimisation and cost-cutting measures. The bubbles of the previous years, in terms of network expansion or salary costs, are now fast rebalancing. Yet, the cost-to-income ratio slightly increased to 52.9% in 2009 from 51.5% registered in 2008, despite of the sharp drop in network expansion (127 new branches/units opened after around yearly 1,000 new units opened in the previous three years) and decelerating personnel costs to 0.5% year-on-year (25% in 2008).

The negative impacts of the credit boom of last three years combined with the sharp economic recession has been materialised in deteriorating credit quality. The central bank Credit risk ratio[1] more than doubled to 15.3% in 2009 from the 6.5%, registered a year earlier.

Outlook for 2010

Romanian economy is set for a modest recovery in 2010 and two opposing forces are expected to be at work. On one hand, exports will drive a further improvement in industrial production, as reflected by the leading sentiment indicators across the board. Moreover, the inventory cycle is turning, and will also contribute to boost industrial output. On the other hand, domestic demand will remain weak, with further contraction in consumer spending and depressed investment levels. The weak local demand will help the disinflation trend to continue during 2010. Inflation rate is expected to enter the target band in 2010 that emphases the scope for further convergence in interest rates towards the Euro zone norm ahead of planned Euro adoption in 2014-15. The improved cost of financing is expected to provide significant support for a sustainable re-launch of the economic growth this year.

Fiscal performance and external financing, conditional on the IMF/EU stand-by-agreement, continues to be crucial for the credit outlook. Fiscal slippage remains one of the main country risks given the rigidity of social spending and depressed budget revenues on the back of weak economic performance. On the positive side, there is more likelihood of implementing the extensive public sector restructuring, an important step for consolidation and sustainability of the growth on the longer term.

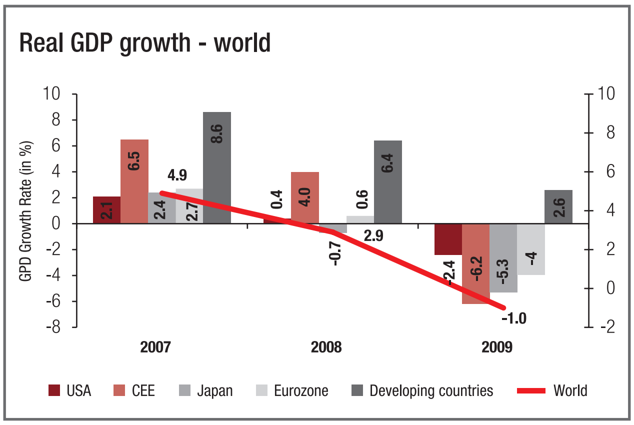
Lending growth is expected to recover only marginally in 2010, with growth returning to double-digit figures only starting mid/end of 2011. A still rising debt burden remains a key issue to monitor. Now when the liquidity crisis is over, the credit quality remains the key challenge. Profitability will have to account for structurally higher costs of risk through the cycle, but will benefit from a leaner cost structure. Profitability is likely to stay subdued this year as well mainly due to the impact of higher provisioning against bad loans. Banking business remains very much dependant on foreign capital, but the region's long term potential is confirmed – both in terms of economic and banking growth.

1) Unadjusted exposure from loans and interest falling under "Doubtful" and "Loss" divided by total classified loans and interest, excluding off-balance-sheet items.

World Economy

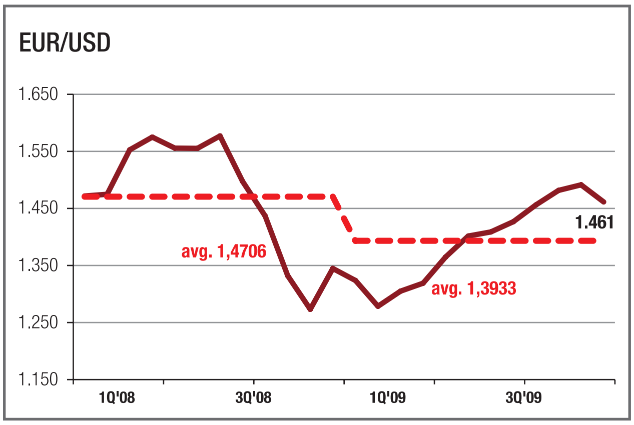
2009 Overview

Global economy experienced the deepest economic downturn in the post-World War II period. Following a year of painful financial losses and write-downs, advanced economies fell into deep recession in 2009. Despite the policymakers' effort to sustain market liquidity and solvency, the losses from bad assets and collapse of several large US and European financial institutions prompted a huge increase in financial risk and volatility that persisted during the first half of the year 2009. In Europe, as in the United States, the financial system remained under heavy stress since September 2008, housing corrections has been intensifying especially in US and UK, and industrial production suffered serious drop being hit by the sharp decline in durables demand. The financial crisis hit household wealth in many advanced economies through strong fall in asset prices and housing markets. The unexpected loss in net worth drove consumer confidence to record lows and brought about consumers cutting their current spending. Consequently, the financial crisis rapidly transformed into a crisis for the real economy already in 2008 and it further deepened during the 2009. Overall, the US economy contracted by 2.4% in 2009 while Euro area experienced a historically high drop in GDP of 4% year-on-year. Still, developing countries, although with a decelerating path, registered a positive growth of 2.6% year-on-year in 2009 that alleviated the world economic contraction of 1%. Japan, that entered negative territory already in 2008 (GDP drop by 0.6% year-on-year in 2008), suffered one of the deepest contraction of 5.3%.



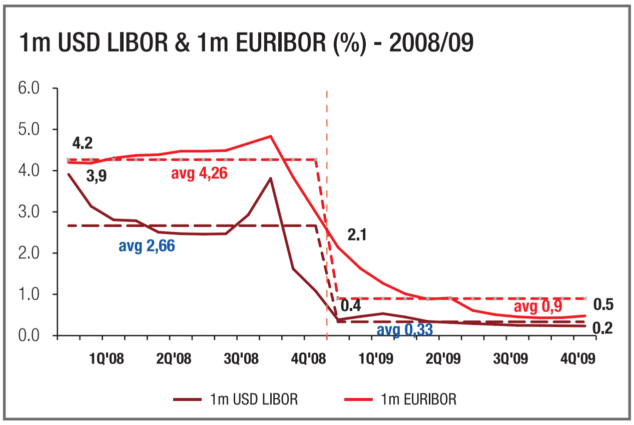
On the positive side, economic growth returned positive in the third quarter of 2009 even if the recovery road remain bumpy. The Eurozone exited the recession (GDP was up 0.4% qoq in Q3), with some key countries such as Germany surprising on the upside. In the US, the housing market started to show some promising signs of stabilization and the employment report has been also improving towards the end of the year and the start of 2010. Deflation fears disappeared: after falling in negative territory for much of the year, inflation turned in positive territory in October. Moreover, Investors' sentiment improved by the end of the year.

Emerging European markets, which earlier have been considered to be relatively sheltered from financial strains by their limited or no direct exposure to the sub-prime market, were hit by the risk revaluation and curtail of capital flows. Moreover, emerging markets proved to be less resistant to the second round effects channelled through external financing and trade channels. Industrial production and merchandise trade, plummeting already in the last quarter of 2008, were the main drivers of production drop in 1H 2009. CEE region registered 6.2% year-on-year real GDP contraction in 2009.



The US dollar heavily suffered from the financial turmoil, depreciating gradually to the level of 1.46 USD/EUR in the last quarter of 2009 from the beginning of year level of 1.32 USD/EUR.

Central banks used a range of conventional and unconventional measures to ease the credit market conditions and to support the economies. Policy rates were cut sharply, although its impact was limited by credit market disruptions. As an alternative liquidity support central banks increased purchases of government securities. The massively supportive monetary and fiscal policies set the stage for a gradual economic recovery and brought about some improvement of conditions in the banking sector. The main consequence of the fiscal stimuli measures was the deterioration of the fiscal outlook in the EMU, US and UK, with a sharp increase in funding needs.



Total supply in the Eurozone was EUR 943 billion, (around half concentrated on the 3/5Y segment). On the monetary policy front, major central banks provided further stimuli bringing the key rate to a historically low level and adopting QE (ECB: purchase of covered bond program, BoE and Fed: purchase of corporate/government bonds). Additionally, they flooded the market with a large amount of liquidity, which caused a sharp fall in money market rates. On the other hand, emerging Europe and CIS faced difficulties to use fiscal policy buffers to alleviate pressure either because of already high fiscal deficit, external deficit or less flexible exchange rate regimes.

Outlook for 2010

The economic outlook keeps brightening, albeit in an uneven and uncertain way. The Great Recession has run its course last autumn. Real worldwide GDP growth even accelerated in 4Q09. And most economic indicators still point north. It is, however, so far no more than a technical rebound after the preceding economic collapse that is already facing the threat of another setback in the course of 2010 before economic growth should re-accelerate slightly again. Based on UniCredit Research forecasts for 2010, global economy is projected to grow by 3.5% year-on-year. The US economy is projected to grow by 2.5%, while the Euro area is estimated to increase by 0.9%. While the stronger-than-expected pick up in global trade boosted recovery, there are still some concerns regarding the scarce endogenous growth potential. For investment to start recovering in a genuine way, firms need to gain confidence about the durability of the recovery, and this doesn't seem to be the case yet. From a more structural point of view, there is evidence that the Eurozone corporate sector is facing tough financial constraints due to lower internal cash flow and high indebtedness, which creates the need for a medium term deleveraging process.

Stable evolution of oil and commodity price in the \$80–\$90 range is expected during 2010 which means continuation of the slight upward trend compared to the previous year. EUR-USD is expected to strengthen again and to advance above 1.40 by mid-year. Only when the Fed starts normalizing its monetary policy, should the USD strengthen again in 2H10, bringing down EUR-USD to some 1.38 by the end of 2010.

Inflation expectations are well contained as below-potential growth and relatively stable oil prices should not fuel inflationary pressure in the foreseeable future, given that current labour market dynamics and the amount of slack in the system leave little room for upside CPI surprises in the near term. In 2010, a driver of markets could be the central banks' exit strategies. The Federal Reserve rate hike in US is expected at best in 3Q 2010, the Bank of England could also start hiking at the end of 4Q and the ECB in 2011. Most of the central banks already announced their plans for a gradual exit from the unconventional monetary policy measures adopted so far. As a result it is expected EONIA to gradually return in the 1% area in the final quarter of 2010. Euribor would probably move up as well, reflecting less easy liquidity condition and also a higher perception of liquidity and funding risk.

The mounting fiscal deficits and its financing pressures will be in the main focus for most of the countries in the world for the upcoming years. Debt levels have jumped up throughout the Eurozone and the IMF forecasts that the debt/GDP ratio for the Eurozone as a whole will keep rising at least through 2014. Weakened potential growth in the post-crisis period implies that governments cannot count on a fast rise in GDP to improve their fiscal balances. They will need to act decisively on the expenditure or revenue side. The main risk is therefore that of a persistent upward pressure on taxes. But then, unless there is a more determined effort to reduce expenditures, the choice will be between higher taxation levels and higher debt levels. In either case the end result will be that governments will be subtracting a greater amount of resources from the private sector, to the detriment of growth. But the extent to which governments will be able to quickly restore confidence in fiscal sustainability and predictability will play a crucial role in shaping the Eurozone's growth outlook as well as longer-term financing costs.

UniCredit Tiriac Bank Activity Review

Financial results[1]

UniCredit Tiriac Bank financials for 2009 were impacted somewhat by the negative economic environment, yet remained relatively resilient. The bank reports a net profit of RON 328.7 million in 2009, down 8.3%. Total comprehensive income[2] is growing 18.8% to RON 361.6 million. Net operating income is up 10.9% to RON 668 million.

Summary Income Statement

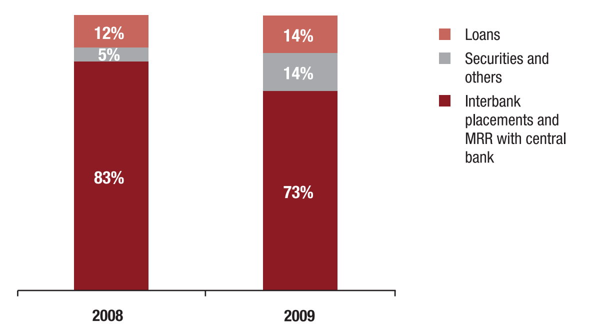
(RON Millions)

	2009	2007	GROWTH (%)	GROWTH (AMOUNT)
Net interest income	642.0	605.6	6.0	36
Net fees and commissions income	246.3	228.7	7.7	1.8
Dividends income	1.9	4.4	-56.2	-2
Net income on foreign exchange and on derivatives held for risk management	350.7	274.9	27.6	76
Net gains on financial assets available for sale	8.8	26.2	-66.4	-17
Other operating income	-9.7	16.0	-160.6	(25.7)
OPERATING INCOME	**1,240.1**	**1,155.7**	**7.3**	**84**
Operating Expenses	-572.1	-553.3	3.4	(19)
NET OPERATING INCOME	**668.0**	**602.4**	**10.9**	**66**

1) Unless otherwise stated, all financial performance data refer to the attached financial statements of UniCredit Tiriac Bank, where UniCredit Leasing Corporation IFN S.A. and UniCredit Consumer Finance IFN S.A. are consolidated on equity method basis.
2) Including net profit and net change in revaluation reserve for available-for-sale financial assets (net of deffered tax).

Profitability dropped but remained relatively high by local and international standards this year: Return-on-asset is 1.7%, Return-on-equity 16.5% and earnings per share RON 8.06. Efficiency further improved with Cost-to-income ratio down 1.7 percentage points to 46.1%.

Share in interest income



Operating income registers a 7.3% growth reaching RON 1,240 million. Net interest income reaches 642 million or 52% of total operating income. It increased 6% in nominal terms, being influenced by the significant increase in the RON-EUR interest differential and growing costs of customer deposits. Lending interest income, representing 73% of total interest income, grew by 8%, supported by the 19.6% increase in the bank's average annual loan portfolio.

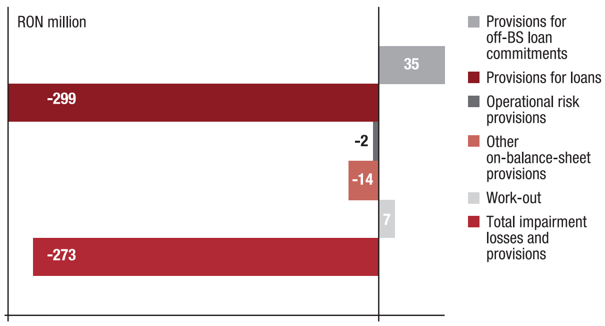
Interest income from inter-bank deposits and minimum reserves with the central bank accounted for 14% of total interest income going up 43% year-on-year. Interest income from Treasury bills and bonds increased almost four-fold due to significant increase in government securities portfolio. Interest expenses on customer deposits went up more than two-fold due to the increase both in prices and volumes. Lending and deposit spreads for the year as a whole decreased in line with the market trends. Average 1-month EURIBOR went down from 4.28% in 2008 to 0.89% in 2009 and the average 1-month ROBOR was down from 13.03% to 11.71%.

Fee income is up by 7.7% to 246 million, accounting for 20% of operating income. The growth is mainly attributable to the 54% increase in commissions from the risk participation on externalised loans with UniCredit Bank Austria. Loan administration fees went up, while payment transactions went down negatively affected by the economic recession.

Total trading income went up 19.4% to 29% of total operating income. Net income on foreign exchange and on derivatives held for risk management increased 28% and reached RON 351 million in nominal terms. This reflects higher earnings on proprietary FX transaction and on derivatives. The bank operated in strict compliance to the related market risk statutory standards and group policies.

Operating costs reached RON 572 million, up 3.4% year-on-year, below the growth rate of the operating income and 46.1% of it. Personnel costs grew by 1.4% to RON 271.5 million or 48% of total operating expenses. Other administrative costs were up 3.5%, below inflation rate (5.6% average annual CPI). In 2009 the full year cost effect of the near 100 branches opened in 2008 was registered.

Net provisions (2009)



Net impairment losses on financial assets and provisions, mainly provisions on loans, grew 65.6% to RON 273 million. The increase was mainly driven by provision charges on loans which reached RON 299 million, representing 248 basis points cost of risk[1]. UniCredit Tiriac Bank continued pursuing a strict and prudent risk provisioning policy, thus adequately covering potential risks.

Income tax is RON 56.4 million, down 23% year-on-year.

1) Cost of risk is calculated as net provisions on loans through the income statement for the year/ gross loan portfolio at the end of the year.

UniCredit Tiriac Bank Activity Review (Continued)

Balance sheet

The value of the balance sheet total reached RON 20.4 billion, up by 17.1% compared with the end of 2008. Interest-earning assets accounted for 96% of total assets.

Summary Balance Sheet[1]

(RON Million)

	2009	2008	GROWTH (%)	GROWTH (AMOUNT)
Assets				
Cash and balances with Central Bank	4,502	3,541	27.1	961
Due from Banks (net)	1,047	809	29.5	238
Securites	2,913	635	358.7	2,278
Loans and Advances to customers (net)	11,450	12,009	(4.7)	(559)
Property, equipment and intangible assets	314	302	4.0	12
Other assets, net	209	155	34.5	54
TOTAL ASSETS	**20,435**	**17,451**	**17.1**	**2,984**
Liabilities and shareholders' equity				
Deposits from banks	2,151	1,399	53.8	752
Customers deposits	10,680	8,649	23.5	2,031
Long-term borrowings	5,047	5,080	(0.6)	(33)
Other liabilities	379	507	(25.3)	(128)
TOTAL LIABILITIES	**18,257**	**15,635**	**16.8**	**2,622**
SHAREHOLDERS' EQUITY	**2,178**	**1,816**	**19.9**	**362**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**20,435**	**17,451**	**17.1**	**2,984**

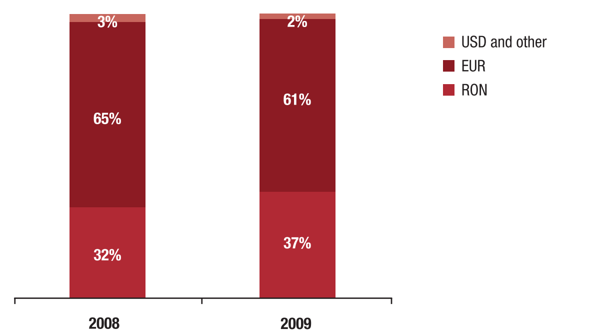
(1) Balance Sheet Structure from the financial statements is adjusted for analytical purpose.

The currency structure of assets remained with prevailing EUR denominated component, similar to the market, with 61% share. Local currency component of assets is 37% in 2009, up 5 percentage points compared to last year.

The loan portfolio weight dropped to 56% of total assets against 69% for the previous year, reaching RON 12 billion in gross terms (down 2.1% year-on-year). Securities portfolio increased 4.6 times to RON 2.9 billion mainly government securities, growing to 14% as share in assets. Cash and balances with the central bank, mainly balances with the central bank, stayed high at RON 4.5 billion with a 22% share in assets. The minimum reserve requirements remained high at 25% of the eligible foreign currency denominated deposits and 15% for the ones denominated in local currency, yet going down during the year. Property and equipment increased by 4% reflecting the impact on the ongoing development expenditure.

UniCredit Tiriac Bank owned shares in 18 companies at the end of 2009. The total carrying value of these investments was RON 25 million. During the year, the bank participated in the share capital increase by RON 15.1 million in UniCredit Consumer Financing IFN S.A. and by RON 3.4 million in UniCredit Leasing Corporation IFN S.A. in order to sustain the further development of the leasing and consumer finance business in Romania.

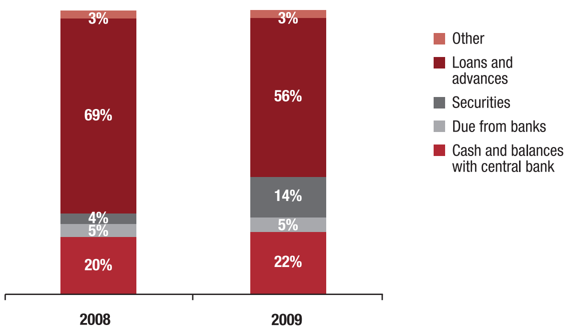
Asset currency structure



On the liability side the bank preserved its funding structure, yet reducing its leverage in 2009. Customer deposits increased 23.5% to RON 10.7 billion or 52% of total liabilities. Loan–to-deposit ratio dropped from 142% in 2008 to 113% at the end of 2009. External long-term borrowings, mainly funding of the mother company, remained unchanged at RON 5 billion.

Shareholders' equity amounted to RON 2,178 million, up 19.9% for the year (RON 1,816 million in 2008). The equity ratio increased to 10.7%, up from 10.4% in 2008. Total capital adequacy ratio under statutory standards was 11.7% (13.1% including the profit for the period in own funds at the end of 2009 vs 11.4% in 2008), and Tier 1 ratio was 9.5% (10.9% including 2009 profit vs 9.1% in 2008). All indicators are above the regulatory norm.

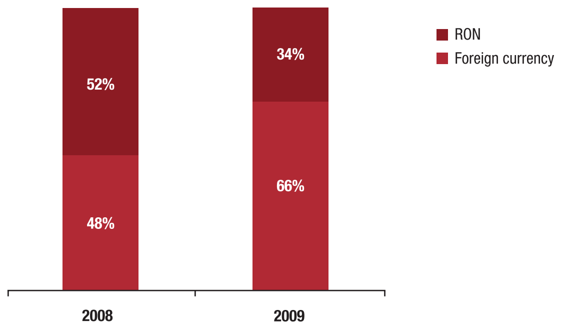
Asset structure by instrument



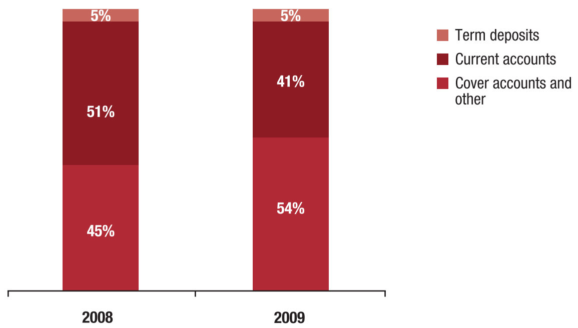
Customer deposits

In 2009, customer deposits increased by 23.5% and reached RON 10.7 billion. About 66% of all deposits are denominated in foreign currency, mainly in Euro.

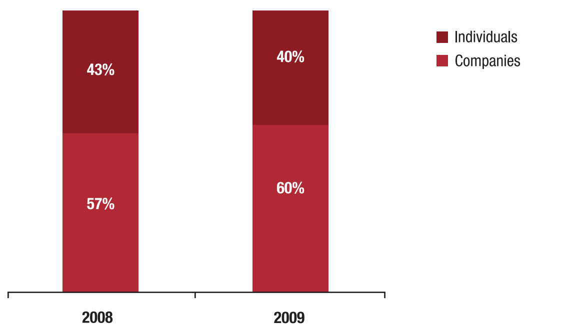
Deposit structure (by currency)



Deposit structure (by product)



Deposit structure (by client type)



UniCredit Tiriac Bank Activity Review (CONTINUED)

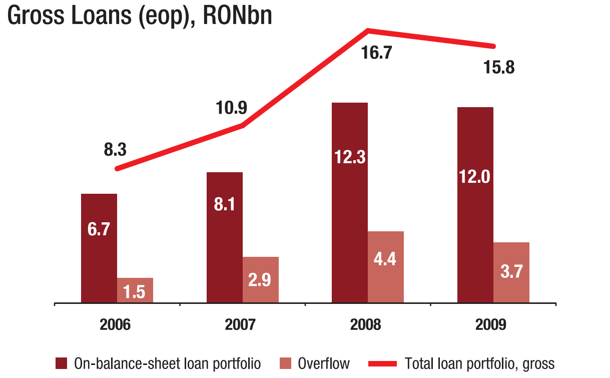
Balance sheet (CONTINUED)

Company deposits increased 30% to RON 6.4 billion at the end of 2009, 60% of total. Deposits of individuals are up by 14.5% to RON 4.3 billion or 40% of total. Current accounts decreased their share from 51% to 41% of total, still a higher share in deposits compared to the market.

Bank loan portfolio

In 2009, the on-balance-sheet loan portfolio experienced a slight nominal drop of 2.1% to RON 12 billion on a gross basis from RON 12.3 billion last year. Adding the outstanding externalised loans to UniCredit Bank Austria, for which UniCredit Tiriac Bank is a party through a risk participation agreement and administration, the total amount of the gross loan portfolio is RON 15.8 billion, down 5.7% from RON 16.7 billion a year earlier. The average annual on-balance-sheet loan portfolio was RON 12.2 billion in 2009, up 19.6% compared to 2008.

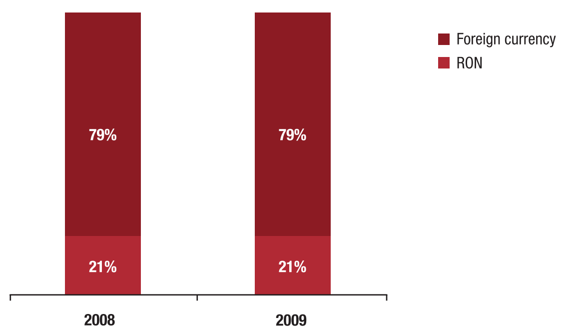
Gross Loans (eop), RONbn



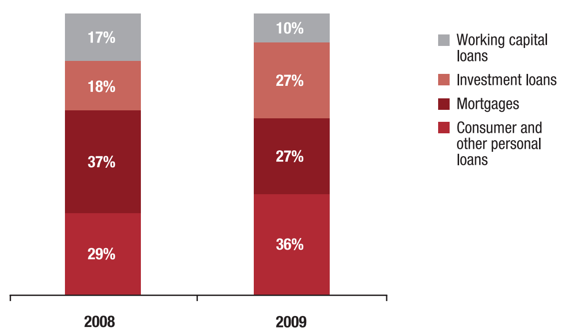
The structure of the portfolio stayed relatively stable, reflecting the commercial activities during the year. Corporate loans dropped by 7% holding a 58% share in total portfolio. Loans to individuals grew 4.6% in nominal terms reaching a 37% share in total loans (34% in 2008). Small business portfolio grew near 12% reaching 6% of total loans.

The proportion of foreign currency loans remained 79%. Investment loans and working capital loans held the highest portion of portfolio with 27% and 36% respectively. Mortgages and consumer loans (including also overdrafts, car loans and cards) represented overall 37% of total portfolio, slightly more than last year. After opening of UniCredit Consumer Financing IFN S.A. (UCFin) at the end of 2008, the newly extended non-collateralised consumer loans were booked on UCFin accounts.

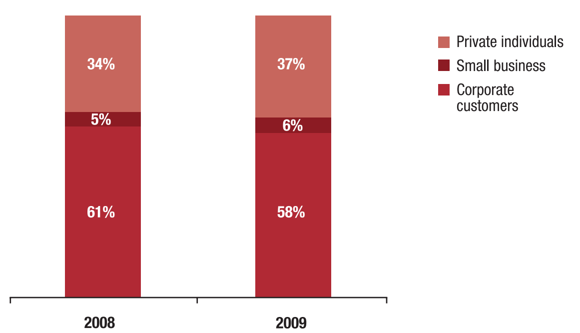
on-BS Loan portfolio structure (by currency)



on-BS Loan portfolio structure (by product)



on-BS Loan portfolio structure (by client type)



The industry structure of UCT loan portfolio was largely preserved with private individuals and commerce holding together near 52% of total net portfolio.

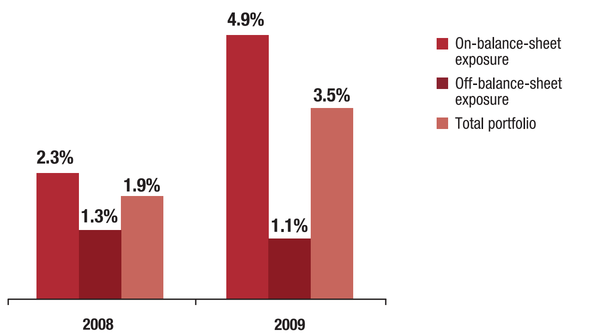
Net loan portfolio - Industry structure

(RON Million)

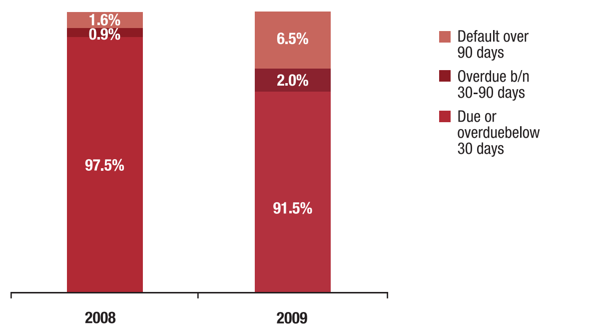
	2009		2008	
	AMOUNT	SHARE	AMOUNT	SHARE
Private entities (incl. private individuals)	4,063	35%	3,882	32%
Commercial, recovery and repair services	1,922	17%	2,097	17%
Real estate	1,067	9%	1,413	12%
Construction and civil engeneering	580	5%	552	5%
Other seleable services	295	3%	515	4%
Energy products	343	3%	498	4%
Foodstuffs, beverages and tobacco-based products	233	2%	415	3%
Inland transport services	319	3%	396	3%
Other	2,628	23%	2,241	19%
TOTAL	**11,450**	**100%**	**12,009**	**100%**

In line with the overall trend in the market and within the context of the recessionary environment, the asset quality deteriorated throughout 2009, yet at a lower extent than the system. Loans with over 90-day default reached 6.5% of total, up from 1.6% at end 2008. The segments with highest default rate are small business with 15.3% and Individuals with 8.5%.

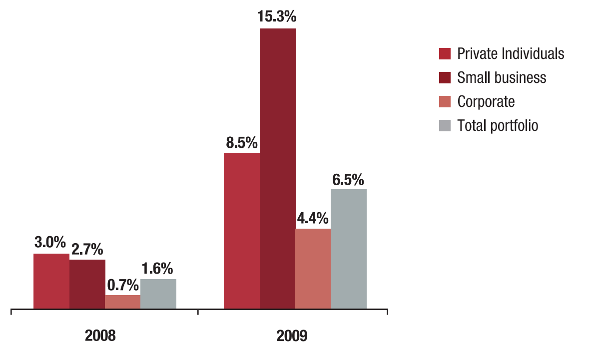
Loan provision coverage



on-BS Loan portfolio quality (by default)



on-BS Loan over 90-day default rate (by client type)



During the year, the bank continued adopting prudent policy of loan loss provisioning. Total on-balance-sheet portfolio provision coverage as of December 2009 was 4.9%, covering 75% of loans with more than 90 days overdue

Outlook

Expecting Romanian economy to start rebounding in the second half of 2010, UniCredit Tiriac Bank plans to redirect focus on growth, balanced with prudent risk management. Keeping strong financials, enhancing market positioning, further improvement in customer satisfaction and investment in systems are some of the focal points in its strategy for strengthening its franchise in the Romanian market.

UniCredit Tiriac Bank Activity Review (CONTINUED)

Consolidated financial standing (pro-forma)[1]

On pro-forma basis, fully consolidating UniCredit Leasing Corporation IFN S.A. and UniCredit Consumer Financing IFN S.A. on line-by-line basis, UniCredit Tiriac Bank registers another growth both in volumes and operating income.

The consolidated revenues mark a growth of 14.3% to RON 1,378 million, mainly contributed by the commercial banking business. Net interest income is up 21.2% year-on-year and accounts for 56% of operating income. Net operating income is up 22.5% year-on-year to RON 742 million and net profit is down 12.2% to RON 310 million respectively. Total comprehensive income for the year is up 14.6% to RON 343 million.

Summary Income Statement

(RON Millions)

	2009	2007	GROWTH (%)	GROWTH (AMOUNT)
Net interest income	770	635	21.2	135
Net fees and commissions income	258	231	11.5	27
Net income on foreign exchange and on derivatives held for risk management	348	274	26.8	73
Other operating income	3	65	-96.0	(62.4)
OPERATING INCOME	**1,378**	**1,206**	**14.3**	**172**
Operating Expenses	-636	-600	6.0	(36.2)
NET OPERATING INCOME	**742**	**606**	**22.5**	**136**
Net impairment loss on financial assets	-389	-135	188.5	-254
Impairment on tangible and intangible assets	-21	-4	383.7	-17
Net provision releases/(changes)	33	-40	-182.8	73.3
PROFIT BEFORE TAX	**365**	**426**	**-14.3**	**-61**
Income tax expenses	-56	-74	-24.4	18
NET PROFIT FOR THE YEAR	**310**	**353**	**(12.2)**	**(43)**
Net change in revaluation reserve for AfS financial assets (net of deferred taxes)	33	-54	n.r.	87
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**343**	**299**	**14.6**	**44**

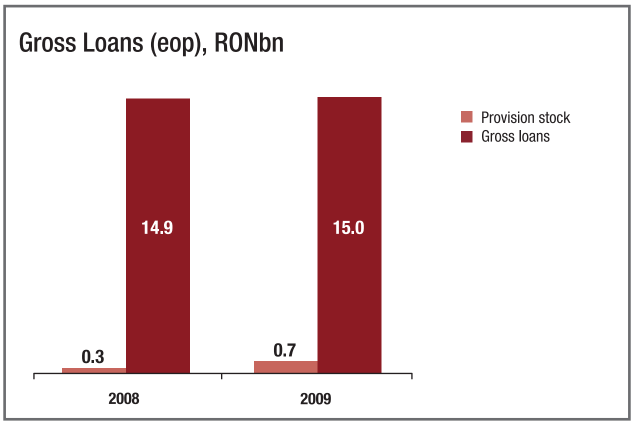
The consolidated total assets are up 15.7% to RON 23.4 billion at the end of 2009. Loans and advances to customers are RON 14.3 billion accounting for 61% of assets. Shareholders' equity is RON 2.1 billion, 9.4% of balance sheet total.

Summary Balance Sheet [1]

	2009	2007	GROWTH (%)	GROWTH (AMOUNT)
Assets				
Cash and balances with Central Bank	4,502	3,541	27.1	961
Due from Banks (net)	1,047	809	29.5	238
Securites	2,896	630	359.6	2,266
Loans and Advances to customers (net)	14,281	14,609	(2.2)	(329)
Property, equipment and intangible assets	322	308	4.5	14
Other assets, net	373	345	7.9	27
TOTAL ASSETS	**23,421**	**20,243**	**15.7**	**3,178**
Liabilities and shareholders' equity				
Deposits from banks	2,151	1,399	53,8	752
Customers deposits	9,660	8,248	17.1	1,412
Long-term borrowings	8,944	8,202	9.0	742
Other liabilities	453	565	(20.0)	(113)
TOTAL LIABILITIES	**21,209**	**18,415**	**15.2**	**2,794**
SHAREHOLDERS' EQUITY	**2,212**	**1,828**	**21.0**	**384**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**23,421**	**20,243**	**15.7**	**3,178**

1) Balance Sheet Structure from the financial statements is adjusted for analytical purpose

Gross loans and advances to customers are flat at RON 15bn. Provision coverage at the end of the year is 4.7% up from 2.1% at the end of 2008. Cost of risk for 2009 is 259 basis points.



1) As according to pro-forma line-by-line consolidation accounts of UniCredit Tiriac Bank, UniCredit Leasing Corporation IFN S.A., where the bank holds 20% of capital, and UniCredit Consumer Financing IFN S.A., where the bank holds 35% of capital. The majority shareholding in the leasing and the consumer finance companies is held by other UniCredit Group entities.

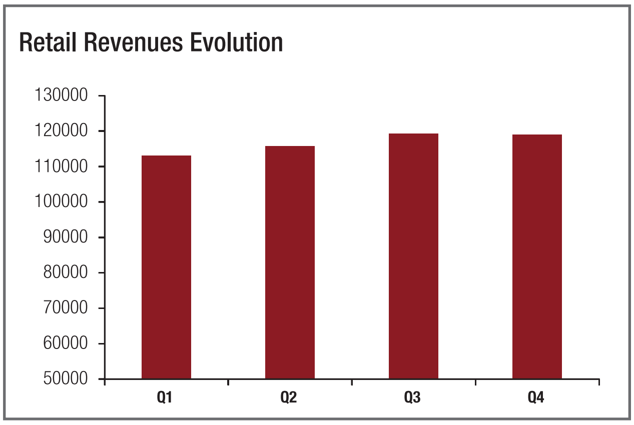
Retail Division

For the Retail Division, 2009 marked a sharper focus on customer centricity, in line with the overall Group strategy. Translated into the current financial context, the concept incurred a closer relationship with the clients, in order to investigate their particular needs and specifics and tailoring financial offers accordingly. The Retail Division aimed at creating a different customer experience through the level of quality of services, through specific behavior but also through specially designed products and offerings.

The Retail division activity covered the mass segment, affluent segment and SMEs, all very dynamic and competitive market segments. For each of them a new Service Model was implemented in 2009.

For 2009, total revenues, including Private banking, reached RON 467 mn, 12% year-on-year, driven by higher interest revenues.

UniCredit Tiriac Bank and UniCredit Consumer Financing revenues (consolidated proforma) reached RON 482 mn, 15,5% year-on-year.

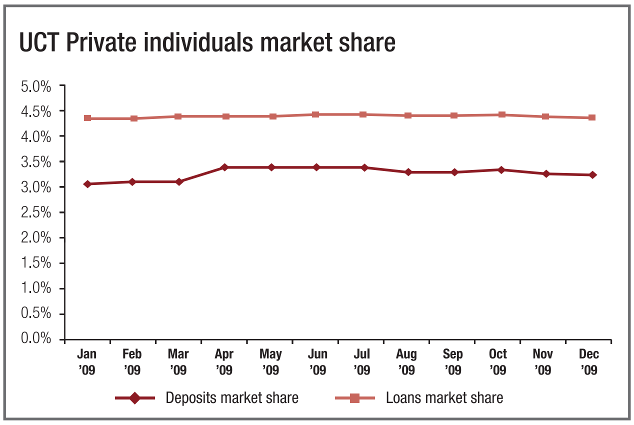


Data including Private Banking results.

For the mass clients, the focus was on cost-effective services and on the identification of potentially affluent customers and developing them towards that status. Mass Sellers have been focusing on cross selling and up selling, while tellers captured branch traffic and leveraged commercial campaigns. Product offerings started to be personalized based on the clients' specific requests.

For the affluent clients, Relationship managers were appointed, each of them having a Client portfolio to manage and focusing on cross selling and up selling, as well as fulfilling lending needs. Identification and development of affluent to be customers were also high on the list of priorities.

Together with Pioneer Investments, the bank launched on the market another 10 international investment funds in EUR or USD. Seven out of the total 10 are equity funds, investing on emerging or mature European markets, as well as other markets in North America. The Pioneer funds portfolio also includes three mutual funds. By introducing the ten investment funds, the bank is currently covering almost all classic investment options.



Data including Private Banking results.

The bank conducted its annual Customer Satisfaction survey and the overall results improved in 2009, creating a strong momentum to deliver even higher results in 2010. Clients with a **stable advisor** experienced higher satisfaction scores than clients with no advisor or advisor changed – indicating the added value brought on by the new service model the bank introduced and also its future potential.

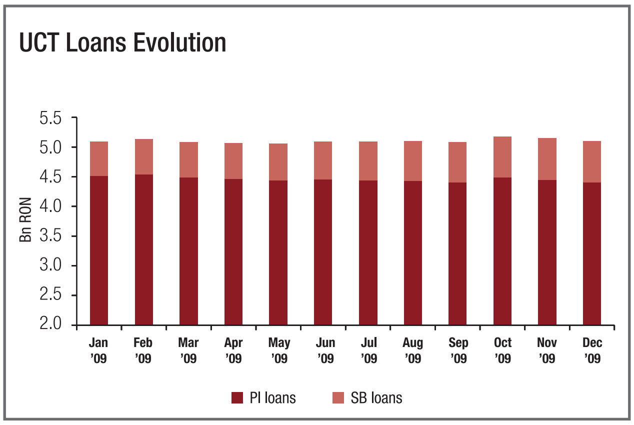
The product offerings in 2009 included innovative launches, supported by strong marketing campaigns. The bank launched the Miles & More Gold Credit Card, bringing to Romania one of the most successful co-brand in Europe, leveraging the Miles & More loyalty program from Lufthansa. The cards enjoyed great market results, with usage rates 4 times the market average.

Sales of salary packages were also a priority for the Bank, leveraging a strong and effective cooperation between the Retail and Corporate Divisions. 64,000 new such salary packages were sold last year alone.

The sponsorship of the UEFA Champions League, started in 2009 at the Group level, provided the opportunity of launching special editions of credit cards targeting football fans and product packages under the UEFA platform. The hero of the marketing efforts promoting the UEFA products was Romanian football legend Helmut Duckadam.

Retail Division (Continued)

On the mortgage loan segment, UniCredit Tiriac Bank entered the government backed program "Prima casa" – "First house", offering mortgage loans under the terms of the government program.



Data including Private Banking results.

The SME segment saw the new Metro Service model implemented, as well as additional tools for portfolio management and a dedicated application. A new Metro SME pilot co-branded card was launched, leveraging one of the most extensive wholesale outlet networks in Romania.

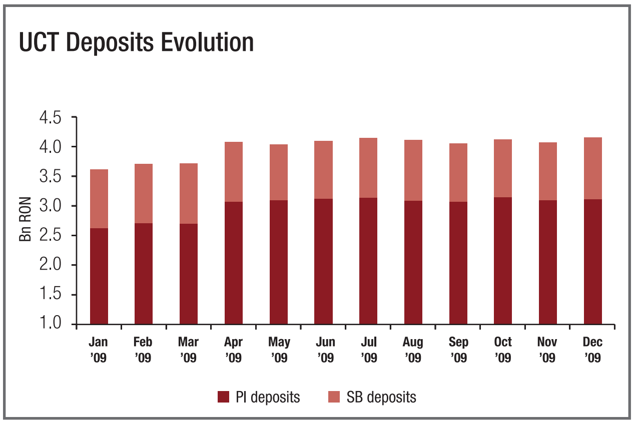
Benefiting from the European expertise of the Group, the Bank launched a EU Funds accession campaign, able to offer Romanian clients not only advice on how to access the EU funds, but also providing them with a unique expertise in pan-European business management via the International desk.

Continuing its efforts to expand the acquiring network, the bank exceeded by 100% the number of POS equipments installed at retailers (at SME merchants). Within the Metro branch network, transactions were successfully migrated from the cashier's desk to the BNA.

Remote customer services increased and generated excellent results. The SMS service – Info SMS recorded 3500 new clients.

The Call Center team finished the implementation of the new team structure and the telemarketing activities. The customer satisfaction score for the Call Center improved to 93%, while the time to answer improved to an average of 18 seconds. As a result, the number of clients managed by the Call Center team doubled – in terms of calls, e-mails and back office activities.

The number of retail Internet Banking clients has grown by 65% compared to 2008. Also, allowing clients to open deposits online, using their electronic signature has determined a 100% increase of the volume of deposits from retail customers (both individuals and SMEs) over the year.



Data including Private Banking results.

In an attempt of improving on efficiency, the Retail division has restructured 8 branches and/or selling points, therefore the total number of Retail branches reached 230 at the end of 2009.

CIB & PB

UniCredit Tiriac Bank continued to consolidate its position in the corporate banking market during 2009, despite the lesser permissive economic environment. It has continued to remain the only bank in the domestic market with a purpose-built, dedicated corporate network, having additionally enhanced its service model, during the Bank's divisionalization process, by way of having customer centricity as its focal point. The portfolio of Mid Market customers was split in two segments: Domestic Mid- and International Clients, while Multinational and Large Romanian Companies were merged into Large Corporates.

The corporate sales force in the country-wide branch network was specialized for each customer segment, leading to a further improvement in the service quality level, reflected in a SLI (Satisfaction Loyalty Index) that exceeded the market benchmark.

Additionally, UniCredit Tiriac Bank has established several specialized country desks within the International Desk, thus strengthening its unparalleled cross border capabilities to provide seamless customer banking services at the same level of quality as in the clients' home country.

In 2009, the Corporate Division continued its development strategy, leveraging its key competitive strengths and focusing on cross-selling opportunities, both at the local bank level and at a Group level. Benefiting from the implementation and use of Group-wide best practices, UniCredit Tiriac Bank has enjoyed access to a wealth of experience gained by one of Europe's leading banks serving the corporate customer segment, and was able in its turn to make this expertise available to both Romanian and multinational corporate customers.

We responded quickly to the deteriorating economic situation during 2009, and the additional challenges it placed on our customers, with initiatives such as Working Capital Check and establishment of Sensitive Portfolio Management Team. Such initiatives allowed us to focus our advisory services on the main areas of concern to our clients, such as cash flow management and assistance schemes.

Also, in order to improve the portfolio quality and liquidity, we set-up a Sensitive Portfolio Team for managing the problematic customers in order to avoid NPLs. During the first half of the year (March-May 2009), we conducted a successful promotional campaign to attract deposits during March-May 2009, aiming at deleveraging.

As anticipated, given the slowing economy, throughout the entire year customer demand focused primarily on financing. Customers showed a greater interest in measures aimed at managing cash flow. Responding to these new market realities, while developing strategies for servicing our customers, we worked carefully to integrate both financing and investment requirements. Such tactical approach enabled UniCredit Tiriac Bank to achieve healthy risk/return ratios. Moreover, our professional execution of cross-border business solutions allowed us to help large and multinational corporate clients, on various occasions, to successfully capitalize on important market opportunities.

The Corporate Division contributed significantly to the Bank's liquidity, acquiring significant liabilities from clients, especially multinational companies, boosting the market share in total deposits by 2.6 percentage points during 2009.

Domestic Mid Market – the focus was on maintaining the quality of the portfolio by strong management of the customer exposures. We have executed re-pricing activities during the first half of 2009, to cope with the higher cost of money. The major focus was on non-lending revenues, while new lending business was limited to working capital lines.

International Customers – we have achieved good overall yearly results, leveraging the unique services of our international desks and opening opportunities for cross selling and client acquisitions. During 2009, we focused on consolidating non-lending revenues and deposits, international customers being the most profitable business segment.

Large Corporate – with a strong track record in terms of managing large client relationships, UniCredit Tiriac Bank has succeeded in maintaining the size and quality of its exposure on large domestic companies at healthy levels, despite the severe economic conditions. A fully-dedicated unit was created to take advantage of the opportunities in Public Sector, generating outstanding results as of the second half of the year. Large Corporates scored very good overall results for 2009, as the major contributor to the Bank liquidity, attracting deposits especially from multinational companies. New loans were granted mainly to Public Sector entities and multinationals with high cross-selling opportunities. On the revenues side, leaving aside the significant re-pricing effort conducted during the first half of 2009 in order to reflect the new realities of the financial markets, the Bank succeeded in implementing important FX lines for major customers in the oil and FMCG industries.

CIB & PB (Continued)

Factoring – UniCredit Tiriac Bank further developed its factoring product, becoming the undisputed market leader with a 30% market share. With the impact of the international financial situation, factoring proved a valid alternative to traditional lending for an increasingly large segment of clients.

Treasury – the business environment put a stronger focus on Treasury products, particularly on hedging lines. During 2009, UniCredit Tiriac Bank has generated 2.1 million EUR in revenues from interest rate hedging transactions. The Bank has put in place significant, multi-million EUR FX lines with clients in the auto industry, FMCG, pharma, retail and leasing.

Cross Selling – leveraging business opportunities together with the other specialized companies, part of UniCredit Group, remained an important strategic direction of the local Bank.

Leasing – leasing, a flexible form of financing, offered both private and corporate customers a wide range of attractive financing possibilities. As a universal provider, UniCredit Leasing Corporation offered a broad range of services in the areas of vehicle, equipment and real estate leasing, as well as complementary, customized services such as insurance, construction management and fleet management. During 2009, the Bank has expanded the partnership with the local specialized leasing company of the Group, the new business generated by this channel accounting for 20% of the leasing company volumes. The results were particularly impressive taking into account the extremely difficult conditions in the leasing market, with highly depressed automotive transactions.

Retail – the Corporate Division presented to its main corporate clients an offer of tailor-made retail packages for staff. Leveraging the support of the Retail Division, we negotiated over 13,300 such packages in bundled deals.

OUTSTANDING SUCCESSES IN 2009

1. Outstanding success of Large Corporate in attracting significant term deposits from multinational companies
2. Participation to a 500 million EUR syndicated transaction in the oil and gas sector
3. First Public Sector factoring transactions amounting to 145 million EUR
4. More than 200 million EUR new loans granted to companies from financial, pharma, IT&C and construction sectors.
5. Important partnership on transactional banking concluded with large utilities and reputable retail chains.

Risk Division

During 2009, UniCredit Tiriac Bank increased its efforts of integrating enhanced risk awareness into the Bank's overall management culture and approach.

This was performed both through the updated procedures and policies with detailed stipulations as regards to lending and portfolio monitoring, and through enhanced credit specialized tools that have been implemented in order to better assess the risk represented by specific credit portfolios.

Stress tests have been performed during 2009 and used as a diagnostic tool in order for the Bank to dimension its risk appetite.

These tests have been also used as a forward looking tool within the internal capital adequacy assessment process, allowing assessment of all risks in an anticipative manner.

During 2009 UniCredit Tiriac Bank performed additional improvements to the methodology, mechanisms and systems used for the detection and prevention of fraud risk.

In 2009 UniCredit Tiriac Bank implemented the Standardized Approach for the calculation of capital allocated to operational risk. The Bank classified its activities according to areas of activity defined by Basel II and pursued improvement of operational risk events database.

The market risk function is responsible for the measurement of market and liquidity risk. The market risk management framework is designed to identify, measure and manage the risk positions of the Bank arising both from trading and banking book.

During 2009 the underlying policy, including the bank's risk tolerance and risk profile, has been reviewed and approved by the management. The policy defines the interest rate, foreign exchange and liquidity risk limits which are applied to the Bank.

The liquidity risk management approach starts at the intraday level managing the daily payments queue, forecasting cash flows and factoring in our access to Central Bank intraday facilities. It then covers short term liquidity risk management dealing with access to secured and unsecured funding sources. Finally, the strategic perspective comprises the maturity profile of all assets and liabilities on our balance sheet. A contingency funding plan is constructed as part of liquidity management policy.

Our cash flow based reporting system provides daily liquidity risk information to local management and Group.

Interest rate reports are based on repricing profile of our assets and liabilities. Value at Risk (VaR) is calculated on a daily basis at total balance sheet level, incorporating interest rate risk, foreign exchange risk and credit spread component.

Stress testing and scenario analysis plays a central role in our risk management framework. This also incorporates an assessment of liquidity and cash horizon, impact of different interest rate and FX rate shocks on economic value.

Global Banking Services Division

In 2009, the Global Banking Services had to incorporate a set of cost optimization measures aimed at addressing the new financial situation and balancing the budget requirements, to review the management of the complaints system and implement solutions for its improvement, as well as to operate within a new legislation framework for payment services, following the introduction of the European Payment Services Directive.

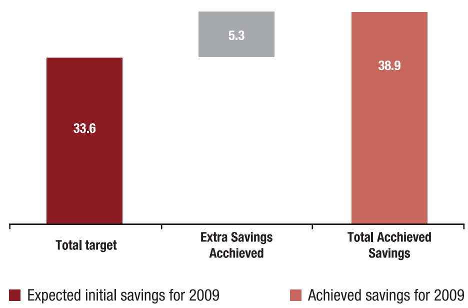
Cost savings project

Following the budget stretches at the Group level, the GBS Division of UniCredit Tiriac Bank has defined a set of measures in order to reach the new budget. The project comprised a total of 32 measures from three major areas: Facility Management, IT and Cards Operations and was carried out during 2009.

Each of the initiatives had a clearly defined set of steps which were closely monitored against the agreed timeline and with the support of other involved departments. Initiative managers were appointed, each of them responsible for fulfilling the proposed measures. Budget impact was monitored according to a defined procedure. The 32 initiatives within the GBS Division were split per 6 cost classes, with estimates of total costs savings at app. 33.6 mn. RON.

In June 2009, in order to meet the new budget target and to compensate also the FX impact for some of the measures, the targeted savings were increased with 5.2 mn. RON.
The total revised target for 2009 was 38.8 mn. RON.
At the end of December, the 2009 revised target was met in a proportion of 100.2%.

STATUS OF ACHIEVED SAVINGS AS OF END OF DECEMBER 2009 (mn. RON)



Total revised target 2009: 38,8 mn. RON.
At the end of December **the 2009 revised target has been met in a proportion of 100.2% in RON.**

Management of the complaints system

The project to review the complaints management system had two phases completed during 2009. The project was aimed at the reduction of the complaints response time and on generating on the spot resolution for clients in most common complaints cases.

As part of the project complaints were categorized into standard and non-standard – based on the observation that answers are quicker for standard complaints. Also, the QMS (Quality Management System) application was modified, allowing it to generate reports on times per stages. The project also gave competencies to branch managers for complaints corrections.

Following the implementation of the project, the average amount of time required to answer a complaint was reduced. By standardizing the complaints, many cases could be addressed without a need for legal opinion, optimizing thus both the use of time in the branches and in the legal department.

The project also succeeded in reducing the re-work needed in the complaints management process.

The fact that some of the complaints could be solved on the spot reduced the time spent in branch to solve a complaint and freed up time for NSM (New Service Model) to offer better support to the branches. It also increased the customer satisfaction level, as 40% of the complaints were solved and could be answered at branch level.

Reduction of the Complaints response time & on the spot resolution for clients in over 40% of complaints cases

BENEFITS

- **Reduced time to answer a complaint**
    - By **standardizing**, many complaints can be answered without asking for legal opinion, in this way branches free up time.
    - **QMS was optimized** for making easier to use for branches and reports were made available to the branches
    - **Reduced the re-work** needed in complaints management process
- **Complaints solved on the spot**
    - Reduced the **time spent in branch** to solve a complaint that needs a correction on an account up to 300 RON
    - Free up time for New Service Model to offer **better support to the branches**.
    - **Increase the customer satisfaction as** 40% of their complaints are solved and can be answered at branch level.

Global Banking Services Division (Continued)

Introduction of the European Payment Services Directive

The European Payment Services Directive was one additional step in the EU's efforts to achieve a single payments market. Harmonization efforts started with the introduction of the euro (1999 and 2002), the implementation of new payments related legislation at EU level, and the launch of the Single Euro Payments Area (SEPA) in 2008. The PSD has had a far–reaching impact, as of November 1st, its implementation date, and before, in the preparation stages.

The PSD provided benefits to customers as a number of protection measures became law. In many cases also, the PSD imposed additional requirements on banks. It required a shorter execution time, defined increased obligations vis a vis customers, as well as a responsibility to inform customers of the PSD. For banks, the PSD represented an investment challenge, as systems and platforms needed to be adjusted to respond to the PSD requirements.

Following the introduction of the PSD, customers of the bank benefit from more harmonized customer protection and minimum service levels, as the provisions of the PSD detail the rights and obligations of Payment Service Providers (PSPs) vis a vis customers, specify full transparency of conditions, stipulate improved information to be provided to customers.

Payment Service Providers (PSPs) benefit in their turn from the creation of a uniform legal framework across the EU/EEA area and a level playing field. The new legal framework supports the SEPA payment instruments, particularly the SEPA Direct Debit Scheme, and removes barriers of entry into new markets within the EU/EEA. The PSD provides clear rules for a new category of payment service providers established by the Directive and called Payment Institutions (PIs).

BENEFITS

- Harmonized customer protection
- Minimum service level agreements
- Full transparency of conditions
- Creation of a uniform legal framework across the EU/EEA area
- Clear rules for a new category of payment service provider established by the Directive and called Payment Institutions (PIs)
- Standardized terms & conditions at a pan-european level
- Developing new products & services offered at a pan-European level
- Expanding nto new markets whithout having to establish a physical presence

On a practical level, the PSD impacted the following areas and functions within the bank:

- Payment Products (no cheques), standardization of SHARE, no value dating (on the incoming side), liability
- Cash Management business and changes in product offerings
- IT Systems (ensuring shortened execution time requirements can be met)
- Information Channels, including electronic banking systems
- Additional operational procedures, including enhanced risk management
- Banking documentation (e.g. account opening documentation, framework contracts, General Business Conditions etc.) to be reviewed accordingly
- Customer communication (account services, fully transparent information in payment area)
- Third – party agreements (existing agreements with technical providers, intermediaries, clearing houses, correspondents etc.) to be reviewed and/or re-negotiated

In 2009, the Global Banking Services Division also conducted, through its Project Management Office, the pilot program for the Divisionalization of the CEE countries, detailed in the Corporate Governance Model Chapter.

Marco Colacicco,
Private Banking Client – Italy

«I presented my relationship manager at UniCredit Private Banking with a business proposal on December 30th. Frankly, due to the Christmas holiday, I knew it was a long shot to expect a quick response to a request for a large long-term loan on just three weeks' notice. Nonetheless, in the first week of January I turned in all the documentation, except for the building report, and after only two weeks, on January 25th, I was told that UniCredit Private Banking had put the requested credit line at our disposal. I was extremely satisfied by this prompt action and have since decided to move significant additional assets to the bank in the form of deposits and funds.»

It's easy with UniCredit.

Human Resources

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Human Resources

Our role

At UniCredit Tiriac Bank, we believe that the constant development of People represents a key investment that fosters motivation and increases retention, being a fundamental benefit for the success and sustainability of our company strategy.

Working for UniCredit Group provides valuable opportunities for all employees in terms of career options, local as well as international development. The 3,000 colleagues in UniCredit Tiriac Bank contribute to the success of the company while benefiting from a rich array of professional, learning and development initiatives.

Human capital is key to our bank success, so we strongly encourage professional development and offer every employee many opportunities to develop and use a distinct set of skills.

In 2009, among the main objectives of the Human Resources Department – aligned with the Bank's business objectives – were retaining talent, increasing the level of performance through improved training capabilities and ensuring best candidate solution for open positions, giving priority to internal candidates, using career tracks, matching high-potential employees with key positions.

With the support of our HR Business Partners, we adapted the HR strategy to meet the needs of each Division. UniCredit Tiriac Bank was the first UniCredit bank in the CEE region to implement the HR Business Partner function in 2008. Having an experienced HR person dedicated to each division in the bank, who acts as a business representative in the HR team, made an important difference in the way we operate.

Our human resources investment strategy is based on the same three pillars as the Group strategy:
(1) development and promotion of the Bank's identity according to the values outlined in our Integrity Charter;
(2) the promotion and development of leadership skills;
(3) the promotion of an informal operating style through a network of relationships where employees can share best practices, experience and skills.

These three pillars reflect our deep commitment to the professional growth and well-being of our employees, but they also reflect the way the Bank is sharing the Group objective to become one of the most innovative banking forces in Romania.

In order to achieve this goal we have launched an array of programs in five key areas:

- Employee engagement
- Professional opportunities
- Learning opportunities
- Development & performance evaluation
- Developing leadership

These programs demonstrate UniCredit Tiriac Bank's commitment to be a reliable and successful employer, an organization driven and managed by values; a long-term vision and path of sustainable growth and a challenging and empowering environment with learning opportunities in all the financial industries.

Employee engagement

A key area is employee engagement, as we believe that a committed employee is aware of business contexts and works with colleagues to improve performance within the job for the benefit of the organization. An engaging environment can be created only if our behavior is always consistent with our set of shared values – fairness, transparency, respect, reciprocity, freedom to act, and trust. That's why we put the **Integrity Charter** at the basis of our bank life, similarly to the Group approach, as guideline for our behavior and support in handling our everyday professional life issues. The UniCredit Integrity Charter is the core of our identity and the central mechanism that enables our people to act as entrepreneurs, while behaving responsibly towards each other, our customers and our stakeholders.

In strong alignment with the Group Ombudsman, the implementation of the Restorative Justice System in Romania continued in 2009, and the system is now fully operational.

We constantly require and receive feedback from our employees, listen to their suggestions for improvement and make every effort to integrate them in the action plans that are implemented with approval by the Top Management of the bank, with careful monitoring throughout the year.

Thus in 2009 we invited all employees to participate in a new edition of the group-wide staff survey **(People Survey)**, allowing them to actively shape their future in UniCredit Group by providing feedback and submitting suggestions anonimously. The results provide a clear picture of employee satisfaction across the Group, and they indicate where improvements need to be made. The high level of participation reflects the strong commitment of employees, the engagement with UniCredit Group. Building on these results, employees in the Divisions worked together with their managers to establish action plans for improvements.

Apart from the People Survey, an **Internal Customer Satisfaction survey** was organized aiming to assess the level of satisfaction of staff towards several support departments. Action plans are being constantly implemented in the bank.

Human Resources (Continued)

Professional opportunities

The evolution of UniCredit Tiriac Bank over the past years has created an increasing number of needs in terms of skills required to face the new competitive landscape. To address these challenges, a set of projects were initiated aiming to identify the best talents, allow high professionals to spread their competencies Group-wide and help managers to build their leadership skills on a model based on emotional intelligence.

The three HR areas promoting professional opportunities were the internal recruitment platform, the Internal Job Market and the career maps.

In 2009 we switched focus from **intensive external recruitment** to our internal recruitment platform that created numerous professional opportunities for our staff through a fair and competitive selection process from a representative pool of candidates. Internal recruitment approach enhanced job rotation to accelerate talent development and increased transparency, while being a retention tool.

The cross-border transfer of talented and highly skilled employees has become a powerful tool to facilitate career development and enhance UniCredit Group's rich diversity. Another ongoing project allowing for a vast range of professional opportunities Group-wide is the **International Mobility which ensures that the best talent is placed in the best jobs.**

We developed **Career Maps** for every Division in the Bank and every department, thus giving a much clearer image of the career planning opportunities for each position. The connections on the Career Maps represent the guidelines for job movement within our organization and they are meant to be used by both employees and their managers, especially in their development discussions. These movements depend obviously on every employee, their competencies, skills and potential and their desire to move forward in their career, be it a vertical or a lateral move.

Learning opportunities

Induction Day One & welcome pack

The first learning opportunity is the induction process, where participants have the opportunity to get familiarized with the Bank products, procedures and understand their role within the organization. All new employees participated in the Induction Training, including the Induction Day One Training and the relevant On-the-Job Training. The induction process is supported by a welcome package containing general information about the bank and the employee benefits.

The Buddy System

Induction Day One program continues with the Buddy System for another month. To provide the new employee with a single point of contact for general queries regarding day-to-day operational issues and to help him/her integrate within the company, we continued the Buddy System. The Buddy, who is not necessarily working in the same branch or department, offers guidance and acts as a source of general information and support during the first month of employment. More than 120 of our more experienced colleagues volunteered to become Buddies. The program is coordinated by the Human Resources Department and supported by line managers.

A new training approach

In 2009 we organized over 20 training programs managed by our internal trainers. These programs benefited more than 4,000 colleagues. We focused on internal development and delivery of training programs as well as on the extensive usage of the e-learning platform for learning and testing purposes (products, policies and procedures, IT systems etc).

The 2009 training strategy was designed by taking into consideration the employee feedback and consisted of a series of soft and technical classes. Firstly we wanted to communicate better and develop abilities for each job in order to obtain performance in the day to day activity. A different approach of the topics involved covering all learning styles (reading, listening, practicing notions in role plays), plus creativity in selecting the most appropriate assimilation methods. In addition, the learning process continued even beyond the training session as staff was provided with relevant information and bibliography.

All Bank's employees used at least once the E-learning platform in 2009. Overall, we tested almost 11.000 participants on this platform.

Human Resources (Continued)

Learning opportunities (Continued)

The School Branch

Another component of the learning approach was the launch of the Retail School Branch in Q4 2009, a new concept of internal training for staff development and specialization based on "Let's learn together by doing" more than the "do that" attitude. The project was born out of a need of ongoing professional development that was signaled by our employees themselves. It is an environment in which assimilation and understanding of new banking information and job-specific activities are stimulated. One of the benefits of the Retail School Branch is the positive influence on the branches activity by offering the appropriate learning tools – in fact the School Branch is primarily designed for the branches' staff.

A rollout of this project at Commercial Group level is planned for the first half of 2010, when other 3 training units will be opened.

Mentoring

Mentoring is the process whereby an experienced, highly regarded, empathic person (the mentor), guides another individual (the mentee) to develop and re-examine ideas in order to improve learning and professional development.

It is based on a development planning and learning approach that focuses on the mentee's learning needs. Everyone – the Bank, the mentor, and the mentee – is learning from the mentoring process. The learning program supports the development of interactive relationships by establishing informal connections between people in different areas of activity. It also increases the organizational value by encouraging open communication and fostering an open and harmonious work environment through employees, helping each other grow and work towards their professional goals.

Up to the end of 2009, during 3 Mentoring editions, 380 colleagues benefited from the Mentoring experience as Mentees and 70 managers accepted to play the Mentor's role, figures which translate into a successful learning program.

Internships

Learning doesn't apply to our staff exclusively, as we continued to be open towards the Academic community and provided students with the opportunity to learn and have a quick look at the day to day banking business in UniCredit Tiriac Bank. The internship period was evaluated bilaterally by interns and departments' managers. The initiative proved to be a success as we had almost 300 interns in 2009, 50% more compared to the previous year.

Development & performance management

Performance management

At UniCredit Tiriac Bank we are using a comprehensive and efficient performance management system that consists in the evaluation of behaviours as per UniCredit Group's Competency Model, a common framework for UniCredit appraisal and development. The process also requires the set up of SMART objectives aligned with the overall Bank's strategy and individual objectives of each unit. These are measured on scorecards evaluated either quarterly or yearly, depending on the respective position in the bank. Having this system in place, business activity is better monitored and individual contribution better assessed and awarded.

Thus the performance of each employee is appraised by the line manager; the written performance appraisal is an opportunity for the supervisor and employee to review whether previously discussed performance expectations and goals have been met, to discuss professional development opportunities, and to identify options for acquisition of additional skills and knowledge to foster performance improvement and career growth.

Based on evaluation of results, further decisions are made related to each employee development.

Reward & Recognition program

To promote merits and outstanding performance, we launched in 2009 a non-monetary program meant to stimulate staff contribution in achieving the business objectives. 25 colleagues that were involved in high impact projects were awarded by the top management.

Employee Share Ownership Plan (ESOP)

UniCredit Group rewards the efforts and commitment of its employees by offering them the opportunity to invest in the Group's future achievements by purchasing UniCredit Group shares at favorable conditions. The Plan is conceived as a reward for employees' efforts and commitment, allowing them to invest and share in the future success of the Company. The Romanian employees had this opportunity for the first time in 2009.

Human Resources (Continued)

Developing leadership

UniCredit Group wants to have a strong Leadership Team and is deeply committed to the development of its internal talents. At Group level, several distinct talent management programs tailored for specific stages of leadership development are put in place. All are available for the Bank team as well.

Talent Management programs

Talent management at UniCredit Group is not the exclusive responsibility of the HR department – but rather a key managerial function which is supported by HR.

Talents who are managers and executives are part of the Group development programs: Talent Management Review (TMR) and Executive Development Plan (EDP). UniQuest is the Group's international talent development program, geared to young professionals who have worked in the Group for three to six years, while talents who are not managers are involved in a local High Potential Program.

1. *Executive Development Plan (EDP).* Based on our Leadership Competency Model and the principles of the Integrity Charter, we have instituted the Executive Development Plan (EDP) – a group-wide annual process designed for senior executives – which is the centerpiece of our effort to develop leadership abilities across UniCredit Group. Within the EDP System, a specific process has been set up to provide the Group with in-depth information about its organizational vitality and the opportunity to discuss the business strategy, organizational implications and its staff taking a fair, honest, accurate and non-discriminatory approach.

2. *Talent Management Review* is a process that allows the early identification of the UniCredit Talent pipeline, supporting Divisions and Competence Lines in structuring challenging development actions and career paths in order to prepare talents to become highly qualified and passionate leaders.

3. *UniQuest* is the Group's international talent development program, geared to young professionals who have worked in the Group for three to six years. The program aims to identify early the most promising talents in all of our banks, countries and business lines, who aspire to international careers and who have the potential to serve in an executive capacity.

4. Other talents are involved in a local *High Potential Program*, a program developed by the Bank HR team in 2008, supporting the organization commitment to building a workforce that reflects qualities of leadership, excellence and diversity. Ideally, these high potential employees are identified as early as possible using the Group Leadership Competency model and their growth potential.

Management & Leadership Workshops

An initiative that was developed based on the employee feedback aimed at offering development support for our managerial population. The workshops were an alternative to classic managerial trainings, implying participants' discussion over a subject, sharing their people management challenges and learning from each other.

The HR team thus worked on developing managerial & leadership competencies for the managerial population, encouraging, developing interactive relationships between managers – by establishing informal connections in different areas of activity and encouraging open communication.

MBA programs

Starting 2009, three distinct UniCredit sponsored MBA programs were available to colleagues in UniCredit Tiriac Bank as well. During the application period announced by the HR Department, eligible colleagues were encouraged to apply in order to use this opportunity of developing their competences as well as exchanging experience with other outstanding specialists within the Group.

The **UniCredit MBA: Retail in the Banking and Financial Industry** is an excellent gateway to a career in retail banking. The program – one year full time and taught entirely in English – offers a unique opportunity to blend theory with experience and provides students a high quality mix of analytical and problem-solving skills required to succeed in the retail banking sector. The UniCredit MBA is unique in that it is specifically focused on financial retail activities and its ever-changing and ever-evolving sector. The program is divided into three main areas. General Management, Finance and Banking and Service and Retail Management and is available for both employees and external applicants.

The **New Europe Master in Banking and Entrepreneurship,** a joint effort of UniCredit Group and Fondazione Cassamarca is an ASFOR-accredited post-graduate program aiming to provide a deep understanding of the European banking system & financial industry, putting a particular focus on the multifaceted relationships between banks and entrepreneurs, be it small, large or multinational companies. What differentiates the New Europe Master's from other programs, is its strong focus on banking and entrepreneurship, coupled with the opportunity to engage in a 3-month internship at one of the banks or business areas of UniCredit Group. The New Europe MBA is available for both employees and external applicants.

The Corporate & Investment Banking (CIB) Graduate Program
The Corporate & Investment Banking (CIB) International Graduate Program is supporting the growth and internationalization of UniCredit Group's corporate and institutional clients, creating sustainable value for all stakeholders. Our Corporate & Investment Banking Graduate Program is a one-year program that marks the start of our employees' professional career in one of the most international and challenging fields of banking.

Mladen Cvijetić,
Milcodoo Trn
Retail Client
Bosnia and Herzegovina

«For many years, I have been using revolving loans from UniCredit Bank Banja Luka. Last year, my company needed to provide immediate guarantees to a new supplier in Serbia. Unfortunately, at that time I was on a business trip to the Czech Republic. My bank advisor suggested that he contact my supplier and issue him a letter of intent from the bank. Thanks to our mutual trust, my business suffered no loss.»

It's easy with UniCredit.

Business Sustainability

2009 was for UniCredit Tiriac Bank the year of implementing the CUSTOMER CENTRICITY Group policy approach and the year of launching the Customer Care Program.

Researches run in 2008 permitted the Business Sustainability Department to issue and present to the Management Board the "2009 Tableau de Bord ", defining for each division, Retail and CIB& PB, the relevant "Action Plans".

The initiatives started, meant to cover the identified areas to be improved, having as main target the increase of efficiency of processes in the network and support departments, in order to permit our staff in branches to deliver better client's service, were successfully completed.

In parallel, the relevant researches were run to collect the internal & external customers valuable opinion about their level of satisfaction on quality of products and service delivered:

- **Customer Satisfaction Survey**
- **Mystery Shopping**
- **Internal Customer Satisfaction**
- **Operational performance**

Based on the results of the surveys and researches, the synthetic indicator **Customer Care Index (CCI)** and the analysis were delivered together with actionable recommendations, definition of products / services offering improvement by geography and client segment in order to prepare the new initiatives in 2010.

All actions focus on long term value creation through customer centricity, looking at the gaps to define the change objectives, in order to estimate the challenge required by our existing and potential customers.

These measures considered the revision of processes, product portfolio and services, preparing for target customer experience as a key pillar of our customer service model to increase Customer satisfaction.

Corporate Social Responsability

2009 was a difficult year for CSR, as the resources of donating companies have decreased significantly, while communities, social and cultural issues have maintained their objective needs and, moreover, increased them.

In a context where available funds to support CSR causes were scarce, in UniCredit just like in any other company, we managed to find alternative solutions to help organizations we believed in and support remarkable causes. 2009 increased the value of volunteering and highlighted the importance of involving our colleagues in all the projects we develop. Their support, time and dedication managed to compensate for what was a rather tight CSR budget. Just as an example, the volunteering platform created by the bank currently includes 18 employees who got involved actively in the project "SOS – Children's Villages".

,,Gift Matching", a project started back in 2007, continued traditionally in 2009 as well and encouraged volunteering activities and social involvement. The total amount raised from employees was of approximately 20,000 EUR, amount which was matched by UniCredit Foundation Unidea in proportion of 75%. Additionally, each of the 11 causes advocated and supported by the Bank received an additional 10,000 EUR, therefore the total amount offered for supporting the non profit organizations reached 150,000 EUR.

We decided to continue our strategy of identifying and supporting meaningful and relevant causes, which could make a significant difference not only for our colleagues, but also for our customers. Just like in the past, we looked for projects that would provide a much needed public service.

Thus, we continued to support the Cicloteque project launched in 2008, providing the people of Bucharest with an alternative, eco-friendly means of transportation. Due to its popularity in 2009, the bycicle fleet was extended with 50 more bycicles In 2009, Cicloteque increased the volumes of rented bycicles up to 8,000, three times more than in 2008. The rented bycicles saved the atmosphere in Bucharest from 45 tons of carbon dioxide.

Corporate Social Responsability (Continued)

In addition, we initiated the Green Corner project, together with Recolamp and Ecotic, providing space in our agencies and branches for collection points for DEEE (Waste Electrical and Electronic Equipment). The project started in November 2009, was the first implemented by a Romanian bank and provided the people with a useful and convenient network of collection points for their electronics and electric waste. The initiative encouraged both employees and clients to make better use of the unnecessary small electrical equipment that they owned.

The Green Corner containers were installed in over 80 agencies and branches, and another 165 units were equipped with smaller containers for the same purposes. The Green Corner represents a follow-up of the RE Campaign, launched back in 2008 and extended in the first few months of 2009. Although its starting point was recycling paper, we continued educating our employees on how to use their resources responsibly, thus saving energy and water. The main messages were promoted through stickers placed on mirrors, next to the light switches and around the printer. The campaign was also promoted on the Intranet, where we uploaded a "RE Handbook" and a fact sheet including interesting information about the responsible use of natural resources, as well as the consequences of wasting them.

In the area of social issues, tackling the sensitive problems of children and senior citizens left behind by Romanians travelling to work abroad, UniCredit Tiriac Bank and the Unidea UniCredit Foundation started the Migrations project, a 480,000 EUR program which will unfold from 2009 to 2011, aiming to alleviate the pshyco-social conditions of 600 children and 500 elderly people from the Iasi county.

The project is implemented together with the Alternative Sociale Association, the National Association for Children Rights Protection, the Iasi Community Support Department, the General Social Assistance and Child Protection Department in Iasi and the Iasi Pension House and is aimed at raising the awareness regarding the effects of migration.

The Migration project is implemented at the Group level in 22 countries, and the initiative in Romania is the third one, following the projects conducted in Serbia and Germany.

The Caravan was another social project initiated in 2009, aimed at offering financial, psychological and medical assistance for the homeless people of Bucharest, under 50 years. Together with the Parada Foundation, which has a unique expertise in working with homeless persons, we helped the ones involved in the project to be integrated into society.

The project included an educational component, aimed at preventing other people from ending up in the streets. The program started in May 2009, will go on for a year, and includes 11 areas of action, in Bucharest and around it.

In 2009 we also focused on offering professional counseling to 34 youngsters and therefore helping them find a job. The project was started together with The Peoples Development Foundation and involved both theoretical teaching and practical training in the field on mechanics. AutoItalia played an important role in the project, offering these youngsters a chance to learn in a specific working environment. 16 of the students graduated the courses and gained a Qualification Certificate at the end of the program, in early 2010. Supporting children is one of our main areas of interest, therefore, even in our marketing and sponsorship projects we integrated special donations components aimed at supporting children in need. Thus, last October we donated 250 full sports equipments to junior sport teams from local schools in all 6 cities included in the UEFA Champions League Trophy Tour the bank organized: Arad, Timisoara, Sibiu, Pitesti, Brasov and Bucharest. We also offered full sports equipments, together with an original football, signed by Helmut Duckadam, to the Special Olympics children teams in each of the six cities.

We were equally active in the arts and culture field and supported long term projects, such as "The Literary Debut Contest", "PAVILION UNICREDIT" and "George Enescu International Festival".

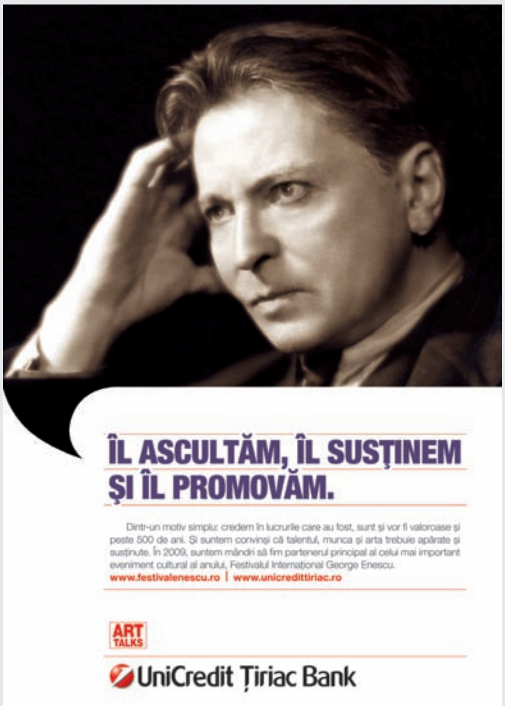
The Literary Debut Contest continued to encourage debuting authors to take part in the competition and thus have a chance to see their work published. Its popularity increased, with twice as many participants in 2009, compared to 2008 – a total of 125 manuscripts entered the competition. This year the winning works for all three sections of the competition, novel, poetry and short stories, were published by Humanitas Publishing House and were launched at Gaudeamus Bookfair, XVth edition, that took place in November 2009. Catalist Association was our main partner in this project, continuing its work started back in 2008.

One of the most important projects we started in 2009 is PAVILION UNICREDIT, the first independent center for contemporary art and culture in Romania. The Bank offered one of its top downtown branch locations to host artistic exhibitions and events. The project is the result of the collaboration between our team and that of the Bucharest Biennale. The art center built in one of our branch locations in Victoria Square was redesigned to preserve its architectural elements from the communist period and remain at the same time a functional art space.

PAVILION UNICREDIT was opened on the 19th of February and represents a center for cultural information, sheltering The Contemporary Art Archieve, created by Lia and Dan Perjovschi and a Resource Room, created by Razvan Ion and Eugen Rădescu. The center's team organizes cultural debates and exhibitions and also started an educational program, The Free Academy, meant to be an alternative to the traditional educational system.

From its official launch back in February 2009 until the end of the year, PAVILION UNICREDIT had 8,000 visitors, which translates to an average of 27 visitors per day. The PAVILION UNICREDIT newsletter gathered 24.097 readers and almost 1.200 people took part in the events organized by the independent contemporany used art and culture center.

Last but not least, in 2009 Bucharest hosted the XIXth edition of the George Enescu International Festival, one of the most renowned musical events in Europe. This was another event we supported in 2009, as a prime example of artistic development and cosmopolitan performance in Romania. The Festival includes a competition component, structured on three sections: piano, violin and musical composition. The jury is made out of well-known figures on the musical scene from Romania and abroad.



As main partner of the Festival, we offered the Steinway & Sons piano also to be in the years to come. The 2009 edition reunited a series of extraordinary concerts under two themes: "Enescu and its contemporaries" and "Classical themes in modern interpretations". 5 of the concerts were broadcast live on Mezzo TV and most of the musical events were recorded and broadcast on the National Television and Radio Channels.

Peter de Toma,
Retail Client – Austria

«High customer satisfaction demands systematic, innovative and reliable customer service at all levels. Bank Austria - UniCredit Group is constantly, and successfully, working to meet these goals.»

It’s easy with UniCredit.

Financial Statements

Independent auditors' report prepared in accordance with IFRSs

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Statement of comprehensive income

for the year ended 31 December 2009

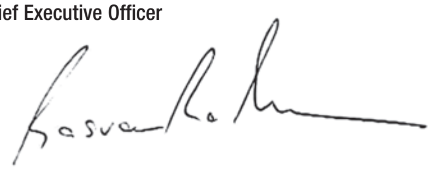
(RON)

	NOTE	31 DECEMBER 2009	31 DECEMBER 2008
Interest income		1,450,506,917	1,175,065,305
Interest expense		(1,297,012,609)	(924,928,627)
Interest related effect of swap transactions related to refinancing lines with Group companies*		488,504,876	355,479,353
Net interest income	**7**	**641,999,184**	**605,616,031**
Fee and commission income		286,913,764	257,001,843
Fee and commission expense		(40,604,040)	(28,349,603)
Net fee and commission income	**8**	**246,309,724**	**228,652,240**
Dividends income	9	1,930,763	4,411,229
Net income on foreign exchange and on derivatives held for risk management	10	350,733,464	274,878,470
Net gains on financial assets available for sale		8,798,821	26,169,737
Net other operating result**	11	(9,652,210)	15,962,089
Operating income		**1,240,119,746**	**1,155,689,796**
Personnel expenses	12	(271,547,358)	(267,805,532)
Depreciation and amortisation	13	(51,100,412)	(44,359,863)
Other administrative costs	14	(249,489,741)	(241,137,854)
Operating expenses		**(572,137,511)**	**(553,303,249)**
Net impairment losses on financial assets	15	(306,037,094)	(124,602,129)
Impairment on tangible and intangible assets		(3,699,286)	(4,291,684)
Net provision release/(charges)	16	33,240,902	(40,114,854)
Loss on associate investments		(6,414,392)	(1,857,356)
Profit before taxation		**385,072,365**	**431,520,524**
Income tax expense	17	(56,391,852)	(73,218,236)
Net profit for the year		**328,680,513**	**358,302,288**
Net change in reevaluation reserve for available-for-sale financial assets (net of deferred tax)		32,943,570	(53,779,303)
Other comprehesive income for the year, net of income tax		**32,943,570**	**(53,779,303)**
Total comprehensive income for the year		**361,624,083**	**304,522,985**

* See note 7.
** See note 11.

The financial statements were approved by the Management Board on 22 February 2010 and were signed on its behalf by:

Mr. Rasvan Radu
Chief Executive Officer



Mr. Stanislav Georgiev
Chief Financial Officer

The accompanying notes from pages 69 to 133 form an integral part of these financial statements.

Statement of financial position

at 31 December 2009

Assets (RON)

	NOTE	31 DECEMBER 2009	31 DECEMBER 2008
Cash and cash equivalents	18	4,502,129,511	3,541,401,764
Derivative assets held for risk management	19	144,242,853	66,810,021
Loans and advances to banks	20	1,047,317,005	809,230,963
Loans and advances to customers	21	11,449,826,008	12,009,051,483
Investment in associate	22	17,597,519	5,600,951
Investment securities, available-for-sale	23	2,883,625,003	618,116,484
Equity investments, available for sale	24	2,785,790	2,785,794
Investments securities, held to maturity	25	8,867,304	8,323,355
Property and equipment	26	243,786,645	259,333,354
Intangible assets	27	70,329,957	42,275,843
Deferred tax assets	28	21,205,868	32,124,455
Non current assets classified as held for sale	29	465,483	1,003,578
Other assets	30	42,599,964	54,899,849
TOTAL ASSETS		**20,434,778,910**	**17,450,957,894**

Liabilities and equities (RON)

	NOTE	31 DECEMBER 2009	31 DECEMBER 2008
Derivative liabilities held for risk management	19	88,081,376	191,620,248
Deposits from banks	31	2,151,361,590	1,399,474,832
Loans from banks and other financial institutions	32	4,646,630,779	4,685,369,866
Deposits from customers	33	10,679,747,415	8,649,217,208
Subordinated liabilities	34	400,768,929	394,855,960
Provisions	35	90,150,747	130,024,235
Current tax liabilities		8,104,045	7,390,300
Deferred tax liabilities	28	47,738,169	27,813,039
Other liabilities	36	144,588,832	149,209,261
TOTAL LIABILITIES		**18,257,171,882**	**15,634,974,949**
Share capital	37	1,101,604,066	1,101,604,066
Retained earnings		892,349,040	563,668,527
Reserve on available for sale financial assets		(29,919,601)	(62,863,171)
Other reserves	38	213,573,523	213,573,523
TOTAL EQUITY		**2,177,607,028**	**1,815,982,945**
TOTAL LIABILITIES AND EQUITY		**20,434,778,910**	**17, 450,957,894**

The financial statements were approved by the Management Board on 22 February 2010 and were signed on its behalf by:

Mr. Rasvan Radu
Chief Executive Officer

Mr. Stanislav Georgiev
Chief Financial Officer

The accompanying notes from pages 69 to 133 form an integral part of these financial statements.

Statement of changes in shareholders' equity

at 31 December 2009

(RON)

	SHARE CAPITAL	RESERVE ON AVAILABLE FOR SALE FINANCIAL ASSETS	OTHER RESERVES	TREASURY SHARES RESERVES	RETAINED EARNINGS*	TOTAL
Balance at 31 December 2009	**1,101,604,066**	**(62,863,171)**	**213,573,523**	**–**	**563,668,527**	**1,815,982,945**
Total comprehensive income for the period						
Net profit for the year	–	–	–	–	328,680,513	**328,680,513**
Other comprehensive income, net of income tax						
Net change in available-for-sale financial assets, net of tax	–	32,943,570	–	–	–	**32,943,570**
Total other comprehensive income	**–**	**32,943,570**	–	–	–	**32,943,570**
Total comprehensive income for the period	**–**	**32,943,570**	**–**	**–**	**–**	**361,624,083**
Balance at 31 December 2009	**1,101,604,066**	**(29,919,601)**	**213,573,523**	**–**	**892,349,040**	**2,177,607,028**

*) Retained earnings include merger premium based on statutory figures of RON 386,550,633 as at 31 December 2008 and RON 378,351,490 as at 31 December 2009

The accompanying notes from pages 69 to 133 form an integral part of these financial statements.

at 31 December 2008

(RON)

	SHARE CAPITAL	RESERVE ON AVAILABLE FOR SALE FINANCIAL ASSETS	OTHER RESERVES	TREASURY SHARES RESERVES	RETAINED EARNINGS*	TOTAL
Balance at 31 December 2007	**1,101,702,737**	**(9,083,868)**	**213,573,523**	**–**	**205,688,711**	**1,511,881,103**
Total comprehensive income for the period						
Net profit for the year	–	–	–	–	358,302,288	**358,302,288**
Other comprehensive income, net of income tax						
Net change in available-for-sale financial assets, net of tax	–	(53,779,303)	–	–	–	**(53,779,303)**
Total other comprehensive income	**–**	**(53,779,303)**	–	–	–	**(53,779,303)**
Total comprehensive income for the period	**–**	**(53,779,303)**	**–**	**–**	**358,302,288**	**(304,522,985)**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Net change in available-for-sale financial assets, net of tax	–	–	–	(421,143)	–	**(421,143)**
Net change in available-for-sale financial assets, net of tax	(98,671)	–	–	421,143	(322,472)	**–**
Balance at 31 December 2008	**1,101,604,066**	**(62,863,171)**	**213,573,523**	**–**	**563,668,527**	**1,815,982,945**

*) Retained earnings include merger premium based on statutory figures of RON 386,550,633 as at 31 December 2008 and RON 378,351,490 as at 31 December 2009

The accompanying notes from pages 69 to 133 form an integral part of these financial statements.

Statement of cash flows

for the year ended 31 December 2009

(RON)

	NOTE	31 DECEMBER 2009	31 DECEMBER 2008
Operating activities			
Profit before taxation	17	385,072,365	431,520,524
Adjustments for non-cash items:			
Depreciation and amortisation and impairment on tangible and intangible assets	13	53,091,393	48,651,547
Net charge of provision for impairment on financial assets	15	312,848,492	134,231,322
Share of loss form associates	22	6,414,392	1,857,356
Change in fair value of derivatives held for risk management		(180,971,704)	19,589,993
Other items for which the cash effects are investing or financing		(3,922,078)	(23,113,608)
Other non–cash items		(91,067,427)	144,746,960
Operating profit before changes in operating assets and liabilities		**481,465,433**	**757,484,093**
Change in operating assets:			
(Increase)/decrease in investment securities available-for-sale		(2,183,327,231)	103,926,206
Increase in loans and advances to banks		(506,424,069)	(157,493,288)
(Increase)/decrease in loans and advances to customers		272,044,698	(4,166,678,187)
(Increase)/decrease in other assets		2,133,282	(19,576,375)
Change in operating liabilities:			
Increase in deposits from banks		758,506,020	1,155,332,235
Increase in deposits from customers		2,007,104,475	1,994,032,702
Increase in other liabilities		5,416,369	22,549,896
Income tax paid		(32,516,023)	(77,141,740)
Cash flows generated from/(used in) operating activities		**804,402,954**	**(387,564,458)**
Investing activities			
Proceeds from sale of property and equipment		–	3,446,936
Acquisition of property and equipment and intangible assets		(65,598,798)	(123,482,108)
Acquisition of equity investments		(18,410,960)	(47,494,781)
Proceeds from sale of equity investments		4,237,715	14,447,462
Dividends received	9	1,930,763	4,411,229
Redemption of investment securities held-to-maturity		–	36,705,202
Cash flows used in investing activities		**(77,841,280)**	**(111,966,060)**

The accompanying notes from pages 69 to 133 form an integral part of these financial statements.

(RON)

	NOTE	31 DECEMBER 2009	31 DECEMBER 2008
Financing activities			
Redemption of own shares		–	(421,143)
Payment of finance lease liability		(53,378)	(523,149)
Repayments of loans from financial institutions		(1,030,918,398)	(253,635,457)
Drawdowns from loans from financial institutions		989,900,757	1,189,701,000
Cash flows from/(used in) financing activities		**(41,071,019)**	**935,121,251**
Net increase in cash and cash equivalents		685,490,655	435,590,732
Cash and cash equivalents at 1 January		**4,176,703,242**	**3,741,112,510**
Cash and cash equivalents at 31 December		**4,862,193,897**	**4,176,703,242**
Cash flow from operating activities include:			
Interest received		1,511,695,689	1,188,842,042
Interest paid		1,301,135,434	881,634,903

Analysis of cash and cash equivalents

(RON)

		31 DECEMBER 2009	31 DECEMBER 2008
Cash and cash equivalents comprise:			
Cash on hand	18	195,516,803	248,153,020
Current accounts held with banks	20	74,940,883	31,993,737
Current accounts held with the National Bank of Romania	18	4,306,612,708	3,293,248,744
Placements with NBR and other banks – less than 3 months		285,123,503	603,307,741
Cash and cash equivalents in the cash flow statement		**4,862,193,897**	**4,176,703,242**

The accompanying notes from pages 69 to 133 form an integral part of these financial statements.

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(1) Reporting entity

UniCredit Tiriac Bank S.A. (the "Bank") was established as a Romanian commercial bank on 1 June 2007 upon the merger by acquisition of the former UniCredit Romania S.A. (the absorbed bank) by Banca Comerciala HVB Tiriac S.A. (the absorbing bank) and is licensed by the National Bank of Romania to conduct banking activities.

Banca Comerciala HVB Tiriac S.A. was formed on 31 August 2006 upon the merger by acquisition of the former HVB Bank Romania S.A. (the absorbed bank) by Banca Comerciala "Ion Tiriac" S.A. (the absorbing bank).

Following each merger, the absorbing bank undertook all the rights and obligations of the absorbed bank and the latter was dissolved without liquidation by transmitting all its assets and liabilities to the former. Also, after each merger the absorbing bank's name was changed into Banca Comerciala HVB-Tiriac S.A. and UniCredit Tiriac Bank S.A., respectively.

At the date of mergers all three entities were controlled by UniCredit Bank Austria AG (former Bank Austria Creditanstalt AG incorporated in Austria) and the ultimate parent, UniCredit SpA (Italy).

On 31 May 2007 the legal merger between former Banca Comerciala HVB Tiriac S.A. and UniCredit Romania S.A. was completed, including an organizational re-design and the migration to a Group Standard core IT-system. After the merger a long-term strategic growth programme has been developed aiming at a fast organic growth, strengthening of sales activities and sustainable value creation by the new entity created UniCredit Tiriac Bank S.A.

The financial statements comprise the Bank and its associated companies UniCredit Leasing Corporation IFN S.A. and UniCredit Consumer Finance IFN S.A.

The Bank provides retail and commercial banking services in Romanian Lei ("RON") and foreign currency. These include: accounts opening, domestic and international payments, foreign exchange transactions, working capital finance, medium and long term facilities, retail loans, bank guarantees, letter of credits and documentary collections.

The associate company UniCredit Leasing Corporation IFN S.A. provides financial leasing services to corporate and individual clients, while UniCredit Consumer Finance IFN S.A. provides consumer finance loans to individual clients.

The Bank operates through the Head Office located in Bucharest and through its network of 241 branches and agencies (31 December 2008: 242) located in Bucharest and the country.
The Bank employed at 31 December 2009 a number of 2,967 people (31 December 2008: 3,297).

The Bank's current registered office is 23-25 Ghetarilor Street, District 1, Bucharest, Romania.

(2) Basis of preparation

a) Statement of compliance

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards ("IFRS"). In estimating impairment losses for loans and receivables, the Bank has applied the internal methodology described in Note 3j to assess impairment for loans and advances to customers.

Differences between IFRS and statutory accounts

These accounts have been restated to reflect the differences between the statutory accounts and the IFRS. Accordingly, such adjustments have been made to the statutory accounts as have been considered necessary to bring the financial statements in line, in all material respects, with IFRS.

The major changes from the statutory financial statements prepared under domestic law are:

- grouping of numerous detailed items into broader captions;
- restatement adjustments required in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies;
- fair value and impairment adjustments required in accordance with IAS 39, Financial Instruments: Recognition and Measurement;
- adjustments to the income statement to place certain revenues and expenses on an accruals basis; and
- the necessary disclosure requirements, including IFRS 7 requirements.

b) Basis of measurement

The financial statements are prepared on a fair value basis for derivative financial instruments, financial assets and liabilities held at fair value through profit and loss and available-for-sale instruments, except those for which a reliable measure of fair value is not available. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortised cost or historical cost. Non-current assets held for sale are stated at the lower of carrying amount and fair value less cost to sell.

c) Functional and presentation currency

The financial statements are presented in Romanian Lei ("RON"), which is the functional and presentation currency. Except as indicated, the financial information presented in RON has been rounded to the nearest unit.

d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements made by management in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in notes 4 and 5.

(3) Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Bank.

In respect of comparative information, certain items from the financial statements as at 31 December 2008 have been reclassified to conform to current presentation.

a) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

As at 31 December 2008, and respectively as at 31 December 2009, the Bank has no subsidiary as it had not exercised control to any of its equity investments.

Associates

Associates are those entities in which the Bank has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method (equity accounted investees). The financial statements include the Bank’s share of the income and expenses of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases. When the Bank’s share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Bank has an obligation or has made payments on behalf of the investee.

The Bank holds a 20% investment in UniCredit Leasing Corporation IFN S.A., a company providing leasing services to local and external customers, respectively a 35% investment in UniCredit Consumer Financing IFN S.A., a company providing consumer financing loans for individual clients. The Bank has included the financial statements information of these associates in accordance with IAS 28, Investments in associates.

b) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of reporting period are translated to RON at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to RON at foreign exchange rates ruling at the dates the fair value was determined.

The exchange rates of major foreign currencies were:

CURRENCIES	31 DECEMBER 2009	31 DECEMBER 2008	%
Euro (EUR)	1: RON 4.2282	1: RON 3.9852	6.10%
US Dollar (USD)	1: RON 2.9361	1: RON 2.8342	3.60%

c) Accounting for the effect of hyperinflation

Romania has previously experienced relatively high levels of inflation and was considered to be hyperinflationary as defined by IAS 29 “Financial Reporting in Hyperinflationary Economies” (“IAS 29”). IAS 29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the end of reporting period (i.e. non-monetary items are restated using a general price index from the date of acquisition or contribution). As the characteristics of the economic environment of Romania indicate that hyperinflation has ceased, effective from 1 January 2004 the Bank no longer applied the provisions of IAS 29.

Accordingly, the amounts expressed in the measuring unit current at 31 December 2003 are treated as the basis for the carrying amounts in these financial statements.

(3) Significant accounting policies (Continued)

d) Interest

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Up to 31 December 2008, interest income and expenses for financial instruments were recognised in the income statement at amortised cost using the linear method. The linear amortisation method used to determine the amortised cost represented the management's best estimate for the value of the corresponding amortisation and the financial effect generated was not significantly different from that provided by using effective interest method.

Starting 2009, the Bank implemented the majority of the IT modules necessary for the interest income and expenses for financial instruments to be recognised in the income statement at amortised cost using the effective interest rate method.

Subsequent to initial recognition, financial assets available-for-sale and held-to-maturity are presented at amortised cost using linear method (i.e. discounts, premiums and directly attributable transaction costs and commissions paid by or to the parties are amortised linearly during the life of the loan). The linear amortization method represents the best estimate of the management for the value of the related amortization and the impact of the application of the effective interest rate method is not material.

Interest income and expense on all trading assets and liabilities are included in net interest income.

e) Fee and commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fee and commission income arising on the financial services provided by the Bank, including account servicing fees, investment management fees, advisory fees are recognized in the income statement on the accrual basis, i.e. when the corresponding service is provided.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

f) Dividend income

Dividend income is recognised in the income statement on the date that the dividend is declared. Income from equity investments and other non-fixed income investments is recognised as dividend income when it accrues.

Dividends are treated as an appropriation of profit in the period they are declared and approved by the General Assembly of Shareholders. The only profit available for distribution is the profit for the year recorded in the Romanian statutory accounts, which differs from the profit in these financial statements, prepared in accordance with IFRS, due to the differences between the applicable Romanian Accounting Regulations and IFRS.

g) Net income on foreign exchange and on derivatives held for risk management

This comprises gains less losses related to trading assets and liabilities and derivatives held for risk management, and includes all realised and unrealised fair value changes and foreign exchange differences.

h) Lease payments made

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

i) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of reporting period, and any adjustment to tax payable in respect of prior periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

The tax rate used to calculate the current and deferred tax position at 31 December 2009 is 16% (2008: 16%).

(3) Significant accounting policies (Continued)

j) Financial assets and liabilities

(i) Recognition

The Bank initially recognises loans and receivables, deposits, borrowings issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities are initially recognised on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

(ii) Derecognition

The Bank derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Bank is recognised as a separate asset or liability.

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Bank enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the balance sheet. Transfer of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

The Bank entered into the several transactions with UniCredit Bank Austria AG and other entities within UniCredit Group whereby:
- Either UniCredit Bank Austria AG directly financed some large corporate customers, while the Bank undertook the role of agent or security agent and payment agent, or
- The Bank transferred to UniCredit Bank Austria AG by means of novation agreements the outstanding amount of certain loans already granted to the Romanian corporate customers and also undertook the role of security agent and payment agent.

For each of the contracts concluded with UniCredit Bank Austria AG, there is a risk participation agreement by which the Bank is obliged to pay to UniCredit Bank Austria AG any instalment the customer failed to pay.
As the Bank has transferred the right to receive cash flows from the loans financed by UniCredit Bank Austria AG, has neither retained nor transferred all risks and rewards of ownership, nor has retained control, such loans are not recognized in the Bank's balance sheet (refer also to note 40).

(iii) Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as the Bank's trading activity.

(iv) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(v) Fair value measurement principles

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

The fair value of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Bank establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Bank, incorporates all available factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

The best evidence of fair value of financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of the instrument is evidence by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

Where a fair value cannot be reliably be estimated, unquoted equity instruments that do not have a quoted market price in an active market are measured at cost and periodically tested for impairment.

(vi) Identification and measurement of impairment

The Bank assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. It may not be possible to identify a single, discrete event that caused the impairment. Rather the combined effect of several events may have caused the impairment.

Losses expected as a result of future events, no matter how likely, are not recognized. If there is objective evidence that an impairment loss on a financial asset has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If a loan, receivable or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the interest rate at the initial moment of the contract. The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease is related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed either directly or by adjusting an allowance account. The amount of the reversal is recognized in profit or loss.

(3) Significant accounting policies (Continued)

Loans and advances to customers
The Bank, based on its internal impairment assessment methodology, has included observable data on the following loss events that comes to its attention as objective evidence that loans to customers or groups of loans to customers are impaired:

(a) significant financial difficulty of the borrower determined in accordance with the Bank's internal rating system;
(b) a breach of contract, such as a default or delinquency in interest or principal payments of the borrowers (individually and in the same group of borrowers);
(c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider such as the rescheduling of the interest or principal payments;
(d) is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
(e) observable data indicating that there are economic or social conditions that can influence adversely the industry in which the borrower operates and that affect these borrowers.

The Bank first assesses whether objective evidence of impairment exists individually for loans to customers that are individually significant or collectively for loans that are not individually significant.

If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the loans to customers in a group of loans with similar credit risk characteristics and collectively assesses them for impairment. Loans to customers that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. The calculation of the present value of the estimated future cash flows of a collateralized loan reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

Individual assessment
Based on the Bank's internal criteria an exposure may qualify as individually significant. The client whose risk profile is not, according to expert judgement, reflected by portfolio based parameters is individually significant. The individual impairment is determined on a case by case basis taking into account the estimated future cash flows.

The main criteria for determining whether a specific exposure is individually significant is a threshold estimated based on UniCredit Group experience or the specific risk profile (in terms of potential credit loss), but validated by each site depending on macroeconomic environment. The threshold for determining whether a specific exposure is significant or not, is locally established at the amount of EUR 100,000.

The above-mentioned exposures are individually assessed and the Bank decides whether an objective evidence of impairment exists individually for these financial assets or not. If this is the case, these assets will be subject to provisions calculation based on individually determined future cash flows related to the transaction.

Where the provision estimated individually is null, the asset is included into a group of financial assets with similar credit risk characteristics and assessed collectively for impairment.

Collective assessment

For the purpose of a collective evaluation of impairment, loans to customers are grouped on the basis of similar credit risk characteristics that are indicative of the debtors' ability to pay all amounts due according to the contractual terms.

The criteria used to divide exposures into buckets are based on the Bank's rating system, expert judgement and experience of the Bank's employees (e.g. the Bank uses credit risk grading, past due status, product type).

Management considers that these characteristics chosen are the best estimate of similar credit risk characteristics relevant to the estimation of future cash flows for groups of such loans by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

For each type of exposure loss parameters were determined based on the UniCredit Bank Austria AG's and the Bank's historical experience and the expert judgement of the Bank's employees.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Available for sale financial assets

For financial assets classified as available-for-sale, when a decline in the fair value of an available-for-sale financial asset has been recognized directly in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized directly in other comprehensive income shall be removed from other comprehensive income and recognized in profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is removed from other comprehensive income and recognized in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available for sale shall not be reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognized in profit or loss.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

(3) Significant accounting policies (Continued)

(vii) Designation at fair value through profit and loss

The Bank designates financial assets and liabilities at fair value through profit and loss when either:
- The assets and liabilities are managed, evaluated and reported internally on a fair value basis;
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise; or
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

The Bank did not designate any financial asset or liability in this category as at 31 December 2009 and 31 December 2008.

k) Cash and cash equivalents

Cash and cash equivalents comprise notes and coins on hand, balances held with central banks, and are carried at amortised cost in the statement of financial position.

Cash and cash equivalents are subject to insignificant risk of changes in their fair value and are used by the Bank in the management of its short-term commitments.

For the purposes of the statement of cash flows, cash and cash equivalents comprise: cash balances on hand, cash deposited with central banks, nostro accounts with banks, placements with banks with less than 90 days maturity.

l) Trading assets and liabilities

Trading assets and liabilities are those assets and liabilities that the Bank acquires or incurs principally for the purpose of selling or repurchasing it in the near term, holds as part of a portfolio that is managed together for short term or position taking, or are derivatives.

Trading assets and liabilities are initially recognised and subsequently measured at fair value in the statement of financial position with transaction costs taken directly to profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss.

Trading assets and liabilities are not reclassified subsequent to their initial recognition.

The Bank does not have any trading instruments at 31 December 2009.

m) Derivatives held for risk management purposes

Derivative financial instruments include currency and exchange rate options, interest rate swaps, currency swaps and forward transactions. The positive fair value of the derivatives is carried as asset and the negative fair value is carried as liability. The changes in the fair value of derivatives are included in the income statement.

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position. The treatment of changes in their fair value depends on their classification into the following categories:

(i) Other non-trading derivatives

When a derivative is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss.

(ii) Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a “host contract”). The Bank accounts for embedded derivatives separately from the host contract when the host contract is not itself carried at fair value through profit or loss, and the characteristics of the embedded derivative are not clearly and closely related to the host contract. Separated embedded derivatives are accounted for depending on their classification, and are presented in the statement of financial position together with the host contract.

n) Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term. Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

o) Investment securities

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as either held-to-maturity or available for sale.

(i) Held-to-maturity investments

These are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank’s management has the positive intention and ability to hold to maturity. Held-to-maturity investments are carried at amortized cost using the effective interest method. If the Bank were to sell or reclassify more than an insignificant amount of held to maturity investments before maturity, the entire category would be reclassified as available for sale and for a two year period the Bank would not utilize the held to maturity classification. Held-to-maturity investments comprise debt securities.

(ii) Available-for-sale

Available-for-sale investments are non-derivative investments that are designated as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost. All other available for sale investments are carried at fair value. Fair value changes are recognised directly in equity until the investment is sold or impaired and the balance in equity is recognised in profit or loss.

(3) Significant accounting policies (Continued)

p) Property and equipment

(i) Recognition and measurement

Items of property and equipment are stated at their restated cost less accumulated depreciation value (see below) and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(ii) Subsequent costs

The Bank recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Bank and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred.

(iii) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives are as follows:

Buildings	
- property	2% – 3.66% per year
- improvements (rentals)	6.67% – 100% per year
Office equipment and furniture	3.33% – 50% per year
Motor vehicles	11.76% – 25% per year
Computer equipment	7.84% – 50% per year

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(iv) Leased assets-lessee

Leases in terms of which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

q) Intangible assets

(i) Recognition

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with developing or maintaining computer software programs are recognized as an expense when incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Bank, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

(ii) Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(iii) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimate useful life of software is 1 to 3 years.

r) Impairment of non – financial assets

The carrying amount of the Bank's assets, other than deferred tax assets, is reviewed at each reporting date to determine whether there is any objective indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the income statement.

The Bank reviews the carrying amount of land and buildings at each reporting date. For the items of land and buildings where there is any objective evidence of impairment, the Bank considered the greater of the net selling price and value in use as the recoverable amount.

Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

s) Deposits, borrowings from banks and subordinated liabilities

Deposits, borrowings from banks and subordinated liabilities are the Bank's sources of debt funding.

When the Bank sells a financial asset and simultaneously enters into a "repo" or "stock lending" agreement to repurchase the asset (or a similar asset) at a fixed price on a future date, the arrangement is accounted for as deposit, and the underlying asset continues to be recognized in the Bank's financial statements.

Deposits and borrowings such as loans from banks and other financial institutions are recognized initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs occurred. Borrowings and other liabilities evidenced by paper are subsequently stated at amortized cost.

(3) Significant accounting policies (Continued)

t) Provisions

A provision is recognised in the statement of financial position when the Bank has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Bank has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

u) Financial guarantees

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable). Financial guarantees are included within off statement of financial position.

The Bank entered into the several transactions with UniCredit Bank Austria AG and other entities within UniCredit Group related to loans granted to non-banking customers financed by such entities within UniCredit Group (please refer to Note 3j(ii)). In accordance with risk participation agreements related to such loans, the Bank is required to make specified payments to reimburse UniCredit Bank Austria AG and UniCredit Group, if the non-banking customer fails to make payment when due in accordance with the terms of a loan contract.

Such financial guarantees are carried at the end of reporting period at the amount determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, using an internal methodology consistent with the impairment assessment of loans and advances to customers (please refer to Note 3j).

v) Employee benefits

(i) Short term service benefits

Short-term employee benefits include wages, salaries, bonuses and social security contributions. Short-term employee benefits are recognised as expense when services are rendered. The Bank includes in short-term benefits the accruals for the employees' current year profit sharing payable within following months after the end of the year.

(ii) Defined contribution plans

The Bank, in the normal course of business makes payments to the Romanian State funds on behalf of its Romanian employees for pension, health care and unemployment benefit.

All employees of the Bank are members and are also legally obliged to make defined contributions (included in the social security contributions) to the Romanian State pension plan (a State defined contribution plan). All relevant contributions to the Romanian State pension plan are recognised as an expense in the income statement as incurred. The Bank does not have any further obligations.

The Bank does not operate any independent pension scheme and, consequently, has no obligation in respect of pensions. The Bank does not operate any other defined benefit plan or post retirement benefit plan. The Bank has no obligation to provide further services to current or former employees.

(iii) Share based payment transactions

The Bank has in place incentive plans for its senior management, consisting in stock options and performance shares which provide that UniCredit SpA (the Parent) shares will be settled to the grantees. The cost of this scheme is supported by the Bank and not by its Parent, and as a consequence it is recognised as an employee benefit expense.

At Bank level the expense is recognised against liability which is measured at fair value.

The fair value of stock options is determined using the Hull and White Evaluation Model. Measurement inputs include share price on measurement date, exercise price, volatility (historical daily average volatility for a period equal to the duration of the vesting period), exit rate (annual percentage of Stock Options forfeited due to termination), dividend yield (last four years average dividend-yield, according to the duration of the vesting period).

The economic value (fair value) of Performance Shares, representing UniCredit SpA free ordinary shares to be granted on the achievement of performance targets set at Group and Division level in the Strategic Plan approved by the Board of UniCredit SpA, is measured considering the share market price at the grant date less the present value of the future dividends related to the period from the grant date to the share settlement date. Input parameters are market price (arithmetic mean of the official market price of UniCredit SpA ordinary shares during the month preceding the granting Board resolution) and economic value of vesting conditions (present value of the future dividends related to the period from the grant date to the share settlement date).

(3) Significant accounting policies (Continued)

w) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2009, and have not been applied in preparing these consolidated financial statements:

1. *Amendments to IFRS 2 Share-based Payment - Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2010)* - The amendments to the Standard require that an entity receiving goods or services in a share-based payment transaction that is settled by any other entity in the group or any shareholder of such an entity in cash or other assets to recognise the goods or services received in its financial statements. Previously group cash-settled share-based payment transactions were not addressed directly in IFRS 2. The Bank has not yet completed its analysis of the impact of the amended Standard.

2. *Revised IFRS 3 Business Combinations (effective for annual periods beginning on or after 1 July 2009)* - The scope of the revised Standard has been amended and the definition of a business has been expanded. The revised Standard also includes a number of other potentially significant changes including:
    - All items of consideration transferred by the acquirer are recognised and measured at fair value as of the acquisition date, including contingent consideration.
    - Subsequent change in contingent consideration will be recognized in profit or loss.
    - Transaction costs, other than share and debt issuance costs, will be expensed as incurred.

The acquirer can elect to measure any non-controlling interest at fair value at the acquisition date (full goodwill), or at its proportionate interest in the fair value of the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis. As the revised Standard should not be applied to business combinations prior to the date of adoption, the revised Standard is expected to have no impact on the financial statements with respect to business combinations that occur before the date of adoption of the revised Standard. Revised IFRS 3 is not relevant as the Bank does not have any interests in subsidiaries that will be affected by the revisions to the Standard.

3. *IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2013, early adoption is permitted)* - This Standard replaces the guidance in IAS 39, *Financial Instruments: Recognition and Measurement,* about classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivable.

Financial assets will be classified into one of two categories on initial recognition:
- financial assets measured at amortized cost; or
- financial assets measured at fair value.

A financial asset is measured at amortized cost if the following two conditions are met: the assets is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and, its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Gains and losses on remeasurement of financial assets measured at fair value are recognised in profit or loss, except that for an investment in an equity instrument which is not held for trading, IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income (OCI). The election is available on an individual share-by-share basis. No amount recognised in OCI is ever reclassified to profit or loss at a later date. It is expected that the new Standard, when initially applied, will have a significant impact on the financial statements, since it will be required to be retrospectively applied. However, the Bank is not able to prepare an analysis of the impact this will have on the financial statements until the date of initial application. The Bank has not yet decided on the date that it will initially apply the new Standard.

4. *Revised IAS 24 Related Party Disclosure (effective for annual periods beginning on or after 1 January 2011)* - The amendment exempts government-related entity from the disclosure requirements in relation to related party transactions and outstanding balances, including commitments, with (a) a government that has control, joint control or significant influence over the reporting entity; and (b) another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity. The revised Standard requires specific disclosures to be provided if a reporting entity takes advantage of this exemption.

    The revised Standard also amends the definition of a related party which resulted in new relations being included in the definition, such as, associates of the controlling shareholder and entities controlled, or jointly controlled, by key management personnel.

    Revised IAS 24 is not relevant to the Bank's financial statements as the Bank is not a government-related entity and the revised definition of a related party is not expected to result in new relations requiring disclosure in the financial statements.

5. *Revised IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009)* - In the revised Standard the term minority interest has been replaced by non-controlling interest, and is defined as "the equity in a subsidiary not attributable, directly or indirectly, to a parent". The revised Standard also amends the accounting for non-controlling interest, the loss of control of a subsidiary, and the allocation of profit or loss and other comprehensive income between the controlling and non-controlling interest. Revised IFRS 27 is not relevant as the Bank does not prepare consolidated financial statements.

6. *Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (effective for annual period beginning on or after 1 February 2010).* The amendment requires that rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. The amendments to IAS 32 are not relevant to the Bank's financial statements as the Bank has not issued such instruments at any time in the past.

7. *Amendment to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (effective for annual periods beginning on or after 1 July 2009)* The amended Standard clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. In designating a hedging relationship the risks or portions must be separately identifiable and reliably measurable; however inflation cannot be designated, except in limited circumstances. The Bank has not yet completed its analysis of the impact of the amendments to the Standard.

8. *Amendment to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual period beginning on or after 1 January 2011).*

   The amendment of IFRIC 14 addresses the accounting treatment for prepayments made when there is also a minimum funding requirements (MFR). Under the amendments, an entity is required to recognize certain prepayments as an asset on the basis that the entity has a future economic benefit from the prepayment in the form of reduced cash outflows in future years in which MFR payments would otherwise be required. The amendments to IFRIC 14 is not relevant to the Bank's financial statements as the Bank does not have any defined benefit plans with minimum funding requirements. Notes to the consolidated financial statements

9. *IFRIC 17 Distributions of Non-cash Assets to Owners (effective prospectively for annual periods beginning on or after 15 July 2009)*
   The Interpretation applies to non-reciprocal distributions of non-cash assets to owners acting in their capacity as owners. In accordance with the Interpretation a liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity and shall be measured at the fair value of the assets to be distributed. The carrying amount of the dividend payable shall be remeasured at each reporting date, with any changes in the carrying amount recognised in equity as adjustments to the amount of the distribution. When the dividend payable is settled the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the dividend payable shall be recognised in profit or loss.

   As the Interpretation is applicable only from the date of application, it will have no impact on the financial statements for periods prior to the date of adoption of the Interpretation. Further, since it relates to future dividends that will be at the discretion of the board of directors/shareholders, it is not possible to determine the effects of application in advance.

10. *IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after 1 July 2010)*
    The Interpretation clarifies that equity instruments issued to a creditor to extinguish all or part of a financial liability in a 'debt for equity swap' are consideration paid in accordance with IAS 39.41.

    The initial measurement of equity instruments issued to extinguish a financial liability is at the fair value of those equity instruments, unless that fair value cannot be reliably measured, in which case the equity instrument should be measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability (or part of the financial liability) extinguished and the initial measurement amount of equity instruments issued should be recognized in profit or loss.

    The Bank did not issue equity to extinguish any financial liability during the current period. Therefore, the Interpretation will have no impact on the comparative amounts in the Bank's financial statements for the year ending 31 December 2010. Further, since the Interpretation can relate only to transactions that will occur in the future, it is not possible to determine the effects of application in advance.

(4) Financial risk management

a) Introduction and overview

The Bank has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risks
- Operational risks

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital.

b) Risk management framework

The Supervisory Board has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Directorate implements the risk management strategy and policies. The Directorate has established the Assets and Liability Committee, the Risk Management Committee and the Credit Committee, which are responsible for developing and monitoring risk management policies in their specified areas. All these Committees report regularly to the Directorate on their activities.

The Bank's risk management policies are established to identify and analyze the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Bank's Audit Committee is responsible for monitoring compliance with Unicredit Group's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

c) Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers and other banks and investment securities.

(i) Management of credit risk

The Directorate has delegated responsibility for the management of credit risk to its Credit Committee and Risk Committee. The Chief Risk Officer is the chairman of the Credit/Risk Committee. The Chief Risk Officer is the responsible for oversight of Credit Risk.

The functions of the Risk Committee:

- Defining the guidelines of local credit policies, classes of risks, sector of activity and geographic area, with the aim of minimizing the cost of credit risk and absorbed capital, within the given risk/return target;
- Ensuring risk analysis and monitoring, through the use of control instruments developed in accordance with the Bank Credit Policy and by applying the proper corrective actions;
- Applying granting and monitoring methods, processes and instruments (scoring and trend monitoring) defined by the Bank with the participation of the Bank;
- Supporting the commercial functions in the definition of credit products/services offered to clients, as well as control over the performance and efficiency of the credit process;
- Revising continuously the credit procedures in compliance with the approved Credit Policy and the applicable regulations issued by the National Bank of Romania, as well as issuing the procedures for the new credit products.
- Assisting central and/or operational units on legal and regulatory aspects of credit granting, in cooperation with Legal Department for the matters of its competence.

The functions of the Credit Committee:

- Evaluating the creditworthiness of the clients, in compliance with the criteria and methods defined;
- Monitoring of the Bank's risk positions, in accordance with the methods defined in agreement with the Bank, verifying the results of actions undertaken on deteriorating positions and defining the necessary corrective actions;
- Defining watch list and non-performing loans, in compliance with the criteria defined by the Parent, suggesting necessary provisions and appropriate credit recovery activities;
- Managing the credit activity according to Credit Policy and ensuring the maintaining of sound standards of lending, monitoring and control the risk credit, the appropriate evaluation of new business opportunities and early identification and administering the bad loans.
- Establishing the authorization structure for the approval and renewal of credit facilities. Authorization limits are allocated to business units Credit Officers. Larger facilities require approval by Credit Risk Management (CRM), Head of CRM, Chief Risk Officer, Credit Committee, Directorate or the Supervisory Board as appropriate.
- Assuring integration with UniCredit Group credit policies;
    - Defining limits by significant clusters like sector, area, concentration risk and product, given the Group risk appetite which has been defined, and cooperating with the CFO in strategic and operational planning and capital management/allocation processes in terms of credit risk;
    - Defining operating policies and procedures on credit activities and related products.
- Regular audits of the Bank's credit processes are undertaken by Internal Audit.

(4) Financial risk management (CONTINUED)

(ii) Exposure to credit risk

Loans and advances to customers

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Individually impaired/Non performing loans		
Grade 9: Impaired	264,863,113	17,316,519
Grade 10: Impaired	117,890,253	22,891,757
Private individuals	106,054,434	–
Gross amount	488,807,800	40,208,274
Allowance for impairment	(204,387,794)	(25,271,011)
Carrying amount	**284,420,006**	**14,937,265**
Fair value of collateral	262,201,007	10,161,775
Property	167,779,075	2,839,230
Goods	54,423,395	3,775,892
Assignment of receivables	28,877,841	3,272,943
Other*	11,120,696	273,710
Past due but not individually impaired		
Grade 8-	140,149,954	43,086,877
Grade 9	2,958,938	32,460,717
Grade 10	2,211,297	3,877,346
Other impaired	63,115	1,171
Private individuals more than 90 overdue days	299,975,469	127,602,384
Gross amount	445,358,773	207,028,495
Allowance for impairment	(243,325,355)	(99,629,602)
Carrying amount	**202,033,418**	**107,398,893**
Neither past due nor individually impaired		
Grade 1 – 8	7,133,507,794	7,894,983,166
Private individuals less than 90 overdue days	3,977,743,002	4,156,683,761
Gross amount	11,111,250,796	12,051,666,925
Allowance for impairment	(147,878,212)	(164,951,600)
Carrying amount	**10,963,372,584**	**11,886,715,325**
Total carrying amount	**11,449,826,008**	**12,009,051,483**

* Other collateral includes cash and financial risk insurance.

The loans and advances to advances to banks and investment securities were neither impaired nor past due.

The Bank's overall risk exposure is disclosed according to the amount of identifiable impairment into 3 main categories: Individually impaired, Past due and not individually impaired and Neither past due nor individually impaired according to the internal rating of the Bank and the past due status.

Impaired loans and securities

Impaired loans and securities are loans and securities for which the Bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan / securities agreement(s).

Individually impaired exposures (non-performing loans)

comprises significant private individuals which have at least one default event, as defined in the Bank's internal procedures, and corporate clients with Grade 9 or 10, as defined in the internal rating of the Bank; these two categories are individually assessed by the Bank.

For all of them, the collaterals are divided between property, goods, assignment of receivables and other. Other collateral includes pledge on stocks, machinery, cash and financial risk insurance.

Past due but not individually impaired loans

Loans and securities where contractual interest or principal payments are past due but the Bank believes that individual impairment is not appropriate on the basis of the level of security/collateral available and / or the stage of collection of amounts owed to the Bank.

Past due and not individually impaired includes all private individuals exposures which are more than 90 days overdue and corporate exposures with Grade 8-, 9 and 10 which are collectively assessed; Grade 9 and 10 are collectively assessed only for significant exposures: more than 100,000 EUR.

Neither past due nor individually impaired

It includes all exposures not classified in the above categories. The loans in this category can be performing or watch.

Allowances for impairment

The Bank establishes an allowance for impairment losses based on the internal methodology as described in note 3 j (vi).

Write-off policy

The Bank writes off a loan (and any related allowances for impairment losses) when Bank Credit Department / Committee determines that the loans / securities are uncollectible. This determination is reached after the Bank after considering relevant information and the appropriate documentation.

Set out below is an analysis of the gross and net (of allowances for impairment) amounts of individually impaired assets by risk grade:

(RON)

	GROSS AMOUNTS	NET AMOUNTS
31 December 2009		
Grade 9: Impaired	264,863,113	168,614,274
Grade 10: Impaired	117,890,253	53,509,422
Private Individuals	106,054,434	62,296,310
Total	**488,807,800**	**284,420,006**
31 December 2008		
Grade 9: Impaired	17,316,517	6,840,037
Grade 10: Impaired	22,891,757	8,097,226
Total	**40,208,274**	**14,937,263**

(4) Financial risk management (Continued)

Collateral

To a large degree, the Bank's exposure is in the form of traditional loans to non-financial companies and households. These loans may be secured by collateral (e.g., a mortgage on property or a charge over securities, movable property or receivables) or guarantees (usually provided by individuals or legal entities).

In general, guarantees are issued by entrepreneurs or shareholders (or their relatives) who own or have a stake in the companies receiving the secured lines of credit. Less frequent is the case of loans made to companies secured by guarantees issued by another company (which may or may not be a holding company) in the same business group, or by other credit institutions or insurance companies.

Any form of collateral serves only as additional security for the secured loan and as such is taken into account at the time the creditworthiness of the entity requesting the credit facility is assessed. In other words, this assessment mainly concentrates on determining whether the entity requesting the credit facility is able to meet its obligations autonomously regardless of whether additional collateral is provided (ability to repay).

In order to protect against fluctuations in the market value of assets assigned to the Bank as collateral, the value of the collateral should generally provide an adequate margin in excess of the current value of such assets, and this margin is properly adjusted as a function of the intrinsic characteristics of these assets.

When assessing collateral, special emphasis is placed on the enforceability of the collateral and its appropriateness. With regard to the former, as required by the BIS II Capital Accord the collateral obtained must be valid, effective and binding for the collateral provider, and it must be enforceable with respect to third parties in all jurisdictions, including in the event of the insolvency or receivership of the borrower and/or the collateral provider.

Due to the importance of this requirement, including for the purposes of mitigating the capital requirement for credit risk, the application procedure and related processes governing this area are particularly strict, to ensure that the documents obtained are completely in order from a formal and substantive standpoint.

With regard to appropriateness, security is said to be appropriate when it is qualitatively and quantitatively sufficient with respect to the amount and nature of the credit facility, provided there are no significant risk elements associated with the provider of security.

Concentration of credit risk

The Banks monitors concentrations of credit risk by sector of activity, client segment, products, ratings, geographical area on a quarterly basis. An analysis of concentrations of credit risk by industry at the reporting date is shown below:

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Private entities (including individuals)	4,062,821,659	3,881,881,496
Commercial, recovery and repair services	1,921,565,405	2,097,325,520
Real estate	1,067,448,112	1,412,570,005
Construction and civil engineering	580,105,225	552,184,212
Other public entities	563,544,206	197,500,601
Energy products	343,181,454	498,215,293
Inland transport services	318,588,378	396,316,739
Ores, ferrous and non-ferrous metals (except fissile and fertile ones)	296,816,438	297,708,619
Other saleable services	294,688,940	515,158,999
Metal products except cars and means of transport	245,060,418	218,368,496
Foodstuffs, beverages and tobacco-based products	233,495,847	414,629,921
Financial companies	222,789,528	132,378,869
Rubber and plastic products	212,836,710	308,778,448
Other industrial products	176,173,442	136,420,299
Agriculture - forestry – fisheries	138,083,717	132,124,316
Ores and non-metal ore products	127,174,084	72,296,000
Office machines, data processing machines, precision	99,189,641	137,671,372
Transport-related services	77,395,801	84,827,293
Farming and industrial machinery	70,440,676	67,717,513
Paper, paper products, printing and publishing	70,043,928	68,402,496
Hotel and public commercial concern services	66,808,417	66,565,580
Textiles, leather and footwear and clothing products	66,058,050	74,551,775
Means of transport	62,457,717	32,540,273
Communications services	53,628,239	118,171,941
Chemicals	53,379,731	56,543,448
Sea and air transport services	26,050,245	38,201,959
Total	**11,449,826,008**	**12,009,051,483**

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Loans and advances to customers	11,449,826,008	12,009,051,483
Loan related commitments and contingencies	6,753,148,912	8,208,001,862
	18,202,974,920	**20,217,053,345**

The amounts reflected in the table above represent the maximum accounting loss that would be recognised at the reporting date if counterparties failed completely to perform as contracted and any collateral or security proved to be of no value. The amounts of credit risk shown, therefore, greatly exceed expected losses, which are included in the allowance for doubtful loans.

(4) Financial risk management (CONTINUED)

d) Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulties in meeting obligations from its financial liabilities.
Liquidity risk has the following subtypes:

- Liquidity mismatch risk – depending on the maturity structure of the statement of financial position
- Liquidity contingency risk – arising due to unpredictable customer behaviour;
- Market liquidity risk – arising due to monetary market malfunctions generating the impossibility of selling liquid assets at market prices.

Management of liquidity risk

By its very nature, the liquidity risk is a systemic risk with a high contagion potential for the whole banking system. Therefore, in order to limit the potential damage caused by liquidity problems, the Bank is permanently assessing the broad macroeconomic conditions, with a special focus on data concerning the banking system. The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation. Assets and Liabilities Management is the department responsible for managing liquidity risk, reporting directly to Assets and Liabilities Committee (ALCO).

Management of liquidity risk is an optimization problem with two variables positively correlated (risk and return), as the liquid instruments have a lower return. For this reason, the Bank's approach is divided between short term liquidity and medium and long term liquidity management (structural liquidity).

The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by ALCO. A summary report of the daily positions, including any exceptions and remedial action taken, is submitted regularly to ALCO.

Regarding structural liquidity, the Bank pursues the following goals:

- Encouraging the attracting of long term customer deposits, by developing and promoting complex products with a higher value added;
- Attracting long term funds from the UniCredit Bank Austria AG for financing a greater share of the assets;
- Development of relations with other companies within the UniCredit Bank Austria AG, in order to attain mutual benefits from each company's specialization profile in sales activities (conveying to a diversification of funds), asset & liability management activities etc.
- Development of collaboration with international financial institutions and foreign banks with the purpose of obtaining long term finance.

Exposure to liquidity risk

Key measures used by the Bank for measuring liquidity risk are:

- the daily short-term liquidity report, in which, starting from maturities of inter-bank assets and liabilities, a daily liquidity profile is estimated for the coming 3 months. The limits checked in this report are the ones imposed by UniCredit Bank Austria AG, through the Bank short term liquidity strategy, and represent the arithmetical difference between inflows and outflows generated by inter-bank operations, in all currencies;
- the daily indicator on immediate liquidity. Every day, based on the statement of financial position data (static), a ratio between immediate assets and drawn sources is calculated. Immediate assets include: cash, current account with National Bank of Romania, nostro accounts, deposits with banks, T-bills not serving as collateral;
- liquidity indicators by time buckets (similar computation to the indicator described above), as established by the Bank's lead regulator (National Bank of Romania) plus indicators set at UniCredit Bank Austria AG level (for example, we have to comply with structural liquidity limits at 15M and 6Y required by the Group policy).

Temporary excess liquidity of the banking book on each currency is generally invested short-term. For financing its asset expansion, the Bank uses mostly medium-term funding.

The ratio of net liquid assets to deposits to customers is 46.0 % as at 31 December 2009 (31 December 2008: 52.2%).

An analysis of assets/liabilities by residual contractual maturity at the reporting date is shown below:

(RON)

	UP TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 YEAR TO 5 YEARS	OVER 5 YEAR	NO FIXED MATURITY	TOTAL
31 December 2009						
Financial assets						
Cash and cash equivalents	4,502,129,511	–	–	–	–	**4,502,129,511**
Derivative assets held for risk management	78,540,148	5,960,070	31,847,451	27,895,184	–	**144,242,853**
Loans and advances to banks	1,038,981,960	5,001,711	3,333,334	–	–	**1,047,317,005**
Loans and advances to customers	4,229,233,625	1,395,651,102	3,187,549,371	2,637,391,910	–	**11,449,826,008**
Investments in associate	–	–	–	–	17,597,519	**17,597,519**
Investment securities, available for sale	332,013,277	1,865,230,788	546,797,880	139,583,058	–	**2,883,625,003**
Equity investments, available for sale	–	–	–	–	2,785,790	**2,785,790**
Investment securities, held-to-maturity	–	468,693	8,398,611	–	–	**8,867,304**
Total financial assets	**10,180,898,521**	**3,272,312,364**	**3,777,926,647**	**2,804,870,152**	**20,383,309**	**20,056,390,993**
Financial liabilities						
Derivative liabilities held for risk management	18,231,363	3,910,934	37,572,669	28,366,410	–	**88,081,376**
Loans & deposits from banks and subordinated liabilities	4,199,075,709	32,990,325	2,432,543,993	534,151,271	–	**7,198,761,298**
Deposits from customers	9,595,667,706	1,082,591,424	324,745	1,163,540	–	**10,679,747,415**
Total financial liabilities	**13,812,974,778**	**1,119,492,683**	**2,470,441,407**	**563,681,221**	**–**	**17,966,590,089**
Maturity surplus/(shortfall)	**(3,632,076,257)**	**2,152,819,681**	**1,307,485,240**	**2,241,188,931**	**20,383309**	**2,089,800,904**
Adjustment for investment securities available for refinancing*	2,551,611,726	(1,865,230,788)	(546,797,880)	(139,583,058)	–	**–**
Maturity surplus/(shortfall) adjusted	**(1,080,464,531)**	**287,588,893**	**760,687,360**	**2,101,605,873**	**20,383,309**	**2,089,800,904**
Cumulated maturity surplus/(shortfall)	**(1,080,464,531)**	**(792,875,638)**	**(32,188,278)**	**2,069,417,595**	**2,089,800,904**	

*As part of its liquidity management the Bank holds treasury bills and bonds available for refinancing in order to ensure quick access to funds, in case of increasing liquidity risk.

(4) Financial risk management (Continued)

(RON)

	UP TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 YEAR TO 5 YEARS	OVER 5 YEAR	NO FIXED MATURITY	TOTAL
31 December 2008						
Financial assets						
Cash and cash equivalents	3,541,401,764	–	–	–	–	**3,541,401,764**
Derivative assets held for risk management	20,460,675	6,421,616	12,711,743	27,215,987	–	**66,810,021**
Loans and advances to banks	779,069,921	23,494,375	6,666,667	–	–	**809,230,963**
Loans and advances to customers	4,840,217,690	1,474,309,655	3.065.353.570	2,629,170,568	–	**12,009,051,483**
Investments in associate	–	–	–	–	5,600,951	**5,600,951**
Investment securities, available for sale	198,089,873	141,572,398	157,260,171	121,194,042	–	**618,116,484**
Equity investments, available for sale	–	–	–	–	2,785,794	**2,785,794**
Investment securities, held-to-maturity	–	–	8,323,355	–	–	**8,323,355**
Total financial assets	**9,379,239,923**	**1,645,798,044**	**3,250,315,506**	**2,777,580,597**	**8,386,745**	**17,061,320,815**
Financial liabilities						
Derivative liabilities held for risk management	103,496,489	35,988,883	25,002,481	27,132,395	–	**191,620,248**
Loans & deposits from banks and subordinated liabilities	1,006,065,815	1,455,146,056	3,473,566,565	544,922,222	–	**6,479,700,658**
Deposits from customers	8,442,904,550	204,370,148	1,814,414	128,096	–	**8,649,217,208**
Total financial liabilities	**9,552,466,854**	**1,695,505,087**	**3,500,383,460**	**572,182,713**	**–**	**15,320,538,114**
Maturity surplus/(shortfall)	**(173,226,931)**	**(49,707,043)**	**(250,067,954)**	**2,205,397,884**	**8,386,745**	**1,740,782,701**
Adjustment for investment securities available for refinancing*	420,026,611	(141,572,398)	(157,260,171)	(121,194,042)	–	**–**
Maturity surplus/(shortfall) adjusted	**246,799,680**	**(191,279,441)**	**(407,328,125)**	**2,084,203,842**	**8,386,745**	**1,740,782,701**
Cumulated maturity surplus/(shortfall)	**246,799,680**	**55,520,239**	**(351,807,886)**	**1,732,395,956**	**1,740,782,701**	

*As part of its liquidity management the Bank holds treasury bills and bonds available for refinancing in order to ensure quick access to funds, in case of increasing liquidity risk.

An analysis of notional amounts of derivative financial assets/liabilities by residual contractual maturity at the reporting date is shown below:

(RON)

	CARRYING AMOUNT	GROSS NOMINAL INFLOW / (OUTFLOW)	LESS THAN 1 MONTH	1 TO 3 MONTHS	3 MONTHS TO 1 YEAR	1-5 YEARS	MORE THAN 5 YEARS
31 December 2009							
Derivative assets	**144,242,853**	**132,297,500**	72,787,994	22,259,126	3,542,649	30,650,566	3,057,165
Outflow		(7,103,749,933)	(4,837,334,250)	(2,114,800,583)	(110,234,582)	(34,989,416)	(6,391,102)
Inflow		7,236,047,433	4,910,122,244	2,137,059,709	113,777,231	65,639,982	9,448,267
Derivative liabilities	**(88,081,376)**	**(76,136,023)**	(25,491,447)	(9,716,928)	(2,175,517)	(35,694,966)	(3,057,165)
Outflow		(2,527,819,139)	(922,749,128)	(1,381,837,358)	(119,459,029)	(94,325,356)	(9,448,268)
Inflow		2,451,683,116	897,257,681	1,372,120,430	117,283,512	58,630,390	6,391,103
31 December 2008							
Derivative assets	**66,810,024**	**54,659,014**	35,125,509	1,539,253	(1,604,052)	17,398,105	2,200,199
Outflow		(1,640,511,408)	(1,286,365,654)	(182,535,437)	(143,904,377)	(20,261,814)	(7,444,126)
Inflow		1,695,170,422	1,321,491,163	184,074,690	142,300,325	37,659,919	9,644,325
Derivative liabilities	**(191,620,248)**	**(179,469,237)**	(104,524,914)	(15,172,138)	(34,344,402)	(23,153,669)	(2,274,114)
Outflow		(6,043,656,126)	(5,077,779,135)	(418,128,582)	(474,358,902)	(59,710,927)	(13,678,580)
Inflow		5,864,186,889	4,973,254,221	402,956,444	440,014,500	36,557,258	11,404,466

(4) Financial risk management (Continued)

e) Market Risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/ issuer's credit standing) will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Management of market risks

Organizational structure
The Supervisory Board lays down strategic guidelines for taking on market risks by calculating, depending on the propensity to risk and objectives of value creation in proportion to risks assumed, capital allocation for all business segments, in compliance with UniCredit Group strategies.

The Risk Management Committee provides advice and recommendations in respect of decisions taken by the Chief Executive Officer and in drawing up proposals made by the Chief Executive Officer to the Directorate or the Supervisory Board with regards to the following:
- guidance as to the methods to be used to realize models for the measurement and monitoring of Bank risks;
- the Bank's risk policies (identification of risk, analysis of the level of propensity to risk, definition of capital allocation objectives and the limits for each type of risk, assignment of related functional responsibilities to the relevant Departments and Divisions);
- corrective action aimed at rebalancing the Bank's risk positions.

Overall authority for market risk is delegated in Assets and Liability Committee. The Market Risk unit ensures the measurement and monitoring of risks assumed in accordance with the guidelines set out by the UniCredit Bank Austria AG.

Asset and Liability Management unit, in coordination with International Markets (INM) Trading manages strategic and operational ALM, with the objective of ensuring a balanced asset position and the operating and financial sustainability of the Bank's growth policies on the loans market, optimizing the Bank's exchange rate, interest rate and liquidity risk.

The Bank separates its exposure to market risk between trading and non trading portfolios. Trading portfolio is held by INM Trading unit, and includes positions arising from market making and proprietary position taking, together with most financial assets that are managed on a fair value basis. Also all foreign exchange risk is transferred and sold down by Assets and Liability Management to the INM Trading unit. Accordingly, the foreign exchange position is treated as part of the Bank's trading portfolios for risk management purposes.

Exposure to market risks – Value at Risk Tool
The principal tool used to measure and control market risk exposure is Value at Risk (VaR). VaR is the maximum estimated loss that will arise on the entire portfolio over a specified period of time (holding period) from an adverse market movement with a specified probability (confidence level).

The VaR model used by the Bank is based upon a 99 percentage confidence level and assumes a 1 day holding period. Use of a 1-day time-horizon makes it possible to make an immediate comparison between profits/losses realized.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:
- A 1 day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a realistic assumption in almost all cases but may not be the case in situations in which there is severe market illiquidity for a prolonged period.
- A 99 percent confidence level does not reflect losses that may occur beyond this level. Even within the model used there is a one percent probability that losses could exceed the VaR.
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day.
- The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.
- The VaR measure is dependent upon the Bank's position and the volatility of market prices. The VaR of an unchanged position reduces if the market price volatility declines and vice versa.

The Bank uses a VaR limit for total market risk; this limit is subject to review and approval by Bank ALCO. VaR is measured daily by a common system throughout the Bank; data is automatically upload from the core banking system and other front office systems.

A summary of the VaR position of the Bank at 31 December and during the period is as follows:

(RON)

	AT 31 DECEMBER	AVERAGE	MAXIMUM	MINIMUM
2009				
Foreign currency risk	80,302	299,350	7,365,080	28,845
Interest rate risk	6,594,077	5,885,726	16,623,697	2,970,974
Overall	6,516,049	5,944,255	16,677,573	3,147,083
2008				
Foreign currency risk	1,463,971	289,429	3,125,692	9,361
Interest rate risk	14,275,102	5,870,136	38,378,273	1,113,979
Overall	14,371,480	5,887,133	38,356,036	1,139,743

The limitations of the VaR methodology are recognized by supplementing VaR limits with other position and sensitivity limit analyses. The Bank uses a range of stress tests to model the financial impact of a variety of exceptional market scenarios on the Bank's positions.

Foreign exchange (FX) Sensitivity analysis

The FX net open position limits are assigned by the Bank and are lower than the prudential limits imposed by the National Bank of Romania.

The limits are expressed in EUR equivalent and the exposure to the limits is monitored on a daily basis by Market Risk department.

The table shows the average usage of the limits during 2008 and 2009, which correlate also with the stable FX VaR figure.

Foreign exchange (FX) Open Position

CURRENCY	LIMITS (EUR EQUIVALENT)	AVERAGE USAGE 2008	LIMITS (EUR EQUIVALENT)	AVERAGE USAGE 2009
AUD	1,000,000	0.91%	1,000,000	2.65%
CAD	1,000,000	3.03%	1,000,000	2.95%
CHF	1,000,000	4.05%	1,000,000	4.12%
CZK	–	–	100,000	16,89%
DKK	1,000,000	1.09%	1,000,000	1.29%
EUR	17,500,000	16.60%	40,000,000	22.20%
GBP	1,000,000	6.01%	1,000,000	7,42%
HUF	250,000	16.09%	250,000	15.84%
JPY	1,000,000	4.95%	1,000,000	4.69%
NOK	1,000,000	2.36%	1,000,000	2.14%
PLN	100,000	25.38%	100,000	18.76%
RON	17,500,000	17.95%	40,000,000	20.99%
RUB	500,000	74.03%	500,000	70.14%
SEK	1,000,000	1.89%	1,000,000	1.88%
USD	5,000,000	2.74%	5,000,000	5.98%

*As of 31 December 2009, the limits for EUR and RON FX open position were increased to EUR 40,000,000 equivalent according to approval received from UniCredit Bank Austria AG. The usage is calculated accordingly.

(4) Financial risk management (Continued)

Exposure to market risks – Interest Rate Gap tool

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. ALCO is the monitoring body for compliance with these limits and it is assisted by Market Risk in its day to day monitoring activities.

A summary of the Bank's interest rate gap position on interest earnings assets and liabilities is as at 31 December 2009:

(RON)

2009	UP TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 YEAR TO 5 YEARS	OVER 5 YEARS	NO FIXED MATURITY	TOTAL
Cash and cash equivalents	4,502,129,511	–	–	–	–	**4,502,129,511**
Derivative assets held for risk management	136,827,681	7,415,172	–	–	–	**144,242,853**
Placements with banks	1,038,981,961	8,335,044	–	–	–	**1,047,317,005**
Loans and advances to customers	10,127,008,476	895,611,133	334,870,753	92,335,646	–	**11,449,826,008**
Investment securities, available for sale	332,693,600	1,864,550,466	546,797,879	139,583,058	–	**2,883,625,003**
Investment securities, held-to-maturity	–	468,693	8,398,611	-	–	**8,867,304**
Total	**16,137,641,229**	**2,776,380,508**	**890,067,243**	**231,918,704**	**–**	**20,036,007,684**
Derivative liabilities held for risk management	76,937,517	5,934,274	5,209,585	–	–	**88,081,376**
Loans and deposits from banks	7,165,316,533	33,444,765	–	–	–	**7,198,761,298**
Deposits from customers	9,595,667,704	1,083,658,000	324,747	96,964	–	**10,679,747,415**
Total	**16,837,921,754**	**1,123,037,039**	**5,534,332**	**96,964**	**–**	**17,966,590,089**
Interest sensitivity surplus/(shortfall)	**(700,280,525)**	**1,653,343,469**	**884,532,911**	**231,821,740**	**–**	**2,069,417,595**

A summary of the Bank's interest rate gap position on interest earnings assets and liabilities is as at 31 December 2008:

(RON)

2008	UP TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 YEAR TO 5 YEARS	OVER 5 YEARS	NO FIXED MATURITY	TOTAL
Cash and cash equivalents	3,541,401,764	–	–	–	–	**3,541,401,764**
Derivative assets held for risk management	(19,102,561)	2,889,269	24,238,864	11,572,732	–	**19,598,304**
Placements with banks	780,126,376	29,104,587	–	–	–	**809,230,963**
Loans and advances to customers	11,425,939,002	523,577,313	59,535,168	–	–	**12,009,051,483**
Investment securities, available for sale	198,089,873	141,572,398	157,260,171	121,194,042	–	**618,116,484**
Investment securities, held-to-maturity	–	–	8,323,355	–	–	**8,323,355**
Total	**15,926,454,456**	**697,143,567**	**249,357,558**	**132,766,774**	**–**	**17,005,722,353**
Derivative liabilities held for risk management	(25,941,221)	(1,508,328)	25,547,866	13,661,643	–	**11,759,960**
Loans and deposits from banks	5,962,364,913	517,335,745	–	–	–	**6,479,700,658**
Deposits from customers	8,441,475,127	205,799,571	1,942,510	–	–	**8,649,217,208**
Total	**14,377,898,819**	**721,626,988**	**27,490,376**	**13,661,643**	**–**	**15,140,677,826**
Interest sensitivity surplus/(shortfall)	**1,548,555,637**	**(24,483,421)**	**221,867,182**	**119,105,131**	**–**	**1,865,044,527**

The following table shows the interest rates obtained or offered by the Bank as at 31 December 2009 for its interest-bearing assets and liabilities:

(RON)

	RON RANGE		EUR RANGE		USD RANGE	
	MIN	MAX	MIN	MAX	MIN	MAX
Assets						
Current accounts with the National Bank of Romania	3.36%	5.90%	1.26%	2.80%	0.89%	1.29%
Placements with banks	4.24%	19.00%	0.25%	4.40%	0.12%	1.90%
Investment securities	6.00%	18.00%	4.13%	8.50%	n/a	n/a
Loans and advances to customers	2.95%	60.00%	0.24%	18.95%	2.25%	16.95%
Liabilities						
Deposits from banks	3.00%	17.00%	0.10%	3.95%	0.10%	1.00%
Deposits from customers	0.10%	23.00%	0.10%	10.00%	0.10%	7.75%
Loans from banks	8.91%	16.41%	0.82%	5.46%	1.37%	4.23%

The following table shows the interest rates obtained or offered by the Bank as at 31 December 2008 for its interest-bearing assets and liabilities:

(RON)

	RON RANGE		EUR RANGE		USD RANGE	
	MIN	MAX	MIN	MAX	MIN	MAX
Assets						
Current accounts with the National Bank of Romania	2.50%	5.60%	1.25%	2.80%	n/a	n/a
Placements with banks	2.00%	150.0%	1.75%	7.50%	1.50%	6.10%
Investment securities	6.00%	18.00%	4.13%	10.63%	n/a	n/a
Loans and advances to customers	0.10%	55.00%	0.67%	28.50%	2.11%	24.00%
Liabilities						
Deposits from banks	2.10%	75.00%	2.75%	6.56%	0.75%	20.00%
Deposits from customers	0.10%	37.50%	0.10%	9.00%	0.10%	6.00%
Loans from banks	8.04%	48.06%	3.07%	6.44%	3.88%	5.63%

The interest rates related to the local currency and the major foreign currencies as at 31 December 2009 and 2008 were as follows:

(RON)

CURRENCIES	INTEREST RATE	31 DECEMBER 2009	31 DECEMBER 2008
RON	Robor 3 months	10.65%	15.46%
EUR	Euribor 3 months	0.70%	2.89%
EUR	Euribor 6 months	0.99%	2.97%
USD	Libor 6 months	0.43%	1.75%

(4) Financial risk management (Continued)

The amounts of assets and liabilities held in RON and in foreign currencies as at 31 December 2009 can be analysed as follows:

	RON	USD	EUR	OTHER	TOTAL
Financial assets					
Cash and cash equivalents	2,251,455,191	5,680,892	2,242,660,259	2,333,169	**4,502,129,511**
Derivative assets held for risk management	83,824	46,838	144,027,528	84,663	**144,242,853**
Loans and advances to banks	819,655,482	28,000,383	173,572,828	26,088,312	**1,047,317,005**
Loans and advances to customers	2,350,479,036	230,934,963	8,847,645,308	20,766,701	**11,449,826,008**
Investments in associate	17,597,519	–	–	–	**17,597,519**
Investment securities, available-for-sale	2,004,897,953	–	878,727,050	–	**2,883,625,003**
Equity investments, available for sale	2,785,790	–	–	–	**2,785,790**
Investment securities, held-to-maturity	–	–	8,867,304	–	**8,867,304**
Total financial assets	**7,446,954,795**	**264,663,076**	**12,295,500,277**	**49,272,845**	**20,056,390,993**
Financial liabilities					
Derivative liabilities held for risk management	–	36,021	88,045,355	–	**88,081,376**
Loans & deposits from banks and subordinated liabilities	5,809,135,670	33,508,988	1,356,102,393	14,247	**7,198,761,298**
Deposits from customers	3,595,398,809	723,803,880	5,600,358,368	760,186,358	**10,679,747,415**
Total financial liabilities	**9,404,534,479**	**757,348,889**	**7,044,506,116**	**760,200,605**	**17,966,590,089**
Net financial assets/(liabilities)	**(1,957,579,684)**	**(492,685,813)**	**5,250,994,161**	**(710,927,760)**	**2,089,800,905**

The amounts of assets and liabilities held in RON and in foreign currencies as at 31 December 2008 can be analysed as follows:

	RON	USD	EUR	OTHER	TOTAL
Financial assets					
Cash and cash equivalents	1,506,785,006	7,731,535	2,023,337,353	3,547,870	**3,541,401,764**
Derivative assets held for risk management	12,875,537	–	53,934,484	–	**66,810,021**
Placements with banks	663,689,250	46,357,437	89,637,507	9,546,769	**809,230,963**
Loans and advances to customers	2,554,217,016	440,611,377	8,984,415,089	29,807,999	**12,009,051,481**
Investments in associate	5,600,951	–	–	–	**5,600,951**
Investment securities, available-for-sale	604,128,198	–	13,988,286	–	**618,116,484**
Equity investments, available for sale	2,785,794	–	–	–	**2,785,794**
Investment securities, held-to-maturity	–	–	8,323,355	–	**8,323,355**
Total financial assets	**5,350,081,752**	**494,700,349**	**11,173,636,074**	**42,902,638**	**17,061,320,813**
Financial liabilities					
Derivative liabilities held for risk management	152,301,284	–	39,318,964	–	**191,620,248**
Loans & deposits from banks and subordinated liabilities	5,200,438,547	122,020,651	1,135,864,530	21,376,930	**6,479,700,658**
Deposits from customers	4,503,188,378	385,093,295	3,741,604,025	19,331,510	**8,649,217,208**
Total financial liabilities	**9,855,928,209**	**507,113,946**	**4,916,787,519**	**40,708,440**	**15,320,538,114**
Net financial assets/(liabilities)	**(4,505,846,457)**	**(12,413,597)**	**6,256,848,555**	**2,194,198**	**1,740,782,699**

f) Operational risk

Definition of operational risk

Operational risk is the risk of loss due to error, infringements, interruption, damages caused by internal processes or personnel or systems or caused by external events. This definition includes legal and compliance risks, but excludes strategic and reputational risk.

For example, losses arising from the following can be defined as operational: internal or external fraud, employment practices and workplace safety, clients' claims, product distribution, fines and penalties due to regulations breaches, damage to the Bank's physical assets, business disruption and system failures, process management.

Operational Risk Framework

The Bank's operational risk management framework is a set of policies and procedures for controlling, measuring and mitigating the operational risk.

The operational risk policies are common principles defining the roles of the Bank bodies, the operational risk management function as well as the relationship with other functions involved in operational risk monitoring and management.

The Risk Management Committee monitors the operational risk exposure, defines the risk appetite and mitigating actions and approves measurement and control methods.

The methodology for data classification and completeness, scenario analysis, risk indicators, reporting and measurement of capital at risk is laid down by the Parent's operational risk management function and applies to all Holding entities. A pivotal element of the risk control framework is the operational risk management application, allowing the collection of the data required for operational risk control and measurement of capital at risk.

Management and mitigation of operational risk

Operational risk management entails process re-engineering to reduce risk exposure, including outsourcing considerations, and insurance cover management involving the setting of appropriate deductibles and policy limits. Regularly tested business continuity plans will also ensure operational risk management in the event of interruption of the main business services. The Risk Management Committee reviews risks tracked by the operational risk functions of the Group, with the support of relevant departments, involved in daily operational risk control, and monitors risk mitigation initiatives.

This responsibility is supported by the development of standards for the management of operational risks in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Requirements for the reporting of operational losses and proposed remedial action;
- Development of contingency plans and testing the approved plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by Internal Audit Department, based on a self assessment prepared by the operational risk function. The Self assessment, together with the result of Internal Audit reviews and Group operational risk management opinion, is discussed with the management and submitted for approval to the relevant bodies.

(4) Financial risk management (Continued)

Risk capital measurement and allocation mechanism

UniCredit developed an internal model for measuring capital requirements. The system for measuring operational risk capital exposure is based on internal loss data, external loss data (consortium and public data), and scenario generated loss data and risk indicators.

Capital at risk is calculated at a confidence level of 99.90% on the overall loss distribution for regulatory purposes and at a confidence level of 99.97% for economic capital purposes.

The internal model (AMA) has been formally approved by the Italian Supervisory Authority in March 2008.

Starting with June 2009, the Bank obtained the National Bank of Romania approval for using the standard approach (TSA) for calculating the operational risk capital minimum requirement, and applies for approval of using the Advanced Measurement Approach, in accordance with Group master plan.

g) Taxation risk

The tax framework in Romania is subject of frequent changes, (some of them resulting from the Romania's liabilities as an EU member state, others from the domestic fiscal policy) and often subject of contradictory interpretations, which might be applied retroactively. For this reason government agencies empowered to carry out tax inspections seem to be exposed to arbitrary decisions and different interpretation of the law, to which Romanian companies are less protected than is usual in other countries.

These changes have been implemented, however they are exposed to a fiscal audit for a period up to five years when the authorities might adopt an aggressive approach and assess additional liabilities and related late-payment penalties.

Moreover, the merged banks have not been audited for the entire period of operation until the date of dissolution, and their duties may be subject to future inspections, any results of these being borne by the bank as a legal successor.

h) Operating environment

The process of risk reprising during recent years in the international financial markets severely affected the performance of those markets, including the Romanian financial and banking market, and fostered heightened uncertainty with regard to economic developments going forward.

The first-round effect has been materialising through country risk deterioration in the first part of the year 2009, currency depreciation (yearly depreciation of 6% in 2009). Moreover, recession hit the real economy as well, largely driven by the fall in private consumption and external demand. Given the ample economic restructuring, the banking market has been affected in 2009 through a sharp increase in interest rates and abrupt drop in lending activity.

The borrowers of the Bank may also be affected by the lower liquidity situation which could in turn impact their ability to repay their outstanding loans. Deteriorating operating conditions for borrowers may also have an impact on the management cash flow forecasts and assessment of the impairment of financial and non-financial assets. To the extent that information is available, management has reflected revised estimates of expected future cash flows in its impairment assessment.

Management believes it is taking all the necessary measures to support the sustainability and growth of the Bank's business in the current circumstances by:

- preparing liquidity crisis strategy and establishing specific measures, together with the Parent Bank, to address potential liquidity crisis;
- establishing certain limits for the transactions with other banks, related to deposits and foreign currency exchange. The Bank deals with high ranked international banks following certain assessment criteria and strict internal rules, thus cautiously running the respective counterparty risk;
- constantly monitoring its liquidity position and over-dependence on specific funds;
- forecasting on short-term basis its net liquidity position;
- obtaining formal commitment from the major shareholder regarding the latter's continuous support of the Bank's operations in Romania;
- monitoring incoming and outgoing cash flows on daily basis and assessing the effects on its borrowers of the limited access to funding and the sustainability of growing businesses in Romania;
- examining terms and conditions of financing agreements and considering the implications of obligations imposed and risks identified such as approaching maturity dates or the implications of any terms or covenants that may have been breached or which may be breached in the foreseeable future.

i) Capital management

Regulatory capital

The Bank's regulator, NBR (National Bank of Romania), sets and monitors capital requirements. In implementing current capital requirements NBR requires the Bank to maintain a prescribed ratio of total capital to total risk – weighted assets (8%).

The Bank's regulatory capital is analyzed into two tiers:

- Tier 1 capital, which includes ordinary share capital, share premium, retained earnings, legal, statutory and other reserves, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes;
- Tier 2 capital, which includes qualifying subordinated liabilities, other long term debt, fair value reserves for fixed assets and other regulatory adjustments.

Various limits are applied to elements of the capital base. Qualifying tier 2 capital cannot exceed tier 1 capital; qualifying term subordinated loan and preference shares capital may not exceed 50 percent of tier 1 capital.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Bank recognizes the need to maintain a balance between the higher returns that may be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank and its individually regulated operations have complied with all externally imposed capital requirements throughout the period.

(4) Financial risk management (Continued)

The Bank's regulatory capital position* at 31 December was as follows:

(RON)

	31 DECEMBER 2009 BASEL II	31 DECEMBER 2008 BASEL II
Tier 1 capital		
Ordinary share capital	379,075,291	379,075,291
Share premium	378,351,545	386,550,688
Retained earnings	884,703,991	888,873,059
Less intangible assets	(72,529,815)	(45,411,169)
Other regulatory adjustments (including equity investments)	(15,649,420)	(3,593,816)
Total	**1,553,951,592**	**1,605,494,053**
Tier 2 capital		
Revaluation reserve (fixed assets)	93,591,279	68,648,632
Qualifying subordinated liabilities	274,844,597	336,481,398
Other regulatory adjustments (equity investments)	(12,799,296)	(3,593,816)
Total	**355,636,581**	**401,536,214**
Total regulatory capital	**1,909,588,173**	**2,007,030,267**
Capital requirements for credit risk	1,178,572,881	1,287,685,980
Capital requirements for market risk	–	3,387,534
Capital requirements for operational risk	130,247,390	115,387,682
Capital ratios		
Total regulatory capital expressed as a percentage of total risk-weighted assets **	**11.67%**	**11.42%**
Total tier 1 capital expressed as a percentage of risk-weighted assets	**9.50%**	**9.15%**

*) This calculation is based on statutory figures. Please refer to note 41 and 42 reconciliation profit and of equity reported under statutory accounts/IFRSs
**) Total regulatory capital expressed as a percentage of 11.42% includes the profit for 2008 as approved by the annual General Assembly of Shareholders; the percentage of 11.67% does not include the profit for 2009.

Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each business segment is determined as a percentage established by the Group of the risk weighted assets (in compliance with Banking Act Austria).

(5) Use of estimates and judgements

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Key sources of estimation uncertainty

Allowances for loan losses

The Bank reviews its loan portfolios to assess impairment at least on a monthly basis. In determining whether an impairment loss should be recorded in the income statement, the Bank makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group.

The loan impairment assessment considers the visible effects on current market conditions on the individual / collective assessment of loans and advances to customers' impairment. Because of the significant uncertainties on the international and local financial markets such estimates could be revised in the near future. Hence, the Bank has estimated the impairment loss provision for loans and advances to customers based on the internal methodology harmonized with Group policies and assessed that no further provision for impairment losses is required except as already provided for in the reporting package. Because of the inherent limitations related to the historical experience in obtaining cash flow information, in methodologies applied and to the uncertainties on the international and local financial markets regarding assets valuation, that Bank's estimate could be revised after the date of the approval of the financial information included in the financial statements.

To the extent that the probability of default parameter for the collective assessment differs by +/-10 percent, the provision for impairment losses on loans for the Bank would be estimated RON 14,791 thousand higher (31 December 2008: RON 25,982 thousand) or RON 14,787 thousand lower (31 December 2008: RON 25,982 thousand).

To the extent that the degree of collateral recognition parameter for the collective assessment differs by +/-10 percent, the provision for impairment losses on loans for the Bank would be estimated RON 31,314 thousand higher (31 December 2008: RON 21,309 thousand) or RON 26,494 thousand lower as at 31 December 2009 (31 December 2008: RON 21,009 thousand).

To the extent that the degree of collateral recognition parameter for the individual assessment differs by +/-10 percent, the provision for impairment losses on loans for the Bank would be estimated RON 1,734 thousand higher (31 December 2008: RON 65 thousand) or RON 1,914 thousand lower as at 31 December 2009 (31 December 2008: RON 55 thousand).

Sensitivity analysis for available-for-sale

The fair value of available-for-sale financial assets is direct dependant on the market yield variable and its changes impact significantly the financial position and the net assets of the Bank.

In case of the market yield varies by +/-10 percent, the negative reserve recorded as at 31 December 2009 on available for sale financial assets would vary as follows:

Sensitivity analysis for available-for-sale (RON)

	MARKET YIELD -10%	INITIAL	MARKET YIELD +10%
Available-for-sale denominated in RON	(18,143,305)	(34,905,100)	(56,184,529)
Available-for-sale denominated in EUR	13,451,370	4,985,499	(3,320,750)
Available-for-sale Total	**(4,691,935)**	**(29,919,601)**	**(59,505,279)**

(5) Use of estimates and judgements (Continued)

b) Critical accounting judgments in applying the Bank's accounting polices

Financial assets and liability classification

Determining fair values
The fair value of financial instruments that are not traded in an active market (for example, unlisted treasury securities and certificates of deposit) is determined by using valuation techniques. The Bank uses its judgment to select the valuation method and make assumptions that are mainly based on market conditions existing at each statement of financial position date.

In case of available for sale and respectively held-to-maturity financial assets, their classification in quoted and unquoted financial instruments is presented below:

Financial assets (RON)

	LISTED	UNLISTED	TOTAL
31 December 2009			
Investment securities, available-for-sale	691,850	2,885,540,052	2,886,231,902
Equity investments, available for sale		2,785,790	2,785,790
Investment securities, held to maturity	–	9,664,113	9,664,113
31 December 2008			
Investment securities, available-for-sale	1,385,085	616,731,399	618,116,484
Equity investments, available for sale	–	2,785,794	2,785,794
Investment securities, held to maturity	–	8,323,355	8,323,355

The Bank's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

- In classifying financial assets or liabilities as "derivative assets / liabilities held for risk management", the Bank has determined that it meets the description set out in accounting policy 3(m).
- In classifying financial assets as held-to-maturity, the Bank has determined that it has both the positive intention and ability to hold the assets until their maturity date as required by accounting policy 3(o)(i).

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. An illustration of it is presented below:
  - FX Outright Forward and FX Swaps – the forward legs are revalued daily in Core 02- IT System at forward rates, which are computed as the sum of the NBR spot rate + swap points for the respective maturity bucket. For establishing the Swap points the information provided by Tullet Prebone on its Reuters/Bloomberg pages is used.
  - IR Options and IRS - are revalued daily in the Front Office System OPUS – consistent with the Group's revaluation. The revaluation performed in OPUS is input as of each end of month in Core02 IT System.
  - Available for sale financial instruments – the fair value is calculated using discounted cash flow techniques based on market observable inputs (i.e. bid quotations from banks, official published quotations).
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments. The Bank classified in Level 3 the following instruments:
  - FX Options - are revalued daily in the Front-office application software "Wall street" – consistent with the Group revaluation. The revaluation performed in Wall street System is input as of each end of month into Core02 IT System.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

(RON)

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
31 December 2009				
Trading assets				
Derivative assets held for risk management	–	144,159,029	83,824	144,242,853
Investment securities	691,850	2,882,933,153	–	2,883,625,003
Equity investments, available for sale	–	–	2,785,790	2,785,790
Total trading assets	**691,850**	**3,027,092,182**	**2,869,614**	**3,030,653,646**
Trading liabilities				
Derivative liabilities held for risk management	–	87,997,552	83,824	88,081,376
Total trading liabilities	**–**	**87,997,552**	**83,824**	**88,081,376**
31 December 2008				
Trading assets				
Derivative assets held for risk management	–	58,338,561	8,471,460	66,810,021
Investment securities, available-for-sale	1,385,085	616,731,399	–	618,116,484
Equity investments, available for sale	–	–	2,785,794	2,785,794
Total trading assets	**1,385,085**	**675,069,960**	**11,257,254**	**687,712,299**
Trading liabilities				
Derivative liabilities held for risk management	–	183,148,788	8,471,460	191,620,248
Total trading liabilities	**–**	**183,148,788**	**8,471,460**	**191,620,248**

Notes to the income statement

(6) Accounting classification and fair value of financial assets/liabilities

The table below sets out the Group's carrying amounts of each class of financial assets and liabilities, and their fair values.

The amounts of assets and liabilities held in RON and in foreign currencies as at 31 December 2009 (RON)

	NOTE	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT	HELD-TO-MATURITY	LOANS AND RECEIVABLES	AVAILABLE-FOR-SALE	OTHER AMORTISED COST	TOTAL CARRYING AMOUNT	FAIR VALUE
Cash and cash equivalents	19	–	–	4,502,129,511	–	–	4,502,129,511	4,502,129,511
Derivative assets held for risk management	20	144,242,853	–	–	–	–	144,242,853	144,242,853
Loans and advances to banks	21	–	–	1,047,317,005	–	–	1,047,317,005	1,047,317,005
Loans and advances to customers	22	–	–	11,449,826,008	–	–	11,449,826,008	11,019,938,293
Investment in associate	23	–	–	–	–	17,597,519	17,597,519	17,597,519
Equity investments, available for sale	26	–	–	–	2,883,625,003	2,785,790	2,886,410,793	2,886,410,793
Investment securities, held to maturity	26	–	8,867,304	–	–	–	8,867,304	9,664,113
		144,242,853	**8,867,304**	**16,999,272,524**	**2,883,625,003**	**20,383,309**	**20,056,390,993**	**19,627,300,087**
Derivative liabilities held for risk management	20	88,081,376	–	–	–	–	88,081,376	88,081,376
Deposits from banks	32	–	–	–	–	2,151,361,590	2,151,361,590	2,150,090,942
Loans from banks and other financial institutions, including subordinated liabilities	33	–	–	–	–	5,047,399,708	5,047,399,708	5,026,937,105
Deposits from customers	34	–	–	–	–	10,679,747,415	10,679,747,415	10,551,018,090
		88,081,376	**–**	**–**	**–**	**17,878,508,713**	**17,966,590,089**	**17,816,127,513**

The amounts of assets and liabilities held in RON and in foreign currencies as at 31 December 2008 (RON)

	NOTE	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT	HELD-TO-MATURITY	LOANS AND RECEIVABLES	AVAILABLE-FOR-SALE	OTHER AMORTISED COST	TOTAL CARRYING AMOUNT	FAIR VALUE
Cash and cash equivalents	19	–	–	3,541,401,764	–	–	3,541,401,764	3,541,401,764
Derivative assets held for risk management	20	66,810,021	–	–	–	–	66,810,021	66,810,021
Loans and advances to banks	21	–	–	809,230,963	–	–	809,230,963	809,230,963
Loans and advances to customers	22	–	–	12,009,051,483	–	–	12,009,051,483	11,994,949,397
Investment in associate	23	–	–	–	–	5,600,951	5,600,951	5,600,951
Investment securities, available-for-sale	24	–	–	–	618,116,484	–	618,116,484	618,116,484
Equity investments, available for sale	25	–	–	–	–	2,785,794	2,785,794	2,785,794
Investment securities, held to maturity	26	–	8,323,355	–	–	–	8,323,355	7,591,552
		66,810,021	**8,323,355**	**16,359,684,210**	**618,116,484**	**8,386,745**	**17,061,320,815**	**17,046,486,926**
Derivative liabilities held for risk management	20	191,620,248	–	–	–	–	191,620,248	191,620,248
Deposits from banks	32	–	–	–	–	1,399,474,832	1,399,474,832	1,399,474,832
Loans from banks and other financial institutions, including subordinated liabilities	33	–	–	–	–	5,080,225,826	5,080,225,826	4,877,700,165
Deposits from customers	34	–	–	–	–	8,649,217,208	8,649,217,208	8,648,629,918
		191,620,248	**–**	**–**	**–**	**15,128,917,866**	**15,320,538,114**	**15,117,425,163**

7) Net interest income

(RON)

	2009	2008
Interest income		
Interest and similar income arising from:		
Current accounts and placements with banks	196,811,733	137,732,025
Treasury bills and bonds	155,202,231	39,737,368
Loans and advances to customers	1,054,878,780	977,649,544
Others (including derivatives)	43,614,173	19,946,368
Total interest income	**1,450,506,917**	**1,175,065,305**
Interest expense		
Interest expense and similar charges arising from:		
Deposits from banks	56,306,808	62,236,527
Loans from banks and other financial institutions	572,618,650	588,786,349
Treasury bills and bonds	17,140,144	17,085,938
Deposits from customers	610,948,851	237,923,270
Others (including derivatives)	39,998,156	18,896,543
Total interest expense	**1,297,012,609**	**924,928,627**
Interest related effect of Swap transactions regarding refinancing lines with Group Companies	488,504,876	355,479,353
Net interest income	**641,999,184**	**605,616,031**

The Bank's financing in RON from the parent company UniCredit Bank Austria AG is immediately swapped into EUR. The related interest effect of these swap transactions on the Bank's income statement is recognized in net interest income while the effect of exchange rate revaluation is recognised in net income on foreign exchange and on derivatives held for risk management.

(8) Net fees and commissions income

(RON)

	2009	2008
Fees and commissions income		
Payments transactions	138,325,763	152,101,030
Loan administration	26,803,242	19,513,065
Guarantees and letters of credit	17,786,436	17,104,992
Risk participation fee (refer to Note 41)	76,700,894	49,848,647
Other	27,297,429	18,434,109
Total fees and commission income	**286,913,764**	**257,001,843**
Fees and commissions expense		
Payments transactions	7,894,813	6,776,763
Other	32,709,227	21,572,840
Total fees and commissions expense	**40,604,040**	**28,349,603**
Net fees and commissions income	**246,309,724**	**228,652,240**

Notes to the income statement (CONTINUED)

(9) Dividend income

The Bank received dividends income from the following companies: (RON)

	2009	2008
Visa Imc.	14,304	2,596,547
Transfond SA	1,537,984	1,496,413
Romcard SA	219,699	158,367
Biroul de credit SA	128,464	145,983
Other	30,312	13,919
Total dividend income	**1,930,763**	**4,411,229**

(10) Net income on foreign exchange and on derivatives held for risk management

(RON)

	2009	2008
Net foreign exchange gain from revaluation of foreign currency denominated assets and liabilities and from FX derivatives held for risk management	275,315,095	113,206,648
Net foreign exchange gain from foreign exchange transactions	68,521,752	147,827,690
Net income/(loss) from interest derivatives held for risk management	(9,199,721)	171,200
Other foreign exchange items	16,096,338	13,672,932
Net income on foreign exchange and on derivative held for risk management	**350,733,464**	**274,878,470**

(11) Net other operating result

(RON)

	2009	2008
Net gains/(losses) on disposals of investments (i)	(7,727,391)	7,502,112
Revenues from sales of property and equipment/intangible assets	–	3,446,936
Suspense accounts write off	(3,543,271)	(1,573,702)
Net other operating revenues/expenses	1,618,452	6,586,743
Net other operating result	**(9,652,210)**	**15,962,089**

This caption comprises other operating income and other operating costs, which were reported separately as at and for the year ended 31 December 2008 (i.e. other operating income in amount of RON 23,399,042 and other operating costs in amount of RON 7,436,954).

i) The net loss on disposals of investments for the year ended 31 December 2009 contains the effect of de-recognising the gross book value of equity investments sold during the year (Apulum SA and HVB Banca pentru Locuinte SA). Impairment provisions had been set-up for these investments at 31 December 2008; the effect of releasing the related impairment is included in caption “Net charge/(release) of provisions for equity investments” (please refer to note 15).

(12) Personnel expenses

(RON)

	2009	2008
Wages and salaries	208,768,966	204,223,467
Social security charges	58,102,222	54,222,061
Equity settled share-based payments	810,309	635,848
Other costs	3,865,861	8,724,156
Total	**271,547,358**	**267,805,532**

The number of employees at 31 December 2009 was 2,967 (31 December 2008: 3,297). Remuneration of Supervisory Board's and Management Board's members for 2009 was RON 13,796,544 (2008: RON 13,552,828). The Bank has in place incentive plans for its senior management, consisting in stock options and performance shares which provide that UniCredit SpA ("the Parent") shares will be settled to the grantees. The cost of this scheme is incurred by the Bank and not by its Parent, and as a consequence, it is recognised as an employee benefit expense (please refer to Note 3 v (iii)).

(13) Depreciation and amortisation

(RON)

	2009	2008
Depreciation on property and equipment	36,863,266	31,813,727
Amortisation on intangible assets	14,237,146	12,546,136
Total	**51,100,412**	**44,359,863**

(14) Other administrative costs

(RON)

	2009	2008
Office space expenses (rental, maintenance, other)	101,133,301	98,580,592
Advertising and promotional expenses	20,535,275	19,661,232
Materials and consumables	10,996,564	16,276,112
Communication expenses	24,531,580	13,845,207
Other taxes and duties	14,170,779	7,618,018
Insurance expenses	2,196,951	3,245,575
IT services	24,233,360	24,593,155
Consultancy, legal and other professional services	17,817,085	21,205,459
Personnel training & recruiting	2,943,289	8,558,043
Other	30,931,557	27,554,461
Total	**249,489,741**	**241,137,854**

Notes to the income statement (Continued)

(15) Net impairment losses on financial assets

(RON)

	2009	2008
Net charge of provision for loans and advances to customers	294,279,248	119,217,828
Loans written-off	4,797,370	260,400
Net charge/(release) of provisions for equity investments	(8,403,771)	6,399,498
Recoveries from loans previously written-off	(6,811,399)	(9,628,733)
Net charge of provision for debit balances of customers' current accounts (including for dormant current accounts)	22,175,646	8,353,136
Net impairment losses on financial assets	**306,037,094**	**124,602,129**

(16) Net provisions charges/(release)

(RON)

	2009	2008
Net provision charge/(release) for off-balance loan commitments and contingencies	(35,325,986)	30,070,459
Net provision charge/(release) for litigations	(2,201,400)	4,865,569
Other provisions	4,286, 484	5,178,826
Net provisions for risk and charges	**(33,240,902)**	**40,114,854**

(17) Taxation

(RON)

	2009	2008
Direct taxes at 16% (2008: 16%) of taxable profits determined in accordance with Romanian law	39,527,035	49,702,507
Correction of current income tax arising from previous year	(5,546,991)	(9,887,610)
Deferred tax expense	22,411,808	33,403,339
Total tax expense	**56,391,852**	**73,218,236**

Reconciliation of profit before tax to income tax expense in the income statement

(RON)

	2009	2008
Profit before tax	**385,072,365**	**431,520,524**
Taxation at statutory rate of 16%	**61,611,578**	**69,043,284**
Non-deductible expenses	23,486,786	27,472,032
Non-taxable revenues	(24,927,160)	(16,317,166)
Tax effect of other non-temporary differences	(2,259,473)	(3,581,678)
Origination and reversal of temporary differences	(1,519,879)	(3,398,236)
Taxation in the income statement	**56,391,852**	**73,218,236**

(18) Cash and cash equivalents

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Cash	125,370,923	181,694,090
Cash in ATMs	70,145,880	66,458,930
Balances with National Bank of Romania	4,306,612,708	3,293,248,744
Total	**4,502,129,511**	**3,541,401,764**

The cash held with the central bank (i.e. Balances with the National Bank of Romania) ensures compliance with the minimum reserve requirements. These funds are not available for the Bank's daily business. At 31 December 2009 the minimum mandatory reserves rates established by the National Bank of Romania for raised funds with maturity lower than 2 years and for funds raised with residual maturity greater than 2 years, which foresee contractual clauses regarding reimbursements, withdrawals, anticipated transfers, are as follows: 15% for funds raised denominated in RON and 25% for funds raised denominated in foreign currency (31 December 2008: 18% for funds raised denominated in RON and 40% for funds raised denominated in foreign currency).

Notes to the income statement (Continued)

(19) Derivative assets/liabilities held for risk management

(RON)

	2009			2008		
	NOTIONAL	PRESENT VALUE		NOTIONAL	PRESENT VALUE	
		ASSETS	LIABILITIES		ASSETS	LIABILITIES
Foreign currency derivatives						
Forward contracts	9,388,995,607	82,318,707	25,229,645	6,673,673,202	8,830,517	144,681,740
Spot contracts	–	–	–	1,187,461,895	3,202,647	–
Purchased Options	162,801,398	83,824	–	341,440,645	7,629,086	842,374
Sold Options	162,801,398	–	83,824	491,223,888	842,374	7,629,086
Total foreign currency derivatives	**9,714,598,403**	**82,402,531**	**25,313,469**	**8,693,799,630**	**20,504,624**	**153,153,200**
Interest rates derivatives						
Interest Rate Swap	1,309,021,136	33,707,731	33,694,044	657,853,973	19,598,304	11,759,955
Purchased Options	868,315,523	28,772,053	–	807,436,750	26,707,093	–
Sold Options	868,315,522	–	28,770,867	807,436,750	–	26,707,098
Total interest rate derivatives	**3,045,652,181**	**62,479,784**	**62,464,911**	**2,272,727,473**	**46,305,397**	**38,467,048**
Total	**12,760,250,584**	**144,242,853**	**88,081,376**	**10,966,527,103**	**66,810,021**	**191,620,248**

(20) Loans and advances to banks

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Current accounts with other banks	74,940,883	31,993,737
Sight deposits with other banks	272,631,761	69,267,902
Term deposits with other banks	684,370,015	679,365,373
Loans to banks	12,798,241	23,574,645
Other advances to banks	2,576,105	5,029,306
Total	**1,047,317,005**	**809,230,963**

Current accounts, sight and term deposits with banks are at immediate disposal of the Bank and are not pledged as at 31 December 2009 and 31 December 2008.

(21) Loans and advances to customers

The Bank 's commercial lending is concentrated on companies and individuals domiciled in Romania mainly. The breakdown of loan portfolio at statement of financial position date by type of loan was as follows:

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Revolving credit lines*	2,991,023,400	3,558,001,452
Mortgages	3,301,911,662	2,922,155,814
Credit cards and personal loans	1,274,506,977	1,546,672,421
Factoring	539,630,130	80,025,702
Corporate loans	3,004,178,628	3,944,811,537
Impaired assets**	934,166,572	247,236,770
Loans and advances to customers before provisions	**12,045,417,369**	**12,298,903,696**
Less provision for impairment losses on loans	(595,591,361)	(289,852,213)
Net loans and advances to customers	**11,449,826,008**	**12,009,051,483**

* This category comprises credit lines for corporate customers and current account overdrafts for individuals
**Impaired assets are defined in the Note 4(c).

The movements in loan allowances for impairment could be summarized as follows:

Specific allowances for impairment

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Balance at 1 January	124,900,613	74,007,111
Net impairment charge for the year	318,601,591	50,893,502
Foreign currency exchange effect	4,210,946	–
Balance at 31 December	**447,713,149**	**124,900,613**

Collective allowances for impairment

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Balance at 1 January	164,951,600	96,627,273
Net impairment charge / (release) for the year	(24,322,343)	68,324,327
Foreign Currency Exchange Effect	7,248,955	–
Balance at 31 December	**147,878,212**	**164,951,600**
Total opening balance	289,852,213	170,634,384
Total closing balance	**595,591,361**	**289,852,213**

Notes to the income statement (Continued)

(22) Investment in associates

(RON)

	NATURE OF BUSINESS	COUNTRY OF INCORPORATION	31 DECEMBER 2009 % INTEREST HELD	31 DECEMBER 2009 CARRYING AMOUNT	31 DECEMBER 2008 % INTEREST HELD	31 DECEMBER 2008 CARRYING AMOUNT
UniCredit Leasing Corporation IFN S.A.	Leasing services	Romania	20%	3,025,647	20%	987,869
UniCredit Consumer Finance IFN S.A.	Consumer finance	Romania	35%	14,571,872	35%	4,613,082
Total				**17,597,519**		**5,600,951**

The following information is relevant and is related to the figures reported based on IFRS by the associated companies:

(RON)

	OWNERSHIP	TOTAL ASSETS	TOTAL LIABILITIES	REVENUES	PROFIT (LOSS)
2009					
UniCredit Leasing Corporation IFN S.A	20%	3,892,374,002	3,877,245,525	129,871,911	(6,615,911)
UniCredit Consumer Finance IFN S.A.	35%	302,965,432	261,935,249	8,368,220	(14,546,315)
2008					
UniCredit Leasing Corporation IFN S.A	20%	3,187,032,051	3,182,092,706	31,060,545	48,304
UniCredit Consumer Finance IFN S.A.	35%	16,772,322	3,592,086	836,634	(6,762,764)

(23) Investment securities, available-for-sale

As at 31 December 2009, the Bank included in investment securities, available for sale bonds, Romanian Government T-bills, Oradea bonds, Bucharest bonds, certificates of deposits issued by National Bank of Romania and bonds issued by Ministry of Public Finance in amount of RON 2,883,625,003 (31 December 2008: RON 618,116,484).

The movement in available for sale investment securities may be summarised as follows:

(RON)

	2009	2008
At 1 of January	**618,116,484**	**798,436,450**
Additions	5,112,033,769	3,532,514,886
Disposals (redemption)	(2,846,525,250)	(3,712,834,852)
At 31 December	**2,883,625,003**	**618,116,484**

As at 31 December 2009, the investment securities available for sale are pledged in amount of RON 32,028,807 (31 December 2008: RON 28,127,237) and the securities pledged for the repurchase transaction with the National Bank of Romania in amount of RON 990,747,396 (31 December 2008: RON 0).

(24) Equity investments, available-for-sale

The Bank held the following unlisted equity investments, available-for-sale as at 31 December 2009 and 31 December 2008:

(RON)

31 DECEMBER 2009	NATURE OF BUSINESS	% INTEREST HELD	GROSS CARRYING AMOUNT	IMPAIRMENT	NET CARRYING AMOUNT
Romcard SA	card processing	20.0000	208,962	–	208,962
Biroul de Credit SA	financial activities	4.2398	187,635	–	187,635
Fondul Roman de Garantare a Creditelor pentru Intreprinzatorii Privati IFN SA	other credit activities	3.1035	1,786,563	795,540	991,023
Casa de Compensare (SNCDD SA)	other financial services	0.1192	46,975	26,498	20,477
Transfond SA	other financial services	8.0357	1,164,862	–	1,164,862
Cibela Group SRL	food industry	19.627	2,116,665	2,116,665	–
Pioneer Asset Management (CAIB Asset Management S.A.I.)	financial activities	2.575	139,450	–	139,450
UniCredit CAIB Securities Romania SA	financial activities	19.9763	73,330	–	73,330
UniCredit Leasing Romania SA	leasing services	0.00002	14	–	14
Pirelli Re Romania	real estate	20.0000	168,000	168,000	–
VISA Europe Limited	cards	0.01	37	–	37
Total			**5,892,493**	**3,106,703**	**2,785,790**

The above mentioned companies are incorporated in Romania, except VISA Europe Limited (U.K.).

(RON)

31 DECEMBER 2008	NATURE OF BUSINESS	% INTEREST HELD	GROSS CARRYING AMOUNT	IMPAIRMENT	NET CARRYING AMOUNT
Romcard SA	card processing	20.0000	208,962	–	208,962
Biroul de Credit SA	financial activities	4.2398	187,635	–	187,635
Fondul Roman de Garantare a Creditelor pentru Intreprinzatorii Privati IFN SA	other credit activities	3.1035	1,786,564	795,540	991,024
Casa de Compensare (SNCDD SA)	other financial services	0.1192	46,975	26,498	20,477
Transfond SA	other financial services	8.0357	1,164,862	–	1,164,862
Cibela Group SRL	food indusrty	19.627	2,116,665	2,116,665	–
Pioneer Asset Management (CAIB Asset Management S.A.I.)	financial activities	3.967	139,450	–	139,450
UniCredit CAIB Securities Romania SA	financial activities	19.9763	73,330	–	73,330
UniCredit Leasing Romania SA	leasing services	0.00002	14	–	14
Pirelli Re Romania	real estate	20.0000	168,000	168,000	–
VISA Incorporated	cards	0.0438	3	–	3
VISA Europe Limited	cards	0.01	37	–	37
Total			**5,892,497**	**3,106,703**	**2,785,794**

Notes to the income statement (Continued)

(25) Investment securities, held-to-maturity

At 31 December 2009, the Bank included in investment securities, held-to-maturity bonds issued by Ministry of Public Finance in amount of RON 8,867,304 (31 December 2008: RON 8,323,355, bonds issued by Ministry of Public Finance).

The movement in held-to-maturity investment securities may be summarised as follows:

(RON)

	2009	2008
At 1 of January	**8,323,355**	**45,664,280**
Additions	–	–
Disposals (redemption)	–	(38,090,925)
Other non-cash changes*	543,949	750,000
At 31 December	**8,867,304**	**8,323,355**

*) Other non-cash charges include the effect of the foreign exchange rate.

The investments securities held to maturity were not pledged as at 31 December 2009 and 31 December 2008.

(26) Property and equipment

(RON)

	LAND AND BUILDINGS	COMPUTERS AND EQUIPMENT	MOTOR VEHICLES	FURNITURE AND OTHER ASSETS	ASSETS IN COURSE OF CONSTRUCTION	TOTAL
Cost						
Balance at 1 January 2009	226,193,699	72,332,279	597,789	68,619,833	43,829,047	411,572,647
Additions	33,620,779	9,004,355	45,916	16,307,615	25,138,328	84,116,993
Disposals	(3,862,315)	(4,848,913)	–	(1,333,021)	(54,646,735)	(64,690,984)
Balance at 31 December 2009	**255,952,163**	**76,487,721**	**643,705**	**83,594,427**	**14,320,640**	**430,998,656**
Depreciation and impairment losses						
Balance at 1 January 2009	(73,270,227)	(54,487,940)	(392,610)	(25,299,003)	1,210,487	(152,239,293)
Charge for the year	(15,139,665)	(11,609,904)	(68,166)	(10,045,532)	–	(36,863,267)
Impairment*	(1,990,981)	–	–	–	–	(1,990,981)
Other movements	(3,753,163)	(33,595)	1,890	540,938	(1,210,487)	(4,454,417)
Disposals	3,475,745	3,895,580	–	964,622	–	8,335,947
Balance at 31 December 2009	**(90,678,291)**	**(62,235,859)**	**(458,886)**	**(33,838,975)**	**–**	**(187,212,011)**
Carrying amounts						
At 1 January 2008	152,923,472	17,844,339	205,179	43,320,830	45,039,534	259,333,354
At 31 December 2009	**165,273,872**	**14,251,862**	**184,819**	**49,755,452**	**14,320,640**	**243,786,645**

* The management performed as at 31 December 2009 an impairment test on land and buildings by using the work of an independent evaluator - Colliers International; the net impairment charge resulting from the impairment test was RON 1,990,981. The management performed as at 31 December 2008 an impairment test on land and buildings by using the Bank's internal valuators; the net impairment charge was RON 4,291,684.

(RON)

	LAND AND BUILDINGS	COMPUTERS AND EQUIPMENT	MOTOR VEHICLES	FURNITURE AND OTHER ASSETS	ASSETS IN COURSE OF CONSTRUCTION	TOTAL
Cost						
Balance at 1 January 2008	198,292,303	69,941,052	13,659,734	55,948,797	7,681,772	345,523,658
Additions	32,867,445	10,267,735	313,908	14,602,935	97,966,531	156,018,554
Disposals	(4,966,049)	(7,876,508)	(13,375,853)	(1,931,899)	(61,819,256)	(89,969,565)
Balance at 31 December 2008	**226,193,699**	**72,332,279**	**597,789**	**68,619,833**	**43,829,047**	**411,572,647**
Depreciation and impairment losses						
Balance at 1 January 2008	(59,670,787)	(48,102,580)	(10,460,386)	(21,391,861)	-	(139,625,614)
Charge for the year	(11,511,979)	(14,949,859)	(100,708)	(5,251,181)	-	(31,813,727)
Impairment*	-	(198,474)	(11,008)	(254,807)	-	(464,289)
Other movements	(4,291,684)	-	-	-	-	(4,291,684)
Disposals	2,204,223	8,762,973	10,179,492	1,598,846	1,210,487	23,956,021
Balance at 31 December 2008	**(73,270,227)**	**(54,487,940)**	**(392,610)**	**(25,299,003)**	**1,210,487**	**(152,239,293)**
Carrying amounts						
At 1 January 2008	138,621,516	21,838,472	3,199,348	34,556,936	7,681,772	205,898,044
At 31 December 2008	**152,923,472**	**17,844,339**	**205,179**	**43,320,830**	**45,039,534**	**259,333,354**

* Additions related to Banca di Roma transaction.

Notes to the income statement (Continued)

Contingent operating lease (rentals)

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Amounts payable under operational leases		
Up to twelve months	69,942,905	68,500,964
From one to five years	178,494,071	192,876,342
Over five years	84,821,456	131,122,199
Total future lease obligations	**333,258,432**	**392,499,505**

(27) Intangible assets

(RON)

	INTANGIBLE ASSETS	INTANGIBLE ASSETS IN COURSE	TOTAL
Cost			
Balance at 1 January 2009	101,596,568	22,951,314	124,547,882
Additions	17,873,475	40,277,253	58,150,728
Disposals	–	(15,859,439)	(15,859,439)
Balance at 31 December 2009	**119,470,043**	**47,369,128**	**166,839,171**
Amortisation and impairment losses			
Balance at 1 January 2009	(82,272,069)	–	(82,272,069)
Amortisation for the year	(14,237,145)	–	(14,237,145)
Disposals			
Balance at 31 December 2009	**(96,509,214)**	**–**	**(96,509,214)**
Carrying amounts			
At 1 January 2009	19,324,499	22,951,314	42,275,843
At 31 December 2009	**22,960,829**	**47,369,128**	**70,329,957**

(RON)

	INTANGIBLE ASSETS	INTANGIBLE ASSETS IN COURSE	TOTAL
Cost			
Balance at 1 January 2008	86,078,508	9,828,577	95,907,085
Additions	15,533,346	26,147,854	41,681,200
Disposals	(15,286)	(13,025,117)	(13,040,403)
Balance at 31 December 2008	**101,596,568**	**22,951,314**	**124,547,882**
Amortisation and impairment losses			
Balance at 1 January 2008	(69,621,718)	–	(69,621,718)
Amortisation for the year	(12,546,136)	–	(12,546,136)
Other increases	(119,501)	–	(119,501)
Disposals	15,286	–	15,286
Balance at 31 December 2008	**(82,272,069)**	**–**	**(82,272,069)**
Carrying amounts			
At 1 January 2008	**16,456,790**	**9,828,577**	**26,285,367**
At 31 December 2008	**19,324,499**	**22,951,314**	**42,275,843**

(28) Deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities at 31 December 2009 are attributable to the items detailed in the table below:

(RON)

	ASSETS	LIABILITIES
31 December 2009		
Loans and advances to customers	–	44,160,676
Property, equipment and intangible assets	1,009,449	–
Available-for-sale equity investments	5,202,420	–
Available for sale investment securities	–	3,205,018
Provisions	14,314,952	–
Other liabilities/accruals	679,047	372,475
Deferred tax at 16%	**21,205,868**	**47,738,169**

Deferred tax assets and deferred tax liabilities at 31 December 2008 are attributable to the items detailed in the table below:

(RON)

	ASSETS	LIABILITIES
31 December 2008		
Loans and advances to customers	–	25,723,465
Property, equipment and intangible assets	1,172,628	–
Available-for-sale equity investments	11,884,053	–
Available for sale investment securities	–	374,097
Other assets	1,320,445	–
Provisions	15,561,711	–
Other liabilities/accruals	2,185,618	1,715,477
Deferred tax assets at 16%	**32,124,455**	**27,813,039**

Notes to the income statement (Continued)

(29) Non current assets classified as held for sale

At 31 December 2009 the following companies were remained in Non current assets classified as held for sale:

(RON)

	NATURE OF BUSINESS	% INTEREST HELD	GROSS CARRYING AMOUNT	IMPAIRMENT	NET CARRYING AMOUNT
Auto Mondo Company SA	Car spare and accessories	20	382,959	382,959	–
Bursa Romana de Marfuri SA	Commodity exchange	0.5487	56,989	56,989	–
Argus SA	Oil manufacturing for food industry	1.1607	1,122,107	656,624	465,483
Total			**1,562,055**	**1,096,572**	**465,483**

At 31 December 2008 the following companies were reclassified as Non current assets classified as held for sale from Equity investments - Available-for-sale:

(RON)

	NATURE OF BUSINESS	% INTEREST HELD	GROSS CARRYING AMOUNT	IMPAIRMENT	NET CARRYING AMOUNT
Apulum SA	Ceramics	10.0001	3,192,325	3,192,325	–
Auto Mondo Company SA	Car spare and accessories	20	382,959	382,959	–
Bursa Romana de Marfuri SA	Commodity exchange	1.054	56,989	56,989	–
HVB Banca pentru Locuinte	Building society	9.9992	5,749,540	5,494,060	255,480
Argus SA	Oil manufacturing for food industry	1.1607	1,122,107	374,009	748,098
Total			**10,503,920**	**9,500,342**	**1,003,578**

(30) Other assets

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Prepayments	7,508,409	6,381,139
Inventories	2,323,952	1,441,631
Sundry debtors (gross amounts)	34,922,977	29,042,292
Amounts in transit	217,347	10,518,296
Other	21,291,696	19,494,740
Total gross amounts	**66,264,381**	**66,878,098**
Less impairment for sundry debtors	(23,664,417)	(11,978,249)
Total	**42,599,964**	**54,899,849**

The Bank booked as prepayments, during 2009 and 2008: premises rents, local taxes, guarantee fund, premises insurance, bankers blanket bond, subscriptions for several publications.

(31) Deposits from banks

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Sight deposits	1,212,053,704	426,204,186
Term deposits	939,307,886	973,270,646
Total	**2,151,361,590**	**1,399,474,832**

(32) Loans from banks and other financial institutions

The caption Loans from banks comprises the following:

a) *UniCredit Bank Austria AG:* loans facilities in amount of EUR 1,445,294 , USD 11,363,636, RON 3,460,668,000 in total amount of RON 3,500,143,765 (31 December 2008: RON 4,507,083,787).
b) *Kreditanstalt fur Wiederaufbau Germany:* loan facilities in amount of EUR 19,285,715 (RON 81,543,860 in RON equivalent), maturing on 16 June 2014 (31 December 2008: RON 100,521,974).
c) *E.B.R.D.:* loan facilities in amount of EUR 7,500,000 (RON: 31,711,500), maturing on 19 May 2017 (31 December 2008: RON 34,095,197).
d) *BANQUE EUROPEENNE D'INVESTISSEMENT-BEI:* loan facilities in amount of EUR 4,937,343 (RON 20,876,076), maturing on 15 June 2016 (31 December 2008: RON 43,668,908).
e) A repurchase transaction with the National Bank of Romania in amount of RON 990,560,691 (31 December 2008: RON 0).

Loans from banks and other financial institutions in balance as at 31 December 2009 were bearing interest rates which ranged between 0.82% and 12.48% p.a. and the final maturities ranged between February 2010 and May 2017, the maximal percentage originated with the loan received from UniCredit Bank Austria AG in RON (31 December 2008: the interest rates ranged between 3.07% and 15.96% p.a. and the final maturities ranged between March 2009 and May 2017).

Notes to the income statement (Continued)

(33) Deposits from customers

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Term deposits	5,792,689,129	3,851,538,488
Payable on demand	4,400,718,661	4,369,105,954
Collateral deposits	358,342,220	342,339,288
Amounts in transit	127,976,634	86,186,059
Certificates of deposits	20,771	47,419
Total	**10,679,747,415**	**8,649,217,208**

(34) Subordinated loans

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
UniCredit Bank Austria AG	14,422,140	13,635,100
UniCredit Bank Austria AG	21,164,490	20,010,686
UniCredit Bank Austria AG	14,874,578	14,022,006
UniCredit Bank Austria AG	216,350,763	216,650,567
UniCredit Bank Austria AG	70,447,872	70,493,632
UniCredit Bank Ireland PLC	63,509,086	60,043,969
Total	**400,768,929**	**394,855,960**

At 31 December 2009, the following agreements were in place:

a) Subordinated loans from UniCredit Bank Austria AG are as follows: five facilities in amount of EUR 5,000,000, EUR 3,517,824, EUR 3,407,155, RON 215,730,000 and respectively RON 70,400,000 in total amount of RON 336,551,195 principal, maturing on September 2012, September 2012, August 2012, July 2013 and August 2012 respectively. (31 December 2008: the same facilities were in place).The interest rate for the above-mentioned loans during 2009 and 2008 years ranged between ROBOR + 0.5% and ROBOR +0.53% p.a. and respectively EURIBOR + 0.5% p.a. The repayment of outstanding principal and accrued interest of the above-mentioned loans is subordinated to all other obligations of the Bank.

b) UniCredit Ireland: subordinated loan facility in amount of EUR 15,000,000 in total amount of RON 63,423,000, maturing on 30 November 2015 (the same facility in 2008). The interest rate for the above-mentioned loan ranged at EURIBOR 3M + 0.81 %. The repayment of outstanding principal and accrued interest of the above-mentioned loans is subordinated to all other obligations of the Bank.

(35) Provisions

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Provision for off-balance commitments and contingencies	14,530,683	13,916,629
Provision for financial guarantees* (refer to Note 40)	62,148,550	92,596,740
Provision for legal disputes	9,316,321	12,619,215
Other provisions	4,155,193	10,891,651
Total	**90,150,747**	**130,024,235**

As of 31 December 2009, the Bank calculated provisions for off balance sheet commitments and contingencies in amount of RON 14,530,683 (2008: RON 13,916,629) both for undrawn lines and for other off balance sheet credit related commitments items.

The movements in provisions during the year could be summarised as follows:

(RON)

	2009	2008
Balance at 31 December	**130,024,235**	**101,909,381**
Provision charge	34,066,037	40,114,854
Release	(67,306,939)	(12,000,000)
FX effect related to off-balance commitments	(6,632,586)	–
Balance at 31 December	**90,150,747**	**130,024,235**

Notes to the income statement (Continued)

(36) Other liabilities

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Accrual of employee bonus	24,634,988	38,227,160
Payable to state budget	21,078,066	16,211,971
Accruals for third party services	32,242,286	23,294,069
Amounts payable to suppliers	41,763,572	26,425,188
Lease liabilities (i)	117,274	170,652
Other	24,752,646	44,880,221
Total	**144,588,832**	**149,209,261**

(i) Lease liability

As at 31 December 2009, the Bank had leasing liabilities in amount of RON 117,274 (31 December 2008: RON 170,652), agreements concluded with UniCredit Leasing Corporation IFN S.A. and Raiffeisen Leasing IFN S.A. representing financial leasing for tangible assets acquisition.

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Amounts payable under finance leases		
Up to twelve months	47,151	53,068
From one to five years	80,058	137,069
Over five years	–	–
Less: future interest payments	**9,935**	**19,485**
Present value of lease obligations	**117,274**	**170,652**

(37) Issued capital

The statutory share capital of the Bank as at 31 December 2009 is represented by 40,760,784 ordinary shares (31 December 2008: 40,760,784 ordinary shares) having a face value of RON 9.30 each. The shareholders of the Bank are as follows:

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
UniCredit Bank Austria AG	50.55884	50.55884
Redrum International Investments B.V	24.83104	24.83104
Vesanio Trading Ltd	20.22869	20.22869
Bank Austria – CEE BeteiligungsgmbH	0.01329	0.01329
Arno Grundstucksverwaltungs Gesellschaft m.b.H	0.01329	0.01329
Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH	0.01329	0.01329
Bank Austria Creditanstalt Leasing GmbH	0.01329	0.01329
Other shareholders	4.32826	4.32826
Total	**100.00**	**100.00**

The reconciliation of share capital under IFRS and Romanian Accounting Standards is presented below:

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Statutory share capital	379,075,291	379,075,291
Effect of hyperinflation – IAS 29	722,528,775	722,528,775
Restated share capital	**1,101,604,066**	**1,101,604,066**

Notes to the income statement (Continued)

(38) Reserves

The breakdown of reserves is presented below:

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Statutory general banking risks	115,785,348	115,785,348
Statutory legal reserve	78,723,680	78,723,680
Effect of hyperinflation – IAS 29	19,064,495	19,064,495
Total	**213,573,523**	**213,573,523**

Reserves for general banking risks include amounts set aside for future losses and other unforeseen risks or contingencies, are separately disclosed as appropriations of profit. These reserves are not distributable.

Statutory reserves represent accumulated transfers from retained earnings in accordance with relevant local banking regulations. These reserves are not distributable.

Local legislation requires 5% of the Bank's net profit to be transferred to a non-distributable statutory reserve until such time this reserve represents 20% of the Bank's share capital.

(39) Related party transactions

The Bank entered into a number of banking transactions with UniCredit S.p.A (Italy) and with members of the UniCredit Group (UniCredit Bank Austria AG, HVB Bank, UniCredit Leasing S.A., Istraturist UMAG, Cassamarca SPA, Bulbank A.D., Banca de Sabadell SA, Bank Pekao, Kocbank, Yapi Kredi) in the normal course of business. These transactions were carried out on commercial terms and conditions and at market rate. The following transactions were carried out with UniCredit Italiano S.p.A, UniCredit Bank Austria AG and its subsidiaries:

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Derivative assets held for risk management	54,030,962	4,621,344
Current accounts and deposits to banks	286,256,665	44,916,870
Loans to customers	181,232,645	29,689,807
Other assets	54,712,898	27,808,960
Outstanding receivables	**576,233,170**	**107,036,981**
Derivative liabilities held for risk management	57,934,123	127,792,830
Current accounts	73,648,566	47,370,916
Deposits attracted	2,160,824,893	1,393,292,316
Loans received	3,521,452,847	4,507,083,788
Subordinated liabilities	400,768,929	394,799,392
Other liabilities	20,868,260	1,908,187
Outstanding payables	**6,235,497,618**	**6,472,247,429**

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Interest income	29,610,860	11,924,871
Interest income and similar revenues on derivative instruments	4,359,703	12,623,277
Interest expense	(638,581,213)	(608,738,226)
Interest expense and similar charges on derivative instruments	(19,659,664)	(7,922,602)
Commission income	67,120,617	44,790,968
Fee and commission expense	(2,011,315)	(1,413,495)
Management fees	(5,486,686)	(6,628,606)
Other operating income	8,289,244	17,193,658
Net expense	**(556,358,454)**	**(538,170,155)**

Net gain from derivatives held for risk management concluded with UniCredit Group entities amounts to RON equivalent 264,188,373 during 2009 (RON equivalent 387,629,460 during 2008).

Notes to the income statement (Continued)

Transactions with key management personnel

A number of banking transactions are entered into with key management personnel (executive management, administrators and managers of the Bank) in the normal course of business. These mainly include loans, current accounts and deposits. The volumes of related-party transactions as of year ends are presented in the below tables:

(RON)

	2009	2008
Loans	8,888	3,187,251
Balance at 31 December	**8,888**	**3,187,251**
Current accounts and deposits	3,883,115	4,973,676
Balance at 31 December	**3,883,115**	**4,973,676**

No provisions have been recognised in respect of loans given to related parties (2008: nil)

(RON)

	2009	2008
Key management compensation		
Gross salaries	13,796,544	13,552,828
Total	**13,796,544**	**13,552,828**

In addition to their salaries, the Bank also provides non-cash benefits to directors and executive officers and they participate in the UniCredit Group's share option programme.

(40) Commitments and contingencies

At any time the Bank has outstanding commitments to extend credit. These commitments take the form of approved loans and credit card limits and overdraft facilities. Outstanding loan commitments have a commitment period that does not extend beyond the normal underwriting and settlement period of one month to one year.

The Bank provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to one year. Expirations are not concentrated in any period.

The contractual amounts of commitments and contingent liabilities are set out in the following table by category. The amounts reflected in the table for commitments assume that amounts are fully advanced. The amounts reflected in the table for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the end of reporting period if counterparties failed completely to perform as contracted.

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Loan commitments	734,314,510	1,086,644,056
Letters of credit	61,930,868	101,057,513
Guarantees issued	6,033,582,767	7,162,255,762
Total	**6,829,828,145**	**8,349,957,331**

The Bank acts as a security agent, payment agent and hedging agent for a series of loan contracts between UniCredit Bank Austria AG and other entities within UniCredit Group as lender and Romanian companies as borrowers. For each of these contracts there is a risk participation agreement by which the Bank takes the obligation to pay to UniCredit Bank Austria AG any instalment that the borrowers failed to pay. The total amount of such risk participation agreements in force as at 31 December 2009 is EUR 963,298,129, USD 116,067,712 and CHF 7,014,834 (31 December 2008: EUR 1,200,167,474, USD 107,500,000 and CHF 8,378,175).

The Bank concluded with UniCredit Bank Austria AG a series of novation contracts through which loan contracts initially concluded by the Bank with Romanian companies were transferred to UniCredit Bank Austria AG in exchange for full reimbursement of borrowers' due to the Bank. According to these novation contracts the Bank is still engaged as security agent and payment agent until the borrower will repay his debt. For each of these novation contracts there is a risk participation agreement by which the Bank takes the obligation to pay to UniCredit Bank Austria AG any installment that the borrowers failed to pay (refer to Note 3(j)(ii)).

The novation contracts concluded with UniCredit Bank Austria AG relates to one entity and their total value is EUR 65,497,547 (31 December 2008: EUR 139,060,000).

According to the contracts presented in the paragraphs above the Bank pays any amount collected from the borrowers.

As compensation for the financial guarantees assumed by the risk participation agreements and for providing security and payment agent services to UniCredit Bank Austria AG, the Bank receives the commissions paid by the borrowers plus a portion of the interest margin collected from the borrowers. The Bank defers the commissions collected upfront from the risk participation agreements over the time period that remains until the maturity of the facilities and the interest margins are recorded monthly as collected.

As at 31 December 2009 the Bank was involved in several litigations for which the probable total claims estimated by the Bank's lawyers amounted to RON 39,838,050 (31 December 2008: RON 12,619,215). The Bank, based upon legal advice, has assessed that a provision amounting to RON 9,316,321 as at 31 December 2009 (2008: RON 7,753,646) is necessary to be booked for these claims.

Notes to the income statement (Continued)

(41) Reconciliation of profit under IFRS and Romanian Accounting Standards as stipulated in Order 13/2008 (2009) and respectively in Order 5/2005 (2008)

The financial statements of the Bank prepared in accordance with NBR Order 13/2005 have been approved today together with IFRS financial statements.

(RON)

	2009	2008
Net profit under Romanian Accounting Standards	**235,499,318**	**213,605,739**
Cancellation of statutory impairment on AFS investment securities	(33,521,980)	69,578,916
IFRS impairment losses on loans	106,829,647	136,461,324
IFRS provisions for off-balance sheet contingent items	35,325,986	(30,070,459)
HTM foreign currency revaluation	1,784,918	1,298,427
Deferred tax impact during the period	(22,411,808)	(33,403,338)
Loss on associate investment – IAS 28, Investments in Associates	(6,414,392)	(1,857,356)
Impairment on buildings	(7,599,424)	(4,291,684)
Difference of impairment on equity investments (IAS 29)	1,248,887	(1,709,057)
Other IFRS adjustments	17,939,361	8,689,776
Net profit after tax under IFRS	**328,680,513**	**358,302,288**

(42) Reconciliation of equity under IFRS and Romanian Accounting Standards

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Equity under Romanian Accounting Standards	**2,001,928,522**	**1,753,667,249**
Effect of hyperinflation on share capital – IAS 29, Financial Reporting in Hyperinflationary Economies	722,528,774	722,593,493
Effect of hyperinflation on reserves – IAS 29, Financial Reporting in Hyperinflationary Economies	19,064,495	19,064,495
Fair value adjustments of available-for-sale on reserve	(35,618,572)	(74,837,108)
Deferred tax effect recognised in equity	5,698,972	11,973,937
Accounting for investment in associates impact on retained earnings – IAS 28, Investments in Associates	(7,908,586)	363,161
All IFRS adjustments impact on retained earnings, including IAS 29, Financial Reporting in Hyperinflationary Economies hyperinflation	(627,746,882)	(761,538,831)
IFRS adjustments impact on net profit for the year	99,660,305	144,696,549
Equity under IFRS	**2,177,607,028**	**1,815,982,945**

(43) Subsequent events

No significant events or transactions occurred subsequent to the balance-sheet date to be reported in these financial statements.

Proforma Consolidated Financial Information

prepared based on the requirements of the IFRS

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Proforma consolidated statement of comprehensive income

for the year ended 31 December 2009

(RON)

	NOTE	31 DECEMBER 2009	31 DECEMBER 2008
Interest income		1,681,806,665	1,352,933,595
Interest expense		(1,400,664,601)	(1,073,352,376)
Interest related effect of swap transactions related to refinancing lines with Group companies		488,504,876	355,479,353
Net interest income	**3**	**769,646,940**	**635,060,572**
Fee and commission income		298,751,079	260,044,618
Fee and commission expense		(40,666,338)	(28,670,629)
Net fee and commission income	**4**	**258,084,741**	**231,373,989**
Dividends income		1,930,763	4,411,229
Net income on foreign exchange and on derivatives held for risk management		347,593,915	274,211,606
Net gains on financial assets available for sale		8,798,821	26,169,737
Net other operating result		(8,184,691)	34,409,274
Operating income		**1,377,870,489**	**1,205,636,407**
Personnel expenses	5	(304,231,787)	(293,342,701)
Depreciation and amortisation	6	(54,119,105)	(46,388,712)
Other administrative costs	7	(277,983,823)	(260,406,532)
Operating expenses		**(636,334,715)**	**(600,137,945)**
Net impairment loss on financial assets		(388,567,188)	(134,705,184)
Impairment on tangible and intangible assets		(20,845,917)	(4,291,684)
Net provision release/(charges)		33,240,902	(40,114,854)
Profit before taxation		**365,363,571**	**426,386,739**

The accompanying notes from pages 143 to 157 form an integral part of the proforma consolidated financial information.

(RON)

	NOTE	31 DECEMBER 2009	31 DECEMBER 2008
Income tax expense		(55,623,842)	(73,545,294)
Net profit for the year		**309,739,729**	**352,841,446**
Other comprehensive income			
Net change in reevaluation reserve for available-for-sale financial assets (net of deferred tax)		32,943,570	(53,779,303)
Other comprehesive income for the year, net of income tax		**32,943,570**	**(53,779,303)**
Total comprehensive income for the year		**342,683,299**	**299,062,143**
Profit attributable to:			
Equity holders of the Bank		327,163,599	357,591,029
Non-controlling interest		(17,423,870)	(4,749,583)
Total net profit		**309,739,729**	**352,841,446**
Total comprehensive income attributable to:			
Equity holders of the Bank		360,107,169	303,811,726
Non-controlling interest		(17,423,870)	(4,749,583)
Total comprehensive income		**342,683,299**	**299,062,143**

The proforma consolidated financial information was approved by the Management Board on 24 February 2010 and were signed on its behalf by:

Mr. Rasvan Radu
Chief Executive Officer

Mr. Stanislav Georgiev
Chief Financial Officer

The accompanying notes from pages 143 to 157 form an integral part of the proforma consolidated financial information.

Proforma consolidated statement of financial position

at 31 December 2009

Assets

(RON)

	NOTE	31 DECEMBER 2009	31 DECEMBER 2008
Cash and cash equivalents		4,502,133,231	3,541,411,268
Derivative assets held for risk management		142,782,255	66,810,021
Loans and advances to banks	8	1,047,317,006	813,425,349
Loans and advances to customers	9	14,280,844,342	14,609,355,000
Investment securities, available-for-sale		2,883,625,003	618,116,484
Equity investments, available for sale		2,785,790	2,785,794
Investments securities, held to maturity		8,867,304	8,323,355
Property and equipment		245,877,040	262,067,769
Intangible assets		75,950,035	45,841,383
Deferred tax assets		25,585,692	35,687,536
Non current assets classified as held for sale		465,483	1,003,578
Other assets		204,237,020	237,748,908
TOTAL ASSETS		**23,420,470,201**	**20,242,576,445**

Liabilities

(RON)

	NOTE	31 DECEMBER 2009	31 DECEMBER 2008
Derivative liabilities held for risk management		88,081,376	191,620,248
Deposits from banks	10	2,151,361,590	1,399,474,832
Loans from banks and other financial institutions	11	8,450,504,079	7,719,587,461
Deposits from customers	12	9,660,312,655	8,248,193,760
Subordinated liabilities		493,789,329	482,530,360
Provisions	13	90,150,747	130,024,235
Current tax liabilities		8,215,646	7,390,300
Deferred tax liabilities		47,738,169	27,813,039
Other liabilities		218,341,639	208,044,374
TOTAL LIABILITIES		**21,208,495,230**	**18,414,678,609**

The accompanying notes from pages 143 to 157 form an integral part of the proforma consolidated financial information.

Equity

(RON)

	NOTE	31 DECEMBER 2009	31 DECEMBER 2008
Share capital	14	1,101,604,066	1,101,604,066
Retained earnings		890,597,798	563,434,199
Reserve on available for sale financial assets		(29,919,601)	(62,863,171)
Other reserves		213,596,542	213,596,542
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		**2,175,878,805**	**1,815,771,636**
Non-controlling interest		36,096,166	12,126,200
TOTAL EQUITY		**2,211,974,971**	**1,827,897,836**
TOTAL LIABILITIES AND EQUITY		**23,420,470,201**	**20,242,576,445**

The proforma consolidated financial information was approved by the Management Board on 24 February 2010 and were signed on its behalf by:

Mr. Rasvan Radu
Chief Executive Officer

Mr. Stanislav Georgiev
Chief Financial Officer

The accompanying notes from pages 143 to 157 form an integral part of the proforma consolidated financial information.

Proforma consolidated statement

of changes shareholders' equity in for the year ended 31 December 2009

(RON)

	SHARE CAPITAL	RESERVE ON AVAILABLE FOR SALE FINANCIAL ASSETS	OTHER RESERVES	RETAINED EARNINGS*	TOTAL PARENT EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY
Balance at 31 December 2008	**1,101,604,066**	**(62,863,171)**	**213,596,542**	**563,434,199**	**1,815,771,636**	**12,126,200**	**1,827,897,836**
Total comprehensive income for the period							
Net profit for the year	–	–	–	327,163,599	327,163,599	(17,423,870)	**309,739,729**
Other comprehensive income, net of income tax							
Net change in available-for-sale financial assets, net of tax	–	32,943,570	–	–	32,943,570	–	**32,943,570**
Total comprehensive income for the period	**–**	**32,943,570**	**–**	**327,163,599**	**360,107,169**	**(17,423,870)**	**342,683,299**
Transactions with owners, recorded directly in equity							
Net increase in equity attributable to non-controlling interest	–	–	–	–	–	41,393,836	**41,393,836**
Balance at 31 December 2009	**1,101,604,066**	**(29,919,601)**	**213,596,542**	**890,597,798**	**2,175,878,805**	**36,096,166**	**2,211,974,971**

The accompanying notes from pages 143 to 157 form an integral part of the proforma consolidated financial information.

(RON)

	SHARE CAPITAL	RESERVE ON AVAILABLE FOR SALE FINANCIAL ASSETS	OTHER RESERVES	TREASURY SHARES RESERVES	RETAINED EARNINGS*	TOTAL PARENT EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY
Balance at 31 December 2007	**1,101,702,737**	**(9,083,868)**	**213,596,542**	**–**	**206,165,642**	**1,512,381,053**	**3,912,832**	**1,516,293,885**
Total comprehensive income for the period								
Net profit for the year	–	–	–	–	357,591,029	357,591,029	(4,749,583)	**352,841,446**
Other comprehensive income, net of income tax								
Net change in available-for-sale financial assets, net of tax	–	(53,779,303)	–	–	–	(53,779,303)	–	**(53,779,303)**
Total comprehensive income for the period	**–**	**(53,779,303)**	**–**	**–**	**357,591,029**	**303,811,726**	**(4,749,583)**	**299,062,143**
Transactions with owners, recorded directly in equity								
Redemption of treasury shares	–	–	–	(421,143)	–	(421,143)	–	**(421,143)**
Cancellation of treasury shares	(98,671)	–	–	421,143	(322,472)	–	–	**–**
Net increase in equity attributable to non-controlling interest	–	–	–	–	–	–	12,962,951	**12,962,951**
Balance at 31 December 2009	**1,101,604,066**	**(62,863,171)**	**213,596,542**	**–**	**563,434,199**	**1,815,771,636**	**12,126,200**	**1,827,897,836**

*) Retained earnings include merger premium based on statutory figures of the Bank of RON 378,351,545 as at 31 December 2009 and RON 386,550,633 as at 31 December 2008.

The accompanying notes from pages 143 to 157 form an integral part of the proforma consolidated financial information.

Proforma consolidated statement of cash flows

for the year ended 31 December 2009

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Operating activities		
Profit before taxation	**365,363,571**	**426,386,739**
Adjustments for non-cash items:		
Depreciation and amortisation and impairment on tangible and intangible assets	55,693,054	50,120,652
Net charge of provision for impairment on financial assets	395,378,587	144,187,172
Change in fair value of derivatives held for risk management	(182,316,656)	19,589,993
Other items for which the cash effects are investing or financing and non–cash items	(51,006,341)	135,860,486
Operating profit before changes in operating assets and liabilities	**583,112,215**	**776,145,041**
Change in operating assets:		
(Increase)/decrease in investment securities available-for-sale	(2,183,327,231)	103,926,206
Increase in loans and advances to banks	(506,255,455)	152,562.091
Increase in loans and advances to customers	(36,005,067)	(5,170,688,485)
(Increase)/decrease in other assets	18,596,241	(138,163,571)
Change in operating liabilities:		
Increase in deposits from banks	758,506,020	1,155,332,235
Increase in deposits from customers	1,388,693,166	1,685,549,656
Increase in other liabilities	20,486,198	12,730,620
Income tax paid	(32,559,023)	(78,312,215)
Cash flows generated from/(used in) operating activities	**11,247,062**	**(1,806,042,546)**
Investing activities		
Proceeds from sale of property and equipment	–	3,048,491
Acquisition of property and equipment	(69,318,199)	(127,453,441)
Acquisition in equity investments	–	(40,514,731)
Proceeds from sale of equity investments	4,237,715	14,447,462
Dividends received	1,930,763	4,411,229
Redemption of investment securities held-to-maturity	–	36,705,202
Cash flows used in investing activities	**(63,149,721)**	**(109,355,788)**

The accompanying notes from pages 143 to 157 form an integral part of the proforma consolidated financial information.

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Financing activities		
Redemption of own shares	–	421,143
Repayments of loans from financial institutions	(1,210,073,835)	1,684,389,354
Drawdowns from loans from financial institutions	1,943,881,005	4,040,006,111
Cash flows from financing activities	**733,807,170**	**2,355,195,614**
Net increase/(decrese) in cash and cash equivalents	681,904,511	439,797,281
Cash and cash equivalents at 1 January	**4,180,912,534**	**3,741,115,254**
Cash and cash equivalents at 31 December	**4,862,817,045**	**4,180,912,534**
Cash flow form operating activities include:	**2009**	**2008**
Interest received	1,740,142,223	1,366,707,413
Interest paid	1,200,091,532	733,095,684

The accompanying notes from pages 143 to 157 form an integral part of the proforma consolidated financial information.

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(1) Reporting entity

The UniCredit Tiriac Bank Group (the "Group") for the purpose of this proforma consolidated financial information consists of UniCredit Tiriac Bank S.A. (the "Bank"), UniCredit Leasing Corporation IFN S.A. ("UCLC") and UniCredit Consumer Financing IFN S.A. ("UCFIN").

UniCredit Tiriac Bank S.A. (the "Bank"), having its current registered office at 23-25 Ghetarilor Street, District 1, Bucharest, Romania, was established as a Romanian commercial bank on 1 June 2007 upon the merger by acquisition of the former UniCredit Romania S.A. (the absorbed bank) by Banca Comerciala HVB Tiriac S.A. (the absorbing bank) and is licensed by the National Bank of Romania to conduct banking activities.

The Bank provides retail and commercial banking services in Romanian Lei ("RON") and foreign currency. These include: accounts opening, domestic and international payments, foreign exchange transactions, working capital finance, medium and long term facilities, retail loans, bank guarantees, letter of credits and documentary collections.

UniCredit Tiriac Bank S.A. is controlled by UniCredit Bank Austria AG (former Bank Austria Creditanstalt AG incorporated in Austria) and the ultimate parent is UniCredit SpA (Italy).

UniCredit Leasing Corporation IFN S.A., having its current registered office at 25, Nicolae Caramfil Street, District 1, Bucharest, Romania, provides financial lease services to corporate and individual clients and is controlled by UniCredit Leasing S.p.A (Italy).

UniCredit Consumer Finance IFN S.A., having its current registered office at 2, Dr. Staicovici Street, District 5, Bucharest, Romania, provides consumer finance loans to individual clients and is controlled by UniCredit Family Financing Bank S.p.A. (Italy).

(2) Basis of preparation

The Bank holds a 20% investment in UniCredit Leasing Corporation IFN S.A. as at 31 December 2009 and 31 December 2008. UniCredit Tiriac Bank S.A. holds a 35% investment in UniCredit Consumer Financing IFN S.A. as at 31 December 2009 and 31 December 2008.

In order to provide an enhanced understanding of the financial position and performance of its operations for the Romanian market, the Group has prepared the proforma consolidated financial information, using the line-by-line consolidation of:

- the financial statements prepared by UniCredit Tiriac Bank S.A. as at 31 December 2009 and 31 December 2008 in accordance with the International Financial Reporting Standards ("IFRS").

- the group reporting package prepared by UniCredit Leasing Corporation IFN S.A. as at 31 December 2009 and 31 December 2008 in conformity with the International Financial Reporting Standards as endorsed by EU Legislation as illustrated in the UniCredit accounting policies and instructions.

- the group reporting package prepared by UniCredit Consumer Financing IFN S.A. as at 31 December 2009 and 31 December 2008 in conformity with the International Financial Reporting Standards as endorsed by EU Legislation as illustrated in the UniCredit accounting policies and instructions.

In its separate IFRS financial statements, UniCredit Tiriac Bank S.A. treated UCLC and UCFIN as associated entities using the equity method in accordance with IAS 28, Investments in associates.

Each company included in the proforma consolidation has prepared its financial information and has applied them consistently to all periods presented in accordance with accounting policies based on International Financial Reporting Standards.

3) Net interest income

(RON)

	2009	2008
Interest income		
Interest and similar income arising from:		
Current accounts and placements with banks	196,776,573	137,735,690
Treasury bills and bonds	155,202,231	39,737,368
Loans and advances to customers	1,286,213,688	1,155,514,169
Others (including derivatives)	43,614,173	19,946,368
Total interest income	**1,681,806,665**	**1,352,933,595**
Interest expense		
Interest expense and similar charges arising from:		
Deposits from banks	(22,946,871)	(62,236,527)
Loans from banks and other financial institutions	(709,193,786)	(744,423,222)
Treasury bills and bonds	(17,140,144)	(17,085,938)
Deposits from customers	(611,385,644)	(230,710,146)
Others (including derivatives)	(39,998,156)	(18,896,543)
Total interest expense	**(1,400,664,601)**	**(1,073,352,376)**
Interest related effect of Swap transactions regarding refinancing lines with Group Companies	488,504,876	355,479,353
Net interest income	**769,646,940**	**635,060,572**

The Bank's financing in RON from the parent company UniCredit Bank Austria AG is immediately swapped into EUR. The related interest effect of these swap transactions on the Bank's income statement is recognized in net interest income while the effect of exchange rate revaluation is recognised in net income on foreign exchange and on derivatives held for risk management.

(4) Net fees and commissions income

(RON)

	2009	2008
Fees and commissions income		
Payments transactions	138,325,763	152,101,030
Loan administration	32,187,092	22,555,840
Guarantees and letters of credit	17,786,436	17,104,992
Risk participation fee (refer to Note 41)	76,700,894	49,848,647
Other	33,750,894	18,434,109
Total fees and commission income	**298,751,079**	**260,044,618**
Fees and commissions expense		
Payments transactions	(7,720,271)	(6,922,684)
Other	(32,946,067)	(21,747,945)
Total fees and commissions expense	**(40,666,338)**	**(28,670,629)**
Net fees and commissions income	**258,084,741**	**231,373,989**

(5) Personnel expenses

(RON)

	2009	2008
Wages and salaries	233,040,952	224,061,885
Social security charges	64,777,392	58,804,334
Equity settled share-based payments	887,195	669,232
Other costs	5,526,248	9,807,250
Total	**304,231,787**	**293,342,701**

The number of employees of the Group at 31 December 2009 was 3.212 (31 December 2008: 3.511).

(6) Depreciation and amortisation

(RON)

	2009	2008
Depreciation on property and equipment	38,792,221	33,787,327
Amortisation on intangible assets	15,326,884	12,601,385
Total	**54,119,105**	**46,388,712**

(7) Other administrative costs

(RON)

	2009	2008
Office space expenses (rental, maintenance, other)	106,965,749	103,433,369
Other	34,216,905	29,731,303
IT services	29,690,296	26,133,582
Consultancy, legal and other professional services	25,796,661	26,502,487
Communication expenses	25,707,358	14,935,372
Advertising and promotional expenses	24,199,358	21,612,127
Other taxes and duties	14,170,779	7,618,018
Materials and consumables	11,403,057	17,148,965
Personnel training & recruiting	3,478,978	9,821,901
Insurance expenses	2,354,682	3,469,408
Total	**277,983,823**	**260,406,532**

(8) Loans and advances to banks

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Current accounts with other banks	74,731,363	36,015,789
Sight deposits with other banks	272,631,761	69,440,237
Term deposits with other banks	684,579,535	679,365,372
Loans to banks	12,798,242	23,574,645
Other advances to banks	2,576,105	5,029,306
Total	**1,047,317,006**	**813,425,349**

Current accounts, sight and term deposits with banks are at immediate disposal of the Group and are not pledged as at 31 December 2009 and 31 December 2008.

(9) Loans and advances to customers

The Group's commercial lending is concentrated on companies and individuals domiciled in Romania mainly. The breakdown of loan portfolio at statement of financial position date by type of loan was as follows:

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Revolving credit lines	2,991,023,400	3,558,001,452
Mortgages	3,301,911,662	2,922,155,814
Credit cards and personal loans	1,536,228,179	1,547,296,845
Factoring	539,630,130	80,025,702
Corporate loans	2,844,518,941	3,939,871,856
Impaired assets*	1,180,796,761	247,236,770
Financial leases	2,585,998,599	2,624,772,117
Loans and advances to customers before provisions	**14,980,107,672**	**14,919,360,556**
Less provision for impairment losses on loans	(699,263,330)	(310,005,556)
Net loans and advances to customers	**14,280,844,342**	**14,609,355,000**

*Impaired assets are defined are loans for which the Group determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan agreement(s).

The movements in loan allowances for impairment could be summarized as follows:

Specific allowances for impairment

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Balance at 1 January	144,429,532	84,057,398
Net impairment charge for the year	380,191,067	60,372,134
Foreign currency exchange effect	4,210,944	–
Balance at 31 December	**528,831,543**	**144,429,532**

Collective allowances for impairment

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Balance at 1 January	165,576,024	96,627,273
Net impairment charge / (release) for the year	(2,393,192)	68,948,751
Foreign exchange effect	7,248,954	–
Balance at 31 December	**170,431,786**	**165,576,024**
Total opening balance	310,005,556	180,684,671
Total closing balance	**699,263,330**	**310,005,556**

(10) Deposits from banks

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Sight deposits	1,212,053,704	426,204,186
Term deposits	939,307,886	973,270,646
Total	**2,151,361,590**	**1,399,474,832**

(11) Loans from banks and other financial institutions

The caption Loans from banks and other financial institutions comprises the following:

(i) for the loans borrowed by the Bank:

a) *UniCredit Bank Austria AG:* loans facilities in amount of EUR 1,445,294, USD 11,363,636, RON 3,460,668,000 representing 3,500,143,765 in RON equivalent (31 December 2008: RON 4,507,083,787).

b) *Kreditanstalt fur Wiederaufbau Germany:* loan facilities in amount of EUR 19,285,715 (representing 81,543,860 in RON equivalent), maturing on 16 June 2014 (31 December 2008: RON 100,521,974).

c) *E.B.R.D.:* loan facilities in amount of EUR 7,500,000 (representing 31,711,500 in RON equivalent), maturing on 19 May 2017 (31 December 2008: RON 34,095,197).

d) *BANQUE EUROPEENNE D'INVESTISSEMENT-BEI* loan facilities in amount of EUR 4,937,343 (20,876,076 in RON equivalent, maturing on 15 June 2016 (31 December 2008: RON 43,668,908).

e) A repurchase transaction with the National Bank of Romania in amount of RON 990,560,691 (31 December 2008: RON 0).

(ii) for the loans borrowed by the UCLC:

a) *UniCredit Bank Austria AG:* loans facilities amount of EUR 707,910,590 representing 2,993,187,557 in RON equivalent, out of which 90% maturing in 2013; USD 36,018,538 representing 105,754,029 RON equivalent, out of which USD 18,010,030 maturing in 2019 and USD 15,677,343 maturing in 2011, the rest of the loan facilities have the maturity in 2010 and 2014 (31 December 2008: loans facilities amount of EUR 784,290,015, representing 3,125,552,568 RON equivalent, out of which 90% maturing in 2013).

b) *European Investment Bank:* loan facilities amount of EUR 49,000,000, last repayment date November 2014. (207,181,800 in RON equivalent); (31 December 2008: EUR 49,000,000 representing 195,274,800 in RON equivalent).

c) *Central European Bank:* loan facilities amount of EUR 95,000,000 (representing 401,679,000 in RON equivalent), out of which EUR 50,000,000 maturing till 2017, and EUR 45,000,000 maturing till 2019. (31 December 2008: EUR 95,000,000 (representing 378,594,000 in RON equivalent).

(iii) for the loans borrowed by the UCFIN:

a) *UniCredit S.p.A:* Credit line - total utilized amount RON 95,560,458 maturing in December 2014 (31 December 2008: 0).

Loans from banks and other financial institutions in balance as at 31 December 2009, having their final maturities between February 2010 and 2019, were bearing interest rates which ranged between 0.82% and 7.47% p.a. for EURO denominated loans, between 1.37% and 3.71% p.a for USD denominated loans and 9.66% and 16.49% for RON denominated loans; the maximal percentage originated with the loan received from UniCredit Bank Austria AG in RON (31 December 2008: the interest rates ranged between 3.07% and 6.44% for EUR denominated loans, 3.88% and 5.63% for EUR denominated loans, 8.04% and 15.96% p.a. for RON denominated loans and the final maturities ranged between March 2009 and May 2017).

As at 31 December 2009, the accrued interest related to the loans from banks and financial institutions amounts to EUR 212,615, USD 27,244 and RON 21,326,377 (22,305,349 in RON equivalent).

(12) Deposits from customers

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Payable on demand	4,383,043,515	4,321,287,806
Term deposits	4,790,929,515	3,498,333,188
Certificates of deposits	20,771	47,419
Collateral deposits	358,342,221	342,339,288
Amounts in transit	127,976,633	86,186,059
Total	**9,660,312,655**	**8,248,193,760**

(13) Provisions

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Provision for off-balance commitments and contingencies	14,530,683	13,916,629
Provision for financial guarantees	62,148,550	92,596,740
Provision for litigations	9,316,321	12,619,215
Other provisions	4,155,193	10,891,651
Total	**90,150,747**	**130,024,235**

The movements in provisions during the year could be summarised as follows:

(RON)

	2009	2008
Balance at 1 January	**130,024,235**	**101,909,381**
Provision charge for the year	34,066,037	40,114,854
Release for the year	(67,307,139)	(12,000,000)
FX effect related to off-balance commitments	(6,632,386)	–
Balance at 31 December	**90,150,747**	**130,024,235**

(14) Share capital

The issued capital consists of the share capital of the Bank. The statutory share capital of the Bank as at 31 December 2009 is represented by 40,760,784 ordinary shares (31 December 2009: 40,764,435 ordinary shares) having a face value of RON 9.30 each. After the merger which took place on 31st of May 2007, the shareholders of the Bank are as follows:

	31 DECEMBER 2009 %	31 DECEMBER 2008 %
UniCredit Bank Austria AG	50.55884	50.55884
Redrum International Investments B.V	24.83104	24.83104
Vesanio Trading Ltd	20.22869	20.22869
Bank Austria – CEE BeteiligungsgmbH	0.01329	0.01329
Arno Grundstucksverwaltungs Gesellschaft m.b.H	0.01329	0.01329
Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH	0.01329	0.01329
Bank Austria Creditanstalt Leasing GmbH	0.01329	0.01329
Other shareholders with holdings below 1%	4.32826	4.32826
Total	**100.00**	**100.00**

The reconciliation of share capital under IFRS and Romanian Accounting Standards is presented below:

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Statutory share capital	379,075,291	379,075,291
Effect of hyperinflation – IAS 29	722,528,775	722,528,775
Restated share capital	**1,101,604,066**	**1,101,604,066**

(15) Related party transactions

The Group entered into a number of banking transactions with UniCredit Italiano S.p.A and with members of the UniCredit Group (UniCredit Bank Austria AG, HVB Bank, UniCredit Leasing S.A., Istraturist UMAG, Unicredit Produzioni Accentrate, Bulbank A.D., UniCredito Italiano Ireland, Bank Pekao, Kocbank, Yapi Kredi Bankas ASi) in the normal course of business. These transactions were carried out on commercial terms and conditions and at market rate.

The following transactions were carried out with UniCredit Italiano S.p.A, UniCredit Bank Austria AG and its subsidiaries:

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Derivative assets held for risk management	54,030,962	4,621,344
Current accounts and deposits to banks	286,256,665	48,938,922
Loans to customers	21,395,550	26,326,432
Other assets*	52,588,976	27,975,687
Outstanding receivables	**414,272,153**	**107,862,385**
Derivative liabilities held for risk management	57,934,123	127,792,830
Current accounts	73,645,807	47,370,916
Deposits attracted	1,178,054,935	1,004,396,931
Loans received	7,080,971,156	7,620,910,731
Subordinated liabilities	493,789,329	394,799,392
Other liabilities	16,524,930	1,913,796
Outstanding payables	**8,900,920,280**	**9,197,184,596**

*) In "Other assets" there are included mainly the amounts related to intangible software in respect of the development of internal IT core applications, participations in associates.
**) "In Other Liabilities" there are included mainly other creditors, liabilities derived from the employee shares option plan in accordance with IFRS 2 Share based payments.

(RON)

	31 DECEMBER 2009	31 DECEMBER 2008
Interest income	21,314,297	11,487,707
Interest income and similar revenues on derivative instruments	4,359,703	12,623,277
Interest expense	(740,983,842)	(757,164,076)
Interest expense and similar charges on derivative instruments	(20,096,457)	(7,922,602)
Commission income	65,243,861	44,368,722
Fee and commission expense	(2,019,126)	(1,423,177)
Management fees	(5,486,686)	(6,628,606)
Other operating income	8,289,244	17,193,658
Net expense	**(669,379,006)**	**(687,465,097)**

Radoslav Bardún,
Medirex
Corporate Banking Client - Slovakia

«In our business, we count on the synergies that come from our financial partnership and friendship with UniCredit Bank. We are always forward looking and have plenty of ideas for further development and growth. With UniCredit Bank, we can find new solutions and then put our ideas into practice.»

It's easy with UniCredit.

Corporate Governance

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Corporate Governance

Divisionalization Model

UniCredit Tiriac Bank successfully pilots the new Divisionalization Program for the CEE countries

In 2009, UniCredit Tiriac Bank was part of the pilot project for the implementation of a new corporate governance model - the **divisionalisation program** for **UniCredit Group banks in the CEE.**

At Group level, the program started in 2008, with the goal of redesigning the overall Group organization and thus reaching a series of strategic objectives, while paying attention to recent market changes: enhance customer orientation for functions supporting the business (Competence Lines, Product Factories etc.); ensure faster/leaner governance across Legal Entities; achieve a unified vision on CEE countries related to overall Revenues, Costs and Risks.

The completion of the Romanian pilot was to be followed through with the rollout of the new Corporate Governance Model in the other 5 Divisionalised CEE banks: Bulgaria, Croatia, Czech Republic, Hungary and Russia.

The **key objectives** behind the **Divisionalization project** developed by UniCredit Tiriac Bank were:

- **to increase customer centricity**, by enhancing the "Culture" of the service to the Client and designing an organizational framework that enables a faster response to the client needs;
- **to streamline the organizational structure, the processes** and the **governance,** thus increasing bank flexibility and improving its speed to adapt to market changes; the new corporate governance model was also aiming to shorten the chain of command from the Group CEO to the Clients;
- **to keep** and, further more, to **increase pivotal role of the CEO**, by maintaining his or her strong involvement in business management and coordination of the Divisions' Heads, giving him/her joint responsibility for Country P&L and ensuring strong coordination among Banks' CLs/BDs and Country LEs in exploiting business opportunities.

The pilot was sponsored by **Mr. Federico Ghizzoni, Head of CEE Banking Operations,** and consisted of six stages. As part of the pilot, **Governance Mechanisms** were defined and the **new organizational model** was designed. **Sizing** of departments, delegation of **full accountability** to each Strategic Business Area and Competence Line and **implementation of KPIs followed**. Finally, the last stage consisted in producing an implementation **bluebook** for all other countries that were to roll the project out.

Romania was able to implement the new Divisionalization model without any need for major adjustments. From April to October, the Romanian organization was measured and reshaped according to the new corporate governance program, and final tweakings were completed by the end of the year, according to the calendar set at the Group Level.

The key areas impacted were Retail and CIP&PB business divisions, both at the level of Head Office and at the level of Network, and the GBS division.

New organizational charts were drafted and implemented for Corporate, Investment Banking & Private Banking, Retail, CFO and GBS Divisions and for the Identity & Communication department.

Within business divisions, the new organizational setup has simplified the decision process and reorganized product factories and Key Business Functions, in order to achieve flexibility and speed in adapting to market changes. Decisional layers were eliminated, thus reducing time to answer to customer needs and specific units were created to meet the new market challenges.

Also, Retail and Corporate networks have been reorganized and a new service model has been adopted in the case of different types of customers: Mass, Affluent, Private Banking, Business Customers and Corporate. The new organizational structure contributes to a more direct communication with the customers and to important improvements in efficiency for 2009 and 2010.

Within the GBS division, the new organizational structure mirrors the Group's main areas: IC & T, Operations, Organization and Logistics, setting the scene for future back-office efficiency improvements.

The new model allowed for a streamlined organization and for a homogeneous structure in all country organizations of the Group, as well as in the regional management structures. Similar structures throughout the Group allowed for better and faster communication and decision making and contributed to the empowerment of business leaders towards a better customer and market approach, an essential objective particularly under the current international financial circumstances.

Corporate Governance

General Shareholders' Meeting

The General Shareholders' Meeting represents the supreme statutory body of the company, expressing the will of the shareholders.

Within the general framework of the General Shareholders' Meeting's main attributions, the shareholders discuss, approve or amend the annual financial statements, determine the dividend, approve the income and expenses budget. The General Shareholders' Meeting also passes resolutions on the appointment and revocation of the members of the Supervisory Board and expresses opinion on the activity of the Management Board.

Elaborated as a response to the increasing need of transparency and responsibility of the management, aimed at a better protection of the shareholders' interests and at enhancing their confidence in the company's management, the two-tier management system is mainly defined through the separation of the two functions: a) the control function, fulfilled by the Supervisory Board; and b) the management function, fulfilled by the Management Board.

Supervisory Board

The Supervisory Board controls and supervises the management of the company, being involved in the business decisions, within the limits of the law and the constitutive act. As main functions, the Supervisory Board exercises the permanent control over the management performed by the Management Board, checks the conformity of the management operations of the company with the law, the constitutive act and the decisions of the General Shareholders' Meeting, reports at least once a year to the General Shareholders' Meeting with respect to the activity of supervision carried out.

In its duties, the Supervisory Board is assisted by the Audit Committee, which is responsible for the evaluation of the effectiveness of Internal Control Systems, for the evaluation of the compliance with Bank's Code of Conduct/Business Ethics/Laws and Regulations, for examining the process of preparation of annual and interim financial statements etc. The Audit Committee reports at least semi-annually to the Supervisory Board.

According to the Bank's acts of association, the Supervisory Board is composed of a number of 7 up to 11 members, elected by the General Shareholders' Meeting, in view of a 3-year mandate, starting with the date of their appointment, with the possibility of being re-elected.

According to the legislation, the potential members of the UniCredit Tiriac Bank Supervisory Board are proposed by its existing members or by shareholders. In order to be validated, they have to meet the requirements detailed in the relevant legal provisions in force. The members of the Supervisory Board have to show good reputation and experience proper to the nature, expansion and complexity of the credit institution's activity and to the responsibilities to be trusted to them. They have to conduct their activity in accordance to the rules of a prudent and sound banking practice.

According to the Bank's acts of association, at least one member of the Supervisory Board must be independent. Criteria of independence are detailed in Law no. 31/1990 concerning commercial institutions, art. 138, ind. 2.

Management Board

The management of the company lies with the Management Board, which carries out all actions necessary to fulfill the corporate purpose of the company.
The Management Board exercises its attributions under the control of the Supervisory Board; to that end, at least every 3 months, the Management Board presents a written report to the Supervisory Board concerning the management of the company, its activity and its possible evolution.

Corporate Governance (Continued)

UniCredit Tiriac Bank Supervisory Board and Management Board

Supervisory Board*

	POSITION	STARTING DATE OF MANDATE
Corneliu Dan Pascariu	Chairman	April 17th, 2008
Friederike Kotz	Member	April 17th, 2008
Peter Koob [1)]	Member	April 17th, 2008
Florian Raimund Kubinschi [2)]	Member	April 17th, 2008
Carmine Ferraro	Member	April 17th, 2008
Robert Zadrazil [3)]	Member	April 17th, 2008
Carlo Vivaldi	Member	July 17th, 2008
Heinz Meidlinger	Member	September 17th, 2008
Federico Ghizzoni	Member	October 22nd, 2008
Alexandru Leonard Leca[4)]	Member	February 26th, 2009
Petru Ion Vaduva	Member	September 08th, 2008

*) As of December 31st 2009

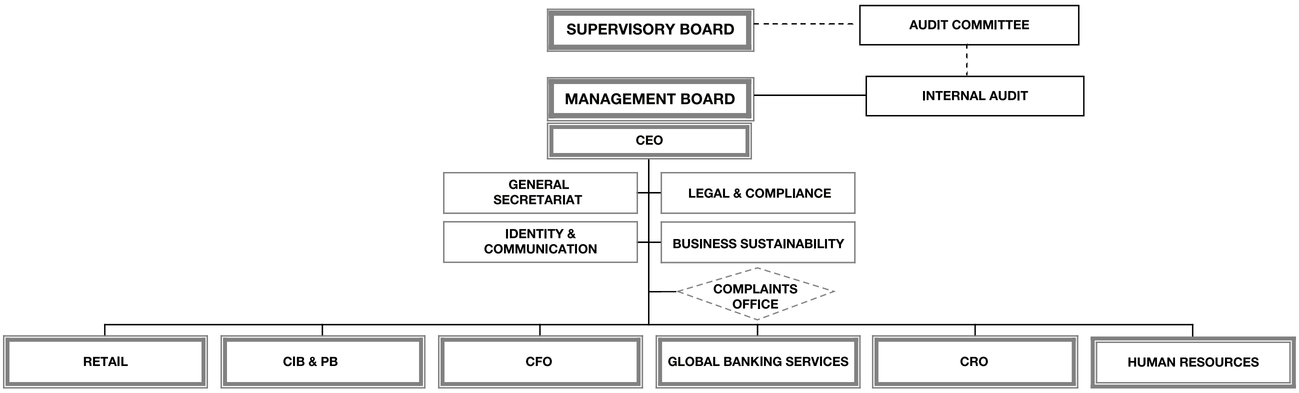
Management Board*

	POSITION	STARTING DATE OF MANDATE
Catalin Rasvan Radu	Chairman and CEO	April 17th, 2008
Darko Fijan[5)]	Member	June 3rd, 2008
Stanislav Goranov Georgiev	Member	April 17th, 2008
Zoltan Major	Member	April 17th, 2008
Melih Mengu	Member	April 17th, 2008
Daniela Rohan[6)]	Member	September 17th, 2008
Daniela Bodirca	Member	May 25th, 2009

*) As of December 31st 2009

1) Revoked by the General Shareholders' Meeting on April 22nd 2009
2) Until October 5th 2009, when he renounced his mandate
3) Until September 30th 2009, when he renounced his mandate
4) Temporary member starting with February 26th 2009, definitive member starting with September 17th 2009
5) Member of the Board until October 28th 2009
6) Member of the Management Board until October 1st 2009

Organisational Chart*



*) As of December 31st 2009

Jerzy Owsiak,
The Great Orchestra of Christmas
Charity Foundation
Corporate Banking Client - Poland

«When the climax of the Great Orchestra of Christmas Charity gets under way, some 120,000 volunteers take to the streets of cities, towns and villages. Their donation boxes fill up in an absolutely magical way. Everybody knows we raise money to buy life-saving medical equipment. Sometimes people wonder if their spare change can really help. But of course that is exactly how millions of Poles join to make this happen. But before we can put that spare change to use, it all has to be counted and deposited to our accounts. Sorting, counting, balancing and managing our accounts - by doing these things, Bank Pekao SA helps us immensely and makes our job that much easier.»

It's easy with UniCredit.

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Offices and network

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Sucursala „Aurel Vlaicu"
Calea Aurel Vlaicu, bl. U5
Arad, jud. Arad

Sucursala „Micalaca"
Str. Borsec, nr. 5, bl. 602, parter
Arad, jud. Arad

Sucursala „Arad"
Bd. Revolutiei, nr. 72
Arad, jud. Arad

Sucursala „Nicolae Balcescu"
Bd. Nicolae Balcescu, nr. 1
Bacau, jud. Bacau

Agentia Metro Bacau
Comuna Nicolae Balcescu, DN2
Bacau, jud. Bacau

Sucursala „Stefan cel Mare"
Bd.Marasesti, Nr.165, Parter, Bacau
Bacau, jud. Bacau

Agentia „George Bacovia"
Str. Mioritei, nr. 3, parter
Bacau, jud. Bacau

Sucursala „Bacau"
Str. Vasile Alecsandri, nr. 54 bis
Bacau, jud. Bacau

Sucursala „Baia Mare"
Bd. Bucuresti, nr. 3
Baia Mare, jud. Maramures

Agentia Metro Baia Mare
Bd. Independentei DN1C, km 155
Baia Mare, jud. Maramures

Sucursala „Sincai" Baia Mare
Str. Ghe Sincai, nr. 23/A
Baia Mare, jud. Maramures

Sucursala „Barlad"
Bd. Republicii, nr. 200
Barlad, jud. Vaslui

Sucursala „Odobescu" Bistrita
Str. M. Eminescu, nr. 2
Bistrita, jud. Bistrita Nasaud

Agentia „Viisoara"
Bd. Independentei, nr. 58, sc B
Bistrita, jud. Bistrita Nasaud

Sucursala „Botosani"
Calea Nationala, nr. 152
Botosani, jud. Botosani

Agentia „Primaverii"
Str. Primaverii, nr. 17
Botosani, jud. Botosani

Sucursala „Traian"
Piata Traian, nr. 18-22
Braila, jud. Braila

Sucursala „Braila"
Calea Calarasilor, nr. 15
Braila, jud. Braila

Agentia „Brailita"
Str. 1 Decembrie 1918, bl. P+10,
complex Laminorul, Braila, jud. Braila

Sucursala „Viziru" Braila
Calea Calarasilor, nr. 309, bl. B2 bis, parter
Braila, Jud. Braila

Sucursala „Michael Weiss" Brasov
Str. Michael Weiss, nr. 20
Brasov, jud. Brasov

Sucursala „Piata Sfatului" Brasov
Str. Muresenilor, nr. 2
Brasov, jud. Brasov

Agentia Metro Brasov 2
Str. Calea Bucurestilor, nr. 233
Brasov, jud. Brasov

Agentia Metro „Brasov"
Sos. Brasov-Sibiu St., Km 6, Ghimbav
Brasov, jud. Brasov

Sucursala „Racadau" Brasov
Bd. Muncii, nr. 4, bl. E19, sc. B
Brasov, jud. Brasov

Sucursala „Grivitei"
Bd. Grivitei, nr. 67
Brasov, jud. Brasov

Sucursala „Kronstadt"
Calea Bucuresti, nr.102
Brasov, jud. Brasov

Agentia „Tractorul"
Str. 1 Decembrie 1918, nr. 9, bl. 319, parter
Brasov, jud. Brasov

Sucursala „Toamnei" Brasov
Str. Harman, nr. 44, bl. 3, sc. D, parter
Brasov, jud. Brasov

Agentia „Bartolomeu" Brasov
Str. Gospodarilor, nr. 7, parter,
Brasov, jud. Brasov

Sucursala Brasov
Bd. Eroilor 27; Complex Aro Palace
Brasov, jud. Brasov

Sucursala „Domenii"
Bd. Ion Mihalache, nr. 70-82, bl. 45
sector 1, Bucuresti

Sucursala „Millenium"
Calea Victoriei, nr. 88, sector 1
Bucuresti

Sucursala „Lipscani"
Str. Lipscani, nr. 102, sector 3
Bucuresti

Sucursala „Nicolae Titulescu"
Bd. Nicolae Titulescu, nr. 1, sector 1
Bucuresti

Agentia Metro Militari
Bd. Iuliu Maniu, nr. 492, sector 6
Bucuresti

Agentia „Eroilor"
Str. Costache Negri, nr. 2, parter, sector 5
Bucuresti

Agentia „Crangasi"
Calea Cringasi, nr. 16, bl. 41
Bucuresti

Sucursala „Ghencea"
Bd. Ghencea, nr. 43 B, sector 6
Bucuresti

Sucursala „Stefan cel Mare"
Sos. Stefan Cel Mare, nr. 4, bl. 14, parter
sector 1, Bucuresti

Sucursala „Militari"
Bd. Iuliu Maniu, nr. 73, bl. C3, sector 6
Bucuresti

Sucursala „Orizont"
Bd. Drumul Taberei, nr. 18, sector 6
Bucuresti

Sucursala „Drumul Taberei"
Str. Drumul Taberei, nr. 82, bl. C16, sector 6
Bucuresti

Sucursala „Mosilor"
Calea Mosilor, nr. 264, sector 2
Bucuresti

Sucursala „Nerva"
Str. Nerva Traian, nr. 3, bl. M101, sector 3
Bucuresti

Sucursala „Carol"
Bd. Carol, nr. 65, bl. 2 bis, sector 2
Bucuresti

Sucursala „Panduri"
Calea 13 Septembrie, nr. 123, bl. 127
sector 5, Bucuresti

Agentia „Traian"
Str. Traian, nr. 248, sector 2
Bucuresti

Sucursala „Rosetti"
Str. C. A. Rosetti, nr. 36, sector 2
Bucuresti

Agentia Metro Voluntari
Sos. Afumati, DN, Voluntari
Bucuresti

Agentia „Prosper"
Sos. Mihai Bravu, nr. 459, sector 3
Bucuresti

Sucursala „Lizeanu"
Sos. Stefan Cel Mare, nr. 33, bl. 30, parter
sector 2, Bucuresti

Sucursala „Voluntari"
Str. Liliacului, nr. 2, parter
Voluntari, jud. Ilfov

Sucursala „Nicolae Grigorescu"
Str. Theodor Pallady, nr. 2, bl. M2A, parter
sector 2, Bucuresti

Agentia „Mihai Bravu"
Sos. Mihai Bravu, nr. 204, bl. S105
sector 3, Bucuresti

Agentia „Pantelimon"
Sos. Pantelimon, nr. 350, bl. 4
Bucuresti

Sucursala „Pipera"
Str. Frasari, nr. 1-3, Pipera
Voluntari, jud. Ilfov

Sucursala „Dorobanti"
Str. Av Radu Beller, nr. 3-7, sector 1
Bucuresti

Sucursala „Herastrau"
Str. Ghetarilor, nr. 23-25, sector 1
Bucuresti

Offices and network (Continued)

Sucursala „Magheru”
Bd. Magheru, nr. 24, sector 1
Bucuresti

Sucursala „Charles de Gaulle”
Piata Charles de Gaulle, nr. 15, sector 1
Bucuresti

Agentia Metro Baneasa
Sos. Bucuresti-Ploiesti, nr. 44D, sector 1
Bucuresti

Agentia „Perla”
Calea Dorobanti, nr. 102-110, bl. 2, sector 1
Bucuresti

Sucursala „Chitila”
Sos. Banatului, nr. 14, sector 1
Bucuresti

Sucursala „Doamna Ghica”
str. D-na Ghica, nr.6, bl.3
Bucuresti

Sucursala „Aviatiei”
Sos. Pipera, nr. 35, bl. 5B, parter, sector 1
Bucuresti

Sucursala „Alba Iulia”
Bd. Unirii, nr. 80, bl. J1, tronson 1, sector 3
Bucuresti

Sucursala „13 Septembrie”
Calea 13 Septembrie, nr. 106, bl. 50, parter,
sector 5, Bucuresti

Sucursala „Unirea”
Piata Unirii, nr. 1, tronson A+B, Unirea shop,
sector 3, Bucuresti

Agentia „Norilor”
Str. C-tin Radulescu Motru, nr. 13, sector 4
Bucuresti

Sucursala „Izvor”
Bd. Libertatii, nr. 20, bl. 3, tronson I-II
sector 5, Bucuresti

Agentia Metro Berceni
Bd. Metalurgiei, nr. 130 A, sector 4
Bucuresti

Agentia „Aparatorii Patriei”
Sos. Berceni, nr. 41, bl. 108, parter, sector 4
Bucuresti

Agentia „Piata Libertatii”
Bd. Marasesti, nr. 2B, ap. B1, parter,
tronson B, sector 4, Bucuresti

Sucursala „Brancoveanu”
Bd. Brancoveanu, nr. 12, sector 4
Bucuresti

Sucursala „Oltenitei”
Sos. Oltenitei, nr. 252-254
Bucuresti

Sucursala „Stavropoleos”
Calea Victoriei, nr. 12 C, bl. A, sector 3
Bucuresti

Sucursala „Berceni”
Bd. Alexandru Obregia, nr. 35, bl. 35
sector 4, Bucuresti

Sucursala „Decebal”
Bd. Decebal, nr. 16, bl. S5, parter, sector 3
Bucuresti

Sucursala „Grigore Mora”
Str. Grigore Mora, nr. 37, sector 1
Bucuresti

Sucursala „Mihalache”
Bd. Ion Mihalache nr. 45, bl. 16B+C, sc. D,
sector 1, Bucuresti

Sucursala „Marasesti”
Splaiul Unirii, nr. 16, sector 4
Bucuresti

Panduri
Calea 13 Septembrie 123, bl. 127, sector 5
Bucuresti

Rosetti
Str. C. A. Rosetti, nr. 36, sector 2
Bucuresti

Sucursala „Buzau”
Str. Nicolae Balcescu, nr. 18
Buzau, jud. Buzau

Sucursala „Obor” Buzau
Str. Obor, nr. 3-5
Buzau, jud. Buzau

Agentia „Calafat”
Str. Ioan Alexandru Cuza, nr. 16
Calafat, jud. Dolj

Sucursala „Calarasi”
Str. Prelungirea Bucuresti, nr. 6, bl. N1
Calarasi, jud. Calarasi

Sucursala „Campina”
Str. Carol I. nr. 4-6
Campina. jud. Prahova

Sucursala „Caracal”
Calea Bucuresti, nr. 22, bl. A1a
Caracal, jud. Olt

Sucursala. „Caransebes”
Str. Traian Doda, nr. 1
Caransebes, jud. Caras Severin

Sucursala „Carei”
Calea Mihai Viteazul, nr. 27
Carei, jud. Satu Mare

Sucursala Cluj Napoca
Str. Constantin Brancusi, nr. 2
Cluj Napoca, jud. Cluj

Sucursala „Matei Corvin” Cluj Napoca
Piata Unirii, nr. 10
Cluj Napoca, jud. Cluj

Agentia Metro Cluj Napoca
Str. Avram Iancu, nr. 488-490
Cluj Napoca, jud. Cluj

Sucursala „Marasti” Cluj Napoca
Str. Aurel Vlaicu, nr. 3, bl. R2, ap. 292 a,
parter, Cluj Napoca, jud. Cluj

Sucursala „Manastur” Cluj Napoca
Str. Bucegi, nr. 13-15, ap. 4A
Cluj Napoca, jud. Cluj

Cluj
Str. Constantin Brancusi, nr. 2
Cluj Napoca, jud. Cluj

Sucursala „Ovidius" Constanta
Str. Stefan cel Mare, nr. 32-34
Constanta, jud. Constanta

Sucursala „Constanta"
Bd. Mamaia, nr. 243-245
Constanta, jud. Constanta

Sucursala „Dacia" Constanta
Bd. Alexandru Lapusneanul, nr. 115, bl. AL3
Constanta, jud. Constanta

Sucursala „Tomis" Constanta
Bd. Tomis, nr. 132
Constanta, jud. Constanta

Agentia Metro Constanta 2
Sos. Mangaliei, nr. 211
Constanta, jud. Constanta

Agentia Metro Constanta
Str. Aurel Vlaicu, nr. 144
Constanta, jud. Constanta

Sucursala „I.C. Bratianu" Constanta
Bd. I. C. Bratianu, nr. 96
Constanta, jud. Constanta

Sucursala „Alexandru Lapusneanu"
Bd. Alexandru Lapusneanu, nr. 82, bl. LE 32
Constanta, jud. Constanta

Sucursala „Tomis Nord"
Str. Suceava, nr. 2, 2D
Constanta, jud. Constanta

Sucursala „Casa de Cultura"
Str. I. L. Caragiale, nr. 5, bl. L1, sc. 15B
Constanta, jud. Constanta

Sucursala „Piata Farului"
Str. Caraiman, nr. 1-4, parter
Constanta, jud. Constanta

Sucursala „Dolj"
Bd. Unirii, nr. 4
Craiova, jud. Dolj

Sucursala „Calea Bucuresti" Craiova
Calea Bucuresti, nr. 22, bl. M18 A
Craiova, jud. Dolj

Sucursala „Oltenia" Craiova
Str. Madona Dudu, nr. 3, bl. 1-3-5
Craiova, jud. Dolj

Agentia Metro Craiova
Calea Bucuresti, km 7,5
Craiova, jud. Dolj

Sucursala „Sarari" Craiova
Cartier Valea Rosie (Siloz-Obor), bl. P2-3,
sc. 1, Craiova, jud. Dolj

Sucursala „Cetatea Baniei" Craiova
Calea Bucuresti, bl. N2-N3
Craiova, jud. Dolj

Sucursala „Craiovita" Craiova
Str. Oltenia, bl. 3
Craiova, jud. Dolj

Agentia „Rovine" Craiova
Str. Petre Ispirescu, nr. 17
Craiova, jud. Dolj

Sucursala „Piata Garii" Craiova
Piata Garii, nr. 6, bl. 3-4, parter,
Craiova, jud. Dolj

Sucursala „Curtea de Arges"
Bd. Basarabilor, bl. F11A
Curtea de Arges, jud. Arges

Sucursala Deva
Bd. Decebal, bl. F, scarile A-B, parter
Deva, jud. Hunedoara

Agentia „Sarmis"
Str. 1 Decembrie, bl. C, sc. 1
Deva, jud. Hunedoara

Agentia „Metro Deva" Deva
Calea Zarandului, nr. 87
Deva, jud. Hunedoara

Sucursala „Drobeta Tr. Severin"
Str. Unirii, nr. 82, bl. C1, sc. 3
Drobeta Tr-Severin, jud. Mehedinti

Sucursala „Vrancea"
Str. Republicii, nr. 92
Focsani, jud. Vrancea

Sucursala „Focsani"
Bd. Garii. nr. 11
Focsani, jud. Vrancea

Sucursala „Brates" Galati
Bd. George Cosbuc, nr. 1
Galati, jud. Galati

Agentia Metro Galati
DN 26, km 5, Localitatea Vanatori
Galati, jud. Galati

Sucursala „Siderurgistilor" Galati
Bd. Siderurgistilor, nr. 1, bl. SD5B, sc. 3,
ap. 78, Galati, jud. Galati

Sucursala „Dunarea" Galati
Str. Tecuci, bl. V5
Galati, jud. Galati

Sucursala „Micro 19" Galati
Str. Ada Marinescu, bl. E5,
Galati, jud. Galati

Galati
Calea Domneasca, nr. 29
Galati, jud. Galati

Sucursala Ghimbav
Str. Lunga, nr. 3, parter
Ghimbav, jud. Brasov

Sucursala „Giurgiu"
Piata Unirii, bl. T120,
Giurgiu, jud. Giurgiu

Sucursala Hunedoara
Str. George Enescu, nr. 9
Hunedoara, jud. Hunedoara

Sucursala „Stefan cel Mare" Iasi
Bd. Independentei, nr. 26, bl. Y3-Y4
Iasi, jud. Iasi

Sucursala „Alexandru Ioan Cuza" Iasi
Str. Anastasie Panu, nr. 31
Iasi, jud. Iasi

Agentia Metro Iasi
DN 28, Localitatea Miroslava,
Iasi, jud. Iasi

Offices and network (Continued)

Sucursala „Pacurari" Iasi
Str. Pacurari, nr. 129-131, bl. 601
Iasi, jud. Iasi

Sucursala „Alexandru cel Bun" Iasi
Str. Alexandru cel Bun, nr. 19
Iasi, jud. Iasi

Sucursala „Pod Ros" Iasi
Bd. Socola, nr. 2, bl. F, sc. E
Iasi, jud. Iasi

Sucursala „Iasi"
Str. Anastasie Panu, nr. 23
Iasi, jud. Iasi

Agentia „Tatarasi" Iasi
Str. Ion Creanga, nr. 7, bl. K2, parter
Iasi, jud. Iasi

Sucursala „Pascani"
Str. Stefan Cel Mare, bl. V8, parter
Pascani, jud. Iasi

Sucursala Lugoj
Str. 20 Decembrie 1989, nr. 33
Lugoj, jud. Timis

Sucursala „Mangalia"
Sos. Constantei, nr. 30, bl. H1a
Mangalia, jud. Constanta

Medgidia
Bd. Republicii, bl. G3, parter,
Medgidia, jud. Constanta

Sucursala Medias
Str. I. C. Bratianu, nr. 3
Medias, jud. Sibiu

Sucursala „Miercurea Ciuc"
Bd. Timisoarei, nr. 25
Miercurea Ciuc, jud. Harghita

Sucursala „Mioveni"
Bd. Dacia, bl. P8, parter
Mioveni, jud. Arges

Sucursala „Motru"
Str. Trandafirilor, nr. 3
Motru, jud. Gorj

Sucursala „Navodari"
Str. Tineretului, nr. 22
Navodari, jud. Constanta

Sucursala „Od. Secuiesc"
Str. Rakoczi, nr. 11
Odorheiu Secuiesc, jud. Harghita

Agentia Metro Oradea
Str. Calea Clujului, nr. 231
Oradea, jud. Bihor

Sucursala „Oradea"
Str. Gen. MAgentiaheru, nr. 2
Oradea, jud. Bihor

Sucursala „Mihai Viteazu" Oradea
Str. Piata Unirii, nr. 2-4
Oradea, jud. Bihor

Agentia „Nufarul" Oradea
Str. Nufarului, nr. 44, parter
Oradea, jud. Bihor

Sucursala Ulpianum
Bd. Dacia, nr. 54, bl. U4, parter
Oradea, jud. Bihor

Sucursala „Petrosani"
Str. 1 Decembrie 1918, bl. 99, parter
Petrosani, jud. Hunedoara

Sucursala „Piatra Neamt"
Bd. Traian, bl. S1, parter
Piatra Neamt, jud. Neamt

Agentia „Pitricica" Piatra Neamt
Bd. Decebal, nr. 71, bl. E2, parter,
Piatra Neamt, jud. Neamt

Agentia Metro Pitesti
DN 65, km 107, Comuna Bradu,
Pitesti, jud. Arges

Sucursala „Arges" Pitesti
Str. I. C. Bratianu, nr. 26
Pitesti, jud. Arges

Sucursala „Pitesti"
Str. Fratii Golesti, nr. 21-23
Pitesti, jud. Arges

Sucursala „Fortuna" Pitesti
Str. Exercitiului, bl. 17 D,
Pitesti, jud. Arges

Sucursala „Prundu"
Bd. Petrochimistilor, bl. 31
Pitesti, jud. Arges

Agentia „Gavana" Pitesti
Bd.1 Decembrie 1918, bl. M4, parter
Pitesti, jud. Arges

Agentia Metro Ploiesti
Sos. Bucuresti-Ploiesti, DN 1, km 6
Ploiesti, jud. Prahova

Sucursala „Emille Zola" Ploiesti
Str. Emille Zolla, nr. 8
Ploiesti, jud. Prahova

Sucursala „Nichita Stanescu" Ploiesti
Str. Unirii, nr. 6
Ploiesti, jud. Prahova

Sucursala „Aurora"Ploiesti
Str. Baraolt, nr. 3 A, sc. D
Ploiesti, jud. Prahova

Agentia „Hipodrom" Ploiesti
Bd. Bucuresti, nr. 35, bl.12, sc. B, parter
Ploiesti, jud. Prahova

Agentia „Ploiesti Nord"
Str. Nordului, nr. 1, Complex Mare Nord,
parter, Ploiesti, jud. Prahova

Agentia „Mihai Viteazu" Ploiesti
Str. Sinaii, bl.10, sc. D, parter,
Ploiesti, jud. Prahova

Sucursala „Malu Rosu" Ploiesti
Str. Malu Rosu, nr. 101-103, bl. 117, sc. A-B
Ploiesti, jud. Prahova

Sucursala „Ploiesti"
Piata Victoriei, nr. 3- 5
Ploiesti, jud. Prahova

Sucursala „Predeal"
Bd. M. Saulescu, nr. 62, parter
Predeal, jud. Brasov

Sucursala „Radauti"
Str. Piata Unirii, nr. 67
Radauti, jud. Sucursalaeava

Sucursala „Rm. Valcea"
Str. General Praporgescu, nr. 17
Ramnicu-Valcea, jud. Valcea

Sucursala „Valcea Nord"
Str. Calea Lui Traian, bl.13, parter
Ramnicu-Valcea, jud. Valcea

Sucursala „Ostroveni"
Bd. Tineretului, nr. 6-8, parter
Ramnicu-Valcea, jud. Valcea

Agentia „Cozia"
Str. Stirbei Voda, bl. L, parter,
Ramnicu-Valcea, jud. Valcea

Sucursala „Reghin"
Str. Mihai Viteazul, nr. 9-11
Reghin, jud. Mures

Sucursala „Resita"
Str. I. L. Caragiale, nr. 19, parter
Resita, jud. Caras Severin

Sucursala „Roman"
Str. Rahovei, bl. 3
Roman, jud. Neamt

Sucursala „Rosiori de Vede"
Str. Oltului, nr. 1, parter
Rosiori de Vede, jud. Teleorman

Sucursala „Somes" Satu Mare
Str. Piata Romana, bl. D8
Satu-Mare, jud. Satu Mare

Agentia „Lotus" Satu Mare
Drumul Careiului, nr. 22, bl. CM 1, parter
Satu-Mare, jud. Satu Mare

Sucursala „Sebes"
Piata Primariei, nr. 6, parter
Sebes, jud. Alba

Sucursala „Sfantu Gheorghe"
Str. Grof Miko Imre, nr. 6
Sf. Gheorghe, jud. Covasna

Agentia Metro Sibiu
Sos. Alba Iulia, nr. 79 A,
Sibiu, jud. Sibiu

Sucursala „Continental" Sibiu
Calea Dumbravii, nr. 24
Sibiu, jud. Sibiu

Sucursala „Hermanstadt" Sibiu
Bd. Emil Cioran, nr. 2
Sibiu, jud. Sibiu

Sucursala „Brukental" Sibiu
Str. N. Balcescu, nr. 25
Sibiu, jud. Sibiu

Agentia „Cibin" Sibiu
Str. Lunga, nr. 16, bl. 11
Sibiu, jud. Sibiu

Sucursala „Sibiu"
Str. Emil Cioran, nr. 2
Sibiu, jud. Sibiu

Sucursala „Sighetu Marmatiei"
Piata 1 Decembrie 1918, bl. L4
Sighetu Marmatie, jud. Maramures

Sucursala „Sighisoara"
Piata Herman Oberth, nr. 30
Sighisoara, jud. Mures

Sucursala „Slatina"
Str. Primaverii, nr. 6A
Slatina, jud. Olt

Sucursala „Slobozia"
Bd. Matei Basarab, bl. A1
Slobozia, jud. Ialomita

Agentia Metro Suceava
Bd. Decembrie 1918, nr. 5
Suceava, jud. Suceava

Sucursala „Suceava"
Bd. George Enescu, nr.40, bl. 93A
Tronson 1, parter, Suceava, jud. Suceava

Sucursala"Curtea Domneasca"
Str. Stefan cel Mare, nr. 17, bl. 32, sc. A+B
Suceava, jud. Suceava

Sucursala „Targoviste"
Bd. Libertatii, nr. 106, bl. D1, parter
Targoviste, jud. Dambovita

Sucursala „Caraiman"
Bd. Independentei, nr. 15
Targoviste, jud. Dambovita

Sucursala „Targu Jiu"
Str. Victoria, bl. 52, parter
Targu Jiu, jud. Gorj

Sucursala „Jiul" - Tg. Jiu
Str Victoriei, bl. 223, parter
Targu Jiu, jud. Gorj

Agentia Metro Targu Mures
Str Gheorghe Doja, nr. 233
Targu Mures, jud. Mures

Sucursala „Calarasilor" Targu Mures
Str Arany Ianos, nr. 2
Targu Mures, jud. Mures

Sucursala „Tg. Mures"
Piata Trandafirilor, nr. 44
Targu Mures, jud. Mures

Sucursala „Opal" Tg Mures
Str. 1 Decembrie 1918, nr. 255, parter
Targu Mures, jud. Mures

Agentia „Dambu" Tg Mures
Bd.1848, nr. 36, parter
Targu Mures, jud. Mures

Sucursala „Targu Secuiesc"
Piata Gabor Aron, nr. 19, parter
Targu Secuiesc, jud. Covasna

Sucursala „Tecuci"
Bd.1 Decembrie 1918, parter
Tecuci, jud. Galati

Agentia Metro Timisoara II
DN 344, km 5 + 605
Timisoara, jud. Timis

Agentia Metro Timisoara
DN 59, km 8 + 130, Calea SAgentiaului
Timisoara, jud. Timis

Offices and network (Continued)

Sucursala „Cetate" Timisoara
Str, Carol Telbisz, Centrul Com Bega 3
Timisoara, jud. Timis

Sucursala „Iuliu Maniu" Timisoara
Bd. Iuliu Maniu, nr. 1
Timisoara, jud. Timis

Sucursala „Piata Operei" Timisoara
Piata Victoriei, nr. 2
Timisoara, jud. Timis

Sucursala „Matei Basarab" Timisoara
Bd. Cetatii, nr. 78, parter
Timisoara, jud. Timis

Sucursala „Nicolae Balcescu"
Piata Nicolae Balcescu, nr. 5
Timisoara, jud. Timis

Sucursala „Gheorghe Lazar" Timisoara
Str. Ghe. Lazar, nr. 42
Timisoara, jud. Timis

Agentia „Calea Buziasului" Timisoara
Str. Venus, nr. 1
Timisoara, jud. Timis

Sucursala „Calea Lipovei" Timisoara
Calea Lipovei, nr. 45, parter
Timisoara, jud. Timis

Sucursala Timisoara
Bd. Brediceanu, nr. 10
Timisoara, jud. Timis

Sucursala „Tulcea"
Str. Unirii, nr. 2
Tulcea, jud. Tulcea

Sucursala "Delta"
Str. Frasinului, nr. 4, bl. 4, sc. B
Tulcea, jud. Tulcea

Sucursala „Turda"
Str. Republicii, nr. 15, parter
Turda, jud. Cluj

Sucursala „Vaslui"
Str. Stefan cel Mare, nr. 115
Vaslui, jud. Vaslui

Sucursala „Zalau"
Bd. Mihai Viteazul, nr. 7, bl. D
Zalau, jud. Salaj

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