PRESS RELEASE

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BCR operating profit in the first three quarters 2010 increased by 3.6% in a challenging environment

I.HIGHLIGHTS FOR THE BCR GROUP[1]:

Increased operating performance based on continued revenue generation and cost control
Operating result increased to **RON 2,304.4 million (EUR 548.4 million)** in the first three quarters 2010 **up 3.6**% on nine months 2009 based on continued revenue generation and cost control. **Operating income** growth slowed (up by RON 57.4 million or 1.6% on nine month 2009) and was combined with a decrease in **operating expenses** (down by RON 23.6 million or 1.9% y/y) **Net profit after taxes and minority interests** amounted at **RON 494.5 million** (EUR 117.7 million) down by 29.3% on end-September 09 mainly on higher provision expense due to the tough market conditions heavily impacting BCR's customers and due to OUG 50 implementation impact on fees.

High efficiency and positive risk management in a very challenging economic environment
Cost-income ratio improved to 35.1% as of Q3 2010 (36.3% at end-September 2009). **ROE** went down to 9.5% at end-September 2010 (14.5% at end-September 2009). NPLs continued to increase in line with expectations due to the continued adverse market conditions affecting the customers, but remain manageable, with the coverage ratio comfortably at **126**% (collateral and provisions). NPL development caused an increase of **Risk costs** of 7% (RON 104.3 million)

Business development in line with expectations in a weak economy
BCR (bank only) preserved its **market share over the last year to around 22% in overall lending**, due to a modest increase in housing loans (+0.8 pp y/y) and rather stable position in corporate segment. The bank is enjoying a strong liquidity, sound capital base and improved offering adapted to the current economic and competitive context. On the liabilities side BCR holds 1/5th of customers deposits, based on competitive pricing and the strength of the BCR brand. Retail business is self–funding, retail loan to deposits (LTD) ratio standing at around 84%, according to local standards.

"*The positively managed operating result demonstrates BCR capability to respond to the difficult market conditions. We are taking a prudent approach to our risk positions as the economic environment remains tough. BCR is well equipped for successfully coming through this period and we will continue to provide support for our customers and look for ways to help Romania return to a growth path*" stated Dominic Bruynseels, BCR CEO.

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[1] All the below stated financial data are un-audited, consolidated business results of Banca Comerciala Romana (BCR) Group as of September 30, 2010 according to IFRS. Unless otherwise stated, the 2010 figures are compared to the figures as of September 30, 2009. Also, if not stated otherwise, foreign exchange rates used for conversion of figures into EURO are the ones provided by the European Central Bank. The income statement is converted using the average exchange rate for the nine months ended on 30 September 2010 of 4.2018 RON/EUR when referring to 2010 and using the average exchange rate for nine months ended 30 September 2009 of 4.2112 RON/EUR when referring to 2009. The balance sheets at 30 September 2010 and at 31 December 2009 are converted using the closing exchange rates at the respective dates (4.2718 RON/EUR at 30 September 2010 and 4.2363 RON/EUR at 31 December 2009 respectively). All the percentage changes refer to RON figures.

II. FINANCIAL PERFORMANCE OVERVIEW FOR BCR GROUP

BCR Group's **operating profit** increased by 3.6% to **RON 2,304.4 million (EUR 548.4 million)** from RON 2,223.4 million (EUR 528.0 million) in the first 9 months 2009 as a result of the operating income growth combined with improved and efficient cost control.

The **operating income** slightly rose from RON 3,492.5 million (EUR 829.3 million) to **RON 3,549.9 million** (EUR 844.9 million). The main driver of this improvement was the increase in **net interest income** (up by 7.3% or RON 197.2million y/y) from RON 2,689.7 million (EUR 638.7 million) to **RON 2,886.9 million** (EUR 687.1 million) albeit pressured by the lower interest rate environment, increasing competition for quality business and low demand.

The **fee and commission net income** declined y/y as a result of OUG 50 implementation which reduced fee income and on lower business volumes.

The operating result was also impacted by the decrease of the **net trading result** by 28.7% y/y due to a period of RON volatility at the start of the quarter.

Operating expenses went down slightly from RON 1,269.1 million (EUR 301.4 million) in the first three quarters 2009 to **RON 1,245.5 million** (EUR 296.4 million), as a result of ongoing efficiency and productivity improvements counteracting the increase in VAT. BCR continued to invest in "good costs" adding value to the customers such as alternative distribution channels and retail branch network development (+10 new branches y/y).

The **consolidated net profit after taxes and minority interests** in the first three quarters 2010 is **RON 494.5 million** (EUR 117.7 million), down by 29.3% on end-September 2009 mainly on higher provision expense, lower fee income and lower net trading result.

Risk costs

BCR is adjusting risk provisioning appropriately to the still difficult current economic conditions. NPL formation has slowed down in 2010 compared to 2009 on lower interest rates, relatively stable local currency and on reduced unsecured retail lending provisions, but remains at high levels and is not expected to decrease on the short run.

The net charge with **risk provisions for loans and advances** totalled RON 1,590.3 million (EUR 378.5 million) in line with expectations as mainly SME segment continued to experience cash-flow, liquidity and profitability constraints and the macroeconomic adjustments inevitably affected households' income level and their spending behavior as well.

It is likely the difficult market conditions will continue to prevail in the last quarter of 2010 as GDP is expected to re-enter the negative zone in Q3 2010 due to the deep cuts in public expenditures and the recent hike in VAT which will put additional pressures on domestic demand. However we expect a slow return to an upward trend in q/q terms beginning with Q4 2010.

The loan portfolio developed satisfactorily, given the circumstances – NPL remain manageable, weighting **16.6**% of the total loan portfolio. BCR Group is enjoying a comfortable NPL coverage ratio of approx. **126**% (collateral and provisions).

BCR continues to focus on finding sustainable solutions for helping customers reorganize their finances to deal with their individual situations – thousands of families and companies are already benefiting from these solutions which help our customers through these difficult times.
In the same time BCR has a prudent approach in lending, adapted to the current environment.

Solvency ratios remain comfortably above the required levels. Tier 1+2 capital ratio as of end - September 10: approx. **12.6**% RAS ratio against min 10.0% according to the current requirements of the National Bank of Romania and approx. **15.0**% IFRS consolidated. RAS solvency ratio considerably improved on Q3 10 clearly showing the BCR's strength and the continuing support of Erste Group.
(RAS: Romanian Accounting Standards)

III. BUSINESS ACTIVITIES BRIEF (bank only – unconsolidated, IFRS)

BCR continued to positively manage a sound and sustainable business in line with expectations in a still troubled economic environment.

Total assets of the bank increased by 1,62% to **RON 65,569.9 million** (EUR 15,349.4 million) as of September 30th, 2010 from RON 64,526.8 million (EUR 15,231.8 million) as at December 31st, 2009.

BCR has preserved its market position in lending to around 22% market share in line with its business and risk strategy and with expectations in a troubled economic environment as well due to positive gains in housing loans (+0.8 pp y/y) and rather stable position in corporate segment.

Lending has developed in line with expectations on a weak eligible demand. The volume of aggregate **Loans to customers** portfolio (before provisions, IFRS) slightly rose by RON 325.9 million (up 0.70%) to **RON 46,840.0 million** (EUR 10,965.9 million) from RON 46,514.1 million (EUR 10,979.8 million) as at YE 2009 and by 1.96% on end - September 2009, and maintains well balanced by customer segment and industry.

In Q3 10 increases in customer lending continued to be driven by the corporate segment as expected. **Corporate lending** went up by **4.0**% YTD supported by the working capital needs of the companies and by the demand for funding from the public sector.

Retail loan portfolio (including individuals and micro business) declined by **2.78**% YTD matching the people's income status and the market trends. The positive trend in secured lending (mortgage and secured consumer loans) mainly driven by the governmental "Prima Casa" mortgage loan program has been outbalanced by the sharp decline in unsecured consumer lending.
"BCR Prima Casa" positive impetus is expected to continue, BCR being the most active bank in the program with a total of over EUR 465 million lent to almost 11,500 families starting with August 2009 who thus could have their first home of their own. A stronger revival on the mortgage lending is expected to be further seen due to Prima Casa program.

The share of **loans in domestic currency** in bank's portfolio - of **42**% of total loans – is above the market average and showing an adequate currency structure of the portfolio. FX loan portfolio is dominated by EUR (**56**% of the total portfolio). No loans were extended in CHF or other "exotic" currencies.

Corporate Loan portfolio is **53.2%** of total customer loans while **Retail** (including micro business) is **46.8**%.

Secured loans are weighting around 70% of the total loan portfolio.

Deposits from customers slightly decreased by 2.63% YTD to **RON 34,883.9 million** (EUR 8,166.1 million) from RON 35,824.9 million (EUR 8,456.6 million) as at YE 2009 due to a higher decrease on hot corporate deposits (-6.2% YTD) combined with a moderate decrease of the more sticky retail deposits (-1.32% YTD).

RON deposits are prevalent (65%), slightly growing by 1.41% while FX deposits decreased by 1.5%.

The bank maintains its No 1 position in the market on primary deposits. Customer deposits are the main BCR funding source and the bank is also enjoying a strong support from the parent bank. In the same time BCR focuses on diversifying and lengthening its funding base (i.e. via a smart pricing policy encouraging long term savings and its MTN program).

BCR has slightly extended its **retail branch network** in 2010 concurrently developing the alternative distribution channels based on its strategy to encourage the non-cash transactions. BCR added **6 new branches** to its retail network in the first nine months 2010, reaching to a total of **667 outlets** as of end-September 2010 (10 retail branches added y/y).

The bank also successfully enhanced the functionalities of its Internet Banking and Phone Banking services (known as “BCR 24 Banking” financial services), continued to develop the cards business and extended the range of services at ATMs as well.

“BCR 24 Banking” financial services are seeing a constant migration of transactions from cash to online banking - the number of transactions via BCR 24 Banking is increasing by more than 10% on a quarterly basis – 40-50% year on year growth. In Q3 2010 only, BCR customers have performed more than 1,000,000 online transactions through Click 24 Banking service and more than 600,000 foreign exchange operations via FX ATM.

BCR continued to expand its ATM network by adding **19** new machines in Q3 10 up to **2244 ATMs** (**8%** y/y increase) and its POS network to **18400 units** (11% increase y/y).

BCR continued to consolidate its leading position on the **debit and credit cards** market managing a **2** million valid cards portfolio**.** As a result of BCR’s fight with cash and of business development, the number of transactions on POS went up by 28% on issuing side and by four folds on acquiring side compared to the same period of 2009 as our strategy to capture the transactions of customers in high volume retailers took effect, while on ATM it decreased by 10% on issuing side and by 7% on acquiring side.
The volumes spent on POS went up by 24% y/y on issuing side and by almost 3.5 folds on acquiring side while on ATM decreased by 7% on issuing side and by 4% on acquiring side.

IV. Exchange rate development (the official exchange rates of the European Central Bank)

	Rate at the end of the period			Average of the month-end rates		
	September 2010	**December 2009**	**% change**	**September 2010**	**September 2009**	**% change**
RON/EUR	4.2718	4.2363	0.84%	4.2018	4.2112	-0.22%
Positive change = devaluation against EUR, negative change = appreciation against EUR						

Enquiries to:
BCR, Communications Division
5 Regina Elisabeta Blvd, Bucharest, Faxoo4021 313 0117
Corneliu Cojocaru, Tel. 004021 312 0056, e-Mail: cornel.cojocaru@bcr.ro
Cezar Marin, Tel. 004021 312 0056, e-Mail: cezar.marin@bcr.ro
This text is also available on our website at http://www.bcr.ro

Appendix I

BCR GROUP CONSOLIDATED INCOME STATEMENT (IFRS)

- amounts in RON million

	30 Sept. 2010	**30 Sept. Q3 2009**	**% Change**
Interest and similar income	5,290.1	6,686.2	-20.9%
Interest and similar expenses	(2,403.2)	(3,996.4)	-39.9%
Net interest income	**2,886.9**	**2,689.7**	**7.3%**
- Risk provisions for loans and advances	(1,590.3)	(1,486.0)	7.0%
Fee and commission income	647.8	672.3	-3.6%
Fee and commission expenses	(217.0)	(195.2)	11.2%
Net commission income	**430.9**	**477.2**	**-9.7%**
Net trading result	232.1	325.6	-28.7%
Personnel expenses	(619.5)	(675.9)	-8.4%
Other administrative expenses	(483.3)	(464.5)	4.0%
Depreciation on fixed assets	(142.7)	(128.6)	11.0%
Other operating results	(158.2)	(81.2)	94.9%
Result from financial assets - at fair value through profit or loss	1.1	35.4	-97.0%
Result from financial assets - available for sale	35.2	143.6	-75.5%
Pre-tax profit	**592.2**	**835.2**	**-29.1%**
Taxes on income	(97.5)	(140.2)	-30.4%
Net profit before minority interests	494.7	695.0	-28.8%
Minority interests	(0.2)	4.5	<-100,0
Net profit after minority interests	**494.5**	**699.5**	**-29.3%**

Appendix II

Consolidated balance sheet (IFRS)

- amounts in RON million

ASSETS	**30-Sep-10**	**31 Dec 09**	**% Change**	**30-Sep-09**
Cash and balances with central banks	8,535.3	9,896.5	-13.8%	9,358.5
Loans and advances to credit institutions	1,436.3	1,893.0	-24.1%	4,270.7
Loans and advances to customers	51,299.9	51,160.3	0.3%	50,582.5
- Risk provisions for loans and advances	(4,946.9)	(3,777.4)	31.0%	(2,964.6)
Trading Assets	501.2	401.4	24.9%	1,015.4
Financial assets - at fair value through profit or loss	49.6	165.5	-70.1%	160.1
Financial assets - available for sale	4,512.6	3,063.2	47.3%	2,748.4
Financial assets - held to maturity	4,281.5	2,388.9	79.2%	1,503.7
Intangible assets	427.8	389.2	9.9%	352.0
Tangible assets	1,658.3	1,726.6	-4.0%	1,690.6
Tax assets	237.7	206.3	15.2%	106.1
Other assets	2,451.5	1,823.7	34.4%	1,944.7
Assets Held For Sale	38.8	65.5	-40.8%	50.1
Total assets	**70,483.4**	**69,402.8**	1.6%	**70,818.3**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Amounts owed to credit institutions	21,272.4	21,123.5	0.7%	22,829.2
Other amounts owed to customers	35,347.8	35,628.1	-0.8%	35,333.6
Debts evidenced by certificates	642.2	534.7	20.1%	665.0
Trading liabilities	1,899.7	1,756.8	8.1%	1,671.8
Other provisions	233.0	188.6	23.6%	194.4
Tax liabilities	440.9	364.8	20.9%	292.3
Other liabilities	1,567.3	1,298.8	20.7%	1,594.8
Subordonated Liabilities	1,962.4	1,906.1	3.0%	1,833.8
Total equity	**7,117.8**	**6,601.4**	**7.8%**	**6,403.2**
Equity	7,090.8	6,574.6	7.9%	6,375.3
Minority interests	26.9	26.8	0.5%	27.9
Total liabilities and equity	**70,483.4**	**69,402.8**	1.6%	**70,818.3**