BUCHAREST STOCK EXCHANGE

Separate financial statements prepared

in accordance with International Financial Reporting Standards adopted by the European Union

31 DECEMBER 2011

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Separate profit or loss account

for the year ended 31 December *(in thousand of Ron)*

	Note	2011	2010
Revenue from services		21,742	13,056
Other revenue		3	151
Operating revenue		**21,745**	**13,207**
Operating expenses	8	-15,023	-12,887
Operating profit		**6,722**	**320**
Financial income		15,319	7,018
Financial expense		-2,811	-971
Net financial income	9	**12,508**	**6,047**
Receivable impairment expense	15	67	242
Net provision expense/(income)	20	-856	-
Profit before tax		**18,441**	**6,609**
Income tax expense	10	-1,561	-811
Profit for the year		**16,880**	**5,798**
Earnings per share:			
Basic earnings per share	22	0.0021	0.0007
Diluted earnings per share	22	0.0021	0.0007

The separate financial statements have been approved by the Board of Directors on 26 September 2012 and have been signed by:

President,	Deputy General Director,	Financial Manager,
Lucian Claudiu Anghel	Alin Marius Barbu	Virgil Adrian Stroia

The explanatory notes to the separate financial statements on pages 7-58 are an integral part of these separate financial statements

Separate statement of comprehensive income

for the year ended 31 December *(in thousand of Ron)*

	Note	2011	2010
Profit for the year		16,880	5,798
Net change in fair value of available-for-sale financial assets	7(d)	-19	58
Total comprehensive income for the year		**16,861**	**5,856**

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Separate statement of financial position

On 31 December *(in thousand of Ron)*

	Note	31 December 2011	31 December 2010	1 January 2010
Assets				
Tangible assets	11	1,042	1,411	1,628
Intangible assets	12	21	11	99
Investments in associates	6	24,160	23,374	23,117
Deferred tax receivables	13	385	102	143
Available-for-sale financial assets	14	1,033	1,036	968
Total non-current assets		**26,641**	**25,934**	**25,955**
Trade and other receivables	15	2,237	1,048	1,986
Prepayments	16	90	108	276
Held-to-maturity financial assets	14	72,072	2,094	-
Cash and cash equivalents	17	2,451	61,270	64,601
Other assets		705	167	8
Total current assets		**77,555**	**64,687**	**66,871**
Total assets		**104,196**	**90,621**	**92,826**
Equity				
Share capital	21	76,742	76,742	76,742
Legal reserve	21	4,942	4,411	4,087
Other reserves	21	57	57	57
Fair value reserve	21	-365	-346	-404
Retained earnings	21	1,746	1,862	1,905
Profit for the year		16,880	5,798	8,132
Total equity		**100,002**	**88,524**	**90,519**
Payables				
Trade and other payables	18	2,387	1,479	1,583
Deferred income/revenue	19	738	618	499
Current income tax payables	10	213	-	225
Provisions	20	856	-	-
Total current payables		**4,194**	**2,097**	**2,307**
Total payables and equity		**104,196**	**90,621**	**92,826**

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Separate statement of changes in equity

for the year ended 31 December *(in thousand of Ron)*

	Share capital	Retained earnings	Revaluation reserve of available-for-sale financial assets	Other reserves	Legal reserve	Total equity
Balance at 1 January 2010	**76,742**	**10,037**	**-404**	**57**	**4,087**	**90,519**
Total comprehensive income for the year						
Profit or loss account	-	5,798	-	-	-	5,798
Other items of comprehensive income						
Reserve of available-for-sale financial assets	-	-	58	-	-	58
Total items of comprehensive income	-	-	58	-	-	58
Total comprehensive income for the year	-	5,798	58	-	-	5,856
Transactions with owners of the Company, recognised directly in equity						
Contributions by and and distributions to owners of the Company						
Legal reserve increase	-	-324	-	-	324	-
Dividend paid to owners of Bucharest Stock Exhange	-	-7,851	-	-	-	-7,851
Total contributions by and and distributions to owners of the Company	**-**	**-8,175**	**-**	**-**	**324**	**-7,851**
Total transactions with owners of the Company	**-**	**-8,175**	**-**	**-**	**324**	**-7,851**
Balance at 31 December 2010	**76,742**	**7,660**	**-346**	**57**	**4,411**	**88,524**

The explanatory notes to the separate financial statements on pages 7-58 are an integral part of these separate financial statements

Separate statement of changes in equity

for the year ended 31 December *(in thousand of Ron)*

	Share capital	Retained earnings	Revaluation reserve of available-for-sale financial assets	Other reserves	Legal reserve	Total equity
Balance at 1. January 2011	**76,742**	**7,660**	**-346**	**57**	**4,411**	**88,524**
Total comprehensive income for the year						
Profit or loss account	-	16,880	-	-	-	16,880
Other items of comprehensive income						
Reserve of available-for-sale financial assets	-	-	-19	-	-	-19
Total items of comprehensive income	-	-	-19	-	-	-19
Total comprehensive income for the year	-	16,880	-19	-	-	16,861
Transactions with owners of the Company, recognised directly in equity						
Contributions by and and distributions to owners of the Company						
Legal reserve increase	-	-531	-	-	531	-
Dividend paid to owners of Bucharest Stock Exhange	-	-5,383	-	-	-	-5,383
Total contributions by and and distributions to owners of the Company	**-**	**-5,914**	**-**	**-**	**531**	**-5,383**
Total transactions with owners of the Company	**-**	**-5,914**	**-**	**-**	**531**	**-5,383**
Balance at 31 December 2011	**76,742**	**18,626**	**-365**	**57**	**4,942**	**100,002**

The explanatory notes to the separate financial statements on pages 7-58 are an integral part of these separate financial statements

Separate statement of cash flows

for the year ended 31 December 2011 *(in thousand of Ron)*

	Note	2011	2010
Cash flows from operating activities			
Profit for the year		16,880	5,798
Adjustment for:			
Depreciation of intangible assets	11, 12	1,189	665
Interest income	9	-3,772	-4,972
Dividend income		-8,224	-1,423
Receivable impairment	15	-67	-242
Provision expense	20	856	-
Income tax expense	10	1,561	822
Other adjustments		-19	-10
		8,404	**638**
Change in trade and other receivables		-1,821	1,021
Change in prepayments		18	168
Change in trade and other payables		918	-163
Change in deferred income/revenue		120	280
Income tax paid		-1,466	-1,167
Net cash from operating activities		**6,173**	**777**
Cash flows from investing activities			
Interest received		3,055	4,844
Dividends received		8,224	1,423
Acquisition of other held-to-maturity financial assets	14	-69,261	-1,966
Aquisition of tangible and intangible assets	11, 12	-830	-360
Acquisition of subsidiary and interests	6	-786	-257
Net cash from / (used in) investing activities		**-59,598**	**3,684**
Cash flows from financing activities			
Dividends paid		-5,394	-7,792
Net cash used in financing activities		**-5,394**	**-7,792**
Net decrease in cash and cash equivalents		**-58.819**	**-3,331**
Cash and cash equivalents at 1 January	17	61,270	64,601
Cash and cash equivalents at 31 December	**17**	**2,451**	**61,270**

The explanatory notes to the financial statements on pages 7-58 are an integral part of these separate financial statements

1. Reporting entity

The Bucharest Stock Exchange was established on 21 June 1995, by the Romanian National Securities Commission Decision D20, as a public and independent institution under the Law No 52/1994 on securities and stock exchanges.

Until it became a joint stock company, the Bucharest Stock Exchange operated according to Law no 52/1994 and Government Emergency Ordinance no 28/2002 on securities, financial investment services and regulated markets, as a self-financed non-profit institution of public interest.

On 15 July 2005 the Bucharest Stock Exchange, by closing no 12270/SC/2005 pronounced in case no 531497/SC/2005, was reorganizated by changing the legal form to a joint stock company without liquidating the assets and without interrupting the activity of the former public institution. The property of the Bucharest Stock Exchange became under Article 285 paragraph 1 of Law no 297/2004 on capital market the property of S.C. Bursa de Valori Bucuresti S.A. (hereinafter referred to "BVB" or the "Company"). Upon the change of the legal form, the share capital of the new joint stock company was composed of cumulative earnings of the public institution. This share capital was distributed equally and free between securities companies (current financial investment service companies) which were active at that time.

On 31 August 2005 (reference date), BVB, as absorbing company, merged by absorption with S.C. Bursa Electronica Rasdaq S.A., as absorbed company, the latter conveying the universal right on own property to the absorbing company.

The registered office of BVB is in Bucharest, at 34-36 Carol I Boulevard, 13th-14th Floor, 2nd District, Romania. BVB has no subsidiaries in other cities.

The main activity of BVB is the "Management of the financial markets". Starting on 8 June 2010, the shares of BVB are listed on the regulated market in Romania at the Bucharest Stock Exchange under the symbol "BVB".

The financial statements of the company for the year ended 31 December 2011 comprise the company's financial information.

2. Basis of preparation

(a) Statement of compliance

The separate financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs"). The Company has prepared separate financial statements in order to meet the requirements of Order no 116 for the approval of Instruction no 6/2011 regarding the application of International Financial Reporting Standards adopted by the European Comision by entities authorized, regulated and supervised by the National Securities Commission. This set of separate financial statements are the first IFRS separate financial statements of BVB and IFRS 1 ("First-time Adoption of IFRSs") was applied. The detailed transaction under IFRSs with effects on the financial position and financial performance of BVB is presented in Note 7. Separate financial statements include separate statement of financial position, separate profit or loss account, separate statement of comprehensive income, separate statement of changes in equity, separate statement of cash flows and explanatory notes. The separate financial statements have been authorised for issue by the Board of Directors of BVB on 26 september 2012.

Also, in accordance with Regulation no 1606/2002 of the European Parliament and of the Council of European Union of 19 July 2002 on the application of International Financial Reporting Standards adopted by the European Union, the Company must prepare consolidated annual financial statements in accordance with the International Financial Reporting Standards adopted by the European Union for the year ended 31 December 2011.

Differences between statutory financial statements and separate IFRS statements

The Company's accounting records are kept in Ron, according to Romanian Accounting Regulations ("RCRs"). Statutory accounts have been revised to reflect the differences between RCRs and IFRSs. Statutory accounts have been adjusted accordingly where necessary in order to make these separate financial statements consistent with IFRSs in terms of all their major issues.

The most significant changes made to the statutory financial statements in order to harmonize them with IFRSs are the following:

- grouping of several items into more comprehensive categories;
- adjustments of assets and liabilities in accordance with IAS 29 ("Financial Reporting in Hyperinflationary Economies") because the Romanian economy was a hyperinflationary economy until 31 December 2003;
- adjustments to fair value and impairment of financial instruments in accordance with IAS 39 ("Financial Instruments: Recognition and Measurement");
- adjustment of reserves from shares received free of charge;
- setting up of provisions for the deferred tax (IAS 12 "Income Taxes"); and
- presentation of required disclosures according to IFRSs.

(b) Bases of measurement

The separated financial statements have been prepared based on the historical or amortised cost basis, except for the available-for-sale financial assets which are measured at fair value.

Other financial assets and liabilities are presented at amortised cost.

Methods used for establish the fair value are presented in Note 4.

for the year ended 31 December 2011 (in thousand of Ron)

2. Basis of preparation *(continued)*

(c) **Functional and presentation currency**

Items included in the Company's separate financial statements are measured using the currency of the economic environment in which the entity operates ("functional currency"), i.e. leu. These separate financial statements are presented in Ron, which is the functional and presentation currency of BVB, all amounts being rounded to the nearest thousand.

(d) **Use of estimates and judgements**

The preparation of the separate financial statements according to IFRS adopted by the European Union requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying judgements are based on historical data and other factors deemed to be relevant in these circumstances, and the result of these factors forms the basis of judgments used in establishing the carrying amount of assets and liabilities for which there are no other measurement sources available. Actual results may differ from these estimates.

Estimates and underlying judgements are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision is performed only for that period or in the current period, and in the future periods, if the revision affects both current and future periods.

Judgements made by management in applying IFRSs that have a significant effect on the financial statements, as well as the estimates that involve a significant risk resulting in a material adjustment within the next financial year are included in note 3 (i).

3. Significant accounting policies

The most significant accounting methods and policies have been consistently applied by BVB during the financial years presented in these separate financial statements.

a) **Foreign currency**

Transactions in foreign currencies are recorded in Ron using the official exchange rate on the transaction settlement date. Monetary assets and liabilities denominated in foreign currency on the date on which the statement of financial-accounting position was prepared are translated in Ron at the exchange rate of that day. The gains or losses originating from their settlement and from the translation of monetary assets and liabilities denominated in foreign currency using the exchange rate at the end of the financial year are recognised in the year result. Non-monetary assets and liabilities in a foreign currency that are measured based on historical are translated in Ron using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated in Ron using the exchange rate at the date that the fair value was determined.

Foreign currency differences arrising on translation are recognised in profit or loss account, except for the differences arrising on the translation of the available-for-sale financial instruments included in the reserve resulting from the change in fair value of these financial instruments. The exchange rates of the main foreign curriencies are as follows:

Currency	Spot exchange rate 31. December 2011	Spot exchange rate 31 December 2010	Spot exchange rate 31. December 2009	Average exchange rate 2011	Average exchange rate 2010
EUR	4.3197	4.2848	4.2282	4.2379	4.2099
USD	3.3393	3.2045	2.9361	3.0486	3.1779

3. Significant accounting policies *(continued)*

b) Accounting of effects of hyperinflation

According IAS 29 ("Financial Reporting in Hyperinflationary Economies") financial statements of an entity whose functional currency is the currency of a hyperinflationary economy should be presented in terms of current purchasing power of that currency on the date on which the statements of financial position is prepared, i.e. non-monetary items are restated by applying the general price index on the date of acquisition or contribution.

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

The steady decrease in the rate of inflation and other factors related to the characteristics of the economic environment in Romania indicate that the economy whose functional currency was adopted by the Company ceased to be hyperinflationary affecting the financial periods starting from 1 January 2004. Amounts expressed in the measuring unit used at 31 December 2003 are treated as the basis for the reported accounting amounts included in these separate financial statements and are not measured values, replacement cost or any other measurement of the current value of the assets or prices at which transactions would take place at that time.

c) Financial assets and liabilities

Financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss account) are initially recognised on the trade date when the Company becomes a party of the contractual provisions of the instrument.

The Company 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 in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the separate statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies financial assets held into the following categories: financial assets at fair value through profit or loss account, held-to-maturity financial assets, receivables and available-for-sale financial assets.

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

A financial asset is classified as at fair value through profit or loss account if it classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss account if the Company manages such investments and makes purchase and sale decisions based on their fair value. On intial recognition, attibuable transaction costs are recognised in profit or loss account as incurred. Financial assets designated at fair value through profit or loss account are measured at fair value, and the further changes are recognised into the profit or loss account.

3. Significant accounting policies *(continued)*

(c) Financial assets and liabilities *(continued)*

(ii) Held-to-maturity financial assets

If the Company has the intent and ability to hold the debt securities to maturity, then such financial assets may be classified as held-to-maturity investments. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Any sale or reclassification before maturity of more than an insignificant amount of held-to-maturity investments and that does not occur near their maturity leads to the reclassification of all held-to-maturity investments in the category of available-for-sale assets, and the Company will not be able to classify the investment instruments as held-to-maturity investment instruments during the current year and the next two financial years.

During its activities, the Company performs also government securities repurchase operations. This involves placements with banks using government securities as collateral from banks. Repurchase securities have fixed maturities and are treated as bank deposits with the same rules for recognition, measurement and derecognition.

(iii) Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attribuable transaction costs. Subsequent to initial recognition, receivables are measured at initial value, less any impairment losses. Receivables comprise trade and other receivables.

Cash and cash equivalents comprise cash balances, call and term deposits with initial maturities of up to three months

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale and are nor classified in any of the above categories of financial assets. Company's investments in equity securities and in certain debt instruments are classified as available-for-sale financial assets.

Subsequent initial recognition, they are measured at fair value and changes therein, other than impairment losses (see Note 3 (g)) and foreign currency diferrences on available-for-sale equity securities are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in other comprehensive income is reclassified to profit or loss account.

If fair value can not be reliably determined, equity investments designated as available-for-sale financial assets are carried at restated cost, less provision for impairment losses.

Financial liabilities

The Company redognises initiallly debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (inclusing liabilities designated at fair value through profit or loss account) are initially recognised on the trade date when the Company becomes a party to the contractual provisions of the instrument.

3. Significant accounting policies *(continued)*

(c) Financial assets and liabilities *(continued)*

The Company derecognised o financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: financial liabilities, trade and other liabilities. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to intial recognition, these financial liabilities are measured ar armotised cost using the effective interest method.

d) Tangible and intangible assets

Tangible assets

(i) Recognition and measurement

Tangible assets are stated at cost restated or revalued, less accumulated depreciation and provision for impairment losses.

Revaluations should be carried out with sufficient regularity such that the carrying amount does not differ substantially from that which would be determined using fair value at the balance sheet date. If a tangible asset is revalued, all other assets in the same category to which it belongs must be revalued.

If the result of the revaluation exceeded the net carrying amount, then it shall be recognized in equity. Such increase shall be recognized as income into the profit or loss account to the extent that it compensates the decrease expense previously recognized into the profit or loss account for the same asset. If the result of the revaluation is less than the net carrying amount, then it is treated as an impairment loss. Such decrease shall be recognised in equity to the extent that an amount related to that asset is included in the revaluation reserve. The decrease recognized in equity reduces the amount accumulated into the Revaluation reserves.

Leases in terms of which the Company assumes substantially all of the risks and rewards of ownership are classified as financial leases. The leased tangible assets are measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments at the beginning of the lease, less accumulated depreciation and provision for impairment losses.

(ii) Subsequent costs

The Company recognizes in the carrying amount of a tangible asset the cost of its replacement when such cost is incurred and the economic benefits included in that tangible asset are likely to be transferred to the Company and the cost of this tangible asset may be measured reliably. All other costs are recognized as expenses in profit or loss account as incurred.

The costs incurred to replace a component of tangible assets reflected separately, including inspections or overhauls, are capitalised. Other subsequent expenditure is capitalized to the extent that it enhances the future performance of those tangible assets. All other repair and maintenance costs are included in profit or loss account as incurred.

3. Significant accounting policies *(continued)*

d) Tangible and intangible assets *(continued)*

(iii) Tangible asset depreciation

Depreciation is calculated using the straight-line method over the estimated useful lives of each tangible asset. Leased assets are amortised over the shorter of the lease term and their useful lives. Land is not amortised.

On the revaluation of a tangible asset, accumulated depreciation on the revaluation date is restated proportionately with the change in the gross value of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

The useful lives for the current and comparative years are as follows:

Buildings	40 years
Plant and equipment	5-12 years
Fixtures and fittings	1-10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted accordingly.

Intangible assets

(i) Recognition and measurement

Intangible assets (including software) purchased and with determined useful lives are measured at their cost or revalued cost, less accumulated depreciation and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated brands, is recognised in profit or loss account as incurred.

(iii) Intangible asset depreciation

Depreciation is calculated for the cost of the asset or any other amount that substitues the cost, less the residual value. Depreciation is recognized in profit or loss account using the straight-line method over the estimated useful life for intangible assets other than goodwill, from the date they are available for use; this method reflects more accurately the expected pattern of consumption of economic benefits embodied in the asset.

The estimated useful lives for the current and comparative years are as follows:

Software	1-6 years
Developement costs	5-7 years

Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

e) Deferred expenses and incomes

The costs incurred and the incomes achieved during the current period, but which concern the next periods, are included in deferred costs or income, as appropriate. Every month, the share of the deferred expenses or incomes related to that month is included in expenses or incomes.

3. Significant accounting policies *(continued)*

f) **Impairment**

(i) Financial assets

A financial asset not classified at fair value through profit or loss account is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairement as a result of one or more events that occured after the initial recognition of the asset and that loss event(e) had a negative impact on the extimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in payment status or the disappearence of an active market for a security. In addition, for an inverstment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivebles and held-to-maturity investment securities measured at both a specific asset and collective level. All individually significant receivebles and held-to-maturity investment securities are assessed for specific impairment. Those found not to be semnifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Receivables that are not individually significant are collectively assessed for impairement by grouping together receivables with similar risk characteristics.

In assessing collective impairement, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than the suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss account and reflected in a receivables adjustment account. Interest on the impaired asset continues to be recognised through the discount depreciation. When an event occuring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss account.

Impairment losses on available-for-sale investments are recognised by reclassifying the losses accumulated recognised in other comprehensive income and reflected in the fair value reserve in equity to profit or loss account. The cumulative loss that is reclassified from other comprehensive income to profit or loss account is the difference between the acquisition cost, net of any principal repayment and depreciation, and the current fair value, less any impairment loss recognised previously in profit or loss account. Changes in provisions for impairment losses attributable to time value of money are reflected as a component of interest income.

3. Significant accounting policies *(continued)*

f) Impairment *(continued)*

(i) Financial assets (continued)

If, in a subsequent period, the fair value an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring the impairment loss was recognised in profit or loss account, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss account. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication existes, then the asset's recoverable amount is estimated. For intangible assets that have an indefinite useful lives or not yet available for use, the recoverable amount is estimated simultaneously each year.

The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value, less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of imparment testing, assets which cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independet of the cash onflows of other assets or group of assets ("cash-generating unit").

g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits include salaries, compensations and social security contributions. Short-time employee benefits are recognised as expenses as the services are provided.

(ii) Defined contribution plans

The Company makes payments on behalf of its employees to the Romanian state pension, health insurance and unemployment funds, during the performance of its usual activities. All members and employees of the Company are also legally bound to contribute (through social contributions) to the Romanian state pension fund (a state defined contribution plan). All contributions are recognised in the income for the period they are incurred.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

According to the Romanian legislation, the Company is required to pay a retirement benefit amounting to two gross wages to each employee at retirement. The Company has no further obligation towards its employees under Romanian law on

3. Significant accounting policies *(continued)*

(g) **Employee benefits *(continued)***

pensions and does not participate in any other pension plan. Allowance for sickness pension is granted only if the retirement decision is final.

(iv) Other long-term employee benefits

The company does not grant other long-term employee benefits than those stated above.

(v) Termination benefits

The termination benefits are recognised as an expense when the Company is committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result as on offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Employees who are dismissed for reasons not depend on them will benefit from active measures to fight against the unemployment and the compensations determined on a case by case basis. For redundancies in the period 2008-2010 between 2 and 4 gross compensatory salaries were granted.

h) **Provisions**

A provision is recognized in the statement of financial position if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that a future outflow of economic resources will be requiered to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market conditions and the risks specific to the liability. The unwinding of the discount is recognised as financial cost.

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

i) **Revenue**

(i) Revenue from services

Revenue from services rendered is recognised in profit or loss account for the period during which such services are provided.

The main sources of income are:

- income from fees for transactions in shares and fixed income instruments - revenue is recognized as services are rendered;
- fees charged for admission to trading - revenue is recognized at the date of admission to trading;
- fees charged for maintaining to trading - revenue is recognized on a straight-line basis over the period to which it relates;

3. Significant accounting policies *(continued)*

i) **Revenue *(continued)***

- information exchange sales - revenue is recognized as services are rendered;

(ii) Commissions

When the Company is acting in the capacity of an agent rather than as the principal in a transaction, the revenue recignised is the net amount of commission made by the Company.

j) **Financial income and financial costs**

Financial income includes interest income on liquidities invested (including available-for-sale financial assets), dividend income, gains on the remeasurement of assets and liabilities in other currencies, gains on the disposal of available-for-sale financial assets, fair value gains on financial assets at fair value through profit or loss account and gains on hedging instruments that are recognized in profit or loss account on an accrual basis using the effective interest method.

Dividend income is recognised in profit or loss account on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Financial costs comprise losses on disposal of available-for-sale financial assets, losses on the remeasurement of assets and liabilities in other currencies, fair value losses on financial assets at fair value through profit or loss account and losses on hedging instruments that are recognized in profit or loss account on an accrual basis using the effective interest method.

k) **Lease payments**

Payments made under operating leases are recognised in profit or loss account over the term of the lease. Lease incentives received related to the operating leases are recognised as an integral part of the total lease expenses, over the term of the lease.

Minimum lease payments made under financial leases are apportionated between the financial expense and the reduction of the outstanding liability. The financial expense is allocated to each period during the lease term so as to produce a costant periodic rate of interest on the remaining lease liability. Contingent lease payments are recognized by reviewing the minimum lease payments for the remaining lease period when the lease adjustment is confirmed.

l) **Income tax**

Income tax for the year comprises current tax and deferred tax. Income tax is recognized in the income of the year, unless it is related to the business combination or to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the income for the period or receivable for loss for the period, determined using tax rates applied to the statement of financial position date and to any adjustment to the payment obligations related to income tax of previous periods.

Deferred tax is determined in respect of temporary differences arising between the tax base for calculating the tax on assets and liabilities and their carrying value used for reporting in the financial statements. Deferred tax is not recognized for the following temporary differences: initial recognition of goodwill, the initial recognition of assets and liabilities arising from

3. Significant accounting policies *(continued)*

l) **Income tax** ***(continued)***

transactions that are not business combinations and that affects neither the accounting nor tax income and differences arising from investments in subsidiaries, provided that they are not returned in foreseeable future. Deferred tax is calculated based on the expected modality of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted by legislation applicable at the date of statement of financial position.

Deferred tax receivable is recognized only to the extent that it is likely to be future taxable profits after offsetting tax losses of previous years and tax recoverable. Deferred tax receivable is reduced to the extent that the related tax benefit is unlikely to be achieved.

Additional taxes arising from the distribution of dividends are recognized at the same time as the liability to pay the dividend.

Tax rate used to calculate current and deferred tax at 31 December 2011 was of 16% (31 December 2010: 16%).

m) **Earnings per share**

The Company presents earnings per share ("CPA") of the basis for its ordinary shares. The basic CPA is calculated by dividing profit or loss account attributable to ordinary shareholders of the Company by a weighted average number of ordinary shares outstanding during that period. Diluted earnings per share is determined by adjusting the profit or loss account attributable to ordinary shareholders and by adjusting a weighted average number of ordinary shares outstanding to the effects of all potential ordinary shares, including preferred shares. Until now it was not necessary to calculate the diluted CPA because there is no potential ordinary shares, all issued shares having equal rights to dividends.

n) **Legal reserve**

In accordance with the legislation in Romania, companies must distribute an amount equal to at least 5% of profit before tax, in legal reserves, until it reaches 20% of the share capital. When this stage has been reached, the Company can make additional allocations of net profit only. Legal reserve is deductible within the limit of 5% applied to the accounting profit before establishing the income tax.

o) **Segment reporting**

An operating segment is a distinct component of the Company that engages in activities following which it could obtain revenues and inccur expenses, including revenues and expenses relating to transactions with any of the other components of the Company and is subject to risks and rewards different from those of other segments. The primary format for segment reporting of the Company is the activity segmentation. The Company has a single operating segment, i.e. trading activity.

p) **Dividends**

Dividends are treated as a distribution of profit for the period in which they are declared and approved by the General Assembly of Shareholders. Only profit available for distribution is the annual profit recorded in the statutory accounts, which is different of the profit from these separate financial statements prepared in accordance with IFRSs, due to differences between IFRSs and the Romanian accounting law.

3. Significant accounting policies *(continued)*

q) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for annual period ending 31 December 2011 and have nor been applied in preparing these separate financial statements:

1. *IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2013)*

   This standard replaces IAS 39 guide "Financial Instruments: Recognition and Measurement" relating to the classification and measurement of financial assets. This standard eliminates categories of receivables, held-to-maturity investments and held-for-sale assets. Classification of financial assets has been reduced to two methods of measurement: amortized cost and fair value. A financial asset can be measured at amortized cost only if the following two conditions are met: assets are held in the Company's business model whose objective is performance-based contract management and cash flow on data specified under contract terms to represent principal and interest only. Subsequent gains or losses from changes in value of assets measured at fair value are recognized in profit or loss account except for investments in equity securities that are not held for trading, for which the standars allows measurement on initial recognition measurement at fair value with subsequent changes in value recognized in comprehensive income. The choice will be made instrument by instrument and reclassifications shall not be allowed and any amount recognized in other comprehensive income shall not be reclassified at a later date. Those paragraphs of IAS 39 regarding measurement of fair value and accounting for derivatives embedded in contracts where the host is a financial asset, as well as IFRIC 9 "Reassessment of embedded derivatives " also included. It is expected that the application for the first time of this standard will have a significant impact on the financial statements since its retrospective application shall be required. This standard has not yet been adopted by the European Union.

2. *Amendments to IFRS 7, "“Presentation - Transfers of Financial Assets"” (effective beginning on or after 1 July 2011, to be applied later. Its retroactive application is permitted)*

   Amendments require disclosures that enable users of financial statements: to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities, and to evaluate the nature and risks associated with the entity's continuing involvement in the derecognition of financial assets. The amendments define "continuing involvement" in order to implement the requirements of publication. When applied, it is expected that the amendments to IFRS 7 will increase awareness about certain derecognised or partially derecognised financial assets. This amendment has been adopted by the European Union.

3. *IFRS 12 Disclosure of Interests in Other Entities - (effective for annual financial statements covering periods beginning on or after 1 January 2013; this standard can be adopted before this date).*

   IFRS 12 establishes disclosure requirements for subsidiaries, jointly controlled entities, associates entities and "structural entities". IFRS 12 replaces the requirements previously included in IAS 27, IAS 31 and IAS 28 standards *Investments in Associates*. IFRS 12 includes all the previous requirements included in IAS 27 on the consolidated financial statements, as well as the disclosures included in IAS 31 and IAS 28 *Investments in Associates*.

3. Significant accounting policies *(continued)*

q) New standards and interpretations not yet adopted (continued)

These disclosures are related to the entity's investments in subsidiaries, joint ventures, associates and structural entities.

Requirements of FRS 12 are much more detailed than the requirements of IAS 27, which apply only to entities required to report the circumstances in which: (1) a subsidiary was consolidated and the parent owns less than a majority of voting rights; and (2) an investee entity was not consolidated, and the investor owns more than a majority of voting rights. This change in disclosure requirements reflect the degree of judgment required to determine whether an entity is controlled, and therefore enhanced. IFRS 12 expands disclosure requirements for subsidiaries with non-controlling interests (NCI), shared control arrangements and associates that are individually significant.

4. *IFRS 13 Fair Value Measurement (effective for annual period beginning on or after 1 January 2013)*

   IFRS 13 establishes a single framework for all fair value measurements when fair value is required or permitted by IFRSs. IFRS 13 describes how to measure fair value under IFRSs when it is required or permitted by IFRSs. This standard does not introduce additional measurement requirements for assets and liabilities at fair value, but does not eliminate exceptions to measurement at fair value existing within the current standard.

   The standard contains an extended framework that provides additional information to the existing requirements, providing information that enables users of financial statements to evaluate methods used for fair value measurements and evaluate the effect on the profit or loss account or other comprehensive income on recurrent measurements at fair value using significant unobservable factors.

5. *Amendments to IAS 1 Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income* (effective for annual periods beginning on or after 1 July 2012).

   The standard requires an entity to disclose separately the other comprehensive income that may be reclassified into profit or loss account in the future from those that will not be reclassified into profit or loss account. If these comprehensive income are presented before related tax effects, then the aggregate amount of tax must be allocated between these sections. Impact of initial application of these amendments will depend on the specific items of comprehensive income from the date of initial application. The Company is currently in the process of assessing the potential effects of the amendments to IAS 1 on the financial statements.

6. *IAS 28 (2011) Investments in Associates and Joint Venture (amendments coming into force for annual financial statements covering periods beginning on or after 1 January 2013).*

   - *Associates and joint ventures held for sale*. IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" applies to an investment or a portion of investment in an associate or a joint venture that meets the criteria for classification as held for sale. For any remaining part of the investment that has not been classified as held for sale, equity method is applied to the sale of the part held for sale.

   After transfer, any remaining interest is accounted for using the equity method if it continues to be an investment of associate or joint venture type.

3. Significant accounting policies *(continued)*

q) New standards and interpretations not yet adopted (continued)

- *Changes in investments held in associates and joint ventures*. Previously, IAS 28 (2008) and IAS 31 specified: selling a significant influence or joint venture jointly controlled generates the revaluation of any part remaining in all cases, even if significant influence was succeeded by jointly controlled IAS 28 (2011) now requires that in such scenarios, the remaining interest in investment will not be reviewed.

4. Determination of fair values

A number of Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurements and/or disclosures purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is diclosed in the note specific to that asset or liability.

(a) Tangible assets

Fair value of tangible assets of categories: plant, equipment, fixtures and fittings, etc. is based on the market approach and cost approaches using the quoted market prices for similar items when available and replacement cost when appropriate.

(b) Intangible assets

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(c) Investments in equity and debt securities

The fair value of held-to-maturity and available-for-sale equity and debt securities at fair value through profit or loss account is determined by reference to their quoted closing price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

(d) Trade and other receivables

The fair value of trade and other receivables is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date, i.e. 31 December 2011. This fair value is determined for disclosure purposes or when such assets are acquired in a business combination. For financial instruments such as short-term receivables and liabilities, the management believes that the carrying amount is a reasonable approximation of fair value and therefore is not necessary to present a fair value separately.

(e) Fair value hierarchy

The Company measures the fair value of financial instruments using one of the following hierarchymethods:

- Level 1: quoted prices in active markets for identical assets and liabilities
- Level 2: Measurement techniques based on observable market data. This category includes instruments measured using: quoted prices in active markets for identical assets and liabilities: market quotations for similar instruments in markets that are considered less active: or other measurement techniques where all significant inputs are directly or indirectly observable in market inputs.
- Level 3: Measurements techniques that are not based on observable market data. This category includes all instruments whose valuation method is not based on observable and unobservable inputs and have a significant influence on the instrument measurement. This category includes instruments that are measured based on market quotations for similar instruments where unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities together with the carrying amounts included in the statement of financial position are as follows:

for the year ended 31 December 2011 (in thousand of Ron)

	31 December 2011		31 December 2010		1. January 2010	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Assets carried at fair value						
Available-for-sale financial assets	1,033	1,033	1,036	1,036	968	968
Assets carried at amortised cost						
Trade and other receivables	2,237	2,237	1,048	1,048	1,986	1,986
Prepayments	90	90	108	108	276	276
Other held-to-maturity financial assets less than one year	72,072	72,072	2,094	2,094	-	-
Cash and cash equivalents	2,451	2,451	61,270	61,270	64,601	64,601
	76,850	**76,850**	**64,520**	**64,520**	**66,863**	**66,863**
Liabilities carried at amortised cost						
Trade and other payables	2,387	2,387	1,479	1,479	1,583	1,583
Deferred income/revenue	738	738	618	618	499	499
Current income tax payables	213	213	-	-	225	225
Total	**3,338**	**3,338**	**2,097**	**2,097**	**2,307**	**2,307**

All available-for-sale financial instruments representing shares quoted on different markets, amounting to 1,033 thousand (31 December 2010: 1,036 thousand Ron; 1 January 2010: 968 thousand Ron) are classified at Level 1: quoted prices in active markets.

5. Financial risk management

The Company has exposure to the following risks arising from the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk, including interest risk and currency risk
- Tax risk
- Operational risk

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

5. Financial risk management *(continued)*

(a) Risk management framework

The Board of Directors of BVB has overall responsibility for the establishement and oversight of the Company's risk management framework. The Board of Directors of BVB is assisted in this endeavor by special committees which have an advisory role.

The activity of special of BSE activity is governed by the following principles:

a) principle of delegation of powers from Exchange Council, as steering committee;
b) principle of decision-making autonomy;
c) principle of objectivity;
d) principle of investor protection;
e) principle of promoting stock market development;
f) principle of active role.

The Board of Directors is also responsible for examining and approving the strategic, operational and financial plan of BVB, as well as the corporate structure of the Company.

Company's risk management policies are defined to ensure the identification and analysis of risks facing the Company, setting appropriate limits and controls, and monitoring of risks and compliance with the limits established. Risk management systems and policies are reviewed regularly to reflect the changes in market conditions and in Company's activities. The Company, through its training and management standards and procedures, aims to develop an orderly and constructive control environment in which all employees understand their roles and obligations. Internal audit of the Company's entities oversees how the management monitors compliance with management risk policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the entities.

(b) Credit risk

Credit risk is the risk of financial loss th the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

(i) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and of the country where it operates. Most Company's customers operates in Romania. The Company's customer base is comprised of issuers of securities, financial investment service companies and other financial institutions participating in Bucharest Stock Exchange. The Company establishes a provision for recevable impairment that represents its estimate of insurred losses in respect of trade and other liabilities and investments. The main component of this adjustment is the specific loss component related to doubtful customers for whom the recevable recovery process has begun. The second is the collective loss component corresponding to losses that have been incurred but not yet identified, calculated on the basis of the maturity of receivables, after the application of the contamination principle, using historical loss rates.

(ii) Financial investments

The Company limits its exposure to credit risk by investing only in liquid instruments issued by counterparties who have a satisfactory credit quality. The Company's management constantly monitors the credit quality and, given that the Company has invested only in instruments with high credit quality, its management does not expect the counterparties to fail to meet their contractual obligations. The table below shows the ratings given by rating agencies

for the year ended 31 December 2011 (in thousand of Ron)

5. Financial risk management *(continued)*

(b) Credit risk *(continued)*

to banks in which the Company has cash and deposits at the end of financial reporting periods:

	31. December 2011	31 December 2010	1. January 2010	Rating agency
BRD - Groupe Societe Generale S.A.	BBB+	BBB	BBB	Fitch Ratings
Banca Transilvania S.A.	BB-	BB-	BB-	Fitch Ratings
ING Bank NV, Bucharest branch	A+	A+	A+	Fitch Ratings
RBS BANK (ROMANIA) S.A.	A-1	A-1	A-1	Standard & Poors
PIRAEUS BANK ROMANIA S.A.	B	B	B	Fitch Ratings
RAIFFEISEN BANK S.A.	Baa3	Baa3	Baa3	Moody's
Banca Comerciala Romana S.A.	BBB+	BBB	BBB	Fitch Ratings
Bancpost S.A.	BB+	BB+	BB+	Fitch Ratings
MARFIN BANK (ROMANIA) S.A.	Ba2	Baa3	Baa3	Moody's
Credit Europe Bank (Romania) S.A.	BB	BB	BB	Fitch Ratings
ALPHA BANK ROMANIA S.A.	B	B	B	Fitch Ratings
VOLKSBANK ROMANIA S.A.	P-2	P-2	P-2	Moody's
UniCredit Tiriac Bank S.A.	BBB+	BBB	BBB	Fitch Ratings

Exposure to credit risk

The maximum exposure to credit risk is equal to the exposure in the balance sheet at the reporting date and it was:

Name	**31. December 2011**	**31 December 2010**	**1. January 2010**
Available-for-sale financial assets	1,033	1,036	968
Trade and other receivables	2,237	1,048	1,986
Prepayments	90	108	276
Other held-to-maturity financial assets for a period less than one year	72,072	2,094	-
Cash and cash equivalents	2,451	61,270	64,601
Other assets	705	167	8
Total	**78,588**	**65,723**	**67,839**

The Company monitors exposure to credit risk by analyzing the maturity of the liabilities that it owns, as reflected in the table below:

for the year ended 31 December 2011 (in thousand of Ron)

5. Financial risk management *(continued)*

(b) Credit risk *(continued)*

	Trade and other receivables			Held-to-maturity financial assets			Cash and cash equivalents			Available-for-sale financial assets		
	2011	**2010**	**2009**	**2011**	**2010**	**2009**	**2011**	**2010**	**2009**	**2011**	**2010**	**2009**
Individually impaired												
Significant risk	95	162	142	-	-	-	-	-	-	-	-	-
Gross amount	**95**	**162**	**142**	-	-	-	-	-	-	-	-	-
Adjustment for impairment	95	162	142	-	-	-	-	-	-	-	-	-
Net amount	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding, individually non-impaired												
Outstanding less than 90 days	-	-	-	-	-	-	-	-	-	-	-	-
Oustranding between 90 and 180 days	-	-	-	-	-	-	-	-	-	-	-	-
Oustranding between 180 and 360 days	-	-	262	-	-	-	-	-	-	-	-	-
Gross amount	-	-	**262**	-	-	-	-	-	-	-	-	-
Adjustment for impairment	-	-	262	-	-	-	-	-	-	-	-	-
Net amount	-	-	-	-	-	-	-	-	-	-	-	-
Current, non-impaired												
Without a significant risk	2,237	1,048	1,986	72,072	2,094	-	2,451	61,270	64,601	1,033	1,036	968
Gross amount	**2,237**	**1,048**	**1,986**	**72,072**	**2,094**	-	**2,451**	**61,270**	**64,601**	**1,033**	**1,036**	**968**
Adjustment for impairment	-	-	-	-	-	-	-	-	-	-	-	-
Net amount	**2,237**	**1,048**	**1,986**	**72,072**	**2,094**	-	**2,451**	**61,270**	**64,601**	**1,033**	**1,036**	**968**
Total gross amount	**2,332**	**1,210**	**2,390**	**72,072**	**2,094**	-	**2,451**	**61,270**	**64,601**	**1,033**	**1,036**	**968**
Total net amount	**2,237**	**1,048**	**1,986**	**72,072**	**2,094**	-	**2,451**	**61,270**	**64,601**	**1,033**	**1,036**	**968**

for the year ended 31 December 2011 (in thousand of Ron)

5. Financial risk management *(continued)*

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficlty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to maniging 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 and risking damage to the Company's reputation.

The Company does not have loans, cash only needing to cover its current operating expenses. Given that a significant percentage of the Company's assets consist of investments with high liquidity, the liquidity risk faced by the Company is low.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31. December 2011	**Carrying amount**	**Contractual cash flows**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Trade and other payables	2,387	2,387	2,387	-	-	-	-
Total	**2,387**	**2,387**	**2,387**	**-**	**-**	**-**	**-**

31 December 2010	**Carrying amount**	**Contractual cash flows**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Trade and other payables	1,479	1,479	1,479	-	-	-	-
Total	**1,479**	**1,479**	**1,479**	**-**	**-**	**-**	

1. January 2010	**Carrying amount**	**Contractual cash flows**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Trade and other payables	1,583	1,583	1,583	-	-	-	-
Total	**1,583**	**1,583**	**1,583**	**-**	**-**	**-**	**-**

for the year ended 31 December 2011 (in thousand of Ron)

5. Financial risk management *(continued)*

(c) Liquidity risk *(continued)*

It is not anticipated that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different values.

The Company maintains sufficient liquid assets (residual maturity less than 3 months) to cover all outstanding liabilities.

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company'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 payments, while optimising the return.

Exposure to currency risk

The Company's exposure to currency risk is presented below, based on notional amounts in equivalent in Ron:

31. December 2011	**EUR**	**USD**	**RON**	**Total**
Financial assets				
Available-for-sale financial assets	804	-	229	1,033
Trade and other receivables	137	-	2,100	2,237
Securities (government securities, bank deposits, cash and cash equivalents)*	11,082	9,721	53,720	74,523
Other assets	-	-	705	705
Total financial assets	**12,023**	**9,721**	**56,754**	**78,498**
Financial liabilities				
Trade and other payables	194	-	2,193	2,387
Total financial liabilities	**194**	**-**	**2,193**	**2,387**
Net financial assets/(liabilities)	**11,829**	**9,721**	**54,561**	**76,111**

* It contains balance sheet positions: Other held-to-maturity financial assets (assets), other held-to-maturity financial (current assets), cash and cash equivalents

for the year ended 31 December 2011 (in thousand of Ron)

5. Financial risk management *(continued)*

(d) Market risk *(continued)*

31 December 2010	**EUR**	**USD**	**RON**	**Total**
Financial assets				
Available-for-sale financial assets	827	-	209	1,036
Trade and other receivables	-	-	1,048	1,048
Securities (government securities, bank deposits, cash and cash equivalents)*	9,952	9,178	44,234	63,364
Other assets	-	-	167	167
Total financial assets	**10,779**	**9,178**	**45,658**	**65,615**
Financial liabilities				
Trade and other payables	-	-	1,479	1,479
Total financial liabilities	**-**	**-**	**1,479**	**1,479**
Net financial assets/(liabilities)	**10,779**	**9,178**	**44,179**	**64,136**

1. January 2010	**EUR**	**USD**	**RON**	**Total**
Financial assets				
Available-for-sale financial assets	759	-	209	968
Trade and other receivables	-	-	1,986	1,986
Securities (government securities, bank deposits, cash and cash equivalents)*	1,898	-	62,703	64,601
Other assets	-	-	8	8
Total financial assets	**2657**	**0**	**64,906**	**67,563**
Financial liabilities				
Trade and other payables	-	-	1,583	1,583
Total financial liabilities	**-**	**-**	**1,583**	**1,583**
Net financial assets/(liabilities)	**2,657**	**-**	**63,323**	**65,980**

* It contains balance sheet positions: Other held-to-maturity financial assets (assets), other held-to-maturity financial (current assets), cash and cash equivalents

for the year ended 31 December 2011 (in thousand of Ron)

5. Financial risk management *(continued)*

(d) Market risk *(continued)*

Sensitivity analysis

A depreciation of the leu on 31 December as indicated below against EUR and USD would have caused an increase in the Company's income, with values listed below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	31 December 2011	31 December 2010	1. January 2010
Leu depreciation by 10 % against EUR	1,183	1,078	266
Leu depreciation by 10 % against USD	972	918	0
Total	**2,155**	**1,996**	**266**

An appreciation of the leu on December 31 against other currencies would have the same effect, but opposite, on the amounts shown above, assuming that all other variables remain constant.

Exposure to interest rate risk

The Company does not hold financial instruments with variable interest rates. Held-to-maturity financial instruments are not affected by interest rate variation. Therefore, a change in interest rates at the reporting date would not affect profit or loss account nor equity.

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated to Company's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risk, such as the loss arising from legal and regulatory requirements and generally accepted standards concerning organizational behavior. Operational risks arise from all Company's operations. The main responsibility of the Company's management os to develop and implement operational risk-related controls. Responsibility is based on the development of the Company's general standards of operational risk management in the following areas:

- Segregation of duties requirements, including independent authorisation of transactions
- Requirements for the reconciliation and monitoring of the transactions
- Alignment with regulatory and legal requirements
- Documentation of controls and procedures
- Requirements for periodic review of operational risks faced by the Company and the adequacy of controls and procedures to address the risks identified
- Reporting requirements of operational losses and proposals for remedy the causes that generated them
- Development of business continuity plans
- Vocational development and training
- Setting ethical standards
- Prevent the risk of litigation, including insurance where applicable
- Risk mitigation, including efficient use of insurances where appropriate.

for the year ended 31 December 2011 (in thousand of Ron)

5. Financial risk management *(continued)*

(f) Capital management

The Board's policy is to maintain a strong capital base so as to maintain the investor, creditor and market confidence and to support future development of the bussiness. The Board of Directors monitors the return on capital, defined as net income resulting from operations divided by total equity.

The Company's net debt to adjusted equity ratio at the reporting date was as follows:

	2011	2010	2009
Total liabilities	4,194	2,097	2,307
Cash and cash equivalents	2,451	61,270	64,601
Net debt	**1,743**	**-59,173**	**-62,294**
Total equity	**100,002**	**88,524**	**90,519**

(g) Economic environment risk

Last year, the European financial sector faced a public debt crisis, triggered by major fiscal imbalances and high public debts in several European countries. Current fears, such as deterioration of financial conditions that could contribute in a later stage to further reduce investor's confidence, led to a joint effort of governments and central banks to adopt special measures to counter the vicious circle of rising risk aversion and to ensure normal functioning of the market.

Identification and assessment of the influence of market liquidity shortages, analysis of compliance with loan agreements and other contractual obligations, evaluation of significant uncertainties, including uncertainties related to the ability of an entity to continue to operate for a reasonable period of time, all bringing their own challenges.

Their effects on the financial market in Romania were decreases in prices and liquidity in the capital markets and increases in long-term interest rates due to international liquidity conditions.

The Company's borrowers may also be affected by the liquidity crisis that might affect their ability to meet their current liabilities. The deterioration of creditors' operating conditions affect also the management of the cash flow forecasts and the assessment of the impairment of financial and non-financial assets. To the extent that information is available, the Company's management has reflected revised estimates of future cash flows in its impairment policy.

5. Financial risk management *(continued)*

(g) Economic environment risk *(continued)*

The Company's management is unable to estimate reliably the effects on the Company's financial statements resulting from financial market liquidity deterioration, depreciation of financial assets influenced by illiquid market conditions and high volatility of national currency and financial markets. The Company's management believes that it takes all necessary measures to support the Company's business growth in current market conditions by:

- developing the liquidity management strategies and establishing specific measures of liquidity management in crisis situations;
- making forecasts of current liquidity;
- daily monitoring the cash flows and estimating their effects on Company's borrowers, due to limited access to finance and possibility to support business growth in Romania;
- carefully examinating the conditions and clauses included in the existing and future clearing and settlement commitments.

(h) Tax risk

Since 1 January 2007, following the accession of Romania to European Union, the Company had to undergo EU regulations and therefore it prepared to implement the changes brought by European legislation. The Company has implemented these changes, but how to implement them remains open to fiscal audit for 5 years.

Interpretation of texts and practical implementation of new tax regulation procedures applicable and harmonized with European legislation may vary from entity to entity and there is a risk that in some cases the tax authorities to adopt a different position from that of the Company.

In addition, the Romanian Government has a number of agencies authorised to conduct audits (controls) for companies operating in Romania. These controls are similar to tax audits in other countries and may cover not only tax issues but also other legal and regulatory issues of interest to these agencies. It is possible that the Company continues to be subject to tax audits as the issue of new tax regulations.

for the year ended 31 December 2011 (in thousand of Ron)

6. Acquisition of subsidiaries and non-controlling interests

In 2011 and 2010, participation in the Central Depository and the Investors Compensation Fund has grown through the acquisition of shares issued by them. The Company already held control on both entities in 2006.

The effect of changes in share holdings by the BVB in Central Depository and the Investors Compensation Fund is shown below:

	1 January 2011	**Increases**	**31 December 2011**
Central Depository	19,462	782	20,244
Bucharest Clearing House	3,651	-	3,651
Investors Compensation Fund	210	4	215
BVB Corporate Governance Institute Foundation	50	-	50
Total	**23,374**	**786**	**24,160**

	1 January 2010	**Increases**	**31 December 2010**
Central Depository	19,219	243	19,462
Bucharest Clearing House	3,651	-	3,651
Investors Compensation Fund	196	14	210
BVB Corporate Governance Institute Foundation	50	-	50
Total	**23,116**	**257**	**23,373**

The Company acquired control of the Central Depository on 11 May 2006, by subscription of capital increase and the contribution in kind to the capital of the subsidiary.

The Company acquired control of the Bucharest Clearing House in the year ended on 31 December 2007, by subscription of capital increase and the contribution in kind to the capital of the subsidiary.

The Company acquired control of the Investors Compensation Fund in the year ended 31 December 2006, by subscribing to the share capital of the subsidiary.

for the year ended 31 December 2011 (in thousand of Ron)

7. Adopting IFRSs for the first time

These separate financial statements prepared for the year ended 31 December 2011, the first ones prepared in accordance with IFRSs by BVB. The accounting policies set out in note 3 have been applied in preparing separate financial statements for the year ended 31 December 2011, the comparatives on 31 December 2010 and the opening balance sheet on 1 January 2010.

The table below shows the reconciliation between the financial position of BVB under the statutory financial statements and financial position of the Company under IFRSs:

Assets		**BVB Statutory**			**IFRS adjustments separately BVB**			**BVB IFRS separately**		
	Note	**31 December 2011**	**31 December 2010**	**1 January 2010**	**31 December 2011**	**31 December 2010**	**1 January 2010**	**31 December 2011**	**31 December 2010**	**1 January 2010**
Non-current assets								-	-	-
Tangible assets	a	1,042	950	1,167	-	461	461	1,042	1,411	1,628
Intangible assets		21	11	99	-	-	-	21	11	99
Investments in associates	e	26,573	23,374	23,117	-2,413	-	-	24,160	23,374	23,117
Deferred tax – assets	a	-	-	-	385	102	143	385	102	143
Available-for-sale financial assets		1,033	1,036	968	-	-	-	1,033	1,036	968
Total non-current assets		**28,669**	**25,371**	**25,351**	**-**	**-**	**-**	**26,641**	**25,934**	**25,955**
Current assets										
Trade and other receivables	c	2,237	1,048	2,249	-	-	-263	2,237	1,048	1,986
Prepayments		90	108	276	-	-	-	90	108	276
Held-to-maturity financial assets		-	-	-	72,072	2,094	-	72,072	2,094	-
Short-term investments and cash and cash equivalents		74,523	63,437	64,601	-72,072	-2,167	-	2,451	61,270	64,601
Other assets		705	167	8	-	-	-	705	167	8
Tota current assets		**77,555**	**64,760**	**67,134**	**-**	**-**	**-**	**77,555**	**64,687**	**66,871**
Total assets		**106,224**	**90,131**	**92,485**	**-2,028**	**490**	**341**	**104,196**	**90,621**	**92,826**

for the year ended 31 December 2011 (in thousand of Ron)

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

	Note	BVB statutory			BVB IFRS adjustments separately			BVB IFRS separately		
	Note	**31 December 2011**	**31 December 2010**	**1 January 2010**	**31 December 2011**	**31 December 2010**	**1 January 2010**	**31 December 2011**	**31 December 2010**	**1 January 2010**
Payables										
Trade and other payables		2,387	1,479	1,583	-	-	-	2,387	1,479	1,583
Deferred income/revenue		738	618	499	-	-	-	738	618	499
Current income tax		213	-	225	-	-	-	213	-	225
Provisions		856	-	-	-	-	-	856	-	-
Total liabilities		4,194	2,097	2,307	-	-	-	4,193	2,097	2,307
Equity										
Ordinary shares		76,742	76,742	76,742	-	-	-	76,742	76,742	76,742
Other reserves	e	2,470	57	57	-2,413	-	-	57	57	57
Legal reserves		4,942	4,411	4,087	-	-	-	4,942	4,411	4,087
Revaluation reserves	d	-	-	-	-365	-346	-404	-365	-346	-404
Retained earnings		911	1,117	962	836	745	943	1,746	1,862	1,905
Profit for the year		**16,966**	**5,708**	**8,330**	**-86**	**90**	**-198**	**16,880**	**5,798**	**8,132**
Equity		**102,031**	**88,035**	**90,178**	**-**	**-**	**-**	**100,002**	**88,524**	**90,519**
		-	-	-	-	-	-	-	-	-
Total equity and liabilities		**106,224**	**90,131**	**92,485**	**-2,028**	**490**	**341**	**104,196**	**90,621**	**92,826**

for the year ended 31 December 2011 (in thousand of Ron)

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

Profit or loss account

		BVB statutory		BVB IFRS adjustments separately		BVB IFRS separately	
	Note	**31 December 2011**	**31 December 2010**	**31 December 2011**	**31 December 2010**	**31 December 2011**	**31 December 2010**
Revenue from services		21,742	13,056	-	-	21,742	13,056
Other revenue	d	237	462	-234	-311	3	151
Operating revenue		**21,979**	**13,518**	-	-	**21,745**	**13,207**
Operating expenses	a,d	-14,819	-13,130	-204	243	-15,023	-12,887
Operating profit before depreciation		**7,161**	**388**	-	-	**6,721**	**319**
Financial income		15,319	7,018	-	-	15,319	7,018
Financial expense	b	-2,884	-898	73	-73	-2,811	-971
Net financial income		**12,435**	**6,120**	-	-	**12,508**	**6,047**
Gain/(losses) on the impairement of current assets	c	67	-20	-	263	67	243
Provision expense		-856	-	-	-	-856	-
Gross profit		**18,807**	**6,488**	-	-	**18,441**	**6,609**
Income tax expense	a	-1,840	-780	279	-30	-1,561	-811
Profit / (loss)		**16,967**	**5,709**			**16,881**	**5,799**
Number of BVB shares		7,674,198	7,674,198			7,674,198	7,674,198
Unadjusted earnings per share		0.0022	0.0007			0.0021	0.0007

for the year ended 31 December 2011 (in thousand of Ron)

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

Notes to the reconciliation separate financial position, separate profit or loss account and separate statement of comprehensive income

In the notes below the improvement in asset and expenditure are shown as positive values and increases in liabilities and income are shown as negative values.

(a) The Company adopted the provisions of IAS 29 ("Financial Reporting in Hyperinflationary Economies") in preparing financial statements for those holdings older than 1 January 2004. Amounts expressed in the current measuring unit at 31 December 2003 were treated as basis for the carrying amounts in this separate financial statements. Thus, the cost of land acquired before 31 December 2003 by BVB has been adjusted to inflation index between 31 December 2003 and the date of acquisition, resulting in an adjustment of 1 151 thousand Ron, in exchange for earnings. Accordingly, depreciation of land value was adjusted by the amount of 1. 151 thousand Ron in 2011 and 691 thousand Ron in 2010 and 2009. It has also been adjusted to inflation index and the amount of the BVB reserve before the BVB transformation from public entity into a stock company.

The impact of the above-mentioned is summarized as follows:

Statement of financial position	**31. December 2011**	**31 December 2010**	**1. January 2010**
Tangible assets	0	461	461
Other reserves	-1,151	-1,151	-1,151
Earning adjustment	**-1,151**	**-690**	**-690**

Profit or loss account	**2011**	**2010**
Tangible asset impairment expenses (operating expenses)	461	0
Earning adjustment	461	0

The Company recognised the deferred tax in respect of temporary differences arising between the tax base for calculating the tax on assets and liabilities and their carrying value used for reporting in the financial statements.

For transactions that are not accounted for through profit or loss account, deferred tax is also recognized outside of profit or loss account in the statement of comprehensive income or directly in equity or (as is the case for revaluation reserve of available-for-sale financial investments).

for the year ended 31 December 2011 (in thousand of Ron)

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

Notes to the reconciliation separate financial position, separate profit or loss account and separate statement of comprehensive income

Statement of financial position	31 December 2011	31 December 2010	1 January 2010
Deferred tax receivables	385	102	143
Revaluation reserves	-106	-132	-127
Earning adjustment	**279**	**-30**	**16**

Profit or loss account	2011	2010
Derrefed income tax expense	-279	30
Earning adjustment	**-279**	**30**

(b) Financial instruments held are classified in the financial statements in different categories listed below different from the statutory financial statements.

Current adjustment includes the effect of the measurement of these assets at amortised cost using the effective interest rate for each financial instrument and of the measurement of currency assets at the closing of the last day of the year.

for the year ended 31 December 2011 (in thousand of Ron)

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

Notes to the reconciliation separate financial position, separate profit or loss account and separate statement of comprehensive income

Statement of financial position	2011	2010
Revaluation of available-for-sale financial assets	-69	-66
Earning adjustment	**-69**	**-66**

Statement of financial position	31 December 2011	31 December 2010	1 January 2010
Held-to-maturity financial assets	-	-73	-
Cash and cash equivalents			
Earning adjustment	**-**	**-73**	**-**

Profit or loss account

	2011	2010
Financial expense	-	73
Financial income	-	-
Earning adjustment	**-**	**73**

for the year ended 31 December 2011 (in thousand of Ron)

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

Notes to the reconciliation separate financial position, separate profit or loss account and separate statement of comprehensive income

(c) In these separate financial statements, trade receivables are measured at amortised cost less any adjustments for impairment. Under IFRSs provisioning methodology applied by the Company, it considers evidence of impairment for receivables at both a specific asset and collective level. All receivables that are individually significant are tested for impairment. Those found not to be semnifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Receivables that are not individually significant are collectively assessed for impairement by grouping together receivables with similar risk characteristics. In assessing collective impairement, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic conditions are such that the actual losses are likely to be greater or less than the suggested by historical trends.

Provisioning policy of the Company in accordance with the statutory requirements differs from the IFRSs provisioning policy mainly by the absence of collective component.

Thus, the financial statements of the Company recorded a further adjustment for impairment of trade receivables, resulting mainly from their collective assessment.

The impact of the above-mentioned is summarized as follows:

Statement of financial position	**31 December 2011**	**31 December 2010**	**1 January 2010**
Trade and other receivables	-	-	-263
Earning adjustment	**-**	**-**	**-263**

Profit or loss account	**2011**	**2010**
Adjustment after receivable impairment - income	-	-263
Earning adjustment	**-**	**-263**

for the year ended 31 December 2011 (in thousand of Ron)

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

Notes to the reconciliation separate financial position, separate profit or loss account and separate statement of comprehensive income

(d) In the present separate financial statements, subsequent initial recognition, the available-for-sale financial assets are measured at fair value and changes therein, other than impairment losses and foreign currency diferrences on available-for-sale equity securities are recognised in other comprehensive income and presented in the fair value reserve in equity.

According to statutory regulations, available-for-sale financial investments are measured at cost less adjustments for impairment. The amounts that exceed the price are not recognised.

The above is illustrated by the following adjustments (increase of reserve evaluation and elimination of impact assessment of financial instruments from of profit or loss account).

Statement of financial position

	31 December 2011	**31 December 2010**	**1. January 2010**
Reevaluation reserves	365	346	404
Earning adjustment	**365**	**346**	**404**

Profit or loss account

	31 December 2011	**31 December 2010**
Other revenue	234	311
Operating expenses	-256	-243
Earning adjustment	**-22**	**69**

Statement of comprehensive income

	2011	**2010**
Revaluation of available-for-sale financial assets	-19	-58
Earning adjustment	**-19**	**-58**

for the year ended 31 December 2011 (in thousand of Ron)

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

Notes to the reconciliation separate financial position, separate profit or loss account and separate statement of comprehensive income

(e) Under IFRSs the reserves on the shares received free of charge within the entity affiliated to Central Depository are not recognized due to the lack of an outflow of cash or other assets. Therefore the sum for these shares received free of charge (shares) was eliminated from the IFRS financial statements.

Statement of financial position	**31. December 2011**	**31 December 2010**
Participating interests	-2,413	0
Reserves from shares received free of charge	2,413	0
Earning adjustment	**-**	**-**

8. Operating expenses

The operating expenses comprise the following:

	2011	**2010**
Personnel costs *i)*	7,020	6,795
Rent and office utilities	966	1,239
Services provided by third parties *ii)*	1,735	695
Tangible asset depreciation *(Note 12)*	4	108
Intangible asset depreciation *(Note 13)*	1,185	557
Compensations for administrators	527	583
Costs related to local and other taxes	982	634
Consumables	177	132
Maintenance, service and repairs	549	454
Insurances	82	82
Protocol	185	275
Marketing and Advertising	353	491
Transport and trips	291	154
Telecommunications and mail services	169	151
Bank charges	29	28
Other expenses	769	509
Total	**15,023**	**12,887**

for the year ended 31 December 2011 (in thousand of Ron)

8. Operating expenses *(continued)*

i) The personnel costs comprise the following:

	2011	2010
Salaries	5,487	5,239
Salary contributions	1,533	1,556
Total salary costs	**7,020**	**6,795**

Number of Company's employees were:

	2011		2010	
	At the end of the year	**Annual average**	**At the end of the year**	**Annual average**
Bucharest Stock Exchange	**60**	**56**	**60**	**62**

ii) Expenditure on services provided by third parties include mainly audit fees, IT maintenance services, legal assistance, other commissions and fees.

9. Financial income and financial costs

Financial income and expenses recognized in profit or loss account include:

	2011	2010
Interest income for held-to-maturity financial assets *i)*	3,773	4,973
Dividend income	8,225	1,423
(Net loss) / net gain from exchange rate differences	510	-349
Net financial income recognized in profit or loss account	**12,508**	**6,047**

Financial income and expenses recognized in other comprehensive income:

	2011	2010
Change in fair value of available-for-sale financial assets	-19	58
	-19	**58**

for the year ended 31 December 2011 (in thousand of Ron)

9. Financial income and expenses *(continued)*

i) Interest income on held-to-maturity financial assets include interest payable on deposits and investments made in government securities.

10. Income tax expense

Reconciliation of profit before tax to income tax expense in profit or loss account

	2011	**2010**
Accounting profit before tax	18,441	6,609
Non-taxable and similar income	10,768	2,158
Non-deductible and similar expenses	2,080	612
Profit before tax	9,754	5,063
Income tax (16%)	**1,561**	**811**
- current tax	1,840	780
- deferred tax	-279	31

for the year ended 31 December 2011 (in thousand of Ron)

11. Tangible assets

	Lands and buildings *i)*	Plant and equipment	IT and office equipment and furniture*ii)*	Assets in progress	Total
Cost					
Balance at 1 January 2010	2,171	5,806	900	-	8,876
Additions	-	336	3	-	339
Disposals	-	219	0	-	219
Balance at 31 December 2010	**2,171**	**5,923**	**903**	**-**	**8,996**
Balance at 1 January 2011	2,171	5,923	903	-	8,996
Additions	-	181	159	476	816
Disposals	-	-	-	-	-
Balance at 31 December 2011	**2,171**	**6,104**	**1,062**	**476**	**9,812**
Depreciation					
Balance at 1 January 2010	1,301	5,223	724	-	7,249
Depreciation during the year	-	479	77	-	556
Outflows	-	219	-	-	219
Balance at 31. December 2010	**1,301**	**5,483**	**801**	**-**	**7,586**
Balance at 1 January 2011	1,301	5,483	801	-	7,585
Depreciation during the year	869	301	15	-	1,185
Outflows	-	-	-	-	-
Balance at 31 December 2011	**2,170**	**5,784**	**816**	**-**	**8,770**
Net carrying amount					
Balance at 1 January 2010	**869**	**583**	**175**	**-**	**1,628**
Balance at 31 December 2010	**869**	**440**	**101**	**-**	**1,411**
					-
Balance at 1 January 2011	**869**	**440**	**101**	**-**	**1,411**
Balance at 31 December 2011	**0**	**320**	**245**	**476**	**1,042**

i) The land owned by BVB the Company made an adjustment for impairment in value of 100 % of the land value because of a related dispute. Adjustment value for impairment is of 2170 thousand Ron at 31 December 2011 and of 1303 thousand Ron at 31 December 2010 and 2009.

ii) IT, office equipment and furniture costs mainly include the value of servers and specialized equipment used in specific activities of trading, settlement, etc.

for the year ended 31 December 2011 (in thousand of Ron)

12. Intangible assets

	Licenses, software ii)	Assets in progress	Total
Cost			
Balance at 1. January 2010	4,049	-	4,049
Additions	21	-	21
Disposals	534	-	534
Balance at 31 December 2010	**3,536**	**-**	**3,536**
Balance at 1. January 2011	3,536	0	3,536
Additions	14	0	14
Disposals	0	0	-
Balance at 31 December 2011	**3,550**	**-**	**3,550**
Depreciation			
Balance at 1 January 2010	3,950	-	3,950
Depreciation during the year	109	-	109
Outflows	534	-	534
Balance at 31 December 2010	**3,525**	**-**	**3,525**
Balance at 1. January 2011	3,525	0	3,525
Depreciation during the year	4	0	4
Outflows	0	0	-
Balance at 31 December 2011	**3,529**	**-**	**3,529**
Net carrying amount			
Balance at 1. January 2010	**513**	**-**	**99,192**
Balance at 31. December 2010	**11**	**-**	**11,441**
Balance at 1. January 2011	**11**	**-**	**11**
Balance at 31 December 2011	**21**	**-**	**21**

ii) Software and license costs include mainly the value of trading systems used by the company for the specific activities they carry out.

for the year ended 31 December 2011 (in thousand of Ron)

13. Deferred tax receivables

Deferred tax receivables are attributable to following:

	31 December 2011	31 December 2010	1. January 2010
Held-to-maturity financial assets	69	66	77
Tangible assets	24	24	24
Trade and other receivables	-	-	42
Available-for-sale financial assets	-	12	-
Adjustment of shares received free of charge	292	-	-
Total	**385**	**102**	**143**

Variation of temporary differences during the year:

	Held-to-maturity financial assets	Tangible assets	Trade and other receivables	Available-for-sale financial assets	Investments in associates	Total
Balance at 1. January 2010	-	24	42	77	-	143
Recognised in profit or loss account	12	-	-42	-	-	-30
Recognised in other comprehensive income	-	-		-11	-	-11
Balance at 31 December 2010	**12**	**24**	**-**	**66**		**102**
Balance at 1. January 2011	12	24	-	66	-	102
Recognised in profit or loss account	-12	-	-	-	291	279
Recognised in other comprehensive income	-	-	-	4	-	4
Balance at 31 December 2011	**-**	**24**	**-**	**70**	**291**	**385**

for the year ended 31 December 2011 (in thousand of Ron)

14. Financial instruments

The Company's financial instruments are:

	31 December 2011	31 December 2010	1 January 2010
Available-for-sale financial assets *i)*	1,033	1,036	968
Total non-current assets	**1,033**	**1,036**	**968**
Held-to-maturity financial assets *ii)*	72,072	2,094	-
Total current assets	**72,072**	**2,094**	**-**

i) The available-for-sale financial assets are shares listed on foreign stock markets international and share in Sibiu Clearing House and Chisinau Stock Exchange. Listed shares are valued at the closing price of the stock exchanges that are listed on the last trading day before the balance sheet date.

ii) Held-to-maturity financial assets:

	31. December 2011	31 December 2010	1. January 2010
Government securities less than one year	32,238	2,062	-
Bank deposits with maturity between 3 months and one year	39,834	32	-
Total	**72,072**	**2,094**	**-**

Government securities are Treasury bills and bonds issued by the Romanian government in Ron, with residual maturity up to 1 year, purchased at yields between 6.54% and 6.70% (2010: yield 7.5%).

On 31 December 2010 there were also outstanding deposits in euros guaranteed by treasury bills issued by the Romanian government with maturity in 2011 and a yield of 4% (reverse repo).

Term deposits with Romanian banks are made in Ron with original maturities between 3 months and 1 year at interest rates between 6.25% and 8.00% for deposits in Ron, between 3.30% and 4.1 % for deposits in euros and between 2.34% and 2.56% for deposits in USD.

Purchases and redemptions of government securities for all the above financial assets are presented below:

for the year ended 31 December 2011 (in thousand of Ron)

14. Financial instruments *(continued)*

	Government securities less than one year
1. January 2010	-
Purchases	13,257
Redemptions	-
31 December 2010	**13,257**
1. January 2011	13,257
Purchases	32,238
Redemptions	-13,257
31. December 2011	**32,238**

Variation of available-for-sale financial instruments is shown below:

	Available-for-sale financial assets
1. January 2010	968
Purchases	
Value increase after revaluation	68
Sales	-
31 December 2010	**1,036**
1. January 2011	1,036
Purchases	19
Value (decrease)/increase after revaluation	-22
Sales	-
31. December 2011	**1,033**

15. Trade and other receivables

The Company's trade and other receivables comprise the following:

	31 December 2011	**31 December 2010**	**1 January 2010**
Trade receivables – gross value *i)*	1,591	910	1,632
Adjustment for trade receivables impairment *ii)*	-97	-164	-406
Debit balance of trading - CNVM tax	741	298	758
Other receivables	2	4	2
Total	**2,237**	**1,048**	**1,986**

for the year ended 31 December 2011 (in thousand of Ron)

15. Trade and other receivables *(continued)*

i) Trade receivables are mostly receivables from investment services companies whose services provided in the last month of the financial year have been invoiced, and receivables for services invoiced to issuers listed on the stock and other clients: maintenance fee for trading system, use fee for additional terminal, online sale of information, charges for providing license indices, fee for data dissemination and other.

ii) Adjustment for receivable impairment is divided as follows:

	31 December 2011	**31 December 2010**	**1. January 2010**
Adjustment after receivable impairment - individual component	97	164	144
Adjustment after receivable impairment - general component	-	-	262
Total	**97**	**164**	**406**

Adjustment variations after the receivables impairment during the year was as follows:

	2011	**2010**
Adjustment after impairment - individual component		
Balance at 1 January	164	144
Impairment losses	63	20
Impairment reversal	-130	-
Balance at 31 December	**97**	**164**
Adjustment after impairment - general component		
Balance at 1 January	-	262
Impairment losses	-	-
Impairment reversal	-	-262
Balance at 31 December	**-**	**-**
Total		

16. Prepayments

Prepayments amounting to 90 thousand Ron (31 December 2010: 108 thousand Ron; 1 January 2010: 276 mii Ron) are primarily prepaid rent, insurance premiums for equipment, IT equipment maintenance, insurance premiums for liability insurance for administrators and various subscriptions.

for the year ended 31 December 2011 (in thousand of Ron)

17. Cash and cash equivalents

The Group's cash and cash equivalents comprise the following:

	31 December 2011	31 December 2010	1 January 2010
Deposits with banks with original maturity less than 3 months	1,897	60,958	-
Current acounts with banks	550	298	64,599
Cash in hand	4	14	2
Total	**2,451**	**61,270**	**64,601**

18. Trade and other payables

The Company's trade and other liabilities comprise the following:

	31 December 2011	31 December 2010	1 January 2010
Trade liabilities *i)*	668	449	357
Credit balance of trading - CNVM tax	875	680	826
Salary contributions due	228	2	-18
Taxes due	59	-	-
VAT payable	-	58	26
Dividends payable	231	241	181
Prepayments received from customers	137	-	-
Other liabilities	189	49	211
Total	**2,387**	**1,479**	**1,583**

i) Trade payables are mainly obligations to internal suppliers, some of them with a maturity less than 30 days, paid in early 2012.

for the year ended 31 December 2011 (in thousand of Ron)

19. Deferred income/revenue

Deferred income/revenue include:

	31 December 2011	31 December 2010	1 January 2010
Income from stock exchange maintaining tax*(Note 3 (f))*	738	618	499
Total	**738**	**618**	**499**

20. Provisions

Provisions include:

	31 December 2011	31 December 2010	1 January 2010
Provisions for Board of Directors restructuring	610	-	-
Provisions in lieu of leave days not taken and pensions	246	-	-
Total	**856**	**-**	**-**

Provision variations during the year 2011 and 2010 are as follows:

	2011	2010
Provisions at 1 January	-	-
Provisioning during the year	856	-
Reversal of provisions during the year	-	-
Provisions at 31 December	**856**	**0**

for the year ended 31 December 2011 (in thousand of Ron)

21. Equity and reserves

a) Share capital

On 31 December 2009, 2010 and 2011 BVB had the same share capital amounted to 76,741,980 Ron divided into 7,674,198 shares with a nominal value of 10 Ron/share, dematerialized, with the same voting rights, divided into the following categories:

	31 December 2011	**31 December 2010**	**1 January 2010**
Ordinary shares (number)	7,674,198	7,674,198	7,674,198
Total	**7,674,198**	**7,674,198**	**7,674,198**

Shareholding structure as of 31 December 2011	**Share number**	**% in share capital**
Legal entities, of which:	6,632,470	86,42558
- Romanian	5,547,686	72,29011
- foreign	1,084,784	14,13547
Individuals, of which:	1,041,728	13,57442
- Romanian	1,028,292	13,39934
- foreign	13,436	0,17508
Total	**7,674,198**	**100**

In accordance with the provisions of article 129 paragraph 1 of the Law 297/2004 on the capital market, any shareholder of a market operator will not be able to hold, directly or indirectly, more than 5% of the total voting rights. Also, according to the BVB Bylaw subscription, acquiring and holding the Company's shares will be subject to the condition that no shareholder should not own directly or indirectly more than 5% of total voting rights. Accordingly, on 31 December 2011, no shareholder of BVB was not significant shareholder. BVB also does not hold shares in their own name.

By the Decision No 632/18.05.2010 issued by CNVM the prospectus drawn up with a view to admission to trading on the regulated market operated by BVB of its own shares was approved. On 8 June 2010 the first transactions in shares issued by BVB took place. The closing price for the last trading session of 2011 was of 28.90 Ron/share.

b) Dividends

Board of Directors of BVB submitted to the General Meeting of Shareholders a distribution proposal for 2011 statutory net profit of the company amounted to 16,436,025 Ron, equivalent to 100 % as gross dividends. The General Meeting of Shareholders

for the year ended 31 December 2011 (in thousand of Ron)

21. Equaty and reserves *(continued)*

b) Dividends (continued)

approved in the meeting of 26/04/2012 distribution for 2011 statutory net profit of the company amounted to 16,436,025 Ron, equivalent to 100 % as gross dividends.

In accordance with Decision no 2 of the General Assembly of Shareholders of 29 April 2011, BVB announced the distribution in 2011 to the shareholders registered in the Shareholder Register on the reference date 18 April 2011, of the retained profit corresponding to 2010 in amount of 5,383,497 Ron, in the form of dividends. The dividend was of 0.7015 Ron gross per share. In 2011 dividends were paid in the amount of 5,394 thousand Ron.

(c) Legal reserve

According to legal requirements, the Company constitutes legal reserves in the amount of 5% of the profits registered according to RCR up to a level of 20% of share capital. Legal reserves are not distributable to shareholders.

Legal reserves may be used to cover losses on operating activities.

(d) Other reserves

The other reserves include other non-distributable reserves created before BVB transformation from a public entity into a stock company.

(e) Fair value reserve

This reserve includes the cumulative net change in fair values of available-for-sale financial assets from their classification into this category until the date they have been derecognized or impaired.

(f) Retained earnings

The Company's earnings are the Company's earnings on 31 December 2011.

22. Earnings per share

The calculation of basic earnings per share at 31 December 2011 is based on profit attributable to Company's shareholders in the amount of 16,880 thousand Ron (2010: 5,798 thousand Ron) and the weighted average number of ordinary shares outstanding of 7,674,198 (2010: 7,674,198).

23. Transactions with associates

Management key personnel

31. December 2011

Members of Board of Directors:

• Mr. Stere Constantin Farmache	President
• Mr. Mircea Botta	Vice-President
• Mr. Ciprian Zah	Vice-President
• Mr. Siminel Andrei	Secretary General
• Mr. Daniel Țepeș	member until 25 March 2011

23. Transactions with associates *(continued)*

Management key personnel

- Mr. Grzegorz Konieczny interim member starting with 25 March 2011 and member elected and approved by CNVM on 10 May 2011 until 7 December 2011
- Mr. Cosmin Gheorghiu member
- Mr. Lucian Isac member
- Mr. Ionel URona member
- Mr. Octavian Molnar member

Executive management was ensured by:

- Mr. Valentin Marcel Ionescu General Manager – first leader until 17 November 2011
- Mr. Alin Barbu Deputy General Manager – the second leader and empowered and having the same resposibilities as the General Manager starting with 18 November 2011
- Mrs. Anca Dumitru Deputy General Manager
- Mr. Marcel Tănăsescu Manager of Economics until 27 July 2011
- Mr. Virgil Stroia Financial Manager starting with 15 September 2011
- Mr. Călin Macedon Manager
- Mrs. Ileana Botez Manager

31 December 2010

Members of Board of Directors – until 19 February 2010:

- Mr. Stere Constantin FARMACHE President
- Mr. Sergiu Ovidiu POP Vice-President
- Mr. Dan Viorel PAUL Vice-President
- Mr. Mircea BOTTA Secretary General
- Mrs. Dana Mirela IONESCU member
- Mr. Liviu GIUGIUMICA member
- Mr. Rares NILAS member
- Mr. Octavian MOLNAR member
- Mr. Adrian MANAILA member

Members of Board of Directors – starting with 20 February 2010:

- Mr. Stere Constantin FARMACHE President
- Mr. Mircea BOTTA Vice-President
- Mr. Ciprian ZAH Vice-President
- Mr. Siminel ANDREI Secretary General
- Mr. Daniel TEPES member
- Mr. Cosmin GHEORGHE member
- Mr. Lucian ISAC member
- Mr. Ionel URONA member
- Mr. Octavian MOLNAR member

for the year ended 31 December 2011 (in thousand of Ron)

23. Transactions with associates *(continued)*

Members of the executive management:

- Mrs. Anca DUMITRU General Manager – until 26 September 2010
- Mr. Valentin Marcel IONESCU General Manager – starting with 27 September 2010
- Mr. Alin BARBU Deputy General Manager
- Mr. Marcel TANASESCU Manager
- Mr. Calin MACEDON Manager
- Mrs. Ileana BOTEZ Manager

During 2011 wages paid to BVB key management was of 1,607 thousand Ron (2010: 1,200 thousand Ron). In 2011 the costs related to the compensations for members of the Board of Directors and members of the Special Commettees were 526 thousand Ron (for the year ended 31 December 2010: 583 thousand Ron).

The Company has not granted loans, prepayments or guarantees to members of Board of Directors and to Executive Directors of BVB.

Associates

Subsidiary	**Field of activity**	**Percentage of ownership at 31 December 2011**	**Percentage of ownership at 31 December 2010**	**Percentage of ownership at 1 January 2010**
Central Depository	Clearing / settlement operations, transactions with shares and bonds performed at the Bucharest Stock Exchange and maintaining the register of shareholders	69.0400%	67.3351%	66.8000%
Investors Compensation Fund	Compensation in case of inability of Fund members to return the funds or financial instruments owed or belonging to investors held on their behalf, when providing financial investment services or separate investment portofolio management	62.3000%	60.9961%	56.9275%
Bucharest Clearing House	Registration, guarantee, clearing and settlement of derivatives financial instruments transactions performed at the Bucharest Stock Exchange	52.5080%	52.5080%	52.5080%
Corporate Governance Institute	Vocational training of listed companies and capital market participants in the fields of corporate governance and sustainable development	100%	100%	100%

for the year ended 31 December 2011 (in thousand of Ron)

23. Transactions with associates *(continued)*

Transactions with associates

	Year 2011	Year 2010
Operating income	**320**	**411**
- Bucharest Clearing House	-	1
- Central Depository	320	411
BVB income from dividends received	**8,200**	**1,380**
- Central Depository	8,200	1,380
Purchases of goods and services	**617**	**9**
- Central Depository	8	9
- Bucharest Clearing House	609	
Dividends to be distributed	**231**	-
- Central Depository	231	-

Operating income received from the entities in which BVB has holdings are based on IT management and maintenance services for equipment that ensures the object of activity and income from dividends distributed by the Central Depository and income from the part of transactions in financial derivatives (FD) to Bucharest Clearing House. Expenses incurred with associates consist of clearing, settlement and guarantee of the transactions in FD, risk management for derivatives market transactions, services provided by the Bucharest Clearing House.

24. Commitments and contingent liabilities

(a) Court actions

The Company is subject to a number of legal actions arising during the ordinary performance of its activities. The Company's management believes that besides the amounts already recorded in this separate financial statements as provisions or adjustments for asset impairment and described in the notes to this separate financial statements and other legal actions will not have significant adverse effects on the Company's economic performance and financial position.

(e) Off-balance sheet commitments

The Company is exposed to credit risk through the work done by its subsidiaries such as the Central Depository, the Bucharest Clearing House and the Investors Compensation Fund.

25. Events subsequent to the balance sheet date

On 9 January 2012 the BVB General Assembly of shareholders took place and decided that revocation of the Board of Directors elected in February 2010 and the election of a new Board of Directors approved by CNVM on 31 January 2012 comprising the following members:

Lucian Claudiu Anghel - President;

Pompei Lupsan- Vice-President;

Dan Paul – Vice-President;

Robert Pana – Secretary;

Stere Farmache – member;

Octavian Molnar- member;

Narcisa Oprea- member;

Valerian Ionescu- member;

Matjaz Schroll - member

The obligations on which provision was constituted for restructuring of the Board were paid.

Also, since 7 September, following the nomination by the Board of the Stock Exchange and the CNVM approval, Mr. Victor Cionga took office as General Manager of BVB.

No events occurred after the balance sheet date that affect the Company's statement of financial position at 31 December 2011.