

# PRESS CONFERENCE

14 February 2011

## 2010 RESULTS



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### 2010: BRD shows resilience in a year of ongoing crisis

	2010 MRON	Evolution 10/09 nominal
<b>Net banking income</b>	3,687	2%
<b>Operating profit</b>	2,245	8%
<b>Net consolidated profit (*)</b>	533	-31%
<b>Net profit (BRD stand alone)</b>	501	-36%

(\*) BRD + BRD Sogelease + BRD Finance

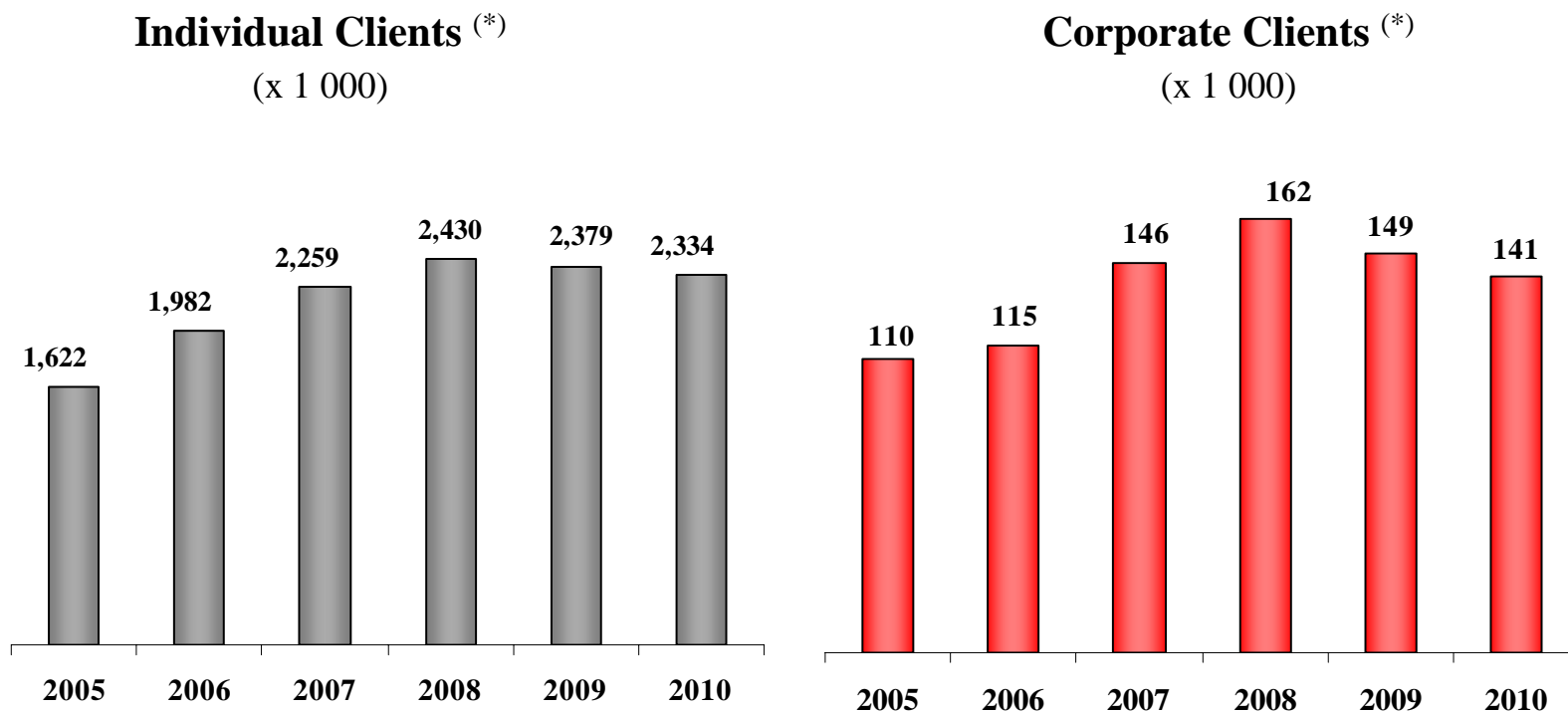


## AGENDA

- I. Business highlights: BRD continued its activity in 2010, but faced the further deterioration of the economic environment**

**FRANCHISE VALUE**

**The clientele base remains robust in spite of slight decrease of clients number due to the elimination of non-active clients and slow down of acquisition of new ones**



(\*) BRD clients having performed transactions during the past three months

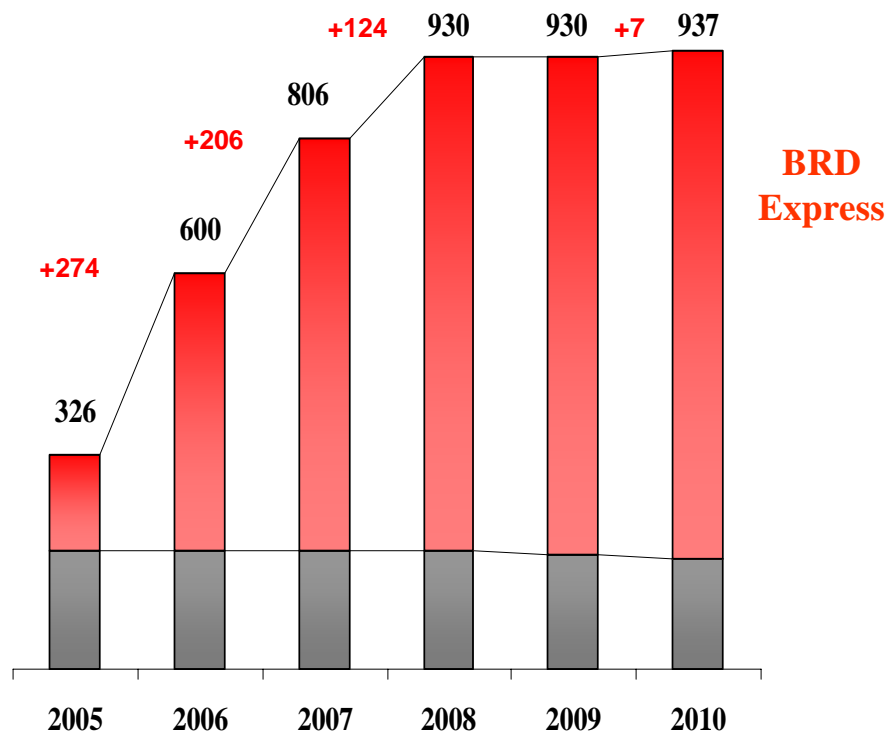
FRANCHISE VALUE

Network: a pause in the development...



- Mainly proximity banking: small customer oriented units (BRD Express).
- 2010 marked the continuation of the pause in the development and allowed some actions of optimization of the network.

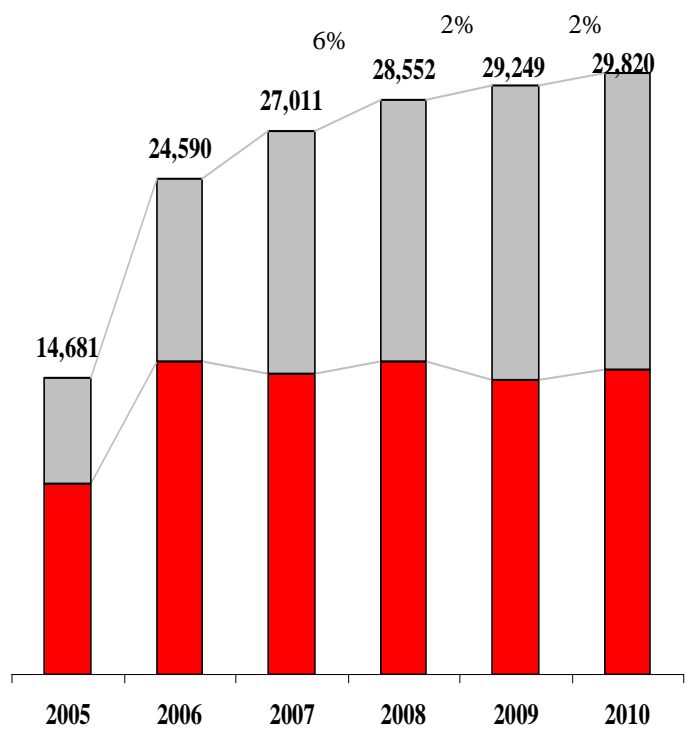
Number of branches  
(end of period)



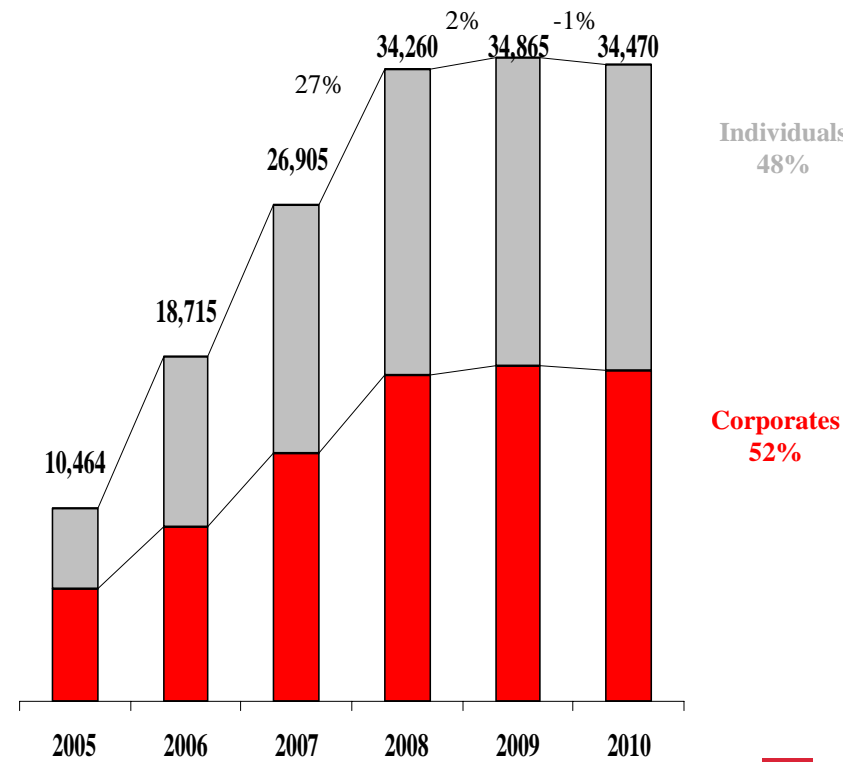
# DEPOSITS / LOANS

**Evolution of deposits & loans showed that BRD maintained its activity in a depressed environment marked by a weak demand for loans**

**Customers' deposits**  
(BRD consolidated)  
(end of year, MRON)



**Loans to customers**  
(BRD consolidated)  
(end of year, MRON)



Individuals  
49%

Corporates  
51%

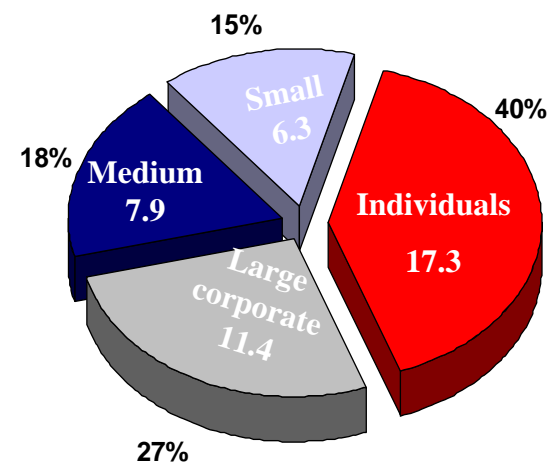
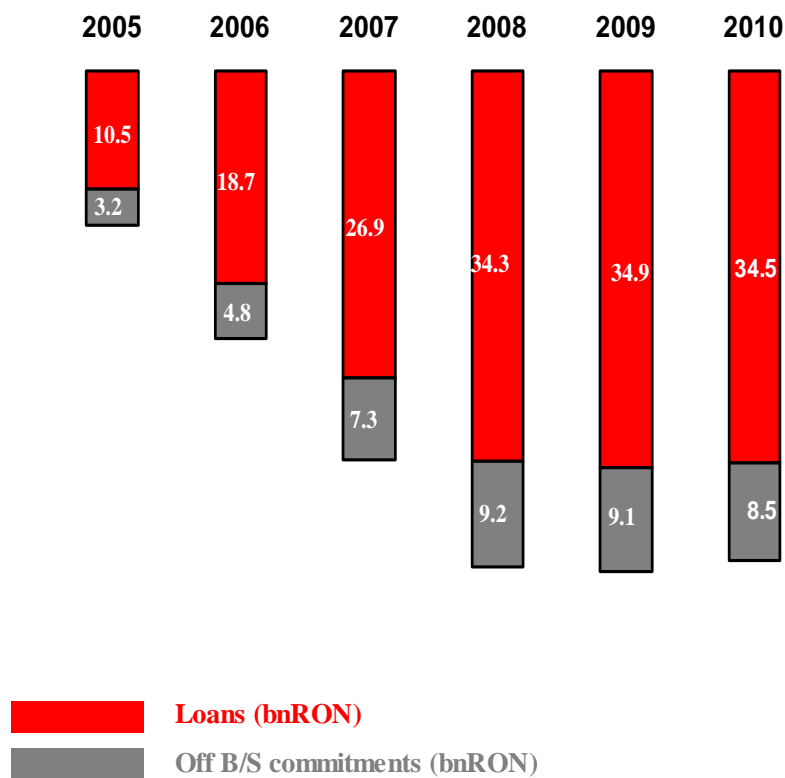
Individuals  
48%

Corporates  
52%

**TOTAL COMMITMENTS**

**The distribution of loans continued in spite of a difficult environment**

Structure of total commitments as at 31 Dec 2010



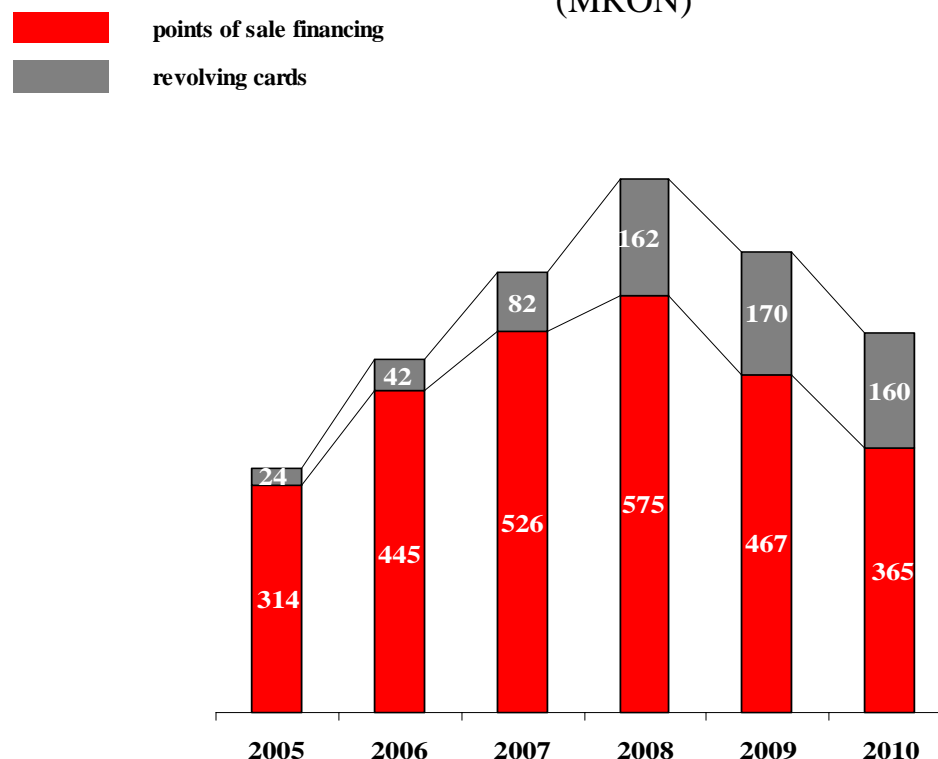
**Total commitments = 42.9 bnRON**

## FOCUS ON SUBSIDIARIES

### Consumer finance (BRD Finance)

- Still difficult economic environment
- New partnership launched in 2010: Altex and Renault
- Decrease of OPEX due to continuous operational efficiency programs
- Sharp decrease in net cost of risk due to risk policy and performance in recovery
- Improve of financial result which has become positive

Balances of loans to customers  
(MRON)



Clients (X1000)



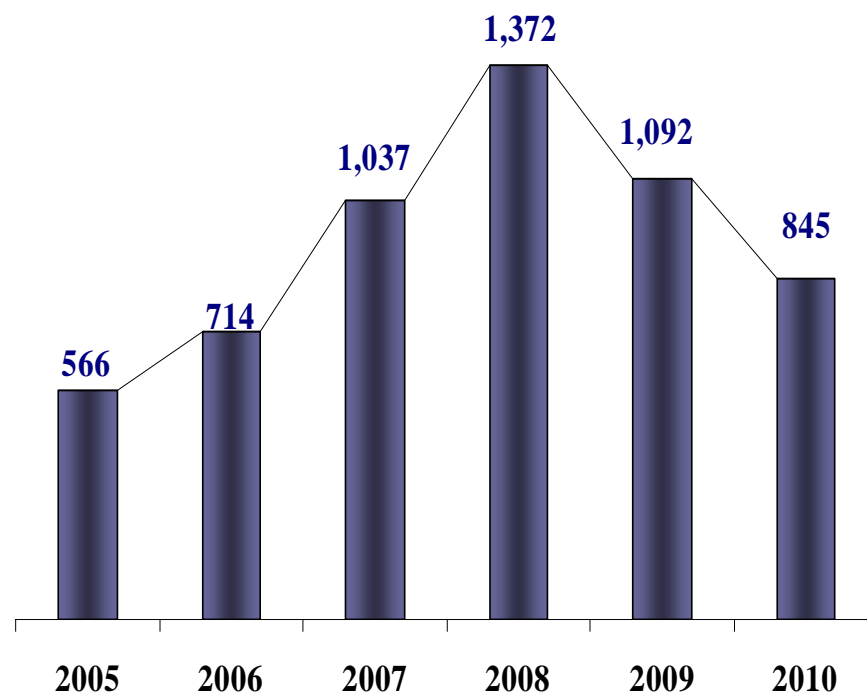


## FOCUS ON SUBSIDIARIES

**Leasing (BRD Sogelease) – vendor and equipment finance**

- Resilience of the activity despite the strong economic recession in Romania
- A key player in corporate asset financing (2nd rank among leasing bank affiliates)
- A well balanced portfolio

**Customer balances**  
(MRON)



**FOCUS ON SUBSIDIARIES**

**Operational vehicle leasing and fleet management (ALD)**

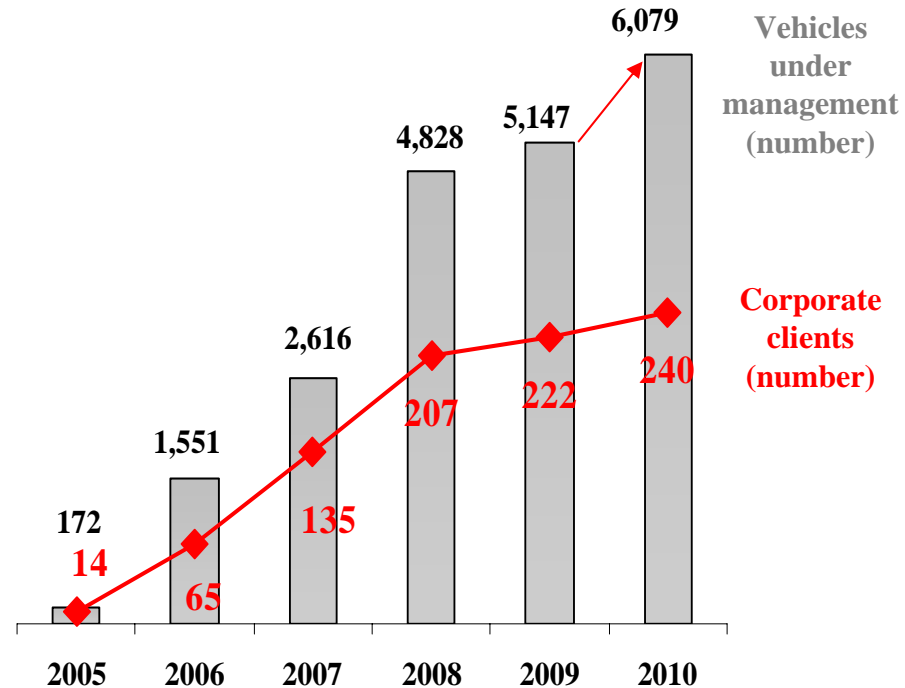
•2010 – a very good year

•In 2010, the estimated market share of ALD Romania is 19%;

•The main international competitors of ALD Romania in 2010 are: Porsche Mobiliy, Leaseplan, Arval, Sixt New Kopel, Hertz Lease, FMS, First Fleet Management & Leasing (Tiriac Group);

•Fleet structure (Dec 2010):

- a) 5 181 Full Service Operational Leasing Contracts;
- b) 898 Fleet Management Contracts;

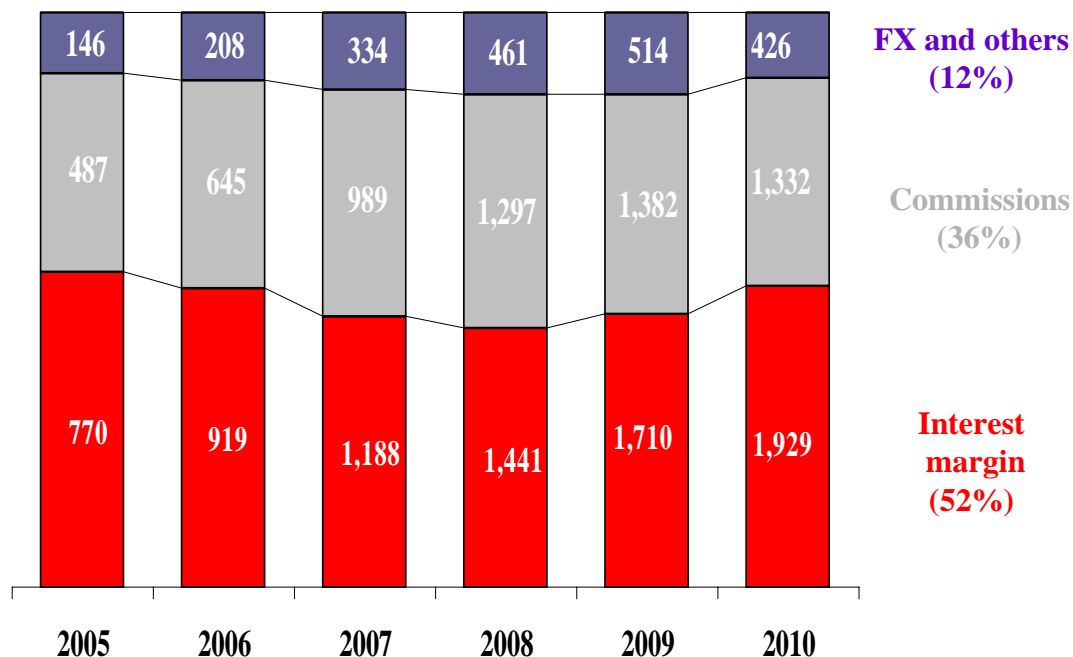


**NET BANKING INCOME**

**Slight increase in revenues**

**Net banking income**  
(BRD consolidated)  
(MRON)

1,403      1,772      2,512      3,199      3,605      3,687



- Net banking income +2% vs. 2009
- Strong interest margin +13% vs. 2009
- Resilience of commissions -4% vs. 2009: suffered from the sharp decrease in operation volume
- FX and others -17% vs. 2009: suffered from decrease in volatility and volume of operations.
- 2010: NBI structure:
  - ✓ corporate customers 42%
  - ✓ individuals 47%

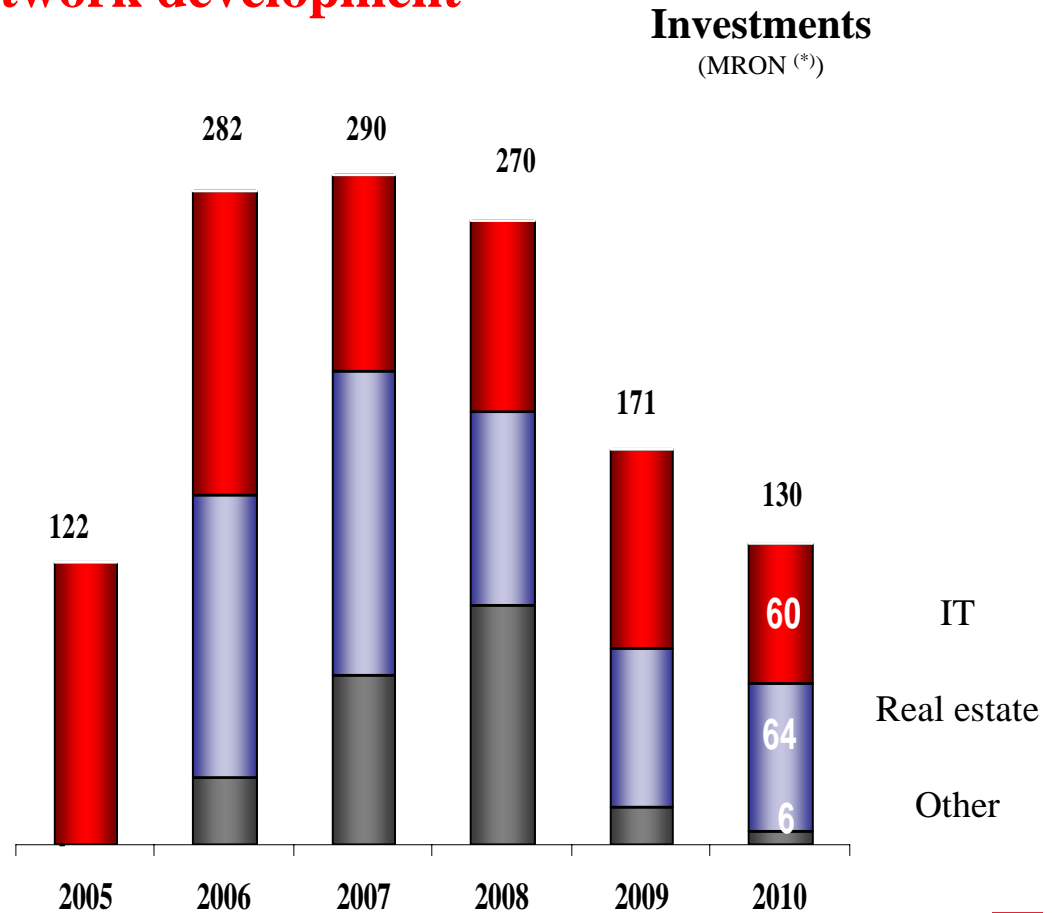


## AGENDA

**II. Operating expenses: the level of investment has been moderately curtailed and the measures of limitation of expenses pursued and reinforced**

**INVESTMENTS**

**Pursuing a substantial investment effort, but in decrease, partially due to the pause in the network development**



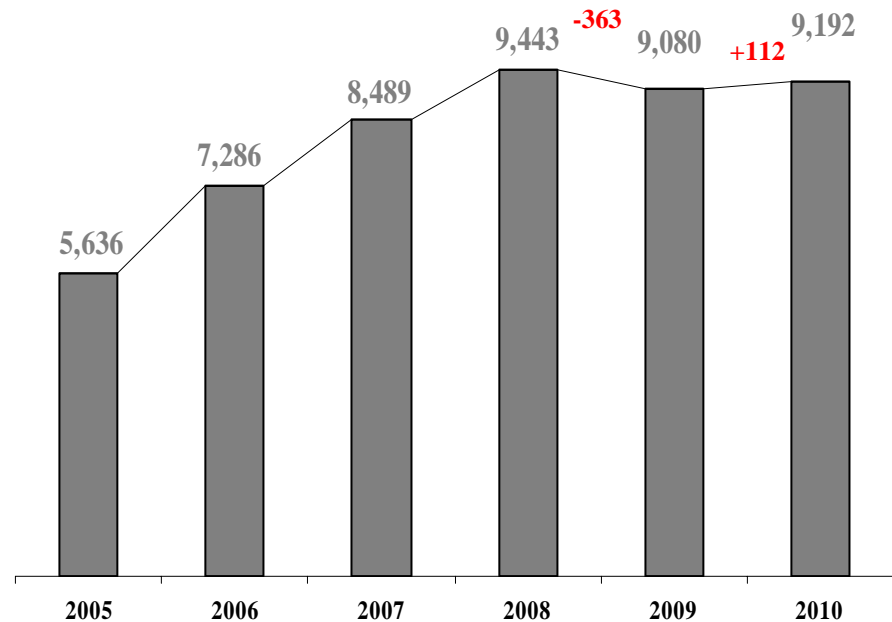
**EMPLOYEES**

**The number of employees slightly increased in 2010, mainly in the network**

- Measures in anticipation of the crisis were taken with the slow down of new recruitments since mid 2008
- Partly this allows staff number of BRD to remain steady



**Employees**  
(end of year - consolidated)

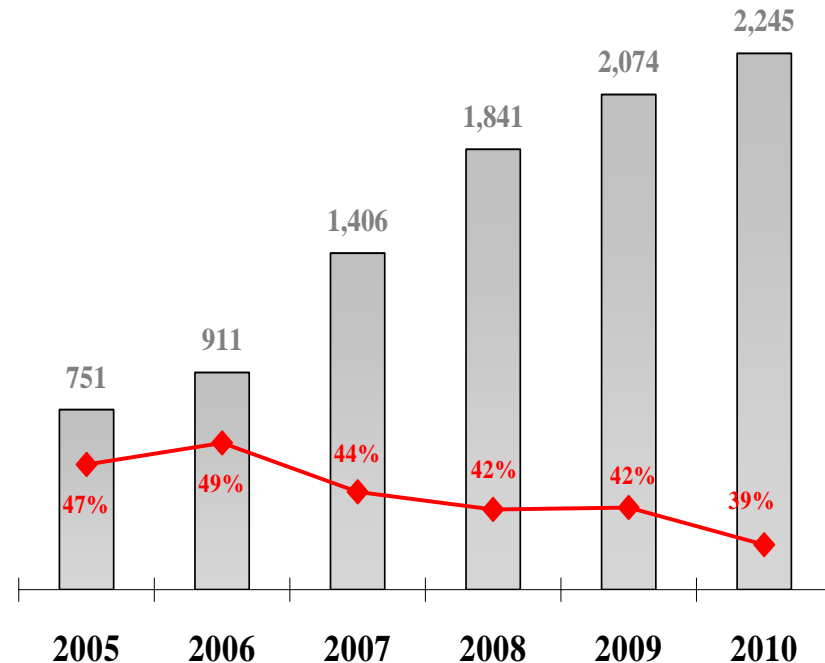


**OPERATING EXPENSES**

**2010: Maintaining a satisfactory increase in revenue despite the crisis**

- Satisfactory growth of Gross Operating Income mainly due to strong interest margin and limitation of expenses.
- Low cost/income ratio despite weaker loan production;

**Gross Operating Income**  
(BRD consolidated)  
(MRON)



**Operating ratio**



## AGENDA

**III. Asset quality and net cost of risk: the cost of risk has continued to grow**

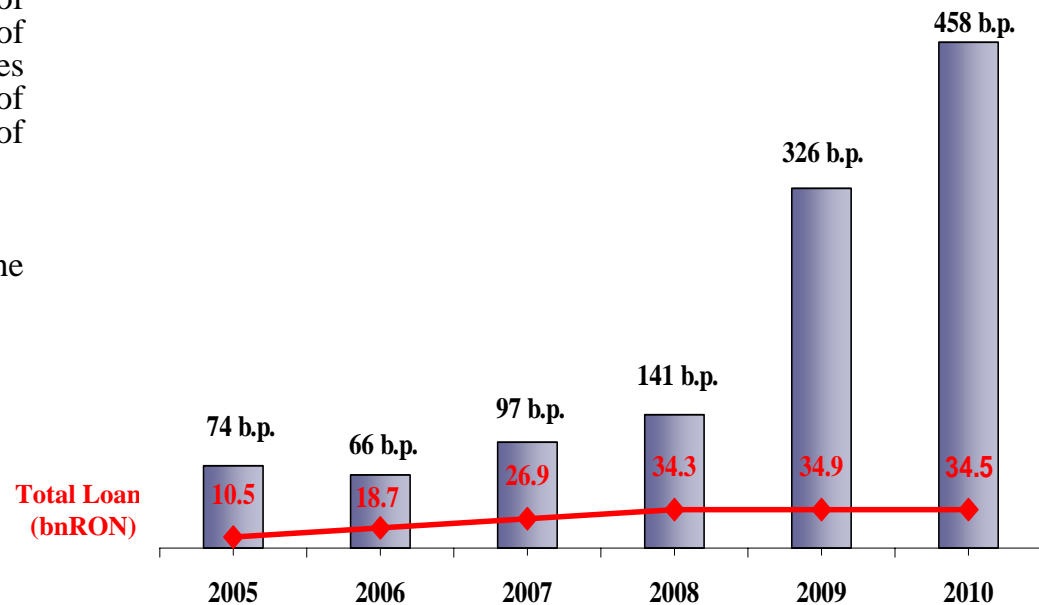


# COST OF RISK

## Sharp increase of impairment of loans due to the recession

- In the wake of 2009 the rise in net cost of risk was substantial due to unfavorable macroeconomics – impact of stabilization plan during second part of the year; and also to technical measures of various nature (ie. revaluation of collaterals, placement of a lot of companies under the insolvency status).
- BRD's NPL<sup>(\*)</sup> rate stay lower than the banking system's (Dec 2010):
  - BRD: 9.13%
  - Banking system average<sup>(\*\*)</sup>: 11.85%

**Net Cost of Commercial Risk/Commitments**  
(BRD consolidated)



(\*) loans classified as "Loss 2" (90 days past due and/or legal action)

(\*\*) Source: NBR statistics



## **AGENDA**

### **IV. Performances:**

- **Stay at satisfactory level in spite of the difficult environment**
- **Average BRD Stock price increased in 2010 compared to 2009**


**PROFIT AND LOSS ACCOUNT**

**2010: Fairly satisfactory results in a year of ongoing crisis**

MRON - RAS	2009	2010	Evol. 10/09 nominal
Net banking income	3,605	3,687	+2%
Operational costs	-1,532	-1,442	-6%
Operating profit	2,074	2,245	+8%
Cost of risk	-1,134	-1,598	+41%
Income tax	-166	-114	-31%
Net consolidated profit (*)	774	533	-31%
Net profit (BRD stand alone)	779	501	-36%

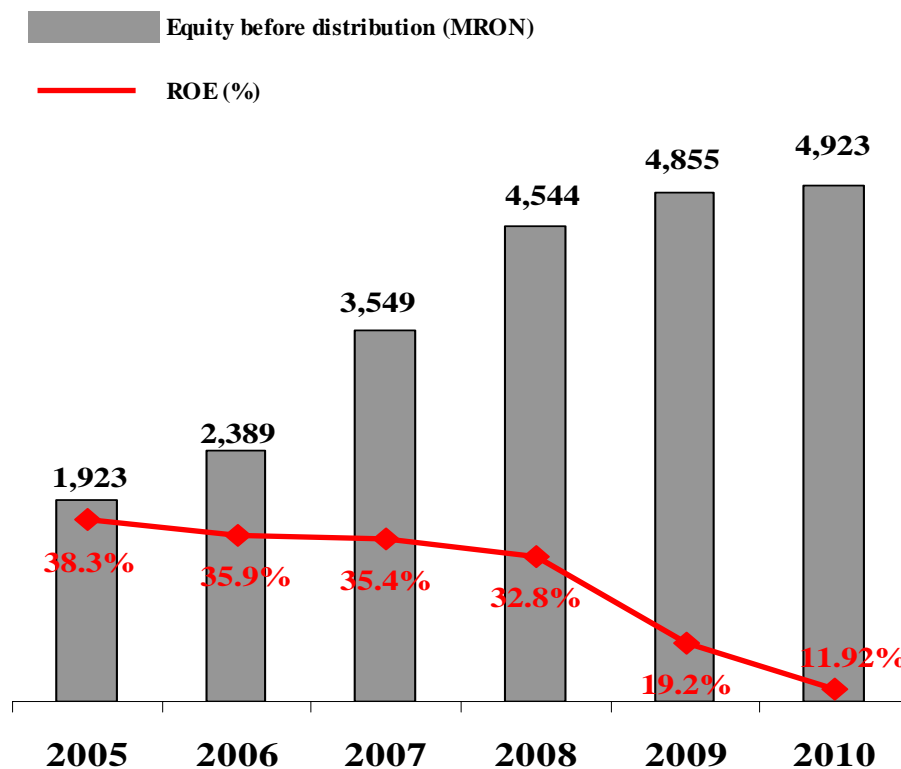
(\*) BRD + BRD Sogelease + BRD Finance

**RETURN ON EQUITY**

**The crisis has not eroded the financial strength of BRD**

**Total B/S as at 31 December 2010 : 48.9 bnRON**

- **Equity** – maintained itself at a good level, due to steady profits earned
- **Capital adequacy ratio** ~ 14.03%<sup>(\*)</sup>



**BRD + BRD Sogelease + BRD Finance**

(\*) without including 2<sup>nd</sup> half results



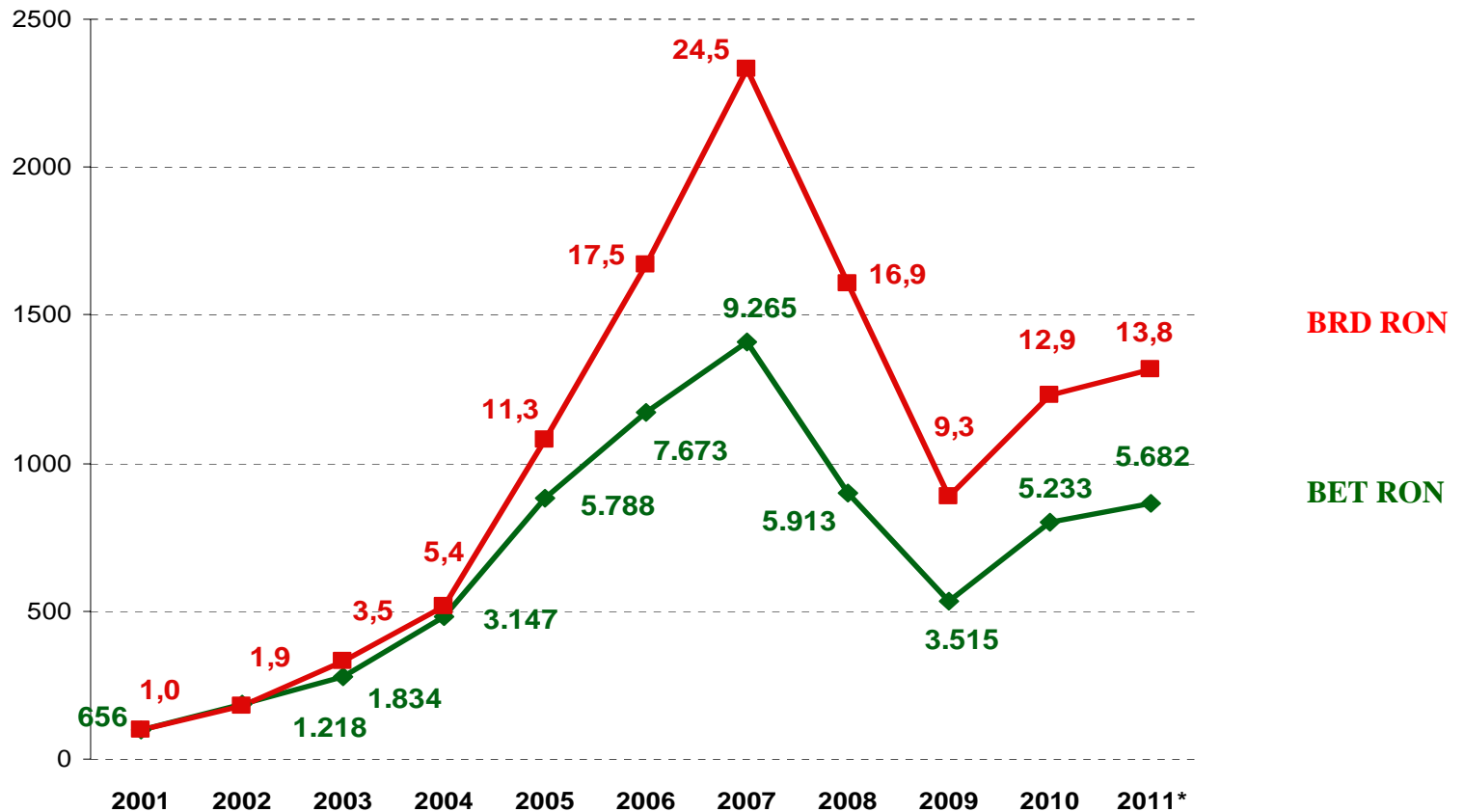
# STOCKMARKET PRICE

## BRD share price – good evolution in 2010

Evolution on the Stock Exchange average price

(area 2010 – the 100 basis in 2001)

Market capitalisation at 27.01.2011 = 2.4 bnEUR



\*01.01 – 27.01.2011



**BRD**

**GROUPE SOCIETE GENERALE**

**Investors relationship**

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**Disclaimer: Preliminary unaudited financial results**