

BRD GROUP RESULTS

3rd quarter and 9 months 2023 | 06.11.2023

DISCLAIMER

The consolidated and separate financial position and income statement for the period ended September 30, 2023 were examined by the Board of Directors on November 2, 2023.

The financial information presented for the period ended September 30, 2023 and comparative periods has been prepared according to IFRS as adopted by the European Union and applicable at this date.

This financial information is at group level, does not constitute a full set of financial statements and is not audited.

This presentation may contain forward-looking statements relating to the targets and strategies of BRD, based on a series of assumptions. These forward-looking statements would have been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. BRD may be unable to anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences, and to evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document.

Investors and analysts are advised to take into account factors of uncertainty and risk likely to impact the operations of BRD when considering the information contained in any such forward-looking statements. Other than as required by applicable law, BRD does not undertake any obligation to update or revise any forward-looking information or statements.

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INTRODUCTION



GRUPE SOCIETE GENERALE

STRONG MOMENTUM FOR COMMERCIAL ACTIVITY, FOUNDATION FOR EXCELLENT FINANCIAL RESULTS

Lending activity kept a double digit growth rate

Outstanding performance of corporate segment, built on strong contribution from both SMEs and large corporate customers

Consumer loans touched record quarterly levels

Resilient housing loans despite weakening market within a high rates context

BRD, committed to build a sustainable economy

Further consolidation of deposit base

Intense digital usage

Revenues growth built on lending momentum and higher interest rates

Dynamic of **expenses** below average inflation given sustained efforts for increasing cost efficiency, without compromising on IT investments

Asset quality remains robust

Historically low level of NPL ratio and elevated NPL coverage

Net cost of risk write-backs given sustained recoveries on defaulted exposures and stable evolution on performing portfolio

Increasing net result & **ROE 21%** reflecting positive jaws and solid quality of loan portfolio

Loan portfolio growth **+10% y/y** at September 2023 end

Corporate loans **+20% y/y** at September 2023 end

Individuals loan production, **RON 5.6bn** in 9M 2023

New consumer loans, **+16% y/y** in 9M 2023

~RON 1.6bn new sustainable financing in 9M 2023

Deposits, up **+10% y/y** at September 2023 end

1.33m users of YouBRD at September 2023 end

17m, no of transactions in 9M 2023

GOI, **+14% y/y** in 9M 2023

NPL ratio, **2.1%** at September 2023 end

NPL coverage ratio, **76.2%** at September 2023 end

RON 35m vs. RON -37m net charge in 9M 2022

Net profit **RON 1,227m, +21% y/y** in 9M 2023

MASSIVE AUDIENCE FOR CLIMATE CHANGE SUMMIT 2023



1st summit in Romania dedicated to **climate change**, initiated and supported by BRD as founding partner

Climate Change Summit is the yearly CEE meeting place for global researchers, entrepreneurs, government officials and civil society leaders to exchange ideas and find solutions to climate challenges through debates on policies, sustainable finance and investments or tech innovation.

- ✓ The 2nd edition of the event was held on October 19 - 20 at the Romanian Opera House and in 20 other locations in Bucharest
- ✓ **>50 Romanian and international speakers, 1700 in-person attendees**
- ✓ **>1 million people** across the world watched the event on internet



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MACROECONOMIC ENVIRONMENT



ANNUAL GDP GROWTH LOST TRACTION, INFLATION SOFTENING

Economic growth slowed in the first half of 2023

EU GDP growth at 0.4% YoY in Q2 '23

After a strong performance in 2022, Romanian economy slowed down in a context of lagging global economic development, but still remained an outperformer in the region

In Q2 '23 GDP growth descended to 1% YoY (gross series, vs 2.4% YoY in Q1 '23) on lower household consumption, while gross fixed capital formation growth rate reached +9.1% YoY

2.25% estimated GDP growth in 2023 and 2.75% in 2024, acc. to IMF

Softened declining rate of inflation

Euro area annual inflation cooled down to its lowest level since Oct 21, reaching 4.3% in Sep 23

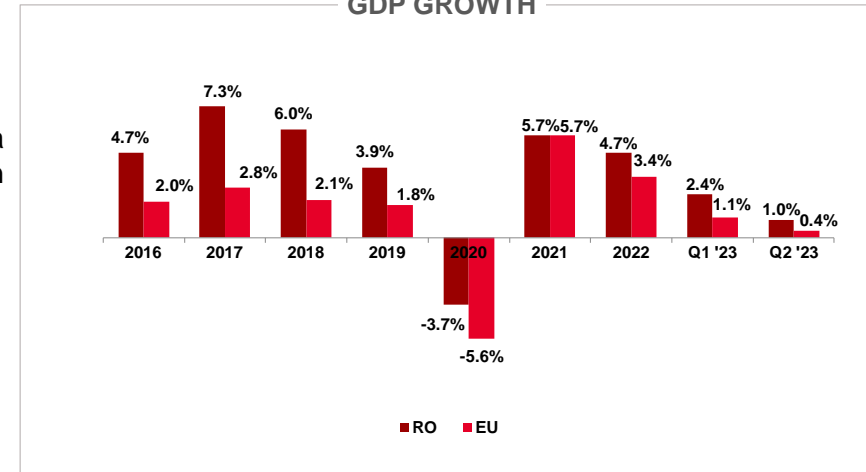
For Romania, after its peak in Nov 22, inflation rate declined steadily, albeit at a slower pace starting Q3 23

Annual inflation rate reached 8.8% YoY in Sep 23, a reading above market expectations, amid widespread price increases during the month

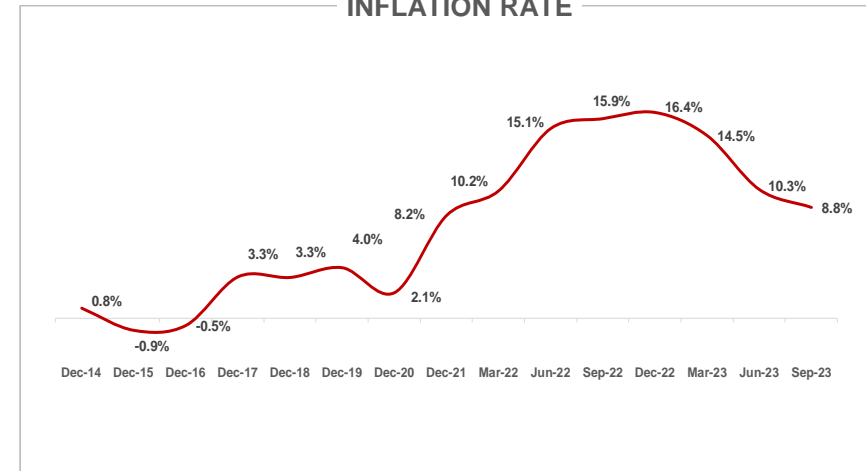
Inflation is estimated to reach 7.5% at 2023 end (Inflation report, NBR)

.....yet remaining far from the variation band of NBR target (2.5% ± 1 ppt)

GDP GROWTH



INFLATION RATE



Source: BRD Research

INTEREST RATES ON HOLD, LIQUIDITY REMAINS ABUNDANT

NBR refrained from rate cuts

Given sticky core inflation, labor market tension and uncertainty regarding fiscal consolidation, NBR maintained the key rate unchanged, at 7%, during the last monetary policy meeting from October.

Liquidity surplus maintained on interbank market

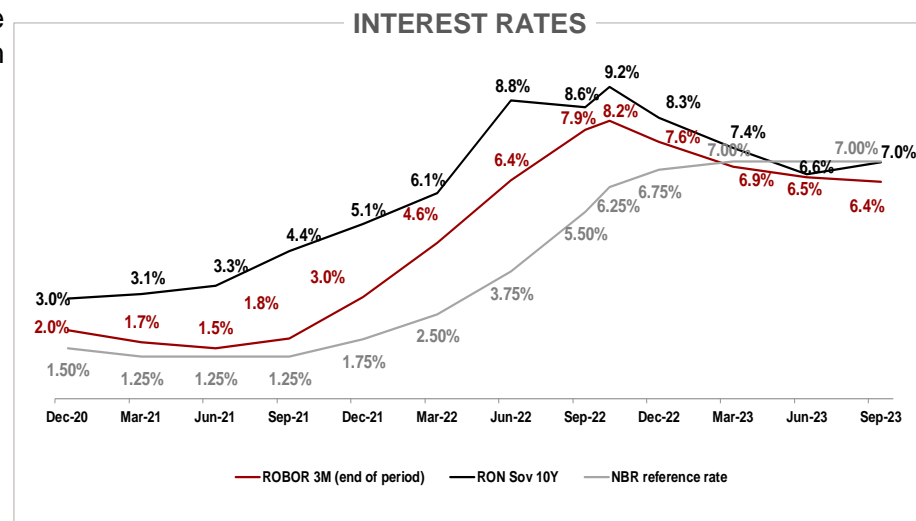
The interbank market ended Q3 2023 with a substantial liquidity of near 29 billion (daily average) in Sep 2023

According to NBR data, no repo operations and no Lombard loans were done during 9M 2023 (only residual amount in June 2023)

Flattened money market rates

After its peak of 8.2% in October 2022, ROBOR 3M reduced gradually and stabilized around 6.4% beginning with mid August

....by contrast, yields on government securities extended their upward course, in line with global developments



DIVERSE AND EXTENDED PROGRAMS IN SUPPORT OF THE ECONOMY

National Recovery and Resilience Plan

- Main RRP objectives target green and digital transitions, while strengthening healthcare, education, social cohesion and inclusion
- Improving the institutional capacity to absorb European funds and respecting the strict timetable of committed reforms are essential to ensure sustainable economic growth, while also contributing to reducing macroeconomic vulnerabilities
- In September 2023, The European Commission disbursed the second payment of EUR 2.76 bn to Romania under the Recovery and Resilience Facility, which was made possible by Romania's achievement of 49 milestones and targets.

IMM INVEST PLUS program

- This state aid scheme reunites under the same umbrella all existing components (IMM INVEST ROMANIA, AGRO IMM INVEST, IMM PROD, GARANT CONSTRUCT, INNOVATION and RURAL INVEST), which are governed by the same general legislative framework.
- It is operational from October 2022 until end 2023 with 2023 budget increased to EUR 4.1 bn in guarantees and EUR 0.58 bn in grants.
- NBR declared that government-guaranteed loans to corporates reached almost one-fifth (18%) of this sector's loan portfolio at the end of Q1 2023, up +38% YoY.

Funds to boost the Romanian economy

- In September 2023, Canada signed a deal with Romania for USD 3 bn to finance two new nuclear reactors in Romania
- In September 2023, the European Council agreed to EUR 454.8 m in disaster relief aid for Romania, Italy and Turkey, o/w EUR 33.9 m will be allocated to Romania
- In August 2023, the European Commission decided to grant Romania EUR 52 m from the Cohesion Fund for the purchase of 37 electric trains

SOLID BANKING SECTOR

Comfortable solvency and liquidity

Banking sector average Capital Adequacy Ratio at 22.8% at June 2023 end, lower compared to 23.4% at 2022 end (vs.13.8% at 2007 end), mainly driven by CRR “quick-fix” expiring at 2022 end and higher RWA on dynamic lending

Loan to deposit ratio at 68.8% at June 2023 end, slightly below 2022 year end level of 71.4%

Registering a downward trend throughout 2022, with a historically minimum level of 188% in Sep 2022, LCR gradually improved back and reached 233% at June 2023 end, maintaining well above regulatory requirement (100%) and EU average (160%)

Romanian banking sector classified into EBA defined low risk bucket, NPL <3%, coverage ratio > 55%

NPL ratio remained at low level, 2.65% at June 2023 end

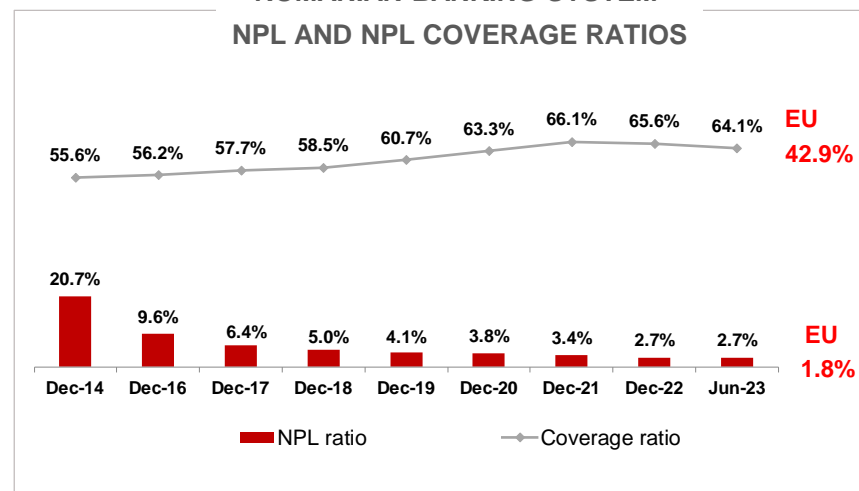
NPL coverage ratio standing high at 64.1% at June 2023 end, well above the EU average of 42.9%

Increasing share of FX loans vs 2021 end in Q1 amid widening gap between EUR and RON interest rate, while Q2 exhibits a cooling down of this tendency

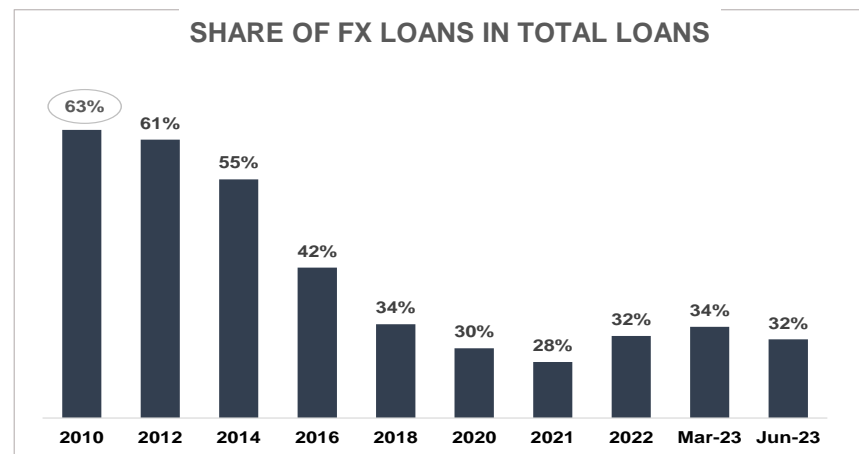
Source: www.bnr.ro, www.eba.europa.eu (EBA Risk Dashboard, data as of Q2 2023)



ROMANIAN BANKING SYSTEM NPL AND NPL COVERAGE RATIOS



ROMANIAN BANKING SYSTEM SHARE OF FX LOANS IN TOTAL LOANS



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**3RD QUARTER AND 9 MONTHS 2023
BRD GROUP RESULTS**



GRUPE SOCIETE GENERALE

DIGITAL TRANSFORMATION KEEPS GOOD RHYTHM



FURTHER INTENSIFYING DIGITAL ACTIVITY

1.33 m YouBRD users at September 2023 end, +36% y/y

17m nb of transactions via You BRD in 9M 2023, +39% y/y

74% of deposits & **76%** of savings accounts opened directly in YouBRD, during 9M 2023

95% of large corporate clients' and **95%** of SME's transactions performed via digital channels during 9M 2023

64% of import L/Cs and **72%** of LGs processed through the trade finance client interface during 9M 2023

High rate of FX trades processed through e-tools, **66%** during 9M 2023

177m acquiring transactions during 9M 2023, **+23% y/y**

EXPANDED AND ENHANCED DIGITAL FUNCTIONALITIES



- ✓ Flow duration further optimized:
 - 19 min for online onboarding, record at 15 min
 - 20 min for online lending, record at 10 min
- ✓ compatibility with Voice Over readers for persons with visual disabilities
- ✓ push notifications extended with inflow transactions

CONTINUED NETWORK OPTIMIZATION

Reduced nb of branches

-38 y/y, to **432** at September 2023 end

-47% versus 2016 end

Expanded **cashless approach**

172 24/7 banking points, **+20% y/y** at September 2023 end

LENDING EXPANSION UNDERPINNED BY CORPORATE HIGH DYNAMIC AND RETAIL SOLIDITY

Outstanding lending activity on corporate segment

Strong advance of SME financing, +26% YoY

✓ RON 1.97 bn new loans under IMM Invest Plus program in 9M 2023, +31% YoY

Large corporate loan portfolio growing by +16.6% YoY

Leasing portfolio up by +20.4% YoY

Solid momentum in retail lending

Core retail net loans outstanding up +5.4% YoY, underpinned by both individuals and small business

Strong 9M dynamic of consumer loan production (+16% YoY) and record Q3

Housing loans production reflecting the weakening market trend in an elevated interest rates environment

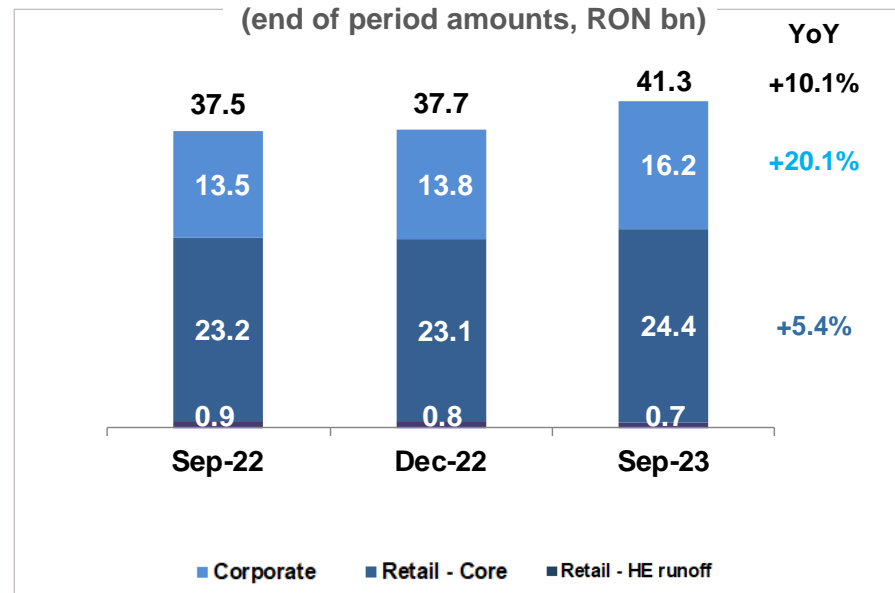
Small business segment posted a strong growth of +16.9% YoY

BRD, committed to build a sustainable economy

Sustainable financing reached RON 1.57bn during 9M 2023

Engagement and excellence recently recognized, with Green Habitat mortgage loan awarded by Association for the Promotion of Energy Efficiency in Buildings (ROENEF) and Romanian Green Building Council (ROGBC), for the “Green Mortgage Program Development”.

NET LOANS
(end of period amounts, RON bn)



ROBUST AND DIVERSIFIED DEPOSIT BASE

Solid growth of deposits

Sustained growth of retail deposits, most stable and granular funding source, +7.2% y/y at September 2023 end

Significant net inflows from large corporate customers

Strong liquidity position

Net loan to deposit ratio at 68.2% at September 2023 end (vs. 68.1% at September 2022 end)

High liquidity buffer at 31% of total assets, mainly composed of government bonds

Diverse and innovative savings' offer

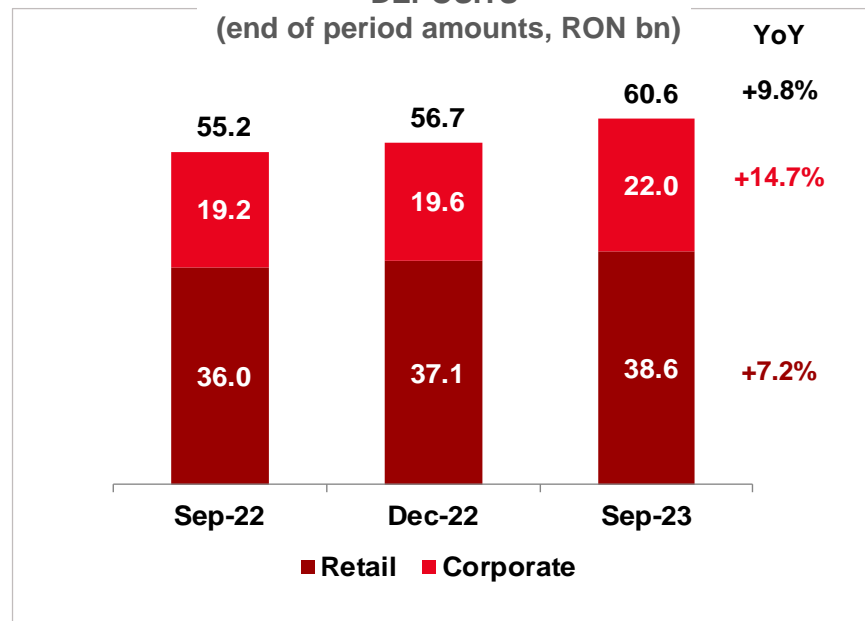
BRD Asset Management

- ✓ important actor on Romanian UCITS market, with 19.1% market share and RON 3.6 bn AUM, at September 2023 end
- ✓ offering investment solutions to over 131 ths clients across its 12 investment funds, including 1st ESG strategy fund authorized in 2023

Active participation in Fidelis program, 46% average market share (~RON 1.3 bn) on the Romanian government bond issuance for individuals held during July - October 2023

** according to Bank's internal calculation, based on total open-end funds assets under management*

DEPOSITS
(end of period amounts, RON bn)



REVENUES SUPPORTED BY VOLUMES GROWTH AND HIGHER INTEREST RATES

NII growth on lending dynamic and higher interest rates

+16.5% y/y in 9M 2023, +13.2% y/y in Q3 2023

Outstanding loans up by +10% y/y at September 2023 end

Positive interest rate effect on asset portfolio starts to progressively fade

- ✓ avg. ROBOR 3M, +109 bps y/y in 9M 2023
- ✓ avg. ROBOR 3M, -126 bps y/y in Q3 2023

Interest revenues tempered by higher expense primarily associated with commercial term deposits

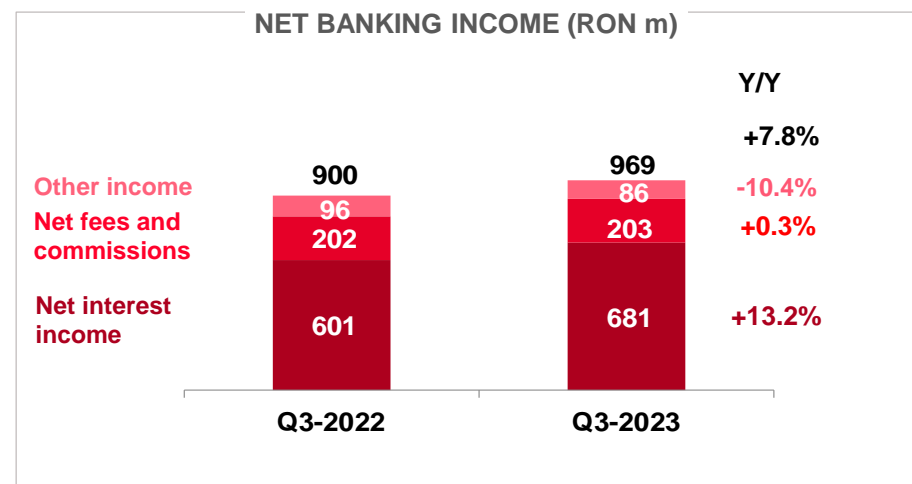
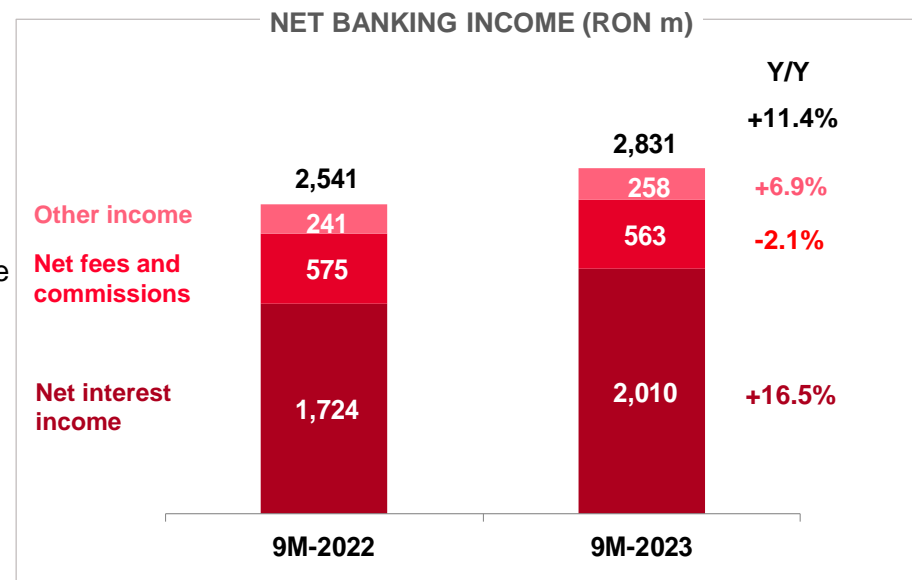
NFC, -2.1% y/y in 9M 2023 mainly explained by

- ✓ lower fees from cards activity given higher penetration of current account packages, in line with market trend
- ✓ reduced cash transactions mainly on base effect

...counterbalanced during Q3 2023 (+0.3% y/y) by dynamic brokerage (mainly advisory) and insurance activities

Other income (+6.9% y/y in 9M 2023) pushed by trading activity

Q3 2023 evolution mainly explained by the base effect on rates and fixed income trading



GOOD DISCIPLINE ON OPEX DESPITE INFLATIONARY PRESSURES

Staff expenses increase driven by higher wages within a still tight labour market and elevated inflation context

- ✓ +8.8% y/y in 9M 2023 vs 9M 2022, including the impact of other benefits adjustments under the new labour agreement signed in June 2022
- ✓ +4.5% y/y in Q3 2023 vs Q3 2022

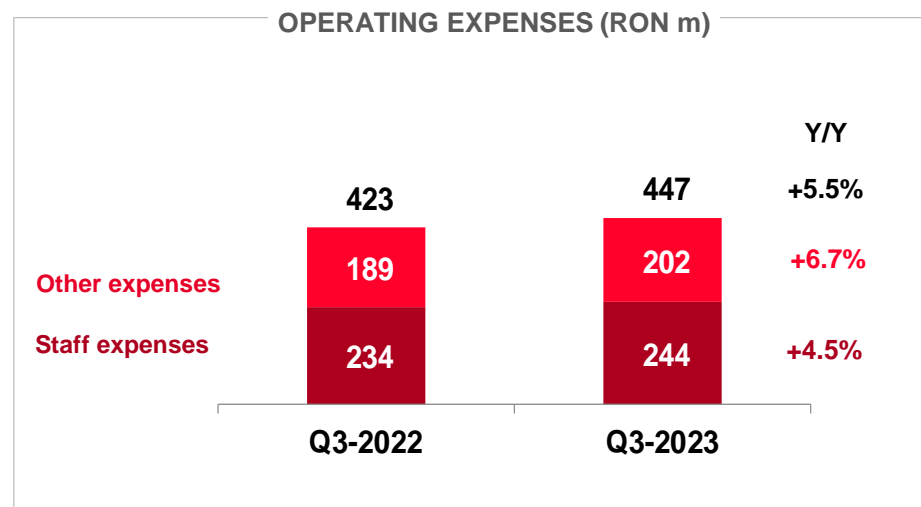
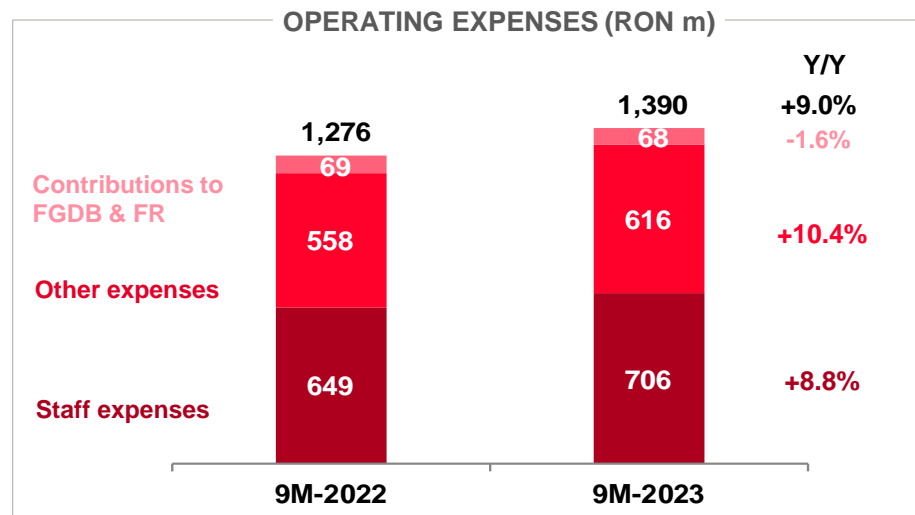
Run-the-bank costs under a tight control while higher costs of external services and IT&C, additionally marked by inflation, further sustain transformation roadmap

Growth in GOI, building on dynamic volumes and strong focus on cost control

- +13.9% y/y in 9M 2023 vs 9M 2022
- +9.8% y/y in Q3 2023 vs Q3 2022

Improved C/I ratio on positive jaws effect

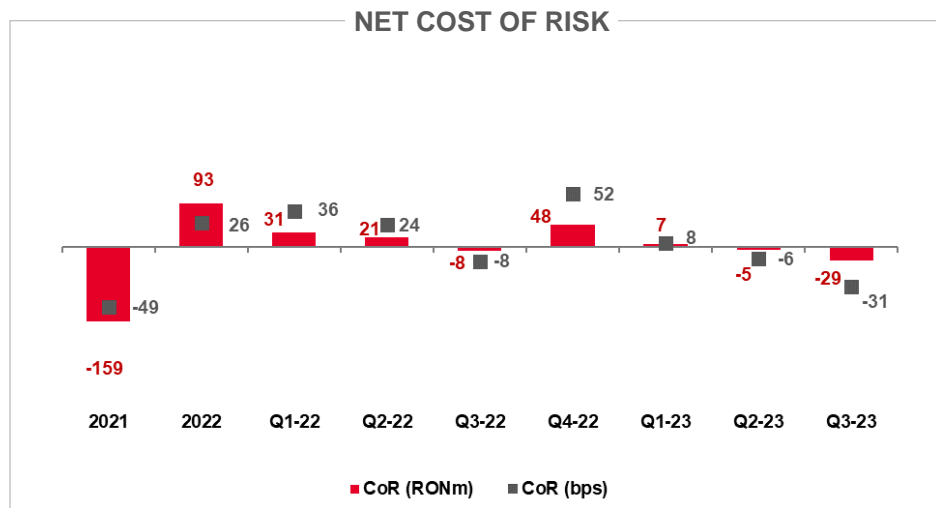
- C/I 49.1% vs 50.2% in 9M 2022
- C/I 46.1% vs 47.0% in Q3 2022



STRONG ASSET QUALITY WITH NO SIGN OF DETERIORATION

Net cost of risk at -31 bps in Q3-23

Q3 NCR positively influenced by consistent recoveries on non-performing portfolio and relatively stable evolution on performing portfolio

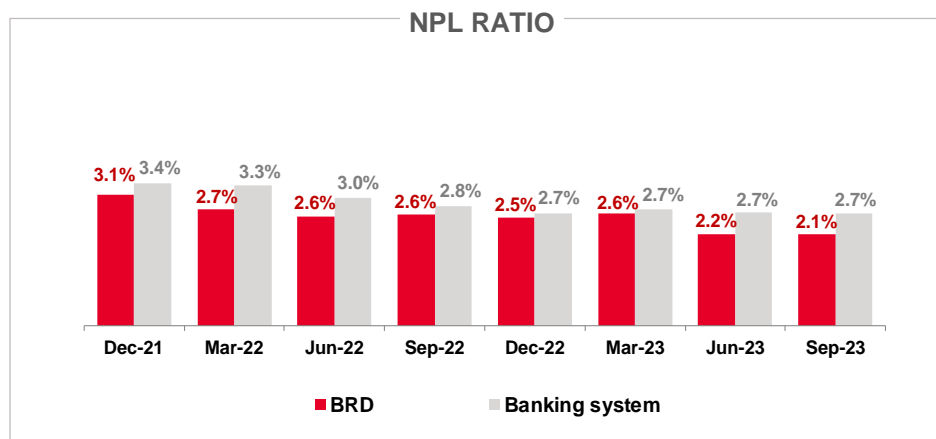


*Note: CoR (bps) in quarter is annualized

NPL ratio and Outlook

NPL rate at its lowest historical level and expected to remain below 2.5% by the end of 2023

Solid NPL coverage ratio, comfortably at 76%



* NPL for Banking System as of August 2023

Notes: NPL computed acc. to EBA risk indicator AQT_3.2

NPL coverage computed acc. to EBA risk indicator AQT_41.2

All figures at individual level



GOOD CAPITAL POSITION, IN CAPACITY TO DISTRIBUTE DIVIDEND

Solid high quality capital base

CAR of 19.4% at September 2023 end

Regulatory own funds composed of Tier 1 and Tier 2 capital

Tier 2 capital consists of EUR 250m subordinated loans

The year on year variation of own funds mainly explained by:

- ✓ H2 2022 retained profit almost counterbalanced by the exceptional dividend distribution (50% payout of 2022 retained profit) subject to GSM approval
- ✓ positive influence of revaluation reserves of debt instruments accounted at fair value through other comprehensive income, given favorable development of yields curve vs September 2022 end
- ✓ the impact of OCI quick fix relief adjustment, which no longer applies starting from 1st of January 2023

Total risk exposure amount increased on dynamic lending activity

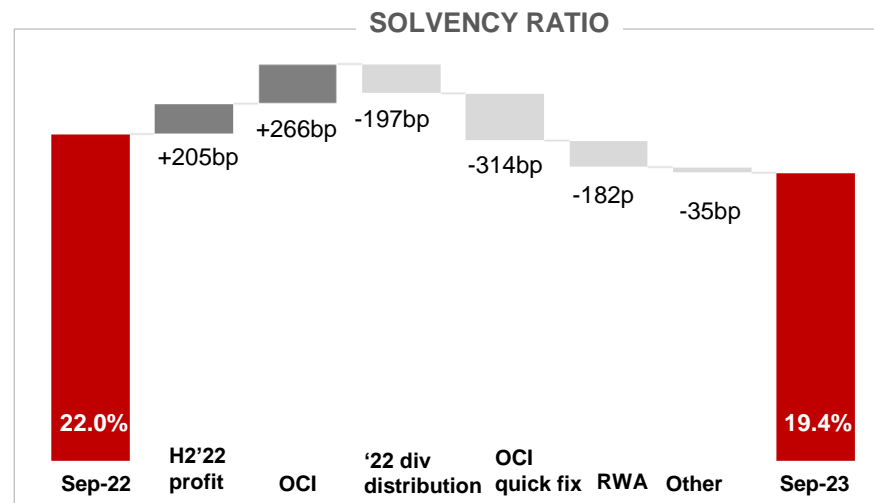
Balance sheet meeting MREL requirement

MREL at 28.8% of TREA at September 2023 end

Exceptional dividend distribution

Extraordinary payment of RON 643 m from the retained profit of 2022 (50% payout), subject to GSM approval in December 2023

Confirmation of the capacity to remunerate shareholders while ensuring permanent compliance with regulatory requirements



Bank only	Sep-22	Dec-22	Sep-23
Common Equity Tier 1 (RONm)	5,935	6,714	5,674
Tier 1 (RONm)	5,935	6,714	5,674
Tier 2 (RONm)	1,237	1,237	1,244
Total own funds (RONm)	7,172	7,951	6,918
Total risk exposure amount (RONm)	32,577	31,892	35,581
Tier 1 Ratio	18.2%	21.1%	15.9%
Total Capital Ratio	22.0%	24.9%	19.4%

Notes:

1. Own funds at September and Dec 2022 end include the OCI quick fix relief adjustment. Starting 1st of January 2023, OCI quick fix relief adjustment ceased its validity.
2. Own funds at September 22 end include H1 2022 net profit.
3. Own funds at September 23 end include the impact of exceptional dividend proposed for GSM approval (50% payout of the 2022 retained profit)
4. CAR at September 2023 end is preliminary.
5. MREL presented is at sub-consolidated level, estimated ratio as of September 2023 end
TREA = Total risk exposure amount

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CONCLUSIONS



GRUPE SOCIETE GENERALE

SOLID FINANCIALS & DIGITAL ACCELERATION TO REINFORCING SUPPORT TO ECONOMY

- **Over the first 9M of 2023, BRD fully acted upon its role of financier of the economy**
 - ✓ **Outstanding rhythm of lending activity (+10% y/y) with corporate loans as main driver (+20% y/y)**
 - ✓ **Retail lending kept a strong momentum on consumer, while housing loans dynamic remained resilient within a weakening market given high rates environment**
 - ✓ **Diversified and granular deposit base, further consolidating**
 - ✓ **Higher penetration of You BRD mobile application, 1.33 million users at September 2023 end**
- **BRD delivered solid financial results**
 - ✓ **Revenues growth underpinned by dynamic volumes and positive impact of rising rates**
 - ✓ **Focus on costs control**
 - ✓ **Strong asset quality as reflected by the net release in risk costs and sound level of risk indicators**
 - ✓ **High profitability: +20.8% y/y net profit, ROE 21% in 9M 2023**
- **Comfortable capital and liquidity positions, confirming strong capacity to support lending, while also remunerating shareholders' investment**

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Q&A SESSION



GRUPE SOCIETE GENERALE

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APPENDIX

BRD GROUP – KEY FIGURES

BRD STANDALONE – KEY FIGURES

BRD STOCK PRICE PERFORMANCE

GLOSSARY – CLIENT SEGMENTATION



GRUPE SOCIETE GENERALE

BRD GROUP | KEY FIGURES

RON m		Q3-2023	Q3-2022	Change	9M-2023	9M-2022	Change
Financial results	Net banking income	969	900	+7.8%	2,831	2,541	+11.4%
	Operating expenses	(447)	(423)	+5.5%	(1,390)	(1,276)	+9.0%
	Gross operating income	523	476	+9.8%	1,441	1,265	+13.9%
	Net cost of risk	30	9	3.3x	35	(37)	n.a.
	Net profit	459	399	15.2%	1,227	1,016	+20.8%
	Cost/Income	46.1%	47.0%	-1.0 pt	49.1%	50.2%	-1.1 pt
	ROE	21.6%	26.0%	-4.4 pt	20.9%	16.7%	+4.1 pt

RON bn		Sep-23	Sep-22	vs. Sep 22
Loans and deposits	Net loans including leasing (RON bn)	41.3	37.5	+10.1%
	Retail	25.1	24.0	+4.4%
	Corporate	16.1	13.5	+19.9%
	Total deposits (RON bn)	60.6	55.2	+9.8%
	Retail	38.6	36.0	+7.2%
	Corporate	22.0	19.2	+14.7%
	Loan to deposit ratio	68.2%	68.1%	+0.1 pt

BRD STANDALONE | KEY FIGURES

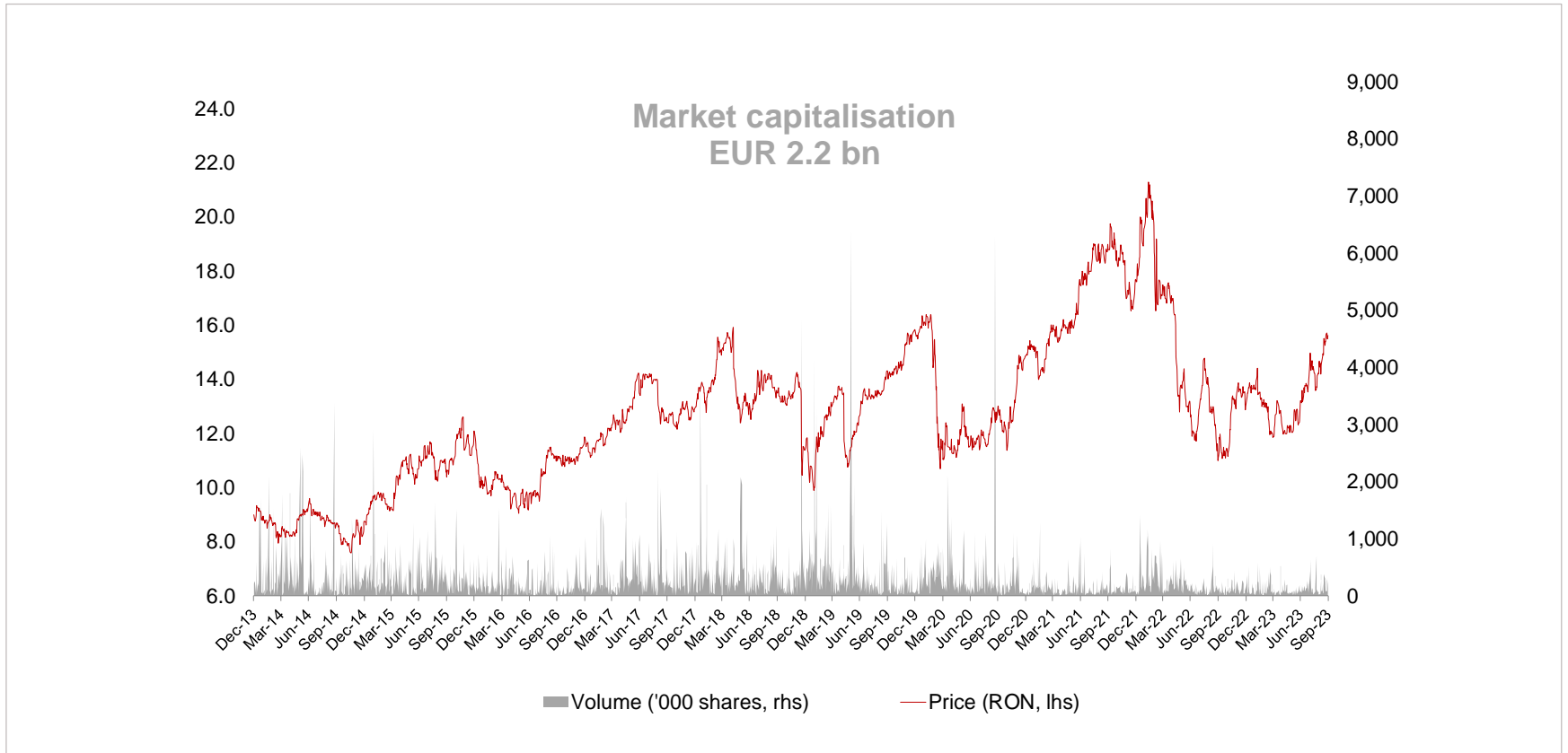
	RON m	Q3-2023	Q3-2022	Change	9M-2023	9M-2022	Change
Financial results	Net banking income	924	857	+7.8%	2,728	2,449	+11.4%
	Operating expenses	(427)	(401)	+6.5%	(1,332)	(1,207)	+10.3%
	Gross operating income	497	456	+8.9%	1,396	1,241	+12.5%
	Net cost of risk	29	8	3.9x	28	(45)	n.a.
	Net profit	439	381	+15.2%	1,191	998	+19.4%
	Cost/Income	46.2%	46.8%	-0.5 pt	48.8%	49.3%	-0.5 pt
	ROE	21.7%	19.7%	+2.0 pt	21.3%	17.2%	+4.2 pt
Loans and deposits	RON bn				Sep-23	Sep-22	vs. Sep-22
	Net loans (RON bn)				39.0	35.5	+9.9%
	Retail				24.0	22.9	+4.8%
	Corporate				14.9	12.5	+19.5%
	Total deposits (RON bn)				60.8	55.3	+9.9%
	Retail				38.6	36.0	+7.2%
	Corporate				22.2	19.3	+15.1%
	Loan to deposit ratio				64.1%	64.1%	0.0 pt
Capital adequacy	CAR				19.4%	22.0%	-2.6 pt
Franchise	No of branches				432	470	-38

CAR for September 23 end is preliminary; own funds includes the impact of exceptional dividend proposed for GSM approval (50% payout of the 2022 retained profit)

Own funds at September 22 end include the H1 2022 net profit.

Own funds at September 2022 end include the impact of OCI quick fix relief adjustment. Starting 1st of January 2023 this treatment ceased its validity.

BRD | STOCK PRICE PERFORMANCE



- BRD is part of the main market indices on the Bucharest Stock Exchange
- BRD's share price reached RON 15.62 as of September 2023 end, +41% y/y and +20.2% ytd

GLOSSARY – CLIENT SEGMENTATION

- The **Retail** category is comprised of the following customer segments:
 - **Individuals** – BRD provides individual customers with a range of banking products such as: savings and deposits taking, consumer and housing loans, overdrafts, credit card facilities, funds transfer and payment facilities.
 - **Small business** – business entities with annual turnover lower than EUR 1m and having an aggregated exposure at group level less than EUR 0.3m. Standardized range of banking products is offered to small companies and professionals: savings and deposits taking, loans, transfers and payment services.

- The **Corporate** category is comprised of the following customer segments:
 - **Small and medium enterprises** - companies with annual turnover between EUR 1m and EUR 50m and the aggregated exposure at group level higher than EUR 0.3m. The Bank provides SMEs with a range of banking products such as: savings and deposits taking, loans and other credit facilities, transfers and payment services.
 - **Large corporate** - within corporate banking BRD provides customers with a range of banking products and services, including lending and deposit taking, provides cash-management, investment advices, securities business, project and structured finance transaction, syndicated loans and asset backed transactions. The large corporate customers include companies with annual turnover higher than EUR 50m, municipalities, public sector and other financial institutions.



BRD GROUPE SOCIETE GENERALE - INVESTOR RELATIONS

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