

Half year report

JUNE 30, 2013

according to National Security Commission Regulation
no 1/2006

DEZVOLTĂM ÎMPREUNĂ SPIRITUL DE ECHIPĂ



GROUPE SOCIETE GENERALE



CONTENT

1. ISSUER DESCRIPTION.....	3
2. ECONOMIC ENVIRONMENT	4
3. COMMERCIAL ACTIVITY.....	5
4. RESULTS AND FINANCIAL RATIOS	6

1. ISSUER DESCRIPTION

BRD – Groupe Société Générale SA

Head Office: Bd. Ion Mihalache, nr. 1-7, sect. 1, București

Tel/Fax: 301.61.00 /301.68.00

Sole registration number with the Trade Registry: 361579

Order number with the Trade Registry: J40-608-1991

Share capital subscribed and paid: 696.901.518 lei

Regulated market on which the issued securities are traded: Bucharest Stock Exchange –
Ist Category

2. ECONOMIC ENVIRONMENT

The main macroeconomic factors that, during the first semester of 2013, influenced the banking activity:

- The national currency depreciated against the euro by approximately 0.7% compared to the end of 2012 and depreciated by 0.2% compared to June 30, 2012.
- The National Bank of Romania maintained constant the reference rate to 5.25% starting with March 30, 2012 (5.0% as at July 2, 2013). Also NBR has maintained the minimum compulsory reserves at the same level as in 2012 (namely 20% for foreign currencies resources, and 15% for RON resources).
- As at June 30, 2013, the inflation rate was of 2.07% versus December 2012, and of 5.37% year on year.

3. COMMERCIAL ACTIVITY

RON millions	30-Jun-13	31-Dec-12	30-Jun-12
Gross loans	34,850	35,390	35,214
- individuals	17,259	16,942	16,726
- corporates	17,591	18,448	18,487
Deposits	33,257	31,892	32,967
- individuals	16,236	16,274	16,580
- corporates	17,021	15,618	16,387
Net Loans/Deposits	91.4%	98.7%	97.6%

LOANS

Gross loans to customers have decreased by 1.5% compared to December 31, 2012 and by 1.0% compared to June 30, 2012.

The loans to individuals increased by 3.2% compared to June 30, 2012 (versus a decrease by 1.4% as at May 2013 for the banking system). This positive evolution was mainly supported by the housing loans which increased by 31.7% (compared to +10.2% for the banking system).

The loans to corporate customers have decreased by 4.8% compared to June 30, 2012, and by 4.6% compared to December 31, 2012, in a context of low demand.

DEPOSITS

The total deposits increased by 0.9% in the last 12 months, driven by dynamic growth of foreign currency deposits (+7.5%)

Individuals' deposits decreased as at June 30, 2013 by 0.2% compared to December 31, 2012, and by 2.1% compared to June 30, 2012.

Corporate customers' deposits as at June 30, 2013 increased by almost 9.0% compared to December 31, 2012 and by almost 3.9% as compared to the same period of the last year.

4. RESULTS AND FINANCIAL RATIOS

a) Statement of financial position

Total balance sheet as at June 30, 2013, is of RON 44,966 million, down by 6.2% compared to December 31, 2012, and by 5.9% compared to June 30, 2012.

The structure of the balance-sheet assets as of end of June 2013 was the following:

Assets (RONm)	Jun-13	Dec-12	Jun-12	J 13/D 12
Loans and advances to customers	30,396	31,478	32,161	-3.4%
Cash and current accounts with Central Bank	6,773	9,383	8,448	-27.8%
Other financial instruments	5,257	5,085	5,063	3.4%
Tangible and intangible assets	1,144	1,193	1,245	-4.1%
Loans and advances to credit institutions	1,079	368	385	193.1%
Other assets	317	417	490	-24.0%
Total assets	44,966	47,924	47,790	-6.2%

Cash (cash and current accounts with Central Bank) was of RON 6,773 million, decreasing by 27.8% against December 31, 2012 and 19.8% against June 30, 2012. The most important component of this element is the minimum compulsory reserve held with the National Bank of Romania (RONm 6,429 as at June 30, 2013, RONm 6,300 as at December 31, 2012).

The other financial instruments mostly represent treasury bills and bond issued by the Romanian Government and which are accounted as available for sale and trading instruments and increased by 3.4% against December 31, 2012 and 3.8% against June 30, 2012.

For evolution of loans and advances to customers please refer to chapter 3 to the current report.

Structure of the balance-sheet liabilities as of end June 2013 was the following:

Liabilities and shareholders equity (RONm)	Jun-13	Dec-12	Jun-12	J 13/D 12
Amounts owed to customers	33,257	31,892	32,967	4.3%
Amounts owed to credit institutions	5,437	9,899	8,356	-45.1%
Shareholders equity	5,561	5,507	5,848	1.0%
Other liabilities	712	626	620	13.7%
Total liabilities and shareholders equity	44,966	47,924	47,790	-6.2%

Amounts owed to credit institutions represent mainly borrowings from the parent (including subordinated debt) and stands for 12.1% from the Bank's total liabilities and shareholders equity, their weight decreasing in favor of customers' deposits.

For evolution of deposits to customers please refer to chapter 3 to the current report.

b) Income statement

RON millions	6 months to 30.06.13	6 months to 30.06.12	13/12 (%)
Net banking income, out of which :	1,360	1,433	-5.0%
- Interest margin	852	933	-8.7%
- Commissions	366	376	-2.7%
- Other net banking income	142	123	15.6%
Operating expenses	(612)	(672)	-8.9%
Operating profit	748	761	-1.7%
Net cost of risk	(659)	(715)	-7.8%
Gross profit	89	46	92.8%
Net profit	62	39	58%

The decline of 5% in net banking income was mainly triggered by the decrease in net interest margin (-8.7%) due to negative volume and structure effects. The net commissions declined by 2.7% mostly due to the lower lending activity and despite the positive evolution of services' commissions.

Cost optimization efforts triggered a reduction of 8.9% in operational expenses compared with the same period last year.

During 2013 no dividends were distributed to the shareholders.

c) Cash flow

The statement on the modifications of the cash flows from operation, investment and financing activities is part of the interim financial statements accompanying this report.

Main financial and regulatory indicators:

The financial performances obtained through the business carried out by BRD are synthetically presented, based on the following ratios:

	30.06.2013	31.12.2012	30.06.2012	
Financial ratios	Return on equity (ROE)	2.2%	-5.8%	1.3%
	Cost/Income ratio	45.0%	46.4%	46.9%
Regulatory indicators	Total regulatory capital (RON m)	4,053	4,364	4,711
	Tier 1 regulatory capital (RON m)	4,053	4,364	4,711
	Capital adequacy ratio	13.8%	14.0%	14.4%
	Tier 1 ratio	13.8%	14.0%	14.4%
	Risk weighted assets (RON m)	29,707	31,291	32,801

OTHER STATEMENTS:

Total value of investments made between January – June 2013 was of approximately EUR 4.5 million, such investments being meant particularly for IT systems improvement.

Except for the changes in the economic environment presented in chapter 2, no events, transactions or modifications of the economic situation, which would have significant consequences on the bank's incomes occurred.

During the first half-year of 2013, the Bank found itself in no such cases as to be unable to meet its financial obligations.

In the period January – June 2013, no modifications occurred with respect to the rights of the Bank-issued securities holders.

The major transactions in which the persons able to take concerted actions were involved are presented in Note 29 in the interim financial statements accompanying this report. These transactions were made in normal market conditions, during the current activity and with no significant influence on BRD's financial position.

Philippe LHOTTE

Chairman – Chief Executive Officer



Petre BUNESCU

Deputy Chief Executive Officer

Stephane FORTIN

Chief Financial Officer