

# Budget 2012

*General Assembly Meeting*

DEZVOLTĂM ÎMPREUNĂ SPIRITUL DE ECHIPĂ



GRUPE SOCIETE GENERALE

- **Strategic goal for 2012 is to facilitate the rebound out of crisis and to strengthen the leader position on the market on medium term**
  - Progressive reload of economic activity, but uncertainties still persist
  - Commercial development to resume selectively
  - Diversity of the sources of funding
  - Further improving efficiency of the infrastructure
  - Improvement of the profitability

### ▪ Economic

#### • Factors of uncertainty

- Political situation: 2012 is an election year
- Always moderate mobilization of European's Funds
- Degradation of the environment in the Euro area

#### • Positifs factors

- Inflation under control for the moment
- Decline still relatively moderate concerning the foreign transfers
- Maintaining the budget deficit within limits negotiated with International Financial Institution
- Foreign currency reserves at satisfactory level

### ▪ Banking and Finance

#### • Additional charges imposed by the regulation

- Additional contribution and extention of the perimeter of guaranteed Deposits
- New regulations aimed to limit the lunding in foreign currency for individuals
- New regulation on bank liquidity (Basel 3)

## Commercial development to resume selectively (1)

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- **Priority objectives**
  - Maintain/increase the market shares
  - Reload the development
  - Maintaining strict control of risk
- **Improve customer equipment**
- **Development axes:**
  - Continuing the process of innovation and launching of new products
  - Development of the multi-channel approach
  - Diversification of sources of incomes in collaboration with JV - SGCIB
  - Development of the actions of promotion
- **Further development of agencies dedicated to customer Haut de Gamme**
- **Strengthen the mutualisation between BRD and subsidiaries**

## Commercial development to resume selectively (2)

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- **Individuals: adaptation to the gradual recovery of the lending activity**
  - Consumer credit:
    - supported by promotional offers / refinancing
    - new conventions dedicated to income clients
  - Mortgages:
    - Continuation of the program Prima Casa 4
    - Active promotion of the specific mortgage loan "Casa 10 BRD"
  
- **Corporate:**
  - Very targeted approach on small and medium enterprises with development/diversification in the agricultural sector
  - Participation in programs related to the European funds and the EBRD
  - Large Corporate customer: maintaining a strong presence, especially in growth sectors for economic activity: infrastructure, energy, great Distribution and co-financing of EU projects

## Diversity of the sources of funding

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- **Objectives:**

- Improvement of the loans/deposits ratio

- **Measures taken:**

- Adaptation of the range of products and pricing policy
- Focus on the actions of collection of Clipri deposits
- Strengthening of the commercial animation
- Intensifying the use of international funding
- In conjunction with SGCIB, studying the launch of an EMTN programme

## Further improving efficiency of the infrastructure

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- **OPEX to be maintained flat**
- **Limit the spending for certain types of expenses, including:**
  - Utilities
  - Travel and protocol expenses
  - IT cost optimization
  - Security costs
- **Maintaining the number of agencies in the network and ongoing measures of rationalization**
- **Implementation of measures in order to improve the productivity**
  - Dematerialisation of payment orders
  - Externalizing of archiving activity

## Outstanding Balances

(million RON)	Actual 2010	Actual 2011	Evolution 11/10	Budget 2012
<b>Deposits *)</b>	<b>30,025</b>	<b>30,382</b>	<b>1.2%</b>	<b>+6% - 7%</b>
of which : Term deposits	16,592	17,685	6.6%	
<b>Loans *)</b>	<b>33,895</b>	<b>34,342</b>	<b>1.3%</b>	<b>+4% - 5%</b>
of which : Individuals	16,459	17,069	3.7%	
Corporates	17,436	17,273	-0.9%	
<b>Loans/Deposits **)</b>	<b>111%</b>	<b>111%</b>		

\*) *ammortised cost in accordance with IFRS*

\*\*\*) *calculate for BRD only by taking into account the gross principal*



## Income statement (consolidated IFRS)

(million RON)	Actual 2010	Actual 2011	Evolution 11/10	Budget 2012
Operating income	3,585	3,268	-8.9%	<i>around +5%</i>
Operating expenses	(1,476)	(1,460)	-1.1%	<i>around +1%</i>
<b>Gross operating income</b>	<b>2,110</b>	<b>1,808</b>	<b>-14.3%</b>	<b><i>around +5-6%</i></b>
Net charge with provisions	(883)	(1,253)	41.9%	<i>in decrease</i>
Income Tax	(218)	(56)	-74.1%	
<b>Net profit</b>	<b>1,009</b>	<b>498</b>	<b>-50.6%</b>	
<i>Cost/income ratio</i>	41.2%	44.7%		<i>around 42-43%</i>