BRD - GROUP

RESULTS

3RD QUARTER AND FIRST 9 MONTHS 2017

06 NOVEMBER 2017

DISCLAIMER

The consolidated and separate financial position and income statement for the period ended September 30, 2017 were examined by the Board of Directors on November 2, 2017.

The financial information presented for the period ended September 30, 2017 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.

1

INTRODUCTION

9M 17: STRONG PROFITABILITY GROWTH FULLY CONFIRMED

Growth of core Group revenues on an accelerating path

Further business expansion across Retail and Non-Retail segments
Broad based credit growth (+6.6% y/y)
Growing retail deposit base (+7.6% y/y)

Core NBI*
RON 2,051m +3.4% vs 9M 2016

Improved operational performance

Core GOI*
RON 988m +3.8% vs 9M 2016

Strong recovery performance and significant non recurring positive cost of risk items
Recoveries on non retail defaulted loans, recognition of insurance indemnities, and gain on sale of NPL portfolio

NCR
RON 271m release
vs RON 362m charge in 9M 2016

Strong profitability growth

Net profit
RON 1,066m +75.8% vs. 9M 2016

Sound capital and liquidity positions

CAR: 18.5%, stable compared to Sep-16 end

ROE: 20.5% in 9M 2017 vs. 12.5% in 9M 2016

** NBI and GOI excluding non recurring items (gains on sale of Visa share and other AFS instruments)*

Q3 17: GROWTH OF CORE REVENUES ON AN ACCELERATING PATH

Accelerating core NBI growth

Core NBI* up +6.1% vs Q3 2016, driven by net interest income, on solid volume growth

Strong individuals' loan production in a favorable macro context. Retail loans up +7.1% y/y

Fully committed to support local businesses: continuation of positive trend on non retail lending. Non retail loans up +5.6% y/y

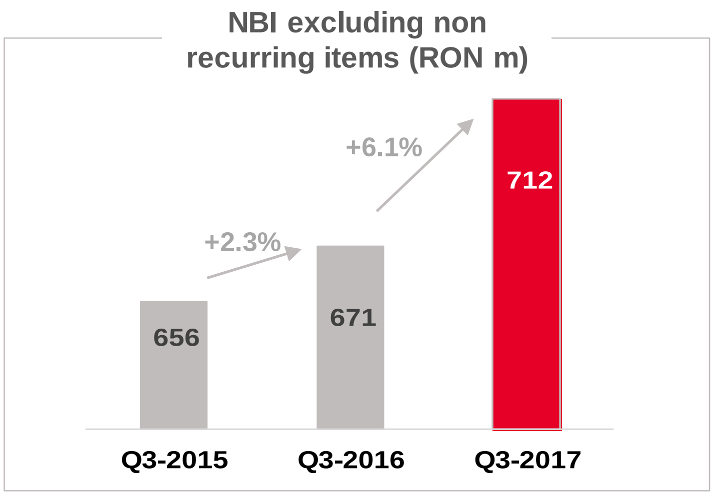
Asset quality continues to improve

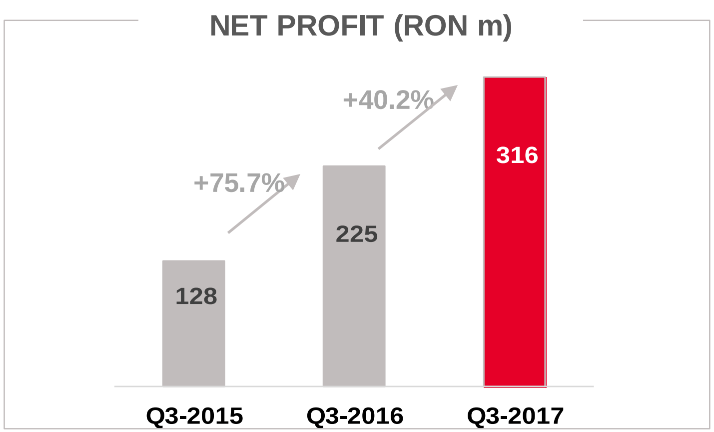
Lower NPL ratio: 7.8% vs 10.8% at Sep-16

Coverage of defaulted loans stable at 75.0%

Solid growth in net profit confirmed

Net profit of RON 316m in Q3 17 vs RON 225m in Q3 16, +40.2% y/y





ROE: 17.9% in Q3 2017 vs. 13.8% in Q3 2016

** NBI excluding non recurring items (gains on sale of Visa share and other AFS instruments)*

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2

MACROECONOMIC &
BANKING ENVIRONMENT

SUPPORTIVE MACRO ENVIRONMENT

Largest GDP growth* in Europe expected for 2017

After a solid advance of 4.8% in 2016, economic momentum continues to be strong in 2017, with private consumption the most significant contributor to GDP growth

Q2 17 GDP grew +5.9% y/y (seasonally adjusted) fuelled by private demand while investment activity remained modest

Rising inflation

Inflation rate at +1.8% y/y at September 2017, expected to rise steadily during the coming months, influenced by base effects from last year, growing demand, and strengthening cost pressures from the labor market

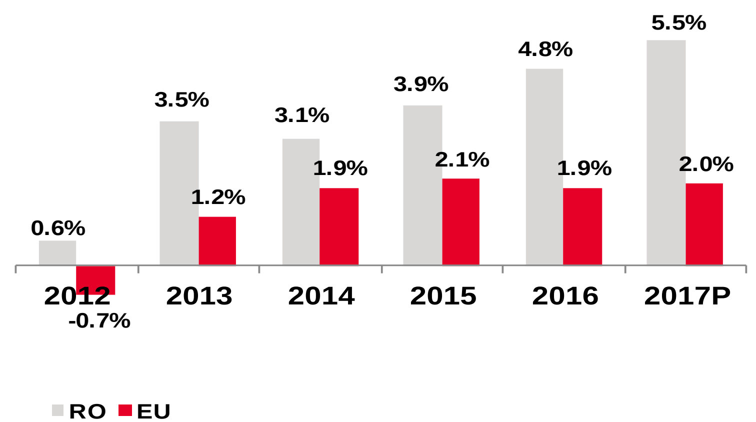
NBR starting to tighten monetary policy

In October 2017, NBR narrowed the corridor around the policy rate to ±1.25 pts. from ±1.50 pts.
Key interest rate maintained at 1.75% since June 2015
Continued cycle of reduction of minimum reserves requirements (reserve requirements on FX liabilities reduced to 8% in May 2017 from 10% previously)

Money market interest rates moving sharply higher at September end

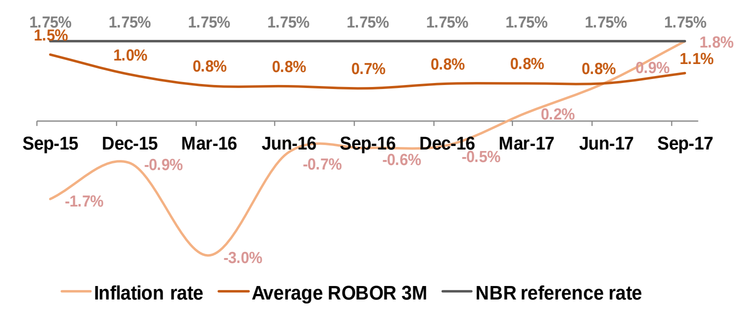
** as per IMF report – World Economic Outlook, October 2017*

GDP GROWTH



Source: 2017P GDP RO, EU: IMF

INTEREST RATE ENVIRONMENT



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LOANS TO COMPANIES ARE PICKING UP

Loans to companies are picking up

Corporate credit up +5.2% at September 2017 end, gathering pace, compared to the contraction seen at 2016 end, on ongoing economic growth and favorable interest rate environment.

Household credit still on the rise

Sustained growth of housing loans (+10.7% y/y), with Prima Casa state program continuing to be a key factor of support

Consumer loans are continuing to gain momentum

Ongoing increase of disposable income stimulates demand for loans

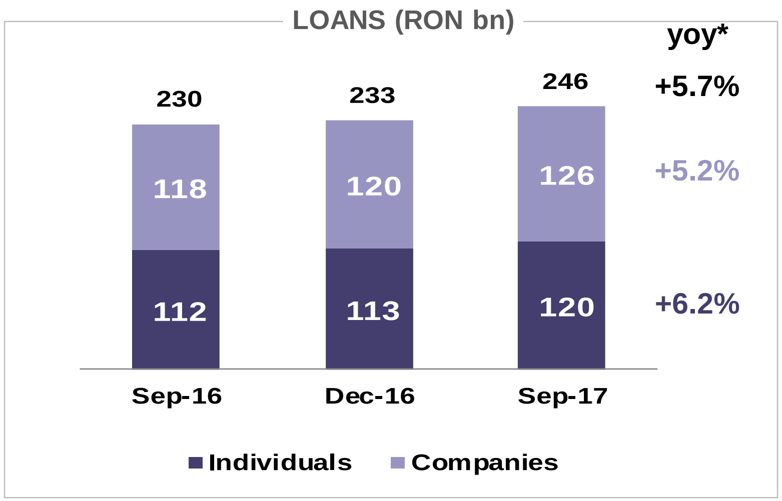
Overall credit growth speeding up to +5.7% y/y at September 2017 end

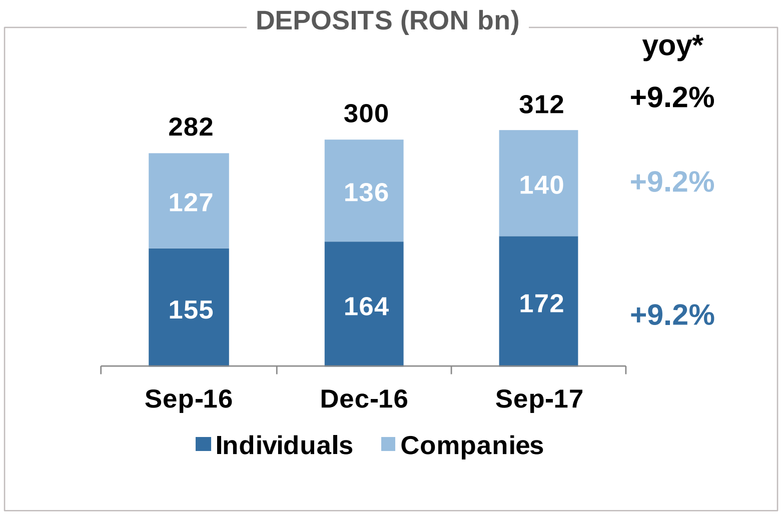
vs +1.2% y/y at December 2016 end

Material propensity to save in spite of low interest rates

Household deposits up +9.2% y/y, positively influenced by the significant wage increases

Strong deposit collection from companies





** Variation at constant exchange rate*

CONFIRMED IMPROVEMENT OF THE ROMANIAN BANKING SYSTEM RISK PROFILE

Material progress in NPLs reduction

NPL ratio lower by 1.8 ppts y/y as a result of write off operations and sale of defaulted loans portfolios

Highest in EU NPL coverage ratio

Liquidity at comfortable level

Loan to deposit ratio at 80% at June 2017 end (vs 116% in 2011)

Average liquidity coverage ratio at 251% at June 2017 end, well above regulatory requirement (80% for 2017)

Adequately capitalized banking sector, sustaining further business growth

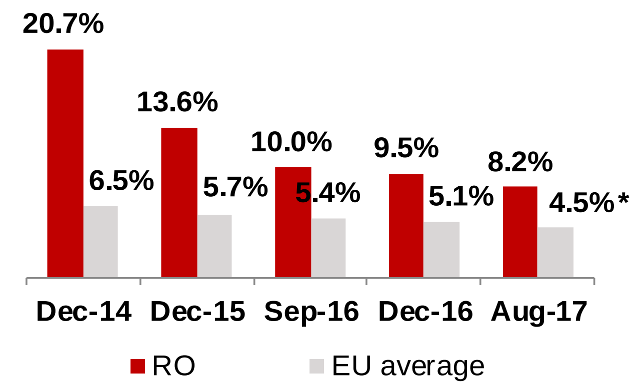
Total capital ratio of 19.8% as of June 2017 end (vs. 19.7% as of December 2016 end)

Sector profitability keeps rising

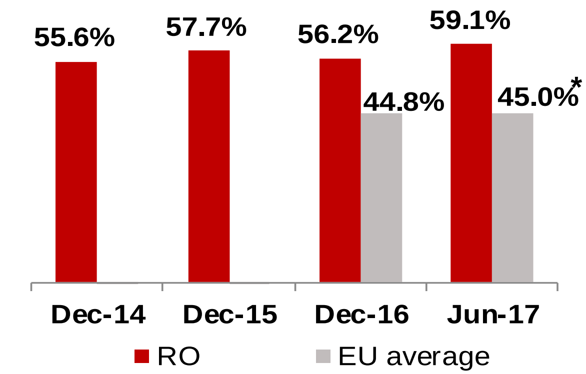
ROE near 10% in both 2015 and 2016

ROE at 12.9% in H1 2017

NPL RATIO



NPL COVERAGE RATIO



** NPL and Coverage ratios, EU average, as of Jun-17 end*

Source: EBA Risk Dashboard – Q2 2017, NBR data

3

3RD QUARTER AND FIRST 9 MONTHS 2017 BRD GROUP RESULTS

ONGOING TRANSFORMATION OF RETAIL BANKING BUSINESS MODEL

Individual customers: increased autonomy on day-to-day banking transactions

Stock of remote banking contracts up +25% YoY at Sep-17 end (+15% internet and +55% mobile banking)

MyBRD Net and MyBRD Mobile penetration rates reaching 43% (+5pts y/y) and 20% (+7pts y/y) respectively, at Sep-17

Continuation of physical footprint resizing (-29 branches YoY at Sep-17)

Small business clients: successful shift to E-channels

74% E-channels share in the nb. of payments in local currency (9M-2017)

2.23m

+ 132,000 y/y

E-channels nb. of payments in local currency (9M-2017)

Digital dynamics in the spotlight

Enhancing customer experience

Fully online subscription to investment funds (MyBRD Net) and real time access to investment funds portfolios (MyBRD Net and Mobile)

Western Union incomings directly through MyBRD Net and MyBRD Mobile

Fingerprint authentication for mobile users

Front-to-back process automation

Time-to-Yes/Time-to-Cash reduced on optimized workflows, increased level of automation

Processes dematerialization implemented for retail lending

Prerequisite for fully digital end-to-end processes

STRONG COMMERCIAL PERFORMANCE, RAPIDLY GROWING DIRECT CHANNEL TRANSACTIONS

Dynamic client acquisition

2.27m active clients

Stock of active clients increased by **+ 34,000 y/y**

Individuals	**Small business**
2.14m clients	**112k** clients
+31,000 y/y	**+3,000 y/y**

More intense commercial relationships

Average equipment rate of individual clients up to 4.16 from 4.04 at Sep-16.

Average equipment rate of small business clients up to 3.73 from 3.60 at Sep-16

Increased penetration of internet and mobile banking

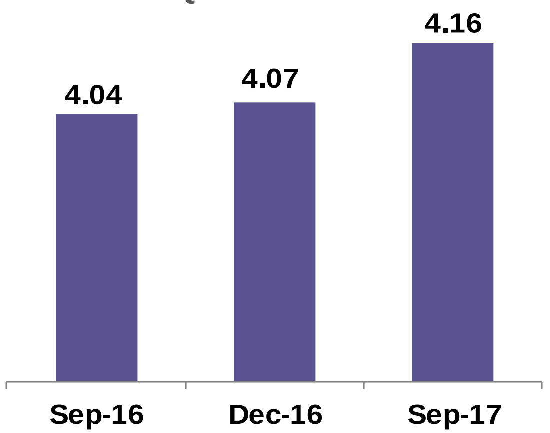
Digital banking subscriptions continue to grow

1.30m contracts (MyBRD Net & MyBRD Mobile) **+25%** vs Sep-16 end

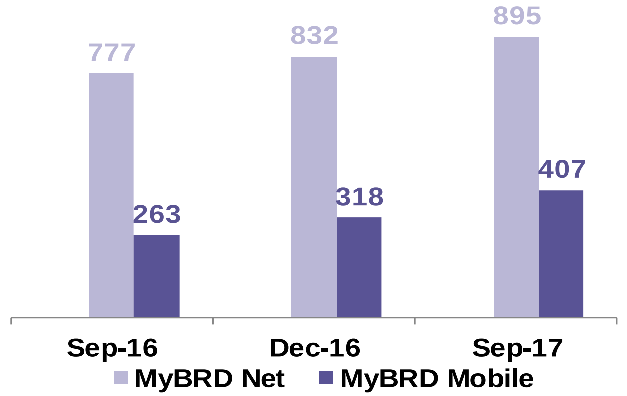
+30% nb of transactions, 9M-17 vs. 9M-16

+41% nb of connections 9M-17 vs. 9M-16

AVERAGE INDIVIDUAL CUSTOMER EQUIPMENT RATE



DIGITAL BANKING SOLUTIONS*



** Nb of contracts: MyBRD Mobile, MyBRD Net*

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BROAD-BASED CREDIT GROWTH FURTHER PROVING BRD'S COMMITMENT TO FINANCE THE ECONOMY

Expansion of new loan volumes to individuals

Strong advance of new consumer loans, thanks to well-targeted campaigns and households' appetite for new financing

New housing loans up, on both Prima Casa and BRD specific product, "La Casa Mea", launched in Q2 2017

Consolidation of the leadership position on loans to individuals, with a market share of 16.9% as of Sep 2017 end

Increasingly dynamic lending activity on the non retail segment

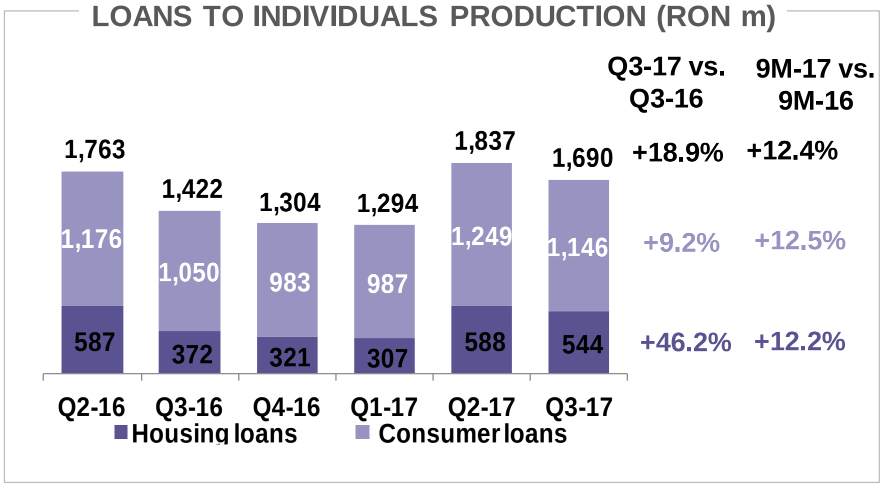
Overall net loans to non retail customers up +5.6% y/y

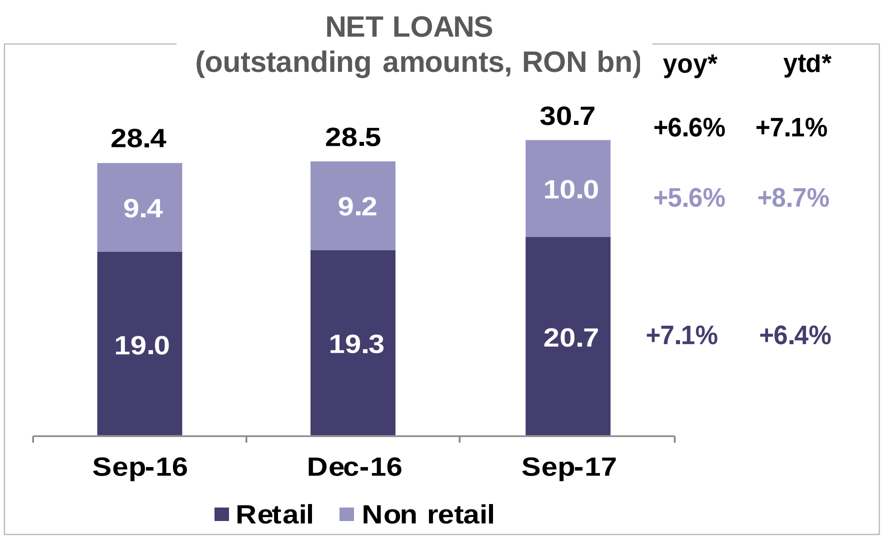
Credits to large companies up +10.9% y/y

Leasing portfolio increasing by +18%** y/y

Positive loan growth momentum

Credit outstanding growth pace reaching +6.6% at Sep 2017 end, accelerating from +4.5% y/y at June 2017 end





Variations at constant exchange rate

*** Including operational leasing*

GROWING DEPOSIT BASE

Strong inflows from retail customers

Retail +7.6% YoY vs September 2016 end

Lower non retail deposits, in a context of comfortable liquidity position

Collection in current accounts continues to advance

+19% y/y vs September 2016 end

Priority given to off balance sheet financial savings

BRD Group assets under management up +9% yoy

Market share on open end mutual funds up by +0.3ppt yoy

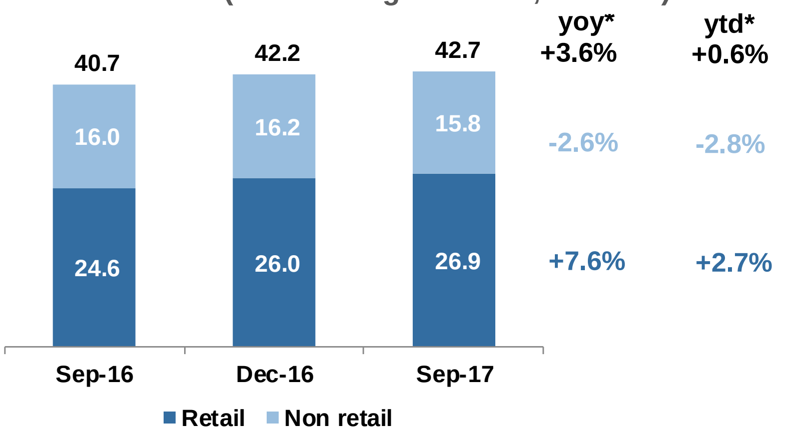
Self sustaining with minimal reliance on parent funding

Loan to deposit ratio at 72.0%

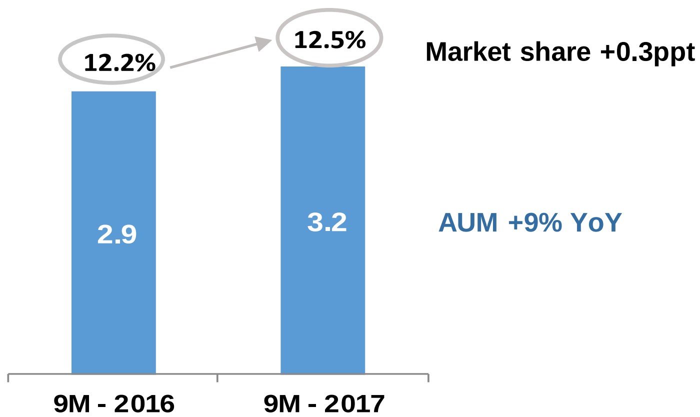
Share of deposits in total liabilities growing from 69% at 2011 end to 93% at September 2017 end

Parent funding around 2% of total liabilities at September 2017 end

DEPOSITS (outstanding amounts, RON bn)



ASSETS UNDER MANAGEMENT (RON bn) & MARKET SHARE*



** Market share computation based on total Open-end Funds assets under management.*

GROWTH OF CORE NET BANKING INCOME ON AN ACCELERATING PATH

Strong increase in core NBI…

NBI up +6.1% in Q3 2017 and +3.4% in 9M 2017 after adjusting for non recurring items (gains on sale of Visa share and other AFS instruments)

…driven by the robust growth of net interest income…

Net interest income up +9.6% in Q3 2017 and +6.8% in 9M 2017 driven by solid volume growth

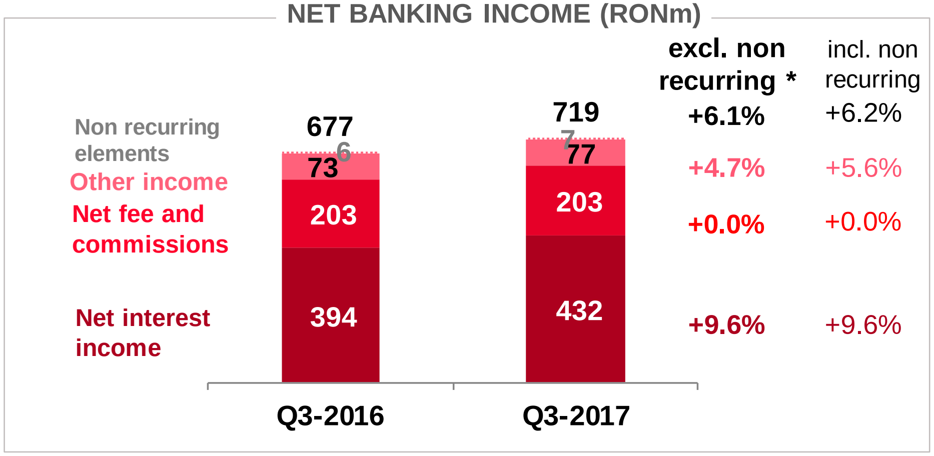
9M average outstanding of loans up +4.5% (retail loans up +6.5%)

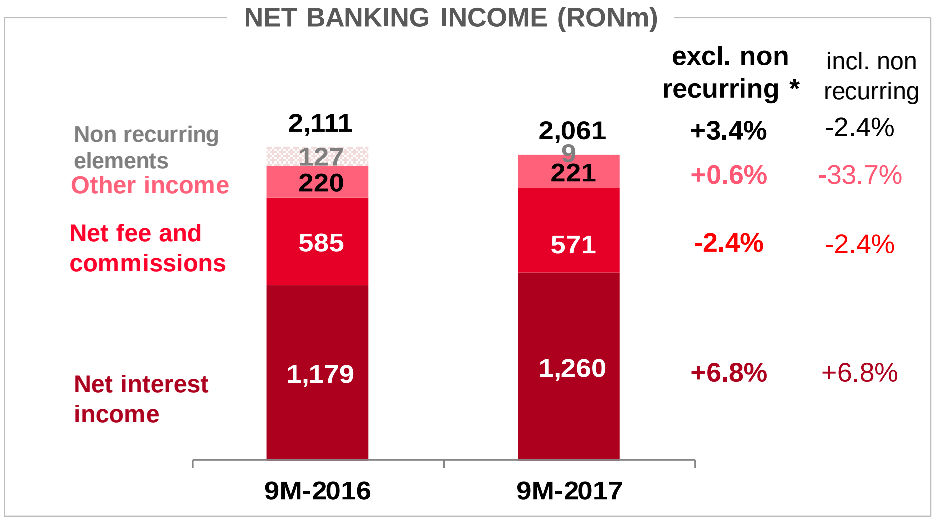
9M average outstanding of deposits up +6.6%

…while fee income proved resilient in Q3 2017

Revenue growth on card activity

Higher commissions from electronic banking subscriptions





** Non recurring items include gains on sale of Visa share and other AFS instruments*

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COSTS REFLECTING IMPROVED OPERATIONAL PERFORMANCE

Q3 2017 operating expenses up +5.1% y/y

Staff expenses influenced by the revaluation of the compensation package, in line with the market practice

Higher consulting expenses (mostly related to change-the-bank initiatives)

Impact of higher IT related investments on depreciation charges

Costs higher by +3.0% in 9M 2017 reflecting investments in business model transformation

Total investments significantly up vs 9M 2017

Investments in transformation representing 80% of the overall effort

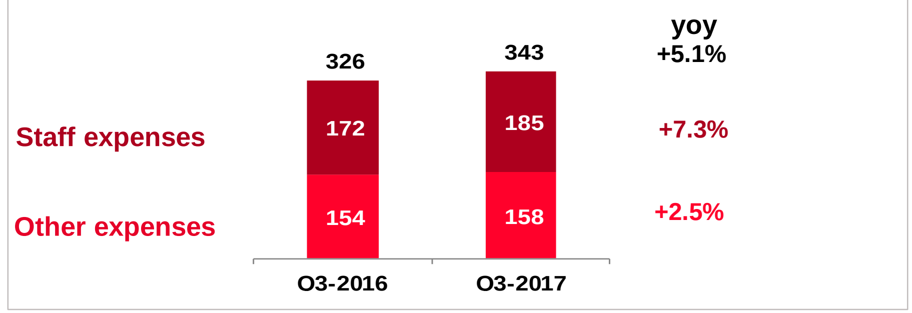
Staff expenses up +2.7% y/y, mainly on Q3 developments

Improved core C/I* at 51.8% in 9M 2017 vs 52% in 9M 2016

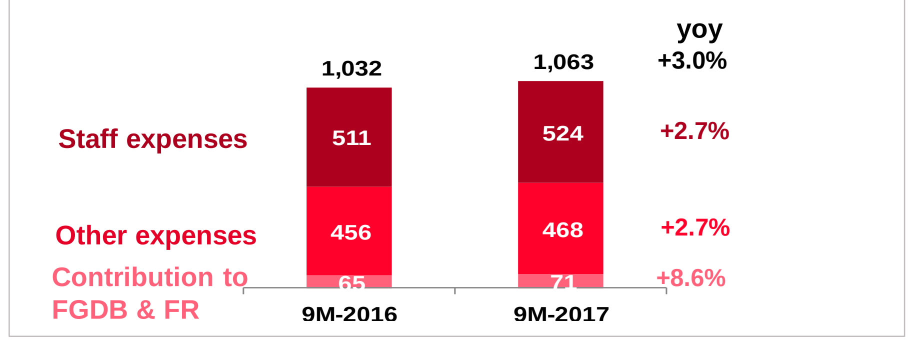
Core GOI* up +7.1% in Q3 2017 and +3.8% in 9M 2017

GOI and C/I excluding gains on VISA transaction and other AFS securities

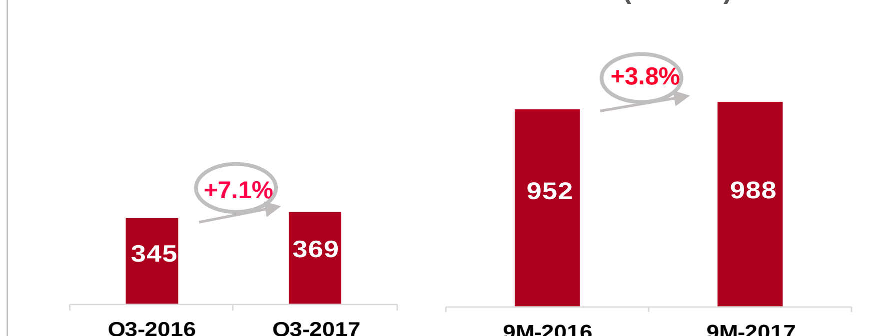
OPERATING EXPENSES (RON m)



OPERATING EXPENSES (RON m)



CORE GROSS OPERATING INCOME (RON m)



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IMPROVED ASSET QUALITY

Loan portfolio market mix

62.5% on individuals market segment

37.5% on legal entities market segment

Consolidation of RON lending

Share of RON denominated loans at 59.7% (versus 55.5% as of 09/2016)

Trend in line with market evolution

Declining NPL ratio

Declining trend in line with the evolution observed at the level of the Romanian banking sector

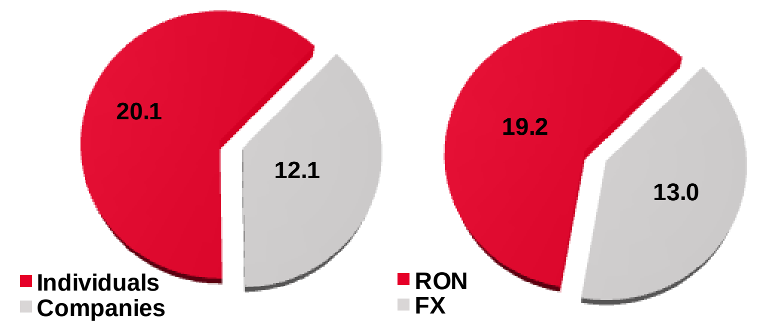
Reflecting write-offs performed during the 2015-2017 period as well as improving NPL recovery performance

Some further write-offs to be performed (in line with the Bank's write-off policy)

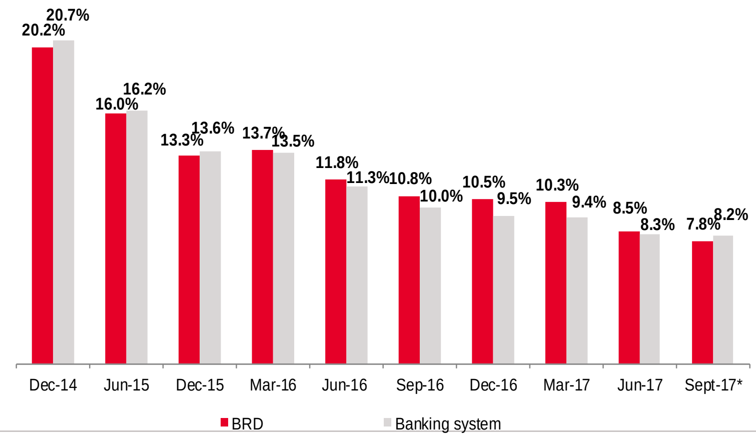
NPL portfolios sale activities to continue, for both retail and non retail segments

All figures at individual level

GROSS LOANS – September 30, 2017 breakdown by segment and currency (RON bn)



NPL RATIO – EBA methodology



**Ratio for the Banking System – as of August 2017*

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COST OF RISK STRONGLY INFLUENCED BY POSITIVE EXCEPTIONAL ITEMS

Q3 2017 NCR highlights

Strong level of recovery performance, mainly from legal entities NPL exposures: near 84 MRON in net provision reversals

Moderate level of net provision allowance recorded on individuals NPL exposures: around 31 MRON

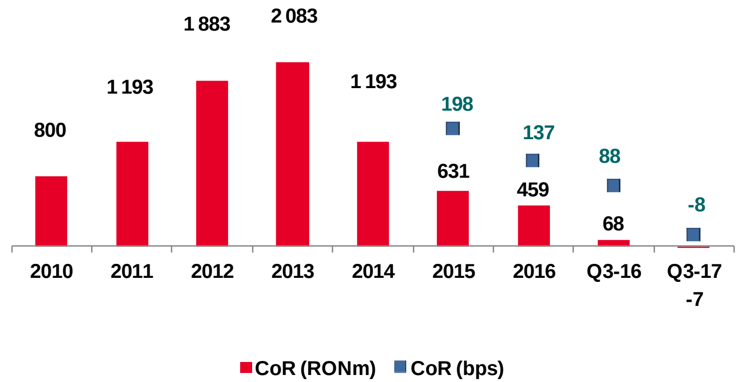
Increase in collective provisions for non defaulted exposures

Key ratios evolution

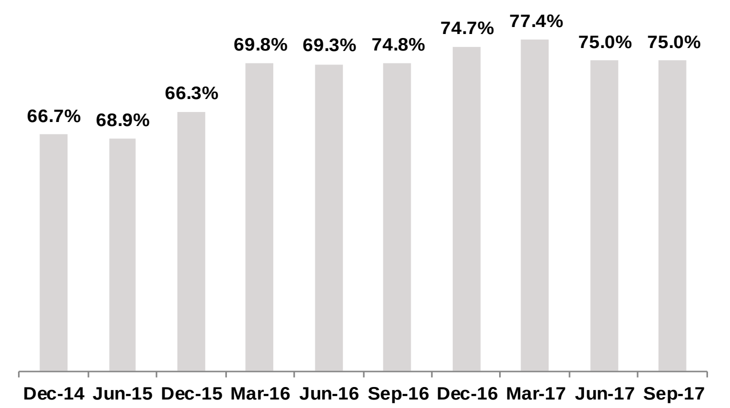
Net cost of risk at -8 bp for Q3 2017 (versus -185 bp in Q2 2017)

Slight increase in NPL provision coverage ratio vs. September 2016

COST OF RISK EVOLUTION (RON m)



NPL COVERAGE RATIO - EBA methodology



All figures at individual level

VERY STRONG PROFITABILITY GROWTH FUELLED BY BOTH DYNAMIC COMMERCIAL ACTIVITY AND NON RECURRING POSITIVE COST OF RISK ITEMS

Net profit solid growth fully confirmed

9M 2017 net profit up +76%

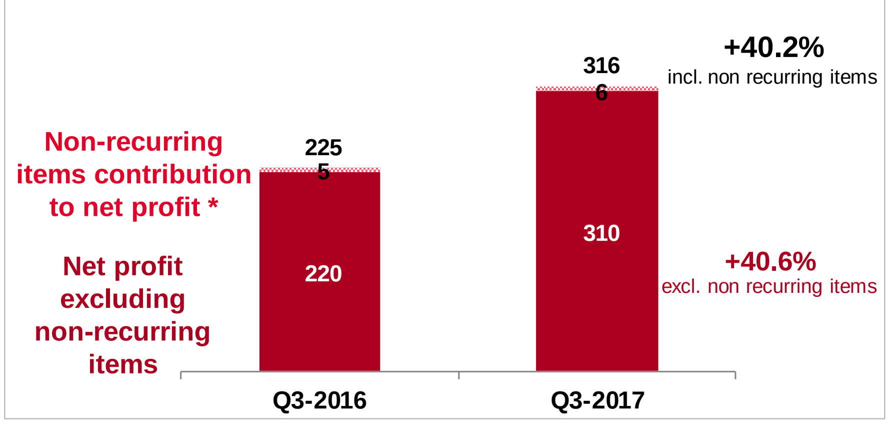
Q3 2017 net profit up +40%

Very strong ROE in 9M 2017

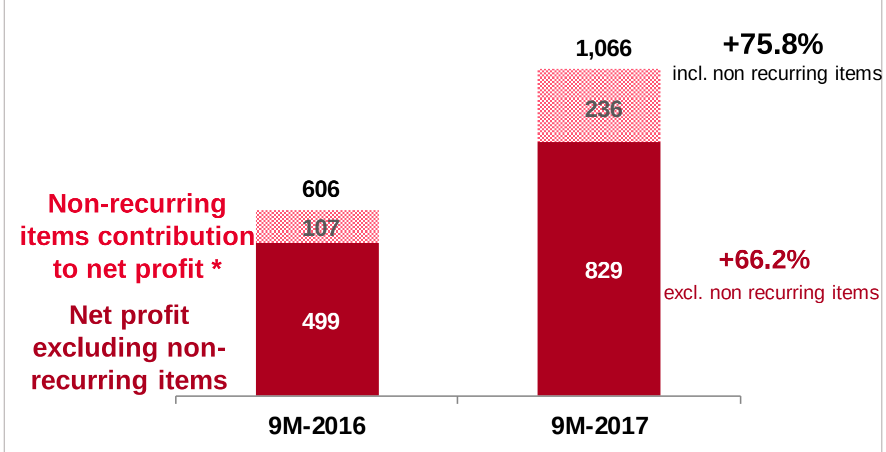
Unadjusted ROE of 20.5%

Adjusted ROE** of 16.0% vs. 10.3% in 9M 2016

NET PROFIT (RON m)



NET PROFIT (RON m)



** <u>Non recurring items:</u>*

<u>2016:</u> gains on VISA transaction and sale of AFS instruments

<u>2017:</u> insurance indemnities (impact in Q1 and Q2) and gain on sale of NPL portfolio (impact in Q2)

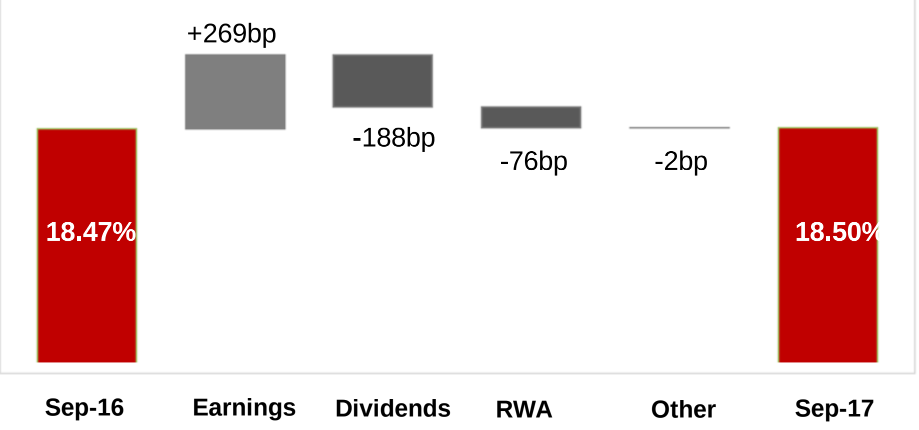
*** ROE excluding non recurring items*

SOLID CAPITAL POSITION

Solid Tier 1 capital base

CAR at 18.5% at September 17, comfortably above regulatory requirement

SOLVENCY RATIO *



Bank only	Sep-16	Sep-17
Capital adequacy ratio	18.47%	18.50%
Own funds (RONm)	5,006	5,221
Total risk exposure amount (RONm)	27,103	28,220
Capital requirements (RONm)	2,168	2,258

** Bank only, including impact of prudential filters*

4

CONCLUSIONS

CONCLUSIONS

- **Ongoing transformation of retail banking business model**
- **Direct channels transactions rapidly increasing**
- **Strong commercial momentum**
- **Broad-based credit growth showing BRD's commitment to finance the economy**
- **Larger deposit base**
- **Growth of core net banking income on an accelerating path**
- **Improved operational performance**
- **Strong capital and liquidity positions**
- **Very strong profitability growth fuelled by both dynamic commercial activity and non recurring positive cost of risk items**

5

Q&A SESSION

APPENDIX

BRD GROUP | KEY FIGURES

Reported financial results

RON m	Q3-2017	Q3-2016	Change	9M-2017	9M-2016	Change
Net banking income	**719**	**677**	**+6.2%**	**2,061**	**2,111**	**-2.4%**
Operating expenses	(343)	(326)	+5.1%	(1,063)	(1,032)	+3.0%
Gross operating income	376	350	+7.3%	997	1,079	-7.5%
Net cost of risk	1	(79)	n/a	271	(362)	n/a
Net profit	**316**	**225**	**+40.2%**	**1,066**	**606**	**+75.8%**
Cost/Income	47.7%	48.2%	-0.5 pt	51.6%	48.9%	+2.7 pt
ROE	17.9%	13.8%	+4.1 pt	20.5%	12.5%	+8.1 pt

Financial results excluding non recurring items

RON m	Q3-2017	Q3-2016	Change	9M-2017	9M-2016	Change
Net banking income	**712**	**671**	**+6.1%**	**2,051**	**1,983**	**+3.4%**
Operating expenses	(343)	(326)	+5.1%	(1,063)	(1,032)	+3.0%
Gross operating income	369	345	+7.1%	988	952	+3.8%
Net cost of risk	1	(79)	n/a	(1)	(362)	-99.8%
Net profit	**310**	**220**	**+40.6%**	**829**	**499**	**+66.2%**
Cost/Income	48.2%	48.6%	-0.5 pt	51.8%	52.0%	-0.2 pt
ROE	17.6%	13.5%	+4.1 pt	16.0%	10.3%	+5.7 pt
Non recurring items (RON m)						
NBI: gain on sale of AFS, incl. VISA	7	6		9	127	
NCR: insurance indemnities, gain on sale of NPLs	-	-		272	-	

BRD GROUP | KEY FIGURES

	RON bn	Sep-16	Dec-16	Sep-17	vs. Sep-16	vs. Dec-16
Loans and deposits	**Net loans including leasing (RON bn)** (1)	**28.4**	**28.5**	**30.7**	**+6.6%**	**+7.1%**
	Retail	19.0	19.3	20.7	+7.1%	+6.4%
	Non retail	9.4	9.2	10.0	+5.6%	+8.7%
	Total deposits (RON bn) (1)	**40.7**	**42.2**	**42.7**	**+3.6%**	**+0.6%**
	Retail	24.6	26.0	26.9	+7.6%	+2.7%
	Non retail	16.0	16.2	15.8	-2.6%	-2.8%
	Loan to deposit ratio	**69.8%**	**67.6%**	**72.0%**	**+2.1 pt**	**+4.4 pt**
Capital adequacy	**CAR** (2)	**18.5%**	**19.8%**	**18.5%**	**+0.0 pt**	**-1.3 pt**
Franchise	**No of branches**	**812**	**810**	**783**	**(29)**	**(27)**
	No of active customers(3) **(x 1000)**	**2,235**	**2,285**	**2,269**	**+34**	**(16)**

(1) Variations at constant exchange rate; (2) Bank only, according to Basel 3, including the impact of prudential filters; September 2017; (3) Bank only

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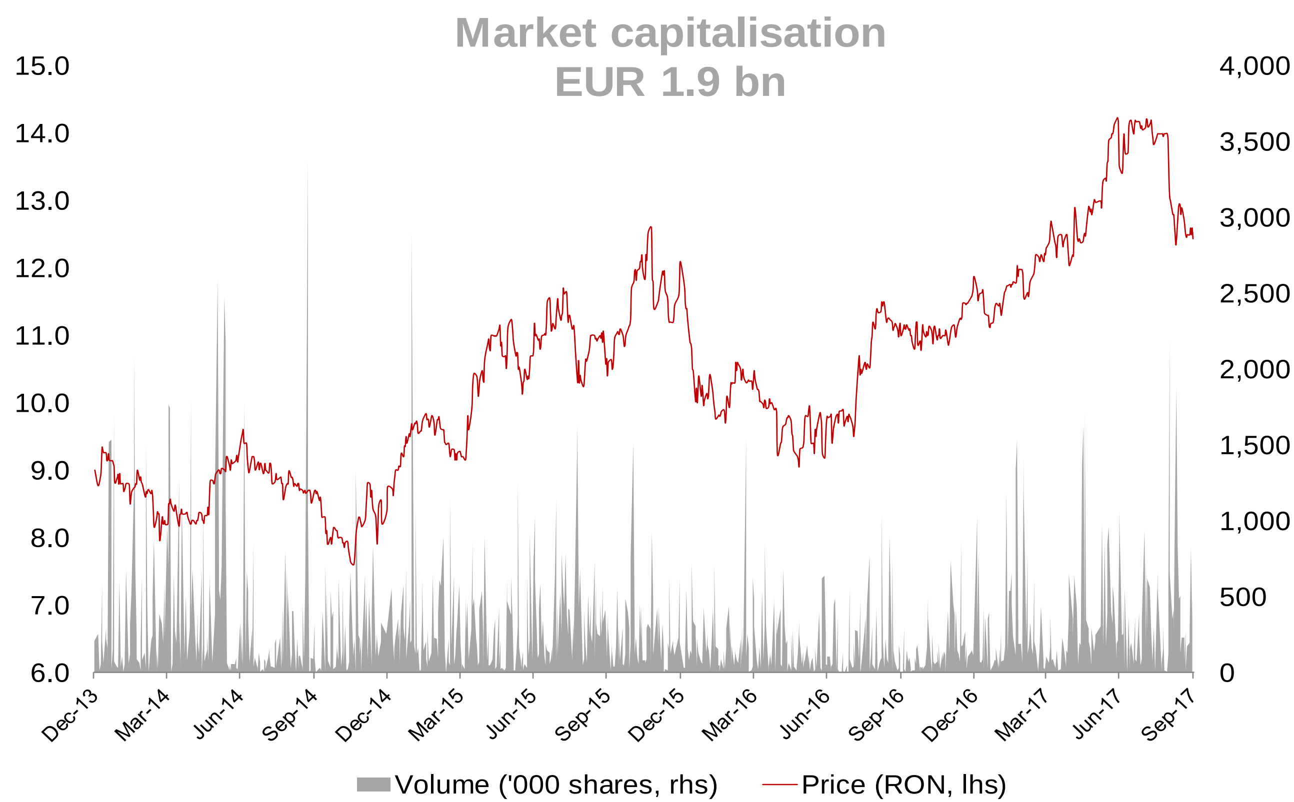
BRD | KEY FIGURES FOR BANK ONLY

	RON m	Q3-2017	Q3-2016	Change	9M-2017	9M-2016	Change
Financial results	**Net banking income**	**668**	**634**	**+5.4%**	**1,962**	**2,015**	**-2.7%**
	Operating expenses	(322)	(308)	+4.4%	(1,003)	(975)	+2.8%
	Gross operating income	347	326	+6.4%	959	1,040	-7.8%
	Net cost of risk	7	(79)	n/a	281	(349)	n/a
	Net profit	294	204	+43.9%	1,044	586	+78.0%
	Cost/Income	48.1%	48.6%	-0.5 pt	51.1%	48.4%	+2.7 pt
	ROE	17.8%	13.1%	+4.7 pt	21.1%	12.6%	+8.5 pt

	RON bn	Sep-16	Dec-16	Sep-17	vs. Sep-16	vs. Dec-16
Loans and deposits	**Net loans (RON bn) (1)**	**27.3**	**27.4**	**29.4**	**+6.2%**	**+6.9%**
	Retail	18.5	18.7	20.0	+6.9%	+6.4%
	Non retail	8.9	8.7	9.4	+4.7%	+8.0%
	Total deposits (RON bn) (1)	**40.7**	**42.3**	**42.8**	**+3.8%**	**+0.8%**
	Retail	24.6	26.0	26.9	+7.6%	+2.7%
	Non retail	16.1	16.3	16.0	-1.9%	-2.3%
	Loan to deposit ratio	**67.1%**	**64.8%**	**68.7%**	**+1.6 pt**	**+3.9 pt**
Capital adequacy	**CAR (2)**	**18.5%**	**19.8%**	**18.5%**	**+0.0 pt**	**-1.3 pt**
Franchise	**No of branches**	**812**	**810**	**783**	**(29)**	**(27)**
	No of active customers (x 1000)	**2,235**	**2,285**	**2,269**	**+34**	**(16)**

(1) Variations at constant exchange rate; (2) according to Basel 3, including the impact of prudential filters

BRD | STOCK PRICE PERFORMANCE



- BRD is part of the main market indices on the Bucharest Stock Exchange
- BRD is in Top 5 largest domestic companies listed on the local stock exchange
- BRD's share price reached RON 12.44 as of 30 September 2017, higher by 13.1% yoy and up by 4.7% 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 and transfers and payment services.
- The **Non-Retail** 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.

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