

BRD GROUP RESULTS

1st quarter 2023 | 15.05.2023

DISCLAIMER

The preliminary consolidated and separate financial position and income statement for the period ended March 31, 2023 were examined by the Board of Directors on May 11, 2023.

The financial information presented for the period ended March 31, 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

DYNAMIC COMMERCIAL MOMENTUM AND HIGH RATES DRIVING REVENUES GROWTH

Robust lending activity with strong contribution from corporates

Excellent performance on top corporates segment, building on strong sectorial expertise

Strong advance on SME loans

Resilient loan demand from individuals in an overall slowing down market

Highly committed to support the sustainability transitions

Further consolidation of deposit base

Increased penetration on digital channels

Growth in GOI, building on very dynamic volumes and below inflation costs increase

Asset quality remaining strong

NPL ratio around record low level; comfortable NPL coverage

Low net cost of risk given stable performing portfolio, limited new defaults and good recovery performance

High profitability level, ROE 19%

Portfolio growth **+11.2% y/y** at Mar 2023 end

Corporate loans **+28% y/y** at Mar 2023 end

RON 1.6 bn private individuals loan production

RON 1.2 bn new sustainable finance transactions

Deposits, up **+4.2% y/y** at Mar 2023 end

1.16m users of *YouBRD* at Mar 2023 end
5.8m, no of transactions in Q1 2023, **+25%** y/y

GOI, **+22% y/y** in Q1 2023

NPL ratio	Coverage ratio
2.6% at Mar 2023 end	77.4% at Mar 2023 end

NCR **RON -9m** vs. RON -32 m in Q1 2022

Net profit **RON 342 m, +30% y/y** in Q1 2023

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MACROECONOMIC ENVIRONMENT



GRUPE SOCIETE GENERALE

INCREASINGLY RESILIENT ECONOMY, INFLATION BITE EASING

Robust economic growth

Romanian economy accelerated in Q4 2022 (+4.5% y/y vs. +3.7% y/y in Q3' 2022, gross series), with +5.1% y/y increase in households consumption and +11.8% y/y growth of gross fixed capital formation

FY 2022 GDP growth, up +4.7% y/y (vs. 5.8% in 2021), once again counting among best performing EU member states

Both Euro area and EU27 GDP growth at 3.5% in 2022

2023 estimates predominantly fall in the [2%, 3%] range

Signs that inflation wave has crested

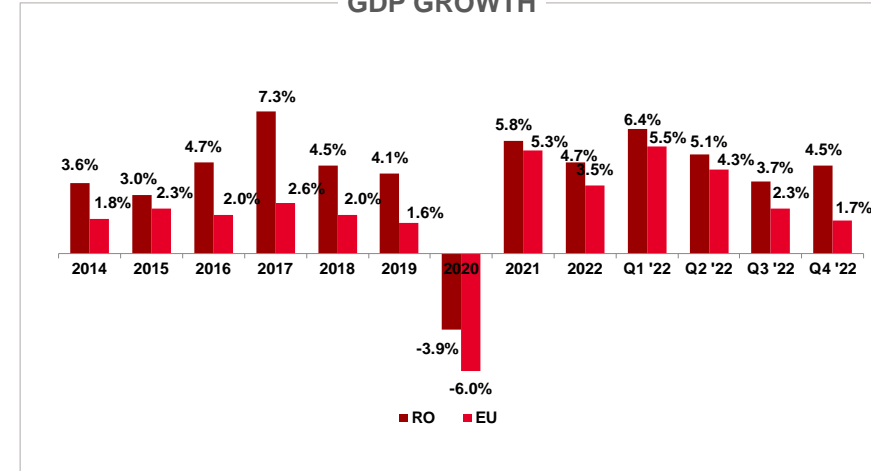
The y/y pace of consumer prices increase decelerated, with annual inflation rate slowing down to 14.5% y/y in Mar'23 vs 15.5% y/y in Feb'23 (from 16.8% y/y in Nov'22, the highest level since autumn 2003), given the energy price capping schemes and fuel price decrease

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

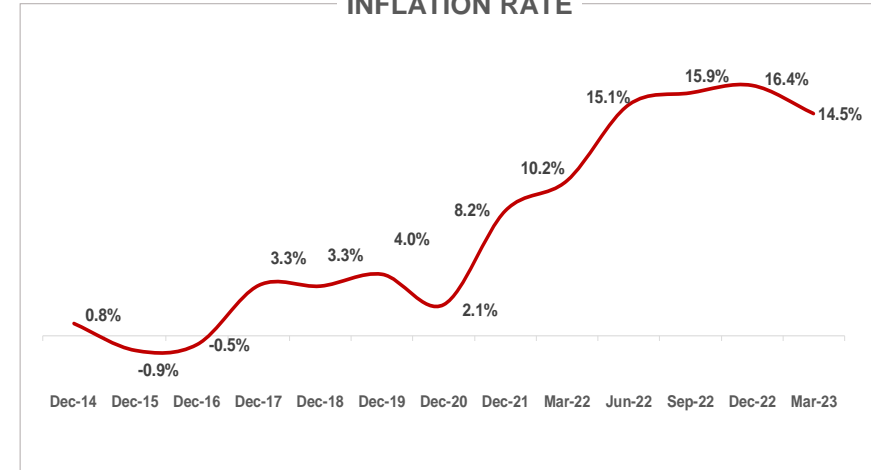
The downward trend also visible at regional level, with Euro area annual inflation reaching 6.9% in Mar'23 vs 8.5% in Feb'23 (down for a fifth consecutive month from Oct'22 record high of 10.6%)

Inflation is estimated to reach 7% at 2023 end, according to the latest NBR inflation report

GDP GROWTH



INFLATION RATE



Source: BRD Research

SOFTENING INTERBANK RATES AMID GOOD LIQUIDITY CONDITIONS

NBR on hold for the moment, given inflation decline

After ten monetary policy rate hikes (575 bps in total, since the start of the tightening cycle in October 2021) amid larger and lengthier inflation pressures from global cost shocks, amplified by geopolitical context, the increase of 25 bps to 7%, in January 2023, in line with market expectations, indicated the end of the rate hiking cycle

...also suggested by the maintaining the key rate level at 7% at subsequent meetings (February and April 2023)

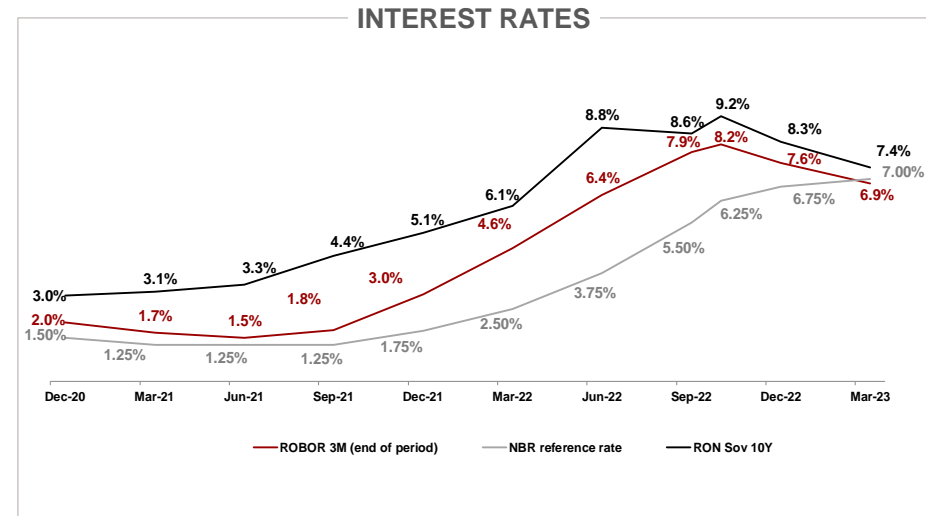
Good liquidity conditions

Interbank market ended Q1 2023 with a record liquidity surplus, which climbed to RON 26 billion in March

No repo operations and no Lombard loans in March according to NBR data

Gradual downward path of interbank rates continued

ROBOR 3M progressively decreasing to 6.9% at March 2023 end after the peak of 8.2% in October 2022



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, as highlighted within the latest NBR Financial Stability Report
- In April 2023, it was confirmed that the grants allocated to Romania (EUR 14.2 bn) and for another 20 EU states, will be reduced by EUR 2.1 bn, or 14.9% of the total, as GDP performance exceeded the estimates used for the Plan for 2020-2021 period

IMM INVEST PLUS program

- IMM INVEST PLUS, operational starting October 2022 and planned initially to be valid until 2022 end, extended also for 2023
- 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
- 2023 budget increased to EUR 4.1 bn in guarantees and EUR 0.58 bn in grants (vs EUR 3.6 bn in guarantees and EUR 0.39 bn in grants in 2022).

Romanian state aid schemes approved by European Commission in 2023

- On 31st of January 2023, the European Commission approved, under EU State aid rules, a EUR 1.6 bn Romanian measure to set-up the Romanian Investment and Development Bank ('the Bank').
- In February 2023, the European Commission approved, under EU State aid rules, a EUR 259 million Romanian scheme, made available in part through the RRP to support investments in the production, assembly and recycling of batteries, of photovoltaic cells and of panels.

Further supporting measures to be implemented by Romanian Government

- In February 2023, the Romanian Government, announced that in 2023 it will continue to implement measures to support people in vulnerable categories, for which the total budget allocated will reach EUR 1.8 bn.

SOLID BANKING SECTOR, SOUND LEVELS OF INDICATORS

Solvency and liquidity coverage ratios above European average

Capital adequacy ratio at 21.8% at December 2022 end, compared to 23.3% at 2021 end (vs.13.8% at 2007 end), maintaining above EU average (19.4% at December 2022 end)

Loan to deposit ratio at 71% at December 2022 end, slightly above 2021 year end level of 69% (vs 122% at 2008 end)

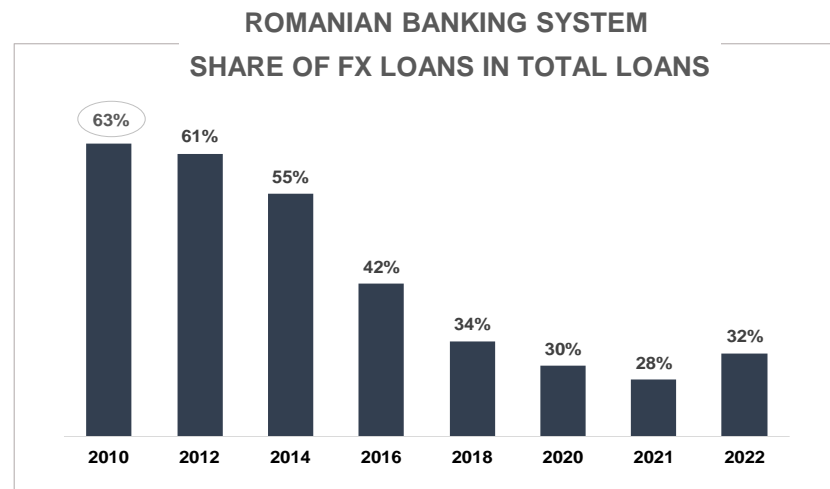
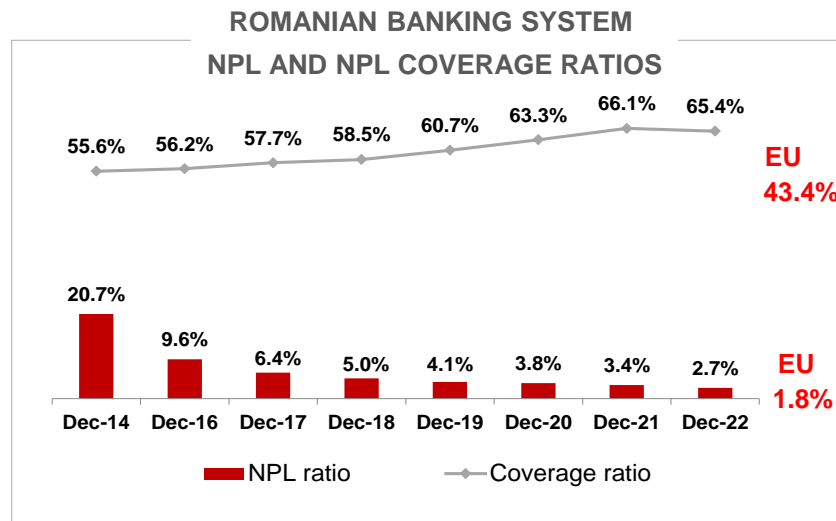
Average liquidity coverage ratio, 209% at December 2022 end, improving to 216% at February 2023 end, well above regulatory requirement (100%) and EU average (165% at December 2022 end)

Improved asset quality

Low NPL ratio, 2.7% at February 2023 end, - 0.7 ppt y/y and quasi stable compared to 2022 end, falling into EBA - defined low-risk bucket, < 3%

NPL coverage ratio standing high at 65.4% at December 2022 end (66.1% at 2021 end), well above the EU average of 43.4%

FX loans on an increasing trend since end 2021, amid widening interest rate spread between EUR and RON



Source: www.bnr.ro, www.eba.europa.eu (EBA Risk Dashboard, data as of Q4 2022)

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**1ST QUARTER 2023
BRD GROUP RESULTS**



GRUPE SOCIETE GENERALE

ONGOING DIGITAL TRANSFORMATION INITIATIVES, EFFICIENCY IMPROVEMENT ACTIONS

FURTHER INCREASED USAGE OF E-CHANNELS

1.16m YouBRD users at Mar 2023 end, +42% y/y

5.8m nb of transactions via YouBRD & MyBRD, **+25% y/y** vs Q1 2022

65% of deposits & **90%** of savings accounts, opened directly in YouBRD, in Q1 2023

57% of cards operations managed via YouBRD in Mar 2023 (vs. 26% in Aug 2022, launch date)

99% of large corporate clients' and **98%** of SMEs transactions performed via digital channels during Q1 2023

59% of import L/Cs and **55%** of LGs processed through the trade finance client interface during Q1 2023

67% of FX trades processed through the e-tools in Q1 2023 (vs 65% in Q1 2022)

54m acquiring transactions in Q1 2023, **+28% y/y**

ENHANCED DIGITAL JOURNEY



Q1 2023 highlights

- ✓ increased store ratings to 4.5 on average as of Mar 2023 end
- ✓ enabled push notifications for payments
- ✓ new product page with web-view integration for Espresso Loan and Credit Card



NETWORK OPTIMIZATION

Reduced nb of branches

-48 y/y, to **451** at Mar 2023 end

-44% versus 2016 end

...while increasing specialization and improving services

Expanded cashless approach

159 24/7 banking points, **+20% y/y** at Mar 2023 end

ROBUST LENDING ACTIVITY ACROSS THE BOARD

Strong dynamic of corporate lending

Loans to SME up by +30.4% vs March 2022 end

- ✓ active support for more than 750 SMEs under IMM Invest Plus program, with the value of new loans granted reaching RON 825m in Q1 2023, four times higher vs Q1 2022

Large corporate loan portfolio strongly growing by +28.0% YoY

Leasing portfolio increasing by +15.8% YoY

Smoother growth in retail lending

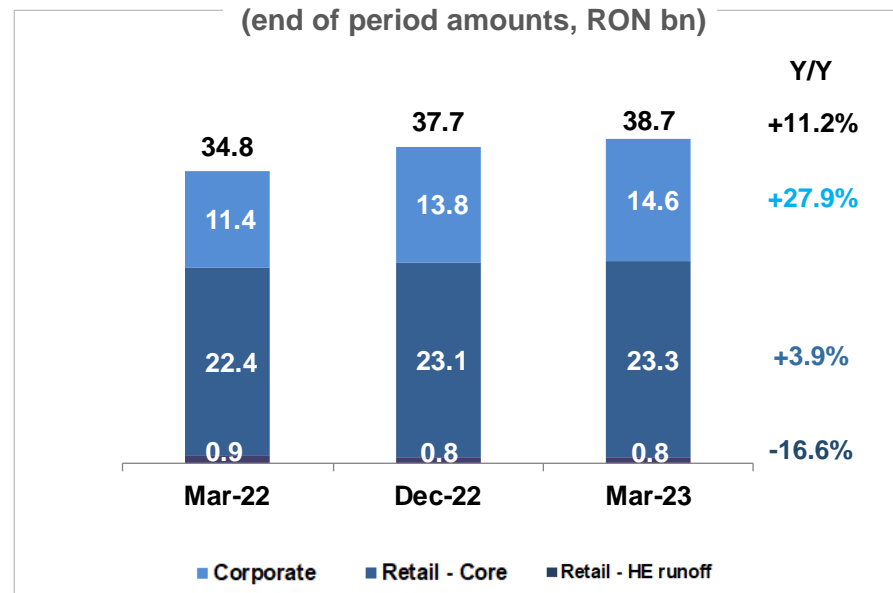
Core retail net loans outstanding up +3.9% YoY, underpinned by both individuals and small business

Individuals' loan production, RON 1.6 in Q1 2023, remaining resilient despite reduced demand on housing amid elevated borrowing costs and uncertain environment

Consumer loans, on an upward trend during the first three months

Small business segment posted a strong growth of +19.8% YoY

NET LOANS
(end of period amounts, RON bn)



SOLID AND DIVERSIFIED DEPOSIT BASE

Continued yearly expansion of deposit base

Higher inflows in term deposits from individuals and increased RON denominated resources from large corporates, in a context of elevated and competitive remuneration rates

- ✓ large corporate deposits, +22.4% y/y at March 2023 end
- ✓ retail deposits, +3.6% y/y at March 2023 end

Strong liquidity base

Net loan to deposit ratio at 69.5% at March 2023 end, compared to 65.2% at March 2022 end

High liquidity buffer at 36% of total assets, mainly composed of government bonds

Diverse and innovative savings' offer

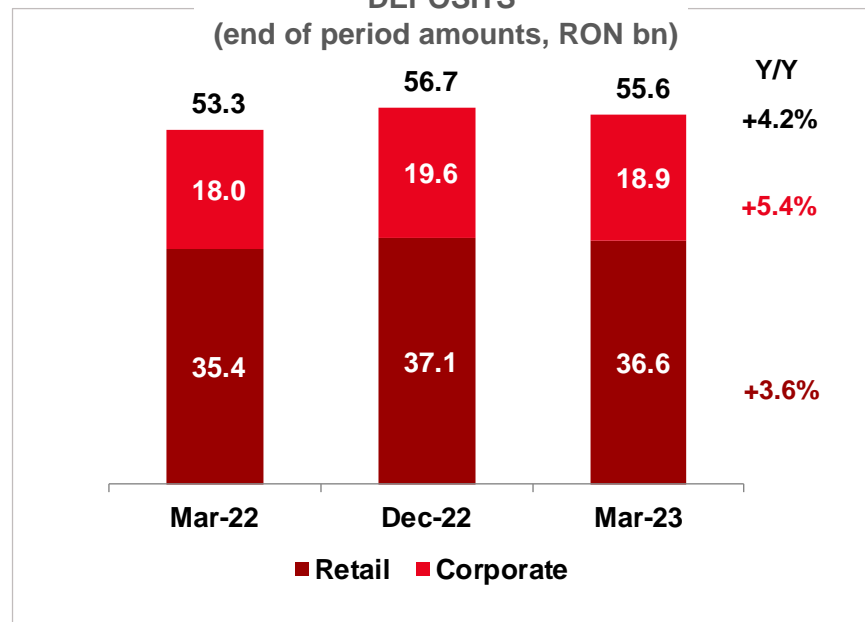
BRD Asset Management: 3rd largest asset manager*, 19.4% market share and RON 3.4 bn AUM, at March 2023 end

...offering investment solutions to over 124 ths clients across its 12 investment funds

Active participation in Fidelis program, 42% average market share on the Romanian government bond issuance for individuals held in 2023, with a total value of ~ RON 1.3 bn

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

DEPOSITS
(end of period amounts, RON bn)



STRONG NET INTEREST INCOME AND TRADING RESULT

Continued NII growth momentum, up +20.6% y/y in Q1 2023

supported by dynamic volumes and higher interest rates

- ✓ outstanding loans, up by + 11.2% y/y at Mar-23 end
- ✓ avg. ROBOR 3M, +345 bps y/y in Q1 2023

...partially tempered by significantly increased remuneration of customers' deposits and higher interest expense on borrowings

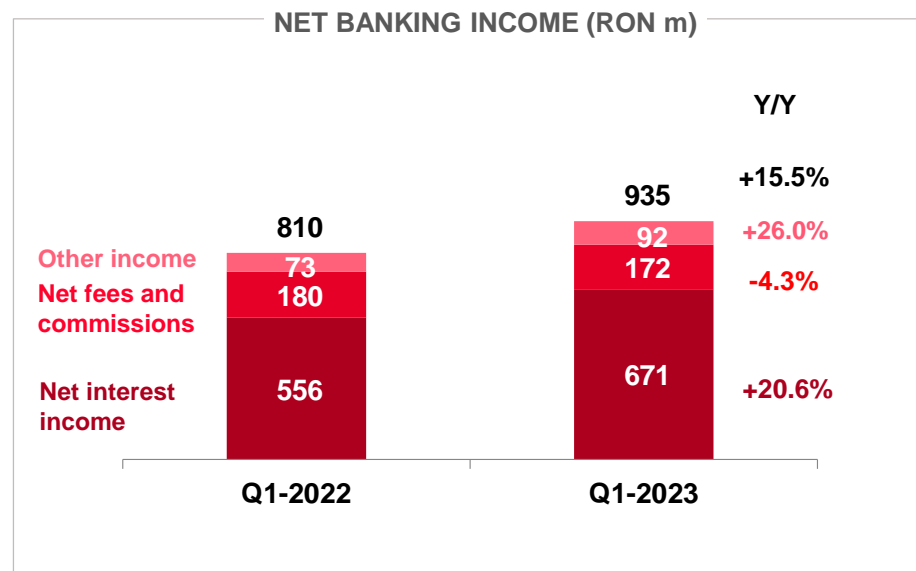
NFC, -4.3% y/y in Q1 2023, mainly explained by:

- ✓ lower fees from cards activity given the increasing penetration of packages (embedding more services for free)
- ✓ Q1 2022 base effect linked to increased cash withdrawals for private individuals customers induced by concerns given the outbreak of the war in Ukraine

Dynamic trend of other income

Increased revenues from financial markets, with trading activity on FX, rates and fixed income as main contributor to growth

Q1 2022 base effect due to downward adjustment on associates



BELOW INFLATION OPEX INCREASE GIVEN RIGOROUS MANAGEMENT OF COST BASE

Staff costs, +9.1% y/y in Q1 2023, on the impact of price effect driven by increase of wages and other benefits adjustments decided during Q2'22

...partially compensated by the decreasing trend, though at a slower pace, in FTEs, linked to network footprint optimization (-152 FTEs vs Mar 2022 end)

Non staff expenses impacted by higher regulatory costs, external services and IT&C

Cumulated contribution to Deposit Guarantee and Resolution Funds, +9.6% y/y, to RON 76m, booked in Q1 2023

IT&C related investments, +45% vs Q1 2022, supporting strategic projects and influenced by inflation

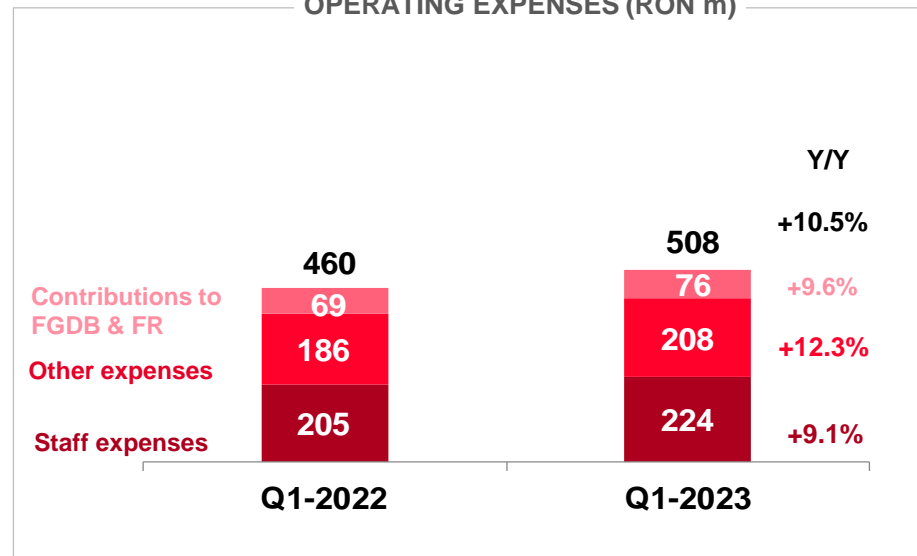
Growth in GOI, building on very dynamic volumes and below inflation costs' increase

+22.2% y/y in Q1 2023

Improved C/I on positive jaws effect

46.2% vs 48.3% in Q1 2022, excluding regulatory costs

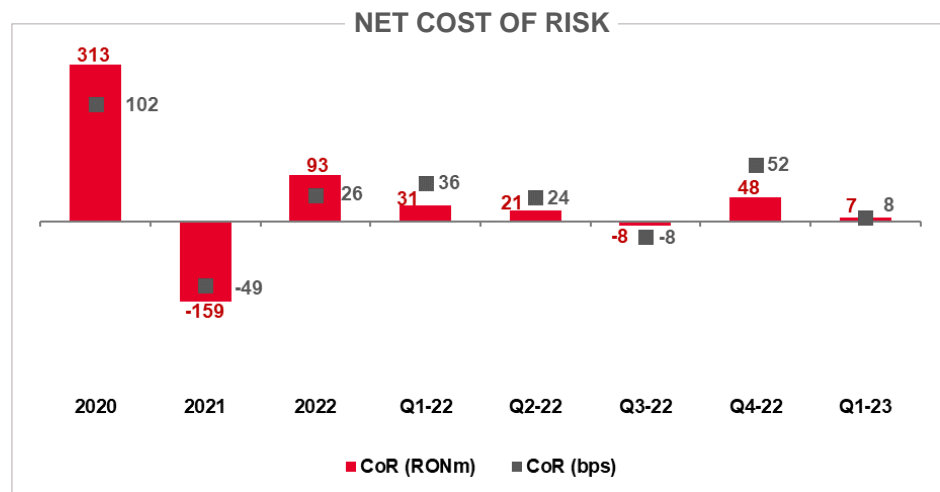
OPERATING EXPENSES (RON m)



STABLE ASSET QUALITY DESPITE HIGH INFLATION AND INTEREST RATES

Q1 net cost of risk at 8 bps

NCR for Q1 close to nil as a result of stable performing portfolio, relatively limited new defaults and good recovery performance



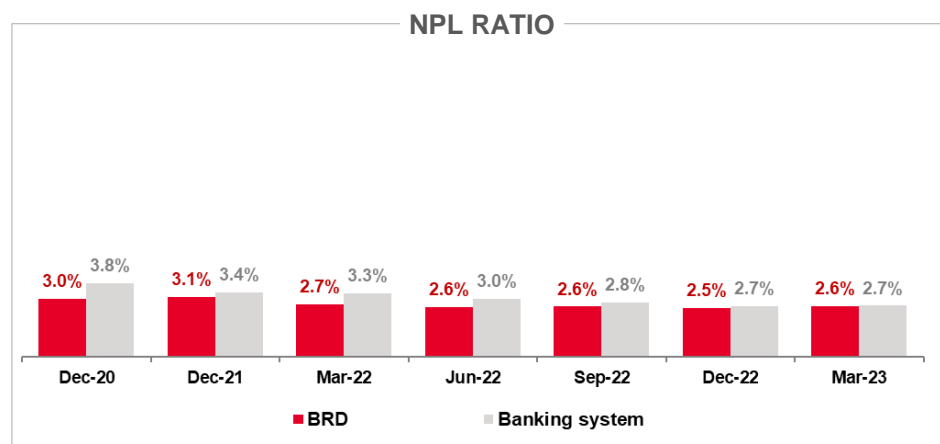
*Note: CoR (bps) in quarter is annualized

NPL ratio and Outlook

Stable NPL ratio for both BRD and banking sector

Except for significant macroeconomic movements, NPL outlook is expected to remain relatively stable

Coverage rate comfortably at 77%



* NPL for Banking System as of February 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



STRONG CAPITAL POSITION, MREL COMPLIANCE ENSURED

Solid high quality capital base

CAR of 21.9% at March 2023 end

Regulatory own funds composed of Tier 1 and Tier 2 capital

Tier 2 capital consists of EUR 250m subordinated loans

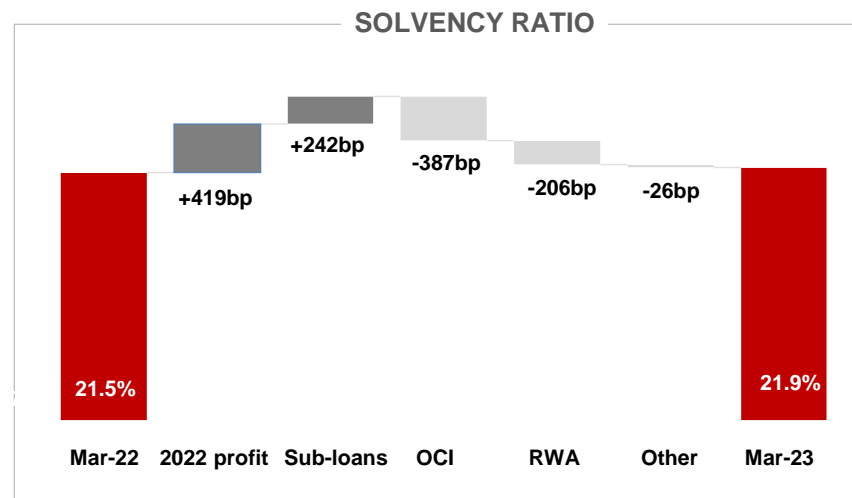
The year on year variation of own funds mainly explained by:

- ✓ incorporation of 2022 profit and new subordinated loan concluded with the parent in June 2022
- ✓ negative influence of lower revaluation reserves of debt instruments accounted at fair value through other comprehensive income, OCI quick fix adjustment no longer applying starting 1st of January 2023

Total risk exposure amount increased driven by a very dynamic lending activity

Balance sheet meeting MREL requirement

MREL at 31.6% (% of TREA) at March 2023 end



Bank only	Mar-22	Dec-22	Mar-23
Common Equity Tier 1 (RONm)	6,096	5,818	6,109
Tier 1 (RONm)	6,096	5,818	6,109
Tier 2 (RONm)	495	1,237	1,237
Total own funds (RONm)	6,591	7,055	7,346
Total risk exposure amount (RONm)	30,709	32,320	33,559
Tier 1 Ratio	19.9%	18.0%	18.2%
Total Capital Ratio	21.5%	21.8%	21.9%

Note:

Own funds at Dec 2022 end include 2022 net profit and the full impact of negative OCI reserve (without the OCI quick fix adjustment). Starting 1st of Jan 2023 the quick-fix adjustment applied for the recognition of OCI reserve in own funds ceased its validity.

CAR at Mar 2023 end is preliminary.

MREL at sub-consolidated level, preliminary data as of March 2023 end

TREA = Total risk exposure amount

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CONCLUSIONS



CONCLUSIONS

- **BRD remained a close partner for its customers and the Romanian economy, as highlighted by the robust commercial performance across the board**
 - ✓ **outstanding financing volumes on corporate segment, both on SMEs and top corporates**
 - ✓ **resilient lending activity on retail, in an overall slowing down market, with a still high amount of loan production granted to individuals, RON 1.6 bn during Q1 2023**
 - ✓ **supporting a greener economy, with a total volume of sustainable financing and sustainability linked transactions of RON 1.2 bn in Q1 2023**
 - ✓ **strong momentum of financial markets activity**
- **Further increased digital adoption, You BRD reaching 1.16 m users as of March 31, 2023, up by +42% y/y**
- **Continued relentless efforts to enhance customers' digital journey, by adding new features to our mobile app**
- **Solid financial performance, with higher revenues and operating expenses contained below inflation level**
- **Limited cost of risk and sound level of risk indicators, reflecting the strong asset quality**
- **High profitability**
 - ✓ **+30% y/y net profit**
 - ✓ **19% ROE**
- **Strong capital and liquidity position, confirming readiness to support lending**

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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
FINANCIAL CALENDAR FOR 2023
GLOSSARY – CLIENT SEGMENTATION



GRUPE SOCIETE GENERALE

BRD GROUP | KEY FIGURES

RON m		Q1-2023	Q1-2022	Change
Financial results	Net banking income	935	810	+15.5%
	Operating expenses	(508)	(460)	+10.5%
	Gross operating income	427	350	+22.2%
	Net cost of risk	(9)	(32)	-70.5%
	Net profit	342	263	+30.0%
	Cost/Income	54.3%	56.8%	-2.49 pt
	ROE	18.8%	11.9%	+6.9 pt

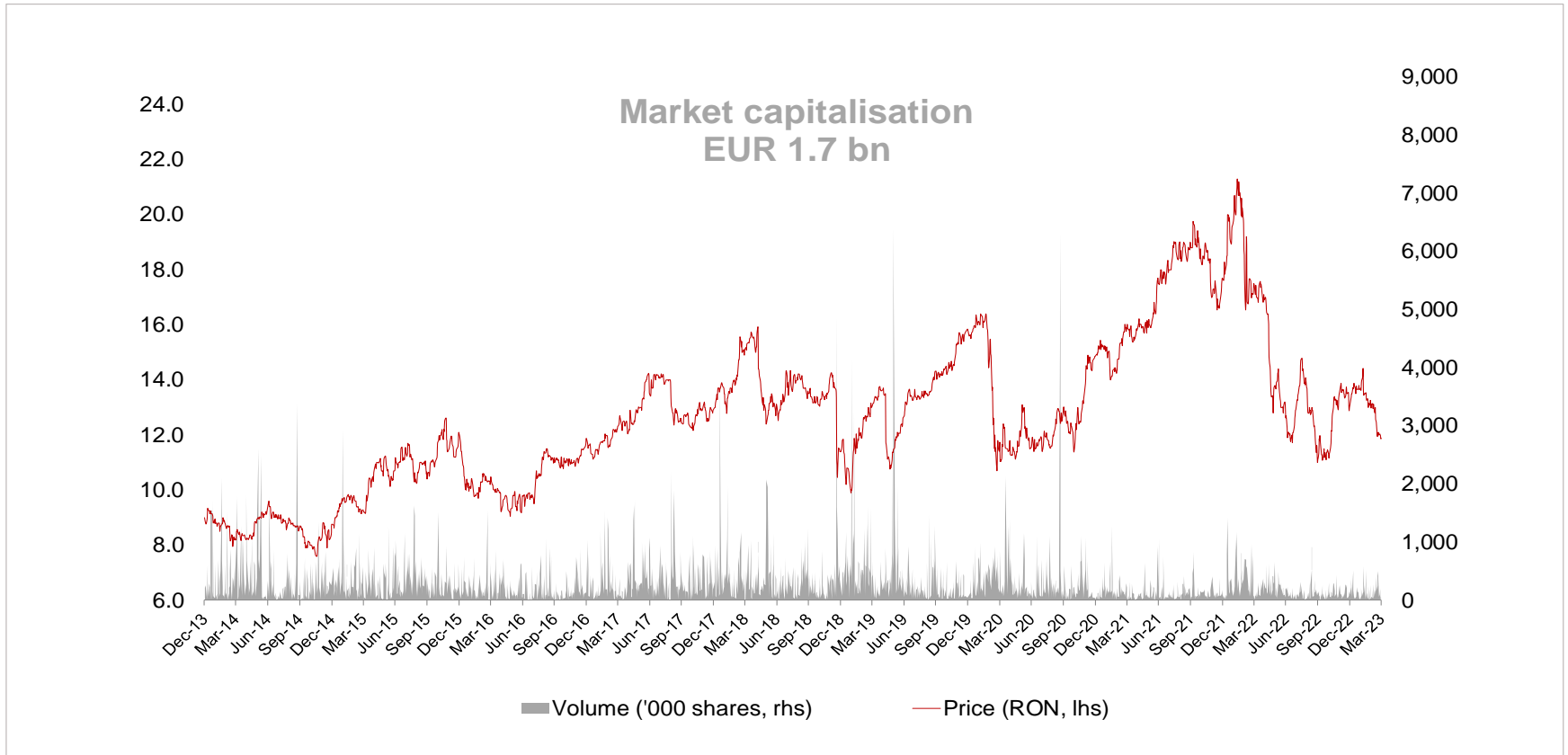
RON bn		Mar-23	Mar-22	vs. Mar-22
Loans and deposits	Net loans including leasing (RON bn)	38.7	34.8	+11.2%
	Retail	24.0	23.3	+3.1%
	Corporate	14.6	11.4	+27.9%
	Total deposits (RON bn)	55.6	53.3	+4.2%
	Retail	36.6	35.4	+3.6%
	Corporate	18.9	18.0	+5.4%
	Loan to deposit ratio	69.5%	65.2%	+4.4 pt

BRD STANDALONE | KEY FIGURES

	RON m	Q1-2023	Q1-2022	Change
Financial results	Net banking income	893	765	+16.7%
	Operating expenses	(487)	(437)	+11.2%
	Gross operating income	407	328	+24.1%
	Net cost of risk	(7)	(31)	-77.3%
	Net profit	333	246	+35.4%
	Cost/Income	54.5%	57.2%	-2.7 pt
	ROE	19.3%	11.6%	+7.7 pt
	RON bn	Mar-23	Mar-22	vs. Mar-22
Loans and deposits	Net loans (RON bn)	36.4	32.8	+11.2%
	Retail	22.9	22.2	+3.1%
	Corporate	13.5	10.5	+28.4%
	Total deposits (RON bn)	55.8	53.5	+4.3%
	Retail	36.6	35.4	+3.6%
	Corporate	19.2	18.1	+5.7%
	Loan to deposit ratio	65.3%	61.3%	+4.1 pt
Capital adequacy	CAR	21.9%	21.5%	0.4 pt
Franchise	No of branches	451	499	-48

CAR at Mar 2023 end is preliminary. Own funds at Mar 2023 end include full year 2022 net profit.
Starting 1st of Jan 2023 the quick-fix adjustment applied for the recognition of OCI reserve in own funds ceases its validity.

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

FINANCIAL CALENDAR FOR 2023

8th February: Preliminary 2022 financial results

27th April: General Shareholders Meeting for approving the 2022 annual financial results

12th May: Presentation of the 1st quarter 2023 financial results

3rd August: Presentation of the 2nd quarter and 1st half 2023 financial results

3rd November: Presentation of the 3rd quarter and 9 months 2023 financial results

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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