

BRD GROUP RESULTS

2nd quarter and 1st half 2023 | 04.08.2023

DISCLAIMER

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

The financial information presented for the period ended June 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

DYNAMIC BUSINESS PERFORMANCE, EXCELLENT FINANCIAL RESULTS

Further expanded lending activity

Corporate business, key growth driver, with high contribution from both SMEs and large corporate customers

Consumer loans kept a strong momentum

Housing loans production marked by declining market in the context of elevated interest rates

Actively engaged in supporting the sustainability transitions

Deposits consolidate on the rise

Extended usage of mobile banking application

GOI growth building on dynamic volumes and strict cost control

High quality loan portfolio

NPL ratio at historic low with high provision coverage level

Net release of risk costs given sustained recoveries on defaulted exposures

High net result & ROE 20% reflecting strong operating performance and solid asset quality

Portfolio growth **+8% y/y** at June 2023 end

Corporate loans **+18% y/y** at June 2023 end

Individuals loan production, **RON 3.5bn** in H1 2023

New consumer loans, **+13% y/y** in H1 2023

> RON 1.2bn new sustainable finance transactions

Deposits, up **+9% y/y** at June 2023 end

1.3m users of *YouBRD* at June 2023 end

11.1m, no of transactions in H1 2023, **+19% y/y**

GOI, **+16% y/y** in H1 2023

NPL ratio

2.2% at June 2023 end

Coverage ratio

74% at June 2023 end

NCR **RON 5m** vs. RON -46 m in H1 2022

Net profit **RON 768m, +24% y/y** in H1 2023

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MACROECONOMIC ENVIRONMENT



SIGNS OF ECONOMIC SLOWDOWN

Decelerating economic growth

EU GDP growth at 1.1% YoY in Q1 2023

Romanian economy slowed in a context of lagging global economic development (+2.4% YoY in Q1 2023 vs. +4.5% YoY in Q4 2022, gross series), with +7.0% YoY increase in households consumption and +10.4% YoY growth of gross fixed capital formation

The latest statistical data point to a continuation of the weakening trend in economic activity during Q2 2023

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

Inflation on a decreasing path, but still double digit

The y/y increase pace of consumer prices decelerated, with annual inflation rate slowing down to 10.3% y/y in Jun 23 vs 14.5% y/y in Mar 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

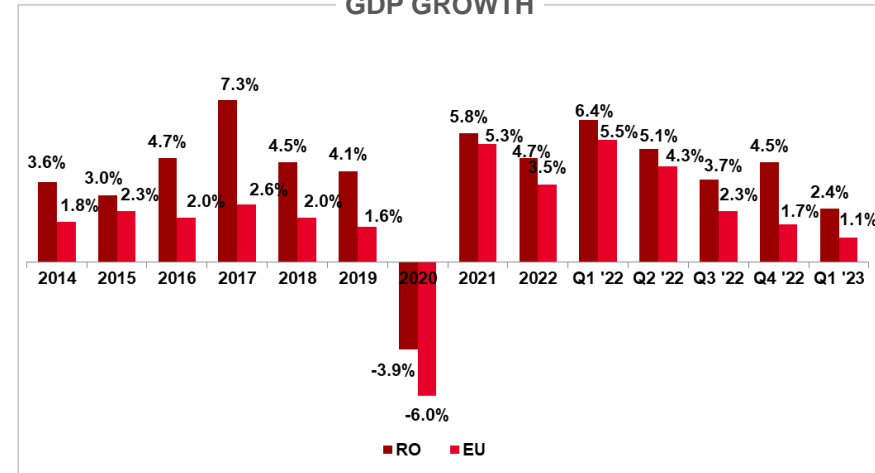
...yet remaining far from the variation band of NBR target (2.5% ± 1 ppt)

Visible downward trend also at regional level, with Euro area annual inflation reaching 5.5% in Jun 23, down from 6.9% in Mar 23 and from the record high of 10.6% in Oct 22

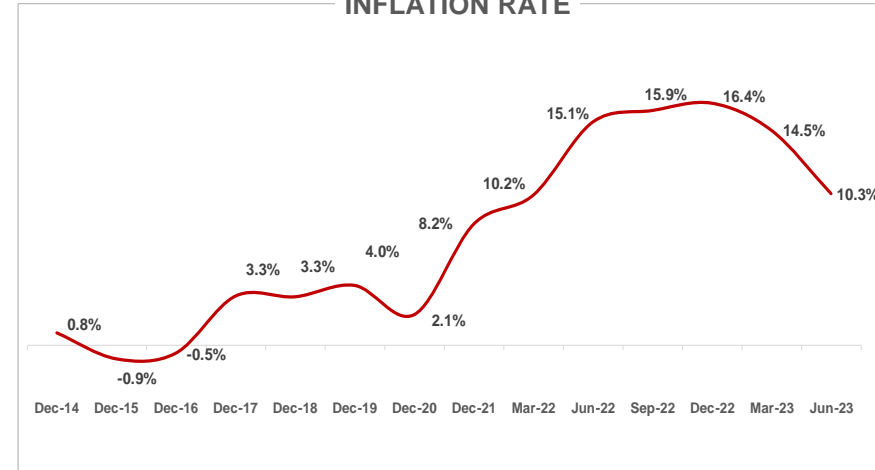
Inflation is estimated to reach 7.1% at 2023 end, according to the latest NBR inflation report

Source: BRD Research

GDP GROWTH



INFLATION RATE



DECLINING INTERBANK RATES WITHIN RICH LIQUIDITY CONTEXT

With inflation on the slide, NBR maintains its key rate level

Following ten consecutive policy rate hikes amid larger and longer-lasting inflationary pressures, the market-expected 25 bps increase to 7% in January 2023 indicated the end of the rate hike cycle

.....further reinforced by maintenance of key rate level at 7% at the subsequent three NBR meetings in February, April and July 2023

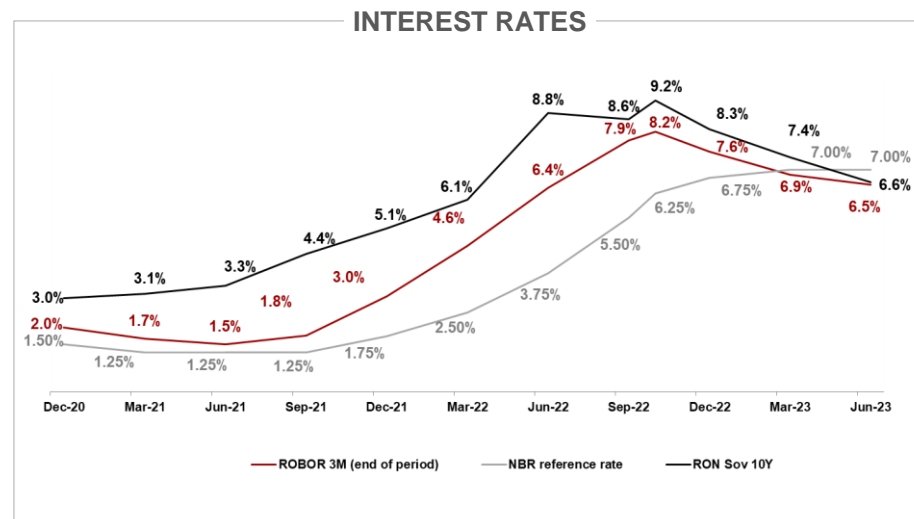
Favorable development of liquidity conditions

The interbank market concluded Q2 2023 with a record liquidity surplus, up to RON 25 billion in June 2023

According to NBR data, no repo operations were done during H1 2023, only a minor amount of Lombard loans (RON 5.1 million daily average)

Interbank rates continue on the downward trend

After reaching a peak of 8.2% in October 2022, ROBOR 3M gradually decreased to 6.9% at the end of March 2023 and further to 6.5% at the end of June 2023



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 June 2023, The European Commission has endorsed a positive preliminary assessment of part of the milestones and targets linked to Romania's second payment request of EUR 3.2 bn (EUR 2.1 bn in grants and EUR 1.1 bn in loans). Two milestones, related to investments in energy, remain to be fulfilled.

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.

World Bank Group second Development Policy Loan for Romania

- On 30th of June 2023, the World Bank Group approved the second Inclusive and Green Growth Development Policy Loan for Romania of EUR 592 million, which will support the following actions:
 - ✓ social aid for disabled and low-income families
 - ✓ strengthening fiscal management by eliminating tax loopholes and bolstering the budgetary frameworks
 - ✓ “a holistic set of core reforms” to decarbonize the economy, enabling the green transition in Romania

SOLID BANKING SECTOR, ADEQUATE PRUDENTIAL INDICATORS

Comfortable solvency and liquidity

Banking sector average Capital Adequacy Ratio at 21.7% at Mar 2023 end, 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 69.7% at Mar 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 219.5% at Mar 2023 end, maintaining well above regulatory requirement (100%) and EU average (163.7% at Mar 2023 end)

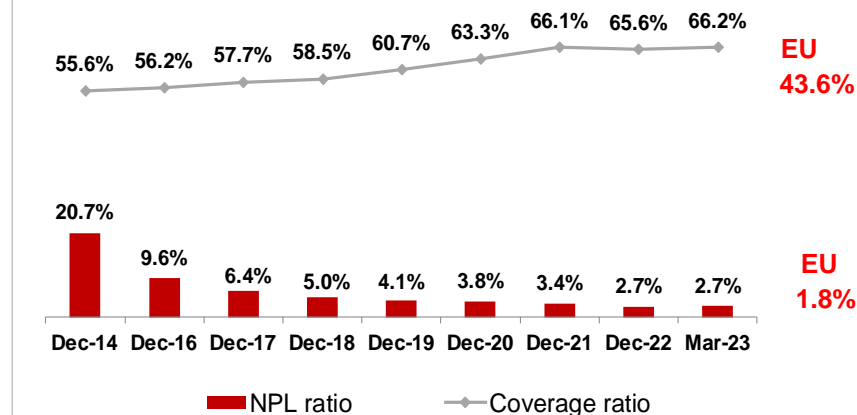
Romanian banking sector classified into EBA defined low risk bucket, NPL <3%, coverage ratio > 55%

NPL ratio, new historically low level, at 2.63% at May 2023 end

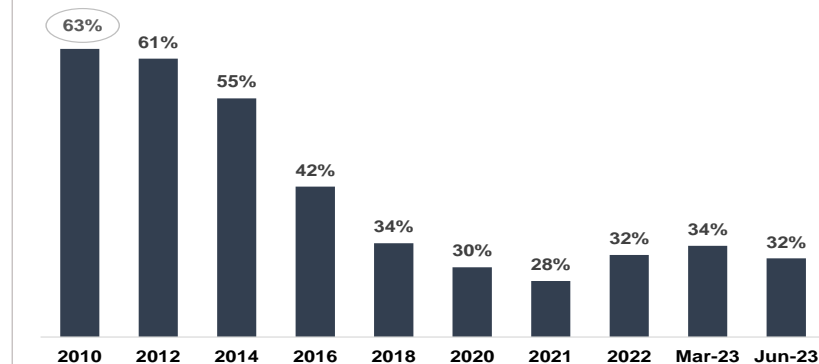
NPL coverage ratio standing high at 66.2% at Mar 2023 end, well above the EU average of 43.6%

Increasing share of FX loans vs 2021 end amid widening gap between EUR and RON interest rate

ROMANIAN BANKING SYSTEM
NPL AND NPL COVERAGE RATIOS



ROMANIAN BANKING SYSTEM
SHARE OF FX LOANS IN TOTAL LOANS



Source: www.bnr.ro, www.eba.europa.eu (EBA Risk Dashboard, data as of Q1 2023)

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2ND QUARTER AND 1ST HALF 2023 BRD GROUP RESULTS



GRUPE SOCIETE GENERALE

DIGITAL TRANSFORMATION ACCELERATING



FURTHER INCREASING DIGITAL ACTIVITY

1.3m YouBRD users at June 2023 end, +45% y/y

11.1m nb of transactions via You BRD in H1 2023

> 70% of deposits & savings accounts opened directly in YouBRD, during H1 2023

99% of large corporate clients' and **97%** of SME's transactions performed via digital channels during H1 2023

79% of import L/Cs and **54%** of LGs processed through the trade finance client interface during H1 2023

High rate of FX trades processed through e-tools, **66%** in H1 2023

113m acquiring transactions in H1 2023, **+23% y/y**

EXPANDED AND ENHANCED DIGITAL FUNCTIONALITIES



Online lending page for loans and credit card

Visualisation of BRD AM funds & capital market accounts

Additional security features

BRD @ffice

Instant payments available for SB and Corporate customers

CONTINUED NETWORK OPTIMIZATION



Reduced nb of branches -40 y/y, to **441** at June 2023 end
-46% versus 2016 end

Expanded **cashless approach**

169 24/7 banking points, **+22% y/y** at June 2023 end

LENDING GROWTH SUPPORTED BY CORPORATE DYNAMIC AND RETAIL RESILIENCE

Strong dynamic of corporate lending

Loans to SME up by +29.1% vs June 2022 end

- ✓ active support for more than 1,500 customers under IMM Invest Plus program, with RON 1.6 billion new loans granted in H1 2023
- ✓ co-financing 450 companies eligible for non-reimbursable subsidies from state or European Union budget, with a total value of loans of RON 195 million

Large corporate loan portfolio strongly growing by +12.2% YoY

Leasing portfolio increasing by +18.2% YoY

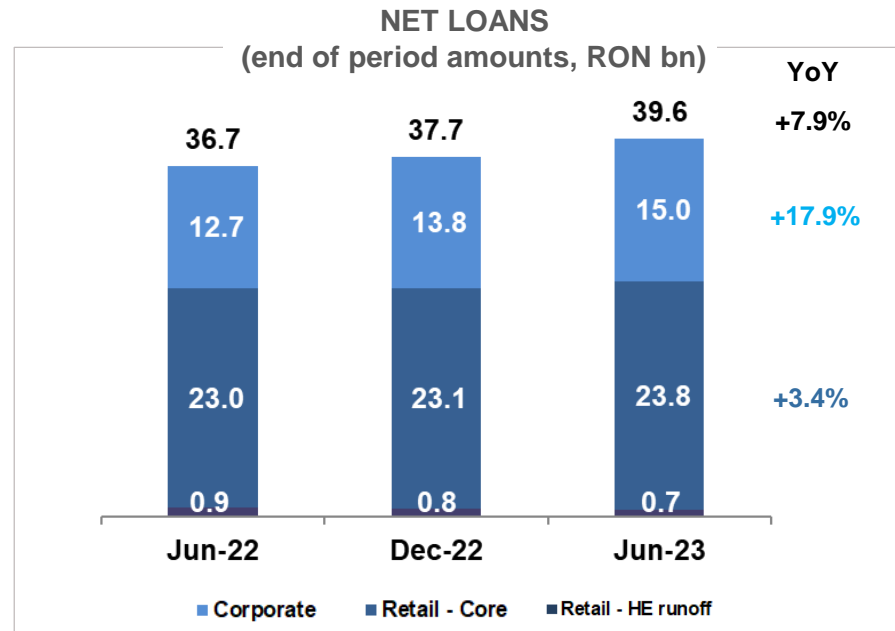
Contrasted growth drivers in retail lending

Core retail net loans outstanding up +3.4% YoY, underpinned by both individuals and small business

Consumer loan production increased by +13% YoY in H1 2023, reaching a quarterly record level in Q2 2023

Housing loans production reflected the declining market trend in the context of elevated interest rates

Small business segment posted a strong growth of +16.0% YoY



ROBUST AND DIVERSIFIED DEPOSIT BASE

Solid growth of deposits

Higher inflows in term deposits from individuals and increased RON denominated resources from large corporates, in a context of higher interest rates

Strong liquidity position

Net loan to deposit ratio at 67.7% at June 2023 end, compared to 68.3% at June 2022 end

High liquidity buffer at 32% of total assets, mainly composed of government bonds

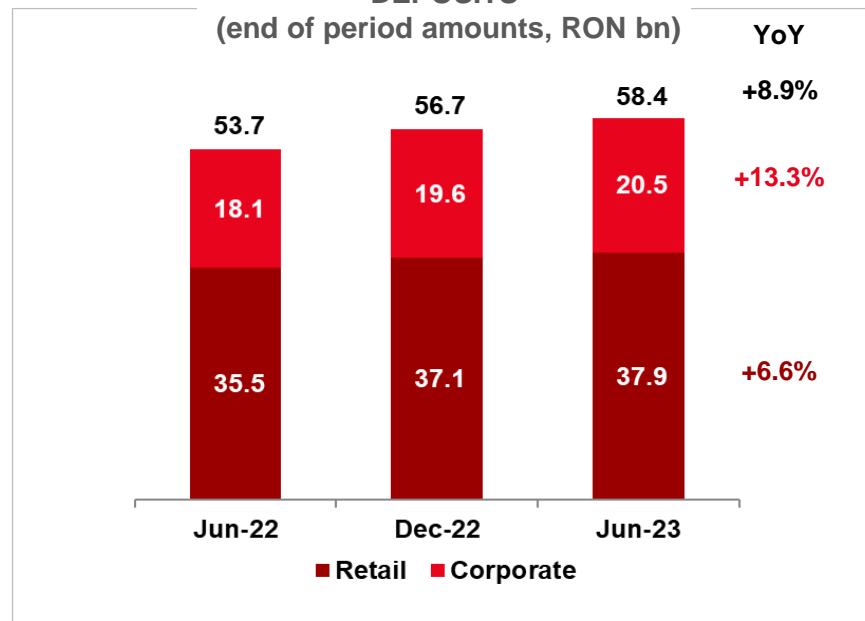
Diverse and innovative savings' offer

BRD Asset Management:

- ✓ 3rd largest asset manager*, 19.2% market share and RON 3.5 billion AUM, at June 2023 end
- ✓ offers investment solutions to over 127 ths clients across its 12 investment funds
- ✓ received authorization for its first ESG strategy fund by transforming BRD Global into an Article 8 fund (under EU SFDR), promoting social, environmental characteristics and good governance practices

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

DEPOSITS
(end of period amounts, RON bn)



NET INTEREST INCOME AND FINANCIAL MARKETS ACTIVITY, ENGINES OF NBI GROWTH

NII maintained a strong growth momentum

+18.3% y/y in H1 2023, +16.2% y/y in Q2 2023, building on a favorable volume effect on both retail and corporate segments

- ✓ outstanding loans up by + 7.9% y/y at June 23 end

Positive effect of higher interest rates on asset portfolio

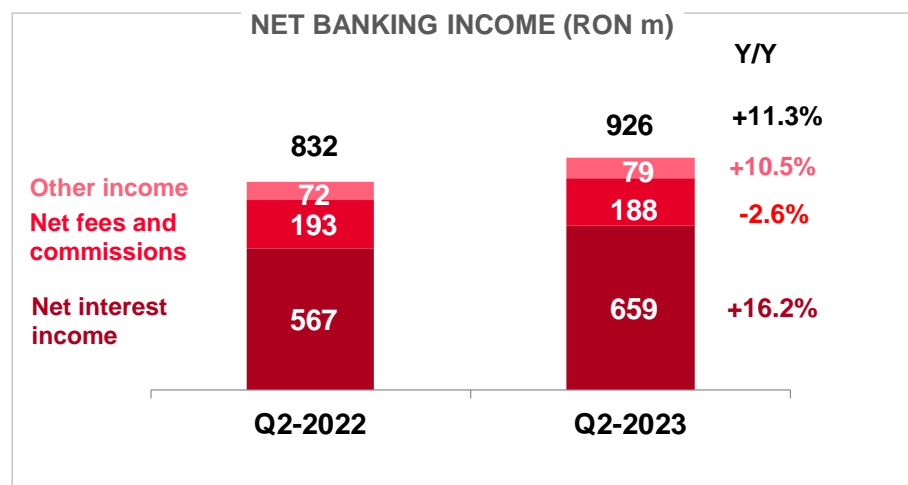
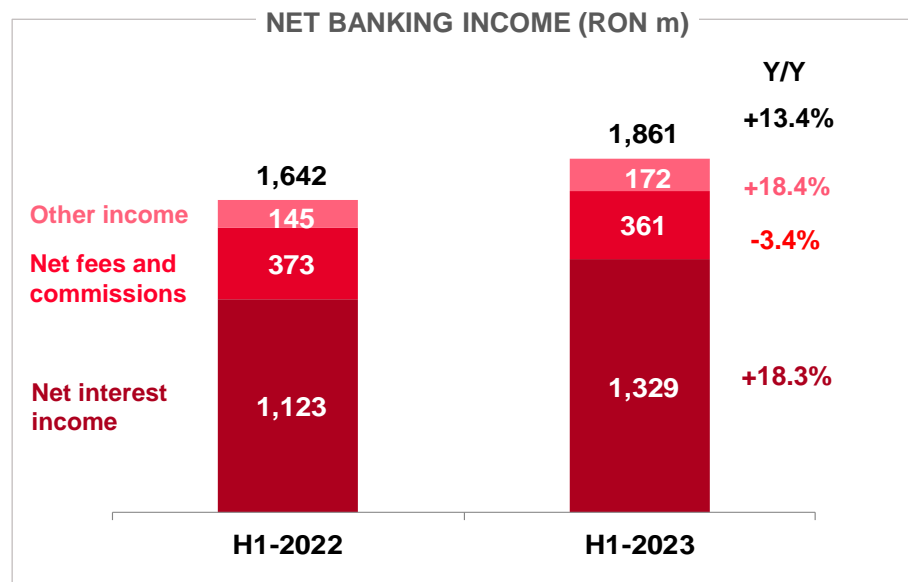
- ✓ avg. ROBOR 3M, +232 bps y/y in H1 2023
- ✓ avg. ROBOR 3M, +116 bps y/y in Q2 2023

...partially reduced by rising funding costs primarily associated with commercial term deposits

NFC lower (-3.4% y/y in H1 2023, -2.6% y/y in Q2 2023) on:

- ✓ lower services fees from cards activity given the higher penetration of packages, in line with market standards
- ✓ reduced cash transactions mainly on a base effect (last year reaction induced by geopolitical context which generated massive withdrawals from individual customers)

Other income categories (+18.4% y/y in H1 2023, +10.5% y/y in Q2 2023) lifted by strong trading activity, given improved results both on foreign exchange and on fixed income



OPEX DYNAMIC INFLUENCED BY LABOR MARKET TIGHTNESS AND ELEVATED INFLATION

Staff expenses, +11.2% y/y in H1 2023, +13.2% y/y in Q2 2023, driven by wage increases and other benefits adjustments (following new labour agreement signed in June 2022)

...partially counterbalanced by continuous structural optimization effort (-132 avg no of active employees vs H1 2022)

Other expenses increase assigned to higher costs of external services and IT&C to support the delivery of digital transformation
Run-the-bank costs remain under a very good control, contained below inflation

Substantial growth in GOI, building on dynamic volumes and strict management of cost base

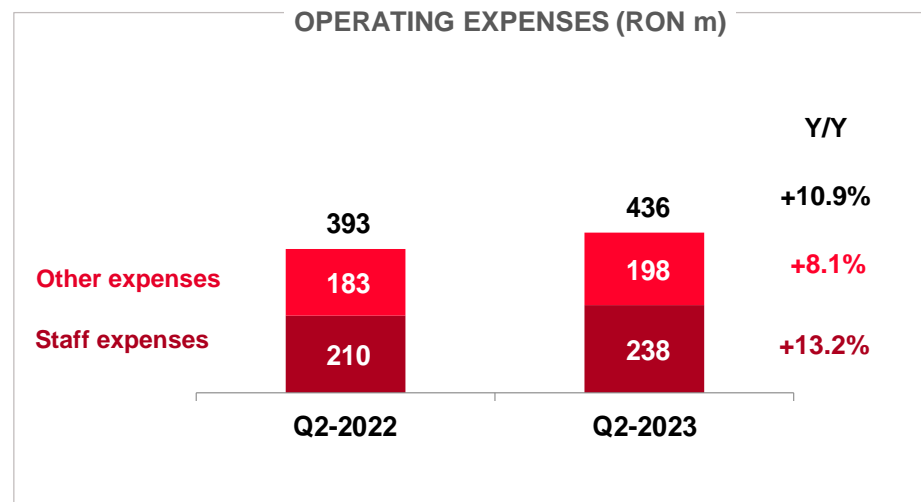
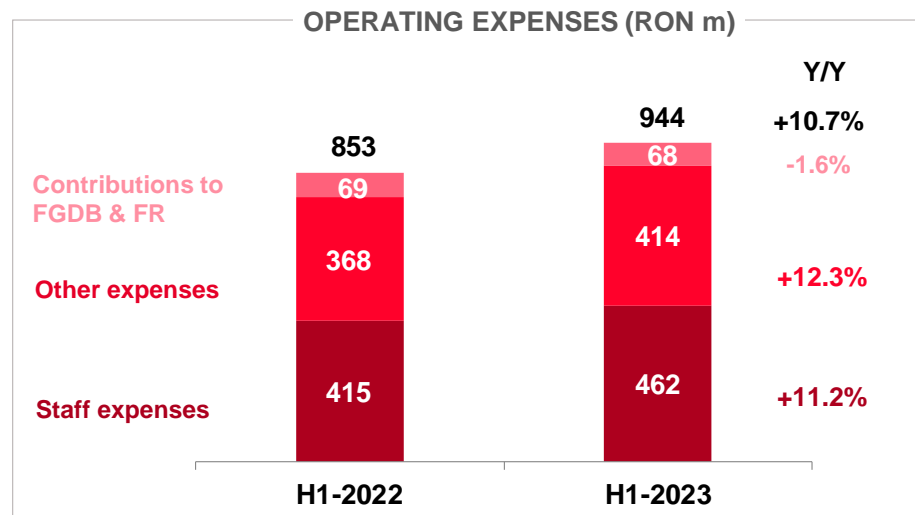
+16.4% y/y in H1 2023

+11.7% y/y in Q2 2023

Improved operational efficiency with positive jaws effect

C/I 50.7% vs 51.9% in H1 2022

C/I 47.0% vs 47.2% in Q2 2022



SOLID AND RESILIENT ASSET QUALITY, MARGINAL IMPACT OF NCR

Q2 net cost of risk at -6 bps

Q2 NCR in net release given sustained recoveries on default portfolio

No observed credit quality deterioration on neither of Retail and Non Retail

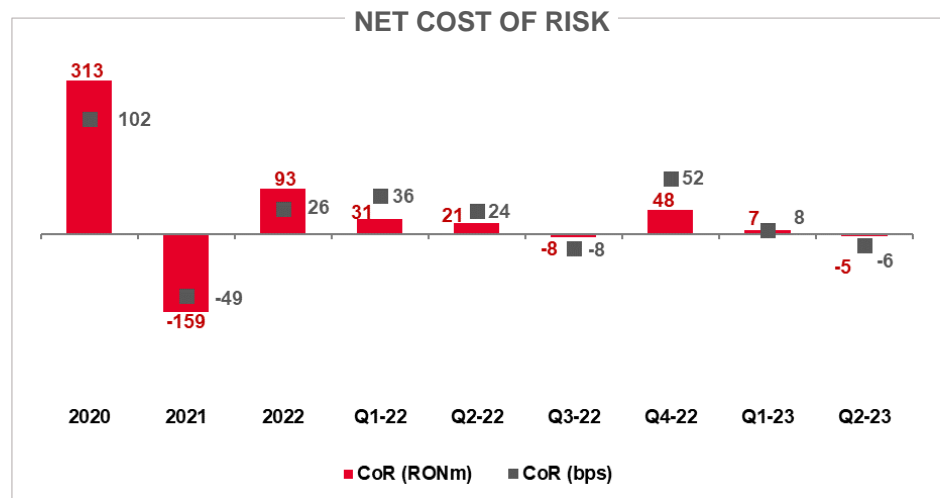
NPL ratio and Outlook

NPL further improved to historic low level of 2.2%, partly due to write-off actions

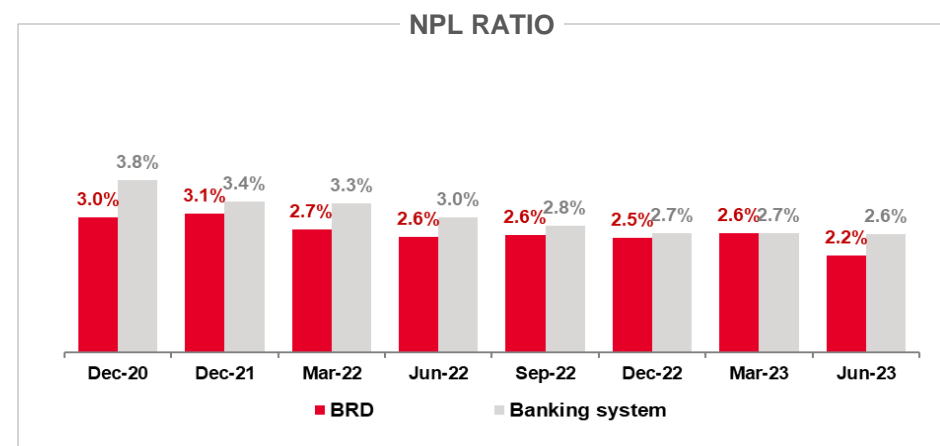
Except for significant macroeconomic movements, NPL outlook is expected to remain relatively stable, below 2.5% at the end of 2023

Comfortable NPL coverage of 74%

All figures at individual level



*Note: CoR (bps) in quarter is annualized



* NPL for Banking System as of May 2023

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

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

SATISFACTORY CAPITAL POSITION, MREL COMPLIANCE ENSURED

Solid high quality capital base

CAR of 22.4% at June 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:

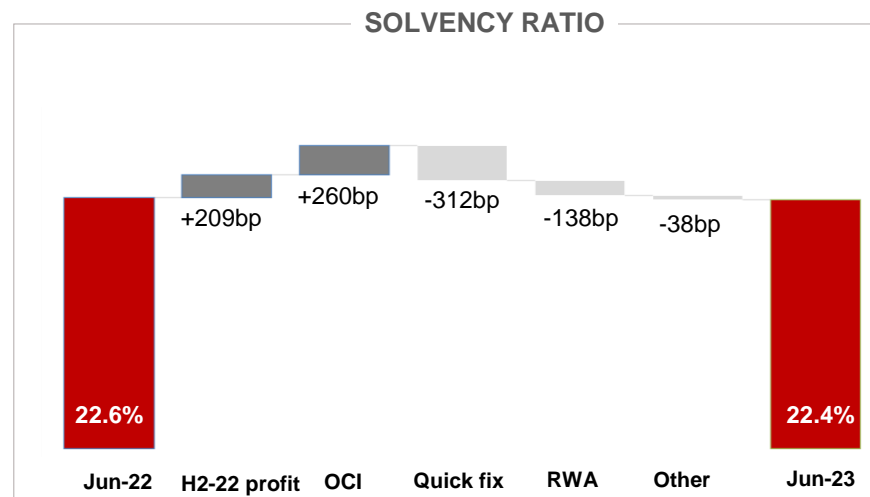
- ✓ incorporation of H2 2022 profit
- ✓ positive influence of revaluation reserves of debt instruments accounted at fair value through other comprehensive income, given favorable development of yields curve vs June 2022 end (especially across H1 2023, after a peak of yields reached in October 2022).
- ✓ 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 32.0% of TREA at June 2023 end

MREL at sub-consolidated level, estimated ratio as of June 2023 end
TREA = Total risk exposure amount



| Bank only | Jun-22 | Dec-22 | Jun-23 |
|-----------------------------------|--------------|--------------|--------------|
| Common Equity Tier 1 (RONm) | 5,993 | 6,714 | 6,364 |
| Tier 1 (RONm) | 5,993 | 6,714 | 6,364 |
| Tier 2 (RONm) | 1,236 | 1,237 | 1,241 |
| Total own funds (RONm) | 7,230 | 7,951 | 7,605 |
| Total risk exposure amount (RONm) | 31,980 | 31,892 | 33,922 |
| Tier 1 Ratio | 18.7% | 21.1% | 18.8% |
| Total Capital Ratio | 22.6% | 24.9% | 22.4% |

Note:

Own funds at June and Dec 2022 end presented above include the OCI quick fix relief adjustment Starting 1st of January 2023, OCI quick fix relief adjustment ceased its validity.
CAR at Jun 2023 end is preliminary.

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CONCLUSIONS



CONCLUSIONS

- **BRD registered a very good performance over H1 2023, despite a more challenging economic environment versus previous period**

Further expanding commercial activity

- ✓ **Net loans outstanding strongly up, +8% y/y at June 2023 end, with corporate business as key driver**
- ✓ **Consumer loans momentum kept strong, with production reaching a quarterly record level in Q2 2023, while elevated interest rates dent housing loan demand**
- ✓ **Customer deposits consolidate on the rise**
- ✓ **Digital adoption speeds up, You BRD reaching 1.3 million users at June 2023 end, with digital sales gaining traction**

Solid financial results

- ✓ **Higher net interest revenues and strong financial markets activity, while cost base was strictly controlled**
 - ✓ **Strong asset quality as reflected by the net release in risk costs and sound level of risk indicators**
 - ✓ **High profitability: +24% y/y net profit, ROE 20%**
- **Comfortable capital and liquidity position, confirming strong capacity 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 | | Q2-2023 | Q2-2022 | Change | H1-2023 | H1-2022 | Change |
|-------------------|---------------------------|------------|------------|---------------|--------------|--------------|---------------|
| Financial results | Net banking income | 926 | 832 | +11.3% | 1,861 | 1,642 | +13.4% |
| | Operating expenses | (436) | (393) | +10.9% | (944) | (853) | +10.7% |
| | Gross operating income | 491 | 439 | +11.7% | 918 | 789 | +16.4% |
| | Net cost of risk | 15 | (14) | n.a. | 5 | (46) | n.a. |
| | Net profit | 425 | 354 | 20.3% | 768 | 617 | +24.4% |
| | Cost/Income | 47.0% | 47.2% | -0.2 pt | 50.7% | 51.9% | -1.3 pt |
| | ROE | 21.4% | 20.5% | +0.9 pt | 20.1% | 15.6% | +4.6 pt |

| RON bn | | Jun-23 | Jun-22 | vs. Jun 22 |
|--------------------|---|--------------|--------------|----------------|
| Loans and deposits | Net loans including leasing (RON bn) | 39.6 | 36.7 | +7.9% |
| | Retail | 24.6 | 23.9 | +2.6% |
| | Corporate | 15.0 | 12.7 | +17.9% |
| | Total deposits (RON bn) | 58.4 | 53.7 | +8.9% |
| | Retail | 37.9 | 35.5 | +6.6% |
| | Corporate | 20.5 | 18.1 | +13.3% |
| | Loan to deposit ratio | 67.7% | 68.3% | -0.6 pt |

BRD STANDALONE | KEY FIGURES

| | RON m | Q2-2023 | Q2-2022 | Change | H1-2023 | H1-2022 | Change |
|------------------------------|--------------------------------|------------|------------|---------------|---------------|----------------|-------------------|
| Financial results | Net banking income | 911 | 826 | +10.2% | 1,804 | 1,592 | +13.4% |
| | Operating expenses | (418) | (369) | +13.4% | (905) | (806) | +12.2% |
| | Gross operating income | 493 | 457 | +7.7% | 899 | 785 | +14.5% |
| | Net cost of risk | 5 | (21) | n.a. | (2) | (52) | -97.0% |
| | Net profit | 419 | 371 | 13.0% | 752 | 617 | +22.0% |
| | Cost/Income | 45.9% | 44.6% | +1.3 pt | 50.2% | 50.7% | -0.5 pt |
| | ROE | 22.2% | 22.7% | -0.5 pt | 20.8% | 16.3% | +4.5 pt |
| Loans and deposits | RON bn | | | | Jun-23 | Jun-22 | vs. Jun-22 |
| | Net loans (RON bn) | | | | 37.3 | 34.6 | +7.7% |
| | Retail | | | | 23.4 | 22.8 | +2.7% |
| | Corporate | | | | 13.8 | 11.8 | +17.2% |
| | Total deposits (RON bn) | | | | 58.6 | 53.8 | +9.0% |
| | Retail | | | | 37.9 | 35.5 | +6.9% |
| | Corporate | | | | 20.7 | 18.3 | +13.3% |
| Loan to deposit ratio | | | | 63.6% | 64.4% | -0.8 pt | |
| Capital adequacy | CAR | | | | 22.4% | 22.6% | -0.2 pt |
| Franchise | No of branches | | | | 441 | 481 | -40 |

CAR for June 23 end is preliminary.

Own funds at June 23 end include the full year 2022 net profit. Own funds at June 22 end include the H1 2022 net profit.

Own funds at Jun 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 is in Top 6 largest domestic companies listed on the local stock exchange, as of June 2023 end.

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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