



BRD GROUP RESULTS

FULL-YEAR AND 4TH QUARTER 2015

12 FEBRUARY 2016

YOUR BANK. YOUR TEAM



GRUPE SOCIETE GENERALE

DISCLAIMER

The preliminary consolidated and separate financial position and income statement for the year ended December 31, 2015 were examined by the Board of Directors on February 10, 2016.

The financial information presented for the year ended December 31, 2015 and comparative periods has been prepared according to IFRS as adopted by the European Union and applicable at this date.

BRD will publish a full set of consolidated and individual financial statements for the 2015 financial year.

This financial information is at group level, does not constitute a full set of financial statements and is not audited.

This presentation contains forward-looking statements relating to the targets and strategies of BRD and are based on a series of assumptions. These forward-looking statements 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 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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2015: NET PROFIT OF RON 467 MILLION, INTENSIFIED COMMERCIAL ACTIVITY

2015: significantly improved profitability

- Net profit of RON 467m in 2015, significantly higher against 2014 thanks to a reduced net cost of risk and further measures of cost control
- Net profit of RON 87m in Q4-2015 (+3x versus Q4-2014) on declining operating expenses and lower cost of risk
- Sequential improvement in revenues since Q1-2015, by ca. 2% in the last 3 quarters
- NPL ratio at 17.1% at 2015 end from 20.3% at 2014 end due to write-off operations and NPL coverage ratio of 76.6% at 2015 end against 71.1% at 2014 end

Intensified commercial activity

- Increase in the number of active individual customers
- Widening deposits base (+13.9%* against 2014)
- Expansion of credit to individuals and large corporate clients

Comfortable solvency and strong balance sheet

- Capital adequacy ratio of 18.2% at 2015 end versus 18.5% at 2014 end (Basel 3)
- Net loans/deposits ratio of 66.4%, lower due to significant improvement of FX loans/deposits and strong deposit collection throughout the year

() Variations at constant exchange rate*



BRD GROUP | KEY FIGURES

	Q4-2014	Q4-2015	Variation	2014	2015	Variation	
Financial results	Net banking income (RON m)	657	647	-1.4%	2,623	2,507	-4.4%
	Operating expenses (RON m)	(368)	(344)	-6.6%	(1,328)	(1,297)	-2.3%
	Gross operating income (RON m)	289	304	5.1%	1,295	1,210	-6.6%
	Cost of risk (RON m)	(248)	(204)	-17.6%	(1,215)	(658)	-45.8%
	Net result (RON m)	30	87	2.9x	68	467	6.9x
	Cost/Income	56.0%	53.1%	-2.9 pt	50.6%	51.7%	1.1 pt
	ROE	2.1%	5.7%	3.5 pt	1.2%	7.8%	6.6 pt

	Dec-14	Dec-15	Variation	
Capital adequacy				
CAR ^(*)	18.5%	18.2%	-0.3 pt	
Loans and deposits	Net loans including leasing (RON bn) ^(**)	27.3	27.3	-0.6%
	Total deposits (RON bn) ^(**)	36.0	41.1	13.9%
	Net loans/deposits	76.0%	66.4%	-9.6 pt
Franchise	No of branches	860	829	(31)
	No of active customers ^(***) (x 1000)	2,234	2,250	16

(*) According to Basel 3, including the impact of prudential filters; (**) Variations at constant exchange rate; (***) At individual level





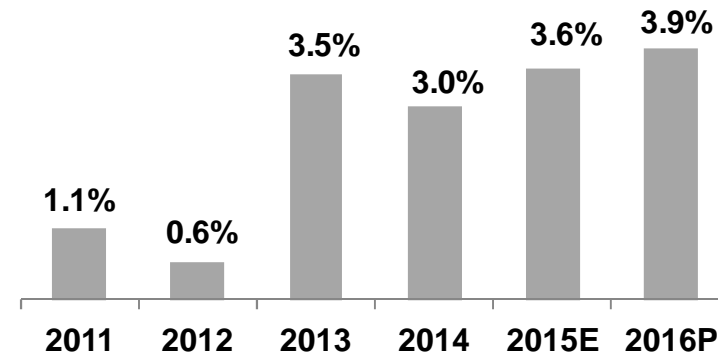
CHAPTER 02

MACROECONOMIC AND BANKING ENVIRONMENT

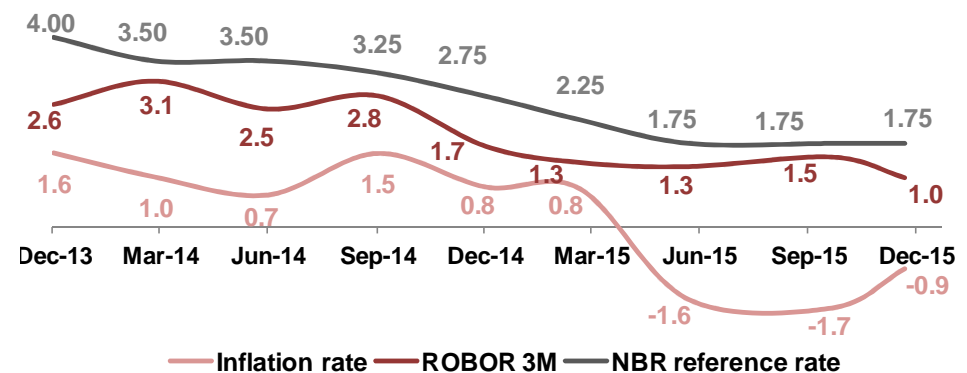
FAVOURABLE MACROECONOMIC CONTEXT

- 2015 GDP estimated to rise by 3.6% versus 2014 mostly due to expanding domestic demand.
- 2015 end CPI reached -0.9% vs. 2014 end, crossing into negative territory starting with June following the extension of the VAT rate cut to all food products.
- NBR maintained the policy rate at 1.75% since May 2015 amid fiscal easing measures after several rate cuts in the first part of 2015.
- The minimum reserves requirements were kept unchanged in 2015 for FX liabilities at 14% and were reduced to 8% for RON liabilities. In January 2016, minimum reserve requirements for FX liabilities were cut to 12%.

GDP EVOLUTION



INFLATION AND INTEREST RATES



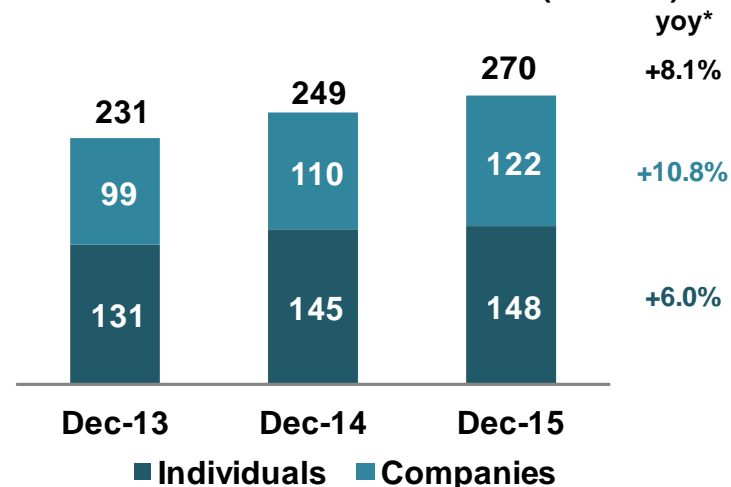
Note: Estimates as per BRD Research
Sources: NIS, Eurostat, NBR

BANKING SECTOR: GROWTH OF LOANS' OUTSTANDING IS PICKING UP

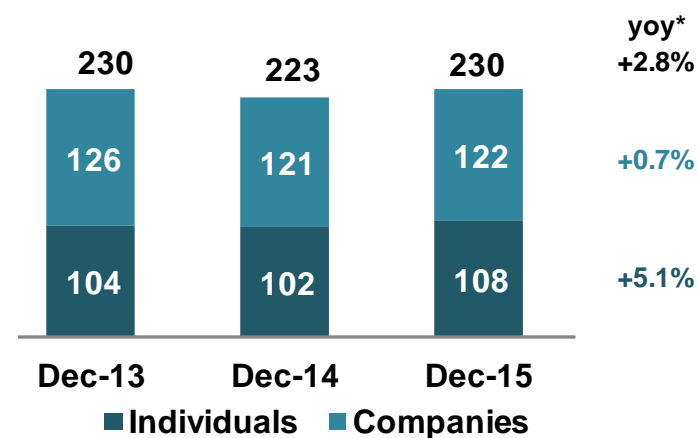
- 8.1% deposits growth at 2015 end vs. 2014 end:
 - 6.0% higher individuals' savings, indicating prudent behavior
 - 10.8% growth in companies' deposits, sustained mostly by the RON component

- 2.8% yoy increase in the volume of gross loans as of 2015 end as household loans growth is resilient and companies' loans reversed the negative annual trend :
 - 5.1% increase in loans to individuals, with consumer loans down by 2.8% and housing loans up by 15.3% due mostly to "Prima Casa" programme
 - RON-denominated consumer loans posted consistent increases starting H2-2015
 - 0.7% larger loans to companies due to RON lending

BANKING SYSTEM DEPOSITS (RON bn)



BANKING SYSTEM GROSS LOANS (RON bn)

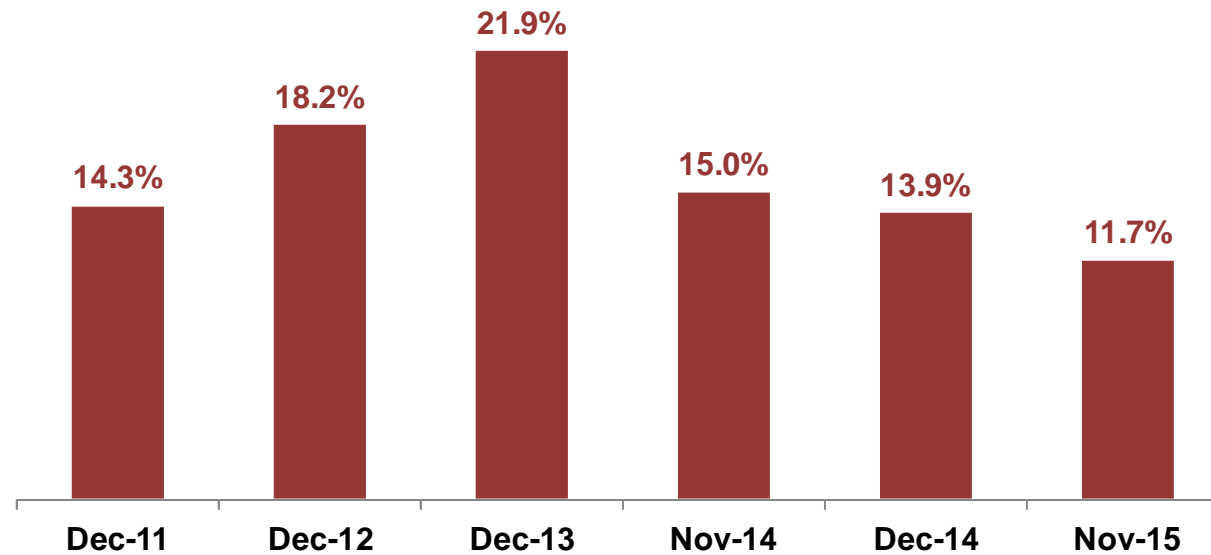


^(*) Variations at constant exchange rate

Source: NBR (data for 2015 end is preliminary)

BANKING SECTOR: STEADY DECLINE OF NPL RATIO

BANKING SECTOR LOSS 2 INDICATOR*



- Lower NPL ratio in the banking system compared to the years 2012-2013 helped by write-off operations and sale of impaired receivables
- Coverage level of loans classified as Loss 2 with IFRS provisions of 69% as of September 2015, versus 70% at December 2014, 68% at December 2013 and 61% at December 2012.

() Regulatory ratio representing loans overdue more than 90 days and/or in litigation. Starting with 2014 NBR changed the methodology and widened the area of application by including banks with internal rating based approaches, which led to a decline in the NPL ratio.*

Source: NBR



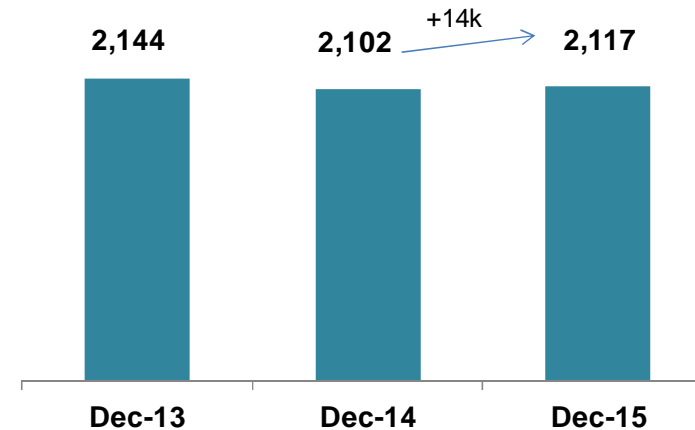
CHAPTER 03

2015 AND 4TH QUARTER GROUP RESULTS

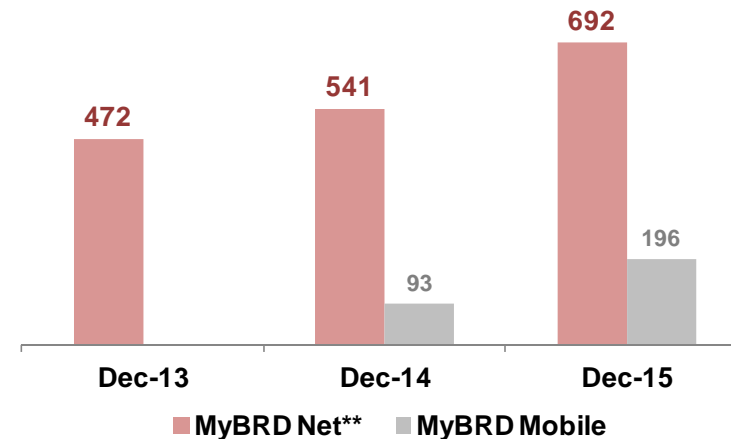
LARGER INDIVIDUALS' CUSTOMER BASE

- +14,000 yoy increase in the number of active individual customers (+40,000 increase at constant methodology)
- Higher equipment rate (number of products per active client) of individual customers due to a better penetration rate on the remote banking segment: 3.95 (2015 end) versus 3.87 (2014 end)
- Stock of remote banking contracts up by 40% at 2015 end versus 2014 end on a 28% increase in the number of internet banking products and 110% larger stock of mobile banking contracts

EVOLUTION OF ACTIVE INDIVIDUAL CUSTOMERS*
(x 1000)



NUMBER OF REMOTE BANKING CONTRACTS FOR INDIVIDUALS* (X 1000)



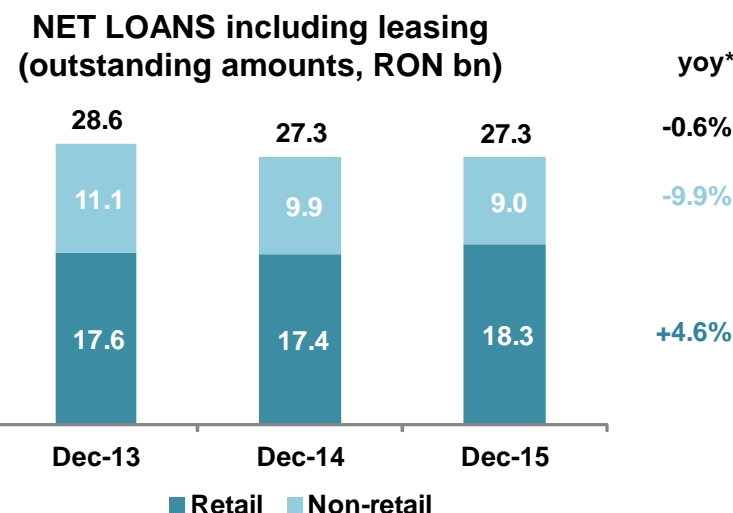
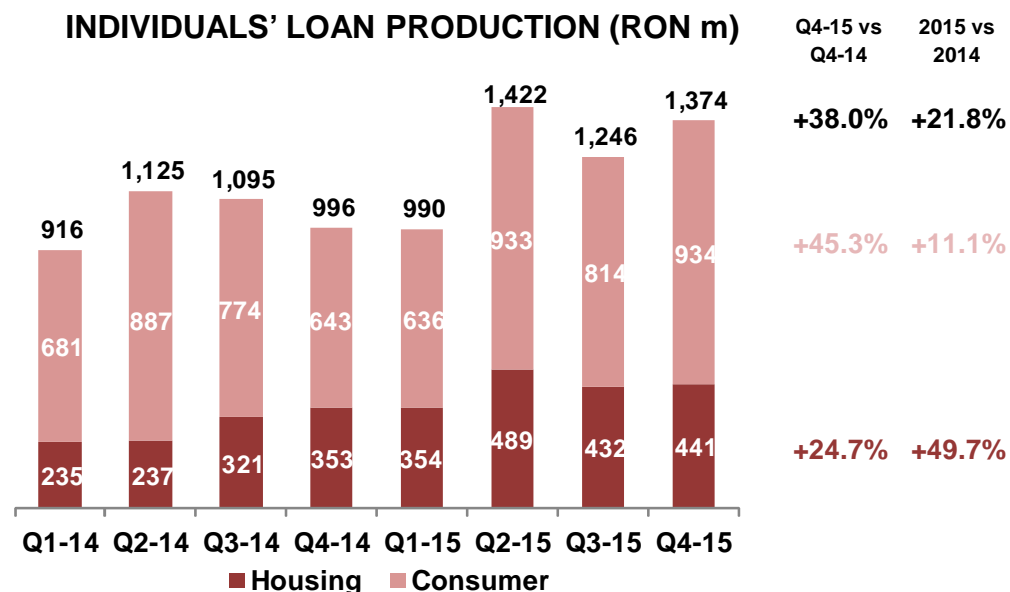
(*) Bank only, (**) BRD-Net at 2013

INDIVIDUALS' LOAN PRODUCTION: CONSOLIDATION OF POSITIVE TREND

- Strong annual increase of loan production in 2015 and Q4-2015 due to both housing and unsecured consumer loans:
 - New housing loans continued to post strong growth rate, thanks notably to the bank's leading position on "Prima Casa" program
 - New consumer loans are on a positive trend in the context of low interest rates, fiscal easing measures and rise in national minimum wages

- Consolidation of positive trend for outstanding net retail loans

- +9.2% increase of net loans outstanding to large corporate clients against 2014 end, in a more favorable domestic macro environment



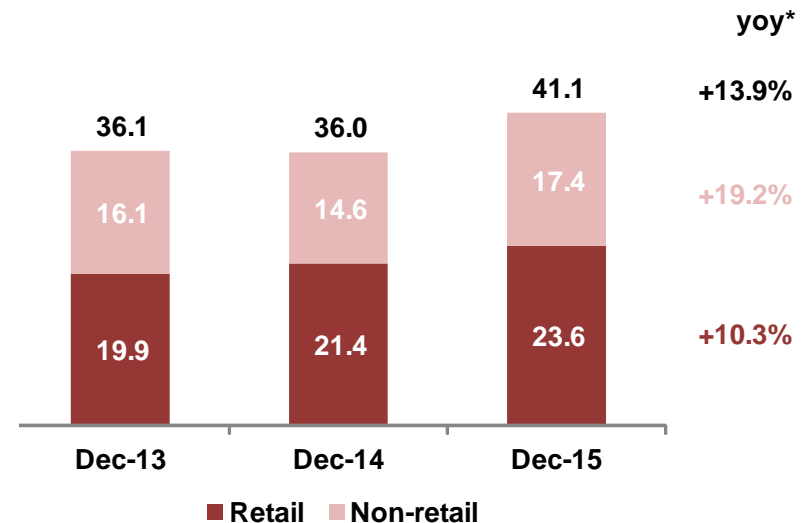
⁽¹⁾ Variations at constant exchange rate

Note: The Retail Segment is comprised of Individuals and Small Business (see Appendix).

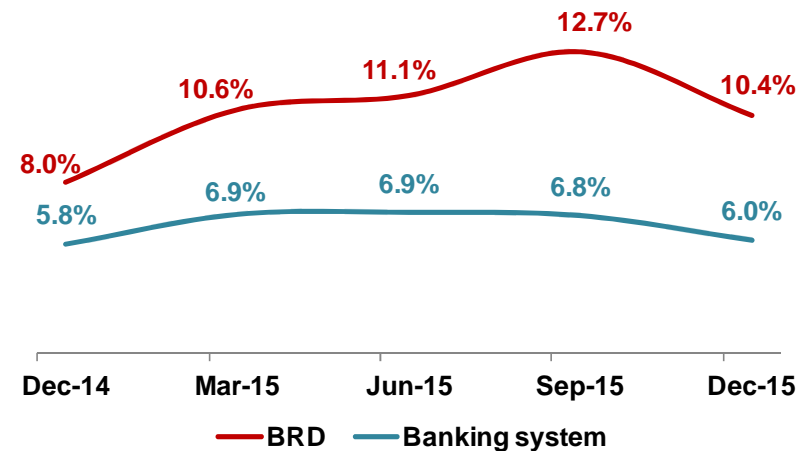
EXPANSION OF THE DEPOSITS' BASE

- Deposits on a growing trend compared to 2014 end, with both retail and non-retail clients showing material propensity to save
- Expansion of household deposits in line with the bank's strategy of attracting more stable funding sources, leading to a market share on this segment of 13.8% as of 2015 end, up from 13.3% at 2014 end
- Strong rise in deposits on current accounts versus 2014 end, from retail (+30%) as well as non-retail clients (+84%)

DEPOSITS (outstanding amounts, RON bn)



HOUSEHOLD DEPOSITS EVOLUTION (yoy*)



(*) Variations at constant exchange rate

Note: The Retail Segment is comprised of Individuals and Small Business (see Appendix).

Source: NBR

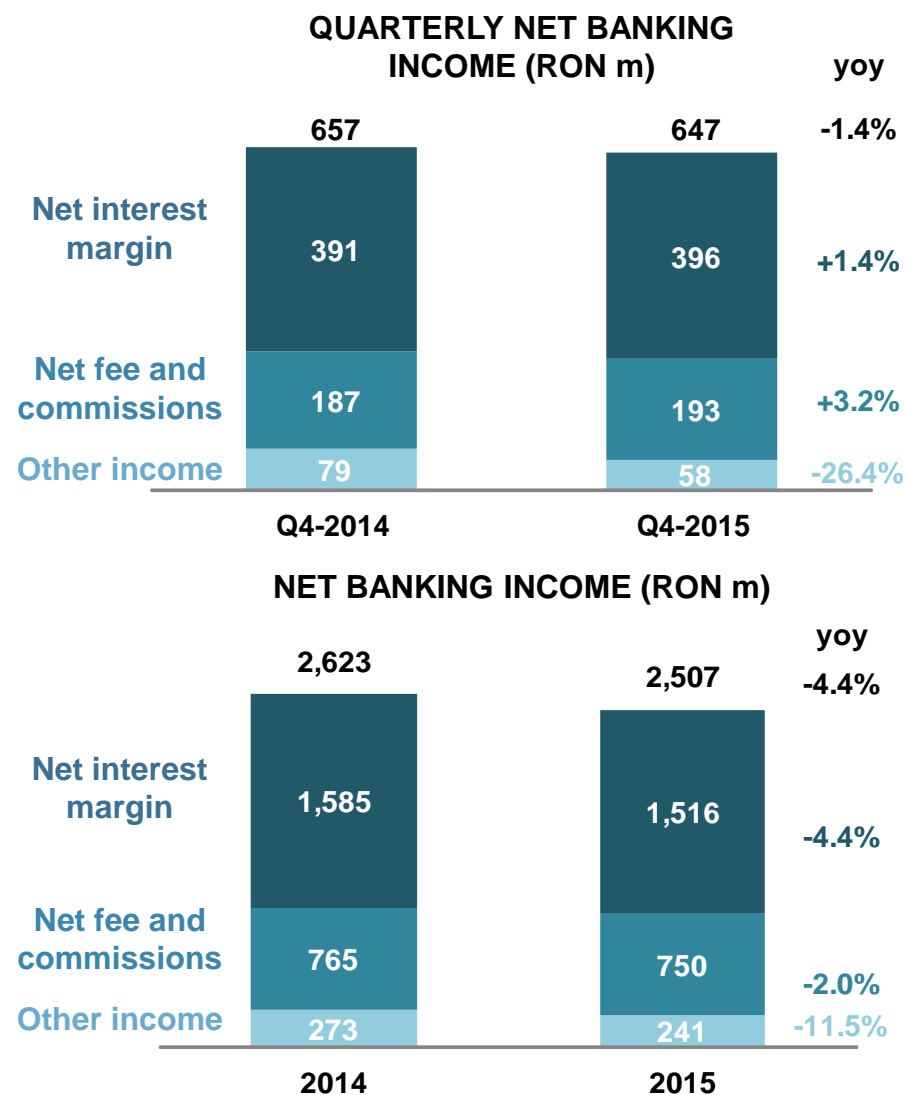
YOY EVOLUTION OF REVENUES STILL AFFECTED BY LOW INTEREST RATES

- Narrowing net interest margin in 2015, given the falling interest rates context:
 - Historically low interest rates...
 - Average ROBOR 3M: 1.33% in 2015 from 2.53% in 2014
 - Average EURIBOR 3M: -0.02% from 0.21% in 2014
 - ...led to a decline of average assets' yield, partially offset by the cut of cost of funding

- Decline in 2015 of net fees and commissions due to reduction of some fees, lower corporate finance revenues (non-recurrent revenues in 2014) and lower commissions from commitments & guarantees

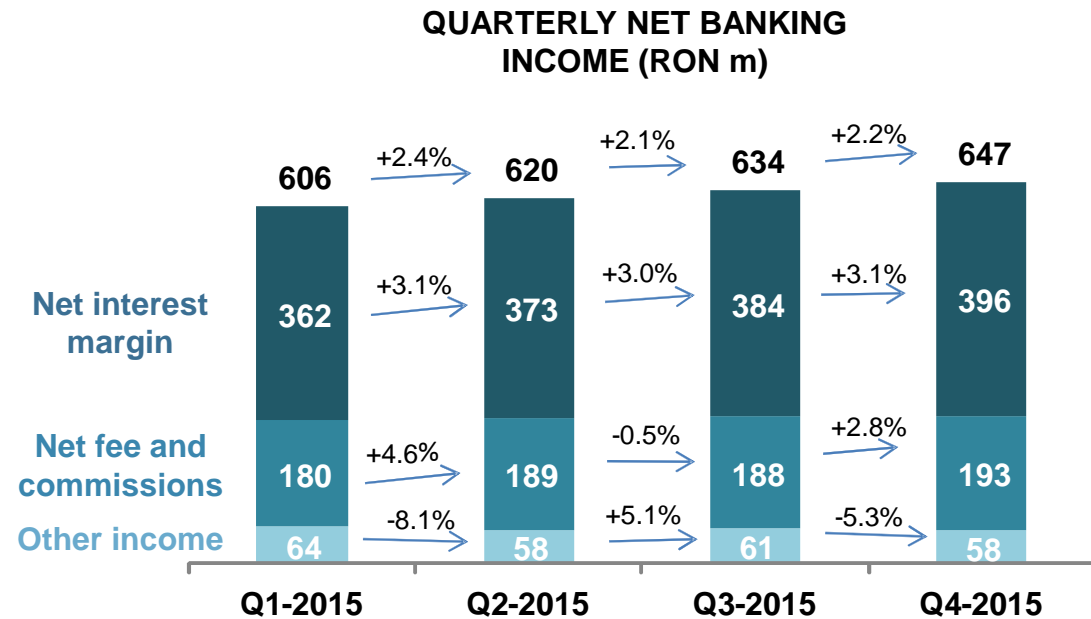
- Increase of net fees and commissions in Q4-2015 against Q4-2014 thanks to higher revenues from syndicated loans, insurance activity, remote banking and cash handling services

- Lower other banking income in 2015 and Q4-2015 (on an annual basis) as a consequence of a decrease of trading revenues (mostly from fixed income activity)



QUARTERLY NET BANKING INCOME: SHIFT TO GROWTH CONFIRMED

- Steadily expanding net banking income on a quarterly basis
- Positive trend of net interest margin thanks to deposit re-pricing and growth of retail loan portfolio
- More broad-based sequential growth of net banking income in Q4-2015 thanks to increase in net fees and commissions (larger commissions related to insurance activity)

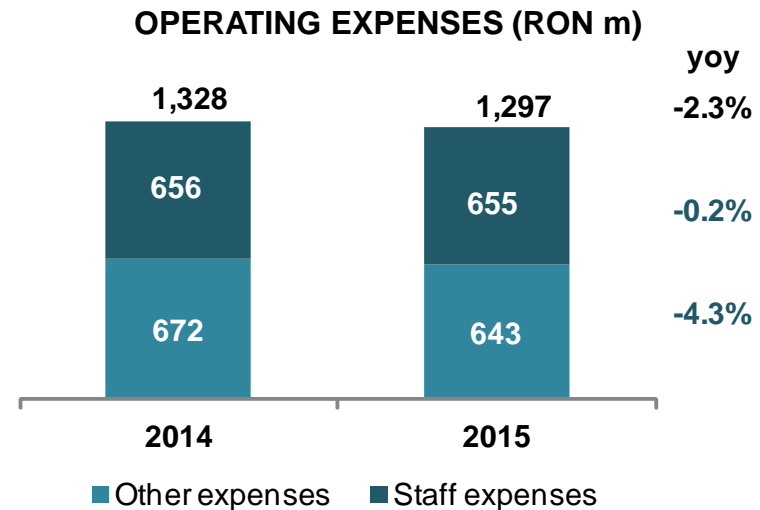
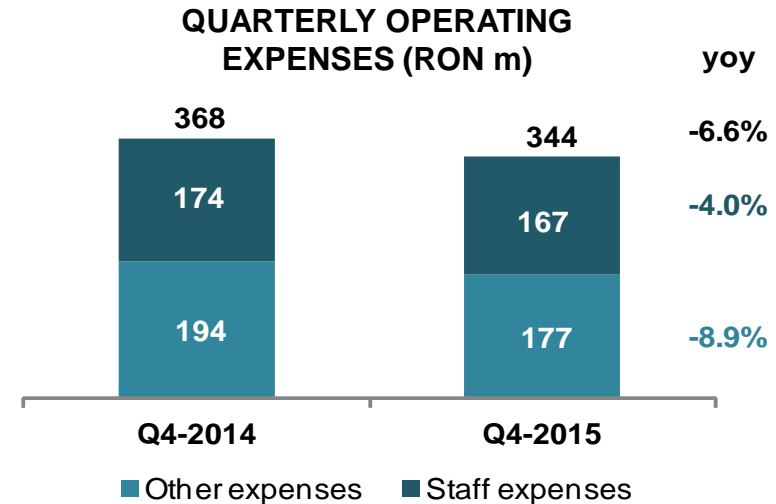


STRICT COST MANAGEMENT

- Strict cost management resulting in further decline in operating expenses:
 - Quasi stable staff costs in 2015, but by 0.9% lower excluding one-off item (employer contribution for the Free Shares Programme)
 - Savings on real estate, communication activities and consultancy services costs for 2015

- 11.4% overall decline in operating costs in 2015 versus 2011:
 - 7.6% lower staff costs in 2015 versus 2011 following a 6.4% reduction in the number of FTEs
 - 15.1% lower non-staff expenses in 2015 versus 2011 as a result of streamlining processes and savings mainly in IT and real-estate

- Cost/income ratio of 53.1% in Q4-2015 and of 51.7% for 2015, below banking system average



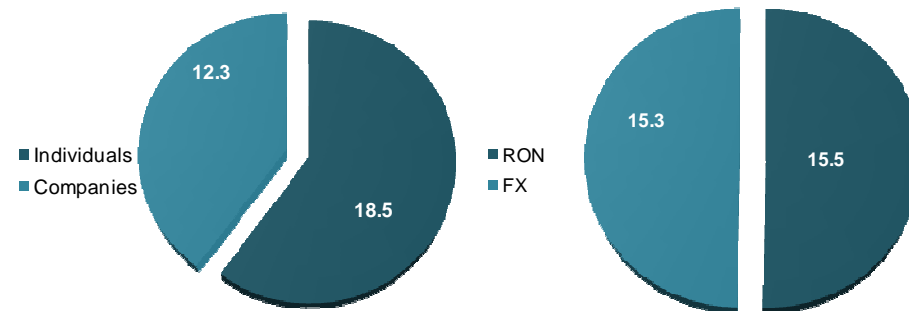
ASSET QUALITY

- A relatively balanced loan portfolio from a market mix perspective:
 - 60% on individuals segment
 - 40% on companies' segment

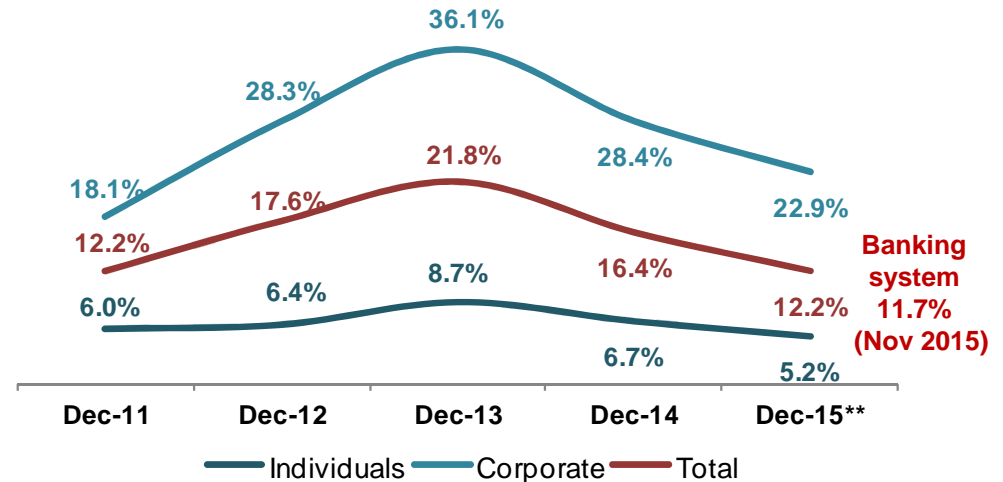
- Gradual transition towards RON as dominant currency:
 - Evolution favoured by market context
 - Share of RON-denominated loans exceeding 50%, against 44% one year ago

- NPL ratio:
 - Decreasing Loss 2 ratio - in line with the trend observed at the level of the whole Romanian banking sector
 - Reflecting write-offs performed in 2014 and 2015
 - Further write-offs expected in line with the Bank's policy

**GROSS LOANS – December 31, 2015
BREAKDOWN BY SEGMENT &
CURRENCY (RON bn)**



NPL (LOSS 2) RATIO BY SEGMENT*

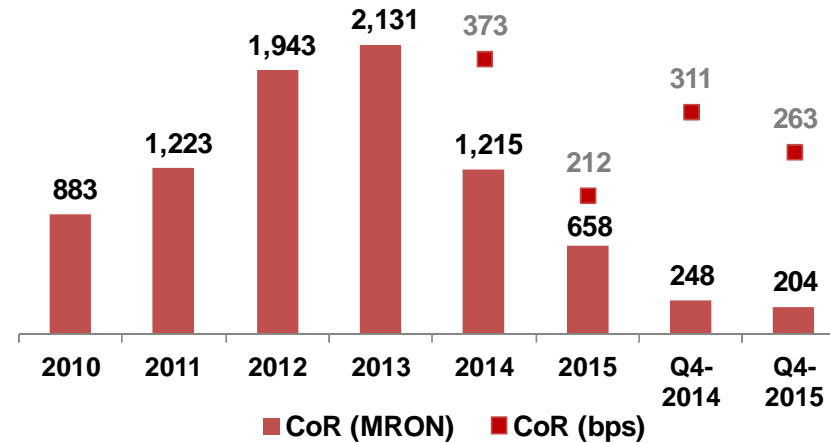


(*) At individual level; (**) According to NBR methodology

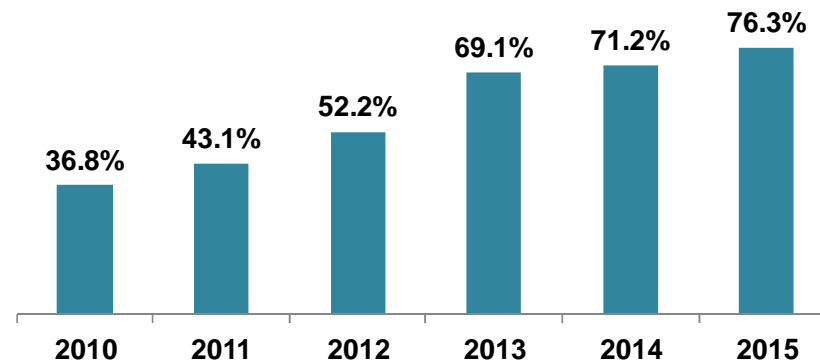
MODERATE INCREASE OF COVERAGE RATIO AND DECLINING COST OF RISK

- Highlights:
 - Provisioning efforts focused on SMEs
 - Resilient risk profile for individuals
- Net cost of risk evolution
 - 2015 net cost of risk at 212 bps versus 373 bps in 2014
 - Upgrade of provisioning methodology for non-defaulted portfolio
 - Recalibration of provisioning parameters for defaulted portfolio
- Moderate increase in NPL coverage ratio in the past year

COST OF RISK EVOLUTION (RON m)



NPL COVERAGE RATIO*

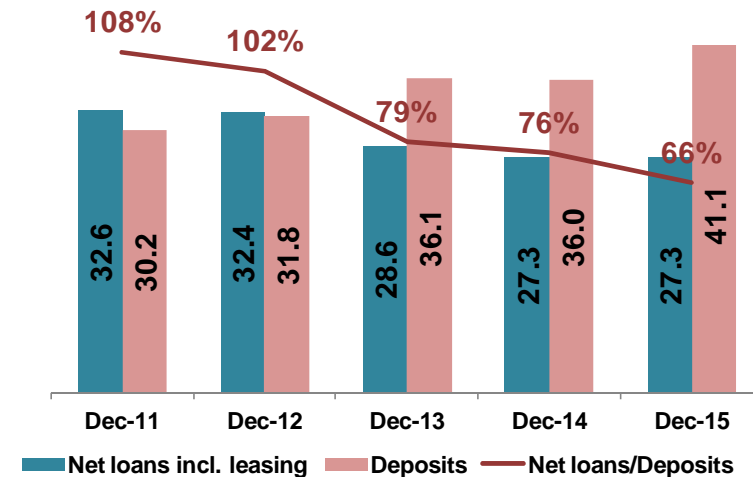


(*) Ratio between IFRS provisions and accounting non-performing loans, consolidated at BRD Group level, excluding leasing

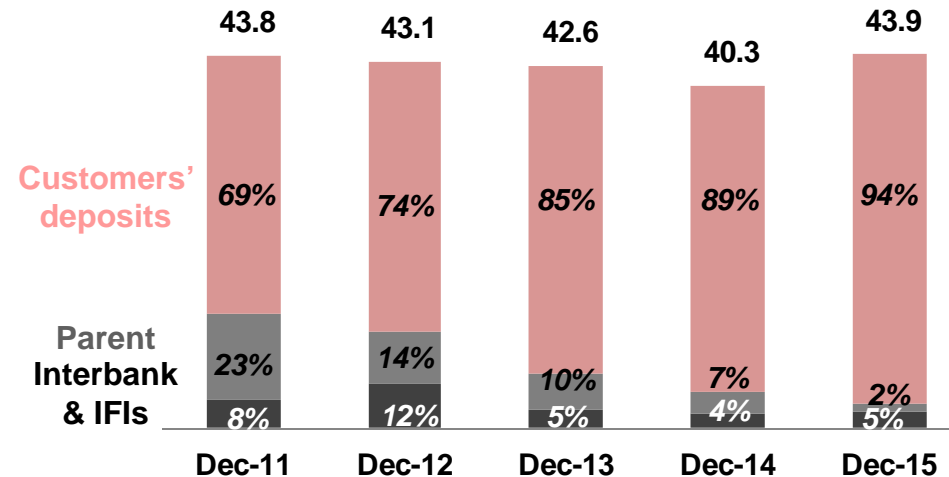
SELF-FUNDED ON A STANDALONE BASIS

- Consolidation of net loans/deposits ratio: 66% at 2015 end versus 76% at 2014 end, due to strong deposit collection and reduction of FX net loans/deposits from 110% at 2014 end to 83%
- Excess of liquidity primarily invested in Government bonds and interbank placements. Investment in Treasuries allows BRD to:
 - maintain an adequate liquidity buffer
 - hedge its exposure to interest rate risk in RON
- Policy of diversification of resources:
 - Growing deposits' base: increase of the share of deposits in total liabilities from 69% at 2011 end to 94% at 2015 end
 - Limited reliance on parent funding on a consolidated basis: decrease from 23% of total liabilities at 2011 end to 2% at 2015 end
 - Self-funded on a standalone basis: parent funding accounted for 0.3% of the liabilities of the bank at 2015 end

NET LOANS AND DEPOSITS (RON bn)



LIABILITIES STRUCTURE (RON bn)



CAPITAL ADEQUACY SAFELY ABOVE REQUIREMENTS

- Solid capital base composed of high quality Tier 1 eligible instruments: share capital, retained earnings, reserves
- Capital adequacy safely above regulatory requirements: CAR reached 18.2% as at 2015 end compared to 18.5% at 2014 end

Group	Basel 2	Basel 3	Basel 3
	Dec-13	Dec-14	Dec-15
Capital adequacy ratio	16.8%	18.5%	18.2%
Own funds (RONm)	4,827	5,109	5,036
Total risk exposure amount (RONm)	29,304	27,591	27,619
Capital requirements (RONm)	2,302	2,207	2,209

Notes: Figures are with national discretions.

CHAPTER 04

CONCLUSIONS

CONCLUSIONS

- In 2015, BRD registered substantial rise in profitability, expansion of the individual customer base and consistent progress on strategic and sound client segments – individuals and large corporate clients.
- Going forward in 2016, BRD is ready to take advantage of improved credit demand, by leveraging on its wide deposit base, comfortable solvency, powerful network and innovative capacity.
- 2016 outlook:
 - Loan growth above 5%
 - Improved cost/income ratio

Q&A

Session

APPENDIX

BRD | KEY FIGURES FOR BANK ONLY

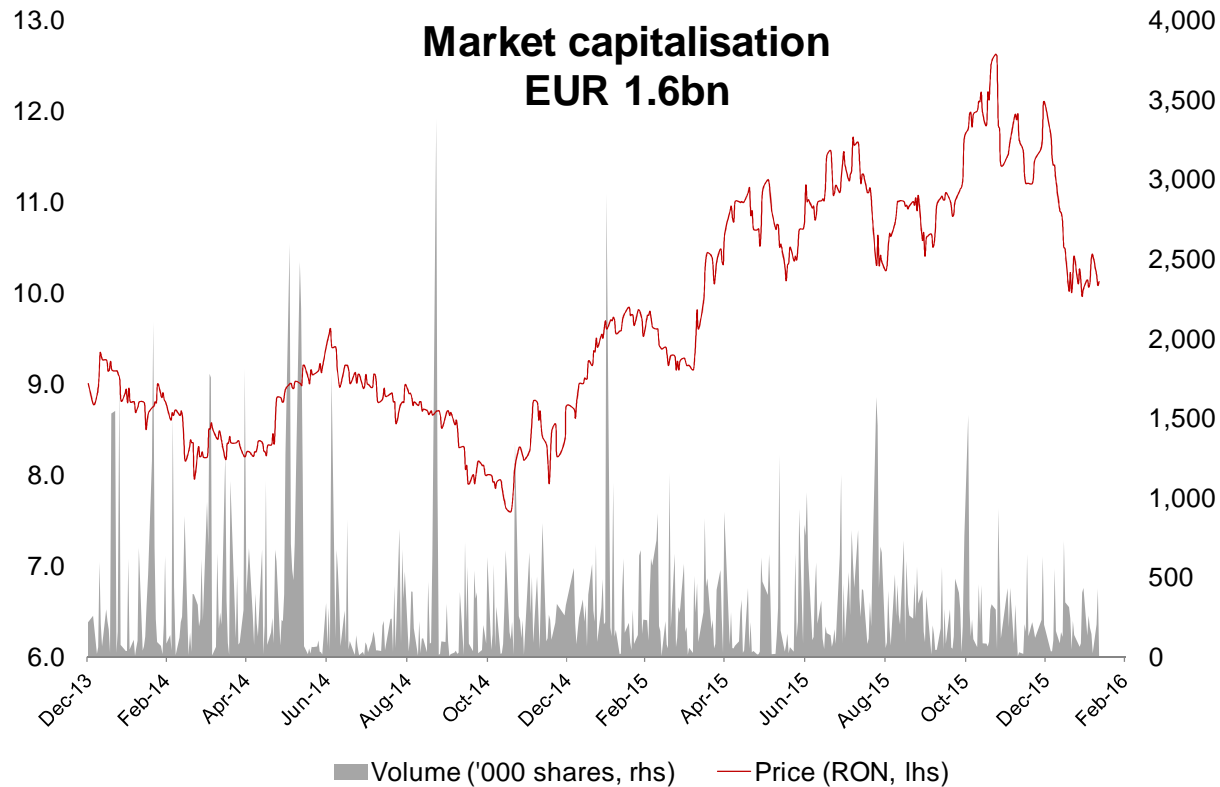
	Q4-2014	Q4-2015	Variation	2014	2015	Variation	
Financial results	Net banking income (RON m)	619	617	-0.2%	2,498	2,386	-4.5%
	Operating expenses (RON m)	(346)	(323)	-6.8%	(1,255)	(1,221)	-2.7%
	Gross operating income (RON m)	273	295	8.1%	1,243	1,164	-6.3%
	Cost of risk (RON m)	(241)	(205)	-15.2%	(1,193)	(631)	-47.1%
	Net result (RON m)	23	76	3.3x	43	445	10.3x
	Cost/Income	55.9%	52.3%	-3.7 pt	50.2%	51.2%	1.0 pt
	ROE	1.7%	5.4%	3.7 pt	0.8%	7.8%	7.0 pt

	Dec-14	Dec-15	Variation	
Capital adequacy				
CAR ^(*)	17.2%	17.3%	0.1 pt	
Loans and deposits	Net loans (RON bn) ^(**)	26.5	26.4	-0.9%
	Total deposits (RON bn) ^(**)	36.0	41.2	13.9%
	Net loans/deposits	73.4%	64.0%	-9.4 pt
Franchise	No of branches	860	829	(31)
	No of active customers (x 1000)	2,234	2,250	16

(*) According to Basel 3, including the impact of prudential filters, (**) Variations at constant exchange rate



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 domestic stock exchange
- BRD's share price reached RON 10.1 as of 9 February 2016, up by 5% yoy and down by 17% versus the end of 2015, negatively affected by the difficult international context.

Sources: Bloomberg, Bucharest Stock Exchange



FINANCIAL CALENDAR FOR 2016

- **11th February: Preliminary 2015 financial results**
 - 11 February: Annual press conference
 - 12 February: Presentation of the preliminary financial results for 2015 (conference call and webcast)
- **14th April: General Shareholders Meeting**
- **14th April: Publication of the 2015 Board of Directors Report**
- **4th May: Q1-2016 results publication**
- **3rd August: H1-2016 results publication**
- **3rd November: 9M-2016 results publication**

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.

THANK YOU

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