REGULATORY DISCLOSURE REPORT

FOR THE PERIOD ENDED 30 JUNE 2022

BRD - GROUPE SOCIÉTÉ GÉNÉRALE

CONTENTS

1 - Introduction

THE SCOPE OF THE REPORT

BRD's Report on Transparency and Disclosure Requirements aims to fulfil the disclosure requirements according to Part Eight of Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms, as amended by Regulation (EU) No 2019/876 of the European Parliament as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements ("CRR2").

According to Article 4, point 146 of CRR 2, BRD is a large institution, being identified as "other systemically important institution" (O-SII) by the National Bank of Romania starting 1st of January 2016 with a latest reconfirmation through NBR Order No 7 from 26th of November 2021. In addition, BRD is one of the three largest institutions in Romania in terms of total value of assets as at 30th of June 2022.

For the disclosure requirements, BRD applies Article 13 (1) of CRR 2, according to which large subsidiaries of EU parent institutions shall disclose the information specified in Articles 437 (disclosure of own funds), 438 (disclosure of own funds requirements and risk-weighted exposure amounts), 440 (disclosure of countercyclical buffers), 442 (disclosure of credit risk and dilution risk), 450 (disclosure of remuneration policy), 451 (disclosure of the leverage ratio), 451a (disclosure of liquidity requirements) and 453 (disclosure of the use of credit risk mitigation techniques) on an individual basis or, where applicable, in accordance with this Regulation and Directive 2013/36/EU, on a sub-consolidated basis. In addition, article 433a detail different frequencies of disclosure (quarterly, semi-annual or annual basis) for different disclosure requirements, mentioned above, as applicable for BRD-GSG at sub-consolidated level.

Therefore, the information disclosed throughout this report for the period ended June 30, 2022, is based on the requirements specified in article 433a (CRR 2) and takes into account the evolutions stemming from the Commission Implementing Regulation (EU) No 2021/637 of 15 March 2021, laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295.

The formats of the tables have thus been adapted to the technical instructions issued by the European Banking Authority (notably EBA/ITS/2020/04).

Additionally, the report answers two NBR instructions, as detailed below:

1. As per NBR Instruction from August 2020 on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis (which sets out the reporting and disclosure requirements referred in EBA/GL/2020/07), BRD also discloses with a semi-annual frequency information on exposures subject to payment moratoria and public guarantees.

2. According to NBR Instruction from 20th of October 2020, credit institutions are required to comply with the disclosures referred in EBA/GL/2020/12 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS 9 on own funds to ensure compliance with the CRR 'quick fix' in response to the COVID-19 pandemic.

    - According to Regulation (EU) 2017/2395 amending Regulation (EU) 575/2013, as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds, BRD decided not to apply the transitional arrangements set out under Art 473a of Regulation (EU) 575/2013. As such, own funds include the total impact from IFRS 9 adoption since 2018.

    - Starting 2021 end, BRD applies the treatment of unrealized gains and losses measured at fair value through other comprehensive income, according to art. 468 of Regulation

(EU) 575/2013 as amended by Regulation (EU) 873/2020 as regards certain adjustments in response to the COVID-19 pandemic.

Thus, BRD discloses the comparison of institutions' own funds and capital and leverage ratios with and without the application of the temporary treatment of unrealised gains and losses from debt instruments measured at fair value through other comprehensive income (Table 4).

CONSOLIDATION PERIMETER

As BRD is parent credit institution in Romania and, at the same time, subsidiary of Société Générale, BRD Group consolidation perimeter for prudential purposes is defined in accordance with Regulation (EU) No 575/2013 (CRR), Part One, Title II, Chapter 2, Section 3.

The consolidated entities for prudential scope are identified based on the criteria as per Articles 4 (1) (3), (16) to (27), 18 and 19 of CRR. According to Article 4 of CRR, entities consolidated in the prudential reporting must have one of the following types of activity: credit institution, investment firm, ancillary services undertaking and/or other financial institution.

In contrast, in accordance with BRD Group's IFRS financial statements, all entities controlled directly or indirectly (including non-financial entities, insurance companies, etc.) are fully consolidated. Additional exclusion of subsidiaries from prudential consolidation perimeter is based on criteria from Article 19 of CRR. Non-consolidated subsidiaries are included in the prudential consolidated statements based on equity method.

Based on the above, the application of CRR 2 requirements is at sub-consolidated level and for this purpose the prudential consolidation perimeter of BRD Group includes the parent company BRD - Groupe Société Générale S.A and two fully consolidated subsidiaries: BRD Sogelease IFN S.A. and BRD Finance IFN S.A.

Note:

Throughout this report, amounts are in RON thousand at June 30, 2022, unless otherwise stated.

SUMMARY OF KEY PRUDENTIAL METRICS

Table 1: EU KM1 – Key metrics

		30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	6,242,612	6,376,890	6,926,784	8,234,036	8,717,580
2	Tier 1 capital	6,242,612	6,376,890	6,926,784	8,234,036	8,717,580
3	Total capital	7,478,962	6,871,550	7,421,594	8,234,036	8,717,580
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	33,831,763	32,501,603	31,362,483	31,463,304	30,327,472
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	18.4519%	19.6202%	22.0862%	26.1703%	28.7448%
6	Tier 1 ratio (%)	18.4519%	19.6202%	22.0862%	26.1703%	28.7448%
7	Total capital ratio (%)	22.1063%	21.1422%	23.6639%	26.1703%	28.7448%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	5.8700%	5.8700%	4.5900%	4.5900%	4.5900%
EU 7b	of which: to be made up of CET1 capital (percentage points)	3.3019%	3.3019%	2.5819%	2.5819%	2.5819%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	4.4025%	4.4025%	3.4425%	3.4425%	3.4425%
EU 7d	Total SREP own funds requirements (%)	13.8700%	13.8700%	12.5900%	12.5900%	12.5900%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.5000%	2.5000%	2.5000%	2.5000%	2.5000%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
9	Institution specific countercyclical capital buffer (%)	0.0035%	0.0037%	0.0040%	0.0041%	0.0043%
EU 9a	Systemic risk buffer (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
10	Global Systemically Important Institution buffer (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
EU 10a	Other Systemically Important Institution buffer	1.5000%	1.5000%	1.0000%	1.0000%	1.0000%
11	Combined buffer requirement (%)	4.0035%	4.0037%	3.5040%	3.5041%	3.5043%
EU 11a	Overall capital requirements (%)	17.8735%	17.8737%	16.0940%	16.0941%	16.0943%
12	CET1 available after meeting the total SREP own funds requirements (%)	10.6501%	11.8184%	15.0043%	19.0884%	21.6630%
	Leverage ratio					
13	Leverage ratio total exposure measure	79,558,740	81,038,089	76,500,052	75,652,783	73,549,726
14	Leverage ratio	7.8465%	7.8690%	9.0546%	10.8840%	11.8526%
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)					
EU 14a	Additional CET1 leverage ratio requirements (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
EU 14b	Additional AT1 leverage ratio requirements (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
EU 14c	Additional T2 leverage ratio requirements (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
EU 14d	Total SREP leverage ratio requirements (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
EU 14e	Applicable leverage buffer	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
EU 14f	Overall leverage ratio requirements (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	21,985,408	22,163,338	21,677,385	21,339,414	20,534,953
EU 16a	Cash outflows - Total weighted value	11,745,837	11,233,301	10,932,470	10,586,437	10,209,331
EU 16b	Cash inflows - Total weighted value	4,692,921	4,499,125	4,735,923	5,025,824	5,045,695
16	Total net cash outflows (adjusted value)	7,052,916	6,734,177	6,196,547	5,560,613	5,163,636
17	Liquidity coverage ratio (%)	311.7208%	329.1173%	349.8301%	383.7601%	397.6840%
	Net Stable Funding Ratio					
18	Total available stable funding	53,305,280	52,849,427	55,530,214	52,374,702	51,857,907
19	Total required stable funding	29,215,201	27,930,574	29,079,802	28,679,084	28,015,698
20	NSFR ratio (%)	182.4573%	189.2171%	190.9580%	182.6233%	185.1030%

2 - Own funds

The basis for calculation of own funds is the consolidated prudential perimeter.

The table below provides the full reconciliation of regulatory own funds with the equity elements in the audited IFRS financial statements. The table enables the identification of the differences between the scope of accounting consolidation and the scope of regulatory consolidation, and shows the link between the balance sheet as published in the financial statements and the composition of regulatory own funds as disclosed in the Table 3 - EU CC1: Composition of regulatory own funds.

Table 2: EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

	Balance sheet as in published financial statements	Prudential restatements(1)	Under regulatory scope of consolidation	Reference to table 3 (EU CC1)
ASSETS				
Cash and due from Central Bank	7,534,142	-	7,534,142	
Due from banks	7,152,539	-	7,152,539	
Derivatives and other financial instruments held for trading	992,111	(13,460)	978,651	
Financial assets available for sale	-	-	-	
Financial assets at fair value through profit and loss	7,936	-	7,936	
Financial assets at fair value through other comprehensive income	15,091,718	-	15,091,718	
Financial assets at amortised cost	36,068,961	-	36,068,961	
Loans, gross	37,110,735	-	37,110,735	
Impairment allowance for loans	(1,782,177)	-	(1,782,177)	
Loans and advances to customers	35,328,558	-	35,328,558	
Treasury bills at amortised cost	740,403	-	740,403	
Finance lease receivables	1,325,738	-	1,325,738	
Investments in subsidiaries, associates and joint ventures	108,012	25,993	134,005	
Property, plant and equipment	1,027,301	(496)	1,026,805	
Investment property	15,983	-	15,983	
Goodwill	50,130	-	50,130	1
Intangible assets	346,427	(298)	346,129	2
Current tax assets	7,484	-	7,484	
Deferred tax asset	535,430	(95)	535,335	
Other assets	534,834	(1,201)	533,633	
Non-current assets held for sale	11,040	-	11,040	
TOTAL ASSETS	**70,809,786**	**10,443**	**70,820,229**	
LIABILITIES AND SHAREHOLDERS' EQUITY				
Due to banks	621,502	-	621,502	
Derivatives and other financial instruments held for trading	496,944	-	496,944	
Due to customers	53,665,039	12,985	53,678,024	
Borrowed funds	7,600,823	-	7,600,823	
Subordinated debts	1,237,282	-	1,237,282	
Current tax liability	40,116	(131)	39,985	
Deferred tax liability	-	-	-	
Provisions	330,068	-	330,068	
Other liabilities	846,553	(2,412)	844,141	
TOTAL LIABILITIES	64,838,327	10,442	64,848,769	
Share capital	2,515,622	-	2,515,622	3
Other reserves	(2,322,104)	-	(2,322,104)	4
Retained earnings and other reserves	5,719,947	1	5,719,948	5
Non-controlling interest	57,994	-	57,994	6
TOTAL EQUITY	**5,971,459**	**1**	**5,971,460**	
TOTAL LIABILITIES AND EQUITY	**70,809,786**	**10,443**	**70,820,229**	

(1) Prudential restatements refer to treatment differences of subsidiaries excluded from prudential consolidation scope, i.e. BRD Asset Management is included in prudential consolidation with equity method.

OWN FUNDS

BRD Group regulatory own funds as at June 30, 2022 amounted to RON 7,479 million (including current year net result) compared to RON 7,422 million as at December 31, 2021 (including 2021 net result, net of approved dividends and after the exceptional dividend payment from 2019 and 2020 retained earnings, amounting RON 1.68bn, as approved by the GSM on 24th of February 2022) and consist of common equity capital (CET1) and Tier 2 instruments.

Common Equity Capital (CET1) is formed of:

- Eligible Capital includes the nominal share capital and the hyperinflation adjustment of share capital accounted until December 31, 2003. As at December 31, 2021, the share capital amounted to RON 696.9 million, unchanged versus previous periods. The hyperinflation adjustment amounted to RON 1,819 million.

- Eligible Reserves include:

  - ✓ Retained earnings, which represent the undistributed profits of previous periods and retained earnings arising from IFRS implementation adjustments.

  - ✓ Other reserves: legal reserve, general reserve for credit risk, fund for general banking risk, representing reserves established by the law and the share based payment reserves.

- Other comprehensive income (OCI) includes unrealized gains and losses from changes in the fair value of debt instruments at fair value through other comprehensive income and from re-measurement of defined benefit liability arising from the post-employment benefit plan. Starting 2021 end, BRD applies the temporary treatment of unrealized gains and losses measured at fair value through other comprehensive income, according to art. 468 of Regulation (EU) 575/2013 as amended by Regulation (EU) 873/2020 as regards certain adjustments in response to the COVID19 pandemic.

Regulatory deductions from CET 1 applicable as at June 30, 2022 essentially involved the following elements:

- Starting 31 December 2020, goodwill and intangible assets that are not prudently valuated as per Regulation 876/2019 are deducted 100% from CET 1 (as compared to previous periods when intangible assets accounting value was fully deducted from CET 1). Under this current approach, the positive difference between the prudential and the accounting amortisation becomes fully deducted from the CET 1 capital, while the residual portion of the carrying value of the software prudently valuated is risk weighted at 100%. Goodwill is fully deducted from CET 1 capital.
- Contingent or any foreseeable tax charges related to CET 1 reserves taxable upon utilization to cover losses or risks.

As at June 2022 end, BRD's regulatory own funds consist of common equity capital (CET1) and Tier 2 instruments. Tier 2 instruments consist of two subordinated loans, of EUR 250 million (RON equivalent 1,236 m) in total, concluded with the parent.

CAPITAL RATIOS AND REQUIREMENTS INCLUDING BUFFERS

On top of the total regulatory ratio of 8% set by Art 92 from CRR, starting 2016, based on NBR requirements, BRD Group maintains additional own funds to cover risks resulting from internal assessment and SREP (Supervisory Review and Evaluation Process) amounting to 5.87% of RWA during 2022 (4.59% during 2021). Thus, the TSCR ratio (total SREP capital requirements) for BRD Group is 13.87% for 2022 (12.59% for 2021).

Overall capital requirements (OCR) represent the total of SREP requirements and capital buffers, namely:

- A Conservation Buffer in CET 1 capital intended to absorb losses during periods of stress. This buffer is mandatory and fully effective from 1 January 2019 and amounts to 2.5% of total RWA.

- A Countercyclical Buffer that may be imposed during periods of excessive credit growth when system-wide risk is building up and is capped at 2.5% of total RWA. According to NBR Order 12/2015 the level of countercyclical buffer was established at 0% for credit exposures in Romania. BRD Group maintained an overall countercyclical buffer rate, 0.0035263439% of total risk weighted assets (1.19 million RON) at June 30, 2022, driven by relevant credit risk exposures on non-Romanian entities (mainly from Czech Republic). According to NBR Order 6/ 2021 amending the NBR Order 12/2015, the level of countercyclical buffer for credit exposures in Romania is 0.5%, applicable starting October 17th, 2022.

- Other systemically important institutions (O-SIIs) identified by NBR which have been authorized in Romania may be subject to an O-SII Capital Buffer of up to 2% of the total RWA. BRD was identified as O-SII by NBR and O-SII Capital Buffer was 1% starting 1st of January 2016 until December 2021 end. Based on a new calibration methodology, starting 1st of January 2022 the O-SII Capital Buffer for BRD is 1.5% of total RWA.

- A Systemic Risk Buffer was imposed, according to NBR Order 4/2018, starting with 30th of June 2018, with the aim of supporting the adequate management of credit risk and enhancing banking sector resilience to unanticipated shocks, amid unfavourable structural circumstances. The buffer is applied to all exposure and is calibrated at 0% - 2%, depending on the level of the non-performing loans ratio and the coverage ratio. The systemic risk buffer applicable for BRD is 0%. Following the publishment of NBR Regulation 2/2022 from 1st of February 2022, amending Regulation 5/2013, the requirement for structural buffers will be the sum of O-SII buffer and Systemic Risk Buffer.

The table below provides a breakdown of the constituting elements of own funds as of June 30, 2022.

Table 3: EU CC1 - Composition of regulatory own funds

		Amounts	Source based on references to the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	2,515,622	see EU CC2 (3)
	of which: Instrument type 1	-	
	of which: Instrument type 2	-	
	of which: Instrument type 3	-	
2	Retained earnings	4,556,702	see EU CC2 (5) minus other reserves presented in lines 3 and EU-3a below (554m RON)
3	Accumulated other comprehensive income (and other reserves)	(1,938,128)	-2 322 MRON Accumulated other comprehensive income; +384 MRON other reserves see EU CC2 (4)
EU-3a	Funds for general banking risk	170,762	+171 MRON Funds for general banking risk
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	accounting minority interest not eligible for inclusion in CET 1 see EU CC2 (6)
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	585,206	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**5,890,164**	

Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(124,362)	
8	Intangible assets (net of related tax liability) (negative amount)	(246,192)	deduction of intagibles that are not prudently valuated as per CRR 2, part of EU CC2 (1,2)
9	Not applicable	-	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
20	Not applicable	-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitisation positions (negative amount)	-	
EU-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
24	Not applicable	-	
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	(275,078)	Potential fiscal liabilities
26	Not applicable	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	998,080	+998 MRON accumulated other comprehensive income adjustment as per Article no 468, Regulation EU 873/2020 -0.1 MRON insufficient coverage for non-performing exposures;
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**352,448**	
29	**Common Equity Tier 1 (CET1) capital**		
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	-	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
41	Not applicable	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	-	
44	**Additional Tier 1 (AT1) capital**	-	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**6,242,612**	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	-	
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	**Tier 2 (T2) capital before regulatory adjustments**	-	

Tier 2 (T2) capital: regulatory adjustments		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-
54a	Not applicable	-
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-
56	Not applicable	-
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-
EU-56b	Other regulatory adjustments to T2 capital	-
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**
58	**Tier 2 (T2) capital**	**1,236,350.00**
59	**Total capital (TC = T1 + T2)**	**7,478,962.00**
60	**Total Risk exposure amount**	**33,831,763.12**
Capital ratios and requirements including buffers		
61	Common Equity Tier 1 capital	18.4519%
62	Tier 1 capital	18.4519%
63	Total capital	22.1063%
64	Institution CET1 overall capital requirements	11.8054%
65	of which: capital conservation buffer requirement	2.5000%
66	of which: countercyclical capital buffer requirement	0.0035%
67	of which: systemic risk buffer requirement	0.0000%
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	1.5000%
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	3.3019%
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	13.9519%
National minima (if different from Basel III)		
69	Not applicable	-
70	Not applicable	-
71	Not applicable	-
Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	7,937
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	88,636
74	Not applicable	-
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	365,565
Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

TEMPORARY TREATMENT IN OWN FUNDS

According to Regulation (EU) 2017/2395 amending Regulation (EU) 575/2013, as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds, BRD decided not to apply the transitional arrangements set out under Art 473a of Regulation (EU) 575/2013. As such, own funds include the total impact from IFRS 9 adoption as at January 1, 2018.

In accordance with Article 468(3) of Regulation (EU) No 575/2013 as amended by Regulation (EU) 873/2020 as regards certain adjustments in response to the pandemic COVID-19 pandemic, BRD - Groupe Société Générale has decided to apply the treatment of unrealised gains and losses resulting from fair value measurement through other comprehensive income provided for in Article 468(1) and (2) in the calculation of own funds.

As such, the table below discloses the comparison of BRD's own funds, capital and leverage ratios with and without the application of the temporary treatment in accordance with Article 468 of the CRR.

Table 4: IFRS 9/ Article 468 impact : Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the temporary treatment in accordance with Article 468 of the CRR

		30.06.2022	31.03.2022
Available capital (amounts)			
1	Common Equity Tier 1 (CET1) capital	6,242,612	6,376,890
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	6,242,612	6,376,890
2a	CET1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied	5,244,440	5,887,595
3	Tier 1 capital	6,242,612	6,376,890
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	6,242,612	6,376,890
4a	Tier 1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	5,244,440	5,887,595
5	Total capital	7,478,962	6,871,550
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7,478,962	6,871,550
6a	Total capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	6,480,790	6,382,255
Risk-weighted assets (amounts)			
7	Total risk-weighted assets	33,831,763	32,501,603
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	33,831,763	32,501,603
8a	Total risk-weighted assets as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	34,307,568	32,735,154
Capital ratios			
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	18.4519%	19.6202%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.4519%	19.6202%
10a	CET1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	15.2865%	17.9855%
11	Tier 1 (as a percentage of risk exposure amount)	18.4519%	19.6202%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.4519%	19.6202%
12a	Tier 1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	15.2865%	17.9855%
13	Total capital (as a percentage of risk exposure amount)	22.1063%	21.1422%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	22.1063%	21.1422%
14a	Total capital (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	18.8903%	19.4966%
Leverage ratio			
15	Leverage ratio total exposure measure	79,558,740	81,131,509
16	Leverage ratio	7.8465%	7.8690%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7.8465%	7.8690%
17a	Leverage ratio as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	6.6757%	7.2569%

3 - Capital requirements

MINIMUM CAPITAL REQUIREMENTS

From a regulatory perspective, capital requirements cover:

- credit risk
- operational risk, foreign exchange risk and settlement risk
- position risk in trading book
- credit valuation adjustment risk for OTC derivative instruments.

The calculation of credit risk capital requirement takes into account the transactions' risk profile and is computed according to the standardized approach (CRR Part 3, Title 2, Chapter 2) using the Financial Collateral Comprehensive Method and information regarding credit assessments performed by external credit assessment institutions (ECAI). All CRR2 requirements have been implemented as of June 2021.

The capital requirement for general position risk is calculated using the Maturity-based method. Capital requirement for credit valuation adjustment is determined using the standardized method.

The capital requirement for operational risk is calculated according the CRR, Part 3, Title 2, Chapter 4, using advanced measurement approaches (AMA). BRD, as a member of the Société Générale Group, uses AMA to measure operational risk since 2008 based on the SG internal methodology and calculation. The allocation of operational risk capital requirements to the sub-consolidated entities is based on net banking income and history of operational risk losses.

An overview of total risk exposure amounts and own fund requirements corresponding to the RWAs for the different risk categories is presented in the table below.

Table 5: EU OV1 - Overview of total risk exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
		30.06.2022	31.03.2022	30.06.2022
1	**Credit risk (excluding CCR)**	**30,883,781**	**29,669,856**	**2,470,702**
2	Of which the standardised approach	30,883,781	29,669,856	2,470,702
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	-	-	-
EU 4a	Of which equities under the simple riskweighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	**Counterparty credit risk - CCR**	**432,904**	**473,455**	**34,632**
7	Of which the standardised approach	219,728	236,397	17,578
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-
EU 8b	Of which credit valuation adjustment - CVA	213,177	237,058	17,054
9	Of which other CCR	-	-	-
10	Not applicable	-	-	-
11	Not applicable	-	-	-
12	Not applicable	-	-	-
13	Not applicable	-	-	-
14	Not applicable	-	-	-
15	**Settlement risk**	**-**	**-**	**-**
16	**Securitisation exposures in the non-trading book (after the cap)**	**-**	**-**	**-**
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	-	-	-
EU 19a	Of which 1250% / deduction	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**111,274**	**147,996**	**8,902**
21	Of which the standardised approach	111,274	147,996	8,902
22	Of which IMA	-	-	-
EU 22a	**Large exposures**	**-**	**-**	**-**
23	**Operational risk**	**2,403,804**	**2,210,295**	**192,304**
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	-	-	-
EU 23c	Of which advanced measurement approach	2,403,804	2,210,295	192,304
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	1,135,503	755,486	90,840
25	Not applicable	-	-	-
26	Not applicable	-	-	-
27	Not applicable	-	-	-
28	Not applicable	-	-	-
29	**Total**	**33,831,763**	**32,501,603**	**2,706,541**

The total risk exposure amount increased by 4% as compared to March 31, 2022 end, mainly on higher credit risk exposure, following a dynamic lending activity on both corporates and retail customers. As a result, minimum own funds requirements as at June 30, 2022 increased by 4% compared to March 31, 2022, mainly driven by increasing capital requirements for credit risk, which represent around 90% of the total own funds requirements.

4 - Countercyclical capital buffers

The countercyclical capital buffer (CCB) is part of the macro prudential toolkit included in the CRD IV/CRR legislative framework. The European Systemic Risk Board (ESRB) recommends this instrument to be implemented in order to reduce and prevent excessive credit growth and leverage. The aim of the CCB is to improve the banking sector’s resilience to possible shocks. The decision to activate the countercyclical capital buffer is based on the deviation of the credit-to-GDP ratio from its long-term trend (the main indicator, as recommended by the ESRB), as well as the analysis of additional indicators capturing potential vulnerabilities in the development of credit and leverage. The release of the CCB should take place either as a result of the materialization of the risk or as a result of the successful mitigation of said risk.

The countercyclical capital buffer is aimed at monitoring the credit market developments at aggregate level. However, the structure of lending is also analyzed in order to identify any disproportionate build-up of risks (e.g. a concentration of foreign currency lending). Should this be the case, additional macro prudential tools, such as Loan To Value or Debt Service To Income ratios or sectoral limits, could be implemented (as set forth in the ESRB recommendations as well).

A Countercyclical Buffer may be imposed during periods of excessive credit growth when system-wide risk is building up and is capped at 2.5% of total RWA. According to NBR Order 12/2015 the level of countercyclical buffer was established at 0% for credit exposures in Romania. To be mentioned that NBR issued Order 6/ Nov 2021 amending the NBR Order 12/2015, according to which the level of countercyclical buffer for credit exposures in Romania is 0.5% (from 0% previously), applicable starting October 17, 2022.

BRD Group maintained an overall countercyclical buffer rate of 0.003526% of total risk weighted assets (1.19 million RON) at June 30, 2022, driven by relevant credit risk exposures on non-Romanian entities (mainly from Czech Republic).

The geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer is presented in the table below.

Table 6: EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
010 **Breakdown by country:**													
Romania	40,729,633	-	-	-	-	40,729,633	2,298,630	-	-	2,298,630	28,732,881	97.61%	0.00%
Czech Republic	231,120	-	-	-	-	231,120	18,483	-	-	18,483	231,039	0.78%	0.50%
Luxembourg	4,683	-	-	-	-	4,683	307	-	-	307	3,837	0.01%	0.50%
Bulgaria	4,825	-	-	-	-	4,825	277	-	-	277	3,462	0.01%	0.50%
Norway	226	-	-	-	-	226	7	-	-	7	89	0.00%	1.50%
Slovakia	1	-	-	-	-	1	0	-	-	0	0	0.00%	1.00%
Other countries	519,309	-	-	-	-	519,309	37,100	-	-	37,100	463,747	1.58%	0.00%
020 **Total**	**41,489,797**	**-**	**-**	**-**	**-**	**41,489,797**	**2,354,804**	**-**	**-**	**2,354,804**	**29,435,055**	**100%**	

Table 7: EU CCyB2 - Amount of institution-specific countercyclical capital buffer

		30.06.2022	31.12.2021
1	Total risk exposure amount	33,831,763	31,362,483
2	Institution specific countercyclical capital buffer rate	0.0035263439%	0.0040301398%
3	Institution specific countercyclical capital buffer requirement	1,193	1,264

5 - Credit risk quality

According to Article 442 of Regulation (EU) No 2019/876, credit institutions should disclose information regarding credit quality of assets.

The following tables present the information on the amounts and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet, including their related accumulated impairment, provision and negative fair value changes due to credit risk and amounts of collateral and financial guarantees received. The credit quality of forborne exposures and of performing and non-performing exposures is presented by geographical area and industry sector, with provisions and associated collateral.

The non-performing loan (NPL) ratio at BRD Group level at June 30, 2022 was 3.20% (lower than the 5% threshold which, according to EBA ITS, triggers additional disclosures on credit risk quality). This ratio is calculated in accordance with the instructions relating to the requirements of prudential disclosures published by the EBA, and represents the ratio of the gross carrying amount of NPLs and advances to the total gross carrying amount of loans and advances subject to the NPE (non performing exposures) definition. For the purpose of this calculation, loans and advances classified as held for sale, cash balances at central banks and other demand deposits are to be excluded both from the denominator and from the numerator.

Table 8: EU CR1 - Performing and non-performing exposures and related provisions

		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	5,715,163	5,715,163	-	-	-	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	43,250,859	34,731,038	8,519,822	1,432,049	-	1,432,049	(978,657)	(406,574)	(572,083)	(1,069,842)	-	(1,069,842)	-	22,283,411	258,512
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	554,541	488,672	65,868	170	-	170	(12,091)	(7,289)	(4,802)	(152)	-	(152)	-	100,363	-
040	*Credit institutions*	6,263,472	6,263,406	66	21	-	21	(81)	(81)	-	(21)	-	(21)	-	-	-
050	*Other financial corporations*	434,026	168,014	266,012	132	-	132	(12,296)	(3,073)	(9,223)	(105)	-	(105)	-	12,155	10
060	*Non-financial corporations*	13,191,759	11,637,338	1,554,421	572,108	-	572,108	(377,950)	(260,390)	(117,560)	(417,880)	-	(417,880)	-	7,764,786	142,170
070	*Of which SMEs*	6,943,141	5,869,174	1,073,968	463,389	-	463,389	(248,106)	(169,319)	(78,788)	(349,655)	-	(349,655)	-	5,327,331	103,944
080	*Households*	22,807,062	16,173,608	6,633,454	859,617	-	859,617	(576,239)	(135,741)	(440,498)	(651,684)	-	(651,684)	-	14,406,108	116,332
090	Debt securities	16,500,692	16,500,692	-	-	-	-	(7,976)	(7,976)	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	16,330,845	16,330,845	-	-	-	-	(6,212)	(6,212)	-	-	-	-	-	-	-
120	*Credit institutions*	152,945	152,945	-	-	-	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	16,902	16,902	-	-	-	-	(1,764)	(1,764)	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	20,856,750	18,810,360	2,046,390	223,162	-	223,162	(118,476)	(91,507)	(26,968)	(158,176)	-	(158,176)	-	3,241,963	35,251
160	*Central banks*	5,097	5,097	-	-	-	-	-	-	-	-	-	-	-	-	-
170	*General governments*	212,772	207,820	4,952	-	-	-	(1,180)	(1,179)	(1)	-	-	-	-	7,365	-
180	*Credit institutions*	607,612	605,955	1,657	-	-	-	(154)	(154)	-	-	-	-	-	579,177	-
190	*Other financial corporations*	1,483,187	1,399,326	83,861	-	-	-	(514)	(197)	(316)	-	-	-	-	8,146	-
200	*Non-financial corporations*	16,529,958	14,649,272	1,880,686	202,127	-	202,127	(109,467)	(85,855)	(23,612)	(155,428)	-	(155,428)	-	2,640,396	35,116
210	*Households*	2,018,124	1,942,890	75,234	21,035	-	21,035	(7,161)	(4,121)	(3,040)	(2,748)	-	(2,748)	-	6,879	136
220	***Total***	**86,323,464**	**75,757,252**	**10,566,212**	**1,655,211**	**-**	**1,655,211**	**(1,105,108)**	**(506,057)**	**(599,052)**	**(1,228,018)**	**-**	**(1,228,018)**	**-**	**25,525,374**	**293,764**

Table 9: EU CR1 - A: Maturity of exposures

		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	-	16,907,404	13,002,488	12,724,517	-	42,634,409
2	Debt securities	-	177,298	5,652,673	10,662,745	-	16,492,716
3	***Total***	**-**	**17,084,702**	**18,655,161**	**23,387,261**	**-**	**59,127,125**

Table 10: EU CQ1 - Credit quality of forborne exposures

		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	50,254	282,786	282,786	282,786	(5,680)	(203,829)	83,809	58,782
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	3,675	176,711	176,711	176,711	(184)	(140,760)	37,904	34,056
070	*Households*	46,578	106,075	106,075	106,075	(5,496)	(63,069)	45,905	24,726
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	1,884	1,969	1,969	1,969	68	1,177	-	-
100	***Total***	**52,138**	**284,755**	**284,755**	**284,755**	**(5,612)**	**(202,652)**	**83,809**	**58,782**

Table 11: EU CQ4 - Quality of non-performing exposures by geography

		Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
010	***On-balance-sheet exposures***	***61,183,599***	***1,432,049***	***1,432,049***	***61,183,599***	***(2,056,475)***		-
020	*Romania*	*50,456,444*	*1,426,485*	*1,426,485*	*50,488,436*	*(2,047,669)*		-
030	*Germany*	*2,323,733*	*117*	*117*	*2,300,179*	*(304)*		-
040	*Austria*	*634,667*	*29*	*29*	*634,667*	*(49)*		-
050	*France*	*5,934,940*	*516*	*516*	*5,926,502*	*(786)*		-
060	*Belgium*	*647,912*	*159*	*159*	*647,912*	*(141)*		-
070	*Czech Republic*	*342,384*	*1,702*	*1,702*	*342,384*	*(166)*		-
	Other countries	*843,520*	*3,039*	*3,039*	*843,520*	*(7,360)*		-
080	***Off-balance-sheet exposures***	***21,079,912***	***223,162***	***223,162***	**-**	**-**	***(276,651)***	
090	*Romania*	*18,436,938*	*223,134*	*223,134*	-	-	*(274,430)*	
100	*Germany*	*25,094*	-	-	-	-	*(3)*	
110	*Austria*	*964*	-	-	-	-	*(24)*	
120	*France*	*301,597*	*3*	*3*	-	-	*(236)*	
130	*Belgium*	*18,779*	-	-	-	-	*(81)*	
140	*Czech Republic*	*1,350,189*	-	-	-	-	*(0)*	
	Other countries	*946,351*	*25*	*25*	-	-	*(1,878)*	
150	***Total***	***82,263,512***	***1,655,211***	***1,655,211***	***61,183,599***	***(2,056,475)***	***(276,651)***	**-**

Table 12: EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry

		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing	1,243,896	64,927	64,927	1,243,896	(90,497)	-
020	Mining and quarrying	77,988	1,947	1,947	77,988	(2,538)	-
030	Manufacturing	2,424,261	54,878	54,878	2,424,261	(101,780)	-
040	Electricity, gas, steam and air conditioning supply	1,729,571	46,033	46,033	1,729,571	(33,680)	-
050	Water supply	154,804	2,120	2,120	154,804	(6,546)	-
060	Construction	839,791	119,093	119,093	839,791	(108,524)	-
070	Wholesale and retail trade	3,668,951	59,781	59,781	3,668,951	(123,816)	-
080	Transport and storage	962,583	35,636	35,636	962,583	(41,013)	-
090	Accommodation and food service activities	335,096	49,920	49,920	335,096	(74,433)	-
100	Information and communication	429,048	4,184	4,184	429,048	(24,540)	-
110	Financial and insurance actvities	305,044	1,808	1,808	305,044	(6,785)	-
120	Real estate activities	608,046	71,587	71,587	608,046	(83,644)	-
130	Professional, scientific and technical activities	192,809	26,847	26,847	192,809	(24,097)	-
140	Administrative and support service activities	167,074	10,527	10,527	167,074	(9,266)	-
150	Public administration and defense, compulsory social security	2,021	16	16	2,021	(74)	-
160	Education	32,949	568	568	32,949	(3,815)	-
170	Human health services and social work activities	387,319	4,335	4,335	387,319	(17,504)	-
180	Arts, entertainment and recreation	76,313	1,354	1,354	76,313	(11,484)	-
190	Other services	126,304	16,547	16,547	126,304	(31,795)	-
200	**Total**	**13,763,867**	**572,108**	**572,108**	**13,763,867**	**(795,830)**	**-**

Table 13: EU CQ7 - Collateral obtained by taking possession and execution processes

		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	-	-
020	Other than PP&E	6,009	(943)
030	*Residential immovable property*	1,474	-
040	*Commercial Immovable property*	-	-
050	*Movable property (auto, shipping, etc.)*	4,535	(943)
060	*Equity and debt instruments*	-	-
070	*Other collateral*	-	-
080	***Total***	***6,009***	***(943)***

In IFRS financial statements repossessed assets are classified in other assets category or as other assets held for sale based on business intention.

6 - Additional quantitative information on credit risk

To reduce the credit risks associated with its exposures, BRD seeks to use collateral as credit risk mitigation (CRM) technique, where possible.

The table below shows the amount of unsecured loans and secured loans, either by collateral or financial guarantees.

Table 14: EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
1	Loans and advances	25,807,648	22,541,924	18,303,263	4,238,661	-
2	Debt securities	16,492,716	-	-	-	-
3	Total	42,300,364	22,541,924	18,303,263	4,238,661	-
4	*Of which non-performing exposures*	103,694	258,512	222,242	36,271	-
EU-5	*Of which defaulted*	103,694	258,512	-	-	-

Note: Loans and advances from the table above include also exposure from central banks and sight deposits.

MAIN TYPES OF SECURITIES ACCEPTED AS CREDIT RISK MITIGATION TECHNIQUES

BRD has a cash flow-based lending approach, as the Bank expects the debt to be serviced primarily through the future cash flow (legal entities)/ income (individuals) generated by the debtor. Thus, credit risk mitigation techniques, in the form of collateral (funded credit protection) or guarantee (unfunded credit protection), are accepted merely to mitigate credit risk and they cannot serve as a substitute for the borrower's ability to meet obligations, which is the main credit decision driver. Their scope is to minimize the loss in case of debtor's default, through lowering the credit losses with the collateral execution proceeds or through transferring the risk to the guarantee's issuer.

The Bank accepts the following **main types of securities**:

- Financial collateral (cash, deposits, Romanian Government bonds, shares);
- Non-financial collateral (real estate, movable assets, receivables, intangibles, payment instruments);
- Guarantees (personal guarantees, letters of guarantee, letters of comfort, financial guarantees issued by guarantee funds and Eximbank, sovereign guarantees, endorsements).

The most frequent type of accepted collateral is represented by real estate assets.

Policies and processes for collaterals'/ guarantees' valuation and management

In order to reduce its credit risk-taking, BRD pursued an active management of securities by:

- Following a collateral policy structured along the dimensions presented below:
  - types of security accepted by the bank
  - strict criteria for validation, acceptance and eligibility of collateral/ guarantee
  - principles governing the management of securities, as well as of the roles and responsibilities involved in the process
- Assessments performed during the credit approval/ monitoring processes, on the guarantees and/ or collateral, from eligibility, validity and legal enforceability perspectives

- Periodical evaluation of the collateral portfolio, in order to reduce the discrepancies between the market value of collaterals and the value used by the Bank in its internal processes (monitoring, provisioning etc.)
- Estimation of the collateral recovery value by applying discount coefficients to its market value, when determining the level of provisions on individual assessment basis
- Regular monitoring through specific risk indicators
- Internal controls performed on valuation activity
- Implementing a set of risk management principles regarding concentration on credit risk mitigations techniques and, in order to ensure an appropriate monitoring, concentration limits defined on single protection provider.

For ***Real estate collaterals*** the market value is estimated by external or internal certified evaluators. Valuation is performed in accordance with the International Valuation Standards and ANEVAR Standards and Recommendations. Real estate valuations are verified by the competent units, independently from the credit approval process. The Bank uses the market approach and income approach as valuation methods for real estate. Revaluation is performed yearly for commercial/ industrial/ agricultural real-estate, plots of land, at least once every 3 years for residential real estate or with higher frequency if the real estate market displays a significant negative evolution.

Movable assets collaterals (machinery& equipment, inventories, other movables) are appraised based on the value recognized for financial or other related purposes (balance sheet, insurance etc.). The Bank monitors the movable assets market value on a frequent basis, but at least yearly. If the market is subject to significant changes, market value is monitored more frequently.

Before a ***guarantee*** is accepted, the protection provider is assessed in order to measure its solvency and risk profile, using the same principles as for direct credit exposures towards BRD's clients/ counterparties. The credit risk mitigation effect of guarantees is closely linked to the guarantor's creditworthiness and the secured amount must be reasonably proportionate to the economic performance capabilities of the protection provider. The main guarantor for BRD's clients is the Romanian State, which intervenes to sustain credit activity by national wide guarantee programs implemented through intermediation of guarantee funds (FNGCIMM or FGCR) or Eximbank, mainly "Prima Casa" program.

The breakdown of net exposures to credit risk (excluding CCR) by exposure class before and post CCF and CRM, as per COREP report as of June 30, 2022, is presented in the table below.

Table 15: EU CR4 - standardised approach – Credit risk exposure and CRM effects

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
1	Central governments or central banks	21,142,882	5,167	26,218,844	351,951	98,936	0.37%
2	Regional government or local authorities	987,225	187,764	998,765	93,768	325,015	29.75%
3	Public sector entities	5,314	22,694	5,314	3,459	8,773	0.00%
4	Multilateral development banks	167,524	-	223,784	3,079	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	4,425,953	603,220	4,425,953	351,354	1,117,702	23.40%
7	Corporates	11,024,411	17,509,034	10,030,768	4,973,899	13,859,405	92.37%
8	Retail	15,090,210	2,259,163	10,857,924	1,041,056	8,720,971	73.29%
9	Secured by mortgages on immovable property	9,135,020	102,041	9,135,020	62,677	3,508,759	38.15%
10	Exposures in default	348,814	63,571	285,683	27,189	316,166	101.05%
11	Exposures associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	141,942	-	141,942	-	274,896	193.67%
16	Other items	4,829,895	-	4,829,895	-	2,653,159	54.93%
17	**TOTAL**	**67,299,189**	**20,752,655**	**67,153,892**	**6,908,431**	**30,883,781**	**41.70%**

7 - Exposures subject to measures applied in response to the COVID-19 crisis

The outbreak of the COVID-19 pandemic has prompted rapid social and economic responses worldwide. Within the EU, Member States have implemented a broad range of support measures aimed at minimizing the medium- and long-term economic impacts of the pandemic. The response included some forms of moratorium on payments of credit obligations (with the aim of supporting the operational and liquidity challenges faced by borrowers), introduced either jurisdiction-wide (legislative moratorium) or voluntary industry-wide or through individual initiatives by institutions (non-legislative moratorium). In Romania, the moratorium reflects a combination of statewide legislation (GEO 37/2020, and GEO 227/2021) and various initiatives of the banking system.

In addition to legislative moratorium provisions, BRD has also designed internal deferral programs in order to support its debtors under the temporary distress. These measures fall into the non-legislative category.

In this context, EBA issued guidelines (EBA/GL/2020/08) to clarify the requirements for public and private moratoria, which if fulfilled, will help avoid the classification of exposures under the definition of forbearance or as defaulted under distressed restructuring. In addition, in order to ensure an appropriate understanding of institutions' risk profile and asset quality, and to strengthen transparency, in accordance to EBA/GL/2020/07, credit institutions identified as O-SII are subject to: i) disclosure requirements on exposures subject to legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis, and ii) disclosure requirements on newly originated exposures that are subject to public guarantee schemes applied in response to the COVID-19 crisis.

The below tables, are prepared according to EBA/GL/2020/07, with the reference date, June 30, 2022. Loans and advances subject to legislative and non-legislative moratoria expired as of December 31, 2021, as such the table containing information on loans and advances subject to legislative and non-legislative moratoria is no longer included.

Table 16: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

		Number of obligors	Gross carrying amount							
				Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
						<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1	Loans and advances for which moratorium was offered	41,342	2,702,445	-	-	-	-	-	-	-
2	Loans and advances subject to moratorium (granted)	37,363	2,578,000	1,524,675	2,578,000	-	-	-	-	-
3	of which: Households	-	2,113,331	1,313,609	2,113,331	-	-	-	-	-
4	*of which: Collateralised by residential immovable property*	-	1,705,565	1,015,280	1,705,565	-	-	-	-	-
5	of which: Non-financial corporations	-	464,669	211,066	464,669	-	-	-	-	-
6	*of which: Small and Medium-sized Enterprises*	-	383,372	179,885	383,372	-	-	-	-	-
7	*of which: Collateralised by commercial immovable property*	-	143,569	101,368	143,569	-	-	-	-	-

An additional measure within the relief package to support the economy at national level was the approval of an envelope of state guarantees and interest subsidies to support SME sector financing within IMM INVEST loan facility program (total value of guarantees that may be granted until 2022 end is 17.75 bn RON). The outstanding amount on the program exposures as of June 30, 2022 is presented below.

Table 17: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

		Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
			of which: forborne	Public guarantees received	Inflows to non-performing exposures
1	Newly originated loans and advances subject to public guarantee schemes	1,449,540	-	1,191,337	2,001
2	of which: Households	-			-
3	of which: Collateralised by residential immovable property	-			-
4	of which: Non-financial corporations	1,449,540	-	1,191,337	2,001
5	of which: Small and Medium-sized Enterprises	1,443,685			2,001
6	of which: Collateralised by commercial immovable property	36,618			-

8 - Leverage ratio

BRD computes and reports leverage ratio which is designed specifically to limit the risk of excessive leverage in credit institutions, in accordance with CRR2 provisions applicable since end June 2021.

The leverage ratio of BRD Group is well above the 3% minimum requirement, level enforced based on Regulation 2019/876 amending CRR starting with June 2021. It stands at 7.85% as at June 30, 2022, considering a Tier 1 capital amount of RON 6,243 million compared with a leverage exposure of RON 79,559 million (versus 9.05% as of December 30, 2021 considering a Tier 1 capital amount of RON 6,927 million and a leverage exposure of RON 76,500 million).

The consistent level of leverage ratio results from the strong capital base, namely high level of Common Equity Tier 1 capital and a balance-sheet structure specific to the universal bank business model with core focus on retail activities.

Table 18: EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		Applicable amount
1	Total assets as per published financial statements	70,809,944
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	10,285
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	433,595
9	Adjustment for securities financing transactions (SFTs)	28,444
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	7,815,344
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	461,128
13	**Total exposure measure**	**79,558,740**

Table 19: EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		30.06.2022	31.12.2021
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	67,545,382	67,523,266
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	627,526	(432,714)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	68,172,908	67,090,552
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	153,753	120,043
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	389,665	456,519
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivatives exposures	543,418	576,562
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	2,998,626	1,421,908
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	28,444	42,188
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	Total securities financing transaction exposures	3,027,070	1,464,096
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	21,028,688	20,579,083
20	(Adjustments for conversion to credit equivalent amounts)	(13,213,344)	(13,210,241)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	7,815,344	7,368,842
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	-	-
Capital and total exposure measure			
23	**Tier 1 capital**	**6,242,612**	**6,926,784**
24	**Total exposure measure**	**79,558,740**	**76,500,052**
Leverage ratio			
25	Leverage ratio (%)	7.8465%	9.0546%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	7.8465%	9.0546%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	7.8465%	9.0546%
26	Regulatory minimum leverage ratio requirement (%)	3.0000%	3.0000%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.0000%	0.0000%
EU-26b	of which: to be made up of CET1 capital	0.0000%	0.0000%
27	Leverage ratio buffer requirement (%)	0.0000%	0.0000%
EU-27a	Overall leverage ratio requirement (%)	3.0000%	3.0000%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	-	-
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	2,138,760	1,647,699
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	2,998,626	1,421,908
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	78,698,875	76,725,843
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	78,698,875	76,725,843
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.9323%	9.0280%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.9323%	9.0280%

Table 20: EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	67,545,382
EU-2	Trading book exposures	19,984
EU-3	Banking book exposures, of which:	67,525,398
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	21,142,882
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	1,160,062
EU-7	Institutions	4,405,970
EU-8	Secured by mortgages of immovable properties	9,135,020
EU-9	Retail exposures	15,090,210
EU-10	Corporates	11,024,411
EU-11	Exposures in default	348,814
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	5,218,030

9 - Liquidity requirements

BRD complies with the liquidity standards introduced by CRD IV, following the two liquidity ratios defined:

- short term - Liquidity Coverage Ratio (LCR)

  The liquidity coverage ratio (LCR) refers to the proportion of high liquid assets held to ensure the ongoing ability to meet short-term obligations (30 days horizon).

- medium term - Net Stable Funding Ratio (NSFR)

  Net Stable Funding ratio (NSFR) seeks to assess the proportion of Available Stable Funding ("ASF") via the liabilities over Required Stable Funding ("RSF") for the assets.

Their actual level is monitored in Assets and Liabilities Committee (ALCO) on a monthly basis.

As at 30 June 2022 the LCR stands at 312% in terms of monthly averages over the previous twelve months. The value of LCR as at June 2022 end is quite stable compared to March 2022 end, and lower with 38 bps compared with December 2021 value (the same methodology of previous 12 months average being applied).

BRD's liquidity buffer consists of cash and government bonds. A fundamental line of the liquidity strategy consists in maintaining a significant portfolio of government bonds. These represent the core liquidity buffer and are the high quality liquid assets available on the Romanian market. The portfolio can be used for obtaining liquidity through participation at the regular open market operations of the central bank, through access to the Lombard refinancing facility, through sell/buy-back transactions in the interbank market, or through outright sale.

Having in view the evolution observed for the LCR in terms of monthly averages over the previous twelve months preceding the end of the second quarter of 2022, respectively the end of the second quarter of 2021, following conclusions are to be noted:

- LCR has decreased from 398% to 312%;
- High Quality Liquid Assets averages have observed an increase of 7%;
- Net Outflows Averages have observed an increase of 37%, having in view:
  - 15% increase in Outflows averages
  - 7% decrease in Inflows averages

Table 21: EU LIQ1 - Quantitative information of LCR

		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2022	3/31/2022	12/31/2021	9/30/2021
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					21,985,408	22,163,338	21,677,385	21,339,414
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	36,303,639	36,059,566	35,589,860	35,191,256	2,235,995	2,190,796	2,142,978	2,111,013
3	*Stable deposits*	25,354,643	25,295,644	24,976,877	24,701,532	1,267,732	1,264,782	1,248,844	1,235,077
4	*Less stable deposits*	10,948,996	10,763,922	10,612,983	10,489,724	968,263	926,014	894,134	875,936
5	Unsecured wholesale funding	17,552,667	16,923,889	16,583,955	15,957,193	8,769,672	8,337,072	8,194,424	7,908,732
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-	-	-	-	-	-	-
7	*Non-operational deposits (all counterparties)*	17,552,667	16,923,889	16,583,955	15,957,193	8,769,672	8,337,072	8,194,424	7,908,732
8	*Unsecured debt*	-	-	-	-	-	-	-	-
9	*Secured wholesale funding*					-	-	-	-
10	Additional requirements	5,774,151	5,364,306	4,887,834	4,522,677	468,379	433,388	389,935	357,288
11	*Outflows related to derivative exposures and other collateral requirements*	620.3	667.1	707.2	269.7	620.3	667.1	707.2	269.7
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	5,773,531	5,363,639	4,887,127	4,522,407	467,758	432,721	389,228	357,019
14	Other contractual funding obligations	271,791	272,045	205,134	209,403	271,791	272,045	205,134	209,403
15	Other contingent funding obligations	-	-	-	-	-	-	-	-
16	TOTAL CASH OUTFLOWS					11,745,837	11,233,301	10,932,470	10,586,437
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	1,375,210	1,375,279	1,543,063	1,461,964	-	-	-	-
18	Inflows from fully performing exposures	4,762,346	4,573,143	4,804,791	5,059,570	4,547,088	4,355,417	4,586,163	4,846,375
19	Other cash inflows	145,833	143,708	149,761	179,449	145,833	143,708	149,761	179,449
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	6,283,389	6,092,130	6,497,614	6,700,984	4,692,921	4,499,125	4,735,923	5,025,824
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	6,283,389	6,092,130	6,497,614	6,700,984	4,692,921	4,499,125	4,735,923	5,025,824
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					21,985,408	22,163,338	21,677,385	21,339,414
22	TOTAL NET CASH OUTFLOWS					7,052,916	6,734,177	6,196,547	5,560,613
23	LIQUIDITY COVERAGE RATIO					311.7208%	329.1173%	349.8301%	383.7601%

Table 22: EU LIQ2 - Net Stable Funding Ratio

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments		932	-	7,127,123	7,127,123
2	*Own funds*		932	-	7,127,123	7,127,123
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		34,659,873	1,286,629	340,052	34,074,622
5	*Stable deposits*		26,576,427	1,077,933	249,115	26,520,756
6	*Less stable deposits*		8,083,447	208,696	90,937	7,553,866
7	Wholesale funding:		20,917,280	617,400	4,234,673	12,044,276
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		20,917,280	617,400	4,234,673	12,044,276
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:		1,397,928	2,532	57,994	59,260
12	*NSFR derivative liabilities*					
13	*All other liabilities and capital instruments not included in the above categories*		1,397,928	2,532	57,994	59,260
14	**Total available stable funding (ASF)**					**53,305,280**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)		-	-	-	-
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		12,939,735	3,910,040	26,799,932	26,178,681
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		2,999,123	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		4,583,617	26,334	195,298	666,826
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		5,347,032	3,865,317	17,992,458	25,511,855
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	5,612,091
22	*Performing residential mortgages, of which:*		9,964	18,389	8,612,176	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		9,964	18,389	8,612,176	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		-	-	-	-
25	Interdependent assets		-	-	-	-
26	Other assets:		1,603,339	62,046	1,713,237	2,544,469
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*				-	-
29	*NSFR derivative assets*				-	-
30	*NSFR derivative liabilities before deduction of variation margin posted*				182,630.9	9,131.5
31	*All other assets not included in the above categories*		1,420,708	62,046	1,713,237	2,535,338
32	Off-balance sheet items		3,901,710	1,098,896	3,604,985	492,051
33	**Total RSF**					**29,215,201**
34	**Net Stable Funding Ratio (%)**					**182.4573%**

Legal framework	Topic	Title
Regulation (EU) 2019/876, Art 437	Disclosure of own funds	EU CC1 - Composition of regulatory own funds EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements
Regulation (EU) 2019/876, Art 438	Disclosureof own funds requirements and risk-weighted exposure amounts	EU OV1 - Overview of total risk exposure amounts EU KM1 - Key metrics template
NBR Instruction 20/10/2020 EBA/GL/2020/12	Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the temporary treatment in accordance with Article 468 of the CRR	Formular IFRS 9/Article 468 impact
Regulation (EU) 2019/876, Art 440	Disclosure of countercyclical capital buffers	EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer EU CCyB2 - Amount of institution-specific countercyclical capital buffer
Regulation (EU) 2019/876, Art 442	Disclosure of credit risk quality	EU CR1: Performing and non-performing exposures and related provisions EU CR1 - A: Maturity of exposures EU CQ1: Credit quality of forborne exposures EU CQ4: Quality of non-performing exposures by geography EU CQ5: Credit quality of loans and advances to non-financial corporations by industry EU CQ7: Collateral obtained by taking possession and execution processes
EBA/GL/2020/07; NBR Instruction 03/08/2020	Exposures subject to measures applied in response to the COVID-19 crisis	Template 2 COVID 19: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria Template 3 COVID 19: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis
Regulation (EU) 2019/876, Art 451	Disclosure of leverage ratio	EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures EU LR2 - LRCom: Leverage ratio common disclosure EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)
Regulation (EU) 2019/876, Art 451a	Disclosure of liquidity requirements	EU LIQ1 - Quantitative information of LCR EU LIQ2: Net Stable Funding Ratio
Regulation (EU) 2019/876, Art 453	Disclosure of the use of credit risk mitigation techiniques	EU CR3: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques EU CR4: Standardised approach – Credit risk exposure and CRM effects

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