

Quarterly Report

September 30, 2015

according to National Securities Commission Regulation
no 1/2006

YOUR BANK. YOUR TEAM



GRUPE SOCIETE GENERALE



CONTENTS

1. THE COMPANY AND ITS SHAREHOLDERS	3
2. ECONOMIC AND BANKING ENVIRONMENT	7
3. COMMERCIAL ACTIVITY	8
4. FINANCIAL RESULTS AND RATIOS.....	11

1. THE COMPANY AND ITS SHAREHOLDERS

BRD – GROUPE SOCIÉTÉ GÉNÉRALE PROFILE

BRD - Groupe Société Générale („BRD” or „the Bank”) was set up on December 1st, 1990 as an independent bank with the legal status of a joint-stock company and with the share capital mainly held by the Romanian State, by taking over the assets and liabilities of Banca de Investitii (the Investment Bank).

In March 1999, Société Générale (“SG”) bought a stake representing 51% of the share capital, increasing its holding to 58.32% in 2004, through the acquisition of the residual stake from the Romanian State. As at September 30, 2015, SG was holding 60.17% of the share capital.

Starting 2001, BRD-Groupe Société Générale operates as an open joint-stock company, admitted to trading on a regulated market, according to the companies’ legislation, banking legislation, capital market regulations, provisions of the Articles of Incorporation and other internal regulations.

BRD identification data are the following:

- **Head Office:** Blvd. Ion Mihalache No. 1-7, sect. 1, Bucuresti
- **Phone/Fax:** 021.3016100 / 021.3016800
- **Sole registration number with the Trade Registry:** 361579/10.12.1992
- **Fiscal Code:** RO 361579/10.12.1992
- **Order number with the Trade Registry:** J40-608-1991
- **Number and date of registration in the Credit Institutions Register:** RB - PJR - 40 – 007/18.02.1999
- **Share capital subscribed and paid:** 696.901.518 lei
- **Regulated market on which the issued securities are traded:** Bucharest Stock Exchange – Premium Tier
- **The main characteristics of securities issued by the company:** ordinary shares with a nominal value of 1 RON

EXTERNAL RATING

As at September 30, 2015 the Bank had the following ratings:

Fitch Ratings (rating date: 9-Dec-2014)	Rating
Foreign-Currency Short-Term Issuer Default Rating	F2
Foreign-Currency Long-Term Issuer Default Rating	BBB+
Support Rating	2

Moody's (rating date: 10-Sept-2015)	Rating
Global Local Currency Short-Term Deposit	Not prime
Global Local Currency Long-Term Deposit	Ba1
Foreign Currency Short-Term Deposit	Not prime
Foreign Currency Long-Term Deposit	Ba1

BRD GROUP („GROUP”) consolidates the following entities:

- BRD - Groupe Société Générale S.A.;
- BRD Sogelease IFN SA;
- BRD Finance IFN SA;
- BRD Asset Management SAI SA;

1. THE COMPANY AND ITS SHAREHOLDERS

SOCIÉTÉ GÉNÉRALE PROFILE

Société Générale was set up in 1864 as a banking company, registered in France. Its head office is located on 29 Boulevard Haussmann, 75009, Paris, France, and its shares are listed on the Paris Stock Exchange.

Société Générale is one of the largest European financial services groups. Based on a diversified universal banking model, the Group combines financial solidity with a strategy of sustainable growth, and aims to be the reference for relationship banking, recognised on its markets, close to clients, chosen for the quality and commitment of its teams.

Société Générale has been playing a vital role in the economy for 150 years. With more than 148,000 employees, based in 76 countries, Société Générale accompanies 30 million clients throughout the world on a daily basis. Société Générale's teams offer advice and services to individual, corporate and institutional customers in three core businesses:

- *Retail banking in France* with the Société Générale branch network, Credit du Nord and Boursorama, offering a comprehensive range of multi-channel financial services on the leading edge of digital innovation;
- *International retail banking, financial services and insurance* with a presence in emerging economies and leading specialised businesses;
- *Corporate and investment banking, private banking, asset management and securities services*, with recognized expertise, top international rankings and integrated solutions.

As at September 30, 2015, the ratings of Société Générale were: A (Standard and Poor's), A2 (Moody's) and A (Fitch).

BRD POSITION WITHIN SOCIÉTÉ GÉNÉRALE

SG has been present in Romania since 1980, being the only significant bank from Western Europe that was present in Romania during the communist era.

In 1999, it takes part in the process of privatization of Banca Română pentru Dezvoltare and acquires 51% of the bank's share capital.

Starting with this period, BRD lined up its operational procedures and business practices to those of the parent company.

BRD is part of the international network of Société Générale, managed by the International retail banking, financial services division (IBFS) that aims to offer a broad range of products and services to individuals, professionals and corporates. Its global development is built upon:

- The international universal banking and consumer credit networks, organised around three regions: Europe, Russia and Africa / Asia / Mediterranean Basin & Overseas;
- Three specialised businesses, leaders in their markets: Insurance, Car Renting and Fleet Management, Equipment and Vendor Finance.

1. THE COMPANY AND ITS SHAREHOLDERS

KEY FIGURES AS OF SEPTEMBER 30, 2015

	The Bank	9 months to 30-Sep-2015	9 months to 30-Sep-2014	Variation
Financial results	Net banking income (RONm)	1,768	1,879	-5.9%
	Operating expenses (RONm)	(899)	(909)	-1.1%
	Cost of risk (RONm)	(427)	(952)	-55.2%
	Net profit (RONm)	369	20	18.3x
	Cost / income ratio	50.8%	48.4%	+2.5 pts
	ROE	8.7%	0.5%	+8.2 pts
		Sep-15	Dec-14	Variation
Capital adequacy	Own funds (RONm)	4,572	4,614	-0.9%
	RWA (RON bn)	26.5	26.9	-1.3%
	CAR ^(*)	17.2%	17.2%	0.1 pts
Loans and deposits	Total net loans (RON bn)	26.5	26.5	0.1%
	Total deposits (RON bn)	38.4	36.0	6.5%
Franchise	No of branches	842	860	(18)
	No of active customers (x 1000)	2,205	2,234	(28)
	The Group	9 months to 30-Sep-2015	9 months to 30-Sep-2014	Variation
Financial results	Net banking income (RONm)	1,860	1,966	-5.4%
	Operating expenses (RONm)	(954)	(960)	-0.6%
	Cost of risk (RONm)	(454)	(968)	-53.1%
	Net profit (RONm)	380	38	10.1x
	Cost / income ratio	51.3%	48.8%	+2.5 pts
	ROE	8.6%	0.9%	+7.6 pts
		Sep-15	Dec-14	Variation
Loans and deposits	Total net loans (RON bn)	26.8	26.8	0.2%
	Total deposits (RON bn)	38.3	36.0	6.5%

(*) according to Basel III including the impact of prudential filters

1. THE COMPANY AND ITS SHAREHOLDERS

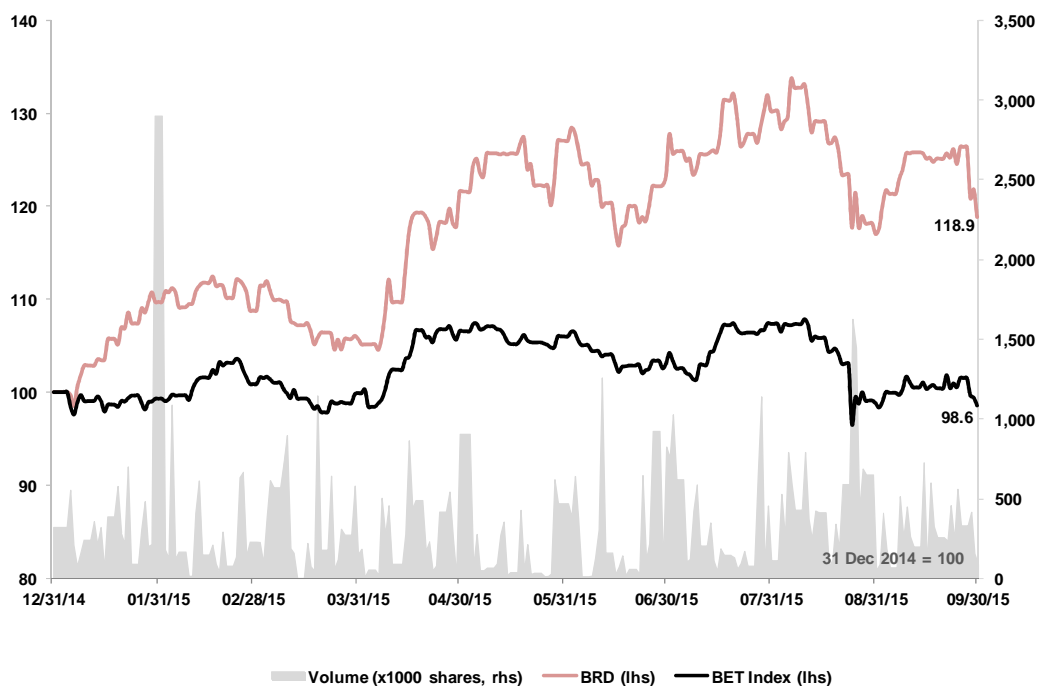
BRD SHARE

Starting with January 15th, 2001, the Bank's shares are listed in the 1st category of the Bucharest Stock Exchange. The shares are included in the BET, BET Plus, BET-BK, BET-XT, and BET-TR indexes. The Bank's shares are ordinary, nominative, dematerialized and indivisible. According to the Articles of Incorporation, article 17, letter k, the shares of the Bank are traded freely on those capital markets set by General Assembly of Shareholders („AGA”), while complying with the legislation on the trade of shares issued by bank institutions.

The closing price for BRD share as at September 30, 2015, was of 10.40 RON/share (8.70 RON/share at September 30, 2014 and RON 8.75/share at December 31, 2014). On the same date, the market capitalization was RON 7,247.78 million (September 30, 2014: RON 6,059.56 million, December 31, 2014: RON 6,097.89 million).

During the first nine months of 2015 neither the Bank, nor its subsidiaries bought back own shares.

Evolution of BRD's share price versus the BET Index and BRD's volume of shares for the period December 31, 2014 – September 30, 2015



Source: Bloomberg

2. ECONOMIC AND BANKING ENVIRONMENT

The GDP annual growth rate was of 3.8% in the second quarter of 2015, according to interim data, sustained by the evolution of domestic consumption and gross fixed capital formation. The output gap is closing rapidly on the back of consumer demand, according to the National Bank of Romania.

The inflation rate became negative at the end of June 2015 following the drop in food prices triggered by the extension of the VAT rate cut to all food items. As of September 2015, the inflation rate reached -1.7% against September 2014, remaining supportive for purchasing power, together with the rise in real wages.

Given the low interest rates and fiscal easing measures, NBR has kept the policy rate unchanged at 1.75% since May 2015. Throughout this year, the minimum reserves requirements were reduced to 8% from 10% for RON liabilities and were maintained at 14% for FX liabilities.

In this context, banking systems gross loans have been showing gradual signs of improvement since the beginning of the year (+2.6%* at September 2015 end versus 2014 end), thanks mostly to demand from individuals. They increased by 0.9%* on an annual basis at the end of September 2015. Housing loans kept the positive trend while consumer loans maintained a negative evolution caused by the FX component. Companies gross loans' outstanding posted an annual decline of 1.2%*, milder than in the first part of the year, demonstrating demand is recovering, albeit at a modest pace.

Banking system deposits advanced at end-September 2015 versus end-September 2014 (+7.2%*), both on the individuals' and on the companies' segments. RON-denominated deposits continued to grow partly as banks gradually orient their funding structure towards local resources and due to individuals maintaining a relatively high propensity to save in spite of the low interest rates.

The write-off and portfolio sales operations of non-performing loans performed by banks led to a decline in the Loss 2** ratio to 12.6% at the end of August from 13.9% at 2014 end and 17.2% at the as of August 2014. Coverage of Loss 2 loans with provisions was 69% at the end of August 2015, relatively unchanged compared to 2014 end.

() Variations at constant exchange rates.*

*(**) regulatory ratio representing the 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.*

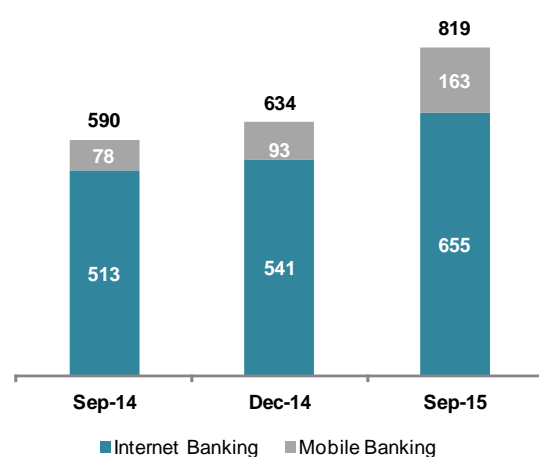
3. COMMERCIAL ACTIVITY

As at September 30, 2015 the Bank had 842 branches (31.12.2014: 860 branches, 30.09.2014: 868 branches), ensuring the distribution of its products and services throughout the whole country.

The Bank's number of active customers on the individuals' segment rose by circa 29,000 at September 30, 2015 compared to the corresponding period of last year, reaching 2.1 million customers, thanks to a lower attrition rate. The equipment rate for individuals continued to rise benefitting from increasing demand for remote banking solutions.

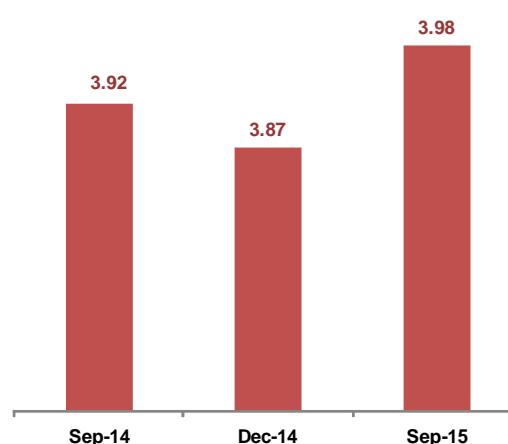
Number of remote banking contracts for individual customers*

(x 1000)



Equipment rate for individuals

(products/client)*



(*) On an individual basis.

The Group's commercial offer includes a complete range of financial and banking products and services designed for both private and corporate customers.

The Bank continued to be the second largest bank in Romania by total assets, with the following market shares:

	Sep-14	Dec-14	Sep-15
TOTAL ASSETS	12.4%	12.4%	n.a.
LOANS	14.1%	13.7%	13.5%
<i>Individuals</i>	17.0%	16.9%	17.0%
<i>Companies</i>	11.7%	11.0%	10.4%
DEPOSITS	14.4%	14.2%	15.0%
<i>Individuals</i>	13.2%	13.3%	13.9%
<i>Companies</i>	16.0%	15.5%	16.6%

BRD held a market share of 12.95% of total assets at the end of June 2015, according to latest available information from the National Bank of Romania.

3. COMMERCIAL ACTIVITY

The structure of the net loans at Group level evolved as follows:

RON bln	Sep-14	Dec-14	Sep-15	vs. Dec-14	vs. Sep-14
Retail	17.4	17.3	17.7	2.6%	1.7%
Individuals	16.5	16.6	17.1	2.7%	3.4%
Small business	0.9	0.7	0.7	2.3%	-27.6%
Non-retail	10.1	9.5	9.1	-4.3%	-10.3%
SMEs	4.9	4.6	3.5	-23.2%	-28.4%
Large corporate	5.2	4.9	5.6	13.4%	6.9%
Total net loans	27.6	26.8	26.8	0.2%	-2.7%

Notes: a) Total net loans exclude financial lease receivables. b) Due to review of client segmentation rules there were some shifts between SMEs and Large corporate at September 2015 end versus previous periods.

The outstanding net loans to the retail segment expanded both year-to-date and year-on-year, largely thanks to loans to individuals which show sustained improvement. The net outstanding of loans to individuals increased by around 3% compared to December 31, 2014 and September 30, 2014 pushed up by the housing loan portfolio. Housing loan production during January – September 2015 soared to circa RON 1.3 billion (+61% versus the first 9 months of 2014) as a result of BRD's leading position on the Prima Casa programme (Prima Casa loan production accounted for 77% of total new housing loans) and rising interest for standard mortgage loans. Consumer loan production was 2% up in January – September 2015 compared to the corresponding period of the previous year, at almost RON 2.4 billion. Production on the individuals' segment reached RON 3.7 billion, up from RON 3.1 billion in the corresponding period of last year.

The performance of the non-retail segment was negatively affected by the evolution of SME loans (-25% versus September 30, 2014 at constant segmentation), which was only partially compensated by loans to large corporate clients. The portfolio of net loans to large corporate clients increased by around 7% compared to September 30, 2014 (+3% at constant segmentation), due to higher outstanding of RON-denominated loans.

The customers' deposits structure at Group level evolved as follows:

RON bln	Sep-14	Dec-14	Sep-15	vs. Dec-14	vs. Sep-14
Retail	20.2	21.4	22.8	6.8%	12.8%
Individuals	17.3	18.2	19.5	7.3%	12.6%
Small business	2.9	3.2	3.3	3.4%	13.9%
Non-retail	13.6	14.6	15.5	6.0%	13.8%
SMEs	5.0	5.8	5.5	-4.3%	10.6%
Large corporate	8.6	8.8	10.0	12.8%	15.6%
Total deposits	33.8	36.0	38.3	6.5%	13.2%

Deposits continued to expand strongly and above the market growth rate with strong collection in current accounts, on both retail and non-retail. They increased by circa 13% compared to September 30, 2014 and 6% compared to December 31, 2014 in spite of the low interest rate environment. Market share on the individuals' segment increased to 13.9% at September 30, 2015 from 13.2% at September 30, 2014.

3. COMMERCIAL ACTIVITY

SUBSIDIARIES ACTIVITY

BRD SOGELEASE IFN SA

As of September 30, 2015, BRD Sogelease's net outstanding of leasing financing was RON 561 million, up 1.0% compared to September 30, 2014. Its net banking income reached RON 30 million in the first 9 months of 2015, by 5.0% lower compared to the corresponding period of last year.

The financing granted by BRD Sogelease in the first 9 months of the year focused on the vehicles sector. A significant contribution to these results had the partnership concluded between BRD Sogelease and CNHi Capital in early July 2015, BRD Sogelease becoming preferential financial partner to finance IVECO brand vehicles in Romania.

Based on this year's favorable evolution of several economic sectors, BRD Sogelease managed a good diversification of financing, some examples including financing of vehicles for the transportation of persons, but also rail engines and wagons.

The largest share in the total financing granted by BRD Sogelease is represented by the SME segment, which confirms the growing demand from these companies in recent years. The company supports their sustainable development with personalized financing solutions designed to provide a long-term positive development.

According to the latest statistics issued by the Financial Companies Association in Romania (ALB) at June 30, 2015, BRD Sogelease ranked 5th within the top of financial leasing companies in Romania, with a market share of 6.7% compared to 6.9% at the end of June 2014.

BRD FINANCE IFN SA

BRD Finance results in the 9 months of 2015 reveals a better performance than in the same period of 2014: the number of customers increased by 5% at the end of September 2015 compared to end of September 2014, the net loan portfolio increased by 8% reaching RON 385 million, while the loan production recorded a strong improvement, up 17% and reaching RON 318 million year-to-date. Net banking income reached RON 62 million, up by 13% compared to corresponding period of 2014.

BRD Finance continues to implement its strategy to consolidate existing partnerships, to diversify distribution and communication channels, which, together with a constant improvement of processes ensure support for profitable growth.

BRD ASSET MANAGEMENT SA

BRD Asset Management is one of the most important actors on the Romanian UCITS market, with a market share of 11.7% at the end of September 2015, similar to the end of September 2014. It had assets under management of circa RON 2.5 billion at September 30, 2015, up by 17% versus September 30, 2014. Its revenues amounted to RON 9.8 million in the first 9 months of 2015 (up by 50% versus the corresponding period of last year).

BRD Asset Management offers to investors 7 open-end funds that cover various types of funds in terms of portfolio structures, risks, desired yields and recommended investment horizon. Thereby, BRD Simfonia, BRD Obligatiuni (denominated in RON), BRD Eurofond (denominated in Euro) and BRD USD Fond (denominated in USD) are investing in fixed income and money market instruments and do not have equity exposure. BRD Diverso is a diversified fund with investments in Central and Eastern Europe markets' stocks, the rest being invested mainly in money market and fixed income instruments for risk diversification purposes. The fund BRD Actiuni is mainly invested in stocks, as well as BRD Index which is an index tracker fund.

4. FINANCIAL RESULTS AND RATIOS

FINANCIAL POSITION ANALYSIS

According to NBR order 9/2010, starting January 1st, 2012 the Bank applies as accounting base the International Financial Reporting Standards, consequently the below financial position analysis is made based on the individual and consolidated financial statements accordingly prepared, for the period ended September 30, 2015 and the comparative periods.

FINANCIAL POSITION – ASSETS

The total assets increased at September 30, 2015 by around 9% compared to September 30, 2014 and by roughly 5% versus December 31, 2014, for both the Bank and the Group. They had the following structure:

THE BANK

Assets (RONm)	Sep-14	Dec-14	Sep-15	% total	vs. Dec-14	vs. Sep-14
Cash and current accounts with Central Bank	5,234	7,190	5,183	10.9%	-27.9%	-1.0%
Loans and advances to credit institutions	1,490	1,236	4,056	8.5%	228.2%	172.3%
Net loans and advances to customers	27,267	26,461	26,488	55.7%	0.1%	-2.9%
Other financial instruments	8,163	9,053	10,578	22.2%	16.8%	29.6%
Tangible and intangible assets	1,043	1,027	995	2.1%	-3.2%	-4.6%
Other assets	352	212	268	0.6%	26.4%	-23.9%
Total assets	43,551	45,180	47,569	100.0%	5.3%	9.2%

THE GROUP

Assets (RONm)	Sep-14	Dec-14	Sep-15	% total	vs. Dec-14	vs. Sep-14
Cash and current accounts with Central Bank	5,234	7,190	5,183	10.7%	-27.9%	-1.0%
Loans and advances to credit institutions	1,517	1,263	4,084	8.4%	223.3%	169.1%
Net loans and advances to customers	27,562	26,777	26,824	55.3%	0.2%	-2.7%
Financial lease receivables	556	575	561	1.2%	-2.3%	1.0%
Other financial instruments	8,143	9,019	10,564	21.8%	17.1%	29.7%
Tangible and intangible assets	1,062	1,044	1,011	2.1%	-3.2%	-4.8%
Other assets	377	238	316	0.7%	32.5%	-16.3%
Total assets	44,451	46,107	48,543	100.0%	5.3%	9.2%

Loans and advances to customers

The net loans' outstanding amount to customers continued to decline on an annual basis due to still relatively weak, although modestly recovering, credit demand from enterprises and provisioning efforts especially on the SME and small business portfolios. Compared to December 31, 2014 the decline on SME was compensated primarily by the expansion of housing loans to individuals and credits in favor of large corporate clients.

Cash, current accounts with the central bank and Loans and advances to credit institutions

The most liquid assets of the Bank, namely cash and current accounts with the central bank and loans and advances to credit institutions increased by 10% versus December 31, 2014 for both the Bank and the Group, and were by 37% up compared to September 30, 2014.

This aggregate accounted for about 19% of total assets for the Group (compared to 15% at September 30, 2014 and 18% at December 31, 2014). The most important component is the minimum compulsory reserve held with the National Bank of Romania (RON 4,337 million as at September 30, 2015 from RON 4,566 million at December 31, 2014 and RON 5,177 million at September 30, 2014).

4. FINANCIAL RESULTS AND RATIOS

Other financial instruments

Other financial instruments mostly represent treasury bills and bonds issued by the Romanian Government which are accounted as available for sale and trading instruments and also derivatives. This aggregate represented ca. 22% of the total assets for the Bank and the Group and recorded an increase of around 17% compared to December 31, 2014 and of around 30% compared to September 30, 2014, for both the Bank and the Group. The expansion of the Government bonds' portfolio was the main driver of these evolutions.

Tangible and intangible assets

The tangible and intangible assets account for around 2% of the total assets both for the Bank and the Group. The most important share is represented by land and buildings.

Total value of investments made by the Group between January – September 2015 was of approximately RON 63 million for the Bank and RON 66 million for the Group (compared to RON 57 million in January - September 2014 for the Bank and RON 58 million for the Group) such investments being mainly IT related.

FINANCIAL POSITION – LIABILITIES

The statement of liabilities as of September 30, 2015 is as follows:

THE BANK

Liabilities and shareholders equity (RONm)	Sep-14	Dec-14	Sep-15	% total	vs. Dec-14	vs. Sep-14
Amounts owed to credit institutions	3,699	3,001	2,608	5.5%	-13.1%	-29.5%
Amounts owed to customers	33,906	36,041	38,378	80.7%	6.5%	13.2%
Other liabilities	617	646	772	1.6%	19.6%	25.2%
Shareholders equity	5,329	5,492	5,811	12.2%	5.8%	9.0%
Total liabilities and shareholders equity	43,551	45,180	47,569	100.0%	5.3%	9.2%

THE GROUP

Liabilities and shareholders equity (RONm)	Sep-14	Dec-14	Sep-15	% total	vs. Dec-14	vs. Sep-14
Amounts owed to credit institutions	4,380	3,699	3,340	6.9%	-9.7%	-23.8%
Amounts owed to customers	33,819	35,954	38,279	78.9%	6.5%	13.2%
Other liabilities	674	703	849	1.7%	20.7%	26.0%
Shareholders equity	5,578	5,750	6,076	12.5%	5.7%	8.9%
Total liabilities and shareholders equity	44,451	46,107	48,543	100.0%	5.3%	9.2%

Amounts owed to customers

At September 30, 2015, the share in total liabilities of the customers' deposits increased by 1 percentage point against December 31, 2014, at approximately 92% for the Bank and 90% for the Group, demonstrating a high financial autonomy. As compared to September 30, 2014, the weight of customers' deposits increased from circa 89% for the Bank and 87% for the Group.

4. FINANCIAL RESULTS AND RATIOS

Amounts owed to the credit institutions

Amounts owed to credit institutions represent mainly borrowings from the Parent and from International Financial Institutions, and stood at circa 5% of the total liabilities for the Bank and 7% for the Group at September 30, 2015.

At the beginning of July 2015, the Bank repaid its subordinated debt amounting to circa RON 0.4 billion (EUR 100 million). At the end of the reporting period, the Group's borrowings from SG totalled circa RON 2.3 billion and funding from International Financial Institutions amounted to ca. RON 0.4 billion.

Shareholders' equity

The shareholders' equity increased by circa 9% for the Bank and the Group versus September 30, 2014 and by around 6% versus December 31, 2014, due to current year result.

The structure of the shareholders' equity evolved as follows:

THE BANK

Shareholders' equity (RONm)	Sep-14	Dec-14	Sep-15	vs. Dec-14	vs. Sep-14
Share capital	2,516	2,516	2,516	0.0%	0.0%
Reserves from revaluation of available for sale assets	222	342	288	-15.7%	30.1%
Reserves from defined pension plan	(3)	10	10	0.0%	n.a.
Retained earnings and current result	2,595	2,625	2,997	14.2%	15.5%
Total shareholders' equity	5,329	5,492	5,811	5.8%	9.0%

THE GROUP

Shareholders' equity (RONm)	Sep-14	Dec-14	Sep-15	vs. Dec-14	vs. Sep-14
Share capital	2,516	2,516	2,516	0.0%	0.0%
Reserves from revaluation of available for sale assets	222	342	288	-15.7%	30.1%
Reserves from defined pension plan	(3)	10	10	0.0%	n.a.
Retained earnings and current result	2,793	2,831	3,214	13.5%	15.1%
Non-controlling interest	51	52	48	-8.0%	-6.7%
Total shareholders' equity	5,578	5,750	6,076	5.7%	8.9%

Liquidity position

Both the Bank and the Group maintained a balanced structure of resources and investments and a comfortable liquidity level during January – September 2015.

The net loans/deposits ratio reached 69.0% at September 30, 2015 (from 73.4% at December 31, 2014 and 80.4% at September 30, 2014) for the Bank and 70.1% (from 74.5% at December 31, 2014 and 81.5% at September 30, 2014) for the Group.

4. FINANCIAL RESULTS AND RATIOS

INCOME STATEMENT

The comparative income statement of the Bank for the periods January – September 2014 and January – September 2015 is presented below:

THE BANK

RONm	9 months to 30-Sep-2014	9 months to 30-Sep-2015	Variation
Net banking income, <i>out of which</i>	1,879	1,768	-5.9%
- net interest income	1,127	1,046	-7.2%
- net commissions	558	534	-4.4%
- other banking income	194	188	-2.9%
Operating expenses	-909	-899	-1.1%
- staff expenses	-453	-456	0.6%
- non-staff expenses	-456	-443	-2.9%
Operating profit	970	869	-10.4%
Net cost of risk	-952	-427	-55.2%
Gross result	19	443	23.9x
Net result	20	369	18.3x

The comparative income statement of the Group for the periods January – September 2014 and January – September 2015 is presented below:

THE GROUP

RONm	9 months to 30-Sep-2014	9 months to 30-Sep-2015	Variation
Net banking income, <i>out of which</i>	1,966	1,860	-5.4%
- net interest income	1,195	1,120	-6.3%
- net commissions	578	557	-3.6%
- other banking income	194	183	-5.4%
Operating expenses	-960	-954	-0.6%
- staff expenses	-482	-487	1.2%
- non-staff expenses	-478	-466	-2.4%
Operating profit	1,006	906	-9.9%
Net cost of risk	-968	-454	-53.1%
Gross result	39	452	11.7x
Net result	38	380	10.1x
Profit attributable to equity holders of the parent	34	380	11.3x

4. FINANCIAL RESULTS AND RATIOS

Net banking income declined (-6% for the Bank and -5% for the Group) in the first 9 months of 2015 compared to the corresponding period of last year, largely as a result of the contraction of the yield on assets caused by the low interest rate environment and in spite of the strong reduction on cost of funding. However, as loan activity is gradually picking up, Group net banking income registered sequential increases of 2.1% in Q3-2015 and 2.4% in Q2-2015 partially as a result of improving net interest margin which advanced by 3% each quarter.

The decrease of net fees and commissions (-4% for the Bank and the Group) was caused mostly by the suppression of several fees and negative base effect stemming from non-recurring revenues booked in July 2014 regarding corporate finance operations. Revenues from remote banking solutions (internet and mobile banking), cash operations and syndicated loans continued to rise.

During January – September 2015, BRD continued to strictly monitor its costs. Operating expenses dropped by -1% for the Bank and the Group, and savings were registered with regards to real estate, communication and consultancy. Staff costs increased slightly (+1% for the Bank and the Group). The Group registered a cost/income ratio of 51.3% (50.8% for the Bank).

Net cost of risk declined sharply versus the first 9 months of 2014, with favourable evolutions on both companies' and individuals' segments (-55% for the Bank and -53% for the Group). The Bank's non-performing loans ratio decreased to 18.5% at September 30, 2015 end compared to 21.1% at September 30, 2014 and 20.3% at December 31, 2014, notably as a result of write-off and sales operations of non-performing loans. The non-performing loans' coverage by IFRS provisions improved to 76.0% at September 30, 2015 for the Bank from 71.5% at September 30, 2014 and 71.0% at the end of last year.

The Group net profit rose to RON 380 million in the first 9 months of 2015 compared to RON 38 million in the corresponding period of last year, primarily as a result of an improved risk profile, and it translated into an annualised return on equity of 8.6% (from 0.9% in January – September 2014) and annualised return on assets of 1.1% (from 0.1% in January – September 2014). The Bank recorded similar trends which led to a net result to RON 369 million, up from RON 20 million in January – September 2014.

4. FINANCIAL RESULTS AND RATIOS

CAPITAL ADEQUACY (THE BANK)

	Sep-15	Dec-14*	Sep-14
RONm			
Total Tier 1 capital	4,572	4,530	4,564
Total Tier 2 capital	-	84	148
TOTAL OWN FUNDS	4,572	4,614	4,712
Total capital requirement	2,123	2,150	2,210
Risk weighted assets			
Credit risk (including counterparty risk)	24,564	24,699	25,495
Market risk	103	160	169
Operational risk	1,743	1,906	1,854
CVA risk	125	108	103
Total risk exposure amount	26,535	26,873	27,621
Regulatory CAR	17.23%	17.17%	17.06%

() Own funds as of December 31, 2014 include net profit for the year.*

At Bank level, the capital adequacy ratio stood at 17.2% at September 30, 2015 (Basel III), well above the regulatory requirement. The Tier 1 ratio was also 17.2% compared to 16.9% at December 31, 2014 and 16.5% at September 30, 2014.

CONCLUSIONS

In 2014, BRD Group significantly upgraded its risk profile and continued the optimization of its cost base in an environment characterized by low yields and still reduced credit demand from enterprises. Consequently, profitability improved materially in the first 9 months of 2015, also influenced by gradually recovering loan production especially on the individuals' segment.

The interim financial report as at September 30, 2015 has not been audited.

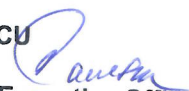
Philippe LHOTTE

Chief Executive Officer



Petre BUNESCU

Deputy Chief Executive Officer



Stephane FORTIN

Chief Financial Officer

