2011 Financial Results

Individual Financial Statements according to Romanian Accounting Standards

February 14th, 2012
Content

- Macroeconomic and banking environment
- Key business trends
- Financial performance
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- Macroeconomic and banking environment
- Key business trends
- Financial performance
A timid economic recovery

- Stronger than expected agricultural output had a favorable effect on GDP growth in H2 2011.

- But private consumption remained subdued.

- And slowdown in European growth is to affect external demand, with a predictable negative impact on industry dynamics in 2012.

- CPI fell in 2011 after the peak recorded in 2010 (on the back of VAT increase), reaching its lowest level since 1990 at 3.1%.

- Rapid decline in inflationary pressures created the grounds for an acceleration of the monetary easing cycle (reference rate cut twice since end 2011).

Sources: NBR, NIS, MoF

GDP (Real Annual Growth)

- 2009: -7.1%
- 2010: -1.3%
- 2011 E: 1.8%

Inflation Rate

- 2009: 4.7%
- 2010: 8.0%
- 2011: 3.1%
A more constrained environment

- Impact of OUG 50 implementation
  - interest rates to be either fixed or linked to an index (suppression of discretionary rates)
  - elimination / cap of early reimbursement fees

- Increased contribution to the guarantee fund of deposits (from 0,2% in 2010 to 0,3% in 2011) and set up of a supplementary special payment fund (BRD’s contribution for 2011 = 7 M RON);

- Lending to individuals: new regulatory framework strictly restricting loans in foreign currencies and limiting the duration of consumer loans enforced in 2012;

- New market and regulatory environment (Basel III) translating into increased pressures on scarce resources (capital and liquidity).
Macroeconomic and banking environment
Key business trends
Financial performance
A powerful network
An enhanced operational efficiency

- BRD is the first private bank by the number of branches

- Actions of optimization are facilitated by the flexible structure of the network

- Operational efficiency enhancement measures allowed a 5% reduction in the headcount
Robust business franchises

- Robust client base

- Slightly decreasing trend in the number of active individual clients reversed in Q4 2011

- Focus on increasing equipment rate (number of products/client) and customers’ loyalty

- Strong contribution of innovative products (“A la carte” cards, contactless cards…) and internet banking

Key business trends
In a still difficult economic environment, both loans to households and corporate loans’ portfolios registered a growth.

Maintained positions on credits to households with a production mainly fueled by housing loans and refinancing programs.

Corporate loans: good resilience across all segments in a very competitive market.
In a context of heavy price competition, commercial deposits grew by almost 1% in 2011

Deposits from individuals up +3.5% vs end of 2010 (with term deposits being the major growth driver)

Slightly down corporate deposits, under the influence of large enterprises’ segment (volatile and highly interest rate linked resources)
Lower than peers loans to deposits ratio

Loans/deposits ratio-total (Bn RON)

- 2009: Loans 33.2, Deposits 29.5, L/D Ratio 113%
- 2010: Loans 33.2, Deposits 29.9, L/D Ratio 115%
- 2011: Loans 33.5, Deposits 30.2, L/D Ratio 117%

Key business trends
- Macroeconomic and banking environment
- Key business trends
- Financial performance
Revenues: decline of interest margin, but strong resilience of fees and commissions

- Decrease in interest rates had a direct effect on net interest margin (sharp decrease in ROBOR rates in H1 2011)

- Very good resilience of fees and commissions, with revenues almost unchanged compared to 2010 (due to strong contribution of commissions on cards and off balance sheet items)

- Contraction of other revenues due to:
  - Low economic activity leading to a decrease in volumes of FX transactions
  - Increased contribution to Deposit Guarantee Fund

Financial performance
Cost base maintained under very strict control

- Operating expenses kept at the same level as prior year
  - Very limited increase in personnel expenses, due notably to a 5% cut in headcount
  - Compression of other expenses, due to the implementation of a program of optimization measures

- C/I ratio at 43%, constantly lower than the average banking system (estimated at 68% for 2011)
Still high cost of risk, although reduced
Lower than peers NPL ratio

- Net cost of risk remained high, although reduced as compared to 2010

- Improving trend on households, but SME segment still affected by the difficult macroeconomic situation

- Lower than average banking system NPL ratio

- Provision coverage ratio for doubtful loss standing at 60% at end 2011 (vs 49% at end 2010)
### Resilient net income

<table>
<thead>
<tr>
<th>in M RON</th>
<th>2,010</th>
<th>2011</th>
<th>Var 11/10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET BANKING INCOME</strong></td>
<td>3,538</td>
<td>3,227</td>
<td>-9%</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td>(1,372)</td>
<td>(1,377)</td>
<td>0%</td>
</tr>
<tr>
<td><strong>GROSS OPERATING INCOME</strong></td>
<td>2,166</td>
<td>1,850</td>
<td>-15%</td>
</tr>
<tr>
<td><strong>Net cost of risk</strong></td>
<td>(1,563)</td>
<td>(1,289)</td>
<td>-18%</td>
</tr>
<tr>
<td><strong>OPERATING INCOME</strong></td>
<td>603</td>
<td>561</td>
<td>-7%</td>
</tr>
<tr>
<td><strong>NET RESULT</strong></td>
<td>501</td>
<td>465</td>
<td>-7%</td>
</tr>
</tbody>
</table>
BRD comfortably profitable throughout the crisis

Financial performance
Strong capital base

- Strong capital base, due a steadily robust capacity of profit generation
- ROE remains close to 10%
- Capital adequacy ratio (*) standing well above the minimum regulatory requirements
- BRD Tier I – 12.3%.

(*) Including H1 profit according to NBR regulations;
Appendix
Focus on subsidiaries

ALD - Operational vehicle leasing and fleet management

- In 2011, the estimated market share of ALD Romania is 18%

- Fleet structure (December 2011):
  a) 5,316 -> Full Service Operational Leasing Contracts;
  b) 1,389 -> Fleet Management Contracts;

![Graph showing vehicles under management from 2008 to 2011.]

Vehicles under management (number)

Corporate clients (number)
Focus on subsidiaries

BRD Sogelease - Leasing

- Resilience of the activity despite the strong economic recession translating into a still satisfactory gross profit
- A key player in corporate asset financing
- Wide range of offers and financing solutions

Gross profit (MRON)

- 2009: 14
- 2010: 34
- 2011: 23
Focus on subsidiaries

BRD Finance - Consumer Finance

- Sharp decrease in net cost of risk due to enhanced risk policy and recovery performances

- Improved profitability due to good management of interest margin, expenses and cost of risk

- Close partnership with main retailers in the market (Carrefour, Real, Altex, DOMO, Ikea, etc)

- Strong development of car finance business

Evolution of results (MRON)

2011*: preliminary result
Investors relationship
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Disclaimer: Preliminary unaudited financial results