

**BRD – Groupe Société Générale S.A.**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

prepared in accordance with

**International Financial Reporting Standards as adopted by the European Union**

**LEI CODE: 5493008QRHH0XCLJ4238**

**31 December 2025**

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# Independent Auditor's Report

To the Shareholders of BRD – Groupe Société Générale SA

## Report on the audit of the consolidated and separate financial statements

### Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of BRD – Groupe Société Générale SA (the “Bank”) and its subsidiaries (together - the “Group”) as at 31 December 2025, and of the Group's and Bank's consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the National Bank of Romania (NBR) Order no. 27/2010 for approving accounting Regulations in accordance with International Financial Reporting Standards, republished, and subsequent amendments (the “NBR Order 27/2010”).

Our opinion is consistent with our additional report to the Audit Committee dated 17 March 2026.

### What we have audited

The Group's and the Bank's consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2025;
- the consolidated and separate statements of profit or loss for the year ended 31 December 2025;
- the consolidated and separate statements of other comprehensive income for the year ended 31 December 2025;
- the consolidated and separate statements of changes in equity for the year ended 31 December 2025;
- the consolidated and separate statements of cash flows for the year ended 31 December 2025; and
- the notes to the consolidated and separate financial statements, comprising material accounting policy information and other explanatory information.

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EUID ROONRC.J1993017223405, fiscal registration code RO4282940, share capital RON 7,630

This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

The consolidated and separate financial statements as at 31 December 2025 are identified as follows:

- Total consolidated equity: thousand RON 10,576,293;
- Net consolidated profit for the year: thousand RON 1,545,704.
- Total separate equity: thousand RON 10,151,536;
- Net separate profit for the year: thousand RON 1,498,657.

The Bank's registered office is in Romania, Bucharest, District 1, 1-7 Ion Mihalache Blvd and its unique fiscal registration code is RO 361579.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation EU No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the "Regulation 537/2014") and Law 162/2017 regarding statutory audit of annual financial statements and annual consolidated financial statements and regarding changes to other regulations and subsequent amendments (the "Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Independence**

We are independent of the Group and the Bank in accordance with the ethical requirements of Regulation 537/2014 that are relevant to audits of financial statements of public interest entities, the ethical requirements of Law 162/2017 that are relevant to audits of financial statements in Romania and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the Regulation 537/2014, the ethical requirements of the Law 162/2017 and the IESBA Code.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Bank and its controlled entities within the European Union are in accordance with the applicable law and regulations in Romania and that we have not provided non-audit services that are prohibited under Article 5(1) of the Regulation 537/2014.

The non-audit services that we have provided to the Bank and its controlled entities in the period from 1 January 2025 to the date of issuing this report, are disclosed in Note 37 to the consolidated and separate financial statements.

## Our audit approach

### Overview



Overall materiality for the consolidated financial statements of the Group: RON 95,000 thousand, which represents 5% of profit before income tax

Overall materiality for the separate financial statements of the Bank: RON 92,000 thousand, which represents 5% of profit before income tax

- We planned and scoped our audit for the financial year 2025 reflecting the Group's current structure whereby the Bank represents a very significant part of the Group's assets, liabilities, revenue and profit before income tax. Hence, we defined the Bank as the sole significant component within the Group and so it was subject to a full scope audit of its financial information.
- Application of IFRS 9 in the calculation of expected credit losses for the Bank's loans and advances to customers

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group and Bank materiality for the consolidated and separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated and separate financial statements as a whole.

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**Overall Group and Bank materiality**

Group: RON 95,000 thousand

Bank: RON 92,000 thousand

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**How we determined it**

Group: 5% of profit before income tax of the Group

Bank: 5% of profit before income tax of the Bank

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**Rationale for the materiality benchmark applied**

We chose profit before income tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group and Bank is most commonly measured by its stakeholders, and it is a generally accepted benchmark. We chose 5%, which is consistent with quantitative materiality thresholds used for profit-oriented banks in this sector.

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**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Key audit matter****How our audit addressed the key audit matter**

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**Application of IFRS 9 in the calculation of expected credit losses for the Bank's loans and advances to customers**

IFRS 9, "Financial Instruments", requires recognition of expected credit losses ("ECL") for all loans and advances to customers from the moment a loan is originated, taking into account changes in credit risk since initial recognition, including the impact of future macroeconomic conditions.

Measuring expected credit losses is a complex estimation, with a high degree of uncertainty and subjectivity, with respect to which the management applies internal credit risk models which take into account many quantitative and qualitative factors.

For the purposes of classification of a loan to risk categories ("staging"), the management applies judgement and analyses to identify those exposures that have experienced a significant increase in credit risk ("SICR") or are credit impaired.

The timely segregation between performing and non-performing exposures requires careful consideration of the multi-layered staging criteria and the consistent application of the definition of default.

If the credit risk has not increased significantly from origination (Stage 1), IFRS 9 requires ECL allowances based on 12-month expected credit losses. If the credit risk has increased significantly since initial recognition (Stage 2) or if the loan is in default (Stage 3), IFRS 9 requires allowances based on lifetime expected credit losses.

For individually significant exposures in default (Stage 3), the expected credit losses are calculated based on losses determined for various weighted scenarios. These are

In testing expected credit losses for loans and advances, we performed the following key audit procedures:

We assessed the methodologies used to determine expected credit losses and their compliance with IFRS 9 requirements, including the implementation of the IFRS 9 methodology in the Bank's ECL calculation engine.

We gained an understanding of the Bank's processes and IT environment related to the disbursement, monitoring, classification and measurement of loans and advances to customers, including data transfers between relevant systems.

We assessed the design, implementation and operating effectiveness of key controls, in particular those related to loan origination, allocation of customer repayments, collateral management and valuation, and the calculation of impairment losses. In addition, with the support of our IT specialists, we tested the effectiveness of key automated controls over systems relevant to the ECL calculation.

We analysed the classification criteria used for allocating loans and advances to customers to the IFRS 9 categories (staging) and we tested the application of SICR criteria and default definition used for stage allocation for a sample of loans.

By performing analytical procedures, we examined the significant exposure changes on the loans categories and in the related ECL coverage rates compared to the previous year' figures and we discussed the results with the relevant internal departments.

## Key audit matter

determined by the assessment of the economic situation and development of the respective customer, the valuation of collateral, and the estimate of the amount and timing of the recoveries derived from these.

Expected credit losses for Stage 1, Stage 2 and individually non-significant Stage 3 exposures are determined collectively on the basis of common risk characteristics. The ECL parameters used are based on statistical historical data as well as assumptions about future developments.

Where the assumptions and models do not cover all relevant risk factors, the management uses overlays, calculated both as in-model and post-model adjustments. The calculation of expected credit losses, including those from the in-model and post-model adjustments are based on assumptions and estimates that give rise to significant uncertainties with regard to the amount of the expected credit losses.

Based on the analysis above, and considering that "Loans and advances to customers" represent the most significant line item within total assets, we determined that the following elements of expected credit losses for loans and advances represent a key audit matter: completeness of identification of individually significant non performing loans, the individually assessed impairment allowance for Stage 3 exposures, and overlays.

Note 3 "Material accounting policies", Note 10.1 "Loans and advances to customers" and Note 46.1 "Credit risk" to the consolidated and separate financial statements provide detailed information on the ECL for loans and advances to customers.

## How our audit addressed the key audit matter

We tested individually significant Stage 3 exposures selected based on a risk based sampling approach. For defaulted corporate loans, we assessed the Bank's estimates of the amount and timing of recoveries under various weighted scenarios, including the underlying future cash flow projections and the identification of potential recovery sources, and we evaluated the reasonableness of the key assumptions applied.

We obtained management approvals for in model and postmodel adjustments (overlays), including the approval of the IFRS 9 methodological judgements and interpretations underpinning these overlays. We assessed whether the adjustments appropriately reflect current and forward looking information, as well as events, circumstances and conditions existing at the balance sheet date, and evaluated the continued relevance of existing overlays in light of changes since the prior period. In addition, we independently reperformed the calculation of overlays on a sample basis.

In performing our procedures, we engaged our credit risk modelling experts to assist us in assessing the reasonableness of the assumptions applied by management in determining ECL parameters used in the calculation of expected credit losses.

We also verified the disclosures in the notes to the consolidated and separate financial statements regarding the calculation of expected credit losses and the significant assumptions and estimation uncertainties for the year ended 31 December 2025.

## How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated and separate financial statements as a whole, taking into account the structure of the Group and the Bank, the accounting processes and controls, and the industry in which the Group and the Bank operate.

We planned and scoped our audit for the year 2025 reflecting the Group's current structure whereby the Bank represents the vast majority of the Group's assets (97%), liabilities (97%), net banking income (97%) and profit before income tax (97%). Hence, we defined the Bank as the sole significant component within the Group and so the Bank was subject to an audit of its complete financial information. We applied analytical and other substantive procedures to the financial information of the remaining subsidiaries of the Group (BRD Sogelease IFN SA) and on the remaining components no procedures were considered necessary.

## Reporting on other information including the Annual Board of Directors' Report

Administrators are responsible for the other information. The other information comprises the Annual Board of Directors' Report, including the Consolidated Sustainability Statement and the Remuneration

Report, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information, including the Annual Board of Directors' Report.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Annual Board of Directors' Report, we considered whether the Annual Board of Directors' Report is consistent with the consolidated and separate financial statements and whether the Annual Board of Directors' Report includes the disclosures required by NBR Order 27/2010 points 32 - 34.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Annual Board of Directors' Report for the financial year for which the consolidated and separate financial statements are prepared is consistent with the consolidated and separate financial statements; and
- the Annual Board of Directors' Report, excluding the Consolidated Sustainability Statement, has been prepared in accordance with NBR Order 27/2010 points 32-34.

In addition, in light of the knowledge and understanding of the Group and the Bank and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Annual Board of Directors' Report and in the Remuneration Report. We have nothing to report in this regard.

In accordance with Law no. 24/2017 regarding issuers of financial instruments and market operations, republished, and subsequent amendments ("Law 24/2017") our responsibility is to assess whether the Remuneration report contains the information required by Law 24/2017, article 107, alignments (1) and (2).

With respect to the Remuneration Report, we read the Remuneration Report in order to assess whether it contains the information required by Law 24/2017, article 107 alignments (1) and (2). We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the consolidated and separate financial statements**

Management is responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with IFRS as adopted by the EU and NBR Order 27/2010, and for

such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's or the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Group's or the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on other legal and regulatory requirements**

### **Reporting on report regarding information related to income tax**

In accordance with NBR Order 27/2010, point 57<sup>16</sup>, in connection with the audit of the consolidated and separate financial statements for the financial year ended as at 31 December 2025, our responsibility is to state if, for the previous financial year ended as at 31 December 2024, the Bank had the obligation, in accordance with points 57<sup>4</sup> - 57<sup>10</sup> of NBR Order 27/2010, to publish a report regarding information

related to income tax for the financial year ended 31 December 2024 and if this is the case, whether such report was published in accordance with point 57<sup>14</sup> of NBR Order 27/2010.

The Bank did not have the obligation to publish the report regarding information related to income tax.

## **Report on the compliance of the presentation of consolidated and separate financial statements with the requirements of the European Single Electronic Format (“ESEF”)**

We have been engaged as part of our audit engagement letter by the management of the Bank to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the consolidated and separate financial statements of Group and Bank for the year ended 31 December 2025 in the digital files 5493008QRHHoXCLJ4238-2025-12-31-0-ro (the “Presentation of the Consolidated and Separate Financial Statements”).

### **Description of a subject matter and applicable criteria**

The Presentation of the Consolidated and Separate Financial Statements has been applied by the management of the Bank to comply with the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format and subsequent amendments (the “ESEF Regulation”). The applicable requirements regarding the Presentation of the Consolidated and Separate Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the Presentation of the Consolidated and Separate Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

### **Responsibility of the management and those charged with governance**

The management of the Bank is responsible for the Presentation of the Consolidated and Separate Financial Statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in XBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Consolidated and Separate Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process, which should also be understood as the preparation of consolidated and separate financial statements in accordance with the format resulting from the ESEF Regulation.

## **Our responsibility**

Our responsibility was to express a reasonable assurance conclusion whether the Presentation of the Consolidated and Separate Financial Statements complies, in all material respects, with the ESEF Regulation.

We conducted our engagement in accordance with the International Standard on Assurance Engagements 3000 (R) - 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (ISAE 3000(R)). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Consolidated and Separate Financial Statements complies, in all material aspects, with the applicable requirements. Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000 (R) will always detect the existing material misstatement (significant non-compliance with the requirements).

## **Quality management requirements and professional ethics**

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

## **Summary of the work performed**

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Consolidated and Separate Financial Statements complies, in all material aspects, with the applicable requirements and such compliance is free from material errors or omissions. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the single electronic reporting format of the Consolidated and Separate Financial Statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the consolidated financial statements using the XBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;

- evaluating the appropriateness of the Group's' use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified;
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy; and
- evaluating the consistency between the digital information from the Presentation of Consolidated and Separate Financial Statements, visible for the human reader, with the signed and audited consolidated and separate financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## **Conclusion**

In our opinion, based on the procedures performed, the Presentation of the Consolidated and Separate Financial Statements complies, in all material respects, with the ESEF Regulation.

## **Appointment**

We were appointed as auditors of BRD – Groupe Société Générale SA by the Ordinary General Shareholders Meeting on 25 April 2024. Our appointment represents a total period of uninterrupted engagement appointment of 2 years, covering the financial years ended 31 December 2024 up to 31 December 2025. Our appointment for the year ended 31 December 2025 was approved by the Ordinary General Shareholders Meeting on 25 April 2024.

The financial auditor responsible for carrying out the audit resulting in this independent auditor's report is Ana-Maria Butucaru.

On behalf of

PricewaterhouseCoopers Audit S.R.L.

Audit firm

registered with the Public Electronic Register of financial auditors and audit firms under no. FA6

**Refer to the original signed  
Romanian version**

Ana-Maria Butucaru

Financial Auditor

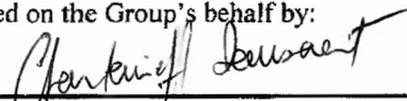
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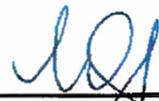
Bucharest, 17 March 2026

**BRD – Groupe Société Générale S.A.**  
**CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION**  
**as at 31 December 2025**  
*(Amounts in thousands RON)*

	Note	Group		Bank	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
<b>ASSETS</b>					
Cash and cash equivalents	5	12,080,387	8,658,035	12,080,309	8,657,954
Due from banks	6	6,496,727	6,313,423	6,496,727	6,313,423
Derivatives and other financial instruments held for trading	7	2,515,304	1,842,562	2,485,530	1,810,504
<i>out of which: Pledged as collateral</i>		<i>51,242</i>	<i>63,414</i>	<i>51,242</i>	<i>63,414</i>
Financial assets at fair value through profit and loss	8	10,374	9,208	10,374	9,208
Financial assets at fair value through other comprehensive income	9	11,257,882	12,164,852	11,257,882	12,164,852
<i>out of which: Pledged as collateral</i>		<i>691,963</i>	<i>367,850</i>	<i>691,963</i>	<i>367,850</i>
Financial assets at amortised cost	10	61,059,450	54,812,982	60,708,431	54,459,688
Loans and advances to customers	10.1	53,985,859	47,705,202	53,634,840	47,351,908
Debt securities	10.2	7,073,591	7,107,780	7,073,591	7,107,780
<i>out of which: Pledged as collateral</i>		<i>220,536</i>	<i>201,025</i>	<i>220,536</i>	<i>201,025</i>
Finance lease receivables	11	2,144,020	2,023,475	-	-
Assets held for sale	12	1,728	11,002	1,728	8,913
Investments in subsidiaries	13	-	-	15,879	55,772
Investments in associates and joint ventures	14	66,246	73,384	30,327	30,327
Property, plant and equipment	15	1,060,567	1,109,780	1,052,828	1,100,231
Investment property	15	5,254	10,096	5,254	10,096
Intangible assets	16	690,451	610,742	686,632	608,020
Current tax asset	27	-	25,119	-	24,251
Deferred tax asset	27	230,611	307,925	228,642	306,005
Goodwill		50,130	50,130	50,130	50,130
Other financial assets	17	195,089	256,192	177,651	239,499
Other non-financial assets	18	179,817	200,796	128,386	96,320
<b>Total assets</b>		<b>98,044,037</b>	<b>88,479,703</b>	<b>95,416,710</b>	<b>85,945,193</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Due to banks	19	1,239,312	1,477,293	1,239,312	1,477,293
Derivatives and other financial instruments held for trading	7	977,448	524,010	977,448	524,010
Due to customers	20	75,045,129	67,935,142	75,504,639	68,215,487
Borrowed funds	21	7,441,554	6,554,915	4,849,166	4,234,105
Subordinated debts	22	1,276,400	1,245,458	1,276,400	1,245,458
Current tax liability	27	11,885	3,221	7,350	-
Provisions	23	341,924	334,633	336,546	327,200
Other financial liabilities	24	734,815	627,070	685,515	584,957
Other non-financial liabilities	25	399,277	326,499	388,798	312,742
<b>Total liabilities</b>		<b>87,467,744</b>	<b>79,028,241</b>	<b>85,265,174</b>	<b>76,921,252</b>
Share capital	26.1	2,515,622	2,515,622	2,515,622	2,515,622
Accumulated other comprehensive income/(loss)		(889,801)	(1,256,130)	(889,801)	(1,256,130)
Retained earnings		8,398,204	7,579,503	7,976,076	7,214,810
Other reserves	26.2	552,268	562,658	549,639	549,639
<b>Net assets attributable to owners of the parent</b>		<b>10,576,293</b>	<b>9,401,653</b>	<b>10,151,536</b>	<b>9,023,941</b>
Non-controlling interest		-	49,809	-	-
<b>Total equity</b>		<b>10,576,293</b>	<b>9,451,462</b>	<b>10,151,536</b>	<b>9,023,941</b>
<b>Total liabilities and equity</b>		<b>98,044,037</b>	<b>88,479,703</b>	<b>95,416,710</b>	<b>85,945,193</b>

The financial statements have been authorized for issue by the Group's management on 17 March 2026 and are signed on the Group's behalf by:

  
 Cecile BARTENIEFF DANSAERT  
 President of the Board of Directors

  
 Maria ROUSSEY  
 Chief Executive Officer

  
 Vladimir POJER  
 Deputy Chief Executive Officer

  
 Simona PRODAN  
 Finance Executive Director

The accompanying notes are an integral part of these financial statements.

**BRD – Groupe Société Générale S.A.**  
**CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS**  
**for the year ended 31 December 2025**  
*(Amounts in thousands RON)*

	Note	Group		Bank	
		2025	2024	2025	2024
Interest and similar income	28	4,960,795	4,781,815	4,793,118	4,589,501
<i>out of which: Interest income calculated using the effective interest method</i>		<i>4,814,630</i>	<i>4,630,922</i>	<i>4,793,118</i>	<i>4,589,143</i>
Interest and similar expense	29	(1,856,131)	(1,870,172)	(1,789,076)	(1,790,891)
<b>Net interest income</b>		<b>3,104,664</b>	<b>2,911,643</b>	<b>3,004,042</b>	<b>2,798,610</b>
Fees and commission income	30	1,487,133	1,331,225	1,427,796	1,287,502
Fees and commission expense	30	(597,129)	(522,450)	(589,141)	(515,623)
<b>Fees and commissions, net</b>		<b>890,004</b>	<b>808,775</b>	<b>838,655</b>	<b>771,879</b>
Gain/(loss) from derivatives and other financial instruments held for trading	31	(40,366)	245,305	(42,364)	243,834
Gain from foreign exchange	32	395,477	100,135	391,096	98,937
Gain/(loss) from financial instruments at fair value through profit and loss		3,646	(144)	3,646	(144)
Net income from associates and joint ventures		11,605	16,915	26,708	1,677
Dividend income from subsidiaries		-	-	8,709	17,831
Other income/(expense)	33	(15,423)	(50,595)	(11,090)	(37,963)
<b>Net banking income</b>		<b>4,349,607</b>	<b>4,032,034</b>	<b>4,219,402</b>	<b>3,894,661</b>
Personnel expenses	35	(1,034,554)	(1,010,117)	(994,296)	(965,345)
Depreciation, amortization and impairment on tangible and intangible assets	36	(287,551)	(255,996)	(284,835)	(251,760)
Contribution to Guarantee Scheme and Resolution Fund	34	(49,037)	(43,517)	(49,037)	(43,517)
Other operating expenses	37	(852,013)	(713,706)	(832,691)	(703,887)
<b>Total operating expenses</b>		<b>(2,223,155)</b>	<b>(2,023,336)</b>	<b>(2,160,859)</b>	<b>(1,964,509)</b>
<b>Gross operating profit</b>		<b>2,126,452</b>	<b>2,008,698</b>	<b>2,058,543</b>	<b>1,930,152</b>
Net impairment gain/(loss) on financial instruments	38	(225,186)	(145,341)	(219,136)	(127,752)
<b>Profit before income tax</b>		<b>1,901,266</b>	<b>1,863,357</b>	<b>1,839,407</b>	<b>1,802,400</b>
Current tax expense	27	(348,021)	(320,067)	(333,160)	(312,079)
Deferred tax expense		(7,541)	(19,514)	(7,590)	(15,497)
<b>Total income tax</b>		<b>(355,562)</b>	<b>(339,581)</b>	<b>(340,750)</b>	<b>(327,576)</b>
<b>Net profit for the period</b>		<b>1,545,704</b>	<b>1,523,776</b>	<b>1,498,657</b>	<b>1,474,824</b>
Profit attributable to equity owners of the parent		1,545,704	1,524,409	-	-
Profit attributable to non-controlling interests		-	(633)	-	-
<b>Basic/Diluted earnings per share (in RON)</b>	39	<b>2.2180</b>	<b>2.1874</b>	<b>2.1505</b>	<b>2.1163</b>

The accompanying notes are an integral part of these financial statements.

**BRD – Groupe Société Générale S.A.**  
**CONSOLIDATED AND SEPARATE STATEMENTS OF OTHER COMPREHENSIVE INCOME**  
**for the year ended 31 December 2025**  
*(Amounts in thousands RON)*

	Group		Bank	
	2025	2024	2025	2024
<b>Net profit for the period</b>	<b>1,545,704</b>	<b>1,523,776</b>	<b>1,498,657</b>	<b>1,474,824</b>
<b>Other comprehensive income</b>				
<b>Net comprehensive income that may be reclassified to profit and loss in subsequent periods</b>	<b>366,125</b>	<b>(101,188)</b>	<b>366,125</b>	<b>(101,188)</b>
Net gain/(loss) on financial assets at fair value through other comprehensive income	366,125	(101,188)	366,125	(101,188)
Reclassifications to profit and loss during the period	23	(2,447)	23	(2,447)
Fair value differences	435,836	(117,549)	435,836	(117,549)
Income tax	(69,734)	18,808	(69,734)	18,808
<b>Net comprehensive income not to be reclassified to profit and loss in subsequent periods</b>	<b>204</b>	<b>2,399</b>	<b>204</b>	<b>2,399</b>
Gain on defined benefit pension plan	243	2,856	243	2,856
Deferred tax relating to defined benefit pension plan	(39)	(457)	(39)	(457)
<b>Other comprehensive income for the period, net of tax</b>	<b>366,329</b>	<b>(98,789)</b>	<b>366,329</b>	<b>(98,789)</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>1,912,033</b>	<b>1,424,987</b>	<b>1,864,986</b>	<b>1,376,035</b>
Attributable to:				
Equity owners of the parent	1,912,033	1,425,620		
Non-controlling interest	-	(633)		

The accompanying notes are an integral part of these financial statements.

**BRD – Groupe Société Générale S.A.**  
**CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY**  
**for the year ended 31 December 2025**  
*(Amounts in thousands RON)*

**Group**

	<u>Accumulated other comprehensive income/(loss)</u>			Retained earnings	Other reserves (*)	Total attributable to owners of the parent	Non-controlling interest	Total equity
	Share capital	Reserves from financial assets at fair value through other comprehensive income	Reserves from defined benefit pension plan					
<b>31 December 2023</b>	<b>2,515,622</b>	<b>(1,181,954)</b>	<b>24,613</b>	<b>6,871,036</b>	<b>565,021</b>	<b>8,794,338</b>	<b>67,668</b>	<b>8,862,006</b>
Total comprehensive income	-	(101,188)	2,399	1,525,583	(1,174)	1,425,620	(633)	1,424,987
Net Profit for the period	-	-	-	1,525,583	(1,174)	1,524,409	(633)	1,523,776
Other comprehensive income	-	(101,188)	2,399	-	-	(98,789)	-	(98,789)
Capital reduction	-	-	-	-	-	-	(146)	(146)
Shared-based payment	-	-	-	-	(1,189)	(1,189)	-	(1,189)
Dividends distributed	-	-	-	(817,117)	-	(817,117)	(17,080)	(834,197)
<b>31 December 2024</b>	<b>2,515,622</b>	<b>(1,283,142)</b>	<b>27,012</b>	<b>7,579,503</b>	<b>562,658</b>	<b>9,401,653</b>	<b>49,809</b>	<b>9,451,462</b>

(\*) Other reserves position includes Legal reserve, General banking risk reserve and the General reserve for credit risk. Please see note 26.2 for details.

	<u>Accumulated other comprehensive income/(loss)</u>			Retained earnings	Other reserves (*)	Total attributable to owners of the parent	Non-controlling interest	Total equity
	Share capital	Reserves from financial assets at fair value through other comprehensive income	Reserves from defined benefit pension plan					
<b>31 December 2024</b>	<b>2,515,622</b>	<b>(1,283,142)</b>	<b>27,012</b>	<b>7,579,503</b>	<b>562,658</b>	<b>9,401,653</b>	<b>49,809</b>	<b>9,451,462</b>
Total comprehensive income	-	366,125	204	1,556,094	(10,390)	1,912,033	-	1,912,033
Net Profit for the period	-	-	-	1,556,094	(10,390)	1,545,704	-	1,545,704
Other comprehensive income	-	366,125	204	-	-	366,329	-	366,329
Other decrease in equity	-	-	-	-	-	-	(49,809)	(49,809)
Dividends distributed	-	-	-	(737,392)	-	(737,392)	-	(737,392)
<b>31 December 2025</b>	<b>2,515,622</b>	<b>(917,017)</b>	<b>27,216</b>	<b>8,398,204</b>	<b>552,268</b>	<b>10,576,293</b>	<b>-</b>	<b>10,576,293</b>

(\*) Other reserves position includes Legal reserve, General banking risk reserve and the General reserve for credit risk. Please see note 26.2 for details.

The accompanying notes are an integral part of these financial statements.

**BRD – Groupe Société Générale S.A.**  
**CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY**  
**for the year ended 31 December 2025**  
*(Amounts in thousands RON)*

**Bank**

	Accumulated other comprehensive income/(loss)				Total equity	
	Share capital	Reserves from financial assets at fair value through other comprehensive income	Reserves from defined benefit pension plan	Retained earnings		Other reserves (*)
<b>31 December 2023</b>	<b>2,515,622</b>	<b>(1,181,954)</b>	<b>24,613</b>	<b>6,557,103</b>	<b>549,639</b>	<b>8,465,023</b>
Total comprehensive income	-	(101,188)	2,399	1,474,824	-	1,376,035
Net Profit for the period	-	-	-	1,474,824	-	1,474,824
Other comprehensive income	-	(101,188)	2,399	-	-	(98,789)
Dividends distributed	-	-	-	(817,117)	-	(817,117)
<b>31 December 2024</b>	<b>2,515,622</b>	<b>(1,283,143)</b>	<b>27,012</b>	<b>7,214,810</b>	<b>549,639</b>	<b>9,023,941</b>

(\*) Other reserves position includes Legal reserve, General banking risk reserve and the General reserve for credit risk. Please see note 26.2 for details.

	Accumulated other comprehensive income/(loss)				Total equity	
	Share capital	Reserves from financial assets at fair value through other comprehensive income	Reserves from defined benefit pension plan	Retained earnings		Other reserves (*)
<b>31 December 2024</b>	<b>2,515,622</b>	<b>(1,283,143)</b>	<b>27,012</b>	<b>7,214,810</b>	<b>549,639</b>	<b>9,023,941</b>
Total comprehensive income	-	366,125	204	1,498,657	-	1,864,986
Net Profit for the period	-	-	-	1,498,657	-	1,498,657
Other comprehensive income	-	366,125	204	-	-	366,329
Dividends distributed	-	-	-	(737,392)	-	(737,392)
<b>31 December 2025</b>	<b>2,515,622</b>	<b>(917,018)</b>	<b>27,217</b>	<b>7,976,076</b>	<b>549,639</b>	<b>10,151,536</b>

(\*) Other reserves position includes Legal reserve, General banking risk reserve and the General reserve for credit risk. Please see note 26.2 for details.

The accompanying notes are an integral part of these financial statements.

**BRD – Groupe Société Générale S.A.**  
**CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS**  
**for the year ended 31 December 2025**  
*(Amounts in thousands RON)*

	Note	Group		Bank	
		Revised		Revised	
		2025	2024	2025	2024
<b>Cash flows from operating activities</b>					
Net profit for the period		1,545,704	1,523,776	1,498,657	1,474,824
<i>Adjustments for:</i>					
Depreciation and amortization expense	36	287,551	255,996	284,835	251,760
Other non-monetary adjustments		(72,838)	(18,784)	(23,029)	(17,450)
(Gain) / Loss from impact of equity method and sale of investment in associates and joint ventures	14	7,138	(15,237)	(7,477)	-
(Gain) / Loss from revaluation of assets at fair value through profit and loss	8	(1,166)	2,229	(1,166)	2,229
(Gain) from sale of non-current assets and disposal groups classified as held for sale		(7,950)	-	(10,039)	-
Loss from investment in subsidiaries		-	-	-	13,125
Allocation to and release of impairment of loans and other provisions		398,032	285,400	373,777	268,446
Interest income	28	(4,960,795)	(4,781,815)	(4,793,118)	(4,589,501)
Interest expense	29	1,856,131	1,870,172	1,789,076	1,790,891
Total income tax		355,562	339,581	340,750	327,576
Dividend income		(22,025)	(1,677)	(30,733)	(19,508)
<b>Adjusted profit</b>		<b>(614,656)</b>	<b>(540,359)</b>	<b>(578,467)</b>	<b>(497,608)</b>
<b>Changes in operating assets and liabilities</b>					
Deposits with banks		(173,934)	(1,183,479)	(174,497)	(1,197,773)
Debt securities		49,442	(804,983)	49,442	(804,983)
Sales of financial assets at fair value through profit and loss	8	-	286	-	286
Acquisition of financial assets at fair value through profit and loss	8	-	(347)	-	(347)
Loans and advances to customers		(6,575,425)	(7,922,737)	(6,559,906)	(7,949,513)
Lease receivables		(128,270)	(332,012)	-	-
Other assets including trading		(539,210)	263,912	(593,484)	273,778
Assets held for sale		17,224	212,726	17,224	2,841
Due to banks		(237,710)	330,643	(237,710)	330,643
Due to customers		7,108,469	5,518,799	7,287,634	5,562,915
Other liabilities		638,741	(850,081)	636,097	(806,823)
<b>Total changes in operating assets and liabilities</b>		<b>159,327</b>	<b>(4,767,273)</b>	<b>424,800</b>	<b>(4,588,976)</b>
Income tax paid		(312,321)	(378,146)	(301,559)	(371,404)
Interest paid		(1,501,537)	(1,447,364)	(1,512,597)	(1,456,857)
Interest received		4,495,134	4,296,820	4,327,658	4,101,535
<b>Cash flow from operating activities</b>		<b>2,225,947</b>	<b>(2,836,322)</b>	<b>2,359,835</b>	<b>(2,813,310)</b>
<b>Investing activities</b>					
Sales of investments in associates		-	-	47,370	-
Acquisition of tangible assets	15	(83,026)	(36,084)	(82,403)	(36,086)
Proceeds from sale of tangible assets		735	42,386	735	42,386
Acquisition of intangible assets	16	(188,432)	(193,499)	(186,523)	(191,331)
Sale of financial assets at fair value through other comprehensive income		2,827,245	1,949,310	2,827,245	1,949,310
Acquisition of financial assets at fair value through other comprehensive income		(1,483,367)	(866,134)	(1,483,367)	(866,134)
Interest received		324,263	513,162	324,263	513,162
Dividends received		22,025	1,677	30,733	19,508
<b>Cash flow from investing activities</b>		<b>1,419,443</b>	<b>1,410,818</b>	<b>1,478,053</b>	<b>1,430,815</b>
<b>Financing activities</b>					
Proceeds from borrowings	21,22	4,179,286	1,851,700	2,940,445	748,002
Repayment of borrowings	21,22	(3,261,520)	(2,299,808)	(2,294,558)	(1,346,726)
Repayment of principal lease liabilities	15	(72,848)	(77,134)	(71,879)	(75,336)
Interest paid		(353,593)	(413,177)	(275,178)	(324,458)
Dividends paid		(737,392)	(1,457,382)	(737,392)	(1,440,302)
<b>Net cash from financing activities</b>		<b>(246,067)</b>	<b>(2,395,801)</b>	<b>(438,562)</b>	<b>(2,438,820)</b>
<b>Net movements in cash and cash equivalents</b>		<b>3,399,323</b>	<b>(3,821,305)</b>	<b>3,399,326</b>	<b>(3,821,315)</b>
<b>The impact of exchange rate variation on cash and cash equivalents</b>		<b>23,029</b>	<b>17,450</b>	<b>23,029</b>	<b>17,450</b>
<b>Cash and cash equivalents at beginning of the period</b>	5	<b>8,658,035</b>	<b>12,461,891</b>	<b>8,657,954</b>	<b>12,461,819</b>
<b>Cash and cash equivalents at the end of the period</b>	5	<b>12,080,387</b>	<b>8,658,035</b>	<b>12,080,309</b>	<b>8,657,954</b>

The accompanying notes are an integral part of these financial statements.

**BRD – Groupe Société Générale S.A.**  
**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
**as at and for the year ended 31 December 2025**  
*(Amounts in thousands RON)*

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**1. Corporate information**

BRD–Groupe Société Générale (the “Bank” or “BRD”) is a joint stock company incorporated in Romania. The Bank commenced business as a state-owned credit institution in 1990 by acquiring assets and liabilities of the former Banca de Investitii. The Bank headquarters and registered office is 1-7 Ion Mihalache Blvd, Bucharest.

BRD together with its subsidiaries (the “Group”) offers a wide range of banking and financial services to corporates and individuals, as allowed by law. The Group accepts deposits from the public and grants loans and leases, carries out funds transfer in Romania and abroad, exchanges currencies and provides other financial services for its commercial and retail customers.

Bank’s immediate and ultimate controlling party is Société Générale S.A. as of 31 December 2025 (the “Parent” or “SG”).

The Bank has as of 31 December 2025 347 units throughout the country (31 December 2024: 388).

The average number of active employees of the Group during 2025 was 5,458 (2024: 5,912) and the number of active employees of the Group as of the year-end was 5,124 (31 December 2024: 5,840).

The average number of active employees of the Bank during 2025 was 5,300 (2024: 5,715) and the number of active employees of the Bank as of the year-end was 4,965 (31 December 2024: 5,670).

The active employees are the full-time employees (excluding maternity leave and long-term sick leave).

BRD–Groupe Société Générale has been quoted on Bucharest Stock Exchange (“BVB”) with the symbol “BRD” since January 15, 2001. The free float shares represent 39.83% from the total shares.

The shareholding structure of the Bank is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Societe Generale	60.17%	60.17%
Fondul de pensii administrat privat NN	6.04%	5.56%
Fondul de pensii administrat privat AZT Viitorul Tau	4.80%	4.27%
Fondul de pensii administrat privat Metropolitan Life	4.35%	4.04%
Infinity Capital Investments SA	3.95%	3.95%
Legal entities	16.32%	17.12%
Individuals	4.38%	4.88%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

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The accompanying notes are an integral part of these financial statements.

**BRD – Groupe Société Générale S.A.**  
**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
**as at and for the year ended 31 December 2025**  
*(Amounts in thousands RON)*

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**2. Basis of preparation**

**a) Basis of preparation**

In accordance with European Regulation 1606/2002 of July 19, 2002 on the application of International Accounting Standards and Order of the National Bank of Romania no. 27/2010 with subsequent amendments, BRD prepared the consolidated and separate financial statements (referred to as “financial statements”) - for the year ended 31 December 2025 in accordance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”).

The consolidated financial statements as at 31 December 2025 include the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders’ equity, the consolidated cash flow statement and notes to the consolidated financial statements.

The separate financial statements as at 31 December 2025 include the separate statement of financial position, the separate statement of profit or loss, the separate statement of comprehensive income, the separate statement of changes in shareholders’ equity, the separate cash flow statement and notes to the separate financial statements.

The consolidated and separate financial statements as at 31 December 2025 are presented in Romanian lei (“RON”), which is the Bank’s functional currency and the Bank’s and the Group’s presentation currency rounded to the nearest thousands, except when otherwise indicated. The consolidated and separate financial statements as at 31 December 2025 have been prepared on an historical cost basis, except for financial assets at fair value through profit and loss, financial assets through other comprehensive income, derivative financial instruments, other financial assets and liabilities held for trading, which have all been measured at fair value.

The Group and Bank’s management has assessed the Group and Bank’s ability to continue as a going concern and is satisfied that the Bank has the resources to continue business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Bank’s ability to continue as a going concern. Therefore, the consolidated and separate financial statements are prepared on the going concern basis.

In making this judgement management considered the Group’s financial position, current intentions, profitability of operations and access to financial resources, and analysed the impact of recent macro-economic developments on future operations of the Group

The Group and Bank also improved the presentation of cash flow by considering the net profit for the period and the non-monetary adjustment referring to total income tax as below:

<b>Group</b>	<b>31 December 2024 as previously reported</b>	<b>effect of revision</b>	<b>31 December 2024 as revised</b>
<i>Statement of cash-flows lines impacted</i>			
Profit before tax	1,863,357	(1,863,357)	-
Net profit for the period	-	1,523,776	1,523,776
Total income tax	-	339,581	339,581
<b>Bank</b>	<b>31 December 2024 as previously reported</b>	<b>effect of revision</b>	<b>31 December 2024 as revised</b>
<i>Statement of cash-flows lines impacted</i>			
Profit before tax	1,802,400	(1,802,400)	-
Net profit for the period	-	1,474,824	1,474,824
Total income tax	-	327,576	327,576

The Bank believes that such presentation gives reliable and more relevant information about the cash flows.

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The accompanying notes are an integral part of these financial statements.

**BRD – Groupe Société Générale S.A.**  
**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
**as at and for the year ended 31 December 2025**  
*(Amounts in thousands RON)*

## 2. Basis of preparation

### b) Basis for consolidation

The consolidated financial statements comprise the financial statements of BRD–Groupe Société Générale and its subsidiaries as at 31 December 2025. The financial statements of the subsidiaries are prepared for the same reporting period, using consistent accounting policies.

A subsidiary is an entity over which the Bank exercises control. An investor controls an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The consolidated financial statements include the financial statements of BRD–Groupe Société Générale and the following subsidiaries: BRD Sogelease IFN S.A. (99.98% ownership, 2024: 99.98%) and BRD Asset Management SAI S.A. (99.98% ownership, 2024: 99.98%). As at 31 December 2024 the consolidated financial statements included also BRD Finance S.A. (49% ownership).

As at 31 December 2025 BRD Finance S.A. was liquidated and the total amount of 47,371 was collected and recognized against the value of participation of 39,893 and an income of 7,477.

All intercompany transactions, balances and unrealized gains and losses on transactions between consolidated entities are eliminated on consolidation.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control and continue to be consolidated until the date such control ceases.

Equity and net income attributable to non-controlling interest are shown separately in the consolidated and separate statement of financial position, consolidated and separate statement of profit or loss, consolidated and separate statement of changes in equity and consolidated and separate statement of comprehensive income, respectively.

The Bank is accounting for the investments in subsidiaries, associates and joint ventures in the separate financial statements at cost less impairment adjustment.

### As at 31 December 2025:

<b>Group</b>			
<b>Associates</b>	<b>Field of activity</b>	<b>Address</b>	<b>%</b>
BRD Asigurari de Viata SA	Insurance	58-60 Gheorghe Polizu Street, Bucharest Corporate Center building, floor 8 (zone 3) and floor 9, district 1, Bucharest	49.00%
Biroul de Credit S.A.	Financial institution	29 Sfanta Vineri Street, floor 4, district 3, Bucharest	16.38%
BRD Sogelease Asset Rental SRL	Operational leasing	1-7, Ion Mihalache Street, Bucharest	20.00%
<b>Joint ventures</b>			
CIT One SA	Cash protection, guard and transportation	319L Splaiul Independentei Street, Paris Building/A1, 1st floor, district 6, Buchares	33.33%
<b>Bank</b>			
<b>Associates</b>	<b>Field of activity</b>	<b>Address</b>	<b>%</b>
BRD Asigurari de Viata SA	Insurance	58-60 Gheorghe Polizu Street, Bucharest Corporate Center building, floor 8 (zone 3) and floor 9, district 1, Bucharest	49.00%
Biroul de Credit S.A.	Financial institution	29 Sfanta Vineri Street, floor 4, district 3, Bucharest	16.38%
<b>Joint ventures</b>			
CIT One SA	Cash protection, guard and transportation	319L Splaiul Independentei Street, Paris Building/A1, 1st floor, district 6, Buchares	33.33%
<b>Subsidiaries</b>			
BRD Sogelease IFN SA	Financial lease	1-7, Ion Mihalache Street, floor 12, district 1, Bucharest	99.98%
BRD Asset Management SAI SA	Fund administration	2, Doctor Staicovici Street, district 5, floor 5, Bucharest	99.98%

The accompanying notes are an integral part of these financial statements.

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**2. Basis of preparation**

**b) Basis for consolidation (continued)**

**As of 31 December 2024:**

<b>Group</b>			
<b>Associates</b>	<b>Field of activity</b>	<b>Address</b>	<b>%</b>
BRD Asigurari de Viata SA	Insurance	58-60 Gheorghe Polizu Street, Bucharest Corporate Center building, floor 8 (zone 3) and floor 9, district 1, Bucharest	49.00%
Biroul de Credit S.A.	Financial institution	29 Sfanta Vineri Street, floor 4, district 3, Bucharest	16.38%
BRD Sogelease Asset Rental SRL	Operational leasing	1-7, Ion Mihalache Street, Bucharest	20.00%
<b>Joint ventures</b>			
CIT One SA	Cash protection, guard and transportation	319L Splaiul Independentei Street, Paris Building/A1, 1st floor, district 6, Bucharest	33.33%
<b>Bank</b>			
<b>Associates</b>	<b>Field of activity</b>	<b>Address</b>	<b>%</b>
BRD Asigurari de Viata SA	Insurance	58-60 Gheorghe Polizu Street, Bucharest Corporate Center building, floor 8 (zone 3) and floor 9, district 1, Bucharest	49.00%
Biroul de Credit S.A.	Financial institution	29 Sfanta Vineri Street, floor 4, district 3, Bucharest	16.38%
<b>Joint ventures</b>			
CIT One SA	Cash protection, guard and transportation	319L Splaiul Independentei Street, Paris Building/A1, 1st floor, district 6, Bucharest	33.33%
<b>Subsidiaries</b>			
BRD Sogelease IFN SA	Financial lease	1-7, Ion Mihalache Street, floor 12, district 1, Bucharest	99.98%
BRD Finance SA	Non-going concern entity	1-7, Ion Mihalache Street, floor 15, district 1, Bucharest	49.00%
BRD Asset Management SAI SA	Fund administration	2 Doctor Staicovici Street, district 5, floor 5, Bucharest	99.98%

For BRD Asset Management SAI SA, the Group consolidates only the administrator of the funds not also the funds administrated by the administrator. As at 31 December 2025 and 31 December 2024 BRD Groupe Société Générale has no holdings in funds. Previously fund units were treated as unconsolidated structured entities.

**BRD Finance S.A.**

In accordance with IAS 1 “Presentation of financial statements”, paragraph 25, when preparing financial statements, management should perform an assessment of an entity’s ability to continue as a going concern.

As of 31 December 2023 BRD Finance SA was in a run off process and during 2024 sold its entire loan portfolio to a third party. Therefore, as of 31 December 2024 the BRD Finance SA financial statements were prepared in compliance with IFRS, but no longer on a going concern basis.

Starting 22 August 2024 the entity was no longer registered as a non-banking financial institution in the National Registry and as such no longer supervised by NBR. During 2025 the relevant activities of BRD Finance S.A. were under the direction of the appointed liquidator therefore according to IFRS 10 B37 the Bank did not have control over the relevant activities of the company and as such the entity was no longer consolidated, consequently the Bank applied the equity method for consolidation purposes.

As at 31 December 2025 BRD Finance S.A. was liquidated and the total amount of 47,371 was collected and recognized against the value of participation of 39,893 and an income of 7,477.

**BRD Societate de Administrare a Fondurilor de Pensii Private SA**

In May 2024, the Activity Transfer Agreement and the Sale–Purchase Agreement to a third party were signed for the sale of the investment in the associate BRD Societate de Administrare a Fondurilor de Pensii Private SA, together with the perimeter related to the Pillar 2 and Pillar 3 pension funds. BRD–Groupe Société Générale reclassified the investment from Investments in associates to Assets held for sale.

In April 2025, the final approval from the FSA (Financial Supervisory Authority) was received, and the administration of Pillar 3 was transferred to a third party. In November 2025, the Bank received from the buyer the amount of 14,687, representing the sale price for BRD Societate de Administrare a Fondurilor de Pensii Private SA, and the Bank derecognized the participation from its records.

The accompanying notes are an integral part of these financial statements.

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**2. Basis of preparation (continued)**

**c) Changes in accounting policies and adoption of revised/amended IFRS**

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group/Bank as of 1 January 2025. The impact of the application of these new and revised IFRSs has been reflected in the financial statements and was estimated as not being material, except disclosures already presented in the Notes.

• **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**

In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences.

No material impact for Group and the Bank was identified from the application of these amendments.

**d) Standards and interpretations that are issued but have not yet come into effect**

**Standards and interpretations effective from 1<sup>st</sup> of January 2026 or later:**

• **Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments**

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

(a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets) and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group and the Bank are in the process of assessing the impact and will reflect the updates starting with the financial statements for year end 31 December 2026.

• **Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity**

No material impact for Group and the Bank was identified from the application of these amendments.

• **Annual Improvements to IFRS Accounting Standards**

IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the ‘qualifying criteria’, rather than ‘conditions’ for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

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## **2. Basis of preparation (continued)**

### **d) Standards and interpretations that are issued but have not yet come into effect (continued)**

IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included ‘significant unobservable inputs’. This new phrase replaced reference to ‘significant inputs that were not based on observable market data’.

The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss.

This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at ‘the amount determined by applying IFRS 15’ instead of at ‘their transaction price (as defined in IFRS 15)’. IFRS 10 was amended to use less conclusive language when an entity is a ‘de-facto agent’ and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to ‘cost method’ that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment ‘Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate’.

No material impact for Group and the Bank was identified from the application of these amendments.

#### **• IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its ‘operating profit or loss’. IFRS 18 will apply for reporting periods beginning on or after 1<sup>st</sup> of January 2027 and also applies to comparative information.

The Group and the Bank are in the process of assessing the impact and will reflect the updates starting with the financial statements for year end 31 December 2027.

#### **• IFRS 19 Subsidiaries without Public Accountability with amendments**

No material impact for Group and the Bank was identified from the application of these amendments.

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**2. Basis of preparation (continued)**

**d) Standards and interpretations that are issued but have not yet come into effect (continued)**

**Amendments published but rejected or deferred by the EU:**

- **IFRS 14 Regulatory Deferral Accounts**
- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28**

**e) Significant accounting judgments and estimates**

In the process of applying the Group and Bank’s accounting policies, the management is required to use its judgments and make estimates in determining the amounts recognized in the consolidated and separate financial statements. The most significant use of judgments and estimates are as follows:

*Fair value of financial instruments*

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for asset backed securities. The valuation of financial instruments is described in more details in Note 43.

*Expected credit losses on financial assets at amortised cost and FVOCI*

Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. The following elements have a major impact on expected credit losses: definition of default, criteria for assessing if there has been a significant increase in credit risk (“SICR”), probability of default (“PD”), exposure at default (“EAD”), and loss given default (“LGD”), as well as models of macro-economic scenarios (“FLI”).

The main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue by more than 90 days, whether a severe alteration in the counterparty’s financial standing is observed, entailing a high probability that the debtor will not be able to fully meet its credit obligations, whether concessions in the form of restructuring were consented under the circumstances of financial hardship experienced by the debtor, whether legal procedures were initiated or the debtor was transferred to specialized recovery structures (regardless of the number of days past due). Please refer to note 10 for more details.

The Bank’s expected credit loss model (ECL) relies on several underlying assumptions regarding the choice of variable inputs and their interdependencies, which affect the level of allowances:

- The internal credit rating model, which assigns probabilities of default (PDs) to the individual ratings
- The criteria defined (both quantitative and qualitative) for the assessment of significant increase in credit risk since initial recognition and consequently the computation of allowances based on life time expected credit loss (LTECL)
- The grouping of financial assets when their ECL is measured on a collective basis
- The development of models used for ECL calculation, including the various formulas and the choice of inputs.
- The Bank has finalized in 2025 the development of new LGD models based on a workout approach, for both Retail and Non-Retail segments.

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**2. Basis of preparation (continued)**

**e) Significant accounting judgments and estimates (continued)**

- The macroeconomic scenarios and their probability weightings based on which ECL is derived
- The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the consolidated and separate financial statements. To reflect this, the Bank assesses the need/opportunity for additional amounts of provisions in the form of overlays, in order to address:
  - sector of activity specific risks (adjustment of ECL on sectors that have a different default behavior from the whole calibration segment);
  - visible macroeconomic threat impossible to be captured by the models, typically when the macroeconomic variable subject to stress can not be statistically incorporated into the ECL model, or the forward looking information factor is not applied for the underlying parameter
- For individually significant loans and advances, the Group and Bank identify and quantify the expected future cash flows to be used for a total or partial reimbursement of the obligations, based on the capacity of the client/business to generate revenues, proceeds resulting from sale of collaterals and other clearly identified sources of repayment. The individual assessment threshold is defined in between client's balance as of 500 - 1,500 thousand EUR.

*Provisions for other risks and charges*

The Bank operates in a regulatory and legal environment that, by nature has a heightened element of litigation risk inherent to its operations and, as a result, it is involved in various litigations or is subject to various obligations arising from legislation in force. When the Bank can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Bank records a provision against the case, as mentioned in this note. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Generally, the first step is to establish the existence of the present obligation followed by the estimation of the amount needed to settle that obligation considering a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

In case of litigations:

i. For a single individual litigation the Bank assess whether there is more likely than not to have an unfavourable court decision considering the factors mentioned above; then it estimates the amount at risk; in case there are several scenarios possible with different outcomes, the amount at risk is the weighted average of the amounts at risk for each scenario using the probability distribution for all scenarios (100% is allocated to the possible scenarios) and provisions 100% of the estimated amount;

ii. For collective litigations, the assessment of “more likely than not” could be substantiated for the entire population using statistics and provision computation to be made at pool level.

In case of obligations arising from various legislation, the Group and Bank assess first if there is no realistic alternative of settling that obligation, and if not, it estimates the amount needed to settle that obligation (using similar approach as above) and books provisions representing 100% of the estimated amount.

Please refer to Note 23 and Note 42 for more details.

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## **2. Basis of preparation (continued)**

### **f) Segment information**

A segment is a component of the Group:

- that engages in business activity from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and
- for which distinct financial information is available.

The Group's segment reporting is based on the following segments: *Retail* including Individuals and Small Business, *Non-retail* including Small and Medium Enterprises ("SMEs") and Large corporate and *Corporate Center* including: treasury activities, ALM and other categories unallocated to the business lines mentioned above (fixed assets, taxes, equity investments, etc.).

## **3. Material accounting policy information**

### **a) Recognition of income and expenses**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the benefits can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

#### ***i) Interest and similar income***

For all financial instruments measured at amortized cost and interest-bearing financial instruments classified as FVOCI, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. The effective interest is applied to the gross carrying amount for assets classified in Stage 1 or 2 and to all financial liabilities. For financial assets classified as Stage 3 or POCI the effective interest rate is applied to the net carrying amount.

The calculation considers all contractual terms of the financial instrument and includes any origination fees and incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate. The net carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

#### ***ii) Fee and commission income***

The Group and Bank earn fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

(i) Fee income earned from services that are provided over a certain period.

Fees earned for the provision of services over a period are accrued over the period, being recognized in statement of profit and loss gradually. Among these fees are : current account package/administration fee , different subscription fees, guarantee fees, card fees, custody fees, etc.

The category of fees earned as services mainly refer to the fees charged during the commitment period for issued letters of guarantee as well as for standby letters of credit. Therefore, the applicable treatment for these is linear recognition over the validity period of the commitment.

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**3. Material accounting policy information (continued)**

**a) Recognition of income and expenses (continued)**

(ii) Fees and commissions acquired when one-off services are provided:

When the fees and commissions are in remuneration of a one-off service, they are booked immediately as income for the period in which the service was provided. Examples: fees on payments orders, penalty fees, non-usage fee, statement of account release fee, early repayment fee, fee for issuing a copy of the repayment schedule, etc. These fees are recognized as revenue upon the fulfilment of the significant performance (they are not spread out).

**iii) *Dividend income***

Revenue is recognized when the Group and Bank's right to receive the payment is established, generally when the shareholders approve the dividend.

**iv) *Net trading income***

Net trading income comprises gains less losses related to assets and liabilities held for trading and derivatives and includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences. Interest income from all interest-bearing trading financial assets required to be measured at FVPL is recognised part of the net trading income.

**v) *Levies***

IFRIC 21 "Levies" clarifies the accounting for a liability to pay a levy. For an entity, the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation. The liability to pay a levy is recognised progressively if the obligating event occurs over a period. Furthermore, if an obligation to pay a levy is triggered when a minimum activity threshold is reached, the corresponding liability is recognised when that minimum activity threshold is reached.

The main related taxes which fall under the provisions of IFRIC 21 are as follows:

- The Bank annual contribution to Deposit Guarantee Scheme is fully recognised in the income statement on 1st January of the year in which the payment is made.
- The Bank annual contribution to the Single Resolution Fund, is fully recognised in the income statement on 1st January of the year in which the payment is made.

**b) Financial instruments - recognition**

**i) *Initial recognition and date of recognition***

The Group applies settlement date accounting policy for all financial assets (the financial assets are initially recognized on the date of the transfer of funds). Between trade date and settlement date The Group recognizes off balance sheet commitments.

**ii) *Measurement categories of financial assets and liabilities***

Financial instruments are initially recognised at their fair value including transaction costs. Trade receivables are measured at the transaction price.

In accordance with IFRS 9 classification, the Group classifies financial assets in the following measurement categories:

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**3. Material accounting policy information (continued)**

**b) Financial instruments - recognition**

- fair value through profit and loss (FVPL);
- fair value through other comprehensive income (FVOCI) or
- amortised cost.

Classification and subsequent measurement of financial assets is generally based on the Group business model to manage the assets and the cash flow characteristics of the assets.

The Group and the Bank classify and measure the financial liabilities at amortised cost.

The Bank classifies and measures its derivative and trading portfolio as FVPL.

The Group measures the equity instruments at fair value through profit and loss. Gains and losses on equity investments measured at fair value through profit and loss are included in the line “Net gains on financial assets measured at fair value through profit and loss” in the statement of profit and loss. In the Bank’s Separate Financial Statement, the equity instruments representing investment in associates and subsidiaries continue to be measured at cost less impairment in accordance with IAS 27 “Separate financial statements”.

**c) Financial instruments – classification and measurement**

According to IFRS 9, the Group classifies its financial assets that are debt instruments into one of the following categories based on the assessment of business model and SPPI characteristics, as follows:

- Financial assets that are held for collection of contractual cash flows and cash flows represent solely payments of capital and interest (SPPI) are classified and measured at amortised cost. In this category the Group includes the loans granted to customers, deposits placed with banks, corporate bonds and repurchase transactions part of banking book portfolio. Treasury bonds in banking book portfolio purchased starting 1<sup>st</sup> July 2022 are classified in this category.
- Financial assets that are held for collection of contractual cash flows and for selling the assets and the contractual cash flows represent solely payments of capital and interest are measured at fair value through other comprehensive income. Treasury bonds in banking book portfolio purchased before 30 June 2022 are classified and measured at fair value through other comprehensive income.
- Financial assets that are held for trading, regardless of the cash flow characteristics are measured at fair value through profit and loss. In this category the Group includes the sub-portfolio of treasury bonds, placements made to banks and repurchase transaction held for trading.

**1) Business model assessment**

The business model assessment is one of the two steps to classify financial assets.

The Group’s business model reflects how it manages its financial assets to generate cash flows; the business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. Accordingly, this condition is not an instrument-by-instrument approach to classification and should be determined on a higher level of aggregation.

The business model assessment is performed based on scenarios that the Group reasonably expects to occur, without taking ‘worst case’ or ‘stress case’ scenarios. The Group assesses the business model for newly originated financial assets, considering information about how cash flows were realized in the past (namely before the date of the origination of new assets) for that specific portfolio of assets, along with all other relevant information. This means that there is no ‘tainting’ concept, but if there is a change in the way that

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**3. Material accounting policy information (continued)**

**c) Financial instruments – classification and measurement (continued)**

cash flows are realized then this will affect the classification of assets originated after the date of that change.

In some circumstances, the Bank separates a portfolio of financial assets into sub-portfolios to reflect how an entity manages them. Those portfolios are split and treated as separate portfolios, provided the assets belonging to each sub-portfolio are separately defined.

**2) SPPI test**

As a second step of its classification process the Group performs the assessment of the characteristics of the contractual cash flows aiming to identify whether the contractual cash flows are “solely payments of principal and interest on the principal amount outstanding” – SPPI test. The SPPI assessment is performed at the initial recognition of the financial asset as well as subsequently when significant modifications occur.

The principal for the purpose of applying SPPI test is “the fair value of the asset at initial recognition” and it may change over the life of the financial asset (e.g. if there are repayments of principal).

The most significant elements of interest are typically the consideration for the time value of money and credit risk. Interest can also include consideration for other basic lending risks (for example, liquidity risk) and costs (for example, administrative costs) associated with holding the financial asset for a particular period. In addition, interest can include a profit margin that is consistent with a basic lending arrangement.

To make the SPPI assessment, the Group applies judgements and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set.

**3) Debt instruments at FVOCI**

These instruments largely comprise of treasury bonds.

After initial recognition FVOCI financial assets are measured at fair value with gains or losses being recognized as OCI until the investment is derecognized. The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the statement of financial position date. Interest income and foreign exchange gains and losses are recognised in profit and loss.

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

**4) Derivatives that are not designated accounting hedging instruments**

The Group uses derivative financial instruments such as forward currency contracts, currency swaps, currency options, swaps and cross currency swaps on interest rate, as products offered to its clients but also to hedge its risks associated with interest rate, liquidity and exchange rate. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as assets when their fair value is positive and as liabilities when fair value is negative. Any gains or losses arising from changes in fair value of derivatives that are not designated as hedge accounting instruments are taken directly to profit or loss for the year.

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**3. Material accounting policy information (continued)**

**c) Financial instruments – classification and measurement (continued)**

**4) *Derivatives that are not designated accounting hedging instruments (continued)***

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest swap contracts is determined by reference to market values of similar instruments.

**5) *Derivatives that are designated accounting hedging instruments***

As a policy choice, the Group has also elected to continue to apply the hedge accounting requirements in accordance with IAS 39. The Group and Bank designates certain derivatives held for risk management as hedging instruments in qualifying accounting hedging relationships. The Group and Bank formally documents the relationship between the hedging instruments and hedged item, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship.

The Group and Bank makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, as to whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value during the period for which the hedge is designated. The actual results of the hedge as recommended by IAS 39 should be in the range of 80-125 percent, but the Group and Bank uses a more prudent approach and the range considered is 88-114 percent.

The Group and Bank use fair value hedges. When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognized asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognized immediately in profit and loss together with changes in the fair value of the hedged item that are attributable to the hedged risk.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. Any adjustment up to that point to a hedged item for which the effective interest method is used, is amortised to profit or loss as part of the recalculated effective interest rate of the item over its remaining life.

**6) *Financial assets and financial liabilities held for trading***

The Bank classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value.

Changes in fair value are recognised in net trading income. Interest income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established. Included in this classification are debt securities, repurchase transactions and short positions acquired principally for the purpose of selling or repurchasing in the near term.

**7) *Repurchase agreements***

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognized in the statement of financial position as securities and are measured in accordance with the applicable accounting policies. The liability for amounts received under these agreements from banking book portfolio is included in customers' or interbank deposits. The difference between sale and repurchase

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**3. Material accounting policy information (continued)**

**c) Financial instruments – classification and measurement (continued)**

**7) Repurchase agreements (continued)**

price is treated as interest expense using the effective yield method. Assets acquired with a corresponding commitment to resell at a specified future date (reverse repos) from the banking book portfolio are recorded as loans and advances.

**8) Borrowings**

Borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. Subsequently borrowings are stated at amortized cost using the effective interest rate method. Any discount or premium is integral part of the effective interest rate.

**9) Guarantees, letter of credits and loan commitments**

In the ordinary course of business, the Group and Bank gives financial guarantees, consisting of letters of credit, guarantees and acceptances and performance guarantees.

Performance guarantee are financial guarantees contracts classified and measured accordingly as per IFRS 9 as the issuer is required to compensate the holder for a loss if a specified debtor fails to perform under agreed terms – so there is a transfer of credit risk. Such performance guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. These fees are amortised on a straight line basis over the life of the contract. At the end of each reporting period, the performance guarantee contracts are measured at the higher of (i) the initial fair value minus cumulative amortization of the guarantee fees and (ii) the expected credit losses (ECL) under IFRS 9 impairment model.

Financial guarantees are presented at the amount of the premium received that is the instruments' fair value. The financial guarantees are subsequently measured at the higher of the amount initially recognised less the cumulative amortisation recognised in the income statement and an ECL.

Any increase in the liability relating to financial guarantees is taken to the income statement in 'Net impairment gain/(loss) on financial instruments'. The premium received is recognized in the income statement in 'Net fees and commission income' on a straight-line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

A guarantee fee is the consideration received (by the guarantor) for issuing a financial guarantee contract. Guarantee fee is measured initially at fair value (equal to the fee received) and the fee income is recognized over the term of the guarantee on a straight-line basis.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position. The nominal values of these instruments together with the corresponding ECLs are disclosed in Note 23 and in Note 46.

**d) Financial assets - derecognition**

The Group derecognizes a portfolio of financial assets, a financial asset or a part of a financial asset (herein after called „financial asset“) when and only when one of the following conditions is fulfilled:

- The contractual rights to the cash flows expire;
- It transfers the financial asset and the transfer qualifies for derecognition;
- Voluntarily renounces its rights over the financial asset due to the asset being considered irrecoverable or in order to grant a concession to the debtor;
- Significant modification of a financial asset that generate the extinguishment of the existing financial asset and recognition of a new financial asset.

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**3. Material accounting policy information (continued)**

**d) Financial assets – derecognition (continued)**

**Derecognition due to substantial modification of terms and conditions**

In certain circumstances, the Group renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether the new terms are substantially different to the original terms. The Group does this by considering both quantitative and qualitative factors that are substantially changing the size or the nature of lender's risks associated with the pre-existing loan contract.

If the new terms are substantially different, the Group derecognises the original financial assets and recognises a "new" financial asset. The new financial asset is initially recognized at fair value and the classification and subsequent measurement is reassessed considering the new business model and the contractual cash flows characteristics. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes. All financial assets that are impaired at the date of initial recognition (first origination or re-origination due to significant changes) are classified as purchased or originated credit impaired (POCI).

On initial recognition the difference between transaction price and fair value of new financial asset is recognised in P&L for loans where the fair value is calculated based on observable inputs (loans not impaired at the date of modification).

When assessing the new terms to establish if they are significantly modified, the Group considers if the change is made to increase recoverability of the pre-existing loan. The renegotiation or modification of the contractual cash flow of an existing financial asset can generate derecognition of the financial asset and the recognition of a new financial asset if the respective changes to the financial asset are significant. Changes made for the purpose of increasing the received cash flows and which are not considered significant change of the contractual characteristics do not generate derecognition.

The following modifications are considered significant contractual changes:

Quantitative criteria:

- interest rate margin modification for floating interest rate and interest rate modification for fixed interest rate higher than 3% over a 12-month period; the threshold is subject to review depending on the market conditions;
- tenor prolongation or reduction for non-revolving financial assets for more than 24 months or over 50% from initial (prior to modification) remaining tenor.

Qualitative criteria refer to contractual modifications that are substantially changing the size or the nature of lender's risks associated with the pre-existing loan contract and are applicable to all financial assets:

- change of the denomination currency;
- change of the type of interest (variable or fixed) for performing loans (commercial renegotiation);
- contract changed obligor / counterparty;
- consolidation of two or more loans to one loan (many to 1);
- split of one loan to two or more loans (1 to many);
- modification of an SPPI compliant contract by introducing a features that is non-SPPI or modification of a non-SPPI contract by removing the features that are non-SPPI through commercial renegotiation;
- change of a commercial product or use of the same product but from updated bank commercial offer available at the change date for performing loans (commercial renegotiation);
- renewal of a performing revolving loan (regardless of new tenor) if a substantive risk analysis is performed.

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**3. Material accounting policy information (continued)**

**d) Financial assets - derecognition (continued)**

**Derecognition other than for substantial modification**

A financial asset is derecognized where either:

- The rights to receive cash flows from the assets have expired;
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either a) has transferred substantially all the risks and rewards of the asset, or b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially changed, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts are recognized in profit or loss.

***Write-offs***

A write-off is performed when the entire loan is deemed uncollectible (very high uncertainty regarding recoverable amount and timeframe). Write-off is not conditioned by the closure of the legal procedures, nor does it imply the forfeit of the bank’s claims to the receivables / financial asset. A write-off is performed only where the chances of recoveries are remote.

The Bank performs permanent write-offs under certain situations, such as:

- the financial assets are considered immaterial, thus do not justify the initiation of the recovery process;
- the collaterals which cover the receivables have a recovery value deemed immaterial and no other recovery sources could be identified;
- exhaustion of all legal means;
- end of the statute of limitation period for enforcement rights, etc.

Any recoveries of previously written-off loans and receivables are recognized as income.

**e) Financial assets - reclassification**

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

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### 3. Material accounting policy information (continued)

#### f) Impairment model of financial assets

The Group assesses on a forward-looking basis the expected credit losses (“ECL”) for the following categories of financial assets: loans and placed deposits measured at amortised cost, debt instruments measured at fair value to other comprehensive income, loan commitments and financial guarantee contracts, contract assets and trade receivables.

The group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL calculation considers both the number of days past due recorded by the receivables and the credit risk analysis performed for clients with granted loans.

For contract assets and trade receivables the Group applies the simplified approach for measuring the expected credit losses and recognizes lifetime expected credit losses in accordance to the provisions of IFRS 9 “Financial Instruments”. Based on an assessment of historical information the Bank recognizes expected credit loss for contract assets and the trade receivables with more than 90 days past due for the entire exposure amount.

#### Overview of the ECL principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months’ expected credit loss (12mECL). The ECL is computed from the time of origination.

Consequently, financial assets subject to loss allowances can be classified in Stage 1, Stage 2, Stage 3 or POCI, as described below:

- **Stage 1** when there is insignificant or no impairment of credit quality since initial recognition; Loss allowance shall be equal to 12mECL.
- **Stage 2** when a financial asset shown significant increase in credit risk since initial recognition, though not impaired; Loss allowance shall be equal to LTECL.
- **Stage 3** financial assets classified as impaired; Loss allowance is represented by LTECL.
- **POCI** financial assets that are credit impaired on initial recognition. Loss allowance shall be equal to LTECL. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses.

The expected credit loss may be calculated either individually or collectively in accordance with IFRS 9. The Bank model for computing the expected credit losses is:

- Individual or collective assessment for clients in Stage 3;
- Collective assessment for clients in Stage 2 or Stage 1.

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**3. Material accounting policy information (continued)**

**f) Impairment model of financial assets (continued)**

**Staging criteria**

The Bank has established criteria to perform the assessment of significant increase in credit risk since initial recognition on a monthly basis, considering both relative and absolute thresholds.

- For Non-Retail portfolio (Corporate and Public Authorities), the staging criteria are:  
Stage 3: criteria as provided by EBA default definition as presented below;  
Stage 2: assessment of  
*Relative threshold:* Doubling of the lifetime Probability of default (“PD”) since origination and the absolute increase exceeds a pre-defined quantitative threshold  
*Absolute thresholds:* Clients rated with the last three risk classes in term of risk (“sub-standard grade”, as detailed in Note 46.1), Clients with expired ratings for more than three months, Clients not rated as of reporting date, Healthy clients with restructured facilities in probation and  $DPD < 30$ , Clients with  $DPD > 30$ ;  
Stage 1: include all clients not classified in Stage 2 or Stage 3 based on the above conditions.
  
- For Small Business, the staging criteria are:  
  
Stage 3: criteria as provided by EBA default definition as presented below;  
Stage 2: assessment of  
*Relative threshold:* Doubling of the lifetime PD since origination and the absolute increase exceeds a pre-defined quantitative threshold  
*Absolute thresholds:* Clients rated with the last three risk classes in term of risk (“sub-standard grade”, as detailed in Note 46.1), Healthy clients with restructured facilities in probation and  $DPD < 30$ , Clients with  $DPD > 30$ ;  
Stage 1: include all clients not classified in Stage 2 or Stage 3 based on the above conditions.
  
- For Individuals and Professionals, the staging criteria are:  
  
Stage 3: criteria as provided by EBA default definition as presented below;  
Stage 2: assessment of  
*Relative threshold:* Doubling of the lifetime PD since origination and the absolute increase exceeds a pre-defined quantitative threshold  
*Absolute thresholds:* Clients rated with the last two risk classes in term of risk (“sub-standard grade”, as detailed in Note 46.1), Healthy clients with restructured facilities in probation and  $DPD < 30$ , Clients with  $DPD > 30$ ;  
Stage 1: include all clients not classified in Stage 2 or Stage 3 based on the above conditions.

In accordance with EBA default definition, the main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue by more than 90 days, whether a severe alteration in the counterparty’s financial standing is observed, entailing a high probability that the debtor will not be able to fully meet its credit obligations, whether concessions in the form of restructuring were consented under the circumstances of financial hardship experienced by the debtor, whether legal procedures were initiated or the debtor was transferred to specialized recovery structures (regardless of the number of days past due). Contamination principles within economic group of clients’ are also applied.

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### **3. Material accounting policy information (continued)**

#### **f) Impairment model of financial assets (continued)**

##### **ECL calculation techniques:**

The key elements of ECL calculation are outlined below:

- **PD** *Probability of Default* models are based on a two-step approach: building of the through-the-cycle (TTC) marginal PD curve and Adjustment of the TTC curve to incorporate point in time and forward looking information;
- **LGD** *Loss Given Default* model takes into account cashbacks, portfolio sales and collateral recoveries;
- **EAD** Exposure at default estimation at each time step is based on internally modelled Credit Conversion Factor (“CCF”).

##### **Forward-looking information**

Expected losses are computed based on three macroeconomic scenarios: optimistic, base and stress scenario. Consequently, expected credit losses are influenced both by changes in portfolio quality as well as changes in macroeconomic projections. Macroeconomic models are sensitive to GDP, RON/EUR exchange rate and unemployment rate. Final ECL is derived using the weighted average of the three scenarios (based on their probabilities of occurrence).

The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, the Bank assesses the need/opportunity for additional amounts of provisions in the form of overlays, in order to address:

- Sector of activity specific risks (adjustment of ECL on sectors that have a different default behaviour from the whole calibration segment)
- Visible macroeconomic threat impossible to be captured by the models, typically when the macroeconomic variable subject to stress cannot be statistically incorporated into the ECL model or the forward looking information factor is not applied for the underlying parameter.

##### **Impairment/default principles**

Impairment and recoverability are assessed, measured and recognized individually for loans and receivables that are individually significant, and on a portfolio basis for impaired loans and receivables that are not individually significant. Loans and receivables for which objective evidence of impairment was not identified, regardless the loans are individually significant or not, are included in a portfolio for collective impairment assessment. The carrying amount of the asset is reduced to its estimated recoverable amount through the use of an allowance account. The loss amount is recognised into profit and loss. If the amount of the impairment subsequently decreases due to an event occurring after the impairment, the release of the allowance is credited to the income statement.

The Group implemented the definition of the default status according to the criteria set by EBA. All the PD curves used as input elements in the ECL calculation were calibrated by applying the EBA definition retroactively, in order to ensure the consistency regarding the entry into default status at the time of calibration.

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**3. Material accounting policy information (continued)**

**f) Impairment model of financial assets (continued)**

**Collateral valuation**

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, letters of guarantees, real estate, etc.

Real estate collaterals are regularly valued. Their market value is estimated by certified evaluators that can be either external or internal valuers. Depending on the collateral type, 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.

The value of collateral affects the calculation of ECLs through modelled LGD parameter, which is an estimate of the loss arising in the case where a default occurs at a given time, considering all the cash flows collected from the client, as well as the recovery value of collaterals (net of any cost and additional losses), by incorporating the effect of time value of money. In case of provisions individually assessed, the recovery value of a collateral is determined by applying discount coefficients to its market value.

**g) Cash and cash equivalents**

For the purpose of the cash flow statements, cash and cash equivalents comprise cash in hand, current accounts and short-term placements at other banks and the amounts representing minimum compulsory reserve held at National Bank of Romania, excluding amounts in transit and loans to banks with more than 90 days maturity from the date of acquisition.

**h) Leases**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement convey a right to use the asset.

A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

***Group as a lessor***

Finance leases are those which transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item and are recognized as assets at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are allocated both to the principal and the interest income on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease.

***Group as a lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. For short-term leases or leases for which the underlying asset is of low value, the related lease payments are recognized as an expense on a straight-line basis over the lease term (please see Note 40).

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**3. Material accounting policy information (continued)**

**h) Leases (continued)**

*Right-of-use assets*

The Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented within Note 15.

*Lease liabilities*

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments can include fixed payments, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments can also include payments of penalties for terminating the lease.

**i) Investment in associates and joint ventures**

An associate is an enterprise in which the Group and Bank exercises significant influence and is neither a subsidiary nor a joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group recognizes its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investments in Associates. The Bank accounts its interest in joint venture in the separate financial statements at cost less impairment.

Associates and joint venture are accounted using the equity method for consolidation purposes and cost method for separate financial statements.

Under the equity method, an investment in an associate and joint venture is carried in the statement of financial position at cost plus post-acquisition changes in the Group and Bank's share of net assets of the associate or joint venture. Goodwill relating to an associate or joint venture is included in the carrying amount of the investment and is not amortized. The Group and Bank does an assessment of any additional impairment loss with respect to the net investment in associate or joint venture.

The income statement reflects the share of the results of operations of associates and joint ventures. Where there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity.

The reporting dates of associates and joint venture and the Group are identical and the associates' or joint ventures' major accounting policies conform to those used by the Group for like transactions and similar events in similar circumstances.

**j) Tangible assets**

The cost of tangible asset is recognized as an asset if, and only if: (a) it is probable that future economic benefits associated with the item will flow to the Group; and (b) the cost of the item can be measured reliably.

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**3. Material accounting policy information (continued)**

**j) Tangible assets (continued)**

Buildings and other tangible assets are stated at cost less accumulated depreciation and any impairment loss. In accordance with IAS 29 “Reporting in Hyperinflationary Economies”, tangible assets have been restated, as appropriate, by applying the change in the consumer price index from the date of acquisition through 31 December 2003.

Depreciation is computed on a straight-line basis over the estimated useful life of the asset, as stated below:

<i>Asset type</i>	<i>Years</i>
Buildings and special constructions	10-40
Computers and equipment	3-5
Furniture and other equipment	15
Vehicles	5

The carrying amount of tangible assets is reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An asset’s recoverable amount is the higher of an asset’s or CGU (Cost Generation Unit)’s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Tangible assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

**k) Investment properties**

Assets are classified as investment property if the property (land or a building - or part of a building - or both) is held (by the Bank or Group as owner) to earn rentals or for capital appreciation or both, rather than for: use in the production or for administrative purposes; or sale in the ordinary course of business.

Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less any accumulated depreciation and any accumulated impairment losses. Investment properties are derecognized when either they have been disposed-off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the income statement in the year of retirement or disposal.

Transfers are made to investment property when and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party, or ending of construction or development. Transfers are made from investment property when and only when, there is a change in use evidenced by commencement of owner-occupation or commencement of development with a view to sale. The depreciation of buildings included in investment properties is computed using the linear method over the useful lives as presented in Note 3 j).

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**3. Material accounting policy information (continued)**

**l) Assets held for sale**

Non-current assets for which the carrying amount is estimated to be recovered principally through a sale transaction rather than continuing use are classified as held for sale. Assets held for sale represented by property, plant and equipment are initially and subsequently measured at the lower of the carrying amount and the fair value at the date of the measurement. For any decrease of the fair value below the carrying amount, impairment is recognised into profit and loss accounts. The increase of the fair value of a held for sale asset is accounted for as an impairment release. Fair value increase is recognised up to the level of the initial carrying amount of the asset. On the period an asset is classified as held for sale no depreciation charged is recognised. An asset that ceases to be classified as held for sale is measured at the lower of the carrying amount before the asset was classified as held for sale adjusted by the depreciation that would have been recognised had the asset was not classified as held for sale and its recoverable amount.

**m) Goodwill**

Goodwill acquired in a business combination is initially measured at the excess of the aggregate of consideration transferred and the amount of any non-controlling interest in the acquiree over the net amounts of the identifiable assets and liabilities acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment at each reporting date or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of cash-generating unit is less than the carrying amount, an impairment loss is recognized.

**n) Intangible assets**

Intangible assets are measured initially at cost. Following initial recognition intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. All intangible assets of the Group and Bank carried as of 31 December 2025 and 2024 have finite useful lives and are amortized on a straight-line basis over the estimated useful life of up to 5 years. The amortization period and the amortization method are reviewed at least at each financial year end. At each statement of financial position date or whenever events or changes in circumstances indicate the carrying value may not be recoverable, intangibles are reviewed for impairment. Where the carrying amount of an asset is greater than the estimated recoverable amount, it is written down to its recoverable amount by recognising impairment. An intangible asset is derecognized upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

**o) Employee benefits**

*Short-term employee benefits:*

Short-term employee benefits include wages, salaries and social security contributions. Short-term employee benefits are recognized as expense when services are rendered.

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**3. Material accounting policy information (continued)**

**o) Employee benefits (continued)**

*Social Security Contributions:*

The Group and its subsidiaries as well as its employees are legally obliged to make contributions described in the financial statements as social security contributions to the National Pension Fund, managed by the Romanian State Social Security (a defined contribution plan financed on a pay-as-you-go basis).

The Group and Bank has no legal or constructive obligation to pay future benefits. Its only obligation is to pay the contributions as they fall due.

If the members of the Romanian State Social Security plan cease to be employed by either the Group or its subsidiary, there will be no obligation on the Group to pay the benefits earned by these employees in previous years. The Group and Bank's contributions are included in salaries and related expenses.

*Post-employment benefits:*

The Group and Bank has a contractual obligation to pay to retiring employees a benefit calculated considering the salary at the date of retirement and the number of years served by the individual. The cost of providing benefits under defined benefit plans is estimated annually using the projected unit credit actuarial valuation method and is recognized to the income statement on an accrual's basis. Differences arising from changes in calculation assumptions (early retirements, discount rates, etc.) or differences between actuarial assumptions and real performance are recognized as actuarial gains and losses. Actuarial gains and losses, excluding amounts expensed as net interest on the net defined benefit liability are components used to re-measure the net defined benefit liability. These components are immediately and fully recognised as unrealised gains and losses and presented under Reserves from defined benefit pension plan.

These items are subsequently never reclassified in income statement but transferred to retain earnings. Where a new or amended plan comes into force, the past service cost is immediately recognized in profit or loss.

An annual charge is recorded under Personnel expenses for defined benefit plans, consisting of:

- the additional entitlements vested by each employee (current service cost);
- past service cost resulting from a plan amendment or a curtailment;
- the financial expense resulting from the discount rate (net interest on the net defined benefit liability);
- the settlement of plans.

*Share-based payment transactions:*

Based on the annual performance certain employees of the Group and Bank receive remuneration in the form of SG share-based payment transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions'). The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date', usually 3 years).

Additionally, according to the Bank's Remuneration Policy, the Executive Officers are entitled to a variable remuneration, which is granted based on quantitative and qualitative criteria and represents a cash-settled transaction, having two components' cash and share equivalents settled in cash (BRDTP - Bonus package for the executive officers). BRDTP or share equivalents is a component of the variable remuneration expressed in units, whose value is determined for a relevant reference period preceding the vesting date, based on the price of the Bank shares, listed on the Bucharest Stock Exchange.

In accordance with European and local legislation in force and the Bank's risk appetite targets whilst promoting alignment with shareholders' interests, vesting of at least 60% of the variable remuneration is deferred over five years, on a pro rata basis.

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**3. Material accounting policy information (continued)**

**o) Employee benefits (continued)**

This concerns both cash payments and share equivalents (BRDTP) granted subject to the achievement of long-term performance conditions related to Bank profitability. Another vesting condition refers to the presence of the Beneficiary (i.e. the mandate contract is not terminated). At least 50% from any variable remuneration must be composed of share equivalents.

Moreover, the employees of the Bank and of the Group can participate in SG International Saving Plan or Global Employee Share Ownership Plan, through which they can to acquire Société Générale shares at a preferential price under the following condition:

- Subscription price reduced by 20% versus the SG share reference price ;
- A gross premium for the first 20 shares acquired supported by the employer representing 100% of employee contribution, starting the 21st share the premium represent 50% of the employee contribution (classified as short term employee benefits). The overall gross premium paid by the employer cannot exceed a certain threshold.

*Other benefits*

The Bank also grants to all employees:

- ✓ annual contribution to a private pension fund (Pillar 3) in total amount of 200 EUR/year/employee (for the employees with a seniority in the Bank higher than 3 years)
- ✓ upon termination of the individual labour agreement for reasons not related to the employee (related with the number of years served by the employee)
- ✓ fidelity premium (related with the number of years served by the employee)
- ✓ on December 1st an amount equal to the basic salary
- ✓ holiday vouchers, meal vouchers
- ✓ social expenses: gifts for the employees' children given during Easter, Christmas and Children's Day, gifts for the women employees of the Bank on 8 March, for birth every newborn, for the civil marriage of the employee, for the death of a family member or in case of the death of the employee.

**p) Provisions**

Provisions are recognized when the Group and Bank has a present obligation (legal or constructive), because of a past event, it is probable that an outflow of embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as borrowing cost.

**q) Contingencies**

Contingent liabilities are not recognized in the financial statements, but they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

**r) Earnings per share**

Basic earnings per share are calculated by dividing net profit/ (loss) for the reporting period attributable to ordinary equity holders of the parent by the weighted average number of shares outstanding during the year. As of 31 December 2025 and 2024 there were no dilutive equity instruments issued by the Group and Bank.

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**3. Material accounting policy information (continued)**

**s) Dividends on ordinary shares**

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Group and Bank's shareholders.

**t) Current and deferred tax**

i) Current tax

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statements of financial position date.

ii) Deferred tax

Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets and liabilities are netted only within the individual companies of the Group.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

The recognised deferred tax asset represents income taxes recoverable through future deductions from taxable profits, and is recorded in the statement of financial position. Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. The future taxable profits and the amount of tax benefits that are probable in the future are based on a medium term business plan prepared by management and extrapolated results thereafter. The business plan is based on management expectations that are believed to be reasonable under the circumstances

Deferred tax liabilities are recognised for all taxable temporary differences, except for temporary differences relating to investments in companies under exclusive or joint control, to the extent that the Group is capable of controlling the date on which the temporary difference will reverse and that this temporary difference will likely not reverse in the foreseeable future.

**u) Related parties**

Parties are considered related with the Group and Bank when one party, either through ownership, contractual rights, family relationship or otherwise, could directly or indirectly control or significantly influence the other party in making financial and operating decisions. Related party transaction represents a transfer of resources or obligations between related parties, regardless of whether a price is charged.

In the normal course of business, the Group enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analysis. Terms and conditions of related party balances are disclosed in Note 41.

In summary, related party transactions are initially recognized at fair value or transaction price, whichever best reflects the economic substance, with appropriate disclosures to maintain financial statements transparency.

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### **3. Material accounting policy information (continued)**

#### **v) Subsequent events**

Post - balance sheet events that provide additional information about the Group and Bank's position at the statement of financial position (adjusting events), or those that indicate that the going concern assumption is not appropriate are reflected in the financial statements. Post-balance sheet events that are not adjusting events are disclosed in the notes when significant.

### **4. Segment information**

The segments used for management purposes are based on customer type and size, products and services offered and follow the aggregation criteria from IFRS 8.

The operating segments' operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

Each segment is assessed both from Statement of financial position and Statement of profit or loss perspective.

In Retail (Individuals & Small Business) category the following customer's segments are identified:

- Individuals – the Bank provides individual customers with a range of banking products such as: saving and deposits taking, consumer and housing loans, overdrafts, credit card facilities, funds transfer and payment facilities, etc.
- Small business – business entities with annual turnover lower than 1 million EUR and having an aggregated exposure at group level less than 0.3 million EUR. Standardised range of banking products is offered to small companies and professional: saving and deposits taking, loans and other credit facilities, etc.

Retail customers include clients with similar characteristics in terms of financing needs, complexity of the activity performed and size of business for which a range of banking products and services with medium to low complexity is provided.

In Non-Retail category the following customer's segments are identified:

- Small and medium enterprises (companies with annual turnover between 1 million EUR and 50 million EUR and the aggregated exposure at group level higher than 0.3 million EUR);
- Large corporate (corporate banking and companies with annual turnover higher than 50 million EUR, municipalities, public sector and other financial institutions).

The Bank provides these customers with a range of banking products and services, including saving and deposits taking, loans and other credit facilities, transfers and payment services, provides cash-management, investment advices, securities business, project and structured finance transaction, syndicated loans and asset backed transactions.

The Corporate Center includes: treasury activities, ALM and other categories unallocated to Retail and Non-Retail business lines.

The Management monitors the activity of each segment separately for the purpose of performance assessment and follow up in the quarterly business lines presentation.

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**4. Segment information (continued)**

	Group							
	2025				2024			
	Total	Retail	Non retail	Corporate Center	Total	Retail	Non retail	Corporate Center
Net interest income	3,104,664	1,910,470	974,885	219,309	2,911,643	1,781,525	904,664	225,454
Fees and commissions, net	890,004	578,119	339,595	(27,710)	808,775	540,975	313,184	(45,384)
Total non-interest income	354,939	103,930	110,145	140,864	311,616	74,488	102,179	134,949
<b>Net banking income</b>	<b>4,349,607</b>	<b>2,592,519</b>	<b>1,424,625</b>	<b>332,463</b>	<b>4,032,034</b>	<b>2,396,988</b>	<b>1,320,027</b>	<b>315,019</b>
<b>Total operating expenses</b>	<b>(2,223,155)</b>	<b>(1,542,103)</b>	<b>(587,152)</b>	<b>(93,900)</b>	<b>(2,023,336)</b>	<b>(1,456,731)</b>	<b>(540,233)</b>	<b>(26,372)</b>
Net impairment gain/(loss) on financial instruments	(225,186)	(222,060)	(1,102)	(2,023)	(145,341)	(150,804)	5,285	178
Total income tax	(355,562)	(154,931)	(156,464)	(44,167)	(339,581)	(143,867)	(143,071)	(52,643)
<b>Net profit for the period</b>	<b>1,545,704</b>	<b>673,424</b>	<b>679,907</b>	<b>192,373</b>	<b>1,523,776</b>	<b>645,586</b>	<b>642,008</b>	<b>236,182</b>
<b>Cost Income Ratio</b>	<b>51.1%</b>	<b>59.5%</b>	<b>41.2%</b>		<b>50.2%</b>	<b>60.8%</b>	<b>40.9%</b>	

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**4. Segment information (continued)**

	Group							
	31 December 2025				31 December 2024			
	Total	Retail	Non retail	Corporate Center	Total	Retail	Non retail	Corporate Center
<b>Total assets</b>	<b>98,044,037</b>	<b>31,543,711</b>	<b>24,586,168</b>	<b>41,914,158</b>	<b>88,479,703</b>	<b>28,596,010</b>	<b>21,132,667</b>	<b>38,751,026</b>
Loans and advances to customers, net & Finance lease receivables	56,129,879	31,543,711	24,586,168	-	49,728,677	28,596,010	21,132,667	-
Other assets	41,914,158	-	-	41,914,158	38,751,026	-	-	38,751,026
<b>Total liabilities</b>	<b>98,044,037</b>	<b>45,544,528</b>	<b>29,500,601</b>	<b>22,998,908</b>	<b>88,479,703</b>	<b>44,319,868</b>	<b>23,615,274</b>	<b>20,544,561</b>
Due to customers	75,045,129	45,544,528	29,500,601	-	67,935,142	44,319,868	23,615,274	-
Other liabilities	22,998,908	-	-	22,998,908	20,544,561	-	-	20,544,561

The accompanying notes are an integral part of these financial statements.

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**5. Cash and cash equivalents**

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Cash in vaults and ATM	2,888,474	2,455,239	2,888,396	2,455,158
Current accounts with Central Bank	6,327,799	5,096,004	6,327,799	5,096,004
Current accounts and placements with other banks	2,864,114	1,106,792	2,864,114	1,106,792
<b>Total</b>	<b>12,080,387</b>	<b>8,658,035</b>	<b>12,080,309</b>	<b>8,657,954</b>

The Cash and cash equivalents portfolio is classified as Stage 1. For credit quality analysis please refer to Note 46.1.

**6. Due from banks**

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Deposits and other due from banks	393,727	263,894	393,728	263,894
Reverse repo	6,102,999	6,049,529	6,102,999	6,049,529
<b>Total</b>	<b>6,496,727</b>	<b>6,313,423</b>	<b>6,496,727</b>	<b>6,313,423</b>

The Due from banks portfolio is classified as Stage 1. For credit quality analysis please refer to Note 46.1.

**7. Derivatives and other financial instruments held for trading**

Group	31 December 2025		
	Assets	Liabilities	Notional (total)
Interest rate swaps	28,370	107,550	5,778,982
Currency swaps	13,077	16,753	4,346,641
Forward foreign exchange contracts	9,730	14,230	2,336,562
Options	40,399	40,871	9,716,122
<b>Total derivative financial instruments</b>	<b>91,576</b>	<b>179,404</b>	<b>22,178,307</b>
	<b>31 December 2025</b>		
	Assets	Liabilities	
Treasury notes	1,303,894	636,050	
Trading loans/deposits	-	109,106	
Reverse repo/Repo	1,119,834	52,888	
<b>Total financial assets and liabilities held for trading</b>	<b>2,423,728</b>	<b>798,044</b>	
<b>Total derivatives and other financial instruments held for trading</b>	<b>2,515,304</b>	<b>977,448</b>	

The accompanying notes are an integral part of these financial statements.

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**7. Derivatives and other financial instruments held for trading (continued)**

Group	31 December 2024		
	Assets	Liabilities	Notional (total)
Interest rate swaps	35,248	151,439	5,529,920
Currency swaps	46,120	11,324	4,651,924
Forward foreign exchange contracts	21,945	10,937	1,700,164
Options	38,556	38,672	6,536,794
<b>Total derivative financial instruments</b>	<b>141,869</b>	<b>212,372</b>	<b>18,418,802</b>

	31 December 2024	
	Assets	Liabilities
Treasury notes	809,797	226,548
Trading loans/deposits	224,827	-
Reverse repo/Repo	666,069	85,090
<b>Total financial assets and liabilities held for trading</b>	<b>1,700,693</b>	<b>311,638</b>
<b>Total derivatives and other financial instruments held for trading</b>	<b>1,842,562</b>	<b>524,010</b>

Bank	31 December 2025		
	Assets	Liabilities	Notional (total)
Interest rate swaps	28,370	107,550	5,778,982
Currency swaps	13,077	16,753	4,346,641
Forward foreign exchange contracts	9,731	14,230	2,344,210
Options	40,399	40,871	9,716,122
<b>Total derivative financial instruments</b>	<b>91,577</b>	<b>179,404</b>	<b>22,185,955</b>

	31 December 2025	
	Assets	Liabilities
Treasury notes	1,274,119	636,050
Trading loans/deposits	-	109,106
Reverse repo/Repo	1,119,834	52,888
<b>Total financial assets and liabilities held for trading</b>	<b>2,393,953</b>	<b>798,044</b>
<b>Total derivatives and other financial instruments held for trading</b>	<b>2,485,530</b>	<b>977,448</b>

Bank	31 December 2024		
	Assets	Liabilities	Notional (total)
Interest rate swaps	35,248	151,439	5,529,920
Currency swaps	46,120	11,324	4,651,924
Forward foreign exchange contracts	21,945	10,937	1,700,164
Options	38,556	38,672	6,536,794
<b>Total derivative financial instruments</b>	<b>141,869</b>	<b>212,372</b>	<b>18,418,802</b>

	31 December 2024	
	Assets	Liabilities
Treasury notes	777,739	226,548
Trading loans/deposits	224,827	-
Reverse repo/Repo	666,069	85,090
<b>Total financial assets and liabilities held for trading</b>	<b>1,668,635</b>	<b>311,638</b>
<b>Total derivatives and other financial instruments held for trading</b>	<b>1,810,504</b>	<b>524,010</b>

The accompanying notes are an integral part of these financial statements.

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**7. Derivatives and other financial instruments held for trading (continued)**

The Bank continues to apply hedge accounting (fair value hedge) as of 31 December 2025 and has four hedging relationships (four hedging relationships as of 31 December 2024). The Bank applies EU carve-out.

- On 30 June 2018, the Bank initiated two macro fair value hedges one in EUR and one in USD of interest rate risk associated with the current accounts, using several interest rate swaps (pay variable, receive fixed). The change in the fair value of the macro fair value hedge swaps offsets the change in the fair value of the hedged portion of the current accounts. The hedged items are represented by the portion of the current accounts' portfolio equal to the swap's nominal values of:
  - 54 million EUR yearly with a fixed interest rate of 0.42%, the remaining period as of 31 December 2025 of 2.5 years.
  - 12 million USD yearly with a fixed interest rate of 2.813%, the remaining period as of 31 December 2025 of 2.5 years.
- On 30 October 2020 the Bank initiated a macro fair value hedge of interest rate risk associated with the current accounts, using several interest rate swaps (pay variable, receive fixed). The change in the fair value of the macro fair value hedge swaps offsets the change in the fair value of the hedged portion of the current accounts. The hedged item is represented by the portion of the current accounts' portfolio equal to the swaps nominal of 175 million EUR. The swap has a fixed interest rate of -0.403% and a remaining period of 4.84 years.
- On 30 September 2021 the Bank initiated a macro fair value hedge of interest rate risk associated with the current accounts, using several interest rate swaps (pay variable, receive fixed). The change in the fair value of the macro fair value hedge swaps offsets the change in the fair value of the hedged portion of the current accounts. The hedged item is represented by the portion of the current accounts' portfolio equal to the swaps nominal of 30 million EUR. The swap has a fixed interest rate of -0.337% and a remaining period of 0.75 years.

All hedging relationships have quarterly settlement periods for both fixed and variable legs. The macro hedging relationships were effective throughout the reporting period. Main source of hedge ineffectiveness that might be expected to affect the hedging relationships is the amortization model of current accounts. However, the amortization of the hedged item is based on a behavioral ALM model that is reviewed/back tested on a yearly basis. To avoid inefficiency generated by the underestimated amortization of the current accounts, maximum 70% of the current accounts portfolio per each time band is designated as hedged item.

The hedging relationship were designated on the date of the IRS origination. At that date, the theoretical derivative was built as to match the interest rate behavior of the current accounts, the hedged item (i.e. a spread was added to the variable leg so that the fair value of the theoretical swap on the designation date to be zero). Consequently, no other major sources of ineffectiveness were identified.

As at 31 December 2025, the accumulated amount of fair value hedge adjustments on the current accounts hedged item are included in the carrying amount and presented in due to customer line in the statement of financial position and amounts to -78,538. The change in value of the hedged item during the period is explained by the cumulated effect of a loss from revaluation in amount of 35,892 and of the exchange rate evolution effect in amount of -2,091.

As at 31 December 2024, the accumulated amount of fair value hedge adjustments on the current accounts hedged item are included in the carrying amount and presented in due to customer line in the statement of financial position and amounts to -112,338. The change in value of the hedged item during the period is explained by the cumulated effect of a loss from revaluation in amount of 71,246 and of the exchange rate evolution effect in amount of -89.

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**7. Derivatives and other financial instruments held for trading (continued)**

The fair value of hedging instrument for Group and Bank was the following:

	31 December 2025		
	Assets	Liabilities	Notional (total)
Interest rate swaps	-	82,382	1,372,612

	31 December 2024		
	Assets	Liabilities	Notional (total)
Interest rate swaps	-	118,645	1,827,312

The summary of the transactions and impact in statement of financial position and statement of profit or loss is presented below for year 2025 and 2024:

31 December 2025	FVH IRS - IRS Hedging measured at:		TOTAL
	Amortised cost	Fair value through other comprehensive income	
<b>HEDGING INSTRUMENTS</b>			
Nominal value	1,372,612	-	1,372,612
Carrying amounts - liabilities	82,382	-	82,382
Balance sheet item in which hedging instrument is reported	Derivatives and other financial instruments held for trading	Derivatives and other financial instruments held for trading	
Amount of changes in fair value of the hedging instrument in the reporting period used for estimating hedge inefficiency	35,892	-	35,892
<b>HEDGED ITEM</b>			
Carrying amounts - liabilities	1,372,612	-	1,372,612
Accumulated amount of the adjustment of the fair value of the hedged item included in the carrying amount of the hedged item recognized in the balance sheet	(78,538)		(78,538)
Balance sheet item in which hedged instrument is reported	Due to customers	Due to customers	-
Change in the value of the hedged item used for estimating hedged inefficiency in the reporting period	(35,892)		(35,892)

31 December 2024	FVH IRS - IRS Hedging measured at:		TOTAL
	Amortised cost	Fair value through other comprehensive income	
<b>HEDGING INSTRUMENTS</b>			
Nominal value	1,827,312	-	1,827,312
Carrying amounts - liabilities	118,645	-	118,645
Balance sheet item in which hedging instrument is reported	Derivatives and other financial instruments held for trading	Derivatives and other financial instruments held for trading	
Amount of changes in fair value of the hedging instrument in the reporting period used for estimating hedge inefficiency	71,246	-	71,246
<b>HEDGED ITEM</b>			
Carrying amounts - liabilities/assets	1,827,312	-	1,827,312
Accumulated amount of the adjustment of the fair value of the hedged item included in the carrying amount of the hedged item recognized in the balance sheet	(112,338)		(112,338)
Balance sheet item in which hedged instrument is reported	Due to customers	Due to customers	-
Change in the value of the hedged item used for estimating hedged inefficiency in the reporting period	(71,246)		(71,246)

The accompanying notes are an integral part of these financial statements.

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**7. Derivatives and other financial instruments held for trading (continued)**

The split on maturities for the nominal value for the hedging instruments is as follows:

31 December 2025		RESIDUAL MATURITY					TOTAL
Hedging relationship	Currency	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 YEAR AND 5 YEARS	OVER 5 YEARS	
FV Hedge IRS	EUR Nominal value	-	-	152,955	1,167,557	-	<b>1,320,512</b>
	Average fixed interest rate (%)	-	-	(0.337)	0.008	-	
	USD Nominal value	-	-	-	52,100	-	<b>52,100</b>
	Average fixed interest rate (%)	-	-	-	2.813	-	
<b>Total nominal value</b>				<b>152,955</b>	<b>1,219,657</b>	-	<b>1,372,612</b>

31 December 2024		RESIDUAL MATURITY					TOTAL
Hedging relationship	Currency	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 YEAR AND 5 YEARS	OVER 5 YEARS	
FV Hedge IRS	EUR Nominal value	-	-	49,741	656,581	1,044,561	<b>1,750,883</b>
	Average fixed interest rate (%)	-	-	0.171	0.042	(0.403)	
	USD Nominal value	-	-	-	76,429	-	<b>76,429</b>
	Average fixed interest rate (%)	-	-	-	2.813	-	
<b>Total nominal value</b>				<b>49,741</b>	<b>733,010</b>	<b>1,044,561</b>	<b>1,827,312</b>

*Forwards*

Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Forwards are customised contracts transacted in the over-the-counter market.

*Swaps*

Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, in relation to movements in a specified underlying index such as an interest rate, foreign currency rate or equity index.

Interest rate swaps relate to contracts concluded by the Bank with other financial institutions in which the Bank either receives or pays a floating rate of interest in return for paying or receiving, respectively, a fixed rate of interest. The payment flows are usually netted against each other, with the difference being paid by one party to the other. In a currency swap, the Bank pays a specified amount in one currency and receives a specified amount in another currency. Currency swaps are mostly gross settled.

*Options*

Options are contractual agreements that convey the right, but not the obligation, for the purchaser either to buy or sell a specific amount of a financial instrument at a fixed price, either at a fixed future date or at any time within a specified period. The Bank purchases and sells options in the over-the-counter markets.

Options purchased by the Bank provide the Bank with the opportunity to purchase (call options) or sell (put options) the underlying asset at an agreed-upon value either on or before the expiration of the option.

The Bank is exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value. Options written by the Bank provide the purchaser the opportunity to purchase from or sell to the Bank the underlying asset at an agreed-upon value either on or before the expiration of the option. The options are kept to neutralize the customer deals.

*Trading treasury notes* are treasury discount notes and coupon bonds held for trading purposes. All the treasury notes in Bank's portfolio are issued by the Romanian Government in RON, EUR and USD.

*Trading loans/deposits (including reverse repo/repo)* are financial instruments originated by clients or interbank flow and the associated risk management, those resulting from Bank obligations as primary dealer and from Bank position al liquidity provider.

The accompanying notes are an integral part of these financial statements.

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**8. Financial assets at fair value through profit or loss**

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Equity investments	10,374	9,208	10,374	9,208
<b>Total</b>	<b>10,374</b>	<b>9,208</b>	<b>10,374</b>	<b>9,208</b>

Equity investments represent shares in Romanian Commodities Exchange (Bursa de Valori Bucuresti), National Society for Transfer of Funds and Settlements-TransFonD (Societatea Nationala de Transfer de Fonduri si Decontari), SWIFT, Shareholders' Register for the National Securities Commission (Depozitarul Central S.A.), Bucharest Stock Exchange (Bursa Romana de Marfuri SA).

**9. Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income include treasury notes, respectively treasury discount notes and coupon bonds issued by:

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Ministry of Public Finance	8,305,053	9,610,278	8,305,053	9,610,278
French State	1,886,390	2,019,141	1,886,390	2,019,141
Belgian State	1,066,473	535,445	1,066,473	535,445
<b>Total</b>	<b>11,257,916</b>	<b>12,164,864</b>	<b>11,257,916</b>	<b>12,164,864</b>
ECL allowance	(34)	(12)	(34)	(12)
<b>Total net</b>	<b>11,257,882</b>	<b>12,164,852</b>	<b>11,257,882</b>	<b>12,164,852</b>

These financial assets at fair value through other comprehensive income are rated as very good according to internal rating. As of 31 December 2025, they are classified as Stage 1.

**10. Financial assets at amortised cost**

**10.1. Loans and advances to customers**

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Loans, gross	55,918,906	49,506,267	55,525,911	49,114,810
Loans impairment	(1,933,047)	(1,801,065)	(1,891,071)	(1,762,902)
<b>Total</b>	<b>53,985,859</b>	<b>47,705,202</b>	<b>53,634,840</b>	<b>47,351,908</b>

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**10. Financial assets at amortised cost (continued)**

**10.1. Loans and advances to customers (continued)**

The structure of loans is the following:

	Group		Bank	
	31 December 2025	Revised 31 December 2024	31 December 2025	Revised 31 December 2024
Working capital loans	15,417,621	14,205,640	15,417,621	14,205,640
Loans for equipment	5,331,835	5,006,126	4,938,839	4,614,669
Trade activities financing	1,343,577	1,224,158	1,343,577	1,224,158
Acquisition of real estate, including mortgage for individuals	19,156,106	16,731,732	19,156,106	16,731,732
Consumer loans	10,456,860	9,164,690	10,456,860	9,164,690
Consumer secured loans	522,970	655,200	522,970	655,200
Overdrafts on current accounts	1,775,270	1,611,859	1,775,270	1,611,860
Other	1,914,667	906,861	1,914,667	906,861
<b>Total</b>	<b>55,918,906</b>	<b>49,506,267</b>	<b>55,525,911</b>	<b>49,114,810</b>

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly. The Bank revised the presentation and added new categories into the structure such as: “Consumer secured loans” and “Overdrafts on current accounts” considering these categories significant.

As at 31 December 2025 the gross loan portfolio increased by 6,411 million RON as compared with 31 December 2024.

As at 31 December 2025 the Bank’s gross loan portfolio and movements were distributed as follows:

- Stage 1: 48,399 million RON, with a 6,762 million RON increase compared to 31 December 2024
- Stage 2: 5,529 million RON, with a 756 million RON decrease compared to 31 December 2024
- Stage 3: 1,526 million RON, with a 389 million RON increase compared to 31 December 2024
- POCI: 72 million RON, with a 16 million RON increase compared to 31 December 2024.

The main movements on gross exposure value are along the following dimensions:

- Stage 1 increase driven mainly by the commercial performance on both Retail and Non-Retail segment.
- The decrease in Stage 2 portfolio reflects the migrations to Stage 1, mainly observed on Retail, as a result of credit quality evolution.
- The Stage 3 and POCI evolution is characterized by a net inflow of 870 million RON from performing portfolios, offset by good recovery performance on already defaulted portfolios of 195 million RON and portfolio sale and write-off in amount of 270 million RON.

As at 31 December 2025 the amortized cost of loans granted to the 20 largest corporate clients (groups of connected borrowers) amounts to 7,990,646 (31 December 2024: 4,479,192), while the value of letters of guarantee and letters of credit issued in favour of these clients registered in off balance sheet amounts for the Group and Bank to 6,104,785 (31 December 2024: 4,840,044).

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**10. Financial assets at amortised cost (continued)**

**10.1. Loans and advances to customers (continued)**

**Impairment allowance movement**

Group

	<b>Retail lending</b>				<b>Total</b>
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as of 1st January 2025</b>	113,799	401,136	706,570	4,107	<b>1,225,612</b>
New assets originated or purchased	138,328	23,263	2,802	6	<b>164,399</b>
Assets derecognised or repaid (excluding write offs)	(25,840)	(42,618)	(229,963)	(338)	<b>(298,759)</b>
Net provision movement for assets that did not change classification	(92,161)	(20,492)	16,086	1,859	<b>(94,708)</b>
Movements due to change in classification	(25,473)	99,223	303,485	(241)	<b>376,994</b>
Amounts written off	-	-	(52,827)	(857)	<b>(53,684)</b>
Other adjustments	995	1,957	2,871	35	<b>5,859</b>
<b>Impairment allowance as of 31 December 2025</b>	<b>109,647</b>	<b>462,469</b>	<b>749,023</b>	<b>4,572</b>	<b>1,325,713</b>

	<b>Non-Retail lending</b>				<b>Total</b>
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as of 1st January 2025</b>	296,903	58,178	196,354	24,017	<b>575,451</b>
New assets originated or purchased	180,639	41,373	2,037	-	<b>224,048</b>
Assets derecognised or repaid (excluding write offs)	(114,420)	(32,850)	(14,400)	(222)	<b>(161,892)</b>
Net provision movement for assets that did not change classification	(62,511)	(13,541)	(63,691)	(13,593)	<b>(153,336)</b>
Movements due to change in classification	(10,596)	935	155,865	-	<b>146,204</b>
Amounts written off	-	-	(28,747)	(1)	<b>(28,747)</b>
Other adjustments	3,730	410	883	583	<b>5,606</b>
<b>Impairment allowance as of 31 December 2025</b>	<b>293,745</b>	<b>54,506</b>	<b>248,299</b>	<b>10,784</b>	<b>607,334</b>

	<b>Total</b>				<b>Total</b>
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as of 1st January 2025</b>	410,701	459,314	902,923	28,124	<b>1,801,065</b>
New assets originated or purchased	318,966	64,636	4,838	6	<b>388,447</b>
Assets derecognised or repaid (excluding write offs)	(140,260)	(75,468)	(244,364)	(559)	<b>(460,651)</b>
Net provision movement for assets that did not change classification	(154,672)	(34,033)	(47,606)	(11,734)	<b>(248,045)</b>
Movements due to change in classification	(36,069)	100,158	459,350	(241)	<b>523,198</b>
Amounts written off	-	-	(81,574)	(858)	<b>(82,432)</b>
Other adjustments	4,726	2,367	3,754	618	<b>11,465</b>
<b>Impairment allowance as of 31 December 2025</b>	<b>403,393</b>	<b>516,975</b>	<b>997,322</b>	<b>15,356</b>	<b>1,933,047</b>

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**10. Financial assets at amortised cost (continued)**

**10.1. Loans and advances to customers (continued)**

**Impairment allowance movement (continued)**

**Bank**

	<b>Retail lending</b>				<b>Total</b>
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as of 1st January 2025</b>	113,611	395,661	692,691	4,107	<b>1,206,070</b>
New assets originated or purchased	138,261	23,263	2,802	6	<b>164,332</b>
Assets derecognised or repaid (excluding write offs)	(25,805)	(42,222)	(229,265)	(338)	<b>(297,630)</b>
Net provision movement for assets that did not change classification	(92,112)	(18,262)	9,201	1,859	<b>(99,314)</b>
Movements due to change in classification	(25,471)	98,453	303,582	(241)	<b>376,324</b>
Amounts written off	-	-	(52,827)	(857)	<b>(53,684)</b>
Other adjustments	990	1,828	2,545	35	<b>5,398</b>
<b>Impairment allowance as of 31 December 2025</b>	<b>109,474</b>	<b>458,722</b>	<b>728,728</b>	<b>4,572</b>	<b>1,301,496</b>

	<b>Non-Retail lending</b>				<b>Total</b>
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as of 1st January 2025</b>	296,228	56,639	179,949	24,017	<b>556,833</b>
New assets originated or purchased	180,135	41,373	2,037	-	<b>223,545</b>
Assets derecognised or repaid (excluding write offs)	(114,311)	(32,764)	(14,387)	(222)	<b>(161,683)</b>
Net provision movement for assets that did not change classification	(61,870)	(12,961)	(61,878)	(13,593)	<b>(150,302)</b>
Movements due to change in classification	(11,051)	783	155,050	-	<b>144,783</b>
Amounts written off	-	-	(28,747)	(1)	<b>(28,747)</b>
Other adjustments	3,705	378	480	583	<b>5,146</b>
<b>Impairment allowance as of 31 December 2025</b>	<b>292,836</b>	<b>53,449</b>	<b>232,505</b>	<b>10,784</b>	<b>589,575</b>

	<b>Total</b>				<b>Total</b>
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as of 1st January 2025</b>	409,838	452,301	872,640	28,124	<b>1,762,902</b>
New assets originated or purchased	318,396	64,636	4,838	6	<b>387,877</b>
Assets derecognised or repaid (excluding write offs)	(140,116)	(74,986)	(243,651)	(559)	<b>(459,313)</b>
Net provision movement for assets that did not change classification	(153,982)	(31,223)	(52,676)	(11,734)	<b>(249,616)</b>
Movements due to change in classification	(36,521)	99,236	458,632	(241)	<b>521,107</b>
Amounts written off	-	-	(81,574)	(858)	<b>(82,432)</b>
Other adjustments	4,697	2,206	3,025	618	<b>10,545</b>
<b>Impairment allowance as of 31 December 2025</b>	<b>402,311</b>	<b>512,171</b>	<b>961,233</b>	<b>15,356</b>	<b>1,891,071</b>

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**10. Financial assets at amortised cost (continued)**

**10.1. Loans and advances to customers (continued)**

**Impairment allowance movement (continued)**

Group

	Retail lending				Total
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as of 1st January 2024</b>	142,904	443,058	578,818	4,006	<b>1,168,786</b>
New assets originated or purchased	136,362	25,467	14,712	5	<b>176,546</b>
Assets derecognised or repaid (excluding write offs)	(26,818)	(42,906)	(128,523)	(418)	<b>(198,665)</b>
Net provision movement for assets that did not change classification	(122,160)	(22,793)	2,283	1,555	<b>(141,115)</b>
Movements due to change in classification	(16,487)	(1,681)	296,003	(27)	<b>277,808</b>
Amounts written off	-	-	(56,324)	(1,014)	<b>(57,338)</b>
Other adjustments	(2)	(9)	(399)	(0)	<b>(410)</b>
<b>Impairment allowance as of 31 December 2024</b>	<b>113,799</b>	<b>401,136</b>	<b>706,570</b>	<b>4,107</b>	<b>1,225,612</b>

	Non-Retail lending				Total
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as of 1st January 2024</b>	277,111	68,501	151,877	23,557	<b>521,046</b>
New assets originated or purchased	172,210	18,040	4,496	-	<b>194,746</b>
Assets derecognised or repaid (excluding write offs)	(115,434)	(13,941)	(27,507)	(203)	<b>(157,086)</b>
Net provision movement for assets that did not change classification	(35,341)	(7,172)	6,949	1,857	<b>(33,707)</b>
Movements due to change in classification	(1,749)	(7,269)	60,281	(1,191)	<b>50,073</b>
Amounts written off	-	-	(790)	(0)	<b>(790)</b>
Other adjustments	106	19	1,048	(3)	<b>1,170</b>
<b>Impairment allowance as of 31 December 2024</b>	<b>296,904</b>	<b>58,178</b>	<b>196,354</b>	<b>24,016</b>	<b>575,452</b>

	Total				Total
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as of 1st January 2024</b>	420,015	511,559	730,694	27,563	<b>1,689,831</b>
New assets originated or purchased	308,572	43,507	19,208	5	<b>371,292</b>
Assets derecognised or repaid (excluding write offs)	(142,253)	(56,848)	(156,030)	(621)	<b>(355,751)</b>
Net provision movement for assets that did not change classification	(157,501)	(29,965)	9,231	3,412	<b>(174,823)</b>
Movements due to change in classification	(18,235)	(8,950)	356,284	(1,218)	<b>327,881</b>
Amounts written off	-	-	(57,115)	(1,014)	<b>(58,129)</b>
Other adjustments	103	13	651	(2)	<b>765</b>
<b>Impairment allowance as of 31 December 2024</b>	<b>410,700</b>	<b>459,316</b>	<b>902,923</b>	<b>28,124</b>	<b>1,801,065</b>

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**10. Financial assets at amortised cost (continued)**

**10.1. Loans and advances to customers (continued)**

**Impairment allowance movement (continued)**

Bank

	Retail lending				Total
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as of 1st January 2024</b>	142,207	440,568	572,290	4,005	<b>1,159,070</b>
New assets originated or purchased	136,278	24,664	14,095	6	<b>175,043</b>
Assets derecognised or repaid (excluding write offs)	(26,770)	(42,876)	(127,823)	(418)	<b>(197,887)</b>
Net provision movement for assets that did not change classification	(122,059)	(25,045)	(5,065)	1,555	<b>(150,614)</b>
Movements due to change in classification	(16,043)	(1,641)	295,519	(27)	<b>277,808</b>
Amounts written off	-	-	(56,324)	(1,014)	<b>(57,338)</b>
Other adjustments	(2)	(9)	(1)	(0)	<b>(12)</b>
<b>Impairment allowance as of 31 December 2024</b>	<b>113,611</b>	<b>395,660</b>	<b>692,691</b>	<b>4,107</b>	<b>1,206,070</b>

	Non-Retail lending				Total
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as of 1st January 2024</b>	276,312	66,110	150,647	23,557	<b>516,625</b>
New assets originated or purchased	171,894	17,803	3,853	-	<b>193,550</b>
Assets derecognised or repaid (excluding write offs)	(115,413)	(13,675)	(27,427)	(203)	<b>(156,718)</b>
Net provision movement for assets that did not change classification	(34,476)	(7,170)	(6,891)	1,857	<b>(46,680)</b>
Movements due to change in classification	(2,194)	(6,448)	59,906	(1,191)	<b>50,073</b>
Amounts written off	-	-	(790)	(0)	<b>(790)</b>
Other adjustments	106	19	651	(3)	<b>773</b>
<b>Impairment allowance as of 31 December 2024</b>	<b>296,228</b>	<b>56,640</b>	<b>179,948</b>	<b>24,016</b>	<b>556,833</b>

	Total				Total
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as of 1st January 2024</b>	418,518	506,677	722,936	27,562	<b>1,675,694</b>
New assets originated or purchased	308,171	42,466	17,948	6	<b>368,592</b>
Assets derecognised or repaid (excluding write offs)	(142,183)	(56,551)	(155,251)	(621)	<b>(354,605)</b>
Net provision movement for assets that did not change classification	(156,535)	(32,215)	(11,956)	3,412	<b>(197,294)</b>
Movements due to change in classification	(18,237)	(8,089)	355,426	(1,218)	<b>327,882</b>
Amounts written off	-	-	(57,115)	(1,014)	<b>(58,129)</b>
Other adjustments	104	12	652	(3)	<b>764</b>
<b>Impairment allowance as of 31 December 2024</b>	<b>409,838</b>	<b>452,301</b>	<b>872,641</b>	<b>28,123</b>	<b>1,762,902</b>

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**10. Financial assets at amortised cost (continued)**

**10.2. Debt securities**

Debt securities measured at amortised cost include bonds classified as being Hold To Collect (HTC) rated as very good according to internal rating, municipal bonds rated as good and corporate bonds rated as good and standard grade for both periods.

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	<b>Bonds HTC</b>	<b>6,224,749</b>	<b>6,056,575</b>	<b>6,224,749</b>
Ministry of Public Finance	3,868,370	3,492,291	3,868,370	3,492,291
French Government	1,954,592	1,890,954	1,954,592	1,890,954
United States Government	401,787	673,330	401,787	673,330
<b>Municipal bonds</b>	<b>526,635</b>	<b>545,045</b>	<b>526,635</b>	<b>545,045</b>
<b>Corporate bonds</b>	<b>322,207</b>	<b>506,160</b>	<b>322,207</b>	<b>506,160</b>
<b>Total</b>	<b>7,073,591</b>	<b>7,107,780</b>	<b>7,073,591</b>	<b>7,107,780</b>

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	<i>Internal rating grade</i>			
Gross carrying amount				
Very good grade	6,224,749	6,056,575	6,224,749	6,056,575
Good grade	845,991	1,047,771	845,991	1,047,771
Standard grade	7,101	6,929	7,101	6,929
<b>Total</b>	<b>7,077,841</b>	<b>7,111,274</b>	<b>7,077,841</b>	<b>7,111,274</b>
ECL allowance	(4,250)	(3,495)	(4,250)	(3,495)
<b>Total net amount</b>	<b>7,073,591</b>	<b>7,107,780</b>	<b>7,073,591</b>	<b>7,107,780</b>

The debt securities at amortised cost in total amount of 7,060,670 are considered Stage 1 and in total amount of 12,922 are considered Stage 2 as at 31 December 2025 (all debt securities at amortised cost are Stage 1 as at 31 December 2024).

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**11. Finance lease receivables**

The Group acts as a lessor through the subsidiary BRD Soglease IFN SA, having in the portfolio vehicles, equipment (industrial, agricultural) and real estate leases. The leases are denominated mainly in EUR and RON, with transfer of ownership of the leased asset at the end of the lease term. The receivables are secured by the underlying assets and by other collateral.

	<b>Group</b>	
	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>Gross investment in finance lease:</b>		
Under 1 year	964,894	895,858
Between 1 and 2 years	669,938	648,965
Between 2 and 3 years	453,233	430,520
Between 3 and 4 years	232,040	240,327
Between 4 and 5 years	68,320	81,452
Higher than 5 years	2,538	3,445
	<b>2,390,963</b>	<b>2,300,567</b>
<b>Unearned finance income</b>	(167,865)	(188,291)
<b>Net investment in finance lease</b>	<b>2,223,098</b>	<b>2,112,276</b>
<b>Net investment in finance lease:</b>		
Under 1 year	880,436	805,196
Between 1 and 2 years	619,970	593,074
Between 2 and 3 years	429,098	401,707
Between 3 and 4 years	224,014	229,494
Between 4 and 5 years	67,095	79,475
Higher than 5 years	2,485	3,330
	<b>2,223,098</b>	<b>2,112,276</b>
	<b>31 December 2025</b>	<b>31 December 2024</b>
Net investment in the lease	2,223,098	2,112,276
Accumulated allowance for uncollectible minimum lease payments receivable	(79,078)	(88,801)
<b>Total</b>	<b>2,144,020</b>	<b>2,023,475</b>

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**11. Finance lease receivables (continued)**

**Impairment allowance movement**

	<b>Retail</b>			<b>Total</b>
	Stage 1	Stage 2	Stage 3	
<b>Impairment allowance as of 1st January 2025</b>	3,163	5,063	31,906	<b>40,132</b>
New assets originated or purchased	1,840	-	-	<b>1,840</b>
Assets derecognised or fully repaid (excluding write offs)	(353)	(380)	(2,321)	<b>(3,055)</b>
Movements due to change in classification	536	649	3,000	<b>4,184</b>
Net movement for assets that did not change classification	(1,313)	(1,091)	5,549	<b>3,145</b>
Amounts written off	(1)	(6)	(7,783)	<b>(7,790)</b>
Other adjustments	83	91	554	<b>728</b>
<b>Impairment allowance as of 31 December 2025</b>	<b>3,955</b>	<b>4,325</b>	<b>30,904</b>	<b>39,184</b>

	<b>Non-retail</b>			<b>Total</b>
	Stage 1	Stage 2	Stage 3	
<b>Impairment allowance as of 1st January 2025</b>	4,326	6,396	37,947	<b>48,669</b>
New assets originated or purchased	2,212	-	-	<b>2,212</b>
Assets derecognised or fully repaid (excluding write offs)	(355)	(1,032)	(1,718)	<b>(3,105)</b>
Movements due to change in classification	1,592	(96)	1,123	<b>2,619</b>
Net movement for assets that did not change classification	(2,871)	535	8,003	<b>5,667</b>
Amounts written off	-	(1)	(16,838)	<b>(16,839)</b>
Other adjustments	138	84	449	<b>672</b>
<b>Impairment allowance as of 31 December 2025</b>	<b>5,042</b>	<b>5,887</b>	<b>28,966</b>	<b>39,894</b>

	<b>Total</b>			<b>Total</b>
	Stage 1	Stage 2	Stage 3	
<b>Impairment allowance as of 1st January 2025</b>	7,489	11,459	69,853	<b>88,801</b>
New assets originated or purchased	4,052	-	-	<b>4,052</b>
Assets derecognised or fully repaid (excluding write offs)	(709)	(1,412)	(4,039)	<b>(6,160)</b>
Movements due to change in classification	2,128	553	4,122	<b>6,803</b>
Net movement for assets that did not change classification	(4,184)	(556)	13,552	<b>8,812</b>
Amounts written off	(1)	(7)	(24,622)	<b>(24,630)</b>
Other adjustments	221	175	1,004	<b>1,400</b>
<b>Impairment allowance as of 31 December 2025</b>	<b>8,996</b>	<b>10,212</b>	<b>59,870</b>	<b>79,078</b>

The accompanying notes are an integral part of these financial statements.

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**11. Finance lease receivables (continued)**

**Impairment allowance movement (continued)**

	<b>Retail</b>			<b>Total</b>
	Stage 1	Stage 2	Stage 3	
<b>Impairment allowance as of 1st January 2024</b>	2,500	6,945	25,266	<b>34,711</b>
New assets originated or purchased	1,651	2,121	3,125	<b>6,897</b>
Assets derecognised or fully repaid (excluding write offs)	7,165	(2,050)	(2,271)	<b>2,845</b>
Movements due to change in classification	(3,490)	(2,983)	1,063	<b>(5,410)</b>
Net movement for assets that did not change classification	(4,661)	1,049	5,540	<b>1,928</b>
Amounts written off	(1)	(19)	(815)	<b>(835)</b>
Other adjustments	(1)	(0)	(2)	<b>(3)</b>
<b>Impairment allowance as of 31 December 2024</b>	<b>3,163</b>	<b>5,063</b>	<b>31,907</b>	<b>40,133</b>

	<b>Non-retail</b>			<b>Total</b>
	Stage 1	Stage 2	Stage 3	
<b>Impairment allowance as of 1st January 2024</b>	3,492	11,211	44,358	<b>59,061</b>
New assets originated or purchased	2,292	2,432	3,901	<b>8,625</b>
Assets derecognised or fully repaid (excluding write offs)	4,255	(4,820)	(1,452)	<b>(2,016)</b>
Movements due to change in classification	1,557	(3,055)	811	<b>(688)</b>
Net movement for assets that did not change classification	(7,269)	630	(1,246)	<b>(7,885)</b>
Amounts written off	-	-	(168)	<b>(168)</b>
Other adjustments	(1)	(0)	(8,260)	<b>(8,261)</b>
<b>Impairment allowance as of 31 December 2024</b>	<b>4,326</b>	<b>6,398</b>	<b>37,944</b>	<b>48,668</b>

	<b>Total</b>			<b>Total</b>
	Stage 1	Stage 2	Stage 3	
<b>Impairment allowance as of 1st January 2024</b>	5,992	18,155	69,624	<b>93,772</b>
New assets originated or purchased	3,943	4,553	7,026	<b>15,522</b>
Assets derecognised or fully repaid (excluding write offs)	11,420	(6,870)	(3,723)	<b>828</b>
Movements due to change in classification	(1,933)	(6,038)	1,874	<b>(6,097)</b>
Net movement for assets that did not change classification	(11,930)	1,679	4,294	<b>(5,957)</b>
Amounts written off	(1)	(19)	(982)	<b>(1,002)</b>
Other adjustments	(2)	(1)	(8,260)	<b>(8,264)</b>
<b>Impairment allowance as of 31 December 2024</b>	<b>7,489</b>	<b>11,461</b>	<b>69,851</b>	<b>88,801</b>

**12. Assets held for sale**

	<b>Group</b>		<b>Bank</b>	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Property, plant and equipment	1,728	4,265	1,728	4,265
Financial assets - Investments BRD Pensii	-	6,737	-	4,648
<b>Total</b>	<b>1,728</b>	<b>11,002</b>	<b>1,728</b>	<b>8,913</b>

The category Property, plant and equipment represents mainly buildings classified as held for sale with a gross value of 1,792 and a provision of 64 as of 31 December 2025 (gross value of 5,563 and 1,298 provision allowance as of 31 December 2024).

In May 2024 were signed the Business Transfer Agreement and Purchase Sale Agreement for the sale of investment in associate BRD Societate de Administrare a Fondurilor de Pensii Private SA including Pillar 2 and 3 pension funds to a third party. BRD–Groupe Société Générale reclassified the investment from Investments in associates into Assets held for sale. In April 2025, the final approval from the Financial Supervisory Authority (FSA) was received, and the administration of Pillar 3 was transferred to a third party. In November 2025 was received from the buyer the amount of 14,687 representing the selling price for BRD Societate de Administrare a Fondurilor de Pensii Private SA and was registered the removal of the participation from the Bank’s records.

The accompanying notes are an integral part of these financial statements.

**BRD – Groupe Société Générale S.A.**  
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**13. Investments in subsidiaries**

**Subsidiaries**

		31 December 2024	Other decreases	31 December 2025
BRD Sogelease IFN SA	99.98%	11,558	-	11,558
BRD Asset Management SAI SA	99.98%	4,321	-	4,321
BRD Finance SA	49.00%	39,894	39,894	-
		<b>55,773</b>	<b>39,894</b>	<b>15,879</b>

**Subsidiaries**

		31 December 2023	Other decreases	31 December 2024
BRD Sogelease IFN SA	99.98%	11,558	-	11,558
BRD Asset Management SAI SA	99.98%	4,321	-	4,321
BRD Finance SA	49.00%	53,019	13,125	39,894
		<b>68,898</b>	<b>13,125</b>	<b>55,773</b>

For BRD Finance SA subsidiary please see explanatory details in Note 2b) Basis for consolidation.

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**14. Investments in associates and joint ventures**

**Group**

Associates	%	31 December 2024	Increase / (decrease) in net assets	31 December 2025
BRD Asigurari de Viata SA	49.00%	40,762	(615)	40,147
Biroul de Credit S.A.	16.38%	4,406	284	4,690
BRD Sogelease Asset Rental SRL	20.00%	2,686	-	2,686
		<b>47,854</b>	<b>(331)</b>	<b>47,523</b>
<b>Joint ventures</b>				
CIT One SA	33.33%	25,530	(6,807)	18,723
<b>Total associates and joint ventures</b>		<b>73,384</b>	<b>(7,138)</b>	<b>66,246</b>

**Group**

Associates	%	31 December 2023	Reclassifications in assets held for sale	Increase / (decrease) in net assets	31 December 2024
BRD Asigurari de Viata SA	49.00%	33,099	-	7,663	40,762
BRD Fond de Pensii S.A.	26.95%	6,069	6,737	668	(0)
Biroul de Credit S.A.	16.38%	4,125	-	281	4,406
BRD Sogelease Asset Rental SRL	20.00%	2,569	-	117	2,686
		<b>45,862</b>	<b>6,737</b>	<b>8,729</b>	<b>47,854</b>
<b>Joint ventures</b>					
CIT One SA	33.33%	19,021	-	6,509	25,530
<b>Total associates and joint ventures</b>		<b>64,883</b>	<b>6,737</b>	<b>15,238</b>	<b>73,384</b>

**Bank**

Associates	%	31 December 2024	31 December 2025
BRD Asigurari de Viata SA	49.00%	17,697	17,697
Biroul de Credit S.A.	16.38%	730	730
		<b>18,427</b>	<b>18,427</b>
<b>Joint ventures</b>			
CIT One SA	33.33%	11,900	11,900
<b>Total associates and joint ventures</b>		<b>30,327</b>	<b>30,327</b>

**Bank**

Associates	%	31 December 2023	Reclassifications in assets held for sale	31 December 2024
BRD Asigurari de Viata SA	49.00%	17,697	-	17,697
BRD Fond de Pensii S.A.	26.95%	4,647	4,647	-
Biroul de Credit S.A.	16.38%	730	-	730
		<b>23,073</b>	<b>4,647</b>	<b>18,427</b>
<b>Joint ventures</b>				
CIT One SA	33.33%	11,900	-	11,900
<b>Total associates and joint ventures</b>		<b>34,973</b>	<b>4,647</b>	<b>30,327</b>

The accompanying notes are an integral part of this financial statements.

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**15. Property, plant and equipment**

	Group						
	Land & Buildings	Office equipments	Materials and other assets	Construction in progress	Right of use	Total PPE	Investment properties
<b>Cost:</b>							
<b>as of 31 December 2023</b>	<b>1,303,958</b>	<b>304,370</b>	<b>470,151</b>	<b>88,954</b>	<b>462,368</b>	<b>2,629,801</b>	<b>35,506</b>
Additions	-	648	4	147,890	77,838	226,380	-
Transfers	48,392	37,152	39,777	(121,930)	-	3,391	(3,470)
Transfers into/from inventory	(756)	-	-	-	-	(756)	(15)
Disposals and other movements	(85,965)	(42,399)	(45,995)	(6,485)	(43,738)	(224,582)	(14,225)
<b>as of 31 December 2024</b>	<b>1,265,629</b>	<b>299,771</b>	<b>463,937</b>	<b>108,429</b>	<b>496,468</b>	<b>2,634,234</b>	<b>17,796</b>
Additions	-	207	-	85,011	44,424	129,642	-
Transfers	27,960	55,464	31,289	(113,425)	-	1,288	(1,288)
Disposals and other movements	(95,218)	(8,747)	(53,715)	(797)	(28,345)	(186,822)	(6,501)
<b>as of 31 December 2025</b>	<b>1,198,371</b>	<b>346,695</b>	<b>441,511</b>	<b>79,218</b>	<b>512,547</b>	<b>2,578,342</b>	<b>10,007</b>
<b>Depreciation and impairment:</b>							
<b>as of 31 December 2023</b>	<b>(819,970)</b>	<b>(231,016)</b>	<b>(339,853)</b>	<b>-</b>	<b>(165,066)</b>	<b>(1,555,905)</b>	<b>(20,970)</b>
Depreciation	(38,944)	(35,275)	(34,801)	-	(77,347)	(186,367)	(442)
Impairment	19,071	-	(65)	-	-	19,006	142
Disposals and other movements	51,261	42,402	43,217	-	63,714	200,594	11,788
Transfers	(1,782)	(5)	5	-	-	(1,782)	1,782
<b>as of 31 December 2024</b>	<b>(790,364)</b>	<b>(223,894)</b>	<b>(331,497)</b>	<b>-</b>	<b>(178,699)</b>	<b>(1,524,454)</b>	<b>(7,700)</b>
Depreciation	(39,061)	(36,425)	(34,954)	-	(74,180)	(184,620)	(181)
Impairment	5,664	-	(666)	-	-	4,998	794
Disposals and other movements	65,708	8,585	51,315	-	59,272	184,880	3,755
Transfers	1,634	-	(213)	-	-	1,421	(1,421)
<b>as of 31 December 2025</b>	<b>(756,419)</b>	<b>(251,734)</b>	<b>(316,015)</b>	<b>-</b>	<b>(193,607)</b>	<b>(1,517,775)</b>	<b>(4,753)</b>
<b>Net book value:</b>							
<b>as of 31 December 2023</b>	<b>483,988</b>	<b>73,354</b>	<b>130,298</b>	<b>88,954</b>	<b>297,302</b>	<b>1,073,896</b>	<b>14,536</b>
<b>as of 31 December 2024</b>	<b>475,265</b>	<b>75,877</b>	<b>132,440</b>	<b>108,429</b>	<b>317,769</b>	<b>1,109,780</b>	<b>10,096</b>
<b>as of 31 December 2025</b>	<b>441,952</b>	<b>94,961</b>	<b>125,496</b>	<b>79,218</b>	<b>318,940</b>	<b>1,060,567</b>	<b>5,254</b>

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**15. Property, plant and equipment (continued)**

	Bank						
	Land & Buildings	Office equipments	Materials and other assets	Construction in progress	Right of use	Total PPE	Investment properties
<b>Cost:</b>							
<b>as of 31 December 2023</b>	<b>1,293,959</b>	<b>295,740</b>	<b>469,889</b>	<b>88,953</b>	<b>438,648</b>	<b>2,587,189</b>	<b>35,505</b>
Additions	-	-	-	147,890	77,052	224,942	-
Transfers	48,392	37,152	39,777	(121,930)	-	3,391	(3,470)
Transfers into/from inventory	(756)	-	-	-	-	(756)	(15)
Disposals and other movements	(85,965)	(38,275)	(45,911)	(6,485)	(31,233)	(207,869)	(14,225)
<b>as of 31 December 2024</b>	<b>1,255,630</b>	<b>294,617</b>	<b>463,755</b>	<b>108,428</b>	<b>484,467</b>	<b>2,606,897</b>	<b>17,795</b>
Additions	-	-	-	84,597	43,898	128,495	-
Transfers	27,960	55,464	31,289	(113,425)	-	1,288	(1,287)
Disposals and other movements	(95,220)	(4,492)	(53,701)	(797)	(22,040)	(176,250)	(6,503)
<b>as of 31 December 2025</b>	<b>1,188,370</b>	<b>345,589</b>	<b>441,343</b>	<b>78,803</b>	<b>506,325</b>	<b>2,560,430</b>	<b>10,005</b>
<b>Depreciation and impairment:</b>							
<b>as of 31 December 2023</b>	<b>(814,123)</b>	<b>(222,977)</b>	<b>(339,653)</b>	-	<b>(159,198)</b>	<b>(1,535,951)</b>	<b>(20,969)</b>
Depreciation	(38,712)	(34,728)	(34,786)	-	(75,087)	(183,313)	(441)
Impairment	19,071	-	(65)	-	-	19,006	142
Disposals and other movements	51,261	38,271	43,134	-	62,708	195,374	11,787
Transfers	(1,782)	(5)	5	-	-	(1,782)	1,782
<b>as of 31 December 2024</b>	<b>(784,285)</b>	<b>(219,439)</b>	<b>(331,365)</b>	-	<b>(171,577)</b>	<b>(1,506,666)</b>	<b>(7,699)</b>
Depreciation	(38,837)	(36,131)	(34,944)	-	(72,804)	(182,716)	(181)
Impairment	5,664	-	(666)	-	-	4,998	794
Disposals and other movements	65,706	4,492	51,306	-	53,857	175,361	3,756
Transfers	1,634	-	(213)	-	-	1,421	(1,421)
<b>as of 31 December 2025</b>	<b>(750,118)</b>	<b>(251,078)</b>	<b>(315,882)</b>	-	<b>(190,524)</b>	<b>(1,507,602)</b>	<b>(4,751)</b>
<b>Net book value:</b>							
<b>as of 31 December 2023</b>	<b>479,836</b>	<b>72,763</b>	<b>130,236</b>	<b>88,953</b>	<b>279,450</b>	<b>1,051,238</b>	<b>14,536</b>
<b>as of 31 December 2024</b>	<b>471,345</b>	<b>75,178</b>	<b>132,390</b>	<b>108,428</b>	<b>312,890</b>	<b>1,100,231</b>	<b>10,096</b>
<b>as of 31 December 2025</b>	<b>438,252</b>	<b>94,511</b>	<b>125,461</b>	<b>78,803</b>	<b>315,801</b>	<b>1,052,828</b>	<b>5,254</b>

The Group and Bank holds investment property as a consequence of the ongoing rationalization of its Retail branch network. Investment properties comprise several commercial properties that are leased to third parties. The investment properties have a fair value of 3,124 as of 31 December 2025 (31 December 2024: 9,721). The fair value has been determined based on a valuation issued by an independent valuer in 2026. Rental income from investment property is in amount of 469 (2024: 1,520).

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**15. Property, plant and equipment (continued)**

Group	Right-of-use assets			
	Land & Buildings	IT Office equipments	Cars and other assets	Total
<b>as of 1st January 2025</b>	<b>293,770</b>	<b>13,146</b>	<b>10,853</b>	<b>317,769</b>
Additions	30,820	52	13,552	44,424
Depreciation expense	(63,946)	(4,570)	(5,664)	(74,180)
Disposals and other decreases	(11,804)	-	(57)	(11,861)
Contractual changes	42,788	-	-	42,788
<b>as of 31 December 2025</b>	<b>291,628</b>	<b>8,628</b>	<b>18,684</b>	<b>318,940</b>
	<b>Lease liabilities</b>			
<b>as of 1st January 2025</b>	<b>329,306</b>			
Additions	44,424			
Disposals and other decreases	(9,209)			
Other movements (FX, other contractual changes)	46,224			
Interest expense	7,876			
Payments	(80,724)			
<b>as of 31 December 2025</b>	<b>337,897</b>			
	<b>Right-of-use assets</b>			
	<b>Land &amp; Buildings</b>	<b>IT Office equipments</b>	<b>Cars and other assets</b>	<b>Total</b>
<b>as of 1st January 2025</b>	<b>291,348</b>	<b>11,613</b>	<b>9,929</b>	<b>312,890</b>
Additions	30,729	52	13,118	43,899
Depreciation expense	(63,506)	(4,570)	(4,728)	(72,804)
Disposals and other decreases	(10,972)	-	-	(10,972)
Contractual changes	42,788	-	-	42,788
<b>as of 31 December 2025</b>	<b>290,387</b>	<b>7,095</b>	<b>18,319</b>	<b>315,801</b>
	<b>Lease liabilities</b>			
<b>as of 1st January 2025</b>	<b>324,196</b>			
Additions	43,899			
Disposals and other decreases	(8,568)			
Other movements (FX, other contractual changes)	46,857			
Interest expense	7,743			
Payments	(79,622)			
<b>as of 31 December 2025</b>	<b>334,505</b>			

The accompanying notes are an integral part of these financial statements.

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**15. Property, plant and equipment (continued)**

<b>Group</b>	<b>Right-of-use assets</b>			
	<b>Land &amp; Buildings</b>	<b>IT Office equipments</b>	<b>Cars and other assets</b>	<b>Total</b>
<b>as of 1st January 2024</b>	<b>275,244</b>	<b>10,817</b>	<b>11,241</b>	<b>297,302</b>
Additions	65,889	5,968	5,981	77,838
Depreciation expense	(67,132)	(3,639)	(6,576)	(77,347)
Disposals and other decreases	(17,225)	-	(120)	(17,345)
Contractual changes	36,994	-	327	37,321
<b>as of 31 December 2024</b>	<b>293,770</b>	<b>13,146</b>	<b>10,853</b>	<b>317,769</b>
	<b>Lease liabilities</b>			
<b>as of 1st January 2024</b>	<b>308,752</b>			
Additions	77,838			
Disposals and other decreases	(29,939)			
Other movements (FX, other contractual changes)	49,789			
Interest expense	7,910			
Payments	(85,044)			
<b>as of 31 December 2024</b>	<b>329,306</b>			
	<b>Bank</b>			
	<b>Right-of-use assets</b>			
	<b>Land &amp; Buildings</b>	<b>IT Office equipments</b>	<b>Cars and other assets</b>	<b>Total</b>
<b>as of 1st January 2024</b>	<b>259,990</b>	<b>9,284</b>	<b>10,176</b>	<b>279,450</b>
Additions	65,817	5,968	5,267	77,052
Depreciation expense	(65,934)	(3,639)	(5,514)	(75,087)
Disposals and other decreases	(5,519)	-	-	(5,519)
Contractual changes	36,994	-	-	36,994
<b>as of 31 December 2024</b>	<b>291,348</b>	<b>11,613</b>	<b>9,929</b>	<b>312,890</b>
	<b>Lease liabilities</b>			
<b>as of 1st January 2024</b>	<b>290,502</b>			
Additions	77,052			
Disposals and other decreases	(17,503)			
Other movements (FX, other contractual changes)	49,481			
Interest expense	7,744			
Payments	(83,080)			
<b>as of 31 December 2024</b>	<b>324,196</b>			

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**16. Intangible assets**

The balance of the intangible assets as of 31 December 2025 and 31 December 2024 represents mainly purchased not internally developed software, intangibles in progress and capitalization of internal IT effort on projects. g

	Group	Bank
<b>Cost:</b>		
<b>as of 31 December 2023</b>	<b>1,082,589</b>	<b>1,057,002</b>
Additions	194,658	191,803
Disposals	(6,365)	(785)
Transfers	74	74
<b>as of 31 December 2024</b>	<b>1,270,956</b>	<b>1,248,094</b>
Additions	188,742	186,523
Disposals	(20,658)	(15,857)
<b>as of 31 December 2025</b>	<b>1,439,040</b>	<b>1,418,760</b>
<b>Amortization:</b>		
<b>as of 31 December 2023</b>	<b>(576,631)</b>	<b>(552,781)</b>
Amortization expense	(88,715)	(87,532)
Disposals	5,132	239
<b>as of 31 December 2024</b>	<b>(660,214)</b>	<b>(640,074)</b>
Amortization expense	(108,722)	(107,911)
Disposals	20,348	15,857
<b>as of 31 December 2025</b>	<b>(748,588)</b>	<b>(732,128)</b>
<b>Net book value:</b>		
<b>as of 31 December 2023</b>	<b>505,958</b>	<b>504,221</b>
<b>as of 31 December 2024</b>	<b>610,742</b>	<b>608,020</b>
<b>as of 31 December 2025</b>	<b>690,452</b>	<b>686,632</b>

**17. Other financial assets**

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Sundry receivables	72,992	117,408	44,185	82,169
Commissions	134,563	146,081	136,422	148,687
Guarantee deposits paid	84,590	130,896	84,590	130,883
Intrabank settlements	26,697	4,775	26,697	4,775
Dividends	-	2	-	2
<b>Total other financial assets gross</b>	<b>318,841</b>	<b>399,163</b>	<b>291,894</b>	<b>366,516</b>
Sundry receivables	(28,249)	(35,749)	(18,740)	(19,796)
Commissions	(95,503)	(107,221)	(95,503)	(107,221)
<b>ECL allowance</b>	<b>(123,752)</b>	<b>(142,970)</b>	<b>(114,243)</b>	<b>(127,017)</b>
<b>Total other financial assets net</b>	<b>195,089</b>	<b>256,193</b>	<b>177,650</b>	<b>239,499</b>

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**17. Other financial assets (continued)**

The movement in impairment allowance for total other financial assets is presented below:

<b>Group</b>	<b>Total (Simplified model)</b>
<b>Impairment allowance as of 1st January 2025</b>	142,970
Additional provisions	57,870
Reversals of provisions	(14,772)
Receivables written off	(62,697)
Foreign exchange differences	382
<b>Impairment allowance as of 31 December 2025</b>	<b>123,752</b>
	<b>Total (Simplified model)</b>
<b>Impairment allowance as of 1st January 2024</b>	92,192
Additional provisions	72,371
Reversals of provisions	(15,524)
Receivables written off	(6,031)
Foreign exchange differences	(38)
<b>Impairment allowance as of 31 December 2024</b>	<b>142,970</b>
	<b>Total (Simplified model)</b>
<b>Bank</b>	<b>Total (Simplified model)</b>
<b>Impairment allowance as of 1st January 2025</b>	127,017
Additional provisions	56,022
Reversals of provisions	(14,102)
Receivables written off	(55,075)
Foreign exchange differences	382
<b>Impairment allowance as of 31 December 2025</b>	<b>114,243</b>
	<b>Total (Simplified model)</b>
<b>Impairment allowance as of 1st January 2024</b>	78,030
Additional provisions	67,090
Reversals of provisions	(12,275)
Receivables written off	(5,940)
Foreign exchange differences	112
<b>Impairment allowance as of 31 December 2024</b>	<b>127,017</b>

**18. Other non-financial assets**

	<b>Group</b>		<b>Bank</b>	
	<b>31 December 2025</b>	<b>31 December 2024</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
Advances to suppliers	24,086	91,606	-	-
Prepaid expenses	126,579	92,249	125,957	91,427
Repossessed assets	12,399	9,288	924	924
Other assets	16,753	7,653	1,505	3,969
<b>Total non-financial assets</b>	<b>179,816</b>	<b>200,796</b>	<b>128,386</b>	<b>96,320</b>

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**19. Due to banks**

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Demand deposits	283,475	587,996	283,475	587,996
Repo	930,894	560,720	930,894	560,720
Term deposits	24,943	328,577	24,943	328,577
<b>Due to banks</b>	<b>1,239,312</b>	<b>1,477,293</b>	<b>1,239,312</b>	<b>1,477,293</b>

**20. Due to customers**

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Demand deposits and current accounts	42,209,769	40,441,761	42,363,299	40,535,516
Term deposits	32,835,360	27,493,381	33,141,340	27,679,971
<b>Due to customers</b>	<b>75,045,129</b>	<b>67,935,142</b>	<b>75,504,639</b>	<b>68,215,487</b>

The category “Demand deposits and current accounts” includes the following elements:

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Current accounts	33,098,251	32,156,179	33,099,010	32,162,466
Transitory amounts	458,219	470,001	458,371	470,413
Other amounts due	601,073	502,022	601,073	502,022
Demand deposits	8,052,226	7,313,558	8,204,845	7,400,614
<b>Total</b>	<b>42,209,769</b>	<b>40,441,761</b>	<b>42,363,299</b>	<b>40,535,516</b>

**21. Borrowed funds**

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Borrowings from related parties	6,767,320	6,083,648	4,849,101	4,233,818
Borrowings from international financial institutions	674,234	471,267	65	287
<b>Total</b>	<b>7,441,554</b>	<b>6,554,915</b>	<b>4,849,166</b>	<b>4,234,105</b>

Borrowings from related parties include as of 31 December 2025 at Bank level, five senior non-preferred loans from Société Générale in amount of:

- 450 million EUR representing 2,294,325 RON equivalent, with an interest rate of EURIBOR 3MD+1.11% and an initial term of three years (received in December 2025)
- 100 million EUR representing 509,850 RON equivalent, with an interest rate of EURIBOR 3MD+1.11% and an initial term of three years (received in December 2025)
- 150 million EUR representing 764,775 RON equivalent, with a fixed interest rate of 4.79% and an initial term of six years (received in June 2024)
- 100 million EUR representing 509,850 RON equivalent, with a fixed interest rate of 4.68% and an initial term of seven years (received in December 2023)
- 150 million EUR representing 764,775 RON equivalent, with a fixed interest rate of 4.78% and an initial term of eight years (received in December 2023).

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**21. Borrowed funds (continued)**

Other funds borrowed from related parties (Société Générale) at Group level are in total amount of 1,918,219 as of 31 December 2025 (1,849,830 as of 31 December 2024) and are senior unsecured and used in the normal course of business.

Borrowings from international financial institutions are taken by BRD Sogelease IFN SA subsidiary from European Investment Bank.

The Group and Bank do not have loan covenants attached to these borrowings.

The movements in borrowed funds are as follows:

	Group	Bank
<b>Closing balance as at 31 December 2023</b>	<b>7,004,362</b>	<b>4,834,225</b>
Received borrowings	1,850,507	747,991
Repayment of borrowings	(2,295,164)	(1,343,469)
Interest expensed	313,898	225,530
Interest paid	(314,179)	(227,050)
Fx differences	(4,509)	(3,122)
<b>Closing balance as at 31 December 2024</b>	<b>6,554,915</b>	<b>4,234,105</b>
Received borrowings	3,986,105	2,805,471
Repayment of borrowings	(3,261,502)	(2,294,548)
Interest expensed	275,211	197,228
Interest paid	(274,993)	(197,054)
Fx differences	161,819	103,963
<b>Closing balance as at 31 December 2025</b>	<b>7,441,554</b>	<b>4,849,166</b>

**22. Subordinated debts**

Two subordinated debts were received from Société Générale in amount of:

- 150 million EUR representing 764,775 RON equivalent, with an interest rate of EURIBOR 3M+4.31% and an initial term of ten years (received in June 2022)
- 100 million EUR representing 509,850 RON equivalent, with an interest rate of EURIBOR 3M+1.98% and an initial term of ten years (received in December 2021).

The movements in subordinated debts are as follows:

	Group	Bank
<b>Closing balance as at 31 December 2023</b>	<b>1,245,400</b>	<b>1,245,400</b>
Interest expensed	89,809	89,809
Interest paid	(89,626)	(89,626)
Fx differences	(125)	(125)
<b>Closing balance as at 31 December 2024</b>	<b>1,245,458</b>	<b>1,245,458</b>
Interest expensed	73,387	73,387
Interest paid	(73,593)	(73,593)
Fx differences	31,147	31,147
<b>Closing balance as at 31 December 2025</b>	<b>1,276,400</b>	<b>1,276,400</b>

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## 23. Provisions

The line Provisions includes provisions for financial guarantee and loan commitments and other provisions.

### 23.1 Financial guarantees and loan commitments provisions movement

Group	Retail lending			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as of 1st January 2025</b>	4,987	3,425	5,151	<b>13,563</b>
New commitments originated or purchased	9,536	2,717	920	<b>13,173</b>
Commitments derecognised or transferred into assets	(1,460)	(977)	(718)	<b>(3,155)</b>
Net provision movement not resulting from changes in classification	(5,034)	(1,724)	(493)	<b>(7,251)</b>
Net movements due to change in classification	(694)	2,020	1,679	<b>3,005</b>
Other adjustments	2	-	2	<b>4</b>
<b>Provision as of 31 December 2025</b>	<b>7,337</b>	<b>5,461</b>	<b>6,541</b>	<b>19,339</b>

Group	Non-Retail			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as of 1st January 2025</b>	146,575	21,828	102,752	<b>271,155</b>
New commitments originated or purchased	172,019	15,958	627	<b>188,604</b>
Commitments derecognised or transferred into assets	(66,279)	(8,074)	(10,534)	<b>(84,887)</b>
Net provision movement not resulting from changes in classification	(83,312)	(6,710)	(21,028)	<b>(111,050)</b>
Net movements due to change in classification	1,068	(1,182)	1,640	<b>1,526</b>
Other adjustments	1,093	49	38	<b>1,180</b>
<b>Provision as of 31 December 2025</b>	<b>171,164</b>	<b>21,869</b>	<b>73,495</b>	<b>266,528</b>

Group	Total			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as of 1st January 2025</b>	151,562	25,253	107,904	<b>284,718</b>
New commitments originated or purchased	181,555	18,675	1,547	<b>201,777</b>
Commitments derecognised or transferred into assets	(67,739)	(9,051)	(11,252)	<b>(88,042)</b>
Net provision movement not resulting from changes in classification	(88,346)	(8,434)	(21,521)	<b>(118,301)</b>
Net movements due to change in classification	374	838	3,319	<b>4,531</b>
Other adjustments	1,095	49	40	<b>1,184</b>
<b>Provision as of 31 December 2025</b>	<b>178,501</b>	<b>27,330</b>	<b>80,037</b>	<b>285,867</b>

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**23. Provisions (continued)**

**23.1 Financial guarantees and loan commitments provisions movement (continued)**

Bank	Retail lending			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as of 1st January 2025</b>	4,931	3,349	5,124	<b>13,404</b>
New commitments originated or purchased	9,501	2,717	920	<b>13,138</b>
Commitments derecognised or transferred into assets	(1,406)	(899)	(718)	<b>(3,023)</b>
Net provision movement not resulting from changes in classification	(5,034)	(1,724)	(493)	<b>(7,251)</b>
Net movements due to change in classification	(692)	2,020	1,678	<b>3,006</b>
Other adjustments	1	-	2	<b>3</b>
<b>Provision as of 31 December 2025</b>	<b>7,301</b>	<b>5,463</b>	<b>6,513</b>	<b>19,277</b>

	Non-Retail			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as of 1st January 2025</b>	146,453	21,686	102,195	<b>270,334</b>
New commitments originated or purchased	171,857	15,958	627	<b>188,442</b>
Commitments derecognised or transferred into assets	(66,160)	(7,929)	(9,952)	<b>(84,041)</b>
Net provision movement not resulting from changes in classification	(83,288)	(6,710)	(21,028)	<b>(111,026)</b>
Net movements due to change in classification	1,068	(1,212)	1,640	<b>1,496</b>
Other adjustments	1,069	49	38	<b>1,156</b>
<b>Provision as of 31 December 2025</b>	<b>170,999</b>	<b>21,842</b>	<b>73,520</b>	<b>266,361</b>

	Total			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as of 1st January 2025</b>	151,386	25,035	107,319	<b>283,740</b>
New commitments originated or purchased	181,358	18,675	1,547	<b>201,580</b>
Commitments derecognised or transferred into assets	(67,566)	(8,828)	(10,670)	<b>(87,064)</b>
Net provision movement not resulting from changes in classification	(88,322)	(8,434)	(21,521)	<b>(118,277)</b>
Net movements due to change in classification	376	808	3,318	<b>4,502</b>
Other adjustments	1,070	49	40	<b>1,159</b>
<b>Provision as of 31 December 2025</b>	<b>178,302</b>	<b>27,305</b>	<b>80,033</b>	<b>285,640</b>

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**23. Provisions (continued)**

**23.1 Financial guarantees and loan commitments provisions movement (continued)**

Group	Retail lending			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as of 1st January 2024</b>	5,580	3,145	4,055	<b>12,780</b>
New commitments originated or purchased	10,186	2,309	710	<b>13,205</b>
Commitments derecognised or transferred into assets	(919)	(899)	(1,037)	<b>(2,855)</b>
Net provision movement not resulting from changes in classification	(9,109)	(718)	(554)	<b>(10,381)</b>
Net movements due to change in classification	(750)	(412)	1,977	<b>815</b>
<b>Provision as of 31 December 2024</b>	<b>4,988</b>	<b>3,425</b>	<b>5,151</b>	<b>13,564</b>

Group	Non-Retail			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as of 1st January 2024</b>	148,815	19,353	119,277	<b>287,445</b>
New commitments originated or purchased	143,943	20,782	1,990	<b>166,715</b>
Commitments derecognised or transferred into assets	(49,337)	(8,943)	(35,911)	<b>(94,191)</b>
Net provision movement not resulting from changes in classification	(101,356)	(4,031)	(11,131)	<b>(116,518)</b>
Net movements due to change in classification	4,390	(5,335)	20,176	<b>19,231</b>
Other adjustments	120	2	8,351	<b>8,473</b>
<b>Provision as of 31 December 2024</b>	<b>146,575</b>	<b>21,828</b>	<b>102,752</b>	<b>271,155</b>

Group	Total			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as of 1st January 2024</b>	154,394	22,498	123,333	<b>300,225</b>
New commitments originated or purchased	154,129	23,091	2,700	<b>179,920</b>
Commitments derecognised or transferred into assets	(50,256)	(9,842)	(36,948)	<b>(97,046)</b>
Net provision movement not resulting from changes in classification	(110,465)	(4,749)	(11,685)	<b>(126,899)</b>
Net movements due to change in classification	3,640	(5,747)	22,153	<b>20,046</b>
Other adjustments	120	2	8,351	<b>8,473</b>
<b>Provision as of 31 December 2024</b>	<b>151,562</b>	<b>25,253</b>	<b>107,904</b>	<b>284,719</b>

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**23. Provisions (continued)**

**23.1 Financial guarantees and loan commitments provisions movement (continued)**

<b>Bank</b>	<b>Retail lending</b>			<b>Total</b>
	Stage 1	Stage 2	Stage 3	
<b>Provision as of 1st January 2024</b>	5,527	3,074	4,029	<b>12,630</b>
New commitments originated or purchased	10,132	2,232	710	<b>13,074</b>
Commitments derecognised or transferred into assets	(867)	(827)	(1,037)	<b>(2,731)</b>
Net provision movement not resulting from changes in classification	(9,109)	(718)	(554)	<b>(10,381)</b>
Net movements due to change in classification	(751)	(412)	1,976	<b>813</b>
<b>Provision as of 31 December 2024</b>	<b>4,932</b>	<b>3,349</b>	<b>5,124</b>	<b>13,405</b>
	<b>Non-Retail</b>			
	Stage 1	Stage 2	Stage 3	<b>Total</b>
<b>Provision as of 1st January 2024</b>	148,648	19,196	127,535	<b>295,379</b>
New commitments originated or purchased	143,824	20,637	1,408	<b>165,869</b>
Commitments derecognised or transferred into assets	(49,171)	(8,785)	(35,911)	<b>(93,867)</b>
Net provision movement not resulting from changes in classification	(101,356)	(4,031)	(11,105)	<b>(116,492)</b>
Net movements due to change in classification	4,390	(5,335)	20,176	<b>19,231</b>
Other adjustments	118	4	92	<b>214</b>
<b>Provision as of 31 December 2024</b>	<b>146,453</b>	<b>21,686</b>	<b>102,195</b>	<b>270,334</b>
	<b>Total</b>			
	Stage 1	Stage 2	Stage 3	<b>Total</b>
<b>Provision as of 1st January 2024</b>	154,176	22,270	131,564	<b>308,010</b>
New commitments originated or purchased	153,956	22,869	2,118	<b>178,943</b>
Commitments derecognised or transferred into assets	(50,038)	(9,612)	(36,948)	<b>(96,598)</b>
Net provision movement not resulting from changes in classification	(110,465)	(4,749)	(11,659)	<b>(126,873)</b>
Net movements due to change in classification	3,639	(5,747)	22,152	<b>20,044</b>
Other adjustments	118	4	92	<b>214</b>
<b>Provision as of 31 December 2024</b>	<b>151,386</b>	<b>25,035</b>	<b>107,319</b>	<b>283,740</b>

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**23. Provisions (continued)**

**23.2 Other provisions**

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Provisions for litigation	21,345	30,610	16,195	24,676
Provisions for risks related to banking activity	13,832	1,411	13,832	1,411
Other provisions for risks and charges	20,879	17,895	20,879	17,374
<b>Total</b>	<b>56,056</b>	<b>49,915</b>	<b>50,906</b>	<b>43,460</b>

The Group and Bank include in the line “Provisions for litigation” mainly the provision for abusive clauses detailed below, in the line “Provisions for risks related to banking activity” mainly the collective provision related to future potential litigations detailed below. In the line “Other provisions for risks and charges” are mainly the collective provision related to future possible outflow of resources regarding salary compensations.

The uncertainty regarding the timing of the payment for the amounts in dispute is mostly related to the extent of the litigation considering the practice of the Romanian courts.

The Bank has applied the individual assesment (case by case) for the abusive clause litigations to determine the provision amount.

The amount of the provision is reviewed periodically by the Bank based on the new court resolutions for litigations with clients for contracts which contain allegedly abusive clauses.

As of 31 December 2025, the Bank has recorded provisions for abusive clause litigations which are subject to an individual litigation assesment in total amount of 9,341 (31 December 2024: 9,531).

Based on historical experience, the Bank is facing litigations related to allegedly abusive clauses in loan contracts signed before 2010, specifically concerning credit file analysis fee, management/administration fee and variable interest rates reset internally by the Bank. Therefore according to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (para 24&39), the Bank booked a collective provision related to future potential litigations in amount of 11,000. This collective provision is booked additionally to the ones already booked for open litigations (on a case by case basis assessed considering their probable negative outcome).

The movements in provisions are as follows:

Group	TOTAL
<b>Carrying value as of 31 December 2023</b>	<b>47,840</b>
Additional provisions	27,462
Reversals of provisions	(18,173)
Usage	(7,214)
<b>Carrying value as of 31 December 2024</b>	<b>49,915</b>
Additional provisions	48,584
Reversals of provisions	(5,608)
Usage	(36,835)
<b>Carrying value as of 31 December 2025</b>	<b>56,056</b>
<b>Bank</b>	
<b>Carrying value as of 31 December 2023</b>	<b>25,801</b>
Additional provisions	26,276
Reversals of provisions	(1,403)
Usage	(7,214)
<b>Carrying value as of 31 December 2024</b>	<b>43,460</b>
Additional provisions	46,636
Reversals of provisions	(2,355)
Usage	(36,836)
<b>Carrying value as of 31 December 2025</b>	<b>50,905</b>

The usage of Other provisions is mainly related to litigation and salary compensation.

The accompanying notes are an integral part of these financial statements.

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**24. Other financial liabilities**

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Sundry creditors	396,918	297,765	351,010	260,761
Creditors - lease liabilities	337,897	329,305	334,505	324,196
<b>Total financial liabilities</b>	<b>734,815</b>	<b>627,070</b>	<b>685,515</b>	<b>584,957</b>

The sundry creditors position includes also guarantee deposits received in amount of 6,585 as at 31 December 2025 (33,505 as at 31 December 2024) for Group and Bank.

**25. Other non-financial liabilities**

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Other payables to State budget	143,738	110,249	143,174	109,591
Deferred income	78,607	52,269	78,607	52,269
Payables to employees	176,932	163,981	167,017	150,882
<b>Total non-financial liabilities</b>	<b>399,277</b>	<b>326,499</b>	<b>388,798</b>	<b>312,742</b>

The line “Other payables to State budget” includes the tax on turnover to be paid as of 31 December 2025 in amount of 69,388.

Payables to employees include, among other, gross bonuses, amounting 129,336 as of 31 December 2025 (31 December 2024: 113,739) and post-employment benefits amounting 27,045 as of 31 December 2025 (31 December 2024: 26,355).

**Post-employment benefit plan**

The Group/Bank has a defined benefit plan under which the amount of benefit that an employee is entitled to receive on retirement depends on years of service and salary. The plan covers substantially all the employees and the benefits are unfunded. A full actuarial valuation by a qualified independent actuary is carried out annually.

During 2025, the movements in defined benefit obligation is generated by the service cost and benefits paid, resulting in a change of obligation carrying value 27,045 as of 31 December 2025, from 26,355 as of 31 December 2024.

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**25. Other non-financial liabilities (continued)**

Movement in defined benefits obligations	31 December 2025	31 December 2024
<b>Opening defined benefit obligation</b>	<b>26,355</b>	<b>29,389</b>
Total service cost	3,389	3,565
Benefits paid	(1,800)	(1,052)
Interest cost on benefit obligation	1,608	1,997
Past service cost	(2,264)	(4,688)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(177)
Actuarial (gains) / losses arising from changes in financial assumptions	(243)	(2,679)
<b>Closing defined benefit obligation</b>	<b>27,045</b>	<b>26,355</b>
<b>Main actuarial assumptions</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
Discount rate	6.96%	6.85%
Average remaining working period (years)	11.2	10.5

**Sensitivities on the defined benefit obligation**

The results of any valuation depend upon the assumptions employed. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase.

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate used were 0.5% higher, then the defined benefit obligation would be lower by about 4% meaning 25,963.
- If the discount rate used were 0.5% lower, then the defined benefit obligation would be higher by about 4.2% meaning 28,181.
- If the salary increase rate used were 0.5% higher, then the defined benefit obligation would be higher by about 4.8% meaning 28,343.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statement of financial position. The eventual cost of providing the benefits depends on the current future experience. Other factors such as the number of new employees could also change the cost.

**26. Share capital and other reserves**

**26.1 . Share capital**

The nominal share capital, as registered with the Registry of Commerce is 696,901 (2024: 696,901). Included in the share capital there is an amount of 1,818,721 (2024: 1,818,721) representing hyperinflation restatement surplus. Share capital as of 31 December 2025 represents 696,901,518 (2024: 696,901,518) authorized common shares, issued and fully paid. The nominal value of each share is 1 RON (2024: 1 RON). During 2025 and 2024, the Bank did not buy back any of its own shares.

The shares of the Bank are not divisible. The right of property over the shares is transmitted pursuant to the provisions regarding the transfer of securities of the companies admitted to trading on a regulated market. Any share entitles to one vote in the General Meeting of the Shareholders. The Bank may acquire its own shares only with the consent of the Extraordinary General Meeting of the Shareholders, in compliance with the law.

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**26. Share capital and other reserves (continued)**

**26.2. Other reserves**

Other reserve of the Bank is mainly represented by the following 3 reserves:

The legal reserves is constituted by the transfer in a reserve fund of 5% of the net profit of the Bank up to minimum 20% of the Bank's share capital. As of 31 December 2025 the legal reserve was in amount of 244,157 (31 December 2024: 244,157).

The reserve representing the fund for the general banking risks was allocated from the pre-tax accounting profit of the Bank and calculated as 1% of the banking risk assets. As of 31 December 2025 the general banking risk reserve was in amount of 170,762 (31 December 2024: 170,762).

The general reserve for credit risk was allocated from the pre-tax accounting profit of the Bank until it reached the level of 2% from the balance of the loans granted. As of 31 December 2025 the general reserve for credit risk was in amount of 98,596 (31 December 2024: 98,596).

Other reserves besides those presented above, in amount of 36,124 as of 31 December 2025 (31 December 2024: 36,124), are represented mainly by benefits granted in the form of equity instruments.

**26.3. Dividends**

Dividends are deducted from equity and recognized as a liability in the period in which they are declared. In accordance with the legislation, the Bank distributes profits as dividends or transfers them to retained earnings on the basis of financial statements prepared in accordance with IFRS. The dividends approved and paid in 2025 were in total amount of 737,392 (in 2024 the total amount of dividends approved for the year was of 817,117 but during the year were paid the dividends for both 2024 and 2023 in total amount of: 1,440,302 ).

**27. Taxation**

Current income tax is calculated based on the taxable income as per the tax statement derived from the stand-alone accounts of each consolidated entity. As of 31 December 2025 the Group has a current tax liability in total amount of 11,885 (31 December 2024: 3,221) and a current tax asset in amount of 0 (31 December 2024: 25,119) and at Bank level a current tax liability in total amount of 7,350 (31 December 2024: 0) and current tax asset in amount of 0 (31 December 2024: 24,251).

The deferred tax asset is reconciled as follows:

	<b>Group</b> <b>31 December 2025</b>			
	<b>Temporary differences Asset / (Liability)</b>	<b>Consolidated Statement of Financial Position Asset / (Liability)</b>	<b>Consolidated Income Statement (Expense) / Income</b>	<b>Consolidated OCI (Expense) / Income</b>
<i>Elements generating deferred tax</i>				
Defined benefit obligation	67,841	(10,854)	-	(38)
Financial assets at fair value through other comprehensive income	(1,091,727)	174,676	-	(69,734)
Tangible and intangible assets	157,223	(25,156)	(13,126)	-
Provisions and other liabilities	(574,655)	91,945	5,585	-
<b>Taxable items</b>	<b>(1,441,319)</b>			
<b>Deferred tax</b>		<b>230,611</b>	<b>(7,541)</b>	<b>(69,773)</b>

The accompanying notes are an integral part of these financial statements.

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**27. Taxation (continued)**

	Bank 31 December 2025			
	Temporary differences Asset / (Liability)	Individual Statement of Financial Position Asset / (Liability)	Individual Income Statement (Expense) / Income	Consolidated OCI (Expense) / Income
<i>Elements generating deferred tax</i>				
Defined benefit obligation	67,841	(10,854)	-	(38)
Financial assets at fair value through other comprehensive income	(1,091,727)	174,675	-	(69,735)
Tangible and intangible assets	157,223	(25,156)	(13,126)	-
Provisions and other liabilities	(562,352)	89,977	5,536	-
<b>Taxable items</b>	<b>(1,429,015)</b>			
<b>Deferred tax</b>		<b>228,642</b>	<b>(7,590)</b>	<b>(69,773)</b>

	Group 31 December 2024			
	Temporary differences Asset / (Liability)	Consolidated Statement of Financial Position Asset / (Liability)	Consolidated Income Statement (Expense) / Income	Consolidated OCI (Expense) / Income
<i>Elements generating deferred tax</i>				
Defined benefit obligation	67,598	(10,815)	-	(457)
Financial assets at fair value through other comprehensive income	(1,527,564)	244,410	-	18,808
Tangible and intangible assets	75,185	(12,030)	(11,023)	-
Provisions and other liabilities	(539,752)	86,360	(8,492)	-
<b>Taxable items</b>	<b>(1,924,533)</b>			
<b>Deferred tax</b>		<b>307,925</b>	<b>(19,515)</b>	<b>18,351</b>

	Bank 31 December 2024			
	Temporary differences Asset / (Liability)	Individual Statement of Financial Position Asset / (Liability)	Individual Income Statement (Expense) / Income	Consolidated OCI (Expense) / Income
<i>Elements generating deferred tax</i>				
Defined benefit obligation	67,598	(10,816)	-	(457)
Financial assets at fair value through other comprehensive income	(1,527,564)	244,409	-	18,808
Tangible and intangible assets	75,185	(12,030)	(11,008)	-
Provisions and other liabilities	(527,752)	84,442	(4,490)	-
<b>Taxable items</b>	<b>(1,912,533)</b>			
<b>Deferred tax</b>		<b>306,005</b>	<b>(15,498)</b>	<b>18,351</b>

**Movement in deferred tax is as follows:**

	Group			
	31 December 2023	Deferred tax recognized in other comprehensive income	Deferred tax recognized in profit and loss	31 December 2024
<i>Tax effect of deductible/(taxable) temporary differences arising from:</i>				
Defined benefit obligation	(10,359)	(457)	-	(10,816)
Financial assets at fair value through other comprehensive income	225,604	18,808	-	244,412
Tangible and intangible assets	(1,007)		(11,023)	(12,030)
Provisions and other liabilities	94,851		(8,492)	86,359
<b>Deferred tax asset</b>	<b>309,089</b>	<b>18,351</b>	<b>(19,515)</b>	<b>307,925</b>

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**27. Taxation (continued)**

	Group			31 December 2025
	31 December 2024	Deferred tax recognized in other comprehensive income	Deferred tax recognized in profit and loss	
<i>Tax effect of deductible/(taxable) temporary differences arising from:</i>				
Defined benefit obligation	(10,816)	(38)	-	(10,854)
Financial assets at fair value through other comprehensive income	244,412	(69,734)	-	174,678
Tangible and intangible assets	(12,030)		(13,126)	(25,155)
Provisions and other liabilities	86,359		5,584	91,943
<b>Deferred tax asset</b>	<b>307,925</b>	<b>(69,772)</b>	<b>(7,542)</b>	<b>230,611</b>

	Bank			31 December 2024
	31 December 2023	Deferred tax recognized in other comprehensive income	Deferred tax recognized in profit and loss	
<i>Tax effect of deductible/(taxable) temporary differences arising from:</i>				
Defined benefit obligation	(10,359)	(457)	-	(10,816)
Financial assets at fair value through other comprehensive income	225,603	18,808	-	244,411
Tangible and intangible assets	(1,021)		(11,008)	(12,029)
Provisions and other liabilities	88,929		(4,490)	84,439
<b>Deferred tax asset</b>	<b>303,152</b>	<b>18,351</b>	<b>(15,498)</b>	<b>306,005</b>

	Bank			31 December 2025
	31 December 2024	Deferred tax recognized in other comprehensive income	Deferred tax recognized in profit and loss	
<i>Tax effect of deductible/(taxable) temporary differences arising from:</i>				
Defined benefit obligation	(10,816)	(38)	-	(10,854)
Financial assets at fair value through other comprehensive income	244,411	(69,734)	-	174,677
Tangible and intangible assets	(12,029)		(13,126)	(25,155)
Provisions and other liabilities	84,439		5,535	89,974
<b>Deferred tax asset</b>	<b>306,005</b>	<b>(69,772)</b>	<b>(7,591)</b>	<b>228,642</b>

**Reconciliation of total tax charge**

	Group		Bank	
	2025	2024	2025	2024
<b>Profit before income tax</b>	<b>1,901,266</b>	<b>1,863,357</b>	<b>1,839,407</b>	<b>1,802,400</b>
Income tax (16%)	304,203	298,137	294,305	288,384
Fiscal credit and other adjustments	(4,312)	(1,365)	(2,258)	(1,382)
Non-deductible elements	69,915	60,432	61,599	49,872
Non-taxable elements	(14,244)	(17,623)	(12,896)	(9,297)
<b>Expense from income tax at effective tax rate</b>	<b>355,562</b>	<b>339,581</b>	<b>340,750</b>	<b>327,577</b>
Effective tax rate	18.7%	18.2%	18.5%	18.2%

Recognition of deferred tax asset is based on the management's profit forecasts, which indicates that it is probable that future taxable profits will be available against which the deferred tax assets can be utilized.

At the Bank level, as of 31 December 2025, permanent non-deductible elements include mainly the impact of provisions for overdue commissions 8,956 (31 December 2024: 10,690), debt sales and other operations with limited deductibility in amount of 12,376 (31 December 2024: 9,197) and tax on turnover with an impact of 32,433 (31 December 2024: 20,588); permanent non-taxable elements are mainly a result of releases for provisions for overdue commissions in amount of 2,034 (31 December 2024: 1,535), provisions for risks and charges/litigations 1,465 (31 December 2024: 551) and dividends in total amount of 4,917 (31 December 2024: 3,484).

For 2025 and 2024, the Bank has applied the effective tax rate (ETR) simplified calculation Safe Harbours. Based on this computation, the effective tax rate was above the minimum threshold of 15%. Therefore, no provision was booked in 2025 and 2024 regarding Pillar 2 tax.

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**28. Interest and similar income**

	Group		Bank	
	2025	Revised 2024	2025	Revised 2024
<b>Interest income calculated using the effective interest method</b>	<b>4,814,630</b>	<b>4,630,922</b>	<b>4,793,118</b>	<b>4,589,143</b>
Interest on loans	3,758,968	3,459,164	3,737,456	3,417,583
Interest on deposit with banks	111,518	213,725	111,518	213,527
Interest on debt instruments	769,294	788,396	769,294	788,396
Interest on reverse repo	174,850	169,637	174,850	169,637
<b>Other similar income</b>	<b>146,165</b>	<b>150,893</b>	-	<b>358</b>
Interest on finance lease	146,165	150,535	-	-
Interest income from hedging instruments	-	358	-	358
<b>Total interest and similar income</b>	<b>4,960,795</b>	<b>4,781,815</b>	<b>4,793,118</b>	<b>4,589,501</b>

The Bank performed an improvement to presentation and corresponding comparatives have been revised accordingly.

The interest income for Stage 3 loans includes the accrued interest calculated on net loan exposure (after impairment allowance) in amount of 75,083 for Group (2024: 57,434) and 75,083 for Bank (2024: 57,434).

**29. Interest and similar expense**

	Group		Bank	
	2025	Revised 2024	2025	Revised 2024
<b>Interest expense</b>	<b>1,805,281</b>	<b>1,777,048</b>	<b>1,738,359</b>	<b>1,697,933</b>
Interest on term deposits	1,073,686	1,053,640	1,073,686	1,057,330
Interest on demand deposits	319,320	288,068	330,380	293,871
Interest on borrowings	345,531	403,982	267,549	315,374
Interest on repo	66,745	31,358	66,745	31,358
<b>Other similar expense</b>	<b>50,850</b>	<b>93,124</b>	<b>50,717</b>	<b>92,958</b>
Interest expense from hedging instruments	42,974	85,214	42,974	85,214
Interest expense on lease liabilities	7,876	7,910	7,743	7,744
<b>Total interest and similar expense</b>	<b>1,856,131</b>	<b>1,870,172</b>	<b>1,789,076</b>	<b>1,790,891</b>

The Bank performed an improvement to presentation and corresponding comparatives have been revised accordingly.

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**30. Fees and commissions income and expense**

	Group				Bank			
	2025		Revised 2024		2025		Revised 2024	
	Income	Expense	Income	Expense	Income	Expense	Income	Expense
<i>Services</i>	1,202,569	538,174	1,092,401	474,262	1,162,767	531,107	1,064,273	467,930
Management fees	99,923	0	103,836	0	99,923	0	103,836	0
Packages	103,004	0	93,326	0	103,004	0	93,326	0
Transfers	119,551	28,738	111,100	24,252	119,551	28,738	111,100	24,252
OTC withdrawal	47,661	11,243	56,151	11,559	47,661	11,243	56,151	11,559
Cards	640,936	415,313	563,045	363,682	640,936	415,313	563,045	363,682
Brokerage, custody and asset management	134,239	25,642	108,698	24,969	94,438	18,575	80,570	18,638
Other	57,255	57,240	56,245	49,800	57,255	57,240	56,245	49,800
<i>Loan activity</i>	182,184	15,975	156,223	15,904	162,649	15,053	140,627	15,409
Insurance	88,180	169	74,125	206	88,180	169	74,125	206
Other loans related	94,005	15,805	82,097	15,698	74,469	14,884	66,501	15,203
<i>Commissions related to commitments granted and received</i>	102,380	42,980	82,602	32,284	102,380	42,980	82,602	32,284
<b>Total</b>	<b>1,487,133</b>	<b>597,129</b>	<b>1,331,225</b>	<b>522,450</b>	<b>1,427,796</b>	<b>589,141</b>	<b>1,287,502</b>	<b>515,623</b>

Fees from loan activity include: fees from factoring, leasing, cross border loans, insurance, other. Fees related to commitments granted and received represent fees related to loan commitments, financial guarantees, etc.

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly.

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**31. Gain/(loss) from derivatives and other financial instruments held for trading**

	Group		Bank	
	2025	2024	2025	2024
Gain on instruments held for trading	78,363	94,034	76,365	92,563
Derivative financial instruments	(118,729)	151,271	(118,729)	151,271
Gain on interest rate derivatives	4,101	16,438	4,101	16,438
Gain on currency and interest swap	1,672	150	1,672	150
Gain/(loss) on forward foreign exchange contracts	(137,141)	126,040	(137,141)	126,040
Gain on currency options	14,545	9,882	14,545	9,882
(Loss) on derivatives on equity instruments	(2,494)	(2,406)	(2,494)	(2,406)
Other	588	1,167	588	1,167
<b>Gain/ (loss) from derivatives and other financial instruments held for trading</b>	<b>(40,366)</b>	<b>245,305</b>	<b>(42,364)</b>	<b>243,834</b>

**32. Net gain/(loss) from foreign exchange**

	Group		Bank	
	2025	2024	2025	2024
FX position revaluation	166,334	(108,941)	166,334	(108,941)
FX Spot	229,144	209,075	224,763	207,877
<b>Net Gain from foreign exchange</b>	<b>395,477</b>	<b>100,135</b>	<b>391,096</b>	<b>98,937</b>

**33. Other income/(expense)**

	Group		Bank	
	2025	2024	2025	2024
Gain from disposal of investments	7,950	-	10,039	0
Net provisions for litigations	8,460	(12,798)	8,460	(12,798)
Other net provisions for risks	(9,938)	-	(9,938)	-
Held for sale fixed assets expenses	(6,219)	(5,742)	-	-
Other income/(expenses)	(15,676)	(32,055)	(19,651)	(25,165)
<b>Total income/(expense)</b>	<b>(15,423)</b>	<b>(50,595)</b>	<b>(11,090)</b>	<b>(37,963)</b>

**34. Contribution to Guarantee Scheme and Resolution Fund**

**34.1 Contribution to Guarantee Scheme**

According to the Romanian legislation (Law no. 311/2015 on Deposit Guarantee Schemes and the Bank Deposit Guarantee Fund), the deposits of individuals and certain entities, including small and medium enterprises and large companies are covered up to EUR 100,000 by the Bank Deposit Guarantee Fund (“Fund”). Each credit institution participating to deposit guarantee scheme shall pay the annual contribution as determined and notified by the Fund. The amount of the contribution refers to the total covered deposits at the end of the previous year and also reflects the degree of risk associated to each credit institution in the scheme.

The degree of risk is determined based on the financial and prudential indicators reported by the credit institutions to the National Bank of Romania. For this purpose, the Bank Deposits Guarantee Fund uses a methodology approved by the National Bank of Romania considering also the guidelines issued by the European Banking Authority.

For the entire year 2025 the expense related to the Deposit Guarantee Fund is 15,836 (2024: 16,447).

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**34. Contribution to Guarantee Scheme and Resolution Fund**

**34.2 Contribution to Resolution Fund**

According to Law no. 312/2015 on recovery and resolution of credit institution and investment firms, each credit institution shall pay an annual contribution to Bank Resolution Fund as determined and notified by the National Bank of Romania.

The National Bank of Romania as the local resolution authority establish the credit institutions annual contributions to Bank Resolution Fund, in compliance with Commission Delegated Regulation EU 2015/63, supplementing Directive 2014/59 of the European Parliament and of the Council with regard to ex ante contributions to resolution financing arrangements.

For the entire year 2025 the expense related to the Bank Resolution Fund is 33,301 (2024: 27,118).

Both contributions to the Bank Deposit Guarantee Fund and Bank Resolution Fund meet the criteria for recognition as taxes and accounted in accordance with IFRIC 21 “Levies” requirements. The liability is recognized at the date when the obligating event occurs and the contribution is recognized as an expense in full in January of the year in which the payment is made.

**35. Personnel expenses**

	Group		Bank	
	2025	2024	2025	2024
Salaries	961,822	946,210	922,836	904,317
Social securities	22,061	22,222	20,973	20,977
Bonuses	94,275	88,832	94,275	88,202
Post-employment benefits	2,733	874	2,733	874
Capitalisation of internal projects	(77,138)	(62,093)	(77,138)	(62,093)
Other	30,802	14,072	30,617	13,068
<b>Total</b>	<b>1,034,554</b>	<b>1,010,117</b>	<b>994,296</b>	<b>965,345</b>

In 2025, the expense related to the Bank defined benefit contribution plan was 3,537 (2024: 3,789).

**36. Depreciation, amortization and impairment on tangible and intangible assets**

	Group		Bank	
	2025	2024	2025	2024
Depreciation and impairment	178,828	167,281	176,924	164,228
Amortisation	108,722	88,715	107,911	87,532
<b>Total</b>	<b>287,551</b>	<b>255,996</b>	<b>284,835</b>	<b>251,760</b>

The difference as of 31 December 2025 between the amount presented in Note 15 and the amount presented in Note 36 represents depreciation of investment property in total amount of 181 and no release of impairment of investment property (31 December 2024: 469 depreciation of investment property and release of impairment in amount of 92).

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**37. Other operating expenses**

	Group		Bank	
	2025	2024	2025	2024
Administrative expenses	505,857	492,695	499,952	476,319
Publicity and sponsorships	24,973	40,493	24,774	40,071
Other expenses	118,475	51,845	105,257	58,824
Tax on turnover	202,708	128,673	202,708	128,673
<b>Total</b>	<b>852,013</b>	<b>713,706</b>	<b>832,691</b>	<b>703,887</b>

The detail of Administrative expenses on type of expense as of 31 December 2025 and 31 December 2024:

	Group		Bank	
	2025	2024	2025	2024
Information technology expenses	130,123	139,361	128,820	137,984
Taxes and duties (other)	14,485	15,272	14,425	15,176
Consulting and professional services	33,083	17,815	31,990	16,113
Advertising, marketing and communication	1,955	2,814	1,522	2,573
Expenses related to credit risk	1,494	1,597	1,494	1,508
Real estate expenses	105,071	108,307	104,828	107,902
Leasing expenses	99,943	82,277	99,640	81,409
Other administrative expenses	119,702	125,252	117,232	113,654
<b>Total administrative expenses</b>	<b>505,857</b>	<b>492,695</b>	<b>499,952</b>	<b>476,319</b>

Leasing expenses include for the Bank expenses related to short-term leases of 12,371 (31 December 2024: 5,389) and to leases of low-value assets of 4,175 (31 December 2024: 4,746) and software licences in total amount of 64,627 (31 December 2024 in amount of 52,709). During the period from 1 January 2025 to 17 March 2026 the financial auditor and its related network firms rendered the following services: (i) statutory audit services in amount of 2,671 as of 31 December 2025 (31 December 2024: 3,280) and (ii) other services in amount of 3,128 as of 31 December 2025 (31 December 2024: 2,801) for Group and (i) statutory audit services in amount of 2,255 as of 31 December 2025 (31 December 2024: 2,896) and (ii) other services in amount of 3,128 as of 31 December 2025 (31 December 2024: 2,801) for Bank.

According to Law 296/2023, the Romanian Fiscal Code was amended to introduce, starting 1<sup>st</sup> of January 2024, a supplementary tax for credit institutions, i.e. the tax on turnover which is computed as follows: for 2024 and first six months in 2025 the tax is 2% from the turnover and 4% from the turnover starting July 2025 (turnover as defined by Romanian Fiscal Code as per Article 46<sup>(1)</sup>). The tax is additional to the corporate income tax, it is computed and payable on a quarterly basis and is a non-deductible expense. The line Tax on turnover represents the tax expense for the financial year 2025, in amount of 202,708.

**38. Net impairment gain/(loss) on financial instruments**

	Group		Bank	
	2025	2024	2025	2024
Net impairment allowance for loans	320,829	243,357	319,215	219,559
Net impairment allowance for sundry debtors	43,216	56,784	42,038	54,750
Net impairment allowance for finance lease	7,526	837	-	-
Income from recoveries of derecognized receivables & sales of bad debts	(166,705)	(137,984)	(147,196)	(123,035)
Write-offs	20,067	9,115	4,050	3,748
Financial guarantee and loan contracts provisions	(36)	(23,981)	740	(24,483)
Net impairment allowance for debt securities	289	(2,787)	289	(2,787)
<b>Total</b>	<b>225,186</b>	<b>145,341</b>	<b>219,136</b>	<b>127,752</b>

The accompanying notes are an integral part of this financial statements.

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### 39. Earnings per share

Basic earnings per share are calculated by dividing net profit/(loss) for the reporting period attributable to ordinary equity owners of the parent by the weighted average number of shares outstanding during the year. As of 31 December 2025 and 31 December 2024 there were no dilutive equity instruments issued by the Group and Bank.

	Group		Bank	
	2025	2024	2025	2024
Ordinary shares on market	696,901,518	696,901,518	696,901,518	696,901,518
Profit attributable to shareholders	1,545,704	1,524,409	1,498,657	1,474,824
Earnings per share (in RON)	2.2180	2.1874	2.1505	2.1163

### 40. Other commitments

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Tangible non-current assets	6,302	9,088	6,302	9,088
Intangible non-current assets	8,078	34,862	8,078	34,862
Commitments relating to short-term and low value leases	40,575	20,212	40,575	20,212
<b>Total</b>	<b>54,955</b>	<b>64,162</b>	<b>54,955</b>	<b>64,162</b>

The other commitments presented above include short term and low value leases, software maintenance contracts and other IT services.

As of 31 December 2025 and 31 December 2024 the future minimum lease payments regarding short term and low value assets, concluded by the Group and Bank as a lessee are:

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Less than one year	9,542	8,391	9,542	8,391
Between one and five years	11,150	8,894	11,150	8,894
More than five years	19,194	36	19,194	36
<b>Total</b>	<b>39,886</b>	<b>17,321</b>	<b>39,886</b>	<b>17,321</b>

As of 31 December 2025 and 31 December 2024, the future minimum lease receipts regarding short term and low value assets, concluded by the Group and Bank as a lessor are:

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Less than one year	429	405	429	405
Between one and five years	556	688	556	688
More than five years	189	257	189	257
<b>Total</b>	<b>1,175</b>	<b>1,350</b>	<b>1,175</b>	<b>1,350</b>

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**41. Related parties**

The Group entered into related party transactions with its parent, other related parties (include other SG entities and also other close family members of the key management of the institutions or other entities in which key management of the institution have interests), subsidiaries, associates, joint venture and key management personnel. All related party transactions were made on substantially the same terms, including interest rates and collateral requirements, as those prevailing for similar transactions with unrelated parties. The transactions/balances with subsidiaries were eliminated for consolidation purposes. The transactions/balances with related parties can be summarized as follows:

	2025					2024				
	Parent	Other related parties	Associates	Joint ventures	Key management of the institution	Parent	Other related parties	Associates	Joint ventures	Key management of the institution
<b>Assets</b>	<b>1,462,325</b>	<b>82,891</b>	<b>607</b>	<b>15,633</b>	<b>4,216</b>	<b>4,758,906</b>	<b>81,519</b>	<b>879</b>	<b>19,631</b>	<b>4,120</b>
Nostro accounts	162,146	407	-	-	-	100,304	238	-	-	-
Due from banks	1,184,117	2	-	-	-	4,490,556	-	-	-	-
Loans	-	77,571	-	15,592	4,216	-	81,101	-	19,631	4,120
Derivative financial instruments	46,298	0	-	-	-	44,218	0	-	-	-
Other assets	69,763	4,910	607	40	-	123,828	180	879	-	-
<b>Liabilities</b>	<b>8,315,258</b>	<b>587,086</b>	<b>29,736</b>	<b>29,203</b>	<b>6,696</b>	<b>7,661,753</b>	<b>224,319</b>	<b>19,358</b>	<b>20,757</b>	<b>9,927</b>
Loro accounts	4,353	1,060	-	-	-	61,013	1,124	-	-	-
Deposits and amounts in transit	58,717	564,429	29,736	29,065	6,696	58,630	208,180	19,358	9,922	9,925
Borrowings	6,767,320	-	-	-	-	6,083,648	-	-	-	-
Subordinated borrowings	1,276,400	-	-	-	-	1,245,458	-	-	-	-
Lease payable	-	19,362	-	-	-	-	10,905	-	-	-
Derivative financial instruments	108,728	0	-	-	-	154,091	0	-	-	-
Other liabilities	99,740	2,235	0	138	-	58,913	4,110	0	10,835	2
<b>Commitments</b>	<b>10,213,054</b>	<b>186,806</b>	<b>-</b>	<b>30,000</b>	<b>243</b>	<b>8,549,648</b>	<b>134,139</b>	<b>-</b>	<b>10,000</b>	<b>308</b>
Total commitments granted	285,299	77,334	-	15,000	243	209,815	67,515	-	-	308
Total commitments received	285,299	70,491	-	15,000	-	209,815	38,154	-	-	-
Uncommitted facilities granted	38,059	38,980	-	-	-	37,984	28,470	-	10,000	-
Notional amount of foreign exchange transactions	3,609,383	-	-	-	-	2,666,642	-	-	-	-
Notional amount of interest rate derivatives	5,877,347	-	-	-	-	5,401,885	-	-	-	-
Securities and other deliverable financial assets	102,559	-	-	-	-	9,233	-	-	-	-
Securities and other receivable financial assets	15,108	-	-	-	-	14,274	-	-	-	-

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**41. Related parties (continued)**

	2025						2024					
	Parent	Other related parties	Subsidiaries	Associates	Joint ventures	Key management of the institution	Parent	Other related parties	Subsidiaries	Associates	Joint ventures	Key management of the institution
<b>Assets</b>	<b>1,462,324</b>	<b>82,891</b>	<b>2,176</b>	<b>607</b>	<b>15,633</b>	<b>4,216</b>	<b>4,758,906</b>	<b>81,519</b>	<b>3,033</b>	<b>878</b>	<b>19,631</b>	<b>4,120</b>
Nostro accounts	162,146	407	-	-	-	-	100,304	238	-	-	-	-
Due from banks	1,184,117	2	-	-	-	-	4,490,556	-	-	-	-	-
Loans	-	77,571	-	-	15,592	4,216	-	81,101	-	-	19,631	4,120
Derivative financial instruments	46,298	0	1	-	-	-	44,218	0	-	-	-	-
Other assets	69,763	4,910	2,175	607	40	-	123,828	180	3,033	878	-	-
<b>Liabilities</b>	<b>6,394,961</b>	<b>587,086</b>	<b>460,880</b>	<b>29,736</b>	<b>29,203</b>	<b>6,696</b>	<b>5,808,267</b>	<b>224,246</b>	<b>283,052</b>	<b>19,358</b>	<b>20,757</b>	<b>9,927</b>
Loro accounts	4,353	1,060	-	-	-	-	61,013	1,124	-	-	-	-
Deposits and amounts in transit	58,717	564,429	459,507	29,736	29,065	6,696	58,630	208,180	281,176	19,358	9,922	9,925
Borrowings	4,847,805	-	1,296	-	-	-	4,231,942	-	1,876	-	-	-
Subordinated borrowings	1,276,400	-	-	-	-	-	1,245,458	-	-	-	-	-
Lease payable	-	19,362	-	-	-	-	-	10,905	-	-	-	-
Derivative financial instruments	108,728	0	-	-	-	-	154,091	0	-	-	-	-
Other liabilities	98,958	2,235	77	-	138	-	57,133	4,038	-	-	10,835	2
<b>Commitments</b>	<b>10,213,054</b>	<b>186,806</b>	<b>46,030</b>	<b>-</b>	<b>30,000</b>	<b>243</b>	<b>8,549,648</b>	<b>134,139</b>	<b>37,447</b>	<b>-</b>	<b>10,000</b>	<b>308</b>
Total commitments granted	285,299	77,334	2,086	-	15,000	243	209,815	67,515	2,083	-	-	308
Total commitments received	285,299	70,491	-	-	15,000	-	209,815	38,154	-	-	-	-
Uncommitted facilities granted	38,059	38,980	36,297	-	-	-	37,984	28,470	35,364	-	10,000	-
Notional amount of foreign exchange transactions	3,609,383	-	7,648	-	-	-	2,666,642	-	-	-	-	-
Notional amount of interest rate derivatives	5,877,347	-	-	-	-	-	5,401,885	-	-	-	-	-
Securities and other deliverable financial assets	102,559	-	-	-	-	-	9,233	-	-	-	-	-
Securities and other receivable financial assets	15,108	-	-	-	-	-	14,274	-	-	-	-	-

The accompanying notes are an integral part of these financial statements.

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**41. Related parties (continued)**

	Group									
	2025					2024				
	Parent	Other related parties	Associates	Joint ventures	Key management of the institution	Parent	Other related parties	Associates	Joint ventures	Key management of the institution
<b><i>Income statement</i></b>	<b>(344,919)</b>	<b>(873)</b>	<b>65,187</b>	<b>(109,958)</b>	<b>29</b>	<b>(346,897)</b>	<b>1,397</b>	<b>41,095</b>	<b>(113,078)</b>	<b>(74)</b>
Interest and commission revenues	52,795	14,330	55,300	1,431	233	99,492	16,027	43,921	1,722	179
Interest and commission expenses	(383,344)	(14,972)	(7,581)	(42,098)	(151)	(486,458)	(7,317)	(3,275)	(39,729)	(184)
Net gain/(loss) on interest rate derivatives	51,536	-	-	-	-	80,484	-	-	-	-
Net gain/(loss) on foreign exchange derivatives	4,728	(7)	-	-	-	7,878	(21)	-	-	-
Dividend income	-	-	19,231	-	-	-	-	1,677	-	-
Other income/(expense) from banking activities	(33)	7,950	(603)	-	(1)	(1,039)	9	77	-	(1)
Other operating expenses	(70,602)	(8,174)	(1,161)	(69,291)	(52)	(47,254)	(7,301)	(1,305)	(75,071)	(67)

	Bank											
	2025					2024						
	Parent	Other related parties	Subsidiaries	Associates	Joint ventures	Key management of the institution	Parent	Other related parties	Subsidiaries	Associates	Joint ventures	Key management of the institution
<b><i>Income statement</i></b>	<b>(279,647)</b>	<b>1,847</b>	<b>21,872</b>	<b>73,041</b>	<b>(109,958)</b>	<b>29</b>	<b>(268,969)</b>	<b>2,343</b>	<b>18,202</b>	<b>39,368</b>	<b>(113,078)</b>	<b>(74)</b>
Interest and commission revenues	52,795	14,330	21,724	55,254	1,431	233	99,297	16,026	19,314	42,392	1,722	179
Interest and commission expenses	(318,832)	(14,972)	(11,061)	(7,581)	(42,098)	(151)	(409,198)	(7,317)	(9,500)	(3,275)	(39,729)	(184)
Net gain/(loss) on interest rate derivatives	51,536	-	-	-	-	-	80,484	-	-	-	-	-
Net gain/(loss) on foreign exchange derivatives	4,728	(7)	56	-	-	-	7,878	(21)	45	-	-	-
Dividend income	-	-	8,709	19,231	-	-	-	-	17,831	1,677	-	-
Other income/(expense) from banking activities	(33)	10,038	-	7,475	-	(1)	(1,039)	9	(13,129)	(0)	-	(1)
Other operating expenses	(69,841)	(7,542)	2,444	(1,338)	(69,291)	(52)	(46,392)	(6,354)	3,642	(1,427)	(75,071)	(67)

The accompanying notes are an integral part of these financial statements.

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**41. Related parties (continued)**

Other liabilities and other expenses include corporate and technical assistance with Société Générale Paris.

The Bank has granted to SG Paris collaterals regarding derivative instruments in total amount of 66,597 as at 31 December 2025 (31 December 2024: 121,496).

As at 31 December 2025 the Board of Directors and Managing Committee members own 1,030 shares (31 December 2024: 1,030).

Key management personnel benefits for 2025 and 2024 are:

	Group		Bank	
	2025	2024	2025	2024
Short-term benefits	16,325	17,932	14,621	13,255
Long-term benefits	4,908	4,415	4,693	4,228
Termination benefits	-	1,272	-	1,272

**42. Contingencies**

As of 31 December 2025 the Bank is the defendant in a number of lawsuits arising in the normal course of business, amounting to approximately 63,923 (31 December 2024: 68,945). The amounts disclosed represent the additional potential loss in the event of a negative court decision, the amounts not being provisioned. The management consider that the ultimate resolution of these matters will not have a material adverse effect on the Bank's overall financial position and performance, beyond the already assessed provisions. The Bank already booked a provision of 16,194 (31 December 2024: 24,676) and the Group 21,345 (31 December 2024: 30,610) in relation with these litigations.

Additionally, during 2025 the Bank was involved in the following investigations not meeting the definition of contingent liabilities.

*Competition Council*

During the year ended 31 December 2023, the Bank (together with other banks) was subject of two investigations by the Competition Council:

- First investigation was launched ad-hoc in October 2022 and concerns a potential infringement of the competition regulations regarding the fixing of reference ROBOR rates. The investigation is ongoing at the date of issue of these consolidated and separate financial statements and no report has been issued.
- Second investigation was launched in July 2023 and concerns the activity of the Credit Bureau and, more specifically, how usage of the FICO scoring is influenced by the number of banks' interrogations with the Credit Bureau. The investigation is ongoing and no report has been issued.

If applicable, in case of a negative outcome of the above investigations, the Competition Law 21/1996 provisions become applicable (i.e. subject to individualization, depending on gravity, length and potential mitigating and aggravating circumstances, the related fine might range between 0.5% and 10% from the turnover in the year prior to the sanction).

However, considering that:

- based on current information as of 31 December 2025, no specific element of non-compliance with competition law has been identified by the Bank,
- the investigations are ongoing and no report has been issued by the Competition Council, the Bank's management concluded that the risk is low and remote and therefore no provision should be recognized as of 31 December 2025.

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## **42. Contingencies (continued)**

### *National Agency for Consumer Protection (“ANPC 1”)*

During 2023, ANPC launched an investigation on a large number of banks concerning the observed most employed method of reimbursement schedule computation (i.e. equal instalments). The Bank was fined with 50 for deceiving marketing practice and received an ANPC order to stop these practices.

As a conclusion, ANPC:

- is challenging the economic model of “constant annuity (equal monthly payments)” for the rate of credit for individuals, arguing that according to the repayment schedule, the instalment included, during the first years, mainly (75% of the instalment) the interest related to the loan and, to a smaller extent, the principal;
- does not question the legality of such an approach but insists on the fact that consumers are not sufficiently/clearly informed about the advantages/disadvantages of choosing the type of reimbursement, i.e. equal monthly payments versus decreasing monthly payments.

BRD challenged the ANPC’s Decision to fine the Bank in front of the Court. The Court ruled in BRD’s favor on 2 September 2024 and annulled the ANPC’s Decision. Most probably, ANPC will file an appeal against the first court’s ruling.

### *National Agency for Consumer Protection (“ANPC 2”)*

During 2024, ANPC has started an investigation concerning the loans granted under the Law 190/1999 and concluded during 2004-2010, with variable interest and management fee perceived simultaneously. The Bank was fined with 60 and remedial measures (reimburse the borrowers with the amount paid in excess) had been imposed to the Bank.

The loan agreements in scope were those between 2004 – 2010. Several other bank were subject of the ANPC Control. Most important points in this report:

- Variable interest: ANPC alleges that the mechanism to determine and calculate the interest for the loans in the scope of the Control, was not transparent toward the Borrower. At that time the interest was calculate in respect of internal resources costs of the bank, therefore, ANPC claims there was no objective and transparent element to determine the interest.  
ANPC Sanction: re-calculate the interest for the entire loan portfolio in the scope of the Control – (only ongoing loans and under enforcement procedure) - and reimburse the borrowers with the amounts paid in excess. (90 days to comply)
- Mortgage Loans granted under the law 190 / 1999 (no longer a BRD product) - ANPC alleges that BRD charged credit management fees outside the legal provisions valid at that time.  
ANPC Sanction: immediate stop such practice and calculate the credit management fee charged and reimburse the impacted Borrowers.

The Bank filed a claim in court against the ANPC’s findings. At this point in time, the ANPC’s sanctions are suspended and the legal actions follow their legal course – the court is expected to render on the case on 16 March 2026.

### *National Agency for Consumer Protection (“ANPC 3”)*

In October 2024, based on a client complaint, the ANPC started an investigation on the Bank regarding the lack of transparency regarding the applicable interest rate for the automatically renewed deposits. ANPC alleges that the Bank had a legal obligation to inform consumers 30 days before an automatic renewal of a deposit about the new level of the interest rates and/or other BRD’s available saving products.

The Bank was fined with 200 and remedial measures had been imposed to the Bank. The Bank filed a claim in court against the ANPC’s finding and the next court hearing is set for 5 June 2026.

Considering the status of all above actions, the Bank assessed that as of 31 December 2025 and 31 December 2024, the criteria for booking a provision or a contingent liability are not met.

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#### 43. Fair value

##### Determination of fair value and fair value hierarchy

To determine and disclose the fair value hierarchy of the financial instruments, the Group follows the three-level classification of the inputs to valuation techniques used to measure fair value:

- **Level 1: quoted (unadjusted) prices** in active markets for identical assets or liabilities;  
Level 1 instruments contain the government bonds, priced directly by external counterparties on various dealing platforms (Bloomberg, Reuters etc.);
- **Level 2: other inputs** than those quoted prices included within Level 1, **that are observable** for that particular asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices);  
Level 2 instruments include in particular securities that cannot directly be quoted on the market (e.g. corporate bonds) and firm derivatives, with standard features and common maturities, whose value can be retrieved or derived from market data;
- **Level 3:** inputs that are not based on observable market data (**unobservable inputs**).  
Level 3 instruments include options traded over the counter and other derivatives with specifically-tailored return profiles and/or maturities extended over the normal spectrum;

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

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**43. Fair value (continued)**

	Group				Bank			
	31 December 2025				31 December 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>								
<b>Financial assets</b>								
Derivative financial instruments								
Interest rate swaps	-	28,370	-	28,370	-	28,370	-	28,370
Currency swaps	-	13,077	-	13,077	-	13,077	-	13,077
Forward foreign exchange contracts	-	9,730	-	9,730	-	9,731	-	9,731
Options	-	-	40,399	40,399	-	-	40,399	40,399
	-	51,177	40,399	91,576	-	51,178	40,399	91,577
Financial assets at fair value through other comprehensive income	11,257,882	-	-	11,257,882	11,257,882	-	-	11,257,882
Equity investments (listed)	5,114	-	-	5,114	5,114	-	-	5,114
Equity investments (not listed)	-	-	5,260	5,260	-	-	5,260	5,260
<b>Total</b>	<b>11,262,996</b>	<b>-</b>	<b>5,260</b>	<b>11,268,256</b>	<b>11,262,996</b>	<b>-</b>	<b>5,260</b>	<b>11,268,256</b>
Other financial instruments held for trading	1,303,894	1,119,834	-	2,423,728	1,274,119	1,119,834	-	2,393,953
<b>Total</b>	<b>12,566,890</b>	<b>1,171,011</b>	<b>45,659</b>	<b>13,783,560</b>	<b>12,537,115</b>	<b>1,171,012</b>	<b>45,659</b>	<b>13,753,786</b>
<b>Assets for which fair value is disclosed</b>								
Due from banks	-	6,496,727	-	6,496,727	-	6,496,727	-	6,496,727
Loans and advances to customers	-	-	54,626,398	54,626,398	-	-	54,273,614	54,273,614
Debt securities	6,244,158	-	852,057	7,096,216	6,244,158	-	852,057	7,096,216
Financial lease receivables	-	-	2,150,669	2,150,669	-	-	-	-
<b>Total</b>	<b>6,244,158</b>	<b>6,496,727</b>	<b>57,629,125</b>	<b>70,370,010</b>	<b>6,244,158</b>	<b>6,496,727</b>	<b>55,125,671</b>	<b>67,866,556</b>

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**43. Fair value (continued)**

	Group				Bank			
	31 December 2025				31 December 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b><u>Liabilities measured at fair value</u></b>								
<b>Financial liabilities</b>								
Derivative financial instruments								
Interest rate swaps	-	107,550	-	107,550	-	107,550	-	107,550
Currency swaps	-	16,753	-	16,753	-	16,753	-	16,753
Forward foreign exchange contracts	-	14,230	-	14,230	-	14,230	-	14,230
Options	-	-	40,871	40,871	-	-	40,871	40,871
<b>Total</b>	<b>-</b>	<b>138,533</b>	<b>40,871</b>	<b>179,404</b>	<b>-</b>	<b>138,533</b>	<b>40,871</b>	<b>179,404</b>
Other financial instruments held for trading	636,050	161,994	-	798,044	636,050	161,994	-	798,044
<b>Total</b>	<b>636,050</b>	<b>300,527</b>	<b>40,871</b>	<b>977,448</b>	<b>636,050</b>	<b>300,527</b>	<b>40,871</b>	<b>977,448</b>
<b><u>Liabilities for which fair value is disclosed</u></b>								
Due to banks	-	1,239,312	-	1,239,312	-	1,239,312	-	1,239,312
Due to customers	-	75,058,285	-	75,058,285	-	75,517,876	-	75,517,876
Borrowed funds	-	7,504,212	-	7,504,212	-	4,854,909	-	4,854,909
Subordinated debts	-	1,276,400	-	1,276,400	-	1,276,400	-	1,276,400
<b>Total</b>	<b>-</b>	<b>85,078,209</b>	<b>-</b>	<b>85,078,209</b>	<b>-</b>	<b>82,888,496</b>	<b>-</b>	<b>82,888,496</b>

The accompanying notes are an integral part of these financial statements.

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**43. Fair value (continued)**

	Group				Bank			
	31 December 2024 Revised				31 December 2024 Revised			
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Derivative financial instruments								
Interest rate swaps	-	35,248	-	35,248	-	35,248	-	35,248
Currency swaps	-	46,120	-	46,120	-	46,120	-	46,120
Forward foreign exchange contracts	-	21,945	-	21,945	-	21,945	-	21,945
Options	-	-	38,556	38,556	-	-	38,556	38,556
	-	<b>103,313</b>	<b>38,556</b>	<b>141,869</b>	-	<b>103,313</b>	<b>38,556</b>	<b>141,869</b>
Financial assets at fair value through other comprehensive income	12,164,852	-	-	12,164,852	12,164,852	-	-	12,164,852
Equity investments (listed)	4,649	-	-	4,649	4,649	-	-	4,649
Equity investments (not listed)	-	-	4,559	4,559	-	-	4,559	4,559
<b>Total</b>	<b>12,169,501</b>	-	<b>4,559</b>	<b>12,174,060</b>	<b>12,169,501</b>	-	<b>4,559</b>	<b>12,174,060</b>
Other financial instruments held for trading	809,797	890,896	-	1,700,693	777,739	890,896	-	1,668,635
<b>Total</b>	<b>12,979,298</b>	<b>994,209</b>	<b>43,115</b>	<b>14,016,622</b>	<b>12,947,240</b>	<b>994,209</b>	<b>43,115</b>	<b>13,984,564</b>
<b><u>Assets for which fair value is disclosed</u></b>								
Due from banks	-	6,313,423	-	6,313,423	-	6,313,423	-	6,313,423
Loans and advances to customers	-	-	48,351,258	48,351,258	-	-	48,000,169	48,000,169
Debt securities	5,939,263	-	1,040,923	6,980,186	5,939,263	-	1,040,923	6,980,186
Financial lease receivables	-	-	2,015,072	2,015,072	-	-	-	-
<b>Total</b>	<b>5,939,263</b>	<b>6,313,423</b>	<b>51,407,253</b>	<b>63,659,939</b>	<b>5,939,263</b>	<b>6,313,423</b>	<b>49,041,092</b>	<b>61,293,778</b>

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly.

The accompanying notes are an integral part of these financial statements.

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**43. Fair value (continued)**

	Group				Bank			
	31 December 2024				31 December 2024			
<u>Liabilities measured at fair value</u>	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>								
Derivative financial instruments								
Interest rate swaps	-	151,439	-	151,439	-	151,439	-	151,439
Currency swaps	-	11,324	-	11,324	-	11,324	-	11,324
Forward foreign exchange contracts	-	10,937	-	10,937	-	10,937	-	10,937
Options	-	-	38,672	38,672	-	-	38,672	38,672
<b>Total</b>	<b>-</b>	<b>173,700</b>	<b>38,672</b>	<b>212,372</b>	<b>-</b>	<b>173,700</b>	<b>38,672</b>	<b>212,372</b>
Other financial instruments held for trading	226,548	85,090	-	311,638	226,548	85,090	-	311,638
<b>Total</b>	<b>226,548</b>	<b>258,790</b>	<b>38,672</b>	<b>524,010</b>	<b>226,548</b>	<b>258,790</b>	<b>38,672</b>	<b>524,010</b>
<b>Liabilities for which fair value is disclosed</b>								
Due to banks	-	1,477,293	-	1,477,293	-	1,477,293	-	1,477,293
Due to customers	-	67,964,469	-	67,964,469	-	68,244,935	-	68,244,935
Borrowed funds	-	6,557,966	-	6,557,966	-	4,219,899	-	4,219,899
Subordinated debts	-	1,245,458	-	1,245,458	-	1,245,458	-	1,245,458
<b>Total</b>	<b>-</b>	<b>77,245,187</b>	<b>-</b>	<b>77,245,187</b>	<b>-</b>	<b>75,187,585</b>	<b>-</b>	<b>75,187,585</b>

The accompanying notes are an integral part of these financial statements.

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### **43. Fair value (continued)**

#### **Financial instruments measured at fair value**

The following is a description of the determination of fair value for financial instruments which are recorded at fair value using valuation techniques. These incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

*Treasury notes* are represented by treasury bills and bonds and are classified as financial assets at fair value through other comprehensive income or financial instruments held for trading measured at fair value through profit and loss, being measured using a valuation technique based on market quotes published by Bloomberg or by Reuters (market approach).

#### *Derivatives*

The fair value of the derivatives is determined using valuation techniques commonly known on the market, such as discounted cash flows for swaps or Black-Sholes formula for options.

**Firm derivatives** – interest rate swaps, currency swaps and forward foreign exchange contracts are the main derivative products measured using as valuation technique the income approach (discounting cash flows) and incorporating observable inputs from market (foreign exchange spot rate, forward rates, interest rate rates, futures), both directly observable ones (explicit parameters) and indirectly observable ones.

The directly observable parameters are variables that come directly from the market and are presumed to be easily available, accessible to each market participant. The main explicit parameters used in valuation of firm financial instruments are interbank fixing FX rates published by NBR, interbank swap points, interbank bid/ask interest rates, futures quotes on EUR and USD. Implicit parameters are variables obtained through standard intermediary calculation, using market prices for relevant financial instruments. The yield curves designated at the level of each product and currency are fed with explicit parameters according to the pre-set configuration, facilitating the computation of implicit parameters used in computing the fair value such as Zero-coupons, Discount Factors and Forward Interest Rates.

**Conditional derivatives** - FX options, interest rate options and equity options are valued daily, using the mark-to-model approach. The model is calibrated to derive the value of the option based on the current market conditions (spot rates) and the future values presumed to be attained by the underlying (forward exchange rates, FRAs etc.), integrating in the calculation the standard option-sensitivities (delta, gamma, vega, theta), along with information regarding the size of the positions and the liquidity of the instrument. The fair value is determined through SG's computation module, the values of the specific parameters being daily retrieved from the market and stored in the database, serving as direct input in the daily final formula or further used for the statistical calculation implied by the valuation process.

The Bank manages the group of these financial assets and liabilities (options) based on the entity's net exposure to a particular market risk (foreign exchange, interest rate, price risk) and, according to the trading book policy in place, The Bank assumes no residual market risk induced by option-trading. Any bought option is perfectly matched on the same day with a sold option, identical in terms of option type, underlying, exercise prices, maturity. The perfect back-to-back system is subject to daily controls performed at back-office level, to ensure that no mismatch occurred and there is no residual open position on options. Therefore, the impact of a specific change on the estimated value on one non-observable parameter used on the valuation of an option classified/accounted as financial asset is offset by same specific change on estimated value of the same non-observable parameter on the valuation of the mirror-replicated option classified/accounted as financial liability.

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**43. Fair value (continued)**

*Equities*

These assets are valued using models which sometimes only incorporate data observable in the market and at other times use both observable and non-observable data. The non-observable inputs to the models include assumptions regarding the financial performance of the investee.

The fair value of equity instruments not listed classified as of fair value through profit and loss and consisting of ordinary shares of other entities is determined by using the net assets of the entities as of the end of the last closed reporting period. The entities net assets represent the best estimation of the current replacement cost that would be paid to replace the holding as it consists of the initial capital investment adjusted by the financial performance of the entity.

**Fair value of financial assets and liabilities not carried at fair value**

*Financial assets*

For deposits with banks amortized cost is estimated to approximate fair value due to their short-term nature, interest rates reflecting current market conditions and no significant transaction costs.

For loans and lease receivables the fair value is determined by using discounted cash-flows based on interest rate offered to similar products and similar time horizons.

*Financial liabilities*

The amortized cost of deposits from banks is considered to approximate their respective fair values, since these items have predominantly short maturities, carry interest rates reflecting current market conditions and are settled without significant transaction costs.

For due to customers, borrowings and subordinated debts the fair value is determined by using discounted cash-flows based on interest rate offered to similar products and customers and with similar time horizons.

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**43. Fair value (continued)**

The following table presents the fair value and the carrying amount per type of financial instrument:

	Group				Bank			
	31 December 2025		31 December 2024 Revised		31 December 2025		31 December 2024 Revised	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>								
Due from banks	6,496,727	6,496,727	6,313,423	6,313,423	6,496,727	6,496,727	6,313,423	6,313,423
Loans and advances to customers	53,985,859	54,626,398	47,705,202	48,351,258	53,634,840	54,273,614	47,351,908	48,000,169
Debt securities	7,073,591	7,096,216	7,107,780	6,980,186	7,073,591	7,096,216	7,107,780	6,980,186
Financial lease receivables	2,144,020	2,150,669	2,023,475	2,015,072	-	-	-	-
<b>Total</b>	<b>69,700,197</b>	<b>70,370,010</b>	<b>63,149,880</b>	<b>63,659,939</b>	<b>67,205,158</b>	<b>67,866,556</b>	<b>60,773,111</b>	<b>61,293,778</b>
<b>Financial liabilities</b>								
Due to banks	1,239,312	1,239,312	1,477,293	1,477,293	1,239,312	1,239,312	1,477,293	1,477,293
Due to customers	75,045,129	75,058,285	67,935,142	67,964,469	75,504,639	75,517,876	68,215,487	68,244,935
Borrowed funds	7,441,554	7,504,212	6,554,915	6,557,966	4,849,166	4,854,909	4,234,105	4,219,899
Subordinated debts	1,276,400	1,276,400	1,245,458	1,245,458	1,276,400	1,276,400	1,245,458	1,245,458
<b>Total</b>	<b>85,002,395</b>	<b>85,078,209</b>	<b>77,212,808</b>	<b>77,245,187</b>	<b>82,869,517</b>	<b>82,888,497</b>	<b>75,172,343</b>	<b>75,187,585</b>

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly.

	Group				Bank			
	31 December 2025		31 December 2024		31 December 2025		31 December 2024	
	Carrying value	Fair value						
Loans and advances to customers	53,985,859	54,626,398	47,705,202	48,351,258	53,634,840	54,273,614	47,351,908	48,000,169
Retail	30,781,556	31,452,933	27,889,611	28,620,849	30,685,433	31,354,715	27,757,970	28,485,756
Non-retail	23,204,304	23,173,464	19,815,592	19,730,409	22,949,407	22,918,899	19,593,938	19,514,414

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**43. Fair value (continued)**

The methods and significant assumptions applied in determining the fair value of the elements in the table above are listed below.

The fair value of fixed rate instruments is estimated by discounting the maturing cash flows with discount factors derived from 31 December 2025 rates offered to similar clients, for similar products on similar maturities. The fair value of floating instruments is estimated by discounting from the next re-pricing date using as discount factors rates offered to similar clients, for similar products on similar time horizons.

Changes in the credit quality of loans within the portfolio are not considered in determining gross fair values, as the impact of impairment is recognized separately by deducting the amount of the allowance for credit losses from both carrying and fair values.

For the purposes of the fair value disclosure, the interest accrued to date is included in the carrying value of the financial instruments.

There were no transfers between fair value hierarchy levels during the period.

**Movement in level 3:**

Fair value of equity investments not listed is estimated based on net assets of the investments.

	Group / Bank		
	Equity investments (not listed)	Options (A)	Options (L)
<b>Closing balance as of 31 December 2023</b>	<b>3,919</b>	<b>43,858</b>	<b>44,011</b>
Acquisitions	347	15,304	15,304
Sales	(286)	(496)	(496)
Reimbursements	-	(6,404)	(6,404)
Gain losses from change in fair value	579	(13,706)	(13,743)
<b>Closing balance as of 31 December 2024</b>	<b>4,559</b>	<b>38,556</b>	<b>38,672</b>
Acquisitions	-	25,804	25,804
Sales	-	(2,077)	(2,077)
Reimbursements	-	(14,052)	(14,052)
Gains/losses from change in fair value	680	(7,832)	(7,476)
Foreign exchange differences	21	-	-
<b>Closing balance as of 31 December 2025</b>	<b>5,260</b>	<b>40,399</b>	<b>40,871</b>

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The accompanying notes are an integral part of these financial statements.

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**44. Offsetting financial assets and financial liabilities**

Financial instruments subject to offsetting, enforceable master netting and similar arrangements are as follows at 31 December 2025 and 31 December 2024 for Group and Bank:

Amounts as at 31 December 2025

	Group and Bank					
	Gross amounts before offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position		Net amount of exposure
				Financial instruments	Cash collateral received	
(a)	(b)	(c) = (a) – (b)	(d)	(e)	(c) – (d) – (e)	
<b>ASSETS</b>						
Reverse sale and repurchase agreements	9,303,680	0	9,303,680	244,410	24,885	9,034,385
Financial derivatives	91,577	0	91,577	48,762	5,394	37,421
<b>TOTAL ASSETS SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT</b>	<b>9,395,257</b>	<b>-</b>	<b>9,395,257</b>	<b>293,173</b>	<b>30,279</b>	<b>9,071,806</b>
<b>LIABILITIES</b>						
Sale and repurchase agreements	983,767	0	983,767	244,410	108,438	630,919
Financial derivatives	179,404	0	179,404	48,762	70,772	59,870
<b>TOTAL LIABILITIES SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT</b>	<b>1,163,171</b>	<b>-</b>	<b>1,163,171</b>	<b>293,173</b>	<b>179,209</b>	<b>690,790</b>

Amounts as at 31 December 2024

	Group and Bank					
	Gross amounts before offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position		Net amount of exposure
				Financial instruments	Cash collateral received	
(a)	(b)	(c) = (a) – (b)	(d)	(e)	(c) – (d) – (e)	
<b>ASSETS</b>						
Reverse sale and repurchase agreements	7,212,249	0	7,212,249	155,300	38,933	7,018,016
Financial derivatives	141,869	0	141,869	49,928	32,672	59,269
<b>TOTAL ASSETS SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT</b>	<b>7,354,118</b>	<b>-</b>	<b>7,354,118</b>	<b>205,228</b>	<b>71,605</b>	<b>7,077,286</b>
<b>LIABILITIES</b>						
Sale and repurchase agreements	645,561	0	645,561	155,300	1	490,261
Financial derivatives	212,372	0	212,372	49,928	111,113	51,331
<b>TOTAL LIABILITIES SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT</b>	<b>857,933</b>	<b>-</b>	<b>857,933</b>	<b>205,228</b>	<b>111,114</b>	<b>541,591</b>

Financial assets and liabilities are offset and the net amount reported in the consolidated and separate statements of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) the event of default and (iii) the event of insolvency or bankruptcy.

As at 31 December 2025 and 31 December 2024 the Group and Bank did not offset any amounts in the statement of financial position.

The Group and Bank has master netting arrangements with counterparty banks, which are enforceable in case of default. The Group and the Bank also made margin deposits as collateral for its outstanding derivative positions. The counterparty may set off the Group and Bank's liabilities with the margin deposit in case of default.

The accompanying notes are an integral part of these financial statements.

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#### **45. Subsequent events**

On 9 March 2026, BRD Groupe Société Générale, through BRD Asset Management S.A.I., entered into an agreement with Patria Bank for the acquisition of 99.9944% of Patria Asset Management, a company operating on the Romanian UCITS market. Completion of the transaction remains subject to the approval of the relevant regulatory authorities.

#### **46. Risk management**

Risk management within the Group and Bank is based on an integrated concept that considers the statutory and regulatory norms as defined and required by the National Bank of Romania, Société Générale risk management standards as well as best practices accepted by the banking industry. The level of risk appetite fully reflects the Group's and Bank's risk management strategy, aiming to support a sustainable growth of its lending activity while reinforcing the Bank's and Group's market position.

Risk governance relies on the three lines of defense model, which reinforces segregation of duties between various control functions.

The *first line* of defense is represented by the business units, which are primarily responsible for the ongoing management of the risks arisen in conducting their daily activities, considering the Bank's risk appetite and its existing policies, procedures and controls.

The *second line* of defense is represented by the independent functions overseeing risks, which are responsible for further identifying, measuring, monitoring and reporting risks, while ensuring the compliance with internal and external requirements and providing support to the business/operational functions in executing their duties.

The *third line* of defense is represented by the internal audit function which provides independent review and objective assurance on the quality and effectiveness of the Bank's internal control system, the first and second lines of defense and the risk governance framework.

The Group and Bank's risk management governance is centered along the following axes:

- continuous process of identification, assessment, monitoring, reporting and control, considering risk limits, approval competences, segregation of duties and other mitigation techniques;
- risks are taken within the defined risk appetite approved by the Board of Directors;
- strong involvement of the Bank's management body in the risk management system and promotion of risk culture, throughout the entire organizational structure, from the Board of Directors down to operational teams;
- clearly defined internal rules and procedures;
- communication of information regarding risk management across the organization in a timely, accurate, comprehensible and meaningful manner;
- continuous supervision by an independent risk function to monitor risks and to enforce rules and procedures.

The Group and Bank's risk management is organized around two key principles:

- risk assessment departments must be independent from the business divisions;
- the risk management approach and risk monitoring must be consistent throughout the Group and Bank.

The Group and the Bank is exposed to the risks inherent to its core businesses. The main financial assets and liabilities are the loans and advances, lease receivables, amounts placed with NBR, demand and term deposits and borrowings. These instruments are exposed to a series of risks such as credit risk, foreign exchange risk, interest rate risk, liquidity risk and market risk which are discussed below.

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## **46. Risk management (continued)**

### **46.1 Credit risk**

Credit risk represents current or future risk of negative impact on profits and capital arising from a debtor's failure to fulfil the contractual obligations or failure to perform as agreed. The credit risk is inherent to traditional banking products - loans, commitments to lend and other contingent liabilities such as letters of credit - and to fair value derivative contracts (refer to the Notes 7, 9, 10, 11 and 42).

The Group and Bank's credit policy is based on the principle that approval of any credit risk undertaking must rely on a sound knowledge of a given client and its business, an understanding of the purpose and structure of the transaction and the sources of debt repayment. As part of Group Société Générale, the Bank has a cash flow based lending approach, meaning the bank expects debt to be serviced primarily through the future cash flow (legal entities)/income (individuals) generated by the client.

The Group and Bank assesses the quality of its Non-Retail portfolio by use of Société Générale's rating system, with a scale from 1 to 10 (1 to 7- in bonis exposures, 8 to 10 – defaulted exposures). Within the in bonis portfolio, the most vulnerable counterparties are grouped into a distinct category (referred to as sensitive, rating class 7) which is subject to increased monitoring requirements, to improve reactivity through timely implementation of corrective measures.

The internal rating system is based on models that include both quantitative and qualitative assessment criteria, differentiated by counterparty type and size, in which the expert judgment is a key element. Internal models are developed based on the Group and Bank's available data history and the use of rating model is regulated by internal norms and procedures. Rating review is performed at least once per year, or as soon as new and significant aspects impacting the credit quality of the counterparty occur. This process results in the classification of exposures between sound, sensitive and non-performing client status.

Throughout the post approval period, the monitoring of counterparties is conducted on a continuous basis, so that potential vulnerabilities can be identified early and reacted upon. The outcome of monitoring activity is analysed as an inherent responsibility of commercial and risk structures. Risky counterparties defined according to internally prescribed criteria are closely monitored through dedicated committees, with the aim of defining a strategy towards them and ensuring consistent rating and loss recognition.

Retail counterparties are assessed at origination, based on application scorecards and/or behavioral rating models, and monitored throughout the lifespan of the loans using behavioral rating models.

Security, in the form of collateral (funded protection) or guarantee (unfunded protection), is accepted by the Bank in order to mitigate credit risk and do not serve as a substitute for the borrower's ability to meet obligations. The collaterals accepted by the Bank in support of granted commitments primarily include real estate, both residential and commercial, guarantees issued by other banks and guarantee funds, equipment and inventories.

Concentration risk related to credit risk is managed primarily through a set of limits established based on the Bank's risk appetite and the expectations on the evolution of the economic environment. The limits are monitored periodically and revised whenever necessary, but at least annually. The set of limits is related to the following dimensions: individual concentration (single name or group of connected clients), economic sector concentration, geographical concentration, concentration by product type/transaction type and credit risk mitigations technique types.

The Bank has in place a process of continuous monitoring of exposure by concentration dimensions, set out in the local normative guidelines, meant to prevent any excessive concentration.

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Maximum exposure to credit risk before considering any collaterals or guarantees**

	Group	
	31 December 2025	31 December 2024
<b>ASSETS</b>		
Cash and cash equivalents	9,191,913	6,202,796
Due from banks	6,496,727	6,313,423
Derivatives and other financial instruments held for trading	2,515,304	1,842,562
Financial assets at fair value through other comprehensive income	11,257,882	12,164,852
<b>Financial assets at amortised cost</b>	<b>61,059,450</b>	<b>54,812,982</b>
<i>Loans, gross</i>	<i>55,918,906</i>	<i>49,506,267</i>
<i>Expected credit loss</i>	<i>(1,933,047)</i>	<i>(1,801,065)</i>
Loans and advances to customers	53,985,859	47,705,202
Debt securities	7,073,591	7,107,780
Finance lease receivables	2,144,020	2,023,475
Other financial assets	195,089	256,192
<b>Total assets</b>	<b>92,860,385</b>	<b>83,616,282</b>
Letters of guarantee granted	4,712,720	3,812,725
Financing commitments granted	14,411,106	10,553,532
<b>Total commitments granted</b>	<b>19,123,826</b>	<b>14,366,257</b>
<b>Total credit risk exposure</b>	<b>111,984,211</b>	<b>97,982,539</b>

	Bank	
	31 December 2025	31 December 2024
<b>ASSETS</b>		
Cash and cash equivalents	9,191,913	6,202,796
Due from banks	6,496,727	6,313,423
Derivatives and other financial instruments held for trading	2,485,530	1,810,504
Financial assets at fair value through other comprehensive income	11,257,882	12,164,852
<b>Financial assets at amortised cost</b>	<b>60,708,431</b>	<b>54,459,688</b>
<i>Loans, gross</i>	<i>55,525,911</i>	<i>49,114,810</i>
<i>Expected credit loss</i>	<i>(1,891,071)</i>	<i>(1,762,902)</i>
Loans and advances to customers	53,634,840	47,351,908
Debt securities	7,073,591	7,107,780
Other financial assets	177,651	239,499
<b>Total assets</b>	<b>90,318,134</b>	<b>81,190,762</b>
Letters of guarantee granted	4,714,807	3,814,807
Financing commitments granted	14,365,266	10,506,324
<b>Total commitments granted</b>	<b>19,080,073</b>	<b>14,321,131</b>
<b>Total credit risk exposure</b>	<b>109,398,207</b>	<b>95,511,893</b>

Performance guarantees were included in “Financing commitments granted” position in total amount of 4,322,800 as at 31 December 2025 for Group and Bank (3,954,091 as at 31 December 2024).

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

Analyses of the inputs to the ECL model is made under multiple economic scenarios.

An overview of the approach to estimate ECLs is set out in Note 2 e) Significant accounting judgments and estimates and Note 3 Material accounting policy information. Economic input data is obtained from a team of economists in the Bank and Group Société Générale. To ensure accuracy and completeness, inputs are corroborated with third party sources – economic forecasts issued by specialized institutions.

Expected losses are computed based on four macroeconomic scenarios, each with a corresponding weight: optimistic (10%), baseline (56%), stagflation (14%) and debt tension (20%) for year 2025. The weights for year 2024 were: optimistic (10%), baseline (56%) and stress scenario (34%). The table below shows the values of the key forward looking economic variables/assumptions used in the base, optimistic and stress (stagflation and debt tension) economic scenarios for the ECL calculation.

The Bank presents the estimation of key drivers for 2025 because these scenarios have produced effects during the year and have been used in the computation of ECL as of 31 December 2025.

**31 December 2025**

Key drivers	ECL Scenario	2026	2027	2028
GDP growth [%]	Baseline/Central	1.5	2.0	2.5
	Stagflation	-3	-0.6	1.3
	Debt Tension	-2.5	1.6	2.1
	Optimistic	2.7	3.8	3.5
Unemployment rate [%]	Baseline/Central	5.8	5.6	5.4
	Stagflation	7.3	7.8	7.7
	Debt Tension	7.4	6.7	6.2
	Optimistic	4.9	4.6	4.8
Exchange rate RON/EUR [RON]	Baseline/Central	5.1	5.1	5.1
	Stagflation	7.4	7.1	7.1
	Debt Tension	6.6	6.1	5.9
	Optimistic	5.1	5.1	5.1

The sensitivity assessment of ECL to key inputs shows that a +/- 1 p.p. change in LGD would result in an increase/decrease of ECL with 34.6 million RON.

The sensitivity assessment of ECL to the macroeconomic scenarios used is described below:

- A change of +/- 1 p.p. of the optimistic scenario weight correlated with a +/- 1 p.p. change in base scenario weight, will generate an ECL decrease/increase of 0.3 million RON
- A change of +/- 1 p.p. of the stagflation scenario weight correlated with a +/- 1 p.p. change in base scenario weight, will generate an ECL increase/decrease of 1.6 million RON
- A change of +/- 1 p.p. of the debt tension scenario weight correlated with a +/- 1 p.p. change in base scenario weight, will generate an ECL increase/decrease of 1.1 million RON.

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

Considering the internal rating quality, the exposures of the counterparties are split in 4 categories which are defined below:

**Very good** – The counterparty is considered to be very reliable. The capacity to service its debt is very strong.

**Good** – The counterparty is judged to be of good quality. The capacity to service its debt is strong but counterparty is somewhat more sensitive to adverse changes in circumstances and economic conditions. For this presentation purposes, the loans of the Non-Retail clients are capped at “Good” grade.

**Standard grade** – The counterparty has an average solvency. The ability to service its debt is still sufficient, but more likely to be undermined by unfavourable economic conditions and changes in circumstances.

**Sub-standard grade** - The counterparty reflected credit behaviour or financial deterioration implying increased credit risk. Timely debt service repayment is uncertain and depends on favourable economic and financial conditions. Close and more frequent monitoring of the client’s capacity to service the bank debt is needed, to be able to react to a potential deterioration via implementation of corrective measures.

**Analysis of cash and cash equivalents by credit rating**

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
<i>Current accounts with Central Bank</i>	6,327,799	5,096,004	6,327,799	5,096,004
Very good grade	6,327,799	5,096,004	6,327,799	5,096,004
<i>Current accounts and placements with other banks</i>	2,864,114	1,106,792	2,864,114	1,106,792
Very good grade	2,629,163	985,831	2,629,163	985,831
Good grade	234,643	120,000	234,643	120,000
Standard grade	308	960	308	960

**Analysis of due from banks by credit rating**

	Group		Bank	
	2025	2024	2025	2024
<i>Internal rating grade</i>				
Very good grade	6,482,322	6,302,164	6,482,323	6,302,164
Good grade	13,136	9,133	13,136	9,133
Standard grade	670	1,802	670	1,802
Not rated internally	598	324	598	324
<b>Total</b>	<b>6,496,726</b>	<b>6,313,423</b>	<b>6,496,727</b>	<b>6,313,423</b>

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Sector analysis of loans granted and impairment allowance**

Group	31 December 2025									
	Stage 1		Stage 2		Stage 3		POCI		Total	
	Gross carrying amount	Impairment allowance								
Individuals	24,997,845	91,210	4,451,807	420,856	926,511	667,775	18,315	4,539	30,394,479	1,184,380
Agriculture, forestry and fishing	1,519,259	27,582	252,865	26,781	213,993	74,425	99	28	1,986,216	128,815
Mining and quarrying	6,521	68	597	26	56	29	-	-	7,175	124
Manufacturing	3,474,048	52,904	263,135	17,825	54,451	29,393	4,422	1,536	3,796,055	101,658
Electricity, gas, steam and air conditioning supply	1,826,626	26,207	43,949	439	-	-	-	-	1,870,574	26,646
Water supply	181,673	2,379	26,894	1,406	454	297	-	-	209,021	4,082
Construction	1,124,777	16,456	124,633	10,577	33,494	22,073	5,253	620	1,288,157	49,727
Wholesale and retail trade	5,627,472	81,590	288,654	21,428	199,172	112,228	1,358	29	6,116,656	215,275
Transport and storage	1,160,118	17,119	49,489	4,668	85,649	42,828	4,211	566	1,299,468	65,180
Accommodation and food service activities	601,814	11,354	21,495	2,036	29,879	18,325	46	-	653,234	31,715
Information and communication	939,195	14,960	8,981	476	1,548	1,300	-	-	949,724	16,736
Financial institutions	847,625	12,163	1,629	96	72	37	-	-	849,326	12,296
Real estate activities	830,483	16,668	2,961	330	17,603	17,536	36,962	8,040	888,009	42,573
Professional, scientific and technical activities	424,055	4,762	20,797	3,068	9,554	5,489	-	-	454,407	13,319
Administrative and support service activities	287,930	4,861	9,305	1,385	3,805	2,324	959	-	301,999	8,569
Public administration and defence, compulsory social security	4,082,479	11,310	2,280	119	-	-	-	-	4,084,759	11,430
Education	11,100	186	15,008	1,201	23	12	-	-	26,131	1,399
Human health services and social work activities	535,448	9,701	26,485	3,427	1,768	1,303	-	-	563,700	14,430
Arts, entertainment and recreation	61,045	1,183	1,995	287	321	234	-	-	63,362	1,703
Other services	108,537	730	5,590	543	2,328	1,715	-	-	116,454	2,988
<b>Total</b>	<b>48,648,050</b>	<b>403,392</b>	<b>5,618,550</b>	<b>516,975</b>	<b>1,580,682</b>	<b>997,323</b>	<b>71,624</b>	<b>15,356</b>	<b>55,918,906</b>	<b>1,933,047</b>

Loans to individuals include mortgage loans, consumer loans and overdrafts.

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Sector analysis of loans granted and impairment allowance (continued)**

Bank	31 December 2025									
	Stage 1		Stage 2		Stage 3		POCI		Total	
	Gross carrying amount	Impairment allowance								
Individuals	24,997,845	91,210	4,451,807	420,856	926,511	667,775	18,315	4,539	30,394,478	1,184,380
Agriculture, forestry and fishing	1,495,440	27,485	179,560	22,633	174,653	49,514	99	28	1,849,751	99,659
Mining and quarrying	6,521	68	597	26	56	29	-	-	7,175	124
Manufacturing	3,472,235	52,896	262,987	17,816	53,814	29,107	4,422	1,536	3,793,457	101,355
Electricity, gas, steam and air conditioning supply	1,826,626	26,207	43,949	439	-	-	-	-	1,870,575	26,646
Water supply	181,437	2,378	26,894	1,406	454	297	-	-	208,785	4,081
Construction	1,123,073	16,448	124,388	10,565	32,342	20,935	5,253	620	1,285,056	48,568
Wholesale and retail trade	5,602,501	81,481	283,630	21,212	196,510	110,366	1,358	29	6,083,999	213,088
Transport and storage	972,590	16,299	39,305	4,260	76,080	36,352	4,211	566	1,092,185	57,477
Accommodation and food service activities	601,758	11,353	21,495	2,036	28,766	17,213	46	-	652,065	30,602
Information and communication	938,879	14,958	8,981	476	1,548	1,300	-	-	949,408	16,734
Financial institutions	847,625	12,163	1,629	96	72	37	-	-	849,326	12,296
Real estate activities	829,925	16,666	2,961	330	17,603	17,536	36,962	8,040	887,451	42,571
Professional, scientific and technical activities	418,134	4,736	20,601	3,056	9,310	5,245	-	-	448,045	13,037
Administrative and support service activities	286,219	4,852	9,305	1,385	3,805	2,324	959	-	300,288	8,560
Public administration and defence, compulsory social security	4,082,479	11,310	2,280	119	-	-	-	-	4,084,759	11,430
Education	11,100	186	15,008	1,201	23	12	-	-	26,131	1,399
Human health services and social work activities	535,448	9,701	26,485	3,427	1,768	1,303	-	-	563,700	14,430
Arts, entertainment and recreation	61,045	1,183	1,995	287	321	234	-	-	63,362	1,703
Other services	108,127	731	5,590	543	2,197	1,656	-	-	115,914	2,930
<b>Total</b>	<b>48,399,007</b>	<b>402,310</b>	<b>5,529,446</b>	<b>512,170</b>	<b>1,525,834</b>	<b>961,234</b>	<b>71,623</b>	<b>15,356</b>	<b>55,525,911</b>	<b>1,891,070</b>

Loans to individuals include mortgage loans, consumer loans and overdrafts.

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Sector analysis of loans granted and impairment allowance (continued)**

Group	Stage 1		Stage 2		31 December 2024 Stage 3		POCI		Total	
	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance
Individuals	21,185,547	101,158	5,175,939	373,149	850,925	649,588	22,143	3,869	27,234,554	1,127,764
Agriculture, forestry and fishing	1,567,201	31,548	337,487	24,302	52,916	31,033	47	-	1,957,651	86,883
Mining and quarrying	26,106	407	320	11	0	0	-	-	26,426	418
Manufacturing	3,294,366	56,008	166,943	14,250	48,684	38,643	2,553	919	3,512,546	109,820
Electricity, gas, steam and air conditioning supply	1,225,085	18,634	41,914	57	295	170	-	-	1,267,294	18,861
Water supply	117,403	2,041	33,843	1,184	645	432	-	-	151,891	3,657
Construction	1,270,694	21,298	103,679	7,179	76,480	59,102	3,889	30	1,454,742	87,609
Wholesale and retail trade	5,725,904	86,358	393,448	26,744	24,954	17,362	2,461	238	6,146,767	130,702
Transport and storage	1,077,290	16,897	37,230	2,932	69,783	54,840	1,536	680	1,185,838	75,349
Accommodation and food service activities	519,141	9,861	16,067	1,334	31,498	23,591	(0)	-	566,706	34,786
Information and communication	876,667	14,424	3,608	266	1,338	853	-	-	881,613	15,543
Financial institutions	748,469	12,911	2,957	198	308	200	-	-	751,735	13,309
Real estate activities	480,134	9,778.13	15,138	595	19,677	19,087	22,444	22,388	537,393	51,849
Professional, scientific and technical activities	356,570	2,381	24,219	2,027	5,360	3,717	-	-	386,150	8,125
Administrative and support service activities	277,681	4,671	7,534	633	1,549	921	1,380	-	288,144	6,225
Public administration and defence, compulsory social security	2,344,095	8,771	178	6	223	223	-	-	2,344,496	8,999
Education	10,574	96	17,839	1,251	81	45	-	-	28,494	1,392
Human health services and social work activities	599,491	11,300	24,324	2,622	1,831	1,409	-	-	625,646	15,331
Arts, entertainment and recreation	63,939	1,204	2,581	285	632	434	-	-	67,152	1,923
Other services	85,104	954	3,913	291	2,013	1,274	-	-	91,030	2,519
<b>Total</b>	<b>41,851,461</b>	<b>410,701</b>	<b>6,409,161</b>	<b>459,316</b>	<b>1,189,193</b>	<b>902,924</b>	<b>56,453</b>	<b>28,124</b>	<b>49,506,267</b>	<b>1,801,065</b>

Loans to individuals include mortgage loans, consumer loans and overdrafts.

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Sector analysis of loans granted and impairment allowance (continued)**

Bank	31 December 2024									
	Stage 1		Stage 2		Stage 3		POCI		Total	
	Gross carrying amount	Impairment allowance								
Individuals	21,185,547	101,158	5,175,939	373,149	850,925	649,588	22,143	3,869	27,234,554	1,127,764
Agriculture, forestry and fishing	1,545,227	31,465	228,174	18,003	13,220	8,042	47	-	1,786,668	57,510
Mining and quarrying	26,106	407	320	11	0	0	-	-	26,426	418
Manufacturing	3,291,430	55,996	165,961	14,202	48,684	38,643	2,553	919	3,508,628	109,760
Electricity, gas, steam and air conditioning supply	1,225,085	18,634	41,914	57	295	170	-	-	1,267,294	18,861
Water supply	117,071	2,039	33,843	1,184	620	421	-	-	151,534	3,644
Construction	1,267,497	21,284	102,271	7,097	76,426	59,078	3,889	30	1,450,083	87,488
Wholesale and retail trade	5,709,308	86,289	387,254	26,452	23,272	16,545	2,461	238	6,122,295	129,524
Transport and storage	914,622	16,241	30,837	2,645	60,307	49,074	1,536	680	1,007,301	68,640
Accommodation and food service activities	519,064	9,861	16,029	1,332	30,414	23,103	(0)	-	565,507	34,296
Information and communication	876,289	14,422	3,608	266	1,338	853	-	-	881,235	15,541
Financial institutions	748,469	12,911	2,957	198	308	200	-	-	751,735	13,309
Real estate activities	480,056	9,778	15,138	595	19,677	19,087	22,444	22,388	537,315	51,848
Professional, scientific and technical activities	352,826	2,365	24,081	2,021	5,106	3,604	-	-	382,013	7,990
Administrative and support service activities	275,392	4,661	7,534	633	1,549	921	1,380	-	285,855	6,215
Public administration and defence, compulsory social security	2,344,095	8,771	178	6	223	223	-	-	2,344,496	8,999
Education	10,574	96	17,839	1,251	81	45	-	-	28,494	1,392
Human health services and social work activities	599,491	11,300	24,324	2,622	1,831	1,409	-	-	625,646	15,331
Arts, entertainment and recreation	63,939	1,204	2,581	285	632	434	-	-	67,152	1,923
Other services	84,950	955	3,913	291	1,716	1,200	-	-	90,578	2,445
<b>Total</b>	<b>41,637,038</b>	<b>409,837</b>	<b>6,284,694</b>	<b>452,300</b>	<b>1,136,624</b>	<b>872,640</b>	<b>56,453</b>	<b>28,125</b>	<b>49,114,810</b>	<b>1,762,902</b>

Loans to individuals include mortgage loans, consumer loans and overdrafts.

The accompanying notes are an integral part of these financial statements.

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Analysis of collateral coverage – Loans and advances**

**Group**

**31 December 2025**

	<b>Over - collateralized exposure</b>	<b>Collaterals &amp; Guarantees</b>	<b>Under- collateralized exposure</b>	<b>Collaterals &amp; Guarantees</b>
Non-retail lending	3,238,064	7,438,184	20,573,574	3,060,964
Retail lending	18,488,665	36,788,151	13,618,603	530,271
Small business lending	385,681	883,001	1,325,637	283,861
Consumer lending	6,303	25,468	11,972,398	1,394
Residential real estate loans	18,096,681	35,879,682	320,567	245,016
<b>Total</b>	<b>21,726,729</b>	<b>44,226,335</b>	<b>34,192,177</b>	<b>3,591,235</b>
<i>out of which non-performing</i>				
Non-retail lending	229,979	321,734	356,984	115,205
Retail lending	291,914	793,708	730,511	18,183
Small business lending	8,880	27,025	80,232	11,222
Consumer lending	1,086	1,956	641,471	90
Residential real estate loans	281,948	764,727	8,808	6,871
<b>Total</b>	<b>521,893</b>	<b>1,115,442</b>	<b>1,087,495</b>	<b>133,388</b>

**31 December 2024**

	<b>Over - collateralized exposure</b>	<b>Collaterals &amp; Guarantees</b>	<b>Under- collateralized exposure</b>	<b>Collaterals &amp; Guarantees</b>
Non-retail lending	2,563,722	5,439,452	17,827,322	3,468,394
Retail lending	16,766,491	32,870,793	12,348,732	746,309
Small business lending	408,541	862,330	1,471,450	503,679
Consumer lending	7,184	26,062	10,566,646	1,740
Residential real estate loans	16,350,766	31,982,401	310,636	240,890
<b>Total</b>	<b>19,330,213</b>	<b>38,310,245</b>	<b>30,176,054</b>	<b>4,214,703</b>
<i>out of which non-performing</i>				
Non-retail lending	121,989	262,342	158,560	75,290
Retail lending	324,571	824,842	597,881	20,251
Small business lending	7,521	22,350	54,867	10,617
Consumer lending	1,252	1,420	530,502	65
Residential real estate loans	315,798	801,072	12,512	9,569
<b>Total</b>	<b>446,560</b>	<b>1,087,184</b>	<b>756,441</b>	<b>95,541</b>

Residential real estate loans include also consumer secured loans.

The accompanying notes are an integral part of these financial statements.

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Analysis of collateral coverage – Loans and advances (continued)**

**Bank**

**31 December 2025**

	Over - collateralized exposure	Collaterals & Guarantees	Under- collateralized exposure	Collaterals & Guarantees
Non-retail lending	2,986,252	7,024,992	20,552,730	3,052,086
Retail lending	18,389,312	36,576,684	13,597,617	522,920
Small business lending	286,328	671,534	1,304,652	276,510
Consumer lending	6,303	25,468	11,972,398	1,394
Residential real estate loans	18,096,681	35,879,682	320,567	245,016
<b>Total</b>	<b>21,375,564</b>	<b>43,601,676</b>	<b>34,150,347</b>	<b>3,575,006</b>
<i>out of which non-performing</i>				
Non-retail lending	216,432	292,075	344,837	114,833
Retail lending	291,914	793,708	730,510	18,183
Small business lending	8,880	27,025	80,232	11,222
Consumer lending	1,086	1,956	641,471	90
Residential real estate loans	281,948	764,727	8,808	6,871
<b>Total</b>	<b>508,347</b>	<b>1,085,783</b>	<b>1,075,348</b>	<b>133,016</b>

**31 December 2024**

	Over - collateralized exposure	Collaterals & Guarantees	Under- collateralized exposure	Collaterals & Guarantees
Non-retail lending	2,335,050	5,041,036	17,815,722	3,466,342
Retail lending	16,631,084	32,618,222	12,332,955	734,905
Small business lending	273,674	609,759	1,455,673	492,275
Consumer lending	7,184	26,062	10,566,646	1,740
Residential real estate loans	16,350,226	31,982,401	310,636	240,890
<b>Total</b>	<b>18,966,134</b>	<b>37,659,258</b>	<b>30,148,677</b>	<b>4,201,247</b>
<i>out of which non-performing</i>				
Non-retail lending	106,890	228,637	147,146	73,238
Retail lending	324,571	824,842	597,881	20,251
Small business lending	7,521	22,350	54,867	10,617
Consumer lending	1,252	1,420	530,502	65
Residential real estate loans	315,798	801,072	12,512	9,569
<b>Total</b>	<b>431,461</b>	<b>1,053,479</b>	<b>745,027</b>	<b>93,489</b>

Residential real estate loans include also consumer secured loans.

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Analysis of collateral coverage for finance lease receivables**

**31 December 2025**

	<b>Over - collateralized exposure</b>	<b>Collaterals &amp; Guarantees</b>	<b>Under- collateralized exposure</b>	<b>Collaterals &amp; Guarantees</b>
Non-retail lending	1,353,775	1,986,278	67,983	53,715
Retail lending	785,348	1,242,658	15,991	7,116
Small business lending (retail) & residential	785,348	1,242,658	15,991	7,116
<b>Total</b>	<b>2,139,123</b>	<b>3,228,936</b>	<b>83,974</b>	<b>60,831</b>

**31 December 2024**

	<b>Over - collateralized exposure</b>	<b>Collaterals &amp; Guarantees</b>	<b>Under- collateralized exposure</b>	<b>Collaterals &amp; Guarantees</b>
Non-retail lending	1,289,367	1,856,739	76,376	45,622
Retail lending	733,122	1,155,246	13,413	8,321
Small business lending (retail) & residential	733,122	1,155,246	13,363	8,321
Consumer lending	-	-	50	-
<b>Total</b>	<b>2,022,489</b>	<b>3,011,985</b>	<b>89,789</b>	<b>53,943</b>



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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Rating analysis of loans (continued)**

Bank	Retail lending				
	31 December 2025				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	20,511,303	471,973	-	-	20,983,276
Good grade	4,199,583	2,186,800	-	-	6,386,383
Standard grade	1,477,057	1,534,685	-	-	3,011,742
Sub-standard grade	-	570,991	-	11,517	582,508
Non- performing	-	-	1,015,453	6,972	1,022,425
(out of which) Individual assessment	-	-	12,118	1,138	13,256
Not rated internally	595	-	-	-	595
<b>Total</b>	<b>26,188,538</b>	<b>4,764,449</b>	<b>1,015,453</b>	<b>18,489</b>	<b>31,986,929</b>
<b>ECL allowance</b>					
Internal rating grade					
Very good grade	(36,472)	(3,771)	-	-	(40,243)
Good grade	(34,491)	(79,555)	-	-	(114,046)
Standard grade	(38,510)	(203,320)	-	-	(241,831)
Sub-standard grade	-	(172,075)	-	(20)	(172,095)
Non- performing	-	-	(728,728)	(4,552)	(733,280)
(out of which) Individual assessment	-	-	(8,063)	(360)	(8,423)
<b>Total</b>	<b>(109,473)</b>	<b>(458,722)</b>	<b>(728,728)</b>	<b>(4,572)</b>	<b>(1,301,496)</b>
<b>Net Carrying amount</b>	<b>26,079,065</b>	<b>4,305,727</b>	<b>286,725</b>	<b>13,917</b>	<b>30,685,433</b>
	Non-Retail lending				
	31 December 2025				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Good grade	16,736,461	120,735	-	-	16,857,196
Standard grade	5,474,006	217,244	-	-	5,691,250
Sub-standard grade	-	427,019	-	2,248	429,267
Non- performing	-	-	510,383	50,887	561,270
(out of which) Individual assessment	-	-	319,132	50,859	369,991
<b>Total</b>	<b>22,210,467</b>	<b>764,998</b>	<b>510,383</b>	<b>53,135</b>	<b>23,538,983</b>
<b>ECL allowance</b>					
Internal rating grade					
Good grade	(190,459)	(2,307)	-	-	(192,766)
Standard grade	(102,377)	(14,113)	-	-	(116,490)
Sub-standard grade	-	(37,030)	-	-	(37,030)
Non- performing	-	-	(232,505)	(10,784)	(243,289)
(out of which) Individual assessment	-	-	(182,433)	(10,798)	(193,231)
<b>Total</b>	<b>(292,836)</b>	<b>(53,450)</b>	<b>(232,505)</b>	<b>(10,784)</b>	<b>(589,575)</b>
<b>Net Carrying amount</b>	<b>21,917,631</b>	<b>711,548</b>	<b>277,878</b>	<b>42,351</b>	<b>22,949,408</b>
	Total				
	31 December 2025				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	20,511,303	471,973	-	-	20,983,276
Good grade	20,936,043	2,307,535	-	-	23,243,578
Standard grade	6,951,063	1,751,929	-	-	8,702,992
Sub-standard grade	-	998,009	-	13,765	1,011,774
Non- performing	-	-	1,525,836	57,858	1,583,694
(out of which) Individual assessment	-	-	331,250	51,997	383,247
Not rated internally	597	-	-	-	597
<b>Total</b>	<b>48,399,006</b>	<b>5,529,446</b>	<b>1,525,836</b>	<b>71,623</b>	<b>55,525,911</b>
<b>ECL allowance</b>					
Internal rating grade					
Very good grade	(36,472)	(3,771)	-	-	(40,243)
Good grade	(224,950)	(81,862)	-	-	(306,812)
Standard grade	(140,888)	(217,433)	-	-	(358,321)
Sub-standard grade	-	(209,105)	-	(20)	(209,125)
Non- performing	-	-	(961,233)	(15,336)	(976,569)
(out of which) Individual assessment	-	-	(190,496)	(11,158)	(201,654)
<b>Total</b>	<b>(402,310)</b>	<b>(512,171)</b>	<b>(961,233)</b>	<b>(15,356)</b>	<b>(1,891,070)</b>
<b>Net Carrying amount</b>	<b>47,996,696</b>	<b>5,017,275</b>	<b>564,603</b>	<b>56,267</b>	<b>53,634,841</b>

The accompanying notes are an integral part of these financial statements.

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Rating analysis of loans (continued)**

Group	<b>Retail lending</b>				
	<b>31 December 2024</b>				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	15,768,153	57,012	-	-	15,825,165
Good grade	4,994,898	3,352,984	-	-	8,347,882
Standard grade	1,803,961	1,390,142	-	-	3,194,103
Sub-standard grade	-	660,766	-	13,018	673,784
Non- performing	-	-	913,024	9,428	922,452
(out of which) Individual assessment	-	-	11,944	681	12,626
Not rated internally	36,375	89,410	26,052	-	151,837
<b>Total</b>	<b>22,603,387</b>	<b>5,550,314</b>	<b>939,077</b>	<b>22,446</b>	<b>29,115,223</b>
<b>ECL allowance</b>					
Internal rating grade					
Very good grade	(44,639)	(610)	-	-	(45,249)
Good grade	(31,103)	(85,005)	-	-	(116,108)
Standard grade	(37,868)	(149,956)	-	-	(187,824)
Sub-standard grade	-	(160,090)	-	(103)	(160,193)
Non- performing	-	-	(692,691)	(4,004)	(696,695)
(out of which) Individual assessment	-	-	(10,458)	(326)	(10,784)
Not rated internally	(189)	(5,476)	(13,879)	-	(19,544)
<b>Total</b>	<b>(113,799)</b>	<b>(401,137)</b>	<b>(706,570)</b>	<b>(4,107)</b>	<b>(1,225,613)</b>
<b>Net Carrying amount</b>	<b>22,489,588</b>	<b>5,149,177</b>	<b>232,506</b>	<b>18,339</b>	<b>27,889,610</b>

Group	<b>Non-Retail lending</b>				
	<b>31 December 2024</b>				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Good grade	14,128,391	135,658	-	-	14,264,049
Standard grade	5,119,681	59,745	-	-	5,179,426
Sub-standard grade	-	663,444	-	3,574	667,018
Non- performing	-	-	250,116	30,434	280,550
(out of which) Individual assessment	-	-	189,267	30,375	219,642
<b>Total</b>	<b>19,248,072</b>	<b>858,847</b>	<b>250,116</b>	<b>34,008</b>	<b>20,391,044</b>
<b>ECL allowance</b>					
Internal rating grade					
Good grade	(193,425)	(2,745)	-	-	(196,170)
Standard grade	(103,478)	(3,287)	-	-	(106,765)
Sub-standard grade	-	(52,146)	-	-	(52,146)
Non- performing	-	-	(196,354)	(24,016)	(220,370)
(out of which) Individual assessment	-	-	(158,107)	(23,970)	(182,077)
<b>Total</b>	<b>(296,903)</b>	<b>(58,178)</b>	<b>(196,354)</b>	<b>(24,016)</b>	<b>(575,451)</b>
<b>Net Carrying amount</b>	<b>18,951,169</b>	<b>800,669</b>	<b>53,762</b>	<b>9,992</b>	<b>19,815,593</b>

Group	<b>Total</b>				
	<b>31 December 2024</b>				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	15,768,153	57,012	-	-	15,825,165
Good grade	19,123,290	3,488,642	-	-	22,611,932
Standard grade	6,923,643	1,449,887	-	-	8,373,530
Sub-standard grade	-	1,324,210	-	16,592	1,340,802
Non- performing	-	-	1,163,140	39,862	1,203,002
(out of which) Individual assessment	-	-	201,211	31,056	232,267
Not rated internally	36,374	89,410	26,052	-	151,836
<b>Total</b>	<b>41,851,460</b>	<b>6,409,161</b>	<b>1,189,192</b>	<b>56,454</b>	<b>49,506,267</b>
<b>ECL allowance</b>					
Internal rating grade					
Very good grade	(44,639)	(610)	-	-	(45,249)
Good grade	(224,528)	(87,750)	-	-	(312,278)
Standard grade	(141,346)	(153,243)	-	-	(294,589)
Sub-standard grade	-	(212,236)	-	(103)	(212,339)
Non- performing	-	-	(889,044)	(28,021)	(917,065)
(out of which) Individual assessment	-	-	(168,566)	(24,295)	(192,861)
Not rated internally	(190)	(5,476)	(13,879)	-	(19,545)
<b>Total</b>	<b>(410,703)</b>	<b>(459,315)</b>	<b>(902,923)</b>	<b>(28,124)</b>	<b>(1,801,065)</b>
<b>Net Carrying amount</b>	<b>41,440,757</b>	<b>5,949,846</b>	<b>286,269</b>	<b>28,330</b>	<b>47,705,202</b>

The accompanying notes are an integral part of these financial statements.

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Rating analysis of loans (continued)**

Bank	Retail lending 31 December 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	15,768,152	57,012	-	-	15,825,164
Good grade	4,994,898	3,352,984	-	-	8,347,882
Standard grade	1,803,961	1,390,142	-	-	3,194,103
Sub-standard grade	-	660,766	-	13,018	673,784
Non- performing	-	-	913,024	9,428	922,452
(out of which) Individual assessment	-	-	11,944	681	12,625
Not rated internally	653	-	-	-	653
<b>Total</b>	<b>22,567,664</b>	<b>5,460,904</b>	<b>913,024</b>	<b>22,446</b>	<b>28,964,038</b>
<b>ECL allowance</b>					
Internal rating grade					
Very good grade	(44,639)	(610)	-	-	(45,249)
Good grade	(31,103)	(85,005)	-	-	(116,108)
Standard grade	(37,868)	(149,956)	-	-	(187,824)
Sub-standard grade	-	(160,090)	-	(103)	(160,193)
Non- performing	-	-	(692,691)	(4,004)	(696,695)
(out of which) Individual assessment	-	-	(10,458)	(326)	(10,784)
<b>Total</b>	<b>(113,610)</b>	<b>(395,661)</b>	<b>(692,691)</b>	<b>(4,107)</b>	<b>(1,206,069)</b>
<b>Net Carrying amount</b>	<b>22,454,054</b>	<b>5,065,243</b>	<b>220,333</b>	<b>18,339</b>	<b>27,757,969</b>
	Non-Retail lending 31 December 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Good grade	14,014,487	133,130	-	-	14,147,617
Standard grade	5,054,884	39,508	-	-	5,094,392
Sub-standard grade	-	651,154	-	3,574	654,728
Non- performing	-	-	223,601	30,434	254,035
(out of which) Individual assessment	-	-	189,267	30,375	219,642
<b>Total</b>	<b>19,069,371</b>	<b>823,792</b>	<b>223,601</b>	<b>34,008</b>	<b>20,150,772</b>
<b>ECL allowance</b>					
Internal rating grade					
Good grade	(192,995)	(2,635)	-	-	(195,630)
Standard grade	(103,233)	(2,395)	-	-	(105,628)
Sub-standard grade	-	(51,610)	-	-	(51,610)
Non- performing	-	-	(179,949)	(24,017)	(203,966)
(out of which) Individual assessment	-	-	(158,107)	(23,970)	(182,077)
<b>Total</b>	<b>(296,228)</b>	<b>(56,640)</b>	<b>(179,949)</b>	<b>(24,017)</b>	<b>(556,834)</b>
<b>Net Carrying amount</b>	<b>18,773,143</b>	<b>767,152</b>	<b>43,652</b>	<b>9,991</b>	<b>19,593,938</b>
	Total 31 December 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	15,768,151	57,012	-	-	15,825,163
Good grade	19,009,385	3,486,114	-	-	22,495,499
Standard grade	6,858,846	1,429,649	-	-	8,288,495
Sub-standard grade	-	1,311,920	-	16,592	1,328,512
Non- performing	-	-	1,136,626	39,862	1,176,488
(out of which) Individual assessment	-	-	201,211	31,056	232,267
Not rated internally	653	-	-	-	653
<b>Total</b>	<b>41,637,035</b>	<b>6,284,695</b>	<b>1,136,626</b>	<b>56,454</b>	<b>49,114,810</b>
<b>ECL allowance</b>					
Internal rating grade					
Very good grade	(44,639)	(610)	-	-	(45,249)
Good grade	(224,097)	(87,640)	-	-	(311,737)
Standard grade	(141,101)	(152,351)	-	-	(293,452)
Sub-standard grade	-	(211,700)	-	(103)	(211,803)
Non- performing	-	-	(872,640)	(28,021)	(900,661)
(out of which) Individual assessment	-	-	(168,566)	(24,295)	(192,861)
<b>Total</b>	<b>(409,837)</b>	<b>(452,301)</b>	<b>(872,640)</b>	<b>(28,124)</b>	<b>(1,762,902)</b>
<b>Net Carrying amount</b>	<b>41,227,198</b>	<b>5,832,394</b>	<b>263,986</b>	<b>28,330</b>	<b>47,351,908</b>

The accompanying notes are an integral part of these financial statements.

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Rating analysis of Finance Lease receivables**

	<b>Retail</b>			
	<b>31 December 2025</b>			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount</b>				
Not rated internally	647,045	72,298	81,996	801,339
<b>Total</b>	647,045	72,298	81,996	801,339
ECL allowance	(3,953)	(4,324)	(30,905)	(39,182)
<b>Net Carrying amount</b>	<b>643,092</b>	<b>67,974</b>	<b>51,091</b>	<b>762,157</b>

	<b>Non-Retail</b>			
	<b>31 December 2025</b>			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount</b>				
Internal rating grade				
Good grade	825,615	23,252	-	848,867
Standard grade	395,277	78,307	-	473,584
Sub-standard grade	-	35,781	-	35,781
Non- performing	-	-	51,392	51,392
Not rated internally	-	11,400	735	12,135
<b>Total</b>	1,220,892	148,739	52,127	1,421,758
ECL allowance	(5,043)	(5,889)	(28,964)	(39,895)
<b>Net Carrying amount</b>	<b>1,215,849</b>	<b>142,850</b>	<b>23,163</b>	<b>1,381,863</b>

	<b>Total</b>			
	<b>31 December 2025</b>			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount</b>				
Internal rating grade				
Good grade	825,615	23,252	-	848,867
Standard grade	395,277	78,307	-	473,584
Sub-standard grade	-	35,781	-	35,781
Non- performing	-	-	51,392	51,392
Not rated internally	647,045	83,698	82,731	813,474
<b>Total</b>	1,867,937	221,038	134,123	2,223,098
ECL allowance	(8,996)	(10,213)	(59,869)	(79,078)
<b>Net Carrying amount</b>	<b>1,858,941</b>	<b>210,825</b>	<b>74,254</b>	<b>2,144,020</b>

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Rating analysis of Finance Lease receivables (continued)**

	<b>Retail</b>			
	<b>31 December 2024</b>			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount</b>				
Not rated internally	589,277	82,285	74,971	746,533
<b>Total</b>	589,277	82,285	74,971	746,533
ECL allowance	(3,162)	(5,062)	(31,909)	(40,134)
<b>Net Carrying amount</b>	<b>586,115</b>	<b>77,223</b>	<b>43,062</b>	<b>706,400</b>

	<b>Non-Retail</b>			
	<b>31 December 2024</b>			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount</b>				
Internal rating grade				
Good grade	718,715	27,758	-	746,472
Standard grade	433,975	65,224	-	499,199
Sub-standard grade	-	44,725	-	44,725
Non- performing	-	-	65,436	65,436
Not rated internally	-	9,451	459	9,910
<b>Total</b>	1,152,690	147,158	65,895	1,365,743
ECL allowance	(4,327)	(6,397)	(37,944)	(48,668)
<b>Net Carrying amount</b>	<b>1,148,363</b>	<b>140,761</b>	<b>27,951</b>	<b>1,317,075</b>

	<b>Total</b>			
	<b>31 December 2024</b>			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount</b>				
Internal rating grade				
Good grade	718,715	27,758	-	746,472
Standard grade	433,975	65,224	-	499,199
Sub-standard grade	-	44,725	-	44,725
Non- performing	-	-	65,436	65,436
Not rated internally	589,277	91,736	75,431	756,444
<b>Total</b>	1,741,967	229,443	140,867	2,112,276
ECL allowance	(7,489)	(11,459)	(69,853)	(88,801)
<b>Net Carrying amount</b>	<b>1,734,477</b>	<b>217,984</b>	<b>71,013</b>	<b>2,023,475</b>

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Guarantees and other credit commitments**

**Guarantees and letters of credit**

The Group and Bank issues guarantees and letters of credit for its customers. The primary purpose of letters of credit is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group and Bank will make payments in the event that a customer cannot meet its obligations (delivery of goods, documents submitting, etc.) to third parties with which it entered previously into a contractual relationship, carry a similar credit risk as loans once they are executed.

The market and credit risks on these financial instruments, as well as the operational risk are similar to those arising from granting of loans. In the event of a claim on the Group and Bank as a result of a customer's default on a guarantee these instruments also present a degree of liquidity risk to the Group and Bank.

**Credit related commitments**

Financing commitments represent unused amounts of approved credit facilities.

The Group and Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments. The total outstanding contractual amount of commitments does not necessarily represent future cash requirements since many of these commitments will expire or be terminated without being funded.

	<b>Group</b>		<b>Bank</b>	
	<b>31 December 2025</b>	<b>31 December 2024</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
Letters of guarantee granted	4,712,720	3,812,725	4,714,807	3,814,807
Financing commitments granted	10,088,306	6,599,441	10,042,466	6,552,233
Performance guarantees granted	4,322,800	3,954,091	4,322,800	3,954,091
<b>Total commitments granted</b>	<b>19,123,826</b>	<b>14,366,257</b>	<b>19,080,073</b>	<b>14,321,131</b>
<b>Uncommitted facilities granted</b>	<b>13,380,871</b>	<b>12,534,451</b>	<b>13,417,167</b>	<b>12,569,814</b>
Letters of guarantee received	34,505,775	32,614,640	34,505,775	32,614,640
<b>Total commitments received</b>	<b>34,505,775</b>	<b>32,614,640</b>	<b>34,505,775</b>	<b>32,614,640</b>

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Guarantees and other credit commitments (continued)**

**Credit quality analysis of commitments granted**

	<b>Group Retail</b>			<b>Total</b>
	<b>31 December 2025</b>			
<i>Internal rating grade</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
Very good grade	1,782,065	6,103	-	1,788,167
Good grade	661,788	47,939	-	709,728
Standard grade	98,479	27,789	-	126,269
Sub-standard grade	58	13,136	-	13,194
Non- performing	-	-	8,614	8,614
Not rated internally	5,693	-	-	5,693
<b>Total commitments granted</b>	<b>2,548,084</b>	<b>94,967</b>	<b>8,614</b>	<b>2,651,665</b>
	<b>Non-retail</b>			
	<b>31 December 2025</b>			
<i>Internal rating grade</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Good grade	12,967,015	663,898	-	13,630,913
Standard grade	2,561,014	52,092	-	2,613,106
Sub-standard grade	-	123,602	-	123,602
Non- performing	-	-	104,541	104,541
<b>Total commitments granted</b>	<b>15,528,029</b>	<b>839,592</b>	<b>104,541</b>	<b>16,472,162</b>
	<b>Total</b>			
	<b>31 December 2025</b>			
<i>Internal rating grade</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Very good grade	1,782,065	6,103	-	1,788,167
Good grade	13,628,803	711,837	-	14,340,640
Standard grade	2,659,494	79,881	-	2,739,374
Sub-standard grade	58	136,738	-	136,796
Non- performing	-	-	113,155	113,155
Not rated internally	5,693	-	-	5,693
<b>Total commitments granted</b>	<b>18,076,113</b>	<b>934,559</b>	<b>113,155</b>	<b>19,123,827</b>

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Guarantees and other credit commitments (continued)**

**Credit quality analysis of commitments granted (continued)**

	<b>Bank Retail</b>			
	<b>31 December 2025</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<i>Internal rating grade</i>				
Very good grade	1,782,065	6,103	-	1,788,167
Good grade	661,788	47,939	-	709,728
Standard grade	98,479	27,789	-	126,269
Sub-standard grade	58	13,136	-	13,194
Non- performing	-	-	8,614	8,614
Not rated internally	-	-	-	-
<b>Total commitments granted</b>	<b>2,542,391</b>	<b>94,967</b>	<b>8,614</b>	<b>2,645,972</b>
	<b>Non-retail</b>			
	<b>31 December 2025</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<i>Internal rating grade</i>				
Good grade	12,939,489	663,898	-	13,603,387
Standard grade	2,551,231	51,340	-	2,602,570
Sub-standard grade	-	123,602	-	123,602
Non- performing	-	-	104,541	104,541
<b>Total commitments granted</b>	<b>15,490,720</b>	<b>838,840</b>	<b>104,541</b>	<b>16,434,101</b>
	<b>Total</b>			
	<b>31 December 2025</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<i>Internal rating grade</i>				
Very good grade	1,782,065	6,103	-	1,788,167
Good grade	13,601,278	711,837	-	14,313,115
Standard grade	2,649,710	79,129	-	2,728,839
Sub-standard grade	58	136,738	-	136,796
Non- performing	-	-	113,155	113,155
Not rated internally	-	-	-	-
<b>Total commitments granted</b>	<b>18,033,111</b>	<b>933,807</b>	<b>113,155</b>	<b>19,080,073</b>

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Guarantees and other credit commitments (continued)**

**Credit quality analysis of commitments granted (continued)**

	<b>Group Retail 31 December 2024</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<i>Internal rating grade</i>				
Very good grade	1,644,568	1,190	-	1,645,758
Good grade	611,054	39,811	-	650,865
Standard grade	104,796	22,535	-	127,331
Sub-standard grade	59	11,217	-	11,276
Non- performing	-	-	7,768	7,768
Not rated internally	10,279	1,267	-	11,546
<b>Total commitments granted</b>	<b>2,370,755</b>	<b>76,020</b>	<b>7,768</b>	<b>2,454,543</b>
	<b>Non-retail 31 December 2024</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<i>Internal rating grade</i>				
Good grade	9,169,203	705,245	-	9,874,448
Standard grade	1,587,909	220,779	-	1,808,688
Sub-standard grade	-	103,875	-	103,875
Non- performing	-	-	124,702	124,702
<b>Total commitments granted</b>	<b>10,757,112</b>	<b>1,029,899</b>	<b>124,702</b>	<b>11,911,713</b>
	<b>Total 31 December 2024</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<i>Internal rating grade</i>				
Very good grade	1,644,568	1,190	-	1,645,758
Good grade	9,780,257	745,056	-	10,525,313
Standard grade	1,692,705	243,314	-	1,936,019
Sub-standard grade	59	115,092	-	115,151
Non- performing	-	-	132,470	132,470
Not rated internally	10,279	1,267	-	11,546
<b>Total commitments granted</b>	<b>13,127,868</b>	<b>1,105,918</b>	<b>132,470</b>	<b>14,366,256</b>

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Guarantees and other credit commitments (continued)**

**Credit quality analysis of commitments granted (continued)**

	Bank Retail			Total
	31 December 2024			
	Stage 1	Stage 2	Stage 3	
<i>Internal rating grade</i>				
Very good grade	1,644,568	1,190	-	1,645,758
Good grade	611,054	39,811	-	650,865
Standard grade	104,796	22,535	-	127,331
Sub-standard grade	59	11,217	-	11,276
Non- performing	-	-	7,768	7,768
Not rated internally	-	-	-	-
<b>Total commitments granted</b>	<b>2,360,477</b>	<b>74,752</b>	<b>7,768</b>	<b>2,442,997</b>
	Non-retail			
	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
<i>Internal rating grade</i>				
Good grade	9,148,655	704,840	-	9,853,495
Standard grade	1,579,040	218,762	-	1,797,803
Sub-standard grade	-	103,875	-	103,875
Non- performing	-	-	122,961	122,961
<b>Total commitments granted</b>	<b>10,727,696</b>	<b>1,027,477</b>	<b>122,961</b>	<b>11,878,134</b>
	Total			
	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
<i>Internal rating grade</i>				
Very good grade	1,644,568	1,190	-	1,645,758
Good grade	9,759,710	744,651	-	10,504,360
Standard grade	1,683,836	241,297	-	1,925,134
Sub-standard grade	59	115,092	-	115,151
Non- performing	-	-	130,729	130,729
Not rated internally	-	-	-	-
<b>Total commitments granted</b>	<b>13,088,173</b>	<b>1,102,229</b>	<b>130,729</b>	<b>14,321,131</b>

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**46. Risk management (continued)**

**46.1 Credit risk (continued)**

**Guarantees and other credit commitments (continued)**

**Credit quality analysis of uncommitted facilities granted**

	<b>Group Retail</b>		<b>Bank Retail</b>	
	<b>31 December 2025</b>	<b>31 December 2024</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
<i>Internal rating grade</i>				
Good grade	6,315	27,623	6,315	27,623
Standard grade	185,019	4,635	185,019	4,635
Sub-standard grade	3,134	890	3,134	890
Non- performing	55	678	55	678
<b>Total uncommitted facilities granted</b>	<b>194,523</b>	<b>33,827</b>	<b>194,523</b>	<b>33,827</b>
	<b>Non-retail</b>		<b>Non-retail</b>	
	<b>31 December 2025</b>	<b>31 December 2024</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
<i>Internal rating grade</i>				
Good grade	10,236,975	9,800,167	10,273,272	9,835,532
Standard grade	2,702,290	2,388,557	2,702,290	2,388,557
Sub-standard grade	224,792	271,036	224,792	271,036
Non- performing	22,291	40,863	22,290	40,863
<b>Total uncommitted facilities granted</b>	<b>13,186,348</b>	<b>12,500,623</b>	<b>13,222,644</b>	<b>12,535,988</b>
	<b>Total</b>		<b>Total</b>	
	<b>31 December 2025</b>	<b>31 December 2024</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
<i>Internal rating grade</i>				
Good grade	10,243,290	9,827,791	10,279,587	9,863,155
Standard grade	2,887,309	2,393,192	2,887,309	2,393,192
Sub-standard grade	227,926	271,926	227,926	271,926
Non- performing	22,346	41,541	22,345	41,541
<b>Total uncommitted facilities granted</b>	<b>13,380,871</b>	<b>12,534,450</b>	<b>13,417,167</b>	<b>12,569,814</b>

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## **46. Risk management (continued)**

### **46.2 Market risk**

Market risk is defined as the risk of registering losses related to the on and off-balance sheet positions, arising from unfavorable movements of market parameters (FX rates, interest rates, share prices, etc.) and that might be incurred both by the trading book portfolio and by certain banking book positions (structural portfolio).

The management of market risks is a continuous process, whose primary aim is to identify, measure and control the market risks induced by the business activities undergone by the entity.

#### **Trading Book related market risks**

The trading activity's business model is mainly driven by the clients' requests, the trading portfolio comprising mostly foreign exchange spot transactions, transactions with bonds issued by the Romanian Government (outright or reversible transactions), forward and swap deals on foreign exchange or interest rate, as well as options on different underlying (foreign exchange, interest rates and equities).

Although the trading book portfolio generates a small portion of the Bank's entire exposure to market risks (mainly interest rate risk and foreign exchange risk), it is monitored separately from the banking book portfolio. The identified risks are further reported to the bank's management and to the Group, ensuring timely distribution of accurate information for the decision-making processes.

The foundation of an efficient management framework addressing market risks relies on the main principles listed below:

- frequent update of the risk management policy and framework, to comply with regulatory requisites, permanently adapted to market evolutions and internal changes;
- ongoing improvement of the market risk practice, aligned with the best market practices;
- validation of valuation techniques used to calculate risks metrics and results;
- defining risk measurement models and provisions for the market risks assumed (reserves);
- authorization of various market risk limits, consistent with the stated market risk appetite;
- approval of the instruments allowed for trading (new products or significant changes of existing products);
- involvement in designing the functionalities of the IT systems, data flows and operational procedures;
- monitoring and analyzing exposures and compliance with the limits, periodical dissemination of essential data mirroring the bank's exposure to market risks to the management bodies.

On an annual basis, the market risk appetite is approved by the Board of Directors, being aligned with the Bank's business strategy. The top-down approach transposes this high-level indicator into limits, notified to middle management and executive functions, calibrated on different measurement types (nominal, sensitivity, stress test results, VaR and SVaR levels).

The assesment process of trading book related market risks is designed according with the Group's methodology, combining three main risk approaches:

- Trading VaR, accompanied by SVaR;
- Stress test scenarios, based on shocks derived from historical and hypothetical scenarios;
- Complementary indicators (sensitivities, nominal, etc.) which decompose the global indicators into specific ones, enabling the identification of risk areas, concentration on products and/or maturities that might generate important risks unrevealed by the global risk metrics.

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**46. Risk management (continued)**

**46.2 Market risk (continued)**

*Foreign exchange risk*

The foreign exchange risk is the risk of loss resulting from changes in exchange rates, monitored for all books. The Group and Bank manage the foreign currency risk by using limits for the open foreign currency positions both by currency and at the level of global foreign currency position.

The table below indicates the currencies to which the Group and Bank had an exposure as of 31 December on its assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the currency rate against RON, with all other variables held constant, on the income statement and equity. A negative amount in the table reflects a potential net reduction in income statement or equity, while a positive amount reflects a net potential increase. An equivalent decrease in each of the below currencies against RON would have resulted in an equivalent but opposite impact.

The estimated impact below does not include the impact recorded in income statement of the period:

2025						
Group				Bank		
Currency	Change in currency rate %	Effect on profit before tax	Effect on equity	Change in currency rate %	Effect on profit before tax	Effect on equity
EUR	+5	(207,400)	(19,636)	+5	(207,254)	(19,636)
Other	+5	(9,335)	(548)	+5	(9,318)	(548)

2024						
Group				Bank		
Currency	Change in currency rate %	Effect on profit before tax	Effect on equity	Change in currency rate %	Effect on profit before tax	Effect on equity
EUR	+5	(204,542)	(24,352)	+5	(204,633)	(24,352)
Other	+5	(8,962)	(1,676)	+5	(8,943)	(1,676)

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**46. Risk management (continued)**

**46.2 Market risk (continued)**

The Group and the Bank financial assets and liabilities position structured by currency is presented below:

	Group 31 December 2025				Bank 31 December 2025			
	Total	RON	EUR	Other	Total	RON	EUR	Other
<b>ASSETS</b>								
Cash and cash equivalents	12,080,387	9,641,552	2,072,398	366,437	12,080,309	9,641,474	2,072,398	366,437
Due from banks	6,496,727	249,098	6,024,471	223,158	6,496,727	249,098	6,024,471	223,158
Derivatives and other financial instruments held for trading	2,515,304	2,199,719	190,586	124,999	2,485,530	2,169,945	190,586	124,999
Financial assets at fair value through profit and loss	10,374	8,846	1,528	-	10,374	8,846	1,528	-
Financial assets at fair value through other comprehensive income	11,257,882	6,828,824	4,234,071	194,987	11,257,882	6,828,824	4,234,071	194,987
Financial assets at amortised cost	61,059,450	45,316,109	15,136,245	607,096	60,708,431	45,315,028	14,786,307	607,096
Loans and advances to customers	53,985,859	41,008,870	12,771,681	205,308	53,634,840	41,007,788	12,421,743	205,308
Debt securities	7,073,591	4,307,240	2,364,564	401,787	7,073,591	4,307,240	2,364,565	401,787
Financial lease receivables	2,144,020	50,934	2,093,086	-	-	-	-	-
Other financial assets	195,089	113,072	82,062	(45)	177,651	95,620	82,076	(45)
<b>Total assets</b>	<b>95,759,233</b>	<b>64,408,154</b>	<b>29,834,447</b>	<b>1,516,632</b>	<b>93,216,904</b>	<b>64,308,835</b>	<b>27,391,437</b>	<b>1,516,632</b>
<b>LIABILITIES</b>								
Due to banks	1,239,312	1,122,603	87,671	29,038	1,239,312	1,122,603	87,671	29,038
Derivatives and other financial instruments held for trading	977,448	866,645	110,066	737	977,448	866,645	110,066	737
Due to customers	75,045,129	52,086,362	19,553,631	3,405,136	75,504,639	52,409,011	19,690,492	3,405,136
Borrowed funds	7,441,554	65	7,441,489	-	4,849,166	65	4,849,101	-
Subordinated debts	1,276,400	-	1,276,400	-	1,276,400	-	1,276,400	-
Other financial liabilities	734,815	380,537	345,709	8,569	685,515	348,992	328,294	8,229
<b>Total liabilities</b>	<b>86,714,658</b>	<b>54,456,212</b>	<b>28,814,966</b>	<b>3,443,480</b>	<b>84,532,480</b>	<b>54,747,316</b>	<b>26,342,024</b>	<b>3,443,140</b>
Position		9,951,942	1,019,481	(1,926,848)	-	9,561,519	1,049,413	(1,926,508)
Position off BS		(1,107,545)	(837,917)	1,945,462	-	(1,107,545)	(837,917)	1,945,462
Position total		8,844,397	181,564	18,614	-	8,453,974	211,496	18,954

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**46. Risk management (continued)**

**46.2 Market risk (continued)**

	Group 31 December 2024				Bank 31 December 2024			
	Total	RON	EUR	Other	Total	RON	EUR	Other
<b>ASSETS</b>								
Cash and cash equivalents	8,658,035	6,188,426	2,097,804	371,805	8,657,954	6,188,345	2,097,804	371,805
Due from banks	6,313,423	220,738	6,078,128	14,557	6,313,423	220,738	6,078,128	14,557
Derivatives and other financial instruments held for trading	1,842,562	1,382,505	431,765	28,292	1,810,504	1,350,447	431,765	28,292
Financial assets at fair value through profit and loss	9,208	7,928	1,280	-	9,208	7,928	1,280	-
Financial assets at fair value through other comprehensive income	12,164,852	7,861,780	4,111,232	191,840	12,164,852	7,861,780	4,111,232	191,840
Financial assets at amortised cost	54,812,982	41,597,552	12,352,574	862,856	54,459,688	41,595,572	12,001,260	862,856
Loans and advances to customers	47,705,202	37,079,435	10,436,241	189,526	47,351,908	37,077,456	10,084,926	189,526
Debt securities	7,107,780	4,518,117	1,916,333	673,330	7,107,780	4,518,117	1,916,333	673,330
Financial lease receivables	2,023,475	77,907	1,945,568	-	-	-	-	-
Other financial assets	256,192	123,028	132,812	352	239,499	106,335	132,812	352
<b>Total assets</b>	<b>86,080,729</b>	<b>57,459,864</b>	<b>27,151,163</b>	<b>1,469,702</b>	<b>83,655,128</b>	<b>57,331,145</b>	<b>24,854,281</b>	<b>1,469,702</b>
<b>LIABILITIES</b>								
Due to banks	1,477,293	1,360,605	86,562	30,126	1,477,293	1,360,605	86,562	30,126
Derivatives and other financial instruments held for trading	524,010	359,216	161,397	3,397	524,010	359,216	161,397	3,397
Due to customers	67,935,142	46,556,690	17,593,232	3,785,220	68,215,487	46,808,952	17,621,314	3,785,221
Borrowed funds	6,554,915	288	6,554,627	-	4,234,105	288	4,233,817	-
Subordinated debts	1,245,458	-	1,245,458	-	1,245,458	-	1,245,458	-
Other financial liabilities	627,070	269,110	349,428	8,532	584,957	236,867	339,943	8,147
<b>Total liabilities</b>	<b>78,363,888</b>	<b>48,545,909</b>	<b>25,990,704</b>	<b>3,827,275</b>	<b>76,281,310</b>	<b>48,765,928</b>	<b>23,688,491</b>	<b>3,826,891</b>
Position		8,913,955	1,160,459	(2,357,573)	-	8,565,217	1,165,790	(2,357,189)
Position off BS		(1,324,713)	(1,055,908)	2,380,621	-	(1,324,713)	(1,055,908)	2,380,621
Position total		7,589,242	104,551	23,048	-	7,240,504	109,882	23,432

The accompanying notes are an integral part of these financial statements.

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**46. Risk management (continued)**

**46.2 Market risk (continued)**

*Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. BRD - Groupe Société Générale manages interest rate risk mainly through the sensitivity of the net present value (NPV), measured as the sensitivity to a set of interest rate shocks of the present value of the future principal and interest cash flows of all items in the banking book, balance sheet and off-balance sheet. This measure is calculated for all currencies to which the Bank is exposed.

Assets and liabilities are analyzed without a prior allocation of resources to uses. Maturities of outstanding amounts are determined by considering the contractual characteristics of the transactions, adjusted for the results of customer behavior modelling (in particular for demand deposits, savings and early loan repayments).

In accordance with the Group's policy, positions are monitored on a regular basis and appropriate strategies are used to ensure that they are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Group's and Bank's banking book.

Group 31 December 2025		Bank 31 December 2025	
Change in interest rate (b.p)	Sensitivity (MRON)	Change in interest rate (b.p)	Sensitivity (MRON)
10	(23)	10	(22)
(10)	23	(10)	22

31 December 2024 Revised		31 December 2024 Revised	
Change in interest rate (b.p)	Sensitivity (MRON)	Change in interest rate (b.p)	Sensitivity (MRON)
10	(34)	10	(33)
(10)	34	(10)	33

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly.

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## **46. Risk management (continued)**

### **46.3 Liquidity risk**

The liquidity risk is associated either with the difficulty of an enterprise to raise necessary funds in order to meet commitments or with its inability to monetize a financial asset quickly and for an amount close to its fair value.

The Group manages the exposure to the liquidity risk using a specific framework designed to manage it both under normal day-to-day conditions and in the event of a potential liquidity crisis. The liquidity risk management approach starts at the intraday level managing the daily payments flows, forecasting and managing cash flows, and factoring in the access to central bank monetary policy operations and standing facilities. It then covers a longer-term perspective, comprising the maturity profile of all assets and liabilities and the funding strategy.

The liquidity risk position, under normal conditions, is measured at consolidated level using the static liquidity gaps indicator and the two liquidity ratios defined by CRD IV: Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). Static liquidity gap is defined as the difference between the expected future inflows and outflows related to the current transactions (no new business included), determined for each time bucket and currency based on the contractual maturity of the transactions, considering also embedded options (e.g. prepayment for loans, term deposits) or, for non-maturing products (the main ones being: current accounts, fixed assets, other assets, equity, other liabilities), based on a maturity modelled using historical client behaviour or a conventional maturity. For each budgeting and planning exercise, the future funding needs are assessed starting from the actual liquidity position and budgeted evolution of assets and liabilities. When a deficit is expected, funding solutions are assessed and appropriate actions are planned.

As regards LCR and NSFR, the limits imposed by the regulation in force was respected throughout the entire year.

The Group performs liquidity risk stress tests on a quarterly basis to identify and quantify its exposures to possible liquidity stresses, analysing potential impacts on the cash flows and liquidity position. The Group is considering 3 liquidity crisis scenarios: specific to the Group (idiosyncratic), systemic and a combination of both. The Group maintains a liquidity buffer of unencumbered, high quality liquid assets as an insurance against a range of liquidity stress scenarios. A contingency funding plan is designed to protect the stakeholders' interests and to ensure positive outcome in the event of a liquidity crisis.

#### *Liquidity management*

As of 31 December 2025 and 31 December 2024 the Bank has complied with all the regulatory requirements regarding liquidity management. The Bank has a solid and diversified deposits base, with 61% in Retail deposits and 89% of customer deposits in total liabilities.

The Bank uses external funding, which is provided by Société Générale to answer MREL and capital requirements. At the end of December 2025, the amount of funding is in amount of 1,200,000 KEUR (6,118,200 KRON equivalent), which consist on 950,000 KEUR (4,843,575 KRON equivalent) of SNP and 250,000 KEUR (1,274,625 KRON equivalent) of subordinated loans. The NSFR was above the regulatory limits as of 31 December 2025.

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The accompanying notes are an integral part of these financial statements.

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**46. Risk management (continued)**

**46.3 Liquidity risk (continued)**

The structure of funding base confirms the stability of funding resources and a proper calibration to minimize potential impacts of liquidity crisis on bank's liquidity situation. The stress testing exercise shows a solid level of LCR, well above the regulatory threshold. The Bank holds sufficient liquidity buffer to cover the outflows under the combined scenario. The follow up of the liquidity buffer is done on a daily basis as part of the daily liquidity dashboard which allows to properly monitor its sufficiency.

At the end of December 2025 all liquidity ratios are within the thresholds and limits according to approved risk appetite statement and at the same time in compliance with regulatory requirements, being well above minimum levels.

The maturity structure of the Group's and the Bank's assets and liabilities as at 31 December 2025 and 2024, presented according to the mentions above, is as follows:

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**46. Risk management (continued)**

**46.3 Liquidity risk (continued)**

**Group**

<b>31 December 2025</b>	<b>Total</b>	<b>0-1 months</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>ASSETS</b>						
Cash and cash equivalents	12,080,387	5,191,672	956,807	2,000,957	3,191,286	739,665
Due from banks	6,496,727	1,419,827	4,949,395	-	127,505	-
Derivatives and other financial instruments held for trading	2,515,304	1,318,737	13,902	215,701	394,238	572,726
Financial assets at fair value through profit and loss	10,374	3,636	-	-	-	6,738
Financial assets at fair value through other comprehensive income	11,257,882	(1,192,225)	1,403,742	1,003,678	5,196,586	4,846,101
Financial assets at amortised cost	61,059,450	4,262,192	3,273,916	12,720,840	23,960,071	16,842,431
Loans and advances to customers	53,985,859	4,278,924	3,265,559	12,450,276	20,698,160	13,292,940
Debt securities	7,073,591	(16,731)	8,357	270,564	3,261,910	3,549,491
Financial lease receivables	2,144,020	69,600	162,749	641,381	1,277,671	(7,381)
Other financial assets	195,089	29,211	4,644	21,551	114,550	25,133
<b>Total assets</b>	<b>95,759,233</b>	<b>11,102,650</b>	<b>10,765,155</b>	<b>16,604,108</b>	<b>34,261,907</b>	<b>23,025,413</b>
<b>LIABILITIES</b>						
Due to banks	1,239,312	1,239,312	-	-	-	-
Derivatives and other financial instruments held for trading	977,448	341,397	-	69,044	138,422	428,585
Due to customers	75,045,129	18,410,218	8,776,796	16,275,378	20,956,209	10,626,528
Borrowed funds	7,441,554	102,585	176,027	737,447	6,425,495	-
Subordinated debts	1,276,400	1,775	-	509,850	764,775	-
Other financial liabilities	734,815	10,548	19,880	93,269	475,236	135,882
<b>Total liabilities</b>	<b>86,714,658</b>	<b>20,105,835</b>	<b>8,972,703</b>	<b>17,684,988</b>	<b>28,760,137</b>	<b>11,190,995</b>
<b>Gap</b>		<b>(9,003,185)</b>	<b>1,792,452</b>	<b>(1,080,880)</b>	<b>5,501,770</b>	<b>11,834,418</b>
<b>Cumulative gap</b>		<b>(9,003,185)</b>	<b>(7,210,733)</b>	<b>(8,291,613)</b>	<b>(2,789,843)</b>	<b>9,044,575</b>

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**46. Risk management (continued)**

**46.3 Liquidity risk (continued)**

<b>Group</b>						
<b>31 December 2024</b>	<b>Total</b>	<b>0-1 months</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>ASSETS</b>						
Cash and cash equivalents	8,658,035	2,308,728	1,219,522	5,129,785	-	-
Due from banks	6,313,423	795,131	5,518,292	-	-	-
Derivatives and other financial instruments held for trading	1,842,562	759,480	349,258	185,199	339,977	208,648
Financial assets at fair value through profit and loss	9,208	77	154	691	3,683	4,603
Financial assets at fair value through other comprehensive income	12,164,852	(1,698,845)	1,172,631	1,638,687	4,566,628	6,485,751
Financial assets at amortised cost	54,812,982	3,292,506	2,770,782	11,585,986	22,333,931	14,829,777
Loans and advances to customers	47,705,202	3,142,572	2,770,782	11,044,133	19,704,720	11,042,995
Debt securities	7,107,780	149,933	-	541,853	2,629,212	3,786,782
Financial lease receivables	2,023,475	259,875	742,189	359,032	662,379	-
Other financial assets	256,192	4,270	8,540	38,429	204,953	-
<b>Total assets</b>	<b>86,080,729</b>	<b>5,721,222</b>	<b>11,781,368</b>	<b>18,937,809</b>	<b>28,111,551</b>	<b>21,528,779</b>
<b>LIABILITIES</b>						
Due to banks	1,477,293	1,477,293	-	-	-	-
Derivatives and other financial instruments held for trading	524,010	524,010	-	-	-	-
Due to customers	67,935,142	16,616,970	5,755,785	13,115,074	21,885,966	10,561,347
Borrowed funds	6,554,915	87,303	1,208,711	2,548,078	1,922,117	788,706
Subordinated debts	1,245,458	1,933	-	-	1,243,525	-
Other financial liabilities	627,070	8,078	17,855	56,095	412,199	132,843
<b>Total liabilities</b>	<b>78,363,888</b>	<b>18,715,587</b>	<b>6,982,351</b>	<b>15,719,247</b>	<b>25,463,807</b>	<b>11,482,896</b>
<b>Gap</b>		<b>(12,994,365)</b>	<b>4,799,017</b>	<b>3,218,562</b>	<b>2,647,744</b>	<b>10,045,883</b>
<b>Cumulative gap</b>		<b>(12,994,365)</b>	<b>(8,195,348)</b>	<b>(4,976,786)</b>	<b>(2,329,042)</b>	<b>7,716,841</b>

The accompanying notes are an integral part of these financial statements.

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**46. Risk management (continued)**

**46.3 Liquidity risk (continued)**

<b>Bank</b>						
<b>31 December 2025</b>	<b>Total</b>	<b>0-1 months</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>ASSETS</b>						
Cash and cash equivalents	12,080,309	5,191,668	956,802	2,000,934	3,191,240	739,665
Due from banks	6,496,727	1,419,827	4,949,395	-	127,505	-
Derivatives and other financial instruments held for trading	2,485,530	1,318,739	13,902	215,701	394,238	542,950
Financial assets at fair value through profit and loss	10,374	3,636	-	-	-	6,738
Financial assets at fair value through other comprehensive income	11,257,882	(1,192,225)	1,403,742	1,003,678	5,196,586	4,846,101
Financial assets at amortised cost	60,708,431	4,249,926	3,250,571	12,612,603	23,749,958	16,845,373
Loans and advances to customers	53,634,840	4,266,657	3,242,213	12,342,039	20,488,047	13,295,884
Debt securities	7,073,591	(16,731)	8,357	270,564	3,261,911	3,549,490
Other financial assets	177,651	28,919	4,063	18,936	100,600	25,133
<b>Total assets</b>	<b>93,216,904</b>	<b>11,020,490</b>	<b>10,578,475</b>	<b>15,851,852</b>	<b>32,760,127</b>	<b>23,005,960</b>
<b>LIABILITIES</b>						
Due to banks	1,239,312	1,239,312	-	-	-	-
Derivatives and other financial instruments held for trading	977,448	341,397	-	69,044	138,422	428,585
Due to customers	75,504,639	18,869,729	8,776,796	16,275,378	20,956,209	10,626,527
Borrowed funds	4,849,166	4,330	70	325	4,844,440	1
Subordinated debts	1,276,400	1,775	-	509,850	764,775	-
Other financial liabilities	685,515	9,685	18,279	85,679	436,140	135,732
<b>Total liabilities</b>	<b>84,532,480</b>	<b>20,466,228</b>	<b>8,795,145</b>	<b>16,940,276</b>	<b>27,139,986</b>	<b>11,190,845</b>
<b>Gap</b>		<b>(9,445,738)</b>	<b>1,783,330</b>	<b>(1,088,424)</b>	<b>5,620,141</b>	<b>11,815,115</b>
<b>Cumulative gap</b>		<b>(9,445,738)</b>	<b>(7,662,408)</b>	<b>(8,750,832)</b>	<b>(3,130,691)</b>	<b>8,684,424</b>

The accompanying notes are an integral part of these financial statements.

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**46. Risk management (continued)**

**46.3 Liquidity risk (continued)**

<b>Bank</b>						
<b>31 December 2024</b>	<b>Total</b>	<b>0-1 months</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>ASSETS</b>						
Cash and cash equivalents	8,657,954	2,308,647	1,219,522	5,129,785	-	-
Due from banks	6,313,423	795,131	5,518,292	-	-	-
Derivatives and other financial instruments held for trading	1,810,504	759,480	349,258	185,199	307,919	208,648
Financial assets at fair value through profit and loss	9,208	77	154	691	3,683	4,603
Financial assets at fair value through other comprehensive income	12,164,852	(1,698,845)	1,172,631	1,638,687	4,566,628	6,485,751
Financial assets at amortised cost	54,459,688	3,264,884	2,664,056	11,472,656	22,228,314	14,829,778
Loans and advances to customers	47,351,908	3,114,952	2,664,056	10,930,801	19,599,103	11,042,996
Debt securities	7,107,780	149,933	-	541,853	2,629,212	3,786,782
Other financial assets	239,499	3,992	7,983	35,925	191,599	-
<b>Total assets</b>	<b>83,655,128</b>	<b>5,433,366</b>	<b>10,931,896</b>	<b>18,462,943</b>	<b>27,298,144</b>	<b>21,528,781</b>
<b>LIABILITIES</b>						
Due to banks	1,477,293	1,477,293	-	-	-	-
Derivatives and other financial instruments held for trading	524,010	524,010	-	-	-	-
Due to customers	68,215,487	16,806,145	5,846,785	13,115,074	21,885,966	10,561,517
Borrowed funds	4,234,105	4,009	109	2,239,096	1,244,775	746,116
Subordinated debts	1,245,458	1,933	-	-	1,243,525	-
Other financial liabilities	584,957	7,376	16,451	49,778	378,508	132,844
<b>Total liabilities</b>	<b>76,281,310</b>	<b>18,820,766</b>	<b>5,863,345</b>	<b>15,403,948</b>	<b>24,752,774</b>	<b>11,440,477</b>
<b>Gap</b>		<b>(13,387,400)</b>	<b>5,068,551</b>	<b>3,058,995</b>	<b>2,545,369</b>	<b>10,088,303</b>
<b>Cumulative gap</b>		<b>(13,387,400)</b>	<b>(8,318,849)</b>	<b>(5,259,854)</b>	<b>(2,714,485)</b>	<b>7,373,818</b>

The accompanying notes are an integral part of these financial statements.

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**46. Risk management (continued)**

**46.3 Liquidity risk (continued)**

*Future undiscounted cash flows*

The tables below summarize the maturity profile of the financial liabilities based on contractual undiscounted repayment obligations.

<b>Group</b>						
<b>31 December 2025</b>	<b>Total</b>	<b>0-1 months</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>LIABILITIES</b>						
Due to banks	1,240,570	1,240,570	-	-	-	-
Derivatives and other financial instruments held for trading	1,044,562	348,382	9,800	80,922	177,791	427,667
Due to customers	75,390,802	54,574,271	8,421,512	11,161,144	903,984	329,891
Borrowed funds	8,093,868	90,260	212,620	924,740	6,866,248	-
Subordinated debt	1,369,776	-	17,320	562,710	789,746	-
Creditors - Lease liabilities	337,895	4,729	7,200	33,484	156,599	135,883
Other financial liabilities except for fair values of derivatives	396,918	396,918	-	-	-	-
Letters of guarantee granted	4,712,720	4,712,720	-	-	-	-
Financing commitments granted	14,411,106	14,411,106	-	-	-	-
<b>Total liabilities</b>	<b>106,998,217</b>	<b>75,778,956</b>	<b>8,668,452</b>	<b>12,763,000</b>	<b>8,894,368</b>	<b>893,441</b>

<b>Group</b>						
<b>31 December 2024 Revised</b>	<b>Total</b>	<b>0-1 months</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>LIABILITIES</b>						
Due to banks	1,479,453	1,479,453	-	-	-	-
Derivatives and other financial instruments held for trading	615,799	511,661	(11,831)	26,012	85,732	4,225
Due to customers	69,632,983	19,053,371	5,909,737	13,317,121	20,696,651	10,656,103
Borrowed funds	7,238,856	79,378	183,614	3,073,013	3,156,736	746,115
Subordinated debt	1,254,323	1,933	8,787	78	1,243,525	-
Creditors - Lease liabilities	329,305	4,427	7,142	32,103	152,618	133,015
Other financial liabilities except for fair values of derivatives	297,765	297,764	-	-	1	-
Letters of guarantee granted	3,812,725	3,812,725	-	-	-	-
Financing commitments granted	10,553,532	10,553,532	-	-	-	-
<b>Total liabilities</b>	<b>95,214,741</b>	<b>35,794,244</b>	<b>6,097,449</b>	<b>16,448,327</b>	<b>25,335,263</b>	<b>11,539,458</b>

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly.

The accompanying notes are an integral part of these financial statements.

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**46. Risk management (continued)**

**46.3 Liquidity risk (continued)**

*Future undiscounted cash flows (continued)*

<b>Bank</b>						
<b>31 December 2025</b>	<b>Total</b>	<b>0-1 months</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>LIABILITIES</b>						
Due to banks	1,240,570	1,240,570	-	-	-	-
Derivatives and other financial instruments held for trading	1,044,563	348,383	9,800	80,922	177,791	427,667
Due to customers	75,850,783	55,034,252	8,421,512	11,161,144	903,984	329,891
Borrowed funds	5,441,429	102	31,419	157,276	5,252,632	-
Subordinated debt	1,369,776	-	17,320	562,710	789,746	-
Creditors - Lease liabilities	334,505	4,627	6,998	32,620	154,528	135,732
Other financial liabilities except for fair values of derivatives	351,010	351,010	-	-	-	-
Letters of guarantee granted	4,714,807	4,714,807	-	-	-	-
Financing commitments granted	14,365,266	14,365,266	-	-	-	-
<b>Total liabilities</b>	<b>104,712,709</b>	<b>76,059,017</b>	<b>8,487,049</b>	<b>11,994,672</b>	<b>7,278,681</b>	<b>893,290</b>

<b>Bank</b>						
<b>31 December 2024 Revised</b>	<b>Total</b>	<b>0-1 months</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>LIABILITIES</b>						
Due to banks	1,479,453	1,479,453	-	-	-	-
Derivatives and other financial instruments held for trading	615,799	511,661	(11,831)	26,012	85,732	4,225
Due to customers	69,914,532	19,242,615	6,001,872	13,317,121	20,696,651	10,656,273
Borrowed funds	4,829,088	4,009	32,882	2,398,998	1,647,084	746,115
Subordinated debt	1,254,323	1,933	8,787	78	1,243,525	-
Creditors - Lease liabilities	324,196	3,461	6,922	31,150	149,819	132,844
Other financial liabilities except for fair values of derivatives	260,762	260,762	-	-	-	-
Letters of guarantee granted	3,814,807	3,814,807	-	-	-	-
Financing commitments granted	10,506,324	10,506,324	-	-	-	-
<b>Total liabilities</b>	<b>92,999,284</b>	<b>35,825,025</b>	<b>6,038,632</b>	<b>15,773,359</b>	<b>23,822,811</b>	<b>11,539,457</b>

The Bank performed reclassifications to enhance presentation and corresponding comparatives have been re-classified accordingly.

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## 46. Risk management (continued)

### 46.4 Environmental, Social and Governance risk

**ESG (Environmental, Social, and Governance) risks** are defined as the risk of losses arising from any negative financial impact stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the BRD's counterparties or invested assets. The type of environmental risk that has been most widely researched and recognised is **climate-related risk** (*physical risks* that arise from the physical effect of climate change and environmental degradation and the *transition risks* that refer to the uncertainty related to the timing and speed of the process of adjustment to an environmentally sustainable economy).

**ESG risks** represent an aggravating factor for the existing risk categories. They can have a negative impact on BRD's financial performance by materializing through risk categories, such as credit risk that is primarily affected.

BRD takes into account the concept of double materiality, by analyzing the potential negative financial impact of ESG factors on its counterparties or invested assets, taking into account:

1. **environmental and social materiality** may arise from the impact of BRD's economic and financial activities on the environment and human rights, which could in turn become financially material when this impact affects the value (returns) of the bank's activities.
2. **financial materiality** may arise from the impact of ESG factors on a BRD's economic and financial activities throughout their entire value chain (both upstream and downstream), affecting the value (returns) of such activities.

The assessment of the potential impact of ESG risks factors on existing risk categories is based on a qualitative approach by using ESG risk drivers and their transmissions channels. At this point, the analysis remained largely focused on the climate-related and environmental risk

The processes for identifying, assessing and managing sustainability-related impacts, risks and opportunities are integrated into the overall risk management and strategic management processes. These processes are primarily driven by the double materiality assessment and Business Environment Scan (resilience analysis of Group BRD), which enable BRD to evaluate both financial and non-financial aspects of sustainability risks and opportunities across its value chain.

The Risk Management Function is responsible for overseeing these processes independently from operational and support structures, ensuring objective evaluation and alignment with the Bank's strategic goals. The Deputy CEO in charge of Risk (Chief Risk Officer) leads the centralized risk management function and reports findings, conclusions and recommendations to the Executive Committee and relevant committees, ensuring that sustainability-related risks and opportunities are considered into decision-making. Sustainability risks, such as climate change adaptation and mitigation, regulatory compliance and financial impacts of environmental policies, are assessed within BRD Group's overall risk framework, allowing BRD Group to anticipate potential disruptions, financial strain and reputational impacts while aligning with regulatory requirements such as CSRD and the EU Taxonomy.

The "quick fix" delegated act adopted by the European Commission allows Wave 1 companies to omit anticipated financial effects for financial years 2025 and 2026.

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**47. Capital management**

The Bank calculates the capital requirements in accordance with Basel III principles, implemented in the European Union law by the capital Directive (CRD IV - 36/2013), Regulation (CRR – 575/2013), technical regulatory standards and technical implementation standards issued by the European Banking Authority, with all subsequent amendments as of date. Locally, the European requirements are also adopted through National Bank of Romania (NBR) prudential regulations for credit institutions and investment firms: OUG 99/2006 on credit institutions and capital adequacy and NBR Regulation no. 5/2013 regarding prudential requirements.

Tier 1 capital in total amount of 9,396,593 as at 31 December 2025 (8,970,969 as at 31 December 2024) includes CET 1 capital, namely eligible capital, eligible reserves and other comprehensive income less regulatory deductions. Tier 2 capital includes two subordinated loans in total amount of 250 million EUR (received in December 2021 and June 2022).

The Group and the Bank are in compliance with all externally imposed capital requirements as of 31 December 2025.