BRD - GROUP

RESULTS

2ND QUARTER AND 1ST HALF 2018

AUGUST 2018

DISCLAIMER

The consolidated and separate financial position and income statement for the period ended June 30, 2018 were examined by the Board of Directors on August 1, 2018.

The financial information presented for the period ended June 30, 2018 and comparative periods has been prepared according to IFRS as adopted by the European Union and applicable at this date.

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

This presentation contains forward-looking statements relating to the targets and strategies of BRD and are based on a series of assumptions. These forward-looking statements have been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. BRD may be unable to anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences, and to evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document.

Investors and analysts are advised to take into account factors of uncertainty and risk likely to impact the operations of BRD when considering the information contained in such forward-looking statements. Other than as required by applicable law, BRD does not undertake any obligation to update or revise any forward-looking information or statements.

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INTRODUCTION

H1 2018: NET PROFIT OF RON 757M

Double-digit revenue growth thanks to dynamic retail banking and rising interest rates

Net interest income up +13.2% y/y, on growing volumes and rising interest rates
Solid increase of average outstanding of net loans (+5.1%) and deposits (+6.1%)

NBI
RON 1,480m +10.5% vs H1 2017

Strong increase in gross operating income

GOI
RON 742m +19.4% vs H1 2017

Significant cost of risk write-backs

Strong recovery performance on non retail portfolio and recognition of insurance indemnities
Annual decrease of -43% in cost of risk due to high comparison base (-76% decrease in non-recurring items)

NCR
RON 154m write-back -42.8% vs H1 2017

Strong rise in net profit excluding non-recurring items, on robust revenue generation

Net profit
RON 757m +34.5%** vs H1 2017,

Solid capital and liquidity positions, enabling sustainable growth and increased resilience

CAR: 18.8% vs 19.4% at June 2017

ROE: 21.6% in H1 2018 versus 22.1% in H1 2017

Note: CAR at Bank only level

** Variation at constant exchange rate; ** excluding non-recurring items*

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Q2 2018: ACCELERATING REVENUES MOMENTUM SUPPORTING THE BOTTOM LINE

Strong revenue generation

NBI up +9.7% vs Q2 2017 on +12.3% higher net interest income

Robust commercial dynamics in retail banking

Retail loans up +6.1% y/y*

Close to zero cost of risk

Net cost of risk write-back of RON +2m compared to RON +146m in Q2-2017 when non-recurring items amounting to RON +155m were booked (insurance indemnities and gain on sale of NPLs)

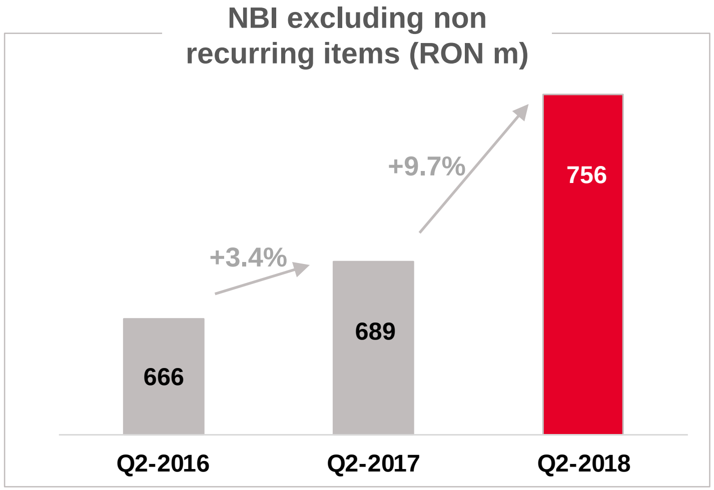
Solid loan portfolio quality

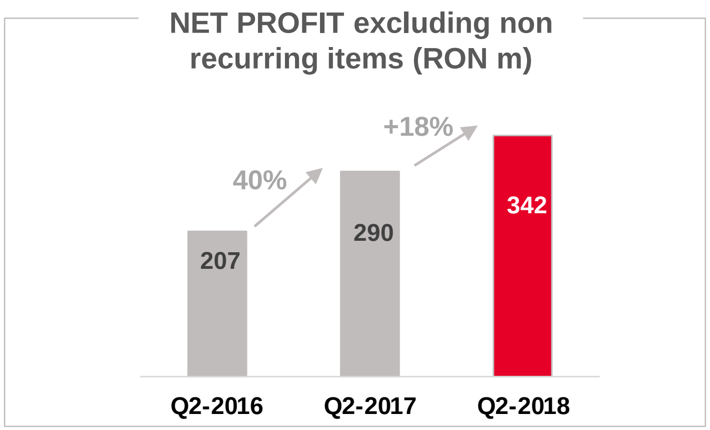
NPL ratio continuing to improve: 6.3% vs 8.8% at June 2017 end

Comfortable provision coverage: 73.0% at June 2018 end

Strong increase in net profit excluding one-offs

Net profit excluding non-recurring items of RON 342m in Q2 18, +18.0% y/y, thanks to solid business performance





ROE: 19.1% in Q2 2018 vs. 16.7% in Q2 2017**

** Variation at constant exchange rate; ** Excluding non-recurring items*

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MACROECONOMIC & BANKING ENVIRONMENT

ECONOMIC GROWTH SLOWING DOWN

Economic growth slowing down

In Q1 2018, the GDP annual growth rate* slowed down to +4.2%, while on a quarterly basis it was quasi-stable

Easing consumer demand in the first quarter, in an environment marked by rising inflation and weaker consumer confidence

Inflation peaking in Q2 2018

Inflation rate came in at +5.4% y/y at June 2018 end

In the last quarter of the year, the inflation rate should embark on a downward trend due to fading out of Q4 2017 one-offs, slow down of economic activity and less accommodative monetary policy stance

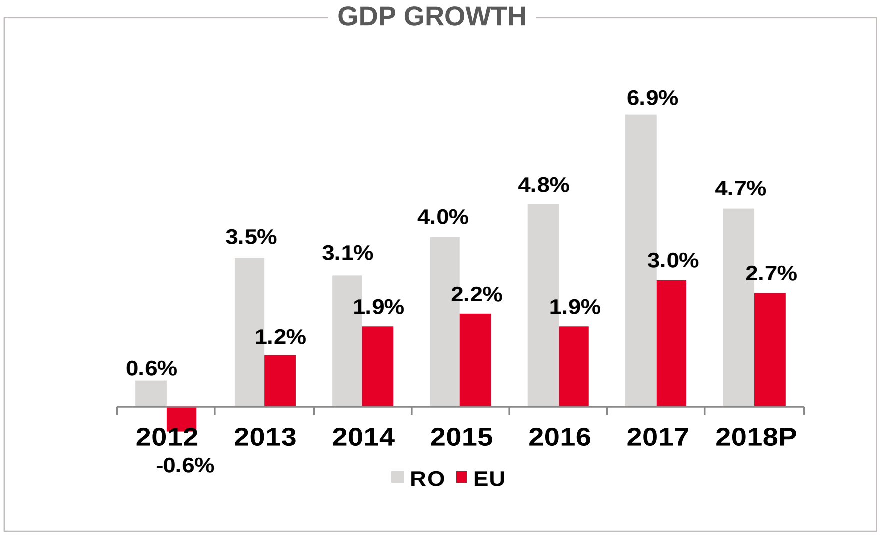
Three monetary policy hikes year-to-date

NBR hiked the key interest rate to 2% in Jan 2018, 2.25% in February 2018 and 2.5% in May 2018, aiming at anchoring inflationary pressures

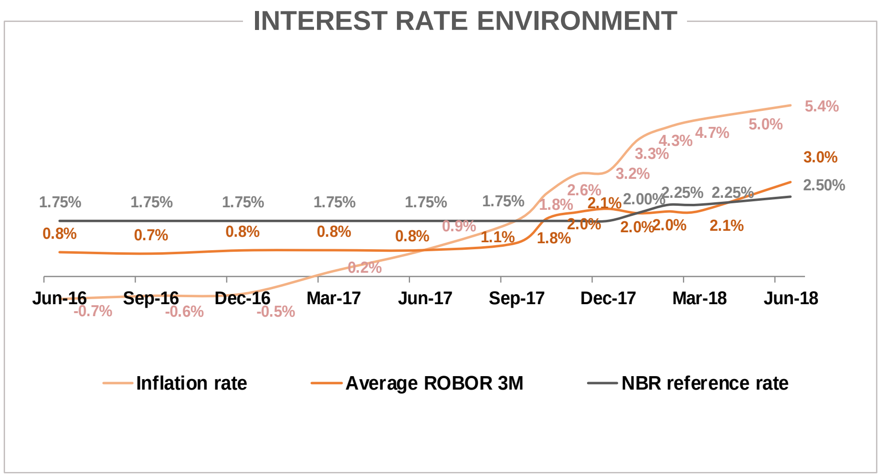
Rising RON interest rates trend since September 2017

Average ROBOR 3M reaching 2.33% in H1-18 vs. 0.84% in H1-17

Seasonally adjusted



Source: 2018P GDP-BRD Research (RO); IMF World Economic Outlook, April 2018 (EU)



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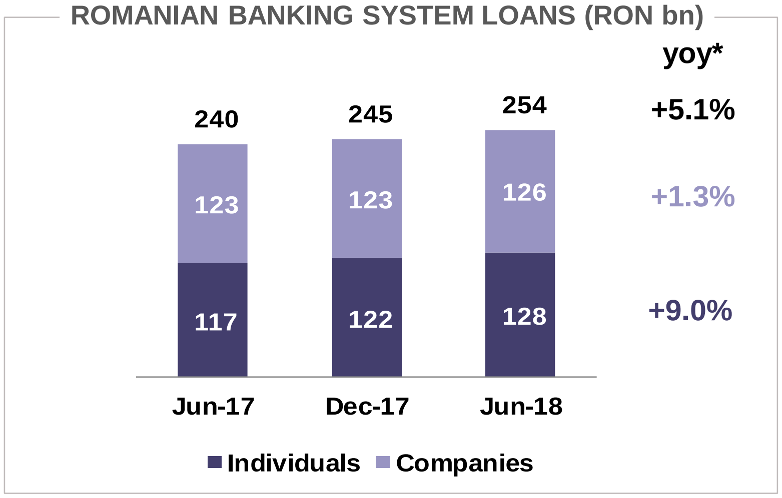
LOAN GROWTH STEADILY BACKED BY HOUSEHOLD DEMAND

Loans are growing steadily in nominal terms

Continuous double-digit increase in **housing loans** (+12.2%* y/y)

Consumer loans accelerating at +5.5%* y/y, as demand rebounded in the second quarter, on another round of wage hikes in the public sector (education & healthcare) and Easter holiday spending

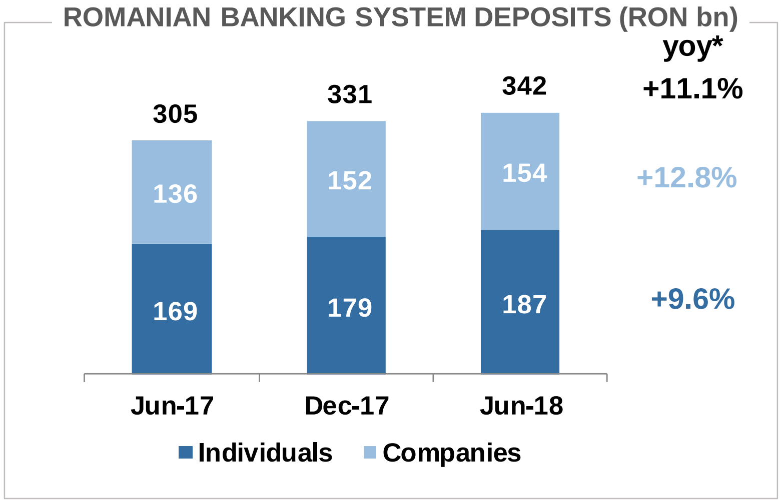
Corporate credit fluctuating at weak levels, in a context of lagging investments and companies likely reverting to intra-group funding for working capital needs



Deposits up by +11.1%* y/y

Household savings up +9.6%* y/y, pushed by wage increases

Strong rise of corporate deposits +12.8%* y/y



** Variation at constant exchange rate*

COMFORTABLE PRUDENTIAL INDICATORS, HIGH PROFITABILITY

NPL ratio continuing the downtrend

NPL ratio at 6.0% at May 2018 end, compared to 20.7% at 2014 end

Further decline in NPL ratio as a result of write off operations and sale of defaulted loans portfolios, as well as positive lending dynamics

Stable coverage ratio, significantly higher than EU average

Resilient banking sector with solid liquidity and capital adequacy

Loan to deposit ratio at 75% at March 2018 end (vs 116% in 2011)

Average liquidity coverage ratio at 247% at May 2018 end, well above regulatory requirement (100% in 2018) and European average (147% at March 2018 end)

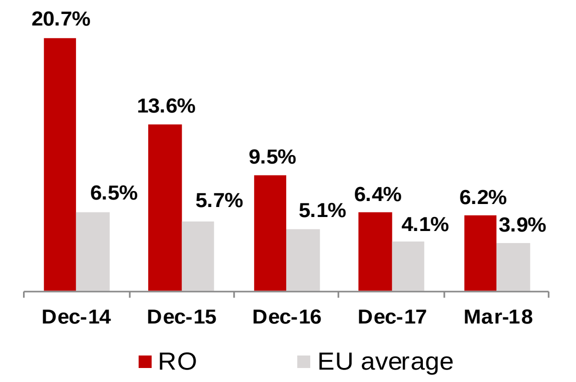
Total capital ratio of 19.8% as of March 2018 end, quasi stable y/y

Strong profitability

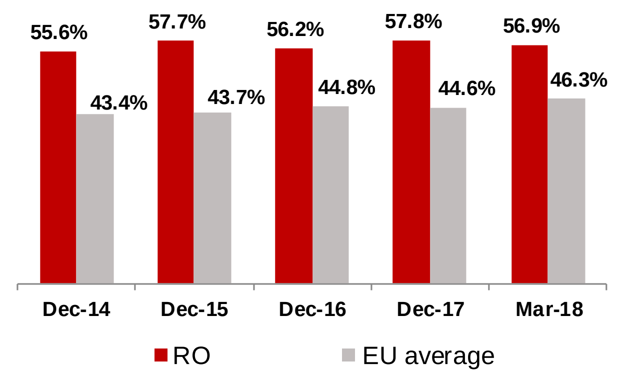
ROE near 10% in both 2015 and 2016 and further improving to 12.7% in 2017

ROE of 15.4% in Q1 2018 versus 12.0% in Q1 2017

ROMANIAN BANKING SYSTEM NPL RATIO



ROMANIAN BANKING SYSTEM NPL COVERAGE RATIO



Source: EBA Risk Dashboard – Q1 2018, NBR data

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2ND QUARTER AND 1ST HALF 2018 BRD GROUP RESULTS

INCREASING ADOPTION OF DIGITAL BANKING SOLUTIONS

More intense commercial relationships

Average equipment rate of individual clients up to 4.22 from 4.13 at June 2017

Average equipment rate of small business clients up to 3.73 from 3.64 at June 2017

MyBRD Net and MyBRD Mobile penetration rates reaching 45% (+3pts y/y) and 26% (+7pts y/y) respectively, at June 2018

Further enhancing digital offer

Enhancement of the mobile application functionality:

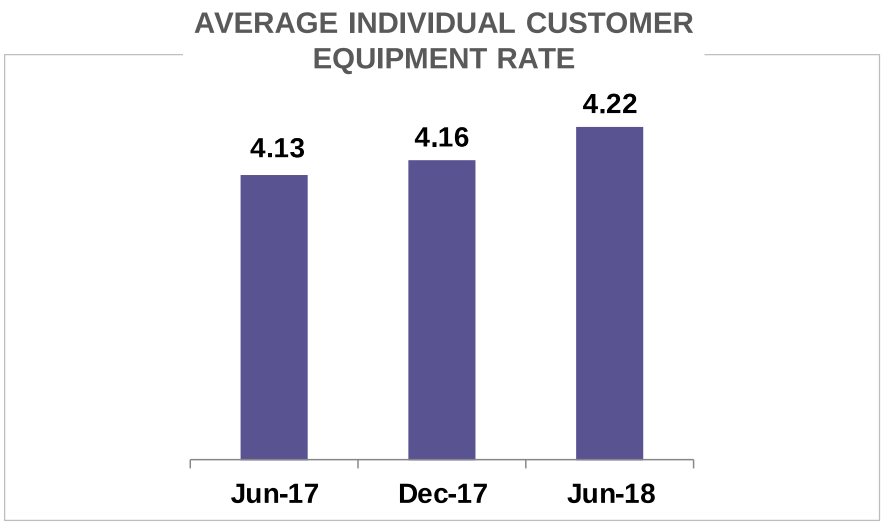
- ✓ more options for current account number sharing
- ✓ simplified invoice payment
- ✓ screen customization for selected recently launched smartphones

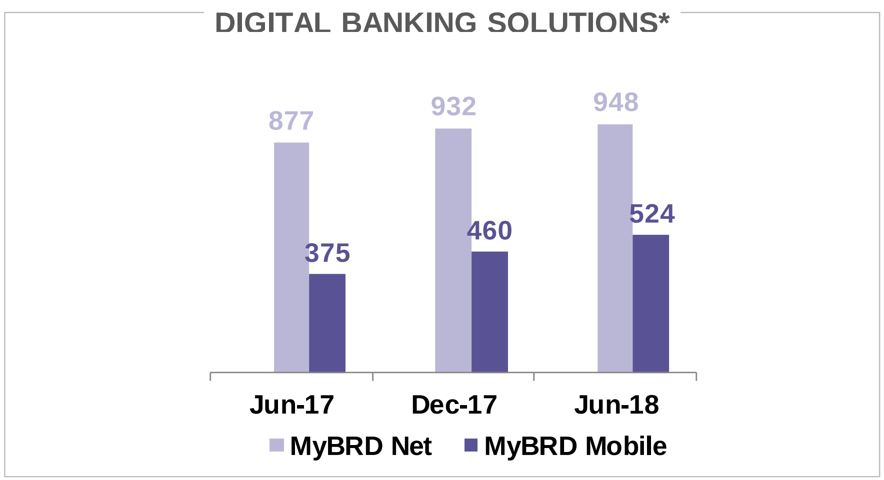
Continuous migration towards digital channels

1.47m contracts (MyBRD Net & MyBRD Mobile)
+18% vs June 2017 end

+27% nb of transactions, in Q2 2018 vs Q2 2017
+53% nb of connections in Q2 2018 vs Q2 2017

Pragmatically adjusted network footprint (754 branches at June 2018, -36 y/y)





* No of contracts: MyBRD Mobile, MyBRD Net

FURTHER LOAN GROWTH, MAINLY FUELED BY DYNAMIC HOUSEHOLD DEMAND

Retail loans +6.1%* y/y

Housing loans outstanding up by +11.1% y/y

New housing loans up +8.3% in H1-2018, with increasing share of BRD specific product “La Casa Mea”

New consumer loans rebounded in Q2 versus Q1 thanks to the Expresso Spring campaign

Strongly increasing consumer loans average ticket size: +24% y/y

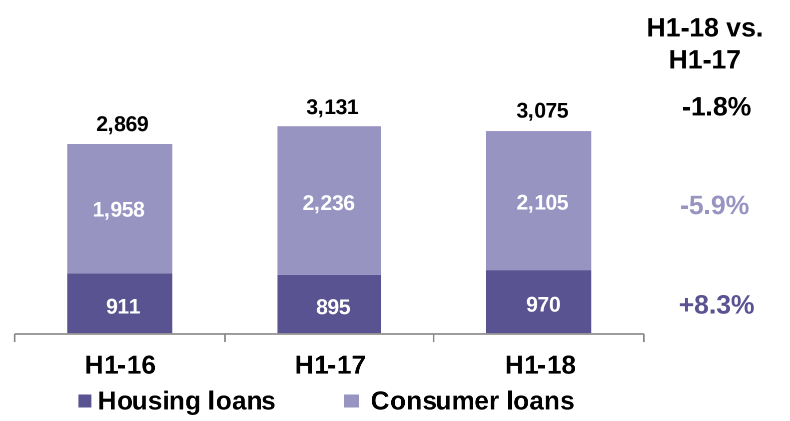
Dynamic year-to-date activity on large corporate clients

Loans to large companies up by +8.7%* versus Dec-2017 end

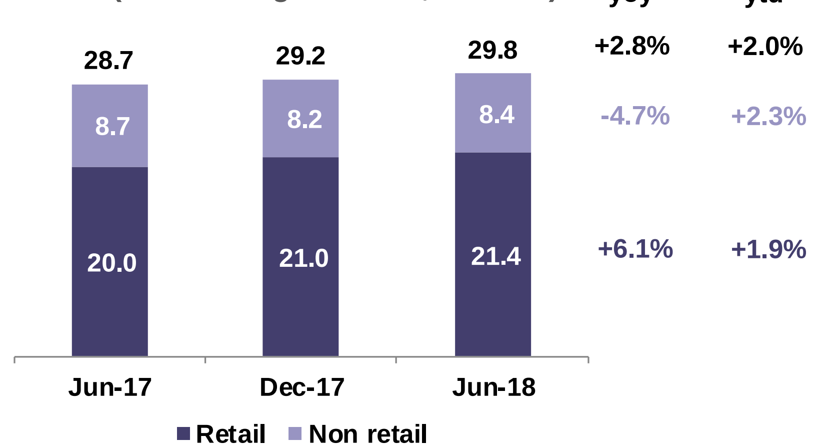
Factoring operations of RON 2.5bn, up by +4% y/y

Leasing portfolio increasing by +14%** y/y thanks to the larger contribution of Small Business clients and SMEs

LOANS TO INDIVIDUALS PRODUCTION (RON m)



NET LOANS (outstanding amounts, RON bn)



** Variations at constant exchange rate*

*** Including operational leasing*

Note: Net loans exclude reverse repo transactions. Dec-17 and Jun-17 amounts have been restated for comparability purposes.

INCREASE IN RETAIL DEPOSITS

Households savings still on the rise

Retail savings +6.8%* y/y with deposits in current accounts up by 26%* for individual customers

Non retail deposits decreased in a context of strong liquidity position enjoyed by the bank

Strong base of assets under management

BRD AM average assets under management up +2.4% y/y

Market share on open end mutual funds of 12.5% at June 2018

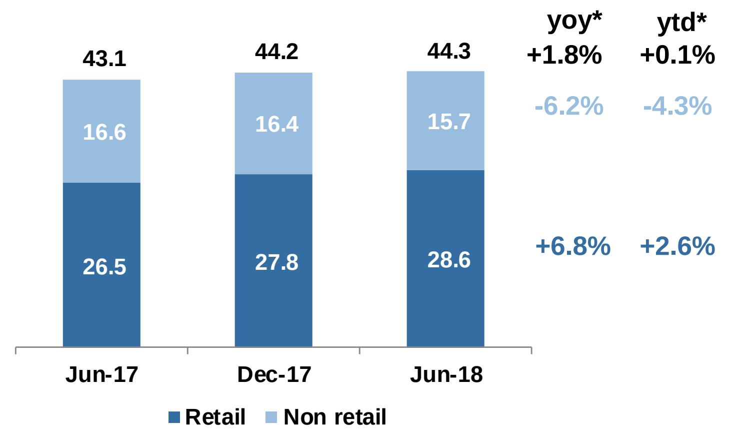
Stable funding sources

Loan to deposit ratio at 67.3%, ensuring stable funding base and sufficient room for sustainable loan growth

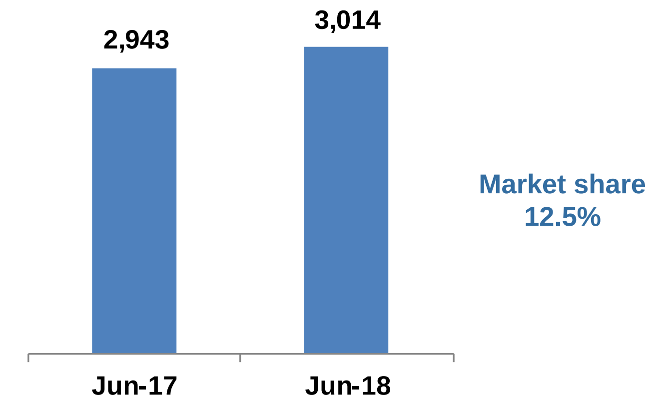
Share of deposits in total liabilities growing from 69% at 2011 end to 94% at June 2018 end

Parent funding around 2% of total liabilities at June 2018 end

DEPOSITS (outstanding amounts, RON bn)



ASSETS UNDER MANAGEMENT(RON bn) & MARKET SHARE**



** Variations at constant exchange rate*

*** Year-to-date average*

CONSISTENT REVENUE GROWTH

Solid revenue growth in both Q2 2018 and H1 2018

Strong revenue generation, thanks to increasing volumes, favorable interest rate environment and higher trading result

Strong growth momentum for net interest income

Net interest income up by +12.3% y/y in Q2 2018 and by +13.2% y/y in H1 2018

Positive volume effect on rising loans and deposits:

- 6M avg. outstanding loans up +5.1% y/y (retail loans up +7.8% y/y)
- 6M avg. outstanding deposits up +6.1% y/y

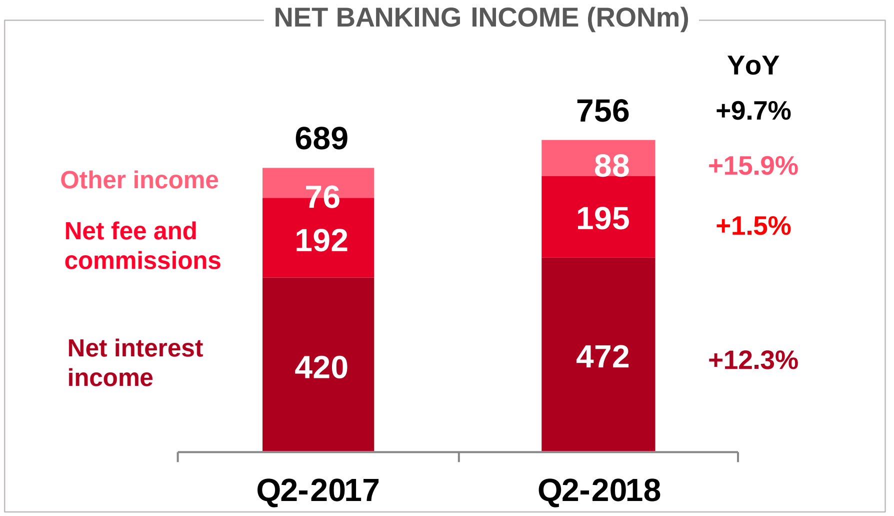
Favorable interest rate effect:

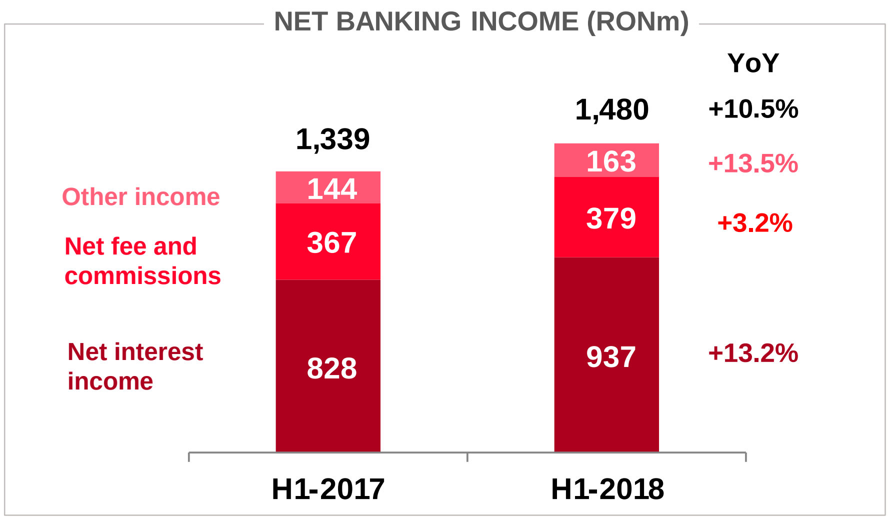
- ROBOR 3M average of 2.33% in H1 2018, +1.5 pts y/y
- ROBOR 3M average of 2.62% in Q2 2018, +1.8 pts y/y

Rising fees and commissions income

Higher number of non cash transactions

Higher revenues from custody and depository services





MODERATE INCREASE IN COSTS

Operating costs reflecting ongoing transformation investments and tight labor market

Pressure on staff costs, due to adjustment of compensation packages in a tight labor market context

Rising other expenses on higher IT and consultancy costs, reflecting investments as per the 2018-2020 transformation program

Around 60% y/y increase in investments related to change-the-bank initiatives in H1 2018

Lower cumulated contribution to Bank Deposit Guarantee Fund and Resolution Fund (-50.5%), booked fully in Q1 2018

Lower C/I ratio on consistent increase in revenues

C/I at 49.9% in H1 2018, lower by -3.7 pts vs H1 2017

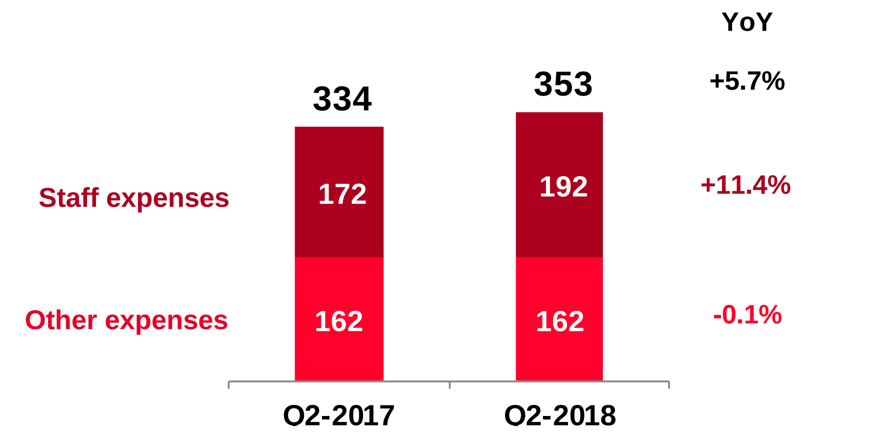
C/I of 46.8% in Q2 2018, lower by -1.7 pts vs Q2 2017

Very solid operating performance

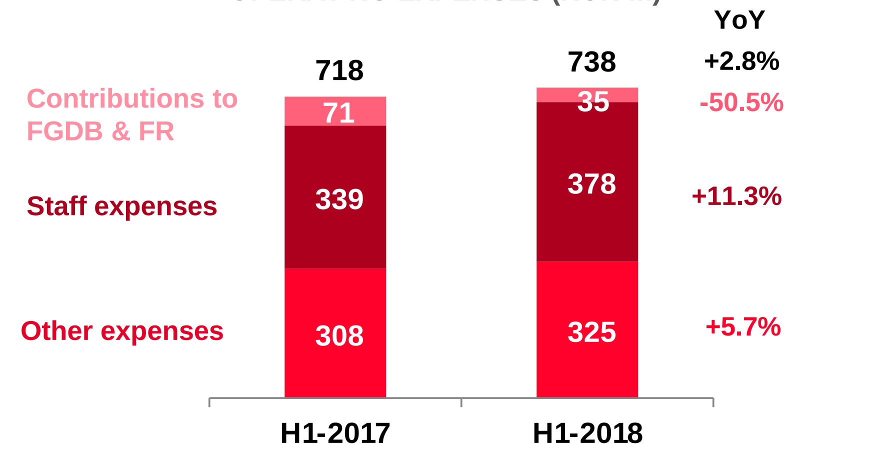
GOI +19.4% y/y in H1 2018

GOI +13.3% y/y in Q2 2018

OPERATING EXPENSES (RON m)



OPERATING EXPENSES (RON m)



IMPROVED ASSET QUALITY

Loan portfolio market mix

68.7% on individuals market segment

31.3% on legal entities market segment

Consolidation of RON lending

Share of RON denominated loans at 64.9% (vs 59.0% as of June 2017 end)

Trend in line with market evolution

Declining NPL

Declining trend in line with the evolution of the banking sector

Reflecting write-offs performed since 2015 as well as outstanding NPL recovery performance

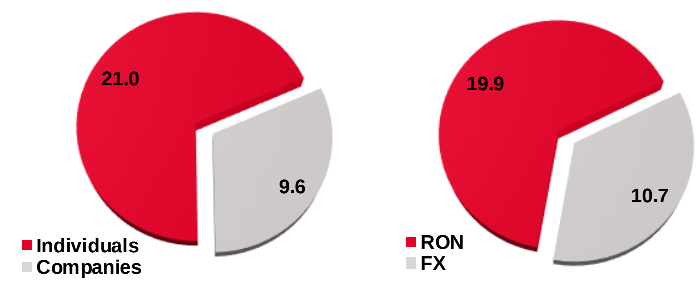
Outlook

Further write-offs to be performed, in line with the Bank's policy

Future sales of receivables to be impacted by recent and expected changes in legal environment

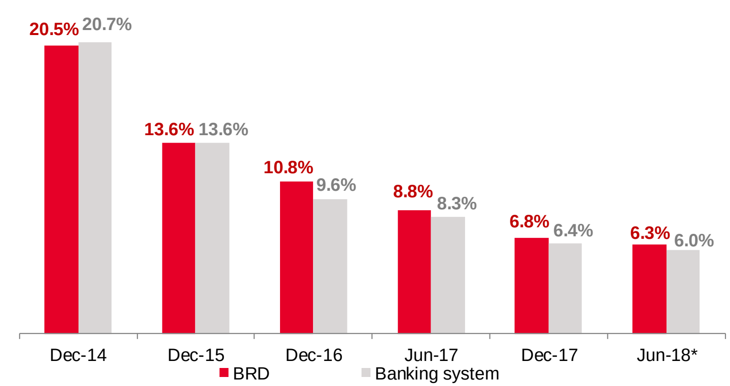
All figures at individual level

GROSS LOANS – June 30, 2018
breakdown by segment and currency (RON bn)



Note: Excluding reverse repo.

NPL RATIO – EBA methodology



For comparability reasons, BRD historical figures have been restated due to change in exposure classification of reverse repo (excluded from ratio's denominator)

**NPL Ratio for Banking System – as of May 2018*

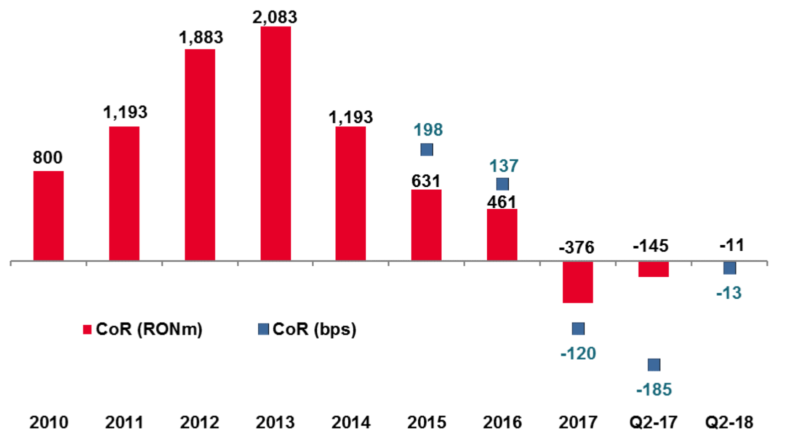
NEGATIVE COST OF RISK

Net cost of risk at -13 bps as a joint result of:

Significant net provision reversals (49 MRON) on corporate counterparties, driven mainly by strong recovery performance

Recurrent NCR for Individuals (27 MRON), in line with previous quarters' results

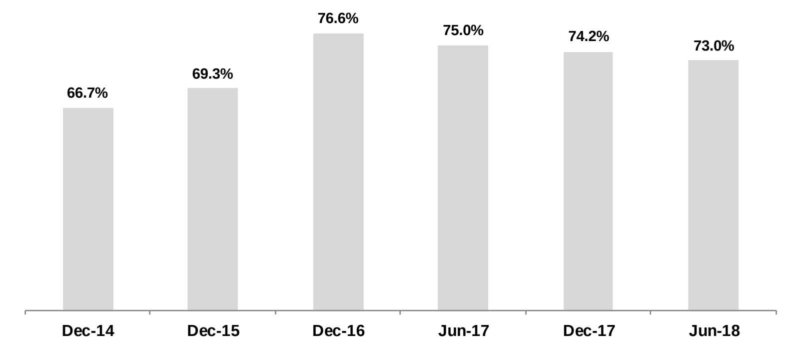
COST OF RISK EVOLUTION (RON m)



Note: Cost of risk in bps for Q2-2017 and Q2-2018 is annualized

Solid NPL coverage ratio

NPL COVERAGE RATIO - EBA methodology



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STRONG PROFITABILITY, DRIVEN BY SOLID OPERATING PERFORMANCE

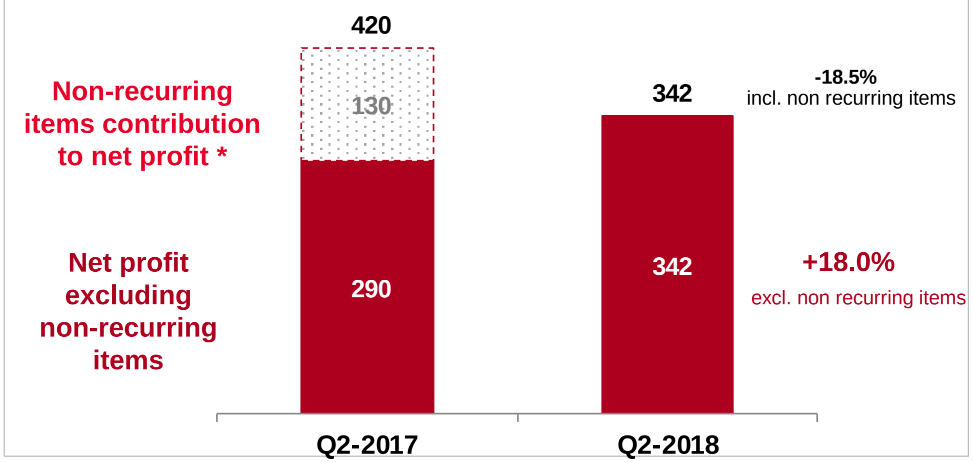
Strongly increasing net profit, after excluding non-recurring items

...supported by the solid operating performance

H1 2018 net profit up by +35% y/y excluding the positive non-recurring elements related to risk costs (RON 65m in H1 2018 and RON 272m in H1 2017, gross of corporate tax)

Q2 2018 net profit up by +18% y/y excluding non-recurring elements related to risk costs (RON 155m in Q2 2017, gross of corporate tax)

NET PROFIT (RON m)

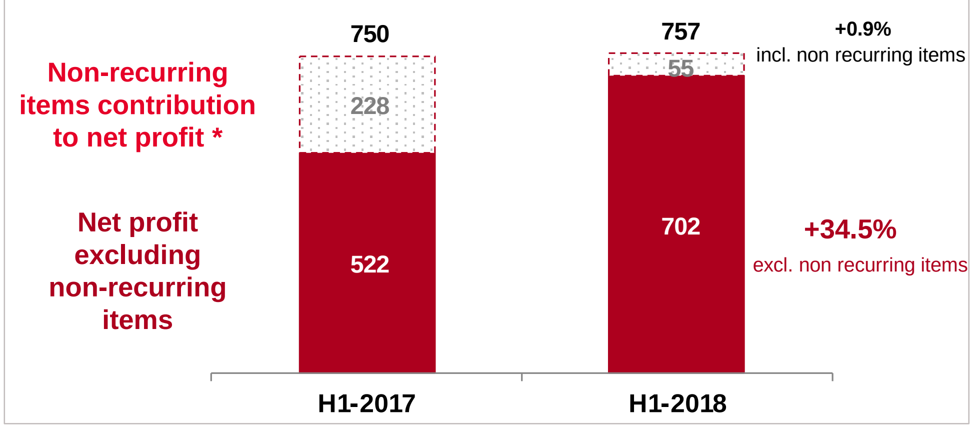


Solid ROE

Unadjusted ROE of 21.6% vs. 22.1% in H1 2017

Adjusted ROE** of 20.0% vs. 15.3% in H1 2017

NET PROFIT (RON m)



* *Non recurring items: insurance indemnities (Q1 2018, H1 2017), gain on sale of NPLs (Q2-2017), net of corporate tax*

*** ROE excluding non recurring items*

SOLID CAPITAL POSITION

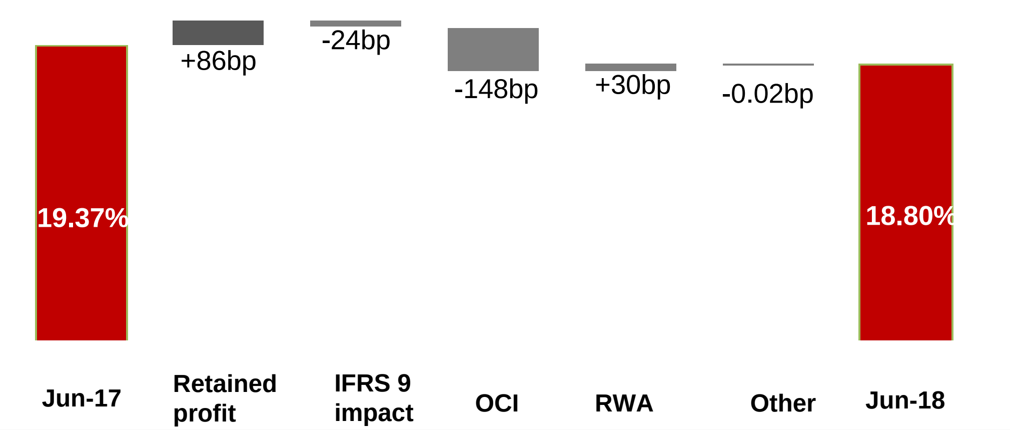
Solid Tier 1 capital base

CAR at 18.8% at June 2018, comfortably above regulatory requirement.

Regulatory own funds composed solely of tier 1 capital.

Impact of the decrease of the revaluation reserve for debt instruments, given strongly rising yields: -148 bps

SOLVENCY RATIO



Note: Bank only

Bank only	Jun-17	Dec-17	Jun-18
Capital adequacy ratio	19.37%	19.76%	18.80%
Own funds (RONm)	5,319	5,339	5,080
Total risk exposure amount (RONm)	27,462	27,023	27,027
Capital requirements (RONm)	2,197	2,162	2,162

Note: Own funds as of June 2018 end include the total impact from IFRS 9 adoption as at January 1, 2018. The Bank has not opted for transitional arrangements.

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CONCLUSIONS

CONCLUSIONS

- **Consistent revenue generation driven by rising volumes of loans, deposits and non-cash transactions**
- **Steady loan growth sustained by retail banking**
- **Continued improvement of customer experience through further development of digital capacities**
- **Very strong operational performance**
- **Efficient risk management**
- **Capital and liquidity prudential indicators well above requirements**
- **Strong profitability driven by solid operating performance**

5

Q&A SESSION

APPENDIX

BRD GROUP | KEY FIGURES

Reported financial results

RON m	Q2-2018	Q2-2017	Change	H1-2018	H1-2017	Change
Net banking income	**756**	**689**	**+9.7%**	**1,480**	**1,339**	**+10.5%**
Operating expenses	(353)	(334)	+5.8%	(738)	(718)	+2.8%
Gross operating income	402	355	+13.3%	742	621	+19.4%
Net cost of risk	2	146	-98.9%	154	270	-42.8%
Net profit	**342**	**420**	**-18.5%**	**757**	**750**	**+0.9%**
Cost/Income	46.8%	48.5%	-1.7 pt	49.9%	53.6%	-3.7 pt
ROE	19.1%	24.2%	-5.0 pt	21.6%	22.1%	-0.5 pt

Financial results excluding non recurring items

RON m	Q2-2018	Q2-2017	Change	H1-2018	H1-2017	Change
Net banking income	**756**	**689**	**+9.7%**	**1,480**	**1,339**	**+10.5%**
Operating expenses	(353)	(334)	+5.8%	(738)	(718)	+2.8%
Gross operating income	402	355	+13.3%	742	621	+19.4%
Net cost of risk	2	(9)	n/a	89	(2)	n/a
Net profit	**342**	**290**	**+18.0%**	**702**	**522**	**+34.5%**
Cost/Income	46.8%	48.5%	-1.7 pt	49.9%	53.6%	-3.7 pt
ROE	19.1%	16.7%	+2.4 pt	20.0%	15.3%	+4.7 pt
Non recurring items (RON m)						
NCR: insurance indemnities and sale of NPLs	-	155		65.3	271.9	-76.0%

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BRD GROUP | KEY FIGURES

	RON bn	Jun-17	Dec-17	Jun-18	vs. Jun-17	vs. Dec-17
Loans and deposits	**Net loans including leasing (RON bn)** [(1)]	**28.7**	**29.2**	**29.8**	**+2.8%**	**+2.0%**
	Retail	20.0	21.0	21.4	+6.1%	+1.9%
	Non retail	8.7	8.2	8.4	-4.7%	+2.3%
	Total deposits (RON bn) [(1)]	**43.1**	**44.2**	**44.3**	**+1.8%**	**+0.1%**
	Retail	26.5	27.8	28.6	+6.8%	+2.6%
	Non retail	16.6	16.4	15.7	-6.2%	-4.3%
	Loan to deposit ratio	**66.7%**	**66.0%**	**67.3%**	**+0.6 pt**	**+1.3 pt**
Capital adequacy	**CAR** [(2)]	**19.4%**	**19.8%**	**18.8%**	**-0.6 pt**	**-1.0 pt**
Franchise	**No of branches**	**790**	**760**	**754**	**(36)**	**(6)**

[(1)] Variations at constant exchange rate; [(2)] Bank only, including impact of prudential filters in Jun-17 and Dec-17;

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BRD | KEY FIGURES FOR BANK ONLY

Financial results

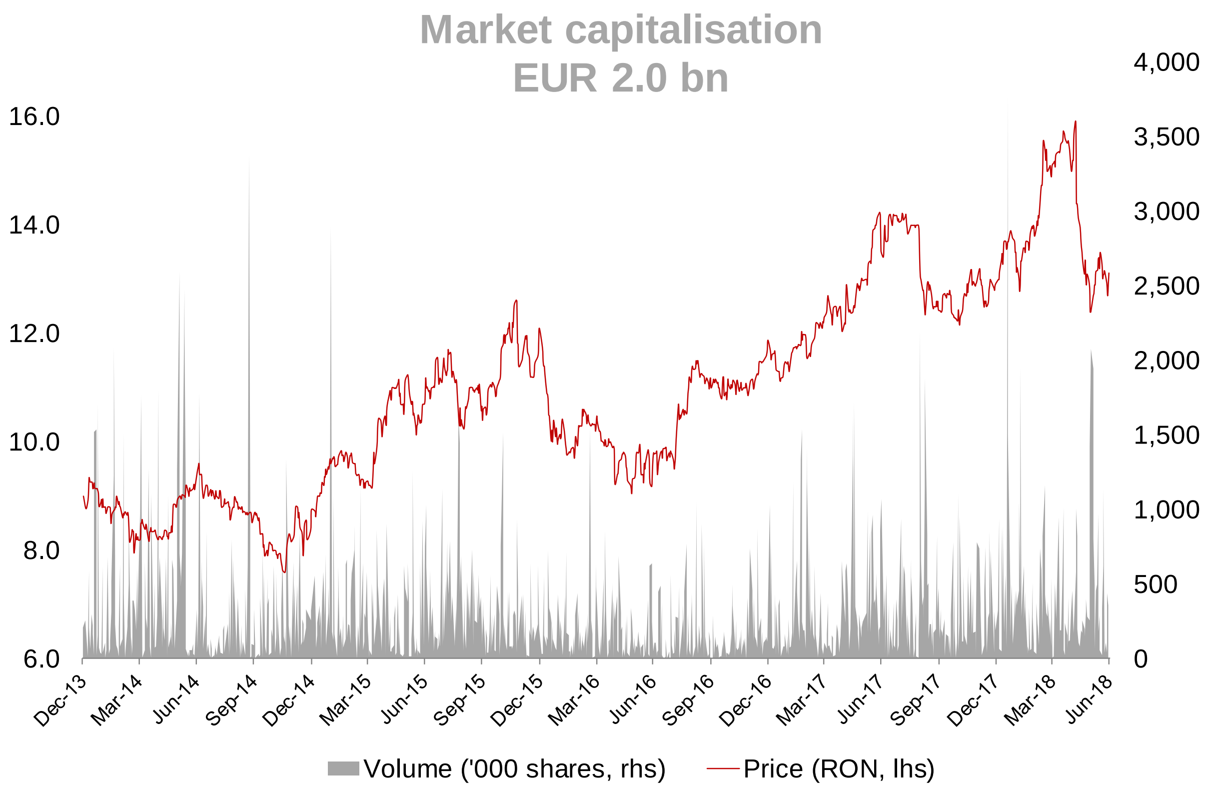
RON m	Q2-2018	Q2-2017	Change	H1-2018	H1-2017	Change
Net banking income	**757**	**692**	**+9.4%**	**1,438**	**1,289**	**+11.5%**
Operating expenses	(333)	(316)	+5.5%	(697)	(679)	+2.6%
Gross operating income	424	377	+12.6%	741	610	+21.4%
Net cost of risk	10	145	-93.4%	160	276	-42.2%
Net profit	**374**	**443**	**-15.5%**	**767**	**750**	**+2.2%**
Cost/Income	44.0%	45.6%	-1.6 pt	48.5%	52.7%	-4.2 pt
ROE	22.4%	27.3%	-4.9 pt	23.0%	23.1%	-0.2 pt

	RON bn	Jun-17	Dec-17	Jun-18	vs. Jun-17	vs. Dec-17
Loans and deposits	**Net loans (RON bn)** [(1)]	**27.5**	**27.9**	**28.4**	**+2.2%**	**+1.9%**
	Retail	19.4	20.3	20.6	+5.7%	+1.9%
	Non retail	8.2	7.6	7.8	-5.9%	+2.1%
	Total deposits (RON bn) [(1)]	**43.1**	**44.4**	**44.3**	**+1.8%**	**-0.2%**
	Retail	26.5	27.8	28.6	+6.8%	2.6%
	Non retail	16.6	16.6	15.7	-6.3%	-5.0%
	Loan to deposit ratio	**63.9%**	**62.8%**	**64.1%**	**+0.3 pt**	**+1.3 pt**
Capital adequacy	**CAR** [(2)]	**19.4%**	**19.8%**	**18.8%**	**-0.6 pt**	**-1.0 pt**
Franchise	**No of branches**	**790**	**760**	**754**	**(36)**	**(6)**

[(1)] Variations at constant exchange rate; [(2)] Bank only including impact of prudential filters in June-17 and Dec-17;

BRD
GROUPE SOCIETE GENERALE

BRD | STOCK PRICE PERFORMANCE



- BRD is part of the main market indices on the Bucharest Stock Exchange
- BRD is in Top 5 largest domestic companies listed on the local stock exchange
- BRD's share price reached RON 13.1 as of June 2018 end, -2.7% y/y.

FINANCIAL CALENDAR FOR 2018

- 8th February: Preliminary 2017 financial results and annual press conference
- 19th April: General Shareholders Meeting
- 19th April: General Assembly of Shareholders and publication of the 2017 BoD Report
- 4th May: Q1-2018 results publication
- 2nd August: H1-2018 results publication
- **8th November: 9M-2018 results publication**

GLOSSARY – CLIENT SEGMENTATION

- The **Retail** category is comprised of the following customer segments:
  - **Individuals** – BRD provides individual customers with a range of banking products such as: savings and deposits taking, consumer and housing loans, overdrafts, credit card facilities, funds transfer and payment facilities.
  - **Small business** – business entities with annual turnover lower than EUR 1m and having an aggregated exposure at group level less than EUR 0.3m. Standardized range of banking products is offered to small companies and professionals: savings and deposits taking, loans and transfers and payment services.
- The **Non-Retail** category is comprised of the following customer segments:
  - **Small and medium enterprises** - companies with annual turnover between EUR 1m and EUR 50m and the aggregated exposure at group level higher than EUR 0.3m. The Bank provides SMEs with a range of banking products such as: savings and deposits taking, loans and other credit facilities, transfers and payment services.
  - **Large corporate** - within corporate banking BRD provides customers with a range of banking products and services, including lending and deposit taking, provides cash-management, investment advices, securities business, project and structured finance transaction, syndicated loans and asset backed transactions. The large corporate customers include companies with annual turnover higher than EUR 50m, municipalities, public sector and other financial institutions.

BRD GROUPE SOCIETE GENERALE - INVESTOR RELATIONS

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