

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

**CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL  
STATEMENTS**

**September 30, 2024**

**BRD – Groupe Société Générale S.A.**  
**CONDENSED CONSOLIDATED AND SEPARATE INTERIM STATEMENT OF FINANCIAL POSITION**  
**for the period ended September 30, 2024**  
*(Amounts in thousands RON)*

Note	Group		Bank		
	Unaudited (*) September 30, 2024	Restated December 31, 2023	Unaudited (*) September 30, 2024	Restated December 31, 2023	
<b>ASSETS</b>					
Cash and cash equivalents	4	9,391,059	12,461,891	9,390,956	12,461,819
Due from banks	5	4,554,734	5,616,968	4,554,682	5,601,603
Derivatives and other financial instruments held for trading	6	2,201,294	2,135,709	2,173,927	2,110,661
Financial assets at fair value through profit and loss	7	10,242	11,376	10,242	11,376
Financial assets at fair value through other comprehensive income	8	13,394,224	13,429,670	13,394,224	13,429,670
Financial assets at amortised cost	9	52,254,509	45,795,821	51,847,217	45,384,120
Loans and advances to customers	9.1	45,604,587	40,613,391	45,197,295	40,201,690
Treasury bills at amortised cost	9.2	6,649,922	5,182,430	6,649,922	5,182,430
Finance lease receivables	10	1,956,356	1,691,734	-	-
Investments in subsidiaries, associates and joint ventures		70,763	64,883	86,099	103,872
Property, plant and equipment	11	1,069,466	1,073,896	1,059,461	1,051,237
Investment property	11	14,287	14,536	14,287	14,536
Goodwill	12	50,130	50,130	50,130	50,130
Intangible assets	13	558,762	505,958	557,535	504,221
Current tax asset	23	1,726	-	-	-
Deferred tax asset	23	282,094	309,089	280,337	303,152
Other assets	14	707,564	470,308	584,816	347,847
Assets held for sale	15	10,961	216,992	8,200	7,106
<b>Total assets</b>		<b>86,528,171</b>	<b>83,848,961</b>	<b>84,012,113</b>	<b>81,381,350</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Due to banks	16	1,363,276	1,146,540	1,363,276	1,146,540
Derivatives and other financial instruments held for trading	6	827,101	1,272,450	827,101	1,272,450
Due to customers	17	65,386,510	62,405,609	65,668,790	62,641,838
Borrowed funds	18	7,167,169	7,004,362	4,878,148	4,834,225
Subordinated debts	19	1,245,789	1,245,400	1,245,789	1,245,400
Current tax liability	23	64,965	36,181	61,429	35,074
Provisions	20	307,194	348,066	299,781	333,810
Other liabilities	21	949,034	1,528,347	857,337	1,406,990
<b>Total liabilities</b>		<b>77,311,038</b>	<b>74,986,955</b>	<b>75,201,651</b>	<b>72,916,327</b>
Share capital	22	2,515,622	2,515,622	2,515,622	2,515,622
Other reserves		(1,060,667)	(1,157,341)	(1,060,667)	(1,157,341)
Retained earnings and capital reserves		7,713,411	7,436,057	7,355,507	7,106,742
Non-controlling interest		48,767	67,668	-	-
<b>Total equity</b>		<b>9,217,133</b>	<b>8,862,006</b>	<b>8,810,462</b>	<b>8,465,023</b>
<b>Total liabilities and equity</b>		<b>86,528,171</b>	<b>83,848,961</b>	<b>84,012,113</b>	<b>81,381,350</b>

The condensed interim financial statements have been authorized for issue by the Group's management on October 30, 2024 and are signed on the Group's behalf by:

\_\_\_\_\_  
Delphine Mireille GARCIN-MEUNIER  
Chairman of the Board of Directors

\_\_\_\_\_  
Maria ROUSSEVA  
Chief Executive Officer

\_\_\_\_\_  
Simona PRODAN  
Finance Executive Director

The accompanying notes are an integral part of this condensed interim financial statements

**BRD – Groupe Société Générale S.A.**  
**CONDENSED CONSOLIDATED AND SEPARATE INTERIM PROFIT OR LOSS**  
**for the period ended September 30, 2024**  
*(Amounts in thousands RON)*

Note	Group				Bank				
	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023	
Interest and similar income	24	1,208,956	3,570,883	1,082,084	3,073,438	1,164,431	3,423,469	1,031,489	2,930,593
Interest and similar expense	25	(482,173)	(1,418,379)	(401,441)	(1,063,727)	(461,801)	(1,358,277)	(383,937)	(1,020,560)
<b>Net interest income</b>		<b>726,783</b>	<b>2,152,504</b>	<b>680,643</b>	<b>2,009,711</b>	<b>702,630</b>	<b>2,065,192</b>	<b>647,552</b>	<b>1,910,033</b>
Fees and commission income	26	352,388	970,119	307,267	872,843	340,351	937,425	297,701	844,176
Fees and commission expense	26	(137,113)	(370,807)	(104,652)	(309,662)	(135,336)	(365,739)	(103,145)	(303,792)
<b>Fees and commissions, net</b>		<b>215,275</b>	<b>599,312</b>	<b>202,615</b>	<b>563,181</b>	<b>205,015</b>	<b>571,686</b>	<b>194,556</b>	<b>540,384</b>
Gain on derivative, other financial instruments held for trading and foreign exchange	27	86,984	261,601	86,059	255,694	85,961	259,770	84,911	253,634
Gain / (Loss) from financial instruments at fair value through profit and loss		(2,283)	891	1,130	5,287	(2,283)	891	1,059	4,896
Net income from associates and joint ventures		7,581	14,966	7,304	9,142	-	1,677	-	17,040
Other income /(expense)	28	(18,051)	(44,940)	(8,338)	(12,150)	956	(15,478)	(3,914)	2,395
<b>Net banking income</b>		<b>1,016,289</b>	<b>2,984,334</b>	<b>969,413</b>	<b>2,830,865</b>	<b>992,279</b>	<b>2,883,738</b>	<b>924,164</b>	<b>2,728,382</b>
Personnel expenses	30	(260,715)	(754,750)	(244,332)	(706,123)	(249,958)	(721,885)	(231,978)	(672,065)
Depreciation, amortization and impairment on tangible and intangible assets	31	(73,000)	(212,889)	(62,847)	(184,411)	(71,855)	(209,321)	(61,661)	(180,900)
Contribution to Guarantee Scheme and Resolution Fund	29	-	(43,517)	-	(68,094)	-	(43,517)	-	(68,094)
Other operating expenses	32	(150,270)	(500,775)	(139,391)	(431,508)	(151,395)	(496,469)	(133,746)	(411,152)
<b>Total operating expenses</b>		<b>(483,985)</b>	<b>(1,511,931)</b>	<b>(446,570)</b>	<b>(1,390,136)</b>	<b>(473,208)</b>	<b>(1,471,192)</b>	<b>(427,385)</b>	<b>(1,332,211)</b>
<b>Gross operating profit</b>		<b>532,304</b>	<b>1,472,403</b>	<b>522,843</b>	<b>1,440,729</b>	<b>519,071</b>	<b>1,412,546</b>	<b>496,779</b>	<b>1,396,171</b>
Cost of risk	33	(45,126)	(135,927)	30,257	35,487	(44,026)	(113,101)	29,461	27,889
<b>Operating profit</b>		<b>487,178</b>	<b>1,336,476</b>	<b>553,100</b>	<b>1,476,216</b>	<b>475,045</b>	<b>1,299,445</b>	<b>526,240</b>	<b>1,424,060</b>
<b>Profit before income tax</b>		<b>487,178</b>	<b>1,336,476</b>	<b>553,100</b>	<b>1,476,216</b>	<b>475,045</b>	<b>1,299,445</b>	<b>526,240</b>	<b>1,424,060</b>
Current tax expense	23	(87,424)	(234,165)	(88,514)	(238,023)	(84,559)	(229,198)	(87,666)	(231,162)
Deferred tax (expense) / income	23	361	(8,543)	(5,196)	(11,283)	184	(4,365)	552	(1,623)
<b>Total income tax</b>		<b>(87,063)</b>	<b>(242,708)</b>	<b>(93,710)</b>	<b>(249,306)</b>	<b>(84,375)</b>	<b>(233,563)</b>	<b>(87,114)</b>	<b>(232,785)</b>
<b>Profit for the period</b>		<b>400,115</b>	<b>1,093,768</b>	<b>459,390</b>	<b>1,226,910</b>	<b>390,670</b>	<b>1,065,882</b>	<b>439,126</b>	<b>1,191,275</b>
Profit attributable to equity holders of the parent		405,725	1,095,589	460,684	1,214,094	-	-	-	-
Profit attributable to non-controlling interests		(5,610)	(1,821)	(1,294)	12,816	-	-	-	-
<b>Basic/Diluted earnings per share (in RON)</b>	34	<b>0.5822</b>	<b>1.5721</b>	<b>0.6610</b>	<b>1.7421</b>	<b>0.5606</b>	<b>1.5295</b>	<b>0.6301</b>	<b>1.7094</b>

The accompanying notes are an integral part of this condensed interim financial statements

**BRD – Groupe Société Générale S.A.**  
**CONDENSED CONSOLIDATED AND SEPARATE INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**for the period ended September 30, 2024**  
*(Amounts in thousands RON)*

	Group				Bank			
	Unaudited (*)		Unaudited (*)		Unaudited (*)		Unaudited (*)	
	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023
<b>Profit for the period</b>	400,115	1,093,768	459,390	1,226,910	390,670	1,065,882	439,126	1,191,275
<b>Other comprehensive income</b>								
<b>Net comprehensive income that may be reclassified to profit and loss in subsequent periods</b>	<b>197,266</b>	<b>96,674</b>	<b>(28,480)</b>	<b>536,227</b>	<b>197,266</b>	<b>96,674</b>	<b>(28,480)</b>	<b>536,227</b>
Net gain/(loss) on financial assets at fair value through other comprehensive income	197,266	96,674	(28,480)	536,227	197,266	96,674	(28,480)	536,227
Reclassifications to profit and loss during the period	(3)	(188)	12	6	(3)	(188)	12	6
Revaluation differences	234,844	115,312	(33,919)	638,359	234,844	115,312	(33,919)	638,359
Income tax	(37,575)	(18,450)	5,427	(102,138)	(37,575)	(18,450)	5,427	(102,138)
<b>Other comprehensive income for the period, net of tax</b>	<b>197,266</b>	<b>96,674</b>	<b>(28,480)</b>	<b>536,227</b>	<b>197,266</b>	<b>96,674</b>	<b>(28,480)</b>	<b>536,227</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>597,381</b>	<b>1,190,442</b>	<b>430,910</b>	<b>1,763,137</b>	<b>587,936</b>	<b>1,162,556</b>	<b>410,646</b>	<b>1,727,502</b>
Attributable to:								
Equity holders of the parent	602,991	1,192,263	432,204	1,750,321				
Non-controlling interest	(5,610)	(1,821)	(1,294)	12,816				

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**BRD – Groupe Société Générale S.A.**  
**CONDENSED CONSOLIDATED AND SEPARATE INTERIM STATEMENT OF CHANGES IN EQUITY**  
**for the period ended September 30, 2024**  
*(Amounts in thousands RON)*

**Group (Unaudited)**

	Attributable to equity holders of the parent					Non-controlling interest	Total equity
	Issued capital	Other reserves					
		Reserves from financial assets at fair value through other comprehensive income	Reserves from defined pension plan	Retained earnings	Capital reserves		
<b>December 31, 2022</b>	<b>2,515,622</b>	<b>(2,084,244)</b>	<b>30,135</b>	<b>5,881,804</b>	<b>557,637</b>	<b>58,812</b>	<b>6,959,766</b>
Total comprehensive income	-	536,227	-	1,212,921	1,173	12,816	1,763,137
Net Profit for the period	-	-	-	1,212,921	1,173	12,816	1,226,910
Other comprehensive income	-	536,227	-	-	-	-	536,227
Equity dividends	-	-	-	-	-	(7,391)	(7,391)
<b>September 30, 2023</b>	<b>2,515,622</b>	<b>(1,548,017)</b>	<b>30,135</b>	<b>7,094,727</b>	<b>558,810</b>	<b>64,237</b>	<b>8,715,514</b>

	Attributable to equity holders of the parent					Non-controlling interest	Total equity
	Issued capital	Other reserves					
		Reserves from financial assets at fair value through other comprehensive income	Reserves from defined pension plan	Retained earnings	Capital reserves		
<b>December 31, 2023</b>	<b>2,515,622</b>	<b>(1,181,954)</b>	<b>24,613</b>	<b>6,874,142</b>	<b>561,915</b>	<b>67,668</b>	<b>8,862,006</b>
Total comprehensive income	-	96,674	-	1,096,466	(877)	(1,821)	1,190,442
Net Profit for the period	-	-	-	1,096,466	(877)	(1,821)	1,093,768
Other comprehensive income	-	96,674	-	-	-	-	96,674
Shared-based payment	-	-	-	-	(1,118)	-	(1,118)
Equity dividends	-	-	-	(817,117)	-	(17,080)	(834,197)
<b>September 30, 2024</b>	<b>2,515,622</b>	<b>(1,085,280)</b>	<b>24,613</b>	<b>7,153,491</b>	<b>559,920</b>	<b>48,767</b>	<b>9,217,133</b>

The accompanying notes are an integral part of this condensed interim financial statements

**BRD – Groupe Société Générale S.A.**  
**CONDENSED CONSOLIDATED AND SEPARATE INTERIM STATEMENT OF CHANGES IN EQUITY**  
**for the period ended September 30, 2024**  
*(Amounts in thousands RON)*

**Bank (Unaudited)**

	Other reserves					Total equity
	Issued capital	Reserves from financial assets at fair value through other comprehensive income	Reserves from defined pension plan	Retained earnings	Capital reserves	
<b>December 31, 2022</b>	2,515,622	(2,084,244)	30,135	5,565,884	549,639	6,577,036
Total comprehensive income	-	536,227	-	1,191,275	-	1,727,502
Net Profit for the period	-	-	-	1,191,275	-	1,191,275
Other comprehensive income	-	536,227	-	-	-	536,227
<b>September 30, 2023</b>	2,515,622	(1,548,017)	30,135	6,757,159	549,639	8,304,538

	Other reserves					Total equity
	Issued capital	Reserves from financial assets at fair value through other comprehensive income	Reserves from defined pension plan	Retained earnings	Capital reserves	
<b>December 31, 2023</b>	2,515,622	(1,181,954)	24,613	6,557,103	549,639	8,465,023
Total comprehensive income	-	96,674	-	1,065,882	-	1,162,556
Net Profit for the period	-	-	-	1,065,882	-	1,065,882
Other comprehensive income	-	96,674	-	-	-	96,674
Equity dividends	-	-	-	(817,117)	-	(817,117)
<b>September 30, 2024</b>	2,515,622	(1,085,280)	24,613	6,805,868	549,639	8,810,462

The accompanying notes are an integral part of this condensed interim financial statements

**BRD – Groupe Société Générale S.A.**  
**CONDENSED CONSOLIDATED AND SEPARATE INTERIM STATEMENT OF CASH FLOWS**  
**for the year ended September 30, 2024**  
*(Amounts in thousands RON)*

Note	Group Unaudited (*)		Bank Unaudited (*)	
	Restated		Restated	
	Nine months ended September 30, 2024	Nine months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
<b>Cash flows from operating activities</b>				
Profit before tax	1,336,476	1,476,216	1,299,445	1,424,060
<i>Adjustments for:</i>				
Depreciation and amortization expense	212,889	184,411	209,321	180,900
Share based payment	(1,118)	-	-	-
(Gain) /Loss from impact of equity method for investment in associates and joint ventures	(13,289)	7,897	-	-
(Gain) /Loss from revaluation of assets at fair value through profit and loss	1,194	(3,654)	1,194	(3,266)
Net loss from sale of associates	-	5,646	-	438
Loss from investment in subsidiaries	-	-	13,125	-
Impairment adjustments and provisions	183,536	90,348	167,996	78,341
<b>Adjusted profit</b>	<b>1,719,688</b>	<b>1,760,864</b>	<b>1,691,081</b>	<b>1,680,473</b>
<b>Changes in operating assets and liabilities</b>				
Deposits with banks	1,062,234	3,368,814	1,046,921	3,368,051
Treasury bills at amortised cost	(1,467,492)	(2,504,578)	(1,467,492)	(2,504,578)
Sales of financial assets at fair value through profit and loss	287	5,053	287	-
Acquisition of financial assets at fair value through profit and loss	(347)	-	(347)	-
Loans and advances to customers	(5,132,743)	(3,435,022)	(5,115,241)	(3,486,437)
Lease receivables	(269,529)	(242,319)	-	-
Other assets including trading	(332,406)	737,705	(323,669)	744,168
Assets held for sale	213,438	2,279	3,554	2,279
Due to banks	216,736	506,419	216,736	506,419
Due to customers	2,980,901	3,923,982	3,026,952	3,896,863
Other liabilities	(1,074,526)	(758,865)	(1,067,633)	(741,316)
<b>Total changes in operating assets and liabilities</b>	<b>(3,803,447)</b>	<b>1,603,468</b>	<b>(3,679,932)</b>	<b>1,785,449</b>
Income tax paid	(207,108)	(128,780)	(202,844)	(117,172)
<b>Cash flow from operating activities</b>	<b>(2,290,867)</b>	<b>3,235,552</b>	<b>(2,191,695)</b>	<b>3,348,750</b>
<b>Investing activities</b>				
Sales of investments in associates	-	13,782	-	13,782
Acquisition of tangible and intangible assets	(223,741)	(193,270)	(222,641)	(192,447)
Proceeds from sale of tangible and intangible assets	40,709	10,849	40,709	10,849
Sale of financial assets at fair value through OCI	998,254	2,262,153	998,254	2,262,153
Acquisition of financial assets at fair value through OCI	(866,134)	(1,490,872)	(866,134)	(1,490,872)
<b>Cash flow from investing activities</b>	<b>(50,912)</b>	<b>602,642</b>	<b>(49,812)</b>	<b>603,465</b>
<b>Financing activities</b>				
Proceeds from borrowings	1,843,968	1,069,134	986,997	198,401
Repayment of borrowings	(1,680,770)	(918,950)	(942,685)	(171,592)
Repayment of principal lease liabilities	(58,054)	(61,287)	(56,551)	(59,333)
Dividends paid	(834,197)	(7,391)	(817,117)	-
<b>Net cash from financing activities</b>	<b>(729,053)</b>	<b>81,506</b>	<b>(829,356)</b>	<b>(32,524)</b>
<b>Net movements in cash and cash equivalents</b>	<b>(3,070,832)</b>	<b>3,919,700</b>	<b>(3,070,863)</b>	<b>3,919,691</b>
Cash and cash equivalents at beginning of the period	12,461,891	9,160,986	12,461,819	9,160,917
Cash and cash equivalents at the end of the period	9,391,059	13,080,686	9,390,956	13,080,608

Additional information on operational cash flows from interest and dividends:

	Group Unaudited (*)		Bank Unaudited (*)	
	Nine months ended September 30, 2024	Nine months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
	Interests paid	1,348,513	947,841	1,288,816
Interests received	3,483,840	2,929,573	3,334,730	2,787,505
Dividends received	1,677	29,156	19,508	39,715

The Bank performed reclassifications in order to enhance presentation and corresponding comparatives have been re-classified accordingly. Cash and cash equivalents were aligned with the presentation in the Statement of financial position. For more details please refer to note 2a).

**BRD – Groupe Société Générale S.A.**  
**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL**  
**STATEMENTS**  
**as of and for the period ended September 30, 2024**  
*(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.

The ultimate parent is Société Générale S.A. as of September 30, 2024 (the “Parent” or “SG”).

The Bank has as of September 30, 2024 388 units throughout the country (December 31, 2023: 423).

The average number of active employees of the Group during the first three quarters of 2024 was 5,929 (2023: 6,066), and the number of active employees of the Group as of the period-end was 5,870 (December 31, 2023: 6,070).

The average number of active employees of the Bank during the first three quarters of 2024 was 5,726 (2023: 5,817), and the number of active employees of the Bank as of the period-end was 5,676 (December 31, 2023: 5,854).

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”) since January 15, 2001.

The shareholding structure of the Bank is as follows:

	<b>Unaudited (*)</b>	
	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Societe Generale	60.17%	60.17%
Fondul de pensii administrat privat NN	5.56%	5.56%
Fondul de pensii administrat privat AZT Viitorul Tau	4.27%	4.15%
Fondul de pensii administrat privat Metropolitan Life	4.02%	3.56%
Infinity Capital Investments SA	3.95%	3.95%
Legal entities	17.07%	16.76%
Individuals	4.95%	5.85%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>



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**2. Basis of preparation**

**a) Basis of preparation**

The separate interim financial statements as of September 30, 2024 are of the Bank BRD–Groupe Société Générale. The consolidated and separate interim financial statements as of September 30, 2024 and September 30, 2023 are not audited nor reviewed (references included in the financial statements and selected explanatory notes).

The interim financial statements for the nine months ended September 30, 2024 has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

The interim financial statements include both separate and consolidated financial statements and do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended December 31, 2023. 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 of the Bank and its subsidiaries for the year ended December 31, 2023 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (“EU”).

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

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

The consolidated and separate financial statements are presented in Romanian lei (“RON”), which is the Parent’s and its subsidiaries’ functional and presentation currency, rounded to the nearest thousand, except when otherwise indicated. The consolidated and separate financial statements have been prepared on a 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 made an assessment of the Group and Bank’s ability to continue as a going concern and is satisfied that the Bank has the resources to continue in 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.

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

**a) Basis of preparation (continued)**

The Bank reviewed the categories of financial instruments that have been included in the Statement of financial position on line “Cash and due from Central Bank” and decided to rename it to “Cash and cash equivalents” and include in this line also bonds and deposits with less than 90 days maturity from the date of acquisition presented previously in “Due from banks” and cash in transit registered previously in “Other assets”, meeting the definition of cash equivalents.

Consequently, the Bank has changed the comparative period (December 31, 2023) amounts in the Statement of financial position considering the impact below:

<i>Bank</i>	December 31, 2023 as previously reported	Effect of restatement	December 31, 2023 as restated
<i>Statement of financial position lines impacted</i>			
Cash and cash equivalents	11,778,143	683,676	12,461,819
Due from banks	6,113,975	(512,372)	5,601,603
Other assets	519,151	(171,304)	347,847
<i>Group</i>	December 31, 2023 as previously reported	Effect of restatement	December 31, 2023 as restated
<i>Statement of financial position lines impacted</i>			
Cash and cash equivalents	11,778,215	683,676	12,461,891
Due from banks	6,129,340	(512,372)	5,616,968
Other assets	641,612	(171,304)	470,308

The Bank also corrected the presentation of “Cash and cash equivalents” in the Statement of cash flows and included in “Cash and cash equivalents” also the amounts representing minimum compulsory reserve held at National Bank of Romania. The minimum compulsory reserve can be used by the Bank for its daily activities as long as the average monthly balance is maintained within the required limits, therefore it meets the definition of cash and cash equivalents.

Furthermore, the Bank also decided to change the presentation in the statement of cash flows of financial assets at fair value through OCI and instead of presenting them in operating cash flows decided to present purchases and sales of these assets in investing cash flows. The Bank believes that such presentation gives reliable and more relevant information about the cash flows.

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

**a) Basis of preparation (continued)**

Cash and cash equivalents lines in the Statement of cash flows for the comparative period (September 30, 2023) were aligned with the presentation in the Statement of financial position:

<i>Bank</i>	September 30, 2023 as previously reported	Effect of restatement	September 30, 2023 as restated
<i>Statement of cash flow lines impacted</i>			
Due from Central Bank	537,845	(537,845)	-
Deposits with banks	(626,418)	3,994,469	3,368,051
Financial assets at fair value through other comprehensive income	771,281	(771,281)	-
Other assets including trading	737,741	6,427	744,168
Assets held for sale	-	2,279	2,279
Total changes in operating assets and liabilities	(908,599)	2,694,048	1,785,449
Sale of financial assets at fair value through OCI	-	2,262,153	2,262,153
Aquisition of financial assets at fair value through OCI	-	(1,490,872)	(1,490,872)
Cash flow from investing activities	(167,816)	771,281	603,465
<b>Net movements in cash and cash equivalents</b>	<b>454,362</b>	<b>3,465,329</b>	<b>3,919,691</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>8,999,611</b>	<b>161,306</b>	<b>9,160,917</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>9,453,973</b>	<b>3,626,635</b>	<b>13,080,608</b>

<i>Group</i>	September 30, 2023 as previously reported	Effect of restatement	September 30, 2023 as restated
<i>Statement of cash flow lines impacted</i>			
Due from Central Bank	537,836	(537,836)	-
Deposits with banks	(625,642)	3,994,456	3,368,814
Financial assets at fair value through other comprehensive income	771,281	(771,281)	-
Other assets including trading	731,274	6,431	737,705
Assets held for sale	-	2,279	2,279
Total changes in operating assets and liabilities	(1,090,580)	2,694,048	1,603,468
Sale of financial assets at fair value through OCI	-	2,262,153	2,262,153
Aquisition of financial assets at fair value through OCI	-	(1,490,872)	(1,490,872)
Cash flow from investing activities	(168,639)	771,281	602,642
<b>Net movements in cash and cash equivalents</b>	<b>454,371</b>	<b>3,465,329</b>	<b>3,919,700</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>8,999,681</b>	<b>161,305</b>	<b>9,160,986</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>9,454,052</b>	<b>3,626,634</b>	<b>13,080,686</b>

**b) Basis for consolidation**

The consolidated financial statements comprise the financial statements of BRD–Groupe Société Générale and its subsidiaries as of September 30, 2024. 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, 2023: 99.98%), BRD Finance IFN S.A. (49% ownership, 2023: 49%) and BRD Asset Management SAI S.A. (99.98% ownership, 2023: 99.98%).

According to IFRS 12 9(b), the Group controls BRD Finance IFN S.A. even though it holds less than half of the voting rights, through the power to govern the financial and operating policies of the entity under various agreements.

<b>Group</b>	<b>Field of activity</b>	<b>Address</b>	<b>%</b>
<b>Associates</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	Protection and guard	319L Splaiul Independentei Street, Paris Building/A1, 1st floor, district 6, Bucharest	33.33%

The accompanying notes are an integral part of this condensed interim financial statements

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

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

<u>Bank</u>	<u>Field of activity</u>	<u>Address</u>	<u>%</u>
<b><u>Associates</u></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><u>Joint ventures</u></b>			
CIT One SA	Protection and guard	319L Splaiul Independentei Street, Paris Building/A1, 1st floor, district 6, Bucharest	33.33%
<b><u>Subsidiaries</u></b>			
BRD Sogelease IFN SA	Financial lease	1-7, Ion Mihalache Street, floor 12, district 1, Bucharest	99.98%
BRD Finance IFN SA	Financial institution	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%

As of December 31, 2023 BRD Finance IFN SA is in a run off process and entered into a process for selling its entire loan portfolio. As at September 30, 2024 BRD Finance IFN SA sold its entire loan portfolio, previously reclassified into held for sale, to a third party. The management intends to cease the activity and from this perspective it has assessed that the going concern basis for the preparation of its financial statements is not appropriate. Therefore, as of September 30, 2024 and December 31, 2023 the BRD Finance IFN SA financial statements were prepared in compliance with IFRS, but no longer as a going concern basis. The entity has been included in the consolidated financial statements of the Group on this basis. Starting August 22, 2024 the entity was no longer registered as a non-banking financial institution in the National Registry.

In May 2024 it was signed the Business Transfer Agreement for the sale of investment in associate BRD Societate de Administrare a Fondurilor de Pensii Private SA for the entire perimeter of Pillar 2 and 3 to a third party. Following this approval, BRD–Groupe Société Générale decided to reclassify the investment from Investments in associates into Assets held for sale.

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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 2024. 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.

- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments)**
- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**
- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments)**

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

**Standards and interpretations effective from 1 January 2025 or later:**

- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**
- **Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments**
- **IFRS 18 Presentation and Disclosure in Financial Statements**
- **IFRS 19 Subsidiaries without Public Accountability**

**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**

The management has assessed that the amendments will not have a material impact.

**e) Significant accounting judgments and estimates**

In the process of applying the Group and Bank's accounting policies, 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

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The accompanying notes are an integral part of this condensed interim financial statements

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

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

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 39.

*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 consistent with those at December 31, 2023. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default (“PD”), exposure at default (“EAD”), and loss given default (“LGD”), as well as models of macro-economic scenarios.

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 notes 8 and 9 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 grading model, which assigns probabilities of default (PDs) to the individual grades
- The criteria defined (both in relative and absolute terms) 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 ECL model, including the various formulas and the choice of inputs
- 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 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 predicted stress did not occur in the observed past serving as a base for models)
- 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 500 - 1,500 thousands EUR, depending on the client type and customers’ management departments.

*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.

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

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

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 taking into account 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 multiple 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 bank assesses 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 20 and Note 38 for more details.

*Impact of climate risk*

The Bank considers climate-related matters in its estimates and assumption.

As part of ESG (“Environmental, Social and Governance”) risks assessments, climate risk is considered and it includes physical and transition risks. In accordance with the TCFD (“Task Force on Climate-related Financial Disclosures”), the physical risk refers to acute risks (caused by one-off events) or chronic risks (long-term changes) related to temperature, wind, water or solid waste. In the same manner, the transition risk refers to the financial risks that could result from the process of migrating to a low-carbon economy. Changes in policy, technology and physical risks could lead to a reassessment of the value of a wide range of assets as costs and opportunities become apparent. We also consider the liability risk which means the impact that could occur if parties who have suffered loss or damage due to the effects of climate change seek compensation from those they hold liable. In line with the Société Générale Group's policy, BRD has introduced in 2020 the calculation of a climate vulnerability index (CVI) that reflects the transition risk associated with a client or group of clients, perimeter that has been extended further in 2022 (reducing the applicable threshold). CVI is represented on a 7-step impact scale (high positive, moderate positive, low positive, no impact, low negative, moderate negative and high negative), for certain following portfolios: oil and gas, electricity generation, metals and mining, automobiles, shipping, aircraft. Thus, if and when the case, the Bank is in a dialogue with its customers, especially with those classified moderately and high negatively, on their climate vulnerability, in order to develop a strategy to mitigate the transition risk. In 2023 the methodology of this indicator has been changed, subject to an extension of perimeter (to all the sectors), scope (clients) and tool to be used for its application. The process of extension of scope (physical risks, biodiversity risks, transactions, assets etc.) will evolve in 2024.

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

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

In 2020, BRD implemented an environmental and social risk assessment process for certain categories of customers and transactions, a process approved by the Bank's management committee and which has been enhanced yearly. The process is based on the principle of the 3 lines of defences. BRD takes into account at onboarding of its clients and in its lending decisions related to corporate clients, environmental, social and governance risks, applying in this sense the standards of Société Générale Group and other international standards to which the latter has adhered. The assessment of the ESG risks associated with corporate clients is performed for certain categories of clients, while the application of exclusion criteria (dictated by specific activities) and refers to all clients of this type.

The items and considerations that are most directly impacted by climate-related matters are:

- Expected credit losses (ECL): Customers and portfolios with exposure to climate risk may have a resultant deterioration in creditworthiness and a consequential impact on ECL. For example, the measurement of ECL may be affected by physical climate-related risks such as floods or outbreaks of fire which may negatively affect a borrower's ability to repay the loan or result in a deterioration in the value of underlying collateral pledged. Transition risks may result from government or institutional policy changes, with consequential credit quality deterioration in sectors or countries affected.
- Fair value measurement: The Bank has assumed that any climate change variables incorporated in fair value measurement are those that market participants would consider when pricing the asset or liability, in line with IFRS 13 Fair Value Measurement. Consequently, the Bank concluded that climate risk has been adequately reflected within the fair value of its assets and liabilities. Where prices are observable, it is assumed that the fair value already incorporates market's participants' view of climate risk variables.

**f) Segment information**

A segment is a component of the Group and Bank:

- 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 and Bank'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.).



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### **3. Segment information**

The segments used for management purposes are based on customer type and size, products and services offered as follows:

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 EUR 1 million and having an aggregated exposure at group level less than EUR 0.3 million. 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 EUR 1 million and EUR 50 million and the aggregated exposure at group level higher than EUR 0.3 million);
- 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 Executive Committee monitors the activity of each segment separately for the purpose of making decisions about resource allocation and performance assessment.

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**3. Segment information (continued)**

	Group							
	September 30, 2024 Unaudited (*)				December 31, 2023			
	Total	Retail	Non retail	Corporate Center	Total	Retail	Non retail	Corporate Center
<b>Total assets</b>	<b>86,528,171</b>	<b>28,603,093</b>	<b>18,957,850</b>	<b>38,967,229</b>	<b>83,848,961</b>	<b>25,532,562</b>	<b>16,982,449</b>	<b>41,333,950</b>
Loans and advances to customers, net & Finance lease receivables	47,560,943	28,603,093	18,957,850	-	42,305,125	25,322,676	16,982,449	-
Other assets	38,967,229	-	-	38,967,229	41,543,836	209,886	-	41,333,950
<b>Total liabilities</b>	<b>86,528,171</b>	<b>42,400,538</b>	<b>22,985,972</b>	<b>21,141,661</b>	<b>83,848,961</b>	<b>40,766,424</b>	<b>21,639,185</b>	<b>21,443,352</b>
Due to customers	65,386,510	42,400,538	22,985,972	-	62,405,609	40,766,424	21,639,185	-
Other liabilities	21,141,661	-	-	21,141,661	21,443,352	-	-	21,443,352

As at December 31, 2023 The category “Other assets” includes the loan portfolio of BRD Finance IFN SA which is made of retail consumer unsecured loans and that meets the criteria in IFRS 5 “Non-current assets held for sale and discontinued operations”, for classification as non-current asset held for sale. As at September 30, 2024 the loan portfolio of BRD Finance IFN SA was sold to a third party.

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**3. Segment information (continued)**

	Group Unaudited (*)							
	Nine months ended September 30, 2024				Nine months ended September 30, 2023			
	Total	Retail	Non retail	Corporate Center	Total	Retail	Non retail	Corporate Center
Net interest income	2,152,504	1,322,723	672,998	156,782	2,009,711	1,221,150	564,785	223,776
Fees and commissions, net	599,312	402,285	226,853	(29,826)	563,181	367,366	204,941	(9,126)
Total non-interest income	232,518	46,203	77,012	109,304	257,973	83,458	77,148	97,366
Operating income	2,984,334	1,771,211	976,863	236,260	2,830,865	1,671,975	846,874	312,016
Total operating expenses	(1,511,931)	(1,086,715)	(406,323)	(18,893)	(1,390,136)	(1,001,417)	(372,761)	(15,958)
Cost of risk	(135,927)	(130,911)	(4,141)	(874)	35,487	(103,555)	144,252	(5,210)
Profit before income tax	1,336,476	553,585	566,398	216,493	1,476,216	567,003	618,366	290,848
Total income tax	(242,708)	(100,532)	(102,859)	(39,317)	(249,306)	(95,768)	(104,443)	(49,094)
<b>Profit for the period</b>	<b>1,093,768</b>	<b>453,053</b>	<b>463,539</b>	<b>177,176</b>	<b>1,226,910</b>	<b>471,235</b>	<b>513,922</b>	<b>241,753</b>
<b>Cost Income Ratio</b>	<b>50.7%</b>	<b>61.4%</b>	<b>41.6%</b>		<b>49.1%</b>	<b>59.9%</b>	<b>44.0%</b>	

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**3. Segment information (continued)**

	Group Unaudited (*)							
	Three months ended September 30, 2024				Three months ended September 30, 2023			
	Total	Retail	Non retail	Corporate Center	Total	Retail	Non retail	Corporate Center
Net interest income	726,783	443,727	224,280	58,776	680,643	407,264	190,758	82,621
Fees and commissions, net	215,275	149,336	79,526	(13,587)	202,615	130,611	77,278	(5,274)
Total non-interest income	74,231	10,256	26,781	37,194	86,155	29,065	26,713	30,378
Operating income	1,016,289	603,319	330,587	82,383	969,413	566,940	294,749	107,725
Total operating expenses	(483,985)	(361,985)	(133,368)	11,368	(446,570)	(334,439)	(115,157)	3,027
Cost of risk	(45,126)	(30,120)	(15,358)	352	30,257	(34,044)	64,288	13
Profit before income tax	487,178	211,214	181,861	94,103	553,100	198,457	243,879	110,764
Total income tax	(87,063)	(37,787)	(32,386)	(16,890)	(93,710)	(34,121)	(41,803)	(17,786)
<b>Profit for the period</b>	<b>400,115</b>	<b>173,427</b>	<b>149,475</b>	<b>77,213</b>	<b>459,390</b>	<b>164,336</b>	<b>202,076</b>	<b>92,979</b>
<b>Cost Income Ratio</b>	<b>47.6%</b>	<b>60.0%</b>	<b>40.3%</b>		<b>46.1%</b>	<b>59.0%</b>	<b>39.1%</b>	

The accompanying notes are an integral part of this condensed interim financial statements

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#### 4. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and ATM, current accounts and short-term placements at Central Bank and at other banks.

	Group		Bank	
	Unaudited (*) September 30, 2024	Restated December 31, 2023	Unaudited (*) September 30, 2024	Restated December 31, 2023
Cash in vaults and ATM	2,785,599	2,693,482	2,785,496	2,693,410
Current accounts with Central Bank	5,229,150	9,256,037	5,229,150	9,256,037
Current accounts and placements with other banks	1,376,311	512,372	1,376,311	512,372
<b>Total</b>	<b>9,391,059</b>	<b>12,461,891</b>	<b>9,390,956</b>	<b>12,461,819</b>

The Bank performed reclassifications in order to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details please refer to note 2a).

#### 5. Due from banks

	Group		Bank	
	Unaudited (*) September 30, 2024	Restated December 31, 2023	Unaudited (*) September 30, 2024	Restated December 31, 2023
Deposits at foreign banks	(0)	15,364	(0)	0
Current accounts at Romanian banks	92,623	119,779	92,572	119,779
Current accounts at foreign banks	222,756	350,174	222,756	350,174
Reverse repo	3,741,882	4,650,402	3,741,882	4,650,402
Bonds	497,472	481,248	497,472	481,248
<b>Total</b>	<b>4,554,734</b>	<b>5,616,968</b>	<b>4,554,682</b>	<b>5,601,603</b>

The Due from banks portfolio is classified as Stage 1.

The Bank performed reclassifications in order to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details please refer to note 2a).

#### 6. Derivatives and other financial instruments held for trading

Group Unaudited (*)	September 30, 2024		
	Assets	Liabilities	Notional (total)
Interest rate swaps	35,348	169,860	5,570,631
Currency swaps	10,010	14,054	3,615,051
Forward foreign exchange contracts	6,111	4,969	1,429,105
Options	34,673	34,764	6,460,544
<b>Total derivative financial instruments</b>	<b>86,142</b>	<b>223,647</b>	<b>17,075,331</b>
	<b>September 30, 2024</b>		
	Assets	Liabilities	
Treasury notes	1,372,551	408,662	
Trading loans/deposits	20,000	63,779	
Reverse repo/Repo	722,601	131,013	
<b>Total financial assets and liabilities held for trading</b>	<b>2,115,152</b>	<b>603,454</b>	

The accompanying notes are an integral part of this condensed interim financial statements

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

Group	December 31, 2023		
	Assets	Liabilities	Notional (total)
Interest rate swaps	27,661	253,207	4,912,352
Currency swaps	12,587	35,016	3,755,955
Forward foreign exchange contracts	3,177	3,537	1,030,494
Options	43,858	44,011	3,857,823
<b>Total derivative financial instruments</b>	<b>87,283</b>	<b>335,771</b>	<b>13,556,624</b>

	December 31, 2023	
	Assets	Liabilities
Treasury notes	1,219,076	522,637
Trading loans/deposits	-	344,613
Reverse repo/Repo	829,350	69,429
<b>Total financial assets and liabilities held for trading</b>	<b>2,048,426</b>	<b>936,679</b>

Bank Unaudited (*)	September 30, 2024		
	Assets	Liabilities	Notional (total)
Interest rate swaps	35,348	169,860	5,570,631
Currency swaps	10,010	14,054	3,615,051
Forward foreign exchange contracts	6,121	4,969	1,439,056
Options	34,673	34,764	6,460,544
<b>Total derivative financial instruments</b>	<b>86,152</b>	<b>223,647</b>	<b>17,085,282</b>

	September 30, 2024	
	Assets	Liabilities
Treasury notes	1,345,174	408,662
Trading loans/deposits	20,000	63,779
Reverse repo/Repo	722,601	131,013
<b>Total financial assets and liabilities held for trading</b>	<b>2,087,775</b>	<b>603,454</b>

Bank	December 31, 2023		
	Assets	Liabilities	Notional (total)
Interest rate swaps	27,661	253,207	4,912,352
Currency swaps	12,587	35,016	3,755,955
Forward foreign exchange contracts	3,177	3,537	1,030,494
Options	43,858	44,011	3,857,823
<b>Total derivative financial instruments</b>	<b>87,283</b>	<b>335,771</b>	<b>13,556,624</b>

	December 31, 2023	
	Assets	Liabilities
Treasury notes	1,194,028	522,637
Trading loans/deposits	-	344,613
Reverse repo/Repo	829,350	69,429
<b>Total financial assets and liabilities held for trading</b>	<b>2,023,378</b>	<b>936,679</b>

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

The Group continue to apply hedge accounting (fair value hedge) as of September 30, 2024 and has four hedging relationships (five hedging relationships as of December 31, 2023).

- On June 30, 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 swaps nominal values of:
  - 72 million EUR yearly with a fixed interest rate of 0.42%, the remaining period of 3.75 years.
  - 10 million EUR yearly with a fixed interest rate of 0.171%, the remaining period of 0.75 years.
  - 16 million USD yearly with a fixed interest rate of 2.813%, the remaining period of 3.75 years.
- In October 30, 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 210 million EUR. The swap has a fixed interest rate of -0.403% and a remaining period of 6.09 years.
- On September 30, 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 60 million EUR. The swap has a fixed interest rate of -0.337% and a remaining period of 2 years.
- On October 31, 2023 the Bank initiated two micro fair value hedges in EUR of interest rate risk associated with the purchased fixed rate bonds issued by French Republic in EUR, using an interest rate swap (pay fixed, receive variable). The purpose of the hedge is to protect the Bank against change in benchmark interest rate. The benchmark interest rate considered for EUR by the Bank is EURIBOR 3M. The hedged items are represented by bonds issued by French Republic which equal to the swap nominal values of:
  - 188 million EUR yearly with a fixed interest rate of 3.4375%
  - 125.5 million EUR yearly with a fixed interest rate of 3.162%.

The micro fair value hedges were closed due to inefficiency reasons, one in December 2023 and the other one in January 2024.

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. In order 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

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

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 of September 30, 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 -127,847. 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 55,683 and of the exchange rate evolution effect in amount of -34.

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

	September 30, 2024		
	Assets	Liabilities	Notional (total)
Interest rate swaps	-	136,394	1,996,679
	December 31, 2023		
	Assets	Liabilities	Notional (total)
Interest rate swaps	-	213,462	2,927,925

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

	Group		Bank	
	Unaudited (*) September 30, 2024	December 31, 2023	Unaudited (*) September 30, 2024	December 31, 2023
	Equity investments	10,242	11,376	10,242
<b>Total</b>	<b>10,242</b>	<b>11,376</b>	<b>10,242</b>	<b>11,376</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).

**8. 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	
	Unaudited (*) September 30, 2024	December 31, 2023	Unaudited (*) September 30, 2024	December 31, 2023
	Ministry of Public Finance	10,817,646	10,849,182	10,817,646
French State	2,035,612	2,030,930	2,035,612	2,030,930
Belgian State	540,966	549,558	540,966	549,558
<b>Total market value</b>	<b>13,394,224</b>	<b>13,429,670</b>	<b>13,394,224</b>	<b>13,429,670</b>
ECL impairment allowance	(2,271)	(2,459)	(2,271)	(2,459)
<b>Total</b>	<b>13,391,953</b>	<b>13,427,211</b>	<b>13,391,953</b>	<b>13,427,211</b>

These financial assets at fair value through other comprehensive income are rated as very good according to internal rating. As of September 30, 2024, they are classified as Stage 1 and ECL impairment allowance amounts to 2,271 (December 31, 2023: 2,459).

The accompanying notes are an integral part of this condensed interim financial statements



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**9. Financial assets at amortised cost**

**9.1. Loans and advances to customers**

	Group		Bank	
	Unaudited (*)		Unaudited (*)	
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Loans, gross	47,451,789	42,307,745	47,012,954	41,881,907
Loans impairment	(1,847,202)	(1,694,354)	(1,815,659)	(1,680,217)
<b>Total</b>	<b>45,604,587</b>	<b>40,613,391</b>	<b>45,197,295</b>	<b>40,201,690</b>

The structure of loans is the following:

	Group		Bank	
	Unaudited (*)		Unaudited (*)	
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Working capital loans	12,677,344	10,208,630	12,677,344	10,208,630
Loans for equipment	4,709,997	4,446,600	4,271,162	4,016,253
Trade activities financing	1,172,911	1,181,285	1,172,911	1,181,285
Acquisition of real estate, including mortgage for individuals	16,111,408	15,063,829	16,111,408	15,063,829
Consumer loans	10,565,129	9,333,096	10,565,129	9,337,605
Other	2,215,000	2,074,307	2,215,000	2,074,307
<b>Total</b>	<b>47,451,789</b>	<b>42,307,745</b>	<b>47,012,954</b>	<b>41,881,907</b>

During 2024 the gross loan portfolio increased by 5,131 million RON as compared with December 31, 2023.

As of September 30, 2024 the Bank's gross loan portfolio and movements were distributed as follows:

- Stage 1: 39,668 million RON, with a 6,177 million RON increase compared to December 31, 2023
- Stage 2: 6,096 million RON, with a 1,275 million RON decrease compared to December 31, 2023
- Stage 3: 1,186 million RON, with a 226 million RON increase compared to December 31, 2023
- POCI: 64 million RON, with 3 million RON increase compared to December 31, 2023.

As of September 30, 2024 the amortized cost of loans granted to the 20 largest corporate clients (groups of connected borrowers) amounts to 5,208,942 (December 31, 2023: 5,071,590), while the value of letters of guarantee and letters of credit issued in favour of these clients amounts for the Group and Bank to 3,943,593 (December 31, 2023: 5,248,249).

BRD-Groupe Société Générale and International Finance Corporation (“IFC”), a member of the World Bank Group, have closed in Q1 2024 a landmark synthetic significant risk transfer (SRT) transaction that will free up capital for BRD to boost the financing of impactful sustainability-related projects in Romania. The transaction was closed between BRD and IFC on a reference portfolio of EUR 700 million, being representative of BRD core corporate activities with good diversification across industries, and product types. For this transaction BRD purchased a EUR 105 million financial guarantee which takes the form of a bilateral unfunded financial guarantee between IFC and BRD.

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

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

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

Group Unaudited (*)	September 30, 2024									
	Stage 1		Stage 2		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	20,144,054	98,162	5,200,330	368,992	912,356	709,900	22,645	4,161	26,279,385	1,181,216
Agriculture, forestry and fishing	1,750,844	35,490	306,078	20,839	48,542	28,315	-	-	2,105,464	84,645
Mining and quarrying	26,297	457	2,146	132	0	0	-	-	28,444	590
Manufacturing	3,355,998	61,755	132,677	10,323	31,860	23,713	3,081	740	3,523,616	96,530
Electricity, gas, steam and air conditioning supply	1,313,597	20,332	177	45	302	167	-	-	1,314,075	20,544
Water supply	105,998	1,715	25,798	722	384	214	-	-	132,179	2,651
Construction	1,495,254	26,172	66,250	6,453	84,171	64,904	3,266	6	1,648,941	97,535
Wholesale and retail trade	5,695,582	87,586	288,957	22,121	18,983	13,647	9,096	317	6,012,618	123,672
Transport and storage	1,043,195	18,892	40,069	3,235	58,718	45,753	1,429	626	1,143,411	68,506
Accommodation and food service activities	448,955	8,920	12,833	1,057	32,550	25,058	0	0	494,337	35,034
Information and communication	727,385	10,907	4,398	420	1,951	1,426	-	-	733,735	12,753
Financial institutions	640,883	12,373	4,250	249	244	166	-	-	645,377	12,788
Real estate activities	548,628	11,378	28,352	2,809	30,025	28,823	22,492	22,420	629,497	65,430
Professional, scientific and technical activities	359,110	2,888	16,919	1,481	6,469	4,087	-	-	382,498	8,456
Administrative and support service activities	285,200	4,958	8,949	556	1,317	782	1,498	-	296,963	6,296
Public administration and defence, compulsory social security	1,277,630	12,542	380	12	224	219	-	-	1,278,234	12,773
Education	52,107	369	19,827	1,444	52	29	-	-	71,986	1,842
Human health services and social work activities	563,162	10,249	11,716	902	2,005	1,425	-	-	576,884	12,576
Arts, entertainment and recreation	65,047	1,230	1,813	156	469	310	-	-	67,329	1,696
Other services	82,445	1,055	3,914	251	458	364	-	-	86,817	1,671
<b>Total</b>	<b>39,981,369</b>	<b>427,430</b>	<b>6,175,833</b>	<b>442,200</b>	<b>1,231,081</b>	<b>949,303</b>	<b>63,506</b>	<b>28,269</b>	<b>47,451,789</b>	<b>1,847,202</b>

Loans to individuals include mortgage loans, consumer loans and overdrafts.

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

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

**Sector analysis of loans granted and impairment allowance (continued)**

Bank Unaudited (*)	September 30, 2024									
	Stage 1		Stage 2		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	20,144,054	98,162	5,200,330	368,992	912,356	709,900	22,645	4,161	26,279,385	1,181,216
Agriculture, forestry and fishing	1,636,443	34,944	251,879	17,949	12,998	8,301	-	-	1,901,320	61,195
Mining and quarrying	26,297	457	2,146	132	0	0	-	-	28,444	590
Manufacturing	3,352,434	61,740	131,798	10,282	31,860	23,713	3,081	740	3,519,173	96,475
Electricity, gas, steam and air conditioning supply	1,313,597	20,332	177	45	302	167	-	-	1,314,075	20,544
Water supply	105,740	1,713	25,798	722	342	195	-	-	131,880	2,631
Construction	1,493,279	26,163	64,110	6,338	84,001	64,827	3,266	6	1,644,655	97,334
Wholesale and retail trade	5,680,627	87,524	278,778	21,638	17,501	12,931	9,096	317	5,986,002	122,409
Transport and storage	871,769	18,195	28,995	2,714	51,329	40,820	1,429	626	953,522	62,354
Accommodation and food service activities	448,955	8,920	11,668	986	32,550	25,058	0	0	493,172	34,964
Information and communication	726,989	10,905	4,398	420	1,951	1,426	-	-	733,338	12,751
Financial institutions	640,883	12,373	4,250	249	244	166	-	-	645,377	12,788
Real estate activities	548,628	11,378	28,268	2,804	30,025	28,823	22,492	22,420	629,412	65,425
Professional, scientific and technical activities	354,788	2,869	16,766	1,474	6,008	3,880	-	-	377,562	8,223
Administrative and support service activities	282,674	4,947	8,949	556	1,317	782	1,498	-	294,438	6,285
Public administration and defence, compulsory social security	1,277,630	12,542	380	12	224	219	-	-	1,278,234	12,773
Education	52,107	369	19,827	1,444	52	29	-	-	71,986	1,842
Human health services and social work activities	563,162	10,249	11,716	902	2,005	1,425	-	-	576,884	12,576
Arts, entertainment and recreation	65,047	1,230	1,813	156	469	310	-	-	67,329	1,696
Other services	82,427	1,055	3,914	251	425	283	-	-	86,767	1,590
<b>Total</b>	<b>39,667,530</b>	<b>426,066</b>	<b>6,095,959</b>	<b>438,068</b>	<b>1,185,959</b>	<b>923,255</b>	<b>63,506</b>	<b>28,269</b>	<b>47,012,954</b>	<b>1,815,659</b>

Loans to individuals include mortgage loans, consumer loans and overdrafts.

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

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

**Sector analysis of loans granted and impairment allowance (continued)**

Group	Stage 1		Stage 2		December 31, 2023 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	17,267,881	133,121.62	6,341,473	428,861.45	737,355.68	551,528.12	24,567	3,987	24,371,278	1,117,498
Agriculture, forestry and fishing	1,458,670	31,330	208,784	19,760	17,205	9,961	-	-	1,684,658	61,052
Mining and quarrying	25,271	463	537	38	0	0	-	-	25,808	502
Manufacturing	2,760,480	50,555	152,231	11,220	23,332	19,164	2,381	153	2,938,424	81,091
Electricity, gas, steam and air conditioning supply	1,263,339	18,885	377,223	20,164	2,608	501	-	-	1,643,170	39,551
Water supply	174,607	2,784	7,236	772	352	196	-	-	182,195	3,752
Construction	1,174,078	24,339	49,068	3,952	49,192	38,329	-	-	1,272,338	66,621
Wholesale and retail trade	4,554,877	77,528	184,422	16,159	7,941	6,064	9,827	743	4,757,067	100,494
Transport and storage	841,971	15,281	39,894	2,937	51,150	39,463	74	67	933,090	57,748
Accommodation and food service activities	325,500	6,649	18,207	1,581	36,674	26,237	0	0	380,382	34,467
Information and communication	453,317	6,975	2,486	67	4,158	2,378	-	-	459,961	9,419
Financial institutions	852,133	13,619	206	12	75	62	-	-	852,414	13,694
Real estate activities	551,834	11,688.74	14,435	775	34,744	29,925	22,144	22,143	623,156	64,532
Professional, scientific and technical activities	121,703	1,236	11,926	1,026	3,625	2,717	-	-	137,255	4,979
Administrative and support service activities	178,350	3,362	10,450	575	485	336	1,561	470	190,847	4,743
Public administration and defence, compulsory social security	1,191,472	12,027	1,810	176	2,993	2,951	-	-	1,196,275	15,154
Education	17,470	275	20,692	1,926	0	0	-	-	38,162	2,202
Human health services and social work activities	471,991	12,090	15,382	1,193	1,293	693	-	-	488,666	13,976
Arts, entertainment and recreation	63,909	1,362	1,912	155	156	88	-	-	65,977	1,605
Other services	63,615	969	2,837	207	169	101	-	-	66,621	1,276
<b>Total</b>	<b>33,812,470</b>	<b>424,539</b>	<b>7,461,211</b>	<b>511,560</b>	<b>973,509</b>	<b>730,694</b>	<b>60,555</b>	<b>27,562</b>	<b>42,307,745</b>	<b>1,694,354</b>

Loans to individuals include mortgage loans, consumer loans and overdrafts.

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

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

**Sector analysis of loans granted and impairment allowance (continued)**

Bank	Stage 1		Stage 2		December 31, 2023 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	17,267,881	133,122	6,341,473	428,861	737,356	551,528	24,567	3,987	24,371,278
Agriculture, forestry and fishing	1,305,071	30,597	140,626	16,004	8,412	5,331	-	-	1,454,109	51,932
Mining and quarrying	25,271	463	537	38	0	0	-	-	25,808	502
Manufacturing	2,757,975	50,544	151,326	11,176	23,332	19,164	2,381	153	2,935,013	81,036
Electricity, gas, steam and air conditioning supply	1,263,339	18,885	377,223	20,164	2,608	501	-	-	1,643,170	39,551
Water supply	174,312	2,783	7,236	772	274	161	-	-	181,822	3,715
Construction	1,172,880	24,333	46,619	3,833	49,042	38,262	-	-	1,268,541	66,427
Wholesale and retail trade	4,531,240	77,418	178,744	15,875	7,417	5,785	9,827	743	4,727,228	99,821
Transport and storage	702,233	14,670	28,972	2,398	46,714	36,717	74	67	777,994	53,852
Accommodation and food service activities	325,500	6,649	16,885	1,502	36,674	26,237	0	0	379,060	34,388
Information and communication	453,317	6,975	2,486	67	4,158	2,378	-	-	459,961	9,419
Financial institutions	857,077	13,619	206	12	75	62	-	-	857,359	13,694
Real estate activities	551,834	11,689	14,328	770	34,744	29,925	22,144	22,143	623,049	64,527
Professional, scientific and technical activities	119,051	1,223	11,223	984	3,625	2,717	-	-	133,899	4,924
Administrative and support service activities	175,612	3,349	10,450	575	485	336	1,561	470	188,109	4,730
Public administration and defence, compulsory social security	1,191,472	12,027	1,810	176	2,993	2,951	-	-	1,196,275	15,154
Education	17,470	275	20,692	1,926	0	0	-	-	38,162	2,202
Human health services and social work activities	471,991	12,090	15,382	1,193	1,293	693	-	-	488,666	13,976
Arts, entertainment and recreation	63,909	1,362	1,912	155	156	88	-	-	65,977	1,605
Other services	63,615	969	2,643	195	169	101	-	-	66,427	1,265
<b>Total</b>	<b>33,491,051</b>	<b>423,041</b>	<b>7,370,773</b>	<b>506,678</b>	<b>959,528</b>	<b>722,936</b>	<b>60,555</b>	<b>27,562</b>	<b>41,881,907</b>	<b>1,680,217</b>

Loans to individuals include mortgage loans, consumer loans and overdrafts.

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

**9.1 Loans and advances to customers (continued)**

**Rating analysis of loans**

Considering the internal rating quality, the exposures of the counterparties not impaired 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.

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

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

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

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

**Rating analysis of loans**

Group Unaudited (*)	Retail lending				
	September 30, 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	14,971,651	12,015	-	-	14,983,666
Good grade	5,021,693	3,421,376	-	-	8,443,069
Standard grade	1,570,775	1,396,442	-	-	2,967,217
Sub-standard grade	-	660,628	-	13,395	674,023
Non- performing	-	-	964,090	9,488	973,578
(out of which) Individual assessment	-	-	11,793	658	12,451
Not rated internally	118,232	33,615	21,008	-	172,854
<b>Total</b>	<b>21,682,351</b>	<b>5,524,075</b>	<b>985,098</b>	<b>22,883</b>	<b>28,214,407</b>
<b>Provision allowance</b>					
Internal rating grade					
Very good grade	(42,790)	(192)	-	-	(42,982)
Good grade	(31,277)	(83,706)	-	-	(114,984)
Standard grade	(36,798)	(148,984)	-	-	(185,782)
Sub-standard grade	-	(156,560)	-	(83)	(156,643)
Non- performing	-	-	(746,053)	(4,296)	(750,349)
(out of which) Individual assessment	-	-	(10,680)	(303)	(10,983)
Not rated internally	(610)	(2,039)	(11,198)	-	(13,848)
<b>Total</b>	<b>(111,476)</b>	<b>(391,481)</b>	<b>(757,251)</b>	<b>(4,379)</b>	<b>(1,264,588)</b>
<b>Net Carrying amount</b>	<b>21,570,875</b>	<b>5,132,594</b>	<b>227,846</b>	<b>18,503</b>	<b>26,949,819</b>
	Non-Retail lending				
	September 30, 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Good grade	13,099,031	102,675	-	-	13,201,706
Standard grade	5,199,987	63,426	-	-	5,263,413
Sub-standard grade	-	485,657	-	10,356	496,013
Non- performing	-	-	245,983	30,267	276,250
(out of which) Individual assessment	-	-	192,574	30,213	222,787
<b>Total</b>	<b>18,299,018</b>	<b>651,758</b>	<b>245,983</b>	<b>40,623</b>	<b>19,237,382</b>
<b>Provision allowance</b>					
Internal rating grade					
Good grade	(204,924)	(3,266)	-	-	(208,190)
Standard grade	(111,030)	(3,344)	-	-	(114,374)
Sub-standard grade	-	(44,109)	-	-	(44,109)
Non- performing	-	-	(192,052)	(23,890)	(215,942)
(out of which) Individual assessment	-	-	(158,894)	(23,738)	(182,632)
<b>Total</b>	<b>(315,954)</b>	<b>(50,719)</b>	<b>(192,052)</b>	<b>(23,890)</b>	<b>(582,615)</b>
<b>Net Carrying amount</b>	<b>17,983,064</b>	<b>601,039</b>	<b>53,931</b>	<b>16,733</b>	<b>18,654,767</b>
	Total				
	September 30, 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	14,971,651	12,015	-	-	14,983,666
Good grade	18,120,724	3,524,050	-	-	21,644,775
Standard grade	6,770,762	1,459,869	-	-	8,230,630
Sub-standard grade	-	1,146,285	-	23,751	1,170,037
Non- performing	-	-	1,210,073	39,754	1,249,827
(out of which) Individual assessment	-	-	204,367	30,870	235,238
Not rated internally	118,232	33,615	21,008	-	172,854
<b>Total</b>	<b>39,981,369</b>	<b>6,175,834</b>	<b>1,231,081</b>	<b>63,506</b>	<b>47,451,789</b>
<b>Provision allowance</b>					
Internal rating grade					
Very good grade	(42,790)	(192)	-	-	(42,982)
Good grade	(236,201)	(86,973)	-	-	(323,174)
Standard grade	(147,828)	(152,328)	-	-	(300,156)
Sub-standard grade	-	(200,669)	-	(83)	(200,752)
Non- performing	-	-	(938,105)	(28,186)	(966,291)
(out of which) Individual assessment	-	-	(169,574)	(24,040)	(193,614)
Not rated internally	(610)	(2,039)	(11,198)	-	(13,848)
<b>Total</b>	<b>(427,430)</b>	<b>(442,200)</b>	<b>(949,303)</b>	<b>(28,269)</b>	<b>(1,847,202)</b>
<b>Net Carrying amount</b>	<b>39,553,939</b>	<b>5,733,633</b>	<b>281,778</b>	<b>35,236</b>	<b>45,604,586</b>

The accompanying notes are an integral part of this condensed interim financial statements

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

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

**Rating analysis of loans (continued)**

Bank Unaudited (*)	Retail lending September 30, 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	14,971,651	12,015	-	-	14,983,666
Good grade	5,021,693	3,421,376	-	-	8,443,069
Standard grade	1,570,775	1,396,442	-	-	2,967,217
Sub-standard grade	-	660,628	-	13,395	674,023
Non- performing	-	-	964,090	9,488	973,578
(out of which) Individual assessment	-	-	11,793	658	12,451
Not rated internally	488	-	-	-	488
<b>Total</b>	<b>21,564,607</b>	<b>5,490,461</b>	<b>964,090</b>	<b>22,883</b>	<b>28,042,040</b>
<b>Provision allowance</b>					
Internal rating grade					
Very good grade	(42,790)	(192)	-	-	(42,982)
Good grade	(31,277)	(83,706)	-	-	(114,984)
Standard grade	(36,798)	(148,984)	-	-	(185,782)
Sub-standard grade	-	(156,560)	-	(83)	(156,643)
Non- performing	-	-	(746,053)	(4,296)	(750,349)
(out of which) Individual assessment	-	-	(10,680)	(303)	(10,983)
<b>Total</b>	<b>(110,867)</b>	<b>(389,442)</b>	<b>(746,053)</b>	<b>(4,379)</b>	<b>(1,250,742)</b>
<b>Net Carrying amount</b>	<b>21,453,739</b>	<b>5,101,019</b>	<b>218,037</b>	<b>18,503</b>	<b>26,791,298</b>
	<b>Non-Retail lending September 30, 2024</b>				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Good grade	12,977,584	93,642	-	-	13,071,227
Standard grade	5,125,338	39,087	-	-	5,164,426
Sub-standard grade	-	472,769	-	10,356	483,125
Non- performing	-	-	221,869	30,267	252,136
(out of which) Individual assessment	-	-	192,574	30,213	222,787
<b>Total</b>	<b>18,102,923</b>	<b>605,498</b>	<b>221,869</b>	<b>40,623</b>	<b>18,970,913</b>
<b>Provision allowance</b>					
Internal rating grade					
Good grade	(204,456)	(2,858)	-	-	(207,314)
Standard grade	(110,743)	(2,243)	-	-	(112,985)
Sub-standard grade	-	(43,526)	-	-	(43,526)
Non- performing	-	-	(177,201)	(23,890)	(201,091)
(out of which) Individual assessment	-	-	(158,894)	(23,738)	(182,632)
<b>Total</b>	<b>(315,199)</b>	<b>(48,626)</b>	<b>(177,201)</b>	<b>(23,890)</b>	<b>(564,916)</b>
<b>Net Carrying amount</b>	<b>17,787,724</b>	<b>556,872</b>	<b>44,668</b>	<b>16,733</b>	<b>18,405,997</b>
	<b>Total September 30, 2024</b>				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	14,971,651	12,015	-	-	14,983,666
Good grade	17,999,278	3,515,018	-	-	21,514,295
Standard grade	6,696,113	1,435,529	-	-	8,131,643
Sub-standard grade	-	1,133,397	-	23,751	1,157,148
Non- performing	-	-	1,185,959	39,754	1,225,714
(out of which) Individual assessment	-	-	204,367	30,870	235,238
Not rated internally	488	-	-	-	488
<b>Total</b>	<b>39,667,530</b>	<b>6,095,959</b>	<b>1,185,959</b>	<b>63,506</b>	<b>47,012,954</b>
<b>Provision allowance</b>					
Internal rating grade					
Very good grade	(42,790)	(192)	-	-	(42,982)
Good grade	(235,734)	(86,564)	-	-	(322,298)
Standard grade	(147,541)	(151,226)	-	-	(298,767)
Sub-standard grade	-	(200,086)	-	(83)	(200,169)
Non- performing	-	-	(923,255)	(28,186)	(951,441)
(out of which) Individual assessment	-	-	(169,574)	(24,040)	(193,614)
<b>Total</b>	<b>(426,066)</b>	<b>(438,068)</b>	<b>(923,255)</b>	<b>(28,269)</b>	<b>(1,815,659)</b>
<b>Net Carrying amount</b>	<b>39,241,463</b>	<b>5,657,891</b>	<b>262,705</b>	<b>35,236</b>	<b>45,197,295</b>

The accompanying notes are an integral part of this condensed interim financial statements



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

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

**Rating analysis of loans (continued)**

Group	Retail lending December 31, 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	10,396,982	7,948	-	-	10,404,931
Good grade	6,530,116	4,239,029	-	-	10,769,145
Standard grade	1,473,739	1,533,399	-	-	3,007,138
Sub-standard grade	-	721,628	-	15,437	737,065
Non- performing	-	-	765,104	9,309	774,413
(out of which) Individual assessment	-	-	13,013	224	13,237
Not rated internally	134,787	41,567	11,134	-	187,489
<b>Total</b>	<b>18,535,625</b>	<b>6,543,571</b>	<b>776,238</b>	<b>24,746</b>	<b>25,880,181</b>
<b>Provision allowance</b>					
Internal rating grade					
Very good grade	(53,161)	(104)	-	-	(53,265)
Good grade	(50,174)	(96,320)	-	-	(146,494)
Standard grade	(38,873)	(164,082)	-	-	(202,955)
Sub-standard grade	-	(180,061)	-	(96)	(180,158)
Non- performing	-	-	(572,290)	(3,909)	(576,198)
(out of which) Individual assessment	-	-	(11,836)	(224)	(12,060)
Not rated internally	(698)	(2,491)	(6,528)	-	(9,716)
<b>Total</b>	<b>(142,904)</b>	<b>(443,059)</b>	<b>(578,818)</b>	<b>(4,005)</b>	<b>(1,168,786)</b>
<b>Net Carrying amount</b>	<b>18,392,720</b>	<b>6,100,513</b>	<b>197,421</b>	<b>20,741</b>	<b>24,711,395</b>
	Non-Retail lending December 31, 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade					
Good grade	10,277,680	464,256	-	-	10,741,936
Standard grade	4,999,167	99,956	-	-	5,099,122
Sub-standard grade	-	353,428	-	6,643	360,070
Non- performing	-	-	197,271	29,166	226,437
(out of which) Individual assessment	-	-	174,952	29,091	204,044
<b>Total</b>	<b>15,276,846</b>	<b>917,640</b>	<b>197,271</b>	<b>35,808</b>	<b>16,427,565</b>
<b>Provision allowance</b>					
Internal rating grade					
Very good grade					
Good grade	(162,701)	(23,983)	-	-	(186,684)
Standard grade	(118,933)	(7,484)	-	-	(126,417)
Sub-standard grade	-	(37,034)	-	(3)	(37,037)
Non- performing	-	-	(151,877)	(23,554)	(175,430)
(out of which) Individual assessment	-	-	(136,955)	(23,487)	(160,442)
<b>Total</b>	<b>(281,634)</b>	<b>(68,501)</b>	<b>(151,877)</b>	<b>(23,557)</b>	<b>(525,569)</b>
<b>Net Carrying amount</b>	<b>14,995,212</b>	<b>849,139</b>	<b>45,394</b>	<b>12,252</b>	<b>15,901,996</b>
	Total December 31, 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	10,396,982	7,948	-	-	10,404,931
Good grade	16,807,796	4,703,285	-	-	21,511,081
Standard grade	6,472,905	1,633,354	-	-	8,106,260
Sub-standard grade	-	1,075,056	-	22,080	1,097,136
Non- performing	-	-	962,375	38,475	1,000,850
(out of which) Individual assessment	-	-	187,966	29,315	217,281
Not rated internally	134,787	41,567	11,134	-	187,489
<b>Total</b>	<b>33,812,471</b>	<b>7,461,211</b>	<b>973,509</b>	<b>60,555</b>	<b>42,307,746</b>
<b>Provision allowance</b>					
Internal rating grade					
Very good grade	(53,161)	(104)	-	-	(53,265)
Good grade	(212,875)	(120,303)	-	-	(333,178)
Standard grade	(157,806)	(171,566)	-	-	(329,372)
Sub-standard grade	-	(217,095)	-	(99)	(217,195)
Non- performing	-	-	(724,166)	(27,462)	(751,629)
(out of which) Individual assessment	-	-	(148,791)	(23,711)	(172,502)
Not rated internally	(698)	(2,491)	(6,528)	-	(9,716)
<b>Total</b>	<b>(424,539)</b>	<b>(511,560)</b>	<b>(730,694)</b>	<b>(27,562)</b>	<b>(1,694,354)</b>
<b>Net Carrying amount</b>	<b>33,387,932</b>	<b>6,949,651</b>	<b>242,815</b>	<b>32,993</b>	<b>40,613,392</b>

The accompanying notes are an integral part of this condensed interim financial statements

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

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

**Rating analysis of loans (continued)**

Bank	Retail lending December 31, 2023				Total
	Stage 1	Stage 2	Stage 3	POCI	
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	10,396,982	7,948	-	-	10,404,931
Good grade	6,530,116	4,239,029	-	-	10,769,145
Standard grade	1,473,739	1,533,399	-	-	3,007,138
Sub-standard grade	-	721,628	-	15,437	737,065
Non- performing	-	-	765,104	9,309	774,413
(out of which) Individual assessment	-	-	13,013	224	13,237
Not rated internally	535	-	-	-	535
<b>Total</b>	<b>18,401,372</b>	<b>6,502,004</b>	<b>765,104</b>	<b>24,746</b>	<b>25,693,227</b>
<b>Provision allowance</b>					
Internal rating grade					
Very good grade	(53,161)	(104)	-	-	(53,265)
Good grade	(50,174)	(96,320)	-	-	(146,494)
Standard grade	(38,873)	(164,082)	-	-	(202,955)
Sub-standard grade	-	(180,061)	-	(96)	(180,158)
Non- performing	-	-	(572,290)	(3,909)	(576,198)
(out of which) Individual assessment	-	-	(11,836)	(224)	(12,060)
<b>Total</b>	<b>(142,207)</b>	<b>(440,568)</b>	<b>(572,290)</b>	<b>(4,005)</b>	<b>(1,159,069)</b>
<b>Net Carrying amount</b>	<b>18,259,166</b>	<b>6,061,436</b>	<b>192,815</b>	<b>20,741</b>	<b>24,534,157</b>
	Non-Retail lending December 31, 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade					
Good grade	10,218,633	457,398	-	-	10,676,031
Standard grade	4,871,046	70,541	-	-	4,941,586
Sub-standard grade	-	340,831	-	6,643	347,474
Non- performing	-	-	194,424	29,166	223,589
(out of which) Individual assessment	-	-	174,952	29,091	204,044
<b>Total</b>	<b>15,089,679</b>	<b>868,770</b>	<b>194,424</b>	<b>35,808</b>	<b>16,188,681</b>
<b>Provision allowance</b>					
Internal rating grade					
Very good grade					
Good grade	(162,434)	(23,648)	-	-	(186,082)
Standard grade	(118,401)	(6,045)	-	-	(124,445)
Sub-standard grade	-	(36,417)	-	(3)	(36,421)
Non- performing	-	-	(150,647)	(23,554)	(174,200)
(out of which) Individual assessment	-	-	(136,955)	(23,487)	(160,442)
<b>Total</b>	<b>(280,835)</b>	<b>(66,110)</b>	<b>(150,647)</b>	<b>(23,557)</b>	<b>(521,148)</b>
<b>Net Carrying amount</b>	<b>14,808,844</b>	<b>802,660</b>	<b>43,777</b>	<b>12,252</b>	<b>15,667,533</b>
	Total December 31, 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	10,396,982	7,948	-	-	10,404,931
Good grade	16,748,749	4,696,426	-	-	21,445,176
Standard grade	6,344,784	1,603,940	-	-	7,948,724
Sub-standard grade	-	1,062,459	-	22,080	1,084,539
Non- performing	-	-	959,528	38,475	998,003
(out of which) Individual assessment	-	-	187,966	29,315	217,281
Not rated internally	535	-	-	-	535
<b>Total</b>	<b>33,491,051</b>	<b>7,370,773</b>	<b>959,528</b>	<b>60,555</b>	<b>41,881,907</b>
<b>Provision allowance</b>					
Internal rating grade					
Very good grade	(53,161)	(104)	-	-	(53,265)
Good grade	(212,608)	(119,968)	-	-	(332,575)
Standard grade	(157,273)	(170,127)	-	-	(327,400)
Sub-standard grade	-	(216,479)	-	(99)	(216,578)
Non- performing	-	-	(722,936)	(27,462)	(750,398)
(out of which) Individual assessment	-	-	(148,791)	(23,711)	(172,502)
<b>Total</b>	<b>(423,041)</b>	<b>(506,678)</b>	<b>(722,936)</b>	<b>(27,562)</b>	<b>(1,680,217)</b>
<b>Net Carrying amount</b>	<b>33,068,010</b>	<b>6,864,096</b>	<b>236,592</b>	<b>32,993</b>	<b>40,201,691</b>

The accompanying notes are an integral part of this condensed interim financial statements

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

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

**Impairment allowance movement**

**Group**

**Unaudited (\*)**

	<b>Retail lending</b>				<b>Total</b>
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as at 1st January 2024</b>	142,904	443,058	578,818	4,006	<b>1,168,786</b>
New assets originated or purchased	102,478	19,412	13,853	4	<b>135,748</b>
Assets derecognised or repaid (excluding write offs)	(19,978)	(32,261)	(23,137)	(77)	<b>(75,452)</b>
Net provision movement for assets that did not change classification	(103,863)	(21,370)	(2,532)	1,445	<b>(126,320)</b>
Movements due to change in classification	(10,072)	(17,379)	221,875	(13)	<b>194,412</b>
Amounts written off	-	-	(31,252)	(986)	<b>(32,238)</b>
Other adjustments	5	21	(374)	0	<b>(347)</b>
<b>Impairment allowance as at September 30, 2024</b>	<b>111,475</b>	<b>391,481</b>	<b>757,251</b>	<b>4,380</b>	<b>1,264,588</b>

	<b>Non-Retail lending</b>				<b>Total</b>
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as at 1st January 2024</b>	281,634	68,501	151,877	23,557	<b>525,568</b>
New assets originated or purchased	129,008	11,870	3,177	-	<b>144,055</b>
Assets derecognised or repaid (excluding write offs)	(77,688)	(9,324)	(13,577)	(0)	<b>(100,589)</b>
Net provision movement for assets that did not change classification	(20,720)	(5,906)	14,209	1,519	<b>(10,898)</b>
Movements due to change in classification	3,706	(14,421)	36,822	(1,191)	<b>24,916</b>
Amounts written off	-	-	(743)	(0)	<b>(743)</b>
Other adjustments	14	0	286	5	<b>305</b>
<b>Impairment allowance as at September 30, 2024</b>	<b>315,953</b>	<b>50,720</b>	<b>192,051</b>	<b>23,890</b>	<b>582,614</b>

	<b>Total</b>				<b>Total</b>
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as at 1st January 2024</b>	424,538	511,559	730,694	27,563	<b>1,694,354</b>
New assets originated or purchased	231,486	31,281	17,030	4	<b>279,802</b>
Assets derecognised or repaid (excluding write offs)	(97,666)	(41,585)	(36,713)	(77)	<b>(176,041)</b>
Net provision movement for assets that did not change classification	(124,583)	(27,276)	11,676	2,964	<b>(137,218)</b>
Movements due to change in classification	(6,366)	(31,800)	258,697	(1,203)	<b>219,328</b>
Amounts written off	-	-	(31,995)	(986)	<b>(32,981)</b>
Other adjustments	19	21	(88)	5	<b>(42)</b>
<b>Impairment allowance as at September 30, 2024</b>	<b>427,429</b>	<b>442,201</b>	<b>949,302</b>	<b>28,270</b>	<b>1,847,202</b>

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

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

**Impairment allowance movement (continued)**

**Bank**

Unaudited (\*)

	Retail lending				Total
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as at 1st January 2024</b>	142,207	440,568	572,290	4,005	<b>1,159,069</b>
New assets originated or purchased	102,369	19,069	13,509	4	<b>134,951</b>
Assets derecognised or repaid (excluding write offs)	(19,937)	(32,249)	(22,606)	(77)	<b>(74,868)</b>
Net provision movement for assets that did not change classification	(102,798)	(21,775)	(7,502)	1,445	<b>(130,631)</b>
Movements due to change in classification	(10,978)	(16,191)	221,594	(13)	<b>194,412</b>
Amounts written off	-	-	(31,252)	(986)	<b>(32,238)</b>
Other adjustments	5	21	21	0	<b>47</b>
<b>Impairment allowance as at September 30, 2024</b>	<b>110,868</b>	<b>389,442</b>	<b>746,053</b>	<b>4,379</b>	<b>1,250,742</b>

	Non-Retail lending				Total
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as at 1st January 2024</b>	280,834	66,110	150,647	23,557	<b>521,147</b>
New assets originated or purchased	128,698	11,357	2,740	-	<b>142,795</b>
Assets derecognised or repaid (excluding write offs)	(77,675)	(9,115)	(13,497)	(0)	<b>(100,288)</b>
Net provision movement for assets that did not change classification	(20,169)	(5,951)	1,780	1,519	<b>(22,821)</b>
Movements due to change in classification	3,496	(13,773)	36,384	(1,191)	<b>24,916</b>
Amounts written off	-	-	(743)	(0)	<b>(743)</b>
Other adjustments	14	(0)	(109)	5	<b>(91)</b>
<b>Impairment allowance as at September 30, 2024</b>	<b>315,199</b>	<b>48,626</b>	<b>177,201</b>	<b>23,890</b>	<b>564,916</b>

	Total				Total
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as at 1st January 2024</b>	423,041	506,677	722,936	27,562	<b>1,680,217</b>
New assets originated or purchased	231,067	30,426	16,249	4	<b>277,746</b>
Assets derecognised or repaid (excluding write offs)	(97,612)	(41,365)	(36,103)	(77)	<b>(175,156)</b>
Net provision movement for assets that did not change classification	(122,966)	(27,726)	(5,723)	2,964	<b>(153,451)</b>
Movements due to change in classification	(7,482)	(29,965)	257,978	(1,203)	<b>219,328</b>
Amounts written off	-	-	(31,995)	(986)	<b>(32,981)</b>
Other adjustments	20	20	(88)	5	<b>(43)</b>
<b>Impairment allowance as at September 30, 2024</b>	<b>426,067</b>	<b>438,068</b>	<b>923,255</b>	<b>28,269</b>	<b>1,815,659</b>

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

**9.1. 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 at 1st January 2023</b>	135,308	505,549	584,804	3,219	<b>1,228,880</b>
New assets originated or purchased	117,580	29,159	13,803	8	<b>160,549</b>
Assets derecognised or repaid (excluding write offs)	(18,907)	(41,392)	(130,281)	(587)	<b>(191,168)</b>
Net provision movement for assets that did not change classification	(73,246)	(32,671)	(13,026)	1,548	<b>(117,394)</b>
Movements due to change in classification	(13,760)	(15,400)	193,383	274	<b>164,497</b>
Amounts written off	-	-	(54,773)	(459)	<b>(55,232)</b>
Other adjustments	(4,071)	(2,187)	(15,092)	3	<b>(21,347)</b>
<b>Impairment allowance as at December 31, 2023</b>	<b>142,904</b>	<b>443,058</b>	<b>578,818</b>	<b>4,006</b>	<b>1,168,786</b>

	Non-Retail lending				Total
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as at 1st January 2023</b>	232,210	86,326	195,865	21,687	<b>536,088</b>
New assets originated or purchased	160,868	33,670	4,904	-	<b>199,442</b>
Assets derecognised or repaid (excluding write offs)	(103,025)	(26,775)	(18,177)	(0)	<b>(147,976)</b>
Net provision movement for assets that did not change classification	(24,637)	(5,371)	(2,183)	1,824	<b>(30,368)</b>
Movements due to change in classification	15,407	(19,643)	(25,115)	(73)	<b>(29,424)</b>
Amounts written off	-	-	(3,043)	(1)	<b>(3,044)</b>
Other adjustments	810	295	(374)	120	<b>850</b>
<b>Impairment allowance as at December 31, 2023</b>	<b>281,634</b>	<b>68,501</b>	<b>151,877</b>	<b>23,557</b>	<b>525,568</b>

	Total			POCI	Total
	Stage 1	Stage 2	Stage 3		
<b>Impairment allowance as at 1st January 2023</b>	367,518	591,875	780,668	24,906	<b>1,764,968</b>
New assets originated or purchased	278,448	62,829	18,707	8	<b>359,992</b>
Assets derecognised or repaid (excluding write offs)	(121,932)	(68,167)	(148,458)	(587)	<b>(339,144)</b>
Net provision movement for assets that did not change classification	(97,883)	(38,042)	(15,209)	3,372	<b>(147,762)</b>
Movements due to change in classification	1,647	(35,043)	168,267	201	<b>135,073</b>
Amounts written off	-	-	(57,818)	(460)	<b>(58,277)</b>
Other adjustments	(3,260)	(1,893)	(15,466)	124	<b>(20,494)</b>
<b>Impairment allowance as at December 31, 2023</b>	<b>424,539</b>	<b>511,559</b>	<b>730,692</b>	<b>27,564</b>	<b>1,694,354</b>

Line Other adjustments refers mainly to the impairment allowance for the loan portfolio of BRD Finance IFN SA that was reclassified into category Assets held for sale as of December 31, 2023.

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

**9.1. 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 at 1st January 2023</b>	123,834	495,526	546,491	3,219	<b>1,169,070</b>
New assets originated or purchased	117,252	26,831	6,796	8	<b>150,887</b>
Assets derecognised or repaid (excluding write offs)	(18,879)	(40,929)	(130,111)	(587)	<b>(190,506)</b>
Net provision movement for assets that did not change classification	(70,212)	(32,144)	(15,005)	1,548	<b>(115,814)</b>
Movements due to change in classification	(9,946)	(9,409)	218,265	274	<b>199,184</b>
Amounts written off	-	-	(54,738)	(459)	<b>(55,197)</b>
Other adjustments	158	694	591	2	<b>1,445</b>
<b>Impairment allowance as at December 31, 2023</b>	<b>142,207</b>	<b>440,568</b>	<b>572,290</b>	<b>4,005</b>	<b>1,159,069</b>

	<b>Non-Retail lending</b>				<b>Total</b>
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as at 1st January 2023</b>	231,675	82,792	194,896	21,687	<b>531,050</b>
New assets originated or purchased	160,420	32,477	4,556	-	<b>197,453</b>
Assets derecognised or repaid (excluding write offs)	(102,991)	(26,492)	(18,108)	(0)	<b>(147,592)</b>
Net provision movement for assets that did not change classification	(22,712)	(4,770)	(2,858)	1,824	<b>(28,517)</b>
Movements due to change in classification	13,645	(18,181)	(24,815)	(73)	<b>(29,424)</b>
Amounts written off	-	-	(3,043)	(1)	<b>(3,044)</b>
Other adjustments	798	285	19	120	<b>1,221</b>
<b>Impairment allowance as at December 31, 2023</b>	<b>280,834</b>	<b>66,110</b>	<b>150,647</b>	<b>23,557</b>	<b>521,147</b>

	<b>Total</b>				<b>Total</b>
	Stage 1	Stage 2	Stage 3	POCI	
<b>Impairment allowance as at 1st January 2023</b>	355,510	578,318	741,386	24,906	<b>1,700,120</b>
New assets originated or purchased	277,673	59,307	11,352	8	<b>348,340</b>
Assets derecognised or repaid (excluding write offs)	(121,870)	(67,421)	(148,219)	(587)	<b>(338,098)</b>
Net provision movement for assets that did not change classification	(92,925)	(36,914)	(17,863)	3,372	<b>(144,331)</b>
Movements due to change in classification	3,699	(27,591)	193,450	201	<b>169,760</b>
Amounts written off	-	-	(57,781)	(460)	<b>(58,241)</b>
Other adjustments	955	978	610	122	<b>2,666</b>
<b>Impairment allowance as at December 31, 2023</b>	<b>423,041</b>	<b>506,677</b>	<b>722,936</b>	<b>27,562</b>	<b>1,680,217</b>

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

**9.2. Treasury bills at amortised cost**

Treasury bills at amortised cost include bonds classified as being Hold To Collect (HTC), measured at amortised cost and rated as very good according to internal rating.

	Group		Bank	
	Unaudited (*) September 30, 2024	December 31, 2023	Unaudited (*) September 30, 2024	December 31, 2023
	Ministry of Public Finance	3,530,414	2,526,963	3,530,414
French State	2,497,290	2,030,230	2,497,290	2,030,230
United State Government	622,709	625,577	622,709	625,577
<b>Total market value</b>	<b>6,650,413</b>	<b>5,182,771</b>	<b>6,650,413</b>	<b>5,182,771</b>
ECL impairment allowance	(491)	(341)	(491)	(341)
<b>Total</b>	<b>6,649,922</b>	<b>5,182,430</b>	<b>6,649,922</b>	<b>5,182,430</b>

**10. Finance lease receivables**

The Group acts as a lessor through the subsidiary BRD Sogelease 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.

	Unaudited (*)	
	September 30, 2024	December 31, 2023
Net investment in the lease	2,048,024	1,785,506
Accumulated allowance for uncollectible minimum lease payments receivable	(91,668)	(93,772)
<b>Total</b>	<b>1,956,356</b>	<b>1,691,734</b>

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

**Impairment allowance movement**

	<b>Retail</b>			<b>Total</b>
	Stage 1	Stage 2	Stage 3	
<b>Impairment allowance as at 1st January 2024</b>	2,500	6,945	25,266	<b>34,712</b>
New assets originated or purchased	1,097	3,057	1,703	<b>5,857</b>
Assets derecognised or fully repaid (excluding write offs)	(194)	(389)	(1,201)	<b>(1,783)</b>
Movements due to change in classification	450	(684)	234	<b>-</b>
Net movement for assets that did not change classification	(1,124)	(943)	4,639	<b>2,573</b>
Amounts written off	-	-	(681)	<b>(681)</b>
Other adjustments	1	1	5	<b>6</b>
<b>Impairment allowance as at September 30, 2024</b>	<b>2,731</b>	<b>7,987</b>	<b>29,966</b>	<b>40,684</b>

	<b>Non-retail</b>			<b>Total</b>
	Stage 1	Stage 2	Stage 3	
<b>Impairment allowance as at 1st January 2024</b>	3,492	11,211	44,358	<b>59,060</b>
New assets originated or purchased	1,652	4,374	1,772	<b>7,798</b>
Assets derecognised or fully repaid (excluding write offs)	(143)	(628)	(138)	<b>(909)</b>
Movements due to change in classification	2,585	(3,147)	562	<b>-</b>
Net movement for assets that did not change classification	(3,731)	(228)	(2,591)	<b>(6,551)</b>
Amounts written off	-	-	(168)	<b>(168)</b>
Other adjustments	1	1	(8,249)	<b>(8,246)</b>
<b>Impairment allowance as at September 30, 2024</b>	<b>3,856</b>	<b>11,583</b>	<b>35,546</b>	<b>50,985</b>

	<b>Total</b>			<b>Total</b>
	Stage 1	Stage 2	Stage 3	
<b>Impairment allowance as at 1st January 2024</b>	5,992	18,156	69,624	<b>93,772</b>
New assets originated or purchased	2,749	7,431	3,475	<b>13,655</b>
Assets derecognised or fully repaid (excluding write offs)	(337)	(1,017)	(1,339)	<b>(2,692)</b>
Movements due to change in classification	3,035	(3,832)	797	<b>-</b>
Net movement for assets that did not change classification	(4,855)	(1,171)	2,048	<b>(3,978)</b>
Amounts written off	-	-	(849)	<b>(849)</b>
Other adjustments	2	3	(8,244)	<b>(8,240)</b>
<b>Impairment allowance as at September 30, 2024</b>	<b>6,586</b>	<b>19,570</b>	<b>65,512</b>	<b>91,668</b>



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

**Impairment allowance movement (continued)**

	<b>Retail</b>			<b>Total</b>
	Stage 1	Stage 2	Stage 3	
<b>Impairment allowance as at 1st January 2023</b>	1,873	7,010	22,726	<b>31,609</b>
New assets originated or purchased	1,310	3,601	1,118	<b>6,029</b>
Assets derecognised or fully repaid (excluding write offs)	(231)	(798)	(1,244)	<b>(2,273)</b>
Movements due to change in classification	1,382	(1,707)	325	-
Net movement for assets that did not change classification	(1,849)	(1,142)	3,916	<b>925</b>
Amounts written off	(1)	(43)	(1,681)	<b>(1,725)</b>
Other adjustments	16	24	106	<b>146</b>
<b>Impairment allowance as at December 31, 2023</b>	<b>2,500</b>	<b>6,945</b>	<b>25,266</b>	<b>34,712</b>

	<b>Non-retail</b>			<b>Total</b>
	Stage 1	Stage 2	Stage 3	
<b>Impairment allowance as at 1st January 2023</b>	2,616	12,269	47,491	<b>62,377</b>
New assets originated or purchased	1,822	4,921	1,530	<b>8,273</b>
Assets derecognised or fully repaid (excluding write offs)	(189)	(1,030)	(1,746)	<b>(2,965)</b>
Movements due to change in classification	3,837	(3,061)	(776)	-
Net movement for assets that did not change classification	(4,628)	(1,931)	180	<b>(6,379)</b>
Amounts written off	-	(2)	(876)	<b>(878)</b>
Other adjustments	34	44	(1,446)	<b>(1,368)</b>
<b>Impairment allowance as at December 31, 2023</b>	<b>3,492</b>	<b>11,211</b>	<b>44,358</b>	<b>59,060</b>

	<b>Total</b>			<b>Total</b>
	Stage 1	Stage 2	Stage 3	
<b>Impairment allowance as at 1st January 2023</b>	4,489	19,279	70,218	<b>93,986</b>
New assets originated or purchased	3,132	8,522	2,648	<b>14,302</b>
Assets derecognised or fully repaid (excluding write offs)	(420)	(1,828)	(2,990)	<b>(5,238)</b>
Movements due to change in classification	5,219	(4,768)	(451)	-
Net movement for assets that did not change classification	(6,477)	(3,073)	4,096	<b>(5,453)</b>
Amounts written off	(1)	(45)	(2,557)	<b>(2,603)</b>
Other adjustments	50	68	(1,340)	<b>(1,222)</b>
<b>Impairment allowance as at December 31, 2023</b>	<b>5,992</b>	<b>18,156</b>	<b>69,624</b>	<b>93,772</b>

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**11. Property, plant and equipment**

	Group						Total
	Land & Buildings	Investment properties	Office equipments	Materials and other assets	Construction in progress	Right of use	
<b>Cost:</b>							
<b>as of December 31, 2022</b>	<b>1,279,432</b>	<b>37,013</b>	<b>289,437</b>	<b>459,660</b>	<b>99,487</b>	<b>486,018</b>	<b>2,651,047</b>
Additions	-	-	222	4	148,812	28,383	177,421
Transfers	44,985	(439)	43,385	71,843	(157,498)	-	2,276
Disposals	(20,459)	(1,068)	(28,674)	(61,356)	(1,847)	(52,033)	(165,437)
<b>as of December 31, 2023</b>	<b>1,303,958</b>	<b>35,506</b>	<b>304,370</b>	<b>470,151</b>	<b>88,954</b>	<b>462,368</b>	<b>2,665,307</b>
Additions	-	-	594	4	81,753	68,772	151,123
Transfers	30,325	-	37,064	30,554	(98,017)	-	(75)
Disposals	(48,237)	(1,395)	(36,340)	(28,426)	(8,510)	(44,985)	(167,893)
<b>as of September 30, 2024 Unaudited</b>	<b>1,286,046</b>	<b>34,111</b>	<b>305,688</b>	<b>472,283</b>	<b>64,180</b>	<b>486,155</b>	<b>2,648,463</b>
<b>Depreciation and impairment:</b>							
<b>as of December 31, 2022</b>	<b>(801,687)</b>	<b>(21,510)</b>	<b>(227,673)</b>	<b>(368,819)</b>	<b>(1,954)</b>	<b>(150,038)</b>	<b>(1,571,681)</b>
Depreciation	(35,156)	(455)	(31,940)	(28,449)	-	(81,420)	(177,420)
Impairment	2,054	75	-	(551)	1,954	-	3,532
Disposals	15,063	658	28,597	57,984	-	66,392	168,694
Transfers	(244)	262	-	(18)	-	-	-
<b>as of December 31, 2023</b>	<b>(819,970)</b>	<b>(20,970)</b>	<b>(231,016)</b>	<b>(339,853)</b>	<b>-</b>	<b>(165,066)</b>	<b>(1,576,875)</b>
Depreciation	(29,098)	(343)	(27,057)	(25,913)	-	(58,657)	(141,068)
Impairment	259	94	-	(18)	-	-	335
Disposals	35,291	1,395	36,343	25,691	-	54,178	152,898
Transfers	-	-	(5)	5	-	-	-
<b>as of September 30, 2024 Unaudited</b>	<b>(813,518)</b>	<b>(19,824)</b>	<b>(221,735)</b>	<b>(340,088)</b>	<b>-</b>	<b>(169,545)</b>	<b>(1,564,710)</b>
<b>Net book value:</b>							
<b>as of December 31, 2022</b>	<b>477,745</b>	<b>15,503</b>	<b>61,764</b>	<b>90,841</b>	<b>97,533</b>	<b>335,980</b>	<b>1,079,366</b>
<b>as of December 31, 2023</b>	<b>483,988</b>	<b>14,536</b>	<b>73,354</b>	<b>130,298</b>	<b>88,954</b>	<b>297,302</b>	<b>1,088,432</b>
<b>as of September 30, 2024 Unaudited</b>	<b>472,528</b>	<b>14,287</b>	<b>83,953</b>	<b>132,195</b>	<b>64,180</b>	<b>316,610</b>	<b>1,083,753</b>

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

	Bank						Total
	Land & Buildings	Investment properties	Office equipments	Materials and other assets	Construction in progress	Right of use	
<b>Cost:</b>							
<b>as of December 31, 2022</b>	<b>1,269,433</b>	<b>37,013</b>	<b>280,540</b>	<b>459,394</b>	<b>99,485</b>	<b>468,218</b>	<b>2,614,082</b>
Additions	-	-	-	-	148,812	19,168	167,980
Transfers	44,985	(439)	43,385	71,843	(157,498)	-	2,276
Disposals	(20,459)	(1,069)	(28,185)	(61,348)	(1,846)	(48,738)	(161,645)
<b>as of December 31, 2023</b>	<b>1,293,959</b>	<b>35,505</b>	<b>295,740</b>	<b>469,889</b>	<b>88,953</b>	<b>438,648</b>	<b>2,622,693</b>
Additions	-	-	-	-	81,753	67,986	149,739
Transfers	30,325	-	37,064	30,554	(98,017)	-	(75)
Disposals	(48,237)	(1,395)	(32,271)	(28,342)	(8,510)	(32,481)	(151,236)
<b>as of September 30, 2024 Unaudited</b>	<b>1,276,047</b>	<b>34,110</b>	<b>300,533</b>	<b>472,101</b>	<b>64,179</b>	<b>474,153</b>	<b>2,621,122</b>
<b>Depreciation and impairment:</b>							
<b>as of December 31, 2022</b>	<b>(796,075)</b>	<b>(21,510)</b>	<b>(219,883)</b>	<b>(368,625)</b>	<b>(1,954)</b>	<b>(144,089)</b>	<b>(1,552,136)</b>
Depreciation	(34,919)	(455)	(31,271)	(28,435)	-	(78,618)	(173,698)
Impairment	2,054	75	-	(551)	1,954	-	3,532
Disposals	15,061	659	28,177	57,976	-	63,509	165,382
Transfers	(244)	262	-	(18)	-	-	-
<b>as of December 31, 2023</b>	<b>(814,123)</b>	<b>(20,969)</b>	<b>(222,977)</b>	<b>(339,653)</b>	<b>-</b>	<b>(159,198)</b>	<b>(1,556,920)</b>
Depreciation	(28,925)	(342)	(26,606)	(25,899)	-	(56,751)	(138,523)
Impairment	259	94	-	(18)	-	-	335
Disposals	35,289	1,394	32,270	25,608	-	53,173	147,734
Transfers	-	-	(5)	5	-	-	-
<b>as of September 30, 2024 Unaudited</b>	<b>(807,500)</b>	<b>(19,823)</b>	<b>(217,318)</b>	<b>(339,957)</b>	<b>-</b>	<b>(162,776)</b>	<b>(1,547,374)</b>
<b>Net book value:</b>							
<b>as of December 31, 2022</b>	<b>473,358</b>	<b>15,503</b>	<b>60,657</b>	<b>90,769</b>	<b>97,531</b>	<b>324,129</b>	<b>1,061,946</b>
<b>as of December 31, 2023</b>	<b>479,836</b>	<b>14,536</b>	<b>72,763</b>	<b>130,236</b>	<b>88,953</b>	<b>279,450</b>	<b>1,065,773</b>
<b>as of September 30, 2024 Unaudited</b>	<b>468,547</b>	<b>14,287</b>	<b>83,215</b>	<b>132,144</b>	<b>64,179</b>	<b>311,377</b>	<b>1,073,748</b>

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

Group	Right-of-use assets			
	Land & Buildings	IT Office equipments	Cars and other assets	Total
<b>Unaudited (*)</b>				
<b>as of January 1, 2024</b>	<b>275,244</b>	<b>10,817</b>	<b>11,241</b>	<b>297,302</b>
Additions	65,890	-	2,882	68,772
Depreciation expense	(50,881)	(2,692)	(5,084)	(58,657)
Disposals and other decreases	(17,382)	-	(179)	(17,561)
Contractual changes	26,367	-	387	26,754
<b>as of September 30, 2024</b>	<b>299,238</b>	<b>8,125</b>	<b>9,247</b>	<b>316,610</b>
	<b>Lease liabilities</b>			
<b>as of January 1, 2024</b>	<b>308,752</b>			
Additions	68,772			
Disposals and other decreases	(30,115)			
Other movements (FX, other contractual changes)	38,145			
Interest expense	5,992			
Payments	(64,046)			
<b>as of September 30, 2024</b>	<b>327,500</b>			
	<b>Lease liabilities</b>			
<b>as of January 1, 2024</b>	<b>308,752</b>			
Additions	68,772			
Disposals and other decreases	(30,115)			
Other movements (FX, other contractual changes)	38,145			
Interest expense	5,992			
Payments	(64,046)			
<b>as of September 30, 2024</b>	<b>327,500</b>			
	<b>Lease liabilities</b>			
<b>as of January 1, 2024</b>	<b>308,752</b>			
Additions	67,986			
Disposals and other decreases	(17,871)			
Other movements (FX, other contractual changes)	37,984			
Interest expense	5,867			
Payments	(62,418)			
<b>as of September 30, 2024</b>	<b>322,050</b>			
	<b>Lease liabilities</b>			
<b>as of January 1, 2024</b>	<b>299,990</b>	<b>9,284</b>	<b>10,176</b>	<b>279,450</b>
Additions	65,818	-	2,168	67,986
Depreciation expense	(49,791)	(2,692)	(4,268)	(56,751)
Disposals and other decreases	(5,675)	-	-	(5,675)
Contractual changes	26,367	-	-	26,367
<b>as of September 30, 2024</b>	<b>296,709</b>	<b>6,592</b>	<b>8,076</b>	<b>311,377</b>
	<b>Lease liabilities</b>			
<b>as of January 1, 2024</b>	<b>290,502</b>			
Additions	67,986			
Disposals and other decreases	(17,871)			
Other movements (FX, other contractual changes)	37,984			
Interest expense	5,867			
Payments	(62,418)			
<b>as of September 30, 2024</b>	<b>322,050</b>			

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

Group	Right-of-use assets				Total
	Land & Buildings	IT Office equipments	Cars and other assets		
<b>as of January 1, 2023</b>	<b>316,560</b>	<b>11,031</b>	<b>8,389</b>		<b>335,980</b>
Additions	15,838	3,394	9,151		28,383
Depreciation expense	(71,390)	(3,608)	(6,422)		(81,420)
Disposals and other decreases	(26,242)	-	(68)		(26,310)
Contractual changes	40,478	-	191		40,669
<b>as of December 31, 2023</b>	<b>275,244</b>	<b>10,817</b>	<b>11,241</b>		<b>297,302</b>
	<b>Lease liabilities</b>				
<b>as of January 1, 2023</b>	<b>339,746</b>				
Additions	28,382				
Disposals and other decreases	(24,059)				
Other movements (FX, other contractual changes)	43,871				
Interest expense	5,628				
Payments	(84,816)				
<b>as of December 31, 2023</b>	<b>308,752</b>				
	<b>Right-of-use assets</b>				
	Land & Buildings	IT Office equipments	Cars and other assets		Total
<b>as of January 1, 2023</b>	<b>305,781</b>	<b>9,498</b>	<b>8,850</b>		<b>324,129</b>
Additions	9,041	3,394	6,733		19,168
Depreciation expense	(69,603)	(3,608)	(5,407)		(78,618)
Disposals and other decreases	(26,242)	-	-		(26,242)
Contractual changes	41,013	-	-		41,013
<b>as of December 31, 2023</b>	<b>259,990</b>	<b>9,284</b>	<b>10,176</b>		<b>279,450</b>
	<b>Lease liabilities</b>				
<b>as of January 1, 2023</b>	<b>327,522</b>				
Additions	19,168				
Disposals and other decreases	(23,259)				
Other movements (FX, other contractual changes)	43,763				
Interest expense	5,448				
Payments	(82,140)				
<b>as of December 31, 2023</b>	<b>290,502</b>				

The Group and Bank holds investment property as a consequence of the ongoing rationalization of its retail branch network. Investment properties comprise a number of commercial properties that are leased to third parties. The investment properties have a fair value of 12,397 as of September 30, 2024 (December 31, 2023: 12,738). The fair value has been determined based on a valuation by an independent valuer in 2023. Rental income from investment property is in amount of 1,314 (September 30, 2023: 1,954).

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## 12. Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of net identifiable assets transferred from Société Générale Bucharest to the Group in 1999.

Following the acquisition, the branch become the present Sucursala Mari Clienti Corporativi (“SMCC”) – the branch dedicated to large significant clients, most of them taken over from the former Société Générale Bucharest.

As of September 30, 2024, the branch had a number of 4,499 active customers (2023: 4,193), with loans representing approximately 16% from total loans managed by the network (2023: 16%) and with deposits representing about 12% of networks’ deposits (2023: 13%). Most of the SMCC non-retail clients are large multinational and national customers.

Taking into account the stable base of clients and the contribution to the bank’s net banking income, the branch which generated the goodwill is considered profitable, without any need of impairment.

## 13. Intangible assets

The balance of the intangible assets as of September 30, 2024 and December 31, 2023 represents mainly software.

	Group	Bank
<b>Cost:</b>		
<b>as of December 31, 2022</b>	<b>988,339</b>	<b>961,050</b>
Additions	176,567	174,911
Disposals	(80,042)	(76,684)
Transfers	(2,275)	(2,275)
<b>as of December 31, 2023</b>	<b>1,082,589</b>	<b>1,057,002</b>
Additions	125,783	124,796
Disposals	(5,778)	(413)
Transfers	74	74
<b>as of September 30, 2024 Unaudited</b>	<b>1,202,668</b>	<b>1,181,458</b>
<b>Amortization:</b>		
<b>as of December 31, 2022</b>	<b>(580,852)</b>	<b>(555,383)</b>
Amortization expense	(74,916)	(74,082)
Disposals	79,137	76,685
<b>as of December 31, 2023</b>	<b>(576,631)</b>	<b>(552,781)</b>
Amortization expense	(72,406)	(71,382)
Disposals	5,131	240
<b>as of September 30, 2024 Unaudited</b>	<b>(643,906)</b>	<b>(623,923)</b>
<b>Net book value:</b>		
<b>as of December 31, 2022</b>	<b>407,487</b>	<b>405,667</b>
<b>as of December 31, 2023</b>	<b>505,958</b>	<b>504,221</b>
<b>as of September 30, 2024 Unaudited</b>	<b>558,762</b>	<b>557,535</b>

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**14. Other assets**

	Group		Bank	
	Unaudited (*)	Restated	Unaudited (*)	Restated
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
<b>Financial assets</b>	<b>630,533</b>	<b>394,003</b>	<b>523,332</b>	<b>293,255</b>
Advances to suppliers	106,248	83,406	-	-
Sundry receivable	524,285	310,597	523,332	293,255
<b>Non-financial assets</b>	<b>77,031</b>	<b>76,305</b>	<b>61,484</b>	<b>54,592</b>
Prepaid expenses	59,074	53,353	57,313	51,926
Repossessed assets	7,827	3,754	924	924
Other assets	10,131	19,198	3,247	1,742
<b>Total</b>	<b>707,564</b>	<b>470,308</b>	<b>584,816</b>	<b>347,847</b>

As of September 30, 2024 the carrying value of repossessed assets for Group is 7,827 (December 31, 2023: 3,754). As of September 30, 2024 the carrying value of repossessed assets for Bank is 924 (December 31, 2023: 924).

The Bank performed reclassifications in order to enhance presentation and corresponding comparatives have been re-classified accordingly. For more details please refer to note 2a).

The sundry receivables balances include various commissions, sundry debtors and are net of impairment allowance.

<b>Group Unaudited (*)</b>		
<b>Sundry receivables</b>		<b>Total (Stage 3)</b>
<b>Impairment allowance as at January 1, 2024</b>		92,192
Additional expenses		52,913
Reversals of provisions		(6,897)
Receivables written off		(1,454)
Foreign exchange adjustments		(24)
<b>Impairment allowance as at September 30, 2024</b>		<b>136,730</b>
		<b>Total (Stage 3)</b>
<b>Impairment allowance as at 1 st January 2023</b>		200,209
Additional expenses		75,359
Reversals of provisions		(10,248)
Receivables written off		(173,246)
Foreign exchange adjustments		118
<b>Impairment allowance as at December 31, 2023</b>		<b>92,192</b>
<b>Bank Unaudited (*)</b>		
<b>Sundry receivables</b>		<b>Total (Stage 3)</b>
<b>Impairment allowance as at January 1, 2024</b>		78,030
Additional expenses		48,396
Reversals of provisions		(6,785)
Receivables written off		(1,362)
Foreign exchange adjustments		(25)
<b>Impairment allowance as at September 30, 2024</b>		<b>118,254</b>
		<b>Total (Stage 3)</b>
<b>Impairment allowance as at 1 st January 2023</b>		190,512
Additional expenses		70,073
Reversals of provisions		(9,465)
Receivables written off		(173,208)
Foreign exchange adjustments		118
<b>Impairment allowance as at December 31, 2023</b>		<b>78,030</b>

The accompanying notes are an integral part of this condensed interim financial statements

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**15. Assets held for sale**

	Group		Bank	
	Unaudited (*) September 30, 2024	December 31, 2023	Unaudited (*) September 30, 2024	December 31, 2023
	Property, plant and equipment	3,553	7,106	3,553
Financial assets - investments	7,408	-	4,648	-
Financial assets - Loans and advances to customers	-	209,886	-	-
<b>Total</b>	<b>10,961</b>	<b>216,992</b>	<b>8,200</b>	<b>7,106</b>

The category Property, plant and equipment represents mainly buildings classified as held for sale with a gross value of 4,787 and a provision of 1,234 as of September 30, 2024 (gross value of 8,758 and 1,652 provision allowance as of December 31, 2023).

As of December 31, 2023 the BRD Finance IFN SA has entered into a process for selling its entire loan portfolio, which meets the criteria in IFRS 5 “Non-current assets held for sale and discontinued operations”, for classification as non-current asset held for sale. The portfolio consists of retail consumer unsecured loans.

On January 26, 2024 the BRD Finance IFN Board of Directors approved the sale of the entire loan portfolio to a third party and the transfer of assets took place in July 2024.

In May 2024 it was signed the Business Transfer Agreement for the sale of investment in associate BRD Societate de Administrare a Fondurilor de Pensii Private SA for the entire perimeter of Pillar 2 and 3 to a third party. Following this approval, BRD–Groupe Société Générale decided to reclassify the investment from Investments in associates into Assets held for sale.

**16. Due to banks**

	Group		Bank	
	Unaudited (*) September 30, 2024	December 31, 2023	Unaudited (*) September 30, 2024	December 31, 2023
	Demand deposits	791,611	680,497	791,611
Repo	567,266	460,500	567,266	460,500
Term deposits	4,399	5,543	4,399	5,543
<b>Due to banks</b>	<b>1,363,276</b>	<b>1,146,540</b>	<b>1,363,276</b>	<b>1,146,540</b>

**17. Due to customers**

	Group		Bank	
	Unaudited (*) September 30, 2024	December 31, 2023	Unaudited (*) September 30, 2024	December 31, 2023
	Demand deposits and current accounts	40,275,947	40,585,990	40,336,506
Term deposits	25,110,563	21,819,619	25,332,284	21,985,869
<b>Due to customers</b>	<b>65,386,510</b>	<b>62,405,609</b>	<b>65,668,790</b>	<b>62,641,838</b>

The category Demand deposits and current accounts includes as of September 30, 2024: current accounts in amount of 31,177,932 (32,829,677 as of December 31, 2023), transitory accounts in amount of 437,419 (484,071 as of December 31, 2023), demand deposits in amount of 8,302,103 (6,694,919 as of December 31, 2023) and other amounts due of 479,052 (647,303 as of December 31, 2023).



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**18. Borrowed funds**

	Group		Bank	
	Unaudited (*) September 30, 2024	December 31, 2023	Unaudited (*) September 30, 2024	December 31, 2023
	Borrowings from related parties	6,783,242	6,648,564	4,877,759
Borrowings from international financial institutions	383,927	355,798	389	749
<b>Total</b>	<b>7,167,169</b>	<b>7,004,362</b>	<b>4,878,148</b>	<b>4,834,225</b>

Borrowings from related parties include five senior non-preferred loans from Société Générale in amount of:

- 120 million EUR, with a fixed interest rate of 4.77% and an initial term of three years (received in December 2022)
- 450 million EUR, with a fixed interest rate of 4.26% and an initial term of three years (received in December 2023)
- 100 million EUR, with a fixed interest rate of 4.68% and an initial term of seven years (received in December 2023)
- 150 million EUR, with a fixed interest rate of 4.78% and an initial term of eight years (received in December 2023).
- 150 million EUR, with a fixed interest rate of 4.79% and an initial term of six years (received in June 2024)

Other funds borrowed from related parties are senior unsecured and are used in the normal course of business.

**19. Subordinated debts**

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

- 100 million EUR with an interest rate of EURIBOR 3M+1.98% and an initial term of ten years (in December 2021)
- 150 million EUR with an interest rate of EURIBOR 3M+4.31% and an initial term of ten years (in June 2022).

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## 20. Provisions

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

### Financial guarantees and loan commitments provisions movement

Group Unaudited (*)	Retail lending			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as at 1 st January 2024</b>	5,581	3,145	4,055	<b>12,781</b>
New commitments originated or purchased	8,273	1,599	569	<b>10,441</b>
Commitments derecognised or transferred into assets	(724)	(510)	(788)	<b>(2,022)</b>
Net provision movement not resulting from changes in classification	(7,522)	(585)	(599)	<b>(8,706)</b>
Movements due to change in classification	(476)	(772)	2,068	<b>820</b>
<b>Provision as at September 30, 2024</b>	<b>5,132</b>	<b>2,877</b>	<b>5,305</b>	<b>13,314</b>
	Non-Retail			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as at 1 st January 2024</b>	148,815	19,353	119,277	<b>287,445</b>
New commitments originated or purchased	110,279	15,978	1,572	<b>127,829</b>
Commitments derecognised or transferred into assets	(35,637)	(7,370)	(30,804)	<b>(73,811)</b>
Net provision movement not resulting from changes in classification	(89,955)	(6,043)	(9,954)	<b>(105,952)</b>
Movements due to change in classification	7,182	(10,090)	14,414	<b>11,506</b>
Other adjustments	(15)	(1)	8,249	<b>8,233</b>
<b>Provision as at September 30, 2024</b>	<b>140,669</b>	<b>11,827</b>	<b>102,754</b>	<b>255,250</b>
	Total			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as at 1 st January 2024</b>	154,396	22,498	123,333	<b>300,227</b>
New commitments originated or purchased	118,552	17,577	2,141	<b>138,270</b>
Commitments derecognised or transferred into assets	(36,361)	(7,880)	(31,592)	<b>(75,834)</b>
Net provision movement not resulting from changes in classification	(97,477)	(6,628)	(10,553)	<b>(114,658)</b>
Movements due to change in classification	6,706	(10,862)	16,482	<b>12,326</b>
Other adjustments	(15)	(1)	8,249	<b>8,233</b>
<b>Provision as at September 30, 2024</b>	<b>145,801</b>	<b>14,704</b>	<b>108,060</b>	<b>268,564</b>

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**20. Provisions (continued)**

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

<b>Bank</b>	<b>Retail lending</b>			<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
<b>Unaudited (*)</b>				
<b>Provision as at 1 st January 2024</b>	5,527	3,074	4,029	<b>12,630</b>
New commitments originated or purchased	8,209	1,476	535	<b>10,220</b>
Commitments derecognised or transferred into assets	(671)	(438)	(788)	<b>(1,897)</b>
Net provision movement not resulting from changes in classification	(7,521)	(585)	(599)	<b>(8,705)</b>
Movements due to change in classification	(476)	(772)	2,068	<b>820</b>
<b>Provision as at September 30, 2024</b>	<b>5,067</b>	<b>2,755</b>	<b>5,245</b>	<b>13,067</b>
	<b>Non-Retail</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Provision as at 1 st January 2024</b>	148,648	19,196	127,535	<b>295,379</b>
New commitments originated or purchased	110,169	15,643	1,198	<b>127,010</b>
Commitments derecognised or transferred into assets	(35,492)	(7,211)	(30,804)	<b>(73,507)</b>
Net provision movement not resulting from changes in classification	(89,953)	(6,043)	(9,928)	<b>(105,924)</b>
Movements due to change in classification	7,182	(10,090)	14,414	<b>11,506</b>
Other adjustments	(17)	(1)	(9)	<b>(27)</b>
<b>Provision as at September 30, 2024</b>	<b>140,537</b>	<b>11,494</b>	<b>102,406</b>	<b>254,437</b>
	<b>Total</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Provision as at 1 st January 2024</b>	154,175	22,270	131,564	<b>308,009</b>
New commitments originated or purchased	118,378	17,119	1,733	<b>137,230</b>
Commitments derecognised or transferred into assets	(36,163)	(7,649)	(31,592)	<b>(75,404)</b>
Net provision movement not resulting from changes in classification	(97,474)	(6,628)	(10,527)	<b>(114,629)</b>
Movements due to change in classification	6,706	(10,862)	16,482	<b>12,326</b>
Other adjustments	(17)	(1)	(9)	<b>(27)</b>
<b>Provision as at September 30, 2024</b>	<b>145,605</b>	<b>14,249</b>	<b>107,651</b>	<b>267,505</b>

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**20. Provisions (continued)**

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

Group	Retail lending			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as at 1 st January 2023</b>	4,594	4,059	3,281	<b>11,934</b>
New commitments originated or purchased	10,463	2,131	1,519	<b>14,113</b>
Commitments derecognised or transferred into assets	(1,059)	(1,189)	(1,998)	<b>(4,246)</b>
Net provision movement not resulting from changes in classification	(8,048)	(775)	(818)	<b>(9,641)</b>
Movements due to change in classification	(370)	(1,081)	2,071	<b>620</b>
<b>Provision as at December 31, 2023</b>	<b>5,581</b>	<b>3,145</b>	<b>4,055</b>	<b>12,781</b>
	Non-Retail			
	Stage 1	Stage 2	Stage 3	Total
<b>Provision as at 1 st January 2023</b>	128,239	50,188	147,471	<b>325,898</b>
New commitments originated or purchased	137,999	28,326	2,090	<b>168,415</b>
Commitments derecognised or transferred into assets	(66,634)	(23,959)	(15,846)	<b>(106,439)</b>
Net provision movement not resulting from changes in classification	(70,698)	(6,298)	(14,298)	<b>(91,294)</b>
Movements due to change in classification	19,764	(28,941)	(1,807)	<b>(10,984)</b>
Other adjustments	145	37	1,667	<b>1,849</b>
<b>Provision as at December 31, 2023</b>	<b>148,815</b>	<b>19,353</b>	<b>119,277</b>	<b>287,445</b>
	Total			
	Stage 1	Stage 2	Stage 3	Total
<b>Provision as at 1 st January 2023</b>	132,833	54,247	150,753	<b>337,833</b>
New commitments originated or purchased	148,462	30,457	3,609	<b>182,528</b>
Commitments derecognised or transferred into assets	(67,693)	(25,148)	(17,844)	<b>(110,685)</b>
Net provision movement not resulting from changes in classification	(78,746)	(7,073)	(15,116)	<b>(100,935)</b>
Movements due to change in classification	19,394	(30,022)	264	<b>(10,364)</b>
Other adjustments	146	37	1,667	<b>1,850</b>
<b>Provision as at December 31, 2023</b>	<b>154,396</b>	<b>22,498</b>	<b>123,333</b>	<b>300,227</b>

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**20. Provisions (continued)**

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

Bank	Retail lending			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as at 1 st January 2023</b>	4,562	3,925	3,282	<b>11,769</b>
New commitments originated or purchased	10,414	2,059	1,492	<b>13,965</b>
Commitments derecognised or transferred into assets	(1,032)	(1,054)	(1,998)	<b>(4,084)</b>
Net provision movement not resulting from changes in classification	(8,048)	(775)	(818)	<b>(9,641)</b>
Movements due to change in classification	(369)	(1,081)	2,071	<b>621</b>
<b>Provision as at December 31, 2023</b>	<b>5,527</b>	<b>3,074</b>	<b>4,029</b>	<b>12,630</b>
	Non-Retail			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as at 1 st January 2023</b>	128,092	49,811	157,351	<b>335,254</b>
New commitments originated or purchased	137,834	28,167	2,090	<b>168,091</b>
Commitments derecognised or transferred into assets	(66,489)	(23,580)	(15,845)	<b>(105,914)</b>
Net provision movement not resulting from changes in classification	(70,698)	(6,298)	(14,295)	<b>(91,291)</b>
Movements due to change in classification	19,764	(28,941)	(1,807)	<b>(10,984)</b>
Other adjustments	145	37	41	<b>223</b>
<b>Provision as at December 31, 2023</b>	<b>148,648</b>	<b>19,196</b>	<b>127,535</b>	<b>295,379</b>
	Total			Total
	Stage 1	Stage 2	Stage 3	
<b>Provision as at 1 st January 2023</b>	132,654	53,736	160,633	<b>347,023</b>
New commitments originated or purchased	148,248	30,226	3,582	<b>182,056</b>
Commitments derecognised or transferred into assets	(67,521)	(24,634)	(17,843)	<b>(109,998)</b>
Net provision movement not resulting from changes in classification	(78,746)	(7,073)	(15,113)	<b>(100,932)</b>
Movements due to change in classification	19,395	(30,022)	264	<b>(10,363)</b>
Other adjustments	145	37	41	<b>223</b>
<b>Provision as at December 31, 2023</b>	<b>154,175</b>	<b>22,270</b>	<b>131,564</b>	<b>308,009</b>

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**20. Provisions (continued)**

The Bank includes in the line Provisions: provisions for litigation in amount of 23,354 as of September 30, 2024 (11,886 as of December 31, 2023), provisions for risks related to banking activity in amount of 1,312 as of September 30, 2024 (1,418 as of December 31, 2023) and other provisions for risks and charges in amount of 7,611 as of September 30, 2024 (12,497 as of December 31, 2023).

The Group includes in the line Provisions: provisions for litigation in amount of 28,348 as of September 30, 2024 (17,004 as of December 31, 2023), provisions for risks related to banking activity in amount of 1,312 as of September 30, 2024 (1,418 as of December 31, 2023) and other provisions for risks and charges in amount of 8,972 as of September 30, 2024 (29,418 as of December 31, 2023).

The movement in Provisions is as follows:

<u>Group</u>	<u>TOTAL</u>
<b>Carrying value as of December 31, 2022</b>	<b>55,618</b>
Additional expenses	33,621
Reversals of provisions	(28,662)
Usage	(12,737)
<b>Carrying value as of December 31, 2023</b>	<b>47,840</b>
Additional expenses	13,659
Reversals of provisions	(16,451)
Usage	(6,417)
<b>Carrying value as of September 30, 2024 Unaudited</b>	<b>38,631</b>
<b>Bank</b>	
<b>Carrying value as of December 31, 2022</b>	<b>33,149</b>
Additional expenses	13,771
Reversals of provisions	(8,382)
Usage	(12,737)
<b>Carrying value as of December 31, 2023</b>	<b>25,801</b>
Additional expenses	13,394
Reversals of provisions	(501)
Usage	(6,417)
<b>Carrying value as of September 30, 2024 Unaudited</b>	<b>32,277</b>

**21. Other liabilities**

	Group		Bank	
	Unaudited (*) September 30, 2024	December 31, 2023	Unaudited (*) September 30, 2024	December 31, 2023
<b>Financial liabilities</b>	<b>654,619</b>	<b>1,204,463</b>	<b>576,937</b>	<b>1,105,095</b>
Sundry creditors	327,119	272,526	254,887	191,408
Dividends payable	-	623,185	-	623,185
Creditors - Lease liabilities	327,500	308,752	322,050	290,502
<b>Non-financial liabilities</b>	<b>294,415</b>	<b>323,884</b>	<b>280,400</b>	<b>301,895</b>
Other payables to State budget	75,639	85,030	74,979	84,273
Deferred income	62,736	51,165	62,736	51,165
Payables to employees	156,040	187,689	142,685	166,457
<b>Total</b>	<b>949,034</b>	<b>1,528,347</b>	<b>857,337</b>	<b>1,406,990</b>

Sundry creditors are expected to be settled in no more than twelve months after the reporting period.

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## **21. Other liabilities (continued)**

According to Law 296/2023, the Romanian Fiscal Code was amended in order to introduce, starting January 1st, 2024, a supplementary tax for credit institutions, i.e. the tax on turnover which is computed as follows: for 2024 and 2025 the tax is 2% from the turnover, while starting 2026 the rate is 1%.

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 Other payables to State budget includes the tax on turnover to be paid as of September 30, 2024 in amount of 32,958.

Payables to employees include, among other, gross bonuses, amounting 91,152 as of September 30, 2024 (December 31, 2023: 109,120) and post-employment benefits amounting 32,783 as of September 30, 2024 (December 31, 2023: 29,389).

### **Post-employment benefit plan**

This is 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 2024, the movements in defined benefit obligation is generated by the service cost and benefits paid, resulting in a change of obligation carrying value 32,783 as of September 30, 2024, from 29,389 as of December 31, 2023.

## **22. Share capital**

The nominal share capital, as registered with the Registry of Commerce is 696,901 (2023: 696,901). Included in the share capital there is an amount of 1,818,721 (2023: 1,818,721) representing hyperinflation restatement surplus.

Share capital as of September 30, 2024 represents 696,901,518 (2023: 696,901,518) authorized common shares, issued and fully paid. The nominal value of each share is RON 1 (2023: RON 1). During 2024 and 2023, the Bank did not buy back any of its own shares.

## **23. 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 September 30, 2024 the Group has a current tax liability in total amount of 64,965 (December 31, 2023: 36,181) and a current tax asset in amount of 1,726 (December 31, 2023: 0) and at Bank level a current tax liability in total amount of 61,429 (December 31, 2023: 35,074) and no current tax asset (December 31, 2023: 0).

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**23. Taxation (continued)**

The deferred tax asset is reconciled as follows:

	Group September 30, 2024 Unaudited (*)			
	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	64,741	(10,359)	-	-
Financial assets at fair value through other comprehensive income	(1,294,703)	207,151	-	(18,450)
Tangible and intangible assets	30,616	-	(3,892)	-
Provisions and other liabilities	(563,745)	90,200	(4,653)	-
<b>Taxable items</b>	<b>(1,763,091)</b>			
<b>Deferred tax</b>		<b>282,094</b>	<b>(8,545)</b>	<b>(18,450)</b>

	Bank September 30, 2024 Unaudited (*)			
	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	64,741	(10,359)	-	-
Financial assets at fair value through other comprehensive income	(1,294,703)	207,151	-	(18,450)
Tangible and intangible assets	30,688	(4,910)	(3,888)	-
Provisions and other liabilities	(552,831)	88,455	(477)	-
<b>Taxable items</b>	<b>(1,752,105)</b>			
<b>Deferred tax</b>		<b>280,337</b>	<b>(4,365)</b>	<b>(18,450)</b>

	Group December 31, 2023			
	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	64,741	(10,359)	-	1,051
Financial assets at fair value through other comprehensive income	(1,410,015)	225,602	-	(171,884)
Tangible and intangible assets	6,295	(1,007)	(2,571)	-
Provisions and other liabilities	(592,824)	94,852	(13,542)	-
<b>Taxable items</b>	<b>(1,931,803)</b>			
<b>Deferred tax</b>		<b>309,089</b>	<b>(16,113)</b>	<b>(170,833)</b>

	Bank December 31, 2023			
	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	64,741	(10,359)	-	1,051
Financial assets at fair value through other comprehensive income	(1,410,015)	225,602	-	(171,884)
Tangible and intangible assets	6,383	(1,021)	(2,584)	-
Provisions and other liabilities	(555,809)	88,930	(2,325)	-
<b>Taxable items</b>	<b>(1,894,700)</b>			
<b>Deferred tax</b>		<b>303,152</b>	<b>(4,909)</b>	<b>(170,833)</b>

The accompanying notes are an integral part of this condensed interim financial statements



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**23. Taxation (continued)**

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

	<b>Group</b>	<b>Bank</b>
<b>Deferred tax asset, net as of December 31, 2022</b>	<b>496,033</b>	<b>478,893</b>
Deferred tax recognized in other comprehensive income	(170,832)	(170,832)
Deferred tax recognized in profit and loss	(16,113)	(4,909)
<b>Deferred tax asset, net as of December 31, 2023</b>	<b>309,089</b>	<b>303,152</b>
Deferred tax recognized in other comprehensive income	(18,450)	(18,450)
Deferred tax recognized in profit and loss	(8,545)	(4,365)
<b>Deferred tax asset, net as of September 30, 2024</b>	<b>282,094</b>	<b>280,337</b>

**Reconciliation of total tax charge**

	<b>Group</b>				<b>Bank</b>			
	Unaudited (*)		Unaudited (*)		Unaudited (*)		Unaudited (*)	
	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023
<b>Profit before income tax</b>	<b>487,178</b>	<b>1,336,476</b>	<b>553,100</b>	<b>1,476,216</b>	<b>475,045</b>	<b>1,299,445</b>	<b>526,240</b>	<b>1,424,060</b>
Income tax (16%)	77,948	213,836	88,496	236,195	76,007	207,911	84,198	227,850
Fiscal credit and other adjustments	(727)	(96)	2,684	4,373	(168)	(604)	(933)	(3,197)
Non-deductible elements	15,591	40,290	7,010	25,949	11,632	31,092	6,112	17,131
Non-taxable elements	(5,749)	(11,322)	(4,480)	(17,211)	(3,096)	(4,836)	(2,263)	(8,999)
<b>Expense from income tax at effective tax rate</b>	<b>87,063</b>	<b>242,708</b>	<b>93,710</b>	<b>249,306</b>	<b>84,375</b>	<b>233,563</b>	<b>87,114</b>	<b>232,785</b>
Effective tax rate	17.9%	18.2%	16.9%	16.9%	17.8%	18.0%	16.6%	16.3%

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 September 30, 2024, permanent non-deductible elements include the impact of provisions for overdue commissions 7,740 (September 30, 2023: 8,357), sponsorship expenses with an impact of 59 (September 30, 2023: 489), debt sales and other operations with limited deductibility in amount of 1,104 (September 30, 2023: 1,553) and provision for litigation with an impact of 2,137 (September 30, 2023: 294); permanent non-taxable elements are mainly a result of releases for provisions for overdue commissions in amount of 815 (September 30, 2023: 865), provisions for risks and charges/litigations 315 (September 30, 2023: 290) and dividends in amount of 3,484 (September 30, 2023: 6,639) .

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**24. Interest and similar income**

	Group Unaudited (*)				Bank Unaudited (*)			
	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023
	Interest on loans	915,281	2,674,584	808,879	2,329,316	908,865	2,638,681	786,230
Interest on finance lease	38,109	111,317	27,793	73,052	-	-	-	-
Interest on deposit with banks	65,417	255,108	90,275	227,718	65,417	254,914	90,122	227,258
Interest on debt instruments	190,149	529,516	155,137	443,352	190,149	529,516	155,137	443,352
Interest income from hedging instruments	-	358	-	-	-	358	-	-
<b>Total</b>	<b>1,208,956</b>	<b>3,570,883</b>	<b>1,082,084</b>	<b>3,073,438</b>	<b>1,164,431</b>	<b>3,423,469</b>	<b>1,031,489</b>	<b>2,930,593</b>

The interest income on loans includes the accrued interest on net (after impairment allowance) impaired loans in amount of 41,543 for Group (2023: 44,220) and 41,543 for Bank (2023: 42,167).

**25. Interest and similar expense**

	Group Unaudited (*)				Bank Unaudited (*)			
	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023
	Interest on term deposits	285,415	825,277	233,402	627,580	286,581	827,722	233,647
Interest on demand deposits	72,504	213,316	56,819	145,925	73,615	217,384	58,566	151,700
Interest on borrowings	100,896	305,194	84,676	220,032	78,288	238,704	65,228	170,734
Interest expense on lease liabilities	1,934	5,992	1,414	4,254	1,893	5,867	1,366	4,134
Interest expense from hedging instruments	21,424	68,600	25,130	65,936	21,424	68,600	25,130	65,936
<b>Total</b>	<b>482,173</b>	<b>1,418,379</b>	<b>401,441</b>	<b>1,063,727</b>	<b>461,801</b>	<b>1,358,277</b>	<b>383,937</b>	<b>1,020,560</b>

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**26. Fees and commissions, net**

	Group Unaudited (*)				Bank Unaudited (*)			
	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023
	Services	170,767	454,539	160,604	441,360	166,474	447,172	159,833
Management fees	28,524	75,826	25,610	82,133	28,524	75,826	25,610	82,133
Packages	23,631	68,930	20,918	60,680	23,631	68,930	20,918	60,680
Transfers	21,646	60,614	16,730	50,958	21,646	60,614	16,730	50,958
OTC withdrawal	13,118	33,797	14,922	40,125	13,118	33,797	14,922	40,125
Cards	58,721	150,516	56,934	142,490	58,721	150,516	56,934	142,490
Brokerage and custody	16,154	43,529	18,286	41,641	16,154	43,529	18,285	41,638
Other	8,973	21,327	7,204	23,333	4,680	13,960	6,434	22,659
Loan activity	34,243	105,470	26,904	79,546	28,276	85,211	19,616	57,426
Off balance sheet	10,265	39,303	15,107	42,275	10,265	39,303	15,107	42,275
<b>Total</b>	<b>215,275</b>	<b>599,312</b>	<b>202,615</b>	<b>563,181</b>	<b>205,015</b>	<b>571,686</b>	<b>194,556</b>	<b>540,384</b>

**27. Gain on derivative and other financial instruments held for trading and foreign exchange**

	Group Unaudited (*)				Bank Unaudited (*)			
	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023
	FX position revaluation	34,694	2,296	1,249	38,465	34,694	2,296	1,249
FX Spot	55,804	153,044	59,445	169,928	55,203	152,318	59,170	168,742
Gain on instruments held for trading	24,145	75,525	21,139	67,513	23,723	74,420	20,264	66,639
Derivative financial instruments	(27,659)	30,736	4,225	(20,212)	(27,659)	30,736	4,227	(20,211)
Gain on interest rate derivatives	9,067	17,253	198	307	9,067	17,253	198	307
Gain/ (loss) on currency and interest swap	127	146	(230)	456	127	146	(230)	456
Gain/(loss) on forward foreign exchange contracts	(31,454)	8,622	3,675	(25,660)	(31,454)	8,622	3,675	(25,660)
Gain on currency options	1,619	6,954	1,622	5,746	1,619	6,954	1,622	5,746
(Loss) on equity	-	(1,366)	0	(243)	-	(1,366)	0	(243)
Gain/ (loss) on hedging	(4,353)	-	71	71	(4,353)	-	71	71
Other	(2,665)	(873)	(1,111)	(889)	(2,665)	(873)	(1,109)	(888)
<b>Gain on derivative, other financial instruments held for trading and foreign exchange</b>	<b>86,984</b>	<b>261,601</b>	<b>86,058</b>	<b>255,694</b>	<b>85,961</b>	<b>259,770</b>	<b>84,911</b>	<b>253,634</b>

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**28. Other income/expense**

	Group Unaudited (*)				Bank Unaudited (*)			
	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023
Dividend income from subsidiaries	-	-	-	-	16,411	17,831	-	10,558
(Loss) from disposal of investments	-	-	(5,646)	(5,646)	-	-	(438)	(438)
Provision for litigations	(945)	(11,476)	(5,625)	3,653	(945)	(11,476)	(877)	3,653
Held for sale fixed assets expenses	(1,701)	(3,451)	(299)	(1,661)	-	-	-	-
Other income/(expenses)	(15,405)	(30,013)	3,232	(8,496)	(14,510)	(21,833)	(2,599)	(11,378)
<b>Total income/(expense)</b>	<b>(18,051)</b>	<b>(44,940)</b>	<b>(8,338)</b>	<b>(12,150)</b>	<b>956</b>	<b>(15,478)</b>	<b>(3,914)</b>	<b>2,395</b>

For the Bank, other income/expense includes income from banking activities offered to the clients and income from non-banking activities, such as income from rentals.

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

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 year 2024 the expense related to the Deposit Guarantee Fund is estimated at 16,447 (2023: 16,269).

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.

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**29. Contribution to Guarantee Scheme and Resolution Fund (continued)**

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 year 2024 the expense related to the Bank Resolution Fund is estimated at 27,118 (2023: 51,953).

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 on 1st of January of the year in which the payment is made.

**30. Personnel expenses**

	Group Unaudited (*)				Bank Unaudited (*)			
	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023
Salaries	244,695	711,180	220,961	643,278	234,673	680,602	212,000	612,688
Social security	4,925	16,018	5,199	14,527	4,554	14,976	4,270	13,672
Bonuses	17,514	53,144	24,403	55,806	17,500	52,500	22,562	54,362
Post-employment benefits	1,391	4,172	1,057	3,189	1,391	4,172	1,057	3,189
Capitalisation of internal projects	(15,273)	(45,106)	(13,271)	(33,073)	(15,273)	(45,106)	(13,271)	(33,073)
Other	7,462	15,342	5,984	22,396	7,113	14,741	5,360	21,227
<b>Total</b>	<b>260,715</b>	<b>754,750</b>	<b>244,332</b>	<b>706,123</b>	<b>249,958</b>	<b>721,885</b>	<b>231,978</b>	<b>672,065</b>

In 2024, the expense related to the Bank defined benefit contribution plan was 1,666 (2023: 1,777).

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

	Group Unaudited (*)				Bank Unaudited (*)			
	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023
Depreciation and impairment	46,084	140,483	43,203	131,322	45,464	137,939	42,184	128,415
Amortisation	26,917	72,406	19,644	53,089	26,391	71,382	19,478	52,485
<b>Total</b>	<b>73,000</b>	<b>212,889</b>	<b>62,847</b>	<b>184,411</b>	<b>71,855</b>	<b>209,321</b>	<b>61,662</b>	<b>180,900</b>

The difference as of September 30, 2024 between the amount presented in Note 11 and the amount presented in Note 31 represents depreciation of investment property in total amount of 342 and release of impairment of investment property in total amount of 92 (September 30, 2023: 342 depreciation of investment property and release of impairment in amount of 75).

**32. Other operating expenses**

	Group Unaudited (*)				Bank Unaudited (*)			
	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023
Administrative expenses	122,532	373,289	114,648	362,243	115,558	359,318	110,752	346,300
Publicity and sponsorships	6,366	15,892	7,315	20,066	6,181	15,584	7,264	19,891
Other expenses	(11,586)	16,791	17,428	49,199	(3,302)	26,764	15,730	44,961
Tax on turnover	32,958	94,803	-	-	32,958	94,803	-	-
<b>Total</b>	<b>150,270</b>	<b>500,775</b>	<b>139,391</b>	<b>431,508</b>	<b>151,395</b>	<b>496,469</b>	<b>133,746</b>	<b>411,152</b>

Administrative expenses include for the Bank maintenance expenses, various utilities such as energy and telecommunication, expenses related to short-term leases of 3,261 (September 30, 2023: 3,436) and to leases of low-value assets of 3,215 (September 30, 2023: 3,218).

The evolution of Other expenses in the quarter is mainly due to the increase in income from disposal of tangible fixed assets in Q3 2024 included in this category.

According to Law 296/2023, the Romanian Fiscal Code was amended in order to introduce, starting January 1st, 2024, a supplementary tax for credit institutions, i.e. the tax on turnover which is computed as follows: for 2024 and 2025 the tax is 2% from the turnover, while starting 2026 the rate is 1%. 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 as of September 30, 2024 in amount of 94,803.

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**33. Cost of risk**

	Group Unaudited (*)				Bank Unaudited (*)			
	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023
Net impairment allowance for loans	63,447	175,444	10,894	71,097	62,599	157,444	9,720	69,650
Net impairment allowance for sundry debtors	14,860	46,291	16,336	51,351	14,301	41,884	16,142	46,975
Net impairment allowance for finance lease	697	4,907	(1,222)	(914)	-	-	-	-
Income from recoveries of derecognized receivables & sales of bad debts	(13,766)	(56,818)	(27,137)	(135,628)	(12,986)	(48,419)	(24,211)	(114,896)
Write-offs	326	6,036	3,002	17,596	1,072	2,708	613	9,127
Financial guarantee and loan contracts provisions	(20,479)	(39,895)	(32,237)	(39,245)	(21,001)	(40,478)	(31,833)	(39,002)
Net impairment allowance for debt securities	41	(38)	108	257	41	(38)	108	257
<b>Total</b>	<b>45,126</b>	<b>135,927</b>	<b>(30,257)</b>	<b>(35,487)</b>	<b>44,026</b>	<b>113,101</b>	<b>(29,461)</b>	<b>(27,889)</b>

**34. 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 September 30, 2024 and September 30, 2023 there were no dilutive equity instruments issued by the Group and Bank.

	Group Unaudited (*)				Bank Unaudited (*)			
	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2023
Ordinary shares on market	696,901,518	696,901,518	696,901,518	696,901,518	696,901,518	696,901,518	696,901,518	696,901,518
Profit attributable to shareholders	405,725	1,095,589	460,684	1,214,094	390,670	1,065,882	439,126	1,191,275
Earnings per share (in RON)	0.5822	1.5721	0.6610	1.7421	0.5606	1.5295	0.6301	1.7094

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### 35. 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.

BRD-Groupe Société Générale and International Finance Corporation (“IFC”), a member of the World Bank Group, have closed in Q1 2024 a landmark synthetic significant risk transfer (SRT) transaction that will free up capital for BRD to boost the financing of impactful sustainability-related projects in Romania. The transaction was closed between BRD and IFC on a reference portfolio of EUR 700 million, being representative of BRD core corporate activities with good diversification across industries, and product types. For this transaction BRD purchased a EUR 105 million financial guarantee which takes the form of a bilateral unfunded financial guarantee between IFC and BRD and was presented on the line Letters of guarantee received:

	Group		Bank	
	Unaudited (*) September 30, 2024	December 31, 2023	Unaudited (*) September 30, 2024	December 31, 2023
Letters of guarantee granted	7,088,199	6,929,469	7,090,281	6,939,810
Financing commitments granted	6,836,945	6,923,587	6,794,176	6,868,776
<b>Total commitments granted</b>	<b>13,925,144</b>	<b>13,853,056</b>	<b>13,884,457</b>	<b>13,808,586</b>
<b>Uncommitted facilities granted</b>	<b>12,732,356</b>	<b>11,600,816</b>	<b>12,767,731</b>	<b>11,641,240</b>
Letters of guarantee received	32,800,185	28,441,140	32,800,185	28,441,140
<b>Total commitments received</b>	<b>32,800,185</b>	<b>28,441,140</b>	<b>32,800,185</b>	<b>28,441,140</b>



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**36. Other commitments**

	Group		Bank	
	Unaudited (*) September 30, 2024	December 31, 2023	Unaudited (*) September 30, 2024	December 31, 2023
Tangible non-current assets	9,676	28,269	9,676	28,269
Intangible non-current assets	44,966	79,793	44,966	79,793
Commitments relating to short-term and low value leases	19,198	24,952	19,198	24,952
<b>Total</b>	<b>73,840</b>	<b>133,014</b>	<b>73,840</b>	<b>133,014</b>

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

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**37. Related parties**

The Group entered into related party transactions with its parent, other SG entities, subsidiaries, associates and 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:

	Group							
	2024				2023			
	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>2,794,383</b>	<b>115,785</b>	<b>20,838</b>	<b>3,322</b>	<b>3,295,712</b>	<b>34,603</b>	<b>25,891</b>	<b>2,879</b>
Nostro accounts	136,502	934	-	-	113,766	407	-	-
Deposits	2,483,433	-	-	-	2,919,555	-	-	-
Loans	-	114,624	20,632	3,322	-	34,058	23,655	2,879
Derivative financial instruments	43,466	0	-	-	57,482	(0)	-	-
Other assets	130,981	226	206	-	204,909	138	2,236	-
<b>Liabilities</b>	<b>8,415,500</b>	<b>205,158</b>	<b>43,093</b>	<b>9,180</b>	<b>8,651,529</b>	<b>218,233</b>	<b>37,312</b>	<b>6,993</b>
Loro accounts	53,105	11,575	-	-	28,833	13,530	-	-
Deposits and amounts in transit	101,063	182,430	23,417	9,180	55,072	178,941	28,062	6,991
Borrowings	6,783,242	-	-	-	6,648,564	-	-	-
Subordinated borrowings	1,245,789	-	-	-	1,245,400	-	-	-
Lease payable	-	9,596	-	-	-	11,221	-	-
Derivative financial instruments	164,598	0	-	-	244,002	10,601	-	-
Other liabilities	67,703	1,558	19,676	-	429,658	3,939	9,250	1
<b>Commitments</b>	<b>7,711,538</b>	<b>139,561</b>	<b>-</b>	<b>320</b>	<b>7,511,480</b>	<b>252,581</b>	<b>45,000</b>	<b>273</b>
Total commitments granted	186,702	85,811	-	320	250,611	144,673	-	273
Total commitments received	186,702	38,155	-	-	243,732	53,388	35,000	-
Uncommitted facilities granted	37,985	15,595	-	-	37,985	54,520	10,000	-
Notional amount of foreign exchange transactions	1,709,898	-	-	-	1,658,217	-	-	-
Notional amount of interest rate derivatives	5,590,250	-	-	-	5,320,934	-	-	-

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**37. Related parties (continued)**

	2024					2023				
	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>2,794,383</b>	<b>115,731</b>	<b>18,957</b>	<b>20,837</b>	<b>3,322</b>	<b>3,280,317</b>	<b>34,603</b>	<b>6,842</b>	<b>23,982</b>	<b>2,879</b>
Nostro accounts	136,502	934	-	-	-	113,766	407	-	-	-
Deposits	2,483,433	-	-	-	-	2,904,190	-	-	-	-
Loans	-	114,624	0	20,632	3,322	-	34,058	4,943	23,655	2,879
Derivative financial instruments	43,466	0	9	-	-	57,482	(0)	(0)	-	-
Other assets	130,981	172	18,948	205	-	204,880	138	1,900	327	-
<b>Liabilities</b>	<b>6,501,938</b>	<b>205,077</b>	<b>285,021</b>	<b>43,089</b>	<b>9,180</b>	<b>6,831,077</b>	<b>217,895</b>	<b>239,964</b>	<b>37,312</b>	<b>6,993</b>
Loro accounts	53,105	11,575	-	-	-	28,833	13,530	-	-	-
Deposits and amounts in transit	101,063	182,430	283,123	23,417	9,180	55,072	178,941	237,216	28,062	6,991
Borrowings	4,875,861	-	1,898	-	-	4,830,840	-	2,636	-	-
Subordinated borrowings	1,245,789	-	-	-	-	1,245,400	-	-	-	-
Lease payable	-	9,596	-	-	-	-	10,964	-	-	-
Derivative financial instruments	164,598	0	-	-	-	244,002	10,601	-	-	-
Other liabilities	61,521	1,476	-	19,672	-	426,930	3,859	113	9,250	1
<b>Commitments</b>	<b>7,711,538</b>	<b>139,561</b>	<b>47,409</b>	<b>-</b>	<b>320</b>	<b>7,511,480</b>	<b>252,581</b>	<b>51,630</b>	<b>45,000</b>	<b>273</b>
Total commitments granted	186,702	85,811	2,083	-	320	250,611	144,673	11,206	-	273
Total commitments received	186,702	38,155	-	-	-	243,732	53,388	-	35,000	-
Uncommitted facilities granted	37,985	15,595	35,375	-	-	37,985	54,520	40,424	10,000	-
Notional amount of foreign exchange transactions	1,709,898	-	9,951	-	-	1,658,217	-	-	-	-
Notional amount of interest rate derivatives	5,590,250	-	-	-	-	5,320,934	-	-	-	-

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**37. Related parties (continued)**

	Group				Group			
	Nine months ended September 30, 2024				Nine months ended September 30, 2023			
	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>(259,181)</b>	<b>1,961</b>	<b>(54,593)</b>	<b>(63)</b>	<b>(244,128)</b>	<b>(500)</b>	<b>(26,870)</b>	<b>(30)</b>
Interest and commission revenues	73,830	11,768	32,433	128	42,100	7,432	32,111	169
Interest and commission expenses	(372,329)	(4,657)	(31,593)	(140)	(286,597)	(2,991)	(19,513)	(51)
Net gain/(loss) on interest rate derivatives	65,253	-	-	-	40,745	-	-	-
Net gain/(loss) on foreign exchange derivatives	9,218	(19)	-	-	(5,908)	(117)	-	-
Dividend incomes	-	-	1,677	-	-	-	17,040	-
Other income/(expense) from banking activities	(516)	10	58	(1)	28	1	57	-
Other operating expenses	(34,638)	(5,142)	(57,169)	(50)	(34,497)	(4,825)	(56,565)	(148)

	Group				Group			
	Three months ended September 30, 2024				Three months ended September 30, 2023			
	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>(92,205)</b>	<b>1,782</b>	<b>(18,422)</b>	<b>(10)</b>	<b>(114,285)</b>	<b>388</b>	<b>(15,160)</b>	<b>(31)</b>
Interest and commission revenues	24,152	4,348	11,962	62	14,521	2,738	14,027	106
Interest and commission expenses	(123,864)	(1,890)	(10,955)	(61)	(129,562)	13	(6,402)	(24)
Net gain/(loss) on interest rate derivatives	16,409	-	-	-	18,426	-	-	-
Net gain/(loss) on foreign exchange derivatives	2,256	-	-	-	(3,012)	(23)	-	-
Other income/(expense) from banking activities	(353)	(1)	19	(1)	(0)	1	57	-
Other operating expenses	(10,804)	(676)	(19,448)	(10)	(14,658)	(2,341)	(22,842)	(112)

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**37. Related parties (continued)**

	Bank					Bank				
	Nine months ended September 30, 2024					Nine months ended September 30, 2023				
	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>(200,216)</b>	<b>2,718</b>	<b>13,872</b>	<b>(56,257)</b>	<b>(63)</b>	<b>(198,319)</b>	<b>217</b>	<b>19,805</b>	<b>(32,320)</b>	<b>(30)</b>
Interest and commission revenues	73,636	11,767	13,057	30,921	128	41,641	7,256	12,661	26,598	169
Interest and commission expenses	(313,902)	(4,657)	(6,515)	(31,593)	(140)	(241,791)	(2,991)	(6,254)	(19,513)	(51)
Net gain/(loss) on interest rate derivatives	65,253	-	-	-	-	40,745	-	-	-	-
Net gain/(loss) on foreign exchange derivatives	9,218	(19)	15	-	-	(5,908)	(117)	(106)	-	-
Dividend incomes	-	-	17,831	1,677	-	-	-	10,559	17,040	-
Other income/(expense) from banking activities	(516)	10	(13,129)	(0)	(1)	28	1	78	(0)	-
Other operating expenses	(33,906)	(4,383)	2,614	(57,263)	(50)	(33,034)	(3,933)	2,867	(56,445)	(148)

	Bank					Bank				
	Three months ended September 30, 2024					Three months ended September 30, 2023				
	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>(69,904)</b>	<b>1,930</b>	<b>6,360</b>	<b>(18,505)</b>	<b>(10)</b>	<b>(76,380)</b>	<b>1,186</b>	<b>2,705</b>	<b>(17,220)</b>	<b>(31)</b>
Interest and commission revenues	24,152	4,348	4,594	11,945	62	14,369	2,738	3,845	12,155	106
Interest and commission expenses	(101,815)	(1,890)	(2,279)	(10,955)	(61)	(92,223)	13	(1,992)	(6,402)	(24)
Net gain/(loss) on interest rate derivatives	16,409	-	-	-	-	18,426	-	-	-	-
Net gain/(loss) on foreign exchange derivatives	2,256	-	(69)	-	-	(3,012)	(23)	(131)	-	-
Dividend incomes	-	-	16,411	-	-	-	-	-	(0)	-
Other income/(expense) from banking activities	(353)	(1)	(13,125)	(0)	(1)	(0)	1	76	(0)	-
Other operating expenses	(10,553)	(528)	830	(19,495)	(10)	(13,940)	(1,543)	908	(22,973)	(112)

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**37. Related parties (continued)**

Other liabilities and other expenses include corporate and technical assistance with Société Générale Paris. Other liabilities do not include any amount representing dividends to be paid to Société Générale Paris as of September 30, 2024, dividends were already paid at the beginning of 2024 (December 31, 2023: 386,860).

The Bank has granted to SG Paris collaterals regarding derivative instruments in total amount of 130,933 as of September 30, 2024 (December 31, 2023: 201,869).

As of September 30, 2024 the Board of Directors and Managing Committee members own 1,030 shares (December 31, 2023: 21,030).

**38. Contingencies**

As of September 30, 2024 the Bank is the defendant in a number of lawsuits arising in the course of business, amounting to approximately 88,963 (December 31, 2023: 80,404). The amounts disclosed represent the additional potential loss in the event of a negative court decision, the amounts not being provisioned. The management believes that the ultimate resolution of these matters will not have a material adverse effect on the Group's overall financial position and performance. The Bank already booked a provision of 23,354 (December 31, 2023: 11,886) and the Group 28,348 (December 31, 2023: 17,004) in relation with the litigations.

*Competition Council*

During the year ended December 31, 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 completion regulations regarding the fixing of reference ROBOR rates. The investigation is still in the preliminary phase at the date of issue of these financial statements and no report has been delivered.
- 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 also in its early phases and the Bank has not received yet a request of information from the Competition Council.

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 info as of today, no specific element of non-compliance with competition law has been identified by the Bank,
- the investigation is in an incipient stage and no report has been issued by the Competition Council,

the Bank concludes that the risk is low and remote and therefore no provision should be recognized as of September 30, 2024.

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### **38. Contingencies (continued)**

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

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 50 000 RON for deceiving marketing practice and received an ANPC order to stop these practices. The Bank launched a series of Court actions concerning both the fine and the order. At this point in time the ANPC Order is suspended and the actions follow their legal course.

Considering the status of all above actions, the Bank assesses that as of September 30, 2024 and December 31, 2023, the criteria for booking a provision or a contingent liability are not met.

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

<u>Assets measured at fair value</u>	Group				Bank			
	September 30, 2024 Unaudited (*)				September 30, 2024 Unaudited (*)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Derivative financial instruments								
Interest rate swaps	-	35,348	-	35,348	-	35,348	-	35,348
Currency swaps	-	10,010	-	10,010	-	10,010	-	10,010
Forward foreign exchange contracts	-	6,111	-	6,111	-	6,121	-	6,121
Options	-	-	34,673	34,673	-	-	34,673	34,673
	-	<b>51,469</b>	<b>34,673</b>	<b>86,142</b>	-	<b>51,479</b>	<b>34,673</b>	<b>86,152</b>
Financial assets at fair value through other comprehensive income	13,394,224	-	-	13,394,224	13,394,224	-	-	13,394,224
Equity investments (listed)	5,683	-	-	5,683	5,683	-	-	5,683
Equity investments (not listed)	-	-	4,559	4,559	-	-	4,559	4,559
<b>Total</b>	<b>13,399,907</b>	<b>-</b>	<b>4,559</b>	<b>13,404,466</b>	<b>13,399,907</b>	<b>-</b>	<b>4,559</b>	<b>13,404,466</b>
Other financial instruments held for trading	1,372,551	742,601	-	2,115,152	1,345,174	742,601	-	2,087,775
<b>Total</b>	<b>14,772,458</b>	<b>794,070</b>	<b>39,232</b>	<b>15,605,760</b>	<b>14,745,081</b>	<b>794,080</b>	<b>39,232</b>	<b>15,578,393</b>
<u>Liabilities measured at fair value</u>	Group				Bank			
	September 30, 2024 Unaudited (*)				September 30, 2024 Unaudited (*)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>								
Derivative financial instruments								
Interest rate swaps	-	169,860	-	169,860	-	169,860	-	169,860
Currency swaps	-	14,054	-	14,054	-	14,054	-	14,054
Forward foreign exchange contracts	-	4,969	-	4,969	-	4,969	-	4,969
Options	-	-	34,764	34,764	-	-	34,764	34,764
<b>Total</b>	<b>-</b>	<b>188,883</b>	<b>34,764</b>	<b>223,647</b>	<b>-</b>	<b>188,883</b>	<b>34,764</b>	<b>223,647</b>
Other financial instruments held for trading	408,662	194,792	-	603,454	408,662	194,792	-	603,454
<b>Total</b>	<b>408,662</b>	<b>383,675</b>	<b>34,764</b>	<b>827,101</b>	<b>408,662</b>	<b>383,675</b>	<b>34,764</b>	<b>827,101</b>

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**39. Fair value (continued)**

	Group				Bank			
	December 31, 2023				December 31, 2023			
	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	-	27,661	-	27,661	-	27,661	-	27,661
Currency swaps	-	12,587	-	12,587	-	12,587	-	12,587
Forward foreign exchange contracts	-	3,177	-	3,177	-	3,177	-	3,177
Options	-	-	43,858	43,858	-	-	43,858	43,858
	-	43,425	43,858	87,283	-	43,425	43,858	87,283
Financial assets at fair value through other comprehensive income	13,429,670	-	-	13,429,670	13,429,670	-	-	13,429,670
Equity investments (listed)	7,456	-	-	7,456	7,456	-	-	7,456
Equity investments (not listed)	-	-	3,919	3,919	-	-	3,919	3,919
<b>Total</b>	<b>13,437,126</b>	<b>-</b>	<b>3,919</b>	<b>13,441,046</b>	<b>13,437,126</b>	<b>-</b>	<b>3,919</b>	<b>13,441,046</b>
Other financial instruments held for trading	1,219,076	829,350	-	2,048,426	1,194,028	829,350	-	2,023,378
<b>Total</b>	<b>14,656,202</b>	<b>872,775</b>	<b>47,777</b>	<b>15,576,755</b>	<b>14,631,154</b>	<b>872,775</b>	<b>47,777</b>	<b>15,551,707</b>
<b>Liabilities measured at fair value</b>								
<b>Financial liabilities</b>								
Derivative financial instruments								
Interest rate swaps	-	253,207	-	253,207	-	253,207	-	253,207
Currency swaps	-	35,016	-	35,016	-	35,016	-	35,016
Forward foreign exchange contracts	-	3,537	-	3,537	-	3,537	-	3,537
Options	-	-	44,011	44,011	-	-	44,011	44,011
<b>Total</b>	<b>-</b>	<b>291,760</b>	<b>44,011</b>	<b>335,771</b>	<b>-</b>	<b>291,760</b>	<b>44,011</b>	<b>335,771</b>
Other financial instruments held for trading	522,637	414,042	-	936,679	522,637	414,042	-	936,679
<b>Total</b>	<b>522,637</b>	<b>705,802</b>	<b>44,011</b>	<b>1,272,450</b>	<b>522,637</b>	<b>705,802</b>	<b>44,011</b>	<b>1,272,450</b>

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### **39. 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.

BRD manages the group of these financial assets and liabilities (options) on the basis of 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, BRD 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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**39. 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 in order to replace the holding as it consists of the initial capital investment adjusted by the financial performance of the entity.

**Movement in level 3:**

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

	Equity investments (not listed)	Options (A)	Options (L)
<b>Closing balance as at December 31, 2022</b>	<b>4,120</b>	<b>65,609</b>	<b>65,645</b>
Acquisitions	-	8,001	8,001
Sales	-	(296)	(296)
Reimbursements	-	(6,144)	(6,144)
Gain losses from change in fair value	(201)	(23,312)	(23,195)
<b>Closing balance as at December 31, 2023</b>	<b>3,919</b>	<b>43,858</b>	<b>44,011</b>
Acquisitions	347	9,420	9,420
Sales	(286)	(278)	(278)
Reimbursements	-	(5,937)	(5,937)
Gains/losses from change in fair value	580	(12,390)	(12,452)
<b>Closing balance as at September 30, 2024 Unaudited</b>	<b>4,559</b>	<b>34,673</b>	<b>34,764</b>

**40. Capital and liquidity management**

*Capital management*

BRD 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.

All CRR 2 requirements (represented by new provisions of Regulations EU 876/2019) have been implemented starting 30.06.2021.

Bank's own funds comprises Tier 1 and Tier 2 capital. Two subordinated loans in total amount of 250 million EUR (received in December 2021 and June 2022) are included as Tier 2 capital.

Tier 1 capital includes CET 1 capital, namely eligible capital, eligible reserves and other comprehensive income less regulatory deductions.

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#### 40. Capital and liquidity management (continued)

A summary of the capital requirements indicators is presented below, in million RON:

	Bank	
	Unaudited (*) September 30, 2024	December 31, 2023
Total Tier 1 capital	8,229	6,859
Total Tier 2 capital	1,244	1,244
<b>TOTAL OWN FUNDS</b>	<b>9,473</b>	<b>8,103</b>
<b>Total capital requirement</b>	<b>2,750</b>	<b>2,823</b>
Credit risk (including counterparty risk)	31,755	32,769
Market risk	257	139
Operational risk	2,229	2,238
CVA risk	165	145
<b>Total risk exposure amount</b>	<b>34,406</b>	<b>35,291</b>
Regulatory CAR	27.56%	22.96%
Tier 1 ratio	23.94%	19.44%

The figures as of September 30, 2024 are preliminary figures. The value for own funds as of December 31, 2023 includes the profit for year 2023 net of the approved dividends (50% of 2023 profit) according to GSM decision from April 25, 2024. The Bank was compliant with the capital adequacy ratios throughout the year.

The increase in own funds is mainly explained by the application, starting with July 2024 of art. 468 of CRR3 (OCI – quick fix, as per Regulation (EU) 2024/1623) regarding the temporary treatment of unrealized gains and losses resulting from the valuation of assets at fair value through OCI.

The contraction in total risk exposure amount is mainly explained by the temporary relief measures on the RW applied to Romanian sovereign denominated in EUR, based on art. 500a of CRR3.

BRD capital adequacy ratio, without the new regulatory temporary treatments (implemented through art. 468 and art. 500a of CRR3 in July 2024), stands just below 23%.

#### *Liquidity management*

As of September 30, 2024 and December 31, 2023 the Bank has complied with all the regulatory requirements regarding liquidity management. The Bank has a solid and diversified deposits base, with 66% in retail deposits and 87% 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 September 2024 the amount of funding is in amount of 1,220,000 KEUR, which consist from 970,000 KEUR of SNP and 250,000 KEUR of subordinated loans. The NSFR was above the regulatory limits as of September 30, 2024.

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 unencumbered high-quality assets, eligible as collateral for funding attraction is at 38% of customer resources. The follow up of the liquidity buffer is done on a daily basis as part of the daily liquidity dashboard which allows to properly monitoring its sufficiency.

At the end of September 2024 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.

#### 41. Subsequent events

No subsequent event was identified after the reporting date.