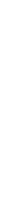


Half Year Report



June 30, 2024



according to Financial Supervisory Authority Regulation
no 5/2018

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1. THE COMPANY AND ITS SHAREHOLDERS

BRD – GROUPE SOCIÉTÉ GÉNÉRALE PROFILE

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

In March 1999, Société Générale (“SG”) bought a stake representing 51% of the share capital, increasing its holding to 58.32% in 2004, through the acquisition of the residual stake from the Romanian State. As at June 30, 2024, SG was holding 60.17% of the share capital.

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

BRD identification data are the following:

- **Head Office:** 1-7 Blvd. Ion Mihalache, sect. 1, Bucharest
- **Phone/Fax:** 021.3016100 / 021.3016800
- **Sole registration number with the Trade Registry:** 361579/10.12.1992
- **Fiscal Code:** RO 361579/10.12.1992
- **Order number with the Trade Registry:** J40-608-1991
- **Number and date of registration in the Credit Institutions Register:** RB - PJR - 40 – 007/18.02.1999
- **Share capital subscribed and paid:** 696,901,518 RON
- **Regulated market on which the issued securities are traded:** Bucharest Stock Exchange Premium Tier
- **The main characteristics of securities issued by the company:** ordinary shares with a nominal value of 1 RON

EXTERNAL RATING

As at June 30, 2024, the Bank had the following ratings:

Fitch (last rating update: December-2023*)	Rating
Foreign-Currency Short-Term Issuer Default Rating	F2
Foreign-Currency Long-Term Issuer Default Rating	BBB+

Moody's (last rating update: September-2023**)	Rating
Domestic Currency Short-Term Deposit	Prime-2
Domestic Currency Long-Term Deposit	Baa1
Foreign Currency Short-Term Deposit	Prime-2
Foreign Currency Long-Term Deposit	Baa1

* Fitch affirmed LT IDR at 'BBB+' with Stable Outlook

** Moody's affirmed Bank's LT and ST foreign currency deposit rating to Baa1/Prime-2 in October 2021 and changed the outlook to stable from negative. On the last update of credit analysis, as of September 2023 end, rating and outlook remained unchanged.

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

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

SOCIÉTÉ GÉNÉRALE PROFILE

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

Société Générale is one of the largest European financial services groups. Based on a diversified integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth, and aims to be the trusted partner for its clients, committed to the positive transformations of the world.

Active in the real economy for over 160 years, with a solid position in Europe and connected to the rest of the world, Société Générale has more than 126,000 members of staff in 65 countries and supports on a daily basis around 25 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions.

The Group runs three complementary sets of businesses, embedding ESG offerings for all its clients:

- *French Retail Banking*, with leading retail bank SG and insurance franchise, premium private banking services, and the leading digital Bank Boursorama.
- *Global Banking and Investor Solutions*, a top tier wholesale bank offering tailored-made solutions with distinctive global leadership in Equity Derivatives, Structured Finance and ESG.
- *International Retail, Mobility & Leasing Services*, comprising well-established universal banks (in Romania, Czech Republic and several African countries), and ALD / LeasePlan, a global player in sustainable mobility.

The latest credit ratings of Société Générale are available at

<https://investors.societegenerale.com/en/financial-and-non-financial-information/ratings/credit-ratings>

BRD POSITION WITHIN SOCIÉTÉ GÉNÉRALE

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

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

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

BRD is part of the international network of Société Générale, managed by the *International Retail, Mobility & Leasing Services* (MIBS) that aims to offer a broad range of products and services to individuals, professionals and corporates. International Retail, Mobility and Leasing Services are building their networks in France, Central and Eastern Europe and Africa comprising well-established universal banks (in Romania, Czech Republic and several African countries), Ayvens (the new ALD LeasePlan brand), a global player in sustainable mobility, as well as specialized financing activities.

KEY FIGURES

		6 months to 30-Jun-2023	6 months to 30-Jun-2024	Change
	The Group			
Financial results	Net banking income (RONm)	1,861	1,968	+5.7%
	Operating expenses (RONm)	(944)	(1,028)	+8.9%
	Cost of risk (RONm)	5	(91)	n.a.
	Net profit (RONm)	768	694	-9.6%
	Cost / income ratio	50.7%	52.2%	+1.5 pt
	ROE	20.1%	15.9%	-4.3 pt
	RON bn	Jun-23	Jun-24	Change
Loans and deposits	Total net loans (incl. leasing)	39.6	45.0	+13.9%
	Total deposits	58.4	65.5	+12.0%
	The Bank			
Financial results	Net banking income (RONm)	1,804	1,891	+4.8%
	Operating expenses (RONm)	(905)	(998)	+10.3%
	Cost of risk (RONm)	(2)	(69)	n.a.
	Net profit (RONm)	752	675	-10.2%
	Cost / income ratio	50.2%	52.8%	+2.6 pt
	ROE	20.8%	16.2%	-4.6 pt
	RON bn	Jun-23	Jun-24	Change
Loans and deposits	Total net loans	37.3	42.7	+14.7%
	Total deposits	58.6	65.7	+12.0%
	RON m	Jun-23	Jun-24	Change
Capital adequacy	Own funds (RONm)	7,605	8,002	+5.2%
	RWA (RON bn)	34,032	34,714	+2.0%
	CAR*	22.3%	23.1%	+0.7 pt
Franchise	No of branches	441	389	(52)

Notes:

* CAR for Jun-24 is preliminary (own funds include 50% of 2023 profit)

As of June 30, 2024, BRD Finance IFN SA is in a run off, being in process of selling its entire loan portfolio. 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 June 30, 2024 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.

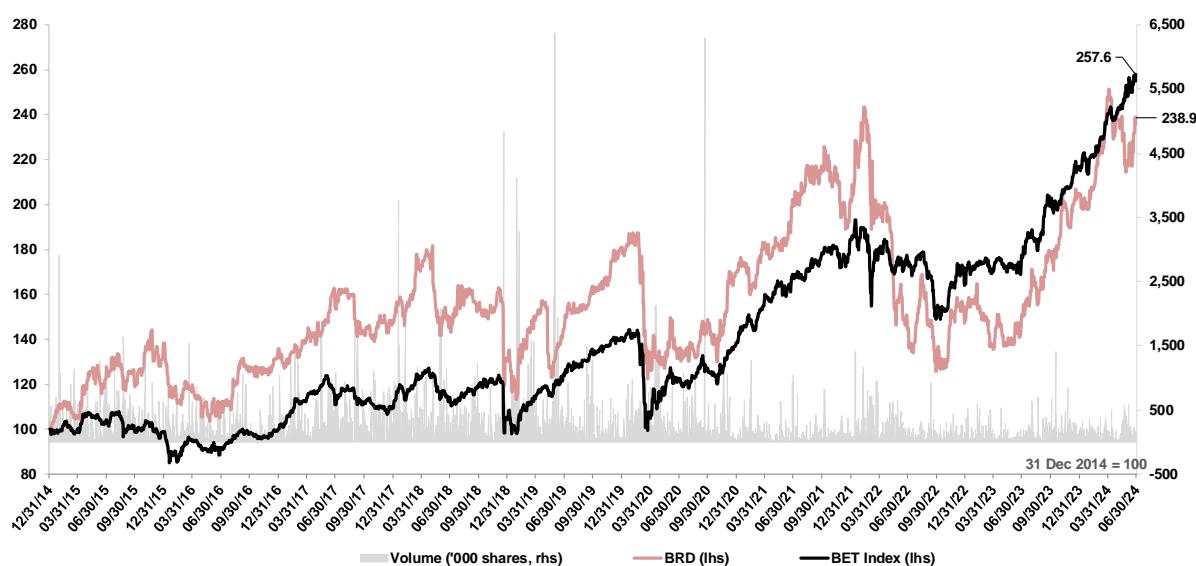
BRD SHARE

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

The closing price for BRD share as at June 30, 2024, was of RON 20.90 /share (RON 17.92 /share at December 31, 2023 and RON 13.22 /share at June 30, 2023). On the same date, the market capitalization was RON 14,565.24 million (RON 12,488.48 million at December 31, 2023 and RON 9,213.04 million at June 30, 2023).

During January – June 2024, neither the Bank, nor its subsidiaries bought back own shares.

Evolution of BRD's share price versus the BET Index and BRD's volume of shares for the period December 31, 2014 – June 30, 2024



Source: Bloomberg

DIVIDENDS

The Annual Shareholders' Meeting held on April 25, 2024 approved the distribution of a gross dividend per share of 1.17250 RON. The total amount of dividends is RON 817.1 million, corresponding to a payout ratio of 50% from 2023 distributable profit. Dividend payment started on June 6, 2024 and the deferred payment date is November 29, 2024.

As at June 30, 2024, the amount of gross dividends effectively paid was RON 817.0 million, representing 99.47% out of the total approved dividends from 2023 distributable profit.

2. ECONOMIC AND BANKING ENVIRONMENT

First half of 2024 is marked by subdued economic growth in Europe, but with economic activity gradually picking up, as inflation cooled further and the tight monetary policy already started to ease in some CEE countries.

Romania remains a top performer across the European Union in terms of GDP growth. During Q1 2024 Romania's GDP growth reached +0.7% QoQ (vs. Q4 2023, seasonally adjusted) and +2.2% (seasonally adjusted) compared to the same period of last year (i.e. Q1 2023).

According to IMF's latest report, Romania's GDP growth is expected to reach 2.8% in 2024 (lower than 3.8%, the previous estimate in October 2023) and to accelerate in 2025 to 3.6%. Additionally, in accordance with the European Commission's most recent Economic Forecast report ("Spring 2024 Economic Forecast"), it is anticipated that Romania's real GDP will achieve growth rates of 3.3% in 2024 and 3.1% in 2025 – a more optimistic estimate vs. the previous one for 2024 (prev. 2.9%) and only slightly reduced for 2025 (prev. 3.2%).

As of end 2023, Romania's National Recovery and Resilience Plan ("NRRP") stands at EUR 28.5 bn (EUR 14.9 bn in loans, EUR 13.6 bn in grants) covering 66 reforms and 111 investments (177 measures), structured around 16 components. In December 2023, Romania sent the third payment request to the European Commission, worth EUR 2.7 bn (EUR 1.9 bn grants and EUR 0.8 bn loans), adding to the EUR 9.5 bn received so far. The request is still under assessment by the European Commission.

After the noteworthy descent witnessed in the previous year, inflation in major economies has seesawed since the start of the year, with the nexus of labour market tightness - sticky services inflation remaining the main source of upward pressure. Euro area inflation printed at 2.5% in Jun'24 (down from 2.6% in May'24).

Domestic inflation continued to decelerate in June 2024 (4.9% vs. 6.6% at end-Q1), though it counted among the highest at EU level. The evolution was largely ascribable to subdued food prices and the trajectory of energy prices after the government capped the intermediary prices in March. Mention should be made that inflation notably undershot NBR's projected trajectory (6.0% by the end-Q2'24 in May Inflation Report).

Regarding monetary policy, the key rate has been maintained during 2023 and the first half of 2024 at 7% and reduced by 25 bps to 6.75% at the last meeting held on July 5th, as a result of decreasing inflation significantly below expectations. The decision, which matched market expectations, was taken against a complex landscape, with external and internal tensions demanding a cautious approach (e.g. following the 25 bps rate cut in June, recent statements from key ECB officials suggest cautious approach to future rate cuts, citing uncertainties in evolution of profits, wages, and productivity).

In terms of banking activity, the annual growth rate of gross loans outstanding reached +7.1%* YoY at May 2024 end, recovering by more than double in annual growth pace vs. summer 2023 months, largely sustained by corporates (+8.6%* YoY). Loans to individuals reversed the negative performance from June – September 2023, with its annual dynamic re-entering into positive territory starting October 2023 and gradually improving during the first five months of 2024 (+5.2% YoY at May 2024 end, from -0.1% YoY at September 2023 end and +1.3% YoY at December 2023 end). This evolution was driven mainly by consumer lending, which maintained a positive and increasing growth rate, reaching +11.3%* YoY at May 2024 end (+1.5%* YoY at August 2023 end and +6.3%* YoY at February 2024 end). Housing loans presented a more subdued, but improving performance, up by +1.4%* YoY at May 2024 end, from -0.5%* YoY at December 2023 end and -1.2%* YoY at September 2023 end.

Deposits regained momentum towards the end of 2023 and maintained it during the first five months of the year, with growth rate reaching +10.7%* YoY at May 2024 end, up from +6.0%* YoY at December 2023, and +3.3%* at August 2023 end, with individuals and companies RON savings on a high growth; after one year of contraction, the FX component returned to a positive dynamic driven by the corporate segment.

Regarding asset quality, the Romanian banking sector remains classified into EBA's "low risk" bucket with a level of NPL (non-performing loans) ratio <3% and NPL coverage ratio > 55%. As at May 2024 end, NPL ratio increased marginally to the level of 2.48% (vs. 2.4% at December 2023 end). NPL coverage ratio stood high at 66% at March 2024 end (vs. 65.5% at December 2023 end).

The Romanian banking system remains well capitalized, as reflected by the solid capital adequacy ratio of 22.9% as of March 2024 end (vs. 23.6% as of December 2023 end), higher than EU average (19.9%

at December 2023 end) and significantly above the overall capital requirements (17.2% as of March 2024 end). On the medium term, a potential negative factor on the capital position could be the implementation of the Basel III directive (published as of May 2024 end), which may lead to an increase of capital requirements for Romanian banks of 3.6% of risk-weighted assets (“RWAs”) on average by the time it is fully implemented in 2028 (as per NBR Financial Stability Report, June 2024).

The Romanian banking system also boasts a strong liquidity position, with a Liquidity Coverage Ratio of 270.5% as of May 2024 end (vs. 281% at December 2023 end), remaining well above the minimum regulatory requirement (100%) and the EU average (167.1% at December 2023 end).

** variation at constant exchange rate*

Source: BRD Research, IMF, NBR, EBA Risk Dashboard Report Q1 2024

3. COMMERCIAL ACTIVITY

BRD ensures the distribution of its products and services through a combination of physical and remote presence. As at June 30, 2024, there are 389 branches (December 31, 2023: 423 branches, June 30, 2023: 441 branches) and 212 self service areas (24/7).

Regarding digital capabilities, BRD continues to advance on its roadmap, introducing new features to its YouBRD mobile and/or web platform. The most recently implemented include the cashback loyalty program addressed to debit (both local and foreign currency) and credit card customers, and the intrabank foreign exchange between own accounts 24/7/365.

YouBRD reached nearly 1.6 million customers, showcasing a noteworthy +20% YoY increase as of June 2024 end.

BRD continues to innovate to respond to clients' needs and to support, at the same time, key economic sectors. As such, in June 2024, BRD launched a digital channel through which small farmers can access APIA ("Agency for Payments and Intervention in Agriculture") loans directly on the Bank's website. The new online distribution channel addresses the need for speed and flexibility of farmers, who can thus devote more time to their core business and better capitalize on business opportunities in an extremely intense agricultural season.

At March 31, 2024 BRD held a market share of 10% of total assets.

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

RON bln	Jun-23	Dec-23	Jun-24	vs. Dec-23	vs. Jun-23
Retail	24.0	24.7	26.0	5.2%	8.5%
Individuals	22.9	23.5	24.5	4.5%	6.8%
Small business	1.0	1.3	1.5	18.5%	46.1%
Non-retail	14.0	15.9	17.1	7.9%	22.3%
SMEs	5.1	5.7	5.9	2.4%	14.3%
Large corporate	8.9	10.2	11.3	11.0%	26.9%
Total net loans	38.0	40.6	43.2	6.3%	13.6%
Financial lease receivables	1.6	1.7	1.9	11.4%	20.3%
Total net loans, including leasing	39.6	42.3	45.0	6.5%	13.9%

Net loans outstanding (including leasing) reached RON 45.0 billion, increasing by +13.9% versus June 30, 2023, propelled by robust lending activity across the board.

While the corporate segment remained the key driver of the lending performance (+22.3% vs. June 2023), the retail segment continued to accelerate its loan growth (from +2.3% YoY as of June 2023 end to +8.5% YoY as of June 2024 end).

The first half of 2024 marked record breaking individuals' loan origination volumes, reaching RON 5.2 billion (+51% YoY), demonstrating BRD's strong customer focus. Small businesses also contributed to the segment growth, with net loans outstanding reaching an increase of +46.1% YoY at June 2024 end, following an improved lending process and offer on Bank's standard products but also the good performance in governmental programs.

Corporate financing further delivered a strong performance (net loans outstanding +22.3% YoY at June 2024 end), fueled by both SMEs (net loans outstanding +14.3% YoY at June 2024 end) and large companies (net loans outstanding +26.9% YoY at June 2024 end). During the first half of 2024, BRD kept actively supporting the business environment in Romania by granting new financing to companies that meet the specific eligibility criteria of the IMM PLUS governmental program. As of June 2024 end, new loans approved through the program reached RON 3.08 billion, +90% YoY vs H1 2023. Additionally, leasing activity preserved a substantial growth pace (+20.3% YoY at June 2024 end).

BRD has continued to demonstrate its strong dedication to support sustainability transitions. By the end of June 2024, BRD cumulative production of sustainable financing, over the last 3 years, reached almost EUR 1.1 billion, already surpassing the EUR 1 billion target initially set for end of 2025. Moreover, Q1 2024 was marked by a landmark transaction on Romanian market, namely an innovative synthetic significant risk transfer (SRT) transaction closed between BRD and IFC (member of the World Bank Group) on a reference portfolio of EUR 700 million. This transaction enables to free up capital for BRD with the purpose to boost capabilities in financing of impactful sustainability-related projects in Romania (more than EUR 300m committed to finance climate-related initiatives and women-owned smaller businesses).

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

RON bln	Jun-23	Dec-23	Jun-24	vs. Dec-23	vs. Jun-23
Retail	37.9	40.8	42.0	3.0%	10.8%
Individuals	32.0	34.1	35.7	4.7%	11.6%
Small business	5.9	6.7	6.3	-5.7%	6.3%
Non-retail	20.5	21.6	23.5	8.5%	14.3%
SMEs	8.2	9.4	9.4	0.2%	15.2%
Large corporate	12.4	12.3	14.1	14.9%	13.8%
Total deposits	58.4	62.4	65.5	4.9%	12.0%

The deposit base continued to grow steadily in H1 2024, achieving a +12.0% YoY increase as of June 2024 end. Retail deposits, a stable and substantial source of funding, demonstrated solid growth with a +10.8% YoY increase, boosted by the continued strong increase in term deposits, which gained ground in front of current deposits since early 2022 when interest rates embarked on an accelerated upward trend. Corporate deposits reached +14.3% YoY growth, largely driven by high net inflows from SME clients (+15.2% YoY as of June 2024 end), followed by a solid growth from large corporate clients (+13.8% YoY as of June 2024 end).

For the evolution of the main components of the net banking income please refer to "Financial results" section.

SUBSIDIARIES' ACTIVITY

BRD SOGELEASE IFN SA

The activity of BRD Sogelease continued to grow in the first half of 2024, with net outstanding amounts of leasing financing increasing by +20.3% YoY to RON 1,855 million as at June 2024 end. New leasing production increased to RON 652 million in 2024, +3% YoY. Leasing financing solutions were predominantly used by SME's, but also large corporates in various fields such as construction, transportation and logistics, as well as industrial production. The results from the recent period reaffirm financial leasing as an accessible and efficient financing solution within the range of products offered by BRD Group.

BRD FINANCE IFN SA

As of June 30, 2024 and December 31, 2023 BRD Finance IFN SA is in a run off process, being in process of selling its entire loan portfolio. 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 June 30, 2024 and December 31, 2023 the BRD Finance IFN SA financial statements were prepared in compliance with IFRS, but no longer on a going concern basis. The entity has been included in the consolidated financial statements of the Group on this basis.

BRD ASSET MANAGEMENT SA

BRD Asset Management is one of the most important actors on the Romanian UCITS market, with a market share of 20.93%* and RON 5.12 billion AuM („Assets under Management”) at the end of June 2024. BRD Asset Management had a solid increase of +45.7% YoY in AuM at June 2024 end, reaching the first position on the UCITS market for the first time in its history. BRD Asset Management's diverse product offering includes multiple investment possibilities, catering for a large variety of customer needs. BRD Asset Management now offers investment solutions to more than 150 thousand clients across its 12 investment funds.

**market share computation based on total open-end funds assets under management*

4. FINANCIAL RESULTS AND RATIOS

FINANCIAL POSITION ANALYSIS

The below financial position analysis is done based on the solo (“The Bank”) and consolidated (“The Group”) financial statements prepared according to IFRS (“International Financial Reporting Standards”), for the period ended June 30, 2024 and comparable historical periods.

FINANCIAL POSITION – ASSETS

In H1 2024, the Group’s total assets increased by 12.0% YoY (versus June 30, 2023), and by 12.2% at Bank level. Compared to 2023 end, total assets were higher by 2.8% at both Group and Bank levels.

The asset structure is presented below:

THE GROUP

Assets (RONm)	Jun-23	Dec-23	Jun-24	% total	vs. Dec-23	vs. Jun-23
Cash and cash equivalents	10,138	12,462	11,820	13.7%	-5.2%	16.6%
Due from banks	5,644	5,617	5,044	5.9%	-10.2%	-10.6%
Net loans and advances to customers	37,991	40,613	43,153	50.1%	6.3%	13.6%
Financial lease receivables	1,567	1,692	1,885	2.2%	11.4%	20.3%
Other financial instruments	19,055	20,824	21,704	25.2%	4.2%	13.9%
Tangible and intangible assets	1,543	1,645	1,698	2.0%	3.3%	10.0%
Other assets	1,023	996	906	1.1%	-9.0%	-11.4%
Total assets	76,961	83,849	86,211	100.0%	2.8%	12.0%

THE BANK

Assets (RONm)	Jun-23	Dec-23	Jun-24	% total	vs. Dec-23	vs. Jun-23
Cash and cash equivalents	10,138	12,462	11,820	14.1%	-5.2%	16.6%
Due from banks	5,629	5,602	5,044	6.0%	-9.9%	-10.4%
Net loans and advances to customers	37,282	40,202	42,744	51.1%	6.3%	14.7%
Other financial instruments	19,079	20,838	21,712	26.0%	4.2%	13.8%
Tangible and intangible assets	1,519	1,620	1,687	2.0%	4.1%	11.1%
Other assets	896	658	619	0.7%	-6.0%	-31.0%
Total assets	74,541	81,381	83,624	100.0%	2.8%	12.2%

LOANS AND ADVANCES TO CUSTOMERS

Robust performance in H1 2024 of net loans and advances to customers, with amounts outstanding as at June 2024 reaching RON 45.0 billion (Group: +13.9% YoY at June 2024 end, o/w leasing +20.3%; Bank: +14.7%) Both the corporates and individuals segments drove the growth, but corporates accounted for a larger contribution, as detailed above in Chapter 3.

CASH, CASH EQUIVALENTS AND DUE FROM BANKS

Cash and cash equivalents and due from banks increased by almost 7.0% YoY versus June 2023 end, for both the Bank and the Group, driven by higher cash and cash equivalents, while placements to credit institutions reduced on an annual basis. Compared to December 2023 end, the level decreased by 6.6% for the Bank and 6.7% for the Group, driven by the decrease of both cash and cash equivalents and placements to credit institutions (i.e. reverse repo). These items represented approximately 19.6% of total assets for the Group and 20.2% for the Bank at end of June 2024.

The minimum compulsory reserve held with the National Bank of Romania accounted for 29.2% of this aggregate at June 30, 2024 (25.4% at December 2023 end and 27.3% at June 2023) at Group level. It amounted to RON 4,922 million, up by 14.2% vs June 30, 2023, and +7.3% vs December 31, 2023 mainly linked to increasing customers deposits. The level of RON and FX minimum reserve requirements for liabilities with residual maturity of less than 2 years are at 8% and 5% respectively, unchanged from May 2015 for RON and from November 2020 for FX.

OTHER FINANCIAL INSTRUMENTS

Other financial instruments include financial assets at fair value through other comprehensive income, treasury bills at amortised cost, financial assets at fair value through profit and loss, derivatives and other financial instruments held for trading, investments in associates and subsidiaries.

These items amounted to RON 21.7 billion at June 2024 end and represented 25.2% of Group assets and 26.0% of Bank assets. They increased by almost 13.9% compared to June 2023 end for both Group

and Bank, mainly driven by the increase in government bonds portfolio measured at amortised cost that includes bonds issued by Romanian government, French State and US Treasury.

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.

TANGIBLE AND INTANGIBLE ASSETS

The tangible and intangible assets increased by 10.0% compared to June 2023 end for the Group and by 11.1% for the Bank and accounted for 2.0% of the total assets for both the Group and the Bank, with land and buildings representing the largest part of the item.

The total value of investments during the first half of 2024 was almost RON 140 million for both the Group and the Bank, compared to almost RON 109 million in the same period in 2023 for both the Group and the Bank. There is no capitalized research and development expenditure.

FINANCIAL POSITION – LIABILITIES

The comparative statement of liabilities is as follows:

THE GROUP

Liabilities and shareholders equity (RONm)	Jun-23	Dec-23	Jun-24	% total	vs. Dec-23	vs. Jun-23
Amounts owed to credit institutions	8,055	9,396	9,644	11.2%	2.6%	19.7%
Amounts owed to customers	58,441	62,406	65,461	75.9%	4.9%	12.0%
Other liabilities	2,180	3,185	2,468	2.9%	-22.5%	13.2%
Shareholders equity	8,285	8,862	8,638	10.0%	-2.5%	4.3%
Total liabilities and shareholders equity	76,961	83,849	86,211	100.0%	2.8%	12.0%

THE BANK

Liabilities and shareholders equity (RONm)	Jun-23	Dec-23	Jun-24	% total	vs. Dec-23	vs. Jun-23
Amounts owed to credit institutions	5,966	7,226	7,403	8.9%	2.4%	24.1%
Amounts owed to customers	58,626	62,642	65,653	78.5%	4.8%	12.0%
Other liabilities	2,055	3,048	2,346	2.8%	-23.0%	14.2%
Shareholders equity	7,894	8,465	8,223	9.8%	-2.9%	4.2%
Total liabilities and shareholders equity	74,541	81,381	83,624	100.0%	2.8%	12.2%

AMOUNTS OWED TO CUSTOMERS

The Group, as well as the Bank, further consolidated and diversified its already solid savings base. At June 2024 end, amounts owed to customers increased by 12% both at Group and Bank levels and accounted for 75.9% of the total liabilities and shareholders' equity at Group level and for 78.5% at Bank level. The increase primarily resulted from higher inflows in term deposits from individual customers and notable advancement in deposits from non-retail customers.

AMOUNTS OWED TO THE CREDIT INSTITUTIONS

Amounts owed to credit institutions represent borrowings from the parent and International Financial Institutions and interbank deposits, and stood at 12.4% of the total liabilities at Group and 9.8% at Bank level as at June 30, 2024.

BRD Group's borrowings from Société Générale totalled RON 7.9 billion (10.2% of liabilities) at June 2024 end. These include 5 senior non-preferred loans in amount of EUR 970 million, namely: EUR 120 million drawn in December 2022 and EUR 450 million drawn in December 2023 (roll-over of a 2021 SNP), both with an initial term of 3 years and a call option at 2 years; EUR 100 million with initial term at 7 years and a call option at 6 years and EUR 150 million with an initial term of 8 years and a call option at 7 years, both drawn in December 2023, EUR 150 million drawn in June 2024 with an initial term of 6 years and a call option at 5 years (roll-over of a 2022 SNP), and 2 subordinated loans in amount of EUR 250 million (EUR 100 million drawn in December 2021, respectively EUR 150 million in June 2022, both with an initial term of 10 years and a call option at 5 years).

SHAREHOLDERS' EQUITY

Shareholders' equity increased by 4.3% YoY for the Group and by 4.2% YoY for the Bank compared to June 30, 2023, mainly driven by lower negative revaluation reserves of debt instruments accounted at fair value through other comprehensive income, in the context of slightly favorable development of bond yields curve as compared to the same period of last year.

The structure of the shareholders' equity evolved as follows:

THE GROUP

Shareholders' equity (RONm)	Jun-23	Dec-23	Jun-24	vs. Dec-23	vs. Jun-23
Share capital	2,516	2,516	2,516	0.0%	0.0%
Other reserves	(1,489)	(1,157)	(1,258)	8.7%	-15.5%
Retained earnings and capital reserves	7,193	7,436	7,309	-1.7%	1.6%
Non-controlling interest	66	68	71	5.6%	9.0%
Total shareholders' equity	8,285	8,862	8,638	-2.5%	4.3%

THE BANK

Shareholders' equity (RONm)	Jun-23	Dec-23	Jun-24	vs. Dec-23	vs. Jun-23
Share capital	2,516	2,516	2,516	0.0%	0.0%
Other reserves	(1,489)	(1,157)	(1,258)	8.7%	-15.5%
Retained earnings and capital reserves	6,868	7,107	6,965	-2.0%	1.4%
Total shareholders' equity	7,894	8,465	8,223	-2.9%	4.2%

LIQUIDITY POSITION

Both the Bank and the Group maintained a balanced structure of resources and placements and a comfortable liquidity level over the analysed period.

The net loans to deposits ratio reached 65.1% at June 30, 2024 for the Bank (from 64.2% at December 31, 2023 and 63.6% at June 30, 2023) and 68.8% for the Group, including financial leasing receivables (from 67.8% at December 31, 2023 and 67.7% at June 30, 2023).

H1-2024 FINANCIAL RESULTS

The comparative income statement of the Group for the periods January – June 2024 and January – June 2023 is presented below:

RONm	H1-2023	H1-2024	H1 24/'23
Net banking income	1,861	1,968	5.7%
- net interest income	1,329	1,426	7.3%
- net commissions	361	384	6.5%
- other banking income	172	158	-7.9%
Operating expenses	(944)	(1,028)	8.9%
- staff expenses	(462)	(494)	7.0%
- non-staff expenses	(482)	(534)	10.8%
Operating profit	918	940	2.4%
Net cost of risk	5	(91)	n.a.
Gross result	923	849	-8.0%
Net result	768	694	-9.6%
Profit attributable to equity holders of the parent	753	690	-8.4%

The comparative income statement of the Bank for the periods January – June 2024 and January – June 2023 is presented below:

RONm	H1-2023	H1-2024	H1 24/'23
Net banking income	1,804	1,891	4.8%
- net interest income	1,262	1,363	7.9%
- net commissions	346	367	6.0%
- other banking income	196	162	-17.2%
Operating expenses	(905)	(998)	10.3%
- staff expenses	(440)	(472)	7.2%
- non-staff expenses	(465)	(526)	13.2%
Operating profit	899	893	-0.7%
Net cost of risk	(2)	(69)	43.9x
Gross result	898	824	-8.2%
Net result	752	675	-10.2%

In the first half of the year, BRD Group's revenues increased by +5.7% YoY compared with the same period of 2023. This growth built mainly on the +7.3% YoY rise in net interest income, which benefitted from a dynamic lending activity across the board. However, this positive impact was tempered to some extent by higher cost of funding.

Net fees and commissions grew by +6.5% YoY in H1 2024, primarily driven by higher revenues on cards and transfers, insurance activity, a growing number of packages and increased contribution from custody and brokerage services given the active participation in Fidelis campaigns. This growth was partly offset by a decline in revenues related to cash transactions given increased digital penetration, and contraction in fees on current accounts outside packages.

Other banking income category (-7.9% YoY in H1 2024), was mainly impacted by a one-off limited provision booked in Q1 2024 and change to fair value accounting of BRD Finance loan portfolio („held for sale”) during Q2 2024, while trading activity preserved a positive contribution to revenues.

Overall expenses increased by +8.9% YoY in H1 2024 compared to the same period last year, mainly linked to the new levy tax on turnover, higher staff costs and the base effect linked to the downward adjustment of the Deposit Guarantee Fund and Resolution Fund cumulated contributions during Q2 2023. Inflationary pressure persisted, albeit reducing from 10.3% YoY as of June 2023 end to 4.9% YoY as of June 2024 end. Staff expenses were up by +7.0% YoY compared to H1 2023, mainly on higher fixed salaries and benefits granted to employees, in a highly competitive talent market.

For 2024, the cumulated contributions to Deposit Guarantee Fund and Resolution Fund were reduced to RON 43.5 million, from RON 68.1 million in 2023. However, the positive impact of this cost reduction

was far offset by the enforcement of a new levy tax of 2% on turnover, starting 2024. This new tax amounted to RON 61.8 million for H1 2024, being calculated and paid quarterly based on actual results. The increase in other costs categories primarily reflects heightened IT expenditures to constantly support advancement on our digital roadmap.

Gross operating income reached RON 940 million in H1 2024 (+2.4% compared to H1 2023) while C/I (“cost to income ratio”) increased fully as a result of the new levy tax (52.2% in H1 2024 vs 50.7% in H1 2023). Excluding the impact of the tax, C/I decreased from 50.7% in H1 2023 to 49.1% in H1 2024.

The quality of the loan book remained solid during the first half of the year, with NPL ratio* around record low level, reaching 2.2% at June 2024 end (slightly increasing from the historical low of 1.9% at 2023 end), while NPL coverage stands at a comfortable level (77.3% at June 2024 vs 75.9% at 2023 end). Net cost of risk registered RON 90.8m net provision allocation during H1 2024, compared to RON 5.2m net provision release in H1 2023, reflecting a closer to “through the cycle” level.

The net result of BRD Group amounted to RON 694 million in H1 2024, compared to RON 768 million in H1 2023 (-9.6% YoY). This evolution is primarily linked to cost of risk evolution reflecting normalization tendency and the new tax on turnover, while the commercial activity remained strong across all segments supporting revenues generation in a less conducive interest rates environment. ROE reached 15.9% in H1 2024 vs. 20.1% in H1 2023. ROA reached 1.6% in H1 2024 (compared to 2.0% in H1 2023).

The Bank’s performance followed a similar trajectory to the one of the Group, with a net result of RON 675 million in H1 2024 versus RON 752 million in H1 2023.

Neither Bank’s, nor the Group’s revenues depend on a single or group of connected customers; hence there is no risk that the loss of a customer might significantly affect the income level.

Subsequent events identified after the reporting date:

In July 2024 BRD Finance IFN SA transferred the entire loan portfolio to a third party.

CAPITAL ADEQUACY (THE BANK)

RONm	Jun-23	Dec-23	Jun-24
Tier 1 capital	6,364	6,859	6,757
Tier 2 capital	1,241	1,244	1,244
TOTAL OWN FUNDS	7,605	8,103	8,002
Capital requirements	2,723	2,823	2,777
Credit risk (including counterparty risk)	31,091	32,769	32,063
Market risk	174	139	257
Operational risk	2,569	2,238	2,229
CVA risk	198	145	165
Total risk exposure amount	34,032	35,291	34,714
Regulatory CAR	22.3%	23.0%	23.1%
Tier 1 ratio	18.7%	19.4%	19.5%

* CAR for Jun-24 is preliminary, own funds include 50% of 2023 profit

At Bank level, the capital adequacy ratio reached 23.1%* at June 30, 2024, compared to 23.0% at December 31, 2023 and 22.3% at June 30, 2023.

The Tier 1 ratio was 19.5%* at June 30, 2024 compared to 19.4% at December 31, 2023 and 18.7% at June 30, 2023.

BRD’s regulatory own funds as at June 30, 2024 are formed of common equity capital (CET1) and Tier 2 instruments.

The year on year increase in own funds is explained by the increase of Tier 1 capital, to RON 6,757 million at June 30, 2024 compared to RON 6,364 million on June 30, 2023, mainly on lower negative revaluation reserves of debt instruments accounted at fair value through other comprehensive income,

in the context of slightly favorable development of bond yields as compared to the same period of last year, incorporation of 50% of 2023 net profit, partially reduced by dividend distribution out of 2022 net profit (50% payout approved by GSM in December 2023).

Risk weighted assets variation was influenced by the dynamic lending activity and the implementation of the innovative synthetic significant risk transfer (SRT) transaction closed with IFC (member of the World Bank Group) in Q1 2024. The transaction was structured on a reference portfolio of EUR 700 million, being representative of BRD's core corporate activities with good diversification across industries and product types.

5. CONCLUSIONS

While notable macroeconomic challenges remain, the first half of 2024 marked the beginning of economic recovery in Europe as inflation growth started decelerating and several central banks started loosening somewhat their monetary policy. In this context, Romania remained a top performer in the European Union, with a GDP growth of +0.7% QoQ in Q1 2024 and +2.2% YoY vs Q1 2023.

During the first half of 2024, BRD continued to affirm its role as a trusted partner to its customers and the Romanian economy.

BRD's net loans outstanding reached RON 45 billion at end of June 2024, reflecting a substantial, above the market YoY increase of +14%, mainly driven by dynamic lending activity on the corporate segment, while retail lending growth continued to accelerate. BRD marked record breaking individuals' loan origination volumes, reaching RON 5.2 billion (+51% YoY), demonstrating BRD's strong customer focus. The good momentum in lending was also sustained by the excellent performance of the corporate segment, underpinned by an active participation in SMEs governmental supporting programs (IMM Plus) and strong partnership and value recognition on top corporates market.

BRD has continued to demonstrate its strong dedication to support sustainability transitions. By the end of June 2024, BRD cumulative sustainable financing production over the last 3 years reached almost EUR 1.1 billion, already surpassing the EUR 1 billion ambitious target initially set for end of 2025.

The deposit base expanded firmly, increasing by +12.0% YoY as of June 2024 end, driven by both retail and corporate segments.

Regarding digital capabilities, BRD continues to advance on its roadmap, introducing new features to YouBRD mobile and/or web platform. The most recently implemented include the cashback loyalty program addressed to debit and credit card customers (with already more than 300 ths users in first days since launch), and the intrabank foreign exchange between own accounts 24/7/365. YouBRD reached nearly 1.6 million customers, showcasing a noteworthy +20% YoY increase as of June 2024 end.

BRD Group achieved robust revenue growth during the first half of the year, while operating expenses were mainly impacted by the new levy tax on turnover and staff cost inflation. Asset quality remained sound, while the cost of risk evolved to reflect a closer to "through the cycle" level. BRD Group ended the first half of the year with a net result of RON 694 million and high ROE of 16%.

Looking forward, BRD remains committed to financing the Romanian economy and contributing to building a sustainable future.

The interim financial report as at June 30, 2024 has not been audited.

Liliana Ionescu-Feleaga

Member of the Board of Directors

Maria Rousseva

Chief Executive Officer

Etienne LOULERGUE

Deputy Chief Executive Officer

Raluca Bunea

Accounting Director