



GROUPE SOCIÉTÉ GÉNÉRALE

BRD GROUP RESULTS FOR 2023: OUTSTANDING COMMERCIAL ACTIVITY RECORD FINANCIAL RESULTS

Press release

Bucharest, February 8th, 2024

Main commercial trends and financial indicators of BRD Groupe Société Générale at December 31, 2023 at consolidated level, according to the International Financial Reporting Standards (IFRS):

- **Strong lending activity and on last mile towards our 2025 sustainable financing target**
 - exceptional performance on corporate financing (+23% YoY), driven by both SME (+18% YoY) and large corporate customers (+26% YoY)
 - record RON 7.7 billion of new loans to individuals and best year in consumer loans production (+20% YoY)
 - robust leasing activity, +20% YoY growth in portfolio at 2023 end
 - impressive volume of sustainable financing in 2023, RON 2.3 billion
- **Consistent +10.1% growth of our varied deposits base**
- **Digital in good traction**
 - YouBRD, reaching over 1.4 million users at 2023 end, +33% YoY; now available also for authorized physical persons
 - extended digital offer with 100% online investment products
- **Excellent financial results**
 - substantial GOI growth, +13% YoY, benefiting from positive jaws effect
 - high quality of the loan book: new historical low level of NPL ratio (1.9%) and comfortable NPL coverage (76%); net release of risk costs, RON 57 million in 2023
 - net profit +24% YoY, reaching RON 1,656 million; ROE 21%

“In a context which remained rather challenging, BRD delivered an outstanding performance, in terms of commercial activity and financial results.

Our loan portfolio grew by almost +13% compared to 2022 end. We reached a record of RON 7.7 bn RON new loans to individuals and 1 out of 7 loans to individuals, in stock at 2023 end, is granted by BRD. At the same time, we actively supported companies in their endeavors, providing the necessary funding to grow, create jobs or fuel innovation, contributing to the overall economic performance. Being a remarkable catalyst of growth, lending on corporates advanced by 23% building on both strong contribution from SMEs and large corporate customers. In addition, we further progressed towards the EUR 1 bn strategic objective of sustainable financing by the end of 2025, adding in 2023 new volumes of RON 2.3 bn. With a cumulative amount of EUR 800m sustainable financing, this target is expected to be reached in advance.

Contact media:

Traian Traicu_021 301 61 50_traian.traicu@brd.ro

BRD-GROUPE SOCIÉTÉ GÉNÉRALE

Bd. Ion Mihalache nr. 1-7, 011171 București, România; www.brd.ro

CAPITAL SOCIAL IN RON: 696.901.518 lei; R.C. J40/608/19.02.1991; RB - PJR - 40 - 007 /18.02.1999; C.U.I./C.I.F.:RO 361579.

Enhancing digital customer experience remains a top priority on our agenda. BRD digital offer was expanded with 100% online investment products. We have now more than 1.4 million users of our mobile application, YouBRD, growing by 33% compared to 2022.

All the above translated into a solid financial performance, with +24% in net result and ROE of 21%, demonstrating the strength and resilience of our business model.

Further on, BRD remains a committed partner for all its clients, firmly and responsibly fulfilling its mission as a leading bank in Romania", said Maria Rousseva, CEO of BRD Groupe Société Générale.

Top partner for Romanian economy and our customers

BRD Group net loans, including leasing receivables, recorded double-digit growth, +12.8% compared to 2022 end, given a strong contribution from both retail and corporate segments.

On the retail side (net loans outstanding +6.7% YoY at 2023 end), BRD marked a record level of RON 7.7 billion new loans granted to individuals in 2023 and the best year for new consumer loans, with an impressive growth of +20% YoY. Having granted 1 out of 7 loans in stock in the market, BRD consolidated its position on individuals segment. Net loans outstanding on small businesses contributed also to the segment growth, reaching an impressive dynamic of +46.4% YoY at 2023 end.

Corporate financing continued to deliver a remarkable performance (net loans outstanding +23% YoY at 2023 end), fueled by a robust contribution of SMEs segment (+18.4% YoY at 2023 end) and exceptional achievement in loans granted to large companies (+25.8% YoY at 2023 end). Additionally, leasing activity preserved a substantial growth pace (+20.2% YoY at 2023 end). BRD remained a trusted partner for SMEs through its active participation in IMM Invest Plus program, with RON 2.6 bn loans approved in 2023, +27% YoY vs. 2022.

BRD plays an important role in financing the green transition by incorporating ESG principles into its lending operations and defining clear strategic objectives in this direction. The milestone of EUR 1 bn of sustainable financing to be granted by 2025 end defined in Horizons 2025 is expected to be reached in advance. In 2023, the value of new sustainable finance transactions which sustained, among others, an important photovoltaic project or co-financed energy efficiency projects, amounted to RON 2.3 bn, bringing the cumulative sustainable financing at about EUR 800m as of 2023 end.

Deposit base had a steady expansion (+10.1% YoY at 2023 end). Most stable and ample funding source, retail deposits, are constantly increasing, marking a strong performance of +9.9% YoY at 2023 end. Corporate deposits had a similar evolution, being up by +10.6% YoY, mainly driven by higher net inflows from SMEs customers (+15.1% YoY at 2023 end).

Enhanced digital impact and presence

BRD continues to advance on digital deliverables by extending the offer of investment products to 100% online, with document flow and trading being easily accessible on its website. In addition, YouBRD mobile application is constantly enhanced: with new functionalities, ready to be used now also by authorized physical persons, by improving its way of communication with customers and offering preferential exchanges rates. The ongoing surge in digital adoption is evident, as YouBRD, becomes the everyday financial application for over 1.4 million customers, reflecting a remarkable +33% YoY increase in 2023.

Excellent financial performance and strong balance sheet

BRD Group full year revenues reached RON 3,834 million compared to RON 3,459 million in 2022, higher by +10.8%, with increasing volumes and elevated market interest rates being the main engines of growth. Net interest revenues marked a solid 15% increase on a yearly basis, tempered by higher expenses, primarily on growing term deposits. Net fees and commissions remained rather stable compared to their 2022 level, on counterbalancing effects: lower revenues from cards activity given

higher penetration of current account packages, in line with market trend, contraction of fees on cash transactions mainly on a base effect, but increasing revenues from lending, insurance and capital market activities. Other revenues had a very positive evolution given a strong and stable momentum of financial markets activity.

Although the disinflationary tendencies were felt throughout the year, with inflation ending the year towards mid-single digit level, the average for the full year was still double digit, maintaining a high pressure on operating expenditures. Nevertheless, by preserving a rigorous spending discipline, their increase was limited at +8.6% in 2023 compared to 2022. The dynamic of staff expenses (+7.1% y/y compared to 2022, to RON 963 million from RON 899 million in 2022) is reflecting the adjustments of salaries and other benefits within the collective labor agreement, in an inflationary context and highly competitive market for talents. The evolution of other costs is mainly linked to external services and increased IT&C related expenses supporting the advancement on our digital roadmap.

Gross operating income reached RON 1,939 million (+13.1% compared to 2022) and cost to income ratio improved on positive jaws effect (49.4% in 2023 vs 50.4% in 2022).

During 2023, asset quality improved further, with NPL ratio falling below 2% (1.9% at 2023 end vs. 2.6% at 2022 end), while NPL coverage remained comfortable (75.9% at 2023 end vs. 76.5% at 2022 end, Bank level¹). Cost of risk registered net release of RON 57.4m during 2023, compared to RON 95.1m net charge in 2022, given persistent recoveries on defaulted exposures and limited NPL formation.

Given all the above, the full year 2023 performance was excellent and BRD Group net result marked a robust growth of +24% YoY, touching a record level of RON 1,656 million, compared to RON 1,337 million in 2022. ROE reached 21% vs. 15.9% in 2022.

BRD capital position is solid, with total capital ratio of 21.5% at December 2023 (individual level, with own funds including 40% of H1 2023 profit, early incorporation already approved by NBR).

Considering the results of the year as well as the expected capital adequacy trajectory, the Board of Directors has decided to propose a dividend corresponding to a payout ratio of 60% of the Bank's 2023 net result (gross dividend of RON 1.4070/share)², subject to a favorable vote by the Annual General Meeting of Shareholders on April 25th, 2024.

Sustainability, at the heart of BRD strategy

2023 was a particularly rich year in terms of actions and events connected with the implementation of BRD's Environmental, Social and Governance strategy.

BRD published the second edition of its [Sustainability Report](#), drafted in accordance with the requirements of the EU and Romanian legislation on non-financial reporting and based on GRI Standards.

BRD continued to pursue on its objectives set out in Horizons 2025 roadmap, which defined among other, strong ESG ambitions: to support its clients in their energy transition and be a leader in green financing in Romania. With cumulative sustainable financing of about EUR 800m as of 2023 end, target set for 2025 end of EUR 1bn is expected to be reached in advance.

In 2023, BRD provided a number of important financings to corporate segment, starting with a bilateral loan linked to sustainability targets for a utility company (~EUR 250m). BRD granted also 3 sustainable loans (green or with social impact) in favor of municipalities (Brasov, Oradea and Targu Lăpuș), a number of loans for photovoltaic and energy efficiency projects and also mobility solutions.

In October 2023, the Bank organized, together with its partners at Social Innovation Solutions, the second edition of the Climate Change Summit. More than 1 million viewers across the world watched the live broadcast.

The Bank continued to support social and community actions: culture, education and sport. In 2023, BRD signed two important partnerships at national level: "IntreVecini" (Between Neighbours) project, which aims to regenerate community spirit, creating urban communities in Romanian cities, and The Urban Nature Network and the Romanian Geoparks Network, aiming to unite rural and urban communities around nature conservation and sustainable development.

"Ziua-V", BRD's internal volunteering platform, increased in the number of participants, counting more than 2,500 volunteers, and carried out 24 actions throughout Romania in 2023.

For best practices in corporate governance and investor communications, for 2023, BRD was scored 10 in ARIR's Vektor assessment, for the 2nd year in a row.

In December 2023, Sustainable Fitch has assigned BRD an ESG Rating of '3' and a score of 60, being the first Romanian bank to be rated by Sustainable Fitch and have its rating made public. In addition, BRD improved its ESG Risk Score from Sustainalytics to 14.4 (2.9 pts improvement vs 2022).

BRD preliminary financial results for the year ended December 31, 2023 are available to the public and investors on the website of the bank, www.brd.ro, beginning with 09h00. Copies of the documents can also be obtained upon request, free of charge, at the head office of BRD-Groupe Société Générale, located at 1-7, Ion Mihalache Bd., 1st district, Bucharest.

Notes:

¹ NPL ratio, Coverage ratio, at Bank level

² The proposal of the dividend distribution is subject to receiving the agreement in principle from National Bank of Romania.

If not stated otherwise, all variations are vs. 2022 (for income statement related items) or December 2022 end (for balance sheet related items).

BRD - Groupe Société Générale operates a network of 423 units. Total assets of the bank at December 2023 end amounted to RON 81.4 billion.

BRD is part of the Société Générale Group, one of Europe's leading financial services groups and a major player in the economy for over 150 years. The group has 117,000 employees in 60 countries and 25 million customers worldwide and is built on three complementary business lines:

- French Retail Banking, Private Banking and Insurance
- Global Banking and Investor Solutions
- International Retail, Mobility & Leasing Services

www.brd.ro; [facebook](https://www.facebook.com/brd.ro)

Contact media: Traian Traicu_021 301 61 50_ traian.traicu@brd.ro

BRD-GROUPE SOCIETE GENERALE

Bd. Ion Mihalache nr. 1-7, 011171 București, România; www.brd.ro

CAPITAL SOCIAL IN RON: 696.901.518 lei; R.C. J40/608/19.02.1991; RB - PJR - 40 - 007 /18.02.1999; C.U.I./C.I.F.:RO 361579.