

Quarterly Report

March 31, 2019

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 March 31, 2019, 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:** Blvd. Ion Mihalache No. 1-7, sect. 1, Bucuresti
- **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 March 31, 2019 the Bank had the following ratings:

Fitch Ratings	Rating
Foreign-Currency Short-Term Issuer Default Rating	F2
Foreign-Currency Long-Term Issuer Default Rating	BBB+
Support Rating	2

Moody's	Rating
Domestic Currency Short-Term Deposit	Prime-2
Domestic Currency Long-Term Deposit	Baa2
Foreign Currency Short-Term Deposit	Prime-3
Foreign Currency Long-Term Deposit	Baa3

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

- BRD - Groupe Société Générale S.A.;
- 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 universal banking model, the Group combines financial solidity with a strategy of sustainable growth, and aims to be the reference for relationship banking, recognised on its markets, close to clients, chosen for the quality and commitment of its teams.

Société Générale has been playing a vital role in the economy for 150 years. With more than 147,000 employees, based in 67 countries, Société Générale accompanies 31 million clients throughout the world on a daily basis. Société Générale's teams offer advice and services to individual, corporate and institutional customers in three core businesses:

- *Retail banking in France* with the Société Générale branch network, Credit du Nord and Boursorama, offering a comprehensive range of multi channel financial services on the leading edge of digital innovation;
- *International retail banking, insurance and financial services to corporates* with a presence in emerging economies and leading specialised businesses;
- *Corporate and investment banking, private banking, asset management and securities services*, with recognized expertise, top international rankings and integrated solutions.

The latest credit ratings of Société Générale are available at

<https://www.societegenerale.com/en/measuring-our-performance/investors/debt-investors/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 banking and financial services division (IBFS) that aims to offer a broad range of products and services to individuals, professionals and corporates. Its global development is built upon:

- The international universal banking and consumer credit networks, organised around three regions: Europe, Russia and Africa / Asia / Mediterranean Basin & Overseas;
- Three specialised businesses, leaders in their markets: Insurance, Car Renting and Fleet Management, Equipment and Vendor Finance.

KEY FIGURES

		Q1-2018	Q1-2019	Change
The Bank				
Financial results	Net banking income (RONm)	680	744	+9.3%
	Operating expenses (RONm)	(364)	(421)	+15.8%
	Cost of risk (RONm)	150	30	-80.2%
	Net profit (RONm)	392	289	-26.3%
	Cost / income ratio	53.4%	56.6%	+3.1 pt
	ROE	21.9%	15.4%	-6.4 pt
RON bn		Mar-18	Mar-19	Change
Loans and deposits	Total net loans	27.8	29.1	+4.4%
	Total deposits	44.4	44.4	+0.0%
RON m		Mar-18	Mar-19	Change
Capital adequacy	CAR*	19.3%	19.7%	+0.4 pt
	Franchise	No of branches	753	723
The Group		Q1-2018	Q1-2019	Change
Financial results	Net banking income (RONm)	724	784	+8.3%
	Operating expenses (RONm)	(385)	(442)	+14.9%
	Cost of risk (RONm)	153	26	-83.1%
	Net profit (RONm)	414	301	-27.3%
	Cost / income ratio	53.2%	56.4%	+3.2 pt
	ROE	22.0%	15.4%	-6.7 pt
RON bn		Mar-18	Mar-19	Change
Loans and deposits	Total net loans including leasing	29.1	30.6	+4.9%
	Total deposits	44.3	44.3	0.0%

(*) according to Basel 3; CAR at March 2019 end includes 2018 result, net of approved dividends

Note: Loans outstanding at March 31, 2018 has been restated for comparability purpose, thus, similar to the loans outstandings at December 31, 2018 and March 31, 2019, it excludes reverse repo transactions for trading purpose.

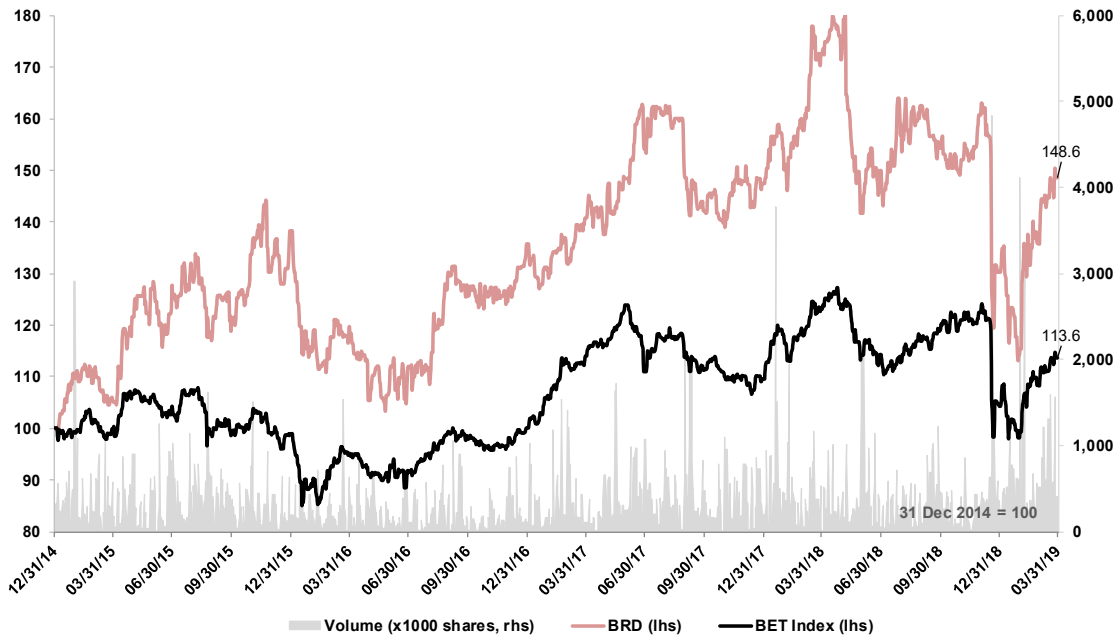
BRD SHARE

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 March 31, 2019, was of RON 13.00 /share (RON 11.40 /share at December 31, 2018 and RON 15.10 /share at March 31, 2018). On the same date, the market capitalization was RON 9,059.72 million (RON 7,944.68 million at December 31, 2018 and RON 10,523.21 million at March 31, 2018).

During January – March 2019, 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 – March 31, 2019



Source: Bloomberg

2. ECONOMIC AND BANKING ENVIRONMENT

Romania's GDP growth softened to +4.1% in 2018 from +7.0% in 2017, marking eight consecutive years of expansion. The main catalyst was private spending, backed by the dynamic increase in wages, whereas gross fixed capital formation and net exports curtailed economic growth.

The annual inflation rate rebounded to +4.0% YoY at the end of March 2019, outside the National Bank of Romania's target interval (2.5% \pm 1 pp), on account of RON depreciation passing through to consumer prices (the average RON/EUR exchange rate increased by +1.7% YoY) and persisting demand-side pressures.

In this economic landscape marked by weakening economic growth, persisting inflationary pressures, and currency vulnerability, the National Bank of Romania maintained the key policy rate unchanged in the first quarter of the year.

On the banking market, private individuals' loans outstanding increased by +8.6%* YOY at end of February 2019 end, as consumers' appetite was sustained by increasing disposable income, while loans to companies were higher by +5.2%* YoY. Deposits growth remained strong, at +7.0%* YoY, thanks mostly to individuals' savings.

The ratio of non-performing loans for the banking system (according to European Banking Authority definition) continued to decline, reaching 4.8% at February 2019 end compared to 6.2% at February 2018 end, supported by balance sheet cleaning operations.

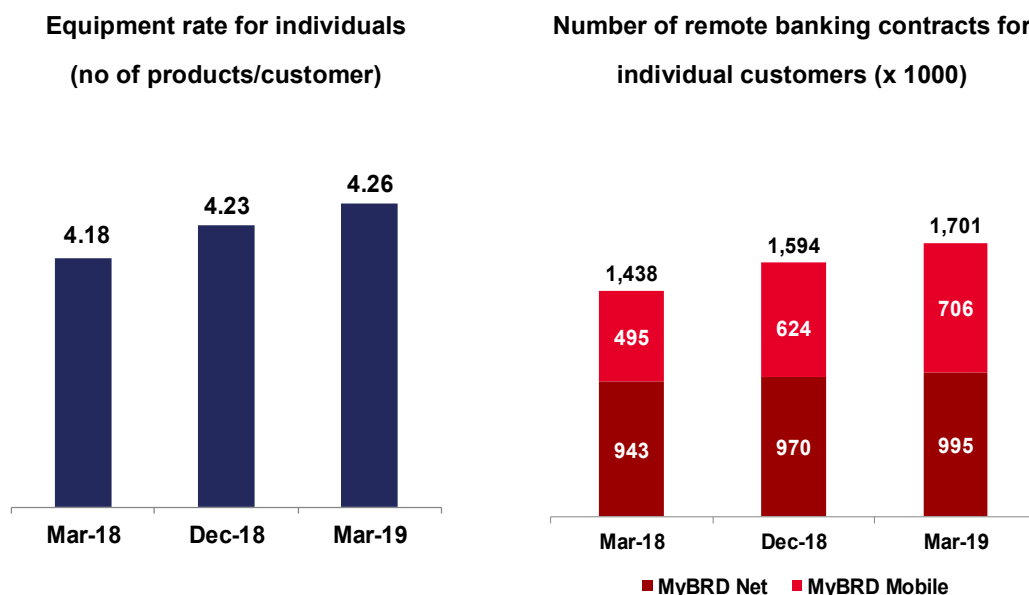
The capitalisation of the Romanian banking system remained comfortable, with a capital adequacy ratio of 19.7% as of 2018 end.

* Variations at constant FX rate

3. COMMERCIAL ACTIVITY

As at March 31, 2019, the Bank had 723 branches (31.03.2018: 753 branches, 31.12.2018: 723 branches), ensuring the distribution of its products and services throughout the whole country.

The equipment rate for individuals continued to rise, on intensified commercial relationships, including growing number of remote banking contracts (My BRD Net and My BRD Mobile). It reached 4.26 at March 31, 2019 compared to 4.18 at March 31, 2018.



BRD held a market share of 12.0% of total assets at December 31, 2018.

	Feb-18	Dec-18	Feb-19
TOTAL ASSETS	n.a.	12.0%	n.a.
LOANS	12.7%	12.1%	12.0%
Individuals	16.9%	16.1%	16.0%
Companies	8.5%	8.1%	7.8%
DEPOSITS*	13.5%	12.6%	12.3%
Individuals	13.8%	13.2%	13.1%
Companies	13.2%	11.9%	11.4%

* Deposits include public administration

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

RON bln	Mar-18	Dec-18	Mar-19	vs. Dec-18	vs. Mar-18
Retail	20.8	21.5	21.7	0.7%	4.2%
Individuals	20.3	21.0	21.2	0.9%	4.5%
Small business	0.6	0.6	0.5	-4.6%	-5.7%
Non-retail	7.6	8.1	8.1	0.3%	6.6%
SMEs	2.2	2.4	2.1	-11.7%	-5.2%
Large corporate	5.4	5.7	6.0	5.3%	11.5%
Total net loans	28.4	29.6	29.8	0.6%	4.9%
Financial lease receivables	0.7	0.8	0.8	4.3%	7.3%
Total net loans, including leasing	29.1	30.4	30.6	0.7%	4.9%

Note: Non-retail loan outstanding at March 31, 2018 was restated for comparability purpose, thus, similar to the non-retail loan outstanding at December 31, 2018 and March 31, 2019, it excludes reverse repo transactions for trading purpose.

Net loans outstanding (including leasing) reached RON 30.6 billion, up by 4.9% versus March 31, 2018, due to solid growth on individuals and large corporate segments.

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

RON bln	Mar-18	Dec-18	Mar-19	vs. Dec-18	vs. Mar-18
Retail	28.4	29.8	29.8	-0.1%	4.9%
Individuals	24.6	25.5	25.8	1.1%	4.6%
Small business	3.8	4.3	4.0	-6.9%	6.8%
Non-retail	15.9	15.4	14.5	-5.7%	-8.9%
SMEs	6.2	6.0	5.7	-5.2%	-8.0%
Large corporate	9.8	9.4	8.9	-6.0%	-9.5%
Total deposits	44.3	45.2	44.3	-2.0%	0.0%

Deposits to customers reached RON 44.3 billion, stable on an annual basis. Retail deposits further increased year-on-year due to inflows in current accounts (up by 19%). Non-retail deposits decreased in a context of comfortable liquidity position.

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

SUBSIDIARIES ACTIVITY

BRD SOGELEASE IFN SA

As of March 31, 2019, BRD Sogelease net outstanding of leasing financing increased by 7.3% year-on-year to RON 794 million. New leasing production reached RON 136 million, with commercial vehicles and passenger cars having the highest weight, followed by equipment for agriculture, industry and construction.

BRD FINANCE IFN SA

BRD Finance results for the first quarter of 2019 continued the positive evolution from the previous years: the net loan portfolio increased by 12.6% reaching RON 561 million, while the loan production also recorded an improvement of 9% to RON 141 million due to increases on products like credit cards and personal loans. Net banking income reached RON 25.6 million.

The performance was sustained by the continuation of the commercial strategy based on the consolidation of partnerships, combined with the constant optimization of internal processes and a strict control of costs and risks.

BRD ASSET MANAGEMENT SA

BRD Asset Management is one of the most important actors on the Romanian UCITS market, with a market share of 13.6%* at the end of March 2019.

The company had RON 2.92 billion assets under management at March 2019 end. BRD Asset Management offers 7 different open-end funds, all with their specific portfolio structure, risks and target yield and recommended investment period. Among these, BRD Simfonia, (denominated in RON), BRD Euro Fond (denominated in Euro) and BRD USD Fond (denominated in USD) invest mainly in government bonds, fixed income and money market instruments, BRD Obligatiuni concentrating on corporate bonds. BRD Diverso (denominated in RON and EUR) is a balanced fund with investments in equities, money market and fixed income instruments, BRD Actiuni (denominated in RON and Euro) is focused on Romanian stocks while BRD Index is an equity fund focusing on CEE markets.

** 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 made based on the separate and consolidated financial statements prepared according to the International Financial Reporting Standards, for the period ended March 31, 2019 and the comparative periods.

FINANCIAL POSITION – ASSETS

Total assets at March 31, 2019 exhibit a relatively stable evolution compared to March 31, 2018 and December 31, 2018.

The asset structure is presented below:

THE GROUP

Assets (RONm)	Mar-18	Dec-18	Mar-19	% total	vs. Dec-18	vs. Mar-18
Cash and current accounts with Central Bank	7,189	6,022	4,671	8.3%	-22.4%	-35.0%
Loans and advances to credit institutions	3,972	3,316	5,252	9.4%	58.4%	32.2%
Net loans and advances to customers	28,407	29,603	29,788	53.2%	0.6%	4.9%
Financial lease receivables	740	761	794	1.4%	4.3%	7.3%
Other financial instruments	14,262	14,552	13,634	24.3%	-6.3%	-4.4%
Tangible and intangible assets	989	1,014	1,468	2.6%	44.8%	48.3%
Other assets	398	452	428	0.8%	-5.3%	7.4%
Total assets	55,957	55,719	56,034	100.0%	0.6%	0.1%

THE BANK

Assets (RONm)	Mar-18	Dec-18	Mar-19	% total	vs. Dec-18	vs. Mar-18
Cash and current accounts with Central Bank	7,189	6,022	4,671	8.6%	-22.4%	-35.0%
Loans and advances to credit institutions	3,953	3,298	5,234	9.6%	58.7%	32.4%
Net loans and advances to customers	27,818	28,893	29,055	53.5%	0.6%	4.4%
Other financial instruments	14,242	14,533	13,617	25.0%	-6.3%	-4.4%
Tangible and intangible assets	980	1,004	1,445	2.7%	43.8%	47.5%
Other assets	333	339	337	0.6%	-0.6%	1.0%
Total assets	54,515	54,089	54,357	100.0%	0.5%	-0.3%

Note: Loans and advances to customers and Loans and advances to credit institutions at March 31, 2018 were restated for comparability purpose, thus, similar to the amounts at December 31, 2018 and March 31, 2019, they exclude reverse repo transactions for trading purpose, which were included in Other financial instruments.

LOANS AND ADVANCES TO CUSTOMERS

The outstanding amount of net loans to customers increased year-on-year (Bank: +4.4%, Group: +4.9% including leasing) thanks to positive contributions from both retail and non-retail customer segments.

CASH, CURRENT ACCOUNTS WITH THE CENTRAL BANK AND LOANS AND ADVANCES TO CREDIT INSTITUTIONS

Cash and current accounts with the central bank and loans and advances to credit institutions declined by 11.1% versus March 31, 2018 for both the Bank and the Group, mainly linked with the volatility of the balance of current account with NBR. These items represented about 18% of total assets for the Group and the Bank.

The minimum compulsory reserve held with the National Bank of Romania accounted for 37% of this aggregate at March 31, 2019 and amounted to RON 3,660 million, almost flat versus March 31, 2018, in direct correlation with the deposits' evolution. NBR kept unchanged the RON minimum reserves requirements for liabilities with residual maturity of less than 2 years (at 8% since May 2015). The FX minimum reserve requirements also remained unchanged at 8% since May 2017.

OTHER FINANCIAL INSTRUMENTS

Other financial instruments include financial assets at fair value through other comprehensive income, financial assets at fair value through profit and loss, derivatives and other instruments held for trading, investments in associates and subsidiaries as well as non-current assets held for sale.

These items represented 24% of Group assets. They amounted to RON 13.6 billion and were down by 6.3% versus December 31, 2018 and by 4.4% versus March 31, 2018, due to a decrease in the government bonds portfolio.

TANGIBLE AND INTANGIBLE ASSETS

The tangible and intangible assets accounted for approximately 3% of the total assets with land and buildings representing the largest part of the item.

The total value of investments during the first quarter of 2019 was approximately RON 24 million for both the Bank and the Group, compared to RON 22 million in the same period in 2018. 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)	Mar-18	Dec-18	Mar-19	% total	vs. Dec-18	vs. Mar-18
Amounts owed to credit institutions	2,208	1,604	1,757	3.1%	9.5%	-20.5%
Amounts owed to customers	44,336	45,217	44,314	79.1%	-2.0%	0.0%
Other liabilities	1,740	1,240	1,952	3.5%	57.4%	12.2%
Shareholders equity	7,673	7,657	8,011	14.3%	4.6%	4.4%
Total liabilities and shareholders equity	55,957	55,719	56,034	100.0%	0.6%	0.1%

THE BANK

Liabilities and shareholders equity (RONm)	Mar-18	Dec-18	Mar-19	% total	vs. Dec-18	vs. Mar-18
Amounts owed to credit institutions	1,106	314	424	0.8%	34.7%	-61.7%
Amounts owed to customers	44,410	45,316	44,412	81.7%	-2.0%	0.0%
Other liabilities	1,665	1,132	1,853	3.4%	63.7%	11.2%
Shareholders equity	7,333	7,327	7,669	14.1%	4.7%	4.6%
Total liabilities and shareholders equity	54,515	54,089	54,357	100.0%	0.5%	-0.3%

AMOUNTS OWED TO CUSTOMERS

At March 31, 2019, amounts owed to customers were stable compared to March 31, 2018, and decreased by 2.0% versus the end of last year for both the Bank and the Group. This evolution is explained by increasing inflows in individuals' deposits, offset by declines on the non-retail segment where the approach was pragmatically adjusted depending on the liquidity situation of the bank. Amounts owed to customers accounted for 79% of Group assets and 82% of Bank assets, showing a large degree of financial autonomy.

AMOUNTS OWED TO THE CREDIT INSTITUTIONS

Amounts owed to credit institutions represent interbank deposits, borrowings from International Financial Institutions and the parent, and stood at 3.1% of the total assets for the Group and 0.8% for the Bank at March 31, 2019.

BRD Group's borrowings from Société Générale totalled RON 1.1 billion (2.4% of liabilities).

SHAREHOLDERS' EQUITY

Shareholders' equity increased by 4.4% compared to March 31, 2018 and by 4.6% versus December 31, 2018 for the Group, driven by higher retained earnings and current year result.

The structure of the shareholders' equity evolved as follows:

THE GROUP

Shareholders' equity (RONm)	Mar-18	Dec-18	Mar-19	vs. Dec-18	vs. Mar-18
Share capital	2,516	2,516	2,516	0.0%	0.0%
Other reserves	42	3	56	n.a.	31.7%
Retained earnings and capital reserves	5,065	5,092	5,390	5.8%	6.4%
Non-controlling interest	49	47	50	7.2%	1.2%
Total shareholders' equity	7,673	7,657	8,011	4.6%	4.4%

THE BANK

Shareholders' equity (RONm)	Mar-18	Dec-18	Mar-19	vs. Dec-18	vs. Mar-18
Share capital	2,516	2,516	2,516	0.0%	0.0%
Other reserves	39	(3)	50	n.a.	27.5%
Retained earnings and capital reserves	4,779	4,815	5,104	6.0%	6.8%
Total shareholders' equity	7,333	7,327	7,669	4.7%	4.6%

LIQUIDITY POSITION

Both the Bank and the Group maintained a balanced structure of resources and placements and a comfortable liquidity level in the first quarter of 2019.

The net loans to deposits ratio reached 65.4% at March 31, 2019 (from 63.8% at December 31, 2018 and 62.6% at March 31, 2018) for the Bank and 69.0% for the Group, including financial leasing receivables (67.2% at December 31, 2018 and 65.7% at March 31, 2018).

3 MONTHS 2019 FINANCIAL RESULTS

The comparative income statement of the Group for the periods January – March 2019 and January – March 2018 is presented below:

RONm	Q1-2018	Q1-2019	Variation
Net banking income	724	784	8.3%
- net interest income	465	514	10.3%
- net commissions	184	184	0.2%
- other banking income	75	86	15.7%
Operating expenses	-385	-442	14.9%
- staff expenses	-186	-202	8.6%
- non-staff expenses	-164	-168	2.5%
-contribution to Deposit Guarantee and Resolution Funds	-35	-72	106.2%
Operating profit	339	342	0.9%
Net cost of risk	153	26	-83.1%
Gross result	492	368	-25.2%
Net result	414	301	-27.3%
Profit attributable to equity holders of the parent	411	298	-27.6%

The comparative income statement of the Bank for the periods January – March 2019 and January – March 2018 is presented below:

RONm	Q1-2018	Q1-2019	Variation
Net banking income	680	744	9.3%
- net interest income	435	482	10.9%
- net commissions	175	176	0.2%
- other banking income	70	86	22.5%
Operating expenses	-364	-421	15.8%
- staff expenses	-174	-189	8.9%
- non-staff expenses	-155	-160	3.1%
-contribution to Deposit Guarantee and Resolution Funds	-35	-72	106.2%
Operating profit	317	323	2.0%
Net cost of risk	150	30	-80.2%
Gross result	467	353	-24.4%
Net result	392	289	-26.3%

BRD Group net banking income reached RON 784 million in Q1 2019, up by +8.3% compared to Q1 2018, benefiting from healthy commercial momentum on both segments, retail and corporate. Net interest income registered a double-digit increase, +10.3% YoY, combining higher volumes and positive structure shifts, as well as favourable interest rate environment (ROBOR 3M at 3.10% in Q1 2019 vs. 2.03% in Q1 2018). Net fees and commissions remained quasi stable on a yearly basis (+0.2% YoY) in spite of expanding volumes due to increasing price pressure on transactional banking services. Other revenue categories increase (+15.7% YoY) stemmed mainly from revaluation income.

Operating expenses totaled RON 442 million in Q1 2019, higher by +14.9% (+5.7% excl. Deposit Guarantee and Resolution Fund expenses) compared to Q1 2018, significantly impacted by doubled cumulated contributions to Deposit Guarantee and Resolution Funds when compared to the amount booked last year (RON 72 million in 2019 vs. RON 35 million in 2018). In a tight labor market context, with unemployment rate at record low level, staff costs remained under pressure, increasing by +8.6% YoY, in relation to salary and other benefits' adjustments. Other expenses (up by +2.5% YoY) remained under tight control.

Gross operating income reached RON 342 million in Q1 2019, +0.9% YoY (+10.7% YoY excl. Deposit Guarantee and Resolution Funds cumulated contributions). Cost/income ratio reached 56.4% (vs. 53.2% in Q1 2018). Excluding the Deposit Guarantee and Resolution Funds cumulated contributions, the cost/income ratio improved by 1.2 pts compared to Q1 2018.

Asset quality continued its improving trend as reflected by the decrease in NPL ratio (according to EBA definition) at 4.0% at March 2019 end compared to 6.4% at March 2018 end, due to write off operations and sale of NPL portfolio coupled with lending growth. In parallel, the coverage ratio remained solid at 75.1% at March 2019 end, compared to 75.4% at March 2018 end. Net cost of risk was again positive in the first three months of the year, recording RON 26 million write-backs vs. RON 153 million in Q1 2018 with fading effects of exceptional items and lower recoveries from defaulted portfolios.

In this context, BRD Group's net profit amounted to RON 301 million in Q1 2019 compared to RON 414 million in Q1 2018 influenced by lower cost of risk write-backs and higher regulatory costs. Return on equity reached 15.4% (vs. 22.0% in Q1 2018) and return on assets 2.2% (3.0% in Q1 2018). The net profit for the Bank amounted to RON 289 million in Q1 2019 compared to RON 392 million in Q1 2018.

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

No important events were identified after the reporting date.

CAPITAL ADEQUACY (THE BANK)

At Bank level, the capital adequacy ratio reached 19.7% at March 31, 2019, comfortably above the regulatory requirement.

5. CONCLUSIONS

BRD further registered positive commercial dynamics in the first quarter of 2019, as shown by the robust lending activity especially on private individuals and large corporate segments, as well as higher transaction volumes. BRD will continue to refine its business model by further improving its customers' banking experience on multiple distribution channels by investing in digitalization, customizing the value proposition and further streamlining processes.

The interim financial report as at March 31, 2019 has not been audited.

Giovanni Luca SOMA

Chairman of the Board of Directors

Francois BLOCH

Chief Executive Officer

Stephane FORTIN

Chief Financial Officer