

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

**CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL  
STATEMENTS**

**June 30, 2024**



## Report on Review of Condensed Separate Interim Financial Statements

To the Shareholders of BRD – Groupe Société Générale S.A.:

### Introduction

We have reviewed the condensed separate interim statement of financial position of BRD – Groupe Société Générale S.A. (the “Bank”)] as at 30 June 2024 and the related condensed separate interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of these condensed separate interim financial statements in accordance with International Accounting Standard 34, “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on these condensed separate interim financial statements based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of condensed separate interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed separate interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, “Interim Financial Reporting” as adopted by

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This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



the European Union.

On behalf of

PricewaterhouseCoopers Audit S.R.L.

Audit firm

registered with the Public Electronic Register of financial auditors and audit firms under no. FA6

**Refer to the original signed  
Romanian version**

Ana-Maria Butucaru

Financial Auditor

registered with the Public Electronic Register of financial auditors and audit firms under no. AF3378

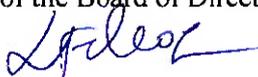
Bucharest, 1 August 2024

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

	Note	Group		Bank	
		Unaudited (*) June 30, 2024	Restated December 31, 2023	June 30, 2024	Restated December 31, 2023
<b>ASSETS</b>					
Cash and cash equivalents	4	11,819,652	12,461,891	11,819,546	12,461,819
Due from banks	5	5,044,312	5,616,968	5,044,312	5,601,603
Derivatives and other financial instruments held for trading	6	2,330,631	2,135,709	2,303,163	2,110,661
Financial assets at fair value through profit and loss	7	12,508	11,376	12,508	11,376
Financial assets at fair value through other comprehensive income	8	12,885,432	13,429,670	12,885,432	13,429,670
Financial assets at amortised cost	9	49,564,277	45,795,821	49,154,849	45,384,120
Loans and advances to customers	9.1	43,153,033	40,613,391	42,743,605	40,201,690
Treasury bills at amortised cost	9.2	6,411,244	5,182,430	6,411,244	5,182,430
Finance lease receivables	10	1,885,311	1,691,734	-	-
Investments in subsidiaries, associates and joint ventures		63,855	64,883	99,225	103,872
Property, plant and equipment	11	1,093,962	1,073,896	1,083,972	1,051,237
Investment property	11	14,400	14,536	14,400	14,536
Goodwill	12	50,130	50,130	50,130	50,130
Intangible assets	13	539,886	505,958	538,151	504,221
Current tax asset	23	2,118	-	-	-
Deferred tax asset	23	319,310	309,089	317,728	303,152
Other assets	14	442,637	470,308	292,426	347,847
Assets held for sale	15	142,255	216,992	8,496	7,106
<b>Total assets</b>		<b>86,210,676</b>	<b>83,848,961</b>	<b>83,624,338</b>	<b>81,381,350</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Due to banks	16	1,290,615	1,146,540	1,290,615	1,146,540
Derivatives and other financial instruments held for trading	6	1,101,321	1,272,450	1,101,321	1,272,450
Due to customers	17	65,460,598	62,405,609	65,653,095	62,641,838
Borrowed funds	18	7,106,948	7,004,362	4,865,698	4,834,225
Subordinated debts	19	1,246,225	1,245,400	1,246,225	1,245,400
Current tax liability	23	63,833	36,181	60,754	35,074
Provisions	20	328,186	348,066	320,432	333,810
Other liabilities	21	975,001	1,528,347	863,673	1,406,990
<b>Total liabilities</b>		<b>77,572,727</b>	<b>74,986,955</b>	<b>75,401,813</b>	<b>72,916,327</b>
Share capital	22	2,515,622	2,515,622	2,515,622	2,515,622
Other reserves		(1,257,933)	(1,157,341)	(1,257,933)	(1,157,341)
Retained earnings and capital reserves		7,308,803	7,436,057	6,964,836	7,106,742
Non-controlling interest		71,457	67,668	-	-
<b>Total equity</b>		<b>8,637,949</b>	<b>8,862,006</b>	<b>8,222,525</b>	<b>8,465,023</b>
<b>Total liabilities and equity</b>		<b>86,210,676</b>	<b>83,848,961</b>	<b>83,624,338</b>	<b>81,381,350</b>

The condensed interim financial statements have been authorized for issue by the Group's management on July 31, 2024 and are signed on the Group's behalf by:

\_\_\_\_\_  
Liliana Ionescu-Feleaga  
Member of the Board of Directors



\_\_\_\_\_  
Maria Rousseva  
Chief Executive Officer



\_\_\_\_\_  
Etienne Loulergue  
Deputy Chief Executive Officer



\_\_\_\_\_  
Raluca Bunea  
Accounting 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 June 30, 2024**  
*(Amounts in thousands RON)*

	Note	Group				Bank			
		Unaudited (*)							
		Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023
Interest and similar income	24	1,198,247	2,361,927	1,018,517	1,991,354	1,146,817	2,259,038	970,112	1,899,104
Interest and similar expense	25	(488,743)	(936,206)	(359,987)	(662,286)	(468,332)	(896,476)	(345,489)	(636,623)
<b>Net interest income</b>		<b>709,504</b>	<b>1,425,721</b>	<b>658,530</b>	<b>1,329,068</b>	<b>678,485</b>	<b>1,362,562</b>	<b>624,623</b>	<b>1,262,481</b>
Fees and commission income	26	323,039	617,731	291,673	565,576	312,501	597,074	282,089	546,475
Fees and commission expense	26	(125,117)	(233,694)	(103,437)	(205,010)	(123,432)	(230,403)	(100,797)	(200,647)
<b>Fees and commissions, net</b>		<b>197,922</b>	<b>384,037</b>	<b>188,236</b>	<b>360,566</b>	<b>189,069</b>	<b>366,671</b>	<b>181,292</b>	<b>345,828</b>
Gain on derivative, other financial instruments held for trading and foreign exchange	27	82,112	174,617	79,101	169,635	81,811	173,809	78,855	168,723
Gain from financial instruments at fair value through profit and loss		3,310	3,174	2,619	4,157	3,310	3,174	2,484	3,837
Net income from associates and joint ventures		5,200	7,385	1,075	1,838	1,677	1,677	17,040	17,040
Other income/(expense)	28	(14,667)	(26,889)	(3,448)	(3,812)	(4,413)	(16,434)	6,563	6,309
<b>Net banking income</b>		<b>983,381</b>	<b>1,968,045</b>	<b>926,113</b>	<b>1,861,452</b>	<b>949,939</b>	<b>1,891,459</b>	<b>910,857</b>	<b>1,804,218</b>
Personnel expenses	30	(249,357)	(494,035)	(237,912)	(461,791)	(238,407)	(471,927)	(227,618)	(440,087)
Depreciation, amortization and impairment on tangible and intangible assets	31	(70,795)	(139,889)	(61,635)	(121,564)	(69,611)	(137,466)	(60,385)	(119,239)
Contribution to Guarantee Scheme and Resolution Fund	29	(465)	(43,517)	7,681	(68,094)	(465)	(43,517)	7,681	(68,094)
Other operating expenses	32	(177,859)	(350,505)	(143,694)	(292,117)	(178,561)	(345,074)	(137,900)	(277,406)
<b>Total operating expenses</b>		<b>(498,476)</b>	<b>(1,027,946)</b>	<b>(435,560)</b>	<b>(943,566)</b>	<b>(487,044)</b>	<b>(997,984)</b>	<b>(418,222)</b>	<b>(904,826)</b>
<b>Gross operating profit</b>		<b>484,905</b>	<b>940,099</b>	<b>490,553</b>	<b>917,886</b>	<b>462,895</b>	<b>893,475</b>	<b>492,635</b>	<b>899,392</b>
Cost of risk	33	(36,538)	(90,801)	14,678	5,230	(32,705)	(69,075)	5,488	(1,572)
<b>Operating profit</b>		<b>448,367</b>	<b>849,298</b>	<b>505,231</b>	<b>923,116</b>	<b>430,190</b>	<b>824,400</b>	<b>498,123</b>	<b>897,820</b>
<b>Profit before income tax</b>		<b>448,367</b>	<b>849,298</b>	<b>505,231</b>	<b>923,116</b>	<b>430,190</b>	<b>824,400</b>	<b>498,123</b>	<b>897,820</b>
Current tax expense	23	(82,759)	(146,741)	(89,275)	(149,509)	(82,019)	(144,639)	(83,404)	(143,496)
Deferred tax (expense) / income	23	1,700	(8,904)	9,461	(6,087)	4,953	(4,549)	4,683	(2,175)
<b>Total income tax</b>		<b>(81,059)</b>	<b>(155,645)</b>	<b>(79,814)</b>	<b>(155,596)</b>	<b>(77,066)</b>	<b>(149,188)</b>	<b>(78,721)</b>	<b>(145,671)</b>
<b>Profit for the period</b>		<b>367,308</b>	<b>693,653</b>	<b>425,417</b>	<b>767,520</b>	<b>353,124</b>	<b>675,212</b>	<b>419,402</b>	<b>752,149</b>
Profit attributable to equity holders of the parent		365,681	689,864	416,174	753,410	-	-	-	-
Profit attributable to non-controlling interests		1,627	3,789	9,243	14,110	-	-	-	-
<b>Basic/Diluted earnings per share (in RON)</b>	34	<b>0.5247</b>	<b>0.9899</b>	<b>0.5972</b>	<b>1.0811</b>	<b>0.5067</b>	<b>0.9689</b>	<b>0.6018</b>	<b>1.0793</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 June 30, 2024**  
*(Amounts in thousands RON)*

	Group				Bank			
	Unaudited (*)							
	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023
<b>Profit for the period</b>	<b>367,308</b>	<b>693,653</b>	<b>425,417</b>	<b>767,520</b>	<b>353,124</b>	<b>675,212</b>	<b>419,402</b>	<b>752,149</b>
<b>Other comprehensive income</b>								
<b>Net comprehensive income that may be reclassified to profit and loss in subsequent periods</b>	<b>(78,819)</b>	<b>(100,592)</b>	<b>258,312</b>	<b>564,707</b>	<b>(78,819)</b>	<b>(100,592)</b>	<b>258,312</b>	<b>564,707</b>
Net gain/(loss) on financial assets at fair value through other comprehensive	(78,819)	(100,592)	258,312	564,707	(78,819)	(100,592)	258,312	564,707
Reclassifications to profit and loss during the period	(85)	(185)	(28)	(6)	(85)	(185)	(28)	(6)
Revaluation differences	(93,731)	(119,532)	307,547	672,278	(93,731)	(119,532)	307,547	672,278
Income tax	14,997	19,125	(49,208)	(107,565)	14,997	19,125	(49,208)	(107,565)
<b>Other comprehensive income for the period, net of tax</b>	<b>(78,819)</b>	<b>(100,592)</b>	<b>258,312</b>	<b>564,707</b>	<b>(78,819)</b>	<b>(100,592)</b>	<b>258,312</b>	<b>564,707</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>288,489</b>	<b>593,061</b>	<b>683,729</b>	<b>1,332,227</b>	<b>274,305</b>	<b>574,620</b>	<b>677,714</b>	<b>1,316,856</b>
Attributable to:								
Equity holders of the parent	286,862	589,272	674,486	1,318,117				
Non-controlling interest	1,627	3,789	9,243	14,110				

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 June 30, 2024**  
*(Amounts in thousands RON)*

**Group (Unaudited)**

	Attributable to equity holders of the parent					Non-controlling interest	Total equity
	Other reserves						
	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	5,881,804	557,637	58,812	6,959,766
Total comprehensive income	-	564,707	-	752,237	1,173	14,110	1,332,227
Net Profit for the period	-	-	-	752,237	1,173	14,110	767,520
Other comprehensive income	-	564,707	-	-	-	-	564,707
Equity dividends	-	-	-	-	-	(7,391)	(7,391)
<b>June 30, 2023</b>	2,515,622	(1,519,537)	30,135	6,634,039	558,810	65,531	8,284,600

	Attributable to equity holders of the parent					Non-controlling interest	Total equity
	Other reserves						
	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	6,874,142	561,915	67,668	8,862,006
Total comprehensive income	-	(100,592)	-	690,753	(889)	3,789	593,061
Net Profit for the period	-	-	-	690,753	(889)	3,789	693,653
Other comprehensive income	-	(100,592)	-	-	-	-	(100,592)
Equity dividends	-	-	-	(817,117)	-	-	(817,117)
<b>June 30, 2024</b>	2,515,622	(1,282,546)	24,613	6,747,777	561,026	71,457	8,637,949

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 June 30, 2024**  
*(Amounts in thousands RON)*

**Bank**

	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>	<b>2,515,622</b>	<b>(2,084,244)</b>	<b>30,135</b>	<b>5,565,884</b>	<b>549,639</b>	<b>6,577,036</b>
Total comprehensive income	-	564,707	-	752,149	-	<b>1,316,856</b>
Net Profit for the period	-	-	-	752,149	-	<b>752,149</b>
Other comprehensive income	-	564,707	-	-	-	<b>564,707</b>
<b>June 30, 2023</b>	<b>2,515,622</b>	<b>(1,519,537)</b>	<b>30,135</b>	<b>6,318,033</b>	<b>549,639</b>	<b>7,893,892</b>

	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>	<b>2,515,622</b>	<b>(1,181,954)</b>	<b>24,613</b>	<b>6,557,103</b>	<b>549,639</b>	<b>8,465,023</b>
Total comprehensive income	-	(100,592)	-	675,212	-	<b>574,620</b>
Net Profit for the period	-	-	-	675,212	-	<b>675,212</b>
Other comprehensive income	-	(100,592)	-	-	-	<b>(100,592)</b>
Equity dividends	-	-	-	(817,117)	-	<b>(817,117)</b>
<b>June 30, 2024</b>	<b>2,515,622</b>	<b>(1,282,546)</b>	<b>24,613</b>	<b>6,415,198</b>	<b>549,639</b>	<b>8,222,525</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 CASH FLOWS**  
**for the year ended June 30, 2024**  
*(Amounts in thousands RON)*

Note	Group Unaudited (*)		Bank	
	Restated		Restated	
	Six months ended June 30, 2024	Six months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
<b>Cash flows from operating activities</b>				
Profit before tax	849,298	923,114	824,400	897,820
<i>Adjustments for:</i>				
Depreciation and amortization expense	139,889	121,564	137,466	119,239
(Gain) /Loss from impact of equity method for investment in associates and joint ventures	(5,707)	15,200	-	-
(Gain) from revaluation of assets at fair value through profit and loss	(1,071)	(2,521)	(1,071)	(2,202)
Impairment adjustments and provisions	133,163	91,122	110,466	84,865
<b>Adjusted profit</b>	<b>1,115,572</b>	<b>1,148,479</b>	<b>1,071,261</b>	<b>1,099,722</b>
<b>Changes in operating assets and liabilities</b>				
Deposits with banks	572,656	2,841,689	557,291	2,840,766
Treasury bills at amortised cost	(1,228,814)	(1,381,815)	(1,228,814)	(1,381,815)
Sales of financial assets at fair value through profit and loss	286	4,127	286	-
Acquisition of financial assets at fair value through profit and loss	(347)	-	(347)	-
Loans and advances to customers	(2,637,854)	(1,770,626)	(2,618,840)	(1,800,758)
Lease receivables	(197,787)	(160,109)	-	-
Other assets including trading	(219,925)	819,801	(183,789)	828,229
Assets held for sale	81,472	(11,593)	3,257	(12,031)
Due to banks	144,075	506,967	144,075	506,967
Due to customers	3,054,989	1,779,840	3,011,257	1,710,660
Other liabilities	(769,763)	(590,158)	(774,161)	(582,579)
<b>Total changes in operating assets and liabilities</b>	<b>(1,201,012)</b>	<b>2,038,123</b>	<b>(1,089,785)</b>	<b>2,109,439</b>
Income tax paid	(121,207)	(46,948)	(118,959)	(46,805)
<b>Cash flow from operating activities</b>	<b>(206,647)</b>	<b>3,139,654</b>	<b>(137,483)</b>	<b>3,162,356</b>
<b>Investing activities</b>				
Acquisition of tangible and intangible assets	(136,255)	(113,364)	(135,563)	(113,386)
Proceeds from sale of tangible and intangible assets	10,568	7,461	10,568	7,461
Sale of financial assets at fair value through OCI	1,025,737	2,273,204	1,025,737	2,273,204
Acquisition of financial assets at fair value through OCI	(582,091)	(1,490,872)	(582,091)	(1,490,872)
<b>Cash flow from investing activities</b>	<b>317,959</b>	<b>676,429</b>	<b>318,651</b>	<b>676,407</b>
<b>Financing activities</b>				
Proceeds from borrowings	1,452,339	619,049	909,349	121,675
Repayment of borrowings	(1,348,926)	(571,781)	(877,051)	(105,639)
Repayment of principal lease liabilities	(39,847)	(40,301)	(38,622)	(39,073)
Dividends paid	(817,117)	(7,391)	(817,117)	-
<b>Net cash from financing activities</b>	<b>(753,551)</b>	<b>(424)</b>	<b>(823,441)</b>	<b>(23,037)</b>
<b>Net movements in cash and cash equivalents</b>	<b>(642,239)</b>	<b>3,815,659</b>	<b>(642,273)</b>	<b>3,815,726</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	11,819,652	12,976,646	11,819,546	12,976,644

Additional information on operational cash flows from interest and dividends:

	Group Unaudited (*)		Bank	
	Six months ended June		Six months ended June	
	30, 2024	30, 2023	30, 2024	30, 2023
Interests paid	857,324	659,982	817,980	545,340
Interests received	2,333,903	1,986,754	2,230,274	1,854,383
Dividends received	1,678	17,039	3,098	27,598

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).

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

**BRD – Groupe Société Générale S.A.**  
**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL**  
**STATEMENTS**  
**as of and for the period ended June 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 June 30, 2024 (the “Parent” or “SG”).

The Bank has as of June 30, 2024 389 units throughout the country (December 31, 2023: 423).

The average number of active employees of the Group during first half of 2024 was 5,957 (2023: 6,066), and the number of active employees of the Group as of the period-end was 5,891 (December 31, 2023: 6,070).

The average number of active employees of the Bank during first half of 2024 was 5,749 (2023: 5,817), and the number of active employees of the Bank as of the period-end was 5,692 (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>June 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	3.97%	3.56%
Infinity Capital Investments SA	3.95%	3.95%
LION Capital SA	1.95%	1.95%
Legal entities	15.01%	14.80%
Individuals	5.11%	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 June 30, 2024 are of the Bank BRD–Groupe Société Générale. The consolidated interim financial statements as of June 30, 2024 and June 30, 2023 are not audited nor reviewed (references included in the financial statements and selected explanatory notes).

The interim financial statements for the six months ended June 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 (June 30, 2023) were aligned with the presentation in the Statement of financial position:

<i>Bank</i>	June 30, 2023 as previously reported	Effect of restatement	June 30, 2023 as restated
<i>Statement of cash flow lines impacted</i>			
Due from Central Bank	756,145	(756,145)	-
Deposits with banks	50,232	2,790,534	2,840,766
Financial assets at fair value through other comprehensive income	782,332	(782,332)	-
Other assets including trading	777,678	50,551	828,229
Assets held for sale	-	(12,031)	(12,031)
Total changes in operating assets and liabilities	818,862	1,290,577	2,109,439
Sale of financial assets at fair value through OCI	-	2,273,204	2,273,204
Acquisition of financial assets at fair value through OCI	-	(1,490,872)	(1,490,872)
Cash flow from investing activities	(105,925)	782,332	676,407
<b>Net movements in cash and cash equivalents</b>	<b>1,742,817</b>	<b>2,072,909</b>	<b>3,815,726</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>10,742,429</b>	<b>2,234,215</b>	<b>12,976,644</b>

<i>Group</i>	June 30, 2023 as previously reported	Effect of restatement	June 30, 2023 as restated
<i>Statement of cash flow lines impacted</i>			
Due from Central Bank	756,212	(756,212)	-
Deposits with banks	51,086	2,790,603	2,841,689
Financial assets at fair value through other comprehensive income	782,332	(782,332)	-
Other assets including trading	769,689	50,112	819,801
Assets held for sale	-	(11,593)	(11,593)
Total changes in operating assets and liabilities	747,545	1,290,578	2,038,123
Sale of financial assets at fair value through OCI	-	2,273,204	2,273,204
Acquisition of financial assets at fair value through OCI	-	(1,490,872)	(1,490,872)
Cash flow from investing activities	(105,903)	782,332	676,429
<b>Net movements in cash and cash equivalents</b>	<b>1,742,749</b>	<b>2,072,910</b>	<b>3,815,659</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>10,742,431</b>	<b>2,234,215</b>	<b>12,976,646</b>

**b) Basis for consolidation**

The consolidated financial statements comprise the financial statements of BRD–Groupe Société Générale and its subsidiaries as of June 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 Vinerei 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 June 30, 2024 and December 31, 2023 BRD Finance IFN SA is in a run off process and entered into a process for 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 as a going concern basis. The entity has been included in the consolidated financial statements of the Group on this basis.

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 31 December 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							
	June 30, 2024 Unaudited (*)				December 31, 2023			
	Total	Retail	Non retail	Corporate Center	Total	Retail	Non retail	Corporate Center
<b>Total assets</b>	<b>86,210,676</b>	<b>26,761,061</b>	<b>18,408,953</b>	<b>41,040,663</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	45,038,344	26,629,391	18,408,953	-	42,305,125	25,322,676	16,982,449	-
Other assets	41,172,333	131,670	-	41,040,663	41,543,836	209,886	-	41,333,950
<b>Total liabilities</b>	<b>86,210,676</b>	<b>41,027,809</b>	<b>24,432,789</b>	<b>20,750,078</b>	<b>83,848,961</b>	<b>40,766,424</b>	<b>21,639,185</b>	<b>21,443,352</b>
Due to customers	65,460,598	41,027,809	24,432,789	-	62,405,609	40,766,424	21,639,185	-
Other liabilities	20,750,078	-	-	20,750,078	21,443,352	-	-	21,443,352

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.

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**3. Segment information (continued)**

	Group Unaudited (*)							
	Six months ended June 30, 2024				Six months ended June 30, 2023			
	Total	Retail	Non retail	Corporate Center	Total	Retail	Non retail	Corporate Center
Net interest income	1,425,721	878,997	448,718	98,006	1,329,068	813,887	374,027	141,155
Fees and commissions, net	384,037	252,949	147,326	(16,238)	360,566	236,755	127,663	(3,852)
Total non-interest income	158,287	35,947	50,231	72,109	171,818	54,394	50,435	66,989
Operating income	1,968,045	1,167,892	646,275	153,877	1,861,452	1,105,035	552,125	204,291
Total operating expenses	(1,027,946)	(724,730)	(272,955)	(30,261)	(943,566)	(666,978)	(257,604)	(18,984)
Cost of risk	(90,801)	(100,792)	11,216	(1,226)	5,230	(69,511)	79,965	(5,224)
Profit before income tax	849,298	342,371	384,537	122,390	923,116	368,546	374,487	180,083
Total income tax	(155,645)	(62,745)	(70,473)	(22,427)	(155,596)	(61,647)	(62,641)	(31,309)
<b>Profit for the period</b>	<b>693,653</b>	<b>279,626</b>	<b>314,064</b>	<b>99,963</b>	<b>767,520</b>	<b>306,899</b>	<b>311,846</b>	<b>148,775</b>
<b>Cost Income Ratio</b>	<b>52.2%</b>	<b>62.1%</b>	<b>42.2%</b>		<b>50.7%</b>	<b>60.4%</b>	<b>46.7%</b>	

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**3. Segment information (continued)**

	Group Unaudited (*)							
	Three months ended June 30, 2024				Three months ended June 30, 2023			
	Total	Retail	Non retail	Corporate Center	Total	Retail	Non retail	Corporate Center
Net interest income	709,504	453,091	231,812	24,601	658,530	404,129	182,080	72,321
Fees and commissions, net	197,922	135,058	81,724	(18,859)	188,236	122,059	68,973	(2,796)
Total non-interest income	75,955	16,992	25,845	33,118	79,347	28,088	27,432	23,827
<b>Operating income</b>	<b>983,381</b>	<b>605,141</b>	<b>339,380</b>	<b>38,859</b>	<b>926,113</b>	<b>554,277</b>	<b>278,484</b>	<b>93,352</b>
Total operating expenses	(498,476)	(356,763)	(125,262)	(16,451)	(435,560)	(323,258)	(114,178)	1,876
Cost of risk	(36,538)	(32,156)	(5,568)	1,186	14,678	(45,478)	63,080	(2,924)
Profit before income tax	448,367	216,222	208,551	23,594	505,231	185,540	227,386	92,304
Total income tax	(81,059)	(39,279)	(37,735)	(4,045)	(79,814)	(28,448)	(35,956)	(15,410)
<b>Profit for the period</b>	<b>367,308</b>	<b>176,944</b>	<b>170,815</b>	<b>19,549</b>	<b>425,417</b>	<b>157,092</b>	<b>191,431</b>	<b>76,894</b>
<b>Cost Income Ratio</b>	<b>50.7%</b>	<b>59.0%</b>	<b>36.9%</b>		<b>47.0%</b>	<b>58.3%</b>	<b>41.0%</b>	

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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 (*)	Restated	June 30, 2024	Restated
	June 30, 2024	December 31, 2023		December 31, 2023
Cash in vaults and ATM	2,537,567	2,693,482	2,537,461	2,693,410
Current accounts with Central Bank	5,054,540	9,256,037	5,054,540	9,256,037
Sight deposits with Central Bank	2,501,250	-	2,501,250	-
Current accounts and placements with other banks	1,726,295	512,372	1,726,295	512,372
<b>Total</b>	<b>11,819,652</b>	<b>12,461,891</b>	<b>11,819,546</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 (*)	Restated	June 30, 2024	Restated
	June 30, 2024	December 31, 2023		December 31, 2023
Deposits at foreign banks	(0)	15,364	(0)	0
Current accounts at Romanian banks	122,249	119,779	122,249	119,779
Current accounts at foreign banks	323,659	350,174	323,659	350,174
Reverse repo	4,107,300	4,650,402	4,107,300	4,650,402
Bonds	491,104	481,248	491,104	481,248
<b>Total</b>	<b>5,044,312</b>	<b>5,616,968</b>	<b>5,044,312</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 (*)	June 30, 2024		
	Assets	Liabilities	Notional (total)
Interest rate swaps	33,322	218,748	4,187,129
Currency swaps	15,045	9,523	2,512,176
Forward foreign exchange contracts	4,012	3,587	966,264
Options	52,611	52,680	7,187,643
<b>Total derivative financial instruments</b>	<b>104,990</b>	<b>284,538</b>	<b>14,853,212</b>
	<b>June 30, 2024</b>		
	Assets	Liabilities	
Treasury notes	1,466,465	629,102	
Reverse repo/Repo	759,176	187,681	
<b>Total financial assets and liabilities held for trading</b>	<b>2,225,641</b>	<b>816,783</b>	

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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>
	<b>December 31, 2023</b>		
	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>	
	<b>June 30, 2024</b>		
	Assets	Liabilities	Notional (total)
Interest rate swaps	33,322	218,748	4,187,129
Currency swaps	15,045	9,523	2,512,176
Forward foreign exchange contracts	4,058	3,587	998,616
Options	52,611	52,680	7,187,643
<b>Total derivative financial instruments</b>	<b>105,036</b>	<b>284,538</b>	<b>14,885,564</b>
	<b>June 30, 2024</b>		
	Assets	Liabilities	
Treasury notes	1,438,951	629,102	
Reverse repo/Repo	759,176	187,681	
<b>Total financial assets and liabilities held for trading</b>	<b>2,198,127</b>	<b>816,783</b>	
	<b>December 31, 2023</b>		
	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>
	<b>December 31, 2023</b>		
	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 June 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 4 years.
  - 10 million EUR yearly with a fixed interest rate of 0.171%, the remaining period of 1 year.
  - 16 million USD yearly with a fixed interest rate of 2.813%, the remaining period of 4.08 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 245 million EUR. The swap has a fixed interest rate of -0.403% and a remaining period of 6.34 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 90 million EUR. The swap has a fixed interest rate of -0.337% and a remaining period of 2.25 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 June 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 -176,118. 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 7,538 and of the exchange rate evolution effect in amount of -161.

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

	June 30, 2024		
	Assets	Liabilities	Notional (total)
Interest rate swaps	-	185,362	2,149,833

	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 (*)			
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Equity investments	12,508	11,376	12,508	11,376
<b>Total</b>	<b>12,508</b>	<b>11,376</b>	<b>12,508</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 (*)			
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Ministry of Public Finance	10,384,569	10,849,182	10,384,569	10,849,182
French State	1,981,100	2,030,930	1,981,100	2,030,930
Belgian State	519,763	549,558	519,763	549,558
<b>Total market value</b>	<b>12,885,432</b>	<b>13,429,670</b>	<b>12,885,432</b>	<b>13,429,670</b>
ECL impairment allowance	(2,274)	(2,459)	(2,274)	(2,459)
<b>Total</b>	<b>12,883,158</b>	<b>13,427,211</b>	<b>12,883,158</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 June 30, 2024, they are classified as Stage 1 and ECL impairment allowance amounts to 2,274 (December 31, 2023: 2,459).

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**9. Financial assets at amortised cost**

**9.1. Loans and advances to customers**

	Group		Bank	
	Unaudited (*)			
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Loans, gross	44,948,008	42,307,745	44,507,805	41,881,907
Loans impairment	(1,794,975)	(1,694,354)	(1,764,200)	(1,680,217)
<b>Total</b>	<b>43,153,033</b>	<b>40,613,391</b>	<b>42,743,605</b>	<b>40,201,690</b>

The structure of loans is the following:

	Group		Bank	
	Unaudited (*)			
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Working capital loans	11,388,167	10,208,630	11,388,167	10,208,630
Loans for equipment	4,722,131	4,446,600	4,281,928	4,016,253
Trade activities financing	1,060,935	1,181,285	1,060,935	1,181,285
Acquisition of real estate, including mortgage for individuals	15,596,488	15,063,829	15,596,488	15,063,829
Consumer loans	10,011,957	9,333,096	10,011,957	9,337,605
Other	2,168,330	2,074,307	2,168,330	2,074,307
<b>Total</b>	<b>44,948,008</b>	<b>42,307,745</b>	<b>44,507,805</b>	<b>41,881,907</b>

During 2024 the gross loan portfolio increased by 2,626 million RON as compared with December 31, 2023.

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

- Stage 1: 36,659 million RON, with a 3,168 million RON increase compared to December 31, 2023
- Stage 2: 6,672 million RON, with a 699 million RON decrease compared to December 31, 2023
- Stage 3: 1,116 million RON, with a 156 million RON increase compared to December 31, 2023
- POCI: 61 million RON, with 1 million RON increase compared to December 31, 2023.

The main movements on gross exposure value are along the following dimensions:

- The increase in Stage 1 portfolio is driven by favorable commercial performance;
- The slight decrease in Stage 2 portfolio, primarily on Retail, is mostly explained by repayments;
- The Stage 3 & POCI portfolio display a 157 MRON increase considering a net inflow of 235 MRON from performing portfolios, partially offset recoveries on already defaulted portfolios of 52 MRON and write-offs in amount of 26 MRON.

As of June 30, 2024 the amortized cost of loans granted to the 20 largest corporate clients (groups of connected borrowers) amounts to 5,254,694 (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 3,998,172 (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 (*)	June 30, 2024									
	Stage 1		Stage 2		Stage 3		POCI		Total	
	Gross carrying amount	Impairment allowance								
Individuals	18,726,528	100,788	5,854,018	411,121	854,201	654,376	23,552	4,353	25,458,300	1,170,637
Agriculture, forestry and fishing	1,588,433	33,648	245,602	16,938	47,156	27,384	-	-	1,881,191	77,970
Mining and quarrying	24,807	434	425	28	0	0	-	-	25,233	463
Manufacturing	2,978,279	57,673	142,746	6,765	33,354	25,132	2,718	550	3,157,097	90,120
Electricity, gas, steam and air conditioning supply	1,364,291	23,293	325	55	305	168	-	-	1,364,921	23,516
Water supply	109,376	2,219	27,039	758	63	40	-	-	136,478	3,018
Construction	1,217,793	23,449	54,867	3,604	74,173	54,909	27	4	1,346,860	81,965
Wholesale and retail trade	5,362,082	87,726	251,823	19,686	19,477	12,406	9,290	198	5,642,672	120,016
Transport and storage	968,283	17,477	54,999	3,740	52,648	41,189	1,319	419	1,077,249	62,825
Accommodation and food service activities	374,736	7,578	23,263	1,968	33,879	25,686	0	0	431,877	35,231
Information and communication	412,560	5,937	3,649	191	1,751	1,286	-	-	417,961	7,414
Financial institutions	757,497	13,230	2,268	119	136	96	-	-	759,900	13,445
Real estate activities	541,633	11,611	28,351	3,010	33,175	28,586	22,453	22,403	625,611	65,610
Professional, scientific and technical activities	326,071	2,843	16,484	1,272	4,221	2,835	-	-	346,775	6,950
Administrative and support service activities	257,076	4,550	8,490	618	1,052	630	1,626	-	268,244	5,797
Public administration and defence, compulsory social security	1,248,101	12,550	207	9	234	215	-	-	1,248,542	12,774
Education	52,709	485	18,494	1,494	-	-	-	-	71,203	1,978
Human health services and social work activities	510,464	9,470	9,926	706	1,973	1,306	-	-	522,363	11,482
Arts, entertainment and recreation	62,650	1,282	4,421	369	160	154	-	-	67,230	1,805
Other services	90,530	1,138	7,201	512	568	308	-	-	98,300	1,959
<b>Total</b>	<b>36,973,897</b>	<b>417,378</b>	<b>6,754,599</b>	<b>472,964</b>	<b>1,158,526</b>	<b>876,707</b>	<b>60,986</b>	<b>27,927</b>	<b>44,948,008</b>	<b>1,794,975</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	June 30, 2024									
	Stage 1		Stage 2		Stage 3		POCI		Total	
	Gross carrying amount	Impairment allowance								
Individuals	18,726,528	100,788	5,854,018	411,121	854,201	654,376	23,552	4,353	25,458,300	1,170,637
Agriculture, forestry and fishing	1,466,775	33,071	191,464	14,039	12,328	7,672	-	-	1,670,567	54,781
Mining and quarrying	24,807	434	425	28	0	0	-	-	25,233	463
Manufacturing	2,976,407	57,665	141,574	6,713	33,354	25,132	2,718	550	3,154,054	90,059
Electricity, gas, steam and air conditioning supply	1,364,291	23,293	325	55	305	168	-	-	1,364,921	23,516
Water supply	109,123	2,218	27,039	758	12	17	-	-	136,175	2,993
Construction	1,215,395	23,436	52,724	3,506	74,067	54,861	27	4	1,342,213	81,807
Wholesale and retail trade	5,336,874	87,624	243,878	19,292	18,428	11,884	9,290	198	5,608,471	118,997
Transport and storage	814,533	16,849	39,811	3,035	46,514	36,663	1,319	419	902,178	56,966
Accommodation and food service activities	374,736	7,578	22,098	1,897	33,879	25,686	0	0	430,713	35,161
Information and communication	412,560	5,937	3,649	191	1,751	1,286	-	-	417,961	7,414
Financial institutions	756,955	13,227	2,268	119	136	96	-	-	759,358	13,442
Real estate activities	541,633	11,611	28,259	3,005	33,175	28,586	22,453	22,403	625,519	65,605
Professional, scientific and technical activities	322,378	2,827	15,924	1,238	3,763	2,630	-	-	342,065	6,695
Administrative and support service activities	254,312	4,537	8,490	618	1,052	630	1,626	-	265,480	5,785
Public administration and defence, compulsory social security	1,248,101	12,550	207	9	234	215	-	-	1,248,542	12,774
Education	52,709	485	18,494	1,494	-	-	-	-	71,203	1,978
Human health services and social work activities	510,464	9,470	9,926	706	1,973	1,306	-	-	522,363	11,482
Arts, entertainment and recreation	62,650	1,282	4,421	369	160	154	-	-	67,230	1,805
Other services	88,027	1,125	6,889	496	343	218	-	-	95,259	1,839
<b>Total</b>	<b>36,659,259</b>	<b>416,005</b>	<b>6,671,885</b>	<b>468,689</b>	<b>1,115,676</b>	<b>851,579</b>	<b>60,986</b>	<b>27,927</b>	<b>44,507,805</b>	<b>1,764,200</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	December 31, 2023									
	Stage 1		Stage 2		Stage 3		POCI		Total	
	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	December 31, 2023									
	Stage 1		Stage 2		Stage 3		POCI		Total	
	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	1,117,498
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				
	June 30, 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	11,461,516	8,520	-	-	11,470,036
Good grade	7,002,076	3,848,682	-	-	10,850,758
Standard grade	1,549,365	1,487,971	-	-	3,037,336
Sub-standard grade	-	745,941	-	13,245	759,186
Non- performing	-	-	898,206	10,523	908,729
(out of which) Individual assessment	-	-	12,082	613	12,696
Not rated internally	124,503	34,660	18,659	-	177,822
<b>Total</b>	<b>20,137,460</b>	<b>6,125,773</b>	<b>916,865</b>	<b>23,768</b>	<b>27,203,867</b>
<b>Provision allowance</b>					
Internal rating grade					
Very good grade	(32,787)	(115)	-	-	(32,903)
Good grade	(41,050)	(90,905)	-	-	(131,955)
Standard grade	(38,031)	(157,906)	-	-	(195,937)
Sub-standard grade	-	(179,107)	-	(133)	(179,240)
Non- performing	-	-	(685,173)	(4,418)	(689,590)
(out of which) Individual assessment	-	-	(11,058)	(279)	(11,337)
Not rated internally	(642)	(2,103)	(10,021)	-	(12,765)
<b>Total</b>	<b>(112,510)</b>	<b>(430,136)</b>	<b>(695,194)</b>	<b>(4,551)</b>	<b>(1,242,391)</b>
<b>Net Carrying amount</b>	<b>20,024,950</b>	<b>5,695,637</b>	<b>221,672</b>	<b>19,217</b>	<b>25,961,476</b>
	Non-Retail lending				
	June 30, 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Good grade	11,877,233	120,996	-	-	11,998,229
Standard grade	4,959,204	101,353	-	-	5,060,557
Sub-standard grade	-	406,478	-	10,700	417,178
Non- performing	-	-	241,660	26,517	268,177
(out of which) Individual assessment	-	-	189,740	26,463	216,203
<b>Total</b>	<b>16,836,437</b>	<b>628,827</b>	<b>241,660</b>	<b>37,217</b>	<b>17,744,141</b>
<b>Provision allowance</b>					
Internal rating grade					
Good grade	(192,280)	(3,216)	-	-	(195,495)
Standard grade	(112,588)	(6,168)	-	-	(118,756)
Sub-standard grade	-	(33,444)	-	-	(33,444)
Non- performing	-	-	(181,513)	(23,376)	(204,889)
(out of which) Individual assessment	-	-	(151,211)	(23,322)	(174,533)
<b>Total</b>	<b>(304,868)</b>	<b>(42,827)</b>	<b>(181,513)</b>	<b>(23,376)</b>	<b>(552,584)</b>
<b>Net Carrying amount</b>	<b>16,531,569</b>	<b>585,999</b>	<b>60,147</b>	<b>13,841</b>	<b>17,191,557</b>
	Total				
	June 30, 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
Internal rating grade					
Very good grade	11,461,516	8,520	-	-	11,470,036
Good grade	18,879,309	3,969,677	-	-	22,848,987
Standard grade	6,508,569	1,589,324	-	-	8,097,893
Sub-standard grade	-	1,152,419	-	23,946	1,176,364
Non- performing	-	-	1,139,867	37,040	1,176,907
(out of which) Individual assessment	-	-	201,823	27,076	228,899
Not rated internally	124,503	34,660	18,659	-	177,822
<b>Total</b>	<b>36,973,897</b>	<b>6,754,599</b>	<b>1,158,526</b>	<b>60,986</b>	<b>44,948,008</b>
<b>Provision allowance</b>					
Internal rating grade					
Very good grade	(32,787)	(115)	-	-	(32,903)
Good grade	(233,330)	(94,121)	-	-	(327,451)
Standard grade	(150,620)	(164,074)	-	-	(314,693)
Sub-standard grade	-	(212,551)	-	(133)	(212,684)
Non- performing	-	-	(866,686)	(27,793)	(894,479)
(out of which) Individual assessment	-	-	(162,269)	(23,601)	(185,869)
Not rated internally	(642)	(2,103)	(10,021)	-	(12,765)
<b>Total</b>	<b>(417,378)</b>	<b>(472,964)</b>	<b>(876,707)</b>	<b>(27,927)</b>	<b>(1,794,975)</b>
<b>Net Carrying amount</b>	<b>36,556,519</b>	<b>6,281,636</b>	<b>281,819</b>	<b>33,059</b>	<b>43,153,033</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				
	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	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
Past due but not impaired	-	-	-	-	-
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	66,952	12,773	11,573	4	<b>91,301</b>
Assets derecognised or repaid (excluding write offs)	(12,656)	(19,678)	(14,706)	(28)	<b>(47,068)</b>
Net provision movement for assets that did not change classification	(76,276)	(9,227)	2,841	1,459	<b>(81,203)</b>
Movements due to change in classification	(8,425)	3,154	141,421	83	<b>136,233</b>
Amounts written off	-	-	(24,427)	(973)	<b>(25,399)</b>
Other adjustments	10	56	(326)	1	<b>(260)</b>
<b>Impairment allowance as at June 30, 2024</b>	<b>112,510</b>	<b>430,136</b>	<b>695,194</b>	<b>4,552</b>	<b>1,242,391</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	85,847	7,975	2,200	-	<b>96,021</b>
Assets derecognised or repaid (excluding write offs)	(54,635)	(7,219)	(10,129)	(0)	<b>(71,983)</b>
Net provision movement for assets that did not change classification	(12,758)	(5,051)	10,718	998	<b>(6,093)</b>
Movements due to change in classification	4,627	(21,390)	26,808	(1,191)	<b>8,854</b>
Amounts written off	-	-	(742)	(0)	<b>(742)</b>
Other adjustments	154	11	781	12	<b>958</b>
<b>Impairment allowance as at June 30, 2024</b>	<b>304,868</b>	<b>42,828</b>	<b>181,512</b>	<b>23,376</b>	<b>552,584</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	152,798	20,748	13,773	4	<b>187,323</b>
Assets derecognised or repaid (excluding write offs)	(67,290)	(26,897)	(24,836)	(28)	<b>(119,051)</b>
Net provision movement for assets that did not change classification	(89,034)	(14,277)	13,559	2,457	<b>(87,296)</b>
Movements due to change in classification	(3,798)	(18,236)	168,230	(1,108)	<b>145,087</b>
Amounts written off	-	-	(25,168)	(973)	<b>(26,141)</b>
Other adjustments	164	67	455	12	<b>699</b>
<b>Impairment allowance as at June 30, 2024</b>	<b>417,377</b>	<b>472,964</b>	<b>876,706</b>	<b>27,928</b>	<b>1,794,975</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**

	<b>Retail lending</b>				<b>Total</b>
	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	66,852	12,638	11,573	4	<b>91,066</b>
Assets derecognised or repaid (excluding write offs)	(12,622)	(19,666)	(14,427)	(28)	<b>(46,743)</b>
Net provision movement for assets that did not change classification	(75,405)	(9,661)	(1,125)	1,459	<b>(84,732)</b>
Movements due to change in classification	(9,173)	4,100	141,223	83	<b>136,233</b>
Amounts written off	-	-	(24,427)	(973)	<b>(25,399)</b>
Other adjustments	10	55	67	1	<b>132</b>
<b>Impairment allowance as at June 30, 2024</b>	<b>111,869</b>	<b>428,033</b>	<b>685,173</b>	<b>4,551</b>	<b>1,229,626</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>	280,834	66,110	150,647	23,557	<b>521,147</b>
New assets originated or purchased	85,627	7,653	1,070	-	<b>94,350</b>
Assets derecognised or repaid (excluding write offs)	(54,626)	(7,132)	(10,094)	(0)	<b>(71,852)</b>
Net provision movement for assets that did not change classification	(12,490)	(4,994)	(1,257)	998	<b>(17,744)</b>
Movements due to change in classification	4,638	(20,991)	26,397	(1,191)	<b>8,854</b>
Amounts written off	-	-	(742)	(0)	<b>(742)</b>
Other adjustments	154	10	385	12	<b>561</b>
<b>Impairment allowance as at June 30, 2024</b>	<b>304,136</b>	<b>40,656</b>	<b>166,406</b>	<b>23,376</b>	<b>534,574</b>

	<b>Total</b>				<b>Total</b>
	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	152,478	20,291	12,643	4	<b>185,416</b>
Assets derecognised or repaid (excluding write offs)	(67,248)	(26,798)	(24,521)	(28)	<b>(118,596)</b>
Net provision movement for assets that did not change classification	(87,895)	(14,656)	(2,382)	2,457	<b>(102,476)</b>
Movements due to change in classification	(4,535)	(16,891)	167,620	(1,108)	<b>145,087</b>
Amounts written off	-	-	(25,168)	(973)	<b>(26,141)</b>
Other adjustments	163	65	452	12	<b>693</b>
<b>Impairment allowance as at June 30, 2024</b>	<b>416,005</b>	<b>468,689</b>	<b>851,579</b>	<b>27,927</b>	<b>1,764,200</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				Total
	Stage 1	Stage 2	Stage 3	POCI	
<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

	Retail lending				Total
	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>

	Non-Retail lending				Total
	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>

	Total				Total
	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>

The sensitivity assessment of ECL to key inputs shows that a +/- 1 p.p. change in LGD would result in an increase/ decrease of ECL with 37 MRON.

The sensitivity assessment of ECL to the macroeconomic scenarios used is described below:

- A change of +/- 1 p.p. of the optimistic scenario weight correlated with a -/+ 1 p.p. change in base scenario weight, will generate an ECL decrease/ increase of 0.4 MRON.
- A change of +/- 1 p.p. of the pessimistic scenario weight correlated with a -/+ 1 p.p. change in base scenario weight, will generate an ECL increase/ decrease of 1.6 MRON.

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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 (*)			
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Ministry of Public Finance	3,274,705	2,526,963	3,274,705	2,526,963
French State	2,484,582	2,030,230	2,484,582	2,030,230
United State Government	652,404	625,577	652,404	625,577
<b>Total market value</b>	<b>6,411,691</b>	<b>5,182,771</b>	<b>6,411,691</b>	<b>5,182,771</b>
ECL impairment allowance	(447)	(341)	(447)	(341)
<b>Total</b>	<b>6,411,244</b>	<b>5,182,430</b>	<b>6,411,244</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.

	June 30, 2024	December 31, 2023
Net investment in the lease	1,984,481	1,785,506
Accumulated allowance for uncollectible minimum lease payments receivable	(99,170)	(93,772)
<b>Total</b>	<b>1,885,311</b>	<b>1,691,734</b>

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

**Rating analysis of finance lease receivables**

	<b>Retail</b>			
	<b>June 30, 2024</b>			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount</b>				
Not rated internally	510,489	121,949	65,208	697,646
<b>Total</b>	510,489	121,949	65,208	697,646
Provision allowance	(2,671)	(7,429)	(28,658)	(38,758)
<b>Net Carrying amount</b>	<b>507,818</b>	<b>114,520</b>	<b>36,550</b>	<b>658,888</b>

	<b>Non-Retail</b>			
	<b>June 30, 2024</b>			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount</b>				
Internal rating grade				
Good grade	470,653	55,924	-	526,578
Standard grade	453,049	184,702	-	637,751
Sub-standard grade	-	40,181	-	40,181
Non- performing	-	-	64,522	64,522
Not rated internally	-	17,230	573	17,803
<b>Total</b>	923,702	298,038	65,095	1,286,835
Provision allowance	(3,537)	(13,372)	(43,503)	(60,412)
<b>Net Carrying amount</b>	<b>920,165</b>	<b>284,666</b>	<b>21,592</b>	<b>1,226,423</b>

	<b>Total</b>			
	<b>June 30, 2024</b>			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount</b>				
Internal rating grade				
Good grade	470,653	55,924	-	526,578
Standard grade	453,049	184,702	-	637,751
Sub-standard grade	-	40,181	-	40,181
Non- performing	-	-	64,522	64,522
Not rated internally	510,489	139,179	65,781	715,449
<b>Total</b>	1,434,191	419,987	130,303	1,984,482
Provision allowance	(6,208)	(20,801)	(72,162)	(99,170)
<b>Net Carrying amount</b>	<b>1,427,983</b>	<b>399,186</b>	<b>58,142</b>	<b>1,885,311</b>

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

**Rating analysis of finance lease receivables (continued)**

	<b>Retail</b>			Total
	<b>December 31, 2023</b>			
	Stage 1	Stage 2	Stage 3	
<b>Gross carrying amount</b>				
Not rated internally	472,694	115,322	57,978	645,993
<b>Total</b>	472,694	115,322	57,978	645,993
Provision allowance	(2,505)	(6,940)	(25,267)	(34,712)
<b>Net Carrying amount</b>	<b>470,188</b>	<b>108,382</b>	<b>32,711</b>	<b>611,281</b>

	<b>Non-Retail</b>			Total
	<b>December 31, 2023</b>			
	Stage 1	Stage 2	Stage 3	
<b>Gross carrying amount</b>				
Internal rating grade				
Good grade	379,509	56,363	-	435,872
Standard grade	465,656	132,466	-	598,121
Sub-standard grade	-	34,400	-	34,400
Non- performing	-	-	62,956	62,956
Not rated internally	-	7,584	580	8,164
<b>Total</b>	845,165	230,813	63,536	1,139,513
Provision allowance	(3,486)	(11,214)	(44,360)	(59,060)
<b>Net Carrying amount</b>	<b>841,678</b>	<b>219,598</b>	<b>19,176</b>	<b>1,080,453</b>

	<b>Total</b>			Total
	<b>December 31, 2023</b>			
	Stage 1	Stage 2	Stage 3	
<b>Gross carrying amount</b>				
Internal rating grade				
Good grade	379,509	56,363	-	435,872
Standard grade	465,656	132,466	-	598,121
Sub-standard grade	-	34,400	-	34,400
Non- performing	-	-	62,956	62,956
Not rated internally	472,694	122,905	58,558	654,157
<b>Total</b>	1,317,859	346,134	121,514	1,785,506
Provision allowance	(5,992)	(18,154)	(69,626)	(93,772)
<b>Net Carrying amount</b>	<b>1,311,867</b>	<b>327,980</b>	<b>51,887</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	764	2,057	476	<b>3,296</b>
Assets derecognised or fully repaid (excluding write offs)	(120)	(203)	(601)	<b>(924)</b>
Movements due to change in classification	464	(793)	329	<b>-</b>
Net movement for assets that did not change classification	(938)	(579)	3,637	<b>2,120</b>
Amounts written off	-	-	(468)	<b>(468)</b>
Other adjustments	1	3	12	<b>16</b>
<b>Impairment allowance as at June 30, 2024</b>	<b>2,672</b>	<b>7,430</b>	<b>28,651</b>	<b>38,753</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	1,107	3,771	192	<b>5,070</b>
Assets derecognised or fully repaid (excluding write offs)	(68)	(370)	(162)	<b>(600)</b>
Movements due to change in classification	1,341	(1,577)	236	<b>0</b>
Net movement for assets that did not change classification	(2,338)	333	(1,030)	<b>(3,035)</b>
Amounts written off	-	-	(20)	<b>(20)</b>
Other adjustments	2	4	(65)	<b>(58)</b>
<b>Impairment allowance as at June 30, 2024</b>	<b>3,537</b>	<b>13,372</b>	<b>43,509</b>	<b>60,417</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	1,871	5,828	668	<b>8,367</b>
Assets derecognised or fully repaid (excluding write offs)	(187)	(573)	(764)	<b>(1,524)</b>
Movements due to change in classification	1,805	(2,370)	565	<b>-</b>
Net movement for assets that did not change classification	(3,277)	(246)	2,607	<b>(915)</b>
Amounts written off	-	-	(488)	<b>(488)</b>
Other adjustments	4	7	(53)	<b>(42)</b>
<b>Impairment allowance as at June 30, 2024</b>	<b>6,208</b>	<b>20,802</b>	<b>72,159</b>	<b>99,170</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	-	-	187	4	60,509	64,313	125,013
Transfers	23,322	-	34,871	24,503	(82,770)	-	(75)
Disposals	(21,957)	(1,395)	(30,615)	(23,523)	(7,207)	(34,940)	(119,637)
<b>as of June 30, 2024 Unaudited</b>	<b>1,305,323</b>	<b>34,111</b>	<b>308,813</b>	<b>471,135</b>	<b>59,486</b>	<b>491,741</b>	<b>2,670,609</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	(19,282)	(229)	(18,124)	(17,090)	-	(40,233)	(94,958)
Impairment	259	94	-	(25)	-	-	328
Disposals	17,355	1,394	30,619	21,203	-	38,687	109,258
<b>as of June 30, 2024 Unaudited</b>	<b>(821,638)</b>	<b>(19,711)</b>	<b>(218,521)</b>	<b>(335,765)</b>	<b>-</b>	<b>(166,612)</b>	<b>(1,562,247)</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 June 30, 2024 Unaudited</b>	<b>483,685</b>	<b>14,400</b>	<b>90,292</b>	<b>135,370</b>	<b>59,486</b>	<b>325,129</b>	<b>1,108,362</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	-	-	-	-	60,509	63,559	124,068
Transfers	23,322	-	34,871	24,503	(82,770)	-	(75)
Disposals	(21,957)	(1,395)	(29,812)	(23,513)	(7,207)	(22,885)	(106,769)
<b>as of June 30, 2024</b>	<b>1,295,324</b>	<b>34,110</b>	<b>300,799</b>	<b>470,879</b>	<b>59,485</b>	<b>479,322</b>	<b>2,639,918</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	(19,166)	(228)	(17,834)	(17,086)	-	(38,717)	(93,031)
Impairment	259	94	-	(25)	-	-	328
Disposals	17,353	1,393	29,813	21,192	-	38,326	108,077
<b>as of June 30, 2024</b>	<b>(815,677)</b>	<b>(19,710)</b>	<b>(210,998)</b>	<b>(335,572)</b>	<b>-</b>	<b>(159,589)</b>	<b>(1,541,546)</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 June 30, 2024</b>	<b>479,647</b>	<b>14,400</b>	<b>89,801</b>	<b>135,307</b>	<b>59,485</b>	<b>319,733</b>	<b>1,098,372</b>

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

<b>Group</b>	<b>Right-of-use assets</b>			
	<b>Land &amp; Buildings</b>	<b>IT Office equipments</b>	<b>Cars and other assets</b>	<b>Total</b>
<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	62,554	-	1,760	64,314
Depreciation expense	(34,642)	(2,208)	(3,383)	(40,233)
Disposals and other decreases	(14,719)	-	-	(14,719)
Contractual changes	18,054	398	13	18,465
<b>as of June 30, 2024</b>	<b>306,491</b>	<b>9,007</b>	<b>9,631</b>	<b>325,129</b>
	<b>Lease liabilities</b>			
<b>as of January 1, 2024</b>	<b>308,752</b>			
Additions	64,314			
Disposals and other decreases	(26,701)			
Other movements (FX, other contractual changes)	30,470			
Interest expense	4,058			
Payments	(43,905)			
<b>as of June 30, 2024</b>	<b>336,988</b>			
	<b>Right-of-use assets</b>			
	<b>Land &amp; Buildings</b>	<b>IT Office equipments</b>	<b>Cars and other assets</b>	<b>Total</b>
<b>as of January 1, 2024</b>	<b>259,990</b>	<b>9,284</b>	<b>10,176</b>	<b>279,450</b>
Additions	62,512	-	1,047	63,559
Depreciation expense	(33,685)	(2,208)	(2,824)	(38,717)
Disposals and other decreases	(3,028)	-	-	(3,028)
Contractual changes	18,071	398	-	18,469
<b>as of June 30, 2024</b>	<b>303,860</b>	<b>7,474</b>	<b>8,399</b>	<b>319,733</b>
	<b>Lease liabilities</b>			
<b>as of January 1, 2024</b>	<b>290,502</b>			
Additions	63,559			
Disposals and other decreases	(14,515)			
Other movements (FX, other contractual changes)	30,312			
Interest expense	3,974			
Payments	(42,596)			
<b>as of June 30, 2024</b>	<b>331,236</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 12,511 as of June 30, 2024 (December 31, 2023: 12,738). The fair value has been determined based on a valuation by an independent valuer in 2024. Rental income from investment property is in amount of 1,014 (6M 2023: 1,363).

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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 June 30, 2024, the branch had a number of 4,396 active customers (2023: 4,193), with loans representing approximately 17% 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 June 30, 2024 and December 31, 2023 represents mainly software.

	<b>Group</b>	<b>Bank</b>
	<b>Unaudited (*)</b>	
<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	79,763	78,847
Disposals	(1,489)	-
Transfers	74	74
<b>as of June 30, 2024</b>	<b>1,160,937</b>	<b>1,135,923</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	(45,490)	(44,992)
Disposals	1,070	-
<b>as of June 30, 2024</b>	<b>(621,051)</b>	<b>(597,773)</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 June 30, 2024</b>	<b>539,886</b>	<b>538,150</b>

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**14. Other assets**

	Group		Bank	
	Unaudited (*) June 30, 2024	Restated December 31, 2023	June 30, 2024	Restated December 31, 2023
<b>Financial assets</b>	<b>355,137</b>	<b>394,003</b>	<b>217,198</b>	<b>293,255</b>
Advances to suppliers	120,243	83,406	-	-
Sundry receivable	234,894	310,597	217,198	293,255
<b>Non-financial assets</b>	<b>87,500</b>	<b>76,305</b>	<b>75,228</b>	<b>54,592</b>
Prepaid expenses	73,391	53,353	71,155	51,926
Repossessed assets	6,273	3,754	924	924
Other assets	7,836	19,198	3,149	1,742
<b>Total</b>	<b>442,637</b>	<b>470,308</b>	<b>292,426</b>	<b>347,847</b>

As of June 30, 2024 the carrying value of repossessed assets for Group is 6,273 (December 31, 2023: 3,754).  
As of June 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>Total (Stage 3)</b>
<b>Sundry receivables</b>		<u>92,192</u>
<b>Impairment allowance as at January 1, 2024</b>		35,699
Additional expenses		(4,258)
Reversals of provisions		(290)
Receivables written off		59
Foreign exchange adjustments		<u>123,402</u>
<b>Impairment allowance as at June 30, 2024</b>		
		<b>Total (Stage 3)</b>
<b>Impairment allowance as at 1 st January 2023</b>		<u>200,209</u>
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>		<u>92,192</u>
		<b>Total (Stage 3)</b>
<b>Sundry receivables</b>		<u>78,030</u>
<b>Impairment allowance as at January 1, 2024</b>		31,792
Additional expenses		(4,198)
Reversals of provisions		(277)
Receivables written off		55
Foreign exchange adjustments		<u>105,401</u>
<b>Impairment allowance as at June 30, 2024</b>		
		<b>Total (Stage 3)</b>
<b>Impairment allowance as at 1 st January 2023</b>		<u>190,512</u>
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>		<u>78,030</u>

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**15. Assets held for sale**

	Group		Bank	
	Unaudited (*)			
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Property, plant and equipment	3,849	7,106	3,849	7,106
Financial assets - investments	6,736	-	4,648	-
Financial assets - Loans and advances to customers	131,670	209,886	-	-
<b>Total</b>	<b>142,255</b>	<b>216,992</b>	<b>8,496</b>	<b>7,106</b>

The category Property, plant and equipment represents mainly buildings classified as held for sale with a gross value of 5,083 and a provision of 1,234 as of June 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 (please refer to Note 3).

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. As at June 30, 2024 BRD Finance IFN SA measured the loan portfolio at fair value and registered a fair value adjustment loss in total amount of 9,209. The amount was presented in the consolidated financial statements of BRD–Groupe Société Générale in line Other income/expense part of Net banking income.

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 (*)			
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Demand deposits	948,726	680,497	948,726	680,497
Repo	295,719	460,500	295,719	460,500
Term deposits	46,170	5,543	46,170	5,543
<b>Due to banks</b>	<b>1,290,615</b>	<b>1,146,540</b>	<b>1,290,615</b>	<b>1,146,540</b>

**17. Due to customers**

	Group		Bank	
	Unaudited (*)			
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Demand deposits and current accounts	39,453,688	40,585,990	39,499,229	40,655,969
Term deposits	26,006,910	21,819,619	26,153,866	21,985,869
<b>Due to customers</b>	<b>65,460,598</b>	<b>62,405,609</b>	<b>65,653,095</b>	<b>62,641,838</b>

The category Demand deposits and current accounts includes as of June 30, 2024: current accounts in amount of 30,798,653 (32,829,677 as of December 31, 2023), transitory accounts in amount of 513,949 (484,071 as of December 31, 2023), demand deposits in amount of 7,097,958 (6,694,919 as of December 31, 2023) and other amounts due of 1,088,669 (647,303 as of December 31, 2023).

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

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**18. Borrowed funds**

	Group		Bank	
	Unaudited (*) June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Borrowings from related parties	6,686,197	6,648,564	4,865,189	4,833,476
Borrowings from international financial institutions	420,751	355,798	509	749
<b>Total</b>	<b>7,106,948</b>	<b>7,004,362</b>	<b>4,865,698</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	6,032	1,091	494	<b>7,617</b>
Commitments derecognised or transferred into assets	(498)	(397)	(707)	<b>(1,602)</b>
Net provision movement not resulting from changes in classification	(5,166)	(486)	(370)	<b>(6,022)</b>
Movements due to change in classification	(201)	(310)	1,302	<b>791</b>
<b>Provision as at June 30, 2024</b>	<b>5,748</b>	<b>3,043</b>	<b>4,774</b>	<b>13,565</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	70,763	7,051	1,198	<b>79,012</b>
Commitments derecognised or transferred into assets	(26,473)	(6,596)	(997)	<b>(34,066)</b>
Net provision movement not resulting from changes in classification	(52,036)	(4,172)	(13,990)	<b>(70,198)</b>
Movements due to change in classification	1,204	(2,838)	6,686	<b>5,052</b>
Other adjustments	88	2	135	<b>225</b>
<b>Provision as at June 30, 2024</b>	<b>142,361</b>	<b>12,800</b>	<b>112,309</b>	<b>267,470</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	76,795	8,142	1,692	<b>86,629</b>
Commitments derecognised or transferred into assets	(26,971)	(6,993)	(1,704)	<b>(35,669)</b>
Net provision movement not resulting from changes in classification	(57,202)	(4,658)	(14,360)	<b>(76,220)</b>
Movements due to change in classification	1,003	(3,148)	7,988	<b>5,843</b>
Other adjustments	88	2	135	<b>225</b>
<b>Provision as at June 30, 2024</b>	<b>148,109</b>	<b>15,843</b>	<b>117,084</b>	<b>281,035</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 2024</b>	5,527	3,074	4,029	<b>12,630</b>
New commitments originated or purchased	5,998	985	494	<b>7,477</b>
Commitments derecognised or transferred into assets	(446)	(327)	(707)	<b>(1,480)</b>
Net provision movement not resulting from changes in classification	(5,165)	(487)	(370)	<b>(6,022)</b>
Movements due to change in classification	(200)	(310)	1,302	<b>792</b>
<b>Provision as at June 30, 2024</b>	<b>5,713</b>	<b>2,935</b>	<b>4,748</b>	<b>13,396</b>
	Non-Retail			
	Stage 1	Stage 2	Stage 3	Total
<b>Provision as at 1 st January 2024</b>	148,648	19,196	127,535	<b>295,379</b>
New commitments originated or purchased	70,681	6,764	1,198	<b>78,643</b>
Commitments derecognised or transferred into assets	(26,334)	(6,437)	(997)	<b>(33,768)</b>
Net provision movement not resulting from changes in classification	(52,034)	(4,173)	(13,964)	<b>(70,171)</b>
Movements due to change in classification	1,204	(2,838)	6,686	<b>5,052</b>
Other adjustments	88	2	51	<b>141</b>
<b>Provision as at June 30, 2024</b>	<b>142,253</b>	<b>12,514</b>	<b>120,509</b>	<b>275,276</b>
	Total			
	Stage 1	Stage 2	Stage 3	Total
<b>Provision as at 1 st January 2024</b>	154,175	22,270	131,564	<b>308,009</b>
New commitments originated or purchased	76,679	7,749	1,692	<b>86,120</b>
Commitments derecognised or transferred into assets	(26,780)	(6,764)	(1,704)	<b>(35,248)</b>
Net provision movement not resulting from changes in classification	(57,199)	(4,660)	(14,334)	<b>(76,193)</b>
Movements due to change in classification	1,004	(3,148)	7,988	<b>5,844</b>
Other adjustments	87	2	51	<b>140</b>
<b>Provision as at June 30, 2024</b>	<b>147,966</b>	<b>15,449</b>	<b>125,257</b>	<b>288,672</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			
	Stage 1	Stage 2	Stage 3	Total
<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			
	Stage 1	Stage 2	Stage 3	Total
<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 22,409 as of June 30, 2024 (11,886 as of December 31, 2023), provisions for risks related to banking activity in amount of 1,358 as of June 30, 2024 (1,418 as of December 31, 2023) and other provisions for risks and charges in amount of 7,993 as of June 30, 2024 (12,497 as of December 31, 2023).

The Group includes in the line Provisions: provisions for litigation in amount of 27,403 as of June 30, 2024 (17,004 as of December 31, 2023), provisions for risks related to banking activity in amount of 1,358 as of June 30, 2024 (1,418 as of December 31, 2023) and other provisions for risks and charges in amount of 18,390 as of June 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	12,314
Reversals of provisions	(7,257)
Usage	(5,747)
<b>Carrying value as of June 30, 2024 Unaudited</b>	<b>47,150</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	12,015
Reversals of provisions	(311)
Usage	(5,746)
<b>Carrying value as of June 30, 2024</b>	<b>31,759</b>

**21. Other liabilities**

	Group		Bank	
	Unaudited (*)			
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
<b>Financial liabilities</b>	<b>650,092</b>	<b>1,204,463</b>	<b>555,015</b>	<b>1,105,095</b>
Sundry creditors	313,104	272,526	223,779	191,408
Dividends payable	-	623,185	-	623,185
Creditors - Lease liabilities	336,988	308,752	331,236	290,502
<b>Non-financial liabilities</b>	<b>324,909</b>	<b>323,884</b>	<b>308,658</b>	<b>301,895</b>
Other payables to State budget	116,067	85,030	115,454	84,273
Deferred income	67,696	51,165	67,696	51,165
Payables to employees	141,146	187,689	125,508	166,457
<b>Total</b>	<b>975,001</b>	<b>1,528,347</b>	<b>863,673</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 June 30, 2024 in amount of 61,845.

Payables to employees include, among other, gross bonuses, amounting 74,256 as of June 30, 2024 (December 31, 2023: 109,120) and post-employment benefits amounting 31,843 as of June 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 31,843 as of June 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 June 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 June 30, 2024 the Group has a current tax liability in total amount of 63,833 (December 31, 2023: 36,181) and a current tax asset in amount of 2,118 (December 31, 2023: 0) and at Bank level a current tax liability in total amount of 60,754 (December 31, 2023: 35,074) and no current tax asset (December 31, 2023: 0).

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**23. Taxation (continued)**

The deferred tax liability/asset is reconciled as follows:

	Group June 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	(1,529,547)	244,727	-	19,125
Tangible and intangible assets	21,153	(3,384)	(2,377)	-
Provisions and other liabilities	(552,036)	88,326	(6,527)	-
<b>Taxable items</b>	<b>(1,995,689)</b>			
<b>Deferred tax</b>		<b>319,310</b>	<b>(8,904)</b>	<b>19,125</b>
	Bank June 30, 2024			
	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	(1,529,547)	244,727	-	19,125
Tangible and intangible assets	21,245	(3,399)	(2,378)	-
Provisions and other liabilities	(542,241)	86,759	(2,171)	-
<b>Taxable items</b>	<b>(1,985,802)</b>			
<b>Deferred tax</b>		<b>317,728</b>	<b>(4,549)</b>	<b>19,125</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:**

	Group	Bank
<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	19,125	19,125
Deferred tax recognized in profit and loss	(8,904)	(4,549)
<b>Deferred tax asset, net as of June 30, 2024</b>	<b>319,310</b>	<b>317,728</b>

**Reconciliation of total tax charge**

	Group				Bank			
	Unaudited (*)							
	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023
<b>Profit before income tax</b>	<b>448,367</b>	<b>849,298</b>	<b>505,231</b>	<b>923,116</b>	<b>430,190</b>	<b>824,400</b>	<b>498,123</b>	<b>897,820</b>
Income tax (16%)	71,739	135,888	80,837	147,699	68,830	131,904	79,700	143,651
Fiscal credit and other adjustments	(827)	631	2,836	1,690	(15)	(436)	(1,029)	(2,264)
Non-deductible elements	14,081	24,699	13,039	18,939	9,651	19,460	4,999	11,020
Non-taxable elements	(3,934)	(5,573)	(16,902)	(12,733)	(1,400)	(1,740)	(4,948)	(6,736)
<b>Expense from income tax at effective tax rate</b>	<b>81,059</b>	<b>155,645</b>	<b>79,814</b>	<b>155,596</b>	<b>77,066</b>	<b>149,188</b>	<b>78,722</b>	<b>145,671</b>
Effective tax rate	18.1%	18.3%	15.8%	16.9%	17.9%	18.1%	15.8%	16.2%

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 June 30, 2024, permanent non-deductible elements include the impact of provisions for overdue commissions 5,084 (June 30, 2023: 5,557), sponsorship expenses with an impact of 32 (June 30, 2023: 338), debt sales and other operations with limited deductibility in amount of 760 (June 30, 2023: 1,141) and provision for litigation with an impact of 1,916 (June 30, 2023: 529); permanent non-taxable elements are mainly a result of releases for provisions for overdue commissions in amount of 522 (June 30, 2023: 747), provisions for risks and charges/litigations 231 (June 30, 2023: 195).

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**24. Interest and similar income**

	Group Unaudited (*)				Bank			
	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023
	Interest on loans	896,966	1,759,303	768,198	1,520,437	882,967	1,729,816	744,472
Interest on finance lease	37,387	73,208	24,525	45,259	-	-	-	-
Interest on deposit with banks	92,505	189,691	84,812	137,443	92,461	189,497	84,658	137,136
Interest on debt instruments	171,389	339,367	140,982	288,215	171,389	339,367	140,982	288,215
Interest income from hedging instruments	-	358	-	-	-	358	-	-
<b>Total</b>	<b>1,198,247</b>	<b>2,361,927</b>	<b>1,018,517</b>	<b>1,991,354</b>	<b>1,146,817</b>	<b>2,259,038</b>	<b>970,112</b>	<b>1,899,104</b>

The interest income on loans includes the accrued interest on net (after impairment allowance) impaired loans in amount of 27,654 for Group (2023: 31,822) and 27,265 for Bank (2023: 30,630).

**25. Interest and similar expense**

	Group Unaudited (*)				Bank			
	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023
	Interest on term deposits	287,647	539,862	213,713	394,178	288,475	541,141	213,810
Interest on demand deposits	73,134	140,812	47,768	89,106	74,301	143,769	49,574	93,134
Interest on borrowings	102,528	204,298	73,442	135,356	80,148	160,416	57,042	105,506
Interest expense on lease liabilities	1,956	4,058	1,516	2,840	1,930	3,974	1,515	2,768
Interest expense from hedging instruments	23,478	47,176	23,548	40,806	23,478	47,176	23,548	40,806
<b>Total</b>	<b>488,743</b>	<b>936,206</b>	<b>359,987</b>	<b>662,286</b>	<b>468,332</b>	<b>896,476</b>	<b>345,489</b>	<b>636,623</b>

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**26. Fees and commissions, net**

	Group Unaudited (*)				Bank			
	Three months ended	Six months ended	Three months ended	Six months ended	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2024	June 30, 2024	June 30, 2023	June 30, 2023	June 30, 2024	June 30, 2024	June 30, 2023	June 30, 2023
Services	146,906	283,772	144,536	280,756	145,198	280,698	143,770	280,850
Management fees	23,681	47,302	27,694	56,523	23,681	47,302	27,694	56,523
Packages	22,937	45,299	20,130	39,762	22,937	45,299	20,130	39,762
Transfers	18,840	38,968	17,133	34,228	18,840	38,968	17,133	34,228
OTC withdrawal	9,982	20,679	12,516	25,203	9,982	20,679	12,516	25,203
Cards	50,602	91,795	47,307	85,556	50,602	91,795	47,307	85,556
Brokerage and custody	14,766	27,375	12,583	23,355	14,767	27,375	12,581	23,353
Other	6,098	12,354	7,173	16,129	4,389	9,280	6,409	16,225
Loan activity	42,878	71,227	30,249	52,642	35,733	56,935	24,071	37,810
Off balance sheet	8,138	29,038	13,451	27,168	8,138	29,038	13,451	27,168
<b>Total</b>	<b>197,922</b>	<b>384,037</b>	<b>188,236</b>	<b>360,566</b>	<b>189,069</b>	<b>366,671</b>	<b>181,292</b>	<b>345,828</b>

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

	Group Unaudited (*)				Bank			
	Three months ended	Six months ended	Three months ended	Six months ended	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2024	June 30, 2024	June 30, 2023	June 30, 2023	June 30, 2024	June 30, 2024	June 30, 2023	June 30, 2023
FX position revaluation	(5,640)	(32,398)	(3,744)	37,215	(5,640)	(32,398)	(3,744)	37,215
FX Spot	51,159	97,240	54,970	110,483	51,194	97,115	54,725	109,571
Gain on instruments held for trading	25,463	51,380	18,514	46,374	25,126	50,697	18,514	46,374
Derivative financial instruments	11,130	58,395	9,361	(24,437)	11,131	58,395	9,360	(24,438)
Gain / (loss) on interest rate derivatives	(2,345)	8,186	(345)	109	(2,345)	8,186	(345)	109
Gain on currency and interest swap	9	19	17	686	9	19	17	686
Gain/(loss) on forward foreign exchange contracts	10,011	40,076	8,301	(29,335)	10,011	40,076	8,301	(29,335)
Gain on currency options	2,661	5,335	2,174	4,123	2,661	5,335	2,174	4,123
(Loss) on equity	(377)	(1,366)	(153)	(243)	(377)	(1,366)	(153)	(243)
Gain on hedging	-	4,353	0	0	-	4,353	0	0
Other	1,171	1,792	(633)	222	1,172	1,792	(634)	221
<b>Gain on derivative, other financial instruments held for trading and foreign exchange</b>	<b>82,112</b>	<b>174,617</b>	<b>79,101</b>	<b>169,635</b>	<b>81,811</b>	<b>173,809</b>	<b>78,855</b>	<b>168,723</b>

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**28. Other income/expense**

	Group Unaudited (*)				Bank			
	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023
	Dividend income from subsidiaries	-	-	-	-	1,420	1,420	10,559
Provision for litigations	(1,746)	(10,531)	9,544	9,278	(1,746)	(10,531)	4,796	4,530
Held for sale fixed assets expenses	(867)	(1,750)	(820)	(1,362)	-	-	-	-
Other income/(expenses)	(12,054)	(14,608)	(12,172)	(11,728)	(4,087)	(7,323)	(8,792)	(8,780)
<b>Total income/(expense)</b>	<b>(14,667)</b>	<b>(26,889)</b>	<b>(3,448)</b>	<b>(3,812)</b>	<b>(4,413)</b>	<b>(16,434)</b>	<b>6,563</b>	<b>6,309</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			
	Three months ended	Six months ended	Three months ended	Six months ended	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2024	June 30, 2024	June 30, 2023	June 30, 2023	June 30, 2024	June 30, 2024	June 30, 2023	June 30, 2023
Salaries	239,376	466,484	219,202	422,317	229,306	445,929	209,071	400,688
Social security	4,928	11,093	4,003	9,329	4,589	10,422	4,229	9,402
Bonuses	18,130	35,630	15,503	31,403	17,500	35,000	15,900	31,800
Post-employment benefits	1,390	2,781	1,066	2,132	1,390	2,781	1,066	2,132
Capitalisation of internal projects	(16,524)	(29,833)	(11,080)	(19,802)	(16,524)	(29,833)	(11,080)	(19,802)
Other	2,057	7,880	9,217	16,412	2,146	7,628	8,432	15,867
<b>Total</b>	<b>249,357</b>	<b>494,035</b>	<b>237,912</b>	<b>461,791</b>	<b>238,407</b>	<b>471,927</b>	<b>227,618</b>	<b>440,087</b>

In 2024, the expense related to the Bank defined benefit contribution plan was 1,118 (2023: 1,196).

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

	Group Unaudited (*)				Bank			
	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023
	Depreciation and impairment	47,179	94,399	43,695	88,118	46,210	92,475	42,695
Amortisation	23,615	45,490	17,939	33,446	23,401	44,992	17,690	33,007
<b>Total</b>	<b>70,795</b>	<b>139,889</b>	<b>61,635</b>	<b>121,564</b>	<b>69,612</b>	<b>137,466</b>	<b>60,384</b>	<b>119,239</b>

The difference as of June 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 228 (June 30, 2023: 227 depreciation of investment property).

**32. Other operating expenses**

	Group Unaudited (*)				Bank			
	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023
	Administrative expenses	129,272	250,757	123,724	247,595	126,008	243,760	116,473
Publicity and sponsorships	5,801	9,526	8,935	12,751	5,734	9,403	8,887	12,627
Other expenses	11,314	28,377	11,035	31,771	15,347	30,066	12,540	29,231
Tax on turnover	31,472	61,845	-	-	31,472	61,845	-	-
<b>Total</b>	<b>177,859</b>	<b>350,505</b>	<b>143,694</b>	<b>292,117</b>	<b>178,561</b>	<b>345,074</b>	<b>137,900</b>	<b>277,406</b>

Administrative expenses include for the Bank maintenance expenses, various utilities such as energy and telecommunication, expenses related to short-term leases of 2,173 (June 30, 2023: 2,101) and to leases of low-value assets of 2,076 (June 30, 2023: 2,127).

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 to be paid as of June 30, 2024 in amount of 61,845.

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**33. Cost of risk**

	Group Unaudited (*)				Bank			
	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023
Net impairment allowance for loans	28,002	111,997	26,934	60,203	24,952	94,845	27,032	59,930
Net impairment allowance for sundry debtors	14,890	31,431	14,487	35,015	13,525	27,583	14,422	30,833
Net impairment allowance for finance lease	1,984	4,210	1,265	308	-	-	-	-
Income from recoveries of derecognized receivables & sales of bad debts	(17,417)	(43,052)	(71,202)	(108,491)	(13,198)	(35,433)	(55,989)	(90,685)
Write-offs	2,740	5,710	13,094	14,594	805	1,636	7,672	8,514
Financial guarantee and loan contracts provisions	6,324	(19,416)	619	(7,008)	6,606	(19,477)	1,251	(7,169)
Net impairment allowance for debt securities	15	(79)	124	149	15	(79)	124	149
<b>Total</b>	<b>36,538</b>	<b>90,801</b>	<b>(14,678)</b>	<b>(5,230)</b>	<b>32,705</b>	<b>69,075</b>	<b>(5,488)</b>	<b>1,572</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 June 30, 2024 and June 30, 2023 there were no dilutive equity instruments issued by the Group and Bank.

	Group Unaudited (*)				Bank			
	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2023	Three months ended June 30, 2024	Six months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 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	365,681	689,864	416,174	753,410	353,124	675,212	419,402	752,149
Earnings per share (in RON)	0.5247	0.9899	0.5972	1.0811	0.5067	0.9689	0.6018	1.0793

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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 (*)			
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Letters of guarantee granted	6,523,071	6,929,469	6,533,822	6,939,810
Financing commitments granted	7,029,149	6,923,587	6,986,269	6,868,776
<b>Total commitments granted</b>	<b>13,552,220</b>	<b>13,853,056</b>	<b>13,520,091</b>	<b>13,808,586</b>
<b>Uncommitted facilities granted</b>	<b>12,814,134</b>	<b>11,600,816</b>	<b>12,849,520</b>	<b>11,641,240</b>
Letters of guarantee received	32,057,925	28,441,140	32,057,925	28,441,140
<b>Total commitments received</b>	<b>32,057,925</b>	<b>28,441,140</b>	<b>32,057,925</b>	<b>28,441,140</b>

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**36. Other commitments**

	Group		Bank	
	Unaudited (*) June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Tangible non-current assets	20,665	28,269	20,665	28,269
Intangible non-current assets	43,481	79,793	43,481	79,793
Commitments relating to short-term and low value leases	17,510	24,952	17,510	24,952
<b>Total</b>	<b>81,656</b>	<b>133,014</b>	<b>81,656</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		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>2,715,267</b>	<b>104,742</b>	<b>22,908</b>	<b>1,763</b>	<b>3,295,712</b>	<b>34,603</b>	<b>25,891</b>	<b>2,879</b>
Nostro accounts	63,181	1,966	-	-	113,766	407	-	-
Deposits	2,437,304	-	-	-	2,919,555	-	-	-
Loans	-	102,597	22,671	1,763	-	34,058	23,655	2,879
Derivative financial instruments	72,527	0	-	-	57,482	(0)	-	-
Other assets	142,255	179	237	-	204,909	138	2,236	-
<b>Liabilities</b>	<b>8,445,281</b>	<b>221,591</b>	<b>65,316</b>	<b>8,609</b>	<b>8,651,529</b>	<b>218,233</b>	<b>37,312</b>	<b>6,993</b>
Loro accounts	14,745	6,797	-	-	28,833	13,530	-	-
Deposits and amounts in transit	273,540	203,085	46,050	8,609	55,072	178,941	28,062	6,991
Borrowings	6,648,871	-	-	-	6,648,564	-	-	-
Subordinated borrowings	1,246,225	-	-	-	1,245,400	-	-	-
Lease payable	-	9,962	-	-	-	11,221	-	-
Derivative financial instruments	203,714	0	-	-	244,002	10,601	-	-
Other liabilities	58,188	1,747	19,266	-	429,658	3,939	9,250	1
<b>Commitments</b>	<b>7,584,419</b>	<b>182,688</b>	<b>10,000</b>	<b>284</b>	<b>7,511,480</b>	<b>252,581</b>	<b>45,000</b>	<b>273</b>
Total commitments granted	209,094	100,442	-	284	250,611	144,673	-	273
Total commitments received	209,094	53,010	-	-	243,732	53,388	35,000	-
Uncommitted facilities granted	37,986	29,236	10,000	-	37,985	54,520	10,000	-
Notional amount of foreign exchange transactions	2,144,233	-	-	-	1,658,217	-	-	-
Notional amount of interest rate derivatives	4,984,011	-	-	-	5,320,934	-	-	-

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**37. Related parties (continued)**

	2024					Bank					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	Parent	Other related parties	Subsidiaries	Associates & Joint ventures	Key management of the institution
<b>Assets</b>	<b>2,714,761</b>	<b>104,742</b>	<b>2,183</b>	<b>22,879</b>	<b>1,763</b>	<b>3,280,317</b>	<b>34,603</b>	<b>6,842</b>	<b>23,982</b>	<b>2,879</b>					
Nostro accounts	63,181	1,966	-	-	-	113,766	407	-	-	-					
Deposits	2,437,304	-	-	-	-	2,904,190	-	-	-	-					
Loans	-	102,597	-	22,671	1,763	-	34,058	4,943	23,655	2,879					
Derivative financial instruments	72,527	0	46	-	-	57,482	(0)	(0)	-	-					
Other assets	141,749	179	2,137	208	-	204,880	138	1,900	327	-					
<b>Liabilities</b>	<b>6,656,452</b>	<b>221,454</b>	<b>195,833</b>	<b>65,316</b>	<b>8,609</b>	<b>6,831,077</b>	<b>217,895</b>	<b>239,964</b>	<b>37,312</b>	<b>6,993</b>					
Loro accounts	14,745	6,797	-	-	-	28,833	13,530	-	-	-					
Deposits and amounts in transit	273,540	203,085	193,466	46,050	8,609	55,072	178,941	237,216	28,062	6,991					
Borrowings	4,862,908	-	2,280	-	-	4,830,840	-	2,636	-	-					
Subordinated borrowings	1,246,225	-	-	-	-	1,245,400	-	-	-	-					
Lease payable	-	9,962	-	-	-	-	10,964	-	-	-					
Derivative financial instruments	203,714	0	-	-	-	244,002	10,601	-	-	-					
Other liabilities	55,320	1,610	87	19,266	-	426,930	3,859	113	9,250	1					
<b>Commitments</b>	<b>7,584,419</b>	<b>182,688</b>	<b>75,209</b>	<b>10,000</b>	<b>284</b>	<b>7,511,480</b>	<b>252,581</b>	<b>51,630</b>	<b>45,000</b>	<b>273</b>					
Total commitments granted	209,094	100,442	7,472	-	284	250,611	144,673	11,206	-	273					
Total commitments received	209,094	53,010	-	-	-	243,732	53,388	-	35,000	-					
Uncommitted facilities granted	37,986	29,236	35,386	10,000	-	37,985	54,520	40,424	10,000	-					
Notional amount of foreign exchange transactions	2,144,233	-	32,351	-	-	1,658,217	-	-	-	-					
Notional amount of interest rate derivatives	4,984,011	-	-	-	-	5,320,934	-	-	-	-					

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**37. Related parties (continued)**

	Group							
	Six months ended June 30, 2024				Six months ended June 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>(165,773)</b>	<b>179</b>	<b>(36,171)</b>	<b>(53)</b>	<b>(129,843)</b>	<b>(888)</b>	<b>(11,710)</b>	<b>0</b>
Interest and commission revenues	49,679	7,420	20,471	66	27,579	4,694	18,085	63
Interest and commission expenses	(248,464)	(2,767)	(20,638)	(79)	(157,034)	(3,003)	(13,111)	(26)
Net gain/(loss) on interest rate derivatives	48,844	-	-	-	22,319	-	-	-
Net gain/(loss) on foreign exchange derivatives	6,962	(19)	-	-	(2,896)	(94)	-	-
Dividend incomes	-	-	1,677	-	-	-	17,040	-
Other incomes	-	11	38	-	28	0	(0)	-
Other expenses	(22,794)	(4,466)	(37,721)	(40)	(19,839)	(2,485)	(33,723)	(36)

	Group							
	Three months ended June 30, 2024				Three months ended June 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>(91,532)</b>	<b>(875)</b>	<b>(17,663)</b>	<b>(39)</b>	<b>(66,961)</b>	<b>(793)</b>	<b>1,714</b>	<b>(31)</b>
Interest and commission revenues	25,555	4,640	11,740	26	13,756	2,345	9,641	(4)
Interest and commission expenses	(124,943)	(1,690)	(10,675)	(40)	(95,199)	(2,057)	(7,092)	(5)
Net gain/(loss) on interest rate derivatives	20,079	-	-	-	22,916	-	-	-
Net gain/(loss) on foreign exchange derivatives	1,366	(0)	-	-	1,075	(94)	-	-
Dividend incomes	-	-	1,677	-	-	-	17,040	-
Other incomes	1	2	19	-	23	(0)	(19)	-
Other expenses	(13,589)	(3,827)	(20,424)	(26)	(9,531)	(987)	(17,855)	(22)

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**37. Related parties (continued)**

	Bank									
	Six months ended June 30, 2024					Six months ended June 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>(129,109)</b>	<b>788</b>	<b>7,511</b>	<b>(37,752)</b>	<b>(53)</b>	<b>(121,938)</b>	<b>(969)</b>	<b>17,100</b>	<b>(15,101)</b>	<b>0</b>
Interest and commission revenues	49,484	7,418	8,463	18,976	66	27,272	4,518	8,816	14,443	63
Interest and commission expenses	(212,087)	(2,767)	(4,236)	(20,638)	(79)	(149,568)	(3,003)	(4,261)	(13,111)	(26)
Net gain/(loss) on interest rate derivatives	48,844	-	-	-	-	22,319	-	-	-	-
Net gain/(loss) on foreign exchange derivatives	6,962	(19)	84	-	-	(2,896)	(94)	25	-	-
Dividend incomes	-	-	1,420	1,677	-	-	-	10,559	17,040	-
Other incomes	-	11	-	-	-	28	0	2	(0)	-
Other expenses	(22,313)	(3,855)	1,779	(37,768)	(40)	(19,094)	(2,390)	1,959	(33,472)	(36)

	Bank									
	Three months ended June 30, 2024					Three months ended June 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>(72,753)</b>	<b>(522)</b>	<b>5,646</b>	<b>(18,155)</b>	<b>(39)</b>	<b>(71,570)</b>	<b>(1,015)</b>	<b>13,193</b>	<b>197</b>	<b>(31)</b>
Interest and commission revenues	25,361	4,638	4,430	11,346	26	13,603	2,296	3,841	7,874	(4)
Interest and commission expenses	(106,284)	(1,690)	(1,995)	(10,675)	(40)	(100,118)	(2,057)	(1,904)	(7,092)	(5)
Net gain/(loss) on interest rate derivatives	20,079	-	-	-	-	22,916	-	-	-	-
Net gain/(loss) on foreign exchange derivatives	1,366	(0)	41	-	-	1,075	(94)	19	-	-
Dividend incomes	-	-	1,420	1,677	-	-	-	10,559	17,040	-
Other incomes	1	2	4	-	-	23	(0)	2	(0)	-
Other expenses	(13,274)	(3,473)	1,746	(20,503)	(26)	(9,068)	(1,160)	676	(17,624)	(22)

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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 June 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 141,681 as of June 30, 2024 (December 31, 2023: 201,869).

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

Key management personnel benefits for 2024 and 2023:

	Group Unaudited (*)		Bank	
	Six months ended June 30, 2024	Six months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
	Short-term benefits	9,356	8,456	6,978
Long-term benefits	2,329	3,024	2,147	2,679
Termination benefits	1,244	-	1,244	-

**38. Contingencies**

As of June 30, 2024 the Bank is the defendant in a number of lawsuits arising in the course of business, amounting to approximately 86,844 (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 22,409 (December 31, 2023: 11,886) and the Group 27,403 (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).

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

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 June 30, 2024.

*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 the all above actions, the Bank assesses that as of June 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)**

	Group				Bank			
	June 30, 2024 Unaudited (*)				June 30, 2024			
	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	-	33,322	-	33,322	-	33,322	-	33,322
Currency swaps	-	15,045	-	15,045	-	15,045	-	15,045
Forward foreign exchange contracts	-	4,012	-	4,012	-	4,058	-	4,058
Options	-	-	52,611	52,611	-	-	52,611	52,611
	-	52,379	52,611	104,990	-	52,425	52,611	105,036
Financial assets at fair value through other comprehensive income	12,885,432	-	-	12,885,432	12,885,432	-	-	12,885,432
Equity investments (listed)	7,275	-	-	7,275	7,275	-	-	7,275
Equity investments (not listed)	-	-	5,234	5,234	-	-	5,234	5,234
<b>Total</b>	<b>12,892,707</b>	<b>-</b>	<b>5,234</b>	<b>12,897,940</b>	<b>12,892,707</b>	<b>-</b>	<b>5,234</b>	<b>12,897,940</b>
Other financial instruments held for trading	1,466,465	759,176	-	2,225,641	1,438,951	759,176	-	2,198,127
<b>Total</b>	<b>14,359,172</b>	<b>811,555</b>	<b>57,845</b>	<b>15,228,571</b>	<b>14,331,658</b>	<b>811,601</b>	<b>57,845</b>	<b>15,201,103</b>
<b>Liabilities measured at fair value</b>								
<b>Financial liabilities</b>								
Derivative financial instruments								
Interest rate swaps	-	218,748	-	218,748	-	218,748	-	218,748
Currency swaps	-	9,523	-	9,523	-	9,523	-	9,523
Forward foreign exchange contracts	-	3,587	-	3,587	-	3,587	-	3,587
Options	-	-	52,680	52,680	-	-	52,680	52,680
<b>Total</b>	<b>-</b>	<b>231,858</b>	<b>52,680</b>	<b>284,538</b>	<b>-</b>	<b>231,858</b>	<b>52,680</b>	<b>284,538</b>
Other financial instruments held for trading	629,102	187,681	-	816,783	629,102	187,681	-	816,783
<b>Total</b>	<b>629,102</b>	<b>419,539</b>	<b>52,680</b>	<b>1,101,321</b>	<b>629,102</b>	<b>419,539</b>	<b>52,680</b>	<b>1,101,321</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>

	Group				Bank			
	December 31, 2023				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<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.

	<b>Equity investments (not listed)</b>	<b>Options (A)</b>	<b>Options (L)</b>
<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	11,848	11,848
Sales	(286)	(365)	(365)
Reimbursements	-	(5,258)	(5,258)
Gains/losses from change in fair value	1,255	2,528	2,444
<b>Closing balance as at June 30, 2024</b>	<b>5,234</b>	<b>52,611</b>	<b>52,680</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:

	<b>Bank</b>	
	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Total Tier 1 capital	6,757	6,859
Total Tier 2 capital	1,244	1,244
<b>TOTAL OWN FUNDS</b>	<b>8,002</b>	<b>8,103</b>
<b>Total capital requirement</b>	<b>2,777</b>	<b>2,823</b>
Credit risk (including counterparty risk)	32,063	32,769
Market risk	257	139
Operational risk	2,229	2,238
CVA risk	165	145
<b>Total risk exposure amount</b>	<b>34,714</b>	<b>35,291</b>
Regulatory CAR	23.05%	22.96%
Tier 1 ratio	19.47%	19.44%

The figures as at June 30, 2024 are preliminary figures. The value for own funds as at December 31, 2023 includes the profit for year 2023 net of the approved dividends (50% of 2023 profit) according to GSM decision from 25.04.2024.

The Bank was compliant with the capital adequacy ratios throughout the year.

*Liquidity management*

As at June 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 65% 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 June 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 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 37% 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 it's sufficiency.

At end of June 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**

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