

BCR Group, results 9 months 2024: Prioritizing prosperity through financial education, digital transformation and sustainable reindustrialization

Summary¹:

Open for people, open for impactful business

- The stock of net customer loans granted by Banca Comercială Română (BCR) advanced by 13.3% year-on-year as of 30 September 2024.
- New loans of RON 12.4 billion granted in the first nine months of 2024 to households (mortgage and unsecured consumer) and microenterprises. The stock of standard mortgage loans (Casa Mea) in local currency increased by 10.1% yoy, while the stock of unsecured consumer loans (including credit cards and overdrafts) increased by 50.2% yoy. The loans stock for microenterprises also increased by 27.9% year-on-year.
- New corporate loans of RON 10.5 billion granted in 1-9 2024, of which approximately 29% are aimed for investments.
- Over 5,200 companies (SMEs and corporate), creating approximately 250,000 jobs, financed by BCR in 1-9 2024.

Accelerated digitalization

- 2.47 million users of George digital ecosystem (internet banking and mobile banking), of which almost 2.1 million active George app users up by 16% year-on-year.
- 87% of all BCR products for private individuals (current account opening, mortgage and personal loans, savings account, deposits, insurance, and investment products) were granted on a 100% digital flow in the first nine months of 2024. In addition, BCR is the only bank in Romania that offers a 100% digital mortgage credit, directly from George, in a simple, transparent, and easy way.
- Over 160,000 companies are enrolled in George for business, a unique digital ecosystem in Romania. In 1-9 2024, more than 70% of eligible customers started their relationship with the bank through Digital Onboarding, and almost 70% of the microenterprise lending was granted through our portfolio of digital products including Digital Overdraft, George Smart Credit, George Credit Card and IMM Invest Credit Line.

¹All the financial data presented below constitute the unaudited consolidated results of Banca Comercială Română (BCR) Group for 1-9 2024, according to IFRS. Unless otherwise specified, the 1-9 2024 financial results are compared to the 1-9 2023 results. Also, unless otherwise specified, the exchange rates used to convert amounts into euros are those communicated by the European Central Bank. The profit and loss account are converted using the average exchange rate for 1-9 2024, i.e. 4.9744 RON/EUR when referring to the 1-9 2024 results, and using the average exchange rate for 1-9 2023, i.e. 4.9389 RON/EUR with reference to the 1-9 2023 results. The balance sheets as of 30 September 2024 and 31 December 2023 are converted using the closing exchange rates on those dates (4.9753 RON/EUR on 30 September 2024 and 4.9756 RON/EUR on 31 December 2023). All the percentage changes refer to the figures expressed in RON.

Sustainable impact and development:

- More than RON 1,960 million (EUR 392 million) in corporate green financing, about six times more compared to 1-9 2023. Over 50% of the corporate green financing are renewable energy projects, BCR being recognized as the main partner for this type of investments and initiatives developed in Romania.
- Over RON 1,160 million (EUR 232 million) financing in 1-9 2024 for the purchase of housing with energy certificate A and B. The green mortgage loan 'Casa Mea Natura' accounted for 62% of new mortgage loans granted in the first nine months of the year.

BCR Group registered a net profit of RON 2,217 million (EUR 446 million) in 1-9 2024.

"We are constantly learning what matters to our clients and to Romanians. Together we learn how to lead the conversation about money in order to build prosperity in every community, for everyone. Our results are directly linked to the experience we manage to deliver and the impact we create in society. We are encouraged by more than 1.5 million Romanians who have gone through BCR's financial literacy programs - Money School and Financial Coaching. Also, we are counting on our investments in digitizing operations, which helped us make banking accessible anywhere and anytime, but also on more than 5,200 projects and entrepreneurs who were financed and supported by us in the first nine months of the year.

The quality of our assets and the expansion of our balance sheet in strategic sectors - such as energy, agriculture and industrial production - confirm the trust we enjoy from those who create value in Romania, people with whom we think and develop the future".

Sergiu Manea, CEO Banca Comercială Română

Community care

- BCR has donated EUR 200,000 as a sign of solidarity and mutual support to Galați Community Foundation, in addition to the EUR 200,000 donated by BCR customers through our George platform. The money is being used to rehabilitate schools in flood-affected localities in Galați county and to provide educational materials for teachers and students.

Financial literacy and prevention for the whole life cycle

- Approximately 1.43 million Romanians educated through BCR's financial education programs - Money School and Financial Coaching
 - Over 742,000 children, teenagers, young people and adults are Money School graduates. The project was launched in 2016 and has become the largest financial education program in Romania, helping Romanians have a better relationship with money through smart financial decisions. In 1-9 2024, more than 97,000 people attended Money School trainings.
 - 690,000 people benefited from a personalized financial plan through Financial Coaching, of which more than 316,000 clients in 1-9 2024 alone. Those who access a

Financial Coaching sessions change their saving behavior and learn to protect themselves for the unexpected. In the first nine months of the year, **58% of the customers who benefitted from financial coaching set the goal to consolidate an emergency fund.** In addition, within BCR, **25% of those who opened a saving account and 37% of those who accessed a private pension had gone through a financial coaching session prior to these decisions.**

- In 2024, we continued “**Bună ziua, schimbare!**”/“**Hello, Change!**” program, an initiative set to accelerate banking and financial inclusion in rural areas, through a BCR mobile branch. During this year, the caravan traveled more than **3,900 kilometers** and has reached **nine localities in Romania** (Poienile de Sub Munte in Maramureş County, Crasna in Sălaj County, Pâncota in Arad County, Tăşnad in Satu Mare County, Vorona in Suceava County, Cobadin in Constanţa County, Vama Buzăului in Braşov County, Pătărlagele in Buzău county and Valea Doftanei in Prahova county), in order to provide access to banking services and products, as well as financial literacy workshops.

Accelerated digitalization and customer engagement transformation

- **Record digital sales in George**
 - **95% of total cash loans were granted on 100% digital flow in 1-9 2024;**
 - **98% of total credit cards and 100% of total overdraft products were granted on a 100% digital flow;**
 - **99% of savings accounts and over 90% of deposits were sold digitally;**
 - **92% of total BCR protection and insurance products were purchased on a 100% digital flow.**
- **More than RON 30 million gained by BCR customers through George Moneyback, the loyalty program that gives money back, as a discount, to BCR clients using card payments. George Moneyback has reached over 1.3 million users, up 25% compared to 1-9 2023. Moreover, BCR is the bank with the highest number of Moneyback users across Erste Group.**
- **Above 184 million digital payment transactions in public transport have been recorded over the past five years, while more than RON 45 million in 1-9 2024 alone, up 17% compared to the same period in 2023. BCR has implemented the contactless payment solution in 18 cities in Romania including Bucharest.**
- **Over 2.3 million transactions have been registered, with a total value of RON 63 million since the smart parking payment system was implemented at the Henri Coanda International Airport terminals. The smart solution implemented by BCR allows anyone to pay for parking contactless, by bank card or any smart device that allows payment through NFC technology, in an extremely easy and quick way, both at the payments terminals or directly at the access control barriers.**
- **BCR continued the development of the units based on a model that transforms the bank branch into a financial dialogue center and opened 7 new hubs in Iaşi, Râmnicu-Sărat, Vaslui, Carei, Reghin, Bucharest, and Slatina, following the investment plan both in modernizing the space and equipping it with state-of-the-art technology.**
- **We facilitate customers' digital conversations and invest in BCR Contact Center development for more accessibility, convenience and reliable support. Of over 1.5 million calls in the first nine months of 2024, more than 800,000 were handled through ADA chatbot and Conversational**

IVR, the interactive menu through which we take calls in the Contact Center. More than 650,000 customers also chose digital authentication, directly from the George platform or via Voice ID.

BCR's impact on economy and society

In retail banking business, BCR generated total new loans to individuals and micro businesses of RON 12.4 billion in 1-9 2024. The stock of standard mortgage loans (Casa Mea) in local currency increased by 10.1% yoy, while the stock of unsecured consumer loans (including credit cards and overdrafts) increased by 50.2% yoy. The loans stock for microenterprises also increased by 27.9% year-on-year.

In corporate banking business, BCR approved new corporate loans of RON 10.5 billion in 1-9 2024, of which approximately 29% are aimed for investments.

The total BCR Leasing financing portfolio granted to customers in 1-9 2024 amounts RON 4.54 billion (EUR 913 million), with a 13% increase compared to the same period in 2023. BCR's leasing subsidiary continued to support the Romanian entrepreneurial environment, and recorded the strongest growth in the construction, transportation, healthcare and trade sectors.

This year, BCR Leasing accelerated its digital transformation and launched eBCR Leasing, Romania's first 100% online car financial leasing solution for single-partner businesses. The platform allows entrepreneurs to access financing in a simply, fast and secure way, eliminating the bank trips. To support entrepreneurs, BCR Leasing launched Lease EduFin, a financial education initiative on leasing, which can be found on www.bcrleasing.ro. Here, entrepreneurs can access useful and up-to-date information on financing solutions, costs and benefits, as well as what is involved in accessing and managing financial leasing. In addition, LEA, the AI chatbot available 24/7 on the BCR Leasing website, has facilitated quick access to information and services, helping customers to manage their leasing relationship in an easier way. To this date, 85% of BCR Leasing customers, regardless of ownership structure, have gone through the process of updating their personal data 100% online, directly from LEA.

In 1-9 2024, BCR Social Finance financed more than 1,400 micro-enterprises and 25 NGOs, supporting more than 3,100 jobs.

In addition, in the first nine months of 2024, BCR Social Finance IFN S.A. granted 300 StudyUP loans for continuing education through university, master, doctorate, or specialization courses, supporting lifelong learning. Moreover, BCR, through its Social Banking team, has granted EUR 2.2 million in funding to social impact organizations. These grants supported the Sustainable Development Goals (SDGs) set by the United Nations, impacting 1,000 beneficiaries.

AmpliFY ONG, the initiative of BCR Social Finance and Launch Romania, with the support of BCR, Bursa Binelui and ERSTE Foundation, which was launched in December 2023 with the aim of supporting the development of the NGO environment in Romania, has already reached over 1,300 people from the non-profit sector, who have registered in the community and participated in physical or online events. In 1-9 2024, AmpliFY NGO held 15 online workshops and nine community events in four cities in Romania: Bucharest, Oradea, Craiova and Suceava. The most recent event, "Connecting for non-formal education" in collaboration with Eematico and NGO Academy, was created as a vertical event and brought together 80 representatives from non-formal education NGOs, public and private sector teachers, directors of children's clubs and non-formal education entrepreneurs.

Financial highlights for BCR Group in 1-9 2024

BCR achieved a net profit of RON 2,217 million (EUR 446 million) in 1-9 2024, up by 30.6% against RON 1,698 million (EUR 344 million) in 1-9 2023, driven by improved operating result underpinned by advance in customer business.

Operating result improved by 22.2% to RON 2,841 million (EUR 571 million) in 1-9 2024, from RON 2,324 million (EUR 471 million) in 1-9 2023, on the back of strong increase in operating income and well managed operating expenses.

Net interest income increased by 19.5% to RON 3,190 million (EUR 641 million) in 1-9 2024, from RON 2,671 million (EUR 541 million) in 1-9 2023, driven by higher business volumes.

Net fee and commission income improved by 12.9% to RON 817 million (EUR 164 million) in 1-9 2024, from RON 724 million (EUR 147 million) in 1-9 2023, driven by higher transactional business.

Net trading & FV result increased by 2.9% to RON 413 million (EUR 83 million) in 1-9 2024, from RON 402 million (EUR 81 million) in 1-9 2023.

Operating income increased by 16.2% to RON 4,461 million (EUR 897 million) in 1-9 2024, from RON 3,839 million (EUR 777 million) in 1-9 2023, driven by all major income components.

General administrative expenses reached RON 1,620 million (EUR 326 million) in 1-9 2024, up by 7.0% in comparison to RON 1,514 million (EUR 307 million) in 1-9 2023, on the back of higher other administrative expenses mainly IT, consultancy and marketing costs, while personnel expenses declined. As such, cost-income ratio improved to 36.3% in 1-9 2024, versus 39.4% in 1-9 2023.

Risk Costs and Asset Quality

Impairment result from financial instruments reflected a net provision release of RON 63 million (EUR 13 million) in 1-9 2024, as compared to a provision allocation of RON 189 million (EUR 38 million) in 1-9 2023. This result has been triggered by the methodology update for the different weights assigned to scenarios used in expected credit loss calculation.

NPL ratio stood at 2.7% as of September 2024, down from the 2.9% level recorded as of December 2023. This evolution is reflecting the increase in loans to customers as well as the recoveries, healings and write-offs in both retail and corporate segments which partially counterbalanced the new NPL formation. At the same time, the NPL provisioning coverage stood at 163.7% as of September 2024.

Capital position and funding

Solvency ratio for BCR Bank standalone, according to the capital requirements regulations (CRR) stood at 23.5% as of August 2024, well above the regulatory requirements of the National Bank of Romania. Furthermore, the Tier 1+2 capital ratio of 23.0% (BCR Group, after profit capitalization) as of December 2023 is clearly reflecting BCR's strong capital and funding positions.

Net loans and advances to customers increased by 9.3% to RON 64,217 million (EUR 12,907 million) as of 30 September 2024 from RON 58,743 million (EUR 11,806 million) as of 31 December 2023, mainly supported by the strong increase in retail lending.

Deposits from customers increased by 11.9% to RON 87,790 million (EUR 17,645 million) as of 30 September 2024 from RON 78,482 million (EUR 15,773 million) as of 31 December 2023, supported by the increase in both corporate and retail deposits.

BCR offers a full range of financial products and services through a network of 20 business centres and 18 mobile offices dedicated to companies and 317 retail units located in most of the country's cities with more than 10,000 inhabitants, where 71% of units are cashless. BCR customers have the largest national network of ATMs and multifunctional machines - almost 2,000 machines, and full banking services through Internet banking, Mobile banking, Phone-banking and E-commerce.

For more information, please contact the press office at: comunicare@bcr.ro
This information is also available on our website at: www.bcr.ro

For more information on BCR products and services, you can contact us:



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*2227, normal tariff from fixed and mobile

BCR Group profit or loss

In RON million	30 SEP 2024	30 SEP 2023
Net interest income	3,190	2,671
Net fee and commission income	817	724
Net trading result and gain/losses from financial instruments at FVPL	413	402
Operating income	4,461	3,839
Operating expenses	(1,620)	(1,514)
Operating result	2,841	2,324
Impairment result from financial instruments	63	(189)
Other operating result	(287)	(119)
Pre-tax from continuing operations	2,618	2,017
Net result attributable to owners of the parent	2,217	1,698

BCR Group statement of financial position

In RON million	30 SEP 2024	31 DEC 2023
Cash and cash balances	13,722	16,764
Trading, financial assets	33,603	28,411
Loans and advances to banks	3,542	2,126
Loans and advances to customers	64,217	58,743
Retail segment	33,105	29,233
Corporate segment	28,861	28,397
Other segments (Group Markets, ALM, Local Corporate Center)	2,251	1,113
Intangible assets	474	454
Miscellaneous assets	1,549	2,353
Total assets	117,107	108,851
Financial liabilities held for trading	168	165
Deposits from banks	1,372	1,649
Deposits from customers	87,790	78,482
Retail segment	51,161	47,994
Corporate segment	34,710	28,969
Other segments (Group Markets, ALM, and Local Corporate Center)	1,919	1,519
Debt securities issued	10,452	10,170
Miscellaneous liabilities	3,762	5,907
Total equity	13,564	12,478
Total liabilities and equity	117,107	108,851