



Market

After the fall of communism in 1989, the Romanian banking sector embarked upon a regeneration process, with several international banks entering onto the market, and important joint-ventures between Romanian institutions and foreign financial companies coming into being.

BRD - Groupe Société Générale is the second bank in Romania in terms of banking assets and is also the second largest Romanian company listed on the Bucharest Stock Exchange, with 3.5 billion euros market capitalizations at the end of March 2006.

BRD is part of one of the biggest banking groups in the Euro zone, Société Générale Group, with 386 billion euros of assets under management and more than nineteen million customers in retail banking all over the world.

Traditionally, BRD has been the bank of the Romanian private sector. Through its subsidiaries, BRD is present in all economic sectors, offering a wide choice of services that includes, in addition to classic financing and cash-flow management, financial and operational leasing by BRD Soglease, and car fleet management by ALD Automotive. The bank has considerable expertise in company financing, with private companies accounting for more than 65% of the total value of loans.

Moreover, in connection with the business lines of the Société Générale Group, BRD is offering expertise in investment banking such as M&A's, structured finance, brokerage services, and bond issues. For the past six years, the bank has also been implementing a policy which hopes to facilitate the development of the retail

banking market, in which the bank holds a share of about 20%. BRD is particularly active in the fast growing consumer loan market through a specialist company, BRD Finance.

BRD's continuing strategy is to boost its market share, for both individual and corporate customers, by developing the network and offering distribution channels, launching new products and services, but also to continue improving the quality of customer relationship management.

The financial results obtained in 2005 showed a consolidated net profit of 159 million euros, up 78% against 2004, confirming the viability of the bank's strategic orientation.

Achievements

Since its privatisation, BRD's performances have been recognised several times by awards offered by prestigious international financial publications. Since 1999, BRD has been awarded the title Best Bank in Romania by Euromoney and Global Finance for two years in a row. In 2003, The Banker awarded BRD the title Best Bank in Romania. Capital, one of the most important Romanian business weekly, and Piața Financiară, a monthly publication specialised in banking and finance, awarded BRD the title Best Bank in Romania in 2005. In 2006, Euromoney awarded BRD the Best Bank in Romania title for 2006.

History

BRD's history dates back as far as the year 1923. This was the year in which The National Company for Industrial Lending was created as a public institution, with the State holding 20% of its share capital, the National Bank of Romania holding 30%, and the rest being held by individuals, including a group of former directors of Marmorosch, Blank & Co., the first modern Romanian bank. The mission of this new institution was to finance the first stages of the development of the industrial sector in Romania. In 1948, after World War II, following the Nationalisation Law issued in June, the National Company for Industrial Lending became State property, becoming the Investment Credit Bank.

In 1957, after the reorganisation of the financial system, the Investment Credit Bank obtained a monopoly position with regard to the medium and long term financing of all industrial sectors in Romania, except for agriculture and the food industry. It adopted a new name and became the Investment Bank. Over this period, the majority of the funds granted by the World Bank were managed through the Investment Bank.

In 1990, the fall of communism brought an end to the monopolies that the specialist banks exercised in their specific fields of business. The Romanian Bank for Development was set up as a joint venture commercial bank, taking over the assets and the liabilities of the Investment Bank. It was granted a universal banking license.

In December 1998, a sale-purchase agreement was signed between Société Générale and the State Ownership Fund, (the Romanian mechanism for managing State holdings). Société Générale participated in a 20% share capital increase and purchased a stake so that its ownership reached 51% of the increased share capital of BRD.

In 1999, The State Ownership Fund sold 4.99% of BRD's share capital to the EBRD. In 2001, BRD was listed in the first tier of the Bucharest Stock Exchange (BSE), rapidly becoming one of the most traded companies.

In 2003, following a rebranding campaign, the Romanian Bank for Development became BRD - Groupe Société Générale. The new brand aims to consolidate the Bank's position and increase public awareness of the identity of the parent company.

In 2004, Société Générale purchased the residual shares in BRD held by the Romanian State, increasing its ownership from 51% to 58.32%.

Product

BRD aims to become Romania's leading bank by 2007, through its professional and innovative style, quality of development and profitability. In working towards this vision, BRD works towards offering the full range of products and services specific to a universal bank. Since its privatisation



in 1998, BRD has attracted more than 1.8 million private and corporate customers and issued more than 1.3 million bank cards. The core banking business is developed across three main markets: retail banking, corporate banking for both SME's and large corporations, and investment banking.

BRD's permanent objective consists in developing its activities across these three markets and establishing long-term partnerships with its customers. In order to attain this goal, BRD is pursuing a sustainable growth policy based on: the selective enlargement of its range of products and banking services, innovation, and extensive distribution network development, including branches, telemarketing and the internet. Today, BRD owns over 500 agencies and more than 800 ATMs all over the country. With over 20% of all consumer credit, BRD ranks among the top players on the retail banking market. Consumer credit at the point of sale is realised through its subsidiary BRD Finance. BRD is amongst the top banks active on the consumer loans and cards market. The bank also opened a special branch dedicated to private banking.

Benefiting from support from the Société Générale Group, BRD plays an important part in the group's relation with foreign multinational companies.

Société Générale built an extensive financial group around BRD, which includes: leasing (BRD Soglease), asset management (SGAM/BRD), consumer finance (BRD Finance, a joint venture between BRD and Franfinance, the consumer credit subsidiary of Société Générale Group), brokerage (BRD Securities), full service operational leasing (ALD Automotive) and corporate finance (BRD/SG Corporate Finance).

Recent Developments

Since 2001, BRD has undergone significant changes, which have turned it into a modern European bank. Its reorganisation was essentially based around the construction of simpler organisational structures. The bank's network was reorganised, now being structured around twenty groups of branches, each having a main branch acting as the administrative centre that coordinates the others. The individual branches are thus only responsible for front-office and commercial duties.

Back in 2004, a network development program called BRD Express was implemented and led to the opening of more than 100 branches in 2005. The BRD Express concept consists of small branches placed in neighbourhoods, large commercial centres, universities, and public institutions; the new

branches are organised in an innovative way, with a "universal counter", which allows every customer to be rapidly processed.

Promotion

BRD has started building its brand ever since its privatisation, back in 1999. The initial logo superposed the symbols of BRD (Banca Română pentru Dezvoltare) and Société Générale Group. This was a transition phase. The main challenge consisted in maintaining a clear identity for the brand and for its message. From a branding point of view, BRD has positioned itself on the market through a new image campaign and a new slogan, "Seriousness does pay". The new brand image brought a new approach in terms of the bank's relationship with its clients.

In 2003, BRD implemented a rebranding process, adopting the well-known logo of its shareholder, Société Générale. The rebranding campaign was integrated into a larger, international campaign that aimed at uniting, under the same umbrella, all of Société Générale's subsidiaries outside France. The rebranding process was sustained by a strong advertising campaign, which helped increase awareness of the new logo and the slogan "The power to succeed". The 2003 campaign allowed the bank to consolidate its position as a reference bank within the Romanian banking system and to remind the public of its main attributes: a strong universal bank, with a great tradition, capable of offering products and services at an European level.

In 2004, the new corporate identity of the bank was consolidated. BRD chose to align its communication and marketing activities under a powerful brand. The new signature "Ever easier" synthesises the continuous effort made by BRD to make its customers' lives easier. Moreover, it is a promise made to the customers and a solid basis for internal branding. It also contains the two messages promoted by BRD: this is a dynamic bank and a bank oriented towards retail.

It takes an ambitious and professional team to build a unique brand. BRD has more than 6,000 employees, more than 1.8 million customers, and has had thousands of suppliers and partners in its modern history.

BRD is aware of its role as corporate citizen. BRD is deeply involved in the communities it serves. Its community relations are based on respect and mutual trust, and active partnership. Also, all employees are encouraged to play a positive role in community activities.

In addition, the bank is anchored to Corporate Social Responsibility programs, directly, or through partnerships with different foundations and State institutions. The brand demonstrates its



commitment through donations and sponsorship activities, as well as through supporting numerous social activities. The bank is a true patron of the arts and music. Sharing the common values of intelligent strategy, team spirit and dynamism, BRD and the Romanian Rugby Association renewed their partnership in 2005. This was built upon a long tradition that was first initiated in 1987, when BRD's mother bank, Société Générale, became the official partner of the French National Rugby team. BRD also continued its partnership with the Romanian Tennis Federation, being the official sponsor of the Romanian Davis Cup team. Since 1998, BRD is the official partner of the Romanian Biking Tour and the sponsor of the Yellow T-Shirt.

Over the years, BRD has also supported some of the most important cultural and educational projects, endeavouring to promote authentic values and genuine talent. Under BRD's musical patronage, The International Classic Guitar Festival, the Jazz Festival, and the International Jeunesses Musicales Festival have become traditional events for local communities.

Brand Values

The philosophy around which BRD acts is the delivery of quality services. The brand is supported by three key-pillars: innovation, professionalism and team spirit, which form the corporate values of the bank. Other attributes of BRD's corporate image are modernity and openness. However, the bank's most important asset is undisputable: people. BRD respects others; it encourages diversity by creating an environment where everyone has the opportunity to fully participate in achieving sustainable business development and personal success. The bank's achievements are thanks to its more than 6,000 employees who have proved their commitment and professionalism in achieving success.

It is acknowledged that all effective business relationships, inside as well as outside BRD, depend on honesty, integrity and fairness in relations with all customers. The goal that has been set is to make customers' lives easier. This goal is also the slogan of the bank - "Ever easier".

The bank's image is also promoted by means of several new types of banking environments: the BRD bank café, one of the hippest places in Bucharest, and the BRD 24 hours branch, the only banking branch available 24 hours a day.

www.brd.ro

THINGS YOU DIDN'T KNOW ABOUT

BRD

- › The bank's shares were listed on the Bucharest Stock Exchange on January 15th 2001
- › The average age of BRD employees is 36 years old
- › BRD holds the VISA world record for card issuing during a two-month period (more than 500,000 cards were issued in December 2005 and January 2006)
- › BRD is the bank with the fastest rate of network expansion, with more than 100 new branches opened in 2005