

BRD Group posts net profit down 35.7 pct in 2020

BRD Group achieved a net profit of 963 million lei in 2020 compared to 1.499 billion lei in 2019, down 35.7%, according to a bank press release sent to the Bucharest Stock Exchange (BVB).

According to the cited source, the bank ended last year with a profit of 951 million lei, compared to 1.528 billion lei in 2019.

"The year 2020 has been marked by an unprecedented health crisis, which has quickly turned into a severe economic crisis. Although an economic recovery is expected, its scale and timing depend largely on health developments and the implementation of economic recovery programs. Banks are key players for the economic resilience and recovery, and in this difficult context, BRD has acted quickly and efficiently to fully and continuously support its customers, while adapting its organization to ensure business continuity and quickly implement measures to mitigate the negative financial impact," said Francois Bloch, CEO of BRD Groupe Societe Generale.

The release mentions that approximately 40,000 clients benefited from the postponement of loan repayments, and the financing granted through the SME Invest programme reached around 930 million lei, for approximately 1,900 clients.

Company lending (+ 1.9% compared to 2019) was fueled by a strong financing of SMEs, with average and final balances up by 7.9% and 22%, respectively. This increase was based on the active participation in the SME Invest programme, with approved loans of 930 million lei, and on a solid advance of the leasing portfolio of + 18% in annual dynamics.

Retail deposits showed an accelerated growth rate (+ 7% in annual dynamics), determined by higher inflows represented by the savings of individuals (+ 6.3% year-on-year), while corporate deposits increased by 4.7 % in annual dynamics. Assets under management reached 4.25 billion lei at the end of December 2020, bringing the market share to 19.2%. Moreover, BRD participated very actively in the Fidelis programme (bond issues of the Romanian Government for individuals), with an average market share of 40%.

The solvency ratio was 30.3% at the end of December 2020 compared to 24.9% at the end of December 2019.