



GROUPE SOCIETE GENERALE

**The current report under Regulation CNVM no. 1/2006**

**Date of Report: April 20, 2017**

**BRD-Groupe Société Générale S.A.**

**Headquarter: 1-7, Ion Mihalache blvd., sector 1, Bucharest**

**Tel/Fax: 021.301.61.00 /021. 301.66.36**

**Unique Registration Code with the Trade Register: 361579**

**Order Number in the Trade Register: J40/608/1991**

**Capital subscribed and paid: 696 901 518 lei**

**Regulated market on which the issued securities are traded: Bucharest Stock Exchange-Premium Category**

## **Important Events**

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### **The Decisions of the General Shareholders' Meetings of BRD - Groupe Société Générale S.A.**

The General Shareholders Meeting of BRD (Ordinary General Shareholders' Meeting and Extraordinary General Shareholders' Meeting) took place at BRD Tower, 1-7 Bd. Ion Mihalache, 1st district, Bucharest (1st floor, Auditorium Room) on April 20, 2017. According to the calling of the meeting, only the shareholders registered on April 11, 2017 reference date, had the right to participate in, and to vote at the general meetings.

**The meetings took place in the presence of the shareholders representing 85.76% of the share capital of the Bank.**

### **The Ordinary General Shareholders' Meeting of BRD**

During the Ordinary General Shareholders' Meeting, the shareholders discussed and decided as follows:

#### **1. Electing of the secretary of the Ordinary General Shareholders' Meeting**

The Ordinary General Shareholders' Meeting approved the election of Mrs. Mariana DINU, shareholder of BRD - Groupe Societe Generale S.A., to ensure the secretariat of the Ordinary General Shareholders' Meeting.

#### **2. Approval of the individual and consolidated annual financial statements, prepared according to International Financial Reporting Standards, as adopted by the European Union, for the financial year ended as at December 31, 2016, accompanied by the Annual Board of Directors' Report at individual and consolidated level as well as by the financial auditor report**

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R.C. J40/608/19.02.1991; RB - PJR - 40 - 007 /18.02.1999;  
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Atestat CNVM nr. 255/06.08.2008, înregistrată în Registrul Public al CNVM cu nr. PJR01INCR/400008

**The key figures for 2016 were presented to the shareholders:**

	Group	2015	2016	2016 vs 2015
<b>Financial result</b>	Net banking income (RONm)	2,595	2,778	+7.0%
	Operating expenses (RONm)	(1,385)	(1,388)	+0.2%
	Cost of risk (RONm)	(658)	(484)	-26.5%
	Net result (RONm)	467	763	+63.4%
	Cost/Income	53.4%	50.0%	-3.4 pt
	ROE	7.8%	11.8%	4.0 pt
<b>Loans and deposits</b>	CAR <sup>(*)</sup>	19.1%	20.4%	1.3 pt
	Net loans including leasing (RONbn) <sup>(**)</sup>	27.6	28.5	3.2%
	Total deposits (RONbn) <sup>(**)</sup>	41.2	42.2	2.3%
<b>Franchise</b>	Branches	829	810	(19)
	Active clients (x 1000)	2,250	2,285	36

<sup>(\*)</sup> according to Basel 3 transitory provisions, including proposed net profit to be retained for 2016

<sup>(\*\*)</sup> variations at constant FX rates

Note: Loan outstanding amounts at December 31, 2015 have been restated for comparability purpose, thus, similar to the loan outstanding at December 31, 2016, they include municipal bonds. The December 31, 2015 amount in the individual and consolidated Financial Statements at December 31, 2016 has not been restated.

**Summary of the financial positions**

	Consolidated		Separate	
	Amount	vs. 2015 (%)	Amount	vs. 2015 (%)
RON million				
Cash and current accounts with Central Bank	7,140	-19%	7,140	-19%
Loans and advances to credit institutions	1,998	-14%	1,971	-14%
Net loans and advances to customers*	28,502	3%	27,384	3%
Other financial instruments	12,947	26%	12,947	26%
Tangible and intangible assets	988	-1%	976	-1%
Other assets	306	49%	239	53%
<b>Total assets</b>	<b>51,881</b>	<b>3%</b>	<b>50,658</b>	<b>3%</b>
Amounts owed to credit institutions	1,633	-9%	670	-36%
Amounts owed to customers	42,193	2%	42,291	2%
Other liabilities	1,382	47%	1,330	49%
Shareholders equity	6,674	7%	6,367	6%
<b>Total liabilities and shareholders equity</b>	<b>51,881</b>	<b>3%</b>	<b>50,658</b>	<b>3%</b>

\* Group loans include leasing.

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### Summary of income statement

RON million	Consolidated		Separate	
	Amount	vs. 2015 (%)	Amount	vs. 2015 (%)
Net banking income	2,778	7.0%	2,634	6.5%
Operating expenses	-1,388	0.2%	-1,310	0.0%
Gross operating income	1,390	14.9%	1,324	13.8%
Cost of risk	-484	-26.5%	-461	-26.9%
Net result	763	63.4%	728	63.5%

The Ordinary General Shareholders' Meeting approved the individual and consolidated annual financial statements, prepared according to International Financial Reporting Standards, as adopted by the European Union, for the financial year ended as at December 31, 2016, accompanied by the Annual Board of Directors' Report at individual and consolidated level as well as by the financial auditor report.

### **3. The Directors' discharge for the financial year 2016**

The Ordinary General Shareholders' Meeting approved the Directors' discharge for the financial year 2016.

### **4. Approval of the profit distribution and setting of the dividend for 2016**

The two proposals made by the Board of directors (the gross dividend proposed 0.73 lei / share) and by the shareholders Fondul Proprietatea and Fondul de Pensii Administrat Privat NN (the proposed gross dividend 1.045 lei/share) were presented to the shareholders.

The Ordinary General Shareholders' Meeting approved the Board of directors' proposal - The profit distribution of 70% out the distributable profit of Lei 728,280,960 and setting of the dividend for 2016 (the gross dividend is of 0.73 Lei / share).

The dividends will be paid on May 30, 2017 and the deferred payment date will be November 30, 2017.

The dividends shall be paid to the shareholders as follows:

- ✓ For the shareholders represented by Participants (Broker, Custodian Bank) – payments by bank transfer to Participants accounts on the payment date except for the shareholders that have opted for postponed payment;
- ✓ For the shareholders that are not represented by Participants and who indicated to the Central Depository an account for receiving dividends - payments, by bank transfer, to shareholders accounts indicated to the Central Depository;

- ✓ For the shareholders that are not represented by Participants, having a bank account at BRD and who did not indicated to the Central Depository an account for receiving dividends - payments, by automatic bank transfer to this current account;
- ✓ For shareholders who are not in any of the situations listed above – cash payments (only for the individuals shareholders) or by bank transfer at bank offices, at the request of shareholders.

**5. The shareholders Fondul Proprietatea and Fondul de Pensii Adminstrat Privat NN proposal:** Instruction of the Board of Directors to carry out the following actions:

- a) To analyse the possibility for shareholders to approve additional distributions to shareholders of dividends or of other equity elements, to buy back the company's own shares (both through the open market and through tender offers) as well as of any other corporate actions at the level of the company such that:
  - (i) by the end of 2017 the company shall reduce its Tier 1 ratio at consolidated level to 16.6%;and
  - (ii) by the end of 2nd quarter of 2018 the company shall reduce its Tier 1 ratio at consolidate level to a level no higher than 1% above the Over-all Capital Requirement indicated by the National Bank of Romania (but under no circumstance the capital adequacy ratio should fall below the minimum required by the Romanian National Bank)
- b) As a results of the analysis carried out by the Board of Directors in accordance to the resolution at point a) above, the Board of Directors will take all necessary measures and will convene during 2017 the general shareholders meeting having on the agenda the approval of the necessary measures for meeting the objectives set at point a) above, including without limitation the buy-back of own shares, additional dividend distributions, distributions out of company retained earnings, other forms of distribution of equity elements.
- c) Starting with the year 2018 and during the subsequent years, the Board of Directors will undertake all necessary corporate actions at the company's level to reduce and subsequently maintain the Tier 1 ratio at Group level at a level no higher than 1% above the Over-all Capital Requirement indicated by the National Bank of Romania (but under no circumstance tile capital adequacy ratio should fall below the minimum required by the Romanian National Bank).

The Ordinary General Shareholders' Meeting rejected the proposal of the shareholders Fondul Proprietatea and Fondul de Pensii Adminstrat Privat NN regarding the instruction of the Board of Directors to carry out the actions above mentioned.

**6. Approval of the income and expenditure budget for 2017 and of the Business Plan for the fiscal year 2017**

The Ordinary General Shareholders' Meeting approved the Income and Expenditure Budget for 2017 and of the Business Plan for the fiscal year 2017.

Evolution of the main financial indicators, as it was mentioned in the budget for 2017, is the follows:

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	Actual 2015	Actual 2016	Evolution 16/15	Budget 2017	Evolution B17/16	
Clients (thousands)	2,250	2,285	1.6%	2,345	2.6%	
Net loans (RON bn)	<b>Total</b>	26.6	27.4	2.8%	29.5	7.6%
	<i>Retail</i>	17.8	18.7	5.3%	19.8	5.6%
	<i>Non Retail*</i>	8.9	8.7	-2.4%	9.7	11.7%
Deposits (RON bn)	<b>Total</b>	41.2	42.2	2.4%	43.3	2.7%
	<i>Retail</i>	23.6	26.0	10.0%	27.2	4.6%
	<i>Non Retail</i>	17.5	16.2	-7.9%	16.1	-0.2%
Net loans/deposits	65%	65%	0 pts	68%	3 pts	

\*) including municipal bonds

	Actual 2015	Actual 2016	Evolution 16/15	Perspectives for 2017	
Financial Results	RON m				
	NET BANKING INCOME	2,474	2,634	6.5%	+4% <sup>*)</sup>
	OPERATING EXPENSES <sup>**)</sup>	(1,310)	(1,310)	0.0%	increase of +4% to +5%
	GROSS OPERATING INCOME	1,164	1,324	13.8%	+5% <sup>*)</sup>
	NET COST OF RISK	(631)	(461)	-26.9%	further normalization
	NET RESULT	445	728	63.5%	improvement
Ratios	COST/INCOME RATIO	52.9%	49.7%	-3.2 pts	quasi stable <sup>*)</sup>
	ROE	7.8%	11.8%	+4.0 pts	>12%

\*) disregarding the gain on Visa Europe transaction recorded in 2016

\*\*\*) including contributions to the Guarantee Fund of Deposits and to the Resolution Fund

## 7. Approval of the remuneration due to the non-executive directors for the fiscal year 2017, as well as of the general limits for the directors' additional remunerations and officers' remunerations

The Ordinary General Shareholders' Meeting approved the individual remuneration for the non-executive directors for 2017, amounting to EUR 1,500 (gross amount), as well as the general limits for the directors' additional remunerations and officers' remuneration for 2017, amounting to RON 14 million (gross amount).

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**8. The shareholders Fondul Proprietatea and Fondul de Pensii Adminstrat Privat NN proposal: The use of the cumulative voting method for the appointment of the Board of Directors**

The Ordinary General Shareholders' Meeting rejected the proposal of the shareholders Fondul Proprietatea and Fondul de Pensii Adminstrat Privat NN to use of the cumulative voting method for the appointment of the Board of Directors.

**According to the Calling completes and republishes on April 07, 2017, following the rejection of this proposal, points 9 and 10 on the revised agenda have not been subject to shareholder vote.**

**11. Renewal Mr. Jean-Luc André Joseph PARER mandate as director, for a 4-years period, starting with October 18, 2017 and empowering Mr. Giovanni Luca SOMA, Chairman of the Bank to sign, on behalf of the Bank, the Management Contract with him**

The Ordinary General Shareholders' Meeting approved the renewal of the mandate as director of Mr. Jean-Luc André Joseph PARER mandate as director, for a 4-years period, starting with October 18, 2017 and empowering Mr. Giovanni Luca SOMA, Chairman of the Bank to sign, on behalf of the Bank, the Management Contract with him.

**12. Electing a director on the vacant position existent on the Board of Directors, for a 4-years period, and empowering Mr. Giovanni Luca SOMA, Chairman of the Bank, to sign on behalf of the Bank, the Management Contract with him.**

For the vacant position existent on the Board of Directors, have applied Mr. Benoît Jean Marie OTTENWAELETER (the Board of Directors proposal) and Mr. Cezary Krzysztof SMORSZCZEWSKI (the shareholders Fondul Proprietatea and Fondul de Pensii Adminstrat Privat NN proposal).

The Ordinary General Meeting of the Shareholders approves the election of Mr. Benoît Jean Marie OTTENWAELETER, on the vacant position existent on the Board of Directors, as director for a 4-years period, and empowering Mr. Giovanni Luca SOMA, Chairman of the Bank, to sign on behalf of the Bank, the Management Contract with him.

The appointment is subject to the prior approval by the National Bank of Romania, as per the legal provisions in force.

The 4-years mandate starts running from the date of issuance of the prior approval by the National Bank of Romania.

**13. Appointment of Ernst & Young Assurance Services SRL as financial auditor of the Bank for the financial year 2017**

The Ordinary General Shareholders' Meeting approved the appointment of Ernst & Young Assurance Services S.R.L., headquartered in Bucharest, Tower Center, 21nd floor, 15-17 Ion Mihalache Blvd, district 1, fiscal code RO11909783, as the financial auditor of BRD – Groupe Société Générale for the financial year 2017.

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**14. Approval of the date of May 8, 2017 as ex date**

The Ordinary General Shareholders' Meeting approved the date of May 8, 2017 as ex date as per art. 2 and art. 5 point 11 of Regulation no. 6/2009 on the exercise of certain rights of shareholders within the general meetings of companies.

**15. Approval of the date of May 9, 2017 as registration date**

The Ordinary General Shareholders' Meeting approved the date of May 9, 2017 as registration date, in order to identify the shareholders that will receive dividends or other rights and who will be affected by the decisions of the ordinary general meeting of shareholders, as per art. 238 of Law no. 297/2004 regarding the capital market.

**The Extraordinary General Shareholders' Meeting of BRD**

The Extraordinary General Shareholders' meeting approved all the items on the agenda, as follows:

**1. Electing of the secretary of the Extraordinary General Shareholders' Meeting**

The Extraordinary General Shareholders' Meeting approved the election of Mrs. Mariana DINU, shareholder of BRD - Groupe Societe Generale S.A., to ensure the secretariat of the Ordinary General Shareholders' Meeting.

**2. The amendment of the Articles of Incorporation of the Bank**

The Extraordinary General Shareholders' Meeting approved the amendment of the Articles of Incorporation of the Bank according to the Annex of the Calling, as well as the delegation of power to Mr. Francois BLOCH, CEO of the Bank, to sign the Addendum to the Articles of Incorporation and the updated form of the Articles of Incorporation.

**3. Approval of the date of May 08, 2017 as ex date**

The Ordinary General Shareholders' Meeting approved the date of May 08, 2017 as ex date as per art. 2 and art. 5 point 11 of Regulation no. 6/2009 on the exercise of certain rights of shareholders within the general meetings of companies.

**4. Approval of the date of May 09, 2017 as registration date**

The Ordinary General Shareholders' Meeting approved the date of May 09, 2017 as registration date, in order to identify the shareholders who are affected by the decisions of the extraordinary general meeting of shareholders, as per art. 238 of Law no. 297/2004 regarding the capital market.

**Flavia POPA****Corporate Secretary**

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