Annual Board of Directors' Report

2019

prepared in accordance with the National Bank of Romania Order no. 27/2010, the Financial Supervisory Authority Regulation no.5/2018, the National Bank of Romania Regulation no. 5/2013 and contains both Annual Board of Directors' Report and Consolidated Annual Board of Directors' Report

THE FUTURE IS YOU

BRD
GROUPE SOCIETE GENERALE

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Note: Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

1. THE COMPANY AND ITS SHAREHOLDERS

BRD – GROUPE SOCIÉTÉ GÉNÉRALE PROFILE

BRD - Groupe Société Générale ("BRD" or "the Bank") was set up on December 1st, 1990 as an independent bank with the legal status of a joint-stock company and with the share capital mainly held by the Romanian State, by taking over the assets and liabilities of Banca de Investitii (the Investment Bank).

In March 1999, Société Générale ("SG") bought a stake representing 51% of the share capital, increasing its holding to 58.32% in 2004, through the acquisition of the residual stake from the Romanian State. As at December 31, 2019, SG was holding 60.17% of the share capital.

Starting 2001, BRD-Groupe Société Générale operates as an open joint-stock company, admitted to trading on a regulated market, according to the companies' legislation, banking legislation, capital market regulations, provisions of the Articles of Incorporation and other internal regulations.

BRD identification data are the following:

- **Head Office:** 1-7 Blvd. Ion Mihalache, sect. 1, Bucharest
- **Phone/Fax:** 021.3016100 / 021.3016800
- **Sole registration number with the Trade Registry:** 361579/10.12.1992
- **Fiscal Code:** RO 361579/10.12.1992
- **Order number with the Trade Registry:** J40-608-1991
- **Number and date of registration in the Credit Institutions Register:** RB - PJR - 40 – 007/18.02.1999
- **Share capital subscribed and paid:** 696,901,518 RON
- **Regulated market on which the issued securities are traded:** Bucharest Stock Exchange Premium Tier
- **The main characteristics of securities issued by the company:** ordinary shares with a nominal value of 1 RON

EXTERNAL RATING

As at December 31, 2019, the Bank had the following ratings:

Fitch Ratings *(last rating update: Jan-2020 - affirmed)*	Rating
Foreign-Currency Short-Term Issuer Default Rating	F2
Foreign-Currency Long-Term Issuer Default Rating	BBB+
Support Rating	2

Moody's *(last rating update: Sep-2019*)*	Rating
Domestic Currency Short-Term Deposit	Prime-2
Domestic Currency Long-Term Deposit	Baa2
Foreign Currency Short-Term Deposit	Prime-3
Foreign Currency Long-Term Deposit	Baa3

** Moody's upgraded Bank's long-term local currency deposit rating to Baa1 in Feb. 2020*

BRD GROUP („GROUP") consolidates the following entities:

- BRD - Groupe Société Générale SA;
- BRD Sogelease IFN SA;
- BRD Finance IFN SA;
- BRD Asset Management SAI SA.

SOCIÉTÉ GÉNÉRALE PROFILE

Société Générale was set up in 1864 as a banking company, registered in France. Its registered office is located on 29 Boulevard Haussmann, 75009, Paris, France, and its shares are listed on the Paris Stock Exchange.

Société Générale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth, aiming to be the trusted partner for its clients, committed to the positive transformations of the world.

Société Générale has been playing a vital role in the economy for over 150 years. With more than 149,000 employees, based in 67 countries, Société Générale accompanies 31 million clients throughout the world on a daily basis. Société Générale's teams offer advice and services to individual, corporate and institutional customers in three core businesses:

- *French Retail Banking* which encompasses the Société Générale, Crédit du Nord and Boursorama brands, each offering a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- *International retail banking, insurance and financial services to corporates* with a presence in emerging economies and leading specialised businesses;
- *Global Banking and Investors Solutions,* which offers recognised expertise, key international locations and integrated solutions.

The latest credit ratings of Société Générale are available at https://www.societegenerale.com/en/measuring-our-performance/investors/debt-investors/ratings.

BRD POSITION WITHIN SOCIÉTÉ GÉNÉRALE

SG has been present in Romania since 1980, being the only significant bank from Western Europe that was present in Romania during the communist era.

In 1999, it takes part in the process of privatization of Banca Romana pentru Dezvoltare and acquires 51% of the bank's share capital.

Starting with this period, BRD lined up its operational procedures and business practices to those of the parent company.

BRD is part of the international network of Société Générale, managed by the International retail banking and financial services division (IBFS) that aims to offer a broad range of products and services to individuals, professionals and corporates. Its global development is built upon:

- The international universal banking and consumer credit networks, organised around three regions: Europe, Russia and Africa / Asia / Mediterranean Basin & Overseas;
- Three specialised businesses, leaders in their markets: Insurance, Car Renting and Fleet Management, Equipment and Vendor Finance.

KEY FIGURES

	The Bank	2018	2019	Change
Financial results	Net banking income (RONm)	2,981	3,170	+6.3%
	Operating expenses (RONm)	(1,400)	(1,580)	+12.9%
	Cost of risk (RONm)	246	224	-9.1%
	Net profit (RONm)	1,546	1,529	-1.1%
	Cost / income ratio	47.0%	49.9%	+2.9 pt
	ROE	21.5%	20.1%	-1.5 pt
	RON bn	**Dec-18**	**Dec-19**	**Change**
Loans and deposits	Total net loans	28.9	29.5	+2.0%
	Total deposits	45.3	46.0	+1.6%
	RON m	**Dec-18**	**Dec-19**	**Change**
Capital adequacy	Own funds (RONm)	5,674	5,793	+2.1%
	RWA (RON bn)	26,951	28,884	+7.2%
	CAR*	21.1%	20.1%	-1.0 pt
Franchise	No of branches	723	648	(75)

	The Group	2018	2019	Change
Financial results	Net banking income (RONm)	3,115	3,270	+5.0%
	Operating expenses (RONm)	(1,490)	(1,678)	+12.6%
	Cost of risk (RONm)	230	204	-11.6%
	Net profit (RONm)	1,563	1,499	-4.1%
	Cost / income ratio	47.8%	51.3%	+3.5 pt
	ROE	20.8%	18.9%	-1.9 pt
	RON bn	**Dec-18**	**Dec-19**	**Change**
Loans and deposits	Total net loans (incl. leasing)	30.4	31.3	+3.0%
	Total deposits	45.2	45.9	+1.5%
	RON m	**Dec-18**	**Dec-19**	**Change**
Capital adequacy	Own funds (RONm)	5,956	6,067	+1.9%
	RWA (RON bn)	28,470	30,512	+7.2%
	CAR*	20.9%	19.9%	-1.0 pt

(*) according to Basel 3; own funds for 2019 without current year result; own funds for 2018 incl. net result, net of approved dividends

BRD SHARE

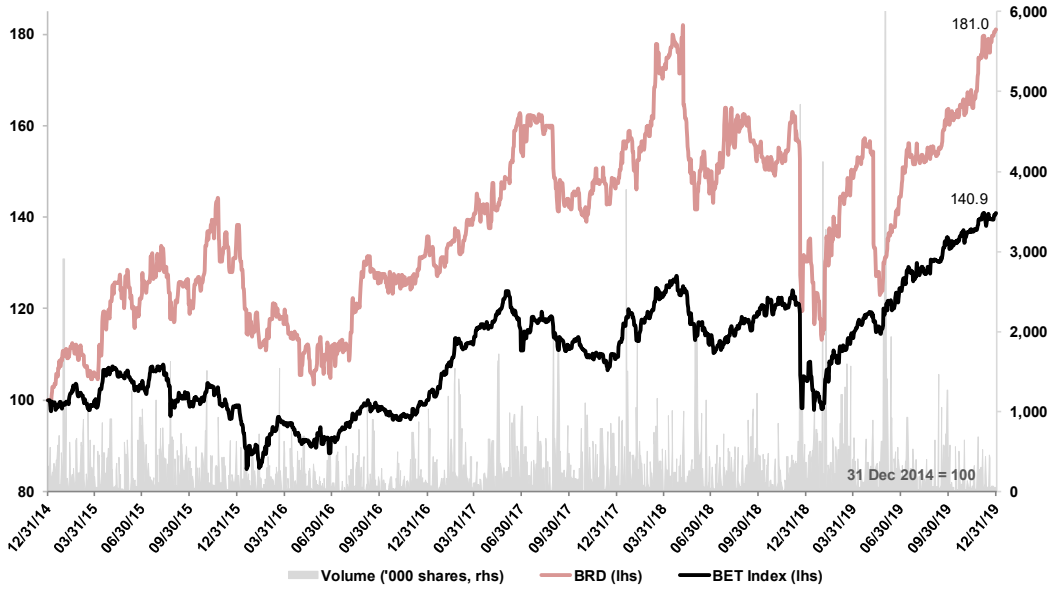
Starting with January 15th, 2001, the Bank's shares are listed in the Premium category of the Bucharest Stock Exchange. The shares are included in the BET, BET Plus, BET-XT, BET-XT-TR , BET-BK , BET-TR and ROTX indexes. The Bank's shares are ordinary, nominative, dematerialized and indivisible. According to the Articles of Incorporation, article 17, letter k, the shares of the Bank are traded freely on those capital markets set by General Assembly of Shareholders („AGA"), while complying with the legislation on the trade of shares issued by bank institutions.

The closing price for BRD share as at December 31, 2019, was of RON 15.84 /share (RON 11.40 /share at December 31, 2018). On the same date, the market capitalization was RON 11,038.92 million (RON 7,944.68 million at December 31, 2018).

During January – December 2019, neither the Bank, nor its subsidiaries bought back own shares.

As of December 31, 2019 neither the Bank, nor its subsidiaries held own shares.

Evolution of BRD's share price versus the BET Index and BRD's volume of shares for the period December 31, 2014 – December 31, 2019



Source: Bloomberg

DIVIDENDS

According to the Romanian legislation and the Articles of Incorporation, dividends are paid from the funds created for this purpose after the approval of the General Assembly of Shareholders, within maximum 6 months from the date of the General Assembly of Shareholders for deciding the dividends. In case the General Assembly of Shareholders does not establish the date when dividends are paid, these shall be paid in 30 days from the date when the decision of the General Assembly of Shareholders to establish dividends has been published in the Official Gazette of Romania, Part IV, the date from which the company is in delay.

The distribution of dividends is made according to the General Assembly of Shareholders' decision, upon the Board of Directors' proposal and depends on the distributable profit and of the future capitalization needs of the Bank.

The change in the volume of approved and distributed dividends for the last three years is presented below:

Dividends	2018	2017	2016
Distributable profit (RON million)	1,546.0	1,380.4	728.3
Total dividends (RON million)	1,142.9	1,142.9	508.7
Number of shares (millions)	696.9	696.9	696.9
Dividend per share (RON), nominal	1.64	1.64	0.73
Distribution rate from distributable profit	74%	83%	70%
Amount of dividends effectively paid by 31.12.2019	1,139.1	1,139.5	507.7
Percentage of dividends effectively paid by 31.12.2019	99.7%	99.7%	99.8%

For the financial year 2019, the Board of Directors has decided to propose to the General Assembly of Shareholders the payment of a dividend of 1.64 RON per share, corresponding to a payout ratio of 74.8% of the 2019 net profit of the Bank.

The number of shares remained unchanged in the last 3 years.

DIVIDEND PAYMENT

The dividends are distributed to the shareholders proportionally to their participation in the share capital. The dividend income is subject to withholding tax.

Dividends are paid in accordance with the legal provisions and the General Assembly of Shareholders' resolution regarding profit distribution, dividend setting and the dividend payment procedure made available to the shareholders on the Bank's website.

Unclaimed dividends are prescribed within 3 years from the payment start date, according to legal provisions.

RESEARCH AND DEVELOPMENT ACTIVITIES

There are no development and research activities performed by the Bank or by the Group.

2. CORPORATE GOVERNANCE

The BRD-Groupe Société Générale S.A.'s Corporate Governance Model is aligned with that of the parent company, Société Générale.

The Corporate Governance Model adopted by BRD ensures:

- observance of the shareholders' equal rights and treatment, by protecting and enforcing their prerogatives;
- setting of the role and observance of the rights of the groups of interest, other than the shareholders;
- setting the liability of the Board of Directors towards the credit institution and the shareholders, as well as its responsibility of supervising the activity of the Executive Committee;
- transparency and access to information, by the periodical publication, in a correct and real manner, of the relevant financial and operational information.

Constantly concerned by the principles of corporate governance, BRD - Groupe Société Générale has adopted and applied the provisions of Corporate Governance Code of the Bucharest Stock Exchange (BSE) since 2012. "The statement of compliance with the provisions of Corporate Governance Code of the BSE on December 31, 2019" is presented in Appendix 1.

BRD-Groupe Société Générale has its own Corporate Governance Code available to the interested parties on institutional site in section: https://www.brd.ro/en/about-brd/shareholders-and-investors/corporate-governance.

The corporate governance of BRD-Groupe Société Générale represents an ongoing process in which integrity, responsibility and transparency are fundamental elements in taking correct decisions and setting goals that contribute to increasing the confidence of shareholders in the company, economic efficiency, sustainable growth and financial stability.

As at December 31, 2019, Société Générale is the only significant shareholder of the Bank holding 60.1683% of the share capital.

THE GENERAL SHAREHOLDERS MEETING

The general shareholders meetings are an occasion for the members of the Board of Directors and the senior management to present to the shareholders the results obtained during their office, based on the responsibilities entrusted to them.

General shareholders meetings are ordinary and extraordinary. The Ordinary General Shareholders Meeting meets at least once a year, within no more than 4 months from the end of the financial year, and the Extraordinary General Shareholders Meeting meets whenever necessary.

The Bank makes the best efforts, in compliance with the legal provisions in the field, to facilitate the shareholders' participation in the works of the General Shareholders Meetings, as well as the full exercise of their rights.

The Ordinary General Meeting decides on the annual financial statements (based on the reports presented by the Board of Directors and by the financial auditor), the dividend, election/ revocation of the members of the Board of Directors and of the financial auditor, fixing the minimum duration of the financial audit contract, the remuneration due to the members of the Board of Directors for the current financial year, the budget and the business plan for the following financial year.

The Extraordinary General Shareholders Meeting decides on: change of the company duration, increase, decrease or completion of the share capital by issuance of new shares, change of the headquarters, merger or division, early dissolution of the Bank, issuance of bonds, conversion of a category of bonds into another category or into shares, approval by the Bank executive officers' of the legal papers regarding the acquisition, alienation, rental, change or transformation into collaterals of the assets in the Bank's patrimony, the value of which exceeds the limits set forth by the applicable laws, designation of the capital markets on which the Bank's shares will be listed and traded, change of the main activity area and main activity.

The decisions on the amendment of the Articles of Incorporation shall be adopted in accordance with the principles of competence laid down in the Articles of Incorporation of the Bank.

In order to ensure equal treatment and full and equitable exercise of the shareholders' rights, the Bank makes available to them all the information related to the General Assembly of Shareholders and to the adopted decisions, both by mass communication means and in the special section on its own Internet page (www.brd.ro).

The procedures regarding the works of the General Shareholders Meeting are available to shareholders and other interested parties on the institutional site in section https://www.brd.ro/en/about-brd/investors-and-shareholders/gsm-brd/procedure-organizing-and-running-gsm.

Within the General Shareholders Meeting, dialogue between the shareholders and the members of the Board of Directors and/or executive management is encouraged. Each shareholder can ask the directors questions regarding the activity of the Bank.

In 2019, there were 2 General Shareholders Meetings (one Ordinary General Shareholders Meeting and one Extraordinary General Shareholders Meeting on April 18, 2019).

ADMINISTRATION AND MANAGEMENT OF THE BANK

BRD - Groupe Société Générale adopted a unitary management system that is fully consistent with the principles of good corporate governance, transparency of relevant corporate information, protection of shareholders and of other categories of concerned persons (stakeholders), as well as of an efficient operation on the banking market.

The management body, the Board of Directors and the Executive Officers (acting together in the Executive Committee), operates under rules of organization and functioning clearly defined in the "Directive on the organization and functioning of the management body".

The Management Body promotes high ethical and professional standards and a strong internal control culture.

The Board of Directors annually assesses the adequacy of the Management Body and its members based on the reports of the Nomination Committee, prepared in accordance with "Policy of selection, monitoring and succession planning of the management body members".

The composition, the size and the skills of the management body are well suited for the dimension and the complexity of the Bank's activity.

The members of the Management Body meet the eligibility conditions and criteria, established in the "Policy of selection, monitoring and succession planning of the management body members", required for an efficient administration/management of BRD-Groupe Société Générale:

- Have a good reputation and the necessary expertise to carry out their responsibilities in compliance with the rules of prudent and healthy banking practices;
- Have the professional experience that implies theoretical and practical knowledge adequate to the nature, extent and complexity of the banking business and of the entrusted responsibilities, as well as experience in a management position, acquired in an entity comparable, in terms of size and activity, to the Bank;
- Ensure the conditions of the collective competence of the management body for an efficient and highly performing administration of the Bank's activity;
- Commit sufficient time to their responsibilities as stipulated by the law and the statutory bodies;
- Show commitment and involvement in exercising their responsibilities conferred by the law and by the statutory bodies.

The selection of candidates for positions within the Management Body is made through a rigorous process as defined in "The policy for selection, monitoring and succession planning of the management body members".

The main objective of the selection process is to ensure the suitable candidates for the vacant positions in the Management Body or to ensure the succession of the existing members.

The selection of the candidates excludes any discrimination on gender, age, ethnicity or any other kind of discrimination, stipulated by the law.

Criteria such as reputation, theoretical knowledge and practical professional experience in specific areas of BRD's activities, diversity, ensures a suitable structure of the management body.

The selection of independent directors is subject to compliance with the criteria stipulated by the Companies' Law no. 31/1990, the NBR Regulation no. 5/2013 on prudential requirements for credit institutions (article 7 paragraph 4) and by the Bucharest Stock Exchange Code of Corporate Governance.

The exercise of the responsibilities by members of the Management Body is subject to obtaining the NBR approval.

BOARD OF DIRECTORS

Starting with April 18, 2015, the Board of Directors is composed of 9 members, elected by the General Assembly of the Shareholders for a 4-years mandate.

The structure of the Board of Directors ensures a balance between executive and non-executive members, so that no person or limited group of persons can dominate, in general, the decision-making process of the Board of Directors.

As at December 31, 2019, the Board of Directors includes 3 independent members.

The year 2019 brought changes to the composition of the Board of Directors, as follows:

- ✓ Mr. Ioan Cuzman's mandate as Member of the Board Directors expired on April 18, 2019;
- ✓ The Ordinary General Shareholders' Meeting held on April 18, 2019 decided:
  - to renew Mr. Petre Bunescu's mandate as director, for a 4-years period, starting with April 18, 2019;
  - the election of Mrs. Liliana Feleagă[1] and Mr. Bogdan-Alexandru Drăgoi[2] as Independent Members of the Board of Directors, for a 4-years period, starting with the date of issuance of the NBR prior approval;
  - the election of Mr. Philippe Laurent Charles Heim[3] as Member of the Board of Directors, for a 4-years period, starting with the date of issuance of the NBR prior approval;
- ✓ Mr. Philippe Laurent Charles Heim renounced to his mandate as member of the Board of Directors starting with November 6, 2019;
- ✓ the Board of Directors on November 5, 2019, decided, according to art. 137[2] of the Companies Law 31/1990 republished, with subsequent amendments, the nomination of Mrs. Valerie Marcelle Paule Villafranca as Interim Member of the Board of Directors, starting with the date of issuance of the prior approval by the NBR, until the first Ordinary General Shareholders Meeting is held.

[1] *NBR approved the nomination of Mrs. Liliana Feleagă as Independent Member of the Board of Directors on June 6, 2019.*

[2] *NBR approved the nomination of Mr. Bogdan-Alexandru Drăgoi as Independent Member of the Board of Directors on November 22, 2019.*

[3] *NBR approved the nomination of Mr. Philippe Laurent Charles Heim as Member of the Board of Directors on June 6, 2019.*

MEMBERS OF THE BOARD OF DIRECTORS AS AT DECEMBER 31, 2019

Giovanni Luca SOMA

Chairman of the Board of Directors

Chairman of the Risks Management Committee

Member of the Audit Committee

Member of the Nomination Committee

Date of birth: August 21, 1960

Year of the appointment in BRD-Groupe Société Générale's Board of Directors: 2014.

Since May 26, 2015, he is Chairman of the Board of Directors of BRD-Groupe Société Générale.

Latest renewal of the mandate: 2018

Term of mandate expires in: 2022

He has no shares in BRD-Groupe Société Générale's capital.

Information on mandates held: According to the information provided through the statement of affiliation, he has no executive and non-executive positions in not-for-profit institutions and fulfils the conditions regarding the number of mandates in companies established by the applicable law - he holds one executive mandate and one non-executive mandate within Société Générale Group.

Biography: He is a graduate of Business Administration, LUISS University in Rome and holds a Master's degree in Business Administration from the Turin School of Business Administration, an Auditor Diploma and an Expert Accounting Diploma from the Rome University.

During his career, he acquired a significant expertise in top management positions outside Société Générale Group (as Head of European Sales and Services for Hyperion Software Group, Managing Director of GE Capital Insurance Milan, Corporate Sales Director Italy of GE Capital Milan, CEO of Dial Italy, a subsidiary of Barclays Group, CEO of Hertz Lease Italy, Chairman of the Italian Automobile Rental Association). Within Société Générale Group, he held the following management positions: Group Regional Director of ALD Automotive Group - France, Chief Executive Officer of ALD International, Head of Société Générale Consumer Finance and Operational Vehicle Leasing and Fleet Management.

Giovanni Luca Soma is currently Head of International Retail Banking for Europe & Group Country Head for Russia, member of the Group Management Committee.

Jean-Luc Andre Joseph PARER

Non-executive member of the Board of Directors

Chairman of the Nomination Committee

Member of the Remuneration Committee

Member of the Risks Management Committee

Date of birth: April 16, 1954

Year of first appointment in the BRD-Groupe Société Générale's Board of Directors: 2013

Latest renewal of the mandate: 2017

Term of mandate expires in: 2021

He has no shares in BRD-Groupe Société Générale's capital.

Information on mandates held: According to the information provided through the statement of affiliation, he has no executive and non-executive positions in not-for-profit institutions and fulfils the conditions regarding the number of mandates in companies established by the applicable law - he holds one non-executive mandate within Société Générale Group.

Biography: he graduated HEC and holds a Master's degree in Law.

Mr. Parer began his career in September 1980 in Société Générale's General Inspection Department as Inspector and then Senior Inspector. In 1991, he joined Société Générale Corporate & Investment Banking where he occupied the following positions: Deputy Head of Specialized Finance, and then Head of Structured Finance.

In 2001, he was involved in setting up the Global Debt and Financing Business. In 2003, he became responsible for supervising the bank's Debt Capital Markets activities and in 2005 he was appointed Deputy Global Head of those activities. In 2007, he became Head of the Capital markets and Financing division, then Head of the Global Finance division in 2009.

In 2012, Mr. Parer became special advisor to the Group's International Retail Banking business and member of the Société Générale's Management Committee.

In September 2012, Mr. Jean-Luc Parer became Head of the International Retail Banking division before being appointed Co-Head of International Banking and Financial Services in September 2013.

Between September 2017 and 2019, Mr. Jean-Luc Parer was Advisor to the Société Générale Group's Deputy Chief Executive Officer.

Petre BUNESCU

Non-executive Member of the Board of Directors[4]

Date of birth: November 15, 1952

Year of first appointment in the BRD - Groupe Société Générale's Board of Directors: 1999.

Between May 1, 2012 and November 5, 2012 he occupied the position of Interim Chairman of the Board of Directors.

Latest renewal of the mandate: 2019

Term of mandate expires in: 2023

He holds 300,000 shares in BRD-Groupe Société Générale's capital.

Information on mandates held: According to the information provided through the statement of affiliation, he has no executive and non-executive positions in not-for-profit institutions and fulfils the conditions regarding the number of mandates in the companies established by the applicable law - he holds one non-executive mandate within BRD-Groupe Société Générale.

Biography: he graduated the Academy of Economic Studies in 1975. In 2003, he got his PhD in Economics.

Between 1997 and 2006 he was a permanent member of the teaching staff of the Romanian Banking Institute and of the Financial and Banking Studies Institute, and between 2007 and 2011 he was an associate member of the teaching staff of the Romanian-American University in Bucharest.

In 1975, he became an employee of the Investment Bank, and in 1990 he was appointed as Deputy CEO of the Bucharest Branch. Once the Romanian Bank for Development was set up, on December 1st, 1990, he took over the position of Vice-Chairman and member of the Board of Directors and of the Executive Committee of the bank until July 1999. Between November 1997 and May 1998, he held the position of Interim Chairman of the Romanian Bank for Development. In the period 1998-2005 he represented BRD-Groupe Société Générale's interests in MISR – Romanian Bank as Member of the Board of Directors.

Until 2015 he was the Vice-Chairman of the Romanian Banking Association and member of the Board of Directors of Transfond SA.

Between August 1999 and March 1st, 2019, he has been Deputy CEO BRD -Groupe Société Générale.

4 Starting with March 1st, 2019

Jean – Pierre Georges VIGROUX

Independent member of the Board of Directors

Chairman of the Audit Committee

Member of the Remuneration Committee

Date of birth: 31 July 1953

Year of the appointment in the BRD-Groupe Société Générale's Board of Directors: 2016

Term of mandate expires in: 2020

He has no shares in BRD-Groupe Société Générale's capital.

Information on mandates held: According to the information provided through the statement of affiliation, he fulfils the conditions regarding the number of mandates established by the law - two non-executive mandates: he holds one within BRD-Groupe Société Générale and one outside the Société Générale Group.

He is also member of the Management Board of ''Foundation 9''.

Biography: he graduated ESSEC France. He also studied Financial Audit at the CAFR University

Until September, 2014, Mr. Jean – Pierre Georges Vigroux held management positions such as: CEO Mazars Romania (2008-2014), partner responsible for Southeast Europe, Chairman of the Supervisory Board of Pricewaterhouse Coopers Central and Eastern Europe (2001-2004 and 2004-2006), founder and CEO of the Pricewaterhouse Coopers – Romania, member of the PricewaterhouseCoopers's Executive Committee and Board of Directors – Central and Oriental Europe (1996-2001), Chairman of FIC (2003-2004).

Benoît Jean Marie OTTENWAELTER

Member of the Board of Directors

Chairman of the Remuneration Committee[5]

Date of birth: December 28, 1954

Year of the appointment in the BRD-Groupe Société Générale's Board of Directors: 2017

Term of mandate expires in: 2021

He has no shares in BRD-Groupe Société Générale's capital.

Information on mandates held: According to the information provided through the statement of affiliation, he has no executive and non-executive positions in not-for-profit institutions and fulfils the conditions regarding the number of mandates established by the law - he holds one non-executive mandate within Société Générale Groupe.

Biography: he graduated the "French Ecole Polytechnique" and the "French Ecole Nationale de la Statistique et de l'Administration Economique (ENSAE)".

He has a vast experience acquired within Groupe Société Générale, in over 29 years, in areas such as risk management, capital markets and treasury and in interaction with the international banking regulators.

During his career, he held top management positions such as: Group Chief Risk Officer, Member of the Executive Committee at Société Générale Group (2009 – June 2016), Deputy then Co-Head of the Corporates, Institutions and Advisory Division, Member of the Group Management Committee at Société Générale Corporate and Investment Banking Paris (2004 -2009), Head of Fixed Income, Currencies and Commodities Division on Société Générale Corporate and Investment Banking Paris (2001 - 2004), Deputy Head then Head of Treasury and Foreign Exchange on Société Générale Capital Markets

[5] *Starting with December 6, 2019*

Division Paris (1994 - 2000), Chief Administrative and Financial Officer then Head of Derivatives Department on Société Générale Strauss Turnbull London (1990 -1994), Back-office manager on Société Générale Paris (1988 -1990).

Other positions occupied: Within the French Ministry Of Economy And Finance (1979 -1988), Professor of Statistics and Econometrics, Director of Graduate Studies on Ecole Nationale de la Statistique et de l'Administration Economique (1985 – 1988), Economic Forecaster on INSEE - French National Statistical Office (1981 – 1985), Researcher in Econometrics, Research Unit on INSEE - French National Statistical Office (1979 - 1981).

François BLOCH

Executive Member of the Board of Directors

Date of birth: March 31, 1967

Year of the appointment in the BRD-Groupe Société Générale's Board of Directors: 2018

Term of mandate expires in: 2022

He has no shares in BRD-Groupe Société Générale's capital.

Information on mandates held: According to the information provided through the statement of affiliation, he fulfils the conditions regarding the number of mandates in companies established by the applicable law - he holds one executive mandate and one non-executive mandate within Société Générale Group.

He is also member of the Board of Directors of Romanian Banking Association, member of the Board of Directors of Council of Banking Employers in Romania and Treasurer, member of the Board of Directors of Foreign Investors Council.

Biography: he is bachelor of the Ecole Nationale de la Statistique et de l'Administration Economique, Paris, in 1990. Mr. François BLOCH made his entire career within Société Générale and he held the following positions: Broker, then Head of the brokerage department on derivatives markets on Société Générale Elsässische Bank, Frankfurt (1990 - 1993); Deputy Head, then Head of the SG's subsidiary, FIMAT Banque, Zweigniederlassung Frankfurt(1993 -1997); Deputy Head of Risks, then Head of Risks, FIMAT International Banque Paris (1997 -2000); General Manager, FIMAT USA Inc. (2000-2002); Deputy Chief Executive Officer - Member of the Board of Directors, FIMAT International Banque (2002-2007); Head of Strategy and Integration, Newedge (2008-2009) and Non-executive Member of the Board of Directors, Newedge Group (brokerage subsidiary of Société Générale) (2010-2012); Head of Credit Risk on Financial Institutions and Country Risks department, Société Générale (2009-2012).

Between 2012 and the end of October, 2016 he has held the positions of First Vice-President, then First Deputy Chairman of the Management Board , Member of the Management Board, and until July 2017, Member of the Board of Directors, Rosbank PAO.

Starting with 2012 to 2016 he exercised also the following directorships in Société Générale Group: Member of the Board of Directors, LLC Rusfinance Bank (subsidiary of Rosbank, specialized in car and point of sales financing), Member of the Board of Directors, Commercial Bank Deltacredit Joint Stock Company (subsidiary of Rosbank, specialized in mortgages loans), Member of the Board of Directors, Société Générale Strakhovanie (subsidiary of Société Générale, non - life insurance), Member of the Board of Directors, Société Générale Strakhovanie Zhizni (subsidiary of Société Générale, life insurance).

Since December 21, 2016, he holds the position of CEO of BRD - Groupe Société Générale SA.

Since July 1, 2017, he is member of the Société Générale Group Management Committee.

Liliana FELEAGA

Independent Member of the Board of Directors

Member of the Audit Committee

Member of the Risk Management Committee

Date of birth: *October 31, 1969*

Term of mandate as Interim independent member of BRD-Groupe Société Générale's Board of Directors: December 20, 2018 – April 18, 2019

Year of the appointment as Independent member of BRD-Groupe Société Générale's Board of Directors: 2019

Term of mandate as Independent member expires in: 2023

She has no shares in BRD-Groupe Société Générale's capital.

Information on mandates held: According to the information provided through the statement of affiliation, she fulfils the conditions regarding the number of mandates established by the law - two non-executive mandates - one within BRD-Groupe Société Générale and one outside the Société Générale Group.

She is also member of ASE's Board of Directors.

Biography: she graduated from the Bucharest University of Economic Studies (ASE). Starting with 2003 is University Professor Doctor and with 2005 is PhD supervisor. She has also an International Management Degree obtained at Toulouse University.

She has a vast academic experience (over 26 years in Bucharest University of Economic Studies - ASE). Currently Mrs. Feleaga is Dean of Accounting and Management Information Systems Faculty, member of the ASE's Board of Directors, member of Chamber of Financial Auditors of Romania, Member of International Association for Accounting Education and Research, Associate and Unique Director of Feleaga Contabilitate & Audit SRL.

Bogdan-Alexandru DRĂGOI

Independent Member of the Board of Directors[6]

Member of the Nomination Committee[7]

Date of birth: May 27, 1980

Year of the appointment in the BRD-Groupe Société Générale's Board of Directors: 2019

Term of mandate expires in: 2023

He has no shares in BRD-Groupe Société Générale's capital.

Information on mandates held: According to the information provided through the statement of affiliation, he has no executive and non-executive positions in not-for-profit institutions and fulfils the conditions regarding the number of mandates established by the law – he holds one executive mandate outside Société Générale Group and two non-executive mandates – one within BRD-Groupe Société Générale and one outside Société Générale Group.

Biography:

He graduated from the Tufts University, Fletcher, Boston, Massachusetts, specialization International

[6] *Starting with November 22, 2019*

[7] *Starting with December 6,2019*

Relations and Economics, graduated Magna cum Laudae. Is member of Golden Key Honor Society, has Order of the Star of Romania – rank of Knight and Sovereign Order of the Knights of Malta – Mare Cruce pro Merito Melitensi.

Has over 17 years' experience in areas such as finance, capital market, banks. He has also experience in relation with public state authorities.

Currently, is Chairman of the Board of Directors of SIF Banat-Crișana (starting with March 2015) and CEO (starting with July 2015).

Through his previous positions, he acquired experience and expertise in different areas of activity (Presidential Adviser – The Administration of the President of Romania, May 2012 - December 2014; Ministry of Public Finance, February 2012 - May 2012; Secretary of State – Ministry of Public Finance, January 2009 - February 2012; CEC Bank – Member of the Board, April 2009 - February 2012; EXIM Bank – President of Interministerial Committee for Financing, Warranties and Insurance (CIFGA), January 2009 - February 2012; Fondul Proprietatea – Member of the committee for selecting the manager of Fondul Proprietatea, March 2008 - October 2009; President of the Committee of the representatives of Fondul Proprietatea SA, September 2010 - February 2012; European Investment Bank – Member of the Board, Jan. 2009 - Feb. 2012; Council of Europe Development Bank – Member of the Board, Jan. 2009 - Feb. 2012; General Director, Economic Dept. – Bucharest Municipality, November 2007 - June 2008 etc.).

ATTRIBUTIONS AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The main competences of the Board of Directors, including those that cannot be delegated to members of the executive management, are set by law, by the Articles of Incorporation, Internal Regulations of the Bank, the "Directive on the management of approval of limits for loans and commitments", and also by the Directive ''Regulation of organization and functioning of the management body''. In cases permitted by the law, the General Assembly of Shareholders may delegate other attributions to the Board of Directors as well.

The Board of Directors sets the main business and development directions of the Bank and supervises the activity of the Bank and of the executive management, and also has the ultimate responsibility for the operations and the financial strength of the Bank. The Board of Directors decides on the accounting and financial control systems and approves the financial planning.

The Board of Directors approves the Bank's business and risks management strategy, and makes sure that the activity of the executive management complies with the approved strategy and policies.

The Board of Directors approves the organisational structure of the Bank, the risk management policy, the general remuneration policy of the employees, directors and officers of the Bank.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors meets whenever necessary, but at least once every 3 months.

The notices of the Board of Directors' meetings specify the place, date and the draft agenda for the meeting, and no decision can be made regarding unexpected issues, except for emergency cases and provided they are ratified by the absent members at the next meeting.

Minutes are drafted for each meeting and include the names of the participants, the order of the deliberations, the decisions made, the number of votes cast and the separate opinions.

On February 10, 2016, Mrs. Flavia Popa – Corporate Secretary was nominated as Secretary of the Board of Directors.

ACTIVITY OF THE BOARD OF DIRECTORS IN 2019

In 2019, 23 meetings of the Board of Directors took place, and the decisions of the Board were generally made with unanimity of votes.

The Directors attended to the Board of Directors' meetings as follows:

- Mr. Giovani Luca Soma (Chairman of the Board of Directors), François Bloch (Member), Mr. Benoît Jean Marie Ottenwaelter (Member), Mr. Jean-Pierre Georges Vigroux (Independent Member) and Mrs. Liliana Feleaga (Independent Member) attended to all the Board's meetings;
- Mr. Jean-Luc Andre Joseph Parer (Member) and Mr. Petre Bunescu (Member) attended to 21 meetings of 23 meetings;
- Mr. Philippe Laurent Charles Heim (Member), as long as he held the mandate, attended to all the meetings (18);
- Mr. Ioan Cuzman (Member), as long as he held the mandate, attended to all the meetings (3);
- Mr. Bogdan-Alexandru Drăgoi (Independent Member) attended to all the Board's meetings organized after receiving the NBR approval (3);

On the Board of Directors agenda the following subjects were included: the financial statements, Audit Plan for 2019, Financial Markets Compliance Report for 2018 and the control plan for 2019, the report regarding the internal control for 2018, the report on the measures taken in order to manage the significant risks during 2018, approval of the Liquidity Risk Management Framework, Remuneration Policy, Risks' assessment for 2019, Risk Appetite Framework, Risk Appetite Statement, Business and Risks Management Strategy for 2019-2021, the Internal Capital Adequacy Assessment Process - ICAAP for 2018, ICAAP Policy, Transparency and Publishing Requirements Report for 2018, Annual Report of Compliance Function for 2018 and, Strategy for 2019-2020, BRD Contribution to Société Générale Group Recovery Plan 2019, the main axes for the Bank's transformation, changes in the Bank's management, nomination of one interim director, modifications in internal regulations in its specific power, changes in the organizational structure, calls of the shareholders' meeting and all the notes related to the items on the agenda, changes in the structure of the committees set up to support the activity of the Board of Directors.

Also, on the Board of Directors agenda was presented the stage of Bank's Level Up Program.

During its meetings, the Board of Directors is regularly updated on the economic, monetary and financial environment, on the evolution of the regulations in force, Bank's financial and commercial results, significant risks, on the main events that took place within BRD and on the activity of committees set up to support the activity of the Board of Directors: the Audit Committee, Risks Management Committee, Nomination Committee, and Remuneration Committee.

COMMITTEES SET UP IN SUPPORT OF THE BOARD OF DIRECTORS

In order to develop and maintain good practices of business administration, the Board of Directors set up four committees that assist it in performing its attributions. The structure, the organisation and operation rules as well as the attributions of these committees are set and defined in the Committee Directive set up to support the Board of Directors.

AUDIT COMMITTEE

As at December 31, 2019, the Audit Committee consisted of 3 non-executive directors, of which 2 are independent. The members of the Audit Committee were: Mr. Jean-Pierre Georges Vigroux (Independent Chairman), Giovanni Luca Soma (Member) and Liliana Feleaga (Independent Member).

The members of the Audit Committee have the experience required for their specific attributions within the committee.

The Audit Committee meets on a quarterly basis or whenever necessary.

The Audit Committee assists the Board of Directors in performing its responsibilities in terms of internal control and financial audit. To this effect, the Audit Committee makes recommendations to the Board of Directors regarding the strategy and policy of the credit institution in the field of internal control and financial audit. The Audit Committee responsibilities are presented in the Bank's Corporate Governance

Code available to the interested parties on institutional site in section: https://www.brd.ro/en/about-brd/shareholders-and-investors/corporate-governance.

In 2019, 7 meetings of the Audit Committee took place, in which there were analysed the activity and reports of internal control and conformity, internal audit and external audit. The attendance was of 100%.

After each meeting, minutes were drafted, specifying the aspects that required improvements, as well as recommendations for their application.

REMUNERATION COMMITTEE

As at December 31, 2019, the Committee consisted of 3 non-executive directors, of which one is independent. The members were: Mr. Benoît Jean Marie Ottenwaelter[8] (Chairman), Mr. Jean-Luc André Joseph Parer (Member) and Mr. Jean-Pierre Georges Vigroux (Independent member).

The Remuneration Committee meets annually, or whenever necessary. In 2019, 4 meetings of the Remuneration Committee took place.

The members attended to the Remuneration Committee's meetings as follows:

- Mr. Jean-Luc André Joseph Parer and Mr Jean-Pierre Georges Vigroux attended to all the meetings of the Committee;
- Mr. Philippe Laurent Charles HEIM (Chairman of the Remuneration Committee), as long as he held the Director mandate, attended to all the Committee's meetings (3);

The Board Directors approved the nomination of Mr. Benoît Jean Marie Ottenwaelter as Chairman of this Committee starting with December 6, 2019 after the last Remuneration Committee meeting in 2019. In order to perform the attributions entrusted, the Remuneration Committee analyses the Bank's remuneration policy which it submits to the Board of Directors for approval; it submits proposals regarding the individual remuneration of non-executive directors and the additional individual compensation of the directors entrusted with specific functions within the Board as well as the individual remuneration of the officers; it supervises directly the remuneration of the coordinators of the risks management and compliance functions; and it supervises the application of the principles of the staff remuneration policy and informs the Board of Directors in this respect.

The Remuneration Committee responsibilities are presented in the Bank's Corporate Governance Code available to the interested parties on institutional site in section: https://www.brd.ro/en/about-brd/shareholders-and-investors/corporate-governance.

RISKS MANAGEMENT COMMITTEE

As at December 31, 2019, the Committee consisted of 3 non-executive directors. The members were: Mr. Giovanni Luca Soma (Chairman), Mr. Jean-Luc André Joseph Parer (Member) and Mrs. Liliana Feleaga (Independent Member).

The Risks Management Committee meets on a quarterly basis or whenever necessary.

In 2019, 4 meetings of the Risks Management Committee took place.

The members attended to the Risks Management Committee's meetings as follows:

- Mr. Giovanni Luca Soma and Mrs. Liliana Feleaga attended all the Committee's meetings;
- Mr. Jean-Luc André Joseph Parer attended to 3 meetings.

At the meetings of the Risks Management Committee may participate, as permanent guests, the members of the Executive Committee, Chief Financial Officer, Risk Piloting Pole Executive Officer/Risk Deal Flow Pole Executive Officer, Retail Distribution Executive Officer, Top Corporates Executive Officer/Sales Manager Top Corporates, DPF Executive Officer, Corporate Secretary.

[8]Starting with December 6,2019

The Risks Management Committee assists the Board of Directors in defining the global risks strategy of the Bank and the risk appetite and assists the Board of Directors in overseeing the implementation of such strategy.

Its objective is the management of significant risks, risks with high impact on the assets and/or image of the Bank (credit risk, market risk, liquidity risk, operational risk and reputational risk), as well as the risks associated to the outsourced activities. The Risks Management Committee's responsibilities are presented in the Bank's Corporate Governance Code available to the interested parties on institutional site in section: https://www.brd.ro/en/about-brd/shareholders-and-investors/corporate-governance.

NOMINATION COMMITTEE

As at December 31, 2019, the Committee was composed of 3 non-executive directors of the Board of Directors: Mr. Jean-Luc André Joseph Parer (Chairman), Mr. Giovanni Luca Soma (Member) and Mr. Bogdan-Alexandru Drăgoi[9] (Independent Member).

The Nomination Committee meets half-yearly or whenever necessary.

In 2019, 6 meetings of the Nomination Committee took place.

The members attended to the Nomination Committee's meetings as follows:

- Mr. Jean-Luc André Joseph Parer and Mr. Giovanni Luca Soma attended to all the Committee's meetings;
- Mr. Philippe Laurent Charles Heim, as long as he held the Director mandate, attended to all the Committee's meetings (5).

The Board Directors approved the nomination of Mr. Bogdan-Alexandru Drăgoi as member of this Committee starting with December 6, 2019 after the last Nomination Committee meeting in 2019.

In exercising its powers, the Nomination Committee identifies, makes proposals and submits for approval by the Board of Directors, the nominees to fill positions within the management body; is involved in formulating the policy on the selection, evaluation and sequencing of the management body members, which it submits to the Board of Directors for approval; it assesses periodically and at least once a year the structure, size, composition and performance of the management body and makes recommendations to the Board of Directors on any modifications which it considers necessary.

The Nomination Committee's responsibilities are presented in the Bank's Corporate Governance Code available to the interested parties on institutional site in section: https://www.brd.ro/en/about-brd/shareholders-and-investors/corporate-governance.

EXECUTIVE MANAGEMENT

The management and the coordination of the current activity of the Bank is delegated by the Board of Directors to the executive officers.

The executive officers of the Bank are elected by the Board of Directors, among directors or from outside the Board, and act together in the Executive Committee.

The Executive Committee is composed of the CEO and six Deputy CEOs. The Executive Committee is run by the CEO.

The year 2019 brought changes to the composition of the Executive Committee, as follows:

- ✓ Mr. Petre BUNESCU renounced to his Deputy CEO Finance/ Treasury position starting with March 1st, 2019;
- ✓ Mr. Jérôme Yann BRUN renounced to his Deputy CEO Risks position starting with August 31,2019;
- ✓ Mr. Philippe Yves Henri Pierre Marie THIBAUD was nominated as Deputy CEO Risks and received the NBR approval on February 18, 2020;

[9] Starting with December 6, 2019

- ✓ The Executive Committee was extended from 7 to 8 members by creating the position of Deputy CEO Legal & Administrative;
- ✓ Mr. Mihai Tiberiu SELEGEAN was nominated as Deputy CEO Legal & Administrative and received the NBR approval on November 22, 2019;
- ✓ Mr. Stéphane Benoit FORTIN was nominated as Deputy CEO Finance/Treasury and received the NBR approval on December 23, 2019;
- ✓ Mr. François José ALDEGUER position was renamed from Deputy CEO Resources into Deputy CEO Projects and Operations;
- ✓ Mr. Gheorghe MARINEL mandate as Deputy CEO Retail ceased starting with June 28th, 2019;
- ✓ Mr. Radu TOPLICEANU was nominated as Deputy CEO Retail and received the NBR approval on December 23, 2019.

MEMBERS OF THE EXECUTIVE COMMITTEE AS OF DECEMBER 31, 2019

François BLOCH

CEO

Year of the appointment as CEO: 2016

He directly coordinates the following structures: General Secretariat, Compliance Department, Human Resources Department, Transformation Processes & Consulting Division and Internal Audit Department.

He is member of various Committees set up to support the Executive Committee activity: Assets and Liabilities Management Committee, Risk Retail Committee, Internal Control Committee, Pricing Committee, Project Review Committee, Carrier Committee, Communication Committee, Innovation Committee, Customer Board Committee, Data Governance Committee, Benchmarks and Market Conduct Oversight Committee and he is Chairman of Crisis Committee.

Other information: please see the section “Board of Directors” of the present Report.

Alexandru-Claudiu CERCEL-DUCA

Deputy CEO - Financial Markets

Date of birth: February 17, 1968

Year of the appointment as Deputy CEO: 2008

He coordinates the Financial Markets Pole including the following structures: Financial Markets Division, Securities Division, Financial Markets Operations Support Service and Financial Markets Research Service.

He is member of various Committees set up to support the Executive Committee activity (Assets and Liabilities Management Committee, Internal Control Committee, Pricing Committee, Project Review Committee, Carrier Committee, Communication Committee, Innovation Committee, Customer Board Committee, Crisis Committee, Data governance Committee and he is Chairman of Benchmarks and Market Conduct Oversight Committee).

He has 1,030 shares in BRD-Groupe Société Générale's capital.

Information on mandates held: According to the information provided through the statement of affiliation, he has no executive and non-executive positions in not-for-profit institutions and fulfils the conditions regarding the number of mandates established by the law- one executive mandate within BRD-Groupe Société Générale.

Biography: graduated the Economic Studies Academy - Cybernetics Faculty, in 1992, as well as various management and leadership training courses organized both by Société Générale and other banking institutions: Nomura Bank (London), Bank of America (San Francisco), or the Montreal University and London Business School.

He graduated the Executive Master of Business Administration (EMBA) - ASEBUSS Bucharest / University of Washington, USA.

Between 1992 and 1993, he was a sales manager in the field of communications products. He has worked within BRD -Groupe Société Générale since 1993, and occupied the positions of Treasury Officer, FX technical analyst, FX trader, Treasury Deputy Manager, Market Operations Manager and Executive Officer of Financial Markets.

François José ALDEGUER

Deputy CEO Projects and Operations

Date of birth: June 12, 1960

Year of the appointment as Deputy CEO: 2017

He coordinates the following structures [10]: Business Solution Center Pole, Information Security Division, Operations Pole and Business Intelligence Center Department.

He is member of various Committees set up to support the Executive Committee activity (Internal Control Committee, Project Review Committee, Carrier Committee, Communication Committee, Innovation Committee, Customer Board Committee, Crisis Committee, Data governance Committee).

He has no shares in BRD-Groupe Société Générale's capital.

Information on mandates held: According to the information provided through the statement of affiliation, he has no executive and non-executive positions in not-for-profit institutions and fulfils the conditions regarding the number of mandates in companies established by the applicable law - one executive mandate within BRD Groupe - Société Générale.

Biography: He graduated from the University of Poitiers in 1983 and obtained a master Diploma in Finance and Project Management.

He has a professional experience of over 34 years, of which 22 years in the Société Générale Group.

In 1995, he began his collaboration with Société Générale within Project and Organization department from Paris, as consultant.

Later on, he occupied the following functions: Head of the "Collaborative Tools" Department (1997-2000), SG Equity - CRM project Manager (2000-2002), Senior Project Manager in SG International Banking Network (2002-2006), Head of Methods and Organization Department in SG International Universal Banking Network (2006-2011). Since 2011 to the end of January 2017, he has occupied the position of Chief Operations Officer (COO), Member of the Management Board of Société Générale Algérie.

Yves Jean Guenole LALLEMAND

Deputy CEO Global Corporates

Date of birth: December 17, 1967

Year of the appointment as Deputy CEO: 2018

He coordinates the Global Corporates Pole including the following structures: Senior Banker, Environmental Social and Positive Impact Financing Director, Corporates Transversal Management Center, Top Corporates Coverage Division, SME Coverage Department, Corporate Marketing & Sales Management Department, Corporates Credit Group Department, Structured Finance Division, Corporate finance Division, Global Transaction Banking Department.

- [10] *During 2019 some activities were transferred to the Deputy CEO Legal &Administrative (Logistic Division, Real Estate Division; Security Division; Personal Data Protection Cell) and to the Deputy CEO Finance Treasury (from Operational Pole activities such as Transport & Cash Administration Division and Administrative Services Division were transferred to the Deputy CEO Finance Treasury as Cash Administration Department).*

He is member of various committees set up to support the Executive Committee activity (Assets and Liabilities Management Committee, Internal Control Committee, Pricing Committee, Project Review Committee, Carrier Committee, Communication Committee, Innovation Committee, Customer Board Committee, Crisis Committee, Data governance Committee).

He has no shares in BRD-Groupe Société Générale's capital.

Information on mandates held: According to the information provided through the statement of affiliation, he has no executive and non-executive positions in not-for-profit institutions and fulfils the conditions regarding the number of mandates in companies established by the applicable law - one executive and one non-executive mandate within BRD Group.

Biography: He obtained a Master's Degree in Business Administration with HEC (Hautes Etudes Commerciales). He has a professional experience of over 26 years in Société Générale Group.

In 1992 he began his collaboration with Société Générale within General Inspection Department as Inspector.

Later on, he occupied the following functions in Société Générale : Managing Director – Strategic and Acquisition Finance (June 1999 – September 2005), Global Head of Structured Leasing (October 2005-December 2006), Deputy Global Head of Infrastructure and Asset Finance (January 2007 – March 2013), Global Head of Corporate Clients and Member of the Management Board of the International Banking and Financial Services Division (April 2013 - August 2016) and Advisor to Société Générale Splitska Banka Chairman of the Management Board (August 2016- September 2016). He also exercised the following directorships inside the SG Group: member of the Board of Directors of Société Générale Algeria (from August 2014), Chairman of the Supervisory Board of SG Leasing Croatia (August 2016 - May 2017), Chairman of the Management Board of Société Générale Splitska Banka (September 2016 – May 2017).

In May, 2017 he became Advisor to the Head of the European Region, Société Générale, function he held until August 2017.

In August, 2017, he joined BRD - Groupe Société Générale as Advisor of BRD's CEO.

Mihai Tiberiu SELEGEAN

Deputy CEO Legal & Administrative

Date of birth: July 23, 1975
Year of the appointment as Deputy CEO: 2019
He coordinates the following structures: Legal department, Logistic Division, Real Estate Division, Security Division, Personal Data Protection Cell.

He is member of various committees set up to support the Executive Committee activity (Internal Control Committee, Project Review Committee, Carrier Committee, Communication Committee, Innovation Committee, Customer Board Committee, Crisis Committee, Data governance Committee and he is Chairman of Safety and Occupational Health Committee and of Follow-Up Committee.

He has 700 shares in BRD-Groupe Société Générale's capital.

Information on mandates held: According to the information provided through the statement of affiliation, he has no executive and non-executive positions in not-for-profit institutions and fulfils the conditions regarding the number of mandates established by the law- one executive mandate within BRD-Groupe Société Générale.

Biography: He graduated from Law School – University of Bucharest and has a Master degree in International Business Law from Central European University, Budapest.

He has an extensive experience in various areas in the legal field: Expert at Council of Europe, Strasbourg (2006-2009) being in charge with the assessment of the state of the reforms for the judiciary and with the creation/reforming/improvement of work for institutions in charge with the training of judges and prosecutors; Deputy Director (July 2003 – January 2004) and then Director of the National Institute of Magistracy (2004-2008), coordinating the training of future and sitting judges and prosecutors in the field of European Convention on Human Rights (ECHR) (2002-present),etc. He is also author of different publications in legal field.

From January 2017 to June 2019 he was Member of the Supervisory Board of the Euro Bank S.A.

In April 2008, he joined BRD - Groupe Société Générale by taking over the position of Legal Executive Director. NBR approved him in this quality in 2015.

Stéphane Benoit FORTIN

Deputy CEO Finance/Treasury

Date of birth: *October 5, 1973*
Year of the appointment as Deputy CEO: 2019
He coordinates the following structures: Financial Department, Level 2 Accounting Control Service, Acquisitions Division, Cash Administration Department.

He is member of various committees set up to support the Executive Committee activity (Assets and Liabilities Management Committee, Internal Control Committee, Project Review Committee, Carrier Committee, Communication Committee, Innovation Committee, Customer Board Committee, Crisis Committee, Data governance Committee).

He has no shares in BRD-Groupe Société Générale's capital.

Information on mandates held: According to the information provided through the statement of affiliation, he has no executive and non-executive positions in not-for-profit institutions and fulfils the conditions regarding the number of mandates established by the law- one executive mandate and one non-executive within BRD Group.

Biography: He graduated from Nancy Commercial Institute (ICN) and has a Master degree in Technical sciences, accounting and finance (MSTCF).
Mr. Fortin is a person with over 23 years' experience inside Société Générale Group, of which over 19 in management positions such as: Administrative and Financial Director Bank Société Générale Vostok –Russia (2009-2011), Financial director, Member of Executive Committee Société Générale Serbia (2004-2009), Controlling Director Société Générale Expressbank Bulgaria (2000-2004).
In 2011, he joined BRD - Groupe Société Générale by taking over the position of Chief Financial Officer. NBR approved him in this quality in 2013.
In Romania, he was also unique director of BRD Corporate Finance SRL (Bank's subsidiary specialised in M&A's and structured finance) and starting 2011 is member of the Board of Directors of BRD Sogelease IFN SA (Bank's subsidiary specialised in financial leasing.)

Radu - Octavian TOPLICEANU
Deputy CEO - Retail

Date of birth: July 9, 1969
Year of the appointment as Deputy CEO: 2019
He coordinates the following structures: Marketing and Product Management Department, Retail Distribution Department, Retail Transversal Management Center, European Funds, National Programs and Partnership Department and Network: Regions Retail.

He is member of various committees set up to support the Executive Committee activity (Assets and Liabilities Management Committee, Internal Control Committee, Pricing Committee, Project Review Committee, Carrier Committee, Communication Committee, Innovation Committee, Customer Board Committee, Crisis Committee, Data governance Committee.

He has no shares in BRD-Groupe Société Générale's capital.

Information on mandates held: According to the information provided through the statement of affiliation, he has no executive and non-executive positions in not-for-profit institutions and fulfils the conditions regarding the number of mandates established by the law- one executive mandate within BRD-Groupe Société Générale.

Biography: He graduated from Faculty of Energetics at Bucharest Polytechnic University and has a Master in Business Administration at Asebuss Master and another in Executive Banking School at Consumer Banking Association USA.

Mr. Radu Topliceanu is a person with more than 20 years' experience in Retail banking activities,

who contributed to the successful transformations of this sector across diverse markets, leveraging deep knowledge of segments, products and channels.
He occupied the following functions: Director to Standard Chartered Bank – Singapore (January 2018 – July 2019), Head of Retail Segment and Multichannel Distribution – Europe for Sberbank – Vienna (October 2016 - December 2017), Head of Sales and Distribution – Europe for Sberbank Europe – Vienna (January 2014 –September 2016) and for almost 11 years he coordinated different areas in retail sales for Raiffeisen Bank Romania and Vienna, as Digital Banking Director (2002-2005), Sales Director –Retail Division (2005-2006), Head of Sales and Distribution- South Eastern Europe (2006-2007), Sales Finance Director (2007-2008), Executive Director- Head of Lending Area (2008-2009), Executive Director -Head of Mass Customer Area (2009-2011) and Executive Director –Head of Private Individual Customers –Segments and Products (2011-2013).
He was member of Supervisory Board and member of Risk Committee of Sberbank Slovenia (2016-2017).
In 2019, he joined BRD - Groupe Société Générale by taking over the position of Advisor of the CEO on retail field.

ATTRIBUTIONS AND RESPONSIBILITIES

The executive officers are in charge of taking all the measures in relation to the company management, within the limits of the company's object of activity and in compliance with the powers exclusively reserved by law or by the Articles of Incorporation to the Board of Directors and the General Meeting of Shareholders.

Each executive officer is vested with all the powers to act on behalf of the Bank and to represent it in the relationships with third parties, in any circumstances related to the activities that they coordinate, in compliance with the legal provisions, the Articles of Incorporation and the Internal Regulations of the Bank.

Within the limit of the powers and responsibilities set forth by the Board of Directors, the executive officers act jointly, organised in the Executive Committee, for a series of activities / operations specific to the activity of the Bank, detailed in the Articles of Incorporation, in the Internal Regulations of the Bank, the Directive on the management of approval limits for loans and commitments and in the Directive "Regulation of organization and functioning of the management body".

MEETINGS OF THE EXECUTIVE COMMITTEE

The meetings of the Executive Committee are held at least once every two weeks, or any time the activity of the Bank requires it.

In 2019, 102 meetings of the Executive Committee took place.

The decisions of the Executive Committee are made with the majority of the members' votes. Voting cannot be delegated within the meetings of the Executive Committee.

The minutes of the meeting are signed by the executive officers who attended the meeting immediately after their drafting.

The Executive Committee provided the Board of Directors, regularly and comprehensively, detailed information about all the major aspects of the Bank's activity, including risk management, potential risk assessment and compliance matters, measures taken and recommended, irregularities found while performing its attributions. Any major event is communicated immediately to the Board of Directors.

COMMITTEES SET UP IN SUPPORT OF THE EXECUTIVE COMMITTEE

The committees set up to support the Executive Committee assist it in performing its attributions on various business lines, particularly on the operational activity of the Bank. The members of these committees are the members of the Executive Committee and the management of the structures impacted.

In order to constantly adapt, improve and follow strategic orientations, new committees have been created starting October 2019: Data Governance Committee and Benchmarks and Market Conduct Oversight Committee.

The most important committees are:

INTERNAL CONTROL COMMITTEE

It is a permanent consultative committee, which has as main task to analyse the adequacy of the internal control framework, including business continuity and crisis management as regards organizing / functioning, by analysing the results obtained and the deficiencies found in the internal control activity. In order to fulfil its mission, the main themes subject to debate in the committee are operational risks, activity continuity and crisis management, managerial supervision, managerial supervision of accounts, audit, conformity and reputational risk, IT security, deficiencies found in the supervision reports / minutes of the authorities, protection of personal data.

ASSETS AND LIABILITIES COMMITTEE

It is a permanent consultative committee which assists the Executive Committee in performing its attributions related to the management of assets and liabilities structure, liquidity and funding sources management, structural risks management (interest rate risk and foreign exchange risk in the banking book) and capital management.

COMMITTEE FOR NEW PRODUCTS

It is a permanent consultative committee that ensures the identification, the analysis and the reliable measurement of risks associated to new products, offered to the Bank's clients, including material changes of the existent products.

PRICING COMMITTEE

It is a permanent consultative committee whose mission is to analyze and propose measures to the Bank's decisional bodies on pricing policy and strategy (commissions and fees, interest rates) regarding the Bank's products, taking into consideration the budgetary targets, the competitive environment, the commercial strategy and market developments.

RETAIL RISK COMMITTEE

It is a committee whose mission is to formalize the measures proposed by Bank's structures in order to improve the Bank's retail lending activities.

CUSTOMER BOARD

It is a permanent consultative committee dedicated to customer experience, which aims to ensure at the level of the whole Bank the efficiency of the process of improving the quality of the experiences offered to the clients, from the perspective of the feedback received from the clients.

OTHER COMMITTEES: Crisis Committee, Safety and Occupational Health Committee, Projects Review Committee, Follow-up Committee, Career Committee, Communication Committee, Innovation Committee.

BRD - GROUPE SOCIÉTÉ GÉNÉRALE'S SHARES HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS AND OF THE EXECUTIVE COMMITTEE AS AT DECEMBER 31 2019:

Name	Number of shares
Petre BUNESCU	300,000
Alexandru - Claudiu CERCEL - DUCA	1,030
Tiberiu Mihai SELEGEAN	700
TOTAL	301,730

RIGHTS OF SHAREHOLDERS

BRD-Groupe Société Générale respects the rights of its shareholders and ensures equal treatment for all of them.

VOTING RIGHT

The Bank's shares are indivisible and confer equal rights to their holders, each share entitling to one vote in the General Assembly of Shareholders.

General Assemblies are called by the Board of Directors.

The notice of meeting is sent at least 30 days before the date set, in compliance with the legal provisions regarding the publicity and notification of the Financial Supervisory Authority - Financial Instruments and Investments Sector and of the Bucharest Stock Exchange ("BVB").

The shareholders can attend the General Assemblies personally, through a representative or they can vote by correspondence. Forms of power of attorney and vote by correspondence are made available to the shareholders in the special section on the Bank's own Internet page.

The procedures regarding the works of the General Assembly of the Shareholders are available to shareholders and other interested parties on the institutional site.

RIGHT TO DIVIDENDS

Each share of the Bank, held by a shareholder at the registration date (set according to the specific regulations and approved by the General Assembly of Shareholders) entitles the shareholder to dividends for the prior financial year, in the quantum and conditions established by the General Assembly of Shareholders.

The Dividend Policy is available to shareholders and other stakeholders on institutional site in Corporate Governance section: https://www.brd.ro/en/about-brd/investors-and-shareholders/corporate-guvernance/dividend-policy immediately after the Board of Directors approval.

The dividend policy reconfirms the engagement of the Board of Directors to offer shareholders the opportunity to obtain a return for the invested capital and for the Bank the opportunity for a sustainable development.

RIGHT TO INFORMATION

BRD makes sure its shareholders have access to relevant information, so that they may exercise all their rights in an equitable manner. The communication strategy of the Bank relies on the following principles:

- Equal access to information for all shareholders and immediate availability of relevant information;
- Meeting deadlines for the publication of the results;
- Transparency and coherence of the provided information.

BRD-Groupe Société Générale sets up and maintains a dedicate structure managing the relation with investors and other stakeholders.

Shareholders / investors may send their requests to the Bank through e-mail or over the telephone, at the contact data displayed on the institutional site. The relevant information is published on the Bank's internet page, both in Romanian and in English.

For the information of shareholders and investors, the Bank sets at the beginning of the year a financial reporting calendar, which it sends to the Bucharest Stock Exchange and to the Financial Supervisory Authority. The quarterly financial reporting is prepared according to International Financial Reporting Standards as adopted by the European Union - and in compliance with the regulations specific to the capital markets.

In order to communicate on its financial results, BRD-Groupe Société Générale organizes meetings/ live audio webcasts with financial analysts, investment consultants, brokers and investors. These meetings during which the results of the Bank are presented are an opportunity for Bank’s management and the financial market analysts to exchange opinions. The same policy of transparency has been adopted

regarding the communication with the rating agencies and with capital markets institutions. In 2019, the Bank organised 1 meeting for presenting the preliminary financial results as at December 31, 2018 and 4 live audio webcasts for the interim financial results.

The financial calendar for the year 2020 is the following:

Publication of the preliminary financial results December 31, 2019 and meeting with journalists for presenting these results	February 06, 2020
Presentation of the preliminary financial results for the year 2019 and for Q4 2019 broadcast through a live audio webcast	February 7, 2020, starting at 11:00 (local time) | 09:00 (GMT).
General Assembly of Shareholders	April 23, 2020
Publication of the Annual Report 2019 – financial results as of December 31, 2019	April 23, 2020
Communication of results as of Q1 2020	May 06, 2020
Communication of results as of 1st half of 2020	August 03, 2020
Communication of results as of Q3- 2020	November 05, 2020

3. HUMAN RESOURCES

KEY FIGURES 2019

- **6,751** active employees in BRD, with:
  - **1,186** external recruitments
  - **1,265** functional mobility
  - **17.4%** total turnover, out of which **11.6%** voluntary turnover.

The number of active employees of the Group as of 2019 end was 7,356 (2018 end: 7,471) while the number of active employees of the Bank as of 2019 end was 6,751 (2018 end: 6,882). Active employees are employees present at work (excluding maternity leave and long - term sick leave).

In 2019, the Human Resources Department (HR) continued to deliver projects and actions in line with the strategic HR axes: career management, managerial development, employee engagement, efficiency and communication.

BUSINESS SUPPORT AND CONTINUOUS IMPROVEMENT

HR offered specific support in various business projects that aimed to optimize the structure of the Bank in order to be more efficient and provide quality services to our clients. The Bank's goal was to ensure efficient and dynamic structures, in order to maximize business results. Among the main projects: optimizing the structure of different departments in headquarters, territorial reorganization at network level (relocations, closures and merger of agencies) and delivering support for special projects, etc.

CAREER MANAGEMENT

Throughout last year, meetings between HR and employees continued in order to assess the potential of each employee and ensure they are occupying the right position according to their experience and skills. In 2019, more than 1,200 employees changed their position as a result of the Bank's internal mobility policy. Changes of functions were accompanied by specific training paths, which contain various learning methods.

Almost 1,200 persons were recruited in 2019 from outside the Bank, mostly in network positions, in order to fill existing vacancies, expand the commercial capacity, and achieve the selling objectives of the Bank.

90% of our employees have graduate studies and 10% undergraduate studies.

TRAINING & RISK AWARENESS

In 2019, the training strategy was mainly aimed at the improvement of commercial and risk management skills for all BRD employees, built around the following strategic axes:

- Developing a risk culture awareness in BRD through mandatory e-learning programs developed in cooperation with Société Générale Group ("International sanctions", "Information security", "Compliance principles in Société Générale", "Anti-money laundering / Counter-terrorist financing – Awareness) and local e-learning programs (SSM, KYC&AML, "Anti-money laundering and fight against terrorist financing", "GDPR", "Market abuse", "Fatca", "Anti-corruption", "KYC - fundamentals"); and local e-learning (SSM, "Physical security events"), increasing the number of case studies presented during face-to-face trainings;

- Integrated training programs for the new front office employees. These programmes are focused on product knowledge and product related risks, increasing behavioural competencies and commercial abilities development. The training approach includes face-to-face sessions and practical exercises;

- Business Academies adjusted to the Bank's customer segments - Retail Individuals (mass-market & affluent), Retail Small Business, and Non-Retail. These trainings are modular

programs hierarchically customised, on different levels of complexity, covering three areas: offer, financial and risk analysis and skills - sales, communication, negotiation, etc.;

- Tailor-made training programs for each business line developed and updated according to the expressed business requirements and regulatory developments;
- Behavioural training programs (customer care, communication, sales & negotiation techniques, complaints' management, public presentation, stress management, conflict management, teamwork);
- Other training programs, based on business requirements and regulations:
  - ✓ risk awareness sessions for front office teams;
  - ✓ certification-trainings in the field of insurance and private pensions for front-office employees;
  - ✓ MiFID II e-learning courses.

EMPLOYEE ENGAGEMENT AND IMPACT IN EDUCATIONAL ENVIRONMENT

Employee's motivation and engagement continued to be one of the strategic axes of BRD. Actions for improving employees' motivation included: Human Resources meetings organized at an interval of minimum 18 months, increased volunteering actions among employees through Human Resources programs organized in universities both in Bucharest and in the country and high schools, employee's involvement in employer branding activities among university students using partnerships with: student NGOs, universities, schools and other NGOs. An integrated program of education and empowerment in the area of banking was implemented in some locations and partnerships with academic partners (Mindcraft Academy by BRD deployed in Bucharest in 3 universities, and in Baia Mare, Cluj Napoca, Bistrita, Iasi, Craiova, Timisoara, Arad, Pitesti).

The Mindcraft Academy program was extended to high schools - workshops on financial education, internships and career talks.

In 2019 one course on "Banking techniques" (included in the official curriculum) was created and is piloted in Xenopol Highschool and FABIZ/ASE.

The university curricula was further extended:

Politechnics

- Optional course at Faculty of Marketing and Engineering and Master – audit, risk, financial education.

- In 2020 - 2021, one course within the Master "Smart Cities" – bank's role/position in creating a smart city

University of Bucharest

- Seminaries at Faculty of Marketing and Cybernetics on Financial Analysis in 2019, at Master Program in Consultancy

WORK/LIFE BALANCE

"The BRD ID Matters!" is the project through which discounts are negotiated for BRD employees, formalized under a series of agreements. BRD employee rebate program is simple, easy to use and has one goal - to offer and promote the best deals.

In 2019, the portfolio of partnerships continued to be reviewed and renewed and now we have 243 top-level national partners, being thus accessible and easy to use for all employees. Efforts to extend the number of partnerships will further benefit from involving colleagues from Retail in identifying partners.

At the same time, there were new initiatives, while other existing events were extended:

- "Bookster" is a modern library that delivers books directly to the office and provides an online platform where the employees can borrow books, read case studies online or watch TED videos or courses taught at top universities. They can choose among thousands of books on

professional and personal development areas, social affairs, finance, success stories, hobbies, time management, literature, etc.

- Organizing fairs for various events, for example: the 1st of March (Martisor), Children's Day, Easter, Christmas, before starting school, etc.
- Organizing seminars on: health (ophthalmologic consultation, dental or body fitness assessments), Mindfulness ("Mindfulness Based Stress Reduction"), parenting ("My child's needs") or English communication (English through film workshop for employees)
- Improvement of working environment, methods tailored to different populations.

REMUNERATION POLICY AND PRACTICES

The BRD Remuneration Policy and Practices respects:

- local and EU regulations: Regulation 5/2013 BNR, CRD IV, 604/2014, MiFID II, Volker
- EU guidelines on sound remuneration policy and remuneration of sales staff
- Société Générale policies

The Remuneration Policy is approved by the Board of Directors of BRD on the recommendation of the Remuneration Committee.

BRD REMUNERATION POLICY

- Is constantly adapted to the culture, growth and profitability objectives and to the long-term strategy of the Bank, as well as its control framework;
- Promotes a sound and efficient risks' management;
- Helps limit and control of possible operational risks without encouraging any risks that exceed the Bank's risk tolerance level. The Bank encourages a prudent behavior (avoiding excessive risks);
- Recognises the individual and collective performance, while encouraging teamwork, ensuring a fair and competitive remuneration subject to strictly complying with the powers and performance; performance is assessed in a multiannual framework;
- In evaluation of individual performance, financial and non-financial criteria are considered, as: accumulated knowledge, personal development, contribution to the team's performance etc.

The Bank ensures a correct and competitive remuneration, by strictly complying with competences and performances, with 2 components correctly proportioned:

- fixed component
- variable component.

Fixed remuneration - reflects the relevant professional experience and organisational responsibility, according to the employee's Job Description as part of the employment terms. Fixed remuneration represents a sufficiently high proportion of the total remuneration to allow the application of a fully flexible policy on the components of variable remuneration, including the possibility of not paying any of its components.

Variable remuneration - reflects sustainable and risk-adjusted performance as well as the performance that exceeds the necessary performance to fulfil the duties provided for in the employee's Job Description as part of the employment terms.

Variable remuneration:

- It is not guaranteed or carried forward automatically from one year to another. The variable component distribution mechanisms do not guarantee the granting of sums over several years. Thus, the variable remuneration is subject to a fair annual review process;
- The guaranteed bonuses are prohibited. BRD personnel is not overly dependent on bonuses;
- It does not limit the Bank's ability to strengthen its capital base;

- It is not paid through means or methods that facilitate the circumvention of the regulations in force;
- It does not encourage taking risks which influence the Bank's risk profile;
- It also takes into consideration all current or future risks;
- Payments relating to the early termination of a contract reflect performance achieved over time and do not reward failure or misconduct.

The Bank may decide to reduce or not even grant the variable remuneration if it cannot be supported in accordance with the overall financial situation of the Bank, of the structure in which the activity is carried out and the employee concerned.

The variable remuneration is considerably reduced if the Bank records a poor or negative financial performance, taking into account both the current remuneration as well as the reductions in payments related to the sums due, as previously determined, including malus or clawback agreements signed. Up to 100% of the variable remuneration is subject to malus or clawback signed agreements.

For different types of jobs, it is possible to use different schemes for granting the variable remuneration. There is a maximum limit defined for the variable component, which may not exceed 100% of the fixed component of the total remuneration.

For sales staff, commercial objectives are set to take into account the rights and interests of the consumers, so that:

- Sales process is in the client's interest;
- They do not promote the provision of a specific product/ service or a category of products/ services over others products/ services such as products/ services which are more profitable for the institution or for an employee, to the detriment of the consumer.

The special principles applicable to the categories of identified staff are:

- The variable remuneration may decrease or not even be paid at all.
- The personnel members are paid, or receive the rights related to the variable remuneration, including the deferred part thereof only if the variable remuneration can be supported in accordance with the Bank's overall financial situation and if it can be justified in accordance with the performance of the Bank, the structure in which the activity is carried out and the individual concerned.
- The personnel members receive the rights of the deferred part of the variable remuneration, subject to the fulfillment of the minimum performance requirements.
- A major part, which, in all cases, accounts for at least 40% of the variable remuneration component, is deferred for a period of at least 3 years. For identified staff, at least 50% of any variable remuneration shall consist of shares or equivalent, which are subject to an appropriate retention policy, designed to harmonise the incentives with the Bank's long-term interests.
- The personal strategies for risk hedging or insurance policies related to remuneration and liability to counteract the risk alignment effects stipulated in the personnel remuneration agreements are prohibited. One may insure the currency risk using derivatives.

Financial data for 2019, according to the disclosure requirements covered by Art. 450 (h), EU Regulation 575/2013, will be published at a later date, on the Bank's website.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

a) Remuneration of the members of Executive Committee (including CEO)

Remuneration is composed from monthly fix remuneration and variable annual remuneration granted as performance bonus. For management expatriate staff are granted some benefits according to Société Générale policy, in order to facilitate their living with families in Romania.

b) Remuneration of the members of the Board of Directors

For 2019, the Ordinary General Assembly of Shareholders approved an individual remuneration for the non-independent non-executive directors amounting to EUR 1,800/ month (gross amount, in lei equivalent) and for the independent non-executive directors amounting to EUR 3,600/ month (gross amount, in lei equivalent) including 19.9% for the contributions transfer.

General limit for the directors' and members of the Executive Committee remunerations, including additional remunerations, for 2019, amount to RON 17 million, gross amount (tax transfer compensation is included).

4. CORPORATE AND SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) within BRD consolidates the role the Bank has assumed as a bank in society: a trusted partner for its clients, committed to help them realizing their goals and driving positive transformation for the economy and the future of Romanian society.

BRD's CSR policy supports development, innovation and sustainability for both the Bank and its stakeholders, being one of the four principles of Level Up, the strategic development program assumed by the Bank at the end of 2017.

RESPONSIBILITY APPLIED TO BUSINESS LINES

The Société Générale Group, of which BRD is a member, signed in 2001 the United Nations Declaration on Environment and Sustainable Development and acceded in 2003, both on its own behalf and on behalf of the entities of the Société Générale Group, to the United Nations Global Pact.

BRD applies the Equator Principles since 2009. This commitment taken by Société Générale Group provides, for the social and environmental risk assessment of projects, the allocation of over USD 10mn.

In 2017, Société Générale pledged to help raise EUR 100bn in financing for the energy transition between 2016 and 2020 and to report regularly the achievements. Currently, this objective has been achieved in a proportion of 69%.

SG Group also adopted in 2018 exclusion policies for oil exploration and extraction activities from desert areas and Arctic zone.

RESPONSIBILITY TO THE COMMUNITY

BRD invests in the society, the main axes of action being education & technology, culture, sport, solidarity and the environment.

EDUCATION, TECHNOLOGY AND INNOVATION

BRD considers education one of the main engines for the development of society and, as a result, most of Bank's projects have an educational component.

Scoala9 is the education platform launched by BRD together with journalists from DOR. The publication, which is an initiative to support the modernization of pre-university education, soon became a space that gathers ideas and launches a challenge to dialogue with all actors - teachers, parents, students, decision makers (institutions), education specialists - regarding the direction in which the Romanian education is going, also addressing the best methods dedicated to the development of the performance and quality in education. Platform raised up to 150,000 monthly unique visitors.

The Bank initiated and carried out in 2019 the **MyAntipa project**, another space for debate on modern education. Bringing closer to the public what is invisible in the world of Antipa Museum (stories, values, people, archives), through the eyes of those for whom the museum has a special meaning and history, the project aims to offer to the public a new type of content and to highlight the resources of the museum.

BRD supports the development of Romania through technology and innovation, by being involved in the preparation of key players (new generation, IT and technology specialists and entrepreneurs) for a digital society. In 2019, the Bank continued to develop the main projects in the field of technology and innovation, under the umbrella of **MINDCRAFT**, which have a direct impact on the Romanian youth - the most "native and natural" ready to build a digital future.

MINDCRAFT – BRD development hub is a platform-program aiming to encourage young people to develop through technological creativity and innovation. BRD's support is reflected in partnerships with competitions and programs that encourage technological creativity: national robotics competitions like BRD First Tech Challenge, 2 robotic labs opened inside the Polytechnic University of Bucharest (one for pupils from FTC competition system and one for students and young entrepreneurs in technology), Innovation Labs and RIDS (Romanian Institute of Data Science) Partnership. Together, these projects have an impact on over 50,000 beneficiaries: students, teachers, young entrepreneurs in technology.

BRD First Tech Challenge program makes robotics and technology accessible in high schools all around the country. It challenges students to design, build and program robots, and teachers to adopt teaching methods focused on pragmatic learning. By 2022, BRD First Tech Challenge will help 250 high schools and more than 200,000 students to develop tech and robotics skills.

At the same time, BRD's promise is reflected in programs for developing youth entrepreneurship through partnership with *Innovation Labs* - the biggest business accelerator for young entrepreneurs in Romania. Young people are encouraged to develop tech products and to open their own business under the mentorship of specialists from Romanian business environment.

BRD also continued in 2019 the **MINDCRAFT Academy** program, which supports entrepreneurial spirit and brings added value to the educational process through relevant and complete learning experiences. Initiated in 2016, as a way of dialogue with students, in order to promote the image of employer, it has expanded in 3 years into 9 cities and 12 university centres. In total, approximately 3,600 students participated in the program's activities among which:

- Workshops on soft and hard skills from 2 perspectives - potential employee/entrepreneur (financial analysis, cash management, bank services and products, customer care, time management, lateral thinking, public speaking, asset management);
- Mentoring one-on-one
- Career counseling based on specialized testing tools (GPI)
- Open days@ BRD - Audit, Commercial, HR, Accounting, Asset Management;
- Stages and internships
- Innovation - based on acquired knowledge and skills the students develop and present their solutions to a panel of BRD executives and managers

Last but not least, BRD intends to develop a journalistic project dedicated to technology and science enthusiasts. Thus appeared **MINDCRAFT Stories**, in mid-2019, a communication platform, which opens a conversation on technological discoveries, inventions and the new, paying particular attention to the Romanian scientific landscape, but not only.

CULTURE

BRD invests in supporting contemporary culture and young creators. Speaking of classical music, visual or the performing arts, the Bank aims to develop or support projects, platforms that give young generations access to financing, promotion or exhibition spaces, or projects that offer wider public access to the culture, which build new audiences, especially young.

Fundatia9 is the BRD initiative, by which it focuses mainly on this objective, to support today's young creators. The Foundation has 3 major programs:

1. **Scena9**, the platform for cultural journalism founded in 2015, already an important voice on the Romanian cultural scene, a space where journalists, illustrators, artists, photographers which illustrate the new generation of creators in the most varied fields, from art to science, follow their projects and their evolution. They are the ones who draw the portrait of this new generation that makes our world spin. Scena9 has 700,000 online readers per year and also appears on paper in 5,000 copies;
2. **Rezidenta BRD Scena9**, a cultural centre dedicated for the young generations of contemporary culture creators, that accommodates, finances and produces an interdisciplinary cultural program, which has visual arts in the center;
3. ***Fondul de Cinema "Lucian Pintilie",*** a program created in memory of this important Romanian film director. The fund has the purpose to honor the memory of the big filmmaker and to offer support to author movies, signed by Romanian debutant directors, under the spirit of Pintilie cinematography. If in 2018, the Foundation granted 3 scholarships to Romanian filmmakers, in 2019 it financed and organized the restoration of the movie "Balanta", one of the most important films of Pintilie and of the Romanian cinema, film that was in an advanced state of degradation. In this way, the Foundation makes it possible to know part of the Romanian cultural heritage by future generations, the movie is already playing on big screens all over the country.

PERFORMING ARTS

In 2019, BRD continued its partnership with the Sibiu Theatre Festival, inviting the general public to discover "Microfolie", which combines culture with education and technology, a virtual journey through 12 famous museums.

Also in partnership with the Sibiu Theatre, BRD organized the traditional theatre tour "Manifest for dialogue" - a unique project in the Romanian theatrical landscape that debuted four years ago and has become, since the first edition, a platform for dialogue between spectator audiences and artists. The 2019 edition has toured, in 7 cities in Romania, the play "Perfect Composed" by Alexandra Badea - young director and playwright of Romanian origin.

CLASSICAL MUSIC AND CONTEMPORARY ART

The classical music projects supported by BRD reflect responsibility, innovation and excellence, while also trying to bring this kind of music closer to the public, especially young people.

SoNoRo Conac (Mansion) is a series of 10-15 musical chamber concerts that started from the idea of increasing the public awareness about the multitude of heritage buildings, some rehabilitated, others in danger of degradation - fabulous, spectacular and elegant buildings which could be used for cultural purposes, with multiple benefits for the entire community.

Stradivarius Tour is another project that combines artistic excellence with generosity, initiated by the villonist Alexandru Tomescu in 2008. The 2019 edition meant: 15 concerts in 14 cities, over 8,000 km, crossed in the 30 days and over 10,000 spectators in the sold-out concert halls. During these tour, people are encouraged to contribute financially to support "*Enescu Academy*" - a project aiming to bring artistic education to children from the north part of Romania.

Both Sonoro Conac and the Stradivarius Tour, took place in 2019 under the umbrella of the France - Romania Season, the largest public and cultural diplomacy project carried out by the two states, which included meetings, exhibitions, festivals in 30 cities in the country.

As a strategic partner, BRD opened the season with a contemporary art exhibition "Species of Spaces", which brought together 24 works from the contemporary art collection of Société Générale, being open to the public at the National Museum of Art of Romania, from April to July. In parallel, the BRD Scena9 Residence hosted, in the same context, the exhibition "Space (continuation and end)", both being curated by Mihnea Mircan.

And also as an investment in contemporary art, the Bank was, for the fifth year, the main partner of the White Night of the Galleries.

SPORTS

The sport was, also in 2019, among the strategic axes, focusing on tennis and handball. The most important partnerships were the WTA BRD Bucharest Open Tournament and the partnership with the Romanian Handball Federation.

For four years, the Bank has been the main sponsor of two international tennis tournaments, from the ITF Wheelchair Circuit, reserved for wheelchair players: "BRD Bucharest Wheelchair Tennis" and "BRD Argeș Wheelchair Open", which gather at the start, at the FRT National Center of Tennis and Tennis Club AS Pitesti, over 75 athletes from 18 countries, including America or Brazil. At the Pitesti competition, 30-40 children with disabilities or from placement centres actively participate in various events organized within the tournament.

2019 is the first year that BRD supports the Romanian National Wheelchair Handball. Romania's team took 5th place at the European Wheelchair Handball Tournament (2019 EHF), hosted for the first time in Croatia (December). This was the last European Wheelchair Handball Tournament, next year will be organized a European Championship.

SOCIAL INVOLVEMENT MECHANISMS

BRD tried to create mechanisms through which employees, but also its customers and partners, can become involved in a permanent manner.

In July 2018, BRD launched *Ziua V, BRD first internal volunteering program.* The program offers BRD employees the opportunity to choose when and how to get involved, but also the community causes they feel connected to and which they want to support through volunteering.

The program is based on a special online platform, populated with volunteering projects from different areas and domains, from where the employees can choose according to their preferences. In order to

facilitate employees' involvement in volunteering actions, the Bank allocated 1 day/ year/ employee, when employees can choose to leave the office, and go to volunteer for the community.

In 2019, BRD organized 50 corporate volunteering actions with positive impact on 10,000 people in difficulty, as direct beneficiaries and involved 2,300 BRD volunteers.

Among these actions, we can mention:

- about 4,000 hot meals and food boxes for poor;
- 13 blood donation campaigns, most of them at BRD HQ;
- 1,100 personalized Christmas Gifts for disadvantaged children;
- donations in the amount of app. 35,500 euro to support community causes promoted by ZiuaV.ro program in 2019.

RESPONSIBILITY TO THE ENVIRONMENT

In December 2019, BRD launched 2 initiatives related to the environment:

- The **BRD Fund for Forests**, which aims to finance initiatives related to the protection of Romania's forests, some of the most valuable in Europe. The first initiative funded from this Fund is a WWF program that aims to identify, monitor and protect at least 100 Ha in the area of the Hartibaci Plateau, extremely valuable forests, both ecologically and socially;
- An **educational and environmental program for schools in urban areas**, which will be implemented with the support of BRD volunteers and which aims to transform the school yards into green spaces, for outdoor lessons.

Aware of the impact that the Bank has on the environment through its business activity, BRD has a policy that involves controlling the resources and reducing the negative impact, while measuring its carbon emissions, which evolution we present below:

Tons CO_2	**Total emissions CO_2**			**Total emissions CO_2/occupants**		
	2017	**2018**	**2019**	**2017**	**2018**	**2019**
	*20,359	20,271	19,950	*2.56	2.68	2.67

**CO2 emissions or carbon footprint are calculated according to a number of specific emission factors, which vary from one year to other. For comparability purpose between years, the calculations are repeated each year for previous years too, using the emission factors of the reporting year.*

COLLECTION AND RECYCLING OF WASTE

BRD implemented a program of collection and recycling of waste from electric and electronic equipment, in partnership with the associations *Recolamp* and *Ateliere fara Frontiere*. In 2019, BRD donated 210 kg of lighting bulbs to Recolamp and 10.3 tons of electric and electronic waste to *Ateliere fara Frontiere Association,* being the largest contributor of AFF. Paper waste is also subject to collection and recycling in BRD (over 23 tons of paper & cardboard recycled in 2019).

5. GROUP ACTIVITY AND RESULTS

ECONOMIC AND BANKING ENVIRONMENT 2019

Romania's GDP expanded by 4.1% in 2019 versus 4.4% in 2018. Domestic demand still underpins the expansion, supported by the dynamic real wage growth, keeping the household propensity for consumption at a rather high level.

CPI rose at 4.0% YoY at December 2019 end. Going forward, inflation rate is expected to temper and return in central bank's target interval (2.5% ± 1 ppt), but upside risks are still present both on domestic side (EURRON path, fiscal policy stance, tight labour market) and on the external front (mainly oil prices evolution).

In this economic landscape coupled with the prospective easing of the monetary policy stance by major central banks, the National Bank of Romania maintained the key policy rate unchanged at 2.5% since May 2018. At the same time, NBR decided to keep the existing levels of the minimum reserve requirements on both RON and FCY denominated liabilities, at 8% during 2019. Given the evolution of loans in foreign currency and the appropriate level of foreign exchange reserves, but also the aim to continue the harmonization of the minimum reserve mechanism with the standards and practices of European Central Bank and the main central banks in European Union, NBR lowered the level of the minimum reserve requirement for FCY denominated liabilities to 6% starting February 2020.

The banking market benefitted from the favourable economic context, both lending and savings' volumes expanding. Gross loans outstanding increased by +5.6%* YoY at end of December 2019, driven by both individuals and companies lending growth. Private individuals' loans outstanding increased by +6.9%* YOY at end of December 2019, pushed mainly by housing loans (+9.7%*), while consumer loans' advance was moderate (+3.5%*). Loans to companies were up by +4.1%* YoY. Deposits' growth further strengthened, at +10.1%* YoY, both on individuals' (+10.3%*) and companies' savings (+9.8%*).

The ratio of non-performing loans for the banking system (according to European Banking Authority definition) has maintained its decreasing trend, reaching 4.33% at November 2019 end compared to 4.96% at December 2018 end, supported by balance sheet cleaning operations.

The capitalisation of the Romanian banking system remained comfortable, with a capital adequacy ratio of 19.7% as of September 2019 end (20.7% as of 2018 end).

** variation at constant FX rate*

AWARDS RECEIVED IN 2019

- "Bank of the Year in Romania" awarded by Piata Financiara for the year 2019
- "Banking Product of the Year 2019" for MyBRD Mobile application voted at the tenth edition of the "Voted Product of the Year" gala in Romania.
- "Best Trade Finance Provider in Romania", "Best Treasury & Cash Management Bank in Romania" and "Best FX Provider in Romania" awarded by Global Finance
- "Best Asset Management Company" awarded by Piata Financiara for BRD Asset Management
- "Best diversified fund in Romania" awarded by Piata Financiara for the BRD Diverso mutual fund managed by BRD Asset Management
- "Best in leasing" awarded by Piata Financiara for BRD Sogelease

COMMERCIAL ACTIVITY

As at December 31, 2019, the Bank had 648 branches (31.12.2018: 723 branches), ensuring the distribution of its products and services throughout the whole country.

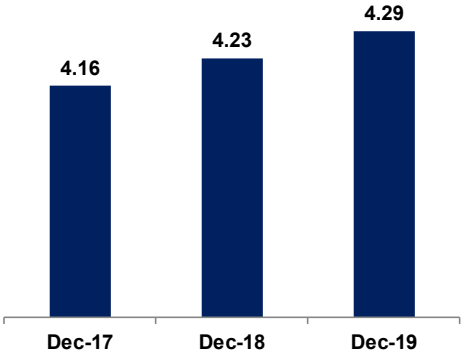
The equipment rate for individuals rose on intensified commercial relationships. It reached 4.29 at December 31, 2019 compared to 4.23 at December 31, 2018.

The use of digital channels has further intensified as reflected by the increasing number of internet and mobile banking unique active users to near 600k at 2019 end, up by +46% over the last two years. In the same time, the volume of transactions via electronic channels was fastly growing, up by +24% compared to 2018. Digital penetration accelerated also on the SMEs and large corporate segments, with more than 97% of the transactions performed via e-channels, capturing more than 1 million payments per month.

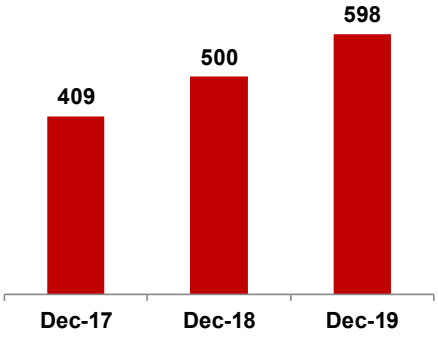
With a constant focus on innovation and improvement of customers' experience, BRD launched multiple digital solutions for its clients: a new mobile application for corporates which offers real time access to accounts in full safety and mobility conditions, a fully integrated end-to-end digital solution for factoring, and a trade finance digital platform dedicated to manage guarantees, letters of credit and collections in a fast and secure way.

Equipment rate for individuals

(no of products/customer)



Number of remote banking unique active customers (x 1000)



BRD held a market share of 11.3% of total assets at December 31, 2019, according to National Bank of Romania's calculations.

The structure of the customers' **net loans** at Group level evolved as follows:

RON bln	Dec-17	Dec-18	Dec-19	vs. Dec-18
Retail	**20.8**	**21.5**	**22.0**	**2.2%**
Individuals	20.2	21.0	21.5	2.5%
Small business	0.6	0.6	0.5	-9.1%
Non-retail	**7.6**	**8.1**	**8.3**	**2.8%**
SMEs	2.5	2.4	2.2	-6.8%
Large corporate	5.2	5.7	6.1	6.8%
Total net loans	**28.5**	**29.6**	**30.3**	**2.3%**
Financial lease receivables	0.7	0.8	1.0	30.4%
Total net loans, including leasing	**29.2**	**30.4**	**31.3**	**3.0%**

Note: Non-retail loan outstanding at December 31, 2017 has been restated for comparability purpose, thus, similar to the non-retail loan outstanding at December 31, 2018, they exclude reverse repo transactions held for trading purpose, which were included in other financial instruments held for trading.

Net loans outstanding (including leasing) reached RON 31.3 billion, increasing by 3.0% versus December 31, 2018. The positive performance YoY built on the growth of individuals' lending (housing loans up by 3.2% and consumer loans up by 2.6%) and large corporate clients (+6.8%).

Leasing production expanded by +39% versus full year 2018 pushed by demand from both SMEs and small businesses for commercial vehicles and passenger cars, and equipment for agriculture and industry.

The customers' **deposits** structure at Group level evolved as follows:

RON bln	Dec-17	Dec-18	Dec-19	vs. Dec-18
Retail	**27.8**	**29.8**	**30.4**	**1.8%**
Individuals	24.0	25.5	25.6	0.5%
Small business	3.8	4.3	4.7	9.2%
Non-retail	**16.4**	**15.4**	**15.5**	**1.0%**
SMEs	6.6	6.0	6.5	8.5%
Large corporate	9.7	9.4	9.1	-3.8%
Total deposits	**44.2**	**45.2**	**45.9**	**1.5%**

Customers' deposits reached RON 45.9 billion, increasing by 1.5% compared to December 31, 2018. Retail deposits advance of 1.8% YoY was driven mainly by 9.2% increase in savings of Small Business customers. Non-retail deposits increased by 1.0% compared to December 2018 end, thanks to collection on SMEs, while large corporate deposits were influenced by the reduction of EUR non transactional accounts driven by an assumed balance sheet management choice.

For the evolution of the main components of the net banking income please refer to "Financial results" section.

SUBSIDIARIES' ACTIVITY

BRD SOGELEASE IFN SA

As of December 31, 2019, BRD Sogelease net outstanding of leasing financing increased by 30.4% year-on-year to RON 992.7 million. New leasing production reached RON 722.8 million, with commercial vehicles and passenger cars having the highest weight, followed by equipment for agriculture, industry and construction.

BRD FINANCE IFN SA

BRD Finance results for 2019 continued the positive evolution from the previous periods: the net loan portfolio increased by 10% year-on-year, reaching RON 635.3 million, while the new loan production also recorded an improvement of 7% to RON 715.9 million, especially driven by credit cards and personal loans. Net banking income reached RON 105.1 million.

The performance was sustained by the continuation of the commercial strategy based on the consolidation of partnerships, combined with the constant optimization of internal processes and a strict control of costs and risks.

BRD ASSET MANAGEMENT SA

BRD Asset Management is one of the most important actors on the Romanian UCITS market, with a market share of 19.28%* at the end of December 2019, with a strong increase of +6.5 ppts compared to 2018. With approximately 43 thousands clients joining in 2019, BRD Asset Managements now serves 72 thousands clients across its 7 investment funds. The company had RON 4.80 billion assets under management at the end of 2019, becoming the 3rd largest asset manager in Romania.

BRD Asset Management offers 7 different open-end funds, all with their specific portfolio structure, potential return, risks and recommended investment period. Among these, BRD Simfonia, BRD Euro Fond and BRD USD Fond invest mainly in government bonds, fixed income and money market instruments, BRD Obligatiuni is concentrating on corporate bonds, BRD Diverso is a balanced fund that incorporates a capital protection strategy with investments in equities, money market and fixed income instruments. BRD Actiuni is an equity fund focused on Romanian stocks, while BRD Global is an equity fund focusing on international markets.

** market share computation based on total open-end funds assets under management*

FINANCIAL POSITION ANALYSIS

The below financial position analysis is made based on the separate and consolidated financial statements prepared according to the International Financial Reporting Standards, for the period ended December 31, 2019 and the comparative periods.

FINANCIAL POSITION – ASSETS

Total assets at December 31, 2019 increased by near 3.7% for the Group and by 3.3% for the Bank versus 2018 end.

The asset structure is presented below:

THE GROUP

Assets (RONm)	**Dec-17**	**Dec-18**	**Dec-19**	**% total**	**vs. Dec-18**
Cash and current accounts with Central Bank	7,682	6,022	6,843	11.8%	13.6%
Loans and advances to credit institutions	2,506	3,316	3,410	5.9%	2.8%
Net loans and advances to customers	28,469	29,603	30,293	52.4%	2.3%
Financial lease receivables	728	761	993	1.7%	30.4%
Other financial instruments	14,108	14,552	14,396	24.9%	-1.1%
Tangible and intangible assets	1,002	1,014	1,447	2.5%	42.7%
Other assets	433	452	390	0.7%	-13.6%
Total assets	**54,927**	**55,719**	**57,771**	**100.0%**	**3.7%**

THE BANK

Assets (RONm)	**Dec-17**	**Dec-18**	**Dec-19**	**% total**	**vs. Dec-18**
Cash and current accounts with Central Bank	7,682	6,022	6,843	12.3%	13.6%
Loans and advances to credit institutions	2,487	3,298	3,392	6.1%	2.8%
Net loans and advances to customers	27,873	28,893	29,467	52.8%	2.0%
Other financial instruments	14,093	14,533	14,424	25.8%	-0.8%
Tangible and intangible assets	992	1,004	1,425	2.6%	41.8%
Other assets	365	339	304	0.5%	-10.3%
Total assets	**53,491**	**54,089**	**55,853**	**100.0%**	**3.3%**

Note: Loans and advances to customers and Loans and advances to credit institutions at December 31, 2017 have been restated for comparability purpose, thus, similar to the amounts at December 31, 2018, they exclude reverse repo transactions, which were included in other financial instruments held for trading.

LOANS AND ADVANCES TO CUSTOMERS

The net loans' outstanding amount to customers increased year-on-year (Bank: +2.0%, Group: +2.3% excluding leasing) both on retail and non-retail segments, mainly driven by growth of loans to individuals and large corporate customers.

CASH, CURRENT ACCOUNTS WITH THE CENTRAL BANK AND LOANS AND ADVANCES TO CREDIT INSTITUTIONS

Cash and current accounts with the Central Bank and loans and advances to credit institutions increased by 9.8% versus December 2018 end, for both the Bank and the Group, mainly driven by higher amounts with Central Bank. These items represented approximately 18% of total assets for the Group and the Bank.

The minimum compulsory reserve held with the National Bank of Romania amounted to RON 3,648 million and accounted for 36% of this aggregate at December 31, 2019, at Group level. NBR kept unchanged the RON minimum reserves requirements for liabilities with residual maturity of less than 2 years (at 8% since May 2015). The FX minimum reserve requirements also remained unchanged at 8% across 2019.

OTHER FINANCIAL INSTRUMENTS

Other financial instruments include financial assets at fair value through other comprehensive income, financial assets at fair value through profit and loss, derivatives and other financial instruments held for trading, investments in associates and subsidiaries as well as non-current assets held for sale.

These items amounted to RON 14.4 billion at December 2019 end and represented 25% of Group assets, slightly decreasing by 1.1% compared to December 2018 end.

TANGIBLE AND INTANGIBLE ASSETS

The tangible and intangible assets accounted for approximately 2.5% of the total assets with land and buildings representing the largest part of the item.

The total value of investments (additions of property, plant and equipment, investment properties, and intangible assets) during 2019 was RON 203 million for the Bank and RON 257 million for the Group, compared to RON 146 million for the Bank and RON 148 million for the Group in 2018. There is no capitalized research and development expenditure.

FINANCIAL POSITION – LIABILITIES

The comparative statement of liabilities is as follows:

THE GROUP

Liabilities and shareholders equity (RONm)	**Dec-17**	**Dec-18**	**Dec-19**	**% total**	**vs. Dec-18**
Amounts owed to credit institutions	2,138	1,604	2,118	3.7%	32.0%
Amounts owed to customers	44,220	45,217	45,899	79.5%	1.5%
Other liabilities	1,201	1,240	1,570	2.7%	26.6%
Shareholders equity	7,369	7,657	8,184	14.2%	6.9%
Total liabilities and shareholders equity	**54,927**	**55,719**	**57,771**	**100.0%**	**3.7%**

THE BANK

Liabilities and shareholders equity (RONm)	**Dec-17**	**Dec-18**	**Dec-19**	**% total**	**vs. Dec-18**
Amounts owed to credit institutions	935	314	431	0.8%	37.2%
Amounts owed to customers	44,387	45,316	46,040	82.4%	1.6%
Other liabilities	1,141	1,132	1,487	2.7%	31.3%
Shareholders equity	7,028	7,327	7,895	14.1%	7.8%
Total liabilities and shareholders equity	**53,491**	**54,089**	**55,853**	**100.0%**	**3.3%**

AMOUNTS OWED TO CUSTOMERS

The Group, as well as the Bank, continue to enjoy a stable and solid funding base. Amounts owed to customers increased by 1.5% on an annual basis for the Group and by 1.6% for the Bank and accounted for 82% of the total liabilities and shareholders' equity at Bank level and for 79% at Group level. The increase was pushed by higher inflows from individuals and small and medium business customers, while savings from large corporate customers compressed, on EUR deposits, as the approach was pragmatically adjusted given the liquidity situation of the Bank.

AMOUNTS OWED TO THE CREDIT INSTITUTIONS

Amounts owed to credit institutions represent interbank deposits, borrowings from International Financial Institutions and the parent, and stood at 3.7% of the total liabilities and shareholders' equity for the Group and 0.8% for the Bank at December 31, 2019.

BRD Group's borrowings from Société Générale totalled RON 1.5 billion (3.1% of liabilities).

SHAREHOLDERS' EQUITY

Shareholders' equity increased by 6.9% for the Group and 7.8% for the Bank compared to December 31, 2018, driven by positive reserves from revaluation of debt instruments accounted at fair value through other comprehensive income.

The structure of the shareholders' equity evolved as follows:

THE GROUP

Shareholders' equity (RONm)	**Dec-17**	**Dec-18**	**Dec-19**	**vs. Dec-18**
Share capital	2,516	2,516	2,516	0.0%
Other reserves	66	3	179	x 58
Retained earnings and capital reserves	4,733	5,092	5,441	6.9%
Non-controlling interest	53	47	48	2.4%
Total shareholders' equity	**7,369**	**7,657**	**8,184**	**6.9%**

THE BANK

Shareholders' equity (RONm)	**Dec-17**	**Dec-18**	**Dec-19**	**vs. Dec-18**
Share capital	2,516	2,516	2,516	0.0%
Other reserves	62	(3)	179	n.a.
Retained earnings and capital reserves	4,451	4,815	5,201	8.0%
Total shareholders' equity	**7,028**	**7,327**	**7,895**	**7.8%**

LIQUIDITY POSITION

Both the Bank and the Group maintained a balanced structure of resources and placements and a comfortable liquidity level over the period.

The net loans to deposits ratio was relatively stable at 64.0% at December 31, 2019 versus 63.8% at December 31, 2018 for the Bank, and 68.2% for the Group, including financial leasing receivables (67.2% at December 31, 2018).

The comparative income statement of the Group for the period 2017 - 2019 is presented below:

RONm	2017	2018	2019	19/18
Net banking income	**2,786**	**3,115**	**3,270**	**5.0%**
- net interest income	1,719	1,989	2,150	8.1%
- net commissions	763	797	806	1.1%
- other banking income	303	329	314	-4.7%
Operating expenses	**(1,473)**	**(1,490)**	**(1,678)**	**12.6%**
- staff expenses	(739)	(768)	(826)	7.6%
- non-staff expenses	(734)	(722)	(776)	7.5%
- tax on financial assets	-	-	(75)	n.a.
Operating profit	**1,313**	**1,626**	**1,592**	**-2.0%**
Net cost of risk	360	230	204	-11.6%
Gross result	1,672	1,856	1,796	-3.2%
Net result	**1,415**	**1,563**	**1,499**	**-4.1%**
Profit attributable to equity holders of the parent	1,406	1,556	1,492	-4.1%

The comparative income statement of the Bank for the period 2017 - 2019 is presented below:

RONm	2017	2018	2019	19/18
Net banking income	**2,641**	**2,981**	**3,170**	**6.3%**
- net interest income	1,604	1,869	2,024	8.2%
- net commissions	726	759	767	1.0%
- other banking income*	311	352	379	7.7%
Operating expenses	**(1,388)**	**(1,400)**	**(1,580)**	**12.9%**
- staff expenses	(691)	(716)	(770)	7.6%
- non-staff expenses	(697)	(684)	(735)	7.4%
- tax on financial assets	-	-	(75)	n.a.
Operating profit	**1,254**	**1,581**	**1,590**	**0.5%**
Net cost of risk	376	246	224	-9.1%
Gross result	1,630	1,828	1,814	-0.8%
Net result	**1,380**	**1,546**	**1,529**	**-1.1%**

BRD Group 2019 net banking income reached RON 3,270 million, up by +5.0% YoY, reflecting strong commercial dynamic across all customer segments. Net interest income reached RON 2,150 million, increasing by +8.1% YoY, favorably influenced by continued expanding volumes, structure shifts and supportive interest rate environment (average ROBOR 3M at 3.13% in 2019, +36 bps YoY). Despite the stronger pricing pressure on daily and transactional banking services, net fees and commissions income advanced by +1.1% YoY compared to 2018, benefitting from intensive card activity, risings volumes of customers' transactions, as well as increasing revenues from asset management.

Operating expenses totaled RON 1,678 million in 2019 (vs. RON 1,490 million in 2018), with their evolution mainly reflecting increasing labor market tightness, rising regulatory and fiscal costs and investments related to business model transformation. Staff costs were up by +7.6% YoY compared to 2018, due to salary and other benefits adjustments operated by the Bank in the context of extremely tense labor market where average salary is growing at a double digit pace. Regulatory and fiscal costs, referring to the cumulated contribution to Bank Deposit Guarantee and Resolution Funds (RON 72

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* *BRD sold its equity stake of 2m shares in Mobiasbanca – Groupe Société Générale SA (20% equity interest) for a price per share of 152.57 MDL (~ EUR 15m). The transaction was registered at Moldavian Stock Exchange on July 22nd, 2019.*

The pre-tax P&L impact of the transaction was RON +43.3 million for the Bank and RON +6.2 million for the Group. The difference Bank versus Group comes from the fact that the participation in Mobias was booked at historical cost on a standalone basis and at fair value on a consolidated basis. The effect at Group level consists of FX differences.

million in 2019 vs. RON 35 million in 2018) and tax on financial assets (RON 75 million, recognized in expenses in the last quarter of the year) accounted for near 10% of full year operating expenses. Other costs categories were kept under control (+2.5% YoY), mirroring the effects of the ongoing transformation plan embarked to answer the future challenges, on one side, and contained sundry costs, on the other.

BRD Group registered a very strong operating performance, with gross operating result increasing by +4.8% YoY (excluding regulatory and fiscal costs). Operating efficiency remained robust with cost/income at 46.8% (excluding regulatory and fiscal costs), stable compared to 2018.

BRD risk profile proved even stronger in 2019 as reflected by the significant decrease in NPL ratio (non-performing loans, according to EBA definition, NPL ratio at Bank level) from 4.6% at December 2018 end to 3.1% at December 2019 end, due to further write-offs, sale of defaulted exposures and good control of risk at origination. In addition, the coverage of non performing loans remained solid, at 74.0% at December 2019 (vs. 74.2% at December 2018 end) reflecting a prudent provisioning policy. Cost of risk registered RON 204 million net release in 2019 compared to RON 230 million in 2018 due to strong recovery performance, exceptional insurance indemnities payout (RON 161m booked in Q3-19, finalizing several insurance claim files) and good quality loan production.

In this context, BRD Group net profit reached RON 1,499 million in 2019 (vs. RON 1,563 million in 2018) driven by strong revenues' growth and solid risk profile. Return on equity was 18.9% in 2019 (vs. 20.8% in 2018). Return on assets reached 2.6% in 2019 (vs. 2.8% in 2018).

Neither Bank's, nor the Group's revenues depend on a single or group of connected customers; hence there is no risk that the loss of a customer might significantly affect the income level.

Subsequent to 31 December 2019, an epidemic emerged in large number of countries around the globe including in Romania. There is a broad range of reasonable scenarios that can be considered, in some of them it is expected an impact on the ability of banks clients in certain industries to repay their debts. As well, there might be implications and risks for business continuity and banks business in 2020 onwards.

6. RISK MANAGEMENT

Risk management within BRD is based on an integrated concept that takes into account the statutory and regulatory norms as defined and required by the NBR and European Supervisory Bodies, the risk management standards of Société Générale, together with the best practices accepted by the banking industry.

RISK MANAGEMENT OBJECTIVES AND RISK APPETITE SETTING

Risks are managed within a continuous process of identification, assessment, monitoring, reporting and control, considering risk limits, approval authorities, segregation of duties and other risk mitigation techniques.

The main objectives of the Bank's risk management strategy are:

- To support the business development by ensuring that business objectives are pursued in a risk-controlled manner, with due consideration for the stated risk appetite
- To ensure the Bank's sustainability as a going concern, through the implementation of an efficient system for risks' analysis, measurement, monitoring, reporting and mitigation
- To encourage risks' diversification with the aim of keeping a balanced risk-return profile for all activities of BRD group entities
- To maintain adequate capital levels as per regulatory requirements and internal assessment
- To promote a Bank-wide strong risk awareness and risk management culture.

In order to identify all the risks (financial and non-financial) to which BRD is exposed and which are inherent to its activity, a comprehensive risk assessment exercise is performed on an annual basis. Therefore, the Bank's risk management strategy focuses on the following categories of risks identified as significant, any of which could adversely affect its business, results of operations and financial situation:

- Credit risk and associated risks
- Liquidity risk
- Structural risks (interest rate risk and foreign exchange risk in the banking book)
- Market risk in trading book
- Operational risk
- Compliance risk
- Reputational risk
- Strategic risk
- Excessive usage of leverage effect risk

Based on the results of the risk assessment exercise and with due consideration for its strategic objectives, the Bank defines the risk appetite framework and the risk appetite statement.

The risk appetite represents the aggregate level and types of risk that BRD is willing to assume, a priori and within its risk capacity, to achieve its strategic objectives and business plan.

The risk appetite statement sets the Bank's approach towards taking on and managing risks and is structured along two dimensions: quantitative and respectively qualitative. At aggregate level, the risk appetite is defined by reference to the main strategic dimensions - *Profitability, Capital Adequacy, Creditworthiness, Liquidity and Leverage* - on the basis of the annual strategic planning, in order to ensure alignment of risk, capital and performance targets, which allows the Bank to:

- Set capital adequacy goals with respect to risk, considering strategic focus and business plans
- Assess risk-bearing capacity with regard to internal and external (regulatory) requirements
- Apply stress testing to assess the impact on the capital demand, capital base and liquidity position

The aggregate risk appetite is further cascaded down to material risk categories and where appropriate, to business segments. The qualitative statements are defined to complement the quantitative part of the risk appetite, setting the overall tone for BRD's approach to risk taking.

Key risk indicators and corresponding alert thresholds and risk limits are defined by considering the risk profile, size and complexity of activities performed by the Bank. Their evolution is regularly monitored over the year in order to detect any events that may result in unfavorable developments on the risk profile.

RISK MANAGEMENT GOVERNANCE

The Group's risk management governance is based on the following dimensions:

- Risks are taken within the defined risk appetite approved by the Board of Directors
- Strong involvement of the Bank's management body in the risk management system and promotion of risk culture, throughout the entire organizational structure, from the Board of Directors down to operational teams
- Clearly defined internal rules and procedures
- Communication of information regarding risk management across the organization in a timely, accurate, comprehensible and meaningful manner
- Continuous supervision by an independent risk function to monitor risks and to enforce rules and procedures

Risk governance relies on the three lines of defense model, which reinforces segregation of duties between various control functions.

The *first line* of defense is represented by the business units, which are primarily responsible for the ongoing management of the risks arisen in conducting their daily activities, taking into account the Bank's risk appetite and its policies, procedures and controls. The Business Integrity Support Division provides support to business units for the implementation of managerial supervision, ensuring monitoring and reporting of results at Bank wide level.

The *second line* of defense is represented by the independent functions overseeing risks, which are responsible for further identifying, measuring, monitoring, and reporting risks, ensuring compliance with internal and external requirements and providing support to the business/operational functions in executing their duties. The second line functions, which perform the management of significant risks, are as follows:

- Risk Management Structures are responsible for direct management of credit risk, risks associated with credit risk, market risk and operational risk and oversee the evolution of all significant risks within BRD
- Finance Department, which manages liquidity risk, structural risks (interest rate risk and FX risk in banking book), strategic risk and excessive usage of leverage effect risk. As coordinator of the budgeting and capital planning processes, it ensures that the liquidity, capital and business strategy are consistent with the risk appetite statement
- Legal Department, which is accountable for the legal risk management, while Business Solution Center Pole and Information Security Division manage IT risks (as components of operational risk)
- Compliance Department, which manages the compliance and reputational risks

Although the responsibility for the management of risks within the Bank is shared between the structures of the second line of defense (as mentioned above), Risk Management Structures perform the role of the centralized risk management function, by delivering the Bank's wide holistic view on all risks, ensuring that the risk strategy is complied with.

The *third line* of defense is represented by the internal audit function, which provides independent review and objective assurance on the quality and effectiveness of the Bank's internal control system, the first and second lines of defense and the risk governance framework. Internal audit function reports to and operates under the mandate of the Board of Directors.

Risk management is governed by the management body of the Bank and assisted by the Audit Committee and the Risk Management Committee. Specialized committees also assist the Executive Committee in accomplishing their risk management and control responsibilities.

Board of Directors

The Board of Directors approves the risk and business strategy of BRD, sets the risk appetite and tolerance levels and ensures that the Executive Committee properly transposes them at operational level.

Audit Committee

The Audit Committee plays a crucial role in the assessment of the quality of the internal control. It is responsible for examining the internal framework for risk monitoring to ensure its consistency and compliance with procedures, laws and regulations in force.

Risk Management Committee

The Risk Management Committee advises the Board of Directors with regard to Bank's overall current and future risk appetite, oversees senior management's implementation of the risk strategy, reports on the state of risk culture in the Bank and interacts with and oversees the activity of the centralized risk management function.

Executive Committee

The Board of Directors delegates the day to day management of BRD to the Executive Committee. The Executive Committee is responsible for the implementation of the strategies approved by the Board of Directors and ensures that a proper organization and informational flows are in place.

Main specialized committees assisting the Executive Committee

The *Assets and Liabilities Committee* has the main objective of ensuring the management of assets and liabilities structure, liquidity and funding sources management, structural risks management (interest rate risk and foreign exchange risk in banking book) and capital management.

The *Crisis Committee* ensures the management of the crisis situations and defines the necessary resources and organization to face such situations.

The *New Products Committee's* mission is to make sure that all the risks associated with the launch of new products, new activities or outsourced activities or their significant changes, are correctly identified, analyzed and assessed.

The Internal Control Committee has as main objective the assessment of the effectiveness of the internal control system.

The Retail Risk Committee has as main objective the analysis of the measures proposed by relevant structures in order to improve the performance of retail lending activity and the monitoring of the associated risk indicators.

The Steering Committee supports the Executive Committee to follow-up the Bank's projects.

The Data Governance Committee's mission is to analyze the data governance activity, mainly concerning implementation of the data governance strategy and data quality.

MAIN RISK FACTORS

The economy and financial markets continue to display high levels of uncertainty, which may materially and adversely affect the Bank's business and financial situation

Banking business is highly sensitive to changes in financial markets and economic conditions. BRD could be confronted with a significant deterioration in market and economic conditions resulting from, in particular, regional recessions, crises affecting capital or credit markets, liquidity constraints, currency exchange rates or interest rates evolution, inflation or deflation, sovereign debt rating downgrades. Such occurrences, which may develop quickly and may not be anticipated and hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on the Bank's financial situation, results of operations or cost of risk.

Unpredictability and uncertainty of legal framework may lead to increased pressure in the banking environment

The uncertainty and lack of predictability of legal changes (such as "Prima Casa" program which is proposed to be recalibrated from a social point of view, and several legislative proposals regarding excessive interests, speculative assignments of receivables, currency risk in credit agreements, abusive or hasty enforcements - proposals containing some provisions that in the past were declared unconstitutional in similar projects) could have an adverse effect on financial institutions and, hence, on BRD's business, financial situation and results of operations.

The Bank operates in a highly competitive environment, with a trend towards consolidation

The Bank is subject to intense competition both from banking and non-banking actors translating in risk to market shares and margins. Competition refers to digital transformation, the speed of answering to the customers' requests, products and services, innovation, reputation, price, technology infrastructure and data management.

In addition, certain sectors of the financial services industry have become more concentrated, considering the mergers and acquisitions of institutions involved in a broad range of financial services. Such changes could result in the Group's remaining competitors benefiting from greater capital resources or other advantages, such as the ability to offer a broader range of products and services, which may enhance their competitive position.

CREDIT RISK MANAGEMENT

Credit risk management is regulated through a set of internal documents, which transpose local and EU regulations, SG Group policy and risk management best practices in the internal framework.

Some of the main principles employed in managing credit risk are presented below:

- client credit due diligence maintaining prudent underwriting standards
- well formalized processes for credit approval, including a strictly defined mechanism of delegated credit competencies and approval limits; credit approval authorities are assigned to individuals according to their qualifications, experience and training
- use of well-defined origination criteria by type of customer, including thorough knowledge of borrowers as well as the purpose and structure of the credit, in-depth analysis of sources of repayment and risk mitigation through requests for collaterals or guarantees
- use of an internal rating system for non-retail counterparties
- diversified credit portfolio, specific concentrations being assessed and monitored through a set of limits on single-name, economic sectors, geographical/regions, transactions/products, credit risk mitigation techniques (defined in line with the Bank's risk appetite)
- segregation of duties between front office and back office activities
- review and approval by senior management of new products and significant changes to activities/ processes
- ongoing follow-up of credit exposures, at single and group level
- identification and management of non-performing loans and assessment of workout activity using objective indicators
- regular monitoring and reporting to senior management on the quality of credit portfolios
- regular monitoring of credit risk profile compared with the risk appetite approved by the Board of Directors
- regular independent review of lending activities by the Bank's Internal Audit function

BRD's exposure to credit risk is derived from its commercial, treasury and trading activities, the commercial activities representing the core business of the Bank.

Exposures on sovereign risk are concentrated on the Romanian State and consist of the portfolio of treasury bills and bonds, placements with the Central Bank for liquidity purposes (including the minimum reserve requirements) and the guarantees received from the Romanian State for Prima Casa program.

Exposures on banks are limited and generated by money market and trading activities.

Undertaking of credit risk is part of the Group's risk management strategy based on its risk appetite. Société Générale's credit policy is based on the principle that approval of any credit risk undertaking must be based on sound knowledge of the client and the client's business, an understanding of the purpose and structure of the transaction and the sources of repayment of the debt. Credit decisions must also ensure that the structure of the transaction will minimize the risk of loss in the event the counterparty defaults.

CREDIT RISK MITIGATION TECHNIQUES

BRD has a cash flow based lending approach, meaning the Bank expects debt to be serviced primarily through the future cash flow/income generated by the debtor. Collateralization, in the form of collateral (funded protection) or guarantee (unfunded protection), is accepted merely to mitigate credit risk and it cannot serve as a substitute for the borrower's ability to meet obligations.

The Bank accepts the following main types of securities:

- Financial collateral (cash, deposits, Romanian Government bonds, shares, agricultural warehouse receipts, bill of lading)
- Non-financial collateral (real estate, machinery and equipment, inventories, intangibles, receivables, payment instruments)
- Guarantees (surety ship contracts, letters of guarantee, letters of comfort, financial guarantees issued by guarantee funds and Eximbank, sovereign guarantees, endorsements, credit risk insurance)

Mortgages are the most frequent type of accepted collaterals. Nevertheless, the collateral structure is further diversified subject to the type of financing (e.g. for working capital financing, receivables and inventories are accepted as customary collateral).

Risk department is responsible for approving the operational procedures for regular valuation of guarantees and collaterals.

Real estate collaterals

The market value of real estate collaterals is estimated by certified internal or external evaluators. The valuation is performed in accordance with the International Valuation Standards and ANEVAR Standards and Recommendations. To be noted that real estate valuations have to be verified by the competent units, independently from the credit approval process.

The Bank uses the following valuation methods for real estate: market approach and income approach.

Revaluation is performed yearly in case of commercial/ industrial/ agricultural real-estate and plots of land and at least once every 3 years, for residential real estate. Higher frequency reevaluation is performed when the real estate market displays a significant negative evolution. BRD monitors the risks associated with the valuation activity via implemented internal controls.

Guarantees

The credit risk mitigation effect of guarantees is closely linked to the guarantor's creditworthiness and the secured amount must be reasonably proportionate to the economic performance capabilities of the protection provider.

The main guarantor for BRD's clients is the Romanian State, which intervenes to sustain credit activity by national wide guarantee programs implemented through the intermediation of Guarantee Funds (FNGCIMM or FGCR) or Eximbank, main exposure of this type being generated by Prima Casa program. Another category of guarantors is represented by commercial banks (local or foreign), issuing LGs in favor of BRD clients. BRD's indirect exposures on each guarantor are assessed using the same principles as for direct credit exposures of BRD.

Residual risk management

The Bank systematically manages the residual risk (that could materialize in situations when credit risk mitigation techniques are less efficient than expected) through the collateral policy (prudent validity, acceptance and eligibility criteria), regular revaluation of the collaterals, regular monitoring through specific risk indicators and capital requirement as residual risk is embedded in the methodologies developed as part of ICAAP Policy.

Detailed information on credit risk is found in Note 40.1 to the consolidated and separate financial statements as of and for the year ended December 31, 2019.

LIQUIDITY RISK

Liquidity risk is defined as the risk of not being able to meet expected and unexpected, current and future cash flow or collateral requirements when they fall due and at a reasonable price.

The Group manages the exposure to the liquidity risk using a specific framework designed to manage it both under normal day-to-day conditions and in the event of a potential liquidity crisis.

The liquidity risk management approach starts at the intraday level managing the daily payments flows, forecasting and managing cash flows, and factoring in the access to central bank monetary policy operations and standing facilities. It then covers a longer term perspective, comprising the maturity profile of all assets and liabilities and the funding strategy.

BRD maintains a liquidity buffer of unencumbered, high quality liquid assets as an insurance against a range of liquidity stress scenarios. A contingency funding plan is designed to protect the stakeholders' interests and to ensure positive outcome in the event of a liquidity crisis.

In terms of governance, the Board of Directors establishes the liquidity risk appetite and tolerance, reviews and approves the liquidity risk strategy and liquidity risk management framework at least on an annual basis and ensures that Executive Committee manages liquidity risk effectively.

The Executive Committee, assisted by Assets & Liabilities Committee (ALCO), develops the liquidity strategy and designs the liquidity risk management framework in accordance with the liquidity risk appetite and tolerance in order to ensure that the Bank maintains sufficient liquidity, continuously reviews information on the liquidity position of the Bank and reports to the Board of Directors on a regular basis, implements the liquidity risk strategy and ensures that appropriate controls, procedures and information flows are in place to support the strategy implementation and follow-up.

The liquidity risk position, under normal conditions, is measured at consolidated level using the static liquidity gaps indicator which is defined as the difference between the expected future outflows and inflows related to the current transactions (no new business included), determined for each time bucket and currency based on the contractual maturity of the transactions, or, for non-maturing products, based on a maturity modeled using historical client behavior or a conventional maturity.

For each budgeting and planning exercise, the future funding needs are assessed starting from the actual liquidity position and budgeted evolution of assets and liabilities. When a deficit is expected, funding solutions are assessed and appropriate actions are planned.

BRD performs liquidity risk stress tests on a quarterly basis in order to identify and quantify its exposures to possible liquidity stresses, analyzing potential impacts on the cash flows and liquidity position. BRD employs two stress test methodologies, one for a 30 days horizon with focus on the short term survival of the Bank in a time of liquidity crisis and the other for a 6 months horizon, assessing the Bank's resilience and ability to continue to function in times of prolonged stressed liquidity conditions.

Detailed information on liquidity risk is found in Note 40.3 to the consolidated and separate financial statements as of and for the year ended December 31, 2019.

INTEREST RATE RISK AND FOREIGN EXCHANGE RISK IN THE BANKING BOOK (STRUCTURAL RISKS)

Structural exposure to interest rate and foreign exchange rate risks encompasses all exposures resulting from commercial activities, their hedging and the proprietary transactions of the Group.

The interest rate and exchange rate risks pertaining to trading activities are monitored separately and excluded from the structural risk measurement and management scope.

The general principle is to reduce structural interest rate and exchange rate risks to the greatest extent possible. The interest rate and foreign exchange risks incurred both by the commercial activities and proprietary activities (transactions regarding the shareholders' equity, investments and issues of bonds) are hedged, to the extent possible, on an individual basis or by means of macro-hedging techniques, the remaining part is maintained within pre-established limits at prudent levels.

The interest rate risk is managed through two metrics: balance sheet sensitivity to yield curve shifts and net interest income sensitivity, the former one being implemented in 2018. The gaps between

outstanding assets and liabilities are determined on the basis of the contractual terms of transactions, models based on clients' historic behavior patterns, as well as conventional assumptions relating to certain balance sheet items. Balance sheet sensitivity is defined as the variation in the net present value of future residual fixed rate cash flows (surplus or deficit) for two steering scenarios of +/- 10 bps parallel shift in the yield curve and for two stressed non parallel yield curve shifts. A set of limits is applied to balance sheet sensitivity and the compliance within those limits is monitored by ALCO on a monthly basis. Net interest income sensitivity indicator is calculated quarterly and presented to ALCO, but even though a set of limits is in place for this indicator, the main steering indicator remains balance sheet sensitivity.

Detailed information on interest rate risk is found in Note 40.2 to the consolidated and separate financial statements as of and for the year ended December 31, 2019.

MARKET RISK IN TRADING BOOK

Market risk is defined as the risk of registering losses in on and off-balance sheet positions arising from movements in market parameters (FX rates, interest rates, etc.).

Market risk management is integrated within Bank's and Group's risk management, BRD pursuing market risks on a prudent approach, the objective being to ensure profitable market activities but undertaking risk levels and capital needs as low as possible. Therefore, Bank's trading portfolio represents a small weight of Bank's total risk exposure and contains highly liquid instruments which are traded with good rated counterparts.

Some of the main principles followed by BRD when addressing market risk are:

- Compliance with internal framework and local and European regulations
- Functional independence from business lines
- Definition and/or validation of different methodologies, metrics, parameters and controls for all products or activities generating market risk in trading book
- Control on definition, approval and parameterization of traded products
- Definition, calibration and approval of risk metrics limits
- Daily analysis and reporting to the operative management of exposures and their compliance with the approved limits
- Synthetic communication to Bank's management presenting the trading book exposures and market risk evolutions
- Strong support from the Group

Detailed information on market risk is found in Note 40.2 to the consolidated and separate financial statements as of and for the year ended December 31, 2019.

OPERATIONAL RISK

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes the following sub-categories: legal risk, risk related to information technology and model risk, but excludes the strategic and reputational risks.

The Group's operational risk management system was developed and strengthened over the years and allows:

- identification, analysis and evaluation of operational risks, their control and follow up
- applying measures meant to improve and strengthen the control framework, in order to prevent/reduce operational risk losses
- ensuring adequate capital requirements for covering exposure to operational risks

The day to day management of operational risk is the responsibility of employees from each business unit. The personnel have to be always aware of their responsibilities in connection with identification and reporting of operational risks and other duties which may arise in relation with the management of operational risks.

Operational risk management tools put in place at BRD are:

- Historical operational risk losses database
- Key risk indicators (KRI)
- Risk and control self-assessment process (RCSA)
- Scenario analysis
- Managerial Supervision of processes (MS)
- Fraud prevention and detection system
- Committee for New Products, which ensures the assessment of operational risks associated with new products for Banks' clients, outsourcing of activities and significant modifications of the existing products offered to the Bank's clients
- Crisis management and business continuity plan
- Management of Information Security

In 2019, the Group operational risk strategy focused on the following axes:

Actions performed by Operational Risk Management Unit:

- Enhancement of operational risk culture through management awareness and staff training through RO contacts
- Consolidation of operational risk reporting from BRD subsidiaries
- Review of Operational Risk Management Framework according to new SG requirements and define an escalation procedure for payment services incidents according to NBR Regulation No. 3/2018 and PSD2 (EU Payment Service Directive)
- Continuing the improvements of Operational Risk Management tools, by: (i) running the RCSA exercise according to the new methodology having a process-based approach and implementation of a dedicated tool; (ii) KRIs continuous analysis and calibration in order to ensure a proper monitoring of risk areas; (iii) Further developments of the local tool for registration of operational risk events
- Implementation of a new tool for action plans' monitoring

Actions performed by Managerial Supervision Unit and Level 2 Control Unit:

- Continuing the implementation of Permanent Control Transformation program: under SG Group sponsorship, according to ECB guidelines and recommendations, by identifying the real control need of BRD based on applicable processes, improvement of existing controls and implementing Level 2 Control specific tools

Actions performed by Antifraud Division:

- Implement new antifraud prevention indicators / specific antifraud controls based on client/employee's behaviour and new fraud typologies
- Face to face antifraud training sessions with employees in order to increase awareness of fraud prevention and detection of fraud cases
- Implement a fraud monitoring application in order to prevent, detect and manage frauds based on risk analysis of transactions performed in remote channels and with cards (PSD2 requirements)
- Continuous monitoring and assessment of fraud risk regarding the products/ activities/ processes of the Bank

Actions performed by Business Continuity Management Division:

- Follow-up of business continuity strategy including new crisis scenarios, mainly the regional disaster scenario for which back-up solutions will be further developed during 2020-2021
- Continuously updating the business continuity mechanisms and crisis management framework, based on the annual Business Impact Analysis' results
- Closely follow-up the annual business continuity and crisis management tests, as well as technical tests, to validate or potentially adjust the back-up solutions

- Business continuity and crisis management training / awareness of the involved staff

Actions performed by Information Security Division:

- Consolidation of Information Security Framework
- Consolidation of the security, traceability, Data Leakage Protection and Privilege Access Management function through the implementation of different tools and processes (SIEM-Security Information and Event Management; DLP-Data Leakage Protection; PAM-Privilege & Access Management)
- Raising awareness on Information Security subjects for the internal users (presentations videos, articles on Intranet platform, screen-savers, conferences with business representatives and management on information security topics, anti-phishing periodic exercises)
- Raising awareness on Information Security subjects for the external users through the contractual clauses of the Remote Banking services and through the BRD institutional site, as well as for the BRD's partners through specific information security clauses systematically included in contracts where BRD is Beneficiary and/or Operator (GDPR)
- Extended of terminal protection solution for antimalware for both private and corporate clients (IBM-Trusteer)

STRATEGIC RISK

The strategic risk represents the risk of diverging from the projected financial and operational results due to unplanned and unforeseen obstacles, events or courses of action.

Recent pace of changes in regulations and legislation and quickly shifting customer behavior generate increasingly more important strategic risks, as financial institutions need to quickly adapt their strategy and tactical decisions to a moving market.

Given the significant impact that delayed response and wrong planning can have on the profitability and solvency of the Bank, the strategic risk is deemed to be of significant importance and, as such, closely monitored and managed.

The annual planning and budgeting exercises, together with the yearly restatement of the Business and Risk Management Strategy ensure that the business strategy of the Bank is timely adapted to changes in macroeconomic conditions, and closely matches the customers' and industry's trends, thus ensuring that planned results will be closely matched by actual performance.

RISK OF EXCESSIVE LEVERAGE

The risk of excessive leverage represents the risk of a financial institution taking on exposures well above its risk bearing capacity, as quantified by the available Tier 1 capital.

While higher levels of leverage at credit institutions compared to other operating institutions may generally be justified due to banks' function of providing liquidity to claimholders and their special abilities with respect to managing risky assets through diversification, excessive levels of leverage make them exceedingly prone to shocks and hampers their loss absorbing capacity.

The Basel III reforms introduced a simple, transparent, non-risk based leverage ratio to act as a credible supplementary measure to the risk-based capital requirements. The leverage ratio is two-fold.

- Restrict the build-up of leverage in the banking sector to avoid destabilizing deleveraging processes that can damage the broader financial system and the economy
- Reinforce the risk-based requirements with a simple, non-risk-based "backstop" measure

The leverage ratio is a new monitoring tool which allows assessment of the risk of excessive leverage, implemented by BRD in 2014. The ratio has been in the 8% - 10% area for the subsequent periods (based on the transitional definition of CET1 capital), well above the 3% minimum requirement.

7. CAPITAL MANAGEMENT AND ADEQUACY

CONSOLIDATION PERIMETER

The basis for calculation of own funds is the consolidated prudential perimeter.

BRD Group consolidation perimeter for prudential purposes is defined in accordance with Regulation (EU) No 575/2013 (CRR), Part One, Title II, Chapter 2, Section 3.

The consolidated entities for prudential scope are identified based on the criteria as per Articles 4 (1) (3), (16) to (27), 18 and 19 of CRR. According to Article 4 of CRR, entities consolidated in the prudential reporting must have one of the following types of activity: credit institution, investment firm, ancillary services undertaking and/or other financial institution.

In contrast, in accordance with BRD Group's IFRS financial statements, all entities controlled directly or indirectly (including non-financial entities, insurance companies, etc.) are fully consolidated. Additional exclusion of subsidiaries from prudential consolidation perimeter is based on criteria from Article 19 of CRR. Non consolidated subsidiaries are included in the prudential consolidated statements based on equity method.

Based on the above, the prudential consolidation perimeter of BRD Group includes the parent company BRD - Groupe Société Générale S.A and two fully consolidated subsidiaries:

- BRD Sogelease IFN S.A.
- BRD Finance IFN S.A.

OWN FUNDS

BRD Group regulatory own funds as at December 31, 2019 amounted to RON 6,067 million (excluding current year net result) compared to RON 5,956 million as at December 31, 2018 (own funds at December 31, 2018 include net year result, net of approved dividends in the General Meeting of Shareholders) and consist of common equity capital (CET1).

Common Equity Capital (CET1) is formed of:

- Eligible Capital includes the nominal share capital and the hyperinflation adjustment of share capital accounted until December 31, 2003. As at December 31, 2019, the share capital amounted to RON 696.9 million, unchanged versus previous periods. The hyperinflation adjustment amounted to RON 1,819 million.

- Eligible Reserves include:

    - Retained earnings, which represent the undistributed profits of previous periods and retained earnings arising from IFRS implementation adjustments.

    - Other reserves: legal reserves, reserves for general banking risks or other reserves established by the law and share based payment reserves.

- Other comprehensive income (OCI) includes unrealized gains and losses from changes in the fair value of debt instruments at fair value through other comprehensive income and from re-measurement of defined benefit liability arising from the post-employment benefit plan.

Regulatory deductions from CET 1 applicable as at both for December 31, 2019 and December 31, 2018 essentially involved the following elements:

- Goodwill and intangible assets net of associated tax – deducted 100% from CET 1.

- Contingent or any foreseeable tax charges related to CET 1 reserves taxable upon utilization to cover losses or risks.

As at December 31, 2019 and December 31, 2018, the Bank had no Additional Tier 1 or Tier 2 capital instruments issued and outstanding.

CAPITAL REQUIREMENTS

From a regulatory perspective, capital requirements cover:

- credit risk, in respect of all business activities, but excluding the trading book business
- operational risk, foreign exchange risk and settlement risk in respect of all business activities
- position risk in trading book and
- credit valuation adjustment risk of OTC derivative instruments.

The calculation of credit risk capital requirement takes into account the transaction risk profile and is computed according to the standardized approach (CRR Part 3, Title 2, Chapter 2) using the Financial Collateral Comprehensive Method and information regarding credit assessments performed by external credit assessment institutions (ECAI).

The capital requirement for general position risk is calculated using the Maturity-based method. Capital requirement for credit valuation adjustment is determined using the standardized method.

The capital requirement for operational risk is calculated according the CRR, Part 3, Title 2, Chapter 4, using advanced measurement approaches (AMA). BRD, as a member of the Société Générale Group, uses AMA to measure operational risk since 2008 based on the SG internal methodology and calculation. The allocation of operational risk capital requirements to the sub-consolidated entities is based on net banking income and history of operational risk losses.

On top of the total regulatory ratio of 8% set by Art 92 from CRR, starting 2016, based on NBR requirements, BRD Group maintains additional own funds to cover risks resulting from internal assessment and SREP (supervisory review and evaluation process) amounting to 5.19% of RWA during 2019 (5.06% during 2018). Thus, the TSCR ratio (total SREP capital requirements) requirement for BRD Group was 13.19% for 2019 (13.06% for 2018).

Overall capital requirements (OCR) represent the total of SREP requirements and capital buffers, namely:

- A Conservation Buffer in CET 1 capital intended to absorb losses during periods of stress, phased in by 0.625% of total RWA yearly starting 1 January 2016. This buffer is mandatory and fully effective from 1 January 2019 and amounts to 2.5% of total RWA.
- A Countercyclical Buffer that may be imposed during periods of excessive credit growth when system-wide risk is building up and is capped at 2.5% of total RWA. According to NBR Order 12/2015 the level of countercyclical buffer was established at 0% for credit exposures in Romania.
- Other systemically important institutions (O-SIIs) identified by NBR which have been authorized in Romania, may be subject to an O-SII Capital Buffer of up to 2% of the total RWA. BRD was identified as O-SII by NBR and O-SII Capital Buffer is 1% starting with 1 January 2016.
- A Systemic Risk Buffer was imposed, according to NBR Order 4/2018, starting with 30 June 2018, with the aim of supporting the adequate management of credit risk and enhancing banking sector resilience to unanticipated shocks, amid unfavourable structural circumstances. The buffer is applied to all exposure and is calibrated at 0%, 1% or 2%, depending on the past 12-months averages of the non-performing loans ratio and the coverage ratio. The value applicable for BRD is 1%, however as the capital requirement for structural buffers is determined as the max of O-SII buffer and systemic risk buffer and an O-SII buffer of 1% was already applied, the systemic risk buffer introduction had no effect on the capital requirements for BRD.

The summary of the BRD Group and Bank capital adequacy is presented below.

RON m	Bank		Group	
	2018	2019	2018	2019
Eligible CET1	6,188	6,188	6,465	6,465
Eligible CET1 after adjustments	6,184	6,367	6,468	6,644
Total Tier 1 capital	5,674	5,793	5,956	6,067
Total own funds	**5,674**	**5,793**	**5,956**	**6,067**
Capital requirements				
Credit risk (including counterparty risk)	1,940	2,089	2,057	2,215
Market risk	21	25	21	26
Operational risk	182	186	186	190
Credit valuation adjustment (CVA) risk	14	10	14	10
Total capital requirement	**2,156**	**2,311**	**2,278**	**2,441**
Risk weighted assets				
Credit risk (including counterparty risk)	24,244	26,118	25,706	27,692
Market risk	264	317	263	320
Operational risk	2,272	2,328	2,328	2,380
Credit valuation adjustment (CVA) risk	172	120	172	120
Total risk exposure amount	**26,951**	**28,884**	**28,470**	**30,512**
Regulatory Capital Adequacy Ratio	**21.05%**	**20.06%**	**20.92%**	**19.88%**
Tier 1 ratio	**21.05%**	**20.06%**	**20.92%**	**19.88%**

Note: Own funds at 2018 end include net profit, net of approved dividends; own funds at 2019 end exclude net result of the year. CAR incl. net profit, net of dividends (subject to GSM approval) was 21.03% (Group) and 21.39% (Bank) at 2019 end.

LEVERAGE RATIO

Following CRD IV implementation, BRD computes and reports leverage ratio which is designed specifically to limit the risk of excessive leverage in credit institutions and was introduced as a complementary tool to the regulatory capital adequacy ratio.

The leverage ratio reached 9.50% (excluding current year net result) as at 31 December 2019 at Group level, which is well above the 3% minimum requirement (level that shall be enforced based on Regulation 2019/876 amending CRR starting with June 2021).

The sustainable level of leverage ratio results from the strong capital base, namely high level Common Equity Tier 1 capital and a balance-sheet structure specific to the universal bank business model with core focus on retail activities.

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP)

In accordance with Article 148 of the Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, as subsequently amended and NBR Regulation no. 5/2013 on prudential requirements for credit institutions, BRD has in place a process for internal assessment of capital adequacy to risks.

The Bank performs periodically an evaluation of internal capital adequacy to risks by comparing the available own funds with internal capital requirements. The general framework for ICAAP is updated annually and the capital adequacy monitoring is performed on a quarterly basis.

A risk assessment is performed annually, and involves the evaluation of all risks to which the Bank may be exposed and the identification of the significant risks.

The internally evaluated capital requirement is determined using „Pillar 1 plus" approach, where the capital requirements for the following risks are added to the regulatory capital requirements:

- Credit risk concentration, residual risk from usage of credit risk mitigation techniques, risk related to foreign currency lending to unhedged borrowers and risks arisen from applying less sophisticated approaches
- Interest rate risk in banking book
- Funding risk
- Strategic risk
- Other significant risks: reputational risk, compliance risk, model risk.

For the purposes of the internal capital adequacy assessment, the available own funds are considered equal to the regulatory own funds.

Based on the Business and Risk Management Strategy and on the Risk Appetite, the Bank makes projections of the own funds and capital requirements on a three years horizon in order to ensure their adequacy, both in normal course of business and under stress situations.

8. INTERNAL CONTROL FRAMEWORK

Internal Control System relies on the three lines of defense model, which reinforces segregation of duties between various control functions.

The *first line* of defense is represented by all staff for the operations in their area of activity, comprising all of the Bank's structures (located both in the Network and Headquarters) which are primarily responsible for the ongoing management of the risks arisen in conducting their daily activities, taking into account the Bank's risk appetite and its policies, procedures and controls.

All Bank's structures (including structures acting as control functions) are responsible with performing the first level controls. This represents all measures implemented at operational level, in order to ensure the conformity, validity and security of the performed operations (controls on operational activity and controls on accounts).

The responsibility for the implementation and operation of first level controls is with the management of all Bank structures (both in first and second line of defense), by the continuous management of risks arising from their daily activities, as per internal normative framework, but also by the implementation of first-level controls and by taking the necessary corrective measures in all cases where deficiencies are identified as a result of the processes or of the carrying out of the control.

Business Integrity Support (BIS) coordinates and harmonizes the managerial supervision by providing support to operational management in its implementation. BIS centralizes the results of managerial supervision controls and submits them to the Management Committee, Risk Management Committee and Internal Control Committee, if the case.
In a manner similar to BIS, General Accounting Division through the dedicated team, coordinates and assists the Bank's structures in the managerial supervision of accounts.

The *second line* of defense is represented by risk management and compliance functions. As independent functions that oversee risks, they ensure that risks are identified, measured, monitored and reported, according to internal and external requirements, and provide support to operational structures in meeting their risk management tasks.

Risk Management Function is responsible for overseeing risk identification, evaluation, monitoring, and reporting activities, independently of operational and support structures. It has the mission to support the Bank's structures in managing the risks arising from their day-to-day activities. Deputy CEO in charge of Risk (Chief Risk Officer) is the Coordinator of the Centralized Risk Management function and reports to the management body, as well as to relevant committees, all the results / conclusions / recommendations for improving the risk management function. Details regarding Risk Management Function and structures involved are presented in the chapter regarding risk management governance.

As part of the risk management function, BRD has in place a Level 2 control structure that has the responsibility to ensure a better internal control system efficiency by evaluating the quality of the level 1 control. This assessment addresses controls to prevent operational risks generated by the activities and processes within BRD Group. Level 2 control has the following responsibilities:

- Evaluating the design of Level 1 controls / control procedures to ensure that there is a proper framework for monitoring and controlling operational risks related to activities
- Evaluating the performance of these controls to ensure that all operational risks and anomalies have been identified by the first level of control, and that there are appropriate remedial actions and that they are implemented

Compliance Function is an internal control function independent of the other control functions. Its staff has no attributions that fall within the scope of the activities they are to monitor and control and must not be in any conflict of interest from the point of view of compliance responsibilities. The compliance function is coordinated by the Director of the Compliance Department, who is the coordinator of the compliance function at Bank level, being hierarchically subordinated to the Bank's General Manager.

The *third line* of defense is represented by the internal audit function, which provides independent review and objective assurance on the quality and effectiveness of the Bank's internal control system, the first and second lines of defense and the risk governance framework. Internal audit function reports to and operates under the mandate of the Board of Directors.

The main instruments implemented at BRD level for ensuring an efficient internal control system are:

- Transposition of the Bank's strategies/policies/processes into written regulations (norms, policies, instructions, work procedures) and their periodic review
- Raising awareness of each operational level regarding the necessity to control operations and apply working procedures adapted to the nature and volume of activity, taking into account all risk types
- A clear decision process and allocation of responsibilities and authority limits, by hierarchical levels and organizational structures, including appropriate segregation of duties at all organizational levels, in order to prevent assignment of conflicting responsibilities
- A continuous process of identification, assessment, mitigation, monitoring and reporting of material risks
- A compliance program
- An audit plan
- Timely reporting of the deficiencies identified in the internal control system to the appropriate management level, who should address the issues promptly
- Timely reporting of material internal control deficiencies to management body.

The internal control framework described above is applicable to the financial reporting processes and provides reasonable assurance on the reliability of financial reporting, compliance with applicable laws and regulations, as well as with the internal policies and procedures.

It is the Board of Directors' assessment that the Group has adequate internal control and risk management arrangements in place with regard to the Group's risk profile and strategy.

9. CONCLUSIONS AND PERSPECTIVES FOR 2020

In 2019, BRD delivered high profitability thanks to rising revenues, strong risk profile and robust commercial performance on both retail and corporate segments, while continuing the implementation of the business transformation plan. BRD Asset Management had a spectacular performance as reflected by the +74% growth in assets under management compared to the previous year, reflecting BRD's strategy to capture the full potential of the savings' market, and propose to its clients an alternative to standard deposits. In parallel, BRD actively financed SMEs through its leasing offer.

In line with the business transformation program, BRD accelerated investments in digital innovation in order to optimize customer experience. For corporate clients, BRD launched a new mobile application for cash management and simplified access to factoring and trade finance solutions. For retail clients, the continuous enhancement of BRD's internet and mobile banking solutions led to double-digit increases in the penetration rate and transaction volumes on digital channels.

BRD also increasingly supported local communities. BRD broadened its commitment to the society by initiating volunteering projects for its employees. In addition, BRD now contributes to the fight against deforestation, through the creation of Fondul BRD pentru Paduri.

In 2019 BRD further consolidated its strong foundation and confirmed the ability to adapt to a changing environment, while continuing to finance the Romanian economy in a balanced and responsible way.

BRD remains committed to preserving its franchise by continuing to deliver high quality banking services to its customers and by focusing on achieving its strategic objectives.

Further details on the Bank's perspectives and objectives are presented in the budget for 2020 which is submitted for approval to the General Assembly of Shareholders.

10. BOARD OF DIRECTORS' PROPOSALS

1) Considering the present report, we submit for the approval of the General Assembly of the Shareholders of BRD the separate and consolidated financial statements prepared according to the International Financial Reporting Standards as adopted by the European Union, for the period ended December 31, 2019, made of:

   - Separate and consolidated statement of financial position;
   - Separate and consolidated income statement;
   - Separate and consolidated statement of comprehensive income;
   - Separate and consolidated statement of changes in equity;
   - Separate and consolidated cash flow statement;
   - Notes to financial statements.

2) Approval of the profit distribution and setting of the dividend for 2019. The proposed gross dividend is of 1.64 lei / share. The dividends will be paid on June 3rd, 2020.

3) Discharge of the Board of Directors.

Giovanni LUCA SOMA

Chairman of the Board of Directors

Francois BLOCH

Chief Executive Officer

Stephane FORTIN

Deputy Chief Executive Officer

APPENDIX 1: STATEMENT OF COMPLIANCE WITH THE PROVISIONS OF CORPORATE GOVERNANCE CODE OF BUCHAREST STOCK EXCHANGE (BSE)

PROVISION	COMPLY WITH	PARTIAL COMPLY WITH	DO NOT COMPLY WITH	REASON FOR FAILURE TO COMPLY WITH
Section A – Responsibilities				
A.1. All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.	X			
A.2. Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.	X			
A.3. The Board of Directors or the Supervisory Board should have at least five members.	X			
A.4. The majority of the members of the Board of Directors should be non-executive. At least one member of the Board of Directors or Supervisory Board should be independent, in the case of Standard Tier companies. Not less than two non-executive members of the Board of Directors or Supervisory Board should be independent, in the case of Premium Tier Companies. Each member of the Board of Directors or Supervisory Board, as the case may be, should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered	X			

independent in character and judgement in practice and according to the following criteria: A.4.1. Not to be the CEO/executive officer of the company or of a company controlled by it and not have been in such position for the previous five years. A.4.2. Not to be an employee of the company or of a company controlled by it and not have been in such position for the previous five (5) years. A.4.3. Not to receive and not have received additional remuneration or other advantages from the company or from a company controlled by it, apart from those corresponding to the quality of non-executive director. A.4.4. Is not or has not been an employee of, or has not or had not any contractual relationship, during the previous year, with a significant shareholder of the company, controlling more than 10% of voting rights or with a company controlled by it. A.4.5. Not to have and not have had during the previous year a business or professional relationship with the company or with a company controlled by it, either directly or as a customer, partner, shareholder, member of the Board/Director, CEO/executive officer or employee of a company having such a relationship if, by its substantial character, this relationship could affect his/her objectivity. A.4.6. Not to be and not have been in the last three years the external or internal auditor or a partner or salaried associate of the current external financial or internal auditor of the company or a company controlled by it. A.4.7. Not to be a CEO/executive officer in another company where another CEO/executive officer of the company is a non-executive director. A.4.8. Not to have been a non-executive director of the				

company for more than twelve years. A.4.9. Not to have family ties with a person in the situations referred to at points A.4.1. and A.4.4.				
A.5. A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.	X			
A.6. Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.	X			
A.7. The company should appoint a Board secretary responsible for supporting the work of the Board.	X			
A.8. The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.	X			
A.9. The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	X			
A.10 The corporate governance statement should contain information on the precise number of the independent members of the Board of	X			

Directors or of the Supervisory Board.				
A.11. The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.		X		The Board of Directors has set up a Nomination Committee. The Nomination Committee is formed of non-executives members of the Board which are considered independent in character and have the capacity to act independent in the process of analysing and making the nominalization proposals for the positions within the management body.
Section B - Risk management and internal control system				
B.1 The Board should set up an audit committee, and at least one member should be an independent non-executive. The majority of members, including the chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven and adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.	X			
B.2. The audit committee should be chaired by an independent non-executive member.	X			
B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.	X			
B.4. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with	X			

identified internal control failings or weaknesses and their submission of relevant reports to the Board.				
B.5. The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.	X			
B.6. The audit committee should evaluate the efficiency of the internal control system and risk management system.	X			
B.7. The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.	X			
B.8. Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	X			
B.9. No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	X			
B.10. The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.	X			
B.11. The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	X			
B.12. To ensure the fulfilment of the core functions of the internal audit department, it should	X			

report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.				
Section C - Fair rewards and motivation				
C.1. The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. The remuneration policy should be formulated in such a way that allows stakeholders to understand the principles and rationale behind the remuneration of the members of the Board and the CEO, as well as of the members of the Management Board in two-tier board systems. It should describe the remuneration governance and decision-making process, detail the components of executive remuneration (i.e. salaries, annual bonus, long term stock-linked incentives, benefits in kind, pensions, and others) and describe each component's purpose, principles and assumptions (including the general performance criteria related to any form of variable remuneration). In addition, the remuneration policy should disclose the duration of the executive's contract and their notice period and eventual compensation for revocation without cause. The remuneration report should present the implementation of the remuneration policy vis-à-vis the persons identified in the remuneration policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.		X		Information on the remuneration of the management body are subject to Bank's Remuneration Policy, an extract from this Policy is presented in the Annual Report. Within Annual Report are presented also information on the mandate of the CEO.

Section D - Building value through investors' relations				
D.1. The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including: D.1.1. Principal corporate regulations: the articles of association, general shareholders' meeting procedures. D.1.2. Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions; D.1.3. Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the present Code; D.1.4. Information related to general meetings of shareholders: the agenda and supporting materials; the procedure approved for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including the decisions taken; D.1.5. Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables	X			

investors to make investment decisions; D.1.6. The name and contact data of a person who should be able to provide knowledgeable information on request; D.1.7. Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.				
D.2. A company should have an annual cash distribution or dividend policy, proposed by the CEO or the Management Board and adopted by the Board, as a set of directions the company intends to follow regarding the distribution of net profit. The annual cash distribution or dividend policy principles should be published on the corporate website.	X			
D.3. A company should have adopted a policy with respect to forecasts, whether they are distributed or not. Forecasts means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website.	X			
D.4. The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	X			
D.5. The external auditors should attend the shareholders' meetings when their reports are presented there.	X			
D.6. The Board should present to the annual general meeting of	X			

shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.				
D.7. Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	X			
D.8. The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	X			
D.9. A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.	X			
D.10. If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	X			

APPENDIX 2: NON-FINANCIAL STATEMENT

DESCRIPTION OF THE ACTIVITY

BRD Groupe Société Générale was established on 1 December 1990 as an independent commercial bank under legal frame of joint-stock company, with majority capital owned by Romanian State, by taking over the assets and liabilities of Bank of Investments.

In March 1999, Société Générale has bought a stock package representing 51% from social capital, increasing its holding up to 58,32%, by purchasing in 2004, the package that was still owned by Romanian State.

SG was holding 60.17% from BRD's social capital on 31st December 2019. The French Bank, one of the largest in the Euro Zone, with 149,000 employees in 67 countries and more than 31 million customers worldwide, has transferred in Romania the know-how that has enabled BRD to become one of the leaders of Romanian Market.

Since 2001, BRD-Groupe Société Générale operates as open joint-stock company, being admitted to trading on a regulated market, in accordance with the law of commercial companies, with banking legislation, capital market legislation, provisions of the Constitutive Act and other internal regulations.

BRD - Groupe Société Générale operates a network of 648 units and occupies an important position on the Romanian card market, with approximately 2.4 million cards and an acceptance network of approximately 29,000 POS and nearly 1,500 ATMs.

Compared to December 2018, the number of unique active users for remote banking services, MyBRD Mobile and MyBRD Net, increased in 2019 by 19%.

The Bank is present in all sectors of the economy, offering a large choice of services.

The Bank uses innovative technologies and develops activities to provide its customers - from children and students to families, from small entrepreneurs to large corporations – with personalized products, comfort and safety.

Its range of products and services covers, in addition to classical financing for individuals and businesses, also cash management, domestic and international factoring, co-financing and advice for accessing European funds, advisory in M&A, capital market services. The Bank is in the top of the Romanian factoring market and the Romanian syndicated loans market.

BRD has succeeded in creating a financial group that offers, in connection with the business lines of Société Générale Group, expertise in investment banking operations such as M&A's and structured finance, financial and operational leasing (BRD Sogelease and ALD Automotive Romania), asset management (BRD Asset Management), life insurance (BRD Asigurari de Viata), consumer loans (BRD Finance). BRD is also present, through BRD Pensii, in the market of private pension funds. The Bank is a leading player in the large corporate banking market and in the competitive factoring market.

After the privatization, beginning with 2004, the Bank implemented a policy aiming at the development of its retail arm, building a strong network across the country. As a first on the Romanian market, BRD launched various concepts of branches, adapted to different type of customers. The Group (bank and subsidiaries) counts today 7,356 employees.

At the end of 2017, BRD launched Level Up, the internal development program, aligned with Société Générale's long-term strategy "Transform to Grow". Level Up is following four directions: to enhance the satisfaction of our clients, the degree of involvement and responsibility of our teams, how can we sustain our business performance and what can we do for the development of the communities where we work.

CORPORATE SOCIAL RESPONSIBILITY

Our Corporate social Responsibility (CSR) consolidates the role we assumed as a bank in society: a trusted partner for our clients, committed to helping them realize their goals and driving positive transformation for the economy and the future of Romanian society.

BRD's CSR policy supports development, innovation and sustainability for both the Bank and its stakeholders, being one of the four essential pillars of Level Up, the strategic development program assumed by the Bank at the end of 2017.

Group Commitments and CSR topics

As part of Société Générale Group, BRD conduct its business with the utmost respect for the values under:

- the Universal Declaration of Human Rights and its additional commitments;
- the fundamental conventions of the International Labour Organization (ILO);
- the UNESCO World Heritage Convention;
- the Guidelines for Multinational Enterprises of the OECD (Organization for Economic Co-operation and Development);
- the United Nations Guiding Principles on Business and Human Rights

In addition, Société Générale has shown its proactive commitment since 2000 to the following public or private initiatives:

- 2000: founding member of the Wolfsberg Group;
- 2001: joined the United Nations Environment Programme Finance Initiative (UNEP-FI);
- 2003: joined the United Nations Global Compact, which encourages companies to integrate principles relating to human rights, working conditions and the fight against corruption;
- 2007: adopted the Equator Principles;
- 2014: support for the Green Bond Principles;
- 2014: Lyxor signed the Principles for Responsible Investment
- 2015: signed a Global Agreement on Fundamental Rights with UNI Global Union (renewed in February 2019);
- 2015: launched the "Positive Impact Manifesto" of the UNEPFI;
- 2015: joined the "Soft Commodities Compact" of the Banking Environment Initiative (with the Consumer Goods Forum) to fight tropical deforestation;
- 2015: subscribed to the "Principles for Mainstreaming Climate Actions within Financial Institutions", launched during COP21;
- 2016: signed the Women's Empowerment Principles – WEP, Professional Equality Charter of United Nations, and the International Labour Organization's Global Business Charter on Disability
- 2017: Adoption of the Principles for Positive Impact Finance (UNEP-FI);
- 2017: Supporting the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD);
- 2018: Katowice commitment to align financing portfolios with global climate objectives;
- 2018: Société Générale is the first French bank to join the Climate Bonds Partner Programme, an international network of financial actors working with Climate Bonds to shift investment towards a low-carbon and climate resilient economy.
- 2019: Signs Poseidon principles that promote low carbon emissions for the global shipping industry, by integrating climate objectives into portfolio management and bank lending decisions.

In 2018, for the first time, Société Générale has been designated Best French Bank in RobecoSAM's CSR ranking. The Group was ranked eight out of the 133 European banks included in the study.

According to the same standard, in 2019 Société Générale was ranked 1st worldwide on environmental topics and in 6th in Europe across all ESG (Environmental, Social and Governance) factors, out of 175 banks analysed.

In 2017 Société Générale launched a survey with a broad range of stakeholders including internal (staff members) and external (customers, shareholders, investors, NGOs, etc) in order to shape and strengthen its CSR vision.

The conclusions of this consultation process, enabled the creation of a materiality matrix with six key pillars of development that build and reinforce the new CSR policy of the Group, which has been integrated into the 2017-2020 Société Générale strategic plan.

The six smart priorities of the Group translate into:

- three general themes (*customer satisfaction, employer responsibility, ethics and governance, including the management of environmental, social and governance (ESG) risks*)
- two more specifically CSR themes (*climate change, supporting societal trends*)
- a transversal theme (the development of Africa).

This new reinforced vision was shared with all subsidiaries and started being integrated and implemented according to local specifications also in BRD, starting with the end of the year 2017.

BRD's 2018 non-financial declaration reports on five indicators from priority areas, which have been reported for the Société Générale Extra-financial Report, upon a methodology used by the Group, in line with GRI–G4 standard.

I. CUSTOMER SATISFACTION

Throughout its activities, the Bank aims to build customer relationships based on trust, responsibility and ethics. As a bank, BRD contributes to the sustainable economic, social and environmental development of the economy in which it operates. Being responsible and ethical means responding quickly to customers' needs while protecting the long-term interests of all stakeholders, through strict compliance with the applicable rules. Customer satisfaction is subject to periodic studies. Société Générale conducts annual group-level surveys for each subsidiary, the main segments of clients (individuals, small business and corporate clients), to evaluate the level of satisfaction in terms of customer-bank interaction. These polls show us both general satisfaction and detailed satisfaction with each interaction with the Bank. In addition, we evaluate the extent to which clients recommend us as a company, level measured through the NPS (Net Promoter Score) indicator.

This initiative has been supplemented, starting with Q4 2018 with continuous studies to evaluate client satisfaction following their interactions with different touchpoints of the Bank. These feedbacks are collected in real-time (max 48 H) and they help us to act promptly in order to try to transform the discontented clients into satisfied clients. In addition, we carry out other punctual studies and pre-post surveys testing new products launched to adapt as much as possible the offer to our clients' needs.

We have also contact point with customers and dedicated services that respond to the questions, claims and suggestions: call centre (MyBRD Contact) with dedicated line for emergencies, on line on social media (Facebook), dedicated email and address to write to Customer Relations Department.

The term for responding to a complaint depends on its complexity.

If the Bank's response does not fully meet the customer's request, the client is informed in writing of its right to address the competent authorities or to resort to alternative dispute resolution mechanisms (CSALB Alternative Dispute Resolution Centre, The Alternative Dispute Resolution Entity in the Non-Banking Financial Sector - SAL-FIN, etc.).

In 2019, we have received at the level of Customer Relations Department 10,715 complaints, suggestions and requests.

CLIENT SATISFACTION	2017	2018	2019
Response time following a complaint (days)	30	30	30
Ombudsman response time in case of disagreement (CSALB) (days)	90	90	90
Number of mediation requests	60	106	154
Cases handled by the ombudsman (CSALB)	60	106	154
Cases handled by the ombudsman (CSALB), decision issued	28	22	51

II. ETHICS AND GOVERNANCE

RESPECT FOR HUMAN RIGHTS

BRD is committed to maintain and improve the systems and processes that enable it to ensure that human rights are respected in its operations and its human resources management, in its supply chain, and in its products and services.

In 2019 there have been no staff training of BRD's employees on human rights issues, and so far, we have not identified human rights violations and we have not assessed the risks of respecting human rights.

Société Générale are guided by the following conventions, standards and initiatives:

- the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights;
- the Fundamental Conventions of the International Labour Organization (ILO), which cover, in particular, the elimination of forced labour and child labour, discrimination in employment as well as the freedom of association and the effective recognition of the right to collective bargaining;
- the United Nations Guiding Principles on Business and Human Rights;
- OECD Guidelines for Multinational Enterprises;
- the United Nations Global Compact.

The Bank is determined to act with integrity and in compliance with the applicable laws in all its activities. Several policies developed at the Group level include provisions that directly or indirectly uphold human rights.

A notable example is the Code of Conduct, in which BRD undertakes to respect human rights and to comply with the rules laid down by the ILO. The same applies to policies and processes developed by BRD in connection with its obligations to combat money laundering, terrorist financing and corruption.

CULTURE AND PROFESSIONAL CONDUCT

BRD has adopted the conduct and cultural directory lines and rules of Société Générale Group. The trust invested by BRD clients, shareholders and partners into the Bank and the personnel of the Bank, represents the fundament for building and preserving a long-term successful relationship.

The Code of Conduct gathers a set of strict rules and guidelines that aim to promote the values of BRD and Société Générale Group, at internal level and in relation with stakeholders involved in Bank's activity.

These values promote: moral integrity and honesty, professionalism and transparence, respect for implemented legislation and internal regulations, avoiding of conflicts of interest, impartiality and non-discrimination, ensuring confidentiality, prevention and fight against corruption, anti-money laundering and anti-financing of terrorist acts, social responsibility.

At the beginning of 2019, all BRD employees continued and completed an e-learning Code of Conduct training session in which the component elements of the mentioned Code were addressed. The training could only be completed if they took at least 80% at the final test.

Code of Conduct is available and applicable for all employees, including relevant and affiliated people, for initiated people and for BRD employees in charge with Bank's activity on financial markets.

ANTI-CORRUPTION FIGHT

Société Générale Group performs its activity in an ethic manner and in concordance with all applicable laws, including anti-corruption, anti-bribery and anti-lobbysm regulations, in all the countries where the Group operates.

As part of the projects initiated at the level of Société Générale in matters of corruption and in line with the group's standards, during 2019, at the Bank level, the governance framework on anti-corruption / ABC governance (Anti-Bribery and Corruption) has been consolidated by establishing dedicated governance roles and structures and specific roles in this area.

Also, the revision of the internal normative framework in the ABC field has started, having already implemented a series of consolidation initiatives (internal regulations, controls, IT applications, etc.), other initiatives to be initiated / finalized between 2020-2021, in line with the standards of the Société Générale Group.

As part of the Group, BRD joined Société Générale's code, principles and regulations concerning anti-corruption. Any act of corruption or any act of traffic of influence is strictly forbidden in BRD.

At BRD level, there are assessments of the risks related to corruption, both from the point of view of the local entity of the associated risks (eg the monitoring of the e-learning sessions carried out for the Bank staff and the evaluation of the results) and as part of the annual exercises carried out at the Société Générale Group level on Anti-Bribery and Corruption Risk Assessment.

In the field of anti-fraud, in 2019, the specialized structure within the BRD emphasized the implementation of new security mechanisms and fraud prevention regarding electronic transactions, in accordance with the legal requirements of PSD2. Also, in order to prevent fraud and early detection of fraud, 18 face-to-face training sessions were conducted throughout the Bank's Retail Network and to other structures within the Bank, reviewing and streamlining internal controls to prevent fraud both in the retail and non-retail business, and also in the implementation of new security mechanisms and fraud prevention regarding electronic transactions.

Starting with the fourth quarter of the year 2019, BRD staff that is the most exposed to the risks of corruption participated in the dedicated courses, the participation rate being 100%.

For 2020, the Bank is considering the implementation of new internal controls to prevent and identify fraud in both retail and non-retail activity and the organization of anti-fraud training sessions, both by using the e-learning platform and face-to-face.

In 2019, the Bank organized:

- Anti-fraud training sessions face-to-face throughout the Bank's retail network with a duration of 3 hours, attended by 612 people. The training aimed at raising awareness, preventing and combating fraud through methods applied in daily activity.
- ABC (Anti Bribery and Corruption) training sessions for both the population exposed to corruption and for the teams that requested it punctually. 420 people participated in this training and the main topics considered were: the reminder of the regulations and risks, of the internal policies and procedures Anti Bribery and Corruption and the discussion of case study.

OTHER CORPORATE GOVERNANCE ELEMENTS

CONFLICTS OF INTEREST

The main obligations fulfilled by the members of the Board of Directors and of the Executive Committee, imposed at the Bank level in order to prevent and avoid conflicts of interests, are:

- the obligation to act only in the interest of the Bank and to make decisions without allowing themselves to be influenced by any own interests that could occur in their activity;
- the obligation to keep the confidentiality of any fact, data or information which they became aware of while performing their duties, understanding that they do not have the right to use or reveal such information either during or after the end of their activity;
- the obligation to inform other members of the Board of Directors and the internal auditors of any operation in which they have direct or indirect interests, which are contrary to the interests of the Bank, and not to take part in any deliberation regarding such operation;
- members of the Management Body shall not take part in any deliberation when, in meetings of the Board of Directors/ Executive Committee, decisions are taken about third parties with whom they are in a conflict of interest by nature of their position;
- the obligation to respect professional secrecy with regard to the confidential information to which they have access, the debates and the decisions they have taken and which have not yet become public.

REGIME APPLIED TO RELATED PARTIES

The internal regulations establish a set of rules for identifying, monitoring and reporting the transactions with related parties.

INSIDER TRADING

In order to set a preventive and secured action framework for market operations performed by persons who, on account of their position within the Bank, have access to privileged information, the Bank established and applied a series of professional ethics rules which must be observed by directors, executive officers and other insiders, in order to avoid the breach of the legal framework applicable to trading with financial instruments issued by BRD.
In addition, for the purpose of protecting persons who have access to privileged information, trading financial instruments issued by BRD is forbidden before publication of the periodical reports of the Bank. Also, obligations have been set regarding reporting to the Bank of every personal transaction carried out by every insider with BRD financial instruments.

TRANSACTIONS CARRIED OUT BY THE MANAGEMENT STAFF

According to internal normative framework, persons holding managerial responsibilities as well as persons closely associated with them (within the meaning of Article 25 of the MAR Regulation, members of the Board of Directors and members of the BRD Executive Committee) shall notify the issuer (General Secretary /Corporate Affairs) and ASF for each transaction performed on their behalf in connection with BRD's shares, BRD debt instruments or any other instruments related to the BRD issuer.

Notifications are made promptly and no later than three business days after the transaction date, since the total volume of transactions reaches the threshold set by ASF.
The threshold is calculated by summing up all transactions made within one calendar year, without compensation.

DIGITAL SECURITY

In Digital Security, BRD Groupe Société Générale is fully aligned to the global Group policies implemented for managing cybersecurity.

In BRD, the activity is managed by CISO – Director of Information Security Direction.

To fight cybercrime, the Bank has implemented solutions to protect the assets and transactions of its customers (individuals and legal entities).

BRD Groupe Société Générale constantly strives to adapt its security measures to enhance the protection of its customers against statistic continuously growing information security threats.

As an example, BRD Groupe Société Générale is one of the few Romanian commercial banks offering a free security solution for its remote banking applications, for both legal entities and individuals, also acting to raise awareness on the topics of information security through the contractual clauses of the “Remote Bank” services and through the BRD institutional website.

During 2019 also, the Information Security Division has been engaged in rising the awareness of BRD staff on the risks in information security, through multiple impact presentations, presentation videos, articles on the intranet site, regular anti-phishing exercises.

Starting 2019, BRD has contributed to increasing its partners' responsibility for information security, by strengthening the specific information security clauses systematically included in the contracts in which BRD is the beneficiary and / or operator (GDPR).

Starting December 2015, BRD Groupe Société Générale SA has a PCI DSS certification as „Service Provider Level 1”.

Also in 2019, the IT Pole of BRD Groupe Société Générale (Business Solution Center) has documented and renewed two important certifications for the Bank: ISO27001: 2013, regarding the secure management of information and PCI-DSS, essential for the relationship with the authorities and traders in Monetica activity.

PERSONAL DATA PROTECTION

BRD Groupe Société Générale is particularly sensitive to personal data protection. As a trusted partner of its customers, BRD Groupe Société Générale appointed a responsible person for the protection of personal data and created the Cell Service of Personal Data Protection, having in its responsibility all aspects related to the protection of personal data and privacy. In order to comply with the new data protection regulations and to underline its commitment for personal data protection, BRD Groupe Société Générale created a new "Data Protection" service within its Information Security Direction, responsible for all aspects related to the protection of personal data and private life. The primary mission of this function is to advise and inform all BRD Groupe Société Générale entities on data protection requirements, to assist and respond to requests received from Group subsidiaries and to act as the contact point for the national supervisory authority ANSPDCP.

The person in charge of data protection function must be consulted whenever a new data processing operation is implemented or changed. In accordance with local and European regulations, internal instructions describe the rules and procedures applied to guarantee the customer and employee data protection.

Any processing operation involving personal data must be accompanied by specific and appropriate guarantees for the security of the respective processing.

BRD Groupe Société Générale has also established appropriate procedures to ensure the respect of data owners' rights (customers, employees), including to inform the data owners about the conditions under which their personal data are processed. These are transposed into the forms dedicated to personal data collection and information notes on data processing. Customers can also access on the Bank's website and free of charge in the BRD network, the information documents regarding the way in which BRD can process their personal data.

Regarding the employee data, BRD Groupe Société Générale has adopted personal data protection rules for both employees and candidates to a position within the Bank.

The Binding Corporate Rules apply to every Société Générale Group entity who joined them and are designed to ensure an adequate and uniform level of protection for the personal data and privacy of employees and prospective hires that are part of the HR management process.

The cell coordinated by the Data Protection Officer has the mission to contribute to supporting the Bank's activities and to reducing the risks related to the processing of personal data, ensuring compliance with the provisions of the legislation regarding the protection of personal data and with the Group policies in this field.

At the same time, BRD Groupe Société Générale SA has provided a training program to its employees in the field of personal data processing. In 2018, the employees of the Bank were trained through e-learning and continued in 2019 for the new employees. During the same year and in 2019, classroom-type courses were organized (face-to-face) dedicated to specific categories of employees, mainly supported by external consultants.

III. RESPONSIBLE EMPLOYER

In 2019, the banking landscape continued undergoing profound change, including evolving customer and stakeholder expectations, the emergence of new technologies and the regulatory framework, which are transforming BRD's businesses and the skills required to work in. For BRD Groupe Société Générale, this means seizing this opportunity to grow and develop its employees. Their ability to adapt their skills and ways of working is critical to the sustainability of the businesses.

Our Bank's corporate culture is based on the values it promotes to best serve its customers (team spirit, innovation, responsibility and commitment), the behaviour and skills they inspire and the conduct to be followed by those who work in these businesses.

Human rights, diversity, anti-discrimination policy, gender equality

In BRD, the general policy is to treat everyone, man or woman, with the same respect, providing each one with the equal chance of getting recruited, promoted, rewarded, formed, and based only on the personal qualities.

Diversity is an important component of the Bank's strategy and is based on an efficient, independent performance management system that assures the valorization of employees' attributes from the perspective of skills and competencies.

When hiring and setting fixed individual rights, the Bank will ensure equality of opportunity and treatment for all employees without discrimination, direct or indirect according to criteria of race, color, national origin, ethnicity, religion, social origin, age, or union activity, sex, sexual orientation, genetic characteristics, handicap, family situation or responsibility, or any other criteria that have the purpose or effect of not offering, reducing or canceling the recognition, use or exercise of rights under the collective Labor Agreement.

Decisions related to salaries, benefits, training, work assignments, promotions, disciplinary measures or dismissals are based solely on employee performance, not on personal characteristics, race, origin, gender, religion, sexual orientation or political opinion.

Adequate working conditions and respect for the employees' dignity – on developing the Collective Employment Agreement and the internal regulatory documents of the Bank, the aim is to ensure appropriate labor conditions for the activity, and in terms of social protection, occupational health and safety, as well as to respect the employees' dignity and conscience.

The following are acknowledged for all the employees:
− the right to collective negotiation;
− the right to personal data protection;
− the right of protection against illegal firing;
− the Right of protection against all forms of harassment;
− other rights specified by the laws in force.

There is a collective labor agreement in BRD, which is the result of annual negotiations between the management and the employees' union (38% syndication degree).

BRD tools and special programs:
- Recruitment (job description, selection criteria)
- Promotion (criteria, specific programs)
- Remuneration (criteria, compensation packages and benefits)
- Career management (specific programs)
- Assessment (skills, rating system)
- Dismissal (criteria, compensatory packages)

These tools take into account: the needs of the Bank; qualification, professional experience; professional performance; technical, commercial, managerial skills; professionalism, team spirit, innovation.

In BRD, women are not a minority population, they actually represent 76% of all personnel (at the end of 2019). They also occupy a significant number of managerial positions (68% of the total managerial positions).

- 561 women are in maternity leave (9% of all women); when returning from maternity leave, they receive an integration training according to agreement with the direct manager
- As the number of employed women is high, most of them having ages between 26-42 years old (61%), BRD organizes special events dedicated to them that aim personal and professional development and well-being.

The number of employees of the Group was 7,356 as of 2019 end (7,471 at 2018 end), while the number of active employees of the Bank was 6,751 as of 2019 end (6,882 at the 2018 end).

The Bank also recognizes and supports the benefits of the diversity of the management body and considers it an essential element in the protection and expansion of the competitive advantage, given that through diversity, maximum efficiency and performance can be achieved, increasing innovation and cooperation both within the management body and within the Bank. In this context, the Bank has adopted and implemented a diversity policy.

In this respect, a balance is desired to be achieved, so that the members of the management body have theoretical knowledge and practical experience regarding: financial markets; framework and regulatory

requirements; strategic planning and understanding of the Bank's strategy and business plan and their realization; risk management (identification, evaluation, monitoring, control and reduction of the main types of risk, including past activity / attributions); accounting and audit; assessing the effectiveness of the governance framework, establishing effective governance, supervision and control mechanisms; the interpretation of the financial information of a credit institution, the identification of fundamental issues on the basis of such information and appropriate controls and measures.

The Nomination Committee evaluates and reviews the composition of the governing body annually and at any time, the committee may propose to improve any aspect of its diversity.

During the year 2019 there were several changes in the governing body, including the appointment of new members (a female representative was elected within the Board of Directors). They ensure diversity of age, geography, experience and expertise in various fields of activity.

More details on the changes that took place at the level of the management body are available in the body of Administrators' report.

The management of the performance

The Human Resources Department pays particularly close attention to employees' commitment, which improves team's performance. Recognizing each individual's contribution to the Group's long-term performance, ensuring well-being at work and drawing on the teams' diversity are all-essential to maintaining employees' ties to the company and improving efficiency.

The management of the performance lays on three major pillars:

- Clear and measurable objectives based on suitable job description.
- Continuous feedback and individual development plan.
- A serious and transparent process of evaluation of the employee, both on the results and on how they were accomplished.

The evaluation process is a way to manage and develop competencies aiming to:

- Discuss on the expected level of objectives' achievement according to deadlines and means defined at the start of the year as well as the working environment.
- Assess results and how they were accomplished given job accountabilities and objectives set for the year.
- Identify acquired competencies.
- Identify training needs and assure professional development.

Here after our key indicators on Human Resources for 2019:

Indicator	2017	2017 % from total employees/FTE	2018	2018 % from total employees/FTE	2019	2019 % from total employees/FTE
Total number of female employees on permanent contracts	5,082	66	5,062	67	5,061	68
Total number of female employees on fixed-term contracts	695	9	628	8	580	8
Total number of male employees on permanent contracts	1,714	22	1,688	22	1,641	22
Total number of male employees on fixed-term contracts	159	2	143	2	114	2
Total number of employees	**7,650**	**100**	**7,521**	**100**	**7,396**	**100**
Number of female employees present on permanent contracts (FTE)	4,441	64	4,463	65	4,463	66
Number of female employees present on fixed-term contracts (FTE)	686	10	623	9	575	8
Number of male employees present on permanent contracts (FTE)	1,701	24	1,673	24	1,626	24
Number of male employees present on fixed-term contracts (FTE)	158	2	142	2	114	2
FTE	**6,986**	**100**	**6,901**	**100**	**6,778**	**100**
Number of work-study participants present during the year	730	10	656	10	1,168	16
Number of work accidents (as defined by local regulation)	4	0	4	0	2	0
Number of employees who had an annual performance evaluation (eligible employees with more than 6 months in the Bank)	5,921	96	5,921	99	6,200	100

Training	2017	2018	2019
Total number of hours of training	164,568	296,459	356,340
Total number of hours of training for female employees (classroom and e-learning)	124,919	223,972	280,740
Total number of hours of training for male employees (classroom and e-learning	39,649	72,488	75,600
Average number of training hours per employees who attended at least one training session during the year	**30**	**37**	**52**
Number of female employees who attended at least one training session during the year	3,994	5,980	5,133
Number of male employees who attended at least one training session during the year	1,424	2,100	1,806
Number of employees who have completed at least one training course	5,418	8,080	6,939

* part-time employees are counted as FTE = 1

Other details about HR strategy are available in the main body of the Board of Directors Report at the chapter dedicated to Human Resources.

IV. CLIMATE CHANGE

Environmental & social impact of business activities

In the face of climate change and ecological upheaval, the preservation of environmental balances is becoming a challenge. In 2015, ahead of the COP21 climate change conference, the Groupe Société Générale committed to aligning its financing portfolio to the global warming trajectory laid out by the International Energy Agency (IEA), which sets out a 2°C scenario (2DS), by 2020.

In 2017, Société Générale pledged to help raise €100 billion in financing for the energy transition between 2016 and 2020 and to report regularly on achievements. Currently, this objective has been achieved in a proportion of 69%.

The Group also adopted in 2018 exclusion policies for oil sands and Arctic oil exploration and extraction activities.

Equator Principles

BRD applies the Equator Principles since 2009. This commitment made by the Société Générale Group provides, for the assessment of the social and environmental risks of the projects, the allocation of over 10 million USD.

Adopted by the Group in 2007, and revised in 2013, the Equator Principles (EP) are one of the underlying initiatives of the Environment &Social (E&S). To ensure that they are followed, BRD has special internal procedures and tools. The EP serve common framework for the financial sector to identify, evaluate and manage the E&S risks of projects.

Sector Policies

BRD focused its initial efforts on clarifying and implementing its climate strategy within the mining & coal sector. Actions have already been carried out for the energy sector (sector policy, stop new funding for

coal and coal-fired power plant projects, etc.). Société Générale has developed a methodology for monitoring its credit exposure to the coal sector for the purposes of implementing its commitment to the IEA's 2DS plan for 2020 and BRD is reporting every semester about the implementation of this sector policy.

Environmental impact of own activities

Responsibility to protect the environment goes beyond legal mandatory limits and represents a voluntary commitment of the Bank, which aims to constantly reduce CO2 emissions coming from its own activities. Such policy involves the control and improvement of its direct impact on the environment, in association with its various stakeholders.

To measure environmental indicators (on an annual periodicity) BRD use Planethic – an internal online tool managed by Société Générale (which includes at least all consolidated entities of Société Générale Group and also all companies that are more than 50% owned by SG Group).

Planethic Reporting measures indicators from 6 areas of interests for environment and uses multiple units of measure:

- Energy
- Buildings Management system (number of buildings, number of occupants, surfaces and types of surfaces – offices, sales offices, dining facilities, parking areas…)
- Paper
- Transport
- Waste
- Water

The indicators (measured and reported by different departments in BRD) are centralized and processed through the application, so that in the end a general indicator can be calculated for environment, which can be expressed by the carbon footprint.

BRD Indicator	2017	2017 relative to total occupants	2018	2018 relative to total occupants	2019	2019 relative to total occupants
Electricity consumption from suppliers (kwh)	29,273,241	3,568	29,623,582	3,918	29,745,579	3,972
Gas consumption (kwh)	24,837,502	3,027	24,624,251	3,257	23,362,909	3,120
Heat consumption (kwh)	3,092,288	4,307	3,060,028	4,340	2,963,749	4,270
Distances travelled for business trips by plane	1,348,042	164	1,478,650	196	1,722,109	237
Distances travelled for business trips by plane -SHORT-haul(<500km)	569,657	69	695,827	92	883,708	118
Distances travelled for business trips by plane -MEDIUM-haul(> 500 km < 1600 km)	180,600	22	126,566	17	199,043	27
Distances travelled for business trips by plane -LONG-haul (> 1600 km)	597,785	73	656,257	87	689,358	92
Distances travelled for business trips by car	9,368,709	1,142	8,870,460	1,173	9,317,711	1,244
Total quantity of paper used (kg)	741,496	90	682,924	90	636,488	85
Total quantity of waste produced (kg) of which:	400,565	49	443,240	59	447,990	60
-recycled wastes (paper, cardboard and WEEE)	62,385	8	41,940	6	33,560	5
-non-recycled wastes	338,180	41	401,300	53	414,430	55,3
Water consumption (m3)	71,175	9	69,123	9	65,761	9
Surface area (m2)	238,756	29	231,578	31	223,086	29,8
Number of occupants (employees&providers effectively at work)	**8,205**		**7,560**		**7,488**	
Number of buildings	794		749		680	

The consumption of gas and heat is in accordance with the ambient temperature.

Société Générale decided to reduce its CO2 emissions by 20% between 2014 -2020 and, from 2017, to include its waste in the Group's carbon footprint.

Aware of the impact that the Bank has on the environment through its business activity, BRD also has a strategy that involves controlling the resources and reducing the negative impact, while measuring its carbon emissions, whose evolution we present below:

Tons CO_2	Total emissions CO_2			Total emissions CO_2/occupants		
	2017	**2018**	**2019**	**2017**	**2018**	**2019**
	*20,359	20,271	19,950	*2.56	2.68	2.67

*CO2 emissions or carbon footprint are calculated according to a number of specific emission factors, which vary from one year to other. In order to make a comparison between years, the calculations are repeated for previous years as well by using the emission factors of the reporting year.
The total amount of each emission is calculated with the consumptions of paper (tons of paper bought), electricity (kWh consumed), business trips (Km done by plane, train, cars), waste (tons of waste collected: paper, steel, wood, WEEE…), etc. reported for which we apply specific emissions factors.
For paper we applied the ADEME emissions factors for all the Group.
For electricity we applied AIE emissions factors (by countries).
For plane we applied DEFRA emissions factors for all the Group.

Collection and recycling of waste in BRD

BRD implemented a program of collection and recycling of waste from electric and electronic equipment, in partnership with the associations *Recolamp* and *Ateliere fara Frontiere*. In 2019, BRD donated 210 kg of lighting bulbs to Recolamp and 10.51 tons of electric and electronic waste to *Ateliere fara Frontiere Association,* being the largest contributor of the association. Paper waste is also the subject of collection and recycling in BRD (20.8 tons of paper and cardboard recycled in 2019).

V. RESPONSIBILITY TOWARDS THE DEVELOPMENT OF THE ROMANIAN SOCIETY

There is an urgent need for the Romanian society to identify and support development pillars. According to BRD, culture, education and technology are essential for building a sustainable future, but also for facilitating the access of young generations to complementary resources through which they can develop.

That is why, this year, BRD has continued to support education and technology, culture and volunteering, for the benefit of the communities where it operates. The amount invested in 2019 in these projects is approximately RON 10,300,000.

For a number of years, Société Générale has been pursuing an in-depth digital transformation involving all of its staff. In 2018, the Group received the award: No.1 company for digital transformation in the French eCAC40 Awards, after 2017 when it was ranked second. For the sixth consecutive year, Société Générale is in the small circle of the most mature CAC 40 companies in terms of digital transformation. The 2019 eCAC40 Awards recognised Société Générale as 1st bank and 4th of the most advanced CAC 40 companies in terms of digital maturity.

BRD aligns with SG efforts in **Technology and innovation field**, engaging efforts into preparing key actors (new generation, IT& tech specialists and entrepreneurs) for a digital society. The projects supported by BRD go in the direction of STEM education and take place under the umbrella of the platform program MINDCRAFT – development hub BRD, which includes: **BRD First Tech Challenge**, **2 Robotics Laboratory** organized in Polytechnic University of Bucharest (one for pupils in FTC competitional system and one for students and young entrepreneurs in technology), **Innovation Labs** and **RIDS** (Romanian Institute of Data Science) **Partnership**. Together, these projects have an impact on over 50,000 beneficiaries: students, teachers, young entrepreneurs in technology.

In addition, for the technology and science enthusiasts, BRD intends to develop a dedicated journalistic project. Thus appeared **MINDCRAFT Stories**, a communication platform, in mid-2019, which opens a conversation on technological discoveries, inventions and the new, paying particular attention to the Romanian scientific landscape, but not only.

Another platform, this time of education is the Scoala9, launched by BRD together with journalists from DOR. The publication, which is an initiative to support the modernization of pre-university education, has become, in a short time, a space that gathers ideas and launches a challenge to dialogue with all actors - teachers, parents, students, decision-makers (institutions), education specialists - regarding the direction in which the Romanian education is heading, also addressing the best methods dedicated to the development of the performance and quality in education. The platform gathers up to 150,000 unique readers monthly.

BRD invests in supporting contemporary culture and young creators. Speaking of classical music, visual or the performing arts, the Bank aims to develop or support projects, platforms that give young generations' access to financing, promotion or exhibition spaces, or projects that offer wider public access to the culture, which build new audiences, especially young.

The main cultural platform is the Fundatia9, which, under the guidance of an independent Board of Directors, has continued to develop the three programs already known to the public:

1. **Scena9**, the platform for cultural journalism founded in 2015, already an important voice on the Romanian cultural scene, a space where journalists, illustrators, artists, photographers which illustrate the new generation of creators in the most varied fields, from art to science, follow their projects and their evolution. They are the ones who draw the portrait of this new generation that makes our world spin. Scena9 has 700,000 online readers per year and also appears on paper in 5,000 copies;
2. **Rezidenta BRD Scena9**, a cultural centre dedicated for the young generations of contemporary culture creators, that accommodates, finances and produces an interdisciplinary cultural program, which has visual arts in the center;
3. ***Fondul de Cinema "Lucian Pintilie",*** a program created in memory of this important Romanian film director. The fund has the purpose to honor the memory of the big filmmaker and to offer support to author movies, signed by Romanian debutant directors, under the spirit of Pintilie cinematography. If in 2018, the Foundation granted 3 scholarships to Romanian filmmakers, in 2019 it financed and organized the restoration of the movie "Balanta", one of the most important films of Pintilie and of the Romanian cinema, film that was in an advanced state of degradation. In this way, the Foundation makes it possible to know part of the Romanian cultural heritage by future generations, the movie is already playing on big screens throughout the country.

A reference point in last year's cultural agenda is the France - Romania Season, the largest public and cultural diplomacy project carried out by the two states, which included meetings, exhibitions, festivals in 30 cities in the country.

As a strategic partner, BRD opened the season with the contemporary art exhibition "Species of Spaces", which brought together 24 works from the contemporary art collection of the Société Générale, being open to the public at the National Museum of Art of Romania, from April to July. In parallel, the BRD Scena9 Residence hosted, in the same context, the exhibition "Space (continuation and end)", both being curated by Mihnea Mircan.

Under the umbrella of the France - Romania Season, the two classical music tours, financed by BRD, took place in 2019: Sonoro Conac and Stradivarius.

Ziua V, BRD first internal volunteering program stimulates the involvement of our employees in volunteering projects that generate change in local communities. Even more, the Bank allocated 1 day/ year/ employee for volunteering actions. Launched in 2018, the program is based on a special online platform, populated with volunteering projects from different areas and domains, from where the employees can choose according to their preferences.

In 2019, BRD organized 50 corporate volunteering actions with positive impact on 10,000 people in difficulty, as direct beneficiaries and involved 2,300 BRD volunteers.

Among these actions, we can mention:

- 4,000 hot meals and food boxes for poor;
- 13 blood donation campaigns, most of them at BRD HQ;
- 1,100 personalized Christmas Gifts for disadvantaged children;
- donations in the amount of app. 35,500 EUR to support community causes promoted by ZiuaV.ro program in 2019.

In December 2019, BRD launched 2 initiatives related to the environment:

- The **BRD Fund for Forests**, which aims to finance initiatives related to the protection of Romania's forests, some of the most valuable in Europe. The first initiative funded from this Fund is a WWF program that aims to identify, monitor and protect at least 100 Ha in the area of the Hartibaci Plateau, extremely valuable forests, both ecologically and socially.
- An **educational and environmental program for schools in urban areas**, which will be implemented with the support of BRD volunteers and which aims to transform the school yards into green spaces, for outdoor lessons.

More details about those programs are in the main body of the Annual Board of Directors' Report.

GROUPE SOCIETE GENERALE

TRANSLATION
DECLARATION

Acting as directors of BRD - Groupe Société Générale SA, in accordance with *Article 30 of the Accounting Law no. 82/1991 republished and with art 223, letter A, paragraph 1 (c) of the ASF Regulation no. 5/2018 on issuers of financial instruments and market operations,* we assume responsibility for preparing the separate and consolidated financial statements for the year ended December 31, 2019 and confirm, to the best of our knowledge, the following:

a) The accounting policies used in preparing the separate and consolidated financial statements for the year ended December 31, 2019 are in accordance with accounting regulations applicable to credit institutions, as per Order no. 27/2010 for approving the Accounting Regulations in accordance with International Financial Reporting Standards, applicable to credit institutions, issued by the National Bank of Romania, with subsequent amendments;

b) The financial statements present a true and fair view of the financial position, financial performance and other information related to the activity of BRD and its subsidiaries included in the financial statements consolidation process;

c) BRD - Groupe Société Générale SA operates on a going concern basis;

d) The Board of Director's Report on the financial statements mentioned above includes a fair review of the development and performance of the Bank and Group, as well as a description of the main specific risks and uncertainties.

Giovanni Luca SOMA

Chairman of the Board of Directors

Francois BLOCH

Member of the Board of Directors
and Chief Executive Officer

List of subsidiaries and of controlled entities of BRD - Groupe Societe Generale as of December 31, 2019 (*)

(*) according to Regulation no. 5/2018 on issuers of financial instruments and market operations, issued by ASF

Nr	Name	Field of activity	Type of entity
1	BRD Sogelease IFN SA	Financial leasing	Subsidiary
2	BRD Finance IFN SA	Other credit activities	Subsidiary
3	BRD Asset Management SAI SA	Funds management	Subsidiary

Name of BRD - Groupe Societe Generale SA related parties, as of December 31, 2019

1 Vrancart S.A
2 VINATORU Lavinia Miana
3 VINATORU Corneliu Claudiu
4 VIGROUX JEAN - PIERRE GEORGES
5 UNGUREANU GHEORGHE
6 TURQUIN Roxana
7 TURQUIN Benjamin
8 TOPLICEANU Radu-Octavian
9 Tiba Iuliana
10 Tiba Maria
11 Tiba Iosif
12 STOICA si ASOCIATII
13 STOICA MARIUS
14 STOICA CORNELIA MIHAELA
15 SOGESSUR
16 SOCIETE GENERALE WARSHOVIE
17 SOCIETE GENERALE VIENNA
18 SOCIETE GENERALE TOKYO
19 SOCIETE GENERALE SEOUL BRANCH
20 SOCIETE GENERALE SECURITIES SERVICES SPA MILANO
21 SOCIETE GENERALE SECURITIES SERVICES POLAND
22 SOCIETE GENERALE S.A. FRANKFURT AM MAIN
23 Societe Generale Private Banking Suisse
24 SOCIETE GENERALE POLAND BRANCH
25 SOCIETE GENERALE PARIS
26 SOCIETE GENERALE NEW YORK
27 SOCIETE GENERALE NANTES - TITRES
28 SOCIETE GENERALE MADRID
29 SOCIETE GENERALE GLOBAL SOLUTION CENTRE PRIVATE
30 SOCIETE GENERALE Factoring DE
31 SOCIETE GENERALE FACTORING
32 Societe Generale European Business Services
33 SOCIETE GENERALE CORPORATE INVESTMENT BANKING
34 SOCIETE GENERALE BRUXELLES BRANCH
35 SOCIETE GENERALE BANK AND TRUST S.A. LUXEMBOURG
36 SOCIETE GENERALE AMSTERDAM BRANCH
37 SOCIETE GENERALE ALGERIE
38 SOCIETE GENERALE - PARIS AGENCY
39 Sirbu Radu
40 SIF Banat Crisana
41 SG London Branch
42 SG Issuer
43 SG FINANS NORVEGIA
44 SG Factoring SA
45 SG China
46 SG ACCEPTANCE NV CURACAO
47 SELEGEAN Tiberiu-Mihai
48 SELEGEAN Elena
49 S.G. LONDON
50 S G FACTORING S.P.A.
51 Ruiz Eric
52 ROGARIU IMOBILIARE SRL
53 REY Marc Claude Christophe
54 REY CLEMENT
55 RESCEANU Stefan
56 Resceanu Oana
57 RADU VASILE MARIAN
58 RADU LUMINITA
59 PURCAREA MIHAI
60 POPA MARIANA FLAVIA
61 NUTIU Anca Otilia
62 NUFERILOR 22A IMO SRL
63 MOISE Stefan -Octavian
64 MOISE Oana Monica
65 Moise Liana
66 Mikic Maja

67 MIHAILESCU GABRIELA
68 MERZLICHIN Florentina
69 MEDELEAN Mirela
70 Marcu Olivia Georgiana
71 MARCU Mihail
72 LALLEMAND YVES JEAN GUENOLE
73 KOMERCNI POJISTOVNA
74 KOMERCNI BANKA A.S.
75 Gubandru Mariana Mihaela
76 Ghirca Bogdan Mihaela
77 Fundatia 9
78 FORTIN STEPHANE
79 Fondul de Garantare a Creditului Rural IFN SA
80 FLOROIU Neculai
81 FLOROIU Delia
82 FELEAGA Liliana
83 FACTORING KB, A.S
84 Emmalou Concept SRL
85 Dragos Bogdan
86 Dragon Ludovic Filip
87 DRAGOI Anca Mihaela
88 DOCHIA AURELIAN
89 Dinoci Mihai
90 DINOCI Adriana-Lavinia
91 DIA BUSINESS MANAGEMENT SRL
92 DHOSTE ERIC
93 DANILIUC Felix Silviu
94 Dan Aneta
95 COMVEX SA
96 COMBEI ALEXANDRU
97 Coface Romania Credit Management Services SRL
98 CERCEL Justin
99 CERCEL- DUCA MIRUNA ALEXANDRA
100 CERCEL -DUCA LAURENTIU ANDREI
101 CERCEL- DUCA ALEXANDRU- CLAUDIU
102 BUNESCU Sorin Dragos
103 BUNESCU PETRE
104 BUNESCU Lidia
105 BUNESCU Laura Persida
106 BUNESCU Adiel Milven
107 BRD-ASIGURARI DE VIATA
108 BRD SOGELEASE IFN SA
109 BRD Sogelease Asset Rental
110 BRD Societatea de administrare a fondurilor de pensii private (fost BRD Fond de Pensii)
111 BRD FINANCE IFN SA
112 BRD ASSET MANAGEMENT S.A.I. S.A.
113 BRD ASIGURARI DE VIATA
114 Boldescu Florin
115 BLOCH FRANCOIS
116 BLOCH ADRIEN
117 BLOCH YAEL
118 Biroul de Credit
119 Biofarm SA
120 BANCO Frédéric Nicolas
121 ANASTASIU Doina
122 ALDEGUER FRANÇOIS JOSE
123 ALD AUTOMOTIVE SRL
124 ABRAHAM Luiza
125 Abraham Ana Maria