

REMUNERATION REPORT FOR THE YEAR 2023

BRD – GROUPE SOCIETE GENERALE

1. INTRODUCTION

Starting 28.08.2020, in Romania entered into force the Law no. 158 for the amendment, completion and repealing of certain legislative acts, including Law no. 24/ 2017, for issuers whose securities are admitted to trading on a regulated market.

This document that complies with the provisions of the Law no. 158/ 2020 represents the Report on the remuneration of Executive and Non-Executive Directors for the year 2023 (hereinafter called the “**Remuneration Report**” or the “**Report**”) of **BRD – Groupe Société Générale** (hereinafter called “**BRD**” or the “**Bank**”).

The Remuneration Report is subject to the approval of the Board of Directors along with the annual financial statements for the given year and is submitted to vote within the Ordinary General Shareholders’ Meeting, the opinion of the shareholders within the general meeting regarding the Remuneration Report, resulting from the vote, having advisory character. Once approved, the Report is published on BRD’s website and can be inspected there for a period of ten years.

The principles of the remuneration of Executive and Non-Executive Directors are defined in a document called The Remuneration Policy for Executive and Non-Executive Directors (hereinafter called the “**Remuneration Policy**”), which was defined by the Board of Directors following the recommendations of the Remuneration Committee and approved in the Ordinary General Shareholders’ Meeting held on April 22, 2021. We remind that the Remuneration Policy includes governance and remuneration principles, including key elements of the remuneration package for :

- the Non-Executive Directors, members of the Board of Directors;
- the Executive Directors, members of the Management Committee.

BRD’s remuneration principles provide a strong alignment between the achievement of long-term strategic objectives, values and long-term interests of the Bank and the delivery of value to shareholders, align the interest of the Bank and of its clients, employees and shareholders and prevent inadequate risk appetite and imprudent conduct. The Remuneration Policy is an integral part of the Bank’s overall business strategy.

The Remuneration Report contains information regarding the remuneration of all Executive and Non-Executive Directors who were subject to the Remuneration Policy during 2023. The Remuneration Report does not contain information about:

- former Executive Directors who were not subject to the Remuneration Policy during 2023 but who may, nevertheless, still receive variable remuneration components under the relevant deferred and retention schemes for the past periods;
- portion of variable remunerations granted to current Executive Directors for performance periods prior to 2023 and paid during 2023.

2. THE 2023 OVERVIEW OF THE REMUNERATION COMPONENTS OF NON-EXECUTIVE DIRECTORS, MEMBERS OF THE BOARD OF DIRECTORS

At the end of 2023, the Board of Directors at BRD consisted of seven (7) members Non-Executive Directors.

The remuneration of Non-Executive Directors, members of the Board of Directors, is paid in accordance with the Remuneration Policy approved by the Ordinary General Meeting of Shareholders.

The remuneration of Non-Executive Directors in 2023 consisted of gross fixed monthly fee.

If new members are appointed to the Board of Directors as Non-Executive Directors while this Remuneration Policy is in effect, the same remuneration as outlined above will apply to them.

2.1. Fixed remuneration components

The Ordinary General Shareholders' Meeting approved for 2023 the monthly individual fixed remuneration for Non-Independent Non-Executive Directors amounting to 1.800 Euros gross/ month and for Independent Non-Executive Directors amounting to 3.600 Euros gross/ month. If a member of the Board of Directors is also an Executive Director, he/ she does not receive monthly fixed remuneration.

No change to the Non-Executive Directors' fixed remuneration was made over the past five years, except the change in Independent Non-Executive Directors' fixed remuneration made in 2019 from 1.800 Euros gross/ month to 3.600 Euros gross/ month.

Non-Executive Directors, members of the Board of Directors have no pension benefits for their membership of the Board of Directors.

Non-Executive Directors were paid an annual gross fixed individual remuneration for 2023 as follows:

Non-Executive Director, **Chairman - Giovanni Luca Soma – resigned starting 8th of December and was replaced by Jean-Pierre Georges Vigroux (interim Chairman).**

Independent Non-Executive Director, members

Bogdan Alexandru Dragoi	→ 214.111 Ron
Liliana Ionescu-Feleaga	→ 214.109 Ron
Jean-Pierre Georges Vigroux	→ 214.111 Ron
Benoît Jean Marie Ottenwaelter	→ 178.651 Ron

Non-Executive Director, members

Giovanni Luca Soma	→ 100.289 Ron
Valérie Marcelle Villafranca	→ 107.246 Ron
Aurore Brigitte Gaspar	→ 107.246 Ron
Veronique Schreiber Loctin	→ 91.167 Ron
Francois Bloch until 07.12.2023	→ 19.986 Ron

2.2. Variable remuneration in 2023

To guarantee total independence in fulfilling their mandates, the Non-Executive Directors do not benefit from variable remuneration. Non-Executive Directors do not participate in remuneration schemes where payout is linked to performance.

2.3. Extra payments

Non-Executive Directors were not provided with any extra payments in 2023.

3. THE 2023 OVERVIEW OF THE REMUNERATION COMPONENTS OF EXECUTIVE DIRECTORS, MEMBERS OF THE MANAGEMENT COMMITTEE

The Management Committee in BRD consisted of eight (8) Executive Directors:

• François Bloch, Chief Executive Officer, terminated his mandate on 25.09.2023 and was replaced by Maria Rousseva starting 24.11.2023.

- Maria Rousseva, Deputy Chief Executive Officer, Corporate until 23.11.2023 and Chief Executive Officer starting 24.11.2023
- Madalina Teodorescu, Deputy Chief Executive Officer, Retail, starting 09.06.2023
- Claudiu Cercel, Deputy Chief Executive Officer, Financial Markets
- Etienne Loulergue, Deputy Chief Executive Officer, Finance and Treasury
- Mirela Medeleian, Deputy Chief Executive Officer, Project and Operations
- Mihai Selegean, Deputy Chief Executive Officer, Legal, terminated his mandate on 22.11.2023 and was not replaced
- Philippe Thibaud, Deputy Chief Executive Officer, Risk

In accordance the Remuneration Policy, the remuneration of the members of Executive Directors in 2023 consisted of fixed components of remuneration and variable components of remuneration.

(i) The fixed components of remuneration in 2023 consisted of (i) gross monthly allowance and (ii) benefits in kind (financial and non-financial benefits).

Executive Directors did not benefit from discretionary pension benefits.

(ii) The awarded variable component of remuneration for 2023 year performance:

- will be paid out in accordance with the deferred and retention bonus scheme set out in Remuneration Policy;
- is a component of remuneration which is awarded based on performance achievement rate and the manner ,circumstances and context under which the objectives were achieved .
- is based on quantitative and qualitative, collective and individual objectives (detailed below), thus combining an evaluation of the Bank's financial performance put in the context of the Group's performance with an assessment of managerial skills, in line with the Bank's strategy and leadership model;
- shall not exceed 100% of the fixed component of the total remuneration for each individual;
- does not refer to long-term incentives (LTI) as Executive Directors are not eligible for it;
- was not subject to the application of malus and claw-back arrangements;
- does not include any extra reward.

3.1. Objectives for the year 2023

Objectives for the given financial year are proposed by the Remuneration Committee and approved by the Board of Directors. Every objective has its weight expressed as a percentage their sum being equal to 100%. The objectives are divided into quantitative and qualitative objectives and the qualitative portion has a weight that cannot exceed 50% (excepting for the Executive Director of RISK for whom the financial performance cannot be taken into account in order to ensure his/ her independency):

- (i) **Quantitative** objectives :
- **Return on Equity (ROE):** measures the effectiveness of the invested capital.
 - **Cost Income Ratio (C/I):** represents an efficiency ratio by measuring operating costs as a percentage of operating income.
 - **Client Satisfaction** is measured by using the **Net Promoter Score** in the Bank’s key areas of business – Retail and Corporate
 - **Digital transformation-** digital roadmap implementation
 - **Sustainable finance-** volume of sustainable finance activity
 - **Employee Satisfaction:** using the Staff Engagement Rate measured through a regular survey.
- (ii) **Qualitative** objectives :
- **Implementation of the Bank’s Strategy** and short and long-term **Business Priorities.**
 - Execution of 2023 projects roadmap. **Managerial culture and conduct:** reflects the development of managerial culture in the area under the responsibility of the Executive Director taking into account the commitment for Bank’s values set out in the Code of Conduct and the reinforcement of the animation of the teams towards the strategic objectives.
 - **Assessment of compliance with regulatory requirements**

The **collective** and **individual** objectives for 2023 and their weights are as follows:

2023 Objectives		Francois Bloch	Maria Rousseva	Madalina Teodorescu	Claudiu Cercel	Etienne Loulergue	Mirela Medeleian	Mihai Selegean	Philippe Thibaud**
Collective SG Group*	It includes financial performance, client satisfaction	25%	10%	10%	10%	10%	10%	10%	10%
Individual BRD	Strategy, execution & Financial Roadmap it includes financial performance, client satisfaction, green financing, digital roadmap	55%	75%	75%	75%	75%	75%	75%	60%
	Leadership and people it includes employee satisfaction, group projects contribution	20%	15%	15%	15%	15%	15%	15%	30%

*SG for CEO SG EURO for the rest of Executive Directors

** Financial performance objectives not taken into account, only NPS Risk is taken into account

Supervisor's requirements are evaluated through compliance/risk evaluation + audit evaluation.

3.2. Achievement rate for 2023 of Executive Directors' individual performance

The annual assessment of Executive Directors' performance evaluation for 2023 is made by the Board of Directors at its meeting held on 14 March 2024 in accordance with the Remuneration Policy. Objectives and

targets of Executive Directors for 2023 were set by the Board of Directors, at the proposal of the Remuneration Committee, at its meeting held on 15 March 2023.

The breakdown of performance achievement rates by collective and individual objectives approved by the Board of Directors on 14 March 2024 are presented in the table below:

Name	Function	Global achievement rate for the 2023 objectives*
Francois BLOCH	Chief Executive Officer	109,1%
Maria ROUSSEVA	Deputy Chief Executive Officer	108,8%
Madalina TEODORESCU	Deputy Chief Executive Officer	102,3%
Claudiu CERCEL	Deputy Chief Executive Officer	104,1%
Etienne LOULERGUE	Deputy Chief Executive Officer	106,1%
Mirela MEDELEAN	Deputy Chief Executive Officer	104,1%
Mihai SELEGEAN	Deputy Chief Executive Officer	104,1%
Philippe THIBAUD	Deputy Chief Executive Officer	103,0%

*Supervisors' requirements were evaluated thru Compliance/Risk evaluation+Audit evaluation based on overdue and quality of interaction with auditors.

3.3. The deferral and retention scheme regarding the variable remuneration component for 2023 year performance

The variable remuneration component for the performance in 2023 which is awarded by the Board of Directors on 14 March 2024 following the recommendations of the Remuneration Committee will be paid out between 2024 and 2030 according to the below deferral and retention scheme. The variable remuneration component awarded for 2023 did not exceed 100% of the fixed remuneration component for 2023 of any of the Executive Directors with respect of the Remuneration Policy.

Allocation	Vesting			Month of payment
	%	Type	Month	
40% on spot	20%	cash	March 2024	March 2024
	20%	BRDTP	March 2024	March 2025
60% deferred	12%	cash	March 2025	March 2025
	12%	cash	March 2026	March 2026
	12%	BRDTP	March 2027	March 2028
	12%	BRDTP	March 2028	March 2029
	12%	BRDTP	March 2029	March 2030

According to the Remuneration Policy, we remind that BRDTP or share equivalents is a component of the variable remuneration expressed in units, whose value is determined based on the price of BRD shares, listed on BVB for a relevant reference period preceding the date of:

- *bonus granting for 2023: the trade-weighted average (VWAP) of February 2024;*
- *bonus payment: the trade-weighted average (VWAP) of the previous month of payment.*

3.4. Information on total remuneration awarded for 2023 to each Executive Director

For 01.01.2023 – 25.09.2023, **François Bloch, Chief Executive Officer** received fixed remuneration including an annual indemnity of 1.792.109 Ron gross and benefits in kind of 586.543 Ron gross¹ that were paid according to the Remuneration Policy.

The variable remuneration granted for the performance in 2023 was 363.750 Euros gross out of which 145.500 Euros gross vested in March 2024 and 218.250 Euros gross non-vested and deferred. Payment of variable remuneration for 2023 will be made according to the deferral and retention scheme in either cash (44% of variable remuneration) or share equivalents (56% of variable remuneration).

For 01.01.2023 – 25.09.2023 56,77% of Chief Executive Officer's total remuneration is fixed remuneration, and 43,23% is variable remuneration².

For the mentioned period, Francois Bloch did not receive any additional fixed remuneration from other entities of the Group nor any exceptional variable remuneration and no change to the composition of the total remuneration package.

For 2023, **Maria Rousseva, Deputy Chief Executive Officer** until 23.11.2023 and Chief Executive Officer starting 24.11.2023, received fixed remuneration including an annual indemnity of 1.515.333 Ron gross and benefits in kind of 97.992 Ron gross that were paid according to the Remuneration Policy.

The variable remuneration granted for the performance in 2023 was 260.000 Euros gross out of which 104.000 Euros gross vested in March 2024 and 156.000 Euros gross non-vested and deferred. Payment of variable remuneration for 2023 will be made according to the deferral and retention scheme in either cash (44% of variable remuneration) or share equivalents (56% of variable remuneration).

For 2023, 55,48% of her total remuneration is fixed remuneration, and 44,52% is variable remuneration².

In 2023 Maria Rousseva did not receive any additional fixed remuneration from other entities of the Group nor any exceptional variable remuneration and no change to the composition of the total remuneration package.

For 09.06.2023 – 31.12.2023 , **Madalina Teodorescu, Deputy Chief Executive Officer**, received fixed remuneration including an annual indemnity of 927.804 Ron gross and benefits in kind of 3.357 Ron gross that were paid according to the Remuneration Policy.

The variable remuneration granted for the performance in 2023 was 125.000 Euros gross out of which 50.000 Euros gross vested in March 2024 and 75.000 Euros gross non-vested and deferred. Payment of variable remuneration for 2023 will be made according to the deferral and retention scheme in either cash (44% of variable remuneration) or share equivalents (56% of variable remuneration).

¹ including employer's contribution maintained in the home-country (FR)

² an exchange rate of 4,98 Ron/Euro was taken into account

For 09.06.2023 – 31.12.2023, 59,93% of her total remuneration is fixed remuneration, and 40,07% is variable remuneration².

In 2023 Madalina Teodorescu did not receive any additional fixed remuneration from other entities of the Group nor any exceptional variable remuneration

For 2023, **Claudiu Cercel, Deputy Chief Executive Officer**, received fixed remuneration including an annual indemnity of 1.013.411 Ron gross and benefits in kind of 6.282 Ron gross that were paid according to the Remuneration Policy.

The variable remuneration granted for the performance in 2023 was 130.000 Euros gross out of which 52.000 Euros gross vested in March 2024 and 78.000 Euros gross non-vested and deferred. Payment of variable remuneration for 2023 will be made according to the deferral and retention scheme in either cash (44% of variable remuneration) or share equivalents (56% of variable remuneration).

For 2023, 61,17% of his total remuneration is fixed remuneration, and 38,83% is variable remuneration².

In 2023 Claudiu Cercel did not receive any additional fixed remuneration from other entities of the Group nor any exceptional variable remuneration. No change to the composition of the total remuneration package was made in 2023.

For 2023, **Etienne Loulergue, Deputy Chief Executive Officer**, received fixed remuneration including an annual indemnity of 970.788 Ron gross and benefits in kind of 523.602 Ron gross³¹ that were paid according to the Remuneration Policy.

The variable remuneration granted for the performance in 2023 was 70.000 Euros gross out of which 28.000 Euros gross vested in March 2024 and 42.000 Euros gross non-vested and deferred. Payment of variable remuneration for 2023 will be made according to the deferral and retention scheme in either cash (44% of variable remuneration) or share equivalents (56% of variable remuneration).

For 2023, 81,09% of his total remuneration is fixed remuneration, and 18,91% is variable remuneration².

In 2023 Etienne Loulergue did not receive any additional fixed remuneration from other entities of the Group nor any exceptional variable remuneration. No change to the composition of the total remuneration package was made in 2023.

For 2023, **Mirela Medeleian, Deputy Chief Executive Officer**, received fixed remuneration including an annual indemnity of 892.443 Ron gross and benefits in kind of 5.775 Ron gross that were paid according to the Remuneration Policy.

The variable remuneration granted for the performance in 2023 was 90.000 Euros gross out of which 36.000 Euros gross vested in March 2024 and 54.000 Euros gross non-vested and deferred. Payment of variable remuneration for 2023 will be made according to the deferral and retention scheme in either cash (44% of variable remuneration) or share equivalents (56% of variable remuneration).

For 2023, 66,71% of Projects and Operations Deputy Chief Executive Officer's total remuneration is fixed remuneration, and 33,29% is variable remuneration².

¹ including employer's contribution maintained in the home-country (FR)

² an exchange rate of 4,98 Ron/Euro was taken into account

In 2023 Mirela Medelean did not receive any additional fixed remuneration from other entities of the Group nor any exceptional variable remuneration. No change to the composition of the total remuneration package as Deputy Chief Executive Officer was made in 2023.

For 01.01.2023 – 22.11.2023, **Mihai Selegean, Deputy Chief Executive Officer**, received fixed remuneration including an annual indemnity of 657.326 Ron gross and benefits in kind of 5.196 Ron gross that were paid according to the Remuneration Policy.

The variable remuneration granted for the performance in 2023 was 75.000 Euros gross out of which 30.000 Euros gross vested in March 2024 and 45.000 Euros gross non-vested and deferred. Payment of variable remuneration for 2023 will be made according to the deferral and retention scheme in either cash (44% of variable remuneration) or share equivalents (56% of variable remuneration).

He received 273.493 Ron gross as severance payment.

For the mentioned period, 50,59 % of Legal Deputy Chief Executive Officer's total remuneration is fixed remuneration, and 49,41% is variable remuneration ².

Mihai Selegean did not receive any additional fixed remuneration from other entities of the Group .

For 2023, **Philippe Thibaud, Deputy Chief Executive Officer**, received fixed remuneration including an annual indemnity of 1.069.002 Ron gross and benefits in kind of 461.817 Ron gross¹ that were paid according to the Remuneration Policy.

The variable remuneration granted for the performance in 2023 was 85.000 Euros gross out of which 34.000 Euros gross vested in March 2024 and 51.000 Euros gross non-vested and deferred. Payment of variable remuneration for 2023 will be made according to the deferral and retention scheme in either cash (44% of variable remuneration) or share equivalents (56% of variable remuneration).

For 2023, 78,34% of Risk Deputy Chief Executive Officer's total remuneration is fixed remuneration, and 21,66% is variable remuneration ².

In 2023 Philippe Thibaud did not receive any additional fixed remuneration from other entities of the Group nor any exceptional variable remuneration. No change to the composition of the total remuneration package was made in 2023.

3.5. Changes in Executive Directors' remunerations compared with the change in average employee remuneration

Changes (%) in Executive Directors' remuneration*	2019	2020	2021	2022	2023
Francois Bloch, Chief Executive Officer - end of mandate 25.09.2023	1,2%	-7,5%	17,8%	3,8%	4,2%
Maria Rousseva, Deputy Chief Executive Officer Corporate until 23.11.2023, Chief Executive Officer starting 24.11.2023	N/A	N/A	N/A	N/A	3,5%
Madalina Teodorescu, Deputy Chief Executive Officer Retail starting 09.06.2023	N/A	N/A	N/A	N/A	N/A

¹ including employer's contribution maintained in the home-country (FR)

² an exchange rate of 4,98 Ron/Euro was taken into account

Claudiu Cercel, Deputy Chief Executive Officer Financial Markets	3,0%	-5,3%	9,6%	3,3%	0,0%
Mirela Medeleian, Deputy Chief Executive Officer Projects and Operations	N/A	N/A	N/A	27,9%	10,8%
Mihai Selegian, Deputy Chief Executive Officer Legal - until 22.11.2023	N/A	N/A	7,6%	6,4%	52,2%
Philippe Thibaud, Deputy Chief Executive Officer Risk	N/A	N/A	6,3%	10,6%	10,8%
Etienne Loulergue, Deputy Chief Executive Officer Finance and Treasury	N/A	N/A	N/A	N/A	0,0%

**compared to the previous year*

	2019	2020	2021	2022	2023
Change (%) in average employee remuneration*	8,8%	6,4%	6,5%	14,6%	9,8%

**) compared to the previous year*

3.6. BRD performance over the past five years

In a context which remained challenging, BRD delivered an outstanding performance, in terms of commercial activity and financial results.

BRD's loan portfolio grew by +12.2% compared to 2022 end. BRD reached a record of RON 7.6 bn RON new loans to individuals and 1 out of 7 loans to individuals, in stock at 2023 end, is granted by BRD. At the same time, BRD actively supported companies in their endeavors, providing the necessary funding to grow, create jobs or fuel innovation, contributing to the overall economic performance. Being a remarkable catalyst of growth, lending on corporates advanced by 23% building on both strong contribution from SMEs and large corporate customers. In addition, BRD further progressed towards the EUR 1 bn strategic objective of sustainable financing by the end of 2025, adding in 2023 new volumes of RON 2.3 bn. With a cumulative amount of above EUR 900m sustainable financing, this target is expected to be reached in advance.

Enhancing digital customer experience remains a top priority on BRD's agenda. BRD digital offer was expanded with 100% online investment products. BRD has now more than 1.4 million users of our mobile application, YouBRD, growing by 33% compared to 2022.

All the above translated into a solid financial performance, with +24% in net result and ROE of 21%, demonstrating the strength and resilience of the business model.

Further on, BRD remains a committed partner for all its clients, firmly and responsibly fulfilling its mission as a leading bank in Romania

CIFRE CHEIE		KEY FIGURES										
BRD, la nivel individual (RONm)	BRD, individual level (RONm)	2023	2022	2021	2020	2019	2018	Evo '23/'22	Evo '22/'21	Evo '21/'20	Evo '20/'19	Evo '19/'18
Venit bancar net	Net banking income	3.723	3.289	2.930	2.927	3.170	2.981	+13,2%	+12,3%	+0,1%	-7,7%	+6,3%
Cheltuieli operationale	Operating expenses	(1.815)	(1.641)	(1.494)	(1.481)	(1.580)	(1.400)	+10,6%	+9,8%	+0,9%	-6,3%	+12,9%
Profit operational	Gross operating income	1.908	1.648	1.436	1.445	1.590	1.581	+15,8%	+14,8%	-0,6%	-9,1%	+0,5%
Raport costuri/venituri	Cost/income	48,8%	49,9%	51,0%	50,6%	49,9%	47,0%	-1,1 pt	-1,1 pt	+0,4 pt	+0,8 pt	+2,9 pt
Profit net	Net profit	1.634	1.286	1.279	952	1.529	1.546	+27,1%	+0,5%	+34,4%	-37,7%	-1,1%
Capitaluri proprii	Shareholders' equity	8.465	6.577	9.539	9.472	7.895	7.327	+28,7%	-31,1%	+0,7%	+20,0%	+7,8%
Rentabilitatea capitalurilor proprii (ROE)	ROE	21,7%	16,0%	13,5%	11,0%	20,1%	21,5%	+5,8 pt	+2,5 pt	+2,5 pt	-9,1 pt	-1,5 pt
Rata de acoperire a capitalului*	Total capital ratio*	21,5%	24,9%	24,1%	33,7%	24,9%	21,1%	-3,4 pt	+0,8 pt	-9,6 pt	+8,8 pt	+3,8 pt
Credite si depozite (RON bn)	Loans and deposits (RON bn)											
Credite nete	Net loans	40,2	35,5	32,2	28,9	29,5	28,9	+13,1%	+10,4%	+11,5%	-2,0%	+2,0%
Depozite	Deposits	62,6	56,9	52,9	50,2	46,0	45,3	+10,1%	+7,6%	+5,5%	+8,9%	+1,6%

Notes:

Total capital ratio at Dec 2022 end is computed including full net profit of the year 2022 and with OCI quick fix adjustment.

The capital ratio at Dec 2022 end, without the impact of OCI quick fix adjustment would stand at 21.8%. Starting 1st of January 2023, OCI quick fix relief adjustment ceased its validity

Total capital ratio for December 31, 2023 is computed including 40% of H1 2023 net profit

4. CLOSING PARTS OF THE REMUNERATION REPORT

4.1. Compliance with the Remuneration Policy

There have been no deviations from the Remuneration Policy in relation to remuneration for the Board of Directors and the Management Committee in 2023. The remuneration followed the structure and principles outlined in the Remuneration Policy for all remuneration components.