
THE ORDINARY GENERAL MEETING OF THE SHAREHOLDERS

On April 20, 2017, at 10:00 A.M. at BRD Tower, 1-7 Bd. Ion Mihalache, 1st district, Bucharest (1st floor, Auditorium Room) for all the shareholders registered with the Shareholders' Register by the end of April 11, 2017 (reference date)

Decision draft:

The Ordinary General Meeting of the Shareholders approves the profit distribution and setting of the dividend for 2016 (the gross dividend proposed is of / share). The dividends will be paid on May 30, 2017 and the deferred payment date will be November 30, 2017;

The dividends shall be paid to the shareholders as follows:

- *For the shareholders represented by Participants (Broker, Custodian Bank) – payments by bank transfer to Participants accounts on the payment date except for the shareholders that have opted for postponed payment;*
- *For the shareholders that are not represented by Participants and who indicated to the Central Depository an account for receiving dividends - payments, by bank transfer, to shareholders accounts indicated to the Central Depository;*
- *For the shareholders that are not represented by Participants, having a bank account at BRD and who did not indicated to the Central Depository an account for receiving dividends - payments, by automatic bank transfer to this current account;*
- *For shareholders who are not in any of the situations listed above - cash payments (only for the individuals shareholders) or by bank transfer at bank offices, at the request of shareholders.*

The Board of directors' proposal:

*The gross dividend proposed is of 0.73 lei / share.
The dividends will be paid within on May 30th, 2017
and the deferred payment date will be November
30th, 2017;*

*It is proposed a distribution rate of 70% out the
distributable profit of RON 728 280 960*

	<u>2016 (RON)</u>
Net profit	728,280,960
Distributable profit	728,280,960
Payout ratio	70%
Total dividends	508,738,108
Dividend/share	0.73
CAR	19.76%

Legal basis

- *Companies' Law no. 31/1990, as further amended and completed;*
- *Accounting Law no. 82/1991, republished, as further amended and completed;*

The shareholders Fondul Proprietatea and Fondul de Pensii Adminstrat Privat NN proposal:

*The proposed gross dividend is of 1.045 lei/share.
The dividends will be paid on May 30th, 2017 and
the date of the deferred payment will be November,
30th, 2017.*

The Board of directors' opinion:

The Board of Directors decided, as already announced, to propose to the General Shareholders Assembly a dividend distribution corresponding to a payout ratio of 70% of the bank 2016 net profit.

This is the highest distribution rate since 2004. This distribution rate translates into an expected dividend per share of RON 0,73 and a dividend yield of 5.8% (considering the closing price of BRD as of 5th of April).

The dividend payout ratio was calibrated so as to balance the dual objective of appropriately rewarding our shareholders while maintaining a healthy capital adequacy ratio to support future growth.

In order to ensure that both objectives will be met over time, a thorough forward-looking assessment was performed, taking into consideration the following key aspects :

- BRD Group own funds requirements' evolution :
 - Taking into consideration the conclusions of the supervisory review, ECB and the other competent authorities, required BRD-Groupe Societe Generale to maintain, on a sub-consolidated basis, a TSCR of at least 11.94% in 2017
 - BRD – Groupe Societe Generale is also subject, in addition to the TSCR, to combined buffer requirements (sum of capital conservation buffer and O-SII buffer) of 2.25% in 2017, 2.875% in 2017 and 3.5% in 2019
 - As a result, BRD Group is subject to an OCR (overall capital requirement) of 14.19% in 2017, 14.82% in 2018 and 15.44% in 2019
- Foreseeable prudential and accounting evolutions affecting BRD Group capital ratios
- Planned business and financial trajectory, both in base and stress scenarios

Given all the above, the distribution rate of 70% of the bank profit for 2016 appears appropriately balanced in order to sustain business development as well as to reward our shareholders.

For the future, BRD – GSG is committed to continuously follow a dividend policy aiming at delivering a sustainable return to its shareholders over the long term, while maintaining its capital ratios adequately above prevailing regulatory requirements, leaving enough room for future business growth.

The shareholders Fondul Proprietatea and Fondul de Pensii Adminstrat Privat NN proposal:
Justification of proposal:

Tier 1 ratio at BRD Group is at an elevated level compared to the regulatory requirements as well as compared to the levels exhibited by banking groups in the region which are also listed, as one can notice in the attached table.

The over-capitalization of the Company results in a reduced Return on Equity (ROE) with negative effect on company shareholders and the efficient capital allocation.

Our proposal aims at optimizing the capital structure of BRD Groupe Societe Generale, with the objective to reduce Tier 1 ratio to 16.6% by the end of 2017 from 20.25% at the end of 2016, and subsequently to a level that would not be higher by more than 1% to the Over-all Capital Requirement (OCR).

According to the 2016 Administrators Report, for the year 2017 the Over-all 2017 Capital Requirement (OCR) for BRD Groupe Societe Generale, representing the sum of SREP SREP capital requirements and of additional capital buffers that have to be maintained is approximately 14.2%.

Consequently the excess capital can be distributed to shareholders via corporate actions such as share buybacks, additional dividend distributions, distributions out of reserves or other forms of equity distributions.

NUME BANCA	TARA	Cerinta Globala de Capital (OCR)	Rata Fondurilor proprii de nivel 1 (Tier ratio la 31.12.2017)	Tier 1 Ratio OCR 2017
Komerční Banka AS	Cehia	15.4%	16.2%	0.80%
Bank Pekao	Polonia	14.0%	17.6%	3.64%
PKO Bank Polski	Polonia	14.8%	14.5%	-0.32%
mBank	Polonia	17.6%	20.6%	3.03%
Millenium Bank	Polonia	16.3%	17.3%	1.01%
Allior Bank	Polonia	12.7%	11.3%	-1.36%
ING Bank Slaski	Polonia	13.8%	13.7%	-0.05%
Getin Noble Bank	Polonia	15.4%	12.3%	-3.07%
OTP Bank Plc *	Ungaria	13.0%	13.5%	0.50%
Banca Transilvania**	Romania	14.0%	16.2%	2.16%
Mediana		14.4%	15.3%	0.7%
BRD	Romania	14.2%	20.35%	6.15%
diferenta BRD fata de mediana (%)		-1.5%	32.7%	846.2%

Sursa: Rapoartele anuale ale bancilor, Raport de analiza al mBank Ianuarie 27 2017 cu privire la bancile din CEE; atat Cerinta Globala de Capital cat si Rata tier 1 sunt la nivel de grup.

* pentru OTP Bank, 13.0% reprezinta Cerinta de Fonduri Proprii de Baza de Nivel 1 (CET1)

** pentru Banca Transilvania, 16,2% reprezinta indicatorul de solvabilitate