Annual Board of Directors' Report

2015

prepared in accordance with the National Bank of Romania Order no. 27/2010, the National Securities Commission Regulation no.1/2006, the National Bank of Romania Regulation no. 5/2013 and Regulation (EU) no. 575/2013

YOUR BANK. YOUR TEAM

BRD

GROUPE SOCIETE GENERALE

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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, 2015, 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:** Blvd. Ion Mihalache No. 1-7, sect. 1, Bucuresti
- **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 lei
- **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, 2015 the Bank had the following ratings:

Fitch Ratings *(rating date: 28-Oct-2015)*	Rating
Foreign-Currency Short-Term Issuer Default Rating	F2
Foreign-Currency Long-Term Issuer Default Rating	BBB+
Support Rating	2

Moody's *(rating date: 10-Sept-2015)*	Rating
Global Local Currency Short-Term Deposit	Not prime
Global Local Currency Long-Term Deposit	Ba1
Foreign Currency Short-Term Deposit	Not prime
Foreign Currency Long-Term Deposit	Ba1

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

- BRD - Groupe Société Générale S.A.;
- 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 head 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 largest European financial services groups. Based on a diversified universal banking model, the Group combines financial solidity with a strategy of sustainable growth, and aims to be the reference for relationship banking, recognised on its markets, close to clients, chosen for the quality and commitment of its teams.

Société Générale has been playing a vital role in the economy for 150 years. With more than 148,000 employees, based in 76 countries, Société Générale accompanies 30 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:

- *Retail banking in France* with the Société Générale branch network, Credit du Nord and Boursorama, offering a comprehensive range of multi channel financial services on the leading edge of digital innovation;
- *International retail banking, financial services and insurance* with a presence in emerging economies and leading specialised businesses;
- *Corporate and investment banking, private banking, asset management and securities services,* with recognized expertise, top international rankings and integrated solutions.

As at December 31, 2015, the ratings of Société Générale were:

- Standard and Poor's: A
- Moody's: A2
- Fitch: A

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 Română 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, 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.

2015 KEY FIGURES

	The Bank	2014	2015	Variation
Financial results	Net banking income (RONm)	2,498	2,386	-4.5%
	Operating expenses (RONm)	(1,255)	(1,221)	-2.7%
	Cost of risk (RONm)	(1,193)	(631)	-47.1%
	Net profit (RONm)	43	445	10.3x
	Cost / income ratio	50.2%	51.2%	1.0 pt
	ROE	0.8%	7.8%	7.0 pt
		Dec-14	Dec-15	Variation
Capital adequacy	Own funds (RONm)	4,614	4,857	5.3%
	RWA (RON bn)	26.9	26.9	0.0%
	CAR(*)	17.2%	18.1%	0.9 pt
Loans and deposits	Total net loans (RON bn)	26.5	26.4	-0.3%
	Total deposits (RON bn)	36.0	41.2	14.3%
Franchise	No of branches	860	829	(31)
	No of active customers (x 1000)	2,234	2,250	16

	The Group	2014	2015	Variation
Financial results	Net banking income (RONm)	2,623	2,507	-4.4%
	Operating expenses (RONm)	(1,328)	(1,297)	-2.3%
	Cost of risk (RONm)	(1,215)	(658)	-45.8%
	Net profit (RONm)	68	467	6.9x
	Cost / income ratio	50.6%	51.7%	1.1 pt
	ROE	1.2%	7.8%	6.6 pt
		Dec-14	Dec-15	Variation
Capital adequacy	Own funds (RONm)	5,111	5,283	3.4%
	RWA (RON bn)	27.6	27.7	0.3%
	CAR(*)	18.5%	19.1%	0.6 pt
Loans and deposits	Total net loans including leasing (RON bn)	27.3	27.3	-0.1%
	Total deposits (RON bn)	36.0	41.1	14.3%

(*) according to Basel 3 including the impact of prudential filters (the Bank) and according to Basel 3 transitory provisions (the Group); 2015 own funds include the 2015 net profit and proposed dividends.

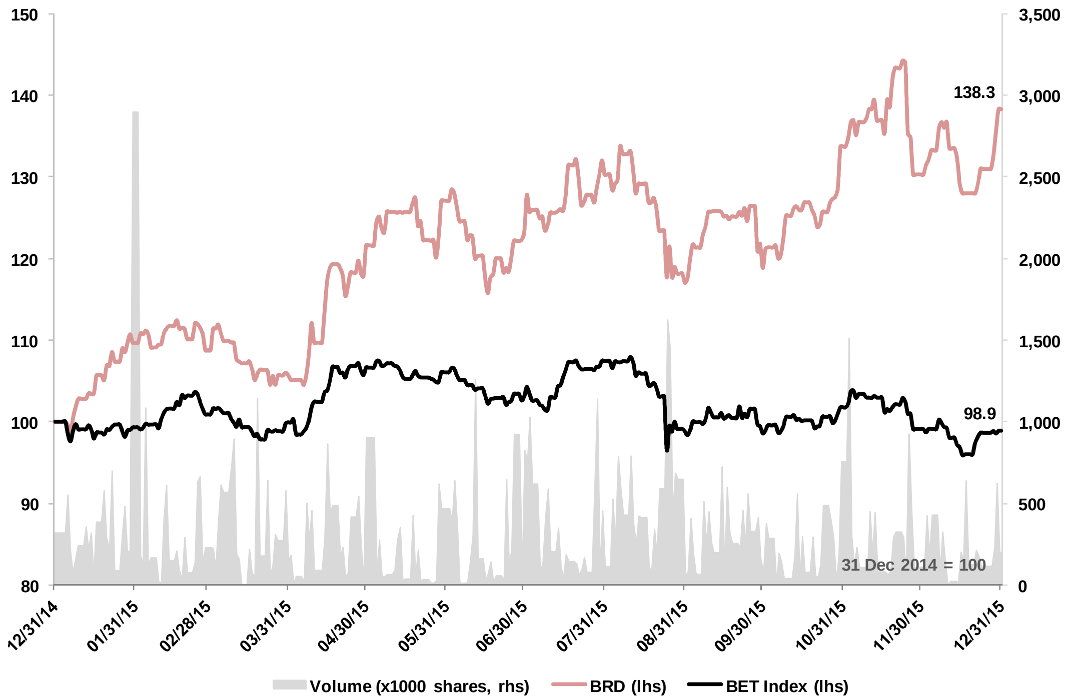
BRD SHARE

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-BK, BET-XT, and BET-TR 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, 2015, was of 12.10 RON/share (RON 8.75/share at December 31, 2014). On the same date, the market capitalization was RON 8,432.51 million (December 31, 2014: RON 6,097.89 million).

During 2015 neither the Bank, nor its subsidiaries bought back 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, 2015



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 3 months from the approval date of the annual financial statements for the year then ended.

If the general shareholders' meeting does not establish the date when dividends are paid, these shall be paid within maximum 30 days from the date when the decision of the general shareholders meeting to establish dividends has been published in the Official Gazette of Romania, Part IV, date starting from which the company has no right to any delay.

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

The Bank did not distribute dividends for financial years 2012-2014. For financial year 2015, the Board of Directors proposed the distribution of dividends worth RON 223.0 million out of the 2015 distributable profit of RON 445.4 million, corresponding to a payout ratio of 50% and dividend per share of RON 0.32 given the number of ordinary shares of 696.9 million. 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 through the Central Depositary, according to the rules issued for that purpose by it, and participants in the clearing-settlement and registry system, in accordance with the legal provisions.

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

2. CORPORATE GOVERNANCE

The corporate governance of BRD represents the set of principles underlying the framework through which the Bank and the Group are managed and controlled.

ADMINISTRATION AND MANAGEMENT OF THE BANK

BRD 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 (management body in its supervisory function – the Board of Directors and the senior management - 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 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 required for an efficient administration of BRD:

- 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 designation of a member of the management body is made through a rigorous process as defined in "The policy for selection, monitoring and planning of members of the management body". For the appointment of an independent director, there are met the independence 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 the Bucharest Stock Exchange Code of Corporate Governance.

BOARD OF DIRECTORS

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

As at December 31, 2015, there was a vacant position in the Board of Directors.

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, 2015, the Board of Directors includes one independent non-executive member.

The year 2015 brought changes to the composition of the Board of Directors, as follows:

- The Ordinary General Shareholders Meeting of April 09, 2015, approved the downsizing of the Board of Directors, from 11 to 9 members, the expiry of the mandates of Dumitru Popescu and Sorin Marian Coclitu as a consequence of their coming to end, the renewal of the mandates of Bernardo Sanchez Incera, Didier Charles Maurice Alix, Petre Bunescu and Ioan Cuzman for a period of 4 years, the election of Slawomir Mieczyslaw Lachowski as administrator, for a 4 year term and his designation as independent director.

- In order to implement the provisions of article 107, paragraph 21 of the Emergency Ordinance no. 99/2006 on credit Institutions and capital adequacy, Mr. Philippe Charles Lhotte renounced the position as Chairman of the Board of Directors, starting with May 26, 2015. The Board of Directors decided to appoint Mr. Giovanni Luca Soma as Chairman of the Board of Directors, starting with the same date.

- The renunciation by Mr. Slawomir Mieczyslaw Lachowski to the position of member of the Board of Directors of BRD, starting with June, 29, 2015, motivated by the intention to comply with the legal provisions of Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy regarding the maximum number of mandates that can be exercised simultaneously.

- In order to fill the vacancy in the Board, the Board of Directors which met on December, 03, 2015 decided to call the General Shareholders Meeting on January,07, 2016 and to include on the agenda the election of Mr. Jean-Pierre Georges Vigroux as director and his designation as independent director.

MEMBERS OF THE BOARD OF DIRECTORS AS AT DECEMBER 31, 2015

Giovanni Luca SOMA

Chairman of the Board of Directors

Member of the Audit Committee

Member of the Risks Management Committee

Member of the Nomination Committee

Born in August, 21, 1960

Residence: Paris, France

Giovanni Luca Soma 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, 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, Deputy Head of International Retail Banking.

Giovanni Luca Soma is currently Head of Europe Region, International Banking and Financial Services Division and Chief Executive Officer of Société Générale Consumer Finance, France.

Since October 24, 2014, he holds the position of non-executive Director of BRD.

Since May 26, 2015, he is Chairman of the Board of Directors of BRD.

Philippe Charles LHOTTE

Member of the Board of Directors

CEO

Born on January 15, 1961

Residence: Bucharest, Romania

Bachelor of Law at the University Paris 2 and graduate of the Institute of Political Studies in Paris, Philippe Charles Lhotte made his entire career within Société Générale Group.

Between 1987 and 1994, he held the position of Inspector within the General Inspection of Société Générale.

Between 1994 and 1997, he was Deputy Director of the Group Saint Germain-en-Laye, then Regional Director of Group Hérault (Montpellier), between 1998 and 2004.

Between January 2005 and November 2012, he was Chairman of the Board and CEO of SG Expressbank AD in Bulgaria. During those eight years, the Bulgarian subsidiary of the Société Générale Group strongly developed its entire range of activities. It won the "Best Bank in Bulgaria" award granted by Euromoney magazine, at the "Euromoney Awards for Excellence 2012" event.

Since October 31, 2012, he holds the positions of Director and CEO of BRD. Since November 5, 2012 until May 26, 2015, he was the Chairman of the Board of Directors of BRD.

Bernardo Sanchez INCERA

Non-executive member of the Board of Directors

Member of the Nomination Committee

Member of the Remuneration Committee

Born on March 9, 1960

Residence: Paris, France

He graduated from the Political Studies Institute in Paris and has an INSEAD Master of Business Administration.

Between 1984 and 1992, he was client relationship manager and deputy manager of the corporate branch La Defense of the Credit Lyonnais bank. Until 1994, he held the position of manager and chairman of the Credit Lyonnais subsidiary in Belgium. Between 1994 and 1996, he was Deputy Manager of the JOVER bank.

From 1996 until 2009, he held several managerial positions, such as Chairman of Zara France, Manager of International Operations of Inditex Group, Chairman of LVMH Mode et Maroquinerie Europe and LVMH Fashion Group France, General Director of Vivarte Group, and CEO of Monoprix France.

In 2009, he joined Société Générale by taking over, starting with January 2010, the position of Deputy CEO in charge of the International Retail Banking Division (BHFM) and Specialised Financial Services. Starting September 1, 2014, he became Deputy CEO in charge of Retail Banking in France, International Retail Banking and Financial Services and Insurance. He is also member of the Executive Committee of the Group Société Générale.

On April 09, 2015, he was re-elected director of BRD for a 4-year term of office, starting with April 14, 2015.

Jean-Luc Andre Joseph PARER

Non-executive member of the Board of Directors

Member of the Remuneration Committee

Chairman of the Nomination Committee

Member of the Risks Management Committee

Born on 16 April, 1954

Residence: Paris, France

Jean-Luc Parer is a graduate of HEC and holds a Master's degree in Law.

He 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 positions of Deputy Head of Structured Finance, Deputy Head of Specialized Finance, and then Head of Structured Finance. In 2001-2007, he held the position of Deputy Head of Debt Finance Division. In 2008, he became Head of Capital Markets and Financing division, then Head of the Global Finance division in 2009.

In 2012, he became Head of the Retail Banking outside France division (BHFM) and a member of the Executive Committee of the Group Société Générale.

Since October 21, 2013, he has been Director of BRD.

Didier Charles Maurice ALIX

Non-executive member of the Board of Directors

Member of the Audit Committee

Born on August 16, 1946

Residence: Paris, France

He joined Société Générale in 1971.

He graduated the Political Studies Institute in Paris with a degree in Economic Sciences.

Between 1972 and 1979, he was an inspector with the General Inspection and became the head of the Central Risk Control structure. In 1984, he was appointed Manager of the Levallois Group, and afterwards, in 1987, Manager of the Paris Opera Group.

Between 1991 and 1993, he was assigned to the Specialised Financing Division, and seconded at Franfinance, the consumer financing subsidiary, as CEO. In 1993, he was appointed Deputy Manager of the French Network, and Manager in 1995.

In 1998, he was appointed Deputy CEO in charge of private and corporate clients. Between 2006 and 2009, he was appointed Deputy CEO of the Société Générale Group.

On April 09, 2015, he was re-elected director of BRD for a 4-year term of office, starting April 18, 2015.

Petre BUNESCU

Member of the Board of Directors

Deputy CEO

Born on November 15, 1952

Residence: Bucharest, Romania

He graduated from 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's interests in MISR – Romanian Bank as Member of the Board of Directors.

Since August 1999, he has been Deputy CEO and member of the Board of Directors of BRD and between May 1, 2012 and November 5, 2012 he occupied the position of Interim Chairman of the Board of Directors.

Until May 17, 2015 he was the Vice-Chairman of the Romanian Banking Association.

He was member of the Board of Directors of Transfond SA until July 24th, 2015.

On April 9, 2015, he was re-elected director of BRD for a 4-year term of office, starting April

18, 2015.

Ioan CUZMAN

Non-executive member of the Board of Directors

Born on October 3, 1944

Residence: Arad, Arad County, Romania

He graduated from the Faculty of Economic Sciences; section "Economics of industry, constructions and commerce" within the West University in Timisoara.

He has a PhD in Economics and is an associate professor.

As of 1981, he filled in the positions of: economist with the Enterprise Electrobanat Timisoara, Financial Office Manager with the Machine-tools Factory in Arad, Deputy Commercial Manager with the Textiles Factory in Arad, Sub-prefect of Arad County, University Lecturer at the West University in Timisoara, Chairman – CEO at Fondul Proprietatii Private no. 1 Banat-Crisana.

On April 9, 2015, he was re-elected director of BRD for a 4-year term of office, starting April 18, 2015.

Aurelian DOCHIA

Independent member of the Board of Directors

Chairman of the Audit Committee

Member of the Risks Management Committee

Member of the Remuneration Committee

Born on March 8, 1950

Residence: Bucharest, Romania

During his career, he combined a solid professional expertise as consultant (for institutions such as the World Bank, the European Bank for Reconstruction and Development or OECD), with high-rank positions at the executive and legislative levels, as President of the National Agency for Privatization and member of the first freely elected Parliament (Constituent Assembly) of Romania, between 1990 and 1992.

Until May 2007, he was the General Manager of the subsidiary BRD/SG Corporate Finance and the coordinator of BRD's investment banking activities.

He held the position of Member of the Board of Directors with several entities part of the BRD Group, SIF Muntenia, State Ownership Fund (FPP), and the Romanian Centre for Economic Policies (CEROPE) - a non-governmental research centre.

Before 1990, he developed an academic career as researcher with the National Economy Institute of the Romanian Academy. He gave speeches at conferences and seminars, and published more than 80 articles and studies.

He is Member of the Board of Directors at BRD Finance IFN S.A. and Managing Partner at S.C. CONCEPT – Economic and Business Consulting S.R.L., an investment banking and general consulting boutique.

Since August 5, 2014, he holds the position of Independent Member of the Board of Directors of BRD.

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 ''Limits for the approval of loans and other 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 system and approves the financial planning.

The Board of Directors approves the Bank's strategy for general development, for identification of significant risks and management of such risks, 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 any time it is 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.

ACTIVITY OF THE BOARD OF DIRECTORS IN 2015

In 2015, 12 meetings of the Board of Directors took place, and the decisions of the Board were generally made with unanimity of votes.

On the Board of Directors agenda the following subjects were included: the general strategy for the development of the Bank and the identification and management of material risks in 2015, the liquidity risk management of the Bank, BRD remuneration policy, reports on annual inventory, reports regarding the internal control framework, the Internal Capital Adequacy Assessment Process - ICAAP, reports regarding Bank/Group results, memos regarding changes in Bank/Group management, modifications in internal regulations, calls of the shareholders' meeting and all the notes related to the items on the agenda.

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, on 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.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

For 2015, the Ordinary General Assembly of Shareholders approved an individual remuneration for the non-executive members of the Board of Directors amounting to EUR 1,500 / month (gross amount, in lei equivalent), as well as a general limit for the directors' and members of the Executive Committee remunerations, including additional remunerations, for 2015, amounting to RON 10.9 million, gross amount.

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, 2015

As at December 31, 2015**,** the Audit Committee consisted of 3 non-executive directors, of which one is independent. The members of the Audit Committee were: Mr. Aurelian DOCHIA (Independent Chairman), Giovanni-Luca SOMA (Member), and Didier Charles Maurice ALIX (Member).

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

The Audit Committee meets at least once a half-year.

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.

In 2015, 5 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.

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, 2015

The Remuneration Committee was set up to support the Board of Directors, in order to elaborate and supervise the implementation of the remuneration policy of the Bank.

As at December 31, 2015, the Committee consisted of 3 non-executive directors, of which one is independent. The members were: Mr. Bernardo SANCHEZ INCERA (Member), Mr. Jean-Luc André Joseph PARER (Member) and Mr. Aurelian DOCHIA (Independent member)

The Remuneration Committee meets annually, or whenever necessary. In 2015, one meeting of the Remuneration Committee took place.

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.

RISKS MANAGEMENT COMMITTEE AS AT DECEMBER 31, 2015

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

As at December 31, 2015, the committee was composed of three non-executive directors (Mr. Jean-Luc André Joseph PARER, Mr. Giovanni Luca SOMA and Mr. Aurelian DOCHIA).

At meetings of the Risks Management Committee there may participate, as permanent guests, the members of the Executive Committee, Chief Financial Officer, Risk Executive Officer/ Risk Deputy Executive Officer, PCR Executive Officer, CIB Deputy Executive Officers, DPF Executive Officer, DCP Director, and the General Secretary.

In 2015, 4 meetings of the Risks Management Committee took place.

THE NOMINATION COMMITTEE AS AT DECEMBER 31, 2015

It is a committee that assists the Board of Directors in achieving its responsibilities regarding the selection, evaluation and sequencing of the management body members (Executive Committee and Board of Directors).

In exercising its powers, the Nomination Committee identifies, makes proposals and submits for approval by the Board of Directors or the General Meeting of Shareholders, 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 on any modifications to the Board of Directors.

As at December 31, 2015, the committee was composed of three non-executive directors of the Board of Directors (Mr. Jean-Luc PARER – President, Mr. Bernardo SANCHEZ INCERA and Mr. Giovanni - Luca SOMA).

The Nomination Committee meets half-yearly or whenever necessary.

In 2015, 3 meetings of the Nomination Committee took place. The topics of the meetings were the presentation of the reports regarding the adequacy assessment of the Board of Directors, of the Executive Committee and the members of the management body, reports regarding the evaluation of candidates for the director/independent director position or for the renewals of mandates that reached an end.

EXECUTIVE MANAGEMENT

The operational management and the coordination of the daily 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 together they represent the Executive Committee.

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

MEMBERS OF THE EXECUTIVE COMMITTEE AS AT DECEMBER 31, 2015

Philippe Charles LHOTTE

CEO

Member of the Board of Directors

He has hierarchical authority over all structures and activities in the Bank and directly coordinates the following structures: Compliance Division, Permanent Control Division, General Secretariat, Human Resources Department and Internal Audit Department.

Petre BUNESCU

Deputy CEO Finance / Treasury

Member of the Board of Directors

He directly coordinates the following structures: Financial Department, Sourcing Division, Financial Markets Back Office Division, Banking Operations Pole and Legal Division.

Didier Luc Marie Dominique COLIN

Deputy CEO – Risks

Coordinator of the Risks Management function

Born on April 20, 1963

Residence: Bucharest, Romania

He graduated from University Paris IX Dauphine, with a degree in management sciences, and in 1990 he obtained a Master's degree in Business Administration at City University of New York, Business School B. Baruch, New York, USA.

He has an experience of over 24 years within Groupe Société Générale; he started in 1990 in Société Générale, USA Branch, as credit analyst.

Between 1991 and 1998, he held the position of internal auditor at General Inspection of Société Générale Paris.

In 1998, he became Financial Director of Société Générale, Branch USA, having under direct supervision 3 departments: Tax Planning, Accountancy and Financial and Management Reporting.

Between 1999 and 2000, he was Budget and Financial Director, being in charge with the redefinition and supervision of the budget process for all Société Générale Investment Banking activities in the USA.

Within Société Générale Canada, between 2000 and 2004, he supervised and managed the activities of the bank, first as Deputy Country Manager (2000-2001) and then as Country Manager (2001-2004).

Between 2004 and 2010, he was Risk Director and member of the Board of Directors of Komercni Banka (Czech Republic).

Between January 2011 and June 2013, he held the position of Director for Europe within International Retail Banking of Société Générale and he was in charge with the supervision of the retail activities of Société Générale in Central and Eastern Europe.

Since June 3, 2013, he holds the position of Deputy CEO of BRD - Groupe Société Générale.

He directly coordinates the Risk Management Pole.

Jean-Luc Bernard Raymond GRASSET

Deputy CEO – Resources

Born on September 11, 1954

Residence: Bucharest, Romania.

He graduated from the University of Aix-en-Provence in 1977, having a license in Economic and Social Management. In 1979 he obtained DESS (Diploma in Specialised Higher Education) in Finance, Econometrics.

In 1980, he joined Société Générale within the Group Nantes sur Loire. Between 1981 and 1989 he held several responsibilities within the Organisation Department in Paris regarding marketing, coordination and projects implementation, among which the most important was the change in the banks' core-banking system and banks' reorganization.

In 1991, he started a series of missions within Société Générale structures from abroad, as Development and Audit Manager (Ivory Coast), CEO (South Africa), and Ibank Implementation Manager (BRD).

Between 2003 and 2005 he returned to Paris, within BHFM, as Supervisor for a group of SG African subsidiaries.

Starting 2005 until 2010 he took over the position of Resources Manager at NSGB Egypt, where he coordinated 3 major organization projects.

Since February 2011, he has held the position of Deputy CEO of BRD – Groupe Société Générale.

He directly coordinates the following structures: Information System Department, Projects and Organisation Department, Banking Data Management Division, Real Estate, Logistics and Security divisions.

Alexandru-Claudiu CERCEL-DUCA

Deputy CEO – Financial Markets

Born on February 17, 1968

Residence: Bucharest, Romania

He 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 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.

Since October 2, 2008, he has held the position of Deputy CEO of BRD – Groupe Société Générale.

He directly coordinates the following structures: Financial Markets Division, Securities Division, Financial Markets Operations Support, Financial Markets Research.

Gabriela Stefania GAVRILESCU

Deputy CEO – Corporate Banking

Born on December 20, 1956

Residence: Bucharest, Romania.

She graduated from the Bucharest Economic Studies Academy – International Business Relations Department in 1980.

Starting 1991, she enriched her professional expertise through several trainings in Société Générale and other foreign institutions such as the World Bank, DC Gardner or London Business School.

Between 1987 and 1993 she held several positions at the National Bank of Romania, BCR and Banca Comerciala Ion Tiriac.

She joined Société Générale in 1993 as Commercial Director at the Bucharest Branch of Société Générale.

In 2000 she was named Executive Delegate Director for Large Corporate Clients, where she coordinated a team of 60 people involved in various activities such as management and development of clients' portfolio and business, commercial policy and large clients strategy, structured lending, European funds and International Financing Institutions.

In October 2009, she became Executive Director of the Large Corporate Customers Department, and starting with 2011 she was appointed Member of the BRD Executive Committee.

She directly coordinates the Corporate Banking activity.

Gheorghe MARINEL

Deputy CEO – Commercial/ Network/ Marketing

Born on March 13, 1965

Residence: Voluntari, Ilfov County, Romania.

He graduated "Summa cum Laudae" from the Bucharest Economic Studies Academy – Finance and Accounting in 1991.

In 1992 he obtained a Master of Business Administration (in Management) from Ecole Supérieure de Gestion - Toulouse, France, and in 1999 a diploma Executive MBA – ASSEBUSS, University of Washington, USA.

He attended several management and leadership trainings.

He has an experience of more than 24 years in the banking field, holding several positions in credit institutions such as: Banca Comerciala Romana (1991-1993), Société Générale – Bucuresti (1993-1995) and ABN AMRO BANK Romania (1995-2001).

He joined BRD- Groupe Société Générale in 2001, occupying over time the following positions: project Manager – Network Reorganisation and Restructuring Project, Network Management Director and General Secretary.

Starting February 2012 he was appointed as Deputy CEO Commercial/ Network/ Marketing.

He directly coordinates the following structures: the Marketing and Product Management Department, Network Commercial Pole, Distribution Network Administration Pole, Bank Agency Network.

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, and in the Directive ''Limits for the approval of loans and other commitments'' and in the Directive ''Regulation of organization and functioning of the management body''.

There were no changes in the structure of the Executive Committee in 2015.

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 2015, 81 meetings of the Executive Committee took place.

The decisions of the Executive Committee are made with the absolute 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. 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 fulfill its mission, the main themes subject to debate in the committee are: operational risks, activity continuity and crisis management, permanent control, audit, conformity risk, IT security, deficiencies found in the supervision reports / minutes of the authorities.

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 banking book) and capital management, both at the Bank and at BRD Group level.

COMMITTEE FOR NEW PRODUCTS AND SIGNIFICANT TRANSFORMATIONS

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 and significant transformation of the activity that generates higher risks compared to the previous situation (legislative changes that impact the Bank's offer / activity / structure; changes in the Bank's activity, outsourcing).

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.

OTHER COMMITTEES: Crisis Committee, Safety and Occupational Health Committee, Users Steering Committee; Monitoring Committee, Career Committee, Real Estate Committee, Watch Provision Committee etc.

BRD shares held by the members of the Board of Directors and of the Executive Committee as at December 31, 2015

Name	Number of shares
Petre BUNESCU	300,000
Ioan CUZMAN	3,500
Claudiu CERCEL - DUCA	1,030
TOTAL	304,530

RIGHTS OF SHAREHOLDERS

BRD 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.

General Assemblies are ordinary and extraordinary. The Ordinary General Assembly of the Shareholders meets at least once a year, within no more than 4 months as of the end of the financial year, and the Extraordinary General Assembly of Shareholders meets whenever necessary. In 2015, there were 2 General Assemblies (one Ordinary General Assembly of Shareholders and one Extraordinary General Assembly of Shareholders), on April 9, 2015.

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").

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 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 submitted for the shareholders' approval, in order to ensure an orderly and efficient development of such works.

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

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.

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 set 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 made according 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 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 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 2015, the bank organised one meeting for presenting the preliminary financial results as at December 31, 2014 and three live audio webcasts for the interim financial results.

The financial calendar for the year 2016 is the following:

Preliminary financial results as at December 31, 2015 and meeting with journalists	11 February 2016
Presentation of the preliminary financial results for 2015 and Q4-2015 to analysts and investors through live webcast	12 February 2016
General Assembly of Shareholders	14 April 2016
Communication of results as of 31 December 2015	14 April 2016
Communication of results for the 1st Quarter 2016	4 May 2016
Communication of results for the 1st Half 2016	3 August 2016
Communication of results for the first 9 Months 2016	3 November 2016

OTHER CORPORATE GOVERNANCE ELEMENTS

CONFLICTS OF INTEREST

In 2015, there have been identified no conflicts of interests between the members of the Board of Directors or of Executive Committee and the interests of the Bank.

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.

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 to report the transactions made to the Bank.

3. HUMAN RESOURCES

KEY FIGURES 2015

- 8,312 employees at BRD Group level;
- 7,708 employees in BRD, with:
  - 1,000 external recruitments
  - 1,100 functional mobility
  - 13 % total turnover, out of which 8.4% voluntary turnover.

In 2015, 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 there were: network reorganizations (territorial reorganizations, back office centralization, market re-segmentation), optimizing the structure of different departments at the headquarters, delivering support for special projects, etc.

CAREER MANAGEMENT

Throughout last year, meetings between HR and the 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 2015, 1,100 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.

1,000 persons were recruited in 2015 from outside the Bank, mostly in the network, in order to expand the commercial capacity, and achieve the selling objectives of the Bank.

Employees' studies level is the following: 90% graduate studies, 10% undergraduate studies. The percentage of trade-union members is 48%.

TRAINING & RISK AWARENESS

In 2015, the training plan mainly aimed the improvement of commercial and risk management skills for all BRD employees.

The strategic axes for the training programs:

- Integrated training programs for the new front office employees, which aim at developing behavioural skills, product knowledge and product related risks, as well as trainings on client-oriented sales;
- Business Academies: Retail and Non-Retail (behavioural training curricula, offer and products, financial analysis - theory and workshops);
- Training programs tailored for each business line, developed and updated according to the expressed requirements and regulatory developments;
- Modular management training programs, in accordance with group values, based on a set of competencies developed by level of expertise.

- Behavioural training programs (customer care, communication, sales & negotiation techniques);

- Consolidating and developing a risk awareness culture in BRD: e-learning programs developed together with Société Générale Group and local e-learning programs (SSM); increasing the number of case studies in face to face trainings;

- Punctual training programs, developed based on business requirements and regulations such as CRS trainings, certification-trainings in the field of insurance for front-office employees;

The programs were delivered through blended learning methods that took into account the regional dispersion of BRD units: face to face trainings (courses and seminars), relocation sessions in the network (in training centres and training facilities), interventions by occasional trainers (specialists from local offices and headquarters) and the use of e-learning tools and other resources for documentation available on the intranet.

EMPLOYEE ENGAGEMENT AND IMPACT IN EDUCATIONAL ENVIRONMENT

In 2015, the Bank focused on implementing the action plans of the third edition of the Employee Barometer Survey, employees' engagement and motivation continuing to be one of the strategic axes of development, and also on the development of the 4th edition of the survey Barometer. Some of the 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 and high schools, employees' involvement in different employer branding activities through our Campus Club program.

WORK/LIFE BALANCE

In 2015 the portfolio of partnerships grew by 17%, reaching a total number of 422 suppliers that offer discounts to all BRD employees for a wide variety of products and services.

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

- Bike2Work designed to support both ecological behavior, and a healthy lifestyle. Thus, our colleagues had the opportunity to compete with other companies and prove necessary ambition in conducting significant distances by bicycle.
- Program "Bookster" a modern library on different areas: self development, social affairs, finance, success stories, hobbies, time management, literature, etc., where you can borrow books, read articles online or view different videos.
- Organizing fairs for various events, for example: the 1st March (Martisor), Children's Day, Easter, Christmas, before starting school, etc.
- Organization of seminars on health topics (gastroenterology, obstetrics-gynecology, dermatology, etc.).

4. CORPORATE AND SOCIAL RESPONSIBILITY

BRD applies the principles of corporate responsibility both in its activities and business lines, through a responsible management of bankers' profession and human resources management as well as its impact on the environment.

RESPONSIBILITY APPLIED TO BUSINESS LINES

EQUATOR PRINCIPLES

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 10 million USD.

RESPONSIBILITY TO THE COMMUNITY

EDUCATION

BRD believes education is essential for economic development, helping to create thriving communities and inspiring young people to achieve their potential.

In 2015, the main focus was to build a strategy having as beneficiaries teachers working in the state education system, as they are the ones who can change this system.

In 2015, we continued the collaboration with the Romanian Physics Society on reforming the teaching of Physics in gymnasium, and over 1,000 teachers received training and changed the way of teaching students this subject.

Together with Junior Achievement Romania we continued to explain to children that education is important and to show to them the value of economic education in the long-term. In the third year of the "Education gives value!" project, there were 79 BRD employees as volunteers who donate 395 working hours to 1671 students in classes at risk of school dropout.

As concerns non-formal education, BRD is involved again in 2015 in several prestigious programs such as *Youth Bank, Grow* or *Authentic Leadership,* helping the young to develop their leadership skills.

We also are interested in building a new generation of young journalists specialized in education, and we have created *Superscrieri Scholarships* in education. The project is at the first edition and offered 6 scholarships and mentorship program to journalists to research in more depth the educational system in Romania.

INVOLVEMENT MECHANISMS

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

Examples:

- Through the internal program called "Super-humans for Super-opportunities", almost 1,000 employees donate monthly amounts that are then doubled by the Bank. In 2015, we renewed the partnership with Hope and Homes for Children Romania, whose goal is that, by 2020, there would not be any abandoned child in old-style institutions.
- BRD is part of the *donatie.ro* platform, through which donors can choose to support their cause on the long term via the direct debit system.
- In Timisoara, BRD managed to engage local community and business community to rehabilitate the paediatric section of *Louis Turcanu Hospital*. The campaign rolled in June 2015 had good results and collected EUR 120,000.

SPORTS

Be it tennis, football or handball, experienced athletes or young talents, BRD reaffirms its commitment to promoting sports in Romania. The most representative partnerships are: BRD Nastase Tiriac Trophy (5th edition), BRD Bucharest Open, Hagi Academy, and the partnership with the Romanian Handball Federation.

CULTURE

We believe that creative industries play a large role in the development of Romania, therefore BRD has chosen to support the performing arts, classical music and film industry. We aim at supporting projects that provide broader public access to culture, but also projects dedicated to the development of young artists.

In 2015, we launched Scena9 platform whose aim is to support and promote the young generation of artists and creators. The Platform works both as communication tool of interesting young generation projects and as a sponsor and co-creator of performances and art projects.

The biggest projects in din 2015 in performing arts were the partnerships with Sibiu International Theatre Festival and Bucharest National Theatre Festival

Scena9 was co-creator of several theatre plays with *Act Theatre*, *Sibiu National Theatre*, *Sibiu Theatre University*, *D'aya Company* and Chris Simion.

We also continued to support young theater through the partnership with *Ideo Ideis Festival* in Alexandria and the event *White Night of Young Theatre* in Bucharest.

Film Industry represents the second important directon. We have become partners of „*Les Films de Cannes a Bucarest*" Festival and we have continued the partnership with *PelicamFilm Festival*, which has an important educational component.

At the end of 2015, we have launched ICAR (Alternative History of Romanian Cinema) together with Cinepub, a program aiming to bring Romanian films closer to Romanian public.

We also mention the partnership with the Princess Margareta of Romania Foundation for supporting the Young Talents program - over 30 young artists received scholarships and access to creative camps, competitions abroad, mentoring programs and promotion.

Another important project is Sonoro Manor, a series of chamber music concerts in wonderful locations such as mansions and castles, aimed at raising awareness on the importance of heritage protection.

ENVIRONMENT RESPONSIBILITY

Responsibility to protect the environment goes beyond legal mandatory issues, and represents a voluntary commitment of the Bank which aims at constantly reducing CO2 emissions coming from its own activities.

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 *Workshops without Borders.* In 2015, BRD donated 12 tonnes of electric and electronic waste, being the largest contributor of the *Workshops without Borders* association.

5. GROUP ACTIVITY AND RESULTS

ECONOMIC AND BANKING ENVIRONMENT 2015

Romania's GDP was by 3.7% higher in 2015 versus 2014, according to preliminary data. Private demand is estimated to have been the main growth driver, sustained by the favourable effect of the disinflationary process on real disposable income, the increase of minimum gross wages and NBR's monetary easing policy. Investments are expected to have had a positive contribution due to lower interest rates, strengthening private demand and low base effect.

The inflation rate became negative at the end of June 2015 following the drop in food prices triggered by the extension of the VAT rate cut for all food items. As of 2015 end, the inflation rate reached -0.9% against 2014 end.

Given the fiscal easing measures announced by the Government, NBR has kept the policy rate unchanged at 1.75% since May 2015. Throughout 2015, the minimum reserves requirements were reduced to 8% from 10% for RON liabilities and were maintained at 14% for FX liabilities.

Domestic lending showed signs of recovery. Loans to individuals registered strong evolution thanks to demand for loans granted in the "Prima Casa" programme, improved purchasing power and low interest rates. Companies gross loans' outstanding showed first signs of reversing the negative trend.

Banking system deposits advanced since 2014 both on the individuals' and on the companies' segments. Both types of clients continue to have a prudent saving behaviour.

The write-off and portfolio sales operations of non-performing loans led to a decline in the ratio of non-performing loans, to 13.6% at 2015 end compared to 20.7% at the end of the previous year (according to European Banking Authority definition).

The capitalisation of the Romanian banking system remained comfortable as the capital adequacy ratio was 17.5% at 2015 end. The return on equity also improved to 12.8% compared to the negative value in 2014.

The important events that happened after the end of 2015 related to the evolution of the banking system loans and deposits, tax cuts, outcome of NBR policy rate meetings and regulatory environment:

- There was a confirmation of the positive annual trend of banking system loans and deposits at January 2016 end. Loans increased on individuals' segment and remained relatively stable on companies segment, while household and companies' savings also expanded.
- As previously announced the VAT rate was cut from 24% to 20% for non-food products and services starting with January 2016, which led to a drop in the consumer price index at the beginning of the year. The inflation rate dropped to -2.1% at the end of January 2016 versus January 2015.
- At the policy rate meeting held in January 2016, NBR reduced the minimum reserve requirements for FX liabilities by 2 percentage points, to 12%.
- In the second part of 2015, the Romanian Parliament approved a draft in-kind payment law through which individuals who have taken out mortgage loans may transfer collateral ownership to the creditor in order to erase their entire debt towards the creditor. Romania's President however sent the draft law back for analysis to the Parliament. The draft law was still under debate in Parliament at the beginning of 2016, its initial form having been met with opposition from banks, NBR and European institutions.

MAIN ACHIEVEMENTS IN 2015

The retail segment was marked by an increase in the number of active customers, robust growth of housing loans and rising interest for consumer loans. Lending to large corporate clients benefitted from the benign macroeconomic environment. Abundant liquidity increased the already aggressive competition nonetheless BRD reaffirmed its solid position on this category of clients.

On the retail-small business segment, BRD introduced a behavioural risk rating model and a risk based pricing policy for retail small business, with a view to increasing the lending volumes while maintaining at the same time high risk standards.

BRD's main achievements in 2015 were:

- Increase of the number of active individual customers by 14k to 2.1 million (+40,000 active clients using constant methodology);
- Continued investment in digital transformation: stock of internet and mobile banking contracts for individuals up by 40%;
- Increase in market share on individuals' deposits by 0.6 percentage points to 13.8% since 2014 end;
- Increase of 31% of BRD AM's assets under management;
- Strong growth of net outstanding loans to large corporate clients;
- Maintained leading position on large corporate clients in sectors such as energy, telecom and retail;
- Leader on custody & depository services market (67% market share);
- Leader on factoring market with operations of EUR 921 million;
- Co-Manager and Co-Bookrunner with 2 other banks for the Ministry of Finance bond issue addressed to retail investors (RON 65 million bond outstanding);
- "Best Trade Finance Bank in Romania 2015" award by Global Finance.

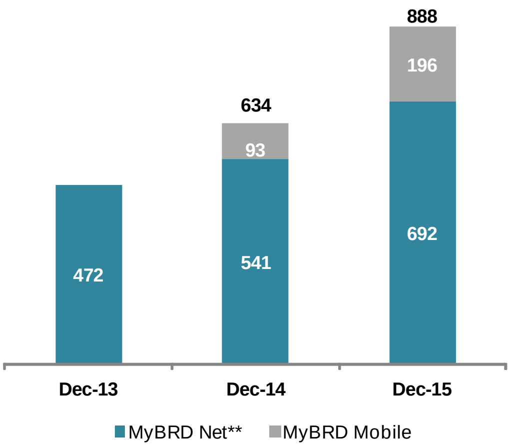
COMMERCIAL ACTIVITY

As at December 31st, 2015 the Bank had 829 branches (31.12.2014: 860 branches), ensuring the distribution of its products and services throughout the whole country.

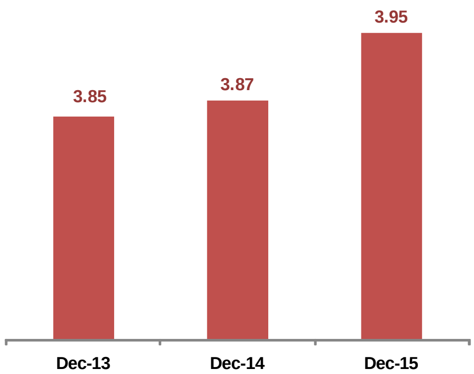
The Bank's number of active individual customers rose by circa 14,000 at December 31, 2015 compared to 2014 (+40,000 active clients using constant methodology), reaching 2.1 million customers, thanks to a lower attrition rate. The total number of active clients reached 2.2 million, up by circa 16,000 versus the end of 2014.

The equipment rate for individuals continued to rise, benefitting from increasing demand for remote banking solutions.

Number of remote banking contracts for individual customers* (x 1000)



Equipment rate for individuals (products/client)*



(*) Bank only. (**) BRD-Net in 2013

The Bank continued to be the second largest bank in Romania by total assets, with the following market shares:

	2013	2014	2015
TOTAL ASSETS	**13.0%**	**12.4%**	**13.0%**
LOANS	**14.3%**	**13.7%**	**13.1%**
Individuals	*16.8%*	*16.9%*	*16.8%*
Companies	*12.2%*	*11.0%*	*9.8%*
DEPOSITS	**15.5%**	**14.2%**	**14.8%**
Individuals	*13.0%*	*13.3%*	*13.8%*
Companies	*18.8%*	*15.5%*	*15.9%*

BRD held a market share of 13.0% in terms of total assets at December 31, 2015 (according to the Bank's own calculations).

The structure of the customers' **loans** at Group level evolved as follows over the last three years:

RON bln	Dec-13	Dec-14	Dec-15	vs. Dec-14
Retail	**17.4**	**17.3**	**18.2**	**5.1%**
Individuals	16.6	16.6	17.5	5.4%
Small business	0.9	0.7	0.6	-2.7%
Non-retail	**10.6**	**9.5**	**8.6**	**-9.6%**
SMEs	5.9	4.6	3.2	-30.4%
Large corporate	4.7	4.9	5.4	9.9%
Total net loans	**28.1**	**26.8**	**26.7**	**-0.1%**
Financial lease receivables	0.6	0.5	0.5	0.1%
Total net loans, including leasing	**28.6**	**27.3**	**27.3**	**-0.1%**

The stock of net loans was quasi stable at December 31, 2015 compared to the end of the previous year.

The outstanding net retail loans expanded year-on-year thanks to loans to individuals, which improved continuously throughout the year. Loans to individuals were pushed up by the housing loan portfolio and to a smaller extent, by unsecured consumer loans. Housing loan production rose by almost 50% to RON 1.7 billion in 2015 primarily as a result of BRD's leading position on the Prima Casa programme (Prima Casa loan production represented 74% of new housing loans). Consumer loan production was 11% up at RON 3.3 billion. Consequently, production on the individuals' segment totalled RON 5.0 billion, up from RON 4.1 billion in the previous year.

The performance of the non-retail segment was adversely impacted by the decline of loans to SMEs (-26% versus December 31, 2014 at constant segmentation). The portfolio of net loans to large corporate clients increased by 10% against 2014 (6% at constant segmentation), due to higher outstanding of RON-denominated loans.

The customers' **deposits** structure at Group level evolved as follows over the last three years:

RON bln	Dec-13	Dec-14	Dec-15	vs. Dec-14
Retail	**19.9**	**21.4**	**23.6**	**10.7%**
Individuals	16.8	18.2	20.2	11.2%
Small business	3.1	3.2	3.5	8.3%
Non-retail	**16.1**	**14.6**	**17.4**	**19.5%**
SMEs	5.9	5.8	6.4	10.3%
Large corporate	10.2	8.8	11.1	25.6%
Total deposits	**36.1**	**36.0**	**41.1**	**14.3%**

The deposit base is relatively well balanced (58% - retail and 42% - non-retail), and grew above the market throughout last year. Deposits increased by 14% compared to December 31, 2014 with a particularly strong increase of deposits in current accounts from retail and non-retail clients. Market share on the individuals' segment increased to 13.8% at December 31, 2015 from 13.3% at December 31, 2014.

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, 2015, BRD Sogelease's net outstanding of leasing financing was RON 549 million, stable since the end of the previous year. New leasing production reached RON 325 million, also quasi stable versus 2014.

Based on the favourable evolution of several economic sectors in 2015, BRD Sogelease succeeded a good diversification of financing, managing a balanced portfolio by type of financed assets. The rigorousness in the selection of the partners also sustained the consolidation of a healthy and durable portfolio going forward.

According to the latest statistics issued by the Financial Companies Association in Romania (ALB) at September 30, 2015, BRD Sogelease ranked 4th within the top of financial leasing companies in Romania, with a market share of 6.8%.

The confirmation of a successful year is the award "Best in financial leasing in 2015" received by BRD Sogelease at the end of 2015 from “Piata Financiara” magazine.

BRD Finance IFN SA

BRD Finance results in 2015 reveal a positive evolution: the net loan portfolio increased by 6% reaching RON 404 million, while the loan production recorded a strong improvement, up 15% due to increases on all types of products (revolving, consumer and car loans). Net banking income reached RON 82 million, up by 5% compared to 2014.

The positive results are sustained by the consolidation of the partnerships with important retailers, by the continuous optimization of internal processes and a strict control of costs.

BRD Asset Management SA

BRD Asset Management is one of the most important actors on the Romanian UCITS market, with a market share of 12.8% at the end of 2015, up from 11.2% at the end of 2014. At the end of 2015, the company had RON 2.9 billion under management, 31% more than at the end of previous year. Operating revenues summed RON 13.3 million in 2015, up by 41% versus previous year.

BRD Asset Management offers 7 different open-end funds in terms of portfolio structure, risks and target yield, recommended investment period. Among those, BRD Simfonia, BRD Obligatiuni (denominated in RON), BRD Eurofond (denominated in Euro) and BRD USD Fond (denominated in USD) invest in fixed income and money market instruments and have no stock holdings. BRD Diverso is a diversified fund with investments in Central and Eastern Europe stock markets, the rest being invested mainly in money market and fixed income instruments for risk spread purposes. BRD Actiuni fund is focused on stocks, as well as BRD Index which is an index tracker fund.

FINANCIAL POSITION ANALYSIS

According to NBR order 9/2010, starting January 1st, 2012 the Bank applies as accounting base the International Financial Reporting Standards, consequently the below financial position analysis is made based on the separate and consolidated financial statements accordingly prepared, for the period ended December 31, 2015 and the comparative periods.

FINANCIAL POSITION – ASSETS

The total assets increased at December 31, 2015 by around 9% both for the Bank and for the Group and had the following structure:

THE BANK

Assets (RONm)	**Dec-13**	**Dec-14**	**Dec-15**	**% total**	**vs. Dec-14**
Cash and current accounts with Central Bank	9,779	7,190	8,820	17.9%	22.7%
Loans and advances to credit institutions	687	1,236	2,288	4.7%	85.1%
Net loans and advances to customers	27,764	26,461	26,376	53.6%	-0.3%
Other financial instruments	7,412	9,053	10,567	21.5%	16.7%
Tangible and intangible assets	1,090	1,027	985	2.0%	-4.1%
Other assets	347	212	157	0.3%	-26.0%
Total assets	**47,079**	**45,180**	**49,193**	**100.0%**	**8.9%**

THE GROUP

Assets (RONm)	**Dec-13**	**Dec-14**	**Dec-15**	**% total**	**vs. Dec-14**
Cash and current accounts with Central Bank	9,780	7,190	8,820	17.6%	22.7%
Loans and advances to credit institutions	714	1,263	2,315	4.6%	83.2%
Net loans and advances to customers	28,059	26,777	26,745	53.3%	-0.1%
Financial lease receivables	569	549	549	1.1%	0.1%
Other financial instruments	7,375	9,019	10,549	21.0%	17.0%
Tangible and intangible assets	1,110	1,041	999	2.0%	-4.0%
Other assets	384	242	207	0.4%	-14.4%
Total assets	**47,991**	**46,081**	**50,185**	**100.0%**	**8.9%**

LOANS AND ADVANCES TO CUSTOMERS

The net loans' outstanding amount to customers was relatively constant thanks to steady increases of loans to individuals and large corporate customers.

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

The most liquid assets of the Bank, namely cash and current accounts with the central bank and loans and advances to credit institutions increased by 32% versus December 31, 2014 for both the Bank and the Group.

This aggregate accounted for about 22% of total assets for the Group compared to 18% at December 31, 2014. The most important component is the minimum compulsory reserve held with the National Bank of Romania (RON 4,275 million for December 2015 from RON 4,566 million for December 2014).

OTHER FINANCIAL INSTRUMENTS

Other financial instruments mostly represent treasury bills and bonds issued by the Romanian Government which are accounted as available for sale and trading instruments, and also derivatives. This aggregate represented ca. 21% of total assets and recorded an increase of around 17% compared to December 31, 2014. The expansion of the Government bonds' portfolio was the main driver of these evolutions.

TANGIBLE AND INTANGIBLE ASSETS

The tangible and intangible assets accounted for 2% of the total assets. The most important share is represented by land and buildings, which accounted for 69% of tangible and intangible assets for the Bank and the Group.

Total value of investments in 2015 was of approximately RON 92 million for the Bank and RON 96 million for the Group, compared to RON 87 million for the Bank and RON 89 million for the Group in 2014 and were mainly IT related. There is no capitalized research and development expenditure.

FINANCIAL POSITION – LIABILITIES

The comparative statement of liabilities, for the period 2013 – 2015 is as follows:

THE BANK

Liabilities and shareholders equity (RONm)	Dec-13	Dec-14	Dec-15	% total	vs. Dec-14
Amounts owed to credit institutions	5,187	3,001	1,129	2.3%	-62.4%
Amounts owed to customers	36,146	36,041	41,192	83.7%	14.3%
Other liabilities	586	646	891	1.8%	37.9%
Shareholders equity	5,161	5,492	5,981	12.2%	8.9%
Total liabilities and shareholders equity	**47,079**	**45,180**	**49,193**	**100.0%**	**8.9%**

THE GROUP

Liabilities and shareholders equity (RONm)	Dec-13	Dec-14	Dec-15	% total	vs. Dec-14
Amounts owed to credit institutions	5,896	3,699	1,881	3.7%	-49.2%
Amounts owed to customers	36,065	35,954	41,099	81.9%	14.3%
Other liabilities	634	677	948	1.9%	39.9%
Shareholders equity	5,397	5,750	6,257	12.5%	8.8%
Total liabilities and shareholders equity	**47,991**	**46,081**	**50,185**	**100.0%**	**8.9%**

AMOUNTS OWED TO CUSTOMERS

At December 31, 2015, the share in total liabilities of the customers' deposits increased versus December 31, 2014, at approximately 95% for the Bank (+5 percentage points) and 94% (+4 percentage points) for the Group, demonstrating a high financial autonomy.

AMOUNTS OWED TO THE CREDIT INSTITUTIONS

Amounts owed to credit institutions represent mainly borrowings from International Financial Institutions and the Parent, and stood at circa 2% of the total liabilities for the Bank and 4% for the Group at December 31, 2015.

In the second half of 2015, the Bank repaid the subordinated debt amounting to circa EUR 100 million and the credit line of circa EUR 320 million. Consequently, at the end of the year, parent funding accounted for RON 0.1 billion (0.3% of total liabilities of the Bank). BRD Group's borrowings from Société Générale totalled circa RON 0.8 billion (2% of total liabilities).

SHAREHOLDERS' EQUITY

The shareholders' equity increased by circa 9% versus December 31, 2014 for the Bank and the Group, due to the current year result and the higher reserves from revaluation of available for sale assets.

The structure of the shareholders' equity evolved as follows:

THE BANK

Shareholders' equity (RONm)	Dec-13	Dec-14	Dec-15	vs. Dec-14
Share capital	2,516	2,516	2,516	0.0%
Reserves from revaluation of available for sale assets	78	342	380	11.2%
Reserves from defined pension plan	(3)	10	12	24.8%
Retained earnings and current result	2,570	2,625	3,073	17.1%
Total shareholders' equity	**5,161**	**5,492**	**5,981**	**8.9%**

THE GROUP

Shareholders' equity (RONm)	Dec-13	Dec-14	Dec-15	vs. Dec-14
Share capital	2,516	2,516	2,516	0.0%
Reserves from revaluation of available for sale assets	78	342	380	11.2%
Reserves from defined pension plan	(3)	10	12	24.8%
Retained earnings and current result	2,755	2,831	3,300	16.6%
Non-controlling interest	50	52	49	-4.6%
Total shareholders' equity	**5,397**	**5,750**	**6,257**	**8.8%**

LIQUIDITY POSITION

Both the Bank and the Group maintained a balanced structure of resources and investments and a comfortable liquidity level in 2015.

The net loans/deposits ratio reached 64.0% at December 31, 2015 (from 73.4% at December 31, 2014) for the Bank and 66.4% (from 76.0% at December 31, 2014) for the Group, including financial lease receivables.

2015 FINANCIAL RESULTS

The comparative income statement of the Bank for the period 2013 – 2015 is presented below:

RONm	2013	2014	2015	15/14
Net banking income,	**2,726**	**2,498**	**2,386**	**-4.5%**
out of which				
- net interest income	1,624	1,496	1,422	-4.9%
- net commissions	747	737	718	-2.5%
- other banking income	355	266	245	-7.7%
Operating expenses	**-1,292**	**-1,255**	**-1,221**	**-2.7%**
- staff expenses	-625	-615	-612	-0.5%
- non-staff expenses	-667	-640	-609	-4.8%
Operating profit	**1,434**	**1,243**	**1,164**	**-6.3%**
Net cost of risk	-2,083	-1,193	-631	-47.1%
Gross result	-649	50	533	10.7x
Net result	**-386**	**43**	**445**	**10.3x**

The comparative income statement of the Group for the period 2013 – 2015 is presented below:

RONm	2013	2014	2015	15/14
Net banking income,	**2,851**	**2,623**	**2,507**	**-4.4%**
out of which				
- net interest income	1,714	1,585	1,516	-4.4%
- net commissions	767	765	750	-2.0%
- other banking income	369	273	241	-11.5%
Operating expenses	**-1,359**	**-1,328**	**-1,297**	**-2.3%**
- staff expenses	-663	-656	-655	-0.2%
- non-staff expenses	-697	-672	-643	-4.3%
Operating profit	**1,491**	**1,295**	**1,210**	**-6.6%**
Net cost of risk	-2,131	-1,215	-658	-45.8%
Gross result	-640	80	552	6.9x
Net result	**-384**	**68**	**467**	**6.9x**
Profit attributable to equity holders of the parent	-388	63	466	7.4x

BRD Group's net banking income decreased by circa 4% in 2015 versus 2014 as a result of very low interest rates and suppression or reduction of some fees for individual customers. But a turning point was reached in the first part of the year, with sequential evolution of revenues following a growing path starting with Q2-2015 (the revenue stream increased by circa 2% each quarter) thanks to reduction in cost of funding and growth of retail loan portfolio.

BRD Group continued to focus on operational efficiency in 2015. Operating expenses were reduced by 2% for the Group, and savings were registered with regards to real estate, consultancy services and staff expenses. Operating costs declined on the retail segment and were quasi-stable on the non-retail segment. The Group registered a cost/income ratio of 51.7% (50.6% in 2014).

Net cost of risk declined by 46% since 2014 for the Group, both on retail and non-retail. Following write-off operations of non-performing loans, the accounting non-performing loans ratio decreased to 17.1% at December 31, 2015 end compared to 20.3% at December 31, 2014. The coverage of non-performing loans and leasing by IFRS provisions improved to 76.6% at December 31, 2015 from 71.1% at the end of the previous year (for the Group, including leasing).

As a result, BRD Group's net profit rose to RON 467 million in 2015 compared to RON 68 million in the previous year translating into a return on equity of 7.8% (from 1.2% in 2014) and return on assets of 1.0% (from 0.1% in 2014). The Bank recorded similar trends which led to a net result to RON 445 million, up from RON 43 million in 2014.

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.

No important events were identified after the reporting date.

CONCLUSION 2015 AND PERSPECTIVES 2016

In 2015, BRD registered substantial rise in profitability, expansion of the individual customer base and consistent progress on strategic and sound client segments – individuals and large corporate clients.

Going forward in 2016, BRD is ready to take advantage of improved credit demand, by leveraging on its wide deposit base, comfortable solvency, powerful network and innovative capacity.

6. Risk management

Governance

BRD risk management is governed by the Board of Directors, assisted by the Audit Committee and the Risk Management Committee. The Risk and Finance departments, which are independent from the business departments, are dedicated to risk management and control activities under the authority of the Executive Committee.

Specialized committees are also assisting the Board of Directors and the Executive Committee to accomplish their risk management and control responsibilities.

Board of Directors

The Board of Directors approves the Business & Risk Management 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 regards to the risk appetite and the global risk strategy and assists it in the monitoring of the risk strategy implementation.

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.

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 and Significant Changes of Activity Committee* mission is to make sure that all the risks associated with the launch of new products, new activities or externalized 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 *Risk Retail Committee* has as main objective the formalization of measures proposed by relevant departments in order to improve the performance of Retail lending activity.

Risk governance principles

The key objective of risk management is to ensure that all risks are managed in the best possible way for all stakeholders. Risk management 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 Permanent Supervision, which is the responsibility of all business units. The Permanent Supervision is coordinated by the Permanent Control Division.

The second line of defense is represented by the functions overseeing risks, which provide support to the business/operational functions in executing their duties. The second line functions are Finance Department, Risk Management Department, Permanent Control Division, Compliance Division, Legal Division and Information Systems Division. The results of the risk management process are formalized through reports submitted to the Board of Directors and the Executive Committee, the Audit Committee and regulatory bodies.

The third line of defense is represented by the independent assurance provided by the Internal Audit function. The Internal Audit function reports to and operates under the mandate of the Board of Directors. The BRD risk management principles, procedures and infrastructures and their implementation are independently reviewed and monitored by Internal Audit.

ORGANIZATION

RISK DEPARTMENT

The Bank's centralized risk management function is performed at the level of the Risk Management Department, which has the following main responsibilities:

- Draws up, proposes and contributes to the implementation of the Bank's risk management strategies and policies.
- Performs the identification, analysis, assessment and direct management of the following risks: credit risk, risks associated with credit risk and market risk.
- Is responsible for maximizing recovery of distressed or non performing credit exposures, including by legal measures.

FINANCE DEPARTMENT

The Finance department is responsible for the management of the liquidity risk and structural risks (interest risk and FX risk in banking book). As coordinator of the budgeting and planning processes, it ensures that the financial, risk and business strategies are aligned. Finance department is also responsible with the capital management, aggregation of the capital requirements and capital adequacy assessment and reporting.

OTHER DEPARTMENTS

The management of operational risk is performed within the Permanent Control Division, which, as main responsibility, defines and implements the Bank's strategy in operational risk management, business continuity and crisis management. In the context of operational risk, legal risk is managed by the Legal Division, while information security risk is managed by Information Security Department.

The Compliance Division deals with compliance and reputational risks.

KEY RISK CATEGORIES

The Bank's risk management activities focus on the following main categories of risks:

CREDIT RISK

Credit risk is mainly the risk that a counterparty may fail to fulfill its payment obligations towards the Bank and/or that a counterparty's or an issuer's credit quality may deteriorate.

BRD's credit risk management is well integrated with SG's risk management processes. Some of the main principles employed in managing credit risk are as follows:

- client credit due diligence maintaining conservative underwriting standards

- diversified credit portfolio on client, industry, and product-specific concentrations being assessed and managed against our risk appetite

- 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 personal guarantees

- use of an internal rating system for corporate counterparties

- 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

- regular monitoring and reporting to senior management on the quality of credit portfolios

- regular independent review of lending activities by the Bank's Internal Audit department

- identification and management of non-performing loans and assessment of workout activity using objective indicators.

LIQUIDITY RISK

Liquidity risk is defined as the risk of not being able to meet expected and unexpected, current and future cash flows 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 inflows and outflows related to the current transactions (no new business included), determined for each time bucket and currency based on the contractual maturity of the transactions, considering also embedded options (e.g. prepayment for loans) or, for non-maturing products, based on a maturity modelled using historical client behaviour 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 is considering 3 liquidity crisis scenarios: specific to BRD (idiosyncratic), systemic and a combination of both.

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 risks' 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 main tool used in managing the interest rate risk is the gap analysis, along with a measure of the balance sheet sensitivity to yield curve shifts. The gaps between outstanding assets and liabilities are determined on the basis of the contractual terms of transactions, models based on clients' historic behaviour patterns, as well as conventional assumptions relating to certain balance sheet items. Sensitivity is defined as the variation in the net present value of future residual fixed rate cash flows (surplus or deficit) for a 1% parallel upward shift in the yield curve (i.e. this sensitivity does not relate to the sensitivity of the annual net interest margin). A set of limits is applied to such sensitivity and the compliance with those limits is monitored by ALCO on a monthly basis.

MARKET RISK IN TRADING BOOK

Market risk is defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices.

Market risk management is well 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.

OPERATIONAL RISK

Operational risk is defined as the risk of incurring losses or not realizing the estimated benefits as a result of inadequate processes or deficiencies caused by internal factors (internal regulations, staff, internal systems) or external factors (economic context, banking system evolutions, disasters, fires, assaults, etc). It includes events of low probability, but with high loss severity. Operational risk so defined includes legal risk and excludes strategic risk and reputation risk.

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

- Identification, analysis and evaluation, control and monitoring of operational risks;
- Implementation of measures meant to improve and strengthen the control system, in order to prevent/reduce operational risk losses;
- Regulatory compliance regarding calculation of capital requirements for operational risk.

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
- Permanent supervision of processes (PS)
- Fraud identification and prevention system
- Committee for New Products and Significant Changes of Activity, which ensures the assessment of operational risks associated with new products, outsourcing of activities and significant transformations of activity
- Crisis management and business continuity plan

In 2015, the Group operational risk strategy focused on the following axes:

- Strengthening bank's antifraud system
- Improving communication on operational risks
- Optimization of operational risk flows (declaration, monitoring, reconciliation)
- Optimization of the Permanent Supervision system
- Regular training and awareness of the personnel involved in operational risk management

As member of the Société Générale Group, BRD is using since 2008 the Advanced Measurement Approach (AMA) for the calculation of operational risk capital requirement.

7. CAPITAL MANAGEMENT AND ADEQUACY

CAPITAL ADEQUACY

CONSOLIDATION PERIMETER

BRD Group consolidation perimeter, for prudential purposes, complies with prudential consolidation requirements as defined in Regulation (EU) No 575/2013 (CRR), Part One, Title II, Chapter 2, Section 3. The entities to be consolidated for prudential purposes are defined according to Articles 4 (1) (3), (16) to (27), 18 and 19 of CRR.

Pursuant to Article 4 of CRR, entities that are consolidated in the prudential reporting are determined based on the type of activity: credit institutions, investment firms, ancillary services undertakings and financial institutions. In contrast, in accordance with 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 Article 19 of CRR. In accordance with Article 19 (1) of CRR, the entities may be excluded from the scope of prudential consolidation where total assets and off-balance sheet items are smaller than the smallest of the following amounts: EUR 10 million or 1% of total assets and items off-balance sheet of the parent company.

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

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

BRD Corporate Finance SRL (non-financial subsidiary) and BRD Asset Management SAI SA (excluded based on Article 19 (1)), are accounted in the prudential consolidation at equity method.

The own funds are based on the statement of financial position prepared in accordance with IFRS and published in the audited financial statements. The basis for calculating own funds is the prudential consolidation perimeter as presented above. The reconciliation of consolidated balance sheet according to IFRS Financial statements and balance sheet prepared for prudential consolidation purposes is presented in Appendix, Exhibit1.

OWN FUNDS

BRD Group regulatory own funds as at 31 December 2015 amounted to RON 5,283 million (RON 5,111 million as at 31 December 2014) and consisted only of common equity capital (CET1) as Tier 2 capital equalled zero at December 31, 2015 and there were no additional Tier 1 capital instruments.

Common Equity Capital (CET1):

- **Eligible Capital** includes the nominal share capital and the hyperinflation adjustment of share capital, accounted until December 31, 2003 according to IAS 29 “Reporting in Hyperinflationary Economies”. As at December 31, 2015, the share capital in amount of RON 696.9 million represents common shares outstanding. The hyperinflation adjustment amounts to RON 1,819 million.
- **Eligible Reserves** include:
  - Retained earnings, which represent the undistributed profits of previous periods and retained earnings arising from adjustments from IFRS implementation as accounting basis, from January 1, 2012;
  - 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 available for sale instruments and from re-measurement of defined benefit liability arising from the post-employment benefit plan.

Regulatory deductions from CET 1 applicable as at 31 December 2015 essentially involve the following:

- Estimated dividend payments. There were no dividend payments from 2014 net profit. For financial year 2015, the dividends proposed by the Board of Directors for approval by General Shareholders' Meeting amount to RON 223.0 million, corresponding to a payout ratio of 50%.

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

- Deferred tax assets that rely on future profitability and do not arise from temporary differences (net of related deferred tax liability) shall be deducted from CET 1 capital in accordance with Article 36 (1) (c) and Article 38. During the transitional period, a progressive deduction is implemented in accordance with local transposition of CRR. Consequently, deferred tax assets from fiscal losses carried forward are 20% deducted from CET1 as at December 31, 2014 in accordance with Article 478 (1). The residual amount is risk weighted by 0% in accordance with Article 472 (5).

- Deferred tax assets that rely on future profitability arising from temporary differences (net of related deferred tax liability) exceeding 10% of CET1 of the Bank must be deducted from CET1. In addition a threshold of 17.65% is applied (15% during the transitional period) for the combined deduction of significant investments and deferred tax assets arising from temporary differences in accordance with Article 36 (1) (c), Article 38 and Article 48 (2) of CRR. The amount below the thresholds is risk weighted by 250%. At the reporting date, BRD Group did not exceed any of the thresholds mentioned above.

- Significant investments in financial sector entities must be deducted from CET 1 in accordance with Article 48 (2) of CRR, if they exceed, in total, 10% of CET 1 (this rule complements the combined thresholds mentioned above). The amount below the threshold is risk weighted by 250%. Other equity holdings in financial sector entities are also deducted if, in total, they are higher than 10% of CET 1. At the reporting date, BRD Group did not exceed any of the thresholds mentioned above therefore no deduction was applied for regulatory capital calculation.

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

As at 31 December 2014 and 31 December 2015, the Bank had no Additional Tier 1 capital instruments issued and outstanding.

Tier 2 capital:

At December 31, 2014, Tier 2 capital included the eligible subordinated loan amounting to EUR 100 million which matured in July 2015. In accordance with Article 64 of CRR, Tier 2 instruments are amortised pro-rata temporis (different amortisation method as compared to regulatory requirements applied in 2013) starting the first day of the final 5 years period. Thus, as at 31 December 2014, Tier 2 capital was EUR 10 million.

Other regulatory deductions/adjustments related to CET 1 elements during the transitional period involve:

- According to Articles 81 - 84 of CRR, limited recognition of accounting minority interests is applied and only related to regulated and eligible consolidated entities (credit institution and investment firms). Minority interests related to consolidation of a not eligible or not regulated entity must be excluded from the calculation of consolidated regulatory capital. Therefore, in accordance with the CRR transitional arrangements, 20% of not eligible minority interests (i.e. related to consolidation of BRD Finance) must be phased-out from CET 1 yearly until 1 January 2018.

- According to CRR, there are no filters applied to the inclusion of OCI unrealized gains or losses in CET 1. Nevertheless, according to the national implementation of transitory rules, in 2014 unrealized gains (net of related tax) from fair value adjustments recorded in OCI were 100% excluded from CET 1 and partially included (45%) in Tier 2 capital. In 2015, these unrealized gains are partially included in CET 1 (40%).

The regulatory own funds structure and solvency ratio, both fully loaded and phased-in, are presented in Appendix, Exhibit. 2. The Exhibit 4 in Appendix presents further details on the transitional own funds. Description of the main elements and features of regulatory capital instruments is provided in Appendix, Exhibit 5.

CAPITAL REQUIREMENTS

From a regulatory perspective, the capital requirements refer to:

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

Since January 1, 2014, the Basel 3 framework sets minimum requirements for CET 1 ratio and Tier 1 ratio. According to local transposition of CRR, for 2015, the minimum requirement for CET 1 ratio was 4.5% and for Tier 1, it was 6%. The total own funds requirement, including CET1, AT1 and Tier 2 capital, was 8%.

The calculation of **credit risk** capital requirements 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 requirements for general position risk are calculated using the Maturity-based method and capital requirements for credit valuation adjustment risk are 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, capital requirements being allocated by the Société Générale Group at sub-consolidated entities level based on the internal methodology that takes into account net banking income and history of operational risk losses. The risk exposure and related capital requirements by types of risk are presented in Appendix, Exhibit 6.

The Bank and the Group complied with the capital requirements throughout 2015, The summary of the capital adequacy for 2014 and 2015 is presented below.

	Bank		Group	
RON m	**2014**	**2015**	**2014**	**2015**
Eligible CET1	5,140	5,366	5,390	5,624
Eligible CET1 after adjustments	5,127	5,504	5,377	5,762
Total Tier 1 capital	4,530	4,857	4,901	5,283
Total Tier 2 capital	84	0	210	0
Total own funds	**4,614**	**4,857**	**5,111**	**5,283**
Capital requirements				
Credit risk (including counterparty risk)	1,976	1,918	2,031	1,980
Market risk	13	26	13	24
Operational risk	152	192	155	196
Credit valuation adjustment (CVA) risk	9	13	9	13
Total capital requirement	**2,150**	**2,149**	**2,207**	**2,213**
Risk weighted assets				
Credit risk (including counterparty risk)	24,699	23,975	25,389	24,744
Market risk	160	322	160	303
Operational risk	1,906	2,397	1,934	2,446
Credit valuation adjustment (CVA) risk	108	168	108	168
Total risk exposure amount	**26,873**	**26,862**	**27,591**	**27,661**
Regulatory Capital Adequacy Ratio	**17.17%**	**18.08%**	**18.53%**	**19.10%**
Tier 1 ratio	**16.86%**	**18.08%**	**17.76%**	**19.10%**

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 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 (underestimation)
- Interest rate risk in banking book
- Funding risk

- Strategic risk

- Other significant risks: reputational risk, compliance risk, risks external to credit institutions.

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

Based on the Risk and Business General 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

The internal control framework within BRD is structured on 3 levels:

- The first level is represented by the functions that own and manage risks, respectively business units.
- The second level is represented by the functions overseeing risks, respectively the risk management and compliance functions.
- The third level is represented by the function providing independent assurance, respectively the internal audit function.

The first level of control is performed by business units, which are responsible for ensuring that a risk and control environment is established as part of day-to-day operations, at each structure/ activity level.

The second and third levels of control are performed by the 3 independent control functions, as follows:

- Risk management function ensures the management and control of the risks identified through specific assessment processes. Significant risks that are managed at the level of the risk management function are: credit risk (including concentration risk and residual risk), market risk in the trading book, structural risks (interest rate risk and FX risk in the banking book), liquidity risk and operational risk.
- Compliance function ensures the management of compliance risk and reputational risk.
- Internal audit function ensures an objective analysis of the bank's activities, for an independent assessment of risk management, of the internal control system, of the management and operational processes, in order to support the achievement of the proposed objectives and issue recommendations for improving the efficiency of these activities.

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.

9. 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, 2015, made of:

   - Separate and consolidated statement of financial position;
   - Separate and consolidated income statement;
   - Separate and consolidated statement of other comprehensive income;
   - Separate and consolidated statement of changes in equity;
   - Separate and consolidated statement of cash flows;
   - Notes to the separate and consolidated financial statements.

2) Approval of the profit distribution and setting of the dividend for 2015 (the gross dividend proposed is of 0.32 lei / share). The dividends will be paid on May 24, 2016.

3) Discharge of the Board of Directors.

Philippe LHOTTE

Chief Executive Officer

Petre BUNESCU

Deputy Chief Executive Officer

Stephane FORTIN

Chief Financial Officer

Exhibit 1: Reconciliation of consolidated balance sheet as per IFRS financial statements and consolidated balance sheet within prudential scope (RON 000)

December 31, 2015

	Consolidated balance sheet	Prudential restatements (1)	Accounting balance sheet within the prudential scope	*Cross ref. Exhibit 2*
ASSETS				
Cash in hand	1,339,602	(1)	1,339,601	
Due from Central Bank	7,480,319	-	7,480,319	
Due from banks	2,314,800	(0)	2,314,800	
Derivatives and other financial instruments held for trading	1,218,112	-	1,218,112	
Loans, gross	30,744,036	-	30,744,036	
Impairment allowance for loans	(3,998,569)	-	(3,998,569)	
Loans and advances to customers	26,745,467	-	26,745,467	
Finance lease receivables	549,354	-	549,354	
Financial assets available for sale	9,208,959	(18,040)	9,190,919	
Investments in associates and subsidiares	121,787	24,856	146,643	
Property, plant and equipment (including investment property)	866,597	(97)	866,500	
Goodwill	50,130	-	50,130	*1*
Intangible assets	82,617	(70)	82,548	2
Deferred tax asset	19,194	-	19,194	*3*
Other assets	187,773	(1,206)	186,567	
Total assets	**50,184,711**	**5,442**	**50,190,154**	
LIABILITIES AND SHAREHOLDERS' EQUITY				
Due to banks	781,180	-	781,180	
Due to customers	41,098,674	6,467	41,105,141	
Borrowed funds	1,099,793	-	1,099,793	
Derivative financial instruments	153,210	-	153,210	
Current tax liability	1,463	(426)	1,037	
Deferred tax liability	539	-	539	
Other liabilities	792,409	(593)	791,816	
Total liabilities	**43,927,268**	**5,448**	**43,932,716**	
Share capital	2,515,622	-	2,515,622	*4*
Other comprehensive income	392,750	-	392,750	*5*
of which reserves from revaluation of available for sale assets net of tax	*380,308*	-	*380,308*	*6*
of which reserves from defined pension plan net of tax	*12,442*	-	*12,442*	*7*
Retained earnings and other reserves	3,299,819	(6)	3,299,813	*8*
	-	-	-	
Non-controlling interest	49,252	-	49,252	*9*
	-	-	-	
Total equity	**6,257,443**	**(6)**	**6,257,437**	
Total liabilities and equity	**50,184,711**	**5,442**	**50,190,153**	

(1) *Prudential restatements refer to treatment differences of subsidiaries excluded from prudential consolidation scope.*

Exhibit 1: Reconciliation of consolidated balance sheet as per IFRS financial statements and consolidated balance sheet within prudential scope

December 31, 2014

	Consolidated balance sheet	Prudential restatements (1)	Accounting balance sheet within the prudential scope	*Cross ref. Exhibit 2*
ASSETS				
Cash in hand	1,357,570	(1)	1,357,569	
Due from Central Bank	5,832,421	-	5,832,421	
Due from banks	1,263,276	-	1,263,276	
Derivatives and other financial instruments held for trading	693,905	-	693,905	
Loans and advances to customers	26,777,114	-	26,777,114	
Finance lease receivables	548,931	-	548,931	
Financial assets available for sale	8,205,352	(3,441)	8,201,911	
Investments in associates and subsidiares	119,731	18,233	137,964	
Property, plant and equipment (incl. investment property)	905,685	(22)	905,662	
Goodwill	50,130	-	50,130	*1*
Intangible assets	85,226	(57)	85,170	2
Deferred tax asset	88,546	(2,226)	86,320	*3*
Other assets	153,221	(1,553)	151,668	
Total assets	**46,081,107**	**10,933**	**46,092,040**	
LIABILITIES AND SHAREHOLDERS' EQUITY				
Due to banks	734,520	-	734,520	
Due to customers	35,954,041	14,545	35,968,585	
Borrowed funds	2,514,952	-	2,514,952	
Derivative financial instruments	87,673	-	87,673	
Current tax liability	2,357	(347)	2,010	
Deferred tax liability	2,982	-	2,982	
Other liabilities	584,378	(1,036)	583,342	
Subordinated debt	449,990	-	449,990	*4*
Total liabilities	**40,330,892**	**13,161**	**40,344,053**	
Share capital	2,515,622	-	2,515,622	*5*
Other comprehensive income	352,032	-	352,032	*6*
of which reserves from revaluation of available for sale assets net of tax	342,066	-	342,066	*7*
of which reserves from defined pension plan net of tax	9,966	-	9,966	*8*
Retained earnings and other reserves	2,830,911	(2,230)	2,828,681	*9*
Non-controlling interest	51,650	-	51,650	*10*
Total equity	**5,750,215**	**(2,230)**	**5,747,985**	
Total liabilities and equity	**46,081,107**	**10,931**	**46,092,038**	

(1) *Prudential restatements refer to treatment differences of subsidiaries excluded from prudential consolidation scope.*

Exhibit 2: Regulatory own funds and solvency ratios according to the prudential consolidation perimeter (RON 000)

December 31, 2015

REGULATORY OWN FUNDS	Fully Loaded	Phased-In	*Cross ref. Exhibit 1*	*Cross ref. Exhibit 4*
Common Equity Tier 1 (CET1)instruments and reserves				
Eligible capital	2,515,622	2,515,622	*4*	*1*
Reserves and accumulated profits	2,661,004	2,661,004	*8*	*2*
Other comprehensive income	392,750	392,750	*5*	*3*
Funds for general banking risk	170,762	170,762	*8*	*3a*
Accounting minority interest	49,252	49,252	*9*	*5*
Current year result (net of any foreseeable charge or dividend)	246,751	246,751	*8*	*5a*
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**6,036,141**	**6,036,141**		
Additional value adjustments (negative amount)	(10,130)	(10,130)		
Intangible assets (net of related tax liability)	(128,588)	(128,588)	*1,2*	*8*
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	*3*	-
Foreseeable tax charges relating to CET1 items	(340,590)	(340,590)		*25b*
Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	(49,252)	(273,883)		
- of which related to OCI gains	-	(254,183)	*5*	*26*
- of which related to minority interest eligibility	(49,252)	(19,701)	*9*	*5*
Total regulatory adjustments to Common equity Tier 1 (CET1)	**(528,561)**	**(753,192)**		
Common Equity Tier 1 (CET1) capital	**5,507,581**	**5,282,949**		
Tier 1 capital (T1 = CET1 + AT1)				
Tier 2 capital instruments				
Tier 2 (T2) capital before regulatory adjustments				
Amount to be deducted / added to Tier 2 capital with regard to regulatory adjustments				
Total regulatory adjustments to Tier 2 (T2) capital				
Tier 2 (T2) capital				
Total capital (TC = T1 + T2)	**5,507,581**	**5,282,949**		
Total risk weighted aseets	**27,660,718**	**27,660,718**		
Common Equity Tier 1 Ratio	**19.91%**	**19.10%**		
Tier 1 Ratio	**19.91%**	**19.10%**		
Total capital ratio	**19.91%**	**19.10%**		

Exhibit 2: Regulatory own funds and solvency ratios according to the prudential consolidation perimeter (RON 000)

December 31, 2014

REGULATORY OWN FUNDS	Fully Loaded	Phased-In	*Cross ref. Exhibit 1*	*Cross ref. Exhibit 4*
Common Equity Tier 1 (CET1) instruments and reserves				
Eligible capital	2,515,622	2,515,622	*5*	*1*
Reserves and accumulated profits	2,597,058	2,597,058	*9*	*2*
Other comprehensive income	352,032	352,032	*6*	*3*
Funds for general banking risk	170,762	170,762	*9*	*3a*
Accounting minority interest	51,650	51,650	*10*	*5*
Current year result	65,628	65,628	*9*	*5a*
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**5,752,751**	**5,752,751**		
Intangible assets (net of related tax liability)	(130,545)	(130,545)	*1,2*	*8*
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(47,158)	(9,432)	*3*	*10*
Foreseeable tax charges relating to CET1 items	(336,024)	(336,024)		*25b*
Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	(51,650)	(376,053)		
- of which related to OCI gains	-	(365,723)	*6*	*26*
- of which related to minority interest eligibility	(51,650)	(10,330)	*10*	*5*
Total regulatory adjustments to Common equity Tier 1 (CET1)	**(565,376)**	**(852,053)**		
Common Equity Tier 1 (CET1) capital	**5,187,376**	**4,900,699**		
Additional Tier 1 (AT1) capital before regulatory adjustments				
Tier 1 capital (T1 = CET1 + AT1)	**5,187,376**	**4,900,699**		
Tier 2 capital instruments	45,901	45,901	*4*	*46*
Tier 2 (T2) capital before regulatory adjustments	**45,901**	**45,901**		
Amount to be deducted / added to Tier 2 capital with regard to regulatory adjustments	-	164,575	*6*	*56c*
Total regulatory adjustments to Tier 2 (T2) capital	**-**	**164,575**		
Tier 2 (T2) capital	**45,901**	**210,476**		
Total capital (TC = T1 + T2)	**5,233,277**	**5,111,175**		
Total risk weighted aseets	**27,590,554**	**27,590,554**		
Common Equity Tier 1 Ratio	**18.80%**	**17.76%**		
Tier 1 Ratio	**18.80%**	**17.76%**		
Total capital ratio	**18.97%**	**18.53%**		

Exhibit 3: Deferred tax assets that rely on future profitability, according to the prudential consolidation perimeter (RON 000)

Deferred taxes that rely on future profitability	2014	2015
Deferred tax assets that rely on future profitability and do not arise from temporary differences	85,533	-
Deferred tax assets that rely on future profitability and arise from temporary differences	79,503	98,591
Deferred tax assets	**165,036**	**98,591**
Deferred tax liabilities associated intangible assets (that reduce the intangible assets regulatory adjustment in accordance with Art 37 CRR)	(4,755)	(4,089)
Other deferred tax liabilities (that can reduce the deferred tax assets that rely on future profitability (according to Art 38 CRR) amounts	(74,045)	(74,774)
Deferred tax liabilities	**(78,801)**	**(78,863)**
Total deffered tax assset	**86,236**	**19,728**

Exhibit 4: Transitional own funds according to the prudential consolidation perimeter (RON 000) (1/3)

December 31, 2015

	TRANSITIONAL OWN FUNDS	AMOUNT	AMOUNTS SUBJECT TO PRE- REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
Common Equity Tier 1 capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	2,515,622	-
	of which: Instrument type 1	2,515,622	-
	of which: Instrument type 2	-	-
	of which: Instrument type 3	-	-
2	Retained earnings and other reserves	2,661,004	-
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	392,750	-
3a	Funds for general banking risk	170,762	-
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-	-
	Public sector capital injections grandfathered until 1 January 2018	-	-
5	Minority Interests (amount allowed in consolidated CET1)	-	29,551
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	246,751	-
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**5,986,890**	**29,551**
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(10,130)	-
8	Intangible assets (net of related tax liability) (negative amount)	(128,588)	-
9	Empty Set in the EU	-	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	-
11	Fair value reserves related to gains or losses on cash flow hedges	-	-
12	Negative amounts resulting from the calculation of expected loss amounts	-	-
13	Any increase in equity that results from securitised assets (negative amount)	-	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-
15	Defined-benefit pension fund assets (negative amount)	-	-
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	-
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	-	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
20	Empty Set in the EU	-	-
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-
20b	of which: qualifying holdings outside the financial sector (negative amount)	-	-
20c	of which: securitisation positions (negative amount)	-	-
20d	of which: free deliveries (negative amount)	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in 38 (3) are met) (negative amount)	-	-
22	Amount exceeding the 15% threshold (negative amount)	-	-
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-
24	Empty Set in the EU	-	-
25	of which: deferred tax assets arising from temporary differences	-	-
25a	Losses for the current financial year (negative amount)	-	-
25b	Foreseeable tax charges relating to CET1 items (negative amount)	(340,590)	-
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	-	(254,183)
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	-	(254,183)
	Of which: … filter for unrealised loss 1	-	-
	Of which: … filter for unrealised loss 2	-	-
	Of which: … filter for unrealised gain - reserves from reevaluation of avaible for sale asset	-	(246,718)
	Of which: … filter for unrealised gain - reserves from defined pension plan	-	(7,465)
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	-	-
	Of which: …	-	-
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	-
28	**Total regulatory adjustments to Common equity Tier 1 (CET1)**	**(479,309)**	**(254,183)**
29	**Common Equity Tier 1 (CET1) capital**	**5,507,581**	**(224,632)**

Exhibit 4: Transitional own funds according to the prudential consolidation perimeter (RON 000) (2/3)

December 31, 2015

	TRANSITIONAL OWN FUNDS	AMOUNT	AMOUNTS SUBJECT TO PRE- REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
Additional Tier 1 (AT1) capital: Instruments			
30	Capital instruments and the related share premium accounts	-	-
31	of which: classified as equity under applicable accounting standards	-	-
32	of which: classified as liabilities under applicable accounting standards	-	-
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	-	-
	Public sector capital injections grandfathered until 1 January 2018	-	-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	-
35	of which: instruments issued by subsidiaries subject to phase out	-	-
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	-	-
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 Instruments (negative amount)	-	-
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
39	Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short posi- lions) (negative amount)	-	-
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the insti- tution has a significant investment in those entities (amount above the 10% threshold net of eligible short positions) (negative amount)	-	-
41	Regulatory adjustments applied to additional tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	-	-
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-	-
	Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc	-	-
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	-	-
	Of which items to be detailed line by line, e.g. Reciprocal cross holdings in Tier 2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc	-	-
41c	Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre- CRR	-	-
	Of which: … possible filter for unrealised losses	-	-
	Of which: ... possible filter for unrealised gains	-	-
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	-
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	-	-
44	**Additional Tier 1 (AT1) capital**	**-**	**-**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**5,507,581**	**(224,632)**
Tier 2 (T2) capital: Instruments and provisions			
46	Capital instruments and the related share premium accounts	-	-
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	-	-
	Public sector capital injections grandfathered until 1 January 2018	-	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	-
49	of which: instruments issued by subsidiaries subject to phase out	-	-
50	Credit risk adjustments	-	-
51	**Tier 2 (T2) capital before regulatory adjustments**	-	-
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	-
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
54a	Of which new holdings not subject to transitional arrangements	-	-
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements	-	-
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-
56	Regulatory adjustments applied to tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regu- lation (EU) No 575/2013 (i.e. CRR residual amounts)	-	-
56a	Residual amounts deducted from Tier 2capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-	-
	Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc	-	-
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regu- lation (EU) No 575/2013	-	-
	Of which items to be detailed line by line, e.g. reciprocal cross holdings in at1 instruments, direct holdings of non significant investments in the capital of other financial sector entities , etc	-	-
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR	-	-
	Of which: ... possible filter for unrealised losses	-	-
	Of which: filter for unrealised gain - reserves from reevaluation of avaible for sale asset	-	-
	Of which: filter for unrealised gain - reserves from defined pension plan	-	-
57	**Total regulatory adjustments to Tier 2 (T2) capital**	-	-
58	**Tier 2 (T2) capital**	**-**	**-**
59	**Total capital (TC = T1 + T2)**	**5,507,581**	**(224,632)**

Exhibit 4: Transitional own funds according to the prudential consolidation perimeter (RON 000) (3/3)

December 31, 2015

	TRANSITIONAL OWN FUNDS	AMOUNT	AMOUNTS SUBJECT TO PRE- REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/ 2013(i.e. CRR residual amounts) Of which: ... items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability , indirect holdings of own CET1, etc) Of which: ... items not deducted from AT1 items (Regulation (EU) No 575/2013residual amounts) (items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.) Items not deducted from T2 items (Regulation (EU) No 575/2013residual amounts) (items to be detailed line by line, e.g. Indirect holdings of own t2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc)		
60	**Total risk weighted assets**	**27,660,718**	
Capital ratios and buffers			
61	**Common Equity Tier 1 (as a percentage of risk exposure amount)**	**19.91%**	
62	**Tier 1 (as a percentage of risk exposure amount)**	**19.91%**	
63	**Total capital (as a percentage of risk exposure amount)**	**19.91%**	
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conser- vation and countercyclical buffer requirements , plus systemic risk buffer, plus the systemically important institution buffer (G-SII or 0-SII buffer), expressed as a percentage of risk exposure amount)	N/A	
65	of which: capital conservation buffer requirement	N/A	
66	of which: countercyclical buffer requirement	N/A	
67	of which: systemic risk buffer requirement	N/A	
67a	of which: Global Systemically Important Institution (G-811) or Other Systemically Important Institution (0-811) buffer	N/A	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	N/A	
69	[non relevant in EU regulation]		
70	[non relevant in EU regulation]		
71	[non relevant in EU regulation]		
Capital ratios and buffers			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	89,813	
73	Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the insti- tution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	127,350	
74	Empty Set in the EU	-	
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	23,817	
Applicable caps on the incluslon of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	
Capital Instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Exhibit 4: Transitional own funds according to the prudential consolidation perimeter (RON 000) (1/3)

December 31, 2014

	TRANSITIONAL OWN FUNDS	AMOUNT	AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
Common Equity Tier 1 capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	2,515,622	-
2	Retained earnings and other reserves	2,597,058	-
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	352,032	-
3a	Funds for general banking risk	170,762	-
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-	-
	Public sector capital injections grandfathered until 1 January 2018	-	-
5	Minority Interests (amount allowed in consolidated CET1)	-	41,320
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	65,628	-
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**5,701,102**	**41,320**
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	-	-
8	Intangible assets (net of related tax liability) (negative amount)	(130,545)	-
9	Empty Set in the EU	-	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(47,158)	37,726
11	Fair value reserves related to gains or losses on cash flow hedges	-	-
12	Negative amounts resulting from the calculation of expected loss amounts	-	-
13	Any increase in equity that results from securitised assets (negative amount)	-	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-
15	Defined-benefit pension fund assets (negative amount)	-	-
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	-
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	-	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
20	Empty Set in the EU	-	-
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-
20b	of which: qualifying holdings outside the financial sector (negative amount)	-	-
20c	of which: securitisation positions (negative amount)	-	-
20d	of which: free deliveries (negative amount)	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in 38 (3) are met) (negative amount)	-	-
22	Amount exceeding the 15% threshold (negative amount)	-	-
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-
24	Empty Set in the EU	-	-
25	of which: deferred tax assets arising from temporary differences	-	-
25a	Losses for the current financial year (negative amount)	-	-
25b	Foreseeable tax charges relating to CET1 items (negative amount)	(336,024)	-
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	-	(365,723)
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	-	(365,723)
	Of which: ... filter for unrealised loss 1	-	-
	Of which: ... filter for unrealised loss 2	-	-
	Of which: ... filter for unrealised gain - reserves from reevaluation of avaible for sale asset	-	(339,868)
	Of which: ... filter for unrealised gain - reserves from defined pension plan	-	(25,854)
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	-	-
	Of which: ...	-	-
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	-
28	**Total regulatory adjustments to Common equity Tier 1 (CET1)**	**(513,726)**	**(327,997)**
29	**Common Equity Tier 1 (CET1) capital**	**5,187,376**	**(286,677)**

Exhibit 4: Transitional own funds according to the prudential consolidation perimeter (RON 000) (2/3)

December 31, 2014

	TRANSITIONAL OWN FUNDS	AMOUNT	AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
Additional Tier 1 (AT1) capital: Instruments			
30	Capital instruments and the related share premium accounts	-	-
31	of which: classified as equity under applicable accounting standards	-	-
32	of which: classified as liabilities under applicable accounting standards	-	-
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	-	-
	Public sector capital injections grandfathered until 1 January 2018	-	-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	-
35	of which: instruments issued by subsidiaries subject to phase out	-	-
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	-	-
AddItlonal Tier 1 (AT1) capltal: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 Instruments (negative amount)	-	-
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
39	Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short posi- lions) (negative amount)	-	-
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the insti- tution has a significant investment in those entities (amount above the 10% threshold net of eligible short positions) (negative amount)	-	-
41	Regulatory adjustments applied to additional tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	-	-
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-	-
	Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc	-	-
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	-	-
	Of which items to be detailed line by line, e.g. Reciprocal cross holdings in Tier 2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc	-	-
41c	Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre- CRR	-	-
	Of which: ... possible filter for unrealised losses	-	-
	Of which: ... possible filter for unrealised gains	-	-
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	-
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	-	-
44	**Additional Tier 1 (AT1) capital**	**-**	**-**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**5,187,376**	**(286,677)**
Tier 2 (T2) capltal: Instruments and provisions			
46	Capital instruments and the related share premium accounts	45,901	-
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	-	-
	Public sector capital injections grandfathered until 1 January 2018	-	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	-
49	of which: instruments issued by subsidiaries subject to phase out	-	-
50	Credit risk adjustments	-	-
51	**Tier 2 (T2) capital before regulatory adjustments**	45,901	-
Tier 2 (T2) capltal: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	-
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
54a	Of which new holdings not subject to transitional arrangements	-	-
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements	-	-
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-
56	Regulatory adjustments applied to tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regu- lation (EU) No 575/2013 (i.e. CRR residual amounts)	-	-
56a	Residual amounts deducted from Tier 2capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-	-
	Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc	-	-
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regu- lation (EU) No 575/2013	-	-
	Of which items to be detailed line by line, e.g. reciprocal cross holdings in at1 instruments, direct holdings of non significant investments in the capital of other financial sector entities , etc	-	-
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR	-	164,575
	Of which: ... possible filter for unrealised losses	-	-
	Of which: filter for unrealised gain - reserves from reevaluation of avaible for sale asset	-	160,090
	Of which: filter for unrealised gain - reserves from defined pension plan	-	4,485
57	**Total regulatory adjustments to Tier 2 (T2) capital**	-	164,575
58	**Tier 2 (T2) capital**	**45,901**	**164,575**
59	**Total capital (TC = T1 + T2)**	**5,233,277**	**(122,102)**

Exhibit 4: Transitional own funds according to the prudential consolidation perimeter (RON 000) (3/3)

December 31, 2014

	TRANSITIONAL OWN FUNDS	AMOUNT	AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/ 2013(i.e. CRR residual amounts)		
	Of which: ... items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts)		
	(items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability , indirect holdings of own CET1, etc)		
	Of which: ... items not deducted from AT1 items (Regulation (EU) No 575/2013residual amounts)		
	(items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.)		
	Items not deducted from T2 items (Regulation (EU) No 575/2013residual amounts)		
	(items to be detailed line by line, e.g. Indirect holdings of own t2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc)		
60	**Total risk weighted assets**	**27,590,554**	
Capital ratios and buffers			
61	**Common Equity Tier 1 (as a percentage of risk exposure amount)**	**18.80%**	
62	**Tier 1 (as a percentage of risk exposure amount)**	**18.80%**	
63	**Total capital (as a percentage of risk exposure amount)**	**18.97%**	
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conser-vation and countercyclical buffer requirements , plus systemic risk buffer, plus the systemically important institution buffer (G-SII or 0-SII buffer), expressed as a percentage of risk exposure amount)	N/A	
65	of which: capital conservation buffer requirement	N/A	
66	of which: countercyclical buffer requirement	N/A	
67	of which: systemic risk buffer requirement	N/A	
67a	of which: Global Systemically Important Institution (G-811) or Other Systemically Important Institution (0-811) buffer	N/A	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	N/A	
69	[non relevant in EU regulation]	-	
70	[non relevant in EU regulation]		
71	[non relevant in EU regulation]		
Capital ratios and buffers			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	13,595	
73	Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the insti- tution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	119,348	
74	Empty Set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	43,833	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	
Capital Instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Exhibit 5: Capital instruments main features template

Ref	Heading	
1	Issuer	BRD-Groupe Societe Generale
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	ROBRDBACNOR2
3	Governing law(s) of the instrument	Romanian law
	Governing law(s) of the instrument	Romanian law
4	Transitional CRR rules	CET1
5	Post-transitional CRR rules	CET1
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo and consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares
8	Amount recognised in regulatory capital (RON million, as of most recent reporting date)	2,516
9	Nominal amount of instrument	10
9a	Issue price	N/A
9b	Redemption price	N/A
10	Accounting classification	Capital
11	Original date of issuance	NA
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Full discretion
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Ful discretion
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	N/A
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The most subordinated claim in case of liquidation
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A

(1) Insert ‘N/A’ if the question is not applicable

Exhibit 6: Regulatory capital requirements, according to the prudential consolidation perimeter (RON 000)

Type of risk	2014 Risk exposure amount / RWA	2014 Own funds requirements	2015 Risk exposure amount / RWA	2015 Own funds requirements
Credit and counterparty risk	25,389,101	2,031,128	24,744,142	1,979,531
Central governments or central banks	*10,207*	*817*	*14,362*	*1,149*
Regional governments or local authorities	*516,836*	*41,347*	*509,729*	*40,778*
Institutions	*470,116*	*37,609*	*731,991*	*58,559*
Corporates	*11,382,772*	*910,622*	*10,697,515*	*855,801*
Retail	*7,245,392*	*579,631*	*7,674,374*	*613,950*
Secured by mortgages on immovable property	*1,654,492*	*132,359*	*1,648,349*	*131,868*
Defaulted items	*2,495,682*	*199,655*	*1,759,455*	*140,756*
Collective investments undertakings	*74,937*	*5,995*	*56,678*	*4,534*
Equity	*269,000*	*21,520*	*357,487*	*28,599*
Other items	*1,269,667*	*101,573*	*1,294,202*	*103,536*
Market risk	159,841	12,787	303,442	24,275
Position risk	*128,217*	*10,257*	*233,443*	*18,675*
Foreign exchange risk	*31,625*	*2,530*	*69,999*	*5,600*
CVA risk	108,017	8,641	167,506	13,400
Operational risk	1,933,595	154,688	2,445,628	195,650
Total capital requirements	**27,590,554**	**2,207,244**	**27,660,718**	**2,212,857**
Regulatory capital		**5,111,175**		**5,282,949**
Regulatory Capital Adequacy Ratio		**18.53%**		**19.10%**