

**The current report under FSA Regulation no. 5/2018**

**Date of Report: April 18, 2019**

**BRD-Groupe Société Générale S.A.**

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

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

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

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

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

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

### **Important Events**

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

The General Shareholders Meeting of BRD (Ordinary General Shareholders' Meeting and Extraordinary General Shareholders' Meeting) took place at BRD Tower, 1-7 Bd. Ion Mihalache, 1st district, Bucharest (1st floor, Auditorium Room) on April 18, 2019. According to the calling of the meeting, only the shareholders registered on April 8, 2019 reference date, had the right to participate in, and to vote at the general meetings.

**The meetings took place in the presence of the shareholders representing 80,56 % of the share capital of the Bank.**

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

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

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

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

##### **2. Approval of the individual and consolidated annual financial statements, prepared according to International Financial Reporting Standards, as adopted by the European Union, for the financial year ended as at December 31, 2018, accompanied by the Annual Board of Directors' Report at individual and consolidated level as well as by the financial auditor report.**

**The BRD Group key figures for 2018 were presented to the shareholders:**

|  | RON m  | 2018          | 2017          | Change            |
|--|--|---------------|---------------|-------------------|
| <b>Reported financial results</b>                      | <b>Net banking income</b>                                    | <b>3,115</b>  | <b>2,786</b>  | <b>+11.8%</b>     |
|  | Operating expenses   | (1,490)       | (1,473)       | +1.1%             |
|  | Gross operating income                                       | 1,626         | 1,313         | +23.8%            |
|  | Net cost of risk   | 230           | 360           | -35.9%            |
|  | <b>Net profit</b>  | <b>1,563</b>  | <b>1,415</b>  | <b>+10.5%</b>     |
|  | Cost/Income  | 47.8%         | 52.9%         | -5.1 pt           |
|  | ROE  | 20.8%         | 20.1%         | +0.7 pt           |
|  |  |               |               |                   |
| <b>Financial results excluding non recurring items</b> | <b>Net banking income</b>                                    | <b>3,115</b>  | <b>2,786</b>  | <b>+11.8%</b>     |
|  | Operating expenses   | (1,490)       | (1,444)       | +3.2%             |
|  | Gross operating income                                       | 1,626         | 1,342         | +21.1%            |
|  | Net cost of risk   | 135           | 88            | +54.0%            |
|  | <b>Net profit</b>  | <b>1,494</b>  | <b>1,211</b>  | <b>+23.4%</b>     |
|  | Cost/Income  | 47.8%         | 51.8%         | -4.0 pt           |
|  | ROE  | 19.9%         | 17.2%         | +2.6 pt           |
|  |  |               |               |                   |
| <b>Non recurring items (RON m)</b>                     |  |               |               |                   |
|  | <b>Opex: exceptional charge</b>                              | -             | (29.3)        |                   |
|  | <b>NCR: insurance indemnities and sale of NPLs (pre-tax)</b> | 95.4          | 271.9         |                   |
| <hr/>  |  |               |               |                   |
| <b>Loans and deposits</b>                              | <b>RON bn</b>  | <b>Dec-18</b> | <b>Dec-17</b> | <b>vs. Dec-17</b> |
|  | <b>Net loans including leasing (RON bn) <sup>(1)</sup></b>   | <b>30.4</b>   | <b>29.2</b>   | <b>+4.0%</b>      |
|  | Retail   | 21.8          | 21.0          | +3.7%             |
|  | Corporate  | 8.6           | 8.2           | +4.6%             |
|  | <b>Total deposits (RON bn) <sup>(1)</sup></b>                | <b>45.2</b>   | <b>44.2</b>   | <b>+2.2%</b>      |
|  | Retail   | 29.8          | 27.8          | +7.1%             |
|  | Corporate  | 15.4          | 16.4          | -6.0%             |
|  | <b>Loan to deposit ratio</b>                                 | <b>67.2%</b>  | <b>66.0%</b>  | <b>+1.1 pt</b>    |
|  |  |               |               |                   |
| <b>Capital adequacy</b>                                | <b>CAR <sup>(2)</sup></b>                                    | <b>19.6%</b>  | <b>19.8%</b>  | <b>-0.2 pt</b>    |
|  |  |               |               |                   |
| <b>Franchise</b>                                       | <b>No of branches</b>  | <b>723</b>    | <b>760</b>    | <b>(37)</b>       |

<sup>(1)</sup> Variations at constant exchange rate;

<sup>(2)</sup> Bank only, according to Basel 3; Own funds for 2018 without current year result; own funds for 2017 incl. net result of the year, net of approved dividends

### Summary of the financial positions

| RON million                                      | Group         |               |             | Bank          |               |             |
|--|---------------|---------------|-------------|---------------|---------------|-------------|
|  | Dec-17        | Dec-18        | vs. Dec-17  | Dec-17        | Dec-18        | vs. Dec-17  |
| Cash and current accounts with Central Bank      | 7,682         | 6,022         | -21.6%      | 7,682         | 6,022         | -21.6%      |
| Loans and advances to credit institutions        | 2,506         | 3,316         | 32.3%       | 2,487         | 3,298         | 32.6%       |
| Net loans and advances to customers*             | 29,197        | 30,364        | 4.0%        | 27,873        | 28,893        | 3.7%        |
| Other financial instruments                      | 14,108        | 14,552        | 3.1%        | 14,093        | 14,533        | 3.1%        |
| Tangible and intangible assets                   | 1,002         | 1,014         | 1.2%        | 992           | 1,004         | 1.3%        |
| Other assets                                     | 433           | 452           | 4.4%        | 365           | 339           | -7.1%       |
| <b>Total assets</b>                              | <b>54,927</b> | <b>55,719</b> | <b>1.4%</b> | <b>53,491</b> | <b>54,089</b> | <b>1.1%</b> |
| Amounts owed to credit institutions              | 2,138         | 1,604         | -25%        | 935           | 314           | -66%        |
| Amounts owed to customers                        | 44,220        | 45,217        | 2%          | 44,387        | 45,316        | 2%          |
| Other liabilities                                | 1,201         | 1,240         | 3%          | 1,141         | 1,132         | -1%         |
| Shareholders equity                              | 7,369         | 7,657         | 3.9%        | 7,028         | 7,327         | 4.3%        |
| <b>Total liabilities and shareholders equity</b> | <b>54,927</b> | <b>55,719</b> | <b>1.4%</b> | <b>53,491</b> | <b>54,089</b> | <b>1.1%</b> |

\* Loans at Group level include leasing

Note: Loans outstanding at December 31, 2017 has been restated for comparability purpose, thus, similar to the loans outstanding at December 31, 2018, it excludes reverse repo transactions held for trading purpose, which were included in other financial instruments held for trading.

### Summary of income statement

| RON million            | Group        |              |              | Bank         |              |              |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                        | 2017         | 2018         | vs. 2017     | 2017         | 2018         | vs. 2017     |
| Net banking income     | 2,786        | 3,115        | 11.8%        | 2,641        | 2,981        | 12.8%        |
| Operating expenses     | (1,473)      | (1,490)      | 1.1%         | (1,388)      | (1,400)      | 0.9%         |
| Gross operating income | 1,313        | 1,626        | 23.8%        | 1,254        | 1,581        | 26.1%        |
| Cost of risk           | 360          | 230          | -35.9%       | 376          | 246          | -34.4%       |
| <b>Net result</b>      | <b>1,415</b> | <b>1,563</b> | <b>10.5%</b> | <b>1,380</b> | <b>1,546</b> | <b>12.0%</b> |

The Ordinary General Shareholders' Meeting approved the individual and consolidated annual financial statements, prepared according to International Financial Reporting Standards, as adopted by the European Union, for the financial year ended as at December 31, 2018, accompanied by the Annual Board of Directors' Report at individual and consolidated level as well as by the financial auditor report.

### **3. The Directors' discharge for the financial year 2018.**

The Ordinary General Shareholders' Meeting approved the Directors' discharge for the financial year 2018.

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#### 4. Approval of the profit distribution and setting of the dividend for 2018.

The Ordinary General Shareholders' Meeting approved the profit distribution of 73.9% out of the distributable profit of RON 1,545,988,625 and setting of the dividend for 2018 (the gross dividend is of 1.64 Lei / share).

The dividends will be paid on May 31, 2019 and the deferred payment date will be November 29, 2019.

The dividends shall be paid to the shareholders as follows:

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

#### 5. Approval of the income and expenditure budget for 2019 and of the Business Plan for the fiscal year 2019.

The Ordinary General Shareholders' Meeting approved the Income and Expenditure Budget for 2019 and of the Business Plan for the fiscal year 2019.

Evolution of the main financial indicators, as it was mentioned in the budget for 2019, is the follows:

|                           | A 2017       | A 2018      | Evo<br>A18/ A17* | Budget<br>2019 | Evo<br>B19/ A18* |              |
|---------------------------|--------------|-------------|------------------|----------------|------------------|--------------|
| <b>Net loans (RON bn)</b> | <b>Total</b> | <b>27.8</b> | <b>28.9</b>      | <b>3.9%</b>    | <b>30.2</b>      | <b>3.4%</b>  |
|                           | Retail       | 20.3        | 20.9             | 3.1%           | 21.9             | 4.1%         |
|                           | Non Retail   | 7.6         | 8.0              | 5.8%           | 8.2              | 1.4%         |
| <b>Deposits (RON bn)</b>  | <b>Total</b> | <b>44.2</b> | <b>45.3</b>      | <b>2.5%</b>    | <b>44.1</b>      | <b>-3.7%</b> |
|                           | Retail       | 27.8        | 29.8             | 7.1%           | 29.8             | -1.2%        |
|                           | Non Retail   | 16.4        | 15.5             | -5.3%          | 14.3             | -8.4%        |
| <b>Net loans/deposits</b> | <b>63%</b>   | <b>64%</b>  | <b>1 ppt</b>     | <b>68%</b>     | <b>5 pts</b>     |              |

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**2019 BUDGET considering the provisions of OUG 19/2019**

|                          | 2017    | 2018    | Evolution<br>18/17 | Perspectives for 2019   |
|--------------------------|---------|---------|--------------------|---|
| <b>FINANCIAL RESULTS</b> |         |         |                    |   |
| RON m                    |         |         |                    |   |
| NET BANKING INCOME       | 2,639   | 2,981   | 12.9%              | > +6%, solid NII growth, fees and commissions under pressure          |
| OPERATING EXPENSES       | (1,388) | (1,400) | 0.9%               | +13% including tax on fin. assets*<br>+6% excluding exceptional items |
| GROSS OPERATING INCOME   | 1,252   | 1,581   | 26.3%              |   |
| NET COST OF RISK         | 378     | 246     | -34.8%             | Below 30 bp   |
| NET RESULT               | 1,380   | 1,546   | 12.0%              |   |
| <b>RATIOS</b>            |         |         |                    |   |
| COST/INCOME RATIO        | 52.6%   | 47.0%   | -5.6 pts           |   |
| ROE                      | 20.6%   | 22.0%   | +1.4 pts           | >17%  |

\* considering the provisions of OUG 19/2019

**6. Approval of the remuneration due to the non-executive directors for the fiscal year 2019, the general limits for the directors' additional remunerations as well as officers' remunerations.**

The Ordinary General Shareholders' Meeting approved the 2019 individual remuneration, for the non-independent non-executive directors amounting to EUR 1800 / month (gross amount) and for the independent non-executive directors amounting to EUR 3600 / month (gross amount) including 19.9% for the contributions transfer, the general limits for the directors' additional remunerations as well as officers' remunerations, amounting to RON 17 million (gross amount).

**7. Renewal Mr. Petre BUNESCU mandate as director, for a 4-years period, starting with April 18, 2019 and empowering Chairman of the Board of Directors of the Bank to sign, on behalf of the Bank, the Management Contract with him.**

The Ordinary General Shareholders' Meeting approved the Renewal Mr. Petre BUNESCU mandate as director, for a 4-years period, starting with April 18, 2019 and empowering Chairman of the Board of Directors of the Bank to sign, on behalf of the Bank, the Management Contract with him.

**8. Electing Mr. Bogdan-Alexandru DRĂGOI as director for a 4-years period, following the expiry of Mr. Ioan CUZMAN 's mandate as Member of the Board Directors by reaching the term on April 18, 2019 and empowering the Chairman of the Board of Directors of the Bank, to sign on behalf of the Bank, the Management Contract with him.**

The Ordinary General Shareholders' Meeting approved the election of Mr. Bogdan-Alexandru DRĂGOI as director for a 4-years period, following the expiry of Mr. Ioan CUZMAN 's mandate as Member of the Board Directors by reaching the term on April 18, 2019 and empowering the Chairman

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of the Board of Directors of the Bank, to sign on behalf of the Bank, the Management Contract with him.

The appointment of Mr. Bogdan-Alexandru DRĂGOI as Director is subject to the prior approval to start the fulfilment of his tasks by the National Bank of Romania, as per the legal provisions in force.

The 4-years mandate starts running from the date of issuance of the prior approval to start the fulfilment of his tasks by the National Bank of Romania.

**9. Electing Mr. Philippe Laurent Charles HEIM as director for a 4-years period, and empowering the Chairman of the Board of Directors of the Bank, to sign on behalf of the Bank, the Management Contract with him. Mr. Philippe Laurent Charles HEIM was appointed as Interim Director through the Board of Directors decision no. 356 on June 21, 2018, following Mr. Bernardo SANCHEZ – INCERA’s renunciation to his mandate as Director.**

The Ordinary General Shareholders’ Meeting approved the election of Mr. Philippe Laurent Charles HEIM as director for a 4-years period, and empowering the Chairman of the Board of Directors of the Bank, to sign on behalf of the Bank, the Management Contract with him. Mr. Philippe Laurent Charles HEIM was appointed as Interim Director through the Board of Directors decision no. 356 on June 21, 2018, following Mr. Bernardo SANCHEZ – INCERA’s renunciation to his mandate as Director.

The appointment of Mr. Philippe Laurent Charles HEIM as Director is subject to the prior approval to start the fulfilment of his tasks by the National Bank of Romania, as per the legal provisions in force.

The 4-years mandate starts running from the date of issuance of the prior approval to start the fulfilment of his tasks by the National Bank of Romania.

**10. Electing Mrs. Liliana FELEAGĂ as director for a 4-years period, and empowering the Chairman of the Board of Directors of the Bank, to sign on behalf of the Bank, the Management Contract with her. Mrs. Liliana FELEAGĂ was appointed as Interim Independent Director through the Board of Directors decision no. 359 on September 19, 2018, following the expiry of Mr. Aurelian DOCHIA’s mandate as Independent Member of the Board Directors by reaching the term.**

The Ordinary General Shareholders’ Meeting approved the election of Mrs. Liliana FELEAGĂ as director for a 4-years period, and empowering the Chairman of the Board of Directors of the Bank, to sign on behalf of the Bank, the Management Contract with her. Mrs. Liliana FELEAGĂ was appointed as Interim Independent Director through the Board of Directors decision no. 359 on September 19, 2018, following the expiry of Mr. Aurelian DOCHIA’s mandate as Independent Member of the Board Directors by reaching the term.

The appointment of Mrs. Liliana FELEAGĂ as Director is subject to the prior approval to start the fulfilment of her tasks by the National Bank of Romania, as per the legal provisions in force.

The 4-years mandate starts running from the date of issuance of the prior approval to start the fulfilment of her tasks by the National Bank of Romania.

**11.Designation of Mr. Bogdan-Alexandru DRĂGOI as independent director.**

The Ordinary General Shareholders’ Meeting approved designation of Mr. Bogdan-Alexandru DRĂGOI as independent director.

**12.Designation of Mrs. Liliana FELEAGĂ as independent director.**

The Ordinary General Shareholders’ Meeting approved designation of Mrs. Liliana FELEAGĂ as independent director.

**13.Appointment of Ernst & Young Assurance Services SRL as financial auditor of the Bank for the financial year 2019**

The Ordinary General Shareholders' Meeting approved the appointment of Ernst & Young Assurance Services S.R.L., headquartered in Bucharest, Tower Center, 21nd floor, 15-17 Ion Mihalache Blvd, district 1, fiscal code RO11909783, as the financial auditor of BRD – Groupe Société Générale for the financial year 2019.

**14.Approval of the date of May 9, 2019 as ex date**

The Ordinary General Shareholders' Meeting approved the date of May 9, 2019 as ex date.

**15.Approval of the date of May 10, 2019 as registration date**

The Ordinary General Shareholders' Meeting approved the date of May 10, 2019 as registration date, in order to identify the shareholders that will receive dividends or other rights and who will be affected by the decisions of the ordinary general meeting of shareholders.

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

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

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

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

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

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

**3. Approval of the date of May 09, 2019 as ex date.**

The Ordinary General Shareholders' Meeting approved the date of May 09, 2019 as ex date .

**4. Approval of the date of May 10, 2019 as registration date.**

The Ordinary General Shareholders' Meeting approved the date of May 10, 2019 as registration date, in order to identify the shareholders who are affected by the decisions of the extraordinary general meeting of shareholders.

**BRD-Groupe Société Générale S.A.**

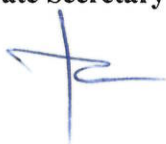
**François BLOCH**

**CEO**



**Flavia POPA**

**Corporate Secretary**



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