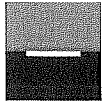


BRD
GROUPE SOCIÉTÉ GÉNÉRALE

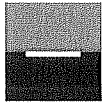
Board of Directors Report

*on the 2011 consolidated financial statements prepared according to International
Financial Reporting Standards as adopted by the European Union*



CONTENT

1. GROUP BRD AND SOCIÉTÉ GÉNÉRALE PROFILE	3
2. SECURITIES MARKET	6
3. KEY FIGURES 2011	8
4. COMMERCIAL ACTIVITY	10
5. FINANCIAL POSITION ANALYSIS	16
6. HUMAN RESOURCES	21
7. CORPORATE GOVERNANCE	22
8. RISK MANAGEMENT	40
9. SOCIAL AND ENVIRONMENT RESPONSABILITY	44



1. GROUP BRD AND SOCIÉTÉ GÉNÉRALE PROFILE

BRD – Groupe Société Générale profile

BRD - Groupe Societe Generale („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”) buys a stake representing 51% of the share capital, increasing its holding of shares to 58.32% in 2004, through the acquisition of the residual stake from the Romanian State.

Starting 2001, BRD-Groupe Société Générale operates as an open joint-stock company, according to the legislation on trading companies, bank legislation, provisions of the Articles of Incorporation and other internal regulations.

BRD Group („Group”) is made of the following entities:

- BRD - Groupe Societe Generale;
- BRD Sogelease IFN SA;
- BRD Finance IFN SA;
- BRD Asset Management SAI SA;
- BRD Corporate Finance SRL.

2012 strategy

The main objectives of the Group for 2012 relates, mainly, to:

- Intensive commercial development by:
 - Increase and diversification of customer base;
 - New innovative products;
 - Financing new projects related to European funds, energy, environment, infrastructure etc;
 - a strong investment banking position;
- Increased efficiency of systems and processes.

Bank’s rating

- | | | |
|-------------------|---|------|
| - Fitch: | Long term rating for foreign currency | BBB+ |
| - Moody’s: | Long term rating for deposits in foreign currency | Baa3 |
| | Long term rating for deposits in local currency | Baa2 |



1. GROUP BRD AND SOCIÉTÉ GÉNÉRALE PROFILE (continued)

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 main financial groups worldwide. Based on a diversified universal banking model, Society General Group combines financial solidity with a strategy of sustainable growth, and aims to be the reference for relationship banking, recognized on its markets, close to clients, chosen for the quality and commitment of its teams.

Its 157,000 employees (including employees of Societe Marseillaise de Credit acquired in September 2010 by Credit du Nord) based in 85 countries accompany more than 33 million clients throughout the world on a daily basis. SG teams offer advice and services to individual, corporate and institutional customers in three core business:

- *Retail Banking in France* with Societe Generale branch network, Credit du Nord and Boursorama;
- *International retail banking*, with presence in Central and Eastern Europe and Russia, in the Mediterranean basin, in Sub-Saharan Africa, In Asia and in the French Overseas territories;
- *Corporate and investment banking* with a global expertise in investment banking, financing and global markets.

Société Générale is also a significant player in specialized financing and insurance, private banking, asset management and securities services.

At present, the credit ratings given to Société Générale by the main rating agencies are:

- ▶ Standard and Poor's: A
- ▶ Moody's: A1
- ▶ Fitch: A+



BRD
GROUPE SOCIÉTÉ GÉNÉRALE

1. GROUP BRD AND SOCIÉTÉ GÉNÉRALE PROFILE (continued)

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 assets.

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 Division of Retail Banking outside Metropolitan France (BHFME) - a structure created in March 1998 to coordinate the international retail banking activities of Société Générale in three geographical regions.

2. SECURITIES MARKET

Starting with January 15th, 2001, the Bank's shares are listed in the 1st category of the Bucharest Stock Exchange and are included in the BET and BET-C indexes. The Bank's shares are ordinary, nominative, dematerialised 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”), whereas complying with the legislation on the trade of shares issued by bank institutions.

The closing price for BRD share as at December 30th, 2011, the last 2011 trading day, was of 10.71 RON/share. On the same date, the market capitalisation was RON 7,463.8 millions.

In addition, in November 2006, BRD issued bonds in RON, meant to non resident investors. The operation was performed on the Luxemburg market and amounts to RON 735 millions. The borrowing period was 5 years, and the interest rate was of 7.75%. The bonds have been fully repaid in November 2011.

During 2011 neither the Bank, nor its subsidiaries have bought back its own shares.

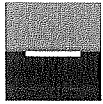
Dividends

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 60 days from the publication date of the AGA decision of approval of dividends in the Official Journal.

The net annual profit is distributed as dividends according to the decision of AGA. The change in the volume of approved and distributed dividends is presented as follows:

	2010	2009	2008
Distributable profit (RON million)	501	779	1,353
Total dividends (RON million)	125	195	508
Number of shares (millions)	697	697	697
Dividend per share (RON), nominal	0.1796	0.2795	0.7283
Distribution rate from distributable profit	25%	25%	37%

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



2. SECURITIES MARKET (continued)

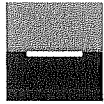
Dividends payment

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

According to the Articles of Incorporation of the Bank, dividends are paid within no more than 2 months from the approval date of the annual financial statements for the year then ended, in cash or by bank transfer, according to the shareholders' choice.

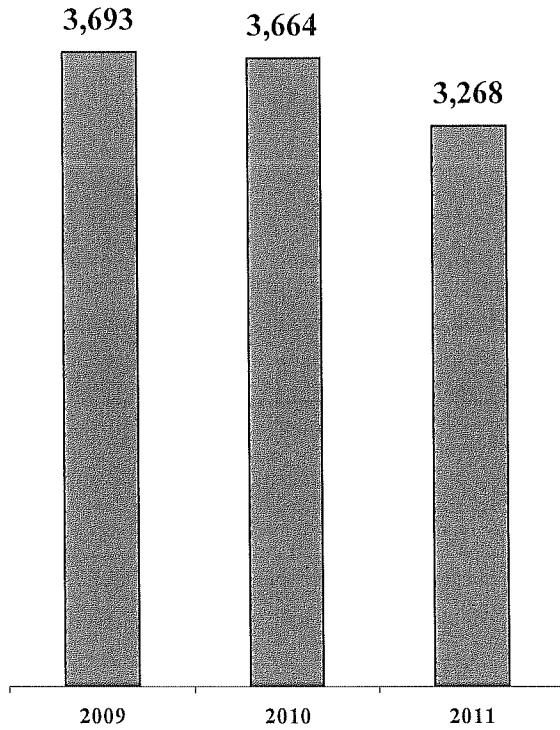
Unclaimed dividends are prescribed within 3 years from the payment start date, according to legal provisions.

BRD started the payment of the 2010 dividends on June 10th, 2011.

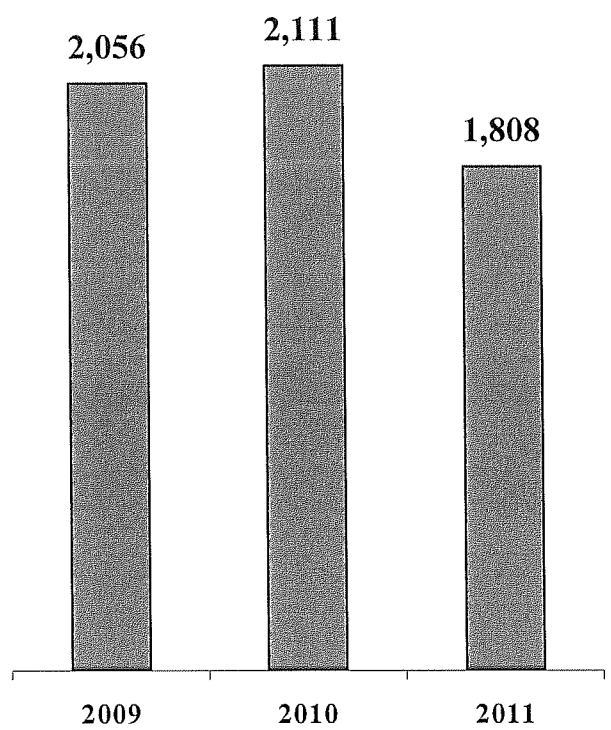


3. KEY FIGURES 2011

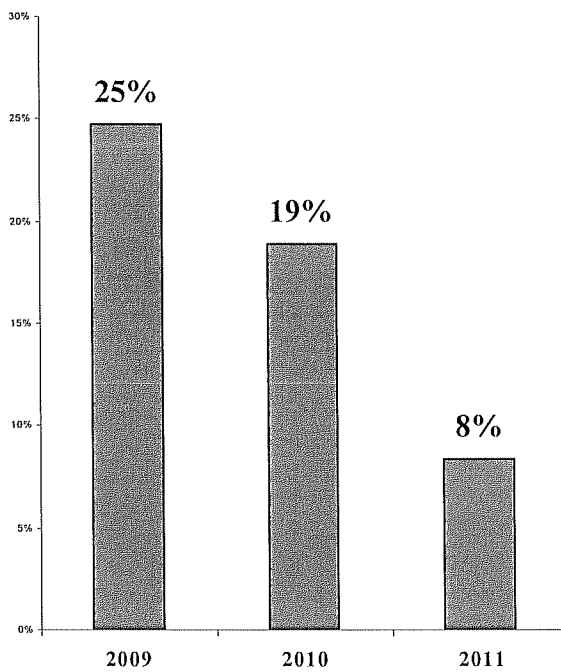
Net banking income (*RON million*)



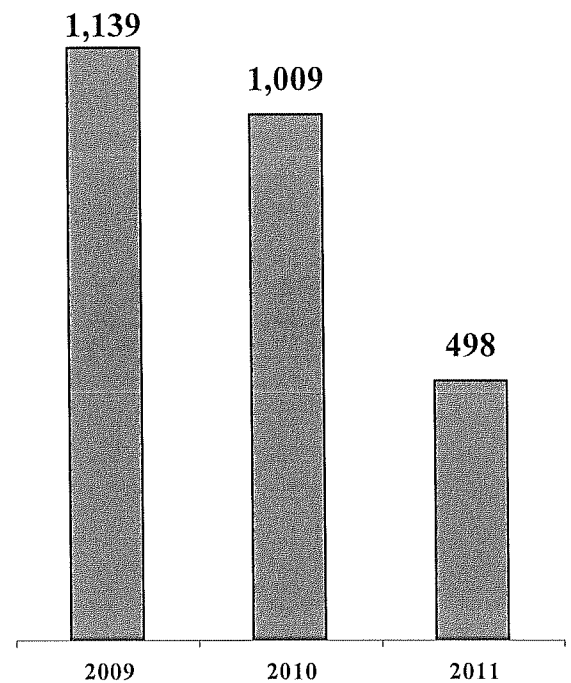
Operational profit (*RON million*)



Return on equity (ROE)

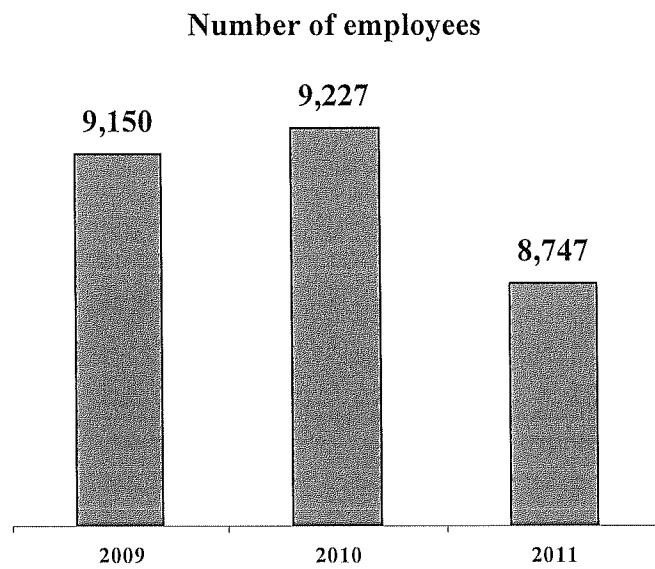
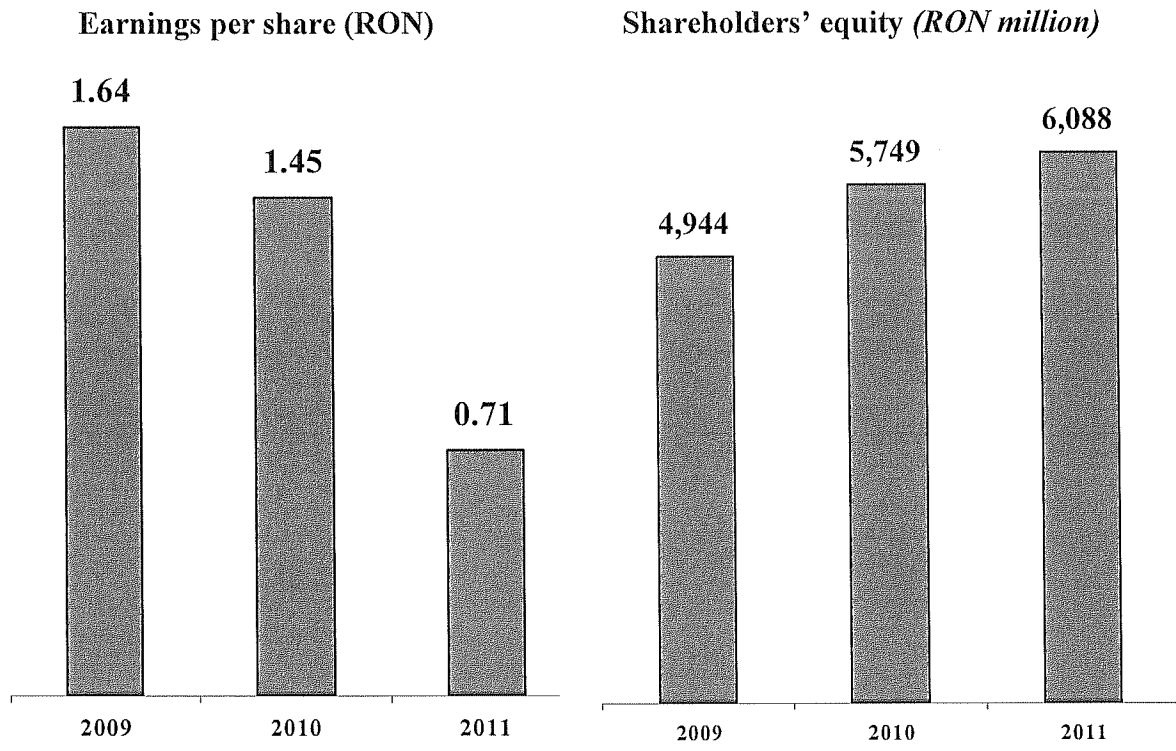


Net profit after minority interest (*RON million*)





3. KEY FIGURES 2011 (continued)

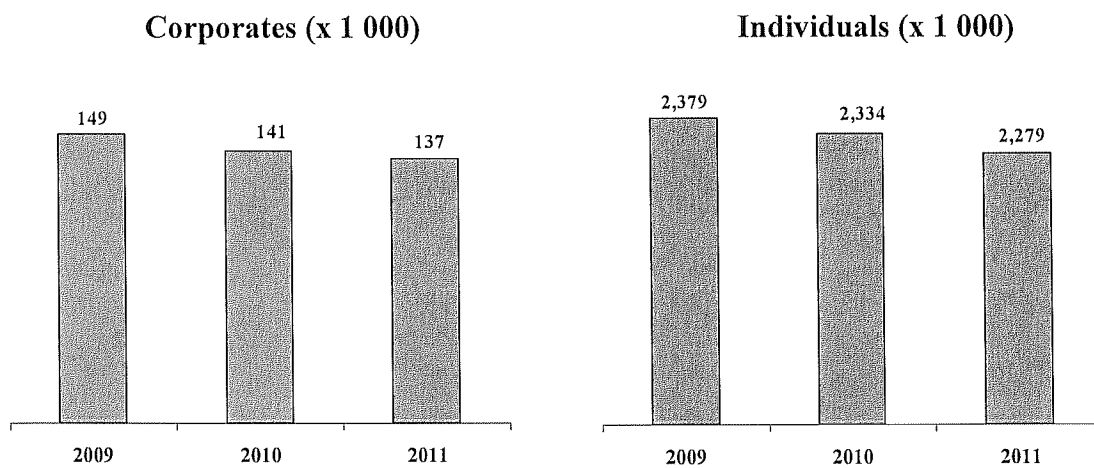




4. COMMERCIAL ACTIVITY

2011 allowed the continuation of network optimisation process due to its flexible structure. As at December 31st, 2011 the Group has around 940 branches, which ensured the distribution of its products throughout the whole country.

The clientele basis has remained solid, with slight decrease for individual, followed by a climb in the fourth quarter of 2011. Moreover, the commercial activity focused also on cross-selling (increase in number of banking products /client) and clients' loyalty, stimulated by a strong contribution of innovative products (cards "A la carte", carduri contactless...) and internet banking.



The Group's commercial offer includes a complete portfolio of financial, banking products, consultancy and services designed for both private and corporates customers.

BRD continued to be the second largest bank in Romania, having the following market shares as at December 31st 2010 and December 31st 2011:

	<u>31.12.2010</u>	<u>31.12.2011</u>
	(%)	(%)
Total assets	13.9	13.6
Loans to corporate customers	14.2	13.1
Deposits from corporate customers	17.8	16.7
Loans to individual customers	15.7	15.7
Deposits from individual customers	14.1	13.5



4. COMMERCIAL ACTIVITY (continued)

In an increasingly difficult environment, the carried-out commercial campaigns supported the launch of new products, but also refinancing offers meant to attract and to provide alternative solutions to customers with loans to other banks. The group continued to support its clients by providing them with appropriate, customized loans rescheduling / restructuring solutions. A key priority was the development of new clients' portfolio, supported by specially designed solution but also a proper risk management.

BRD credit offer was enhanced by launching the loan "Casa BRD de 10". During 2011, BRD has continued to be engaged in "Prima casa" program, being one of the banks which has actively participated and with significant results in all stages of the program.

The Bank's involvement will continue to be highly important in 2012 and will remain as such until the full use of the ceiling provided by FNGCIMM.

In terms of innovation, BRD has proved that this is not just a theoretical concept in the Group - in the past year, the Group continued to create, develop and market products designed to complement the existing offer. The most innovative products launched in 2011 were:

Transport card - credit card for urban transportation networks launched in June 2011, is an innovation within banking offer in Romania. Clients may choose to introduce subscription card or direct payment card account, without having to purchase separate travel credit. This solution was declared by MasterCard as unique in Europe. In addition to transport application and classic features of a card, it integrates technology that enables contactless retail payments without PIN use.

Card supporter - launched in April 2011, supporter card, equipped with contactless technology is the only photo card personalized with your favorite player and which works as a subscription or ticket to the stadium. It also allows all types of transactions, as a debit card attached to a current account in lei, with national and international usage.

In 2011, BRD has re-launched its financing offers dedicated to **SMEs and freelancers**. Lending – on short, medium or long term- targets specific needs of this segment in terms of working cash-flows, but mostly investment needs, also encouraged by government subsidies of up to 200,000 euros / SME.

Loans using funding sources from the European Bank for Reconstruction and Development and European Investment Bank, designed mainly to support the development of SME segment, granted in favorable conditions have continued to be a priority for the Group.

Moreover BRD has supported its clients by restructuring or rescheduling of their commitments.

EUROBRD program (financing of investment projects benefiting from European funds) has had as well a satisfactory evolution. The range of services includes: pre-financing and / or co-finance of client own contribution, financing not qualified expenditure, working capital needs coverage for current activity and new investments.

In 2011 BRD aimed to consolidate its position of leading partner for **large corporations** by extending the relationship with existing clients (financing of current activities and/or new investments, developing product range with focus on value added transactions etc.) but as well acquiring new partnerships.

4. COMMERCIAL ACTIVITY (continued)

The increase of the exposure focused on the clients operating in the strategic sectors for Romanian economy like infrastructure, construction and energy (including the renewable energy) and as well financing of municipalities (mainly financing of infrastructure investments). The exposure on other economic sectors remained stable with some adjustments linked to the decreased activity of clients due to the economy performance.

The new financings in 2011 were dedicated to various economic sectors: energy, constructions / infrastructure, retail, telecom, oil & gas and local public administrations

The year on year increase of deposits attracted from large corporate clients was in line the increase of the on balance sheet exposure on this segment of clients (ca + 1% yoy).

Moreover an increase in the number of hedging transactions for the forex, interest rate but as well commodities prices with, both, multinational corporations and Romanian private companies has been recorded;

Several cash pooling and cash management contracts with multinational corporations and Romanian private companies were also signed in 2011.

4. COMMERCIAL ACTIVITY (continued)

Subsidiaries activity

BRD Finance IFN SA (“BRD Finance”)

BRD Finance has been, from its setting-up, one of the most important participants of consumer loans market.

In 2011 the Company strengthen its partnerships with main retailers in the market (Carrefour, Real, Altex, DOMO, Ikea, etc) and has strongly developed its car finance business.

At the same time 2011 brought an improvement in the company’s profitability due to good management of interests margins, expenses and cost of risk.

BRD Sogelease IFN SA (“BRD Sogelease”)

Within an environment more and more competitive BRD Sogelease IFN, BRD leasing subsidiary ended 2011 with more than 1 400 leasing contracts, the value of the financed goods being of EUR 75 millions.

By the end of 2011, about 55% of the BRD Sogelease portfolio represented vehicles financing contracts, while the equipment financing represented around 35% and real estate - 10%.

Starting 2011, a series of new projects dedicated to distinguish BRD Sogelease from its competitors by offering new different competitive products meant to differentiate from the competition’s ones, has been started.

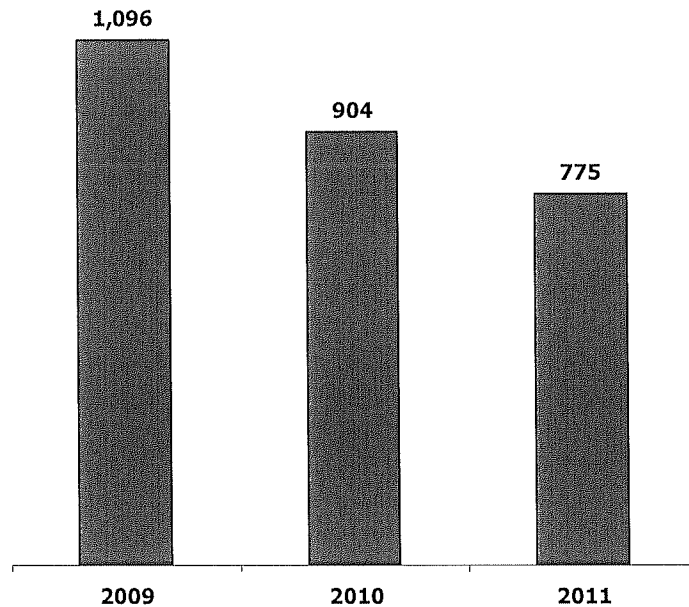
The commercial activity of BRD Sogelease in 2011 concentrated on:

- finding new clients by offering a new competitive commercial package and cross-selling within BRD Group. Specific action have already be taken together with BRD Finance IFN SA (collaboration contract signed in December 2011), with ALD Automotive SRL (by using a common remarketing platform for recovered vehicles and equipment and by including in the commercial offer of BRD Sogelease of fleet management services) and ECS (“Econocom” program);
- new partnership with auto dealers and vendors (ie Citroen).



4. COMMERCIAL ACTIVITY (continued)

Balance of leasing financing (*RON millions*)



BRD Asset Management SAI

BRD Asset Management is on the third place on the Romanian UCITS market, having in its portfolio 6 open investment funds and a market share as at December 31, 2011 of 9.13%.

Simfonia fund has known a significant increase of its net assets (by 128.5%), remaining one of the most important fund on the Romanian market with net assets reaching RON 360.28 millions by the end of 2011.

The net assets of the fund BRD Obligatiuni, launched in 2006, decreased in 2011 by 7.9%, but the net unit asset recorded a positive performance of 5.9%. The fund's investments are made mainly on bonds market and on fix rate instruments.

The Actiuni Europa Regional fund, launched in March 2009, targets is investing up to 90% in quoted shares on regional markets (Romania, Czech Republic, Poland, Hungary) or in investments in UCITS and/or non UCITS mainly investing in share. The negative evolution of 14.5% was primarily influenced by the decrease in international capital and financial markets, and also led to a decrease in net assets by 14.5%.

Diverso Europa Regional fund, launched in the same period as Actiuni Europa Regional fund, targets is investing up to 50% in quoted shares on regional markets or in investments in UCITS and/or non UCITS mainly investing in shares. By the end of 2011 the fund performance decreased by 3.09% and the net assets by 5.95%.

4. COMMERCIAL ACTIVITY (continued)

The EUR denominated fund, BRD Eurofond has a prudent diversification asset policy between various investments, its assets being mainly invested in low risk markets, like monetary or fixed rate instruments markets. During 2011, the fund recorded a performance increase of 4.67 % (EUR equivalent), reaching a total net assets of RON 204.89 million (EUR 47.8 million), thus being the fund with the largest positive evolution (87.8%).

Index Europa Regional fund has a balanced portfolio meant to invest minimum 75% of fund's assets in shares of listed companies which are part of a mix of indexes based on:

- BET-XT 50%,
- WIG-20 20%,
- Budapest SE Index-10% and
- Prague SE Index 20%..

Due to the incertitude in the Euro zone which caused severe decrease on the stock exchange, the fund had a negative performance of 15.6% as at December 31, 2011. The net assets reached RON 2 064.8 millions.

BRD Corporate Finance SRL

In 2011, the Romanian mergers and acquisitions market was characterized by a low number of transactions (around 100 completed operations) and very small values of these transactions, generally below the 20 million euro each.

Despite the difficult market context, BRD Corporate Finance SRL has managed to remain among the leading consultancy in Romania. Some of the major operations where BRD Corporate Finance was part were the take over of the international activity of Volksbank International, where Societe Generale acted as a consultant for Sberbank and other corporate finance transactions such as private investor test in the market economy, assistance in obtaining complex financing from international financial organizations or advice on transfer pricing operations performed for various Romanian companies.

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



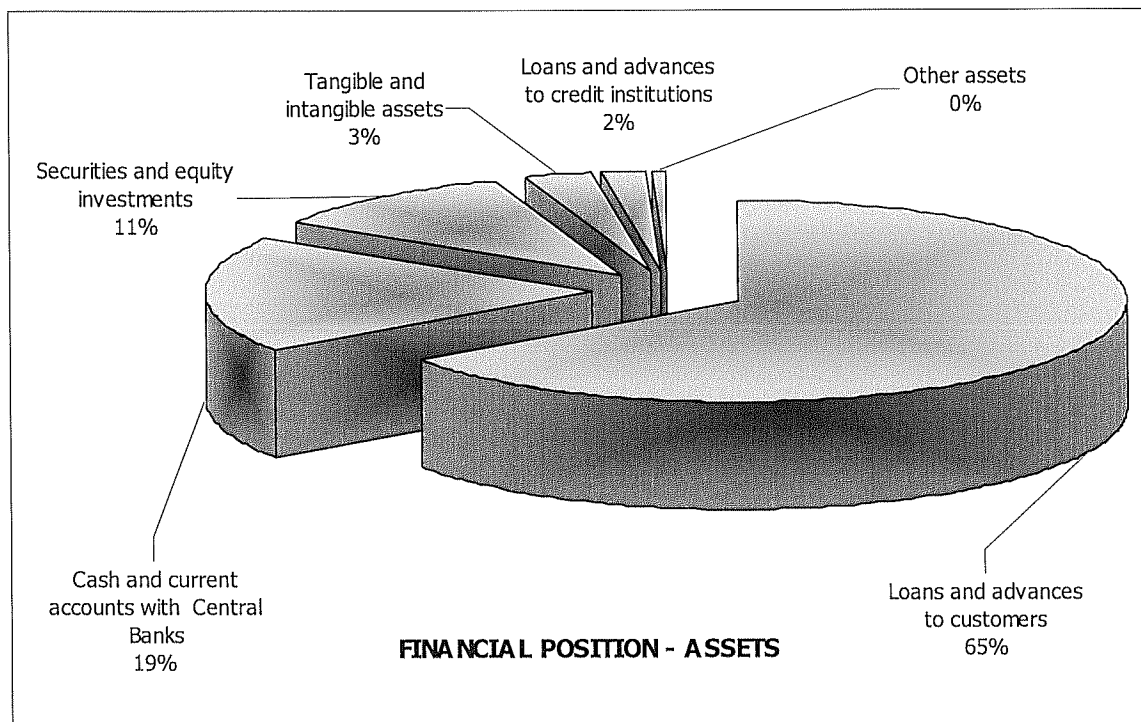
5. FINANCIAL POSITION ANALYSIS

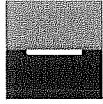
Financial position – assets

The total assets level remained constant as at December 31st, 2011 compared to prior year. The evolution of the most important items on the balance sheet assets side evolution was the following:

Total assets (RON millions)	2011	2010	11/10
Loans and advances to customers	32,592	33,115	-2%
Cash and current accounts with Central Banks	9,405	10,041	-6%
Securities and equity investments	5,286	4,246	25%
Tangible and intangible assets	1,325	1,325	0%
Loans and advances to credit institutions	1,035	662	56%
Other assets	235	279	-16%
Total assets	49,879	49,667	0%

Considering the structure of the financial position's assets at the end of 2011, the position looks as follows:





5. FINANCIAL POSITION ANALYSIS (continued)

Loans, net, including leasing

The net loans amounting RON 32 592 millions represents 67% of the total operations reflected in the financial position of the Group. The decrease of 2% in loans and leasing is mainly due to loans impairment negative evolution.

Cash in hand, current accounts with the Central Bank and loans and advances to credit institutions

The Group liquid assets, including cash in hand and current account with the Central Bank decrease by 6% compared to December 31st, 2010, and represent 19% of the total financial position. The decrease is a direct consequence of the cut in minimum compulsory reserves rate for foreign currency denominated liabilities from 25% to 20%, announced by the National Bank of Romania in April 2011.

Other financial instruments

The significative increase of these elements is determined by the increase in treasury bills portfolio, having a balance of 4 709 RON millions as at December 31st, 2011, compared to 3 964 RON millions by the end of prior year.

Fixed and intangible assets

The net fixed assets amounted as at December 31st, 2011 to RON 1 325 millions, out of which the most important share is represented by land and buildings (more than 65%). Most of the buildings are recently constructed or modernized and they are situated all over the country, in most of the cities.

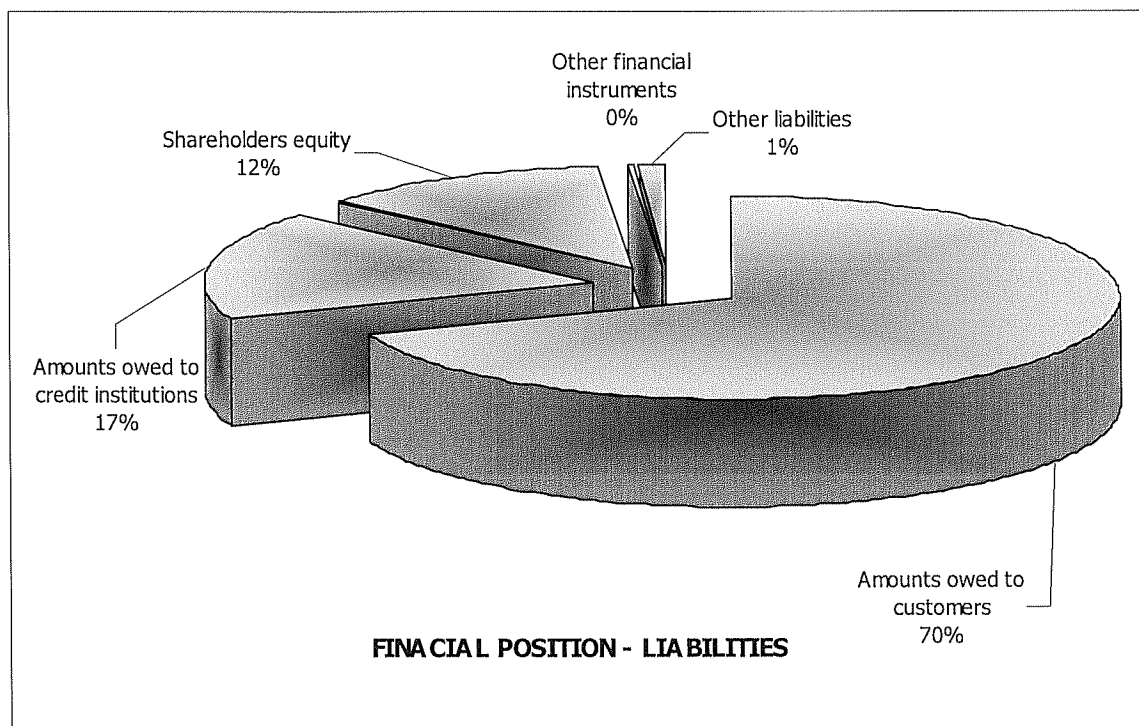
5. FINANCIAL POSITION ANALYSIS (continued)

Financial position - liabilities

The comparative statement of liabilities, for the financial years 2011 – 2010 is as follows:

Liabilities and shareholders equity (RON millions)	2011	2010	11/10
Amounts owed to customers	34,487	31,901	8%
Amounts owed to credit institutions	8,590	11,373	-24%
Shareholders equity	6,088	5,749	6%
Other financial instruments	171	92	86%
Other liabilities	543	552	-2%
Total liabilities and shareholders equity	49,879	49,667	0%

On December 31st, 2011, liabilities had the following structure:



Amounts owed to customers

These operations representing current accounts, sight and term deposits collected from customers amount to 70% of total liabilities and increased by 8% compared to the previous year.



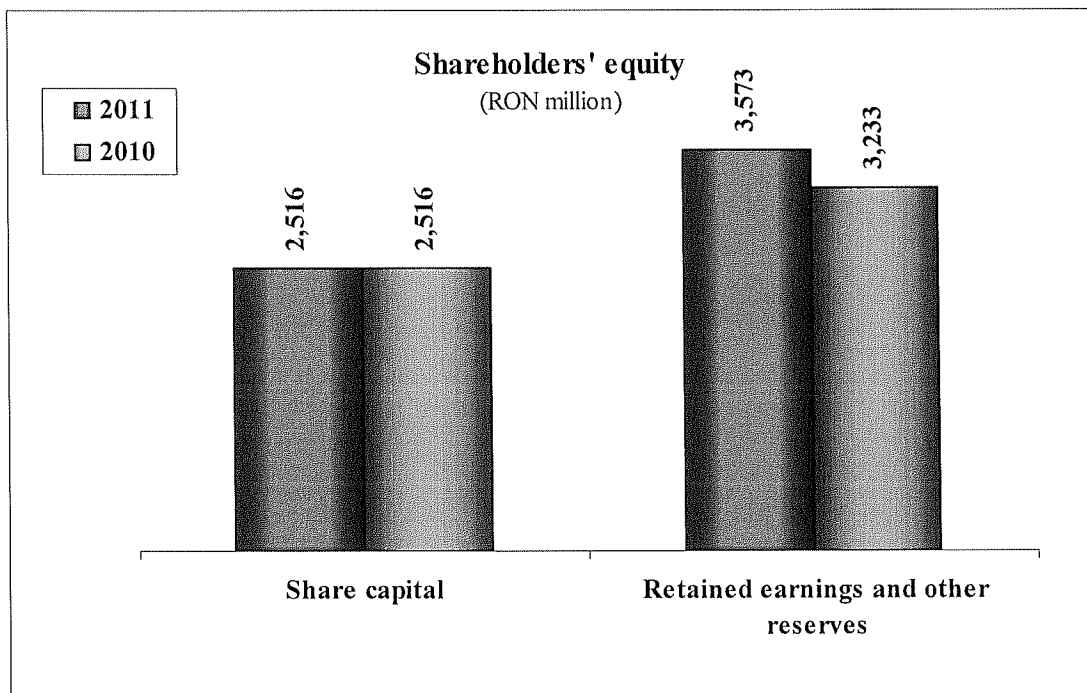
5. FINANCIAL POSITION ANALYSIS (continued)

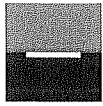
Amounts owed to credit institutions

Amounts owed to credit institutions represent 17% of total liabilities and refer mainly to current accounts, sight and term deposits as well as borrowings both from international financial institutions and commercial banks.

Shareholders' equity amounts to 6 088 RON millions, increasing by 6% compared to 2010.

The evolution of the shareholders equity elements for the period 2011-2010 is presented below:





5. FINANCIAL POSITION ANALYSIS (continued)

Financial results

Net profit of the Group in 2011, before minority interest, is of RON 498 millions.
The comparative position of the Group's results for the period 2011-2010 is presented below:

	<u>31.12.2011</u>	<u>31.12.2010</u>	<u>RON millions</u> <u>2011/2010.</u>
Net banking income,	3,268	3,585	-9%
<i>out of wich</i>			
- Interest income	2,173	2,323	-6%
- Commissions	783	792	-1%
Operating expenses	(1,460)	(1,476)	-1%
Operating profit	1,808	2,110	-14%
Net cost of risk	(1,253)	(883)	42%
Gross profit	555	1,227	-55%
Net profit	498	1,009	-51%



6. HUMAN RESOURCES

Key-figures:

- over 9 200 employees in BRD Group
- over 400 new employees
- almost 95% of the personnel followed at least one training course

Under the umbrella of the strategic program Ambitions 2015, during 2011, within the Human Resources Department, a series of activities and projects were developed targeting the development of human capital, promoting a new leadership model and optimisation of the working model.

Thus, the 2011 strategic directions concerning the human resources have looked upon career management, high potential employees, professional training especially management training, improvement in organisational culture, performance evaluation system, and also activities optimisation.

Among the major projects developed in 2011 one can mention the second edition of the Employees Satisfaction Barometer, presentations and local action plans following the results of the Organisational Diagnosis study, identification of high potential employees and building their development road map, the carry-over of the management academy and annual evaluation meetings, starting the implementation of a new evaluation application, but also supporting the internal reorganisation processes, for example the set-up of the new Regional Customer Services Centres.

The personnel internal mobility has remained at a significant level (12%), thus reflecting the adaptability of the structure to the present macroeconomic context.

In the same time, the number of promotions has remained constant compared to 2010, representing 7% of the total personnel.

Concerning the employees' *training*, at the level of the BRD Group, the training programs set up in the career maps have continued in 2011, but also new training projects meant to sustain the business were put in place (eg the "Commercial School" – training programs for the selling force designed to improve the quality of the services rendered to the customers). Moreover, during the Management Academy program, about 900 managers have been trained, most of the training modules being developed in 2011. The average number of training days per employees reached 5 days.

In 2011, the human resources policy concerning the salary package has remained the same. The BRD Group has continued to reward performance, both at group level and at individual level, adapted to the current macroeconomic context.

7. 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-Groupe Société Générale has adopted the unitary system of administration in full harmony with the principles of good corporate governance, transparency of relevant corporate information, protection of the shareholders and of other categories of concerned persons (stakeholders), as well as of an efficient operation on the banking market.

BOARD OF DIRECTORS

The Board of Directors is made up of 11 members, elected by the General Assembly of the Shareholders for a 4-year term of office.

The structure of the Board of Directors ensures a balance between the executive and the 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. It includes three executive and eight non-executive members, among which one independent non-executive member.

In 2011 the mandates of the following Board members have been renewed for a period of 4 years: Petre Bunescu; Sorin – Mihai Popa, Didier Alix, Jean Louis Mattei, Bogdan Baltazar, Dumitru Popescu, Ioan Cuzman and Sorin Marian Coclitu

Mr Bernardo SANCHEZ INCERA took over the vacant position of member of the Board of Directors of BRD, following Mrs Anne FOSSEMALLE giving up her term of office.

Mrs. Anne Marion BOUCHACOURT has been nominated as member of the Board, following the vacancy brought by the expiration of Mr. Aurelian DOCHIA mandate.

The mandate of administrator of Mr Sorin Marian Coclitu has been renewed for a 4 year period.

7. CORPORATE GOVERNANCE (continued)

Members of the Board of Directors (as at 31.12.2011)

Guy Marie Charles POUPET

Chairman - CEO

Member of the Management Committee

Born on January 5, 1952

Residence: Bucharest, 1st district

With an experience of over 35 years within the Societe Generale Group, he first started in 1975 as inspector, then, in 1983, took over the management of the group Le Havre – Societe Generale France, as deputy manager. In 1987, he became the Deputy CEO of Banco Supervielle Societe Generale in Argentina and, in 1992, he took over the position of CEO of Societe Generale de Banques in Senegal. In 1995 he was appointed IT Project Manager within the International Division of Societe Generale, and in 1998 he took over the position of Head of Securities and Stock Market - Societe Generale Nantes. He resumed his international career within the Group in 2002, by taking over the position of Vice-Chairman and Deputy - CEO of Komerčni Banka in the Czech Republic and, as of 2004, the position of Vice-Chairman and CEO of NSGB (National Societe Generale Bank) in Cairo – Egypt.

He graduated from the Political Studies Institute in Paris. He has a Bachelor Degree in Public Law and a Degree from the University Centre for European Communities Studies, delivered by the Paris University.

Since January 1st, 2010, he has been Chairman and CEO of BRD.

He also holds the following positions: Chairman of the Board of Directors of BRD Finance IFN SA, Member of the Board of Directors of ALD Automotive SRL, Chairman of the Council of Mobiasbanca - Groupe Societe Generale S.A and Member of the Board of Directors of Societe Generale European Business Services SA, BRD Societate de administrare a Fondurilor de Pensii Private S.A. and BRD Asigurari de Viata S.A.

Sorin - Mihai POPA

Member of the Board of Directors

Delegate CEO

Born on September 5, 1964

Residence: Bucharest, 1st district

Other positions held: member of the Board of Directors of BRD Sogelease IFN, After his internship in the commercial and accounting field, he works as inspector with the Pitesti Financial Administration, between 1990 and 1993. He becomes an employee of Societe Generale – Bucharest Branch in 1993, where he successively fills in the positions of Corporate Controller and of Executive Officer of the branch between 1996 and 1999.



7. CORPORATE GOVERNANCE (continued)

He is then appointed Head of the Network Department within BRD-Groupe Société Générale, until 2003 when he takes over the position of Deputy CEO and becomes member of the Board of Directors of BRD. As of 2002, he manages directly the process of restructuring, reorganisation and modernisation of the network, and as of 2004 he coordinates the process of development of BRD and of densification of its agency network.

On April 14, 2011, he is re-elected director of BRD for a 4-year term of office, starting April 18, 2011.

Starting September 16, 2011 he is Delegate CEO.

He graduated from the Finance – Accounting Faculty – Economic Studies Academy in Bucharest and he holds an International Management Degree, delivered by the Business Management Institute within Ecole Supérieure de Gestion – Toulouse, France.

In 2005, the magazine “Saptamâna Financiară” awards him the “Banker of the Year” trophy.

In 2008, he receives the “Mr RON” award from “Saptamâna Financiară”, for “The Most Spectacular Development” regarding the development of the agency network of BRD in 2007.

Petre BUNESCU

Member of the Board of Directors

Deputy CEO

Born on November 15, 1952

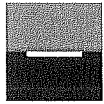
Residence: Bucharest, 3rd District

In 1975, he becomes an employee of the Investment Bank, and in 1990 he is appointed as Deputy CEO of the Bucharest Branch. Once the Romanian Bank for Development is set up, on December 1st, 1990, he takes over the position of Vice-Chairman and member of the Board of Directors and of the Management Board of the bank until July 1999. Between November 1997 and May 1998, he holds the position of Interim Chairman of the Romanian Bank for Development. Since August 1999, he has been Deputy CEO and member of the Board of Directors of BRD - Groupe Societe Generale.

On April 14, 2011, he is re-elected director of BRD for a 4-year term of office, starting April 18, 2011.

He is the Vice-Chairman of the Romanian Banking Association and member of the Board of Directors of Transfond SA. Between 1997 and 2006 he was he has been a permanent member of the teaching staff of the Romanian Banking Institute and of the Financial and Banking Studies Institute, and in 2007 he has become an associated member of the teaching staff of the Romanian-American University in Bucharest.

He graduated from the Economic Studies Academy in 1975. In 2003, he got his PhD in Economics.



7. CORPORATE GOVERNANCE (continued)

Didier Charles Maurice ALIX

Non-executive member of the Board of Directors

Born on August 16, 1946

Residence: Paris, France

He joined SOCIÉTÉ GÉNÉRALE in 1971.

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, then, in 1987, of the Paris Opera Group.

Between 1991 and 1993, he was assigned at the Specialised Financing Division, 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, Didier ALIX was appointed Deputy CEO of the Societe Generale Group.

On April 14, 2011, he is re-elected director of BRD for a 4-year term of office, starting April 18, 2011.

He graduated from the Political Studies Institute in Paris and has a degree in Economic Sciences.

Jean-Louis MATTEI

Non-executive member of the Board of Directors

Chairman of the Audit Committee

Chairman of the Remuneration Committee

Born on September 8, 1947

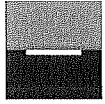
Residence: Paris, France

In 1973, he joined the Societe Generale Group and, in time, filled in the following positions: Controller with the Agencies' Division in Provence area, Training Manager – HR Division, Officer in charge of the Cost Laboratory (study of costs and profitability) within the Technical Management Division, Officer in charge with Management Control within the Organisation and Informatics Department within the Management Technique Division, Officer for the Africa Overseas Area.

Since 1998, he has been the Head of BHFME – the structure that coordinates the activity of the commercial banks - subsidiaries of Societe Generale in Central and Eastern Europe, the Mediterranean area, Africa and the French Overseas territories.

He has a degree in law and public services, and a diploma from the Centre of Higher Education in Banking.

On April 14, 2011, he is re-elected director of BRD for a 4-year term of office, starting April 18, 2011.



7. CORPORATE GOVERNANCE (continued)

Anne Marion BOUCHACOURT

Non-executive member of the Board of Directors of BRD

Member of Remuneration Committee

Born in 1958

Residence: Paris, France

In 1981 she was appointed as councillor at PricewaterhouseCoopers, and she became in 1990 Financial Services Director within this entity.

In 1999 she was appointed Vice-President for Gemini Consulting.

Between 2002 and 2004 she was Vice-President for Solving International and the person in charge with banking practice.

In 2004 she was appointed as Human Resources manager in Société Générale Corporate & Investment Banking (SG CIB), and since 2006 she has been the Head of Human Resources for Group Societe Generale.

On April 14, 2011 she has been appointed as a Member of the Board of Directors of BRD.

She graduated from Ecole Supérieure de Commerce de Paris, has a licence in accounting expertise and a Diploma in financial management for capital markets issued by Dauphine University.

Bernardo Sanchez INCERA

Non-executive member of the Board of Directors of BRD

Born on March 9, 1960

Residence: Paris, France

Between 1984 and 1992, he was a customer consultant 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, International Operational Director of Inditex Group, Chairman of LVMH Mode et Maroquinerie Europe and LVMH Fashion Group France, General Director of Viavarte Group, Executive General director of Monoprix France.

In 2009 he joined Societe Generale as Delegated CEO in charge of the International Retail Banking Division (BHFM) and of the Specialised Financial Services activity.

He graduated the Institute of Political Studies in Paris and has a Master in Business Administration INSEAD

He is a Member of the Board of Directors of BRD starting April 14, 2011.

7. CORPORATE GOVERNANCE (continued)

Bogdan BALTAZAR

Non-executive member of the Board of Directors of BRD

Born on September 22, 1939

Residence: Bucharest, 2nd district

Between 1971 and 1981 he worked at the Ministry of Foreign Affairs as 1st Diplomatic Secretary and then as Manager of the Africa Division. He went back to the Ministry of Foreign Affairs in 1990, as General Manager of the Northern and Southern America Divisions. Between 1990 and 1991, he was a spokesman for the Government, and then, until 1996, a Senior Banking Adviser, coordinator of the group for Romania in the EBRD Headquarters - London. From 1997 until 1998, he was Vice-president of the State Property Fund (FPS).

Between 1998 and 2004, he was Chairman of the Board of Directors of the Romanian Bank for Development, after privatization called BRD-Groupe Societe Generale.

On April 18, 2007, he was re-elected director of BRD for a 4-year term of office.

He is known as publicist and analyst, and he participates with studies, analyses and communications regarding the banking restructuring / privatisation in numerous financial and banking forums: Crans Montana, Frankfurt, Atena, Salonika, Sofia, Viena, London, Bucharest, as well as "Invest – România" in London, Toronto, Istanbul, Viena, etc.

He graduated from the Polytechnics University in Bucharest and he has a PhD in Economy from the City University of New York.

Dumitru POPESCU

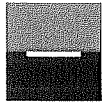
Non-executive member of the Board of Directors

Born on March 15, 1953

Residence: Bucharest, 2nd district

He has got 30 years of experience in the banking, financial, academic, administrative fields, both in operation and management, at the macro and microeconomic levels, and he filled in the following positions: Deputy Secretary of State in the Ministry of Economy and Finance – Economic Strategy and Orientation Department, National Coordinator of Technical and Economic Assistance for Romania, State Advisor of the Deputy Prime Minister, Secretary of State – Chairman of the Romanian Agency for Restructuring, Vice-Chairman of TEC MIACO, a Romanian-American Enterprise Fund, Project Manager within PSAL II – a World Bank Program for Romania, Senior Consultant for the Chairman of APAPS within the programme "High Technical Assistance for Evaluating the Effects of Privatization in Romania", Senior Consultant for the United States Agency for International Development within a project regarding a complex analysis of the agricultural system in Romania.

He has 27 years of experience in the university field, now a professor at the Academy of Economic Studies in Bucharest in the fields of economic and financial analysis of companies. He is also the author of 14 books and 45 articles of financial analysis.



7. CORPORATE GOVERNANCE (continued)

On April 14, 2011, he is re-elected director of BRD for a 4-year term of office, starting April 18, 2011.

Sorin Marian COCLITU

Independent member of the Board of Directors

Member of the Audit Committee

Member of the Remuneration Committee

Born on July 16, 1948

Residence: Bucharest, 6th district

Positions held in other companies: Chairman – CEO of Fondul Român de Garantare a Creditelor pentru Intreprinzatorii Privati, General Secretary of the SIF Muntenia Shareholders' Representative Council.

Sorin Marian Coclitu is an economist and, over the years, filled in the following positions: economist with SC Grivita Rosie, main inspector within the State Planning Committee – Synthesis Division, expert with the Ministry of National Economy – Secretariat for Privatization, consultant with the Strategy and Reform Council – Government of Romania, Sub-Secretary of State - Ministry of Economy and Finance, and Advisor of the President and General Manager of the Coordination, Strategy and Control Department with the National Privatization Agency.

He graduated the Economic Computation and Economic Cybernetics Faculty within the Economic Studies Academy in Bucharest.

On April 14, 2011, he is re-elected director of BRD for a 4-year term of office, starting April 18, 2011 and, at the same time, the General Assembly appointed him as an independent director of BRD.

Ioan CUZMAN

Non-executive member of the Board of Directors

Born on October 3, 1944

Residence: Arad, Arad County

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 Confections 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 14, 2011, he is re-elected director of BRD for a 4-year term of office, starting April 18, 2011.

7. CORPORATE GOVERNANCE (continued)

He graduated 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.

BRD shares held by the members of the Board of Directors as at December 31st, 2011

Name:	Number of shares
Petre BUNESCU	325,000
Ioan CUZMAN	3,500
TOTAL	328,500

Attributions and responsibilities of the Board of Directors

The main attributions of the Board of Directors, including those that cannot be delegated to members of the executive management, are set by law and by the Articles of Incorporation. In cases permitted by law, the General Assembly of Shareholders can delegate to the Board of Directors other attributions, 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 structure, 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.

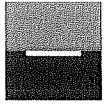
The Board of Directors approves the general strategy of development of the bank, of identification of significant risks and of management of such risks, and makes sure that the activity of the executive management structure complies with the approved strategy and policies.

The Board of Directors approves the organisational structure of the bank, risk management policy, general remuneration policy regarding the employees, as well as the directors and officers of the bank.

The members of BRD’s Board of Directors meet the eligibility conditions and criteria required for an efficient administration of BRD, meaning they:

- Have a good reputation and carry out their business 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 Board for an efficient and highly performing administration of the bank’s activity.

To designate an independent director, the Board of Directors and the General Assembly of the Shareholders take into account the compliance with the independence criteria stipulated by the Companies’ Act no. 31/1990.



7. CORPORATE GOVERNANCE (continued)

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 meeting of the Board of Directors specify the place, date and draft of the agenda of the respective 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 2011.

In 2011, 10 meetings of the Board of Directors took place, and the decisions of the Board were made with the unanimity of the votes.

On the Board of Directors agenda the following subjects were included: the General Development Strategy of the Bank in 2011, identification and management of significant risks, Liquidity strategy, BRD Remuneration policy, Reports on annual inventory, Reports regarding the internal control framework, Reports regarding Bank/Group results, Memos regarding changes in Bank/Group Management, Modifications in internal regulations etc.

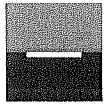
During its meetings the Board of Directors was regularly informed on the economic, monetary and financial environment, on the evolution of the regulations in force, on significant risks, on the the activity of Audit Committee and Risk Management Committee, as well as on the main events that took place within BRD.

Remuneration of the members of the Board of Directors

For 2011, the Ordinary General Assembly of Shareholders approved a 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 executive officers' additional remunerations for 2011, amounting to RON 8 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 three committees that assist it in performing its attributions, and for which organisation and operation rules are set and defined in the internal regulations.



7. CORPORATE GOVERNANCE (continued)

Audit Committee

The Audit Committee is made up of 3 non-executive directors, one of which is independent, elected by the Board of Directors from among its members: Jean-Louis MATTEI (Chairman), Dumitru POPESCU (Member), and Sorin Marian COCLITU (Independent 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 2011, 2 meetings of the Audit Committee took place, where it was analysed the internal control activity of the bank.

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

Remuneration Committee

It is a committee set up to support the Board of Directors, in order to elaborate and supervise the implementation of the remuneration policy of the Group.

The Committee is made up of 3 non-executive directors, one of which is independent, elected by the Board of Directors from among its members: Jean-Louis MATTEI (Chairman), Anne Marion BOUCHACOURT (Member), and Sorin Marian COCLITU (Independent Member).

It meets annually or any time necessary.

In order to perform the attributions entrusted, the Remuneration Committee presents to the Board of Directors, for approval, the proposed policy of remuneration within BRD, the proposals of remuneration of the directors and officers; it supervises the application of the principles of the Group staff remuneration policy and informs the Board of Directors in this respect.

Risk Management Committee

Chaired by the CEO, the Risk Management Committee meets on a quarterly basis or more often, if 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.



7. CORPORATE GOVERNANCE (continued)

The committee is made up of the members of the Management Board and the officers in charge of the internal structures, with an important role in risk management.

In 2011, 4 meetings of the Risk Management Committee took place.

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 Management Board.

The Management Board is made up of the CEO, Delegate CEO and the Deputy CEOs. The Management Board is run by the CEO who is also the Chairman of the Board of Directors.

Members of the Management Board (as at December 31st, 2011)

Guy Marie Charles POUPET

Chairman - CEO

He has direct authority over all the structures and activities in the Bank and, as at December 31, 2011, the following structures were directly subordinated to him: General Secretariat, Human Resources, and internal control related structures.

Sorin Mihai POPA

Member of the Board of Directors

Delegate CEO

In the President - CEO absence he has the authority over all the Group structures.

As at December 31, 2011, the following structures were directly subordinated to him: Private Banking and Network Development and Studies.

Petre BUNESCU

Member of the Board of Directors

Deputy CEO

As at December 31, 2011, he was coordinating the following structures: Finance, Banking Operations, Legal and Financial Markets Back Office.

7. CORPORATE GOVERNANCE (continued)

Alexandru-Claudiu CERCEL-DUCA

Deputy CEO – Coordinating: Financial markets structure

Member of the the Management Board

Born on February 17, 1968.

Residence: Bucharest, 1st district.

He coordinates the activity of the Financial Market Structure, made up of the following departments: Financial Markets, Services for financial investments and Management of Assets.

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

He graduated the Economic Studies Academy - Cybernetics Faculty, in 1992, as well as various management and leadership training courses organised both by Societe Generale and other banking institutions: Nomura Bank (London), Bank of America (San Francisco), or the Montreal University and London Business School. He graduated from the Executive Master of Business Administration (EMBA) - ASEBUSS BUCHAREST / UNIVERSITY OF WASHINGTON, USA.

Jean-Luc Bernard Raymond GRASSET

Deputy CEO – Coordinating: the Resources structure

Member of the the Management Board

Born on September 11, 1954

Residence: Bucharest, 1st district

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

In 1980, he joined Societe Generale within the Group Nantes sur Loire. Between 1981 and 1989 he had 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, Jean-Luc started a series of missions within Societe Generale structures from abroad, as Development and Audit Manager (Ivory Coast), CEO (South Africa), Ibank Implementation Manager (BRD).

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

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

7. CORPORATE GOVERNANCE (continued)

As at December 31, 2011, he was coordinating the following structures: IT Studies and Development, IT Infrastructure and Production, Projects and Organisation, Buildings Administration, Logistics and Security.

Gabriela Stefania GAVRILESCU

Deputy CEO – Coordinating: Corporate Banking Structure (Large Corporate Customers)

Member of the the Management Board

Born on December 12, 1956

Residence: Bucharest, 2nd district.

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

Starting 1991, she enriched her professional expertise through several trainings in Societe Generale and other external structures such as World Bank, DC Gardner or London Business School.

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

She has joined Societe Generale in 1993 in the Bucharest Branch of Societe Generale as Commercial Director.

In 2000 she was named as Executive Delegate Director for Large Corporate Clients, where she was coordinating 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 Large Corporate Customers Department, and starting beginning 2011 she has been appointed Member of the BRD Management Board.

She directly coordinates Corporate Banking structure.

Gheorghe MARINEL

Deputy CEO: – Coordinating: Commercial/ Marketing/ Network structure (as at December 31, 2011 this position was under NBR validation)

Member of the the Management Board (subsequent to NBR validation)

Born on March 13, 1965

Residence: Voluntari, Ilfov County

7. CORPORATE GOVERNANCE (continued)

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

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

He followed several management and leadership trainings.

He has an experience of more than 20 years in the banking field, occupying several positions in credit institutions such as: Banca Comerciala Romana (1991-1993), Societe Generale – Bucuresti (1993-1995) and ABN AMRO BANK Romania (1995-2001).

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

Starting October 2011 he has been appointed as Deputy CEO Commercial/ Marketing/ Network.

He coordinates directly the following structures: Strategy and Marketing, Commercial Network, General Management of the Network.

BRD shares held by the members of the Management Board as at December 31st, 2011

Name	Number of shares
Petre BUNESCU	325 000
Claudiu CERCEL - DUCA	1,030
TOTAL	326 030

Attributions and responsibilities

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 they coordinate, in compliance with the legal provisions and the Articles of Incorporation.

Within the limit of the powers and responsibilities set for the Board of Directors, the executive officers act jointly, organised in the Management Board, for a series of activities / operations specific to the activity of the bank, detailed in the Articles of Incorporation and in the Internal Regulations of the bank.



7. CORPORATE GOVERNANCE (continued)

Changes in the structure of the Management Board in 2011

On September 15th, 2011 the Board of Directors decided to nominate Mr Sorin – Mihai POPA as Delegate CEO and to nominate Mr. Gheorghe MARINEL as Deputy CEO (under the condition of the National Bank of Romania approval).

On February 15th, 2012 Mr. Gheorghe MARINEL received the approval from the National Bank of Romania.

Meetings of the Management Board

The meetings of the Management Board are held at least once every two weeks, or any time the activity of the bank requires it.

The decisions of the Management Board are made with the absolute majority of the votes cast by its members. Voting cannot be delegated within the meetings of the Management Board.

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

The Management Board provided the Board of Directors regularly and comprehensive detailed information about all the important 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 at once to the Board of Directors.

RIGHTS OF THE SHAREHOLDERS

BRD respects the rights of its shareholders and ensures equal treatment for all of them.

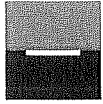
Voting right

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 5 months as of the end of the financial year, and the Extraordinary General Assembly of Shareholders meets whenever necessary. In 2011, there was an Ordinary General Assembly of Shareholders and an Extraordinary General Assembly of the Shareholders, on April 14th, 2011.

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 National Securities Commission ("CNVM") and of the Bucharest Stock Exchange ("BVB").



7. CORPORATE GOVERNANCE (continued)

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 participate in the works of the General Assembly 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 to the shareholders' approval, in order to ensure an orderly and efficient development of such works.

Within the General Assembly 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.

In 2011, the General Assembly approved the distribution of a gross dividend of RON 0.17957/share and established the dividend distribution procedure.

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:

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

BRD set up and maintains an adequate structure for its relation with the investors, in general, and with its own shareholders, in particular. The staff of this structure has the necessary knowledge to carry out this activity and periodically attend professional training courses aimed at the development of their professional skills specific to this activity.

7. CORPORATE GOVERNANCE (continued)

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. Also, all the shareholders receive an annual individual letter of information regarding their shares and the dividends due to them for the ended financial year.

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 National Securities Commission. Financial reporting is made according to the accounting regulations imposed through the NBR Order no. 13/2008 for the approval of the Accounting Regulations compliant with the European Directives, applicable to credit institutions, non-banking financial institutions and to the Bank Deposit Guarantee Fund (on a quarterly basis), as well as to the highest financial reporting standards – the International Financial Reporting Standards (IFRS) (on an annual basis) – and in compliance with the regulations specific to the capital market.

In order to communicate on its financial results, BRD organises meetings with financial analysts, investment consultants, brokers and investors. These meetings during which the annual 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 the capital market institutions.

Financial calendar for the year 2012 is the following:

Presentation of preliminary results as at December 31, 2011 during the meeting with analysts	February 14, 2012
Annual General Assembly of Shareholders	April 26, 2012
Presentation of annual results for 2011	April 26, 2012
Presentation of quarterly results Q1	April 30, 2012
Presentation of quarterly results Q2	July 30, 2012
Presentation of quarterly results Q3	November 6, 2012

OTHER CORPORATE GOVERNANCE ELEMENTS

1. Conflicts of interest

In 2011, there were no identified conflicts of interests between the members of the Board of Directors or of Management Board and the interests of the bank.

7. CORPORATE GOVERNANCE (continued)

The main obligations respected by the members of the Board of Directors and of the Management Board, imposed at the bank level in order to prevent and avoid conflicts of interests at such level, 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.

2. Transactions with affiliated persons

The internal regulations establish a set of rules to be observed by all members of the Board of Directors, members of the executive management and employees of the bank when performing their own transactions, and also in order to avoid any real or apparent (potential) conflict of interest.

The approval of the loans to affiliated private and corporate persons falls within the competence of the Board of Directors.

3. 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 initiated persons, 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, there have been set obligations to report to the Bank the transactions made.

The characteristics of the internal control and of the risk management system in relation to the financial reporting process are described in chapter 8 - Risk Management.



8. RISK MANAGEMENT

Framework

The Group approaches risk prudently, in line with its long-term strategy. The risk management policies and activities are designed in line with the practices of Société Générale and focus on identifying and assessing risks as early as possible. The bank implements this approach by means of the risk management function that is independent from the business. The implementation combines centralizing the risk management policies and decentralizing risk control and follow-up.

Risk governance

The Bank's Board of Directors (BoD) sets the strategic risk view, which is then translated into policies by the Executive Committee (EC). A part of the EC's responsibilities are delegated to two main committees, namely the Risk Management Committee (RMC) and the Asset and Liabilities Committee (ALCO).

The Central Risk Control Unit (CRCU) is responsible for monitoring and managing the credit risk, the operational risk and a part of the market risks, while the Financial Department monitors and manages the liquidity risk and the „banking book” interest risk.

Risk Management Function

The Risk Management Committee (RMC) is the most senior structure with attributions, delegated by the MC, in credit, market and operational risk management. The committee is made up of the Chairman CEO, the Deputy CEOs, the head of CRCU and other departments and divisions heads of the bank. RMC follows up periodically the main aspects related to risk management, including:

- Risks generated by the launch of new activities and products;
- Credit risk concentration on industries and counter parties;
- Level of default by customer and portfolio;
- Watch list customers;
- Cost of risk and its future evolution;
- Use of derivatives;
- Exposure to sovereign risk;
- Losses from operational risks;
- Business continuity planning.

The risk management function is accomplished on two-levels:

- Transversal risk management extended to the territorial and departmental levels;
- Risk control made by the Central Risk Control Department (CRCU)

8. RISK MANAGEMENT (continued)

CRCU is directly subordinated to the Chairman - CEO. The credit risk management function is extended to the local level by the network through the risk controllers, who have dual reporting lines to the network line structures and to the head of CRCU.

Assets and Liabilities Management

The Assets and Liabilities Committee (ALCO) manages the Bank's balance sheet. The ALCO members come from the finance, treasury, risk function, as well as from the business areas. Its main objective is the managing of the exposure to foreign exchange, interest banking book liquidity risks and, consequently, the protection of the bank's capital and profitability against such risks.

Credit risk

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

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

- Review and approval by senior management of new products and activities involving risks;
- Use of well-defined credit-granting criteria by type of customer, including thorough knowledge of the borrower as well as the purpose and structure of the credit, and of the source of repayment; the request of collateral or personal guarantees to mitigate credit risk;
- Well formalized processes for credit approval, including a clear system of delegated approval limits;
- Ongoing follow-up of exposures, at single or group level, if such may be the case;
- Regularly monitoring and reporting to senior management the quality of the credit portfolios;
- Regular internal independent review of lending activity by the Internal Audit position; and
- Identification and management of non-performing loans and various other workout situations, using objective indicators.

The Bank's primary exposure to credit risk arises through the loan, including leasing and guarantees it issues..

8. RISK MANAGEMENT (continued)

Corporate credit risk

The main features of lending to commercial customers are as follows:

- Consolidation of the exposures to a single obligor: consolidation of all direct and indirect exposures to a given relationship first at the Romanian level and then worldwide (SG);
- Use of the internal rating system: the Bank's internal rating system is a version of SG's rating system, customized and calibrated to the local business environment.
- Transfer of non-performing customers to a division independent from the business.

Retail credit risk

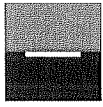
Lending to individuals and to certain small and medium-sized enterprises is approached in a standardized manner, by designing products in line with identified market needs. Thus, the credit products are aimed at an identified target customer segment and have standard risk acceptance criteria attached, implemented by means of credit scores. BRD constantly monitors the risk of this portfolio, using objective and verifiable criteria, such as the debt service. Once a customer has reached a certain number of days of delay, the exposure is transferred to the responsibility of a well equipped recovery unit that is independent from the originating business function.

Interest rate risk and foreign exchange risk in the banking book (structural risks)

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 the movements in the market interest rates. A set of limits is applied to such sensitivity and the compliance within those limits is monitored by ALMC on a monthly basis.

For the foreign exchange position (banking and trading book), the Bank has a set of limits set at prudent levels, monitored daily by CRCU.



8. RISK MANAGEMENT (continued)

Liquidity risk

The liquidity risk is associated with the incapacity to meet one's payment obligations on the due date, with reasonable costs.

The bank's liquidity management has two major components:

- monitoring the liquidity position and estimating the financing needs of the bank on the short, medium and long term, based on forecasts, and identifying the adequate financing solutions;
- contingency planning including ongoing assessment of potential trends, events and uncertainties that could impact on the Bank's liquidity position.

For foreign currencies funding, the Bank's liquidity management is well integrated with Société Générale.

ALCO validates the basic principles for the organisation and management of liquidity risk, validates the Bank's financing programs, examines the reports on the future liquidity position, reviews the contingency scenarios and proposes appropriate actions to the Executive Committee.

Operational risk

Operational risk is the risk of losses resulting from inadequate or failed internal procedures, human errors, system-related errors and also external events.

The Bank employs the following three methodologies in managing operational risk: Risk and Controls Self-Assessment Methodology (RCSA); Operational Loss Data Collection (OLDC); and Key Risk Indicators Methodology (KRI).

RCSA is a structured preventive approach for identifying and assessing risks and implementing appropriate actions to prevent the risks identified and assessed as unacceptable, given the Bank's tolerance to such risks. OLDC is a methodology that allows for the systematic collection of operational risk losses exceeding a certain threshold, followed by direct reporting to the senior management. KRI is an approach using a set of indicators (by areas assessed as high risk) whose monitoring indicate possible adverse changes in the operational risk profile and triggers appropriate actions.

Besides these risk management methodologies, the Bank mitigates certain operational risks through insurance policies.



9. SOCIAL AND ENVIRONMENT RESPONSIBILITY

BRD development strategy is to conduct its activities respecting the environment, the human rights and freedoms and values of the Romanian society.

According to the policies of Société Générale Group, BRD involvement in projects of social solidarity and community environment arises internally through a responsible resources management and externally by controlling its own actions against the environment and by commitments made to the community.

Social solidarity

The most important BRD priorities in this field concerns: education, promoting and supporting talented young people, the fight against dropping out of school and the professional insertion of the persons excluded from the labour market, health.

A few of the 2011 projects:

- *Week of solidarity:* 230 BRD employees have become donors for the internal program of salary donations “*Change a destiny. Give value to life.*” Their contribution to the program, doubled by the Bank, reaches almost 20 000 euro/Year. The total amount raised 2011 by the 1 500 donor employees engaged in the programme, reaches 200 000 euro. The money will be used for the education and labour market insertion of children and young people in need.
- *Citizen Awards 2011:* More than 500 employees have voted on-line the project “Each child goes to kindergarten” promoted by the Association Ovidiu Rom. Due to their vote, the NGO has received the 2nd award of the competition Citizen Awards, representing funding amounting to 40 000 euro. This money allowed the organization to include some more 80 children from poor communities in their program for preventing dropping out of school.
- *Do you want to be Santa Claus:* 2 350 children in need sent letters to all the Santas in BRD, who offered them presents – 59 000 euro is the amount invested by the Bank’s employees in this project for childrens’ presents.

Culture

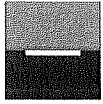
BRD has continued in 2011 its traditional partnerships with National Opera in Bucharest and Village Museum “Dimitrie Gusti”, but has also supported museums art exhibitions and classical music concerts. The most important cultural axis in 2011 BRD strategy was the relationship with the French Cultural Centers in Romania.

Sport

For 11 years, BRD has been the Official Partner of the Romanian Cycling and Triathlon Federation and the sponsor of the Romanian Cycling Tour.

BRD has also become in 2011, Official Partner of the Romanian Handball Federation.

Tennis is also a very important axis in sponsorship strategy of BRD.



9. SOCIAL AND ENVIRONMENT RESPONSIBILITY (continued)

Besides the traditional BRD Futures circuit, the Bank has also become for three consecutive years (2011-2013) the Main Partner of international tennis tour "BRD Nastase Tiriac Trophy" – the most important sporting event in Romania.

Within a three year partnership (2010 – 2012), the Bank has continued to support the program dedicated to football talented children developed at Hagi Academy.

Environmental responsibility

BRD - Groupe Société Générale bought in 2011 carbon credit certificates, compensating thus, all CO2 emissions for the year 2010. The investment in this environmental program reaches 630 000 euro.

BRD initiative is according to the policy of Société Générale, which has decided to completely neutralize its CO2 emissions till 2012.

Volunteer in this program BRD has started mid 2010 the project „Plan Carbon” which focuses on 3 main directions:

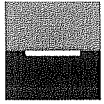
1. optimised consumption (especially electricity, paper, fuel),
2. increase of the energetic efficacy of the buildings
3. decrease in the negative impact of the IT activity on the environment.

In the mean time, several projects have been started aiming to improve the reporting process, implementation of national recycling programs, and the development within BRD of eco-responsible practices.

Since the launch of Plan Carbon, BRD has made significant investments especially in IT projects, videoconferencing systems, energy optimization and purchasing carbon certificates.

BRD also favours the eco behaviours of its collaborators and builds trustworthy relations with its suppliers, based on the development of eco-responsible practices, as well.

BRD undertakes to enforce its commitments and to make continuous progresses.



BRD
GROUPE SOCIÉTÉ GÉNÉRALE

The consolidated financial statements prepared according to International Financial Reporting Standards as adopted by the European Union are attached to this report.

President – Chief Executive Officer

Guy Charles Marie POUPET

