



Securitization of the Bank's consumer loans – consent of the Bank's Supervisory Board

current report no. 28/2017

date: 4 December 2017

The Management Board of Bank BGŻ BNP Paribas S.A. (the "Bank") hereby discloses that on 4 December 2017, the Bank's Supervisory Board adopted a resolution and gave consent to sell, under a securitization transaction, loan receivables arising from cash loan agreements and car loan agreements concluded by the Bank with debtors with the total nominal value, as at the sale date, not higher than PLN 2,400,000,000.00 (two billion four hundred million zlotys) in favour of BGZ Poland ABS1 Designated Activity Company, a company organized under the Irish law, based in Dublin, hereinafter referred to as "SPV".

The consent also applies to the sale of additional receivables arising from cash loan agreements and car loan agreements concluded by the Bank with the debtors in favour of the SPV under a two-year revolving period with the provision that the total current value of all sold receivables on every day of the two-year revolving period - does not exceed the value of PLN 2,600,000,000.00 (two billion six hundred million zlotys).

The receivables will be sold for the price consisting of the initial price equal to the nominal value of the receivables as at the sale date, and the deferred price, equal to the part of interest income of the SPV in a given settlement period, specified in accordance with the terms settled between the Bank and SPV.

The planned transaction is aimed at a capital relief by excluding securitized credit exposures from the calculation of the Bank's risk-weighted exposure amounts, what would positively impact the Bank's capital ratios on the standalone and consolidated level.

The finalization of the transaction will improve the standalone capital adequacy ratios: Common Equity Tier 1 Ratio (CET 1) by 0.38 pp, Tier 1 Ratio by 0.38 pp and Total Capital Ratio (TCR) by 0.49 pp, calculation based on data as at September 30, 2017.

In case of consolidated capital adequacy ratios increase would be equal to 0.34 pp, 0.34 pp and 0.44 pp respectively.

Additionally it improves the liquidity position of the Bank and Bank BGŻ BNP Paribas S.A. Group.

Legal basis

Article 17, item 1 of the MAR Regulation