



**NEXT STEP FOR DEVELOPMENT
ACQUISITION OF CORE RAIFFEISEN BANK POLSKA S.A.**

BANK BGŻ BNP PARIBAS S.A. GROUP

Warsaw, 10 April 2018



BGŻ BNP PARIBAS

The bank for a changing world

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- This material contains certain estimates relating to RBPL Core Bank Business. The above estimates were prepared on the basis of preliminary financial data as of 31 December 2017 regarding the RBPL Core Bank Business. These data were not the subject of the Bank’s normal procedures regarding the closing of accounting books at the end of each period and the process of verifying the financial data (including the corrections required for the purpose of presenting financial information) in accordance with IFRS. These procedures have not been performed by the Bank with respect to financial data regarding the RBPL Core Bank Business at all.
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Transaction highlights

Transaction perimeter

- Bank BGŻ BNP Paribas S.A. ("BGŻ BNPP") will acquire **SME, Corporate, Retail and Private Banking business** ("Core RBPL") of Raiffeisen Bank Polska S.A. ("RBPL") from Raiffeisen Bank International ("RBI"), **excluding FX mortgages, wind farms and selected corporate exposures**
- Transaction also includes RBPL subsidiaries and excludes 6 funds under liquidation managed by FinCrea until November 2017
- Core RBPL had **PLN 19.0bn gross customer loans, PLN 34.4bn deposits** as of December 31, 2017
- Core RBPL to be transferred to BGŻ BNPP with **guaranteed CET1 capital of PLN 3.4bn** at closing (demerger effective date)

Purchase price

- Purchase price amounts to **PLN 3.25bn** (including an up-front complement of PLN 50m for digitalization investment projects to be developed between signing of the transaction agreement and closing) **implying 0.87x P/BV** multiple based on expected pro-forma NAV at closing or **0.95x P/TBV** based on end 2017 pro-forma accounts of the RBPL Core Bank Business
- Transaction will be **fully financed by BNP Paribas Group** ("BNPP")

Transaction structure

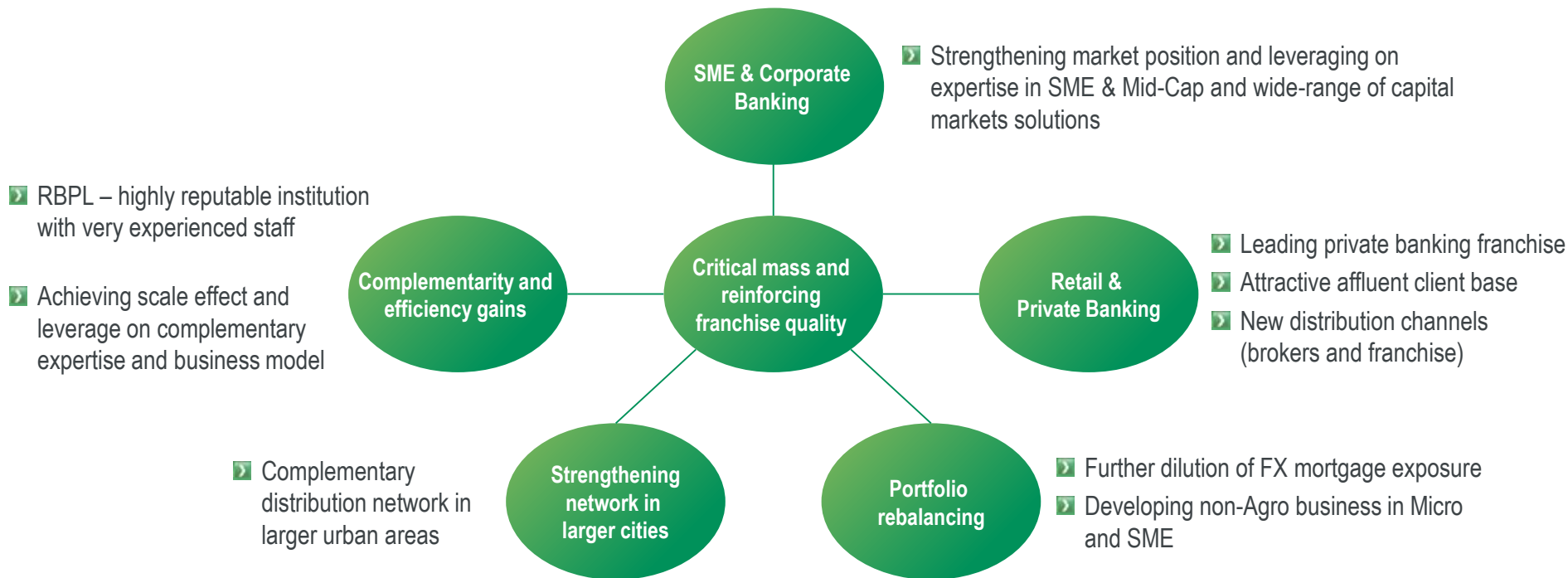
- Core RBPL to be demerged from RBPL and transferred to BGŻ BNPP
- Initially, BNPP to acquire minority stake in RBPL from RBI, currently estimated at ca. 45%
- Subsequently, BGŻ BNPP to issue ca. 49.6m* demerger shares to both BNPP and RBI as shareholders of RBPL
- Following demerger, BNPP shares in RBPL will cease to exist while RBI will receive 9.8% stake in BGŻ BNPP to be acquired by BNPP or third parties

Approval and timetable

- Following receipt of regulatory approvals, the transaction is expected to be closed in Q4 2018

Transaction rationale

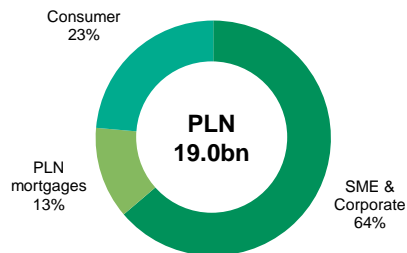
Next step for BGŻ BNPP in building a critical mass, consolidating market position and improving profitability



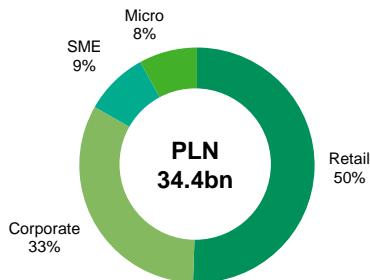
Core RBPL at glance

Leading mid-market bank focused on larger cities with strong products offering

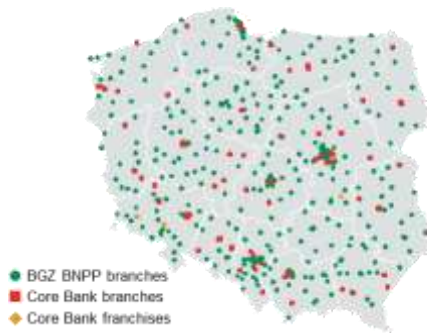
Gross loans



Deposits



Core RBPL - 228 branches vs. BGŻ BNPP branch network



Key financials 2017

Assets	PLN 39.8bn
Loans*	PLN 19.0bn
Deposits	PLN 34.4bn
Net asset value	PLN 3.8bn

Core RBPL sizeable and value adding contribution to BGŻ BNPP

Retail and Private Banking ('PB')

- Complementary distribution network in large cities
- Expertise in investment products offer
- Top 3 position in Private Banking

KPIs 2017	
Loans*	PLN 6.9bn
Deposits	PLN 20.0bn
# Retail clients	780k
# PB Clients**	5k

**Value-adding Digital Capital
Market Solutions**
*(online FX trading and exchange
platforms)*

SME and Corporate, Corporate & Investment Banking

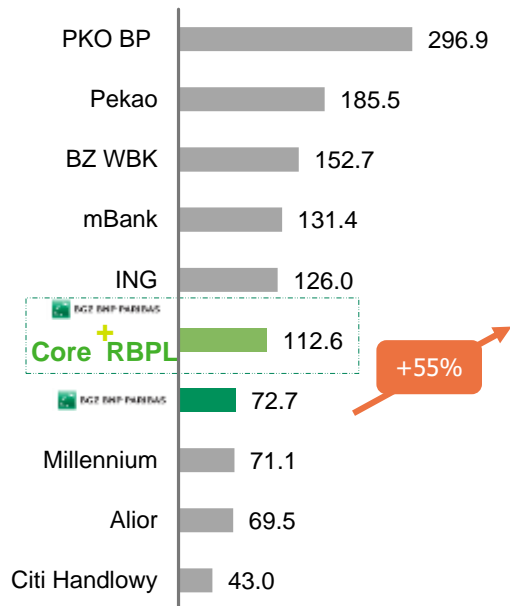
- Strong distribution network
- Long-standing expertise in SME and Mid-Cap franchise
- Top position in factoring and trade finance
- Strong fees generating business model especially in FX business

KPIs 2017	
Loans*	PLN 12.1bn
Deposits	PLN 14.5bn
# SME clients	8k
# Corporate clients	7k

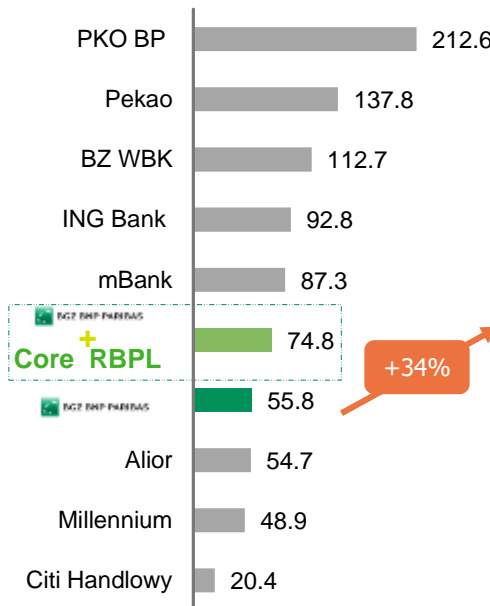
Transaction would allow BGŻ BNPP to become a Tier 1 market player

Strengthen as #6 bank and challenge top 5 with well over PLN 100 bn total assets

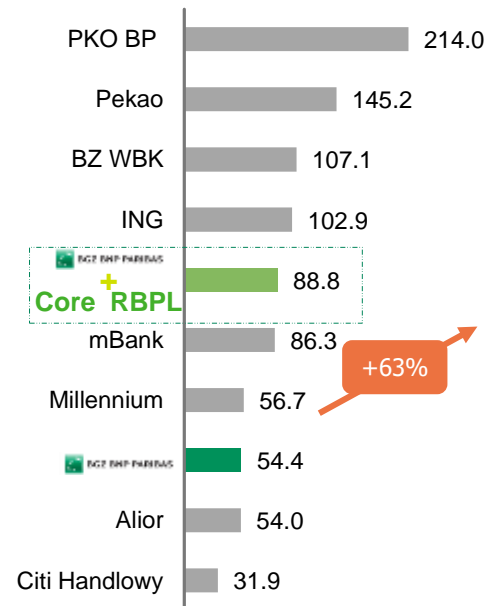
Assets (PLN bn, 2017)



Gross loans (PLN bn, 2017)*



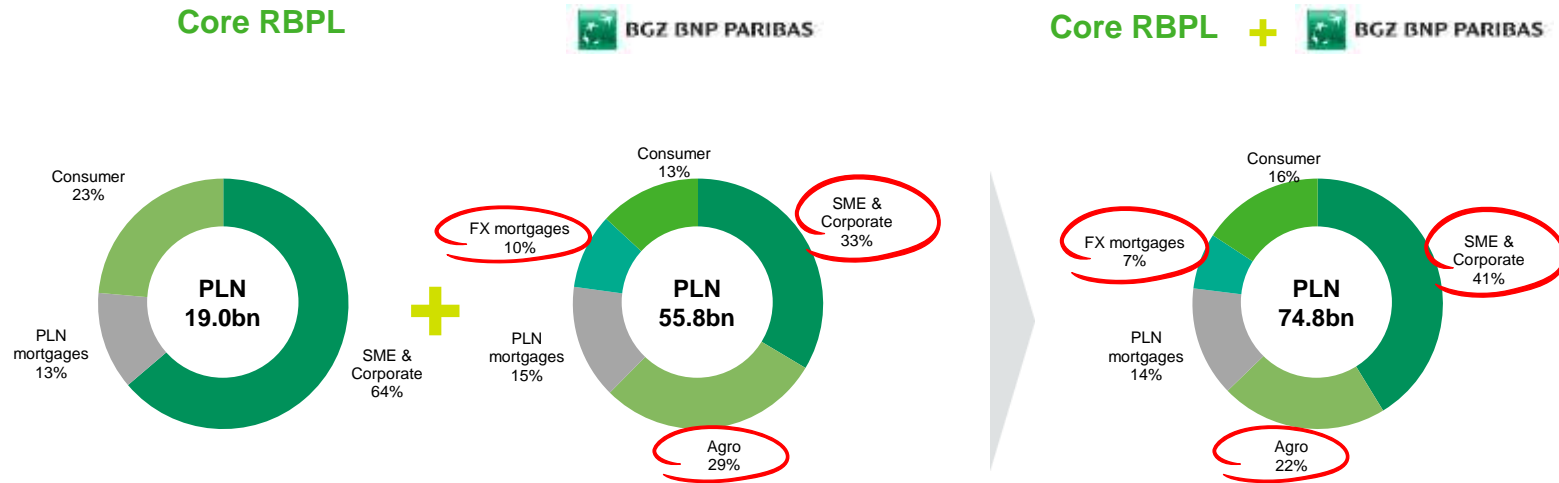
Deposits (PLN bn, 2017)**



Portfolio rebalancing

Dilution of FX mortgage exposure, strengthening SME and Corporate portfolio and reducing weight of Agro

► Gross loans split by products*

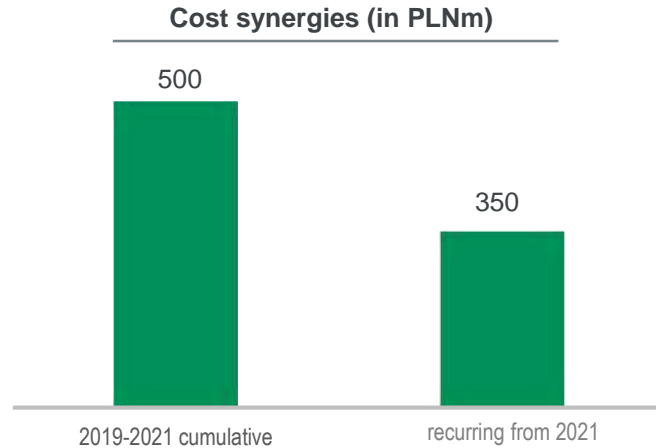


Significant synergy potential

Leveraging on complementary business models and expertise

Indicative cost synergies and Integration costs

- Fully phased costs synergies represent 13%* of combined cost base
 - Total pre-tax cost synergies of PLN 500m spread over 2019-2021
 - Total pre-tax restructuring costs of PLN 500m (excluding write-offs)

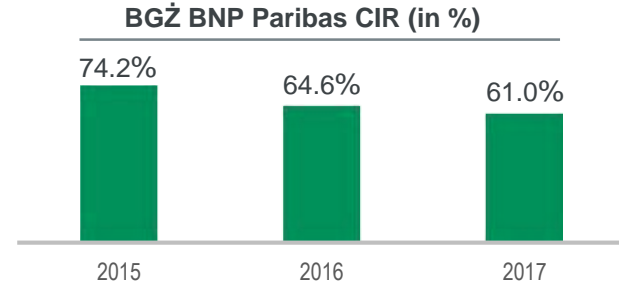


Revenue and funding synergies

- Additional cross-selling with the combined network and other BNP Paribas subsidiaries operating in Poland (BNP Paribas Securities services, Arval, Cardif, BGZ BNP Paribas Factoring, BNP Paribas Leasing Services) in line with the Group integrated model
- Sharing of fee generating best practices
- Optimisation of excess liquidity

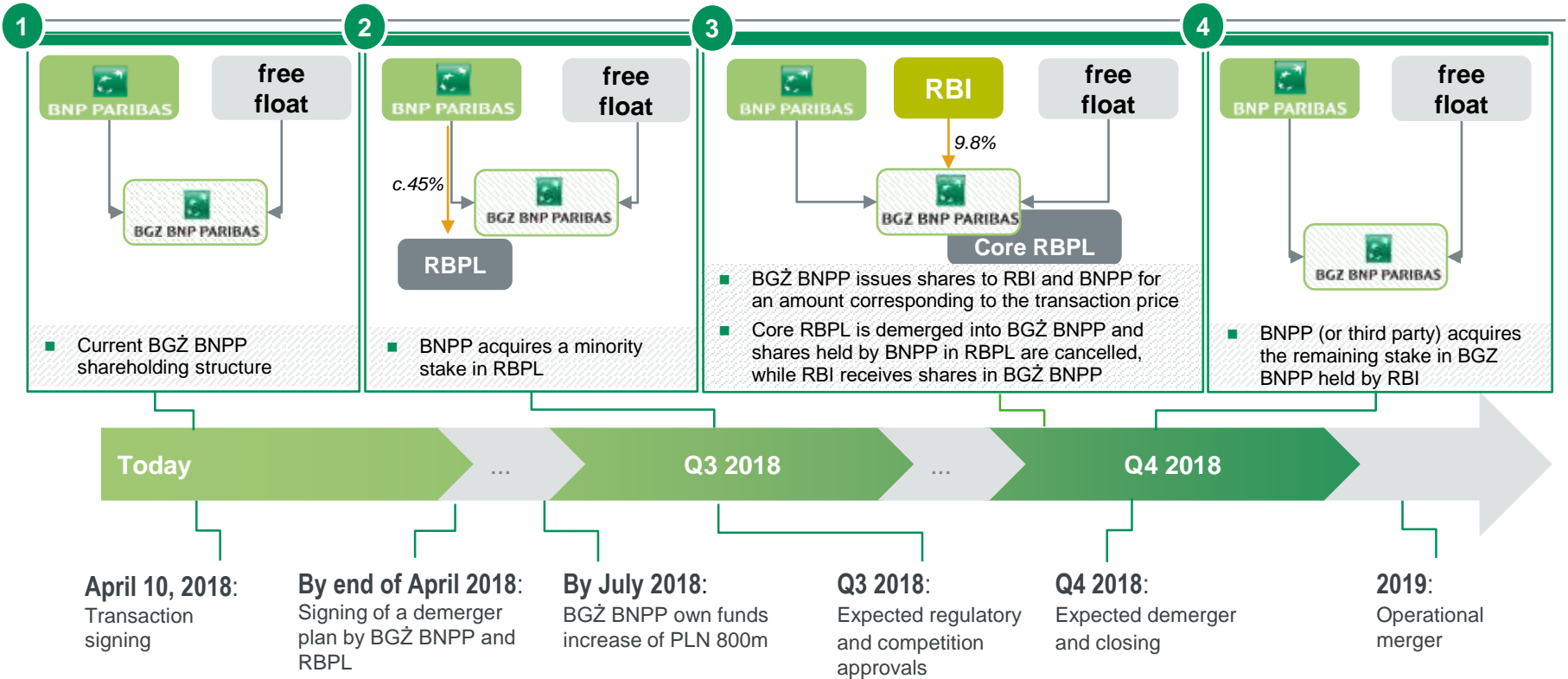
Successful Integration track record

- Gradual decrease in Cost Income Ratio** over the last years as a result of the Integration Program



Transaction structure and timeline

Core RBPL would be demerged to BGŻ BNPP



Key takeaways

BGŻ BNPP proven track record in business integration

Complementary business

- Reaching top position in key Business Lines: 1 or 2 for SME and Top 3 for Corporate/CIB
- Prominent SME franchise, with strong distribution network, innovative products platform and modern central customer service
- Retail: sales network with stronger presence in large cities and development potential in affluent customer base
- Private Banking would triple in size and become one of the leaders in this segment
- Credit Risk diversification: decrease in share in portfolio of farmers & Agro processors' and FX exposures

Efficiency gains

- Positive track record in term of integration (BGŻ, BNP Paribas Bank Polska, Sygma Bank Polska)
- Significant synergies expected to improve the cost income ratio
- Accelerated digitalization of the Bank thanks to IT teams located both in Warsaw and Krakow

Shifting gears

- Willingness to be an active player in market consolidation hereby realised
- Opportunity to on board complementary skills and competencies
- Boost motivation and strive for success in competitive market
- A larger set-up allowing us to grow in all our client segments (Individuals, Private Banking, Micro, Agro, SME, Corporate, Financial Institutions)