



Subscription and the offering of series J ordinary bearer shares and series K ordinary registered shares and the conclusion by Bank BGŻ BNP Paribas S.A. of the placement agreement for the series J shares

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Not for release, publication or distribution directly or indirectly, in or into the United States of America, Australia, Canada, Japan or in any other jurisdiction where to do so would be restricted or prohibited by law.

Further to current report No. 27/2018 dated 18 May 2018 containing information on the resolutions adopted by the Ordinary General Meeting of Bank BGŻ BNP Paribas S.A. (the "**Company**") dated 18 May 2018, including information on the resolution No. 37 concerning an increase of the share capital by way of the issuance of series J ordinary bearer shares and series K ordinary registered shares (the "**Resolution concerning the Increase of the Share Capital**"), the Management Board of the Company hereby informs that a decision has been made to commence the subscription and the offering of (i) not less than 1 (one) and not more than 2,500,000 (two million five hundred thousand) series J ordinary bearer shares with a nominal value of PLN 1.00 (one) each (the "**Series J Shares**") and (ii) not less than 1 (one) and not more than 10,800,000 (ten million eight hundred thousand) series K ordinary registered shares with a nominal value of PLN 1.00 (one) each (the "**Series K Shares**", and jointly with the Series J Shares - the "**New Issue Shares**") by way of private subscription (*subskrypcja prywatna*) within the meaning of Article 431 § 2 item 1 of the Commercial Companies Code, with the waiver of the pre-emptive rights of the existing shareholders of the Company, in a private placement (*oferta prywatna*) addressed exclusively to not more than 149 selected investors (the "**Offering**").

The Offering, which will be commenced immediately following the publication of this current report, with respect to the Series J Shares will be conducted through the Series J Shares bookbuilding process in accordance with the principles provided for in the Resolution concerning the Increase of the Share Capital and the Placement Agreement (as defined below).

The Offering of the Series J Shares will be addressed to selected investors including, in the first place, the so called Eligible Shareholders referred to in the Resolution concerning the Increase of the Share Capital, who shall have the priority right to take up the Series J Shares in accordance with the principles stipulated in the said Resolution. The Series J Shares will be ultimately offered to the investors indicated by the Management Board of the Company in a resolution adopted after the Series J Shares bookbuilding process. The offering of the Series K Shares will be addressed exclusively to BNP Paribas SA and/or BNP Paribas Fortis SA/NV in proportion determined by the Management Board of the Company at its sole discretion.

For the purpose of the Offering and the admission to trading of the Series J Shares and, subject to satisfaction of the regulatory requirements for such admission and introduction, also of the rights to the Series J Shares to trading on the regulated market operated by the Warsaw Stock Exchange the disclosure to the public of a prospectus or an information memorandum by the Company is not required.

The final number of the New Issue Shares, which will be offered to subscription, as well as the issue price for the New Issue Shares, will be determined by the Management Board of the Company after the Series J Shares bookbuilding process, the end of which is planned for the 14 June 2018. Subscription agreements for the Series J Shares and Series K Shares are expected to be executed by 19 June 2018.

Moreover, on 11 June 2018 the Company concluded the placement agreement for the Series J Shares with Powszechna Kasa Oszczędności Bank Polski S.A. Oddział - Dom Maklerski PKO Banku Polskiego w Warszawie, Bank Zachodni WBK S.A. (the "**Global Coordinators**") and BNP Paribas SA (the "**Placement Agreement**").

Pursuant to the Placement Agreement, the Global Coordinators agreed to provide services for the purpose of the placement of the Series J Shares on the terms set out in the Placement Agreement, and in particular to use their best efforts to solicit potential investors and solicit the subscriptions and acquisition and payment for the Series J Shares by such investors. However, the Global Coordinators are under no obligation to guarantee the success of the issue of the Series J Shares. In this regard BNP Paribas SA undertook to subscribe and pay for (or effectively cause BNP Paribas Fortis SA/NV to subscribe and pay for) the Series J Shares and/or Series K Shares with total value of not less than PLN 650 million. Additionally, BNP Paribas SA undertook to subscribe and pay for (or effectively cause BNP Paribas Fortis SA/NV to subscribe and pay for) the Series J Shares not subscribed by the investors, including the Eligible Shareholders, so that the total value of the New Issue Shares was not less than PLN 800 million.

The Placement Agreement contains standard conditions for the Global Coordinators' undertakings encountered in such agreements entered into in connection with transactions similar to the offering of Series J Shares, including conditions related to the occurrence of a material adverse change in the Company's situation. The Placement Agreement also contains representations and warranties concerning the Company, its capital group and their operations, within the standard scope of such representations and warranties made by the issuers of securities in such agreements related to transactions similar to the offering of Series J Shares. The Placement Agreement may be terminated on the terms specified therein, including in the event of failure of entering into the pricing supplement to the Placement Agreement by the Company and Global Coordinators, which will stipulate, inter alia, the issue price of Series J Shares. The Placement Agreement is governed by the laws of the Republic of Poland and subject to jurisdiction of Polish courts. The Placement Agreement stipulates that the Global Coordinators and other persons named in the Placement Agreement shall be indemnified and held harmless against certain claims, liabilities or costs that might be sought from or raised against the Global Coordinators or other designated persons in connection with the Placement Agreement (indemnity clause).

Subject to: (a) customary exemptions, (b) exemptions related to the transaction of the acquisition of the core bank business of Raiffeisen Bank Polska S.A., as communicated by the Management Board of the Company in current reports No. 17/2018, No. 18/2018 and No. 19/2018 dated 10 April 2018, No. 24/2018 dated 28 April 2018 and No. 30/2018 dated 29 May 2018 regarding: (i) the issuance by the Company of the so called demerger shares addressed to BNP Paribas SA and Raiffeisen International Bank AG and (ii) the acquisition of the demerger shares from Raiffeisen International Bank AG by BNP Paribas SA or a third party or parties nominated by BNP Paribas SA, (c) exemptions intended to allow the increasing of the free float of the Company's shares traded on the WSE should it result from the obligations in relation to the Polish Financial Supervision Authority (*Komisja Nadzoru Finansowego*), and (d) exemptions aimed at avoiding the possible requests of the Company's shareholders with respect to the reverse squeeze out, the Company and BNP Paribas SA undertook under the Placement Agreement that without the written consent of the Global Coordinators the Company, BNP Paribas SA and the affiliates of BNP Paribas SA within the meaning of the Placement Agreement will not

issue, sell or offer securities of the Company for a period from the date of execution of the Placement Agreement until the lapse of 180 days following the initial listing date of the rights to Series J Shares on the WSE, and if the rights to Series J Shares are not traded, until the lapse of 180 days following the date when the initial listing of the rights to Series J Shares was supposed to take place (the "**Lock-up Exemption**"). The Lock-up Exemption shall lapse if the Placement Agreement is terminated on the terms specified therein including in the event of failure of entering into the pricing supplement to the Placement Agreement. The Lock-up Exemption does not apply if only BNP Paribas SA and/or BNP Paribas Fortis SA/NV shall participate in the Offering.

Legal basis

Article 17, item 1 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

Disclaimer:

This current report was prepared in accordance with Article 17 Section 1 of Regulation No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

This current report is solely for information purposes and is published by the Company exclusively in order to provide information on the commencement of the private subscription of series J ordinary bearer shares and series K ordinary registered shares and the execution of the Placement Agreement by the Company with Powszechna Kasa Oszczędności Bank Polski S.A. Oddział - Dom Maklerski PKO Banku Polskiego w Warszawie, Bank Zachodni WBK S.A. and BNP Paribas SA. This current report is by no means intended, whether directly or indirectly, to promote the subscription of the new issue shares and does not represent promotional material prepared or published by the Company for the purpose of promoting the new issue shares or their subscription or to encourage, directly or indirectly, to acquire the new issue shares.

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