

Decision of the Polish Financial Supervision Authority approving a demerger of Raiffeisen Bank Polska S.A. and other decisions related to the planned acquisition of the core banking business of Raiffeisen Bank Polska S.A. by Bank BGŻ BNP Paribas S.A.

current report No. 54/2018

date: 14 September 2018

The Management Board of Bank BGŻ BNP Paribas S.A. (the "**Bank**") further to current report No. 18/2018 dated 10 April 2018 regarding the execution on 10 April 2018 of the transaction agreement by the Bank with Raiffeisen Bank International AG and BNP Paribas SA regarding the acquisition by the Bank of the core business of Raiffeisen Bank Polska S.A. ("**RBPL**") excluding the FX mortgage portfolio of RBPL through a demerger of RBPL by spin-off of the core business of RBPL to the Bank (the "**Transaction Agreement**"), current report No. 24/2018 dated 28 April 2018, *inter alia*, on agreeing and signing of the demerger plan of RBPL (the "**Demerger Plan**"), as well as current report No. 49/2018 dated 24 August 2018, *inter alia*, on the adoption by the Extraordinary General Meeting of the Bank of the resolution on the demerger of RBPL, hereby gives notice that on 14 September 2018 it learned that during the sitting dated 14 September 2018 the Polish Financial Supervision Authority (*Komisja Nadzoru Finansowego* – "**KNF**") unanimously issued the following administrative decisions:

1. on declaring that there are no grounds to object against intended acquisition of RBPL shares by BNP Paribas SA resulting in the right to exercise over 1/3 of the total number of votes at the General Meeting of RBPL and representing over 1/3 of the share capital of RBPL, as well as setting 31 March 2019 as the date by which the acquisition of shares should take place, and
2. on consenting to the demerger of RBPL by spin-off of part of the property of RBPL to the Bank in exchange of the Bank's shares issued to RBPL shareholders pursuant to the Demerger Plan.

Additionally, the Management Board of the Bank hereby gives notice that KNF unanimously issued the decisions declaring that:

1. there are no grounds to object against the intended direct acquisition by the Bank of shares of Raiffeisen Towarzystwo Funduszy Inwestycyjnych S.A. ("**Raiffeisen TFI**") in a number resulting in exceeding 50% of the share capital of Raiffeisen TFI and exceeding 50% of the total number of votes at the General Meeting of Raiffeisen TFI, and
2. there are no grounds to object against an intended direct acquisition by the Bank of shares of Raiffeisen Solutions sp. z o.o. in a number giving the right to exercise over 50% of the total number of votes at the Shareholders' Meeting of Raiffeisen Solutions sp. z o.o. and representing over 50% of the share capital of Raiffeisen Solutions sp. z o.o.

Moreover, the Management Board of the Bank gives notice that KNF has issued an unanimous decision approving a merger of RBPL with Raiffeisen Bank International AG by transferring all property of RBPL to Raiffeisen Bank International AG.

Obtaining the aforementioned KNF decisions satisfies further conditions precedent to the transaction aimed at the demerger of RBPL by spin-off of the part of the property of RBPL and its transfer to the Bank set out in the Transaction Agreement and further conditions precedent to the demerger set out in the Demerger Plan announced by the Bank in the current reports cited above.

The issuance of the aforementioned KNF decisions means that the most important conditions precedent pertaining to the transaction aimed at the demerger of RBPL by spin-off of the part of the property of RBPL and its transfer to the Bank have already been satisfied. The remaining conditions precedent pertaining to the transaction include obtaining further consents of KNF, including those indicated in the Demerger Plan, and executing certain agreements between the Bank and RBPL. The demerger is expected to occur in the fourth quarter of 2018.

At the same time, the Management Board of the Bank hereby gives notice that during the sitting dated 14 September 2018 the KNF has received commitments from BNP Paribas SA regarding the prudent and sound management of the Bank, which also apply to the operations of RBPL which are to be acquired. As part of its commitments, BNP Paribas SA undertook to increase the liquidity of the Bank shares on the Warsaw Stock Exchange to at least 25% plus 1 share by the end of 2023 at the latest.

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.

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Except for the issuance of the new registered ordinary demerger shares of the Bank to both Raiffeisen Bank International AG ("RBI") and BNP Paribas SA ("BNPP"), as future shareholder of Raiffeisen Bank Polska S.A. ("RBPL"), in relation to the contemplated acquisition by BNPP from RBI of the shares representing less than 50% of the share capital of RBPL and demerger of RBPL in accordance with the respective provisions of the Polish Banking Law and the Polish Commercial Companies Code to be effected through a transfer (spin-off) of the RBPL core bank business ("RBPL Core Bank Business") to the Bank (the "Transaction"), there will be no offer of securities of the Bank under the Transaction to any shareholders of the Bank or any other persons.