



BGZ BNP PARIBAS

The agreement with the Trade Unions regarding the employment restructuring

current report no. 81/2018

date: 14 December 2018

The Management Board of Bank BGŻ BNP Paribas S.A. ("the Bank") hereby informs that on 14 December 2018 the Bank finalized the negotiations with the Trade Unions operating at the Bank and entered into an agreement defining the method of proceeding on employee issues relating to group lay-offs (the "Agreement"). The group lay-offs are to be executed following the transfer of the core business of Raiffeisen Bank Polska S.A. to the Bank (the "Transaction") about which the Bank informed in the current report no 61/2018 dated 31 October 2018. The parties to the Agreement agreed that group lay-offs would be conducted in the period of 1 January 2019 till 31 December 2020 and would cover no more than 2,200 employees of the Bank.

The parties to the Agreement also agreed, among other things, the selection criteria for employees whose employment contracts will be terminated under group lay-offs, terms of employees' participation in voluntary redundancy programs, terms of severance payments and additional compensation payable to employees, as well as the conditions of relocation (changing workplace) and the conditions of so-called outplacement program.

The execution of the group lay-offs along with the branch network optimization is part of the efforts to achieve the cost synergies from the Transaction as announced by the Bank in the current report no 19/2018 dated 10 April 2018.

The Bank estimates the restructuring charge covering the costs of employment reduction and branch closures in the amount of around PLN 128.5 million and PLN 28.5 million, respectively, to be recognized in the Bank's results for the fourth quarter of 2018.

Legal basis

Article 17, item 1 of the MAR Regulation