

Conclusion of a sale agreement regarding an organised part of the Bank's enterprise earmarked for conducting factoring activities to BGŻ BNP Paribas Faktoring sp. z o.o.

current report no. 22/2019

date: 28 June 2019

The Management Board of BNP Paribas Bank Polska S.A. ("**the Bank**") hereby notifies that on 28 June 2019, the Bank and a subsidiary of BNP Paribas S.A. based in Paris ("**BNP**"), i.e. BGŻ BNP Paribas Faktoring sp. z o.o. with its registered office in Warsaw (at ul. Suwak 3, 02-676 Warsaw, KRS no. 0000225155, "**the Factoring Company**") concluded an agreement regarding the sale ("**Sale**", "**Sale Agreement**") of the organised part of the Bank's enterprise earmarked for conducting factoring activities ("**Factoring Activity**", "**ORG**").

Under the Sale Agreement, effective 30 June 2019, the Bank sold ORG to the Factoring Company and transferred any accounts payable associated with conducting the Factoring Activity, as specified in the Sale Agreement, to the Factoring Company. The Factoring Company became also a party to employment relations with respect to the employees transferred.

The ORG sale price amounted to PLN 45,000,000 (the "**Sale Price**"). By 30 July 2019, the Bank and Factoring Company will finally verify the value of net factoring receivables transferred (less allowances made for such receivables) with respect to which customers agreed to be transferred within ORG, against the estimated value of the net factoring receivables as at 30 June 2019, assumed for the preparation of the financial plan which was the basis for the Sale Price calculation. A difference of at least 1% between the above values of net factoring receivables will result in the corresponding percentage adjustment of the Sale Price.

Other terms and conditions of the ORG Sale Agreement do not differ from the terms conditions commonly applied in such agreements.

The estimated one-off impact of the Sale on the Bank's gross result will amount to PLN 45 million and will be recognized in the second quarter of 2019. Furthermore it is estimated that as a result of Sale stand-alone Common Equity Tier I (CET I) and Tier I capital (Tier I) ratios will increase by 0.21 pp as well as stand-alone Total Capital Ratio (TCR) by 0.25 pp, based on data as at 31 March 2019. In case of capital adequacy ratios calculated on consolidated basis it is estimated that improvement will be equal to 0.20 pp and 0.24 pp respectively.

The Bank informed about the Sale in current reports no. 2/2019 of 28 January 2019, no. 14/2019 of 5 June 2019 and no. 16/2019 of 14 June 2019. Consent to the conclusion of the Sale Agreement was granted in resolution of the Ordinary General Meeting of BNP Paribas Bank Polska SA held on 27 June 2019, which was disclosed by the Bank to the public in current report no. 20/2019 of 27 June.

Legal basis

Art. 17 (1) of the Market Abuse Regulation (MAR).