

The intent to merge Bank BGZ S.A. and Rabobank Polska and plans for increasing shares in the free float

Current Report 138/2012 dated December 20, 2012

Management Board of the Bank Gospodarki Żywnościowej ("Bank") decided to disclose to the public information obtained by the Bank on December 19, 2012 from its strategic shareholders Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. („Rabobank") and its subsidiary Rabobank International Holding („RIH"), on the intent to merge Bank BGŻ S.A. with Rabobank Polska S.A. Rabobank informed the Bank that Rabobank, together with RIH, will use its best efforts to register a merger between BGZ and Rabobank Polska S.A. before the end of 2013 and no later than mid 2014.

The decision on the merger of both banks is in line with the obligations undertaken by Rabobank towards the Polish Financial Supervision Authority ("PFSA") back in 2008 in relation to the approval of exceeding by Rabobank 50% of votes in the Bank BGŻ S.A. (details concerning the Rabobank obligations were made publicly disclosed in the Bank BGŻ S.A. prospectus approved by PFSA on April 28, 2011).

The merger will be carried out through the acquisition of Rabobank Polska S.A. by Bank BGŻ S.A., other information concerning the merger will be disclosed immediately to the public as it becomes available.

Characteristics of the entities:

Bank BGŻ S.A.

BGŻ is a bank that offers a wide range of banking products and services to institutional and retail clients. Rabobank, together with RIH, currently holds 98.26% of the share capital of Bank BGŻ S.A. The Bank's tradition and history of service to local communities, and the food and agricultural, or F&A, sector in particular, have given the Bank a distinctive community banking business model that sets it apart from other large banks in Poland. The Bank's community banking business model influences its business strategy, geographical focus and target client segments.

The Bank has two main business segments: institutional and retail. Historically, the Bank has focused on providing banking products and services to the F&A sector of which it is a leader and represents a sizeable part of its loan portfolio

The Bank distributes its products through a range of distribution channels, including its network of 400 branches and its electronic and telephone banking distribution channels.

Rabobank Polska S.A.

Rabobank Polska is company 100% owned by RIH Banking activities are mainly focused providing financial services to companies active in two industries: Food & Agribusiness and Telecommunication.

The Bank provides the following services to its clients:

- Inventory and Receivable Financing,
- Investments and Working Capital Financing, including subsidized loan,
- Structured Financing, including off balance sheet and tax enhancing financing,
- Cash Management and Trade Finance,
- Acquisition and Leveraged Financing,
- FX and Money Market transactions.

The merger will be subject to the following factors:

- obtaining the approval from the PFSA on the merger pursuant to art. 124 section 1 of the Banking Law Act;
- obtaining the approval of the PFSA on the amendments to the Bank's articles of association pursuant to art. 34 section 2 in relation to art. 31 section 3 of the Banking Law Act;
- adopting by the Bank's General Meeting of resolutions on the merger with Rabobank Polska;
- adopting by Rabobank Polska General Meeting of resolutions on the merger with the Bank.

In addition Rabobank, in line with its obligations towards PFSA informed the Management Board of the Bank that aims to reduce its holding in Bank BGŻ from the current 98% to the 75% level by no later than mid 2016. At the same time the number of shares traded on the Warsaw Stock Exchange will be at a 25% level.

Legal basis:

§ 5 section 1 point 13 of the Ordinance of the Minister of Finance dated February 19, 2009 on the current and periodic reports disclosed by the securities issuers and on equivalence of information disclosures required by law of non-EU member states and art 56 section 1 point 1 of the Act from July 29, 2005 on the public offering and the conditions for introducing financial instruments to organized trading, and public companies.