



current report no. 36/2014

date: 3 September 2014

Intended merger

Legal basis: article 56(1)(2) of the Act on Public Offerings and Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies of 29 July 2005 read with section 5(1)(13) and section 19 of the Minister of Finance Regulation of 19 February 2009 concerning Current and Period Information Provided by Issuers of Securities and Conditions for Recognizing as Equivalent Information Required by Laws of a Non-Member State.

BNP Paribas Bank Polska S.A. (the "Issuer"), hereby informs that on 2 September 2014 its Management Board adopted a resolution including a decision to start a procedure that will result in a merger of the Issuer and Bank Gospodarki Żywnościowej („BGŻ”), according to article 492(1)(1) of the Code of Commercial Companies (merger by acquisition).

The merger of the Issuer and Bank Gospodarki Żywnościowej („BGŻ”) is expected to bring benefits to both banks, its clients and also their shareholders (including minority ones) and it will make it possible to achieve the following objectives:

- a) capital reinforcement,
- b) improved liquidity,
- c) expanded sale network,
- d) better competitive position on the market,
- e) synergies resulting in reduced operating expenses,
- f) reinforced and simplified management system.

The overall strategy of BNP PARIBAS Group is to create a larger, though still medium-size, universal bank in Poland with the following characteristics:

- (i) a critical mass allowing the combined entity to increase its performance and to be better positioned to face the high level of competition in the Polish banking sector,
- (ii) a full-fledged universal bank with balanced activities between retail and corporate business, aiming at serving Polish and international clients with services tailored according to the standard of the BNP PARIBAS Group,
- (iii) diversified loan distribution and deposit collection channels with a nationwide branch network of about 500 branches, an internet tools (BGŻ Optima and Pl@net) and partnerships in consumer finance allowing a nationwide client reach,
- (iv) a strong focus on agricultural and food processing activity supported by the unique competences of the BGŻ’s business, which will be strengthened,
- (v) capacity to support the international development of Polish corporates thanks to the wide international network of BNP PARIBAS Group,
- (vi) a sound liquidity profile with balanced loan to deposit ratio in local currency and capacity of the reference shareholder to provide foreign currency denominated funding and equity in order to support the development of the combined entity,
- (vii) a prudent approach in risk management, a modernized and scalable IT platform, and a re-dynamized brand.

BGŻ is a universal commercial bank and ranks among the largest banks in Poland for years now. It specializes in financing the agriculture, food economy and regional infrastructure.

BNP Paribas Bank Polska S.A. is a member bank of BNP PARIBAS Group, a leading European financial institution with an international reach. The BNP PARIBAS Group operates in the areas of retail, corporate and investment banking, assets and wealth management, etc.

BNP Paribas Bank Polska S.A. is a mid-sized universal commercial bank. It offers a wide range of financing solutions as well as savings/ investment and transactional services to individual, SME and Corporate clients.

The planned merger is contingent upon the prior acquisition of a majority stake in BGŻ by BNP Paribas SA from Rabobank Group. The transaction has been already cleared by the European Commission and the Polish Financial Supervision Authority has confirmed no grounds to object to the planned transaction. On 25 August 2014 BNP Paribas SA announced a tender offer for the BGŻ shares.

Details of the merger will be agreed as a result of work and analyses undertaken, to be notified by the Issuer in further current reports.

Signatures of the Bank's representatives:

date	name	position	signature
03.09.2014	Frederic Amoudru	president of the board	