



**BGZ BNP PARIBAS**

Consent of the Supervisory Board of the Bank to sell 100% of shares of BGŻ BNP Paribas Faktoring sp. z o.o.

## current report no. 21/2017

date of preparation: 30 October 2017

The Management Board of Bank BGŻ BNP Paribas S.A. ("the Bank") hereby informs that on 30 October 2017 the Supervisory Board of the Bank ("Supervisory Board") adopted a resolution and gave consent to the Bank to sell 100% of its shares in BGŻ BNP Paribas Faktoring sp. z o.o. ("BGŻ BNPP Faktoring") in favor of BNP Paribas S.A., a French stock corporation (Societe Anonyme), incorporated and existing under French law, with its registered office in Paris, France, at 16 Boulevard des Italiens - 75009 Paris, France, recorded in the Commercial Register of Companies maintained by the Commercial Court Office in Paris under number R.C.S. Paris 662 042 449, operating in Poland through its branch BNP Paribas S.A. Oddział w Polsce, with its seat in Warsaw, ul. Suwak 3, 02-676 Warsaw, Poland, registered by the District Court for the Capital City of Warsaw under the KRS No. 0000245000, Tax Identification Number (NIP) 1070002909 (the "Purchaser"). BNP Paribas S.A. is the majority shareholder of the Bank.

The Supervisory Board gave consent to the Bank to conclude with the Purchaser a conditional share purchase agreement regarding 100% of shares of BGŻ BNPP Faktoring (i.e. 20.820 shares amounting to 10.410.000,00 zlotys), representing 100% of the share capital and 100% of the votes at the entity shareholders' meeting for the aggregate price equal to 10.410.000,00 zlotys (say: ten million four hundred ten thousand zlotys).

According to the resolution of the Supervisory Board the sale of the shares shall be effective upon fulfillment of the conditions precedent, including receipt of the information from the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego), enabling Bank BGŻ BNP Paribas S.A. to conduct cross – border factoring activities in other member states of the European Union.

Taking into account the consent of the Supervisory Board, the Bank plans to enter into a conditional share purchase agreement and expects the closing of the transaction before end of 2017, subject to the fulfilment of the conditions precedent.

The purpose of the sale is the optimization of capital use and efficiency of BGŻ BNP Paribas S.A. Group. The finalization of the sale and consequent deconsolidation of BGŻ BNPP Faktoring would improve the solvency position of the Bank on a consolidated basis (TCR by approximately 0.48 pp. and Tier 1 Ratio by approximately 0.38 pp., calculation based on data as at June 30, 2017). It is expected that the sale would impact negatively consolidated net profit in the fourth quarter of 2017 (by approximately PLN 8.9 million).

Post-transaction, Bank BGŻ BNP Paribas S.A. and BGŻ BNPP Faktoring will continue their cooperation and stay committed to supporting the Bank's clients with high-value multi-product range of factoring services.

As at June 30, 2017, the total assets of BGŻ BNPP Faktoring amounted to PLN 2,020.1 million and the net profit for the first half of 2017 amounted to PLN 5.7 million.

### Legal basis

Article 17, item 1 of the MAR Regulation