



The Resolution of the Management Board on the sale and transfer of the organized part of the enterprise to conduct the factoring activity, to BGŻ BNP Paribas Faktoring sp. z o.o. in Warsaw

## current report no. 14/2019

date: 5 June 2019

The Management Board of BNP Paribas Bank Polska S.A. (the „Bank”) informs that on 5 June 2019, it passed the resolution on the sale and transfer of the organized part of the enterprise to conduct the factoring activity, to BGŻ BNP Paribas Faktoring sp. z o.o. in Warsaw (the „Buyer”). According to the above mentioned resolution, the Management Board of the Bank resolved that the Bank shall conclude with the Buyer an agreement of sale of the organized part of the enterprise, under which:

1. The Bank shall sell and transfer to the Buyer and the Buyer shall buy and acquire from the Bank, with effect at 30 June 2019, for a sale price of PLN 45,000,000 (say: forty five million zlotys) subject to possible price adjustment on the principles defined in the Sale Agreement (“Sale Price”), the organized part of the enterprise, to conduct the Factoring Activity (“Factoring Activity”, “ORG”), including in particular:
  - (i) rights (including receivables) arising from factoring contracts („Factoring Contracts”);
  - (ii) rights arising from the collaterals established in favour of the Bank, or where the Bank is the beneficiary, to secure the receivables arising from Factoring Contracts, or receivables arising from Factoring Services under Debt Limit Agreements (as defined below);
  - (iii) rights (including receivables) relating to the factoring services arising from the debt limit agreements or credit agreements of the content similar to those of the debt limit agreements, (“Factoring Services under Debt Limit Agreements”);
  - (iv) rights (including receivables) arising from leasing agreements and maintenance agreements related to the Factoring Activity;
  - (v) rights (including receivables) arising from the Facility Letter Agreement (a credit facility up to EUR 500 million), which shall be concluded not later than on 30 June 2019 between the Bank as the borrower and BNP PARIBAS SA in Paris as the lender with the purpose to finance the factoring activity conducted by the Bank. According to the resolution passed on 5 June 2019, the Management Board of the Bank granted its consent for the conclusion of the above mentioned Facility Letter Agreement;
  - (vi) Factoring Agreements customer bases;
  - (vii) rights arising from insurance policies concluded by the customers and from agreements of provision to the Bank or to its customers, of debt collection services in connection with Factoring Contracts (“Debt Collection Policies and Services”);
  - (viii) any rights (including receivables) arising from agreements, collaterals or insurance policies indicated in items 1(i)–(vii) above, in respect of which the Bank shall not obtain customers’ or third party consents by 30 June 2019, for transfer of obligations, or a given customer or third party shall refuse to grant consent, provided that the provisions of the relevant agreement with the customer or third party do not prohibit acquisition of rights to a given agreement without simultaneous acquisition of the obligations arising from such agreement by the Buyer;
  - (ix) specialised software used by the Bank to process the Factoring Activity under ORG;
  - (x) cash funds (assets) paid by the debtors on account of factoring debt, deposited on technical accounts (accounts of assignment) of the Bank;

- (xi) rights arising from employment relations of the Bank's employees, who are involved directly in the Factoring Activity conducted by the Bank at 30 June 2019 (the "Employees");
  - (xii) tangible assets involved in the Factoring Activity and rights arising from telecommunication services agreements related to the Factoring Activity;
  - (xiii) books, documents and information (whether written or in electronic form, saved on storage media), related to the Factoring Activity;
  - (xiv) rights to receive any payments (including payments of insurance compensation in connection with an insurance event as provided for in the Insurance Policy or Debt Collection Service or provided for in the insurance agreement where the Bank is the insuring party or insured party), which the Bank may receive in relation to the ORG or its components after 30 June 2019;
  - (xv) any other asset components and rights not specified in the resolution of the Management Board which are or will be functionally attached to the ORG or Factoring Activity at 30 June 2019.
2. The Bank shall transfer to the Buyer any receivables due from the Bank and obligations of the Bank, related to the Factoring Activity to the extent they will exist at 30 June 2019 ("Assumed Obligations"), including in particular, any receivables due from the Bank and obligations of the Bank arising from agreements, collaterals or insurance policies indicated in items 1(i)–1(xv) above, any obligations arising from the Facility Letter Agreement, any obligations arising from the agreements concluded with Employees, cash funds paid by the debtors on account of factoring debt, deposited on technical accounts (liabilities), referred to in item 1(x) above; and any other accounts receivable due to the Bank and accounts payable due from the Bank, related to the Factoring Activity.

It is estimated that net factoring receivables to be transferred to the Buyer will be equal to PLN 1.48 billion.

Planned transaction is aimed at operating activities optimisation as well as improvement of capital adequacy measures of the Bank and the Bank's Capital Group. It is estimated that completion of the transaction will improve: Common Equity Tier I (CET I), Tier I capital and Total Capital Ratio (TCR) calculated on stand-alone and consolidated basis by approximately 0.2 pp – 0.3 pp, based on data as at 31 March 2019.

The fairness of the Sale Price was confirmed to BNP Paribas Bank Polska S.A. by the opinion issued on 3 June 2019 by KPMG.

The Management Board of the Bank shall also approach the Supervisory Board of the Bank and the General Meeting of the Bank with a request for approval of the sale agreement conclusion and of the sale and transfer of the ORG (together with the Assumed Obligations) to the Buyer, and of the Bank undertaking any legal and factual actions associated with the execution of the above mentioned transaction, or undertaking actions required or necessary for execution of the above mentioned transaction.

The Bank has earlier informed of the process in the current report no. 2/2019 of 28 January 2019.

Legal basis

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