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PRESS RELEASE

BNP PARIBAS GROUP TO ACQUIRE THE CORE BANKING OPERATIONS OF RAIFFEISEN BANK POLSKA AND STRENGTHEN ITS SUBSIDIARY BGZ BNP PARIBAS

BNP Paribas Group and Raiffeisen Bank International (“RBI”) have reached an agreement for the acquisition of the core banking operations of Raiffeisen Bank Polska (the “Core Bank”), to be combined with the subsidiary of BNP Paribas in Poland, BGZ BNP Paribas.

The Core Bank consists of the business of Raiffeisen Bank Polska (“RBPL”), excluding the foreign currency retail mortgage loan portfolio and excluding a limited amount of other assets. Corporate and retail gross loans of the Core Bank amount to PLN 19 billion (cv EUR 4.5 billion¹) and customer deposits to PLN 34 billion (cv EUR 8.1 billion¹) at year-end 2017.

Thanks to the complementarity of the activities of the two banks, the transaction will further strengthen BGZ BNP Paribas’ position as the #6 bank in the Polish market. The combined bank would have attained an over 6% market share in loans and deposits at year-end 2017. The longstanding expertise of the teams of the Core Bank, in particular in SME, Corporate banking and Factoring, in affluent/private banking, as well as its retail network, will reinforce the role of BGZ BNP Paribas as a key player in the Polish banking sector and its ability to support the growth of the Polish economy.

With new cross selling opportunities, the transaction will also enhance the position of all the other BNP Paribas Group subsidiaries operating in Poland (BNP Paribas Securities Services, BNP Paribas Leasing Solutions, BNP Paribas Cardif, Arval, ...) in accordance with the Group's integrated model. Moreover, the integration of the Core Bank within the BNP Paribas Group will provide its clients with access to the BNP Paribas international network and expertise.

The closing of the transaction is expected in 4Q 2018, subject to the execution of the final documentation, the approval from KNF and other regulatory approvals.

The transaction price is set at PLN 3.20 billion plus a price complement of PLN 50 million for digitalization investment projects to be developed before closing (altogether PLN 3.25 billion or EUR 775 million¹), corresponding to ~87% of the Core Bank estimated book value at closing and ~95% of its tangible book value.

For the BNP Paribas Group, the transaction is expected to have an impact of -10bp on the CET1 ratio and to improve the earning per share by ~1.0% as of 2020.

¹ €/PLN rate of ~4.20



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Przemek Gdanski CEO of BGZ BNPP declared:

"I believe that this transaction will strengthen our position amongst the largest banks in Poland bringing us much closer to the top 5. We are glad to become with this transaction an active participant in the consolidation of the Polish banking sector. This is an opportunity for us to create a Bank that is larger, more profitable and more effective, one that will fully respond to the growing needs of our clients. Raiffeisen Bank Polska is one of the pioneers of modern banking in Poland. I am glad that we will join forces and experiences, building an inspiring organisation that is open to development and collaboration. In many business areas, we will become an undisputed market leader."

Piotr Czarnecki, CEO of Raiffeisen Bank Polska added:

"The teams of Raiffeisen Bank Polska can be excited by the perspective of joining BNP Paribas, one of the leading banking groups in Europe. I trust that in recent times, we have demonstrated our capacity to adapt while continuing to service efficiently our clients. The global reach of BNP Paribas and its ambition on the Polish market is certainly good news for our clients and its interest in us offers a fantastic recognition of the quality of our franchise."

Jean-Laurent Bonnafé, CEO of BNPP concluded:

"I wish a warm welcome to the teams of Raiffeisen Bank Polska into our Group. Combining the existing strengths of BGZ BNP Paribas with the assets and culture of the core banking activities of Raiffeisen Bank Polska, the BNP Paribas Group in Poland will become a reference bank in all market segments, from consumer finance to private banking, from SME financing to CIB. This acquisition confirms our position as a leading universal bank, dedicated to serve our Polish clients, and shows our commitment to support the growth of the Polish economy."

About BNP Paribas

BNP Paribas is a leading bank in Europe with an international reach. It has a presence in 73 countries, with more than 196,000 employees, including nearly 149,000 in Europe. The Group has key positions in its three main activities: Domestic Markets and International Financial Services (whose retail-banking networks and financial services are covered by Retail Banking & Services) and Corporate & Institutional Banking, which serves two client franchises: corporate clients and institutional investors. The Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance.

In Europe, the Group has four domestic markets (France, Belgium, Italy and Luxembourg) and BNP Paribas Personal Finance is the European leader in consumer lending.

BNP Paribas is rolling out its integrated retail-banking model in Mediterranean countries, in Turkey, in Eastern Europe and a large network in the western part of the United States. In its Corporate & Institutional Banking and International Financial Services activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.

About BGZ BNP Paribas

Bank BGŻ BNP Paribas is a universal bank listed on the Warsaw Stock Exchange. It offers savings and investments products as well as a wide range of loans (including mortgage and consumer) to individual clients. It is one of the largest credit card issuers in Poland. It provides businesses (micro, SMEs and corporates) with solutions to fund their operations on the Polish and international markets. The Bank also caters to food and agro sector companies, specialising in financing agribusiness, food economy and regional infrastructure. The Bank has a comprehensive offering for its private banking segment clients to protect, optimise and grow their wealth. The bank's clients have at their disposal an array of investment advisory services.

The mission of Bank BGŻ BNP Paribas is to offer innovative financial solutions in a responsible manner to help clients change their world and support local economy. The Bank is a member of leading international banking group BNP Paribas.

The Bank provides services through a network of banking branches and stands at shopping centres throughout the country. Its credit products are also available at partner stores, including selected car dealership networks.



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