

STRATEGY FOR
2016-2018

INTEGRATED FOR CUSTOMERS

Warsaw, 13 April 2016



BGZ BNP PARIBAS



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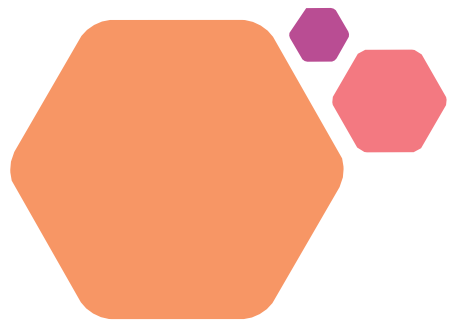
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The financial data presented for 2015 refer to the stand-alone results for Bank BGŻ BNP Paribas.



Macroeconomic conditions and external environment

The Bank's position in 2015 and ambitions for the coming years

Our mission, values and business model

Summary





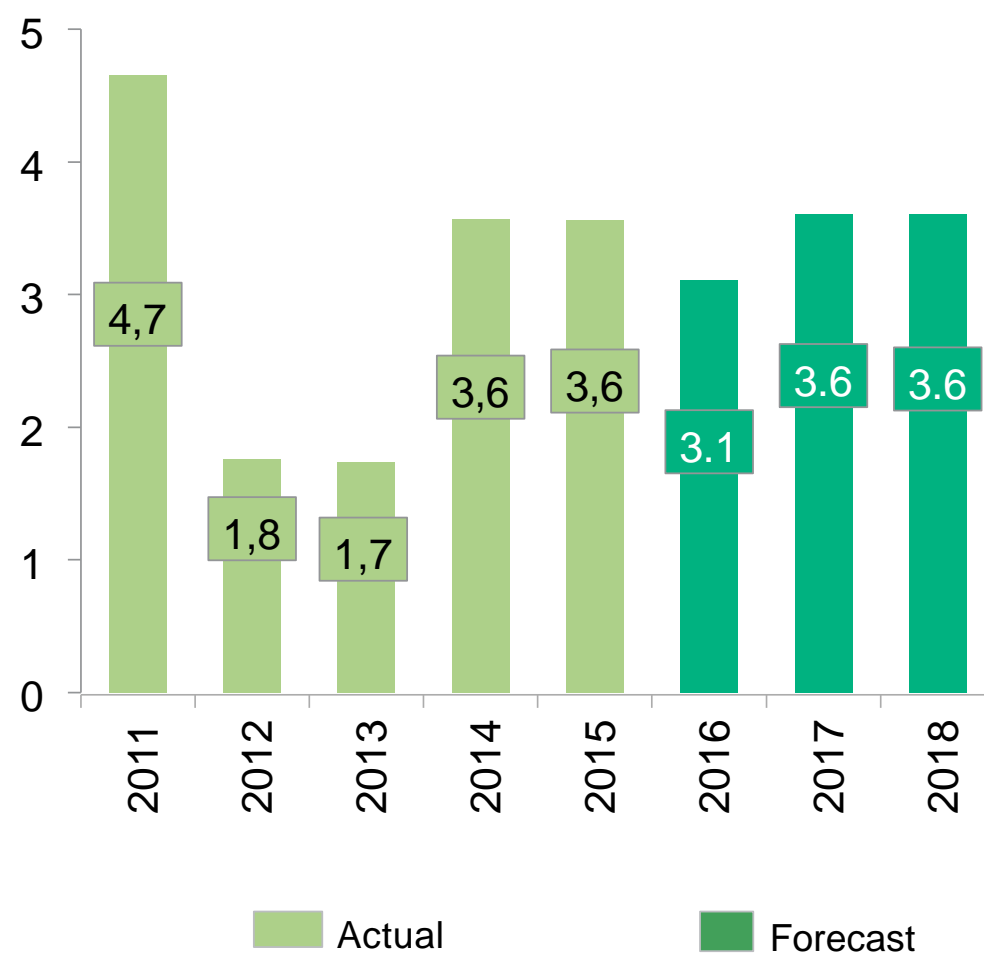
Continuing growth, falling unemployment and low inflation...

Stable economic growth...

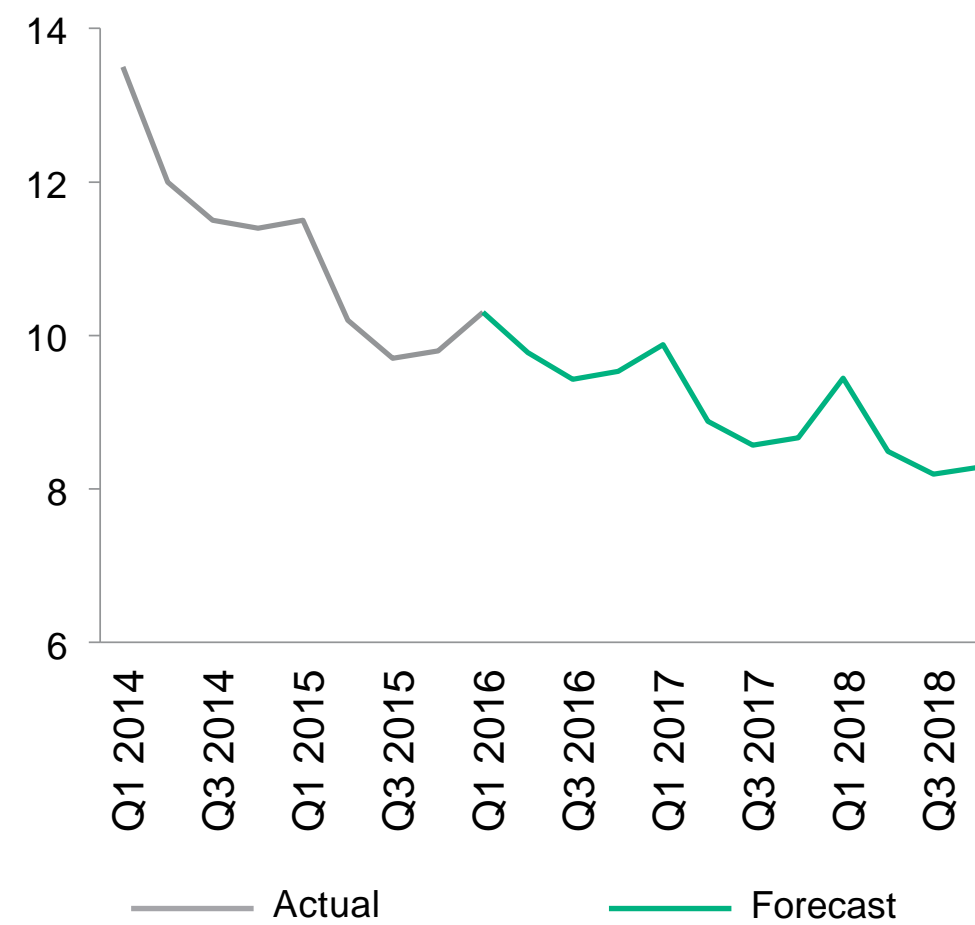
... falling unemployment...

... and inflation below the NBP target

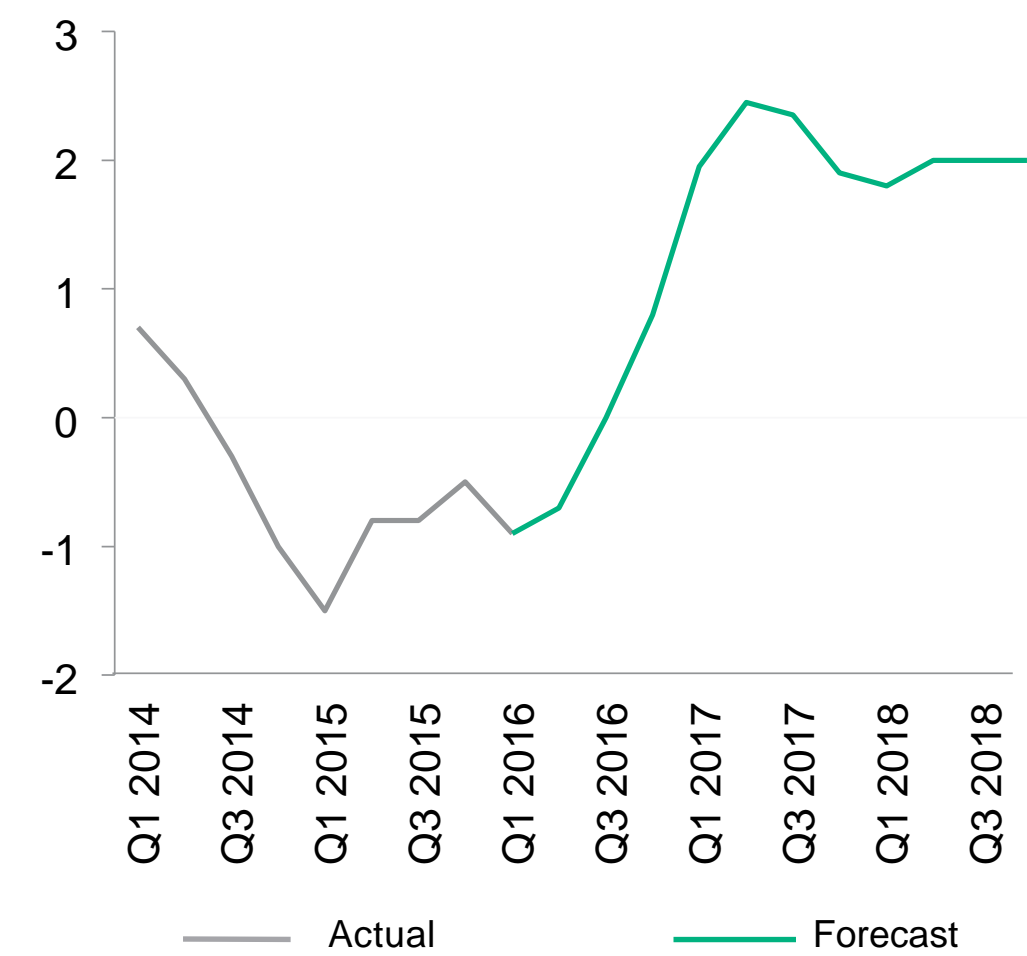
GDP per capita growth (% , yoy)



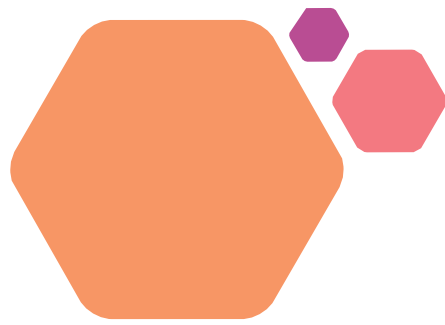
Unemployment rate (%)



Inflation rate (%)

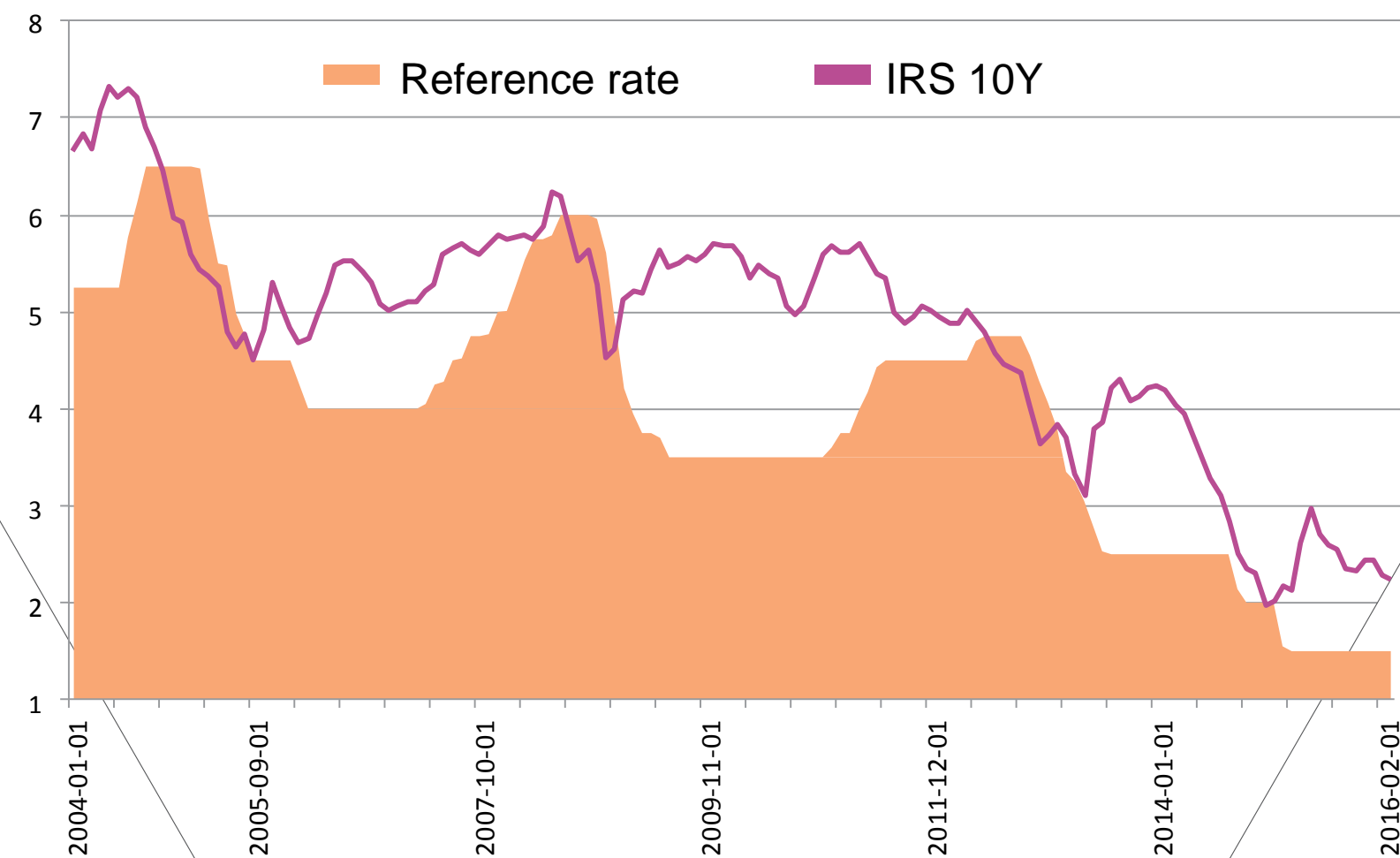


... the macroeconomic context seems to be favourable.



Financial market challenges

**The lowest
interest rates
in history**



Assets Tax

0.44% annually on bank assets;
estimated impact on the Bank's
net result 2016 – ca. PLN 200m

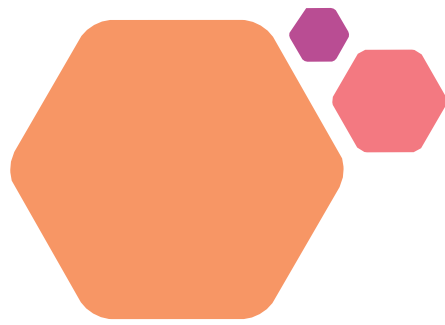
**Increased
capital
requirements**

Since 1 January 2016, minimum
capital ratios for the Bank:
Tier 1 – 10.78%, TCR – 13.96%

**CHF
conversion bill
(potentially)**

Potential impact on the Bank's
result difficult to estimate,
no final version of this regulation,
potential additional cost risk





- Investment in digital technology and automation after the migration has been completed
- Fast response and implementation of upgrades is key – transformation of the IT department is necessary



- Focus on proximity to customers, concentrate on their needs, solving their financial problems and making their life easier
- Know your customer as a basis for all product initiatives
- Convenience as one of key distinctive features



- Taking advantage of the Group's global position to become the first choice bank for Polish companies interested in foreign expansion
- Dedicated offer for travellers / expats



- Development of solutions helping customers who reach a retirement age
- Whilst continuing to attract younger new customers



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Market share as at 31.12.2015

Loans	4.89% (vs 3.10% as at 31.12.2014)
Deposits	4.23% (vs 3.16% as at 31.12.2014)

Agro market share as at 31.12.2015

Loans	32.09% (vs 29.88% as at 31.12.2014)
Deposits	12.03% (vs 12.05% as at 31.12.2014)

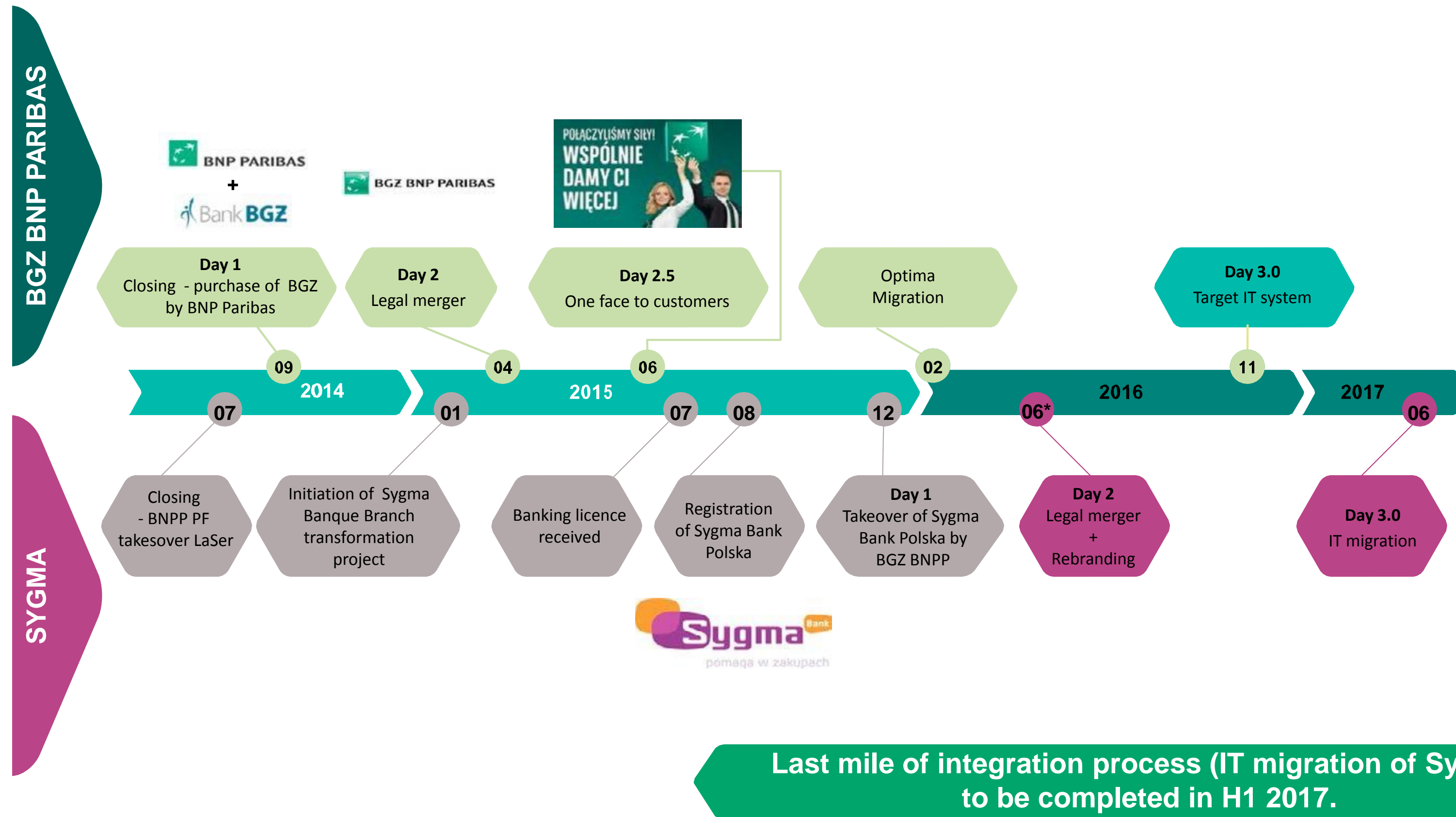
31.12.2015 r.

Bank Headcount*	7 588 FTE
Clients	2.6m (of which: 1.65m at Bank level)
Agri Clients	72k
Branches*	508
Assets	PLN 65,372m
Equity	PLN 6,268m

* data refer to Bank BGŻ BNP Paribas S.A. only



BGŻ with BNPP integration completed by 2016 will enable to fully achieve all synergies in 2017



* by end of June 2016 provided all regulatory approval received, including KNF



BGŻ BNP PARIBAS



Ongoing integration is the priority and an opportunity to enhance effectiveness

Four entities to be merged in two years

IT migration - unconventional IT solutions

Necessity to upgrade, while integrating

Ambitious objectives in respect of BGŻ and BNPP synergies realised according to schedule

- confirmation of net cumulative synergies expected in 2017 at the level of PLN 350m, including costs synergies of PLN 258m
- planned synergies related to integration with Sygma Bank Polska in 2018 at the level of PLN 86m, including costs synergies of PLN 31m

Completion of integration with Sygma Bank Polska and realisation of synergies

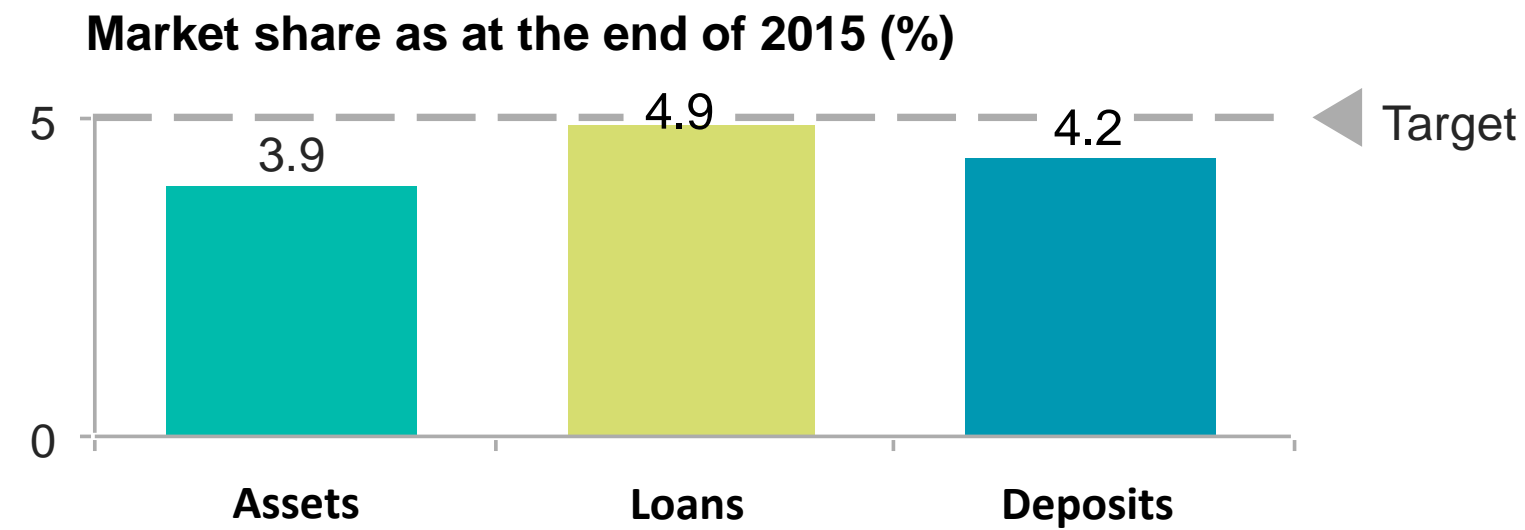




Our ambitions 2016-2018

Our ambition is to reach at least 5% market share...

~5%



Revenue growth (NBI) CAGR of 14% in 2015-2018.

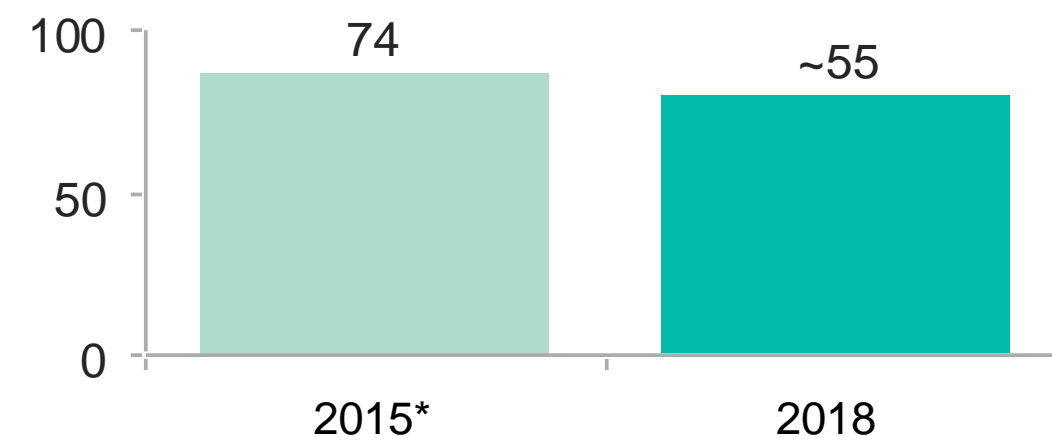
... C/I at market level

~55%

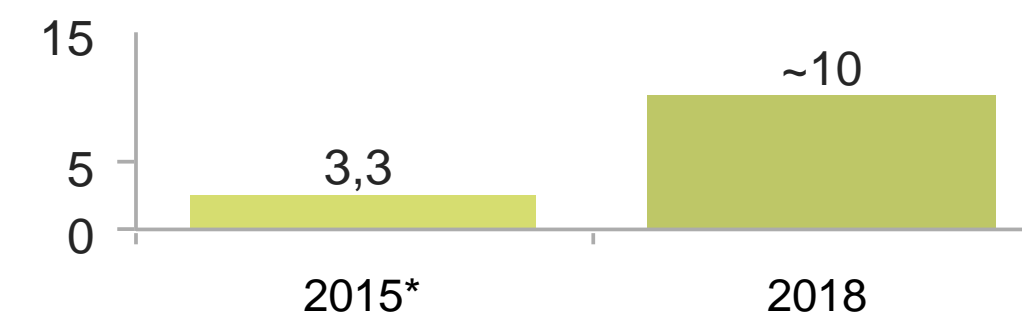
... while increasing ROE to close to 10%.

~10%

C/I (%)



ROE (%)





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**Our Mission is to
responsibly offer
innovative financial
solutions which help our
customers change their
world and will support
local economy.**





BNP Paribas Way – shared values for the entire Group

BNP Paribas Way:

Our driving forces are values on which we work continuously and which we develop to face the challenges and ensure good future for BNP Paribas.

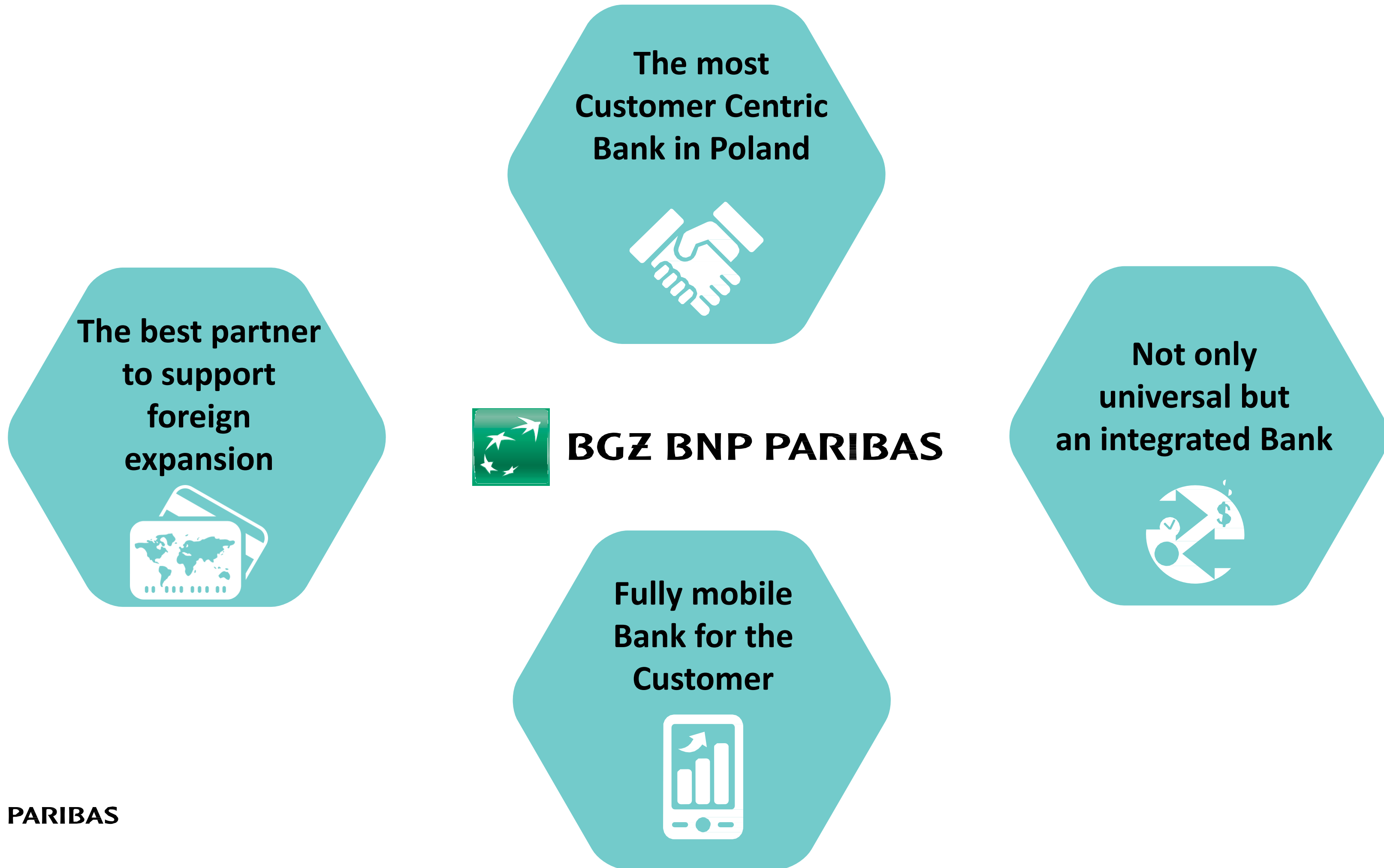


Our strong sides are foundations for the BNP Paribas common rules specified by employees from the Group's various business lines and countries.





Ambitions based on 4 strategic pillars





As a customer-centered Bank we want to...

1

Be close to customers

- Build proximity in relations with retail and MSP clients in small and mid-sized towns
- Tailor international corporate & institutional banking solutions for local clients

2

Listen to, and understand, customers and further...

- Provide offering for each retail customer segment
- Focus on selected segments in MSP and corporate banking
- Sectorial know-how of understanding clients' needs and risks

3

...deliver solutions matched to the changing customer behaviours and needs

- Build the offer using mobile technology in each business segment

4

Offer top quality service

- Shorten average service delivery time for retail and corporate customer
- Maintain high quality and ranking of customer service measured by NPS ratio and maintain top position in external rankings

5

Deliver value to customers and treat them in a responsible way

- Maintain simple and transparent pricing policy
- Establish compliance culture creating fair value for customer



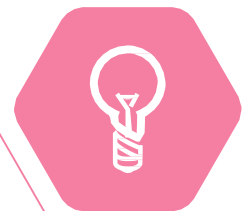
Best partner for your foreign expansion - global presence of BNP Paribas Group

BNP Paribas is present in 75 countries all over the world... while our competitors are present in selected regions



BGZ BNPP is a bank of first choice for companies focused on foreign expansion:

- Dedicated international service centres in 5 regions
- Financial products enabling participation in international trade
- Bank as an intermediary matching their local customers with potential international trade partners
- Marketing communication underlining such advantages



BGZ BNP PARIBAS

Bank of first choice for companies considering international expansion



Universal and integrated Bank - taking advantage of the BNP Paribas Group in Poland

Boost cross business line client acquisition

Strengthen cross-selling:

- inside business lines (e.g. Private Banking, Retail)
- between business lines (Corporates, MSP, Retail)
- in actions with the BNP Paribas Group companies (Arval, leasing, factoring)

More transversal products and shared sectorial focus

- Comprehensive customer service and Value Chain Financing
- Dedicated offer for various customer segments
- One leader per product from one of the business lines





Fully mobile bank for the customer

- Development of new mobile banking functionalities
- Transformation of Optima and iGotówka mono-product offers
- Optimisation and automation of back-office processes through development of digital platform



In effect we will be:

- fully mobile bank...
- ... meeting all needs of current customers, and
- ... supporting acquisition of new customers – young and modern





Business lines – main strategic goals

Retail Baking + Personal Finance (PF)

- Customer satisfaction is key in terms of service and process.
- Cross-selling thanks to Sygma Bank Polska customer base
- Develop simple, self-service model for customers, servicing basic needs
- Acquisition of customers and accounts through electronic channels
 - Proximity to customers and convenience
 - Loan availability in digital world (f.e. i-Gotowka, e-Commerce loans)

MSP + AGRO

- Sectorial approach (understanding of the clients needs and environment they operate within)
- Cooperation between the business lines (cross-sell)
- Shared knowledge centers (e.g. UE)
- One-stop-shop with Export Accelerator functions
- Enhancing leader's position in agro segment

Corporates

- Segment expertise (MNC) and now also Sectorial approach
- High leverage of x-sell (among best on the market) – thanks to cooperation with product factories (e.g. FX in CIB)
- Partner for Polish companies abroad
- Strong e-banking offer, host-to-host services

Corporate & Institutional Banking (CIB)

- Single platform for institutionals
- New commodity platform
- Off-shore solutions in cooperation with BNP Paribas Group
- Expert knowledge, best-in-class banking sector specialists





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Strategic priorities – summary

1



Finalization of BGŻ BNP Paribas integration, integration with Sygma Bank and execution of synergies

2



Revenue increase in line with strategies of each business line

- **Customer Centric Bank**
- **Bank of choice for international expansion**
- **universal and integrated Bank**
- **fully mobile Bank for the customer**

3



Employees commitment and organizational culture change

4



Active capital management as a response to external conditions and regulatory requirements

