



Bank BGŻ BNP Paribas announces updated strategy for 2016-2018 – information on major strategic goals

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The Management Board of Bank BGŻ BNP Paribas S.A. (hereinafter: "BGŻ BNPP", "the Bank") hereby informs about major goals of the Bank's updated strategy for years 2016-2018 (hereinafter: "Strategy"), as approved by the Management Board and the Supervisory Board of the Bank.

- **By the end of 2018 the Bank seeks to:**
 - **win an over 5% share of the market in credits and deposits,**
 - **reduce the cost-to-income ratio to about 55% and**
 - **increase ROE to about 10%.**
- **The basis for effective realization of the strategy is completion of the process of integration of Bank BGŻ S.A. and BNP Paribas Bank Polska S.A. ("BNPP Polska") by the end of 2016, and also the legal merger of Bank BGŻ BNP Paribas S.A. with Sygma Bank Polska S.A. ("Sygma Bank Polska") in the middle of this year.**
- **The four pillars of the strategy are:**
 - **Focus on the client**
 - **Support for corporate clients in their international expansion**
 - **Integrated universal bank**
 - **Basing services on digital technology in every segment of operations**

"A year after the merger of the two banks, we are closer and closer to completion of the integration process," said Tomasz Bogus, CEO of Bank BGŻ BNP Paribas. "We are also prepared to merge with Sygma Bank Polska in the middle of the current year. The merger with Sygma Bank will reinforce our activity in the area of consumer finance. We recognized that this is a good moment to update the growth strategy of our integrated Bank. The mergers I mentioned significantly reinforce our market position - we belong to the group of the largest banks in Poland in terms of balance sheet and number of customers. In certain areas, such as the agro sector or international corporate banking, we are the leader in market share. We are also aware of the challenges facing the financial sector, and to continue to grow we must concentrate on further improvement in efficiency, which will generate positive effects for our customers, staff and shareholders."

In its strategy, assuming continuing growth in the economy the Bank aims to achieve the following targets in 2018:

- Winning over 5% share in deposits and credits market.
- Improvement in efficiency, which will result both from cost synergies connected with the integration of the banks and an increase in income.
- Grow results on banking activity (NBI) at a Compound Annual Growth Rate of 14% over the period 2015-2018, through implementing new initiatives across all business lines.
- Reduction of the cost-to-income ratio from 74% in 2015 (excluding integration costs) to about 55% in 2018.
- Increase in the return on equity to a level of ca.10%.

Tomasz Bogus added: *"Completion of the integration will enable us to realize synergies on the cost side. But the basis for improvements in efficiency in future years will be the steady improvement in the result on banking activity. We have an offer for every group of customers and we intend to exploit it for further growth. We want to grow in every area, to be an integrated bank making full use of the potential of our universal offer to increase income."*

Bank BGŻ BNP Paribas will base its growth on 4 pillars:

1. Focus on the client—a presence close to customers thanks to the operation of a network of locations primarily in small and medium-sized towns. Concentration on specific groups of customers in retail banking and selected sectors and industries in corporate banking and SMEs. Leveraging and enhancing the Bank's leading position in agro market.
2. Support for corporate clients in their international expansion thanks to exploitation of the potential of the BNP Paribas Group, present in 75 countries around the world.

3. Transformation from a universal bank to an integrated bank increasing cross-selling between specific products and customers, enabling comprehensive support for every aspect of activity of both specific customers and selected industries.
4. Growth of electronic and mobile banking to compete with the best banks on the market. Optimization and industrialization of operational processes.

With reference to the Current Report No 41/2015 dated 30 April 2015, containing information on the synergies planned by BNP Paribas SA with its registered office in Paris, France resulting from the merger of BGŻ and BNP Paribas Bank Polska S.A., the Bank hereby informs that:

- it confirms the estimated total synergies to be achieved in 2017 in the amount of PLN 350 million, including PLN 258 million cost synergies, and additionally
- it plans to achieve in 2018 estimated synergies resulting from the merger of BGZ BNPP and Sygma Bank Polska of PLN 86 million, including PLN 31 million of cost synergies.

Legal Disclaimer:

This document includes forward-looking statements including, particularly, the Bank's strategic financial objectives. These statements are based on the Management's current expectations and beliefs and are subject to a number of factors uncertainties being beyond the Management's control that could cause actual results to differ materially from those described in forward looking statements.

This document is not a forecast or estimation of future results. Accordingly, possible changes of the Bank's strategy or intentions, caused by unforeseen circumstances, with affect the Bank strategy or intentions, shall not be subject to disclosure under the procedure stipulated for this closure or forecast or estimation of future results.

Legal basis:

article 56 item 1, point 1) 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 (consolidated text: Journal of Laws of 2013, item 1382)