

CEO LETTER

Dear Shareholders, Clients and Employees of Bank BGŻ BNP Paribas Group,

Allow me to invite you to read our Group's consolidated annual report, in which we review our activities in 2016.

The past year was marked by significant challenges related to completing the integration of Bank BGŻ and BNP Paribas Bank Polska, merging with Sygma Bank Polska, as well as external factors such as a new tax on financial institutions, record-low interest rates and an economic slowdown. I am glad that we were up to these challenges.

In 2016, the Group's result on banking activities reached PLN 2.64 billion, compared to PLN 2.05 billion in 2015. The Group's net profit in 2016 was PLN 76.9 million, versus PLN 13.3 million in the previous year. Let's remember that our results in the last several years were affected by the costs of integrating Bank BGŻ, BNP Paribas Bank Polska and Sygma Bank Polska. Adjusting for these merger-related items, the Group's net profit for 2016 would have reached PLN 223.8 million, up by 24.0% y/y.

Integration consumed much of our time and energy over these last few years. We were mainly focused on merging our banks into a single institution. Despite this, we did not fall behind the market – our credit portfolio grew in 2016 at a rate similar to the entire banking sector in Poland, while the Group's deposits significantly outperformed the market.

The 2016 results make for a solid foundation for us to focus in 2017 on executing our strategy, an updated version of which was unveiled last year. We want to be the most client-centric bank in Poland. We aim to be a universal, integrated and fully mobile local bank with a global reach, one that supports its corporate clients in foreign expansion by leveraging BNP Paribas Group's potential.

The tasks that we have set for ourselves are ambitious. I am happy that 2016 brought us closer to achieving our objectives, including through a reduction in cost-to-income. I am certain that the 2016 report will show that we are implementing our strategy and edging closer to our goals.

I am proud of the awards that the Bank received in 2016 because they show that our priorities and actions are well aligned. Aside from awards for client products or growth rates, we also received a CSR Silver Laurel from weekly Polityka for corporate social responsibility as well as the Top Employer Polska 2016 award for an HR policy that follows best market practices.

I would like to thank our employees for their efforts in integrating the Bank. Without their involvement, the bank merger would not have been successful, just as our plans could not have been executed without their energy. I believe that thanks to our joint efforts the Group will even more precisely respond to our clients' needs and that it will continue to strengthen its market position, whilst placing emphasis on corporate social responsibility and partner relations with employees.

I would like to thank our clients and shareholders for the trust you have placed in us. Further challenges are ahead in 2017, and we will make every effort to execute our strategy and build our bank's value for both shareholders and clients.

Tomasz Bogus

CEO, Bank BGŻ BNP Paribas