

BANK BGŻ BNP PARIBAS S.A. GROUP

PRESENTATION OF FY 2017 FINANCIAL RESULTS

Warsaw, 14 March 2018



BGŻ BNP PARIBAS

The bank for a changing world

I Essential facts & information

II Macroeconomic situation

III Financial results of the Group

IV Business segments performance

V Challenges for the next quarters

VI Appendices



ESSENTIAL FACTS & INFORMATION

Gradual and constant improvement of financial performance

All indicators in the green

PLN 280 m

FY 2017 net profit

+263.9%

y/y

The highest net profit
over the last three years

+2.1%

y/y

Growth of reported
net banking income

-10.6%

y/y

Operating costs
reduction

-10.9%

y/y

Lower
cost of risk

Optimizing and strengthening the capital position

Enabling the fulfilment of business goals

**Sale and deconsolidation
of BGŻ BNP Paribas
Factoring Sp. z o.o.**

**Securitization of the Bank's
consumer loan portfolio
amounting to PLN 2.3 bln
carried out in Q4 2017**

**Share issue
of Bank BGŻ BNP Paribas S.A.**

**Sale carried out in Q4 2017
(release of PLN 2.4 bln
receivables due from customers
as of 30 September 2017)**

**Securitization
of the Bank's
consumer loan portfolio**

**The issue
should be finalized
at the turn
of 2nd and 3rd quarter of 2018**

Bank transformation by effective offer digitalization

and building a competitive advantage based on new technologies and cooperation with business partners



New app GOMobile

 **BACKBASE**



Cooperation
with key partners



New branches formats



Robotisation
Processes optimization (RPA)

Bank transformation in the area of customer offer and development of competences in the Agro area



Offer for newly established
companies



Agro Hub



Innovative
startups' implementations

Customer offer transformation

As for retail customers, acceleration in the digital transformation



New personal accounts:
“Konto Optymalne”,
“Konto Maksymalne”



“GOmobile” Application and
“Android Pay” payments



Opening of the first
cashless and automated
branch in a new format

Upward trend in customer acquisition. Strong performance in Corporate Banking

Changes in the offer bring positive results in customers acquisition

2,743
thousand
Bank's customers

+6.1% y/y

Growth in number
of retail customers
+156 ths.

Further increase in sales
of personal accounts and
investment products

+2.6%
personal accounts
number y/y

+98.0%
growth in
investment
products sale y/y

+5.6% y/y

Corporate business line net banking
income increase and
growth of the share in the Group
FY 2017 net banking income

The fastest growth among
business lines.
17.6% share in the Group's result
vs. 17.1% previous year

FY 2017 – executive summary

Cost effectiveness improvement and total assets stabilization

Financials

Net profit	PLN 280 m	+264% y/y (+PLN 203 m)
Net banking income	PLN 2,696 m	+2% y/y (+PLN 56 m) , including: <ul style="list-style-type: none">• net interest income: PLN 1,927 m, +6% y/y• net F&C income: PLN 486 m, -1% y/y• net trading income: PLN 251 m, -1% y/y
Costs	PLN 1,681 m	-11% y/y (-PLN 200 m) <ul style="list-style-type: none">• integration costs PLN 36 m vs PL162 m in FY 2016
C/I ratio	62.3%	-8.9 p.p. y/y
Net impairment losses	PLN 355 m	-10.9% y/y (-PLN 44 m)

Volumes

Assets	PLN 73 bln, +1% y/y
Loans (gross)	PLN 56 bln, -4% y/y
Customer deposits*	PLN 55 bln, +3% y/y

* Customer deposits defined as liabilities due to customers excluding loans and advances received from other financial institutions

Capital & liquidity ratios

Total equity	PLN 6,559 m
Total capital ratio	13.75%
Tier 1	10.81%
Net loans to deposits	96.6%



II

MACROECONOMIC SITUATION

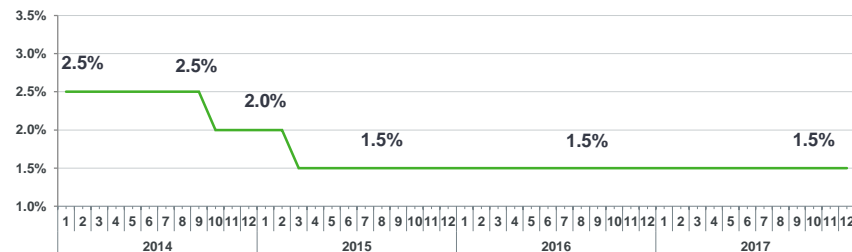


BGZ BNP PARIBAS
Bank zmieniającego się świata

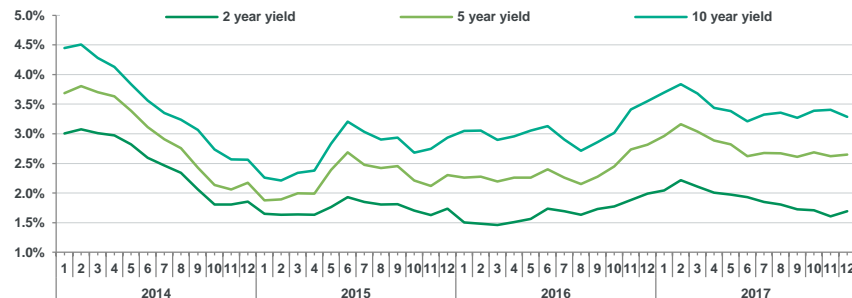
Financial markets

Stable interest rates and a strong zloty appreciation

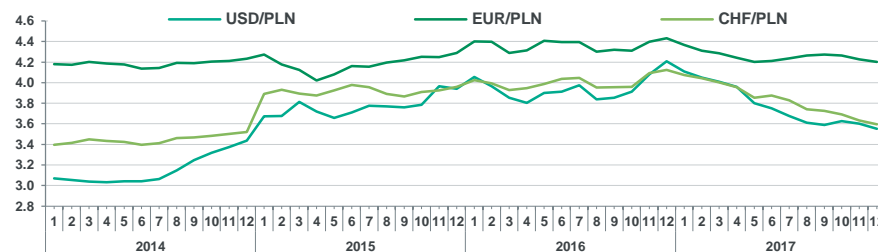
Central bank reference rate



Government bonds



Exchange rates



Interest rates and foreign exchange

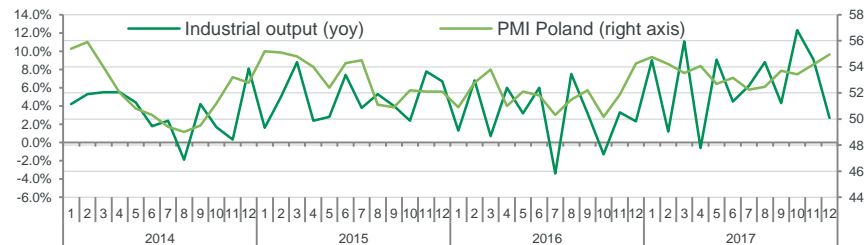
- We expect official interest rates to remain unchanged until Q3 2018 and inflation rising above the 2.5% target by mid-year. Negative real interest rates may further slow the pace of deposit growth (especially of households) in the banking sector.
- BNP Paribas forecasts EUR/PLN around 4.20 for most of 2018, rising to 4.25 by the year-end. At the same time, rise in the EUR/CHF rate should lead to some zloty appreciation vs. the Swiss franc. A strong PLN points to a lower NPL ratio in the segment of FX-denominated loans.
- Tighter Fed and ECB policies as well as accelerating inflation in Poland suggest bond yields rising over the coming months. A steeper yield curve, seen in the next coming months, is usually consistent with stronger financial results in the banking sector.

Source: NBP, Macrobond

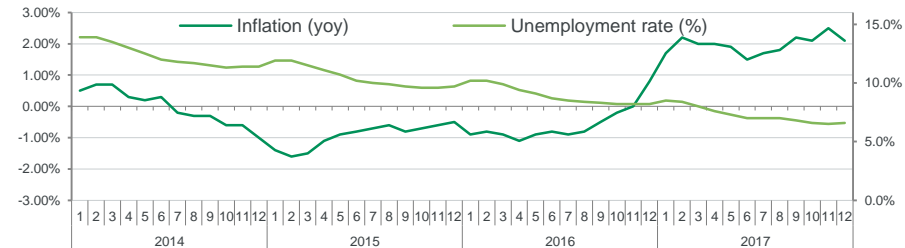
Favourable macroeconomic situation

GDP and inflation growth, unemployment decrease

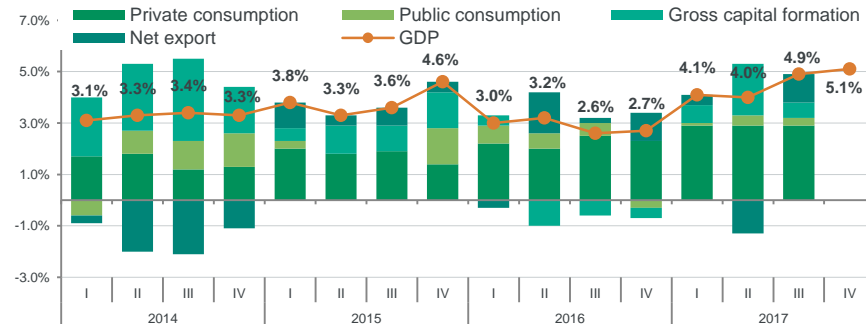
Economic sentiment



Inflation and unemployment



GDP growth



Źródło: PKB, bezrobocie – GUS, inflacja – NBP

Polish economy in 2017

- The Polish economy rose by 4.6% in 2017; in Q4 2017 GDP growth accelerated to 5.1% y/y. Despite a strong economy, the pace of credit growth remains sluggish.
- Private consumption rose in 2017 by 4.8% on stronger wage growth and social transfers, as well as lower unemployment. Investments rose by 5.4%, especially thanks to public sector capital spending, boosted by faster absorption of EU structural funds. Relatively soft corporate investments explain weak credit growth in the segment of loans to non-financial corporations.
- Consumer prices rose by 2.1% y/y in December 2017. In 2018 inflation is seen accelerating from around 2% y/y in Q1 to above 2.5% y/y by mid-year, supporting a rise in market interest rate expectations.



FINANCIAL RESULTS OF THE GROUP

FY 2017 – consolidated financial results

Integration completed, operating costs decrease and cost of risk under control boosted net profit by 264%

	12M 2017 PLN m	12M 2016 PLN m	Change y/y %	Change y/y adjusted ¹
Net banking income	2,696.0	2,640.2	+2%	+1%
Total expenses	(1,680.9)	(1,881.0)	(11%)	(4%)
Net impairment losses	(355.3)	(398.9)	(11%)	(11%)
Banking tax	(205.9)	(185.9)	+11%	+11%
Pre-tax profit	453.9	174.5	+160%	+38%
Net profit	279.7	76.9	+264%	+38%
ROE	4.4%	1.2%	+3.2 p.p.	-
ROE ¹	4.8%	3.6%	-	+1.2 p.p.
Cost/Income (C/I)	62.3%	71.2%	(8.9 p.p.)	-
Cost/Income (C/I) ¹	61.0%	64.6%	-	(3.6 p.p.)
Total Capital Ratio	13.8%	14.4%	(0.6 p.p.)	-
Tier 1 Capital Ratio	10.8%	11.1%	(0.3 p.p.)	-

¹ - data excluding integration costs:

12M 2017 – PLN 35.6 m, of which:

- PLN 35.7 m – general administrative expenses (total expenses)
- PLN -0.1 m – other operating expenses (NBI)

12M 2016 – PLN 181.4 m, of which:

- PLN 162.5 m – general administrative expenses (total expenses)
- PLN 18.9 m – other operating expenses (NBI)

Improvement of y/y results:

► revenues (+2.1%)

- higher net interest income (+5.5%)

► operating costs (lower by -10.6%)

- lower integration costs (-77.6%),
- other administrative expenses without integration costs (-6.6%),
- operating costs decrease excluding integration costs by -4.3% y/y.

► cost of risk (lower by -10.9%)

Resulted in net profit increase (+264%) despite:

- higher financial institution tax burden (+PLN 20 m y/y),
- recognition of VISA transaction impact in 2016 revenues (PLN 41.8 m),
- sale and deconsolidation of BGŻ BNP Paribas Faktoring Sp. z o.o.

Loan portfolio decrease resulting from one offs

Excluding the factoring deconsolidation and zloty appreciation the loan portfolio would growth by 1.7% y/y (PLN m)

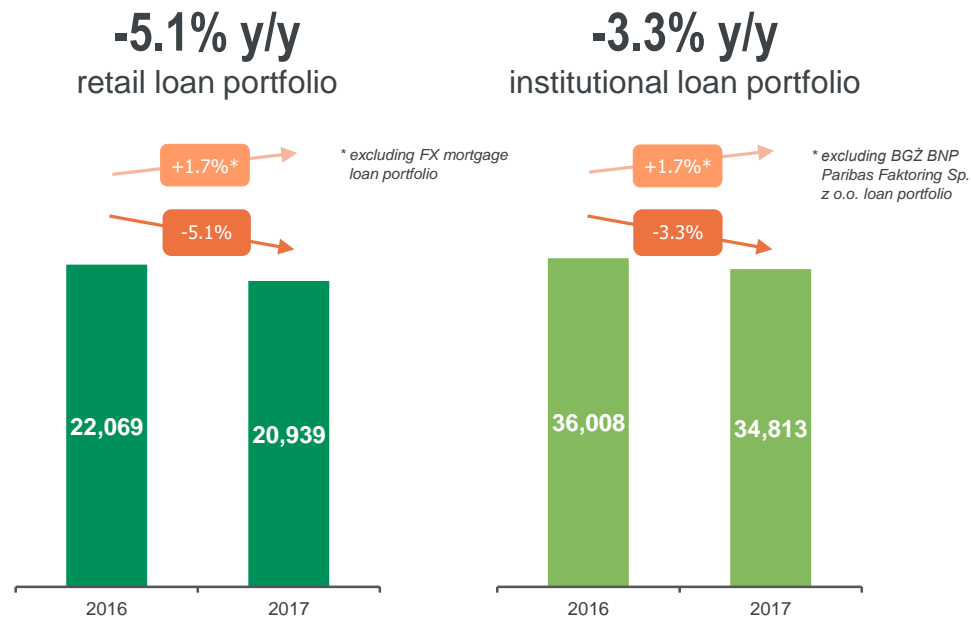
Gross loan portfolio reported value decrease by 4.0% y/y

to the level of PLN 55,752 m, caused by:

- deconsolidation of factoring receivables resulting from the sale of BGŻ BNP Paribas Faktoring Sp. z o.o.,
- lower FX mortgage loan portfolio value resulting from PLN appreciation.

Excluding the above factors gross loan portfolio value increased by 1.7% y/y

same rate of growth of institutional and of retail loan portfolios.

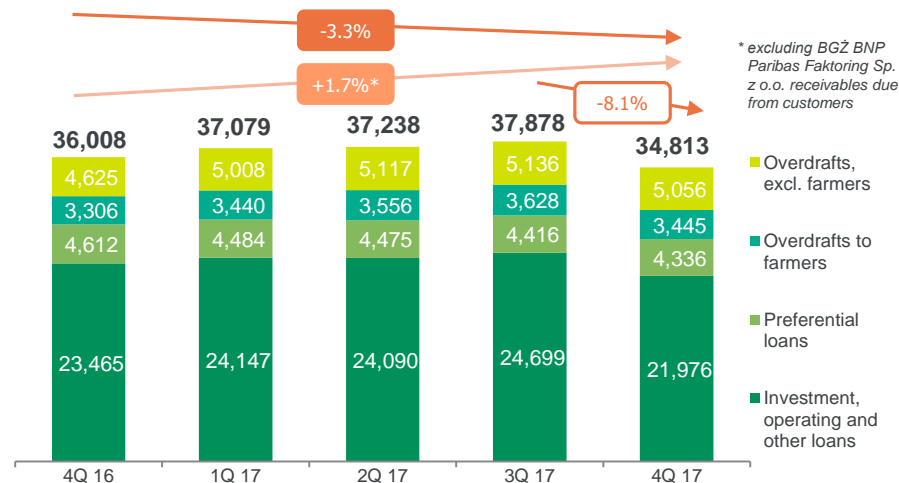


Commercial volumes – loan portfolio

Growth in overdrafts and cash loans

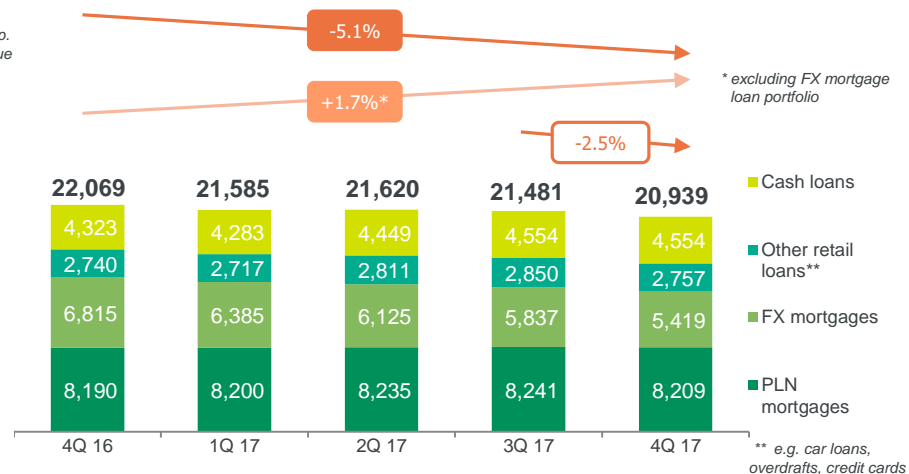
(PLN m, end of quarter)

▶ Institutional loans, gross



- Increase in investment and revolving loans (by 1.4%) and in overdrafts to customers other than farmers (by 9.3%). The share of overdrafts in total institutional loans grew by 2.4 p.p. to the level of 24.4%.

▶ Retail loans, gross



- Increase in cash loans by 5.3%. The share of cash loans and other retail loans in total retail loans grew by 2.9 p.p. to the level of 34.9%.

Prudent approach to deposit growth

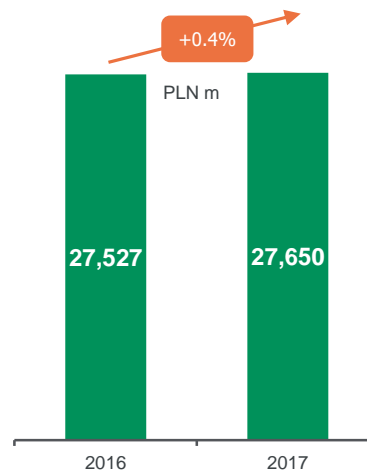
Moderate increase in deposits volume combined with interest margin optimisation

Deposits volume grew by 3.2% y/y

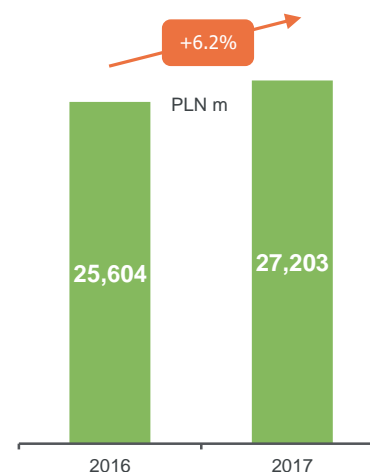
stabilisation in retail deposits (+PLN 0.1 bln) parallel with interest margin optimisation, increase in institutional clients deposits (+PLN 1.6 bln).



+0.4% y/y
retail deposits



+6.2% y/y
institutional deposits

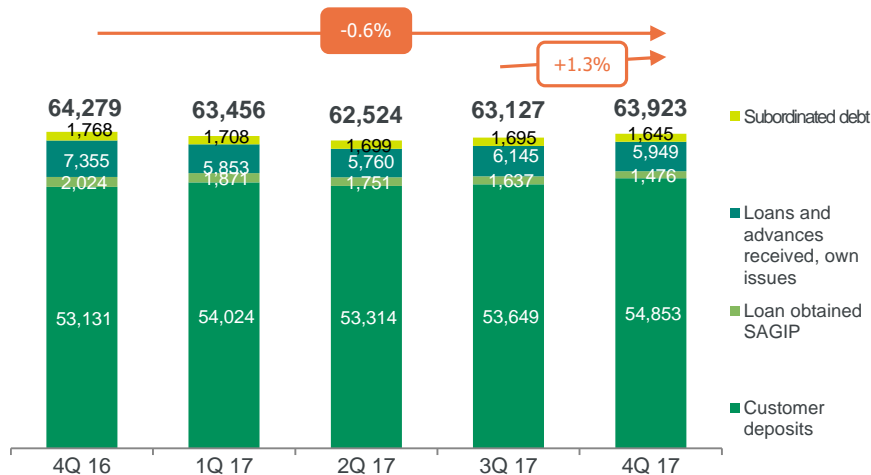


Commercial volumes – deposits and funding

Continuous improvement in the financing structure

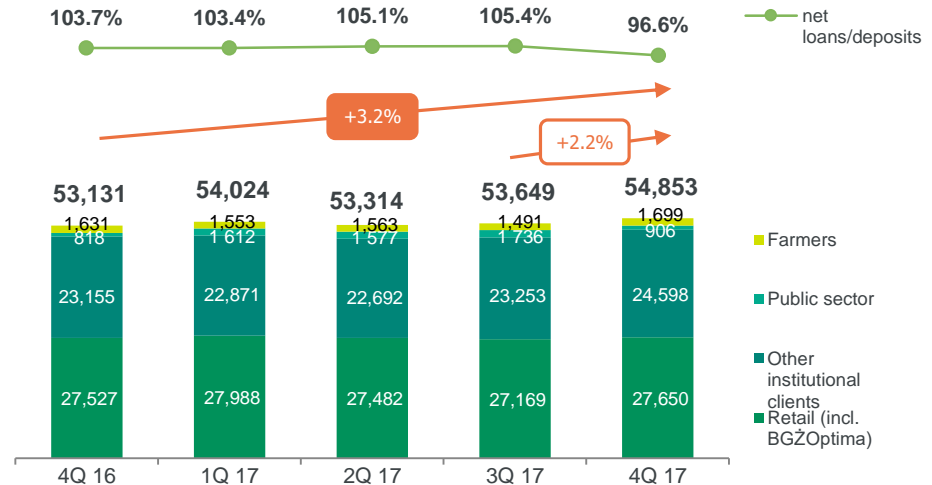
(PLN m, end of quarter)

Funding mix



- Increase in the customer deposits' share in the total funding mix y/y by 3.2 p.p. (to the level of 85.8%) in parallel with a drop of share of loans and advances received from banks by 5.4 p.p. to the level of 5.4%.
- As a result of securitisation the Group gained funds in the form of bonds issued by SPV amounted to PLN 2.2 bln. It replaced funds acquired from banks in the form of loans and advances received.

Customer deposits

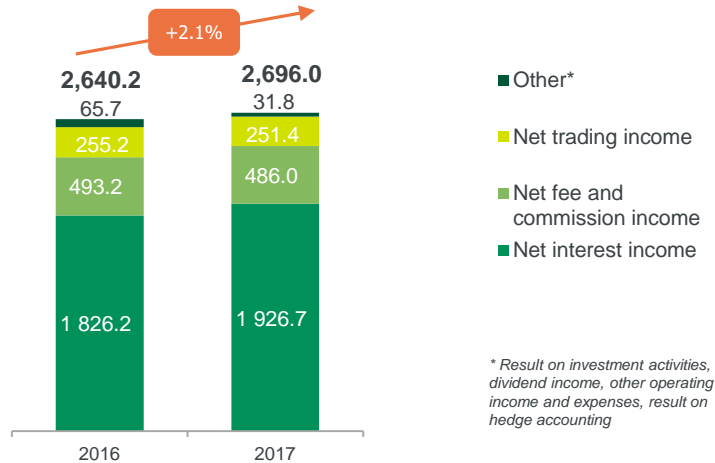


- The total deposit base went up by 3.2% y/y due to an increase in other institutional clients' deposits (by PLN 1.4 bln) and retail deposits (by PLN 0.1 bln).

Net banking income

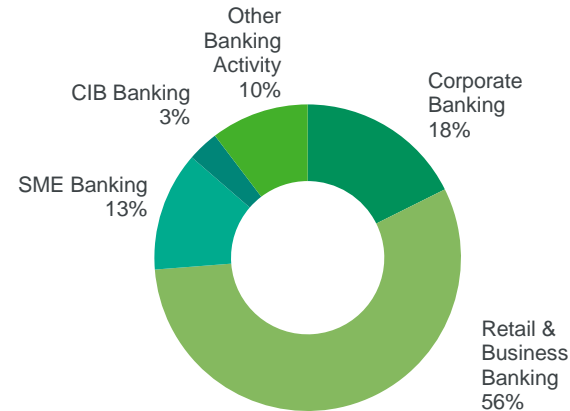
Y/Y growth driven mainly by rise in net interest income

Structure of net banking income by types (PLN m)



- Net banking income y/y increase by 2.1% (net interest income up by 5.5%),
- Negative impact of deconsolidation of BGŻ BNP Paribas Faktoring Sp. z o.o. (excluding its 2016 y/y result, the increase would equal +3.1% y/y)
- Excluding the integration costs impact as well as one-offs revenues from VISA transaction NBI growth would be 3.0% y/y.

Structure of net banking income by business segments – 31.12.2017

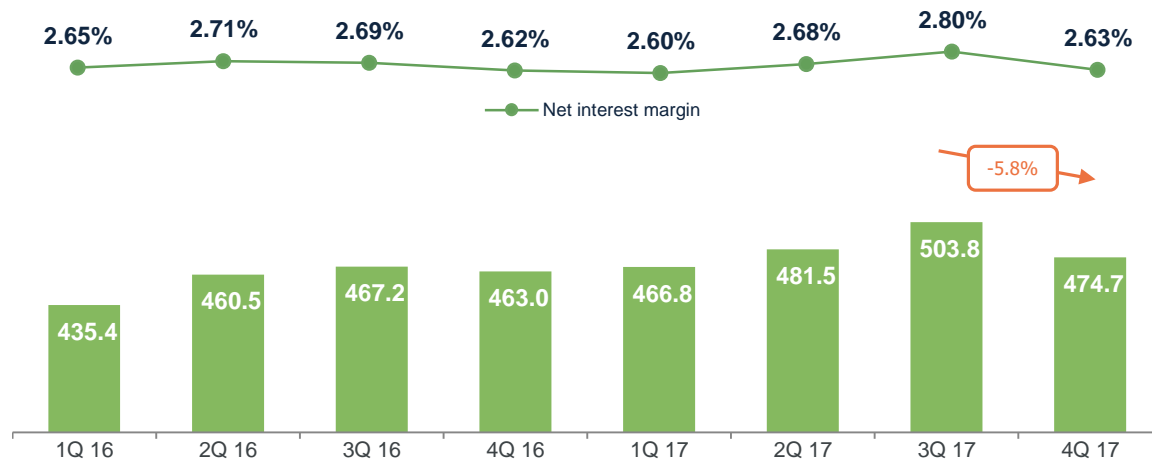
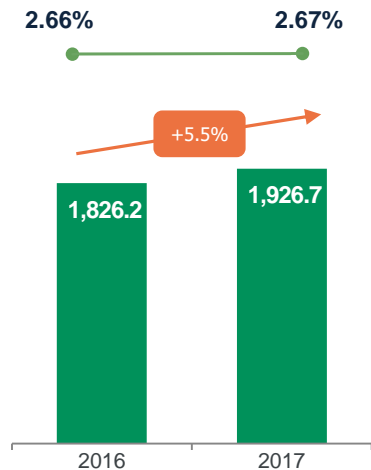


- Higher share of Retail Banking, Corporate Banking and CIB (by 0.8 p.p., 0.6 p.p. and 0.6 p.p. respectively) concurrent with lower share of Other Banking Activity and SME Banking (by 1.1 p.p. and 0.9 p.p. respectively).

Net interest income

Larger activity scale and optimisation of deposit margin – key drivers of net interest income growth y/y

(PLN m)



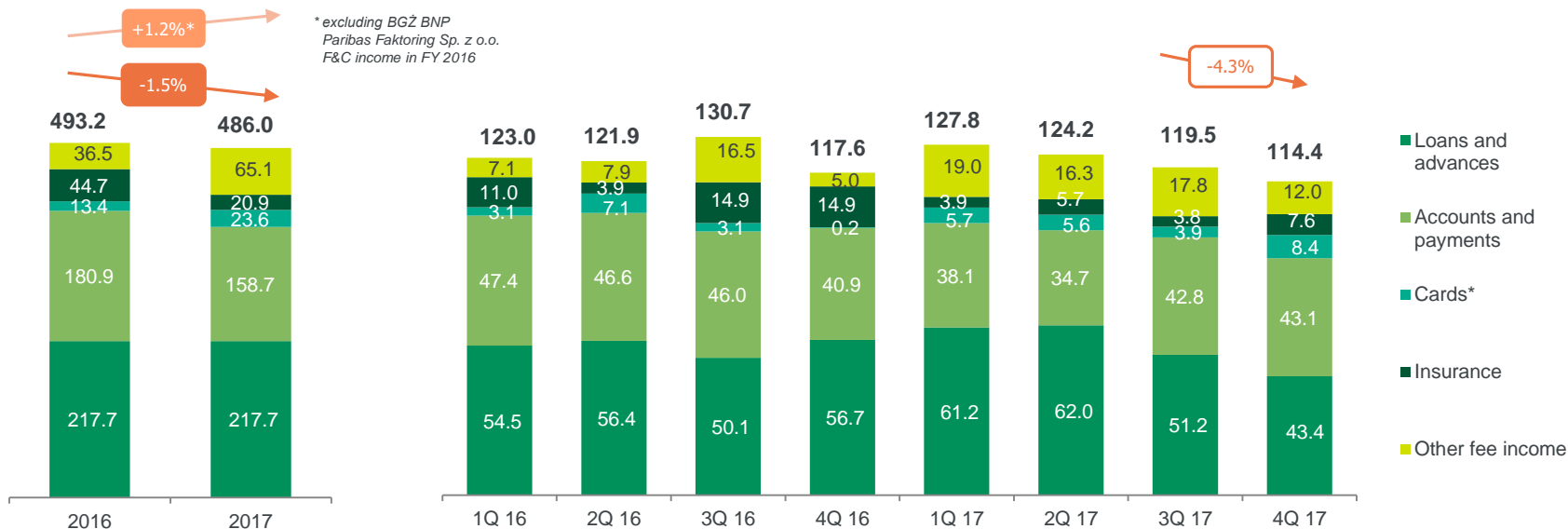
- Increase in net interest income y/y due to a larger credit and deposit activity scale as well as optimization of deposit margins.
- Despite negative effect of BGŻ BNP Paribas Faktoring Sp. z o.o. deconsolidation (PLN 13.4m net interest income in 2016).

- Net interest income in Q4 2017 lower in comparison with the previous quarter among others as a result of BGŻ BNP Paribas Faktoring Sp. z o.o. sale and deconsolidation. Net interest margin calculated for 4Q 2017 excluding this effect would be equal to 2.73%.
- Additionally net interest income in 4Q 2017 was lower in comparison with previous quarter because of the accounting standards harmonisation carried out in connection with Sygma Bank Polska S.A. data migration completed in 4Q 2017 (shift from NII to F&C).

Net fee and commission income – room for further improvement

Decrease in accounts and payments F&C largely compensated by increased card, asset management and brokerage fees

(PLN m)



- Y/Y decrease in net F&C income resulted mainly from lower level of accounts, payments and insurance F&C. Additionally negative effect of BGŻ BNP Paribas Faktoring Sp. z o.o. sale and deconsolidation (in 2016 PLN 13.1m net F&C income).

- Quarterly drop in loans and advances F&C (4Q vs 3Q) as well as stabilization y/y resulted from deconsolidation of BGŻ BNP Paribas Faktoring Sp. z o.o. sold in IV quarter 2017.
- Positive evolution of brokerage operations and asset management fees included in other fees and commissions (+99% and +77% y/y respectively).

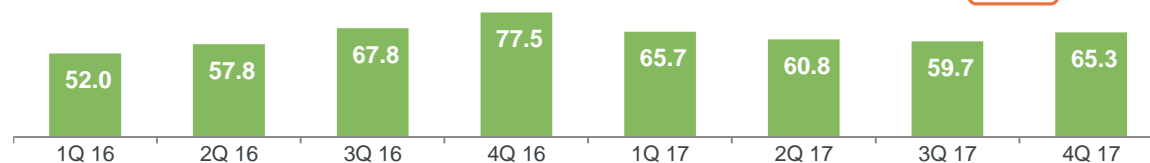
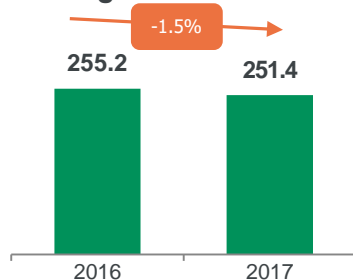
* In 3Q 2017 reclassification of F&C costs related to electronic payment services from other fees to cards fees was made. In order to maintain comparability the change was applied to all quarters of 2017 and 2016.

Net trading income and result on investment activities

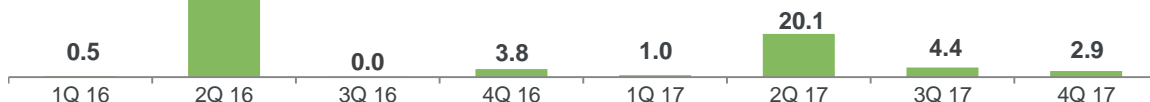
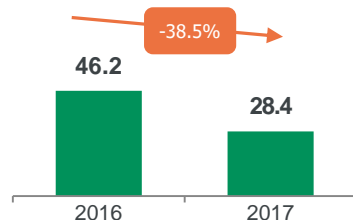
Stabilization of institutional customers FX transactions scale

(PLN m)

Net trading income



Result on investment activities



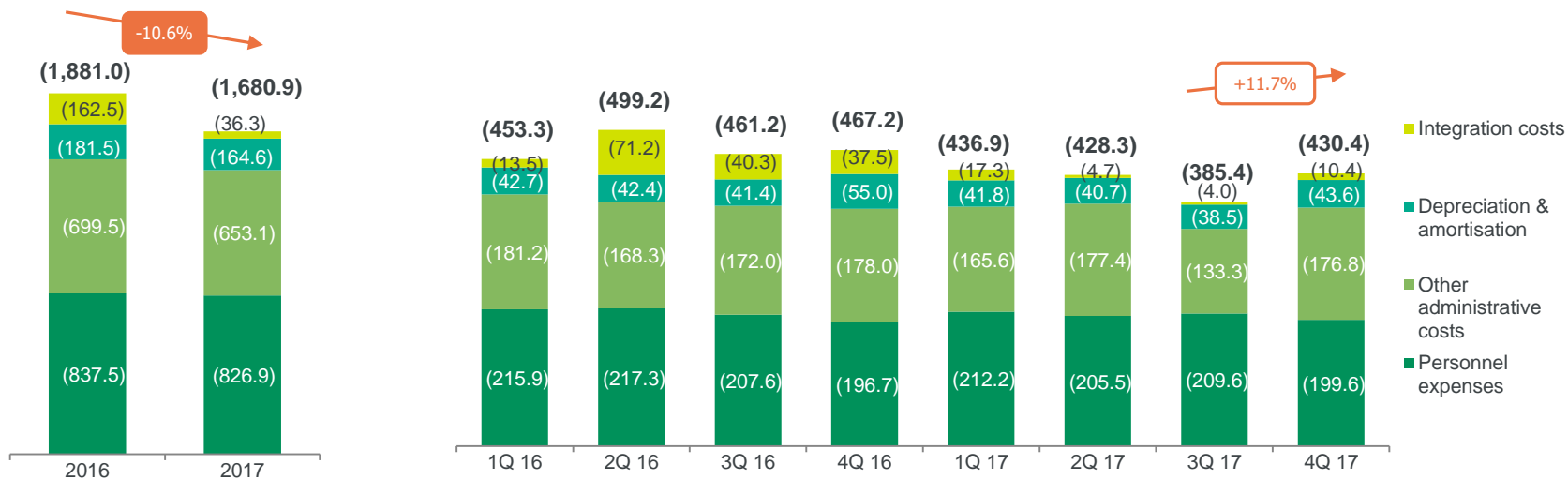
• Net trading income level is mainly related to the scale of FX transactions.

• Result on investment activities in 2016 was influenced by the VISA transaction settlement in 2Q (PLN 41.8 m). FY 2017 results include net income on sale of securities from available for sale portfolio (PLN 25.5 m) realized mainly in 2Q 2017.

General administrative expenses (incl. depreciation)

Consistent cost reduction and transformation program initiation

(PLN m)



- Excluding integration costs, the general administrative expenses in 2017 were lower by 4.3% y/y. The biggest savings y/y were seen in other administrative costs (BFG and rental costs) and personnel expenses (resulted from lowering of employment on the Group level by 439 FTE to 7,634 FTE as at the end of 2017).

- Higher integration costs in 4Q 2017 related to completion of operational merger with Sygma Bank Polska S.A.
- Increase in other administrative costs in 4Q vs 3Q 2017 mainly concerned marketing and IT expenses.
- Costs of transformation program amounting to PLN 9.8 m in 4Q 2017.

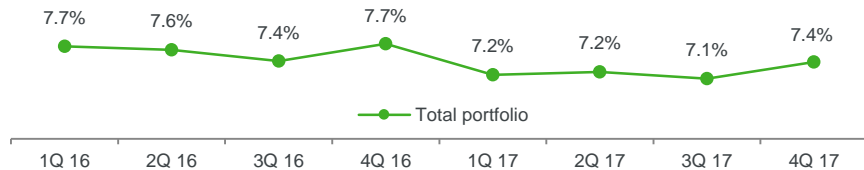
Loan portfolio quality

Reduction of the share of impaired loans compared to previous year

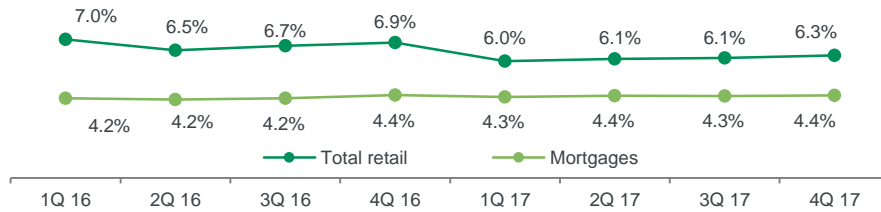
(end of quarter)

Total loans – NPL

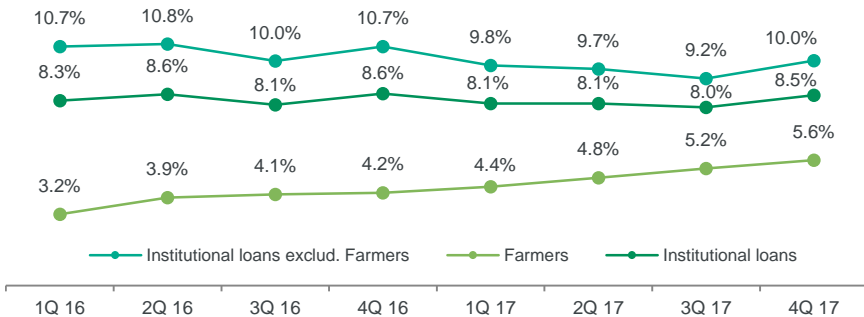
Excluding deconsolidation of BGŻ BNP Paribas Faktoring Sp. z o.o., NPL ratio would amount to 7.2% in 4Q 2017



Retail loans – NPL

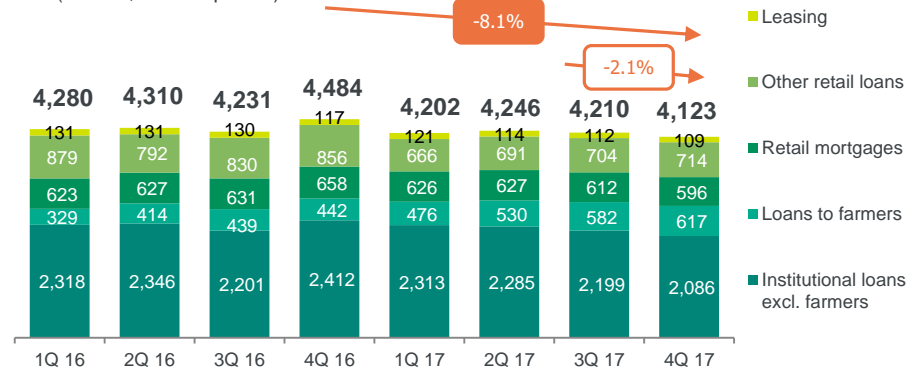


Institutional loans – NPL



Impaired portfolio, gross

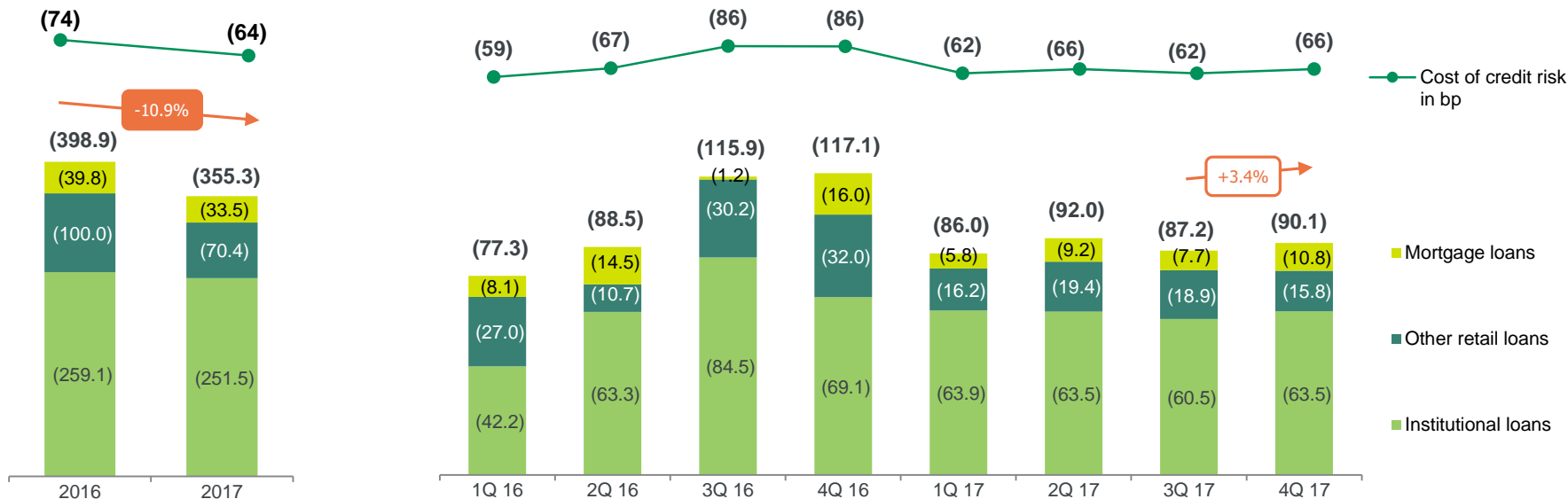
(PLN m, end of quarter)



Net impairment losses (main portfolios)

Continuous improvement in the cost of risk despite one-off in 4Q 2017

(PLN m)



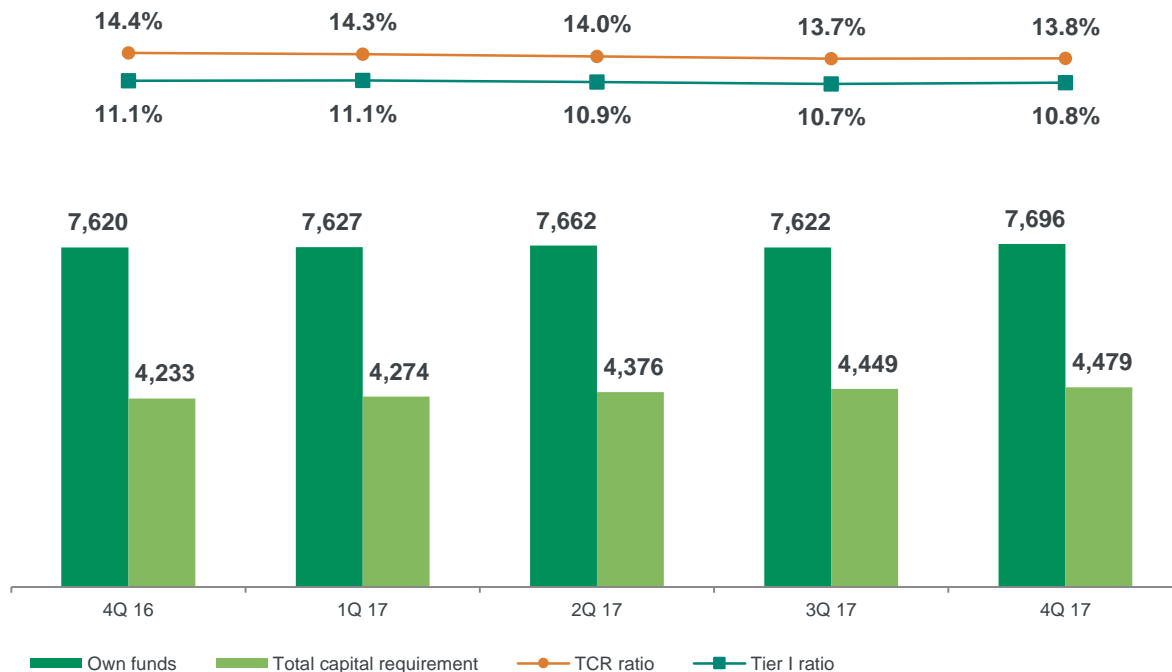
- Cost of risk in 2017 was lower by 10 b.p. y/y.

- Stable and low cost of risk in respective quarters 2017.
- Quarterly differences in the cost of risk in 2016 mainly due to one-off events such as a sale of non-performing portfolios (1Q and 2Q), standardization of methodologies and verification of risk parameters.

Capital adequacy

Capital ratios under pressure, increase in capital planned at the turn of 2Q and 3Q 2018

(PLN m, end of quarter)



- Consent of the Polish Financial Supervision Authority for recognition of 1H 2017 net profit as a part of the Bank's Common Equity Tier 1 capital (PLN 130 m) resulted in improvement in consolidated Tier 1 by 0.23 p.p. and TCR by 0.24 p.p. (calculation based on data as at September 30, 2017).
- Sale of BGŻ BNP Paribas Faktoring sp. z o.o. in 4Q 2017 improved consolidated Tier 1 by 0.47 p.p. and TCR by 0.61 p.p. (calculation based on data as at September 30, 2017).
- Securitization of the Bank's consumer loans completed in 4Q 2017 improved consolidated Tier 1 by 0.34 p.p. and TCR by 0.44 p.p. (calculation based on data as at September 30, 2017).
- As at January 1, 2018 consolidated Tier 1 was 10.7% and TCR was 13.6% i.e. below regulatory levels by 0.9 p.p. and 0.1 p.p. respectively.
- The Bank plans an increase of the share capital by issuing new shares (at the turn of 2nd and 3rd quarter of 2018).



IV

BUSINESS SEGMENTS PERFORMANCE



BGZ BNP PARIBAS
Bank zmieniającego się świata

Corporate Banking

New products and increase in the acquisition of new customers (+65% y/y)

Business line
share in
Group NBI

18%

Development of product and service offer in the Global Markets and Trade Finance area

- extending time of FX Planet availability for 24h,
- new types of commodity transactions,
- implementation of new currency trading opportunities,
- new currencies for hedging transactions,
- new products in the Trade Finance area,
- implementation of factoring offer Pan European.

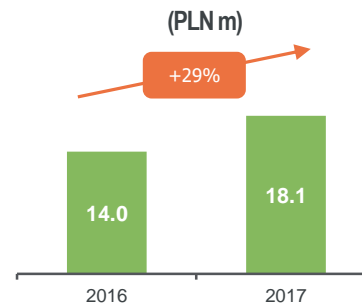
Dynamic and balanced X-sell growth boosted F&C income

dynamic growth of x-sell within product groups, other Bank business lines and Group.

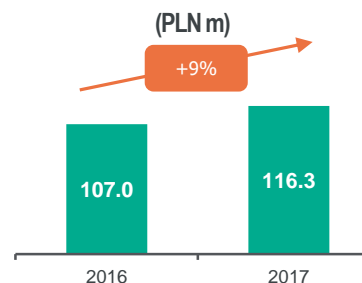
Centralization of customer service processes in Business Service Centre.

Improvement of service processes in the area of transactional banking and trade finance.

Growth in income from customer acquisition



Growth in F&C income*

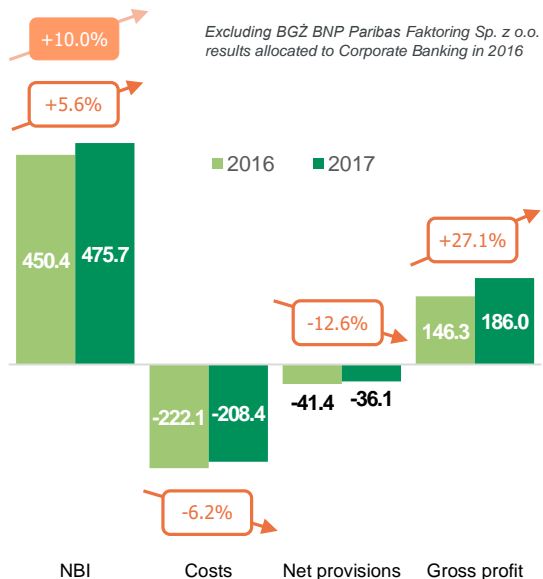


* excluding BGŻ BNP Paribas Faktoring Sp. z o.o. sale

Corporate Banking

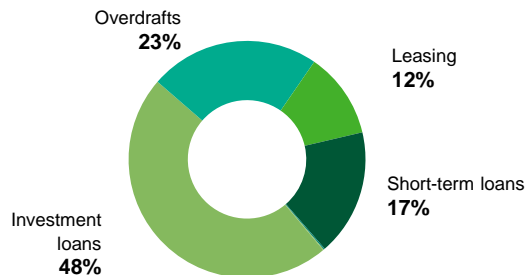
Improvement in profitability – better results in all P&L categories

Profit before tax structure (PLN m)



Loan structure as at 31 Dec 2017

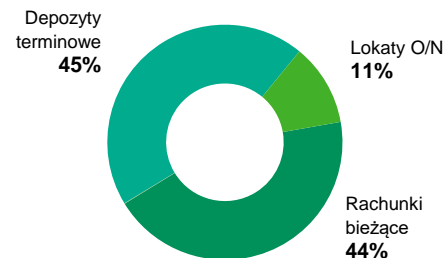
Loans (net): PLN 12.9 bln (-5.7%)



- Net loans decrease resulted from sale and deconsolidation of BGŻ BNP Paribas Faktoring Sp. z o.o. (as at 31 Dec 2016: PLN 1.4 bln).
- Excluding factoring receivables growth in net loans by 4.8% (+PLN 0.6 bln).
- The highest dynamics: overdrafts +14.3% and investment loans +5.0%.

Deposit structure as at 31 Dec 2017

Deposits: PLN 15.8 bln (+9.6%)



- Dynamic growth in deposits +9.6% y/y.
- Current account deposits share increase by +5 p.p., concurrent with O/N drop by -6 p.p.

Retail and Business Banking

Development of digital banking, positive trend in sales of current accounts and mutual funds

Business line
share in
Group NBI

56%

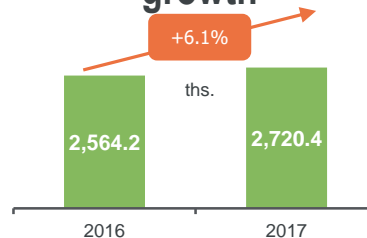
Offer development, new digital solutions

- new mobile app (GOMobile),
- Android Pay,
- BLIK,
- start of selling cash loans in PI@net,
- PIT declaration online,
- 500+ declaration,
- launch of the new “Premium Banking” for Individuals.

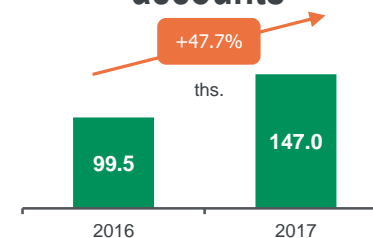
New solutions in the area of sales infrastructure

- new branch format pilot and cash-in ATMs deployment (100 Cash-in ATMs installed),
- dedicated offer for Ukrainian citizens, website in Ukrainian.

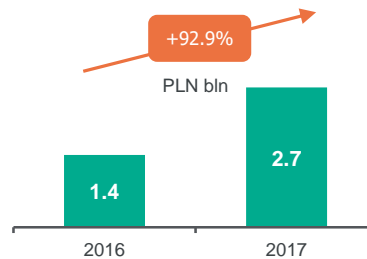
Number of customers growth



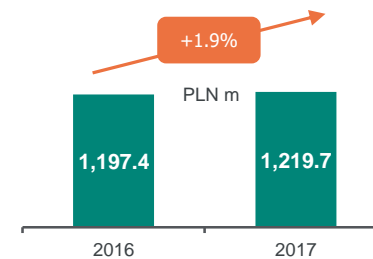
Sale of personal accounts



Sale of mutual funds



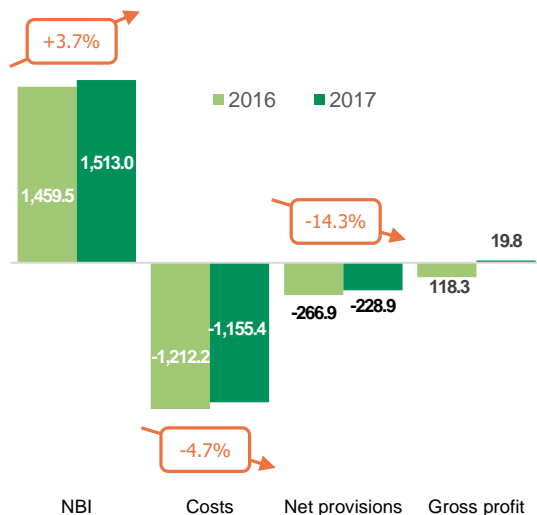
Sale of instalment loans



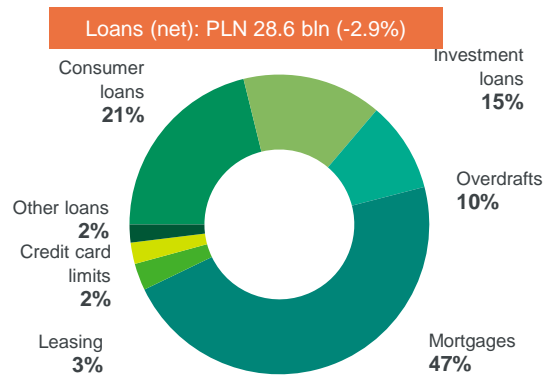
Retail and Business Banking

Results improvement and increase in the consumer finance portfolio

Profit before tax structure (PLN m)

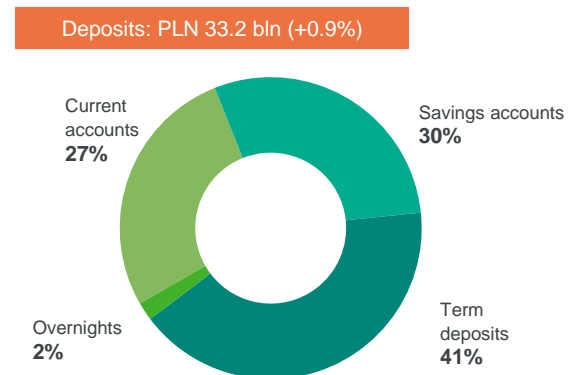


Loan structure as at 31 Dec 2017



- Decrease in net loan value resulted from PLN appreciation and FX mortgages portfolio revaluation.
- Excluding FX mortgages net loan portfolio would grow by +2.4% (+ PLN 0.6 bln).
- The highest dynamics: other loans (car loans, overdrafts, leasing loans) +100.6%, leasing +29.3%, consumer loans +5.2%

Deposit structure as at 31 Dec 2017



- Dynamic growth in current account deposits volume +16.8% concurrent with a decrease in savings accounts and term deposits.
- Current account share in total deposits went up by 3 p.p.

SME

Focus on non-Agro customers, new products and solutions



Credit products and solutions

- Leasing Loan - a product to finance purchase of a fixed asset.
- Risk appetite - a solution aimed at shortening the credit process duration, determining an additional funding amount available for a given customer above the requested limit.

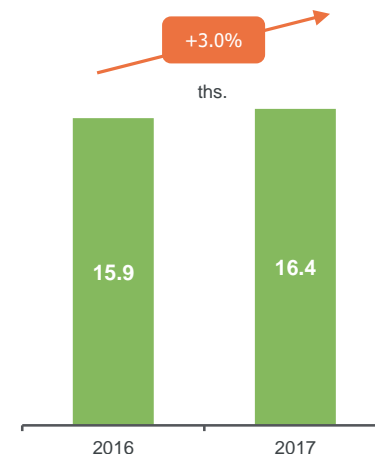
Deposit products

Dual currency deposit - a short-term investment product which combines a money market deposit with a currency option.

Profiled packages

FX BOX, Cash BOX, Turbo BOX, Multi BOX and Agro BOX - the new offer is adapted to the varied needs of small and medium-sized companies: interested in FX instruments, based on cash turnover, with a turnover of up to PLN 10 million, with individual requirements and for farmers.

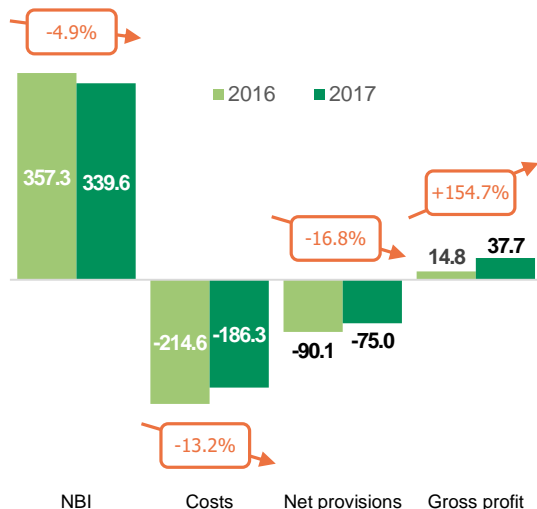
Number of customers grew by 3.0% y/y



SME

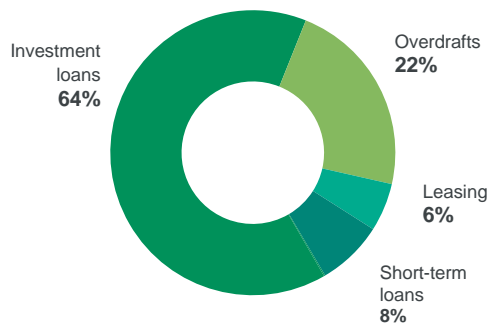
Focus on profitability, changing of the portfolio structure

Profit before tax structure (PLN m)



Loan structure as at 31 Dec 2017

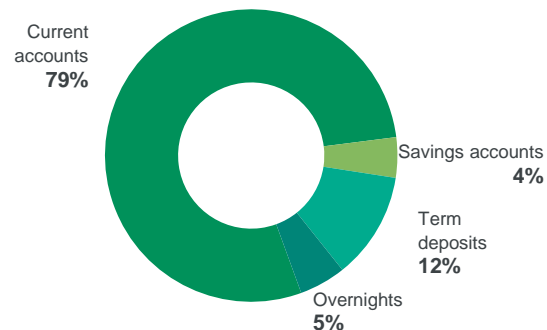
Loans (net): PLN 10.8 bln (-5.6%)



- Net loans decrease resulted among others from the sale and deconsolidation of BGŻ BNP Paribas Faktoring Sp. z o.o. (as at 31 Dec 2016: PLN 0.4 bln).
- Decrease in investment loans by -2.5% and short term loans by -30.0% concurrent with increase in overdrafts by +10.2% and leasing by +9.6%.

Deposit structure as at 31 Dec 2017

Deposits: PLN 6.2 bln (+10.4%)



- Dynamic growth in current accounts +32.9%.
- Current account share in total deposits went up by 13 p.p. in parallel with drop in other categories.

Agro Segment

Focus on maintaining the current market position and profitability growth



Business line
share in
Group NBI

19%

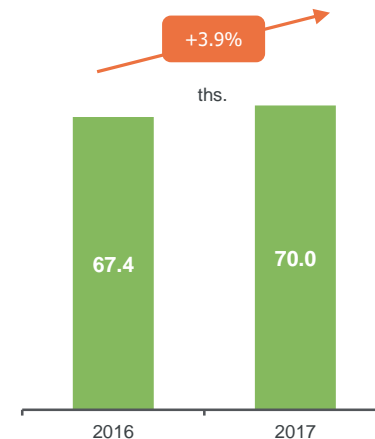
Credit products

- Preferential loans ZC-line – to finance the liabilities assumed in relation to the agricultural production.
- Consolidation Loan for Farmers – designed to refinance liabilities in banks, financial institutions or Agricultural Property Agency for agricultural production purposes.
- Leasing Box - simplifying the process for granting leasing and a leasing loan.
- Signing a guarantee contract with the BGK for a guarantee line with a counter-guarantee of the European Investment Fund.
- Auto Plan – long term car rental offer in cooperation with Arval Service Lease Polska Sp. z o.o.

Insurance products

- Concordia Firma and Biznes Cesja - special offers for selected business sectors related to insurance products.
- CARDIF insurance package for credit AGRO EKSPRES - Insurance of credit repayment in case of death or serious illness.

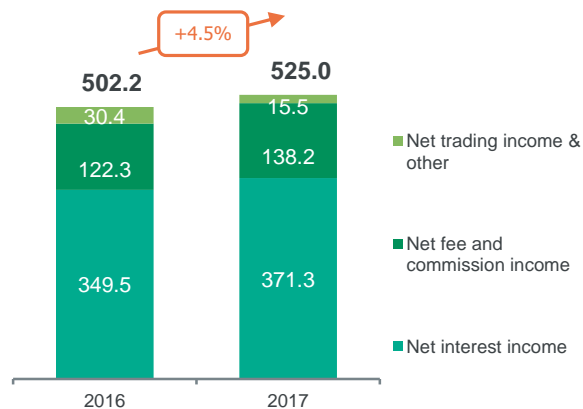
Number of customers grew by 3.9% y/y



Agro Segment

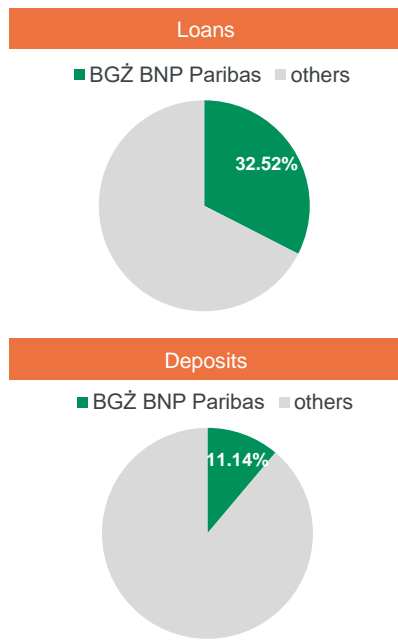
Focus on maintaining the current market position and profitability growth

➤ NBI (PLN m)

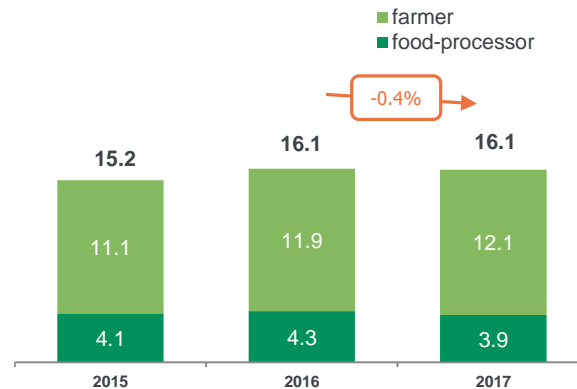


- NBI growth resulted primarily from the net interest income and net fees and commissions income increase.

➤ Market shares (31.12.2017)



➤ Agro loan portfolio* (PLN bln)



- Growth in farmer loan share in total agro loan portfolio by 2 p.p. to the level of 75.5%.

* In 1Q 2017 a reclassification of AGRO segment caused an increase in entities belonging to AGRO. To make data comparable this reclassification was made for the whole 2016.



V

CHALLENGES FOR THE NEXT QUARTERS



BGZ BNP PARIBAS
Bank zmieniającego się świata

Further transformation of the Bank - a pillar of profitability growth



Digitalization



Development of
the product offer



Organisational culture change



Processes optimization
and efficiency increase

A hand in a grey suit sleeve is pulling out a green folder from a white filing cabinet. The cabinet is filled with many other folders of various colors. The background is a bright, out-of-focus window.

VI

APPENDICIES

- INCOME STATEMENT
- ASSETS
- LIABILITIES AND EQUITY



Income statement

(PLN ths.)

Consolidated income statement	31/12/2017	31/12/2016	IV kw. 2017	III kw. 2017	II kw. 2017	I kw. 2017	IV kw. 2016	III kw. 2016	II kw. 2016	I kw. 2016
Interest income	2 665 218	2 584 563	653 841	693 817	665 207	652 353	654 935	659 021	648 069	622 538
Interest expense	(738 474)	(758 411)	(179 170)	(190 034)	(183 732)	(185 538)	(191 911)	(191 832)	(187 551)	(187 117)
Net interest income	1 926 744	1 826 152	474 671	503 783	481 475	466 815	463 024	467 189	460 518	435 421
Fee and commission income	612 240	608 012	143 973	154 314	162 070	151 883	154 226	160 113	147 120	146 553
Fee and commission expense	(126 261)	(114 792)	(29 558)	(34 789)	(37 856)	(24 058)	(36 586)	(29 460)	(25 230)	(23 516)
Net fee and commission income	485 979	493 220	114 415	119 525	124 214	127 825	117 640	130 653	121 890	123 037
Dividend income	10 360	5 801	5 667	-	4 670	23	24	19	5 758	-
Net trading income	251 408	255 191	65 296	59 654	60 797	65 661	77 539	67 797	57 820	52 035
Result on investing activities	28 398	46 199	2 855	4 448	20 111	984	3 762	4	41 959	474
Result on hedge accounting	3 304	(77)	(2 132)	3 793	822	821	(333)	116	(221)	361
Other operating income	131 282	130 324	28 963	36 603	41 919	23 797	24 914	21 630	52 707	31 073
Net impairment losses on financial assets and contingent liabilities	(355 299)	(398 883)	(90 112)	(87 164)	(92 024)	(85 999)	(117 146)	(115 922)	(88 533)	(77 282)
General administrative expenses	(1 506 866)	(1 674 356)	(386 876)	(346 838)	(384 193)	(388 959)	(409 465)	(408 780)	(445 891)	(410 220)
Depreciation and amortization	(174 064)	(206 597)	(43 564)	(38 516)	(44 093)	(47 891)	(57 768)	(52 443)	(53 299)	(43 087)
Other operating expenses	(141 495)	(116 591)	(39 478)	(36 921)	(33 549)	(31 547)	(33 639)	(23 443)	(36 749)	(22 760)
Operating result	659 751	360 383	129 705	218 367	180 149	131 530	68 552	86 820	115 959	89 052
Banking tax	(205 866)	(185 876)	(51 258)	(51 053)	(51 480)	(52 075)	(52 128)	(51 203)	(50 810)	(31 735)
Profit (loss) before income tax	453 885	174 507	78 447	167 314	128 669	79 455	16 424	35 617	65 149	57 317
Income tax	(174 178)	(97 647)	(29 309)	(57 524)	(47 453)	(39 892)	(14 420)	(25 399)	(31 776)	(26 052)
Net profit (loss) for the period	279 707	76 860	49 138	109 790	81 216	39 563	2 004	10 218	33 373	31 265

Assets

(PLN ths.)

Consolidated statement of financial position	31/12/2017	30/09/2017	30/06/2017	31/03/2017	31/12/2016	30/09/2016	30/06/2016	31/03/2016	31/12/2015
ASSETS									
Cash and balances with the Central Bank	998 035	1 708 096	2 136 821	2 035 492	1 302 847	2 021 495	2 998 185	1 455 294	2 826 416
Loans and advances to banks	2 603 689	273 646	520 270	376 364	1 233 592	281 018	881 471	541 296	495 431
Derivative financial instruments	474 421	395 696	394 177	419 433	324 005	323 378	365 705	430 834	368 147
Hedging instruments	32 730	20 230	9 682	29 062	18 671	49 063	35 692	26 123	2 711
Loans and advances to customers	52 967 568	56 546 787	56 040 582	55 884 822	55 075 871	54 211 801	53 675 770	52 713 155	52 269 544
Available for sale financial assets	13 922 540	11 218 587	11 098 211	11 018 172	12 497 855	10 464 436	10 011 272	9 484 763	7 845 074
Investment property	54 435	54 466	54 466	54 466	54 466	54 487	54 487	54 487	54 627
Intangible assets	288 340	260 424	245 367	237 592	246 552	242 688	236 462	253 192	256 455
Property, plant and equipment	500 647	507 276	518 260	529 818	546 002	537 341	537 587	531 291	537 201
Deferred tax assets	512 045	518 139	504 291	499 021	529 824	485 424	459 761	429 207	465 211
Current tax assets	-	-	-	-	-	-	-	10 814	-
Other assets	394 809	396 832	453 344	514 273	475 314	415 948	460 962	330 145	251 521
TOTAL ASSETS	72 749 259	71 900 179	71 975 471	71 598 515	72 304 999	69 087 079	69 717 354	66 260 601	65 372 338

Liabilities and equity

(PLN ths.)

Consolidated statement of financial position	31/12/2017	30/09/2017	30/06/2017	31/03/2017	31/12/2016	30/09/2016	30/06/2016	31/03/2016	31/12/2015
LIABILITIES									
Amounts due to banks	3 891 235	6 607 230	6 890 764	5 880 408	7 308 814	6 517 608	8 014 535	8 553 069	9 876 892
Repo transactions	-	-	-	-	-	-	-	-	-
Hedged instruments	(2 992)	(9 895)	(2 455)	1 783	(4 080)	8 585	13 748	13 676	1 605
Derivative financial instruments	427 710	309 422	394 994	345 337	271 757	291 901	358 133	397 890	351 539
Amounts due to customers	56 328 897	55 285 977	55 064 772	55 894 690	55 155 014	52 902 388	51 852 581	47 857 311	46 527 391
Debt securities issued	2 471 966	386 516	387 914	394 153	398 059	396 577	397 816	434 948	469 083
Subordinated liabilities	1 645 102	1 695 470	1 698 941	1 708 282	1 768 458	1 470 248	1 496 873	1 456 494	847 568
Other liabilities	1 225 323	952 263	1 006 120	984 672	1 122 780	1 006 473	1 083 466	1 023 685	816 984
Current tax liabilities	117 699	104 171	59 276	8 147	8 313	22 372	4 010	1 299	40 716
Provision for deferred tax	8 003	8 022	8 064	8 063	8 022	8 025	8 026	8 026	8 052
Provisions	76 853	88 447	86 063	112 300	121 041	143 125	158 916	152 560	164 154
TOTAL LIABILITIES	66 189 796	65 427 623	65 594 453	65 337 835	66 158 178	62 767 302	63 388 104	59 898 958	59 103 984
EQUITY									
Share capital	84 238	84 238	84 238	84 238	84 238	84 238	84 238	84 238	84 238
Other supplementary capital	5 127 086	5 127 899	5 127 899	5 108 418	5 108 418	5 108 418	5 108 418	5 092 196	5 092 196
Other reserve capital	909 629	909 629	909 629	860 241	860 241	860 241	860 241	780 874	780 874
Revaluation reserve	141 988	94 669	112 921	73 799	(497)	174 462	194 153	260 114	198 090
Retained earnings	296 522	256 121	146 331	133 984	94 421	92 418	82 200	144 221	112 956
retained profit	16 815	25 552	25 552	94 421	17 561	17 562	17 562	112 956	99 663
net profit for the period	279 707	230 569	120 779	39 563	76 860	74 856	64 638	31 265	13 293
TOTAL EQUITY	6 559 463	6 472 556	6 381 018	6 260 680	6 146 821	6 319 777	6 329 250	6 361 643	6 268 354
TOTAL LIABILITIES AND EQUITY	72 749 259	71 900 179	71 975 471	71 598 515	72 304 999	69 087 079	69 717 354	66 260 601	65 372 338

Item	Measurement category – IAS 39	Measurement category – IFRS 9	Balance sheet amount in accordance with IAS 39	Impact of IFRS 9* implementation Classification and measurement	Impact of IFRS 9* implementation Impairment	Balance sheet amount in accordance with IFRS 9
ASSETS						
Loans and advances to customers	Amortised cost	Amortised cost	52,967,568	(2,941,126)	(403,933)	49,622,509
Loans and advances to customers	Amortised cost	Fair value through profit or loss	-	2,941,126	12,312	2,953,438
Financial assets available for sale	Fair value through other comprehensive income	Fair value through other comprehensive income	13,922,540	(7,087,640)	19	6,834,919
Financial assets available for sale	Fair value through other comprehensive income	Amortised cost	-	7,032,343	(1,482)	7,030,861
Financial assets available for sale	Fair value through other comprehensive income	Fair value through profit or loss	-	55,297	(4,427)	50,870
Other assets	Amortised cost	Amortised cost	394,809	-	(8,119)	386,690
LIABILITIES						
Provisions	Amortised cost	Amortised cost	76,853	-	38,193	115,046
Revaluation reserve	Fair value through other comprehensive income	Amortised cost	141,988	(26,576)	-	115,412
* excluding the impact of deferred tax					(443,823)	

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