



BNP Paribas Bank Polska S.A.
GROUP

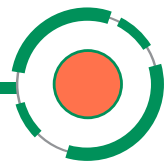
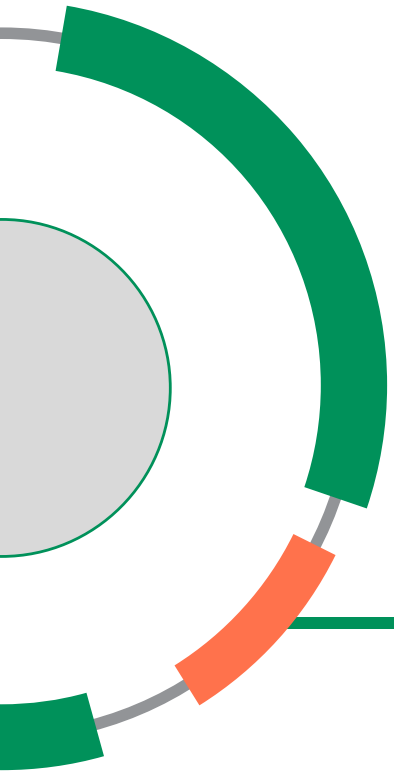


BNP PARIBAS

**Presentation of 1H 2019
Financial Results**

Warsaw, 29 August 2019

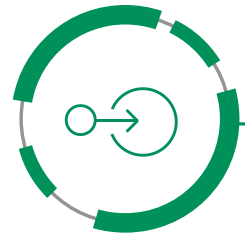
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- **Key facts & information**
 - **Macroeconomic environment**
 - **Capital Group financial results**
 - **Business segments performance**
 - **Appendices**



Key facts & information

Profitability improvement in the context of ongoing integration and transformation

Consistent execution of key projects with a positive impact on financial results



Integration

- ✓ Rebranding process completion
- ✓ Sale of the factoring activity
- ✓ Branch network optimisation as planned



Transformation

- ✓ New digital solutions (GOonline, Agronomist, Gomobile development)
- ✓ Robotisation continuation
- ✓ Network transformation



Business development

- ✓ Improvement in interest margin at moderate loan growth
- ✓ Deposit optimisation at increase in the investment products volume
- ✓ High quality of acquisition of the new flagship offering

Profitability improvement

ROE **7.1%**
+1.2 pp y/y

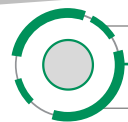
C/I **62.6%**
-1.1 pp y/y

Supporting responsible and sustainable development – ethical economy financing

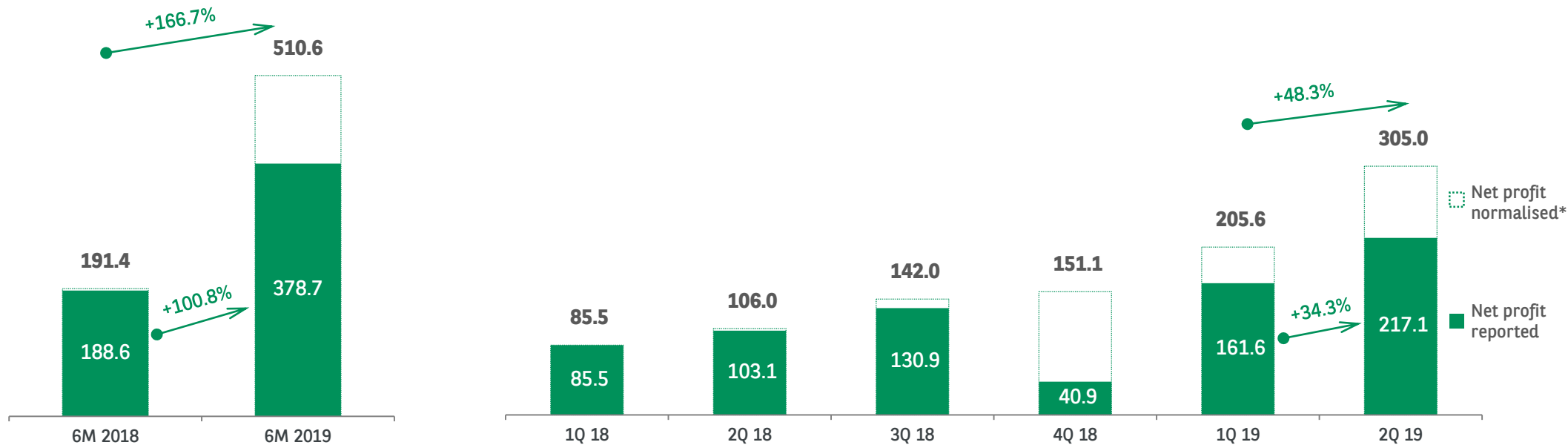
Net profit

Confirmation of a positive trend in quarterly result dynamics

PLN m



Net profit



ROE reported

5.3% 5.9% 6.4% 4.8% 6.1% 7.1%



ROE normalised*

5.3% 5.9% 6.7% 6.5% 7.7% 9.5%

* excluding integration costs and additionally, in Q4 2018 without effects of the settlement of the RBPL Core Bank Business (profit on a bargain purchase and recognition of a loss allowance for expected credit losses in the 12-month horizon for non-impaired receivables / ECL)

Further financial performance improvement

Result of the business transformation and balance sheet optimisation processes



+100.8%
y/y

Net profit



+72.9%
y/y

Net banking income



+69.9%
y/y

General expenses

PLN 161.5m of integration costs
(PLN 3.5m integration costs in 1H 2018)



+75.2%
y/y

Cost of risk

(55 bps)

normalised
(w/o integration costs)

+48.3% q/q

+3.4% q/q

-11.7% q/q

+20.6% q/q

Growth strategy implementation

Impact of the integration and sales network reorganisation on the current business activity



3,775k

Bank's customers

+31.8% y/y (-0.1% vs Q1 2019)



+49% y/y (+5.4% vs Q1 2019)

volume of assets under management



+36% y/y (-1.8% vs Q1 2019)

lending volumes, gross



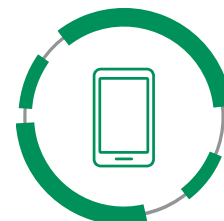
+176% y/y (+5.1% vs Q1 2019)

mortgage loans sales



+27% y/y (-16.4% vs Q1 2019)

personal account sales



326k

mobile users

(Gomobile +91.6% y/y, +17.2% vs Q1 2019)

Transformation and integration to support strategy implementation

Key achievements in every pillar of the strategy

Growth

- Positive acceptance of the **new accounts and cards offered to retail customers**. Victory in two categories of the money.pl ranking
- **GOmobile** functionality development, e.g. tourist insurance, BLIK payments
- Financing of online purchases on the Allegro platform (more than 150 thousand of credit limits granted since the service launch)

Simplicity

- Distribution **network optimisation** (150 branches closed)
- **Standardisation of the sales network** and product offering under rebranding
- Credit **process streamlining** (in micro, Food&Agro and consumer credit segments)

Quality

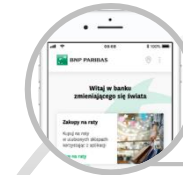
- **Transformation of the sales network**: new branch formats, "2019 Accessibility Leader", certification
- **Award for BNP Paribas Wealth Management** for the best quality of private banking services in Poland according to the Euromoney magazine

Digitalisation

- **GOonline** – a new Internet platform provided available to the first group of individual customers in July
- Internet platform for business customers: layout modernisation and new system functionalities (e.g. credit e-applications)
- **PSD2** - providing production API available as the first bank on the market, PSD2 Academy
- Successful launch of the **Agronomist.pl** portal - 1.6 thousand of registered users and more than 30 thousand visits

Enthusiasm

- Effectively implemented **rebranding** process. Further brand awareness growth
- **Winner of the 13th Ranking of Responsible Companies**



+92% y/y
GOmobile users



97%

Debt card penetration of new account packages



76

Branches in a new format



July 2019

Start of GOonline for Customers

Bank of Green Changes – counteracting climate change

Sustainable development and CSR

Monitoring and management of climate risks



- ✓ Monitoring the ESG risks in the activity of customers.
- ✓ CSR Policies applicable to sensitive sectors including: mining, defence and security, forestry, nuclear and agri-food.
- ✓ Sectors which are not financed: coal-fired power generation, tobacco and fur animals.

Support for energy transformation – development of green financing



- ✓ Agreement with the European Investment Bank (EIB) and acquisition of funds under the EU ELENA program to support thermal modernisation of multi-family buildings of housing communities.
- ✓ Financing of renewable energy sources, including a dynamic development of Photovoltaics: 3.3 thousand of photovoltaic installations financed for individual customers.

Promoting eco-attitudes and limiting the negative impact of operating activities



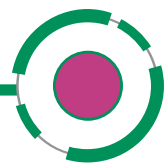
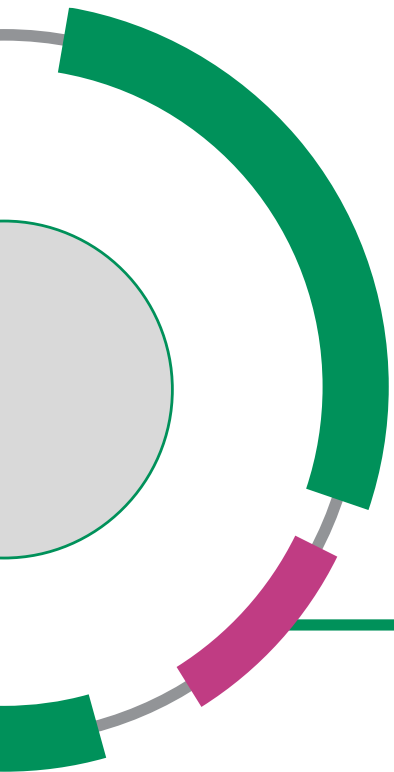
- ✓ Launch of the Bank of Green Changes educational program: meetings with experts, content-related materials, quizzes and eco-challenges.
- ✓ Elimination of disposable accessories and beverages in plastic bottles from purchase platforms and the Bank's offices and replacing them by ecological equivalents.
- ✓ Another apiary of the Bank – in Ruda Śląska.

Involvement in initiatives for climate



- ✓ Support for “Call to action” – an initiative whereby CEOs of companies that support the implementation of Sustainable Development Goals (SDGs) join forces.
- ✓ Partnership with the UN Global Compact Network Poland and ASAP Association.
- ✓ “Partnership for Climate” of the capital city of Warsaw.

Focus on green initiatives in line with BNP Paribas Group policy

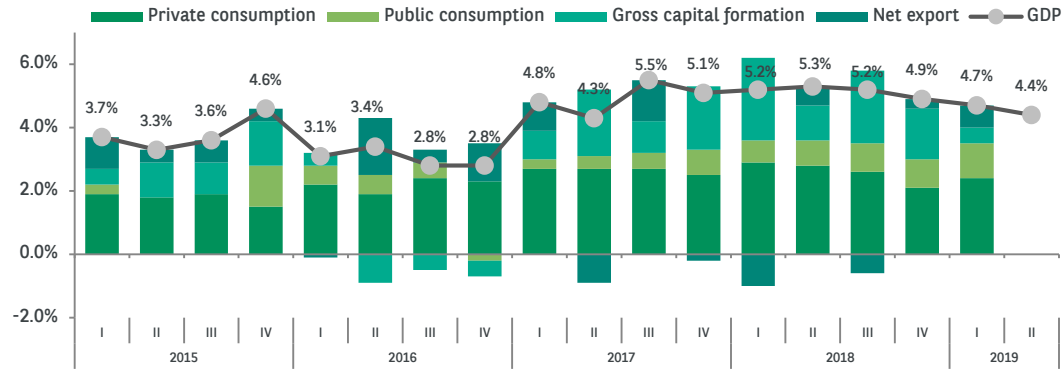


Macroeconomic environment

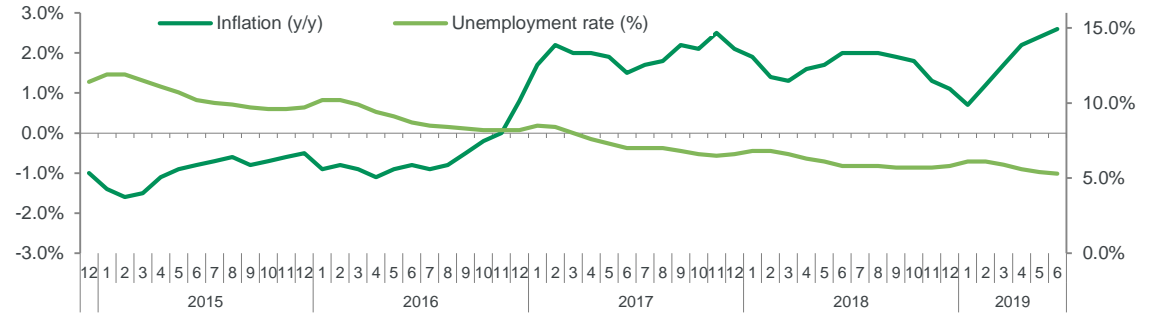
Stable macroeconomic situation

Minor GDP slowdown, inflation rate increase and drop in LT bond yields

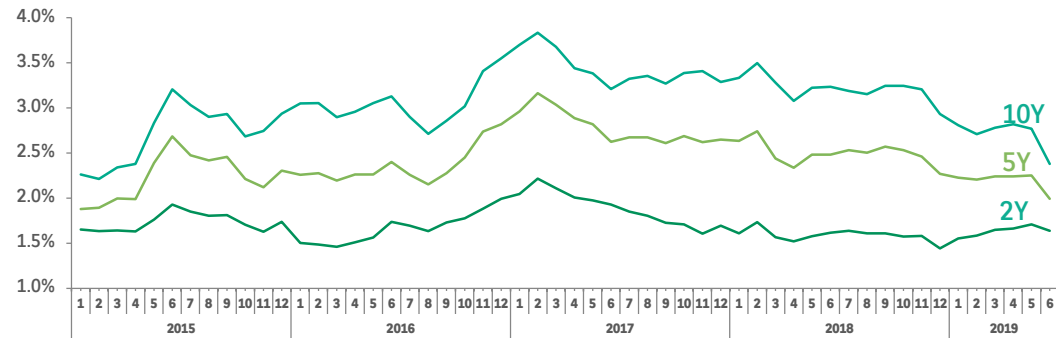
GDP growth



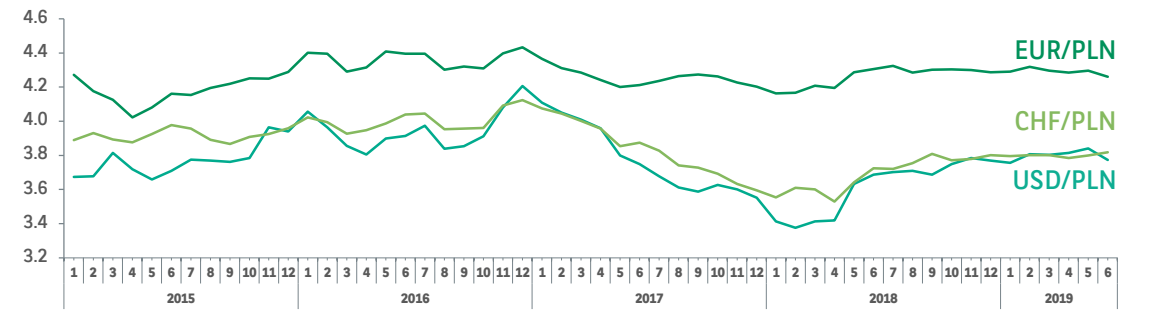
Inflation rate and unemployment

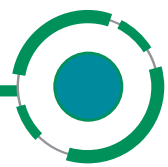
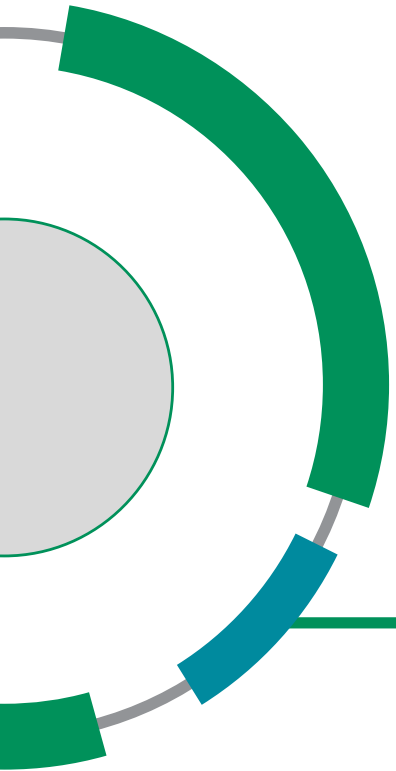


Bond yields



Exchange rates



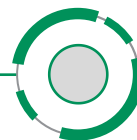


Capital Group financial results

Key financial data in the first half of 2019

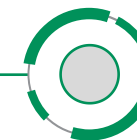
Improvement in profitability and capital adequacy, safe liquidity position

Financial results



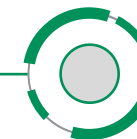
Net profit	PLN 379m <i>PLN 511m*</i>	+101% y/y (+PLN 190m) +167% y/y (+PLN 319m)*
Net banking income	PLN 2,322m	+73% y/y (+PLN 979m) , of which: Net interest income: PLN 1,565m, +65.5% y/y Net fee and commission income: PLN 407m, +61.1% y/y Net trading income: PLN 326m, +135.2% y/y
Operating expenses	PLN 1,454m <i>PLN 1,293m*</i>	+70% y/y (+PLN 598m) +52% y/y (+PLN 440m)*
C/I Ratio	62.6% <i>55.6%*</i>	-1.1 pp y/y -7.9 pp y/y*
Net impairment losses	PLN 206m	+75% y/y (+PLN 88m)

Volumes



Assets	PLN 107bn, +49.3% y/y
Loans (gross)	PLN 76bn, +35.8% y/y
Customer deposits**	PLN 83bn, +53.0% y/y
Equity	PLN 10,924m, +70.4% y/y

Indicators



Total capital ratio	15.12%
Tier 1	12.84%
Net loans/deposits	88.38%
ROE	7.1% / 9.5%*

Lending portfolio diversification

Gross loan portfolio growth of +35.8% y/y as a result of the RBPL Core Bank Business acquisition, sale of the factoring activity in June 2019

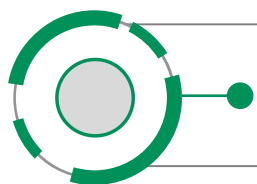
PLN m

Substantial growth in the gross loan portfolio* of 35.8% y/y to PLN 76.3 bn. Improvement in the portfolio diversification:

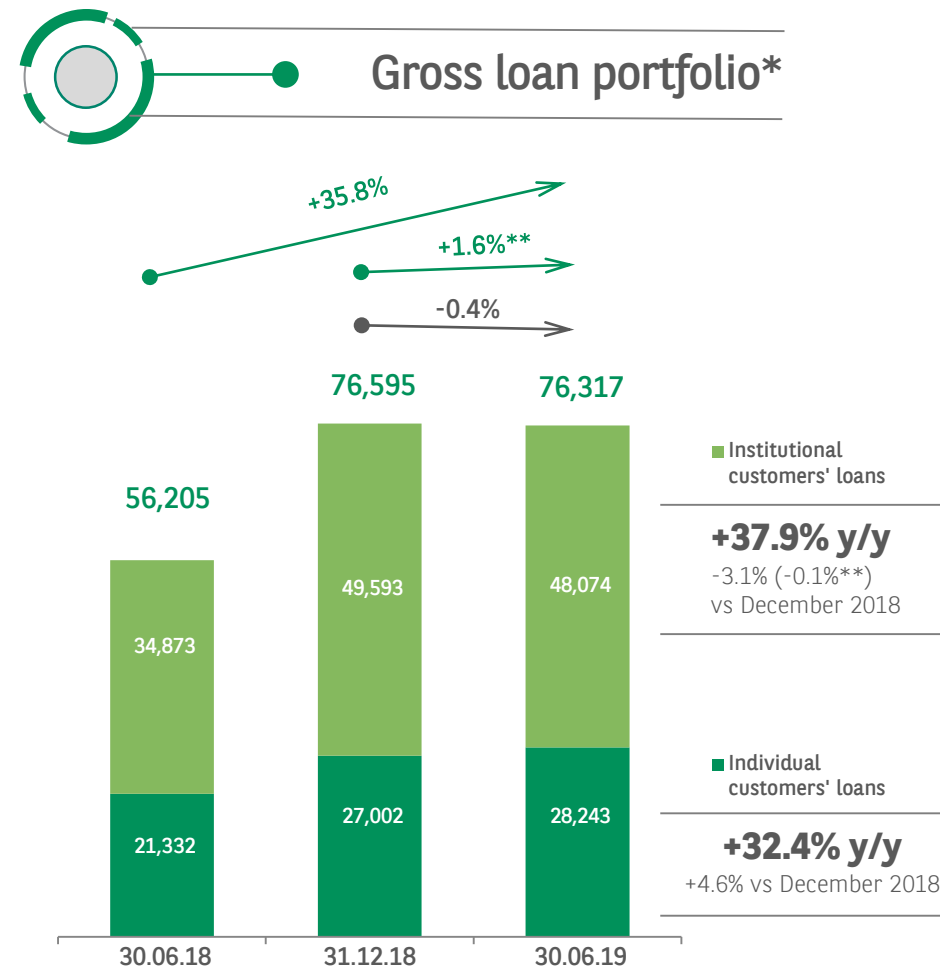
- share of loans to individual farmers in the total gross loan portfolio down by 5.3 pp y/y, to 14.5%,
- share of FX mortgage loans in the total gross loan portfolio down by 3.1 pp y/y, to 6.6%.

Decrease in the portfolio value by -0.4% vs December 2018 caused by the factoring sale (excluding the factoring sale, increase by 1.6%):

- growth of the value of loans to individual customers (+4.6% vs Dec 2018),
- share of individual customers in the Bank's loan portfolio up to 37.0% (+1.8 pp vs Dec 2018).



Customer loans market share of 5.73%

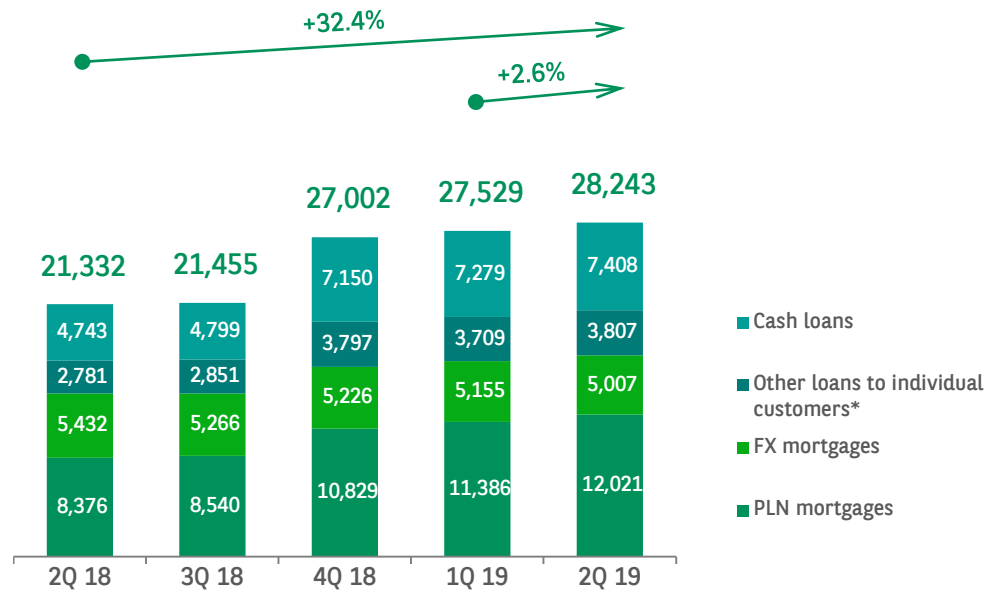


Gross loan portfolio

Continued growth of the value of loans to individual customers, factoring sale in Q2 2019

PLN m, end of quarter

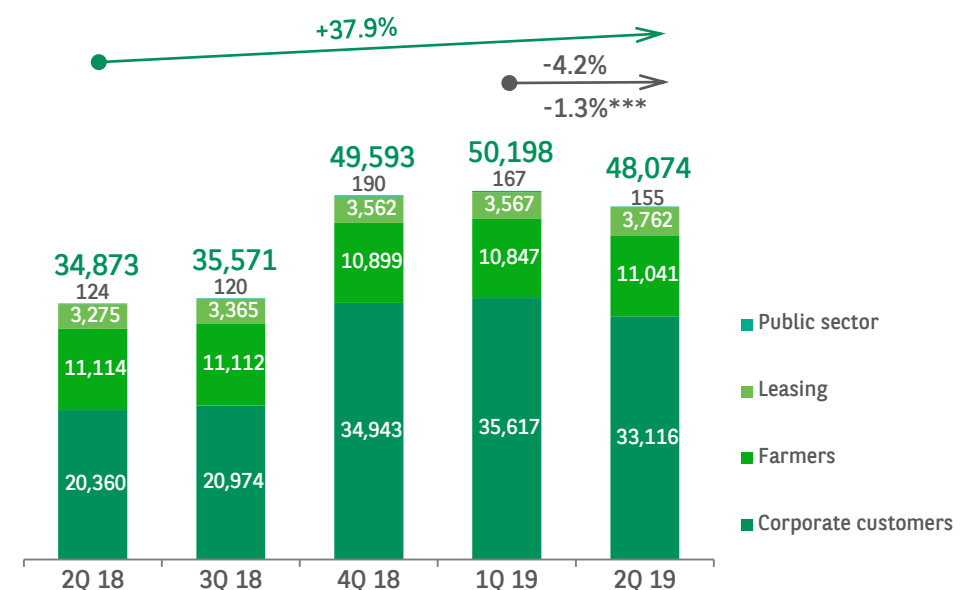
Individual customers' loans



- The highest growth dynamics q/q for PLN mortgages (+5.6%) and others (+2.6%).
- Another quarter of increase in cash loans (+1.8% vs Q1 2019).
- The share of mortgages in total individual loans amounted to 60.3% (+0.8 pp vs Dec 2018).
- The share of FX mortgages amounted to 17.7% (-1.6 pp vs Dec 2018).

* including car loans, instalment loans, overdraft facilities, credit cards

Institutional customers' loans**



- The sale of an organized part of the Bank's enterprise earmarked for conducting factoring activity decreased the portfolio of loans to institutional customers by PLN 1,468 m. Excluding the transaction, the portfolio value would be down by -1.3% (as compared to Q1 2019).
- Increase in lease receivables and loans to individual farmers, by +5.5% and 1.8% q/q, respectively.
- Share of loans to corporate customers in the total loans to institutional customers amounted to 68.9% as at the end of Q2 2019 (-1.6 pp vs Dec 2018).
- Share of loans to individual farmers in the total loans to institutional customers amounted to 23.0% (+1.0 pp vs Dec 2018).

** Including the portfolio measured at fair value for the agro loans and institutional loans (breakdown based on MIS data)

*** excluding factoring sale

Comfortable liquidity position

Continued deposit base optimisation process

PLN m

Higher deposit balance (+57.1% y/y)

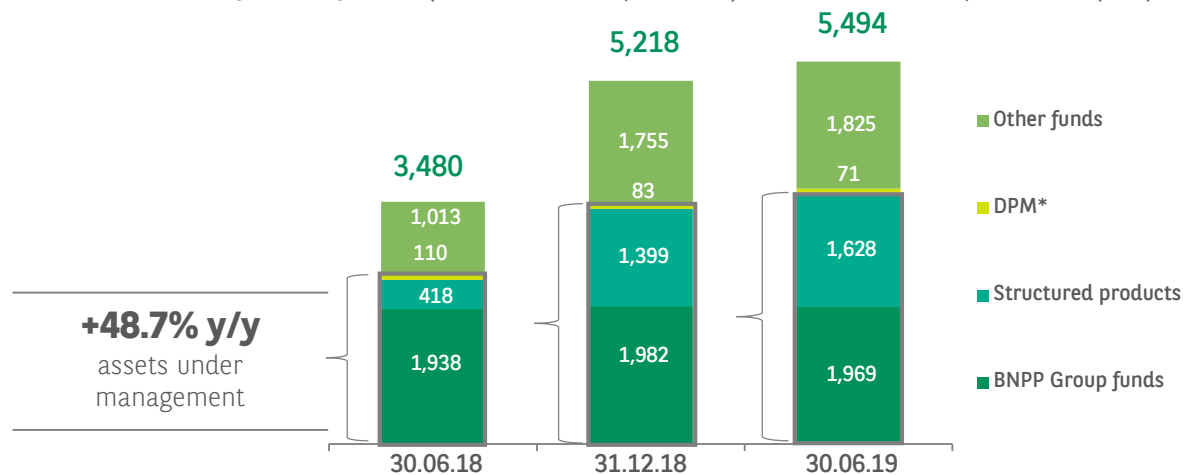
increased share of current deposits in total customer deposits (+7.6 pp y/y, +2.0% vs Dec 2018, to the level of 65.7%).

Decrease of deposit balance as compared to Dec 2018 (-5.2%)

as a result of continued optimization of the liquidity position after the merger with the RBPL Core Business.

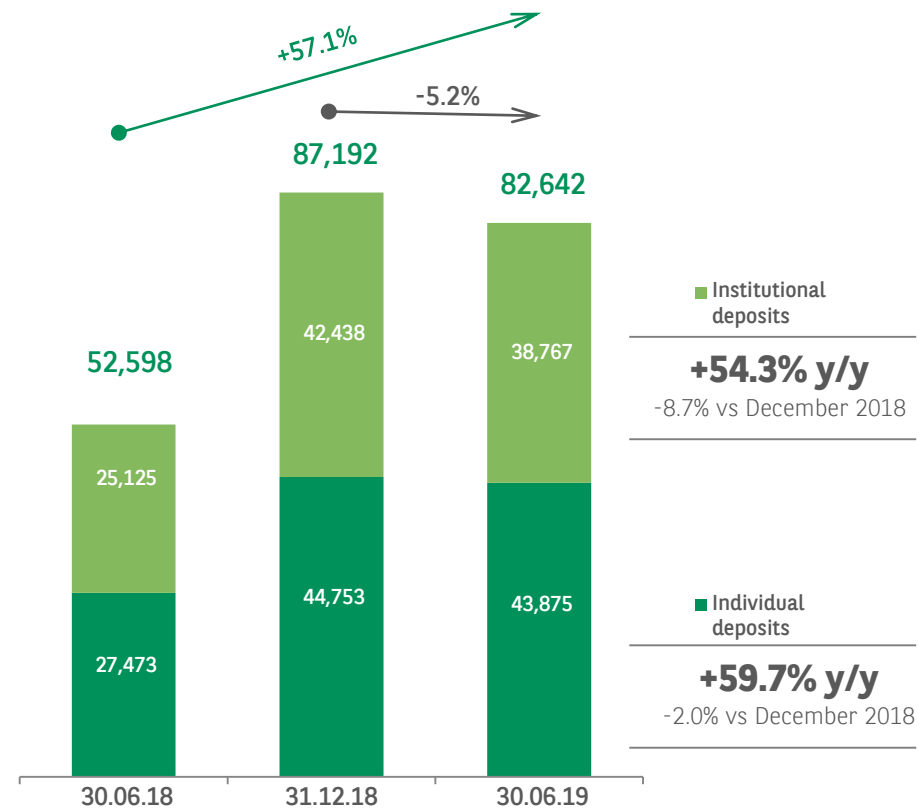
Growth in investment products volume (+57.9% y/y, +5.3% vs Dec 2018)

increased volume of other funds (Core RBPL acquisition) and structured products (IBV).



* Discretionary Portfolio Management

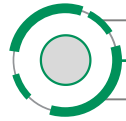
Customer deposits



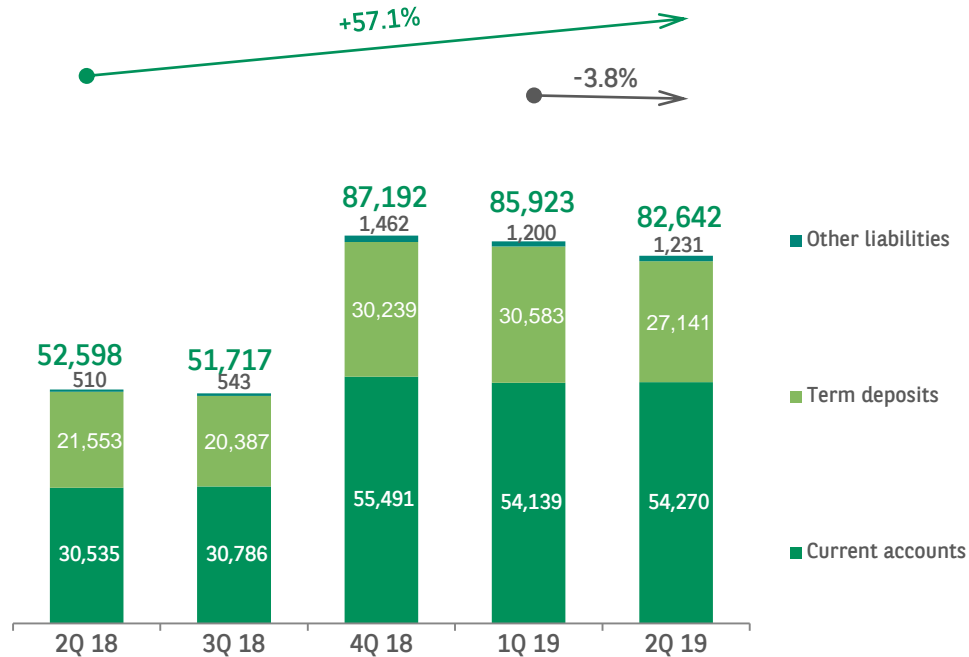
Deposit base structure

Positive evolution of deposit mix: increased share of individual customer deposits and current accounts

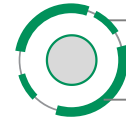
PLN m, end of quarter



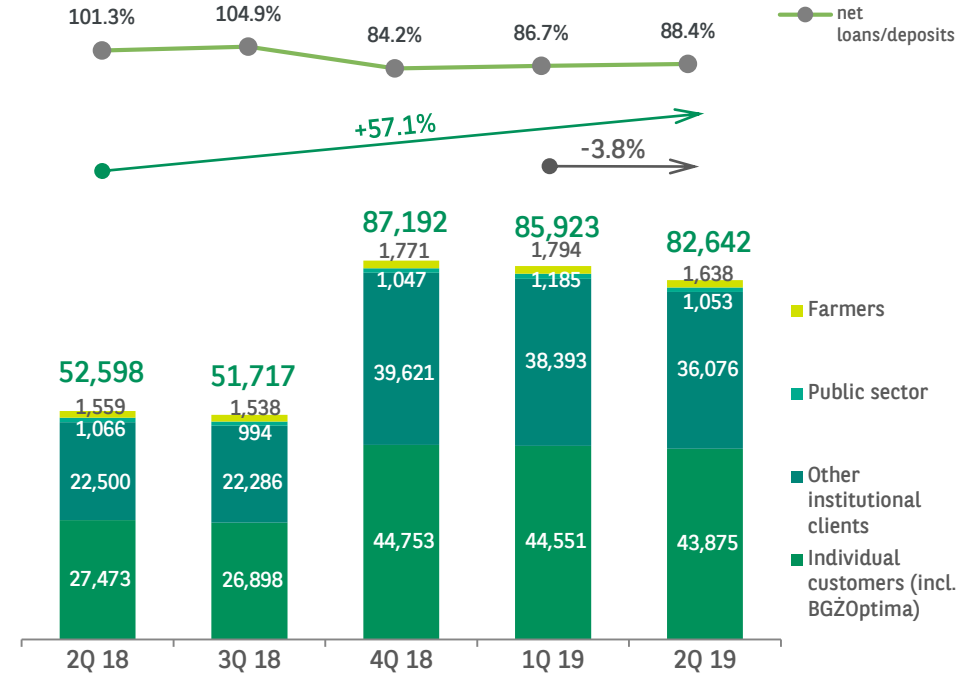
Deposit structure by maturity



- Share of customer current accounts in total deposits went up to 65.7% (+7.6 pp y/y, +2.0% vs Dec 2018).



Customer deposits

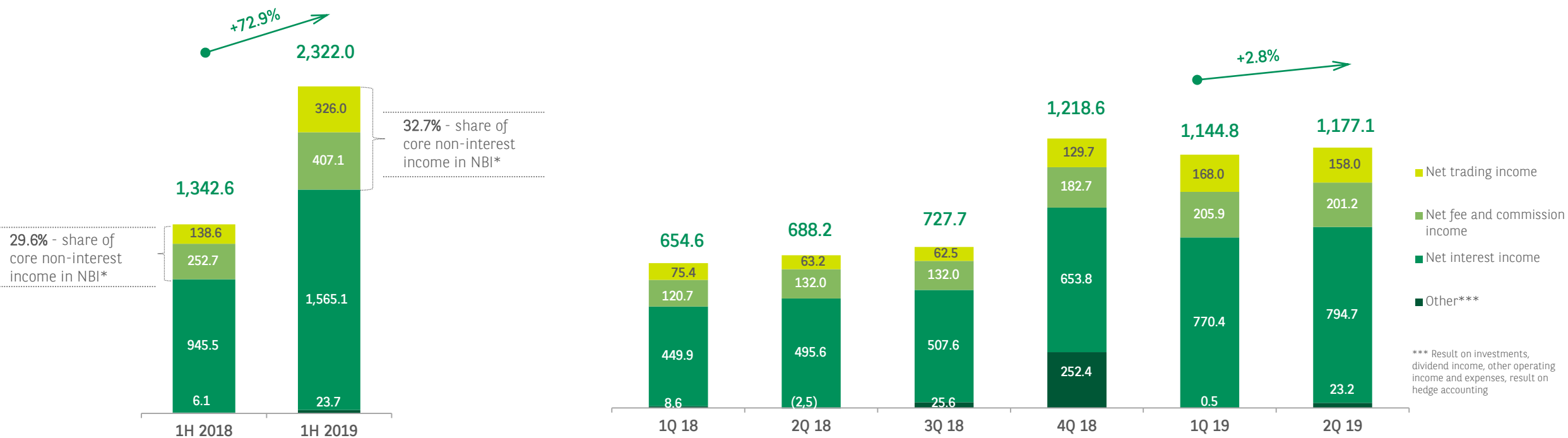


- Deposit volumes were down in all categories due to the optimisation of the liquidity position (State budget -11.1%, farmers -8.7%, other institutional customers -6.0%, individual customers -1.5%).
- Volume of deposits acquired through BGZOptima down to PLN 4.7bn (-38.7% y/y) as a result of the pricing policy optimisation.
- Share of individual customers up to 53.1% (+0.9 pp y/y and +1.8 vs Dec 2018) and the share of farmers in total deposits down to 2.0% (-1 pp y/y and unchanged vs Dec 2018).
- Share of other institutional customers down to 43.7% (-1.8 pp) vs Dec 2018.

Net banking income

Income growth attributable to higher net interest income and recognition of the goal from the sale of factoring

PLN m



- Growth of NBI as a result of the RBPL Core Business income recognition since November 2018**.
- In 1H 2019, NBI was positively affected by the income on the sale of the organized part of the Bank's enterprise earmarked for factoring activity ("ORG") booked in June 2019 in the amount of PLN 45.0m.

- Noticeable growth of importance of the net trading income and the net fee and commission income after finalization of the RBPL Core Business acquisition.
- Continued increase in the net interest income.
- Negative impact of loan portfolio valuation measured at fair value in Q2 2019 (-PLN 12.5m vs -PLN 7m in Q1 2019).
- The Other category includes in Q2 2019 the amount of PLN 45 m income of the ORG sale, while in Q4 2018, the amount of PLN 291.7m gain on the bargain purchase of the RBPL Core Business and integration costs recognized in other operating expenses, including PLN 22m provision for branch restructuring costs and PLN 7.5m impairment costs of fixed assets.

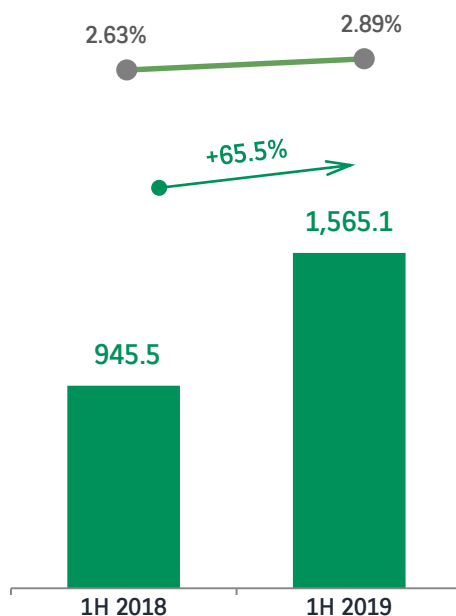
* normalized value i.e. excluding integration costs

** Q4 2018 covers two months while quarterly results in 2019 cover three full months of the RBPL Core Business income

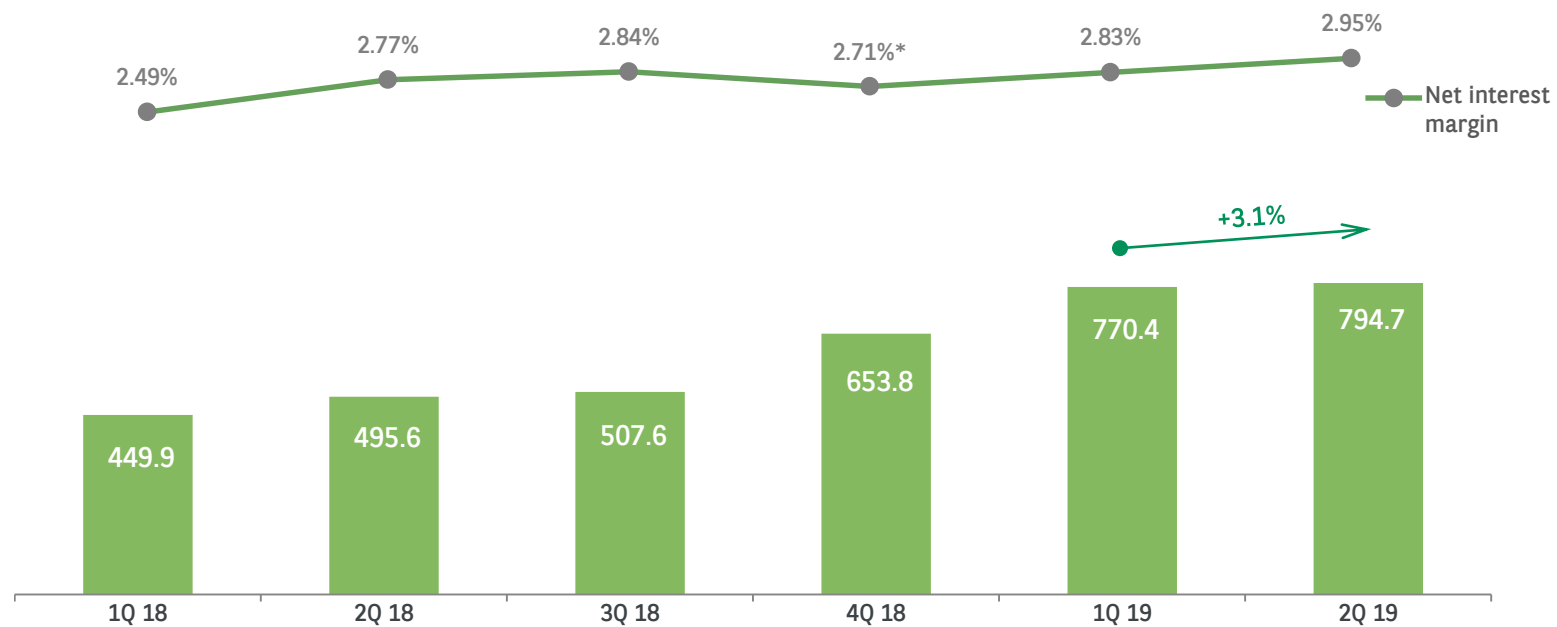
Net interest income

Higher net interest income as a result of the RBPL Core Business acquisition, higher deposit margins and increase in the portfolio of loans to individual customers

PLN m



- Increase in the net interest income as a result of the RBPL Core Business income recognition.
- Improvement of deposit margins driven by the continued deposit base optimisation.



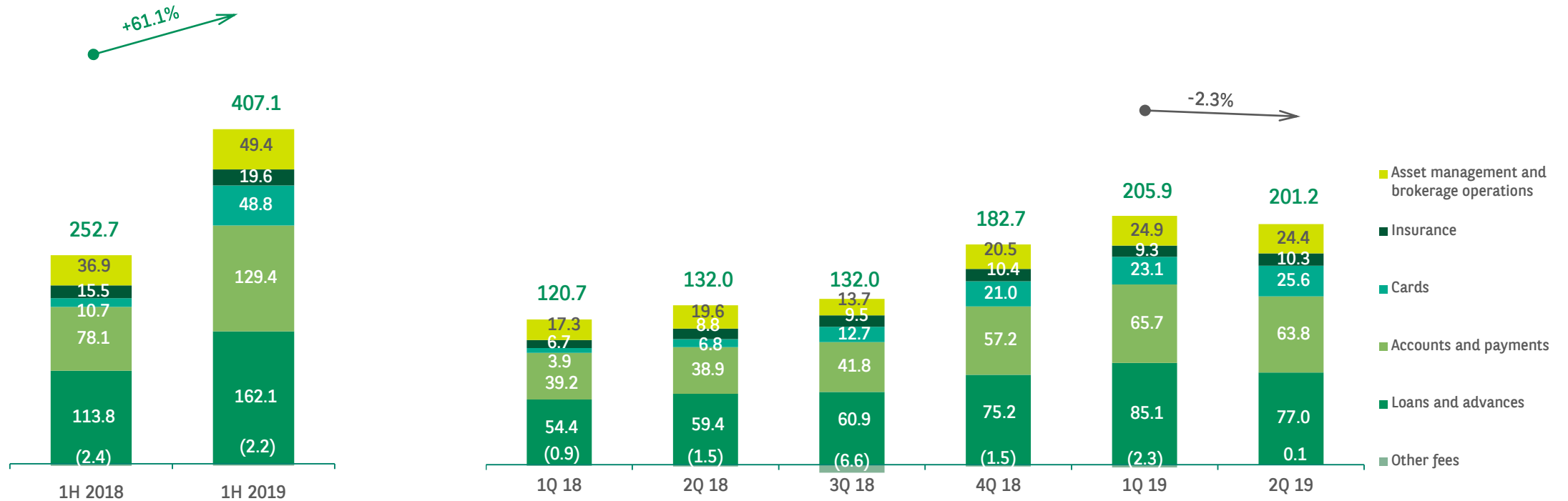
- Higher net interest income in Q2 2019 was driven by, among others, higher interest income on loans to individual customers and slightly lower funding costs.
- The net interest income in Q2 2019 includes fair value unwinding in the amount of PLN 28.4 m for Stage I loan portfolio acquired as part of the RBPL Core Business (PLN 18.0m in Q4 2018, PLN 32.3m in Q1 2019).
- The Q4 2018 result was lower due to costs related to the early repayment of loans and advances received from the BNPP Group – negative impact of PLN 31.8m.

* Net interest margin is calculated as a ratio of net interest income to average total assets as of quarter ends. Due to the significant increase in the total assets as of 31 October 2018 and to the recognition of the net interest income of the purchased RBPL Core Business for the last two months of 2018 in the Bank's net interest income - for Q4 2018 average weighted days are applied.

Net fee and commission income

Growing share of card fees and commissions, stable and high brokerage and asset management fees and commissions

PLN m



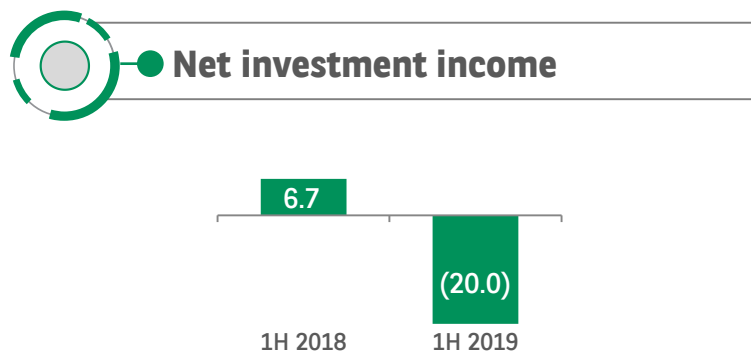
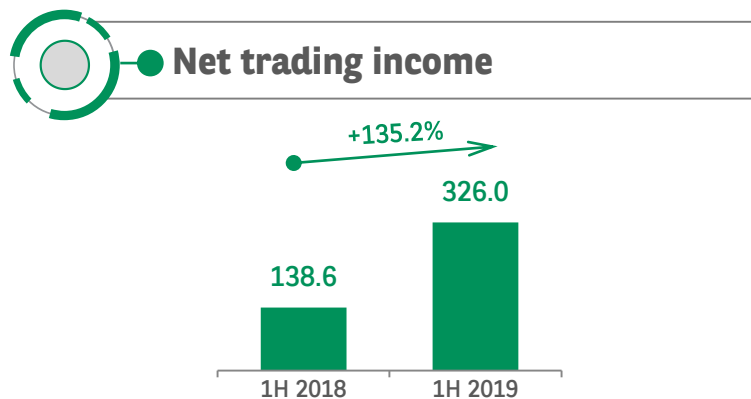
- Higher net fee and commission income y/y as a result of the RBPL Core Business acquisition.
- Higher fees and commissions related to payment and credit cards service (+355.3% y/y), accounts and settlement operations (+65.8% y/y), loans (+42.4% y/y), as well as brokerage operations and asset management (+33.8% y/y).

- Further increase in fees and commissions on payment and credit cards (growth rate in Q2 vs Q1: +10.8%) and insurance (growth rate in Q2 vs Q1: +10.9%) .
- Stabilisation of fees and commissions on asset management and brokerage operations, including thanks to the activity of BNPP TFI (higher sales of participation units), likewise accounts and settlement operations.
- Decrease in fees and commissions on loans and leasing caused by the absence in Q2 2019 of the income comparable to one-off income on SME and corporate customers in Q1.

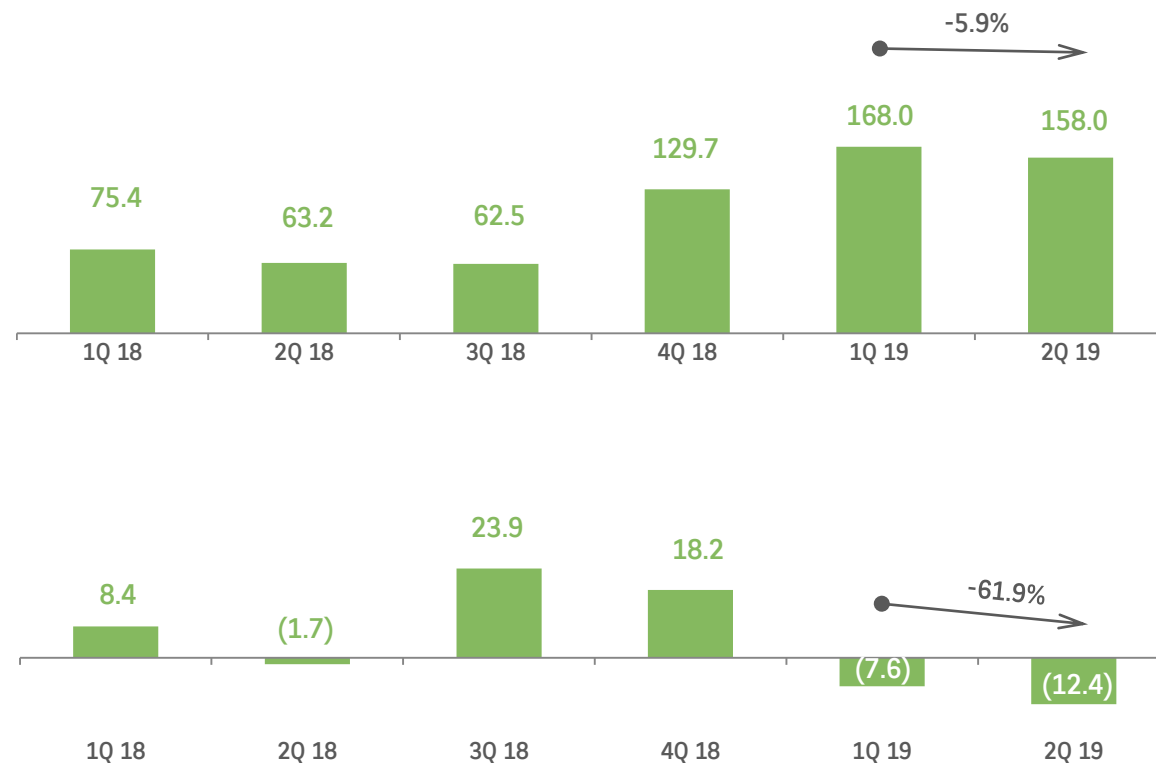
Net trading and investment income

Positive contribution of the RBPL Core Business, negative impact of valuation of the loan portfolio measured at fair value

PLN m



- Higher net trading income as a result of the RBPL Core Business acquisition (primarily FX transactions).
- Lower net investment income y/y due to a negative valuation of the loan portfolio measured at fair value in 1H 2019: -PLN 19.4m as compared to -PLN 4.2m in 1H 2018 and the absence of profits on the sale of debt instruments (+PLN 11.0m in 1H 2018).

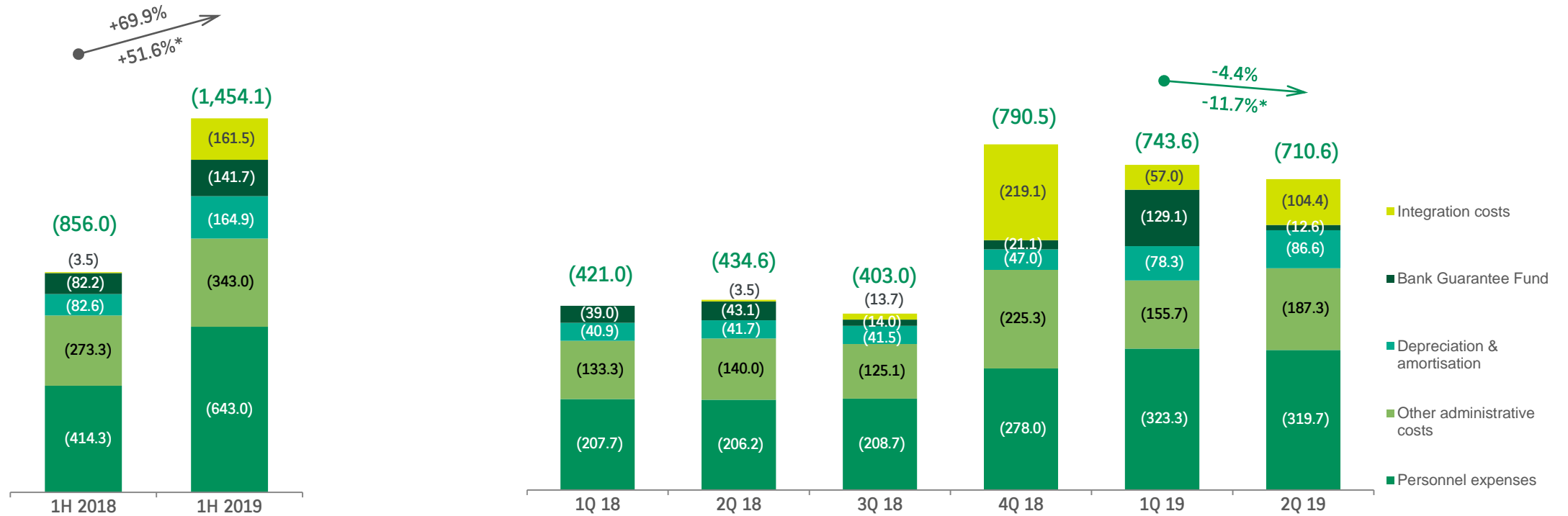


- Lower net trading income in Q2 2019 as compared to Q1 due to a lower ALMT result. Stable result on operations with customers.
- The Q2 2019 net investment income includes the impact of valuation of the portfolio of loans and advances to customers measured at fair value of -PLN 12.5 m compared to -PLN 6.9m in Q1, -PLN 13.6m in Q4 2018, +PLN 23.9m in Q3 2018, -PLN 12.1m in Q2 2018 and +PLN 7.8m in Q1 2018.
- Positive impact of gain on debt securities sale in the amount of +PLN 30.2m in Q4 2018 and +PLN 10.4m in Q2 2018.

Operating expenses, depreciation and amortisation

Acceleration in the integration process. First synergies delivered

PLN m



- 1H 2019 expenses excluding integration costs (-PLN 161.5m) were up by 51.6% y/y due to the merger with the RBPL Core Business and higher BGF costs.
- H1 2019 costs excluding integration and BGF were higher by 49.4% y/y.
- H1 2019 integration costs include:
 - cost of accelerated IT systems depreciation due to the merger with the RBPL Core Business : PLN 55.5m,
 - rebranding costs: PLN 23.7m,
 - provision for retention programmes: PLN 22.6m,
 - costs of consulting services: PLN 14.2m.

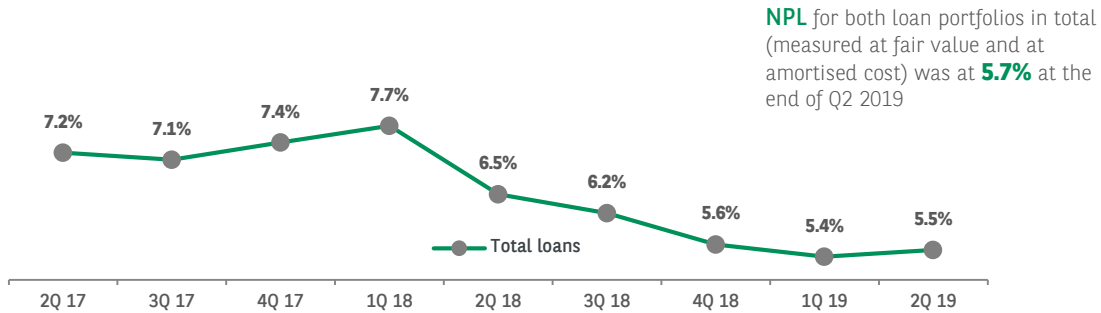
- Decrease in costs q/q due to BGF fees lower by PLN 116.6m (contribution to the banks' resolution fund was recognised in total in Q1 2019). In 2018, the contribution to the banks' resolution fund (PLN 52.8 m) was booked in Q1 (PLN 24.2 m) and in Q2 (PLN 28.6 m).
- Increase in integration costs in Q2 2019 was related to preparations to the operational merger planned for Q4 2019.
- Higher amortisation and depreciation in Q2 2019 vs Q1 2019 related to, among others, the increase of completed investments. The increase in amortisation and depreciation costs by PLN 29.6m in Q1 2019 following implementation of the IFRS 16 "Leasing" as of 1 January 2019 (reallocation of rental costs, car and IT leasing costs records to depreciation).
- First synergies being delivered - 700 FTEs reduced and 150 branches closed since legal merger (October 2018).

* Excluding integration costs

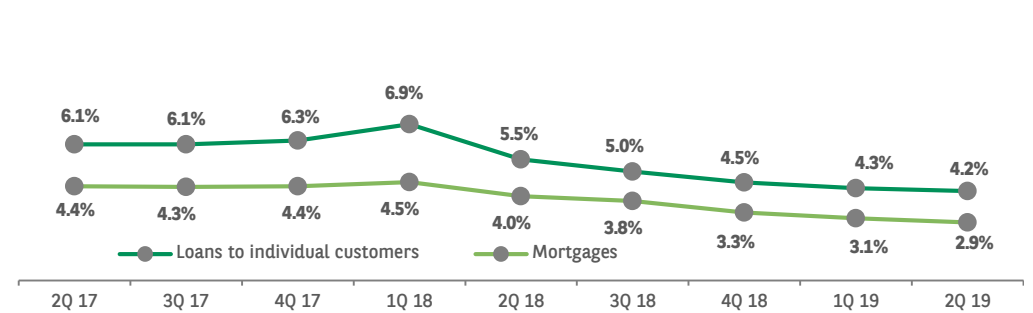
Loan portfolio quality

Satisfactory NPL ratios due to effective risk management and monitoring as well as restructuring processes

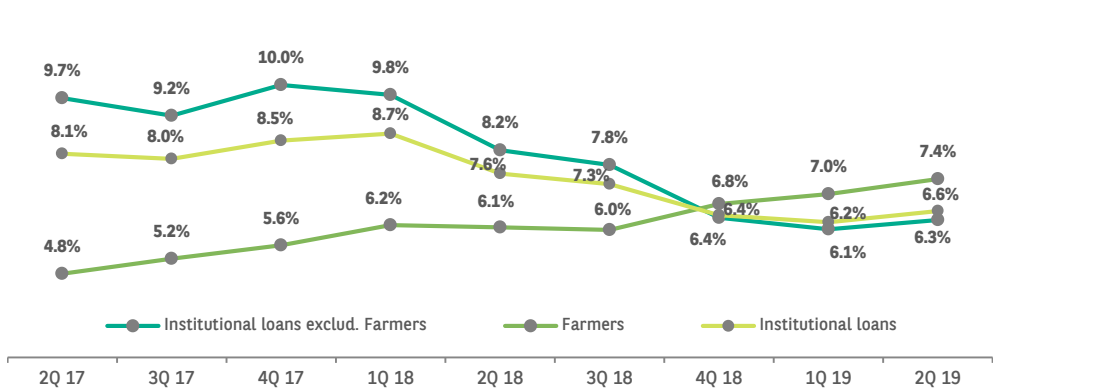
Total loans – NPL*



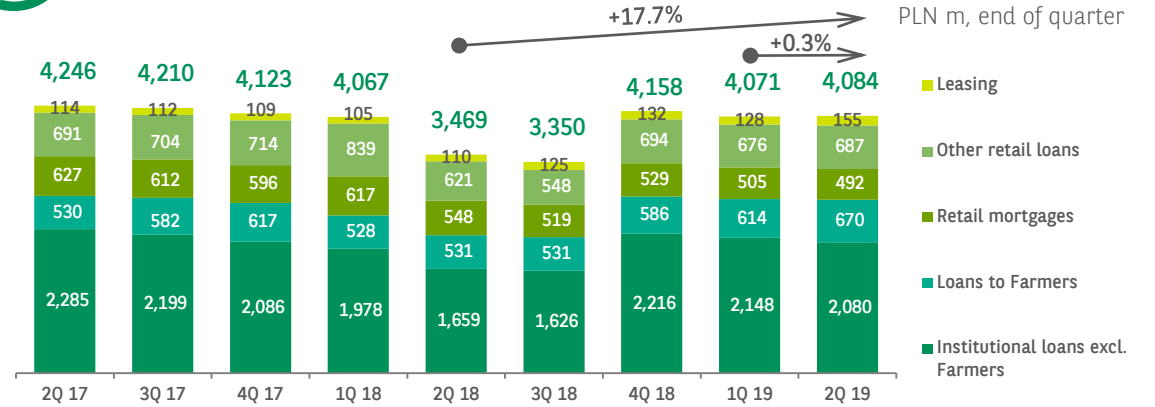
Retail loans – NPL*



Institutional loans – NPL*



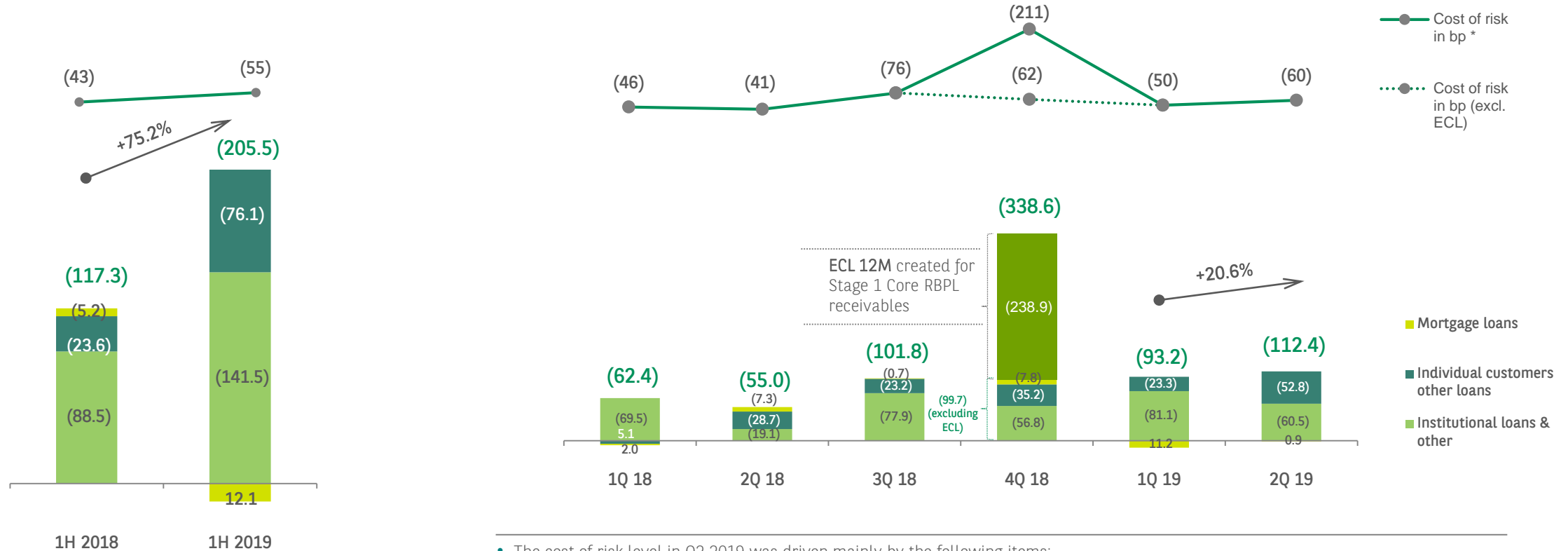
Gross impaired portfolio**



Net impairment losses (by main portfolios)

Stable level of cost of risk

PLN m



- Higher cost of risk in 1H 2019 is mainly attributable to growth of the Bank's loan portfolio (RBPL Core Business acquisition) and the absence in 1H 2019 of a positive impact of the NPL sale comparable to 1H 2018.
- Excluding the impact of the receivables sale transaction, the cost of risk in 1H 2019 would be at 0.57% vs 0.58% in 1H 2018.

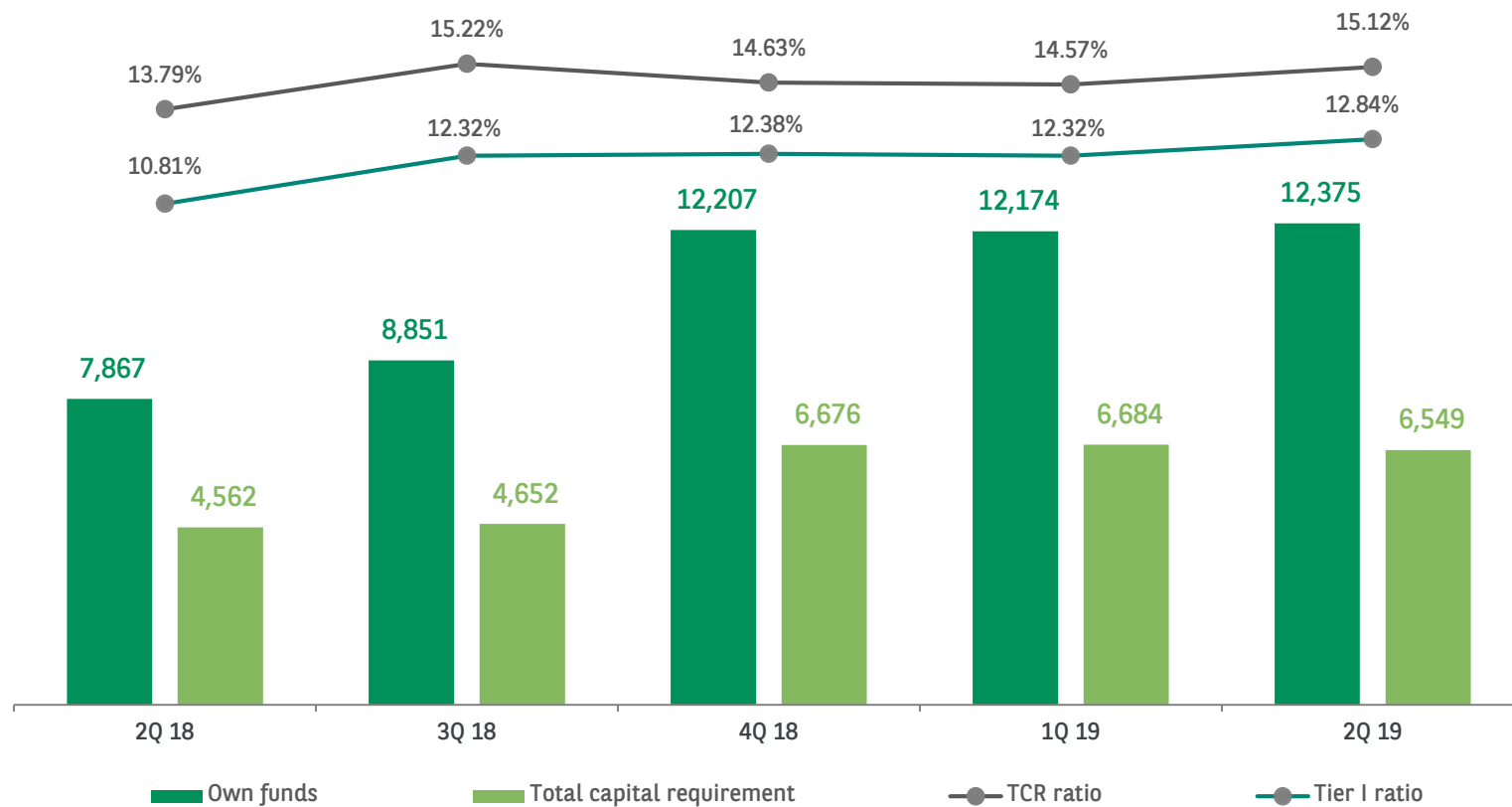
- The cost of risk level in Q2 2019 was driven mainly by the following items:
 - absence in Q2 2019 of the receivables sale transaction (NPL, micro and individual customers), which positively impacted net provisions in Q1 (+PLN 8.9m),
 - for institutional customers: absence in Q2 2019 of additional costs such as portfolio provisions created in Q1 2019 for higher risk related to the African swine fever (ASF) of -PLN 19m,
 - for retail customers: scale of releasing provisions related to updating risk parameters lower than in Q1 2019,
 - for mortgage loans: in Q1 release of provisions related to risk parameters update (PLN 11.5m).

* Cost of risk calculated as the ratio of the net impairment losses to the average balance of gross loans and advances to customers measured at amortized cost (calculated based on quarter-end balances).

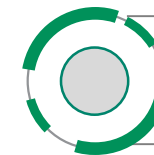
Capital adequacy

Continuous improvement of the capital ratios - TCR and Tier 1 above the regulatory minimum

PLN m



- Increase in the value of total own funds resulting from the approval of the Polish Financial Supervision Authority (KNF) of the recognition of the Group's net profit for the first quarter of 2019 (PLN 162m) in own funds.
- Decrease in the total exposure to risk thanks to selling an organised part of the Bank's enterprise earmarked for conducting factoring activity (approx. PLN 1.5 bn).
- TCR and Tier 1 above the regulatory minimum by +1.4 pp and +1.1 pp, respectively (taking into account the KNF's decision of 10 July stating no further need for the Bank to maintain own funds to cover an additional capital requirement for mortgage-secured FX loans).

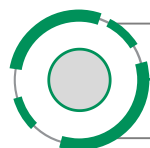


Increase in both standalone and consolidated capital ratios

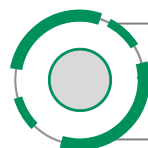
BNP Paribas Bank Polska S.A. shares

Recent catch up of share price but P/BV remains below peers

ISIN Code:
PLBGZ0000010
WSE Ticker: BNP
Index: sWIG80



Share price: PLN 65.00
P/BV: 0.88 (30 June 2019)

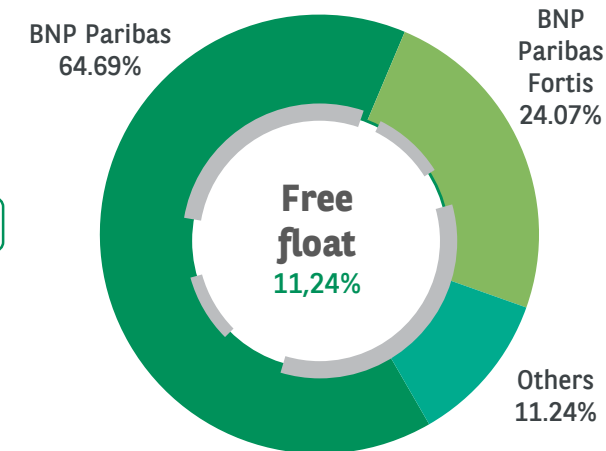
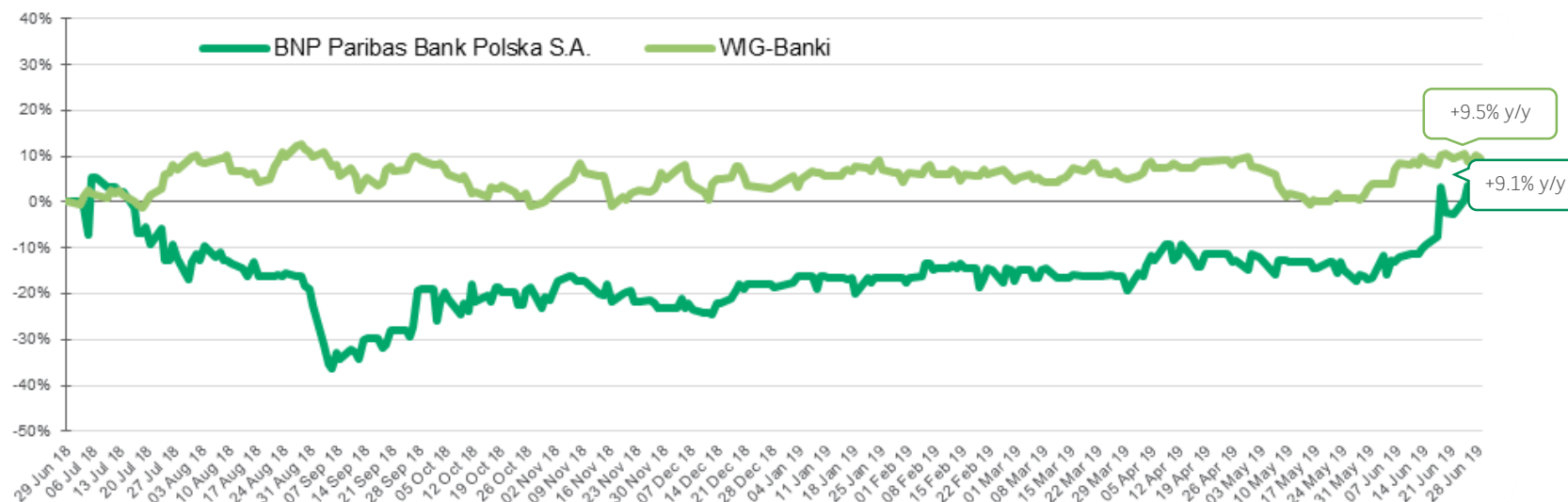


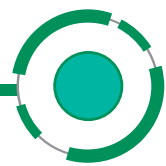
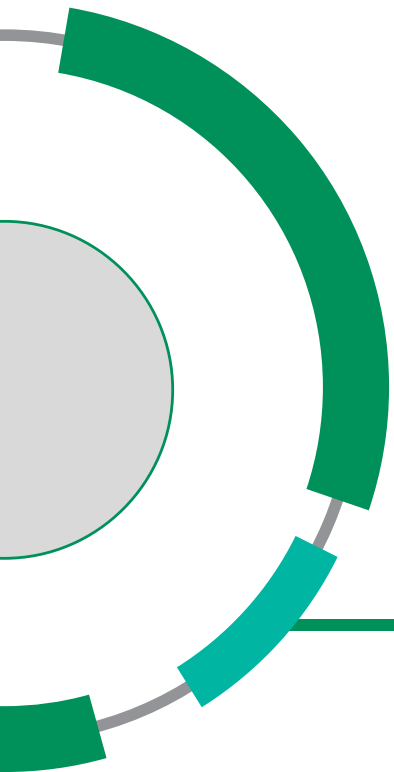
Capitalisation: PLN 9.58 bn
Free float value: PLN 1.08 bn



Shareholding structure
(30 June 2019)

Share price in the last 12 months (29 June 2018 = 100%)





Business segments performance

Retail and Business Banking

Digital transformation and omnichannel development, continued growth in loan sales volumes



3.7m
retail customers

+895k +32% y/y
-2k -0.1% q/q



Customer orientation

- Rebound of the NPS result in the bank benchmark, up by two ranks y/y
- Building a client-centric organisation (Customer Excellence Board & Room)

Distribution network transformation

- April 2019 – rebranding finalisation and network optimisation (150 branches closed)
- 76 branches in new format

Product offer

- New packages of Accounts and debit cards (97% penetration by debit cards)
- 1/3 of cards are Open to World or to e-World Cards
- Significant growth of mortgage loans sold (incl. the sale of life insurance – penetration at 93%)

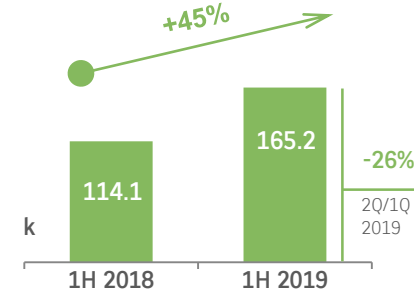
Gomobile

- Active users – increase to 222k, +92% y/y
- Transactions through GOMobile – up to 4.1m, +174% y/y

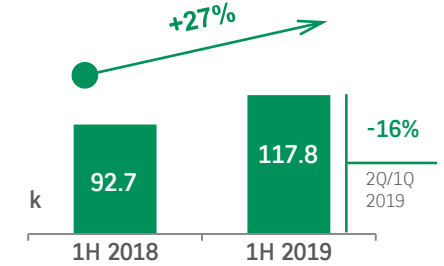
GOonline

- New Internet banking made available to first customers in July

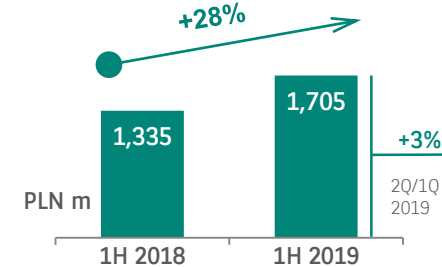
Individual customers acquisition*



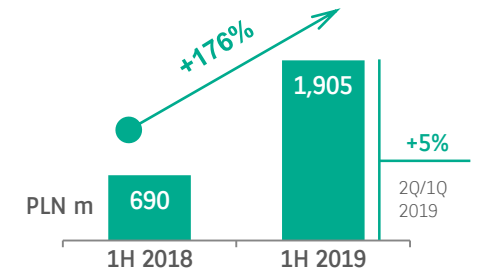
Personal accounts sales



Cash loan sales



Mortgage loan sales

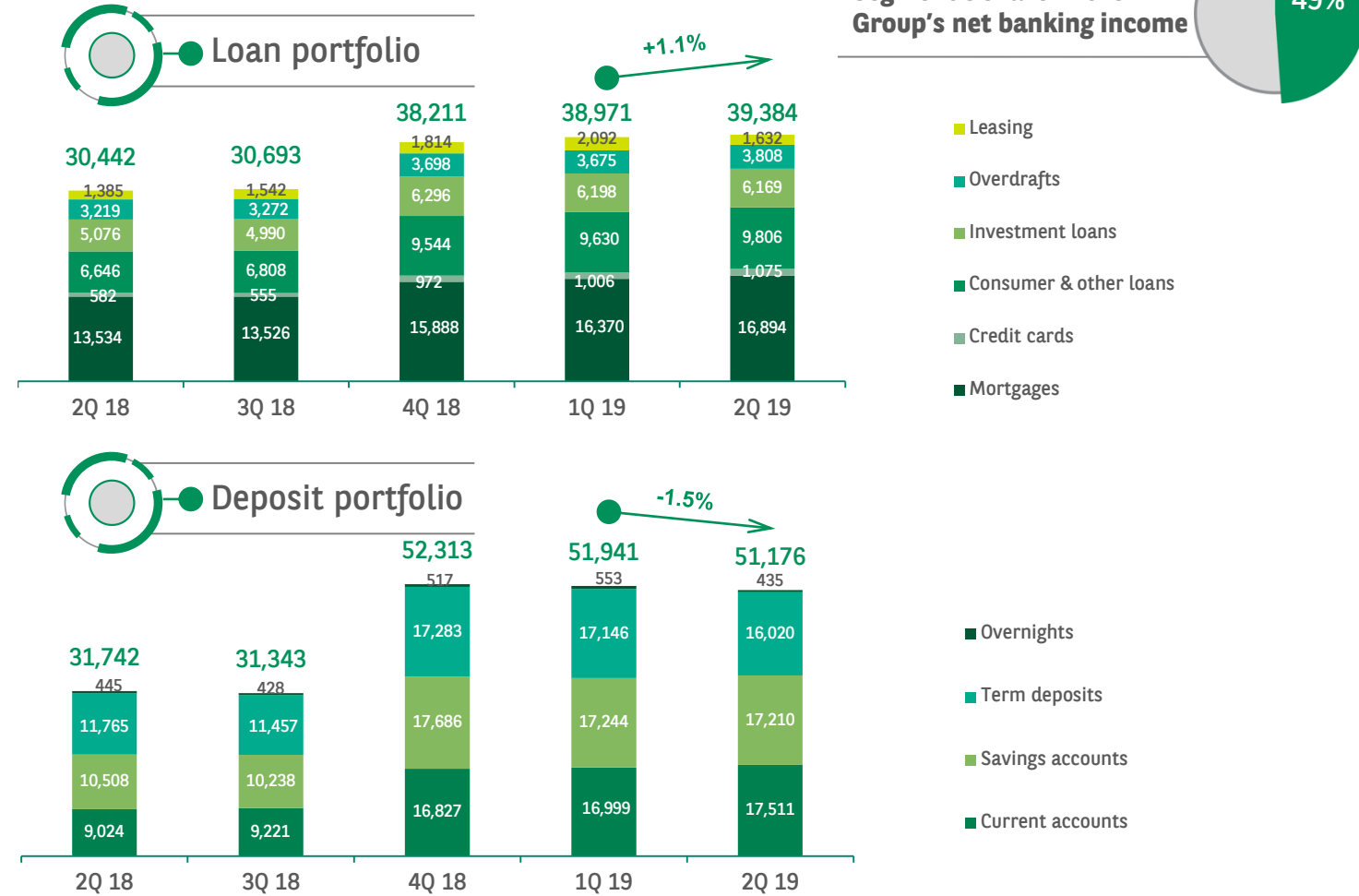
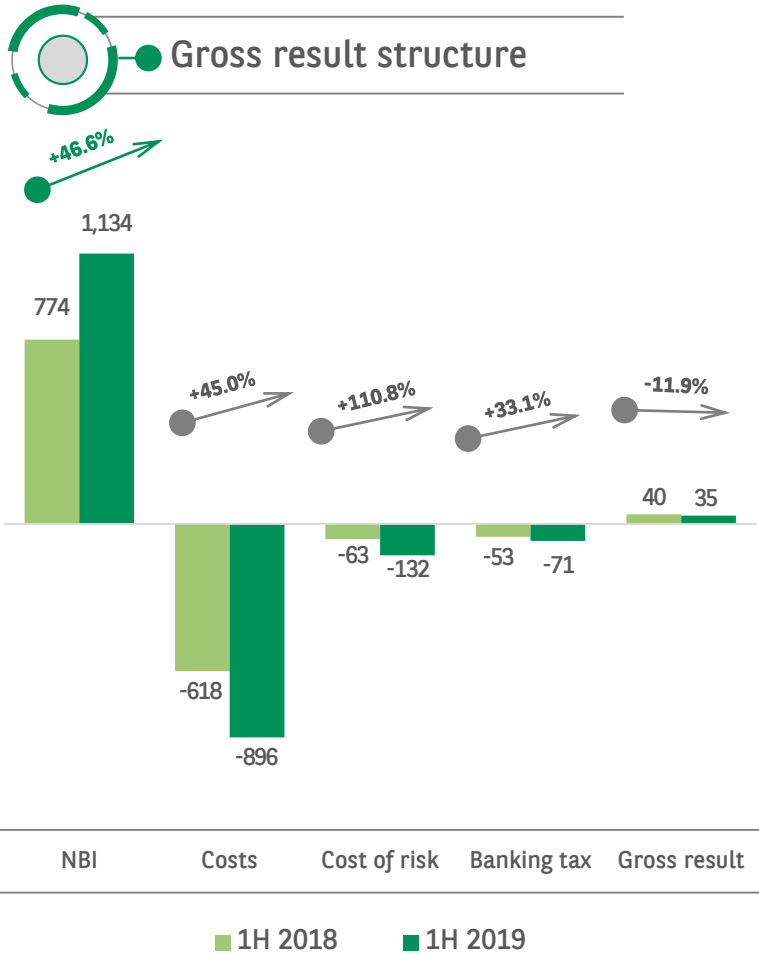


* Excluding acquisition through points of sale.

Retail and Business Banking

Significant revenue increase (driven by RBPL Core Business acquisition and organic growth), higher general expenses (incl. BGF). Growth of the loan portfolio

PLN m



SME Banking

Building business scale through consistent organisation transformation and integration with the RBPL Core Business

Strong partner for Customers

- New sales network structure for the SME segment
- **SME Business Centres** in 37 cities throughout Poland
- **Business Service Area** a new unit dedicated to the post-sale service of SME customers
- Relationship-based customer service model

Product offer

- Modern offering tailored to the needs of the SME segment customers offered by **local product specialists**
- **Dedicated solutions for the agri-food sector** offered by Agro Specialists

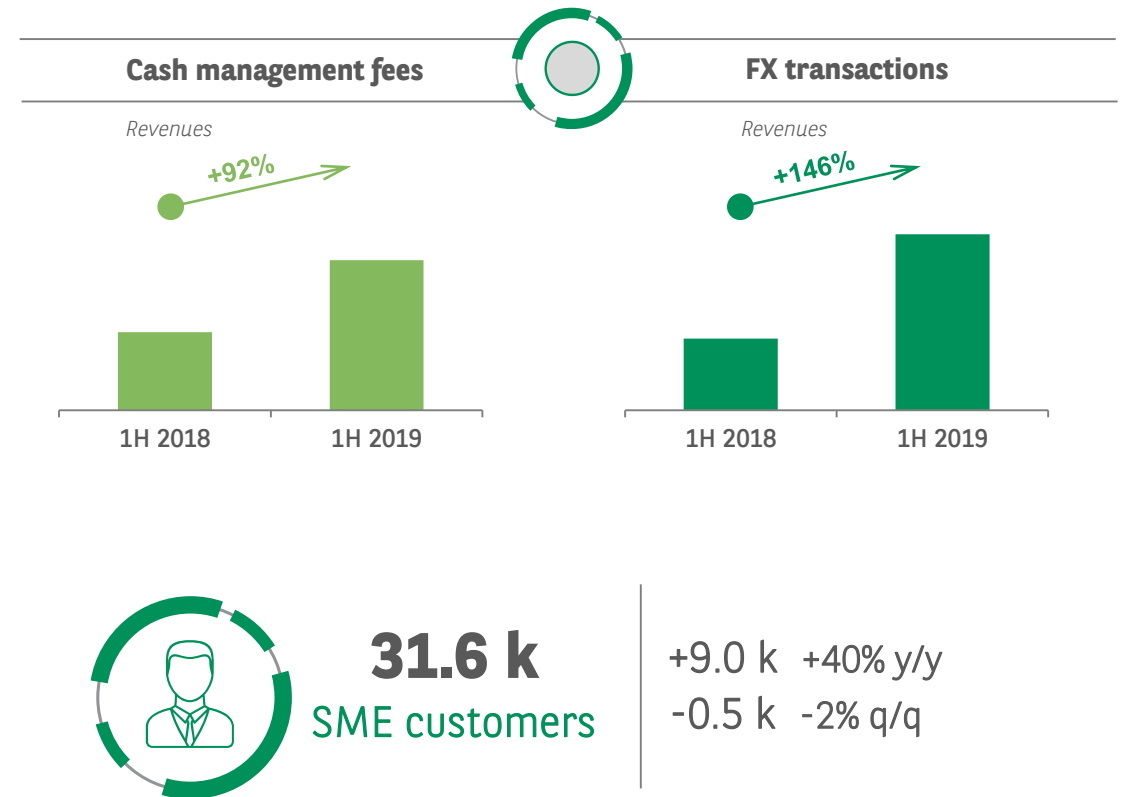
Business development

- **Acquisition** of new customers: +1,177 customers acquired in 1H 2019
- Increase in the **leasing** sale by +12,7% y/y
- **Changes in the balance sheet structure** in line with the strategy of increasing the share of short-term loans and cross-selling growth

Transformation and digitalisation

- Credit process streamlining - growing popularity of **credit e-application** among customers (nearly 700 applications sent by customers in 1H 2019)
- Improvement of operating processes and customer service in the Customer Service
- **Electronic onboarding application** - a new process of opening a customer relationship

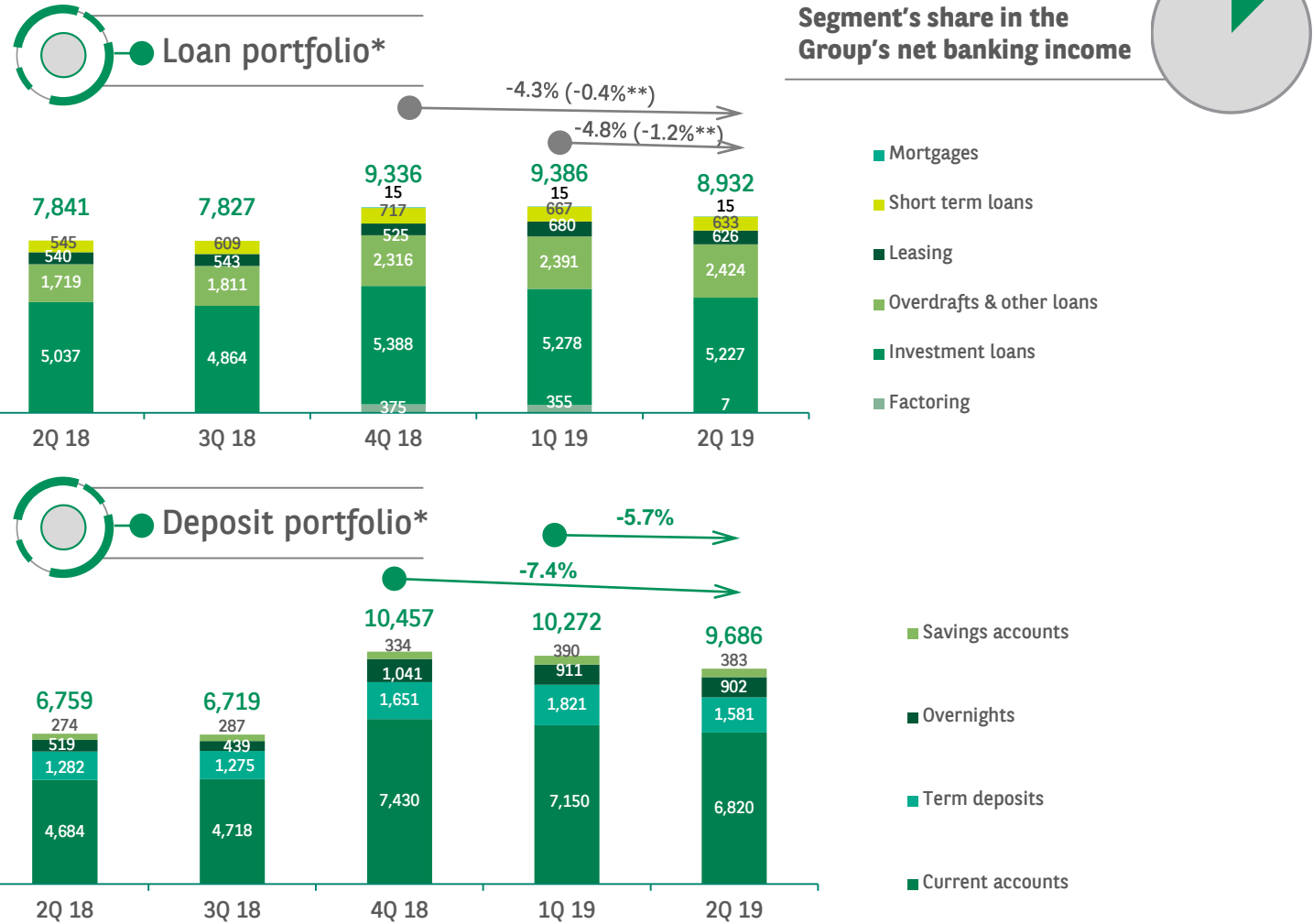
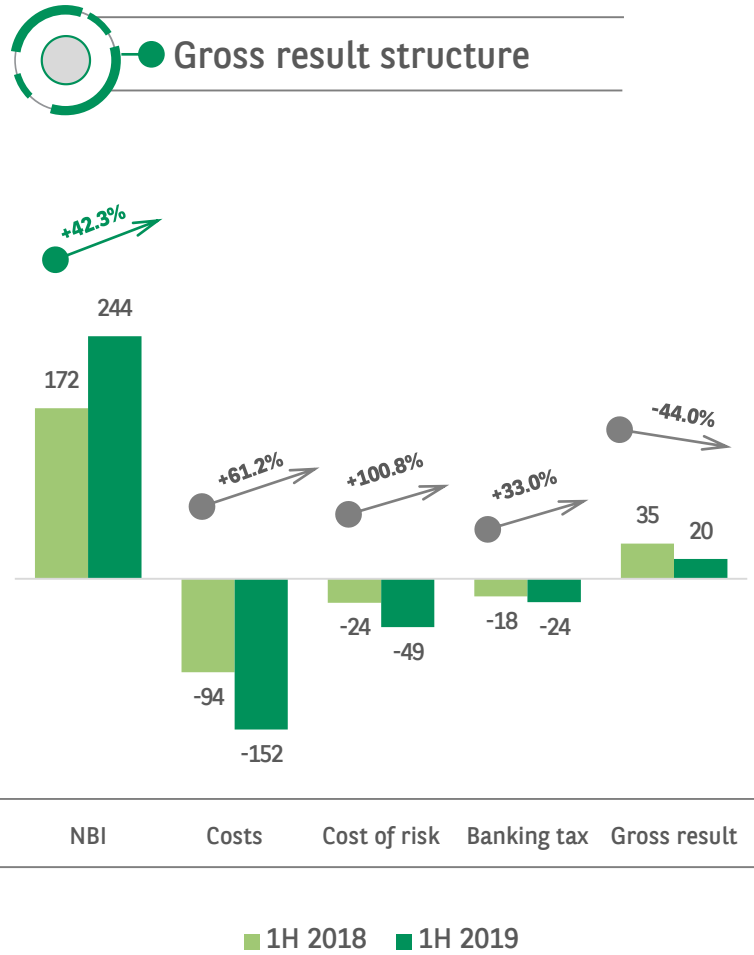
Development of transactionality and product cross-selling



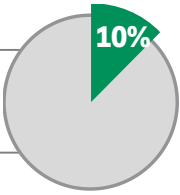
SME Banking

NBI growth. Deposit base optimisation and factoring sale impact on the loan portfolio volume

PLN m



Segment's share in the Group's net banking income



Corporate Banking

Building the position of a key market player. Further integration with the RBPL Core Business and organisation transformation, focus on the customer service quality



This year's iteration focuses on:
the Italian, French and Belgian markets
16 events throughout Poland (more than 1.5k participants)

Service network

- Fully implemented **new integrated sales network structure**
- **25 Corporate Banking Centres** located in the major Polish industrial and service centres

Business development

- **Acquisition** and activation of new corporate customers, the number of new customers acquired in H1 2019: +504
- Continuation of the business strategy based on **development of transactionality** and product **cross-selling**:
 - ✓ Fee and commission increase +162.3% y/y; +9.7% q/q
 - ✓ Increase in leasing sale by PLN 104 m, +34% y/y
- Optimisation of deposit base (margin improvement)

Transformation and digitalisation

- A broad range of changes in the **BiznesPl@net electronic banking**: development of the self-service offer – a module of electronic product applications and post-sale instructions, new integration-related functionalities, changes related to PSD2 and STIR
- Standardisation and improvements in the credit process: **credit e-application**, new electronic term sheet

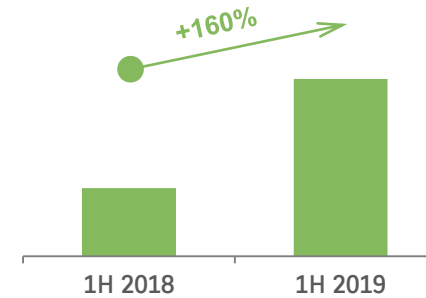
Product offer

- Reinforcement of the Bank's product offering in the areas of Trade Finance, DCM, **M&A transactional consulting**
- Introduction of **new derivative products** in the Global Markets area

Development of transactionality and product cross-selling

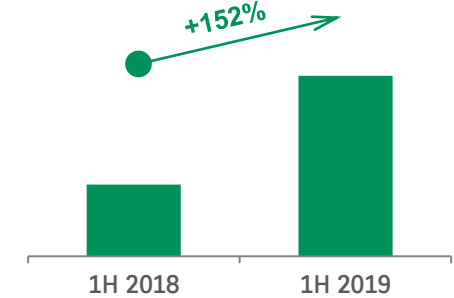
Cash management fees

Revenues



FX transactions

Revenues




13.5 k
corporate
customers

+7.3 k +117% y/y
+0.1 k +1% q/q

Corporate Banking

Reinforcement of the position on the corporate bond market, strong competence in commercial real estate financing and structured finance

 Successful half-year in real estate transactions and structured finance (selected transactions)

 **CISOWIANKA**
NALECZÓW ZDRÓJ S.A. *Perle*

Financing of investments, general corporate purposes and refinancing of indebtedness
PLN 592,500,000

 **BNP PARIBAS**
Mandated Lead Arranger
Security and Facility Agent

June 2019

 **DIAGNOSTYKA**

Financing of investments, general corporate purposes and dividend payout
Amount not disclosed

 **BNP PARIBAS**
Mandated Lead Arranger
Security and Facility Agent

June 2019

 **KINGA PIENIĄSKA OSHEE SONKO**
 **INNOVA CAPITAL**

Financing for the acquisition of Sonko, investments and general corporate purposes
Amount not disclosed

 **BNP PARIBAS**
Mandated Lead Arranger,
Security and Facility Agent

April 2019

 **ISOC GROUP**

Financing for acquisition of **ARGON** office building in Gdansk, Poland
EUR 62,000,000
Investment Term Loan
PLN 92,000,000
Short Term Loan

 **BNP PARIBAS**
Sole Lender


March 2019

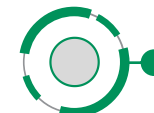
 **MARKAZ**
Kowat Financial Centre K.P.S.C.

Construction of a warehouse facility in Wroclaw, Poland
EUR 22,000,000
Construction Facility
Investment Facility

 **BNP PARIBAS**
Sole Lender

February 2019

 4th market position for BNP Paribas Bank Polska S.A. on the Polish market in terms of corporate bond issues in the first half of 2019* (bond issues in 2019)

 7th market position in terms of outstanding bond issues* (as at 30 June 2019)

 **Polska Zegluga Morska**
PLN 80m

Arranger


June 2019

 **MARVIPOL**
development

Marvipol
PLN 60m

Joint Bookrunner

June 2019

 **PHN**

Polski Holding Nieruchomosci
PLN 160m

Co-Arranger and Joint Bookrunner

June 2019

 **Polsteam Shipping Company**
USD 117m

Arranger

June 2019

 **Polska Zegluga Morska**
PLN 82m

Arranger

April 2019

 **ATAL**

Atal
PLN 100m

Arranger and Bookrunner

April 2019

 **GHELAMCO**

Ghelamco Invest
PLN 50m

Joint Bookrunner

March 2019

 **GHELAMCO**

Ghelamco Invest
PLN 140m

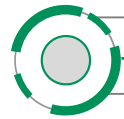
Joint Bookrunner

February 2019

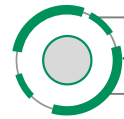
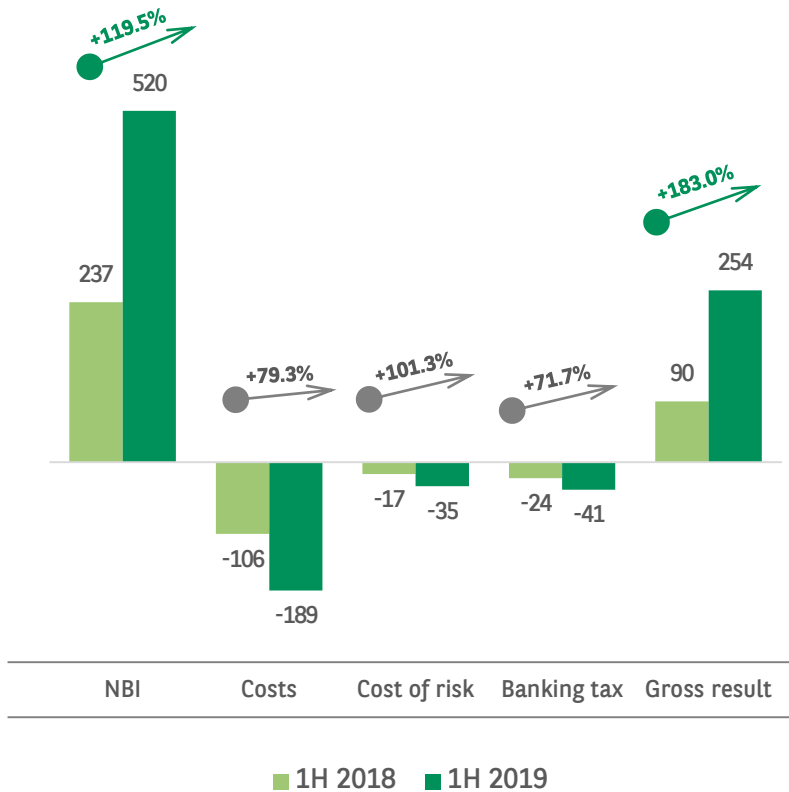
Corporate Banking

Deposit base optimisation, impact of the factoring sale on the loan portfolio volume

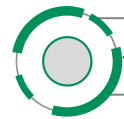
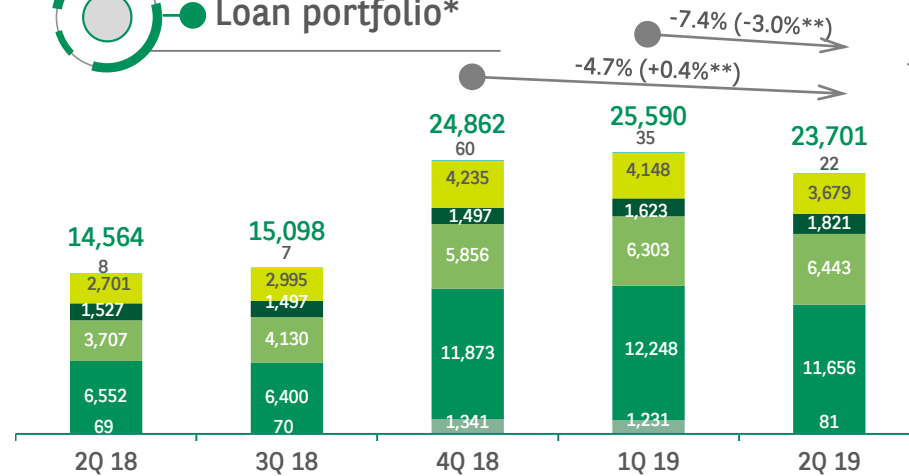
PLN m



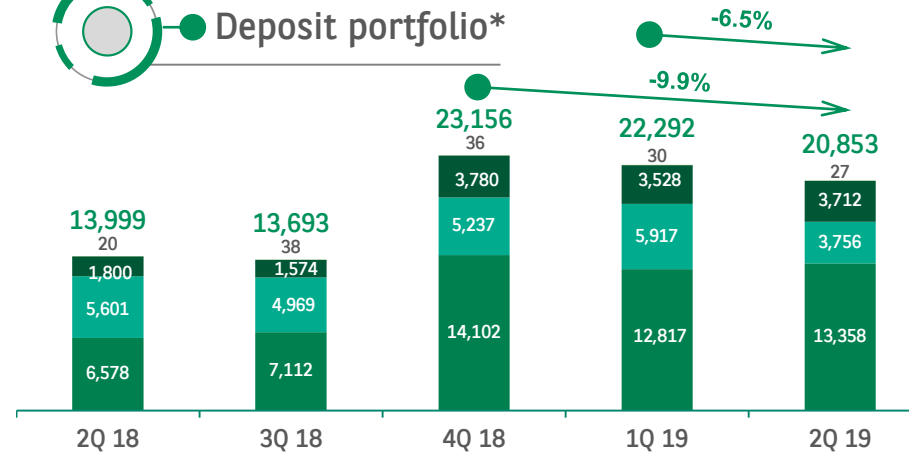
Gross result structure



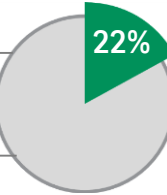
Loan portfolio*



Deposit portfolio*



Segment's share in the Group's net banking income

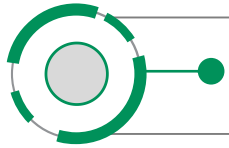


- Other loans
- Short term loans
- Leasing
- Overdrafts
- Investment loans
- Factoring

- Savings accounts
- Overnights
- Term deposits
- Current accounts

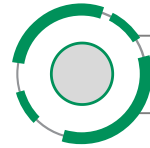
Agro Segment

Focus on maintaining the market position and profitability growth, modern solutions for clients

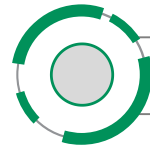
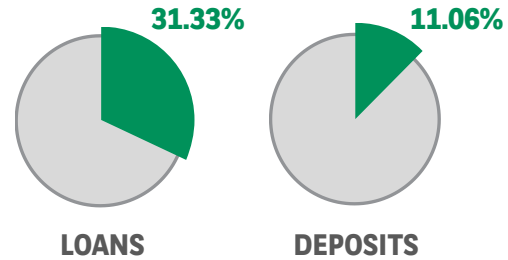


Activities supporting sales and relations with customers

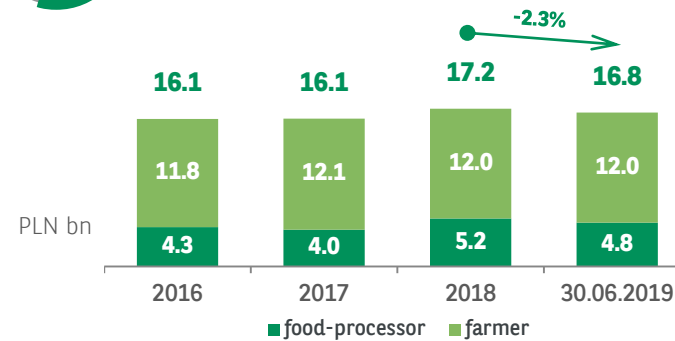
- **Agronomist.pl** – multi-functional sectorial web portal for food & agri industry. More than 30 thousand visits and 1,600 registered users within first 3 months of its operations.
- **Agro Ofensywa** – client campaign (January-May) dedicated to Farmers and Agro companies from the Micro and SME segments. The promotion covers loan and leasing products.
- **AgroTech Kielce 2019** – participation in 25th International Fair of Agricultural Techniques.
- **Agro Akademia – 4th Edition** – a cycle devoted mainly to agricultural markets analysis, new Common Agricultural Policy after 2020, new nitrates directive and costs of energy for farms.
- **Image campaign: "For 100 years, we have been looking ahead"** – related to the centenary of the Bank's presence on the Agro market (the Bank is a successor of *Bank Rolny* [Agricultural Bank] which was established in 1919). Under the campaign, meetings and contests for Agro customers and for people otherwise related to farming, are organised.



Market share (30 June 2019)



Gross volume of loans



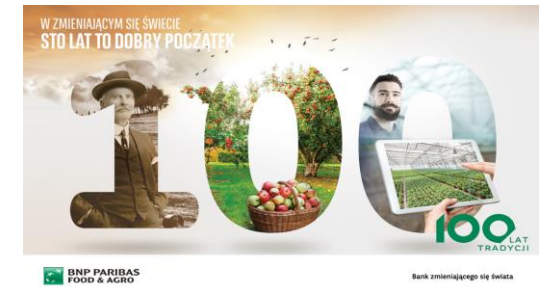
74k

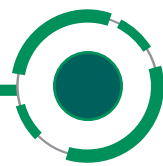
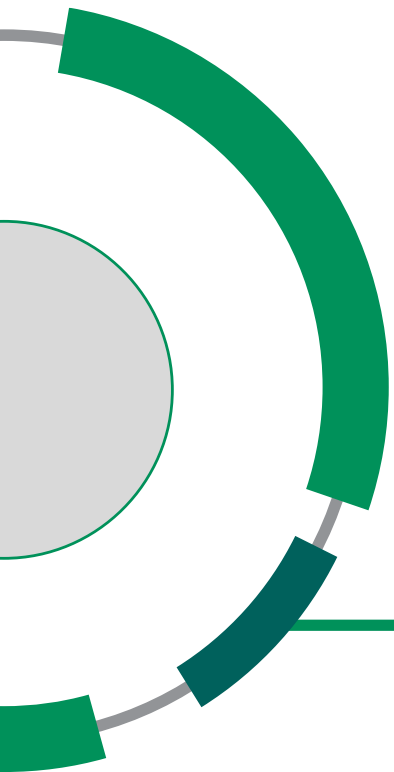
Agro customers

agronomist



BNP PARIBAS
FOOD & AGRO





Appendices

Integration with the RBPL Core Business – timetable

Capital Group financial results in 2019

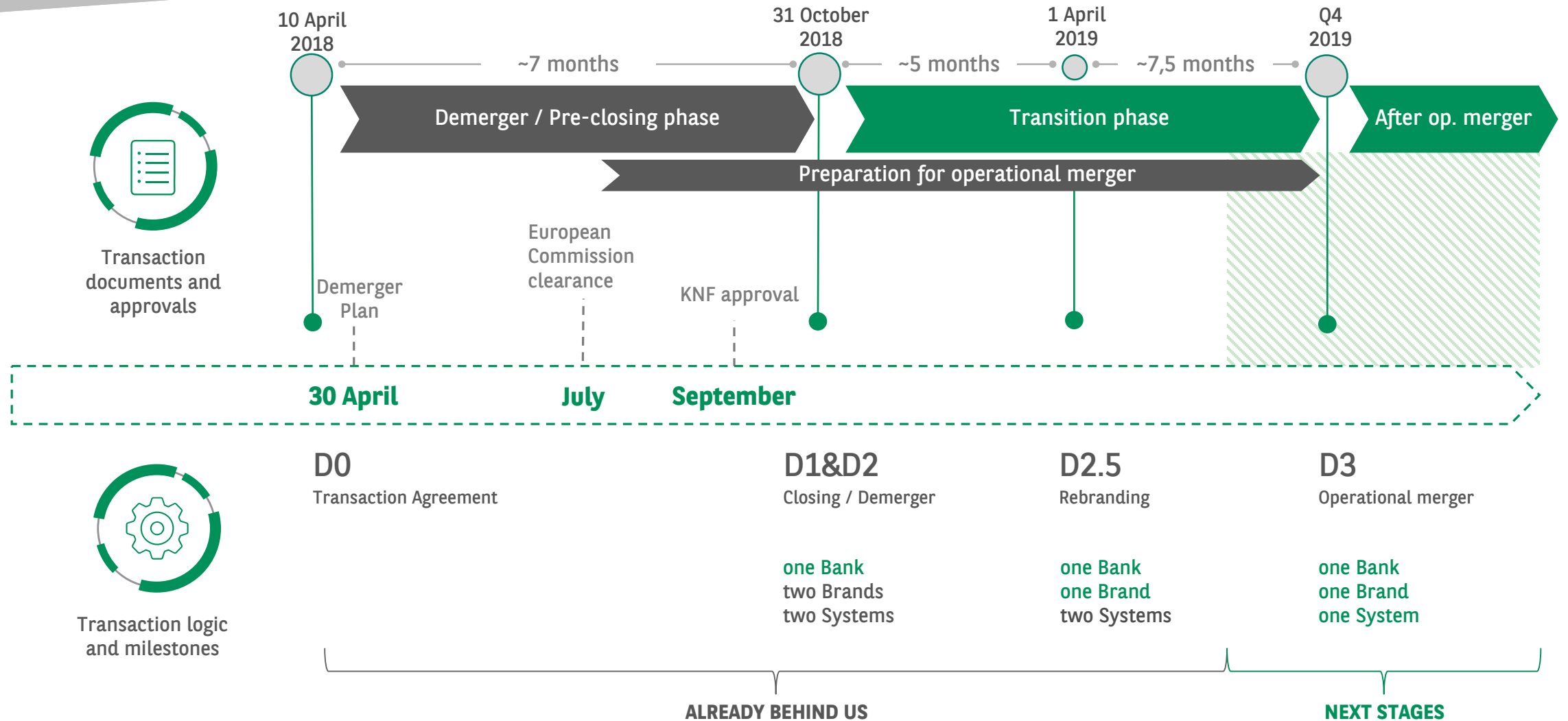
Profit and loss account

Assets

Liabilities and equity

Integration with the RBPL Core Business

Timetable



Capital Group financial results in 2019

Twofold increase of net profit as compared to H1 2018 despite higher integration and Bank Guarantee Fund (BFG) costs

	1H 2019* PLN m	1H 2018 PLN m	Change y/y	Change y/y normalized**
Net banking income	2,322.0	1,342.8	+72.9%	+73.0%
Total costs	(1,454.1)	(856.0)	+69.9%	+51.6%
Net impairment losses	(205.5)	(117.3)	+75.2%	+75.2%
Tax on financial institutions	(141.3)	(99.9)	+41.5%	+41.5%
Gross profit	521.0	269.7	+93.2%	+150.3%
Net profit	378.7	188.6	+100.8%	+166.7%

	1H 2019 PLN m	1H 2018 PLN m	Change y/y	Change y/y normalized**
Return on equity (ROE)	7.1%	5.9%	+1.2 pp	-
Return on equity (ROE)**	9.5%	5.9%	-	+3.6 pp
Costs / Income (C/I)	62.6%	63.7%	(1.1 pp)	-
Costs / Income (C/I)**	55.6%	63.5%	-	(7.9 pp)
Total capital ratio	15.1%	13.8%	+1.3 pp	-
Tier 1 capital ratio	12.8%	10.8%	+2.0 pp	-

* the financial results of BNP Paribas Bank Polska S.A. for 1H 2019 include the results of RBPL Core Business acquired on October 31, 2018

** excluding integration costs

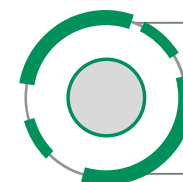
1H 2019 integration costs – PLN 162.9 m, of which:
 ▪ PLN 161.5m – administrative expenses, depreciation& amortization
 ▪ PLN 1.4m – other operating expenses

1H 2018 integration costs – PLN 3.5m, of which:
 ▪ PLN 3.5m – administrative expenses, depreciation& amortization

Net profit increase +101% y/y

Events affecting the comparability of 1H 2019 and 1H 2018 results:

- incorporation of income and costs of the RBPL Core Business to 1H 2019 results,
- recognition in 1H 2019 of income on sales of the organised part of the Bank's enterprise earmarked for conducting the factoring activity, in the amount of PLN 45.0m,
- PLN 162.9m of integration costs as compared to PLN 3.5m in 1H 2018,
- BGF costs higher by PLN 59.6m y/y (as a result of an increase in the annual contribution to the banks' resolution fund in 2019).



Excluding integration costs,
1H 2019 net profit amounted to
PLN 510.6 m (+166.7% y/y)

Consolidated profit and loss account

PLN thousand



Profit & Loss account	YtD		quarterly					
	30/06/2019	30/06/2018	2Q 2019	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018
Interest income	2 094 595	1 348 342	1 059 509	1 035 086	930 361	705 126	713 312	635 030
Interest expense	(529 456)	(402 852)	(264 812)	(264 644)	(276 589)	(197 537)	(217 734)	(185 118)
Net interest income	1 565 139	945 490	794 697	770 442	653 772	507 589	495 578	449 912
Fee and commission income	508 407	321 650	256 554	251 853	229 315	173 749	171 739	149 911
Fee and commission expense	(101 320)	(68 993)	(55 350)	(45 970)	(46 597)	(41 734)	(39 756)	(29 237)
Net fee and commission income	407 087	252 657	201 204	205 883	182 718	132 015	131 983	120 674
Dividend income	1 556	809	1 348	208	80	3 971	784	25
Net trading income	326 032	138 590	158 035	167 997	129 677	62 506	63 178	75 412
Result on investing activities	(19 998)	6 726	(12 361)	(7 637)	18 212	23 900	(1 667)	8 393
Result on hedge accounting	(1 083)	2 823	(3 009)	1 926	(14 609)	1 789	1 307	1 516
Other operating income	108 851	52 673	71 632	37 219	319 337	15 768	13 990	38 683
Net financial assets impairment losses and provision for contingent liabilities	(205 534)	(117 343)	(112 353)	(93 181)	(338 567)	(101 772)	(54 989)	(62 354)
General administrative expenses	(1 232 900)	(773 297)	(594 822)	(638 078)	(724 971)	(361 404)	(393 209)	(380 088)
Depreciation and amortization	(221 227)	(82 662)	(115 755)	(105 472)	(65 488)	(41 564)	(41 729)	(40 933)
Other operating expenses	(65 623)	(56 925)	(34 400)	(31 223)	(70 636)	(19 846)	(16 914)	(40 011)
Operating result	662 300	369 541	354 216	308 084	89 525	222 952	198 312	171 229
Tax on financial institutions	(141 327)	(99 871)	(70 982)	(70 345)	(64 779)	(48 472)	(49 836)	(50 035)
Profit (loss) before income tax	520 973	269 670	283 234	237 739	24 746	174 480	148 476	121 194
Income tax	(142 312)	(81 069)	(66 174)	(76 138)	16 133	(43 582)	(45 333)	(35 736)
NET PROFIT (LOSS)	378 661	188 601	217 060	161 601	40 879	130 898	103 143	85 458



BNP PARIBAS

The bank for a changing world

Assets

PLN thousand



Consolidated statement of financial position

	30/06/2019	31/03/2019	31/12/2018	30/09/2018	30/06/2018	31/03/2018	31/12/2017
ASSETS							
Cash and balances with the Central Bank	2 350 499	2 715 459	2 897 123	1 170 138	914 056	2 339 735	998 035
Receivables from banks	527 687	916 374	961 496	272 634	386 581	577 255	2 603 689
Derivative financial instruments	729 564	743 071	715 671	378 014	455 563	429 476	474 421
Adjustment regarding the fair value of hedge item	231 929	172 367	130 405	39 213	42 401	53 459	32 730
Loans and credits to customers measured at amortised cost	70 857 188	72 210 895	70 997 701	51 671 510	50 620 652	49 500 358	52 967 568
Loans and credits to customers measured at fair value through profit or loss	2 182 483	2 283 645	2 416 249	2 555 133	2 636 772	2 750 954	-
Financial assets available for sale	-	-	-	-	-	-	13 922 540
Securities measured at amortised cost	15 977 152	16 079 051	11 939 238	9 166 178	9 413 855	9 478 262	-
Financial instruments measured at fair value through profit or loss	211 283	206 202	204 421	139 591	134 997	118 562	-
Securities measured at fair value through other comprehensive income	9 917 396	10 194 356	15 875 339	4 541 389	4 768 541	4 801 476	-
Investment property	55 868	55 868	55 868	54 435	54 435	54 435	54 435
Intangible assets	498 069	506 991	520 767	317 698	306 452	282 311	288 340
Property, plant and equipment	1 136 103	1 097 855	511 275	465 377	479 903	486 575	500 647
Deferred tax assets	989 616	994 738	1 034 313	616 346	612 039	612 851	512 045
Current tax assets	-	2 461	-	5 303	15 400	-	-
Other assets	879 264	665 890	872 115	430 924	514 294	434 965	301 041
TOTAL ASSETS	106 544 101	108 845 223	109 022 519	71 823 883	71 355 941	71 920 674	72 655 491

Liabilities and equity

PLN thousand



Consolidated statement of financial position

	30/06/2019	31/03/2019	31/12/2018	30/09/2018	30/06/2018	31/03/2018	31/12/2017
LIABILITIES							
Amounts due to banks	4 803 636	4 371 236	3 976 469	5 162 377	4 550 137	5 053 224	3 891 235
Repo transactions	-	-	-	800 580	-	-	-
Adjustment regarding the fair value of hedged and hedge items	205 551	175 283	123 600	4 664	7 948	21 668	(2 992)
Derivative financial instruments	800 950	789 219	783 818	375 858	432 470	401 096	427 710
Amounts due to customers	82 641 868	85 922 946	87 191 708	53 063 346	54 012 858	55 116 570	56 328 897
Debt securities issued	2 179 424	2 179 610	2 179 424	2 181 744	2 181 744	2 181 931	2 471 966
Subordinated liabilities	1 867 972	1 879 367	1 875 769	1 689 887	1 706 237	1 652 130	1 645 102
Lease liabilities	599 594	593 097	-	-	-	-	-
Other liabilities	2 095 921	1 818 286	1 711 641	1 047 004	1 908 356	941 151	1 131 555
Current tax liabilities	20 303	5 380	174 589	28 496	18 018	93 620	117 699
Provision for deferred tax	8 274	8 275	8 276	8 025	8 026	8 003	8 003
Provisions	396 922	416 521	437 412	117 949	119 842	117 524	76 853
TOTAL LIABILITIES	95 620 415	98 159 220	98 462 706	64 479 930	64 945 636	65 586 917	66 096 028
EQUITY							
Share capital	147 419	147 419	147 419	97 538	84 238	84 238	84 238
Other supplementary capital	9 110 976	9 110 976	9 111 033	5 910 913	5 127 086	5 127 086	5 127 086
Other reserve capital	1 572 757	1 208 018	1 208 018	1 208 018	1 208 018	909 629	909 629
Revaluation reserve	125 763	105 100	141 179	127 880	122 257	148 852	141 988
Retained earnings	(33 229)	114 490	(47 836)	(396)	(131 294)	63 952	296 522
retained profit	(411 890)	(47 111)	(408 214)	(319 895)	(319 895)	(21 506)	16 815
net profit for the period	378 661	161 601	360 378	319 499	188 601	85 458	279 707
TOTAL EQUITY	10 923 686	10 686 003	10 559 813	7 343 953	6 410 305	6 333 757	6 559 463
TOTAL LIABILITIES AND EQUITY	106 544 101	108 845 223	109 022 519	71 823 883	71 355 941	71 920 674	72 655 491

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BNP Paribas Bank Polska Spółka Akcyjna, with its seat in Warsaw, at Kasprzaka St. 10/16, 01-211 Warsaw, entered into the Register of Entrepreneurs of the National Court Register (KRS) maintained by the District Court for the capital city of Warsaw in Warsaw, XII Commercial Division of the National Court Register, under KRS number: 0000011571 and VAT PL: 5261008546 (NIP), holding paid-up share capital of PLN 147,418,918.

