



BNP Paribas Bank Polska S.A.
GROUP

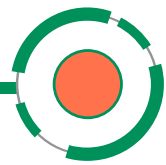
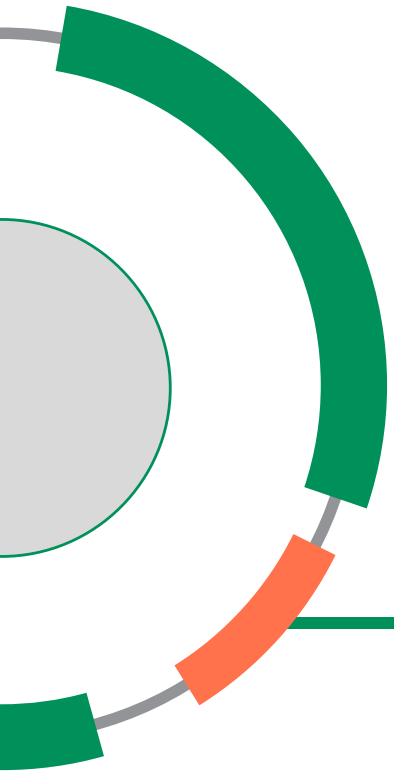


BNP PARIBAS

**Presentation of Q3 2019
Financial Results**

Warsaw, 7 November 2019

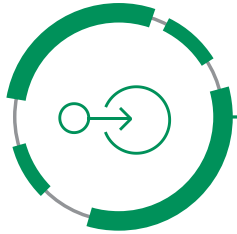
- 
- **Key facts & information**
 - **Macroeconomic environment**
 - **Group financial results**
 - **Business segments performance**
 - **Priorities & challenges for 2020**
 - **Appendices**



Key facts & information

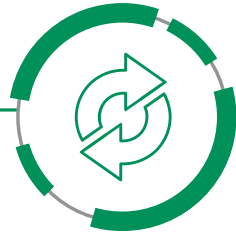
Organic growth reflected in Core NBI

Continuation of the transformation and intensification of work on operational merger



Integration

- ✓ Readiness for Day 3.0 - migration of operational systems planned for 8-11 November
- ✓ All the integration stages implemented as planned
- ✓ Further optimisation of the branch network (167 branches closed)



Transformation

- ✓ New, fully compatible "GO" digital ecosystem (launch of GOonline, new GOmobile version)
- ✓ Continuation of process robotisation and automation
- ✓ Transformation of the sales network (119 new-format branches)



Business development

- ✓ Growth of sales of the new flagship offering
- ✓ Increase in loan volumes - retail loans as a key growth driver
- ✓ Another quarter of interest margin improvement
- ✓ Improved quality of service 3rd position in the Newsweek ranking

Profitability measures affected by one-off events

● ROE	6.1% -1.0/+0.1 pp* q/q
● C/I	63.6% +1.0/-1.3 pp* q/q
● NBI Core**	PLN 3,440 million +66% y/y, +2% q/q

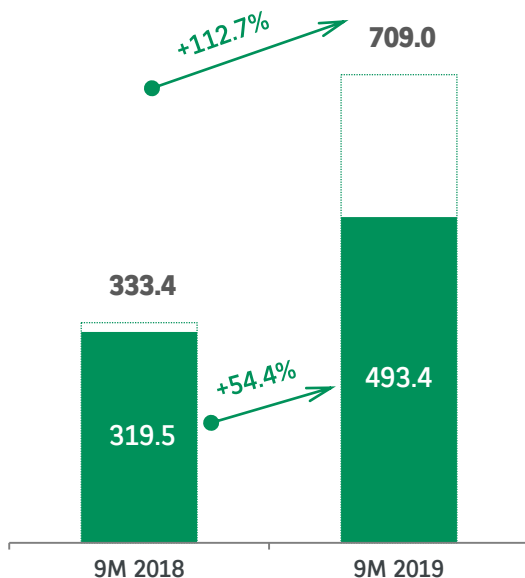
Net profit impacted by one-off events

Impact of integration costs, sale of factoring activity and provision for reimbursement of commissions (CJEU) on the 2019 performance

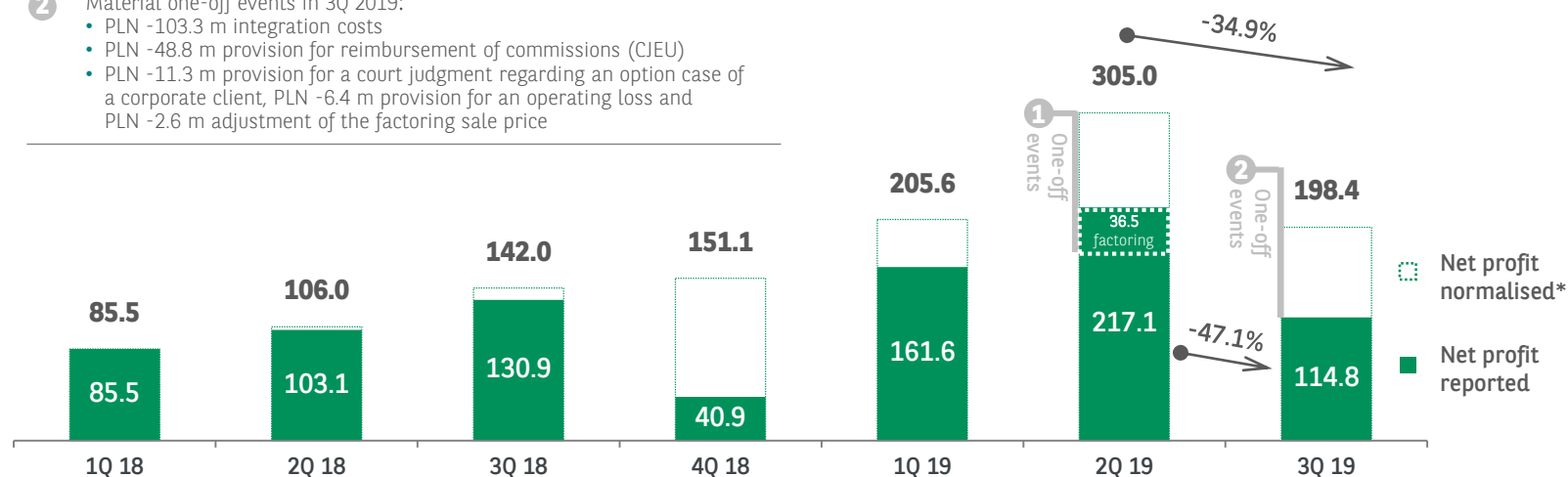
PLN m



Net profit



- Material one-off events in 2Q 2019:
 - PLN -108.5 m integration costs
 - PLN +45.0 m revenue (PLN 36.5 m net) from the sale of factoring activities
- Material one-off events in 3Q 2019:
 - PLN -103.3 m integration costs
 - PLN -48.8 m provision for reimbursement of commissions (CJEU)
 - PLN -11.3 m provision for a court judgment regarding an option case of a corporate client, PLN -6.4 m provision for an operating loss and PLN -2.6 m adjustment of the factoring sale price



ROE reported



ROE normalised*

Quarter	ROE reported	ROE normalised*
1Q 18	5.3%	5.3%
2Q 18	5.9%	5.9%
3Q 18	6.4%	6.7%
4Q 18	4.8%	6.5%
1Q 19	6.1%	7.7%
2Q 19	7.1%	9.5%
3Q 19	6.1%	8.8%

* 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)

Improvement of Core NBI along with normalisation of the cost of risk

Comparison of quarterly results disturbed by one-off events



+54.4%
y/y

Net profit



+64.8%
y/y

Net banking income



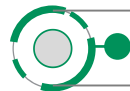
+72.4%
y/y

General expenses
PLN 263.2m of integration costs
(PLN 17.2m integration costs in 9M 2018)



+55.6%
y/y

Cost of risk
(61 bps)

 as reported

-47.1% q/q

 excluding one-off events*

-5.3% q/q

-7.4% q/q

+2.2% q/q

+0.8% q/q

+1.4% q/q

+20.4% q/q

+20.4% q/q

Consistent growth strategy implementation

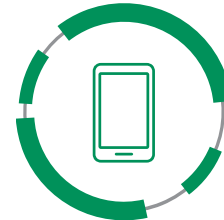
Positive impact of the implementation of a new retail offering, record sales of housing loans



3,797 k

Bank's customers

+28.9% y/y (+0.6% vs Q2 2019)



363 k

mobile users

(Gomobile +90.4% y/y, +19.1% vs Q2 2019)



+28% y/y (+20.5% vs Q2 2019)

personal account sales



+61% y/y (+9.0% vs Q2 2019)

volume of assets
under management



+36% y/y (+1.9% vs Q2 2019)

lending volumes, gross



+164% y/y (+7.1% vs Q2 2019)

mortgage loans sales

Transformation and integration to support the strategy implementation

Key achievements in each strategy pillars

Growth

- The highest quarterly sale of personal accounts in 2019 (+65 k in 3Q)
- Development of partnership with Allegro - an option to request a revolving limit *Raty Od.nowa* [renewable instalments] through the Allegro application, with a view of the available limit in GOMobile; 200k of limits granted

Simplicity

- Distribution network optimisation (167 branches closed since the merger with Core RBPL)
- Further streamlining of debt collection processes in the Bank, e.g. thanks to Lleida.net register communication services

Quality

- 3rd place in the **Newsweek's Friendly Bank 2019** ranking in the "*Bank dla Kowalskiego*" [traditional banking] category (up from the 9th place); 4th place in the "Banks in the Internet" category (up from the 13th place)
- Electronic communication with customers which fulfils the durable medium requirements, using the blockchain technology

Digitalisation

- Launch of a new **FX Pl@net platform** for Corporate and SME customers
- **PSD2 Academy** – support for fintechs in obtaining licenses and implementation of solutions as well as possibility of starting a long-term cooperation
- Launching a strategic **cooperation with Samsung** – **GOpocket**, a smartphone with a preinstalled GOMobile application

Enthusiasm

- "Climate changes cost" campaign – under the **Huge Oxygen Gardens** action, the Bank will plant one oxytree for each new account and cash loan,
- "**Pociąg do zmian**" [to changes by train] organised for train travellers in summer, in cooperation with the Copernicus Science Centre and Foundations: *Łąka* [meadow], *Ocalenie* [rescue], *Kosmos dla Dziewczynek* [cosmos for girls].

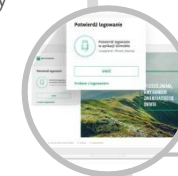


3rd position

in the Newsweek's Friendly Bank ranking



+90.4% y/y
of GOMobile users



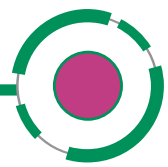
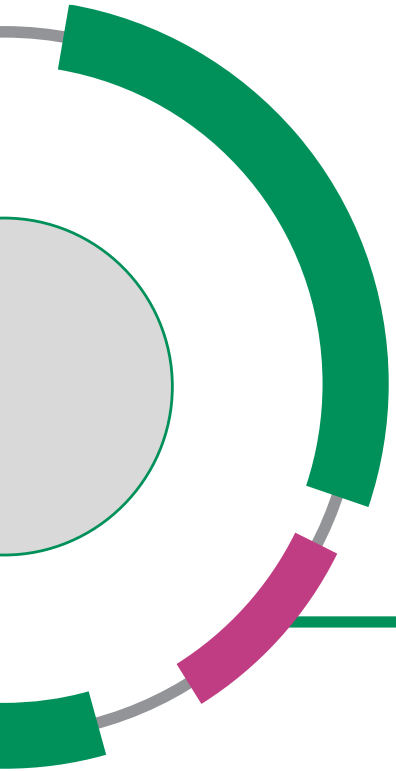
182 k

of personal accounts sold in 9M 2019



119

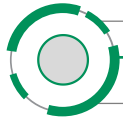
of branches in a new format



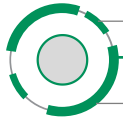
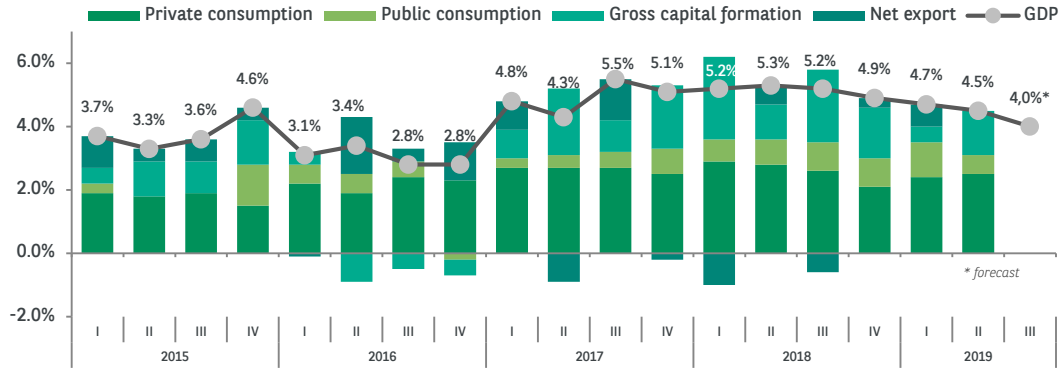
Macroeconomic environment

Stable macroeconomic situation

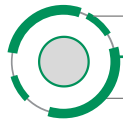
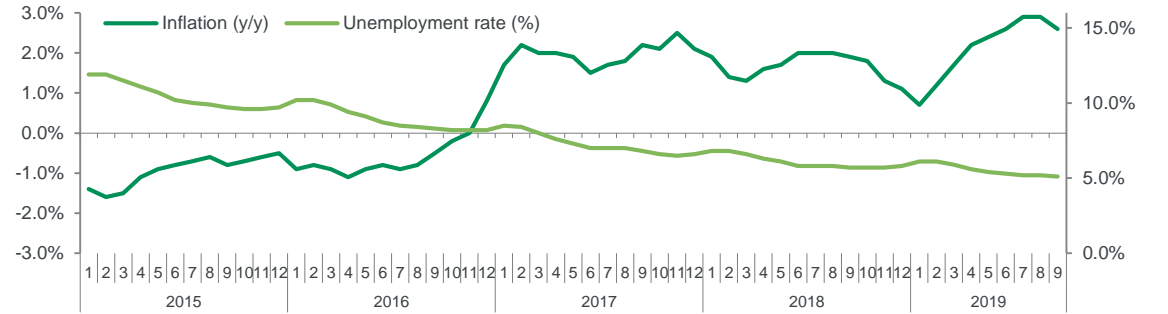
GDP growth deceleration and inflation rate slowing down



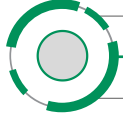
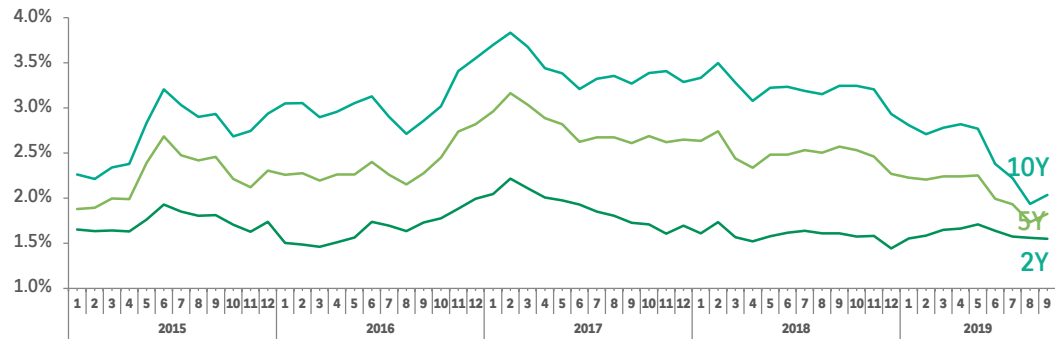
GDP growth



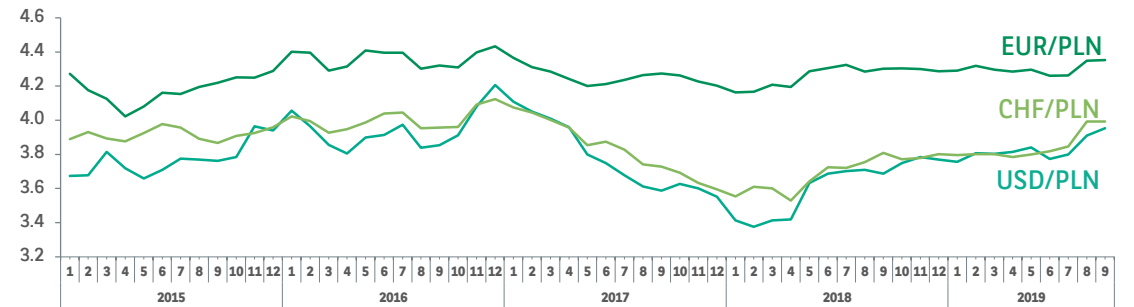
Inflation rate and unemployment

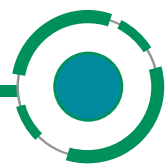
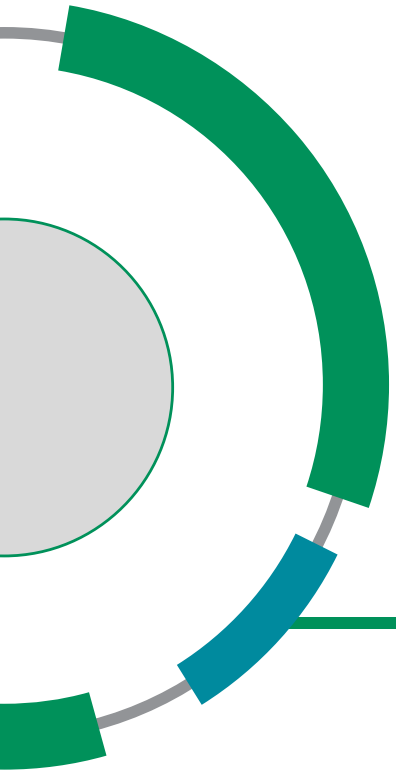


Bond yields



Exchange rates



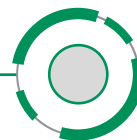


Group financial results

Key financial data after 3 quarters of 2019

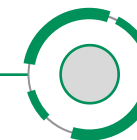
Improvement in profitability y/y, safe liquidity and capital position

Financial results



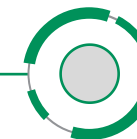
Net profit	PLN 493m <i>PLN 709m*</i>	+54% y/y (+PLN 174m) +113% y/y (+PLN 376m)*
Net banking income	PLN 3,413m	+65% y/y (+PLN 1,342m) , of which: Net interest income: PLN 2,363m, +62.7% y/y Net fee and commission income: PLN 613m, +59.3% y/y Net trading income: PLN 502m, +149.5% y/y
Operating expenses	PLN 2,170m <i>PLN 1,907m*</i>	+72% y/y (+PLN 911m) +54% y/y (+PLN 665m)*
C/I Ratio	63.6% <i>55.8%*</i>	+2.8 pp y/y -4.1 pp y/y*
Net impairment losses	PLN 341m	+56% y/y (+PLN 122m)

Volumes



Assets	PLN 108bn, +49.7% y/y
Loans (gross)	PLN 78bn, +36.4% y/y
Customer deposits**	PLN 83bn, +61.2% y/y
Equity	PLN 11,047m, +50.4% y/y

Indicators



Total capital ratio	15.06%
Tier 1	12.78%
Net loans/deposits	89.10%
ROE	6.1% / 8.8%*

Further growth of lending portfolio

Organic growth of loan volumes as a result of increasing sales of loans to individual customers

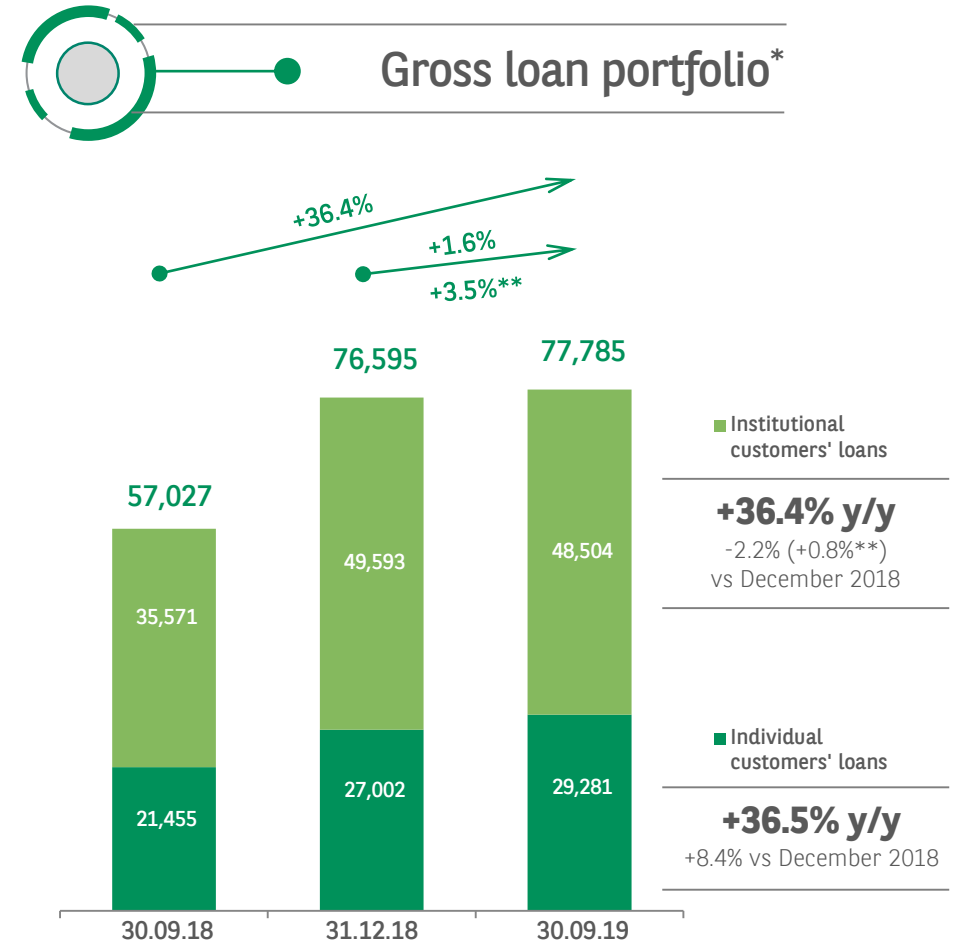
PLN m

Substantial growth in the gross loan portfolio* of 36.4% y/y to PLN 77.8 bn. Improvement in the portfolio diversification:

- share of loans to individual farmers in the total gross loan portfolio down by 5.2 pp y/y, to 14.2%,
- share of FX mortgage loans in the total gross loan portfolio down by 2.6 pp y/y, to 6.6%.

Increase in the portfolio value by 1.6% vs December 2018 in spite of the factoring sale (excluding the factoring sale, growth by 3.5%):

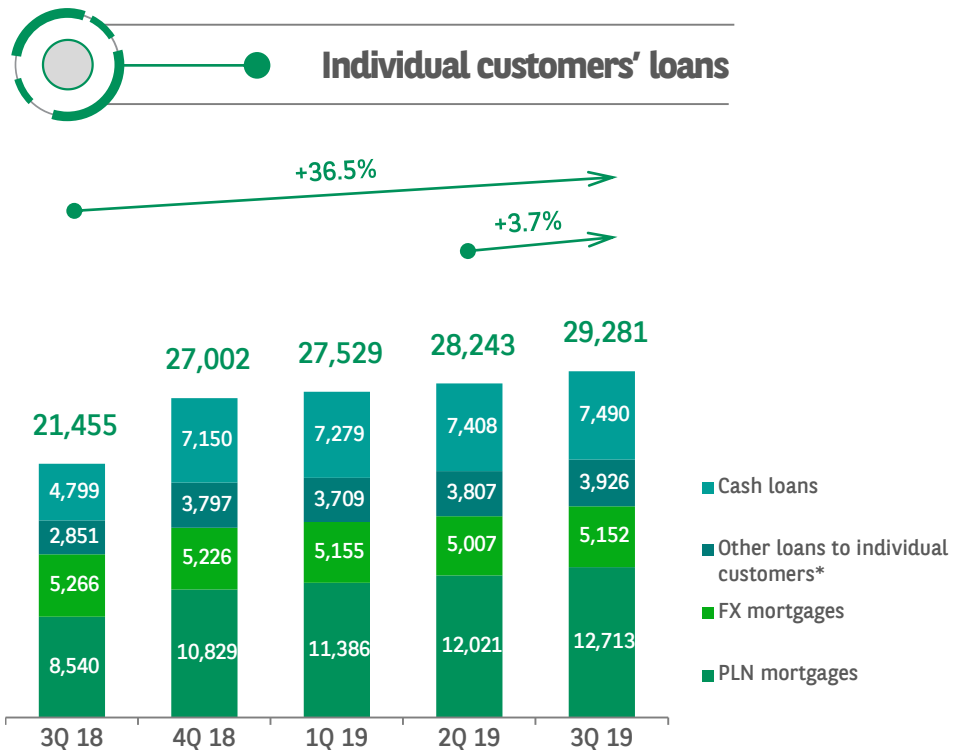
- increase in the value of loans to individual customers (+8.4% vs Dec 2018),
- share of individual customers in the Bank's loan portfolio up to 37.6% (+2.4 pp vs Dec 2018).



Gross loan portfolio

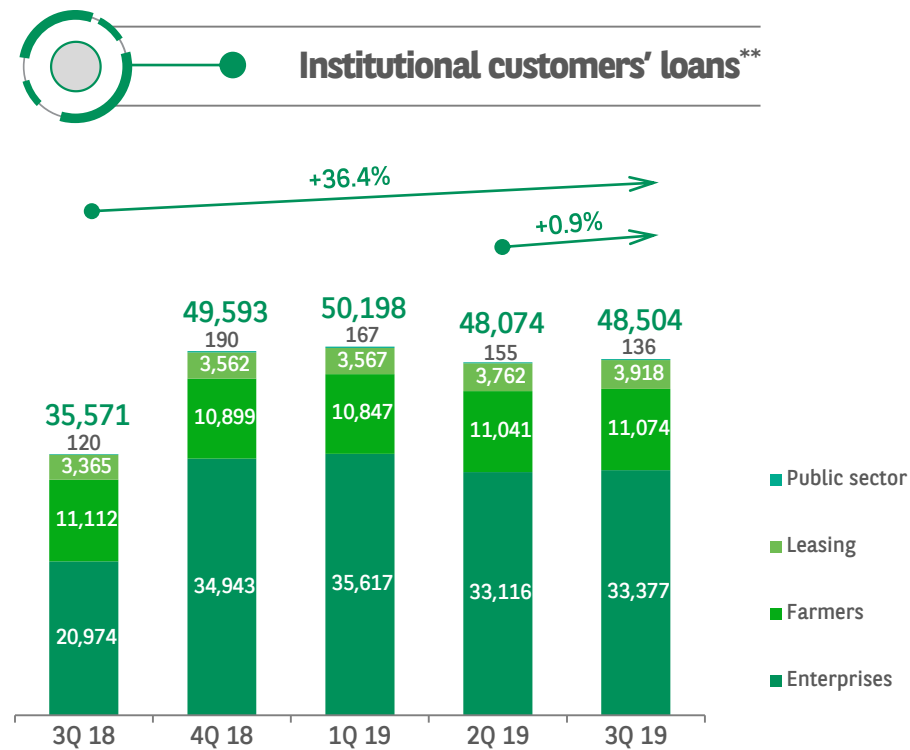
Acceleration of growth of loans to individual customers (+3.7% q/q), improved sales of loans to institutional customers

PLN m, end of quarter



- The highest growth dynamics q/q for PLN mortgages (+5.8%) and others (+3.1%).
- Another quarter of increase in balances of cash loans (+1.1% vs Q2 2019).
- The share of mortgages in total individual loans amounted to 61.0% (+1.6 pp vs Dec 2018).

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



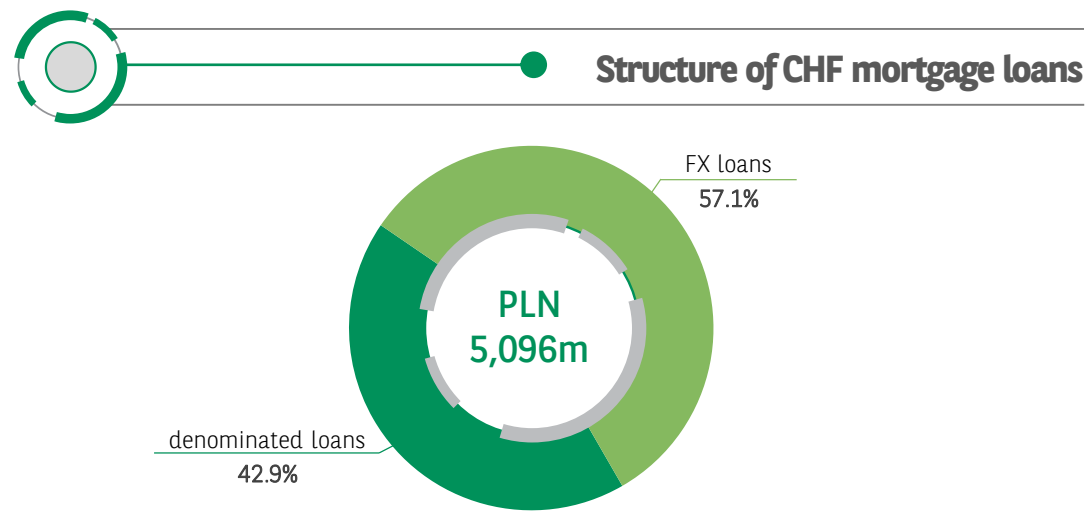
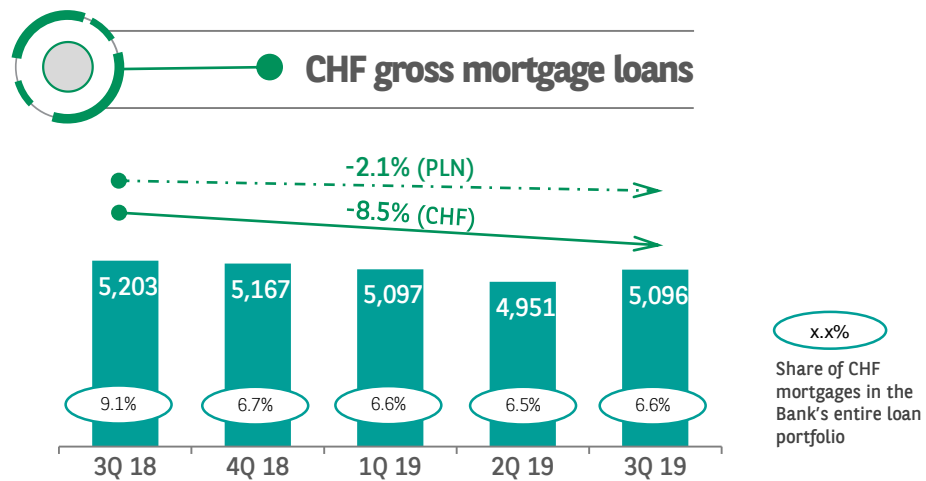
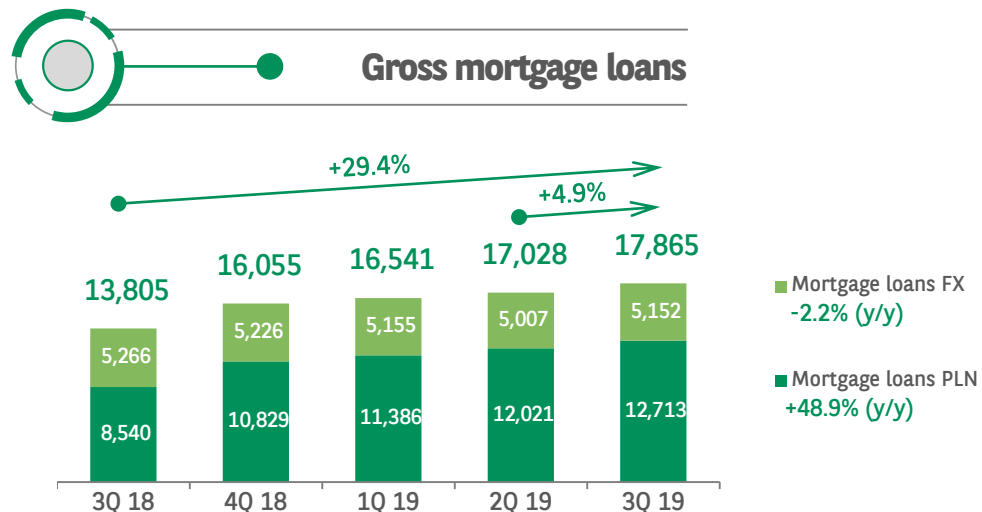
- Increase in lease receivables and loans to enterprises, by +4.1% and 0.8% q/q, respectively.
- Decrease in the value of gross portfolio vs Dec 2018 by -2.2% due to the sale of an organized part of the Bank's enterprise earmarked for conducting factoring activity (PLN 1,468 m). Excluding the transaction, the portfolio value would be up by 0.8% (as compared to Dec 2018).
- Share of loans to enterprises in the total loans to institutional customers amounted to 68.8% as at the end of Q3 2019 (-1.6 pp vs Dec 2018).
- Share of loans to individual farmers in the total loans to institutional customers amounted to 22.8% (+0.9 pp vs Dec 2018), the share of leasing at 8.1% (0.9 pp vs Dec 2018).

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

Portfolio of CHF mortgages

Low share of CHF loans. No indexed loans which the CJEU ruling referred to

PLN m, end of quarter



- ### CJEU ruling and court proceedings
- The Bank and its legal successors concluded only agreements on denominated loans and foreign currency agreements.
 - The CJEU ruling pertains directly to indexed loans.
 - As at 30 September 2019, the Bank was a defendant in 161 court cases regarding mortgage loan agreements. The Bank is not a party to any class action related to such loans. The total amount claimed is PLN 46.15m.
 - Out of 13 proceedings validly closed so far, eight claims were dismissed; two proceedings were discontinued; one lawsuit was rejected; one claim was dismissed but the agreement invalidity was stated in the justification, and one claim was adjudged only on account of insurance for a low down payment.

Comfortable liquidity position

Continued deposit base optimisation process along with simultaneous increase in investment product volumes

PLN m

Higher deposit balance (+61.2% y/y)

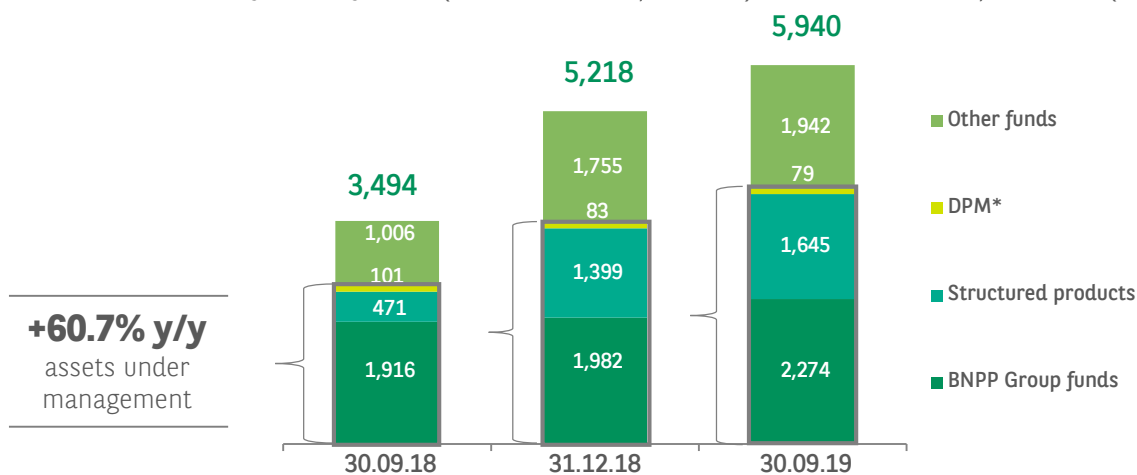
increased share of current deposits in total customer deposits (+7.1 pp y/y, +3.0% vs Dec 2018, to the level of 66.7%).

Decrease of deposit balance as compared to Dec 2018 (-4.4%)

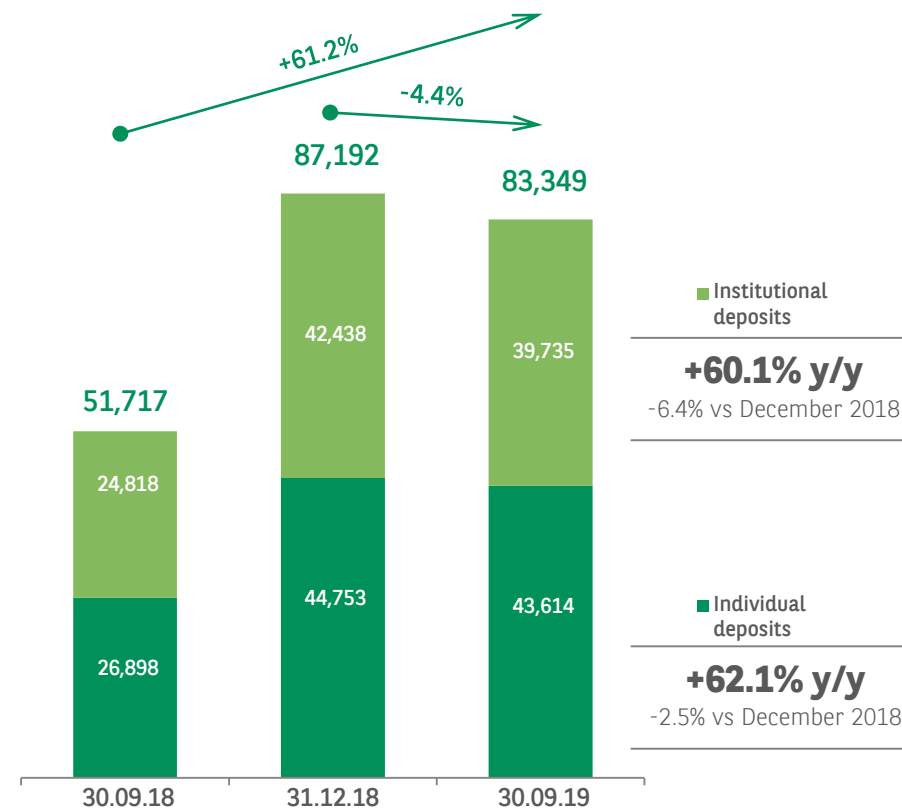
as a result of continued optimization of the liquidity position after the merger with the RBPL Core Business.

Growth in investment products volume (+70.0% y/y, +13.8% vs Dec 2018)

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



Customer deposits



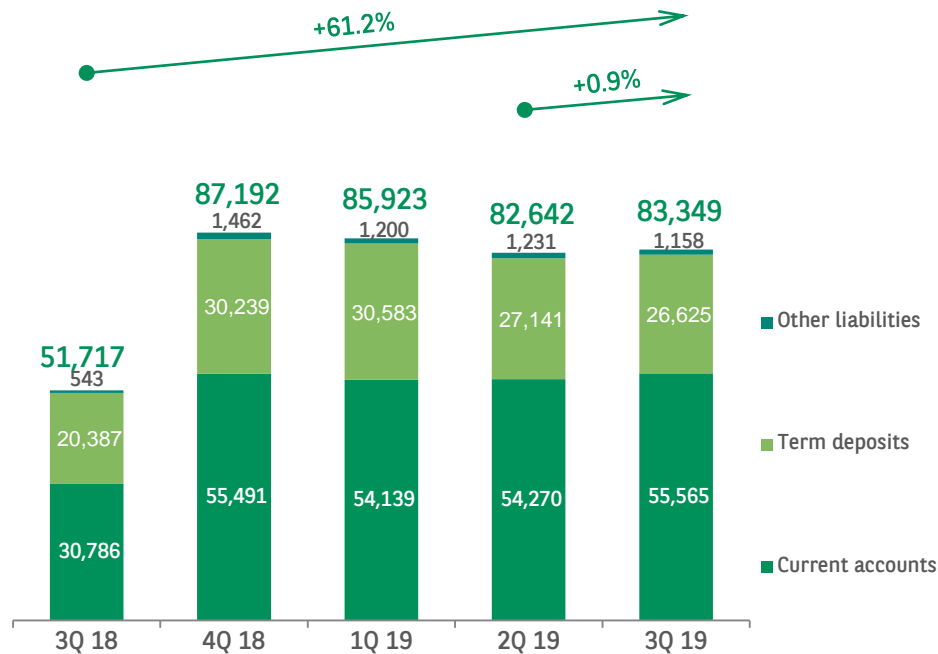
* Discretionary Portfolio Management

Deposit base structure

Further growth in the share of current accounts. Increased volume of institutional customers q/q

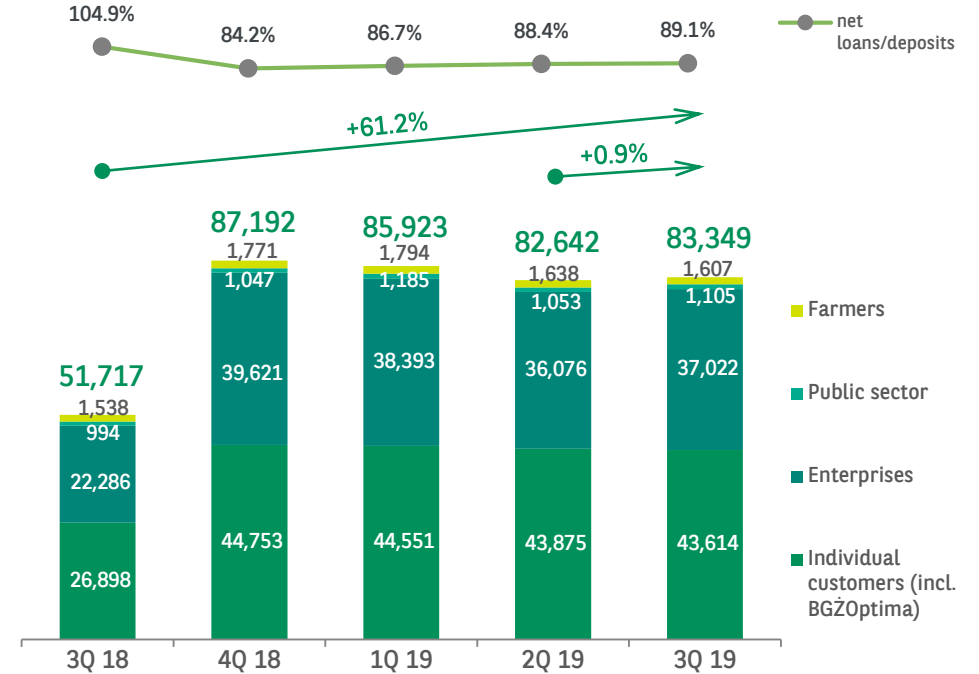
PLN m, end of quarter

Deposit structure by maturity



- Further increase in the share of customer current accounts in total deposits up to 66.7% (+7.1 pp y/y, +3.0% vs Dec 2018).

Customer deposits

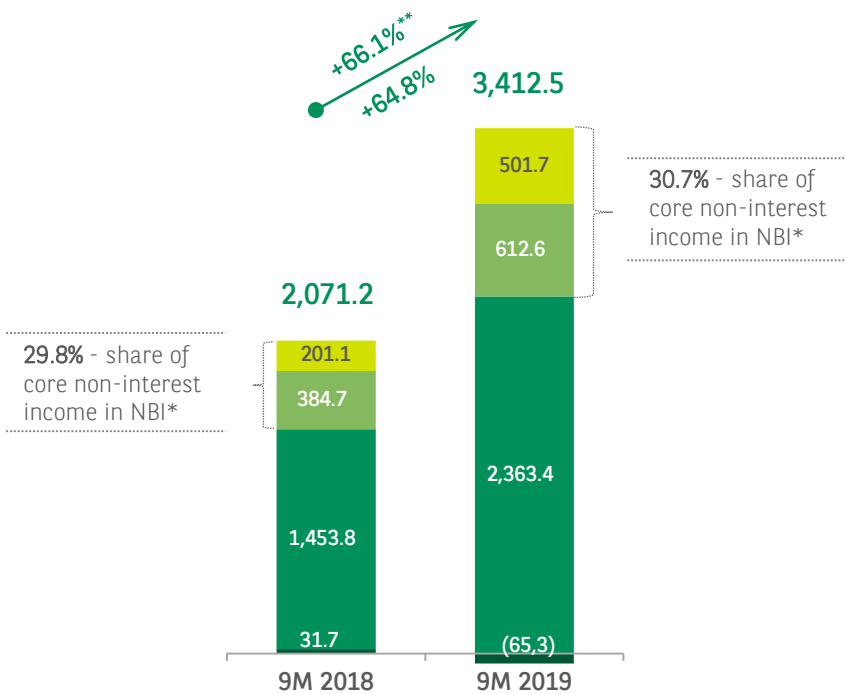


- Share of enterprises up by +2.6 and of State budget up by +4.9% q/q.
- Volumes of deposits held by individual customers down by -0.6%, held by farmers down by -1.9% q/q in effect of the continued liquidity position optimisation.
- Volume of deposits acquired through BGZOptima down to PLN 4.4bn (-38.1% y/y) as a result of the pricing policy optimisation.

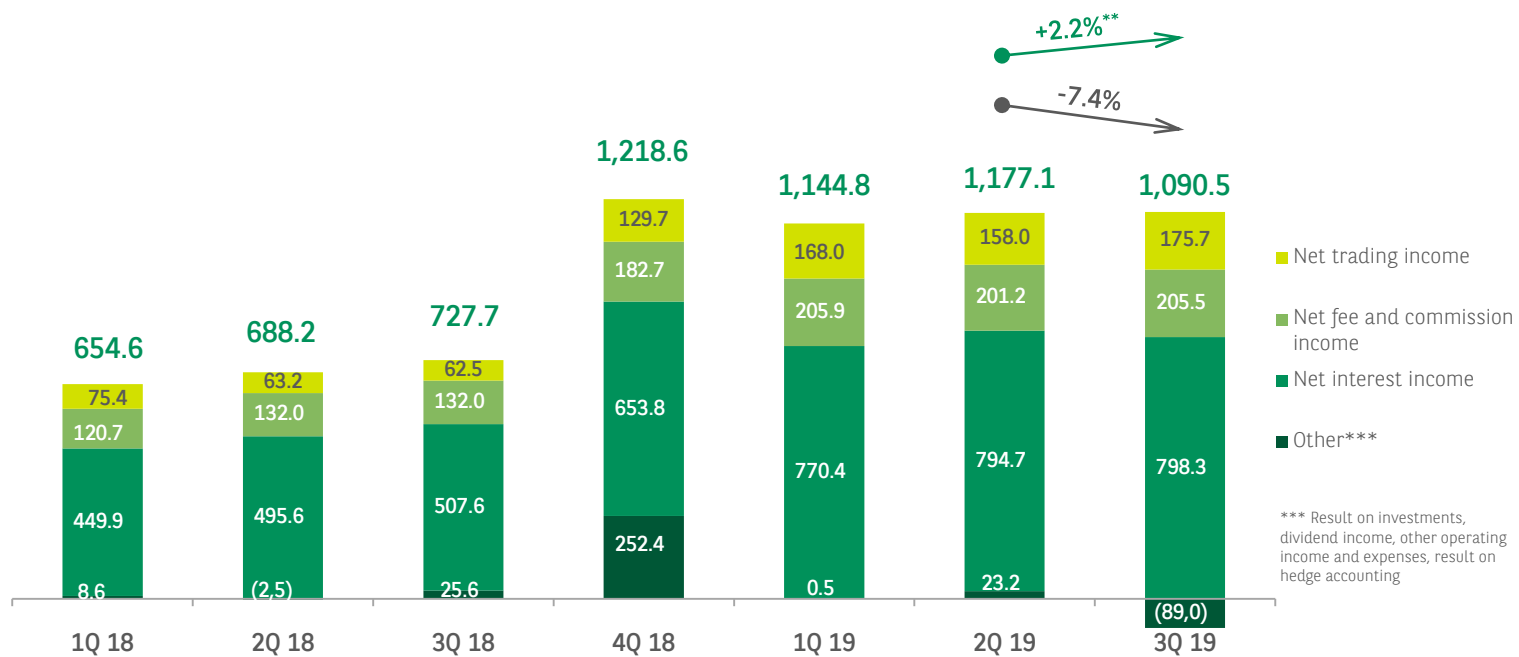
Net banking income

Increase in the Core NBI, negative impact of one-off events on other operating expenses

PLN m



- Growth of NBI as a result of the RBPL Core Business income recognition since November 2018**.
- Positive impact of the income, booked in 9M 2019, on the sale of the organized part of the Bank's enterprise earmarked for factoring activity ("ORG") in the amount of PLN 42.4m.
- Negative impact of a provision, booked in September, on the proportional reimbursement of commissions in the event of a loan prepayment by a customer, in the amount of PLN 48.8 m (CJEU ruling of 11 September 2019).

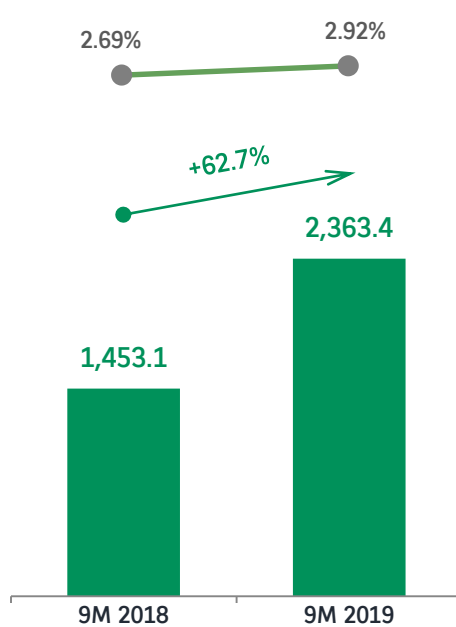


- Noticeable growth of importance of the net trading income and the net fee and commission income after finalization of the RBPL Core Business acquisition.
- Continued increase in the net interest income.
- Negative impact of loan portfolio valuation measured at fair value (in Q3 2019 -PLN 21.7m, in Q2 -PLN 12.5m, in Q1 -PLN 7.0m).
- The *Other* category includes in Q3 2019: PLN -48.8m of the provision for the proportional reimbursement of commissions in the event of a loan prepayment, PLN -11.3m provision for a court judgment regarding an option case of a corporate client, PLN -6.4m provision for an operating loss related to incorrect execution of tax seizure in 2017, in Q2 2019: PLN 45.0m income of the ORG sale, while in Q4 2018: PLN 291.7m gain on the bargain purchase of the RBPL Core Business.

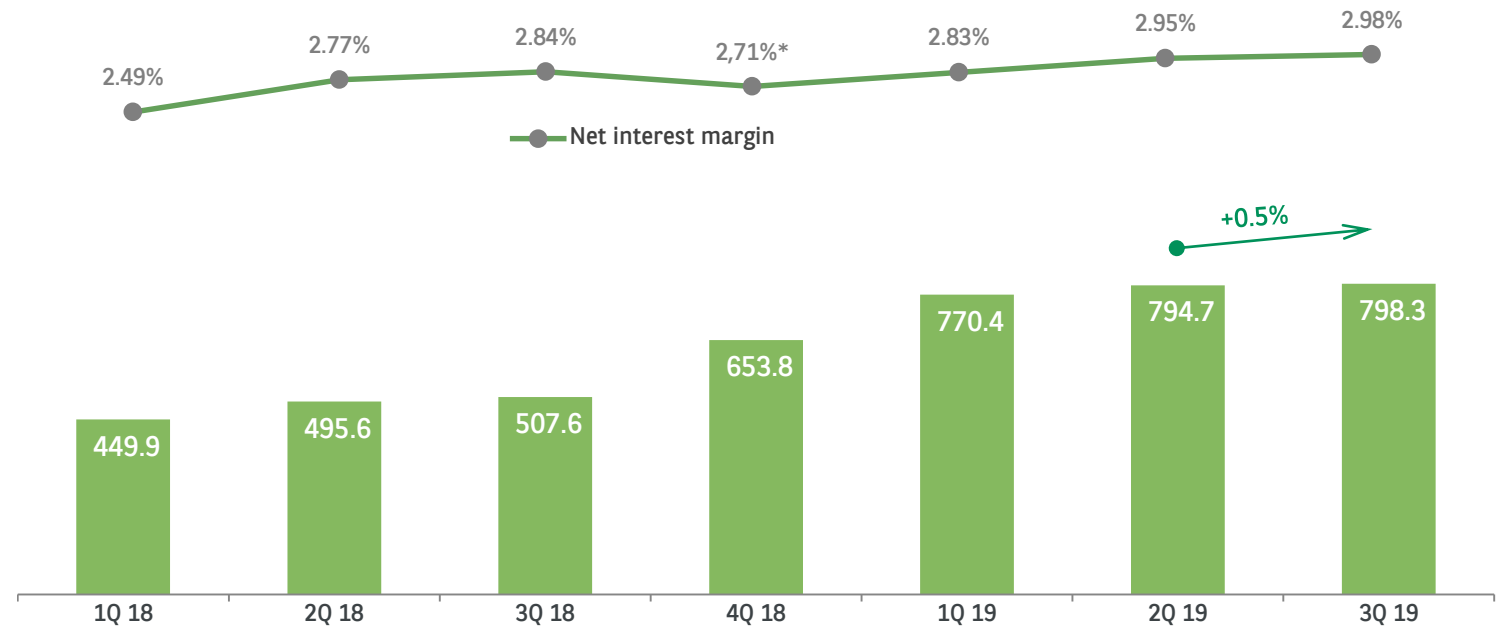
Net interest income

Another quarter of growth in net interest income as a result of improved 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.



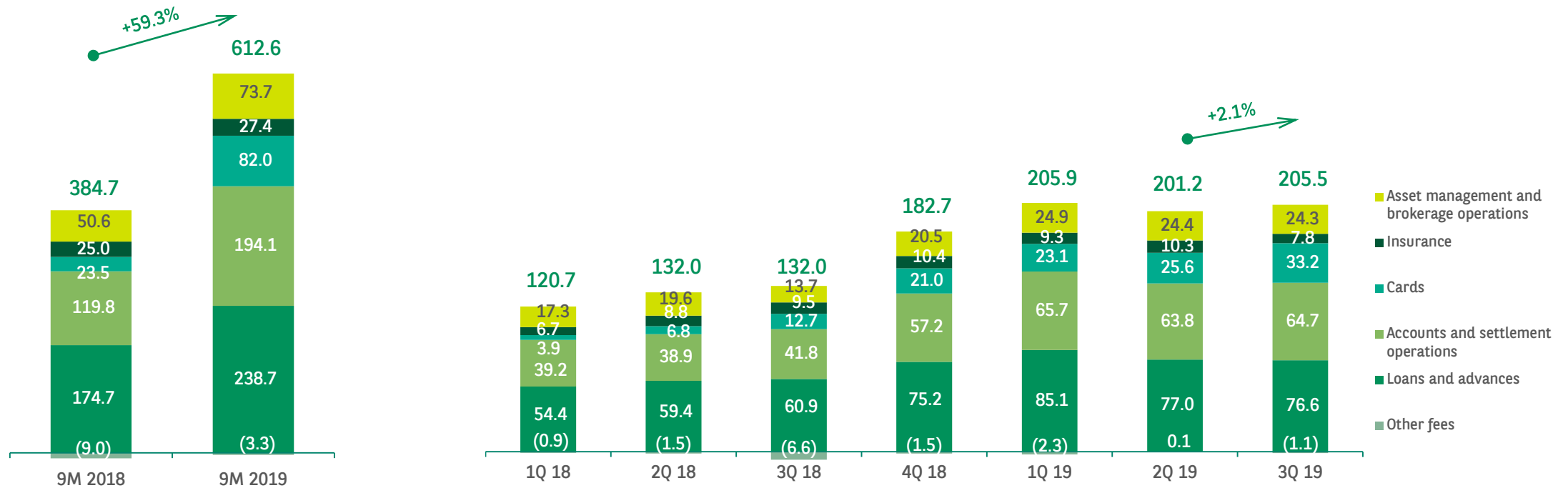
- Higher net interest income in Q3 2019 was driven by, among others, higher interest income on loans to individual customers and continued optimisation of deposit margins, despite sale of factoring business in Q2 2019.
- The net interest income in Q3 2019 includes fair value unwinding in the amount of PLN 22.0m for Stage I loan portfolio acquired as part of the RBPL Core Business (PLN 28.4 m in Q2 2019; PLN 32.3m in Q1 2019; PLN 18.0m in Q4 2018).
- Q3 2019 result negatively impacted by PLN 3.5m fee reimbursement for early repayments of loans made after 11.09.2019 (CJEU ruling)
- 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

Improvement in sales on the new retail offering reflected in growing share of fees and commissions on accounts, settlements and cards

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 (+249.4% y/y), accounts and settlement operations (+62.0% y/y), brokerage operations and asset management (+45.6% y/y) as well as loans (+36.6% y/y).

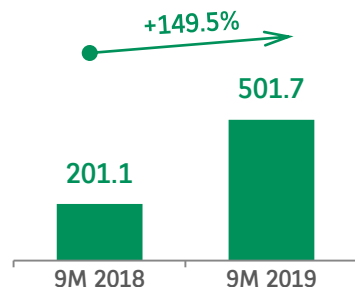
- Further increase in fees and commissions on payment and credit cards (growth rate in Q3 vs Q2: +29.4%) and accounts and settlement operations (growth rate in Q3 vs Q2: +1.5%) .
- Stabilisation of fees and commissions on asset management and brokerage operations, and on loans.

Net trading and investment income

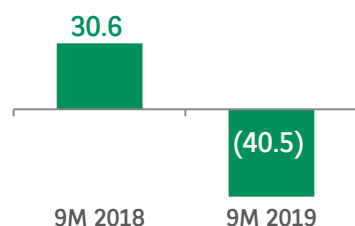
Increase in the "customer" net trading income, impact of valuation of the loan portfolio measured at fair value on the net investment income

PLN m

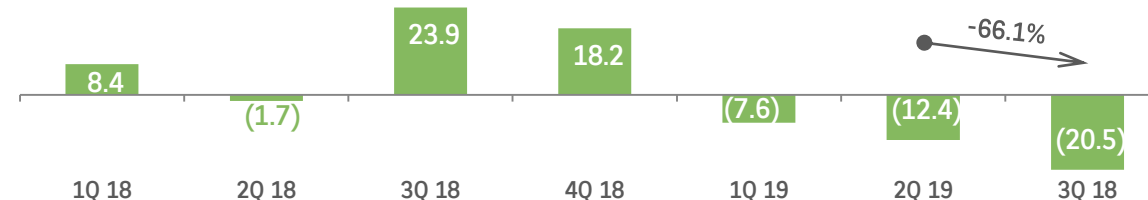
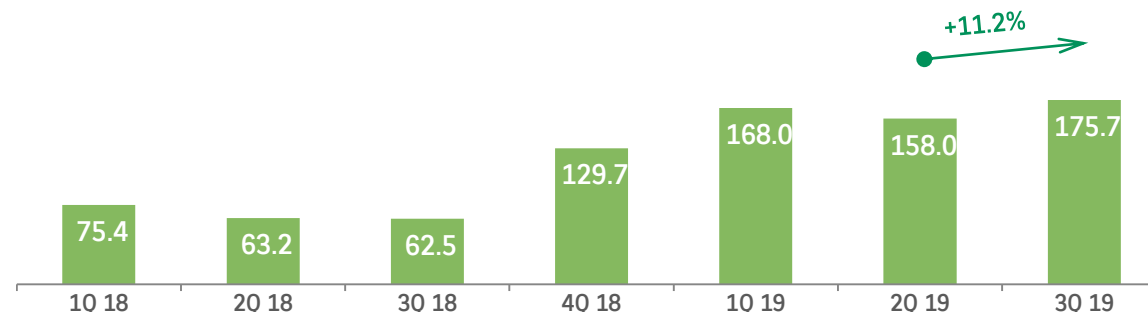
Net trading income



Net investment income



- 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 within 9M 2019: -PLN 41.2m as compared to +PLN 19.6m in 9M 2018 and the absence of profits on the sale of debt instruments (+PLN 11.0m in 9M 2018).

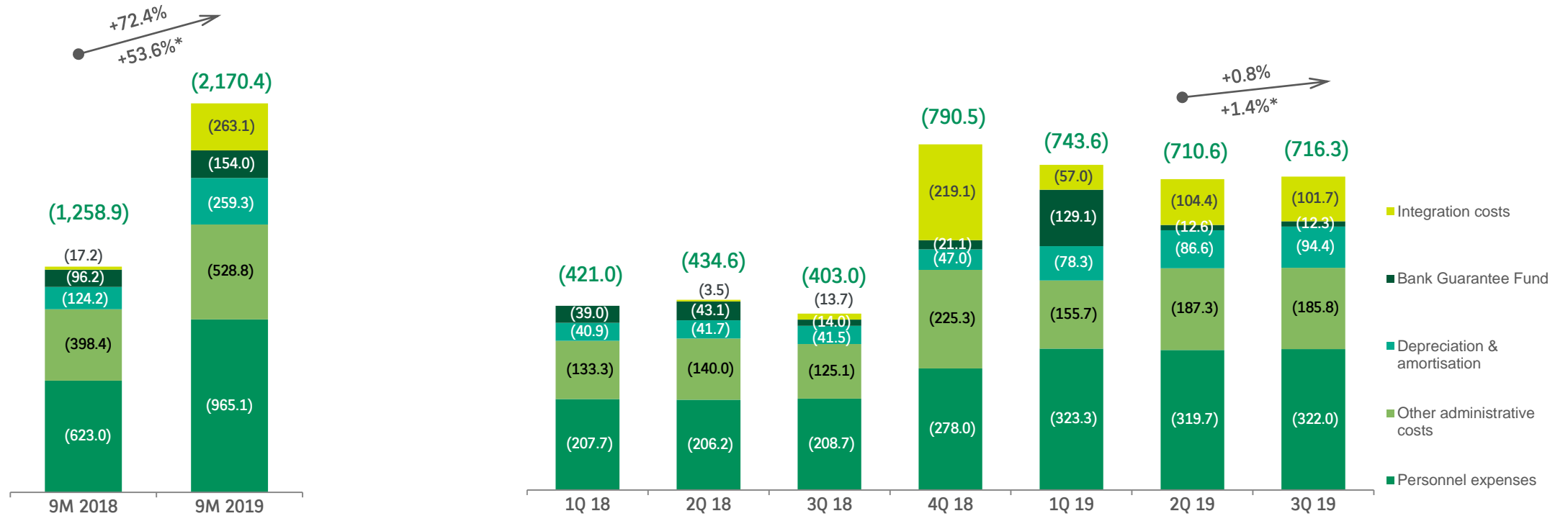


- Higher net trading income in Q3 2019 as compared to Q2 due to the improved result on operations with customers.
- The Q3 2019 net investment income includes the impact of valuation of the portfolio of loans and advances to customers measured at fair value of -PLN 21.7 m (compared to -PLN 12.5m in Q2 2019, +PLN 23.9m in Q3 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 on the net investment income.

Operating expenses, depreciation and amortisation

Stabilisation of the integration costs. First synergies delivered

PLN m



- 9M 2019 expenses excluding integration costs (-PLN 263.1m) were up by 53.6% y/y due to the merger with the RBPL Core Business and higher BGF costs.
- 9M 2019 costs excluding integration and BGF were higher by 53.0% y/y.
- 9M 2019 integration costs include:
 - cost of accelerated IT systems depreciation due to the merger with the RBPL Core Business: PLN 92.0m,
 - rebranding costs: PLN 25.6m,
 - provision for retention programmes: PLN 37.6m,
 - IT costs related to infrastructure and system migration - PLN 59.4m,
 - costs of consulting services: PLN 17.9m.

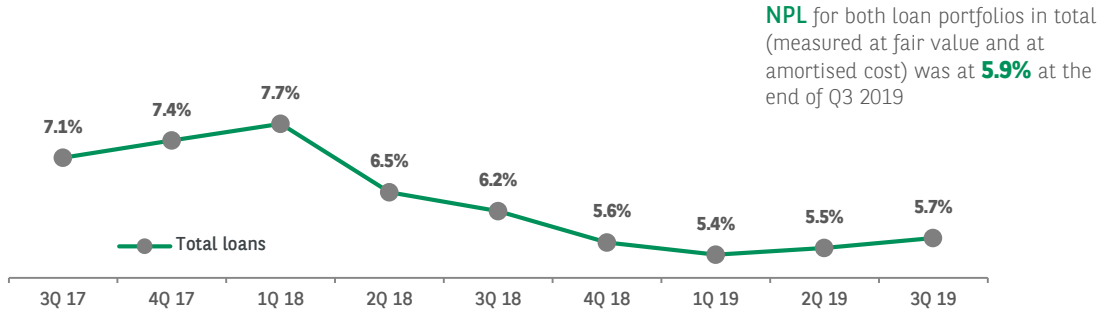
- Increase in personnel costs in Q3 2019 was related to higher provisions for bonuses (by PLN 7.5 m), impacted mainly by the Bank's share price increase with a parallel decrease in remuneration costs.
- Higher amortisation and depreciation in Q3 and Q2 2019 vs Q1 was related to, among others, the increase of completed investments under the transformation program. 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).
- In Q1 2019, a noticeable increase in costs excluding integration costs resulted from a one-off settlement of the annual contribution to the banks' resolution fund (-PLN 116.1m). In 2018, the contribution to the banks' resolution fund (PLN 52.8m) was booked in Q1 (PLN 24.2m) and in Q2 (PLN 28.6m).
- First synergies being delivered - approx. 1 thousand FTEs reduced and 167 branches closed since legal merger (October 2018).

* excluding integration costs

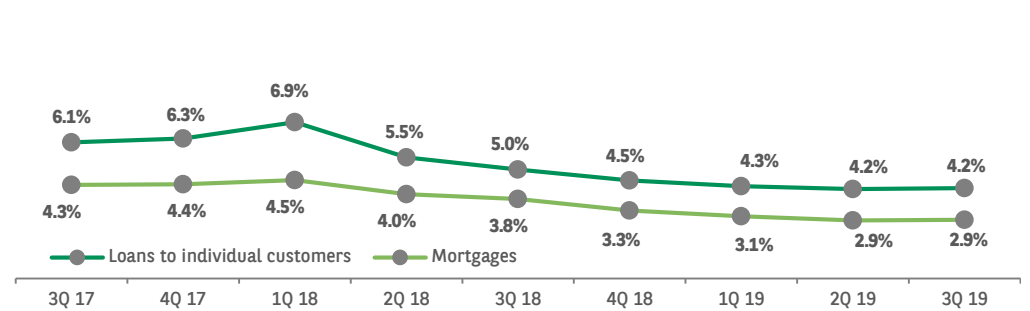
Loan portfolio quality

The slight increase in the total loans' NPL ratio driven mainly by growing NPL in the agro loan portfolio

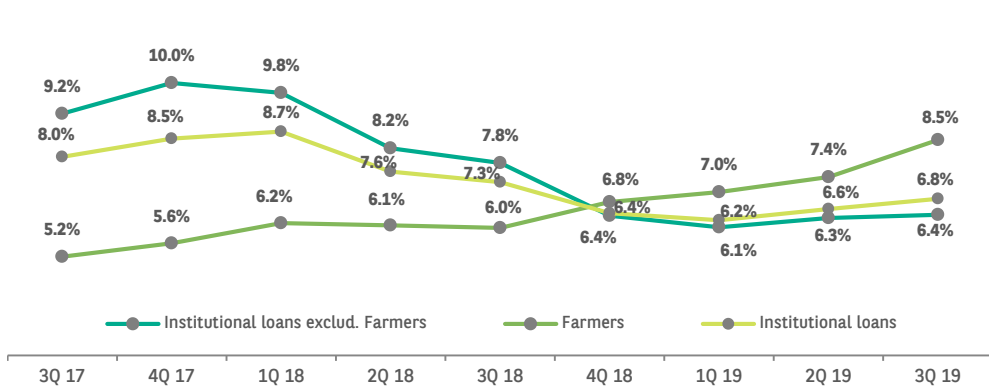
Total loans – NPL*



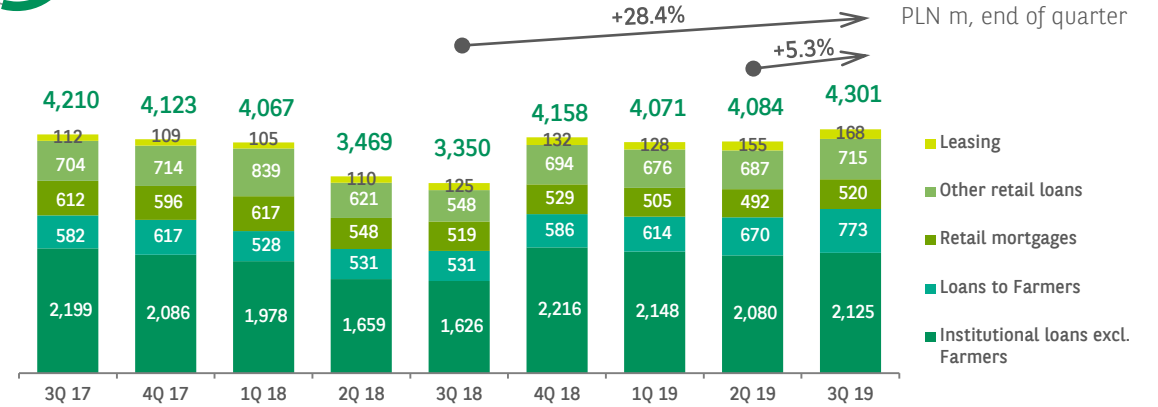
Retail loans – NPL*



Institutional loans – NPL*



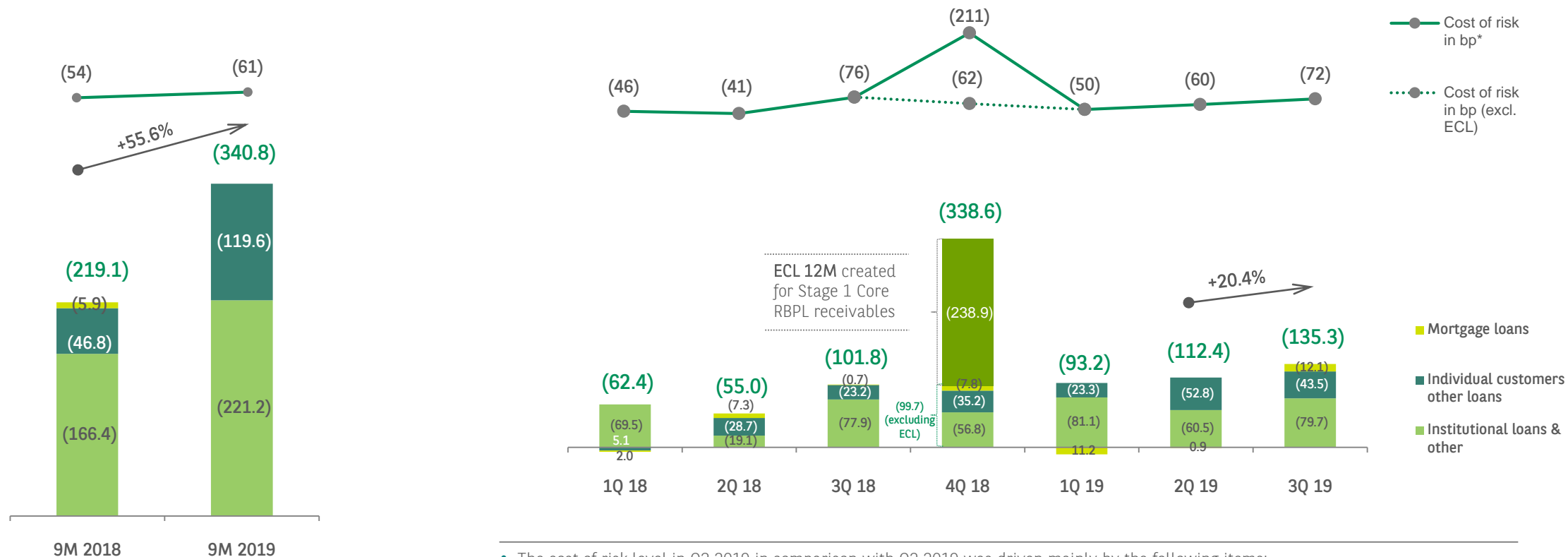
Gross impaired portfolio**



Net impairment losses

Normalisation of the cost of risk on the YTD basis. Quarterly increase mainly due to the one-off events in the corporate portfolio

PLN m



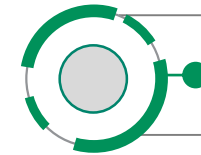
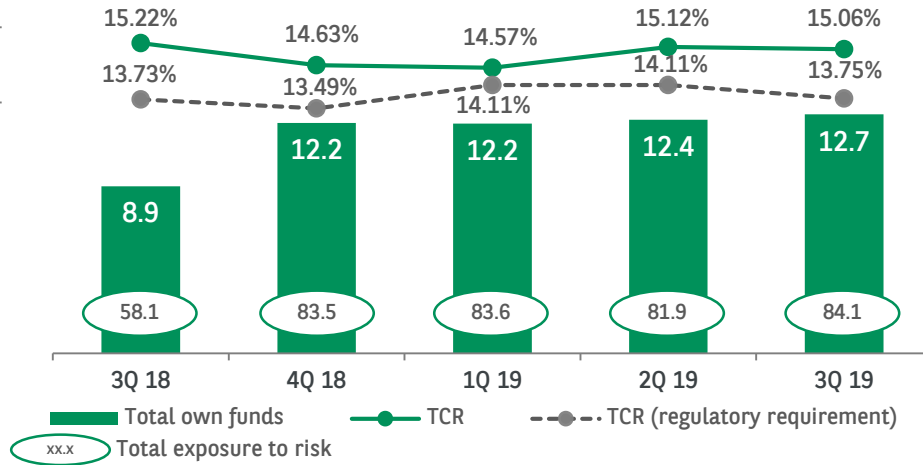
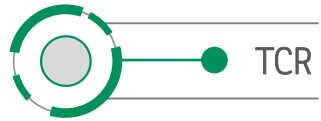
- Higher cost of risk in 9M 2019 is mainly attributable to growth of the Bank's loan portfolio (RBPL Core Business acquisition) and the absence of a positive impact of the NPL sale comparable to 9M 2018.

- The cost of risk level in Q3 2019 in comparison with Q2 2019 was driven mainly by the following items:
 - institutional clients: reclassification of two clients with significant exposures to phase 2 and higher negative impact of risk parameters update,
 - retail customers: neutral impact of parameters update, increase of provisions in the cash loans portfolio coming from migration between overdue receivables buckets,
 - mortgage loans: impairment losses mainly resulting from an increase in exchange rates (impact on LTV) and a volume increase.

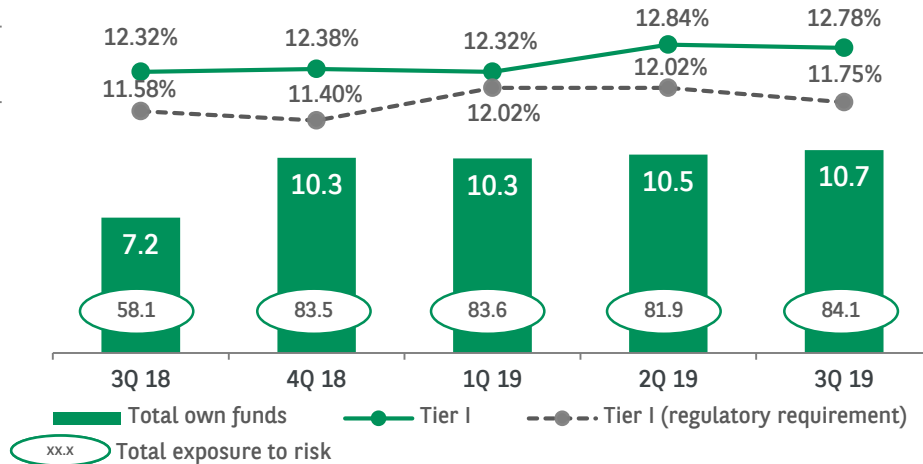
Capital adequacy

Secure capital position. TCR and Tier 1 above the regulatory minimum

PLN bn



TCR and Tier 1 above the regulatory minimum by +1.3 pp and +1.0 pp, respectively



- 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 second quarter of 2019 (PLN 217m) in own funds.
- Decrease in the total exposure to risk thanks to selling, in Q2 2019, an organised part of the Bank's enterprise earmarked for conducting factoring activity (approx. PLN 1.5 bn).
- No capital requirement (buffer) for FX loans. The OSII buffer at 0.25%.

BNP Paribas Bank Polska S.A. shares

P/BV still low in comparison to the peer group. Stock quotations after Q3 under pressure of external factors (CJEU)

ISIN Code:
PLBGZ0000010
WSE Ticker: BNP
Index: mWIG40

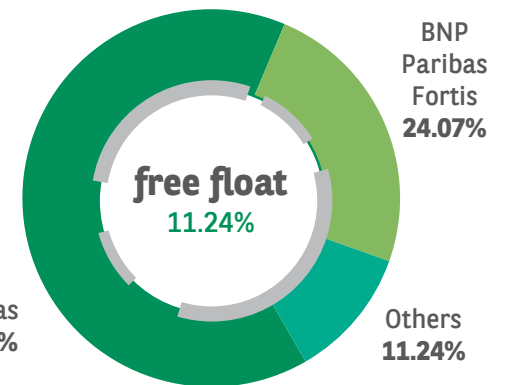
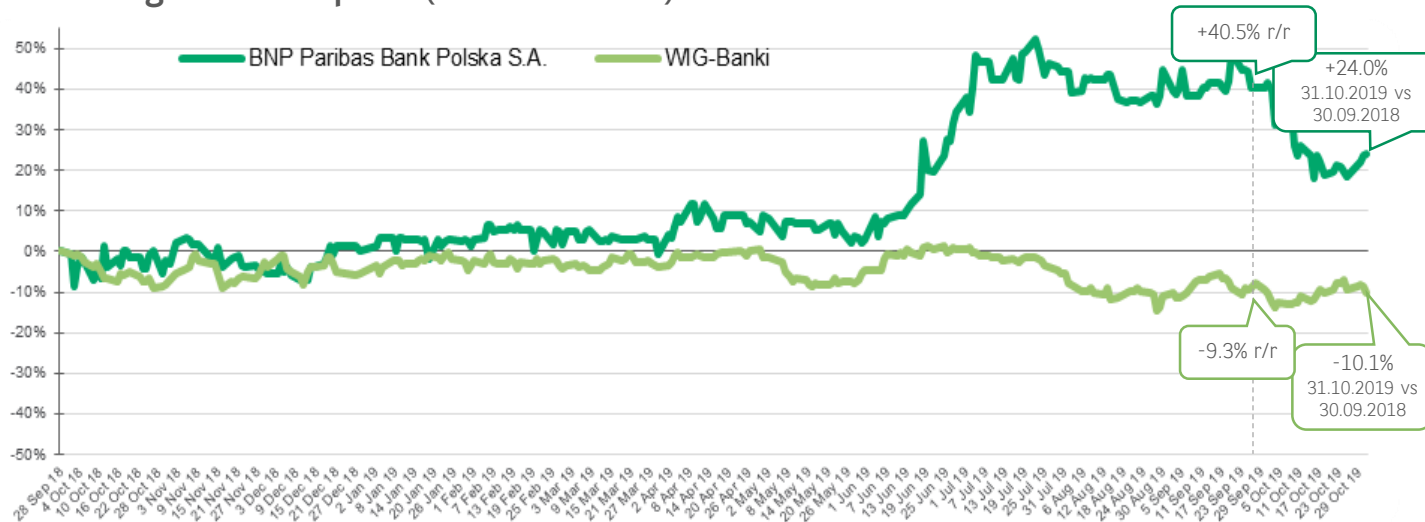
Warsaw Stock Exchange (30.09.2019)

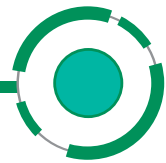
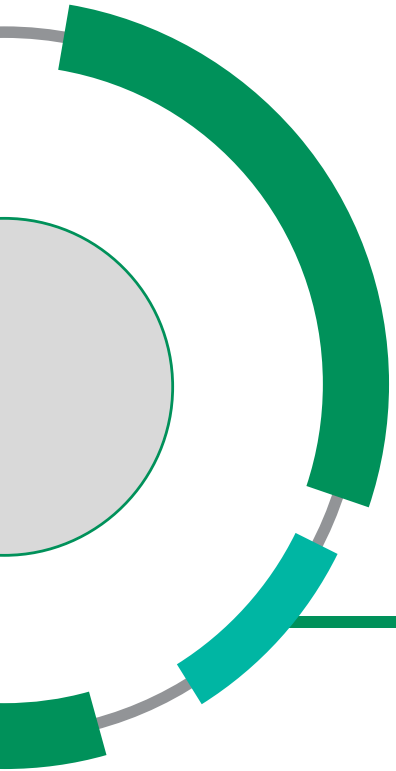
- Upgrade to the WSE index mWIG40 since 23.09.2019
- Share price: PLN 68.00; P/BV: 0.91
- Capitalisation: PLN 10.02 bn
- Free float value: PLN 1.13 bn
- Change in share price (28.09.2018 = 100%)

Moody's Agency Rating (dated 17.10.2019)

Rating's outlook improved to „**Positive**” and Baseline Credit Assessment of the Bank upgraded to **ba1**

Shareholding structure (30.09.2019)





Business segments performance

Retail and Business Banking

Digital transformation and omnichannel development, growth in customer acquisition and personal accounts sales



3.8m
retail customers

+835k +29% y/y
+23k +0.6% q/q

Customer orientation

- Building a **Customer Excellence Board** – implemented changes for customers: they can, on their own, unblock PL@net banking system, generate / change PIN in online banking

Distribution network transformation

- 119 branches in new format
- Optimisation of the sales network (closing 167 branches)
- **Retention program** including a retention offer for migrated customers - 30% efficiency

Digitalisation

- **GOonline** – new online banking
- **GOmobile** – new version of mobile banking
- **GOpocket** – a new service, purchase of a smartphone with the GOonline application preinstalled (cooperation with Samsung)
- **95.8 k cards in digital wallets** at the end of Q3 2019 (+22% q/q)

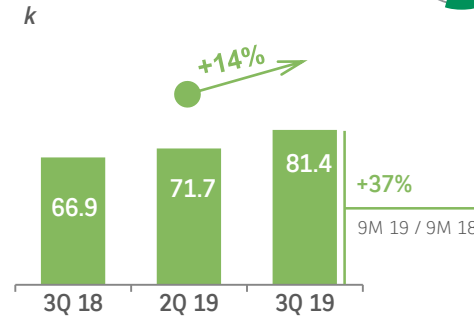
Operational Transformation

- **Strong customer authentication in all systems**, pursuant to the PSD2 requirements
- Time of processing mortgage loan applications shortened by 50% (21 improvements)

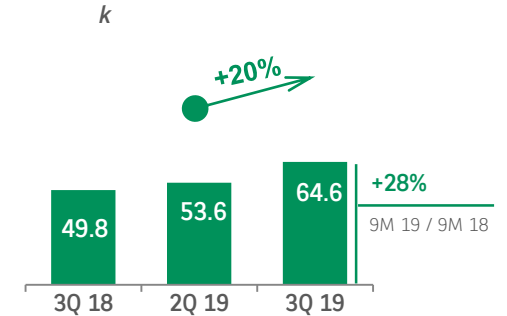
3rd place in Newsweek Friendly Bank ranking 2019, category Traditional Banking (promotion from 9th position), 4th place in Mobile Banking Ranking (promotion from 13th position)

World Finance Banking Awards 2019 for BNP Paribas Wealth Management in Poland

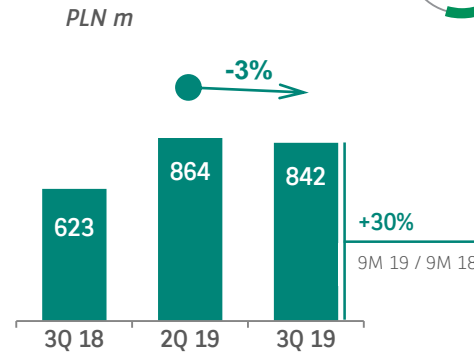
Individual customers acquisition*



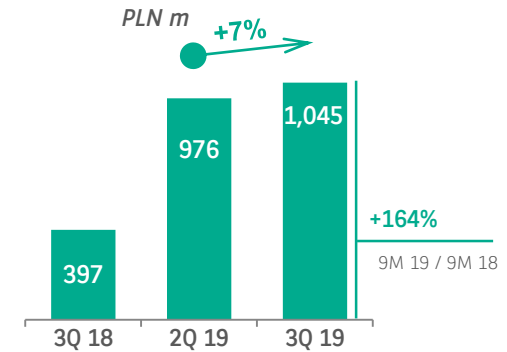
Personal accounts sales



Cash loan sales



Mortgage loan sales

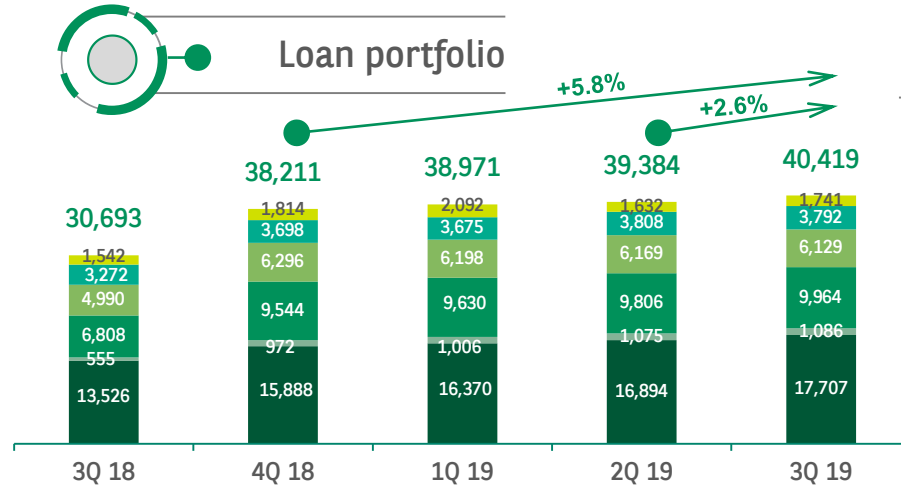
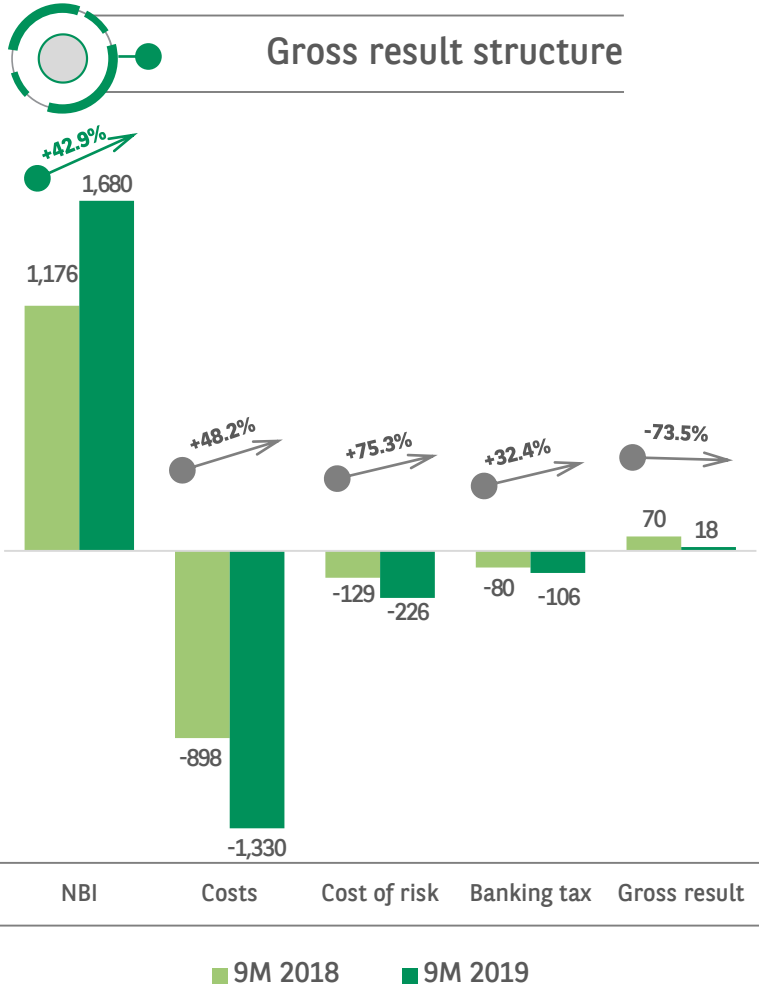


* excluding acquisition through points of sale.

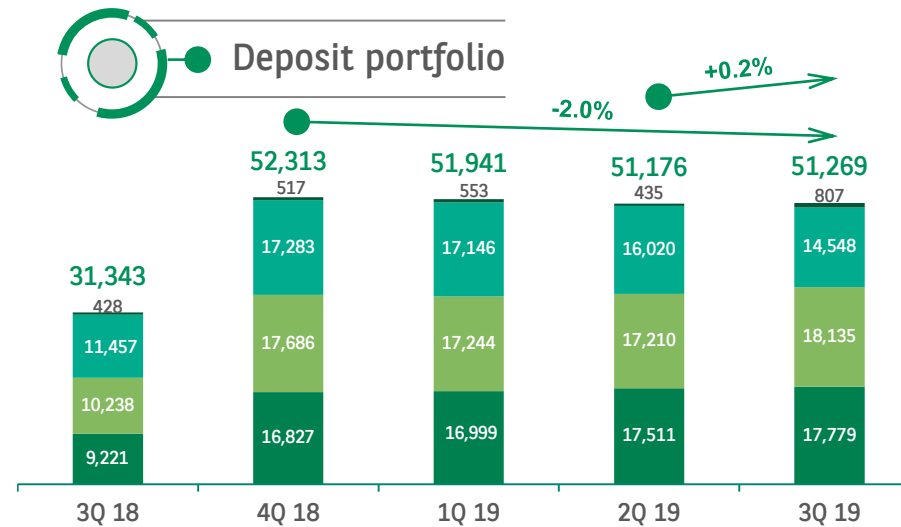
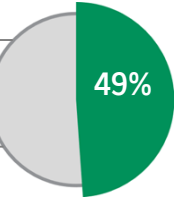
Retail and Business Banking

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

PLN m



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



SME Banking

Continuously implemented transformation of the organisation and final stage of preparation for full system and process integration

Product offer

- Launch of a new FX Pl@net platform
- Preparation of BiznesPl@net electronic banking for migration of Core RBPL customers

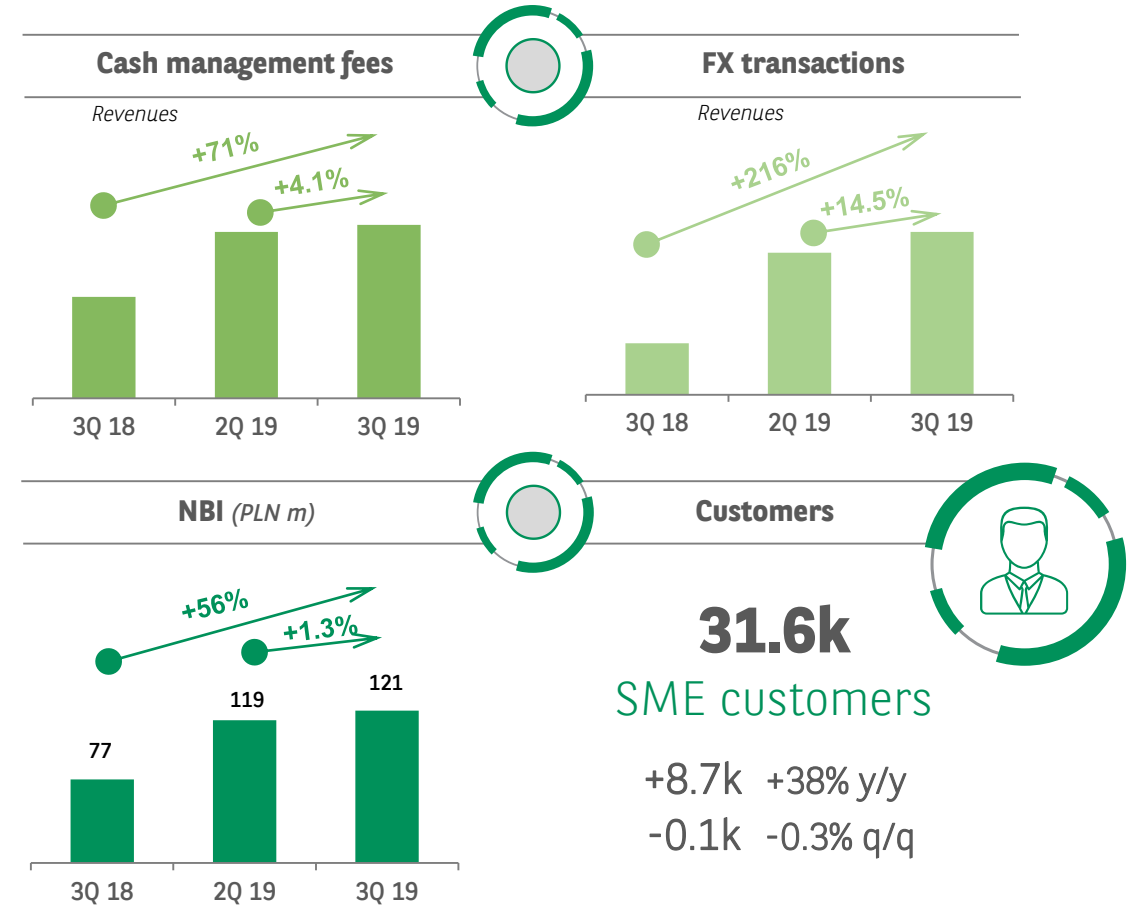
Business development

- Acquisition of new customers: +1,646 customers acquired in 9M 2019
- Increase in total income (NBI) +PLN 2m (+1%) q/q (+5% q/q excluding Faktoring)
- Growth in the segment gross result +PLN 2m (+26%) q/q
- Higher volume of short-term loans +7% q/q in line with the strategy of increasing the share of short-term loans in the whole portfolio

Transformation and digitalisation

- Further automations in the credit process:
 - implementation of functionalities and improvements to increase intuitiveness of using the e-credit application tool for the clients
- Automation of the customer onboarding proces - full implementation in 3Q 2019
- Transfer of customer service to the Business Service Zone in Ruda Śląska

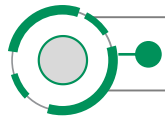
Development of transactionality and product cross-selling



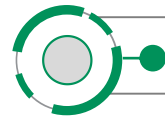
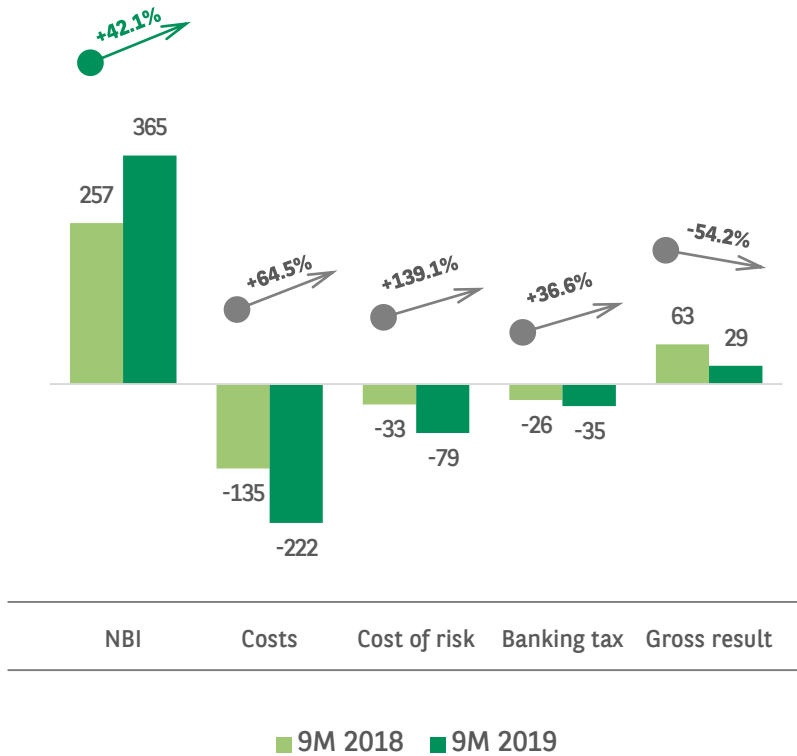
SME Banking

NBI growth. Further deposit base optimisation

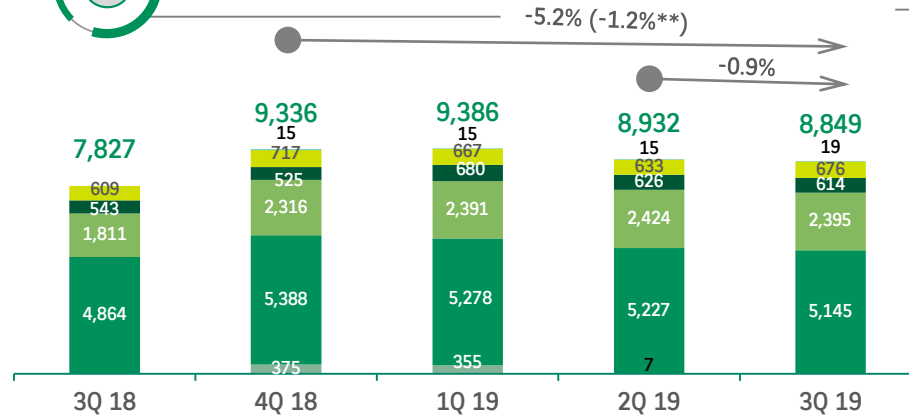
PLN m



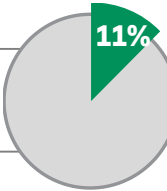
Gross result structure



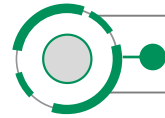
Loan portfolio*



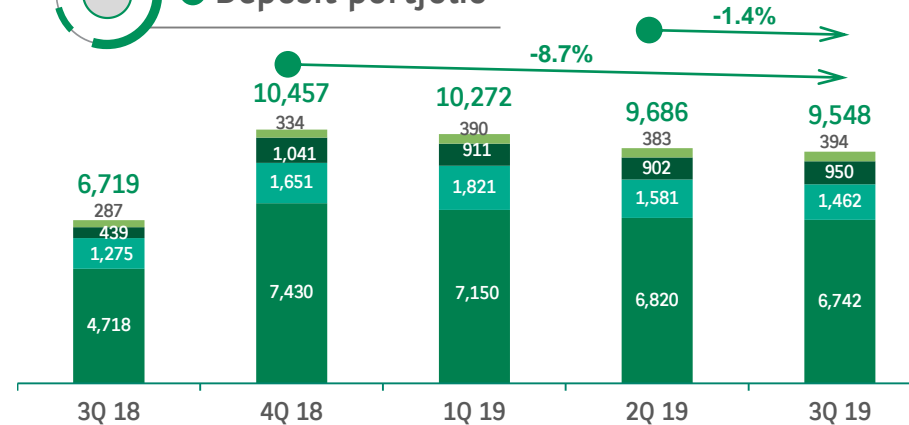
Segment's share in the Group's net banking income



- Mortgages
- Short term loans
- Leasing
- Overdrafts & other loans
- Investment loans
- Factoring



Deposit portfolio*



- Savings accounts
- Overnights
- Term deposits
- Current accounts

* in connection with the re-segmentation carried out in 2019 regarding SME and Corporate clients, data for 2018 were presented in a comparable approach

** dynamics w/o factoring receivables

Corporate Banking

Further organisation transformation, focus on the customer service quality



- Autumn edition of the program – continued promotion of the Italian and French markets alongside a new area, i.e. Near East countries - 15 events planned nationwide, 1,500 participants

Product offer

- Launch of a new FX Pl@net platform: 24h/5 days a week availability for basic transactions and plenty of additional modern solutions
- Launch of Trade Finance Business Desk – dedicated team of trade finance experts and extension of trade finance product offering

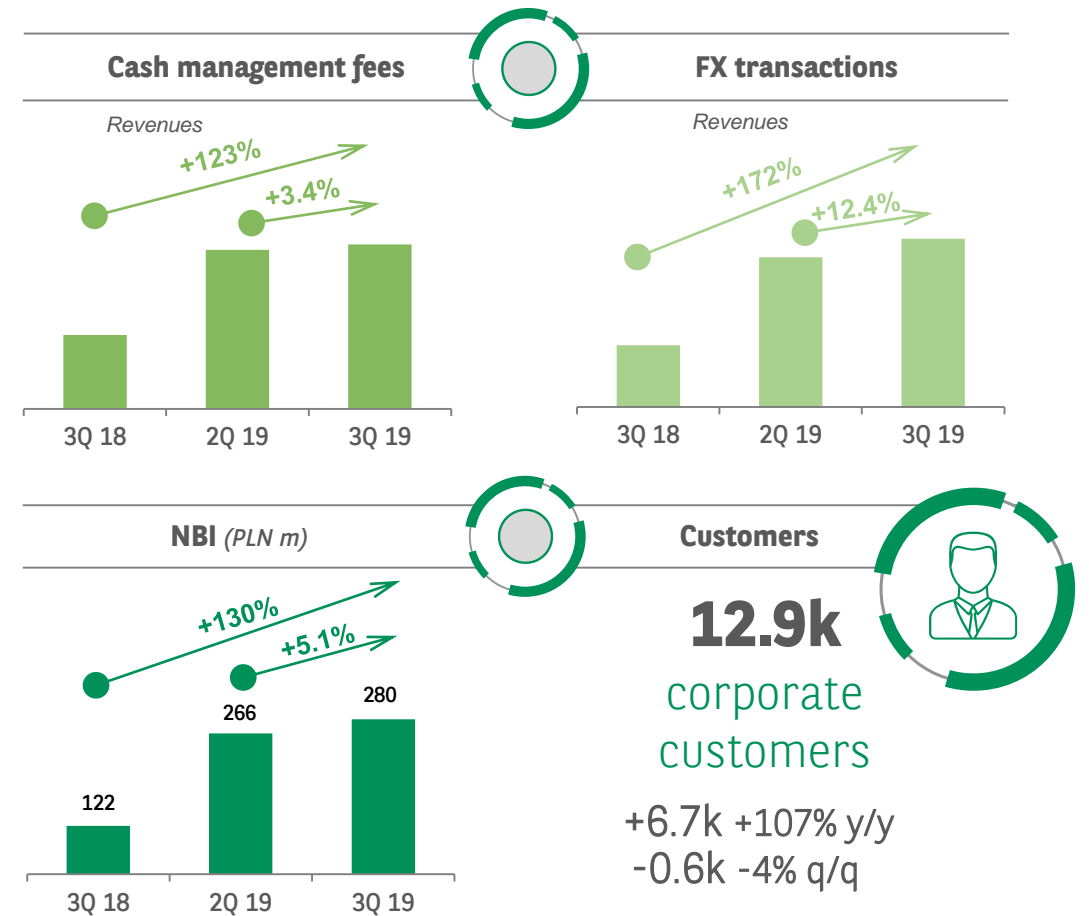
Dynamic business development

- Acquisition and activation of new corporate customers
number of new acquired customers during 9M 2019: **+665**
- **Growth in total income (NBI)** +PLN 14m (+5%) q/q (+8% q/q excluding factoring)
- **Increase in the segment gross result** +PLN 28m (+18%) q/q
- Another successful quarter in specialized financing transactions
- Growth in the leasing sales +PLN 150 m (+31%) y/y

Transformation and digitalisation

- Further development of BiznesPl@net **electronic banking**, a wide package of changes and new functionalities in the cash management area
- **Automation of the customer onboarding process**: implementation of a fully automated process of starting a customer relationship based on an electronic application and automatic data download from external databases

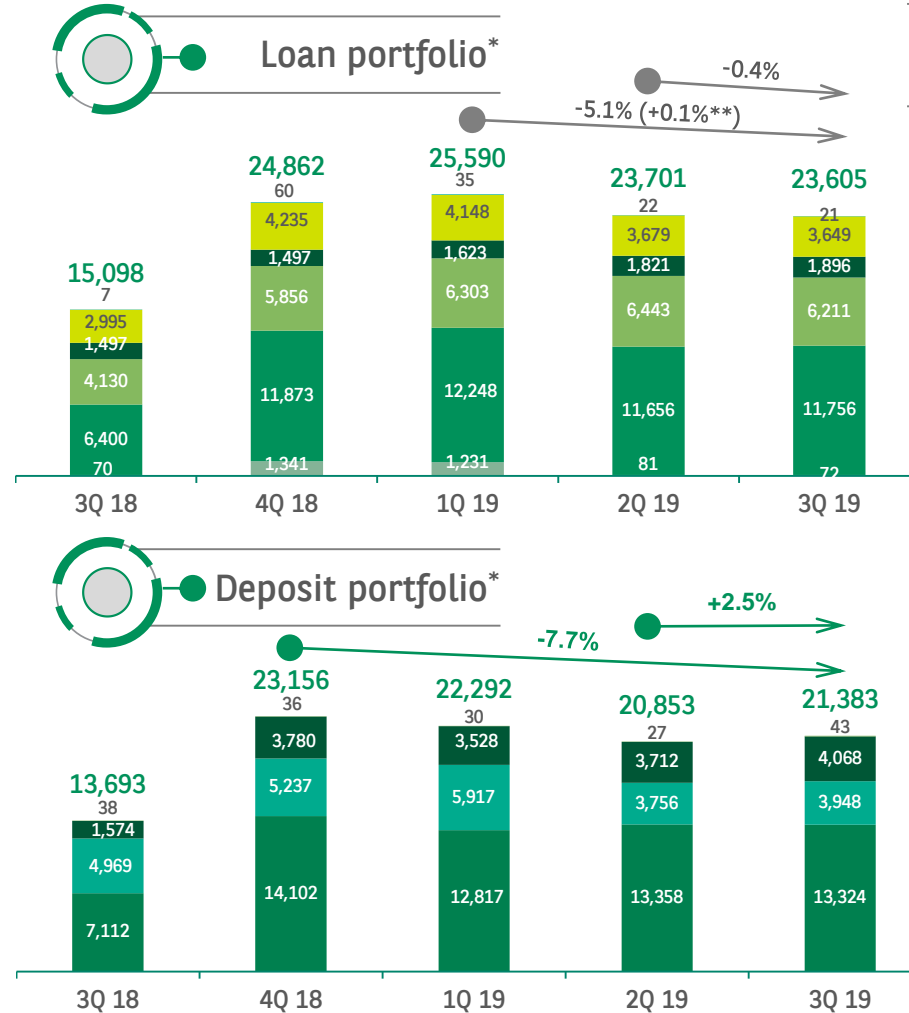
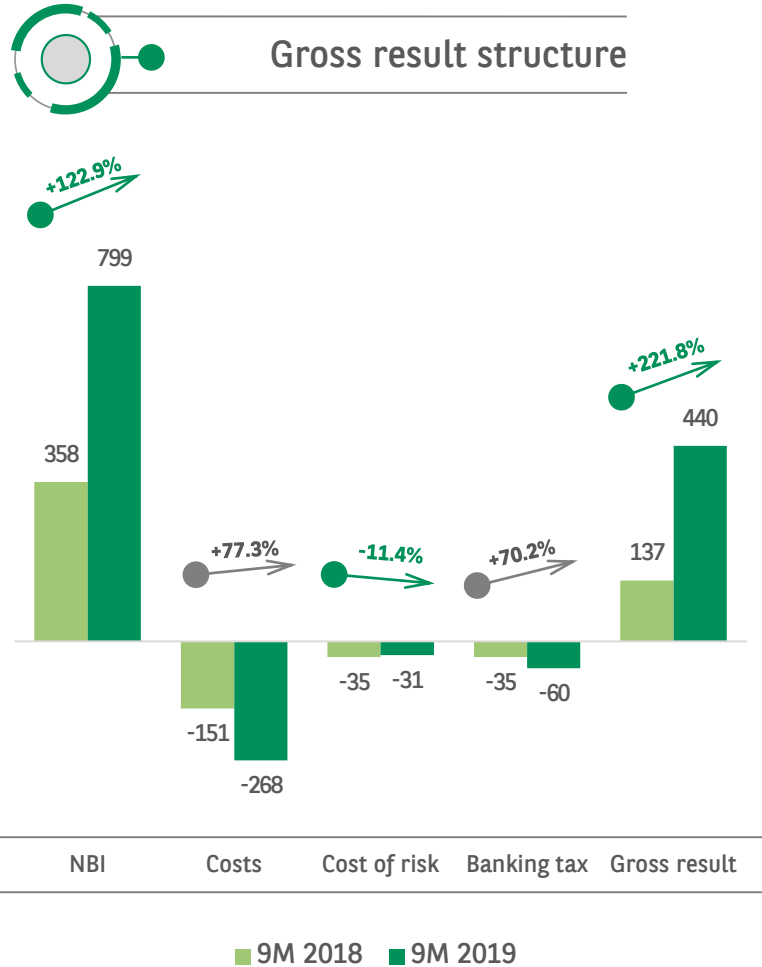
Development of transactionality and product cross-selling



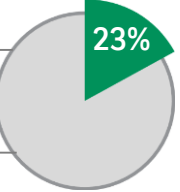
Corporate Banking

Significant improvement of the gross result. Deposit base optimisation, stabilisation of the loan portfolio volume after the factoring sale

PLN m

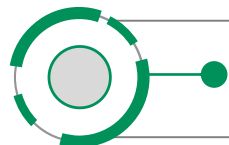


Segment's share in the Group's net banking income



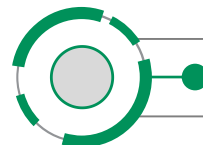
Agro Segment

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

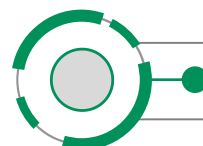
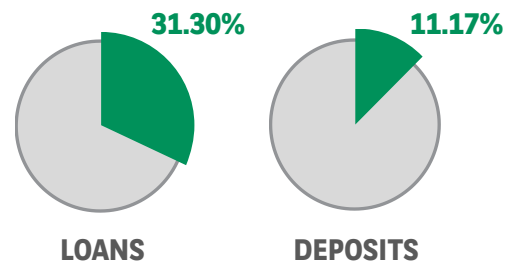


Activities supporting sales and relations with customers

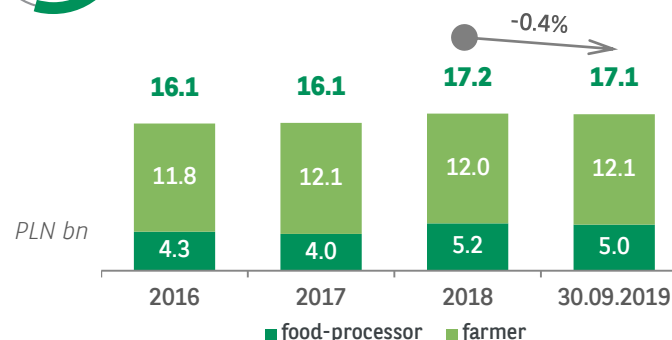
- **Agronomist.pl** – multi-functional sectorial web portal for food & agri industry. More than 35,000 visits and almost 2,000 registered users within first 6 months of its operations.
- **Promotion campaign** of loans for investments in irrigation systems dedicated to farmers in connection with the Rural Development Programme - PROW 2014-2020 (Sep-Dec).
- **Participation in trade fairs in 2019:** AgroTech Kielce - 25th International Fair of Agricultural Techniques, Agro Show Bednary – 20th International Agricultural Exhibition.
- **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.
- **Agro on Heels** - program dedicated to women operating in the agricultural sector -the beginning of this year's series of meetings on September 24 in Bialystok.
- **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).



Market share (30.09.2019)



Gross volume of loans

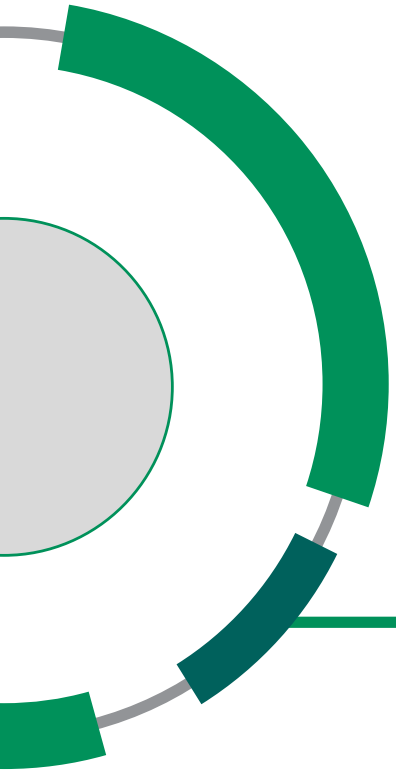


74k
Agro customers



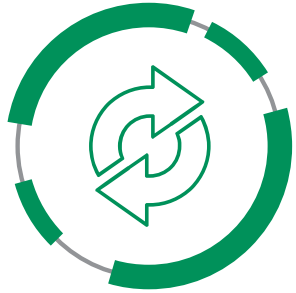
"Izydor 2019" statuette and the title of **"Farm Friendly Company"** for BNP Paribas Bank Polska





Priorities & challenges for 2020

Priorities and challenges for 2020



Digital transformation

- Focus on automation of internal processes
- Further development of digital channels
- Implementation of changes in customer journeys



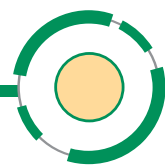
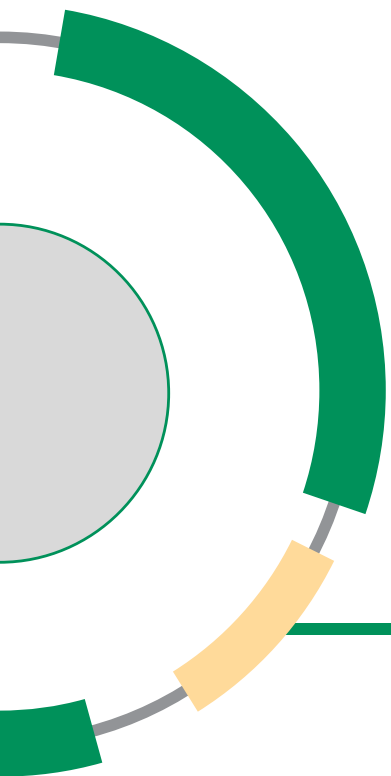
Business development

- Organic growth acceleration
- New customers' acquisition and current accounts growth
- Cross-selling increase



Profitability improvement

- Synergies delivery
- Increase of revenues in the continuously low interest rates environment
- Further improvement of capital position

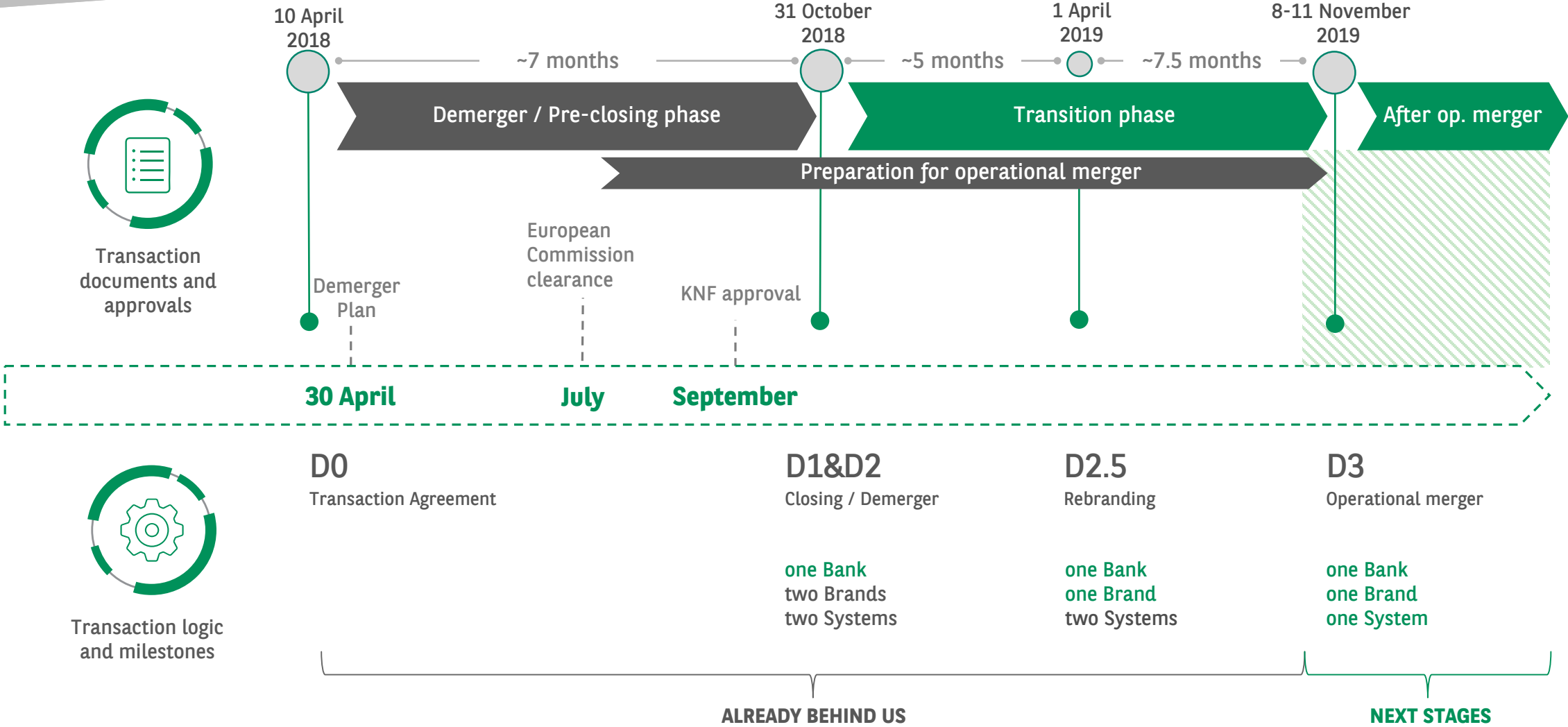


Appendices

Integration with the RBPL Core Business – timetable
Sustainable development and CSR
Capital Group financial results in 2019
Profit and loss account
Assets, liabilities and equity

Integration with the RBPL Core Business

Timetable



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.
- ✓ Promotion of involvement in initiatives for climate in sector conferences and debates:
 - Economic Forum in Krynica,
 - European Economic Congress,
 - European Financial Congress.

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.
- ✓ Agreement with BGK and joining the BiznesMax Guarantee Programme which supports the SMEs in innovations and energy efficiency.
- ✓ Financing renewable energy sources, including the dynamic development of the Photovoltaic for prosumers product.

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



- ✓ First edition of the educational program The Bank of Green Changes – nearly 2,000 employees involved in educational activities and promotion of pro-ecological attitudes.
- ✓ #TrashChallenge – 400 employees and their relatives cleaned up 8 forest locations in partnership with Nasza Ziemia Foundation and under the patronage of the General Director of the State Forests.
- ✓ Marketing campaign The Bank of Green Changes – „Huge Oxygen Gardens”
- ✓ Successive elimination of plastic in all areas of the Bank.

Activities for positive social change



- ✓ 16 local projects to promote diversity implemented by high school students with mentoring of Local Ambassadors of the Bank in partnership with the Zwolnieni z Teorii Foundation.
- ✓ 64 grants for Local Community Organizations cooperating with Local Ambassadors of the Bank under #LAB, a donation program.
- ✓ Nearly 40 new scholarship holders of the "Class" Program of the BNP Paribas Foundation.
- ✓ 34 completed projects of the Competition for Voluntary Projects.

Capital Group financial results in 2019

Net profit increase by 54.4% as compared to 9M 2018 despite higher integration costs and cost of risk

	9M 2019* PLN m	9M 2018 PLN m	Change y/y	Change y/y normalized**
Net banking income	3,412.5	2,070.5	+64.8%	+65.0%
Total costs	(2,170.4)	(1,258.9)	+72.4%	+53.6%
Net impairment losses	(340.8)	(219.1)	+55.6%	+55.6%
Tax on financial institutions	(210.8)	(148.3)	+42.1%	+42.1%
Gross profit	690.5	444.2	+55.5%	+107.4%
Net profit	493.4	319.5	+54.4%	+112.7%

	9M 2019 PLN m	9M 2018 PLN m	Change y/y	Change y/y normalized**
Return on equity (ROE)	6.1%	6.4%	-0.3 pp	-
Return on equity (ROE)**	8.8%	6.7%	-	+2.1 pp
Costs / Income (C/I)	63.6%	60.8%	+2.8 pp	-
Costs / Income (C/I)**	55.8%	60.0%	-	(4.2 pp)
Total capital ratio	15.1%	15.2%	-0.1 pp	-
Tier 1 capital ratio	12.8%	12.3%	+0.5 pp	-

* the financial results of BNP Paribas Bank Polska S.A. for 9M 2019 include the results of RBPL Core Business acquired on October 31, 2018

** excluding integration costs

9M 2019 integration costs – PLN 266.2 m, of which:

- PLN 263.2m – administrative expenses, depreciation& amortization
- PLN 3.0m – other operating expenses

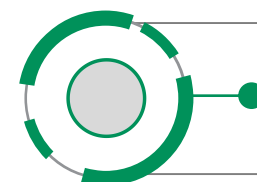
9M 2018 integration costs – PLN 17.2m, of which:

- PLN 17.2m – administrative expenses, depreciation& amortization

Net profit increase +54% y/y

Events affecting the comparability of 9M 2019 and 9M 2018 results:

- incorporation of income and costs of the RBPL Core Business to 9M 2019 results,
- PLN 266.2m of integration costs in 9M 2019 as compared to PLN 17.2m in 9M 2018,
- BGF costs higher by PLN 57.9m y/y (as a result of an increase in the annual contribution to the banks' resolution fund in 2019).
- creation of a provision of PLN 48.8m, recognised in 9M 2019 results, for proportional reimbursement of commissions in case of a loan prepayment by customers,
- recognition in 9M 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 42.4m.



Excluding integration costs,
9M 2019 net profit amounted to
PLN 709.0 m (+112.7% y/y)

Consolidated profit and loss account

PLN thousand

Profit & Loss account	YtD		quarterly						
	30/09/2019	30/09/2018	3Q 2019	2Q 2019	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018
Interest income	3 147 967	2 053 468	1 053 372	1 059 509	1 035 086	930 361	705 126	713 312	635 030
Interest expense	(784 520)	(600 389)	(255 064)	(264 812)	(264 644)	(276 589)	(197 537)	(217 734)	(185 118)
Net interest income	2 363 447	1 453 079	798 308	794 697	770 442	653 772	507 589	495 578	449 912
Fee and commission income	767 949	495 399	259 542	256 554	251 853	229 315	173 749	171 739	149 911
Fee and commission expense	(155 339)	(110 727)	(54 019)	(55 350)	(45 970)	(46 597)	(41 734)	(39 756)	(29 237)
Net fee and commission income	612 610	384 672	205 523	201 204	205 883	182 718	132 015	131 983	120 674
Dividend income	6 007	4 780	4 451	1 348	208	80	3 971	784	25
Net trading income	501 728	201 096	175 696	158 035	167 997	129 677	62 506	63 178	75 412
Result on investing activities	(40 531)	30 626	(20 533)	(12 361)	(7 637)	18 212	23 900	(1 667)	8 393
Result on hedge accounting	(4 642)	4 612	(3 559)	(3 009)	1 926	(14 609)	1 789	1 307	1 516
Other operating income	139 547	68 441	30 696	71 632	37 219	319 337	15 768	13 990	38 683
Net financial assets impairment losses and provision for contingent liabilities	(340 849)	(219 115)	(135 315)	(112 353)	(93 181)	(338 567)	(101 772)	(54 989)	(62 354)
General administrative expenses	(1 818 134)	(1 134 701)	(585 234)	(594 822)	(638 078)	(724 971)	(361 404)	(393 209)	(380 088)
Depreciation and amortization	(352 243)	(124 226)	(131 016)	(115 755)	(105 472)	(65 488)	(41 564)	(41 729)	(40 933)
Other operating expenses	(165 658)	(76 771)	(100 035)	(34 400)	(31 223)	(70 636)	(19 846)	(16 914)	(40 011)
Operating result	901 282	592 493	238 982	354 216	308 084	89 525	222 952	198 312	171 229
Tax on financial institutions	(210 784)	(148 343)	(69 457)	(70 982)	(70 345)	(64 779)	(48 472)	(49 836)	(50 035)
Profit (loss) before income tax	690 498	444 150	169 525	283 234	237 739	24 746	174 480	148 476	121 194
Income tax	(197 075)	(124 651)	(54 763)	(66 174)	(76 138)	16 133	(43 582)	(45 333)	(35 736)
NET PROFIT (LOSS)	493 423	319 499	114 762	217 060	161 601	40 879	130 898	103 143	85 458

Assets

PLN thousand



Consolidated statement of financial position

	30/09/2019	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	2 432 745	2 350 499	2 715 459	2 897 123	1 170 138	914 056	2 339 735	998 035
Receivables from banks	867 909	527 687	916 374	961 496	272 634	386 581	577 255	2 603 689
Derivative financial instruments	917 845	729 564	743 071	715 671	378 014	455 563	429 476	474 421
Adjustment regarding the fair value of hedge item	300 057	231 929	172 367	130 405	39 213	42 401	53 459	32 730
Loans and credits to customers measured at amortised cost	72 196 212	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	2 069 805	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	17 009 661	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	219 470	211 283	206 202	204 421	139 591	134 997	118 562	-
Securities measured at fair value through other comprehensive income	8 082 845	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	55 868	54 435	54 435	54 435	54 435
Intangible assets	490 969	498 069	506 991	520 767	317 698	306 452	282 311	288 340
Property, plant and equipment	1 189 700	1 136 103	1 097 855	511 275	465 377	479 903	486 575	500 647
Deferred tax assets	1 028 678	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	693 855	879 264	665 890	872 115	430 924	514 294	434 965	301 041
TOTAL ASSETS	107 555 619	106 544 101	108 845 223	109 022 519	71 823 883	71 355 941	71 920 674	72 655 491



BNP PARIBAS

The bank for a changing world

Liabilities and equity

PLN thousand



Consolidated statement of financial position

	30/09/2019	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	4 727 260	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	276 030	205 551	175 283	123 600	4 664	7 948	21 668	(2 992)
Derivative financial instruments	940 532	800 950	789 219	783 818	375 858	432 470	401 096	427 710
Amounts due to customers	83 348 683	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	2 179 424	2 179 610	2 179 424	2 181 744	2 181 744	2 181 931	2 471 966
Subordinated liabilities	1 920 534	1 867 972	1 879 367	1 875 769	1 689 887	1 706 237	1 652 130	1 645 102
Lease liabilities	616 475	599 594	593 097	-	-	-	-	-
Other liabilities	1 983 840	2 095 921	1 818 286	1 711 641	1 047 004	1 908 356	941 151	1 131 555
Current tax liabilities	65 837	20 303	5 380	174 589	28 496	18 018	93 620	117 699
Provision for deferred tax	8 274	8 274	8 275	8 276	8 025	8 026	8 003	8 003
Provisions	442 054	396 922	416 521	437 412	117 949	119 842	117 524	76 853
TOTAL LIABILITIES	96 508 943	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	147 419	97 538	84 238	84 238	84 238
Other supplementary capital	9 110 976	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	1 572 757	1 208 018	1 208 018	1 208 018	1 208 018	909 629	909 629
Revaluation reserve	133 423	125 763	105 100	141 179	127 880	122 257	148 852	141 988
Retained earnings	82 101	(33 229)	114 490	(47 836)	(396)	(131 294)	63 952	296 522
retained profit	(411 322)	(411 890)	(47 111)	(408 214)	(319 895)	(319 895)	(21 506)	16 815
net profit for the period	493 423	378 661	161 601	360 378	319 499	188 601	85 458	279 707
TOTAL EQUITY	11 046 676	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	107 555 619	106 544 101	108 845 223	109 022 519	71 823 883	71 355 941	71 920 674	72 655 491



Disclaimer

- This presentation does not constitute an offer or solicitation of an offer for purchase or subscription of securities and other financial instruments issued by BNP Paribas Bank Polska S.A. ("Bank") and it does not constitute any advice nor recommendation as regards the securities or other financial instruments issued by the Bank.
- This presentation may include forward-looking statements, future plans, projections and strategy or objectives. Such statements can neither be considered the Bank's projections nor guarantees of its future performance, as they were adopted based on expectations, projections and information on future events.
- The forward-looking statements included in the presentation are based on current knowledge, experience and opinions of the Bank's Management Board and involve a number of factors that could cause the actual results to be materially different from the information contained herein.
- The Bank neither does nor will undertake any obligation to update or disclose to the public any revisions to any forward-looking statements contained herein.
- Neither the Bank nor any of its representatives, subsidiaries or parent entities shall be held accountable for any damage resulting from the use of this presentation or a part hereof, or its contents or in any other manner in connection with this presentation.
- This presentation is not intended for the disclosure and distribution to and within countries where such publication or dissemination may be prohibited under applicable law.
- The presented data relate to the Group of BNP Paribas Bank Polska S.A.

Investor Relations – contact details

Investor Relations Office

78 Grzybowska St., 00-844 Warsaw
e-mail: relacjeinwestorskie@bnpparibas.pl
www.bnpparibas.pl/investor-relations

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.

