

PRESENTATION OF FINANCIAL PERFORMANCE 2019

BNP Paribas Bank Polska SA Group

Warsaw, 3 March 2020



BNP PARIBAS

AGENDA

01

Key highlights

02

Group financial results

03

Business segments performance

04

Outlook

05

Appendices



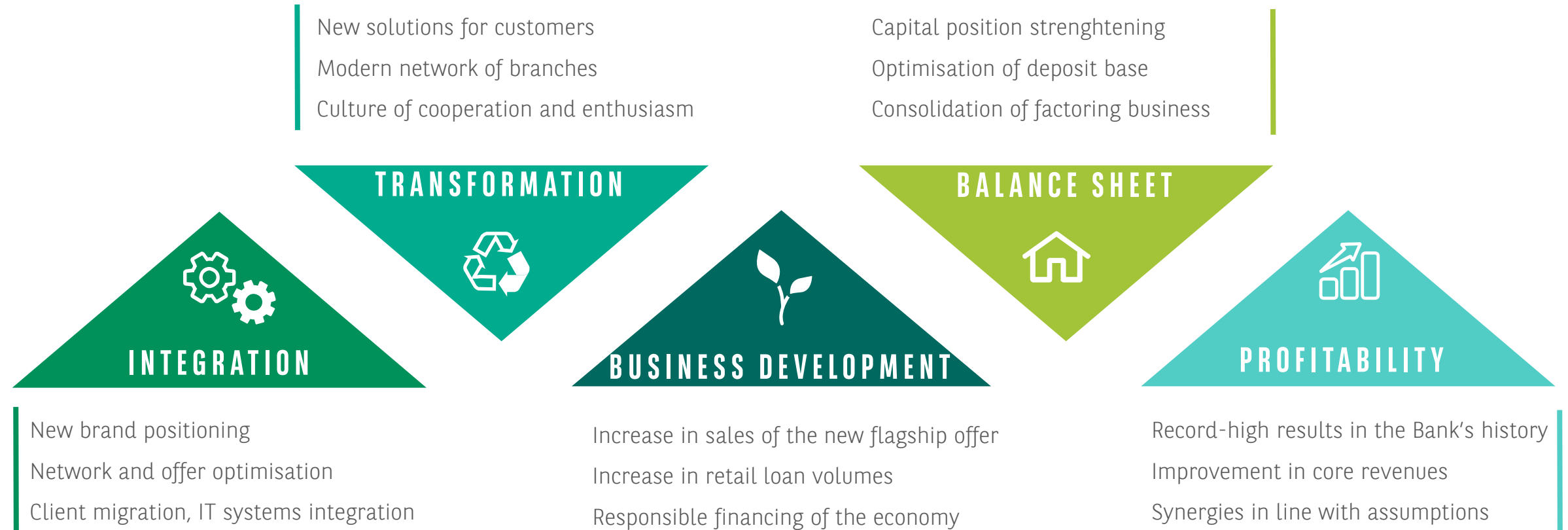
01

KEY HIGHLIGHTS



SUMMARY OF 2019

COMPLETION OF THE "NEW BANK" BUILDING CHAPTER



INTEGRATION AND TRANSFORMATION IN 2019

SUCCESSFUL MERGER, NEW SOLUTIONS FOR CUSTOMERS

1Q 2019

- Rebranding – new brand positioning
- Standardisation of the service model



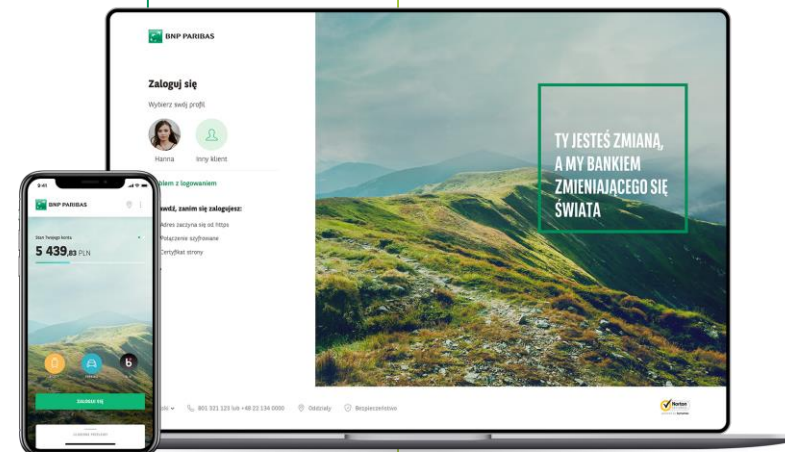
2Q 2019

- New flagship product offer
- Launch of the Agronomist portal



3Q 2019

- Launch of GOonline for customers
- new platform - FX Pl@net for corporate clients



4Q 2019

- Start of GOmobile 2.0
- Completion of operational merger

CONSISTENT EXECUTION OF THE FAST FORWARD STRATEGY

KEY ACHIEVEMENTS IN EACH PILLAR

GROWTH

New standardized offer for individual customers

Cooperation with Allegro. More than 260 thousand credit limits granted (amount > PLN 0.5 bln)

Growing individual customers credit volumes (the highest dynamics - mortgage loans)

Green financing:

7-fold growth in financing renewable energy sources and energy efficiency projects;
10 thousand photovoltaic installations for households

SIMPLICITY

Completion of the integration process after merger with exRBPL. Operational merger conducted successfully in November 2019

Optimisation of the distribution network (180 outlets closed since the merger with Core RBPL)

142 branches in the new format as of the end of 2019 (126 transformed in 2019)

QUALITY

3rd place in the Newsweek's "Friendly Bank" ranking, in the category "A bank for Mr. Smith" (advancement from the 9th position)

Service Quality Star 2019 in the 12th edition of the Polish Service Quality Programme

DIGITALISATION

GOmobile (v. 2.0 released in Q4 2019) and further increase in the number of users

GOonline: migration of Core RBPL customers to the new platform completed in November 2019

Cooperation with Autenti (electronic signature). Joint investment with PKO BP and Alior Bank (total value of PLN 17 m)

ENTHUSIASM

Increased brand awareness
Rebranding completed successfully.

Bank of green changes: promoting eco-attitudes and reducing the negative impact of operating activities

Great Oxygen Gardens: the Bank will plant 50 thousands oxygen trees

Execution of strategic goals in line with the plan

✓ **252.7 k** current accounts sold (+24% y/y)
✓ **PLN 4.3 bln** mortgage sales volume (+139% y/y)
✓ **+26% y/y** acquisition of new corporate clients
✓ **425.7 k** GOmobile users (+52% y/y)
✓ **+10pp/y/y** increase in brand awareness

RESPONSIBLE GROWTH & CORPORATE SOCIAL RESPONSIBILITY (CSR)

BANK OF GREEN CHANGES - BNP PARIBAS BANK POLSKA BEING THE LEADER OF THE RESPONSIBLE COMPANIES RANKING IN 2019

ECONOMIC RESPONSIBILITY

- **9 sectors sensitive to ESG risks** - CSR Policies and monitoring of customers and transactions in terms of their compliance with the principles of sustainable development.
- Continuation of the **exit process** as regards **the financing** of the coal energy, tobacco, and fur-bearing animal breeding sectors.
- **Declaration of Responsible Sales** – inauguration of the self-regulatory project for the financial sector.

WORKPLACE RESPONSIBILITY

- **4.9 thousand banking volunteers** worked for 31 thousand hours for social changes.
- **90 Local Bank Ambassadors**, acting for local communities.
- **Diversity & Inclusion Rating** – we are the leader of the first Polish rating of diversity management.

ENVIRONMENTAL RESPONSIBILITY

- Financing of more than **10 thousand household photovoltaic installations** to achieve the leading position in this segment.
- **4 new agreements with (with EBI and BGK)** to create programs supporting the energy transformation of the Bank's clients.
- 2.5 thousand employees involved in the 1st edition of the **Bank of Green Changes** educational program.

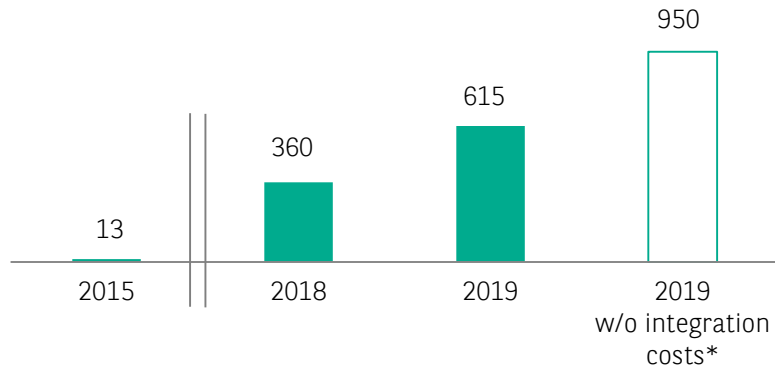
SOCIAL RESPONSIBILITY

- The **"Availability Leader 2019"** award for the implementation of facilities for persons with disabilities at the Bank's branches.
- The **OK SENIOR®** quality certificate for the Bank branch network for availability and standards of service for 60+ customers.
- PLN 2.1 million in financial support for and a strategic partnership with the **"Noble Package"** initiative.

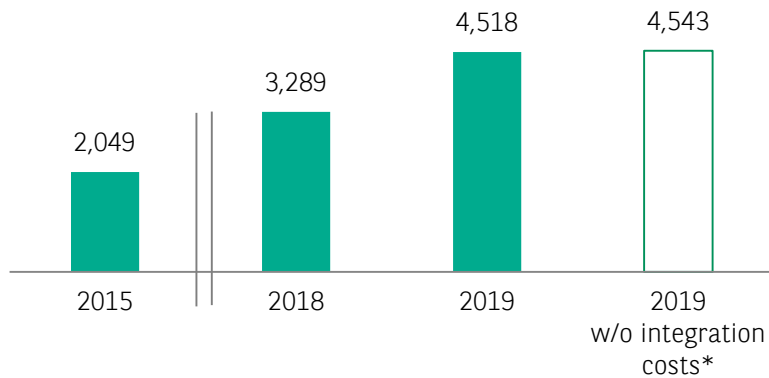
RECORD-HIGH ANNUAL RESULTS IN THE BANK'S HISTORY

HIGHER ABILITY TO GENERATE PROFITS

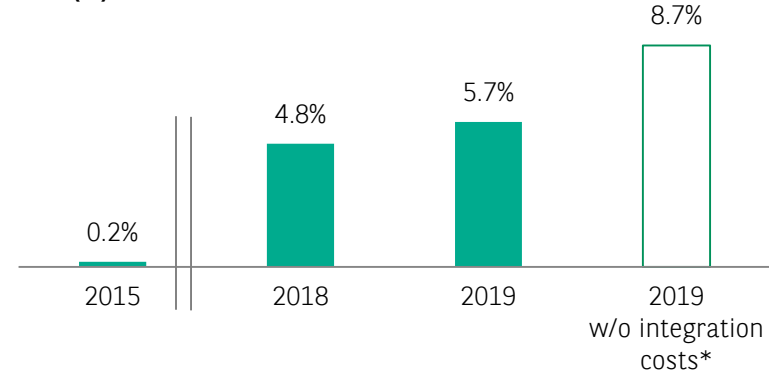
Net profit (PLN m)



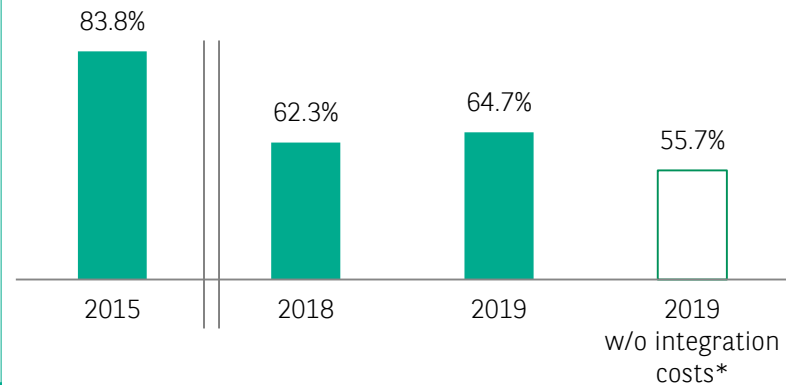
Net banking income (PLN m)



ROE (%)



Cost / Income (%)



The highest net profit and net banking income in the Bank's history despite:

- PLN 69.6 million provision for fees reimbursement in case of early loan repayment,
- PLN 29.5 million of portfolio provision for legal risk related to CHF mortgage loans

Operating expenses increased due to integration costs (PLN 414.5 m in 2019 vs PLN 265.8 m in 2018) and higher BGF costs (by PLN 48.8 m)

Cost of risk under control (59 bps)

* the integration costs associated with the merger processes carried out since 2015 amounted to: in 2015 - PLN 206.4 million, in 2018 - PLN 265.8 million and in 2019 - PLN 414.5 million

02

GROUP FINANCIAL RESULTS



KEY FINANCIAL DATA AFTER FOUR QUARTERS OF 2019

RECORD-HIGH FINANCIAL RESULTS, IMPROVED PROFITABILITY Y/Y, SAFE LIQUIDITY AND CAPITAL POSITION

Financial results

Net profit	PLN 615 million PLN 950 million*	+71% y/y (PLN +254 million) +96% y/y (PLN +466 million)*
Net banking income	PLN 4,518 million	+37% y/y (PLN +1,229 m), of which: net interest income: PLN 3,169 m, +50.4% y/y net fee & commission income: PLN 820 m, +44.5% y/y net trading income: PLN 682 m, +106.3% y/y
Costs	PLN 2,922 million PLN 2,532 million*	+43% y/y (PLN +873 million) +40% y/y (PLN +719 million)*
C/I Ratio	64.7% 55.7%*	+2.4 p.p. y/y -4.2 p.p. y/y*
Net impairment losses	PLN 442 m	-21% y/y (PLN +116 million) +39% y/y (PLN -123 million)*

* based on a standardized approach, i.e. without integration costs: 2019: PLN 414.5 million (PLN 389.9 million – operating costs, PLN 24.6 million – other operating expenses), 2018: PLN 265.8 million (PLN 236.2 million – operating costs, PLN 29.6 million other operating expenses), and without taking into account (in 2018) any additional effects of the merger with RBPL: PPA in the amount of PLN +291.6 million and impairment write-downs (ECL) in the amount of PLN -238.9 million)

Volumes

Assets	PLN 110 billion, +0.9% y/y
Loans (gross)	PLN 77 billion, +0.8% y/y
Customer Deposits**	PLN 86 billion, -1.2% y/y
Equity	PLN 11,159 million, +5.7% y/y

Indicators

Total Capital Adequacy Ratio	15.03%
Tier 1	12.78%
Net loans/deposits	85.7%
ROE	5.7% 8.7%*

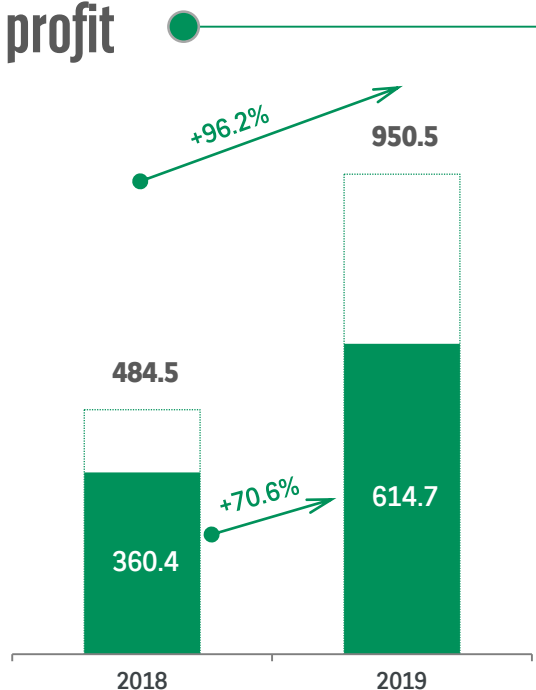
** Customer deposits defined as amounts payable to customers less loans and advances received from other financial entities

CONTINUOUS POSITIVE TREND IN PROFIT GENERATION

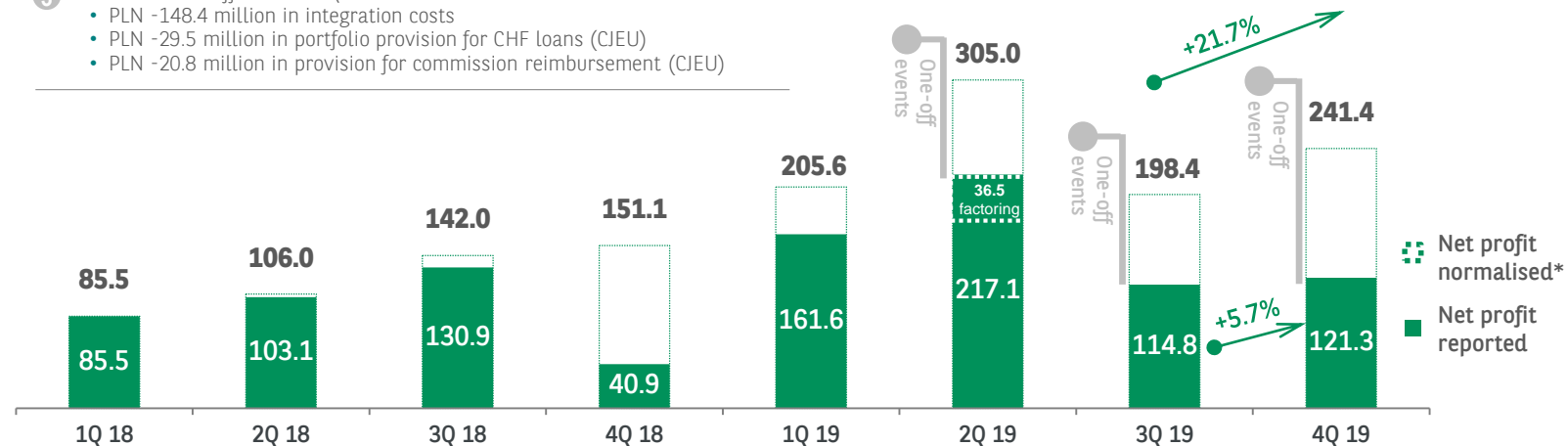
IMPACT OF ONE-OFF EVENTS ON 2019 RESULTS

PLN m

Net profit



- 1** Material one-off events in Q2 2019:
 - PLN -108.5 million in integration costs
 - PLN +45.0 million (net PLN 36.5 million) from the sales of factoring
- 2** Material one-off events in Q3 2019:
 - PLN -103.3 million in integration costs
 - PLN -48.8 million of provision for commission reimbursement (CIEU)
 - PLN -11.3 million in provisions for a court judgment concerning the option case of a corporate client, PLN -6.4 million in provisions for operational losses, and PLN -2.6 million in adjustment of the factoring selling price
- 3** Material one-off events in Q4 2019:
 - PLN -148.4 million in integration costs
 - PLN -29.5 million in portfolio provision for CHF loans (CIEU)
 - PLN -20.8 million in provision for commission reimbursement (CIEU)



Reported ROE	5.3%	5.9%	6.4%	4.8%	6.1%	7.1%	6.1%	5.7%
Normalised ROE*	5.3%	5.9%	6.7%	6.5%	7.7%	9.5%	8.8%	8.7%

* excluding integration costs and additionally in Q4 2018 without the effects of settlement of the purchase of the Basic RBPL Activity (profit on occasional acquisition and recognition of a write-down for expected credit losses in the horizon of 12 months for receivables without impairment / ECL)

LOAN PORTFOLIO

STRONG LOAN GROWTH DYNAMICS FOR INDIVIDUAL CUSTOMERS

PLN m

Increase in the portfolio value by 0.8% y/y (to PLN 77.2 billion) despite the sale of factoring business (excluding factoring - 2.7% increase).

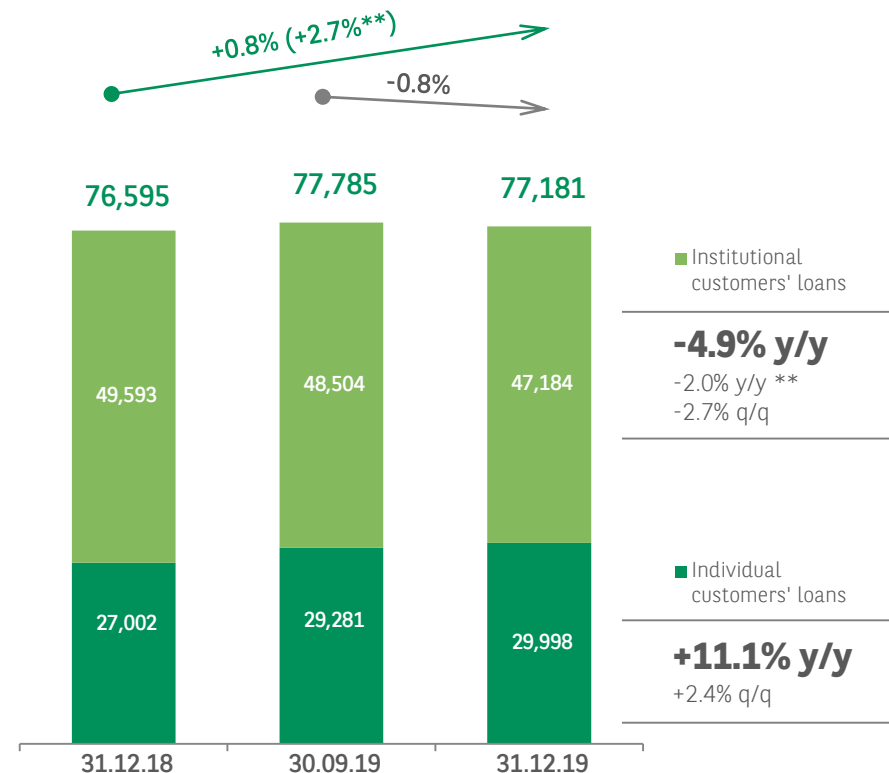
Increase in the value of the individual customers' loans portfolio (+11.1% y/y, +2.4% q/q).

Better portfolio diversification:

- Increase in the share of individual clients in the Bank's loan portfolio to 38.9% (+3.6 p.p. y/y),
- The share of loans to individual farmers in the total gross loan portfolio decreased by 0.5 p.p. y/y to 13.7%.
- The share of FX mortgages in the total gross loan portfolio decreased by 0.5 p.p. y/y to 6.3%.

Customer loans market share 5.6%

Gross customer loans*



* taking into account the portfolio measured at fair value

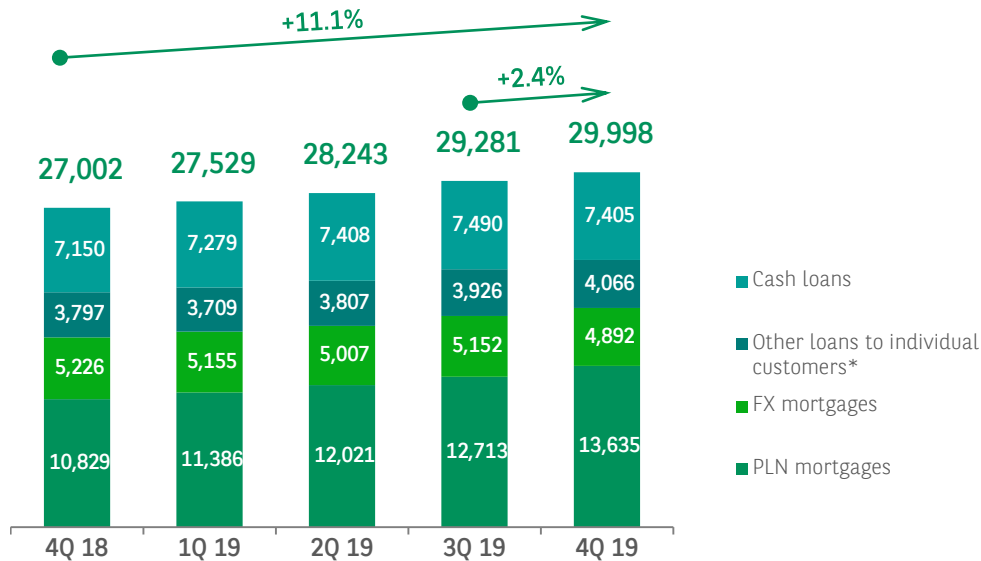
** excluding factoring

GROSS LOAN PORTFOLIO

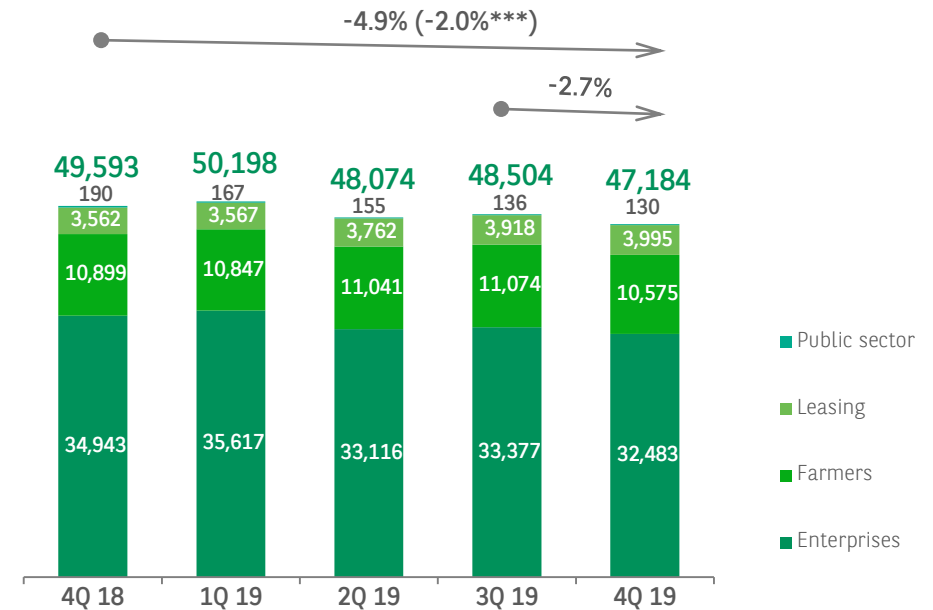
CONTINUED GROWTH OF LOANS TO INDIVIDUAL CUSTOMERS (+2.4% Q/Q). LOWER DEMAND FOR INSTITUTIONAL LOANS

PLN m, as of the end of the quarter

Individual loans



Institutional loans**



- Strongest dynamics – housing loans +15.4% y/y and +3.7% q/q. Growth driven by an increase in the PLN loans portfolio (+25.9% y/y and +7.3% q/q) against a simultaneous decrease in the FX loans portfolio (-6.4% y/y and -5.0% q/q).
- The share of housing loans in individual loans amounted to 61.8% (+2.3 p.p. y/y).
- Increase in cash loans by 3.6% y/y. A slight decrease in q/q terms following the observed drop in sales on the market in 4Q 2019.

- Decrease in the total gross portfolio by -4.9% y/y mainly due to the sale of the organised part of the Bank's enterprise intended for factoring business (PLN 1,468 m). Excluding impact of this transaction, the portfolio value would have decreased by -2.0% y/y.
- Decrease in the total gross portfolio by -2.7% q/q related to seasonality, lower demand for investment loans and stabilisation of processes after the operational merger finalization.
- Increase in lease receivables +12.2% y/y and +2.0% q/q.
- The share of enterprise loans in the institutional loans amounted to 68.8% as at the end of 2019 (-1.6 p.p. y/y); loans to private farmers - 22.4% (+0.4 p.p. y/y) and leasing - 8.5% (+1.3 p.p. y/y).

* e.g. car loans, instalment loans, overdraft facilities, credit cards

** including the portfolio measured at fair value (for farmer and enterprise loans - breakdown as per MIS database)

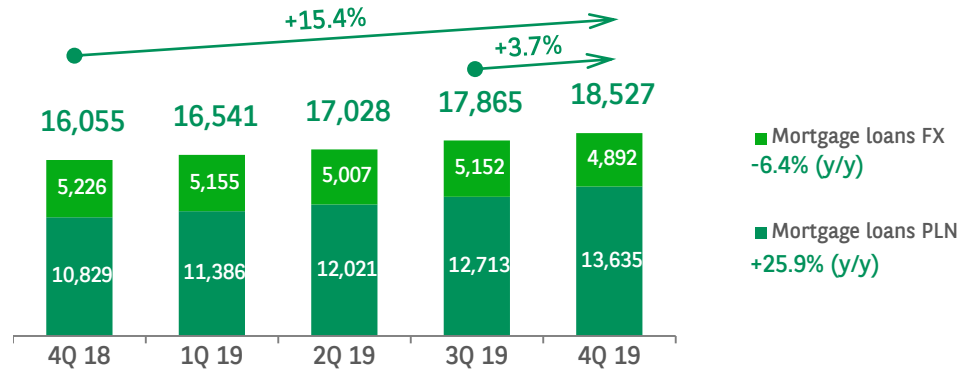
*** excluding factoring

CHF MORTGAGE LOANS PORTFOLIO

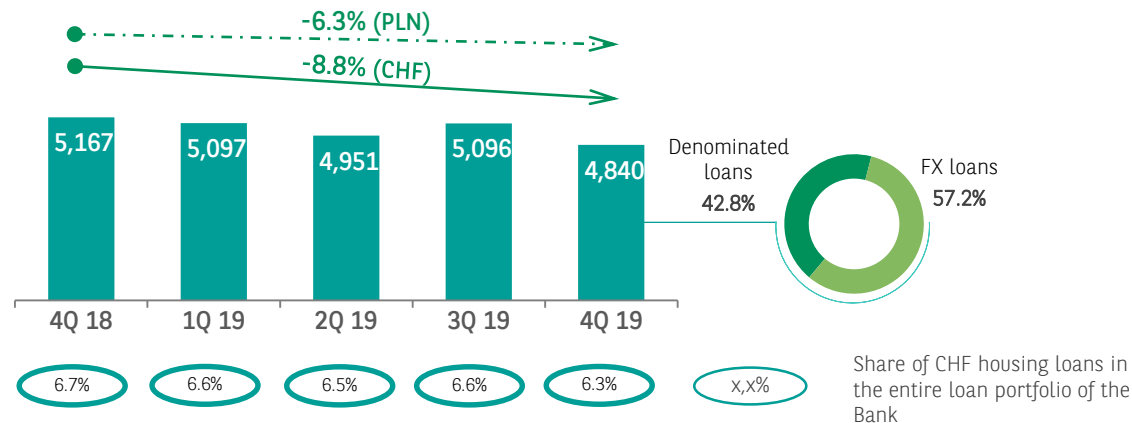
LOW SHARE OF CHF LOANS. NO INDEXED LOANS THE CJEU JUDGMENT REFERS TO

PLN m, as of the end of the quarter

Gross mortgage loans



Gross mortgage loans (CHF)



Legal risk

Portfolio structure: the Bank's housing loan portfolio contains denominated loan agreements and FX agreements only (no indexed loans).

Customer's claims:

- As of 31 December 2019, the Bank was being sued in **192** court cases (increase by **31 q/q**) concerning mortgage loan agreements.
- The Bank is not a party to any collective claim concerning such loans.
- The total value of claims sought is PLN 49.37 million.
- Relatively (compared to competing banks) low ratio of the number of claims to active contracts - **below 1%**.

Binding court sentences: In 15 final and binding court sentences (as of the end of 2019), 9 claims were dismissed. 3 cases were discontinued; 1 claim was rejected; one time, the invalidity of the contract was declared in the sentence justification, despite the dismissal; one time, the claim was recognized as valid only with regards to the insurance of low own contribution.

CHF mortgage portfolio provisions:

- PLN **29.5 million** provision for portfolio risk related to CHF court cases and PLN 1.5 million for specific provision created in Q4 2019.
- PLN 32.1 million - the total value of provisions created for court cases related to loans in CHF as at the end of 2019.

CUSTOMER FUNDS

COMFORTABLE LIQUIDITY POSITION AND HIGHER VOLUME OF INVESTMENT PRODUCTS

PLN m

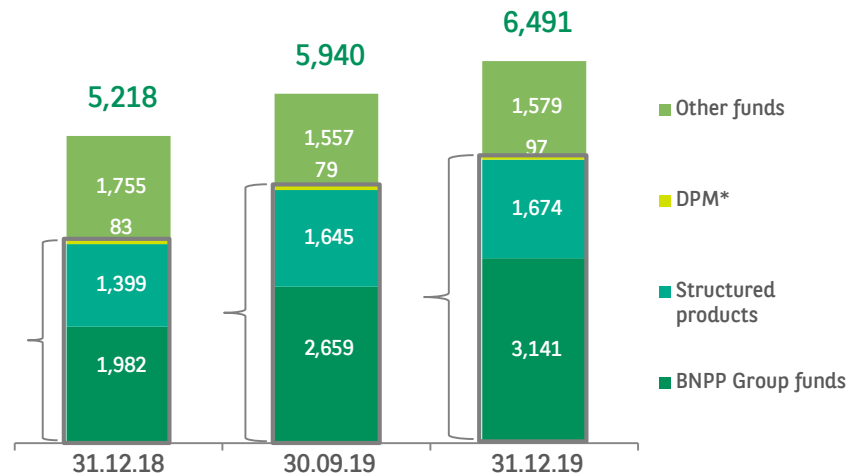
Lower deposits balance y/y (-1.2%)

as a result of optimisation of the liquidity position following the merger with Core RBPL, there was an increase in the share of current deposits in the total customer deposits (+3.3 p.p. y/y, to 67.0%).

Higher volume of investment products (+24.4% y/y, +9.3% q/q)

particularly with regard to the money allocated in BNP Paribas Group investment funds (+58.5% y/y).

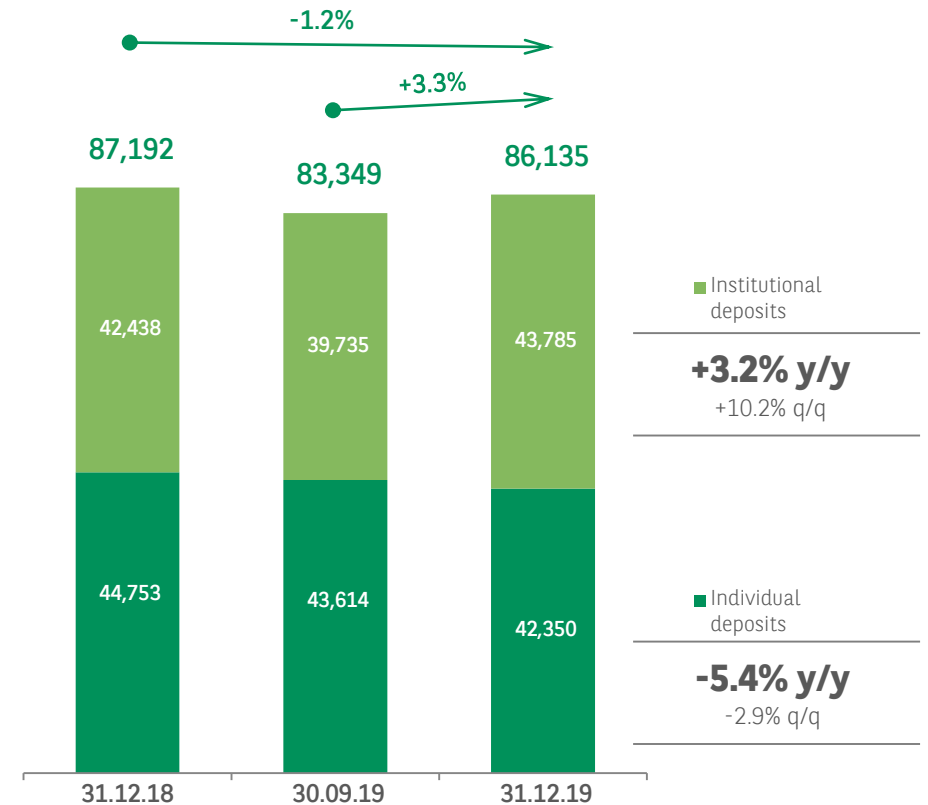
BNP Paribas TFI being the 2nd best investment fund manager (TFI) on the Polish market in terms of assets growth in 2019 (+76% y/y)



* Discretionary Portfolio Management

+41.8% y/y
assets under management

Customer deposits

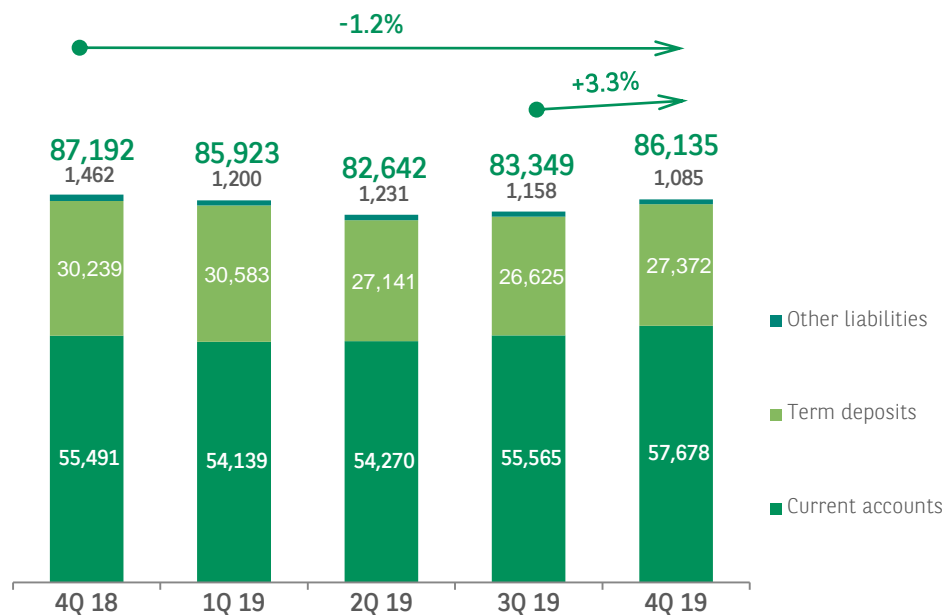


DEPOSIT BASE STRUCTURE

FURTHER INCREASE IN THE SHARE OF CURRENT ACCOUNTS. GROWTH OF INSTITUTIONAL DEPOSIT PORTFOLIO Q/Q

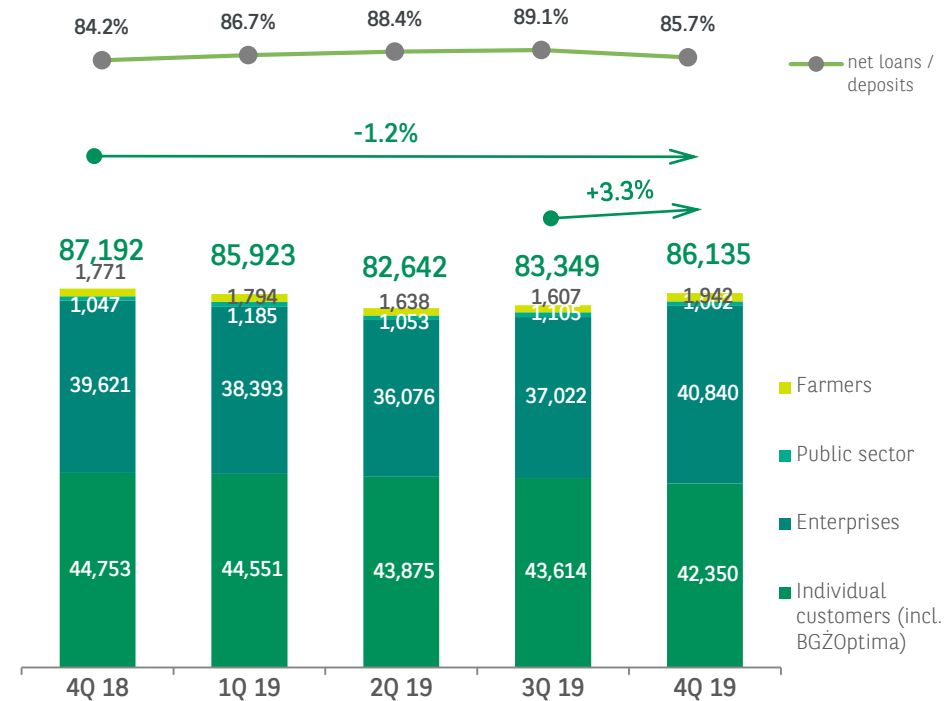
PLN m, as of the end of the quarter

Deposit term structure



- Further increase in the share of customer current accounts in the deposits total: to 67.0% (+3.3 p.p. y/y, +0.3% q/q) caused primarily by an increase in the volume of enterprise current accounts.

Customer deposits

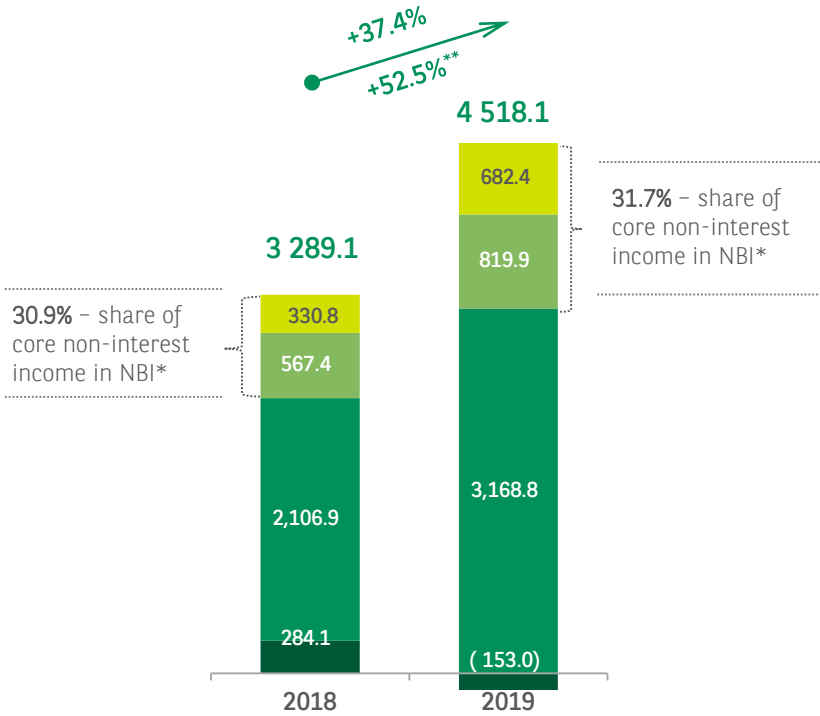


- Increase in enterprise deposits: +3.1% y/y and 10.3% q/q, and farmer deposits: +9.7% y/y, and +20.8% q/q.
- Decrease in individual customers' deposits: -5.4% y/y and -2.9% q/q as a result of continued optimisation of the liquidity position.
- Decrease in deposits acquired by BGZOptima as a result of optimisation of the pricing policy to the level of PLN 4.0 billion (-27.7% y/y, -7.4% q/q).

NET BANKING INCOME

CONTINUOUS INCREASE IN CORE REVENUES, NEGATIVE IMPACT OF ONE-OFF EVENTS ON THE OTHER OPERATING EXPENSES

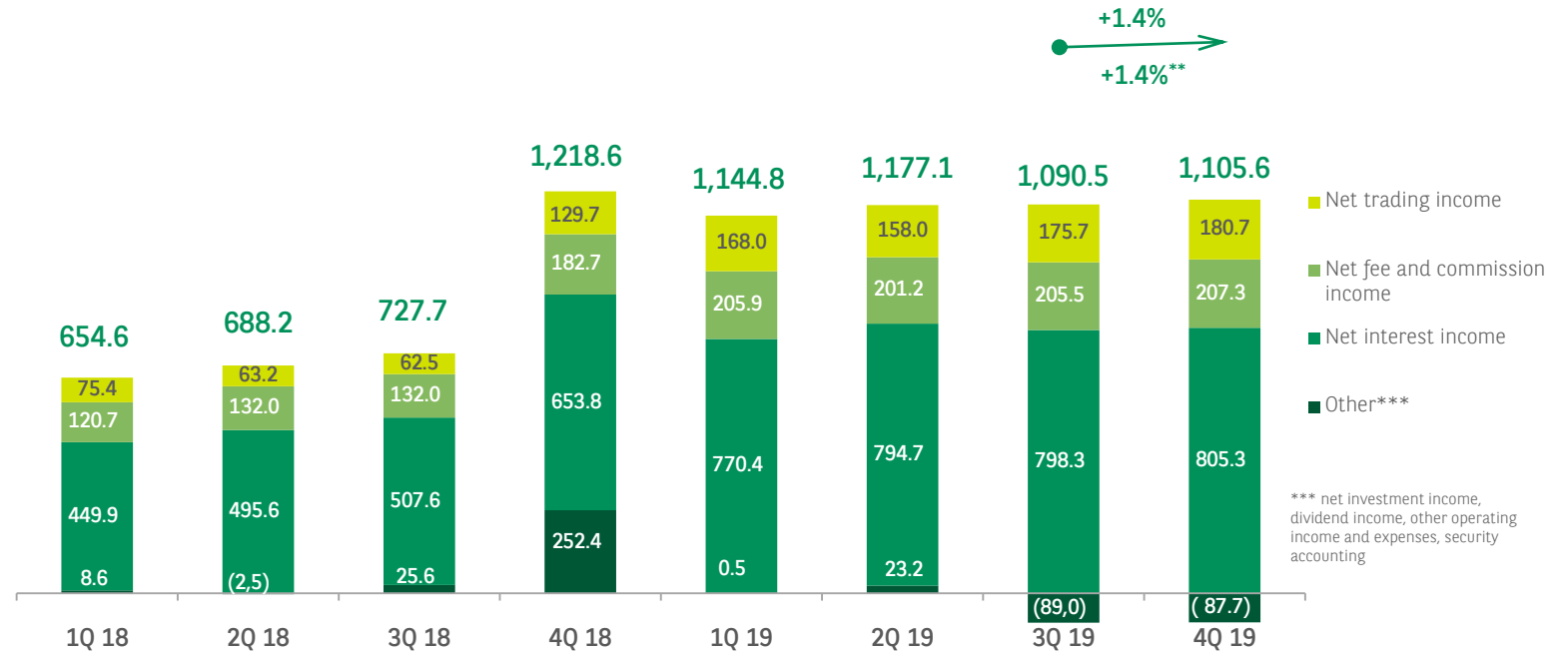
PLN m



- NBI growth as a result of the inclusion of Core RBPL since November 2018.
- The biggest positive impact of the merger with Core RBPL visible in net trading income (higher by 106.3% y/y) and net fee & commission income from payment and credit cards (higher by 127.4% y/y)
- Negative impact of provisions - booked in September and December - on the proportional fees reimbursement in case of early loan repayment as well as portfolio provision for CHF mortgage loans, partially neutralized by gain from the sale of factoring activities ("ZORG"). The total negative impact of the above mentioned factors was PLN -56.7 m.

* NBI excluding the other operating income and expenses

** Net banking income without one-off events

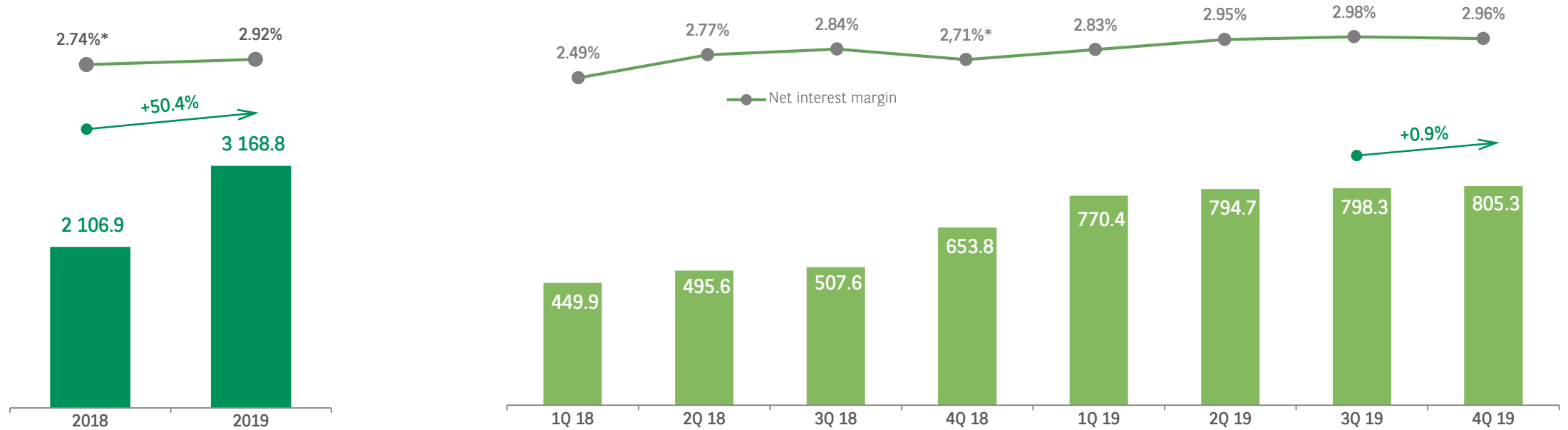


- Increase in core revenues in Q4 2019 – the highest ever quarterly results on net interest, fees and commissions, and trading income.
- Higher valuation of the loan portfolio at fair value in Q4 2019: PLN +5.5 m (vs. 3Q: PLN -21.7 m).
- The item "Other" includes:
 - in Q4 2019: PLN -29.5 m portfolio provision for CHF housing loans (CIEU), and PLN 20.8 m provision for fees reimbursement in case of early loan repayment (CIEU),
 - in Q3 2019: PLN -48.8 m provision for fees reimbursement in case of early loan repayment, PLN -11.3 m in the provision for the option case of the customer, and PLN -6.4 m in the provision for operating losses related to the improper execution of the fiscal attachment in 2017,
 - in Q2 2019, PLN +45.0 m gain on the ZORG sales (adjusted down by PLN 2.6 m in Q3 2019),
 - in Q4 2018, PLN +291.7 m gain on the bargain purchase of Core RBPL.

NET INTEREST INCOME

ANOTHER QUARTER OF THE NET INTEREST INCOME DESPITE NEGATIVE IMPACT OF CJEU JUDGEMENT

PLN m



- Higher net interest income following the inclusion of the Core RBPL result.
- Improvement of deposit margins related to the continued deposit base optimization.

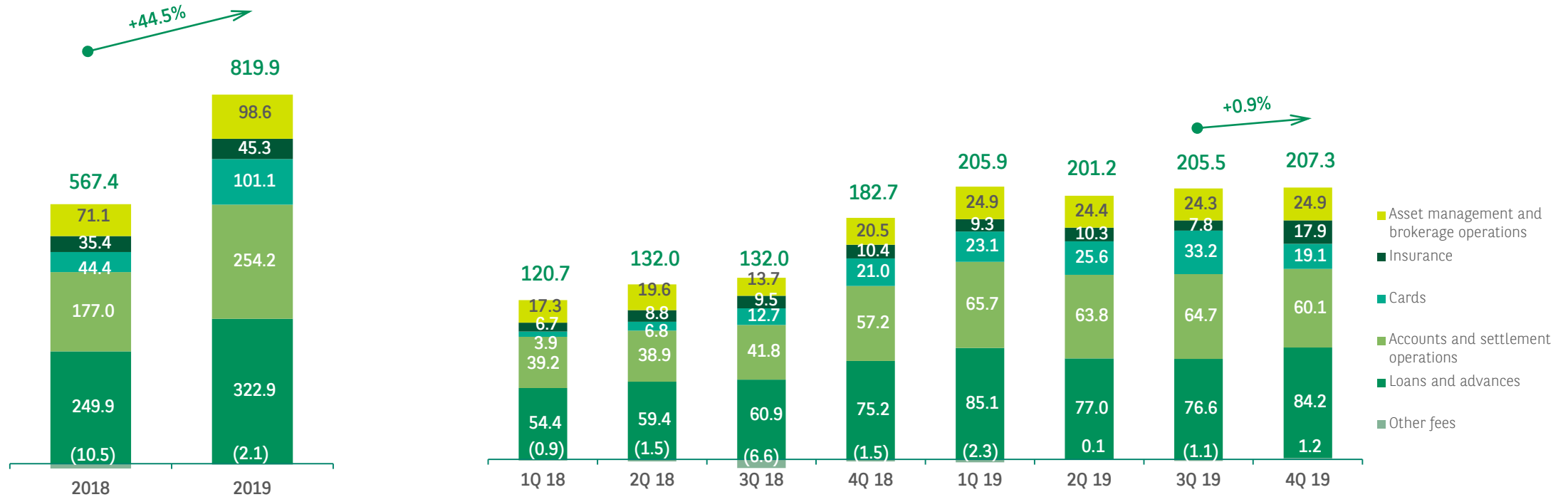
- Further improvement of net interest income in Q4 2019 resulting from, among other things, optimisation of margins on savings accounts for individual customers.
- The net interest income in Q4 2019 includes the settlement of the fair value adjustment for the loan portfolio, Phase I, acquired as part of Core RBPL, in the amount of PLN 14.2 m (PLN 22.0 m in Q3, PLN 28.4 m in Q2, PLN 32.3 m in Q1, PLN 18.0 m in Q4 2018)
- Negative impact on the result of Q4 2019 of fees returns in case of early client loan repayments made after 11 September 2019 (CJEU judgement) in the amount of PLN 15.1 m (PLN 3.5 m in Q3)

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

NET FEE AND COMMISSION INCOME

INCREASED LOAN COMMISSIONS RELATED TO THE SHORT-TERM FINANCING AS WELL AS INSURANCE COMMISSIONS

PLN m



- Higher net fee & commission income y/y as a result of acquisition of Core RBPL.
- Higher commissions on payment and credit cards (+127.4% y/y), on accounts and settlement operations (+43.6% y/y), on asset management and brokerage operations (+38.7% y/y), and on loans and advances (+29.2% y/y).

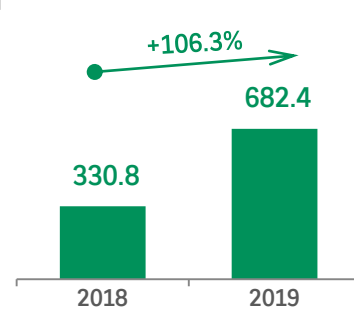
- Increase in insurance commissions in Q4 (PLN +3.3 m in house loan insurance, PLN +2.0 m in Agro loan insurance, PLN +1.4 m in credit card insurance, PLN +1.0 m in micro enterprise loan insurance).
- Loan commissions higher in Q4, which is related to, among other things, an increase in the commissions on working capital loans, overdrafts and unused credit limits (in total approx. PLN +8.3 m).
- Decrease in fees on payment and credit cards vs. Q3 income which included additional revenue from card organisations (PLN +7.5 m) due to the increased transaction volumes (no such revenue booked in Q4).

NET TRADING AND INVESTMENT INCOME

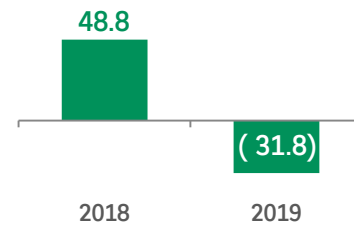
CONTINUED GROWTH IN CUSTOMER TRADING INCOME

PLN m

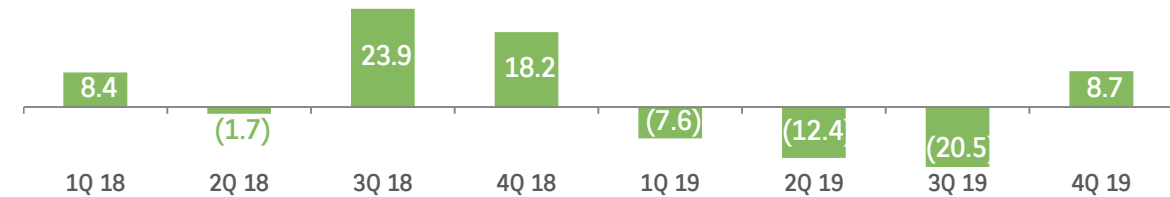
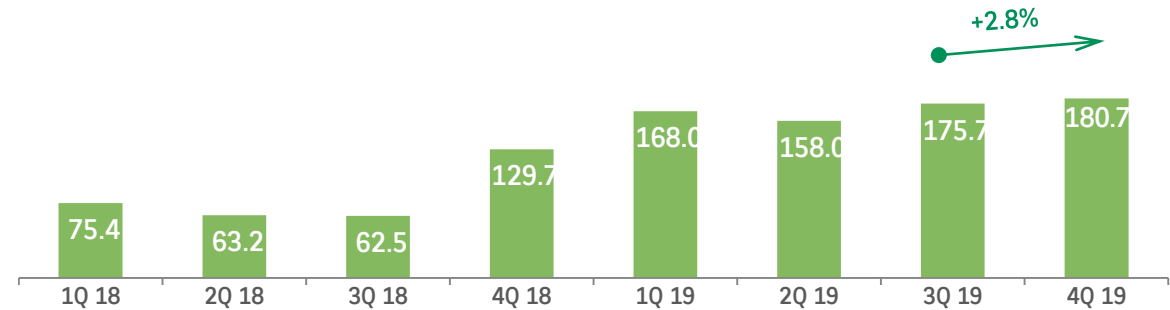
Net trading income



Net investment income



- Higher net trading income as a result of Core RBPL acquisition (mainly, FX transactions).
- Lower net investment income y/y due to the negative valuation of the portfolio of loans measured at fair value in 2019: PLN -35.7 m, as compared to PLN +6.0 m in 2018, lower gains on sales of debt instruments (PLN +3.1 m in 2019 vs. PLN +41.2 m in 2018).

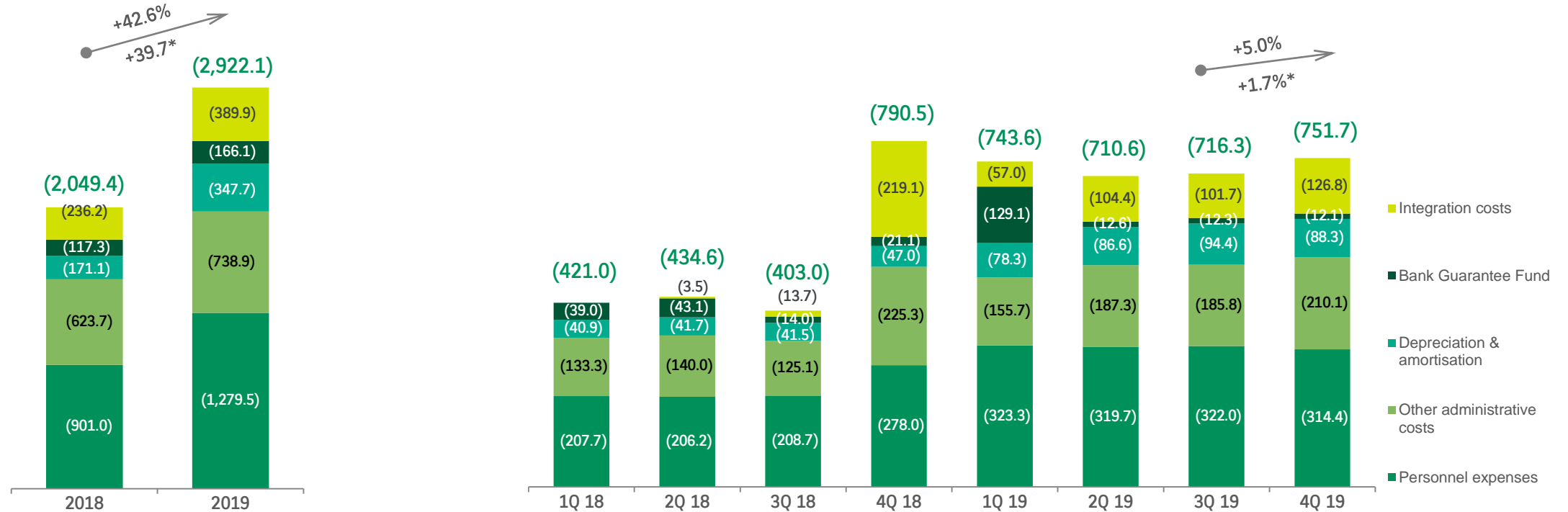


- Further improvement of result on operations with customers in Q4 2019.
- Net investment income in Q4 2019 includes the impact of the valuation of the portfolio of customer loans measured at fair value in the amount of PLN +5.5 m (PLN -21.7 m in Q3, PLN -12.5 million in Q2 2019, PLN -6.9 m in Q1 2019, PLN +23.9 m in Q3 2018).
- Positive impact on the net investment income in 2018 of gains on the sale of debt instruments: PLN +0.6 m in Q1 2018, PLN +10.4 m in Q2 2018, and PLN +30.2 m in Q4 2018.

OPERATING EXPENSES, DEPRECIATION AND AMORTISATION

COMPLETION OF OPERATIONAL INTEGRATION. SYNERGIES IN LINE WITH ASSUMPTIONS

PLN m



- Operational integration completed in Q4 2019. Total integration costs in line with the plan: at the level of PLN 663 m** (including PLN 147 m write offs).
- 2019 costs excl. integration costs higher by 39.7% y/y due to the merger with Core RBPL and an increase in BGF costs.
- The integration costs in 2019 include:
 - IT costs related to the system infrastructure and migration - PLN 110.5 m,
 - costs of accelerated systems depreciation in connection with bank merger processes - PLN 105.1 m,
 - personnel expenses - PLN 89.6 m, including PLN 62.6 m provision for retention programmes,
 - consulting service costs - PLN 29.8 m,
 - rebranding costs related to the change of the Bank's name since 1 April 2019 - PLN 25.2 m,
 - other integration costs (administrative, reorganization of the Bank's network, travel) - PLN 21.8 m.

- Increase in the other administrative costs in Q4 2019, related to higher marketing costs: PLN +8.5 m, IT, postal and telecommunications costs: PLN +11.1 m, as well as advisory and consulting costs: PLN +5.0 m.
- Gradual decrease in personnel expenses in 2019, resulting from a decrease in remuneration costs despite one-off changes in the other employee costs (i.e.: in Q3 an increase in the provisions for bonuses: PLN +7.5 m, in Q4 an increase in employee benefits: PLN +7.2 m).
- Synergy effects - reduction of approx. 1.2 thousand FTEs, closure of 180 branches since the merger (Oct. 2018). Value of realized synergies: PLN 167 m, mainly in HR, marketing and rentals.

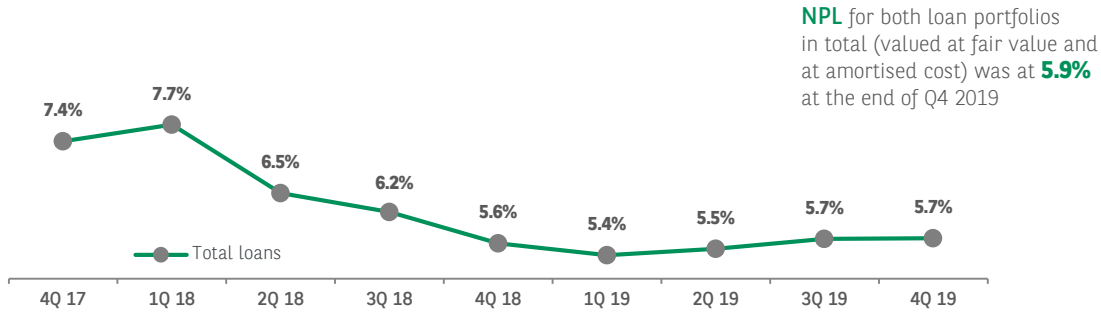
* excluding integration costs

** including PLN 54 m integration costs presented in NBI

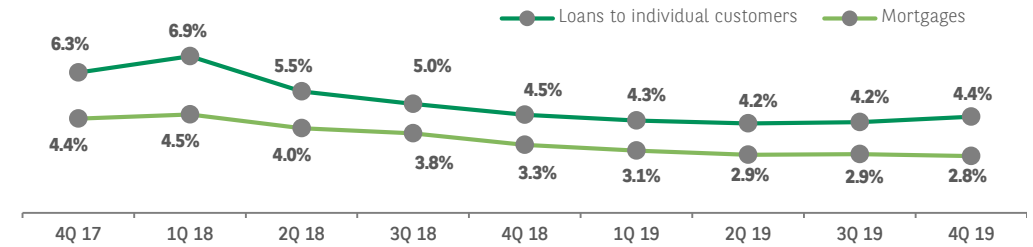
LOAN PORTFOLIO QUALITY

NPL RATIO LEVEL STABILIZATION

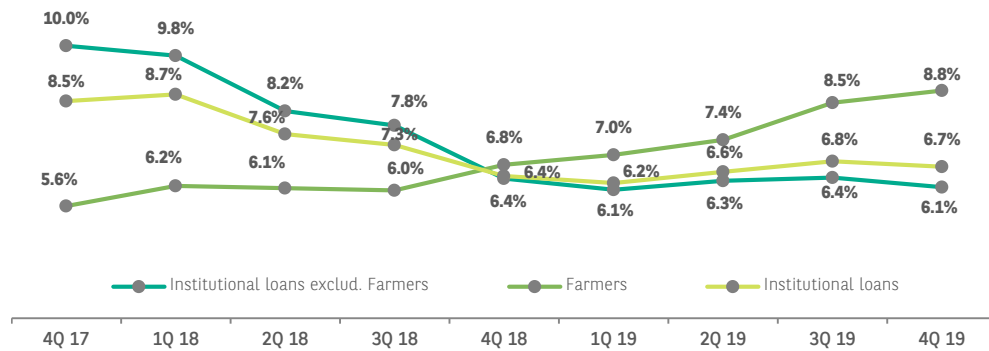
Total loans - NPL*



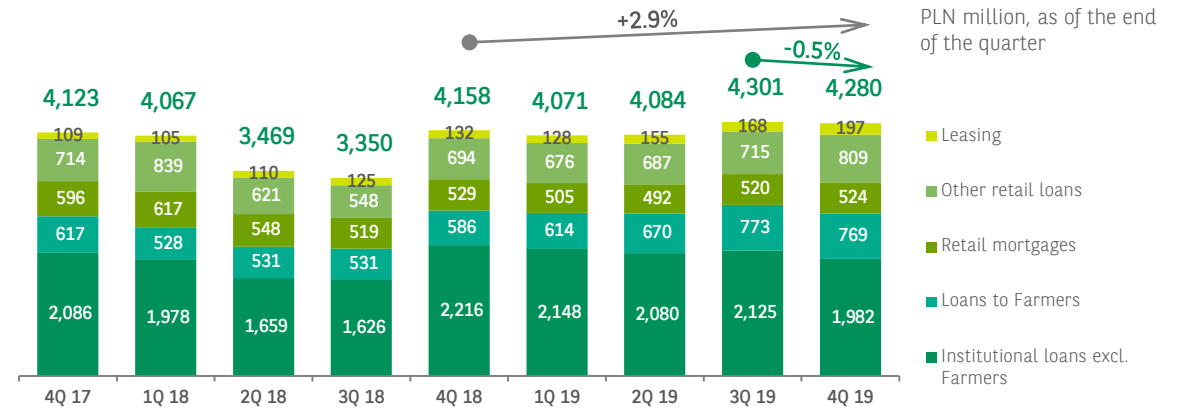
Retail loans - NPL*



Institutional loans - NPL*



Gross impaired portfolio**



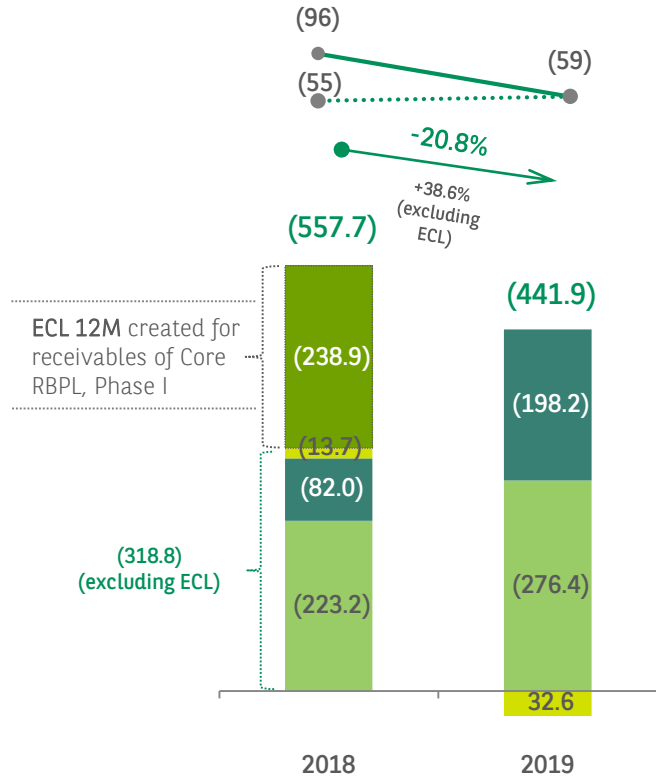
* NPL calculations are not inclusive of loans and advances valued at fair value, identified in accordance with IFRS 9

** impaired loan portfolios since 31 March 2018 are not inclusive of loans and advances valued at fair value, identified in accordance with IFRS 9

NET IMPAIRMENT LOSSES

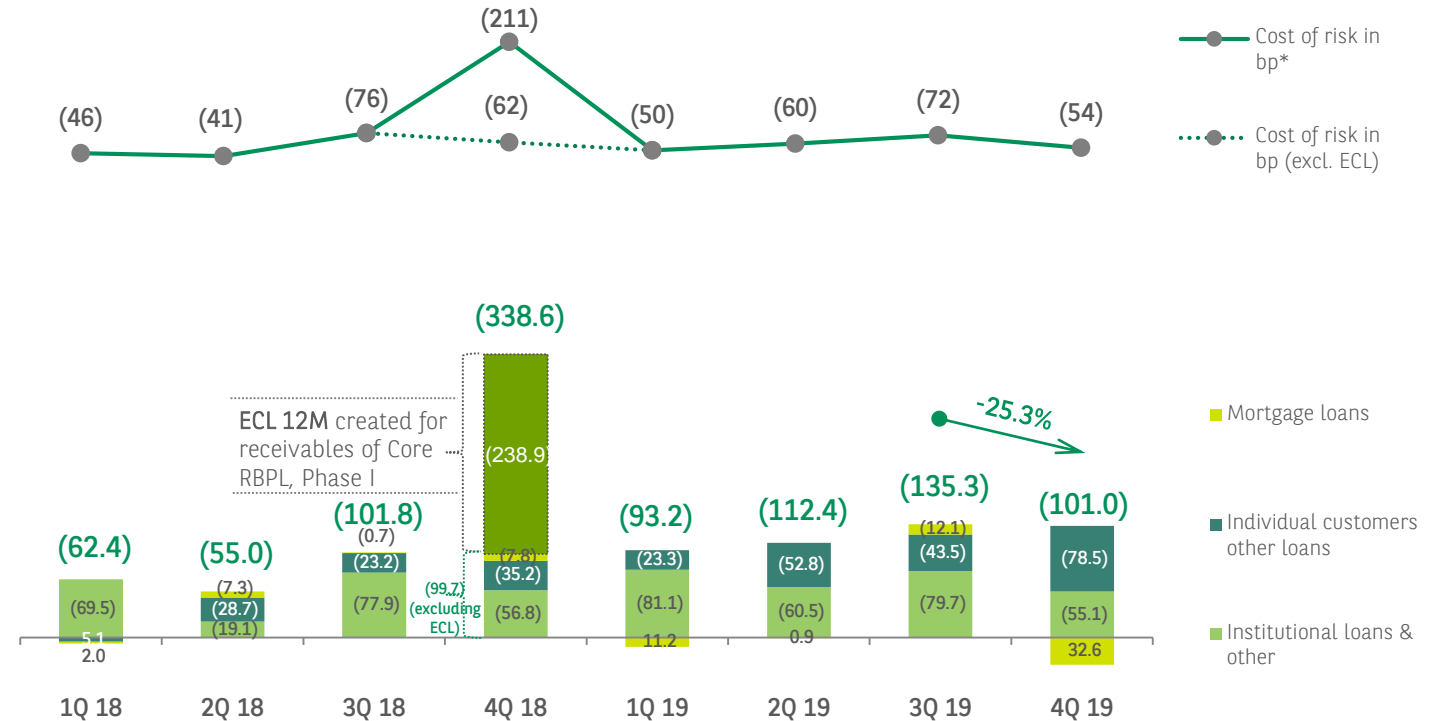
PRUDENT RISK MANAGEMENT - COST OF RISK LEVEL IN LINE WITH THE ASSUMPTIONS

PLN m



- The 2018 cost of risk includes ECL for the acquired Core RBPL portfolio.
- In 2019, the loan portfolio was much bigger (as a result of the merger with Core RBPL).
- The positive result on the mortgage loan portfolio results from the low loss ratio and significant recoveries in the portfolio.

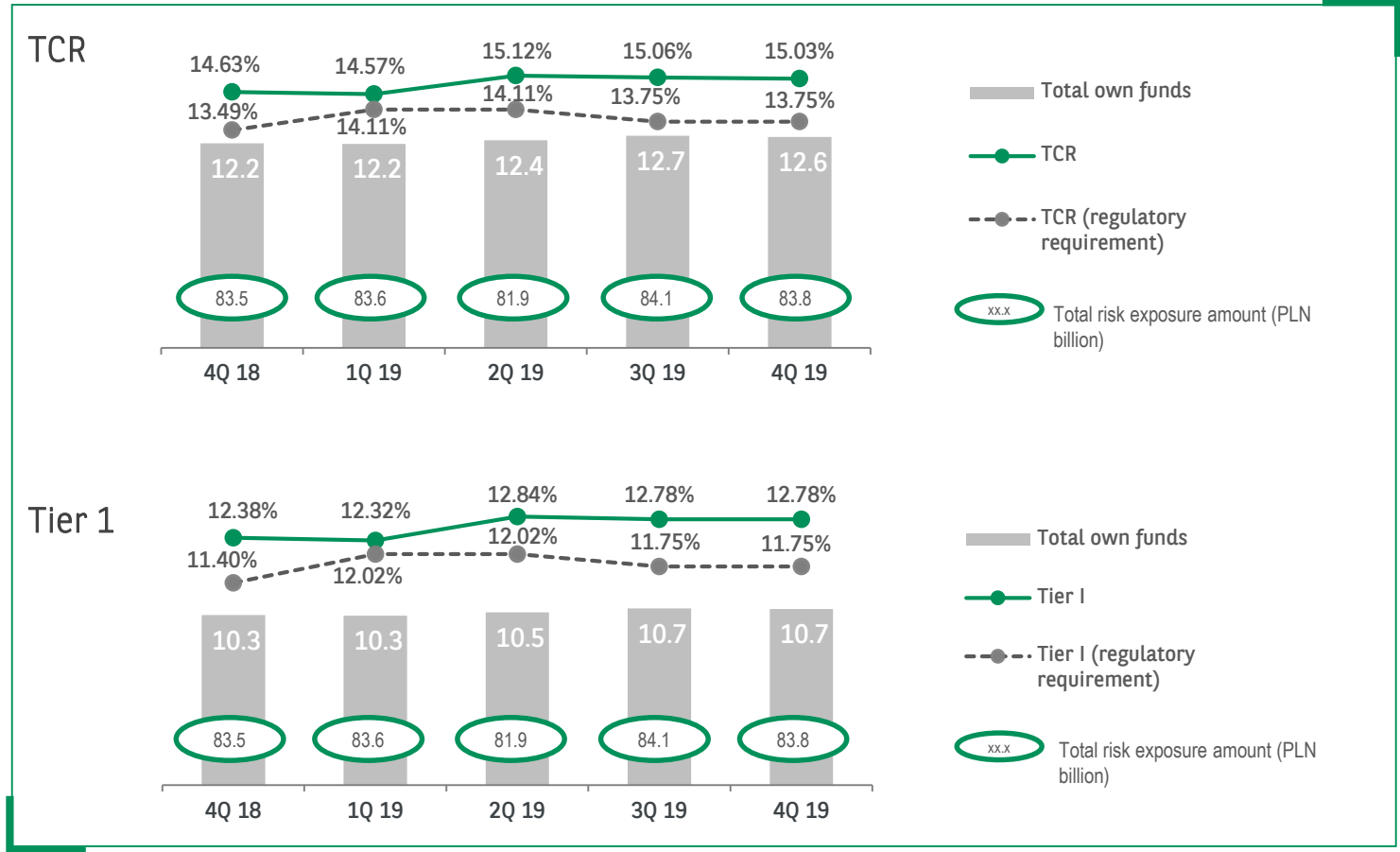
* Cost of risk expressed as the ratio of the net impairment allowance to the average balance of gross loans and advances to customers valued at amortised cost (calculated based on quarter-end balances).



- The changes in cost of risk in Q4 2019, as compared to Q3 2019, were mainly caused by:
 - recoveries in the institutional customers portfolio, positive impact of NPL portfolio sale, and better SME segment rating structure,
 - application of deteriorating macroeconomic forecasts, which had resulted in higher cost of risk in the individual customers portfolio,
 - low loss ratio and significant recoveries in the mortgage loan portfolio.

CAPITAL ADEQUACY

SAFE CAPITAL POSITION. TCR AND TIER I ABOVE THE REGULATORY MINIMUM



TCR and Tier I above the regulatory minimum: +1.3 p.p. and +1.0 p.p., respectively

Increase in the value of total own funds in Q3 2019 as a result of obtaining the consent of the Polish Financial Supervision Authority to include the Group's net profit for Q2 2019 in the amount of PLN 217 million in its own funds.

Lower total risk exposure amount in Q4 2019 due to the decreased requirement relating to market risks.

Lower total risk exposure amount in Q2 2019 due to the sale of the factoring business (approx. PLN 1.5 billion).

No capital requirement for FX loans (since 9 July 2019). OSII buffer at the level of 0.25%.

SHARES OF BNP PARIBAS BANK POLSKA SA

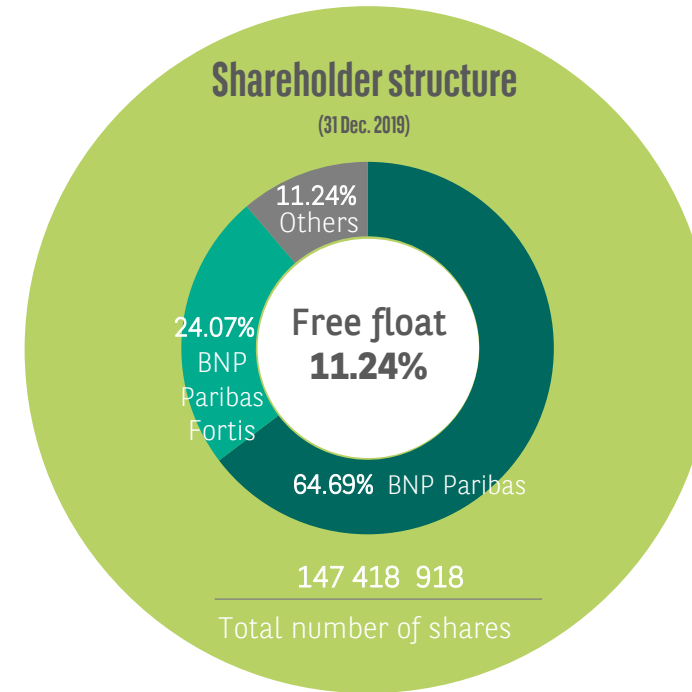
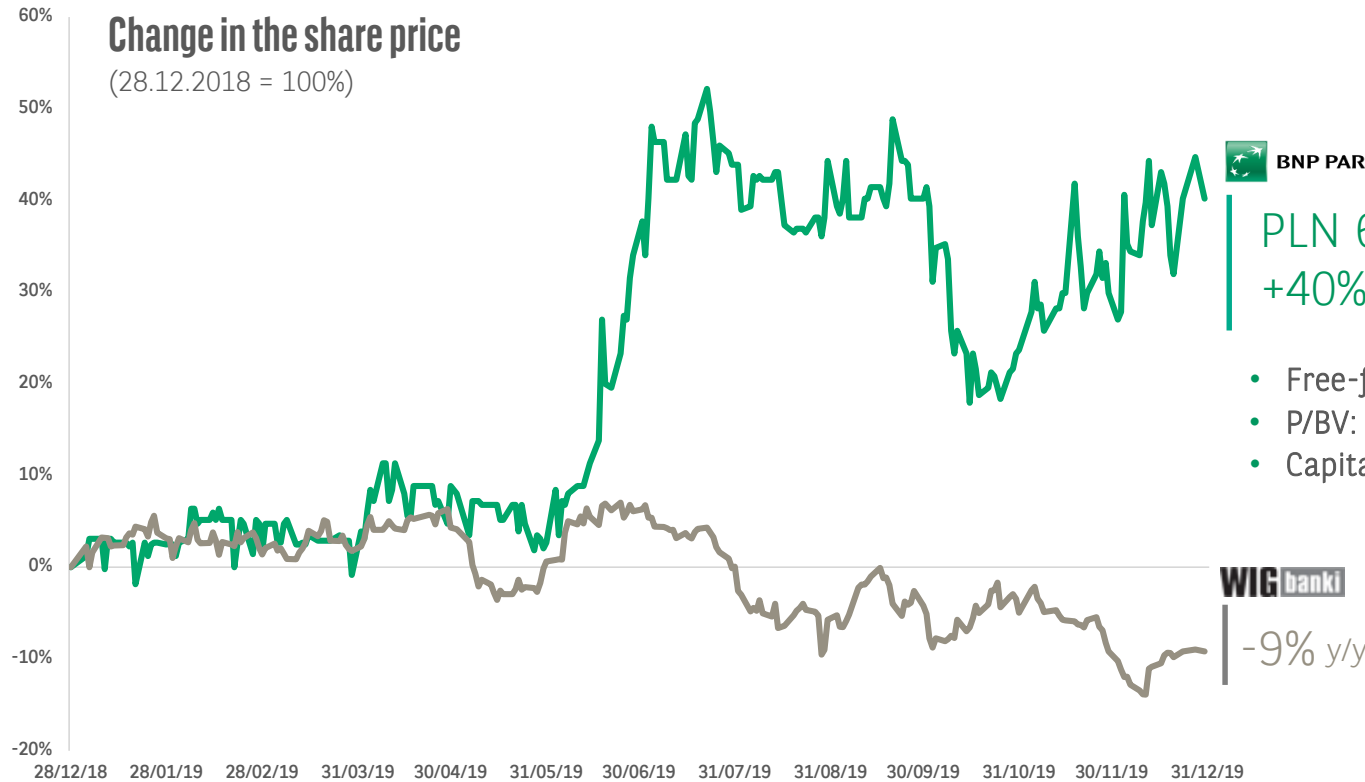
SHARE PRICE RECOVERY OVER 2019

ISIN Code:
PLBGZ0000010
Stock Exchange
Ticker: BNPB
Index: mWIG40

Moody's rating

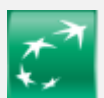
(dated 17.10.2019)

Improved rating prospects (to "Positive")
and higher individual rating (BCA): to **ba1**



03

BUSINESS SEGMENTS PERFORMANCE



BNP PARIBAS

RETAIL AND BUSINESS BANKING

CONSISTENT GROWTH, FURTHER DIGITAL TRANSFORMATION AND OMNICHANNEL DEVELOPMENT

3.8 m

retail clients

+106 thousand +3% y/y
+89 thousand +2% q/q

Transformation

- Network transformation:
 - 142 branches in the new format
 - 180 branches closed as a result of integration
- Improvements in credit processes, among others.:
 - simplification, reduction in time and partial automation of the cash loan application process
 - reduction of time needed for issuance of a credit decision in housing loan granting process

Growth

- A new offer of personal accounts „Konto Otwarte na Ciebie” introduced in April 2019: **184 thousand** accounts sold as part of the new offer with high penetration by debit card (95%)
- **Record-high sales of mortgage loans** - the total sales volume in 2019 amounted to **PLN 4.3 bln.**
- **76% increase in BNP Paribas TFI assets under management** (to **PLN 3.2 bln**) – the highest increase on the market among big and middle size TFI (including the impact of merger with Riviera TFI).

Digitalisation

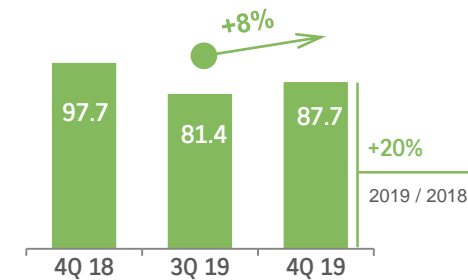
- Implementation of **GOonline** (3Q 2019) and **GOmobile 2.0** (4Q 2019)
- Migration of Core RBPL clients to GOonline and GOmobile in November 2019
- **Increase in mobile users** by 52% y/y to 425.7 thousands
- 114.5 thousands cards added to digital wallets as at the end of 2019 (+96% y/y)

Awards and distinctions



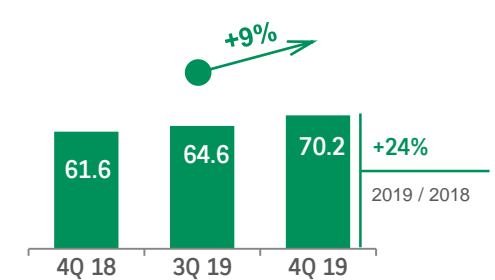
Individual clients acquisition*

thousand



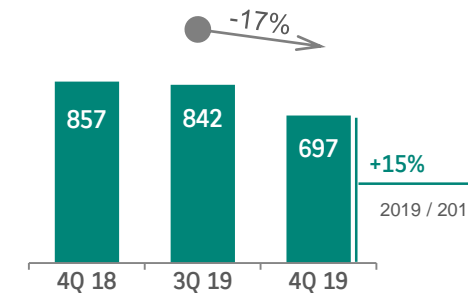
Personal account sales

thousand



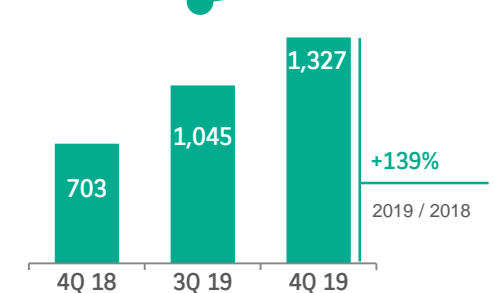
Cash loan sales

PLN m



Mortgage loan sales

PLN m



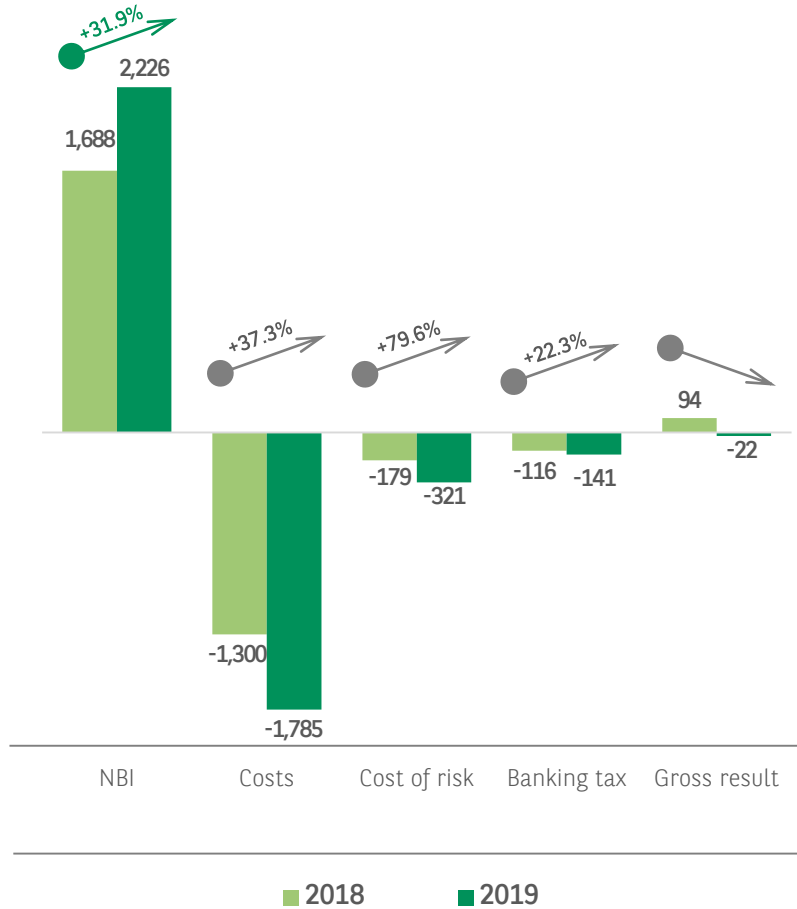
* excluding acquisition via Customer Service Points

RETAIL AND BUSINESS BANKING

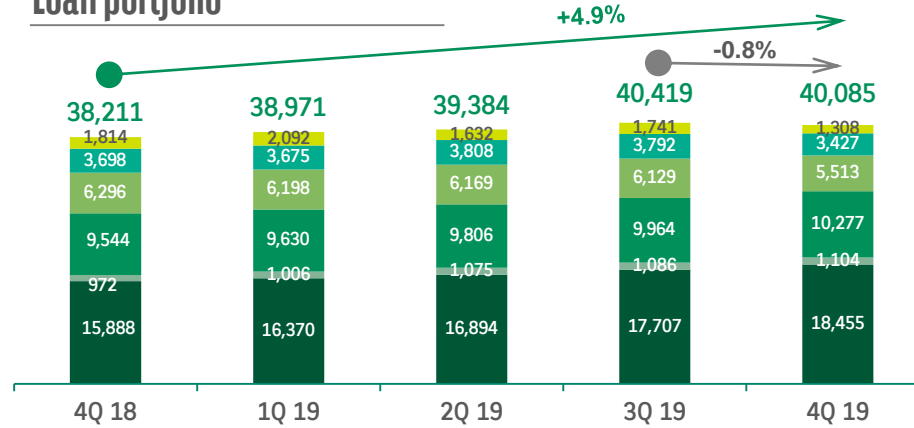
SIGNIFICANT INCOME INCREASE (PURCHASE OF CORE RBPL & ORGANIC GROWTH), HIGHER OPERATING COSTS (INCL. BGF) AND COST OF RISK. LOAN PORTFOLIO GROWTH

PLN m

Gross profit structure



Loan portfolio

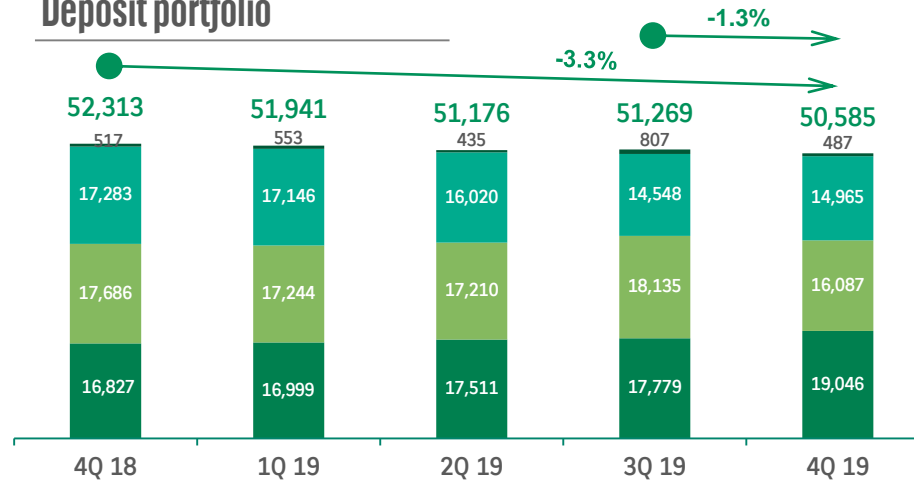


Segment's share of the Group's net banking income

49%

- Leasing
- Overdrafts
- Investment loans
- Consumer & other loans
- Credit cards
- Mortgages

Deposit portfolio



- Overnights
- Term deposits
- Savings accounts
- Current accounts

SME BANKING

BUILDING THE SCALE OF BUSINESS BY CONSISTENT TRANSFORMATION OF THE ORGANISATION AND COMPLETION OF THE INTEGRATION PROCESS

Strong local partner for customers

- Sales network development – SME Business Centres located in 37 cities throughout Poland
- Local product specialists offering a full range of modern products and services tailored to the needs of SME companies
- Agro specialists offering dedicated solutions for the food and agricultural sector
- Close relations with the customers, supported by business and information meetings

Business development

- Acquisition of new customers: +2.1 k clients acquired in 2019
- Product x-sell increase
 - cash management revenue growth
 - currency exchange transaction revenue growth
- Deposit margin optimisation

Product offer

- Unified and comprehensive offer of modern banking products and services
- Product packages tailored to the customers' business needs, including the new Profit Box package

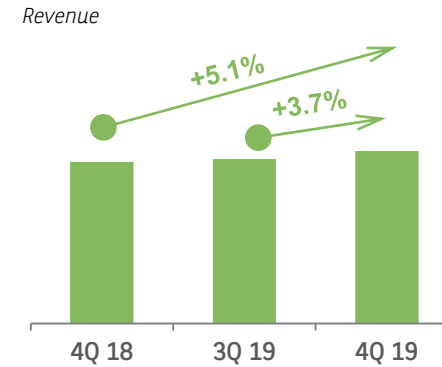
Transformation and digitalisation

New digitalized tools, further improvements, and key process automation

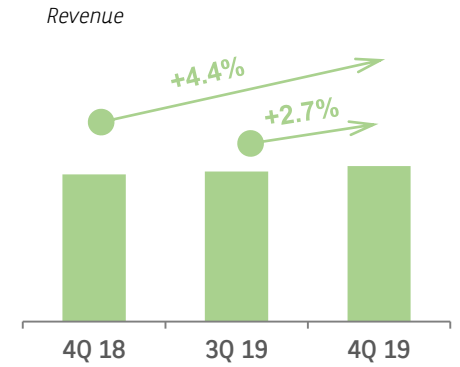
- new FX platform: FX Pl@net
- e-loan application
- e-onboarding application, and a new automated customer relationship opening process
- contract generator – less time needed to prepare new agreements

Higher transaction activity and cross-selling of products

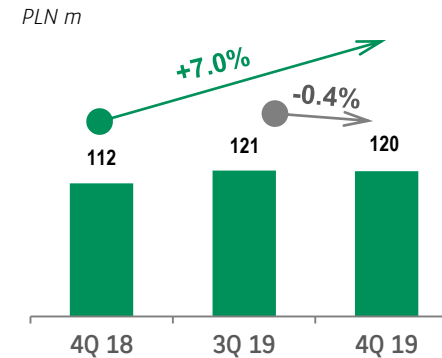
Cash management



Currency exchange transactions



Net banking income



SME customers

31.0 k

-1.5 thousand -5% y/y*
-0.6 thousand -2% q/q*

* Impacted by the unification of databases as a result of operational merger

SME BANKING

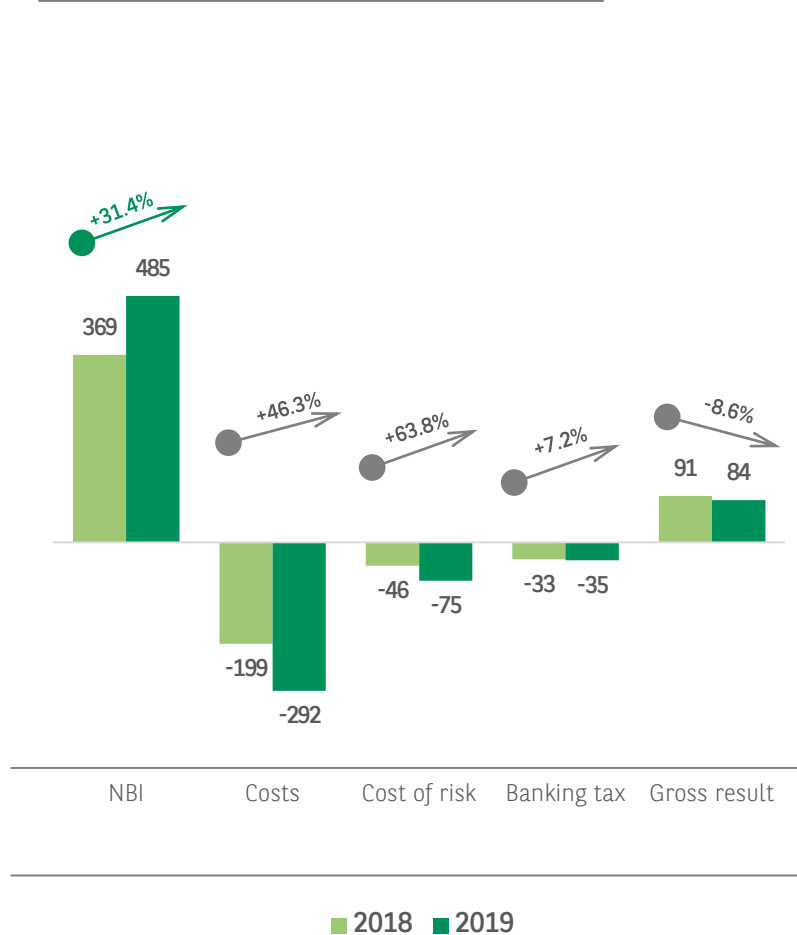
NET BANKING INCOME GROWTH PARTIALLY OFFSET BY HIGHER COSTS AND COST OF RISK

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

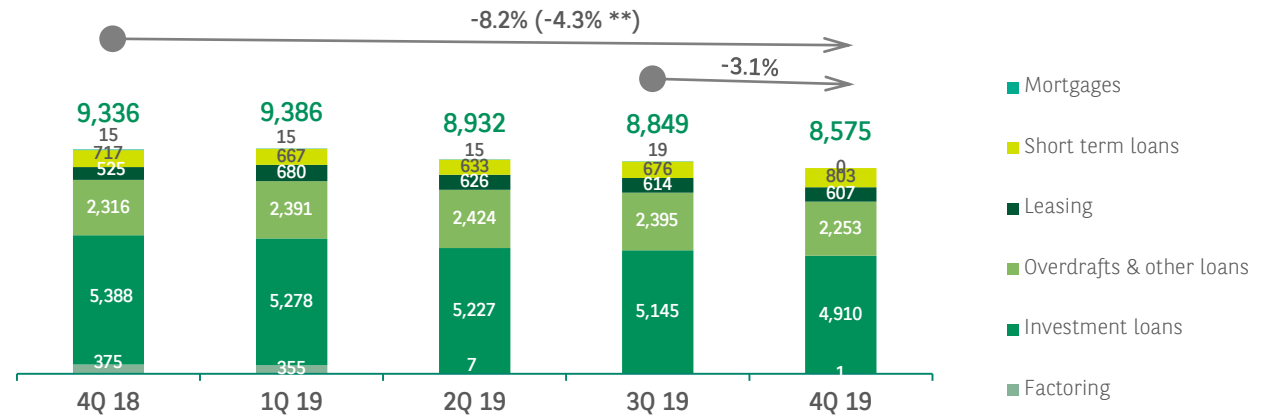
11%

PLN m

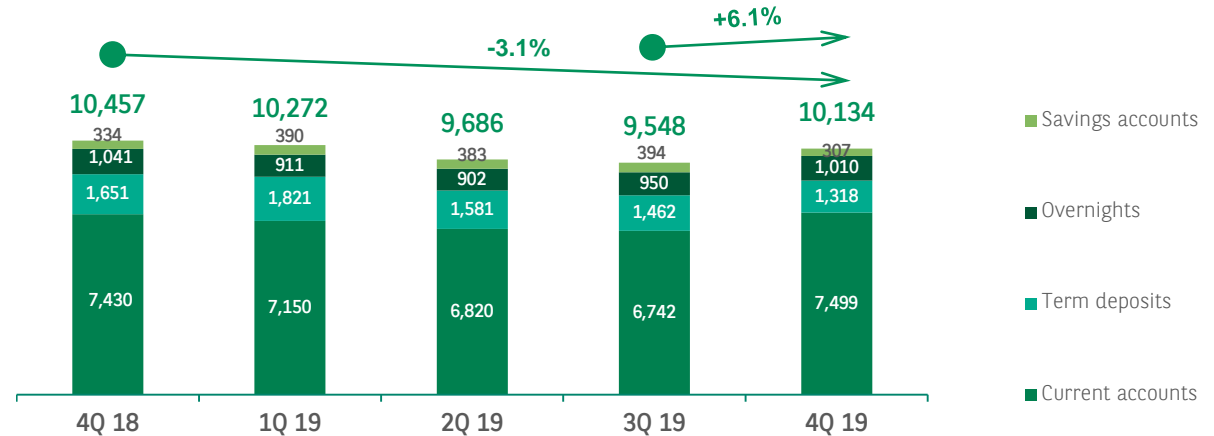
Gross profit structure



Loan portfolio



Deposit portfolio



* in connection with the re-segmentation of SME and Corporate Banking clients, carried out in 2019; data for 2018 presented on a comparable basis

** dynamics excluding factoring receivables

CORPORATE BANKING

STRONG INCOME GROWTH AND SMOOTH COMPLETION OF THE INTEGRATION PROCESS

Full integration

- Successful completion of one of the largest integrations in the area of corporate banking
- **Enhancement of product offer**, especially in the area of Trade Finance, DCM, Global Markets, M&A transaction advisory
- **Strong position in regions** – Corporate Banking Centres in 14 cities

Product offer

- **Full range of products** and services for corporate customers, including **taylor-made individual product solutions**
- Following integration, the most comprehensive market offer of cash management solutions - both domestic and international

Transformation and digitalisation

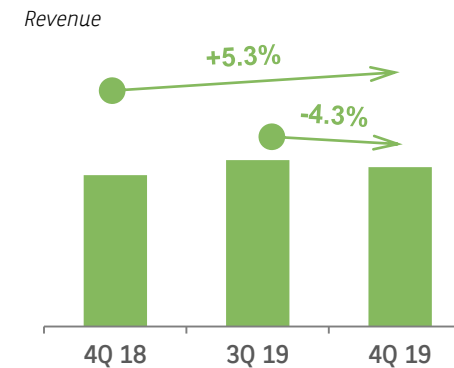
- **BiznesPl@net** - electronic banking – significant extension of cash management functionalities, supported by the **development of self-service zone** – electronic product applications, post-sales instructions, changes in **Trade Finance**
- Launch of the **new FX Pl@net FX platform**: availability: **24h/5 days a week** for basic transactions, plus many additional modern solutions
- **Improvements in the credit process**: e-loan application, new electronic term sheet

Business development

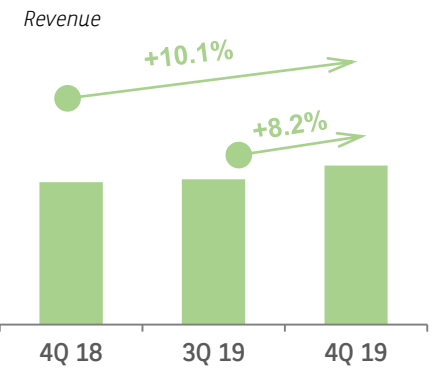
- Acquisition of new customers in 2019: +857
- **Product x-sell increase**
 - FX transaction revenue growth
 - leasing sales growth: PLN +161 million, +23% y/y
- A successful year in specialised financing transactions

Better transaction execution and increased cross-selling of products

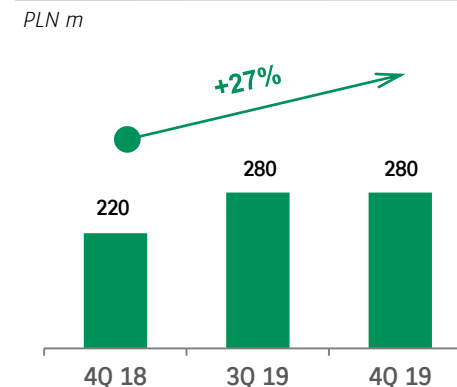
Cash management



Currency exchange transactions



Net banking income



Corporate banking customers

12.3 k

-1.1 thousand -8% y/y*
-0.6 thousand -4% q/q*

* Impacted by the unification of databases as a result of operational merger



PHZ 2019 – continuation of the promotion of Italian, French, Belgian and Middle East markets. 31 meetings in Poland, more than 3.5 thousand participants

CORPORATE BANKING

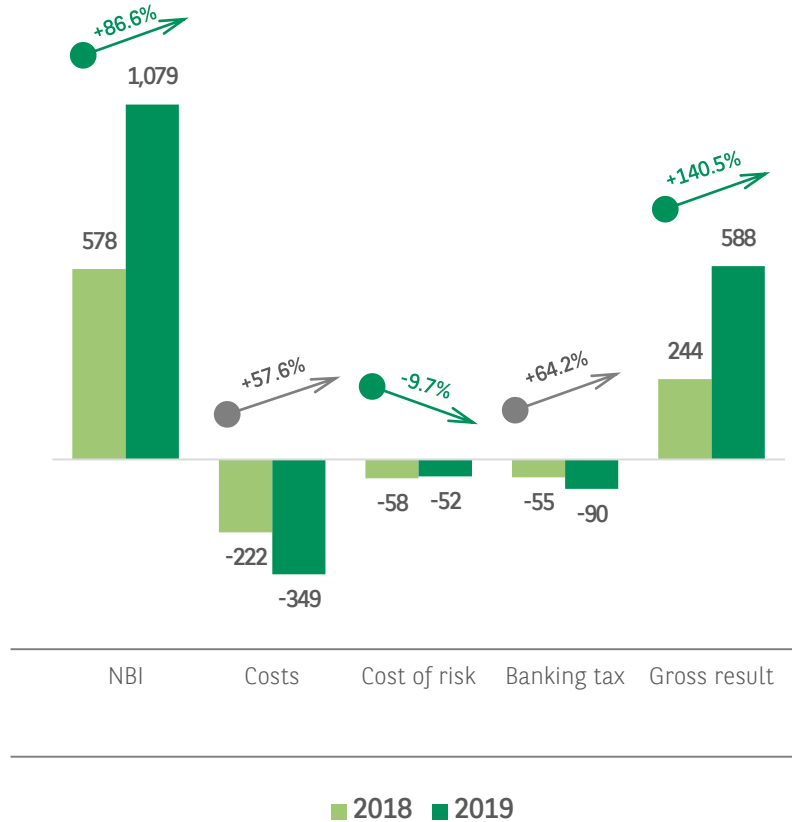
SIGNIFICANT IMPROVEMENT OF GROSS PROFIT DRIVEN BY NBI GROWTH

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

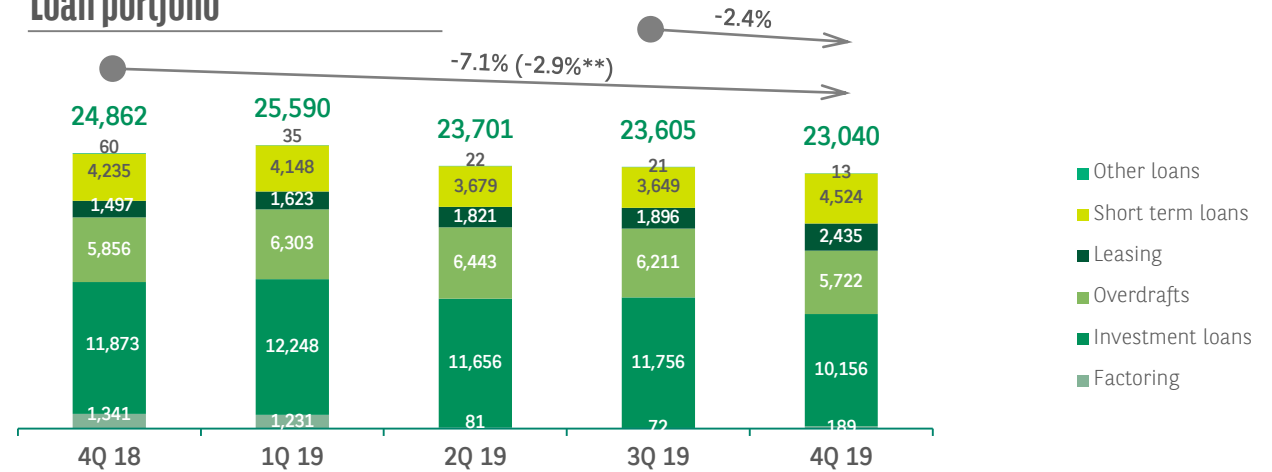
23%

PLN m

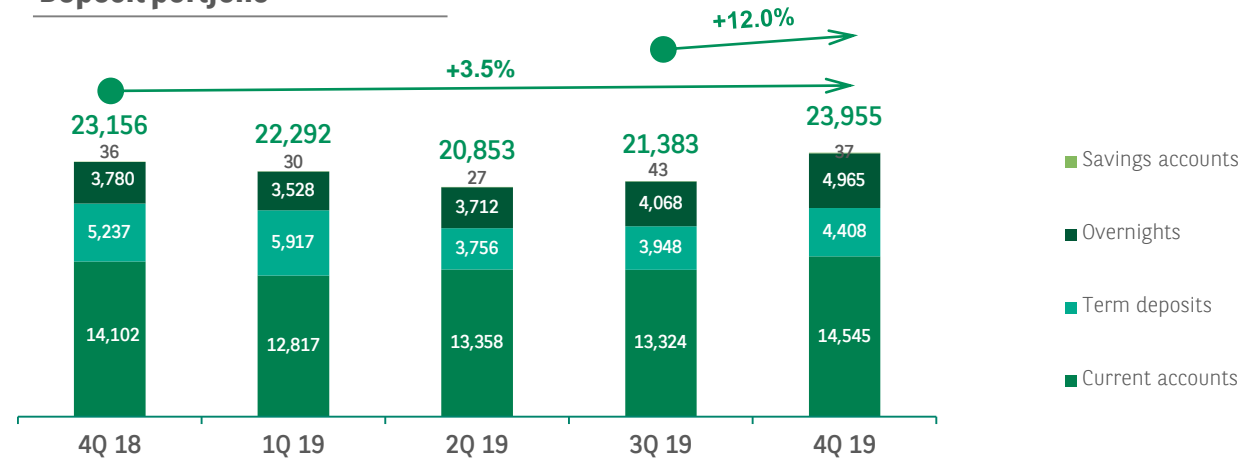
Gross profit structure



Loan portfolio



Deposit portfolio



* in connection with the segmentation carried out in 2019 concerning MSE and Corporate Banking customers, our data for 2018 is presented on a comparative basis

** dynamics excluding factoring receivables

AGRO SEGMENT

FOCUS ON MAINTAINING MARKET POSITION AND PROFITABILITY GROWTH, MODERN CUSTOMER SOLUTIONS

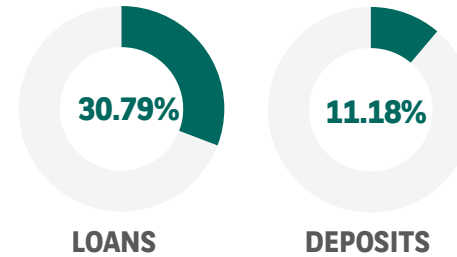
Activities supporting sales and relations with customers

- **Agronomist.pl** – a multifunctional industry portal for the food and agricultural sector. Over 51 thousand visits and nearly 2.5 thousand registered users from the moment of activation (April 2019).
- **Promotional campaign** concerning loans for fertilisation systems for farmers, based on the subsidies under the PROW programme 2014-2020 (program for rural areas development).
- **Participation in trade fairs in 2019:**
AgroTech Kielce – 15th International Agricultural Technology Fair
Agro Show Bednary – 20th International Agricultural Exhibition
- **Agro Akademia – 4th Edition** – a cycle dedicated mainly to the analyses of agricultural markets, the Common Agricultural Policy after 2020, the new nitrate directive, and energy costs on the farms. In November, a special meeting organized exclusively for women.
- **Agro-conference – 14th edition** – the main topic: “Evolution or revolution in the supplier – distributor – consumer ecosystem?”.
- **Agro on Heels** – a programme dedicated to women operating in the agricultural sector.
- **The image campaign “We have been looking forward for 100 years”** related to the 100th anniversary of the Bank’s presence on the Agro market (in 1919, the Agricultural Bank was established, and our Bank is its successor).



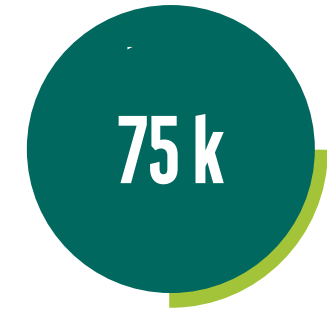
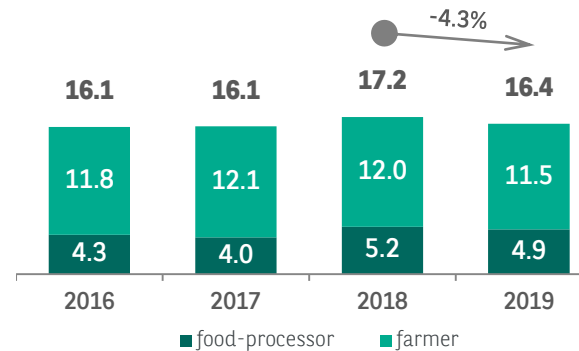
Market shares

31.12.2019



Credit volume

gross, PLN bln



Agro customers

The “Izydor 2019” statuette and the “Farmer Friendly Company” title for BNP Paribas Bank Polska

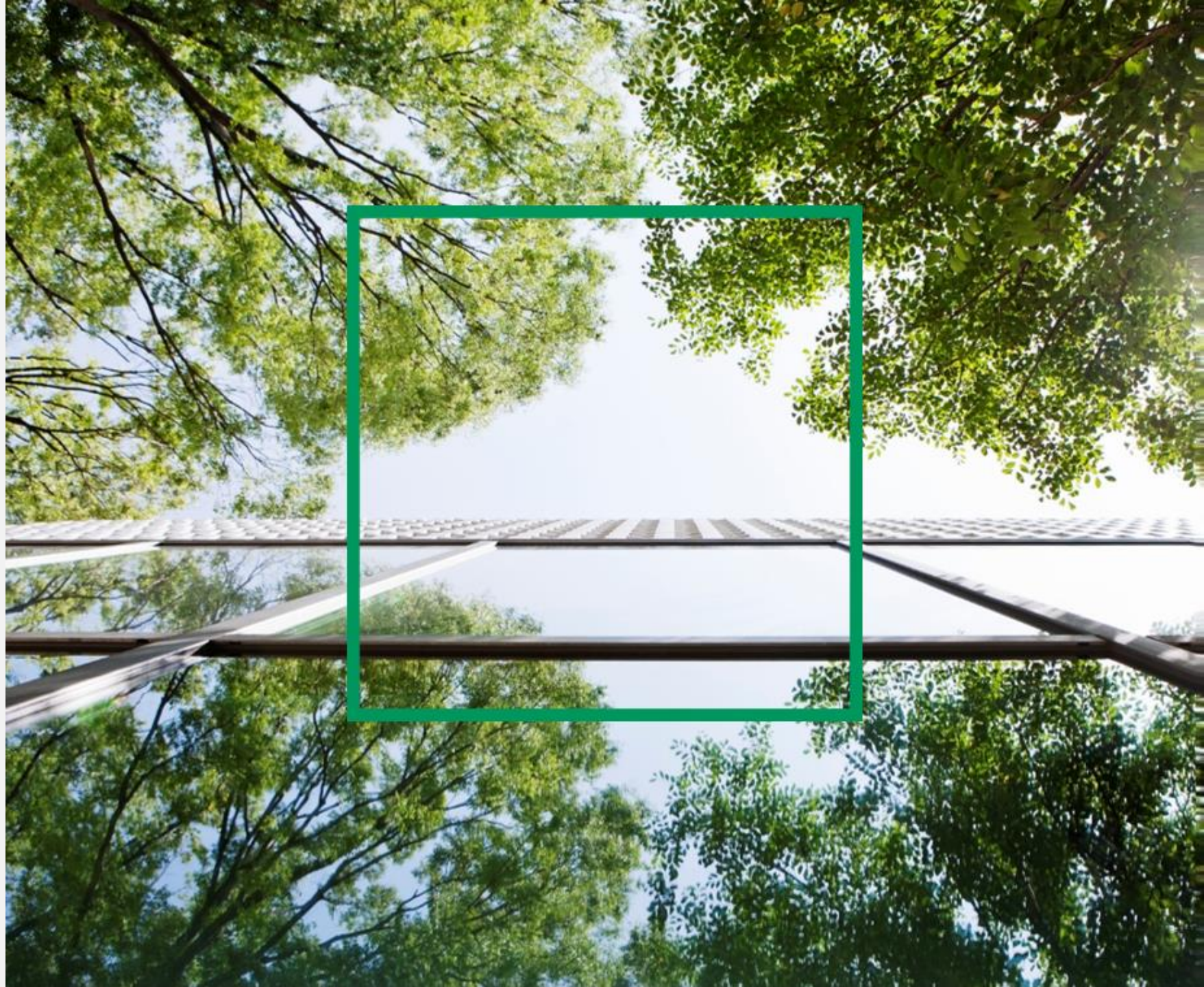


04

OUTLOOK



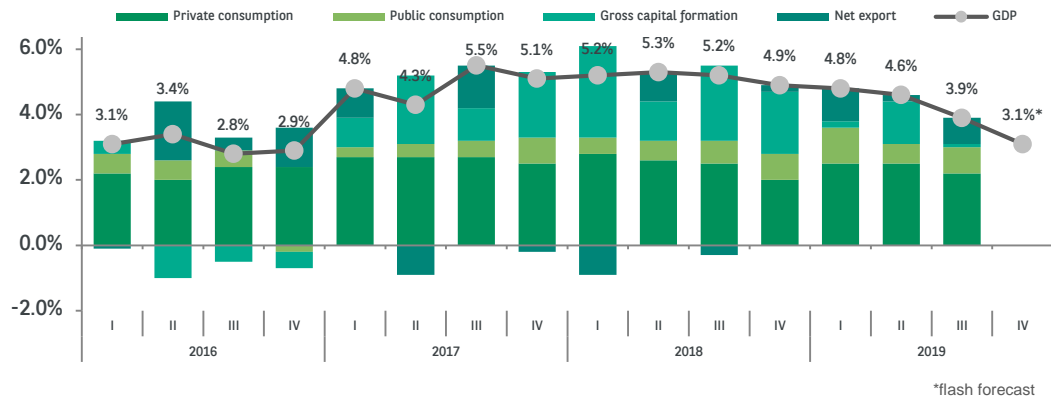
BNP PARIBAS



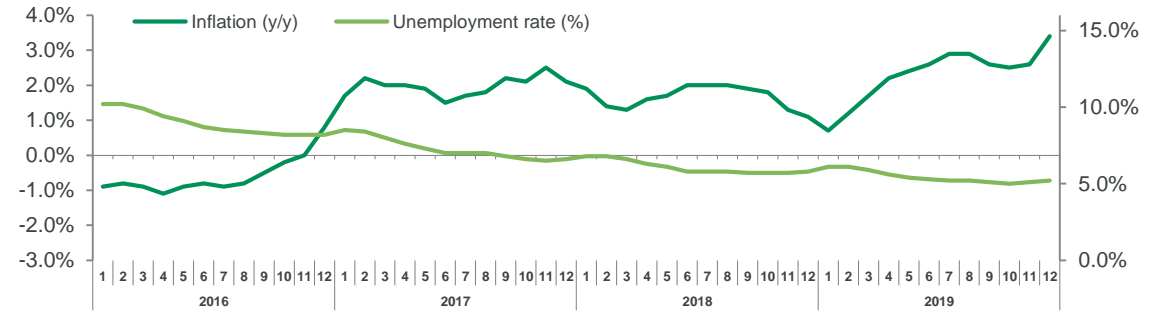
STABLE MACROECONOMIC CONDITIONS

SLOWDOWN IN GDP GROWTH AND RISING INFLATION

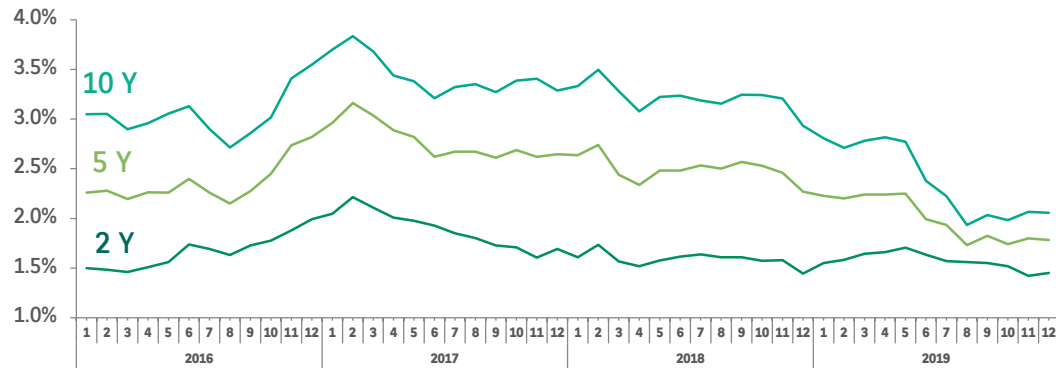
GDP growth



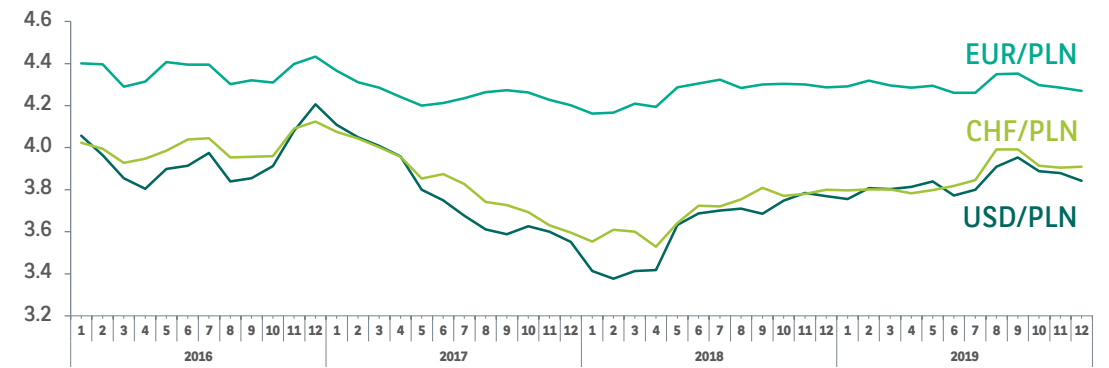
Inflation rate and unemployment



Bond profitability



Exchange rates



PRIORITIES AND CHALLENGES FOR 2020

BNP PARIBAS BANK POLSKA IDEALLY POSITIONED IN 2020 NOW THAT INTEGRATION IS BEHIND US



DIGITAL TRANSFORMATION

- Focus on internal process automation and simplification
- Further development of digital distribution and service channels
- Improving of customer service efficiency (*customer journeys*)



BUSINESS DEVELOPMENT

- Focus on organic growth acceleration
- Acquisition of new customers and increasing the number of bank accounts
- Increased cross-selling
- Higher customer satisfaction



PROFITABILITY GROWTH

- Integration synergies delivery
- Revenue growth despite continued low interest rates, mainly through credit volume growth and price optimization
- Effective use of capital

05

Appendices

2019 Financial Results of
the Group

CJEU judgment – financial
impact on the Bank

Profit and loss account

Assets, liabilities and equity



BNP PARIBAS



2019 FINANCIAL RESULTS OF THE GROUP

NET PROFIT GROWTH BY 70.6% AS COMPARED TO 2018

	2019 PLN m (million)	2018* PLN m (million)	Change y/y	Normalised ** y/y change
Net banking income	4 518.1	3,289.1	+34.7%	+49.3%
Total costs	(2 922.1)	(2 049.4)	+42.6%	+39.7%
Net impairment losses	(441.9)	(557.7)	-20.8%	+38.6%
Banking tax	(281.2)	(213.1)	+31.9%	+31.9%
Gross profit	873.0	468.9	+86.2%	+88.8%
Net profit	614.7	360.4	+70.6%	+96.2%

	2019	2018	Change y/y	Standardised ** y/y change
Return on equity (ROE)	5.7%	4.8%	+0.9 p.p.	-
Return on equity (ROE) **	8.7%	6.5%	-	+2.2 p.p.
Cost / Income (C/I)	64.7%	62.3%	+2.4 p.p.	-
Cost / Income (C/I)**	55.7%	59.9%	-	(4.2 p.p.)
Total Capital Adequacy Ratio	15.0%	14.6%	+0.4 p.p.	-
Tier 1 Capital Ratio	12.8%	12.4%	+0.4 p.p.	-

* the financial results achieved by BNP Paribas Bank Polska S.A. Capital Group in 2018 take into account 2 months of the results of the Core Business of RBPL

** excluding integration costs, profit on the bargain purchase of Core RBPL (2018: PLN +291.7 million) and the ECL write-down (2018: PLN -238.9 million).

2019 (12M) integration costs – PLN 414.5 million, of which:

- PLN 389.9 m – administrative expenses, depreciation and amortization
- PLN 24.6 m – other operating expenses

2018 (12M) integration costs – PLN 265.8 million

- PLN 236.2 m – administrative expenses, depreciation and amortization
- PLN 29.6 m – other operating expenses

Net profit improvement +71% y/y

The comparability of results achieved in 2019 and 2018 was affected by:

- inclusion in 2019 of revenues and costs of the Core Business of RBPL (only 2 months in 2018),
- gain on the bargain acquisition of Core RBPL in 2018 in the amount of PLN 291.7 million, and - at the same time - creation of an ECL write-down in the amount of PLN -238.9 million,
- integration costs in 2019 in the amount of PLN 414.5 million vs. PLN 265.8 million in 2018,
- creation of a provision – in 2019 results - for the proportional return of fees in case of early loan repayment by the client in the amount of PLN 69.6 million and PLN 29.5 million portfolio provision for the legal risk of CHF housing loans,
- the costs of BGF higher by PLN 48.8 million y/y (as a result of an increase in the annual contribution to the banks' resolution fund for 2019),
- recognition - in 2019 - of gain on the sale of the organised part of the Bank's enterprise intended for factoring business in the amount of PLN 42.4 million.

Excluding integration costs, the 2019 net profit amounted to PLN 950.5 million (+96.2% y/y **)

CJEU JUDGMENT ON THE REIMBURSEMENT OF CONSUMER CREDIT FEES

IMPACT ON THE BANK'S FINANCIAL RESULTS - SUMMARY

Impact of the CJEU judgment on the reimbursement of consumer credit fees in case of early repayments

	Title	Amount (PLN m)	Period of the recognition in P&L	P&L item
Repayments prior to the CJEU judgment (< 11.09.2019)	Provision for proportional fees reimbursement in case of early loan repayments prior to CJEU judgment	48.8	3Q 2019	Other operating expenses
Repayments after the CJEU judgment (> 11.09.2019)	Provision for reimbursement of partial fees charged on a loan on account of its early repayment, i.e. to cover the difference between the effective interest rate (EIR) and linear method applied to the income settlement	20.8	4Q 2019	Other operating expenses
	Impact of current fees reimbursements on net interest income	3.5	3Q 2019	Net interest income (EIR)
		15.1	4Q 2019	Net interest income (EIR)

CONSOLIDATED P&L

Profit and loss account	cumulatively		quarterly							
	31/12/2019	31/12/2018	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Interest income	4,188,083	2,983,829	1,040,116	1,053,372	059,509	1,035,086	930,361	705,126	713,312	635,030
Interest expenses	(1,019,324)	(876,978)	(234,504)	(255,064)	(264,812)	(264,644)	(276,589)	(197,537)	(217,734)	(185,118)
Net interest income	3,168,759	2,106,851	805,312	798,308	794,697	770,442	653,772	507,589	495,578	449,912
Fee and commission income	1,042,700	724,714	274,751	259,542	256,554	251,853	229,315	173,749	171,739	149,911
Fee and commission expenses	(222,763)	(157,324)	(67,424)	(54,019)	(55,350)	(45,970)	(46,597)	(41,734)	(39,756)	(29,237)
Net fee and commission income	819,937	567,390	207,327	205,523	201,204	205,883	182,718	132,015	131,983	120,674
Dividend income	6,007	4,860	-	4,451	1,348	08	80	3,971	784	25
Net trading income	682,415	330,773	180,687	175,696	158,035	167,997	129,677	62,506	63,178	75,412
Investment net income	(31,836)	48,838	8,695	(20,533)	(12,361)	(7,637)	18,212	23,900	(1,667)	8,393
Net income on collateral accounts	(4,385)	(9,997)	257	(3,559)	(3,009)	1,926	(14,609)	1,789	1,307	1,516
Other operating income	182,705	387,778	43,158	30,696	71,632	37,219	319,337	15,768	13,990	38,683
Result on impairment write-offs of financial assets and provisions for liabilities	(441,890)	(557,682)	(101,904)	(135,315)	(112,353)	(93,181)	(338,567)	(101,772)	(54,989)	(62,354)
General administrative expenses	(2,467,937)	(1,859,672)	(649,803)	(585,234)	(594,822)	(638,078)	(724,971)	(361,404)	(393,209)	(380,088)
Depreciation	(454,147)	(189,714)	(101,904)	(131,016)	(115,755)	(105,472)	(65,488)	(41,564)	(41,729)	(40,933)
Other operating expenses	(305,484)	(147,407)	(139,826)	(100,035)	34,400	(31,223)	(70,636)	(19,846)	(16,914)	(40,011)
Operating result	1,154,144	682,018	252,862	238,982	354,216	308,084	89,525	222,952	198,312	171,229
Banking tax	(281,189)	(213,122)	(70,405)	(69,457)	(70,982)	(70,345)	(64,779)	(48,472)	(49,836)	(50,035)
Gross profit (loss)	872,955	468,896	182,457	169,525	283,234	237,739	24,746	174,480	148,476	121,194
Income tax	(258,261)	(108,518)	(61,186)	(54,763)	(66,174)	(76,138)	16,133	(43,582)	(45,333)	(35,736)
NET PROFIT (LOSS)	614,694	360,378	121,271	114,762	217,060	161,601	40,879	130,898	103,143	85,458

ASSETS

Consolidated statements of financial position

	31/12/2019	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	4,658,171	2,432,745	2,350,499	2,715,459	2,897,123	1,170,138	914,056	2,339,735	998,035
Amounts due from banks	679,308	867,909	527,687	916,374	961,496	272,634	386,581	577,255	2,603,689
Derivative financial instruments	800,886	917,845	729,564	743,071	715,671	378,014	455,563	429,476	474,421
Adjustment of fair value of the hedging item	228,120	300,057	231,929	172,367	130,405	39,213	42,401	53,459	32,730
Loans and advances to customers valued at amortised cost	71,836,643	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 advances to customers valued at fair value through P&L	1,974,396	2,069,805	2,182,483	2,283,645	2,416,249	2,555,133	2,636,772	2,750,954	-
Financial assets for sale	-	-	-	-	-	-	-	-	13,922,540
Securities valued at amortised cost	17,916,645	17,009,661	15,977,152	16,079,051	11,939,238	9,166,178	9,413,855	9,478,262	-
Financial instruments valued at fair value through P&L	241,754	219,470	211,283	206,202	204,421	139,591	134,997	118,562	-
Securities valued at fair value through the other total income	7,953,358	8,082,845	9,917,396	10,194,356	15,875,339	4,541,389	4,768,541	4,801,476	-
Investment property	56,577	55,868	55,868	55,868	55,868	54,435	54,435	54,435	54,435
Intangible assets	519,945	490,969	498,069	506,991	520,767	317,698	306,452	282,311	288,340
Property, plant and equipment	1,226,746	1,189,700	1,136,103	1,097,855	511,275	465,377	479,903	486,575	500,647
Deferred income tax assets	976,748	1,028,678	989,616	994,738	1,034,313	616,346	612,039	612,851	512,045
Current income tax receivables	-	-	-	2,461	-	5,303	15,400	-	-
Other assets	884,845	693,855	879,264	665,890	872,115	430,924	514,294	434,965	301,041
TOTAL ASSETS	109,954,142	107,555,619	106,544,101	108,845,223	109,022,519	71,823,883	71,355,941	71,920,674	72,655,491

LIABILITIES AND EQUITY

Consolidated statements of financial position

	31/12/2019	30/09/2019	30/06/2019	31/12/2019	31/12/2018	30/09/2018	30/06/2018	31/03/2018	31/12/2017
LIABILITIES									
Amounts due to banks	4,485,264	4,727,260	4,803,636	4,371,236	3,976,469	5,162,377	4,550,137	5,053,224	3,891,235
Liabilities on sold securities	-	-	-	-	-	800,580	-	-	-
Adjustment of fair value of the hedging and hedged item	224,218	276,030	205,551	175,283	123,600	4,664	7,948	21,668	(2,992)
Derivative financial instruments	815,637	940,532	800,950	789,219	783,818	375,858	432,470	401,096	427,710
Amounts due to customers	86,134,984	83,348,683	82,641,868	85,922,946	87,191,708	53,063,346	54,012,858	55,116,570	56,328,897
Liabilities on debt securities issue	2,179,052	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	1,882,064	1,920,534	1,867,972	1,879,367	1,875,769	1,689,887	1,706,237	1,652,130	1,645,102
Leasing liabilities	602,192	616,475	599,594	593,097	-	-	-	-	-
Other liabilities	1,893,414	1,983,840	2,095,921	1,818,286	1,711,641	1,047,004	1,908,356	941,151	1,131,555
Current income tax liabilities	38,338	65,837	20,303	5,380	174,589	28,496	18,018	93,620	117,699
Deferred income tax provision	8,535	8,274	8,274	8,275	8,276	8,025	8,026	8,003	8,003
Provisions	531,061	442,054	396,922	416,521	437,412	117,949	119,842	117,524	76,853
TOTAL LIABILITIES	98,794,759	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	147,419	97,538	84,238	84,238	84,238
Supplementary capital	9,110,976	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	1,572,757	1,208,018	1,208,018	1,208,018	1,208,018	909,629	909,629
Revaluation reserve	125,251	133,423	125,763	105,100	141,179	127,880	122,257	148,852	141,988
Retained earnings	202,980	82,101	33,229	114,490	(47,836)	(396)	(131,294)	63,952	296,522
retained profit	(411,714)	(411,322)	(411,890)	(47,111)	(408,214)	(319,895)	(319,895)	(21,506)	16,815
net profit for the period	614,694	493,423	378,661	161,601	360,378	319,499	188,601	85,458	279,707
TOTAL EQUITY	11,159,383	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	109,954,142	107,555,619	106,544,101	108,845,223	109,022,519	71,823,883	71,355,941	71,920,674	72,655,491

- This presentation constitutes neither a sales offer nor an invitation to submit an offer to purchase or buy securities or financial instruments issued by BNP Paribas Bank Polska S.A. ("Bank"), nor any advice or recommendation with respect to the securities or other financial instruments issued by the Bank.
- This presentation may include forward-looking statements, future plans, perspectives and strategies, or intended events. The above criteria cannot be treated as forecasts of the Bank or assurances regarding the expected performance of the Bank, as they have been drawn up on the basis of expectations, projections and data concerning future events.
- The expectations of the Bank are based on the current knowledge, experience and opinions of the Management Board of the Bank, depending on a number of factors which may result in the actual results achieved in the future being significantly different from the statements included herein.
- The Bank shall have no obligation to update or publicly announce any changes and modifications with respect to any claims concerning the future included herein.
- Neither the Bank nor any of its representatives, parent entities or subsidiaries shall be liable for any damage resulting from any use hereof or any information contained herein or otherwise in connection herewith.
- This presentation is not intended for publication or distribution in any countries where such publication or distribution may be prohibited in accordance with applicable laws.
- The presented data applies to BNP Paribas Bank Polska S.A. Group.

INVESTOR RELATIONS

CONTACT

INVESTOR RELATIONS BUREAU

UL. GRZYBOWSKA 78, 00-844 WARSAW

e-mail: relacjeinwestorskie@bnpparibas.pl

www.bnpparibas.pl/relacje-inwestorskie



BNP PARIBAS



BNP Paribas Bank Polska Spółka Akcyjna, with its registered office in Warsaw at ul. Kasprzaka 10/16, 01-211 Warsaw, entered in the register of entrepreneurs of the National Court Register by the District Court for the Capital City of Warsaw in Warsaw, 12th Commercial Division of the National Court Register under KRS No 0000011571, with Tax ID No (NIP) 526-10-08-546 and share capital of PLN 147,418,918, paid up in full.