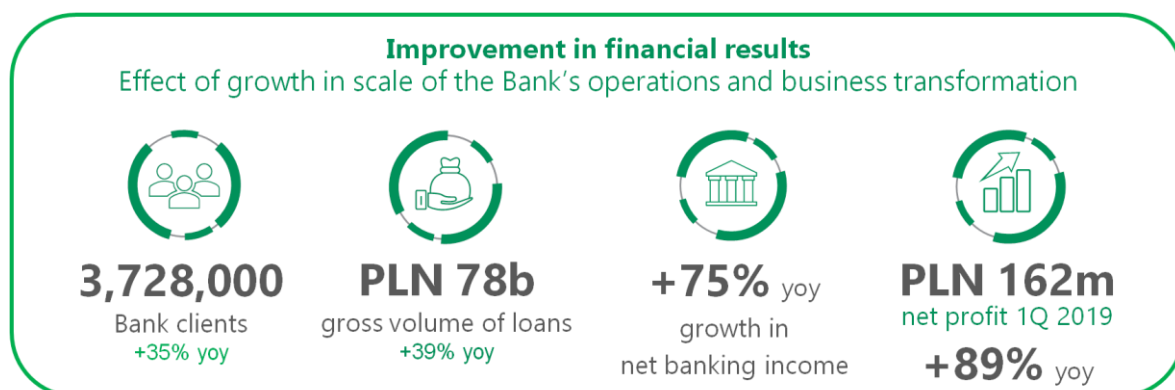




Press Release

Warsaw, 16th May 2019

BNP Paribas Bank Polska Capital Group earned a net profit of PLN 161.6m in the 1st quarter of 2019. The BNP Paribas Bank Polska Capital Group earned a net profit of PLN 161.6m in the 1st quarter of 2019, an increase of 89.1% year-on-year. The results include for the first time a full quarter of the new merged bank, after the acquisition of the core business of Raiffeisen Bank Polska, finalized on October 31, 2018.



Key financial information:

- Total assets: PLN 109b, +51.3% yoy
- Customer deposits: PLN 86b, +55.9% yoy, significant improvement of liquidity situation
- Net banking income: PLN 1,145m, +74.9% yoy
- General administrative expenses, including amortization, PLN 744m, +76.6% yoy, among other reasons due to a yearly increase in the Bank Guarantee Fund (BFG) contribution and due to integration costs
- Cost of risk stable, at 50 basis points with respect to average loans portfolio
- Improvement of profitability: ROE at 7.7% (excluding integration costs)

Key business information:

- Rebranded to BNP Paribas Bank Polska - April 2019
- Expansion of the offer under a new brand and consolidation of services for customers of the merged banks
- Significant improvement in customer satisfaction confirmed by NPS study: with 44 points in the 1st quarter of 2019, the Bank ranks among the national leaders in customer loyalty
- Sale of mortgage loans in the 1st quarter of 2019: 216% growth year-on-year
- Personal accounts sales in the 1st quarter of 2019: 38% increase yoy

Przemek Gdański, CEO of BNP Paribas Bank Polska, said: "The 1st quarter of 2019 shows that we made another significant step in building our new Bank. After the merger we are a single, increasingly coordinated team, consistently pursuing the Fast Forward Strategy announced a year ago. We are working on ensuring that consistently improving results is not only the effects of the merger with RBPL, but also development and transformation of our business. We look at the Bank across multiple dimensions, from thorough digitalization to streamlining and optimization of processes, not forgetting about engagement of customers and ourselves in valuable social initiatives. We are also consistently pursuing measures for sustainable growth and combating climate change, thanks to which we can present ourselves as a Green Bank, not only because of the colour of our logo."

The significant improvement in the Group's financial results compared to the same quarter of last year is an effect of the increased scale of the Bank's operations following the merger with the core business of



Raiffeisen Bank Polska S.A. (RBPL) and the restructuring and optimization of the merged Bank now underway, backed by consistent realization of the strategy of organic growth.

Compared to the 4th quarter of 2018, the Group's net profit in normalized terms, i.e. excluding the effects of the settlement of the acquisition of the core business of RBPL and integration costs, grew by 36.1%, which was influenced by an increase in the result from banking activity of 19.4%, an increase in operating costs by 20.1% (including an increase in BFG costs resulting from recognition of the annual contribution to the resolution fund in the 1st quarter 2019) and a decline in costs of risk by 6.5%.

Gross credits and loans issued to clients rose in the 1st quarter of 2019 by 1.5% from the end of 2018, and customer deposits fell over the same period by 1.5%, in line with the plan being implemented for optimization of liquidity following the acquisition of the core business of RBPL.

At the end of March 2019, BNP Paribas Bank Polska had 585 retail and business branches as well as 95 customer service points. Employment at the BNP Paribas Bank Polska Group stood at 10,900 full-time jobs. At the end of the 1st quarter of 2019 the Bank served 3.7m customers.

Selected consolidated financial data (PLN '000)

Statement of profit and loss	1Q 2019	4Q 2018	1Q 2018	change q/q	change y/y
Interest income	770,442	653,772	449,912	+17.8%	+71.2%
Fee and commission income	205,883	182,718	120,674	+12.7%	+70.6%
Net banking income	1,144,815	1,218,551	654,604	-6.1%	74.9%
General administrative expenses and amortization	-743,550	-790,459	-421,021	-5.9%	76.6%
Net impairment losses	-93,181	-338,567	-62,354	-72.5%	49.4%
Operating result	308,084	89,525	171,229	+244.1%	+79.9%
Net profit	161,601	40,879	85,458	+295.3%	+89.1%
per share (PLN)	1.10	0.31	1.01	+254.8%	+8.9%

Balance sheet	31.03.2019	31.12.2018	change
Total assets	108,845,223	109,022,519	-0.2%
Gross loans	77,726,759	76,595,082	1.5%
Liabilities to clients	85,922,946	87,191,708	-1.5%
Total equity	10,686,003	10,559,813	+1.2%
Capital adequacy	31.03.2019	31.12.2018	change (bp)
Total capital ratio	14.57%	14.63%	-6 bp
Tier 1 ratio	12.32%	12.38%	-6 bp