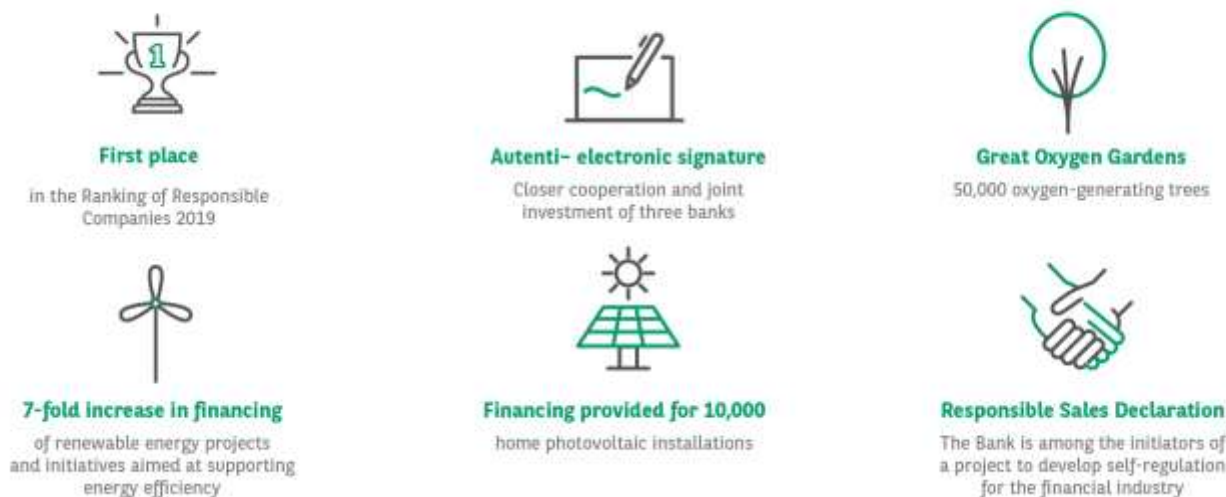


## The BNP Paribas Bank Polska Group posts record results in 2019, increasing its net profit to PLN 615 million

In 2019, the BNP Paribas Bank Polska Group recorded the highest results in its history. Net profit stood at PLN 614.7 million, up 70.6% y/y. Excluding integration costs, net profit of the Group exceeded PLN 950.5 million. In Q4, the Group generated a net profit of PLN 121.3 million, up 5.7% q/q. Net banking income in 2019 stood at PLN 4.52 billion, which is a new record in income earned by the Group. At the same time, as part of the "Bank of Green Changes" program, the Group has been consistently developing its funding for energy transformation and supporting clients in building low-emission economy.

### Bank of Green Changes – how we support responsible growth



#### Key financials:

- Total assets: PLN 110.0 billion, +0.9% y/y (+2.2% q/q)
- Value of loans granted: PLN 77.2 billion, +0.8% y/y (-0.8 q/q)
- Client deposits: PLN 86.1 billion, -1.2% y/y (+3.3% q/q)
- Net banking income: PLN 4,518.1 million, +37.4% y/y (+1.4% q/q)
  - Interest income: PLN 3,168.8 million, +50.4% growth y/y (+0.9% q/q)
  - Commission income: PLN 819.9 million, +44.5% growth y/y (+0.9% q/q)
  - Result on trading activity: PLN 682.4 million, 106.3% growth y/y (+2.8% q/q)
- General administrative expenses in 2019 including depreciation: PLN 2,922.1 million, +42.6% y/y (+5.0% q/q), including integration costs of PLN 389.9 million (against PLN 236.2 million the year before)
- Cost of risk in line with bank's assumptions: 59 basis points in reference to the average value of the loan portfolio (-20.8% y/y)
- Improved profitability: without integration costs – ROE 8.7% (+2.2pp y/y), C/I 55.7% (-4.2pp y/y) – including integration costs – ROE 5.7% (+0.9 pp y/y), C/I 64.7% (+2.4pp y/y)
- Strengthened capital position – Tier 1: 12.78% (+40 basis points y/y)

*- Last year we closed an important chapter in the development of our Bank finalizing the migration of clients to a single operational system. Over the past 12 months we successfully implemented the digital application ecosystem for the clients, we carried out a rebranding program, completed the process of optimization and transformation of the branch network and finalized client migration to a single operating system. At the same time we achieved financial results in line with our assumptions. Now we are facing a new chapter in which we will fully focus on growing our business, keeping on delivering modern solutions for clients and optimizing our processes, says Przemek Gdański, CEO of BNP Paribas Bank Polska.*

In 2019, Bank BNP Paribas completed the process of integration of the core business taken over from Raiffeisen Bank Polska. The BNP Paribas Group increased its assets by PLN 110 billion and generated record-breaking financial results nearly doubling its net profit, which exceeded PLN 950.5 million (excluding integration costs). Including integration costs, the net result stood at PLN 614.7 million, against PLN 360.4 million the year before, up 70.6% y/y. The result on banking activities increased to PLN 4.5 billion (+37.4% y/y), which was the highest level in the Group's history, despite additional costs incurred in Q3 and Q4 (PLN 69.6 million provision for refund of commissions on prepaid loans and PLN 29.5 million portfolio provision for FX mortgage loans).

#### Key business highlights:

- Rebranding and brand awareness increase +10 pp y/y
- Retail client loan portfolio: +11.1% growth y/y (+2.4% q/q)
- Sales of mortgage loans: PLN 4.3 billion, +139.1% growth y/y (+27.0% q/q)
- Sales of personal accounts: 252.7 thousand, +23.8% growth y/y (+8.6% q/q)
- Number of users of the GOMobile app: 425.7 thousand (+52.2% y/y) (+17.4% q/q)

In 2019 the Bank was developing both its offering for individuals clients and for businesses. In April 2019, it launched its flagship product "Konto Otwarte na Ciebie" [Account Opened to You], which allows retail clients to select a card tailor-made to their individual needs. The sale of mortgage loans reached a record level and BNP Paribas TFI achieved the highest increase among medium-sized and big TFIs in Poland. At the same time the Bank continued to develop its digital application ecosystem: it implemented new online banking - GOonline and consistently enhanced its mobile app GOMobile to include new functionalities. Both applications have already attracted over one million active users. The revamped FX PL@NET platform has gained a lot of popularity among businesses, offering quick and secure FX transactions. The high service quality translates into the Bank's strong position in this market segment.

As at the end of 2019, BNP Paribas Bank Polska had 514 retail and business banking branches and 67 Customer Service Locations. As part of the optimization of the branch network, since the merger the Bank has closed down 180 and transformed 142 branches. As at the end of 2019, the Bank had 3.8 million customers.

At the same time as the publication of the annual report for 2019, Bank BNP Paribas also published a CSR and Sustainable Development Report for 2019, presenting non-financial information of BNP Paribas Bank Polska S.A. and the BNP Paribas Bank Polska S.A. Capital Group compliant with the requirements of the Accounting Act implementing the guidelines of the EU Directive 2014/95 regarding disclosure of non-financial data. The CSR and Sustainable Development report was prepared based on the GRI Standards reporting methodology. The report is entitled "We are the Bank of Green Changes" and presents a management approach and results achieved in key aspects from the perspective of responsibility and sustainable development in the organization's activities.

## Consolidated financial highlights (PLN 000s)

Profit and loss account	12 months ending 31 Dec. 2019	12 months ending 31 Dec. 2018	change y/y
Interest income	3,168,759	2,106,851	50.4%
Fee and commission income	819,937	567,390	44.5%
Net banking income	4,518,118	3,289,086	37.4%
General administrative expenses and depreciation	(2,922,084)	(2,049,386)	42.6%
Net impairment loss	(441,890)	(557,682)	(20.8)%
Result on operating activities	1,154,144	682,018	69.2%
<b>Net profit</b>	<b>614,694</b>	<b>360,378</b>	<b>70.6%</b>
per share in PLN	4.17	3.63	14.9%

Balance sheet	31 Dec. 2019	31 Dec. 2018	Change
Total assets	109,954,142	109,022,519	0.9%
Total loans (gross)	77,181,416	746,595,082	0.8%
Liabilities towards customers	86,134,984	87,191,708	(1.2)%
Total equity	11,159,383	10,559,813	5.7%
Capital adequacy	31 Dec. 2019	31 Dec. 2018	Change
Total capital requirement	15.03%	14.63%	+40 basis points
Tier 1 ratio	12.78%	12.38%	+40 basis points

BNP Paribas Bank Polska Spółka Akcyjna with its registered office in Warsaw at ul. Kasprzaka 10/16, 01-211 Warsaw registered in the register of commercial undertakings 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 file number KRS 0000011571, holding taxpayer identification number (NIP): 526-10-08-546 and share capital of PLN 147,418,918 paid in full.