



fi  **compass**
EAFRD

Macro-regional conference on EAFRD financial instruments for agriculture and rural development in 2014-2020

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 #ficompass



BANK BGŻ BNP PARIBAS – MARKET LEADER IN AGRO

Maciej Majewski
Warszawa, October 24th 2016



BGŻ BNP PARIBAS

Bank zmieniającego się świata

BNP Group in Agro sector

#1

▶ Bank BGŻ BNP Paribas - #1 in F&A financing

▶ BNP Leasing Solutions - #1 in financing farming equipment in Poland

▶ BNP Paribas Factor- #1 in factoring services for Agro sector in Poland



BNP PARIBAS



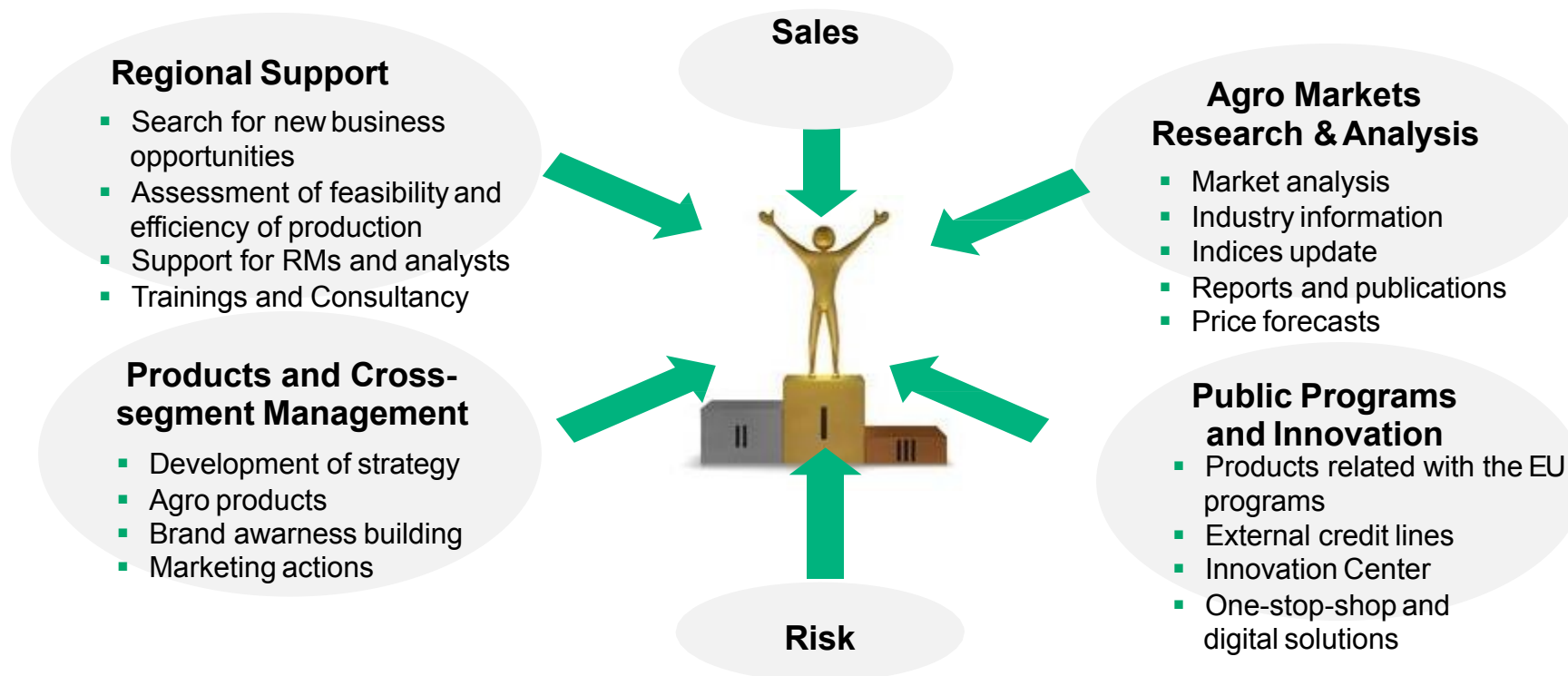
*Source: Polish Financial Supervision Authority,
Związek Firm Leasingowych, Polski Związek Faktorów*



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Bank zmieniającego się świata

Agro Competence Center – our key advantage, a joint venture of three different areas: sales, risk and support



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The bank for a changing world

Business organisation and our strong market position make the Bank flexible in face of change

The way we are organized and our strong position on the market enables the Bank to reduce impact of changes of external regulations

► **External risk mitigants**

- **Close relations with organizations** from various industries such as poultry, milk or rapeseed – we are the first to know „what’s up”.
- The Bank is often invited by **government Agencies and Ministry of Agriculture** to give opinions on projects of the changes in regulations.
- We conduct market research to determine how our Clients perceive the change and its impact on their business.
- Influence on system solutions for the F&A market.

► **Internal risk mitigants**

- Agro and Insurance **Experts** who work in **Regions** to ensure fast "transmission" of information from client/RMs to HQ. It helps us to **react before the problem gets serious** (and lets us know what the clients feel).
- We are researching the F&A market all year long (Agricultural Market Analyst Team). We keep an eye on any changes that might occur.
 - We provide specially designed agro trainings for sales and risk people.
 - Agro Experts are engaged in bigger/more complex applications.



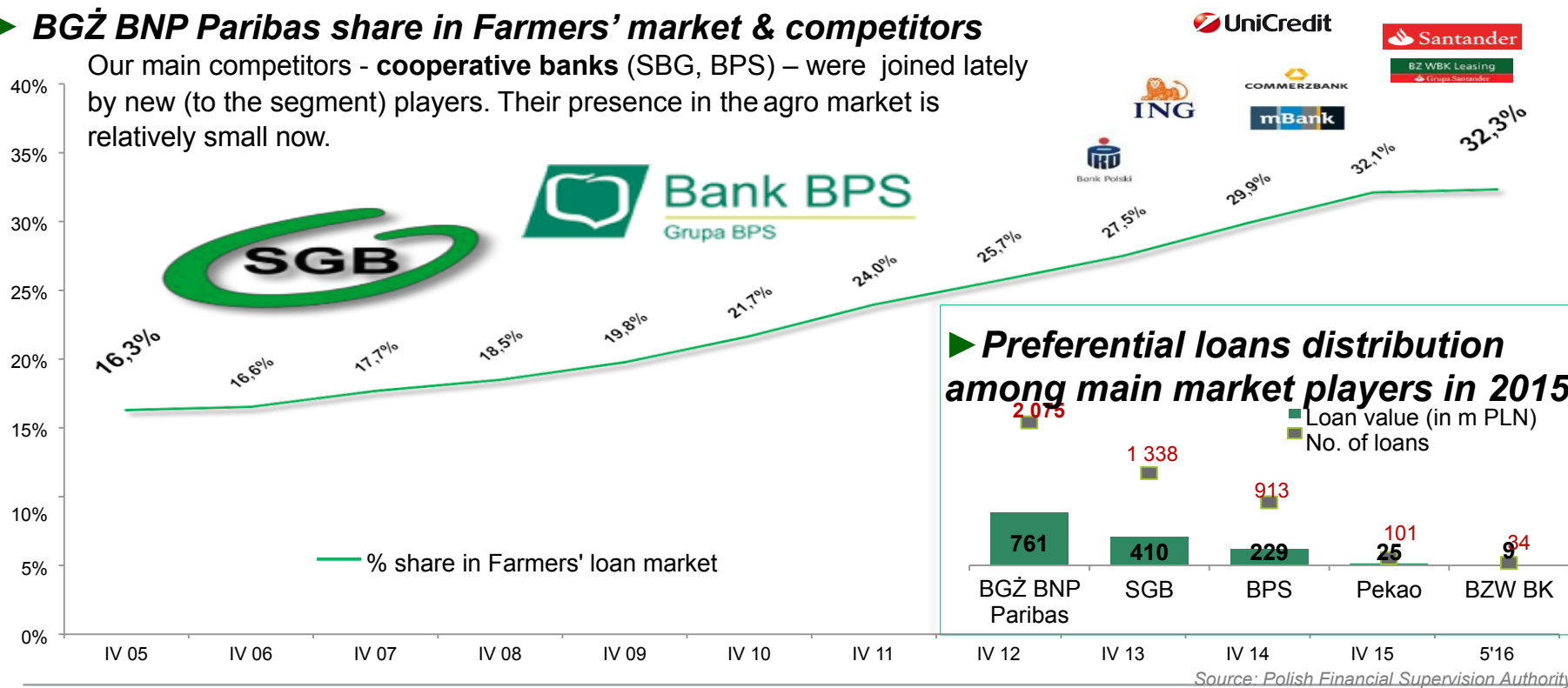
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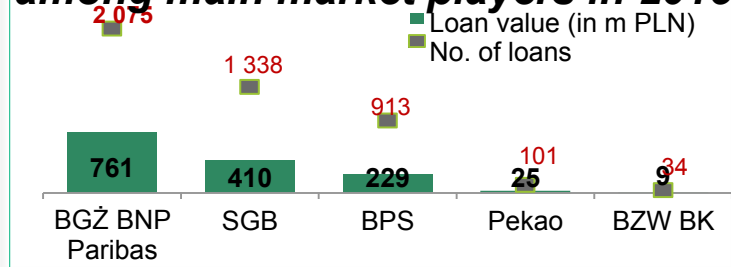
New players in agro market - relatively small now, but expected to build some portfolio

► BGŻ BNP Paribas share in Farmers' market & competitors

Our main competitors - cooperative banks (SBG, BPS) – were joined lately by new (to the segment) players. Their presence in the agro market is relatively small now.



► Preferential loans distribution among main market players in 2015



Source: Polish Financial Supervision Authority

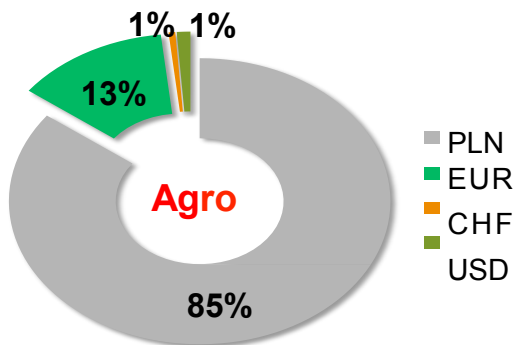


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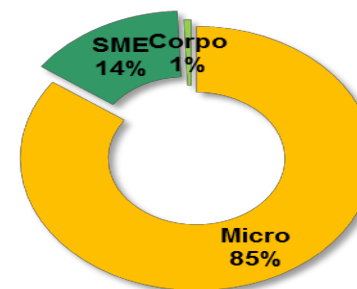
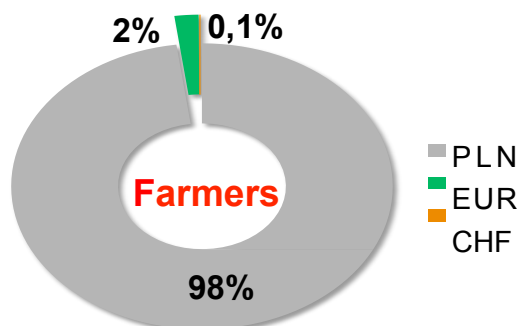
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Some Agro Portfolio Statistics

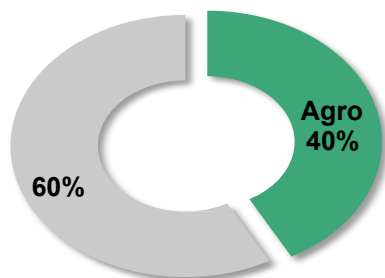
► Exposure by currency



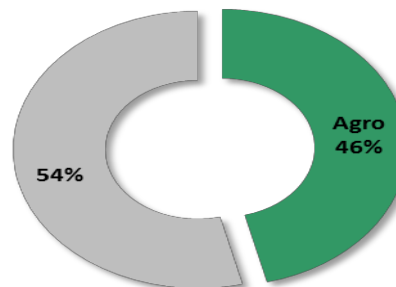
► Agro segment Clients % structure



► Agro NBI % in Institutional Banking



► Agro Loans % in Institutional Banking



Institutional banking client - CTB, SME and Micro

Source: MIS reporting. Data as of June 2016

Data as of June 2016



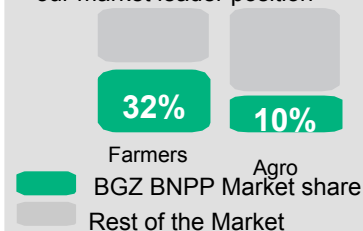
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Taking into consideration our position and environment we will concentrate on sustainable growth with our clients

► Strong position

- **2014-15 strong performance**
(+4% vs. budget, best result ever)
- **32% Farmers' market share** but ...
~ in some regions our share is much higher - cross-selling is the only option to increase the client value
- **10% Agro firms market share* ...**
~ precise targeting and smart acquisition are crucial to strengthen our market leader position



► Unfavourable environment (for the last two years)

Political (Local/European)

- Constraints in Agri Land turnover
- GMO act
- North Africa and Middle East military conflicts
- Russian Embargo

Natural

- Disasters like drought and ground frost
- African Swine Fever
- Bird flu

Economic

- Decreasing prices of agricultural produce
- Far East market limitation (China, Japan & Korea)
- High level of inventory
- Decrease of demand

► Targets



Our aspirations for coming years (2016-2018):

- **Further increase NBI**
- **Increase credit volume**



- **Expected market share growth:** up to ~1% p.a. (market share in financing agriculture)*
In coming years we will concentrate on **growth with our clients**. Having in mind unfavorable environment we will **support this growth** and we will aim to improve **our effectiveness** by **increasing the client value**.

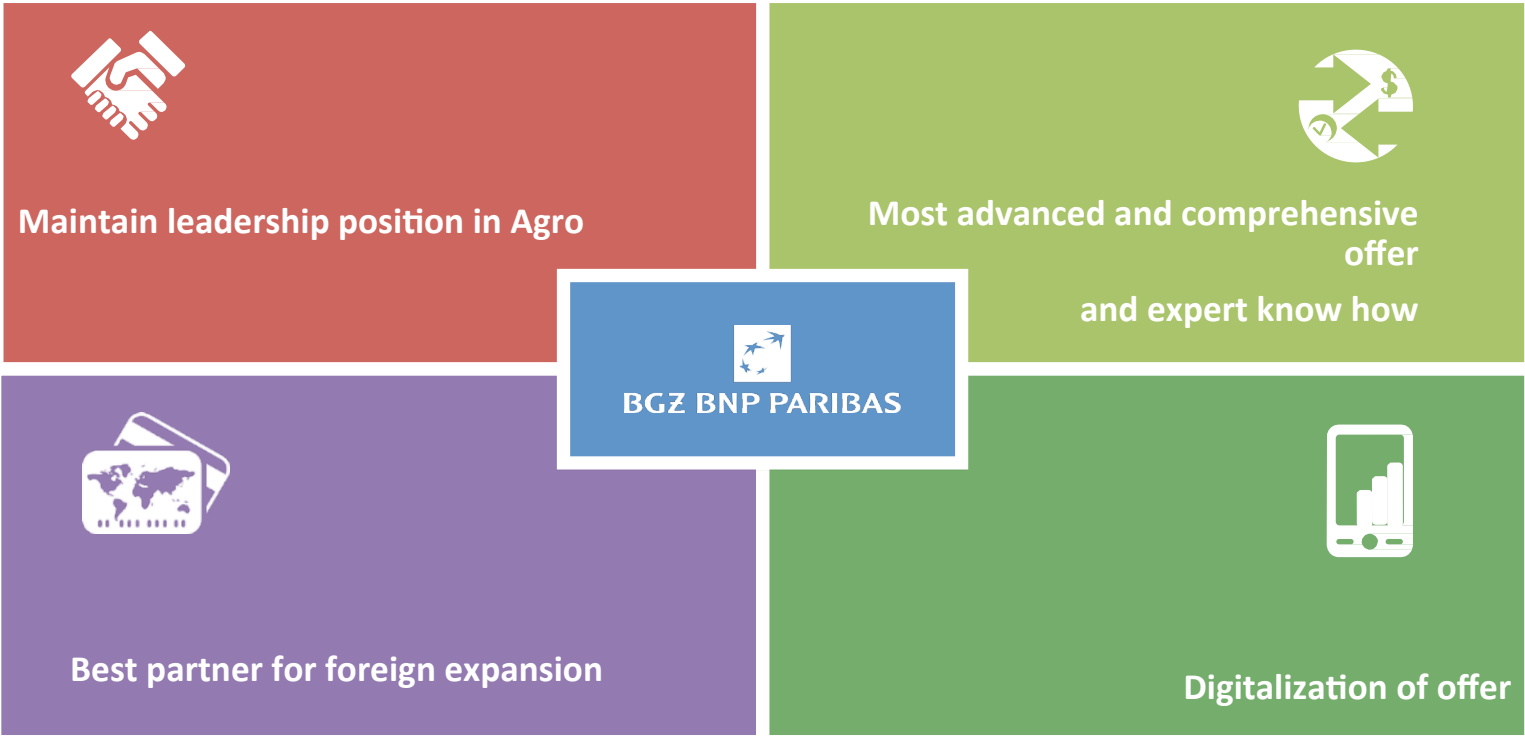
* As we are the bank of leaders of market we expect growth of our market share as natural consequence of growth of our existing clients.



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Our strategy in Agro



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