



Information on the impact of the coronavirus epidemic on the activities of the Group of BNP Paribas Bank Polska S.A. – update

current report no 15/2020

report date: 15 April 2020

The Management Board of BNP Paribas Bank Polska S.A. (“the Bank”), in reference to the current report no. 13/2020 dated 2 April 2020, hereby informs that based on the Bank’s estimations the decision of the Monetary Policy Council of 8 April 2020 regarding another decrease of the reference interest rate from 1.0% to 0.5% will adversely affect the net interest income of the Bank and the Group for 2020 in an estimated range from PLN 55 to 70 million. The combined impact of both interest rate cuts made by the Monetary Policy Council on 17 March and 8 April 2020 (from 1.5% to 0.5%) on the net interest income of the Bank and the Group for 2020 may amount to PLN 100 – 130 million. The actual impact will depend on the yields curve and delivery of business assumptions. Both the estimates and assumptions may change. In addition, it is assumed that the interest rate cut made on 8 April 2020 may have a negative impact on the result on the loan portfolio measured at fair value through profit or loss in 2020.

Furthermore, the Bank informs that based on the current knowledge, estimated effects of the coronavirus epidemic, including among others depreciation of the Polish zloty and the Bank’s expectations about the epidemic impact on the financial situation of the Bank’s credit clients, will lead to an increase of net impairment losses on financial assets and contingent liabilities for the first quarter of 2020 by at least PLN 70 million. As a result, the total cost of risk for the first quarter of 2020 may be significantly higher than in the corresponding period of the previous year.

Legal basis

Article 17 item 1 of the MAR Regulation