

Adoption and impact of the Act on crowdfunding for business ventures and assistance to borrowers

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The Management Board of BNP Paribas Bank Polska S.A. ("the Bank") hereby informs that in connection with the adoption of the Act on crowdfunding for business ventures and assistance to borrowers ("the Act") giving to Customers the possibility to suspend the performance of mortgage loan agreements granted in PLN from August 1, 2022 to December 31, 2023 ("suspension"), it acknowledged on 15 July 2022 the estimated impact of this Act on the Bank's results and operations.

In accordance with International Financial Reporting Standard 9 ("IFRS 9"), the estimation of impact is based on the calculation of the forecasted gross book value of PLN mortgage loans using cash flows that take into account possibility of suspension discounted at the original effective interest rate which is then recognized in the income statement in net interest income.

For an assumption of a range of 50% to 65% of Customers, submitting an application for a suspension, the estimated total negative impact on the Bank's results may be in the range of approximately PLN 700 million to approximately PLN 915 million. The Management Board approved the recognition of PLN 700 million in July 2022.

At the same time, the Bank estimates that the additional contributions to the Borrowers Support Fund could amount to approximately PLN 50 million which will be booked in the second half of 2022. This estimate is based on the market share of the gross mortgage loan portfolio with a delay in repayment of principal or interest exceeding 90 days, assuming no lenders are exempt from the contributions.

The Bank is aware that the adopted assumptions reflect the subjective assessment of the Bank and are subject to a high degree of uncertainty. Consequently, these assumptions are subject to review. Bank will disclose information about the actual impact of the Act in the periodic reports.

Legal basis

Art. 17 (1) of the Market Abuse Regulation (MAR)