

Provision for a legal risk related to the CHF mortgage loans in Q4 2023

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The Management Board of BNP Paribas Bank Polska S.A. ("Bank") hereby informs that on 6 December 2023, it approved the estimated level of the provision related to the CHF mortgage loans' agreements recognized in the fourth quarter in the amount of around PLN 1,019 million (around PLN 1,980 million in the full year 2023).

The increase of the provision as compared to the previous quarters of 2023 is mainly related to the updated estimates of the inflow of new lawsuits, the number of settlements with Clients aimed at conversion of CHF loans into PLN as well as the update of other model's parameters.

In estimating the loss in the event of a judgment declaring the loan invalid, the Bank applies the same principle as in the previous periods, i.e., it does not take into account the remuneration for the use of the capital.

Further to the increase of provision, the coverage ratio of the provision against CHF mortgage loans' gross book value as at year-end 2023 is estimated to be close to 100%.

The Bank expects that as a result of booking the above mentioned provision the net loss in the fourth quarter of 2023 will be incurred. However due to the very good operating results realized for three quarters 2023, it is expected that the net result for the full year 2023 will be positive and the Bank remains on track to meet its key strategic targets.

More information on the financial results in the fourth quarter of 2023 will be disclosed in the annual financial statements for 2023 scheduled for publication on 1 March 2024.

Legal basis

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