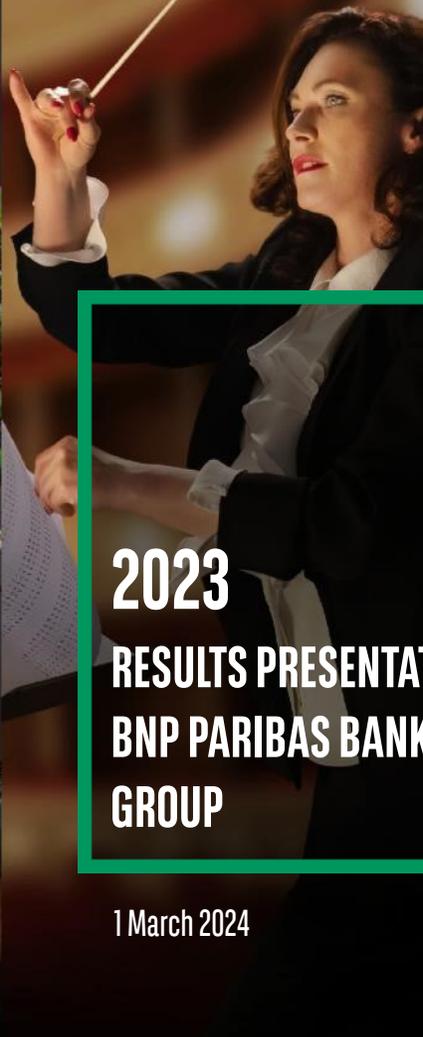




**BNP PARIBAS**



**2023**  
**RESULTS PRESENTATION OF**  
**BNP PARIBAS BANK POLSKA S.A.**  
**GROUP**

1 March 2024

# AGENDA

**01** Key highlights

**02** Macroeconomic environment

**03** Financial results

**04** Summary & outlook

**05** Business activities

**06** Appendices



# 01

Key highlights



# 2023 – a year of solid financial results and implementation of the GObeyond strategy goals

Growth of core revenues significantly above costs increase. Significant impact of CHF portfolio legal risk on the Bank's results

## STRATEGY & TRANSFORMATION

Consistent implementation of key strategic goals:

- #UP – new solutions going beyond the world of banking
- #POSITIVE – setting market standards
- #STRONGER – Bank's transformation acknowledged on the European arena
- #TOGETHER – achieving strategic goals in the area of diversity and employee satisfaction

## BUSINESS ACTIVITY

- Stable market share in loans despite marginal sales of mortgage loans in 2023. Slight increase of Institutional Customers' loans despite the continued low demand for loans from enterprises throughout the year
- Rebound in sales of investment products (balance increase by 51% y/y) along with a moderate increase in deposits in both Customer segments (+6% y/y in total)
- Increase in Retail Customer transactionality (cards, mobile transactions, digital wallets) and digital sales
- Finalization of the main phase of the transformation of the GOBiznes ecosystem for Institutional customers. Increase in the number of GOMobile Biznes users (+28% y/y)

## FINANCIAL RESULTS

- Growth in revenues in key core income categories, increase in NIM
- Improvement of the cost/income ratio despite the moderate increase in operating expenses
- Continued very good quality of the loan portfolio, low cost of risk
- The issue of CHF loans material for the Bank's financial results – almost PLN 2 billion impact in 2023
- Improved capital position resulting from lower RWA (i.a. change to IFRS 9) allowing for dividend payout from 2023 net profit

net profit

**PLN 1.0 bn**

+129% y/y

ROE

**8.2%**

+4 pp y/y

gross loans

**PLN 88.9 bn**

-1% q/q  
-3% y/y

NIM

**3.6%**

+31 bps y/y

NBI

**PLN 7.3 bn**

+36% y/y

expenses

**PLN 3.1 bn**

+2% y/y

# GO beyond Strategy 2022-25

Key achievements in 2023

## #UP - new solutions going beyond the world of banking

- Launch of an innovative **mamGO platform** for acquiring cars, financed through loans, long-term rent or leasing
- **GOinvest: a new investment advisory service** for Premium and Wealth Management Customers. The advisory service covers Customer's all assets
- Launch of **long-term rental of electronic devices** (in cooperation with Plenti)
- Agreement with **the European Investment Bank** for EUR 100 million to support energy efficiency projects in Poland
- 182 **cashless branches** (half of the sales network)
- **NPS improvement** – reducing the gap to our strongest competitors following the growth of NPS ratio by 10 points y/y (to 20 in Q4 2023)
- Awards: **Euromoney Awards** for Excellence 2023 – “Best Bank for Corporate Clients” and “Best Bank for ESG”. Second place in the **Newsweek's Friendly Bank** ranking in the “Bank for Kowalski” category

## #POSITIVE - setting market standards

- **Best ESG rating** among Polish banks awarded by **Sustainalytics**. A score of 10.2 (“Low risk”) represents an improvement over the score of 10.9 in 2022
- **Responsible Companies Ranking**: fourth time on top (in the overall classification & within its industry) with the maximum possible score
- Increase in **sustainable financing** to **PLN 9.6 billion** at the end of 2023 (10.9% share in the loan portfolio)
- **Sustainability-Linked Loan financing** (Polsat Plus, American Heart of Poland, Iglotex, Śnieżka)
- Opening of a **kids-only bank branch**. Up to 200 thousand school children will participate in practical financial education workshops
- Customer support for the acquisition of **"white certificates"** (energy efficiency certificates) in cooperation with VIVERO

### EXECUTION IN 2023

**85%** [66% in 2022]

**GOAL 2025: 90%**

% of key processes available via remote channels\*

\* for individual Customers

**+20%** [vs 2021]

**GOAL 2025: >22%**

Increase in the number of active international Customers

**43%** [25.5% in 2022]

**GOAL 2025: >50%**

Digital sales (Individual Customers)

**+27%** [vs 2021]

**GOAL 2025: +30%**

Increase in the number of active food processors

**14.7%** [5% in 2021]

**GOAL 2025: 30%**

Share of sustainable assets in management

**37%** [18% in 2021]

**GOAL 2025: 50%**

Clients' Centers with the “Barrier-free facility” certificate

# GO beyond Strategy 2022-25

Key achievements in 2023

## #STRONGER - Bank's transformation acknowledged on the European arena

- Bank's digital solutions the most innovative in the Central and Eastern Europe - Innovation in Digital Banking Award 2023 for the implementation of digital customer service in the branch using a mobile application
- Implementation of the **Payment Gateway** for Customers operating in e-commerce industry (Axepta BNP Paribas)
- Enabling Clients to settle formalities in branches with the use of **mDowod**
- Completion of the main phase of **the transformation of the GOBiznes ecosystem** (GOonline Biznes, GOMobile Biznes, GOconnect Biznes) to a new version with a modern user interface and new modules
- Introducing the **Broker ID remote identity confirmation** for SMEs with Autenti, as the first bank in Poland
- Launch of **Artificial Intelligence** usage to determine deposit rates and in the FX transactions area

## #TOGETHER - achieving strategic goals in the area of diversity and employee satisfaction

- "I can DO IT" internal training program for bank employees seeking to change their career path towards IT. Two courses: Service Desk and IT Analyst
- Initiatives dedicated to employees: **2 Hours for Family, 2 Hours for Health**
- Partnership agreement with Activation Foundation under the name "INCLU(VI)SION", supporting **employment of people with disabilities**
- Workplace environment audit conducted together with asperIT foundation, to address the **needs of neuroatypical employees**
- Award in the DEI 30% Club Poland competition - the Bank received a distinction for the Women UP Program for **women development** and the title of winner for the strategy of supporting the partnership family model
- Strategic partner of the "Noble Gift" program for the 6<sup>th</sup> time
- **Share of women in the Bank's Management and Supervisory Board** above the strategic target of 30% (Management Board: 37.5%\*, Supervisory Board: 42%)

### EXECUTION IN 2023

**+12%** [CAGR vs 2021]

**GOAL 2025: >10% per year**

Operations efficiency increase

*calculated as the volume of products per FTE in the Operations and Sales Support Area*

**73**

**GOAL 2025: >200**

Number of use cases using AI or advanced data analytics

**23** [-9 in 2021]

**GOAL 2025: 20**

Net Promoter Score of employees

**37.5%\*** [22% in 2021]

**GOAL 2025: 30%**

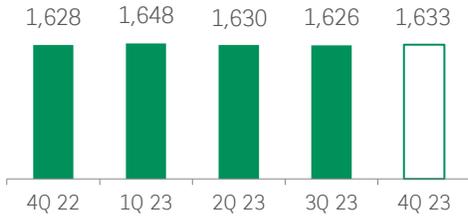
Share of women in the Bank's Management Board

*\* as at 1 January 2024*

# #G0digital - statistics

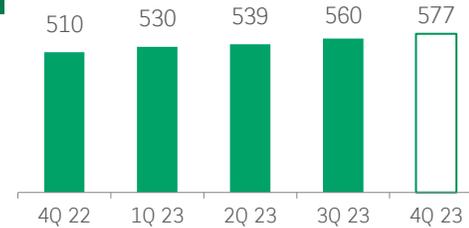
Constant development of mobile banking. Further growth in the number of transactions and users

## > Customers using digital channels [thous.]



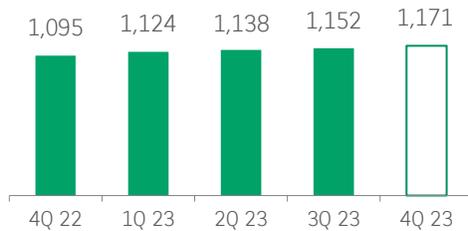
**+0.4% q/q**  
**+0.3% y/y**

## > Number of tokens in digital wallets [thous.]



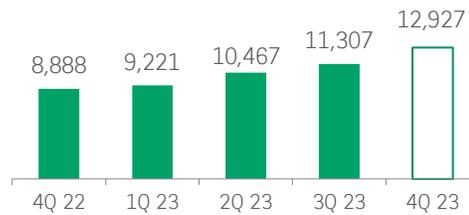
**+3% q/q**  
**+13% y/y**

## > G0mobile users [thous.]



**+2% q/q**  
**+7% y/y**

## > BLIK transactions quarterly [thous.]



**+14% q/q**  
**+45% y/y**

#G0digital



Open  
banking



G0dealer  
application

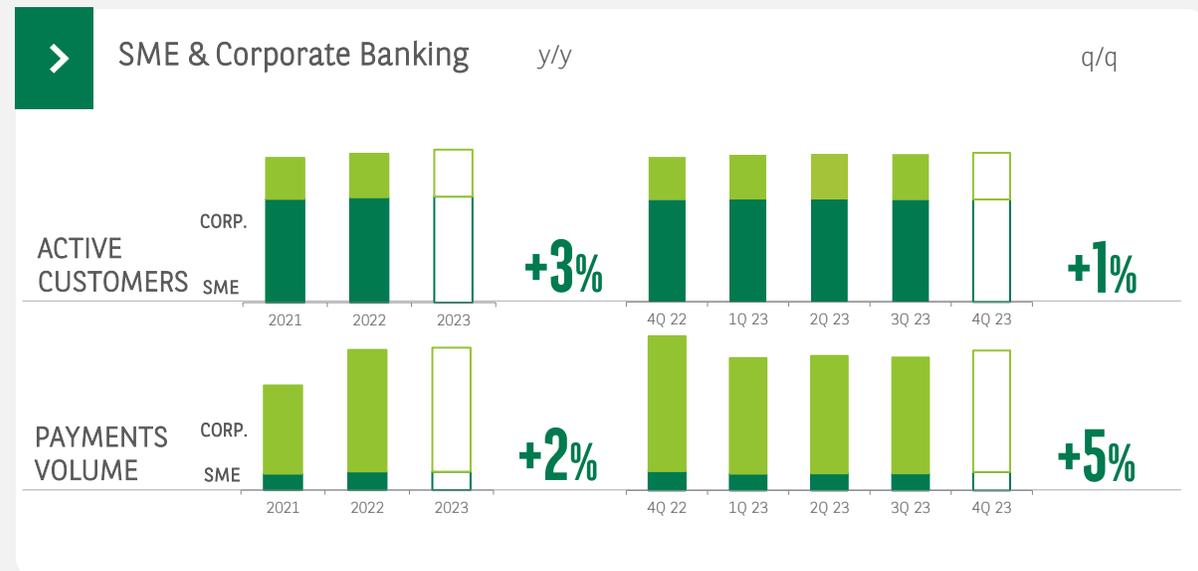
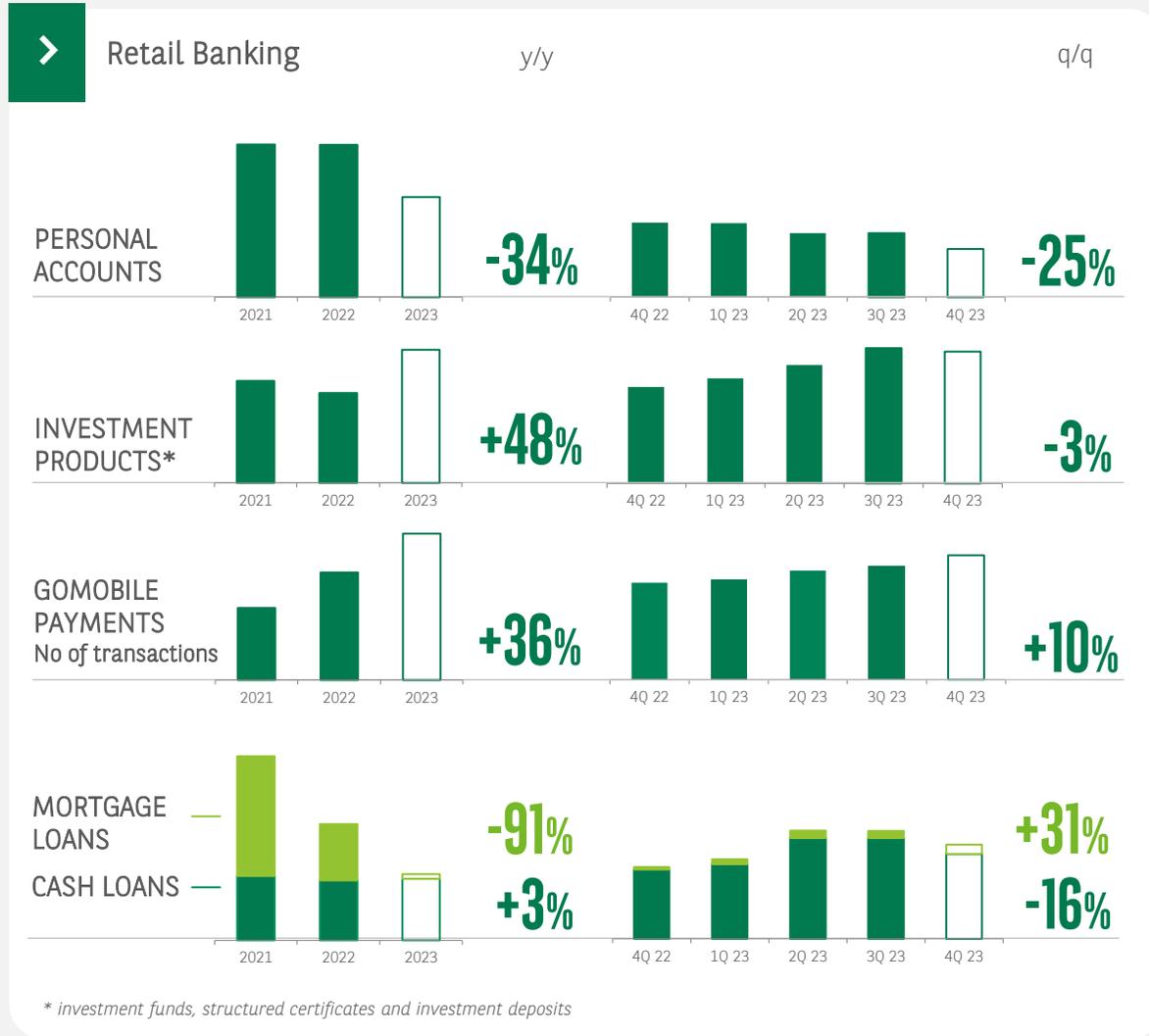


G0invest  
service



# Customer business activity - sales & transactional volumes

Increase in transactionality and sales of investment products in Retail Banking and in the number of active Customers in SME & Corporate Banking



We support our Customers in business development by actively participating in key deals on the market

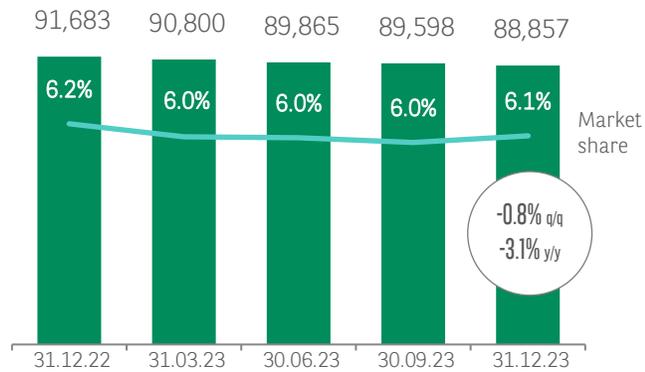
<p><b>AmRest</b> <b>EUR 800 million</b> Refinancing, CAPEX, general corporate purposes, working capital needs of the Group BNP PARIBAS Mandated Lead Arranger, Original Lender December 2023</p>	<p><b>American Heart of Poland</b> <b>PLN 1 571 million</b> Refinancing and financing of investment projects and acquisitions BNP PARIBAS Mandated Lead Arrangers, Sustainability Coordinator December 2023</p>	<p><b>Ikonos SpA</b> <b>EUR 208 million</b> Refinancing of existing indebtedness and financing of general corporate purposes BNP PARIBAS Mandated Lead Arranger December 2023</p>	<p><b>NOWEL</b> <b>PLN 408 million</b> Refinancing, CAPEX, general corporate purposes, working capital needs of the Group BNP PARIBAS Lead Arranger, Security Agent, Hedge Coordinator December 2023</p>
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# Loan and deposit volumes

Increased market share in loans for enterprises. Further growth of deposits in all Customer segments



## Gross loans\* [PLN million]



**-3.0% q/q**

decrease in Individual Customer loans (-8.0% y/y), mortgage loans (-4.6% q/q, -12.8% y/y)

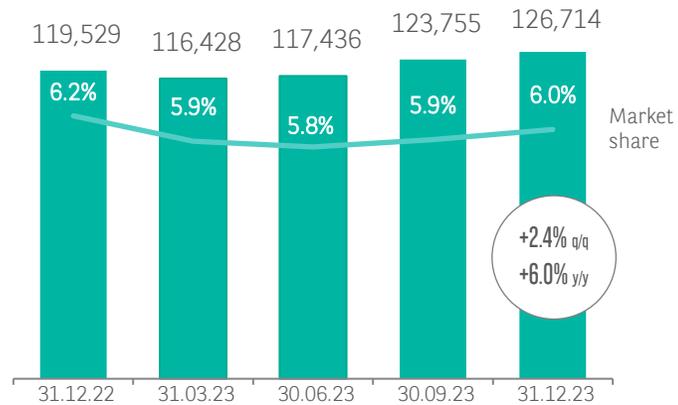
**+0.6% q/q**

increase in Institutional Customer loans (+0.3% y/y)

\* taking into account the implementation of IFRS 9 in the presentation of the loan portfolio (mortgage loans in CHF)



## Customer deposits [PLN million]



**+1.8% q/q**

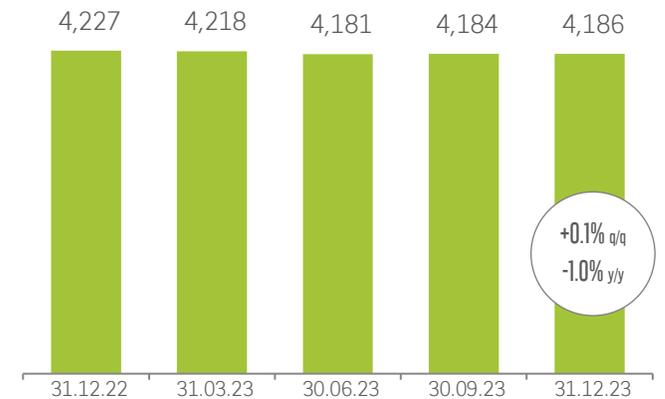
increase in Individual Customer deposits (+2.7% y/y)

**+2.8% q/q**

increase in Institutional Customer deposits (+8.3% y/y)



## Number of Customers [thous.]



**-0.1% q/q**

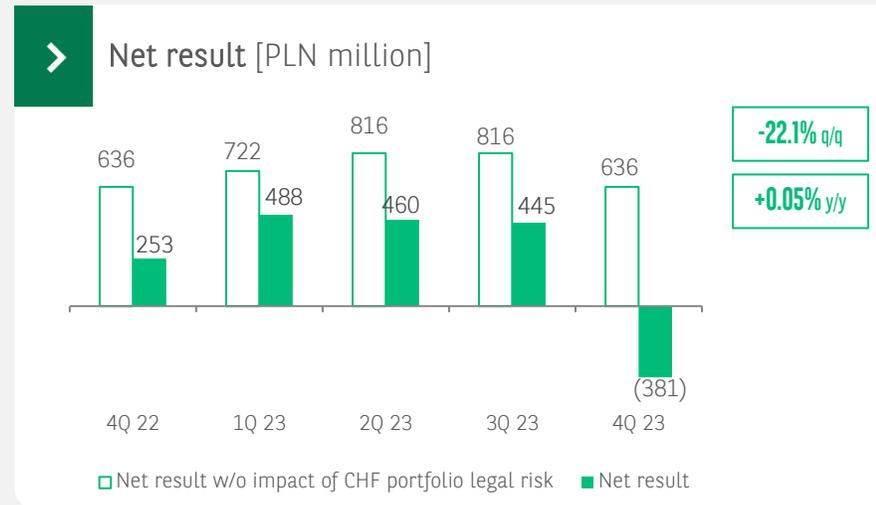
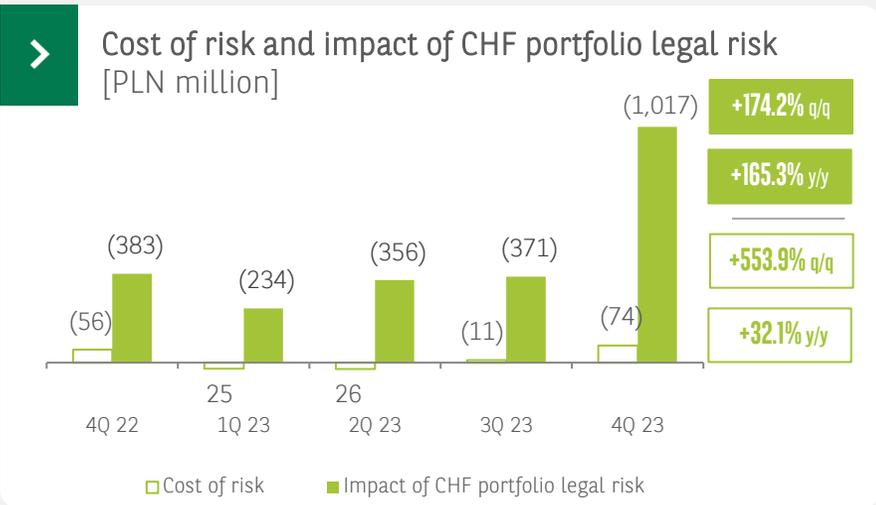
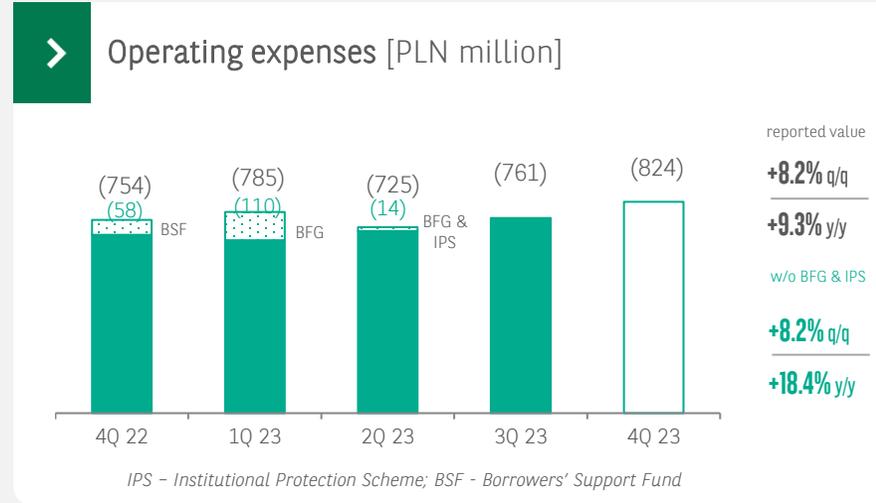
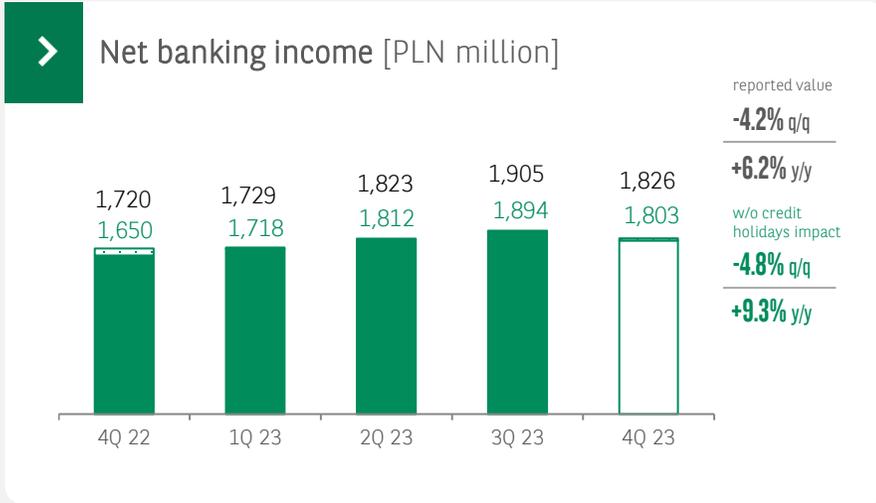
stable number of Individual Customers (-1.2% y/y as a result of portfolio cleaning)

**+1.3% q/q**

slight increase in the number of micro, SME and Corporate Customers (+1.5% y/y)

# Quarterly financial results

Q4 2023 results determined by the significant impact of CHF loan portfolio legal risk. Solid NBI, seasonal increase of operating expenses, normalization of cost of credit risk



Improvement of NII and NF&C in Q4 as well as lower q/q net trading income and net investment income. Increase in NBI y/y.

Seasonal quarterly increase in operating expenses. Restructuring provision included in personnel expenses.

Normalization of cost of risk in Q4 resulting from, among others, the lack of material recoveries comparable to the previous quarters of 2023. Cost of risk below the market average.

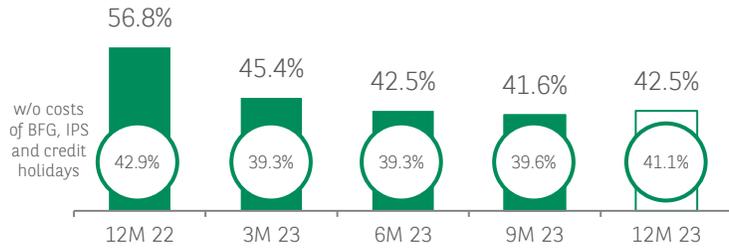
Significant impact of CHF loan portfolio legal risk in Q4 2023.

PLN 636 million of quarterly net profit w/o the impact of CHF portfolio legal risk (-22.1% q/q, +0.05% y/y).

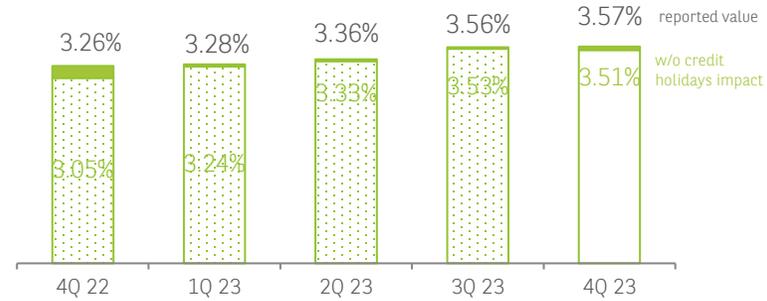
# Key financial ratios

Improvement of key financial ratios mainly due to higher net interest margin, cost control, lower impact of regulatory charges and low cost of risk

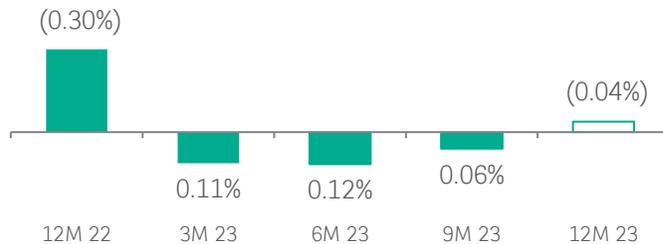
## > Cost / Income [%]



## > Net interest margin on assets\* [%]

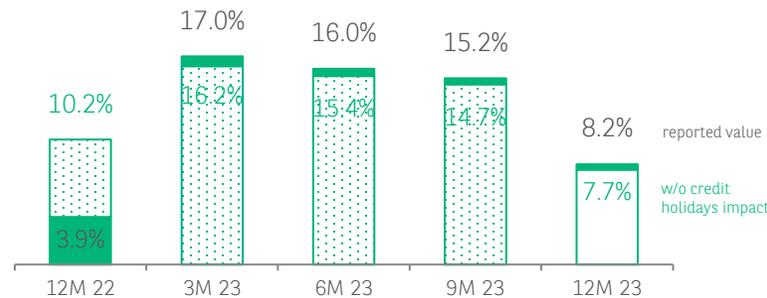


## > Cost of risk\* [%]



\* taking into account the implementation of IFRS 9 in the presentation of the loan portfolio (mortgage loans in CHF)

## > ROE [%]



Improvement of the reported Cost / Income ratio y/y as a result of an increase in net banking income and lower regulatory costs.

Excluding costs of BFG, IPS and credit holidays impact, the ratio would be 41.1%.

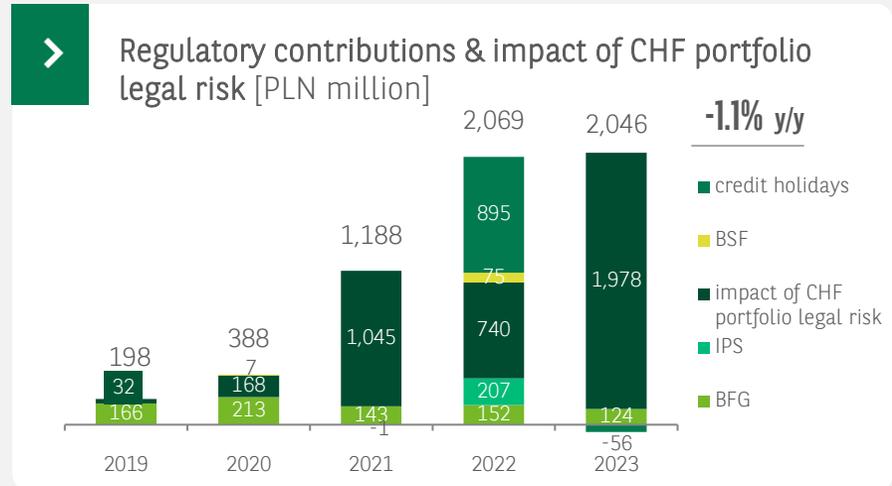
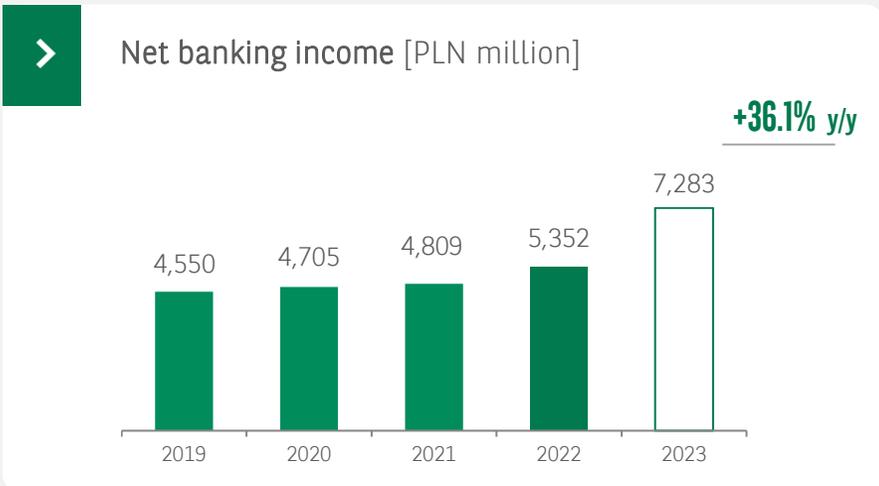
Improvement of net interest margin as a result of investing surplus liquidity and reducing the cost of financing.

Low cost of risk and very good quality of the loan portfolio.

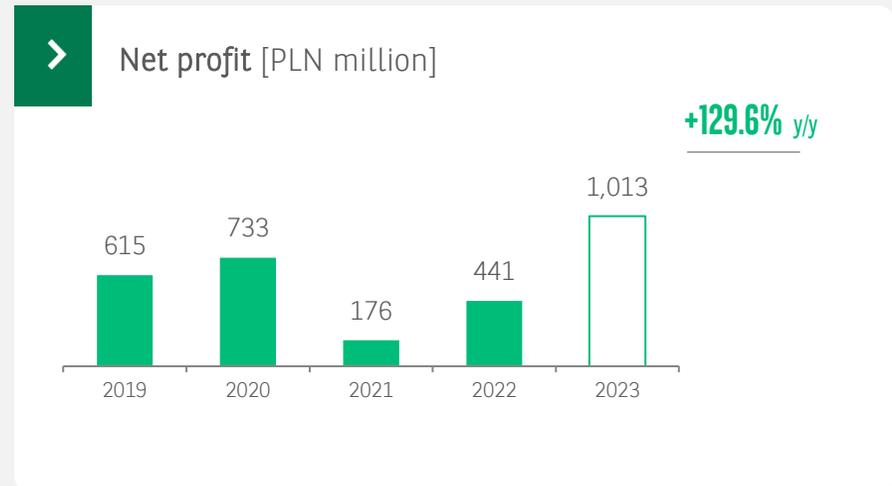
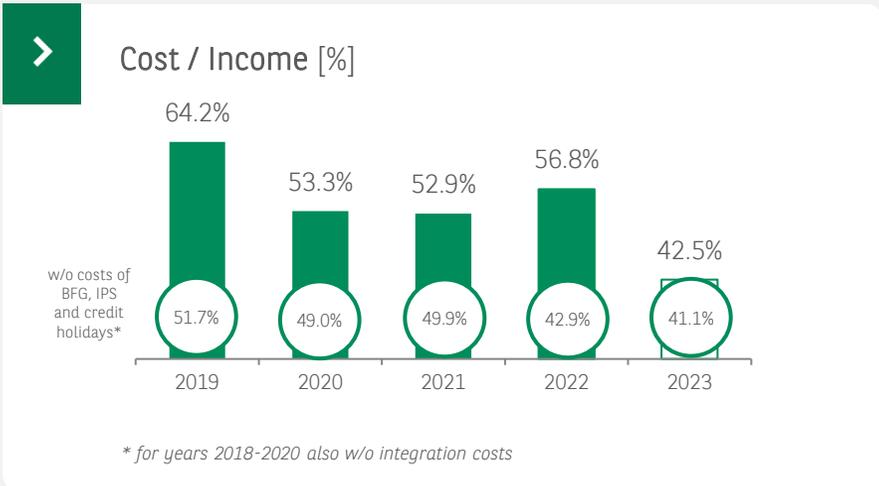
Reported ROE at the level of 8.2% despite an almost three-fold increase in the impact of the CHF portfolio legal risk on the results. Excluding the impact of the CHF portfolio legal risk and credit holidays, ROE would amount to 22.0%.

# Significant improvement of the core business profitability

Improved operational efficiency achieved mainly due to higher net interest margin and growing non-interest income. Increase in net profit despite significant impact of CHF portfolio legal risk on the results



IPS - Institutional Protection Scheme; BSF - Borrowers' Support Fund



Historically the highest net banking income possible due to:

- increase in net interest income by 49.6% (by 17.8% w/o credit holidays impact),
- growth in net trading income by 26.0% y/y,
- higher NF&C by 6.5% y/y.

Maintaining a similar level of operating expenses (up by 1.9%) as a result of lower costs of BFG and IPS by 65.4%. Excluding costs of BFG, IPS and credit holidays impact, the Cost / Income ratio would be 41.1%.

PLN 1.0 billion of net profit in 2023, mainly due to higher core revenues and low cost of risk, despite the significant impact of the CHF portfolio legal risk on the results.

02

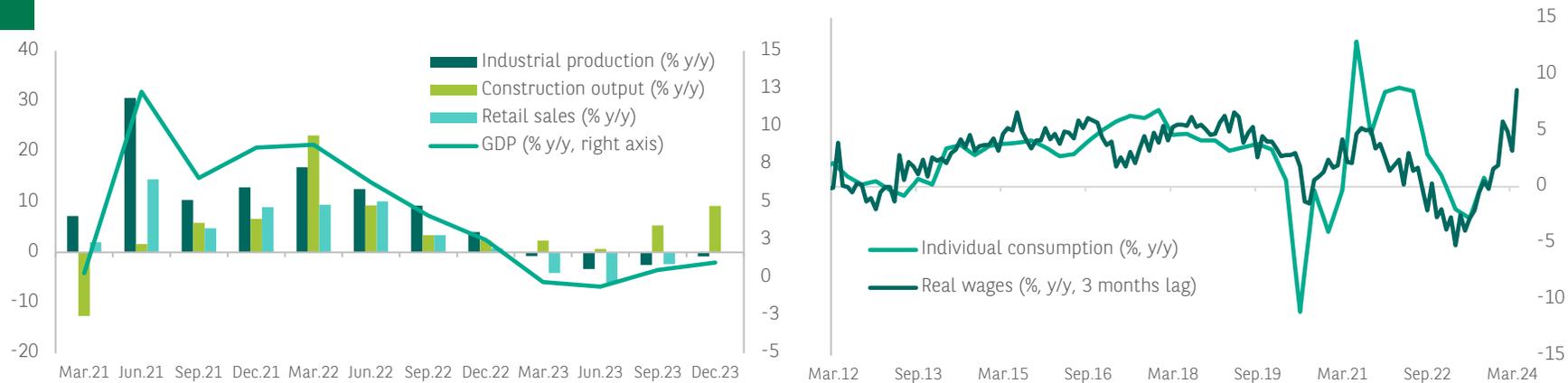
Macroeconomic environment



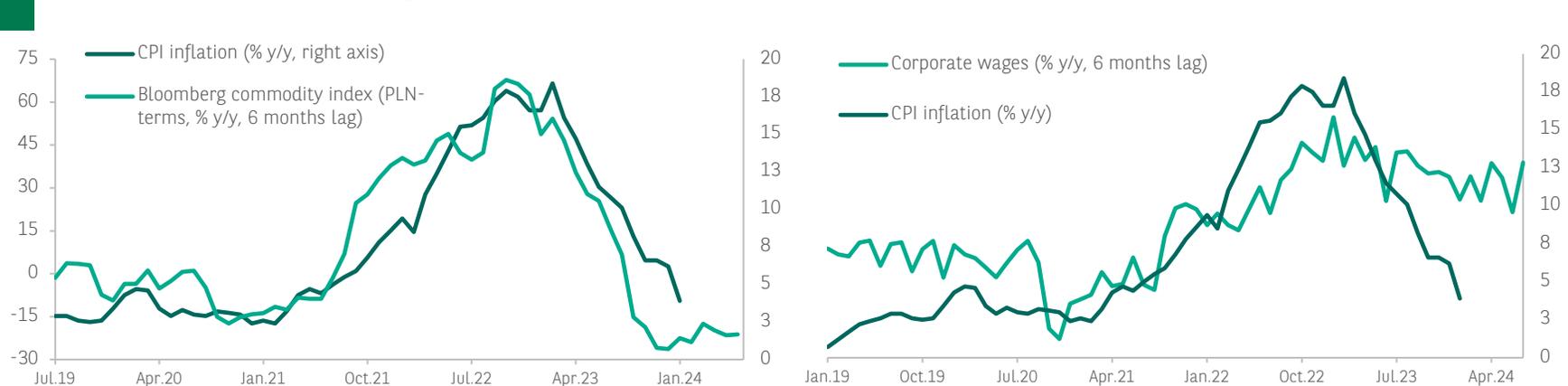
# GDP, economic situation and inflation

Economic recovery, continued disinflation in the near term

## > Increase in economic activity in the second half of 2023, real income will support consumption



## > Price pressure is decreasing, but domestic factors remain pro-inflationary



Available data point to ongoing recovery of the Polish economy, thanks to the acceleration of domestic demand. However, while last year investments were the main factor supporting economic activity, this year it will be household consumption expenditure that should become the most important driver for growth.

Consumption will be supported by rapidly growing real income, resulting from strong increase in nominal wages, higher social transfers, and - especially in the first half of the year - lower inflation.

The main factors contributing to the decline in inflation are cheaper commodities and a stronger zloty. However, domestic inflationary pressure resulting from wages and demand remains stubbornly high.

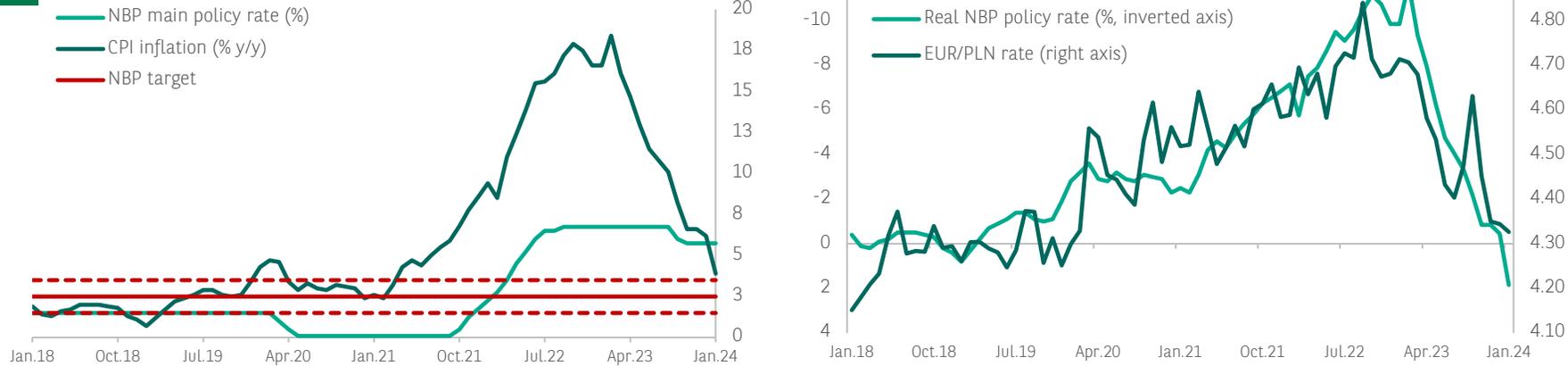
Uncertainty about the CPI inflation outlook in the second half of the year remains high, however, dependent on decisions regarding the VAT rate on foodstuffs and energy tariffs.

Source: GUS, Eurostat, Macrobond, BNP Paribas

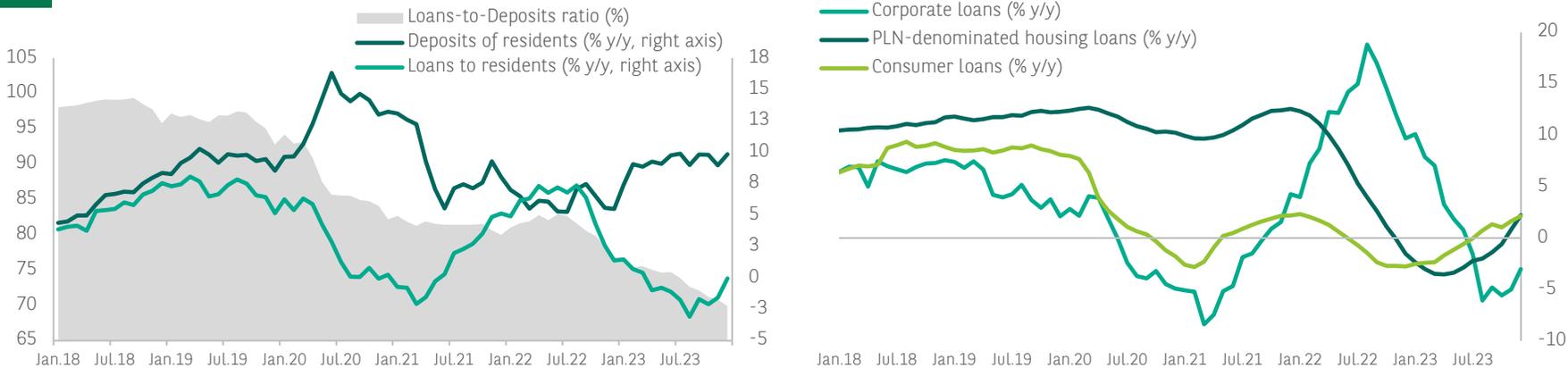
# Monetary policy, exchange rate and the banking sector

Stabilization of interest rates, strong zloty and improvement in demand for loans

## Interest rates unchanged from October 2023, PLN supported by fundamental and cyclical factors



## Banking sector: low net debt of the private sector, but loan demand is slowly picking up



Since October last year, the Monetary Policy Council has kept interest rates unchanged. A positive real interest rate is one of the factors supporting the strengthening of the Polish zloty.

Additionally, the appreciation of the Polish currency is supported by better prospects for the inflow of significant funds from the European Union. Since mid-October 2023, the EURPLN rate has been around 4.35.

The weak economic backdrop last year, combined with relatively high interest rates, is reflected in the banking sector.

The private sector's net debt has been steadily declining. However, the acceleration of GDP growth should result in a renewed increase in demand for loans in the coming months, especially in the corporate segment.

Source: GUS, Eurostat, NBP, KNF, Macrobond, BNP Paribas

03

Financial results



## Key financial data - 2023

Improving financial results despite the significant impact of CHF portfolio legal risk. Strengthening the capital position and increasing shareholder value

### > Financial results

Net profit	<b>PLN 1,013 million</b>	<b>+129.3% y/y (PLN +571 million)</b>
Net banking income	<b>PLN 7,283 million</b>	<b>+36.1% y/y (PLN +1,931 million), of which:</b> net interest income: PLN 5,225 million, +49.6% y/y net fee & commission income: PLN 1,211 million, +6.5% y/y net trading income: PLN 951 million, +26.0% y/y
Expenses	<b>PLN -3,096 million</b>	<b>+1.9% y/y (PLN +57 million)</b>
Expenses (w/o BFG & IPS)	<b>PLN -2,971 million</b>	<b>+10.9% y/y (PLN -292 million)</b>
C/I Ratio	<b>42.5%</b>	<b>-14.3 pp y/y</b>
C/I Ratio (w/o BFG, IPS & credit holidays)	<b>41.1%</b>	<b>-1.8 pp y/y</b>
Impact of CHF portfolio legal risk on P&L	<b>PLN -1,978 million</b>	<b>+167.3% y/y (PLN -1,238 million)</b>
Net impairment write-offs	<b>PLN -34 million</b>	<b>-87.5% y/y (PLN +241 million)</b>

### > Volumes

Assets	<b>PLN 161 billion, +7.3% y/y</b>
Loans (gross)	<b>PLN 89 billion, -3.1% y/y</b>
Securities	<b>PLN 43 billion, +8.3% y/y</b>
Customer deposits	<b>PLN 127 billion, +6.0% y/y</b>
Investment products	<b>PLN 15 billion, +51.0% y/y</b>
Equity	<b>PLN 13 billion, +14.2% y/y</b>

### > Indicators

Total Capital Ratio	<b>16.67%</b>
Tier 1	<b>12.51%</b>
MREL standalone (% TREA)	<b>21.74%</b>
ROE	<b>8%</b>
BVPS (PLN)	<b>87.1</b>
Net loans/deposits	<b>68%</b>
LCR	<b>239%</b>
NIM (net assets, quarterly)	<b>3.57%</b>

# Loan portfolio

Increase in Institutional Customer loans despite still low demand from enterprises. Value of retail loans determined by the shrinking portfolio of mortgage loans

55%  
share in total assets

## Gross Customer loans\* [PLN million]



### Individual Customers' portfolio:

- decrease in the value of CHF mortgage loans (-44.3% q/q, -69.4% y/y) mainly due to the impact of legal risk recognized as a reduction in the gross value
- decrease in the value of PLN mortgage loans (-1.8% q/q, -6.1% y/y)
- slight quarterly decline in the value of cash loan portfolio (-1.3% q/q) with an annual increase (+2.1% y/y)

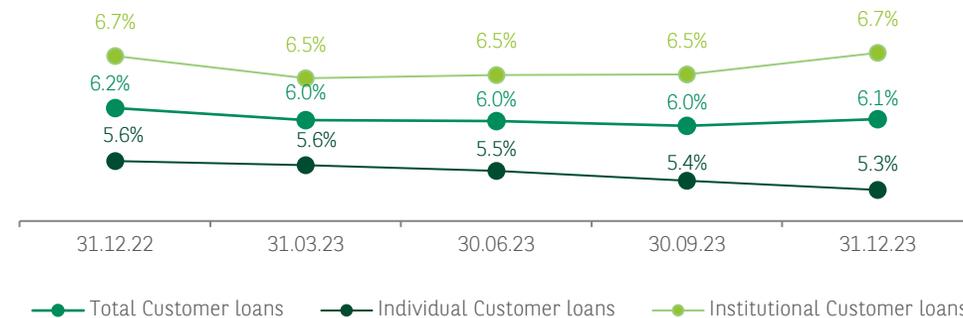
### Institutional Customers' portfolio:

- slight decrease in the portfolio of enterprises (-1.3% q/q, -2.5% y/y)
- increase in the portfolio of individual farmers (+9.3% q/q, +8.9% y/y) and the leasing portfolio (+2.2% q/q, +9.0% y/y)

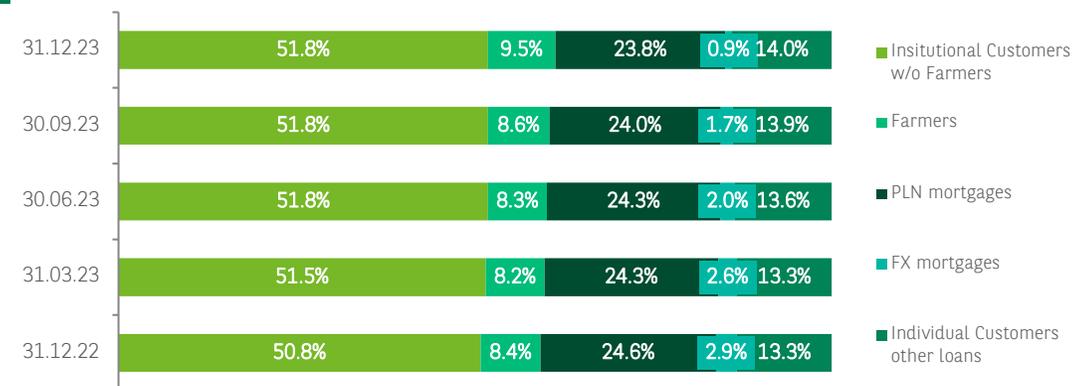
The value of sustainable financing at the end of 2023: PLN 9,599 million (+7.8% q/q, +47.7% y/y)

\* taking into account the portfolio measured at fair value and the implementation of IFRS 9 in the presentation of the loan portfolio (mortgage loans in CHF)

## Market shares [%]



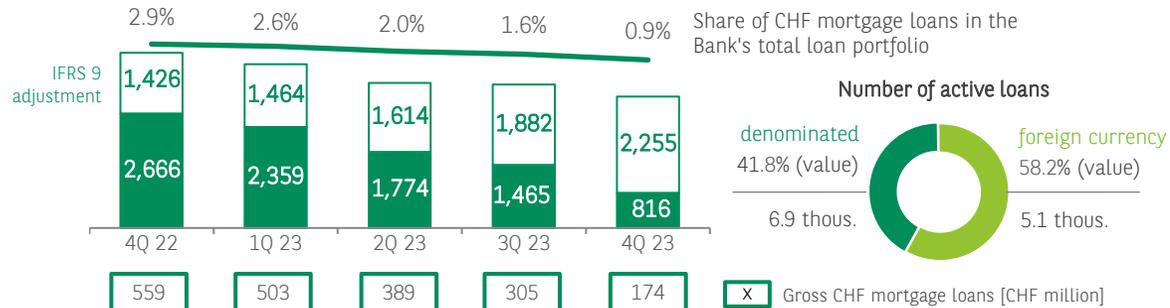
## Gross loans structure\* [%]



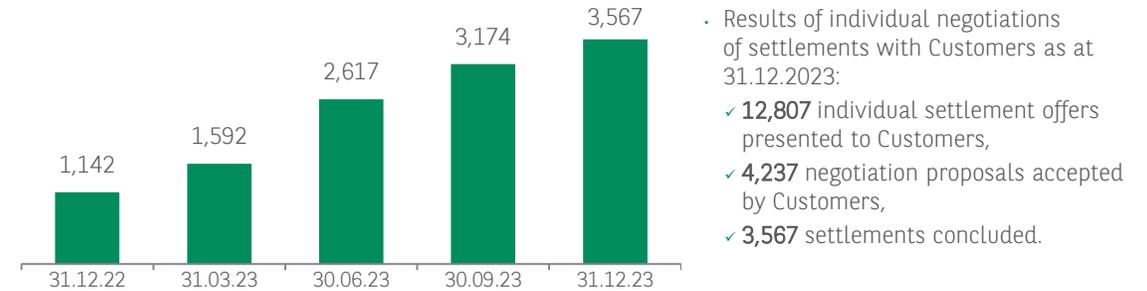
# CHF mortgage loan portfolio

Significant increase of the legal risk impact in Q4 2023, mainly related to updated estimates of the forecasted number of lawsuits and settlements concluded with Clients

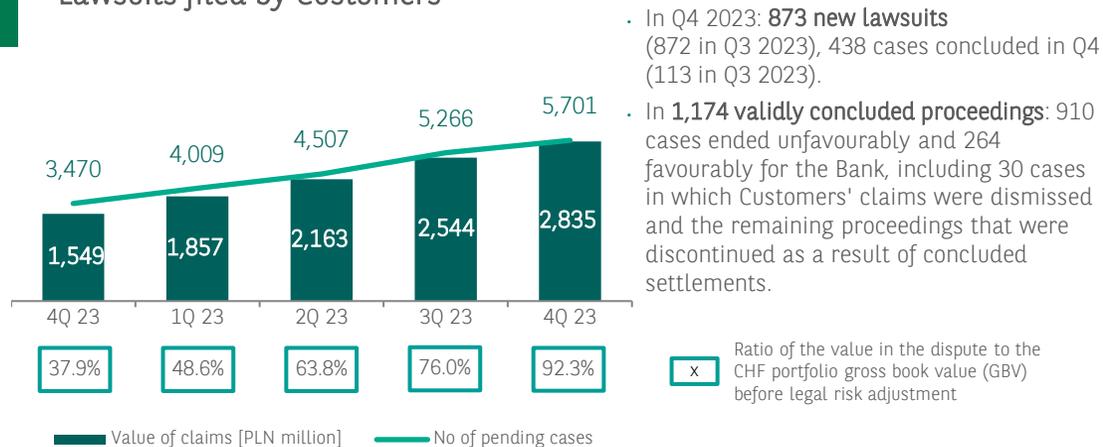
## > Gross CHF mortgage loans\* [PLN million]



## > Number of settlements concluded with Borrowers

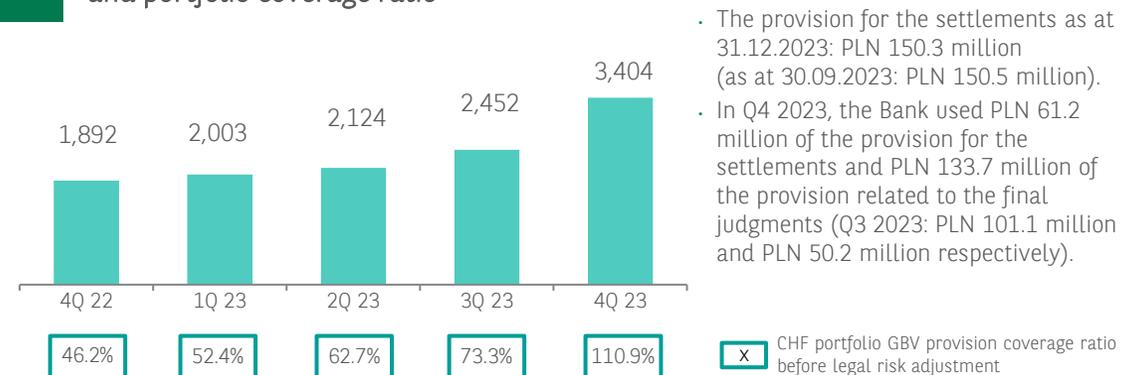


## > Lawsuits filed by Customers



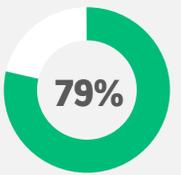
\* taking into account the implementation of IFRS 9 in the presentation of the loan portfolio (mortgage loans in CHF)

## > Value of the impact of legal risk at the end of period [PLN million] and portfolio coverage ratio

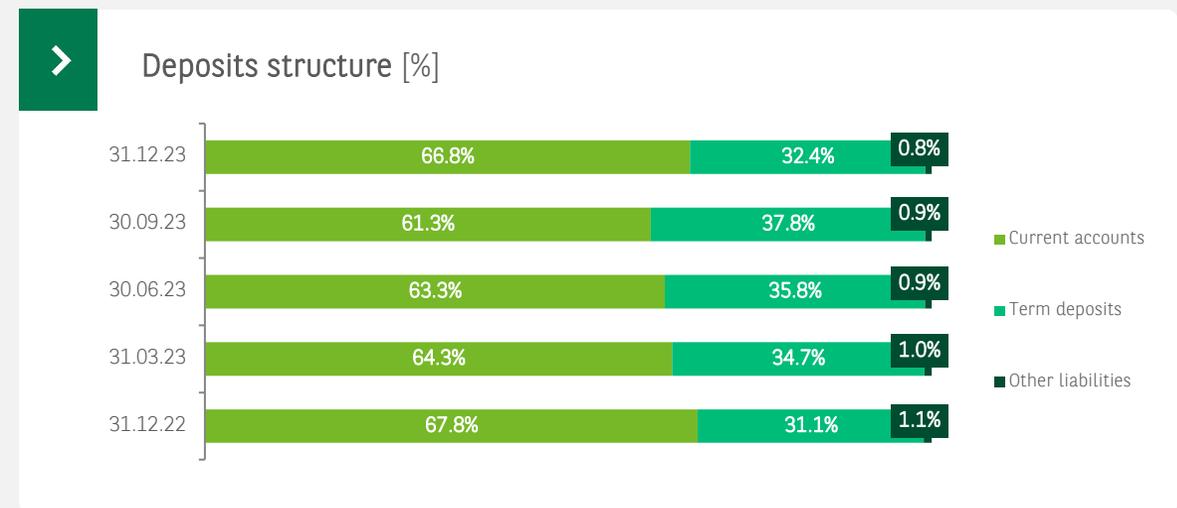
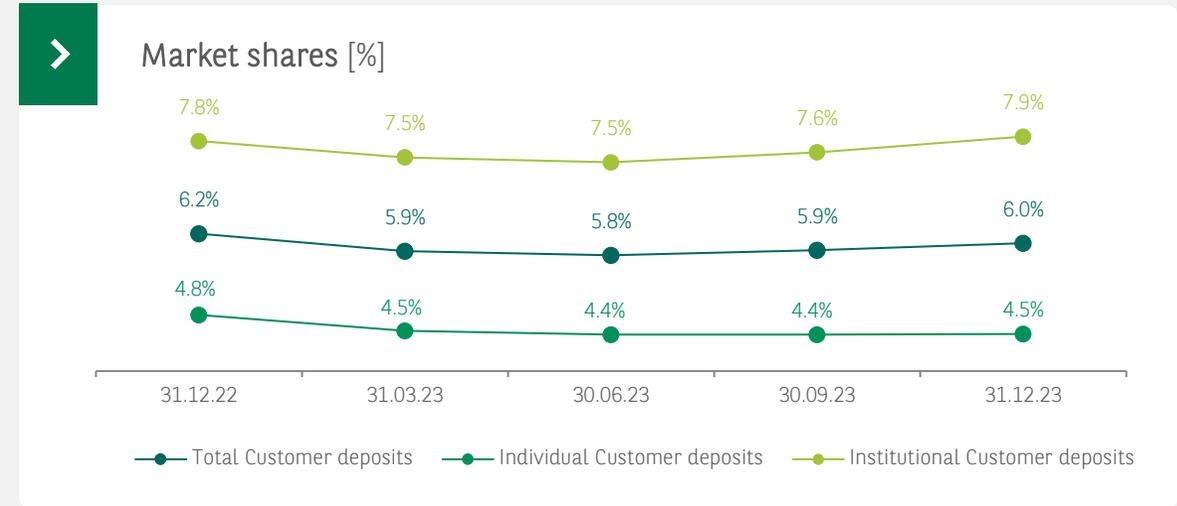
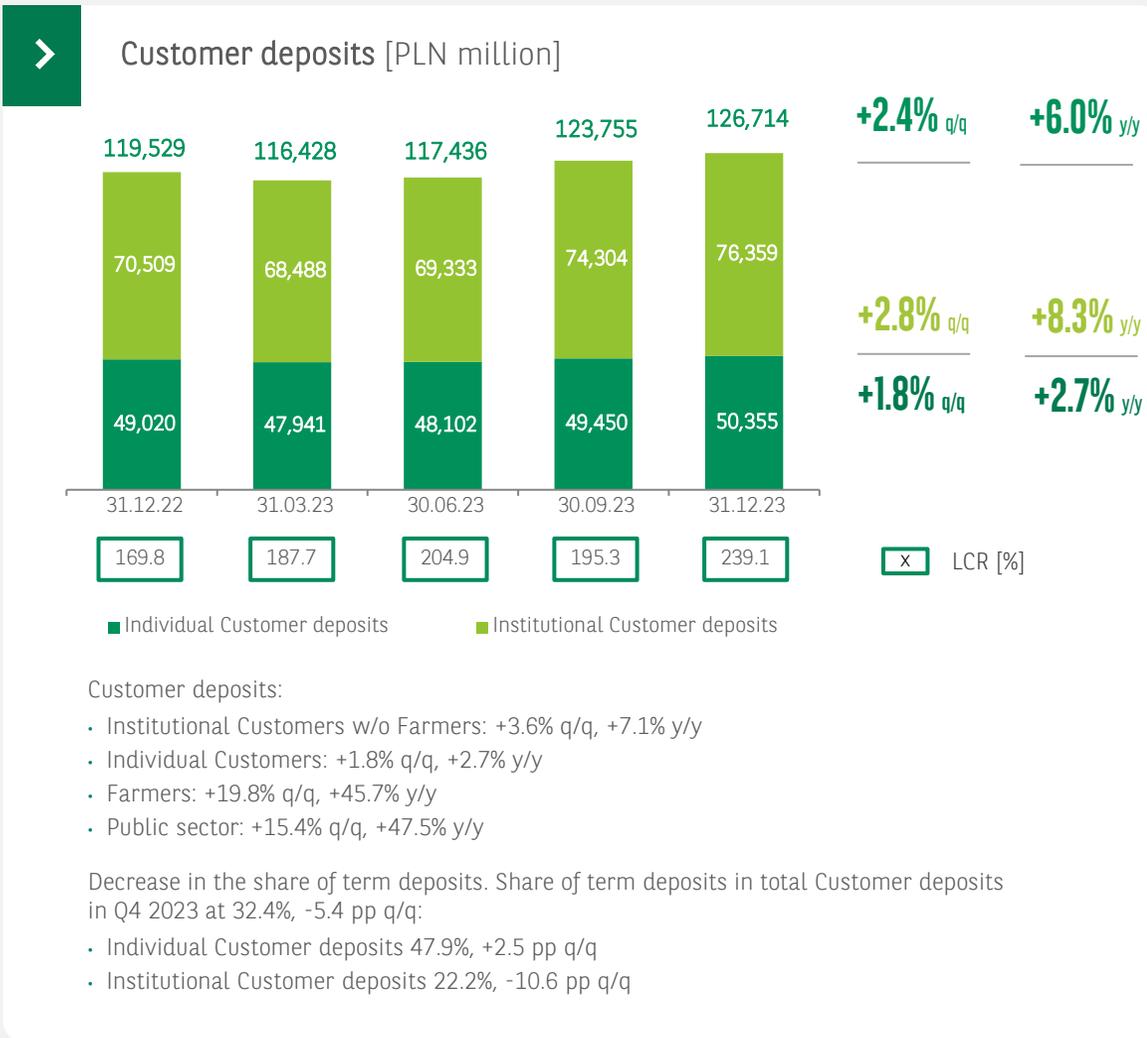


# Customer deposits

Continued growth in the value and market share of deposits in both core Customer segments



share in total liabilities and equity

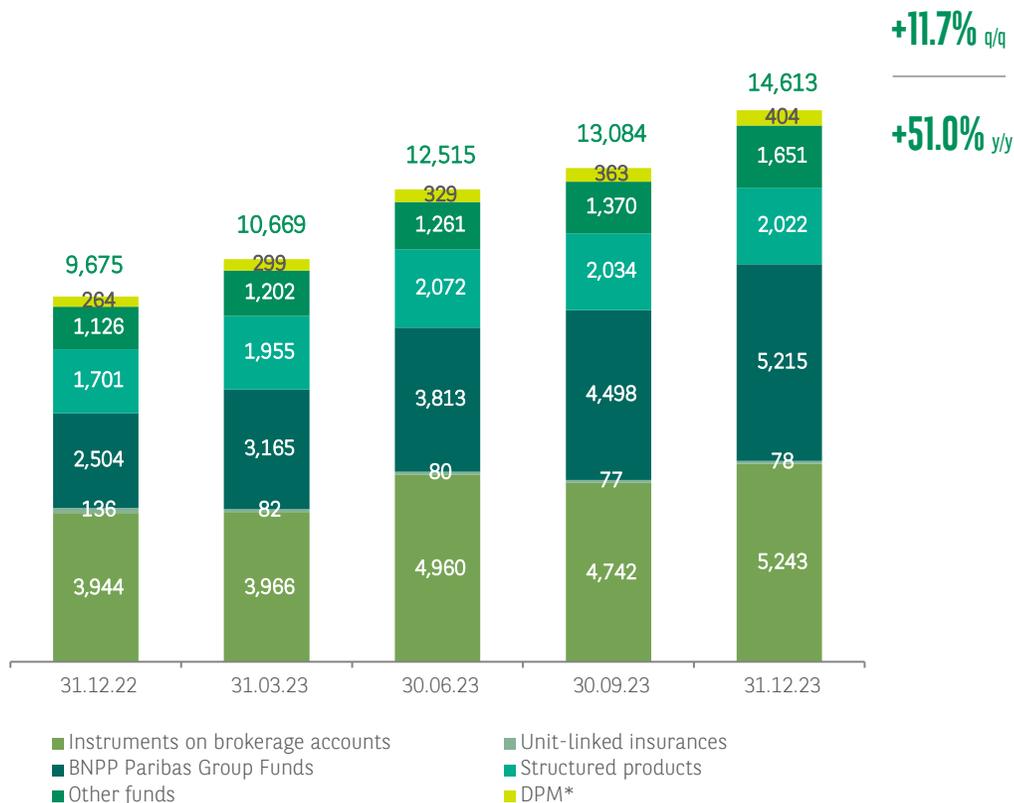


# Investment products

Return to levels observed before the start of interest rate increase cycle. Growth of all key investment products' values, doubling the value of investment funds



Investment products [PLN million]



+11.7% q/q

+51.0% y/y

■ Instruments on brokerage accounts  
■ BNPP Paribas Group Funds  
■ Other funds  
■ Unit-linked insurances  
■ Structured products  
■ DPM\*

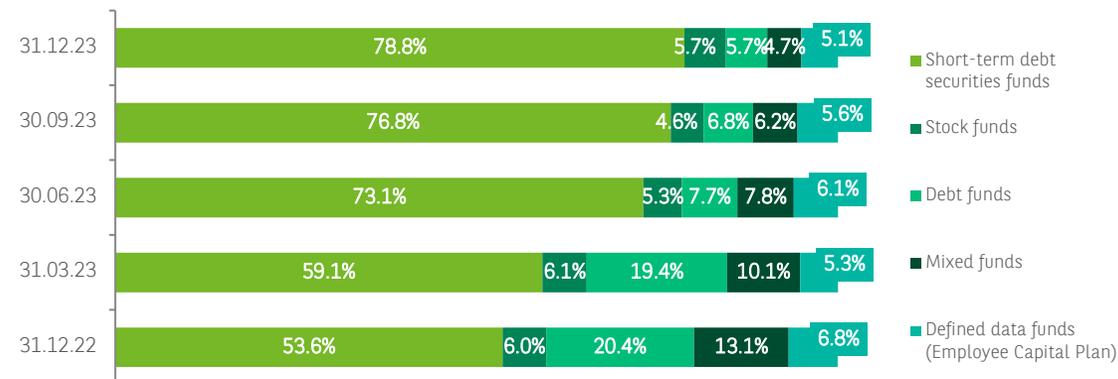
\* Discretionary Portfolio Management

## Increase in the value of investment funds and Clients' assets on brokerage accounts

- In Q4 2023, there was a further increase in the value of funds invested in investment funds of the BNP Paribas Group (+108.3% y/y, +15.9% q/q).
- Customers' interest in subfunds investing in the market of short-term debt instruments is maintained.
- Significant y/y and q/q increase in the value of Customers' assets on brokerage accounts (+32.9% y/y and +10.6% q/q, respectively).

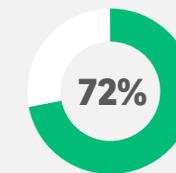


Structure of BNP Paribas TFI investment products [%]



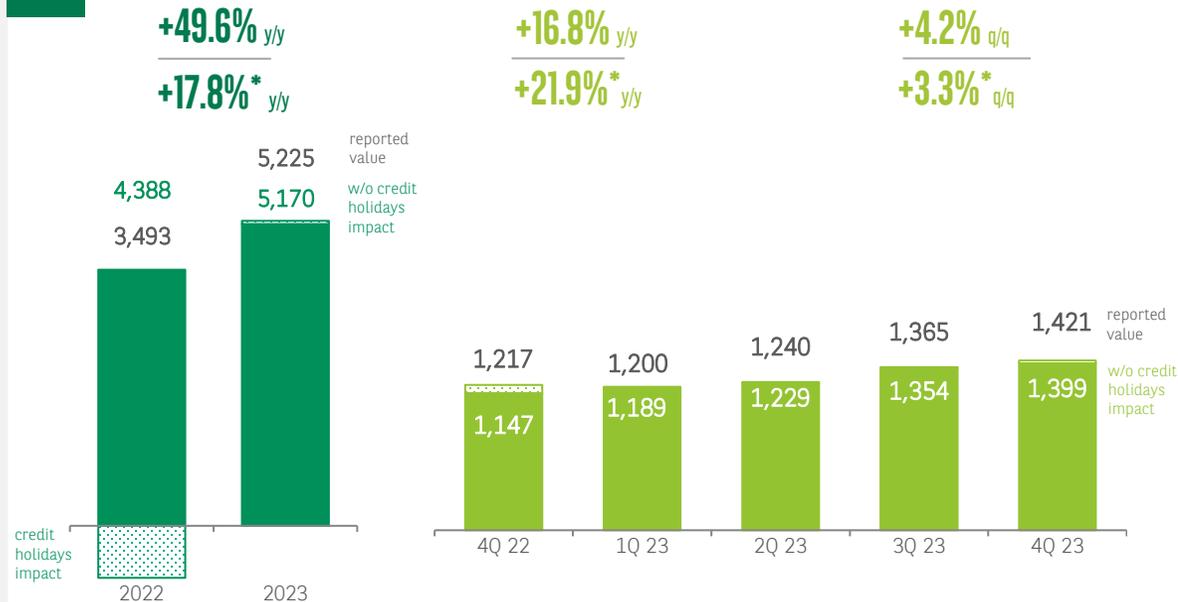
# Net interest income

Positive impact of the result of investing surplus liquidity on NII. Maintaining net interest margin in Q4



share in NBI

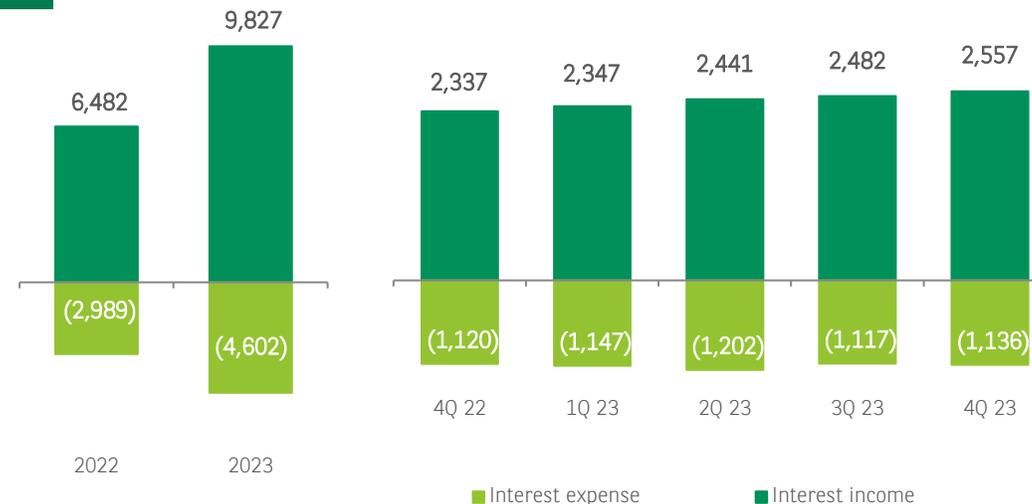
## Net interest income [PLN million]



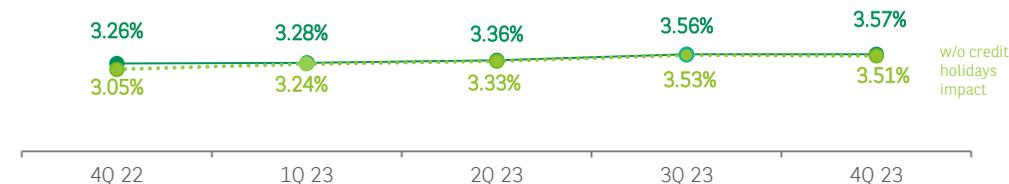
- 2022 result burdened by the negative impact of credit holidays in the amount of PLN -895 million. Additionally, the average level of interest rates higher in 2023 (higher deposit and loan margins y/y) and higher interest income from investing excess liquidity.
- In Q4 2023, the impact of credit holidays at the level of PLN +23 million (in the previous quarters release of PLN 11 million each).
- Increase in interest income on the securities portfolio and reverse repo transactions by PLN +68 million q/q and further improvement of net interest income on derivatives as part of fair value hedge accounting by PLN 50 million q/q.
- Negative impact of interest rates cuts in September and October on the profitability of Customer loans in Q4 partially neutralized by the lower cost of Customers' deposits in PLN (at the end of 2023 lower by 37 bps q/q and -66 bps y/y).

\* w/o impact of credit holidays

## Interest income and expenses [PLN million]



## Net interest margin, quarterly\* [%]



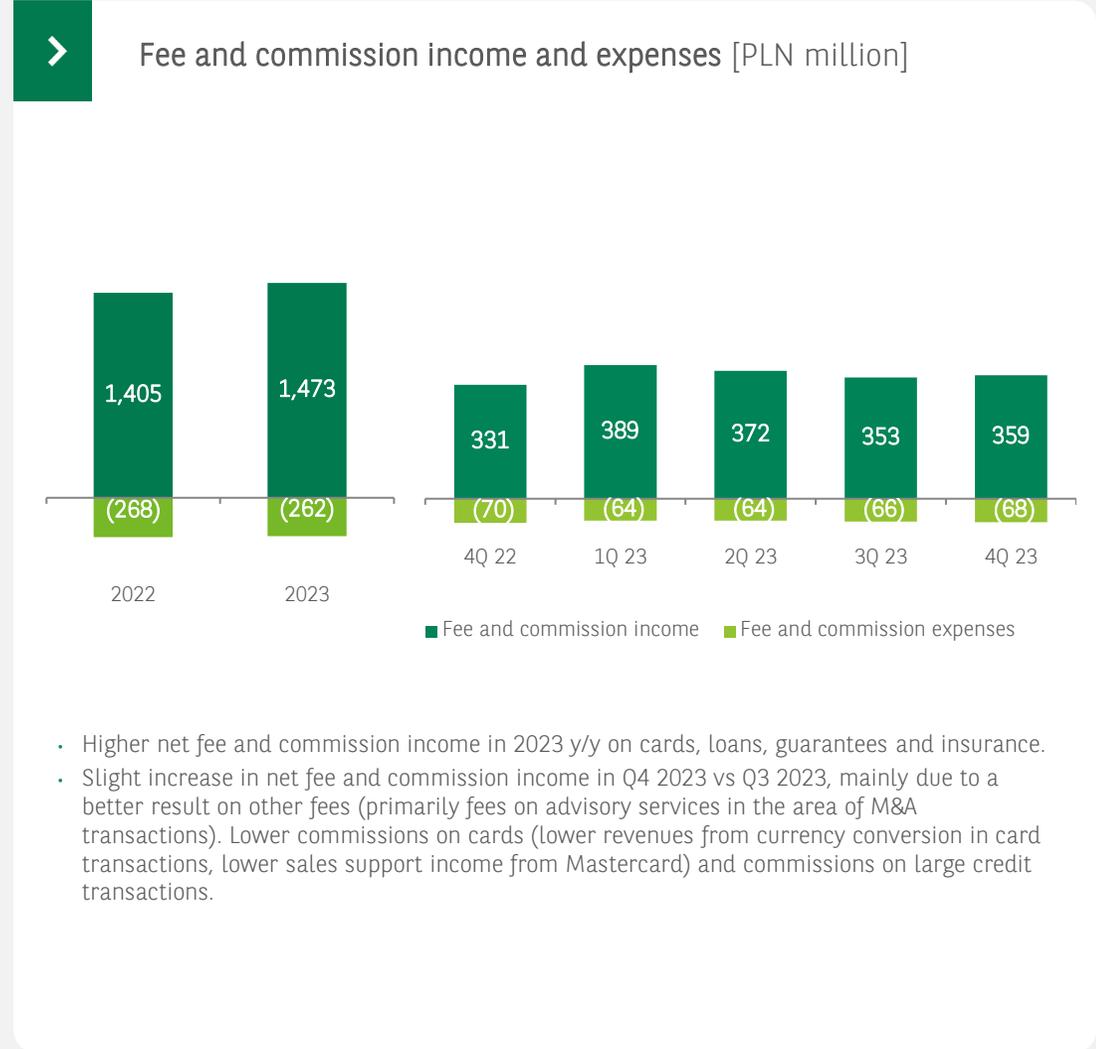
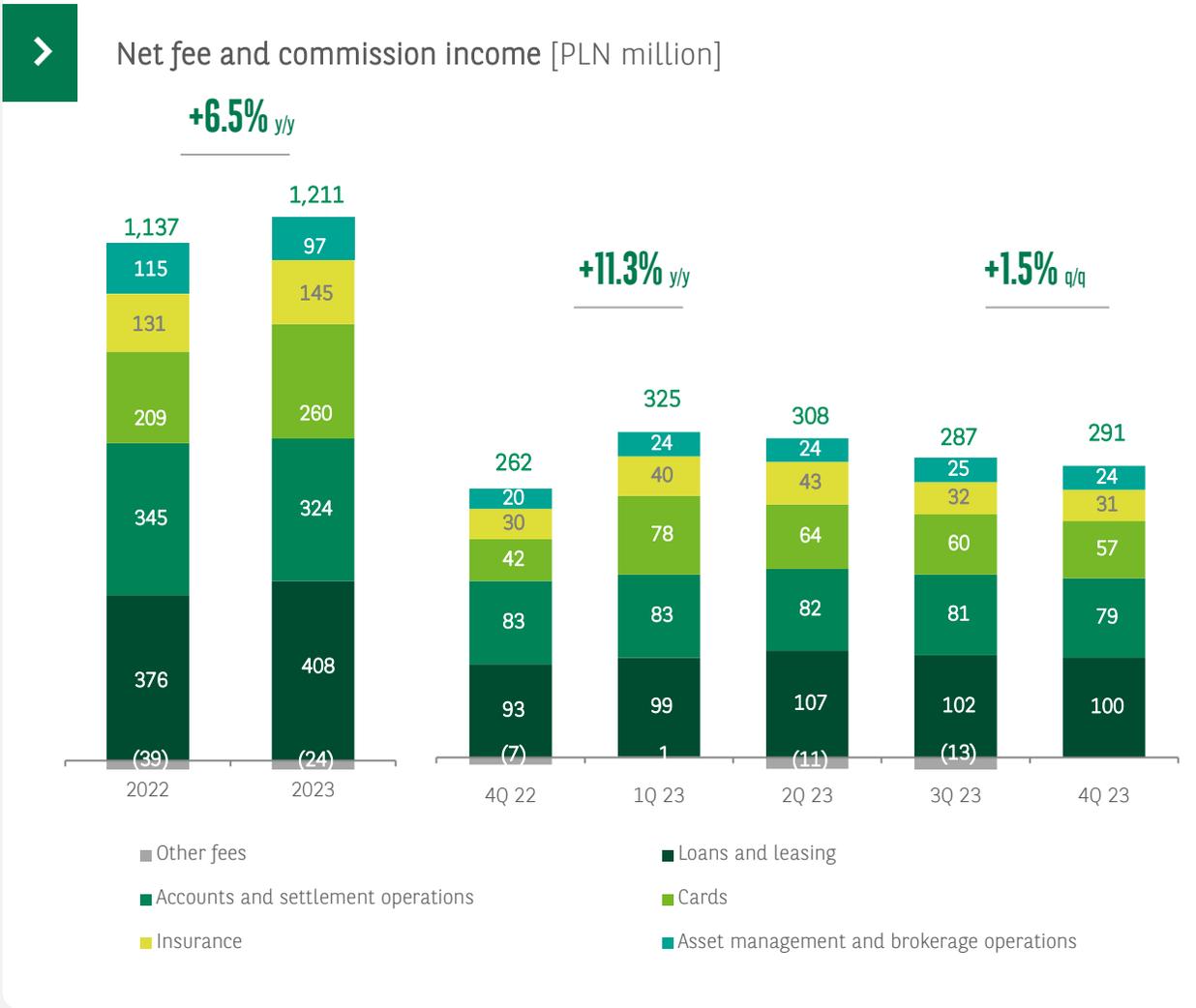
\* taking into account the implementation of IFRS 9 in the presentation of the loan portfolio (mortgage loans in CHF)

# Net fee and commission income

Net fees and commissions on cards and loans as the main growth factor in 2023. NFC in Q4 at a relatively high level



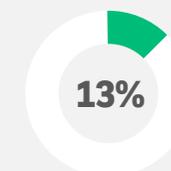
share in NBI



# Net trading and investment income

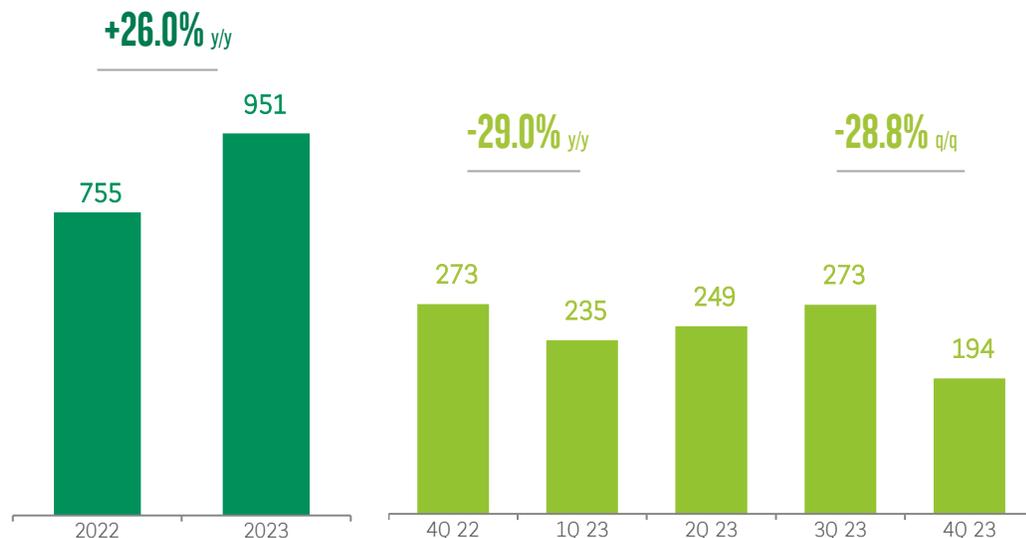
Solid results from the net trading income in the area of transactions with Customers in 2023.

Quarterly decrease of net trading income – impact of one-off transaction in Q3



share in NBI

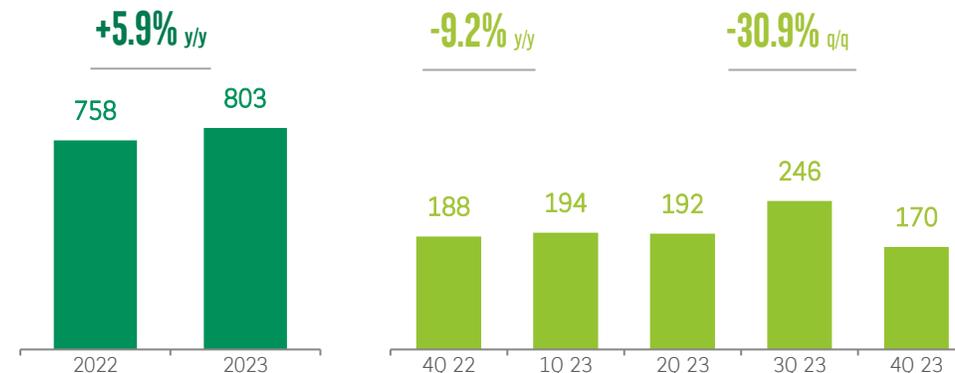
## > Net trading income [PLN million]



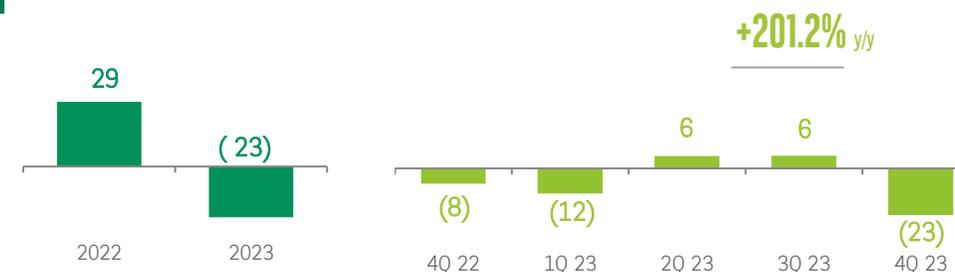
- Higher net trading income in 2023 y/y, mainly due to the increase in the result on transactions with Customers (+5.9% y/y), better result on FX swap transactions (change from the negative result in 2022 to a positive result in 2023), improvement in the valuation of IRS hedging the valuation of the loan portfolio measured at FV and the valuation of the Bank's shares in infrastructure companies (Visa, MC, KIR, BIK).
- Decrease in the net trading income in Q4 2023 vs Q3 2023 primarily due to lower margin results on currency and derivative transactions with Customers. Net trading result in Q3 2023 impacted by a large IRS transaction with a Corporate Client in the amount of PLN 28.7 million. Worse result on IRS and options transactions in the CIB area.

## > Margin on FX and derivative transactions with Customers [PLN million]

included in net trading income



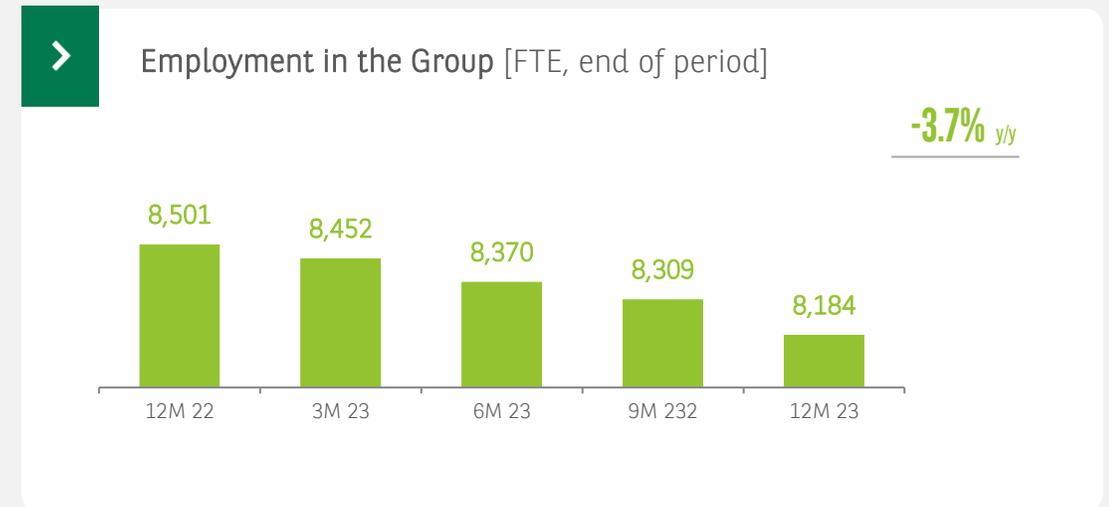
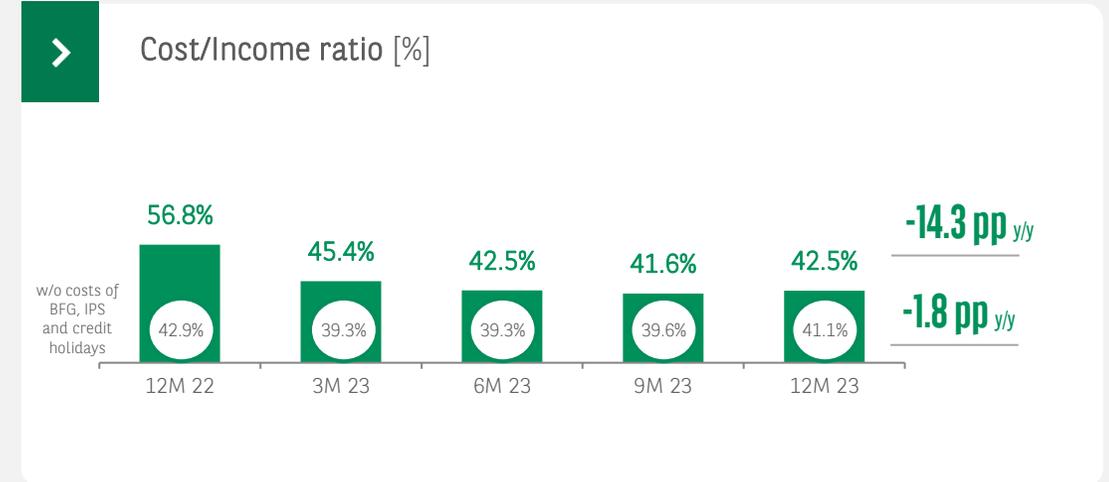
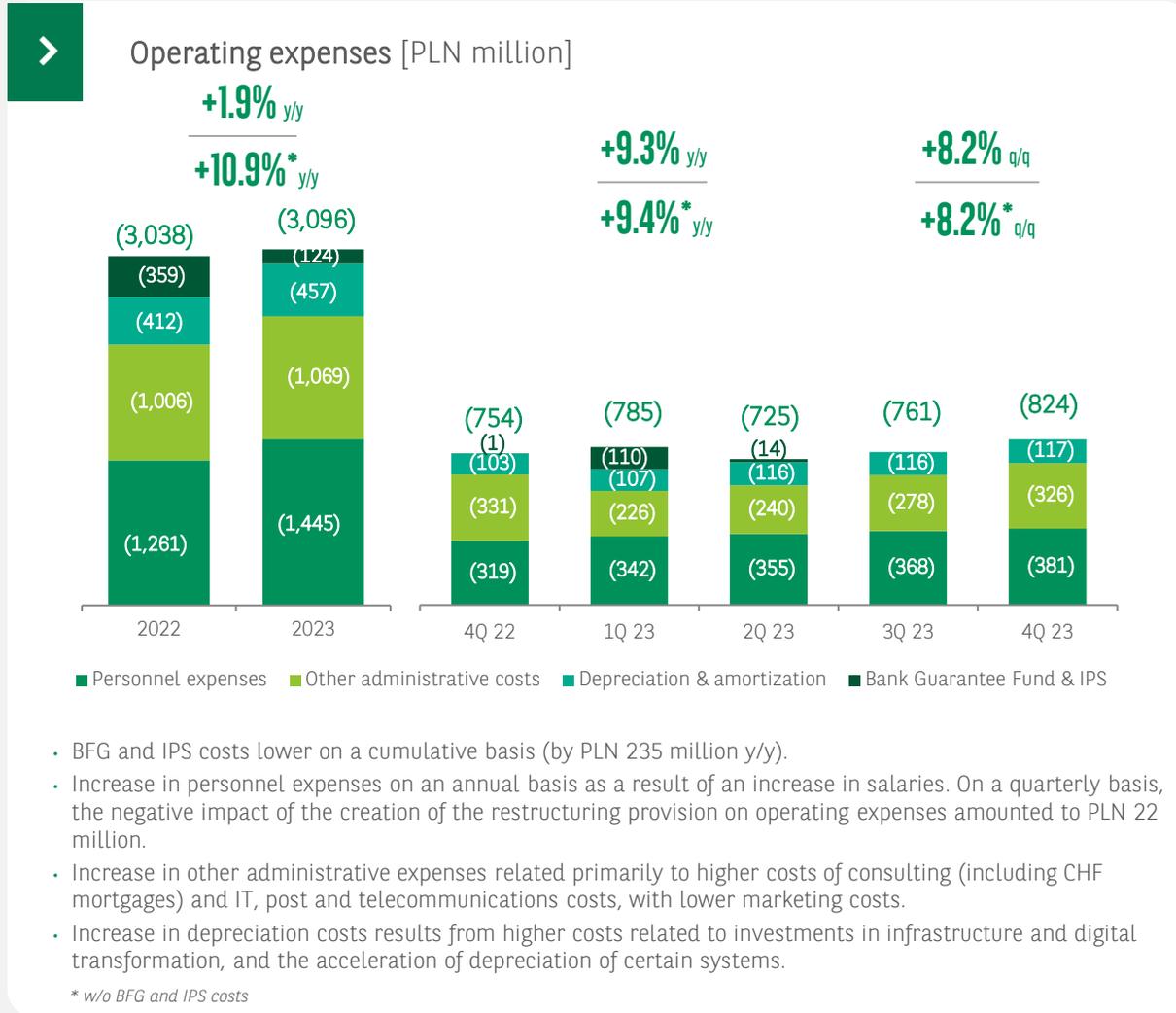
## > Net investment income [PLN million]



- Change of net investment income y/y and q/q as a result of fluctuations in the valuation of the loan portfolio measured at fair value (PLN -23.3 million in 2023 vs PLN +24.1 million in 2022 and PLN -14.7 million in Q4 vs PLN +1.0 million in Q3).

# Operating expenses, depreciation and amortization

Operating expenses under control despite inflation pressure. Seasonal increase in costs and impact of restructuring provision in Q4

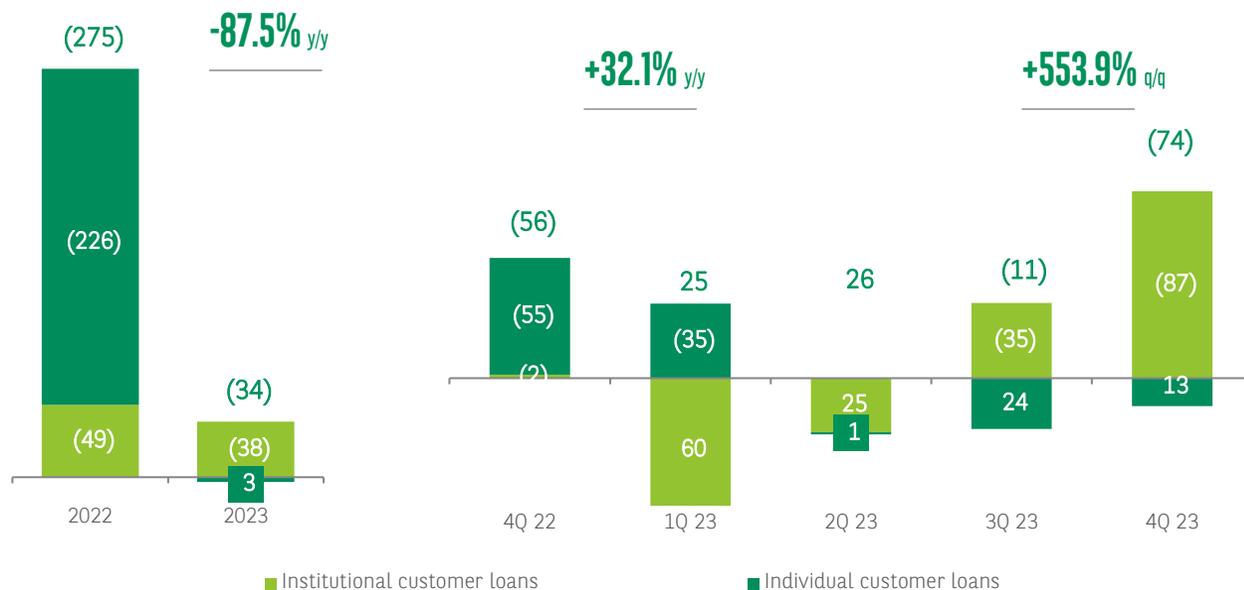


# Net allowances on expected credit losses

Cost of risk confirming very good quality and resilience of the loan portfolio, supported by the impact of positive one-offs in 2023



Cost of risk by segments [PLN million]



[bps]	4Q 22	Q1 23	Q2 23	Q3 23	Q4 23
Quarterly cost of risk*	(24)	+11	+12	(5)	(33)

\* Cost of risk expressed as the ratio of the net allowances on expected credit losses on financial assets and contingent liabilities to the average balance of gross loans and advances to customers valued at amortized cost (calculated based on quarter-end balances, taking into account the implementation of IFRS 9 in the presentation of the loan portfolio (mortgage loans in CHF)).

In 2023, the cost of risk result amounted to PLN -34 million. Apart from the quality of the portfolio, the low level of the cost of risk was impacted by material recoveries on institutional clients portfolio realized in Q1 and Q2 (PLN 96 million on two significant clients) and the release of provisions as a consequence of updating macroeconomic expectations (provisions booked in previous years).

In Q4 2023, the good quality of loan servicing continued. The result was impacted by creation of provisions related to a deterioration of rating on one significant exposure in the corporate portfolio (PLN 40 million). Additionally, the cost of risk level higher than in previous periods results from the lack of comparable recoveries on clients assessed individually in default status.

Additionally, the result on expected credit losses in Q4 2023 was impacted by, among others:

- changes in parameters and update of expectations regarding the future macroeconomic situation resulting in the release of provisions in the amount of PLN 30 million (including PLN 26 million for institutional clients loans and PLN 4 million for individual clients loans),
- positive result on the sale of the NPL portfolio in the amount of PLN 15 million, including PLN 7 million on individual customers loans,
- positive impact of changing the methodology for accounting for the legal provision in the amount of PLN 14 million (mortgage loan portfolio in CHF) on the cost of risk.

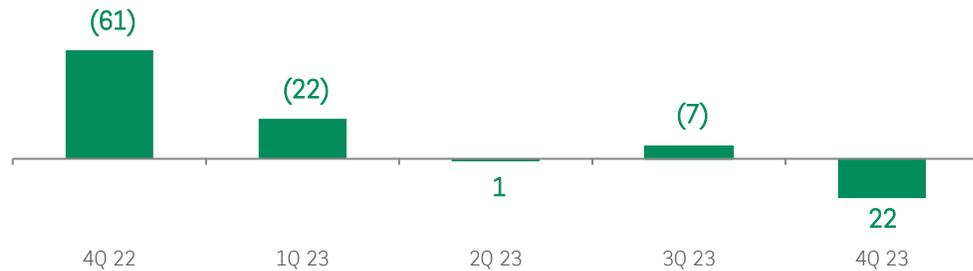
The Bank assumes that, excluding the above-mentioned effects, the cost of risk realized in the 4th quarter is consistent with long-term expectations taking into account the specificity of the Bank's loan portfolio.

# Mortgage loans - credit risk overview

Stable and good quality of the portfolio, low risk materialization



## Cost of risk [PLN million]



The cost of risk in Q4 2023 takes into account the positive impact of the following factors:

- release of PLN 16 million of provisions for potential future materialization of risk,
- release of PLN 11 million as a result of changes and updates in the PD and LGD parameters and calibration of rating models.

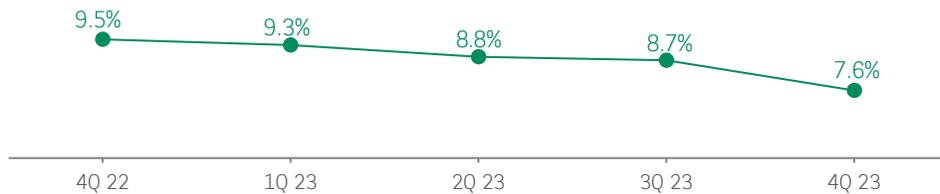
Moreover, the change in the methodology for accounting for the legal provision (mortgage loan portfolio in CHF) had a positive impact on the cost of risk.

The lower cost of risk in 2023 compared to the previous year results mainly from the creation in 2022 of provisions for the potential future materialization of risk related primarily to macroeconomic environment.



## Provision coverage of gross loan portfolio – Stage 2\*

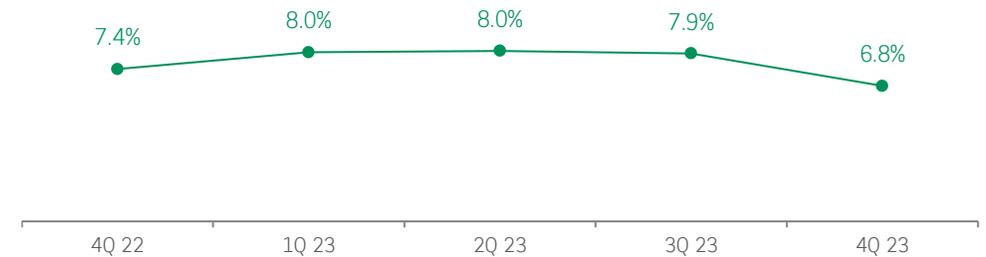
Changes in Stage 2 coverage mainly due to changes in risk parameters.



\* taking into account the implementation of IFRS 9 in the presentation of the loan portfolio (mortgage loans in CHF)



## Share of Stage 2 in gross loan portfolio\*

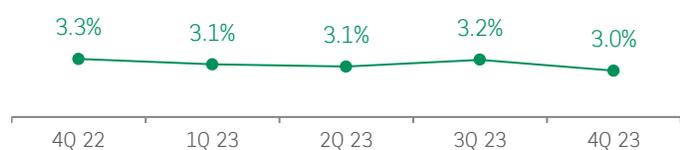


# Loan portfolio quality

Stable low level of the Stage 3 share in the loan portfolio



Total loans – share of Stage 3 in the portfolio measured at amortized cost



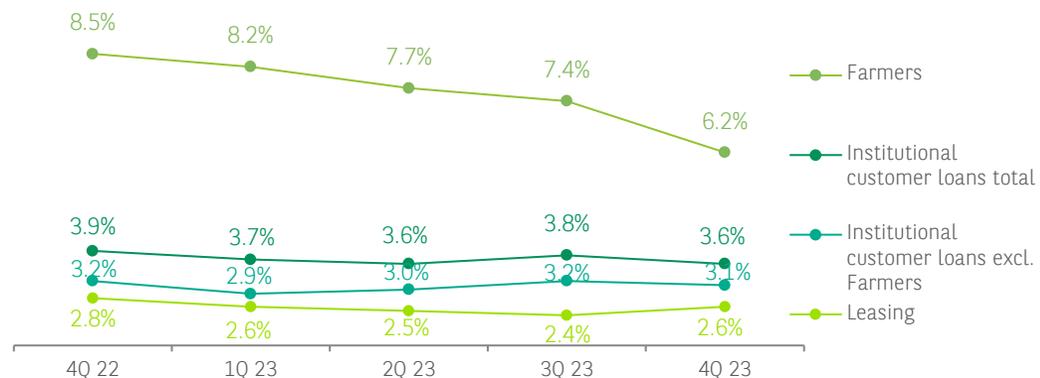
**NPL ratio** for both loan portfolios in total (measured at fair value and at amortized cost) was **3.1%** at the end of Q4 2023



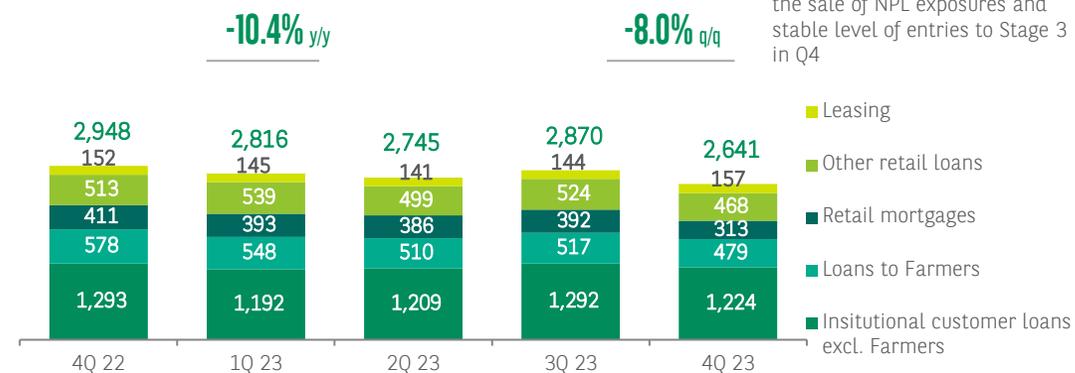
Loans to Individual Customers – share of Stage 3



Loans to Institutional Customers – share of Stage 3



Gross impaired (Stage 3) portfolio [PLN million]

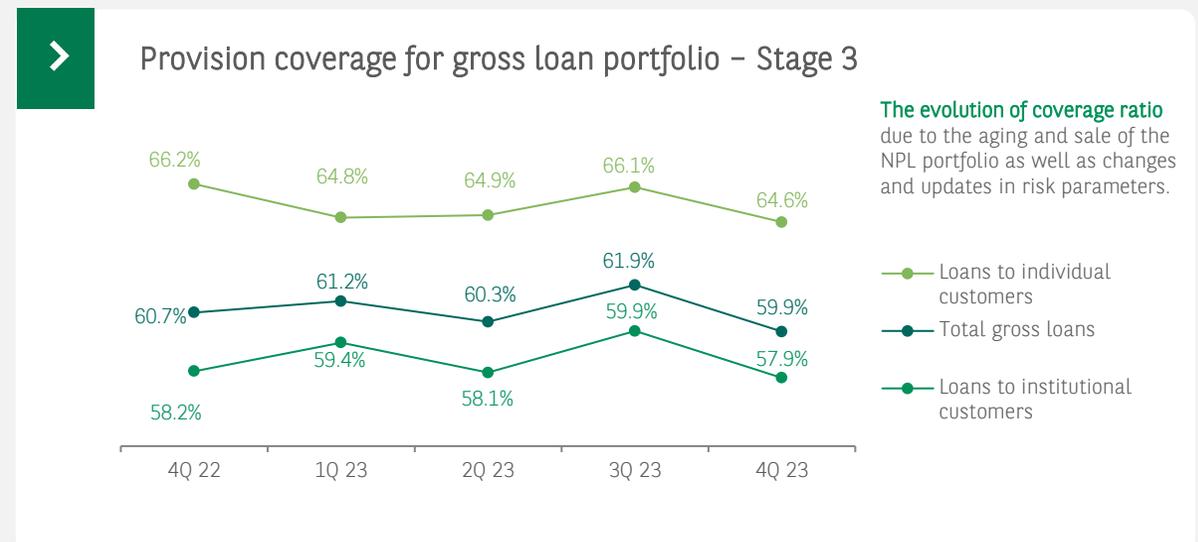
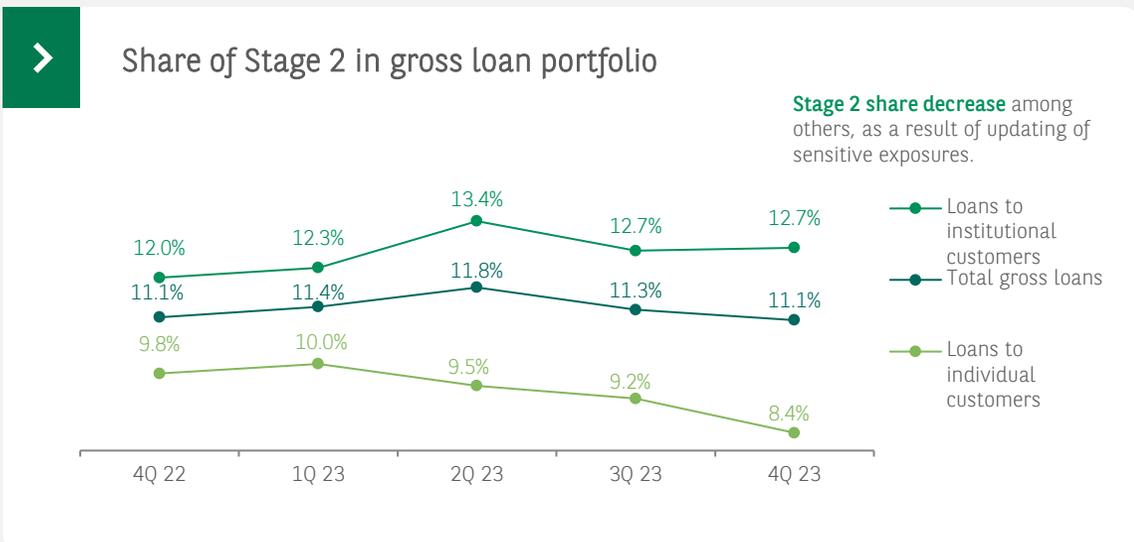
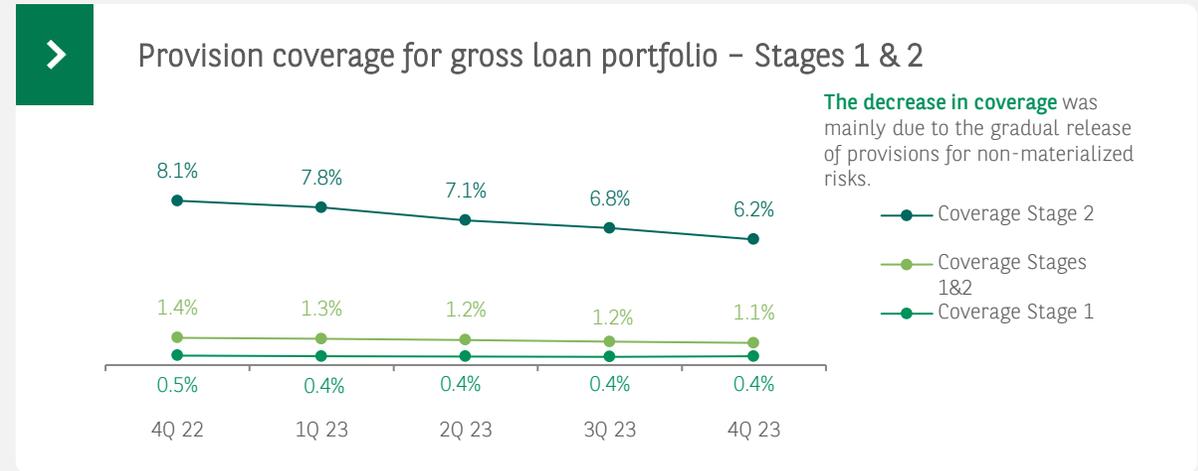
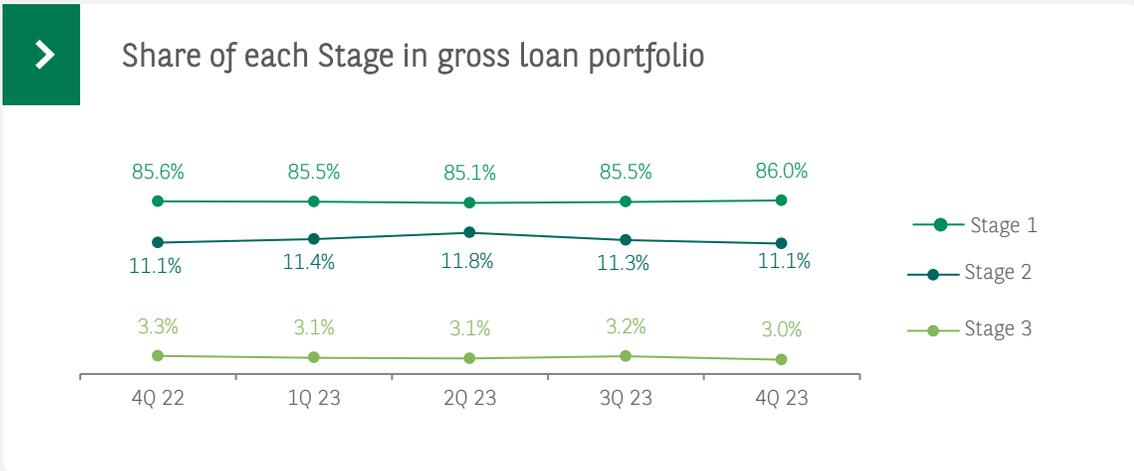


**Low level of Stage 3 volume:** the decline resulted mainly from the sale of NPL exposures and stable level of entries to Stage 3 in Q4

Data for portfolio measured at amortized cost unless otherwise stated. Data for all periods taking into account the implementation of IFRS 9 in the presentation of the loan portfolio (mortgage loans in CHF)

# Loan portfolio quality

Stable loan portfolio quality, adequate provisions coverage ratios



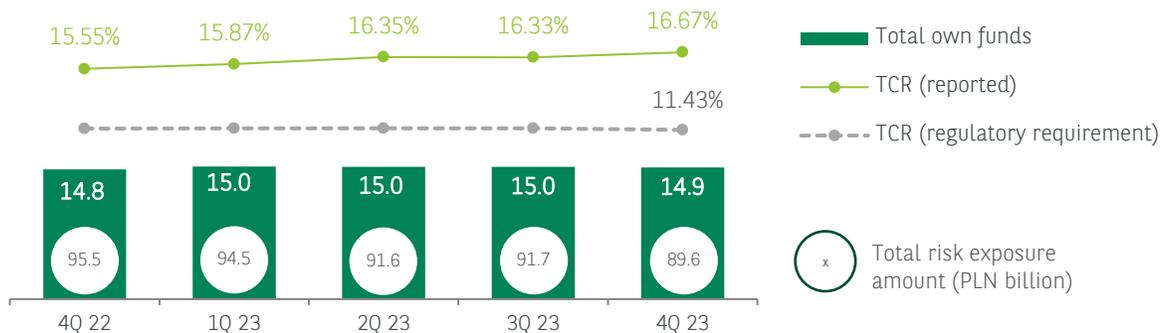
Data for portfolio measured at amortized cost unless otherwise stated. Data for all periods taking into account the implementation of IFRS 9 in the presentation of the loan portfolio (mortgage loans in CHF)

# Capital adequacy

Safe and stable capital position

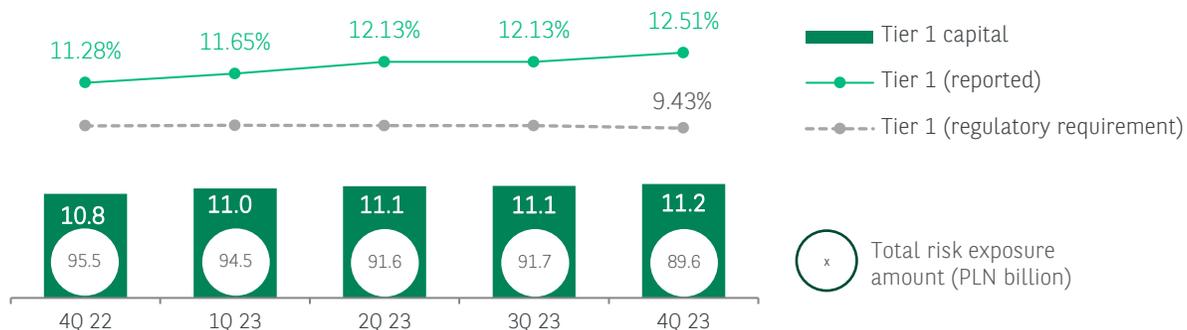
## TCR

+112 bps  
y/y



## Tier I

+123 bps  
y/y



TCR and Tier I above the minimum regulatory requirement as at the end of Q4 2023: +5.2 pp and +3.1 pp, respectively

Decrease in risk-weighted assets mainly as a result of the implementation in Q4 2023 of a change in the presentation of the CHF mortgage loan portfolio in accordance with IFRS 9 (data for previous periods have not been restated).

No significant changes in own funds in Q4 2023.

Specific regulatory requirements for the Bank at the end of Q4 2023:

- no capital requirement for FX loans,
- OSII buffer at 0.25%,
- P2G capital add-on at 0.67 pp (consolidated) and 0.70 pp (standalone) (down by 0.10 pp in Q4 2023).

Senior Non-Preferred Loan from BNP Paribas S.A. to meet MREL requirement. MREL-TREA ratio as of 31.12.2023 (21.74%) above the minimum MREL requirement (18.87% including the combined buffer requirement).

Recommendation of the Management Board for a dividend payout of 50% of the 2023 net profit - DPS: PLN 3.41, dividend date: 23.04.2024, dividend payout date: 10.05.2024

04

Summary & outlook



# Medium-term outlook

Execution of the strategic priorities of the Bank while addressing the sector-wide challenges. Improving the economic outlook

## MACROECONOMIC ENVIRONMENT

- Stabilization of interest rates. Moderate reductions likely in the second half of 2024
- The decline in inflation stopped in the first half of 2024 and its renewed increase in the second half of the year
- Return of the economy to the growth path, inflow of funds from the National Reconstruction Plan (KPO) - increasing demand of companies for credit
- Uncertainty related to the geopolitical risks and potential escalation of international tensions

## THREATS AND CHALLENGES FOR THE BANKING SECTOR

- Legal risk of the CHF mortgage loan portfolio and its impact on the sector's profitability
- Potential extension of the so called „credit holidays“ until 2024
- The impact of further sector contributions on the lending growth potential
- Challenges related to reference indicators reform (no derivatives market, delayed issuances of debt securities by Ministry of Finance, high volatility of WIRON)
- The leading role of banks in the energy / ESG transformation
- Growing use of AI in banking

## PRIORITIES OF THE BANK

- Increase in the Customer satisfaction and acquisition of new Customers
- Optimizing customer service model and costs. Efficient cost management
- Continued transformation of systems & processes
- Efficient capital management - focus on return on assets, regular stream of dividends to shareholders
- Cooperation with fintechs to implement solutions in the areas of digitalization and beyond banking

**IN THE VOLATILE AND HARDLY PREDICTABLE ENVIRONMENT THE BANK IS FOCUSED ON FURTHER DEVELOPMENT OF SOLID BUSINESS FOUNDATIONS AND SHAREHOLDER VALUE – BUILDING RELATIONSHIPS WITH CUSTOMERS, INCREASING USAGE OF DIGITAL CHANNELS, TRANSACTIONALITY GROWTH AND SUPPORT OF THE GREEN TRANSFORMATION**

05

Business activities



# Retail and Business Banking & Personal Finance

Further digitalization and remote sale share increase



## 4.2 million

Retail Customers

-40 thous. -1% y/y  
+3 thous. +0.1% q/q

### Business development

**Deposits** – change in balance q/q: PLN +1.1 bn, +2% (+8% y/y)

**Loans** – change in balance q/q: PLN -2.2 bn, -5% (-8% y/y)

**Sales** - value in Q4, change q/q || 2023 vs 2022

- Personal account: 40.6 thous., -25% || -34%
- Credit card: 6.9 thous., -13% || +4%
- Cash loan: PLN 0.8 bn, -16%, || +3%
- Micro loan (incl. leasing): PLN 1.5 bn, +10%, || +51%
- Investment products\*: PLN 2.4 bn, -3% || +48%

### Transformation

**New products in offer for the Customer :**

- mamGO – a new mobility platform that allows to choose various methods of vehicle financing: loan, rental, leasing
- GOmakler – a new application thanks to which Clients can independently execute stock exchange orders. The only one on the market with an investment advisory module
- VISA Filmowa card: providing a plastic card. In Q4, over 8.5 thousand Customers chose our offer with a film card, the only one on the market
- implementation of further processes using Open Banking data: instalment loan in a stationary store and a Carrefour credit card
- instalment loan available from December in selected e-commerce stores using the GOMobile application

**Paperless and electronic signature :** 84 thousand cash transaction authorizations, 59% of all transactions in Q4; in 2023: 344 thousand cash transactions, i.e. 57% of all transactions

### Customer satisfaction

*NPS relational survey – changes q/q*

👍 **NPS +11**  
Wealth Management Customer

👍 **NPS +12**  
Retail and Business Banking Customer

👍 **NPS +18**  
Micro Client

👍 **NPS +12**  
Mass Customer

👍 **NPS +4**  
Premium Customer

*NPS local benchmark (change y/y)*

👍 **NPS – 4<sup>th</sup> place on the market**  
+10 pts +3 positions

**Complaints** from Retail and Business Banking decreased by 14% y/y (average monthly complaints inflow)

### Digitalization

- 12.9 million **BLIK transactions** in Q4: +14% q/q || +58% (2023 vs 2022)
- 77 million **logins to mobile banking** in Q4: +5% q/q || +16% (2023 vs 2022)

Consistent increase in **digital sales share in total sales** of key products: number of cash loans (E2E): 44% in Q4 2023 vs 35% in Q4 2022; number of investment products\*: 63% in Q4 2023 vs 14% in Q4 2022

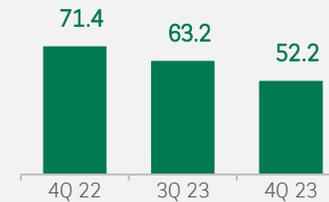
**New functionalities:**

- **GOonline internet banking** - possibility of submitting a PEP declaration, opening My Premium Account for an existing Client, opening business accounts: currency, auxiliary in PLN, savings, investment dashboard in the Friends & Family phase, 800+ program, available complaint module – possibility of submitting and viewing status/history
- **GOMobile mobile banking** - investment dashboard in the Friends & Family phase, transactionality for the amount free from bailiff seizures, MIFID survey, retention process for accounts closing, Visa Filmowa in the remote process, account opening process for existing Clients

### Acquisition of Individual Customers

thous.

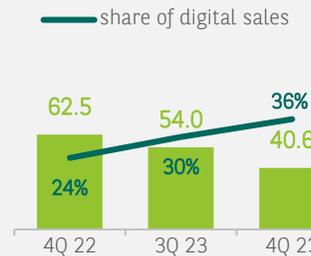
-27% y/y    -17% q/q



### Sale of personal accounts

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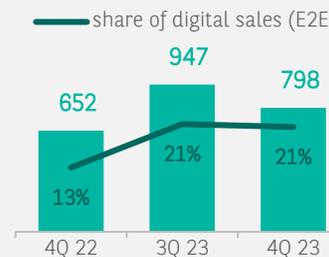
-35% y/y    -25% q/q



### Sale of cash loans

PLN m

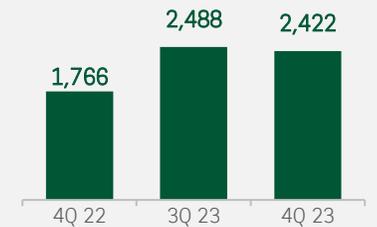
+22% y/y    -16% q/q



### Sale of investment products\*

PLN m

+37% y/y    -3% q/q



\* Investment funds, investment deposits and structured certificates



My Premium Account (Moje Konto Premium) with the leading position in the ranking



Gold Winner of the Innovating with AI & Analytics Award for the use of speech analysis tools to improve the quality of Contact Center work

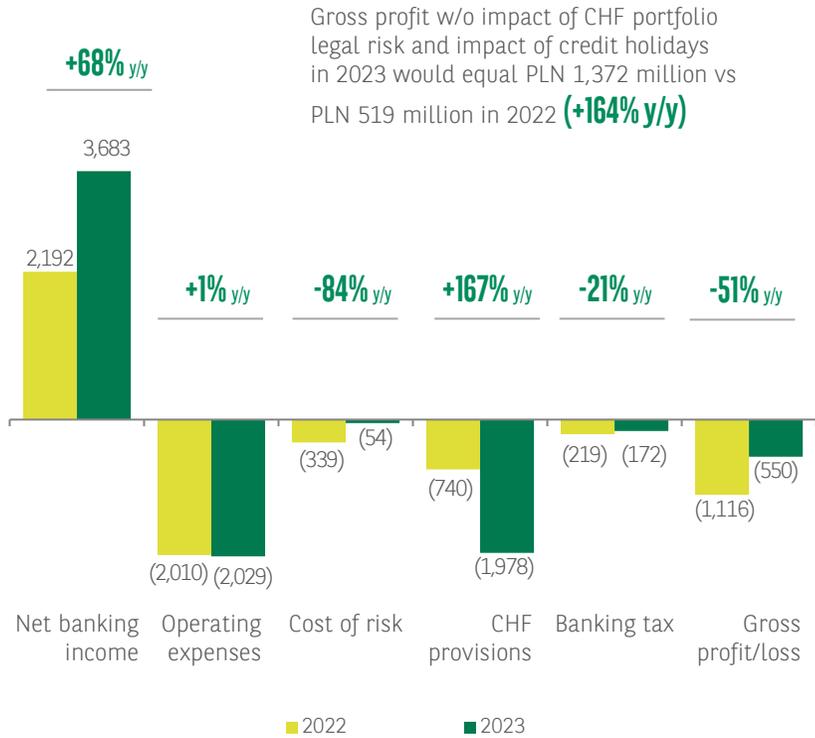
# Retail and Business Banking & Personal Finance

Increase in core categories of NBI. Stable operating expenses. Negative impact of CHF portfolio legal risk accompanied with a low cost of credit risk

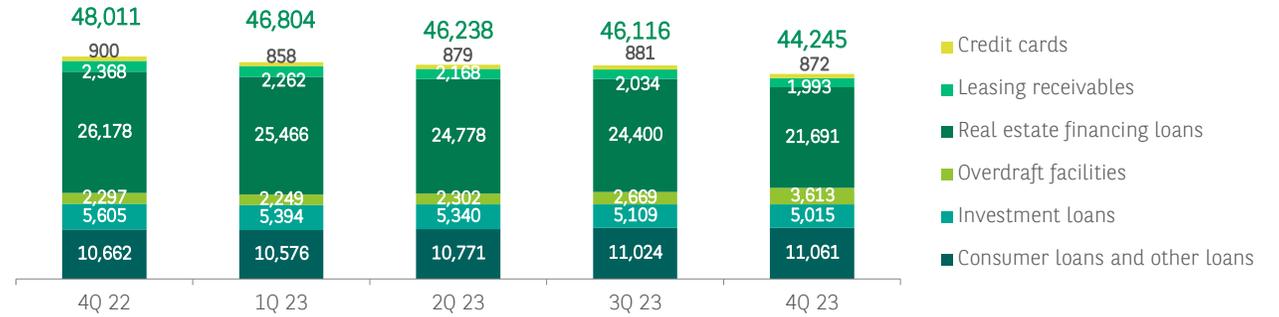
Segment's share in the Group's net banking income



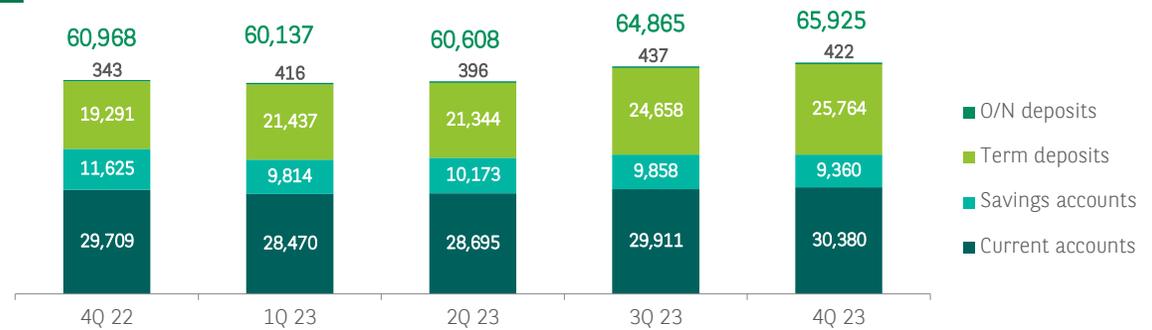
## Gross profit/loss structure [PLN million]



## Net loan portfolio\* [PLN million]



## Deposit portfolio\* [PLN million]



\* due to the 2023 re-segmentation, the data for 2022 have been presented in comparative terms. As at 31 December 2023, it takes into account the implementation of IFRS 9 in the presentation of the loan portfolio (mortgage loans in CHF). No data restatement for previous periods

# Corporate & SME Banking

Focus on Customers' needs and service quality, further growth of transactionality

## Business development

- Further increase of income: in Corporate Banking +1% q/q, +31% in 2023 vs 2022; in SME Banking +9% q/q, +28% in 2023 vs 2022
- Dynamic growth of the sustainable finance portfolio: volume increase +11% q/q, +80% y/y, the entire portfolio as at the end of 2023 PLN ~7.0 billion
- Leasing sales: PLN 1,437 million of new volume in 2023 for Corporate Customers (+12% q/q, +21% y/y), PLN 474 million of a new volume for SME (-20% q/q, -6% y/y)
- Increase in cross-selling and transactionality in Trade Finance area: revenues +4% q/q, +27% in 2023 vs 2022
- Increase in loans' income: +2 q/q, +3% 2023 vs 2022
- Increase in Clients' cash management transactionality: number of transactions +32% q/q, +15% y/y

## Transformation and digitalization

- Continuation of GO Biznes ecosystem transformation (GOonline Biznes, GOmobile Biznes, GOconnect Biznes) implementation of a new version of modules with a modern user interface
- Implementation of the video identity verification service in the Clients' service process in Customer Service for SME and Corporate Banking Clients
- Continuation of Clients support in the area of energy transition and carbon footprint calculation
- Implementation of the Axepta payment gateway into the product offer for SME customers
- Improvement of internal processes: implementation of a new credit process workflow for Corporate Clients and centralization of the KYC process for all SME and Corporate Banking Clients

Selected significant transactions carried out in Q4 2023

 <b>EUR 800 million</b> Refinancing, CAPEX, general corporate purposes, working capital needs of the Group  Mandated Lead Arranger, Original Lender December 2023	 <b>PLN 1 571 million</b> Refinancing and financing of investment projects and acquisitions  Mandated Lead Arrangers, Sustainability Coordinator December 2023	 <b>EUR 208 million</b> Refinancing of existing indebtedness and financing of general corporate purposes  Mandated Lead Arranger December 2023	 <b>PLN 408 million</b> Refinancing, CAPEX, general corporate purposes, working capital needs of the Group  Lead Arranger, Security Agent, Hedge Coordinator December 2023	 <b>PLN 245 million</b> Refinancing and project financing  Sole Arranger, Hedge Provider December 2023	 <b>EUR 826 million</b> Investment Loan  Original Lender, Hedging Bank December 2023	 <b>EUR 39.3 million</b> Construction Loan  Sole Lender December 2023	 <b>PLN 120 million</b> Top Up under existing financing (incl. M&A and Capex financing)  Mandated Lead Arranger, Facility Agent October 2023
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12.1 thous.

Corporate Customers

23.6 thous.

SME Customers

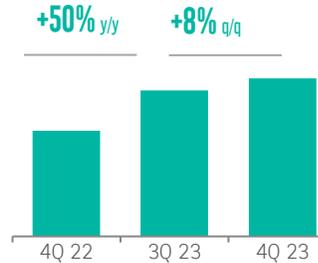
+0.04 thous., +0.3% y/y  
q/q - no change

-1.0 thous., -3.9% y/y  
-0.2 thous., -0.9% q/q

## Further increase in cross-selling and transactionality [PLN million]

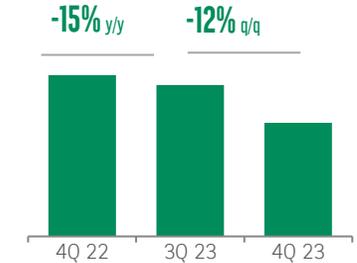
### Cash management

Revenues



### Foreign exchange transactions

Revenues



### Fintek Awards

in the ImpactTech category for Bank and Enverla for a carbon footprint calculator for companies



BNP Paribas Bank Polska with the title of the best bank in Poland for corporate customers

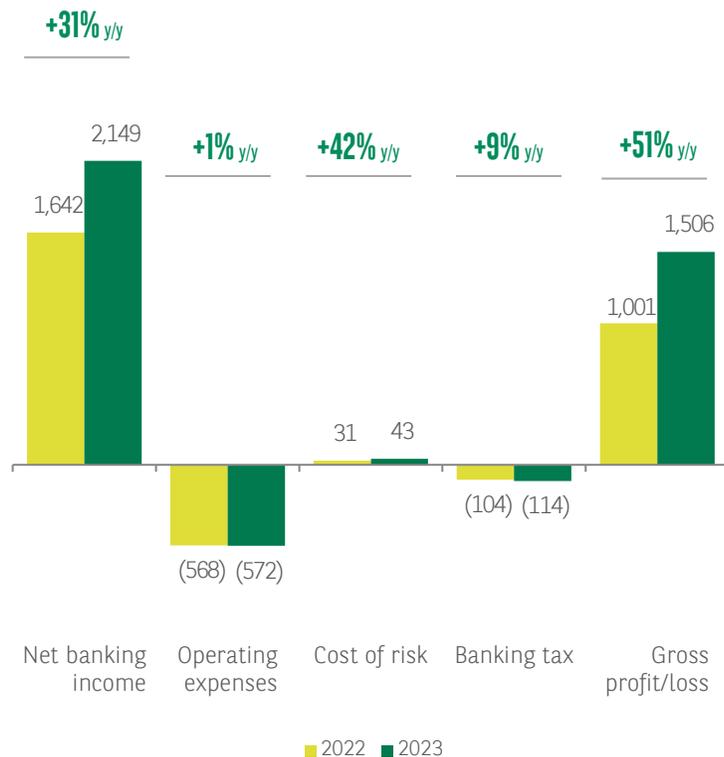
# Corporate Banking

Increase in NBI supported by high interest rates and higher Customer transactionality.  
Stable level of costs and positive impact of net allowances on expected credit losses

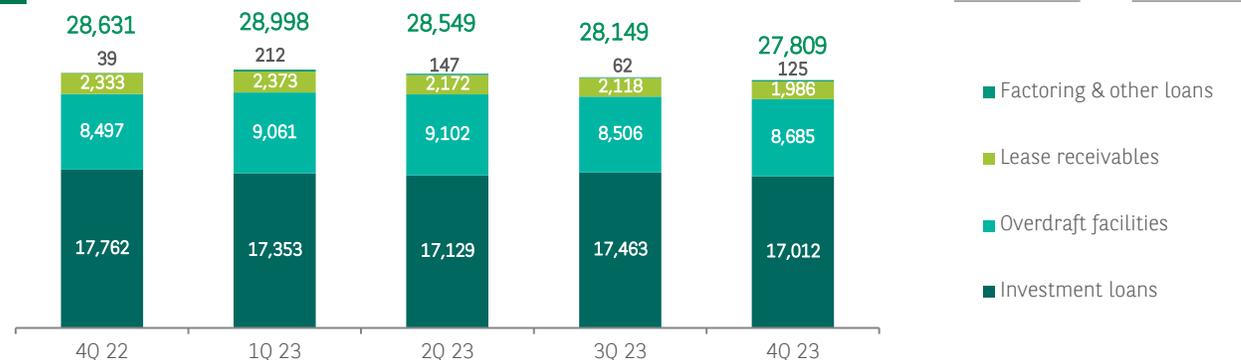
Segment's share in the Group's net banking income



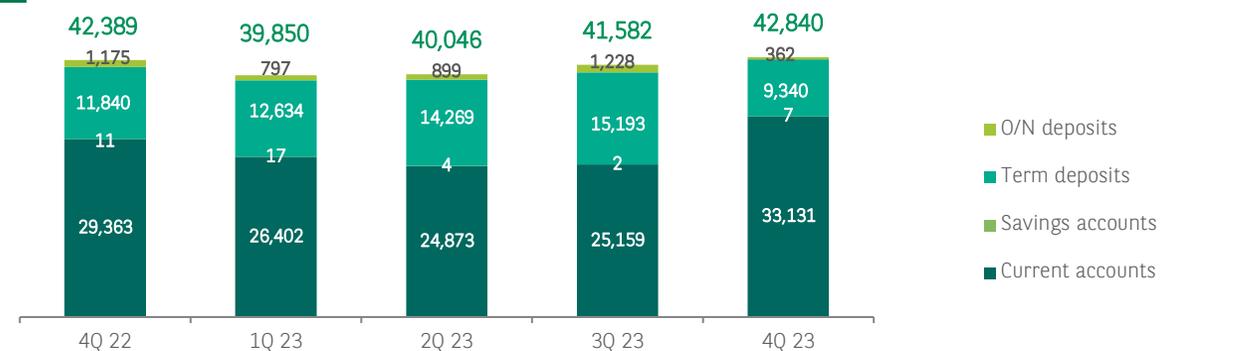
## Gross profit/loss structure [PLN million]



## Net loan portfolio\* [PLN million]



## Deposit portfolio\* [PLN million]



\* due to the 2023 re-segmentation, the data for 2022 have been presented in comparative terms

# SME Banking

Increase in income and gross profit supported by high interest rates.  
Stable level of costs and positive impact of net allowances on expected credit losses

Segment's share in the Group's net banking income

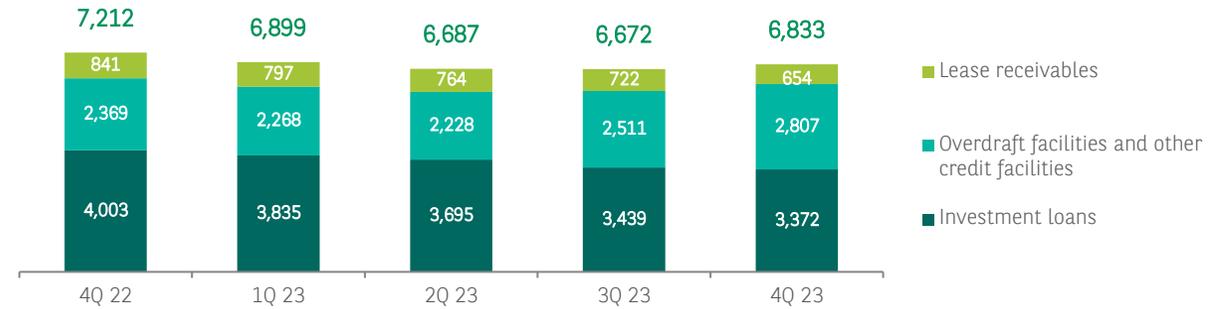


## Gross profit/loss structure [PLN million]



## Net loan portfolio\* [PLN million]

-5.3% y/y      +2.4% q/q



## Deposit portfolio\* [PLN million]

+10.2% y/y      +3.3% q/q



\* due to the 2023 re-segmentation, the data for 2022 have been presented in comparative terms

# Food & Agro Sector

Development of relations with agricultural and food production market participants, support for sustainable transformation

## Business development

- New lines of preferential loans:
  - **preferential liquidity loan** for farmers launched in cooperation with the Agency for Restructuring and Modernization of Agriculture (2% per year, up to PLN 400 thous., for up to 60 months):
    - **Micro** - 15.7 thous. of agreements signed worth of PLN 1.97 billion
    - **SME & Corpo** - 363 agreements worth of PLN 113.4 million
  - **preferential crop loan** for entities engaged in grain trading / purchase, soft fruit buying or freezing, or agricultural seed trading (2% per year, up to PLN 40 million, for up to 18 months)
    - 96 agreements signed worth of PLN 326.1 million
- New financing for Food & Agro Corporate Clients – increase by 7% y/y
- Number of active food processors – increase by 9% y/y

## Sales support actions and relations with Customers

### Active participation in industry events:

- AGRO SHOW 2023 – presentation of AGRO product offer at the largest agricultural exhibition in Europe
  - Fish Congress 2023 – annual meeting of management of the fishing industry
  - 18th edition of Food & Agro Conference – an annual industry meeting for clients
  - International conference of poultry producers in Brussels
- Content partner of the Sustainable Food Production Group at UN Global Compact Network Poland
- Next editions of analytical commentaries as part of the Food & Agro Sonar series

## agronomist



- more than **234 ths.** users\*
- more than **857 ths.** visits in 2023
- more than **50%** of users are women

\* unique users visiting the portal in 2023

## Initiatives implemented in 2023

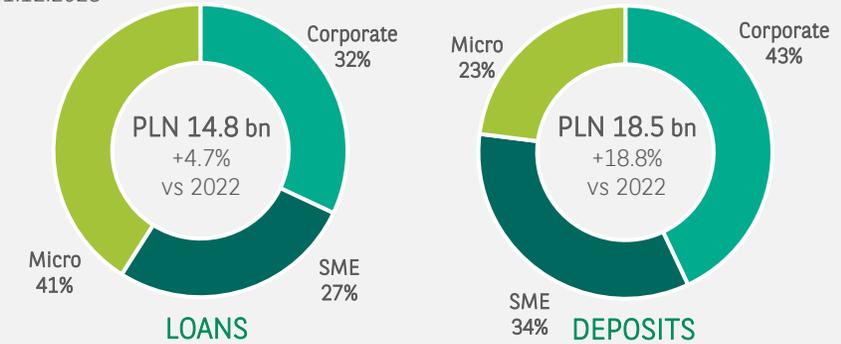
- **Agroemisja** – launch of the first carbon footprint calculator in Polish for poultry, pigs and beef cattle production
- **Main website redesign** – changing the structure of the materials' presentation on the platform's main website, together with the graphic layout in order to personalise access to knowledge and tools
- **ESG materials** – production and publication of materials related to environmental and social impact reporting in line with CSRD for the food production value chain



**78.2 thous.** Food & Agro Customers

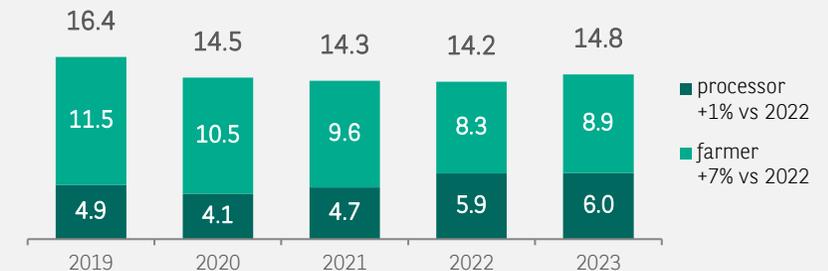
## Food & Agro volumes

31.12.2023



## Loan portfolio

gross, PLN billion



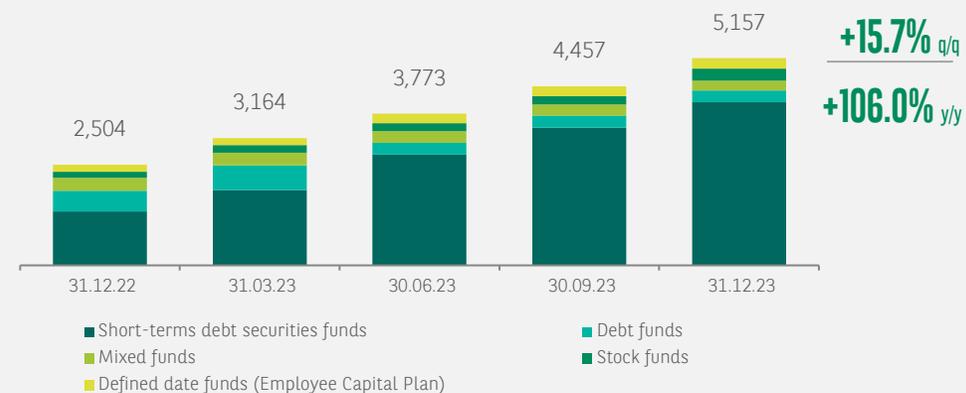
## Bank subsidiaries

Positive impact of favourable trends on the debt securities market on TFI activities and assets growth in Q4 2023.  
Further growth of leasing assets

### BNP Paribas Towarzystwo Funduszy Inwestycyjnych S.A.

- The value of assets under management at the end of 4Q 2023 amounted to PLN 5.2 billion (+15.7% q/q) – it was one of the highest assets' growth in the market. In this period, the value of assets of capital market investment funds in Poland increased by 10.2%.
- As in the previous quarters of 2023 the most popular subfund was the BNPP Short-Term Debt Securities subfund, whose net inflows reached PLN 464 million. Significant net inflows were also recorded for the following subfunds: corporate bonds - BNP Paribas Lokata Kapitału (PLN 183 million) and small and medium-sized companies - BNP Paribas Small and Medium Companies (PLN 31 million).
- The market share of BNP Paribas TFI S.A. at the end of 4Q 2023 (asset value of capital market funds) amounted to 2.52%.

Assets under management of BNPP TFI [PLN million]

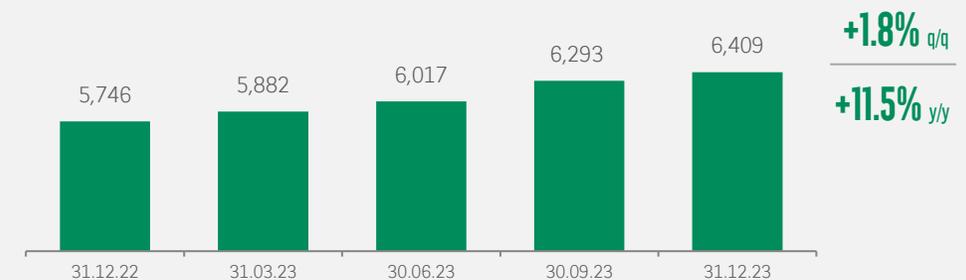


### BNP Paribas Leasing Services Sp. z o.o.

BNPP Leasing Services Sp. z o.o. in cooperation with the Bank offers a full range of leasing products to Personal Finance, micro-enterprises, SMEs and Corporate Customers.

- 20.7 thous. contracts concluded for the amount of PLN 3,763 million in 2023 – increase in value by 16.9% y/y.
- Record level of the portfolio of financed assets of PLN 6.4 billion (December 2023).
- Very good sales results in the Corporate Customers segment and Personal Finance.
- Focus on further improvement of the efficiency of the portfolio servicing process.

Leasing assets [PLN million]



# 06

## APPENDICES

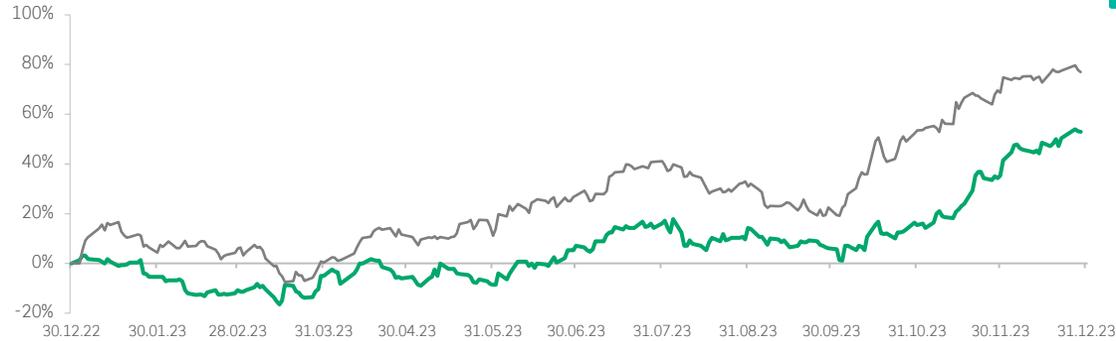
Shares of BNP Paribas Bank Polska S.A.  
Material events 2021-2023  
Loan portfolio  
Deposit base structure  
Liquidity  
Net banking income  
Profit and Loss Account  
Assets, Liabilities and Equity



# Shares of BNP Paribas Bank Polska S.A.

Banks' shares in an upward trend in the 4Q 2023

## Change in share price (30.12.2022=100%)

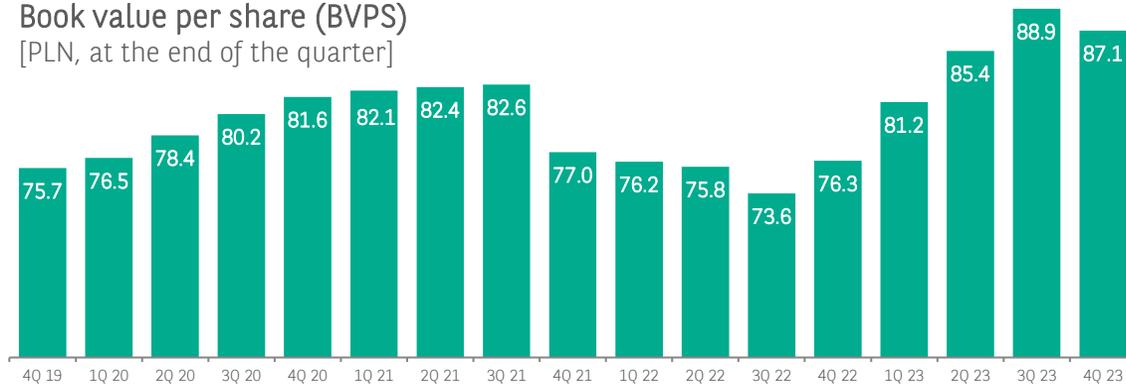


**ISIN code:** PLBGZ0000010  
**GPW ticker:** BNP  
**Index:** sWIG80, sWIG80TR

**WIG banki** 11,062.0 pts  
 +76.9% y/y

**BNP PARIBAS** PLN 85.60  
 +52.9% y/y

## Book value per share (BVPS) [PLN, at the end of the quarter]



### 31 December 2023

free-float: PLN 1.60 bn  
 P/BV: 0.98  
 capitalisation: PLN 12.64 bn

## Fitch rating

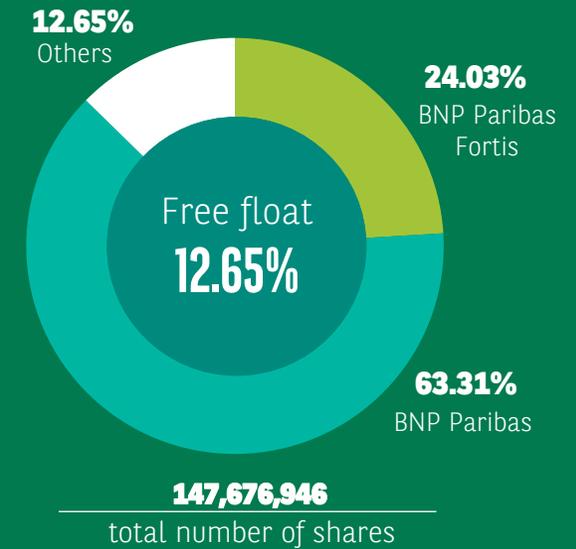
Long-Term Issuer Default Rating (LT IDR) – A+  
 Short-Term Issuer Default Rating (ST IDR) – F1  
 Viability Rating (VR) – bbb-  
 Shareholder Support Rating (SSR) – a+

## ESG rating of Sustainalytics Agency

low risk at the level of 10.2  
 the best result among Polish banks

## Shareholder structure

31.12.2023



On 5 April 2023, the Bank's share capital was increased from PLN 147,593,150 to PLN 147,676,946 as a result of 83,796 series M shares taken up in the exercise of the rights attached to the registered series A3 subscription warrants, taken up previously.

# Material events

in individual reporting periods

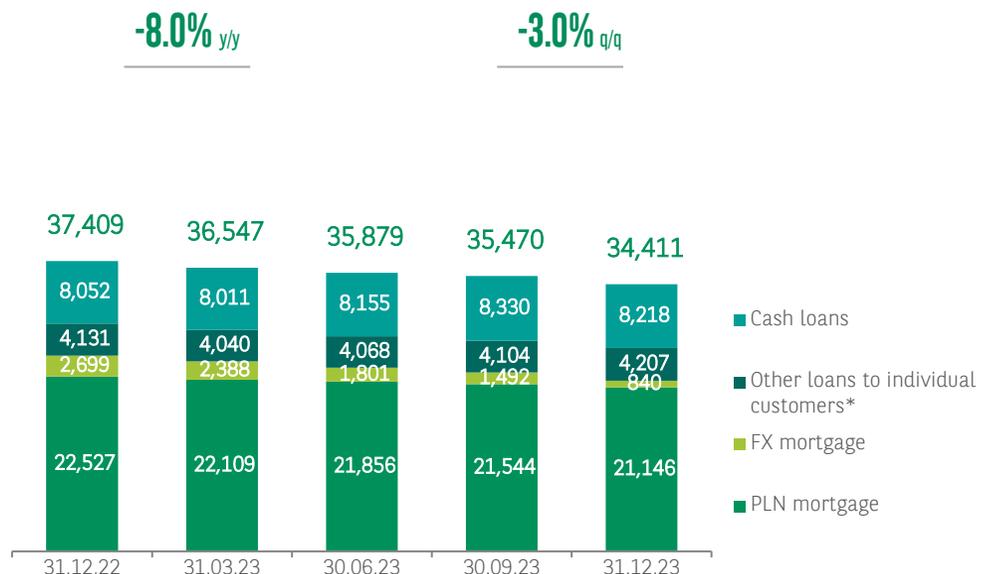
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
2023	<ul style="list-style-type: none"> <li>• PLN +11.0 m adjustment to the impact of credit holidays (recognized in NII)</li> <li>• PLN -234.4 m provision for CHF loans</li> <li>• PLN -110.0 m BFG restructuring fund recognized in the Q1 2023 costs (total contribution amount set by BFG at PLN 123.9 m)</li> </ul>	<ul style="list-style-type: none"> <li>• PLN +11.0 m adjustment to the impact of credit holidays (recognized in NII)</li> <li>• PLN -356.0 m provision for CHF loans</li> </ul>	<ul style="list-style-type: none"> <li>• PLN +11.0 m adjustment to the impact of credit holidays (recognized in NII)</li> <li>• PLN -371.0 m provision for CHF loans</li> </ul>	<ul style="list-style-type: none"> <li>• PLN +22.7 m adjustment to the impact of credit holidays (recognized in NII)</li> <li>• PLN -1,016.8 m CHF mortgage loan portfolio legal risk impact</li> <li>• PLN -22.1 m costs of a restructuring provision for the process of group layoffs</li> </ul>
2022	<ul style="list-style-type: none"> <li>• PLN -125.9 m contribution for the restructuring fund of BFG (PLN -151.7 m the whole BFG charge)</li> <li>• PLN -83.0 m provision for CHF loans</li> </ul>	<ul style="list-style-type: none"> <li>• PLN -188.0 m IPS costs</li> <li>• PLN -139.7 m provision for CHF loans</li> </ul>	<ul style="list-style-type: none"> <li>• PLN -965.0 m impact of credit holidays (recognized in NII)</li> <li>• PLN -134.0 m provision for CHF loans</li> <li>• PLN -29.0 m costs related to the necessity to reimburse Customers for additional fees incurred until the mortgage is established</li> </ul>	<ul style="list-style-type: none"> <li>• PLN +70.0 m adjustment to the impact of credit holidays (recognized in NII)</li> <li>• PLN -383.3 m provision for CHF loans</li> <li>• PLN -58.2 m costs related to the Borrowers' Support Fund contribution</li> </ul>
2021	<ul style="list-style-type: none"> <li>• PLN -90.1 m contribution for the restructuring fund of BFG (PLN -103.7 m the whole BFG charge)</li> <li>• PLN -71.9 m provision for CHF loans</li> </ul>	<ul style="list-style-type: none"> <li>• PLN -187.1 m provision for CHF loans</li> </ul>	<ul style="list-style-type: none"> <li>• PLN -202.0 m provision for CHF loans</li> <li>• PLN +33.9 m review of allocation of discount curves used for valuation of hedged instruments (Macro Fair Value Hedge)</li> </ul>	<ul style="list-style-type: none"> <li>• PLN -584.4 m provision for CHF loans</li> </ul>

# Loan portfolio

Increase in loans to Institutional Clients despite still low demand from enterprises. The value of retail loans is determined by the shrinking portfolio of mortgage loans



## Individual Customer loans [PLN million]



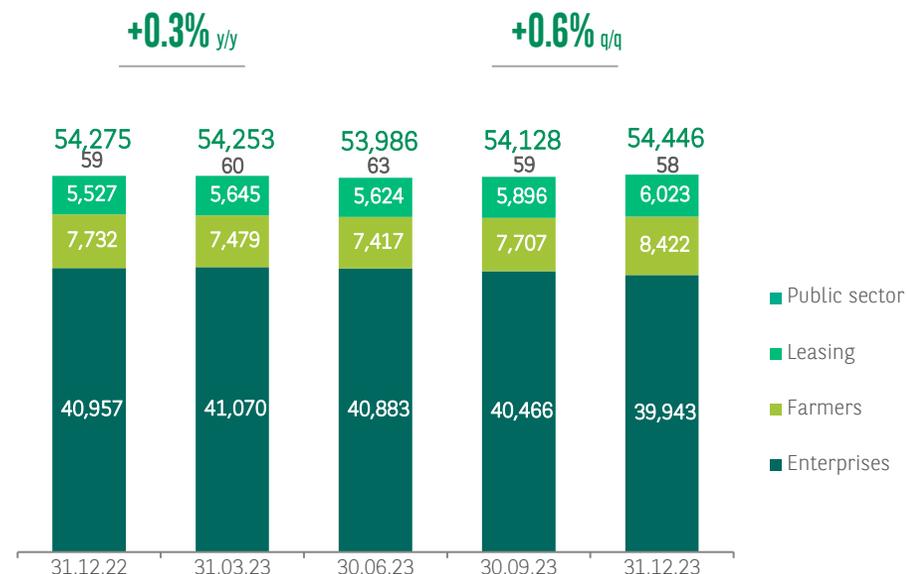
- Further decrease in the PLN mortgage portfolio as a result of low sales of new loans. Decline in the value of CHF mortgages (-44.3% q/q, -69.4% y/y) primarily due to the impact of legal risk recognized as a reduction of gross value.
- The share of mortgages in loans to Individual Customers amounts to 63.9% (-1.1 pp q/q, -3.5 pp y/y).
- Stabilization of the cash loan portfolio -1.3% q/q (+2.1% y/y).

Data presented taking into account the implementation of IFRS 9 in terms of portfolio presentation (mortgage loans in CHF)

\* Inter alia: car loans, instalment loans, overdraft facilities, credit cards



## Institutional Customer loans\*\* [PLN million]



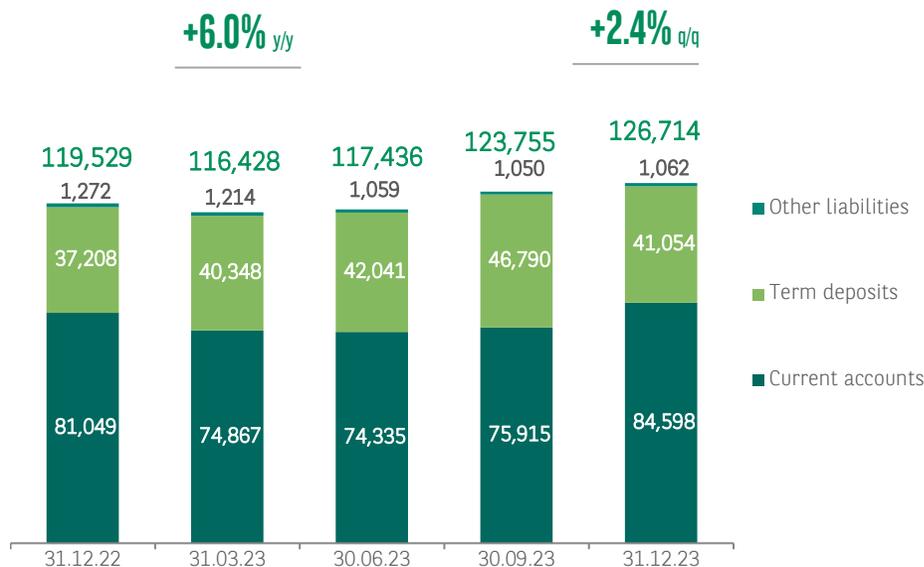
- Slight decrease in gross loans to enterprises (-1.3% q/q, -2.5% y/y). Positive dynamics of the leasing portfolio +2.2% q/q (+9.0% y/y).
- Increase in the individual farmers gross portfolio +9.3% q/q (+8.9% y/y). The share of the portfolio in loans to Institutional Customers stood at 15.5% (+1.2 pp q/q, +1.2 pp y/y).
- At the end of 2023, the share of loans to enterprises in loans to Institutional Customers was equal to 73.4% (-1.4 pp q/q, -2.1 pp y/y), the share of leasing amounted to 11.1% (+0.2 pp q/q, +0.9 pp y/y).

\*\* including the portfolio measured at fair value for "Farmers" and "Enterprises" items (breakdown based on MIS data)

# Deposit base structure

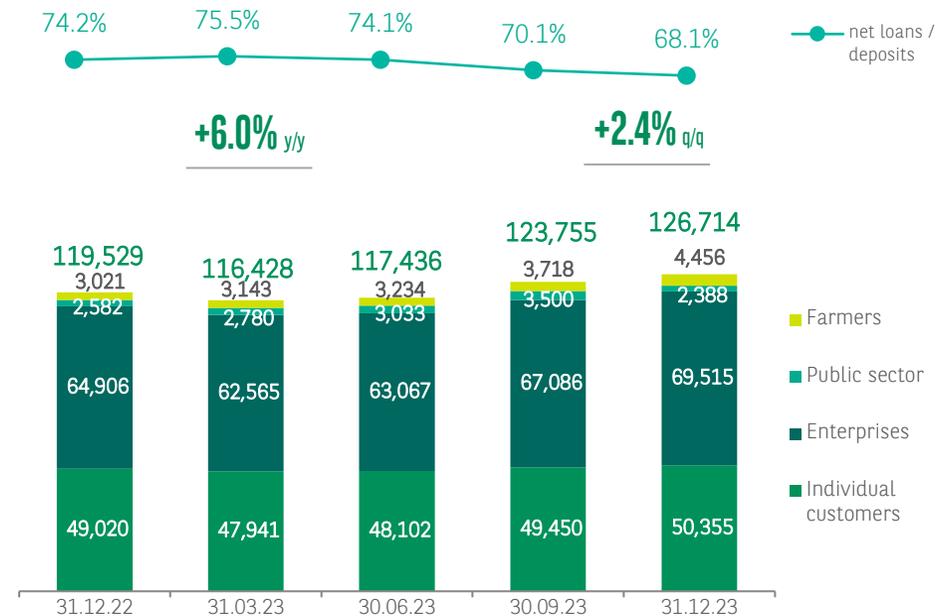
Increase in deposits in both segments

## > Deposit term structure [PLN million]



- Increase in the share of customers' current accounts in total deposits: 66.8% at the end of 2023 (+5.4 pp q/q, -1.0 pp y/y).
- In Q4 2023, current deposits increased (PLN +8,683 million, +11.4% q/q) while term deposits decreased (PLN -5,736 million, -12.3% q/q).
- In the case of current deposits, the portfolio of Institutional Clients increased by PLN 9,473 million (+19.2% q/q). Current accounts of Individual Customers decreased by PLN 790 million (-3.0% q/q).
- Term deposits of Institutional Customers decreased by PLN 7,408 million (-30.5% q/q), and term deposits of Individual Customers increased by PLN 1,672 million (+7.4% q/q).

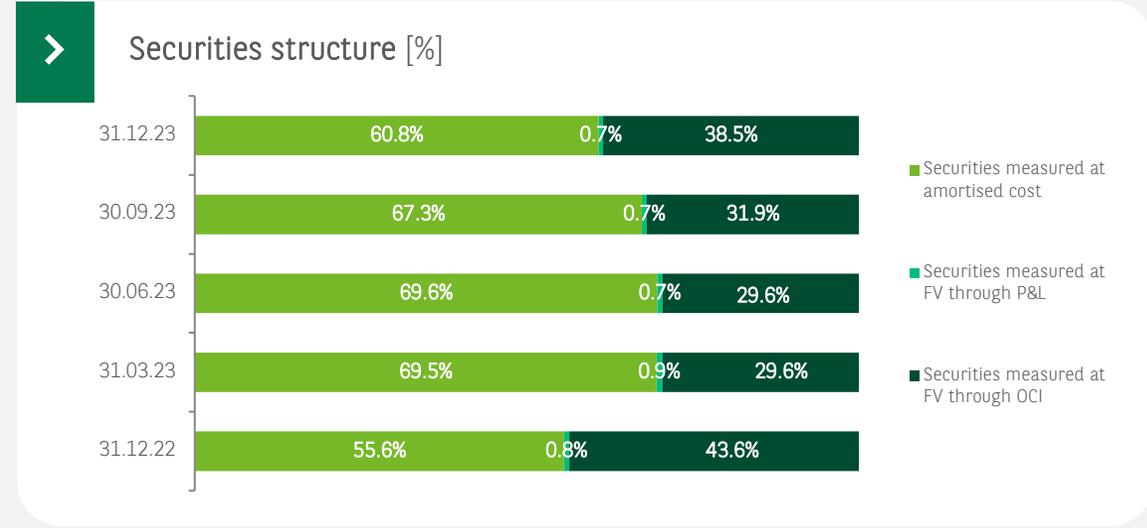
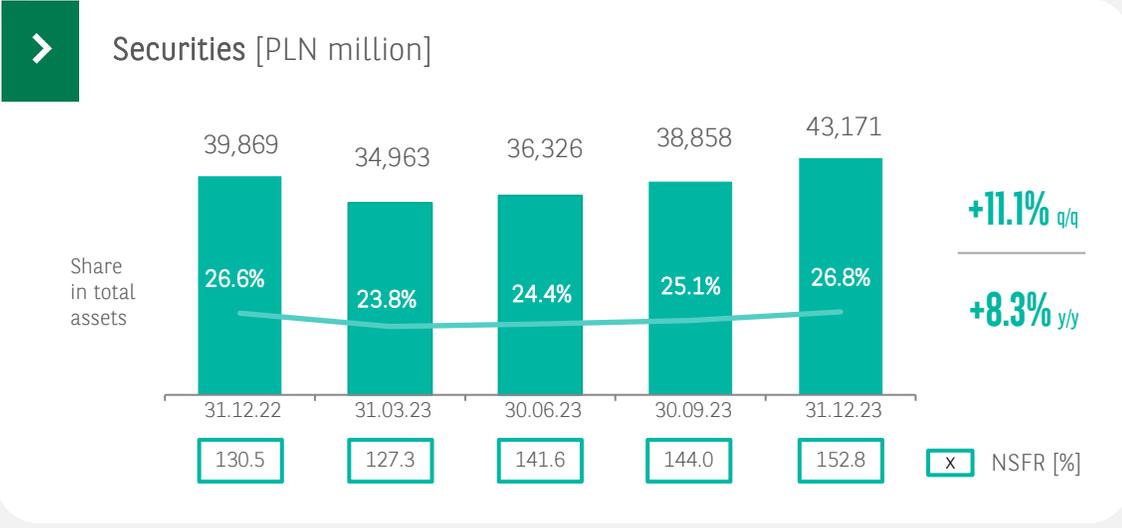
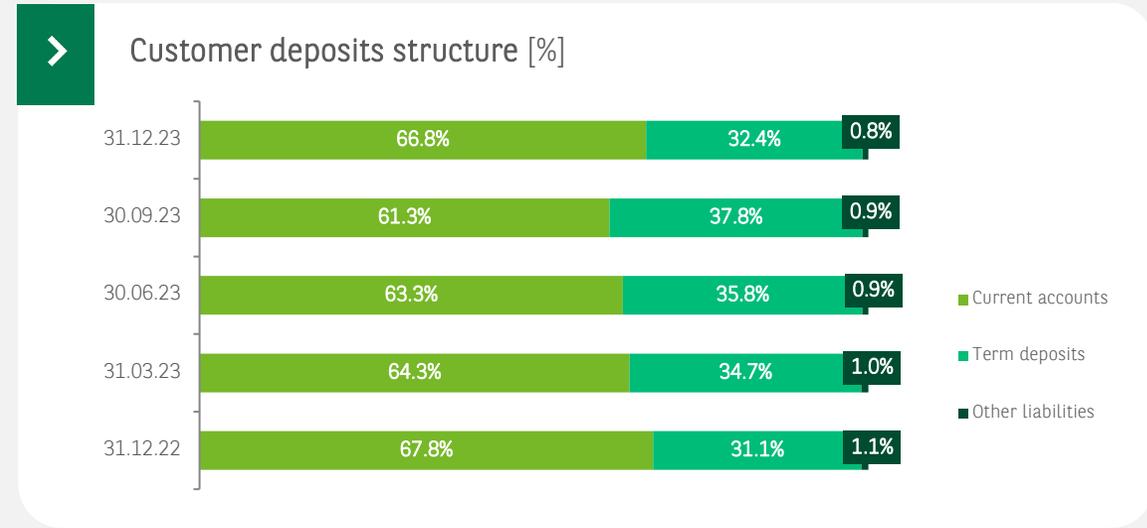
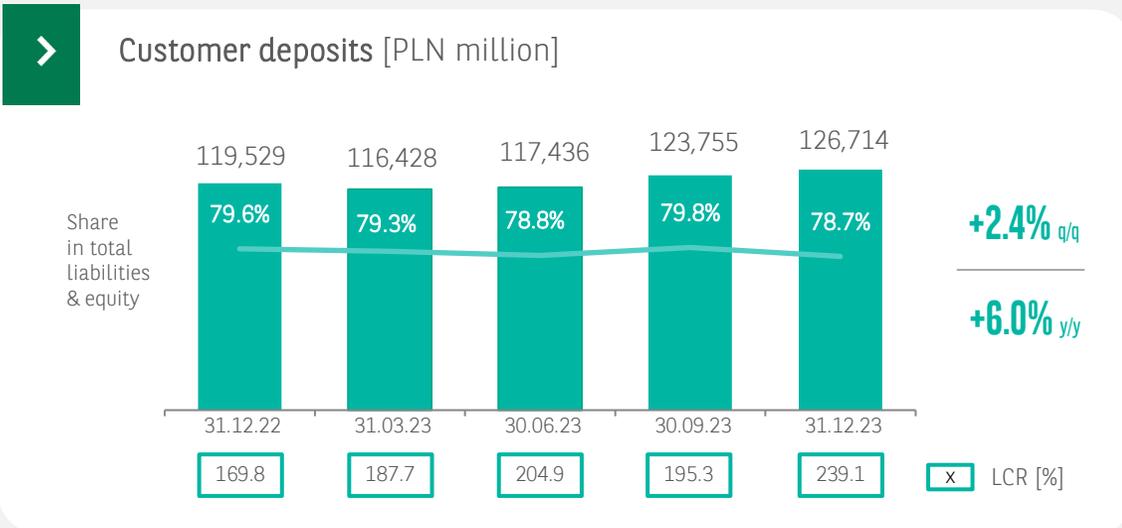
## > Deposit structure by Customer type [PLN million]



- Decrease in the cost of PLN deposits at the end of Q4 2023 by 37 bps compared to the end of Q3 2023 (and by 66 bps compared to the end of December 2022). In September and October 2023, there were two reductions in interest rates (NBP reference rate -100 bp in total).
- In Q4 2023, deposits of all main sectors increased: enterprises by 3.6% q/q (+7.1% y/y), deposits of Individual Customers by 1.8% q/q (+2.7% y/y), farmers by 19.8% q/q (+45.7% y/y).

# Liquidity

Stable and diversified deposit base, growing level of liquid assets



# Net banking income

Improved performance in core income categories

[PLN million]	2023	2022	change
Net interest income	5,225	3,493	49.6%
Net fee and commission income	1,211	1,137	6.5%
Net trading income	951	755	26.0%
Net investment income	(23)	29	-
Dividends	11	11	0.6%
Hedging accounting	(31)	13	-
Result arising from the derecognition	4	(2)	-
Other operating income and expenses	(65)	(84)	(21.9%)
<b>Net banking income</b>	<b>7,283</b>	<b>5,352</b>	<b>36.1%</b>

[PLN million]	Q4 2023	Q4 2022	change
Net interest income	1,421	1,217	16.8%
Net fee and commission income	291	262	11.3%
Net trading income	194	273	(29.0%)
Net investment income	(23)	(8)	201.2%
Dividends	0	0	-
Hedging accounting	(14)	3	-
Result arising from the derecognition	0	0	-
Other operating income and expenses	(45)	(28)	59.7%
<b>Net banking income</b>	<b>1,826</b>	<b>1,720</b>	<b>6.2%</b>

- 2022 result burdened by the negative impact of credit holidays in the amount of PLN -895 million. Increase in comparable net interest income in 2023 y/y mainly due to higher deposit and credit margins and improved interest income from investing excess liquidity (from securities and reverse repo transactions).
- Net fee and commission income increase mainly due to higher commissions on cards, loans, guarantees and insurance.
- Increase in the net trading income thanks to the increase in the result on transactions with Customers (+5.9% y/y), better result on FX swap transactions in ALMT, improvement in the valuation of IRS hedging the valuation of the loan portfolio measured at FV and the valuation of the Bank's shares in infrastructure companies (Visa, Mastercard, KIR, BIK).

- Q4 2023 result with the positive impact of credit holidays in the amount of PLN +23 million (in Q4 2022 +70 million). Higher comparable interest income in Q4 2023 vs Q4 2022 thanks to higher interest income from investing excess liquidity (from securities and reverse repo transactions), lower cost of obtaining deposits in PLN and improved interest income from derivatives under fair value hedge accounting.
- Net fee and commission income increase as a result of higher commissions on cards, guarantees, asset management and brokerage operations.
- Lower net trading income mainly due to lower result in the CIB area and on FX swap transactions in ALMT, lower valuation of the Bank's shares in infrastructure companies (Visa, Mastercard, KIR, BIK) and lower result on the valuation of IRS hedging loans valued at FV.

# Consolidated P&L

PLN thous.

Profit and loss account	31.12.2023	31.12.2022	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Interest income	9,827,260	6,482,405	2,557,190	2,482,114	2,441,413	2,346,543	2,337,166
Interest expenses	(4,601,833)	(2,989,400)	(1,135,800)	(1,117,390)	(1,201,700)	(1,146,943)	(1,120,235)
<b>Net interest income</b>	<b>5,225,427</b>	<b>3,493,005</b>	<b>1,421,390</b>	<b>1,364,724</b>	<b>1,239,713</b>	<b>1,199,600</b>	<b>1,216,931</b>
Fee and commission income	1,472,599	1,405,358	358,916	353,198	371,876	388,609	331,434
Fee and commission expenses	(261,637)	(268,443)	(67,815)	(66,356)	(63,937)	(63,529)	(69,889)
<b>Net fee and commission income</b>	<b>1,210,962</b>	<b>1,136,915</b>	<b>291,101</b>	<b>286,842</b>	<b>307,939</b>	<b>325,080</b>	<b>261,545</b>
Dividend income	10,881	10,817	311	6,372	3,871	327	166
Net trading income	950,781	754,701	194,118	272,632	249,443	234,588	273,236
Net investment income	(23,028)	29,227	(22,876)	6,211	6,053	(12,416)	(7,595)
Result on hedge accounting	(30,939)	13,267	(14,073)	(536)	1,343	(17,673)	2,888
Result on derecognition of financial assets measured at amortized cost due to significant modification	4,190	(2,159)	468	(7,890)	7,474	4,138	493
Other operating income	236,928	203,874	64,427	52,829	63,805	55,867	41,742
Net allowances on expected credit losses of financial assets and provisions for contingent liabilities	(34,369)	(275,010)	(74,349)	(11,370)	26,400	24,950	(56,262)
Result on legal risk related to foreign currency loans	(1,978,086)	(740,000)	(1,016,826)	(370,848)	(356,024)	(234,388)	(383,263)
General administrative expenses	2,638,799	(2,626,707)	(706,514)	(645,538)	(608,792)	(677,955)	(650,381)
Depreciation	(456,736)	(411,749)	(117,279)	(115,918)	(116,370)	(107,169)	(103,421)
Other operating expenses	(302,404)	(287,701)	(109,148)	(76,393)	(56,221)	(60,642)	(69,747)
<b>Operating result</b>	<b>2,174,808</b>	<b>1,298,480</b>	<b>(89,250)</b>	<b>761,117</b>	<b>768,634</b>	<b>734,307</b>	<b>526,332</b>
Tax on financial institution	(411,653)	(426,553)	(107,476)	(101,642)	(99,703)	(102,832)	(111,719)
<b>Gross profit (loss)</b>	<b>1,763,155</b>	<b>871,927</b>	<b>(196,726)</b>	<b>659,475</b>	<b>668,931</b>	<b>631,475</b>	<b>414,613</b>
Income tax	(750,609)	(430,430)	(183,839)	(213,996)	(209,284)	(143,490)	(161,928)
<b>NET PROFIT (LOSS)</b>	<b>1,012,546</b>	<b>441,497</b>	<b>(380,565)</b>	<b>445,479</b>	<b>459,647</b>	<b>487,985</b>	<b>252,685</b>

# Assets

PLN thous.

Consolidated statements of financial position	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022
<b>ASSETS</b>					
Cash and balances with the Central Bank	6,883,586	6,699,539	6,971,609	4,360,017	2,718,307
Amounts due from banks	17,963,948	16,195,371	11,833,618	12,977,201	11,800,189
Derivative financial instruments	3,146,745	2,797,626	3,257,019	2,988,424	3,224,272
Adjustment of fair value of the hedging and hedged item	94,496	125,440	32,618	18,789	33,025
Loans and advances to customers valued at amortized cost	85,594,516	86,017,265	86,264,579	86,998,811	87,681,850
Loans and advances to customers valued at fair value through P&L	653,582	729,446	785,242	860,314	949,298
Securities valued at amortized cost	26,246,278	26,158,895	25,299,601	24,311,008	22,167,261
Securities valued at fair value through P&L	291,351	290,465	270,197	301,637	316,593
Securities valued at fair value through the other comprehensive income	16,634,303	12,408,951	10,756,338	10,350,737	17,384,793
Intangible assets	936,024	851,904	825,006	803,323	821,106
Property, plant and equipment	959,923	987,967	1,022,783	1,063,160	1,069,429
Deferred income tax assets	766,504	778,997	849,596	898,540	966,436
Current income tax assets	4,730	26,316	20,257	18,202	14,107
Other assets	849,761	1,029,677	849,792	836,079	961,936
<b>TOTAL ASSETS</b>	<b>161,025,747</b>	<b>155,097,859</b>	<b>149,038,255</b>	<b>146,786,242</b>	<b>150,108,602</b>

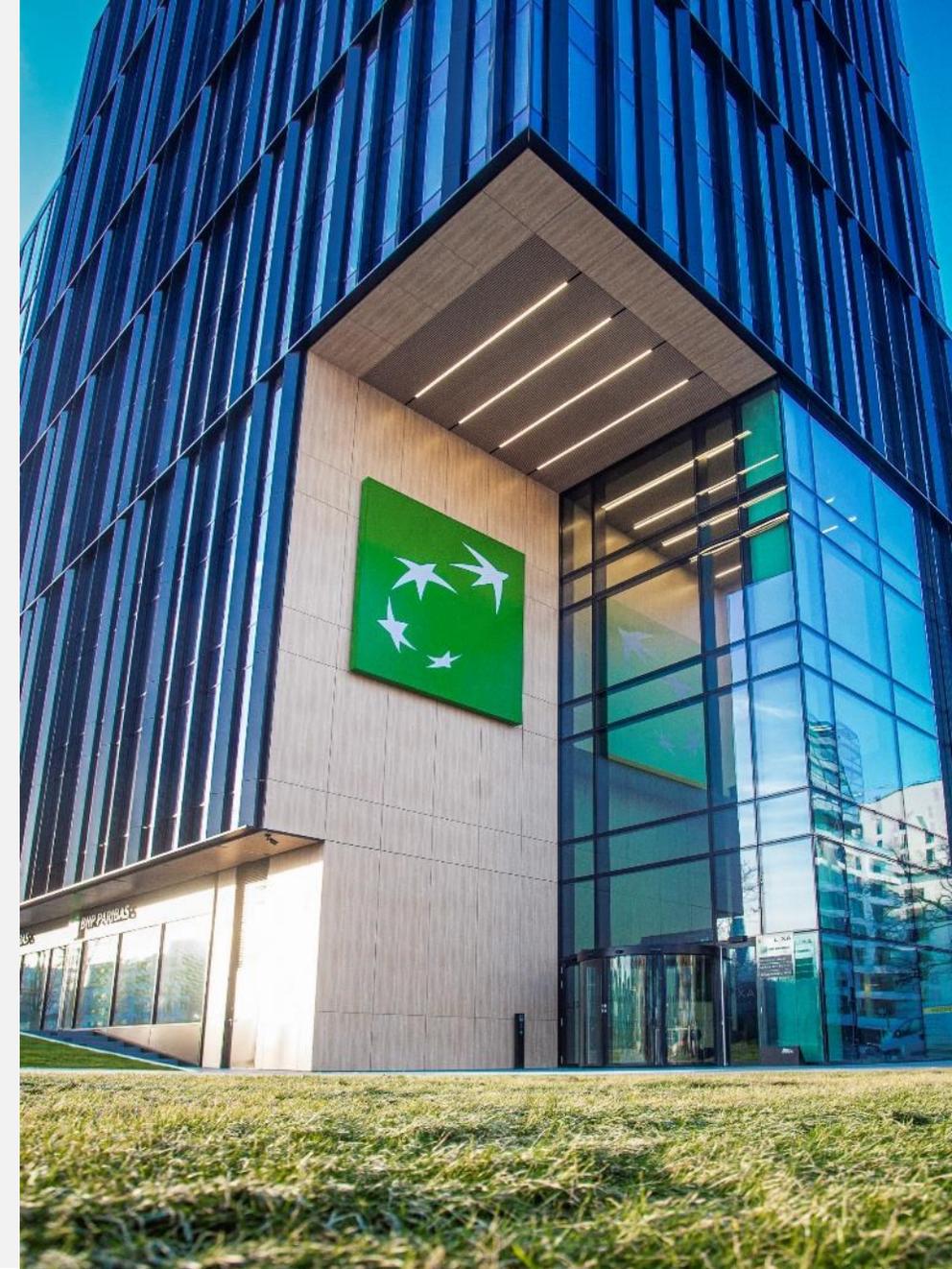
# Liabilities and equity

PLN thous.

Consolidated statements of financial position	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022
<b>LIABILITIES</b>					
Amounts due to the Central Bank	-	-	-	-	8,713
Amounts due to other banks	9,059,394	6,429,084	7,058,586	6,666,424	7,158,024
Adjustment of fair value of the hedging and hedged item	(7,365)	(245,848)	(275,213)	(365,682)	(451,646)
Derivative financial instruments	2,865,275	2,872,187	3,142,164	2,931,864	3,147,855
Amounts due to customers	127,174,831	124,223,279	117,911,920	116,912,395	120,021,043
Liabilities on debt securities issue	-	-	-	-	364,633
Subordinated liabilities	4,336,072	4,415,727	4,337,381	4,404,398	4,416,887
Leasing liabilities	626,269	676,222	674,283	719,532	718,892
Other liabilities	2,191,890	2,328,802	2,462,420	2,320,595	2,423,182
Current income tax liabilities	376,736	276,659	202,796	280,936	223,527
Provisions	1,541,370	990,813	909,801	929,545	815,271
<b>TOTAL LIABILITIES</b>	<b>148,164,472</b>	<b>141,966,925</b>	<b>136,424,138</b>	<b>134,800,007</b>	<b>138,846,381</b>
<b>EQUITY</b>					
Share capital	147,677	147,677	147,677	147,593	147,593
Supplementary capital	9,110,976	9,110,976	9,110,976	9,110,976	9,110,976
Other reserve capital	3,525,056	3,523,460	3,521,971	3,144,026	3,142,098
Revaluation reserve	(566,754)	(676,064)	(745,913)	(912,591)	(1,149,786)
Retained earnings	644,320	1,024,885	579,406	496,231	11,340
retained profit	(368,226)	(368,226)	(368,226)	8,246	(430,157)
net profit for the period	1,012,546	1,393,111	947,632	487,985	441,497
<b>TOTAL EQUITY</b>	<b>12,861,275</b>	<b>13,130,934</b>	<b>12,614,117</b>	<b>11,986,235</b>	<b>11,262,221</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>161,025,747</b>	<b>155,097,859</b>	<b>149,038,255</b>	<b>146,786,242</b>	<b>150,108,602</b>

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BNP Paribas Bank Polska Spółka Akcyjna, with its registered office in Warsaw at ul. Kasprzaka 2, 01-211 Warsaw, entered into the Register of Entrepreneurs of the National Court Register (KRS) by the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, with KRS number: 0000011571, Tax Identification Number (NIP): 526-10-08-546, and a fully paid share capital of PLN 147,676,946.

# INVESTOR RELATIONS

BNP PARIBAS BANK POLSKA S.A.