

Impact of the Act amending the Act on support for borrowers who have taken out a mortgage loan and are in a difficult financial situation and 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, following the signing by the President of the Republic of Poland of the Act of April 12, 2024 amending the Act on support for borrowers who have taken out a mortgage loan and are in a difficult financial situation and the Act on crowdfunding for business ventures and assistance to borrowers (the "Act") providing Customers with the possibility to suspend the performance of mortgage loan agreements granted in PLN from June 1, 2024 to December 31, 2024 for 4 months in total ("suspension"), the estimated impact of this Act on the Bank's results and operations has been approved by the Bank on 8 May 2024.

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.

As compared to 2022, the Act imposes additional income criterion (the ratio of the installment size to household income, average in the previous 3 months) for Customers to be eligible for the suspension. The Bank estimates that approximately 90% of Customers who meet all the criteria specified in the Act will submit an application for suspension of the performance of the agreement. The Management Board approved the recognition of PLN 203 million negative impact in the Q2 2024 financial results.

The assumptions of the Bank's estimate reflect the subjective assessment of the Bank and are subject to uncertainty, especially in case of the income criterion estimates. Consequently, these assumptions may be subject to review. Bank will disclose information about the actual impact of the Act in the upcoming periodic reports.

Legal basis

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