



PRESS RELEASE

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The BNP Paribas Bank Polska Group generated net profit of PLN 591 million in Q1 2024

In Q1 2024 the BNP Paribas Bank Polska Group reported a net banking income of PLN 1,944 million (+6.5% q/q; +12.5% y/y), and a solid net profit of PLN 591 million (+21% y/y). The strong performance was driven mainly by an improvement in the recurring net interest income and solid fee and commission income. Operating expenses continued to reflect inflationary pressures and continued investments in developing technology. In the first quarter, operating expenses were further increased by the seasonal contribution to the Bank Guarantee Fund. The quality of the loan portfolio remains very strong, resulting in a below-market cost of risk in the absence of positive one-off events. Legal risks related to CHF loans did not have a significant impact on the Group's results in Q1 2024.

"In a stable environment of persistently high interest rates, we improved our net banking income, continued strong growth in sales of investment products, and are gradually returning to higher acquisition levels in other retail banking products. In the corporate segment, our growth rate was in line with the market. In the period ahead of us, I hope we will seize the moment as the economy returns to growth and the opportunities that will arise as the funds of the National Recovery and Resilience Plan are released. In particular, the improvement in business conditions should translate into greater demand for corporate financing. In the first quarter, we improved our liquidity position through a transaction in which the parent company sold 6% of the Bank's shares to increase the free float. We have also reached a milestone that confirms the maturity of our business model: the first dividend payment in the history of BNP Paribas Bank Polska. This is something that we can be proud of. As we join the league of banks that pay dividends to their shareholders, we hope this will become a permanent part of our way of doing business." says Przemek Gdański, President of the Management Board of BNP Paribas Bank Polska.



Net profit in Q1
PLN 591 million
+21.0% y/y



Net banking income in Q1
PLN 1,944 million
+6.5% q/q
+12.5% y/y



ROE at the end of Q1
18.0%
+10 p.p. q/q
+1 p.p. y/y



Volume of investment products at the end of Q1
PLN 15,906 million
+8.9% q/q
+49.1% y/y



GOMobile users at the end of Q1
1,205 thousand
+2.9% q/q
+7.2% y/y



BLIK payments – number of transactions in Q1
13,262 thousand
+2.6% q/q
+43.8% y/y

Q1 2024 business highlights:

- Gross retail loan portfolio: PLN 33.8 billion (-7.4% y/y)
- Institutional customer gross loan portfolio: PLN 55.0 billion (+1.4% y/y)
- Sales of investment products: PLN 3.0 billion (+55.4% y/y)
- Sales of cash loans: PLN 924.4 million (+31.9% y/y)



- Sales of personal accounts: 47.7 thousand (-23.5% y/y)
- Number of users of digital channels: 1.7 million (+0.9% y/y)
 - including GOMobile app users: 1.2 million (+7.2% y/y)

Financial highlights at the end of Q1 2024:

- Total assets: PLN 159 billion (+8.2% y/y)
- Total loans (gross): PLN 89 billion (-2.2% y/y)
- Customer deposits: PLN 124 billion (+6.8% y/y)
- Net banking income in Q1 2024: PLN 1,944 million (+12.5% y/y)
 - Net interest income: PLN 1,402 million (+16.9% y/y)
 - Net fee and commission income: PLN 335 million (+3.1% y/y)
 - Net trading and investment income: PLN 213 million (-9.1% y/y)
- General administrative expenses, including depreciation and amortization in Q1 2024: PLN 921 million (+17.3% y/y)
- Cost of credit risk, quarterly: -44 b.p. vs. +11 b.p. one year before
- Profitability: ROE of 18.0% (+1.0 p.p. y/y), C/I of 47.4% (+2.0 p.p. y/y)
- Profitability: ROE without the impact of credit holidays: 18.1%, C/I without the costs of contributions to the Bank Guarantee Fund and the impact of credit holidays: 40.4% (+1.1 p.p. y/y)
- Stable and secure liquidity position – net loan/deposit ratio: 69.3% (-6.2 p.p. y/y)
- Capital position above regulatory minimum levels – Tier 1 ratio: 12.77%

Solid financial results, marginal effect of provisions for CHF loans

In Q1 2024, net profit of the BNP Paribas Bank Polska Group reached PLN 591 million (+21.0% y/y). Compared to Q4 2023 (loss of PLN 381 million), the key factor is a significantly lower impact of legal risk associated with the portfolio of CHF mortgage loans. In Q4 2023, the bank established provisions of PLN 1,017 million for this purpose, compared with PLN 21 million in Q1 2024. This does not mean that the impact of this risk on future performance will be permanently reduced. The bank continued to enter into settlements with Customers. At the end of Q1, it has concluded 4,032 settlements.

The Group posted net banking income of PLN 1,944 million (+6.5% q/q, +12.5% y/y). Net interest income amounted to PLN 1,402 million (-1.4% q/q, +16.9% y/y) as a result of a continued high interest margin and a positive impact from the management of excess liquidity. The Group generated a very solid fee and commission income of PLN 335 million (+15.1% q/q, +3.1% y/y) largely as a result of fees and commissions related to cards, asset management, brokerage operations and insurance. Trading income also increased on a quarterly basis to PLN 213 million (+9.9% q/q, -9.1% y/y).

In Q1, the cost base was visibly impacted by inflation and continued investment in technology. The seasonal increase in costs to PLN 921 million (+11.8% q/q, +17.3% y/y) was due to regulatory charges. Without the cost related to the Bank Guarantee Fund, it would be lower than in the previous quarter. The C/I ratio at the end of Q1 2024 was 47.4% (+2 p.p. y/y).

Business volumes – a considerable increase in investment products

At the end of Q1 2024, the gross value of loans was PLN 88,829 million (-0.03% q/q, -2.2% y/y). Despite the lingering weak demand for credit, the value of institutional loans increased (+1.0% q/q, +1.4% y/y). The value of retail loans declined (-1.7% q/q, -7.4% y/y), driven by a decrease in CHF mortgage loans (-8.7% q/q, -68.4% y/y) due to the impact of legal risks recognized as a decrease in the gross carrying amount, and a decrease in PLN mortgage loans (-2.5% q/q, -6.8% y/y).

In Q1 2024, the bank posted an increase in retail deposits (+1.6% q/q, +6.7% y/y) and a quarter-over-quarter decrease in corporate deposits despite an increase in annual terms (-4.1% q/q, +6.9% y/y). At the



end of Q1 2024, the total volume of investment products increased considerably at PLN 15,906 million (+8.9% q/q, +49.1% y/y).

Cost of risk in line with expectations, safe capital position

The normalization of the cost of credit risk at below the market average reflects the excellent quality and resilience of the portfolio. The cost was not affected by any positive one-off events. The cost of credit risk was 44 bps in Q1 2024.

The Non-Performing Loan (Stage 3) ratio for the loan portfolio measured at amortized cost remained low at 3.0% at the end of Q1 2024.

The Group's capital position has improved and remains safe. Capital ratios remain above their respective regulatory requirements. In March 2024, the Bank concluded a securitization transaction with IFC, which pushed up the Common Equity Tier 1 capital ratio (CET1) by 0.17 p.p. as at the end of March 2024. At the end of the period, Tier 1 amounted to 12.77%.

Driving sustainable development and continued digitalization

The BNP Paribas Bank remains focused on supporting energy transition of its customers. The value of sustainable financing at the end of Q1 2024 reached PLN 9.4 billion. As part of the program by the European Investment Bank, the bank financed investments of PLN 1.3 billion in renewable energy sources and energy efficiency of its customers. In January, it signed an agreement with R.Power worth PLN 113,9 million to secure project finance for the construction of a portfolio of photovoltaic projects with a total capacity of 32.7 MWp.

The quality of BNP Paribas Bank's service and its offer to businesses was recognized by Global Finance and The Digital Banker. The Bank was named Best SME Bank in Poland in the Best SME Bank Awards 2024 competition and Best Bank for Medium Sized Enterprises in Central Europe in the Global SME Banking Innovation Awards 2024 competition.

The bank's customers are increasingly using remote channels (1,662 thousand users, +1.8% q/q, +0.9% y/y), in particular the GOMobile application (1,205 thousand users, +2.9% q/q, +7.2% y/y). Digital transactions are growing dynamically, especially on a year-over-year basis. The number of quarterly BLIK transactions was 13,262 thousand (+2.6% q/q, +43.8% y/y), while the number of GOMobile transactions reached 24,323 thousand (+2.4% q/q, +26.9% y/y).

At the end of Q1 2024 the bank served nearly 4.2 million customers. 183 out of 368 Customer Service Centers are cashless facilities. The OK Senior certificate confirms that all Customer Service Centers are senior-friendly. As many as 133 of these were "Barrier-Free Facilities" adapted to the needs of people with limited mobility.

Consolidated financial highlights (PLN 000s)

Profit and loss account	Q1 2024	Q1 2023	change y/y	Q4 2023
Net interest income	1,401,976	1,199,600	16.9%	1,421,390
Net fee and commission income	335,085	325,080	3.1%	291,101
Net banking income	1,944,156	1,728,869	12.5%	1,825,718
General administrative expenses and depreciation	(921,077)	(785,124)	17.3%	(823,793)



Net allowance for expected credit losses	(96,365)	24,950	-	(74,349)
Result on operating activities	905,714	734,307	23.3%	(89,250)
Net profit	590,588	487,985	21.0%	(380,565)
per share in PLN	4.00	3.31	21.0%	(2.58)

Balance sheet	31 March 2024	31 December 2023	31 March 2023
Total assets	158,840,119	161,025,747	146,786,242
Total loans (gross)	88,828,555	88,857,046	90,800,309
Liabilities towards customers	124,837,420	127,174,831	116,912,395
Total equity	13,486,385	12,861,275	11,986,235
Capital adequacy	31 March 2024	31 December 2023	31 March 2023
Total capital requirement	16.84%	16.67%	15.87%
Tier 1 ratio	12.77%	12.51%	11.65%