



**BNP PARIBAS**

## Individual recommendation of the Polish Financial Supervision Authority with regard to meeting the criteria for paying dividend from the net profit earned in 2024

### current report no. 3/2025

date: 14 March 2025

The Management Board of BNP Paribas Bank Polska S.A. ("Bank") with reference to the current report no. 2/2025 dated 12 March 2025 and related to the proposed distribution of the Bank's net profit for the financial year 2024, hereby informs that on 13 March 2025, the Bank received an individual recommendation from the Polish Financial Supervision Authority ("KNF") with regard to the commercial banks' dividend policy ("Dividend policy"), the supervisory evaluation of the Bank and the Bank's reporting data.

KNF stated that as at 31 December 2024, the Bank, in terms of the general criteria of the Dividend policy, met the requirements qualifying for the payment of dividend up to 50% of the Bank's net profit earned in the period from 1 January 2024 to 31 December 2024. Additionally, after taking into account the quality of the Bank's loan portfolio, measured by the share of non-performing receivables in the total portfolio of receivables of the non-financial sector, including debt instruments, the rate of possible dividend payout, due to the sound credit quality, was increased to 75%.

In order to ensure the stability of the Bank's operations in subsequent periods, as well as the Bank's further development, KNF recommended that the Bank should limit the risk present in its operations by:

- 1) not distributing more than 75% of the net profit earned in the period from 1 January 2024 to 31 December 2024 provided that the maximum payout should not be higher than the annual net profit reduced by net profit earned in 2024 which was already allocated to own funds;
- 2) not performing, without upfront consultation with the supervisory authority, of any other measures which could reduce its own funds in particular if they go beyond the scope of the ordinary business and operational activity, including the potential distribution of the net profit retained in previous years or the buy-backs or redemptions of the Bank's own shares.

The decision of the Bank's Management Board disclosed in the current report no. 2/2025 dated 12 March 2025 is in line with the recommendation received from KNF.

#### Legal basis

Article 17 item 1 of the MAR Regulation