

2020

26 February 2021



PRESENTATION OF FINANCIAL PERFORMANCE

BNP Paribas Bank Polska S.A. Group



BNP PARIBAS

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BNP PARIBAS

01

KEY HIGHLIGHTS



BNP PARIBAS

A YEAR OF CHALLENGES IN MANY AREAS - ADAPTATION TO A CHANGED ENVIRONMENT

THE SCALE OF OPERATIONS ACHIEVED AND THE BUSINESS MODEL PROVEN IN CHALLENGING CIRCUMSTANCES

STAYING FOCUSED ON SUPPORTING OUR CLIENTS & THE ECONOMY

Full operational capacity - adapting channels and methods of providing services to customer needs and the new reality

Bringing innovations & accelerating digitalization to meet changing clients' needs and behaviors

Supporting anti-crisis measures: credit moratoria, distribution of government programs, acquisition of PFR and BGK bonds

DELIVERING ON BUSINESS DURING THE PANDEMIC

Retail banking – growth in the second half of the year despite the „light“ lockdown in Q4

Robust growth of deposits over the year, partial outflow of corporate balances, continued interest of individual customers in investment products

Still low demand for credit from enterprises though with first recovery signs in the last month of the year

FINANCIAL PERFORMANCE BACKED BY ADAPTATION MEASURES

Maintaining core revenues level despite pressure – revision of pricing policy in all areas to mitigate negative impact of interest rate cuts

Further improvement of cost efficiency – consistent execution of synergies, further transformation and business model adaptation

Risk management - no significant deterioration of the portfolio quality despite the pandemic
The result burdened with the provisions for court cases related to CHF mortgage loans

The results achieved in 2020 showed that the scale of operations and the business model built in recent years provide a solid foundation for the execution of the current strategy and adaptation to a rapidly changing environment.

THE ABILITY TO ADAPT THE BUSINESS MODEL TO THE CHANGED MARKET ENVIRONMENT

SUPPORTING CUSTOMERS AND ADJUSTMENT OF THE PRODUCTS' PRICING

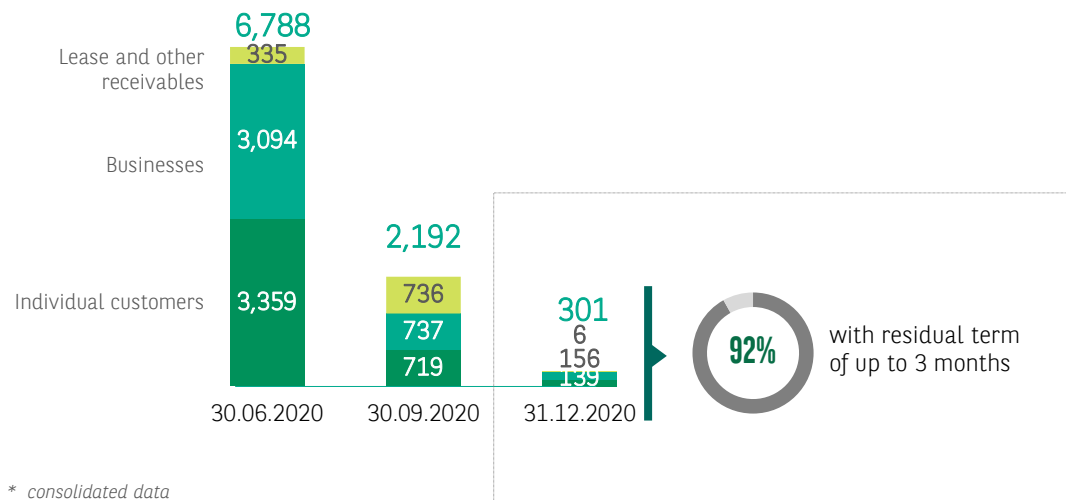
ACTIVITY DURING THE PANDEMIC TIME

Ensuring **safety measures** in branches; continued remote work (over the year on average ~99% branches available for clients, ~85% of headquarters' employees working from home)

Credit moratoria

- repayment deferral option from early April 2020 applied to credit exposure of **PLN 7.3 billion** of which **PLN 6.9 billion** expired (until 31 December)
- after 30 September 2020, only government's moratoria are available that apply to the exposures of **PLN 135.9 million**. Starting from mid-January 2021, private moratoria again available to clients
- high percentage of Bank's customers restarting repayments (**96%**)

Value of exposures under active credit moratoria* (PLN billion)



* consolidated data

** excluding integration costs; based on YTD figures

MAINTENANCE OF PROFITABILITY IN THE LOW INTEREST RATE ENVIRONMENT

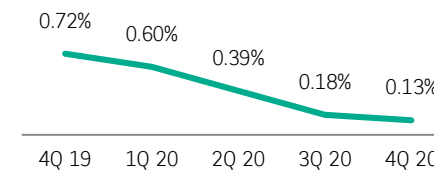
Repricing activities in all customer segments, on the assets and liabilities sides of the Bank's balance sheet – partial offset of the negative effect of interest rate cuts

Revision of fees and provisions in all customer segments

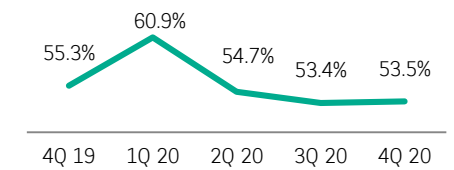
Cost discipline: synergy achievement is on track; additional cost saving initiatives

Focus on the **quality of loan portfolio**, standardization of the cost of risk

Quarterly deposit cost reduction



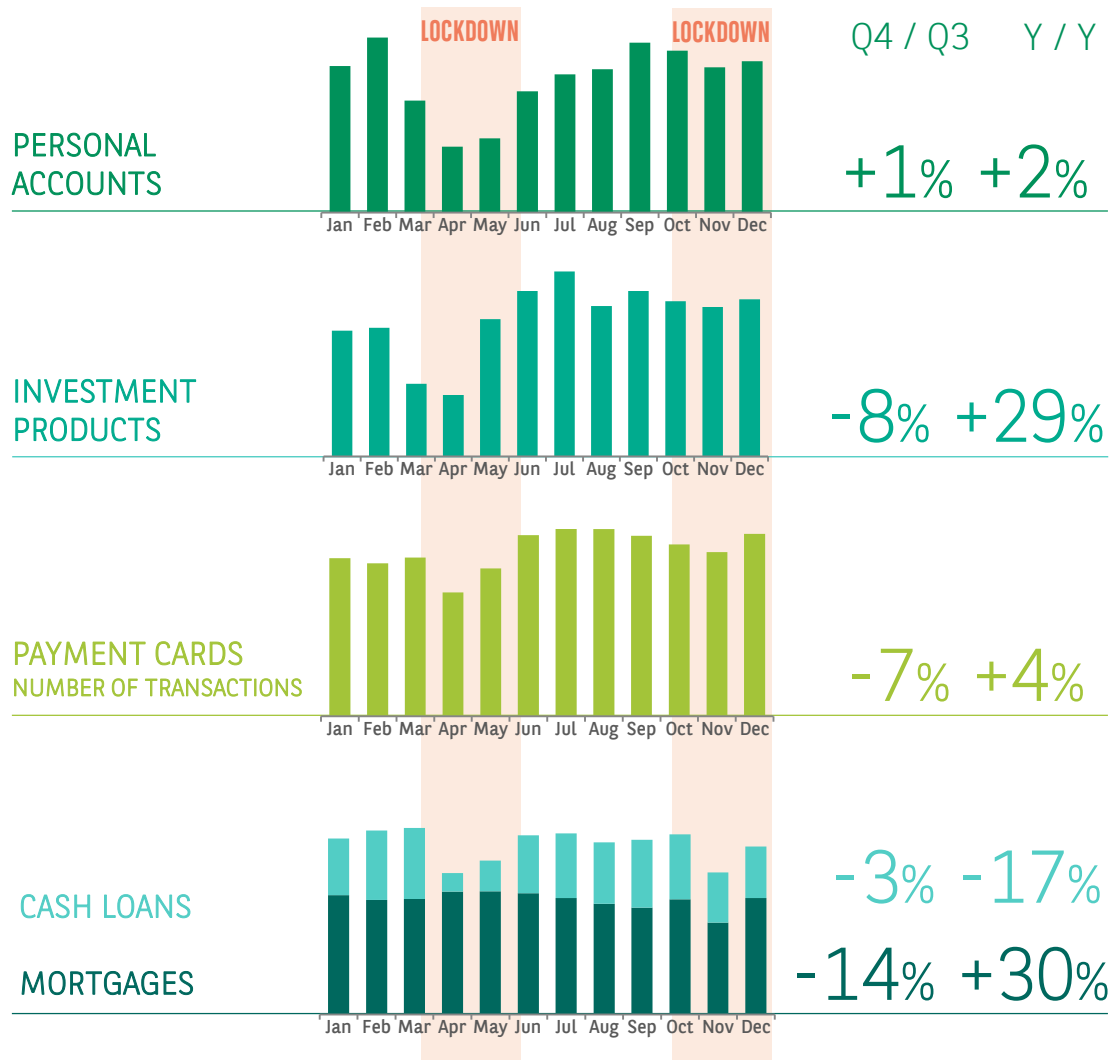
C/I** ratio improvement**



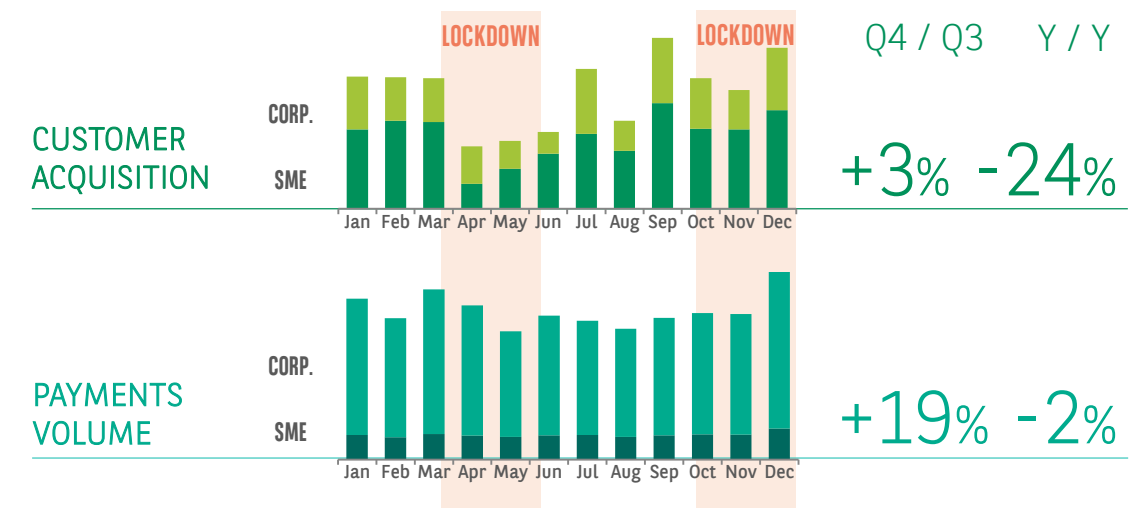
SIGNIFICANT IMPACT OF THE PANDEMIC ON THE CUSTOMERS BUSINESS ACTIVITY

Q4 AFFECTED BY THE SECOND LOCKDOWN. A GRADUAL RECOVERY IN CORPORATE BANKING

Retail Banking – sales & transactional volumes trends



Corporate Banking – sales & transactional volumes trends



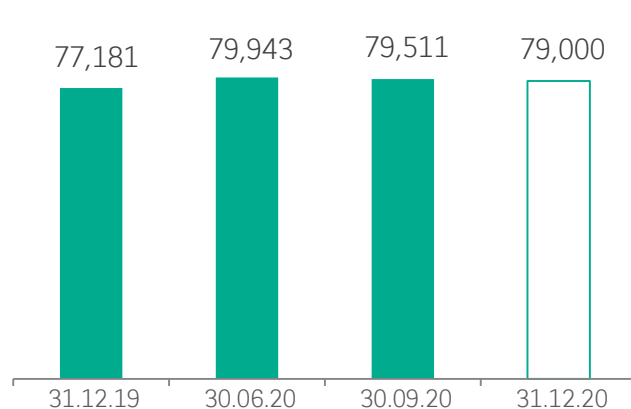
Despite the general decline in demand for loans from institutional customers, we completed several sizeable corporate transactions in Q4

 PHN Corporate bond issuance PLN 325 million Co-Arranger & Bookrunner December 2020	 Financing for acquisitions, investments and general corporate purposes PLN 215 million Arranger, Security Agent December 2020	 Casimir Student Accommodation PLN 126 million Construction Facility PLN 18 million VAT Facility Lender November 2020	 Corporate bond issuance PLN 125 million Co-Arranger & Bookrunner December 2020
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COMMERCIAL VOLUMES - FOLLOWING MARKET TRENDS

INCREASE IN LOANS TO RETAIL CUSTOMERS. PARTIAL OUTFLOW OF CORPORATE DEPOSITS

Gross loans (in PLN million)

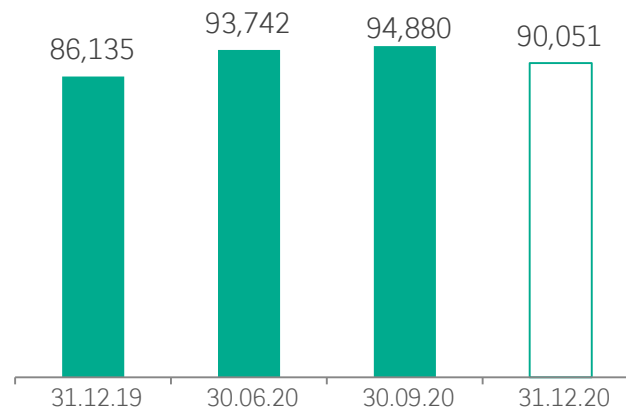


+2.7% q/q growth in individual customer loans (+12.7% y/y) mainly driven by mortgage loans (+4.1% q/q, (+21.8% y/y)

-3.0% q/q decrease in enterprise loans (-4.2% y/y)

Impact of the sale of PLN 856 million of impaired loans (mostly realized in Q4 2020) on the gross value of the portfolio as at year-end

Customer deposits (in PLN million)

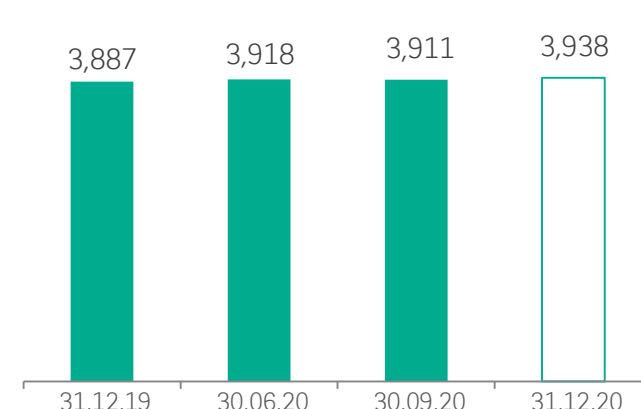


+2.8% q/q increase in individual customer deposits (+2.8% y/y)

-11.4% q/q decrease in enterprise deposits (+6.2% y/y)

+0.5% q/q growth in the number of micro entrepreneurs current accounts (+5.7% y/y)

Number of customers (in thousands)



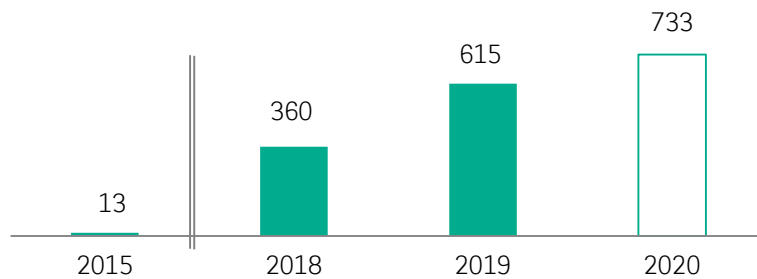
+0.7% q/q increase in the number of individual customers (+1.1% y/y) – increase in 2020 impeded by clean-up of the customer base

+0.8% q/q growth in the number of micro, SME and corporate customers (+4.4% y/y)

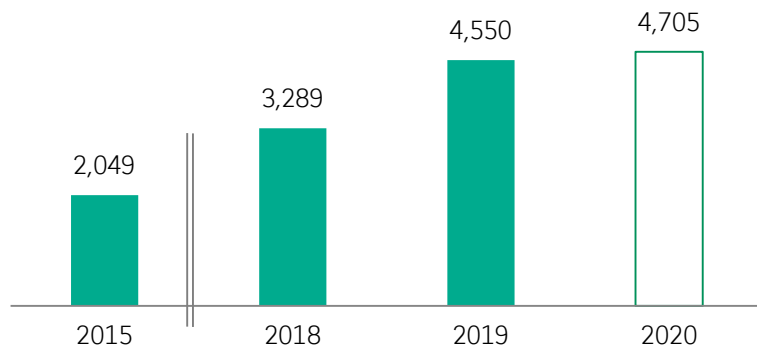
ALL-TIME HIGH LEVEL OF RESULTS DESPITE THE DIFFICULT MARKET SITUATION

FURTHER INCREASE IN PROFIT GENERATING CAPACITY AND IMPROVEMENT IN PROFITABILITY

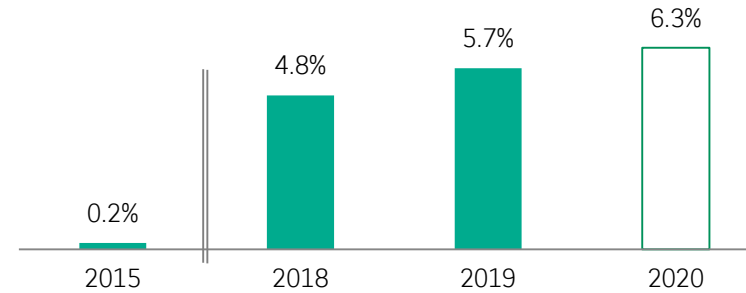
Net profit (PLN m)



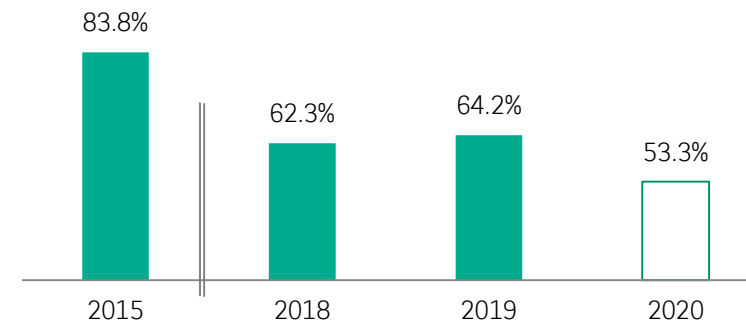
Net banking income (PLN m)



ROE (%)



Cost / Income (%)



Historically the highest net profit and net banking income despite:

- PLN 236 million of additional cost of risk related to the COVID-19 pandemic,
- PLN 168 million provisions for court cases related to CHF mortgage loans,
- net interest income lower by PLN 109 million, mainly due to interest rate cuts.

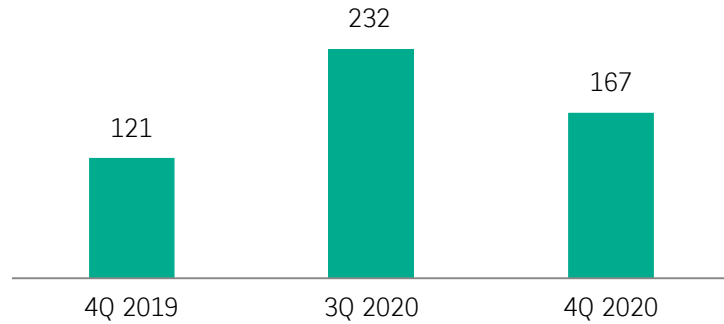
While achieved thanks to:

- an increase in core non-interest revenues by PLN 263 million,
- lower operating costs (lower by PLN 400 million integration costs as well as positive results of synergies and adjustment measures in the cost area),
- cost of credit risk under control (47 bp without COVID-19 impact).

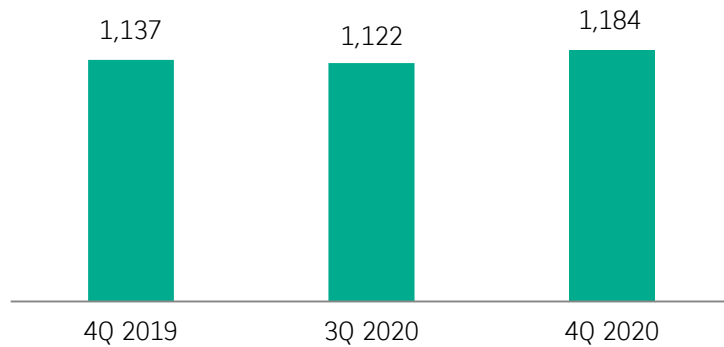
SOLID RESULTS DESPITE POSTING MATERIAL PROVISIONS

CORE REVENUES GROWTH, STABLE COST OF RISK, PROVISIONS FOR CHF AND EMPLOYMENT RESTRUCTURING

Net profit (in PLN million)

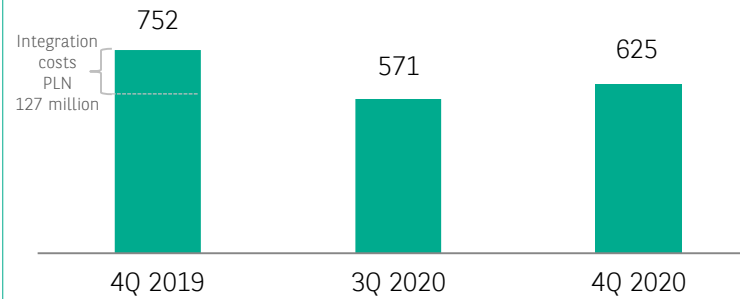


Net banking income (in PLN million)

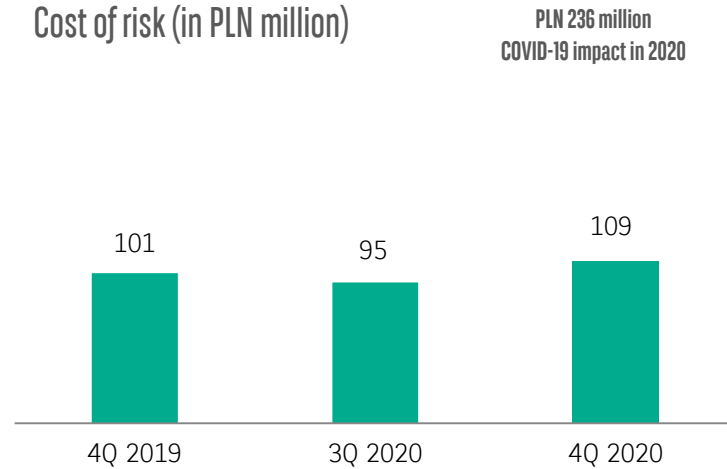


* in Q3 2020, the result from provisions for legal risk of CHF housing loans from the NBI was excluded. Changes were made in all periods.

Operating costs (in PLN million)



Cost of risk (in PLN million)



An increase in the quarterly level of core revenues (by PLN 62 m, +6% q/q) despite the second wave of the pandemic and partial lockdown. Effects of adjustment measures visible in net interest, net F&C and net trading income.

Seasonal increase in operating costs (by PLN 54 m, +9% q/q), including additional costs of the restructuring provision (PLN 41 m, employment optimization program).

The gross result burdened with the costs of provisions for court cases related to CHF mortgage loans (PLN 102 m).

As a result, net profit lower by 28% as compared to Q3, while higher by 38% vs. Q4 2019.

CONSISTENT EXECUTION OF THE FAST FORWARD STRATEGY AND CSR & SUSTAINABILITY

KEY ACHIEVEMENTS IN EACH STRATEGY PILLAR



growth

PLN 5.6 bn of mortgage loans sold vs. PLN 4.3 bn in 2019

Effective customer acquisition; 257,000 personal accounts sold

Cooperation with renowned partners: Allegro, Decathlon and Media Saturn Holding supporting the acquisition of new customers by the Bank



Pro-ecological products and services, incl. Green Mortgage, guarantee agreement with the EIB



Value of **green financing** in 2020 of almost PLN 1 billion

Long term **car rent** offers in cooperation with Arval



"Samodzielniak" account- an offer for parents and children supported by an educational campaign on finance "Mission Independence"

simplicity

Expanding possibilities for remote contact with bank:

C/A opening, mortgage loan application, activation of credit moratoria, applying for Finance Shield subsidies

Open banking used in Identity Verification (KYC) with remote cash loan application



Meeting booking service for all branches in the **Booksy** application and via Bank's website



Extension of the Autenti platform; e-signature used internally, for product selling and agreements with contractors



Improving **transparency and clarity of communication**

Installment purchases initiated by card at the store register (or online)

quality

"Newsweek Friendly Bank"

3rd place in Traditional Banking & 2nd place in Remote Banking

51 branches with **"facility without barriers"** certificate



Sign language translations in branches and call centre



124 branches of the Bank in the **cashless** format

IBM Trusteer Rapport free of charge application (client protection from theft of data sent electronically)

1st place in the ranking of premium accounts made by Bankier.pl website for Moje Konto PREMIUM



Competence Centre with respect to the **Anti-Crisis Shield**

Customer Lab – customer knowledge center

enthusiasm



Support for employees and communities during a pandemic:

- support for the health service and social partners
- care for the safety and comfort of employees



Responsible Companies Ranking: 1st place in overall classification for the second time in a row

Bank is included in the **WIG-ESG** stock exchange index



100% of „green“ electric energy used by the Bank



"Women changing BNP Paribas" an initiative that promotes development and support of women within the organization



22.5 thousand hours worked by employees **as a part of social commitment**



Class scholarship program - 100 participants in 2020, PLN 24 m for the program over 18 years

digitalization

GOonline – migration completion for retail clients and shutting down of old PL@net system

Systematic **functionalities expansion** of all GO ecosystem applications

1.3 m clients actively using digital channels

New Premium Banking offering with the Cyber package to protect user's security in the web **Elimination of paper forms** from the account opening procedure in branches and in cash deposit and withdrawal operations



EVA chatbot – AI-based solution that supports the Central Procurement Department operations; winner of the Lider Zakupów 2020 ("**Procurement Leader 2020**") award



CSR and Sustainability Strategy - four pillars of responsibility:



economic



at the workplace



social



environmental

TRANSFORMATION PROGRAM CONTINUATION

PRIORITIES ALIGNED WITH NEW CHALLENGES AND MARKET SITUATION

Further development of front-end systems



- **GOonline** - remote account opening with Video Verification; opening a brokerage account; 3D-Secure mobile authorization; credit installments & credit card repayment from account in different bank (Pay by Link); family banking
- **GOmobile** - internal foreign currency payments; Family Banking offer; automatic credit card repayment; 3DS - biometric mobile authorization; Click to Call
- **GOmobile Biznes** - new application for SME and Corporate;
- **GOonline Biznes** - launch internet banking system with new modern, open architecture (UX/UI)
- **LEAF** - launch a syndicated loans application

Operating model enhancement



- **Significant reduction of cash transactions in branches** - number of cash payments decreased by 60%, y/y number of cash withdrawals decreased by 48% y/y
- **Open banking** - faster confirmation of the customer's identity in the online credit process
- **Processes automation & optimization:**
 - ~100 operational processes robotized
 - Eva chatbot - a self-learning program supporting internal purchasing processes - implementation
 - automated KYC 1st level control
- **RTM campaigns** via internet banking system GOonline

Transformation & adaptation to COVID-19



- **Electronic signature Autenti** - the Bank was the first on the market to provide corporate clients with access to electronic signatures and qualified electronic signatures
- **124 cashless branches**, including 2 franchise outlets
- Possibility of booking visits via the **Booksy** application in the entire network of the Bank's branches
- Consolidation of the Bank's real estate units: opening of the Bank's **modern headquarters** in Warsaw
- Digital solutions supporting customers- **Financial Shield and Moratoria** implemented



#stayathome
digital statistics for Q4 2020

✓ ~142 k
documents signed
with Autenti
(+97% q/q)

✓ 1.3 m
clients using
digital
channels

✓ 669 k
GOmobile
users
(+12% q/q)

✓ 8.0 m
mobile
transactions
(+21% q/q)

✓ 3.1 m
BLIK
transactions
(+34% q/q)

✓ 253 k
cards in
digital wallets
(+21% q/q)

BANK OF GREEN CHANGES

OUR COMMITMENT TO COMBAT CLIMATE CHANGE IN 2020

Supporting energy transition - pro-ecological products and services

- ✓ **Exit from the coal-fired power industry** - BNP Paribas Group commitment to exit relations with Customers involved in the coal power industry (final exit deadline: 2030 for European Union and OECD as well as 2040 for the rest of the world)
- ✓ **ESG monitoring** (*environmental, social, governance*): of customers and transactions against compliance with the sustainable development principles
- ✓ Creation of the function of the **Chief Sustainability Officer** and the **Sustainability Council** which supervises strategic management of the ESG and Sustainable Development aspects.
- ✓ **Over 20.5 thousand photovoltaic installations financed** for households and leadership in this segment of business
- ✓ **Green mortgage loan** - for customers applying for financing of energy efficient real estate
- ✓ **Guarantee agreement with EIB for investment in energy efficiency with target value of PLN 742 million.** The project will have around 15,000 entities as beneficiaries
- ✓ The Bank as a co-organizer of the **Cyfrowy Polsat green bonds**
- ✓ **Investing in renewable energy** - financing wind and photovoltaic farms (Akuo, Qair)
- ✓ In the framework of promotion of limiting the nitrogen use - making available an optimal fertilization calculator on the **agronomist.pl** platform



PLN 2.7 billion

total value of loans granted by the Bank to finance projects supporting sustainable development

PLN 993 million

"green" financing granted by the Bank in 2020

Eco-education and promoting climate justice

- ✓ Over 3,500 employees took part in 2 editions of the **Bank of Green Changes** educational campaign
- ✓ **60,000 trees** planted thanks to commitment of BNP Paribas Bank Polska SA
- ✓ **BNP Paribas Talks** a series of podcasts on "Ecology"
- ✓ **Participation in partnerships and industry initiatives, such as:**
 - The Bank was the main sponsor of the third edition of **Kraków Green Film Festival**
 - UN Global Compact Network Poland "Climate Positive"
 - UNEP/GRID-Warsaw: "Together for environment", "Eco-city"
 - **Association of Sustainable Agriculture in Poland „ASAP"**
 - The "**Zielona wstążka dla Planety**" Campaign (Green ribbon for the Planet)
 - Joining the **Coalition for the Development of Bio Food Market**
 - Joining the **Cool Farm Alliance (CFA)** of entities working towards development of sustainable agriculture

Minimalizing the negative impact of our operations

- ✓ **100% of "green electricity"** in 2020 - thanks to guarantees of the electricity renewable sources origin; since 2021 - "green" energy bought directly by the Bank thanks to the Respect Energy agreement
- ✓ **Over 290 thousand documents signed without using paper** in all areas of the organization, thanks to the Autenti solution
- ✓ **Eco-fleet:** increasing the number of class B hybrid cars to 70% in 2020

02

MACROECONOMIC ENVIRONMENT

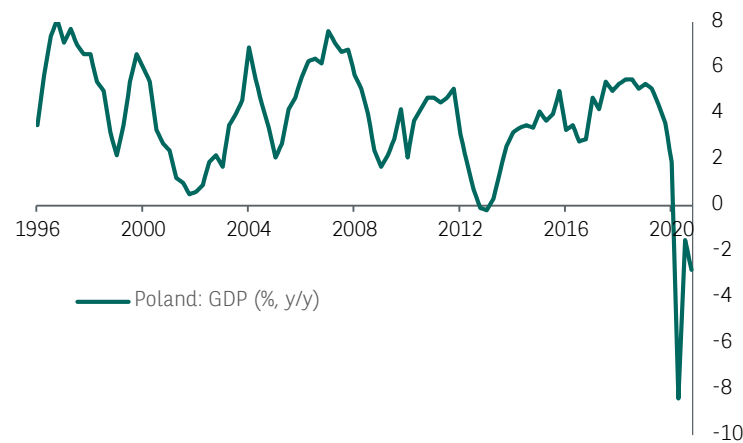


BNP PARIBAS

MACROECONOMIC ENVIRONMENT: GDP AND ECONOMIC OUTLOOK

RECOVERY AHEAD...

An asymmetric shock in 2020 and a "two-speed" recovery



	share	Q1 2020	Q2 2020	Q3 2020
Gross value added (change y/y), of which:	100.0%	1.9%	-8.1%	-1.7%
Agriculture	2.7%	-1.6%	-4.5%	-3.6%
Manufacturing	24.7%	1.1%	-11.8%	2.9%
Construction	7.2%	4.9%	-0.9%	-9.2%
Wholesale and Retail trade	17.7%	0.4%	-11.6%	-0.6%
Transport and Logistic	7.0%	1.7%	-15.8%	-5.7%
Accommodation & Food Service	1.3%	0.9%	-78.4%	-29.7%
Information and Communication	4.3%	4.1%	2.3%	3.9%
Financial and Insurance Activities	4.1%	4.9%	-8.2%	-6.2%
Real Estate Activities	5.5%	2.1%	0.8%	1.0%
Professional, Scientific and Technical Activities	8.6%	2.8%	-2.6%	-0.5%
Public Administration	14.6%	3.8%	2.6%	2.7%
Entertainment and Recreation	2.3%	-3.9%	-45.4%	-42.8%

GDP down by 2.8% in 2020 on investment and consumption slump.

Service sectors hit the most, but manufacturing recovering quickly.

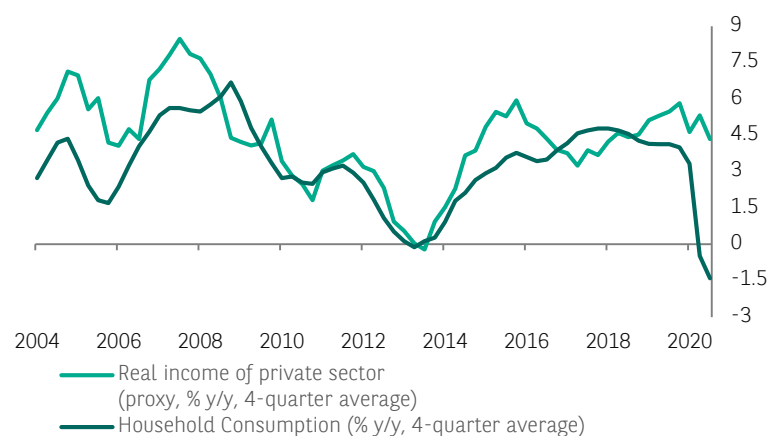
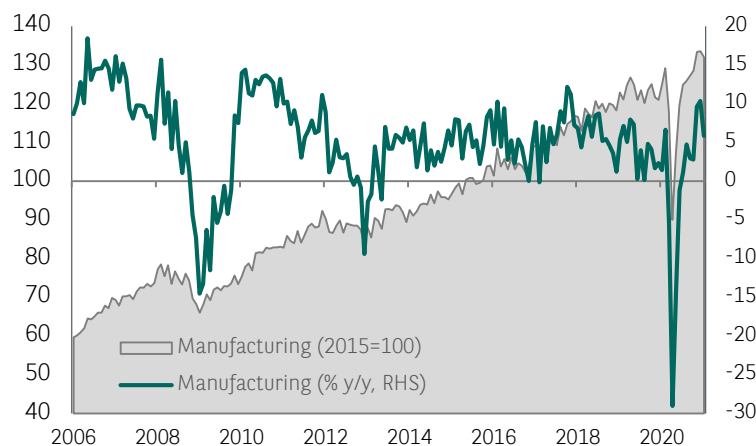
Our 2021 forecast is premised on the assumption of the pandemic being largely contained.

We look for GDP rising 3-4% this year, but pace of recovery is likely to be uneven across sectors.

Strong manufacturing momentum to support rebound in Transport & Logistics.

Relatively robust incomes and pent-up demand bode well for stronger consumption in 2021.

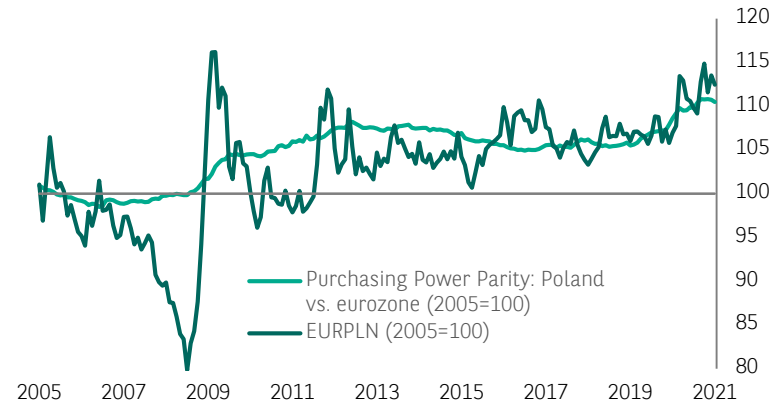
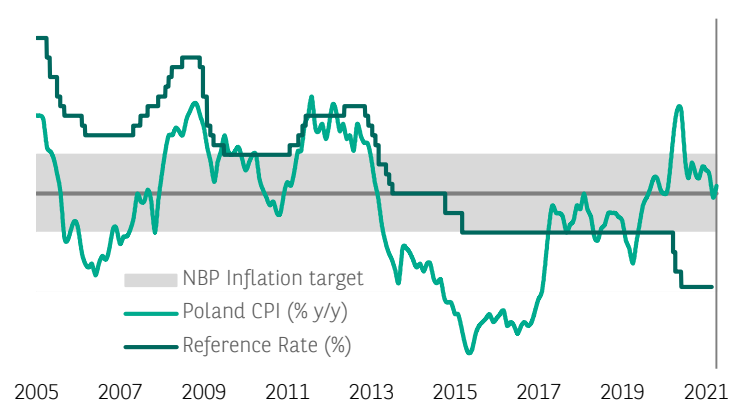
Key factors for growth rebound: industry and consumption



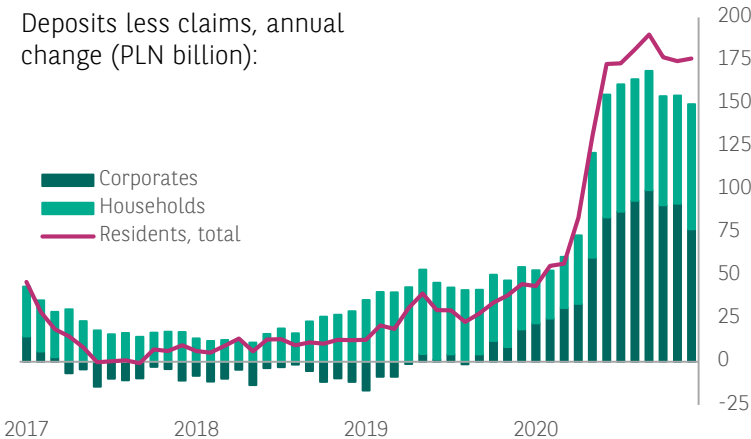
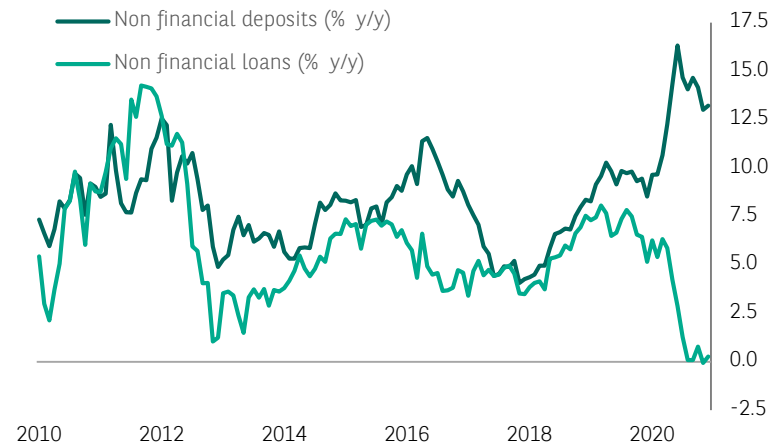
MACROECONOMIC ENVIRONMENT: MONETARY POLICY, EXCHANGE RATE AND THE BANKING SECTOR

ECONOMIC POLICY REMAINS SOFT, PACE OF PRIVATE SECTOR DE-LEVERAGING SLOWING DOWN

Zero interest rates, inflation close to target, EUR/PLN exchange rate in line with fundamentals



Banking sector: deposits outpace credit, but the pace of private sector de-leveraging (finally) slowing down



Consumption-led recovery, higher taxes and regulated prices to keep CPI inflation slightly above the 2.5% target.

Monetary policy to remain very accommodative.

Despite increased volatility, EURPLN is trading broadly in line with fundamentals.

Loan-to-deposit ratio fell sharply in 2020. Fiscal transfers boosted deposits of the private sector and reduced corporate demand for credit.

Lower interest rates are likely to continue supporting good growth in housing loans.

The pick-up in the inventory cycle points to improving outlook for short-term corporate loans over the course of the year.

03

FINANCIAL RESULTS



BNP PARIBAS

KEY FINANCIAL DATA 2020

GOOD FINANCIAL RESULTS DESPITE THE PANDEMIC'S IMPACT, POSITIVE EFFECTS OF ADJUSTMENT MEASURES

Financial results

Net profit	PLN 733 million PLN 712 million*	+19% y/y (PLN +118 million) -28% y/y (PLN -275 million)*
Net banking income**	PLN 4,705 million PLN 4,647 million*	+3% y/y (PLN +154 million), of which: net interest income: PLN 3,060 million, -3.4% y/y net fee & commission income: PLN 916 million, +11.7% y/y net trading income: PLN 748 million, +9.7% y/y +1% y/y (PLN +28 million)*
Expenses	PLN 2,506 million PLN 2,474 million*	-14% y/y (PLN +417 million) -2% y/y (PLN +58 million)*
C/I Ratio	53.3%	-11.0 pp y/y (-1.6 pp y/y)*
Net provisions for legal risk of CHF loans	PLN 168 million	+424% y/y (PLN -136 million) gradual adjustment of CHF provision over 2020
Net impairment write-offs	PLN 601 million	+36% y/y (PLN -160 million) PLN 236 million – COVID-19 impact in 2020

* in normalized terms, i.e. without integration costs: in 2020: positive value PLN 15.3 million (positive value PLN 10.3 million in operating costs and positive value PLN 5.0 million in other operating expenses), in 2019: PLN 414.5 million (PLN 389.9 million in operating costs and PLN 24.6 million in other operating expenses) as well as without one-offs in 2020: PLN 10.8 million (BIK and KIR valuation PLN 45.1 million, sale of Kasprzaka PLN 43.6 million, restructuring provision PLN -41.4 million, provision for UOKiK penalty related to spread clauses in credit agreements PLN -26.6 million, provision for option case PLN -9.8 million), in 2019: PLN -44.8 million (provision for CJEU judgment on commission reimbursement in the event of early loan repayment PLN -69.6 million, provisions for option case and operating loss PLN -17.7 million and sale of factoring activities PLN 45 million).

** In Q3 2020, the result from provisions for legal risk of CHF housing loans was excluded from the category of other operating expenses. For the sake of comparability, the shift was made in all the presented periods.

Volumes

Assets	PLN 120 billion, +8.8% y/y
Loans (gross)	PLN 79 billion, +2.4% y/y
Customer deposits	PLN 90 billion, +4.5% y/y
Equity	PLN 12 billion, +7.8% y/y

Indicators

Capital Adequacy Ratio	18.65%
Tier 1	13.55%
MREL (% of TLOF)	13.23%
Net loans/deposits	84.0%
ROE	6.3%
LCR	182%

LOAN PORTFOLIO

MORTGAGE LOANS BEING THE MAIN DRIVER OF GROWTH IN LOANS TO INDIVIDUAL CUSTOMERS; LOW DEMAND FOR CREDIT FROM ENTERPRISES

PLN m

Increase in the portfolio value by 2.4% y/y (-0.6% q/q)

- impact of the sale of PLN 856 million of impaired loans (mostly realized in Q4 2020) on the gross value of the portfolio

Increase in the value of the individual customer loan portfolio (+12.7% y/y, +2.7% q/q)

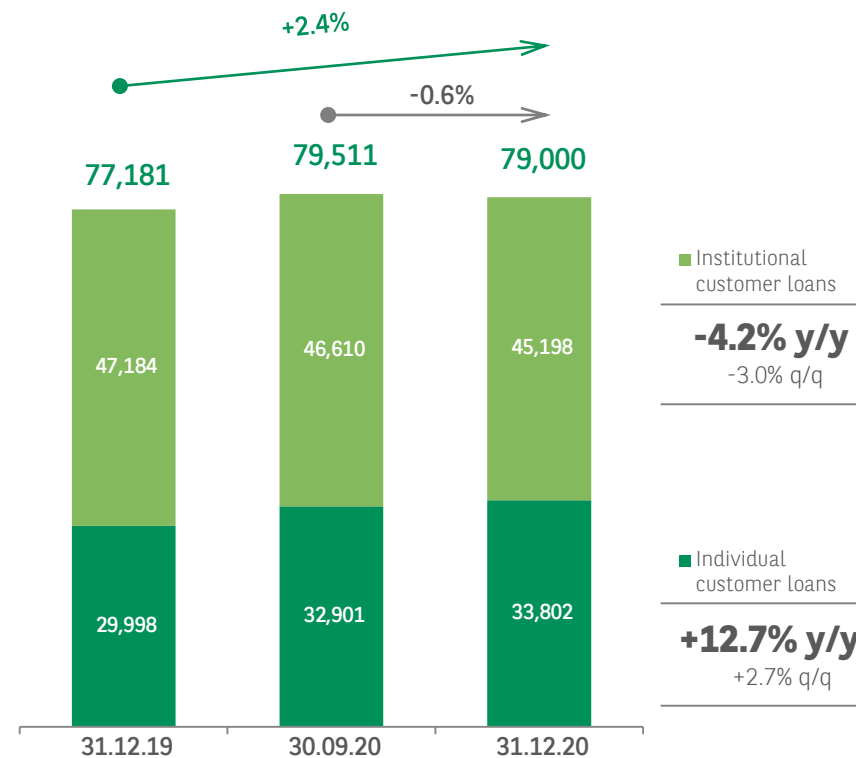
- further increase in the share of individual customers in the Bank's loan portfolio to 42.8% (+3.9 pp y/y)
- increase in the share of mortgages in the Bank's loan portfolio to 28.6% (+4.6 pp y/y)

Decrease in the institutional loan portfolio -4.2% y/y (-3.0% q/q)

- decrease in the share of current account loans in the enterprise loan portfolio to 46.1% (-1.3 pp q/q, -4.4 pp vs end of 2019) as a result of supporting companies with funds from PFR.

Customer loans market share: 5.7%

Gross customer loans*



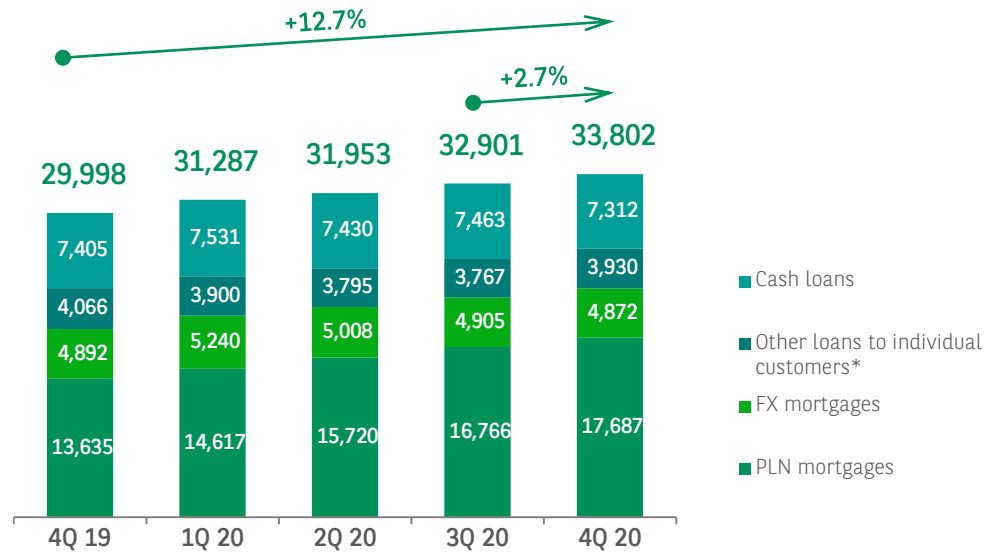
* including the portfolio measured at fair value

GROSS LOAN PORTFOLIO

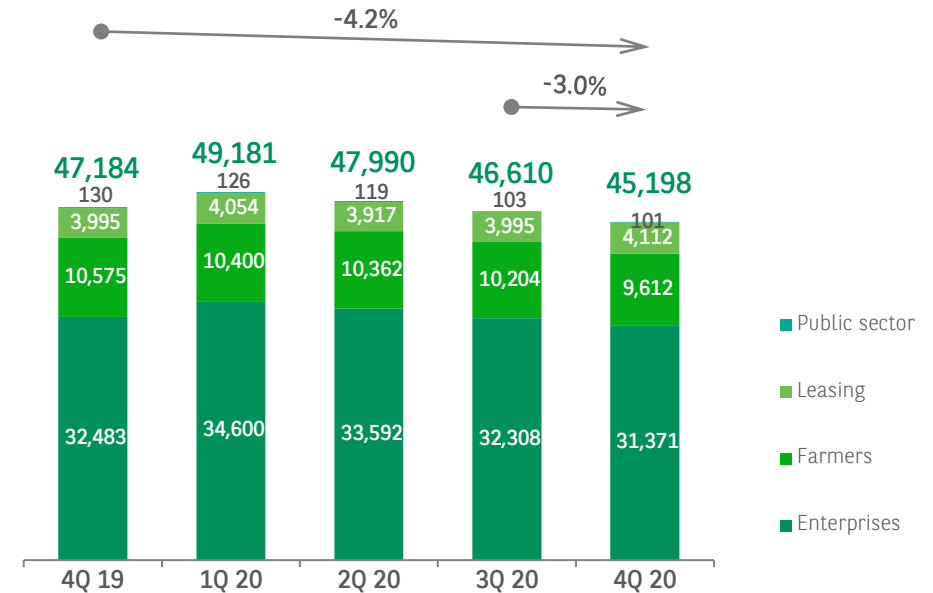
CONTINUATION OF THE INCREASE IN LOANS TO INDIVIDUAL CUSTOMERS (+2.7% Q/Q); DECREASE IN THE PORTFOLIO OF INSTITUTIONAL CUSTOMERS (-3.0% Q/Q)

PLN m, gross

Individual customer loans



Institutional customer loans**



- The increase results mainly from the growth in the portfolio of PLN mortgages (+5.5% q/q and +29.7% y/y) with a simultaneous decline in the portfolio of FX mortgages (-0.7% q/q and -0.4% y/y).
- Further growth in the share of mortgage loans in individual loans to 66.7% (+0.9 pp q/q and +5.0 pp y/y).
- Slight decrease in cash loans -2.0% q/q (-1.2% y/y – negative impact of the COVID-19 pandemic).

- Decrease in the total gross portfolio value due to lower demand for loans from institutional customers as a result of the lockdowns on business activities in Q2 and Q4 2020 as well as increased uncertainty about the pandemic development and outlook for the economy.
- As at the end of Q4 2020, the share of loans to enterprises in loans to institutional customers slightly increased to 69.4% (+0.1 pp q/q, +0.6 pp y/y), with a parallel increase in the share of leasing to 9.1% (+0.5 pp q/q, +0.6 pp y/y).

* e.g. car loans, instalment loans, overdraft facilities, credit cards

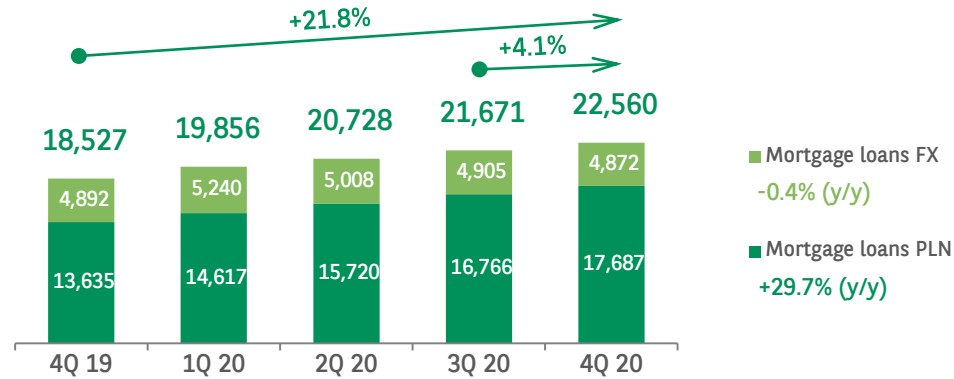
** including the portfolio measured at fair value for "Farmers" and "Enterprises" items (breakdown based on MIS data)

CHF MORTGAGE LOANS PORTFOLIO

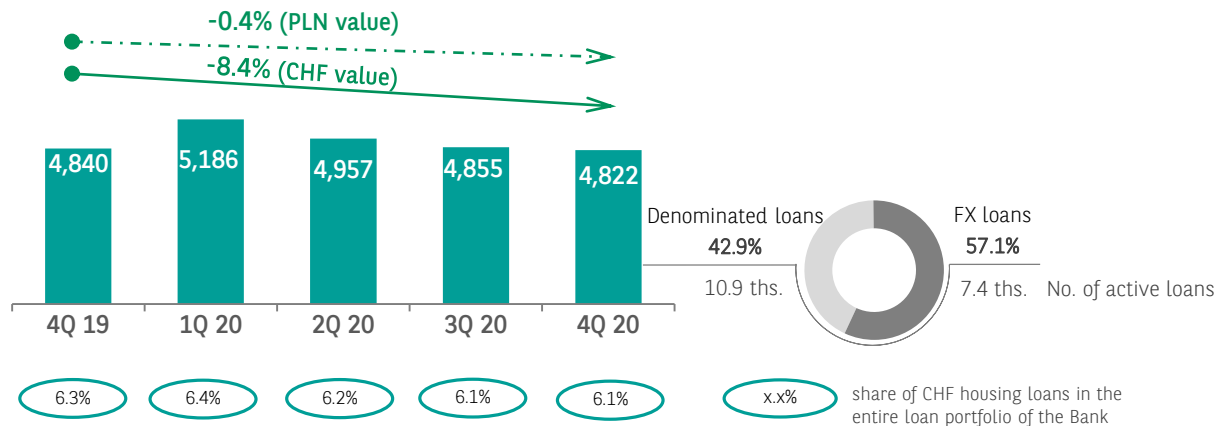
LOW SHARE OF CHF LOANS. INCREASE IN COVERAGE RATIO OF PURSUED CLAIMS TO 92% AS A RESULT OF AN INCREASE IN THE LEVEL OF PROVISIONS.

PLN m, as of the end of the quarter

Gross mortgage loans



Gross mortgage loans (CHF)

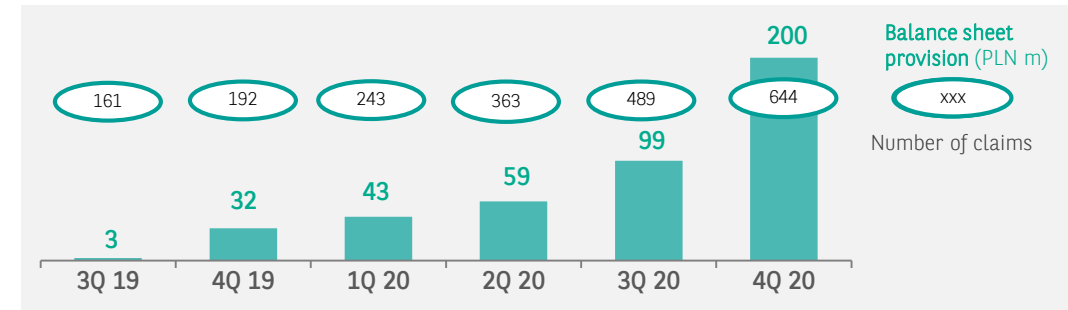


Legal risk

Customer court proceedings, as at 31.12.2020:

- Bank was sued in **644** court cases (increase by **155 q/q**) concerning mortgage loan agreements (no collective claims).
- The total value of claims sought is PLN 217.8 million. Coverage ratio of pursued claims with the provision increased to 92% (vs. 65% as at year-end 2019).
- Relatively (as compared to peers) low ratio of the value of claims to the balance sheet exposure: ~4.5%.
- In 24 finally completed proceedings, 14 claims were dismissed; 2 cases were discontinued; 1 claim was rejected; 6 times, the invalidity of the contract was declared in the sentence justification, despite the dismissal; one time, the claim was recognised as valid only with regard to the insurance of low own contribution.
- The increase of the provision value in Q4 2020 results from the growing number of pending legal cases as well as the update of the assumptions and parameters of the model applied by the Bank.

Balance sheet provisions and number of claims



CUSTOMER FUNDS

PARTIAL OUTFLOW OF CORPORATE DEPOSITS, FURTHER INCREASE IN THE VOLUME OF INVESTMENT PRODUCTS

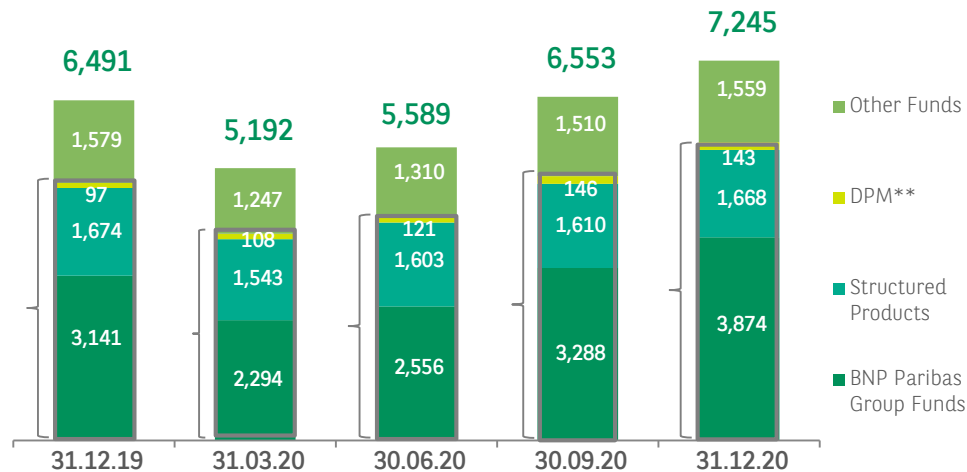
PLN m

Higher balance of deposits y/y (+4.5%) and lower q/q (-5.1%)

outflow of institutional deposits; stabilization in individual customers deposits.
Further increase in the share of current deposits in total customer deposits – to 87.2% (+20.2 pp y/y, +2.5 pp q/q).

Continued growth in the volume of investment products* in Q4 (+10.5% q/q, +11.6% y/y)

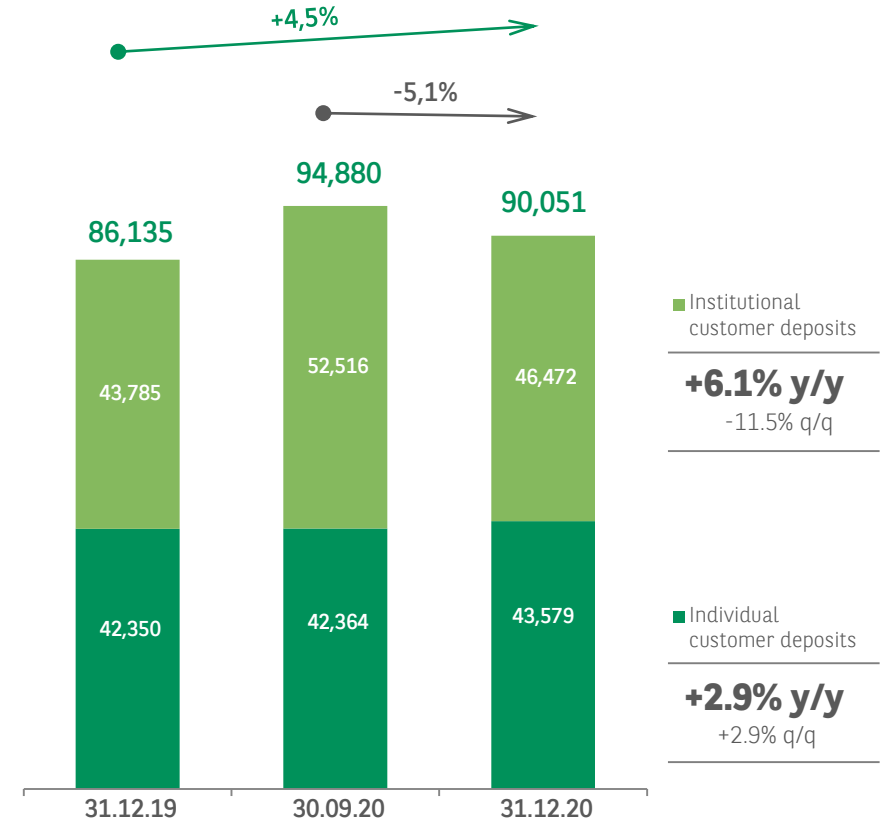
including the funds invested in BNP Paribas Group investment funds (+17.8% q/q, +23.4% y/y).



* The data presented in the graph have been revised. The corrections concerned mainly the value of closed-end investment funds (presented in „Other Funds” category).

** Discretionary Portfolio Management

Customer deposits

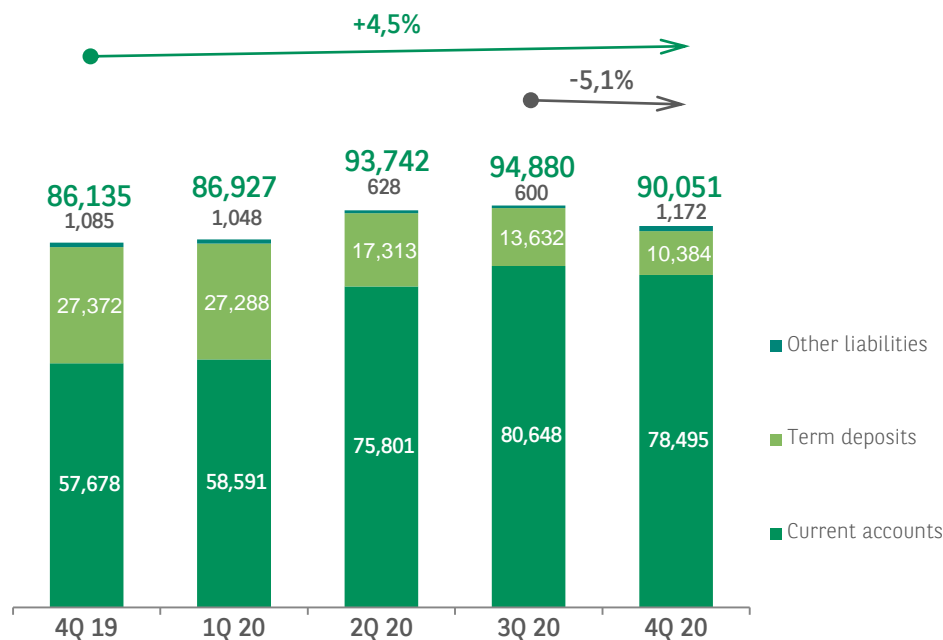


DEPOSIT BASE STRUCTURE

FURTHER INCREASE IN THE SHARE OF CURRENT ACCOUNTS. ADJUSTING PRICES TO THE MARKET RATES

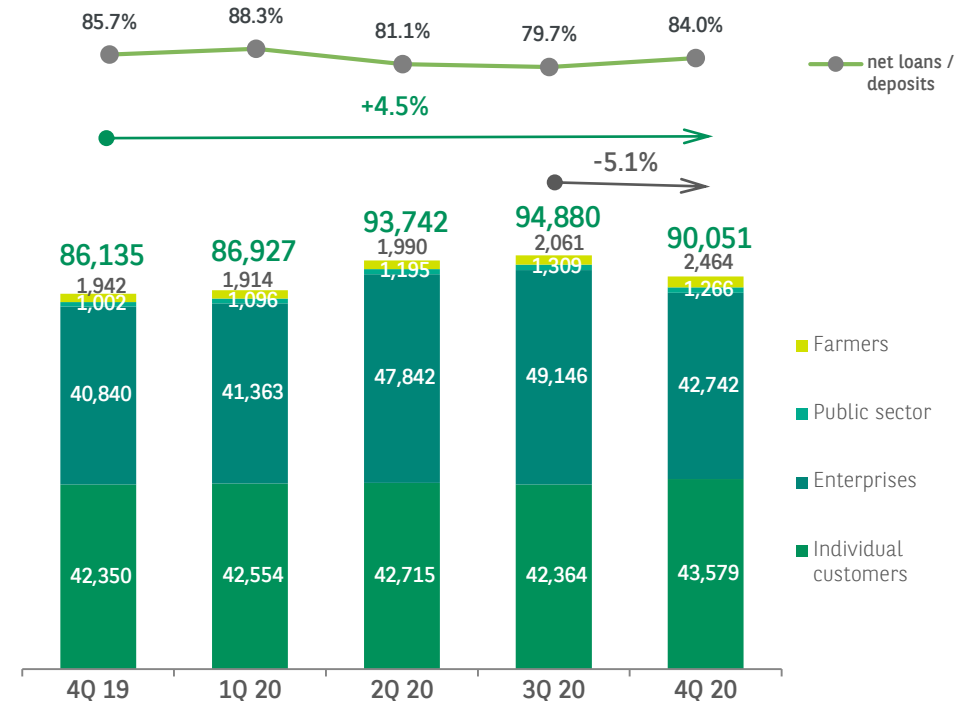
PLN m, as of the end of the quarter

Deposit term structure



- Further increase in the share of customer current accounts in total deposits: to 87.2% (+2.5 pp q/q and +20.2 pp y/y).
- The decrease in Q4 2020 concerned both the volumes in current accounts (-PLN 2,153 million, -2.7% q/q) and in term deposits (-PLN 3,248 million, -23.8% q/q).
- In case of current accounts the funds of institutional customers decreased (-PLN 4,820 million, -10.1% q/q) with pararell growth in individual customers fund (+PLN 2,667 million, +8.0% q/q).

Customer deposits

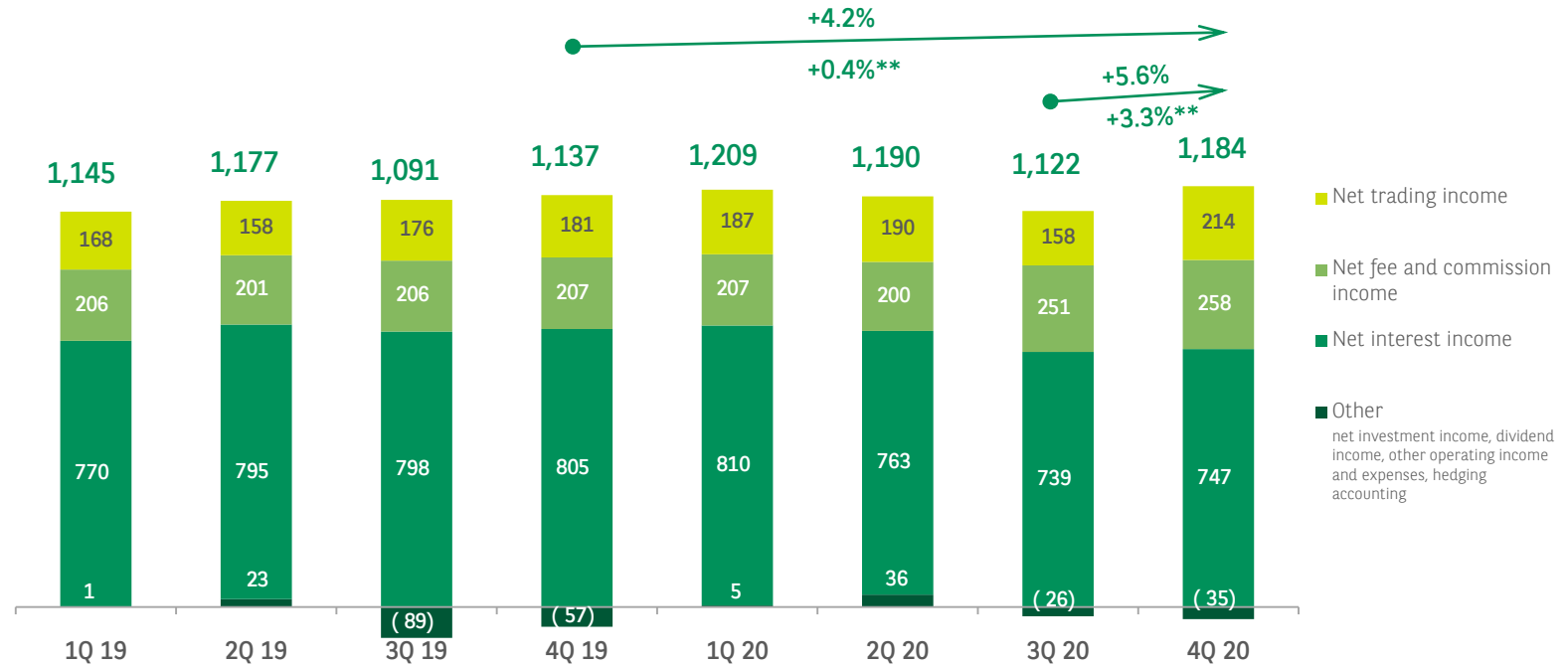
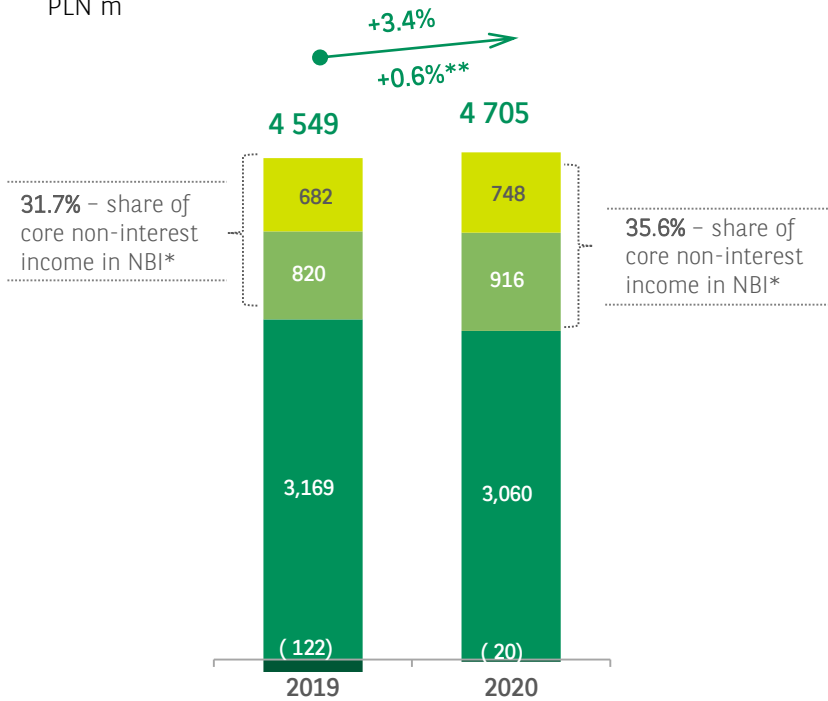


- Further decrease in costs of deposits in Q4 (-60 bp December 2020 vs December 2019).
- Quarterly decline in enterprise deposits: +13.0% q/q with an increase on an annual basis +4.7% y/y.
- Growth in farmer deposits: +19.6% q/q and +26.9% y/y.
- Growth in individual customer deposits by +2.9% q/q and +2.9% y/y with pararell decline in deposits acquired by GOoptima (down to PLN 2.7 billion, -14.9% q/q and -32.8% y/y).

NET BANKING INCOME

INCREASE IN CORE REVENUES DESPITE THE REDUCTION IN INTEREST RATES AND LOWER CUSTOMER ACTIVITY, A POSITIVE IMPACT OF THE ADJUSTMENT MEASURES

PLN m



- A decrease in net interest income (-3.4% y/y) - result of lowering interest rates.
- Increase in the net fee and commission income (+11.7% y/y) thanks to, among others, adaptation measures undertaken in Q3 & Q4 2020.
- Positive impact of the net trading income (+9.7% y/y), among others, thanks to the change in the valuation of shares in the first half of 2020 (BIK, KIR) and improvement in valuation of VISA and Mastercard in 2H 2020.
- Positive impact of the result on debt instruments (mainly sale of bonds) in the total amount of PLN 77.4 million in 2020.

- In Q2 and Q3 2020, the impact of lowering the NBP interest rates (from 1.5% to 0.1%) is visible. Increase in NII in Q4 2020 due to stabilization of credit margins, slight lowering of costs of funding and an increase in interest on securities and derivative instruments as part of fair value hedge accounting.
- In Q4 2020 further growth in NF&C related i.a to fees for account balances in case of business customers.
- In Q4 2020 growth in the net trading income due to VISA and Mastercard positive valuation (PLN +23.9 million) as well as increase in derivative instruments and result on foreign exchange transactions (+PLN 41.9 million).
- "Other" item includes:
 - in Q4 2020: worse result on loans measured at FV valuation (-PLN 2.8 million vs +PLN 11.0 million in Q3 2020),
 - in Q3 2020: provision for a penalty imposed by the Office of Competition and Consumer Protection (UOKiK) in connection with the provisions specifying the rules for determining the currency spreads in loan agreements (-PLN 26.6 million),
 - in Q2 2020 the amount of PLN 47.8 million of profit on the sale of bonds.

In Q3 2020, the result from provisions for legal risk of CHF housing loans was excluded from the category of other operating expenses. For the sake of comparability, the shift was made in all the presented periods.

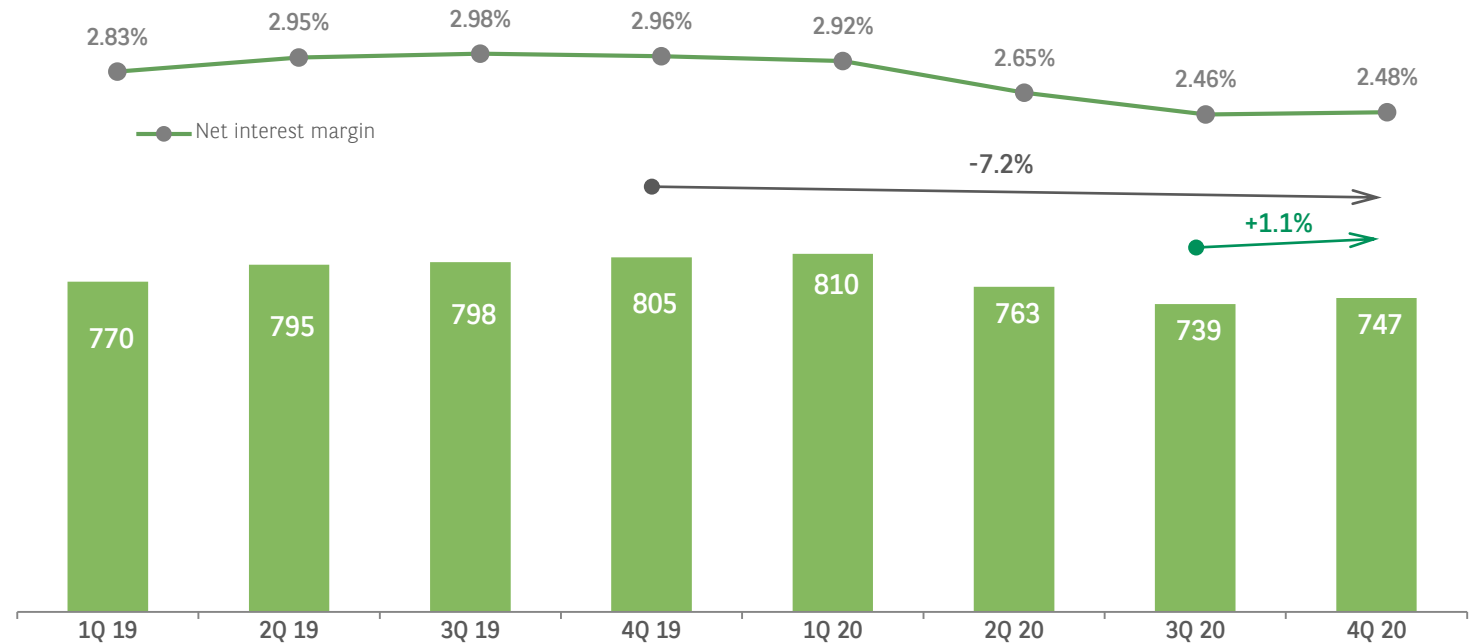
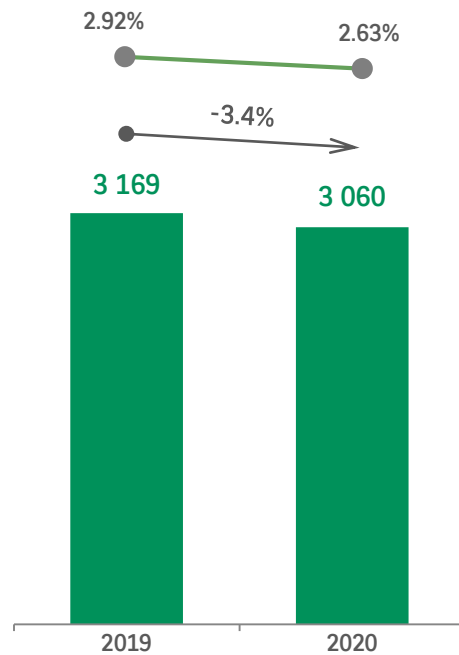
* NBI excluding the other operating income and expenses

** net banking income without integration costs and one-off events

NET INTEREST INCOME

THE NEGATIVE IMPACT OF INTEREST RATE CUTS PARTIALLY MITIGATED BY COST OF FUNDING REDUCTION. INCREASE IN NII IN Q4

PLN m



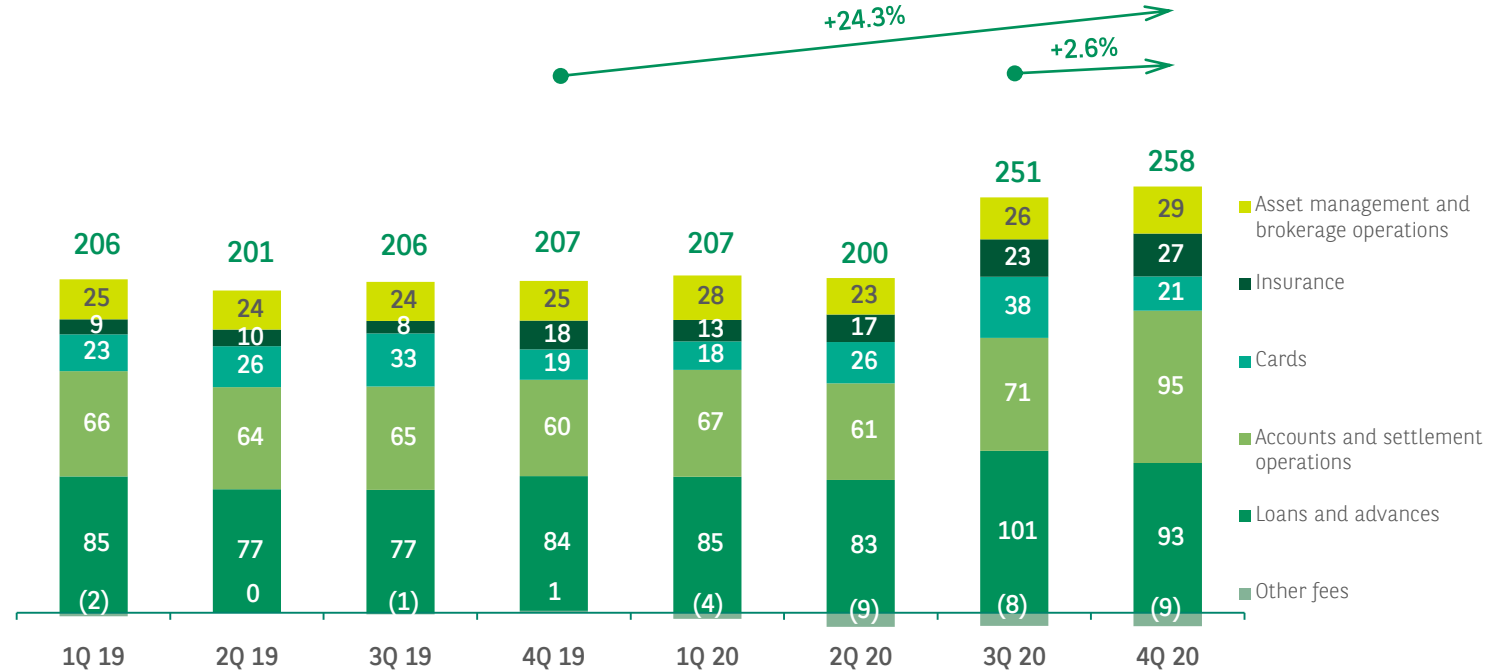
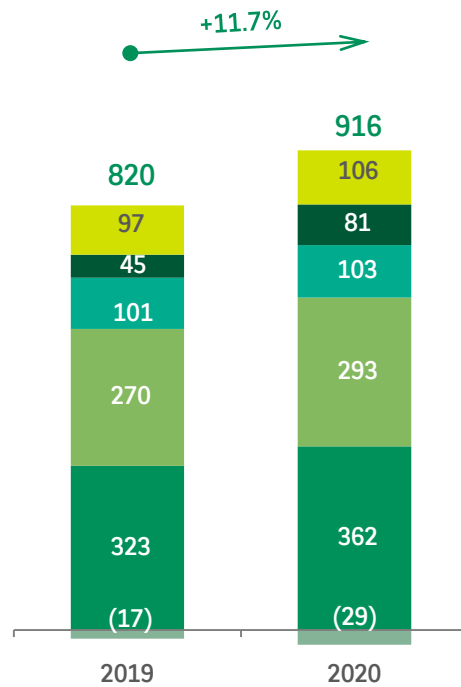
- Negative impact of the NBP interest rates cuts on the credit margins in 2020 partially neutralized by the cost of deposits reduction (-60 bp Dec 2020 vs Dec 2019).
- Impact of the settlement of the fair value adjustment for the loan portfolio, acquired as part of Core RBPL acquisition – (decrease in revenues by PLN 56.6 million y/y) as well as impact of commission reimbursement in the event of early loan repayment (NII lower by PLN 21.0 million y/y).
- Increase in the result on derivative instruments as part of fair value hedge accounting by PLN 42.3 million y/y.

- A clear negative impact of the interest rates cuts (NBP reference rate decrease from 1.5% to 0.1%) on net interest margin and net interest income visible in Q2 & Q3 2020.
- Growth in NII in Q4 due to: lower cost of deposits (-4 bps December 2020 vs September 2020), increase in the average value of securities portfolio and growth in the result on derivatives as part of fair value hedge accounting.
- The net interest income in Q4 2020 includes the settlement of the fair value adjustment for the loan portfolio, acquired as part of Core RBPL acquisition, in the amount of 5.8 million (PLN 9.4 million in Q3 2020, PLN 11.7 million in Q2, PLN 13.4 million in Q1 2020, PLN 14.2 million in Q4 2019, PLN 22.0 million in Q3, PLN 28.4 million in Q2, PLN 32.3 million in Q1, PLN 18.0 million in Q4 2018).
- Negative impact on the interest income of Q4 2020 of commission returns on early client loan repayments made after 11 September 2019 (CJUE judgement) in the amount of PLN 10.6 million (PLN 4.9 million in Q3, PLN 12.2 million in Q2, PLN 11.8 million in Q1 2020, PLN 15.1 million in Q4 2019, PLN 3.5 million in Q3).

NET FEE AND COMMISSION INCOME

ANOTHER QUARTER OF RESULT IMPROVEMENT. POSITIVE IMPACT OF CHANGES IN THE PRICING POLICY

PLN m



- Increase in loan F&C (+12.1%) among others due to the settlement of commissions on large CIB transactions in Q3 & Q4 2020 (+PLN 23.0 million), and higher fees for unused commitments (business entities +PLN 12.7 million).
- Higher F&C on insurances (+78.1% y/y) among others from life insurance offered with mortgage loans and profit sharing from Cardif.
- Increase in F&C on accounts and settlement operations* (+8.5 %) due to higher account maintenance fees (among others fees for high account balances from business entities +PLN 36.0 million as well as fees for using Internet Banking, +PLN 10.7 million) with a simultaneous decrease in F&C on international transfers by approx. PLN 17.4 million y/y (incl. SEPA).

- Decrease in loan F&C in Q4 2020 due to the lack of comparable one-off fees on large CIB segment transactions (+PLN 15.1 million in Q3 2020).
- Increase in F&C on accounts and settlement operations in Q4 2020 as a result of changes in the pricing policy implemented in Q3 & Q4 2020 (among others fees for high account balances from business entities +PLN 22.7 million).
- Decrease in cards F&C in Q4 2020 related mainly to the lack of comparable one-offs (in Q3 2020 annual remuneration from Mastercard in the amount of PLN 10.9 million) as well as higher cost of loyalty programmes (-PLN 3.2 million).
- Higher F&C from insurances, visible in Q4 2020, among others as a result of higher F&C on insurances for mortgage loans (+PLN 2.3 million q/q).
- Increase in F&C for asset management and brokerage operations related to the increase in sales of investment funds (+PLN 2.4 million).

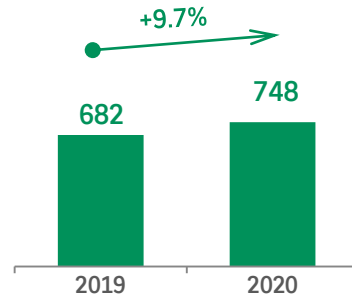
* In Q4 2020, mapping of write-offs and provisions for unpaid fees was changed. The shift was made in all quarters in 2020 as well as in cumulative 2019 and 2020 figures

NET TRADING AND INVESTMENT INCOME

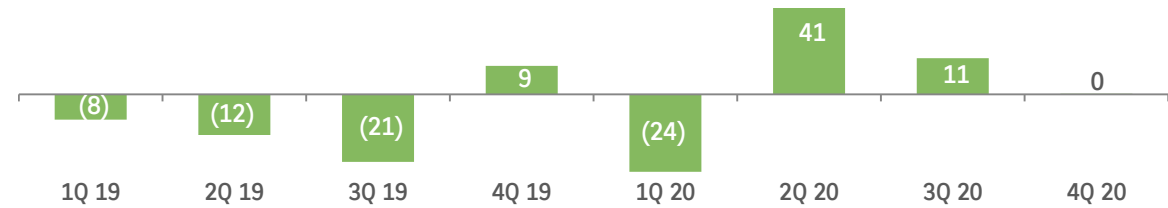
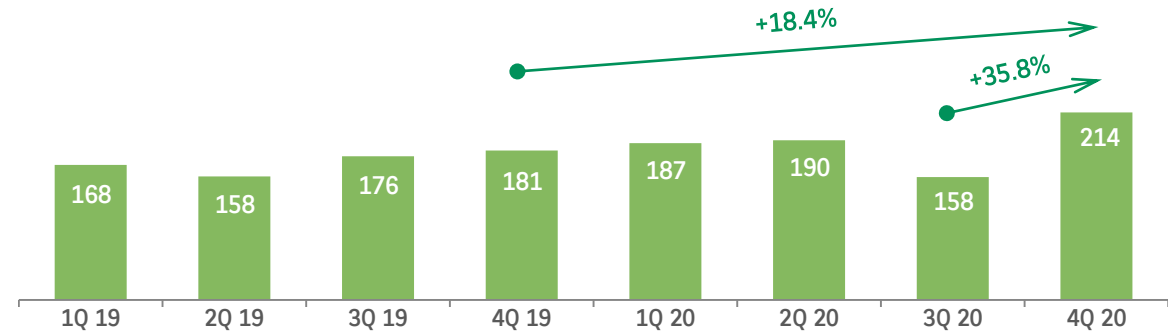
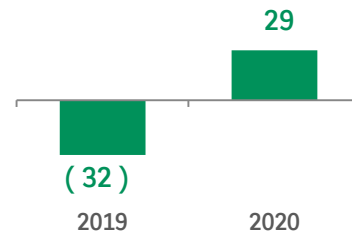
INCREASE IN CUSTOMER RESULT ON TRADING ACTIVITIES AND SHARES VALUATION. LOWER VALUATION OF THE LOAN PORTFOLIO MEASURED AT FV

PLN m

Net trading income



Net investment income



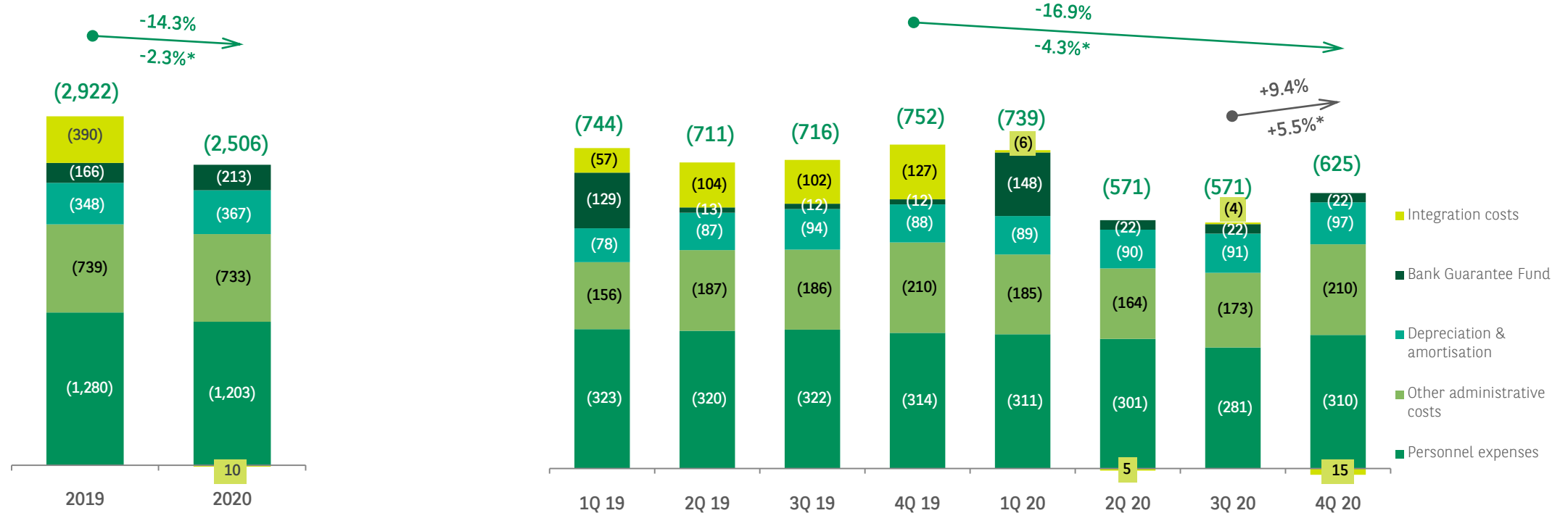
- Increase in the net trading income as a result of change in the valuation of BIK and KIR shares (in total PLN 45.1 million) in the first half of 2020 and improvement in valuation of VISA and Mastercard mainly in 2H 2020 (in total +PLN 91.8 million in 2020).
- Increase in the net investment income due to the profit on debt instruments (mainly from the sale of bonds) in the total amount of PLN 77.4 million.
- Valuation of the loan portfolio measured at fair value (FV) in 2020 at the level of -PLN 48.3 million (-PLN 35.7 million in 2019), among others as a result of the decline in the yield curve caused by the NBP interest rates cuts.

- Growth in net trading income in Q4 2020 due to the improvement in valuation of VISA & Mastercard (+PLN 23.9 million in Q4, by PLN 12.8 million q/q) as well as increase in derivative instruments and result on foreign exchange transactions (+PLN 41.9 million).
- The valuation of the portfolio of customer loans and advances measured at fair value presented in net investment income amounted to -PLN 2.8 million in Q4 2020 (+PLN 11.0 million in Q3, -PLN 6.4 million in Q2 2020, -PLN 50.2 million in Q1, +PLN 5.5 million in Q4 2019, -PLN 21.7 million in Q3 2019, -PLN 12.5 million in Q2 2019, -PLN 6.9 million in Q1 2019).

OPERATING EXPENSES, DEPRECIATION AND AMORTIZATION

SIGNIFICANT DECLINE IN COSTS IN 2020, SYNERGIES EXECUTION AS ASSUMED. SEASONAL QUARTERLY COST INCREASE

PLN m



- Lower operating costs -14.3% y/y mainly due to the lack of material integration costs in 2020 (-0.6% y/y excl. integration costs).
- Visible decrease in personnel expenses (by PLN 76.7 million, -6.0% y/y) despite creation of employment restructuring provision (PLN 41.4 million).
- An increase in the Bank Guarantee Fund (BFG) costs by +28.3% y/y (PLN 47.1 million) due to higher contributions to the bank resolution fund (as a result of including the Core RBPL acquisition in the calculation base) and to the guarantee fund.
- Increase in amortization due to investments projects implemented in 2018-2019.

- Growth in personnel costs in Q4 2020 due to creation of employment restructuring provision (PLN 41.4 million). Excluding above mentioned provision personnel costs were lower by 4.5% q/q (by PLN 12.5 million).
- Increase in other administrative costs in Q4 2020 vs Q3 2020 related mainly to incurring higher marketing, IT, advisory and consulting costs as well as higher costs of development projects.
- Synergy effects – reduction of approx. 2.0 thousand FTEs, cost synergies realized mainly in HR, IT, real estate, consulting and marketing costs. Network optimization – closure of 236 branches since the merger (Oct. 2018), including 15 branches closed in Q4 (56 in full year 2020). In total ~PLN 400 million synergies in 2020.

* excluding integration costs and one-off's (PLN 41.4 million restructuring provision)

COVID-19 IMPACT ON CREDIT RISK

OVERVIEW & KEY STATISTICS

SUPPORT PROGRAMS FOR CLIENTS

Moratoria as at 31.12.2020 (Bank's standalone data)	Retail (incl. Micro) clients	Corporate & SME clients	Total
Number of applications submitted / approved (thousand)	63.3/49.4	4.4/2.9	67.7/52.3
in which granted public moratoria	1.3	-	1.3
Credit moratorium total amount (PLN million, on balance exposure)	4,298.6	2,461.0	6,759.6
in which granted public moratoria	135.9	-	135.9
Back to regular repayment after exit from moratoria (% , on balance exposure)	96%	98%	96%

- Loan repayment grace periods implemented at the beginning of April 2020 and until 31 December applied to PLN 6.8 bn of loan exposure (Bank's current clients, on balance). Public moratoria as at 31.12.2020 amounted to PLN 135.9 million (on-balance exposure).
- Private moratoria are reactivated from 19 January 2021 and will be available till end of March 2021.
- BGK Guarantees total limit of PLN 12 bn (as at the end of 2020), of which:
 - PLN 4 bn (available limit PLN 2.1 bn) de minimis guarantee
 - PLN 8 bn (available limit PLN 6.8 bn) liquidity guarantee
 - PLN 0.12 bn (available limit PLN 0.06 bn) Agricultural Guarantee Fund
- PFR program – reactivated on 15 January 2021 – the participation of the Bank in the funds' distribution to the clients.

**Utilization of the BGK guarantee limits as high as possible.
Proper actions taken towards the COVID-19 affected clients.**

SECTORS CONSIDERED AS SENSITIVE

limited exposure in the loan portfolio

sector	% of balance
Aircraft	0.1%
Oil & Gas	0.3%
Hotels, Tourism, Leisure	0.7%
Non-Food Retail	3.6%
Transport & Storage, excl. Shipping	3.6%

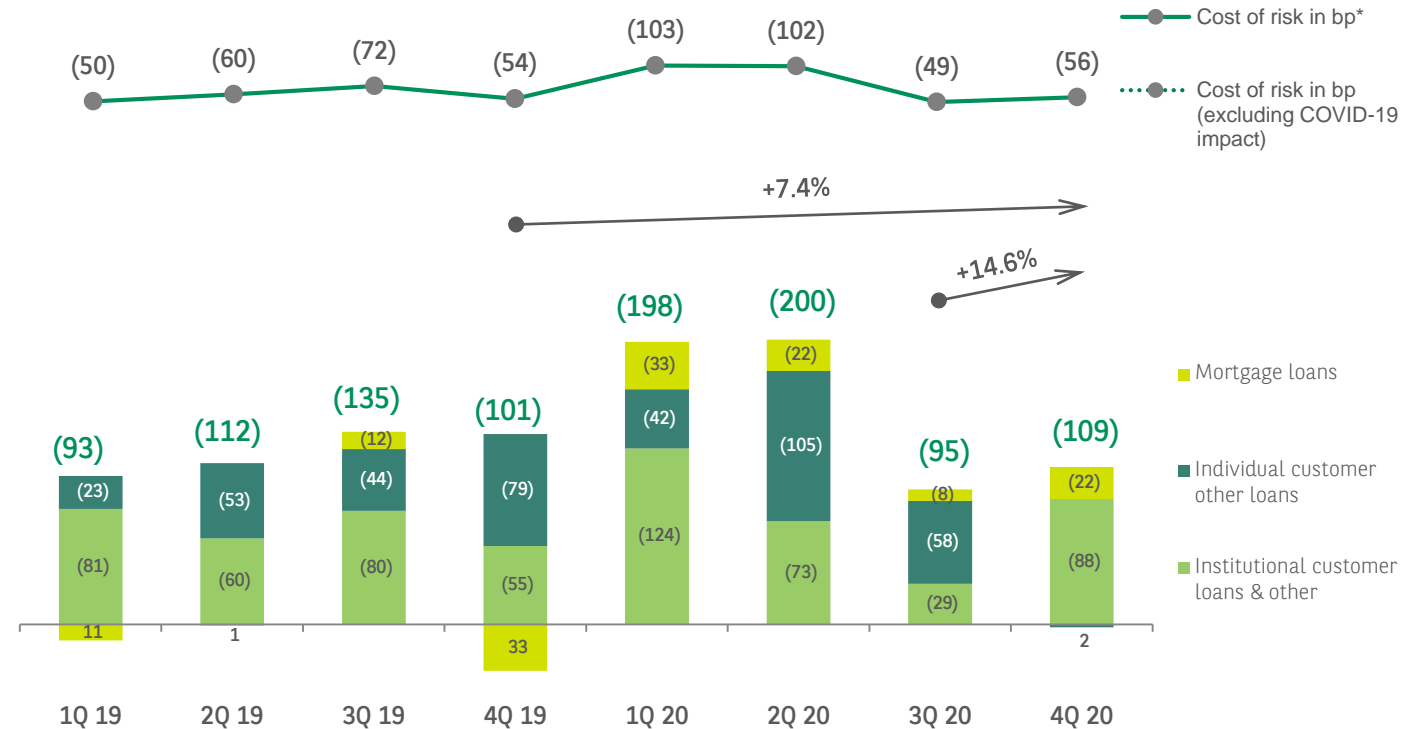
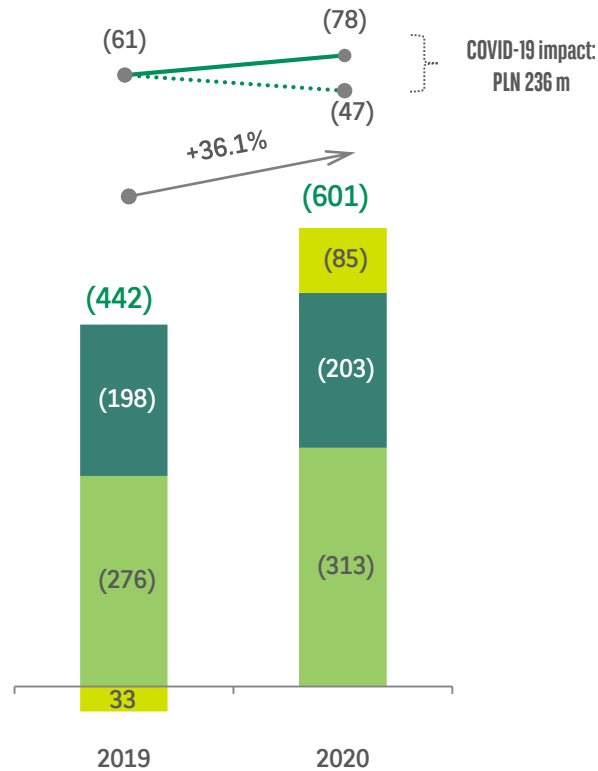
COST OF RISK

The impact of COVID-19 on the cost of risk in 2020 was PLN 236 million and is mainly due to the change in macroeconomic scenarios as a result of COVID-19 (forward looking PD and LGD determined based on smoothed macro forecasts) and the Bank's assessment of the expected future impact of the current economic situation on the risk parameters for selected types of clients.

NET IMPAIRMENT LOSSES

SIGNIFICANT IMPACT OF COVID-19 ON THE COST OF RISK IN 2020. STABILIZATION IN THE 2ND HALF 2020 THANKS TO GOOD PERFORMANCE OF THE LOAN PORTFOLIO

PLN m



- A significant amount of PLN 236 million provisions (including PLN 38 million for mortgage loans) in 2020 was created for unrealized losses related to the overall economic situation and the effects of COVID-19. The significantly worse macroeconomic forecasts contributed to the deterioration of the parameters used for creating provisions (PD / LGD) which reflect unrealized losses.
- PLN 62 million of provisions created for exposures with granted moratorium (including PLN 18 million for mortgage loans) to protect the Bank against problems with repayments of loans after the expiry of moratoria.
- Overall good performance of the credit portfolio, especially in terms of timely repayments, which offsets the negative impact of COVID-19-related additional provisions.

Cost of risk in Q4 2020 was impacted mainly by:

- PLN 63 million provisions for unrealized credit losses related to the deterioration of macroeconomic scenarios (PLN 17 million) and their potential impact on the portfolio of corporate and SME loans (PLN 44 million)
- PLN 40 million of provision – a negative impact of calibration of behavioral ratings
- PLN 21 million write-offs for exposures with granted moratoria in order to reflect the potential negative impact of the so-called the second wave of COVID-19 on timely repayment of loans after the expiry of moratoria
- overall good performance of the credit portfolio, especially in terms of timely repayments.

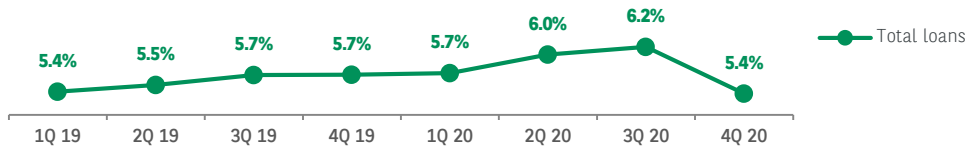
* Cost of risk expressed as the ratio of the net impairment allowance to the average balance of gross loans and advances to customers valued at amortized cost (calculated based on quarter-end balances).

LOAN PORTFOLIO QUALITY

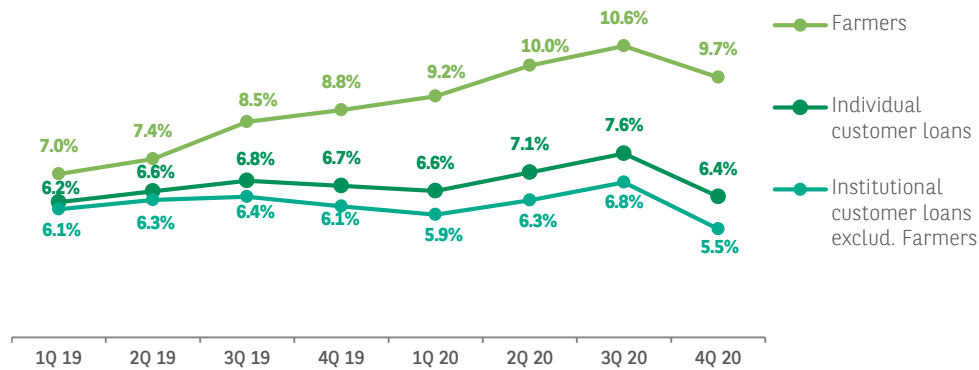
DECREASE OF NPL RATIO DUE TO SIGNIFICANT NPL SALE IN THE FOURTH QUARTER 2020

Total loans - NPL ratio*

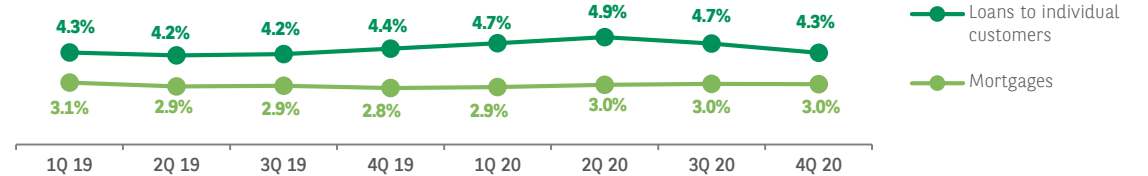
NPL for both loan portfolios in total (valued at fair value and at amortized cost) was **5.6%** at the end of Q4 2020



Institutional loans - NPL ratio*

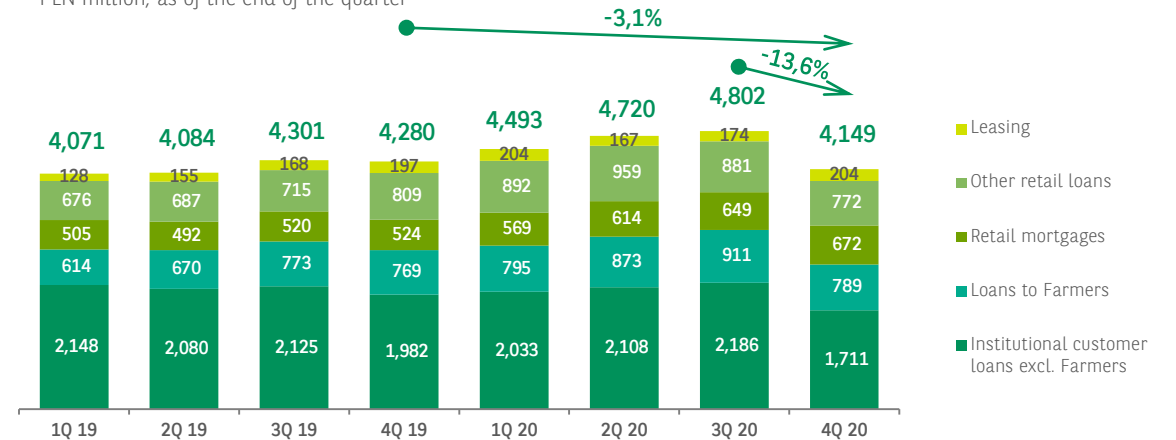


Retail loans - NPL ratio*



Gross impaired portfolio**

PLN million, as of the end of the quarter



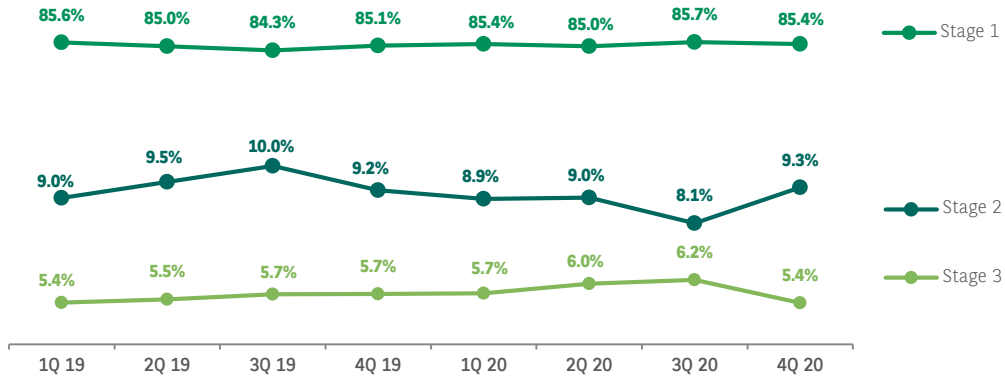
* NPL ratio calculations are not inclusive of loans and advances valued at fair value, identified in accordance with IFRS 9

** impaired loan portfolios since 31 March 2018 are not inclusive of loans and advances valued at fair value, identified in accordance with IFRS 9

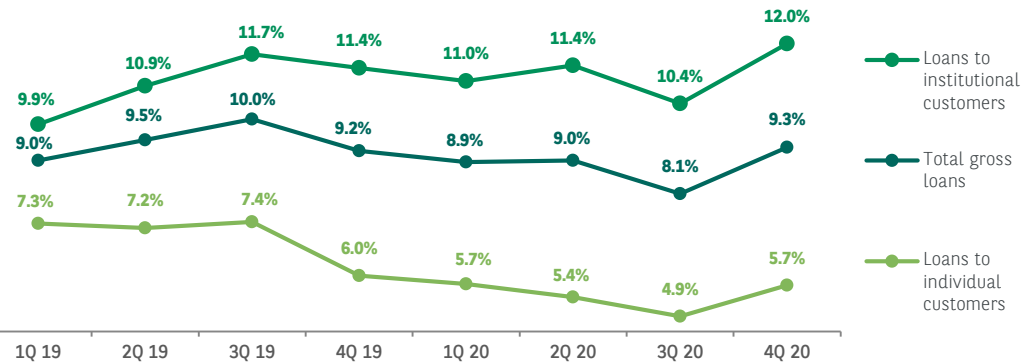
LOAN PORTFOLIO QUALITY

STABLE LOAN PORTFOLIO STRUCTURE. STAGE 3 PROVISION COVERAGE RATIO DECREASED DUE TO SALE OF NPL PORTFOLIO

Share of each stage in gross loan portfolio

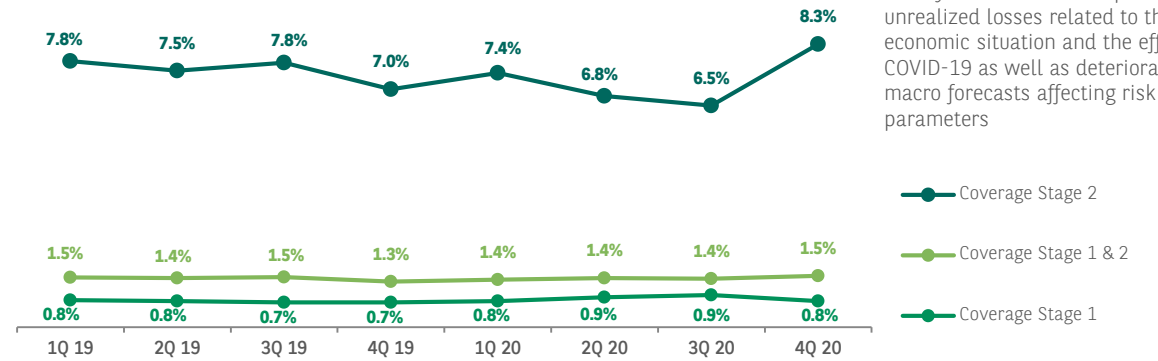


Share of Stage 2 in gross loan portfolio



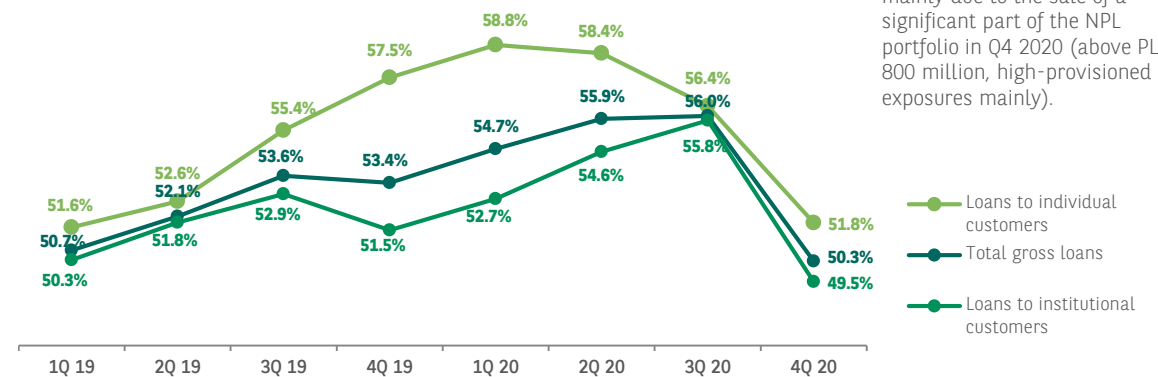
Increase of Stage 2 share in Q4 2020 mainly due to the calibration of behavioral ratings, delays in loan repayments after the moratorium period and the reclassification of clients from sensitive industries to Phase 2

Provision coverage for gross loan portfolio – Stages 1 & 2



Coverage increase in Stage 2 mainly due to additional provisions for unrealized losses related to the general economic situation and the effects of COVID-19 as well as deterioration of macro forecasts affecting risk parameters

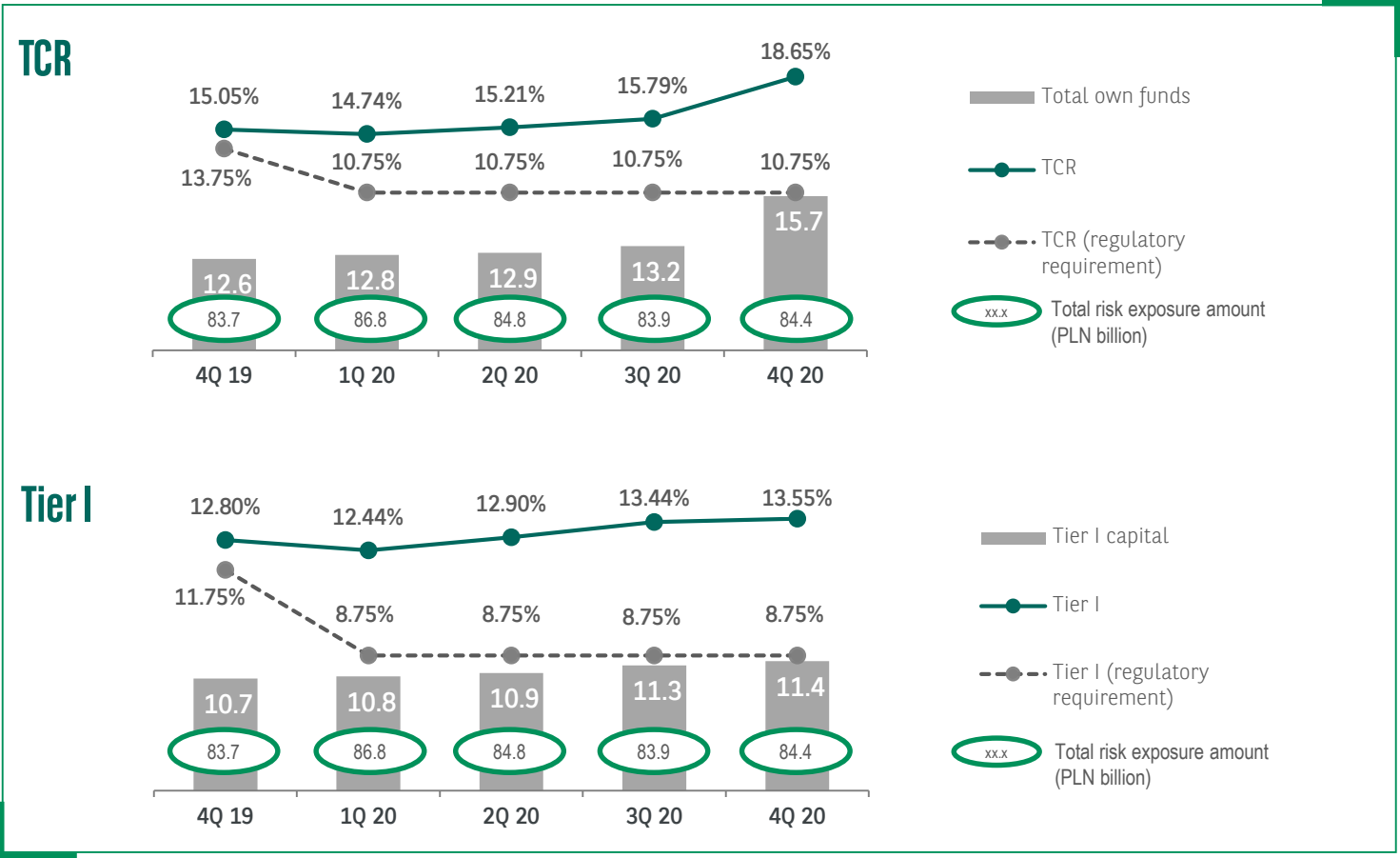
Provision coverage for gross loan portfolio – Stage 3



Coverage reduction in Stage 3 mainly due to the sale of a significant part of the NPL portfolio in Q4 2020 (above PLN 800 million, high-provisioned exposures mainly).

CAPITAL ADEQUACY

SAFE CAPITAL POSITION. SIGNIFICANT IMPROVEMENT IN TOTAL CAPITAL RATIO (TCR) AT YEAR-END 2020



**TCR and Tier I above the regulatory minimum:
+7.9 pp and +4.8 pp, respectively**

On 28 December 2020, the Bank received the consent of the Polish Financial Supervision Authority for qualifying PLN 2.3 billion subordinated loan to the Bank's Tier 2 funds – meeting the MREL requirements as at year-end 2020.

On 25 September 2020, the Bank received the consent of the Polish Financial Supervision Authority to include in its own funds the consolidated profit for the first half of 2020 (PLN 334.1 million).

Higher level of the total amount of risk exposure in Q4 2020 related mainly to the increase in the requirement for credit and market risk.

Reduction of the systemic risk buffer from 19 March 2020 from 3% to 0%.

No capital requirement for FX loans for the Bank (since 9 July 2019).

OSII buffer at 0.25%.

04

OUTLOOK



BNP PARIBAS

PRIORITIES AND CHALLENGES FOR THE COMING QUARTERS

FURTHER ADJUSTMENT OF THE BUSINESS MODEL. BUSINESS INCREASE AND CAUTIOUS RISK MANAGEMENT



BUSINESS INCREASE

- Return to full business activity despite the uncertainty regarding the Covid-19 pandemic and its impact on the economic situation
- Further adjustment of product and services prices to the changed market conditions
- Using the scale effect and the potential of the BNP Paribas Group in Poland and worldwide in offering a range of financial solutions to customers
- Partner relations with customers in difficult times and, at the same time, rational risk management - building long-term relations



FURTHER ADAPTATION

- Continued digital transformation in response to accelerating change of market trends
- Further focus on improving customer experience and satisfaction
- Further stages of optimization and efficiency improvement of sales and customer service processes
- Building a strong, socially committed and responsible brand
- Proactive involvement in national implementation of the EU “New Green Order” initiatives

The achieved effect of scale and the developed business model are a good starting point for further development and growth despite the scale of uncertainty in the sector
(CHF mortgage loans issue, evolution of the pandemic & recovery of the economy, stability of the sector).

05

BUSINESS SEGMENTS



BNP PARIBAS

RETAIL AND BUSINESS BANKING & PERSONAL FINANCE

CUSTOMER ACTIVITY AND SALES VOLUME DISRUPTED BY THE RETURN OF THE PANDEMIC IN 2020 Q4. GOOD YEAR DESPITE THE CHALLENGING ENVIRONMENT

Transformation #optimizing and increasing efficiency

- paper-less and electronic signature opening an account in a branch, cash transactions authorization, opening an account remotely (courier, video)
- cash-free sales network: number of cash payments **decrease by 60%**, cash withdrawals **decline by 48%**
- processing complaints: decrease of number of complaints by **44%**, time for considering complaints by **48%**,
- mortgage loan: automation of real estate valuation process, dedicated infoline and website

Digitalization #digitally supported

one GO environment for all Customers

- GOonline & GOMobile - over 1 million active users, +19% y/y,
- GOoptima rebranding of the BGŻ Optima brand - migration of 200 k customers,
- Acquisition in B2B channels - 246 k acquired customers use GO tools,
- GOinvest - implementation of 360° view for Wealth Management and Premium Customers

easier # simpler

- GOonline sale processes - cash loan, brokerage account, long-term car rental in Arval Service Lease Polska
- GOonline post-sale processes for mortgage loan (update of insurance policy, earlier loan repayment) and credit card (increasing the card limit, repayment of instalments)

Growth #we're growing stronger

new Customers

- 321 thousand new Customers
- micro financing: PLN 3.45 bn, +8% y/y
- personal account: PLN 257,2 k; +2% y/y
- mortgage loan: PLN 5.6 bn, +30% y/y
- cash loans: PLN 2.7 bn, -17% y/y, incl. granted remotely: PLN 128 m; +251% y/y)

more

- insurance (insurance coverage in mortgage loan) - 99% volume
- investment (investment funds and structures certificates); PLN 4.2 bn; +24% y/y
- FX & Trading in the micro segment (increase in income +20% y/y)

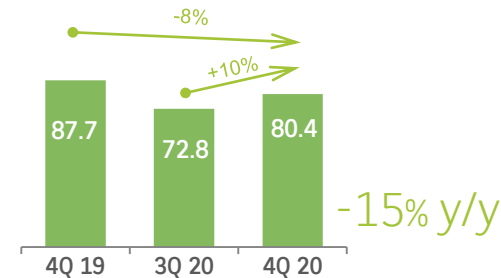
3.9 m retail customers

+51k +1% y/y

+27k +0,7% q/q

Acquisition of individual customers*

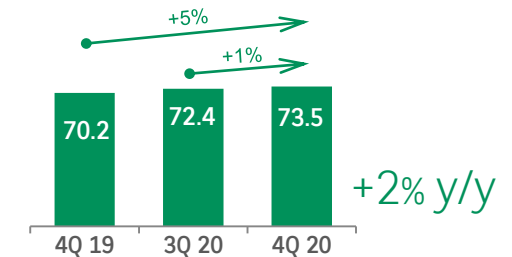
thousand



* excluding acquisition via customer service points

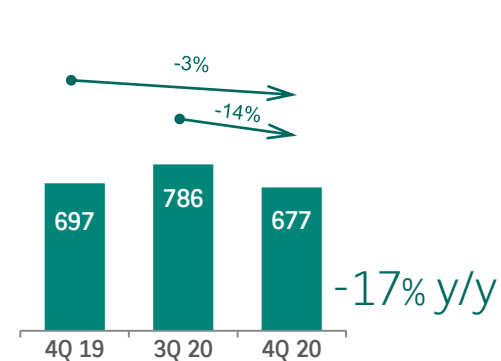
Sale of personal accounts

thousand



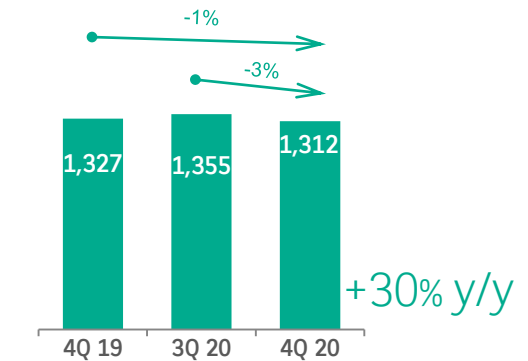
Sale of cash loans

PLN million



Sale of mortgage loans

PLN million



top three in every category



The Bank is among leaders in the customer service quality: branches and remote access channels



3rd place in the ranking

Awards #Customers appreciate us



Najbardziej innowacyjny Private Banking 2020 wg miesięcznika Forbes Polska

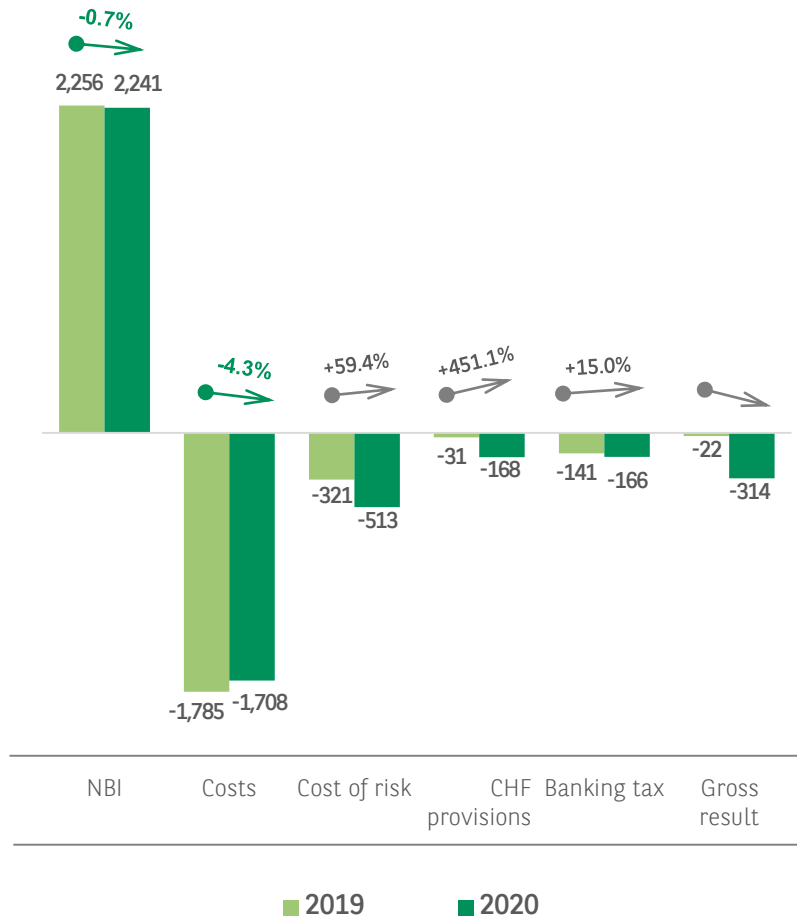


RETAIL AND BUSINESS BANKING

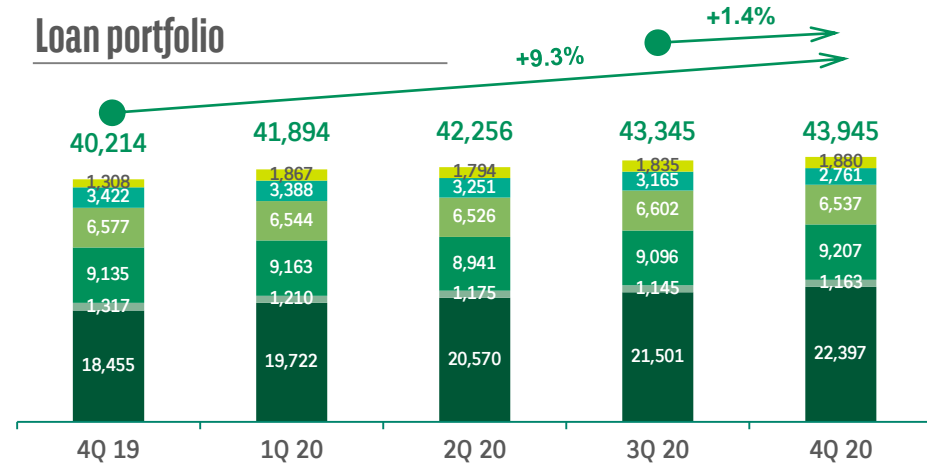
SOLID NET BANKING INCOME DESPITE THE INTEREST RATES CUTS. GROSS PROFIT UNDER PRESSURE FROM ADDITIONAL CREDIT AND LEGAL RISK PROVISIONS

PLN m

Gross result structure



Loan portfolio

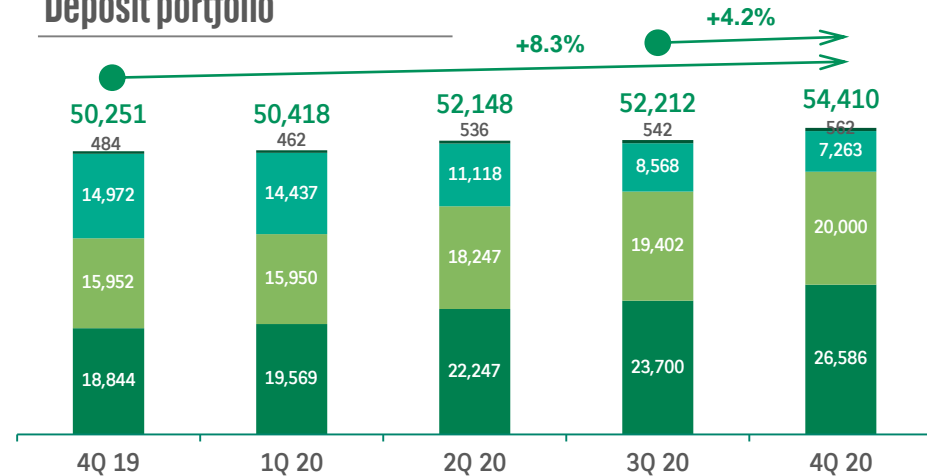


Segments' share in the Group's net banking income

48%

- Leasing
- Overdrafts
- Investment loans
- Consumer & other loans
- Credit cards
- Mortgages

Deposit portfolio



- Overnights
- Term deposits
- Savings accounts
- Current accounts

CORPORATE & SME BANKING

CREDIT VOLUMES UNDER PRESSURE ACCORDING TO THE MARKET TREND. CUSTOMER BUSINESS ACTIVITY - REBOUND IN THE 4 QUARTER

Transformation and digitalization

- GOonline Biznes - implementation of a first stage of new version of internet banking (including a credit module, an authorization module for applications & contracts, Masscollect module).
- Further automation of after-sales processes, including implementation of a new self-service zone in GOonline Biznes
- GOmobile Biznes mobile banking – growth in number of users (over 9,000 at the end of 2020).
- Launch of a remote onboarding process for non-residents (based on electronic documentation & electronic signatures)

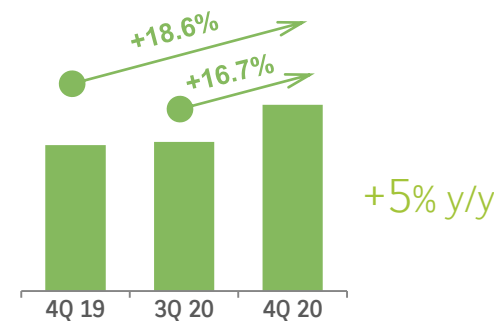
Business development

- Overliquidity and challenges on the credit side: decline y/y in line with the general downward trend of the entire corporate loan market due to suspension of new investments, inflow of government aid funds, decline in the use of working capital loans and the current amortization of the loan portfolio.
- Changes in the cash management offer: adaptation to new market conditions in terms of interest rates on deposits and implementation of new fees (including fees for deposit balances).
- High dynamics of non-credit commission income in SMEs + 11% y/y and + 17% y/y in Corporate Banking as a result of changes in F&C tariffs.
- Despite lower customer activity - very good results of the Global Markets line (revenues +4% y/y in SMEs and -1% y/y in Corporate Banking).
- Significant increase in activity in the area of trade finance: total volume of active guarantees and letters of credit at the end of 2020 amounted to PLN 6.6 bn, +22% y/y.

Revenue increase resulting from further recovery of customer activity and changes in pricing policy

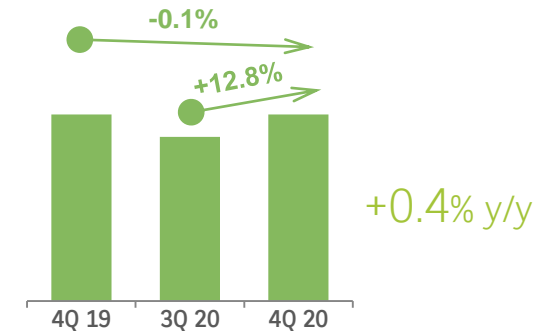
Cash management

Revenues



Currency exchange transactions

Revenues



Selected significant transactions executed in Q4:

 Casimir Student Accommodation PLN 126 million Construction Facility PLN 18 million VAT Facility BNP PARIBAS Lender November 2020	 Equal Business Park EUR 28 million Investment Loan BNP PARIBAS Lender December 2020	 Zabrze Logistics EUR 23 million Construction and Investment Loan BNP PARIBAS Sole Lender December 2020	 Financing for acquisitions, investments and general corporate purposes PLN 215 million BNP PARIBAS Arranger, Security Agent December 2020	 Corporate bond issuance PLN 325 million BNP PARIBAS Co-Arranger & Bookrunner December 2020	 Corporate bond issuance PLN 125 million BNP PARIBAS Co-Arranger & Bookrunner December 2020	 Corporate bond issuance PLN 45 million BNP PARIBAS Co-Arranger & Bookrunner December 2020
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Corporate banking customers

12.2 k

-0.2 k -1% y/y
0.0 k 0% q/q

SME customers

27.2 k

-3.7 k -12% y/y*
-0.2 k -1% q/q

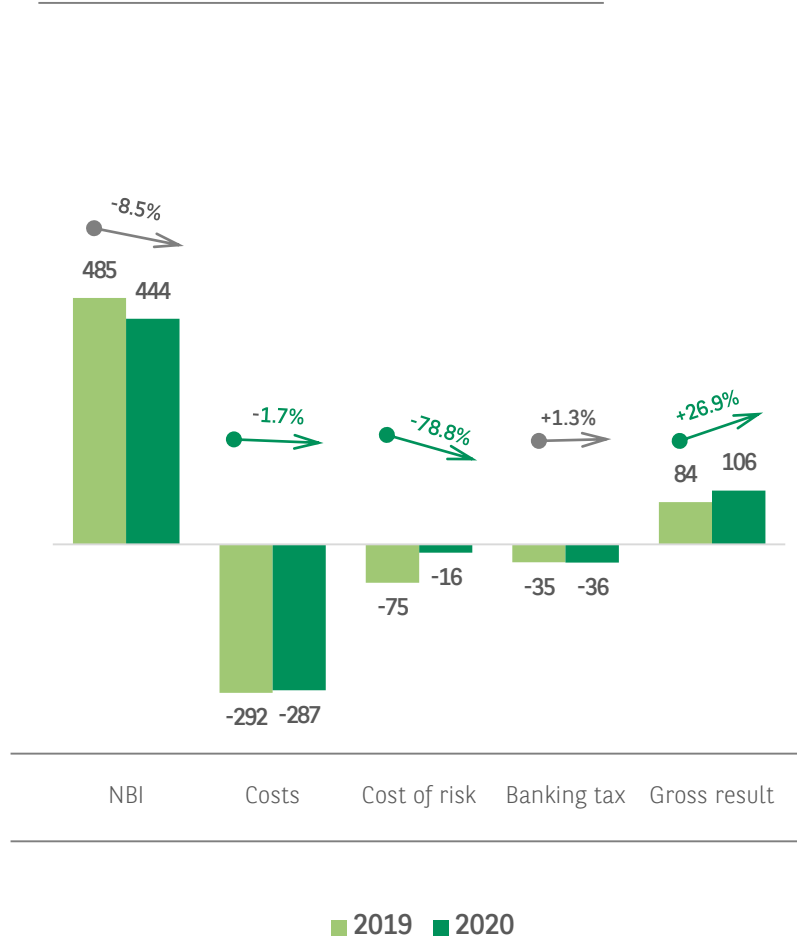
* the change includes re-segmentation between SME and micro carried out in January 2020 and verification of the post-integration base

SME BANKING

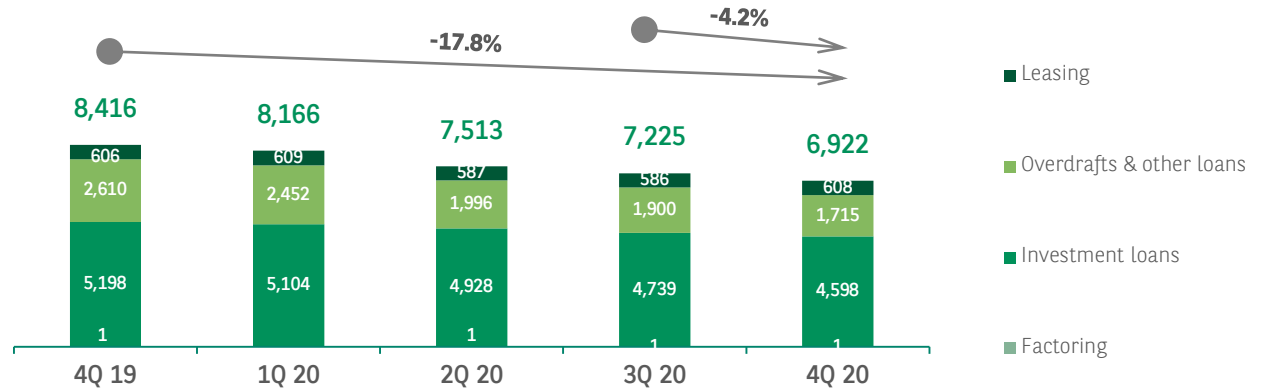
NET BANKING INCOME DECREASE RELATED TO LOWERING INTEREST RATES. IMPROVEMENT IN GROSS RESULT MAINLY DUE TO LOWER COST OF RISK

PLN m

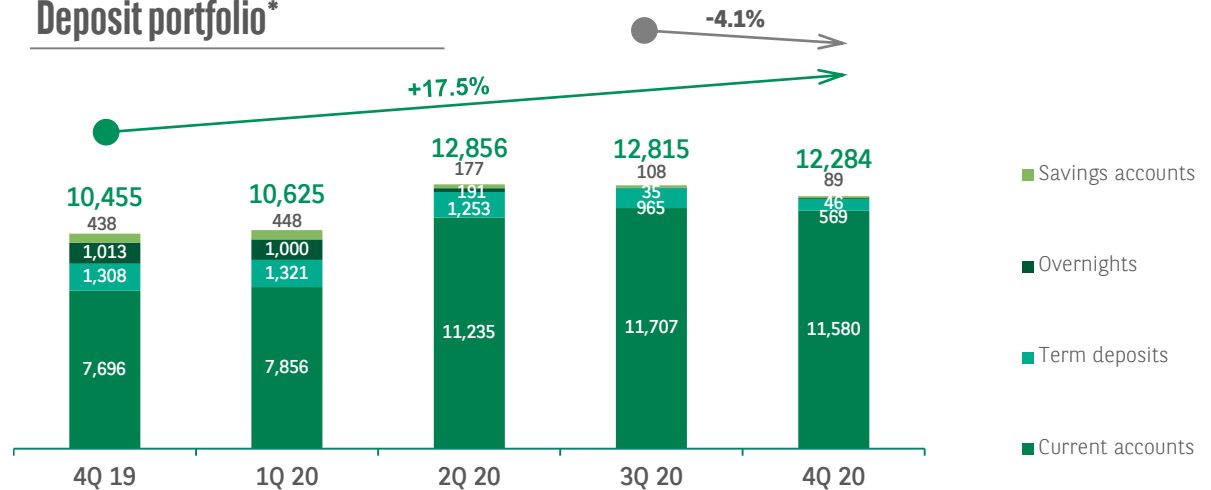
Gross result structure



Loan portfolio*



Deposit portfolio*



Segments' share in the Group's net banking income

9%

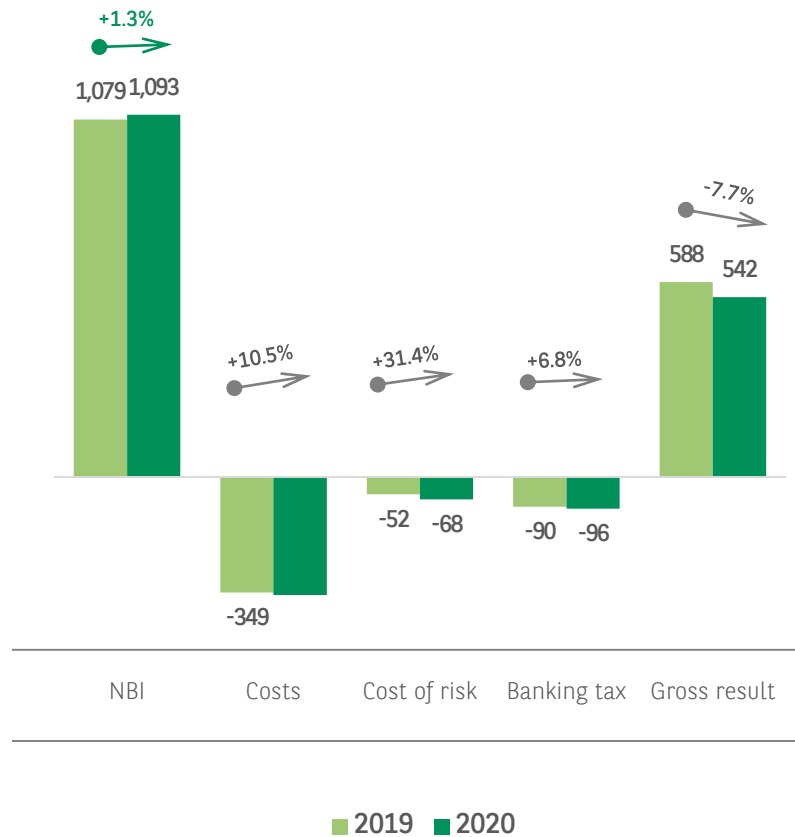
* in connection with the re-segmentation of SME, Corporate Banking and Micro clients, carried out in 2020; data for 2019 presented on a comparable basis

CORPORATE BANKING

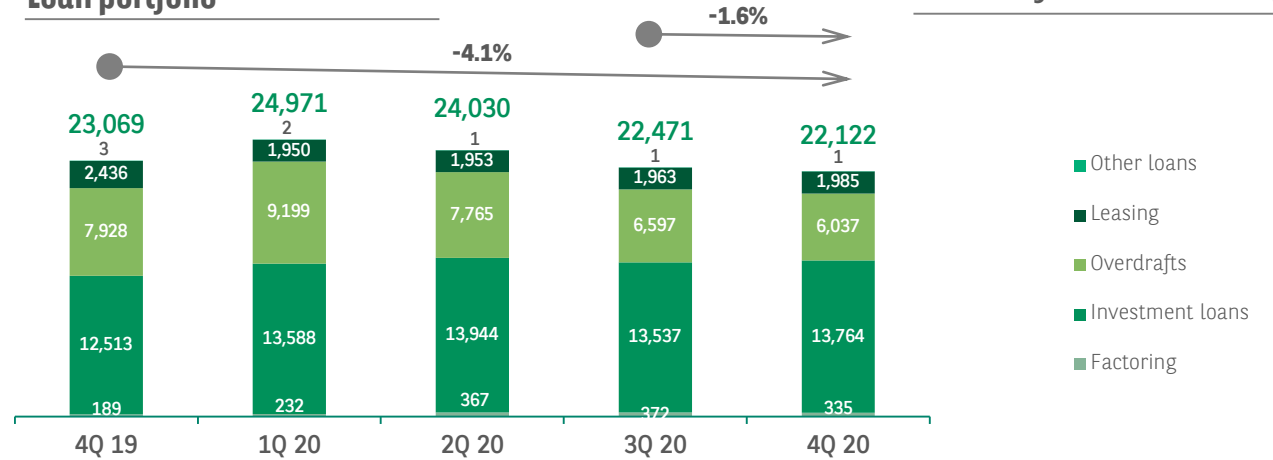
MAINTAINING THE NET BANKING INCOME DESPITE THE INTEREST RATES CUTS. DECREASE IN GROSS RESULT

PLN m

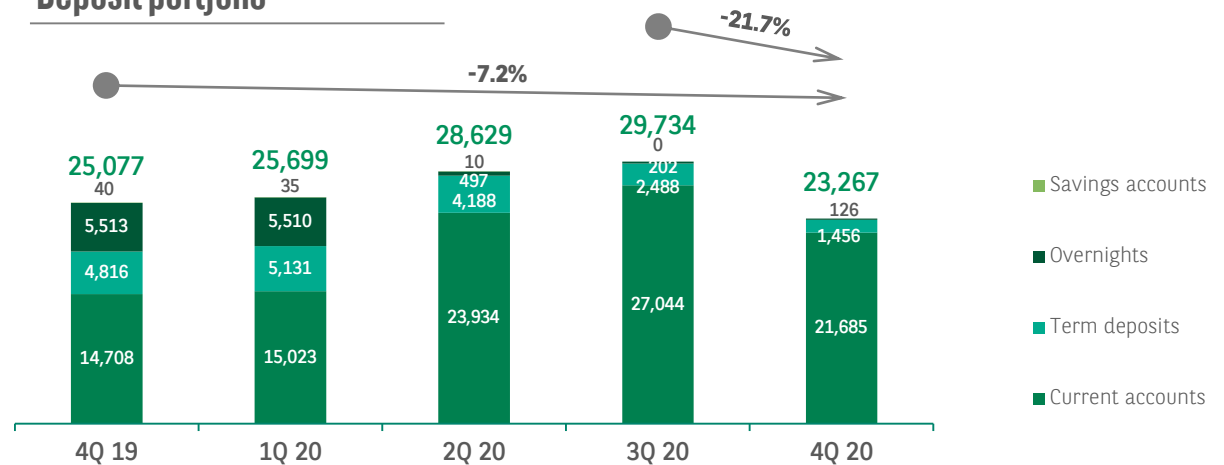
Gross result structure



Loan portfolio*



Deposit portfolio*



Segments' share in the Group's net banking income

23%

* in connection with the re-segmentation of SME, Corporate Banking and Micro clients, carried out in 2020, data for 2019 are presented on a comparable basis

AGRO SEGMENT

FOCUS ON MAINTAINING MARKET POSITION. SUPPORT FOR THE SUSTAINABLE AGRICULTURE DEVELOPMENT

76.2 thousand Agro clients

Business development

- **Preferential loans** - launching the line of investment loans with partial repayment of principal for purchase of agricultural land by young farmers
- **Agricultural Guarantee Fund guarantee** - new form of securing loans for Farmers and Agro Clients with the possibility of applying interest subsidy to loans
- **Agreement with Concordia (Generali Group)** guaranteeing further development of cooperation in terms of insurance offered by the Bank

Activities supporting sales and client relations

- **15th edition of Food & Agro Conference** under the slogan of "*Dominating trends. New solutions.*" - organized in an online format, addressed to both local and international audience (350 participants)
- **Agro Akademia** - series of 4 free of charge meetings for farmers referring to sustainable business (~300 participants per meeting)
- **Agro Kurier** - another issue of the journal with the topics of climate change, available in branches and in an electronic version

agronomist

- 3,700 registered users
- 1,000 users are the Bank customers
- 45% of users are women
- almost 400,000 hits to the portal in 2020



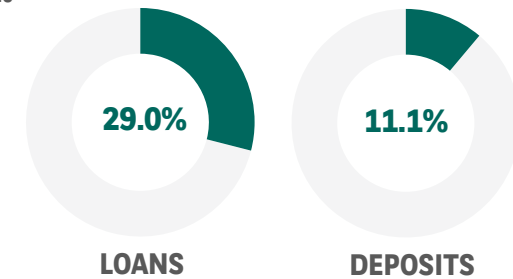
Development of further thematic sections:

- implementation of the real estate module,
- organic nitrogen production and consumption calculator as well as price comparison of agricultural products at marketplaces and in purchasing centers available

in addition to the existing sections: *Green changes* - dedicated to sustainable development and *Agro on Heels* - content for women active in the Food & Agro sector

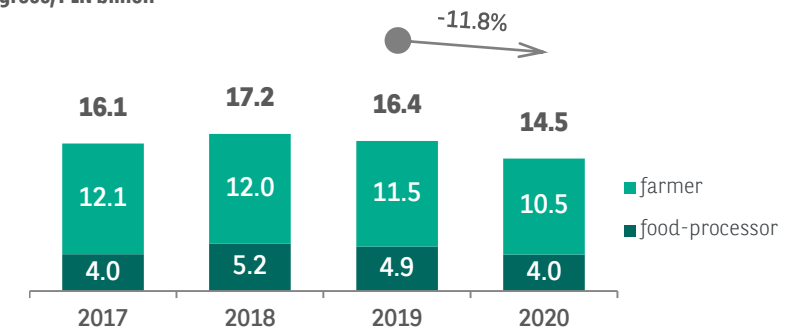
Market share

31.12.2020



Credit volume

gross, PLN billion



The Bank is the first financial institution of the international industry consortium Cool Farm Alliance (CFA) associating entities working for the development of sustainable agriculture

APPENDICES



Share price performance
2020 Financial Results of the Group
Profit and loss account
Assets, liabilities and equity

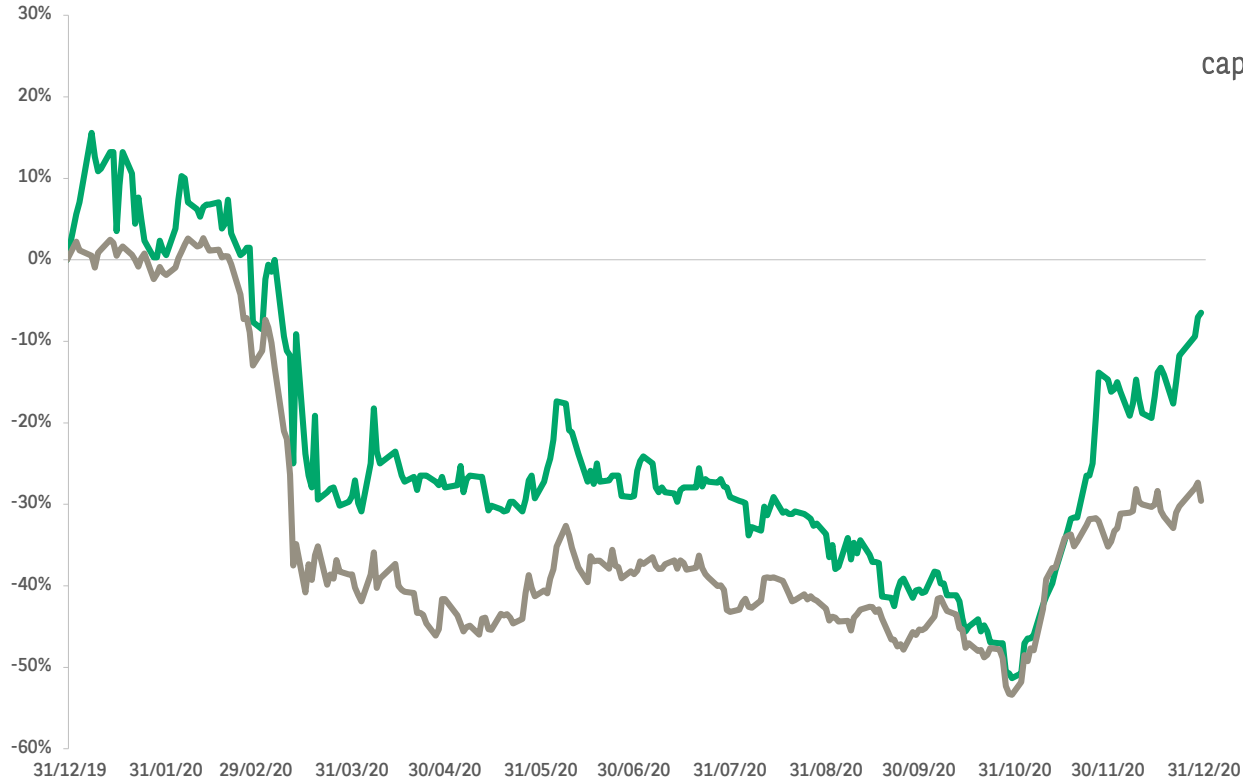


SHARES OF BNP PARIBAS BANK POLSKA SA

REVERSAL OF THE DOWNWARD TREND IN THE BANK'S SHARE PRICE IN Q4 2020

Change in the share price

(30.12.2019 = 100%)



30 December 2020

free-float: PLN 1.1 bn
P/BV: 0.78
capitalization: PLN 9.4 bn



PLN 63.6
-6.5% y/y



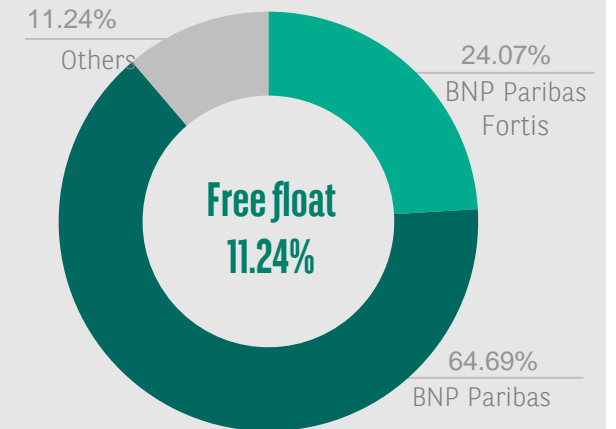
-29.6% y/y

Moody's rating

rating outlook – Stable
individual assessment/ adjusted – ba1/ baa3
deposit ratings short-term/ long-term – Prime-2/ Baa1

Shareholder structure

(31.12.2020)



Free float
11.24%

147 418 918

Total number of
shares

ISIN Code: PLBGZ0000010 | WSE Ticker: BNP | Index: mWIG40, WIG-ESG



FY 2020 FINANCIAL RESULTS OF THE GROUP

INCREASE IN NET BANKING INCOME BY 3.4% (Y/Y), COST OF RISK IMPACTED BY COVID-19 PANDEMIC, LOWER OPERATING EXPENSES

	2020 PLN m	2019 PLN m	Change y/y	Change y/y normalized*
Net banking income	4,704.7	4,550.2	+3.4%	+0.6%
Total costs	(2,505.6)	(2,922.1)	(14.3%)	(2.3%)
Net impairment losses	(601.5)	(441.9)	+36.1%	+36.1%
Provisions for legal risk of CHF loans	(168.2)	(32.1)	423.6%	423.6%
Banking tax	(318.9)	(281.2)	+13.4%	+13.4%
Gross profit	1,110.6	873.0	27.7%	(18.6%)
Net profit	733.1	614.7	19.3%	(27.8%)

	31.12.2020	31.12.2019	Change y/y	Change* y/y change
Return on equity (ROE)	6.3%	5.7%	+0.6 pp	-
Return on equity (ROE)*	6.2%	9.1%	-	(2.9 pp)
Cost / Income (C/I)	53.3%	64.2%	(11.1 pp)	-
Cost / Income (C/I)*	53.2%	54.8%	-	(1.6 pp)
Total Capital Adequacy Ratio	18.7%	15.1%	+3.6 pp	-
Tier 1 Capital Ratio	13.6%	12.8%	+0.8 pp	-

The comparability of results achieved in 2020 and 2019 was affected by:

- increase in cost of risk related to negative impact of coronavirus pandemic on the economy and financial situation of the Bank's credit customers. Net impairment losses amounted to PLN -601.5 m in comparison with PLN -441.9 m in 2019 (increase of PLN 159.6 m, by 36.1%). The negative impact of COVID-19 was estimated at PLN 236 m in 2020;
- increase in the cost of provisions for legal risk related to CHF loans by PLN 136.0 m (by 423.6%);
- no integration costs in 2020 (positive impact of PLN 15.3 m), as opposed to PLN 414.5 m in 2019;
- BFG costs higher by PLN 47.1 m y/y (as a result of an increase in the annual contribution to the bank restructuring fund and the guarantee fund for 2020), as well as costs related to the Borrower Support Fund higher by PLN 6.7 m;
- PLN -41.4 million restructuring provision in 2020 (employment optimization program);
- an increase in the banking tax by PLN 37.7 m y/y related to the Bank's assets increase.

**Increase in the reported net profit of 19.3% y/y.
Excluding impact of integration costs and one-offs, the 2020 net profit would amount to PLN 712.0 million (-27.8% y/y)**

In Q3 2020, the result from provisions for legal risk of CHF housing loans was excluded from the category of other operating expenses. For the sake of comparability, the shift was made in all the presented periods.

* One-offs and integration costs excluded

One-offs:

- 2020: PLN 10.8 m (BIK and KIR valuation PLN 45.1 m, sale of Kasprzaka PLN 43.6 m, restructuring provision PLN -41.4 m, provision for penalty imposed by UOKiK related to spread clauses in credit agreements PLN -26.6 m and provision for option case PLN -9.8 m)
- 2019: PLN -44.8 m (provision for CJEU judgment on commission reimbursement in the event of early loan repayment PLN -69.6 m, provisions for option case and operating loss PLN -17.7 m and sale of factoring activities PLN 42.4 m)

2020 integration costs PLN +15.3 m, of which:

- PLN -10.3 m - administrative expenses, depreciation and amortization
- PLN +5.0 m - other operating expenses (positive value)

2019 integration costs - PLN -414.5 m, of which:

- PLN -389.9 m - administrative expenses, depreciation and amortization
- PLN -24.6 m - other operating expenses

NET PROFIT

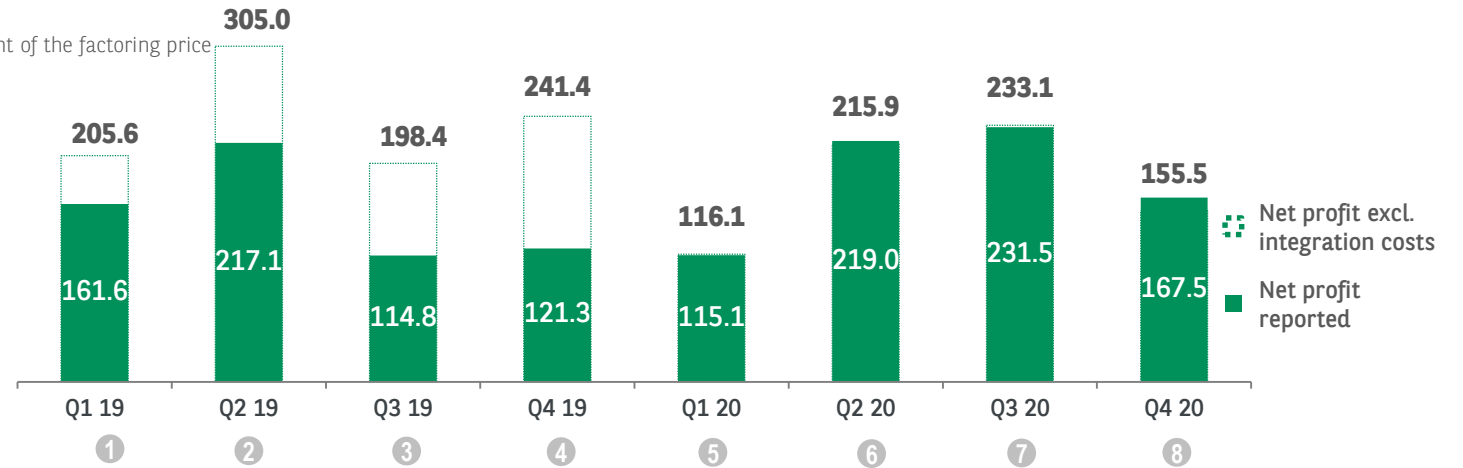
IMPACT OF MATERIAL EVENTS ON 2020 AND 2019 RESULTS

PLN million

Material events

- 1 Q1 2019
 - PLN -54.3 m integration costs
 - PLN -116.1 m contribution to the bank resolution fund BFG (PLN -129.1 m total BFG costs)
- 2 Q2 2019
 - PLN -108.5 m integration costs
 - PLN +45.0 m (net PLN +36.5 m) from the sales of factoring
- 3 Q3 2019
 - PLN -103.3 m integration costs
 - PLN -48.8 m of provision for commission reimbursement (CJEU)
 - PLN -11.3 m provision for option case, PLN -6.4 m operational loss, PLN -2.6 m adjustment of the factoring price
- 4 Q4 2019
 - PLN -148.4 m integration costs
 - PLN -29.5 m portfolio provision for CHF loans (CJEU)
 - PLN -20.8 m provision for commission reimbursement (CJEU)
- 5 Q1 2020
 - PLN +43.6 m sale of Kasprzaka real estate
 - PLN -11.3 m provision for CHF loans (CJEU)
 - PLN -9.8 m provision for legal risk – lost option case
 - PLN -126.0 contribution to the bank resolution fund BFG (PLN -147.6 m total BFG costs)
- 6 Q2 2020
 - PLN +45.1 m valuation of BIK and KIR
 - PLN -15.2 m provision for CHF loans (CJEU)
- 7 Q3 2020
 - PLN -26.6 provision for UOKIK penalty related to spread clauses in credit agreements
 - PLN -39.9 m provision for CHF loans (CJEU)
- 8 Q4 2020
 - PLN -41.4 restructuring provision (employment optimization program)

Net profit



ROE as reported	6.1%	7.1%	6.1%	5.7%	4.1%	5.9%	6.6%	6.3%
ROE excl. integration costs	7.7%	9.5%	8.8%	8.7%	4.1%	5.9%	6.6%	6.2%

CONSOLIDATED P&L

PLN thousand

Profit and loss account	cumulatively		quarterly							
	31/12/2020	31/12/2019	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Interest income	3,602,796	4,188,083	823,360	832,568	919,168	1,027,700	1,040,116	1,053,372	1,059,509	1,035,086
Interest expenses	(542,726)	(1,019,324)	(75,974)	(93,657)	(155,887)	(217,208)	(234,504)	(255,064)	(264,812)	(264,644)
Net interest income	3,060,070	3,168,759	747,386	738,911	763,281	810,492	805,312	798,308	794,697	770,442
Fee and commission income*	1,132,051	1,060,165	314,772	301,050	249,685	266,544	274,751	259,542	256,554	251,853
Fee and commission expenses*	(215,956)	(240,228)	(56,972)	(49,814)	(49,386)	(59,784)	(67,424)	(54,019)	(55,350)	(45,970)
Net fee and commission income	916,095	819,937	257,800	251,236	200,299	206,760	207,327	205,523	201,204	205,883
Dividend income	9,669	6,007	1,419	5,811	460	1,979	-	4,451	1,348	208
Net trading income	748,390	682,415	213,992	157,593	189,619	187,186	180,687	175,696	158,035	167,997
Net investment income	29,081	(31,836)	196	11,015	41,439	(23,569)	8,695	(20,533)	(12,361)	(7,637)
Net income on collateral accounts	(11,077)	(4,385)	1,612	(2,992)	(869)	(8,828)	257	(3,559)	(3,009)	1,926
Other operating income	323,586	182,705	84,763	43,356	49,372	146,095	43,158	30,696	71,632	37,219
Result on impairment write-offs of financial assets and provisions for liabilities	(601,499)	(441,890)	(108,533)	(94,733)	(199,912)	(198,321)	(101,904)	(135,315)	(112,353)	(93,181)
Net provisions for CHF mortgages legal risk**	(168,156)	(32,113)	(101,680)	(39,914)	(15,233)	(11,329)	(31,179)	(174)	(95)	(665)
General administrative expenses	(2,137,605)	(2,467,937)	(527,326)	(479,852)	(480,881)	(649,546)	(649,803)	(585,234)	(594,822)	(638,078)
Depreciation	(367,958)	(454,147)	(97,424)	(90,982)	(89,960)	(89,592)	(101,904)	(131,016)	(115,755)	(105,472)
Other operating expenses	(371,120)	(273,371)	(123,043)	(83,255)	(53,989)	(110,833)	(108,647)	(99,861)	(34,305)	(30,558)
Operating result	1,429,476	1,154,144	349,163	416,193	403,626	260,494	252,862	238,982	354,216	308,084
Banking tax	(318,909)	(281,189)	(84,461)	(83,625)	(80,182)	(70,641)	(70,405)	(69,457)	(70,982)	(70,345)
Gross profit (loss)	1,110,567	872,955	264,702	332,568	323,444	189,853	182,457	169,525	283,234	237,739
Income tax	(377,472)	(258,261)	(97,236)	(101,066)	(104,398)	(74,772)	(61,186)	(54,763)	(66,174)	(76,138)
NET PROFIT (LOSS)	733,095	614,694	167,466	231,502	219,046	115,081	121,271	114,762	217,060	161,601

* In Q4 2020, mapping of write-offs and provisions for unpaid fees was changed. The shift was made in all quarters in 2020 as well as in cumulative 2019 and 2020 figures

** In Q3 2020, the result from provisions for legal risk of CHF housing loans was excluded from the category of other operating expenses. For the sake of comparability, the shift was made in all the presented periods.



ASSETS

PLN thousand

Consolidated statements of financial position

	31/12/2020	30/09/2020	30/06/2020	31/03/2020	31/12/2019	30/09/2019	30/06/2019	31/03/2019	31/12/2018
ASSETS									
Cash and balances with the Central Bank	3,421,877	2,923,598	4,524,539	3,225,246	4,658,171	2,432,745	2,350,499	2,715,459	2,897,123
Amounts due from banks	774,722	661,528	1,834,807	1,047,005	679,308	867,909	527,687	916,374	961,496
Derivative financial instruments	1,531,617	1,447,087	1,322,060	1,601,162	800,886	917,845	729,564	743,071	715,671
Adjustment of fair value of the hedging item	531,793	578,742	563,865	481,474	228,120	300,057	231,929	172,367	130,405
Loans and advances to customers valued at amortised cost	74,097,269	73,961,882	74,339,859	74,977,955	71,836,643	72,196,212	70,857,188	72,210,895	70,997,701
Loans and advances to customers valued at fair value through P&L	1,539,848	1,640,581	1,714,418	1,807,680	1,974,396	2,069,805	2,182,483	2,283,645	2,416,249
Financial assets for sale	-	-	-	-	-	-	-	-	-
Securities valued at amortised cost	23,361,022	21,832,298	19,905,356	18,204,480	17,916,645	17,009,661	15,977,152	16,079,051	11,939,238
Securities valued at fair value through P&L	371,900	363,874	340,468	279,141	241,754	219,470	211,283	206,202	204,421
Securities valued at fair value through the other total income	10,228,560	14,707,256	10,677,194	7,093,076	7,953,358	8,082,845	9,917,396	10,194,356	15,875,339
Investment property	-	56,577	56,577	56,577	56,577	55,868	55,868	55,868	55,868
Intangible assets	651,608	552,575	525,717	511,272	519,945	490,969	498,069	506,991	520,767
Property, plant and equipment	1,479,540	1,123,993	1,149,393	1,158,185	1,226,746	1,189,700	1,136,103	1,097,855	511,275
Deferred income tax assets	745,606	871,098	904,821	943,848	976,748	1,028,678	989,616	994,738	1,034,313
Current income tax assets	55,087	42,816	43,195	27,139	-	-	-	2,461	-
Other assets	786,839	810,344	804,879	629,701	884,845	693,855	879,264	665,890	872,115
TOTAL ASSETS	119,577,288	121,574,248	118,707,148	112,043,941	109,954,142	107,555,619	106,544,101	108,845,223	109,022,519

LIABILITIES AND EQUITY

PLN thousand

Consolidated statements of financial position

	31/12/2020	30/09/2020	30/06/2020	31/03/2020	31/12/2019	30/09/2019	30/06/2019	31/03/2019	31/12/2018
LIABILITIES									
Amounts due to the Central Bank	84,675	106,994	-	-	-	-	-	-	-
Amounts due to other banks	6,824,894	6,625,208	4,891,630	4,910,888	4,485,264	4,727,260	4,803,636	4,371,236	3,976,469
Liabilities on sold securities	-	-	-	-	-	-	-	-	-
Adjustment of fair value of the hedging and hedged item	542,719	585,208	597,961	535,006	224,218	276,030	205,551	175,283	123,600
Derivative financial instruments	1,521,148	1,344,080	1,333,735	1,549,344	815,637	940,532	800,950	789,219	783,818
Amounts due to customers	90,051,004	94,880,015	93,742,118	86,927,106	86,134,984	83,348,683	82,641,868	85,922,946	87,191,708
Liabilities on debt securities issue	1,318,380	1,504,164	1,704,302	1,919,545	2,179,052	2,179,424	2,179,424	2,179,610	2,179,424
Subordinated liabilities	4,306,539	1,975,455	1,962,317	1,998,570	1,882,064	1,920,534	1,867,972	1,879,367	1,875,769
Leasing liabilities	968,749	629,323	637,185	638,211	602,192	616,475	599,594	593,097	-
Other liabilities	1,269,243	1,500,465	1,715,669	1,762,631	1,893,414	1,983,840	2,095,921	1,818,286	1,711,641
Current income tax liabilities	-	53,714	31,192	4,463	38,338	65,837	20,303	5,380	174,589
Deferred income tax provision	-	8,410	8,410	8,410	8,535	8,274	8,274	8,275	8,276
Provisions	659,410	540,925	522,029	507,410	531,061	442,054	396,922	416,521	437,412
TOTAL LIABILITIES	107,546,761	109,753,961	107,146,548	100,761,584	98,794,759	96,508,943	95,620,415	98,159,220	98,462,706
EQUITY									
Share capital	147,419	147,419	147,419	147,419	147,419	147,419	147,419	147,419	147,419
Supplementary capital	9,110,976	9,110,976	9,110,976	9,110,976	9,110,976	9,110,976	9,110,976	9,110,976	9,111,033
Other reserve capital	2,208,982	2,207,770	2,206,558	1,572,757	1,572,757	1,572,757	1,572,757	1,208,018	1,208,018
Revaluation reserve	255,833	214,271	187,298	133,205	125,251	133,423	125,763	105,100	141,179
Retained earnings	307,317	139,851	(91,651)	318,000	202,980	82,101	(33,229)	114,490	(47,836)
retained profit	(425,778)	(425,778)	(425,778)	202,919	(411,714)	(411,322)	(411,890)	(47 1,11)	(408,214)
net profit for the period	733,095	565,629	334,127	115,081	614,694	493,423	378,661	161,601	360,378
TOTAL EQUITY	12,030,527	11,820,287	11,560,600	11,282,357	11,159,383	11,046,676	10,923,686	10,686,003	10,559,813
TOTAL LIABILITIES AND EQUITY	119,577,288	121,574,248	118,707,148	112,043,941	109,954,142	107,555,619	106,544,101	108,845,223	109,022,519

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INVESTOR RELATIONS

BNP PARIBAS BANK POLSKA S.A.

CONTACT

INVESTOR RELATIONS BUREAU

2, KASPRZAKA ST., 01-211 WARSAW

e-mail: relacjeinwestorskie@bnpparibas.pl

<https://www.bnpparibas.pl/investor-relations>



BNP PARIBAS

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