

H1 2021

12 August 2021

PRESENTATION OF FINANCIAL PERFORMANCE

BNP Paribas Bank Polska S.A. Group



BNP PARIBAS

The bank for a changing world

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BNP PARIBAS

01

KEY HIGHLIGHTS



BNP PARIBAS

EXECUTIVE SUMMARY OF Q2 2021

RECOVERY REFLECTED IN VOLUMES AND CORE REVENUES. THE STRONGER POSITION OF THE BANK ENABLES THE ABSORPTION OF PROVISIONS FOR THE CHF PORTFOLIO

TRANSFORMATION

Digital transformation of sales, customer service and internal processes

Sustainable Finance. Positive banking - new green products and services, promoting diversity

Increased digitization of bank processes and customer interest in digital services

number of digital customers (retail)

+3% q/q **+22%** y/y

BUSINESS ACTIVITY

Retail banking - continued strong growth in sales of all major products

Corporate banking - rebound in the loan volumes of corporates

Active involvement in key **financing transactions** of the corporate Clients

4 million customers exceeded

gross loans

+4% q/q **+4%** y/y

FINANCIAL RESULTS

Solid core revenues - q/q increase in net interest and fee & commission income

Operating costs under control - stabilization of the C/I ratio level

Cost of risk - another quarter of low credit risk

The results impacted by provisions for court proceedings regarding CHF mortgage loans

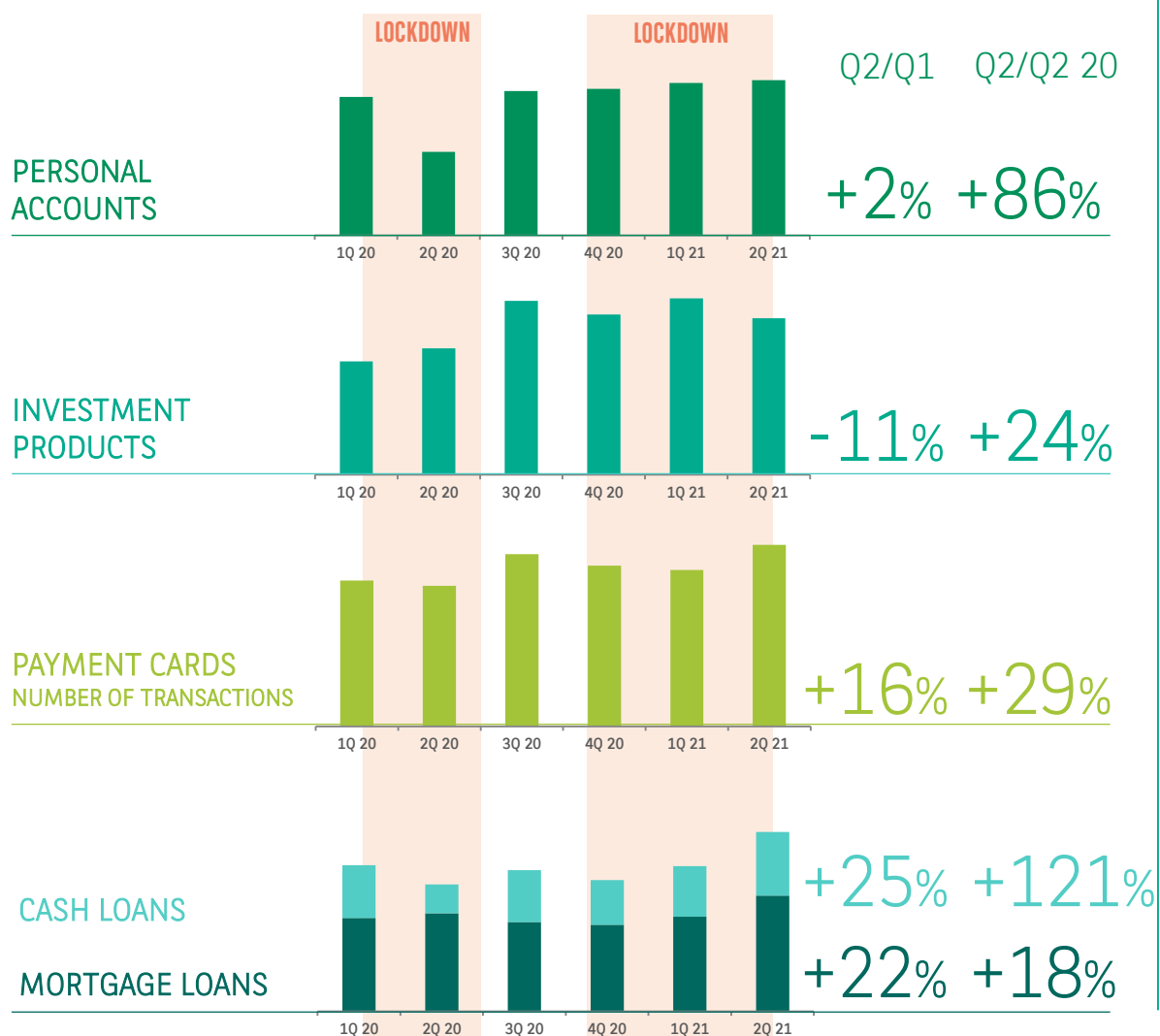
net profit

-20% q/q **-11%** y/y

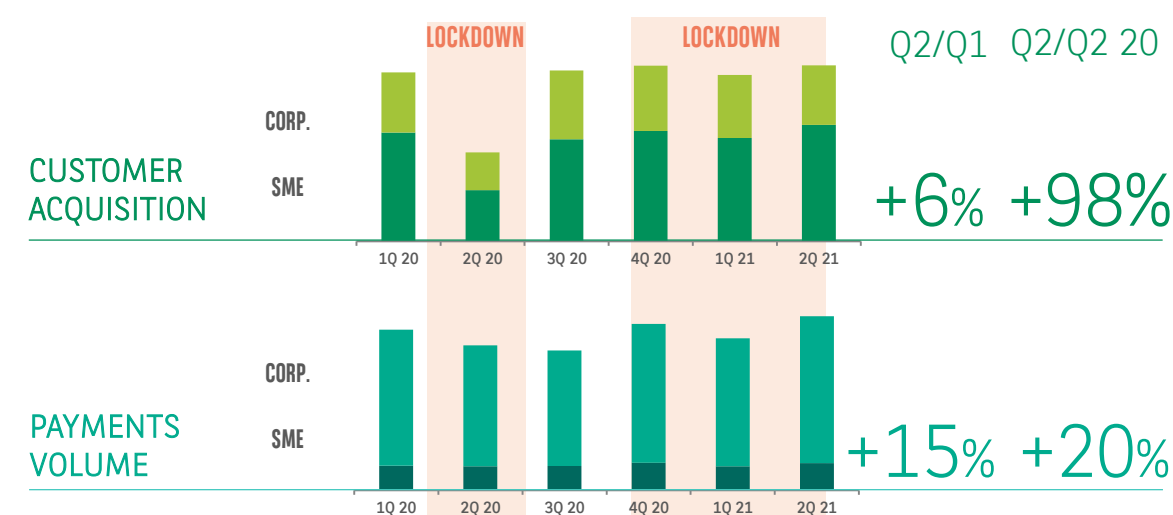
CUSTOMER BUSINESS ACTIVITY

CONTINUATION OF POSITIVE TRENDS IN SALES IN RETAIL BANKING. REBOUND IN CORPORATE BANKING AND SME

Retail Banking – sales & transactional volumes trends



Corporate & SME Banking – sales & transactional volumes trends



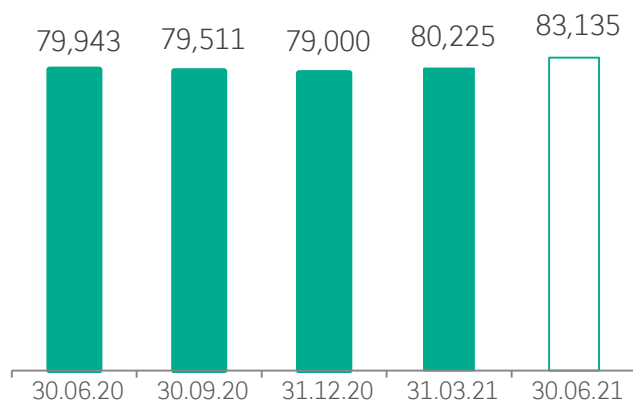
We support our Clients in business development by actively participating in key deals on the market

 Debt refinancing and CAPEX financing PLN 1 112 million BNP PARIBAS Mandated Lead Arranger June 2021	 Refinancing PLN 886 million BNP PARIBAS Lender June 2021	 General Corporate and Working Capital financing (incl Capex, R&D) PLN 800 million BNP PARIBAS Mandated Lead Arranger, Agent June 2021	 Corporate bond issuance PLN 500 million BNP PARIBAS Arranger, Dealer & Documentation Agent June 2021
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COMMERCIAL VOLUMES - VISIBLE SIGNS OF RECOVERY

FURTHER INCREASE IN LOANS IN BOTH SEGMENTS. GROWTH IN DEPOSITS AND TOTAL ASSETS

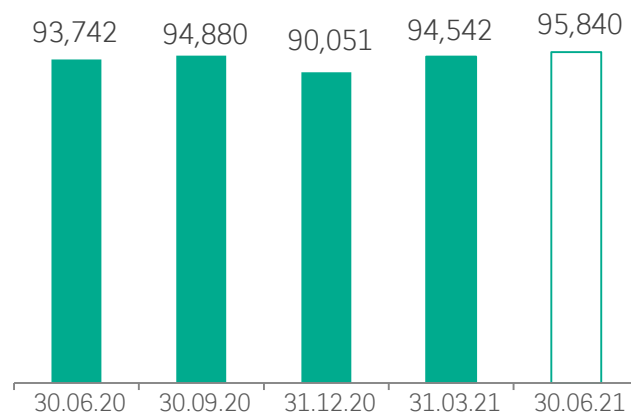
Gross loans (in PLN million)



+3.4% q/q growth in individual customer loans (+12.2% y/y), mainly driven by mortgage loans (+3.8% q/q, +16.7% y/y)

+3.8% q/q increase in enterprise loans (-1.5% y/y), the highest dynamics in leasing +4.0% q/q (+11.7% y/y)

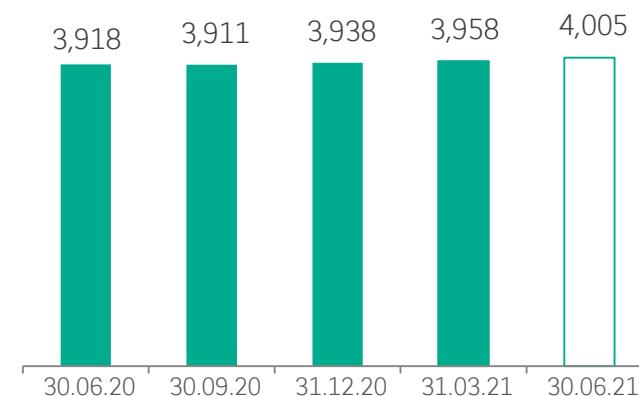
Customer deposits (in PLN million)



+3.6% q/q increase in enterprise deposits (+2.8% y/y)

-1.1% q/q decrease in individual customer deposits (+1.5% y/y)

Number of Customers (in thousand)








+1.2% q/q increase in the number of individual customers (+2.2% y/y)

+1.1% q/q increase in the number of micro, SME and corporate customers (+2.1% y/y)



CONSISTENT EXECUTION OF THE FAST FORWARD STRATEGY

SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT INTEGRATED WITH THE BANK'S STRATEGY PILLARS




growth

-  Strong customer acquisition, sale of **current accounts 154.3k (+39% y/y)**
-  Growing sales of retail loans in H1 2021:
Mortgage loans PLN 3.2 billion (+10% y/y)
Cash loans PLN 1.7 billion (+40% y/y)
-  Further growth in **green financing** and development of **sustainable products**
-  Participation in significant transactions of corporate Clients: syndicated financing: Ciech, Press Glass, Polpharma, Cargounit, Arctic Paper
-  **Bond issuance:** ATAL SA, exclusive organizer & dealer; Ghelamco, co-organizer & dealer






simplicity

-  Development of the Autenti solution (electronic signature) - convenience for customers and environmental support
-  Implementation of **mojeID** service. Electronic Identity for remote contact with public administration & commercial vendors
-  Supporting clients in measuring their own **carbon footprint** and **greenhouse gas emissions**




digitalization

-  **GOmobile:** 784k users +46% y/y
GOonline: 793k users +6% y/y
-  **New functionalities** in mobile banking app: credit card repayment from C/A in another bank; opening of foreign currency and saving accounts, modification of direct debit
-  **Open banking** - using the AIS (Account Information Service) in the process of applying for an installment loan (income confirmation)

quality

-  **"Banking Stars"**
#1 in ESG category
#2 in efficiency category
#3 in growth category
-  Awards in the **"Institution of the Year"** ranking, incl.: Best bank in Poland, Best service in remote channels, Best bank for corporates
-  **BNP Paribas Wealth Management** once again with the highest score in Forbes rating
-  Further **transformation of branches** for customers convenience and safety - 61 branches with the **"Facility without barriers" Certificate**, and 161 non-cash branches
-  **OK SENIOR certificate** safety and protection from misselling. Selling credible and understandable products

enthusiasm

-  **Responsible Companies Ranking:** #1 for the third consecutive time in both in overall standings & in banking, financial sector and insurance category
-  **Top Employer Polska**, eight titles confirming the highest standards in human resource management
-  Employee involvement in **charity campaigns** (e.g. "Dobre Kilometry", BAKCYL) and support for **sustainable development initiatives** (appointment of Sustainability Officers)
-  **Initiatives for diversity and the role of women in society:** "Where are our patronesses?", Commitment #JamaisSansElles (Never Without Her)



CSR and Sustainability Strategy - four pillars of responsibility

 economic  at the workplace  social  environmental



further development of front-end & Customer service systems

Individuals via omni channel:

- Providing customers with **mojeID** services – e-identity, trusted profile
- **Improvements for mortgage loans:** automation of verification of land and mortgage register, full online process until the conclusion of the loan agreement

GOonline Biznes and other tools for businesses:

- implementation of a fully digital and automated process of remission of the **PFR 1.0 Subsidy**
- **e-Application** digitizing the KYC recertification process
- **FX Pl@net transaction platform** - implementation of new functionalities and products
- automation of the **onboarding process** for multinational clients

operating model enhancement

Implementation of the new **GObetter** system for efficient complaint handling.

Autenti / electronic signing of documents:

- 326 thousand of electronically signed documents in H1 2021
- 3.2 tonnes of CO₂ and 87 m³ of water saved in H1 2021

Process optimization and artificial intelligence: ~130 robotic processes that bring measurable savings and increase productivity

open & responsible transformation

E-Commerce and Open Banking: growing volumes of PSD2 transactions. Over 1H2021, the volumes of payment initiation service grew by 246% and for the account information service increased by 157% (June vs January 2021)

E-shop installment loan process in the open banking path reaching the customers of 8 banks with a 40% share in the sale of e-commerce installment loans.

"Green" tools for customers to measure carbon and water footprint (cooperation with Doconomy) and greenhouse gas emissions (Agronomist portal)



#GOdigital
digital statistics for Q2 2021

✓ ~173 k

documents signed with Autenti (+13% q/q)

✓ 1.4 m

clients using digital channels

✓ 784 k

GOmobile users (+8% q/q)

✓ 9.9 m

mobile transactions (+12% q/q)

✓ 3.9 m

BLIK transactions (+14% q/q)

✓ 288 k

number of tokens in digital wallets (+11% q/q)

SUSTAINABLE FINANCE. POSITIVE BANKING

WE SUPPORT OUR CLIENTS IN SUSTAINABLE DEVELOPMENT

Sustainable products and services, ESG monitoring

- **PLN 842 m** green financing granted by the Bank in H1 2021 (+71% y/y)
- Almost **6.8k** photovoltaic installations financed for individuals in H1 2021 (+54% y/y)
- Investing in renewable energy (Eques Fotovoltaica 2 FIZ, Qair Poland, Aberdeen Standard Investments)
- **13.6k** loans for green changes for individual clients in H1 2021
- "AgriEmission" calculator – allows farmers to estimate the amount of greenhouse gas emissions; over 600 calculations in the first month
- 98 CSR sector analyzes and process development in the field of ESG analyzes
- Coal exit 2030 – continuation of the process

Commitment to positive change

- "The World Needs You" – campaign engaging stakeholders in the implementation of the UN Sustainable Development Goals
- "Different Opportunities, Common Purpose" – educational campaign promoting diversity in the workplace
- "I support the whole year" - 250 bank donors in the individual pay-roll philanthropy program
- „Good Kilometers" – almost **72k km** travelled by employees to support 4 social organizations
- **61** branches with the "Facility without barriers" certificate
- **326k** electronically signed documents thanks to the Autenti in H1 2021

Strategic management of ESG aspects and raising awareness in the organization – development of products and activities for sustainable development

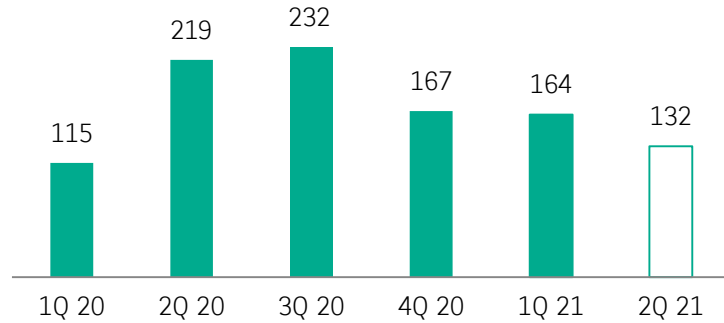
Recognized by the market



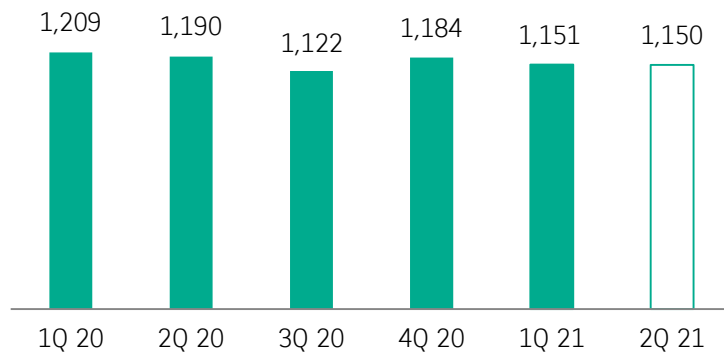
STABLE CORE REVENUES. MAINTAINING LOW COST OF RISK

OPERATING EXPENSES UNDER CONTROL. LACK OF ONE-OFFS COMPARABLE WITH 2020

Net profit (in PLN million)

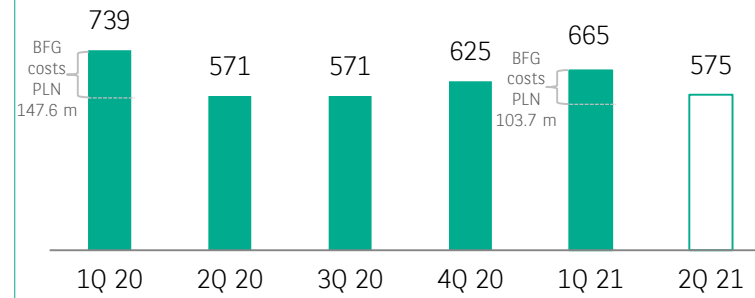


Net banking income* (in PLN million)

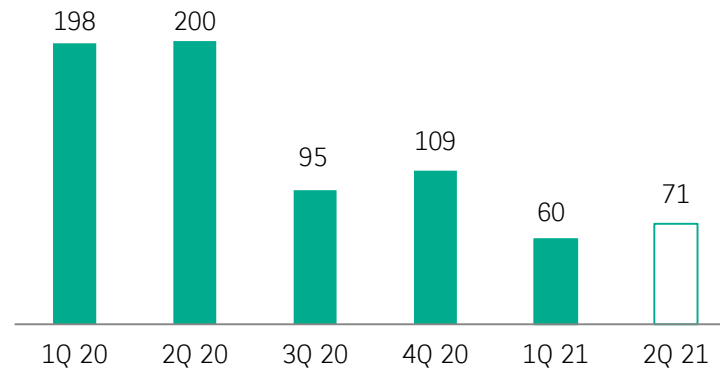


* in Q3 2020, the result from provisions for legal risk of CHF housing loans from the NBI was excluded. Changes were made in all periods.

Operating costs (in PLN million)



Cost of risk (in PLN million)



COVID-19 impact

PLN 236 million in 2020 (PLN 156 million in 1H 2020)

PLN 80 million

Stable level of core revenues compared to the previous quarter. Increase in interest income and commission income. No one-off events comparable to Q2 2020.

Consistent optimization of operating expenses. Excluding Bank Guarantee Fund costs, operating expenses decreased by PLN 18 million (-2% y/y) and by PLN 0.5 million (-0.1% q/q).

Lower cost of risk y/y. Stable cost of risk in 2021 confirming the resistance of the loan portfolio to negative changes in the environment.

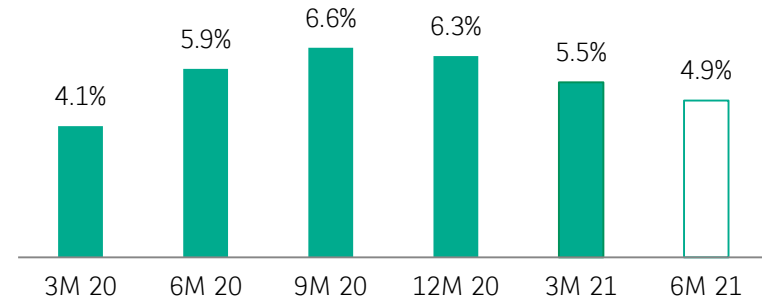
Higher y/y negative impact of the costs of provisions for court proceedings related to CHF mortgage loans (PLN 187 million).

As a result, the net profit lower by PLN 38 million (-11%) y/y and by PLN 32 million (-42%) vs. Q1 2021.

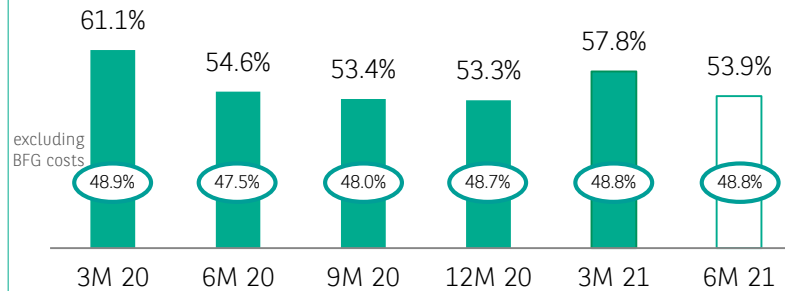
GOOD BUSINESS PERFORMANCE IMPACTED BY HIGHER CHF PROVISIONS

INCREASE IN CORE REVENUES. IMPACT OF THE CHF LOANS-RELATED PROVISIONS ON THE PROFITABILITY

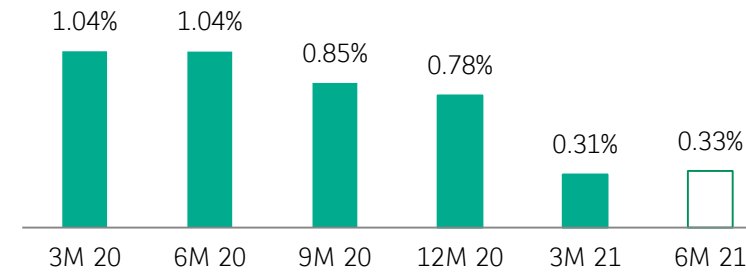
ROE (%)



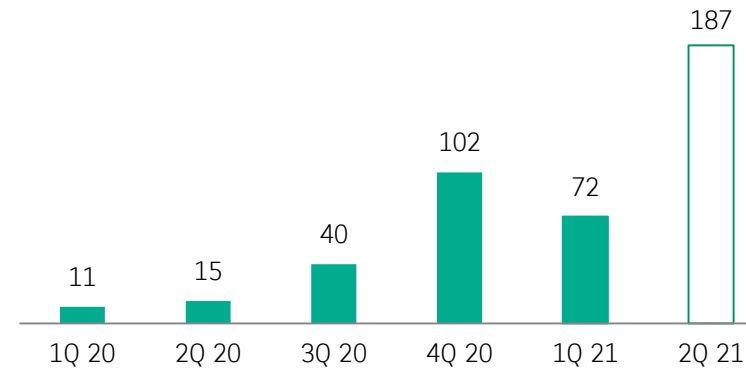
Cost / Income (%)



Cost of risk (%)



Cost of CHF provisions (PLN million)



2021 vs 2020:

- no one-off events in 2021 comparable to the first half of 2020,
- an increase in the quarterly net interest income in 2021 supported by an increase in lending,
- an increase in the share of non-interest income including NF&C and net trading income as a result of the maintenance of positive trends in sales and clients' business activity,
- assumed synergies as planned, visible transformation effects,
- decrease in cost of credit risk, lower negative impact of the effects of the COVID-19 pandemic in 2021,
- growing burden of the costs of provisions for court proceedings related to CHF mortgages.

02

MACROECONOMIC ENVIRONMENT

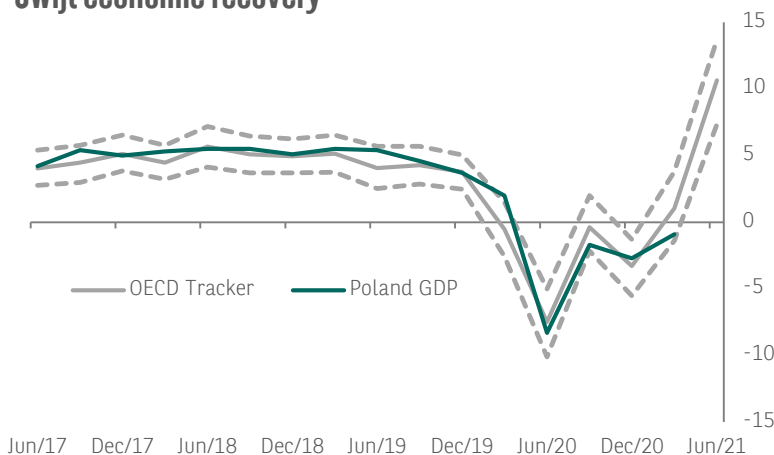


BNP PARIBAS

MACROECONOMIC ENVIRONMENT: GDP AND ECONOMIC OUTLOOK

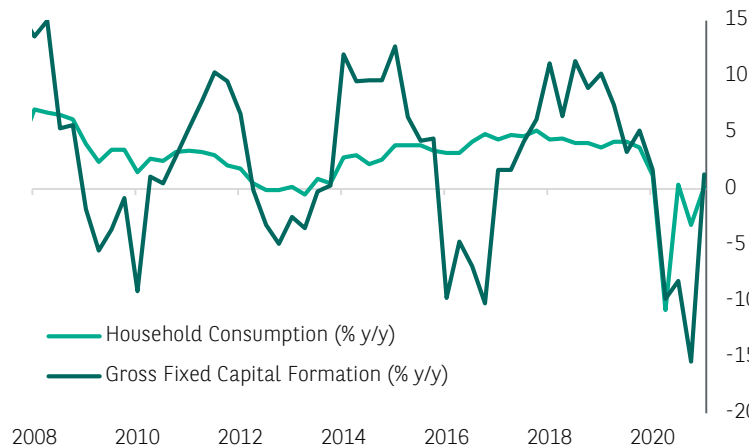
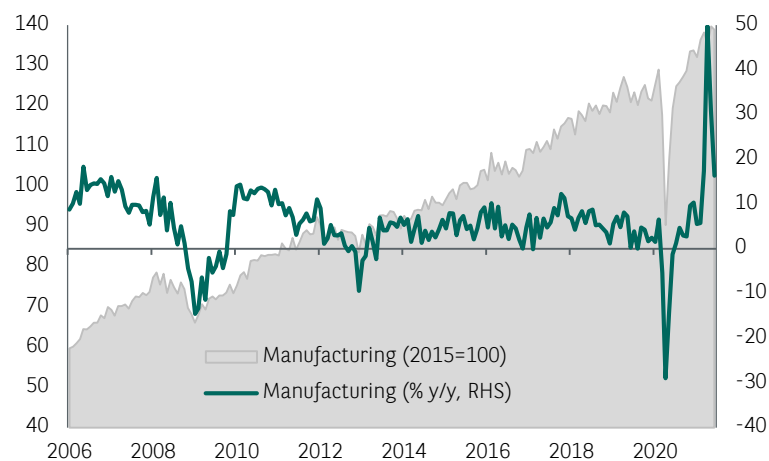
STRONG RECOVERY AND ROBUST OUTLOOK

Swift economic recovery



	share	Q3 2020	Q4 2020	Q1 2021
Gross value added (change y/y), of which:	100.0%	-1.7%	-3.1%	-1.3%
Agriculture	2.7%	-3.6%	-2.3%	-1.0%
Manufacturing	24.7%	2.9%	4.8%	7.3%
Construction	7.2%	-9.2%	-5.4%	-15.1%
Wholesale and Retail Trade	17.7%	-0.6%	-4.6%	-0.3%
Transport and Logistic	7.0%	-5.7%	-0.8%	2.1%
Accommodation & Food Service	1.3%	-29.7%	-69.3%	-77.2%
Information and Communication	4.3%	3.9%	1.0%	-2.1%
Financial and Insurance Activities	4.1%	-6.2%	-15.3%	-18.8%
Real Estate Activities	5.5%	1.0%	0.9%	0.8%
Professional & Scientific Activities	8.6%	-0.5%	-1.2%	-0.3%
Public Administration	14.6%	2.7%	2.2%	2.6%
Entertainment and Recreation	2.3%	-42.8%	-66.2%	-65.0%

Key factors for growth rebound: industry and consumption; improving investment outlook



Available data point to robust recovery of Poland's economy. GDP is expected to rise by more than 10% y/y in Q2 2021 – partly due to base effects, but largely thanks to underlying rebound in activity.

The pace of recovery remains mixed across different sectors, however. Industry and consumption are the main growth drivers at present, although investment is apparently picking up again, too.

We expect solid growth to continue in the coming quarters with GDP rising ca. 5% on average this year and next.

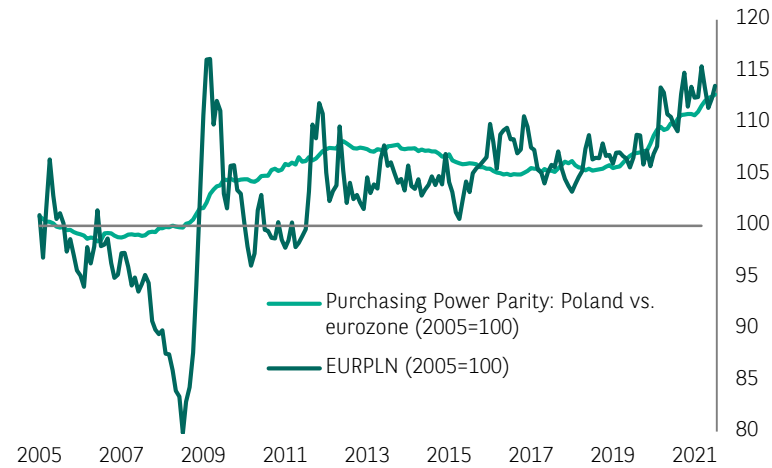
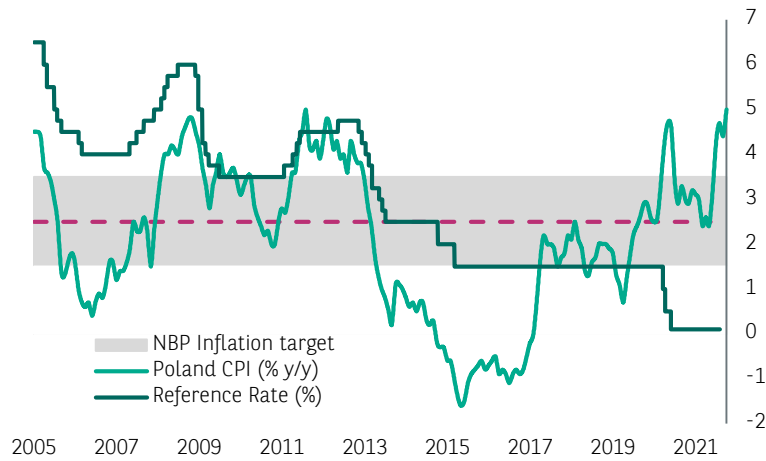
Investment spending will sustain robust economic expansion in 2022, we think.

Source: GUS, Eurostat, OECD, Macrobond, BNP Paribas

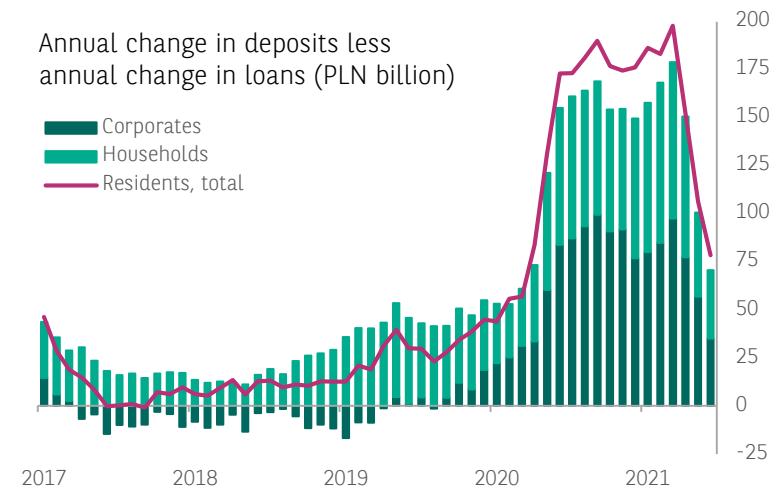
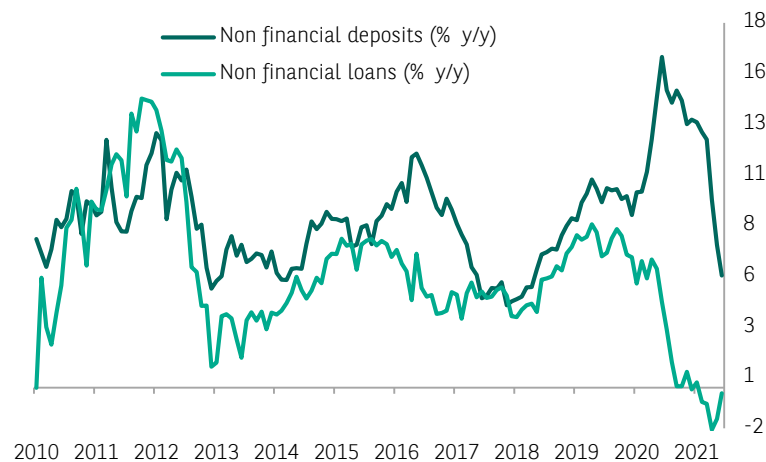
MACROECONOMIC ENVIRONMENT: MONETARY POLICY, EXCHANGE RATE AND THE BANKING SECTOR

ECONOMIC POLICY REMAINS SOFT, CREDIT DEMAND PICKING UP AGAIN

Zero interest rates, inflation above the target, EUR/PLN exchange rate in line with fundamentals



Banking sector: Credit demand picking up again



Solid economic growth is accompanied by elevated inflation, remaining above the NBP's target of (2.5% +/-1pp) since the spring.

Robust economic growth and high inflation fuel market expectations for a normalization of monetary policy. Interest rate hikes are seen to start in the next few months.

Despite increased volatility, the EUR/PLN exchange rate remains broadly in line with its fundamentals.

Following sharp deleveraging of the private sector in 2020, demand for credit is picking up again, including the corporate loans segment. Progressing economic recovery bodes well for sustained recovery in bank lending in the coming quarters.

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

03

FINANCIAL RESULTS



BNP PARIBAS

KEY FINANCIAL DATA 1H 2021

SOLID CORE FINANCIAL RESULTS. INCREASE IN VOLUMES WHILE KEEPING LOW COST OF RISK. NEGATIVE IMPACT OF PROVISIONS FOR CHF PORTFOLIO

Financial results

Net profit	PLN 296 million	-11% y/y (PLN -38 million)
Net banking income*	PLN 2,301 million	-4% y/y (PLN -98 million), of which: net interest income: PLN 1,492 million, -5.2% y/y net fee & commission income: PLN 497 million, +22.1% y/y net trading income: PLN 332 million, -11.9% y/y
Expenses	PLN 1,240 million	-5% y/y (PLN +70 million)
C/I Ratio	53.9%	-0.7 pp y/y
C/I Ratio w/o BFG	48.8%	1.2 pp y/y
Provisions for legal risk of CHF loans	PLN 259 million	+875% y/y (PLN -232 million) significant growth of CHF portfolio-related provision in Q2 2021
Net impairment write-offs	PLN 131 million	-67% y/y (PLN +267 million) COVID-19 impact lower by PLN 77 million vs 6M 2020

* 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 124 billion, +4.5% y/y
Loans (gross)	PLN 83 billion, +4.0% y/y
Customer deposits	PLN 96 billion, +2.2% y/y
Equity	PLN 12 billion, +5.2% y/y

Indicators

Capital Adequacy Ratio	18.08%
Tier 1	13.28%
MREL (% TLOF)	12.82%
Net loans/deposits	83.3%
ROE	4.9%
LCR	203%
NSFR	143%

LOAN PORTFOLIO

SIGNIFICANT ACCELERATION IN THE SALE OF LOANS TO INSTITUTIONAL CLIENTS

PLN m

Increase in the portfolio value in Q2 2021 by 3.6% q/q (+4.0% y/y)

- impact of the sale of PLN 339 million of impaired loans in 1H 2021 as well as PLN 856 million in 2H 2020 on the yearly dynamics

Increase in the value of the individual customer loan portfolio (+3.4% q/q, +12.2% y/y)

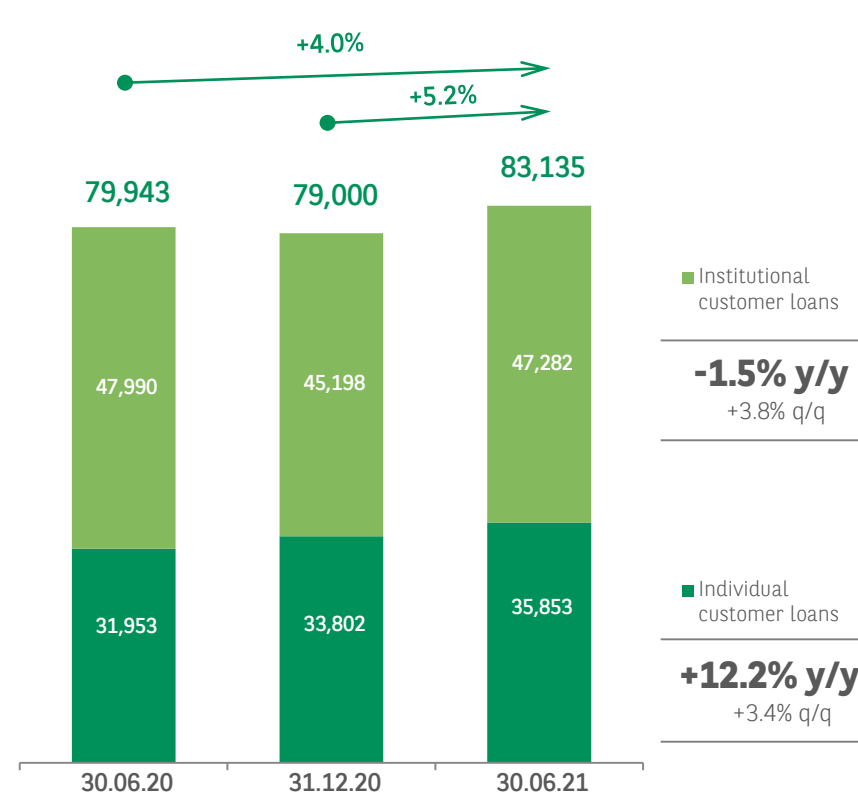
- the share of individual customers in the Bank's loan portfolio equal to 43.1% (+3.2 pp y/y)
- increase in the share of mortgage loans in the Bank's loan portfolio to 29.1% (+3.2 pp y/y)

Increase in the institutional loan portfolio +3.8% q/q (-1.5% y/y)

- second quarter of an increase in the share of current loans in the portfolio of loans granted to business entities (increase to 47.0% at the end of Q2 2021; +0.2 pp q/q and -1.9 pp vs. June 2020)

Customer loans market share: 5.8%

Gross customer loans*



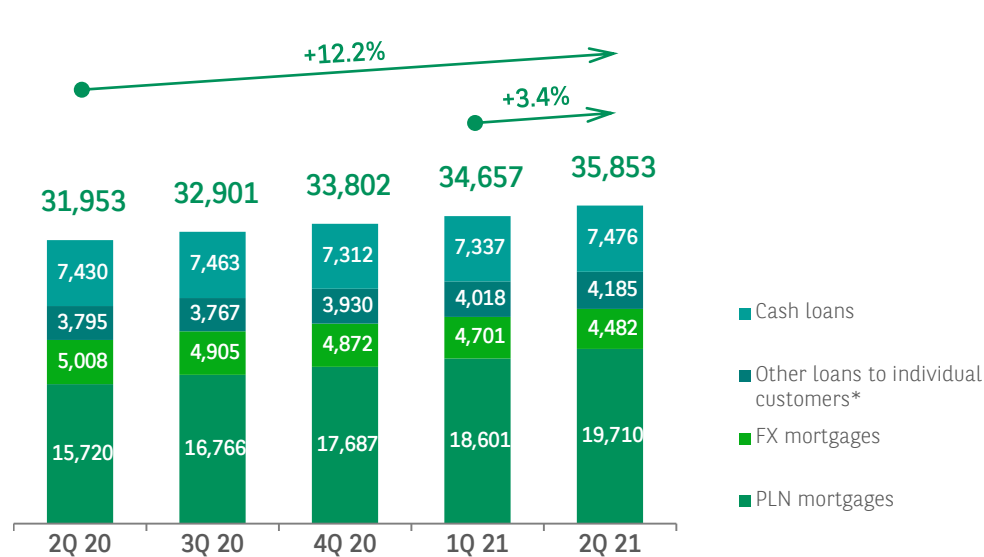
* including the portfolio measured at fair value

GROSS LOAN PORTFOLIO

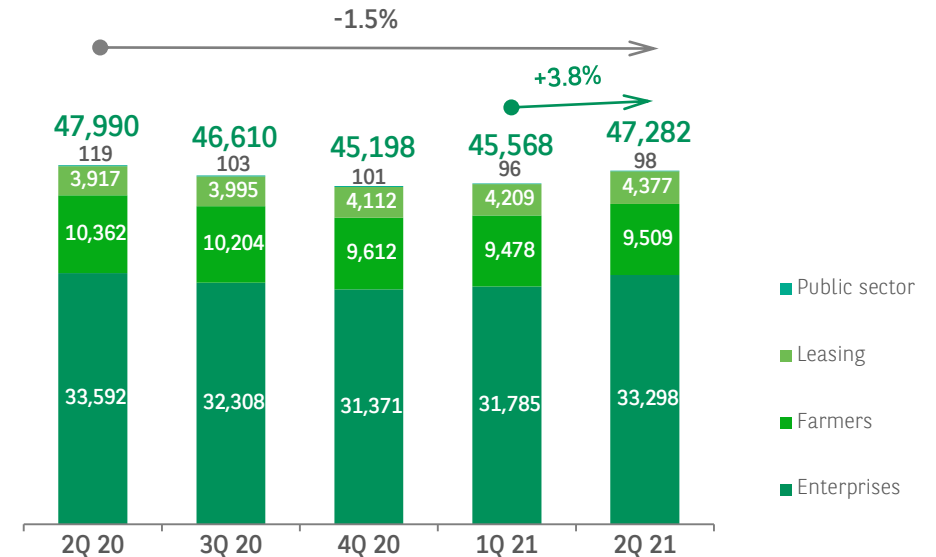
MORTGAGE LOANS BEING THE MAIN DRIVER OF GROWTH IN LOANS TO INDIVIDUAL CUSTOMERS. SIGNIFICANT RECOVERY ON THE CORPORATE SIDE

PLN m, gross

Individual customer loans



Institutional customer loans**



- The increase results mainly from the further growth in the portfolio of PLN mortgages (+6.0% q/q, +25.4% y/y) with a simultaneous decline in the portfolio of FX mortgages (-4.7% q/q, -10.5% y/y).
- Growth in the share of mortgage loans in the individual loans portfolio to 67.5% (+0.2 pp q/q, +2.6 pp y/y).
- Increase in cash loans +1.9% q/q (+0.6% y/y).

- Significant acceleration of increase in the gross portfolio value of institutional clients. The highest dynamics in the portfolio of enterprises (+4.8% q/q, -0.9% y/y) and leasing (+4.0% q/q, +11.7% y/y).
- As at the end of Q2 2021, the share of loans to enterprises in loans to institutional customers increased to 70.4% (+0.7 pp q/q, +0.4 pp y/y), the share of leasing equal to 9.3% (no change q/q, +1.1 pp y/y).

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

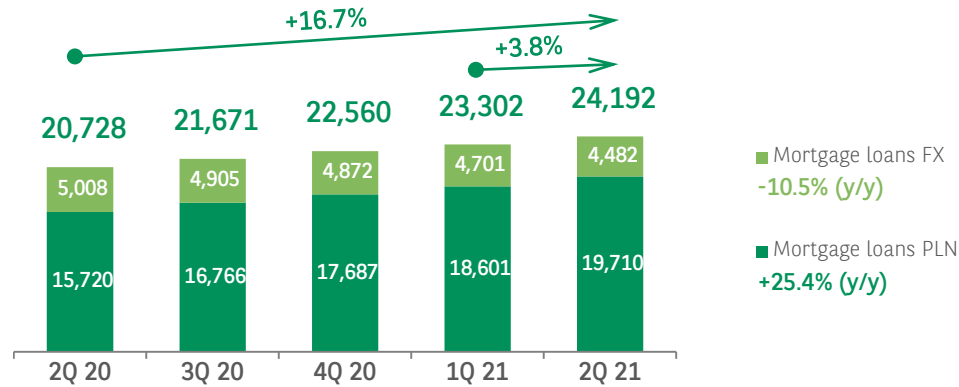
** including the portfolio measured at fair value for "Farmers" and "Enterprises" items (breakdown based on MIS data)

CHF MORTGAGE LOANS PORTFOLIO

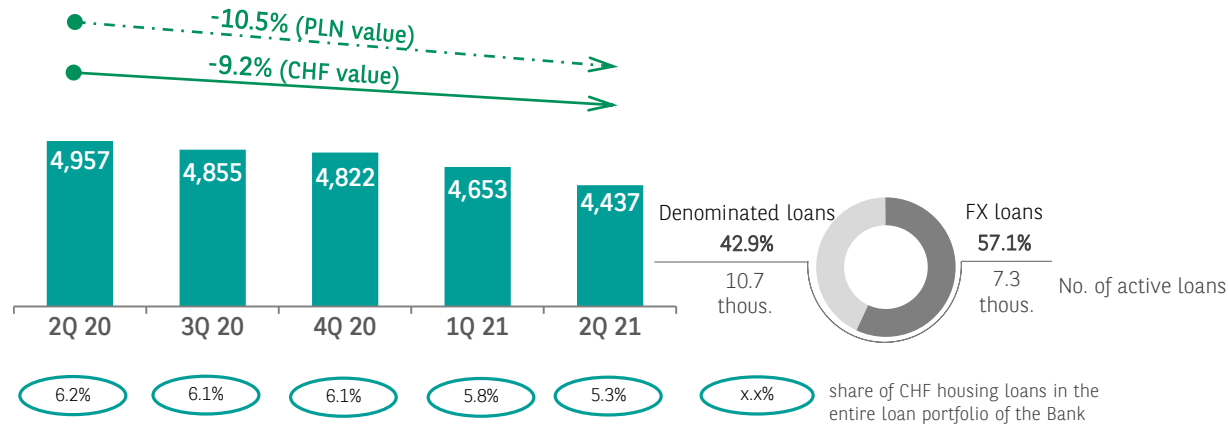
SIGNIFICANT INCREASE IN LEGAL PROVISION AS WELL AS HIGHER COVERAGE RATIO OF CLAIMS

PLN m, as at the end of the quarter

Gross mortgage loans



Gross mortgage loans (CHF)

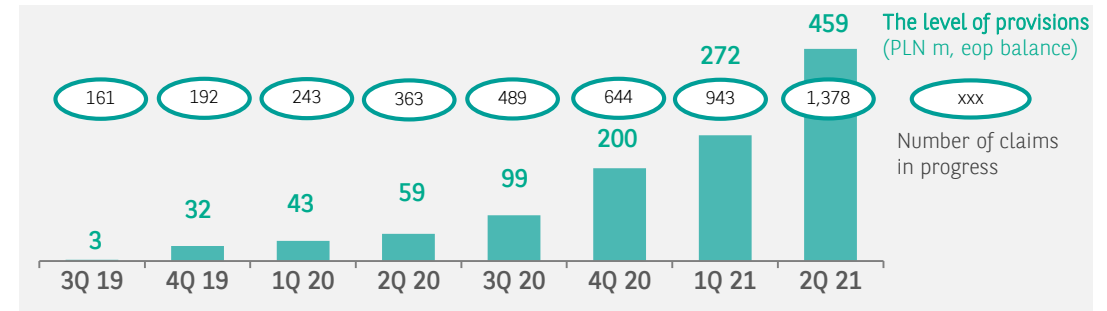


Legal risk

Customer court proceedings, as at 30.06.2021

- The Bank was sued in **1,378** court cases (**436** new cases, **1** completed case q/q) concerning mortgage loan agreements (no collective claims).
- The total value of claims sought is PLN 507.0 million. **Coverage ratio of pursued claims with the provision equal to 90.5%.**
- Value of claims to the balance sheet exposure ratio: ~11.4%.
- In 26 finally completed proceedings, 14 claims were dismissed; 2 cases were discontinued; 1 claim was rejected; 8 times, the invalidity of the contract was declared in the sentence justification; one time the claim was recognised as valid only with regard to the insurance of low own contribution.
- No decision taken in terms of voluntary conversion program.

The level of provisions and number of claims



CUSTOMER FUNDS

CONTINUED INCREASE IN ASSETS UNDER MANAGEMENT. GROWING CORPORATE DEPOSITS

PLN m

Higher balance of deposits q/q (+1.4%) and y/y (+2.2%)

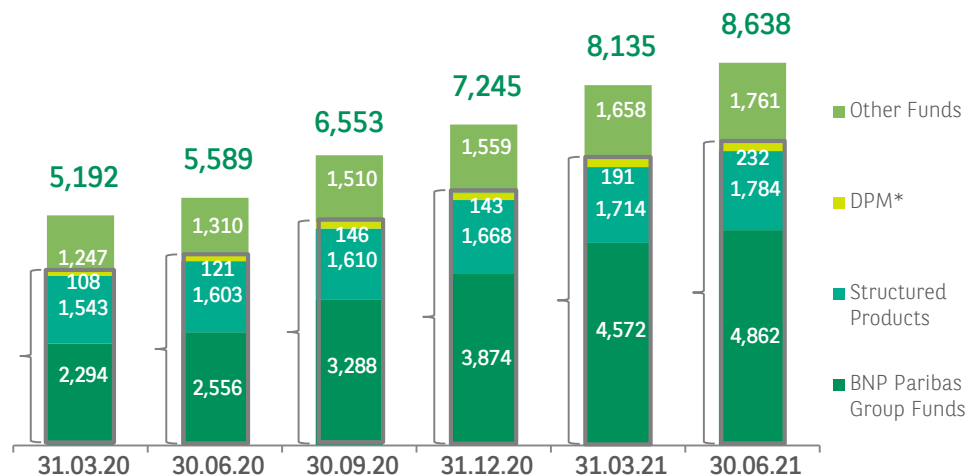
Increase in institutional deposits; slight decrease in individual customers deposits.

Further increase in the share of current accounts in total customer deposits – to 90.6%.

Continued growth in the volume of investment products in (+6.2% q/q, +54.5% y/y)

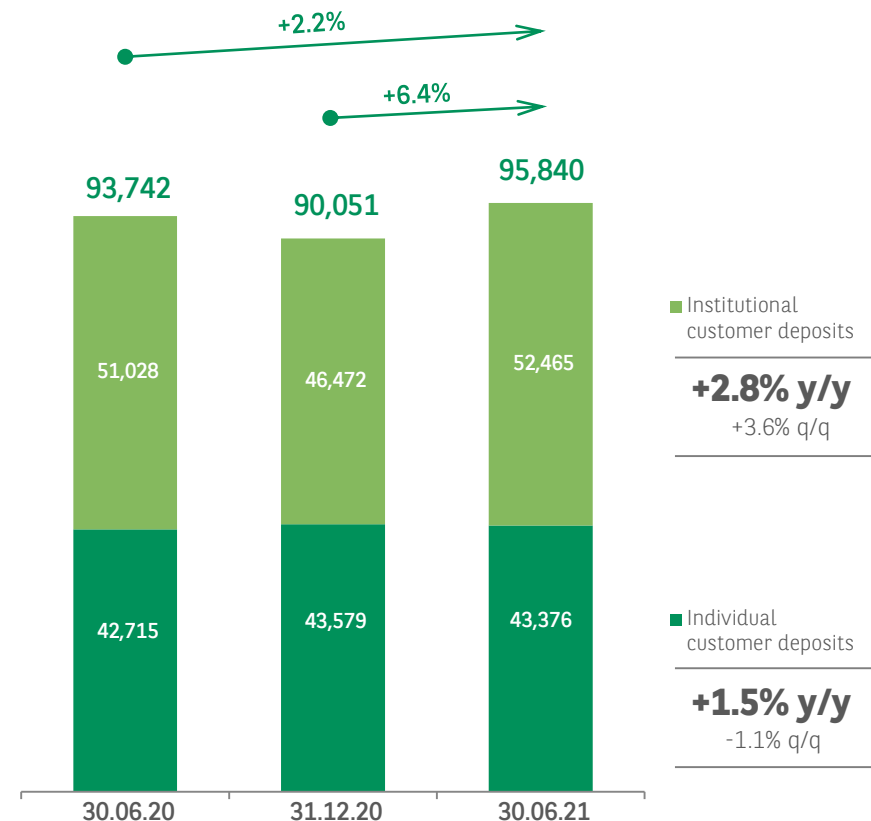
including the funds invested in BNP Paribas Group investment funds (+6% q/q, +90% y/y).

Increase in assets under management of BNP Paribas TFI to almost PLN 5.0 bn as at 30 June 2021.



* Discretionary Portfolio Management

Customer deposits

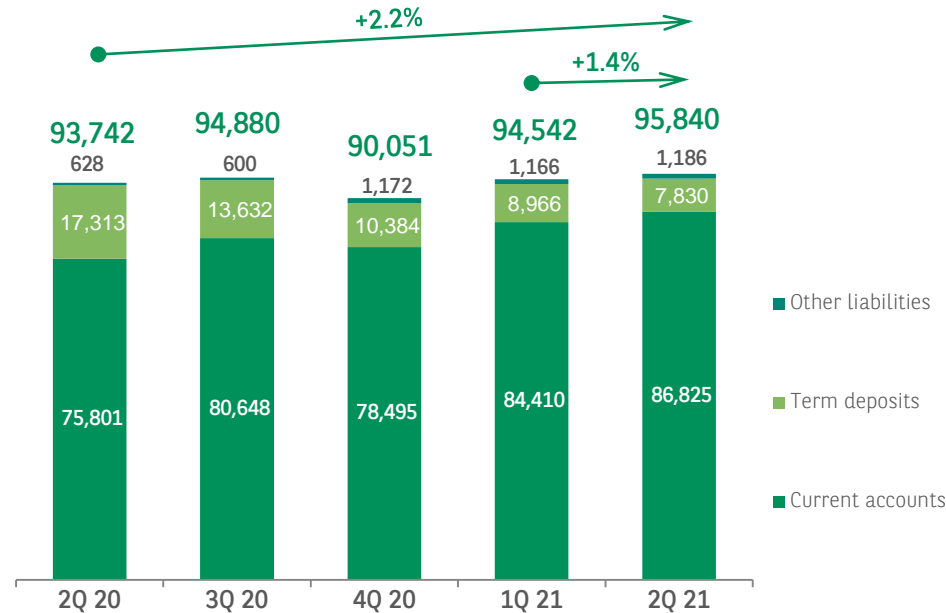


DEPOSIT BASE STRUCTURE

FURTHER INCREASE IN THE SHARE OF CURRENT ACCOUNTS. STABILISATION IN COST OF DEPOSITS

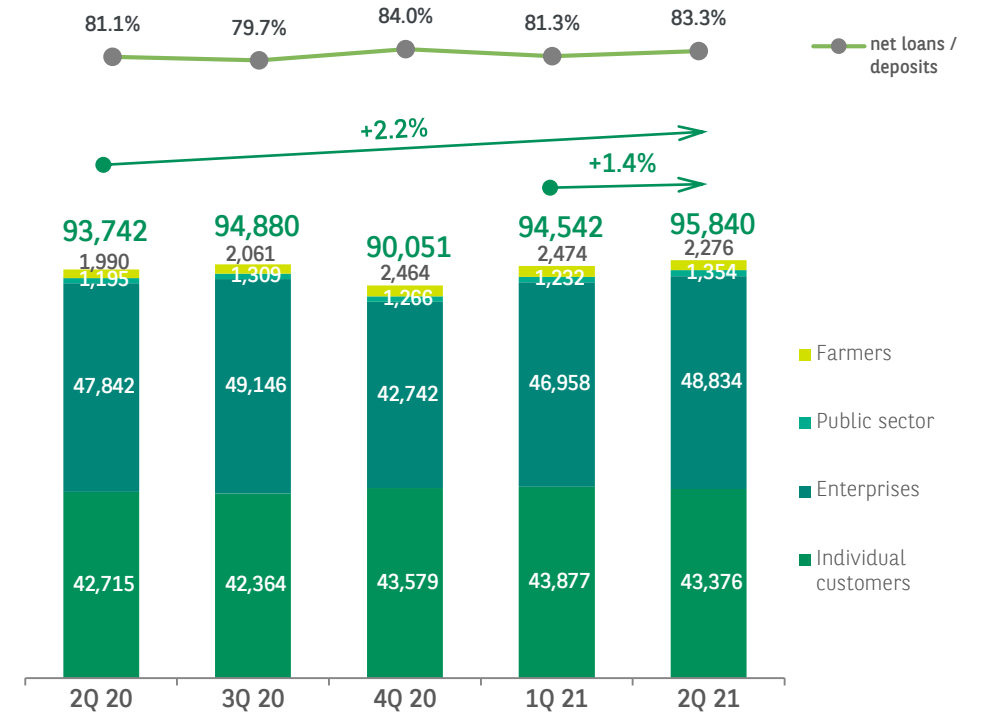
PLN m, as at the end of the quarter

Deposits term structure



- Further increase in the share of customer current accounts in total deposits: to 90.6% (+1.3 pp q/q and +9.7 pp y/y).
- The increase in deposit volume in Q2 2021 concerned the volumes in current accounts only (+PLN 2,415 million, +2.9% q/q) with further drop in term deposits (-PLN 1,136 million, -12.7% q/q).
- In case of current accounts the funds of institutional customers increased by PLN 1,956 million (+4.1% q/q) and the individual customers funds grew by PLN 459 million (+1.2% q/q).

Deposits structure by Customer type

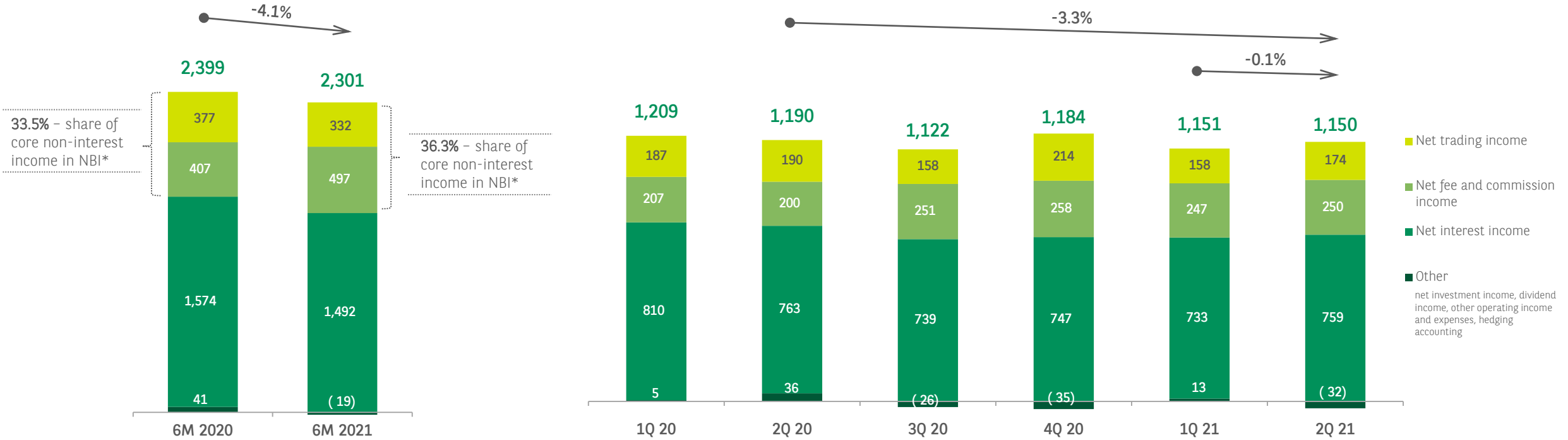


- Stabilisation in cost of deposits in Q2 (unchanged vs March 2021 and -18 bp vs. June 2020).
- Quarterly increase in enterprise deposits: +4.0% q/q with an increase on an annual basis +2.1% y/y.
- Quarterly, seasonal decline in farmer deposits: -8.0% q/q and +14.4% y/y.
- Decrease in individual customer deposits by -1.1% q/q and +1.5% y/y with parallel decline in GOoptima deposits (down to PLN 2.4 billion, -5.8% q/q and -33.4% y/y).

NET BANKING INCOME

MAINTAINING POSITIVE TRENDS - CORE REVENUES STRUCTURE CHANGE

PLN m



- A decrease in net interest income (-5.2% y/y) - the impact of lowering of interest rates in 2020 partially neutralized by the optimisation of the cost of deposits.
- Increase in the net fee and commission income (+22.1% y/y) thanks to, among others, adaptation measures undertaken in H2 2020 and positive sales trends, visible especially in Q2 2021.
- Negative impact of the net trading income (-11.9% y/y), due to lack of comparable results from capital instruments validation (i.a. KIR, BIK) - income lower by PLN 45.6 million.
- As a part of the other category - lack of one off events in H1 2021. In H1 2020 sale of Kasprzaka real estate (PLN 43.6 million).

- Increase in NII in Q2 2021 mainly related to the increase in the value of the loan portfolio with the stabilisation of the cost of deposits..
- The slight increase in F&C in Q2 2021 associated mainly with the positive trends in the sale of mortgages as well as investment products and brokerage services.
- Increase in net trading income in Q2 2021, mainly due to growth in scale of customer operations.
- "Other" item includes:
 - changes in the valuation of the loan portfolio measured at FV (-PLN 4.5 million in Q2 2021, +PLN 17.9 million in Q1 2021, -PLN 2.8 million in Q4 2020, +PLN 11.0 million in Q3 2020),
 - the result on fair value hedge accounting (Q2 2021: PLN -17.6 million, Q1 2021: PLN -1 million). The negative impact on net banking income is partially mitigated by an increase in net interest income from fair value hedge accounting income (+PLN 10.8 million q/q).

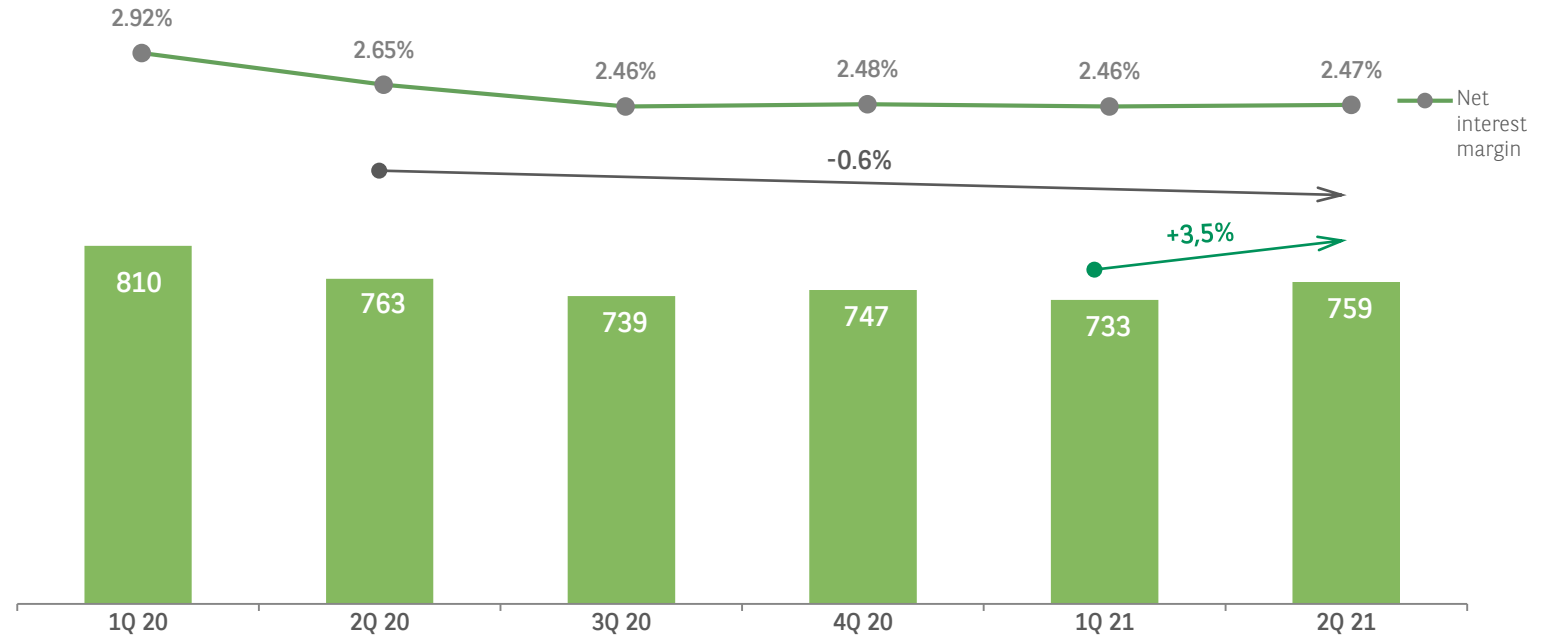
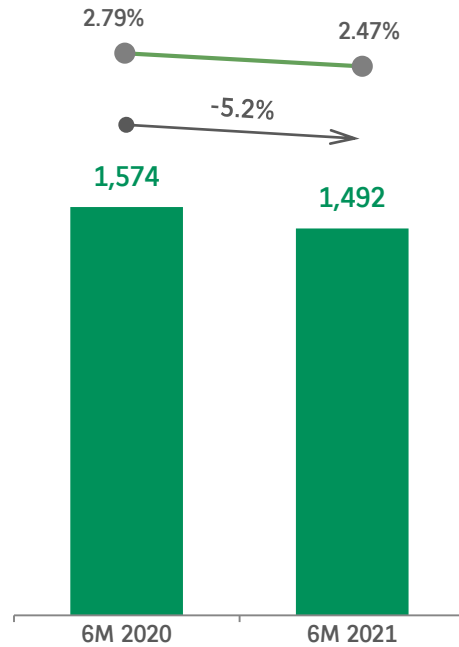
In Q3 2020, the result from provisions for legal risk of CHF housing loans was excluded from the category of other operating expenses. For the sake of comparability, the shift was made in all the presented periods.

* NBI excluding the other operating income and expenses

NET INTEREST INCOME

INCREASE IN NET INTEREST INCOME. STABILISATION OF THE NET INTEREST MARGIN OVER THE RECENT QUARTERS

PLN m



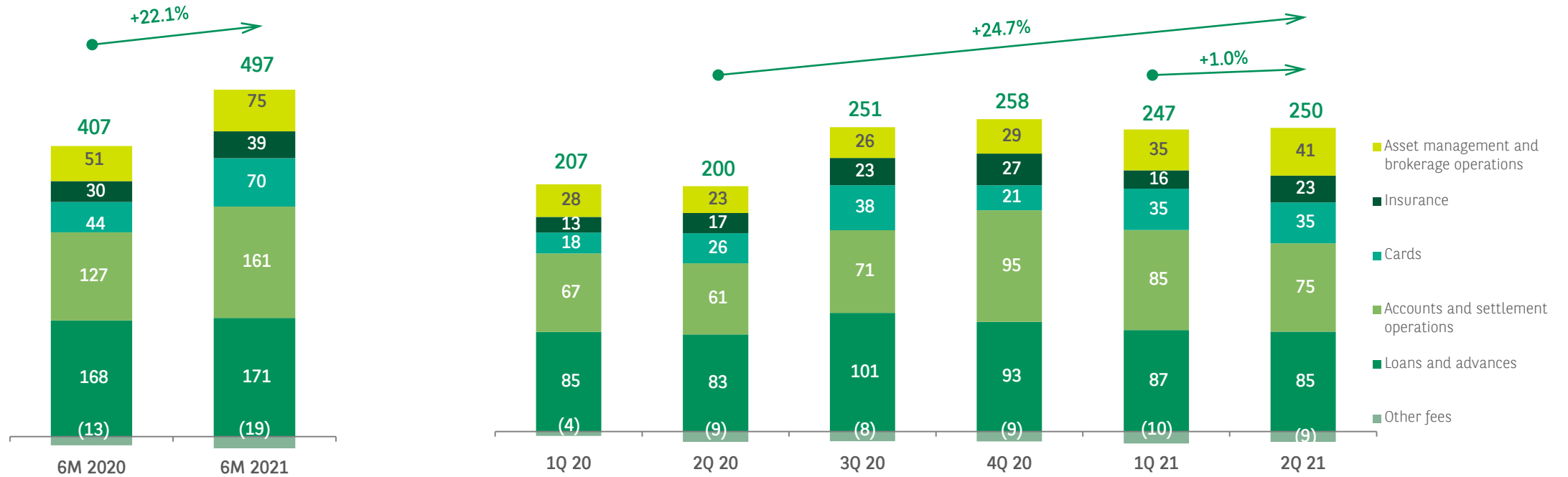
- Negative impact of the NBP interest rates cuts on the credit margins in 2021 partially neutralised by the cost of financing reduction.
- Increase in the net interest income on derivative instruments as part of fair value hedge accounting by PLN 48.7 million y/y.

- Higher NII in Q2 2021 due to, among others, increased average value of loan portfolio
- Growth in the net interest result on derivatives as part of fair value hedge accounting (by PLN 10.8 million vs Q1 2021).

NET FEE AND COMMISSION INCOME

THE NET F&C INCOME AT A SIGNIFICANTLY HIGHER LEVEL COMPARED TO 2020. POSITIVE IMPACT OF GROWTH IN SALES AND CUSTOMER BUSINESS ACTIVITY

PLN m



- Increase in F&C on accounts and settlement operations (+26.1%) mostly due to higher account maintenance fees (among others fees for high account balances from business entities and high balances on FX accounts) as well as fees for using Internet Banking and cash management.
- Increase in card F&C (+60.8%) mainly due to higher revenues from Mastercard, VISA, Allegro and interchange fees.
- Increase in commission for asset management and brokerage operations (+48.9%) as a result of increased sales of mutual funds, structured products and brokerage services.

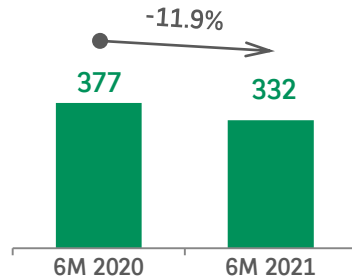
- Increase in F&C for asset management and brokerage operations in Q2 2021 related to the increase in income from mutual funds and brokerage services.
- Higher insurance F&C in Q2 2021 due to acceleration in sales of mortgages, cash loans, leasing and Agro loans.
- F&C on accounts and settlement operations in Q2 2021 - decrease due to lower fees for high account balances from business entities.
- Decrease in loan F&C in Q2 2021 due to the lower fees for used commitments.

NET TRADING AND INVESTMENT INCOME

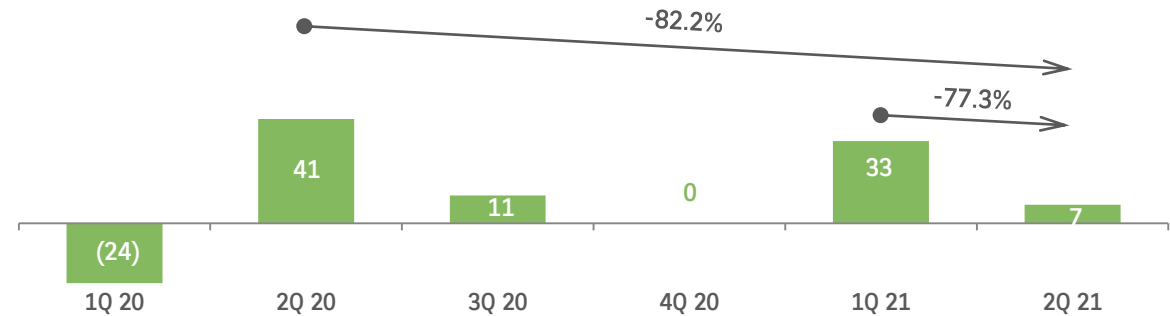
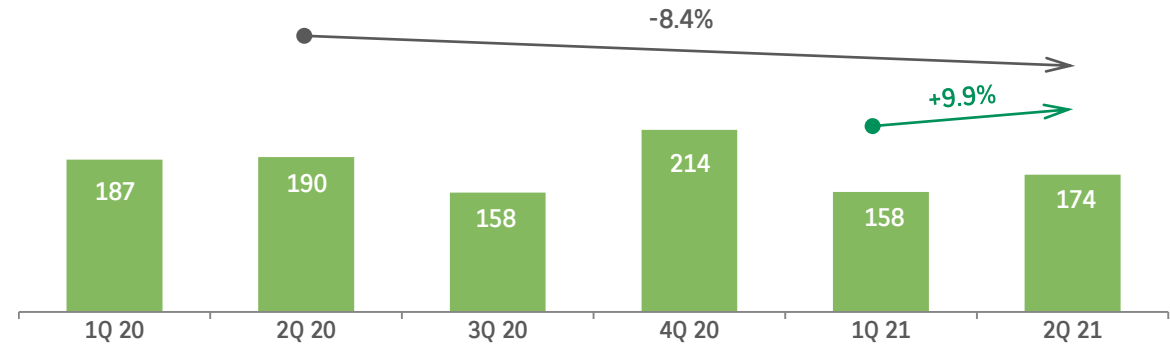
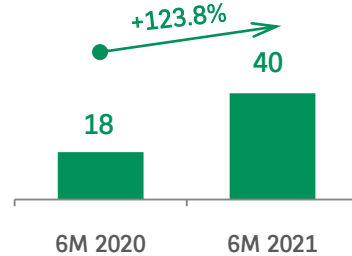
BETTER RESULT ON CUSTOMER OPERATIONS. NEGATIVE IMPACT OF THE VALUATION OF THE LOAN PORTFOLIO MEASURED AT FV IN Q2 2021

PLN m

Net trading income



Net investment income



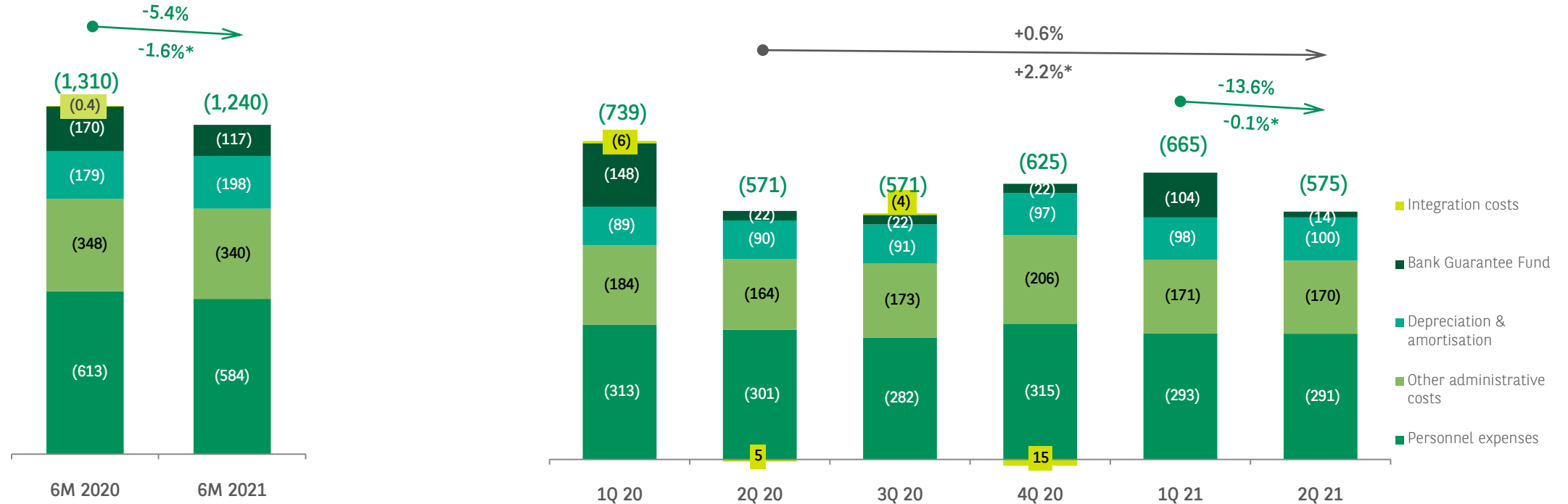
- Decrease in the net trading income, among others due to the lower by PLN 45.6 million result on equity instruments measured at fair value through profit or loss (lack of increase in the valuation of BIK and KIR shares comparable to Q2 2020).
- Increase in the net investment income as a result of an improvement in the valuation of the loan portfolio measured at fair value (+PLN 70 million y/y). Lower scale of sale of securities resulted in lower income on debt instruments measured at fair value through other comprehensive income (by PLN 48 million y/y).

- An increase in net trading income in Q2 2021, mainly as a result of an improvement in the result on operations with customers as well as in the valuation of VISA and Mastercard shares.
- The valuation of the portfolio of customer loans and advances measured at fair value presented in net investment income amounted to PLN -4.5 million in Q2 2021 (PLN +17.9 million in Q1 2021, PLN -6.4 million in Q2 2020).

OPERATING EXPENSES, DEPRECIATION AND AMORTISATION

OPERATING EXPENSES UNDER CONTROL. BFG COSTS LOWER Y/Y

PLN m



- Lower operating costs -5.4% y/y mainly due to the lower costs of BFG contributions (by PLN 52.3 million, a decrease in the level of contributions to the Bank Restructuring Fund and the Guarantee Fund). Excluding BFG costs, the decline in operating costs would have amounted to -1.6% y/y.
- Visible decrease in personnel expenses (by PLN 29.0 million, -4.7% y/y) as a result of employment optimisation programs.
- Increase in amortisation due to investments projects implemented in 2018-2020 (by PLN 19.1 million, +10.6%).

- Lower personnel costs in Q2 2021 among others as a result of the further decrease in employment in the Group (-94 FTEs compared to the end of Q1 2021).
- A decrease in other administrative expenses in Q2 2021 related mainly to lower IT costs with a simultaneous increase in marketing, advisory and consulting costs (increase of costs related to the CHF mortgage loans proceedings to PLN 6.5 million in Q2 2021).
- Realisation of the assumed scale of synergy resulting from the Core RBPL acquisition as well as savings related to business model transformation: a reduction of approx. 2,000 FTEs, optimisation of the branch network - closure of 249 branches (since the merger, i.e. October 2018). 13 branches closed in H1 2021.

* excluding BFG costs

COVID-19 IMPACT ON CREDIT RISK

SUPPORT FOR OUR CUSTOMERS. LEVEL OF PROVISIONS ADEQUATE TO STILL UNCERTAIN ENVIRONMENT

SUPPORT PROGRAMS FOR CLIENTS

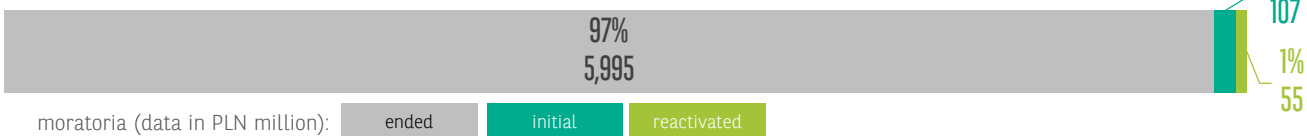
PLN 6.1 bn of loan exposure used loan repayment moratorium

(for Bank's current clients until 30 June 2021)

PLN 0.2 bn refers to public loan moratoria

97% of granted loan moratorium ended

Portfolio that used support programs is regularly monitored



95.8% of granted loan moratorium ended without delays >30 days

Other programs (as at the end of H1 2021):

- BGK Guarantees total limit of PLN 12 bn, of which:
 - PLN 4 bn (still available limit PLN 1.4 bn) de minimis guarantee
 - PLN 8 bn (still available limit PLN 6 bn) liquidity guarantee
 - PLN 0.16 bn (still available limit PLN 0.05 bn) Agricultural Guarantee Fund
- PFR program – Financial Shield 2.0 available to customers in H1 2021 - the Bank's participation in the distribution of funds for customers 4k positive decisions (without returns) in the amount of PLN 0.7 bn

**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
Sale	1.8%
Transport	1.1%
Accommodation & Food service	0.6%
Arts, Entertainment & Recreation	0.0%
Tourism	0.0%
Manufacturing	0.0%

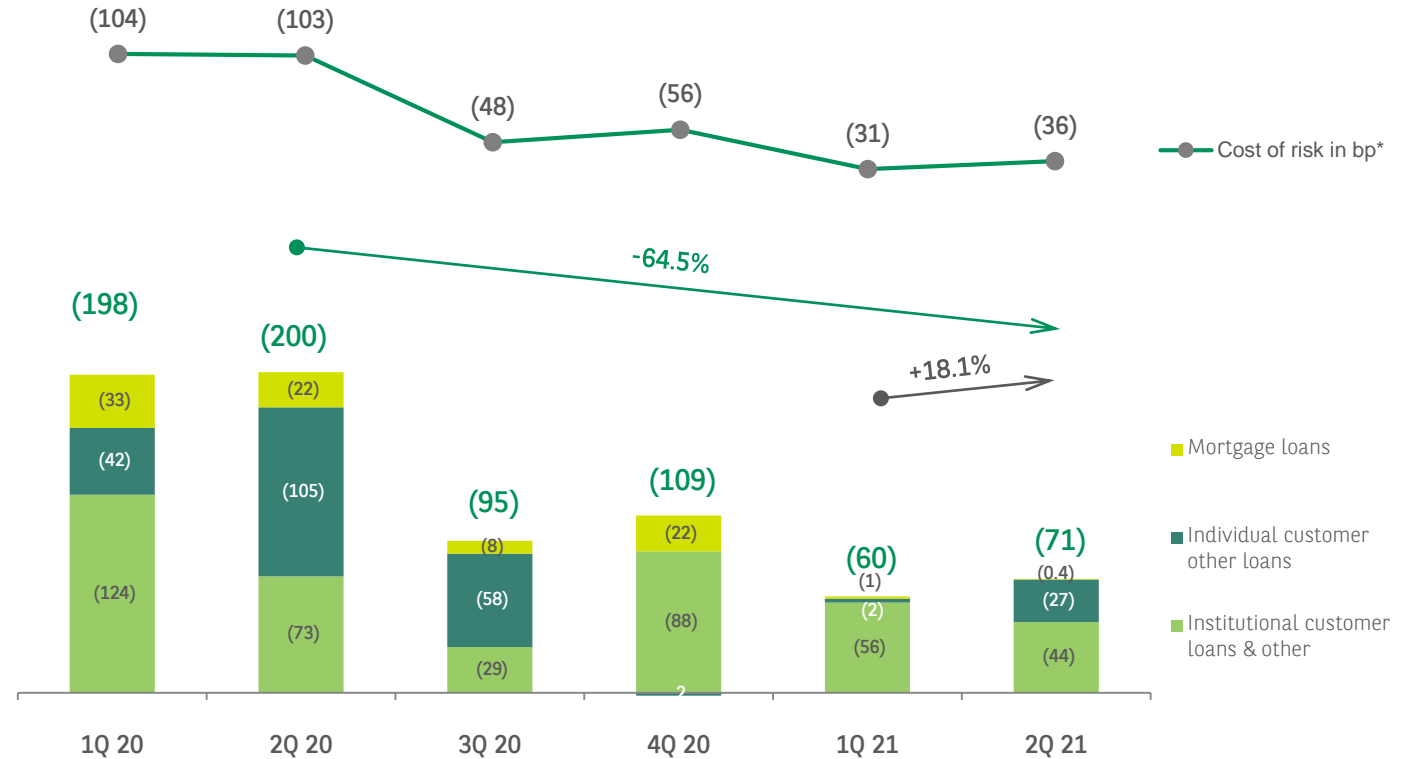
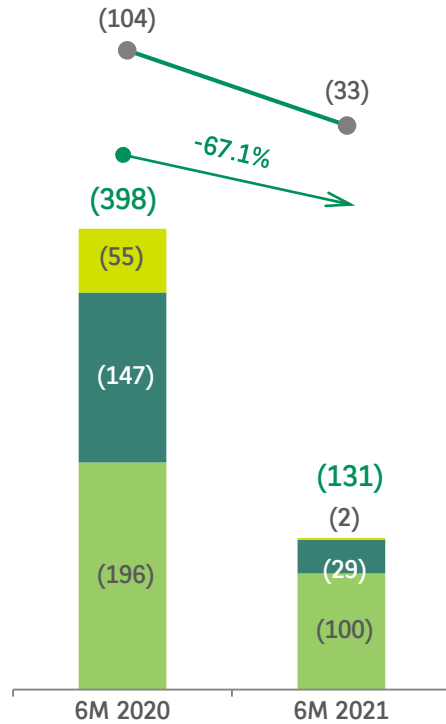
COST OF RISK

- Release of a part of provisions for not realized credit losses related to change of macroeconomic scenarios in 2021
- Provisions charges for future potential worsening of the financial situation of the entities in the sectors impacted by COVID-19
- Total negative impact of the above factors amounted to PLN 80 million in H1 2021

NET IMPAIRMENT LOSSES

LOW COST OF RISK THANKS TO RESILIENCE AND GOOD QUALITY OF THE LOAN PORTFOLIO

PLN m



- Low CoR in H1 2021 resulting from confirmed resilience of the whole portfolio to short-term „shocks“. At the same time, government support programs helped in maintaining financial liquidity of clients in short period.
- Additional factors that impacted the CoR decrease y/y:
 - negative impact of multi-scenario method implementation in individual and risk parameters valuation in H1 2020 (PLN 42 million),
 - positive effect of the new definition of default (NDoD) implementation in Q1 2021 as a result of classification change and recalculation of risk parameters (PLN 21 million),
 - impact of provisions on the COVID-19 related risks amounted to PLN 156 million in H1 2020 and PLN 80 million in H1 2021.
 - positive impact of NPL portfolio sale in H1 2021 (PLN 36 million).

Cost of risk in Q2 2021 was impacted mainly by:

- overall good performance of the credit portfolio, especially in terms of timely repayments,
- positive impact of NPL portfolio sale (PLN 36 million),
- COVID-19 pandemic factors (total impact PLN 25 million additional provisions):
 - additional provision as a result of credit portfolio review,
 - updated macroeconomic forecasts taken into account.

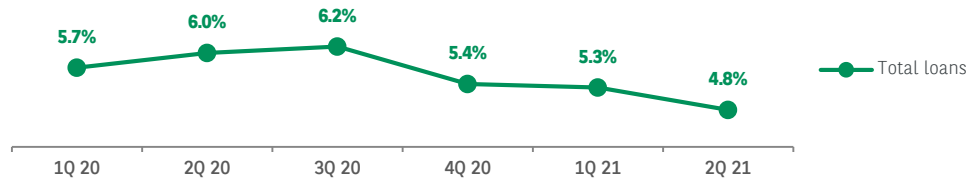
* Cost of risk expressed as the ratio of the net impairment allowance to the average balance of gross loans and advances to customers valued at amortized cost (calculated based on quarter-end balances).

LOAN PORTFOLIO QUALITY

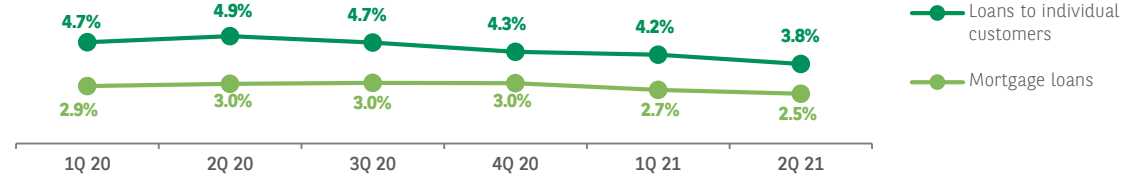
FURTHER DECLINE IN THE NPL RATIO

Total loans – NPL ratio*

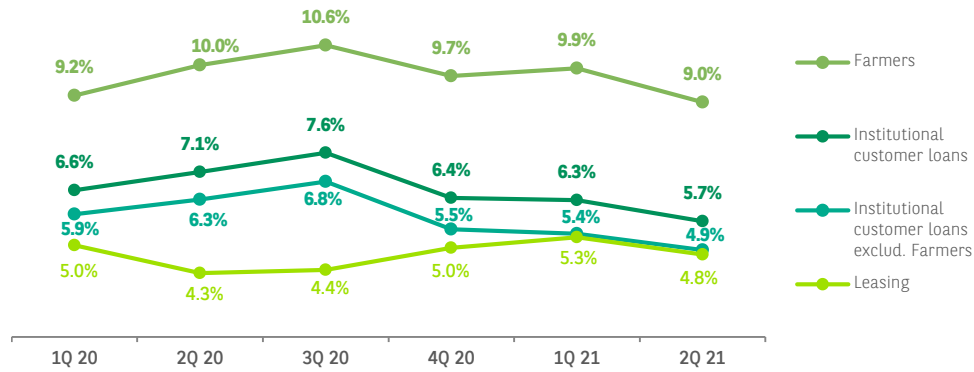
NPL for both loan portfolios in total (valued at fair value and at amortised cost) was **5.0%** at the end of Q2 2021



Retail loans – NPL ratio*

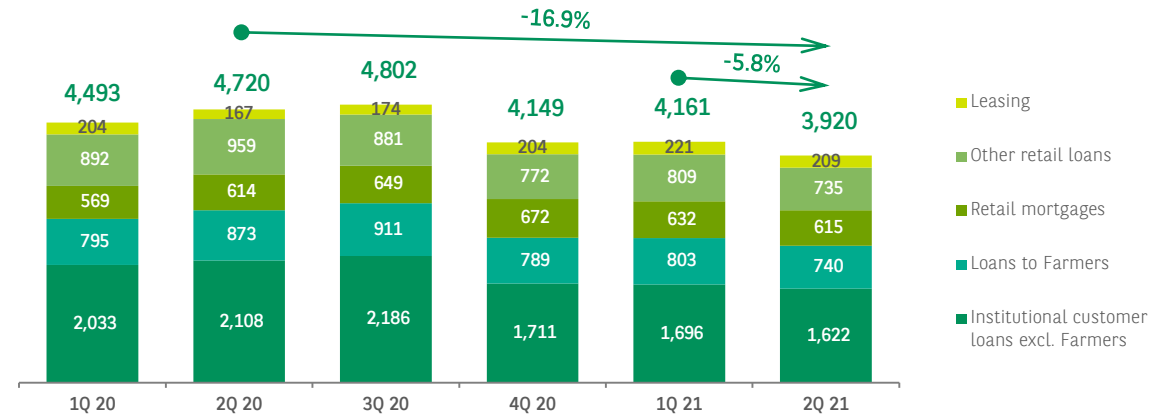


Institutional loans – NPL ratio*



Gross impaired portfolio**

PLN million, as of the end of the quarter



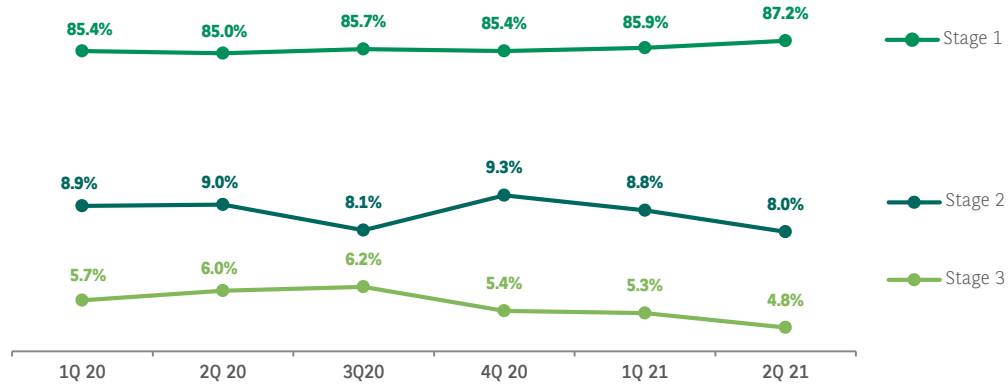
* NPL ratio calculations are not inclusive of loans and advances valued at fair value, identified in accordance with IFRS 9

** 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

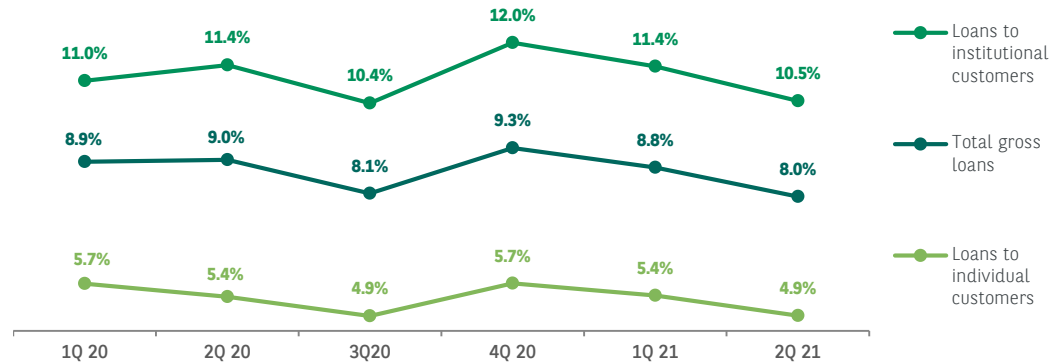
STABLE LOAN PORTFOLIO STRUCTURE

Share of each stage in gross loan portfolio

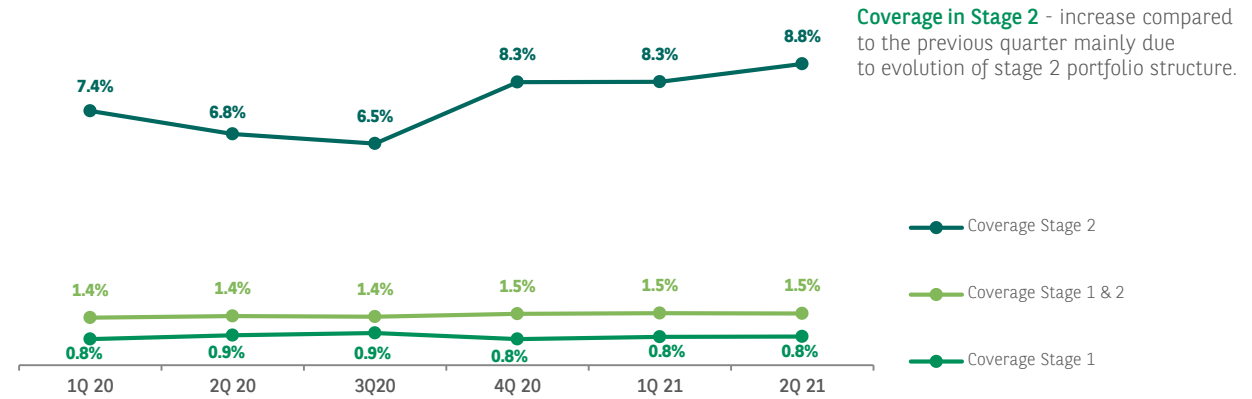


Share of Stage 2 in gross loan portfolio

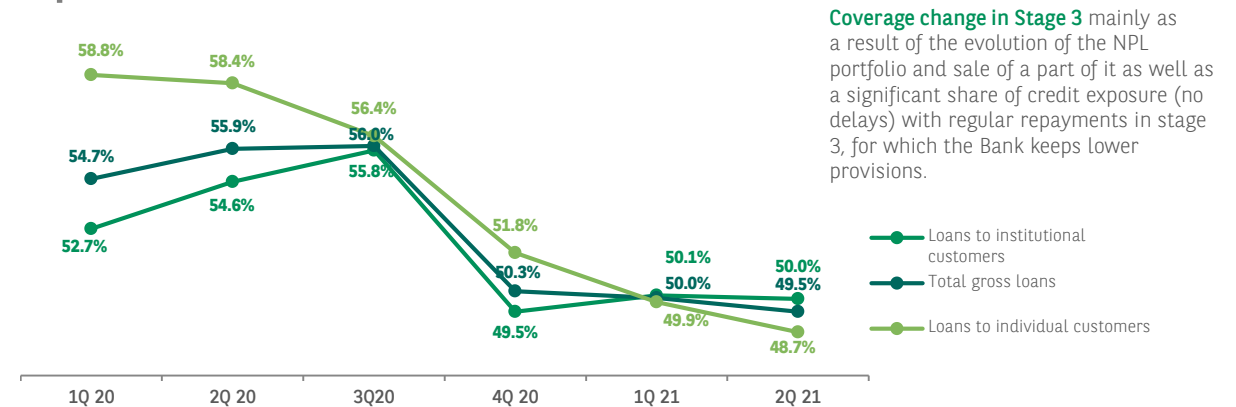
Decrease of Stage 2 share in 2021 mainly due to an improvement in the quality of the portfolio in terms of late repayments and ratings.



Provision coverage for gross loan portfolio - Stages 1 & 2

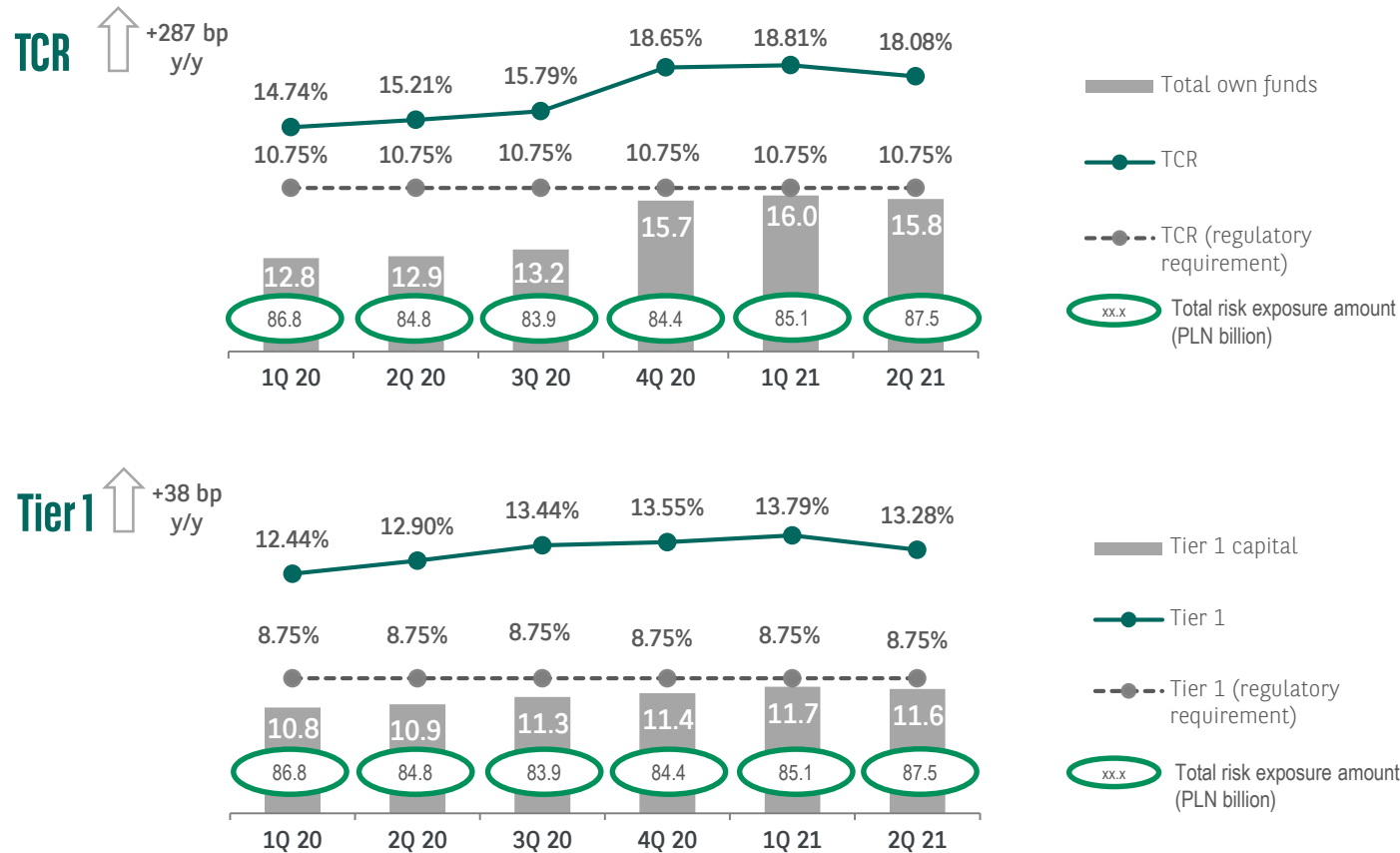


Provision coverage for gross loan portfolio - Stage 3



CAPITAL ADEQUACY

SAFE CAPITAL POSITION



**TCR and Tier 1 above the regulatory minimum:
+7.3 pp and +4.5 pp respectively**

A decrease in the value of capital adequacy ratios in Q2 2021 resulting from an increase in the total risk exposure amount following growth of the loan portfolio as well as lower own funds caused by lower valuation of securities (Tier 1) and subordinated debt amortisation (Tier 2).

Pursuant to the Resolution of the Bank's OGM of 24 March 2021, the entire Bank's net profit for 2020 (PLN 731.1 million), was allocated to reserve capital.

The systemic risk buffer at the level of 0% from 19 March 2020.

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

OSII buffer at 0.25%.

The Bank meets the BFG's mid-term MREL objectives (as at the end of 2020 - in relation to TLOF: 12.363% in relation to TRE: 16.122%).

04

OUTLOOK



BNP PARIBAS

PRIORITIES AND CHALLENGES FOR THE COMING QUARTERS

GETTING MOMENTUM OF ECONOMIC RECOVERY TO FURTHER GROW AND STRENGTHEN MARKET POSITION



RESPONSIBLE BUSINESS GROWTH

- Business growth while maintaining the appropriate risk profile
- Focus on implementation of new products delivering non-interest income
- Implementation of further open banking services
- 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
- Proactive involvement in local implementation of the European Green Deal
- Expanding the range of products and services that support sustainable development. Building the position of banking leader in ESG area and embedding our brand identity in social and environmental engagement



SOLID BACKBONE

- Continued digital transformation in response to accelerating change of market trends
- Wide scale implementation of agile methodology in bank structures, enhancing efficiency and competitiveness of the organization. Defining new working model to fit the post-pandemic reality
- Optimization and efficiency improvement of sales and customer service processes
- Further improvement of customer experience and satisfaction
- Adaptation to upcoming complex regulatory requirements in ESG area
- Promoting diversity in corporate culture
- Resilient and solid business model supporting facing with external challenges, including CHF mortgage loans issue

NEW BANK'S STRATEGY AT THE FINAL STAGE

- The Bank's ambitions and priorities for the upcoming years will be reflected in the new strategy
- The strategy disclosure planned for the second half of 2021

05

BUSINESS SEGMENTS



RETAIL AND BUSINESS BANKING & PERSONAL FINANCE

FURTHER DIGITALISATION AND BUSINESS GROWTH

4.0 m retail Customers

+87 k +2% y/y

+47 k +1% q/q

digital bank

- 1.3 million active internet and mobile banking users: +8.3% vs 31.12.2020
- online sales: cash loans PLN 176 million (more than doubled h/h); personal accounts 9.5 k; +20% h/h; investment products PLN 151 million; Arval "Your Car"
- service processes: mojID (electronic identity) / trusted profile; loan installment repayment from another bank, certificate of possession and account balance, loan repayment schedule in pdf, instant transfer in EURO for Micro customers
- www.bnpparibas.pl - the lowest carbon footprint; green products zone - **we are the leader**

that cares about effective processes

- mortgage purchase process: fixed loan rate, access to the e-Land and Mortgage Register, electronic signature for contracts and documents
- paperless and electronic signature: opening a personal account +104% h/h; setting up a Micro account (Autenti); 136.3 k authorisation of cash transactions, 45% of all transactions
- cashless sales network: the volume of cash deposits / withdrawals decreased by 13% q/q; decrease of 5% h/h
- complaint process: reduction of the number of complaints by 54% h/h, reduction of processing time by 62% h/h

grows stronger (sales in H1 2021)

- Current accounts individuals 154 k, +6% h/h, +39% y/y
- Cash loans PLN 1.7 bn, +19% h/h, +40% y/y
- Mortgage loans PLN 3.2 bn, +20% h/h, +10% y/y
- Micro loans & Leasing PLN 2.1 bn, +16% h/h, +24% y/y
- Investment products (*mutual funds + structured certificates*) PLN 3.0 bn, +17% h/h, +82% y/y

appreciated by customers



Best Bank in Poland
Best Bank for Companies
Best service in remote channels



Highest 5* score in the Forbes ranking list and Forbes recommendation

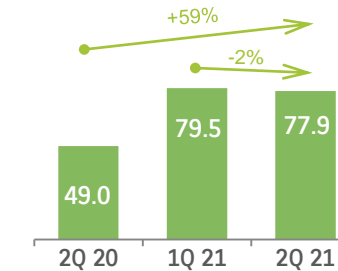


BNP Paribas – Lokata Kapitału Fund ranked first among Polish corporate securities fund acc. to the Anality Online portal

Note: „h/h” dynamics represents H1 2021 vs. H2 2020 change.

Acquisition of individual customers*

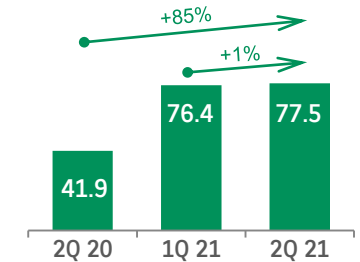
thousand



* excluding acquisition via customer service points

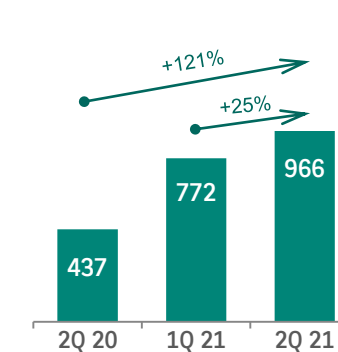
Sale of personal accounts

thousand



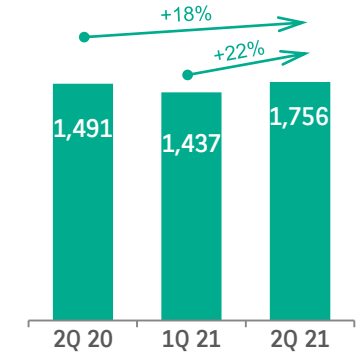
Sale of cash loans

PLN million



Sale of mortgage loans

PLN million

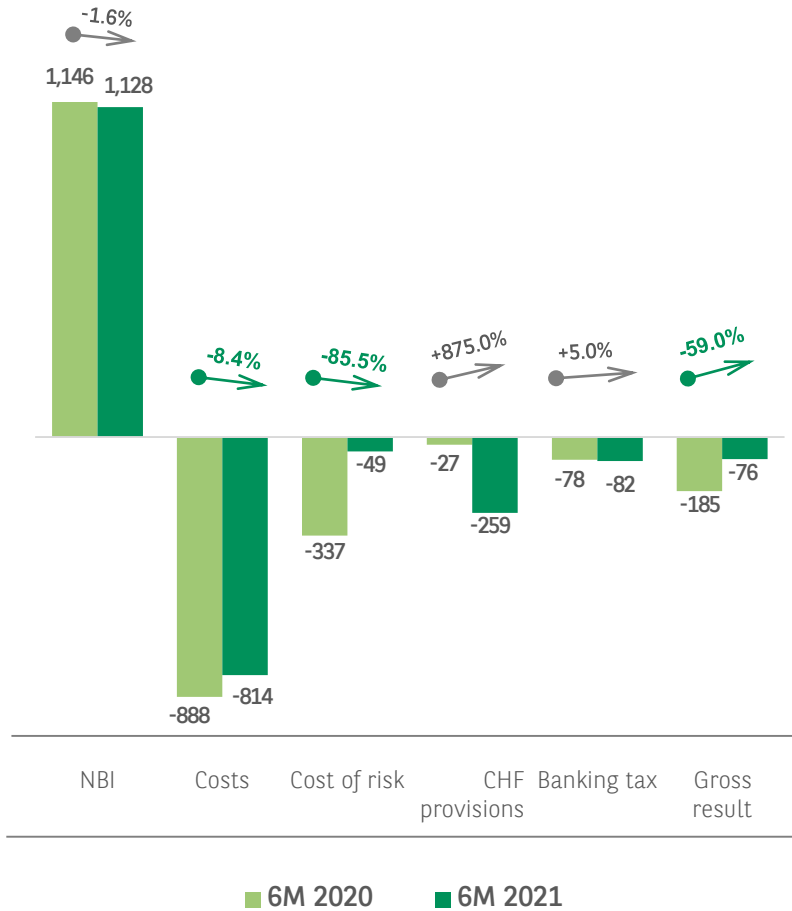


RETAIL AND BUSINESS BANKING

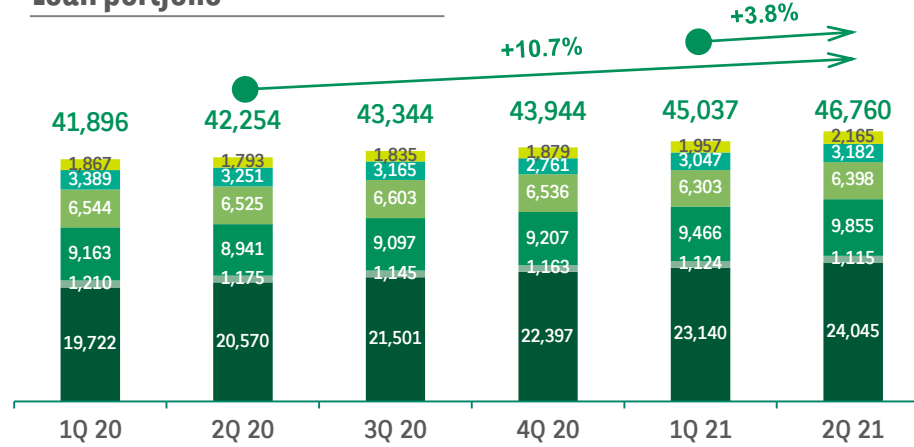
IMPROVEMENT IN GROSS RESULT DUE TO SIGNIFICANTLY LOWER COST OF RISK, DESPITE AN INCREASE IN PROVISIONS FOR LEGAL RISK OF THE CHF PORTFOLIO

PLN m

Gross result structure



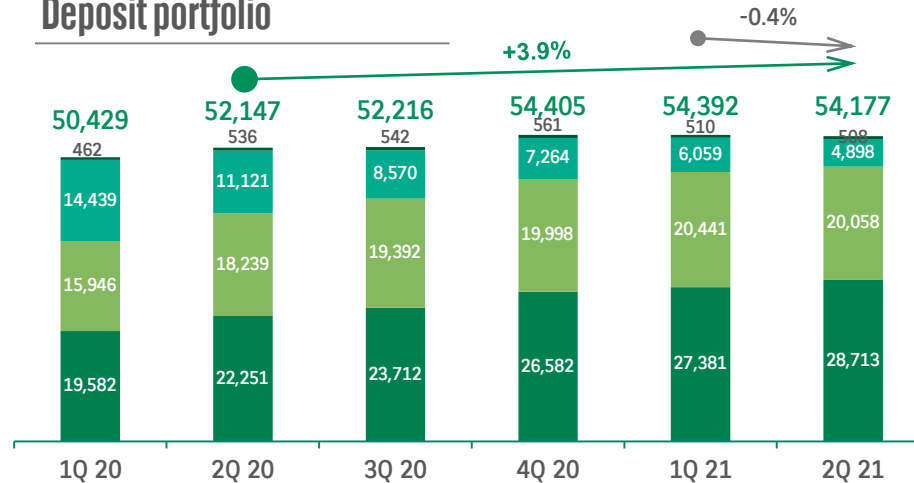
Loan portfolio



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

49%

Deposit portfolio



CORPORATE & SME BANKING

IMPROVEMENT OF Q2 RESULTS

Transformation and digitalization

- Further development of GOonline Biznes – new module for Import and Export Documentary Collections, development of Loans module
- Implementation of a fully digital and automated process of redeeming the PFR 1.0 Subsidy
- Digitization of key elements of the bank's contact with the Customer as part of KYC recertification (launch of the KYC e-application)
- Extension of the Self-Service module (new types of instructions and automation on the bank's side)

Business development

- Improvement of quarterly results: NBI growth +2.8% q/q, +8.0% y/y (Corporate Banking and SME in total). For H1 2021, flat NBI (-0.1% y/y) despite cut in the interest rates.
- High dynamics of net commission income: Corporate Banking +16% y/y, SME +26% y/y as a result of changes in the table of fees and commissions
- Increase in sales of new credit limits: Corporate Banking +98% q/q, SME +65% q/q, but not yet translating into a significant increase in credit volumes
- Increase of sales of new leasing volumes: PLN 643 million of new volume for corporate and SME clients in the first half of 2021, i.e. +111% y/y
- Further increase in the balance of deposits in Corporate Banking: +6.5% q/q + 3.4% y/y due to the persistent excess liquidity in the market
- Decrease in the number of customers y/y as a result of cleaning the inactive customer base

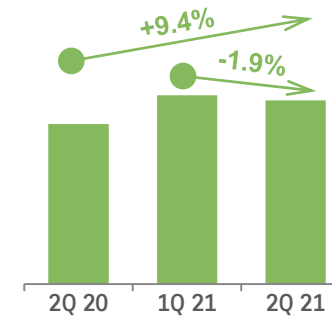
Selected significant transactions executed in Q2 2021

 Debt refinancing and CAPEX financing PLN 1 112 million BNP PARIBAS Mandated Lead Arranger June 2021	 Refinancing PLN 886 million BNP PARIBAS Lender June 2021	 General Corporate and Working Capital financing (incl Capex, R&D) PLN 800 million BNP PARIBAS Mandated Lead Arranger, Agent June 2021	 Finansowanie ogólnych potrzeb korporacyjnych oraz kapitału obrotowego 300 mln PLN BNP PARIBAS Główny Organizator Kwiecień 2021	 Corporate bond issuance PLN 500 million BNP PARIBAS Arranger, Dealer & Documentation Agent June 2021	 Corporate bond issuance PLN 150 million BNP PARIBAS Co-Arranger & Dealer June 2021
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Revenue increase (y/y) as a result of increasing business activity of Clients

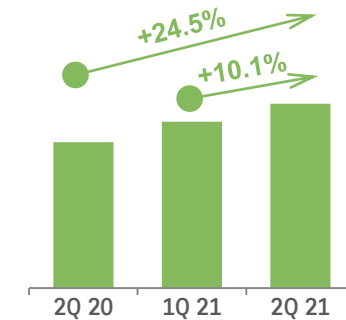
Cash management

Revenues



Currency exchange transactions

Revenues



Corporate banking
Customers

11.7 k

-0.6 k, -5% y/y
unchanged q/q

SME
Customers

25.6 k

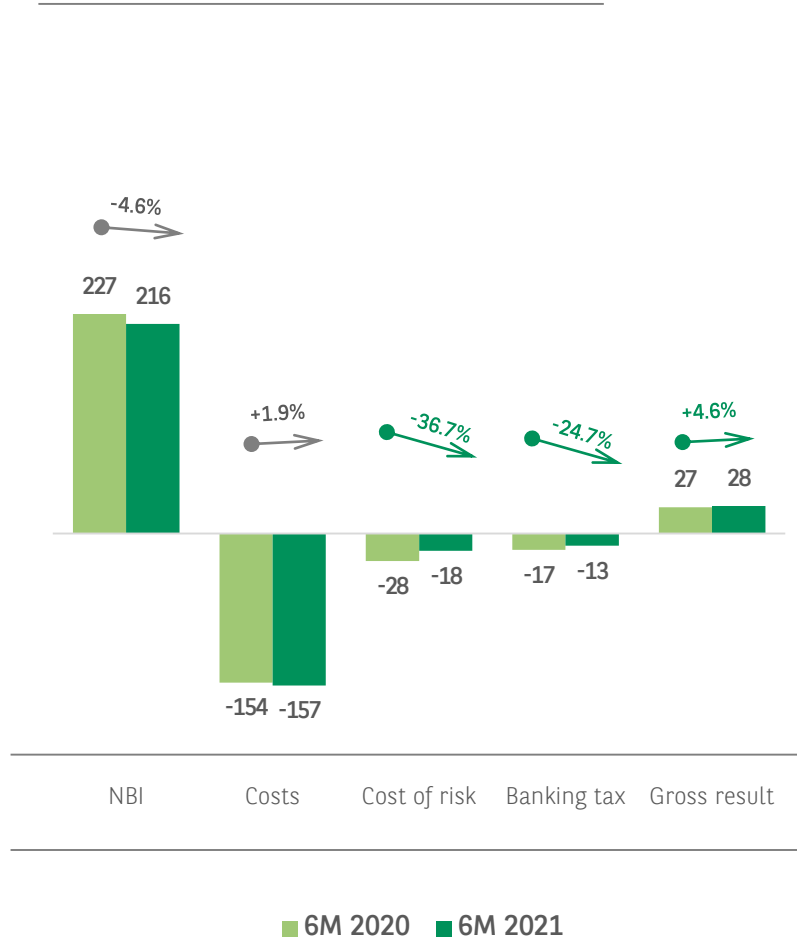
-2.1 k, -8% y/y
-0.1 k, -0.5% q/q

SME BANKING

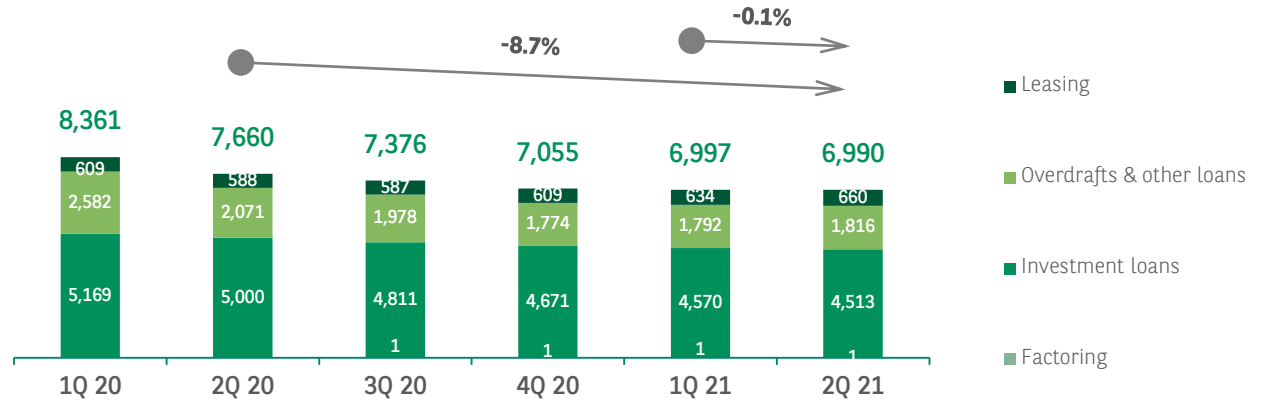
NBI DECREASE RELATED TO INTEREST RATES REDUCTION AND PRESSURE ON LOANS. IMPROVEMENT IN GROSS RESULT MAINLY DUE TO LOWER COST OF RISK

PLN m

Gross result structure



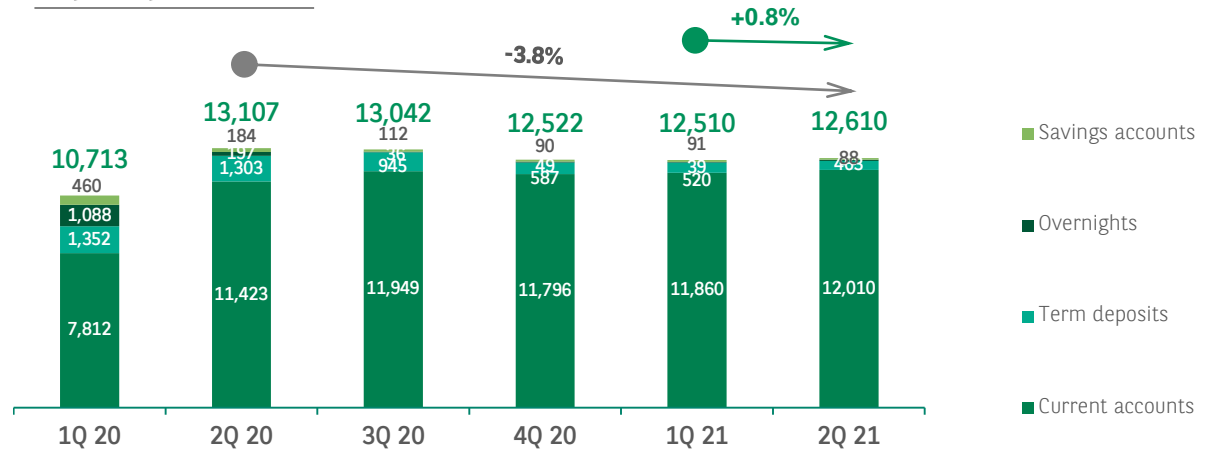
Loan portfolio*



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

9%

Deposit portfolio*



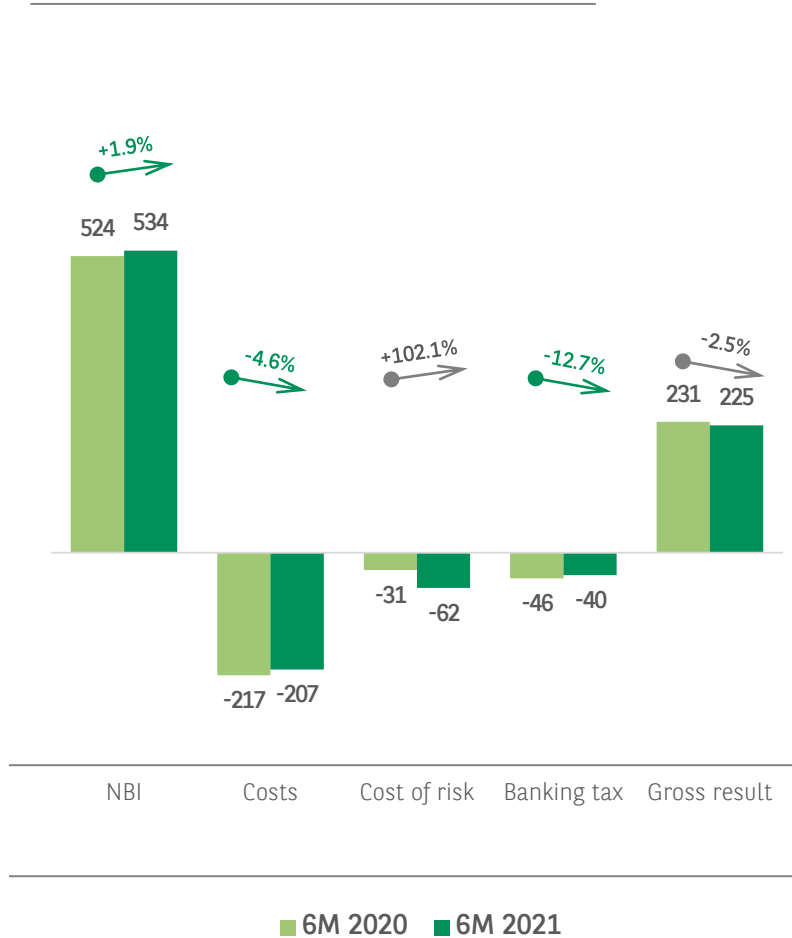
* in connection with the re-segmentation of SME and Corporate Banking, carried out in 2021; data for 2020 presented on a comparable basis

CORPORATE BANKING

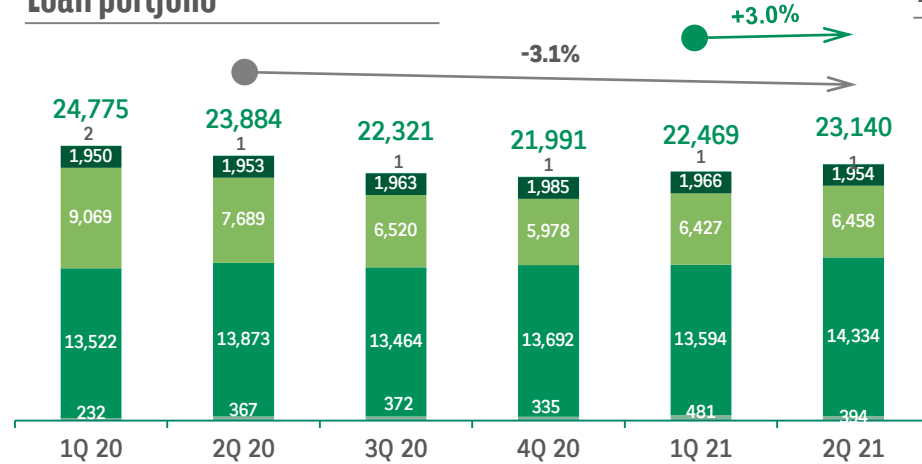
INCREASE IN NBI AS A RESULT OF THE ECONOMIC RECOVERY AND CUSTOMER ACTIVITY INCREASE. CONTINUED UPTURN OF THE LOAN PORTFOLIO GROWTH

PLN m

Gross result structure



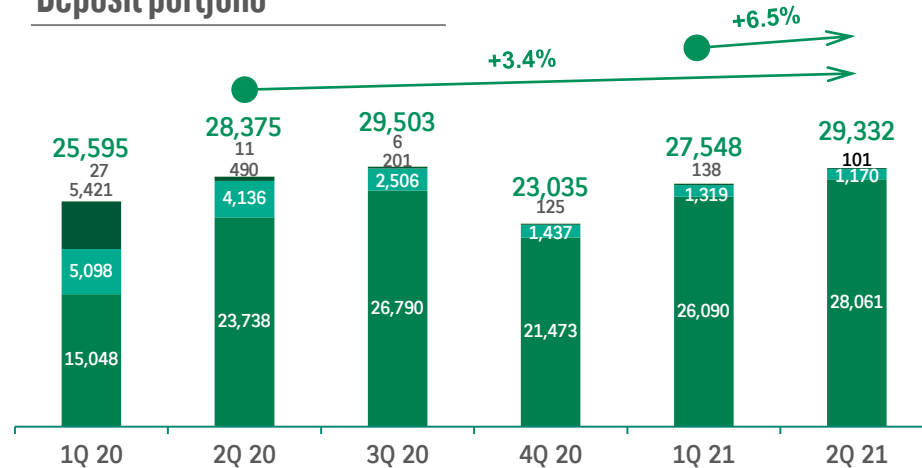
Loan portfolio*



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

23%

Deposit portfolio*



* 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

SUPPORT FOR THE DEVELOPMENT OF SUSTAINABLE AGRICULTURE AND THE IMPLEMENTATION OF THE OBJECTIVES OF THE EUROPEAN GREEN DEAL

75.6 k Agro Clients

Business development

- Effects of previous promotional campaigns (February-May):
 - PLN 821m of new sales as part of the campaign **Gain more reasons to be proud** of loans and a current accounts for farms in the Micro segment
 - nearly PLN 357m of loans granted under the **Agro Offensywa** campaign for the SME Segment (processor / farmer sub-segment)
- PLN 11m in premiums in the spring **crop insurance** season in cooperation with Concordia Polska Grupa Generali (+12.6% y/y)

Activities supporting sales and client relations

- Promotional campaigns **EU grants will rock your Agribusiness** from 4 June to 31 July 2021
- encouraging farmers and companies from the Food & Agro companies to apply for grants under the Rural Development Program 2014-2020 and financing using the Unia+ loan and European leasing loan

agronomist

- 4.5 k registered users
- 56% of users are women
- over 380 k hits to the portal in 2021

Launch of the first AgroEmisja calculator available in Polish to calculate greenhouse gas emissions in agricultural production



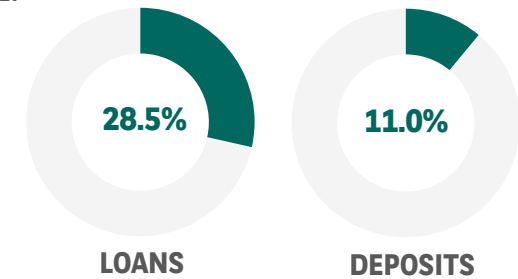
GREENHOUSE GAS EMISSIONS CALCULATOR

Development of further thematic sections:

- development of the formula for presenting sector reports in the form of video materials under the name **Food & Agro Sonar**
- launching the **Gabinet Spożywczy** series - inspiring talks with the leaders of the food sector in Poland
- publication of educational materials on sustainable production and competitive opportunities of the Polish agri-food sector in connection with European Green Deal strategy

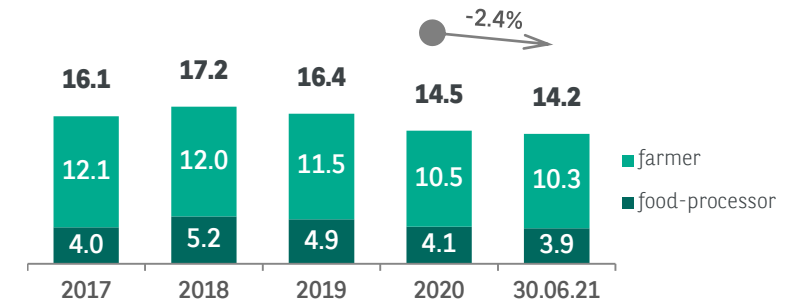
Market share

30.06.2021



Loan volume

gross, PLN billion



APPENDICES



Share price performance
H1 2021 Financial results of the Group
Profit and loss account
Assets, liabilities and equity



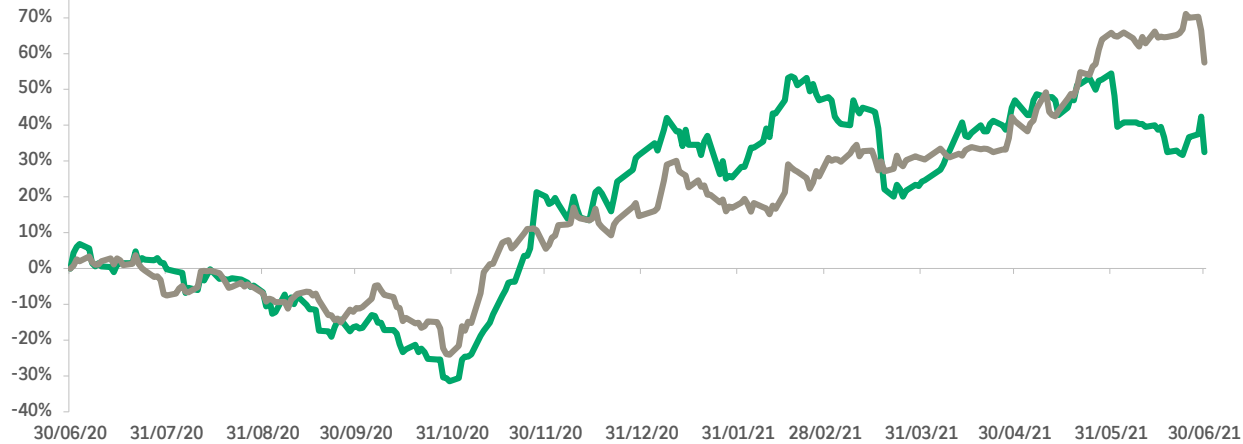
SHARES OF BNP PARIBAS BANK POLSKA SA

MODERATE GROWTH IN THE BANK'S SHARE PRICE IN Q2 2021. INCREASED LIQUIDITY OF THE BANK'S SHARES FOLLOWING THE SUCCESSFUL ABB TRANSACTION

Change in the share price

(30.06.2020 = 100%)

ISIN Code: PLBGZ0000010 WSE Ticker: BNP Index: sWIG80, sWIG80TR



WIG banki

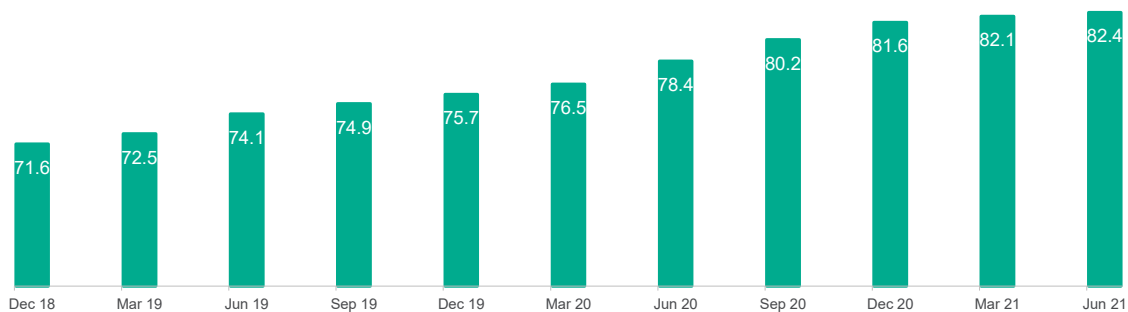
+57.5% y/y

BNP PARIBAS

PLN 64.0
+32.5% y/y

Growing book value per share

(PLN thousand)

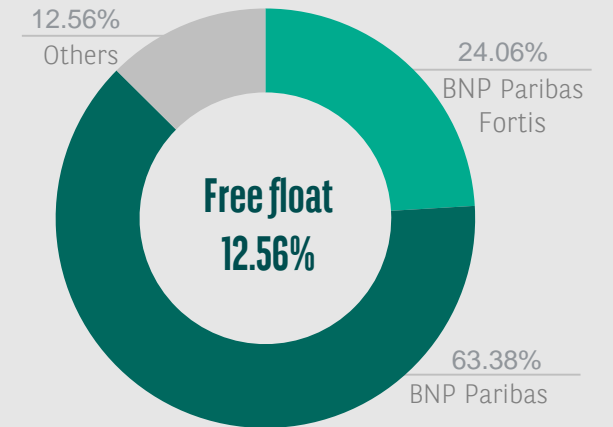


Moody's rating

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

Shareholder structure

(30.06.2021)



Free float
12.56%

30 June 2021

free-float: PLN 1.2 bn
P/BV: 0.78
capitalization: PLN 9.4 bn

147,518,782

Total number of shares

At the beginning of June 2021, in the Accelerated Book Building (ABB) process, BNP Paribas SA sold 1.26% and Rabobank International Holding B.V. 3.81% of the Bank's shares. These transactions increased free float and liquidity of the Bank's shares.

H1 2021 FINANCIAL RESULTS OF THE GROUP

SLIGHT DECREASE IN NET BANKING INCOME (BY 4.1% Y/Y), NEUTRALIZED BY LOWER COST OF RISK AND HIGHER COST EFFECTIVENESS

	6M 2021 mln zł	6M 2020 PLN m	Change y/y	Change y/y normalized*
Net banking income	2,301.3	2,398.9	(4.1%)	(0.7%)
Total costs	(1,239.7)	(1,310.0)	(5.4%)	(5.3%)
Net impairment losses	(131.0)	(398.2)	(67.1%)	(67.1%)
Provisions for legal risk of CHF loans	(259.0)	(26.6)	875.0%	875.0%
Banking tax	(161.9)	(150.8)	+7.4%	+7.4%
Gross profit	509.7	513.3	(0.7%)	+18.0%
Net profit	295.9	334.1	(11.4%)	+10.3%

	31.03.2021	30.06.2020	Change y/y	Change* y/y change
Return on equity (ROE)	4.9%	5.9%	(1.0 pp)	-
Return on equity (ROE)*	4.9%	4.7%	-	+0.2 pp
Cost / Income (C/I)	53.9%	54.6%	(0.7 pp)	-
Cost / Income (C/I)*	53.9%	56.5%	-	(2.6 pp)
Total Capital Adequacy Ratio	18.1%	15.2%	+2.9 pp	-
Tier 1 Capital Ratio	13.3%	12.9%	+0.4 pp	-

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:

- 6M 2021: lack of material one-offs
- 6M 2020: PLN 43.6 m sale of real estate Kasprzaka, PLN -9.8 m provision for legal risk – lost option case, PLN +45.1 million changed valuation of KIR and BIK

6M 2021 integration costs: lack of integration costs

- 6M 2020 integration costs – positive impact PLN +2.6 m, of which:
 - PLN -0.4 m – administrative expenses, depreciation and amortization
 - PLN +3.0 m – other operating expenses

The comparability of results achieved in H1 2021 & H1 2020 was affected by:

- decrease of PLN 267.2 million (i.e. 67.1%) in cost of risk as a result of lower negative impact of the coronavirus pandemic on macroeconomic forecasts and the financial condition of the Bank's credit customers;
- BFG costs lower by PLN 52.3 million y/y (as a result of lower annual contribution to the restructuring fund and lower quarterly contributions to the guarantee fund for 2021);
- increase in the cost of provisions for legal risk related to CHF loans by PLN 232.4 million (i.e. by 875.0%);
- net interest result lower by PLN 82.0 million (i.e. 5.2%) resulted from interest rate cuts at the turn of Q1 and Q2 2020, partially neutralized by an increase in non-interest income.

**Reported net profit equal to PLN 296 million, lower by 11.4% y/y.
Excluding impact of integration costs and one-offs, the H1 2021 net profit
would be higher by +10.3% y/y.**

MATERIAL EVENTS

IN PARTICULAR REPORTING PERIODS

	1 quarter	2 quarter	3 quarter	4 quarter
2021	<ul style="list-style-type: none"> • PLN -90.1 m contribution to the bank resolution fund BFG (PLN -103.7 m total BFG costs) • PLN -71.9 m provision for CHF loans 	<ul style="list-style-type: none"> • PLN -187.1 m provision for CHF loans 		
2020	<ul style="list-style-type: none"> • PLN +43.6 m sale of Kasprzaka real estate • PLN -11.3 m provision for CHF loans • 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) 	<ul style="list-style-type: none"> • PLN +45.1 m changed valuation of BIK and KIR • PLN -15.2 m provision for CHF loans 	<ul style="list-style-type: none"> • PLN -26.6 provision for UOKiK penalty related to spread clauses in credit agreements • PLN -39.9 m provision for CHF loans 	<ul style="list-style-type: none"> • PLN -41.4 m restructuring provision (employment optimization program) • PLN -101.7 m provision for CHF loans
2019	<ul style="list-style-type: none"> • PLN -54.3 m integration costs • PLN -116.1 m contribution to the bank resolution fund BFG (PLN -129.1 m total BFG costs) 	<ul style="list-style-type: none"> • PLN -108.5 m integration costs • PLN +45.0 m (net PLN +36.5 m) from the sales of factoring 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • PLN -148.4 m integration costs • PLN -32.1 m portfolio provision for CHF loans • PLN -20.8 m provision for commission reimbursement (CJEU)

CONSOLIDATED P&L

PLN thousand

Profit and loss account	cumulatively		quarterly					
	30/06/2021	30/06/2020	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Interest income	1,629,552	1,946,868	820,989	808,563	823,360	832,568	919,168	1,027,700
Interest expenses	(137,824)	(373,095)	(62,391)	(75,433)	(75,974)	(93,657)	(155,887)	(217,208)
Net interest income	1,491,728	1,573,773	758,598	733,130	747,386	738,911	763,281	810,492
Fee and commission income*	607,993	516,229	303,557	304,436	314,772	301,050	249,685	266,538
Fee and commission expenses*	(110,863)	(109,170)	(53,713)	(57,150)	(56,972)	(49,814)	(49,386)	(59,778)
Net fee and commission income	497,130	407,059	249,844	247,286	257,800	251,236	200,299	206,760
Dividend income	1,455	2,439	1,096	359	1,419	5,811	460	1,979
Net trading income	331,817	376,805	173,752	158,065	213,992	157,593	189,619	187,186
Net investment income	39,994	17,870	7,389	32,605	196	11,015	41,439	(23,569)
Net income on collateral accounts	(18,562)	(9,697)	(17,597)	(965)	1,612	(2,992)	(869)	(8,828)
Other operating income	109,674	195,467	57,990	51,684	84,763	43,356	49,372	146,095
Result on impairment write-offs of financial assets and provisions for liabilities	(131,014)	(398,233)	(70,946)	(60,068)	(108,533)	(94,733)	(199,912)	(198,321)
Net provisions for CHF mortgages legal risk**	(258,977)	(26,562)	(187,119)	(71,858)	(101,680)	(39,914)	(15,233)	(11,329)
General administrative expenses	(1,041,499)	(1,130,427)	(474,430)	(567,069)	(527,326)	(479,852)	(480,881)	(649,546)
Depreciation	(198,198)	(179,552)	(100,094)	(98,104)	(97,424)	(90,982)	(89,960)	(89,592)
Other operating expenses	(151,900)	(164,822)	(81,064)	(70,836)	(123,043)	(83,255)	(53,989)	(110,833)
Operating result	671,648	664,120	317,419	354,229	349,163	416,193	403,626	260,494
Banking tax	(161,943)	(150,823)	(83,546)	(78,397)	(84,461)	(83,625)	(80,182)	(70,641)
Gross profit (loss)	509,705	513,297	233,873	275,832	264,702	332,568	323,444	189,853
Income tax	(213,762)	(179,170)	(101,916)	(111,846)	(97,236)	(101,066)	(104,398)	(74,772)
NET PROFIT (LOSS)	295,943	334,127	131,957	163,986	167,466	231,502	219,046	115,081

* In Q4 2020, mapping of write-offs and provisions for unpaid fees was changed. The changes were made for all the presented periods.

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

ASSETS

PLN thousand

Consolidated statements of financial position	30/06/2021	31/03/2021	31/12/2020	30/09/2020	30/06/2020	31/03/2020	31/12/2019
ASSETS							
Cash and balances with the Central Bank	3,141,350	4,421,561	3,421,877	2,923,598	4,524,539	3,225,246	4,658,171
Amounts due from banks	2,213,159	1,103,773	774,722	661,528	1,834,807	1,047,005	679,308
Derivative financial instruments	1,146,686	1,670,578	1,531,617	1,447,087	1,322,060	1,601,162	800,886
Adjustment of fair value of the hedging item	313,168	311,980	531,793	578,742	563,865	481,474	228,120
Loans and advances to customers valued at amortised cost	78,505,722	75,407,355	74,097,269	73,961,882	74,339,859	74,977,955	71,836,643
Loans and advances to customers valued at fair value through P&L	1,374,555	1,449,151	1,539,848	1,640,581	1,714,418	1,807,680	1,974,396
Financial assets for sale	-	-	-	-	-	-	-
Securities valued at amortised cost	23,407,789	23,456,816	23,361,022	21,832,298	19,905,356	18,204,480	17,916,645
Securities valued at fair value through P&L	390,716	379,637	371,900	363,874	340,468	279,141	241,754
Securities valued at fair value through the other total income	10,084,750	10,311,427	10,228,560	14,707,256	10,677,194	7,093,076	7,953,358
Investment property	-	-	-	56,577	56,577	56,577	56,577
Intangible assets	649,326	634,350	651,608	552,575	525,717	511,272	519,945
Property, plant and equipment	1,388,746	1,446,340	1,479,540	1,123,993	1,149,393	1,158,185	1,226,746
Deferred income tax assets	708,203	699,561	745,606	871,098	904,821	943,848	976,748
Current income tax assets	41,752	62,938	55,087	42,816	43,195	27,139	-
Other assets	656,849	739,544	786,839	810,344	804,879	629,701	884,845
TOTAL ASSETS	124,022,771	122,095,011	119,577,288	121,574,248	118,707,148	112,043,941	109,954,142

LIABILITIES AND EQUITY

PLN thousand

Consolidated statements of financial position

	30/06/2021	31/03/2021	31/12/2020	30/09/2020	30/06/2020	31/03/2020	31/12/2019
LIABILITIES							
Amounts due to the Central Bank	-	-	84,675	106,994	-	-	-
Amounts due to other banks	5,779,760	4,910,453	6,824,894	6,625,208	4,891,630	4,910,888	4,485,264
Liabilities on sold securities	-	-	-	-	-	-	-
Adjustment of fair value of the hedging and hedged item	277,325	319,557	542,719	585,208	597,961	535,006	224,218
Derivative financial instruments	1,026,498	1,404,643	1,521,148	1,344,080	1,333,735	1,549,344	815,637
Amounts due to customers	95,971,665	94,687,974	90,051,004	94,880,015	93,742,118	86,927,106	86,134,984
Liabilities on debt securities issue	986,656	1,148,518	1,318,380	1,504,164	1,704,302	1,919,545	2,179,052
Subordinated liabilities	4,266,376	4,308,602	4,306,539	1,975,455	1,962,317	1,998,570	1,882,064
Leasing liabilities	942,856	978,393	968,749	629,323	637,185	638,211	602,192
Other liabilities	1,693,593	1,527,922	1,269,243	1,500,465	1,715,669	1,762,631	1,893,414
Current income tax liabilities	20,042	-	-	53,714	31,192	4,463	38,338
Deferred income tax provision	-	-	-	8,410	8,410	8,410	8,535
Provisions	899,852	704,417	659,410	540,925	522,029	507,410	531,061
TOTAL LIABILITIES	111,864,623	109,990,479	107,546,761	109,753,961	107,146,548	100,761,584	98,794,759
EQUITY							
Share capital	147,519	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
Other reserve capital	2,943,731	2,942,411	2,208,982	2,207,770	2,206,558	1,572,757	1,572,757
Revaluation reserve	83,571	163,483	255,833	214,271	187,298	133,205	125,251
Retained earnings	(127,649)	(259,757)	307,317	139,851	(91,651)	318,000	202,980
retained profit	(423,592)	(423,743)	(425,778)	(425,778)	(425,778)	202,919	(411,714)
net profit for the period	295,943	163,986	733,095	565,629	334,127	115,081	614,694
TOTAL EQUITY	12,158,148	12,104,532	12,030,527	11,820,287	11,560,600	11,282,357	11,159,383
TOTAL LIABILITIES AND EQUITY	124,022,771	122,095,011	119,577,288	121,574,248	118,707,148	112,043,941	109,954,142

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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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