

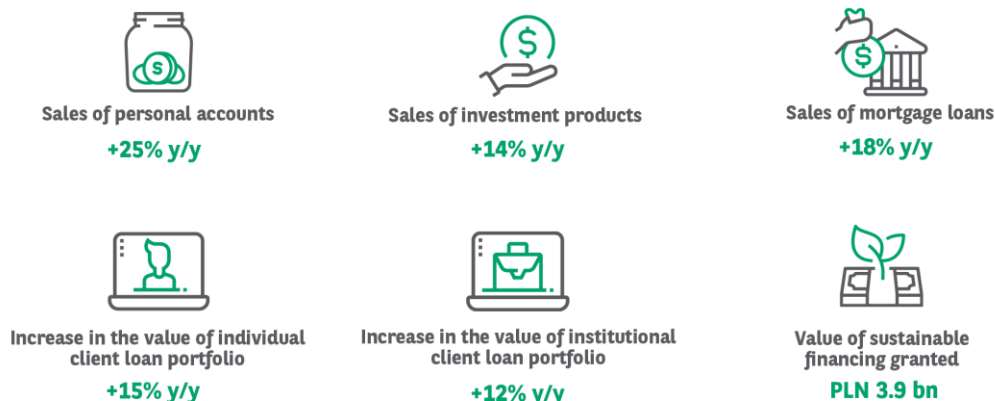
**PRESS RELEASE**

Warsaw, 3 March 2022

**Growing scale of the BNP Paribas Bank Polska Group's business. In 2021, outstanding gross loans increased by 13.1% y/y. The value of sustainable financing reached a record high of PLN 3.9 billion**

Despite the market situation remaining uncertain in 2021, the BNP Paribas Bank Polska Group continued to grow its business while carrying on with the digital transformation affecting its key operating areas. Net banking income generated in 2021 reached its record high of PLN 4.8 billion. The Group's net profit stood at PLN 176 million. The establishment of provisions for claims related to Swiss franc loans significantly affected the bottom line. Without the provisions for CHF loans, the Group's net profit would have reached over PLN 1.2 billion.

*"In 2021, we continued to dynamically grow our retail business and returned to a growth path in the corporate banking area. Sales of personal accounts and mortgage loans in parallel with outstanding corporate loans reached their historic highs above the levels recorded before the pandemic. Despite the substantial volatility and uncertainty in the macroeconomic environment, our organic growth, continued growth in profitability and keeping operating costs under control enabled us to show robust financial results on business operations. Our focus on digitization as well as promoting and supporting favorable changes in the economy resulted in an increased number of digital channel users coupled with a larger volume of digital transactions as well as a surge in the value of sustainable financing,"* says Przemek Gdański, President of the BNP Paribas Bank Polska Management Board.

**Key business highlights in 2021:**

- Retail client gross loan portfolio: PLN 38.8 billion; +14.8% y/y
- Institutional client gross loan portfolio: PLN 50.6 billion; +11.9% y/y
- Sales of mortgage loans: PLN 6.6 billion; +18% y/y
- Sales of cash loans: PLN 3.6 billion; +32% y/y
- Sales of personal accounts: 322 thousand; +25% y/y
- Number of remote channel users: 1.5 million; +17% y/y
  - of which users of the GOMobile app: 911 thousand; +36% y/y

**Financial highlights at year-end 2021:**

- Total assets: PLN 132 billion; +10.2% y/y
- Total loans (gross): PLN 89 billion; +13.1% y/y
- Client deposits: PLN 101 billion; +12.1% y/y
- Net banking income: PLN 4,809 million, +2.2% y/y
  - Interest income: PLN 3,141 million, +2.6% y/y



- **Fee and commission income: PLN 1,049 million, +14.5% y/y**
- **Result on trading activity: PLN 633 million, -15.4% y/y**
- **General administrative expenses, including depreciation: PLN 2,544 million, +1.5% y/y**
- **Cost of risk: 32 bp annually vs. 78 bp the year before, confirming the good quality of the loan portfolio**
- **Profitability: ROE of 1.5% (-4.8 pp y/y), C/I 52.9% (-0.4 pp y/y)**
- **Stable liquidity position – L/D ratio: 85.5% (+1.5 pp y/y)**
- **Safe capital position – Tier 1 ratio: 12.3%**

### **Growing scale of business despite market volatility**

In 2021, the BNP Paribas Bank Polska Group posted a net profit of PLN 176 million (PLN -274 million in Q4 alone), down 76% from the previous year. This was a consequence of the bank's establishment of provisions for claims related to Swiss franc loans (PLN 584 million in Q4 and PLN 1,045 million throughout the year). Currently, the provisions cover 28.5% of the Swiss franc loan portfolio.

In 2021, the Group's net banking income reached PLN 4,809 million (+2.2% y/y), of which PLN 1,292 million was generated in Q4 alone (+6.3% q/q). The Group's interest income reached PLN 3,141 million, up 2.6% from the previous year (PLN 864 million in Q4 alone; +10.1% q/q), largely due to the greater lending volumes and higher loan and deposit margins in Q4 2021. The Group's robust performance was also significantly boosted by the high fee and commission income, which amounted to PLN 1,049 million, or 14.5% more than the year before. In part, this was a consequence of the adjustment measures adopted in 2020 and favorable sales trends. In Q4 2021, fee and commission income totaled PLN 301 million (+20.2% q/q).

The Group recorded a double-digit improvement in the value of its loan portfolio of both retail clients (+14.8% y/y, +3% q/q) and corporates (+11.9% y/y, +3% q/q). Sales of mortgage loans reached its historic peak, having increased by 18.4% y/y. As at yearend 2021, outstanding corporate loans stood above the pre-pandemic levels.

Total deposits grew 12.1% y/y (2.1% q/q). Deposits on corporate accounts grew 21% y/y (1.4% q/q), while retail client deposits moved up 2.7% y/y (2.9% q/q).

### **Decline in the cost of risk, costs remaining under control**

The quality of the Group's loan portfolio remained very solid. The NPL ratio for both loan portfolios combined (measured at fair value and at amortized cost) stood at 3.8% at the end of Q4 2021. Net impairment loss decreased by 55.7% in 2021.

In 2021, the Group posted an increase in total costs by 1.5% y/y, mainly due to higher other administrative expenses. It resulted from increased legal costs related to CHF loans portfolio among others. The lower contributions to the Bank Guarantee Fund were among the factors reducing total costs. The Group's continued endeavors aimed at optimizing its employment structure resulted in a decrease in total payroll despite the strong wage pressures from the labor market.

The C/I ratio stood at 52.9%, having decreased by 0.4 pp compared to the year before.

The Group maintains a safe capital and liquidity position. As at the end of 2021, the Tier 1 ratio was 12.3% and the loan-to-deposit ratio stood at 85.5%.

### **Activity on the capital market and provision of support to boost the economy**

The volume of investment products grew 13.4% y/y. The decline in Q4 (-8.4% q/q) resulted from negative rates of return generated by debt funds, which was a consequence of diminishing bond prices. As at the end of December 2021, the value of BNP Paribas TFI's assets under management totaled PLN 4.6 billion (+16.1% y/y).

In 2021, the bank was among the most active advisers on the capital market in Poland in terms of mergers and



acquisitions. Among the clients it supported were Synthos and Cyfrowy Polsat.

### Leader in green finance

In 2021, BNP Paribas Bank Polska intensified its involvement in the pursuit of positive change, in line with the concepts put forward by the United Nations in the form of Sustainable Development Goals. The bank granted PLN 3.9 billion of sustainable financing (chiefly green financing, with a growth rate of +284% y/y), which positions it as the leader of sustainable finance in the sector.

In total, since 2021, the bank provided funding for more than 16 thousand photovoltaic systems (+61% y/y). In December, the bank signed an agreement with the EBRD, under which it obtained a loan of PLN 450 million to finance investments in energy-saving solutions and high-performance technologies in residential real properties across the country.

In line with its strategy rooted in the concept of sustainable development, in 2021 the bank also pursued more vigorously its involvement in the provision of funding for large renewable energy investment projects (having granted financing to such players as Eques Fotovoltaica 2 FIZ, Qair Polska, Aberdeen Standard Investments and others).

The bank's achievements in the area of responsible banking were recognized once more. In the 15th edition of the Ranking of Responsible Companies, BNP Paribas Bank Polska, for the third consecutive year, was placed first not only in the banking, financial and insurance category, but also in the general classification.

### Clients enthusiastically take advantage of the effects of digitization

The bank continues its endeavors aimed at the development of digital services, which translates into a steady increase in the share of digital clients in the total number of clients (+8 pp compared to the pre-pandemic 2019). The number of GOMobile users grew 36% y/y, the number of BLIK transactions in Q4 was 68% higher than in the corresponding period of the previous year, and the number of tokens in digital wallets grew 55%.

The Group continues to work on the optimization of its internal processes and efficiency improvements, tapping into artificial intelligence, open banking and, increasingly, the agile methodology.

At the end of December 2021, BNP Paribas Bank Polska was serving over 4.1 million clients in its 427 retail and business banking branches, of which 152 outlets offered cash handling solely in self-service machines. 77 outlets held a "Barrier-Free Facility" certificate.

### Consolidated financial highlights (PLN 000s)

Profit and loss account	Q1-Q4 2021	Q1-Q4 2020	change y/y	Q4 2021	Q4 2020	change y/y	Q3 2021
Interest income	3,140,942	3,060,070	2.6%	864,231	747,386	15.6%	784,983
Fee and commission income	1,048,986	916,095	14.5%	301,257	257,800	16.9%	250,599
Net banking income	4,809,257	4,704,694	2.2%	1,292,294	1,184,126	9.1%	1,215,627
General administrative expenses and depreciation	(2,543,529)	(2,505,563)	1.5%	(705,153)	(624,750)	12.9%	(598,679)
Net impairment loss	(266,185)	(601,499)	(55.7%)	(74,239)	(108,533)	(31.6%)	(60,932)
Result on operating activities	954,239	1,429,476	(32.2%)	(71,473)	349,163	-	354,064
Net profit	176,298	733,095	(76.0%)	(273,504)	167,466	-	153,859
per share in PLN	1.20	4.97	(76.0%)	-	1.14	-	1.04



<b>Balance sheet</b>	<b>31.12.2021</b>	<b>30.09.2021</b>	<b>31.12.2020</b>	<b>30.09.2020</b>
<b>Total assets</b>	131,777,481	127,616,365	119,577,288	121,574,248
<b>Total loans (gross)</b>	89,386,369	86,779,357	78,999,754	79,511,249
<b>Liabilities towards clients</b>	101,092,941	99,035,855	90,051,004	94,880,015
<b>Total equity</b>	11,361,631	12,188,077	12,030,527	11,820,287
<b>Capital adequacy</b>	<b>31.12.2021</b>	<b>30.09.2021</b>	<b>31.12.2020</b>	<b>30.09.2020</b>
<b>Total capital requirement</b>	16.91%	17.57%	18.65%	15.79%
<b>Tier 1 ratio</b>	12.33%	12.85%	13.55%	13.44%