



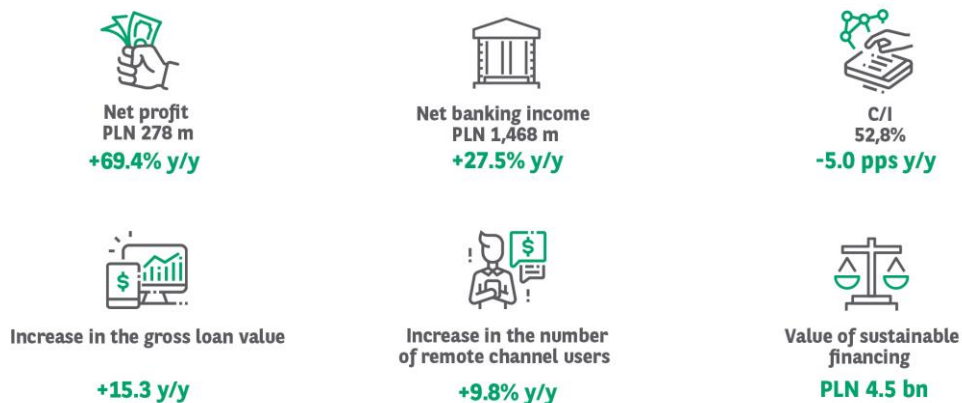
PRESS RELEASE

Warsaw, 10 May 2022

The BNP Paribas Bank Polska Group posted a net profit of PLN 278 million in Q1, the loan portfolio value grew by 15.3% y/y

In Q1 2022 the BNP Paribas Bank Polska Group developed dynamically in corporate and retail banking, posting double-digit growth in the loan portfolio y/y in both of these segments. Higher loan volumes supported by climbing interest rates translated into double-digit growth in net banking income (+27.5% y/y), which reached the level of PLN 1,468 million. The bank launched the phase of executing the recently announced GOeyond strategy by implementing solutions under its four pillars. In response to the outbreak of the armed conflict in Ukraine, the bank and its employees promptly got involved in providing assistance to this country's nationals.

"The beginning of the year brought ongoing business development and improvement in the Group's financial results. Q1 2022 was the fifth consecutive quarter seeing loan volume growth. The strong growth in loans to institutional clients was particularly visible in this period. Thanks to growing interest income and maintaining fee and commission income, we delivered double-digit income growth. I assess the Q1 financial results very positively; however, in subsequent months the geopolitical and macroeconomic situation and the challenges the sector is facing will require that we expend great effort and non-standard actions", says Przemek Gdański, President of the BNP Paribas Bank Polska Management Board. "Despite the complexity of the situation, we react with empathy and commitment to the needs of refugees from Ukraine while providing support and shelter to employees of UKRSIBBANK and their families as well as conveniences in opening accounts and processing transactions, designed with Ukrainians fleeing the war in mind," he adds.



Business highlights in Q1 2022:

- Retail client gross loan portfolio: PLN 39.5 billion (+13.9% y/y)
- Institutional client gross loan portfolio: PLN 53.0 billion (+16.3% y/y)
- Sales of mortgage loans: PLN 1.7 billion (+21% y/y)
- Sales of cash loans: PLN 0.9 billion (+15% y/y)
- Sales of personal accounts: 97.3 thousand (+27% r/r)
- Number of remote channel users: 1.5 million (+9.8% y/y)
 - of which GOMobile users: 933 thousand (+28% y/y)

Financial highlights at the end of Q1 2022:

- Total assets: PLN 138 billion (+13.0% y/y)



- Total loans (gross): PLN 92 billion (+15.3% y/y)
- Client deposits: PLN 107 billion (+13.2% y/y)
- Net banking income: PLN 1,468 million (+27.5% y/y)
 - Interest income: PLN 1,003 million (+36.8% y/y)
 - Fee and commission income: PLN 301 million (+21.6% y/y)
 - Result on trading activity: PLN 151 million (-4.6% y/y)
- General administrative expenses, including depreciation: PLN 775 million (+16.5% y/y)
- Cost of credit risk: 36 bp annually vs. 31 bp the year before
- Profitability: ROE of 10.0% (+4.5 pp y/y), C/I 52.8% (-5.0 pp y/y)
- Stable liquidity position – L/D ratio: 83.5% (+2.2 pp y/y)
- Safe capital position – Tier 1 ratio: 11.4%

Solid growth in key business areas

In Q1 2022, the BNP Paribas Bank Polska Group generated a net profit of PLN 278 million (+69.4% y/y). Net banking income was PLN 1,468 million (+27.5% y/y). This is the effect of a solid growth in interest income (PLN 1,003 million, +36.8% y/y) driven by the increase in business volumes and interest rate hikes, as well as a growth in fee and commission income (PLN 301 million, +21.6% y/y) achieved thanks to *inter alia* clients' continuing business activity and positive sales trends. The result on trading activity totaled PLN 151 million (-4.6% y/y).

The first quarter was another period in which the Group continued loan portfolio growth (+15.3% y/y) and grew its share in the loan market (to 6.1% at the end of Q1). Growth was posted both in the institutional client loan volume (+16.3% y/y) and the retail client loan volume (+13.9% y/y). Among retail clients, a double-digit growth rate was present in the sales of mortgage loans (+21% y/y) and cash loans (+15% y/y).

Total deposit value was on the rise (+13.2% y/y). Deposits on the accounts of institutional clients continued to grow substantially (+23.2% y/y). The amount deposited in the bank by retail clients also went up (+1.6% y/y).

Costs under control and good loan portfolio quality, smaller impact exerted by the CHF loan portfolio provision

The Group's operating expenses remain under control. In Q1 they totaled PLN 775 million (+16.5% y/y). This is the effect of the contributions to the Bank Guarantee Fund (BFG) paid in Q1, which were PLN 48 million higher than last year (+46% y/y), the increase in employee costs, related among other things to high inflation, and in incremental administrative costs related to legal services for the Swiss franc loan portfolio. The C/I ratio was 52.8% in Q1 2022 (-5 pp y/y).

The quality of the loan portfolio is very good. The NPL ratio for both loan portfolios in total (measured at fair value and at amortized cost) stood at 3.4% at the end of Q1 2022, and the cost of risk was 36 basis points.

The bank does not have a material direct exposure to institutional clients from Ukraine, Russia and Belarus. The indirect risk is the conflict's impact on the global economy and the functioning of companies that operated in these countries. Based on the conducted loan portfolio analyses the bank does not presently identify heightened risk due to the war being waged in Ukraine.

Swiss franc mortgage loans stated as a percentage of the bank's overall loan portfolio fell from 5.8% in Q1 of last year to 4.8% at present. The costs of provisions for this portfolio's legal risk were charged to the bank's result in Q1 in the amount of PLN 83 million. The balance of provisions for these loans as at 31 March 2022 was PLN 1,365 million, accounting for 30.6% of the portfolio coverage.

The Group maintains the capital and liquidity position above the minimum levels required by the regulator. As at the end of Q1, the Tier 1 ratio was 11.4% and the loan-to-deposit ratio stood at 83.5%.



Financing economic growth

The bank continues to expand its commitment to the development of the Polish economy and, in keeping with its strategy, it is growing the share of sustainable financing in its loan portfolio.

In Q1, the bank participated in syndicated financing transactions for the Maspex Group, the Famur Group and Panattoni. BNP Paribas Bank Polska also took part in extending a five-year syndicated sustainability linked loan (SLL) to Wirtualna Polska Holding.

Execution of the GOeyond strategy

In March BNP Paribas Bank Polska presented the new GOeyond strategy for 2022-2025. It calls for the organic growth of the bank while observing responsible risk management based on four strategic pillars: UP, POSITIVE, STRONGER and TOGETHER. The goals presented in the strategy have entered the execution phase.

UP means consistent organic growth in all market segments achieved, among other ways through innovative products and services. As many as 44% of the mortgage loans extended in Q1 and 65% of the loans extended in March were loans with periodically fixed rate, including for a period of 10 years. The POSITIVE pillar aims to strengthen the bank's position as the leader of sustainable finance. The numbers corroborate engagement in this area – at the end of Q1 2022 the total amount of sustainable financing extended by the bank totaled PLN 4.5 billion. STRONGER means strengthening business and competitive position thanks to technological changes. TOGETHER is the pillar that focuses on employees and the method of work. The bank wants to build its competitive advantage thanks to greater engagement of employees and tapping into their potential in full. The increase in the number of people employed in the bank working under the Agile@Scale model, which surpassed 1,300 last quarter is helping in this process.

Solidarity with Ukraine

From the very outset of the war in Ukraine the BNP Paribas Bank Polska Group has supported the clients and employees of the BNP Paribas Group in Ukraine and their families. The bank has made the account opening process substantially easier for Ukrainian nationals, which translated into the sales of 45.2 thousand personal accounts to Ukrainians in Q1 of the year (they accounted for nearly half of all of the newly-opened accounts in Q1). It also made free cash withdrawals available to them in all ATMs in Poland and free deposits and withdrawals in bank branches. The Bank facilitates the process of supporting needy persons by refunding the fees to all clients for wire transfers to Ukrainian accounts, by making available the rapid wire transfer functionality (from an account in BNP Paribas Bank Polska or via BLIK) to the solidarity fund to aid Ukraine that was set up jointly with the BNP PARIBAS Foundation and by providing an opportunity to transfer money easily from the 'I have a Bonus' loyalty program.

The bank also offers support and aid to the employees of UKRSIBBANK and their family members, as well as to the families of Ukrainians employed by BNP Paribas Bank Polska. It has also provided, among other things, accommodation in eleven locations. 344 bank employees got involved in giving direct volunteer aid to Ukrainians.

Continued digitalization of services

The number of bank clients using its services via remoted channels is constantly growing (1,533 thousand, +9.8% y/y). A year-on-year growth was seen in the number of GOMobile users grew (+28% y/y), the number of BLIK transactions (+50% y/y) and the number of cards in digital wallets (+68% y/y).

At the end of March 2022, BNP Paribas Bank Polska served nearly 4.2 million clients. It had 420 retail and business banking branches, of which 148 outlets provided cash services using solely self-service devices and 80 branches held the "Barrier-Free Facility" certificate.



Consolidated financial highlights (PLN 000s)

Profit and loss account	Q1 2022	Q1 2021	change y/y	Q4 2021
Interest income	1,002,944	733,130	36.8%	864,231
Fee and commission income	300,684	247,286	21.6%	301,257
Net banking income	1,467,799	1,151,328	27.5%	1,292,294
General administrative expenses and depreciation	(774,842)	(665,173)	16.5%	(705,153)
Net impairment loss	(79,128)	(60,068)	(31.7%)	(74,239)
Result on operating activities	530,795	354,229	49.8%	(71,473)
Net profit	277,741	163,986	69.4%	(273,504)
per share in PLN	1.88	1.11	69.4%	1.85

Balance sheet	31.03.2022	31.12.2021	31.03.2021
Total assets	138,009,142	131,777,481	122,095,011
Total loans (gross)	92,488,080	89,386,369	80,225,385
Liabilities towards clients	107,533,667	101,092,941	94,687,974
Total equity	11,246,066	11,361,631	12,104,532
Capital adequacy	31.03.2022	31.12.2021	31.03.2021
Total capital requirement	15.74%	16.91%	18.81%
Tier 1 ratio	11.37%	12.33%	13.79%