

Warsaw

27 June 2022



**ORGANIZATIONAL
CULTURE**

COURAGE

COOPERATION

SIMPLICITY

EMPOWERMENT

TRANSPARENCY

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Presentation of financial performance of BNP Paribas Bank Polska S.A. Group for 2021



BNP PARIBAS

The bank for a changing world

01

FINANCIAL AND BUSINESS RESULTS



BNP PARIBAS

2021 - ORGANIC GROWTH IN A DYNAMICALLY CHANGING REALITY

CONSISTENT GROWTH AND TRANSFORMATION DESPITE UNCERTAINTY. GOOD FINANCIAL RESULTS BURDENED WITH ADDITIONAL CHF PROVISIONS

strategy & transformation

Digitisation and development of omnichannel - further increase in the share of digital customers in the total number of customers (+8 pp vs 2019)

Shared technological assets as strategic enablers for the future transformation (open banking, CRM, AI)

Leader of sustainable finance and actions for positive change – almost a 4-fold increase in the sustainable financing, Leader of the Responsible Companies Ranking for the 3rd year in a row

number of digital customers (retail)

+4% q/q +19% y/y

business activity

Retail banking – record-high sales of personal accounts and mortgage loans. New sale levels significantly above 2019

Corporate banking – clear upward trend in 2021, loan volume above pre-pandemic levels

Increase in volume of customer deposits and investment products vs. 2020

Visible increase in **customers' transaction activity** in both segments (card transactions and payment volumes)

gross loans

+3% q/q +13% y/y

financial results

Improving the core business profitability. Interest income rebound in Q4 supported by interest rates hikes. Quarterly commission income ~25% above pre-pandemic level. Operating costs under control

Low cost of risk despite an increase in lending. Resilience and good quality of the loan portfolio

Over PLN 1 bn of provisions created for legal proceedings related to **CHF mortgage loans**. Coverage ratio at 1/3 of total portfolio value

revenues

+6% q/q +9% y/y (Q4/Q4)



FAST FORWARD STRATEGY IN 2021

THE LAST YEAR OF THE STRATEGY HORIZON 2018-2021 - EFFECTIVE IMPLEMENTATION OF STRATEGIC ACTIVITIES IN ALL PILLARS

growth

Record-high customer acquisition and double-digit increases in loan volumes in retail and corporate banking



Sale of **current accounts** in 2021: 322k (+25% y/y)



Growing sales of retail loans in 2021:

- mortgage PLN 6.6 bn (+18% y/y)
- cash loan PLN 3.6 bn (+32% y/y)



Financing the development of **corporate clients**: Ciech, Press Glass, Polpharma, Cargounit, CLIP logistyka, Arctic Paper, Resi4Rent, Scanmed



PLN 3.9 billion of sustainable (mainly green) financing in 2021



Cooperation with financial institutions to **support Clients in green transformation**

simplicity

Continuation of paperless approach. Development of new services for the convenience of customers and employees



Autenti: 613k documents signed digitally in 2021 (+110% y/y)



mojeID service. Electronic Identity for remote contact with public administration & commercial vendors



Own carbon footprint tracking for individual customers, farmers & food processors



Chatbot Eva: development of self-learning programme supporting bank's internal processes

digitalization

Significant increases in the number of users, sales and transactions in remote channels



Development of **systems and tools** for customers from all segments (i.a. implementation of GOonline Biznes in place of Biznes Pl@net)

Increase in the number of mobile users and transactions in remote channels

Over one third of cash loans in Q4 2021 sold completely remotely



Open banking: confirmation of income during instalment loan application

quality

The best bank in 2021 in Poland in independent rankings. Improving the quality of service

"Bank of the Year in Poland" award from The Banker magazine

Triple victory in the **Institution of the Year competition**: "Best bank in Poland", "Best service in remote channels", "Best bank for companies"

Best Private Bank in Poland title for BNP Paribas Wealth Management according to Global Private Banking Innovation Awards 2021

Decrease in the number of complaints by 14% y/y and shortening of the handling time by 60% y/y

enthusiasm

Further development of pro-social activities. Strengthening diversity in the Bank and its surroundings



15 years of BNP Paribas Foundation. 100 thousand hours of bank employees volunteering engagement



Largest organised employee volunteer action within the framework of the Noble Gift (Szlachetna Paczka) among companies



BNP Paribas Poland Open: Title partner of the only WTA tennis tournament in Poland



Supporting diversity (initiative "Where are our patronesses?", Signing the #JamaisSansElles card (Never Without Her))

#GOdigital
digital statistics
for Q4 2021

✓ 1.5m

Customers using digital channels

✓ 911k

GOmobile users (+36% y/y)

✓ 5.2m

BLIK transactions (+68% y/y)

✓ 392k

Number of tokens in digital wallets (+55% y/y)

CSR and Sustainability Strategy
4 pillars of responsibility



economic



social



at the workplace



environmental



BNP PARIBAS

FINANCIAL AND BUSINESS RESULTS

#SUSTAINABLE FINANCE #POSITIVE BANKING

STRATEGIC MANAGEMENT OF ESG (ENVIRONMENTAL, SOCIAL, GOVERNANCE) ISSUES, CONTRIBUTION TO ACHIEVEMENT OF SDGs

E – care for climate is our strategic goal in development

We support our customers in green transformation and implement green changes in our offer and business

PLN 3.9 billion of sustainable (mainly green) financing granted by the Bank in 2021:

- first sustainability linked loan for Raben Group (EUR 225 million)
- >16k photovoltaic installations for prosumers
- Green mortgage, loan for green changes, My electric car
- Launch of financing under the “Clean Air” programme

Cooperation with financial institutions to support Clients in green transformation:

- cooperation of EIB and BNP Paribas Leasing Services – EUR 200 million for financing of SMEs in Poland
- EBRD agreement for energy transformation of residential buildings (PLN 450 million)

S – responsible employer, supportive partner and friendly neighbor

We enhance employees' well-being and social commitment, as well as our positive impact on the environment

Accessible services: 77 branches with an “Accessible facility” certificate, induction loops in 50 branches, over 600 connections with a sign language interpreter

Employee initiatives: Women Changing BNP Paribas including WomenUp, Dad, you have got it in the Bank, Pride Poland

Another year of **Noble Gift scheme (Szlachetna Paczka)** support: 2.6 k volunteers and PLN 1 million of financial donation

15 years of the **BNP Paribas Foundation** activity for equal opportunities and strengthening education

- Strategic partnership with Fundacją Ocalenie
- “Quality Employee Volunteering” certificate

G – sustainable development is key commitment

We build awareness among internal and external stakeholders and create a good market practices in the area of ESG

Launching the **Sustainable Development Area** in January 2022 to strengthen the **strategic position of the Bank in building the sustainable economy**

Gender diversity policy: >40% of women at SB and >20% at MB

Sustainability Council and almost **100 Sustainability Officers**, acting for ESG

New values defined under the Organisational Culture Continuation and enhancement of **partnerships for sustainable development**, e.g. **Chapter Zero Poland** – facilitator of the climate competence development programme for the management and supervisory bodies of companies

Leader among Responsible Companies

Ranking list of Responsible Companies: **1st place** for the third consecutive year in the overall ranking



BNP PARIBAS

FINANCIAL AND BUSINESS RESULTS

KEY FINANCIAL DATA 12M 2021

SIGNIFICANT GROWTH IN SCALE OF OPERATIONS - DOUBLE-DIGIT VOLUME GROWTH. PROFIT BURDENED WITH PROVISION FOR CHF PORTFOLIO

Financial results

Net profit	PLN 176 million	-76% y/y (PLN -557 million)
Net profit w/o provision for CHF portfolio	PLN 1,222 million	+36% y/y (PLN +320 million)
Net banking income	PLN 4,809 million	+2.2% y/y (PLN +105 million), of which: net interest income: PLN 3,141 million, +2.6% y/y net fee & commission income: PLN 1,049 million, +14.5% y/y net trading income: PLN 633 million, -15.4% y/y
Expenses	PLN 2,544 million	+1.5% y/y (PLN -38 million)
C/I Ratio	52.9%	-0.4 pp y/y
Costs of provisions for CHF portfolio	PLN 1,045 million	+522% y/y (PLN -877 million) significant growth of CHF portfolio-related provision in Q4 2021
Net impairment write-offs	PLN 266 million	-56% y/y (PLN +335 million)

Volumes

Assets	PLN 132 billion, +10.2% y/y
Loans (gross)	PLN 89 billion, +13.1% y/y
Customer deposits	PLN 101 billion, +12.1% y/y
Equity	PLN 11 billion, -5.6% y/y

Indicators

Capital Adequacy Ratio	16.91%
Tier 1	12.33%
MREL (% TRE)	17.91%
Net loans/deposits	85.5%
ROE	1.5%
LCR	146%
NSFR	131%

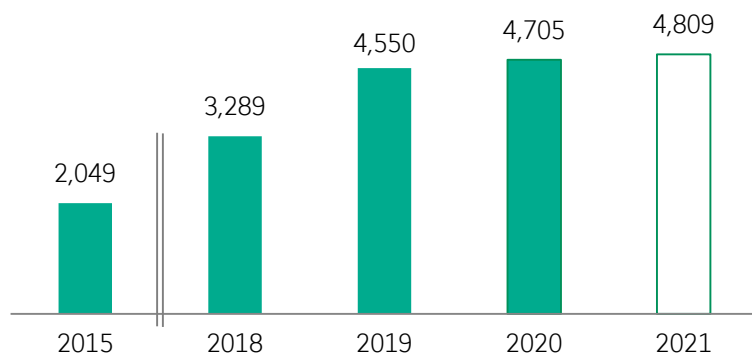


FURTHER IMPROVEMENT OF THE CORE BUSINESS PROFITABILITY

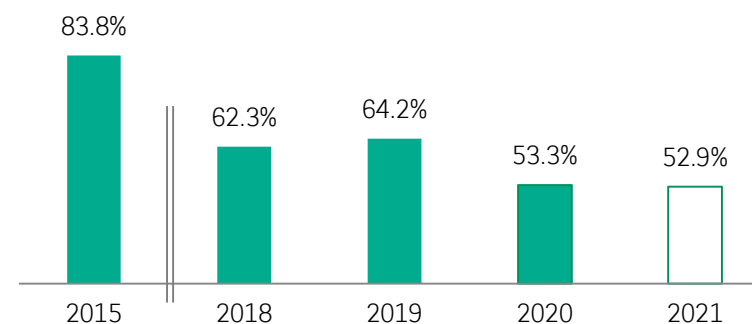
NO IMPACT OF COVID-19 ON THE COST OF RISK IN 2021. NEGATIVE IMPACT OF PROVISIONS ON THE CHF PORTFOLIO

PLN m, unless otherwise stated

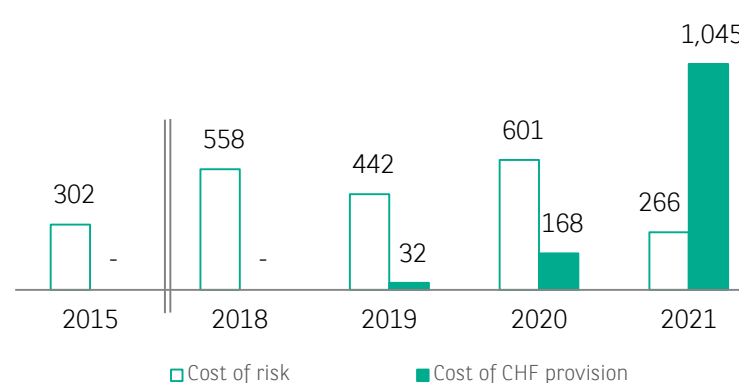
Net banking income



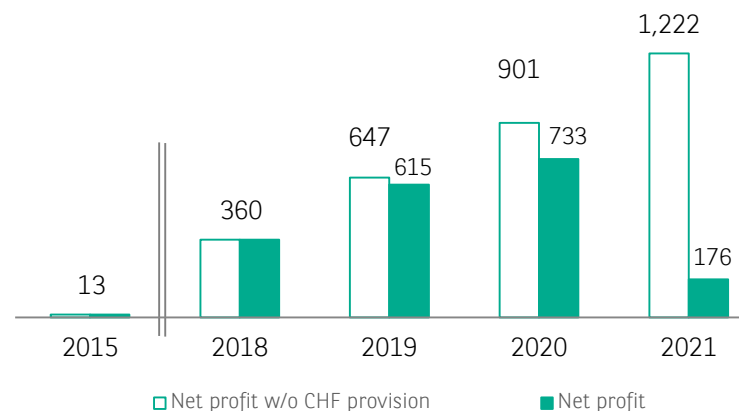
Cost / Income (%)



Cost of risk and cost of CHF provisions



Net profit



Historically the highest net banking income possible thanks to:

- increase in the NF&C income by PLN 133 million, + 14.5% y/y,
- growth in NII by PLN 81 million, + 2.6% y/y.

Good quality of the loan portfolio and lower cost of risk related to COVID-19 compared to the previous year, resulting in an improvement in the result on provisions by PLN 335 million, -55.7% y/y.

Effective management of operating costs (increase by PLN 38 million, +1.5% y/y). Positive effect of synergies, adaptation measures taken and lower BFG costs.

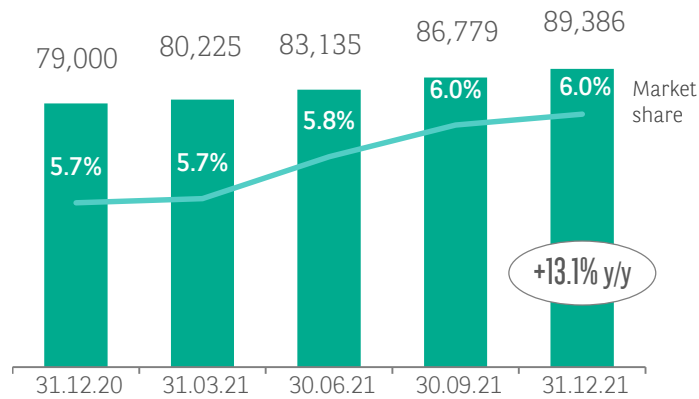
Lower net profit y/y as a result of the PLN 1,045 million provision created for court proceedings related to CHF loans (by PLN 877 million more compared to 2020).



CONTINUATION OF THE UPWARD TREND IN THE LOAN PORTFOLIO AND CUSTOMER DEPOSITS

DOUBLE-DIGIT ANNUAL LOAN GROWTH IN BOTH SEGMENTS. FURTHER GROWTH IN THE NUMBER OF CUSTOMERS

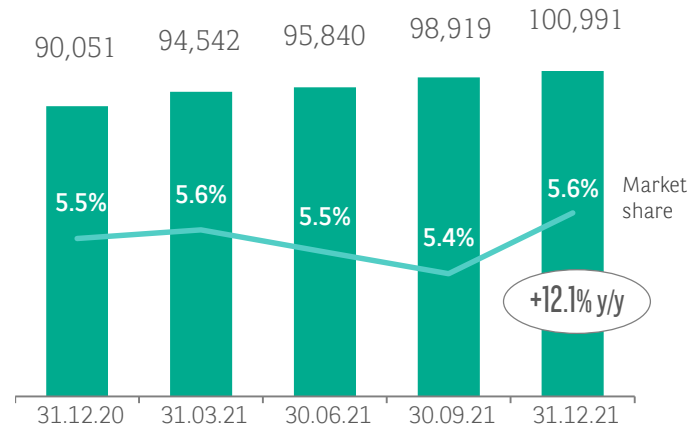
Gross loans (in PLN million)



+14.8% y/y growth in individual customer loans (+3.0% q/q), mainly driven by mortgage loans (+18.4% y/y, +4.4% q/q)

+11.9% y/y increase in corporate loans (+3.0% q/q), the highest dynamics in leasing +21.3% y/y (+6.8% q/q)

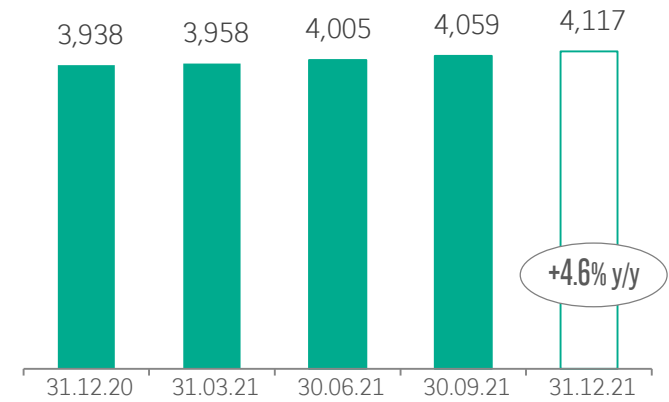
Customer deposits (in PLN million)



+2.7% y/y increase in individual customer deposits (+2.9% q/q)

+21.0% y/y increase in corporate deposits (+1.4% q/q)

Number of Customers (in thousand)



+4.7% y/y increase in the number of individual customers (+1.4% q/q)

+2.9% y/y increase in the number of micro, SME and corporate customers (+1.6% q/q)

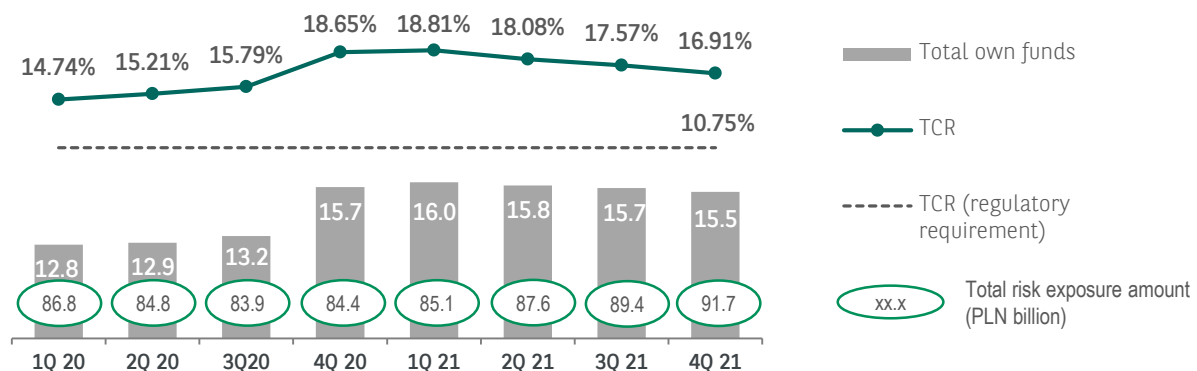


CAPITAL ADEQUACY

SAFE CAPITAL POSITION

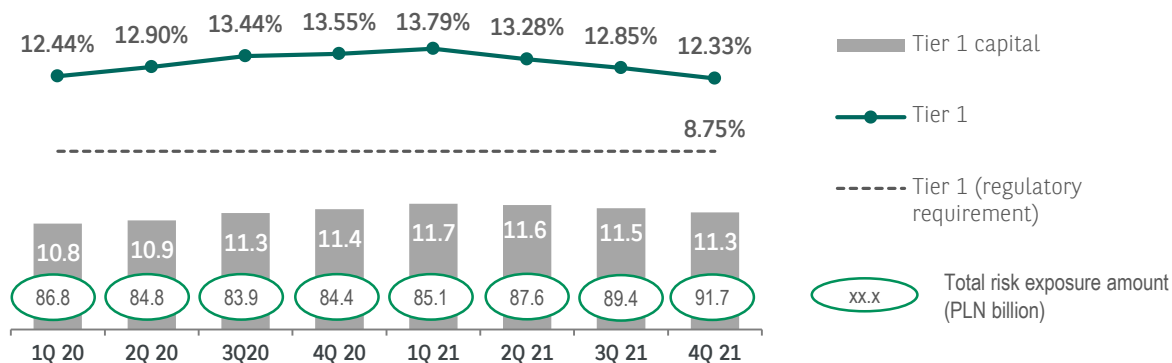
TCR

-174 bp
y/y



Tier 1

-122 bp
y/y



TCR and Tier 1 above the regulatory minimum as at the end of 2021: +6.2 pp and +3.6 pp respectively

A decrease in the value of capital adequacy ratios in Q4 2021 resulting from:

- an increase in the total risk exposure amount following growth of the loan portfolio
- lower own funds caused by lower valuation of securities (Tier 1).

Specific regulatory capital requirements for the Bank:

- no capital requirement for FX loans,
- OSII buffer at 0.25%,
- P2G capital add-on at the level of 0.61 pp from February 11, 2022.

The Bank meets the BFG's MREL objectives as at the end of 2021 (TREA objective: 11.95%, ratio for the Bank: 17.91%, TEM objective: 3.00% and 11.19% respectively).

The Bank's Management Board proposes to allocate the whole Bank's net profit for the year 2021 (PLN 184.5m) to the Bank's reserve capital



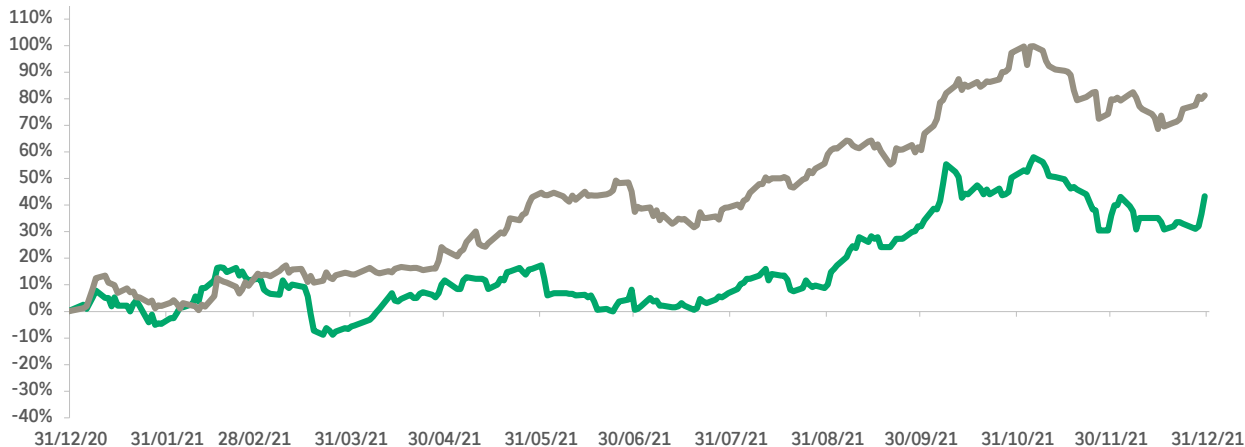
SHARES OF BNP PARIBAS BANK POLSKA SA

INCREASE OF BANK'S SHARE PRICE IN 2021. INCREASED LIQUIDITY AS A RESULT OF A SUCCESSFUL ABB TRANSACTION

Change in share price

(31.12.2020= 100%)

ISIN code: PLBGZ0000010 Ticker GPW: BNP Index: sWIG80, sWIG80TR



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PLN 91.2

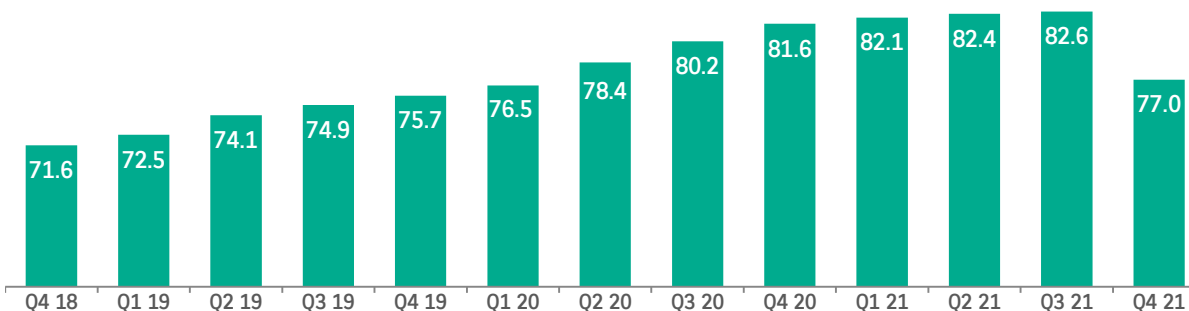
+43,4% y/y

WIG banki

+81.3% y/y

Book value per share

(PLN thousand, at the end of the quarter)



31.12.2021

free-float: PLN 1.69 billion

P/BV: 1.18

capitalisation: PLN 13.45 billion

Fitch rating

Long-Term Issuer Default Rating (LT IDR) - A+

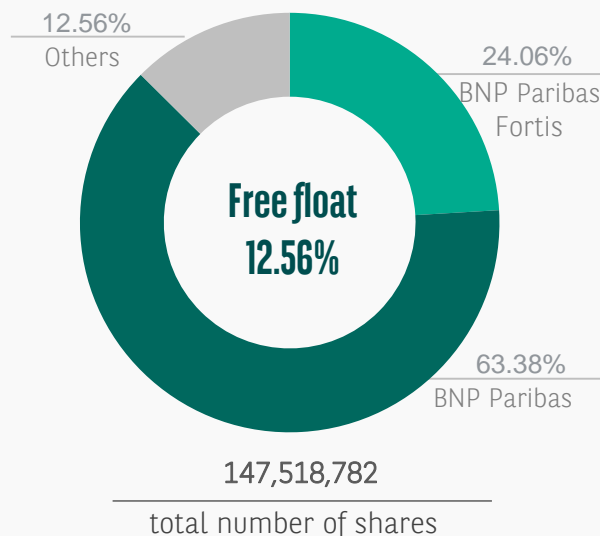
Short-Term Issuer Default Rating (ST IDR) - F1

Viability Rating (VR) - bbb-

Shareholder Support Rating (SSR) - a+

The shareholder structure

(31.12.2021)



At the beginning of June 2021, in the course of accelerated bookbuilding (ABB), BNP Paribas SA sold 1.26% of the Bank's shares, whereas Rabobank International Holding B.V. sold 3.81% of those shares. Those transactions increased free float and the liquidity of Bank's shares.

02

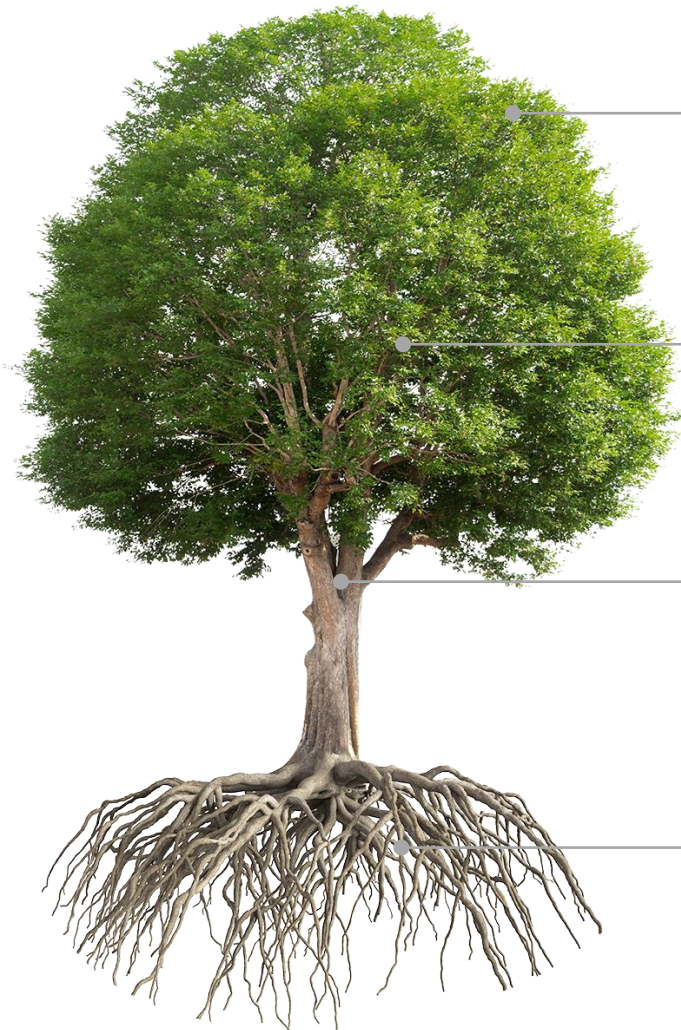
GOBEYOND STRATEGY AND OUTLOOK FOR 2022



BNP PARIBAS

OUR GOBEYOND STRATEGY FOR 2022-2025

GOBEYOND TO DELIVER MORE



#POSITIVE

Responsible & trusted financial partner, supporting positive and sustainable development of Clients, businesses and the society. Guiding Clients in the world of digital and sustainable transformation

#UP

Offering high quality banking & beyond banking products & services, as a key to larger Client base in omnichannel world. Delivering excellent experience through personalized Customer journeys

#STRONGER

Global BNP Paribas Group strength & dynamic technological development, coupled with E2E process optimization as a backbone for organic growth and high Client satisfaction

#TOGETHER

People first: engaged & satisfied employees drive delighted Customers. Agile@Scale and new corporate culture allowing for diverse, inclusive work environment characterized by trust, courage & creativity



Challenge the status quo
Question bank and market
realities to deliver more

beyond

Deliver a selection of convenient & tailored products & solutions that will exceed Customer expectations and market standards, while being at a forefront of sustainable transformation

beyond

Dynamic implementation of changes on a scale that goes beyond incremental development, creating a solid foundation for effective and efficient operations. Allow our employees to act to their potential, by setting up constructive and empowering work environment

KEY GOALS OF THE STRATEGY

BUSINESS PERFORMANCE ON THE RIGHT TRACK. OUTLOOK FOR 2022 SUBJECT TO GEOPOLITICAL, MACRO AND SECTOR RISKS



#POSITIVE

#UP

#STRONGER

#TOGETHER

TARGETS FOR 2025

Active Clients
in Retail & PF [incl. Micro]

4.5 million
[+0.5 m vs. 2021]

Increase number of active
Clients in Corporate & SME

>18%
[vs. 2021]

Key individual Client
processes available
in digital

90%

Increase in number of active
multinational Clients

>22%
[vs. 2021]

Uncertainty of the operating environment
has become the new normal

Financial targets included in GObeyond Strategy
reflect the bank's ambitions set in the conditions
and environment before the outbreak of armed
conflict in Ukraine

NPS market
position

Top 3

eNPS
Employee Net Promoter Score

20

Total investments
in technology

PLN 1.5 billion
[until 2025]

Dividend
payout ratio

50%
[aspiration for 2025]

ROE
~12%

C/I
max. **48%**

Share of sustainable
assets¹
10%

1. Sustainable loans and advances / total loans and advances to Customers (outstanding portfolio, measured at amortised cost)

OUTLOOK FOR 2022

GROWING UNCERTAINTY AND UNPREDICTABILITY. OUTLOOK FOR 2022 SUBJECT TO GEOPOLITICAL, MACRO AND SECTOR RISKS

MACROECONOMIC ENVIRONMENT

Geopolitical situation - the impact of the conflict in Ukraine on the Polish economy (slowdown in GDP growth)

Risk of further international destabilization, triggering negative impact on global markets and supply chains

Double-digit inflation – monetary policy (continued growth of interest rates), risk of stagflation

THREATS AND CHALLENGES FOR THE BANKING SECTOR

Mortgage loans – estimated significant impact of the support package for borrowers, in particular „credit holidays“, on profitability and capital of the banking sector

Uncertainty about foreign currency mortgage loans issue evolution

Reform on reference rates and planned liquidation of WIBOR from the beginning of 2023

SUPPORT FOR THE ECONOMY AND CUSTOMERS, FURTHER DEVELOPMENT OF GREEN TRANSFORMATION AND INVESTMENTS IN TECHNOLOGY WILL BE A CHALLENGE FOR BANKS WEAKENED BY THE COSTS RESULTING FROM THE NEW REGULATIONS

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