

Justification of the Management Board of BNP Paribas Bank Polska S.A. regarding the proposed distribution of net profit for the financial year 2022

In accordance with the recommendations of the Polish Financial Supervision Authority on allocation of the profit after tax to increase the own funds, the Management Board of BNP Paribas Bank Polska S.A. recommends the allocation of the entire Bank's net profit for the financial year 2022 in the amount of PLN 370,891,956.89 (in words: (three hundred seventy million eight hundred ninety one thousand nine hundred fifty six zloty and eighty nine groszy) to reserve capital.

At the same time, the Management Board of the Bank, taking into account the improvement of the Common Equity Tier 1 (CET I) ratio decided to apply to the Polish Financial Supervision Authority for permission to include the amount of the entire Bank's net profit for the financial year 2022 in the Common Equity Tier 1 capital.

On 30 March 2023 Bank received a decision of the Polish Financial Supervision Authority on the consent for recognition of a verified stand-alone net profit for period from 1 January 2022 to 31 December 2022 in the amount of PLN 370,891,956.89 (in words: three hundred and seventy million eight hundred and ninety one thousand nine hundred and fifty six zlotys, eighty nine groszy) as a part of the Bank's Common Equity Tier 1 capital as well as a decision on the consent for recognition of verified consolidated net profit for period from 1 January 2022 to 31 December 2022 in the amount of PLN 436,253,963 (in words: four hundred and thirty six million two hundred and fifty three thousand nine hundred and sixty three zlotys) as a part of the Bank's Common Equity Tier 1 capital on a consolidated level.

The impact of the recognition of the net profit for 2022 in the Bank's Common Equity Tier 1 capital based on the data as of December 31, 2022 is an improvement of:

- the stand-alone Common Equity Tier 1 (CET I) ratio and the Tier 1 capital ratio by 0.40 p.p.,
- the stand-alone total capital ratio by 0.41 p.p.,
- the consolidated Common Equity Tier 1 (CET 1) and Tier 1 capital ratio by 0.45 p.p.,
- the consolidated total capital ratio by 0.46 p.p.

The Supervisory Board of the Bank issued a favourable opinion on the Management Board's motion regarding profit distribution (SB Resolution No 2/2023 dated 28 February 2023).