

Warsaw

30 June 2023



ANNUAL GENERAL MEETING OF SHAREHOLDERS

Presentation of financial performance of BNP Paribas Bank Polska S.A. Group for 2022



BNP PARIBAS

The bank for a changing world

GO beyond Strategy 2022-25

Strategy execution on track despite challenging environment. Sustainable growth

#UP - acceleration of digital competences supporting development in key segments

- GOdealer – new mobile application for currency exchange
- **Fixed-rate loans:** 10-year fixed rate mortgage. Cash loan for micro-businesses and revolving credit for farmers
- “Safe M” - comprehensive real estate insurance – all risk coverage even in basic option
- Immediate (in 4 days since the war outbreak) **offer adjustment to fit the needs of Ukrainian citizens**
- First place in the **Traditional Banking** category in the Newsweek Friendly Bank ranking and second place in the Forbes **Company-Friendly Bank** ranking

#POSITIVE - growing scale of sustainable financing

- Three significant Sustainability-Linked Loan transactions, i.e. financing of general objectives linked to the improvement of sustainability (ESG) indicators: Wirtualna Polska, Velvet Care, Fabryka Farb i Lakierów Śnieżka
- **New sustainable products and services:** ESG Rating-Linked Loan - a new type of financing linked to the improvement of the ESG rating score and the establishment of a partnership with the EcoVadis rating agency, new agreements to support energy efficiency projects in cooperation with EIB
- **Best ESG rating among Polish banks:** ESG Risk Rating assigned by Sustainalytics at 10.9, indicating a low risk of significant negative impact of factors related to ESG management

7 place [9 in 2021]

GOAL 2025: TOP 3

NPS – Retail Banking & Personal Finance

+17% [vs 2021]

GOAL 2025: +30%

increase in the number of active food processors

66% [55% in 2021]

GOAL 2025: 90%

% of key processes available in remote channels*

+9% [vs 2021]

GOAL 2025: >22%

increase in the number of active multinational Clients

* for individual Clients

7.1% [4.5% in 2021]

GOAL 2025: 10%

share of sustainable assets

3.85h [3.1h in 2021]

GOAL 2025: 4h

employee social engagement

GO beyond Strategy 2022-25

Strategy execution on track despite challenging environment. Delivery of innovative solutions in Agile@Scale model

#STRONGER - innovative implementations, especially in the area of cybersecurity

- Convenient **transactional solutions**: BLIK – further development of its functionalities (repayment of instalments and credit cards, mobile phone transfers), **aggregator of accounts** in other banks (open banking)
- **Facilities for microbusiness**: modern accounting system **GOKsięgowość**, smartphone integrated payment terminal (SoftPOS), fully remote account opening utilizing biometry and digital signature
- **Complaint process optimization**. Number of complaints lower by 6% y/y and improved customer satisfaction with the process
- **Investments in cybersecurity**: Digital Fraud Innovation Lab - cooperation with external partners to tackle cyber risks, protecting Customers from scams and cyber threats: two-factor identity authentication of both Bank employees and Customers during phone calls, behavioural analysis in GOonline

#TOGETHER - level of employee satisfaction close to the original target for 2025

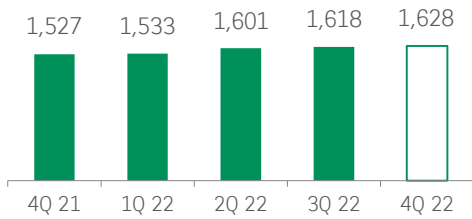
- One year of operations in the new agile structure - **Agile@Scale**
- **Strengthening employee engagement**: initiatives supporting refugees, launching an online platform for employee volunteering management; the Bank is a strategic partner of the Noble Gift for the 5th time
- **Building the competences of the future**: "UniversITy" training courses covering new technologies and cybersecurity areas (over 1,600 participants)
- ~28,000 participants of events organized in 2022 by the **women's network "Women changing BNP Paribas"**, leading, among others, proprietary development program Women Up, Mentoring Program Wo-mentoring Future Up, Program Success is Me („Program Sukces to Ja”) - a series of seminars building awareness and financial independence
- **Poland's Top Employer 2022** title for the 9th time



#G0digital - statistics

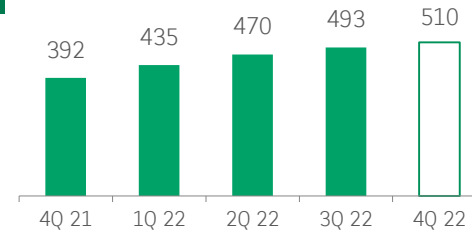
Ongoing implementation of the digital agenda in the Agile@Scale model. Increased usage of remote channels by Clients

> Customers using digital channels [thous.]



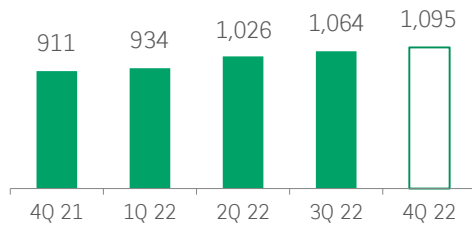
+1% q/q
+7% y/y

> Number of tokens in digital wallets [thous.]



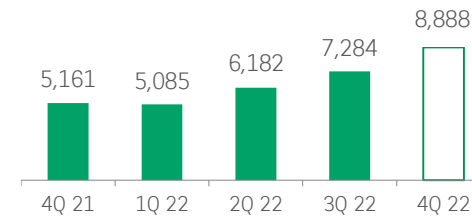
+3% q/q
+30% y/y

> G0mobile users [thous.]



+3% q/q
+20% y/y

> BLIK transactions quarterly [thous.]



+22% q/q
+72% y/y

#G0digital



G0mobile
deposit



G0dealer
application



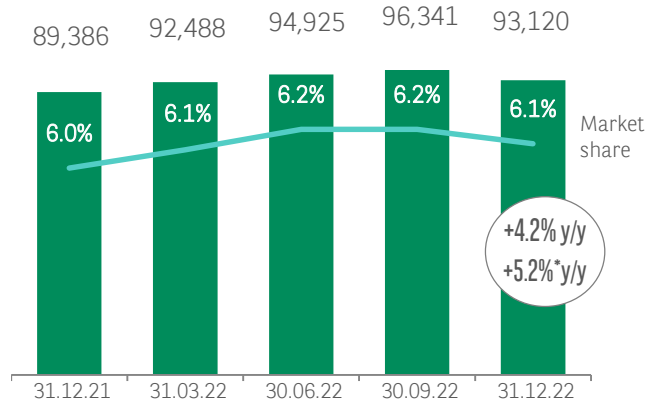
Open
banking



Substantial increase in deposit volumes, slowdown in lending after a few quarters of growth

Impact of the macroeconomic environment on the loan volumes dynamics in Q4 - decrease in demand and strengthening of PLN q/q

> Gross loans [PLN million]



-1.9% q/q
-2.1%* q/q

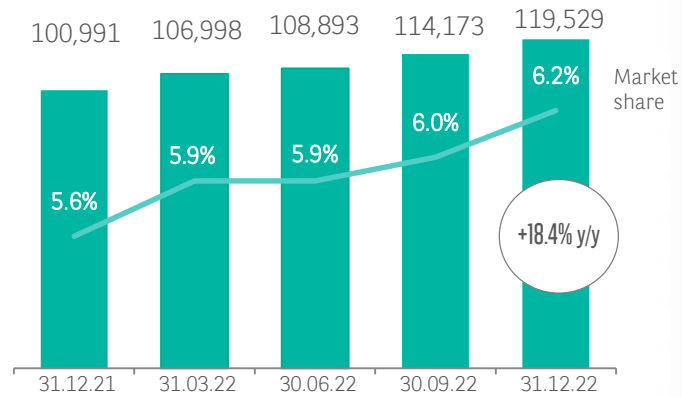
decrease in Individual Customer loans (increase by +0.1% y/y; +2.4%* y/y), mortgage loans (-2.1% q/q, -0.2% y/y). Low dynamics due to among others credit holidays impact and decrease in mortgages sale

-4.3% q/q

decrease in Institutional Customer loans (increase +7.3% y/y), the highest dynamics in leasing +2.8% q/q (+10.8% y/y)

* w/o impact of credit holidays

> Customer deposits [PLN million]



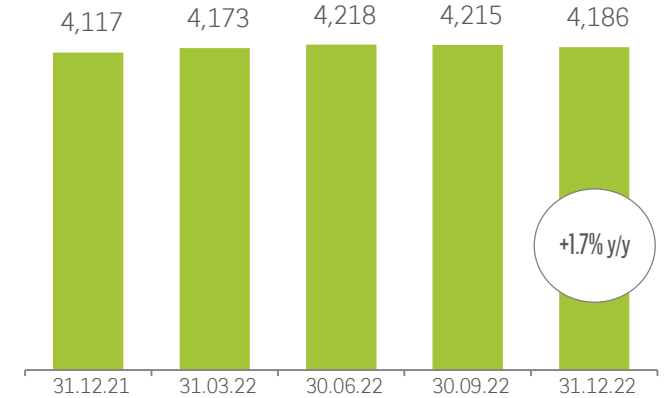
-2.4% q/q

decrease in Individual Customer deposits (increase +9.5% y/y)

+10.3% q/q

increase in Institutional Customer deposits (+25.4% y/y)

> Number of Customers [thous.]



-0.7% q/q

slight decrease in the number of Individual Customers (increase by +1.7% y/y)

+0.8% q/q

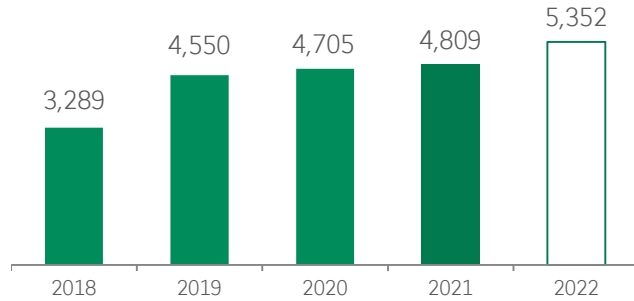
increase in the number of micro, SME and Corporate Customers (+1.5% y/y)

Constant improvement of the core business profitability

Stable increase of core revenues. Results impacted by increasing regulatory burdens, incl. credit holidays and IPS creation in 2022

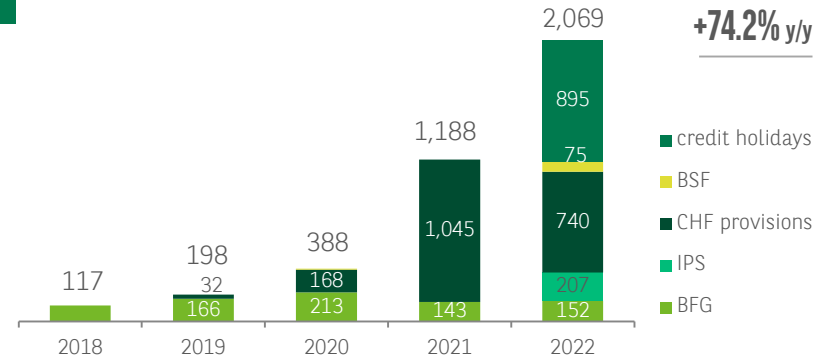
Net banking income [PLN million]

+11.3% y/y



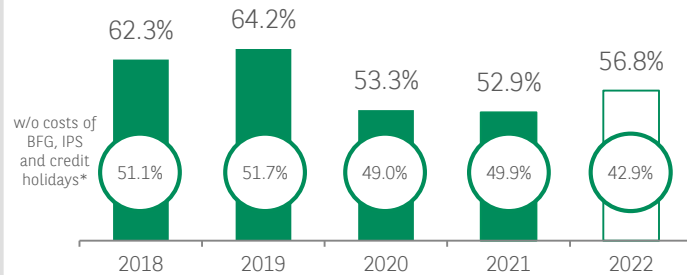
Regulatory contributions & CHF provisions [PLN million]

+74.2% y/y



BSF - Borrowers' Support Fund, IPS - Institutional Protection Scheme

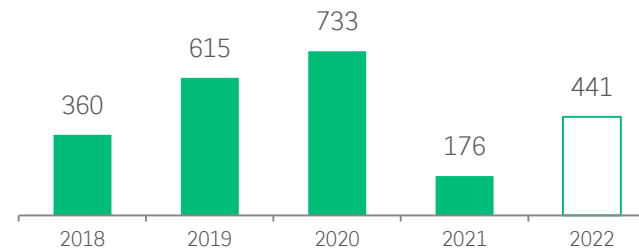
Cost / Income [%]



* for years 2018-2020 also w/o integration costs

Net profit [PLN million]

+150.4% y/y



Historically the highest net banking income possible due to:

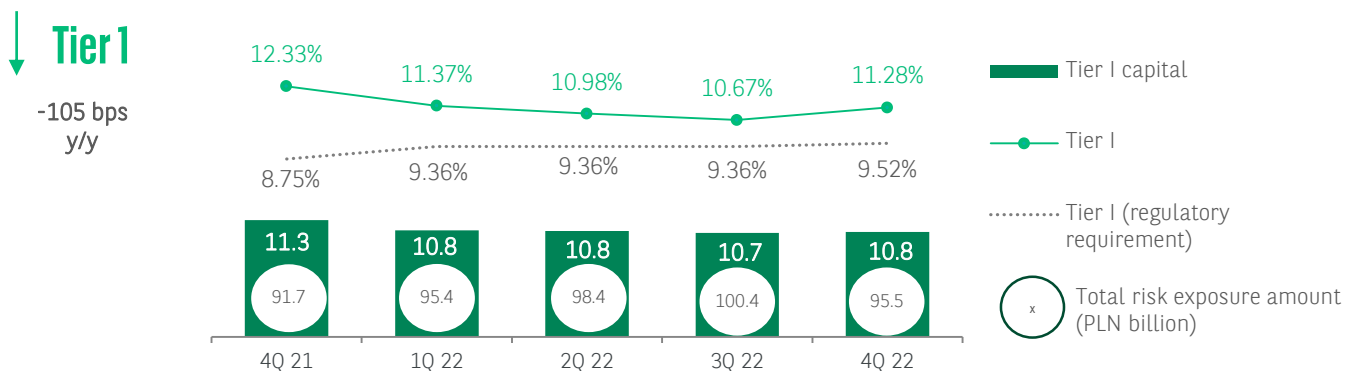
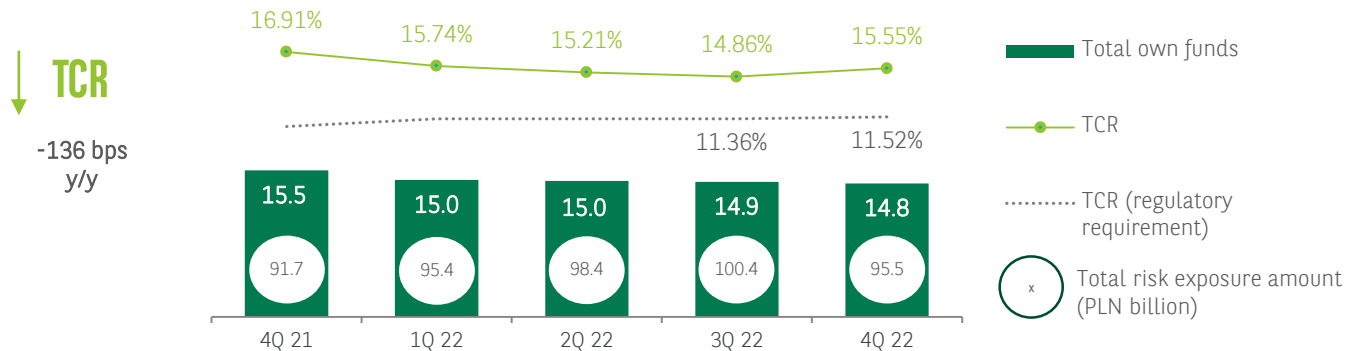
- increase in net interest income despite recognition of credit holidays impact in the amount of PLN 895 million,
- higher NF&C income by +8.4% y/y,
- growth in net trading income by 19.1% y/y.

Increase in operating expenses in 2022 mainly related to the recognition of IPS & BSF costs. Excluding BFG & IPS costs and credit holidays, the Cost / Income ratio would be 42.9% at the end of 2022.

Net profit of PLN 441 million in 2022. On a normalized basis, i.e. without the impact of credit holidays, the net profit would amount to PLN 1,166 million and be 562% higher y/y.

Capital adequacy

Capital ratios above the regulatory requirements despite a negative impact of the bond portfolio valuation



TCR and Tier 1 above the minimum regulatory requirement as at the end of 2022: +4.0 pp and +1.8 pp, respectively

Lower level of capital adequacy ratios on year on year basis mainly as a result of:

- a deterioration in the unrealised gains and losses measured at fair value through other comprehensive income (bond portfolio valuation) related to interest rates hikes,
- an increase in the risk-weighted exposure amount (primarily an increase in the loan portfolio value).

The increase in the capital adequacy ratios levels in Q4 2022 resulted from measures taken in order to optimize the level of risk-weighted assets and the reversal of negative trends in the bond portfolio valuation.

In 2022, an exclusion from Tier I a part of unrealized losses related to the securities portfolio measured at fair value through other comprehensive income was applied (COVID-FIX adjustment, 40% in 2022 vs 70% in 2021). Without this adjustment, the TCR as at YE 2022 would amount to 15.12% and Tier 1 to 10.86%.

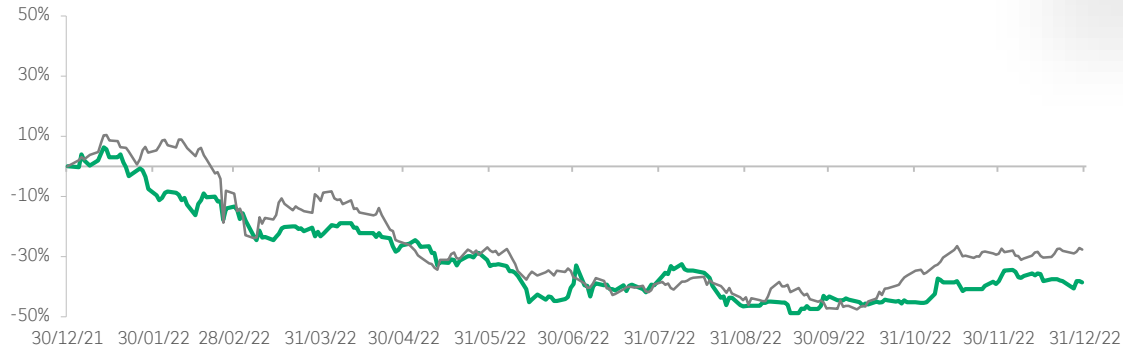
31.03.2023 – decisions of the Polish Financial Supervision Authority on the consent for recognition of the FY 2022 audited net profit as a part of the Common Equity Tier 1 capital on stand-alone (PLN 370.9 million) and consolidated (PLN 436.3 million) basis.

The Bank's Management Board proposes to allocate the whole Bank's net profit for the year 2022 (PLN 370.9 million) to the Bank's reserve capital.

Shares of BNP Paribas Bank Polska S.A.

Negative impact of the war in Ukraine and growing regulatory charges on the banks' share price in 2022

Change in share price (31.12.2021=100%)

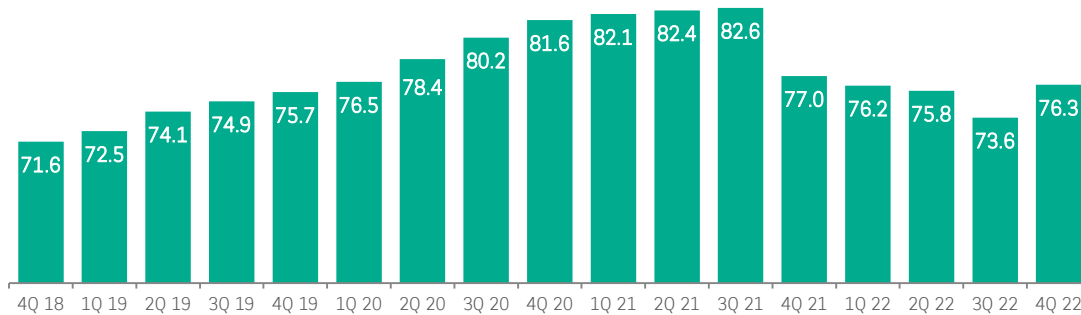


ISIN code: PLBGZ0000010
GPW ticker: BNP
Index*: mWIG40, mWIG40TR

BNP PARIBAS **PLN 56.00**
-38.6% y/y

WIGbanki **6,252.0 pts**
-27.6% y/y

Book value per share [PLN, at the end of the quarter]



31.12.2022

free-float: PLN 1.04 bn
 P/BV: 0.73
 capitalization: PLN 8.27 bn

* until March 17, 2023 the Bank was listed in the indices: sWIG80 and sWIG80TR

Fitch rating

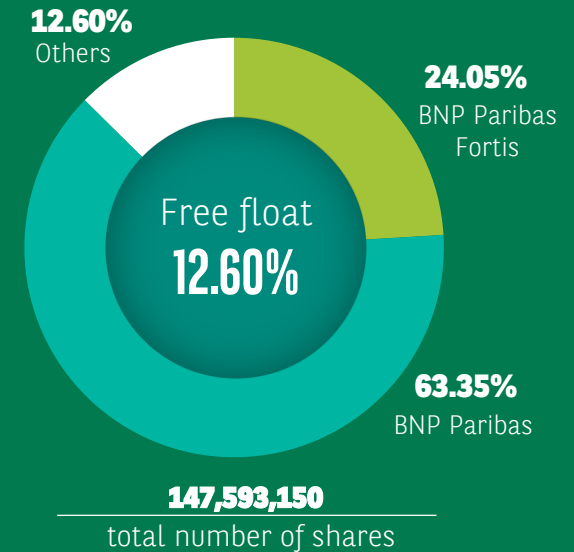
Long-Term Issuer Default Rating (LT IDR) – A+
 Short-Term Issuer Default Rating (ST IDR) – F1
 Viability Rating (VR) – bbb-
 Shareholder Support Rating (SSR) – a+

ESG rating of Sustainalytics Agency

Low risk at the level of 10.9
 the best result among Polish banks

The shareholder structure

(31.12.2022)



On 5 April 2023, the Bank's share capital was increased from PLN 147,593,150 to PLN 147,676,946 as a result of taken up 83,796 series M shares in the exercise of rights attached to the registered series A3 subscription warrants, taken up previously.

Outlook for the coming quarters of 2023

Execution of the strategic priorities of the Bank in conditions of persistent instability and unpredictability. Uncertainty about the development of the economic situation and its impact on the banking sector

MACROECONOMIC ENVIRONMENT

- Economic slowdown due to weakening of industrial output and declining real disposable income of consumers
- Expected deceleration of inflation growth in the second half of 2023
- Interest rates stabilization with space for possible moderate cuts opening in 2024
- Local economic challenges in the election year
- International tensions with escalation risk

THREATS AND CHALLENGES FOR THE BANKING SECTOR

- Uncertainty about evolution of the foreign currency mortgage loans issue and its impact on the profitability and stability of the banking sector and its capacity to finance/support the economy
- Attempts to question the legal grounds on which the WIBOR-based loans were granted. Uncertainty around WIRON

PRIORITIES OF THE BANK

- Increase in the Customer satisfaction, focus on Premium individual Clients, corporate business and food processors
- Growth of the green asset base (loans & AUM)
- Continued rebuilding and optimization of Bank's systems & processes
- Efficient capital management (focus on return on assets)
- Efficient cost management in wage and inflation pressure environment

IN THE VOLATILE AND HARDLY PREDICTABLE ENVIRONMENT THE BANK IS FOCUSED ON FURTHER DEVELOPMENT OF SOLID BUSINESS FUNDAMENTALS AND SHAREHOLDER VALUE – CUSTOMER ACQUISITION AND ACTIVATION, INCREASING USAGE OF DIGITAL CHANNELS, TRANSACTIONALITY GROWTH AND SUPPORT OF THE GREEN TRANSFORMATION

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- The presented data applies to BNP Paribas Bank Polska S.A. Group.

BNP Paribas Bank Polska Spółka Akcyjna, with its registered office in Warsaw at ul. Kasprzaka 2, 01-211 Warsaw, entered into the Register of Entrepreneurs of the National Court Register (KRS) by the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Department of the National Court Register, with KRS number: 0000011571, Tax Identification Number (NIP): 526-10-08-546, and a fully paid share capital of PLN 147,676,946.

