



PRESS RELEASE

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Solid financial performance of the BNP Paribas Bank Polska Group in 2023. Net profit at PLN 1 billion

The BNP Paribas Bank Polska Group recorded a 36.1% year-on-year increase in net banking income (PLN 7,283 million in total) and improved its capital position. Despite inflationary pressures, the increase in operating expenses remained under control. By maintaining the high quality of the Group's loan portfolio, its cost of risk reached historic low. The Group's financial performance was burdened by the significant impact of legal risk related to CHF loans (PLN 1,978 million for 2023 in aggregate). Despite this, in 2023 the Group generated a net profit of PLN 1,013 million (+129.3% y/y).

"In 2023, we consistently pursued our business strategy. I am particularly pleased with the increases in all revenue categories and key segments of our business. Remarkably, we generated a historic value of net profit despite the establishment of record-high provisions on our CHF loan portfolio. We are carrying on our technological transition and keep rolling out new digital solutions for our customers, as reflected in the increase in transactional activity and the number of remote channel users. Our efforts in the digitalization and ESG areas were met with international acclaim in 2023 – among the accolades we won was the Innovation in Digital Banking Award 2023 and two Euromoney Awards for Excellence 2023 – for ESG as well as our offering targeted at corporate customers," says Przemek Gdański, President of the BNP Paribas Bank Polska Management Board.



Net profit in 2023

PLN 1.0 billion
+129.3% y/y



Net banking income in 2023

PLN 7.3 billion
+36.1% y/y



ROE at the end of 2023

8.2%
+4 p.p. y/y



Customer deposits at the end of 2023

PLN 126.7 billion
+6.0% y/y



Volume of investment products at the end of 2023

PLN 14.6 billion
+51.0% y/y



Gross loan portfolio value at the end of 2023

PLN 88.9 billion
-3.1% y/y

Key business highlights in Q4 2023:

- Gross retail loan portfolio: PLN 34.4 billion (-8.0% y/y)
- Institutional customer gross loan portfolio: PLN 54.4 billion (+0.3% y/y)
- Sales of investment products: PLN 2.4 billion (+37.2% y/y)
- Sales of cash loans: PLN 798.0 million (+22.4% y/y)
- Sales of personal accounts: 40.6 thousand (-35.0% y/y)
- Number of users of digital channels: 1.6 million (+0.3% y/y)
 - including GOMobile app users: 1.2 million (+7.0% y/y)



Financial highlights at year-end 2023:

- Total assets: PLN 161 billion (+7.3% y/y)
- Total loans (gross): PLN 89 billion (-3.1% y/y)
- Customer deposits: PLN 127 billion (+6.0% y/y)
- Net banking income in 2023: PLN 7,283 million (+36.1% y/y)
 - Net interest income: PLN 5,225 million (+49.6% y/y)
 - Fee and commission income: PLN 1,211 million (+6.5% y/y)
 - Trading income: PLN 951 million (+26.0% y/y)
- General administrative expenses, including depreciation and amortization in 2023: PLN 3,096 million (+1.9% y/y)
- Cost of credit risk, quarterly: -33 b.p. vs. -24 b.p. one year before
- Profitability: ROE of 8.2% (+4 p.p. y/y), C/I of 42.5% (-14.3 p.p. y/y)
- Profitability: ROE without the impact of credit holidays: 7.7%, C/I without the costs of contributions to the Bank Guarantee Fund, the IPS and the impact of credit holidays: 41.1% (+1.8 p.p. y/y)
- Stable and secure liquidity position – net loan/deposit ratio: 68.1% (-6.1 p.p. y/y)
- Capital position above regulatory minimum levels – Tier 1 ratio: 12.51%

Solid financial performance despite a significant impact of the risk provisions on the CHF portfolio

In 2023, the BNP Paribas Bank Polska Group generated a net profit of PLN 1,013 million (+129.3% y/y). In Q4 alone, the Group posted a loss of PLN 381 million as a result of the establishment of a sizeable provision for its CHF loan portfolio (PLN 1,017 million in Q4, PLN 1,978 million in total in 2023). The major increase in the impact of legal risk associated with CHF loans throughout 2023 and especially in Q4 was due to an update in estimates of the projected number of lawsuits and out-of-court settlements with customers. At the end of the year, the number of concluded settlements stood at 3,567.

Net banking income in 2023 was PLN 7,283 million (+36.1% y/y). The Group posted revenue growth in all key categories. Its interest income stood at PLN 5,225 million (+49.6% y/y), fee and commission income at PLN 1,211 million (+6.5% y/y) and trading income at PLN 951 million (+26.0% y/y). Net interest income benefited from the persistently high interest rates. On a year-on-year basis, no unfavorable impact of credit holidays was recorded. The increase in fees and commissions was driven predominantly by higher fees on loans and payment cards. The strong trading income was due in part to an improved result on transactions with customers.

The Group's operating expenses in 2023 totaled PLN 3,096 million (+1.9% y/y), of which PLN 824 million (+8.2% q/q, +9.3% y/y) was spent in Q4 alone. Despite inflationary pressures, operating expenses remained under control. On a year-on-year basis, the Group posted an increase in personnel and administrative expenses. At the end of 2023, the C/I ratio dropped to 42.5% (-14.3 p.p.).

Business volumes

At the end of 2023, the gross value of loans in the Group's portfolio was PLN 88,857 million, slightly lower than the year before (-3.1% y/y). Despite the lingering weak demand from businesses, the value of institutional loans increased (+0.3% y/y). The value of retail loans declined (-8.0% y/y), largely due to a decline in the balance of the mortgage loan portfolio.

In 2023, the Bank recorded continued growth in deposits across all segments. At the end of the year, the total value of deposits was PLN 126,714 million (+6.0% y/y), with decreases in the retail and institutional customer segments of +2.7% y/y and +8.3% y/y, respectively.

Q4 2023 brought a further increase in the value of assets deposited in the BNP Paribas Group's investment



funds (+15.9% q/q, +108.3% y/y). At the end of 2023, the total volume of investment products was PLN 14,613 million (+11.7% q/q, +51.0% y/y).

Good loan portfolio quality, improving capital position

The low cost of risk in 2023 served as evidence of the very good quality and resilience of the Group's loan portfolio. The cost of risk was also significantly affected by material recoveries from the institutional customer portfolio realized in Q1 and Q2 (PLN 96 million on two major customers) and the reversal of provisions set up in previous years as a result of updates on expected macroeconomic parameters.

The Non-Performing Loan (Stage 3) ratio for the loan portfolio measured at amortized cost remained low at 3.1% at the end of 2023.

The Group's capital position improved on both a quarterly and annual basis and remains safe. Capital ratios remain above their respective regulatory requirements. At the end of the year, Tier 1 stood at 12.51%.

Successful implementation of the GOeyond strategy

The bank completed its second year of implementation of the GOeyond strategy without veering off course to achieve its goals in each of the four pillars (*UP, POSITIVE, STRONGER, TOGETHER*).

As part of the UP pillar, the Bank is developing new solutions extending beyond the world of banking. The most significant achievements in this area are the launch of the innovative mamGO platform for funded selling, renting and leasing of new and used cars, the establishment of a partnership with Plenti, a consumer electronics rental company, and the rollout of GOinvest, an investment service for Premium and Wealth Management customers. In 2023, the bank completed the main phase of the transformation of the GO Biznes ecosystem (GOonline Biznes, GOMobile Biznes, GOconnect Biznes) to a new version with a modern user interface and new modules.

The *POSITIVE* pillar is based on activities that exert a positive impact on the social, business and natural environments. In 2023, the bank received the best ESG rating among Polish banks for the second consecutive year. The rating of 10.2 awarded by Sustainalytics marked a significant improvement over the previous year's score. The Bank topped the Responsible Companies Ranking (overall and by sector) for the fourth time with the maximum attainable score. In the business context, noteworthy are the Bank's new partnerships established under the Sustainability-Linked Loan formula (with the Polsat Plus Group, American Heart of Poland, Iglotex and Śnieżka). Total sustainable financing provided by the Bank stood at PLN 9,599 million (+7.8% q/q; +47.7% y/y).

The Bank's activities within the *STRONGER* pillar, that is those aimed at strengthening business through technological change, were also recognized internationally. The Bank's digital solutions proved to be the most innovative in Central and Eastern Europe according to The Banker magazine. The jury of the Digital Banking Award 2023 emphasized in particular the significance of implementing digital customer services at the branch using a mobile app. Another major innovation was enabling e-commerce customers to use the Acepta payment gateway. Effective digitalization translates into an increased use of remote channels. The number of BLIK transactions in Q4 2023 was 12,927 thousand (+14% q/q, +45% y/y), the number of tokens in digital wallets was 577 thousand (+3% q/q, +13% y/y), and the number of mobile banking users reached 1,171 thousand (+2% q/q, +7% y/y).

As part of the *TOGETHER* pillar, the bank attained some vital goals in the areas of diversity and employee satisfaction. As a result of decisions made in 2023, as of 1 January 2024, the share of women in the Bank's Management Board and Supervisory Board is 37% and 42%, respectively. The Bank has already fulfilled the requirements of the EU Directive on improving gender balance among the management of listed



companies and the goals enshrined in its GOeyond strategy. Last year, the Bank was also once again awarded the Top Employer Poland title.

At the end of 2023, the Bank served nearly 4.2 million customers. It had 371 Customer Centers, including 182 without teller services. It had 131 Customer Service Centers certified as "Barrier-Free Facilities", meaning that they are adapted to the needs of people with limited mobility. In December, the Bank also successfully completed certification efforts for its Warsaw head office.

Consolidated financial highlights (PLN 000s)

Profit and loss account	12M 2023	12M 2022	change y/y	Q4 2023	Q4 2022	change y/y	Q3 2023
Net interest income	5,225,427	3,493,005	49.6%	1,421,390	1,216,931	16.8%	1,364,724
Net fee and commission income	1,210,962	1,136,915	6.5%	291,101	261,545	11.3%	286,842
Net banking income	7,283,798	5,351,946	36.1%	1,825,718	1,719,659	6.2%	1,904,791
General administrative expenses and depreciation	(3,095,535)	(3,038,456)	1.9%	(823,793)	(753,802)	9.3%	(761,456)
Net impairment loss	(34,369)	(275,010)	(87.5%)	(74,349)	(56,262)	32.1%	(11,370)
Result on operating activities	2,174,808	1,298,480	67.5%	(89,250)	526,332	-	761,117
Net profit	1,012,546	441,497	129.3%	(380,565)	252,685	-	445,479
per share in PLN	6.86	2.99	129.3%	(2.58)	1.71	-	3.02

Balance sheet	31 Dec 2023	30 Sep 2023	31 Dec 2022
Total assets	161,025,747	155,097,859	150,108,602
Total loans (gross)	88,857,046	89,598,057	91,683,353
Liabilities towards customers	127,174,831	124,223,279	120,021,043
Total equity	12,861,275	13,130,934	11,262,221
Capital adequacy	31 Dec 2023	30 Sep 2023	31 Dec 2022
Total capital requirement	16.67%	16.33%	15.55%
Tier 1 ratio	12.51%	12.13%	11.28%