



**BNP PARIBAS**

ANNUAL GENERAL MEETING OF SHAREHOLDERS  
16 APRIL 2024



**PRESENTATION OF BNP PARIBAS  
BANK POLSKA S.A. GROUP'S  
RESULTS FOR 2023**

# GO beyond Strategy 2022-25

Key achievements in 2023

## #UP - new solutions going beyond the world of banking

- Launch of an innovative **mamGO platform** for acquiring cars, financed through loans, long-term rent or leasing
- **GOinvest: a new investment advisory service** for Premium and Wealth Management Customers. The advisory service covers Customer's all assets
- Launch of **long-term rental of electronic devices** (in cooperation with Plenti)
- Agreement with **the European Investment Bank** for EUR 100 million to support energy efficiency projects in Poland
- 182 **cashless branches** (half of the sales network)
- **NPS improvement** – reducing the gap to our strongest competitors following the growth of NPS ratio by 10 points y/y (to 20 in Q4 2023)
- Awards: **Euromoney Awards** for Excellence 2023 – “Best Bank for Corporate Clients” and “Best Bank for ESG”. Second place in the **Newsweek's Friendly Bank** ranking in the “Bank for Kowalski” category

## #POSITIVE - setting market standards

- **Best ESG rating** among Polish banks awarded by **Sustainalytics**. A score of 10.2 (“Low risk”) represents an improvement over the score of 10.9 in 2022
- **Responsible Companies Ranking**: fourth time on top (in the overall classification & within its industry) with the maximum possible score
- Increase in **sustainable financing** to **PLN 9.6 billion** at the end of 2023 (10.9% share in the loan portfolio)
- **Sustainability-Linked Loan financing** (Polsat Plus, American Heart of Poland, Iglotex, Śnieżka)
- Opening of a **kids-only bank branch**. Up to 200 thousand school children will participate in practical financial education workshops
- Customer support for the acquisition of **"white certificates"** (energy efficiency certificates) in cooperation with VIVERO

### EXECUTION IN 2023

**85%** [66% in 2022]

**GOAL 2025: 90%**

% of key processes available via remote channels\*

\* for individual Customers

**+20%** [vs 2021]

**GOAL 2025: >22%**

Increase in the number of active international Customers

**43%** [25.5% in 2022]

**GOAL 2025: >50%**

Digital sales (Individual Customers)

**+27%** [vs 2021]

**GOAL 2025: +30%**

Increase in the number of active food processors

**14.7%** [5% in 2021]

**GOAL 2025: 30%**

Share of sustainable assets in management

**37%** [18% in 2021]

**GOAL 2025: 50%**

Clients' Centers with the “Barrier-free facility” certificate

# GO beyond Strategy 2022-25

Key achievements in 2023

## #STRONGER - Bank's transformation acknowledged on the European arena

- Bank's digital solutions the most innovative in the Central and Eastern Europe - Innovation in Digital Banking Award 2023 for the implementation of digital customer service in the branch using a mobile application
- Implementation of the **Payment Gateway** for Customers operating in e-commerce industry (Axepta BNP Paribas)
- Enabling Clients to settle formalities in branches with the use of **mDowod**
- Completion of the main phase of **the transformation of the GOBiznes ecosystem** (GOonline Biznes, GOMobile Biznes, GOconnect Biznes) to a new version with a modern user interface and new modules
- Introducing the **Broker ID remote identity confirmation** for SMEs with Autenti, as the first bank in Poland
- Launch of **Artificial Intelligence** usage to determine deposit rates and in the FX transactions area

## #TOGETHER - achieving strategic goals in the area of diversity and employee satisfaction

- "I can DO IT" internal training program for bank employees seeking to change their career path towards IT. Two courses: Service Desk and IT Analyst
- Initiatives dedicated to employees: **2 Hours for Family, 2 Hours for Health**
- Partnership agreement with Activation Foundation under the name "INCLU(VI)SION", supporting **employment of people with disabilities**
- Workplace environment audit conducted together with asperIT foundation, to address the **needs of neuroatypical employees**
- Award in the DEI 30% Club Poland competition - the Bank received a distinction for the Women UP Program for **women development** and the title of winner for the strategy of supporting the partnership family model
- Strategic partner of the "Noble Gift" program for the 6<sup>th</sup> time
- **Share of women in the Bank's Management and Supervisory Board** above the strategic target of 30% (Management Board: 37.5%\*, Supervisory Board: 42%)

### EXECUTION IN 2023

**+12%** [CAGR vs 2021]

**GOAL 2025: >10% per year**

Operations efficiency increase

*calculated as the volume of products per FTE in the Operations and Sales Support Area*

**73**

**GOAL 2025: >200**

Number of use cases using AI or advanced data analytics

**23** [-9 in 2021]

**GOAL 2025: 20**

Net Promoter Score of employees

**37.5%\*** [22% in 2021]

**GOAL 2025: 30%**

Share of women in the Bank's Management Board

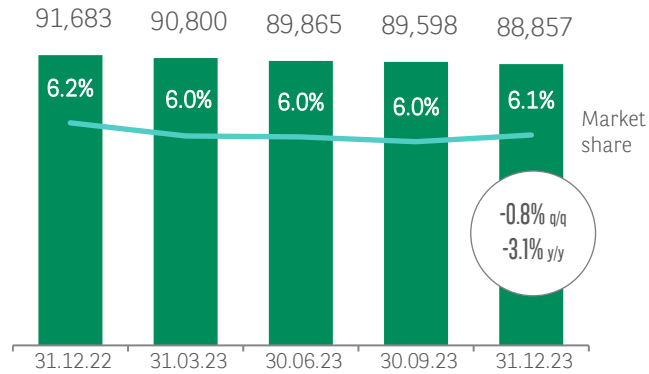
*\* as at 1 January 2024*

# Loan and deposit volumes

Increased market share in loans for enterprises. Further growth of deposits in all Customer segments



## Gross loans\* [PLN million]



**-3.0% q/q**

decrease in Individual Customer loans (-8.0% y/y), mortgage loans (-4.6% q/q, -12.8% y/y)

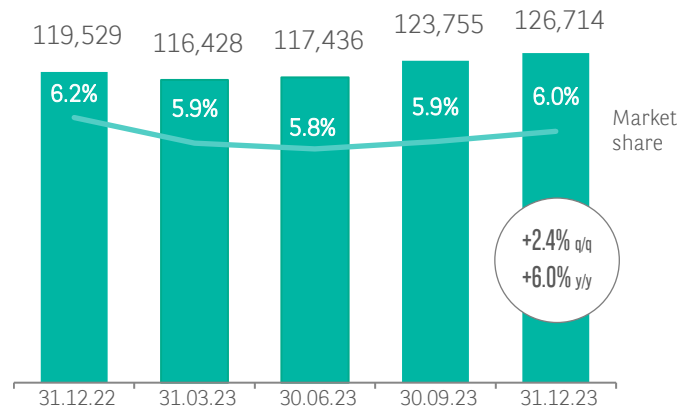
**+0.6% q/q**

increase in Institutional Customer loans (+0.3% y/y)

\* taking into account the implementation of IFRS 9 in the presentation of the loan portfolio (mortgage loans in CHF)



## Customer deposits [PLN million]



**+1.8% q/q**

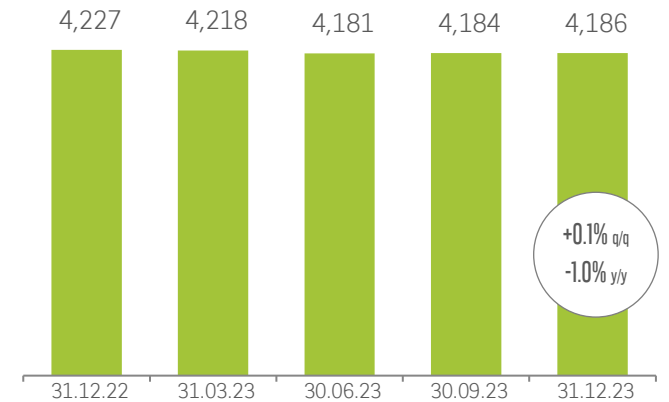
increase in Individual Customer deposits (+2.7% y/y)

**+2.8% q/q**

increase in Institutional Customer deposits (+8.3% y/y)



## Number of Customers [thous.]



**-0.1% q/q**

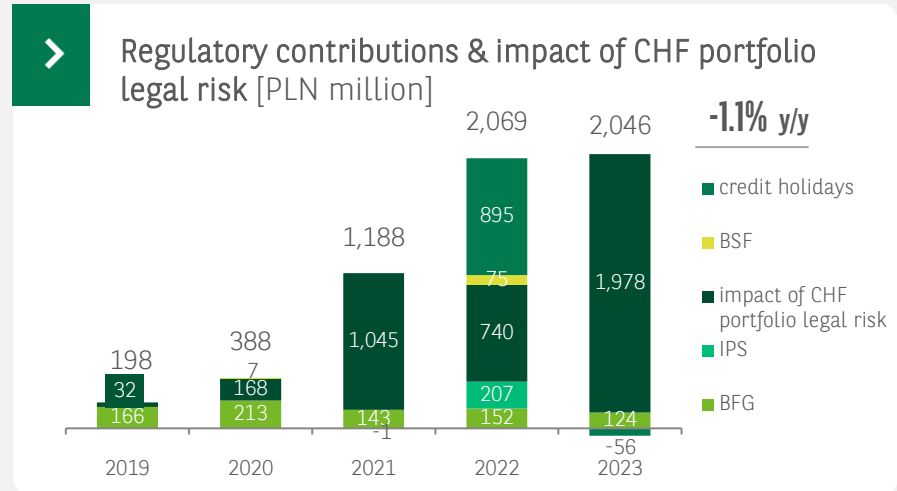
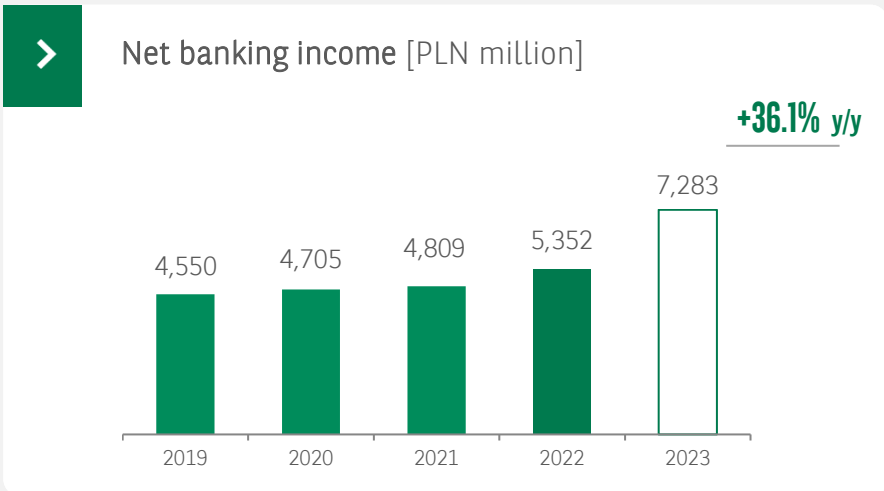
stable number of Individual Customers (-1.2% y/y as a result of portfolio cleaning)

**+1.3% q/q**

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

# Significant improvement of the core business profitability

Improved operational efficiency achieved mainly due to higher net interest margin and growing non-interest income. Increase in net profit despite significant impact of CHF portfolio legal risk on the results

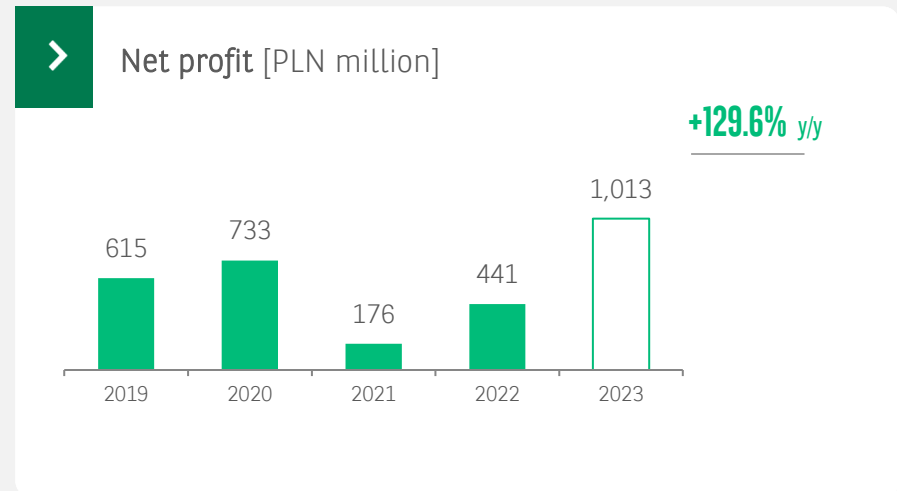
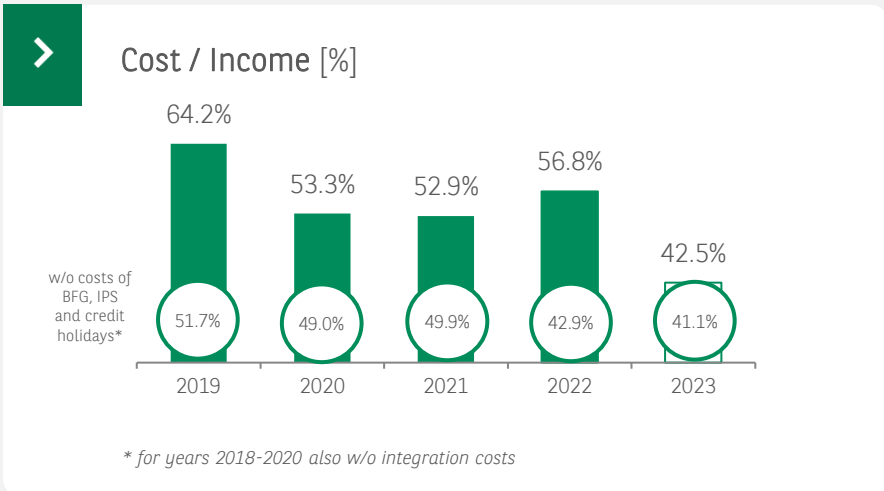


IPS - Institutional Protection Scheme; BSF - Borrowers' Support Fund

- Historically the highest net banking income possible due to:
- increase in net interest income by 49.6% (by 17.8% w/o credit holidays impact),
  - growth in net trading income by 26.0% y/y,
  - higher NF&C by 6.5% y/y.

Maintaining a similar level of operating expenses (up by 1.9%) as a result of lower costs of BFG and IPS by 65.4%. Excluding costs of BFG, IPS and credit holidays impact, the Cost / Income ratio would be 41.1%.

PLN 1.0 billion of net profit in 2023, mainly due to higher core revenues and low cost of risk, despite the significant impact of the CHF portfolio legal risk on the results.

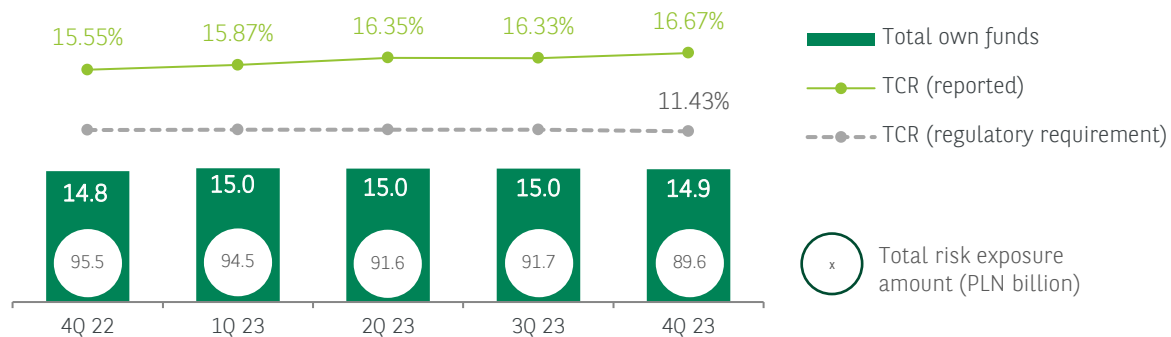


# Capital adequacy

Safe and stable capital position. Management Board's recommendation to pay dividend from 2023 net profit of the Bank

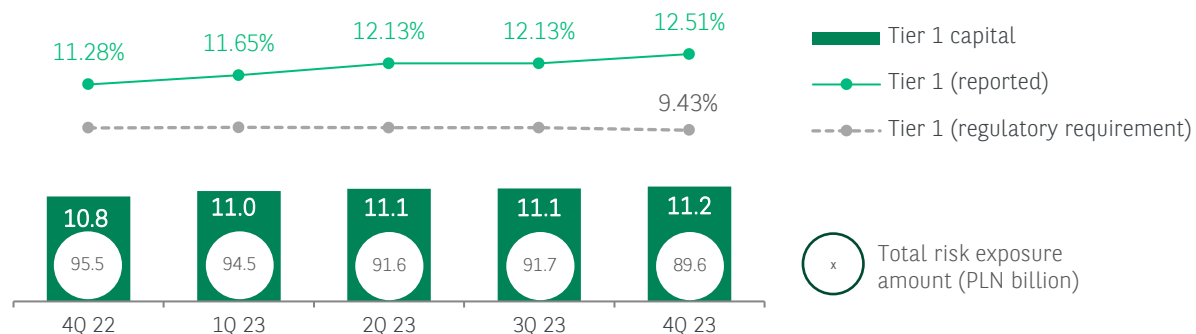
## TCR

+112 bps  
y/y



## Tier I

+123 bps  
y/y



TCR and Tier 1 above the minimum regulatory requirement as at the end of Q4 2023: +5.2 pp and +3.1 pp, respectively

Decrease in risk-weighted assets mainly as a result of the implementation in Q4 2023 of a change in the presentation of the CHF mortgage loan portfolio in accordance with IFRS 9 (data for previous periods have not been restated).

No significant changes in own funds in Q4 2023.

Specific regulatory requirements for the Bank at the end of Q4 2023:

- no capital requirement for FX loans,
- OSII buffer at 0.25%,
- P2G capital add-on at 0.67 pp (consolidated) and 0.70 pp (standalone) (down by 0.10 pp in Q4 2023).

Senior Non-Preferred Loan from BNP Paribas S.A. to meet MREL requirement. MREL-TREA ratio as of 31.12.2023 (21.74%) above the minimum MREL requirement (18.87% including the combined buffer requirement).

Recommendation of the Management Board for a dividend payout of 50% of the 2023 net profit - DPS: PLN 3.41, dividend date: 23.04.2024, dividend payout date: 10.05.2024.

# Shares of BNP Paribas Bank Polska S.A.

Decent financial results and improving sentiment towards the banking sector translating into the growing share price of BNP Paribas Bank Polska. ABB transaction execution by BNP Paribas S.A. in March 2024

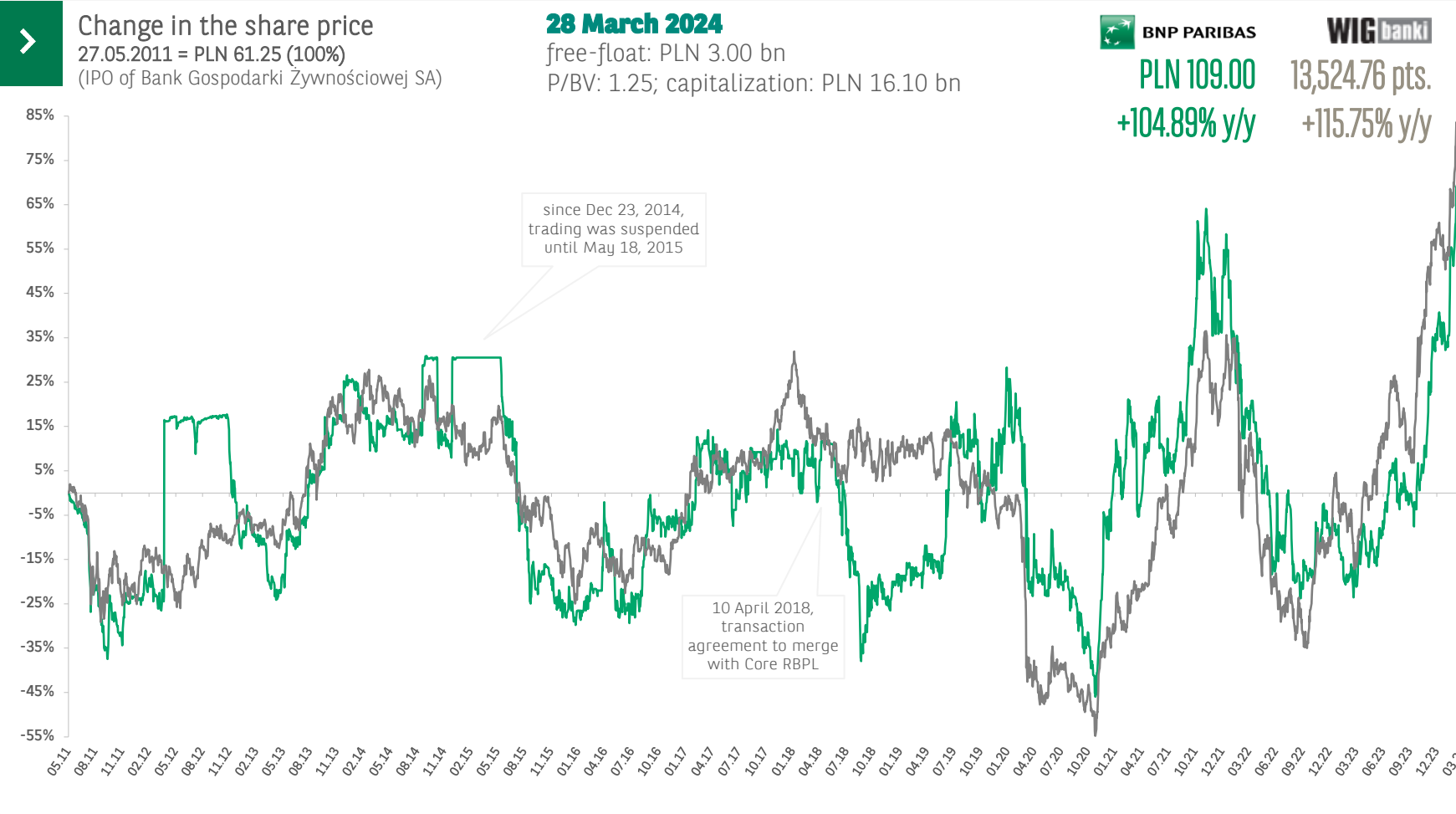
ISIN code: PLBGZ0000010  
 GPW ticker: BNP  
 Index: sWIG80, sWIG80TR

**Rating Fitch** – last update 6.12.2023

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+

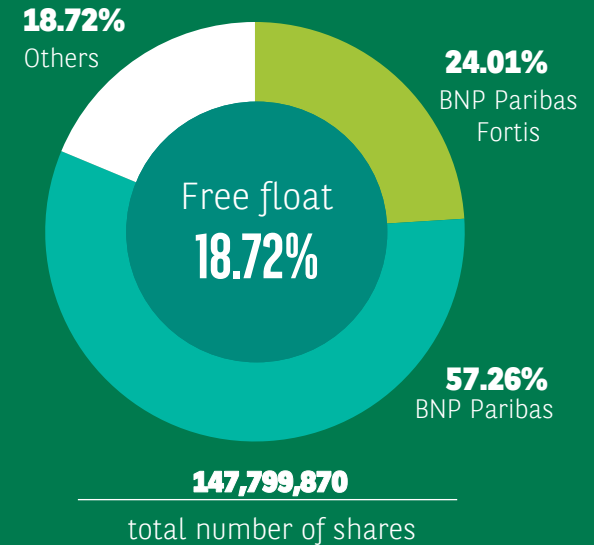
## ESG rating of Sustainalytics Agency

Low risk at the level of 10.2  
 the best result among Polish banks



## Shareholder structure

(as of 05.04.2024)



In mid-March 2024, in the accelerated book-building (ABB) process, BNP Paribas SA sold 8,860,616 shares of the Bank. This transaction increased free float and the liquidity of Bank's shares.

On 5 April 2024, the Bank's share capital was increased from PLN 147,676,946 to PLN 147,799,870 as a result of taken up 122,924 series M and N shares in the exercise of rights attached to the registered series A4 and B1 subscription warrants, taken up previously.

# Medium-term outlook

Execution of the strategic priorities of the Bank while addressing the sector-wide challenges. Improving the economic outlook

## MACROECONOMIC ENVIRONMENT

- Stabilization of interest rates. Moderate reductions likely in the second half of 2024
- The decline in inflation stopped in the first half of 2024 and its renewed increase in the second half of the year
- Return of the economy to the growth path, inflow of funds from the National Reconstruction Plan (KPO) - increasing demand of companies for credit
- Uncertainty related to the geopolitical risks and potential escalation of international tensions

## THREATS AND CHALLENGES FOR THE BANKING SECTOR

- Legal risk of the CHF mortgage loan portfolio and its impact on the sector's profitability
- Potential extension of the so called „credit holidays“ until 2024
- The impact of further sector contributions on the lending growth potential
- Challenges related to reference indicators reform (no derivatives market, delayed issuances of debt securities by Ministry of Finance, high volatility of WIRON)
- The leading role of banks in the energy / ESG transformation
- Growing use of AI in banking

## PRIORITIES OF THE BANK

- Increase in the Customer satisfaction and acquisition of new Customers
- Optimizing customer service model and costs. Efficient cost management
- Continued transformation of systems & processes
- Efficient capital management - focus on return on assets, regular stream of dividends to shareholders
- Cooperation with fintechs to implement solutions in the areas of digitalization and beyond banking

**IN THE VOLATILE AND HARDLY PREDICTABLE ENVIRONMENT THE BANK IS FOCUSED ON FURTHER DEVELOPMENT OF SOLID BUSINESS FOUNDATIONS AND SHAREHOLDER VALUE – BUILDING RELATIONSHIPS WITH CUSTOMERS, INCREASING USAGE OF DIGITAL CHANNELS, TRANSACTIONALITY GROWTH AND SUPPORT OF THE GREEN TRANSFORMATION**



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