



PRESS RELEASE

Warsaw, 13 August 2024

PLN 623 million in net profit. Another good quarter for the BNP Paribas Bank Polska Group

In Q2 2024, the BNP Paribas Bank Polska Group generated a solid net banking income of PLN 1,694 million (-12.9% q/q, -7.1% y/y) despite the burden of credit holidays. Net profit stood at PLN 623 million (+5.5% q/q, +35.5% y/y). For the whole H1, the corresponding figures were PLN 3,638 million (+2.4% y/y) and PLN 1,214 million (+28.1% y/y), respectively. In Q2, the Bank created PLN 190 million of provisions for risks related to CHF loans (PLN 211 million in H1 2024). The Bank's capital position improved, largely due to organic capital generation.

"We are pleased with our Q2 performance, which was solid despite the additional burden resulting from the extension of credit holidays. It was clearly a correct business decision to return cautiously to the mortgage loan market. Sales of investment products remain at a very strong level. In the corporate segment, we recorded greater margins on foreign currency and derivative transactions than in previous quarters coupled with a slight increase in the loan portfolio. However, this failed to fully reflect the prevailing market trends. Within the framework of our "For those who move the world" pan-European campaign, we provide our customers with support in making key financial decisions and pursuing a sustainable transition of their businesses," says Przemek Gdański, President of the BNP Paribas Bank Polska Management Board.



Net profit in Q2
PLN 623 million
+5.5% q/q
+35.5% y/y



Net banking income in Q2
PLN 1694 million
-12.9% q/q
-7.1% y/y



ROE at the end of Q2
18.3%
+0.3 p.p. q/q
+2.3 p.p. y/y



Volume of deposits at the end of Q2
PLN 125,112 million
+0.6% q/q
+6.5% y/y



GOMobile payments – quantity of transactions in Q2
26,084 thousand
+7.2% q/q
+25.3% y/y



BLIK payments – quantity of transactions in Q2
14,698 thousand
+10.8% q/q
+40.4% y/y

Business highlights in Q2 2024:

- Gross retail loan portfolio: PLN 33.3 billion (-7.2% y/y)
- Institutional customer gross loan portfolio: PLN 55.3 billion (+2.4% y/y)
- Sales of investment products: PLN 2.8 billion (+30.4% y/y)
- Sales of cash loans: PLN 1,054.0 million (+11.6% y/y)
- Sales of mortgage loans: PLN 264.6 million (+273.0% y/y)
- Sales of personal accounts: 50.7 thousand (-6.0% y/y)
- Number of users of digital channels: 1.6 million (+0.1% y/y)
 - including GOMobile app users: 1.2 million (+6.8% y/y)



Financial highlights at the end of Q2 2024:

- Total assets: PLN 160 billion (+7.0% y/y)
- Total loans (gross): PLN 89 billion (-1.4% y/y)
- Customer deposits: PLN 125 billion (+6.5% y/y)
- Net banking income in Q2 2024: PLN 1,694 million (-7.1% y/y)
 - Net interest income: PLN 1,220 million (-1.6% y/y)
 - Net fee and commission income: PLN 287 million (-6.6% y/y)
 - Net trading and investment income: PLN 201 million (-19.4% y/y)
- General and administrative expenses, including depreciation in Q2 2024: PLN 803 million (+10.8% y/y)
- Cost of credit risk, quarterly: +4 b.p. vs. +12 b.p. one year before
- Profitability: ROE of 18.3% (+2.3 p.p. y/y), C/I of 47.4% (+4.9 p.p. y/y)
- Profitability: ROE without the impact of credit holidays: 20.7%, C/I without the costs of contributions to the Bank Guarantee Fund and the impact of credit holidays: 41.1% (+1.9 p.p. y/y)
- Stable and secure liquidity position – net loan/deposit ratio: 68.8% (-5.4 p.p. y/y)
- Capital position above regulatory minimum levels – Tier 1 ratio: 13.24%

Net profit up, costs under control

In Q2, the BNP Paribas Bank Polska Group generated PLN 623 million in net profit (+5.5% q/q, +35.5% y/y), and cumulatively PLN 1,214 million (+28.1% y/y) in the whole first half of the year. The Group's net banking income of PLN 1,694 million (-12.9% q/q, -7.1% y/y) takes into account the cost of credit holidays (PLN 203 million), without which it would have surpassed that generated in the same period of last year and would have been only 2.4% lower than the income generated in the previous quarter. In Q2, the Group reported interest income of PLN 1,220 million (-13.0% q/q, -1.6% y/y). Without the impact of credit holidays, this income would have been greater than in the comparable periods. Commission and fee income totaled PLN 287 million in Q2 (-14.2% q/q, -6.6% y/y), the decrease being largely attributable to the impact of annual settlements with card institutions in Q1 and lower commission and fee income from lending and insurance activity than last year. Despite the improvement in margins on transactions with customers, the adverse impact of valuations of shareholdings in infrastructural companies resulted in a decline in trading income in Q2 to PLN 201 million (-5.7% q/q, -19.4% y/y).

In Q2, the Group's operating expenses totaled PLN 803 million (-12.8% q/q, +10.8% y/y). The quarterly decrease in expenses resulted from recognizing a significant majority of the annual contribution to the Bank Guarantee Fund in Q1 coupled with the posting of all of the annual costs imposed by the Polish Financial Supervision Authority. The year-on-year increase in expenses was largely driven by inflationary pressures and the scale of investments in the Bank's development and technological transition.

Continued growth in the volume of deposits and investment products, slight decrease in loans

As at the end of Q2, the gross value of loans was PLN 88,580 million (-0.3% q/q, -1.4% y/y). The value of loans to institutional customers increased (+0.5% q/q, +2.4% y/y), while the value of retail loans declined somewhat (-1.6% q/q, -7.2% y/y). In Q2, a spike in sales of mortgage loans occurred (+181.6% q/q, +272.8% y/y), reflecting a change in the Bank's policy and a cautious return to lending to new customers.

In Q2 2024, the Bank recorded an increase in the value of deposits in both the retail segment (+0.4% q/q, +6.8% y/y) and the institutional segment (+0.7% q/q, +6.3% y/y). Total deposits at the end of the period reached PLN 125,112 million (+0.6% q/q, +6.5% y/y).

Q2 was another period in which the total volume of investment products increased significantly, reaching PLN 17,634 million (+10.9% q/q, +40.9% y/y). The Group recorded a further increase in the value of assets invested in the BNP Paribas Group's investment funds (+12.7% q/q, +80.8% y/y).



Very good loan portfolio quality, improving capital position

The quality of Bank BNP Paribas' loan portfolio remains very good. The Non-Performing Loan (Stage 3) ratio for the loan portfolio measured at amortized cost remained low at 3.0% at the end of Q2 2024.

The impact of the CHF mortgage loan portfolio's legal risk stood at PLN 190 million. The Bank continues to negotiate and enter into out-of-court settlements with customers. As at the end of June 2024, the number of such executed settlements was 4,594.

The Group's capital position has improved largely due to organic capital generation and remains secure. Capital ratios remain above their respective regulatory requirements. At the end of the period, Tier 1 stood at 13.24% (+47 b.p. q/q, +111 b.p. y/y).

Bank of Mindful Decisions

BNP Paribas Bank has been consistently expanding the favorable environmental and social impact of its business. The volume of sustainable financing at the end of Q2 2024 totaled PLN 9.96 billion. The Bank's commitment to the common good, both at the business level and by including relevant topics in the social discourse, is highlighted in the "Bank of Mindful Decisions" campaign, launched in April. Elements of the campaign include accounts and payment cards: an account with a card for the Wpływowi [People Making a Difference] with a special fishing float to support caring for the quality of Poland's waters, and accounts with 'film' and 'tennis' cards to make it easier for film and tennis enthusiasts to pursue their passions in areas that the BNP Paribas Group has been supporting for years.

In May 2024, for the fourth consecutive year, BNP Paribas has been included in the Diversity IN Check list, recognizing employers that are most advanced in diversity and inclusion management in Poland. The effectiveness of the Bank's efforts in pursuing the well-being of its employees was also confirmed by the increase in the Employee Satisfaction Index (eNPS) to 24 points (+5 points compared to April 2023).

The consistent implementation of the digitalization program is translating into further increases in transactional activity and mobile banking usage. As at the end of Q2, the number of GOMobile app users was 1,215 thousand (+0.9% q/q, +6.8% y/y). The quarterly quantity of BLIK and GOMobile transactions reached 14,698 thousand (+10.8% q/q, +40.4% y/y) and 26,084 thousand (+7.2% q/q, +25.3% y/y), respectively.

At the end of Q2 2024, the Bank was serving nearly 4.2 million customers. 184 out of 365 Customer Service Centers are cashless facilities. The OK Senior certificate confirms that all Customer Service Centers are senior-friendly. As many as 134 of these were "Barrier-Free Facilities" adapted to the needs of people with limited mobility.

Consolidated financial highlights (PLN 000s)

Profit and loss account	H1 2024	H1 2023	change y/y	Q2 2024	Q2 2023	change y/y	Q1 2024
Net interest income	2,621,519	2,439,313	+7.5%	1,219,543	1,239,713	-1.6%	1,401,976
Net fee and commission income	622,570	633,019	-1.7%	287,485	307,939	-6.6%	335,085
Net banking income	3,638,148	3,552,289	+2.4%	1,693,992	1,823,420	-7.1%	1,944,156
General administrative expenses and depreciation	(1,724,480)	(1,510,286)	+14.2%	(803,403)	(725,162)	+10.8%	(921,077)
Net allowance for expected credit losses	(88,085)	51,350	-	8,280	26,400	-68.6%	(96,365)
Result on operating activities	1,614,811	1,502,941	+7.4%	709,097	768,634	-7.7%	905,714



Net profit	1,213,566	947,632	+28.1%	622,978	459,647	+35.5%	590,588
per share in PLN	8.21	6.42	+27.9%	4.22	3.11	+35.7%	4.00

Balance sheet	30 Jun 2024	31 March 2024	31 December 2023	30 Jun 2023
Total assets	159,541,247	158,840,119	161,025,747	149,038,255
Total loans (gross)	88,580,189	88,828,555	88,857,046	89,865,268
Liabilities towards customers	125,565,489	124,837,420	127,174,831	117,911,920
Total equity	13,609,050	13,486,385	12,861,275	12,614,117
Capital adequacy	30 Jun 2024	31 March 2024	31 December 2023	30 Jun 2023
Total capital requirement	17.20%	16.84%	16.67%	16.35%
Tier 1 ratio	13.24%	12.77%	12.51%	12.13%