



PRESS RELEASE

Warsaw, 8 November 2024

BNP Paribas Bank Polska Group posts net profit of PLN 636 million in Q3

In Q3 2024, the BNP Paribas Bank Polska Group generated net banking income of PLN 2,098 million, which means an increase in both quarter-on-quarter and year-on-year terms (+23.9% q/q, +10.2% y/y). The Group posted growth across all key income categories. Net profit reached PLN 636 million (+2.0% q/q, +42.7% y/y) and the C/I ratio reached 43.8% (down 3.6 p.p. q/q), as a result of both revenue growth and lower operating expenses. In Q3, the Group recognized a PLN 277 million impact of legal risk related to CHF loans, while credit risk costs stood at PLN 99 million.

"In Q3, we increased our revenue, while focusing our efforts on customer acquisition and service. Our sales of personal accounts improved, we upheld growth in the total volume of investment products and we continued our cautious return to the mortgage market. The Institutional Customer segment saw consistent growth in the value of the loan portfolio. In the area of sustainable financing, by pursuing the objectives of our GOBeyond strategy, we surpassed the PLN 10 billion mark in financing provided. We maintain a good rate of technological progress, including in terms of growth in the number of users of our digital channels and the volume of transactions carried out by them," says Przemek Gdański, President of the BNP Paribas Bank Polska Management Board.



Net profit in Q3

PLN 636 million
+2.0% q/q
+42.7% y/y



Net banking income in Q3

PLN 2,098 million
+23.9% q/q
+10.2% y/y



ROE at the end of Q3

18.2%
-0.1 p.p. q/q
+3.0 p.p. y/y



Operating expenses in Q3

PLN 787 million
-2.0% q/q
+3.4% y/y



C/I ratio at the end of Q3

43.8%
-3.6 p.p. q/q
+2.2 p.p. y/y



Gross loan portfolio value at the end of Q3

PLN 89.5 billion
+1.0% q/q
-0.1% y/y

Key business highlights in Q3 2024:

- Gross retail loan portfolio: PLN 33.2 billion (-6.3% y/y)
- Institutional customer gross loan portfolio: PLN 56.3 billion (+3.9% y/y)
- Sales of investment products: PLN 2.6 billion (+4.1% y/y)
- Sales of cash loans: PLN 935.8 million (-1.2% y/y)
- Sales of mortgage loans: PLN 295.6 million (+356.0% y/y)
- Sales of personal accounts: 60.0 thousand (+11.1% y/y)
- Number of users of digital channels: 1.6 million (+1.2% y/y)
 - including GOMobile app users: 1.2 million (+7.6% y/y)



Financial highlights at the end of Q3 2024:

- Total assets: PLN 159 billion (+2.5% y/y)
- Total loans (gross): PLN 89 billion (-0.1% y/y)
- Customer deposits: PLN 122 billion (-1.3% y/y)
- Net banking income in Q3 2024: PLN 2,098 million (+10.2% y/y)
 - Net interest income: PLN 1,579 million (+15.7% y/y)
 - Net fee and commission income: PLN 311 million (+8.5% y/y)
 - Net trading and investment income: PLN 226 million (-17.3% y/y)
- General administrative expenses, including depreciation and amortization in Q3 2024: PLN 787 million (+3.4% y/y)
- Cost of credit risk, quarterly: -44 b.p. vs. -5 b.p. one year before
- Profitability: ROE of 18.2% (+3.0 p.p. y/y), C/I of 43.8% (+2.2 p.p. y/y)
- Profitability: ROE without the impact of credit holidays: 19.0% (+4.2 pp. r/r), C/I without the costs of contributions to the Bank Guarantee Fund and the impact of credit holidays: 40.5% (+0.9 p.p. y/y)
- Stable and secure liquidity position – net loan/deposit ratio: 71.2% (+1.1 p.p. y/y)
- Capital position above regulatory minimum levels – Tier 1 ratio: 12.97%

Increases in key NBI categories, costs down compared to Q2

In Q3, the BNP Paribas Bank Polska Group generated PLN 636 million in net profit (+2.0% q/q, +42.7% y/y), and PLN 1,849 million (+32.7% y/y) over the first 9 months of 2024. Net banking income totaled PLN 2,098 million (+23.9% y/y, +10.2% q/q). Across all major income categories, the Group recorded an improvement compared to Q2. Net interest income increased to PLN 1,579 million (+29.5% q/q, +15.7% y/y; excluding the impact of credit holidays: +4.0% q/q, +9.3% y/y), commission income reached PLN 311 million (+8.3% q/q, +8.5% y/y), and trading and investment income totaled PLN 224 million (+8.6% q/q, -19.8% y/y). The main drivers of the increase in income were the revision of the estimated impact of credit holidays and the recognition of a positive impact of PLN 100 million in Q3, an increase in interest margins, higher commission income from advisory services, M&A, cards and loans, and the favorable impact of share valuations in infrastructural companies.

Despite an increase in employee-related expenses, the Group reported a drop in operating expenses in Q3 compared to the previous quarter to PLN 787 million (-2.0% q/q, +3.4% y/y). This change was driven predominantly by a decrease in other administrative expenses (including the costs of advisory services) and the absence of regulatory costs.

Favorable trends in loans, one-off decrease in Institutional Customer deposits

As at the end of Q3, the gross value of loans was PLN 89,493 million (+1.0% q/q, -0.1% y/y). The upward trend in the value of loans to institutional customers continued (+1.8% q/q, +3.9% y/y). In turn, the downward trend in the volume of the Retail Customer loan portfolio continued to abate (-0.2% q/q, -6.3% y/y). Q3 saw continued growth in sales of mortgage loans (+11.7% q/q, +356.0% y/y) as a result of the Bank's policy of a moderate return to lending to new customers.

Q3 2024 saw a slight decrease in the value of customer deposits due primarily to a one-off outflow of funds in the Institutional Customer segment (-3.9% q/q, -4.7% y/y). No major shifts were recorded in the Retail Customer segment (-0.2% q/q, +3.7% y/y). At the end of September, total deposits reached PLN 122,098 million (-2.4% q/q, -1.3% y/y).

The Group recorded another quarter with increases in the volume of investment products. At the end of the period, their value reached PLN 18,647 million (+5.7% q/q, +42.5% y/y). The value of funds invested in the BNP Paribas Group's investment funds also increased (+10.7% q/q, +69.7% y/y).



Good portfolio quality, safe capital position

The quality of BNP Paribas Bank Polska Group's loan portfolio is still very good. The Non-Performing Loan (Stage 3) ratio for the loan portfolio measured at amortized cost remains low. At the end of Q3 2024, it stood at 3.4%, with the quarterly increase due to the identification of an event of default towards a single corporate group.

In Q3, the Group recognized a PLN 277 million impact of legal risk related to CHF loans. The Bank continued the process of negotiating and proposing out-of-court settlements to customers, which resulted in the signing of 5,120 settlements by the end of September.

The Group's capital position is secure. Capital ratios remain above their respective regulatory requirements. At the end of the period, Tier 1 stood at 12.97% (-27 b.p. q/q, +84 b.p. y/y).

Financing sustainable transition and technological development

In Q3 2024, the total value of sustainable financing provided by BNP Paribas Bank Polska surpassed PLN 10 billion, reaching PLN 10.4 billion at the end of the period. In this period, among other transactions, the Bank provided financing to the CCC Group for a total of PLN 1.8 billion (as part of a syndicate of 7 institutions). The loan will be used to refinance existing debt, finance ongoing operations and develop the retail network. The financing was provided under an SLL formula, tying financial conditions to the achievement of ambitious environmental goals. As part of another syndicate, the Bank also entered into loan agreements with Grenevia for a total of PLN 850 million, of which PLN 700 million under an SLL formula. The funds will enable the development of investments in large-scale photovoltaics, wind power and energy storage, among other uses. As a Sustainable Financing Coordinator, BNP Paribas Bank is supporting the company in setting objectives in the area of renewable energy and in establishing a target for ESG verification of key suppliers.

Bank BNP Paribas' favorable impact on the environment has been recognized by experts. The rating agency Morningstar Sustainalytics has updated the Bank's ESG risk rating. The score of 9.8 (the lower the score, the higher the resilience to various risks) is the best among banks in the Polish market and corresponds to "Negligible Risk" according to the agency's risk rating criteria. In July, BNP Paribas Bank was the highest ranked bank in the 18th edition of the "ESG Ranking. Responsible Management" (formerly "Responsible Companies Ranking"). With a score of 98 out of 100, the bank ranked second in both overall ranking and also in the banking, financial and insurance sector category.

Along with its increasingly attractive digital offering, the degree of transactional activity and use of mobile banking among the Bank's customers is growing. As at the end of Q3, the number of GOMobile app users was 1,240 thousand (+2.0% q/q, +7.6% y/y). The quarterly number of BLIK transactions reached 15,440 thousand (+5.0% q/q, +36.6% y/y).

At the end of Q3 2024, the Bank served approx. 4.1 million customers. 181 out of the Bank's 363 Customer Service Centers are facilities without cash services. The OK Senior certificate confirms that all Customer Service Centers are senior-friendly. As many as 137 of these are "Barrier-Free Facilities" adapted to the needs of people with limited mobility.

Consolidated financial highlights (PLN 000s)

Profit and loss account	9M 2024	9M 2023	Change y/y	Q3 2024	Q3 2023	change y/y	Q2 2024
Net interest income	4,200,905	3,804,037	+10.4%	1,579,386	1,364,724	+15.7%	1,219,543
Net fee and commission income	933,805	919,861	+1.5%	311,235	286,842	+8.5%	287,485



Net banking income	5,736,610	5,457,080	+5.1%	2,098,462	1,904,791	+10.2%	1,693,992
General administrative expenses and depreciation	(2,511,609)	(2,271,742)	+10.6%	(787,129)	(761,456)	+3.4%	(803,403)
Net allowance for expected credit losses	(186,908)	39,980	-	(98,823)	(11,370)	+769.2%	8,280
Result on operating activities	2,550,075	2,264,058	+12.6%	935,264	761,117	+22.9%	709,097
Net profit	1,849,110	1,393,111	+32.7%	635,544	445,479	+42.7%	622,978
per share in PLN	12.52	9.44	+32.6%	4.30	3.02	+42.4%	4.22

Balance sheet	30 Sep 2024	30 Jun 2024	31 Dec 2023	30 Sep 2023
Total assets	158,954,969	159,541,247	161,025,747	155,097,859
Total loans (gross)	89,493,316	88,580,189	88,857,046	89,598,057
Liabilities towards customers	122,547,902	125,565,489	127,174,831	124,223,279
Total equity	14,307,082	13,609,050	12,861,275	13,130,934
Capital adequacy	30 Sep 2024	30 Jun 2024	31 Dec 2023	30 Sep 2023
Total capital requirement	16.59%	17.20%	16.67%	16.33%
Tier 1 ratio	12.97%	13.24%	12.51%	12.13%