



**BGZ BNP PARIBAS**

## Recommendation of the Polish Financial Supervision Authority (KNF) on the additional capital requirement for the Bank BGŻ BNP Paribas S.A. Capital Group

### current report no. 39/2016

date: 27 December 2016

With reference to the current report no 34/2016 dated 19 October 2016, the Management Board of Bank BGŻ BNP Paribas S.A. ("the Bank") hereby informs you that on 27 December 2016 it received a letter from the Polish Financial Supervision Authority ("KNF") with recommendations on the additional capital requirement to be maintained on consolidated level to hedge the risk involved in foreign currency mortgage loans for households.

The KNF recommends that the Bank's Capital Group should maintain its own funds to cover the additional capital requirement at 0.68 p.p. for Total Capital Ratio (TCR), 0.51 p.p. for Tier I Ratio and 0.38 p.p. for Core Tier I Ratio.

Previously, as the Bank informed in current report no. 10/2016 published on 24 March 2016, the Bank's Capital Group was obliged to maintain own funds for the coverage of additional capital requirement in order to secure the risk resulting from FX mortgage loans for households on consolidated level, at 0.72 p.p., which should have consisted in at least 75% of Tier I capital (which corresponded to 0.54 p.p.).

#### Legal basis

Article 17, item 1 of the MAR Regulation