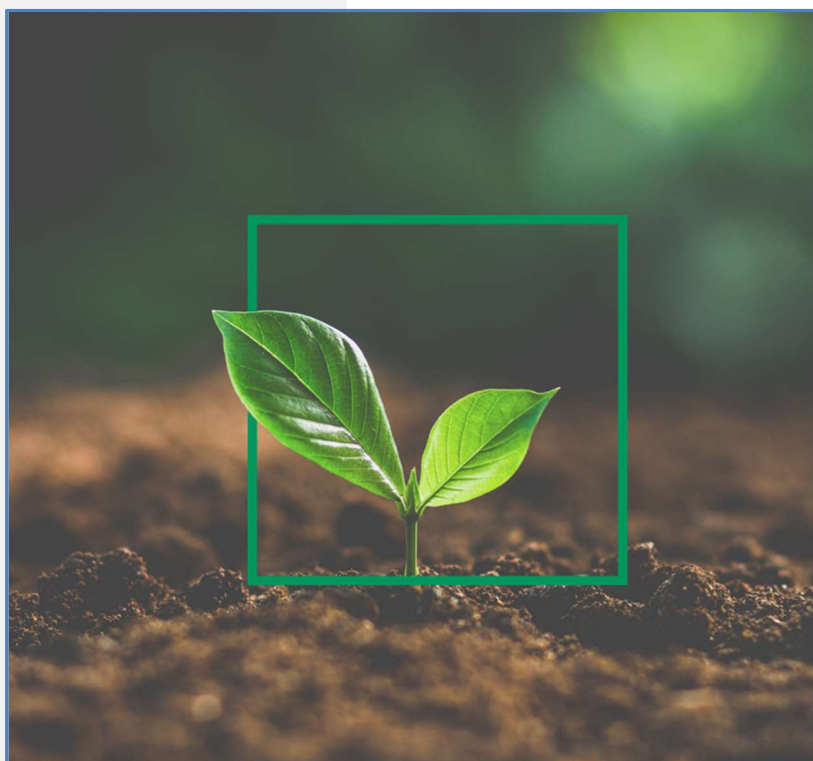


CAPITAL ADEQUACY INFORMATION OF BNP PARIBAS BANK POLSKA S.A. CAPITAL GROUP AS OF 31 MARCH 2020

BNP Paribas Bank Polska S.A.



BNP PARIBAS

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1. INTRODUCTION

In accordance with the Regulation of the European Parliament and of the Council (EU) No 575/2013 as of 26 June 2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No 648/2012 (Office Journal EU. L No. 176, p. 1), hereinafter referred to as "Regulation (EU) No 575/2013", BNP Paribas Bank Polska S.A. with its registered office in Warsaw, hereinafter referred to as "Bank", is obliged to publish in a publicly accessible manner information about the qualitative and quantitative information on the capital adequacy excluding irrelevant information, proprietary or confidential.

The document is the implementation of the *Information policy of BNP Paribas Bank Polska S.A. regarding capital adequacy*. In particular, the scope of quarterly information was developed in accordance with guidelines EBA/GL/2016/11.

Unless otherwise specified, all figures in the document are presented as of March 31, 2020, in thousands PLN, based on the data of the BNP Paribas Bank Polska S.A. Capital Group.

2. OWN FUNDS

Based on the art.437 of the Regulation (EU) No 575/2013 the Bank discloses full reconciliation of own funds items in relation to the financial statements.

Table 1. Full reconciliation of own funds items in relation to the financial statements as of 31 March 2020

POSITIONS OF THE CONSOLIDATED FINANCIAL STATEMENT USED FOR THE CALCULATION OF OWN FUNDS	Positions on 31 March 2020	Correction for companies not subject to prudential consolidation	Filters	Part of the unrecognized annual profit	OWN FUNDS POSITIONS
Assets					
Intangible assets	511 272	510	-	-	510 762
Deferred tax assets net of related tax liability	943 848	609	66 951	-	876 288
- including net assets not exceeding the threshold in art. 48 item 1 point a)	943 848	609	66 951	-	876 288
Liabilities					
Subordinated liabilities	1 998 570				
- including subordinated loans recognized as instruments in Tier II	1 995 475	-	-	-	1 995 475
Core capital					
Common Shares	147 419	-	-	-	147 419
Other capital instruments, including:	10 683 734	-	-	-	10 683 734
- share premium accounts	7 259 316	-	-	-	7 259 316
- general risk fund	627 154	-	-	-	627 154
- reserve capital	2 797 264	-	-	-	2 797 264
revaluation reserve, including:	133 205	-	-	-	133 204
Retained earnings	202 919	49 348	-	74 204	79 367
Result of the current year	115 081	-7 021	-	122 102	0

The Bank discloses own funds structure together with regulatory adjustments to Tier I and Tier II capital.

Table 2. The own funds structure with regulatory adjustments as of 31 March 2020

No.*		AMOUNT AT DISCLOSURE DATE	REGULATION (EU) No 575/2013 ARTICLE REFERENCE
6	Common Equity Tier I (CET1) capital before regulatory adjustments	11 043 724	
28	Total regulatory adjustments to Common Equity Tier I (CET1)	-243 708	
29	Common Equity Tier I (CET1) capital	10 800 016	
36	Additional Tier 1 (AT1) capital before regulatory adjustments	-	
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
44	Additional Tier I (AT1) capital	-	
45	Tier I capital (T1 = CET1 + AT1)	10 800 016	
51	Tier 2 (T2) capital before regulatory adjustments	-	
57	Total regulatory adjustments to Tier 2 (T2) capital	-	
58	Tier II (T2) capital	1 995 475	
59	Total capital (TC = T1 + T2)	12 795 493	
60	Total risk weighted assets	86 834 493	
61	Common Equity Tier I (as a percentage of risk exposure amount)	12.44%	92 (2) (a)
62	Tier I (as a percentage of risk exposure amount)	12.44%	92 (2) (b)
63	Total capital (as a percentage of risk exposure amount)	14.74%	92 (2) (c)

*) numbering in accordance with Annex VI of the Commission Implementing Regulation (EU) No 1423/2013

On March 19, 2020, the Regulation of the Minister of Finance (Journal of Laws of 2020, item 473) of March 18, 2020 repealing the regulation on the systemic risk buffer came into force. The regulation repealed the regulation of the Minister of Development and Finance of September 1, 2017 regarding the systemic risk buffer (Journal of Laws of 2017, item 1776), which pursuant to art. 1 clause 1 introduced the systemic risk buffer rate of 3% of the total risk exposure amount calculated in accordance with art. 92 paragraph 3 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No 648/2012 (Official Journal of the EU L 176 of 27.06 2013, p. 1, as amended), on an individual and consolidated basis.

The level of Tier 1 capital ratios (Tier 1) and the total capital ratio (TCR) in consolidated terms were above minimum requirements applicable for the Bank at the end of March 2020.

Table 3. Minimum requirement regarding own funds

31.03.2020	Minimum supervisory consolidated capital ratios	Consolidated capital ratios
CET I	7.25%	12.44%
Tier I	8.75%	12.44%
Total Capital Ratio	10.75%	14.74%

3. CAPITAL REQUIREMENTS

According to art. 438 of the Regulation (EU) No 575/2013, the Bank is publishing overview of risk weighted assets and amounts representing 8% of the risk-weighted exposure, separately for each exposure class, which are presented in table below.

Table 4. Risk weighted assets overview as of 31 March 2020

	RWAs		Capital requirements
	31 March 2020	31 December 2019	31 March 2020
1 Credit risk	76 018 502	73 400 616	6 081 480
2 Of which standardised approach	76 018 502	73 400 616	6 081 480
4 Of which advanced IRB approach	-	-	-
5 Of which equity positions under the simple risk-weighted approach	-	-	-
6 Counterparty Credit Risk	1 704 246	1 544 515	136 340
7 Of which mark-to-market	1 548 034	1 268 013	123 843
10 Of which internal model method (IMM)	-	-	-
11 Of which CCP - default fund contributions	-	-	-
12 Of which CVA	156 212	276 502	12 497
14 Securitisation exposures in the banking book			
15 Of which IRB approach (IRB)	-	-	-
16 Of which IRB supervisory formula approach (SFA)	-	-	-
17 Of which internal assessment approach (IAA)	-	-	-
18 Of which standardised approach	-	-	-
19 Market risk	969 112	876 152	77 529
20 Of which standardised approach	969 112	876 152	77 529
21 Of which IMA	-	-	-
23 Operational risk	8 142 632	7 941 509	651 411
24 Of which basic indicator approach	147 746	151 797	11 820
25 Of which standardised approach	7 994 887	7 789 712	639 591
26 Of which advanced measurement approach (AMA)	-	-	-
27 Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
29 TOTAL	86 834 493	83 762 792	6 946 759

4. LEVERAGE RATIO

The Bank publish summary information on its leverage ratio based on the Commission Implementing Regulation (EU) 2016/200 of 15 February 2016 laying down technical standards with respect to the disclosure of information on the institution's leverage ratio in accordance with art. 451 of Regulation (EU) No 575/2013.

Table 5. Leverage ratio common disclosure as of 31 March 2020

		CRR leverage ratio exposures
Capital and total exposure measure		
20	Tier I capital	10 800 016
21	Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	121 948 221
Leverage ratio		
22	Leverage ratio	8.86%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	transitional

5. COMPARISON OF BANK'S OWN FUNDS AND CAPITAL AND LEVERAGE RATIOS WITH AND WITHOUT THE APPLICATION OF TRANSITIONAL ARRANGEMENTS FOR IFRS 9 OR ANALOGOUS ECLS

In accordance with the Regulation of the European Parliament and of the Council (EU) No 2017/2395 of 12 December 2017 amending Regulation (EU) No 575/2013 as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds and for the large exposures treatment of certain public sector exposures denominated in the domestic currency of any Member State, the Bank discloses the amounts of own funds, Common Equity Tier 1 capital and Tier 1 capital, the Common Equity Tier 1 capital ratio, the Tier 1 capital ratio, the total capital ratio and the leverage ratio the Bank would have in case the Bank was not to apply the art. 1 of this Regulation.

Table 6. Comparison of Banks' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs as of 31 March 2020

	31 March 2020	31 December 2019	30 September 2019	30 June 2019
Available capital (amounts)				
1 Common Equity Tier I (CET1) capital	10 800 016	10 706 633	10 743 493	10 509 699
2 Common Equity Tier I (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10 519 466	10 365 965	10 402 825	10 169 031
3 Tier I capital	10 800 016	10 706 633	10 743 493	10 509 699
4 Tier I capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10 519 466	10 365 965	10 402 825	10 169 031
5 Total capital	12 795 491	12 586 528	12 659 783	12 374 929
6 Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12 514 941	12 245 860	12 319 116	12 034 261
Risk-weighted assets (amounts)				
7 Total risk-weighted assets	86 834 493	83 762 792	84 057 112	81 856 516
8 Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	86 685 732	83 618 128	83 910 623	81 711 565
Capital ratios				
9 Tier I (as a percentage of risk exposure amount)	12.44%	12.78%	12.78%	12.84%
10 Common Equity Tier I (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12.14%	12.40%	12.40%	12.45%
11 Tier I (as a percentage of risk exposure amount)	12.44%	12.78%	12.78%	12.84%
12 Tier I (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12.14%	12.40%	12.40%	12.45%
13 Total capital (as a percentage of risk exposure amount)	14.74%	15.03%	15.06%	15.12%
14 Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.44%	14.64%	14.68%	14.73%
Leverage ratio				
15 Leverage ratio total exposure measure	121 948 221	121 681 770	118 650 296	116 833 282
16 Leverage ratio	8.86%	8.80%	9.05%	9.00%
17 Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	8.63%	8.52%	8.77%	8.70%