CAPITAL ADEQUACY INFORMATION OF BNP PARIBAS BANK POLSKA S.A. CAPITAL GROUP

AS OF 30 JUNE 2021

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. 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. The presented scope of information was developed in accordance with applicable regulations regarding disclosure of information and guidelines of the European Banking Authority in this regard:

- Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295 (hereinafter “Regulation (EU) No 2021/637”)
- Guidelines of the European Banking Authority on materiality, proprietary and confidentiality and disclosure frequency under Articles 432(1), 432(2) and 433 of Regulation (EU) No 575/2013 (EBA/GL/2014/14)
- Guidelines of the European Banking Authority of 2 June 2020 on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis (EBA/GL/2020/07)
- Guidelines of the European Banking Authority of 11 August 2020 amending Guidelines EBA/GL/2018/01 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS 9 on own funds to ensure compliance with the CRR ‘quick fix’ in response to the COVID-19 pandemic (EBA/GL/2020/12).

Unless otherwise specified, all figures in the document are presented as at June 30, 2021, in thousands PLN, based on the data of the BNP Paribas Bank Polska S.A. Capital Group.

2. KEY METRICS

Implementing the requirement specified in art. 447 and art. 438(d) of the Regulation (EU) No 575/2013, the Bank publishes aggregate data on own funds, own funds requirements, risk-weighted exposures, combined buffer requirement, leverage ratio and liquidity ratios - liquidity coverage ratio and stable net funding. Detailed information on particular positions is presented in the following chapters of the report.

Table 1. EU KM1 - Key metrics template as of 30 June 2021

		a	b	c	d	e
		30 June 2021	31 March 2021	31 December 2020	30 September 2020	30 June 2020
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	11 634 275	11 737 129	11 445 875	11 270 368	10 940 334
2	Tier 1 capital	11 634 275	11 737 129	11 445 875	11 270 368	10 940 334
3	Total capital	15 837 456	16 012 501	15 748 450	13 243 898	12 900 804
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	87 584 796	85 123 839	84 447 701	83 885 088	84 827 952
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	13.28%	13.79%	13.55%	13.44%	12.90%
6	Tier 1 ratio (%)	13.28%	13.79%	13.55%	13.44%	12.90%
7	Total capital ratio (%)	18.08%	18.81%	18.65%	15.79%	15.21%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
EU-7a	Additional CET1 SREP requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU-7b	Additional AT1 SREP requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU-7c	Additional T2 SREP requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU-7d	Total SREP own funds requirements (%)	8.00%	8.00%	8.00%	8.00%	8.00%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)					
EU-8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Institution specific countercyclical capital buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU-9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU-10a	Other Systemically Important Institution buffer	0.00%	0.00%	0.00%	0.00%	0.00%
11	Combined buffer requirement (%)	0.25%	0.25%	0.25%	0.25%	0.25%
EU-11a	Overall capital requirements (%)	2.75%	2.75%	2.75%	2.75%	2.75%
12	CET1 available after meeting the total SREP own funds requirements (%)	10.75%	10.75%	10.75%	10.75%	10.75%
	Leverage ratio					
13	Leverage ratio total exposure measure	137 687 380	134 408 249	131 683 522	132 794 542	129 168 809
14	Leverage ratio	8.30%	8.73%	8.69%	8.49%	8.47%
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)					
EU-14a	Additional CET1 leverage ratio requirements (%)	-	-	-	-	-
EU-14b	Additional AT1 leverage ratio requirements (%)	-	-	-	-	-
EU-14c	Total SREP leverage ratio requirements (%)	-	-	-	-	-
	Total SREP leverage ratio requirements (%)					
EU-14d	Applicable leverage buffer	3,00%	nd	nd	nd	nd
EU-14e	Overall leverage ratio requirements (%)	-	-	-	-	-
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	37 026 734	38 502 951	38 187 147	40 475 225	35 700 007
EU-16a	Cash outflows - Total weighted value	28 976 361	30 507 564	31 480 720	35 530 560	26 579 251
EU-16b	Cash inflows - Total weighted value	10 732 988	10 409 878	10 524 249	12 085 807	6 870 658
16	Total net cash outflows (adjusted value)	18 243 374	20 097 686	20 956 470	23 444 754	19 708 593
17	Liquidity coverage ratio (%)	202.96%	191.58%	182.22%	172.64%	181.14%
	Net Stable Funding Ratio					
18	Total available stable funding	94 951 440	-	-	-	-
19	Total required stable funding	66 282 126	-	-	-	-
20	NSFR ratio (%)	143.25%	-	-	-	-

3. OWN FUNDS

3.1 OWN FUNDS STRUCTURE

Pursuant to the provisions of Banking law, the act of August 29, 1997 (consolidated text in Journal of Laws of 2017, item 1876), (hereinafter referred to as "Banking law”) and Regulation (EU) No 575/2013, own funds of the Bank for the purposes of the capital adequacy calculation include:

- Tier I capital
- Tier II capital

Tier I capital includes:

- Common Equity Tier I capital – the sum of the Common Equity Tier I items after application of the required adjustments as well as deductions and exemptions
- Additional Tier I capital.

Common Equity Tier I capital includes the following items:

1) capital instruments,
2) share premium accounts related to instruments referred to in point 1),
3) retained earnings, reviewed by the statutory auditor and after the permission is granted by the competent authority or after the Bank has taken a formal decision confirming the final financial result of an institution for a given year,
4) accumulated other comprehensive income (pursuant to Article 4(1)(100) and Article 26(1)(d) of the Regulation (EU) No 575/2013),
5) reserve capital,
6) general risk fund for unidentified risk related to banking operations,
7) adjustments and deductions that constitute:
    a. losses for a current financial year,
    b. intangible assets,
    c. deferred tax assets that rely on future profitability,
    d. defined benefit pension fund assets,
    e. direct, indirect and synthetic holdings by the Bank of own Common Equity Tier 1 instruments, including own Common Equity Tier 1 instruments that an institution is under an actual or contingent obligation to purchase by virtue of an existing contractual obligation,
    f. additional value adjustments based on requirements for prudent valuation (AVA),
    g. other items pursuant to Article 36 of the Regulation (EU) No 575/2013,
    h. additional value adjustments based on requirements for prudent valuation – pursuant to Article 34 and Article 105 of Regulation (EU) No 575/2013,
    i. adjustments arising under IAS 9 in a transition period – as stipulated in Article 473a of Regulation (EU) No 575/2013
    j. deduction for non-performing exposures defined in Article 47c of Regulation (EU) No 575/2013.

For the purpose of preparing the statement of Core Tier I and Tier II capital on a consolidated basis, shares in subsidiaries are excluded from the calculation.

Capital Tier II items, calculated based on the Regulation (EU) No 575/2013, (Articles 62 – 91), constitute subordinated loans – included in supplementary own funds in the amount and in accordance with the principles laid down in the decision of the Polish Financial Supervision Authority.

Additional capital is established from net profit deductions in a fiscal year and a surplus obtained at issuing shares above their nominal value, remaining after covering the costs of issuance, from additional capital payments made by shareholders in exchange for assigning special rights to their existing shares without increasing the share capital. Additional capital may be earmarked for the coverage of balance sheet losses.

Reserve capital is established regardless of the additional capital from net profit deductions in a fiscal year, earmarked to cover the balance sheet loss.

The general risk fund for unidentified risk related to banking operations is established from net profit deductions in the amount resolved by the General Meeting. The general risk fund is earmarked for unidentified risk related to banking operations.

Unrealized gains and losses on available-for-sale debt and capital instruments are recognized in own funds, in line with the instructions included in the Regulation (EU) No 575/2013 and the Banking Law Act.

Capital instruments and subordinated loans qualify as instruments under Tier II, provided that the conditions specified in Article 63 of the Regulation (EU) No 575/2013 are met. Tier II capital include subordinated loans received with a value of PLN 4 302 181 ths.

Information on adjustments and deductions for Common Equity Tier I used in the calculation as of June 30, 2021:

- deduction for core Tier I capital in accordance with Article 36(1)(b) of Regulation (EU) No 575/2013 for intangible assets in amount of PLN -350 436 ths. The amount was calculated taking into account the changes introduced by Regulation (EU) No 2176/2020 of November 12, 2020 amending Delegated Regulation (EU) No 241/2014 with regard to the deduction of software assets from Common Equity Tier I items
- deduction for non-performing exposures of PLN -1 154 ths
- for additional Tier I and supplementary Tier II capital deductions have not been applied
- not adjustments of the capital pursuant to Articles 47, 48, 56, 66 and 79 of Regulation (EU) No 575/2013 were applied
- after analysing the requirements set forth in Regulation (EU) No 2017/2395, the Bank decided to apply transition provisions provided for in the said Regulation, which means that for the purpose of the capital adequacy assessment, the full impact of the IFRS 9 implementation will not be taken into account; based on the said decision and according to Regulation (EU) No 2017/2395 the adjustment to the Common Equity Tier I in the amount of PLN 400 786 ths was applied
- in the Common Equity Tier I, additional Tier I and Tier II capital statement adjustments provided for in Regulation (EU) No 575/2013 have not been applied.

Information on own funds structure is presented in accordance with the template EU CC1 set out in Regulation (EU) No 2021/637, while the table presents only the rows relating to items included in the own funds structure.

Table 2 EU CC1 - Composition of regulatory own funds as of 30 June 2021

		(a) Amounts
	Common Equity Tier 1 (CET1) capital: instruments and reserves	
1	Capital instruments and the related share premium accounts	7 406 835
2	Retained earnings	- 435 637
3	Accumulated other comprehensive income (and other reserves)	4 201 809
EU-3a	Funds for general banking risk	627 154
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**11 800 161**
	Common Equity Tier 1 (CET1) capital: regulatory adjustments	
7	Additional value adjustments (negative amount)	- 14 688
8	Intangible assets (net of related tax liability) (negative amount)	- 350 436
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	199 239
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	- 165 885
29	Common Equity Tier 1 (CET1) capital	11 634 275
	Additional Tier 1 (AT1) capital: instruments	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	-
	Additional Tier 1 (AT1) capital: regulatory adjustments	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**-**
44	**Additional Tier 1 (AT1) capital**	**-**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**11 634 275**
	Tier 2 (T2) capital: instruments	
46	Capital instruments and the related share premium accounts	4 203 181
51	**Tier 2 (T2) capital before regulatory adjustments**	**4 203 181**
	Tier 2 (T2) capital: regulatory adjustments	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**
58	**Tier 2 (T2) capital**	**4 203 181**
59	**Total capital (TC = T1 + T2)**	**15 837 456**
60	**Total Risk exposure amount**	**87 584 796**
	Capital ratios and buffers	
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	13.28%
62	Tier 1 (as a percentage of total risk exposure amount)	13.28%
63	Total capital (as a percentage of total risk exposure amount)	18.08%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	2.75%
65	of which: capital conservation buffer requirement	2.50%
66	of which: countercyclical buffer requirement	0.00%
67	of which: systemic risk buffer requirement	0.00%
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.25%
EU-67b	of which: additional own funds requirements to cover risks other than the risk of excessive leverage	0.00%
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**6.03%**

	Amounts below the thresholds for deduction (before risk weighting)	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	271
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	659 889

3.2 RECONCYLIATION OF OWN FUNDS

As at 30 June 2021, the Bank's Capital Group comprised the Bank, as the parent, and its subsidiaries:

- Bankowy Fundusz Nieruchomościowy Actus Sp. z o.o.
- BNP Paribas Towarzystwo Funduszy Inwestycyjnych S.A.
- BNP Paribas Leasing Services Sp. z o.o.
- BNP Paribas Group Service Center S.A.
- Campus Leszno sp. z o.o.
- BNP Paribas Solutions Sp. z o.o.
- BGŻ Poland ABS1 DAC.

For the purposes of prudential consolidation, the following shall not be included:

- Bankowy Fundusz Nieruchomościowy Actus Sp. z o.o.
- BNP Paribas Group Service Center S.A.
- Campus Leszno sp. z o.o.
- BNP Paribas Solutions Sp. z o.o.
- BGŻ Poland ABS1 DAC.

Exclusion from prudential consolidation of companies, with the exception of BGŻ Poland ABS1 DAC, results from taking into account the conditions set out in Art.19(1) of Regulation (EU) No 575/2013. BGŻ Poland ABS1 DAC is controlled by the Bank due to the meeting the conditions contained in IFRS10.

Reconciliation of balance sheet items included in the audited consolidated report of the BNP Paribas Bank Polska S.A. Capital Group used to calculate the value of own funds according to the methodology described in Annex VIII to Regulation (EU) No 2021/637, is presented in the table below.

Table 3 EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements as of 30 June 2021

		a	b	c
		Balance sheet as in published financial statements	**Under regulatory scope of consolidation**	**Reference**
		As at period end	**As at period end**	
	Assets - Breakdown by asset classes according to the balance sheet in the published financial statements			
1	Intangible assets	649 326	350 436	Interim Condensed Consolidated Statement of financial position (Assets)
2	Assets due to deferred net income tax	708 203	706 893	
	- of which net assets not exceeding the threshold defined in Art. 48(1)(a)	708 203	706 893	
	Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements			
1	Subordinated liabilities	4 266 376	-	Interim Condensed Consolidated Statement of financial position (Explanatory Note no 36)
	- of which loans qualified as Tier II		4 203 181	
	Shareholders' Equity			
1	Share capital	147 519	147 519	Interim Condensed Consolidated Statement of financial position (Equity)
2	Supplementary capital	12 054 707	12 004 707	
	- share premium	7 259 316	7 259 316	
	- general own funds	627 154	627 154	
	- other reserve capital	2 316 577	4 118 238	
3	Revaluation reserve	83 571	83 571	
4	Retained earnings	-423 592	-435 637	
5	Net profit for the period	295 943	-	
	Total shareholders' equity	**12 158 148**	**11 800 161**	

4. OVERVIEW OF RISK-WEIGHTED AMOUNTS

Pursuant to art. 438(d) of Regulation (EU) no 575/2013, the Bank publishes information on risk exposure amounts.

Table 4. EU OV1 – Overview of risk weighted exposure amounts as of 30 June 2021

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		30 June 2021	31 March 2021	30 June 2021
1	Credit risk (excluding CCR)	76 101 357	73 538 572	6 088 109
2	Of which the standardised approach	76 101 357	73 538 572	6 088 109
3	Of which the foundation IRB (FIRB) approach	-	-	-
4	Of which slotting approach	-	-	-
EU 4a	Of which equities under the simple risk weighted approach	-	-	-
5	Of which the advanced IRB (AIRB) approach	-	-	-
6	Counterparty credit risk - CCR	1 659 443	1 808 337	132 755
7	Of which the standardised approach	1 616 518	1 706 607	129 321
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	60 566	n/d	4 845
EU 8b	Of which credit valuation adjustment - CVA	42 925	101 730	3 434
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	-	-	-
EU 19a	Of which 1250%/ deduction	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	1 436 012	1 388 947	114 881
21	Of which the standardised approach	1 436 012	1 388 947	114 881
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	8 387 983	8 387 983	671 039
EU 23a	Of which basic indicator approach	185 874	185 874	14 870
EU 23b	Of which standardised approach	8 202 110	8 202 110	656 169
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	1 650 399	1 628 717	132 032
29	Total	87 584 796	85 123 839	7 006 784

4.1 MARKET RISK

The table below presents elements of own funds requirements for market risk under the standardized method.

Table 5 EU MR1 - Market risk under the standardised approach as of 30 June 2021

		a
		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	1 435 648
2	Equity risk (general and specific)	-
3	Foreign exchange risk	-
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus approach	365
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	Total	1 436 012

For general interest rate risk in trading book the Bank uses maturity bucket approach. As of reporting date no instruments generating interest rate specific risk capital requirement were present. Foreign exchange risk is equal to 0 due to the fact that total FX position remained below 2% of own funds. Capital requirement for option instruments is a consequence of running low open position in interest rate options.

5. CAPITAL BUFFERS

The minimum levels of capital ratios applicable to the Bank and the Bank's Capital Group result from Article 92 of Regulation (EU) No 575/2013 and the Act of August 5, 2015 on macroprudential supervision over the financial system and crisis management in the financial system (Journal of Laws of 2017, item 1934), hereinafter referred to as the "Macroprudential Act" introducing the obligation to maintain the requirement of combined buffer.

The combined buffer consist of:

- conservative buffer of 2.5% - based on Article 19(1) of the Macroprudential Act, an additional amount of Common Equity Tier 1 capital to be maintained, additional to the Common Equity Tier 1 capital for the purposes of meeting the own funds requirement, referred to in Article 92 paragraph 1 of Regulation (EU) No 575/2013, in the amount of 2.5% of the total risk exposure amount calculated in accordance with Article 92 paragraph 3 of this Regulation on an individual and consolidated basis
- other systemically important institution buffer of 0.25% - The Polish Financial Supervision Authority in its letter dated 8 August 2018, pursuant to Article 39 item 1 in connection with Article 38 items 1 and 2 of the Macroprudential Act informed the Bank that no premises have arisen to justify repealing or changing the Authority's decision dated 4 October 2016, in the wording established by the Authority decision dated 19 December 2017 with respect to imposing the other systemically important institution buffer on the Bank (on a consolidated and standalone basis) equal to 0.25% of total risk exposure amount computed based on Article 92(3) of Regulation (EU) No 575/2013
- systemic risk buffer of 0% - 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, entered into force
- institution-specific countercyclical buffer of 0% - according to Article 21(1) of the Macroprudential Act, the Bank maintains the amount of Common Equity Tier 1 capital referred to in Article 92 paragraph 1 of Regulation (EU) No 575/2013, at the level of the total risk exposure amount calculated in accordance with Article 92 paragraph 3 of this Regulation, multiplied by the weighted average of countercyclical buffer rates calculated in accordance with Art. 83 of the Macroprudential Act.

Based on Article 83 of the Macroprudential Act starting from January 1, 2016, the countercyclical buffer ratio is 0% for credit exposures in the territory of the Republic of Poland. As a consequence, the countercyclical buffer rate as at June 30, 2021 was 0 p.p..

Pursuant to Art. 440 of Regulation (EU) No 575/2013, the Bank discloses the geographic distribution of exposure amounts and risk-weighted exposure amounts for credit exposures, which is the basis for calculating countercyclical buffer. Details of the distribution of credit exposures for the purposes of calculating the countercyclical buffer in tables below have been prepared in accordance with Annex XI of Regulation (EU) No 2021/637.

Table 6 EU CCyB2 - Amount of institution-specific countercyclical capital buffer as of 30 June 2021

		a
1	Total risk exposure amount	87 584 796
2	Institution specific countercyclical capital buffer rate	0.0000%
3	Institution specific countercyclical capital buffer requirement	-

Table 7 EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer as of 30 June 2021

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
010	Breakdown by country:													
0101	PL	95 095 574	-	71 898 183	-	-	166 993 756	5 784 526	114 852	-	5 899 377	73 742 217	98.0468%	0.00%
0102	LU	610 324	-	-	-	-	610 324	47 367	-	-	47 367	592 090	0.7872%	0.50%
0103	CZ	318 193	-	-	-	-	318 193	25 455	-	-	25 455	318 189	0.4231%	0.50%
0104	NL	305 969	-	-	-	-	305 969	24 457	-	-	24 457	305 712	0.4065%	0.00%
0105	DE	127 392	-	-	-	-	127 392	10 265	-	-	10 265	128 313	0.1706%	0.00%
0106	GB	41 434	-	-	-	-	41 434	3 614	-	-	3 614	45 172	0.0601%	0.00%
0107	CH	29 246	-	-	-	-	29 246	2 340	-	-	2 340	29 246	0.0389%	0.00%
0108	FR	13 317	-	-	-	-	13 317	1 065	-	-	1 065	13 317	0.0177%	0.00%
0109	DK	11 520	-	-	-	-	11 520	922	-	-	922	11 520	0.0153%	0.00%
0110	NO	7 245	-	-	-	-	7 245	580	-	-	580	7 245	0.0096%	1.00%
0111	RU	7 070	-	-	-	-	7 070	431	-	-	431	5 386	0.0072%	0.00%
0112	BE	4 554	-	-	-	-	4 554	378	-	-	378	4 729	0.0063%	0.00%
0113	SE	2 399	-	-	-	-	2 399	192	-	-	192	2 394	0.0032%	0.00%
0114	SK	2 276	-	-	-	-	2 276	182	-	-	182	2 276	0.0030%	1.00%
0115	AT	1 110	-	-	-	-	1 110	124	-	-	124	1 545	0.0021%	0.00%
0116	US	925	-	-	-	-	925	74	-	-	74	925	0.0012%	0.00%
0117	FI	876	-	-	-	-	876	70	-	-	70	876	0.0012%	0.00%
0118	LT	68	-	-	-	-	68	4	-	-	4	52	0.0001%	0.00%
0119	HU	45	-	-	-	-	45	4	-	-	4	45	0.0001%	0.00%
0120	CY	17	-	-	-	-	17	1	-	-	1	17	0.0000%	0.00%
0121	SC	2	-	-	-	-	2	0	-	-	0	2	0.0000%	0.00%
020	Total	96 579 556	-	71 898 183	-	-	168 477 739	5 902 049	114 852	-	6 016 901	75 211 265	100.0000%	

6. LEVERAGE RATIO

The Bank discloses information on its leverage ratio pursuant to Art. 451 of the Regulation (EU) No 575/2013.

The calculation of leverage ratio of the Bank Capital Group as of 30 June 2021 was performed under the provisions of Commission Delegated Regulation (EU) 2015/62 as of 10 October 2014 amending Regulation (EU) No 575/2013 in respect of the leverage ratio (Acts. Office. EU. Series L No. 309, p. 5), hereinafter referred to as "Delegated Regulation 2015/62". According to the Delegated Regulation 2015/62 financial leverage ratio is expressed as a percentage of the value of the quotient of Tier I capital and total exposure measure by the end of the reporting period, while total exposure measure is the sum of the exposure values determined under all of the assets and off-balance items not deducted when determining the capital measure Tier I.

The reconciliation of the total exposure for the calculation of the leverage ratio with the value of assets in the published consolidated semi-annual report, pursuant to Article 451 of Regulation (EU) No 575/2013, is presented in accordance with the formulas defined in Regulation (EU) No 2021/637.

Table 8 EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures as of 30 June 2021

		a
		Applicable amount
1	Total assets as per published financial statements	124 022 771
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-85 023
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-1 020 856
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-67
8	Adjustment for derivative financial instruments	1 241 333
9	Adjustment for securities financing transactions (SFTs)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	12 734 175
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-14 688
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	809 736
13	Total exposure measure	137 687 380

Table 9 EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		a	b
		30 June 2021	31 December 2020
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	122 314 833	119 196 506
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-73 788	-
6	(Asset amounts deducted in determining Tier 1 capital)	-	-
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	122 241 045	119 196 506
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	820 380	1 145 881
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	1 891 780	1 483 421
13	Total derivatives exposures	2 712 161	2 629 302
	Securities financing transaction (SFT) exposures		
18	Total securities financing transaction exposures		
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	34 416 408	31 131 178
20	(Adjustments for conversion to credit equivalent amounts)	21 682 233	18 548 738
22	Off-balance sheet exposures	12 734 175	12 582 440

	Excluded exposures		
EU-22k	**(Total exempted exposures)**	**-**	**-**
	Capital and total exposure measure		
23	Tier 1 capital	11 433 882	11 536 737
24	**Total exposure measure**	**137 687 380**	**134 408 249**
	Leverage ratio		
25	Leverage ratio (%)	8.30%	8.58%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	8.31%	8.58%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	8.31%	8.58%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	0.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU-26b	of which: to be made up of CET1 capital	0.00%	0.00%
27	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	0.00%
	Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	transitional	transitional

Table 10 EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		a
		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**122 205 010**
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	122 205 010
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	24 849 605
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	182 279
EU-7	Institutions	2 073 584
EU-8	Secured by mortgages of immovable properties	19 831 548
EU-9	Retail exposures	28 776 302
EU-10	Corporates	37 797 445
EU-11	Exposures in default	2 605 659
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	6 088 588

7. LIQUIDITY REQUIREMENTS

The Bank discloses information on liquidity requirements pursuant to Art. 451a of the Regulation (EU) No 575/2013.

Disclosing the information required in template EU LIQ1, the Bank provides the values and numerical data required for each of the four calendar quarters (January-March, April-June, July-September, October-December) preceding the disclosure date. Values and figures are calculated as the arithmetic mean of the month-end observations in the twelve months preceding the end of each quarter.

Table 11. EU LIQ1 - Quantitative information of LCR

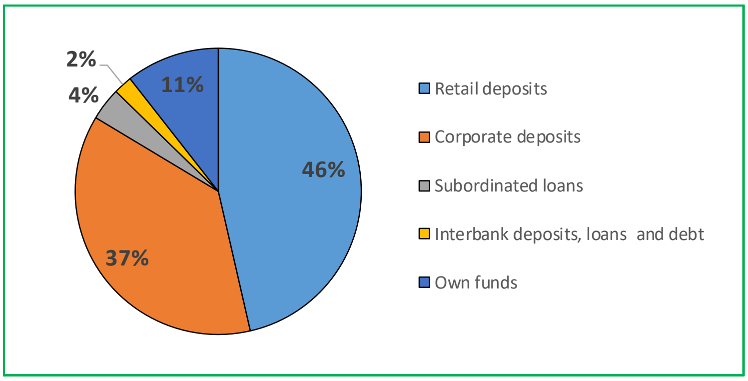
Scope of consolidation: consolidated		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	30 June 2021	31 March 2021	31 December 2020	30 September 2020	30 June 2021	31 March 2021	31 December 2020	30 September 2020
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					37 026 734	38 502 951	38 187 147	40 475 225
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	65 492 494	65 992 785	65 724 098	63 978 691	5 186 917	5 203 708	5 228 450	4 960 961
3	*Stable deposits*	41 316 728	41 797 896	40 711 693	39 120 341	2 065 836	2 089 895	2 035 585	1 956 017
4	*Less stable deposits*	23 102 872	22 935 771	23 300 513	22 938 292	3 121 080	3 113 813	3 192 865	3 004 944
5	Unsecured wholesale funding	31 922 497	29 583 678	27 232 843	33 248 364	12 274 368	12 832 810	13 066 885	15 570 051

6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	11 020 384	-	-	-	2 755 096	-	-	-
7	*Non-operational deposits (all counterparties)*	20 868 029	29 545 716	27 192 193	33 204 445	9 485 187	12 794 848	13 026 234	15 526 133
8	*Unsecured debt*	34 085	37 961	40 650	43 919	34 085	37 961	40 650	43 919
9	Secured wholesale funding					-	-	-	-
10	Additional requirements	37 237 605	38 593 744	38 503 011	36 859 150	11 515 077	12 471 047	12 760 880	13 457 384
11	*Outflows related to derivative exposures and other collateral requirements*	8 403 006	9 226 104	9 830 487	11 128 230	8 403 006	9 226 104	9 830 487	11 128 230
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	28 834 598	29 367 640	28 672 524	25 730 920	3 112 070	3 244 943	2 930 393	2 329 154
14	Other contractual funding obligations	2 770 509	2 196 440	2 398 937	2 724 223	-	-	424 506	1 126 913
15	Other contingent funding obligations	15 937 235	15 417 338	14 317 864	5 416 300	-	-	-	415 251
16	TOTAL CASH OUTFLOWS					28 976 361	30 507 564	31 480 720	35 530 560
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	*Inflows from fully performing exposures*	3 812 998	2 859 908	2 213 970	2 630 888	2 830 835	1 695 214	1 314 436	1 447 240
19	*Other cash inflows*	7 902 153	8 714 664	9 209 814	10 638 567	7 902 153	8 714 664	9 209 814	10 638 567
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)								
20	TOTAL CASH INFLOWS		-	-	-	-			
EU-20a	*Fully exempt inflows*								
EU-20b	*Inflows subject to 90% cap*	11 715 150	11 574 572	11 423 784	13 269 455	10 732 988	9 879 358	10 524 249	12 085 807
EU-20c	*Inflows subject to 75% cap*	-	-	-	-	-	-	-	-
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					37 026 734	38 502 951	38 187 147	40 475 225
22	TOTAL NET CASH OUTFLOWS					18 243 374	20 097 686	20 956 470	23 444 754
23	LIQUIDITY COVERAGE RATIO					202.96%	191.58%	182.22%	172.64%

The Bank collects diversified sources of funds, that ensure stable liquidity situation. The Bank holds as well high liquid assets portfolio, that can be used as the source of liquidity in case of need and ensure access to the liquidity during one day. Above mentioned elements enable stable liquidity management both in the normal situation as well as in the crisis or emergency one. High share of liquid assets (Level 1 only) ensures compliance with the regulatory and internal liquidity requirements.

LCR measures for the ends of each quarter remains on safe and high level. Significant increase of LCR measure at the end of June, despite of slight decrease of liquidity buffer, comes from operational part of corporate current accounts value, for which outflow value in the LCR measure is significantly smaller, than for non-operational ones. Implementation of the operational part of the corporate deposit model at the end of 2Q resulted in the increase of LCR measure.

The biggest share in the Bank’s funding is non-bank deposits base, that comes from all segments of clients, however the retail segment has dominant share. The stability of deposit base is ensured by attractive and complex offer to the customers on one side, and monitored and analyzed of the stability of liabilities modelling for each business lines from the other. Bank cooperates as well with the supranational financial institutions, that provide stable funding to specific projects or specific offer to the customers. Complete funding structure is presented on the chart below:



The Bank monitors concentration of the funding sources from non-bank customers and presents analysis on the ALCO Committee on the monthly basis. The Bank established limits for funding concentration both for corporate and retail segment. There was no excess event of the concentration limit during the current calendar year.

Due to currency structure of the Bank's balance sheet there is required to match appropriate level both on assets and liabilities side of the balance sheet. The Bank ensures funding that fits to the required level of assets either via funding drawn in that currency or via using derivatives transactions such as CIRS or FX swaps. Closing currency gaps throughout derivatives enables to close Bank's needs in the various currencies and term structure adequate to the liquidity risk profile of the respective currencies, and that has positive impact for the liquidity profile in respective currency. The Bank monitors liquidity in PLN and basic foreign currencies : EUR, CHF, USD and all remaining currencies as total. In case of the gap of liabilities in foreign currencies the Bank concludes off-balance sheet exchange of currencies transactions with the BNPP Group's units: FX swaps and CIRS, from the currencies bank has excess of liabilities as first and complementary from PLN. As of 30th June the Bank acquired using above mentioned transactions funds in CHF for mortgage loans funding in that currency. Due to uncertainty of the further development of the situation regarding that product, Bank acquired funding in the relatively short term funding tenor, to be able to adopt balance sheet structure quickly to the potential changes regarding CHF mortgage loans portfolio.

Off balance sheet exposure and potential collateral calls:

Off-balance sheet transactions collaterals are mainly assets Level 1 type: cash and government securities. The type of collateral change is performed exclusively within that type of assets. In the ISDA and ZBP agreements there might be some clauses about "Credit Event upon merger", as that may result of the worsening of the rating. However that is not implicating additional collateral requirement, but the closing of the transaction.

Table 12 EU LIQ2: Net Stable Funding Ratio

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	**Capital items and instruments**	**11 634 275**	**-**	**-**	**4 203 181**	**15 837 456**
2	*Own funds*	11 634 275	-	-	4 203 181	15 837 456
3	*Other capital instruments*		-	-	-	-
4	**Retail deposits**	**-**	**64 098 272**	**1 284 642**	**109 580**	**61 170 732**
5	*Stable deposits*		43 522 343	808 252	90 510	42 204 574
6	*Less stable deposits*		20 575 930	476 390	19 070	18 966 158
7	**Wholesale funding:**	**-**	**32 572 173**	**679 604**	**3 011 926**	**17 943 251**
8	*Operational deposits*		11 020 384	-	-	-
9	*Other wholesale funding*		21 551 790	679 604	3 011 926	17 943 251
10	**Interdependent liabilities**	**-**	**-**	**-**	**-**	**-**
11	**Other liabilities:**	**-**	**-**	**-**	**-**	**-**
12	*NSFR derivative liabilities*	-				
13	*All other liabilities and capital instruments not included in the above categories*		4 164 593	-	-	-
14	**Total available stable funding (ASF)**					**94 951 440**
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**	**-**	**-**	**-**	**-**	**2 207 382**
EU-15a	**Assets encumbered for more than 12m in cover pool**	**-**	**129 853**	**-**	**-**	**110 375**
16	**Deposits held at other financial institutions for operational purposes**	**-**	**-**	**-**	**-**	**-**
17	**Performing loans and securities:**	**-**	**11 667 557**	**8 869 479**	**60 067 374**	**58 956 312**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		-	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		1 859 764	242 861	782 100	1 089 506
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		8 942 886	8 041 877	36 186 674	57 395 279
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		256 314	237 791	10 118 632	6 824 163
22	*Performing residential mortgages, of which:*		584 380	584 741	22 685 965	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-

24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		20 822	-	412 636	361 152
25	**Interdependent assets**	-	**-**	**-**	**-**	**-**
26	**Other assets:**	-	**34 754**	**34 754**	**3 255 808**	**3 255 808**
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*				-	-
29	*NSFR derivative assets*				34 754	34 754
30	*NSFR derivative liabilities before deduction of variation margin posted*				-	-
31	*All other assets not included in the above categories*		-	-	3 221 055	3 221 055
32	**Off-balance sheet items**		**37 252 484**	**-**	**-**	**1 862 624**
33	**Total RSF**					**66 282 126**
34	**Net Stable Funding Ratio (%)**					**143.25%**

8. EXPOSURES TO INTEREST RATE RISK ON POSITIONS NOT HELD IN THE TRADING BOOK

The core business of the Bank - granting loans and collecting deposits from customers – generates the open interest rate risk positions, which are transferred using the transfer pricing system from business lines to portfolios managed by the Asset and Liability Management Division.

When determining the interest rate risk profile, the Bank takes into account not only contractual parameters, but also the actual characteristics of products resulting from customer behavioral characteristic and built-in options, using models e.g. for current accounts, savings accounts, fixed interest rate loans, credit cards.

Structural elements (stable, insensitive to interest rate changes part of current accounts and capital) are secured with transactions with longer maturities. In the remaining portfolio, the Bank's intention is to close the interest rate risk.

The economic value of equity (EVE) measure is a measure of the net present value changes of instruments sensitive to the interest rates changes in their remaining duration, resulting from changes in interest rates, taking into account all the items in the banking book, with the exception of capital. The economic value changes of the updated capital, calculated according to the internal contract prices, in accordance with six regulatory interest rate change scenarios are presented in the table below:

Table 13 Changes in the economic value of capital in the scenarios

	30 June 2021		31 December 2020	
Scenario	**Change vs central scenario (mn PLN)**	**% change of Tier I**	**Change vs central scenario (mn PLN)**	**% change of Tier I**
parallel shock down	-969	-8,30%	-847	-7,43%
parallel shock down	394	3,37%	254	2,23%
short rates shock up	-539	-4,62%	-497	-4,36%
short rates shock down	205	1,76%	183	1,61%
steepener shock	-4	-0,03%	11	0,09%
flattener shock	-305	-2,61%	-238	-2,09%

The Bank determined an internal critical value for this measure at 13% of the Common Equity Tier I capital of the Bank. During the current calendar year, there was no event of excess.

Changes in net interest income, calculated according to two supervisory shock scenarios:

Table 14 Changes in the nett interest income in the scenarios

	30 June 2021		31 December 2020	
Scenario	**Change in the net interest income (PLN mn)**	**Change in the net interest income (%)**	**Change in the net interest income (PLN mn)**	**Change in the net interest income (%)**
Parallel +200 bps	422	14,89%	388	14,54%
Parallel -200 bps	-547	-19,31%	-488	-18,27%

Due to the large share of the no interest bearing liabilities, despite hedging of some of the positions with long-term transactions, the Bank is exposed to a decline in net interest income in the event of further reduction of interest rates. The lack of symmetry in the net interest income changes in the event of a decrease and an increase of the interest rates by the same level results from the existence of options embedded in clients' contracts (e.g. 0% floor for deposits).

9. CREDIT RISK

9.1 EXPOSURES TO CREDIT RISK

The tables below present detailed quantitative information on credit risk adjustments, as required by Article 442 of Regulation (EU) No 575/2013 on the basis of the formulas set out in Regulation (EU) No 2021/637.

The Bank does not present the template EU CQ4- Quality of NPEs broken down geographically, due to the fact that exposures in foreign countries do not exceed 10% of total exposure.

Table 15 EU CR2: Changes in the stock of non-performing loans and advances as of 30 June 2021

		a
		Gross carrying amount
010	**Initial stock of non-performing loans and advances**	**4 271 523**
020	Inflows to non-performing portfolios	1 121 430
030	Outflows from non-performing portfolios	-1 349 995
040	Outflows due to write-offs	-89 538
050	Outflow due to other situations	-1 260 457
060	**Final stock of non-performing loans and advances**	**4 042 958**

Table 16 EU CR1-A: Maturity of exposures as of 30 June 2021

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	-	12 519 939	37 467 022	49 055 029	17 213 880	116 255 870
2	Debt securities	-	1 015 700	10 474 762	22 107 325	-	33 597 786
3	**Total**	-	**13 535 639**	**47 941 784**	**71 162 354**	**17 213 880**	**149 853 656**

Table 17 EU CR1: Performing and non-performing exposures and related provisions as of 30 June 2021

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	1 066 386	1 066 386	-	-	-	-	-334	-334	-	-	-	-	-	-	-
010	Loans and advances	80 206 195	72 387 551	6 503 048	4 042 958	15 015	3 679 876	-1 178 136	-600 556	-577 435	-1 943 828	-2 181	-1 898 780	-	29 746 777	1 037 738
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	*97 960*	*95 926*	*2 033*	21	-	-	-1 949	-1 748	-201	-9	-	-	-	803	-
040	*Credit institutions*	*1 246 344*	*1 246 344*	-	-	-	-	-2 282	-2 282	-	-	-	-	-	-	-
050	*Other financial corporations*	*915 094*	*915 094*	-	-	-	1 505	-1 080	-1 080	-	-701	-	-677	-	-	-
060	*Non-financial corporations*	*43 131 986*	*37 083 636*	*4 758 547*	2 684 974	12 833	2 362 614	-789 597	-384 402	-405 133	-1 285 081	-1 895	-1 245 799	-	18 782 987	756 031
070	*Of which SMEs*	*32 322 446*	*27 417 717*	*3 649 405*	2 261 431	10 869	1 983 335	-676 810	-315 071	-361 678	-1 030 359	-1 866	-996 763	-	16 181 008	726 622
080	*Households*	*34 814 812*	*33 046 552*	*1 742 467*	1 356 374	2 182	1 315 757	-383 228	-211 044	-172 101	-658 036	-286	-652 305	-	10 962 987	281 708
090	Debt securities	33 400 195	33 337 663	4 014	223 381	-	4 155	-1 051	-668	-383	-24 739	-	-4 155	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	*23 266 639*	*23 266 639*	-	-	-	-	-462	-462	-	-	-	-	-	-	-
120	*Credit institutions*	*6 831 468*	*6 831 468*	-	-	-	-	-136	-136	-	-	-	-	-	-	-
130	*Other financial corporations*	*3 232 335*	*3 232 335*	-	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	*69 753*	*7 220*	*4 014*	223 381	-	4 155	-454	-71	-383	-24 739	-	-4 155	-	-	-
150	Off-balance-sheet exposures	39 077 732	36 425 512	2 151 652	108 859	1 187	96 127	151 883	103 599	48 001	34 791	9	32 522		1 205 057	1 720
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	*83 205*	*83 205*	-	-	-	-	260	260	-	-	-	-		-	-
180	*Credit institutions*	*1 522 853*	*1 522 853*	-	-	-	-	*2 074*	*2 074*	-	-	-	-		-	-
190	*Other financial corporations*	*779 512*	*779 512*	-	0	-	*0*	*125*	*125*	-	-	-	-		-	-
200	*Non-financial corporations*	*32 926 694*	*30 451 660*	*1 982 820*	*86 062*	*1 184*	*74 049*	*132 058*	*89 854*	*42 162*	*34 791*	*9*	*32 522*		*1 159 310*	*1 720*
210	*Households*	*3 765 468*	*3 588 282*	*168 832*	*22 798*	*3*	*22 078*	*17 365*	*11 286*	*5 839*	*0*	*0*	*0*		*45 747*	-
220	Total	153 750 509	143 217 112	8 658 713	4 375 198	16 202	3 780 158	-1 027 639	-497 960	-529 818	-1 933 775	-2 172	-1 870 413	-	30 951 835	1 039 458

Table 18 EU CQ1: Credit quality of forborne exposures as of 30 June 2021

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	402 765	1 191 164	1 190 111	1 015 874	-25 154	-388 448	608 531	360 267
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	351 579	682 959	681 953	528 145	-20 530	-216 991	445 804	213 733
070	*Households*	51 186	508 206	508 158	487 729	-4 624	-171 456	162 727	146 534
080	Debt Securities	-	219 226	219 226	4 155	-	-20 584	-	-
090	Loan commitments given	30 208	2 380	2 380	1 897	796	95	-	-
100	**Total**	**432 973**	**1 412 771**	**1 411 717**	**1 021 926**	**-24 359**	**-408 936**	**608 531**	**360 267**

Table 19 EU CQ5: Credit quality of loans and advances to non-financial corporations by industry as of 30 June 2021

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing	10 883 118	932 067	918 007	9 533 092	-470 261	-
020	Mining and quarrying	36 602	2 916	2 916	36 520	-1 426	-
030	Manufacturing	10 674 075	468 552	443 875	10 666 861	-364 144	-
040	Electricity, gas, steam and air conditioning supply	872 483	5 253	5 171	872 483	-10 433	-
050	Water supply	264 660	5 057	4 870	264 660	-3 268	-
060	Construction	2 513 844	209 049	201 838	2 513 681	-176 580	-
070	Wholesale and retail trade	6 614 261	429 714	410 965	6 600 247	-344 430	-
080	Transport and storage	1 893 095	96 831	75 429	1 892 981	-72 720	-
090	Accommodation and food service activities	295 765	54 528	53 080	295 665	-34 067	-
100	Information and communication	1 238 481	73 064	70 583	1 238 481	-48 519	-
110	Financial and insurance actvities	842 787	101 559	100 556	842 787	-43 185	-
120	Real estate activities	5 023 331	137 900	137 326	5 023 331	-69 041	-
130	Professional, scientific and technical activities	2 892 205	59 732	53 297	2 891 365	-93 960	-
140	Administrative and support service activities	604 591	65 971	60 011	604 420	-42 815	-
150	Public administration and defense, compulsory social security	744	-	-	744	-11	-
160	Education	115 733	6 888	5 941	115 707	-6 539	-
170	Human health services and social work activities	872 899	22 548	21 769	872 899	-34 114	-
180	Arts, entertainment and recreation	27 941	3 871	3 586	27 895	-3 121	-
190	Other services	150 346	9 473	7 765	150 328	-256 043	-
200	**Total**	**45 816 960**	**2 684 974**	**2 576 985**	**44 444 146**	**-2 074 678**	**-**

Information on collateral obtained by taking possession and execution processes:

The Bank is cautious about the possibility of taking over the property after unsuccessful enforcement proceedings. The value of the acquired real estate is small in relation to the Bank's scale. Currently, the net value of the properties taken over by the Bank as at 30.06.3021 is covered in 100% with a provision (net value PLN 0). The Bank takes a similar cautious approach in the case of debt conversion into stocks or shares in companies. The Bank, usually as part of restructuring proceedings, converts part of its receivables into shares / stocks in companies. The value of shares / stocks as at the reporting date is small in terms of the Bank's operations, and also in terms of recoveries made on the portfolio of impaired loans. The value of provisions covers 83.7% of the initial value from the date of acquisition. Movable property that is collateral of the contracts is also taken over in collection process.

Table 20 EU CQ7: Collateral obtained by taking possession and execution processes as of 30 June 2021

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	-	-
020	Other than PP&E	8 984	-8 155
030	*Residential immovable property*	4 000	-4 000
040	*Commercial Immovable property*	-	-
050	*Movable property (auto, shipping, etc.)*	22	-
060	*Equity and debt instruments*	4 962	-4 155
070	*Other collateral*	-	-
080	**Total**	**8 984**	**-8 155**

9.2 CREDIT RISK MITIGATION TECHNIQUES

When limiting credit risk, the Bank applies credit risk mitigation techniques, both in terms of funded and unfunded protection. The funded protection includes, among others:

- mortgage established on a residential real estate
- mortgage established on a commercial real estate
- registered pledge
- security deposit
- hold on funds on bank accounts
- suretyship
- ownership transfer
- assignment of receivables
- promissory note
- credit facility insurance
- power of attorney to administer a bank account.

The unfunded protection covers bank guarantees, guarantees issued by the State Treasury or a local government unit and corporate guarantees.

The Bank uses both balance sheet netting and off-balance netting techniques. The first credit risk mitigation technique concerns drawn lines of credit and deposits placed with BNP Paribas S.A. Off-balance sheet netting is used for derivative transactions that are concluded under framework and security agreements signed with corporate, SME and Micro customers. Off-balance sheet netting is also used in the case of derivative transactions concluded with selected credit institutions.

The Bank does not use credit derivatives as a credit risk mitigation technique

Table 21 EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques as of 30 June 2021

		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	54 530 992	30 784 515	29 322 190	1 462 326	-
2	Debt securities	33 623 576	-	-	-	
3	Total	88 154 568	30 784 515	29 322 190	1 462 326	-
4	*Of which non-performing exposures*	3 228 601	1 037 738	1 026 313	11 426	-
EU-5	*Of which defaulted*	3 228 601	1 037 738			

The table below shows the effect of all credit risk mitigation techniques. The density of risk-weighted assets is a synthetic indicator of the risk level of individual portfolios.

Table 22 EU CR4 – standardised approach – Credit risk exposure and CRM effects as of 30 June 2021

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	24 132 089	27	34 198 219	151	1 649 722	4.82%
2	Regional government or local authorities	181 591	70 710	181 591	24 416	41 201	20.00%
3	Public sector entities	688	12 109	688	4 754	2 721	50.00%
4	Multilateral development banks	717 516	-	717 516	-	-	0.00%
5	International organisations	-	-	-	-	-	-
6	Institutions	2 073 584	1 518 344	2 292 223	398 725	776 527	28.86%
7	Corporates	37 797 511	24 530 784	28 083 150	9 402 070	35 748 062	95.37%
8	Retail	28 776 302	7 828 123	28 258 499	2 146 436	20 034 818	65.89%
9	Secured by mortgages on immovable property	19 831 548	212 798	19 812 520	104 101	13 894 942	69.77%
10	Exposures in default	2 605 659	77 309	2 515 340	29 053	3 261 390	128.18%
11	Exposures associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-

14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	338 272	-	338 272	-	338 678	100.12%
16	Other items	5 750 316	3 011	5 807 059	83 057	1 969 814	33.44%
17	**TOTAL**	**122 205 077**	**34 253 215**	**122 205 077**	**12 192 763**	**77 717 875**	**57.83%**

9.3 USE OF STANDARDISED APPROACH

The risk weights used in the calculation of the requirement for credit risk according to the standardized approach are based on the provisions of Chapter 2, Title II, Part III of Regulation (EU) No 575/2013. Risk weights are assigned according to the category to which the exposure belongs and the credit quality step of the exposure or entity. For defaulted exposures, the risk weight is based on the principles set out in Art. 127 of Regulation (EU) No 575/2013. Pursuant to Art. 125 section 2 of Regulation (EU) No 575/2013, the Bank also assigns a preferential risk weight of 35% for the part of the exposure that is fully secured by a mortgage on residential real estate and the value of which does not exceed 80% of the market value of the real estate in question.

For the purpose of determining risk weights for financial institutions, the Bank uses external credit quality assessments (ratings). The table below aims to present the SA exposures broken down by asset class and risk weight.

Table 23 EU CR5 – standardised approach as of 30 June 2021

	Exposure classes	Risk weight															Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	33 538 481	-	-	-	-	-	-	-	-	-	-	659 889	-	-	-	34 198 370	34 198 370
2	Regional government or local authorities	-	-	-	-	206 007	-	-	-	-	-	-	-	-	-	-	206 007	-
3	Public sector entities	-	-	-	-	-	-	5 442	-	-	-	-	-	-	-	-	5 442	-
4	Multilateral development banks	717 516	-	-	-	-	-	-	-	-	-	-	-	-	-	-	717 516	717 516
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	84 839	-	-	3 115 505	-	164 345	-	-	70 376	-	-	-	-	-	3 435 066	3 571
7	Corporates	-	-	-	-	-	-	676 084	-	-	38 081 893	251 359	-	-	-	-	39 009 337	3 079 432
8	Retail exposures	-	-	-	-	-	-	-	-	30 454 492	-	-	-	-	-	-	30 454 492	3 741 402
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	10 129 797	-	-	5 643 766	51 405	4 091 652	-	-	-	-	19 916 621	105 712
10	Exposures in default	-	-	-	-	-	-	-	-	-	1 110 399	1 433 994	-	-	-	-	2 544 393	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	338 002	-	271	-	-	-	338 272	338 272
16	Other items	3 818 439	-	-	-	126 858	-	-	-	-	1 944 818	-	-	-	-	-	5 890 115	5 888 185
17	**TOTAL**	**38 074 436**	**84 839**	**-**	**-**	**3 448 371**	**10 129 797**	**845 872**	**-**	**36 098 258**	**41 596 893**	**5 777 005**	**660 159**	**-**	**-**	**-**	**136 715 631**	**48 072 460**

9.4 EXPOSURES SUBJECT TO MEASURES APPLIED IN RESPONSE TO THE COVID-19 CRISIS

In response to the need to address negative economic consequences of COVID-19 pandemic, the European Union (EU) and Member States have introduced a wide range of mitigating measures to support the real economy and the financial sector. As part of such measures, some Member States have introduced legislative moratoria on loan repayments granting the borrowers various forms of payment holidays on their existing loans. Various forms of public guarantees to be applied to new lending have been also introduced. Coordinating supervisory response to these measures, the European Banking Authority (EBA) issued guidelines of 2 April 2020 on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 .

Due to the outbreak of the next wave of the COVID-19 pandemic, the EBA has issued an update of the above-mentioned guidelines. Under the EBA/GL/2020/15 guidelines of December 2, 2020 amending the EBA/GL/2020/02 guidelines, it was possible to offer non-statutory moratoria to borrowers until March 31, 2021.

Application of payment moratoria and the public guarantees necessitates additional collection of information from the institutions for supervisory purposes, and also calls for public disclosure for the purposes of market discipline and transparency for investors and in the wider public interest. As a coordinated approach to the collection of information regarding the application of the payment moratoria to the existing loans and public guarantees to new lending in response to COVID-19 pandemic, the EBA has introduced additional reporting and disclosure covering both aspects by issuing guidelines EBA/GL/2020/07 of 2 June 2020 on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis.

In the tables below, the Bank presents information in accordance with the disclosure templates covering information on exposures subject to legislative and non-legislative moratoria and on newly originated exposures subject to public guarantee schemes, specified in Annex 3 of the EBA/GL/2020/07 guidelines. From the second quarter of 2021, only moratoria and public guarantees are provided.

Table 24 Template 1 - Information on loans and advances subject to legislative and non-legislative moratoria as of 30 June 2021

		Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
			Performing			Non-performing				Performing			Non-performing			
				Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
1	Loans and advances subject to moratorium	6 558 508	5 748 421	61 338	1 556 843	810 087	484 657	605 524	-364 855	-137 752	-5 110	-103 241	-227 103	-105 135	-126 429	90 716
2	of which: Households	3 121 615	2 660 419	25 664	543 953	461 196	307 938	376 042	-206 163	-64 935	-2 353	-51 255	-141 228	-74 436	-89 713	61 401
3	*of which: Collateralised by residential immovable property*	2 157 609	1 899 326	16 965	360 454	258 283	191 709	227 740	-75 515	-23 852	-919	-20 452	-51 662	-34 685	-40 321	29 257
4	of which: Non-financial corporations	3 435 805	3 086 914	35 674	1 012 030	348 891	176 719	229 482	-158 553	-72 678	-2 758	-51 852	-85 875	-30 699	-36 716	29 315
5	*of which: Small and Medium-sized Enterprises*	2 073 985	1 780 961	26 193	646 630	293 023	154 829	190 698	-117 214	-51 110	-1 964	-39 415	-66 104	-24 480	-25 583	23 240
6	*of which: Collateralised by commercial immovable property*	2 387 055	2 155 197	24 481	740 775	231 858	150 118	159 047	-70 245	-34 123	-1 097	-24 802	-36 122	-21 127	-15 023	17 195

Table 25 Template 2 - Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria as of 30 June 2021

			Gross carrying amount							
						Residual maturity of moratoria				
		Number of obligors		Of which: legislative moratoria	Of which: expired	<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1	Loans and advances for which moratorium was offered	40	6 558 508							
2	Loans and advances subject to moratorium (granted)	40	6 558 508	233 129	6 397 416	158 634	2 458	-	-	-
3	of which: Households		3 121 615	232 874	3 072 316	47 891	1 408	-	-	-
4	*of which: Collateralised by residential immovable property*		2 157 609	140 385	2 129 393	26 818	1 398	-	-	-
5	of which: Non-financial corporations		3 435 805	255	3 324 012	110 743	1 051	-	-	-
6	*of which: Small and Medium-sized Enterprises*		2 073 985	255	1 988 216	84 718	1 051	-	-	-
7	*of which: Collateralised by commercial immovable property*		2 387 055	76	2 282 616	104 367	72	-	-	-

Table 26 Template 3 - Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis as of 30 June 2021

		Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
			of which: forborne	Public guarantees received	Inflows to non-performing exposures
1	**Newly originated loans and advances subject to public guarantee schemes**	2 211 070	443	1 687 572	15 084
2	of which: Households	-			-
3	of which: Collateralised by residential immovable property	-			-
4	of which: Non-financial corporations	2 211 070	443	1 687 572	15 084
5	of which: Small and Medium-sized Enterprises	1 399 677			5 571
6	of which: Collateralised by commercial immovable property	674 061			1

10. COUNTERPARTY CREDIT RISK

The tables below present information on the Bank's counterparty credit risk.

The report as of June 30, 2021 includes a change in the calculation method from the market valuation method to the standard method (SA CCR) in accordance with the changes introduced by Regulation (EU) No 2019/876 of May 20, 2019. To mitigate the counterparty credit risk the Bank uses contractual netting in accordance with Art. 295-298 of Regulation (EU) No 575/2013.

Table 27 EU CCR1– Analysis of CCR exposure by approach as of 30 June 2021

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	579 071	1 090 287		1.4	3 379 679	2 337 101	2 317 792	1 616 518
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	*Of which securities financing transactions netting sets*			-		-	-	-	-
2b	*Of which derivatives and long settlement transactions netting sets*			-		-	-	-	-
2c	*Of which from contractual cross-product netting sets*			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	**Total**					**3 379 679**	**2 337 101**	**2 317 792**	**1 616 518**

Table 28 EU CCR2– Transactions subject to own funds requirements for CVA risk as of 30 June 2021

		a	b
		Exposure value	RWEA
1	Total transactions subject to the Advanced method	-	-
2	(i) VaR component (including the 3× multiplier)		-
3	(ii) stressed VaR component (including the 3× multiplier)		-
4	Transactions subject to the Standardised method	255 940	42 925
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5	**Total transactions subject to own funds requirements for CVA risk**	**255 940**	**42 925**

Table 29 EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights as of 30 June 2021

		Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
	Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-

5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	71 771	-	-	643 923	28 424	-	-	-	-	-	744 118
7	Corporates	-	-	-	-	-	63 430	-	-	1 460 687	-	-	1 524 117
8	Retail	-	-	-	-	-	-	-	49 557	-	-	-	49 557
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**Total exposure value**	**-**	**71 771**	**-**	**-**	**643 923**	**91 854**	**-**	**49 557**	**1 460 687**	**-**	**-**	**2 317 792**

Table 30 EU CCR5 – Composition of collateral for CCR exposures as of 30 June 2021

		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
	Collateral type	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	17	22 800	36 208	7 650	-	-	-	-
2	Cash – other currencies	5 623	219 026	316 697	50 136	-	-	-	-
3	Domestic sovereign debt	-	-	84 311	-	-	-	-	-
4	Other sovereign debt	221 120	-	-	-	-	-	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Equity securities	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	**Total**	**226 760**	**241 826**	**437 216**	**57 786**	**-**	**-**	**-**	**-**

Table 31 EU CCR8 – Exposures to CCPs as of 30 June 2021

		a	b
		Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**60 566**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	362 426	59 566
3	(i) OTC derivatives	362 426	59 566
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	311 166	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	1 000	1 000
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**		**-**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

11. TRANSITIONAL PROVISIONS

The purpose of this chapter is to present a comparison of the Bank's own funds, capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous expected credit losses, and with and without the provisional treatment in accordance with Article 468 of the Regulation (EU) No 575/2013.

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 (hereinafter "Regulation (EU) No 2017/2395") and in regards with EBA/GL/2020/12, the Bank discloses the amounts of own funds, Common Equity Tier 1 capital and Tier 1 capital, risk weighted assets as well as 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 transitional measures resulting from the introduction of IFRS 9 and the corresponding expected credit losses, as well as the temporary treatment of unrealized gains and losses measured at fair value through other comprehensive income in connection with the COVID-19 pandemic in accordance with Article 468 of the Regulation (EU) No 575/2013 were not applied.

The Bank does not use temporary treatment of unrealized gains and losses measured at fair value through other comprehensive income, in line with Article 468 of the Regulation (EU) No 575/2013. Reported capital ratios including leverage ratio and Tier 1 capital already fully reflect the effect of unrealized gains and losses measured at fair value through other comprehensive income.

The Bank, as the parent company, after analysing the requirements of Regulation (EU) No 2017/2395, decided to apply the transitional provisions provided for in this regulation, which means that for the purposes of assessing the capital adequacy of the BNP Paribas Bank Polska S.A. Group the full impact of IFRS 9 implementation is not introduced. The Bank fulfilled its obligations under the Regulation (EU) No 2017/2395 by notifying the Polish Financial Supervision Authority of its intention to apply the transitional provisions in a letter with reference number BZO/W/15/2018 of January 29, 2018.

Table 32. Comparison of Banks' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs , and with and without the application of the temporary treatment in accordance with Article 468 of the CRR as of 30 June 2021

		30 June 2021	31 March 2021	31 December 2020	30 September 2020
	Available capital (amounts)				
1	Common Equity Tier I (CET1) capital	11 634 275	11 737 129	11 445 875	11 270 368
2	Common Equity Tier I (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	11 433 882	11 536 736	11 165 325	10 989 818
2a	CET1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied	11 634 275	11 737 129	11 445 875	11 270 368
3	Tier I capital	11 634 275	11 737 129	11 445 875	11 270 368
4	Tier I capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	11 433 882	11 536 736	11 165 325	10 989 818
4a	Tier 1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	11 634 275	11 737 129	11 445 875	11 270 368
5	Total capital	15 837 456	16 012 501	15 748 450	13 243 898
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15 637 063	15 812 108	15 467 900	12 963 348
6a	Total capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	15 837 456	16 012 501	15 748 450	13 243 898
	Risk-weighted assets (amounts)				
7	Total risk-weighted assets	87 584 796	85 123 839	84 447 701	83 885 088
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	87 482 701	84 840 989	84 288 532	83 739 248
	Capital ratios				
9	Tier I (as a percentage of risk exposure amount)	13.28%	13.79%	13.55%	13.44%

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	13.07%	13.60%	13.25%	13.12%
10a	CET1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	13.28%	13.79%	13.55%	13.44%
11	Tier I (as a percentage of risk exposure amount)	13.28%	13.79%	13.55%	13.44%
12	Tier I (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.07%	13.60%	13.25%	13.12%
12a	Tier 1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	13.28%	13.79%	13.55%	13.44%
13	Total capital (as a percentage of risk exposure amount)	18.08%	18.81%	18.65%	15.79%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.87%	18.64%	18.35%	15.48%
14a	Total capital (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	18.08%	18.81%	18.65%	15.79%
	Leverage ratio				
15	Leverage ratio total exposure measure	137 687 380	134 408 249	131 683 522	132 794 542
16	Leverage ratio	8.45%	8.73%	8.69%	8.49%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	8.30%	8.58%	8.48%	8.28%
17a	Leverage ratio as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	8.45%	8.73%	8.69%	8.49%

12. STATEMENT OF THE MANAGEMENT BOARD

Hereby, the Management Board of BNP Paribas Bank Polska S.A.

- declares that to the best of their knowledge, the information disclosed in accordance with part eight of Regulation (EU) No 575/2013 has been prepared in accordance with internal control processes;
- declares that, to the best of their knowledge, the adequacy of risk management arrangements ensures that the risk management systems used are appropriate from the point of view of the risk profile and strategy of the Bank and the entire Bank Capital Group;
- approves this "Capital adequacy information of the BNP Paribas Bank Polska S.A. Capital Group as of 30 June 2021", which includes key indicators and figures that provide external stakeholders with a comprehensive view of risk profile of BNP Paribas Bank Polska SA Capital Group.

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD OF BNP PARIBAS BANK POLSKA S.A.

13.08.2021	**Przemysław Gdański** *President of the Management Board*	***qualified electronic signature***
13.08.2021	**Jean-Charles Aranda** *Vice-President of the Management Board*	***qualified electronic signature***
13.08.2021	**Andre Boulanger** *Vice-President of the Management Board*	***qualified electronic signature***
13.08.2021	**Przemysław Furlepa** *Vice-President of the Management Board*	***qualified electronic signature***
13.08.2021	**Wojciech Kembłowski** *Vice-President of the Management Board*	***qualified electronic signature***
13.08.2021	**Kazimierz Łabno** *Vice-President of the Management Board*	***qualified electronic signature***
13.08.2021	**Magdalena Nowicka** *Vice-President of the Management Board*	***qualified electronic signature***
13.08.2021	**Volodymyr Radin** *Vice-President of the Management Board*	***qualified electronic signature***

Warsaw, 13 August 2021