



REPORT OF THE SUPERVISORY BOARD

on the appraisal of the Separate Financial Statements of BNP Paribas Bank Polska S.A. for the year ended 31 December 2021, the Consolidated Financial Statements of BNP Paribas Bank Polska S.A. Capital Group for the year ended 31 December 2021 and of the Management Board Report on the activities of BNP Paribas Bank Polska S.A. Capital Group in 2021 (including Report of the Management Board on the activities of BNP Paribas Bank Polska S.A. in 2021), ESG Report presenting non-financial information of BNP Paribas Bank Polska S.A. and BNP Paribas Bank Polska S.A. Capital Group in 2021 and on the motion of the Management Board on the distribution of profit for the year 2021 together with the assessment of adequacy and effectiveness of the internal control system at the Bank in 2021



BNP PARIBAS

Bank
zmieniającego
się świata

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1. ASSESSMENT OF THE FINANCIAL STATEMENTS OF BNP PARIBAS BANK POLSKA S.A. FOR 2021

Pursuant to Article 382 § 3 of the Code of Commercial Companies and § 20 paragraph 1 item 2) letter a) of the Articles of Association of the Bank, the Supervisory Board of BNP Paribas Bank Polska S.A. conducted an assessment of the Separate Financial Statements of BNP Paribas Bank Polska S.A. for the year ended 31 December 2021, the Management Board's Report on Activities of BNP Paribas Bank Polska S.A. Group in 2021 (including Management Board's Report on Activities of BNP Paribas Bank Polska S.A. in 2021), and the motion of the Management Board on distribution of profit for the financial year 2021.

The assessment covered in particular:

1. Separate financial statements of the Bank for the year ended 31 December 2021 comprising:
 - a. separate statement of profit or loss for the period from January 1, 2021 to December 31, 2021 showing net profit of PLN 184,526 thous. (one hundred eighty four million five hundred twenty six thousand zloty),
 - b. separate statement of other comprehensive income for the period from January 1, 2021 to December 31, 2021 with a total negative comprehensive income of PLN 667,068 thous. (six hundred sixty seven million sixty eight thousand zloty),
 - c. separate statement of financial position prepared as at December 31, 2021 showing total assets of PLN 126,361,260 thous. (one hundred twenty six billion three hundred sixty one million two hundred sixty thousand zloty),
 - d. separate statement of changes in equity for the period from January 1, 2021 to December 31, 2021 disclosing a decrease in equity by PLN 660,895 thous. (six hundred and sixty million eight hundred ninety five thousand zloty),
 - e. separate statement of cash flows for the period from January 1, 2021 to December 31, 2021 showing a net cash inflow of PLN 1,666,345 thous. (one billion six hundred sixty six million three hundred forty five thousand zloty),
- and
2. Explanatory notes to the Separate Financial Statements.
 3. Management Board's Report on Activities of BNP Paribas Bank Polska S.A. Capital Group in 2021 (including Management Board's Report on Activities of BNP Paribas Bank Polska S.A. in 2021).
 4. Motion of the Management Board on the profit distribution for the year ended 31 December 2021.
 5. Report of the independent statutory auditor on the audit of the separate financial statements of BNP Paribas Bank Polska S.A.

Based on the assessment of the Separate Financial Statements of BNP Paribas Bank Polska S.A. for the year ended 31 December 2021, the Supervisory Board has concluded that the financial statements, in all material aspects, have been prepared:

- a) in accordance with the International Financial Reporting Standards approved by the European Union,
- b) based on properly maintained accounting records,
- c) in accordance with the provisions of the law governing preparation of the financial statements and provisions of the Bank's Articles of Association affecting the form and content of the financial statements,
- d) within the set deadline,

and give a fair and clear view of all information material for the evaluation of the financial result of business activities for the period from 1 January 2021 to 31 December 2021, as well as the economic and financial position of BNP Paribas Bank Polska S.A. as at 31 December 2021.

SUPERVISORY BOARD ASSESSMENT

Following careful examination of the Separate Financial Statements of BNP Paribas Bank Polska S.A. for the year ended 31 December 2021 prepared by the Management Board, and the Report of the independent statutory auditor on audit of the separate financial statements of BNP Paribas Bank Polska S.A. for the year ended 31 December 2021, the Supervisory Board decides to give a positive opinion regarding the Separate Financial Statements of the Bank for the year ended 31 December 2021, and recommend the approval of the financial statements to the Ordinary General Meeting.

2. ASSESSMENT OF THE MANAGEMENT BOARD'S MOTION ON THE PROFIT DISTRIBUTION FOR THE FINANCIAL YEAR 2021

The Supervisory Board, acting pursuant to § 20 paragraph 1, item 2) letter a) of the Bank's Articles of Association, hereby positively assesses the Management Board's motion on the net profit distribution for year 2021 stating that the profit after taxation (net profit) for the financial year 2021 in the amount of PLN 184,526,040.74 (in words: one hundred eighty-four million five hundred twenty six thousand forty zlotys and seventy four grosze) is transferred in full to the reserve capital.

The Supervisory Board of the Bank resolved to recommend that the Ordinary General Meeting pass a resolution on distribution of the net profit of BNP Paribas Bank Polska S.A. for the year 2021 in the amount of PLN 184,526,040.74 as per the motion of the Management Board of the Bank.

3. ASSESSMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE BANK'S CAPITAL GROUP IN 2021

Pursuant to § 20 paragraph 1 item 2) letter b) of the Articles of Association of the Bank, the Supervisory Board of BNP Paribas Bank Polska S.A. conducted an assessment of the Consolidated Financial Statements of BNP Paribas Bank Polska S.A. Capital Group for the year ended 31 December 2021 and the Management Board's Report on Activities of BNP Paribas Bank Polska S.A. Group in 2021 (including Management Board's Report on Activities of BNP Paribas Bank Polska S.A. in 2021).

The assessment covered in particular:

1. BNP Paribas Bank Polska S.A. Capital Group consolidated financial statements for the year ended 31 December 2021 comprising:
 - a. consolidated statement of profit or loss for the period from January 1, 2021 to December 31, 2021 showing net profit of PLN 176,298 thous. (one hundred seventy six million two hundred ninety eight thousand zloty),
 - b. consolidated statement of other comprehensive income for the period from January 1, 2021 to December 31, 2021 with a total negative comprehensive income of PLN 675,157 thous. (six hundred seventy five million one hundred fifty seven thousand zloty),
 - c. consolidated statement of financial position drawn up as at December 31, 2021 with balance sheet total of PLN 131,777,481 thous. (one hundred thirty one billion seven hundred seventy seven million four hundred eighty one thousand zloty),
 - d. consolidated statement of changes in equity for the period from January 1, 2021 to December 31, 2021 showing a decrease in equity by PLN 668,896 thous. (six hundred sixty eight million eight hundred ninety six thousand zloty),
 - e. consolidated statement of cash flows for the period from January 1, 2021 to December 31, 2021 showing a net cash inflow of PLN 1,807,496 thous. (one billion eight hundred and seven million four hundred ninety six thousand zloty)

and

2. Explanatory notes to the Consolidated Financial Statements.
3. Management Board's Report on Activities of BNP Paribas Bank Polska S.A. Capital Group in 2021 (including Management Board's Report on Activities of BNP Paribas Bank Polska S.A. in 2021).
4. Report of independent statutory auditor on audit of the consolidated financial statements of BNP Paribas Bank Polska S.A. Capital Group for the year ended on 31 December 2021.

As a result of the assessment of Consolidated Financial Statements of BNP Paribas Bank Polska S.A. Capital Group for the year ended 31 December 2021, the Supervisory Board states that the statements in all relevant aspects have been drawn up:

- a) in accordance with the International Financial Reporting Standards approved by the European Union,
- b) based on properly maintained accounting records,
- c) in compliance with legal provisions regulating the preparation of financial statements and provisions of the Articles of Association of the Bank, which affect the form and contents of the financial statements,
- d) within the deadline set by law,

and reliably and clearly present all information relevant for the assessment of the financial result on the business activity for the period from 1 January 2021 to 31 December 2021, as well as the economic and financial position of BNP Paribas Bank Polska S.A. Capital Group as at 31 December 2021.

SUPERVISORY BOARD ASSESSMENT

Having examined the consolidated financial statements of BNP Paribas Bank Polska S.A. Capital Group for the year ended 31 December 2021 prepared by the Management Board, and the Report of the independent statutory auditor on the audit of consolidated financial statements of BNP Paribas Bank Polska S.A. Capital Group for the year ended 31 December 2021, the Supervisory Board decides to give a positive opinion on the Consolidated Financial Statements of BNP Paribas Bank Polska S.A. Capital Group for the year ended 31 December 2021, and recommend the approval of the financial statements to the Ordinary General Meeting

4. ASSESSMENT OF THE MANAGEMENT BOARD'S REPORT ON ACTIVITIES OF BNP PARIBAS BANK POLSKA S.A. GROUP IN 2021 (INCLUDING MANAGEMENT BOARD'S REPORT ON ACTIVITIES OF BNP PARIBAS BANK POLSKA S.A. IN 2021)

The Supervisory Board of BNP Paribas Bank Polska S.A., acting on the basis of Article 382 § 3 of the Commercial Companies Code, fulfilling its statutory duties, following the thorough review of the Management Board's Report on Activities of BNP Paribas Bank Polska S.A. Group in 2021 (including Management Board's Report on Activities of BNP Paribas Bank Polska S.A. in 2021) concludes that this Report is factually correct, consistent with the books and documents, including information contained in the separate and consolidated financial statements of BNP Paribas Bank Polska S.A. Capital Group for the year ended 31 December 2021.

Furthermore, the Supervisory Board assesses that the above mentioned Report includes material information on the financial and economic situation of the Bank and the Capital Group, presents an accurate view of the development and achievements of the Bank, as well as the evaluation of the achieved results and disclosure of risk factors.

At the same time, the Supervisory Board confirms that the above mentioned Report, in all significant aspects, fulfils the requirements described in Articles 49 and 55 para. 2a of the Accounting Act and in the Ordinance of the Minister of Finance dated 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state.

The Supervisory Board recommends the approval of the Management Board's Report on Activities of BNP Paribas Bank Polska S.A. Group in 2021 (including Management Board's Report on Activities of BNP Paribas Bank Polska S.A. in 2021) to the Ordinary General Meeting of BNP Paribas Bank Polska S.A.

5. ASSESSMENT OF ESG REPORT PRESENTING NON-FINANCIAL INFORMATION OF BNP PARIBAS BANK POLSKA S.A. AND THE BNP PARIBAS BANK POLSKA S.A. CAPITAL GROUP IN 2021

The ESG Report which presents non-financial information of BNP Paribas Bank Polska S.A. and BNP Paribas Bank Polska S.A. Group for the year 2021 (formerly the CSR and Sustainability Report) is drawn up in line with the requirements stipulated in the amended Accounting Act of 15 December 2016. The information for the report was prepared according to the international non-financial reporting methodology: GRI Standard. The Report describes the organization's approach to the climate changes, as recommended by the Task Force on Climate-related Financial Disclosures, or TCFD. The Report also takes into account the requirements for disclosures made by listed companies defined in the Sustainable Finance Disclosure Regulation (SFDR) on sustainability-related disclosures in the financial services, EU Taxonomy Regulation, ESG reporting Guidelines prepared by the Warsaw Stock Exchange (WSE), Best Practice of WSE Listed Companies and Ten Principles of the UN Global Compact. The publication lists actions undertaken by BNP Paribas Bank Polska S.A. to support the implementation of the 17 Sustainable Development Goals adopted by the United Nations. The document was subject to external verification by Bureau Veritas and is communicated to the public as the ESG Report. Bureau Veritas Polska Sp. z o.o. confirms that the ESG Report which presents non-financial information of BNP Paribas Bank Polska S.A. and BNP Paribas

Bank Polska S.A. Group for the year 2021 is prepared in accordance with the sustainability reporting standards - GRI Standards 2016: core option.

The integrated report of Bank BNP Paribas for 2021 will be posted at the Bank's website in April 2022.

As a result of the assessment of ESG Report presenting non-financial information of the BNP Paribas Bank Polska S.A. and BNP Paribas Bank Polska S.A. Capital Group in 2021, the Supervisory Board states that the report was prepared in compliance with Art. 49b of the Accounting Act dated 29 September 1994, and presents in a reliable and clear manner the non-financial effectiveness indicators connected to the Bank and Bank's Capital Group activities, as well as information on employment and natural environment matters that are relevant to the assessment of economic activity for the period from 1 January 2021 to 31 December 2021.

The Supervisory Board's evaluation of the Bank's sponsorship, charitable and social policy, described in the ESG Report, is positive. The Bank's activity supports, in a rational manner, the implementation of the business mission and strategy, and accounts for the needs of the company's stakeholders. It also contributes to building and reinforcing the positive image of the Bank as a socially responsible corporate citizen.

The Supervisory Board recommends the approval of the ESG Report presenting non-financial information of the BNP Paribas Bank Polska S.A. and BNP Paribas Bank Polska S.A. Capital Group in 2021 to the Ordinary General Meeting of BNP Paribas Bank Polska S.A.

6. ASSESSMENT OF ADEQUACY AND EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEM AT THE BANK IN 2021

The organisation of the internal control system complies with the requirements set forth in the Banking Law Act of 29 August 1997, Ordinance of the Minister of Development and Finance of 8 June 2021 on risk management system and internal control system, remuneration policy, as well as detailed manner of internal capital assessment at banks, and Recommendation H issued by the PFSA. The internal control system is the component of the Bank's management system.

The purpose of internal control is effective risk control, including risk prevention or early detection. The role of the internal control system is to achieve general and specific objectives of the internal control system, which should be considered at the design stage of control mechanisms. The principles of the internal control system are described in the "Policy on internal control at BNP Paribas Bank Polska S.A." document, approved by the Bank's Management Board. This document describes the main principles, organizational framework and standards for the functioning of the control environment at the Bank, complying with the regulatory requirements mentioned above. Detailed internal regulations concerning specific areas of the Bank's activity are adapted to the specifics of the Bank's operations. The appropriate organizational units of the Bank, in accordance with the scope of the tasks assigned to them, are responsible for developing detailed regulations relating to the area of internal control.

The internal control system at the Bank is based on the three 3 defense lines model, which consists of:

- **the first line of defence**, which consists of organizational units from particular areas of banking and support areas,
- **the second line of defence**, which consists of organizational units responsible for risk management, regardless of the risk management related to the first line defense, and the compliance unit,
- **the third line of defence**, which is independent and objective internal audit unit.

The Bank ensures internal control through independent monitoring of compliance with control mechanisms, including on-going verification and testing.

The internal control system matches the specific nature of the business pursued, complexity of the processes functioning at the Bank, as well as the risk of the occurrence of irregularities. It also factors in the resources of the Bank. The Bank assesses annually the adequacy and effectiveness of the internal control system, in accordance with the adopted criteria.

The Management Board of the Bank is responsible for the effectiveness of the following: risk management system, internal control system, internal capital assessment and maintenance, performance of reviews, as well as for supervision over the effectiveness of the respective processes, by making necessary adjustments and improvements in case of any change in the level of the risk involved in the Bank's operations, economic environment

factors, including legal and regulatory requirements or any irregularities in functioning of systems or processes. Furthermore, the Management Board defines the principles governing operation of organisational units involved in the Bank's management and assumes responsibility for formulation, implementation and updating written policies, strategies and procedures in this respect.

The Supervisory Board oversees implementation and ensuring the operation of the adequate and effective internal control system at the Bank and assesses, on an annual basis, the adequacy and effectiveness of the internal control system, including the adequacy of the control function, compliance unit and internal audit unit, based on the formulated and approved assessment criteria, information received from the Management Board, as well as the opinions issued by the Audit Committee of the Bank. The assessment made by the Audit Committee is based, among others, on findings of the audits carried out by the Internal Audit Line, of which the Committee is informed after each completion of a report from such an audit, on periodic reports on the activity of the Internal Audit Line, annual reports of the Internal Audit Line, and periodic and annual reports of the Compliance Line. In addition, the Audit Committee verifies the progress in implementation of the recommendations issued by supervision authorities, internal audit and external auditor.

The Internal Audit Line is tasked with assessment of the adequacy and effectiveness of the management system, in particular the risk management system and internal control system, through carrying audit assignments included in the audit process defined by the Bank. The scope of the activities pursued by the Internal Audit Line encompasses any activity of the Bank, all Head Office and network units of the Bank, as well as activities of separated organisational units and subsidiaries. The Audit Committee and the Supervisory Board received regular updates on the progress in execution of the 2021 Audit Plan. The Internal Audit Line monitors on an ongoing basis the situation at the Bank and changes occurring in its environment, and if need arises, it makes necessary corrections in the Audit Plan, which are approved by the Supervisory Board.

The Compliance Line provides support to the Management Board and Supervisory Board with respect to the management of the following types of risk:

- 1) compliance risk,
- 2) risks pertaining to counteracting money laundering and sanctions.

The Compliance Line tasks include: identification, assessment, control and monitoring of the risk of non-compliance of Bank's operations with the law, internal regulations and market standards adopted by the Bank, including in regard to activities described in Article 70 para. 2 of the Act on trading in financial instruments. The Compliance Line exercises also the control function for some areas of the Bank's operations (e.g. related to financial security, protection of interests of customers, professional ethics and financial market activities).

Identification and assessment of the compliance risk is performed based, among others, on an analysis of changes in the regulatory environment of the Bank, assessment of the compliance risk key factors, results of the compliance risk monitoring, including efficiency of the mechanisms ensuring the control over the risk, as well as opinions on internal regulations, issued by organisational units included in the Compliance Line, and risk assessment carried out as part of the process of implementation of new banking products and services.

Results of the Compliance Line activities, including information on the Bank's compliance risk profile, are submitted to the Management Board of the Bank, and subsequently, to the Audit Committee and the Supervisory Board through presentation of reports on the Compliance Line activity.

The Operational Risk, Credit Control and Fraud Prevention Line, within which the Operational Risk Department operates, is also the component of the internal control system. The Operational Risk Department supervises and coordinates the horizontal testing process at the Bank, reports the results of the vertical testing of the key control mechanisms, as well as status of implementation of remedy and disciplinary measures, performed annually. Horizontal testing is performed on a permanent basis and reported every six months by managers of each unit of the Bank (network and Head Office units) or persons designated by them.

The Operational Risk Department prepares quarterly and half-year summary reports on control plans and results, and results of horizontal testing carried out in the Bank's organizational units (network and Head Office units). Reports are submitted to the Management Board.

The Operational Risk Department also oversees the process of vertical testing at the Bank, which constitutes the second level of control, under which it coordinates and supports the implementation of the concept of Fundamental Monitoring Points (FMP) at the Bank, and cooperates with units responsible for operational controls performed at the Bank.

The Operational Risk, Credit Control and Fraud Prevention Line supports the Management Board and Supervisory Board in identification and assessment of, in particular, the following types of risk:

- 1) operational risk,
- 2) fraud risk,
- 3) personal data risk.

SUPERVISORY BOARD ASSESSMENT

The Supervisory Board positively assesses the internal control system integrating all three lines of defence, implemented at the Bank in compliance with the PFSA Recommendation H. The Supervisory Board assesses the adequacy and efficiency of the internal control system (comprising the control function, compliance function and internal audit function) as generally satisfactory, except for gaps detected during the conducted controls that have no bearing on the overall risk profile of the Bank. The increased risk level was noted in the following areas:

- Access rights
- Accounts seizures
- Custody (depository activity)
- Finance (accounting)
- Opening accounts for individual clients (branches)
- Retail clients instructions
- Cash-out risk
- External frauds
- Internal frauds

All identified gaps were tackled by relevant action plans addressing the deficiencies. With respect to material deficiencies of the internal control system, the Audit Committee monitored implementation of action plans.

In the opinion of the Supervisory Board, the control mechanisms ensure full reliability and credibility of the financial reporting process (including the areas for improvement identified in an internal audit assignment), whereas the specific components of the internal control system are effective and adequate to the level and complexity of the Bank's operations.

In addition, the Supervisory Board asserts that the Management Board of the Bank manages effectively the risk of non-compliance of the Bank's operations with legal regulations, internal regulations and market standards. The compliance risk is maintained at a stable and moderate level. Despite the increasingly expanding regulatory environment, the Supervisory Board has noted a positive trend in the risk structure compared to the year 2020 (a number of processes with the elevated or high compliance risk declined from 29 to 19).

At the same time, the Supervisory Board reviewed and assessed the functioning of the compliance unit in 2021. The Supervisory Board finds the adequacy and efficiency of the Compliance Line to be satisfactory, based on the adopted assessment criteria. The Supervisory Board positively assesses the effectiveness of the control environment of the Compliance Line's processes. The Board also expresses a favourable opinion with respect to the full completion of the action plan of the Compliance Line and the control plan in 2021. The aggregated control results are satisfactory. The whistleblowing control environment is adequate and effective; weaknesses detected in the first line of defence have been remedied. The resources of the Compliance Line are almost sufficient to ensure completion of tasks (some additional projects were carried out during overtime hours).

Furthermore, the Supervisory Board assessed the adequacy and efficiency of the internal audit function as satisfactory. The Supervisory Board underlined that the Internal Audit Line completed all audits planned for 2021 and achieved the assumed Key Performance Indicators (KPI). The Internal Audit Line prepared written reports on completed audit assignments. In justified cases, it recommended taking measures to remedy the weaknesses identified in the risk management system and internal control system. In addition, the Line verified the implementation of post-audit recommendations and made decisions to close recommendations after analysing the evidence of completion.

The Supervisory Board concludes that the Compliance Line and Internal Audit Line have appropriate resources, knowledge and experience necessary to perform their tasks. The mechanisms ensuring the independence of the compliance function and internal audit function operated efficiently and were not breached.

7. ASSESSMENT OF ADEQUACY AND EFFECTIVENESS OF RISK MANAGEMENT SYSTEM WITH REGARD TO RISKS ESSENTIAL FOR THE BANK

The risk management system is an integrated set of principles, mechanisms and tools (including, without limitation, policies and procedures) relating to risk processes. Risk management is a part of the overall Bank management

system. In addition to regulatory requirements, the Bank takes into account the specific nature, scale and complexity of business activities and the associated risk. Main objectives of the risk management system:

- ensuring the early detection and adequate management of all material risks associated with the business activity,
- supporting the implementation of the business strategy through effective control of the level of risk and its maintenance in line with the assumed risk appetite,
- a reflection of the approach towards the risk and risk culture adopted by the Bank,
- the measurement or estimation and monitoring of risks, including the safeguarding against possible losses through appropriate control mechanisms,
- risk mitigation by defining a system of limits and the rules to be followed if those limits are exceeded,
- defining the organisational structure adjusted to the level and profile of the risk assumed.

The risk management system functioning at the Bank is organised based on the three independent lines of defence (analogically to the internal control system), used to define the roles and scopes of responsibilities in order to achieve an effective oversight and organisation of risk management at the Bank:

- **the first line of defence** are the business units that are responsible for the risk management in the Bank's operational activities, including compliance with control mechanisms,
- **the second line of defence** consists of the organisational units of the Risk Area, Security and Business Continuity Management Line and Compliance Line, which are responsible for managing specific risks, including measuring, monitoring, controlling and reporting risks, independently of the first line,
- **the third line of defence** consists of the operations of the Internal Audit Line, which carries out independent assessments of the risk management activities carried out by both the first and second lines of defence.

The Management Board of the Bank defines the risk management strategy, risk appetite and adopts the risk management policy. It also sets limits for material risks and risk control procedures. The risk management rules are laid down in the *Risk Strategy at BNP Paribas Bank Polska S.A.* defined by the Bank's Management Board and approved by the Supervisory Board.

The set-up of the risk management system at the Bank mainly takes account of the role of the Supervisory Board, Management Board, dedicated committees (Audit Committee and Risk Committee of the Supervisory Board, Assets and Liabilities Committee (ALCO), Risk Management Committee, Retail Banking Risk Committee, Personal Finance Risk Committee, Credit Committee, Non-performing Loans Committee, New Products, Activities and Organisations and Exceptional Transaction Validation Committee, Internal Control Coordination Committee), Risk Area, Compliance Line and Security and Business Continuity Management Line.

The Bank's Management Board, through dedicated committees, receives regular and comprehensive information on the Bank's exposure to material risks, including i.a., credit risk and counterparty risk, concentration risk, operational risk, liquidity risk and funding risk, as well as market and interest rate risks. Appropriate committees, within the scope of their competences, define measures to be taken in case the Bank assumes an excessive risk.

The Risk Committee and the Supervisory Board received regular updates on material risks in the Bank's operations and assessment of the Bank's exposure to material risks, presented in reports prepared by the relevant units of the Bank's Head Office.

SUPERVISORY BOARD ASSESSMENT

The Supervisory Board assesses that the risk management system of the Bank fulfils the supervisory requirements, defined especially in the Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the Risk Management and Internal Control Systems, and Remuneration Policy in Banks. The Bank has a coherent and transparent framework for monitoring and reporting the risk level as well as breaches of the predefined levels. The Supervisory Board is regularly provided with reports presenting the assessment of the identified risk level and periodic updates on efficiency of the measures taken by the Management Board of the Bank.

Moreover, the material risks are managed adequately, in accordance with the principles adopted by the Bank. The risk management at BNP Paribas Bank Polska S.A. has a comprehensive and consolidated nature, suitably adapted to the scale of the Bank's operations.