CAPITAL ADEQUACY INFORMATION

FOR THE PERIOD OF 6 MONTHS ENDED ON 30 JUNE 2023

Consolidated Group BNP Paribas Bank Polska S.A.

BNP PARIBAS

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1. INTRODUCTION

In accordance with the Regulation of the European Parliament and of the Council (EU) No 575/2013 as of 26 June 2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No 648/2012 (Office Journal EU. L No. 176, p. 1) BNP Paribas Bank Polska S.A. 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 CRR Regulation 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
- Guidelines of the European Banking Authority on materiality, proprietary and confidentiality and disclosure frequency under Arts. 432(1), 432(2) and 433 of CRR Regulation (EBA/GL/2014/14)
- Guidelines of the European Banking Authority as of 11 August 2020 amending Guidelines EBA/GL/2018/01 on uniform disclosures under Art. 473a of CRR Regulation (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).

The report does not include information indicated in Art. 449a of the CRR nor in Regulation (EU) 2022/2453 as at 30 November 2022 amending implementing technical standards stipulated in the implementing Regulation (EU) 2021/637 in reference to environmental protection, social policy and governance (ESG). Such information is not presented because in line with Art. 6 of the CRR it is not required to disclose Part 8 of CRR on an individual basis.

Unless otherwise specified, all figures in the document are presented as at 30 June 2023, in the thousands of PLN, based on the data of the BNP Paribas Bank Polska S.A. Capital Group.

List of abbreviations used:

- Bank - BNP Paribas Bank Polska S.A.
- Group - BNP Paribas Bank Polska S.A. Capital Group.
- BNPP Group - Capital Group, the parent company of which is BNP Paribas S.A. based in Paris..
- Supervisory Board - Supervisory Board of BNP Paribas Bank Polska S.A.
- CRR Regulation - Regulation of the European Parliament and of the Council (EU) No 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No 648/2012
- Management Board - Management Board of BNP Paribas Bank Polska S.A.

2. BNP PARIBAS BANK POLSKA S.A. CAPITAL GROUP

As at 30 June 2023, the Group comprised BNP Paribas Bank Polska S.A. as the parent, and its subsidiaries:

- 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.

On 27.03.2023 r. the securitization process was concluded, therefore BGZ Poland ABS1 DAC (SPV) ceased to be controlled by the Bank. On 18.04.2023 removal from the National Court Register (KRS) register of Bankowy Fundusz Nieruchomości Actus Sp. z. o. o. w likwidacji.was legally validated.

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

- Campus Leszno sp. z o.o.

Exclusion from prudential consolidation of the subsidiary company results from taking into account the conditions set out in Art. 19(1) of CRR Regulation.

3. KEY METRICS

Implementing the requirement specified in Art. 447 and Art. 438(d) of the CRR Regulation, the Bank publishes aggregate data on own funds values, 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 2023**

		a	b	c	d	e
		30 June 2023	31 March 2023	31 December 2022	30 September 2022	30 June 2022
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	11 109 481	11 008 591	10 768 638	10 716 728	10 798 069
2	Tier 1 capital	11 109 481	11 008 591	10 768 638	10 716 728	10 798 069
3	Total capital	14 974 645	15 000 399	14 847 632	14 922 112	14 958 769
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	91 562 026	94 496 307	95 456 297	100 415 006	98 371 967
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	12.13%	11.65%	11.28%	10.67%	10.98%
6	Tier 1 ratio (%)	12.13%	11.65%	11.28%	10.67%	10.98%
7	Total capital ratio (%)	16.35%	15.87%	15.55%	14.86%	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 (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU-8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.01%	0.01%	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	0.25%	0.25%	0.25%	0.25%	0.25%
11	Combined buffer requirement (%)	2.76%	2.76%	2.75%	2.75%	2.75%
EU-11a	Overall capital requirements (%)	10.76%	10.76%	10.75%	10.75%	10.75%
12	CET1 available after meeting the total SREP own funds requirements (%)	6.13%	5.65%	5.28%	4.67%	4.98%
	Leverage ratio					
13	Leverage ratio total exposure measure	162 774 746	161 238 856	163 845 820	157 900 727	154 772 167
14	Leverage ratio	6.83%	6.83%	6.57%	6.79%	6.98%
	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 (%)	3%	3%	3%	3%	3%
	Total SREP leverage ratio requirements (%)					
EU-14d	Applicable leverage buffer	0.00%	0.00%	0.00%	0.00%	0.00%
EU-14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	34 540 259	32 355 492	36 705 120	27 655 536	29 361 868
EU-16a	Cash outflows - Total weighted value	39 593 874	38 863 094	48 226 495	37 552 919	43 081 970
EU-16b	Cash inflows - Total weighted value	22 736 727	21 627 552	26 604 463	19 652 217	22 465 945
16	Total net cash outflows (adjusted value)	16 857 146	17 235 542	21 622 032	17 900 703	20 616 025
17	Liquidity coverage ratio (%)	204.90%	187.73%	169.76%	154.49%	142.42%
	Net Stable Funding Ratio					
18	Total available stable funding	106 030 234	105 731 468	107 760 077	108 638 030	105 086 096
19	Total required stable funding	74 889 947	83 060 839	82 579 989	84 807 190	83 525 683
20	NSFR ratio (%)	141.58%	127.29%	130.49%	128.10%	125.81%

4. OWN FUNDS

4.1 OWN FUNDS STRUCTURE

Pursuant to the provisions of Banking law, the act of August 29, 1997 (Journal of Laws of 2021 item 2439 (hereinafter referred to as "Banking law") and CRR Regulation, own funds of the Group 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 – the Bank does not have instruments in this category.

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 Art. 4(1)(100) and Art. 26(1)(d) of the CRR Regulation
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 I instruments, including own Common Equity Tier I instruments that an institution is under an actual or contingent obligation to purchase by virtue of an existing contractual obligation,
    f. other items pursuant to Art. 36 of the CRR Regulation,
    g. additional value adjustments based on requirements for prudent valuation – pursuant to Art. 34 and Art. 105 of CRR Regulation,
    h. adjustments in line with IAS 9 amendments in a transition period – as stipulated in Art. 473a of CRR Regulation
    i. deduction for non-performing exposures defined in Art. 47c of CRR Regulation.

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.

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 financial instruments measured at fair value through other comprehensive income are recognized in own funds, in line with the instructions included in the CRR Regulation and the Banking Law Act.

Capital Tier II items, calculated based on the CRR Regulation, (Arts. 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.

Capital instruments and subordinated loans qualify as instruments under Tier II, provided that the conditions specified in Art. 63 of the CRR Regulation are met.

Information on adjustments and deductions for Common Equity Tier I used in the calculation as of June 30, 2023:

- deduction in accordance with Art. 34 of CRR Regulation of the additional value adjustments for prudent valuation are created for all assets measured at fair value with a value of PLN -17 969 ths was applied;
- deduction for core Tier I capital in accordance with Art. 36(1)(b) of CRR Regulation for intangible assets in amount of PLN -434 404 ths was applied. The amount was calculated taking into account the changes introduced by Regulation (EU) No 2176/2020 as 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 -14 103 ths was 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. On 1st January 2023, the transitional provisions expired which means that for the purpose of the capital adequacy assessment, the full impact of the IFRS 9 implementation is taken into account in the amount of PLN 407 752 ths;
- no adjustments of the capital pursuant to Arts. 32, 33, 47, 48, 56, 66 and 79 of CRR Regulation were applied in the Common Equity Tier I and Additional Tier I capital.

Information on adjustments and deductions for Tier 2 capital used in the calculation as of June 30, 2023:

- Tier II capital includes subordinated loans received in the amount of PLN 3 865 164 ths. This amount includes the amortized, non-Tier 2 subordinated loan in the amount PLN 448 326 ths.
- no deductions provided for in CRR Regulation were applied for Tier II funds and Tier II supplementary funds.

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 2023

		(a)	(b)
		Amounts	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	7 406 993	EU CC2 no. 6 and no.7a
2	Retained earnings	-407 752	EU CC2 no. 9
3	Accumulated other comprehensive income (and other reserves)	3 950 564	EU CC2 no. 7c and no. 8
EU-3a	Funds for general banking risk	627 154	EU CC2 no. 7b
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**11 576 958**	EU CC2 no.11
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	-17 969	
8	Intangible assets (net of related tax liability) (negative amount)	-435 404	EU CC2 no. 1
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments to CET1 capital *(including IFRS 9 transitional adjustments when relevant)*	- 14 103	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	- 467 477	
29	Common Equity Tier 1 (CET1) capital	11 109 481	
	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)**	**11 109 481**	
	Tier 2 (T2) capital: instruments		
46	Capital instruments and the related share premium accounts	3 865 164	EU CC2 no. 5
51	**Tier 2 (T2) capital before regulatory adjustments**	**3 865 164**	
	Tier 2 (T2) capital: regulatory adjustments		
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**	
58	**Tier 2 (T2) capital**	**3 865 164**	
59	**Total capital (TC = T1 + T2)**	**14 974 645**	
60	**Total Risk exposure amount**	**91 562 026**	
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	12.13%	
62	Tier 1 (as a percentage of total risk exposure amount)	12.13%	
63	Total capital (as a percentage of total risk exposure amount)	16.35%	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Art. 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Art. 104(1) CRD, plus combined buffer requirement in accordance with Art. 128(6) CRD) expressed as a percentage of risk exposure amount)	7.26%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	0.01%	
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**	**6.13%**	
	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)	-	
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Art. 38 (3) CRR are met)	849 595	

4.2 RECONCILIATION OF OWN FUNDS

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 reviewed financial statements as of 30 June 2023

		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	825 006	435 404	Interim Condensed Consolidated Statement of financial position (Assets)
2	Assets due to deferred net income tax			
3	- of which net assets not exceeding the threshold defined in Art. 48(1)(a)	849 596	849 595	
	Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements			
4	Subordinated liabilities	4 337 381		Interim Condensed Consolidated Statement of financial position (Explanatory Note no 35)
5	- of which loans qualified as Tier II		3 865 164	
	Shareholders' Equity			
6	Share capital	147 677	147 677	Interim Condensed Consolidated Statement of financial position (Equity)
7	Supplementary capital	12 632 947	12 582 947	
7a	- share premium	7 259 316	7 259 316	
7b	- general own funds	627 154	627 154	
7c	- other reserve capital	4 746 477	4 696 477	
8	Revaluation reserve	-745 913	-745 913	
9	Retained earnings	-368 226	-407 752	
10	Net profit for the period	947 632	0	
11	**Total shareholders' equity**	12 614 117	11 576 958	

5. OVERVIEW OF RISK-WEIGHTED AMOUNTS

Pursuant to Art. 438(d) of CRR Regulation, the Bank publishes information on risk exposure amounts.

Table 4. EU OV1 – Overview of risk weighted exposure amounts as of 30 June 2023

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		30 June 2023	31 March 2023	30 June 2023
1	**Credit risk (excluding CCR)**	**79 676 340**	**82 648 158**	**6 374 107**
2	Of which the standardised approach	79 676 340	82 648 158	6 374 107
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**	**1 454 842**	**1 237 700**	**116 387**
7	Of which the standardised approach	1 393 956	1 192 467	111 516
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	1 290	1 595	103
EU 8b	Of which credit valuation adjustment - CVA	59 617	43 658	4 769
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)**	**1 083 948**	**1 263 553**	**86 716**
21	Of which the standardised approach	1 083 948	1 263 553	86 716
22	Of which IMA	-	-	-
EU 22a	**Large exposures**	**-**	**-**	**-**
23	**Operational risk**	**9 346 897**	**9 346 897**	**747 752**
EU 23a	Of which basic indicator approach	303 661	303 661	24 293
EU 23b	Of which standardised approach	9 043 236	9 043 236	723 459
EU 23c	Of which advanced measurement approach	-	-	-
24	**Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)**	**2 123 988**	**2 246 353**	**169 919**
29	**Total**	**91 562 026**	**94 496 307**	**7 324 962**

5.1. 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 2023

		a
		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	1 073 919
2	Equity risk (general and specific)	-
3	Foreign exchange risk	-
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus approach	10 029
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	**Total**	**1 083 948**

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.

6. CAPITAL BUFFERS

The minimum levels of capital ratios applicable to the Bank and the Group result from Art. 92 of CRR Regulation 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 consists of:

- conservative buffer of 2.5% - based on Art. 19(1) of the Macroprudential Act, an additional amount of Common Equity Tier I capital to be maintained, additional to the Common Equity Tier I capital for the purposes of meeting the own funds requirement, referred to in Art. 92 paragraph 1 of CRR Regulation, in the amount of 2.5% of the total risk exposure amount calculated in accordance with Art. 92 paragraph 3 of this Regulation on an individual and consolidated level;
- buffer of other systemically important institution in the amount of 0.25% - The Polish Financial Supervision Authority in the announcement of December 21, 2022, informed that, pursuant to the provisions of the Act of August 5, 2015 on macroprudential supervision over the financial system and crisis management in the financial system and taking into account the opinion of the Financial Stability Committee, confirmed the identification of ten banks as other systemically important institutions (O-SII). As a result of the review, the Commission concluded that there were no grounds justifying the repeal or amendment of the Commission's decision of October 4, 2016, in the wording established by the Commission decision of December 19, 2017 on imposing on the Bank (on a consolidated and individual basis) a buffer of other systemically important institution in the amount equivalent to 0.25% of the total risk exposure amount calculated in accordance with Art. 92 sec. 3 of CRR Regulation;
- 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 0,01% - according to Art. 21(1) of the Macroprudential Act, the Bank maintains the amount of Common Equity Tier I capital referred to in Art. 92 paragraph 1 of CRR Regulation, at the level of the total risk exposure amount calculated in accordance with Art. 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 Art. 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 of June 30, 2023 was 0.01 p.p.

The Polish Financial Supervision Authority, in a letter of December 23, 2022, recommended reducing the risk inherent in the Bank's operations by maintaining by the Bank, both at the individual and consolidated level, own funds to cover the additional capital charge to absorb potential stress losses, at the level of 0.61 pp. over the value of the total capital ratio referred to in Art. 92 sec. 1 lit. c CRR Regulation, plus an additional requirement for own funds, referred to in Art. 1. 138 sec. 2 point 2 of the Banking Law and the requirement of the combined buffer referred to in Art. 55 sec. 4 of the Act on macroprudential supervision. The additional mark-up should consist entirely of Common Equity Tier 1 capital.

Pursuant to Art. 440 of CRR Regulation, 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 2023

		a
1	Total risk exposure amount	91 562 026
2	Institution specific countercyclical capital buffer rate	0.01%
3	Institution specific countercyclical capital buffer requirement	7 325

Table 7 EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer as of 30 June 2023

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
		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	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
010	Breakdown by country:													
0101	PL	102 011 886		91 325 904			74 139 494	5 931 160	85 942		6 017 101	75 213 768	98.3245%	0.00%
0102	LU	899 162					899 162	71 933			71 933	899 162	1.1754%	0.50%
0103	NL	200 735					123 748	9 900			9 900	123 748	0.1618%	0.00%
0104	AT	65 099					65 076	5 206			5 206	65 076	0.0851%	0.00%
0105	MX	50 429					50 429	4 034			4 034	50 429	0.0659%	0.00%
0106	DE	40 473					41 852	3 348			3 348	41 852	0.0547%	0.75%
0107	CZ	31 608					31 593	2 527			2 527	31 593	0.0413%	2.00%
0108	DK	20 625					20 625	1 650			1 650	20 625	0.0270%	2.50%
0109	FI	15 000					15 000	1 200			1 200	15 000	0.0196%	0.00%
0110	GB	11 748					14 826	1 186			1 186	14 826	0.0194%	1.00%
0111	US	9 159					9 159	733			733	9 159	0.0120%	0.00%
0112	IT	5 950					5 950	476			476	5 950	0.0078%	0.00%
0113	BE	1 615					1 436	115			115	1 436	0.0019%	0.00%
0114	SK	1 575					1 575	126			126	1 575	0.0021%	1.00%
0115	SE	412					600	48			48	600	0.0008%	2.00%
0116	FR	362					362	29			29	362	0.0005%	0.00%
0117	LT	69					69	6			6	69	0.0001%	0.00%
0118	EE	50					50	4			4	50	0.0001%	1.00%
0119	CY	34					34	3			3	34	0.0000%	0.00%
0120	UA	23					23	2			2	23	0.0000%	0.00%
0121	MT	17					17	1			1	17	0.0000%	0.00%
0122	LV	16					16	1			1	16	0.0000%	0.00%
0123	BG	14					14	1			1	14	0.0000%	1.50%
0124	CH	12					9	1			1	9	0.0000%	0.00%

0125	GE	10		10	1		1	10	0.0000%	0.00%
0126	HK	9		9	1		1	9	0.0000%	1.00%
0127	GI	8		8	1		1	8	0.0000%	0.00%
0128	IE	7		7	1		1	7	0.0000%	0.00%
0129	SG	6		6	0		0	6	0.0000%	0.00%
0130	SC	4		4	0		0	4	0.0000%	0.00%
0131	MY	3		3	0		0	3	0.0000%	0.00%
0132	TR	3		3	0		0	3	0.0000%	0.00%
0133	CA	3		3	0		0	3	0.0000%	0.00%
0134	HU	2		2	0		0	2	0.0000%	0.00%
0135	ES	2		2	0		0	2	0.0000%	0.00%
0136	HR	2		2	0		0	2	0.0000%	0.50%
0137	AE	1		1	0		0	1	0.0000%	0.00%
0138	RO	1		1	0		0	1	0.0000%	0.50%
0139	NO	1		1	0		0	1	0.0000%	2.50%
0140	MC	1		1	0		0	1	0.0000%	0.00%
020	**Total**	103 366 137	91 325 904	75 421 183	6 033 695	85 942	6 119 637	76 495 457	100.0000%	

7. LEVERAGE RATIO

The Group discloses information on its leverage ratio pursuant to Art. 451 of the CRR Regulation.

The calculation of the leverage ratio of the Group as at June 30, 2023 was based on the provisions of CRR Regulation as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council on May 20, 2019. The leverage ratio is the percentage of the Tier I capital ratio and the total exposure measure as at the end of the reporting period, while the total exposure measure is the sum of the exposure values determined for all assets and off-balance sheet items not deducted in determining the Tier I capital measure.

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 Art. 451 of CRR Regulation, is presented in accordance with the formulas defined in Regulation (EU) No 2021/637

Items included in template EU LR2 and not disclosed in Table 9 do not apply to the Group.

Table 8 EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures as of 30 June 2023

		a
		Applicable amount
1	Total assets as per published financial statements	150 552 584
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	0
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	0
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	0
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 Art. 429a(1) CRR)	0
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	0
7	Adjustment for eligible cash pooling transactions	-17
8	Adjustment for derivative financial instruments	-109 254
9	Adjustment for securities financing transactions (SFTs)	0
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	11 693 076
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Art. 429a(1) CRR)	0
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Art. 429a(1) CRR)	0
12	Other adjustments	638 358
13	**Total exposure measure**	**162 774 746**

Table 9 EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		a	b
		30 June 2023	31 December 2022
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	147 956 783	148 375 057
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-64 004	-101 637
6	(Asset amounts deducted in determining Tier 1 capital)	-	-
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**147 892 779**	**148 273 420**
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	1 032 652	757 439
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	2 156 239	2 261 766
13	**Total derivatives exposures**	**3 188 891**	**3 019 205**
	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	33 139 852	32 086 529
20	(Adjustments for conversion to credit equivalent amounts)	21 446 776	19 533 335
22	**Off-balance sheet exposures**	**11 693 076**	**12 553 194**
	Excluded exposures		
EU-22k	**(Total exempted exposures)**	**-**	**-**
	Capital and total exposure measure		

23	Tier 1 capital	11 109 481	10 763 140
24	**Total exposure measure**	**162 774 746**	**163 845 820**
	Leverage ratio		
25	Leverage ratio (%)	6.83%	6.57%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	6.83%	6.57%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	6.83%	6.57%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
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%	3.00%
	Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	fully implemented	transitional
	Disclosure of mean values		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	846 746	369 120
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	163 621 492	164 214 939
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	163 621 492	164 214 939
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.79%	6.55%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.79%	6.55%

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:**	**147 892 779**
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	147 892 779
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	32 166 568
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	124 449
EU-7	Institutions	11 776 362
EU-8	Secured by mortgages of immovable properties	42 415 408
EU-9	Retail exposures	20 998 045
EU-10	Corporates	32 972 852
EU-11	Exposures in default	1 560 089
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	5 879 007

8. LIQUIDITY REQUIREMENTS

The Bank discloses information on liquidity requirements pursuant to Art. 451a of the CRR Regulation.

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 2023	31 March 2023	31 December 2022	30 September 2022	30 June 2023	31 March 2023	31 December 2022	30 September 2022
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)					32 928 088	30 365 483	30 439 096	31 254 105
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	69 942 493	71 024 516	71 528 391	70 225 605	5 197 601	5 466 235	5 678 522	5 633 222
3	*Stable deposits*	44 161 176	43 710 525	43 185 175	42 643 062	2 208 059	2 185 526	2 159 259	2 132 153
4	*Less stable deposits*	23 938 051	26 024 499	27 467 943	26 900 145	2 989 542	3 280 709	3 519 263	3 501 069
5	Unsecured wholesale funding	46 628 788	43 713 963	40 073 023	37 370 591	18 550 283	17 214 926	15 556 284	14 395 822
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	10 929 846	11 189 928	11 347 743	11 344 128	2 732 461	2 797 482	2 836 936	2 836 032
7	*Non-operational deposits (all counterparties)*	35 686 339	32 505 688	28 703 304	26 001 894	15 805 218	14 399 097	12 697 372	11 535 222
8	*Unsecured debt*	12 604	18 348	21 977	24 569	12 604	18 348	21 977	24 569
9	Secured wholesale funding					0	0	0	0
10	Additional requirements	35 095 825	37 986 913	40 889 809	41 039 702	13 854 506	14 970 523	15 958 453	15 370 017
11	*Outflows related to derivative exposures and other collateral requirements*	11 395 417	12 462 623	13 322 496	12 536 328	11 395 417	12 462 623	13 322 496	12 536 328
12	*Outflows related to loss of funding on debt products*	0	0	0	0	0	0	0	0
13	*Credit and liquidity facilities*	23 700 408	25 524 290	27 567 313	28 503 374	2 459 089	2 507 900	2 635 957	2 833 689
14	Other contractual funding obligations	5 793 992	6 007 070	5 803 147	5 029 156	2 692 912	2 775 055	2 491 503	1 719 172
15	Other contingent funding obligations	18 950 540	17 334 414	16 577 043	16 932 262	17 898	22 099	25 360	21 044
16	TOTAL CASH OUTFLOWS					40 313 200	40 448 837	39 710 122	37 139 279
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	1 318 754	-	-	-	-	-	-	-
18	*Inflows from fully performing exposures*	11 760 245	11 433 014	8 617 737	5 875 490	10 616 217	10 235 705	7 446 878	4 805 366
19	*Other cash inflows*	10 702 722	11 776 780	12 747 178	11 981 418	10 702 722	11 776 780	12 747 178	11 981 418
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)					0	0	0	0
EU-19b	(Excess inflows from a related specialised credit institution)					0	0	0	0
20	TOTAL CASH INFLOWS	23 781 721	23 209 794	21 364 915	17 856 908	21 318 939	22 012 486	20 194 056	16 786 784
EU-20a	*Fully exempt inflows*	0	0	0	0	0	0	0	0
EU-20b	*Inflows subject to 90% cap*	0	0	0	0	0	0	0	0
EU-20c	*Inflows subject to 75% cap*	23 781 721	23 209 794	21 364 915	17 856 908	21 318 939	22 012 486	20 194 056	16 786 784
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					32 928 088	30 365 483	30 439 096	31 254 105
22	TOTAL NET CASH OUTFLOWS					18 994 261	18 436 352	19 516 065	20 352 494
23	LIQUIDITY COVERAGE RATIO					174.61%	166.02%	157.71%	154.58%

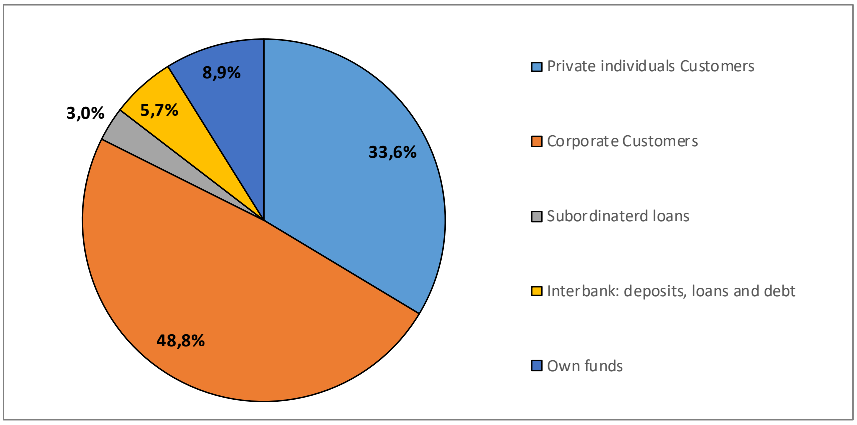
The Bank collects diversified sources of funds, that ensure stable liquidity situation. The Bank holds as well high liquid assets portfolio, that can be used as the source of liquidity in case needed and ensure access to the liquidity during one day. Above mentioned elements enable stable liquidity management 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.

The main aspects having impact on the LCR measure is funding structure of the Bank and size of the high liquid assets portfolio. In the funding structure on the one side the funding sources structure is important (type of the Customer) and on the other product type of the liability. Diversification scale of the funding sources and relationship with the Customers ensure high stability of the funding. The Assets of the Bank calculated in the LCR measure are highly liquid assets, that might be used for immediate acquisition of liquidity.

The consolidated LCR measures for the ends of each quarter remain on the safe level. In comparison to year end 2022 (LCR consolidated 169,8%) the ratio increased to the level of 204,2%. That is the result of significant decrease of Customer loans book

The average values of the preceding 12 months of the reporting date remain on the high and safe level (lowest average value from last 12 months is in April 2023 and equals to 153,6%).

The biggest share in the Group funding is non-bank deposits base, that comes from all segments of Clients, however the corporate segment has dominant share (after including Micro Customers and Farmers). 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 modeling for each business lines on the other. The 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 in 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 increase of risk of the deposits concentration during the current calendar year.

Due to currency structure of the Bank's balance sheet it 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 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 30 June 2023 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 relatively short term funding tenor, to be able to adopt balance sheet structure quickly to the potential changes regarding CHF mortgage loans portfolio. The amount of CHF Bank needs to fund with FX swaps significantly decreased due to reserves in CHF, which the Bank established for CHF retail mortgage portfolio.

Derivative instruments exposure and potential collateral calls:

Off-balance sheet transactions collaterals are mainly Level 1 type assets: cash and government securities. The change of collateral 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 in rating downgrade. However, that is not implicating additional collateral requirement, but the possible closing of the transaction. The Bank does not have any agreements with the counterparties that would require additional collateral in case of Bank's rating downgrade.

Table 12 EU LIQ2: Net Stable Funding Ratio

		a	b	c	d	e
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
Available stable funding (ASF) Items						
1	**Capital items and instruments**	**11 576 958**	**-**	**-**	**3 865 164**	**15 442 122**
2	*Own funds*	11 576 958	-	-	3 865 164	15 442 122

3	*Other capital instruments*		-	-	-	-
4	**Retail deposits**	-	63 477 005	2 087 029	130 690	61 472 268
5	*Stable deposits*		44 982 806	1 696 118	118 306	44 463 284
6	*Less stable deposits*		18 494 199	390 911	12 384	17 008 984
7	**Wholesale funding:**	-	51 746 292	1 230 643	4 803 841	29 115 844
8	*Operational deposits*		10 031 568	-	-	5 015 784
9	*Other wholesale funding*	-	41 714 724	1 230 643	4 803 841	24 100 060
10	**Interdependent liabilities**	-	-	-	-	-
11	**Other liabilities:**	-	8 768 010	-	-	-
12	*NSFR derivative liabilities*	-				
13	*All other liabilities and capital instruments not included in the above categories*		8 768 010	-	-	-
14	**Total available stable funding (ASF)**			-		106 030 234
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**	-	-	-	-	1 689 770
EU-15a	**Assets encumbered for more than 12m in cover pool**	-	1 185 717	-	-	1 007 859
16	**Deposits held at other financial institutions for operational purposes**	-	-	-	-	-
17	**Performing loans and securities:**	-	21 959 930	9 680 046	67 229 638	67 012 247
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*		10 898 204	390 855	2 396 008	3 681 256
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		10 579 553	8 915 358	40 667 105	63 205 271
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		156 157	141 735	9 765 265	6 496 369
22	*Performing residential mortgages, of which:*		452 893	370 453	24 037 831	20 843 829
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*		29 279	3 380	128 694	125 719
25	**Interdependent assets**		-	-	-	-
26	**Other assets:**	-	932 075	-	3 061 288	3 568 813
27	*Physical traded commodities*		-	-	-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*				-	-
29	*NSFR derivative assets*				82 975	82 975
30	*NSFR derivative liabilities before deduction of variation margin posted*				-	-
31	*All other assets not included in the above categories*		849 100	-	3 061 288	3 485 838
32	**Off-balance sheet items**	**-**	**32 225 151**	**-**	-	**1 611 258**
33	**Total RSF**					**74 889 947**
34	**Net Stable Funding Ratio (%)**					**141.58%**

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

The economic value changes of the updated capital, calculated according to the internal contract prices, in accordance with six regulatory interest rate change scenarios and the changes in net interest income, calculated according to two supervisory shock scenarios are presented in the table EU IRRBB1.

Table 13 EU IRRBB1 - Interest rate risks of non-trading book activities

		a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
Supervisory shock scenarios		30 June 2023	31 December 2022	30 June 2023	31 December 2022
1	Parallel up	-385	-567	493	653
2	Parallel down	-189	-302	-472	-654
3	Steepener	333	200		
4	Flattener	-730	-493		
5	Short rates up	-730	-575		
6	Short rates down	391	254		

10. CREDIT RISK

10.1 EXPOSURES TO CREDIT RISK

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

Table 14: EU CQ4: Quality of non-performing exposures by geography

		a	b	c	d	e	f	g
		Gross carrying / Nominal amount						
			of which: non-performing					
				of which: defaulted	of which: subject to impairment	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	**On balance sheet exposure**	128 439 661	2 906 177	2 900 425	127 597 966	-2 849 919		-
020	Poland	122 715 145	2 900 385	2 894 634	121 874 245	-2 824 903		0
030	Luxemburg	4 525 117	18	18	4 525 117	-3 095		-
040	France	675 625	473	473	675 625	-394		-
050	The Netherlands	213 204	8	8	213 204	-9 974		-
060	Germany	128 124	339	339	128 124	-4 335		-
070	Other countries	182 446	4 954	4 954	181 651	-7 218		0
080	**Off balance sheet exposure**	44 009 492	67 135	66 267			120 126	
090	Poland	38 500 401	67 069	66 201			109 886	
100	Italy	1 960 120	0	0			7 103	
110	Malta	822 079	0	0			45	
120	Germany	720 482	3	3			39	
130	Luxemburg	539 429	32	32			1 217	
140	Other countries	1 466 981	31	31			1 836	
150	**Total**	**172 449 153**	**2 973 312**	**2 966 692**	**127 597 966**	**-2 849 919**	**120 126**	**-**

Table 14 EU CR2: Changes in the stock of non-performing loans and advances as of 30 June 2023

		a
		Gross carrying amount
010	**Initial stock of non-performing loans and advances**	**3 089 356**
020	Inflows to non-performing portfolios	1 033 592
030	Outflows from non-performing portfolios	-1 221 617
040	Outflows due to write-offs	-27 937
050	Outflow due to other situations	-1 193 680
060	**Final stock of non-performing loans and advances**	**2 901 332**

Table 15 EU CR1-A: Maturity of exposures as of 30 June 2023

		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	-	13 608 514	30 730 401	44 943 958	194 476	89 477 349
2	Debt securities	-	5 798 941	17 414 892	12 898 560		36 112 393
3	**Total**	**-**	**19 407 455**	**48 145 293**	**57 842 518**	**194 476**	**125 589 742**

Table 16 EU CR1: Performing and non-performing exposures and related provisions as of 30 June 2023

		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	15 329 999	15 329 999	-	-	-	-	-2 218	-2 218	-	-	-	-		-	-
010	Loans and advances	89 420 446	77 845 467	10 779 442	2 901 332	5 479	2 739 150	-1 117 353	-336 451	-780 466	-1 727 076	-1 097	-1 687 908	-	27 155 652	559 525
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	*61 691*	*61 691*	*0*	814	-	814	-487	-487	0	- 476	-	-476	-	157	283
040	*Credit institutions*	*904 339*	*904 339*	-	-	-	-	-186	-186	-	-	-	-	-	-	-
050	*Other financial corporations*	*3 123 111*	*3 114 307*	*8 801*	14 417	-	10 968	-4 644	-3 977	-666	-8 408	-	-8 307	-	25 415	3 517
060	*Non-financial corporations*	*48 239 484*	*40 473 988*	*6 999 200*	1 890 958	3 693	1 746 249	-570 853	-189 557	-380 988	-1 073 671	-709	-1 037 417	-	17 421 073	436 413
070	*Of which SMEs*	*25 424 930*	*19 933 929*	*4 747 710*	1 645 830	3 693	1 526 908	-379 350	-114 286	-264 809	-941 712	-709	-911 349	-	13 430 202	380 017
080	*Households*	*37 091 821*	*33 291 141*	*3 771 441*	995 142	1 786	981 119	-541 183	-142 244	-398 812	-644 520	-388	-641 708	-	9 709 007	119 312
090	Debt securities	36 113 038	36 039 793	16 792	4 845	-	4 155	-645	-258	-387	-4 845	-	-4 155	-	-	-
100	*Central banks*	*0*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	*23 063 535*	*23 063 535*	-	-	-	-	-253	-253	-	-	-	-	-	-	-
120	*Credit institutions*	*6 767 027*	*6 767 027*	-	-	-	-	-6	-6	-	-	-	-	-	-	-
130	*Other financial corporations*	*6 209 231*	*6 209 231*	-	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	*73 245*	*0*	*16 792*	4 845	-	4 155	-387	0	-387	-4 845	-	-4 155	-	-	-
150	Off-balance-sheet exposures	*43 942 357*	*39 931 078*	*4 000 642*	*67 135*	*779*	*66 121*	*106 256*	*42 432*	*63 587*	*13 870*	*12*	*13 856*		*826 641*	*303*
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	*125 946*	*125 946*	-	-	-	-	*333*	*333*	-	-	-	-		-	-
180	*Credit institutions*	*4 955 698*	*4 955 698*	-	-	-	-	*10 752*	*10 752*	-	-	-	-		-	-
190	*Other financial corporations*	*2 532 200*	*2 508 424*	*23 776*	*545*	-	*545*	*1 496*	*1 485*	*11*	-	-	-		*72 911*	-
200	*Non-financial corporations*	*33 586 007*	*29 705 662*	*3 876 041*	*55 498*	*777*	*54 593*	*86 205*	*26 969*	*59 057*	*13 870*	*12*	*13 856*		*749 861*	*303*
210	*Households*	*2 742 506*	*2 635 348*	*100 825*	*11 092*	*2*	*10 983*	*7 470*	*2 892*	*4 519*	-	-	-		*3 870*	-
220	**Total**	**184 805 839**	**169 146 336**	**14 796 876**	**2 973 312**	**6 258**	**2 809 426**	**-1 013 959**	**-296 495**	**-717 265**	**-1 718 051**	**-1 085**	**-1 678 207**	**-**	**27 982 294**	**559 827**

Table 17 EU CQ1: Credit quality of forborne exposures as of 30 June 2023

		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	
			Non-performing forborne						
		Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	601 884	908 829	908 829	811 136	-56 427	-447 329	386 373	217 020
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	35	918	918	772	-2	-637	76	76
060	*Non-financial corporations*	363 087	591 664	591 664	502 801	-35 836	-275 419	260 944	158 654
070	*Households*	238 762	316 246	316 246	307 563	-20 589	-171 274	125 352	58 290
080	Debt Securities	-	691	691	-	-	-691	-	-
090	Loan commitments given	56 678	5 353	5 353	5 353	4 074	1 272	-	-
100	**Total**	**658 562**	**914 872**	**914 872**	**816 489**	**-52 353**	**-446 748**	**386 373**	**217 020**

Table 18 EU CQ5: Credit quality of loans and advances to non-financial corporations by industry as of 30 June 2023

		a	b	c	d	e	f
		Gross carrying amount					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	Accumulated impairment	
				Of which defaulted			
010	Agriculture, forestry and fishing	8 829 370	589 777	579 270	8 054 370	-467 042	-
020	Mining and quarrying	47 318	1 046	614	47 318	-634	-
030	Manufacturing	10 556 851	306 725	278 033	10 555 753	-298 654	-
040	Electricity, gas, steam and air conditioning supply	1 094 095	2 980	2 979	1 094 095	-8 293	-
050	Water supply	266 725	3 606	3 454	266 725	-3 861	-
060	Construction	3 215 993	195 808	181 605	3 215 862	-181 770	-
070	Wholesale and retail trade	8 424 771	293 015	274 856	8 419 783	-274 557	-
080	Transport and storage	2 713 491	68 743	49 012	2 713 440	-68 390	-
090	Accommodation and food service activities	317 943	55 445	53 138	317 922	-44 514	-
100	Information and communication	3 111 029	49 667	46 037	3 111 029	-42 334	-
110	Financial and insurance actvities	362 366	4 471	3 229	362 351	-6 768	-
120	Real estate activities	5 171 617	124 280	123 128	5 170 206	-78 865	-
130	Professional, scientific and technical activities	3 580 665	65 230	56 966	3 580 408	-82 655	-
140	Administrative and support service activities	871 412	40 733	36 030	871 318	-30 173	-
150	Public administration and defense, compulsory social security	1 020	-	-	1 020	-5	-
160	Education	129 080	4 982	3 994	129 080	-4 708	-
170	Human health services and social work activities	1 124 355	75 387	73 574	1 124 355	-42 308	-
180	Arts, entertainment and recreation	31 037	1 521	1 179	31 033	-1 893	-
190	Other services	281 303	7 544	5 795	281 301	-7 099	-
200	**Total**	**50 130 442**	**1 890 958**	**1 772 894**	**49 347 369**	**-1 644 525**	**-**

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. Currently, the Bank does not own any real estate that has been taken over.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 of the reporting date is insignificant 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 84% 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 19 EU CQ7: Collateral obtained by taking possession and execution processes as of 30 June 2023

		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	5 049	-4 155
030	*Residential immovable property*	-	-
040	*Commercial Immovable property*	-	-
050	*Movable property (auto, shipping, etc.)*	100	-
060	*Equity and debt instruments*	4 949	-4 155
070	*Other collateral*	-	-
080	**Total**	**5 049**	**-4 155**

10.2 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 by 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 20 EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques as of 30 June 2023

		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	77 089 953	27 715 177	26 031 990	1 683 188	-
2	Debt securities	36 112 393	-	-	-	
3	Total	113 202 346	27 715 177	26 031 990	1 683 188	-
4	*Of which non-performing exposures*	614 731	559 525	509 309	50 216	-
EU-5	*Of which defaulted*	612 381	557 220			

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 21 EU CR4 – standardised approach – Credit risk exposure and CRM effects as of 30 June 2023

	Exposure classes	Exposures before CCF and before CRM: On-balance-sheet exposures	Exposures before CCF and before CRM: Off-balance-sheet exposures	Exposures post CCF and post CRM: On-balance-sheet exposures	Exposures post CCF and post CRM: Off-balance-sheet exposures	RWAs and RWAs density: RWAs	RWAs and RWAs density: RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	28 335 892	27	39 214 377	195 223	2 193 994	5.57%
2	Regional government or local authorities	124 367	96 753	124 367	48 377	34 549	20.00%
3	Public sector entities	82	15 502	82	3 279	1 680	50.00%
4	Multilateral development banks	3 830 676	-	3 830 676	-	-	0.00%
5	International organisations	-	-	-	-	-	0.00%
6	Institutions	11 258 131	4 951 827	11 318 786	1 302 012	2 917 090	23.11%
7	Corporates	32 972 869	18 569 442	23 212 010	6 424 894	28 451 383	96.00%
8	Retail	20 998 045	4 826 872	20 267 695	1 269 401	14 831 916	68.87%
9	Secured by mortgages on immovable property	42 415 408	4 554 584	41 950 845	1 859 228	27 167 814	62.01%
10	Exposures in default	1 560 089	52 205	1 533 379	22 171	1 770 315	113.81%
11	Exposures associated with particularly high risk	-	-	-	-	-	0.00%
12	Covered bonds	-	-	-	-	-	0.00%

13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0.00%
14	Collective investment undertakings	-	-	-	-	-	0.00%
15	Equity	193 117	-	193 117	-	193 117	100.00%
16	Other items	5 685 890	281	5 729 231	47 755	2 114 480	36.60%
17	**TOTAL**	**147 374 566**	**33 067 494**	**147 374 566**	**11 172 339**	**79 676 340**	**50.25%**

10.3 APPLICATION OF STANDARD METHOD

The risk weights used in the calculation of the capital requirement for credit risk according to the standardized approach are based on the provisions of Chapter 2, Title II, Part III of CRR Regulation. Risk weight is assigned according to the category to which the exposure belongs and the level of credit quality of the exposure or entity.

- for defaulted exposures, the risk weight is based on the principles set out in Art. 127 of CRR Regulation;
- for exposures secured by mortgage on residential real estate, where the amount of the principal or interest installment does not depend on changes in the exchange rate of the currency or currencies other than the currencies of the debtor's revenues, in accordance with Art. 125 sec. 2 of CRR Regulation, the Bank assigns a preferential risk weight of 35% to the part of the exposure that is fully and completely secured by mortgage on residential real estate and the value of which does not exceed 80% of the market value of the real estate;
- for exposures secured by mortgage on a commercial real estate, pursuant to Art. 126 of CRR Regulation and the Regulation of the Minister of Finance, Funds and Regional Policy of October 8, 2020. amending the Regulation on a higher risk weight for exposures secured by mortgages on real estate, the Bank identifies exposures effectively secured with commercial mortgage established on real estate used by the borrower to conduct its own business and not generating income stemming from rent or profits from their sale, for which preferential risk weights apply;
- for exposures secured by mortgage on residential real estate, where the amount of the principal or interest installment depends on changes in the exchange rate or currencies other than the currency of the debtor's income pursuant to the Regulation of the Minister of Development and Finance of May 25, 2017, regarding a higher risk weight for exposures secured by mortgages on real estate, the Bank assigns a risk weight of 150%.

The Bank for the purpose of determining risk weights for institutions and enterprises, central governments and banks, local government units and local authorities, multilateral development banks, public sector entities, exposures in the form of covered bonds, exposures in the form of participation units and certificates of investment funds, uses External Credit Assessment Institutions ratings (ECAI ratings) by Moody's Investors Service.

The table below aims to provide the standardise exposures approach broken down by asset class and risk weight.

Table 22 EU CR5 – standardised approach as of 30 June 2023

		Risk weight															Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
	Exposure classes	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	37 264 606	-	1 181 708	-	113 689	-	-	-	-	-	-	849 595	-	-	-	39 409 599	-
2	Regional government or local authorities	-	-	-	-	172 743	-	-	-	-	-	-	-	-	-	-	172 743	-
3	Public sector entities	-	-	-	-	-	-	3 361	-	-	-	-	-	-	-	-	3 361	-
4	Multilateral development banks	3 830 676	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 830 676	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-
6	Institutions	-	6 012	-	-	11 984 501	-	218 946	-	-	411 339	-	-	-	-	-	12 620 798	64 561
7	Corporates	-	-	-	-	-	-	74	-	-	29 636 830	-	-	-	-	-	29 636 904	1 233 379
8	Retail exposures	-	-	-	-	-	-	-	-	21 537 097	-	-	-	-	-	-	21 537 097	1 767 206
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	16 740 384	5 246 952	-	7 788 635	10 934 585	3 099 517	-	-	-	-	43 810 073	3 513 272
10	Exposures in default	-	-	-	-	-	-	-	-	-	1 126 020	429 530	-	-	-	-	1 555 550	2
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	-	-	-	-	-	-	-	-	-	193 117	-	-	-	-	-	193 117	193 117
16	Other items	3 481 185	-	-	-	226 329	-	-	-	-	2 069 472	-	-	-	-	-	5 776 986	5 746 199
17	TOTAL	44 576 468	6 012	1 181 708	-	12 497 263	16 740 384	5 469 333	-	29 325 732	44 371 364	3 529 047	849 595	-	-	-	158 546 905	12 517 736

11. COUNTERPARTY CREDIT RISK

Counterparty risk exposure and risk-weighted assets are calculated on the basis of the standardized approach (SACCR) in line with Regulation (EU) No 2019/876 of May 20, 2019. CRR Regulation. As part of counterparty credit risk mitigation, the Bank uses contractual netting in accordance with Arts. 295-298 of CRR Regulation.

The methodology of calculating internal capital for counterparty credit risk is closely related to the methodology of measuring this risk at the Bank and takes into account the current valuation of contracts, their potential change (the so-called "Potential Future Exposure"), as well as the value of the probability of a default event of individual contractors (so-called PD) estimated by the Bank.

The tables below present information on the Bank's counterparty credit risk in accordance with Annex XXV to Regulation (EU) No 2021/637.

Table 23 EU CCR1– Analysis of CCR exposure by approach as of 30 June 2023

		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)	678 074	815 573		1.4	4 371 767	2 091 106	1 948 631	1 395 246
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**					**4 371 767**	**2 091 106**	**1 948 631**	**1 395 246**

Table 24 EU CCR2– Transactions subject to own funds requirements for CVA risk as of 30 June 2023

		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	432 702	59 617
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**	432 702	59 617

Table 25 EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights as of 30 June 2023

		Risk weight											Total exposure
		a	b	c	d	e	f	g	h	i	j	k	
	Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
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	-	21 115	-	-	562 426	91 870	-	-	-	-	-	674 411
7	Corporates	-	-	-	-	-	-	-	-	1 237 943	-	-	1 237 943
8	Retail	-	-	-	-	-	-	-	35 277	-	-	-	35 277
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**Total exposure value**	**-**	**21 115**	**-**	**-**	**562 426**	**91 870**	**-**	**35 277**	**1 237 943**	**-**	**-**	**1 948 631**

Table 26 EU CCR5 – Composition of collateral for CCR exposures as of 30 June 2023

		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	-	83 445	518 240	1 112	-	-	-	-
2	Cash – other currencies	2 573	1 128 873	154 175	1 120	-	-	-	-
3	Domestic sovereign debt	-	-	101 448	-	-	-	-	-
4	Other sovereign debt	536 507	-	-	-	-	-	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Equity securities	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	**Total**	**539 080**	**1 212 318**	**773 862**	**2 232**	**-**	**-**	**-**	**-**

Table 27 EU CCR8 – Exposures to CCPs as of 30 June 2023

		a	b
		Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**1 290**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	24 455	1 270
3	(i) OTC derivatives	24 455	1 270
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	92 267	-
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	1 000	20
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		

12. TRANSITIONAL PROVISIONS

Starting from the reporting date on December 31, 2021, the Bank applies a provisional treatment of unrealized gains and losses measured at fair value through other comprehensive income in accordance with Art. 468 of CRR Regulation. Reported capital ratios, including the leverage ratio and Tier 1 capital, take into account the application of Art. 468 CRR Regulation. As of January 1, 2023 the Bank discontinued the application of transitional arrangements due to complete recognition of IFRS 9 impact on the Bank's capital condition.

As of January 1, 2023, the Regulation (EU) No 873/2020 of June 24, 2020 amending CRR Regulation and Regulation (EU) No 2019/876 with regard to certain adjustments in response to the COVID-19 pandemic expired. In the own funds, Bank recognizes the total amount of unrealized gains and losses measured at fair value through other comprehensive income.

13. 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 CRR Regulation 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 Group;
- approves this "Capital adequacy information of the BNP Paribas Bank Polska S.A. Capital Group as of 30 June 2023", which includes key indicators and figures that provide external stakeholders with a comprehensive view of risk profile of the Group.

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

09.08.2023	**Przemysław Gdański** *President of the Management Board*	*qualified electronic signature*
09.08.2023	**Agnieszka Wolska** *Vice-President of the Management Board*	*qualified electronic signature*
09.08.2023	**Magdalena Nowicka** *Vice-President of the Management Board*	*qualified electronic signature*
09.08.2023	**Andre Boulanger** *Vice-President of the Management Board*	*qualified electronic signature*
09.08.2023	**Przemysław Furlepa** *Vice-President of the Management Board*	*qualified electronic signature*
09.08.2023	**Wojciech Kembłowski** *Vice-President of the Management Board*	*qualified electronic signature*
09.08.2023	**Kazimierz Łabno** *Vice-President of the Management Board*	*qualified electronic signature*
09.08.2023	**Volodymyr Radin** *Vice-President of the Management Board*	*qualified electronic signature*

Warsaw, 09 August 2023