

CAPITAL ADEQUACY INFORMATION

FOR THE PERIOD OF 9 MONTHS ENDED
30 SEPTEMBER 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, as amended) (hereinafter the CRR, CRR Regulation) 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 Regulation (EU) No 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295 (hereinafter "Regulation (EU) No 2021/637")
- Guidelines of the European Banking Authority on materiality, proprietary and confidentiality and disclosure frequency under Articles 432(1), 432(2) and 433 of Regulation (EU) No 575/2013 (EBA/GL/2014/14)

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

As of 30 September 2023, the Group comprised the Bank, 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 the securitization process was concluded, therefore BGZ Poland ABS1 DAC (SPV) ceased to be controlled by the Bank.

On 11.04.2023 Bankowy Fundusz Nieruchomościowy Actus Sp. z o.o. was removed from the National Court Register (KRS).

On 18.04.2023 removal from the National Court Register was enforced, which concluded the liquidation process.

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

- Campus Leszno sp. z o.o.

Exclusion from prudential consolidation of this company, results from taking into account the conditions set out in Art. 19(1) of Regulation (EU) No 575/2013.

List of abbreviations used:

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

2. KEY METRICS

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

Table 1 EU KM1 – Key metrics template as of 30 September 2023

	a	b	c	d	e	
	30 September 2023	30 June 2023	31 March 2023	31 December 2022	30 September 2022	
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	11 121 353	11 109 481	11 008 591	10 768 638	10 716 728
2	Tier 1 capital	11 121 353	11 109 481	11 008 591	10 768 638	10 716 728
3	Total capital	14 976 582	14 974 645	15 000 399	14 847 632	14 922 112
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	91 685 287	91 562 026	94 496 307	95 456 297	100 415 006
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	12,13%	12,13%	11,65%	11,28%	10,67%
6	Tier 1 ratio (%)	12,13%	12,13%	11,65%	11,28%	10,67%
7	Total capital ratio (%)	16,33%	16,35%	15,87%	15,55%	14,86%
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%	0,01%	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%	2,76%	2,75%	2,75%
EU-11a	Overall capital requirements (%)	10,76%	10,76%	10,76%	10,75%	10,75%
12	CET1 available after meeting the total SREP own funds requirements (%)	6,13%	6,13%	5,65%	5,28%	4,67%
Leverage ratio						
13	Leverage ratio total exposure measure	173 581 831	162 774 746	161 238 856	163 845 820	157 900 727
14	Leverage ratio	6,41%	6,83%	6,83%	6,57%	6,79%
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)	46 551 821	34 540 259	32 355 492	36 705 120	27 655 536
EU-16a	Cash outflows - Total weighted value	44 739 958	39 593 874	38 863 094	48 226 495	37 552 919
EU-16b	Cash inflows - Total weighted value	20 898 048	22 736 727	21 627 552	26 604 463	19 652 217
16	Total net cash outflows (adjusted value)	23 841 910	16 857 146	17 235 542	21 622 032	17 900 703
17	Liquidity coverage ratio (%)	195,25%	204,90%	187,73%	169,76%	154,49%
Net Stable Funding Ratio						
18	Total available stable funding	110 053 346	106 030 234	105 731 468	107 760 077	108 638 030
19	Total required stable funding	76 452 883	74 889 947	83 060 839	82 579 989	84 807 190
20	NSFR ratio (%)	143,95%	141,58%	127,29%	130,49%	128,10%

3. OVERVIEW OF RISK-WEIGHTED AMOUNTS

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

Table 2 EU OV1 - Overview of risk weighted exposure amounts as of 30 September 2023

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		30 September 2023	30 June 2023	30 September 2023
1	Credit risk (excluding CCR)	79 101 406	79 676 340	6 328 064
2	Of which the standardised approach	79 101 406	79 676 340	6 328 064
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	1 885 907	1 454 842	150 873
7	Of which the standardised approach	1 820 602	1 393 956	145 648
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	1 572	1 290	126
EU 8b	Of which credit valuation adjustment - CVA	47 306	59 617	3 784
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)	1 351 078	1 083 948	108 086
21	Of which the standardised approach	1 351 078	1 083 948	108 086
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)	1 947 493	2 123 988	155 799
29	Total	91 685 287	91 562 026	7 334 774

4. LIQUIDITY REQUIREMENTS

In the quarterly report the Group discloses information on liquidity requirements pursuant to Art. 451a of the Regulation (EU) No 575/2013.

Disclosing the information required in template EU LIQ1, the Group 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 presented are calculated as arithmetical mean from the end of month observations for 12 months preceding end of each quarter.

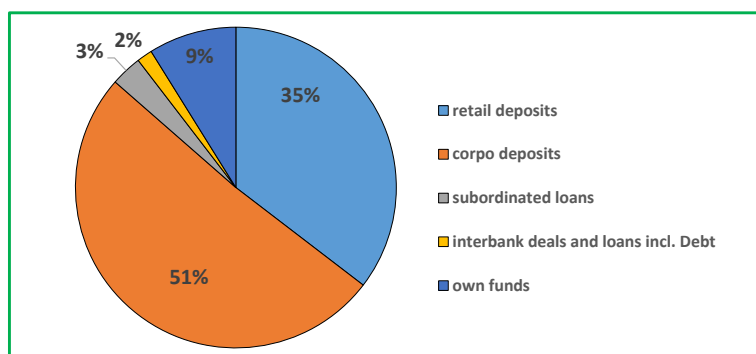
Table 3 EU LIQ1 - Quantitative information of LCR

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 YYYY)	30 September 2023	30 June 2023	31 March 2023	31 December 2022	30 September 2023	30 June 2023	31 March 2023	31 December 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)					37 277 995	32 928 088	30 365 483	30 439 096
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:								
3	Stable deposits	67 932 183	69 942 493	71 024 516	71 528 391	4 833 156	5 197 601	5 466 235	5 678 522
4	Less stable deposits	44 066 334	44 161 176	43 710 525	43 185 175	2 203 317	2 208 059	2 185 526	2 159 259
5	Unsecured wholesale funding	21 146 431	23 938 051	26 024 499	27 467 943	2 629 839	2 989 542	3 280 709	3 519 263
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	50 192 467	46 628 788	43 713 963	40 073 023	20 264 264	18 550 283	17 214 926	15 556 284
7	Non-operational deposits (all counterparties)	10 558 481	10 929 846	11 189 928	11 347 743	2 639 620	2 732 461	2 797 482	2 836 936
8	Unsecured debt	39 626 516	35 686 339	32 505 688	28 703 304	17 617 174	15 805 218	14 399 097	12 697 372
9	Secured wholesale funding	7 470	12 604	18 348	21 977	7 470	12 604	18 348	21 977
10	Additional requirements	0	0	0	0	0	0	0	0
11	Outflows related to derivative exposures and other collateral requirements	33 706 114	35 095 825	37 986 913	40 889 809	14 100 415	13 854 506	14 970 523	15 958 453
12	Outflows related to loss of funding on debt products	11 685 244	11 395 417	12 462 623	13 322 496	11 685 244	11 395 417	12 462 623	13 322 496
13	Credit and liquidity facilities	0	0	0	0	0	0	0	0
14	Other contractual funding obligations	22 020 870	23 700 408	25 524 290	27 567 313	2 415 171	2 459 089	2 507 900	2 635 957
15	Other contingent funding obligations	5 448 466	5 793 992	6 007 070	5 803 147	2 264 658	2 692 912	2 775 055	2 491 503
16	Other contingent funding obligations	20 898 038	18 950 540	17 334 414	16 577 043	15 135	17 898	22 099	25 360
16	TOTAL CASH OUTFLOWS					41 477 628	40 313 200	40 448 837	39 710 122
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	3 577 047	1 318 754	-	-	-	-	-	-
18	Inflows from fully performing exposures	10 602 385	11 760 245	11 433 014	8 617 737	9 549 863	10 616 217	10 235 705	7 446 878
19	Other cash inflows	10 972 758	10 702 722	11 776 780	12 747 178	10 972 758	10 702 722	11 776 780	12 747 178
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	25 152 190	23 781 721	23 209 794	21 364 915	20 522 622	21 318 939	22 012 486	20 194 056
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	25 152 190	23 781 721	23 209 794	21 364 915	20 522 622	21 318 939	22 012 486	20 194 056
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					37 277 995	32 928 088	30 365 483	30 439 096
22	TOTAL NET CASH OUTFLOWS					20 955 006	18 994 261	18 436 352	19 516 065
23	LIQUIDITY COVERAGE RATIO					178,96%	174,61%	166,02%	157,71%

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

The LCR ratios as of the end of each quarter remained on safe and high level. The LCR at the end of September 2023 was higher than at the end of 2022. This is the results of the changes of the volme of non-bank Customers funding and decrease of the net loans volume. Throughout four recent quarters, the LCR increased from 154,5% as of end of September 2022 to 195,3% as of end of September 2023.

The non-bank Customers deposits base constitutes the largest share in the Group funding, and it comes from all segments of Clients. As of end of 3Q 2023 the corporate segment funding constitutes dominant contribution. The stability of deposit base is ensured by the attractive and comprehensive offer to the Bank's Customers, which is subject to on-going monitoring and analysis in order to establish models describing the deposits behaviour in time for each business line. The Group also cooperates with the supranational financial institutions that provide stable funding used for specific projects or dedicated offers to selected Customers. The complete funding structure as of the end of 3Q 2023 is presented in the chart below.



The Bank monitors concentration of the funding sources from non-bank Customers and presents relevant analysis to the ALCO Committee on a monthly basis. The Bank established limits for deposits concentration both for corporate and retail segment. There was no excess of the concentration limit during the observed period.

Due to the currency structure of the balance sheet, the Bank provides financing tailored to the profile of its foreign currency assets, either through financing obtained directly in a given currency or through CIRS or FX SWAP transactions.

Closing the currency mismatch through derivative transactions allows to close the Bank's needs in various currencies and in appropriate term structure. The Bank monitors liquidity in PLN and main foreign currencies: EUR, CHF, USD and other currencies in total. In the event of a shortage of liabilities in foreign currencies, the Bank enters into off-balance sheet foreign exchange transactions with the BNP Paribas Group entities: FX SWAP and CIRS, mainly with the foreign currencies, in which the Bank has a surplus of liabilities. As of September 30, 2023, the Bank used funds in CHF collected through the above-mentioned transactions in order to finance the portfolio of its mortgage loans in this currency. Due to uncertainty as to the further development of the situation regarding this portfolio, the Bank secured financing with a relatively short maturity so as to be able to quickly adjust the balance sheet structure to any changes in the outstanding of its CHF mortgage portfolio.

Derivatives exposure and potential collateral calls:

Collaterals for derivative transactions are mainly assets of the Level 1 type, i.e. cash and government securities. The change of collateral type is performed exclusively within this type of assets. In ISDA-type agreements and ZBP framework agreements there might be clauses on the "Credit Event Upon Merger", which means that in case of such an event, the counterparty's rating may deteriorate. Such an event does not entail any posting of the additional collateral, but it may cause possible closing of the transaction.

5. STATEMENT OF THE MANAGEMENT BOARD

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

- declares that to the best of their knowledge, the information disclosed in accordance with part eight of Regulation (EU) No 575/2013 has been prepared in accordance with internal control processes;
- declares that, to the best of their knowledge, the adequacy of risk management arrangements ensures that the risk management systems used are appropriate from the point of view of the risk profile and strategy of the Bank and the Group;
- approves this *Capital adequacy information of the BNP Paribas Bank Polska S.A. Capital Group as of 30 September 2023*.

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

08.11.2023	Przemysław Gdański <i>President of the Management Board</i>	<i>qualified electronic signature</i>
08.11.2023	Agnieszka Wolska <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
08.11.2023	Magdalena Nowicka <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
08.11.2023	Piotr Konieczny <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
08.11.2023	Andre Boulanger <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
08.11.2023	Przemysław Furlepa <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
08.11.2023	Wojciech Kembłowski <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
08.11.2023	Kazimierz Łabno <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
08.11.2023	Volodymyr Radin <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>

Warsaw, 8 November, 2023