

CAPITAL ADEQUACY INFORMATION

FOR THE PERIOD OF 3 MONTHS ENDED
31 MARCH 2024

Group BNP Paribas Bank Polska S.A.



BNP PARIBAS

TABLE OF CONTENTS

1. INTRODUCTION	3
2. KEY METRICS	4
3. OVERVIEW OF RISK-WEIGHTED AMOUNTS	5
4. LIQUIDITY REQUIREMENTS	6
5. INFORMATION ON THE REMUNERATION POLICY – SUPPLEMENT INFORMATION	8
6. STATEMENT OF THE MANAGEMENT BOARD	9

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) 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).

The report does not include information indicated in Article 449a of the CRR nor in the Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022, amending technical standards stipulated in implementing regulation (EU) 2021/637 in reference to disclosure of information on ESG (Economic Social Governance) risks. The information is not presented due to the fact that in line with Article 6 of the CRR, it is not required to complete section 8 of the CRR on an individual basis.

Unless otherwise specified, all figures in the document are presented as at 31 March 2024, in thousands PLN, based on the data of the BNP Paribas Bank Polska S.A. Group.

As of 31 March 2024, 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.

As of 2 January 2024 Campus Leszno sp. z o.o. liquidation process commenced.

For the purposes of prudential consolidation Campus Leszno sp. z o.o. shall not be included. Exclusion from prudential consolidation of this company, results from taking into account the conditions set out in Art. 19(1) of CRR Regulation.

On 28 March 2024 the Bank concluded a synthetic securitization transaction with International Finance Corporation (IFC) with respect to a portfolio of corporate loans/advances with a total value of PLN 2 180 million as of 31 December 2023. As part of the transaction, the Bank transferred a significant portion of the credit risk of a selected securitized portfolio to the investor. The selected securitized loan portfolio remains on the balance sheet of the Bank. The risk transfer of the securitized portfolio is performed through a credit protection instrument in the form of a financial guarantee of up to PLN 218 million, issued by IFC.

List of abbreviations used:

- Bank - BNP Paribas Bank Polska S.A.
- Group - BNP Paribas Bank Polska S.A. Group.
- Supervisory Board - Supervisory Board of BNP Paribas Bank Polska S.A.
- CRR Regulation - 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 Articles 447 and 438(d) of the CRR Regulation, 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.

Table 1. EU KM1 – Key metrics template as of 31 March 2024

	a	b	c	d	e	
	31 March 2024	31 December 2023	30 September 2023	30 June 2023	31 March 2023	
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	11 284 327	11 214 650	11 121 353	11 109 481	11 008 591
2	Tier 1 capital	11 284 327	11 214 650	11 121 353	11 109 481	11 008 591
3	Total capital	14 887 194	14 937 528	14 976 582	14 974 645	15 000 399
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	88 385 471	89 615 117	91 685 287	91 562 026	94 496 307
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	12.77%	12.51%	12.13%	12.13%	11.65%
6	Tier 1 ratio (%)	12.77%	12.51%	12.13%	12.13%	11.65%
7	Total capital ratio (%)	16.84%	16.67%	16.33%	16.35%	15.87%
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%	0.01%	0.01%
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%	2.76%	2.76%
EU-11a	Overall capital requirements (%)	10.76%	10.76%	10.76%	10.76%	10.76%
12	CET1 available after meeting the total SREP own funds requirements (%)	6.77%	6.51%	6.13%	6.13%	5.65%
Leverage ratio						
13	Leverage ratio total exposure measure	180 664 289	174 945 269	173 581 831	162 774 746	161 238 856
14	Leverage ratio	6.25%	6.41%	6.41%	6.83%	6.83%
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)	48 092 505	50 227 484	46 551 821	34 540 259	32 355 492
EU-16a	Cash outflows - Total weighted value	42 292 835	38 185 956	44 739 958	39 593 874	38 863 094
EU-16b	Cash inflows - Total weighted value	21 762 775	17 175 723	20 898 048	22 736 727	21 627 552
16	Total net cash outflows (adjusted value)	20 530 060	21 010 232	23 841 910	16 857 146	17 235 542
17	Liquidity coverage ratio (%)	234.25%	239.06%	195.25%	204.90%	187.73%
Net Stable Funding Ratio						
18	Total available stable funding	113 761 298	114 758 891	110 053 346	106 030 234	105 731 468
19	Total required stable funding	75 038 876	75 105 621	76 452 883	74 889 947	83 060 839
20	NSFR ratio (%)	151.60%	152.80%	143.95%	141.58%	127.29%

3. OVERVIEW OF RISK-WEIGHTED AMOUNTS

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

Table 2. EU OV1 - Overview of risk weighted exposure amounts as of 31 March 2024

	Risk weighted exposure amounts (RWEAs)		Total own funds requirements	
	a	b	c	
	31 March 2024	31 December 2023	31 March 2024	
1	Credit risk (excluding CCR)	74 371 855	76 968 260	5 949 748
2	Of which the standardised approach	74 371 855	76 968 260	5 949 748
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	1 547 478	1 829 110	123 798
7	Of which the standardised approach	1 473 147	1 758 879	117 852
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	9 144	2 973	732
EU 8b	Of which credit valuation adjustment - CVA	41 248	36 717	3 300
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	350 675	-	28 054
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	350 675	-	28 054
EU 19a	Of which 1250% deduction	206 409	-	16 513
20	Position, foreign exchange and commodities risks (Market risk)	1 323 710	1 470 850	105 897
21	Of which the standardised approach	1 323 710	1 470 850	105 897
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	10 791 753	9 346 897	863 340
EU 23a	Of which basic indicator approach	369 205	303 661	29 536
EU 23b	Of which standardised approach	10 422 548	9 043 236	833 804
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	1 634 601	1 916 260	130 768
29	Total	88 385 471	89 615 117	7 070 838



4. LIQUIDITY REQUIREMENTS

In the quarterly report the Group 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 presented are calculated as arithmetical mean from the end of month observations for 12 months preceding end of each quarter.

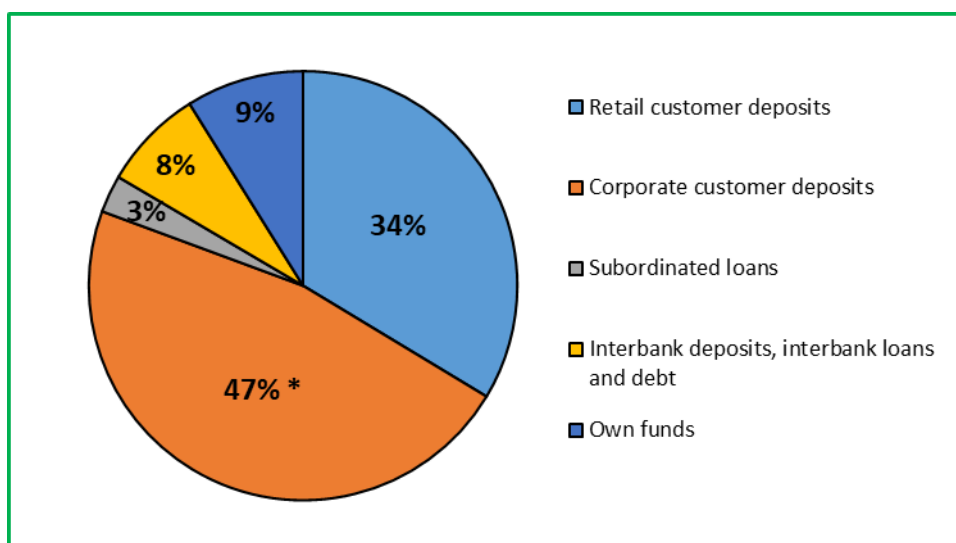
Table 3. EU LIQ1 - Quantitative information of LCR

Scope of consolidation: consolidated		Total unweighted value (average)				Total weighted value (average)			
		a	b	c	d	e	f	g	h
EU 1a	Quarter ending on (DD Month YYYY)	31 March 2024	31 December 2023	30 September 2023	30 June 2023	31 March 2024	31 December 2023	30 September 2023	30 June 2023
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)					47 744 050	42 776 893	37 277 995	32 928 088
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	67 523 927	66 801 473	67 932 183	69 942 493	4 539 727	4 547 337	4 833 156	5 197 601
3	Stable deposits	44 524 549	44 225 497	44 066 334	44 161 176	2 226 227	2 211 275	2 203 317	2 208 059
4	Less stable deposits	19 037 160	19 051 158	21 146 431	23 938 051	2 313 500	2 336 062	2 629 839	2 989 542
5	Unsecured wholesale funding	54 403 977	52 832 285	50 192 467	46 628 788	22 199 639	21 511 195	20 264 264	18 550 283
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	10 232 098	10 338 052	10 558 481	10 929 846	2 558 025	2 584 513	2 639 620	2 732 461
7	Non-operational deposits (all counterparties)	44 171 878	42 491 362	39 626 516	35 686 339	19 641 614	18 923 811	17 617 174	15 805 218
8	Unsecured debt	0	2 871	7 470	12 604	0	2 871	7 470	12 604
9	Secured wholesale funding					-	-	-	-
10	Additional requirements	30 974 806	31 272 090	33 706 114	35 095 825	12 721 297	12 834 723	14 100 415	13 854 506
11	Outflows related to derivative exposures and other collateral requirements	10 314 927	10 428 414	11 685 244	11 395 417	10 314 927	10 428 414	11 685 244	11 395 417
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	20 659 879	20 843 676	22 020 870	23 700 408	2 406 370	2 406 309	2 415 171	2 459 089
14	Other contractual funding obligations	4 296 232	4 941 452	5 448 466	5 793 992	994 681	1 695 778	2 264 658	2 692 912
15	Other contingent funding obligations	23 825 337	22 871 287	20 898 038	18 950 540	318 462	14 836	15 135	17 898
16	TOTAL CASH OUTFLOWS					40 773 806	40 603 869	41 477 628	40 313 200
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	8 727 973	6 603 322	3 577 047	1 318 754	-	-	-	-
18	Inflows from fully performing exposures	7 140 631	8 520 729	10 602 385	11 760 245	6 121 333	7 516 773	9 549 863	10 616 217
19	Other cash inflows	9 608 691	9 713 457	10 972 758	10 702 722	9 608 691	9 713 457	10 972 758	10 702 722
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	25 477 294	24 837 508	25 152 190	23 781 721	15 730 025	17 230 230	20 522 622	21 318 939
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	25 477 294	24 837 508	25 152 190	23 781 721	15 730 025	17 230 230	20 522 622	21 318 939
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					47 744 050	42 776 893	37 277 995	32 928 088
22	TOTAL NET CASH OUTFLOWS					25 043 781	23 373 639	20 955 006	18 994 261
23	LIQUIDITY COVERAGE RATIO					193.47%	184.56%	178.96%	174.61%

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

The LCR ratios as of the end of each quarter remained on safe and high level. The consolidated LCR at the end of March 2024 was slightly lower compared to end of 2023, with small decrease of the liquidity buffer. Parallel to this, a change was observed in the non-bank Customers funding structure (increase of the more stable funding from retail Customers versus decreased pool of less stable corporate funds) and decrease of the net loans volume. Throughout four recent quarters, the consolidated LCR increased from 187.7% as of end of March 2023 to 234.3% as of the end of 1Q 2024.

The non-bank Customers deposits base constitutes to be the largest share in the Group funding, and it comes from all segments of Clients. As of end of 1Q 2024 the funding from customers classified as corporate in the financial statement 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 Group's funding structure as of the end of 1Q 2024 is presented in the chart below.



*increase in the share of Corporate customer deposits is a result of a shift of Micro and Farmer Clients from Retail to Corporate segment

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 through the foreign currencies, in which the Bank has a surplus of liabilities. As of March 31, 2024 the Bank effectively didn't need funding of CHF mortgage portfolio with derivatives due to high level of currency provisions accrued for legal risk of those loans.

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. INFORMATION ON THE REMUNERATION POLICY – SUPPLEMENT INFORMATION

According to the information provided in the report as of 31 December 2023, the supplementary information is presented below with collective quantitative information on the remuneration granted for 2023, i.e. fixed remuneration paid in 2023 and variable remuneration granted for 2023.

Table 4 EU REM1 – Remuneration awarded for the financial year (ths PLN, the information on the number of employees is expressed as a full number)

		a	b	c	d	
		MB Supervisory function	MB Management function	Other senior management	Other identified staff	
1	Fixed remuneration	Number of identified staff	13	10	12	139
2		Total fixed remuneration	1 627	15 467	8 018	54 553
3		Of which: cash-based	1 627	13 533	7 539	52 644
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
6		(Not applicable in the EU)				
7	Of which: other forms	-	1 934	479	1 909	
8	(Not applicable in the EU)					
9	Variable remuneration	Number of identified staff	13	10	12	139
10		Total variable remuneration	-	9 477	3 227	19 840
11		Of which: cash-based	-	4 139	1 657	16 461
12		Of which: deferred	-	1 842	522	10 49
EU-13a		Of which: shares or equivalent ownership interests	-	4 139	1 304	2 623
EU-14a		Of which: deferred	-	1 842	522	1 049
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-			
EU-14b		Of which: deferred	-			
EU-14x		Of which: other instruments	-			
EU-14y		Of which: deferred	-			
15	Of which: other forms	-	1 200	266	756	
16	Of which: deferred	-	1 200	266	756	
17	Total remuneration (2 + 10)	1 627	24 944	11 245	74 393	

6. 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 31 March 2024*, which includes key indicators and figures that provide external stakeholders with a comprehensive view of risk profile determined by the Management Board and approved by the Supervisory Board.

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

13.05.2024	Przemysław Gdański <i>President of the Management Board</i>	<i>qualified electronic signature</i>
------------	---	---------------------------------------

13.05.2024	Andre Boulanger <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
------------	---	---------------------------------------

13.05.2024	Małgorzata Dąbrowska <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
------------	--	---------------------------------------

13.05.2024	Wojciech Kemblowski <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
------------	---	---------------------------------------

13.05.2024	Piotr Konieczny <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
------------	---	---------------------------------------

13.05.2024	Magdalena Nowicka <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
------------	---	---------------------------------------

13.05.2024	Volodymyr Radin <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
------------	---	---------------------------------------

13.05.2024	Agnieszka Wolska <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
------------	--	---------------------------------------

Warsaw, 13 May 2024