

CAPITAL ADEQUACY INFORMATION

AS OF 30 SEPTEMBER 2024

BNP Paribas Bank Polska S.A. Group



BNP PARIBAS

TABLE OF CONTENTS

1. INTRODUCTION	3
2. KEY METRICS	4
3. OVERVIEW OF RISK-WEIGHTED AMOUNTS	5
4. LIQUIDITY REQUIREMENTS	6
5. STATEMENT OF THE MANAGEMENT BOARD	8



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 30 September 2024, in thousands PLN, based on the data of the BNP Paribas Bank Polska S.A. Group.

As of 30 September 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, which conclusion is scheduled for November 2024.

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.

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 30 September 2024

	a	b	c	d	e	
	30 September 2024	30 June 2024	31 March 2024	31 December 2023	30 September 2023	
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	11 841 172	11 797 150	11 284 327	11 214 650	11 121 353
2	Tier 1 capital	11 841 172	11 797 150	11 284 327	11 214 650	11 121 353
3	Total capital	15 142 717	15 330 837	14 887 194	14 937 528	14 976 582
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	91 302 678	89 124 445	88 385 471	89 615 117	91 685 287
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	12.97%	13.24%	12.77%	12.51%	12.13%
6	Tier 1 ratio (%)	12.97%	13.24%	12.77%	12.51%	12.13%
7	Total capital ratio (%)	16.59%	17.20%	16.84%	16.67%	16.33%
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 (%)	6.97%	7.24%	6.77%	6.51%	6.13%
Leverage ratio						
13	Leverage ratio total exposure measure	178 790 571	178 954 703	180 664 289	174 945 269	173 581 831
14	Leverage ratio	6.62%	6.59%	6.25%	6.41%	6.41%
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)	50 565 059	50 478 630	48 092 505	50 227 484	46 551 821
EU-16a	Cash outflows - Total weighted value	41 547 456	41 926 269	42 292 835	38 185 956	44 739 958
EU-16b	Cash inflows - Total weighted value	18 293 918	19 529 034	21 762 775	17 175 723	20 898 048
16	Total net cash outflows (adjusted value)	23 253 537	22 397 235	20 530 060	21 010 232	23 841 910
17	Liquidity coverage ratio (%)	217.45%	225.38%	234.25%	239.06%	195.25%
Net Stable Funding Ratio						
18	Total available stable funding	112 060 625	114 893 724	113 761 298	114 758 891	110 053 346
19	Total required stable funding	77 104 806	73 400 593	75 038 876	75 105 621	76 452 883
20	NSFR ratio (%)	145.34%	156.53%	151.60%	152.80%	143.95%

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 30 September 2024

	Risk weighted exposure amounts (RWEAs)		Total own funds requirements	
	a	b	c	
	30 September 2024	30 June 2024	30 September 2024	
1	Credit risk (excluding CCR)	77 106 480	74 919 897	6 168 518
2	Of which the standardised approach	77 106 480	74 919 897	6 168 518
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	1 858 664	1 666 894	148 693
7	Of which the standardised approach	1 793 142	1 586 741	143 451
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	7 924	13 635	634
EU 8b	Of which credit valuation adjustment - CVA	52 878	51 424	4 230
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	197 609	234 188	15 809
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	197 609	234 188	15 809
EU 19a	Of which 1250%/ deduction	228 326	222 505	18 266
20	Position, foreign exchange and commodities risks (Market risk)	1 348 173	1 511 713	107 854
21	Of which the standardised approach	1 348 173	1 511 713	107 854
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	10 791 753	10 791 753	863 340
EU 23a	Of which basic indicator approach	369 205	369 205	29 536
EU 23b	Of which standardised approach	10 422 548	10 422 548	833 804
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	2 093 527	2 112 359	167 482
29	Total	91 302 678	89 124 445	7 304 214

On 28 March 2024 the Bank concluded a synthetic securitization transaction referencing a portfolio of corporate loans in total amount of PLN 2 180 million as of 31 December 2023. Within the transaction, the Bank transferred a significant part of the credit risk of a selected securitised portfolio onto the investor. The selected securitization portfolio remains in the Bank's balance sheet. As of 30 September 2024 the transaction portfolio value was PLN 1 106 million. The risk transfer of the securitised portfolio is performed through a credit protection instrument in form of a financial guarantee up to the amount of PLN 109 million as of 30 September 2024, issued by International Finance Corporation (IFC). The transaction meets the criteria of the Regulation (EU) 2021/557 as of 31 March 2021.

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		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 2024	30 June 2024	31 March 2024	31 December 2023	30 September 2024	30 June 2024	31 March 2024	31 December 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)					51 028 323	50 289 589	47 744 050	42 776 893
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	68 872 618	68 338 178	67 523 927	66 801 473	4 727 691	4 600 455	4 539 727	4 547 337
3	<i>Stable deposits</i>	45 509 117	44 996 411	44 524 549	44 225 497	2 275 456	2 249 821	2 226 227	2 211 275
4	<i>Less stable deposits</i>	20 310 074	19 412 190	19 037 160	19 051 158	2 452 235	2 350 634	2 313 500	2 336 062
5	Unsecured wholesale funding	55 519 271	55 401 085	54 403 977	52 832 285	22 510 086	22 611 338	22 199 639	21 511 195
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	10 490 099	10 351 710	10 232 098	10 338 052	2 622 525	2 587 927	2 558 025	2 584 513
7	<i>Non-operational deposits (all counterparties)</i>	45 029 172	45 049 375	44 171 878	42 491 362	19 887 561	20 023 411	19 641 614	18 923 811
8	<i>Unsecured debt</i>	0	0	0	2 871	0	0	0	2 871
9	Secured wholesale funding					-	-	-	-
10	Additional requirements	32 131 348	31 526 838	30 974 806	31 272 090	13 377 900	13 276 556	12 721 297	12 834 723
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	11 019 840	10 920 226	10 314 927	10 428 414	11 019 840	10 920 226	10 314 927	10 428 414
12	<i>Outflows related to loss of funding on debt products</i>	-	-	-	-	-	-	-	-
13	<i>Credit and liquidity facilities</i>	21 111 507	20 606 611	20 659 879	20 843 676	2 358 059	2 356 330	2 406 370	2 406 309
14	Other contractual funding obligations	3 341 686	3 786 171	4 296 232	4 941 452	295 727	595 147	994 681	1 695 778
15	Other contingent funding obligations	24 242 746	24 403 544	23 825 337	22 871 287	899 430	617 104	318 462	14 836
16	TOTAL CASH OUTFLOWS					41 810 833	41 700 600	40 773 806	40 603 869
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	6 372 729	8 631 022	8 727 973	6 603 322	-	-	-	-
18	<i>Inflows from fully performing exposures</i>	8 146 222	7 352 395	7 140 631	8 520 729	7 231 630	6 388 982	6 121 333	7 516 773
19	<i>Other cash inflows</i>	10 387 573	10 237 952	9 608 691	9 713 457	10 387 573	10 237 952	9 608 691	9 713 457
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	24 906 525	26 221 369	25 477 294	24 837 508	17 619 204	16 626 934	15 730 025	17 230 230
EU-20a	<i>Fully exempt inflows</i>	0	0	0	0	0	0	0	0
EU-20b	<i>Inflows subject to 90% cap</i>	0	0	0	0	0	0	0	0
EU-20c	<i>Inflows subject to 75% cap</i>	24 906 525	26 221 369	25 477 294	24 837 508	17 619 204	16 626 934	15 730 025	17 230 230
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					51 028 323	50 289 589	47 744 050	42 776 893
22	TOTAL NET CASH OUTFLOWS					24 191 630	25 073 666	25 043 781	23 373 639
23	LIQUIDITY COVERAGE RATIO					214,52%	203,67%	193,47%	184,56%

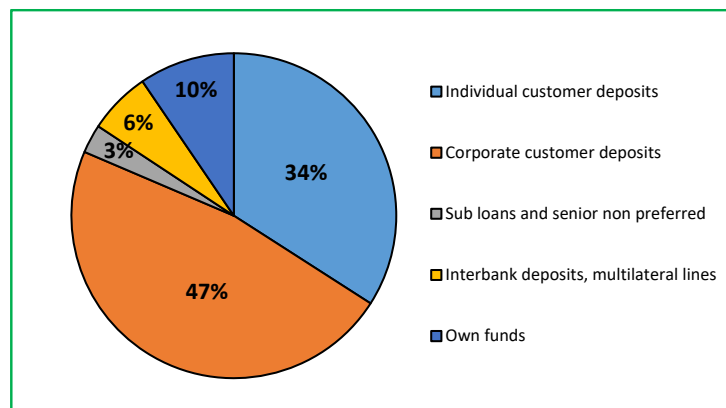
The Group collects diversified sources of funds, that ensure stable liquidity situation. The Bank holds as well high liquid assets portfolio, that can be used as the source of liquidity in case needed and ensure access to the liquidity during one day. Above mentioned elements enable stable liquidity 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 LCR ratios as of the end of each quarter remained on safe and high level. The consolidated LCR at the end of September 2024 was slightly lower compared to end of 2023, with increase of net outflows while the liquidity buffer remain stable. 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 195,3% as of end of September 2023 to 217.5% as of the end of September 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 September 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 September 2024 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 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 30 September 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. However, this does not entail posting of additional collateral, but it may cause closing the transaction. The Bank doesn't have any agreements with the counterparties where such an event would entail any posting of additional collateral when the rating would deteriorate.

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 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. Group as of 30 September 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

07.11.2024	Przemysław Gdański <i>President of the Management Board</i>	<i>qualified electronic signature</i>
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07.11.2024	Andre Boulanger <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
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07.11.2024	Małgorzata Dąbrowska <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
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07.11.2024	Wojciech Kemblowski <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
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07.11.2024	Piotr Konieczny <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
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07.11.2024	Magdalena Nowicka <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
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07.11.2024	Volodymyr Radin <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
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07.11.2024	Agnieszka Wolska <i>Vice-President of the Management Board</i>	<i>qualified electronic signature</i>
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Warsaw, 7 November 2024