



BNP PARIBAS

BNP Paribas Bank Polska SA with its registered office at ul. Suwak 3, registered with the District Court for the capital city of Warsaw, XIII Commercial Division, under no. KRS 6421, VAT PL: 6760078301 (NIP), holding paid-up share capital of PLN 1.532.886.878,90
www.bnpparibas.pl

Principles regarding public disclosure of information on capital adequacy of BNP Paribas Bank Polska SA

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TABLE OF CONTENTS

1. Introduction
2. Definitions
3. Information disclosure principles
4. Final Provisions

1. INTRODUCTION

- 1.1. Article 111a of the Banking Law (consolidated text in the Journal of Laws of 2002, no. 72, item 665 as further amended) puts banks under an obligation to publicly disclose the capital adequacy information.
- 1.2. The detailed principles and manner of publishing the information have been set out by the Financial Supervision Authority in Resolution No. 385/2008 of 17 December 2008 on detailed principles and manner of public disclosure of the capital adequacy qualitative and quantitative information by banks, and the scope of information to be disclosed (Official Journal of the National Bank of Poland of 2008, no. 8, item 39), with further changes and 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 and amending Regulation (EU) No 648/2012.
- 1.3. The said document "Principles regarding public disclosure of information on capital adequacy of BNP Paribas Bank Polska S.A." sets out the scope, frequency, deadline, form and place for disclosing capital adequacy information by BNP Paribas Bank Polska S.A.
- 1.4. Preparation and announcement of the said "Principles regarding public disclosure of information on capital adequacy of BNP Paribas Bank Polska S.A." equal the fulfilment of the obligation set out in Paragraph 5, section 1 of the aforementioned Resolution of the Financial Supervision Authority and Regulation (EU) No 575/2013 of the European Parliament and of the Council.

2. DEFINITIONS

The terms used in the document shall have the following meaning:

- 2.1. **BNPP, the Bank** – BNP Paribas Bank Polska S.A.;
- 2.2. **Resolution** – Resolution No. 385/2008 of the Financial Supervision Authority dated 17 December 2008 on detailed principles and manner of public disclosure of the capital adequacy qualitative and quantitative information by banks, and the scope of information to be disclosed (Official Journal of the National Bank of Poland of 2008, no. 8, item 39), with further changes.
- 2.3. **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 and amending Regulation (EU) No 648/2012
- 2.4. **Information** – qualitative and quantitative information on capital adequacy described in item 3.1. of the said document, which is publicly disclosed by the Bank pursuant to Article 111 a of the Banking Law, the **Resolution** and **the Regulation**;
- 2.5. **Principles** – the said "Principles regarding public disclosure of information on capital adequacy of BNP Paribas Bank Polska S.A."

3. INFORMATION DISCLOSURE PRINCIPLES

- 3.1. Scope of **Information** disclosed
 - 3.1.1. Pursuant to the obligation specified in Paragraph 2, section 1 of the **Resolution, the Bank** publicly discloses the information with accordance to the Enclosure 1 and 2 of the **Resolution**, in particular:
 - consolidation methods applied to the group entities,

Principles regarding public disclosure of information on capital adequacy of BNP Paribas Bank Polska SA

- objectives and rules of managing various types of risk,
- the application of prudential norms,
- usage of the external credit assessment institutions ratings,
- the credit risk and dilution with exposures towards these risks and application of credit risk mitigation techniques,
- risk weighted credit exposure values using IRB approach,
- counterparty credit risk,
- interest rate risk in the banking book,
- equity exposures in the banking portfolio,
- securitization exposures.

This scope of information is based on the Group BNP Paribas consolidated data.

3.1.2. Pursuant to the obligation specified in Paragraph 3, section 4 of the **Resolution** and articles 442 and 453 of the **Regulation**, **Bank** publicly discloses, based on data available at the highest, national level of consolidation, the following information:

- 3.1.2.1. information on the main features and conditions pertaining to all items and components of the Bank's equity;
- 3.1.2.2. equity plus the value of particular core and tier two capital items and reductions thereof;
- 3.1.2.3. amount of short-term capital and its components;
- 3.1.2.4. equity plus short-term capital;
- 3.1.2.5. description of the method used by the Bank to assess the adequacy of its internal capital which supports the Bank's current and future operations;
- 3.1.2.6. amounts accounting for 8% of risk-weighted exposure, separately for each exposure class;
- 3.1.2.7. amount of a minimum capital requirements in total and for each type of risk separately;
- 3.1.2.8. amount of a minimum operational risk capital requirement, separately for each method used;
- 3.1.2.9. information on the Credit Risk Adjustments;
- 3.1.2.10. information on the Use of Credit Risk Mitigation Techniques.

3.1.3. With accordance to the Polish Banking Law Act, Paragraph 111a section 2 and 3, the scope of the **Information** does not apply to:

- 3.1.3.1. the insignificant information,
- 3.1.3.2. the information disclosure of which may have a negative impact on the bank's position on the relevant markets defined by provisions on competition and consumer protection,
- 3.1.3.3. information which is a legally protected secret.

3.1.4. In the case referred to in items 3.1.3.2. and 3.1.3.3. the **Bank** shall present reasons for restraining the publication of information and disclose general data related to this, insofar as this is not the information referred to in items 3.1.3.2. and 3.1.3.3.

3.1.5. Provisions of the **Principles** shall not apply to the information published in the Annual Consolidated Financial Statements of the BNP Paribas Bank Polska.

3.1.6. Disclosures of the remuneration and the value of benefits obtained by the management are presented as a separate Information on Variable Compensation Policy for Executives and Other Individuals Who Have a Significant Influence on the Risk Profile at BNP Paribas Bank Polska SA.

3.2. Preparation of **Information**

3.2.1. The Head of the Risk Capital Market Department is responsible for initiation and coordination of the process of preparation of **Information**, which is being prepared with cooperation with other **Bank's** entities.

3.2.2. The Head of Compensation & Benefits, Employment and HR Systems Department is responsible for a preparation of the Information on Variable Compensation Policy for Executives and Other Individuals Who Have a Significant Influence on the Risk Profile at BNP Paribas Bank Polska SA.

Principles regarding public disclosure of information on capital adequacy of BNP Paribas Bank Polska SA

3.2.3. The Head of the Risk Capital Market Department is responsible for setting the scope of information required from other **Bank's** entities and setting deadlines. The time schedule shall considerate the attestation process conducted by the internal Audit Department and approval of the Board of Executives.

3.3. Information disclosure frequency and deadline

3.3.1. **Information** is published annually as at the end of the last fiscal year, not later than 30 days of the approval of the **BNP Paribas Bank Polska** Annual Consolidated Financial Statements.

3.4. Information disclosure form and place

Information is published in PDF format at the Bank's website www.bnpparibas.pl in the section "Investor Relations" in Polish and English.

3.5. Approval and verification

3.5.1. The Information referred to in item 3.1.2. is subject to verification by an auditor hired to examine **Bank** financial statements. The Board of Executives may decide to assign the verification to any entity other than the auditor and to the Bank's internal units.

3.5.2. The **Information** referred to in items 3.1.1., 3.1.2, and 3.1.6, which is not included in the audit of the bank's financial statement by certified auditor, is subject to the approval of the **Bank's** Board of Executives and attestation process conducted by the internal Audit Department.

3.6. Verification of Principles

3.6.1. The **Principles** are established by the Bank's Board of Executives and approved by the Supervisory Board.

3.6.2. The **Principles** are annually verified by the Board of Executives, which, if necessary, submits proposals of adequate changes to the Supervisory Board.

4. FINAL PROVISIONS

The **Principles** are disclosed via announcement at the Bank's website.