

Recommendation of the Polish Financial Supervision Authority (KNF) on the additional capital requirement for the Bank

current report no. 76/2015

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The Management Board of Bank BGŻ BNP Paribas S.A. (hereinafter: "the Bank") hereby informs you that on 23 October 2015 they received the recommendation from the Polish Financial Supervision Authority (KNF) that:

- the Bank should maintain its own funds to cover the additional capital requirement at 0.71 pp to secure the risk arising from FC mortgage loans for households that should be composed at least in 75% from Tier I capital (equivalent of 0.53pp).

As a result of the above, the Bank's minimum capital ratios, taking into account the additional capital requirement recommended by KNF, should amount to:

- Tier 1=9.53%
- Total Capital Ratio =12.71%

The Bank's capital ratios, taking into account the additional capital requirement recommended by KNF in relation to dividend policy, shall be: (criteria for payment up to 100% of 2014 profit): CET1= 9.53%, TCR= 13.21%.

The above recommendation should be observed by the Bank from the date of its receiving until further notice.

Simultaneously, the Management Board informs you that as at the date of receiving the KNF recommendation it maintains its own funds at the level allowing to meet the recommended capital requirements.

Besides, the Management Board reminds that the Bank's Annual General Meeting held on 19 June 2015 resolved to allocate the total net profit generated by the Bank for the financial year ended 31 December 2014 to increase the Bank's own funds (see: current report No. 58/2015 dated 19 June 2015, resolution no. 5).

Legal basis:

article 56 item 1, point 1) of the Act on Public Offerings and Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies of 29 July 2005