



BGZ BNP PARIBAS

Motion to KNF for consent for recognition of 1H 2016 net profit as a part of Bank's Tier 1 capital

current report no. 36/2016

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The Management Board of Bank BGŻ BNP Paribas S.A. ("the Bank") hereby announces that on 30 November 2016 it approved a motion for consent for recognition of a standalone net profit for period from 1 January 2016 to 30 June 2016 in the amount of PLN 42,140 thousand as a part of the Bank's Tier 1 capital, and sent the motion to the Polish Financial Supervision Authority ("KNF").

It means that the Bank's Management Board does not intend to recommend any dividend payment from the 2016 net profit.

Pursuant to Article 26, item 2 of 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 ("Regulation 575/2013"), the competent authority shall grant permission where the following conditions are met:

- a) those profits have been verified by persons independent of the institution that are responsible for the auditing of the accounts of that institution;
- b) the institution has demonstrated to the satisfaction of the competent authority that any foreseeable charge or dividend has been deducted from the amount of those profits.

As at 30 September 2016, the Bank's Total Capital Ratio (TCR), on a standalone basis, was 14.74% and Common Equity Tier 1 Ratio was 11.81%. Taking into account that a buffer of other systemically-important institution at 0.25% of the total risk exposure amount was imposed on the Bank, levels of the Capital Adequacy Ratios recommended by KNF currently equal 14.21% and 11.03%, respectively. Recognition of the 1H 2016 net profit as a part of the Bank's Tier 1 capital will improve the Capital Adequacy Ratios as at 30 September 2016 to 14.82% and 11.89%, accordingly.

Legal basis

Article 17, item 1 of the MAR Regulation