



Recommendation of the Polish Financial Supervision Authority on the additional capital requirement for the Bank BGŻ BNP Paribas S.A. Capital Group

current report no. 75/2018

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The Management Board of Bank BGŻ BNP Paribas S.A. ("the Bank") hereby informs that on 30 November 2018 it received from the Polish Financial Supervision Authority the letter recommending that the Bank should maintain own funds for the coverage of additional capital requirement in order to secure the risk resulting from FX mortgage loans for households on the consolidated basis at the level of 0.36 pp above the level of Total Capital Ratio as mentioned in Article 92, para. 1(c) of the 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 (EU) No 575/2013").

Additional capital requirement should consist of at least 75% of Tier I capital (which corresponds to capital requirement at the level of 0.27 pp above the level of Tier I Capital Ratio as mentioned in Article 92, para. 1(b) of the Regulation (EU) No 575/2013), and should consist of at least 56% of core Tier I capital (which corresponds to capital requirement at the level of 0.20 p.p. above the level of Core Tier I Ratio as mentioned in Article 92, para. 1(a) of the Regulation (EU) No 575/2013).

Previously, as the Bank informed in current report no. 35/2017 published on 15 December 2017, the Bank was obliged to maintain own funds for the coverage of additional capital requirement in order to secure the risk resulting from FX mortgage loans for households on the consolidated basis at the level of 0.60 pp above the level of Total Capital Ratio as mentioned in Regulation (EU) No 575/2013, which should have consisted of at least 75% of Tier I capital (which corresponded to 0.45 pp above the level of Tier I Capital Ratio as mentioned in Regulation (EU) No 575/2013) and which should have consisted of at least 56% of core Tier I capital (which corresponded to 0.34 p.p. above the level of Core Tier I Ratio as mentioned in Regulation (EU) No 575/2013).

Simultaneously, the Management Board of the Bank informs that as at the date of receiving the letter of the Polish Financial Supervision Authority it maintains its own funds at the level allowing to meet the recommended capital requirements on the standalone and the consolidated basis.

Legal basis

Article 17, item 1 of the MAR Regulation