


**CAPITAL ADEQUACY INFORMATION
OF BNP PARIBAS BANK POLSKA S.A.
CAPITAL GROUP
AS OF 31 MARCH 2019**



BNP PARIBAS

The bank for a changing world

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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 (Acts. Office. EU. L No. 176, p. 1), hereinafter referred to as "**Regulation (EU) No 575/2013**", BNP Paribas Bank Polska S.A. with its registered office in Warsaw, hereinafter referred to as "**Bank**", is obliged to publish in a publicly accessible manner information about the qualitative and quantitative adequacy of the capital excluding irrelevant information, proprietary or confidential.

According to the art. 433 of Regulation (EU) No 575/2013, the Bank publishes at least annually, the disclosures of which is required by virtue of Part Eight of Regulation (EU) No 575/2013. Pursuant to the obligation specified in article 13 of the Regulation (EU) No 575/2013, Bank publicly discloses as defined in art. 437, 438, 440, 442, 450, 451 and 453 the information based on data available at the highest, national level of consolidation for prudential purposes. In addition, Bank discloses information on unencumbered assets based on art. 443 of Regulation (EU) No 575/2013.

In the light of the scale and relevant characteristics of Bank's business and taking into account 0020 European Banking Authority Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013 - **EBA/GL/2016/11**, the Bank discloses quarterly some information regarding capital adequacy and pay particular attention to the possible need for more frequent disclosure of items of information laid down in Article 437, and points (c) to (f) of Article 438 of Regulation (EU) No 575/2013, and information on risk exposure and other items prone to rapid change.

This document provides information on the capital adequacy of the BNP Paribas Bank Polska S.A. Capital Group as of 31 March 2019.

2. OWN FUNDS

Based on the art.437 of the Regulation (EU) No 575/2013 the Bank discloses full reconciliation of own funds items in relation to the financial statements.

Table 1. Full reconciliation of own funds items in relation to the financial statements as of 31 March 2019

POSITIONS OF THE CONSOLIDATED FINANCIAL STATEMENT USED FOR THE CALCULATION OF OWN FUNDS	Positions on 31 March 2019	Correction for companies not subject to prudential consolidation	Filters	Part of the unrecognized annual profit	OWN FUNDS POSITIONS
					[k. PLN]
Assets					
Intangible assets	506 991	115	-	-	506 876
Deferred tax assets net of related tax liability	994 738	687	-	-	994 051
Liabilities					
Subordinated liabilities	1 877 955	-	-	-	1 877 955
- including subordinated loans recognized as instruments in Tier II	1 877 955	-	-	-	1 877 955
Core capital					
Common Shares	147 419	-	-	-	147 419
Other capital instruments, including:	10 318 995	-	-	-	10 318 995
- share premium accounts	7 259 316	-	-	-	7 259 316
- general risk fund	627 154	-	-	-	627 154
- reserve capital	2 432 525	-	-	-	2 432 525
revaluation reserve, including:	105 100	-	-	-	105 100
Result of the current year	161 601	2 446	-	159 155	0

Bank discloses own funds structure together with regulatory adjustments to Tier I and Tier II capital.

Table 2. The own funds structure with regulatory adjustments as of 31 March 2019

No.*		AMOUNT AT DISCLOSURE DATE (k. PLN)	REGULATION (EU) No 575/2013 ARTICLE REFERENCE
Common Equity Tier I capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	7 406 735	26 (1), 27, 28, 29, EBA list 26 (3)
	Of which: common shares	147 419	EBA list 26 (3)
2	Retained earnings	- 94 975	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves, to include unrealized gains and losses under the applicable accounting standards)	2 537 625	26 (1)
3a	Funds for general banking risk	627 154	26 (1) (f)
6	Common Equity Tier I (CET1) capital before regulatory adjustments	10 476 538	
Common Equity Tier I (CET1) capital: regulatory adjustments			
28	Total regulatory adjustments to Common Equity Tier I (CET1)	-180 798	
29	Common Equity Tier I (CET1) capital	10 295 741	
44	Additional Tier I (AT1) capital		
45	Tier I capital (T1 = CET1 + AT1)	10 295 741	
Tier II (T2) capital: instruments and provisions			
58	Tier II (T2) capital	1 877 955	
59	Total capital (TC = T1 + T2)	12 173 696	
60	Total risk weighted assets	83 554 734	
Capital ratios and buffers			
61	Common Equity Tier I (as a percentage of risk exposure amount)	10,32%	92 (2) (a)
62	Tier I (as a percentage of risk exposure amount)	10,32%	92 (2) (b)
63	Total capital (as a percentage of risk exposure amount)	14,57%	92 (2) (c)

3. CAPITAL REQUIREMENTS

According to art. 438 of the Regulation (EU) No 575/2013, the Bank is publishing overview of risk weighted assets and amounts representing 8% of the risk-weighted exposure, separately for each exposure class, which are presented in table below.

Table 3. Risk weighted assets overview as of 31 March 2019

[k. PLN]	RWAs		Capital requirements
	31 March 2019	31 December 2018	31 March 2019
1 Credit risk	73 531 843	73 446 863	5 882 491
2 Of which standardised approach	73 531 843	73 446 863	5 882 491
4 Of which advanced IRB approach	-	-	-
5 Of which equity positions under the simple risk-weighted approach	-	-	-
6 Counterparty Credit Risk	1 282 892	1 262 942	102 631
7 Of which mark-to-market	950 466	922 615	76 037
10 Of which internal model method (IMM)	-	-	-
11 Of which CCP - default fund contributions	-	-	-
12 Of which CVA	332 426	340 327	26 594
14 Securitisation exposures in the banking book	-	-	-
15 Of which IRB approach (IRB)	-	-	-
16 Of which IRB supervisory formula approach (SFA)	-	-	-
17 Of which internal assessment approach (IAA)	-	-	-
18 Of which standardised approach	-	-	-
19 Market risk	799 079	844 070	63 926
20 Of which standardised approach	799 079	844 070	63 926
21 Of which IMA	-	-	-
23 Operational risk	7 940 920	7 908 064	635 274
24 Of which basic indicator approach	151 797	100 332	12 144
25 Of which standardised approach	7 789 123	7 807 732	623 130
26 Of which advanced measurement approach (AMA)	-	-	-
Amounts below the thresholds for deduction (subject to 250%			
27 risk weight)	-	-	-
29 TOTAL	83 554 734	83 461 938	6 684 322

4. LEVEREGE RISK

The Bank discloses some information on its leverage ratio based on Commission Implementing Regulation (EU) 2016/200 of 15 February 2016 laying down implementing technical standards with regards to disclosure of the leverage ratio of institutions according to art. 451 of the Regulation (EU) No 575/2013 (Acts. Office. EU. Series L No. 39, p. 5) with later D.

The calculation of leverage ratio of the Bank Capital Group as of 31 March 2019 was made under the provisions of Commission Delegated Regulation (EU) 2015/62 as of 10 October 2014 amending Regulation (EU) No 575/2013 in respect of the leverage ratio (Acts. Office. EU. Series L No. 309, p. 5), hereinafter referred to as "Delegated Regulation 2015/62.". According to the Delegated Regulation 2015/62 financial leverage ratio is expressed as a percentage of the value of the quotient of Tier I capital and total exposure measure by the end of the reporting period, while total exposure measure is the sum of the exposure values determined under all of the assets and off-balance items not deducted when determining the capital measure Tier I.

Table 4. Leverage Ratio

Reference date	31 March 2019
Entity name	BNP Paribas Bank Polska S.A.
Level of application	consolidated

Table 5. Summary reconciliation of accounting assets and leverage ratio exposures as of 31 March 2019

		Applicable Amount in k. PLN
1	Total assets as per published financial statements	106 858 609
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013)	-
4	Adjustments for derivative financial instruments	2 231 652
5	Adjustment for securities financing transactions (SFTs)	-
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	9 966 907
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(7) of Regulation (EU) No 575/2013)	-
EU-6b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(14) of Regulation (EU) No 575/2013)	-
7	Other adjustments	-
8	Leverage ratio total exposure measure	119 057 168

Table 6. Leverage ratio common disclosure as of 31 March 2019

		CRR leverage ratio exposures in k. PLN
Capital and total exposure measure		
20	Tier I capital	10 295 741
21	Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	119 057 168
Leverage ratio		
22	Leverage ratio	8,65%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	transitional
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No 575/2013	-

5. COMPARISON OF BANK'S OWN FUNDS AND CAPITAL AND LEVERAGE RATIOS WITH AND WITHOUT THE APPLICATION OF TRANSITIONAL ARRANGEMENTS FOR IFRS 9 OR ANALOGOUS ECLS

In accordance with the Regulation of the European Parliament and of the Council (EU) No 2017/2395 of 12 December 2017 amending Regulation (EU) No 575/2013 as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds and for the large exposures treatment of certain public sector exposures denominated in the domestic currency of any Member State, the Bank discloses the amounts of own funds, Common Equity Tier 1 capital and Tier 1 capital, the Common Equity Tier 1 capital ratio, the Tier 1 capital ratio, the total capital ratio and the leverage ratio the Bank would have in case the Bank was not to apply the art. 1 of this Regulation.

Table 7. Comparison of Banks' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLS as of 31 March 2019

		[k. PLN]			
		31 March 2019	31 December 2018	30 September 2018	30 June 2018
Available capital (amounts)					
1	Common Equity Tier I (CET1) capital	10 295 741	10 341 858	7 163 238	6 163 169
2	Common Equity Tier I (CET1) capital as if IFRS 9 or analogous ECLS transitional arrangements had not been applied	9 955 073	9 961 112	6 867 728	5 867 659
3	Tier I capital	10 295 741	10 341 858	7 163 238	6 163 169
4	Tier I capital as if IFRS 9 or analogous ECLS transitional arrangements had not been applied	9 955 073	9 961 112	6 867 728	5 867 659
5	Total capital	12 173 696	12 214 348	8 851 232	7 866 555
6	Total capital as if IFRS 9 or analogous ECLS transitional arrangements had not been applied	11 833 028	11 833 602	8 555 722	7 571 045
Risk-weighted assets (amounts)					
7	Total risk-weighted assets	83 554 734	83 461 938	58 145 604	57 028 035
8	Total risk-weighted assets as if IFRS 9 or analogous ECLS transitional arrangements had not been applied	83 410 597	83 061 172	57 828 143	56 762 158
Capital ratios					
9	Tier I (as a percentage of risk exposure amount)	12,32%	12,39%	12,32%	10,81%
10	Common Equity Tier I (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLS transitional arrangements had not been applied	11,94%	11,99%	11,88%	10,34%
11	Tier I (as a percentage of risk exposure amount)	12,32%	12,39%	12,32%	10,81%
12	Tier I (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLS transitional arrangements had not been applied	11,94%	11,99%	11,88%	10,34%
13	Total capital (as a percentage of risk exposure amount)	14,57%	14,63%	15,22%	13,79%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLS transitional arrangements had not been applied	14,19%	14,25%	14,80%	13,34%
Leverage ratio					
15	Leverage ratio total exposure measure	119 057 168	116 882 561	77 737 147	76 985 519
16	Leverage ratio	8,65%	8,85%	9,21%	8,01%
17	Leverage ratio as if IFRS 9 or analogous ECLS transitional arrangements had not been applied	8,36%	8,52%	8,83%	7,62%