
INFORMATION POLICY OF BNP PARIBAS BANK POLSKA S.A. REGARDING CAPITAL ADEQUACY



BNP PARIBAS

The bank for a changing world

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1 INTRODUCTION

1.1 This "Information policy of BNP Paribas Bank Polska S.A. regarding capital adequacy", hereinafter referred as "Policy", constitutes the fulfillment of the obligation set out in 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 (Official Journal EU L. 176, p. 1 as amended) ("Regulation (EU) No 575/2013").

1.2 In accordance with the Regulation (EU) No 575/2013 BNP Paribas Bank Polska S.A. is obliged to make public information referred to in item 3 of this Policy, excluding irrelevant information, proprietary or confidential.

1.3 The Policy sets out the scope, frequency, timeline, place and form of disclosure as well as method of approval and verification of the published information on the Bank's capital adequacy.

2 DEFINITIONS

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

- 1) **Bank** – BNP Paribas Bank Polska S.A.;
- 2) **Information** – qualitative and quantitative information on capital adequacy described in chapter 3 of the Policy;
- 3) **EBA/GL/2016/11** – European Banking Authority Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013;
- 4) **EBA/GL/2014/14** - Guidelines of the European Banking Authority on materiality, proprietary and confidentiality and disclosure frequency under Articles 432(1), 432(2) and 433 of Regulation (EU) No 575/2013;
- 5) **EBA/GL/2015/22** - Guidelines of the European Banking Authority on sound remuneration policies under Articles 74(3) and 75(2) of Directive 3013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013;
- 6) **EBA/GL/2017/01** - Guidelines of the European Banking Authority on LCR disclosure to complement the disclosure of liquidity risk management under Article 435 of Regulation (EU) No 575/2013;
- 7) **EBA/GL/2018/01** - European Banking Authority Guidelines on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds;
- 8) **EBA/GL/2018/10** - Guidelines of the European Banking Authority on disclosure of non-performing and foreborne exposures;
- 9) **Regulation No 1423/2013** - Commission Implementing Regulation (EU) No 1423/2013 of 20 December 2013 laying down implementing technical standards with regards to disclosure own funds requirements according to Regulation (EU) No 575/2013 of the European Parliament and of the Council;
- 10) **Regulation No 2015/1555** - Commission Delegated Regulation (EU) 2015/1555 of 28 May 2015 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the disclosure of information in relation to the compliance of institutions with the requirement for a countercyclical buffer in accordance with Article 440;
- 11) **Regulation No 2016/200** - Commission Implementing Regulation (EU) 2016/200 of 15 February 2016 laying down implementing technical standards with regard to disclosure of the leverage ratio for institutions, according to Regulation (EU) No 575/2013 of the European Parliament and of the Council;
- 12) **Regulation No 2017/2295** - Commission Delegated Regulation (EU) 2017/2295 of 4 September 2017 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for disclosure of encumbered and unencumbered assets;



- 13) **Recommendation M** - recommendation of Polish Financial Supervisory Authority, concerning operational risk management within the banks.

3 SCOPE OF INFORMATION DISCLOSED

3.1 Pursuant to the provisions of Regulation (EU) No 575/2013, the Bank publishes the quantitative and qualitative information referred to in Part Eight of Regulation (EU) No 575/2013 based on the data available at the highest national level of consolidation for the purposes of prudential consolidation, in accordance with requirements specified in Article 13 of Regulation (EU) No 575/2013

3.2 The published scope of information is intended to provide market participants with a comprehensive picture of the Bank's risk profile. It includes in particular:

- risk management goals and strategies based on Article 435 of Regulation (EU) No 575/2013, taking into account EBA/GL/2016/11, as well as EBA/GL/2017/01 regarding liquidity risk;
- own funds based on Article 437 of Regulation (EU) No 575/2013, presented in accordance with Regulation No 1423/2013 and information based on Article 473a of Regulation (EU) No 575/2013 in accordance with EBA/GL/2018/01;
- capital requirements based on Article 438 of Regulation (EU) No 575/2013 presented in accordance with EBA/GL/2016/11;
- exposure to counterparty credit risk pursuant to Article 439 of Regulation (EU) No 575/2013, presented in accordance with EBA/GL/2016/11;
- capital buffers based on Article 440 of Regulation (EU) No 575/2013, presented in accordance with Regulation No 2015/1555;
- credit risk adjustments based on Article 442 of Regulation (EU) No 575/2013, presented in accordance with EBA/GL/2016/11 and EBA/GL/2018/10;
- encumbered and unencumbered assets pursuant to Article 443 of Regulation (EU) No 575/2013 presented in accordance with Regulation No 2017/2295;
- use of external ratings based on Article 444 of Regulation (EU) No 575/2013, in accordance with EBA/GL/2016/11;
- remuneration policy based on Article 450 of Regulation (EU) No 575/2013, presented in accordance with EBA/GL/2015/22;
- financial leverage pursuant to Article 451 of Regulation (EU) No 575/2013, presented in accordance with the Regulation No 2016/200;
- use of credit risk mitigation techniques pursuant to Article 453 of Regulation (EU) No 575/2013 presented in accordance with EBA/GL/2016/11;
- information regarding operational risk based on Recommendation M.

3.3. The obligations arising from Article 450 of Regulation (EU) No 575/2013 are fulfilled through the publishing on the Bank's website of the "Information on remuneration policy for persons having material impact on the risk profile of BNP Paribas Bank Polska S.A.".

4 INFORMATION DISCLOSURE FREQUENCY AND DEADLINE

4.1 The Bank announces information at least once a year. The Bank verifies the need for more frequent disclosure of capital adequacy data based on Article 433 of Regulation (EU) No 575/2013 and in accordance with EBA/GL/2014/14, EBA/GL/2016/11 and EBA/GL/2018/10.

4.2 Information is disclosed as at the end of the accounting period.

4.3 The date of publication of the Information coincides with the date of publication of the financial statements.



5 INFORMATION DISCLOSURE PLACE AND FORM

5.1 Information is published in electronic format at the Bank's website (www.bnpparibas.pl/) in the section "Investor Relations" in Polish and English.

6 APPROVAL AND VERIFICATION OF DISCLOSED INFORMATION

6.1 The Information is not subject to comprehensive verification by an auditor hired to examine Bank financial statements. The Management Board of the Bank may decide to assign the verification to any independent entity other than the auditor and to the Bank's internal units.

6.2 Auditor's verification relates to selected elements of information, which overlap with information contained in the Annual Consolidated Financial Statements of the Bank.

6.3 The Information, before disclosure is subject to the approval of the Bank's Management Board.

7 POLICY UPDATE

7.1 The provisions of the Policy are subject to review at least once a year.

7.2 The policy is approved by the Bank's Management Board.