



Approval for the participation in the creation of the protection scheme referred to in Article 4.1.9a of the Banking Law Act of 29 August 1997

## current report no. 19/2022

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The Management Board of BNP Paribas Bank Polska S.A. ("**Bank**") hereby communicates that on 7 June 2022 it has been informed about passing by Management Boards and Supervisory Boards of Alior Bank S.A., ING Bank Polska S.A., mBank S.A., Millennium Bank S.A., BNP Paribas Bank Polska S.A., Bank Polska Kasa Opieki S.A., PKO Bank Polski S.A., Santander Bank Polska S.A. ("**Member Banks**") resolutions on consenting to submitting an application to the Polish Financial Supervision Authority for approval and for recognition of the protection scheme, the members of which are banks operating in the form of a joint-stock company with the draft agreement on the protection scheme, i.e. on participation of Member Banks in the creation of the protection scheme referred to in Article 4.1.9a of the Banking Law Act of 29 August 1997 ("**Banking Law**").

The protection scheme shall be created on condition of signing the agreement on the protection scheme. The draft agreement on the protection scheme shall be approved by the Polish Financial Supervision Authority ("**PFSA**").

After the issue of the decision on approval of the draft agreement on the protection scheme and recognition of the protection scheme by the PFSA, the Member Banks will create a joint-stock company being the protection scheme managing entity ("**Managing Entity**"). Creation of the Managing Entity is subject to consent for concentration by President of the Office for Consumer and Competition Protection. The share capital of the Managing Entity shall be PLN 1,000,000. The Bank will take up 9,441 shares of the Managing Entity, of the total par value of PLN 94,410 being 9.4% of its share capital.

The objective of the protection scheme is to:

- a) ensure liquidity and solvency of the Member Banks on the terms and conditions and to the extent set out in the agreement on the protection scheme; and
- b) support:
  - (i) the resolution procedure pursued by the Bank Guarantee Fund ("**BGF**") for a bank incorporated as a joint stock company; and
  - (ii) acquisition of a bank incorporated as a joint stock company under Article 146b.1 of the Banking Law.

The protection scheme can be joined by other local banks, provided they satisfy the terms and conditions set out in effective law and the agreement on the protection scheme.

The Managing Unit shall establish an aid fund ("**Aid Fund**") to ensure resources for funding the tasks of the protection scheme. The Aid Fund will be formed of the contributions made by Member Banks being 0.4% of the amount of the guaranteed funds of the given bank covered by the mandatory deposit guarantee scheme, referred to in Article 2.34 of the Act on the Bank Guarantee Fund, the Deposit Guarantee Scheme and Resolution of 10 June 2016 ("**BGF Act**"). Given the level of guaranteed funds of the Bank as at the end of the first quarter 2022; i.e. PLN 47,004,279 thousand, it is estimated that the Bank will pay the amount of PLN 188,017 thousand to the Aid Fund and will recognize the full amount in the second quarter of 2022 profit and loss (in the general administrative

expenses). The said amount can change should the payment be determined using the amount of guaranteed funds as at the end of the second quarter of 2022 and should the amount of the guaranteed funds change. Subsequent contributions to the Aid Fund shall require an unanimous resolution of the general meeting of the Managing Entity.

In line with Article 287.2 and ff. of the BGF Act, the BGF Board can resolve to lower the level of funds in the deposit guarantee scheme at banks, considering inter alia the amount of funds accumulated by the protection scheme. Further, in line with Article 15.1h.5 of the Corporate Income Tax Act of 15 February 1992, Aid Fund contributions of the protection scheme members are tax deductible.

The accountability of each Member Bank for their liabilities connected with the protection scheme membership shall be limited to the amount of contributions a given Member Bank is required to make to take up shares of the Managing Entity and the amounts the Member Bank is required to pay to the Aid Fund.

Each Member Bank can terminate the agreement on the protection scheme against a 24-month notice. After terminated, the agreement shall continue to apply to the other Member Banks.

Legal basis

Article 17.1 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (MAR)