

Minimum requirement for own funds and eligible liabilities ("MREL") set for BNP Paribas Bank Polska S.A.

current report no. 27/2023

date: 20 June 2023

The Management Board of BNP Paribas Bank Polska S.A. ("Bank") hereby informs that the Bank received a letter from the Banking Guarantee Fund ("BGF") dated 20 June 2023 concerning the joint decision of the resolution authorities, i.e. the Single Resolution Board and BGF on the minimum requirement for own funds and eligible liabilities ("MREL").

In the resolution plan of the BNP Paribas S.A. Group a resolution strategy with a Single Point of Entry in the case of initiation of a resolution was envisaged.

The MREL for the Bank was set on individual basis at 16.11% of the total risk exposure amount ("TREA") and 5.91% of total exposure measure ("TEM"). The requirement should be reached by 31 December 2023.

Further, the BGF set interim MREL goal which:

- for TREA is: 12.05% from the moment of receiving the BGF letter,
- for TEM is: 4.46% from the moment of receiving the BGF letter.

The total MREL should be satisfied with own funds and eligible liabilities under Article 98 of the BGF Act transposing Article 45f item 2 of the BRRD. The BGF expects that the recapitalization equivalent portion of the MREL (RCA) would be met with additional AT1 instruments, T2 instruments and other subordinated eligible liabilities bought directly or indirectly by the parent entity.

At the same time, the BGF indicated that the Tier 1 capital ("CET1") instruments kept by the Bank for the purposes of the combined buffer requirement cannot be included in the MREL expressed as a percentage of TREA. This rule does not apply to the MREL requirement expressed as a percentage of TEM.

As at the date of receipt of the BGF letter, the Bank complies with the MREL requirements.

Legal basis

Article 17, item 1 of the Market Abuse Regulation (MAR)