

**The Disclosure Policy
of Bank Handlowy w Warszawie SA
on capital adequacy**

1. Pursuant to art. 111a para 1 point 1) of the Banking Act of 29 August 1997 (Journal of Laws of 2002, no. 72, item 665 as amended) and 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 and amending Regulation (EU) No 648/201 (hereinafter referred to as the CRR), the Management Board of Bank Handlowy w Warszawie S.A. (hereinafter referred to as the Bank) lays down disclosure policy on capital adequacy (hereinafter referred to as the disclosure policy).
2. Disclosure policy is subject to approval by the supervisory board.
3. The scope of information disclosed is described in part eight of CRR.
4. Information referred to in point 3 covers qualitative and quantitative disclosures. Disclosures cover in particular:
 - risk management objectives and policies
 - entities to which the requirements apply
 - own funds,
 - capital requirement for:
 - credit risk,
 - counterparty credit risk,
 - market risk,
 - operational risk
 - credit risk adjustments
 - application of external credit assessment for each of the exposure classes
 - exposures in equities not included in the trading book
 - credit risk mitigation techniques

- capital buffers
- unencumbered assets
- leverage ratio
- remuneration policy.

5. According to the CRR, the Bank publishes disclosures on capital adequacy on the basis of consolidated data.
6. Taking into account the scale and specificity of activity, in particular the scale of operations, scope of activities, presence in different countries, exposures to different financial sectors as well as its participation in international financial markets and payment, clearing and settlement systems, the Bank discloses required information with annual frequency, as at end of the financial year. Annual disclosures shall be published in conjunction with the date of publication of the financial statements.
7. The scope and frequency of disclosures may be amended in accordance with the rules adopted in the strategy of disclose and assess the adequacy of disclosed information by the Bank .
8. Information referred to in point 3 is published in electronic form by posting on the Bank's web site www.citibank.pl in „Investor relations” section. Information may be additionally published in different form, adequately to the financial statements or report of activities.
9. The Bank publishes information, in a generally accessible manner and in the location of its activities, about the access to the disclosure policy.
10. Information not disclosed in the financial statements, prior to publishing is approved by the Management Board and communicated to the Audit Committee of the Supervisory Board.
11. Information not disclosed in the financial statements and thus not covered by the audit by the certified auditor are verified by an independent external party. The Management

Board of the Bank approves the independent third party conducting the verification and terms of cooperation with it.

12. Chief Financial Officer of the Bank verifies the disclosure policy. All changes to the disclosure policy are laid down by the Management Board and approved by the Supervisory Board.

13. The Bank conducts regular information policy in respect of the Bank's and the Group's activities, pursuant to regulations for the public companies. Information policy comprises in particular:

- a) publication of quarterly financial statements,
- b) publication of semi-annual reports, which contain financial statements and the report on activities, together with the independent auditor's review report on the interim financial statements,
- c) publication of the annual reports, which contain financial statements and the report on activities, together with the opinion and report of the independent auditor on the annual financial statements. The report on activities contains also declaration of Bank Handlowy w Warszawie S.A. regarding the compliance with corporate governance rules,
- d) current reports issued pursuant to § 100 of the Ordinance of the Minister of Finance on current and periodical information provided by issuers of securities dated 19 February 2009 (Journal of Laws of 2014, item 133), published also on the Bank's web site.

14. The Bank publishes also in publicly available form, on the Bank's web site, the following internal regulations:

- a) the Bank's Statute,
- b) Regulations of the Management Board,
- c) Regulations of the Supervisory Board, describing in particular:
 - extended in the Bank's Statute authorizations of the Supervisory Board compared to rights provided for in applicable laws,
 - scope and frequency of information received by the Supervisory Board from the Management Board,

- permanent Committees of the Supervisory Board.
- d) Regulations of the Supervisory Board Committees setting out the scope of duties and activities as well as reports of the Committees submitted to the Supervisory Board,
- e) Regulations of the General Meeting of Shareholders.

15. The disclosure policy and its provisions do not apply to information that is disclosed by a bank in accordance with other provisions.