Report of the Risk and Capital Committee
of Bank Handlowy w Warszawie S.A.
for the year 2025

The Risk and Capital Committee of Bank Handlowy w Warszawie S.A. is a standing committee of the Bank's Supervisory Board. The Risk and Capital Committee is composed of the Supervisory Board members appointed by the Supervisory Board. The Committee shall consist of at least three Supervisory Board members, one of whom acts as the Committee's Chairperson. Most members of the Committee, including its Chairman, meet the independence criterion set out in § 14(4) of the Articles of Association of Bank Handlowy w Warszawie S.A. The Committee operates in accordance with its regulations as set forth in Article 390 of the Commercial Companies Code.

The Committee's Regulations are displayed on the Bank's website www.citibank.pl. Under these regulations, the competencies of the Committee include in particular supervision over introduction of the risk management system by the Management Board in the Bank and assessment of adequacy and effectiveness of the risk management system. Within the framework of its competencies related to the supervision over the functioning of the risk management system, the Committee, in particular, verifies the consistency of the Bank's risk taking policy with the strategy and financial plan of the Bank, examines the periodic information presenting the types and sizes of risks surrounding the Bank's operations as well as verifies and presents to the Supervisory Board the recommendations concerning the overall risk level of the Bank.

The Risk and Capital Committee also supervises the process of internal capital estimation and capital management. The Committee's competencies as related to the supervision of functioning of internal capital estimation, capital management and capital planning processes involve examination, approval or recommendation (to the extent that requires a resolution of the Supervisory Board) for approval of policies and procedures applicable to the process of internal capital estimation, capital management and capital planning.

In connection with the implementation by Poland of Capital Requirements Directive (CRD) IV and the harmonization of Polish law with the solutions provided for in the Capital Requirements Regulation (CRR), the Committee's authority encompasses supervision over the functioning of the risk management system, such authority consisting in:

1) issuing opinions concerning the Bank's overall current and future willingness to take a risk;
2) issuing opinions concerning a risk management strategy developed by the Management Board of the Bank and an update to be presented by the Management Board on the implementation of the strategy;
3) supporting the Supervisory Board of the Bank in overseeing the implementation of the risk management strategy by senior management;
4) reviewing the pricing of assets and liabilities offered to the clients to gain assurance that they reflect in full the Bank's business model and its risk strategy, and if the pricing fails to properly reflect types of risk according to such model and strategy, then presenting a proposal to the Management Board of the Bank aimed at ensuring the adequacy of the pricing of assets and liabilities given such types of risk.

In 2025, the Risk and Capital Committee was composed of the following members: Mr. Marek Kapuściński – Chairman, Mr. Andras Reiniger – Vice Chairman, Ms. Barbara Smalska – Member of the Committee.

The current composition of the Risk and Capital Committee is as follows:
1) Mr. Marek Kapuściński – Chairman (independent member of the Committee),
2) Mr. Andras Reiniger – Vice Chairman,
3) Barbara Smalska – Member of the Committee (independent member of the Committee).

In accordance with its Regulations, during the discussed reporting period covering the calendar year, the Risk and Capital Committee met four times on the following dates:

No.	Date of the meeting	Attendance
1.	19 March 2025	66.7%
2.	28 May 2025	100%
3.	16 September 2025	100%
4.	02 December 2025	100%

The Risk and Capital Committee is continuously in contact with the Bank's Supervisory Board as well as with the Bank's Management.

In the reporting period, at its meetings, the Risk and Capital Committee discussed in detail the information on the current economic situation and presented macroeconomic forecast. The Committee also monitored the indicators included in the Recovery Plan and approved its periodic updates.

The issues subject to analyses of the Committee included information about regulatory capital and internal capital as well as about the Bank's internal capital estimation process, covering in particular material risk identification process, provided at each meeting.

The Risk and Capital Committee, at its every meeting, discussed the issues concerning credit, market, liquidity and price risk as well as compliance or operational risk. Specifically, the Committee reviewed the detailed information provided by the Fundamental Credit Risk Team regarding results of the assessment of credit processes at the Bank. The standing items of the agenda considered by the Committee also include an update concerning a pricing policy applicable to liabilities and assets offered to the Bank's clients, a report on the level of concentration risk and the utilization of limits, results of historical verification of the level of expected credit losses and an assessment of implementation of the Risk Management Policy for the Retail Credit Exposure Portfolio.

At its meeting on 19 March 2025, in addition to the standing items on the agenda, the Committee adopted the Report on activities of the Risk and Capital Committee for 2024. The Committee then discussed the KNF report on the inspection of the area of the management of liquidity risk and interest rate risk in the banking book. The Committee also reviewed information on the strategy for reaching the target level of the SOT NII ratio, as well as the impact of the geopolitical situation on the Bank's loan portfolio. As the next point, the Committee decided to recommend that the Supervisory Board of the Bank acknowledge the information on capital planning for 2025-2027 horizon, including the results of internal capital assessment presented in the document 'Internal Capital Adequacy Assessment Process 2025 (Group of Bank Handlowy w Warszawie S.A)'. In addition, the Committee decided to recommend that the Supervisory Board approve the documents constituting the risk management strategy and the Overall Risk Appetite for 2025. Next, the Committee recommended that the Supervisory Board assess the risk management system as effective and adequate to the nature, scale and complexity of operations of the Bank and acknowledge the results of assessment of implementation of certain risk management policies. The Committee further reviewed reports concerning the portfolio of mortgage-secured credit exposures, the report on the Bank's risk related to retail credit exposures, on the utilization of internal limits and quality and effectiveness of credit processes, and the report on the level of concentration risk and limit utilization. The Committee acknowledged information regarding the results of historical verification of the level of anticipated credit losses for Q4 2024.

During the next meeting, held on 28 May 2025, in addition to the standing items on the agenda, the Risk and Capital Committee discussed the Management Board's proposal for the payment of dividends for 2024. The Committee reviewed the Bank’s action plan concerning the implementation of the KNF’s recommendation after the inspection of the area of the management of liquidity risk and interest rate risk in the banking book. Then, the discussion moved on to the results of stress tests conducted by the Bank to identify clients/sectors that could be affected by U.S. tariffs and to assess the potential impact on the costs of credit. As the next point, the Committee issued a positive opinion to the Supervisory Board on the acknowledgement of the assessment of the functioning of the Remuneration Policy in 2024.

At the meeting held on 16 September 2025, in addition to the standing items on the agenda, the Committee continued its analysis of the strategy for achieving the appropriate level of the SOT NII ratio, and further discussed issues related to the Bank’s actions to implement the KNF recommendations following the inspection of the area of management of liquidity risk and interest rate risk in the banking book.

At the subsequent meeting held on 2 December 2025, in addition to the standing items on the agenda, the Committee reviewed information on the current situation in the area of cybersecurity risk. The Committee also decided to recommend that the Supervisory Board adopt changes to the document: “The Business Activity Management Policy at Bank Handlowy w Warszawie S.A.”

The Risk and Capital Committee claims that, in the reporting year, the Bank’s risk management system was effective and adequate to the size of the Bank’s operations. The Committee positively assessed the process of internal capital estimation and capital management in the Bank.

In view of the above, the Committee declares that in the year ended 31 December 2025, it performed its mandate properly and had a proper composition.

Marek Kapuściński
Chairman of the Risk and Capital Committee