

This document is a translation from the original Polish version. In case of any discrepancies between the Polish and English versions, the Polish version shall prevail.

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Introduction

This document has been laid down to execute The Disclosure Policy of Bank Handlowy w Warszawie S.A. on capital adequacy¹, to meet the disclosure requirements of:

- Part Eight of the Regulation of the European Parliament and of the Council (EU) No 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No 648/2012, considering the amending acts ("Regulation 575/2013"),
- provisions of the Directive of the European Parliament and of the Council 2013/36/EU of 26 June 2013 on the conditions for the access of credit institutions to activity and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC ("CRD"),
- Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024 establishing technical standards for the application of the Regulation of the European Parliament and of the Council (EU) No 575/2013 regarding public disclosure by institutions of information referred to in Part Eight of Titles II and III of this Regulation, and repealing Commission Implementing Regulation (EU) 2021/637 ("Regulation 2024/3172"),
- Commission Implementing Regulation (EU) 2021/763 of 23 April 2021 establishing technical standards for the application of the Regulation of the European Parliament and of the Council (EU) No 575/2013 and Directive of the European Parliament and of the Council 2014/59/EU regarding supervisory reporting in the minimum requirement for own funds and eligible liabilities and the public disclosure of this requirement ("Regulation 2021/763") as amended.
- and other implementing or delegated regulations issued by the Commission (EU).

The objective of the document is presenting to the third parties, especially customers of the Capital Group of Bank Handlowy w Warszawie S.A. (hereinafter referred to as: Group) and financial market participants, the Group's risk management strategy and processes, information on the capital structure, exposure to risk and capital adequacy, which enable thorough assessment of the Group's financial stability. This document complements information included in:

- the condensed interim consolidated financial statements of the Capital Group of Bank Handlowy w Warszawie S.A for the period of 6 months ended 30 June 2025
- and in the Report on Activities of the Capital Group of Bank Handlowy w Warszawie S.A. for the first half of 2025.

In connection with the Bank's signing on 27 May 2025, an agreement with VeloBank S.A. ("VeloBank"), Promontoria Holding 418 B.V. (the sole shareholder of VeloBank) and Citibank Europe Plc regarding the demerger of the Bank's retail business to VeloBank, the criteria of IFRS 5 Non-current Assets Held for Sale (hereinafter "IFRS 5") for classifying the Retail Business Segment as held for sale were met. Detailed information regarding the sale transaction is presented in Note 4 to the Condensed Interim Consolidated Financial Statements of the Bank Handlowy w Warszawie S.A. Capital Group for the six-month period ended June 30, 2025. The data presented in this document relate to all of the Group's operations, except when otherwise indicated in the description accompanying the disclosed information.

In accordance with Article 13 of the 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. 648/2012, the Bank, as a large subsidiary of the EU parent institution Citibank Europe plc, publishes disclosures on capital adequacy as of 30 June 2025 at the highest national level of consolidation i.e at the level of the Capital Group of Bank Handlowy w Warszawie S.A.

The amounts are presented in PLN, rounded to the nearest thousands, except for situations in which a different unit of measurement was used and is specifically indicated in the presented data

^{1&}quot;The Disclosure Policy of Bank Handlowy w Warszawie S.A. on capital adequacy and other information to be disclosed" laid down by the Management Board and approved by the Supervisory Board are available at the Bank's website www.citihandlowy.pl in the "Investor Relations" section.



Information regarding own funds

Information on the individual components of the Group's own funds is presented in detail in Table EU CC1 below, while the reconciliation of the Group's own funds with the Group's equity is provided in Table EU CC2. Presented tables have been limited to rows relevant for the Group.

Data are presented as at the end of June 30, 2025 in accordance with the requirements specified in Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024 establishing technical standards for the purposes of applying Regulation (EU) No 575/2013 of the European Parliament and of the Council concerning public disclosure by institutions of information referred to in Section 8 of Titles II and III of this regulation and repealing Commission Delegated Regulation (EU) 2021/637.

Table EU CC1 - Composition of regulatory own funds

	a	b
	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves		
1 Capital instruments and the related share premium accounts	3,008,172	d, e
of which: Instrument type 1	-	
of which: Instrument type 2	-	
of which: Instrument type 3	-	
2 Retained earnings	(11,124)	i
3 Accumulated other comprehensive income (and other reserves)	5,054,808	g, h, e
EU-3a Funds for general banking risk	540,200	h
4 Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
5 Minority interests (amount allowed in consolidated CET1)	-	
EU-5a Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	8,592,056	
ommon Equity Tier 1 (CET1) capital: regulatory adjustments		
7 Additional value adjustments (negative amount)	(58,212)	
8 Intangible assets (net of related tax liability) (negative amount)	(865,512)	b
9 Not applicable	-	
Deferred tax assets that rely on future profitability excluding those arising from 10 temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(1,710)	c
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
16 Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	(15,624)	f
27a Other regulatory adjustments	(32,606)	
28 Total regulatory adjustments to Common Equity Tier 1 (CET1)	(973,664)	
29 Common Equity Tier 1 (CET1) capital	7,618,392	
dditional Tier 1 (AT1) capital: instruments		
36 Additional Tier 1 (AT1) capital before regulatory adjustments	-	
dditional Tier 1 (AT1) capital: regulatory adjustments		
43 Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
44 Additional Tier 1 (AT1) capital	-	
45 Tier 1 capital (T1 = CET1 + AT1)	7,618,392	
ier 2 (T2) capital: instruments		
51 Tier 2 (T2) capital before regulatory adjustments	-	
ier 2 (T2) capital: regulatory adjustments		
57 Total regulatory adjustments to Tier 2 (T2) capital	-	
58 Tier 2 (T2) capital	-	
59 Total capital (TC = T1 + T2)	7,618,392	
60 Total Risk exposure amount	32,031,835	

pital ratios and requirements including buffers		
61 Common Equity Tier 1 capital	23,78%	
62 Tier1capital	23,78%	
63 Total capital	23,78%	
64 Institution CET1 overall capital requirements	7,33%	
65 of which: capital conservation buffer requirement	2,50%	
66 of which: countercyclical capital buffer requirement	0,08%	
67 of which: systemic risk buffer requirement		
EU-67a of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0,25%	
EU-67b of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0,00%	
68 Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	15,78%	
ational minima (if different from Basel III)		
mounts below the thresholds for deduction (before risk weighting)		
Direct and indirect holdings of own funds and eligible liabilities of financial sector 72 entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	76,887	a
Direct and indirect holdings by the institution of the CET1 instruments of financial 73 sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	
74 Not applicable	-	
Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	207,016	С
applicable caps on the inclusion of provisions in Tier 2		
76 Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77 Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	
78 Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	

As at June 30th 2025, regulatory own funds increased by PLN 493,477 thousand, i.e. 6.9%, as compared with December 31st 2024, mainly due to the inclusion of the profit for 2024 approved by the General Meeting of Shareholders.

The scope of Group's consolidation, defined in accordance with the prudential regulations (Regulation No 575/2013) matches the scope of consolidation applied for financial reporting.

Information on the consolidation method used for each entity within the scope of accounting and regulatory consolidation ranges is presented in Report on Activities of the Capital Group of Bank Handlowy w Warszawie S.A. in the first half of 2025, in chapter III. "The organizational structure of the Capital Group of Bank Handlowy w Warszawie S.A ".

Table EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

	a	b	С
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at 30.06.2025	As at 30.06.2025	
sets - Breakdown by asset clases according to the balance sheet in the published financ	cial statements		
1 Cash and balances with the Central Bank	10,986,438	10,986,438	
2 Amounts due from banks	8,688,151	8,688,151	
3 Financial assets held-for-trading	5,891,321	5,891,321	
Debt financial assets measured at fair value through other comprehensive income, including:	1,601	1,601	
5 Assets pledged as collateral	31,879,823	31,879,823	
6 Equity and other instruments measured at fair value through income statement	166,749	166,749	a
7 Amounts due from customers	18,630,323	18,630,323	
8 Tangible fixed assets	454,724	454,724	
9 Intangible assets	874,144	874,144	b
10 Current income tax receivables	10	10	
11 Deferred income tax asset	150,760	150,760	С
12 Other assets	467,417	467,417	
13 Non-current assets held-for-sale	6,105,866	6,105,866	
14 Total assets	84,297,327	84,297,327	
bilities - Breakdown by liability clases according to the balance sheet in the published fir	nancial statements		
1 Amounts due to banks	4,528,912	4,528,912	
2 Financial liabilities held-for-trading	3,092,265	3,092,265	
3 Hedging derivatives	217,549	217,549	
4 Amounts due to customers	41,658,606	41,658,606	
5 Provisions	100,695	100,695	
6 Current income tax liabilities	48,491	48,491	
7 Deferred tax provision	25	25	
8 Other liabilities	3,055,083	3,055,083	
9 Liabilities included in groups held for sale classified as held for sale	22,359,075	22,359,075	
10 Total liabilities	75,060,701	75,060,701	
areholders' Equity			
1 Share capital	522,638	522,638	d
2 Supplementary capital	3,001,260	3,001,260	е
3 Own shares	-15,624	-15,624	f
4 Revaluation reserve	36,240	36,240	g
5 Other reserves	5,102,705	5,102,705	h
6 Retained earnings	589,407	589,407	i
7 Total equity	9,236,626	9,236,626	

The retained earnings include the Group's net profit for the period from 1 January 2025 to 30 June 30 2025, which was 600,531 thousand PLN. As of 30 June 2025, the profit generated in the first half of the year has not been included in equity.

Intangible assets deducted from equity amount to 865,512 thousand PLN and do not include the cautiously valued software assets amounting to 8,632 thousand PLN, which are included in the calculation of RWA.

Due to the application of IFRS 5, the deferred tax asset has been partially included in the position of Assets classified as held for sale.

1. Disclosure of own funds and eligible liabilities

Bank as an entity of restructuring and orderly liquidation being part of a global systemically important institution outside the EU (Citigroup) in accordance with the definition contained in Art. 4 (136) CRR, is obligated to comply the following requirements in terms of own funds and eligible liabilities in accordance with Article 92a CRR:

a) 18 % of the total risk exposure amount (TLAC TREA); b) 6.75 % of the total exposure measure (TLAC TEM).

In accordance with the CRR regulations, the required minimum level of TLAC TREA for the Bank as of 30 June 2025, is 20.83%, increased by the combined buffer requirement, while the TLAC TREA ratio for the Bank on a consolidated level at the end of June 2025 is 27.09%. The TLAC TEM ratio as of 30 June 2025 is 9.21%.

Eligible liabilities credited towards fulfilling the TLAC requirement include a loan provided by Citibank Europe PLC based in Dublin under an agreement dated on 6 June 2024. The value of the utilized loan as of the end of June 2025 is approximately 1,060 million PLN.

The MREL TREA requirement for the Group has been set in accordance with the decision of BFG dated on 29 November 2023, at 15.36% TREA and should be met by own funds and eligible liabilities which met the subordinated requirement.

The combined capital buffer requirement as of 30 June 2025 for the Group was 2.83%. According to Articles 19, 21, 42, and 48 of the Macroprudential Supervision Act, the amount of Tier I core capital used to cover the buffer cannot be allocated to cover MREL TREA.

The MREL TEM requirement for the Group has been set at 5.91% TEM and should be met by own funds and eligible liabilities.

Group presents the following tables regarding the disclosure of information on own funds and eligible liabilities, in accordance with Commission Implementing Regulation (EU) 2021/763 of April 23rd 2021 laying down implementing technical standards for the application of Regulation (EU) No. 575/2013 of the European Parliament and of the Council and the Directive 2014/59/UE of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities (Regulation 2021/763).

Table EU KM2: Key metrics - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities

a	b	С	d	е	f	g
	Minimum requirement for own funds and eligible liabilities (MREL)	G-SII	Requirement for a	own funds and el	igible liabilities (ΓLAC)
-	2025-06-30	2025-06-30	2025-03-31	2024-12-31	2024-09-30	2024-06-30
Own funds and eligible liabilities, ratios and components						
1 Own funds and eligible liabilities	8,678,867	8,678,867	8,612,774	8,611,292	7,302,409	7,287,556
EU-1a Of which own funds and subordinated liabilities	8,678,867					
2 Total risk exposure amount of the resolution group (TREA)	32,031,835	32,031,835	30,986,090	33,596,699	32,020,068	30,923,643
3 Own funds and eligible liabilities as a percentage of TREA (%)	27.09	27.09	27.80	25.63	22.81	23.57
EU-3a Of which own funds and subordinated liabilities (%)	27.09					
4 Total exposure measure of the resolution group	94,269,160	94,269,160	86,823,641	77,929,024	76,279,445	77,777,946
5 Own funds and eligible liabilities as percentage of the total exposure measure (%)	9.21	9.21	9.92	11.05	9.57	9.37
EU-5a Of which own funds or subordinated liabilities (%)	9.21					
6a Does the subordination exemption in Article 72b(4) of the CRR apply? (5% exemption)		no	no	no	no	no
Pro-memo item - Aggregate amount of permitted non-subordinated eligible liabilities in-struments If the subordination discretion as per Article 72b(3) CRR is applied (max 3.5% exemption)		-	-	-	-	-
Pro-memo item: If a capped subordination exemption applies under Article 72b (3) CRR, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded Liabilities and that would be recognised under row 1 if no cap was applied (%)		-	-	-	-	-
Minimum requirement for own funds and eligible liabilities (MREL)*						
TLAC requirementexpressed as percentage of TREA	18.00	-	-	-	-	-
TLAC requirement expressed as percentage of TEM	6.75	-	-	-	-	-
EU-7 MREL requirement expressed as percentage of the total risk exposure amount (%)	15.36					
EU-8 Of which to be met with own funds or subordinated liabilities (%)	15.36					
EU-9 MREL requirement expressed as percentage of the total exposure measure (%)	5.91					
EU-10 Of which to be met with own funds or subordinated liabilities (%)	5.91					

^{*} without combined buffer requirement

$Table\ EU\ TLAC1-Composition-MREL\ and, where\ applicable,\ G-SII\ Requirement\ for\ own\ funds\ and\ eligible\ liabilities$

a	b	С	d
	Minimum requirement for own funds and eligible liabilities (MREL)	G-SII requirement for own funds and eligible liabilities (TLAC)	Memo item: Amounts eligible for the purposes o MREL, but not TLAC
wn funds and eligible liabilities and adjustments			
1 Common Equity Tier 1 capital (CET1)	7,618,392	7,618,392	
2 Additional Tier 1 capital (AT1)	-	-	
3 Empty set in the EU			
4 Empty set in the EU			
5 Empty set in the EU			
6 Tier 2 capital (T2)	-	-	
7 Empty set in the EU			
8 Empty set in the EU			
11 Own funds for the purpose of Articles 92a CRR and 45 BRRD	7,618,392	7,618,392	
wn funds and eligible liabilities: Non-regulatory capital elements			
12 Eligible liabilities instruments-issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	1,060,475	1,060,475	
EU-12a Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	-	-	
EU-12b Eligible liabilities instruments that are subordinated to excluded liabilities, issued prior to 27 June 2019 (subordinated grandfathered)	-	-	
EU-12c Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	-	-	
13 Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre cap)	-	-	
EU-13a Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	-	-	
14 Amount of non subordinated instruments eligible, where applicable after application of Article 72b (3) CRR	-	-	
15 Empty set in the EU			
16 Empty set in the EU			
17 Eligible liabilities items before adjustments	1,060,475	1,060,475	
EU-17a Of which subordinated	1,060,475	1,060,475	

Num film de and elicible liebilities. A divergence to non-vergulation, control descent			
Dwn funds and eligible liabilities: Adjustments to non-regulatory capital elements 18 Own funds and eligible liabilities items before adjustments	8,678,867	8,678,867	
	0,070,007	8,078,007	
19 (Deduction of exposures between MPE resolution groups)		-	
20 (Deduction of investments in other eligible liabilities instruments)		-	
21 Empty set in the EU			
22 Own funds and eligible liabilities after adjustments	8,678,867	8,678,867	
EU-22a Of which own funds and subordinated	8,678,867		
risk-weighted exposure amount and leverage exposure measure of the resolution group			
23 Total risk exposure amount	32,031,835	32,031,835	
24 Total exposure measure	94,269,160	94,269,160	
tatio of own funds and eligible liabilities			
25 Own funds and eligible liabilities as a percentage of total risk exposure amount (%)	27.09	27.09	
EU-25a Of which own funds and subordinated (%)	27.09		
26 Own funds and eligible liabilities as a percentage of total exposure measure (%)	9.21	9.21	
EU-26a Of which own funds and subordinated (%)	9.21		
27 CET1 (as a percentage of TREA) available after meeting the resolution group's requirements (%)	5.78	5.78	
28 Institution-specific combined buffer requirement (%)		2.83	
29 of which: capital conservation buffer requirement (%)		2.50	
30 of which: countercyclical buffer requirement (%)		0.08	
31 of which: systemic risk buffer requirement (%)		-	
EU-31a of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer (%)		0.25	
Memorandum items			
EU-32 Total amount of excluded liabilities referred to in Article 72a(2) CRR		70,502,417	

Table EU TLAC3a: creditor ranking - resolution entity

		In	solvency ranking		
		1	2	n	Sum of 1 to n
		(most junior)		(most senior)	
1 Description of	insolvency rank (free text)	category no.10	category no.6	-	
2 Liabilities and	own funds	7,618,392	1,060,475	-	8,678,86
3 of which e	excluded liabilities	-	-	-	
4 Liabilities and	own funds less excluded liabilities	7,618,392	1,060,475	-	8,678,86
5 Subset of row appropriate: T	4 that are own funds and liabilities potentially eligible for meeting [choose as a LAC/ MREL]	7,618,392	1,060,475	-	8,678,86
6 of which r	esidual maturity ≥1 year < 2 years	-	-	-	
7 of which r	residual maturity ≥ 2 year < 5 years	-	1,060,475	-	1,060,475
8 of which r	esidual maturity ≥ 5 years < 10 years	-	-	-	
9 of which r	residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	
10 of which	perpetual securities	7,618,392	-	-	7,618,392

According with Regulation 2021/763 the information included in the template EU TLAC3a are desclosed at the individual level of the Bank.

Ш **Capital Adequacy**

Below we present data on the Group's capital adequacy, the amount of risk-weighted assets and capital requirements for own funds, broken down by individual risk types and key capital ratios.

Table EU OV1 - Overview of total risk exposure amounts

		Total risk exposure a	Total risk exposure amounts (TREA)			
		a	a b		a b	
		30.06.2025	31.03.2025	30.06.2025		
1	Credit risk (excluding CCR)	25,427,439	24,601,494	2,034,195		
2	Of which the standardised approach	25,427,439	24,601,494	2,034,195		
3	Of which the Foundation IRB (F-IRB) approach	-	-	-		
4	Of which slotting approach	-	-	-		
EU 4a	Of which equities under the simple risk weighted approach	-	-	-		
5	Of which the Advanced IRB (A-IRB) approach	-	-	-		
6	Counterparty credit risk - CCR	1,107,495	1,012,849	88,600		
7	Of which the standardised approach	1,060,652	974,359	84,852		
8	Of which internal model method (IMM)	-	-	-		
EU 8a	Of which exposures to a CCP	46,843	38,491	3,747		
9	Of which other CCR	-	-	-		
10	Credit valuation adjustments risk - CVA risk	179,123	92,353	14,330		
EU 10a	Of which the standardised approach (SA)	-	-	-		
EU 10b	Of which the basic approach (F-BA and R-BA)	179,123	92,353	14,330		
EU 10c	Of which the simplified approach	-	-	-		
15	Settlement risk	-	-	-		
16	Securitisation exposures in the non-trading book (after the cap)	150,303	150,334	12,024		
17	Of which SEC-IRBA approach	-	-	-		
18	Of which SEC-ERBA (including IAA)	-	-	-		
19	Of which SEC-SA approach	150,303	150,334	12,024		
EU 19a	Of which 1250% / deduction	-	-	-		
20	Position, foreign exchange and commodities risks (Market risk)	922,334	883,918	73,787		
21	Of which the Alternative standardised approach (A-SA)	-	-	-		
EU 21a	Of which the Simplified standardised approach (S-SA)	922,334	883,918	73,787		
22	Of which Alternative Internal Model Approach (A-IMA)	-	-	-		
EU 22a	Large exposures	-	-	-		
23	Reclassifications between the trading and non-trading books	-	-	-		
24	Operational risk	4,245,142	4,245,142	339,611		
EU 24a	Exposures to crypto-assets	-	-	-		
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	517,541	136,097	41,403		
26	Output floor applied (%)	-	-			
27	Floor adjustment (before application of transitional cap)	-	-			
28	Floor adjustment (after application of transitional cap)	-	-			
29	Total	32,031,835	30,986,090	2,562,547		

Table EU KM1 - Key metrics template

	a	b	С	d	e
	30.06.2025	31.03.2025	31.12.2024	30.09.2024	30.06.2024
Available own funds (amounts)					
1 Common Equity Tier 1 (CET1) capital	7,618,392	7,150,866	7,124,915	7,302,409	7,287,55
2 Tier 1 capital	7,618,392	7,150,866	7,124,915	7,302,409	7,287,55
3 Total capital	7,618,392	7,150,866	7,124,915	7,302,409	7,287,55
Risk-weighted exposure amounts					
4 Total risk exposure amount	32,031,835	30,986,090	33,596,699	32,020,068	30,923,64
4a Total risk exposure pre-floor	32,031,835	30,986,090	-	-	
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common Equity Tier 1 ratio (%)	23.78	23.08	21.21	22.81	23.5
	23.78	23.08	-		20.0
5b Common Equity Tier 1 ratio considering unfloored TREA (%)					
6 Tier1ratio (%)	23.78	23.08	21.21	22.81	23.5
6b Tier 1 ratio considering unfloored TREA (%)	23.78	23.08	-	-	
7 Total capital ratio (%)	23.78	23.08	21.21	22.81	23.5
7b Total capital ratio considering unfloored TREA (%)	23.78	23.08	-	-	
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk	-weighted exposure	amount)			
EU 7d Additional own funds requirements to address risks other than the risk of excessive leverage (%)	-	-	-	-	
EU 7e of which: to be made up of CET1 capital (percentage points)	-	-	-	-	
EU 7f of which: to be made up of Tier 1 capital (percentage points)	-	-	-	-	
EU 7g Total SREP own funds requirements (%) Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)	8.00	8.00	8.00	8.00	8.0
	2.50	0.50	0.50	2.50	0.0
8 Capital conservation buffer (%) EU 8a Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	2.50	2.50	2.50	2.50	2.5
9 Institution specific countercyclical capital buffer (%)	0.08	0.09	0.06	0.07	0.0
EU 9a Systemic risk buffer (%)	-	- 0.03	-	-	0.0
10 Global Systemically Important Institution buffer (%)	_	_	-	-	
EU 10a Other Systemically Important Institution buffer (%)	0.25	0.25	0.25	0.25	0.2
11 Combined buffer requirement (%)	2.83	2.84	2.81	2.82	2.8
EU 11a Overall capital requirements (%)	10.83	10.84	10.81	10.82	10.8
12 CET1 available after meeting the total SREP own funds requirements (%)	15.78	15.08	13.21	14.81	15.5
Leverage ratio					
13 Total exposure measure	94,269,160	86,823,641	77,929,024	76,279,445	77,777,94
14 Leverage ratio (%)	8.08	8.24	9.14	9.57	9.3
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measurements)	sure)				
EU 14a Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	
EU 14b of which: to be made up of CET1 capital (percentage points)	3.00	3.00	3.00	3.00	3.0
EU 14c Total SREP leverage ratio requirements (%)	3.00	3.00	3.00	3.00	3.0
everage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure).					
everage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure) EU 14d Leverage ratio buffer requirement (%)	-	-	-	-	
	3.00	3.00	3.00	3.00	3.0
EU 14d Leverage ratio buffer requirement (%) EU 14e Overall leverage ratio requirement (%) .iquidity Coverage Ratio					
EU 14d Leverage ratio buffer requirement (%) EU 14e Overall leverage ratio requirement (%) iquidity Coverage Ratio 15 Total high-quality liquid assets (HQLA) (Weighted value -average)	44,276,150	43,104,155	43,707,581	43,377,779	43,439,68
EU 14d Leverage ratio buffer requirement (%) EU 14e Overall leverage ratio requirement (%) .iquidity Coverage Ratio 15 Total high-quality liquid assets (HQLA) (Weighted value -average) EU 16a Cash outflows - Total weighted value	44,276,150 61,589,829	43,104,155 57,334,341	43,707,581 56,744,761	43,377,779 52,286,944	43,439,68 62,261,85
EU 14d Leverage ratio buffer requirement (%) EU 14e Overall leverage ratio requirement (%) .iquidity Coverage Ratio 15 Total high-quality liquid assets (HQLA) (Weighted value -average) EU 16a Cash outflows - Total weighted value EU 16b Cash inflows - Total weighted value	44,276,150 61,589,829 39,181,078	43,104,155 57,334,341 36,126,532	43,707,581 56,744,761 34,686,846	43,377,779 52,286,944 29,998,478	43,439,68 62,261,85 39,297,62
EU 14d Leverage ratio buffer requirement (%) EU 14e Overall leverage ratio requirement (%) Liquidity Coverage Ratio 15 Total high-quality liquid assets (HQLA) (Weighted value -average) EU 16a Cash outflows - Total weighted value EU 16b Cash inflows - Total weighted value 16 Total net cash outflows (adjusted value)	44,276,150 61,589,829 39,181,078 22,505,671	43,104,155 57,334,341 36,126,532 21,304,729	43,707,581 56,744,761 34,686,846 22,154,835	43,377,779 52,286,944 29,998,478 22,288,466	43,439,68 62,261,85 39,297,62 22,964,22
EU 14d Leverage ratio buffer requirement (%) EU 14e Overall leverage ratio requirement (%) Liquidity Coverage Ratio 15 Total high-quality liquid assets (HQLA) (Weighted value -average) EU 16a Cash outflows - Total weighted value EU 16b Cash inflows - Total weighted value 16 Total net cash outflows (adjusted value) 17 Liquidity coverage ratio (%)	44,276,150 61,589,829 39,181,078	43,104,155 57,334,341 36,126,532	43,707,581 56,744,761 34,686,846	43,377,779 52,286,944 29,998,478	43,439,68 62,261,85 39,297,62 22,964,22
EU 14d Leverage ratio buffer requirement (%) EU 14e Overall leverage ratio requirement (%) Liquidity Coverage Ratio 15 Total high-quality liquid assets (HQLA) (Weighted value -average) EU 16a Cash outflows - Total weighted value EU 16b Cash inflows - Total weighted value 16 Total net cash outflows (adjusted value) 17 Liquidity coverage ratio (%)	44,276,150 61,589,829 39,181,078 22,505,671 196.73	43,104,155 57,334,341 36,126,532 21,304,729 202.32	43,707,581 56,744,761 34,686,846 22,154,835 197.28	43,377,779 52,286,944 29,998,478 22,288,466 194.62	43,439,68 62,261,85 39,297,62 22,964,22 189.1
EU 14e Overall leverage ratio requirement (%) Liquidity Coverage Ratio 15 Total high-quality liquid assets (HQLA) (Weighted value -average) EU 16a Cash outflows - Total weighted value EU 16b Cash inflows - Total weighted value 16 Total net cash outflows (adjusted value)	44,276,150 61,589,829 39,181,078 22,505,671	43,104,155 57,334,341 36,126,532 21,304,729	43,707,581 56,744,761 34,686,846 22,154,835	43,377,779 52,286,944 29,998,478 22,288,466	3.0 43,439,68 62,261,85 39,297,62 22,964,22 189.1 43,076,24 18,663,55

Capital ratios are calculated according to respective regulations. Key capital ratios after retrospective inclusion of profit are presented in the chapter VII of this report.

As of 1 January 2025, changes to regulations affecting the level of capital requirements for the Group, resulting from the European Parliament and Council Regulation EU 2024/1623 of 31 May 2024, regarding amendments to Regulation EU 575/2013 concerning requirements related to credit risk, credit valuation adjustment risk, operational risk, market risk, and the minimum capital threshold (CRR3), have come into effect. The results as of the end of March and June 2025 consider the regulatory changes applicable from 1 January 2025.

The changes in the calculation methods for the capital requirement due to market risk (FRTB) will come into effect on 1 January 2026. The European Commission adopted a delegated act on 12 June 2025, which postpones the application of the new calculation methods for the capital requirement due to market risk for an additional year until 1 January 2027 - the act has not yet been published in the Official Journal. The LCR indicator presented in the EU KM1 table is the average value from observations at the end of the month over the twelve months preceding the end of each quarter. The LCR indicator calculated as of June 30, 2025, was 161.52%.

Ш **Capital Buffers**

In accordance with the Act on macroprudential supervision, the Group is obliged to maintain the combined buffer requirement above the minimum levels of capital ratios specified in Article 92 of the CRR Regulation. As at 30 June 2024, the Group is subject to the following buffers:

- The buffer level indicator, the value of which in the amount of 2.5%, results from Art. 84 of the Act on macroprudential supervision,
- Countercyclical buffer rate of 0.08%, weighted average countercyclical treasure statue for recipients. As of 30 June 2025, the countercyclical buffer rate for credit exposures in the territory of the Republic of Poland is 0%. According to the regulation of the Minister of Finance dated on 18 September 2024, regarding the countercyclical buffer rate, the buffer value for these exposures will increase from 25 September 2025, to 1%, while according to the recommendation of the Financial Stability Committee, it is planned to ultimately establish the countercyclical buffer rate at 2%, which is to occur gradually by raising the countercyclical buffer rate to 1%, and then to 2%, with 12-month adjustment periods maintained.
- Systemic risk buffer rate of 0%, due to the fact that on March 18, 2020, the Minister of Finance issues a regulation issuing a regulation on systemic security.
- Other institution's buffer rate with a systemic value of 0.25%.

The Group calculates the countercyclical buffer rate specific for a given institution taking into account the value of all credit exposures in other countries and the value of the countercyclical buffer appropriate for these countries.

On 16 December 2024, the Polish Financial Supervision Authority informed, that in the supervisory assessment process the sensitivity of the Bank to the potential materialization of stress scenarios affecting the level of own funds and exposure to risk was assessed as low, and that no additional capital buffer (P2G) was set for the Bank to absorb potential losses arising from extreme conditions.

Table EU CCyB1 presents geographic color transfers of relevant credit exposures.

Table EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	a	b	С	d	е	f	g	h	i	j	k	I	m
	General credit exposures		Relevant credit expo	sures – Market risk	Securitisation			Own fund requirement	s			Own fund	
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	exposures Exposure value for	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	requirements weights (%)	Countercyclical buffer rate (%)
Breakdown by country:													
010 Poland	27,066,269	-	52,014	-	1,002,018	28,120,301	1,849,678	4,161	12,024	1,865,864	23,323,294	92	0.00
011 Luxembourg	793,008	-	5,793	-	-	798,801	70,787	463	-	71,250	890,631	4	0.50
012 United Kingdom	491,408	-	-	-	-	491,408	34,099	-	-	34,099	426,238	2	2.00
013 United States	166,093	-	31	-	-	166,124	15,167	2	-	15,170	189,620	1	0.00
014 Norway	157,367	-	-	-	-	157,367	12,589	-	-	12,589	157,367	1	2.50
015 Ireland	108,231	-	-	-	-	108,231	8,658	-	-	8,658	108,231	0	1.50
016 Switzerland	100,100	-	-	-	-	100,100	8,008	-	-	8,008	100,100	0	0.00
017 Czech Republic	88,946	-	-	-	-	88,946	7,116	-	-	7,116	88,946	0	1.25
018 Germany	53,375	-	-	-	-	53,375	3,830	-	-	3,830	47,874	0	0.75
019 Belgium	39,997	-	-	-	-	39,997	2,400	-	-	2,400	29,999	0	1.00
020 France	31,801	-	-	-	-	31,801	2,544	-	-	2,544	31,801	0	1.00
021 Sweden	14,501	-	-	-	-	14,501	1,160	-	-	1,160	14,501	0	2.00
022 Japan	11,998	-	-	-	-	11,998	960	-	-	960	11,998	0	0.00
023 Italy	8,685	-	-	-	-	8,685	688	-	-	688	8,600	0	0.00
024 Cyprus	7,293	-	46	-	-	7,338	583	4	-	587	7,338	0	1.00
025 Netherlands	4,936	-	1,200	-	-	6,136	315	96	-	411	5,136	0	2.00
026 Israel	170	-	-	-	-	170	14	-	-	14	170	-	0.00
027 Taiwan, Province of China	101	-	-	-	-	101	4	-	-	4	51	-	0.00
028 Romania	83	-	-	-	-	83	7	-	-	7	83	-	1.00
029 Bulgaria	78	-	-	-	-	78	6	-	-	6	78	-	2.00
030 Austria	40	-	-	-	-	40	3	-	-	3	40	-	0.00
031 India	9	-	-	-	-	9	1	-	-	1	9	-	0.00
032 Australia	5	-	-	-	-	5	0	-	-	0	4	-	1.00
033 Singapore	5	-	-	-	-	5	0	-	-	0	5	-	0.00
034 Denmark	4	-	-	-	-	4	0	-	-	0	4	-	2.50
035 Latvia	4	-	-	-	-	4	0	-	-	0	4	-	1.00
036 Lithuania	4	-	-	-	-	4	0	-	-	0	4	-	1.00
037 Ukraine	3	-	-	-	-	3	0	-	-	0	3	-	0.00
038 Mexico	2	-	-	-	-	2	0	-	-	0	2	-	0.00
039 Slovakia	0	-	-	-	-	0	0	-	-	0	0	-	1.50
040 Spain	-	-	51	-	-	51	-	4	-	4	51	-	0.00
Total	29,144,518	-	59,135	-	1,002,018	30,205,671	2,018,620	4,731	12,024	2,035,375	25,442,182	-	

${\bf Table\ EU\ CCyB2-Amount\ of\ institution-specific\ countercyclical\ capital\ buffer}$

	a	
Total risk exposure amount		32,031,835
Institution specific countercyclical capital buffer rate		0.08%
Institution specific countercyclical capital buffer requirement		26,554

IV Information regarding risk

1. Credit Risk

Credit risk is understood as the risk of incurring a loss as a result of the client's failure to meet its obligations towards the Group or the risk of a decrease in the economic value of the Group's receivables as a result of a deterioration in the client's ability to service obligations.

The main purpose of risk management in the Group is ensuring both high quality of credit portfolio and business activity stabilization through minimizing the risk of credit losses. Credit risk management is executed based on the policies and procedures that consistently and clearly define and communicate standards for risk identification, measurement, acceptance, control, monitoring and reporting.

Capital requirement in relation to Own Funds of Group is calculated according to the Regulation No. 575/2013.

The Group applies only the standard method to calculate the capital requirement for credit risk.

The Group presents the following tables regarding the disclosure of information credit risk, in accordance with Commission Implementing Regulation (EU) 2024/3172:

- EU CR1-A: Maturity of exposures,
- EU CR3 CRM techniques overview: Disclosure of the use of credit risk mitigation techniques.
- EU CR4 Standardised approach Credit risk exposure and CRM effects,
- EU CR5 Standardised approach,
- EU CR10 Specialised lending and equity exposures,
- EU SEC1 Securitisation exposures in the non-trading book,
- EU-SEC4 Securitisation exposures in the non-trading book and associated regulatory capital requirements institution acting as investor.

Additional information about credit risk has been discussed in the Consolidated Half-Year Financial Report of the Capital Group of Bank Handlowy w Warszawie S.A. for the period of 6 months ending on 30 June 2025, in note no. 6 "Risk Management" in the section "Credit Risk".

Table EU CR1-A: Maturity of exposures

	a	b	С	d	е	f
			Net expos	ure value		
	On demand	<=1year	1 to 5 years	> 5 years	No stated maturity	Total
1 Loans and advances	6,184,664	13,308,664	5,343,752	1,405,462	73,936	26,316,477
2 Debt securities	-	1,951,235	24,192,081	6,738,524	-	32,881,841
3 Total	6,184,664	15,259,899	29,535,833	8,143,986	73,936	59,198,318

Table EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

		Secured carrying amount			
	Unsecured carrying amount		Of which secured by collateral —	Of which secured by financial guarantees	
			Of which secured by collateral		Of which secured by credit derivatives
	a	b	С	d	е
1 Loans and advances	25,152,525	11,988,982	11,572,119	416,863	-
2 Debt securities	32,882,331	-	-	-	
3 Total	58,034,856	11,988,982	11,572,119	416,863	-
4 Of which non-performing exposures	95,943	22,692	14,855	7,837	-
EU-5 Of which defaulted	95,943	22,692			

Due to the application of IFRS 5, a certain portfolio of loans and advances has been transferred to the position "Non-current assets and groups of assets held for sale", therefore it is not included in the above table.

Table EU CR4 – standardised approach – Credit risk exposure and CRM effects

	Exposures before CCF an	d before CRM	Exposures post CCF and	I post CRM	RWEAs and RW	EAs density
Exposure classes	On-balance-sheet exposures Off-b	palance-sheet exposures On-b	alance-sheet exposures Off-ba	alance-sheet exposures	RWAs	RWAs density (%)
	a	b	С	d	е	f
1 Central governments or central banks	29,200,754	405	41,456,200	1,040,199	686,314	1.62
2 Non-central government public sector entities	7	534,161	7	273,489	54,749	20.02
EU 2a Regional governments or local authorities	-	533,715	-	273,311	54,662	20.00
EU 2b Public sector entities	7	446	7	178	87	46.76
3 Multilateral development banks	2,720,517	-	2,720,517	-	-	-
EU 3a International organisations	-	-		-	-	-
4 Institutions	14,624,158	1,375,140	2,368,712	202,993	330,287	12.84
5 Covered bonds	-	-	-	-	-	-
6 Corporates	11,674,299	15,049,183	11,672,942	6,621,912	17,855,748	97.60
6,1 Of which: Specialised Lending	-	144,245		144,245	144,245	100.00
7 Subordinated debt exposures and equity	166,749	-	166,749	-	249,403	149.57
EU 7a Subordinated debt exposures	-	-	-	-	-	-
EU 7b Equity	166,749	-	166,749	-	249,403	149.57
8 Retail	3,674,226	5,284,675	3,673,986	60,837	2,668,698	71.45
9 Secured by mortgages on immovable property and ADC exposures	4,107,815	759,940	4,107,815	363,731	2,680,770	59.95
9,1 Secured by mortgages on residential immovable property - non IPRE	2,353,814	62,503	2,353,814	62,503	770,392	31.88
9,2 Secured by mortgages on residential immovable property - IPRE	-	-		-	-	-
9,3 Secured by mortgages on commercial immovable property - non IPRE	1,403,065	675,888	1,403,065	279,679	1,351,650	80.32
9,4 Secured by mortgages on commercial immovable property - IPRE	185,397	-	185,397	-	278,095	150.00
9,5 Acquisition, Development and Construction (ADC)	165,539	21,550	165,539	21,550	280,633	150.00
10 Exposures in default	190,322	29,305	190,322	26,345	249,728	115.26
EU 10a Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
EU 10b Collective investment undertakings (CIU)	-	-	-	-	-	-
EU 10c Other items	1,179,908	-	1,179,908	-	651,741	55.24
12 TOTAL	67,538,756	23,032,809	67,537,159	8,589,505	25,427,439	33.40

Table EU CR5 – standardised approach

														Ris	k weight															Total	Of which unrat
Exposure classes	0%	2%	4%	101	% 20%	30%	35%	409	6	45%	50%	60%	70	196	75%	80%	90%	100	6	105%	110%	130%	150%	250%	37	'0% 40	00%	1250%	Inne		
	a	b	С	d	d e	f	g	h		i	j	k	- 1		m	n	0	р		q	r	s	t	u		v	w	×	у	z	aa
1 Central governments or central banks	40,697,053	-	935,58	3	- 656,74	5 -	-	-	-	-	0)	-	-	-	-		-	1	-	-		-	- 207,0	16	-	-	-	-	42,496,398	309,
2 Non-central government public sector entities	-	-		-	- 273,3	н .	-	-	-	-	165	5	-	-	-	-		-	-	-	-		-	-	-	-	-	-	-	273,496	33,7
EU 2a Regional governments or local authorities	-	-		-	- 273,3	l1 -	-	-	-	-	-		-	-	-	-		-	-	-	-		-	-	-	-	-	-	-	273,311	33,5
EU 2b Public sector entities	-	-		-	- 3	0 -	-	-	-	-	165	5	-	-	-	-		-	-	-	-		-	-	-	-	-	-	-	185	1
3 Multilateral development banks	2,720,517	-		-	-		-	-	-	-	-		-	-	-	-		-	-	-	-		-	-	-	-	-	-	-	2,720,517	
EU 3a International organisations	-	-		-	-		-	-	-	-	-		-	-	-	-		-	-	-	-		-	-	-	-	-	-	-	-	
4 Institutions	40,201	1,693,791		-	- 57,3	1 583,898	3	-	-	-	177,122	2	-	-	241	-		- 15	,139	-	-		- 3,9	22	-	-	-	-	-	2,571,705	407,2
5 Covered bonds	-	-		-	-		-	-	-	-	-		-	-	-	-		-	-	-	-			-	-	-	-	-	-	-	
6 Corporates	-	-		-	-	0 -	-	-	-	-	61,387	,	-	- 1,	067,900	-		- 17,165	567	-	-			-	-	-	-	-	-	18,294,854	16,843,3
6 Of which: Specialised Lending	-	-		-	-		-	-	-	-	-		-	-	-	-		- 144	245	-	-		-	-	-	-	-	-	-	144,245	144,2
7 Subordinated debt exposures and equity	-	-		-	-		-	-	-	-	-		-	-	-	-		- 1	,441	-	-		- 165,3	18	-	-	-	-	-	166,749	166,7
EU 7a Subordinated debt exposures	-	-		-	-		-	-	-	-	-		-	-	-	-		-	-	-	-			-	-	-	-	-	-	-	
EU 7b Equity	-	-		-	-		-	-	-	-	-		-	-	-	-		- 1	,441	-	-		- 165,3	18	-	-	-	-	-	166,749	166,7
8 Retail exposures	-	-		-	-		-	-	-	444,292	-		-	- 3	,290,531	-		-	-	-	-		-	-	-	-	-	-	-	3,734,823	3,734,8
9 Secured by mortgages on immovable property and ADC exposures	-	-		-	- 1,899,30	3 .	-	-	-	-	-	642,30	9	-	517,014	-		- 1,040	434	-	-		372,4	36	-	-	-	-	-	4,471,546	4,471,5
9.1 Secured by mortgages on residential immovable property - non IPRE	-	-		-	- 1,899,30	3 .	-	-	-	-	-		-	-	517,014	-		-	-	-	-		-	-	-	-	-	-	-	2,416,317	2,416,
9.1.1 no loan splitting applied	-	-		-	-		-	-	-	-	-		-	-	179,244	-		-	-	-	-			-	-	-	-	-	-	179,244	179,2
9.1.2 loan splitting applied (secured)	-	-		-	- 1,899,30	3 -	-	-	-	-	-		-	-	-	-		-	-	-	-			-	-	-	-	-	-	1,899,303	1,899,3
9.1.3 loan splitting applied (unsecured)	-	-		-	-		-	-	-	-	-		-	-	337,770	-		-	-	-	-			-	-	-	-	-	-	337,770	337,7
9 Secured by mortgages on residential immovable property - IPRE	-	-		-	-		-	-	-	-	-		-	-	-	-		-	-	-	-			-	-	-	-	-	-	-	
9 Secured by mortgages on commercial immovable property - non IPRE	-	-		-	-		-	-	-	-	-	642,30	9	-	-	-		- 1,040	434	-	-			-	-	-	-	-	-	1,682,744	1,682,7
9.3.1 no loan splitting applied	-	-		-	-		-	-	-	-	-		-	-	-	-		- 787	674	-	-		-	-	-	-	-	-	-	787,674	787,6
9.3.2 loan splitting applied (secured)	-	-		-	-		-	-	-	-	-	642,30	9	-	-	-		-	-	-	-		-	-	-	-	-	-	-	642,309	642,3
9.3.3 loan splitting applied (unsecured)	-	-		-	-		-	-	-	-	-		-	-	-	-		- 252	,761	-	-		-	-	-	-	-	-	-	252,761	252,7
9 Secured by mortgages on commercial immovable property - IPRE	-	-		-	-		-	-	-	-	-		-	-	-	-		-	-	-	-		- 185,3	97	-	-	-	-	-	185,397	185,3
10 Acquisition, Development and Construction (ADC)	-	-		-	-			-	-	-	-		-	-	-	-		-	-	-	-		- 187,0	89	-	-	-	-	-	187,089	187,0
10 Exposures in default	-	-		-	-			-	-	-	-		-	-	-	-		- 150,	545	-	-		- 66,1	22	-	-	-	-	-	216,667	216,6
EU 10a Claims on institutions and corporates with a short-term credit assessment	-	-		-	-			-	-	-	-		-	-	-	-		-	-	-	-			-	-	-	-	-	-	-	
EU 10b Collective investment undertakings (CIU)	-	-		-	-			-	-	-	-		-	-	-	-		-	-	-	-			-	-	-	-	-	-	-	
EU 10c Other items	359,990	-			- 210,2	11 -		-	-	-	-		-	-	-	-		- 609	697	-	-			-	-	-	-	-	-	1,179,908	1,179,9
11 not applicable	-	-		-	-			-	-	-	-		-	-	-	-		-	-	-	-		-	-	-	-	-	-	-	-	
EU 11c TOTAL	43,817,762	1,693,791	935,58	3	- 3,096,9	1 583,898	3	-		444.292	238,675	642,30	9	- 4.8	875,686	-		- 18,982,	824	_	_		607,8	7 207,0	16	_	-	-	-	76,126,664	27,363,2

The column "of which unrated" shows exposures to entities for which an ECAI rating was not available as at 30 June 2025.

Table EU-SEC1 - Securitisation exposures in the non-trading book

	a	b	С	d	е	f	g	h	i	j	k		m	n	0
			li	nstitution acts as or	riginator				Institution a	cts as sponsor			Institution act	s as investor	
		Tradi	tional			Synthetic		Trac	ditional			Tra	ditional		
		STS		Non-STS			•			_				-	
		of which SRT		of which SRT		of which SRT	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
1 Total exposures	-	-	-	-	-	-	-	-	-	-	-	-	1,002,018	-	1,002,018
2 Retail (total)	-	-	-	-	-	-	=	-	-	-	-	-	1,002,018	-	1,002,018
3 residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	1,002,018	-	1,002,018
6 re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Wholesale (total)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0 lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1 other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 re-securitisation	=	=	-	-	-	-	-	-	-	-	-	-	-	-	-

Table EU-SEC 4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

	a	b	С	d	е	f	g	h	i	j	k	I	m	n	0	EU-p	EU-q
	Exposu	re values (by RW	bands/deduc	tions)		Expos	ure values (by	regulatory a	pproach)		RWEA (by regu	latory appro	ach)		Capital cha	arge after cap	
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deduction s	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC- IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions
1 Total exposures	1,002,018	-	-	-	-	-	-	1,002,018	-			150,303	3 -	-	-	12,024	-
2 Traditional securitisation	1,002,018	-	-			-	-	1,002,018	-			150,30	3 -			12,024	-
3 Securitisation	1,002,018	-	-			-	-	1,002,018	-			150,30	3 -			12,024	-
4 Retail underlying	1,002,018	-	-			-	-	1,002,018	-			150,30	3 -			12,024	-
5 Of which STS	-	-	-			-	-	-								-	
6 Wholesale	-	-	-			-	-	-								-	-
7 Of which STS	-	-	-			-	-	-	-							-	-
8 Re-securitisation	-	-	-			-	-	-	-							-	-
9 Synthetic securitisation	-	-	-			-	-	-	-							-	-
10 Securitisation	-	-	-			-	-	-	-							-	-
11 Retail underlying	-	-	-			-	-	-	-							-	-
12 Wholesale	-	-	-			-	-	-	-							-	-
13 Re-securitisation	-	-	-			-	-	-	-							-	-

Bank identifies exposure to specialized lending, recognized according to the standard method, with an exposure value of 144,245 thousand PLN. The risk-weighted exposure amount for specialized financing is 144,245 thousand PLN.

Capital exposures are presented in table EU CR 10.5. The bank has established risk weights for capital exposures using the transitional provisions specified in Article 495a paragraph 1 of the CRR.

Table EU-CR10.5 - Specialised lending and equity exposures

		Equity exposures un	der Articles 133 (3) to (6) ar	nd 495a(3) CRR		
Categories	On-balancesheet exposure	Off-balancesheet exposure	Risk weight (%)	Exposure value	Risk weighted exposure amount	Expected loss amount
S	a	b	С	d	е	f
Equity exposures under Articles 133 (3)	1,441	-	100	1,441	1,441	n/a
Equity exposures under Articles 133 (3)	165,460	-	150	165,308	247,962	n/a
Total	166,901	-	-	166,749	249,403	n/a

1.1 Non-performing and forborne exposures

According to Regulation 2024/3172, the gross NPL ratio is the ratio of the gross carrying amount of non-performing exposures (NPL) to the total gross carrying amount of loans and advances that are subject to verification of the definition of non-performing exposures (NPEs).

As of 30 June 2025, the Group presents gross NPL in amount of 1.03%.

According to the Article 9 of Regulation 2024/3172, both the numerator and denominator of the NPL ratio exclude loans and advances classified as held for sale, cash balances at central banks, and other demand deposits.

Non-performing and forbearance exposures are defined in Commission Implementing Regulation (EU) No. 2024/3117 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No. 575/2013 of the European Parliament and of the Council with regard to supervisory reports of institutions and repealing Implementing Regulation (EU) No. 2021/451.

The Group presents the following tables regarding the disclosure of information on performing, non-performing, forbidden and foreclosed exposures, in accordance with Commission Implementing Regulation (EU) 2024/3172:

- EU CR1: Performing and non-performing exposures and related provisions,
- EU CR2: Changes in the stock of non-performing loans and advances,
- EU CQ1: Credit quality of forborne exposures,
- EU CQ4: Quality of non-performing exposures by geography,
- EU CO5: Credit quality of loans and advances to non-financial corporations by industry.

Group does not have collateral obtained by taking possession and execution processes, therefore does not present table EU CO7.

Table EU CR1: Performing and non-performing exposures and related provisions

	a	b	С	d	е	f	g	h	i	j	k	1	m	n	o
		Gros	ss carrying amount/	nominal amount			Accumulated in	mpairment, accumula	ated negative cha	anges in fair value due	e to credit risk and	l provisions		Collateral and finance	ial guarantees received
		rforming exposures			rforming exposures		Performing exposu	ires – accumulated ir provisions	npairment and	impairment, accum	ng exposures – acc nulated negative o credit risk and pro	changes in fair	Accumulated partial write-off	On performing exposures	On non-performing exposures
	C	of which stage 1 Of	which stage 2	Ofv	hich stage 2 Of v	vhich stage 3		Of which stage 1 Of	which stage 2	Of	which stage 2 O	f which stage 3			
005 Cash balances at central banks and other demand deposits	10,825,042	10,824,978	63	-	-	-	(12)	(12)	(0)	-	-	-	-	-	-
010 Loans and advances	26,266,700	24,622,878	1,643,822	274,622	-	274,622	(68,858)	(31,003)	(37,855)	(155,987)	-	(156,232)	(52,098)	11,966,290	22,692
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	19	13	6	-	-	-	(O)	(0)	(0)	-	-	-	-	-	-
040 Credit institutions	8,688,670	8,558,595	130,075	-	-	-	(498)	(387)	(111)	-	-	-	-	7,977,108	-
050 Other financial corporations	5,803,704	5,803,551	154	-	-	-	(4,766)	(4,765)	(1)	-	-	-	(8,677)	1,514,003	-
060 Non-financial corporations	11,750,387	10,238,801	1,511,585	273,217	-	273,217	(63,542)	(25,843)	(37,699)	(154,588)	-	(154,834)	(43,421)	2,451,345	22,686
070 Of which SMEs	3,023,417	2,599,083	424,334	230,211	-	230,211	(35,066)	(12,164)	(22,902)	(131,885)	-	(132,130)	(43,421)	1,105,721	11,310
080 Households	23,919	21,918	2,001	1,404	-	1,404	(51)	(7)	(45)	(1,398)	-	(1,398)	-	23,834	6
090 Debt securities	32,882,331	32,882,331	-	-	-	-	(490)	(490)	-	-	-	-	-	-	-
100 Central banks	1,498,251	1,498,251	-	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	16,674,208	16,674,208	-	-	-	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	11,986,508	11,986,508	-	-	-	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	2,723,364	2,723,364	-	-	-	-	(490)	(490)	-	-	-	-	-	-	-
140 Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150 Off-balance-sheet exposures	13,866,702	13,146,094	720,609	28,068	-	28,068	(15,146)	(12,472)	(2,673)	(1,074)	-	(207)		2,990,518	7,594
160 Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170 General governments	538,038	538,033	5	-	-	-	(703)	(703)	(0)	-	-	-		130	-
180 Credit institutions	1,322,308	1,322,308	-	-	-	-	(359)	(359)	-	-	-	-		-	-
190 Other financial corporations	1,038,304	1,037,771	533	-	-	-	(706)	(705)	(1)	-	-	-		1,873	-
200 Non-financial corporations	10,946,041	10,226,070	719,971	28,033	-	28,033	(13,369)	(10,697)	(2,672)	(1,039)	-	(172)		2,988,476	7,594
210 Households	22,012	21,913	99	35	-	35	(9)	(9)	(0)	(35)	-	(35)		39	
220 Total	83,840,775	81,476,281	2,364,494	302,689	-	302,689	(84,506)	(43,977)	(40,529)	(157,060)	-	(156,438)	(52,098)	14,956,807	30,286

Due to the application of IFRS 5, the specified portfolio of loans and advances has been transferred to the position "Non-current assets and groups of assets classified as held for sale" and therefore is not included in the scope of the above table.

The value presented in the column "of which stage 3" includes POCI assets in the amount of PLN 26,579 thousand.

Table EU CR2: Changes in the stock of non-performing loans and advances

	a
	Gross carrying amount
010 Initial stock of non-performing loans and advances	643,246
020 Inflows to non-performing portfolios	107,676
030 Outflows from non-performing portfolios	(476,300)
040 Outflows due to write-offs	(475)
050 Outflow due to other situations	(475,826)
060 Final stock of non-performing loans and advances	274,622

Due to the application of IFRS 5, a certain portfolio of loans and advances has been transferred to the item "Non-current assets and groups of assets held for sale" and therefore is not included in the above table.

Table EU CQ1: Credit quality of forborne exposures

	a	b	C	d	e	f	g	h
	Gross carrying am	ount/nominal amo	ount of exposures with forb	earance measures	negative changes in	airment, accumulated fair value due to credit provisions		financial guarantees received on orne exposures
			Non-performing forbo	rne				
	Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non- performing exposures with forbearance measures
005 Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	
010 Loans and advances	523,296	100,519	100,519	100,519	(20,604)	(35,968)	113,365	15,71
020 Central banks	-	-	-	-	-	-	-	
030 General governments	-	-	-	-	-	-	-	
040 Credit institutions	-	-	-	-	-	-	-	
050 Other financial corporations	-	-	-	-	-	-	-	
060 Non-financial corporations	523,296	100,442	100,442	100,442	(20,604)	(35,891)	113,365	15,71
070 Households	-	77	77	77	-	(77)	-	
080 Debt Securities	-	-	-	-	-	-	-	
090 Loan commitments given	101,530	436	436	436	(460)	(18)	32,875	41
100 Total	624,826	100,955	100,955	100,955	(21,065)	(35,985)	146,240	16,13

Due to the application of IFRS 5, a certain portfolio of loans and advances has been transferred to the position "Non-current assets and groups of assets held for sale", therefore it is not included in the above table.

Table EU CQ4: Quality of non-performing exposures by geography

		a	b	С	d	е	f	g
			Gross carrying/n	ominal amount				
			Of which non	-performing	Of which subject to	Accumulated	Provisions on off- balance-sheet commitments and	Accumulated negative changes in fair value due to
				Of which defaulted	impairment	impairment	financial guarantees given	credit risk on non- performing exposures
010	On-balance-sheet exposures	70,248,694	274,622	274,622	70,248,694	(225,346)		-
011	Poland	54,839,973	274,622	274,622	54,839,973	(220,327)		-
012	United Kingdom	7,083,065	-	-	7,083,065	(1,104)		-
013	Israel	2,521,034	-	-	2,521,034	(78)		-
014	USA	1,242,364	-	-	1,242,364	(80)		-
015	Ireland	1,010,085	-	-	1,010,085	(497)		-
016	Other countries	3,552,172	-	-	3,552,172	(3,262)		-
080	Off-balance-sheet exposures	-	-	-			-	
081	Poland	11,901,094	28,068	28,068			13,892	
082	USA	526,210	-	-			578	
083	Ireland	303,527	-	-			228	
084	United Kingdom	259,864	-	-			463	
085	Switzerland	210,253	-	-			25	
086	Other countries	693,822	-	-			1,034	
150	Total	84,143,464	302,689	302,689	70,248,694	(225,346)	16,219	0

Due to the application of IFRS 5, a certain portfolio of loans and advances has been transferred to the item "Non-current assets and groups of assets held for sale" and therefore is not included in the above table.

Table EU CQ5: Credit quality of loans and advances by industry

	a	b	С	d	е	f
		Gross carr	ying amount		_	Assumulated pagative at a series
-		Of which non-	performing	Of which loans and	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on nor
			Of which defaulted	advances subject to impairment		performing exposures
010 Agriculture, forestry and fishing	0	-	-	O	-	
020 Mining and quarrying	13,434	-	-	13,434	(121)	
030 Manufacturing	4,165,954	130,844	130,844	4,165,954	(112,644)	
040 Electricity, gas, steam and air conditioning supply	857,354	-	-	857,354	(259)	
050 Water supply	11,498	210	210	11,498	(233)	
060 Construction	126,757	71,065	71,065	126,757	(45,056)	
070 Wholesale and retail trade	2,555,159	56,750	56,750	2,555,159	(35,435)	
080 Transport and storage	200,981	11,471	11,471	200,981	(11,445)	
090 Accommodation and food service activities	38,955	-	-	38,955	(177)	
100 Information and communication	833,823	-	-	833,823	(2,085)	
110 Financial and insurance activities	-	-	-	-	-	
120 Real estate activities	10,781	-	-	10,781	(4)	
130 Professional, scientific and technical activities	847,302	2,876	2,876	847,302	(5,381)	
140 Administrative and support service activities	417,778	-	-	417,778	(3,020)	
150 Public administration and defense, compulsory social security	-	-	-	-	-	
160 Education	3,251	-	-	3,251	(9)	
170 Human health services and social work activities	222,344	-	-	222,344	(699)	
180 Arts, entertainment and recreation	-	-	-	-	-	
190 Other services	1,718,233	-	-	1,718,233	(1,564)	
200 Total	12,023,604	273,217	273,217	12,023,604	(218,131)	

2. Counterparty credit risk

Counterparty risk is incurred from derivative transactions and capital market transactions. For purposes of risk management the Group defines it as pre-settlement risk and settlement risk.

Pre-settlement exposure is defined by PFE measure (Potential Future Exposure, "PFE"), reflecting future potential exposure of the counterparty. PFE reflects maximum expected exposure of the counterparty during the life of the transaction (or transaction portfolio) at the specified confidence level. The distribution of the market value (Mark-to-market) and PFE amount are dependent on market factors determining the values for particular transaction in the customer portfolio. In case there is no sufficient data, to simulate the value of the transactions' portfolio more simplified method are used, same as for the purpose of capital requirement calculation.

Pre-settlement risk exposure is managed and reduced through the initial or variation margin deposits as well as conducting transactions using clearing houses. Moreover, the exposure arising from pre-settlement risk is continuously monitored and is also limited at the aggregate level broken down by product group.

Settlement risk arises when the Group exchanges cash payments to counterparty on a value date and is unable to verify that payments have been received in exchange. The exposure in this case equals the nominal transaction value.

The Bank calculates the value of exposures and capital requirements for counterparty credit risk in accordance with the standardised approach (SA-CCR) specified in the CRR Regulation.

Counterparty risk exposure is made up of the replacement cost (RC), which is the possible loss that would arise if the counterparty defaulted, and the potential future exposure (PFE), which is intended to reflect the potential increase in the value of the exposure.

Table EU CCR1 – Analysis of CCR exposure by approach

	a	b	С	d	е	f	g	h
	Replacement cost (RC)	Potential future exposure (PFE)	ЕЕРЕ	Alpha used for computing regulatory exposure value	Exposure value pre- CRM	Exposure value post- CRM	Exposure value	RWEA
EU-1 EU - Original Exposure Method (for derivatives)	-	-		1.40	-	-	-	-
EU-2 EU - Simplified SA-CCR (for derivatives)	-	-		1.40	-	-	-	-
1 SA-CCR (for derivatives)	481,842	809,559		1.40	2,318,474	1,807,961	1,807,961	1,060,652
2 IMM (for derivatives and SFTs)			-			-	-	-
2a Of which securities financing transactions netting sets			-		-	-	-	-
2b Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
2c Of which from contractual cross-product netting sets			-		-	-	-	-
3 Financial collateral simple method (for SFTs)					-	-	-	-
4 Financial collateral comprehensive method (for SFTs)					-	-	-	-
5 VaR for SFTs						-	-	-
6 Total					2,318,474	1,807,961	1,807,961	1,060,652

^{*}The scope of information disclosed is consistent with the CRR.

Table EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

Exposure classes	Risk weight											
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1 Central governments or central banks	83,728	-	-	-	-	-	-	-	-	-	-	83,728
2 Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3 Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	-	2,198,444	-	-	120,513	11,461	-	-	630	30	511,628	2,842,706
7 Corporates	-	-	-	-	-	911	-	801,990	277,071	-	-	1,079,971
8 Retail	-	-	-	-	-	-	-	-	-	-	-	-
9 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10 Other items	-	-	-	-	-	-	-	-	-	-	-	-
11 Total exposure value	83,728	2,198,444	-	-	120,513	12,372	-	801,990	277,701	30	511,628	4,006,405

Table EU CCR5 – Composition of collateral for CCR exposures

	а	b	С	d	е	f	g	h		
		Collateral used in derivative transactions				Collateral used in SFTs				
	Fair value of co	Fair value of collateral received		Fair value of posted collateral		ollateral received	Fair value of posted collateral			
Collateral type	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated		
1 Cash – domestic currency	-	481,507	-	236,661	-	-				
2 Cash – other currencies	-	-	-	130,539	-	-	-			
3 Domestic sovereign debt	-	-	-		-	-	-			
4 Other sovereign debt	-	-	-	-	-	-	- -			
5 Government agency debt	-		-	<u>-</u> .	-	-	-			
6 Corporate bonds	-		-		-	-	-			
7 Equity securities	-	- /	-		-	-	-			
8 Other collateral	-	- /	-		-	-	-			
9 Total	-	481,507	-	367,200	-	-	-			

Table EU CCR8 – Exposures to CCPs

	a	b
	Exposure value	RWEA
1 Exposures to QCCPs (total)		46,843
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	2,187,274	43,745
3 (i) OTC derivatives	2,166,925	43,339
4 (ii) Exchange-traded derivatives	20,349	407
5 (iii) SFTs	-	_
6 (iv) Netting sets where cross-product netting has been approved	-	-
7 Segregated initial margin	-	
8 Non-segregated initial margin	11,170	223
9 Prefunded default fund contributions	143,709	2,874
10 Unfunded default fund contributions	-	-
11 Exposures to non-QCCPs (total)		-
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13 (i) OTC derivatives	-	-
14 (ii) Exchange-traded derivatives	-	-
15 (iii) SFTs	-	-
16 (iv) Netting sets where cross-product netting has been approved	-	-
17 Segregated initial margin	-	
18 Non-segregated initial margin	-	-
19 Prefunded default fund contributions	-	-
20 Unfunded default fund contributions	-	-

3. Market Risk

Market risk is the risk of a negative impact on the Group's financial result and the value of own funds, change of interest rates, currency exchange rates, share prices, prices of goods and all parameters of change of these rates and prices.

The aim of managing market risk is to ensure that the sizes of Group's incurred risk match the level acceptable by the shareholders and bank supervisory institutions, as well as ensuring that all expositions on market risk are correctly reflected by calculated measures of risk delivered to the appropriate persons and institutions.

The amount of capital requirements for individual types of market risk are presented below for:

- fx risk,
- general and specific equity risk,
- specific risk for debt securities,
- general interest rate risk.

Table EU MR1 - Market risk under the standardised approach

	a
	RWEAs
Outright products	
1 Interest rate risk (general and specific)	844,756
2 Equity risk (general and specific)	77,578
3 Foreign exchange risk	-
4 Commodity risk	-
Options	-
5 Simplified approach	-
6 Delta-plus approach	-
7 Scenario approach	-
8 Securitisation (specific risk)	-
9 Total	922,334

4. Interest rate risk in the banking book

The Group defines interest rate risk in the banking book (IRRBB) for the purposes of risk control and measurement as the risk of a negative impact of changes in interest rates on the financial result and the value of the Group's own funds.

Stress tests measure the potential impact of significant changes in the level or shape of interest rate curves on positions opened in the banking book.

The Group performs stress tests for predefined scenarios of interest rate movements that are combinations of market factors movements defined as large moves and stress moves occurring both domestically and abroad. The amounts of the assumed shifts of market factors are revised at least once a year and appropriately adjusted to changes in the market conditions of the Group's operations.

The longest maturity after repricing, assigned to deposits with undefined maturity is 5 years.

Presented below are the changes in the economic value of equity (EVE), calculated in accordance with the six supervisory shock scenarios, and the changes in net interest income (NII), calculated in accordance with the two supervisory shock scenarios as of June 30, 2025 and for the comparative period, i.e. December 31, 2024.

The tables present data for the Group. In calculating the sensitivities for the following scenarios, assumptions made by EBA are used. The worst of these scenarios (WCS - worst case scenario) is applied to the Capital Group's Tier 1 Capital.

The regulatory limit is 15% and it relates to the sensitivity of the MVE. For the sensitivity of MVE, the test result on 30 June 2025 is amounted to - 6.39%, which means that the regulatory limit (15%) was not exceeded, while on 31 Decmber 2024 it was - 2.74% and was also not exceeded.

NII sensitivity: the regulatory threshold is 5%. As of 30 June 2025, in the event of an interest rate increase of 200/250 bps, the interest result would increase by PLN 264 million, while in the case of a decrease in interest rates by 200/250 bps, the interest result would decrease by PLN 275 million (over a one-year horizon). This means that the 5% threshold for the volatility of interest income has not been exceeded, as the interest income volatility rate was 3.62%. As of 31 December 2024: in the case of an increase in interest rates by 200/250 bps, interest income would increase by PLN 415 million, while in the case of a decrease in interest rates by 200/250 bps, net interest income would decrease by PLN

Table EU IRRBB1 - Interest rate risks of non-trading book activities

	a	b	С	d	
Supervisory shock scenarios	Changes of the econom	nic value of equity	Changes of the net interest income		
	30.06.2025	31.12.2024	30.06.2025	31.12.2024	
1 Parallel up	(486 470)	(9 099)	264 037	414 971	
2 Parallel down	127 903	(195 422)	(275 786)	(427 434)	
3 Steepener	73 143	44 536			
4 Flattener	(299 327)	(156 183)			
5 Short rates up	(442 083)	(149 817)			
6 Short rates down	133 402	(37 721)			
Worst case scenario	(486 470)	(195 422)			
Tier 1 - Grupa	7 618 392	7 124 915			
Result	-6.39%	-2.74%			

Additional information on market risk is resented in the Condensed interim consolidated financial statements of the Capital Group of Bank Handlowy w Warszawie S.A for the period of 6 months ended 30 June 2025, in note 6 "Risk Management", in the "Market Risk" section.

Information related to the liquidity

Liquidity risk management

Liquidity risk is the risk that the Group may be unable to meet on time its financial obligations towards a client, lender or an investor as a result of the mismatches in cash flows due to the balance and off-balance sheet positions that the Group has at a given date.

The liquidity risk management policy in the Group primarily aims to ensure and maintain the ability to meet both: current and future financial obligations (also in the event of extremely stressed conditions), while minimizing the cost of obtaining liquidity. This is possible due to the proper identification of the liquidity risk, its constant monitoring as well as the establishment of limits with full understanding of: the macroeconomic environment, the Group's business profile, regulatory requirements as well as, strategic and business objectives within available liquidity resources.

The liquidity risk strategy, including the acceptable risk level, assumed balance sheet structure and financing plan is approved by the Bank's Management Board and then accepted by the Bank's Supervisory Board. The management of the Group's balance sheet structure is managed by the Asset and Liability Management Committee (ALCO). The organization of the liquidity risk management process that exists in the Group, is aimed to ensure the separation of functions between entities that conduct transactions (affecting the liquidity risk), monitor and control the risk. The management of intraday, current and short-term liquidity is a task of the Financial Markets and Corporate Banking Sector, while the management of medium and long-term liquidity lies on ALCO responsibilities. Reporting functions are performed by the Risk Strategy and Capital Department, while the monitoring and control of the level of liquidity risk is performed by the Department of Balance Sheet Management Supervision and by Market Risk Department. Activities of companies from the Group of the Bank in the area of liquidity risk management are supervised by the Bank by way of delegating its employees to supervisory bodies (supervisory boards) of such affiliates. Supervision over liquidity of companies from the Group of the Bank is exercised by ALCO.

The source data and models used to generate liquidity reports come from independent management systems or other independent record systems. The reports and stress tests are generated on a daily bases by the Risk Strategy and Capital Department - a unit independent from the Financial Markets and Corporate Banking Sector – and sent to the Group's units responsible for the liquidity risk management and to the Market Risk Department, who is responsible for the substantive content of those reports, including recognition of all elements that affect the liquidity risk. On monthly bases, the Market Risk Department prepares the analysis of the Group's liquidity position and liquidity risk level for the Assets and Liabilities Management Committee and the Risk and Capital Management Committee. Daily reports are sent to those who are directly involved in the intraday, current and short-term liquidity management processes. Monthly and quarterly reports are prepared on the basis of daily data and are submitted to the members of the Bank's Committees that deal with medium- and long-term liquidity risk and structural liquidity risk (the Assets and Liabilities Management Committee and the Risk and Capital Management Committee). Such organization ensures:

- current and forward looking information;
- gives a picture of the liquidity risk for the total balance and off-balance sheet and for the relevant for the Bank currencies (PLN, USD, EUR);
- the diversity of prepared reports allows to assess the level of intraday, current and structural liquidity risk,
- obtaining stress test results with a sufficient frequency (daily for the S2 and monthly for the remaining ones);
- comprehensiveness of the approach in the preparation of the liquidity reports covering both balance and off-balance sheet items.

As a part of the liquidity risk management, the Group pursues the following goals:

- providing Group's entities (at any time) with an access to the liquid funds in order to meet all their financial obligations in a timely manner, also in extreme but probable crisis situations:
- maintaining an adequate level of high-quality liquid assets in the event of a sudden deterioration of the Group's liquidity position;
- defining the scale of the liquidity risk undertaken by the Group by establishing, at an appropriate and safe level, internal measures and limits aimed at limiting excessive concentration in the scope of the adopted balance sheet structure or sources of financing;
- constant monitoring of the Group's liquidity situation with respect to the occurrence of an emergency situation in order to launch the Contingency Funding Plan;
- ensuring compliance of the processes operating at the Bank with the Polish and European regulatory requirements regarding liquidity risk management.

As part of liquidity risk management, the Group also applies a number of control mechanisms ensuring compliance with the liquidity risk management principles. They include in particular:

- separation of the function of measuring, monitoring and controlling risks from operating activities, including separation of functions in areas of potential conflicts of interest and areas of increased risk level;
- reviews of processes, performed by persons performing management functions or managerial functions or delegated by these persons:
- control activities integrated into the operations of the Bank's organizational units and adapted to the profile, scale and specificity of the operations of the Bank's organizational units;
- checking that the exposure limits are met and tracking cases when they are breached;

- monitoring the reports with excesses;
- monitoring of risk indicators:
- self-evaluation process;
- monitoring and testing of contingency funding plans and continuity of business plans.

The main source of funding the Group's activity, including liquid assets portfolio, is deposit base, where at end of June 2025 deposits constituted 81% of total liabilities. The Group maintains buffer of unencumbered high quality assets at high level, investing in sovereign bonds and liquid bonds issued by highly rated corporations. Every year the Group performs analysis if held bond portfolio is possible to liquid at the market condition, in order to set amount of bonds possible to liquidate within timeframe compliant with local regulatory liquidity measure calculation as well as LCR calculation.

The Group constantly monitors funding concentration. To realize that target, the structure of funds is well diversified in each segment of deposits - retail, small enterprises, corporations and public finance sector. The concentration is monitored in break down for client categories and currencies and it is compared to an early warning triggers approved by ALCO. In addition to that there is an early warning trigger for net funding on wholesale market applied.

The Group is one of the biggest market participants on Polish derivative market, however net flows on that instruments in 30 days are irrelevant for LCR. Simultaneously the Group's methodology of evaluating potential outflows of margin deposits from the Group to other entities or potential decrease of margin deposits kept by Bank's customers bases on maximal outflows within last 24 months and it secures Bank from underestimation of outflows within 30 days.

In accordance with the Regulation No. 575/2013 the Group monitors and maintains an adequate level of Liquidity Coverage Ratio (LCR). As of June 30, 2025 LCR was 162% and was 63 p.p. lower than as of December 31, 2024. The change in the ratio is primarily driven by Reclassification all operational deposits to not operational.

The Group recognizes that the depth of the FX swap market allows the assumption that the existing mismatch (the excess of FX liabilities over assets) can be easily eliminated by means of current FX swaps. Additionally, the Group does not identify other significant components of the net outflow coverage ratio than those included in the net coverage coverage disclosure formula.

Detailed data on the volume of regulatory measures for H1 2025, as well as the applied internal measures in the area of the liquidity risk management, are included in the Condensed interim consolidated financial statements of the Capital Group of Bank Handlowy w Warszawie S.A for the period of 6 months ended 30 June 2025, in note 6 "Risk Management".

As the result of the assessment of the level of liquidity risk and current and structural liquidity ratios (ILAAP), documented during the review of the Risk Management System (meeting of the Risk and Capital Management Committee in March 2025), the Assets and Liabilities Management Committee in the process of adopting the annual "Financing and Liquidity Plan" (plan for 2025 reviewed and approved in December 2024), did not recommend any changes to the liquidity risk management system.

Table EU LIQ1 – Quantitative information of LCR

Scope of consolidation: consolidated	a	b	С	d	е	f	g	h
		Total unweighted	l value (average)			Total weighted v	/alue (average)	
EU 1a Quarter ending on	30.06.2025	31.03.2025	31.12.2024	30.09.2024	30.06.2025	31.03.2025	31.12.2024	30.09.2024
EU 1b Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS								
1 Total high-quality liquid assets (HQLA)					44,276,150	42,426,551	43,707,581	43,377,779
CASH - OUTFLOWS								
2 Retail deposits and deposits from small business customers, of which:	21,326,823	21,232,085	20,928,138	20,769,890	1,886,531	1,844,727	1,824,192	1,808,918
3 Stable deposits	10,520,795	10,510,210	10,364,360	10,303,747	526,040	525,511	518,218	515,187
4 Less stable deposits	10,806,027	10,721,875	10,563,777	10,466,143	1,360,491	1,319,216	1,305,974	1,293,731
5 Unsecured wholesale funding	37,890,572	35,965,062	35,255,084	34,849,282	15,981,883	14,215,604	13,496,272	13,259,399
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	15,056,908	18,767,232	22,018,501	21,685,611	3,764,227	4,691,808	5,504,625	5,421,403
7 Non-operational deposits (all counterparties)	22,833,664	17,197,830	13,236,583	13,163,671	12,217,656	9,523,796	7,991,646	7,837,996
8 Unsecured debt		_	_	_	_			_
9 Secured wholesale funding					_		_	_
10 Additional requirements	54,264,557	51,820,073	51,754,802	47,323,768	42,288,951	39,942,675	39,973,414	35,603,023
11 Outflows related to derivative exposures and other collateral requirements	40,986,193	38,753,529	38,808,866	34,443,617	40,986,193	38,753,529	38,808,866	34,443,617
12 Outflows related to loss of funding on debt products	_	_	_	_	_		_	_
13 Credit and liquidity facilities	13,278,364	13,066,544	12,945,935	12,880,151	1,302,758	1,189,145	1,164,548	1,159,406
14 Other contractual funding obligations	761,123	673,505	870,211	1,075,678	761,123	673,505	870,211	1,075,678
15 Other contingent funding obligations	6,668,247	6,910,217	5,806,712	5,399,261	671,341	691,022	580,671	539,926
16 TOTAL CASH OUTFLOWS					61,589,829	57,367,532	56,744,761	52,286,944
CASH - INFLOWS								
17 Secured lending (e.g. reverse repos)	4,838,709	5,118,934	6,475,865	7,863,634	123,113	124,222	46,546	90,428
18 Inflows from fully performing exposures	2,876,131	2,911,468	1,581,792	1,435,533	2,643,987	2,664,831	1,319,124	1,175,580
19 Other cash inflows	36,413,978	34,140,689	33,321,176	28,732,470	36,413,978	34,140,689	33,321,176	28,732,470
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are EU-19a denominated in non-convertible currencies?								_
EU-19b (Excess inflows from a related specialised credit institution)	, , , a a a : -	40 171 05	44.0=0.05=	00.001.05=				
20 TOTAL CASH INFLOWS	44,128,818	42,171,092	41,378,832	38,031,637	39,181,078	36,929,742	34,686,846	29,998,478
EU-20a Fully exempt inflows EU-20b Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-206 Inflows subject to 90% cap EU-20c Inflows subject to 75% cap	44,128,818	42,171,092	41,378,832	38,031,637	39,181,078	36,929,742	34,686,846	29,998,478
TOTAL ADJUSTED VALUE	44 ,120,018	42,171,092	41,310,032	30,031,037	39,101,078	30,929,142	34,000,046	25,550,478
EU-21 LIQUIDITY BUFFER					44,276,150	42,426,551	43,707,581	43,377,779
22 TOTAL NET CASH OUTFLOWS					22,505,671	20,534,710	22,154,835	22,288,466
23 LIQUIDITY COVERAGE RATIO					196.73	206.61	197.28	194.62
					190.73	200.01	131.20	107.02

Table EU LIQ2: Net Stable Funding Ratio

	a	b	С	d	е
		Unweighted value by	residual maturity		w
	No maturity	< 6 months	6 months to < 1yr	≥1yr	Weighted value
available stable funding (ASF) Items					
1 Capital items and instruments	8,610,629	-	-	1,064,407	9,675,036
2 Own funds	8,610,629	-	-	-	8,610,629
3 Other capital instruments		-	-	1,064,407	1,064,407
4 Retail deposits		21,395,666	157,793	1,504	19,912,253
5 Stable deposits		10,252,712	-	-	9,740,077
6 Less stable deposits		11,142,953	157,793	1,504	10,172,176
7 Wholesale funding:		44,399,940	116,527	13,359	17,962,209
8 Operational deposits		-	-	-	-
9 Other wholesale funding		44,399,940	116,527	13,359	17,962,209
10 Interdependent liabilities		-	-	-	-
11 Other liabilities:	-	2,968,111	212,603	301,146	407,448
12 NSFR derivative liabilities	-				
13 All other liabilities and capital instruments not included in the above categories		2,968,111	212,603	301,146	407,448
14 Total available stable funding (ASF)					47,956,945
lequired stable funding (RSF) Items					
15 Total high-quality liquid assets (HQLA)					131,536
EU-15a Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16 Deposits held at other financial institutions for operational purposes		-	-	-	-
17 Performing loans and securities:		7,864,321	6,428,160	17,224,711	19,145,272
18 Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		1,305,458	1,248,959	-	624,480
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		2,854,277	4,377,112	1,802,223	4,158,732
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		1,155,139	802,089	14,178,233	13,030,112
21 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22 Performing residential mortgages, of which:		-	-	-	-
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		2,549,447	-	1,244,255	1,331,949
25 Interdependent assets		-	-	-	-
26 Other assets: 27 Physical traded commodities		3,001,253	744	2,135,112	3,203,501
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-			329,057
29 NSFR derivative assets		554,847			554,847
30 NSFR derivative liabilities before deduction of variation margin posted		1,971,016			98,551
oo non aanaan maamaaa sanara aadaa aan ah					
31 All other assets not included in the above categories		88,265	744	2,135,112	2,221,046
		88,265 6,774,938	744 845,257	2,135,112 9,086,252	
31 All other assets not included in the above categories					2,221,046 879,109 23,359,418

VI **Leverage Ratio**

Information on the leverage ratio as of June 30, 2025, summary reconciliation of accounting assets and leverage ratio exposures, leverage ratio common disclosure, split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) are presented in the following tables in accordance with Commission Implementing Regulation (EU) 2024/3172:

Table EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

	a
	Applicable amoun
1 Total assets as per published financial statements*	86,402,453
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-
3 (Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4 (Adjustment for temporary exemption of exposures to central banks (if applicable))	-
(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable 5 accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6 Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7 Adjustment for eligible cash pooling transactions	-
8 Adjustment for derivative financial instruments	142,586
9 Adjustment for securities financing transactions (SFTs)	-
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	9,837,593
(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a (Adjustment for exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	-
EU-11b (Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12 Other adjustments	(2 113 473)
13 Total exposure measure	94,269,160

^{*} The amount of assets has been presented in accordance with the EBA guidelines and is equal to the total assets in the FINREP statements and not the total assets presented in the financial statements. The difference between these values is due to the offsetting effect of derivatives. In the consolidated statement of financial position, all liabilities and assets of the Group resulting from forward and derivative transactions settled by the central counterparty of KDPW_CCP S.A. are reported as netted (offsetting liabilities and assets).

Table EU LR2 - LRCom: Leverage ratio common disclosure

	CRR leverage rat	io exposures
	a	b
	30.06.2025	31.12.2024
On-balance sheet exposures (excluding derivatives and SFTs)		
1 On-balance sheet items (excluding derivatives, SFTs, but including collateral)	72,899,679	61,112,317
² Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(367,121)	(364,745)
4 (Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5 (General credit risk adjustments to on-balance sheet items)	-	-
6 (Asset amounts deducted in determining Tier 1 capital)	(867,222)	(865,724)
7 Total on-balance sheet exposures (excluding derivatives and SFTs)	71,665,336	59,881,847
Derivative exposures		
8 Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	2,005,567	1,659,860
EU-8a Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9 Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	2,154,828	2,066,119
EU-9a Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b Exposure determined under Original Exposure Method	-	-
10 (Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a (Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b (Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
11 Adjusted effective notional amount of written credit derivatives	-	-
12 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13 Total derivatives exposures	4,160,395	3,725,979
Securities financing transaction (SFT) exposures		
14 Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	9,323,729	8,520,923
15 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16 Counterparty credit risk exposure for SFT assets	-	-
EU-16a Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17 Agent transaction exposures	-	-
EU-17a (Exempted CCP leg of client-cleared SFT exposure)	-	-
18 Total securities financing transaction exposures	9,323,729	8,520,923
Other off-balance sheet exposures		
19 Off-balance sheet exposures at gross notional amount	19,134,318	20,564,043
20 (Adjustments for conversion to credit equivalent amounts)	(10,014,619)	(14,763,768)
(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-	-	-
balance sheet exposures) 22 Off-balance sheet exposures	9,119,699	5,800,275
C. Salance on cet on pessares	3,113,033	3,000,213

Excluded exposures		
EU-22a (Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	-	
EU-22b (Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	
EU-22c (Excluded exposures of public development banks (or units) - Public sector investments)	-	
EU-22d (Excluded exposures of public development banks (or units) - Promotional loans)	-	
EU-22e (Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	
EU-22f (Excluded guaranteed parts of exposures arising from export credits)	-	
EU-22g (Excluded excess collateral deposited at triparty agents)	-	
EU-22h (Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	
EU-22i (Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1)	-	
EU-22j (Reduction of the exposure value of pre-financing or intermediate loans)	-	
EU-22k (Total exempted exposures)	-	
EU-22I (Exposures deducted in accordance with point (q) of Article 429a(1) CRR)	-	
EU-22m (Total exempted exposures)		
Capital and total exposure measure		
23 Tier1capital	7,618,392	7,124,91
24 Total exposure measure	94,269,160	77,929,02
Leverage ratio		
25 Leverage ratio (%)	8.08	9.1
EU-25 Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	8.08	9.1
25a Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	8.08	9.1
26 Regulatory minimum leverage ratio requirement (%)	3.00	3.0
EU-26a Additional own funds requirements to address the risk of excessive leverage (%)	-	
EU-26b of which: to be made up of CET1 capital	-	
27 Leverage ratio buffer requirement (%)	3.00	3.0
EU-27a Overall leverage ratio requirement (%)	3.00	3.0
Choice on transitional arrangements and relevant exposures		
EU-27b Choice on transitional arrangements for the definition of the capital measure	Transitional	Transitiona
Disclosure of mean values		
Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	13,723,172	14,176,80
Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	9,323,729	8,520,92
Total exposure measure (including the impact of any applicable temporary exemption of central bank 30 reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	98,668,602	83,584,90
Total exposure measure (excluding the impact of any applicable temporary exemption of central bank 30a reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	98,668,602	83,584,90
Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) 31 incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.72	8.5
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) 31a incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.72	8.5

^{*} The scope of disclosed information compliant with the CRR.

Table EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		a
		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	81,856,287
EU-2	Trading book exposures	3,383,912
EU-3	Banking book exposures, of which:	78,472,375
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	44,174,295
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	7
EU-7	Institutions	10,470,260
EU-8	Secured by mortgages of immovable properties	4,107,815
EU-9	Retail exposures	3,674,226
EU-10	Corporates	12,646,937
EU-11	Exposures in default	190,322
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	3,208,513

Aggregate exposure to shadow banking entities VII

The total net exposure to entities from the parallel banking system is 20,779 thousand PLN as of 30 June 2025.

VIII Key capital metrics after the retrospective profit incorporation

The table below presents (according to the EBA's position expressed in the single set of questions and answers Q&A 2018_4085 and 2018_3822) the main capital ratios after the retrospective inclusion of profit in Tier 1 equity.

Data as of 31 March 2025 and 31 December 2024 have been recalculated considering the profit for 2024 after its approval by the General Meeting of Shareholders.

Table - Key capital metrics after the retrospective profit incorporation

	a	b	С	d	е
	30.06.2025	31.03.2025	31.12.2024	30.09.2024	30.06.2024
Available own funds (amounts)					
1 Common Equity Tier 1 (CET1) capital	7,618,392	7,566,799	7,543,042	7,302,409	7,287,556
2 Tier 1 capital	7,618,392	7,566,799	7,543,042	7,302,409	7,287,556
3 Total capital	7,618,392	7,566,799	7,543,042	7,302,409	7,287,556
Risk-weighted exposure amounts					
4 Total risk exposure amount	32,031,835	30,986,090	33,596,699	32,020,068	30,923,643
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common Equity Tier 1 ratio (%)	23.78	24.42	22.45	22.81	23.5
5b Common Equity Tier 1 ratio considering unfloored TREA (%)	23.78	24.42	-	-	
6 Tier 1 ratio (%)	23.78	24.42	22.45	22.81	23.5
6b Tier 1 ratio considering unfloored TREA (%)	23.78	24.42	-	-	
7 Total capital ratio (%)	23.78	24.42	22.45	22.81	23.5
7b Total capital ratio considering unfloored TREA (%)	23.78	24.42	-	-	
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of r	sk-weighted expo	sure amount)			
EU 7a Additional own funds requirements to address risks other than the risk of excessive leverage (%)	-	-	-	-	
EU 7b of which: to be made up of CET1 capital (percentage points)	-	-	-	-	
EU 7c of which: to be made up of Tier 1 capital (percentage points)	-	-	-	-	
EU 7d Total SREP own funds requirements (%)	8.00	8.00	8.00	8.00	8.00
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8 Capital conservation buffer (%)	2.50	2.50	2.50	2.50	2.50
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	
9 Institution specific countercyclical capital buffer (%)	0.08	0.09	0.06	0.07	0.08
EU 9a Systemic risk buffer (%)	-	-	-	-	
10 Global Systemically Important Institution buffer (%)	-	-	-	-	
EU 10a Other Systemically Important Institution buffer (%)	0.25	0.25	0.25	0.25	0.25
11 Combined buffer requirement (%)	2.83	2.84	2.81	2.82	2.8
EU 11a Overall capital requirements (%)	10.83	10.84	10.81	10.82	10.83
12 CET1 available after meeting the total SREP own funds requirements (%)	15.78	16.42	14.45	14.81	15.57
Leverage ratio					
13 Total exposure measure	94,269,160	86,823,641	77,929,024	76,279,445	77,777,946
14 Leverage ratio (%)	8.08	8.72	9.68	9.57	9.3
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure me	easure)				
EU 14a Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	
EU 14b of which: to be made up of CET1 capital (percentage points)	-	-	-	-	
EU 14c Total SREP leverage ratio requirements (%)	3.00	3.00	3.00	3.00	3.00
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d Leverage ratio buffer requirement (%)	-	-	-	-	
EU 14e Overall leverage ratio requirement (%)	3.00	3.00	3.00	3.00	3.00

IX Environmental, Social, and Governance disclosures

As at 30 June 2025, Capital Group of Bank Handlowy w Warszawie S.A. presents information on ESG risks in accordance with Article 449a, Commission Implementing Regulation (EU) 2024/3172, taking into account the consultation document EBA/CP/ 2025/07 of 22 May 2025, which is a draft of implementing technical standards amending Commission Implementing Regulation (EU) 2024/3172 with regard to the disclosure of information on ESG risks, capital exposures and total exposures to entities in the parallel banking system.

1. Business strategy and processes

Bank Handlowy (BHW) identifies environmental, social, and governance (ESG) issues as important for both risk management and the development of business activities of the Bank's clients. Integrating ESG factors into its business model is a response to the evolving regulatory environment, expectations of stakeholders, and dynamic technological and environmental changes.

The transformation toward sustainable development of economic sectors presents both challenges and new opportunities for the Bank and its clients. Environmental issues are closely linked to economic stability and have a direct impact on the Bank's operations, its clients, and a broader community of stakeholders.

BHW manages environmental and social issues in its business model through the implementation of its Sustainability Strategy, which is an integral part of the Bank's business strategy for 2025-2027. The strategy is based on three strategic pillars and their corresponding goals, covering the Bank's own operations and its value chain:

- 1. Sustainable Finance
 - development of sustainable financial services offering
 - leveraging global expertise to support clients in their sustainable transformation
 - addressing social aspects in the sustainable finance framework
- 2. ESG Risk Management
 - development of a transition plan that details short, medium and long-term objectives, with specific timeframes and actions needed to move towards a low-carbon economy,
 - reduction of the share of financing related to greenhouse gas emissions in the Bank's credit portfolio
 - improvement of ESG risk management through further development of processes for ESG risk identification, assessment, monitoring and reporting
- 3. Sustainable Own Operations
 - achieving climate neutrality of the Bank's own operations by 2030 while reducing indirect emissions
 - deeper recognition of ESG aspects in own operations (including ESG governance model, controls, policies and procedures)
 - supporting employees' development and well-being
 - continuing actions in corporate social responsibility

ESG factors are incorporated into strategic management and corporate supervision. The Management Board and relevant committees are responsible for overseeing the integration of ESG issues into business and risk decisions. Considering ESG risks is part of the Bank's financial planning, including internal capital adequacy assessment and stress testing. These analyses support the long-term resilience of the Bank's business model and credit portfolio to changing environmental, social, and regulatory conditions.

The Bank regularly identifies impacts, risks, and opportunities related to ESG factors and uses these analyses to take appropriate actions, modify internal policies, or develop new procedures. ESG risks are assessed based on a systematic materiality assessment process. Findings from this assessment are integrated into risk management processes, credit policies, and strategic planning. A detailed description of the ESG risk materiality assessment process and the results of this analysis can be found in Section 3. Risk management - Identification and measurement.

Risk assessment and management - goals, tasks and limits

In its Sustainability Strategy, Bank Handlowy has defined quantitative goals:

- sustainable finance of PLN 2 billion granted by 2027
- at least a 10% share of sustainable finance in the institutional client loan portfolio,
- 100% of employees responsible for ESG sales and consulting will complete ESG training by 2027,
- for at least 60% of the Bank's credit exposure, collecting information from clients on their Scope 1 and 2 emission reduction targets and transition plans and using this data in the lending process,
- achieving climate neutrality of the Bank's own operations by 2030 while reducing indirect emissions, including through the transition to 100% renewable energy.

The Bank's internal stakeholders were involved in setting the adopted targets. The Bank calculated emissions from its loan portfolio for the first time (Scope 3, Category 15 of the GHG Protocol) in 2024. The Bank's emissions analysis will be performed on a cyclical basis, which will allow the Bank to assess the reduction of financed emissions in subsequent years. GHG reduction targets in absolute value (in tons of CO₂ equivalent

and as a percentage of base year emissions) will be set in subsequent years as part of the implementation of the ESG strategy by the Bank. Among its actions to manage environmental risk, the Bank strives to increase its share of financing classified as sustainable. The *Policy defining Sustainable Products Classification Framework in the Capital Group of Bank Handlowy w Warszawie S.A.* refers to international standards and regulations, including the EU Taxonomy, LMA Sustainability-Linked Loan Principles, LMA Green Loan Principles and LMA Social Loan Principles.

Limits are discussed in Section 3. Risk management - Error! Reference source not found...

Sustainable investments

Bank Handlowy reports on its investments in environmentally sustainable activities and in activities and sectors aligned with the environmental objectives defined in the EU Taxonomy as part of its Annual Report, in accordance with Article 8 of the Taxonomy Regulation. In 2022-2024, the Bank allocated PLN 1.3 billion for the green transformation of its clients and exceeded the target set in the previous strategy by almost PLN 300 million.

BHW has adopted a strategic goal regarding the amount of financing granted classified as sustainable. To identify, classify, and monitor sustainable financing, including assets aligned with the EU Taxonomy, the Bank applies a *Policy defining Sustainable Products Classification Framework in the Capital Group of Bank Handlowy w Warszawie S.A.*

The Policy includes, among other things:

- · the definition of sustainable finance applied by the Bank,
- rules for classifying products as sustainable,
- client eligibility conditions and criteria for financing,
- monitoring requirements for the financing provided,
- scope of duties, responsibilities and roles of the Bank's organizational units in assessing the classification and monitoring products qualified as sustainable.

The Policy applies to all products that can be classified as sustainable.

The Bank may classify financing as sustainable based on the client's business or a specific investment project. It uses three paths for this purpose:

A. Financing clients who conduct business activities that have a positive environmental impact

The Bank attaches great importance to promoting and supporting businesses that conduct activities that have a positive impact on the environment. In accordance with its Sustainability Strategy, the Bank provides financing to clients that meet the following criteria:

- 1a. the company derives at least 90% of its revenues from activities that meet the criterion of substantial contribution or activities that fully comply with the EU Taxonomy; or
- 1b. at least 90% of the company's revenues, within one year from the date financing is granted, will come from activities that meet the criterion of substantial contribution or activities compliant with the EU Taxonomy; and
- 2. the company does not operate in sectors excluded from financing under the Wholesale Credit Risk Environmental and Social Risk Management (ESRM) Regulations ("ESRM Regulations") (more information is available in Section 3. Risk management Error! R eference source not found.).

B. Financing clients' pro-environmental investments

In a situation where the client does not meet the requirements specified for financing any business activities that have a positive environmental impact, but the purpose of financing can be precisely defined and concerns investments that have a positive environmental impact, the financing is classified as sustainable on the basis of environmental criteria coinciding with the criteria for substantial contribution specified for environmental purposes in the EU Taxonomy. The investment assessment process is based on widely recognized market standards for green loans – Green Loan Principles.

C. Financing a client's transformation based on ESG KPIs

In line with its Sustainability Strategy, the Bank supports clients in transforming their businesses. One form of such support is sustainability-linked financial products, which the Bank offers in accordance with generally accepted market standards (sustainability-linked loans). To determine whether a client's transformation is sustainable, the Bank analyzes ESG KPIs.

In accordance with the provisions of the policy, the clients develop a plan to transform their business activities (or part of their activities) in terms of improving energy efficiency, reducing their carbon footprint or adapting to the criteria set out in the EU Taxonomy. ESG KPIs measure the effectiveness of the transformation process and are:

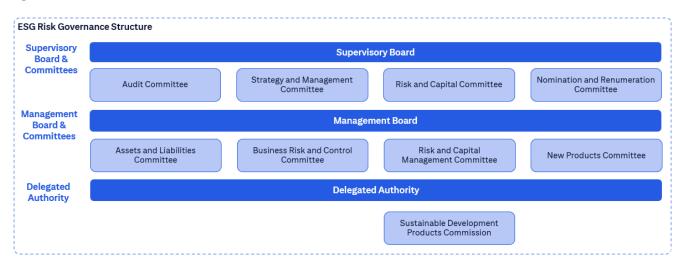
- 1. material for the client's business activities.
- 2. measurable and comparable to best market practices,
- 3. compliant with generally recognized environmental science initiatives and standards (e.g. decarbonization pathways established under the Paris Agreement).

The cost of financing incurred by the client is dependent on the extent to which the client has achieved the agreed ESG KPIs related to its transformation. In addition, to ensure the credibility and transparency of transformation activities, the achievement of KPIs is confirmed by independent third parties.

2. Governance

ESG risk management is based on the Bank's existing risk governance structure with additional dedicated forums and support functions established to coordinate and streamline this process (illustrated in figure below).

Figure: ESG Risk Governance Structure



Roles and responsibilities of the management body

The Bank identifies, measures, monitors, controls and reports ESG risk, and the key elements of the organizational structure and processes used for this purpose are described in the ESG Risk Management Framework in the Capital Group of Bank Handlowy w Warszawie S.A. ("ESG Risk Management Framework"). The document was first adopted by the Management Board and approved by the Supervisory Board in 2024. The Bank's Management Board is responsible for implementing the ESG risk management processes. As part of these activities, the Management Board:

- integrates ESG risks into the overall business strategy and risk management principles,
- assigns clearly defined roles and responsibilities for ESG risk management to Board members or committees,
- ensures a clear and consistent allocation of responsibilities related to ESG risks,
- develops the business model and business strategy of the Bank taking into account short-, medium- and long-term ESG risk,
- ensures the accuracy of reports and disclosures containing sustainability-related information and their compliance with regulatory requirements,
- sets measurable targets, develops specific plans and processes to monitor and address financial risks generated by ESG risks in the short, medium and long term, including risks arising from the transition to a low-carbon economy as defined by EU and national targets and regulations, and particularly by European climate law,
- decides on the materiality of risks and monitors exposure to ESG risks,
- monitors progress of activities carried out to integrate ESG risks into standard risk management processes,
- monitors the misconduct, litigation and reputational risks associated with lending to and investing in companies whose activities may be controversial from an ESG perspective or which engage in greenwashing practices,
- makes double materiality assessments across environmental, social and governance topics,
- prepares, approves and monitors the implementation of transition plans that take into account ESG factors.

The ESG Risk Management Framework also describes the role of the Supervisory Board, which, among other things, approves the strategy and oversees the implementation of the risk management system, including processes related to ESG risk management. In particular, this includes consideration of ESG risk in the Bank's work on its business model and business strategy. The Supervisory Board's responsibilities related to overseeing ESG risk management processes may be delegated to individual Supervisory Board Committees by including such roles and responsibilities in their activities.

Risk management - organizational structure and division of responsibilities across the three lines of defense

ESG risk management is implemented at multiple levels of the organizational structure: the Supervisory Board, the Management Board and its committees, as well as units responsible for risk identification, monitoring and mitigation. Internal exchange of information on ESG risks occurs as part of the tasks of individual units and committees. The Management Board's responsibilities related to ESG risk management may be delegated to individual Management Board Committees and other units of the Bank:

- Risk and Capital Management Committee monitors the correctness and ensures the effectiveness of ESG risk management; ensures that ESG risks are appropriately incorporated into the Bank's risk profile and risk appetite,
- Business Risk and Control Committee monitors and ensures that ESG risks are taken into account correctly and effectively in the supervision over and control of operational risk and compliance risk management processes,
- Assets & Liabilities Committee monitors and ensures that ESG risks are taken into account correctly and effectively in the processes of managing liquidity risk, interest rate risk for non-trading portfolios, the risk of unfavorable changes in the balance sheet structure, the risk of changes in the value of the Bank's capital, trading portfolio risk and foreign exchange risk,
- **New Products Committee** monitors and ensures that ESG risks are taken into account correctly and effectively in the business activity management process,
- Sustainable Development Products Commission develops principles for classifying sustainable products, issuing opinions on the classification of products as sustainable, and providing support on other sustainability-related matters. The Commission performs consultative, opinion-giving, monitoring and advisory functions for the Bank's organizational units that create, implement and sell sustainable products. The tasks carried out by the Commission are supervised by the Risk and Capital Management Committee.

To manage ESG risks, the Bank uses three lines of defense. The key responsibilities of each line are described below.

1. The first line of defense - the organizational units responsible for carrying out operational activities:

- identify, measure, monitor, control and report ESG risk and risks relating to the business operations of the organizational
 unit.
- ensure compliance with rules arising from ESG regulatory requirements, policies and standards, including the ESG Risk Management Framework,
- implement the Sustainability Strategy,
- develop and offer sustainable products and cooperate with customers on sustainability-related issues,
- identify clients' sustainability needs and financing options,
- engage in dialogue with clients about their own transition strategies and assess their consistency.

2. The second line of defense:

- Risk Management Sector:
 - develops frameworks, policies, standards and procedures for effective ESG risk management and integrates them into the existing risk management system,
 - independently identifies, measures, monitors and controls ESG risk and reports it to the Bank's Management Board and relevant committees,
 - determines the level of ESG risk appetite and limits, and submits them to the Bank's Management Board for approval,
 - provides independent information, analysis and expertise on ESG risk exposures,
 - incorporates ESG risk into capital and liquidity planning processes in cooperation with the Finance Management Sector,
 - ensures compliance with ESG regulations,
 - takes into account the risk of greenwashing in risk management processes,
 - participates in the approval process for new sustainable products, including significant changes to existing products,
 - ensures that the risk limits set out in the risk appetite are consistent with all aspects of the Bank's transition plan.

Compliance Division:

- identifies and provides information on regulatory requirements for ESG risk, advises on regulatory changes at the Bank and the implementation of these changes,
- develops the compliance risk management framework and monitors the alignment of the Bank's operations with ESG regulations,
- assesses the risk of non-compliance with ESG regulations, recommends corrective actions, and reports the assessment results to the Management Board and relevant committees,
- ensures compliance with ESG regulations,
- supports the Risk Management Sector in managing reputational risk arising from ESG risk (in particular, from greenwashing practices).
- participates in the approval process for sustainable products, including significant changes to existing products,
- advises on and verifies products classified as sustainable.

Legal Division:

- identifies and provides information on changes in ESG regulations,
- prepares opinions and legal advice on ESG issues,
- reports on the ESG-related legal risk,

manages and supervises litigation.

3. The third line of defense - Audit Department:

- conducts independent and objective assessments of the adequacy and effectiveness of the risk management and internal control system in managing ESG risks, and integrates ESG risk into strategic planning,
- provides the Management Board, Supervisory Board and Audit Committee and banking supervision authorities with independent, objective and relevant information on the effectiveness of ESG risk management and related controls,
- provides support in identifying ESG risk and establishing an effective internal control system for ESG risk, with the nature and scope of support agreed with the Bank's organizational units and approved by the Supervisory Board.
- reviews the Bank's transition plan as part of the risk management framework for compliance with legal and regulatory requirements and consistency with the risk strategy and risk appetite.

The Strategy and Investor Relations Department systematically monitors the degree to which ESG goals set in the Bank's Sustainability Strategy are achieved. It reports the results to the Management Board, which reports them to the Supervisory Board.

Bank Handlowy also recognizes the importance of independence of governing bodies in the context of risk management. At the end of the first half of 2025, the number of independent non-executive members on the Supervisory Board was three out of eight (38%).

Remuneration policy

At Bank Handlowy, the remuneration policy is designed to align with the Bank's risk management strategy and reflect its risk appetite, which identifies ESG risk as a significant risk factor. ESG risk is integrated into Bank Handlowy's risk management approach in the same way as other types of risk. Variable remuneration pools are determined based on Bank Handlowy's financial results, adjusted for financial and non-financial risks, to mitigate potential employee incentives to take excessive risks.

In 2024, sustainability-related goals were set for senior managers. Depending on the area, these goals could include reporting and measuring ESG risks. The outcome of the assessment of these goals indirectly influences the variable remuneration of senior management. The remuneration policy includes, effective from 2025, the requirement that at least one ESG-related goal must be taken into account in the annual assessment of the President of the Management Board.

3. Risk management

ESG Risk Management Framework

In accordance with regulatory requirements, the Bank defines ESG risk as the risk of negative financial consequences for the Bank resulting from the current or potential impact of environmental, social, and governance issues on counterparties or on the assets in which the Bank invests. In particular:

- Environmental risk is the risk of losses arising from any negative financial impact on the Bank stemming from the current or prospective impacts of environmental factors on the Bank's counterparties or invested assets, including factors related to the transition towards the following environmental objectives: a) climate change mitigation; b) climate change adaptation; c) the sustainable use and protection of water and marine resources; d) the transition to a circular economy; e) pollution prevention and control; f) the protection and restoration of biodiversity and ecosystems. Environmental risk includes climate risk and comprises two main risk drivers, physical risk and transition risk.
- Social risk is the risk of any potential negative financial impact on the Bank stemming from the current or prospective impacts of social factors on the Bank's counterparties or assets. Social factors include, among others: labor laws, working conditions and equal treatment and equal opportunities for own workforce and workers in the value chain; social, cultural, civil and political rights of affected communities; and safety, social inclusion, and information-related impacts for consumers and/or end-users.
- Governance risk is the risk of losses arising from any negative financial impact on the Bank stemming from the current or prospective impacts of governance factors on the Bank's counterparties or invested assets. Corporate governance issues include, among others: corporate culture and business ethics standards, whistleblower protection, prevention and detection of corruption or bribery, tax compliance, and transparency and trust building.

The above definitions are included in the Bank's risk taxonomy.

The Bank does not isolate ESG risk as a separate material risk category, but identifies the transmission channels through which that risk affects basic risk types. The ESG Risk Management Framework constitutes the framework for managing this risk at the Bank. This document is part of the Bank's risk management strategy and describes the key elements of the organizational structure and processes used to identify, measure, monitor, control, and report ESG risk, and clarifies roles and responsibilities with respect to ESG risk management (described in Section 2.Governance). Furthermore, the document presents the ESG risk taxonomy adopted by the Bank, including definitions, risk factors, impact channels, and the integration of greenwashing risk into the risk management framework.

In its approach to ESG risk management, the Bank relies on a number of regulations, supervisory expectations and standards, including:

Guidelines of the European Banking Authority on loan origination and monitoring (Guidelines on Loan Origination and Monitoring, EBA/GL/2020/06);

- The European Central Bank's Guide on climate-related and environmental risks (<u>Guide on climate-related and environmental risks</u>, 2020);
- Regulation (EU) (2020/852) on the establishment of a framework to facilitate sustainable investment with delegated acts;
- Report of the European Banking Authority on management and supervision of ESG risks for credit institutions and investment firms
 (Report on management and supervision of ESG risks for credit institutions and investment firms, EBA/REP/2021/18);
- EU Implementing Regulation (2022/2453) concerning prudential disclosures under Article 449a of the CRR;
- Directive (EU) (2022/2464) as regards corporate sustainability reporting (CSRD) along with European Sustainability Reporting Standards (ESRS);
- Regulation amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (2024/1623) (CRR III);
- Reports on greenwashing monitoring and supervision (Report on greenwashing monitoring and supervision) of the European Supervisory Authorities;
- Recommendations of Task Force on Climate-related Financial Disclosures (TCFD);
- The Standard of Partnership for Carbon Accounting Financials (PCAF). The Global GHG Accounting and Reporting Standard for the Financial Industry;
- Guidelines of the European Banking Authority on the management of environmental, social and governance (ESG) risks, (<u>Guidelines</u> on the management of environmental, social and governance (ESG) risks, EBA/GL/2025/01).

Identification and measurement

ESG risk identification and measurement at the Bank is part of the risk management process, taking into account both current and long-term perspectives. Identification and measurement are carried out within existing risk management processes at the transaction or event level, portfolio level, and the level of the entire Bank, including concentration.

Risk identification and assessment process

The identification and materiality assessment of ESG risks at the Bank is part of the regular risk identification and assessment process. The results of this process form the basis for, among other things, the risk management strategy, including risk appetite, stress testing, and the internal capital adequacy assessment process (ICAAP). As part of this process, the Bank assesses the materiality of environmental risk (including climate risk), as well as social and governance risks. The process is coordinated by the Risk Management Processes Quality Assurance Department. The process also involves organizational units whose activities result in risk taking (i.e., the first line of defense) and organizational units that control risk (including the Risk Management Sector, the Compliance Division, and the Finance Management Sector, i.e., the second line of defense). ESG risk assessment is performed over three time horizons: short (up to 3 years) – the ICAAP process horizon, medium (3-5 years), and long (over 5 years).

In the risk assessment process, the Bank applies a combination of various methods of risk measurement and estimation adapted to the risk category for which ESG risk is measured, including:

- using the **Industry Climate Risk Map** (divided into physical and transition risks and time horizons) and the **Industry Environmental Risk Map** (divided into impact and dependency) to identify sensitive industries,
- conducting a quantitative analysis of the impact of climate threats on the continuity of the Bank's operations,
- conducting a quantitative climate risk assessment for key market risk indicators/limits,
- conducting a quantitative analysis of the impact of physical threats on the portfolio of retail mortgage-backed exposures.

The Bank is consistently improving its risk identification and measurement methods. Among other things, it is currently preparing a resilience assessment and portfolio alignment assessment in line with the EBA Guidelines on the management of ESG risks, which will be incorporated into the next cycle of the risk materiality assessment process.

As part of the 2025 risk materiality assessment process, climate risk was identified as material for strategic, credit, market, operational, reputational, and compliance risks across time horizons (details in Table 1 below). In particular:

- physical risk was considered material in the medium term for credit risk and in the long term for credit, market and operational risks due to the expected adverse impact of extreme weather events and long-term climate change on the Bank, its clients and the market;
- transition risk was considered material within the ICAAP time horizon for credit, strategic, reputational and compliance risks due to the Bank's significant exposure to clients from sectors exposed to climate risk, increasing pressure from regulators and stakeholders, potential materialization of compliance risks and the significant number and complexity of regulations regarding mitigation and adaptation to climate change.

Other environmental risks were considered material in the short term for compliance risk (due to the significant number and complexity of regulations in this area). Other environmental risks are expected to materialize in the medium term for reputational and operational risks, and

in the long term for all risk categories except liquidity risk. Physical environmental risks were assessed as material only for operational risk (due to the potential operational losses).

Both social and governance risks were deemed material only in the long term for strategic, credit, market, and reputational risks, primarily due to the growing expectations of regulators and stakeholders towards non-financial institutions. In the short and medium term, these risks were deemed immaterial due to the Bank's operating environment, which is covered by high social and corporate governance standards. The full materiality assessment results for 2025 are presented below in Table 1.

Table 1: Results of ESG risk materiality assessment for 2025

	-					
•			Climat	te Risk		
:	Short	term	Mediu	m term	Long	term
	Physical	Transition	Physical	Transition	Physical	Transition
Strategic	Non-material	Material	Non-material	Material	Non-material	Material
Credit	Non-material	Material	Material	Material	Material	Material
Market	Non-material	Non-material	Non-material	Non-material	Material	Material
Liquidity	Non-material	Non-material	Non-material	Non-material	Non-material	Non-materia
Operational	Non-material	Non-material	Non-material	Material	Material	Material
Reputational	Non-material	Material	Non-material	Material	Non-material	Material
Compliance	Non-material	Material	Non-material	Material	Non-material	Material
			Other Enviro	nmental Risk		
	Short	term	Mediu	m term	Long	term
	Physical	Transition	Physical	Transition	Physical	Transition
Strategic	Non-material	Non-material	Non-material	Non-material	Non-material	Material
Credit	Non-material	Non-material	Non-material	Non-material	Non-material	Material
Market	Non-material	Non-material	Non-material	Non-material	Non-material	Material
Liquidity	Non-material	Non-material	Non-material	Non-material	Non-material	Non-materia
Operational	Non-material	Non-material	Non-material	Material	Material	Material
Reputational	Non-material	Non-material	Non-material	Material	Non-material	Material
Compliance	Non-material	Material	Non-material	Material	Non-material	Material
-		Social Risk			Governance Ris	k
	Short term	Medium term	Long term	Short term	Medium term	Long tern
Strategic	Non-material	Non-material	Material	Non-material	Non-material	Material
Credit	Non-material	Non-material	Material	Non-material	Non-material	Material
Market	Non-material	Non-material	Material	Non-material	Non-material	Material
Liquidity	Non-material	Non-material	Non-material	Non-material	Non-material	Non-mater
Operational	Non-material	Non-material	Non-material	Non-material	Non-material	Non-mater
Reputational	Non-material	Non-material	Material	Non-material	Non-material	Material
Compliance	Non-material	Non-material	Non-material	Non-material	Non-material	Non-mater

Through the ICAAP and ILAAP processes, the Bank appropriately quantifies the ESG risk to which it is exposed and assesses the impact of that ESG risk on the Bank's capital adequacy and liquidity position. The Bank employs scenario analysis, including stress testing, to assess the potential impact of ESG factors on the Bank's risk profile under plausible scenarios (including climate-related scenarios). The Bank assesses the adequacy of the stress tests conducted to address ESG risk in the scenarios analyzed.

The results of the ESG risk materiality assessment for 2025 are presented in Section 3. Risk management - Identification and measurement. In 2025, the Bank conducted a dedicated stress test for credit risk and a heuristic assessment for compliance and reputational risks. Additionally, following the flood in 2024, the Bank analyzed its impact on its corporate and mortgage portfolios.

The credit risk stress test was based on a dedicated macroeconomic scenario describing the impact of physical and transition risks over the standard ICAAP horizon (i.e., 2025-2027). The scenario depicted a disorderly transition, in which emissions must be rapidly reduced and the prices of emissions allowances rise sharply. At the same time, climate change is contributing to unfavorable weather events: droughts are hitting agricultural production worldwide, disrupting food supply chains, and heatwaves in Europe are causing losses in energy production. In response to these events, EU governments are implementing more aggressive climate policies, resulting in shifts in consumption patterns and changes in the value of selected assets that are most affected by climate change.

Furthermore, the impact on companies in specific industries and time horizons was analyzed using the Industry Climate Risk Map and the Industry Environmental Risk Map. Loan portfolio exposures as of the end of December 2024 were divided into groups of industries sensitive to climate risk (divided into transition risk and physical risk) and to environmental risk (divided into dependency and impact). The analysis also considered the long-term impact of social and corporate governance issues, identifying high-risk industries based on international SASB standards. For industries susceptible to the effects of those risks, the impact of risk factors on clients' credit ratings in the short-, medium- and long-term horizons was analyzed using projected migrations of indicators. In addition, with the expertise of risk managers, individual exposures were reviewed to take into account individual and client-specific factors, and, where necessary, individual assessments were made for potential impact on ratings.

The results of the stress tests showed that the Bank's portfolio is resilient to ESG risk factors. It was assessed that in the years 2025–2027, ESG risk will not have a significant impact on the expected losses and internal capital requirements related to ESG risk. Deterioration in client ratings as a result of ESG risk materialization is expected in the long term, but remains within established limits.

In 2025, the Bank also conducted a heuristic analysis of operational risk, including compliance and reputational risks (these risks are covered by capital allocated to operational risk), based on sample penalties for violations related to ESG regulation involving improper implementation of supervisory rules and regulations and for committing the practice of greenwashing. The analysis demonstrated the adequacy of capital requirements for operational risk and the ability to cover potential losses resulting from the materialization of ESG risks.

Additionally, following the flood in 2024, the Bank conducted an analysis of its impact on its corporate and mortgage portfolio. The Bank did not identify any negative impact of the flood on the Bank's financial situation or the financial situation of its Commercial Banking and Corporate Banking clients. Although the losses recorded by the Bank following the flood in September 2024 were not material, the Bank assessed, as part of its ESG risk assessment, the impact of environmental risks on the real estate securing mortgage loans. Physical hazard maps available on the ThinkHazard portal were used for the analysis. Based on the data contained therein, four categories of physical hazards were identified (i.e., floods, landslides, droughts, and strong winds) that can directly impact the real estate securing mortgage loans. The analysis showed that floods pose the greatest threat. The *Credit Policy for Mortgage Products* specifies the minimum insurance coverage, and the Bank has also introduced requirements for verifying collateral for environmental risks (more information in the section below).

Other identification and assessment methods

Additional ESG risk identification and measurement processes include:

- identification of social/governance risks in verification processes BHW clients are screened for risks related to forced labor and modern slavery as part of screening processes, including those related to money laundering (Anti-Money Laundering) and the Know Your Customer procedure. Furthermore, BHW has a Procedure for verification of Vendors/Potential Vendors against external lists. External lists include: Citiscreening sanctions lists, including SDN (Specially Designated Nationals a list of identified entities comprising natural persons, legal entities or other entities with the capacity to incur obligations and acquire rights in their own name and subject to international sanctions for reasons not directly related to their place of residence or registered office), the SWOZ list (on which the Risk Control and Fraud Prevention Department checks the bidder and the representatives of its management bodies), the KNF (Polish Financial Supervision Authority) list (Public Warning List containing a list of entities reported by foreign supervisory authorities regarding unauthorized conduct of investment activities and a list of domestic entities operating without the permission of the KNF), the AML list (maintained by the AML Department, containing information on legal entities that have been the subject of interest of the GIIF, the Prosecutor's Office or the Police due to suspicion of money laundering or terrorist financing) and the list of countries and territories subject to sanctions.
- client ESG risk assessment carried out as part of the initial credit limit approval process for Corporate Bank clients and Commercial Bank clients during each annual review of a given debtor's credit exposure, as well as in the event of approval of a significant change between the debtor's annual reviews (in accordance with the Credit Procedures for Commercial Banking Clients and the Credit Procedures for Corporate Banking Clients);
- analysis and management of environmental and social risk of the transaction significant environmental and social risks related to a transaction that uses funds dedicated to a specific investment project fall within the scope of the Wholesale Credit Risk Environmental and Social Risk Management (ESRM) Regulations "ESRM Regulations" (more information in section 3. Risk management Error! Reference source not found.);
- ESG risk analysis of collateral information regarding climate, environmental, and social risks for accepted collateral from Corporate Bank and Commercial Bank clients is obtained and recorded, among other things, using reliable, publicly available tools and taken into account in the collateral verification process, during acceptance and review (in accordance with the Collateral Management Procedure). In the lending process for retail clients applying for a mortgage loan, the Bank considers ESG risks, in particular environmental risk that may affect the value of the property serving as collateral, among other things, using reliable, publicly available tools and taking it into account in the collateral verification process;

• **business activity management** - the Bank incorporates ESG risk analysis into the process of accepting business activities by introducing questions and guidelines related to ESG issues, including those aimed at counteracting greenwashing.

Monitoring and control

In order to mitigate ESG risk, the Bank takes into account environmental and social factors as part of its risk appetite and internal capital adequacy assessment process, as well as through integration with existing, or implementation of new, dedicated control processes.

Limits

As part of its overall risk appetite for 2025, the Bank has defined limits and tolerance thresholds for material ESG risks, including:

- financing classified as sustainable for non-financial institutional clients in accordance with the *Policy defining Sustainable Products Classification Framework in the Capital Group of Bank Handlowy w Warszawie S.A.*;
- exposures to industries with High and Medium Short-Term Climate Transition Risk in the total debt limit and undrawn commitments.
 As part of the Concentration Risk Management Policy, the indicator and its limits have been cascaded to the appropriate banking segments;
- the size of the portfolio of transactions with high environmental and social risk according to the ESRM Regulations.

Other significant risks (i.e., climate risk for reputational and compliance risks, and environmental risk for compliance risk) are covered from capital allocated to operational risk. The indicators are monitored and reported on a regular basis. Reports are submitted to the Bank's Management Board, including the Risk and Capital Management Committee, and to the Supervisory Board, including the Risk and Capital Committee. The process for escalating and managing excesses is described in the Memorandum on the Risk Appetite of the Capital Group of Bank Handlowy w Warszawie S.A. and is identical to the process used for other measures of overall risk appetite.

Key internal regulations and processes

All Bank employees are bound by the *Rules of proper treatment of clients*, which outlines the principles for analyzing products, marketing materials and advertising communications and tailoring them to client needs. The Rules take into account the interests of clients to ensure that they are treated professionally and equally. They obligate all employees of the Bank to eliminate any activities that may be misleading, inconsistent with due diligence standards or laws, or abusive.

Under concluded agreements, the Bank ensures that its vendors will act in accordance with principles of ethical and responsible behavior, including, in particular, those principles that refer to human rights, labor laws, fair competition provisions, the protection of ownership rights, the protection of natural environment and combating corruption, and that their subcontractors and other persons, through whom the Bank will procure any and all goods and services, will observe such principles. This commitment includes in particular the rules contained in the legal acts listed below and in all applicable national legislation implementing these acts:

- the Universal Declaration of Human Rights,
- the International Labour Organization's Declaration on Fundamental Principles and Rights at Work,
- the Rio Declaration on Environment and Development, Agenda 21,
- the United Nations Convention against Corruption.

The management of ongoing relationships with vendors is governed by the *Principles of Management of Cooperation with Vendors of Goods and Services in Bank Handlowy w Warszawie S.A.*, which incorporate the EBA General Recommendations for Supplier Control. In the second half of 2025, the Bank plans to conduct a survey among key vendors, which will be used, among other things, to assess their risk management capabilities.

The Bank has implemented or updated a number of internal regulations that directly or indirectly aim to mitigate ESG risk, including:

- (1) ESG Risk Assessment Process in the Credit Procedures for Commercial Banking Clients and Credit Procedures for Corporate Banking Clients:
- (2) Wholesale Credit Risk Environmental and Social Risk Management (ESRM) Regulations ("ESRM Regulations");
- (3) The ESG risk assessment process is included in the Credit Policy for Mortgage Products;
- (4) Policy defining Sustainable Products Classification Framework in the Capital Group of Bank Handlowy w Warszawie S.A. ("Sustainable Products Classification Policy");
- (5) Sustainable Finance Classification Procedure.

Detailed information on these internal regulations can be found below.

(1) For both Commercial Banking clients and Corporate Banking clients, the Bank has introduced the requirement to consider ESG risk factors in the credit analysis and assessment process. As part of the credit review, ESG factors should be assessed in the context of their potential impact on the borrower's or guarantor's creditworthiness. During the analysis, the following factors, among others, should be considered: the impact of climate change on the client's financial situation and industry and environment, an assessment of the materialized and potential reputational risk associated with financing activities exposed to increased risk revealed by the analysis of ESG factors, regulatory changes concerning ESG factors, and legal requirements for conducting the client's business. A client's ESG risk assessment is based on the Industry Climate Risk Map and the Industry Environmental Risk Map. Risk factors related to environmental, social and governance issues are taken into account in the process of assigning a risk rating to a given debtor.

(2) The Bank applies the ESRM Regulations. The purpose of the ESRM Regulations is to ensure the effective identification, assessment, and management of potential social and environmental risks related to clients that could expose the Bank to credit and reputational risks. In this regulation, the Bank has implemented appropriate exclusion criteria, environmental and social risk categories for new transactions meeting the materiality criteria, and a requirement for additional due diligence at the client and transaction levels for industries particularly exposed to environmental and social risks.

In accordance with the ESRM Regulations, the Bank will not provide financing if the due diligence analysis shows that the client conducts any of the excluded activities, such as:

- production or activities involving modern slavery, human trafficking or forced labor;
- production or activities involving harmful or exploitative forms of child labor;
- unlawful felling of trees;
- production of or trade in products of wild fauna and flora covered by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (also known as the Washington Convention or CITES), or other activities deemed unlawful under national regulations, including those ratified by host countries under international conventions and agreements;
- production, distribution or sale of cluster munitions as defined in the UN Convention on Cluster Munitions;
- fishing with drift nets in the marine environment using nets longer than 2.5 km.

In addition, the Bank has committed not to finance the construction or expansion of thermal coal mines, power plants, or coal-fired CHP plants. The sectoral requirements of the *ESRM Regulations* for mining also include a commitment to eliminate credit exposure to clients earning more than 25% of revenues from thermal coal mining by 2030 and to limit financing to clients generating energy from coal by 2030 for clients in OECD countries and by 2040 for clients in non-OECD countries, in line with the objectives of the Paris Agreement.

Additionally, the Bank has adopted specific guidelines for companies in industries particularly exposed to environmental and social risks. These sectors include agriculture, coal mining, coal-fired power generation, non-coal mining, oil and gas, the production of lethal military equipment, firearms production, and sectors operating in areas that require heightened caution (including biodiversity, cultural heritage, local populations, significant physical and economic displacement, risk of conflict, and elevated risks of human rights violations).

(3) The Bank also considers ESG risks in the credit process for consumers applying for mortgage loans, particularly environmental risks that may impact the value of the property used as collateral. The *Credit Policy for Mortgage Products* specifies the minimum insurance coverage; additionally, the Bank has introduced requirements for verifying collateral in terms of environmental risks. In particular, if the property serving as collateral is located in an area exposed to the risk of flooding, the property insurance policy is required to include flood insurance. This extended coverage should be maintained throughout the loan term. Due to the highly dispersed retail portfolio and the lack of concentration, for example, in high-risk industries, the Bank does not currently plan to introduce ESG risk concentration indicators or limits within the retail sector.

(4) The Bank has implemented regulations defining a classification framework for sustainable products. The Sustainable Products Classification Policy contains a set of principles for identifying, assessing, classifying, and monitoring sustainable products that contribute to the Bank's Sustainability Strategy. Financing may be considered in compliance with the aforementioned Policy if it has a positive environmental impact, in accordance with one of the Bank's six environmental objectives; the financing is in compliance with the environmental objectives of the EU Taxonomy; or contributes to achieving the goals of the Paris Agreement.

Transaction classification can be performed from the perspective of the client's overall business or the financed investment along three paths:

- A. Financing clients who conduct business activities that have a positive environmental impact
- B. Financing clients' pro-environmental investments
- C. Financing a client's transformation based on ESG KPIs

(5) The Sustainable Finance Classification Procedure is an extension of the provisions included in the above-mentioned Policy, primarily to detail the process of classifying finance as sustainable, taking into account documentation requirements and the division of roles and responsibilities between process participants.

Reporting

Monitoring the correctness and ensuring the effectiveness of ESG risk management, and ensuring appropriate consideration of ESG risks in the Bank's risk profile and risk appetite are the tasks of the Risk and Capital Management Committee of the Bank's Management Board. A package of ESG risk analysis reports is prepared periodically and submitted to the Bank's Management Board, including the Risk and Capital Management Committee, and the Supervisory Board, including the Risk and Capital Committee. Additionally, indicators including credit exposure to environmental risk, including key breakdowns, and ESG risk measures for operational, compliance, and liquidity risks are monitored and reported monthly.

Data availability, quality and accuracy

The availability and quality of climate data and indicators, as well as broader ESG indicators, remain a challenge in sustainability reporting. Given the maturity and availability of data (both from counterparty and non-counterparty) on environmental issues, assumptions have been made based on the limitations of the data used in BHW reporting. Key gaps include the scope of primary data on counterparties included in the calculation of financed emissions and counterparty attributes with respect to physical risk.

The Bank incorporates ESG data into its standard data management process (defined by the *Data Management Policy at Bank Handlowy w Warszawie S.A.*) and is committed to improving methodologies and tools for assessing climate risk and climate data, including greenhouse gas emissions. Bank Handlowy improves the availability of ESG data through participation in industry initiatives, such as the ESG Platform run by the Credit Information Bureau (BIK). In the second half of 2025, the Bank intends to conduct a survey among key clients to collect higher-quality ESG data.

Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

	a	b	c	d	e	f	g	h	i i		j	k	1	m	n	0	р
		Gross	arrying amount (Min E	JR)		Accumulated impair value due to	ment, accumulated ne credit risk and provisio	egative changes in fa ons (Min EUR)	GHG finance ir and scope 3 e (in to	ed emissions (so emissions of the ons of CO2 equi	cope 1, scope 2 e counterparty) valent)						
Sector/subsector	com aligi wi	Of which exposures towards panies excluded from EU Paris- need Benchmarks in accordance th Article 12(1) points (d) to (g) Article 12(2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non- performing exposures		Of which Stage 2 exposures	Of which non- performing exposures			rhich Scope 3 ced emissions	GHG emissions (column I): gross carrying amount percentage of the portfolio derived from company- specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
xposures towards sectors that highly contribute to climate change*	-	-			-		-	-	-	-	-			-	-	-	
A Agriculture, forestry and fishing	0	-			0	- C	0)	-	-	-			0	-	-	- 1
B Mining and quarrying	4	3			0	1 1	0)	1	2,360	2,022		ı	4	-	-	- 1
B.05 - Mining of coal and lignite	-	-			-		-	-	-	-	-			-	-	-	
B.06 - Extraction of crude petroleum and natural gas	3	3			-	- C	-		-	2,360	2,022		ı	3	-	-	- 1
B.07 - Mining of metal ores	-	-			-		-	-	-	-	-			-	-	-	
B.08 - Other mining and quarrying	-	-			-		-		-	-	-			-	-	-	
B.09 - Mining support service activities	1	0			0	1 1	0)	1	-	-			1	-	-	- 1
C Manufacturing	990	5		- 1	55 3	30 26	7	,	17 1,5	550,841	895,627		1 87	78 1	111	-	- 2
C.10 - Manufacture of food products	194	-			27 :	24 14)	14 3	355,930	276,512		1 1	81	13	-	- 2
C.11 - Manufacture of beverages	191	-			-	- 1	-		-	140,471	116,000		1 1	91	-	-	- 2
C.12 - Manufacture of tobacco products	-	-			-		-	-	-	-	-			-	-	-	
C.13 - Manufacture of textiles	19	-			5	- C	0)	-	35,265	22,699		1	19	-	-	- 1
C.14 - Manufacture of wearing apparel	3	-			0	- C	0)	-	3,618	2,283		ı	3	-	-	- 1
C.15 - Manufacture of leather and related products	-	-			-		_		-	-	-			-	-	-	
C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaining materials	40	5			4	- C	0)	-	42,692	21,293		. ;	37	3	-	- 4
C.17 - Manufacture of pulp, paper and paperboard	10	-			1	- C	0)	-	11,508	8,861		ı	7	2	-	- 4
C.18 - Printing and service activities related to printing	7	-			0	- C	0)	-	5,486	3,648		ı	7	-	-	- 4
C.19 - Manufacture of coke oven products	0	0			-	0 0	-		0	9,783	6,206	()	0	-	-	- 1
C.20 - Production of chemicals	105	-			2	- C	0)	- 4	163,696	62,299		1 4	46 5	59	-	- 5
C.21 - Manufacture of pharmaceutical preparations	78	-			0	0 0	0)	-	7,314	3,376		1 7	78	-	-	- 3
C.22 - Manufacture of rubber products	22	-			7	4 3	0)	2	29,561	26,758			20	3	-	- 2
C.23 - Manufacture of other non-metallic mineral products	7	-			0	- C	. 0)	-	10,360	3,784	,	ı	7	-		- 1
C.24 - Manufacture of basic metals	22	-			0	- C	0)		52,038	20,997		1	17	6	-	- 4
C.25 - Manufacture of fabricated metal products, except machinery and equipment	84	-			27	1 3	. 2	2	1 1	122,928	109,731			76	8	-	- 2
C.26 - Manufacture of computer, electronic and optical products	6	-			0	- C	0)	-	9,051	7,626		ı	6	-	-	- 1
C.27 - Manufacture of electrical equipment	79	-			50	- 1	1	1		130,739	102,605		1 7	79	-	-	- 1
C.28 - Manufacture of machinery and equipment n.e.c.	23	-			12	- 3	3	3		23,881	20,774		1	7	17	-	- 5
C.29 - Manufacture of motor vehicles, trailers and semi-trailers	50	-	-		5	- C	0)		55,824	51,970		1 5	50	-	-	- 1
C.30 - Manufacture of other transport equipment	20	-				- C				15,907	10,184				1	-	- 1
C.31 - Manufacture of furniture	20	-				- C				11,156	6,825			20	-	-	- 1
C.32 - Other manufacturing	3	-				- C	•		-	1,724	1,069				-	-	- 1
C.33 - Repair and installation of machinery and equipment	7	_				0 0				11,910	10,127			6	1		- 2
and reper and recommended and appendix								,	-	.,,5.0	10,121		•		•		

D Electricity, gas, steam and air conditioning supply	207	104	-	0	-	0	0	-	1,382,034	183,427	1	207	-	-	-	1
D35.1 - Electric power generation, transmission and distribution	109	5	-	0	-	0	0	-	574,652	183,357	1	109	-	-	-	1
D35.11 - Production of electricity	0	0	-	0	-	0	0	-	-	-	-	0	-	-	-	1
D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D35.3 - Steam and air conditioning supply	98	98	-	-	-	0	-	-	807,382	70	1	98	-	-	-	1
E Water supply; sewerage, waste management and remediation activities	3	-	-	0	0	0	0	0	1,096	711	1	2	1	-	-	3
F Construction	30	-	-	0	17	11	0	11	26,408	22,083	0	30	-	-	-	1
F.41 - Construction of buildings	0	-	-	0	0	0	0	0	21	17	0	0	-	-	-	1
F.42 - Civil engineering	21	-	-	0	11	8	0	8	25,045	20,942	0	21	-	-	-	1
F.43 - Specialised construction activities	8	-	-	0	5	3	0	3	1,343	1,123	0	8	-	-	-	1
G Wholesale and retail trade; repair of motor vehicles and motorcycles	801	0	-	144	14	9	2	5	779,339	544,408	1	772	29	-	-	2
H Transportation and storage	44	-	-	6	3	3	0	3	5,474	2,781	1	44	-	-	-	4
H.49 - Land transport and transport via pipelines	3	-	-	0	3	3	0	3	-	-	0	3	-	-	-	1
H.50 - Water transport	0	-	-	0	-	0	0	-	-	-	-	0	-	-	-	1
H.51 - Air transport	0	-	-	0	-	0	0	-	-	-	-	0	-	-	-	1
H.52 - Warehousing and support activities for transportation	41	-	-	6	-	0	0	-	4,490	2,414	1	41	-	-	-	4
H.53 - Postal and courier activities	0	-	-	-	-	0	-	-	984	367	1	0	-	-	-	1
I Accommodation and food service activities	8	-	-	-	-	0	-	-	-	-	1	8	-	-	-	1
L Real estate activities	52	-	-	0	-	0	0	-	481	304	0	52	-	-	-	1
Exposures towards sectors that highly contribute to climate change*	1,991 -		- 50		- 3		0	_	238,121	137,735	_	1,791	200			2
Exposures towards sectors triat ringing contribute to climate change	1,551 -		- 50		- 3		Ü	-	230,121	131,133	=	1,791	200	-	-	3
K Financial and insurance activities	1,322	-	-	0	-	1	0	-	24,215	17,207	0	1,322	-	-	-	2
Exposures to other sectors (NACE codes J, M - U)	669	-	-	50	-	1	0	-				469	200	-	-	4
TOTAL	4,129	112	-	356	64	52	9	36	3,986,154	1,789,098	1	3,758	342	-	-	2

*In accordance with the delegated regulation of the Commission (EU) 2020/1818 supplementing regulation (EU) 2016/1011 regarding the minimum standards for EU climate transition benchmark indices and EU benchmark indices aligned with the Paris Agreement - the regulation on the standards for climate benchmark indices - recital 6: the sectors listed in sections A-H and L of Annex I to Regulation (EC) No 1893/2006.

** The Bank does not present environmentally sustainable exposures (CCM) due to the lack of publication requirements by December 31, 2026 and the Taxonomy publication on an annual basis.

The Bank presents information on its banking book exposures (including loans and advances, debt securities, and equity instruments) to non-financial corporations by economic activity sector in the European Union (NACE) that significantly contributes to climate change, as well as a subtotal of exposures to other sectors. The data presented specifically covers the sectors listed in Sections A-H and L of Annex I to Regulation (EC) No 1893/2006, which includes the oil, gas, mining, and transport sectors as sectors that significantly contribute to climate change, in accordance with point 6 of Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks.

The data on financed emissions presented in Template 1 (columns i-k) show the results of the Bank's carbon footprint calculation for Scope 3, Group 15 (investments) for the corporate customer financing portfolio, corresponding to individual sectors. In the process of

estimating emissions, the Bank uses the PCAF methodology, which, in the absence of information on emissions directly from the contractor, provides the possibility of estimating emissions based on its physical or economic activity.

Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral

-	a	b	С	d	е	f	g	h	i	j	k	1	m	n	ı	0	p
		Total gross carrying amount amount (in MEUR)															
		lem:lem:lem:lem:lem:lem:lem:lem:lem:lem:									Without EPC label of collateral						
Counterparty sector	0; <= 100				> 400; <= 500	> 500	Α	A B C		D	E F C		G	G efficienc		f which level of energy ency (EP score in kWh/m ² f collateral) estimated	
1 Total EU area	1,459	274	527	367	232	38	20	-	-	-	-	-	-	-	-	1,459	77%
2 Of which Loans collateralised by commercial immovable property	893	29	315	276	224	38	11 :	-	-	-	-		-	-	-	893	76%
3 Of which Loans collateralised by residential immovable property	566	245	212	91	8	1	9	-	-	,	-		-	-	-	566	80%
4 Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-		-	-	-	-		-	-	-	-	-
5 Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	1,129	172	320	352	230	38	17									1,129	100%
6 Total non-EU area	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
7 Of which Loans collateralised by commercial immovable property	-	-	-	-	-	-		-	-	-	-		-	-	-	-	-
8 Of which Loans collateralised by residential immovable property	-	-	-	-	-	-		-	-	-	-		-	-	-	-	-
9 Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-		-	-	-	-		-	-	-	-	-
$10. Of which Level of energy efficiency (EP score in kWh/m^2 of collateral) estimated \\$	-	-	-	-	-	-		-								-	-

Template 2 presents the gross carrying amount of the commercial and residential real estate distribution and the foreclosed security on the real estate, including information on energy capacity, measured by taking into account the ownership of non-renewable primary

energy in [kWh/(m²·year)] based on the security performance certificate referred to in Article 2(12) of Directive 2010/31/EU. The Bank presented a disclosure based on data from energy performance certificates and expert determination of the basic non-renewable primary energy demand based on the year of construction of the property and its type (according to the building's intended use), as well as the basic values of the annual primary energy demand counter for individual types of uses, which are based on the year of construction and intended use, Ministry of Development and Technology. For some of exposures, actual values of the energy efficiency level of security measures collected from customers or obtained from the central register of energy performance of buildings were disclosed.

Template 3: Banking book - Indicators of potential climate change transition risk: Alignment metrics

a	b	С	d	е	f	g
Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (Mn EUR)	Alignment metric**	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)
1 Power	27.1, 27.2, 27.3, 27.5, 35.1, 35.3, 43.2	2 283	762,03 gCO2/kWh	2023	292%	
2 Fossil fuel combustion	06.1, 06.2, 09.1, 19.2, 46.7	7 19	-	-	-	
3 Automotive	28.1, 29.1, 29.2, 29.3	3 56	0,1811 kgCO2/pkm oraz 0,0597 kgCO2/tkm	2022	150% / 43%	
4 Aviation	30,3	3 0	-	-	-	
5 Maritime transport	30.1, 52.2	2 43	-	-	-	
6 Cement, clinker and lime production	23.5, 23.6	5 4	-	-	-	
7 Iron and steel, coke, and metal ore production	4.4, 24.5, 25.1, 25.6, 25.7, 25.9, 46.7	7 224	0,44 tCO2/t	2023	-60%	
8 Chemicals	20.1, 20.2, 20.3, 20.4, 20.5	5 105	1,86 tCO2/t	2023	32%	
9 potential additions relevant to the business						

^{*} The table uses the average NBP exchange rates as of June 30, 2025.

emplate 3 presents the portfolio alignment indicators of the Bank Handlowy w Warszawie S.A. Capital Group to the decarbonization goals set by the International Energy Agency (IEA) in the Net Zero 2050 (NZE2050) scenario.

For this disclosure, the Bank has assumed that the alignment indicators are determined only for those IEA sectors where exposure exceeds 1% of the total balance sheet exposure to non-financial corporations. Therefore, the Bank has determined the alignment indicators for the following IEA sectors:

- Energy (including NACE codes 27.1, 27.2, 27.3, 27.5, 35.1, 35.3, 43.2);
- Automotive (including NACE codes 28.1, 29.1, 29.2, 29.3);
- Iron and steel, coke and metal ore production (including NACE codes 24.2, 24.3, 24.4, 24.5, 25.1, 25.6, 25.7, 25.9, 46.7): Chemicals (including NACE codes 20.1, 20.2, 20.3, 20.4, 20.5).

The remaining IEA sectors indicated in the formula (i.e., Fossil fuel combustion, Aviation, Maritime transport, and Cement, slag and lime production) were considered insignificant due to their low share in the Bank's exposure.

When calculating the shortfall to achieving the target in the NZE2050 scenario, the Bank used the IEA's "World Energy Outlook 2024" document. The adjustment indicators were determined based on data from clients' non-financial reports and national statistical data from official sources such as the National Center for Emission Balancing and Management (KOBiZE), the Central Statistical Office (GUS), and Eurostat. The reference years for the adjustment indicators were 2022 and 2023, depending on data availability.

For the Energy sector, the portfolio adjustment indicator, expressed as emission intensity in grams of CO2 per kilowatt-hour (kWh), was determined using a weighted average of the gross balance sheet value. The data sources were intensity indicators reported directly by clients in their non-financial reports and, in the case of data unavailability, the sectoral average at the Polish level derived from the KOBiZE study "CO2, SO2, NOx, CO, and total dust emission indicators for electricity based on information contained in the National Database on Greenhouse Gas and Other Substance Emissions for 2023."

For the Automotive sector, the portfolio adjustment indicator, expressed as CO2 emissions intensity in kilograms per passenger-kilometer (pkm) for passenger cars and kilograms per tonne-kilometer (tkm) for trucks, was determined using statistical data from the KOBiZE database. European Commission studies, and data from the Central Statistical Office.

For the Iron and Steel, Coke and Metal Ore Production, and Chemicals sectors, the portfolio adjustment indicators, expressed as CO2 emissions intensity in tons per tonne of production, were determined using statistical data from the Eurostat database and Central Statistical Office studies.

The table indicates all NACE codes indicated in the formula that apply to the Bank's portfolio.

^{**} The missing value at a given moment to achieve the data points set for 2030 in the NZE2050 scenario, in % (for each indicator)

^{***} As of June 30, 2025, the Bank does not have its own transition plan and has therefore not set decarbonization targets.

Template 4: Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms

a	b	С	d	е
Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
-	_	n/d	-	_

Template 4 concerns engagement with the world's 20 largest carbon emissions companies and entities within their capital groups. For this purpose, the Bank used the Carbon Majors Database 2023 report, updated in March 2025. The Bank analysed its exposures to the entities included in the above-mentioned list, as well as to their subsidiaries, identified on the basis of consolidated financial statements. As a result of the analysis, as at 30 June 2025, no exposure to the indicated companies was identified, and therefore the Bank does not present Template 4.

Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk

a	b	С	d	e	f	g	h	i i	j	k	1	m	n	0
								Gross carrying amount (I	Min EUR)					
	_						of which exposures se	ensitive to impact from c	limate change physical ev	ents				
Variable: Geographical area subject to climate change physical risk - acute and chronic events	-	<= 5 years	Break > 5 year <= 10	down by maturity b	ucket > 20 years	Average weighte	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact - both from chronic and acute climate change events	_ Of which Stage _ 2 exposures	Of which non- performing exposures		of which Stage	Of which are
		- Jyears	years	years	20 years	maturity							exposures	exposures
1 A - Agriculture, forestry and fishing	-	-	-	-		-		-	-	-		-	-	
2 B - Mining and quarrying	-	-	-	-		-		-	-	-		-	-	
3 C - Manufacturing	-	-	-	-		-		-	-	-		-	-	
4 D - Electricity, gas, steam and air conditioning supply	-	-	-	-		-		-	-	-		-	-	
5 E - Water supply, sewerage, waste management and remediation activities	-	-	-	-		-		-	-	-		-	-	
6 F - Construction	-	-	-	-		-		-	-	-		-	-	
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	-	-	-	-		-		-	-	-		-	-	
8 H - Transportation and storage	-	-	-	-		-		-	-	-		-	-	
9 L - Real estate activities	-	-	-	-		-		-	-	-		-	-	
10 Loans collateralised by residential immovable property	566	11	34	16	50	5 2	21 -	143	-	42		2	2	
11 Loans collateralised by commercial immovable property	893	667	226	-		-	3 482	108	80	177		1 1	32	7 22
12 Repossessed colalterals	-	-	-	-		-		-	-	-		-	-	
13 Other relevant sectors (breakdown below where relevant)	-	-	-	-		-		-	-	-		-	-	<u> </u>

Template 6: Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures

		KPI						
	Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	% coverage (over total assets)*				
GAR stock	0%	0%	0%	56%				
GAR flow	9%	0%	9%	90%				

^{* %} of assets covered by the KPI over banks' total assets

Template 7 - Mitigating actions: Assets for the calculation of GAR

	a	b	С	d	е	f	g	ŀ		i	j	k	- 1	m	n	0	р			
									Disclo	sure refe	erence date T									
				Climate Change N	Mitigation (CCM)				Climate Cha	ınge Ada	ptation (CCA)				TOTAL (CCM	1 + CCA)				
		Ofwh	ich tow	ards taxonomy relev	ant sectors (Taxo	nomy-eligibl	e) Ofv	vhich tow	ards taxonomy	/ relevant	t sectors (Taxo	nomy-eligible		Ofwhi	ch towards taxonomy releva	nt sectors (Taxonomy-elig	gible)			
Million EUR	Total gross carrying amount		C	of which environmen	tally sustainable aligned)	(Taxonomy-		0	f which enviro		ly sustainable (gned)	Taxonomy-			Of which environmentally s	y sustainable (Taxonomy-aligned)				
				Of which specialised lending	Of which transitional	Of which enabling			speci	vhich ialised ding	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptatio n	Of whic enablin			
AR - Covered assets in both numerator and denominator																				
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2,253	3	73	11			-	2	0				- 10	39	13					
Financial corporations	33	1	62	2			-	-	-				- 12	28	4					
Credit institutions	33		62	2			-	-	-					4						
Loans and advances	95		6	0			-	-	-				-	6	0					
Debt securities, including UoP	236	6	56	1			-	-	-				- 5	i8	1					
Equity instruments		-	-	-	-		-	-	-				-	-	-	-				
Other financial corporations		-	-	-			-	-	-				-	-	-					
of which investment firms		-	-	-			-	-	-				-	-	-					
Loans and advances		-	-	-			-	-	-				-	-	-					
Debt securities, including UoP		-	-	-			-	-	-				-	-	-					
Equity instruments		-	-	-	-		-	-	-		-		-	-	-	-				
of which management companies		-	-	-			-	-	-				-	-	-					
Loans and advances		-	-	-			-	-	-				-	-	=					
Debt securities, including UoP		-	-	-			-	-	-				-	-	-					
Equity instruments	-	-	-	-	-		-	-	-		-		-	-	-	-				
of which insurance undertakings		-	-	-			-	-	-				-	-	-					
Loans and advances		-	-	-			-	-	-				-	-	=					
Debt securities, including UoP		-	-	-			-	-	-				-	-	=					
Equity instruments	-	-	-	-	-		-	-	-		-		-	-	-	-				
Non-financial corporations (subject to NFRD disclosure obligations)	419	9	11	9			-	-	-				-	-	-					
Loans and advances	419	9	11	9			-	-	-				-	-	-					
Debt securities, including UoP		-	-	-			-	-	-				-	-	-					
Equity instruments		-	-	-	-		-	-	-		-		-	-	_	-				
Households	1,502	2	-	-			-							-	-					
of which loans collateralised by residential immovable property		-	-	-			-							-	-					
of which building renovation loans		-	-	-			-							-	-					
of which motor vehicle loans		-	-	-			-							-	-					
Local governments financing		-	-	-			-	-	-				-	-	-					
Housing financing		-	-	-			-	-	-				-	-	-					
Other local governments financing		-	-	-			-	-	-				-	-	-					
Collateral obtained by taking possession: residential and commercial immovable propertie		-	-	-			-	-	-				-	-	-					

Assets excluded from the numerator for GAR calculation (covered in the				
33 EU Non-financial corporations (not subject to NFRD disclosure obligations)	3,649			
34 Loans and advances	3,649			
35 Debt securities	-			
36 Equity instruments	-			
37 Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	2,239			
38 Loans and advances	2,239			
39 Debt securities	-			
40 Equity instruments	-			
41 Derivatives	0			
42 On demand interbank loans	2			
43 Cash and cash-related assets	87			
44 Other assets (e.g. Goodwill, commodities etc.)	2,826			
45 TOTAL ASSETS IN THE DENOMINATOR (GAR)	11,055			
Other assets excluded from both the numerator and denominator for GAR				
46 Sovereigns	3,931			
47 Central banks exposure	2,903			
48 Trading book	1,775			
49 TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR	8,609			
50 TOTAL ASSETS	19,665			

To address the need for disclosures regarding key performance indicators, the Bank analyzed its exposures to financial institutions and non-financial corporations to identify clients subject to the requirements for non-financial data disclosure under the CSRD Directive and determined the gross carrying amount of exposures related to loans and advances and debt securities separately for each identified entity as of June 30, 2025. With respect to general purpose financing, the Group determined the gross carrying amount of exposures eligible and compliant with the Taxonomy for clients required to report under the CSRD Directive based on the key performance indicators related to turnover published by the Group's clients as part of the 2024 taxonomy disclosures.

Local Government Units

The Bank did not identify exposures to local government units that could be considered eligible or compliant with the Taxonomy. As a result, the Bank entered 0 for activities eligible for the taxonomy in the tables it completed.

Households

On May 27, 2025, the Bank signed an agreement with VeloBank S.A. ("VeloBank"), Promontoria Holding 418 B.V. (VeloBank's sole shareholder) ("Promontoria"), and Citibank Europe Plc regarding the spin-off of the Bank's retail business ("Retail Business") to VeloBank. In connection with the signed Agreement, the Bank believes that the retail business meets the classification criteria required by IFRS 5 for the reclassification of the assets and liabilities of the retail segment sold as held for sale and the separation of discontinued operations. As a result, the Bank decided not to separate residential real estate in its taxonomy disclosures and, therefore, will not test the compliance of the Mortgage Taxonomy.

Template 8 - GAR

	a b	,		d			f	ø	h			k		m		n	0	n				+			w	¥	v	7	22	ah	ac	-	ad	ae	af
		-		<u> </u>				Disclosu	re referenc	e date T: KPIs	on stock						-	,	4			,			Disc	closure refere	ence date T: K	Pls on flows	- 11	-	uc.			uc .	-
		Climate	Change Mit	tigation (CC	M)			Climate	Change Ada	ptation (CC)	v			TOTAL	(CCM + CCA	v				Climat	te Change M	itigation (CCM)		Climate	Change Adap	otation (CCA)				то	OTAL (CCM	+ CCA)		
	Proportion o	of eligible as	ssets fundir	ng taxonom	y relevant s	sectors	Proportion	of eligible a	ssets fundir	ig taxonomy	relevant secto	s P	roportion o	feligible ass	ets funding sectors	taxonom	ny relevant		Proportio	on of new e	eligible asset secto		nomy relevant	Proportio	n of new elig	gible assets fr sectors	unding taxon	omy relevant	Propor	rtion of ne	ew eligible asse sect		taxonomy re	levant	
		Of wh	nich environ	mentally su	stainable			Ofwl	ich environ	mentally sus	tainable			Of which en	nvironmenta	illy susta	inable	Proportion o		Ofv	which enviro	nmentally sus	tainable		Ofwh	nich environm	nentally susta	inable			Of which envir	onmentally	sustainable		Proportion of total new
% (compared to total covered assets in the denominator)		sp	Of which pecialised lending	Of which		which abling		sp	Of which secialised lending	Of which adaptation	Of which enabling			Of wi specia lend	lised trans		Of which enabling	covered			Of which specialised lending	Of which transitional	Of which enabling		sp	Of which pecialised lending	Of which adaptation	Of which enabling			Of whice specialist lending	tran			ssets covered
1 GAR	3%	0%	0	3%	0%	0%	0%	0%	09	. 0	K.	0%	6%	1%	0%	0%	0%	115	% 12%	9%	0%	09	0%	0%	0%	0%	0%		0% 100%	S.	12%	9%	0%	0%	19
2. Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**	0%			œ		nor .	OW.				0%	6%	107	OF.	ow	0%		K 12%		OF.			nor .	ow	ner.			0% 100%		140	9%	0%	0%	10
3 Financial corporations	24%	1%		7%	0%	0%	196	0%	09				50%	1%	0%	0%	0%		K 22%	24	0%	09	0%	0%	0%	0%	09		0% 100%		22%	2%	0%	0%	09
4 Credit institutions	24%	197		nor .	ow	094	197	OW					25%	10/	OW	OW	0%		% 22%	297	09		0%	OW.	OW	0%			0% 100%		22%	2%	OW	OH.	
5 Other financial corporations	0%	0%		7%	0%	0%	0%	0%	09			0%	0%	0%	0%	0%	0%		K 0%	0%	0%	09	0%	0%	0%	0%	09		0% 0%		0%	0%	0%	0%	09
6 of which investment firms	091	0%		nor .	ow	094	OH.	OW				0%	OW.	094	OW	OW	0%		v 00	OW	09		0%	OW.	OW	OW.			0% 0%		ner	094	OW	OH.	
7 of which management companies	0%	0%	0	7%	0%	0%	0%	0%	09	. 0		0%	0%	0%	0%	0%	0%		% 0%	0%	0%	09	0%	0%	0%	0%	09		0% 0%	4	0%	0%	0%	0%	09
8 of which insurance undertakings	0%	0%	0	196	0%	0%	0%	0%	09			0%	0%	0%	0%	0%	0%	0	K 0%	0%	0%	09	0%	0%	0%	0%	09		0% 0%	4	0%	0%	0%	0%	09
9 Non-financial corporations subject to NFRD disclosure obligations	9%	2%		196	0%	0%	0%	0%				0%	9%	2%	0%	0%	0%	0	K 12%	11%	0%	09	0%	0%	0%	0%	09		0% 100%	4	12%	11%	0%	0%	09
10 Households	0%	0%	0	196	0%	0%							0%	0%	0%	0%	0%		K 0%	0%	0%	09	0%						100%		0%	0%	0%	0%	09
11 of which loans collateralised by residential immovable property	091	0%		W.	ow	011							0%	094	OW	OW	0%		v 00	OW.	09	09							0%		ner	0%	OW	OH.	
12 of which building renovation loans	0%	0%		7%	0%	0%							0%	0%	0%	0%	0%		% 0%	0%	0%	09							0%		0%	0%	0%	0%	09
13 of which motor vehicle loans	0%	0%	0	196	0%	0%							0%	0%	0%	0%	0%		K 0%	0%	0%	09							0%		0%	0%	0%	0%	03
14 Local government financing	0%	0%		196	0%	0%							0%	0%	0%	0%	0%		% O%	0%	0%	09							0%		0%	0%	0%	0%	09
15 Housing financing	0%	0%		196	0%	0%							0%	0%	0%	0%	0%	0	K 0%	0%	0%	09	0%						0%	4	0%	0%	0%	0%	09
16 Other local governments financing	0%	0%	0	2%	0%	0%	0%	0%	09		K.	0%	0%	0%	0%	0%	0%	0	% 0%	0%	0%	09	0%	0%	0%	0%	0%		0% 0%		0%	0%	0%	0%	09
17 Collateral obtained by taking possession: residential and commercial immovable properties																						-								_					

Template 10: Other climate change mitigating actions that are not covered in Regulation (EU) 2020/852 (in EUR million)

u	D D	· ·	đ	•	
Type of financial instrument	Type of counterparty	Gross carrying amount (million EUR)	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions
1	Financial corporations	-	-	-	-
Bonds (e.g. green, sustainable, sustainability-linked under standards	Non-financial corporations	-	-	-	-
other than the EU standards)	Of which Loans collateralised by commercial immovable property	-	-		-
4	Other counterparties	-	-	-	-
5	Financial corporations	-	-	-	-
	Non-financial corporations	40	technological, market, and reputational risks	The amounts indicated in column C relate to financing that meets the internal classification criteria: 1) the client generates at least 90% of its revenues from environmentally aligned activities, 2) the purpose of financing, 3) loans based on ESG KPIs.	-
Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Of which Loans collateralised by commercial immovable property	-	-	-	-
8	Households	-	-	-	-
9	Of which Loans collateralised by residential immovable property	-	<u>-</u>		-
10	Of which building renovation loans	-	·	· _	-
11	Other counterparties	-	=	-	-

X Declaration of the Management Board of Bank

The Management Board of Bank Handlowy w Warszawie S.A hereby:

- declares that, to the best of its knowledge, the information disclosed in the document "Information on capital adequacy of the Capital Group of Bank Handlowy w Warszawie S.A. as at June 30, 2025 in accordance with part eight of Regulation No. 575/2013, are adequate to the actual state; the adequacy of risk management arrangements at the Bank ensures that the applied risk management systems are appropriate from the point of view of the risk profile and strategy of the Bank and the entire Group.
- approves this document "Information on capital adequacy of the Capital Group of Bank Handlowy w Warszawie S.A. as at June 30, 2025, which includes information on risk, discusses the overall risk profile of the Bank and the Group related to the business strategy, and includes key indicators and figures that provide external stakeholders with a comprehensive view of the Group's risk management, including the interaction between the Bank's risk profile and the risk appetite, defined by the Management Board and approved by the Supervisory Board.

Members of Management Board

27 August 2025	Elżbieta Światopełk- Czetwertyńska	The President of Management Board
Date	 Name	Position/Function
27 August 2025	Maciej Kropidłowski	Vice-president of Management Board
Date	Name	Position/Function
27 August 2025 Date	Barbara Sobala Name	Vice-president of Management Board Position/Function
27 August 2025	Andrzej Wilk	Vice-president of Management Board
Date	Name	Position/Function
27 August 2025 Date	Patrycjusz Wójcik Name	Vice-president of Management Board Position/Function
Date	ivairie	FOSITION/FUNCTION
27 August 2025	Tomasz Dziurzyński	Member of Management Board
Date	Name	Position/Function
27 August 2025	Ivan Vrhel	Member of Management Board
Date	Name	Position/Function