

Warsaw, December 14, 2023

Current report No. 26/2023

Subject: Imposition by the Polish Financial Supervision Authority of a capital add-on recommended under Pillar 2 (P2G)

Legal basis: Article 17 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (MAR).

The Management Board of Bank Handlowy w Warszawie S.A. ("Bank") hereby informs that it received a letter from the Polish Financial Supervision Authority ("PFSA") dated 13 December 2023 regarding the imposition of a capital add-on recommended under Pillar 2 (P2G). As a result of the Bank's supervisory assessment process, its sensitivity to possible materialization of stress scenarios affecting the level of own funds and risk exposure was assessed as low.

At the same time, PFSA recommends mitigating the risk of the Bank's operations by maintaining at both stand alone and consolidated level, own funds to cover a capital add-on in order to absorb potential losses that may arise from stress conditions; the add-on should be maintained at 0.28 p.p. above the value of each own funds requirements referred to in Article 92 (1)(a-c) of 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, increased by the additional own funds requirement referred to in Article 138 (2)(2) of the Banking Law Act and the combined buffer requirement referred to in Article 55 (4) of the Macroprudential Supervision Act. The additional add-on should be made up of the core capital Tier 1 only.