

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.

INFORMATION ON CAPITAL ADEQUACY OF THE CAPITAL GROUP OF BANK HANDLOWY W WARSZAWIE S.A. AS AT 30 JUNE 2021

AUGUST 2021

INTRODUCTION.....	3
I. INFORMATION REGARDING OWN FUNDS.....	4
II. CAPITAL ADEQUACY.....	8
III. CAPITAL BUFFERS.....	11
IV. INFORMATION REGARDING RISK.....	13
1. CREDIT RISK.....	13
2. COUNTERPARTY CREDIT RISK.....	32
3. MARKET RISK.....	38
V. INFORMATION RELATED TO THE LIQUIDITY.....	39
VI. LEVERAGE RATIO.....	43
VII. DECLARATION OF THE MANAGEMENT BOARD OF BANK.....	47

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:

- 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 (Regulation (EU) No 575/2013),
- Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020 amending Regulations (EU) No 575/2013 and (EU) 2019/876
- as regards certain adjustments in response to the COVID-19 pandemic,
- as well as of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions 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”)
- and on the basis of other EU Commission regulations imposing regulatory and implementing technical standards in the area of information disclosure.

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 2021
- and in the Report on Activities of the Capital Group of Bank Handlowy w Warszawie S.A. for the first half of 2021.

The amounts are presented in PLN, rounded to the nearest thousand.

¹ “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.

I. Information regarding own funds

Information on the individual components of the Group's own funds is presented in detail in Table 1 below, while the reconciliation of the Group's own funds with the Group's equity is provided in Table 2.

Data are presented as at the end of June 30, 2021 in accordance with the requirements specified in Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European parliament and of the Council and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295.

Table 1. EU CC1 - Composition of regulatory own funds

	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	e
of which: Instrument type 1	260 000	d
of which: Instrument type 2	112 000	d
of which: Instrument type 3	150 638	d
2 Retained earnings	641 511	h
3 Accumulated other comprehensive income (and other reserves)	2 782 330	f, g
EU-3a Funds for general banking risk	540 200	g
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	6 972 212	
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7 Additional value adjustments (negative amount)	(24 398)	
8 Intangible assets (net of related tax liability) (negative amount)	(1 084 802)	b
27a Other regulatory adjustments	(1 575)	g
28 Total regulatory adjustments to Common Equity Tier 1 (CET1)	(1 110 775)	
29 Common Equity Tier 1 (CET1) capital	5 861 438	
Additional Tier 1 (AT1) capital: instruments		
36 Additional Tier 1 (AT1) capital before regulatory adjustments	-	
Additional 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)	5 861 438	
Tier 2 (T2) capital: instruments		
51 Tier 2 (T2) capital before regulatory adjustments	-	
Tier 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)	5 861 438	
60 Total Risk exposure amount	28 229 906	

Capital ratios and requirements including buffers

61	Common Equity Tier 1 capital	20,76%
62	Tier 1 capital	20,76%
63	Total capital	20,76%
64	Institution CET1 overall capital requirements	2,77%
65	of which: capital conservation buffer requirement	2,50%
66	of which: countercyclical capital buffer requirement	0,02%
67	of which: systemic risk buffer requirement	0,00%
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	9,99%

National minima (if different from Basel III)

69	Not applicable	-
70	Not applicable	-
71	Not applicable	-

Amounts below the thresholds for deduction (before risk weighting)

72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	71 115	a
73	Direct and indirect holdings by the institution of the CET1 instruments of financial 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	-	
75	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)	219 138	

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	-

Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)

80	Current cap on CET1 instruments subject to phase out arrangements	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

The scope of Group's consolidation, defined in accordance with the prudential regulations (CRR) 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 2021, in chapter IV. "The organizational structure of the Capital Group of Bank Handlowy w Warszawie S.A."

Table 2. EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

		Balance sheet as in published financial statements	Reference
		As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements			
1	Cash and balances with the Central Bank	14.961.644	
2	Amounts due from banks	901.679	
3	Financial assets held-for-trading	5.173.773	
4	Hedging derivatives	7.055	
5	Debt financial assets measured at fair value through other comprehensive income	13.647.310	
6	Equity and other instruments measured at fair value through income statement	82.427	a
7	Amounts due from customers	20.597.024	
8	Tangible fixed assets	461.516	
9	Intangible assets	1.229.389	b
10	Current income tax receivables	43.521	c
11	Deferred tax asset	219.137	
12	Other assets	330.852	
13	Non-current assets held for sale	6.163	
14	Total assets	57.661.490	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements			
1	Amounts due to banks	1.639.176	
2	Financial liabilities held-for-trading	3.116.777	
4	Amounts due to customers	43.278.955	
5	Provisions	75.590	
6	Current income tax liabilities	5.463	
7	Other liabilities	1.950.138	
8	Total liabilities	50.066.099	
Shareholders' Equity			
1	Ordinary shares	522.638	d
2	Share premium	3.002.266	e
3	Revaluation reserve	(3 057)	f
4	Other reserves	2.808.854	g
5	Retained earnings	1.264.690	h
6	Total equity	7.595.391	

II. 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 after the retrospective profit incorporation

Data for March 31, 2021 and December 31, 2020 have been recalculated taking into account the retrospective recognition of part of the profit for 2020 (confirmation of the result by the General Meeting of Shareholders), in accordance with the EBA position expressed in Q&A 2018_4085.

Table 3. EU OV1 – Overview of total risk exposure amounts

	Total risk exposure amounts (TREA)		Total own funds requirements
	30.06.2021	31.03.2021*	30.06.2021
1 Credit risk (excluding CCR)	20 253 147	21 826 050	1 620 252
2 Of which the standardised approach	20 253 147	21 826 050	1 620 252
3 Of which the Foundation IRB (F-IRB) approach	-	-	-
4 Of which slotting approach	-	-	-
EU 4a Of which equities under the simple riskweighted approach	-	-	-
5 Of which the Advanced IRB (A-IRB) approach	-	-	-
6 Counterparty credit risk - CCR	2 863 069	902 033	229 046
7 Of which the standardised approach	2 576 450	792 721	206 116
8 Of which internal model method (IMM)	-	-	-
EU 8a Of which exposures to a CCP	77 059	2 974	6 165
EU 8b Of which credit valuation adjustment - CVA	205 174	106 338	16 414
9 Of which other CCR	4 386	-	351
10 Not applicable	-	-	-
11 Not applicable	-	-	-
12 Not applicable	-	-	-
13 Not applicable	-	-	-
14 Not applicable	-	-	-
15 Settlement risk	-	-	-
16 Securitisation exposures in the non-trading book (after the cap)	234 417	234 422	18 753
17 Of which SEC-IRBA approach	-	-	-
18 Of which SEC-ERBA (including IAA)	-	-	-
19 Of which SEC-SA approach	-	-	-
EU 19a Of which 1250% / deduction	-	-	-
20 Position, foreign exchange and commodities risks (Market risk)	1 350 265	937 482	108 021
21 Of which the standardised approach	1 350 265	937 482	108 021
22 Of which IMA	-	-	-
EU 22a Large exposures	-	-	-
23 Operational risk	3 529 008	3 529 008	282 321
EU 23a Of which basic indicator approach	-	-	-
EU 23b Of which standardised approach	3 529 008	3 529 008	282 321
EU 23c Of which advanced measurement approach	-	-	-
24 Amounts below the thresholds for deduction (subject to 250% risk weight)	545 033	592 829	43 603
25 Not applicable	-	-	-
26 Not applicable	-	-	-
27 Not applicable	-	-	-
28 Not applicable	-	-	-
29 Total	28 229 906	27 428 995	2 258 392

* Amounts as March 31, 2021 were determined without taking into account the changes resulting from Regulation 2019/876 of May 20, 2019

Table 4. EU KM1 - Key metrics template

	30.06.2021	31.03.2021	31.12.2020	30.09.2020	30.06.2020
Available own funds (amounts)					
1 Common Equity Tier 1 (CET1) capital	5 861 438	5 875 615	6 206 230	5 728 049	5 690 633
2 Tier 1 capital	5 861 438	5 875 615	6 206 230	5 728 049	5 690 633
3 Total capital	5 861 438	5 875 615	6 206 230	5 728 049	5 690 633
Risk-weighted exposure amounts					
4 Total risk exposure amount	28 229 906	27 428 996	27 484 828	28 131 793	28 539 099
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common Equity Tier 1 ratio (%)	20,76	21,42	22,58	20,36	19,94
6 Tier 1 ratio (%)	20,76	21,42	22,58	20,36	19,94
7 Total capital ratio (%)	20,76	21,42	22,58	20,36	19,94
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0,00	0,00	0,00	0,00	0,00
EU 7b of which: to be made up of CET1 capital (percentage points)	0,00	0,00	0,00	0,00	0,00
EU 7c of which: to be made up of Tier 1 capital (percentage points)	0,00	0,00	0,00	0,00	0,00
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
EU 8a Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0,00	0,00	0,00	0,00	0,00
9 Institution specific countercyclical capital buffer (%)	0,02	0,02	0,01	0,01	0,01
EU 9a Systemic risk buffer (%)	0,00	0,00	0,00	0,00	0,00
10 Globally Systemically Important Institution buffer (%)	0,00	0,00	0,00	0,00	0,00
EU 10a Other Systemically Important Institution buffer (%)	0,25	0,25	0,25	0,25	0,25
11 Combined buffer requirement (%)	2,77	2,77	2,76	2,76	2,76
EU 11a Overall capital requirements (%)	10,77	10,77	10,76	10,76	10,76
12 CET1 available after meeting the total SREP own funds requirements (%)	9,99	10,65	11,82	9,60	9,18
Leverage ratio					
13 Total exposure measure	64 262 965	62 488 848	64 876 149	63 690 772	64 038 819
14 Leverage ratio (%)	9,12	9,40	9,56	8,99	8,89
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a Additional own funds requirements to address the risk of excessive leverage (%)	0,00				
EU 14b of which: to be made up of CET1 capital (percentage points)	0,00				
EU 14c Total SREP leverage ratio requirements (%)	3,00				
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d Leverage ratio buffer requirement (%)	0,00				
EU 14e Overall leverage ratio requirement (%)	3,00				
Liquidity Coverage Ratio					
15 Total high-quality liquid assets (HQLA) (Weighted value -average)	30 588 569	29 968 175	31 586 226	29 435 946	29 965 048
EU 16a Cash outflows - Total weighted value	60 075 362	39 778 601	53 496 691	31 090 315	40 189 953
EU 16b Cash inflows - Total weighted value	46 614 951	26 022 576	36 137 820	14 612 649	23 352 660
16 Total net cash outflows (adjusted value)	15 018 841	13 756 025	17 358 871	16 477 666	16 837 294
17 Liquidity coverage ratio (%)	203,67	217,85	181,96	178,64	177,97
Net Stable Funding Ratio					
18 Total available stable funding	36 443 949	38 250 538	36 968 061	36 315 672	36 839 193
19 Total required stable funding	18 753 701	21 896 580	22 472 610	23 849 598	23 781 044
20 NSFR ratio (%)	194,33	174,69	164,50	152,27	154,91

III. Capital Buffers

On January 1, 2016, the Act on macroprudential supervision entered into force. Pursuant to this act, as at June 30, 2021, the Group had 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 0.02%, - weighted average countercyclical treasure statue for recipients,
- 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 computed group is a group-specific countercyclical analysis

Table EU CCyB1 presents geographic color transfers of relevant credit exposures

Table 5. EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements			Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)	
	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			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the portfolio				Total
Breakdown by country:													
010 Poland	23 412 104	-	7 189	-	1 199 346	24 618 639	1 627 975	575	14 392	1 642 942	20 536 781	94,70	0,0000
011 Luxembourg	381 598	-	339	-	-	381 937	30 528	27	-	30 555	381 937	1,76	0,5000
012 United Kingdom	201 427	-	-	-	-	201 427	16 113	-	-	16 113	201 414	0,93	0,0000
013 Norway	126 015	-	-	-	-	126 015	10 081	-	-	10 081	126 015	0,58	1,0000
014 India	74 231	-	-	-	-	74 231	5 938	-	-	5 938	74 231	0,34	0,0000
015 United States of America	64 964	-	-	-	-	64 964	7 630	-	-	7 630	95 377	0,44	0,0000
016 Hungary	37 077	-	-	-	-	37 077	2 966	-	-	2 966	37 077	0,17	0,0000
017 Czech Republic	31 426	-	-	-	-	31 426	2 123	-	-	2 123	26 537	0,12	0,5000
018 Ireland	29 623	-	-	-	545 151	574 774	2 370	-	4 361	6 731	84 138	0,39	0,0000
019 Switzerland	29 256	-	-	-	-	29 256	2 341	-	-	2 341	29 256	0,13	0,0000
020 Netherlands	28 875	-	-	-	-	28 875	2 310	-	-	2 310	28 875	0,13	0,0000
021 Republic of Korea	22 788	-	-	-	-	22 788	1 823	-	-	1 823	22 788	0,11	0,0000
022 Belgium	19 989	-	-	-	-	19 989	1 599	-	-	1 599	19 989	0,09	0,0000
023 Germany	11 956	-	-	-	-	11 956	856	-	-	856	10 706	0,05	0,0000
024 France	7 817	-	-	-	-	7 817	526	-	-	526	6 575	0,03	0,0000
025 Sweden	7 301	-	-	-	-	7 301	584	-	-	584	7 301	0,03	0,0000
026 Austria	20	-	-	-	-	20	2	-	-	2	20	0,00	0,0000
027 Italy	17	-	-	-	-	17	1	-	-	1	17	0,00	0,0000
028 Cyprus	4	-	-	-	-	4	0	-	-	0	4	0,00	0,0000
029 United Arab Emirates	3	-	-	-	-	3	0	-	-	0	3	0,00	0,0000
030 Latvia	2	-	-	-	-	2	0	-	-	0	2	0,00	0,0000
031 Taiwan, Province of China	1	-	-	-	-	1	0	-	-	0	1	0,00	0,0000
032 Lithuania	1	-	-	-	-	1	0	-	-	0	1	0,00	0,0000
033 Estonia	0	-	-	-	-	0	0	-	-	0	0	0,00	0,0000
034 Hong Kong	0	-	-	-	-	0	0	-	-	0	0	0,00	1,0000
035 Spain	0	-	191	-	-	191	0	15	-	15	191	0,00	0,0000
036 Singapore	0	-	-	-	-	0	0	-	-	0	0	0,00	0,0000
037 Slovakia	0	-	-	-	-	0	-	-	-	-	-	0,00	1,0000
020 Total	24 486 499	-	7 720	-	1 744 497	26 238 716	1 715 768	618	18 753	1 735 139	21 689 238	100,00	

Table 6. EU CCyB2 - Amount of institution-specific countercyclical capital buffer

1 Total risk exposure amount	28 229 906
2 Institution specific countercyclical capital buffer rate	0,0002
3 Institution specific countercyclical capital buffer requirement	4 291

IV. Information regarding risk

1. Credit Risk

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.

Table 7. EU CR1: Performing and non-performing exposures and related provisions

	Gross carrying amount/nominal amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								Collateral and financial guarantees received			
	Performing exposures		Non-performing exposures		Performing exposures – accumulated impairment and provisions				Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				Accumulated partial write-off	On performing exposures	On non-performing exposures	
	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3				
005 Cash balances at central banks and other demand deposits	14 882 022	14 882 022	-	-	-	-	-	-	(202)	(202)	-	-	-	-	-	-
010 Loans and advances	19 239 367	17 773 021	1 466 346	967 507	-	967 507	(169 938)	(58 363)	(111 575)	-	749 546	-	749 546	-	4 651 896	45 149
020 Central banks	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	5 854	5 853	1	-	-	-	(7)	(7)	(0)	-	-	-	-	-	-	-
040 Credit institutions	619 978	619 978	-	-	-	-	(1 215)	(1 215)	-	-	-	-	-	-	511 902	-
050 Other financial corporations	1 632 858	1 632 858	0	-	-	-	(1 238)	(1 238)	-	-	-	-	-	-	467	-
060 Non-financial corporations	9 795 541	9 052 580	742 961	519 221	-	519 221	(59 187)	(23 765)	(35 422)	-	375 725	-	375 725	-	1 785 034	39 302
070 Of which SMEs	3 688 580	3 465 960	222 620	313 287	-	313 287	(16 938)	(9 719)	(7 219)	-	224 452	-	224 452	-	1 050 397	28 193
080 Households	7 185 136	6 461 752	723 384	448 286	-	448 286	(108 291)	(32 138)	(76 153)	-	373 821	-	373 821	-	2 354 493	5 847
090 Debt securities	15 576 653	15 576 653	-	-	-	-	(948)	(948)	-	-	-	-	-	-	-	-
100 Central banks	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	10 346 636	10 346 636	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	811 722	811 722	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	4 234 306	4 234 306	-	-	-	-	(858)	(858)	-	-	-	-	-	-	-	-
140 Non-financial corporations	183 989	183 989	-	-	-	-	(90)	(90)	-	-	-	-	-	-	-	-
150 Off-balance-sheet exposures	16 422 076	14 984 330	1 437 746	8 815	-	8 815	(29 333)	(14 116)	(15 217)	-	3 474	-	3 474	-	1 050 332	-
160 Central banks	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170 General governments	483 485	483 435	49	-	-	-	(457)	(456)	(1)	-	-	-	-	-	80	-
180 Credit institutions	371 885	371 885	-	-	-	-	(188)	(188)	-	-	-	-	-	-	-	-
190 Other financial corporations	131 918	131 762	156	-	-	-	(82)	(82)	-	-	-	-	-	-	27 006	-
200 Non-financial corporations	9 457 150	9 199 963	257 187	4 339	-	4 339	(17 009)	(11 166)	(5 843)	-	540	-	540	-	1 016 194	-
210 Households	5 977 639	4 797 285	1 180 354	4 476	-	4 476	(11 597)	(2 223)	(9 373)	-	2 934	-	2 934	-	7 052	-
220 Total	66 120 119	63 216 026	2 904 092	976 323	-	976 323	(200 421)	(73 629)	(126 792)	-	753 020	-	753 020	-	5 702 228	45 149

Table 8. EU CR1-A: Maturity of exposures

	Net exposure value					Total
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	
1 Loans and advances	5 616 809	4 133 173	5 576 698	3 860 820	99 890	19 287 390
2 Debt securities	-	343 353	10 397 485	4 834 868	-	15 575 706
3 Total	5 616 809	4 476 526	15 974 183	8 695 688	99 890	34 863 096

Table 9. EU CR2: Changes in the stock of non-performing loans and advances

		Gross carrying amount
010	Initial stock of non-performing loans and advances	985 311
020	Inflows to non-performing portfolios	183 230
030	Outflows from non-performing portfolios	(201 034)
040	Outflows due to write-offs	(10 712)
050	Outflow due to other situations	(190 321)
060	Final stock of non-performing loans and advances	967 507

Table 10. EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries

	Gross carrying amount	Related net accumulated recoveries
010 Initial stock of non-performing loans and advances	985 311	
020 Inflows to non-performing portfolios	183 230	
030 Outflows from non-performing portfolios	(201 034)	
040 Outflow to performing portfolio	(2 560)	
050 Outflow due to loan repayment, partial or total	(27 579)	
060 Outflow due to collateral liquidations	(84)	-
070 Outflow due to taking possession of collateral	-	-
080 Outflow due to sale of instruments	(159 556)	-
090 Outflow due to risk transfers	-	-
100 Outflows due to write-offs	(10 712)	
110 Outflow due to other situations	(543)	
120 Outflow due to reclassification as held for sale	-	
130 Final stock of non-performing loans and advances	967 507	

Table 11. EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

	Unsecured carrying amount	Secured carrying amount			
		Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives	
1 Loans and advances	30 391 852	4 697 044	3 796 479	900 566	-
2 Debt securities	15 576 653	-	-	-	
3 Total	45 968 506	4 697 044	3 796 479	900 566	-
4 Of which non-performing exposures	922 359	45 149	45 149	0	-
EU-5 Of which defaulted	-	-			

Table 12. EU CR4 – standardised approach – Credit risk exposure and CRM effects

Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
	a	b	c	d	e	f
1 Central governments or central banks	25 164 681	641	25 976 404	1 152	703 290	2,71
2 Regional government or local authorities	3 867	479 939	3 867	125 951	25 963	20,00
3 Public sector entities	1 976	2 130	1 975	836	1 402	49,89
4 Multilateral development banks	2 488 952	-	2 488 952	-	-	0,00
5 International organisations	-	-	-	-	-	0,00
6 Institutions	2 128 191	400 422	1 111 545	153 105	169 159	13,38
7 Corporates	9 697 818	9 386 514	9 697 717	3 112 860	12 639 242	98,66
8 Retail	5 091 078	5 938 689	5 091 078	38 330	3 842 138	74,90
9 Secured by mortgages on immovable property	2 831 166	184 374	2 831 166	49 350	1 600 714	55,57
10 Exposures in default	219 711	5 374	219 711	1 552	257 275	116,28
11 Exposures associated with particularly high risk	81 094	-	81 094	-	121 641	150,00
12 Covered bonds	-	-	-	-	-	0,00
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0,00
14 Collective investment undertakings	-	-	-	-	-	0,00
15 Equity	1 334	-	1 334	-	1 334	100,00
16 Other items	1 263 608	-	1 263 608	-	890 989	70,51
17 TOTAL	48 973 474	16 398 084	48 768 449	3 483 136	20 253 147	38,76

Table 13. EU CR5 – standardised approach

Exposure classes	Risk weight															Total	Of which unrated
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
1 Central governments or central banks	25.032.982	-	-	-	777.211	-	-	-	-	3	-	219.138	-	-	-	26.029.334	219.138
2 Regional government or local authorities	-	-	-	-	131.134	-	-	-	-	-	-	-	-	-	-	131.134	11.188
3 Public sector entities	-	-	-	-	10	-	2.801	-	-	-	-	-	-	-	-	2.811	2.811
4 Multilateral development banks	2.488.952	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.488.952	-
5 International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	165.977	4.329.701	-	-	581.480	-	1.047.055	-	-	4.516	-	-	-	-	-	6.128.729	742.931
7 Corporates	-	-	-	-	-	-	2.499	-	-	14.906.752	-	-	-	-	-	14.909.252	12.375.310
8 Retail exposures	-	-	-	-	-	-	-	-	5.129.415	-	-	-	-	-	-	5.129.415	5.129.415
9 Exposures secured by mortgages on immovable property	-	-	-	-	-	1.897.727	-	-	-	933.490	49.299	-	-	-	-	2.880.516	2.880.516
10 Exposures in default	-	-	-	-	-	-	-	-	-	149.239	72.042	-	-	-	-	221.281	221.281
11 Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	81.094	-	-	-	-	81.094	20.269
12 Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Equity exposures	-	-	-	-	-	-	-	-	-	1.334	-	-	-	-	-	1.334	1.334
16 Other items	362.741	-	-	-	12.347	-	-	-	-	888.520	-	-	-	-	-	1.263.608	1.263.608
17 TOTAL	28.050.652	4.329.701	-	-	1.502.182	1.897.727	1.052.355	-	5.129.415	16.883.854	202.435	219.138	-	-	-	59.267.458	22.867.800

Table 14. EU-SEC1 - Securitisation exposures in the non-trading book

	Institution acts as originator				Institution acts as sponsor				Institution acts as investor							
	Traditional		Synthetic		Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total				
	STS	Non-STS	of which SRT	Sub-total	STS	Non-STS			STS	Non-STS						
	of which SRT	of which SRT			of which SRT	of which SRT	of which SRT	of which SRT								
1 Total exposures	-	-	-	-	-	-	-	-	-	-	-	-	545 151	1 199 346	-	1 744 497
2 Retail (total)	-	-	-	-	-	-	-	-	-	-	-	-	-	1 199 346	-	1 199 346
3 residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	1 199 346	-	1 199 346
5 other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Wholesale (total)	-	-	-	-	-	-	-	-	-	-	-	-	545 151	-	-	545 151
8 loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	545 151	-	-	545 151
11 other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 15. EU-SEC 4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

	Exposure values (by RW bands/deductions)				Exposure values (by regulatory approach)			RWEA (by regulatory approach)				Capital charge after cap						
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	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	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	
1 Total exposures	1 744 497	-	-	-	-	-	-	1 744 497	-	-	-	234 417	-	18 753	-	-	18 753	-
2 Traditional securitisation	1 744 497	-	-	-	-	-	-	1 744 497	-	-	-	234 417	-	18 753	-	-	18 753	-
3 Securitisation	1 744 497	-	-	-	-	-	-	1 744 497	-	-	-	234 417	-	18 753	-	-	18 753	-
4 Retail underlying	1 199 346	-	-	-	-	-	-	1 199 346	-	-	-	179 902	-	14 392	-	-	14 392	-
5 Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Wholesale	545 151	-	-	-	-	-	-	545 151	-	-	-	54 515	-	4 361	-	-	4 361	-
7 Of which STS	545 151	-	-	-	-	-	-	545 151	-	-	-	54 515	-	4 361	-	-	4 361	-
8 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Non-performing and forborne exposures

The Group presents below tables as part of disclosures on non-performing and forborne exposures as well as collateral obtained by taking possession and execution processes, in line with Guidelines on disclosure of non-performing and forborne exposures of December 17, 2018 (EBA/GL/2018/10) and Commission Implementing Regulation (EU) 2021/637.

As of 30th June of 2021, the Group presents gross NPL (gross non-performing loans and advances to the total gross amount of loans and advances) in amount of 4.79%.

According to Guidelines on disclosure of non-performing and forborne exposures gross non-performing loan ratio is calculated including the amount of contractual interest accrued since exposure became non-performing.

Group does not have collateral obtained by taking possession and execution processes.

Table 16. EU CQ1: Credit quality of forborne exposures

	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne		On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
		Of which defaulted	Of which impaired					
005 Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010 Loans and advances	109	205 069	205 069	205 069	(1)	(135 461)	16 070	16 070
020 Central banks	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-
040 Credit institutions	-	-	-	-	-	-	-	-
050 Other financial corporations	-	-	-	-	-	-	-	-
060 Non-financial corporations	-	180 167	180 167	180 167	-	(115 426)	15 347	15 347
070 Households	109	24 901	24 901	24 901	(1)	(20 035)	723	723
080 Debt Securities	-	-	-	-	-	-	-	-
090 Loan commitments given	-	2 922	2 922	2 922	-	(432)	-	-
100 Total	109	207 991	207 991	207 991	(1)	(135 893)	16 070	16 070

Table 17. EU CQ2: Quality of forbearance

Gross carrying amount of forborne exposures		
010	Loans and advances that have been forborne more than twice	-
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	205 178

Table 18. EU CQ3: Credit quality of performing and non-performing exposures by past due days

	Gross carrying amount/nominal amount												
	Performing exposures		Non-performing exposures										
	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted			
005 Cash balances at central banks and other demand deposits	14 882 022	14 882 022	-	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	19 239 367	19 217 294	22 073	967 507	323 750	69 109	54 089	107 692	222 638	27 492	162 738	967 507	
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	5 854	5 851	3	-	-	-	-	-	-	-	-	-	-
040 Credit institutions	619 978	619 978	-	-	-	-	-	-	-	-	-	-	-
050 Other financial corporations	1 632 858	1 632 850	8	-	-	-	-	-	-	-	-	-	-
060 Non-financial corporations	9 795 541	9 794 325	1 216	519 221	106 807	8 185	1 583	101 174	208 897	18 092	74 483	519 221	
070 Of which SMEs	3 688 580	3 688 175	405	313 287	13 875	2 947	1 106	58 800	194 710	7 198	34 652	313 287	
080 Households	7 185 136	7 164 290	20 846	448 286	216 942	60 924	52 506	6 518	13 741	9 400	88 255	448 286	
090 Debt securities	15 576 653	15 576 653	-	-	-	-	-	-	-	-	-	-	-
100 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	10 346 636	10 346 636	-	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	811 722	811 722	-	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	4 234 306	4 234 306	-	-	-	-	-	-	-	-	-	-	-
140 Non-financial corporations	183 989	183 989	-	-	-	-	-	-	-	-	-	-	-
150 Off-balance-sheet exposures	16 422 076			8 815									8 815
160 Central banks	-			-									-
170 General governments	483 485			-									-
180 Credit institutions	371 885			-									-
190 Other financial corporations	131 918			-									-
200 Non-financial corporations	9 457 150			4 339									4 339
210 Households	5 977 639			4 476									4 476
220 Total	66 120 119	49 675 970	22 073	976 323	323 750	69 109	54 089	107 692	222 638	27 492	162 738	976 323	

Table 19. EU CQ4: Quality of non-performing exposures by geography

		Gross carrying/nominal amount			Of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which defaulted				
010	On-balance-sheet exposures	35 783 528	967 507	967 507	35 783 528	-	920 432	-
PL	Poland	31 721 359	967 144	967 144	31 721 359	-	914 977	-
IE	Ireland	545 430	-	-	545 430	-	268	-
GB	Great Britain	501 706	-	-	501 706	-	1 169	-
LU	Luksemburg	244 066	-	-	244 066	-	663	-
NO	Norway	82 422	-	-	82 422	-	317	-
IN	India	74 274	-	-	74 274	-	43	-
HU	Hungary	36 780	-	-	36 780	-	18	-
CZ	Czech Republic	33 792	-	-	33 792	-	2 621	-
CH	Switzerland	27 418	-	-	27 418	-	18	-
FR	France	7 975	-	-	7 975	-	5	-
NL	Netherlands	6 779	34	34	6 779	-	40	-
SG	Singapore	5 271	-	-	5 271	-	7	-
	Other countries	2 496 256	329	329	2 496 256	-	287	-
080	Off-balance-sheet exposures	16 430 891	8 815	8 815			32 807	
PL	Poland	15 069 252	8 815	8 815			31 163	
LU	Luxembourg	396 880	-	-			569	
IE	Ireland	208 904	-	-			108	
GB	United Kingdom	177 599	-	-			107	
KR	Korea, Republic of	114 000	-	-			60	
NL	Netherlands	111 226	-	-			95	
BE	Belgium	100 927	-	-			53	
NO	Norway	88 660	-	-			170	
DE	Germany	61 459	-	-			396	
SE	Sweden	36 524	-	-			15	
US	United States of America	27 401	-	-			13	
CH	Switzerland	20 241	-	-			34	
SK	Slovakia	5 301	-	-			3	
HU	Hungary	5 015	-	-			4	
	Other countries	7 502	-	-			15	
150	Total	52 214 419	976 323	976 323	35 783 528	-	920 432	32 807

Table 20. EU CQ5: Credit quality of loans and advances by industry

	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which loans and advances subject to impairment		
		Of which defaulted				
010 Agriculture, forestry and fishing	40 363	-	-	-	(119)	-
020 Mining and quarrying	102 654	-	-	-	(339)	-
030 Manufacturing	4 282 359	253 060	253 060	253 060	(192 446)	-
040 Electricity, gas, steam and air conditioning supply	1 163 873	-	-	-	(2 117)	-
050 Water supply	321	321	321	321	(321)	-
060 Construction	109 802	67 950	67 950	67 950	(49 009)	-
070 Wholesale and retail trade	2 429 003	66 574	66 574	66 574	(79 946)	-
080 Transport and storage	40 567	29 350	29 350	29 350	(29 324)	-
090 Accommodation and food service activities	6 461	38	38	38	(47)	-
100 Information and communication	832 086	90 141	90 141	90 141	(62 651)	-
110 Financial and insurance activities	-	-	-	-	-	-
120 Real estate activities	8 061	3 225	3 225	3 225	(3 252)	-
130 Professional, scientific and technical activities	811 388	1 084	1 084	1 084	(5 767)	-
140 Administrative and support service activities	184 192	-	-	-	(987)	-
150 Public administration and defense, compulsory social security	-	-	-	-	-	-
160 Education	3	-	-	-	(0)	-
170 Human health services and social work activities	43 521	-	-	-	(33)	-
180 Arts, entertainment and recreation	0	-	-	-	-	-
190 Other services	260 111	7 478	7 478	7 478	(8 555)	-
200 Total	10 314 763	519 221	519 221	519 221	(434 913)	-

Table 21. EU CQ6: Collateral valuation - loans and advances

	Loans and advances																							
	Performing			Non-performing																				
			Of which past due > 30 days ≤ 90 days	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days						Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years												
Of which past due > 90 days ≤ 180 days					Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 years ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years															
010 Gross carrying amount	20 206 875	19 239 367	22 073	967 507	323 750	643 758	69 109	54 089	107 692	222 638	27 492	162 738												
020 Of which secured	6 226 779	6 040 594	886	186 184	22 427	163 757	3 319	1 726	47 181	107 587	220	3 724												
030 Of which secured with immovable property	3 664 624	3 576 499	838	88 125	22 427	72 974	7 690	969	47 093	13 277	220	3 724												
040 Of which instruments with LTV higher than 60% and lower or equal to 80%	1 170 010	1 167 309		2 701	2 344	2 701																		
050 Of which instruments with LTV higher than 80% and lower or equal to 100%	36 581	36 581		-	-	-																		
060 Of which instruments with LTV higher than 100%	1 292 739	1 220 448		72 291	15 076	57 215																		
070 Accumulated impairment for secured assets	-	104 403	-	23 621	-	143	-	80 782	-	4 300	-	76 481	-	1 842	-	815	-	15 585	-	55 352	-	220	-	2 667
080 Collateral																								
090 Of which value capped at the value of exposure	3 796 479	3 751 330	695	45 149	14 143	31 006	959	855	16 446	11 692	1	1 054												
100 Of which immovable property	2 874 736	2 838 456	695	36 280	14 143	22 137	225	320	16 446	4 091	1	1 054												
110 Of which value above the cap	139 375	134 726	-	4 649	700	3 949	-	-	-	-	-	-												
120 Of which immovable property	50 474	45 884	-	4 590	700	3 890	-	-	-	-	-	-												
130 Financial guarantees received	900 566	900 566	-	0	-	0	-	-	-	0	-	-												
140 Accumulated partial write-off	-	-	-	-	-	-	-	-	-	-	-	-												

The impact of COVID-19 on the Group's functioning

Information on the impact of the COVID-19 pandemic on the Group's operations is discussed in detail in the Semi-Annual Consolidated Financial Statements of the Capital Group of Bank Handlowy w Warszawie S.A. for the financial year ended June 30, 2021, in note 5 " Risk Management ", in the section Credit Risk.

The Group presents detailed information on exposures subject to aid measures related to the COVID-19 crisis in Tables 22-24 in accordance with the requirements set out in Annex 3 to the EBA/GL/2020/07 Guidelines:

- Table no 22 – Information on loans and advances subject to legislative and non-legislative moratoria (template 1),
- Table no 23 – Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria (template 2),
- Table no 24 – Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis (template 3).

Table 22. Template 1: Information on loans and advances subject to legislative and non-legislative moratoria

	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk										Gross carrying amount						
	Performing		Non performing		Performing					Non performing											
	Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)	Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)	Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)	Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures								
Loans and advances subject to moratorium	857 649	775 962	-	123 516	81 687	6 775	2 001	-	89 102	-	27 559	-	-	22 195	-	61 543	-	4 764	-	1 493	71 475
of which: Households	676 465	596 189	-	85 548	80 276	5 366	590	-	83 635	-	23 205	-	-	18 238	-	60 429	-	3 653	-	379	70 361
of which: Collateralised by residential immovable property	211 498	206 596	-	13 632	4 902	1 256	-	-	1 304	-	737	-	-	562	-	567	-	536	-	-	444
of which: Non-financial corporations	181 184	179 773	-	37 967	1 411	1 409	1 411	-	5 467	-	4 353	-	-	3 957	-	1 114	-	1 112	-	1 114	1 114
of which: Small and Medium-sized Enterprises	105 712	105 712	-	685	-	-	-	-	359	-	359	-	-	62	-	-	-	-	-	-	-
of which: Collateralised by commercial immovable property	160 057	160 057	-	37 962	-	-	-	-	4 257	-	4 257	-	-	3 954	-	-	-	-	-	-	-

Table 23. Template 2: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

	Number of obligors		Gross carrying amount						
			Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
					<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
Loans and advances for which moratorium was offered	10 719	864 425							
Loans and advances subject to moratorium (granted)	10 613	857 649	10235	847 413	9 766	470	-	-	-
of which: Households		676 465	10235	666 230	9 766	470	-	-	-
of which: Collateralised by residential immovable property		211 498	3134	208 364	3 134	-	-	-	-
of which: Non-financial corporations		181 184	-	181 184	-	-	-	-	-
of which: Small and Medium-sized Enterprises		105 712	-	105 712	-	-	-	-	-
of which: Collateralised by commercial immovable property		160 057	-	160 057	-	-	-	-	-

Table 24. Template 3: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

	Gross carrying amount	Maximum amount of the guarantee that can be considered		Gross carrying amount
		of which: forborne	Public guarantees received	Inflows to non-performing exposures
Newly originated loans and advances subject to public guarantee schemes	160 853	-	161 198	72
of which: Households	22 324			-
of which: Collateralised by residential immovable property	-			-
of which: Non-financial corporations	138 529	-	138 601	72
of which: Small and Medium-sized Enterprises	57 691			-
of which: Collateralised by commercial immovable property	-			-

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 PSE measure (Pre-Settlement Exposure, „PSE”), reflecting future potential exposure of the counterparty. PSE 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 PSE 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 Group does not enter into agreements, which would require providing additional collateral in case of lowering its credit ratings.

Table 25. EU CCR1 – Analysis of CCR exposure by approach

	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	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)	-	-		0	-	-	-	-
EU-2 EU - Simplified SA-CCR (for derivatives)	-	-		0	-	-	-	-
1 SA-CCR (for derivatives)	1 356 314	894 708		0	3 541 771	3 151 431	3 151 431	2 576 450
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)					307 122	11 493	11 493	2 299
5 VaR for SFTs					-	-	-	-
6 Total					3 848 892	3 162 924	3 162 924	2 578 748

* The scope of disclosed information compliant with the CRR.

Table 26. EU CCR2 – Transactions subject to own funds requirements for CVA risk

	Exposure value	RWEA
1 Total transactions subject to the Advanced method	-	-
2 (i) VaR component (including the 3× multiplier)		-
3 (ii) stressed VaR component (including the 3× multiplier)		-
4 Transactions subject to the Standardised method	1 148 632	205 174
EU-4 Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5 Total transactions subject to own funds requirements for CVA risk	1 148 632	205 174

Table 27. EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

Exposure classes	Risk weight											Total exposure value
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
1 Central governments or central banks	51 778	-	-	-	-	-	-	-	-	-	-	51 778
2 Regional government or local authorities	-	-	-	-	1 317	-	-	-	-	-	-	1 317
3 Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	-	3 852 949	-	-	75 008	932 815	-	-	3 306	-	-	4 864 079
7 Corporates	-	-	-	-	-	-	-	-	2 098 675	-	-	2 098 675
8 Retail	-	-	-	-	-	-	-	7	-	-	-	7
9 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10 Other items	-	-	-	-	-	-	-	-	-	18	-	18
11 Total exposure value	51 778	3 852 949	-	-	76 325	932 815	-	7	2 101 981	18	-	7 015 873

Table 28. EU CCR5 – Composition of collateral for CCR exposures

Collateral type	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1 Cash – domestic currency	-	160 340	-	315 373	-	-	-	-
2 Cash – other currencies	-	128 444	-	-	-	-	-	-
3 Domestic sovereign debt	-	-	-	-	-	308 728	-	-
4 Other sovereign debt	-	-	-	-	-	-	-	-
5 Government agency debt	-	-	-	-	-	-	-	-
6 Corporate bonds	-	-	-	-	-	-	-	-
7 Equity securities	-	-	-	-	-	-	-	-
8 Other collateral	-	-	-	-	-	-	-	-
9 Total	-	288 784	-	315 373	-	308 728	-	-

Table 29. EU CCR8 – Exposures to CCPs

	Exposure value	RWEA
1 Exposures to QCCPs (total)		77 059
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	3 852 949	77 059
3 (i) OTC derivatives	3 718 393	74 368
4 (ii) Exchange-traded derivatives	134 555	2 691
5 (iii) SFTs	0	0
6 (iv) Netting sets where cross-product netting has been approved	0	0
7 Segregated initial margin	0	
8 Non-segregated initial margin	0	0
9 Prefunded default fund contributions	0	0
10 Unfunded default fund contributions	0	0
11 Exposures to non-QCCPs (total)		0
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	0	0
13 (i) OTC derivatives	0	0
14 (ii) Exchange-traded derivatives	0	0
15 (iii) SFTs	0	0
16 (iv) Netting sets where cross-product netting has been approved	0	0
17 Segregated initial margin	0	
18 Non-segregated initial margin	0	0
19 Prefunded default fund contributions	0	0
20 Unfunded default fund contributions	0	0

3. Market Risk

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 30. EU MR1 – Market risk under the standardised approach

	RWEAs
Outright products	
1 Interest rate risk (general and specific)	1 328 546
2 Equity risk (general and specific)	21 719
3 Foreign exchange risk	-
4 Commodity risk	-
Options	
5 Simplified approach	-
6 Delta-plus approach	-
7 Scenario approach	-
8 Securitisation (specific risk)	-
9 Total	1 350 265

V. 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 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 2021 deposits constituted 79,9% 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, 2021 LCR was 204% and was 22% higher than as of December 31, 2020. The increase in the ratio was mainly due to the increase in the level of highly liquid assets and the increase in the level of deposits from non-financial enterprises, with the simultaneous decrease in the level of deposits from financial companies.

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 2021, as well as the applied internal measures in the area of the liquidity risk management, are included in the Semi-annual Consolidated Financial Statements of the Capital Group of Bank Handlowy w Warszawie S.A for the financial year ended 30 June 2021 in explanatory note no. 5 "Risk Management" in the section "Liquidity risk".

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 2021) and the Assets and Liabilities Management Committee in the process of adopting the annual "Financing and Liquidity Plan" (plan for 2021 reviewed and approved in October and November 2020), the Bank did not recommend any changes to the existing liquidity risk limits, considering that they are appropriate to the profile and scale of the Bank's operations.

Table 31. EU LIQ1 – Quantitative information of LCR

EU 1a Quarter ending on	Total unweighted value (average)				Total weighted value (average)				
	30.06.2021	31.03.2021	31.12.2020	30.09.2020	30.06.2021	31.03.2021	31.12.2020	30.09.2020	
EU 1b Number of data points used in the calculation of averages									
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)				30 191	29 755	28 815	26 231	
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	16 985	16 572	16 019	15 547	1 318	1 287	1 241	1 203
3	Stable deposits	10 020	9 785	9 484	9 210	501	489	474	460
4	Less stable deposits	6 964	6 787	6 535	6 337	817	797	766	742
5	Unsecured wholesale funding	29 393	30 513	30 867	29 510	11 816	12 916	13 607	12 974
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	20 381	19 793	18 615	17 074	5 095	4 948	4 654	4 269
7	Non-operational deposits (all counterparties)	9 012	10 720	12 251	12 435	6 721	7 968	8 953	8 706
8	Unsecured debt	0	0	0	0	0	0	0	0
9	Secured wholesale funding					6	6	7	10
10	Additional requirements	38 386	36 883	35 672	34 259	27 062	25 310	24 070	22 689
11	Outflows related to derivative exposures and other collateral requirements	26 047	24 281	23 048	21 673	26 047	24 281	23 048	21 673
12	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
13	Credit and liquidity facilities	12 339	12 601	12 624	12 586	1 015	1 028	1 023	1 016
14	Other contractual funding obligations	344	243	411	487	309	202	361	391
15	Other contingent funding obligations	3 266	3 125	2 971	3 018	327	312	297	302
16	TOTAL CASH OUTFLOWS					40 838	40 033	39 583	37 569
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	204	318	436	545	135	259	386	449
18	Inflows from fully performing exposures	1 396	1 573	1 590	1 688	984	1 114	1 033	1 122
19	Other cash inflows	24 154	22 334	21 208	19 963	24 154	22 334	21 208	19 963
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					0	0	0	0
EU-19b	(Excess inflows from a related specialised credit institution)					0	0	0	0
20	TOTAL CASH INFLOWS	25 753	24 225	23 234	22 197	25 273	23 707	22 627	21 534
EU-20a	Fully exempt inflows	0	0	0	0	0	0	0	0
EU-20b	Inflows subject to 90% cap	0	0	0	0	0	0	0	0
EU-20c	Inflows subject to 75% cap	25 753	24 225	23 234	22 197	25 273	23 707	22 627	21 534
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					30 191	29 755	28 815	26 231
22	TOTAL NET CASH OUTFLOWS					15 695	16 326	16 956	16 035
23	LIQUIDITY COVERAGE RATIO					192,36%	182,25%	169,94%	163,59%

Table 32. EU LIQ2: Net Stable Funding Ratio

	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items					
1 Capital items and instruments	5 861 438	0	0	0	5 861 438
2 <i>Own funds</i>	5 861 438	0	0	0	5 861 438
3 <i>Other capital instruments</i>		0	0	0	0
4 Retail deposits		17 551 603	42 925	12 139	16 401 074
5 <i>Stable deposits</i>		11 077 173	0	0	10 523 315
6 <i>Less stable deposits</i>		6 474 430	42 925	12 139	5 877 759
7 Wholesale funding:		27 131 328	13 485	10 453	12 118 151
8 <i>Operational deposits</i>		20 993 057	0	0	10 496 528
9 <i>Other wholesale funding</i>		6 138 272	13 485	10 453	1 621 622
10 Interdependent liabilities		0	0	0	0
11 Other liabilities:	47 177	1 770 331	0	2 063 287	2 063 287
12 <i>NSFR derivative liabilities</i>	47 177				
13 <i>All other liabilities and capital instruments not included in the above categories</i>		1 770 331	0	2 063 287	2 063 287
14 Total available stable funding (ASF)					36 443 949
Required stable funding (RSF) Items					
15 Total high-quality liquid assets (HQLA)					807 784
EU-15a Assets encumbered for a residual maturity of one year or more in a cover pool		0	0	0	0
16 Deposits held at other financial institutions for operational purposes		0	0	0	0
17 Performing loans and securities:		4 071 327	1 809 246	14 893 773	14 659 216
18 <i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		307 122	-	-	-
19 <i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		626 040	306 060	368 460	584 094
20 <i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		2 524 918	1 269 921	10 960 849	11 214 141
21 <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		-	-	-	-
22 <i>Performing residential mortgages, of which:</i>		42 805	49 265	1 819 464	1 228 687
23 <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		42 805	49 265	1 819 464	1 228 687
24 <i>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</i>		570 443	184 000	1 745 000	1 632 294
25 Interdependent assets		-	-	-	-
26 Other assets:	0	264 113	-	2 411 005	2 556 152
27 <i>Physical traded commodities</i>				0	0
28 <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		37 402	0	0	31 792
29 <i>NSFR derivative assets</i>		0	0	0	0
30 <i>NSFR derivative liabilities before deduction of variation margin posted</i>		0	0	0	0
31 <i>All other assets not included in the above categories</i>		226 711	0	2 411 005	2 524 360
32 Off-balance sheet items		0	0	13 239 047	730 548
33 Total RSF		0	0	0	18 753 701
34 Net Stable Funding Ratio (%)					194,33

VI. Leverage Ratio

Information on the leverage ratio as of June 30, 2021, 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) 2021/637:

Table 33. EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

	Applicable amount
1 Total assets as per published financial statements	57 661 490
2 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))	-
5 (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable 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	4 070 111
9 Adjustment for securities financing transactions (SFTs)	-
10 Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	3 640 563
11 (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	- 24 398
EU-11a (Adjustment for exposures excluded from the total exposure measure in accordance with point (c) 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	-
13 Total exposure measure	65 347 766

Table 34. EU LR2 - LRCom: Leverage ratio common disclosure

	CRR leverage ratio exposures	
	30.06.2021	31.03.2021*
On-balance sheet exposures (excluding derivatives and SFTs)		
1 On-balance sheet items (excluding derivatives, SFTs, but including collateral)	54 705 112	55 975 278
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)	(315 023)	(422 950)
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)	(1 109 199)	(1 134 892)
7 Total on-balance sheet exposures (excluding derivatives and SFTs)	53 280 890	54 417 436
Derivative exposures		
8 Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	3 903 556	1 584 156
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	3 130 836	2 321 772
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	7 034 392	3 905 928
Securities financing transaction (SFT) exposures		
14 Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	307 122	738
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	307 122	738
Other off-balance sheet exposures		
19 Off-balance sheet exposures at gross notional amount**	15 966 002	16 870 210
20 (Adjustments for conversion to credit equivalent amounts)	(12 325 440)	(12 705 464)
21 (General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	-	
22 Off-balance sheet exposures	3 640 563	4 164 746

Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) 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) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	-	-
Capital and total exposure measure			
23	Tier 1 capital	5 861 438	5 874 322
24	Total exposure measure	64 262 965	62 488 848
Leverage ratio			
25	Leverage ratio (%)	9,12	9,40
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	9,12	9,40
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	9,12	9,40
26	Regulatory minimum leverage ratio requirement (%)	3,00	-
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 (%)	-	-
EU-27a	Overall leverage ratio requirement (%)	3,00	-
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Fully phased in	Fully phased in

* Amounts as March 31, 2021 were determined without taking into account the changes resulting from Regulation 2019/876 of May 20, 2019 (in particular, in the field of derivative transactions, the relevant amounts were determined in accordance with the mark-to-market method, not SA-CCR)

**Amount as June 30, 2021 includes "standardized pending buy / sell contracts: full recognition of payment obligations in accordance with the applicable accounting framework at the transaction settlement date"

Table 35. EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	53 925 200
EU-2	Trading book exposures	2 066 682
EU-3	Banking book exposures, of which:	51 858 518
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	28 465 355
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	5 842
EU-7	Institutions	1 380 777
EU-8	Secured by mortgages of immovable properties	2 831 166
EU-9	Retail exposures	5 091 078
EU-10	Corporates	9 689 254
EU-11	Exposures in default	219 711
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	4 175 335

VII. 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, 2020 " 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, 2020 ", 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

19 August 2021 Date	Elżbieta Światopełk-Czetwertyńska Name	a/The President of Management Board Position/Function
19 August 2021 Date	Natalia Bożek Name	Vice-president of Management Board Position/Function
19 August 2021 Date	Dennis Hussey Name	Vice-president of Management Board Position/Function
19 August 2021 Date	Maciej Kropidłowski Name	Vice-president of Management Board Position/Function
19 August 2021 Date	Barbara Sobala Name	Vice-president of Management Board Position/Function
19 August 2021 Date	James Foley Name	Member of Management Board Position/Function
19 August 2021 Date	Katarzyna Majewska Name	Member of Management Board Position/Function



www.citihandlowy.pl
Bank Handlowy w Warszawie S.A.

 **citi handlowy**[®]

Znaki Citi oraz Citi Handlowy stanowią zarejestrowane znaki towarowe Citigroup Inc., używane na podstawie licencji. © 2015 Citigroup Inc. oraz jej spółkom