

Bank Handlowy w Warszawie S.A.

**The Disclosure Policy of Bank Handlowy w Warszawie S.A. on capital adequacy and  
other information to be disclosed**

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## **1. General provisions**

1. These Disclosure Policy of Bank Handlowy w Warszawie S.A. (Bank) in terms of capital adequacy and other information to be published (The Disclosure Policy) define the scope, form, place, frequency, dates, rules for approving and verifying the information published as well as The Disclosure Policy based on:
  - The Part Eight 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 (with amendments) (CRR Regulation);
  - provisions of the delegated regulations supplementing the CRR with regard to disclosure of information;
  - guidelines of the European Banking Authority;
  - the Banking Act of 29 August 1997;
  - The law of 5 August 2015 on macro-prudential oversight of the financial system and crisis management in the financial system;
  - Recommendation M of the Polish Financial Supervision Authority regarding operational risk management in banks;
  - Recommendation P of the Polish Financial Supervision Authority regarding liquidity risk management in banks.
  
2. The purpose of disclosing information resulting from the above-mentioned regulations is to provide market participants with reliable and comprehensive information on the Bank's risk profile.

## **2. The Scope of disclosed information**

1. Pursuant to the requirements of the CRR Regulation, the Bank, as the parent company, publishes information in the field of capital adequacy based on the consolidated data of the Capital group of Bank Handlowy w Warszawie S.A. (Group).
2. The information disclosed of a quantitative and qualitative nature shall include, in particular, information relating to:
  - risk management objectives and policies
  - entities to which the requirements apply
  - own funds,
  - capital requirement for:
  - credit risk,

- counterparty credit risk,
  - market risk,
  - operational risk,
  - credit risk adjustments,
  - application of external credit assessment for each of the exposure classes,
  - exposures in equities not included in the trading book,
  - interest rate risk exposure assigned to positions not included in the trading book,
  - exposures on securitization positions,
  - non-performing and restructured exposures,
  - credit risk mitigation techniques,
  - capital buffers,
  - encumbered and unencumbered assets,
  - Use of ECAs,
  - leverage ratio,
  - remuneration policy for those categories of staff whose professional activities have a material impact on its risk profile,
  - transitional arrangements to mitigate the effects of introducing IFRS 9 on own funds,
  - impact of COVID-19 on the Group's activities.
3. The Bank publishes information on the data and specificity of its activities, in particular, starting work, scope of operation, presence in various countries, immediately in various financial sectors, as well as market share in payment, clearing and settlement areas.

### **3. Non-material, proprietary or confidential information**

1. The Bank shall disclose information to the public in the scope specified in Art. 431 of the CRR Regulation, with the exception of the information referred to in art. 432 of the CRR Regulation, i.e.:
- proprietary information, the disclosure of which could adversely affect the Bank's competitive position,
  - confidential information, if the Bank has committed itself to confidentiality towards the client or other business partner,
  - non-material information, i.e. information that would not change or affect the assessment or economic decisions of the recipients of the information.

2. In the event of non-disclosure of proprietary or confidential information, the Bank shall publicly disclose the reasons for withdrawing the disclosure of information and disclose general data within the scope, unless such information is confidential or proprietary.

#### **4. Rules of verification and confirmation of the published information**

1. The relevant organizational units of the Bank are responsible for data preparation and verification in terms of correctness and completeness. The Department of Financial Reporting, Control and Taxes is responsible for the coordination of the process of preparing a uniform disclosure document. The rules of accountability and the drafting and coordination process define internal regulations of the Bank.

2. Information disclosed in annual periods, prior to its disclosure to the public, is subject to verification by an independent external entity authorized to audit financial statements. The selection of an independent external entity to perform the verification and the principles of cooperation with this entity, specified in the Bank's internal regulations, are each time approved by the Bank's Management Board and the Audit Committee of the Supervisory Board (if the service is to be provided by an audit firm selected for the audit and review of the Bank's financial statements). Disclosed information is approved by the Bank's Management Board and communicated to the Audit Committee of the Supervisory Board.

3. Information disclosed in semi-annual periods, prior to its publication, is approved by the Bank's Management Board and communicated to the Audit Committee of the Supervisory Board.

4. The quarterly disclosures are accepted by the Bank's Chief Financial Officer and the Director of the Financial Reporting, Control and Tax Department.

5. Disclosure information, which, on the basis of separate regulations, is published in the consolidated financial statements or in the management report, shall be subject to the verification rules applicable to these statements.

#### **5. The frequency and timing of information publication**

1. In accordance with the requirements of the CRR Regulation and the EBA guidelines, the Bank discloses information:
  - Annually, as of 31 December of each year, taking into account the full scope of information according to Art. 13 of the CRR Regulation in a separate document;
  - Semi-annually, as at 30 June of each year, taking into account the scope of information required by the EBA guidelines on a semi-annual basis in a separate document;
  - Quarterly as at 31 March and 30 September of each year, taking into account the scope of information required by the EBA guidelines on a quarterly basis in the interim financial statements.
2. The dates of publication of the disclosed information coincide with the dates of publication of the Bank's periodic financial statements.
3. If, during the period, there is an event significantly affecting the information subject to disclosure in accordance with this Disclosure Policy, the Bank will publish in the form of a current report, in

accordance with the Regulation on current and periodic information and the Bank's internal regulations in this regard, the event and its impact on the information to be published.

## **6. The form and place of publication of information**

1. The Bank's Disclosure Policy and the information specified in point 2 are published in electronic form by posting on the Bank's website [www.citibank.pl](http://www.citibank.pl) in the section "Investor relations"\ "Financial information"\ "Capital adequacy".
2. Disclosed information is also presented in the consolidated financial statements and the management report.
3. Information disclosed by the Bank is announced in Polish and English.

## **7. Rules of review and verification of the Disclosures Policy**

1. The Bank's Disclosures Policy is verified by the Department of Financial Reporting, Control and Taxes, in cooperation with other units participating in the process, at least once a year. The procedure of verification of the Disclosures Policy is defined in the Bank's internal regulation.
2. In the event of events resulting in a change in the scope of disclosed information of a qualitative and quantitative nature, the Bank updates the Disclosures Policy accordingly.
3. As part of the process of verification of the Disclosures Policy, the following are assessed in particular: scope and detail of the information published in the context of the Bank's business profile and the frequency, manner and dates of information publication.
4. The Disclosure Policy and any changes to the Disclosure Policy are introduced on the basis of a Resolution of the Bank's Management Board and approval by the Bank's Supervisory Board, after recommendation by the Audit Committee of the Supervisory Board.