

Warsaw, August 12th, 2019

Current report no. 27/2019

Subject:

Information on the registration of the amendment made to the Articles of Association of the Bank Handlowy w Warszawie S.A.

Legal basis:

Paragraph 5 point 1) of the Ordinance of the Minister of Finance dated March 29, 2018 on current and periodic information published by issuers of securities and the conditions for regarding as equivalent the information required by the law of a non-member state (Journal of Laws of 2018, item 757).

Content of the current report:

Bank Handlowy w Warszawie S.A. hereby announces that on August 3rd, 2019 the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register entered (registered) into the Register of Entrepreneur of the National Court Register an amendment to the Articles of Association of Bank Handlowy w Warszawie S.A. adopted by the Ordinary General Meeting of Bank Handlowy w Warszawie S.A. on June 5, 2019 by means of Resolution No. 28/2019.

Paragraph 40 of the Articles of Association of the Bank Handlowy w Warszawie S.A. shall now read as follows:

1. *The Management Board of the Bank designs, implements and ensures operation of an adequate and effective internal control system and the Supervisory Board of the Bank oversees its implementation and performs an annual assessment of its effectiveness and adequacy.*
2. *The internal control system is adjusted to the Bank's organizational structure, character, risk profile and scale of operations.*
3. *The objective of the internal control system is to support the Bank's Management decision making, which contributes to ensuring effectiveness and efficiency of the Bank's operations, credibility of financial reporting, observance of risk management principles in the Bank and compliance of the Bank's activities with laws, internal regulations and market standards.*
4. *The risk management and internal control systems, functioning in the Bank, are organized at three, independent levels. Level 1 covers risk management in the Bank's operational activity. Level 2 consist of at least: risk management by employees at specially designated positions or in organizational units as well as the activity of the compliance unit. Level 3 covers the activity of the Audit Department.*
5. *The Bank's internal control system is comprised of:*
 - 1) *control function,*
 - 2) *compliance unit,*

- 3) *Audit Department.*
6. *The control function includes:*
 - 1) *control mechanisms within processes existing in the Bank, executed by positions, groups of people or organizational units, responsible for observance of control mechanisms, including continuous activities,*
 - 2) *independent monitoring of abidance of control mechanisms, especially independent testing, executed by dedicated people or specialized organizational units, consisting in examining, analysing and assessing internal processes, recommending corrective action plans to the Bank's organizational units' current activities,*
 - 3) *reporting within the control function.*
7. *The compliance unit is a separate organizational unit operating within the organizational structure of the Bank, reporting directly to the President of the Management Board of the Bank.*
8. *The main objective of the compliance unit is to ensure compliance through its activity within the control function and non-compliance risk management.*
9. *The Audit Department is a separate organizational unit operating within the organizational structure of the Bank, organizationally subordinated to the President of the Management Board of the Bank.*
10. *Oversight over the Audit Department is executed by the Supervisory Board of the Bank through its Audit Committee.*
11. *The Audit Department is responsible for examining and assessing – independently and objectively – the adequacy and effectiveness of the risk management system and internal control system in all the Bank's activities by performing audits, specified in the identified audit process.*

Bank Handlowy w Warszawie S.A. also informs that the Ordinary General Meeting of Bank Handlowy w Warszawie S.A. on June 5, 2019 by means of Resolution No. 28/2019, decided to establish a uniform text of the Articles of Association of the Bank Handlowy w Warszawie S.A. The uniform text of the Articles of Association, adopted by the Ordinary General Meeting, constitutes an attachment to this Current report.