

Warsaw, December 26, 2019

Current Report no. 38/2019

Subject: Letter from the Polish Financial Supervision Authority regarding the individual assumptions of the 2020 dividend policy for Bank Handlowy w Warszawie S.A.

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

The Management Board of Bank Handlowy w Warszawie S.A. ("Bank") announces that on December 24, 2019 the Bank received a letter from the Polish Financial Supervision Authority ("PFSA") regarding the assumptions of the dividend policy for 2020 which are in line with the assumptions published in the PFSA's statement of December 3, 2019 concerning the position of the supervisory authority regarding the dividend policy assumptions for commercial banks, cooperative and affiliating banks, insurance and reinsurance undertakings.

In its letter the PFSA also notified the Bank about the value of the ST parameter describing the Bank's sensitivity to an adverse macroeconomic scenario. For the Bank the difference between the total capital ratio ("TCR") in the base case scenario and the TCR in the shock scenario at the end of the forecast period i.e. at the end of 2021, including supervisory adjustments, amounted to 1.39 p.p.