

Warsaw, July 1, 2021

Current Report no. 29/2021

Subject: Letter from the Polish Financial Supervision Authority regarding the dividend policy in the second half of 2021 and information on the individual add-on ST 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 June 1, 2021 the Bank received a letter from the Polish Financial Supervision Authority ("PFSA") regarding the dividend policy of commercial banks for the second half of 2021, providing for the conditions to be satisfied by banks for dividend payout in the amount of up to 50%, 75% and 100% of net profit respectively. The conditions are in line with the assumptions published in the PFSA's statement of June 24, 2021 concerning the position of the supervisory authority regarding the dividend policy assumptions for commercial banks in the second half of 2021.

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 (2021), including supervisory adjustments, amounted to 4.40 p.p. The PFSA stated that the Bank's sensitivity is identical for both the payout from up to 75% and 100% of net profit.

Furthermore, the PFSA stated that their stance on the dividend policy applied only to the payout from the 2020 profit and that they would present an additional stance on the retained earnings (including the 2019 profit) at the 2021 yearend along with the 2022 dividend policy.

The PFSA also communicated that the Bank would receive individual recommendations concerning both dividend payout and other measures which could entail capital base reduction.