

Warsaw, February 14, 2022

Current Report No. 2/2022

Subject: Pillar 2 (P2G) add-on imposed by the Polish Financial Supervision Authority

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

The Management Board of Bank Handlowy w Warszawie S.A. ("Bank") hereby informs that it received a letter from the Polish Financial Supervision Authority ("PFSA") dated 11 February 2022 with a recommendation on mitigating the risk of the Bank's operations by maintaining, at both non-consolidated and consolidated level, own funds to cover a capital add-on in order to absorb potential losses that may arise from stress conditions; the add-on should be maintained at 1.25 p.p. above the total capital ratio referred to in Article 92 (1)(c) 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, increased by the additional own funds requirement referred to in Article 138 (2)(2) of the Banking Law Act and the combined buffer requirement referred to in Article 55 (4) of the Macroprudential Supervision Act. The add-on should consist in full of Common Equity Tier 1 capital.

The Bank's total capital add-on recommended to absorb potential losses arising from stress conditions is comprised of: (i) the basic add-on of 0.77 p.p. recommended under Pillar 2 and (ii) a supplementary add-on of 0.48 p.p. recommended under Pillar 2.