Information on capital adequacy of the Capital Group of Bank Handlowy w Warszawie S.A. as of 30 September 2023

citi handlowy

This document is a translation from the original Polish version. In case of any discrepancies between the Polish and English versions, the Polish version shall prevail.

Introduction

This document has been laid down to execute The Disclosure Policy of Bank Handlowy w Warszawie S.A. on capital adequacy[1], to meet the disclosure requirements of:

– 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 (hereinafter "Regulation 575/2013"), including acts amending the Regulation 575/2013,
– Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (hereinafter "CRD")
– Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council (hereinafter "Regulation 2021/637"), including acts amending Regulation No 2021/637
– Commission Implementing Regulation (EU) 2021/763 of 23 April 2021 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities (hereinafter "Regulation 2021/763")
– and on the basis of other EU Commission regulations imposing regulatory and implementing technical standards in the area of information disclosure.

The objective of the document is presenting to the third parties, especially customers of the Capital Group of Bank Handlowy w Warszawie S.A. (hereinafter referred to as: Group) and financial market participants, the Group's risk management strategy and processes, information on the capital structure, exposure to risk and capital adequacy, which enable thorough assessment of the Group's financial stability.

The amounts are presented in PLN, rounded to the nearest thousand.

[1] "The Disclosure Policy of Bank Handlowy w Warszawie S.A. on capital adequacy and other information to be disclosed" laid down by the Management Board and approved by the Supervisory Board are available at the Bank's website www.citihandlowy.pl in the "Investor Relations" section.

I. Key metrics

Below we present the key measures and indicators concerning the level of own funds, capital requirements, financial leverage, coverage of net proceeds and stable financing on a consolidated basis.

Table EU KM1 - Key metrics template

		a	b	c	d	e
		30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	6,824,753	5,927,686	5,433,171	5,240,801	5,111,171
2	Tier 1 capital	6,824,753	5,927,686	5,433,171	5,240,801	5,111,171
3	Total capital	6,824,753	5,927,686	5,433,171	5,240,801	5,111,171
Risk-weighted exposure amounts						
4	Total risk exposure amount	29,667,006	29,228,968	30,291,621	29,710,682	28,693,282
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	23.00	20.28	17.94	17.64	17.81
6	Tier 1 ratio (%)	23.00	20.28	17.94	17.64	17.81
7	Total capital ratio (%)	23.00	20.28	17.94	17.64	17.81
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	-	-	-	-	-
EU 7b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	-	-	-	-	-
EU 7d	Total SREP own funds requirements (%)	8.00	8.00	8.00	8.00	8.00
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50	2.50	2.50	2.50	2.50
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.08	0.05	0.04	0.04	0.03
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	0.25	0.25	0.25	0.25	0.25
11	Combined buffer requirement (%)	2.83	2.80	2.79	2.79	2.78
EU 11a	Overall capital requirements (%)	10.83	10.80	10.79	10.79	10.78
12	CET1 available after meeting the total SREP own funds requirements (%)	15.00	12.28	9.94	9.64	9.81
Leverage ratio						
13	Total exposure measure	74,831,453	73,458,159	73,372,875	71,791,807	72,494,606
14	Leverage ratio (%)	9.12	8.07	7.40	7.30	7.05
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	
EU 14c	Total SREP leverage ratio requirements (%)	3.00	3.00	3.00	3.00	
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	
EU 14e	Overall leverage ratio requirement (%)	3.00	3.00	3.00	3.00	3.00
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	37,732,937	35,075,143	33,252,990	31,565,655	30,813,442
EU 16a	Cash outflows - Total weighted value	61,703,419	58,582,231	57,926,756	60,728,979	58,148,368
EU 16b	Cash inflows - Total weighted value	39,442,520	37,411,122	37,449,240	41,430,227	40,332,470
16	Total net cash outflows (adjusted value)	22,260,899	21,171,108	20,477,516	19,341,066	18,034,184
17	Liquidity coverage ratio (%)	169.50	165.67	162.39	163.21	170.86
Net Stable Funding Ratio						
18	Total available stable funding	41,604,060	40,035,730	41,400,409	38,339,768	37,313,621
19	Total required stable funding	17,444,015	20,049,040	20,344,386	21,617,855	20,603,899
20	NSFR ratio (%)	238.50	199.69	203.50	177.35	181.10

Capital ratios are calculated according to respective regulations.

Due to the fact that the transitional provisions regarding the temporary treatment of unrealized gains and losses measured at fair value through other comprehensive income in accordance with Art. 468 of the Regulation 575/2013 expired on January 1, 2023, the capital ratios reported as of September 30, 2023, including the leverage ratio and the total capital ratio, reflect all unrealized gains and losses measured at fair value through other comprehensive income.

Due to the need to meet the requirement TLAC increased by the requirement of a combined buffer, the Management Board of the Bank turned to the Polish Financial Supervision Authority to obtain consent to include an appropriate part of the profits generated in the first half of the 20th year into Common Equity Tier 1 capital based on the Bank's results subject to review. On September 29, 2023 consent was obtained to include the profit in the amount of PLN 800 million in Common Equity Tier 1 capital. In accordance with the EBA's position expressed in Q&A 2018_3822, the Bank made a retrospective adjustment to its capital ratios. Key capital ratios after retrospective inclusion of profit are presented in the chapter IV of this report.

1. Disclosure of own funds and eligible liabilities

As informed in current report no 14/2023 of May 26, 2023, the Bank is a resolution entity that is part of a global systemically important institution (G-SII) in accordance with the definition contained in Regulation 575/2013 so is subject to own funds and eligible liabilities specified in Art. 92a and disclosure requirements in Art. 437a of Regulation 575/2013.

In accordance with the CRR regulations, the amount of the TLAC TREA plus the combined buffer requirement for the Bank is 20.83%, while the total capital ratio of the Bank at the consolidated level at the end of June 2023 was 23.00%.
After obtaining the approval of the Polish Financial Supervision Authority (KNF) to include part of the interim profits in Common Equity Tier 1 capital on the basis of the Bank's reviewed results for the first half of 2023, the TLAC TREA requirement, increased by the combined buffer requirement, has been met as of 30 September 2023.

MREL and TLAC indicators are presented below in accordance with Regulation 2021/763 in table EU KM2.

Table EU KM2: Key metrics - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities

		a	b	c	d	e	f
		Minimum requirement for own funds and eligible liabilities (MREL)	G-SII Requirement for own funds and eligible liabilities (TLAC)				
		2023.09.30	2023.09.30	2023.06.30	2023.03.31	2022.12.31	2022.09.30
	Own funds and eligible liabilities, ratios and components						
1	Own funds and eligible liabilities	6,824,753	6,824,753	5,927,686	5,433,171	5,240,801	5,111,171
EU-1a	Of which own funds and subordinated liabilities	6,824,753					
2	Total risk exposure amount of the resolution group (TREA)	29,667,006	29,667,006	29,228,968	30,291,621	29,710,682	28,693,282
3	Own funds and eligible liabilities as a percentage of TREA (%)	23.00	23.00	20.28	17.94	17.64	17.81
EU-3a	Of which own funds and subordinated liabilities (%)	23.00					
4	Total exposure measure of the resolution group	74,831,453	74,831,453	73,458,159	73,372,875	71,791,807	72,494,606
5	Own funds and eligible liabilities as percentage of the total exposure measure (%)	9.12	9.12	8.07	7.40	7.30	7.05
EU-5a	Of which own funds or subordinated liabilities (%)	9.12					
6a	Does the subordination exemption in Article 72b(4) of the CRR apply? (5% exemption)		no	no	no	no	no
6b	Pro-memo item - Aggregate amount of permitted non-subordinated eligible liabilities in-struments If the subordination discretion as per Article 72b(3) CRR is applied (max 3.5% exemption)		-	-	-	-	-
6c	Pro-memo item: If a capped subordination exemption applies under Article 72b (3) CRR, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded Liabilities and that would be recognised under row 1 if no cap was applied (%)		-	-	-	-	-
	Minimum requirement for own funds and eligible liabilities (MREL)*						
	TLAC requirementexpressed as percentage of TREA	18.00					
	TLAC requirement expressed as percentage of TEM	6.75					
EU-7	MREL requirement expressed as percentage of the total risk exposure amount (%)	11.68					
EU-8	Of which to be met with own funds or subordinated liabilities (%)	11.68					
EU-9	MREL requirement expressed as percentage of the total exposure measure (%)	4.46					
EU-10	Of which to be met with own funds or subordinated liabilities (%)	4.45					

* without combined buffer requirement

II. Capital requirements

Capital Ratios and capital requirement amounts were calculated according to the rules stated in the Regulation 575/2013.

Data on the Group's capital adequacy, value of the risk weighted assets and the regulatory capital requirements for above-mentioned risks in accordance with the requirements of Article 438 of Regulation 575/2013 are presented in the table below, in line with the EU OV1 template presented in the Regulation 2021/637.

Table EU OV1 – Overview of total risk exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
		a		c
		30.09.2023	30.06.2023	30.09.2023
1	**Credit risk (excluding CCR)**	**20,844,705**	**20,620,815**	**1,667,576**
2	Of which the standardised approach	20,844,705	20,620,815	1,667,576
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	-	-	-
EU 4a	Of which equities under the simple riskweighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	**Counterparty credit risk - CCR**	**1,915,321**	**1,956,983**	**153,226**
7	Of which the standardised approach	1,806,477	1,880,633	144,518
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	30,215	26,578	2,417
EU 8b	Of which credit valuation adjustment - CVA	78,629	49,772	6,290
9	Of which other CCR	-	-	-
15	**Settlement risk**	**-**	**-**	**-**
16	**Securitisation exposures in the non-trading book (after the cap)**	**161,072**	**164,425**	**12,886**
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	161,072	164,425	12,886
EU 19a	Of which 1250% / deduction	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**1,771,332**	**1,512,168**	**141,707**
21	Of which the standardised approach	1,771,332	1,512,168	141,707
22	Of which IMA	-	-	-
EU 22a	**Large exposures**	**-**	**-**	**-**
23	**Operational risk**	**4,974,577**	**4,974,577**	**397,966**
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	4,974,577	4,974,577	397,966
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	465,948	576,367	37,276
29	**Total**	**29,667,006**	**29,228,968**	**2,373,360**

III. Information related to the liquidity

Liquidity risk management

Liquidity risk is the risk that the Group may be unable to meet on time its financial obligations towards a client, lender or an investor as a result of the mismatches in cash flows due to the balance and off-balance sheet positions that the Group has at a given date.

The liquidity risk management policy of the Group primarily aims to ensure and maintain the ability to meet both: current and future financial obligations (also in the event of extremely stressed conditions), while minimizing the cost of obtaining liquidity. This is possible due to the proper identification of the liquidity risk, its constant monitoring as well as the establishment of limits with full understanding of: the macroeconomic environment, the Group's business profile, regulatory requirements as well as, strategic and business objectives within available liquidity resources.

The liquidity risk strategy, including the acceptable risk level, assumed balance sheet structure and financing plan are approved by the Bank's Management Board and then accepted by the Bank's Supervisory Board. The management of the Group's balance sheet structure is managed by the Asset and Liability Management Committee (ALCO). The organization of the liquidity risk management process that exists in the Group, is aimed to ensure the separation of functions between entities that conduct transactions (affecting the liquidity risk), monitor and control the risk. The management of intraday, current and short-term liquidity is a task of the Financial Markets and Corporate Banking Sector, while the management of medium and long-term liquidity lies on ALCO responsibilities. Reporting functions are performed by the Risk Strategy and Capital Department, while the monitoring, supervision and control of the level of liquidity risk is performed by the Market Risk Department and by Department of Balance Sheet Management Supervision. Activities of companies from the Group of the Bank in the area of liquidity risk management are supervised by the Bank by way of delegating its employees to supervisory bodies (supervisory boards) of such affiliates. Supervision over liquidity of companies from the Group of the Bank is exercised by ALCO.

The source data and models used to generate liquidity reports come from independent management systems or other independent record systems. The reports and stress tests are generated on a daily bases by the Risk Strategy and Capital Department - a unit independent from the Financial Markets and Corporate Banking Sector – and sent to the Group's units responsible for the liquidity risk management (including to Department of Balance Sheet Management Supervision) and to the Market Risk Department, who is responsible for the substantive content of those reports, including recognition of all elements that affect the liquidity risk. On monthly bases, the Market Risk Department prepares the analysis of the Group's liquidity position and liquidity risk level for the Assets and Liabilities Management Committee and the Risk and Capital Management Committee. Daily reports are sent to those who are directly involved in the intraday, current and short-term liquidity management processes. Monthly and quarterly reports are prepared on the basis of daily data and are submitted to the members of the Bank's Committees that deal with medium- and long-term liquidity risk and structural liquidity risk (the Assets and Liabilities Management Committee and the Risk and Capital Management Committee). Such organization ensures:

- current and forward looking information,
- gives a picture of the liquidity risk for the total balance and off-balance sheet and for the relevant for the Bank currencies (PLN, USD, EUR),
- the diversity of prepared reports allows to assess the level of intraday, current and structural liquidity risk,
- obtaining stress test results with a sufficient frequency (daily for the internal 12-month scenario S2 test and monthly for the remaining ones),
- comprehensiveness of the approach in the preparation of the liquidity reports covering both balance and off-balance sheet items.

As a part of the liquidity risk management, the Group pursues the following goals:

- providing Group’s entities (at any time) with an access to the liquid funds in order to meet all their financial obligations in a timely manner, also in extreme but probable crisis situations,

- maintaining an adequate level of high-quality liquid assets in the event of a sudden deterioration of the Group's liquidity position,
- defining the scale of the liquidity risk undertaken by the Group by establishing, at an appropriate and safe level, internal measures and limits aimed at limiting excessive concentration in the scope of the adopted balance sheet structure or sources of financing,
- constant monitoring of the Group's liquidity situation with respect to the occurrence of an emergency situation in order to launch the Contingency Funding Plan,
- ensuring compliance of the processes operating at the Bank with the Polish and European regulatory requirements regarding liquidity risk management.

As part of liquidity risk management, the Group also applies a number of control mechanisms ensuring compliance with the liquidity risk management principles. They include in particular:

- separation of the function of measuring, monitoring and controlling risks from operating activities, including separation of functions in areas of potential conflicts of interest and areas of increased risk level,
- reviews of processes, performed by persons performing management functions or managerial functions or delegated by these persons,
- control activities integrated into the operations of the Bank's organizational units and adapted to the profile, scale and specificity of the operations of the Bank's organizational units,
- checking that the exposure limits are met and tracking cases when they are breached,
- monitoring the reports with excesses,
- monitoring of risk indicators,
- self-evaluation process,
- monitoring and testing of contingency funding plans and continuity of business plans.

The main source of funding the Group’s activity, including liquid assets portfolio, is deposit base, where at the end of September 2023 deposits constituted 79% of total liabilities. The Group maintains buffer of unencumbered high quality assets at high level, investing in sovereign bonds and liquid bonds issued by highly rated corporations. Every year the Group performs analysis if held bond portfolio is possible to liquid at the market condition, in order to set amount of bonds possible to liquidate within timeframe compliant with local regulatory liquidity measure calculation as well as LCR calculation.

The Group constantly monitors funding concentration. To realize that target, the structure of funds is well diversified in each segment of deposits – retail, small enterprises, corporations and public finance sector. The concentration is monitored in break down for client categories and currencies and it is compared to an early warning triggers approved by ALCO. In addition to that there is an early warning trigger for net funding on wholesale market applied.

The Group is one of the biggest market participants on Polish derivative market, however net flows on that instruments in 30 days are irrelevant for LCR. Simultaneously the Group’s methodology of evaluating potential outflows of margin deposits from the Group to other entities or potential decrease of margin deposits kept by Bank’s customers bases on maximal outflows within last 24 months and it secures Bank from underestimation of outflows within 30 days.

In accordance with the Regulation No. 575/2013 the Group monitors and maintains an adequate level of Liquidity Coverage Ratio (LCR). As of September 30, 2023 LCR was 175% and was 6 percentage points higher than as of June 30, 2023. The change in the ratio is primarily influenced by changes in the level of liquid assets.

The Group recognizes that the depth of the FX swap market allows the assumption that the existing mismatch (the excess of FX liabilities over assets) can be easily eliminated by means of current FX swaps. Additionally, the Group does not identify other significant components of the net outflow coverage ratio than those included in the net coverage coverage disclosure formula.

Disclosure of the Group's Liquidity Coverage Ratio (LCR) is presented in the EU LIQ1 table below.

Table EU LIQ1 – Quantitative information of LCR

Scope of consolidation: consolidated		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2023	30.06.2023	31.03.2023	31.12.2022
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					37,732,937	35,075,143	33,252,990	31,565,655
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	19,908,890	19,672,977	19,439,002	19,198,919	1,693,390	1,657,968	1,617,793	1,573,661
3	Stable deposits	9,993,032	10,070,030	10,165,259	10,285,212	499,652	503,502	508,263	514,261
4	Less stable deposits	9,915,858	9,602,947	9,273,743	8,913,707	1,193,739	1,154,466	1,109,530	1,059,400
5	Unsecured wholesale funding	33,883,449	32,594,663	31,447,084	29,963,860	13,638,005	13,418,800	13,278,181	12,655,989
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	21,185,878	20,031,126	18,996,919	18,533,841	5,296,470	5,007,782	4,749,230	4,633,460
7	Non-operational deposits (all counterparties)	12,697,571	12,563,537	12,450,166	11,430,019	8,341,535	8,411,019	8,528,951	8,022,529
8	Unsecured debt	-	-	-	-	-	-	-	-
9	Secured wholesale funding					-	-	-	-
10	Additional requirements	55,589,558	52,416,480	51,764,486	55,392,946	44,740,789	41,934,585	41,557,925	45,215,970
11	Outflows related to derivative exposures and other collateral requirements	43,737,100	40,975,600	40,632,982	44,297,695	43,737,100	40,975,600	40,632,982	44,297,695
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	11,852,458	11,440,880	11,131,504	11,095,251	1,003,689	958,984	924,944	918,275
14	Other contractual funding obligations	1,247,235	1,215,983	1,145,408	952,327	1,247,235	1,215,983	1,145,408	952,327
15	Other contingent funding obligations	3,839,996	3,548,949	3,274,494	3,310,328	384,000	354,895	327,449	331,033
16	TOTAL CASH OUTFLOWS					61,703,419	58,582,231	57,926,756	60,728,979
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	5,626,782	2,684,322	904,971	421,982	-	-	-	-
18	Inflows from fully performing exposures	1,894,163	2,481,415	2,687,030	2,542,763	1,696,716	2,247,105	2,436,437	2,250,032
19	Other cash inflows	37,745,804	35,164,018	35,012,803	39,180,195	37,745,804	35,164,018	35,012,803	39,180,195
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	45,266,749	40,329,755	38,604,805	42,144,941	39,442,520	37,411,122	37,449,240	41,430,227
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	45,266,749	40,329,755	38,604,805	42,144,941	39,442,520	37,411,122	37,449,240	41,430,227
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					37,732,937	35,075,143	33,252,990	31,565,655
22	TOTAL NET CASH OUTFLOWS					22,260,899	21,171,108	20,477,516	19,341,066
23	LIQUIDITY COVERAGE RATIO					169.50	165.67	162.39	163.21

IV. Key capital metrics after the retrospective profit incorporation

The table shows (in accordance with the EBA position expressed in Q&A 2018_4085 and 2018_3822) the main capital metrics with consideration of retrospective profit incorporation into commonTier 1 capital.

The data from March 31st 2023 and December 31st 2022 have been processed with a consideration of profit for the year 2022 after its approval by the General Meeting of Shareholders.

The data for June 30th 2023 have been recalculated taking into account the retrospective recognition of part of the profit for the first half of 2023 in accordance with the EBA's position expressed in Q&A 2018_3822 after obtaining the KNF approval referred to in Article 26(2) of Regulation 575/2013.

Table EU KM1 - Key capital metrics after the retrospective profit incorporation

		a	b	c	d	e
		30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	6,824,753	6,728,039	5,826,544	5,634,175	5,111,171
2	Tier 1 capital	6,824,753	6,728,039	5,826,544	5,634,175	5,111,171
3	Total capital	6,824,753	6,728,039	5,826,544	5,634,175	5,111,171
Risk-weighted exposure amounts						
4	Total risk exposure amount	29,667,006	29,228,968	30,291,621	29,710,682	28,693,282
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	23.00	23.02	19.23	18.96	17.81
6	Tier 1 ratio (%)	23.00	23.02	19.23	18.96	17.81
7	Total capital ratio (%)	23.00	23.02	19.23	18.96	17.81
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	-	-	-	-	-
EU 7b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	-	-	-	-	-
EU 7d	Total SREP own funds requirements (%)	8.00	8.00	8.00	8.00	8.00
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50	2.50	2.50	2.50	2.50
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.08	0.05	0.04	0.04	0.03
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	0.25	0.25	0.25	0.25	0.25
11	Combined buffer requirement (%)	2.83	2.80	2.79	2.79	2.78
EU 11a	Overall capital requirements (%)	10.83	10.80	10.79	10.79	10.78
12	CET1 available after meeting the total SREP own funds requirements (%)	15.00	15.02	11.23	10.96	9.81
Leverage ratio						
13	Total exposure measure	74,831,453	73,458,159	73,372,875	71,791,807	72,494,606
14	Leverage ratio (%)	9.12	9.16	7.94	7.85	7.05
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	
EU 14c	Total SREP leverage ratio requirements (%)	3.00	3.00	3.00	3.00	
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	
EU 14e	Overall leverage ratio requirement (%)	3.00	3.00	3.00	3.00	3.00

The TLAC TREA indicator as of June 30, 2023, calculated taking into account the part of the profit covered by the consent of the Polish Financial Supervision Authority, is 23,02% and the TLAC TEM is 9,16%.

Signatures of required persons

Urszula Lewińska	Natalia Bożek
Director of Financial Reporting, Control and Tax Department	Vice-President of Management Board - CFO
09.11.2023	09.11.2023
(signed in Polish version)	(signed in Polish version)