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INFORMATION ON CAPITAL ADEQUACY OF THE CAPITAL GROUP OF BANK HANDLOWY W WARSZAWIE S.A. AS AT 30 JUNE 2020



AUGUST 2020

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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 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, as well as of 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 ("CRD") 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. This document complements information included in:

- the condensed interim consolidated financial statements of the Capital Group of Bank Handlowy w Warszawie S.A for the period of 6 months ended 30 June 2020
- and in the Report on Activities of the Capital Group of Bank Handlowy w Warszawie S.A. for the first half of 2020.

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 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. Information regarding own funds

Information about the components of equity are presented in details in Table 1 below, the reconciliation of the Group's own funds to the equity of the Group is displayed in Table 2. Data are presented as of 30 June 2020 and 31 December 2019 in accordance with the equipment requirement in the Commission Implementing Regulation (EU) No. 1423/2013 of 20 December 2013 laying down implementing technical standards with regard to disclosure of own funds requirements for institutions according to Regulation (EU) No. 575/2013 of the European Parliament and of the Council.

Table 1. Own funds in the interim period (thousands PLN)

	Own Funds	30.06.2019	31.12.2019	Regulation No. 575/2013 Article Reference
COMMON EQUITY TIER 1 CAPITAL: INSTRUMENTS AND RESERVES				
1	Capital instruments and the related share premium accounts	3 008 172	3 008 172	26 (1), 27, 28, 29, EBA list 26 (3)
	of which: Series A	260 000	260 000	EBA list 26 (3)
	of which: Series B	112 000	112 000	EBA list 26 (3)
	of which: Series C	150 638	150 638	EBA list 26 (3)
2	Retained earnings	640 091	87 246	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves)	3 151 129	2 959 807	26 (1)
3a	Funds for general banking risk	540 200	540 200	26 (1) (f)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**7 339 592**	**6 595 425**	
7	Additional value adjustments (negative amount)	-192 322	-30 111	36 (1) (b), 37, 472 (4)
8	Intangible assets (net of related tax liability) (negative amount)	-1 456 636	-1 443 139	26 (1), 27, 28, 29, EBA list 26 (3)
28	**Total regulatory adjustment to Common Equity Tier 1 (CET1)**	**-1 648 958**	**-1 473 250**	
29	**Common Equity Tier 1 (CET1) capital**	**5 690 634**	**5 122 175**	
ADJUSTMENTS ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS				
36	Additional Tier 1 (AT1) capital before regulatory adjustments	-	-	
ADDITIONAL TIER 1 (AT1) CAPITAL: REGULATORY ADJUSTMENTS				
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	-	
44	Additional Tier 1 (AT1) capital	-	-	
45	Tier 1 capital (T1= CET1+AT1)	**5 690 634**	**5 122 175**	

ADJUSTMENTSTIER 2 (T2) CAPITAL: INSTRUMENTS AND PROVISIONS				
51	**Tier 2 (T2) capital before regulatory adjustments**	**-**	**-**	
TIER 2 (T2) CAPITAL: REGULATORY ADJUSTMENTS				
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**	**-**	
58	**Tier 2 (T2) capital**	**-**	**-**	
59	**Total capital (TC=T1+T2**	**5 690 634**	**5 122 175**	
60	**Total risk weighted assets**	**28 539 099**	**29 738 301**	
CAPITAL RATIOS AND BUFFERS				
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	**19,9%**	**17,2%**	92 (2) (a), 465
62	Tier 1 (as a percentage of risk exposure amount)	**19,9%**	**17,2%**	92 (2) (b), 465
63	Total capital (as a percentage of risk exposure amount)	**19,9%**	**17,2%**	92 (2) (c)
APPLICABLE CAPS ON THE INCLUSION OF PROVISIONS IN TIER 2				
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	**-**	**50 283**	36 (1) (h), 45, 46, 472 (10), 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4)
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	**-**	**-**	36 (1) (i), 45, 48, 470, 472 (11)
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	**247 649**	**238 065**	36 (1) (c), 38, 48, 470, 472 (5)

Group did not make deductions from own funds for significant investment in the financial sector entities and assets for deferred income tax.

Table 2. Reconciliation of the Group's own funds for the Group's equity

Reconciliation of the Group's own funds for the Group's equity	30.06.2020	31.12.2019
Share capital	522 638	522 638
Supplementary capital	2 543 214	3 003 290
Revaluation reserve	367 971	114 893
Other reserves	3 265 678	2 867 358
Retained earnings	755 754	566 476
Total Equity	**7 455 255**	**7 074 655**
Goodwill & other intangible assets	-1 456 636	-1 443 139
Adjustments to Equity Tier I in respect of prudential filters - value adjustments in respect of the requirements for the prudence	-39 482	-24 392
Other adjustments in transition Common Equity Tier I	-152 840	-5 719
Net profit for the Bank’s shareholders	-115 663	-479 230
Total Deductions	**-1 764 621**	**-1 952 480**
Total Own funds	**5 690 634**	**5 122 175**

II. Information regarding capital requirements

Capital requirements in relation to Own Funds of Group is calculated according to the Regulation No. 575/2013.

Below we present data concerning Capital Adequacy of the Group, amount of risk weighted assets and own funds' capital requirements by the respective risks and exposure amounts calculated in accordance with Standardised Method, broken by exposure classes and risk weights in accordance with the Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013 (EBA/GL/2016/11).

Table 3. EU OV1 – Overview of RWAs

			RWAs		Minimum capital requirements	
			30.06.2020	31.12.2019	30.06.2020	31.12.2019
	1	**Credit risk (excluding CCR)**	**22 388 087**	**23 365 872**	**1 791 047**	**1 869 270**
Article 438 (c) (d)	2	Of which the standardised approach	22 388 087	23 365 872	1 791 047	1 869 270
Article 107 Article 438 (c) (d)	**6**	**CCR**	**1 141 389**	**1 528 845**	**91 311**	**122 307**
Article 438 (c) (d)	7	Of which mark to market	1 048 853	1 197 463	83 908	95 797
Article 438 (c) (d)	11	Of which risk exposure amount for contributions to the default fund of a CCP	2 145	2 457	172	197
Article 438 (c) (d)	12	Of which CVA	90 391	328 925	7 231	26 314
Article 438 (e)	**13**	**Settlement risk**	**-**	-	**-**	-
Article 449 (o) (i)	**14**	**Securitisation exposures in the banking book (after the cap)**	**234 385**	**253 671**	**18 751**	**20 294**
	18	Of which standardised approach	234 385	253 671	18 751	20 294
Article 438 (e)	**19**	**Market risk**	**1 160 183**	**1 022 525**	**92 815**	**81 802**
	20	Of which the standardised approach	1 160 183	1 022 525	92 815	81 802
Article 438 (e)	**22**	**Large exposures**	**-**	-	**-**	-
Article 438 (f)	**23**	**Operational risk**	**3 615 055**	**3 567 388**	**289 204**	**285 391**
	25	Of which standardised approach	3 615 055	3 567 388	289 204	285 391
Article 437 (2), Article 48 and Article 60	27	Amounts below the thresholds for deduction (subject to 250% risk weight)	619 122	595 164	49 530	47 613
	29	**Total**	**28 539 099**	**29 738 301**	**2 283 128**	**2 379 064**

Table 4. EU CR5 – Standardised approach – credit risk as of 30 June 2020

Exposure classes	Risk weight													Total	Of which unrated
	0%	2%	4%	10%	15%	20%	35%	50%	75%	100%	150%	250%	Inne kwestie		
Central governments or central banks	24 626 350	-	-	-	-	1 290 636	-	3	-	-	-	247 649	-	26 164 638	247 649
Regional governments or local authorities	-	-	-	-	-	134 912	-	-	-	-	-	-	-	134 912	21 768
Public sector entities	-	-	-	-	-	10	-	9 290	-	-	-	-	-	9 300	9 300
Multilateral development banks	1 193 675	-	-	-	-	-	-	-	-	-	-	-	-	1 193 675	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	65 322	683 717	-	-	-	429 827	-	128 376	-	1 219	-	-	88 672	1 397 133	541 392
Corporates	-	-	-	-	-	-	-	2 502	-	14 504 398	-	-	-	14 506 900	12 926 572
Retail	-	-	-	-	-	-	-	-	5 460 285	-	-	-	-	5 460 285	5 460 285
Secured by mortgages on immovable property	-	-	-	-	-	-	1 685 823	-	-	1 068 973	54 590	-	-	2 809 386	2 809 386
Exposures in default	-	-	-	-	-	-	-	-	-	171 234	89 804	-	-	261 038	261 038
Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	65 612	-	-	65 612	21 479
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective investments undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-	-	-	-	1 170	-	-	-	1 170	1 170
Other exposures	1 826 703	-	-	-	-	3 364	-	-	-	652 878	-	-	-	2 482 945	2 482 945
Total standardised approach	**27 712 050**	**683 717**	-	-	-	**1 858 749**	**1 685 823**	**140 171**	**5 460 285**	**16 399 872**	**210 006**	**247 649**	**88 672**	**54 486 994**	**24 782 984**

* The table takes into account the values relating to derivatives classified into banking book with the offset value of exposure amounting to 5.700 tys. PLN.

Tabela 5. EU CR5 Metoda standardowa - Ryzyko kredytowe as of 31 December 2019

Exposure classes	Risk weight											Total	Of which unrated
	0%	2%	10%	20%	35%	50%	75%	100%	150%	250%	Other matters		
Central governments or central banks	15 562 547	-	1 955 858	572 555	-	-	-	-	-	238 065	-	18 329 024	238 065
Regional governments or local authorities	-	-	-	66 532	-	-	-	-	-	-	-	66 532	16 554
Public sector entities	-	-	-	10	-	11 633	-	-	-	-	-	11 643	11 643
Multilateral development banks	697 138	-	-	-	-	-	-	-	-	-	-	697 138	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	629 296	-	108 706	-	1 433	-	-	-	739 435	131 752
Corporates	39 407	411 153	-	-	-	2 503	-	15 193 763	-	-	110 003	15 756 829	13 873 547
Retail	-	-	-	-	-	-	5 741 062	-	-	-	-	5 741 062	5 741 062
Secured by mortgages on immovable property	-	-	-	-	1 599 560	-	-	1 175 147	53 851	-	-	2 828 558	2 828 558
Exposures in default	-	-	-	-	-	-	-	212 679	85 100	-	-	297 779	297 779
Items associated with particularly high risk	-	-	-	-	-	-	-	-	61 529	-	-	61 529	20 205
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective investments undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-	-	1 108	-	-	-	1 108	1 108
Other exposures	1 879 356	-	-	10 236	-	-	-	625 638	-	-	-	2 515 230	2 515 230
Total standardised approach	**18 178 447**	**411 153**	**1 955 858**	**1 278 628**	**1 599 560**	**122 842**	**5 741 062**	**17 209 769**	**200 480**	**238 065**	**110 003**	**47 045 868**	**25 675 503**

III. Non-performing and forborne exposures

The Group presents below tables as part of disclosures on non-performing and forborne exsposures as well as collateral obtained by taking possession and execution processes, in line with Guidelines on disclosure of non-performing and forborne exposures (EBA/GL/2018/10:

- NPE 1 – Credit quality of forborne exposures,
- NPE 3 – Credit quality of performing and non-performing exposures by past due days,
- NPE 4 – Performing and non-performing exposures and related provision.

As of 30 June of 2020, the Group presents gross NPL (gross non-performing loans and advances to the total gross amount of loans and advances) in amount of 5,04%.
According to Guidelines on disclosure of non-performing and forborne exposures gross non-performing loan ratio is calculated including the amount of contractual interest accrued since exposure became non-perfoming.

Group does not have collateral obtained by taking possession and execution processes.

Tabela 6. NPE 1 – Credit quality of forborne exposures (in PLN '000) as of 30 June 2020

	Gross carrying amount/nominal amount of exposures with forbearance measures			Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne		On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
		Of which defaulted	Of which impaired				
Loans and advances	343	235 858	235 858	-35	-135 473	20 652	20 652
Central banks	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-
Non-financial corporations	-	210 344	210 344	-	-115 246	19 881	19 881
Households	343	25 515	25 515	- 35	-20 227	771	771
Debt Securities	-	-	-	-	-	-	-
Off-balance-sheet exposures	-	-	-	-	-	-	-
Total	**343**	**236 599**	**236 599**	**- 35**	**- 135 636**	**20 652**	**20 652**

Tabela 7. NPE 1 – Credit quality of forborne exposures (in PLN '000) as of 31 December 2019

	Gross carrying amount/nominal amount of exposures with forbearance measures			Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne		On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
		Of which defaulted	Of which impaired				
Loans and advances	-	216 297	216 297	-	-118 133	22 890	22 890
Central banks	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-
Non-financial corporations	-	191 242	191 242	-	-98 499	22 048	22 048
Households	-	25 055	25 055	-	-19 634	842	842
Debt Securities	-	-	-	-	-	-	-
Off-balance-sheet exposures	-	31 872	31 872	-	1 732	-	-
Total	**-**	**248 169**	**248 169**	**-**	**-119 868**	**22 890**	**22 890**

Table 8. NPE 3 – Credit quality of performing and non-performing exposures by past due days (in PLN '000) as of 30 June 2020

	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due < 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Loans and advances	22 074 745	22 043 214	31 531	1 171 905	248 425	55 474	287 478	158 251	124 286	48 114	249 876	1 171 905
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	22 180	22 177	3	-	-	-	-	-	-	-	-	-
Credit institutions	720 849	720 849	-	-	-	-	-	-	-	-	-	-
Other financial corporations	2 277 124	2 277 103	22	8 677	-	-	-	-	-	-	8 677	8 677
Non-financial corporations	11 731 300	11 728 488	2 812	659 085	62 102	15 929	153 040	151 279	100 229	24 688	151 818	659 085
Of which SMEs	3 718 765	3 717 500	1 265	400 378	20 467	852	62 518	148 138	79 666	15 708	73 030	400 378
Households	7 323 292	7 294 598	28 694	504 143	186 323	39 545	134 438	6 973	24 056	23 426	89 381	504 143
Debt securities	27 298 766	27 298 766	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	24 068 900	24 068 900	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	2 938 987	2 938 987	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	290 879	290 879	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	16 904 032			31 957								31 957
Central banks	-			-								-
General governments	509 247			-								-
Credit institutions	332 067			-								-
Other financial corporations	143 294			-								-
Non-financial corporations	9 373 578			30 787								30 787
Households	6 545 848			1 170								1 170
Total	**66 277 543**	**49 341 980**	**31 531**	**1 203 862**	**248 425**	**55 474**	**287 478**	**158 251**	**124 286**	**48 114**	**249 876**	**1 203 862**

Table 9. NPE 3 – Credit quality of performing and non-performing exposures by past due days (in PLN '000) as of 31 December 2019

	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Loans and advances	22 238 111	22 233 374	4 737	1 160 411	566 584	59 927	139 529	19 792	87 429	38 000	249 150	1 160 411
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	30 793	30 793	-	-	-	-	-	-	-	-	-	-
Credit institutions	729 077	729 077	-	-	-	-	-	-	-	-	-	-
Other financial corporations	1 387 091	1 387 074	17	8 677	-	-	-	-	-	-	8 677	8 677
Non-financial corporations	12 583 916	12 579 573	4 343	699 858	152 150	59 927	139 529	19 792	85 128	38 000	205 332	699 858
Of which SMEs	4 510 604	4 508 834	1 770	445 492	24 167	59 927	139 529	16 813	63 806	5 404	135 846	445 492
Households	7 507 234	7 506 857	377	451 876	414 434	-	-	-	-	-	35 141	451 876
Debt securities	17 556 217	17 556 217	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	14 787 461	14 787 461	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	2 462 828	2 462 828	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	305 928	305 928	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	15 373 074			68 880								68 880
Central banks	-			-								-
General governments	110 561			-								-
Credit institutions	371 582			-								-
Other financial corporations	112 627			-								-
Non-financial corporations	8 468 672			67 574								67 574
Households	6 309 632			1 306								1 306
Total	**55 167 402**	**39 741 506**	**52 822**	**1 229 291**	**566 584**	**59 927**	**139 529**	**19 792**	**87 429**	**38 000**	**249 150**	**1 229 291**

Tabela 10. NPE 4 – Performing and non-performing exposures and related provision (in PLN '000) as of 30 June 2020

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	f which stage 2		Of which stage	f which stage 3		Of which stage	f which stage 2		Of which stage	f which stage			
Loans and advances	22 074 745	19 031 916	3 042 829	1 171 905	-	1 171 905	- 220 987	- 97 106	- 123 882	- 911 718	-	- 911 718	-	4 109 508	76 375
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	22 180	22 177	3	-	-	-	- 54	- 54	- 0	-	-	-	-	3 956	-
Credit institutions	720 849	720 846	3	-	-	-	- 3 250	- 3 250	- 0	-	-	-	-	53 354	-
Other financial corporations	2 277 124	2 277 103	22	8 677	-	8 677	- 3 362	- 3 362	- 0	- 8 677	-	- 8 677	-	155 727	-
Non-financial corporations	11 731 300	9 528 563	2 202 736	659 085	-	659 085	- 108 319	- 57 301	- 51 018	- 474 571	-	- 474 571	-	1 822 621	71 065
Of which SMEs	3 718 765	3 006 574	712 191	400 378	-	400 378	- 35 555	- 19 727	- 15 828	- 301 018	-	- 301 018	-	1 125 457	56 777
Households	7 323 292	6 483 226	840 066	504 143	-	504 143	- 106 002	- 33 139	- 72 863	- 428 471	-	- 428 471	-	2 073 850	5 311
Debt securities	27 298 766	27 298 766	-	-	-	-	- 1 119	- 1 119	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	24 068 900	24 068 900	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	2 938 987	2 938 987	-	-	-	-	- 1 004	- 1 004	-	-	-	-	-	-	-
Non-financial corporations	290 879	290 879	-	-	-	-	- 115	- 115	-	-	-	-	-	-	-
Off-balance-sheet exposures	16 904 032	14 481 847	2 422 185	31 957	-	31 957	- 53 369	- 28 457	- 24 913	- 29 265	-	- 29 265		1 005 211	667
Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
General governments	509 247	509 247	-	-	-	-	- 709	- 709	-	-	-	-		110	-
Credit institutions	332 067	331 486	580	-	-	-	- 308	- 307	- 1	-	-	-		-	-
Other financial corporations	143 294	143 294	-	-	-	-	- 319	- 319	-	-	-	-		32 374	-
Non-financial corporations	9 373 578	8 204 451	1 169 127	30 787	-	30 787	- 39 210	- 24 111	- 15 099	- 29 052	-	- 29 052		948 704	667
Households	6 545 848	5 293 369	1 252 479	1 170	-	1 170	- 12 824	- 3 011	- 9 813	- 213	-	- 213		24 023	-
Total	66 277 543	60 812 528	5 465 015	1 203 862	-	1 203 862	- 275 475	- 126 681	- 148 794	- 940 983	-	- 940 983	-	5 114 720	77 043

* The gross value of receivables as at 30 June 2020 does include contractual interest of 272 522 thousand PLN accrued from the time the exposure is classified in Stage 3

Tabela 11. NPE 4 – Performing and non-performing exposures and related provision (in PLN '000) as of 31 December 2019

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
Loans and advances	22 233 051	19 882 562	2 350 489	1 160 411	-	1 160 411	- 132 854	- 52 900	- 79 954	- 872 800	-	- 872 800	-	4 292 347	269 135
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	30 793	30 793	-	-	-	-	- 24	- 24	-	-	-	-	-	10 081	-
Credit institutions	729 077	729 074	3	-	-	-	- 2 318	- 2 318	-	-	-	-	-		-
Other financial corporations	1 387 091	1 387 077	14	8 677	-	8 677	- 1 521	- 1 521	-	- 8 677	-	- 8 677	-	14 416	-
Non-financial corporations	12 578 856	11 210 753	1 368 103	699 858	-	699 858	- 43 191	- 24 572	- 18 619	- 484 903	-	- 484 903	-	2 321 832	85 156
Of which SMEs	4 510 604	3 975 756	534 848	445 492	-	445 492	- 19 588	- 10 170	- 9 418	- 306 672	-	- 306 672	-	1 546 869	74 373
Households	7 507 234	6 524 865	982 369	451 876	-	451 876	- 85 800	- 24 465	- 61 335	- 379 220	-	- 379 220	-	1 946 018	183 979
Debt securities	17 556 217	17 556 217	-	-	-	-	- 815	- 815	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	14 787 461	14 787 461	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	2 462 828	2 462 828	-	-	-	-	- 695	- 695	-	-	-	-	-	-	-
Non-financial corporations	305 928	305 928	-	-	-	-	- 120	- 120	-	-	-	-	-	-	-
Off-balance-sheet exposures	15 373 074	13 510 075	1 862 999	68 880	-	68 880	- 25 590	- 11 819	- 13 771	- 36 590	-	- 36 590		863 819	1 020
Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
General governments	110 561	110 561	-	-	-	-	- 134	- 134	-	-	-	-		110	-
Credit institutions	371 582	368 259	3 323	-	-	-	- 190	- 181	- 9	-	-	-		-	-
Other financial corporations	112 627	112 627	-	-	-	-	- 111	- 111	-	-	-	-		18 955	-
Non-financial corporations	8 468 672	7 833 375	635 297	67 574	-	67 574	- 16 080	- 9 371	- 6 709	- 36 590	-	- 36 590		828 996	1 020
Households	6 309 632	5 085 253	1 224 379	1 306	-	1 306	- 9 075	- 2 022	- 7 053	-	-	-		15 758	-
Total	**55 162 342**	**50 948 854**	**4 213 488**	**1 229 291**	**-**	**1 229 291**	**- 159 259**	**- 65 534**	**- 93 725**	**- 909 390**	**-**	**- 909 390**	**-**	**5 156 166**	**270 155**

* The gross value of receivables as at 31 December 2019 does include contractual interest of 311 351 thousand PLN accrued from the time the exposure is classified in Stage 3

IV. Leverage ratio

Information on the leverage ratio at 30 June 2019: summary reconciliation of accounting assets and leverage ratio exposures, the calculation of the leverage ratio and the split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) are presented in the following tables in accordance with the Commission Implementing Regulation (EU) No. 2016/200:

Table 12. Summary reconciliation of accounting assets and leverage ratio exposures

		30.06.2020	31.12.2019
1	Total assets as per published financial statements	60 892 888	51 978 543
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-	-
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation No. 575/2013 "CRR")	-	-
4	Adjustments for derivative financial instruments	684 984	3 241 838
5	Adjustments for securities financing transactions "SFTs"	41 119	218 375
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	3 915 945	3 590 304
6a	(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation No. 575/2013)	-	-
6b	(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation No. 575/2013)	-	-
7	Other adjustments	-	-
8	**Total leverage ratio exposure**	**65 534 937**	**59 029 059**

Table 13. Leverage ratio common disclosure

	CRR leverage ratio exposures in 000'PLN	30.06.2020	31.12.2019
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	56 636 944	50 209 417
2	(Asset amounts deducted in determining Tier 1 capital)	-1 496 118	-1 467 531
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	55 140 826	48 741 885
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	3 060 445	1 859 630
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	2 535 966	3 123 972
5a	Exposure determined under Original Exposure Method	-	0
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	0
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-743 606	-216 984
8	(Exempted CCP leg of client-cleared trade exposures)	-	0
9	Adjusted effective Notional amount of written credit derivatives	-	0
10	(Adjusted effective Notional offsets and add-on deductions for written credit derivatives)	-	0
11	**Total derivative exposures (sum of lines 4 to 10)**	4 852 805	4 766 618
Securities financing transaction exposures			
12	Gross SFT assets (with No. recognition of netting), after adjusting for sales accounting transactions	129 242	462 721
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
14	Counterparty credit risk exposure for SFT assets	-	-
14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation No. 575/2013	-	-
15	Agent transaction exposures	-	-
15a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
16	**Total securities financing transaction exposures (sum of lines 12 to 15a)**	129 242	462 721
Other off-balance sheet exposures			
17	Off-balance sheet exposures at gross Notional amount	16 935 989	15 441 956
18	(Adjustments for conversion to credit equivalent amounts)	-13 020 043	-11 851 652
19	**Other off-balance sheet exposures (sum of lines 17 to 18)**	3 915 946	3 590 304

Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)			
19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation No. 575/2013 (on and off balance sheet))	-	-
19b	(Exposures exempted in accordance with Article 429 (14) of Regulation No. 575/2013 (on and off balance sheet))	-	-
Capital and total exposures			
20	**Tier 1 capital**	5 690 633	5 122 175
21	**Total leverage ratio exposures (sum of lines 3, 11, 16, 19, 19a and 19b)**	64 038 819	57 561 528
Leverage ratio			
22	**Leverage ratio**	8,9%	8,9%
Choice on transitional arrangements and amount of derecognised fiduciary items			
23	Choice on transitional arrangements for the definition of the capital measure		
24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation No. 575/2013	-	-

Table 14. Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

	CRR leverage ratio exposures in 000'PLN	30.06.2020	31.12.2019
1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	56 636 944	50 209 417
2	Trading book exposures	3 227 567	3 921 731
3	Banking book exposures, of which:	53 409 377	46 280 389
4	Covered bonds	0	0
5	Exposures treated as sovereigns	26 164 395	18 328 790
6	Exposures to regional governments, MDB, international organisations and PSE No.T treated as sovereigns	1 210 406	720 988
7	Institutions	1 667 420	1 004 580
8	Secured by mortgages of immovable properties	2 733 863	2 745 923
9	Retail exposures	5 418 961	5 699 067
10	Corporate	11 659 652	13 162 152
11	Exposures in default	260 645	283 304
12	Other exposures (e.g. equity, securitisations, and other Non-credit obligation assets)	4 294 035	4 342 883

Members of Management Board

24 August 2020	Sławomir S. Sikora	The President of Management Board
.....	.....	.....
Date	Name	Position/Function
24 August 2020	Natalia Bożek	Vice-president of Management Board
.....	.....	.....
Date	Name	Position/Function
24 August 2020	Maciej Kropidłowski	Vice-president of Management Board
.....	.....	.....
Date	Name	Position/Function
24 August 2020	Dennis Hussey	Vice-president of Management Board
.....	.....	.....
Date	Name	Position/Function
24 August 2020	Barbara Sobala	Vice-president of Management Board
.....	.....	.....
Date	Name	Position/Function
24 August 2020	James Foley	Member of Management Board
.....	.....	.....
Date	Name	Position/Function
24 August 2020	Katarzyna Majewska	Member of Management Board
.....	.....	.....
Date	Name	Position/Function