

|   |                                      |  |
|---|--------------------------------------|--|
| Disclosure in accordance with the CRR     | Credit risk adjustments              |  |
| Risk management objectives and strategies | Encumbered assets                    |  |
| Own funds                                 | Use of ECAs                          |  |
| Capital requirements                      | Exposure to market risk              |  |
| Exposure to counterparty credit risk      | Operational risk                     |  |
| Capital buffers                           | <b>Exposures in equities</b>         |  |
|   | Exposure to interest rate risk       |  |
|   | Exposure to securitisation positions |  |
|   | Remuneration policy                  |  |
|   | Leverage                             |  |
|   | Qualifying requirements              |  |
|   | Declaration of the Management Board  |  |

## Exposures in equities not included in the trading book (CRR Article 447)

As at 31 December 2014 the Group had exposures in equities not included in the trading book with total balance-sheet value of PLN 9,723,000. The adopted methods of valuation, balance-sheet classification and effect of measurement at fair value for shares quoted on the active market are presented by the table below:

Exposures in equities not included in the trading book; data in PLN thous.

Balance-

Balance-

Effect of pricing on active

| sheet classification                | Measurement method   | sheet value | quoted market carried in revaluation capital |
|-------------------------------------|--|-------------|--|
| Investment in subordinates          | Equity rights  | 2.762       | -  |
| Shares and stock available for sale | Fair value; in case of stock and shares not quoted on the active market fair value is assumed to be the value at cost of purchase less any impairment charges. | 6.641       |  |
| Shares and stock available for sale | Fair value measured on the basis of active market quotations   | 320         | 311  |

Exposures in the Group's equities most significant from the point of view of balance-sheet values, as at 31 December 2014, with assignment of strategic goals, were as follows:

1. Polski Standard Płatności sp. z o.o.; balance-sheet value PLN 5 832 000 – the purpose of the equity exposure is to introduce into the Bank's offering new products and services for the Bank's customers,
2. Lubuskie Fabryki Mebli S.A.; balance-sheet value PLN 2 761 000 - the original purpose of the equity exposure in LFM SA was to generate capital gains.
3. Biuro Informacji Kredytowej S.A.; balance-sheet value PLN 400 000 – the equity exposure is connected with the banking activity;
4. Krajowa Izba Rozliczeniowa S.A.; balance-sheet value PLN 313 000 - the equity exposure is connected with the banking activity;
5. Giełda Papierów Wartościowych SA; balance-sheet value PLN 320 000. – the equity exposure is connected with activity on the capital market.

In the analysed period (2014) the Group:

- did not change accounting principles or methods of pricing for stocks and shares,
- realised profit on sale of shares from the "available for sale" book in the amount of PLN 9 826 000,
- in calculating own funds the positive effect of pricing of shares quoted on the active market from the "available for sale" book, presented in the balance-sheet in revaluation capital (shown in the table above) was not taken into account.