

Disclosure in accordance with the CRR	Credit risk adjustments	
Risk management objectives and strategies	Encumbered assets	
<b>Own funds</b> 	Use of ECAIs	
Key components	Exposure to market risk	
Reconciliation of items of own funds	Operational risk	
Items not deducted from own funds	Exposures in equities	
Own Funds and the EU Commission Regulation	Exposure to interest rate risk	
Capital requirements	Exposure to securitisation positions	
Exposure to counterparty credit risk	Remuneration policy	
Capital buffers	Leverage	
	Qualifying requirements	
	Declaration of the Management Board	

## Own funds

The below values presents own funds components of Group as at 31.12.2014.

Own Funds as at 31.12.2014 (in PLN thous.)

ID	Item	Amount
1	OWN FUNDS	5.368.947
1.1	TIER 1 CAPITAL	5.123.149
1.1.1	COMMON EQUITY TIER 1 CAPITAL	5.123.149
1.1.1.1	Capital instruments eligible as <a href="#">CET1</a> Capital	2.360.619
1.1.1.1.1	Paid up capital instruments	1.213.117

1.1.1.1.2*	Memorandum item: Capital instruments not eligible	0
1.1.1.1.3	Share premium	1.147.502
1.1.1.1.4	(-) Own <a href="#">CET1</a> instruments	0
1.1.1.1.4.1	(-) Direct holdings of <a href="#">CET1</a> instruments	0
1.1.1.1.4.2	(-) Indirect holdings of <a href="#">CET1</a> instruments	0
1.1.1.1.4.3	(-) Synthetic holdings of <a href="#">CET1</a> instruments	0
1.1.1.1.5	(-) Actual or contingent obligations to purchase own <a href="#">CET1</a> instruments	0
1.1.1.2	Retained earnings	160.032
1.1.1.2.1	Previous years retained earnings	0
1.1.1.2.2	Profit or loss eligible	160.032
1.1.1.2.2.1	Profit or loss attributable to owners of the parent	650.920
1.1.1.2.2.2	(-) Part of interim or year-end profit not eligible	-490.888
1.1.1.3	Accumulated other comprehensive income	-112.911
1.1.1.4	Other reserves	2.637.949
1.1.1.5	Funds for general banking risk	228.902
1.1.1.6	Transitional adjustments due to grandfathered <a href="#">CET1</a> Capital instruments	0
1.1.1.7	Minority interest given recognition in <a href="#">CET1</a> capital	0
1.1.1.8	Transitional adjustments due to additional minority interests	0
1.1.1.9	Adjustments to <a href="#">CET1</a> due to prudential filters	165.799
1.1.1.9.1	(-) Increases in equity resulting from securitised assets	0
1.1.1.9.2	Cash flow hedge reserve	165.799
1.1.1.9.3	Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	0
1.1.1.9.4	Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	0
1.1.1.9.5	(-) Value adjustments due to the requirements for prudent valuation	0
1.1.1.10	(-) Goodwill	0
1.1.1.10.1	(-) Goodwill accounted for as intangible asset	0
1.1.1.10.2	(-) Goodwill included in the valuation of significant investments	0
1.1.1.10.3	Deferred tax liabilities associated to goodwill	0
1.1.1.11	(-) Other intangible assets	-59.119
1.1.1.11.1	(-) Other intangible assets gross amount	-59.119
1.1.1.11.2	Deferred tax liabilities associated to other intangible assets	0
1.1.1.12	(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	0

1.1.1.13	(-) IRB shortfall of credit risk adjustments to expected losses	-335.764
1.1.1.14	(-)Defined benefit pension fund assets	0
1.1.1.14.1	(-)Defined benefit pension fund assets gross amount	0
1.1.1.14.2	Deferred tax liabilities associated to defined benefit pension fund assets	0
1.1.1.14.3	Defined benefit pension fund assets which the institution has an unrestricted ability to use	0
1.1.1.15	(-) Reciprocal cross holdings in <a href="#">CET1</a> Capital	0
1.1.1.16	(-) Excess of deduction from AT1 items over AT1 Capital	0
1.1.1.17	(-) Qualifying holdings outside the financial sector which can alternatively be subject to a 1250% risk weight	0
1.1.1.18	(-) Securitisation positions which can alternatively be subject to a 1250% risk weight	0
1.1.1.19	(-) Free deliveries which can alternatively be subject to a 1250% risk weight	0
1.1.1.20	(-) Positions in a basket for which an institution cannot determine the risk weight under the IRB approach, and can alternatively be subject to a 1250% risk weight	0
1.1.1.21	(-) Equity exposures under an internal models approach which can alternatively be subject to a 1250% risk weight	0
1.1.1.22	(-) <a href="#">CET1</a> instruments of financial sector entites where the institution does not have a significant investment	0
1.1.1.23	(-) Deductible deferred tax assets that rely on future profitability and arise from temporary differences	0
1.1.1.24	(-) <a href="#">CET1</a> instruments of financial sector entities where the institution has a significant investment	0
1.1.1.25	(-) Amount exceeding the 17.65% threshold	0
1.1.1.26	Other transitional adjustments to <a href="#">CET1</a> Capital	77.642
1.1.1.27	(-) Additional deductions of <a href="#">CET1</a> Capital due to Article 3 CRR	0
1.1.1.28	<a href="#">CET1</a> capital elements or deductions - other	0
1.1.2	ADDITIONAL TIER 1 CAPITAL	0
1.1.2.1	Capital instruments eligible as AT1 Capital	0
1.1.2.1.1	Paid up capital instruments	0
1.1.2.1.2*	Memorandum item: Capital instruments not eligible	0
1.1.2.1.3	Share premium	0
1.1.2.1.4	(-) Own AT1 instruments	0
1.1.2.1.4.1	(-) Direct holdings of AT1 instruments	0
1.1.2.1.4.2	(-) Indirect holdings of AT1 instruments	0
1.1.2.1.4.3	(-) Synthetic holdings of AT1 instruments	0
1.1.2.1.5	(-) Actual or contingent obligations to purchase own AT1 instruments	0

1.1.2.2	Transitional adjustments due to grandfathered AT1 Capital instruments	0
1.1.2.3	Instruments issued by subsidiaries that are given recognition in AT1 Capital	0
1.1.2.4	Transitional adjustments due to additional recognition in AT1 Capital of instruments issued by subsidiaries	0
1.1.2.5	(-) Reciprocal cross holdings in AT1 Capital	0
1.1.2.6	(-) AT1 instruments of financial sector entities where the institution does not have a significant investment	0
1.1.2.7	(-) AT1 instruments of financial sector entities where the institution has a significant investment	0
1.1.2.8	(-) Excess of deduction from T2 items over T2 Capital	0
1.1.2.9	Other transitional adjustments to AT1 Capital	0
1.1.2.10	Excess of deduction from AT1 items over AT1 Capital (deducted in <a href="#">CET1</a> )	0
1.1.2.11	(-) Additional deductions of AT1 Capital due to Article 3 CRR	0
1.1.2.12	AT1 capital elements or deductions - other	0
1.2	TIER 2 CAPITAL	245.798
1.2.1	Capital instruments and subordinated loans eligible as T2 Capital	380.104
1.2.1.1	Paid up capital instruments and subordinated loans	380.104
1.2.1.1*	Memorandum item: Capital instruments and subordinated loans not eligible	0
1.2.1.3	Share premium	0
1.2.1.4	(-) Own T2 instruments	0
1.2.1.4.1	(-) Direct holdings of T2 instruments	0
1.2.1.4.2	(-) Indirect holdings of T2 instruments	0
1.2.1.4.3	(-) Synthetic holdings of T2 instruments	0
1.2.1.5	(-) Actual or contingent obligations to purchase own T2 instruments	0
1.2.2	Transitional adjustments due to grandfathered T2 Capital instruments and subordinated loans	0
1.2.3	Instruments issued by subsidiaries that are given recognition in T2 Capital	0
1.2.4	Transitional adjustments due to additional recognition in T2 Capital of instruments issued by subsidiaries	0
1.2.5	IRB Excess of provisions over expected losses eligible	0
1.2.6	SA General credit risk adjustments	0
1.2.7	(-) Reciprocal cross holdings in T2 Capital	0
1.2.8	(-) T2 instruments of financial sector entities where the institution does not have a significant investment	0
1.2.9	(-) T2 instruments of financial sector entities where the institution has a significant	0

	investment	0
1.2.10	Other transitional adjustments to T2 Capital	-134.306
1.2.11	Excess of deduction from T2 items over T2 Capital (deducted in AT1)	0
1.2.12	(-) Additional deductions of T2 Capital due to Article 3 CRR	0
1.2.13	T2 capital elements or deductions - other	0
	<b>Common Equity Tier1 Ratio (CET1)</b>	<b>14,53%</b>
	<b>Total Capital Ratio (TCR)</b>	<b>15,23%</b>