

Report on the top five execution systems and the quality of order execution for 2022 Retail Banking Sector

The information contained in this document is published by Bank Handlowy w Warszawie S.A. ("Bank") in connection with the performance of the obligations provided for in Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 supplementing Directive 2014/65 / EU of the European Parliament and of the Council with regard to regulatory technical standards for annual publication public information by investment firms on the identity of execution venues and the quality of execution (the "Regulation").

This Report includes:

- I. Information on the order execution systems used by the Bank
- II. Summary of the analysis and conclusions resulting from the monitoring of the quality of the execution of transactions in the order execution systems in which the Bank executed clients' transactions

I. Information on the order execution systems used by the Bank

In the period covered by the Report, all transactions with Retail Clients were performed on the Bank's portfolio and therefore it was the only order execution system.

Information on transactions in Debt Securities, including Structured Notes and Dual Currency Investments concluded with Retail Clients is presented in the tables below.

Instrument category		Debt Securities, including Structured Notes			
Notification in the case of an average of less than one transaction per business day last year		Y			
Top five execution venues ranked by volume of trading (descending)	Share of trading volume as a percentage of the total volume in this category	Share of orders executed as a percentage of the total number of orders in this category	Percentage of passive orders	Percentage of aggressive orders	Percentage of targeted orders
Bank Handlowy w Warszawie S.A. LEI: XLEZHWWO14HFQDGL4793	100%	100%	N/A	N/A	N/A

Instrument category		Dual Currency Investments			
Notification in the case of an average of less than one transaction per business day last year		Y			
Top five execution venues ranked by volume of trading (descending)	Share of trading volume as a percentage of the total volume in this category	Share of orders executed as a percentage of the total number of orders in this category	Percentage of passive orders	Percentage of aggressive orders	Percentage of targeted orders
Bank Handlowy w Warszawie S.A. LEI: XLEZHWWO14HFQDGL4793	100%	100%	N/A	N/A	N/A

II. Summary of the analysis and conclusions resulting from the monitoring of the quality of execution of transactions in the order execution systems in which the Bank executed client transactions (applies to the Retail Banking Sector)

1. Explanation of the relative importance of Bank Handlowy w Warszawie S.A. assigns execution factors including price, cost, speed, probability of execution, or any other aspect, including qualitative factors, when assessing the quality of execution

The Bank informs that to execute clients' orders in relation to:

- Debt Securities, including Structured Notes and
- Dual Currency Investments,

uses the Bank's own portfolio as an order execution system. As a result, for the Client, the counterparty of the transaction concluded as a result of the execution of the order is each time the Bank. When selecting its own portfolio as the only order execution system, the Bank is primarily guided by the ability to continuously ensure the highest degree of control and probability of the implementation of activities in the best interest of the client, according to the criteria set out in the Policy of Executing Orders and Acting in the Client's Best Interest.

In order to ensure the best possible results for the Client in relation to each of the above-mentioned categories of financial instruments, the Bank takes into account, first of all, the price factor and assigns it the highest rank. The bank gives non-price factors of secondary importance.

In view of the above, the Bank assigns the following ranks to individual factors in relation to given financial instruments:

Factor	Debt Security			Dual Currency Investment
	Foreign Debt Security	Structured Note	Other Debt Security	
price	High	High	High	High
cost of completing the order	Low	Low	Low	Low
speed of the transaction	Low	Low	Low	Low
the probability of the order execution and its settlement	Low	Low	Low	Low
the size of the order	Low	Low	Low	Low
the nature of the order	Low	Low	Low	Low
other aspects affecting the performance of the order	Low	Low	Low	Low

The Bank informs that the cost of executing an order related to individual financial instruments indicated above is included in the price. Therefore, the Bank assigns a low rank to the cost of order execution.

When executing orders or deciding to enter into transactions with respect to each of the above-mentioned categories of financial instruments, the Bank checks the fairness of the price proposed to the Client by collecting market data used to estimate the price of such a product and, if possible, by comparing them with similar or comparable products.

The full text of the Policy of Executing Orders and Acting in the Customer's Best Interest is available at: <https://www.online.citibank.pl/files/documents/investments/polityka-best.pdf>

2. Description of close links, conflicts of interest and common ownership with regard to the order execution systems used by Bank Handlowy w Warszawie S.A.

The Bank strives to avoid situations that may result in a conflict of interest by implementing organizational solutions and internal regulations of the Bank. The Bank exercises due diligence to ensure that, in the event of such a conflict of interest, the Client's interests are not infringed. The bank also exercises due diligence to properly manage the risk of a conflict of interest. The Bank has established, implemented and maintains a policy of counteracting conflicts of interest, which is the "Principles of managing a conflict of interest at Bank Handlowy w Warszawie S.A. in the scope related to trading in financial instruments which are the subject of the services provided by the Bank pursuant to Art. 70 paragraph. 2 of the Act on Trading in Financial Instruments and Other Non-Financial Instruments ". Information containing a description of counteracting conflicts of interest can be found in the "MiFID Information Brochure", the full text of which is available on the Bank's website: <https://www.online.citibank.pl/files/documents/investments/mifid-broszura.pdf>

3. Description of any special arrangements with execution venues with respect to payments, discounts, rebates or non-cash benefits received or received.

Due to the fact that the Bank includes all the above-mentioned own wallet transactions, does not make any reconciliation with other execution venues for payments, discounts, rebates or non-monetary benefits.

4. An explanation of the factors that led to the change of the list of execution venues included in the Bank's execution strategy, should such a change occur

There were no changes to the list of execution venues in the reporting period. The Bank's portfolio was the only order execution system.

5. An explanation of whether other criteria than direct price and cost were prioritized in the execution of Retail Clients' orders, and how these other criteria were helpful in achieving the best possible result for the Client in terms of total remuneration;

In the reporting period, the Bank did not prioritize any factor other than the direct price and cost of a financial instrument when executing a transaction with a Retail Client.

6. Explanation of how the execution of the order depends on the category of Clients, if the Bank handles different categories of Clients in a different way and when it may affect the arrangements for the execution of orders;

All transactions, both with a Retail Client and a Professional Client, are carried out in the same ordering system - the Bank's own account. In the absence of detailed instructions from the Retail or Professional Client as to the place of execution of orders, the Bank for both of these categories relies on the criteria specified in the document

"The Policy of Executing Orders and Acting in the Customer's Best Interest."

7. An explanation of how the Bank used the data or tools related to the quality of order execution, including any data published in accordance with Delegated Regulation (EU) 2017/575;

Taking into account the manner in which the Bank concluded transactions with customers in the period covered by the Report, the Bank did not use data or tools regarding the quality of order execution.

8. Where applicable - an explanation of how the Bank used the information provided by the provider of consolidated information (CTP) within the meaning of Art. 65 of Directive 2014/65 / EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92 / EC and Directive 2011/61 (hereinafter: the „MiFID II” Directive);

The Bank did not use the information provided by the provider of consolidated information (CTP) within the meaning of Art. 65 of the MiFID II Directive.