

**RESOLUTION No. /2020
of the Annual General Meeting
of Powszechna Kasa Oszczędności
Bank Polski Spółka Akcyjna
of 26 August 2020**

on the distribution of profit of PKO Bank Polski S.A. achieved in 2019 and covering loss from previous years

Acting pursuant to art. 395 § 2 point 2, art. 396 § 4 and § 5 of the Commercial Companies Code, the Annual General Meeting adopts the following:

§ 1.

The balance sheet loss from previous years in the amount of PLN 110 822 746 is covered by reserve capital. The loss arose as a result of changes in accounting policies in connection with the first-time application of International Financial Reporting Standard No. 16 ("Leasing").

§ 2.

From the profit achieved in 2019 in the amount of PLN 3 834 504 089, the amount of PLN 2 155 113 is allocated to reserve capital. The remaining part of profit in the amount of PLN 3 832 348 976 is left undistributed.

§ 3.

This resolution shall come into force as of the date of its adoption.

Rationale

to the draft resolution on the distribution of profit of PKO Bank Polski S.A. achieved in 2019 and covering loss from previous years

Pursuant to the provisions of the Commercial Companies Code, the distribution of profit and coverage of loss is carried out by the annual general meeting. According to the draft resolution of the Annual General Meeting:

1. Balance sheet loss from previous years in the amount of **110 822 746 PLN** covers from reserve capital. The accumulated reserve capital will then decrease from **PLN 3 100 119 847** to **PLN 2 989 297 101**. The loss arose as a result of changes in accounting policies in connection with the first-time application of International Financial Reporting Standard No. 16 ("Leasing"),
2. From the profit achieved in 2019 in the amount of **PLN 3 834 504 089**, the amount of **PLN 2 155 113** is allocated for reserve capital. The remaining part of profit in the amount of **PLN 3 832 348 976** is left undistributed. The justification for not dividing part of the profit is the possibility of its potential use for the purposes of dividend payments in the following years. The distribution of part of the profit has no impact on the Bank's capital ratios.

In connection with the above, it is necessary to present the draft of this resolution to the Annual General Meeting.

The project of the resolution has received the positive opinion of the Supervisory Board.