

RESOLUTION No. /2017  
of the Annual General Meeting  
of Powszechna Kasa Oszczędności  
Bank Polski Spółka Akcyjna  
of 22 June 2017

on distribution of the profit earned by PKO Bank Polski S.A. in 2016

Acting pursuant to Article 395 § 2 point 2 of the Commercial Companies Code, the Annual General Meeting hereby adopts the following:

§ 1.

The net profit of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna of the period from 1 January 2016 till 31 December 2016 in an amount of PLN 2 888 300k will be appropriated in the following way:

- |   |             |
|---|-------------|
| 1) supplementary capital in the amount of PLN | 2 850 000k, |
| 2) reserve capital in an amount of PLN        | 38 300k.    |

§ 2.

The resolution shall come into force on the date of its adoption.

## Rationale

### to the draft resolution on distribution of the profit earned by PKO Bank Polski S.A. in 2016

In compliance with the provisions of the Commercial Companies Code, distribution of net profit is the prerogative of the Annual General Meeting. Following the recommendation of the Polish Financial Supervision Authority concerning the expected level of the capital adequacy ratio, net profit of the Bank of the period from 1 January 2016 till 31 December 2016 in an amount of PLN 2 888 300k, is proposed to be appropriated in a manner specified in the draft resolution of the Annual General Meeting:

1. In the case of **supplementary capital** the proposed net profit amount to be allocated is **PLN 2 850 000k**, i.e. **98.67** per cent of the profit of the year 2016.

The high allocation to supplementary capital is justified by the primary role of that capital fund whenever a balance sheet loss occurs.

At profit distribution, according to the project of the resolution of the Annual General Meeting the supplementary capital would increase from an amount of PLN 24 268 100k to **PLN 27 118 100k**.

2. In the case of **reserve capital** the proposed net profit amount to be allocated is **PLN 38 300k**.

Inclusion of this item in the annual profit allocation is necessary as the regulations of the Bank's Articles of Association require PKO Bank Polski S.A. to make contributions to reserve capital out of profit of every respective financial year. In consideration of the fact that reserve capital serve to cover potential balance sheet losses (§ 30 section 2 of the Articles of Association), the proposed allocation would represent **1.33** per cent of net profit, because the value of other reserves of PKO Bank Polski S.A. is adequate form the standpoint of the purposes to which it can be appropriated.

At profit distribution, according to the project of the resolution of the Annual General Meeting, the reserve capital would increase from an amount of PLN 3 555 300k to **PLN 3 593 600k**.

Due to the above, this draft resolution is submitted for consideration of the Annual General Meeting.

The draft resolution has received the approval of the Supervisory Board.