

Warsaw, March 17, 2023

### **Current Report No. 4/2023**

**Subject: Individual recommendation of the Polish Financial Supervision Authority regarding the fulfilment of the criteria for the dividend payout from the net profit generated in 2022 and information on the proposed distribution of the 2022 net profit**

**Legal basis:** Article 17 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 (MAR).

The Management Board of Bank Handlowy w Warszawie S.A. ("Bank") hereby announces that on March 17, 2023 it received a letter from the Polish Financial Supervision Authority ("PFSA") with a dividend recommendation for the Bank.

According to the letter, as at December 31, 2022, in terms of the basic criteria on the dividend policy of commercial banks for 2023, the Bank met the requirements qualifying it for the payment of up to 100% of the dividend from the Bank's profit generated in the period from January 1, 2022 to December 31, 2022.

In the letter, KNF also indicates that taking into account the quality of the Bank's credit portfolio, measured by the share of non-performing receivables in the total portfolio of receivables from the non-financial sector, including debt instruments, the rate of possible dividend payout, due to good credit quality, remained at 100%.

At the same time, taking into account the uncertainty regarding the macroeconomic situation, with the aim of ensuring the stability of the Bank's operations in subsequent periods, as well as its further development, the PFSA recommended the Bank to reduce the risk in its business activity by way of not undertaking, without prior consultation with the supervisory authority, any actions outside the scope of the current business and operating activities, which could result in a reduction of the own funds, including possible dividend payments from undistributed profit from previous years and share buybacks.

Taking into account the expectations of the PFSA, dynamic changes in the banking sector environment and regulations regarding the minimum requirement for own funds and eligible liabilities (MREL) for the Capital Group of Bank Handlowy w Warszawie S.A., the Management Board of the Bank, on March 17, 2023, adopted a resolution on the proposed distribution of the net profit for the year 2022.

The Management Board of the Bank recommended a 75% dividend payout of 2022 stand alone profit, which translates into distribution of the net profit for 2022 in the amount of PLN 1,569,309,967.45 as follows:

- 1) dividend: PLN 1,175,936,400.00, i.e. 9.00 per share
- 2) reserve capital: PLN 393,373,567.45

The Management Board of the Bank proposed to set the dividend date for May 8, 2023 (the dividend day) and the date of dividend payment for May 15, 2023 (the dividend payment date).

The above recommendation of the Bank's Management Board will be submitted to the Supervisory Board for consideration and assessment, and then to the General Meeting for adoption of a resolution. The final decision on the distribution of the net profit for 2022 will be made by the General Meeting of the Bank.