

Warsaw, March 8, 2011

Current Report No. 4/2011

Re: Information on the proposed distribution of net profit for 2010 and dividend payment

Legal basis: Pursuant to § 38 section 1 item 11 of the Ordinance of the Minister of Finance on current and periodical information provided by issuers of securities and the conditions for regarding information required by the law of a non-member state as equivalent dated 19 February 2009 (Journal of Laws of 2009, No. 33, item 259, as amended)

On 8 March 2011 the Management Board of Bank Handlowy w Warszawie S.A. took a resolution on the proposed distribution of the net profit for 2010. The Management Board of the Bank proposed to appropriate the amount of PLN 747 372 912.00 for dividend payment.

On the basis of this proposed distribution of the net profit, the dividend per ordinary share will amount to PLN 5.72.

The Bank's Management Board proposed to set the dividend date for 16 June 2010 and the date of the dividend payment for 29 July 2011.

The above proposal of the Management Board will be submitted to the Supervisory Board for consideration and then to the Annual General Meeting of Shareholders for approval.

The period recommended by the Bank between the dividend date and the dividend payment date is longer than the maximum period of 15 working days provided for in the Code of Best Practice for WSE Listed Companies (the Code), which came into force on 1 January 2008.

Detailed grounds for setting a longer period are as follows:

Due to the current organization of the process of dividends payment established in the "Detailed Rules of Operation of the National Depository for Securities" (the "Rules"), in order to ensure the correct reconciliation of tax due on revenue from dividends, the gap between the day of granting the rights to dividend and the day of dividend payment should be minimum two months.

The Bank (issuer), acting as a tax payer of corporate income tax due on dividends paid, receives from other participants, i.e. the National Depository for Securities and Brokerage Houses, information on shareholders and their rights to dividend as well as tax certificates for shareholders having their seats outside Poland (in case of applying a preferential tax rate). In particular the process includes the following:

1. According to the Rules, the National Depository for Securities informs the issuer (the Bank) about the amount to be transferred to the account of the National Depository for Securities and provides the list of participants (Brokerage Houses), acting as agents in paying dividends to legal persons;
2. Participants (Brokerage Houses) provide the issuer (the Bank) with the list of the shareholders having the right to dividend and the information on the dividend amount. All the above information is provided to the Bank in paper form only, by registered mail
3. The Bank, acting as a payer of corporate income tax on gains from dividends, is responsible for the correctness of tax reconciliation. Due to the above the Bank verifies and clarifies all the information provided to it. In particular, the right to a preferential tax rate (resulting from Double Tax Treaty) and tax relief are required to be verified. As the result of the verification process, the tax rate applied may be changed and the Brokerage Houses may be required to

provide the corrected data (lack of the right to a preferential tax rate or tax relief)

4. All information in the process, either from the National Depository for Securities or Brokerage Houses, is provided in paper form only. In view of the above, reconciliation of the dividend by the Bank requires verification of documents in paper form and input of the data to the dedicated system.

Due to the above, in order to enable the Bank, acting as the payer, to ensure the correct reconciliation of tax due on revenue from dividends, the recommended gap between the day of granting the rights to dividend and the day of dividend payment should be two months.