

Warsaw, 13 March, 2012

Current Report No. 7/2012

Re: Information on the proposed distribution of net profit for 2011 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 13 March 2012, the Management Board of Bank Handlowy w Warszawie S.A. adopted a resolution on the proposed distribution of the net profit for 2011. The Management Board of the Bank proposed to appropriate the amount of PLN 360,620,496.00 for dividend payout. The dividend will be paid in the form of cash.

According to the above, the proposed dividend payout per one ordinary share will amount to PLN 2.76.

The Bank's Management Board proposed to set the dividend date for 5 July 2012 and the date of the dividend payout for 31 August 2012.

The Management Board of the Bank believes the above decision on the distribution of net profit for 2011 is grounded in both a very good capital situation (Bank's capital adequacy ratio at the end of 2011 at 15.8%) and liquidity position of the Bank. At the same time, the Bank meets all criteria indicated by the Office of the Polish Financial Supervision Authority in the letter of December 29, 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 which came into force on 1 January 2008.

The grounds for setting a longer period are as follows:

Due to currently applicable process of dividend payout specified in the "Detailed Rules of Operation of the National Depository for Securities" (the "Rules"), in order to ensure correct settlement of tax due on revenue from dividends, the period between the day of granting the rights to dividend and the day of dividend payout should be minimum two months.

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

1. According to the Rules, the National Depository for Securities informs the issuers (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 dividend payouts to legal persons.
2. Participants (brokerage houses) provide the issuer (the Bank) with the list of the shareholders authorized to dividend and the information on the dividend amount. All the above information is provided to the Bank in a paper form only, by registered mail.

3. The Bank, acting as a payer of corporate income tax on gains from dividends and responsible to ensure correct tax settlement, verifies and clarifies all the data provided. 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 involved in the process, either from the National Depository for Securities or brokerage houses, is provided exclusively in a paper form. In view of the above, settlement of the dividend by the Bank requires verification of documents in a paper form and an input of the data to the dedicated system.

At the same time it should be noted that simplifications used by certain companies concerning the use by brokerage houses of special collective statements which certify they possess original documents instead of using such original documents, which disabled to perform the process in a timely fashion in accordance with the code of the best practices, are unacceptable in the light of the opinion of the Minister of Finance expressed in reply to a query from the National Depository for Securities. The above position was reflected in the letter of July 6, 2010 (DD4/8213/194/MMO/10/491). With no legislative changes, the Bank has no possibility to change the tax process adopted in previous years.

In view of the above, to enable the Bank, acting as the payer, to ensure the correct settlement of tax due on revenue from dividends, the recommended period between the day of granting the rights to dividend and the day of dividend payout should be two months.