



WYŻSZA KULTURA. BANK NOWOŚCI.

***Statement of activities performed by the Bank in the financial year 2018 under the consent referred to in Article 1 and 2 of Resolution No. 4/2018 of the Bank's Extraordinary General Meeting of 26 November 2018 on granting consent to the disposal and acquisition by the Bank of financial assets classified as the non-current assets, and to taking up, acquisition and disposal of shares in connection with the Bank's operating activities***

## I. Introduction

On 26 November 2018, the Bank's Extraordinary General Meeting adopted Resolution No. 4/2018 on granting consent to the disposal and acquisition by the Bank of financial assets classified as the non-current assets, and to taking up, acquisition and disposal of shares in connection with the Bank's operating activities (the "EGM Resolution").

Adopting the EGM Resolution, the Extraordinary General Meeting, acting pursuant to Article 17a section 1-4, agreed to:

- 1) disposal by the Bank of the financial assets classified as the non-current assets listed in Article 17a section 1 of the Articles of Association within the meaning of the Accounting Act of 29 September 1994 with a market value in excess of 5% of the total assets of the Bank within the meaning of the aforementioned Act, determined based on the Bank's last approved financial statements;
- 2) acquisition by the Bank of the financial assets classified as the non-current assets within the meaning of the Accounting Act with a value in excess of PLN 100,000,000 or 5% of the total assets of the Bank within the meaning of the aforementioned Act, determined based on the Bank's last approved financial statements;
- 3) taking up, acquisition and disposal by the Bank of shares in any other partnership/company with a value in excess of PLN 100,000,000; in each case in connection with the implementation by the Bank of collateral established for the benefit of the Bank, including the disposal by the Bank for the benefit of third parties of the collateral established for the benefit of the Bank.

Pursuant to the EGM Resolution, the activities referred to in section 1-3 above may be performed in each case following the Bank's internal regulations, whereas the activities listed in section 1-2 above may in particular, but not exclusively, involve:

- disposal and acquisition of receivables and debt portfolios, including credit, loan, lease, factoring and securitisation receivables,
- granting of loans and cash loans, disposal and acquisition of treasury securities issued under the Public Finances Act of 27 August 2009,

- disposal and acquisition of derivative instruments, disposal and acquisition of financial instruments other than shares, and taking up by the Bank of:
  - a bank in liquidation, a bank enterprise or its organised part under the Act of 29 August 1997 – Banking Law, based on a decision or with consent of the Polish Financial Supervision Authority; or
  - a credit union or selected property rights or selected liabilities of the credit union under the Credit Union Act of 5 November 2009, based on a decision of the Polish Financial Supervision Authority.

Concurrently, the EGM Resolution introduced a requirement to secure a positive opinion of the Bank's Supervisory Board for the disposal and acquisition by the Bank of the financial assets classified as the non-current assets, and for taking up, acquisition and disposal of shares in connection with the Bank's operating activities.

Adopting the EGM Resolution, the Bank's Extraordinary General Meeting obliged the Bank's Management Board to present at each Annual General Meeting a statement of the activities and basic conditions of the activities performed by the Bank in the previous financial year based on the consent referred to in the EGM Resolution.

## **II. Scope of the activities included in the statement, and basic conditions of the activities**

In the fulfilment of the obligation referred to above, the Bank's Management Board hereby submits to the Annual General Meeting the statement of the activities performed by the Bank in the financial year 2018 based on the consent resulting from the EGM Resolution. Concurrently, the Bank's Management Board announces that the Bank's Supervisory Board issued a positive opinion as regards the performance of all the activities included in the statement in question.

The statement was divided into two parts referred to as Statement 1 and Statement 2.

Statement 1 encompasses the specified activities as regards:

- disposal and acquisition of treasury securities issued under the Public Finances Act of 27 August 2009,
- disposal and acquisition of securities,
- disposal and acquisition of derivative instruments of a value in excess of PLN 100m, carried out in the financial year 2018. All the activities covered with Statement 1 were performed following the Bank's internal regulations, and they were necessary as part of the current operating activities.

Statement 2 encompasses the specified activities as regards:

- granting of loans and cash loans with a value in excess of PLN 100m, carried out in the financial year 2018. All the decisions related to the granting of the aforementioned loans were taken in compliance with the applicable Credit Limit Rules accepted by the Bank's Credit Committee and Management Board, and were positively assessed by the Supervisory Board.

To the remaining extent prescribed by the EGM Resolution, no activities other than these listed in Statement 1 and Statement 2 were carried out in the financial year 2018.

### III. Statement of Activities

#### Statement 1

*Statement of the activities performed in the financial year 2018 involving the disposal and acquisition of the non-current assets with a value in excess of PLN 100m as regards: disposal and acquisition of treasury securities issued under the Public Finances Act of 27 August 2009, disposal and acquisition of securities, and disposal and acquisition of derivative instruments*

| No. | TRANSACTION TYPE   | NUMBER OF TRANSACTIONS | VALUE IN PLN MILLION |
|-----|--|------------------------|----------------------|
| 1.  | TRANSACTIONS INVOLVING TREASURY BONDS                                      | 194                    | 34,343.60            |
| 2.  | DERIVATIVE TRANSACTIONS AND TRANSACTIONS INVOLVING NON-TREASURY SECURITIES | 19                     | 8,744.25             |

## Statement 2

*Statement of the activities performed in the financial year 2018 involving the disposal and acquisition of the non-current assets with a value in excess of PLN 100m as regards granting of loans*

| <b>NUMBER OF CLIENTS</b> | <b>NUMBER OF TRANSACTIONS</b> | <b>TRANSACTION AMOUNT IN PLN</b> |
|--------------------------|-------------------------------|----------------------------------|
| 7                        | 23                            | 1,172,677,940                    |