



WYŻSZA KULTURA. BANK NOWOŚCI.

List of activities performed by the Bank in the financial year 2020 (between 1 January and 23 September 2020) pursuant to the consents referred to in § 1 and 2 of Resolution No. 4/2018 of the Extraordinary General Meeting of Shareholders of the Bank of 26 November 2018 on consenting to the disposal and acquisition, by the Bank, of financial assets classified as fixed assets, and to the purchase, acquisition and disposal of stocks and shares in connection with the Bank's operating activities.

I. Introduction

On 26 November 2018, the Extraordinary General Meeting of Shareholders of the Bank adopted Resolution 4/2018 *consenting to the disposal and acquisition, by the Bank, of financial assets classified as fixed assets, and to the purchase, acquisition and disposal of stocks and shares in connection with the Bank's operating activities* ("Resolution of the Extraordinary General Meeting of Shareholders").

By adopting the said resolution, the Extraordinary General Meeting of Shareholders, acting pursuant to § 17a(1) to (4), agreed to:

- 1) disposal by the Bank of financial assets listed in § 17a(1) of the Articles of Association and classified as fixed assets within the meaning of the Accounting Act of 29 September 1994, with their market value exceeding 5% of the total assets of the Bank within the meaning of that Act, determined on the basis of the last approved financial statements of the Bank,
- 2) acquisition by the Bank of financial assets classified as fixed assets within the meaning of the Accounting Act, with their value exceeding PLN 100,000,000 or 5% of the total assets of the Bank within the meaning of that Act, determined on the basis of the last approved financial statements of the Bank,
- 3) acquisition, purchase and disposal by the Bank of shares or stocks of another company with a value exceeding PLN 100,000,000, in each case in connection with the Bank's use of collaterals established for the benefit of the Bank, including sale by the Bank, to third parties, of the subject of collateral established for the Bank.

Pursuant to the resolution of the Extraordinary General Meeting of Shareholders, the activities referred to in items 1-3 above may be performed in each case in compliance with relevant internal regulations of the Bank, whereas the activities listed in items 1-2 above may, in particular, but not exclusively, include the following:

- disposal and acquisition of accounts receivable portfolios of accounts receivable, including credit, loan, leasing, factoring and securitization-related accounts receivable,
- provision of credits and cash loans,
- disposal and acquisition of treasury securities issued pursuant to the Act on Public Finances of 27 August 2009,
- disposal and acquisition of derivatives,

- disposal and acquisition of financial instruments other than shares; and
- acquisition by the Bank of:
 - a bank subject to liquidation, a bank undertaking or an organized part thereof, under the Act of Banking Law of 29 August 1997, pursuant to a decision or with the consent of the Polish Financial Supervision Authority; or
 - a cooperative savings and credit union or selected property rights or selected liabilities of a cooperative savings and credit union, under the Act on cooperative savings and credit unions of 5 November 2009, pursuant to a decision of the Polish Financial Supervision Authority.

At the same time, the resolution of the Extraordinary General Meeting of Shareholders introduced a requirement to obtain a positive opinion of the Supervisory Board of the Bank on the disposal and acquisition by the Bank of financial assets classified as fixed assets, and on the purchase, acquisition and disposal of stocks and shares in connection with the Bank's operating activities.

By adopting its resolution, the Extraordinary General Meeting of Shareholders of the Bank obliged the Management Board of the Bank to present, at each Ordinary General Meeting of Shareholders, a summary of activities and key conditions of the activities performed by the Bank during the preceding financial year pursuant to the consents referred to in the Resolution of the Extraordinary General Meeting of Shareholders.

At the same time, given that:

- 1) On 21 May 2020, the Ordinary General Meeting of Shareholders of the Bank adopted resolutions amending the Articles of Association of the Bank in such a way that: (i) it repealed, in full, § 17a(1) to (4) of the Articles of Association of the Bank, serving as a basis for issuing and for validity of Resolution No. 4/2018 of 26 November 2018 on consenting to the disposal and acquisition by the Bank of financial assets classified as fixed assets and to the purchase, acquisition and disposal of stocks and shares in connection with the Bank's operating activities, (ii) it introduced § 23a(5) to (8) into the Articles of Association of the Bank, in the wording of the said provisions being equivalent to the wording of the repealed § 17a(1) to (4) of the Articles of Association of the Bank, thus transferring the powers to consent to the Bank's performance of specific activities from the General Meeting of Shareholders the Bank to the Supervisory Board of the Bank,
- 2) On 24 September 2020, the registry court registered amendments to the Articles of Association of the Bank made by the General Meeting of Shareholders the Bank on 21 May 2020. As of 24 September 2020, the Articles of Association of the Bank in the wording devoid of § 17a(1)-(4) of the Articles of Association of the Bank are in effect,
- 3) as a result of the above, the General Meeting of Shareholders of the Bank lost, as of 24 September 2020, its power to consent to the performance

by the Bank of activities specified in § 17a(1) to (4) of the Articles of Association of the Bank, and the Resolution of the Extraordinary General Meeting of Shareholders became ineffective as of that date (with the exception of that part of the Resolution of the Extraordinary General Meeting of Shareholders which requires the Bank to present, to the General Meeting of Shareholders of the Bank, a summary of activities performed by the Bank in the period from 1 January 2020 to 23 September 2020 pursuant to the consent provided by means of the Resolution of the Extraordinary General Meeting of Shareholders),

the activities performed by the Bank in the period from 1 January to 23 September 2020 pursuant to the consent of the General Meeting of Shareholders of the Bank, as expressed in the Resolution of the Extraordinary General Meeting of Shareholders, in the performance of the obligation arising from § 4 of the Resolution of the Extraordinary General Meeting of Shareholders, should be presented to the General Meeting of Shareholders of the Bank by the Management Board of the Bank, and activities performed by the Bank after that period are not subject to presentation to the General Meeting of Shareholders of the Bank, but are to be presented on a regular basis, as remaining, as of 24 September 2020, under the exclusive competence of the Supervisory Board of the Bank, to the Supervisory Board of the Bank in the manner specified by the Supervisory Board of the Bank.

II. Scope of activities covered by the summary

In performing the obligation referred to above, the Management Board of the Bank hereby provides the Ordinary General Meeting of Shareholders specific summaries of activities performed by the Bank in the financial year 2020 (in the period from 1 January to 23 September 2020) pursuant to the consents resulting from the Resolution of the Extraordinary General Meeting of Shareholders. Simultaneously, the Management Board wishes to inform that the Supervisory Board of the Bank has given a positive opinion on the performance of all activities covered by the summary in question.

The summary has been divided into two parts, labeled as Summary 1 and Summary 2.

Summary 1 lists the following activities:

- disposal and acquisition of treasury securities issued pursuant to the Act on Public Finances of 27 August 2009,
- disposal and acquisition of securities,
- disposal and acquisition of derivative instruments with a value above PLN 100 million, during the financial year 2020 within the period indicated above.

All activities listed in Summary 1 were performed in compliance with the relevant internal regulations of the Bank, and their execution was required during day-to-day operating activity.

Summary 2 lists the following activities:

- granting of credits and cash loans with a value above PLN 100 million made in the financial year 2020 within the period indicated above.

All decisions regarding the provision of the aforementioned credits and loans were taken in accordance with the applicable Credit Competence Rules, were approved by the Bank's Credit Committee and the Management Board and were positively assessed by the Supervisory Board.

As far as other remaining provisions of the Resolution of the EGMS are concerned, no activities other than those indicated in Summary 1 and Summary 2 were performed in the financial year 2020 (within the period indicated above).

III. Summary of activities and their primary conditions

Summary 1

Summary of activities performed in the financial year 2020 (from 1 January to 23 September 2020) concerning the disposal and acquisition of fixed assets with a value exceeding PLN 100 million, in connection with: disposal and acquisition of treasury securities issued under the Act of 27 August 2009 on public finance, disposal and purchase of securities and disposal and purchase of derivatives.

Item	TRANSACTION TYPE	NUMBER OF TRANSACTION S	MEDIAN MATURITY DATE	AVERAGE VALUE IN MILLIONS OF PLN	TOTAL VALUE IN MILLIONS OF PLN
1	TRANSACTIONS IN TREASURY BONDS	258	5Y	215.60	55,625.31
1.1	TREASURY BONDS AND TREASURY BILLS IN PLN AND FOREIGN CURRENCIES	104	3Y	161.40	16,785.50
1.2	CONDITIONAL PURCHASE AND SALE (REPO AND BUY-SELL- BACK) OF TREASURY DEBT SECURITIES	154	6Y	252.21	38,839.81
2	DERIVATIVE TRANSACTIONS AND TRANSACTIONS IN NON-TREASURY SECURITIES	61	3Y	247.09	15,072.67
2.1	DEBT SECURITIES ISSUED BY ENTITIES OTHER THAN STATE TREASURY	10	7Y	377.48	3,774.76
2.2	INTEREST RATE SWAP	50	3Y	223.82	11,191.00
2.3	FOREIGN EXCHANGE FORWARDS ON FX MARKET	1	2Y	106.92	106.92

Summary 2

Summary of activities performed in the financial year 2020 (from 1 January to 23 September 2020) concerning the disposal, purchase and acquisition of fixed assets with a value exceeding PLN 100 million, in connection with provision of credits and loans.

NUMBER OF CUSTOMERS	NUMBER OF TRANSACTIONS	TRANSACTION AMOUNT IN PLN
11	32	3,256,515,181.00

Out of the 32 transactions listed in Summary 2:

- 1) 23 transactions concerned the granting of new credits or loans for a total amount of PLN 2,425,570,626.00, with the average amount of a credit or a loan equaling PLN 105,459,592.43, and
- 2) 9 transactions concerned the renewal of credits or loans granted previously, for a total amount of PLN 830,944,555.00, with the average amount of a credit or a loan equaling PLN 92,327,172.78.

There were no transactions in the period from 1 January to 23 September 2020 concerned with increasing previous exposures.