



X-TRADE BROKERS DOM MAKLEPSKI S.A.

(joint stock company with its registered office in Warsaw and address at ul. Ogrodowa 58, 00-876 Warszawa, entered into the Register of Business Entities of the National Court Register under No. 0000217580)

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CURRENT REPORT NO. 3/2018

Warsaw, 7 March 2018

Management's Board recommendation on profit distribution for the year 2017

In relation to the current reports no. 24/2017 and 40/2017 regarding information on the supervisory assessment (BION) issued for the X-Trade Brokers Dom Maklerski S.A. (the „Issuer”, „Company”, „XTB”) and the recommendation of the Polish Financial Supervision Authority regarding the dividend policy of brokerage houses in 2018, the Issuer, informed that on 7 March 2018 has adopted the resolution, to recommend the Supervisory Board and the Ordinary General Meeting of the Company approving the annual financial report for 2017, should decide to keep at the disposal of the Company the net profit earned by the Company in the 2017 financial year in the amount of PLN 87 398 thousands, allocating it entirely to the Company's reserve capital. The Company explains, that it will enable the increasing of the capital base and the increasing of the Company's capital adequacy ratio, which will facilitate the implementation of the Company's strategy in the opinion of the Management Board.

The Issuer recalls that in accordance with XTB's dividend policy, the intention of the Company's Management Board is to recommend to the General Meeting of the Company dividend payment at 50-100% level of the Company's separate net profit for a given financial year, taking into factors such as financial results and financial capabilities of the Company, as well as keeping in mind the adequate level of capital adequacy ratios of the Company as well as the capital necessary for the development of the XTB Capital Group. The Company's payment of the dividend is subject to various legal restrictions, including those resulting from the guidelines of the Polish Financial Supervision Authority addressed to financial institutions, therefore each decision in the field of recommending payment of dividends in the future will also depend on such guidelines.

Legal basis:

Article 17 section 1 MAR – inside information.