



X-TRADE BROKERS DOM MAKLESKI 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 15/2018

Warsaw, 14 July 2018

Information on supervisory assessment (BION) issued for the Company

The Management Board of X-Trade Brokers Dom Maklerski S.A. (the „Issuer”, „Company”, „XTB”) hereby announces that on 13 July 2018 Company received from the Department of Investment Companies and Capital Market Infrastructure of the Polish Financial Supervision Authority („KNF”, “Commission”) a supervisory assessment (BION) of 2 [2,61]. The supervisory rating was assigned to 30 December 2017.

At the same time, the Issuer explains that the supervisory survey and evaluation given in the BION process conducted in a given calendar year constitutes one of several criteria taken into consideration by the Commission in formulating annual recommendations for brokerage houses on dividend policy. On 22 May 2018 KNF published communication on the medium term dividend policy, in order to facilitate by the financial institutions, supervised by KNF, to plan the payment of dividend and the current supervisory assessment for XTB is at the level recommended by the Commission, which should permit the Issuer to pay the dividend for the current financial year, in accordance with this criteria.

The Commission Communication recommends that the dividend for the previous year should only be paid by brokerage houses which meet the following criteria together:

- A. Dividend in the amount not higher than 75% of the net profit for the previous year:
 - I. for entities subject to capital adequacy requirements in accordance with Regulation 575/2013 as at 31 December of the previous year:
 - ratio common equity Tier I capital was at least 6%;

- ratio Tier I capital was at least 9%;
 - the total capital ratio was at least 14%;
- II. for entities not subject to capital adequacy requirements in accordance with Regulation 575/2013 as at 31 December of the previous year ratio being the share of the amount of equity in the total assets is at least 50%;
- III. the supervisory assessment granted in the BION process conducted in the previous year is 1 or 2;
- IV. the entity in the previous year and until the date of approval of the financial statements and adopted of a resolution on the distribution of profit for the last financial year did not violate the regulations regarding capital requirements contained in Regulation No. 575/2013 and the Act on Trading in Financial Instruments (Public Journal of Laws of 2017 item 1768 as amended) and provision regarding large exposure limits.
- B. Dividend in the amount not higher than 100% of the net profit for the previous year:
- I. fulfills all the criteria listed in the letter A;
- II. for entities subject to capital adequacy requirements in accordance with Regulation 575/2013 the criteria referred to in point A (i) are fulfilled at the end of each quarter of the previous year;
- III. for entities not subject to capital adequacy requirements in accordance with Regulation 575/2013 the criteria referred to in point A (ii) are fulfilled at the end of each quarter of the previous year.

In addition, the Commission indicated that brokerage houses should take into account additional capital needs when deciding on the amount of dividend in the perspective of twelve months from the moment of approval of the financial statements for the previous year and pointed out that brokerage houses obliged under applicable law to maintain additional capital requirements increase ratios referred to in A (i) by the amount additional capital requirements.

Further, the Issuer explains that the positions of KNF are not binding legal acts, but rather of instructional value, but they can constitute a significant recommendation for statutory bodies of supervised entities.