



## **XTB S.A.**

(joint stock company with its registered office in Warsaw and address at Prosta 67, 00-838 Warsaw, entered into the register of entrepreneurs of the National Court Register under No. 0000217580)

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## **CURRENT REPORT NO 18/2022**

Warsaw, 30 December 2022

# **Information on supervisory assessment (BION/SREP) issued for the Company**

The Management Board of XTB S.A. (the „Issuer”, „Company”, „XTB”) hereby, announces that on 30 December 2022 Company received from the Department of Investment Companies of the Polish Financial Supervision Authority („KNF”, „Commission”) a supervisory assessment (BION/SREP) of 2 [2,56]. The supervisory rating was assigned to 30 June 2022. A rating of 2 means a low level of threat to the stability of the brokerage house.

At the same time, the Issuer explains that the supervisory review and evaluation given in the BION process conducted in a given calendar year constitutes one of several criteria taken into consideration by KNF in formulating annual recommendations for brokerage houses on dividend policy. The position of the KNF on the dividend policy in 2023, published on 6 December 2022, indicates that the current supervisory assessment for XTB is at the level recommended by KNF, which should allow the Company to potentially pay out the dividend for the current financial year, in accordance with these criteria.

In its Position, the KNF recommends that the dividend in 2023 should be paid only by brokerage houses that meet the following criteria jointly:

- A. An amount of no more than 75% of the net profit for 2022 may be paid out by brokerage houses that meet the following criteria:
  - I. As at 31 December 2022, the entity met the following criteria:
    - a) ratio specified in Article 9 (1)(a) of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 (Official Journal EU L 314 of December 5, 2019, as amended, hereinafter referred to as: Regulation 2019/2033), amounted to at least 75%,
    - b) ratio specified in Article 9 (1)(b) of Regulation 2019/2033 was at least 112.5%,
    - c) ratio specified in Article 9 (1)(c) of Regulation 2019/2033 was at least 175%.

Entities using the transitional provisions referred to in part nine of Regulation 2019/2033, for the purposes of the dividend policy, set the above ratios without applying these transitional provisions.



- II. the supervisory grade assigned in the BION process is 1 or 2.
  - III. the entity in 2022 and until the date of approval of the financial statements and adoption of the resolution on the distribution of profit for 2022 did not violate the provisions on capital requirements contained in Regulation 2019/2033 (Journal of Laws of 2022, item 1500, as amended) and the provisions on liquidity requirements concluded in Regulation 2019/2033.
- B. An amount not higher than 100% of the net profit for 2022 may be paid out by brokerage houses that meet the criteria listed in letter A, with the proviso that the criteria listed in letter A point I was also met at the end of the 1st, 2nd and 3rd quarter of 2022.
- C. The amount in excess of the net profit for 2022 may be paid out by brokerage houses that fulfil the following criteria:
- I. fulfils the criteria listed in letter A, points I and III and achieved a net profit for 2022,.
  - II. The supervisory rating assigned in 2022 in the BION process is 1.
  - III. For entities that adopt a resolution on the payment of dividend:
    - a) ratio specified in Article 9 (1)(a) of Regulation 2019/2033 may not fall below 150% as a result of adopting a resolution on the payment of dividend,
    - b) ratio specified in Article 9 (1)(b) of Regulation 2019/2033 may not fall below 187.5% as a result of adopting a resolution on dividend payment,
    - c) ratio specified in Article 9 (1)(c) of Regulation 2019/2033 may not fall below 250% as a result of adopting a resolution on dividend payment.

Entities using the transitional provisions referred to in Part Nine of Regulation 2019/2033 for the purposes of the dividend policy shall determine the above ratios without using these transitional provisions.

Fulfilment of the conditions referred to in condition C is also required in the case of applying for a permit to buy back own shares.

In the case of brokerage houses for which no supervisory assessment was granted in the BION process in 2022, criteria A II. and C II do not apply.

In the case of brokerage houses which in 2022 obtained the permission of the Polish Financial Supervision Authority to include the current period's profit in Common Equity Tier I capital, it is possible to pay dividends in an amount not higher than the net profit for 2022 less the amount included in Common Equity Tier I capital in accordance with this decision, subject to the fulfilment of the conditions referred to in point A or B.

In addition 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 2022 as well as the current financial situation of the brokerage house at the time of approval of the financial statements and adoption of the resolution on the distribution of profit for 2022 in particular the amount of the current financial result of the brokerage house.

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

Legal basis:

Article 17 paragraph 1 MAR – inside information.