

KRUK

General Meeting of KRUK S.A.

May 15th 2017

Piotr Stępnik: Good morning, ladies and gentlemen, it's 11am, and my name is Piotr Stępnik. Welcome to the Annual General Meeting of KRUK S.A. I am the Chairman of the Supervisory Board, and we are joined here by Mr Piotr Krupa, President of the Management Board, and Michał Zasępa (Michał Zasępa: Good morning), member of the Management Board responsible for Finance. We also have with us two legal counsels representing the Corporate and Compliance Department of KRUK S.A., as well as Ms Sylwia Kubicka, a notary public.

Welcome everyone. In line with the code of best practice for listed companies, today's meeting is being recorded, and the recording will later be made available on the company's website. I can assure you that, without your knowledge, your image will not be published in any way whatsoever. Also present is a gentleman from Unicomp-WZA, who is responsible for technical support of today's General Meeting. I understand that everything is clear so far and that you have no questions. Ladies and gentlemen, today's Annual General Meeting was convened by a notice published on April 18th 2017, and so I confirm that the meeting has been properly convened and has the capacity to pass valid resolutions.

Ladies and gentlemen, the first item on the agenda is the appointment of the Chair of this General Meeting. I would like to nominate Mr Piotr Krupa, President of the Management Board. Would anyone like to propose another candidate? Since there are no other nominations, I'd like to ask Mr Krupa whether he consents to stand for the election.

Piotr Krupa: I do.

Piotr Stępnik: Ladies and gentlemen, let us now proceed to the vote. Votes will be cast by secret ballot, using electronic means. Let's now proceed to the vote.

The voting is closed. You will see the results in a moment. The results of the vote to appoint the Chair of the General Meeting are as follows: 10,776,306 shares, representing 57.49 per cent of the share capital, were voted in favour of appointing Mr Krupa as Chair of the Meeting. There were no votes against and no abstaining votes. Therefore, Mr Piotr Krupa has been appointed Chair of today's General Meeting. The floor is yours.

Piotr Krupa: Thank you for appointing me the Chair. I'm signing the attendance list. It will be available for inspection by any registered shareholders. I hereby confirm that the General Meeting has been properly convened in accordance with the provisions of the Commercial Companies Code and the Company's Articles of Association. The notice of the General Meeting was published on the Company's website on April 18th 2017 and has not been removed before the date of the General Meeting. The text of the notice meets the requirements of Art. 402<sup>2</sup> of the Commercial Companies Code.

The current report containing the notice was filed by the Company on April 18th 2017. All draft resolutions can be viewed on the tablets that were distributed to you. The text of any of the resolutions may be read out at your express request. The number of shares represented at today's meeting is 10,776,306.

Let's proceed to item 4 on the agenda, which is the adoption of the agenda. None of the shareholders submitted their request to place other matters on the agenda by the statutory time limit, that is by

April 4th 2017. The text of the resolution is displayed on your tablets. We'll now proceed to the vote. Votes will be cast by secret ballot. I mean by open ballot, sorry.

Count the votes, please.

The result of the vote is 10,776,306 votes in favour of the resolution. The resolution has been passed.

Let's proceed to item five on the agenda, which is the presentation by the Management Board of the Company's financial results. This item is being presented in accordance with the Best Practice for WSE-Listed Companies. I now give the floor to Mr Michał Zasępa, Member of the Management Board and CFO.

Michał Zasępa: Thank you. Please display the presentation of the results. Ladies and gentlemen, this presentation is devoted to full-year 2016 and Q1 2017 results.

In 2016, KRUK's financial performance was best ever. Net profit rose to almost PLN 249m, a 22% increase year on year. This growth was delivered on significantly higher recoveries from debt portfolios purchased in the past. The recoveries rose at an impressive pace of about 20% year on year, and exceeded PLN 990m. It was also a record year for the Company in terms of investments in new portfolios. In 2016, the Company invested more than PLN 1,280,000,000 in almost a hundred portfolios on the markets where it operates, including in two large transactions of which we are particularly pleased: the acquisition of assets of the P.R.E.S.C.O. Group in Poland, and the purchase of a large portfolio from the Eurobank Group in Romania. These transactions were carried out together with the World Bank. 2016 was also a year of the Company's rapid geographical expansion, including in Italy and Spain, where we purchased two debt management companies – those transactions were completed in the second half of the year.

In the full-year results presentation and in the report, we announced our updated strategy, under which earnings per share are targeted to grow by at least 15% on average annually and return on equity is to be maintained above 20%.

In Q4 2016, the Company successfully increased its share capital by slightly more than PLN 200m. At the beginning of 2017, we continue to have good access to debt financing. Of course, our balance sheet was strengthened by the share capital increase. We are happy to see that our shareholders appreciate the Company's growth, and that the price of our shares surged, bringing the Company's market capitalisation to over PLN 5bn this year already. Additionally, in 2016 KRUK started to be featured in the WIG30 index and became the 14th most liquid company on the WSE.

If you take a closer look, you will see on the right-hand side of this slide the Company's growth since 2010. As you can see, the Company has been growing strongly and sustainably. As recently as in 2010, the Company earned PLN 36m in profit, and over the next six years multiplied its bottom line to almost PLN 250m.

Now I would like to say a few words about the Company's performance in the first quarter. The first quarter of 2017 was a record one for the Company, with the highest ever quarterly net profit of PLN 80m, supported by a stable and strong balance sheet. Debt to equity ratio remains low, at 1.1x.

In the first quarter, the Company continued to record solid recoveries from the purchased debt portfolios, which amounted to nearly PLN 310m. We invested more than PLN 200m in new portfolios, which is quite a sum for the first quarter, and most of that amount was invested on foreign markets. The situation was similar with respect to recoveries from debtors: Q1 2017 was the quarter in which most recoveries were received outside Poland, which indicates a natural shift of our business towards

foreign markets. Poland is only one, although it certainly remains the most important one, of the seven markets on which we operate.

Considering our solid results, which allow us to plough back some of the profit, the Management Board resolved to recommend to the General Meeting dividend distribution of PLN 2 per share.

Ladies and gentlemen, this was the summary of our performance in 2016 and in the first quarter of 2017. Do you have any questions?

Piotr Krupa: Since there are no questions, Mr Zasepa, thank you very much. Let's move on to item 6 on the agenda – the review of the report of the KRUK S.A. Supervisory Board for 2016 and of the report on the assessment of the KRUK Management Board's proposal concerning the allocation of the Company's net profit for 2016 and dividend recommendation.

The 2016 report was adopted by the Supervisory Board by its resolution No. 3/2017 of February 27th and published on the company's website. The report on the assessment of the KRUK Management Board's proposal concerning the allocation of the Company's net profit for 2016 and dividend recommendation was adopted by the Supervisory Board by way of resolution No. 18/2017, as announced by the Company in Current Report No. 15/2017 of March 29th 2017. Does anyone have any questions or would like to take the floor on this item?

Let's proceed to item 7 on the agenda, which is the review of the Directors' Report on the operations of KRUK S.A. in 2016 and a resolution to approve the Directors' Report. Are there any questions regarding this item?

If not, we'll proceed to the vote. Votes will be cast by open ballot. Count the votes, please.

The result of the vote is 10,754,070 votes in favour of the resolution. The resolution has been passed.

Let's proceed to item 8 on the agenda: the review of the separate financial statements of KRUK S.A. for the financial year ended December 31st 2016 and a resolution to approve the separate financial statements. Are there any questions? I now ask you to cast your votes. The voting will be by open ballot. Count the votes, please.

The result of the vote is 10,768,409 votes in favour of the resolution. The resolution has been passed.

Let's now proceed to item 9 on the agenda, which is the review of the Management Board's proposal concerning the allocation of KRUK S.A.'s net profit for the financial year 2016, the Management Board's dividend recommendation and a relevant resolution. In 2016, the Company posted net profit of PLN 4,212,086.30. By Resolution No. 153/2017 of March 28th 2017, the Management Board proposed to allocate the entire net profit to dividend distribution.

The Management Board recommends to the General Meeting that a dividend of PLN 2 per share be paid to the Company's shareholders. The dividend will be distributed from the Company's net profit for 2016, increased by the amount of PLN 33,276,345.70 transferred from statutory reserve funds created out of retained earnings. The Management Board's proposal and recommendation were approved by the Supervisory Board in resolution No. 18/2017. The Management Board proposes to set the dividend record date, on which the number of shareholders entitled to receive dividends is determined, for June 29th 2017, and the dividend payment date for July 5th 2017. We will now proceed to vote on the draft resolution. The voting will be by open ballot. Please count the votes. 10,768,409 votes were cast in favour of the resolution. The resolution has been passed.

Let's move on to item 10 on the agenda: the review of the Directors' Report on the operations of the KRUK Group in 2016 and a resolution to approve the Directors' Report. Are there any questions? As there are no questions, we'll now proceed to the vote. The voting will be by open ballot. 10,746,173 votes were cast in favour of the resolution. The resolution has been passed.

Let's proceed to item 11 on the agenda: the review of the consolidated financial statements of the KRUK Group for the financial year ended December 31st 2016 and a resolution to approve the consolidated financial statements. Are there any questions regarding this item? As there are no questions, we'll now proceed to the vote. The voting will be by open ballot. Count the votes, please. 10,746,173 votes were cast in favour of the resolution. The resolution has been passed.

Let's now proceed to item 12a on the agenda: resolutions on granting discharge to members of the Company's Management Board in respect of their duties in the financial year 2016. I put to vote the draft resolution to grant discharge to Piotr Krupa, President of the KRUK S.A. Management Board, in respect of his duties in the financial year 2016. As prescribed by Art. 413 of the Commercial Companies Code, the shareholder Piotr Krupa will not participate in the vote. I now ask you to cast your votes. Votes will be cast by secret ballot. Count the votes, please. The result of the vote is 8,765,432 votes in favour of the resolution. The resolution has been passed, thank you.

I put to vote the draft resolution to grant discharge to Ms Agnieszka Kułton, the Management Board Member for Debt Management, in respect of her duties in 2016. As prescribed by Art. 413 of the Commercial Companies Code, the proxy for shareholder Agnieszka Kułton will not participate in the vote. I now ask you to cast your votes. Votes will be cast by secret ballot. Count the votes, please. The result of the vote is 10,665,273 votes in favour of the resolution. The resolution has been passed.

I now put to vote the draft resolution to grant discharge to Ms Urszula Okarma, the Management Board Member for Strategic Transactions and Customer Relations, in respect of her duties in 2016. The proxy for shareholder Urszula Okarma will not participate in the vote. I now ask you to cast your votes. Votes will be cast by secret ballot. Count the votes, please. The result of the vote is 10,630,923 votes in favour of the resolution.

I put to vote the draft resolution to grant discharge to Ms Iwona Słomska, the Management Board Member for Marketing, Public Relations and Human Resources, in respect of her duties in 2016. The proxy for shareholder Iwona Słomska will not participate in the vote. I now ask you to cast your votes. Votes will be cast by secret ballot. Count the votes, please. The result of the vote is 10,680,195 votes in favour of the resolution. The resolution has been passed.

I put to vote the draft resolution to grant discharge to Mr Michał Zasepa, the Management Board Member for Finance, in respect of his duties in 2016.

The shareholder Michał Zasepa will not participate in the vote. I now ask you to cast your votes. Votes will be cast by secret ballot. Count the votes, please. The result of the vote is 10,688,840 votes in favour of the resolution. The resolution has been passed.

Let's now proceed to item 12b on the agenda: resolutions on granting discharge to members of the Company's Supervisory Board in respect of their duties in the financial year 2016.

I put to vote the resolution to grant discharge to Mr Piotr Stępnia, Chairman of the Supervisory Board, in respect of his duties in 2016. I now ask you to cast your votes. Votes will be cast by secret ballot. Count the votes, please. The result of the vote is 10,721,273 votes in favour of the resolution. The resolution has been passed.

I put to vote the resolution to grant discharge to Ms Katarzyna Beuch, member of the Supervisory Board, in respect of her duties in 2016. I now ask you to cast your votes. Votes will be cast by secret ballot. Count the votes, please. The result of the vote is 10,721,273 votes in favour of the resolution. The resolution has been passed.

I put to vote the resolution to grant discharge to Mr Tomasz Bieske, member of the Supervisory Board, in respect of his duties in 2016. I now ask you to cast your votes. Votes will be cast by secret ballot. Count the votes, please. The result of the vote is 10,721,273 votes in favour of the resolution. The resolution has been passed.

I put to vote the resolution to grant discharge to Mr Arkadiusz Jastrzębski, member of the Supervisory Board, in respect of his duties in 2016. I now ask you to cast your votes. Votes will be cast by secret ballot. Count the votes, please. The result of the vote is 10,721,273 votes in favour of the resolution. The resolution has been passed.

I put to vote the resolution to grant discharge to Mr Krzysztof Kawalec, member of the Supervisory Board, in respect of his duties in 2016. I now ask you to cast your votes. Votes will be cast by secret ballot. Count the votes, please. The result of the vote is 10,721,273 votes in favour of the resolution. The resolution has been passed.

I put to vote the resolution to grant discharge to Mr Robert Koński, member of the Supervisory Board, in respect of his duties in 2016. I now ask you to cast your votes. Votes will be cast by secret ballot. Count the votes, please. The result of the vote is 10,721,273 votes in favour of the resolution. The resolution has been passed.

I put to vote the resolution to grant discharge to Mr Józef Wancer, member of the Supervisory Board, in respect of his duties in 2016. I now ask you to cast your votes. Votes will be cast by secret ballot. Count the votes, please. The result of the vote is 10,721,273 votes in favour of the resolution. The resolution has been passed.

Ladies and gentlemen, the grant of discharge to members of the Management and Supervisory Boards was the last item on the agenda of today's General Meeting of KRUK Spółka Akcyjna. I hereby declare that all the agenda items have been addressed and I close the meeting. Thank you all for attendance.