

26 March 2020

**Statement of the Chair of the KNF Board
on the distribution of dividends of banks and insurance undertakings**

Due to the current situation caused by the COVID-19 epidemic and the potential further economic consequences, the KNF Board expects banks and insurance undertakings, regardless of the measures taken so far, to retain the entire profit generated in previous years. The KNF Board also expects that no other action will be taken without prior approval by the supervisory authority, especially in areas outside day-to-day business and operating activities, that might weaken the capital base. The KNF Board believes that strengthening the capital base by retaining the entire profit is necessary to enhance the capacity of banks and insurance undertakings to effectively respond to the current and future threats and to safely continue their core activities.