



2019

Annual Report



KUKE
PFR Group

Finding
solutions



Table of Contents

4	1 Introduction
5	2 KUKE's Business Environment
7	3 Organisation
7	3.1 Shareholders and Share Capital
7	3.2 Supervisory Board
8	3.3 Management Board
8	3.4 Employment and Internal Organisational Changes
10	4 Performance of KUKE in Specific Business Areas
10	4.1 Overall Performance
13	4.2 Activities of KUKE under the Act on Insurance and Reinsurance of 11 September 2015
13	4.2.1 Receivables Insurance
13	4.2.2 Bonds
14	4.2.3 Reinsurance
14	4.3 Activities of KUKE under the Act on Export Insurance Backed by the State Treasury of 7 July 1994
14	4.3.1 Insurance of Export Contracts
15	4.3.2 Bonds
17	5 Investment Activities
19	6 Risk Management
20	7 Financial Results of KUKE
20	7.1 Analysis of the Balance Sheet
23	7.2 Analysis of the Technical Insurance Account and the General Profit and Loss Account
30	7.3 Assessment of the effects of the coronavirus pandemic on KUKE

Dear Sirs and Madams!



From the perspective of 2020, it is clear just how important the “ordinary” years are where companies thrive as planned, implementing strategy assumptions, carry out envisaged restructuring, traditionally facing and competing with the competition, and fighting for results. That is when they consolidate their market position, reinforcing

the foundations of their business and create reserves for the “lean” years. However, in this seemingly safe regularity, it is critical to cultivate an awareness of the fact that volatility is the main parameter of the external environment and one has to be ever ready for the unpredictable. From this perspective, here at KUKE it is safe to say that we have learnt our lesson well, taking advantage of the recent economic upturn and calm environment to create a stable base for the turbulent times that took everyone by surprise at the beginning of the year.

With the opening of 2019, we launched our new three-year strategy, the first phase of which also provided for the intensification of activities fostering digitisation and a change in the provisions regulating our functioning as an export credit agency so as to provide more effective support to Polish exporters. Apart from this, we have reinforced our commitment to raise the quality of the services rendered and implement the necessary process and product changes.

We assessed the continuation of the digital transformation to be key to growth, hence the deployment of the Focus core IT system and digitisation of the document management, circulation, and archiving system, accompanied by less spectacular actions like the replacement of the equipment and devices used by our staff, thanks to which we were ready to instantly

switch to a teleworking system once this became necessary due to the COVID-19 pandemic situation. Over the past year, we also crafted the core of a new regulation concerning State Treasury-backed export insurance, which was implemented under the first support package for entrepreneurs heavily impacted by the pandemic in March 2020.

In running strategic projects, we concentrated on day-to-day work with Clients equally as strongly. This led to the highest written premium in KUKE’s history, which reached almost 100 million zloty, and the value of insured turnover exceeded 55 billion zloty, with a 14% increase compared to the previous year. Greater efficiency and effective acquisition actions paired with paying great attention to the level of acceptable risk have all contributed to the Company’s net profit almost tripling.

This enhanced performance is largely down to excellent customer relations, the majority of whom are continuing their cooperation with us for another consecutive year while recommending our services in their own business communities. It is for this reason that we would like to express our sincere gratitude and appreciation for the trust and partnership of our Clients and business partners, all the while ensuring that we will continue to tirelessly work towards expanding our offer to meet the needs of Polish entrepreneurs as fully and comprehensively as possible

A stylized, handwritten signature in dark ink, consisting of a large, flowing 'J' followed by a series of loops and a final 'k' shape.

Janusz Władyczak

President of the Management Board and CEO of KUKE

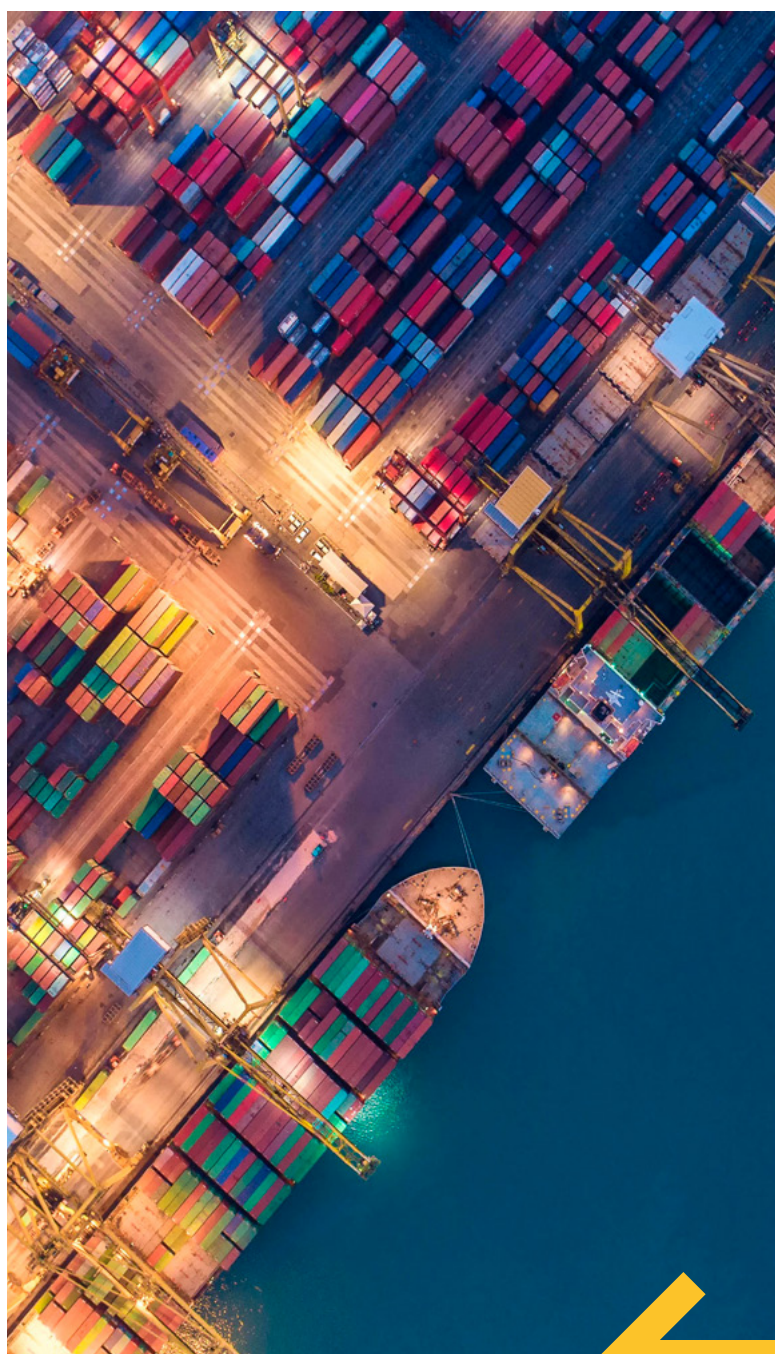
Introduction

In 2019, KUKE achieved the highest **gross written premium** on commercial activities in its history, the volume of which amounted to 99.3 million zloty and increased by 28.9% year-on-year. The growth of revenues from premiums occurred both in the group of 14 insurances (credit insurances), within which it came to 25.0%, and in the group of 15 (insurance guarantees), where the premium increase year-on-year was even higher (43.0%).

This record performance in terms of the increase in written premium in 2019 in the line of insurance backed by the State Treasury was also recorded in insurance guarantees - it was 100.5% higher than in 2018. As for short-term insurance, the gross written premiums increased by 16.6%.

The total **value of turnover insured by KUKE and granted insurance guarantees grew by 55.7 billion zloty**, and was 13.9% higher than in 2018. The volume of short-term export and domestic receivables covered by insurance protection in 2019 in the amount of 53.7 billion zloty was 17.2% higher than in 2018, and the granted insurance guarantees totalling 1.4 billion zloty was a 40.6% increase. The greatest growth dynamics were recorded within government-backed insurance guarantees (87.5%), with a value of 0.7 billion zloty in granted bonds.

In 2019, KUKE generated **net profits of 6.2 million zloty, which is close to** three times higher than the previous year (2.1 million zloty). What makes KUKE's generated financial result in 2019 so unique is the growth in the gross earned premiums (31.3% growth year-on-year) and drop in the net loss ratio of KUKE (from 84% in 2018 down to 73% in 2019, including in the group of 14 insurances down from 85% to 64%). The positive balance of net income and expenditure in the line of State Treasury-backed bonds (6.7 million zloty) also had a significant impact on the net profit achieved by the Company in 2019.



KUKE's Business Environment

The main driving force in 2019, similarly to earlier periods, turned out to be domestic demand. This was influenced by greater household consumption and investment demand.

Moreover, in contrast to the previous year, 2019 was marked by a positive trade balance impact on the pace of growth of the GDP (the balance was negative the year earlier).

According to preliminary data of the Central Statistical Office of Poland, the foreign trade commercial turnover in 2019 came to 1014 billion zloty in exports and 1006 billion zloty in imports. The commercial trade balance was positive and stood at 7.9 billion zloty, while in 2018 it was minus 19.5 billion zloty.

Compared to 2018, the export increased by 6.6% and the imports by 3.6%. Exports with countries of Central and Eastern Europe recorded the most substantial growth (12.8%). As for EU countries, export increased by 5.4% and by 9.5% in the case of developing countries. Germany remained the main recipient of Polish exports (27.6% share in the exports structure), the Czech Republic (6.1%), Great Britain (6.0%), and France (5.8%). Whereas the remaining countries from the first 10: Italy, Netherlands, Russia, USA, Sweden, and Hungary had a share ranging from 4.6%-2.7%.

In 2019, positive trends on the labour market were retained and registered unemployment was limited. Both the number of persons working in the national economy as well as the average employment in the enterprise sector increased, albeit to a lesser extent than in the previous year.

In 2019, the consumer price dynamics accelerated – the prices of services grew at a faster rate than the commodity prices. This phenomenon led to a slowdown in the growth of the purchasing power of wages and salaries in the enterprise sector. Strengthening of the growth in average monthly gross nominal pensions and benefits in both systems gave rise in turn to maintaining the growth rate of the purchasing power of the pensions and benefits group.

In 2019, there were 543 bankruptcies and 425 commenced restructuring of firms reported. This constituted 10.5% less cases of insolvency than in 2018.



Finding Solutions – the new strategy of the KUKÉ brand

KUKÉ has been intensively working on implementing the process of in-company changes for the past two years: digitisation, process optimisation, strengthening the quality of customers services, and development of its offering.

These changes are also visible to the external environment – KUKÉ's image is being transformed into more progressive, professional and quality-driven but is still not building expressive, clear associations for potential or even current clients. In terms of reputation, KUKÉ had everything it needed in order to tap into and capture the market... everything except brand awareness. Hence the decision to build a new brand strategy for KUKÉ from scratch. We invited an experienced advertising agency – Brasil, to lend us a hand in this enterprise.

Michał Wronecki, Client Service Director & Partner at Brasil:

„How to effectively persuade the unconvinced to take advantage of KUKÉ's offer? How to break unfavourable associations with the brand and become a synonym of a modern and thriving company? How to build lasting associations with the high quality of the offered products and services? How to become 'the first choice' insurer? These are just some of the challenges that we, together with KUKÉ, defined and decided to address within this strategic process. We broke the process of creating a strategy for the KUKÉ brand that will allow it to stand out and strengthen its position on the competitive receivable insurance market and enable the creation of a consistent and coherent brand world in communication down into three stages. Firstly, we focused on identifying and defining the needs of the target groups. We penetrated them largely through individual interviews with the clients, partners and employees of KUKÉ. The

next stage involved an in-depth analysis and synthesis of the data and defining the key challenges to creating a clear and distinct strategy to underpin the communication actions both inside and outside the organisation for the next 3-5 years. We completed the whole process by crafting a consistent and distinct visual language and a new brand motto.

The result of the conceptual and workshop work was a brand guide constituting a key strategic document for the brand. It sets out the direction (brand essence, value, personality, and archetype) for the brand to take over the next few years. The brand guide is harnessed in the day-to-day work when designing all the actions for the brand (campaigns, PR, events, and product development) and utilised to assess the adequacy of various kinds of external offers (sponsoring, events, and actions). It is also a valuable tool in brand essence promotion at meetings with internal and external partners involved in the creation of the brand through the design of various activities.

The target groups to which KUKÉ addresses its message are diverse and have their own specific requirements, although the most important needs are encapsulated in three key areas: fast, simple, and flexible. KUKÉ's business additionally has a relational character, which is typical of the whole financial sector, hence, forging and maintaining excellent relationships are key to the duration of cooperation and the resulting scale of profits for both parties involved. The archetype of the KUKÉ brand is a combination of two traits: guardian and creator. This means that KUKÉ is reliable, emphatic, and listens to the voice of its clients and the environment in which it operates. The distinguishing features of our organisation are entrepreneurship and ingenuity. In effect, we would define the essence of the KUKÉ brand as: "Every business is different, every business is important". This means that KUKÉ knows how to create bespoke solutions, rapidly responding to changes in the environment without leaving its clients high and dry. In consequence, an integral element of company communications was crafted: "KUKÉ. Finding Solutions".

Organisation

3.1 Shareholders and Share Capital

As at 31 December 2019, the share capital of KUKE amounted to 110,702,900 zloty and was split into 1,107,029 registered shares with a face value of 100 zloty each. The share capital was fully paid up.

The shareholding structure in relation to 31 December 2018 has remained unchanged and is as follows:

Shareholder	Nominal no, (each)	Value of shares (PLN)	Share (%)
State Treasury represented by the Prime Minister	700,828	70,082,800	63.31
Bank Gospodarstwa Krajowego	406,201	40,620,100	36.69
TOTAL	1,107,029	110,702,900	100.0

3.2 Supervisory Board

As at 1 January 2019, the composition of the Supervisory Board of KUKE was as follows:

- Adam Barbasiewicz – Chairman
- Arkadiusz Urban – Deputy Chairman
- Włodzimierz Dola
- Aneta Fałek
- Wojciech Hann
- Luiza Modzelewska
- Wojciech Rząsiecki
- Mariusz Sokołowski

On 24 January 2019, Wojciech Hann – member of the Supervisory Board of KUKE tendered his resignation from his function as of 31 January 2019.

As a result of the expiry date of the term of office of the KUKE Supervisory Board on 30 June 2019 and in connection with the expiry of the mandates on 14 June 2019, that is, on the day the General Meeting of Shareholders approving the financial statements for 2018 was held, it became necessary to shorten the term of office of this body. Hence, the Ordinary General Meeting of Shareholders of KUKE dismissed the members of the Supervisory Board of KUKE and then appointed them to the Supervisory Board of KUKE for a joint term of office, which commenced on 15 June 2019.

On 19 July 2019, an Extraordinary General Meeting of Shareholders of KUKE was held, which appointed Paweł Pietrzak to the Supervisory Board of KUKE for a joint term of office. In turn, during the Extraordinary General Meeting on 18 September 2019, Piotr Kaflik was appointed to the Supervisory Board of KUKE for a joint term. On 31 December 2019, Włodzimierz Dola handed in his resignation as a member of the Supervisory Board.

As at 31 December 2019, the Supervisory Board of KUKE had the following composition:

- Adam Barbasiewicz – Chairman of the Supervisory Board
- Aneta Fałek – Deputy Chairwoman of the Supervisory Board
- Piotr Kaflik
- Luiza Modzelewska
- Paweł Pietrzak
- Wojciech Rząsiecki
- Mariusz Sokołowski

As provided for in the Act on auditors, audit firms, and on public supervision of 11 May 2017 applicable to KUKE as an insurer (a public interest entity), KUKE's Supervisory Board Audit Committee was established from among the Members of the Supervisory Board, the composition of which was as follows:

- Wojciech Rząsiecki – Chairman
- Adam Barbasiewicz,
- Mariusz Sokołowski.



3.3 Management Board

In the period from 1 January to 31 December 2019, the Management Board of KUKE worked in the following composition:

- Janusz Władyczak – President of the Management Board
- Katarzyna Kowalska – Vice-President of the Management Board
- Tomasz Ślagórski – Vice President of the Management Board.

Due to the expiry of the term of the Management Board of KUKE on 30 June 2019 and the expiry of the mandates on 14 June 2019, that is, on the day the General Meeting of Shareholders was held approving the financial statements for 2018, it became necessary to shorten the term of office of this body. Hence, the Members of the Management Board were dismissed by the Ordinary General Meeting of Shareholders of KUKE and then appointed in the present composition for another three-year term of office.

3.4 Employment and Internal Organisational Changes

As at 31 December 2019, the headcount at KUKE under employment agreements was 177 persons. The Regional Sales Offices located in centres with the largest economic potential (Gdansk, Katowice, Krakow, Poznan, Warsaw, and Wroclaw) have a total headcount of 18 consultants responsible for direct client acquisition as well as cooperation with insurance brokers.

The following key projects were executed in 2019 in the field of HR:

- The modification of the Company's organisational structure and implementation of new organisational regulations ensuring efficient and effective process management;
- The implementation of an Occupational pension scheme, a change in the internal regulations concerning remuneration,
- Trainings for managers under the Manager Development Programme and a seniority programme in cooperation with the Warsaw Stock Exchange (WSE) Foundation – Go 4 Poland,
- A new bonus programme for employees consisting of linking the annual individual targets to be achieved by the employees under the MBO model with the Company's strategic goals, including the financial result;
- A centralised communication management system (intranet), and recruitment and training.



Development Strategy for 2019-2021

Recently, there has been a rapid acceleration in the changes in the market and regulatory landscape of the Company. Thus, the new strategy required the intensification of actions previously spread over a longer period.

The adopted document, which we started to implement in 2019, sets ambitious goals as we do not intend to merely maintain our high position among the leading trade receivable insurers and insurance guarantees but we are ready to make a qualitative leap to achieve the market leader position across many dimensions.

We came to understand that the implementation of digitisation as expeditiously as possible, the optimisation of processes to reduce operational costs, and improvement of the quality of customer services, as well as fostering legislative adaptations so that we, as a Polish export credit agency (ECA), can support domestic exporters and investors in foreign markets more effectively are of paramount importance to achieve this end.

The foundation on which this new strategy was based was the earlier stabilisation of revenues, the broadening of our customer base, the implementation of more effective acquisition actions, as well as internal changes also pertaining to the HR policy.

We were well aware that practically all the elements of the planned transformation have to be carried out in parallel due to their interlinking and equal importance for the execution of the strategy. In reality, one element remained critical – digitisation, which particularly in the financial sector has recently acquired the “make-or-break” significance for every undertaking. A pivotal element of KUKE’s digitisation is the Focus project involving the replacement of the main IT system that was begun in 2018. It will serve the most important business processes and a new platform is also being developed not just for KUKE’s Clients but also for our partners and brokers as

well. It will ensure greater work efficiency, convenience, and optimum accessibility to users, allowing handling of a larger number of customers and will eliminate the circulation of paper documents, combined with another IT project under way – a document circulation and archiving system called Panda.

With the advancement of digitisation, the strategy foresees the widely-understood optimisation of actions, which can also include an improvement in the quality of the services rendered; changes in the internal processes concerning: the conclusion of contracts and agreements, settlements, debt collection and claim settlement, the implementation of new product solutions better tailored to client needs and also ones that are ‘simpler’ on the operational side.

One of the key goals that has been identified for the coming years is a change in regulations governing business guaranteed by the State Treasury and our functioning as an ECA. What was crucial was the adjustment to the current conditions on the global trade arena of the provisions of the Act of 1994, which constrains the flexibility of KUKE in terms of developing a product offering, preventing us from significantly improving the competitive position of Polish exporters. The main issues were: the definition of the domestic status and no possibility of insuring foreign economic operators of Polish subsidiaries which have fast grown in number in recent years, offering greater opportunities in international expansion. The intensification and expansion of cooperation with banks in terms of financing exports and foreign investments and continued cooperation with other institutions from the Polish Development Fund Group were also associated with this important pillar of the strategy. We are delighted to say that some of these intentions have successfully been implemented thanks to the fact that their shape and form was worked out earlier as a result of the amendment of the Act of 1994 that was introduced along with the launch of the first unveiling of the Anti-Crisis Shield in March 2020.

The delivery of the strategy is to lead to KUKE being the most frequently recommended insurer of receivables on the Polish market by entrepreneurs while also being one of the most modern export credit agencies that will facilitate successful foreign expansion for Polish companies.

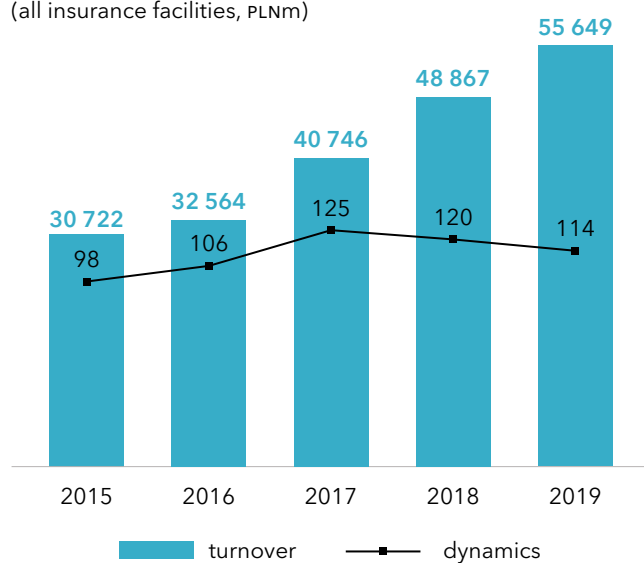
Performance of KUKE in Specific Business Areas

4.1 Overall Performance

In 2019, KUKE insured a total turnover of 55,649.5 million zloty, which is 13.9% more than in the previous year.

Value of insured turnover

(all insurance facilities, PLNm)

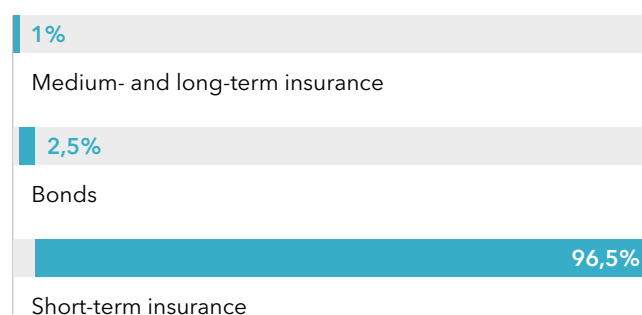


The value of insured export turnover increased by 3.9% to 21,607.5 million zloty, of which, commercial insurance came to 17,451.3 million zloty (9.0% growth), and government-backed export insurance and bonds stood at 4,156.1 million zloty (13.1% drop).

The value of insured short-term domestic receivables and granted insurance guarantees came to 34,042.0 million zloty, which was 21.2% more than in 2018.

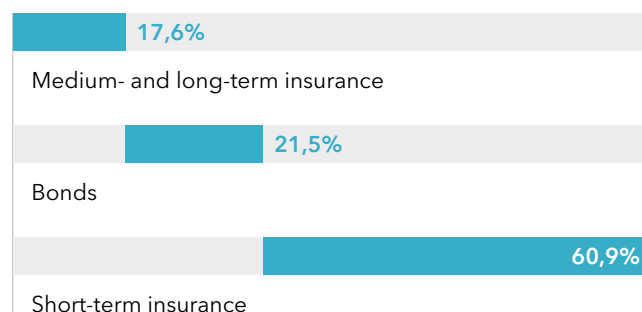
Structure of 2019 turnover

(all insurance facilities)



Structure of premium written in 2019

(all insurance facilities)

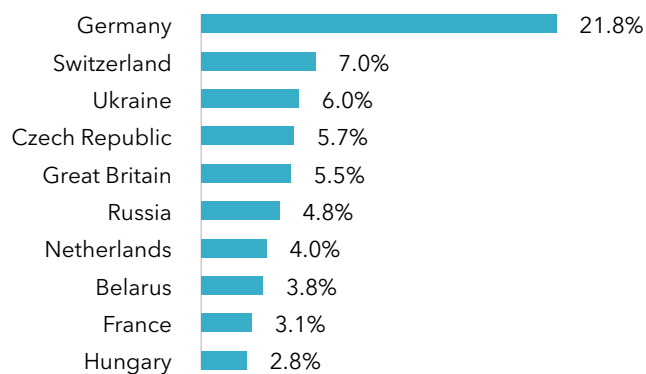




The geographic structure of export transactions (all insurance facilities), similarly to 2018, was dominated by Germany (21.8%). It was followed by Switzerland (7.0%), Ukraine (6.0%) and the Czech Republic (5.7%).

Top 10 markets according to the value of insured export turnover in 2019

(acc. to data presented in PLN)

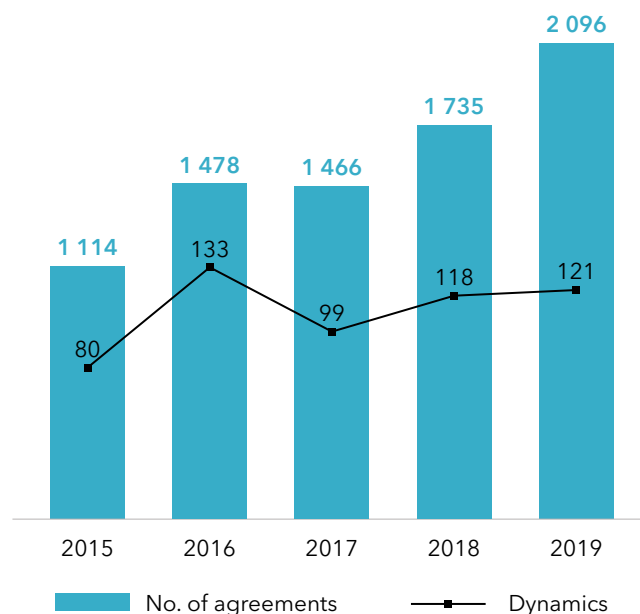


In 2019, KUKE signed 2,096 new insurance contracts and bonds, which means a 20.8% increase compared to 2018, of which 1,459 were in the scope of commercial activities (20.6% more), and 637 in business guaranteed by the State Treasury (21.3% growth). Moreover, 1,498 policies from previous years were renewed, which is 6.7% more than in the preceding year.

At the end of 2019, there were 4,139 active policies and bonds, which was an increase of 15.2% compared to the preceding year. A total of 2,431 policies and bonds came from the commercial segment (24.3% more than in 2018), and 1,708 policies and bonds from business guaranteed by the State Treasury (4.3% more than in 2018).

Number of new insurance agreements

(all insurance facilities)



Digitisation

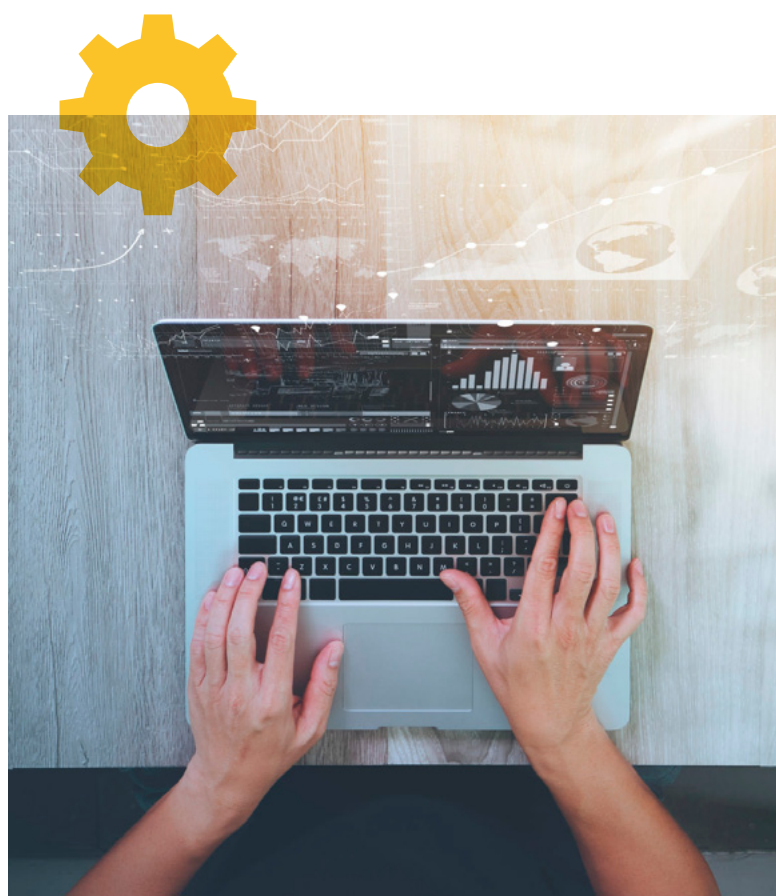
We continued the implementation process of the new core IT system – Focus, which is pivotal to the Company’s digital transformation. Employees from all KUKE units are involved in this project.

Last year, business specifications were developed in the area of insurance risk (credit limits), the handling of policies and sales, bonds, loss adjustment and debt recovery, product management, settlements, finance, reporting, and migration from the current IT system in place (SI KUKE), as well as technical specifications in the scope of systems architecture and integration.

Due to the Agile project management methodology adopted under the project, the Focus system was also being developed in parallel with the work on specifications, which was finalised on the UAT test level in the limit area in December 2019. We also built testing environment IT infrastructure. As for migration, we created mechanisms to transfer data from the SI KUKE system to the following areas: companies, invoices, bonds, limits, policies and agents.

The second element whose implementation began in 2019 was the Panda system intended to support secretarial processes, document circulation, and digitisation. We built the business specifications for the archives and the repository of documents and the document clearance process. The system architecture was also designed and we created a test environment. On top of that, we also carried out integration of the document repository area with the Focus system.

In order to modernise our internal systems, we implemented a solution to manage Microsoft Active Directory catalogue services and Microsoft Exchange email. Within the enhancement of quality and stability of the user work process, we also introduced the Office365 Business service. Fostering cybersecurity, we regularly carried out network and system penetration tests. It is also worth adding – although it may seem trivial – that we replaced all personal computers and our employees



received laptops with the possibility of a secure connection to Company systems. It soon turned out just how crucial and useful this was once the coronavirus outbreak labelled as a pandemic was announced at the beginning of 2020 and most of our staff switched to a teleworking system.

Another manifestation of KUKE’s digitisation is the introduction of a new intranet that serves mainly as a channel of internal communication but is also a tool used by the unit dealing with human resources management. Thanks to the new platform, information flow concerning Company events has much improved. Employees can use the knowledge base at their will, having access to company documents, reports and links to their key websites. The new intranet serves has led to the better integration of Company employees who are physically scattered across several locations in Poland. This turned out to be particularly useful already in 2020 when most of our staff were performing their duties remotely.



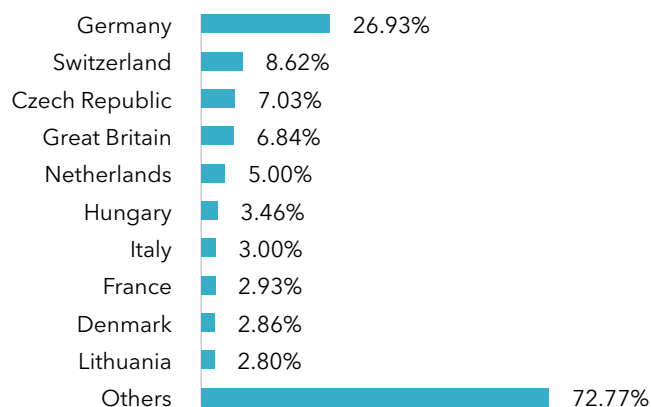
4.2 Activities of KUKE under the Act on Insurance and Reinsurance of 11 September 2015

4.2.1 Trade Receivables Insurance

Within the 14 insurance group, in 2019, KUKE insured short-term export and domestic receivables of a total value equal to 50,799.5 million zloty (an increase of 16.9% y/y).

Geographic structure of insured export turnover in 2019

(insurance of short-term export receivables, acc. to data presented in PLN)



The gross premiums written account amounted to 75.2 million zloty compared to 60.2 million zloty the year earlier (25.0% increase). In 2019, KUKE paid out 738 indemnities totalling 38.2 million zloty, which means a 60.4% increase in number and 30.9% increase in value. Almost 80% of the value of paid out indemnities concerned liabilities unpaid by domestic business partners, and among the transactions concerning foreign markets, the most came from: Germany (6.0%), Italy (2.9%), and France (1.9%). As a result of the recourse proceedings carried out in 2019, KUKE acquired inflows of 4.9 million zloty (22.2% more than the previous year).

4.2.2 Bonds

In 2019, KUKE issued 1,243 insurance guarantees worth 693.8 million zloty, which is 12.4% more than in 2018 (their number grew by 28.5%). At the end of the year, there were 1,625 active bonds, which is 36.1% more than last year.

The remuneration for the bonds issued came to 24.1 million zloty, which is a 43.0% increase in relation to the previous year. KUKE paid out 7 guaranteed sums for the total amount of 19.4 million zloty. In relation to 2018, the number of payouts increased by two, with a 125.1% increase in value. A total 1.50 million zloty in receipts was obtained in 2019 from recourse proceedings from bond payouts from previous years (compared to 4.21 million zloty in receipts from recourse proceedings carried out in 2018).

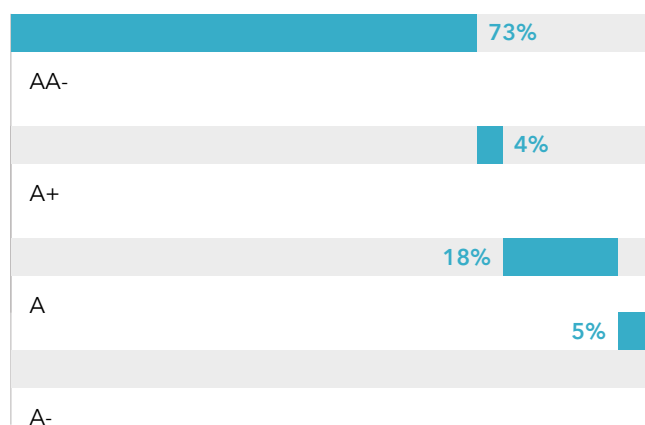
4.2.3 Reinsurance

KUKE applies passive reinsurance as an insurance risk management instrument in order to conserve capital and increase financial security, as well as the stabilisation of the loss ratio and limiting the consequences of the occurrence of catastrophic damage. Reinsurance also guarantees an increase of underwriting capacity and risk retention capabilities, which translates into the possibility of concluding insurance agreements and bonds.

The risks underwritten by KUKE in 2019 were subject to reinsurance cover within the mandatory programme composed of proportional quota share reinsurance and nonproportional surplus reinsurance. Proportional reinsurance ensures 40% of the risk is ceded, and 60% of the reserved share of proportional agreements was additionally protected by nonproportional surplus reinsurance with a 3.5 million zloty priority and four layers with a total capacity of 70 million zloty. This means that every single gross risk up to the amount of 128.95 million zloty (credits) and 122.50 million zloty (bonds) was limited to a maximum 3.5 million zloty of KUKE's share.

The share of reinsurers in technical insurance provisions according to ratings

(as at 31.12.2019)



4.3 Activities of KUKE under the Act on Export Insurance Backed by the State Treasury of 7 July 1994

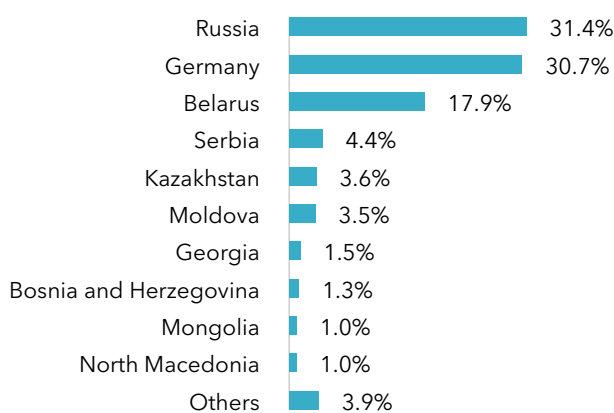
4.3.1 Insurance of Export Contracts

In 2019, a total 132 policies were signed and 917 policies were renewed in the scope of export contract insurance executed within a credit facility running up to 2 years and backed by the State Treasury. The number of signed policies increased by 32.0% y/y, and there was a 2.7% increase in the number of renewed policies. At the end of the year, there were 986 active policies, which is 4.0% more than the previous year.

The value of the insured turnover came to 2,897.2 million zloty, which constitutes a 23.9% y/y increase. In the geographical structure of insured turnover, the highest share belonged to receivables due from counterparties from the following countries: Russia (31.4%), Ukraine (30.7%), and Belarus (17.9%).

Geographic structure of insured export turnover in 2019

(insurance of short-term export receivables, acc. to data presented in PLN)



The written premium stood at 25.5 million zloty and was 16.6% higher than in 2018.

As for medium- and long-term insurance, KUKE concluded 9 contracts with an insurance sum value of 542.1 million zloty, and 1 rider. The concluded agreements concerned 4 buyer credit facilities, including 3 credit facilities made available by banks to borrowers from Belarus and Ukraine, as well as 5 supplier credit facilities related to sales to markets in Mali and Ukraine.

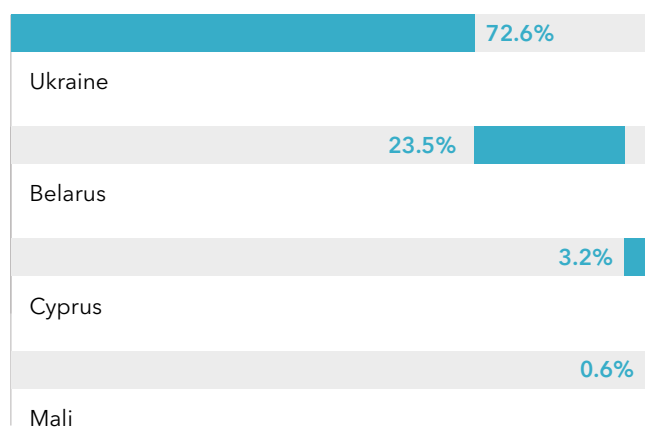
The total value of the granted insurance cover on account of these insurance agreements came to 542.8 million zloty, showing a 73.8% y/y decline resulting from the postponement of the execution of Client transactions announced earlier.

In the industry structure, the construction services industry dominated the insurance agreements concluded in 2019 (47.3%), followed by machines for the food industry (29.5%), and means of transport (22.8%).

The premiums written amounted to 29.0 million zloty, which is 68.8% less than in 2018.

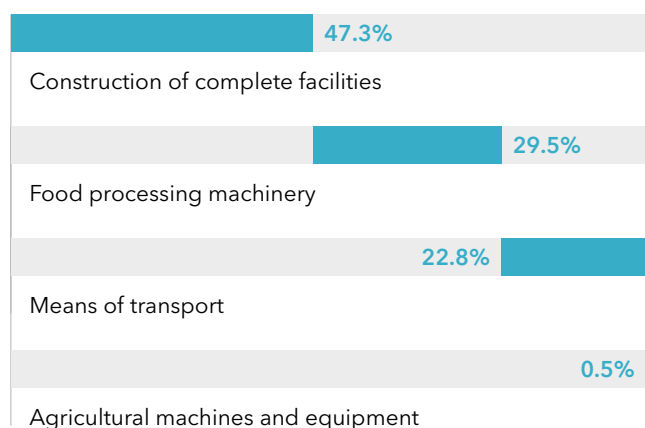
Geographic structure of insurance agreements in 2019

(medium- and long-term export credit insurance with credit repayment terms of 2 and more years - acc. to data presented in PLN)



Industry-specific structure of insurance agreements in 2019

(medium- and long-term export credit insurance with credit repayment terms of 2 and more years - acc. to data presented in PLN)



4.3.2 Bonds

Last year, KUKE granted 495 State Treasury-backed bonds with a total value of 696.0 million zloty, which constituted an increase of 19.0% in number and 87.5% growth in value. The remuneration on account of these bonds came to 11.4 million zloty and was twice as high as that obtained in 2018.

In 2019, one direct investment insurance agreement abroad was also concluded which concerned the takeover of the majority share in a Belarussian company worth 20.2 million zloty over the whole period covered by the insurance.

A total of 20 indemnities were paid out under State Treasury-backed insurance in the sum of 32.0 million zloty, of including:

- 17 indemnities amounting to 2.06 million zloty on account of unsettled debts under export credit insurance, executed under credit facilities running up to 2 years by counterparties from Belarus, Kyrgyzstan, Mongolia, Nigeria, Russia, and Ukraine;
- 3 indemnities with a total value of 29.90 million zloty on account of contract insurance and export credit with a repayment period of 2 or more years.

Thus, there was a 4.8% decrease in the number of indemnities paid out and they were 52.1% lower in value compared to 2018.

As a result of the conducted recourse proceedings, KUKE obtained recourse with a total value of 46.3 million zloty (compared to 8.18 million zloty in 2018).

Insurance of Foreign Investments of Polish Firms

KUKE annually supports hundreds of entrepreneurs selling or investing in foreign markets, particularly those considered to be riskier.

One of the most interesting transactions in 2019 where our foreign direct investment insurance was utilised was the acquisition of shares by the CDRL clothing company (Cocodrillo brand) in the LLC DPM Belarussian group managing supermarkets with children's merchandise. In order to carry this venture out, the company obtained 10 million zloty from Bank Gospodarstwa Krajowego and this was the first instance of using a BGK credit facility for an acquisition outside the European Union. The package of instruments of KUKE and BGK turned out to be a completely new solution used by a domestic entity.

CDRL is currently present on four continents and also operates in the following countries: Czech Republic, Romania, Bulgaria, Baltic States, and outside the European Union in Belarus, Russia, Kazakhstan, Sri Lanka, and in Saudi Arabia. The KUKE-backed acquisition concerned the shares of the supermarket chain Buslik, which has around 50 commercial points. The Belarussian network offers children's merchandise including clothing, footwear, food, accessories for infants, cosmetics, toys, and furniture.

Marek Dworczak, CEO of CDRL:

„ We are the leading distributor of children's clothing and accessories in Central and Easter Europe. We are reinforcing the Coccodrillo brand by both boosting sales in stores across Poland and abroad. We're convinced that the financing obtained and our entry on the Belarussian market will allow us to realise our mission even better and anticipate the expectations of parents, supplying the very products that their children need.

KUKE insurance offers Polish firms and their financing banks the opportunity to carry out safe acquisitions in different markets. The cover includes losses incurred in connection with the performance of direct investments abroad, resulting from the events specified as political risks, which include:

- Decisions in the form of government interventions preventing the execution of an investment;
- The announcement of a universal payment moratorium;
- Decisions concerning restrictions on trade involving a prohibition on exports;
- Rendering impossible the transfer of receivables (e.g., dividend);
- Complete prevention of the exercise of rights relating to an investment.

The insurance also protects against a number of force majeure events like war, riots, mass strikes, flood, and fire.

This is a State Treasury-backed instrument which means that when utilising the credit for acquisitions, one can count on lower financing costs. Ceding the right to compensation under the insurance may constitute collateral for the credit facility, allowing the bank to establish lower reserves. The insurance covers up to 90 percent of the value of the investment.

Combining a foreign acquisition credit facility with investment insurance at KUKE can also be harnessed when financing projects of Polish entrepreneurs in other foreign markets.

In 2019, KUKE started work on the modification of this product which was finalised in 2020 and the new version of this solution has already been included in its offering.

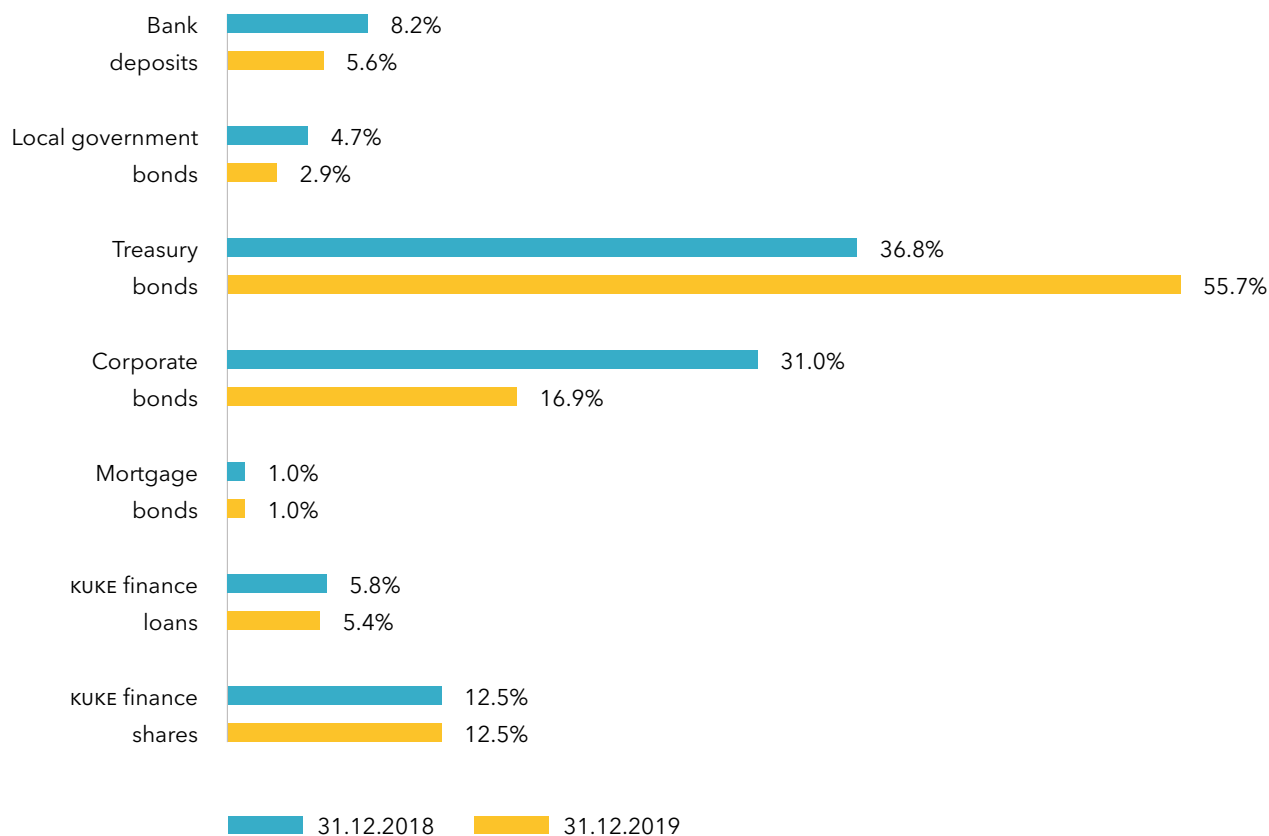
Investment Activities

As in previous years, the investment portfolio diversification policy has been maintained in order to maximise its overall profitability, while retaining the principle of limited interest rate risk and credit risk. It was to this end that debt instruments of highly reliable issuers were purchased for the portfolio, at the same time offering a higher rate of return than in the case of instruments issued or guaranteed by the State Treasury. In light of the decision to increase the liquidity of the

portfolio and the sale of bonds of several non-Treasury issuers related to this, and replacing them with more liquid instruments issued by the State Treasury, the share of non-Treasury debt instruments dropped at the end of 2019 to 20.8% of the portfolio (15.9 pp y/y decrease).

At the end of 2019, the value of KUKE's deposit portfolio stood at 277.46 million zloty.

Structure of Investments





Data set comprising investment activity according to its sources

Source of revenue	2018 (in PLNm)	% structure	2019 (in PLNm)	% structure
Bank deposits	0.13	1.5	0.17	1.8
Treasury debt instruments	2.89	34.2	3.43	35.2
Non-treasury debt instruments	3.14	37.3	3.09	31.8
Loans to KUKE Finance	0.37	4.4	0.51	5.2
Unlisted KF shares	1.91	22.6	2.53	26
TOTAL	8.44	100.0	9.72	100.0

In 2019, the Company achieved a rate of return of 3.17% from the investments portfolio (excl. the gains on shares held in KUKE Finance).

Risk Management



A review of the catalogue of risks was carried out in the 2nd quarter of 2019 within the ORSA process, as a result of which the following risks were identified:

- Actuarial risk
- Market risk
- Counterparty credit risk
- Liquidity risk
- Operational risk
- Reputation risk
- Competition risk
- Non-compliance risk
- Legal risk
- Business risk
- Model risk

The review of significant risks led to the identification of actuarial, market, operational, and counterparty credit risks as material. In relation to the previous ORSA, the catalogue of significant risks has not changed.

The methods of management of specific risks that were identified in the operations of the Company have not changed in relation to the previous risk assessment.



Financial Results of KUKE

7.1 Analysis of the Balance Sheet

The balance sheet total of KUKE as at 31.12.2019 was PLN 371.7 million and was 9.6% higher than at the end of 2018.

Main balance sheet items of KUKE

ASSETS	31.12.2018 PLNm	share %	31.12.2019 PLNm	share %	change 2019/2018 PLNm	change 2019/2018 %
Intangible assets	0.80	0.2	1.04	0.3	0.24	30.3
Investments	258.08	76.1	277.46	74.7	19.38	7.5
Receivables	55.34	16.3	66.45	17.9	11.11	20.1
Other asset components:	14.03	4.1	12.61	3.4	-1.42	-10.1
incl. funds deposited in the separate 'National Interest' bank account	9.82	2.9	8.59	2.3	-1.23	-12.5
Prepayments and accruals	10.97	3.2	14.10	3.8	3.13	28.6
TOTAL ASSETS	339.22	100.0	371.67	100.0	32.45	9.6

LIABILITIES	31.12.2018 PLNm	share %	31.12.2019 PLNm	share %	change 2019/2018 PLNm	change 2019/2018 %
Equity	213.37	62.9	219.34	59.0	5.97	2.8
Technical insurance provisions (after factoring in the reinsurers share, estimated recourses and recoveries)	61.17	18.0	74.34	20.0	13.17	21.5
Other provisions	4.28	1.3	2.95	0.8	-1.34	-31.2
Other liabilities and special funds:	47.97	14.1	56.71	15.3	8.74	18.2
incl. funds deposited in the separate 'National Interest' bank account	9.82	2.9	8.59	2.3	-1.23	-12.5
Prepayments and accruals	12.43	3.7	18.34	4.9	5.91	47.6
TOTAL LIABILITIES	339.22	100.0	371.67	100.0	32.45	9.6

Differences in checksums are due to rounding.



Assets

The value of intangible assets increased during the year by 30.3% to 1.04 million zloty, mainly due to the funding of KUKE IT systems development.

Deposits had the highest (74.7%) share in the balance sheet total. Compared with the end of 2018, their value increased by 7.5%, reaching a level of 277.46 million zloty on 31 December 2019.

The value of receivables at the end of 2019 was 66.5 million zloty, constituting 17.9% of the value of the assets. In relation to 2018, the value of receivables increased by 20.1%, mainly down to the growth of the business, of which:

- Direct insurance receivables (resulting from increase in premiums and related settlements) increased by 23.1% to 37.3 million zloty;
- Receivables on account of reinsurance increased by 19.8% to 20.4 million zloty;
- Other receivables increased by 9.4% to 8.9 million zloty – this was due to settlements related to the commission charged by KUKE for providing State Treasury-backed insurance.

Other asset components as at the end of the year amounted to 12.6 million zloty and were 10.1% lower y/y, which mainly resulted from the decrease of funds deposited in the separate “National Interest” bank account used for settlements related to activities guaranteed by the State Treasury. These amounts constituted 68.1% of the other asset components item.

Liabilities

The equity of KUKE as at 31.12.2019 amounted to 219.3 million zloty and was 2.8% higher than in the previous year. The value of equity was increased by the profits of the current year. The share of equity capital in the balance sheet total stood at 59.0% as compared to 62.9% as at the end of 2018.

At the end of the period, the technical insurance provisions (after factoring in the reinsurers share and estimated recourses) amounted to 74.3 million zloty, which was an increase of 21.5% compared to the end of 2018 figures.

The highest increase in value terms concerned the unearned premiums and the coverage of unexpired risk, of which:

- The premium reserve relating to the increase in the premiums written grew by 15.5 million zloty;
- The unexpired risk reserve, due to there being no risk of occurrence of special losses, was released entirely (3.07 million zloty at the end of 2018).

The share of technical insurance provisions, after taking the reinsurers share and estimated recourses into account in the structure of the liabilities, amounted to 20.0% at the end of 2019.



KUKE technical insurance provisions

TECHNICAL INSURANCE PROVISIONS (after factoring in the reinsurers share and estimated recourses)	31.12.2018 PLNm	share %	31.12.2019 PLNm	share %	change 2019/2018 PLNm	change 2019/2018 %
Provisions for premiums and for unexpired risks	49.30	80.6	61.71	83.0	12.41	25.2
Provisions for insurance expenses (after factoring in estimated recourses)	8.83	14.4	9.15	12.3	0.32	3.6
Equalisation reserve	0.00	0.0	0.00	0.0	0.00	n/a
Provisions for bonuses and rebates for policyholders	3.04	5.0	3.48	4.7	0.44	14.5
TOTAL	61.17	100.0	74.34	100.0	13.17	21.5

Differences in checksums are due to rounding.

The value of the remaining liabilities and special funds increased by 18.2% to 56.7 million zloty. In amounts, the highest increase in this liability item concerned reinsurance obligations (6.6 million zloty increase y/y) and other liabilities (2.2 million zloty increase).

Liabilities on account of the funds deposited in the separate "National Interest" bank account used for settlements related to activities guaranteed by the State Treasury dropped by 12.5% to 8.6 million zloty. The share of liabilities and special funds in the structure of liabilities stood at 15.3%.

7.2 Analysis of the Technical Insurance Account and the General Profit and Loss Account

In 2019, the revenue on account of the net earned premium (factoring in the change in the reserve covering unexpired risk) amounted to 41.5 million zloty and was 36.7% higher than in 2018. The gross written premium increased in relation to 2018 by 28.9% to 99.3 million zloty.

Selected items of the technical account and the profit and loss account of KUKE

SELECTED ITEMS OF THE TECHNICAL ACCOUNT & PROFIT AND LOSS ACCOUNT	1-12 2018 PLNm	1-12 2019 PLNm	change 2019/2018 PLNm	change 2019/2018 %
Gross premiums	77.02	99.31	22.29	28.9
Net premiums	30.33	41.46	11.13	36.7
Compensations and payments	-25.38	-30.12	-4.74	18.7
Bonuses and rebates net of reinsurance	-1.59	-2.42	-0.82	51.7
Balance of other technical revenues and costs	0.24	0.95	0.71	294.5
General insurance expenses	-18.07	-19.43	-1.36	7.5
Change in the equalisation reserves	0.00	0.00	0.00	n/a
Technical Result	-14.47	-9.56	4.91	-34.0
Balance of revenues and costs of investment operations	8.03	9.53	1.51	18.8
Balance of other operating revenues and costs	9.31	7.99	-1.32	-14.1
Gross profit (loss)	2.87	7.97	5.10	178.0
Income tax	-0.78	-1.73	-0.95	120.9
NET PROFIT (LOSS)	2.08	6.24	4.16	199.4

For presentation purposes, items with a negative impact on the result are shown with a minus (-) sign. Differences in checksums are due to rounding. Y/y change calculated using whole numbers (in PLN).

In 2019, compensations and benefits paid amounted to PLN 29.8 million, which is 42.8% more than a year earlier. The level of provisions for unpaid compensations and benefits paid, taking into account the estimated recourses, increased by PLN 0.32 million compared to the end of 2018 relative to this item's PLN 4.52 million uptick in the previous year. The total net compensations and benefits stood at PLN 30.1 million and were 18.7% higher than in 2018.

The costs of insurance activity (administrative costs, acquisition costs, and reinsurance provisions decreasing them) amounted to PLN 19.4 million, rising by 7.5% y/y (92% execution of the plan), where the administrative costs increased by 6.3%.

The technical result stood at PLN -9.6 million and was PLN 4.9 million better than the year earlier and higher than planned.

The balance of revenues and costs of investment operations amounted to PLN 9.5 million, showing an 18.8% increase y/y. The balance of other operating revenues and costs stood at PLN 8.0 million (relative to PLN 9.31 million in the previous year), including the commission and costs related to running export insurance backed by the State Treasury, stood at PLN 6.7 million (23.5% decrease y/y), which resulted from postponing the finalisation of long-term insurance agreements to subsequent quarters.

In 2019, KUKE recorded a gross financial result of PLN 8.0 million compared to PLN 2.9 million achieved in the preceding year. After the calculation of the current and deferred income tax, which came to PLN 1.7 million, the net financial result stood at PLN 6.3 million, which means a tripling of the net profit and 198% execution of the plan.

Selected performance indicators

INDICATOR	DESCRIPTION	1-12 2018	1-12 2019
PROFITABILITY			
ROE	Net profit/Equity	1.0%	2.8%
Profitability of insurance operations	Technical result/Written premiums net of reinsurance	-33.8%	-17.7%
Profitability based on gross premiums	Net profit/Gross written premium	2.7%	6.3%
Profitability net of reinsurance	Net profit/written premiums net of reinsurance	4.9%	11.6%
LOSS LEVEL			
Gross	Gross compensations and payments paid +/-change in level of gross reserves)/Gross earned premium	72.0%	72.8%
Net	Compensations and payments paid, net of reinsurance +/- Movements in reserves, net of reinsurance/earned premium, net of reinsurance	83.7%	72.7%
LEVEL OF OPERATING COSTS			
GROSS RATIOS			
Total operations, incl.:	Costs of insurance operations*/gross written premium	34.9%	30.9%
Acquisition costs	Acquisition costs/gross written premium	16.1%	15.4%
Administrative costs	Administrative costs/gross written premium	18.8%	15.5%
RATIOS NET OF REINSURANCE			
Costs of insurance operations	Costs of insurance operations**/earned premium, net of reinsurance	59.6%	46.9%

* Without factoring in the reinsurance commissions and share in profit by reinsurers.

** Factoring in the reinsurance commissions and share in profit by reinsurers.

The key performance indicators show an improvement in each of the analysed areas of management. Lower loss ratios, net of reinsurance (72.7% relative to 83.7% in 2018) and operating cost ratios, both on the level of gross operations (30.9% vs 34.9% the year before), as well as operations, net of reinsurance (46.9% vs 59.6% in 2018), have translated into the improved profitability of KUKE. In 2019, the profitability ratio, based on the gross premium, stood at 6.3% relative to 2.7% the year earlier. A greater improvement in profitability can also be observed in the deductible - this ratio has increased 11.6% compared to 4.9% in 2018. This welcome development was ultimately revealed in the three-fold increase in the return on equity (ROE) ratio, which stood at 2.8% relative to 1.0% the previous year.

As at the end of 2019, the Company demonstrated compliance with all legally required soundness standards applicable to the insurance industry.

Technical account (PLN thousands)

	31.12.2019	31.12.2018
Premiums (1-2-3+4)	41 462	30 334
Gross written premiums	99 313	77 021
Reinsurers' share in written premiums	45 440	34 149
Change in provisions for unearned premiums and gross unexpired risk reserve	20 361	20 784
Reinsurers' share in change in provisions for unearned premiums	7 951	8 246
Other net technical income	4 749	3 906
Claims and benefits (1+2)	30 124	25 382
Net claims and benefits paid	29 804	20 865
Net change in outstanding claims provisions	320	4 517
Net premiums and benefits incl. change in provisions	2 418	1 594
General insurance expenses	19 430	18 070
Acquisition costs	15 339	12 369
Administrative expenses	15 388	14 480
Reinsurance commissions and shares in profit	11 297	8 778
Other net technical expenses	3 797	3 665
Change in equalisation reserve	0	0
Technical result	-9 557	-14 471

General profit and loss account (PLN thousand)

	31.12.2019	31.12.2018
Technical result	-9 557	-14 471
Investment income	7 237	6 535
Unrealized gains on investments	2 529	1 905
Investment management expenses	232	413
Unrealized losses on investments	0	0
Other operating income	21 532	23 543
Other operating expenses	13 539	14 233
Gross operating profit (loss)	7 970	2 867
Gross profit (loss)	7 970	2 867
Income tax	1 730	783
NET PROFIT (LOSS)	6 240	2 084

Assets (PLN thousand)

	31.12.2019	31.12.2018
Intangible assets	1 041	799
Investments	277 464	258 084
Investments in subsidiaries	49 808	47 273
Shares in subsidiaries	34 762	32 234
Loans to subsidiaries and debt securities issued by those undertakings	15 046	15 040
Other financial investments	227 656	210 811
Debt securities and other fixed income securities	211 980	189 605
Term deposits in credit institutions	15 676	21 206
Receivables	66 450	55 336
Direct insurance receivables	37 247	30 260
Reinsurance receivables	20 354	16 984
Other receivables	8 849	8 092
Other asset components	12 611	14 032
Tangible fixed assets components	3 059	3 019
Cash and cash equivalents	9 551	11 012
Prepayments and accruals	14 104	10 971
Deferred income tax assets	3 092	2 384
Deferred acquisition costs	10 057	7 421
Other prepayments and accruals	955	1 165
TOTAL ASSETS	371 670	339 223

Equity and liabilities (PLN thousand)

	31.12.2019	31.12.2018
Equity	219 339	213 373
Issued share capital	110 703	110 703
Reserve capital	68 149	69 493
Revaluation reserves	974	1 248
Other reserves	33 273	33 273
Profit (loss) brought forward	0	-3 428
Net profit (loss)	6 240	2 084
Technical insurance provisions	130 424	112 834
Premium reserve and unexpired risk reserve	102 599	82 237
Provisions for outstanding claims	22 017	25 499
Provisions for bonuses and rebates	5 809	5 097
Equalization provision	0	0
Reinsurers' share in technical provisions (negative figure)	52 636	45 187
Reinsurers' share in unearned premium reserve and unexpired risk reserve	40 888	32 938
Reinsurers' share in provision for outstanding claims	9 417	10 188
Reinsurers' share in provision for bonuses and rebates	2 331	2 061
Estimated salvages and subrogations (negative figure)	3 450	6 481
Estimated salvages and subrogations	5 835	11 098
Reinsurers' share in estimated salvages and subrogations	2 384	4 617
Other provisions	2 947	4 283
Employee benefit provisions	1 772	3 174
Deferred tax provisions	845	779
Other provisions	330	330
Other payables and special funds	56 708	47 972
Direct insurance payables	5 399	4 070
Reinsurance payables, of which:	35 697	29 083
Other payables	6 782	4 601
Special funds	8 828	10 218
Prepayments and accruals	18 339	12 429
TOTAL EQUITY AND LIABILITIES	371 670	339 223

Statement of cash flows – direct method (PLN thousand)

	31.12.2019	31.12.2018
Cash flows from operating activities	8 713	-18 717
Inflows	299 915	254 918
Inflows from direct insurance and reinsurance assumed	99 766	77 697
Inflows from gross premiums	88 989	65 891
Inflows from recourse, recoveries and refunds	6 395	8 219
Other inflows from direct insurance	4 382	3 587
Inflows from reinsurance ceded	40 448	30 868
Share of reinsurers in claims made	27 387	20 396
Inflows from reinsurance commissions and share in reinsurers' profits	12 905	10 190
Other inflows from reinsurance ceded	156	282
Other operating inflows	159 701	146 353
Inflows from average adjuster operations	0	0
Sale of intangible assets and tangible fixed assets other than investments	184	689
Other operating inflows	159 517	145 664
Outflows	291 202	273 634
Outflows from direct insurance and reinsurance assumed	103 921	80 857
Gross claims paid	57 396	37 701
Acquisition expenses	19 880	16 924
Administrative outflows	20 006	19 509
Outflows on claim settlement and recovery of recourse	4 403	4 385
Other outlays under direct insurance and reinsurance assumed	2 235	2 339
Outflows on reinsurance ceded	42 892	34 842
Other operating outflows	144 389	157 935
Investment cash flows	-10 159	-11 659
Inflows	3 432 133	2 754 549
Outflows	3 442 292	2 766 207
Financing cash flows	-15	-398
Total net cash flows	-1 461	-30 773
Cash and cash equivalents opening balance	11 012	41 785
Cash and cash equivalents closing balance	9 551	11 012
of which not fully disposable	8 774	10 177

Solvency parameters (PLN thousand)

	31.12.2019	31.12.2018
Ordinary share capital (gross of own shares)	110 903	110 703
Share premium account related to ordinary share capital	19 073	19 073
Reconciliation reserve	84 427	82 129
Amount equal to the value of net deferred tax assets	2 527	2 011
Total basic own funds after deductions	216 730	181 853
Total eligible own funds to meet the SCR	182 208	181 853
Total eligible own funds to meet the MCR	179 681	179 841
Solvency Capital Requirement - SCR	81 238	70 622
Minimum Capital Requirement - MCR	20 310	17 655
Ratio of eligible own funds to SCR	224%	258%
Ratio of eligible own funds to MCR	885 %	1019%

Solvency Capital Requirement - SCR (PLN thousand)

	31.12.2019	31.12.2018
Market risk	18 741	16 876
Counterparty default risk	2 035	2 233
Insurance risk	80 562	61 389
Diversification	-13 113	-11 706
Basic solvency capital requirements	88 224	68 792
Operational risk	2 219	1 830
Solvency capital requirement	81 238	70 622



7.3 Assessment of the effects of the coronavirus pandemic on KUKE

The emergence of the coronavirus and the actions of the public authorities relating to this in order to stop the spread of the virus failed to disrupt the operations of KUKE. An emergency action and replacement plan was implemented concerning business continuity in the situation of an epidemic crisis. Considering the mitigating actions implemented by the Company and the control of the identified risk, the risk of KUKE's business continuity being disrupted – even in the situation of the pandemic situation being further prolonged – is low.

The loss ratio associated with receivables insurance largely depends on the actions taken by the governments and central banks in order to mitigate the effects of the crisis relating to the coronavirus pandemic, as well as on the risk appetite of financial institutions. In a situation where there is no clear deterioration in access to financing for entrepreneurs (as was the case in the years 2008-09), the loss ratio of receivables insurance should not increase significantly. Due to the long-term nature of the bond portfolio, the pandemic should not affect the loss ratio relating to such insurance.

Moreover, the insurance risk exposure of KUKE is mitigated mainly by the implementation of obligatory outward reinsurance agreements. All compensation paid out by KUKE is covered in 40% by a proportional quota share treaty. If the value of the loss on a single risk on the Company's participation exceeds 3.5 million zloty, the whole loss exceeding this value is covered by the non-proportional reinsurance agreement as excess of loss.

The possible impact of the coronavirus epidemic on the valuation of the assets may occur in the area of financial assets, however, this risk is assessed by KUKE as moderate due to the very structure of the portfolio.

Considering the specifics of the granted insurance cover, the current breakdown of insurance risk into industries and countries, the safe deposit portfolio, and the risk mitigation mechanisms deployed (chiefly outward reinsurance), the ability of KUKE to continue as a going concern is not, in the view of the Management Board, threatened for a period of at least 1 year and in the foreseeable future.



KUKE
PFR Group

Finding
solutions

infoline: 801 060 106
kontakt@kuke.com.pl

50 Krucza Street, 00-025 Warsaw
www.kuke.com.pl