



Bank Polski

**Supplement dated 5 September 2016
to the Base Prospectus dated 1 June 2016**

€3,000,000,000

Programme for the Issuance of Loan Participation Notes

to be issued by, but with limited recourse to,

PKO Finance AB (publ)

(incorporated with limited liability under the laws of the Kingdom of Sweden)

for the sole purpose of financing senior and subordinated loans to

Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna

(incorporated as a joint stock company in the Republic of Poland)

This supplement (the “**First Supplement**”) constitutes the first supplement to and must be read in conjunction with the base prospectus dated 1 June 2016 (the “**Base Prospectus**”) prepared by PKO Finance AB (publ) (the “**Issuer**”) and Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (the “**Borrower**” or the “**Bank**”) with respect to the programme for the issuance of loan participation notes (the “**Notes**”) referred to above (the “**Programme**”).

Terms defined in the Base Prospectus have the same meanings when used in this First Supplement. To the extent that there is any inconsistency between any statement in this First Supplement and any other statement in or incorporated in the Base Prospectus, the statements in this First Supplement will prevail.

An application has been made with the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), which is the competent Luxembourgish authority for the purpose of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”), and the relevant implementing measures in Luxembourg, to approve this document as a supplement.

Each of the Issuer and the Borrower accepts responsibility for the information contained or incorporated by reference in the First Supplement. To the best of their knowledge (having taken all reasonable care to ensure that such is the case), the information contained in the First Supplement is in accordance with the facts and contains no omission likely to affect its import.

Publication of the Half Yearly Financial Statements of the Borrower

This First Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 13 of the Luxembourg Law on prospectuses for securities dated 10 July 2005 (the “**Luxembourg Law**”) in connection with the release by the Borrower on 29 August 2016 of the condensed interim consolidated financial statements of the Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna Group for the six-month period ended 30 June 2016 (the “**Condensed Interim Consolidated Financial Statements**”) and for the purposes of incorporating by reference the Condensed Interim Consolidated Financial Statements as set out below. A copy of the Condensed Interim Consolidated Financial Statements has been filed with the CSSF and is incorporated by reference into,

and forms part of, this First Supplement and, by virtue of this First Supplement, is incorporated by reference into, and forms part of, the Base Prospectus.

The following information is included in the Condensed Interim Consolidated Financial Statements on the pages indicated:

(a) Consolidated Income Statement	4
(b) Consolidated Statement of Comprehensive Income	4
(c) Consolidated Statement of Financial Position	5
(d) Consolidated Statement of Changes in Equity	6
(e) Consolidated Statement of Cash Flows	7
(f) Notes to the Condensed Interim Consolidated Financial Statements	9-49

The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and the dissemination of advertisements. Each of the Borrower and the Issuer accepts responsibility as to the accuracy and completeness of any translations into English set out in any documents incorporated by reference in this Base Prospectus.

Significant events which took place after the date of the Base Prospectus

Changes to the composition of the Management Board

On 2 June 2016 the Supervisory Board of the Bank appointed Mieczysław Król for the position of the Vice-President of the Bank's Management Board as of 6 June 2016 for the current joint term of office of the Bank's Management Board.

On 30 June 2016 the Supervisory Board of the Bank appointed Maks Kraczkowski for the position of the Vice-President of the Bank's Management Board as of 4 July 2016 for the current joint term of office of the Bank's Management Board.

On 14 July 2016 the Supervisory Board of the Bank appointed Jan Emeryk Rościszewski for the position of the Vice-President of the Bank's Management Board as of 18 July 2016 for the current joint term of office of the Bank's Management Board.

Accordingly, the current wording of the section "*Members of the Management Board*" on pages 145 to 148 of the Base Prospectus shall be deemed to be deleted and replaced with the following wording:

"As of the date of the Base Prospectus, the Management Board consists of eight members.

The current term of office of the members of the Management Board commenced on 26 June 2014 and will expire on the date of the General Meeting approving the financial statements for the financial year ended 31 December 2016.

The table below presents a list of the members of the Management Board, their age, position, the date their current term began and the expiration date of their current term of office.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Date the current term began</u>	<u>Expiration of term of office</u>
Zbigniew Jagiełło	52	President of the Management Board	26 June 2014	On the date of the general meeting of the shareholders in 2017
Piotr Stanisław Alicki	51	Vice-President of the Management Board in charge of IT and Services	26 June 2014	On the date of the general meeting of the shareholders in 2017
Bartosz Drabikowski	45	Vice-President of the Management Board in charge of Finance and Accounting	26 June 2014	On the date of the general meeting of the shareholders in 2017

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Date the current term began</u>	<u>Expiration of term of office</u>
Maks Kraczkowski	37	Vice-President of the Management Board Supervising the area of International and Transaction Banking and Cooperation with local Governments and Government Agencies	4 July 2016	On the date of the general meeting of the shareholders in 2017
Mieczysław Król	58	Vice-President of the Management Board, Acting Head of Banc assurance Area	6 June 2016	On the date of the general meeting of the shareholders in 2017
Piotr Mazur	49	Vice-President of the Management Board in charge of Risk Management	26 June 2014	On the date of the general meeting of the shareholders in 2017
Jakub Papierski	43	Vice-President of the Management Board in charge of Corporate and Investment Banking	26 June 2014	On the date of the general meeting of the shareholders in 2017
Jan Emeryk Rościszewski	51	Vice-President of the Management Board, Acting Head of Retail Banking Area	18 July 2016	On the date of the general meeting of the shareholders in 2017

Zbigniew Jagiełło

Zbigniew Jagiełło (born in 1964) has been the president of PKO Bank Polski's management board since October 2009, with appointment for a new term in 2011. Prior to this he was the Pioneer Pekao TFI S.A. Management Board President for nearly nine years. Also, within the global structure of Pioneer Investments he was responsible for the CEE region distribution. In the late 1990s he was, among others, active in establishing PKO/Credit Suisse TFI S.A. investment funds company, in the function of its first Vice-President. In his more than ten-year long career in the financial markets he can be credited, among other things, with:

- (a) Successfully steering PKO Bank Polski through the critical period of turmoil in the international financial markets, while strengthening the Bank's position of leadership in terms of assets, equity funds and earnings in Poland and the CEE region;
- (b) Development and implementation of PKO Bank Polski's strategy for the years 2010-2012, which resulted in strong efficiency gains as measured in terms of ROE, ROA and C/I ratio as well as in increased interest in the company among domestic and international investors (PKO Bank Polski continues to lead the market in terms of the value of its free float and as a major corporate debt issuer);
- (c) Adjustment of PKO Bank Polski to the requirements of the ever more competitive financial market through increased attractiveness of its product offer and quality of its customer service;
- (d) Refocusing of the Group's operational model toward its core activity of providing financial services.

Zbigniew Jagiełło is actively involved in development and promotion of the most demanding financial market standards in Poland. He is a member of the Council of the Polish Bank Association and of the prestigious Institut International D'Etudes Bancaires, which brings together the international banking community. His previous functions included, among others, that of the Chairman of the Chamber of Fund and Asset Management.

A graduate of the Wrocław Technical University, School of Computer Science and Management, he also completed Postgraduate Management Studies at the Gdańsk Foundation for Management Development and the University of Gdańsk, with Executive MBA certified by the Rotterdam School of Management, Erasmus University.

The President of the Republic of Poland decorated him with the Officer's Cross of the Order of the Rebirth of Poland and he was awarded the Social Solidarity Medal for promoting the idea of corporate social responsibility. He is the Deputy Chairman of the Programme Council of the PKO Bank Polski Foundation, an entity formed at his initiative in the year 2010.

Chosen the CEO of the Year 2011 by Parkiet daily; the recipient of the Wektor 2011 granted by the Polish Employers' Chapter and of the Golden Banker in the Personality of the Year 2011 category; he was also lauded the Manager of the Year 2011 in a competition ran by Gazeta Bankowa. In the year 2012, Bloomberg Businessweek Polska singled him out as one of the Top 20 Managers in Crisis.

In 2013, Zbigniew Jagiełło was honoured by Bank monthly with the title of “Innovator from the Banking Sector 2012”; he also received the title of “Visionary and Man of the Year” from Brief monthly and Dziennik Gazeta Prawna daily in appreciation of his contribution to financial sector development, consistency in strengthening the Bank’s market leading position and determination to change its image.

In 2014, he was chosen as one of the “25 most Valuable Managers in the Polish Finance Industry” by Gazeta Finansowa monthly. In 2014, Zbigniew Jagiełło was also awarded by Bloomberg Businessweek Polska in the “TOP 20 Best Managers in Polish Economy 2014” contest. Zbigniew Jagiełło’s consistency and modern way of managing PKO Bank Polski – a company that stands for quality, innovative product offerings and market success – were highly appreciated. The basis for this award was a survey among leading managers in Poland.

Piotr Stanislaw Alicki

Piotr Alicki (born in 1964) has been the vice-president of the Bank’s management board in charge of IT and services since 2 November 2010. Mr Alicki is a graduate of the Mathematics and Physics Department of the Adam Mickiewicz University in Poznan. He has longstanding and extensive experience in management of banking system IT projects.

In the years 1990–98 with the IT Department of Pomorski Bank Kredytowy S.A. in Szczecin, he was its Director from 1997, with responsibilities spanning design, development, implementation and operational supervision over all the bank’s transaction systems. In the years 1999 to 2010 he continued his career with Bank Pekao S.A: initially as the Assistant Head and subsequently the Head of the IT Systems Maintenance and Development Department; and ultimately for four years as the Head of the bank’s Information Technology Division. His key achievements there included, among others: integration of the IT systems of four banks (Pekao, PBKS, BDk and PBG); implementation of the bank’s Integrated Information System and management of its IT based business analysis; and management of IT systems integration and migration of data from the BPH to the Pekao bank systems, including participation in the working group responsible for the design and preparation of the entire integration process.

In the years 1999–2010 Piotr Alicki took active part in the work of the Polish Banks Association as a member of its Steering Committee for the Development of Bank Infrastructure, Payments System Committee, Issues Committee for Banking and Bank Financial Services, and its Electronic Banking Council. Since the year 2000 he has been a member of the Supervisory Council of the Polish National Clearing Chamber (Krajowa Izba Rozliczeniowa S.A.), and its Chairman in the years 2005-10. He is also a member of the Payments System Council working under the auspices of the National Bank of Poland, where in the years 2002-10 he represented Bank Pekao S.A. and since 2010 represents PKO Bank Polski. He also sat on a number of supervisory boards of the Bank Pekao S.A. Group companies.

He has been awarded the National Bank of Poland President’s honorary distinction for Merits to Polish Banking; and won the titles of the IT Sector Leader 1997, IT Sector Leader 2010 and the IT Sector Leader 2012. From 30 May 2011 to 28 November 2014 he was the Deputy Chairman of that body. Also, since 11 October 2011 he has been the Chairman of the Electronic Banking Council of the Polish Banks Association. On 10 December 2010, he was appointed to the Supervisory Board of Inteligo Financial Services S.A., where he has been performing the function of Deputy Chairman of the Company’s Supervisory Board since 30 May 2011. He has been the Chairman of the Electronic Banking Council of the Polish Bank Association since 11 October 2011. He has been a Member of the Supervisory Board of PKO Bank Hipoteczny S.A. since 6 October 2014.

Since 1 May 2011 he is a member of the Board of Directors of Visa Europe Limited, where he represents PKO Bank Polski and other Polish banks as well as banks of seven other states of Visa’s Subregion 5.

Bartosz Drabikowski

Bartosz Drabikowski (born in 1970) has been Vice President of the Management Board and Chief Financial Officer of PKO Bank Polski since 20 May 2008 and is in charge of Finance and Accounting. Bartosz Drabikowski graduated from the Technical University of Łódź, the Polish National School of Public Administration, Warsaw School of Economics, the Polish Institute of International Affairs and the Executive MBA Programme at the University of Illinois at Urbana - Champaign. He attended numerous academic trainings: at Deutsche Bank, Deutsche Börse AG, Deutsche Ausgleichsbank and Rheinische Hypothekenbank. He received scholarship from the German Marshall

Fund of the United States and participated in many trainings organised by the European Commission and the International Monetary Fund among others.

He started his professional career at the Ministry of Finance, where he was responsible among others for regulation of and supervision over financial market institutions, the banking sector and the capital market in particular. He also prepared development strategies for the financial services sector both for Poland and the European Union common market. At the Ministry of Finance he was subsequently employed as Advisor to the Minister, Deputy Director and Financial Institutions Department Director.

In the years 2006-2008 he served as Member of the Management Board of the National Clearing Chamber, where he was responsible for finance, new electronic payment products, security and risk management as well as analysis and administration.

For several years he served as member of the Commission for Banking Supervision, member of the Polish Securities and Exchange Commission and deputy member of the Payment System Board at the National Bank of Poland. He also served as member of many institutions of the European Union, including the Financial Services Committee (European Council), the European Banking Committee and the European Securities Committee (European Commission).

He has a wealth of experience in managing financial institutions. He served as member of the Supervisory Board of the National Depository for Securities, member of the Bank Guarantee Fund Council and member of the Supervisory Board of the Polish Security Printing Works. Currently he acts as Chairman of the Supervisory Board of the Polish Association of Stock Exchange Issuers.

Mieczysław Król

Mieczysław Król (born in 1958) has been the Vice-President of the Management Board, Acting Head of Banc assurance Area since 6 June 2016. He is a banker, finance specialist and a manager. Mr. Król holds a Master of Economics and is a graduate of the Warsaw School of Economics (Faculty of Finance and Statistics) and International School of Management. He is also a graduate of Doctoral Studies at the Warsaw School of Economics (Collegium of Management and Finance).

He has professional experience in banking and finance of over thirty years. He worked for such institutions as the National Bank of Poland. He was a director of PKO Bank Polski S.A. for many years. In the years 2007-2011 he was the Director of the Audit Department of PKO Bank Polski S.A. From 2011 to 2015 he was the Director of the Audit Department of Bank Ochrony Środowiska S.A. in Warsaw. Between 2006 and 2007, he was serving on the Supervisory Board of Centrum Finansowo – Bankowe (*Finance and Banking Centre*) in Warsaw. In 2007, he was the Chairman of the Supervisory Board of Zakłady Chemiczne (*Chemical Plant*) “Organika – Sarzyna” in Nowa Sarzyna and the Conservation Plant. Member of the supervisory boards of various financial institutions. He lectured at the Higher School of Business in Warsaw (*Wyższa Szkoła Działalności Gospodarczej*). He authored a number of papers on the issues of banking and economics.

In the period of 1998 – 2002, he was a councillor of Warszawa powiat. He was a Deputy Chairman of the Budget Committee and a member of the Audit Committee. In the period of 2002 - 2014 he was a member of the City Council of Capital City of Warsaw. In the City Council he was a Deputy Chairman of the Budget and Finance Committee and a member of the Health Committee. His *pro publico bono* engagements include the chairmanship of the Board of Trustees of Bielany Hospital.

Maks Kraczkowski

Maks Kraczkowski (born in 1979) has been the Vice-President of the Management Board Supervising the area of International and Transaction Banking and Cooperation with local Governments and Government Agencies since 4 July 2016. He graduated from the Faculty of Law and Administration, University of Warsaw with the Master's degree in law with very good score in 2000.

He served as a member of Parliament of the Republic of Poland in V, VI, VII, VIII Terms of Office: Deputy Chairman of the Sejm Committee on Economy and Development - from 2015, Chairman of the Economy Committee of the Sejm - between 2005 and 2007, Member of the Legislative Committee of the Sejm of the Republic of Poland, Chairman of permanent Subcommittee of the Constitutional Court.

He has gained proficient expertise in economic issues nationally and internationally, including relationships with businessmen. He is also equipped with a long-term experience in law-making. In his four terms of office at the Sejm of the Republic of Poland he prioritised affairs of the economy and the financial market as his core mission.

In 2007-2009 he was a lecturer at the Academy of International Relations and American Studies. In 2002-2005 he was a local councillor of the Capital City of Warsaw, where he chaired the Audit Committee of the Warsaw City Council, while also sitting on the Committee on Culture. In 2000-2005, he ran a business.

Piotr Mazur

Piotr Mazur (born in 1966) has been vice-president of the management board of PKO Bank Polski responsible for risk and debt collection since the PFSA granted its consent thereto on 8 January 2013. He graduated from the Academy of Economics in Wrocław, where he attended the Faculty of Management and Computer Science, specializing in Organisation and Management. He has over twenty-years of experience in the banking sector including 14 years in managerial positions – mainly in risk, restructuring and credit area. He gained experience working for international financial groups operating in Europe, USA and South America. Member of supervisory boards, committees of creditors, member and president of crucial credit risk committees. He participated in building the strategy of BZ WBK S.A. bank, he was directly responsible for credit risk management, optimisation of debt collection and restructuring, he cooperated with supervision authorities in Poland and abroad.

After studies he started his professional career in the credit area at Bank BPH. Since 1992 associated with Bank Zachodni S.A. and next – after the merger – with the Bank Zachodni WBK S.A. he worked in Capital Investments Department, next as a Director of Credit Quality Controlling Department. In the years 2005–2008 he was the Director of Business Intelligence and Risk Management Area, and in the years 2008–2010 was the Deputy Chief Risk Officer. Since January 2011 he was the Chief Credit Officer and since March 2012 also Deputy Chief Risk Officer. He was the President of the Credit Committee in BZ WBK S.A. He was also the Deputy President of The Credit Risk Forum and Deputy President of The Risk Model Forum. Since January 2014 he is member of supervisory board of The Credit Information Office.

Jakub Papierski

Jakub Papierski (born in 1972) has been the Vice-President of the Bank's Management Board in charge of Investment Banking since 22 March 2010. Jakub Papierski is a graduate of Warsaw School of Economics and a holder of a Chartered Financial Analyst (CFA) licence.

He commenced his professional career in 1993 in Pro-Invest International, a consulting company. Between 1995 and 1996, he worked for ProCapital Brokerage House and subsequently for Creditanstalt Investment Bank. In March 1996, he started working for Deutsche Morgan Grenfell/Deutsche Bank Research dealing with the banking sector in Central and Eastern Europe.

Between November 2001 and September 2003, he worked for Bank Pekao S.A. as executive Director of the Financial Division, directly supervising financial and fiscal policy of the bank, managerial information systems, as well as the treasury and management of investment portfolios; moreover, he was a member of the Asset and Liability Management Committee in the Bank. He accepted the position of the president of the Management Board for Centralny Dom Maklerski Pekao S.A. in October 2003. In September 2006, he also took up the position of deputy-chairman of the Supervisory Board of Pioneer Pekao TFI S.A. From May 2009, Mr. Papierski served as the president of the Management Board of Allianz Bank Polska S.A. and in October 2009 he became the Board's president. Since June 2011 he has been the vice-president of the supervisory board of Bank Pocztowy S.A.

Between 2005 and 2006, Jakub Papierski was deputy chairman in the Programme Council of Akademia Liderów Rynku Kapitałowego established at the Lesław Paga Foundation; and then he was a member of the Programme Council.

Jan Emeryk Rościszewski

Jan Emeryk Rościszewski (born in 1965) has been the Vice-President of the Management Board, Acting Head of Retail Banking Area since 18 July 2016. He is a Polish entrepreneur and a manager in the insurance sector. In 1988 he graduated from the History at the Faculty of Humanities of the Catholic University of Lublin. In 1990 he obtained

DEA diploma at the Institute of Political Studies in Paris (Institut d'Etudes Politiques de Paris). He completed numerous trainings in finance, insurance and management in France, the United Kingdom and Poland. In 1996 he obtained the licence of an insurance broker. From the first half of 1990s he worked for the international banking and insurance institutions, among others for AXA and Azur. In 1990 – 1991 he worked in France for AXA Banque and AXA International, and in 1991 – 1993 for Groupe Azur. In 1993 – 1996 he was the Member of the Management Board of TU Azur Ostoja SA and TUnŻ Azur Życie SA. Since 1996 he has been working with Paribas. In 1998 - 2016 as the President of the Management Board he managed Towarzystwo Ubezpieczeń na Życie Cardif Polska S.A., which currently is a member of BNP Paribas Group. Simultaneously, in 2001-2016 he served as the Chief Executive Officer of Cardif Assurance Risques Divers in Poland.

He has held many additional professional roles: the Chairman of the Supervisory Board of Pocztylion-Arka PTE (since 1999), the Vice-chairman of the Supervisory Board of Poczta Agencja Usług Finansowych SA (2000–2014), the member of the Audit Committee of the Polish Insurance Association (2012 – 2016), the member of the Supervisory Board of BBI Development NFI S.A. (since 2011).

In 1981 – 1983 he acted at the the Primate Committee for Assistance to Persons Deprived of Liberty (*Prymasowski Komitet Pomocy Osobom Pozbawionym Wolności*). Since 2009 he has been the Knight of Honour and Devotion of the Order of Malta, and since December 2012 he has held the function of the hospitaller of the Association of Polish Knights of Malta. He is the Member of the Management Board of the Page of History Foundation (*Fundacja Karta z Dziejów*) (since 2007) and the member of the Warsaw High-Mountain Club, the Polish Heraldry Society, Domus Polonorum. In 2010 he was awarded the Officer's Cross of Polonia Restituta *for outstanding achievements in the activity for the development of the insurance market in Poland*. The author and co-author of historical books and articles relating to finances and management.”

Changes in the Supervisory Board members

On 30 June 2016, pursuant to Art. 385 §1 of the Commercial Companies Code, the Bank's Annual General Meeting dismissed the members of the Bank Supervisory Board Agnieszka Winnik-Kalemba and Małgorzata Dec-Kruczkowska and appointed Grażyna Ciużyńska and Zbigniew Hajłasz as the members of the Bank's Supervisory Board.

The State Treasury as the Eligible Shareholder, pursuant to paragraph 12.1 of the Bank's Articles of Association, appointed Ms. Grażyna Ciużyńska for the position of the Deputy Chairman of the Supervisory Board.

Accordingly, the following changes are deemed to be introduced to the Base Prospectus:

- (a) The last sentence of the third paragraph of the section “*Composition*” on page 148 shall be deemed to be replaced with the following wording:

“The State Treasury, acting as the Eligible Shareholder, pursuant to § 12 clause 1 of the Bank's Statute, appointed: Piotr Sadownik as the Chairman of the Bank's Supervisory Board and Grażyna Ciużyńska as the Deputy-Chairman of the Bank's Supervisory Board.”

- (b) The fourth paragraph of the section “*Audit Committee*” on page 151 shall be deemed to be replaced with the following wording:

As of the date of the Base Prospectus, the composition of the Supervisory Board Audit Committee was as follows: Mirosław Barszcz (Chairman of the Committee), Grażyna Ciużyńska (Member of the Committee), Andrzej Kisielewicz (Member of the Committee), Janusz Ostaszewski (Member of the Committee) and Piotr Sadownik (Member of the Committee).

- (c) The second paragraph of the section “*Remuneration Committee*” on page 151 shall be deemed to be replaced with the following wording:

“As of the date of the Base Prospectus, the composition of the Supervisory Board Remuneration Committee was as follows: Piotr Sadownik (Chairman of the Committee), Grażyna Ciużyńska (Member of the Committee); Wojciech Jasiński (Member of the Committee), Elżbieta Mączyńska-Ziemacka (Member of the Committee) and Janusz Ostaszewski (Member of the Committee).”

- (d) The fifth paragraph of the section “*Risk Committee*” on page 152 shall be deemed to be replaced with the following wording:

“As of the date of the Base Prospectus, the composition of the Supervisory Board Risk Committee was as follows: Andrzej Kisielewicz (Chairman of the Committee); Adam Budnikowski (Member of the Committee) and Elżbieta Mączyńska-Ziemacka (Member of the Committee).”

- (e) The current wording of the section “*Members of the Supervisory Board*” on pages 153 to 157 of the Base Prospectus shall be deemed to be deleted and replaced with the following wording:

“As of the date of the Base Prospectus, the Supervisory Board consists of nine members.”

The current term of office of the Supervisory Board members commenced on 25 February 2016 (except for Elżbieta Mączyńska-Ziemacka, whose term of office commenced on 26 June 2014 and Grażyna Ciużyńska and Zbigniew Hajłasz, whose terms of office commenced on 30 June 2016). Their appointments (terms of office) expire at the latest on the date of the General Meeting that approves the financial statements for the financial year ended 31 December 2017.

The table below presents a list of the current members of the Supervisory Board, their age and position, the date their current term began and the expiration date of their current term of office.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Date current term began</u>	<u>Expiration of term of office</u>
Piotr Sadownik	59	Chairman of the Supervisory Board	25 February 2016	On the date of the general meeting of the shareholders in 2017
Grażyna Ciużyńska	48	Deputy Chairman of the Supervisory Board	30 June 2016	On the date of the general meeting of the shareholders in 2017
Zbigniew Hajłasz	60	Secretary to the Supervisory Board	30 June 2016	On the date of the general meeting of the shareholders in 2017
Mirosław Barszcz	44	Member of the Supervisory Board	25 February 2016	On the date of the general meeting of the shareholders in 2017
Adam Budnikowski	50	Member of the Supervisory Board	25 February 2016	On the date of the general meeting of the shareholders in 2017
Wojciech Jasiński	68	Member of the Supervisory Board	25 February 2016	On the date of the general meeting of the shareholders in 2017
Andrzej Kisielewicz	63	Member of the Supervisory Board	25 February 2016	On the date of the general meeting of the shareholders in 2017
Elżbieta Mączyńska-Ziemacka	69	Member of the Supervisory Board	26 June 2014	On the date of the general meeting of the shareholders in 2017
Janusz Ostaszewski	58	Member of the Supervisory Board	25 February 2016	On the date of the general meeting of the shareholders in 2017

Piotr Sadownik

Mr Sadownik graduated from the Faculty of Law of Warsaw University and Université Paris II Pantheon – Assas. He received the professional title of advocate at the Regional Advocate Bar in Warsaw in 1996. Mr Sadownik started his professional career in 1993 in the Warsaw office of the law firm Gide Loyrette Nouel.

Currently, Mr Sadownik is a partner responsible for the Departments of Dispute Resolution and Arbitration, Infrastructural Projects and Public Law as well as Intellectual Property Law at the Warsaw Office of Gide Loyrette Nouel. Mr Sadownik represents the law firm’s clients in court and provides advice to Polish companies as well as international investors involved in infrastructural and public procurement projects. He also specialises in intellectual property law. Mr Sadownik is a lawyer recommended by Legal 500 EMEA and Chambers Europe with regards to litigation. In addition, Legal 500 recommends him regarding matters of energy and natural resources, as well as intellectual property. Since 15 February 2016, Mr Sadownik has been a member of the Supervisory Board of Bank Ochrony Środowiska S.A.

Mr Sadownik is an independent Member of the Supervisory Board.

The business address of Piotr Sadownik is Gide Loyrette Nouel, Pl. marsz. J. Piłsudskiego 1, 00-078 Warsaw, Poland.

Grażyna Ciurzyńska

Ms Grażyna Ciurzyńska graduated from the Foreign Trade Department of the Warsaw School of Economics in Warsaw and the Post-graduate Studies in European Banking Law of the Institute of Law Studies of the Polish Academy of Sciences. She started her career in 1991 in the government administration in the Ministry of Ownership Transformations.

Since 1996, for 20 years she has been working within the banking sector. She held managerial positions in the area of corporate business of the bank PBK S.A. (currently Bank BPH S.A.) and Kredyt Bank S.A., supervising among others the cooperation with strategic clients and development of the enterprise financing programmes. Next, as a director in the retail area of Bank BGŻ S.A., she was responsible for the creation of the retail activity strategy, sales and pricing policy, banc assurance development, sales network management, designing and implementing products. She also served as an advisor to the President of the Management Board of the Bank.

Since 2007 she has been working within the banking payments and cards market. As a director of the department at Bank BGŻ S.A., and then at BGŻ BNP Paribas S.A., she was responsible for the card activity area, cooperation with international payment organisations and providers of card technologies and services.

Moreover, she was the member of Presidium of the Council of Banking Card Issuers (*Prezydium Rady Wydawców Kart Bankowych*), and earlier the Presidium of the Council of Cash Management at the Polish Bank Association.

For more than 15 years she was involved in teaching and research activity in the Warsaw School of Economics at the Institute of International Economic Relations.

Currently, she is the Director of the Large Investment Support Department in the Ministry of Development, coordinating the investment policy, supervising the cooperation with Polish and foreign investors and financial institutions.

The business address of Grażyna Ciurzyńska is Departament Wsparcia Dużych Inwestycji, Ministerstwo Rozwoju, Pl. Trzech Krzyży 3/5, 00-507 Warszawa.

Zbigniew Hajłasz

Mr Zbigniew Hajłasz is a practician and consultant in the field of development and research. He has more than 20 years of experience in management of commercial companies, and as an analyst and practician in the field of planning, management and development of financial institutions, industrial restructuring, privatisation and international undertakings.

He holds a MPhil in Economics from the London University (2002) and M.Sc. Eng. Degree in Mathematics from the Wrocław University of Technology (1982).

In 1993-96 and since 2005 – academic lecturer (Wrocław University of Technology, University of Wrocław, the Academy of Fine Arts in Wrocław), since August 2011 – President of the Management Board of Zakład Gospodarki Komunalnej sp. z o.o. in Św. Katarzyna (laureate of the Business Gazele (*Gazeta Biznesu*) ranking in 2015 and 2016); since January 2016 – Vice-Chairman of the Supervisory Board of Polskie Radio SA.

He has held among others the following functions: Director of the Economic Development Department, The Voivodeship Office in Wrocław (1991-1993); Director of the Regional Privatisation Office of the Bank BWP SA (1994-1996), Vice-President of the Management Board of Wrocławska Agencja Rozwoju Regionalnego SA – Managing Director, President of the Management Board of PRW SA in Wrocław, President of the Management Board of TBS sp. z o.o. in Głogów, Director of the OPDRO Project Coordination Office.

He was the member of the supervisory boards of the state-owned companies and the companies with the participation of the territorial government units, among others Dolnośląskie Konsorcjum Handlowo Finansowe SA in Wrocław, Polskie Radio Wrocław SA in Wrocław, TBS sp. z o.o. in Lubin (the best TBS in Poland in the BGK's ranking), Siechnicka Inwestycyjna Spółka Komunalna sp. z o.o., Polskie Radio SA.

The author of expert opinions for the Sejm and Government of the Republic of Poland and for financial institutions.

The business address of Zbigniew Hajłasz is Zakład Gospodarki Komunalnej Sp. z o.o., ul. Żernicka 17, 55-010 Święta Katarzyna.

Mirosław Barszcz

Mr Barszcz graduated from the Catholic University of Lublin, where he obtained the title of Master at Law. Currently, Mr Barszcz is employed at PGNiG S.A.

Between 2013 and 2014, Mr Barszcz was an independent advisor specialising in the field of strategic and financial advisory, negotiations, project management, and change management. He has extensive experience working in auditing firms (1996-1997 Ernst & Young, 1998-2001 Arthur Andersen, 2001- 2004 PricewaterhouseCoopers), law firms (2005 Baker & McKenzie, 2008-2013 GWW Legal) and in government administration (2005-2006 as Undersecretary of State in the Ministry of Finance, 2007 as Minister of Construction, and in 2011-2013 as an advisor to the Minister of Justice).

Mr Barszcz has participated in more than 30 training courses (organised by Ernst & Young, Arthur Andersen, PricewaterhouseCoopers), including in relation to the fields of taxes, finances, human resources management, negotiations, project management, change management, cultural differences, and communication. He has consulting experience in many industries, including financial, information technology, telecommunications, energy, construction, real estate development, pharmaceutical, manufacturing, banking, commerce, logistics, and tourism industries, and has also participated in numerous government administration projects.

Mr Barszcz is an independent member of the Supervisory Board.

The business address of Mirosław Barszcz is Polskie Górnictwo Naftowe i Gazownictwo S.A., ul. M. Kasprzaka 25, 01-224 Warsaw, Poland.

Adam Budnikowski

Mr Budnikowski completed his MSc studies in 1971 at the Higher School of Economics (now the University of Economics in Poznań), majoring in the economics of international trade. Mr Budnikowski received his doctoral degree in 1975 from the faculty of International Trade of the former Main School of Planning and Statistics (now the Warsaw School of Economics). Mr Budnikowski received his post-doctoral degree from the same faculty in 1983.

In 1992, Mr Budnikowski was granted the title of Professor of Economic Sciences by the President of Poland.

Mr Budnikowski has been with the Warsaw School of Economics since the beginning of his career. Mr Budnikowski started working at the school in 1974 as an assistant in the Institute of International Trade Relations. In subsequent years, as Mr Budnikowski earned higher scientific degrees, he was promoted to assistant professor, then to associate professor, and finally to full professor. In 1996 he was elected Dean of the World Economy College of the Warsaw School of Economics and held that position for two consecutive terms of office until 2002. Mr Budnikowski became Vice Chancellor of the Warsaw School of Economics in 2005 and on 5 March 2008 he was re-elected for a second term of office for the years 2008-2012.

Since 2012, Mr Budnikowski has continued his tenure as Vice Chancellor of the Warsaw School of Economics.

Over the course of his professional career Mr Budnikowski has collaborated with other scientific and educational institutions, including the Polish Academy of Sciences, the Polish Economics Association, the Institute of Business Climates and Prices of International Trade (where he was Deputy Director from 1992-1993), Lublin Catholic University, the Higher School of Business in Radom, the Academy of Diplomacy in Warsaw and the National School of Public Administration. Mr Budnikowski has been a member of the Polish Economists Association since 2001 and since 2012 has also been a member of the presidium of the Economic Sciences Board of the Polish Academy of Sciences.

In his scientific and research career he has taught and made research visits to Western universities on numerous occasions. Among other things, Mr Budnikowski has been a Fulbright scholar and, in 1996, took part in World Bank missions to Turkey and Romania as a World Bank expert.

Mr Budnikowski's main areas of academic interest are related to international business. They include, among others, international business relations (with a special focus on trade policy and international finance), the transformation in Central and Eastern Europe and environmental policy.

Mr Budnikowski is an independent member of the Supervisory Board.

The business address of Adam Budnikowski is Szkoła Główna Handlowa, Instytut Międzynarodowych Stosunków Gospodarczych Kolegium Gospodarki Światowej, ul. Madalińskiego 6/8, 02-513 Warsaw, Poland.

Wojciech Jasiński

Mr Jasiński graduated from the Faculty of Law and Administration of the University of Warsaw in 1972.

In the period of 1972-1986 Mr Jasiński worked in Płock at Płock's branch of the National Bank of Poland, as well as in the Town Hall and as a legal counsel in the Tax Chamber. Between 1990 and 1991 Mr Jasiński organised the local government in the Płockie Voivodship whilst serving as the Delegate of the Government's Plenipotentiary for Local Government Reform. From 1992 until 1997 Mr Jasiński worked in the Supreme Audit Office (NIK) as the positions director of the NIK's Delegation Office in Warsaw, the Finance and Budget Department and the State Budget Department. From 1997 until 2000 he was a Member and then the President of the Management Board of Srebrna, a company with its seat in Warsaw. Mr Jasiński was a Member of the Supervisory Board of Bank Ochrony Środowiska between 1998 and 2000, and from September 2000 until July 2001 he held the position of Undersecretary of State in the Ministry of Justice. From 2006 until 2007 Mr Jasiński served as the Minister of the State Treasury.

Since 2001, Mr Jasiński has been a Member of the Polish Parliament (during the 4th, 5th, 6th, 7th and 8th terms of Parliament), in which time he has performed the following functions: the Chairman of the Standing Subcommittee for the Banking System and Monetary Policy, the Chairman of the Economy Committee, and the Chairman of the Public Finance Committee. He was also a member of the State Treasury Committee in Parliament.

On 16 December 2015, Mr Jasiński was appointed by the Supervisory Board of PKN ORLEN S.A. to the function of President of the company's management board for a joint term of office of the management board ending on the date of the ordinary general meeting of the shareholders approving the company's financial statement for 2016.

The business address of Wojciech Jasiński is PKN ORLEN S.A., ul. Bielańska 12, 00-085 Warsaw, Poland.

Andrzej Kisielewicz

Mr Kisielewicz holds the title of Professor of Mathematical Sciences and is currently employed in the Faculty of Mathematics and Computer Science of the University of Wrocław. He defended his *habilitation* at the University of Wrocław and obtained his PhD in Mathematical Sciences from the Polish Academy of Sciences. A graduate of the University of Wrocław, Mr Kisielewicz gained experience in academic centres such as Opole University, Vanderbilt University (Nashville, USA), the Polish Academy of Sciences, Technische University (Darmstadt, Germany), the University of Manitoba (Winnipeg, Canada), and the Wrocław University of Technology. Mr Kisielewicz has served as a member of numerous supervisory boards and is the author of more than 60 articles in foreign journals relating to mathematics, logic and computer science. He has also authored a number of books (e.g. "Sztuczna inteligencja i logika" (Artificial Intelligence and Logic), "Wprowadzenie do informatyki" (An Introduction to Computer Science), etc.). Mr Kisielewicz's opinions, reviews and expert analysis have been used by the Central Commission and the European Commission. His research interests include the practical application of mathematics, logic and computer science, artificial intelligence, business intelligence and argumentation theory.

Mr Kisielewicz is an independent member of the Supervisory Board.

The business address of Andrzej Kisielewicz is Uniwersytet Wrocławski, Wydział Matematyki i Informatyki, ul. Joliot-Curie 15, 50-383 Wrocław, Poland.

Elżbieta Mączyńska-Ziemacka

Elżbieta Mączyńska-Ziemacka is a professor of economics and has been employed by the Institute of Economics of the Polish Academy of Sciences since 1990, and since 1998 at the Warsaw School of Economics, where, since 2008, she has been the head of the Faculty for Business Bankruptcy Studies in the Department of Corporate Finance and Investment of the Business Administration College, the Warsaw School of Economics and the head of the post-graduate studies programme in real property appraisal.

Since 14 June 2013, Ms Mączyńska-Ziemacka has been the chairperson of the Economic Strategic Thinking Committee (Komitet Gospodarczej Myśli Strategicznej) at the Polish Ministry of the Economy, the president of the Polish Economics Society (Polskie Towarzystwo Ekonomiczne) since 2005 and, since 2011, a member of the Presidium of the "Poland 2000 Plus" Forecast Committee and the Committee of Economic Sciences of the Polish Academy of Sciences. Between 1994 and 2005 she was the scientific secretary and a member of the Presidium of the Social and Economic Strategy Council of the Council of Ministers.

Between 2005 and 2007, Ms Mączyńska-Ziemacka was an independent member of the supervisory board of Bank Gospodarki Żywnościowej S.A., served as an independent member of the supervisory board of Polski Bank Rozwoju between 1996 and 1998 and, between 1990 and 1991, was an advisor and consultant to the Polish-Swedish limited liability company SWEA SYSTEM.

Elżbieta Mączyńska-Ziemacka graduated from the Department of Political Economics of the University of Warsaw and specialised in econometrics. She has also completed scientific and research internships in Germany (at the University of Mannheim) and in Austria (Wirtschaftsuniversität Wien). She received the DAAD scholarship on three occasions. She is the author, co-author and editor of around 200 publications and expert opinions connected with economic analysis, finance and enterprise appraisal, as well as economic systems and social and economic development strategies.

She is a member of the editorial board of the *Ekonomista*, a bi-monthly scientific journal published by the Polish Economic Society and the Committee of Economic Sciences of the Polish Academy of Sciences, a member of the editorial board of the *Kwartalnik Nauk o Przedsiębiorstwie*, a quarterly scientific journal published by the Collegium of Business Administration of the Warsaw School of Economics, and a member of the editorial team of the *International Journal of Sustainable Economy (IJSE)*, a quarterly scientific journal published by the Inderscience Publishers Editorial Office in the UK.

The business address of Elżbieta Mączyńska-Ziemacka is Polskie Towarzystwo Ekonomiczne, ul. Nowy Świat 49, 00-042 Warsaw, Poland.

Janusz Ostaszewski

Mr Ostaszewski is the director of the Finance Institute, and from 2001-2013 served as the head of the Finance Department. He is a member of the Senate of the Warsaw School of Economics. In 2005-2012 Mr Ostaszewski served as the Dean of the College of Management and Finance for two terms of office.

Graduating from the Main School of Planning and Statistics in 1978, Mr Ostaszewski received his doctoral degree in 1982 from the Faculty of Domestic Trade of the former Main School of Planning and Statistics (now the Warsaw School of Economics). Mr Ostaszewski received his post-doctoral degree in the same faculty in 1990. In 2001 he was awarded the title of Professor of Economic Sciences by the President of Poland.

Mr Ostaszewski completed his post-graduate studies in Finance and Management at Scuola Superiore Enrico Mattei in Milan. His main area of research focuses on the operation of businesses, their financial management and strategy. This is reflected in the courses Mr Ostaszewski has taught over the years, among them, corporate finance, finance, and management. He has also published numerous teaching aids, 40 books and 140 scientific papers. Thus far, twenty-two scholars have written and defended their doctoral dissertations under the tutelage of Professor Ostaszewski. Mr Ostaszewski's interest in finance has been further deepened by a tenure of several years as the Head of the Department of Property Matters at the Finance Ministry, his subsequent service as an advisor to the President of Kredyt Lease S.A., a subsidiary of Kredyt Bank S.A. Group, and his work in the Finance Bureau of the Polish Parliament Office.

Mr Ostaszewski is an independent Member of the Supervisory Board.

The business address of Janusz Ostaszewski is Szkoła Główna Handlowa, Instytut Finansów, ul Madalińskiego 6/8, 02-513 Warsaw, Poland.”

The above described changes to the composition of the Management Board and the Supervisory Board have no impact on the conflicts of interest arising from the personal interests or duties and obligations towards the Bank except that Jan Emeryk Rościszewski agreed to resign from his position as member of the supervisory board of BBI Development S.A. at the company's next general shareholders meeting. Therefore, these changes do not have an impact on the information required by item 9.2 of Annex IX included on pages 157 of the Base Prospectus (the section titled “*Conflict of Interest*”).

Establishment of Strategy Committee

- (a) Given that the Supervisory Board has resolved to establish a Strategy Committee, the section “*Committees of the Supervisory Board*” on page 149 shall be deemed to be replaced with the following wording:

“In accordance with the Rules and Regulations of the Supervisory Board, the Supervisory Board establishes the Supervisory Board Audit Committee, the Remuneration Committee and the Risk Committee and may establish other committees, the members of which shall perform their functions as members of the Supervisory Board delegated to perform the specific supervisory functions at the Bank. The Supervisory Board has also set up the Strategy Committee. The detailed scope of activity of the given committee shall be set forth in the rules adopted by the Supervisory Board.”

- (b) The following section entitled “*Strategy Committee*” shall be added on page 153, following the section “*Risk Committee*”, with the following wording:

“*Strategy Committee*”

The Supervisory Board established the Supervisory Board Strategy Committee on 25 August 2016.

As of the date of the Base Prospectus, the composition of the Supervisory Board Strategy Committee was as follows: Grażyna Ciużyńska (Chairman of the Committee); Mirosław Barszcz (Member of the Committee); Adam Budnikowski (Member of the Committee); Zbigniew Hajłasz (Member of the Committee); Elżbieta Mączyńska - Ziemacka (Member of the Committee); Janusz Ostaszewski (Member of the Committee); and Piotr Sadownik (Member of the Committee).

Meetings of the Strategy Committee are convened on a regular basis by the Chairman of the Strategy Committee no less than twice a year.

The duties of the Strategy Committee include, in particular:

- 1) opining on the Bank's strategy, as adopted by the Management Board, whose approval is within the competence of the Supervisory Board ,
- 2) supporting the Supervisory Board in overseeing the implementation of the Bank’s strategy, including in particular by analyzing periodic information on its implementation presented by the Management Board,
- 3) opining on the strategic operations of the Bank, which require the prior approval of the Supervisory Board , in particular as regards their consistency with the current strategy of the Bank,
- 4) perform other tasks assigned by the Supervisory Board in the implementation of strategic goals and key projects of the Bank.”

Allocation of dividend for the financial year of 2015

The following change is deemed to be introduced to the Base Prospectus:

- (a) The following paragraph shall be added as a final paragraph in “*The Amount of the Dividends Paid by the Bank May Vary from Those Provided for in its Dividend Policy*” risk factor on page 26 of the Base Prospectus:

“On 30 June 2016, the Annual General Meeting of the Bank, adopted the that net profit of the Bank of the period from 1 January 2015 to 31 December 2015 in an amount of PLN 2,571,142 thousand and unappropriated profit of previous years in an amount of PLN 1,250,000 thousand, in the total amount of PLN 3,821,142 thousand will be appropriated in the following way:

- 1) dividends for the shareholders – PLN 1,250,000 thousand,
- 2) supplementary capital – PLN 2,500,000 thousand,
- 3) reserve capital – PLN 71,142 thousand.

The distribution of profit in the manner specified above is subject to the following conditions being fulfilled not later than on 8 December 2016 (inclusive) the following conditions will be jointly fulfilled:

- 1) the Bank shall not take over control of a bank or other entity of the financial sector by a direct or indirect acquisition of a block of shares and shall not acquire a right or incur an obligation to take over control in the manner specified above, and
- 2) There shall not occur any regulatory changes or changes of the supervisory recommendations affecting the requirements for own funds of the Bank shall not occur, that – according to the level of capital adequacy ratios

recognised in the financial statements of the Bank for Q3 2016 – would cause a lack of possibility to pay dividend in accordance with the regulatory requirements and supervisory recommendations (the fulfilment of both conditions is hereinafter jointly referred to as the “**Fulfilment of the Dividend Conditions**”).

If there is no Fulfilment of the Dividend Conditions, the net profit of the Bank of the period from 1 January 2015 to 31 December 2015 in an amount of PLN 2,571,142 thousand and unappropriated profit of previous years in an amount of PLN 1,250,000 thousand, in the total amount of PLN 3,821,142 thousand will be appropriated in the following way:

- 1) for supplementary capital – PLN 3,750,000 thousand,
- 2) for reserve capital – PLN 71,142 thousand.

The Management Board of the Bank is obliged to adopt a resolution on the establishment of the Fulfilment of the Dividend Conditions or the lack of the Fulfilment the Dividend Conditions not later than on 9 December 2016 (inclusive). Information on the resolution of the Management Board referred to above shall be announced by the Bank to the public in the form of a current report.

In the case of Dividend Conditions are fulfilled:

- 1) The dividend record date is set for 30 September 2016;
- 2) The Bank in 2016 shall pay dividend of net profit for 2015 in an amount of PLN gross 1.00 per one share;
- 3) The dividend shall be paid on 20 December 2016;
- 4) The dividend may be paid in the form of:
 - (a) transfer to the cash account used for the handling of securities account – if the shares are recorded on the securities account (investment account), or
 - (b) transfer to the bank account indicated by the shareholder or in cash – if the shareholder does not hold a cash account used for the handling of securities account.

All of the shares of the Bank, i.e. 1,250,000,000 are covered by the dividend.”

Potential change in buffer ratio

The following change is deemed to be introduced to the Base Prospectus:

- (a) The following paragraph shall be added as a final paragraph in the section “*Capital Adequacy and Risk Management Requirements – Polish Law Requirements*” on page 129 of the Base Prospectus:

“On 5 August 2016 the Bank was informed that, the Polish Financial Supervision Authority within the proceeding concerning the identification of Bank as other systemically important institution (“**O-SII**”) on the basis of an assessment of the systemic importance of the Bank in accordance with Article 39.6 of the Act of 5 August 2015 on Macro-Prudential Supervision and Crisis Management in the Financial Sector, decided to submit a motion to the Financial Stability Committee for expressing the opinion in the matter of recognising the Bank as other systemically important institution and imposing on the Bank the buffer equivalent to 0.75% of total amount of the risk exposure calculated in accordance with art. 92 sec. 3 of the EU Regulation No. 575/2013.

As of the date of this First Supplement, the final stage of the procedure of identification of the Bank as other systematically important institution and the determination of the buffer ratio for such other systematically important institution has not been completed and, therefore, the Bank has not received any information about the date of implementation of the buffer and its impact on the minimum capital adequacy ratios.”

Update regarding a Significant/Material Change statement in the Base Prospectus

In connection with the above-referenced events, the following amendment is deemed to be introduced to the Base Prospectus:

- (a) The paragraph titled “*Significant/Material Change*” on page 232 shall be deemed to be replaced with the following wording:

“3. There has been no material adverse change in the prospects of the Issuer since 31 December 2015, nor has there been any significant change in the financial or trading position of the Issuer since 31 December 2015. There has been no material adverse change in the prospects of the Borrower and its subsidiaries since 31 December 2015 nor, except as disclosed in the First Supplement, has there been any significant change in the financial or trading position of the Borrower and its subsidiaries since 30 June 2016.”

General

Save as disclosed in this First Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus which is material in the context of the Programme since the date of publication of the Base Prospectus.

Copies of this First Supplement and of the document incorporated by reference into this First Supplement can be obtained, free-of-charge, at specified offices of Citibank, N.A., London Branch and Banque Internationale à Luxembourg, unless such documents have been modified or superseded. This First Supplement, as well as the document which has been incorporated by reference into this First Supplement, will also be available to view on the website of the Luxembourg Stock Exchange (www.bourse.lu).

In accordance with Article 16.2 of the Prospectus Directive and Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities before the publication of this First Supplement have the right, exercisable within a time limit of two working days after the publication of this First Supplement, i.e. 9 September 2016, to withdraw their subscription orders.