

## 42. Retained earnings

Retained earnings include: other supplementary capital, other reserve capital, general banking risk reserve, profit (loss) from the previous years and profit for the current year.

Other supplementary capital, other reserve capital and general banking risk reserve are created from profit for the current year and their aim is described in the By-laws or in other regulations of the law.

	31.12.2017	31.12.2016
Other supplementary capital	7 727 317	4 944 689
Other reserve capital	93 634	97 887
General banking risk reserve	1 153 753	1 131 453
Profit from the previous year	508 060	2 093 668
Profit for the current year	1 091 530	1 219 282
<b>Total retained earnings</b>	<b>10 574 294</b>	<b>9 486 979</b>

According to the Polish legislation, each bank is required to allocate 8% of its net profit to a statutory undistributable other supplementary capital until this supplementary capital reaches 1/3 of the share capital.

In addition, the Group transfers some of its net profit to the general banking risk reserve to cover unexpected risks and future losses. The general banking risk reserve can be distributed only on consent of shareholders at a general meeting.