

June 30, 2023

**The announcement of the commencement of the sale process of 100% of the issued and outstanding shares in the share capital of VeloBank S.A.**

Bank Guarantee Fund (“BFG” or the “Seller”) would like to announce the commencement of the competitive sale process concerning the potential acquisition of 100% of the issued and outstanding share capital of VeloBank S.A., with its registered seat in Warsaw, Poland (“VeloBank” or the “Bank”) (the “Transaction”) and invites the interested investors to participate in the Transaction.

VeloBank was established as a bridge institution within the meaning of the Polish Act of 10 June 2016 on the Bank Guarantee Fund, the Deposit Guarantee Scheme and Resolution (as amended) (the “Act on the BFG”) following the obtainment of all of the required regulatory consents (together with a capital requirement waiver provided by the PFSA) and the injection of the necessary capital required to enable the conduct of business by VeloBank.

As of December 2022, VeloBank was the 9<sup>th</sup> largest bank in Poland by gross loans with a focus on attractive retail, micro business and leasing segments. As of March 2023, VeloBank had PLN 42 billion in assets, PLN 39 billion in customer deposits and PLN 21 billion in net loans, with no FX mortgage exposure. VeloBank has also been profitable since its establishment.

In the first months since being on board, the VeloBank management team has proven their ability to deliver on the Bank’s strategy by launching new, innovative and engaging products that have attracted new active customers. For instance, VeloBank’s new current account offering VeloKonto has already seen nearly 110 thousand new accounts opened in the first seven months since it was launched. As a result of management’s focused efforts, the Bank has reported strong deposit inflows recording nearly PLN 5 billion deposit inflows in the first quarter of 2023.

As at the date of this announcement, BFG holds 51% of the shares in the share capital of VeloBank and System Ochrony Banków Komercyjnych S.A. (“SOBK”), established by eight of the biggest commercial banks in Poland, holds 49% of the shares in the share capital of VeloBank. The shares held by SOBK are also subject to the Transaction conducted by the BFG.

The sale process is being conducted pursuant to the provisions of the Act on the BFG and European Commission decision No. C(2022)7131 dated 1 October 2022 issued in case No. SA.100687 (as made public and available online under the following link:

[https://ec.europa.eu/competition/state\\_aid/cases1/202304/SA\\_100687\\_60B4BF85-0000-CFFE-9531-0D46E355BC9B\\_212\\_1.pdf](https://ec.europa.eu/competition/state_aid/cases1/202304/SA_100687_60B4BF85-0000-CFFE-9531-0D46E355BC9B_212_1.pdf)).

## 1. STRUCTURE OF THE SALE PROCESS

### 1.1. The Transaction will be split into two phases:

**1.1.1.** the indicative offer phase ("**Round 1**"), during which potential investors are invited to prepare and submit a written, non-binding indicative offer for the Transaction (each, an "**Indicative Offer**") based on the information provided as part of Round 1; and

**1.1.2.** the binding offer phase ("**Round 2**"), during which a limited number of potential investors (each, a "**Selected Bidder**") will be invited to submit a final binding offer for the Transaction (a "**Final Offer**") in accordance with Round 2 procedures that will be communicated to each Selected Bidder prior to the start of Round 2.

**1.2.** BFG reserves that, pursuant to binding provisions of relevant laws, the BFG may, at its sole discretion, invite selected potential investors to participate in Round 1 of the sale process, during which they will be invited to submit an Indicative Offer.

**1.3.** BFG reserves that, on the basis of the Indicative Offers received, BFG may, at its sole discretion, decide not to proceed with Round 2, or may invite only a limited number of Selected Bidders to participate in Round 2 of the sale process, during which they will be invited to submit a Final Offer.

**1.4.** BFG expects that the Bidders will guarantee the prudent and stable management of the Bank and demonstrate their ability to provide the Bank with adequate support and possess the necessary financial capacity and know-how for the prudent and stable management of the Bank.

## 2. J.P. MORGAN CONTACTS

**2.1.** BFG would like to inform the potential investors that J.P. Morgan SE ("**J.P. Morgan**") is acting as the exclusive financial advisor to BFG in connection with the Transaction.

**2.2.** The potential investors should contact the following representatives of J.P. Morgan regarding the Transaction and any information set out in this announcement using the following contact details:

**2.2.1. Name and Surname:** Michał Szwarc

**Position:** Managing Director – Senior Country Officer of Poland

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**2.2.2. Name and Surname:** Michael Machaj

**Position:** Managing Director – Head of Financial Institutions Group Emerging Europe

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This announcement outlines the general rules of the sale process. Neither the issuance of this announcement nor any part of its contents is to be taken as any form of representation or commitment on the part of the Seller or VeloBank to proceed with the Transaction.