

Cerberus has signed an agreement to acquire 100% of the shares of VeloBank

Warsaw, 29 March 2024 - An affiliate of Cerberus Capital Management, L.P. (“Cerberus”) has signed a preliminary agreement to acquire 100% of the shares of VeloBank S.A (the “Bank” or “VeloBank”). Cerberus has offered a total consideration of PLN 1,075 million for VeloBank shares, comprised of PLN 375 million acquisition price and PLN 700 million recapitalization to meet the Bank’s regulatory capital requirements (subject to any closing adjustments). The agreement follows an open, transparent, non-discriminatory and competitive sale process launched by the Bank Guarantee Fund in 2023.

The completion of the transaction is subject to Cerberus obtaining all necessary regulatory approvals, among others from the European Commission and the Polish Financial Supervision Authority, and is expected to occur in mid-2024. Following the closing, VeloBank will cease to be a bridge institution and as such will no longer be subject to any restrictions on its operations imposed by the European Commission. It will also be subject to the tax on certain financial institutions (so-called ‘banking tax’).

Additionally, the European Bank for Reconstruction and Development (“EBRD”) and International Finance Corporation (“IFC”, a member of the World Bank Group) have also obtained their operations committee and investment committee approvals, respectively, to consider potential equity participations in the Bank, subject to approvals from their respective board of directors, and binding legal documentation. More information about the potential participation of EBRD and IFC and the status of their approvals can be found at their respective websites accessible through the following links:

- <https://www.ebrd.com/work-with-us/project-finance/project-summary-documents.html?c26=on&s4=on&keywordSearch>
- <https://disclosures.ifc.org/>

For BFG, this transaction successfully concludes the next milestone in the process of resolution of ailing Getin Noble Bank S.A. (“GNB”), which began on September 30, 2022, when BFG took the irrevocable decision to transfer some of GNB's operations into a bridge institution: VeloBank S.A. BFG resolution decision protected all GNB depositors and their savings amounting to PLN 38.1 billion (as of Sep. 30, 2022). That process was executed in cooperation with System Ochrony Banków Komercyjnych S.A. (the “Protection Scheme”), composed of eight largest commercial banks operating in Poland (Alior Bank S.A., Bank Millennium S.A., Bank Pekao S.A., BNP Paribas Bank Polska S.A., ING Bank Śląski S.A., mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Santander Bank Polska S.A.).

The entire resolution process, including the disposal process of VeloBank’s shares, is closely monitored by the European Commission, which has provided necessary consent to carry out the resolution of

GNB. The transaction to dispose VeloBank shares fulfils Poland's commitments agreed with the European Commission.

"The end crowns the work. The sale of VeloBank will complete the resolution of Getin Noble Bank – one of the most complex processes of this type in the European Union. Two years ago, we had a major problem in the Polish banking sector as a bank from the top ten largest entities in the country was at risk of a bankruptcy. Now we have a healthy, modern VeloBank, which gains dynamic owners," comments Piotr Tomaszewski, President of the Management Board of the Bank Guarantee Fund, which, as the majority shareholder, led negotiations with the buyer.

"Poland is an exciting and robust market. With its strengthened and modernized platform, VeloBank is well-positioned for growth as a key player in the Polish banking community. We look forward to supporting the bank as it meets the needs of customers with advanced digital tools and comprehensive product offerings," commented Charles Dunlap, Cerberus Senior Managing Director.

J.P. Morgan acted as a financial adviser to Bank Guarantee Fund.

Rymarz Zdort Maruta acted as a legal adviser to Bank Guarantee Fund.

Linklaters acted as a legal adviser to Cerberus.

About VeloBank

VeloBank S.A. is a universal bank offering innovative financial solutions that facilitate the daily lives of individual customers, small and medium-sized enterprises, selected corporations, as well as local governments and housing communities, also in terms of green energy transformation. As of September 2023, the bank's balance sheet total reached PLN 46.5 billion.

About Cerberus

Founded in 1992, Cerberus is a global leader in alternative investing with approximately USD 65 billion in assets across complementary credit, private equity, and real estate strategies. The Firm invests across the capital structure, where its integrated investment platforms and proprietary operating capabilities create an edge to improve performance and drive long-term value. Cerberus's tenured teams have experience working collaboratively across asset classes, sectors, and geographies to seek strong risk-adjusted returns for its investors. Cerberus has an extensive track record of investing in financial institutions globally and in Europe, including CCF and My Money Bank in France, Hamburg Commercial Bank in Germany, and BAWAG in Austria.

About the Bank Guarantee Fund

The Bank Guarantee Fund contributes to the stability of the Polish financial system: it guarantees banks' and credit unions' deposits of up to EUR 100,000 and is responsible for the resolution of financial institutions at risk of bankruptcy.

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