

## **On-going report no 4/2020**

### Subject:

Information on the COVID-19 epidemic effects impact on BGK activity

### Legal basis:

Art. 17.1 MAR

### Publication date:

26 March 2020

### Content of the report:

Taking into consideration dynamically changing factual and legal circumstances related to a spread of the SARS-CoV-2 coronavirus, Bank Gospodarstwa Krajowego Management Board hereby informs that Bank has implemented a business continuity plan in order to maintain its operational activity to full extent and to fulfill other obligations as a bond issuer.

BGK has taken appropriate measures preventing Bank employees against contagion. The decision on parallel work of Bank's staff involved within critical processes in two separate premises has been taken. Majority of employees has started to work remotely with access to all necessary banking applications as of March 16, 2020.

Due to the negative impact of the SARS-CoV-2 coronavirus on business activity, Bank expects the financial situation of customers to deteriorate, therefore has introduced measures to limit the impact of this situation on entrepreneurs. Nevertheless, BGK expects the cost of write-offs for credit risk to increase. At present, Bank is not able to comprehensively and reliably estimate the impact of epidemic both on its operating activity and the entrusted tasks and in consequence on its financial results.

Estimated impact of the Polish Monetary Policy Council's decision on the interest rates reduction and obligatory reserve parameters change will decrease Bank's interests result by PLN 15-25 mln per quarter. High capital adequacy and liquidity ensures stable management of Bank.

On the ongoing basis Bank's Management Board monitors changes associated with effects of the coronavirus spread on BGK's operations, particularly on Bank's obligations as a bond issuer.

Bank closely cooperates with Polish authorities within anti-crisis plans elaboration.

In the case of significant events affecting BGK's financial result and its economic situation, Bank's Management Board will immediately inform about that circumstances in other on-going report.