

On-going report no 1/2021

Subject:

Information on a value of investment certificates of the closed-end investment funds of non-public assets held by BGK

Legal basis:

Art. 17.1 MAR

Publication date:

14 January 2021

Content of the report:

The Management Board of Bank Gospodarstwa Krajowego (hereinafter referred to as 'Bank') hereby informs that in connection with the conducted analysis for impairment of the investment in investment certificates of two closed-end investment funds of non-public assets, on January 13, 2021 adopted resolutions on:

1. partial reversal of an impairment loss on investment certificates held by the Bank in the amount of PLN 114 million. Bank informed in current report No. 26/2020 of July 22, 2020 about a creation of the impairment loss in the amount of PLN 126 million. The value of the impairment loss affecting Bank's gross result for 2020, after its partial reversal, amounts to PLN 12 million and, in Bank's assessment, corresponds to the estimated long-term change in the value of part of the investments held in the Fund's portfolio.
2. creation of an impairment loss of PLN 133 million due to the impairment of investment certificates held by Bank. The value of the impairment loss in Bank's opinion corresponds to the estimated long-term decline in the fund's net asset value.

The total impact of the above impairment losses on the separate Bank's gross result for 2020 will be approximately PLN 145 million (approximately PLN 117 million on the Bank's net result).

On an on-going basis Bank will monitor whether there appear the evidence that the above mentioned impairment losses should be changed.