

Warsaw, 30 April 2021

Press Release

## Getin Holding Group 2020 Financial Results

**The year 2020 was strongly marked by the impact of the global COVID-19 pandemic and one-off events which largely impacted the standing of the Group. The Group's annual net profit attributable to the owners of the parent entity, net of the sale of the companies in Russia and Belarus and the forced restructuring of Idea Bank Polska, stood at (PLN 347.3 million). The profit on continued activities attributable to the owners of the parent entity was positive at PLN 57.1 million. The Holding reported continued positive profitability on all of its foreign markets while dividend income stood at PLN 72.9 million. The company initiated and partly completed a number of strategic M&As in order to reduce the Group's exposure to the Eastern markets and build up cash reserves.**

*"The year-long pandemic has left a mark on all of the Group's strategic markets, limited our revenue-generating capacity, and forced us to do business in a completely new reality. Thanks to early investment in new technology and operational excellence achieved in our markets, we delivered uninterrupted access to our products and services,"* said Piotr Kaczmarek, President of Getin Holding. *"With dividend income and M&A gains, we successfully finalised the deleveraging of the Holding and started to build up capital reserves,"* added Mr Kaczmarek.

Getin Holding was notified on 31 December 2020 of the decision of the Bank Guarantee Fund (BFG) opening forced restructuring of Idea Bank Polska. As a result, the Holding's assets decreased by more than PLN 15 billion and (PLN 111.8 million) was charged to its 2020 consolidated profit. In the opinion of the Management Board of the Holding, the actual standing of the bank gives no grounds for the forced restructuring. In the opinion of the Holding, the restructuring of the Idea Bank Polska Group has ensured lasting profitability and gradual recovery of the mandatory regulatory ratios. Getin Holding has taken a number of steps to improve the capital position of the Idea Bank Polska Group, including participation in Idea Bank's stock issue and support for the Group's reorganisation in 2020. In consequence, the Management Board of Getin Holding has lodged an appeal with the Regional Administrative Court in Warsaw to enforce the rights of the Company as the majority shareholder of Idea Bank and to defend the rights of the other shareholders, including those of Getin Holding and Idea Bank.

In pursuit of its strategy, the Holding follows an opportunistic approach to its assets while M&As are a core part of the company's DNA. In 2020, the Holding was negotiating with potential acquirers in four markets. As a result, in Q1 2020, the Group successfully sold its assets in Russia at close to PLN 154.9 million. In April 2021, the Group closed the sale of its assets in Belarus at over PLN 75.7 million. M&As are underway as regards the Group's assets

in Ukraine and Romania. The two closed deals have eliminated GH's exposure to the most challenging markets and strongly improved the company's liquidity position.

The profit of the Ukraine segment stood at PLN 57.0 million in 2020. As the Group remained under strong pressure of the COVID-19 pandemic throughout most of the year, sales grew less fast and loan repayments were affected. As a result, the operating income dropped 10.4% (in UAH) year on year while the loan portfolio in UAH decreased 8.2% YoY. Despite those challenges, the cost/income ratio (C/I) remained stable at 38.2% as at 31 December 2020. The Ukraine segment paid PLN 58.2 million dividend to Getin Holding.

The Group's net profit in Romania stood at PLN 16.0 million in 2020. Despite the adverse impact of the pandemic on the Romanian economy, the profit improved more than 14% year on year, driven among others by a 27% YoY increase in sales of Idea Bank Romania. The Group's net fee and commission income increased more than 24% and its interest margin remained stable at the pre-pandemic level. The Group reported a year-on-year increase of the loan portfolio (+28%) and the leasing portfolio (+12%). The total assets of the Romania segment stood at close to PLN 2.7 billion as at 31 December 2020, an increase of 16.5% year on year.

Operating in a difficult business environment, MW Trade posted a net loss of (PLN 3.8 million) in 2020. The pandemic forced the company to largely cut down its sales and relations with public medical operators, which had an adverse impact on its revenue-generating capacity. According to MW Trade's estimates, proceeds from a positive outcome of the Ostrowice Municipality case will reach approx. PLN 37 million.