

Change of the Bank's rating by Moody's following partial sale of the government's stake

Report no. 7/2011 dated June 2, 2011

The Management Board of Bank Gospodarki Żywnościowej S.A. ("Bank") announces that Moody's Investors Service downgraded on June 2, 2011 its long-term deposit rating of the Bank to Baa1 from A3, with negative outlook. This rating action concludes the review for possible downgrade initiated in April 2011 and described in the Bank's prospectus.

The Bank's standalone financial strength rating ("BFSR") of D was not affected and remains on a stable outlook. The short-term bank-deposit rating of Prime-2 was also unaffected.

According to Moody's the downgrade reflects the change in ownership structure of the Bank following the IPO, and the rating agency's view that this results in greater uncertainty regarding the potential for exceptional parental or systemic support in case of need. The long-term deposit rating nonetheless continues to factor in a very high expectation of parental support and a medium expectation of systemic support. The agency said that the negative outlook on the supported long-term deposit rating was influenced by the potential for further disposal of the government's remaining stake as well as the negative outlook on stand-alone BFSR rating of the Bank's majority shareholder, which is used by Moody's as an input in determining parental support assumptions.

Legal basis:

Par 5 clause 1 point 26 of the Ordinance of the Minister of Finance dated 19 February 2009 on the current and periodic reports disclosed by the securities issuers and on equivalence of information disclosures required by law of non-EU member states.