



Press release, 1 August 2024

Cerberus, EBRD and IFC Finalise the Acquisition of VeloBank

An affiliate of Cerberus Capital Management, L.P. (“Cerberus”), the European Bank for Reconstruction and Development (“EBRD”) and the International Finance Corporation (“IFC”, a member of the World Bank Group) announce today the successful completion of the acquisition of 100 per cent of the shares of VeloBank S.A. from the Bank Guarantee Fund in Poland, after having obtained all the necessary approvals from all the relevant regulatory authorities. The acquisition follows an open, transparent, non-discriminatory and competitive sale process launched by Bank Guarantee Fund in 2023.

The signing of the agreement opens up new growth opportunities for VeloBank across business lines, thanks to the VeloBank’s recapitalization by the new owners with an amount of PLN 687 million and the removal of bridge bank status and related restrictions imposed by the European Commission.

The sale of the Bank does not in any way affect the situation and service of customers. The funds accumulated in VeloBank S.A. are invariably covered by the protection of the Bank Guarantee Fund on the same principles as in other banks covered by the Polish deposit guarantee system.

“We are very excited to invest into VeloBank and support its participation in the dynamic Polish banking market,” commented Charles Dunlap, Cerberus Senior Managing Director. *“We are incredibly proud of the bank and its talented employees, especially their drive for digital innovation and customer-centric financial products. We believe that VeloBank is well positioned to build on its successes and become a leading bank for the Polish retail and business communities.”*

As part of taking control of the bank, a new Supervisory Board has been appointed on August 1, 2024. This board includes experts with many years of experience in the financial sector.

“I am privileged to be involved in the most interesting banking project on the Polish market. The unique competence of Cerberus as specialist in financial institutions, as well as commitment and strength of the EBRD and IFC, provide unprecedented sponsorship to VeloBank future. I believe the new Supervisory Board will be a good partner for the Velo Team, providing inspiration and support in further growth and development of the bank.” Said Jakub Papierski, Chairman of the Supervisory Board at VeloBank.

The transaction strengthens the financial and operational foundations of VeloBank, enabling its dynamic development in the coming years based on the results achieved so far across all business lines. Over the past two years, many strategic initiatives have been launched to offer customers efficient and digital service processes, expand the product range, and change credit processes. Since VeloBank’s inception, nearly 300,000 new customers have been acquired, and since the beginning of 2023, deposits balances have increased by PLN 16 billion. Since October 2022, the sale of personal loans has increased fourfold. During the same period, the sale of mortgage loans has successfully resumed, and the bancassurance offering has been dynamically expanded, resulting in a significant and steady increase in commission income. The bank has also rebuilt its offerings for businesses and private banking.

“The team of VeloBank has successfully completed one of the most challenging resolution processes in the history of European banking, conducted in accordance with the highest standards, in compliance

with the letter of EU law. The sale of VeloBank was a necessary and indispensable condition for the completion of the resolution procedure, which ensures the stability of the entire banking sector and simultaneously serves as a positive signal of the safety of the Polish financial sector” – notes Adam Marciniak, CEO of VeloBank, adding - “As VeloBank, we aim to systematically build an increasingly stronger position in the Polish market. With ambitious implementations, we will support the development of both individual and corporate clients. We will also strive to enhance innovation not only in the financial sector but in the entire Polish economy.”

Francis Malige, EBRD managing director of Financial Institutions, said: *“We are very happy to see the investment in Velobank successfully closed. It marks a new beginning for and the end of a long and complex resolution process. We are looking forward to this new stage in the VeloBank’s journey, and to work with our co-investors and partners to support the bank’s growth and the development of its lending to the real economy in Poland.”*

“We are pleased to contribute IFC’s equity and global expertise to this important transaction, aligning with our strategic goal to diversify financing options for the Polish economy,” said Ary Naïm, the World Bank Group Country Manager for Poland and IFC Manager for Central and South Europe. *“We look forward to working with our partners and with VeloBank Management to achieve this objective, with a focus on digital and green finance.”*

About VeloBank

VeloBank is a universal bank offering modern financial solutions for individual clients, private banking, SMEs, large enterprises, and corporations, as well as public sector institutions. It is among the top ten largest banks in Poland. VeloBank’s strategy is based on technology, including Gen AI solutions, aimed at enhancing the convenience of both clients and employees. Comprehensive services are provided across over 160 branches throughout Poland, as well as through advanced online and mobile banking platforms. The offerings include current accounts, loans, savings, investments, insurance, and numerous beyond banking services. The bank’s capital group has also launched VeloMarket, a shopping platform featuring products beneficial for health and the planet, aligning with the bank’s strategy to support ecology.

The bank’s innovation and brand quality are evidenced by numerous awards, including the Golden Banker 2024 for personal loans, the Business Insider Award, and the Master of Innovation Leadership for VeloBank’s leaders. The company also won international competitions such as the Internal Communications & Engagement Awards 2024 and the Banking Tech Awards 2023. HR activities have been recognized in contests such as Solidny Pracodawca 2023 and Friendly Workplace 2024, while the bank’s communication and marketing efforts have been honored in the Marketing Director of the Year 2023, IN2SABRE Awards 2024, and CMO Awards 2024 in the Digital Champion category.

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.

Linklaters acted as a legal adviser to Cerberus.

About the EBRD

Set up to foster the private sector after the collapse of Communism in eastern Europe, the EBRD is active in 38 economies from central Europe to Central Asia, the Western Balkans and the southern and eastern Mediterranean and Lebanon. It is the largest single investor in many of these countries,

and also mobilises significant foreign direct investment. It invests mainly in private enterprises. In Poland, to date the EBRD has invested more than €14.5 billion in 532 projects.

About IFC

IFC — a member of the World Bank Group — is the largest global development institution focused on the private sector in emerging markets. IFC works in more than 100 countries, using its capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2023, IFC committed a record \$43.7 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of global compounding crises. For more information, visit www.ifc.org.

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