

Current report No. 16/2020

Date: 8 April 2020

Subject: Launch of the tender offer relating to certain notes issued by Powszechna Kasa Oszczędności Bank Polski S.A. and PKO Finance AB

Legal basis: Art. 17.1 of the MAR Regulation

Report:

Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw (the „**Bank**”) informs that on 8 April 2020 the Bank launched invitations to the holders of the outstanding:

1. EUR 750,000,000 0.750 per cent. notes due 2021 issued by the Bank on 25 July 2017 and listed on the regulated market run by the Luxembourg Stock Exchange (the “**2021 Notes**”); and
2. USD 1,000,000,000 4.630 per cent. loan participation notes due 2022 issued by PKO Finance AB (publ), the Bank’s subsidiary, on 26 September 2012 on a limited recourse basis for the sole purpose of financing a loan to the Bank, and listed on the regulated market run by the Luxembourg Stock Exchange (the “**2022 Notes**” and jointly with the 2021 Notes, the “**Notes**”),

to tender such Notes for purchase by the Bank for cash (the “**Tender Offer**”).

Under the Tender Offer, the Bank intends to purchase certain Notes up to the maximum aggregate purchase consideration (excluding any interest and subject to amendment at the discretion of the Bank and subject to applicable law) payable by the Bank not exceeding approx. USD 450,000,000, on the terms and subject to conditions set out in the Tender Offer Memorandum issued by the Bank on 8 April 2020.

The Bank will pay for the Notes validly tendered, and accepted by it for purchase pursuant to the relevant offer made in connection with the Tender Offer, a cash purchase consideration of:

- (a) with respect to the 2021 Notes, 100 per cent. of the principal amount (equivalent to EUR 1,000 per EUR 1,000 in principal amount) of the 2021 Notes validly tendered and accepted for purchase pursuant to the relevant offer made in connection with the Tender Offer; and/or
- (b) with respect to the 2022 Notes, 104.25 per cent. of the principal amount (equivalent to USD 1,042.50 per USD 1,000 in principal amount) of the 2022 Notes validly tendered and accepted for purchase pursuant to the relevant offer made in connection with the Tender Offer.

The Bank will also pay interest accrued and unpaid (if any) on the Notes validly tendered and accepted by it for purchase in connection with the Tender Offer.

The purpose of the Tender Offer is to enable the Bank and its subsidiaries (together, the “**Group**”) to maintain a prudent approach towards the management of the Group’s funding and liquidity base, in particular since the Notes do not qualify as Minimum Required Eligible Liabilities (MREL).

The Tender Offer is scheduled to expire on 16 April 2020 and its results are to be announced no later than on 17 April 2020 via, among others, a notice on the Luxembourg Stock Exchange website. The Bank will also notify on the results of the Tender Offer by means of a separate current report. The settlement of the Tender Offer is scheduled for 21 April 2020.

The Bank has appointed J.P. Morgan Securities plc as dealer manager for the Tender Offer. The Bank acts as co-dealer manager in connection with the Tender Offer.

The Bank can extend, re-open, withdraw, rescind or modify the terms of the Tender Offer.

Offer and distribution restrictions apply to the Tender Offer.

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