

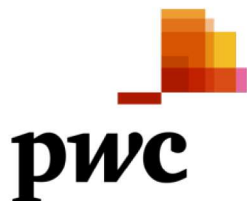
Bank Guarantee Fund

Valuation 3

December 20, 2021



TRANSLATION ONLY



December 20, 2021

Bank Guarantee Fund
ks. Ignacego Jana Skorupki 4 street
Warsaw, 00-546

Dear Sirs,

With reference to the framework agreement of January 9, 2018 ("Agreement") and offer acceptance declaration of September 17, 2020, we provide you with a translation ("Translation") of valuation 3 report of Idea Bank S.A. prepared as at December 31, 2020 ("Valuation 3 Report", "Valuation 3").

This document is a translation of the general part of the Valuation 3 Report and constitutes appendix to the Report.

We understand that the results of our work will be used by the Bank Guarantee Fund in accordance with the Agreement. The Translation may not be used, in whole or in part, for purposes other than specified in the Agreement without the written consent of PwC. The Translation does not constitute the entirety of the Valuation 3 Report and no part of it shall be read or interpreted without reading the entire Report. Binding version of the Valuation 3 Report is prepared in Polish language. In case of inconsistencies between the Valuation 3 Report and the Translation, Polish language version of the Valuation 3 Report is binding.

We take no responsibility for decisions or any action taken based on the Translation.


Partner

PwC Advisory spółka z ograniczoną odpowiedzialnością sp. k.

PwC Advisory spółka z ograniczoną odpowiedzialnością sp.k., *Polna 11 Street, 00-633 Warsaw Tel: +48 (22) 746 4000, F: +48 (22) 742 4040, www.pwc.pl*
PwC Advisory spółka z ograniczoną odpowiedzialnością sp.k. based in Warsaw, Polna 11 Street, 00-633 Warsaw, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the capital city of Warsaw, 12th Commercial Division, under KRS number 0000741448

TRANSLATION ONLY

Glossary (1/3)



Term	Definition/Meaning
20[XX]	Financial year ending 31 December 20[XX] (P&L items) / As of 31 December 20[XX] (balance sheet items)
20[XX] F	Forecast for the financial year ended December 31, 20 [XX] (P&L items) / The estimated account balance as at December 31, 20 [XX] (balance sheet items)
Analytical Data	Analytical data from the Bank's system as at December 31, 2020
ANAV	Adjusted Net Asset Value
AuM	Assets under Management
AV	Appraisal Value
Backtest	Comparison of forecasts to realised outcomes
Bail-in	Write down or conversion of liabilities
Bail-out	Financial support for an enterprise in a bad financial situation
Bank / Entity / Subject to Valuation	Idea Bank S.A.
Banking Act	The Banking Act of August 29, 1997 (as amended)
Bankruptcy Law	Act on Bankruptcy of February 28, 2003 (as amended)
beta (β)	Measure of systematic risk, indicating the degree of correlation between return on shares with the return on the market
BGF / Fund	Bank Guarantee Fund
BGF Act	Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution
BIK	Credit Information Bureau
bn	Billion
BRRD	Bank Recovery and Resolution Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms
C/I	Cost to Income
CAGR	Compound annual growth rate
CCF	Credit Conversion Factor
CHF	Swiss franc
CIRS	Currency interest rate swap
CIT	Corporate Income Tax

PwC

Term	Definition/Meaning
CoC	Cost of Capital
COVID-19	An infectious disease caused by the SARS-CoV-2 virus, declared by the WHO as a pandemic on November 3, 2020
CPI	Consumer Price Index
CVA	Credit Valuation Adjustment
CY	Current year
DAC	Deferred acquisition costs
DAX	The DAX is a blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange
DCF	Discounted Cash Flow
Distressed assets	High-risk assets
DPD	Days Past Due
DR	Default rate
EIR	The effective interest rate
EIU	Economist Intelligence Unit
EL	Expected Loss
Entity under resolution	An institution in respect of which a resolution action is taken
EU	European Union
EUR	Euro
EURIBOR [X]M	Reference interest rate for deposits and loans in the euro area interbank market for a period of [X] months
EV	Enterprise Value
FIZAN	Closed-end investment fund of non-public assets
FUS	Social Security Fund
GDP	Gross domestic product
GNB	Getin Noble Bank S.A.
GPW	Warsaw Stock Exchange
Guaranteed funds	Depositor funds covered by the guarantee protection to the amount referred to in Article 24 paragraph 1, 3 and 4

Glossary (2/3)



Term	Definition/Meaning
GUS	Statistical office
IFRS 16	International Financial Reporting Standard no. 16
IGL	Idea Getin Leasing S.A.
IM	Idea Money S.A.
IQ / IIQ / IIIQ / IVQ 20[XX]	Quarters ended March 31 / June 30 / September 30 / December 31 20[XX]
IRR	Internal rate of return
IZFIA	The Chamber of Fund and Asset Management
k	Thousand
KNF	the KNF Board
LGD	Loss Given Default
Liquidation Value	Defined in detail in the "Selected elements of the methodology" section on page 35
LTM	Last Twelve Months
LtV	Loan to Value
m	Million
Management Board (Bank)	Management Board of Idea Bank S.A.
MID	Months in Default
MiR	Months in Restructuring
MOB	Months on Book - number of months which elapse between the moment a given asset / liability was recognized on the company's balance sheet and the Valuation Date
n.a. / n/a	Not applicable
NAV	Net asset value
NBP	The central bank of the Republic of Poland
NCWO	No Creditor Worse Off - according to the NCWO principle no creditor or shareholder shall incur greater losses than they would have incurred if the institution had been wound up under normal insolvency proceedings.
nda	No data available

PwC

Term	Definition/Meaning
NPL	Non-performing loan
Own portfolio	Part of credit receivables from Idea Bank S.A. customers, including receivables resulting from the sale of proprietary products offered by Idea Bank S.A. (directly by the Bank or through intermediaries)
P/E	Price-to-earnings ratio
PD	Probability of Default
Pekao SA / Pekao / Acquiring Entity	Bank Polska Kasa Opieki Spółka Akcyjna
PLA	Polish Leasing Association
PLN	Polish zloty
pp	Percentage point
PVFP	Present Value of Future Profits
PZPM	Polish Association of Automotive Industry
Rating	Credit assessment of a entity's / issuer of a financial instrument creditworthiness
Report Date	December 1, 2021
Resolution of the BGF Council	Resolution No. 49/2021 of the Bank Guarantee Fund Council of 27 October 2021
Resolution Plan	Resolution plan of the Idea Bank of October, 2020
Reuters	Thomson Reuters Eikon
ROA	Return on Assets
ROE	Return on Equity
ROTE	Return on Tangible Equity
RR	Recovery rate
RV	Residual value
S&P	Standard & Poor's
S&P 500	The S&P 500 is a stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the United States

Glossary (3/3)



Term	Definition/Meaning
Scoring	The credit risk assessment method used by banks
SCR	Solvency Capital Requirement
SKOK	Credit union
SME	Small and medium-sized enterprises
Stage 3	Credit exposures in default
TA	Tangible assets
TCG	Tax capital group
Tier 1 (CET 1 / AT 1) / Tier 2	Defined in the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms
TVOG	Time Value of Options and Guarantees
USA	The United States of America
USD	United States dollar
Valuation 1 / V1	Valuation of Idea Bank S.A. carried out as at August 31, 2020, aimed at verification of the premises supporting Bank's risk of bankruptcy following the relevant legal acts related to the Bank Guarantee Fund, the Directive of the European Parliament and the Council of the European Union, establishing a framework for corrective actions and resolution in relation to credit institutions and investment firms.
Valuation 2 / V2	Valuation of Idea Bank S.A. carried out as at August 31, 2020 to select a resolution tool which will provide the most complete achievement of the objectives of resolution, determine the amounts referred to in art. 202 paragraph 1 of the BGF Act and the categories of own funds or liabilities which are the subject to write down or conversion, determine the scope of the acquired property rights or liabilities in the case of applying the instrument of bridge institution or separation of property rights and remuneration for acquisition, and determine the acquired property rights or liabilities in the case of applying the instrument of sale of business tool and the assessment of the conditions offered by the entities interested in the acquisition.
Valuation 2 Date	August 31, 2020
Valuation 3 / Valuation / V3	Valuation of Idea Bank S.A. carried out as at December 31, 2020 to determine whether an entity's shareholders and/or creditors would have received better treatment if the entity had entered into normal insolvency proceedings rather than into resolution (if the court had issued a decision of the Bank's bankruptcy at the time when the resolution was initiated).

Term	Definition/Meaning
Valuation Date / Valuation 3 Date / Decision Date	December 31, 2020, i.e. the date of initiation of resolution against Idea Bank S.A.
Valuation Handbook	"Handbook on Valuation for purposes of resolution" of February 22/ 2019 issued by European Banking Authority
VAT	Value-added tax
VIF	Value of In-Force
VWAP	Volume Weighted Average Price
WIBID [X]M / 1Y	Reference interest rate for deposits on the Polish interbank market for the period of [X] months / 1 year
WIBOR [X]M / 1Y	Reference interest rate for loans on the Polish interbank market for the period of [X] months / 1 year
YTY	Year to year
ZUS	The Social Insurance Institution

Agenda

1 Introduction

2 Valuation 3 – summary

3 Sale of business – adopted scenario

1

Introduction

Statement of compliance of the adopted valuation principles with legal acts and regulations, and of the independence of the valuer

Statement



> The Valuation 3 was made in accordance with the law, in particular on the basis of:

- Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution;
 - Commission Delegated Regulation (EU) 2018/345 of 14 November 2017 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodology for assessing the value of assets and liabilities of institutions or entities;
 - Commission Delegated Regulation (EU) 2018/344 of 14 November 2017 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodologies for Valuation of difference in treatment in resolution;
 - Technical standards developed by European Banking Authority;
 - "Principles of conducting valuation for the purposes of resolution", annexed to Resolution No. 49/2021 of the Bank Guarantee Fund Council of 27 October 2021 on establishing the rules for carrying out valuations for the purposes of resolution ("Resolution of the BGF Council");
 - Guidelines and legal acts issued by the European Union authorities, the European Banking Authority or the Single Resolution Board concerning the valuations made for the purposes of the resolution process, to the extent that they are applicable to the Fund.
- > PwC has performed the Valuation 3 as an independent valuer within the meaning of the Commission Delegated Regulation (EU) 2016/1075, in particular art. 37-41, and the remuneration does not depend on the results of the Valuation.

PwC's liability towards BGF

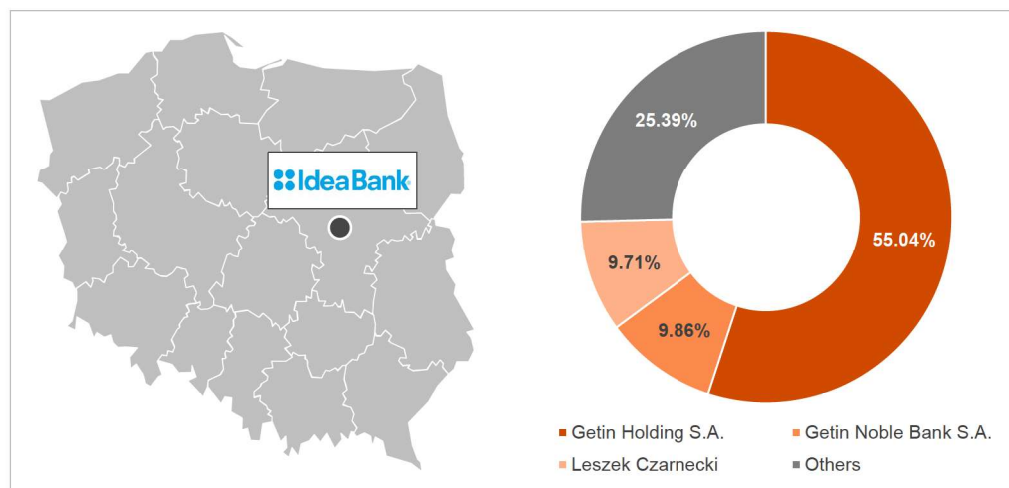
Statement



- > The Valuation 3 did not include auditing financial statements or the information underlying their preparation in accordance with the law relating to the audit of financial statements. PwC is not responsible for the completeness, accuracy or truthfulness of the data provided.
- > The Valuation 3 does not take into account extraordinary public financial support or extraordinary liquidity support provided by the National Bank of Poland on non-standard terms regarding collateral, maturity or interest rates.
- > The Valuation 3 is based on assumptions about future financial results and events consistent with the premises existing at the Valuation Date. Such information, assumptions or opinions are not presented as an assurance that certain revenues, or profits, will be achieved, nor do they ensure that certain events will occur and that the values specified in the Report will be offered and accepted.
- > In the Valuation 3 Report, we used the information presenting the situation of the Bank as at December 31, 2020.

Basic information regarding the Idea Bank S.A.

Core business and shareholders structure (% stake in total amount of votes at the GM)¹



- Idea Bank Group consists of the parent company Idea Bank S.A. and its subsidiaries.
- The Group operated in the field of banking services provided by the parent company as well as financial intermediation, insurance, sale of real estate, leasing and factoring products by other subsidiaries.
- As at 31 December, 2020 the parent company of the Group was Getin Holding S.A., and the ultimate parent of the Group was Mr Leszek Czarnecki.

Identification data of the Bank¹



Basic data

- Company name: Idea Bank Spółka Akcyjna
- Legal form: Spółka Akcyjna
- Headquarters: Rondo Daszyńskiego 2c, 00-843 Warszawa
- KRS: 0000026052
- REGON: 011063638
- NIP: 5260307560



Management Board

- Jerzy Pruski – Vice President of the Management Board acting as President of the Management Board
- Piotr Miałkowski – Vice President of the Management Board
- Jaromir Frankowicz – Member of the Management Board
- Marek Kempny – Member of the Management Board






Supervisory Board




- Leszek Czarnecki – President of the Supervisory Board
- Remigiusz Baliński – Vice-president of the Supervisory Board
- Izabela Lubczyńska – Member of the Supervisory Board
- Artur Gabor – Member of the Supervisory Board
- Krzysztof Bielecki – Member of the Supervisory Board
- Dorota Podedworna-Tarnowska – Member of the Supervisory Board
- Dariusz Filar – Member of the Supervisory Board

¹ Based on current reports on the Bank's website as of December 31, 2020.

Identified uncertainties regarding the result of the valuation (1/3)

Uncertainties	Comments	Quantification of uncertainty
 <p>COVID-19 pandemic & potential economic crisis</p>	<p>COVID-19 pandemic, as well as the crisis prevention actions implemented by governments across the world, which include closure of borders, stay at home orders, closure of service points, caused the slowing down, or in some cases the shut down of production, consumption and the economic turnover. Most of the economic indicators, as well as the stock indices recorded sudden and drastic falls throughout the first and second quarter of 2020. On the Valuation Date, the world's largest stock indices, such as S&P 500, as well as the German DAX, mostly recovered from the falls caused by the pandemic that occurred at the end of February and March 2020. During that period the aforementioned indices reached levels as low as 30% in comparison to their levels at the beginning of the year, however, at the end of the year closed 8% higher for the S&P 500 and 4% for the DAX. In the third quarter of the year 2020, Polish GDP contracted by 1.6%, when compared to the analogous 4.4% increase of the previous year 2019. In the second quarter of 2020 there has been a record 8.2% fall of the real GDP (the highest fall ever to be recorded in Polish history), when compared to the 4.6% increase of the second quarter of 2019. The European Commission estimates, published on November 5, 2020, take into the account the previous influence of the COVID-19 pandemic, as well as its forecasted future effects on the European economy, assume the fall of Polish GDP by 3.6% and its subsequent increase by 3.3% in the year 2021. However, we would like to stress out the significant uncertainty that prevailed on the market as at Valuation Date triggered by the whole 2020 year and the threat of further waves of the pandemic in the following year. The situation in which the world's economy has found itself in, especially in the era of globalization, is unprecedented, similarly as all the monetary and fiscal actions currently undertaken. On the Valuation Date, it seems to be impossible to predict all the possible effects of the COVID-19 pandemic, as well as the administrative actions performed by the governments and banks. We would like to take notice of the fact, that COVID-19 could potentially influence the value, time and the degree of certainty (risk) regarding the occurrence of the forecasted monetary flows, which in turn could in the future translate into the estimated value of a given asset.</p>	<p>Quantification not possible</p>
 <p>Credit risk</p>	<p>One of the most important dangers for the financial sector as at Valuation Date was the sudden worsening of the enterprises and households' financial situation. The worse financial situation and potential problems with the liquidity of borrowers could negatively influence the quality of the loan portfolio and an increase in write-offs for credit risk. In consequence it could translate to further losses in profits of the sector, or the emergence of losses in some banks, followed by the further decline of the capital ratios in this sector and the inevitable entrance to the reform path especially in cases of smaller institutions. We would like to stress, that, as at Valuation Date, it is impossible to estimate the final influence of COVID-19 on the quality of the loan portfolio in this sector. Banks, that published their estimates in third quarter reports in 2020 highlight a significant uncertainty in regards to their estimations, due to the fluctuations of the macroeconomic forecasts. There might also be possible disruptions in the entrepreneurs activities, resulting from actions undertaken by the state authorities in prevention of the COVID-19 spreading and uncertainty regarding effectiveness of the aid programs.</p>	<p>Quantification not possible</p>
 <p>NPL portfolio</p>	<p>The value of the non-performing debt portfolio was estimated based on the offered prices by bidders in a competitive sales processes performed by the Bank in December 2019 and November/December 2020. According to the received information, sub-portfolios selected for sale, both at the end of 2019 and at the end of 2020, mainly consisted of unsecured debts. Based on the received data on the portfolio parameters we extrapolated the value of the sub-portfolio to the entire portfolio of unsecured NPL. We would like to emphasize, that the way transaction process is organized, as well as the scope of information provided by the seller to potential bidders could significantly influence the level of offered prices. Additionally, please note that the Bank's difficult situation could have impacted the investors' perception and consequently the prices offered. According to the information in consolidated quarterly report for 9 months period ended 30.09.2019 (the last available report before the sales process) Idea Bank Management Board described the risks related to factors that may affect the assumption regarding going concern, including the Bank's failure to meet capital adequacy ratios. Being aware of the specific situation of the seller, potential investors interested in purchasing the NPL portfolio, might have offered lower price expecting that the seller will be forced to perform the transaction.</p>	<p>Quantification not possible</p>

Identified uncertainties regarding the result of the valuation (2/3)

Uncertainties	Comments	Quantification of uncertainty
 Idea Money	<p>The balance of Idea 24/7 debt owned to Idea Money was equal to c. PLN 58.7 m as of December 31, 2020. In 2019 Idea Money released previously recognized provisions of PLN 35.6 m related to financing granted to Idea 24/7. The trigger to release the provisions was explained, inter alia, by external financing received from an unrelated entity in the amount of USD 70 m (according to the initial financial terms). Additionally, Idea Money received a guarantee from LC Corp B.V. (up to USD 20 m) in relations to bonds issued by Idea 24/7. Please note that our analysis was based on the last available financial statements as at December 31, 2019 and selected financial data prepared as at May 31, 2020 (latest available data). Please note that PwC did not have any documents allowing for a reliable assessment of the guarantee received from LC Corp B.V. Due to the ownership structure, we were also not provided with information on the quality of the portfolio of loans granted by Idea 24/7. We would like to highlight that from the beginning of its operation Idea 24/7 generated significant losses and the failed to reached the target budget for 2020 (as at May 31, 2020 - the last data received by PwC).</p> <p>Moreover, in October 2019 Idea Money received settlement demand from DNLD L.P. (the parent company of DNLD Holdings S.à.r.l. - the majority shareholder of GetBack S.A.) to start discussion aimed at satisfying the perceived damage resulting from the sale of GetBack by Idea Investment S.à.r.l, the legal successor of which, after the cross-border merger, is Idea Money. In addition, on 18 August 2020, the control activities carried out by the Tax Office regarding compliance with the provisions of the tax law related to corporate income tax for 2018 were completed. The authority prepared the result of the audit, which questioned the tax settlements in the analysed period, stating that Idea Money decreased the tax base and the tax liability for 2018 by PLN 792 m and PLN 150.5 m, respectively. We estimated the amount of the provision in the amount of PLN 67.8 m using probability weighted cash flows. Please note that taking into account the current state of knowledge (on the Valuation Date), it is not possible that the estimated value of the provision is not burdened with significant risk and uncertainty. We also point out that the data provided did not allow for a detailed analysis of factoring portfolio and additional, complementary products (i.e. liquidity package).</p>	<ul style="list-style-type: none"> Idea 24/7 financing: PLN 0 – 58.7 m Legal disputes: PLN 0 – 825 m Tax disputes: PLN 0 – 150 m Factoring portfolio and liquidity package PLN 0 – 181 m
 Intangible and fixed assets	<p>The estimated Liquidation Value of intangible and tangible fixed assets (mainly IT equipment) is based on expert assumption and judgment about utilisation rate of the valued assets by potential buyers in the bankruptcy process and about the possibility of selling such assets separately from the entire enterprise (or its organized part). However, please note that due to the specificity and nature of intangible assets and IT equipment, their values may vary depending on the acquiring entity and many individual factors that cannot be included in the estimation of value assuming the perspective of bankruptcy process (i.e. without taking into account the specific conditions and specificity of the acquiring entity).</p>	<p>Approx. PLN 5 – 147 m</p>
 Duration and costs of bankruptcy	<p>We would like to point out the significant uncertainty of the duration of the Bank's hypothetical bankruptcy process. The scenarios presented in this report assume that the bankruptcy process will end after 6 or 3 years. However, there have been no historically cases of banks failure of this scale, therefore this period may be significantly different. Duration of the bankruptcy process directly impact the costs incurred during this period, which firstly reduce bankrupt entity's assets available for the creditors. Moreover, protracted bankruptcy process can cause impairment of bankrupt entity's assets and reduce the possibilities of satisfying creditors' claims.</p>	<p>Quantification not possible</p>

Identified uncertainties regarding the result of the valuation (3/3)

Uncertainties



Comments



Quantification of uncertainty



Risk of legal disputes

Idea Bank S.A. in the period from September 2016 to March 2018 participated in the process of distribution of corporate bonds of GetBack S.A. As at December 31, 2020, the total value of disputes in proceedings regarding the Bank's participation in the offering of Getback S.A. bonds amounted to PLN 158.7 m. As of December 31, 2020, 2,371 clients submitted a complaint to the Bank. In addition, on February 3, 2020, UOKiK (Office of Competition and Consumer Protection) issued a decision according to which the Bank should pay public compensation in the amount of 20% of funds invested (maximum PLN 10,000). Based on the documents received, we made an update of the estimation of expected value of the provisions related to GetBack S.A. Updated estimation of the expected value of the provisions equals to PLN 252.4 m. For comparison, the total amount of bonds sold by the Bank was PLN 731.5m. Our analyses were based on various scenarios of the development of the situation and the estimated probability of the implementation of each of the analysed scenarios. Please note that the actual cash flows related to disputes are subject to uncertainty and their estimation take into account the best knowledge, as at Valuation Date. In addition, on July 10, 2020, the President of UOKiK issued decision No. RŁO-5/2020, based on which he ordered Idea Bank S.A. to pay compensation to all consumers who purchased with the participation of Idea Bank S.A. investment certificates issued by Lartiq (formerly Trigon) Profit XXII, XXIII, XXIV NS FIZ in the amount of 38 thousand PLN (20% of the amount of PLN 190,000 constituting the issue price of one certificate). According to the received materials, the total value of the acquired investment of the above-mentioned certificates at the issue price amounted to PLN 126.7 m. According to PwC, it is highly probable that new clients will start taking their cases to court after the decision of the President of UOKiK is announced. However, without having sufficient information to estimate the level of the provision for this issue, we present the quantification and indicate subsequent claims as a source of uncertainty for Valuation 3.

- GetBack:
PLN 0 – 731 m
- Lartiq TFI:
PLN 0 – 127 m

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Summary of the Valuation 3 results

Valuation 3 – summary

Decision regarding resolution



- On December 31, 2020 due to the fulfillment of the conditions set out in the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution, the Bank Guarantee Fund has issued a decision regarding the resolution of the Idea Bank. The resolution against Idea Bank S.A. was initiated on the day of delivering the BGF decision to the Bank, i.e. on December 31, 2020.
- The decision resulted in:
 - write down of the Bank's capital instruments,
 - appointing of the Bank's administrator,
 - implementation of the sale of business tool.
- This Report describes the differences in the treatment of shareholders and creditors under resolution, compared to the bankruptcy scenario. PwC (as an independent valuer within the meaning of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution²) examined whether no creditor worse off³ principle has been complied with and whether the shareholders or creditors of the Bank shall be entitled to supplementary claim against the Fund⁴.
- The possible commencement of bankruptcy proceedings of the Bank could have a significant negative impact on the value of Bank's assets for the following reasons:
 - permanent cessation of activities,
 - lack of possibility of acquiring new clients,
 - costs during bankruptcy and costs related to bankruptcy proceedings.

¹ The conditions set out in art. 101 paragraph 7 of the BGF Act

² Art. 137 paragraph 2 of the BGF Act with reference to art. 241 paragraph 1 of the BGF Act.

³ Art. 34 and art. 73 of BRRD.

⁴ Art. 242 of the BGF Act.

The results of analysis

Valuation 3 was carried out in several scenarios, which are presented on page 18 of the Report. In the case of the upper range of Scenario 2, which represents the most optimistic variant of the Valuation 3, the value of potential losses of shareholders and creditors of the Bank is PLN 1,572.3 million. This is a level higher than PLN 558.2 million, i.e. the amount of losses incurred by the shareholders and creditors of Idea Bank as a result of resolution.

Based on the analyses performed, PwC concluded that none of the equity holders or bondholders affected by write down of capital instruments, would recover their funds through bankruptcy proceedings (bank liquidation). Moreover, we estimate that the amounts recovered for the remaining categories of creditors (including depositors) would be significantly lower in bankruptcy than under the resolution procedure.

None of the shareholders / creditors suffered greater losses than in the case of hypothetical bankruptcy proceedings. The NCWO principle has not been breached and the Fund is not obliged to pay a supplementary claim for losses incurred by shareholders and creditors.

Based on the analyses performed, in the event of bankruptcy only the Fund's claim would be partially satisfied, i.e. no other entity would recover its receivables.

As part of resolution the BGF did not use resources of the guarantee fund of banks to finance resolution. Therefore, the obligation to return the surplus by the BGF to the bank guarantee fund of banks referred to in Art. 272 paragraph 7 of the BGF Act, does not apply.

Valuation 3 – the application of a resolution tool

Decision regarding resolution



- According to the justification of the BGF decision, the initiation of the Bank's resolution was caused by fulfillment of the conditions set out in the Art. 101 paragraph 7 of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution:
 - the Bank was failing or likely to fail,
 - there were no indications that the feasible supervisory measures or private measures taken by the Bank will allow in due time to remove the threat of bankruptcy,
 - measures towards the Bank were required in view of the public interest.
- Resolutions of the BGF Management Board related to initiation of the Bank's resolution included:
 - decision on write down of Bank's capital instruments,
 - decision on the implementation of sale of business tool,
 - decision on appointment of the Bank's administrator.

Implemented resolution tool



The following actions were applied towards the Idea Bank:

- Acquisition of the organised part of the enterprise by the *Bank Polska Kasa Opieki Spółka Akcyjna*, including all property rights and liabilities, excluding i.a.:
 - Property rights and liabilities related to actual, legal or forbidden practices related to the offering and distribution of financial instruments issued by GetBack S.A. or related entities and claims arising from these property rights and liabilities, including those covered by civil and administrative proceedings, regardless of the date when they were raised;
 - Property rights and liabilities related to actual, legal or forbidden practices related to the investment certificates issued by investment funds, in particular by Lartiq (formerly Trigon) and claims arising from these property rights and liabilities, including those covered by civil and administrative proceedings, regardless of the date when they were raised;
 - Assets and liabilities (including provisions) related to intermediation in selling unit-linked products;
 - Cash in the amount of PLN 6 m, cash in the amount corresponding to the Entity's under resolution liabilities toward tax authorities and liabilities toward employees or due to social insurance, less receivables from tax authorities due to VAT;
 - Shares and stakes in the following companies: Idea Money S.A., Development System Sp. z o.o., Idea SPV sp. z o.o., Idea Getin Leasing S.A., Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A., Idea Box Alternatywna Spółka Inwestycyjna S.A.;
 - Corporate bonds issued by GetBack S.A.;
 - Liabilities for which, pursuant to art. 123 (second sentence) and art. 176 paragraph 3 of Act of BGF, the Entity under resolution is responsible;
 - Liabilities arising from the issuance of the O series shares by the Bank, including liabilities on account of the purchase price of Bank's shares and claims arising from these liabilities (involving civil or administrative proceedings), regardless of the time at which were incurred;
 - The Entity's under resolution liabilities resulting from administrative penalties imposed on the Bank.
- The payment for the acquired enterprise of the Entity under resolution was made by taking over the liabilities of the Entity under resolution by Pekao. Due to the fact that the value of the acquired liabilities of the Entity under resolution specified in Valuation 2 exceeded the value of the acquired property rights, the difference between the value of the acquired liabilities and the value of the acquired property rights of the Entity under resolution was covered by a subsidy granted by the Fund. The Acquiring Entity also received from the Fund a guarantee of total coverage of losses resulting from the risk related to the selected property rights / liabilities of the Entity under resolution, taken over by the Acquiring Entity.

Specific aspects of Valuation 3

Valuation 3 – purpose and function

- The purpose of the Valuation 3 is to determine whether an entity's shareholders and/or creditors would have received worse treatment if the entity had entered into normal insolvency proceeding rather than into resolution (if the court had issued a decision of the Bank's bankruptcy at the time when the resolution was initiated).
- Under BRRD, the main purpose of establishing resolution process defined by the BRRD is to ensure the bank's recovery as soon as possible without undermining financial stability. This should be done without negative consequences for the financial system and without the need to spend public funds on stabilizing failing banks. The described mechanism of the resolution should therefore be financed mainly with the funds of shareholders and creditors (bail-in instead of bail-out).
- The objectives of resolution are broader than those of insolvency proceeding (bank liquidation), which generally focus on the interests of creditors and the maximization of the value of the bankruptcy estate. Nevertheless, one of the principles of the resolution is the NCWO principle. The role of the Fund, as the resolution authority¹, is to ensure that no shareholder / creditor suffers greater losses under the resolution than in the case of insolvency process.
- In the case of applying one of the resolution tool (including sale of the organised part of the enterprise and selected liabilities), it should be determined whether the owners and creditors would have received better treatment if the entity had entered into normal insolvency proceedings (including liquidation of the bank) rather than into resolution². This assessment is carried out as part of Valuation 3.
- If the Valuation 3 indicated that any shareholder / creditor, who have been satisfied as a result of resolution to a degree lower than they would have been satisfied in the procedure of liquidation of the bank shall be entitled to supplementary claim against the Fund³.
- In order to assess the hypothetical treatment of shareholders and creditors in bankruptcy proceedings, the date of determining the Bank's Liquidation Value was December 31, 2020, i.e. the date of initiation of resolution.

¹ Art. 65 of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution.

² Art. 74 of BRRD 2014/59 and art. 241 of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution.

³ Art. 75 of BRRD 2014/59 and art. 242 of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution.

⁴ Art. 74 paragraph 3 of BRRD 2014/59

⁵ Art. 241 paragraph 2 of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution.

Valuation 3 – procedural aspects

The Valuation 3 shall determine:

- the treatment that shareholders and creditors, or the deposit guarantee schemes, would have received if the institution under resolution with respect to which the resolution action or actions have been effected had entered normal insolvency proceeding,
- the actual treatment that shareholders and creditors have received in the resolution,
- the difference between actual treatment and counterfactual treatment (the comparison is made on an entity-by-entity basis in the order in which claims in insolvency process are satisfied).

The Valuation 3 shall⁴:

- assume that the institution under resolution with respect to which the resolution action or actions have been effected, would have entered normal insolvency proceedings at the time when the decision was taken,
- assume that the resolution action or actions had not been effected,
- disregard any provision of extraordinary public financial support to the institution under resolution.
- assume that the granted state aid would be returned by the repayment or in another form and any new state aid will not be granted⁵.

Valuation summary (insolvency proceeding)

Summary of the valuation of assets (including liquidation costs and contingent liabilities)¹



[PLN m]	Financial data presented by the Bank as at December 31, 2020	Scenario 1			Scenario 2		
		Worst case	Best point estimate	Best case	Worst case	Best point estimate	Best case
Cash and balances with Central Bank ²	1,090.3	637.5	637.5	637.5	672.1	672.1	672.1
Receivables from banks	198.7	82.0	82.0	82.0	82.0	82.0	82.0
Derivative financial instruments	9.0	9.9	9.9	9.9	9.9	9.9	9.9
Loans and advances to clients	11,869.6	9,830.3	10,104.7	10,654.2	10,254.3	10,527.7	11,097.1
Financial assets	512.5	537.6	545.7	553.3	540.1	548.2	562.1
Shares in subsidiaries	4.9	-	-	230.3	-	-	230.3
Intangible assets	144.2	5.4	5.4	5.4	6.7	6.7	6.7
Fixed assets held for sale	0.5	0.5	0.7	0.9	0.6	0.8	1.1
Tangible fixed assets	33.2	12.2	13.8	15.3	15.3	17.2	19.1
Income tax assets	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Other assets	136.5	96.5	98.2	101.3	120.2	122.3	126.1
Total assets	14,001.3	11,213.8	11,499.8	12,292.0	11,702.9	11,988.8	12,808.4
Financial liabilities - amounts due to other banks and financial institutions	118.8	118.8	118.8	118.8	118.8	118.8	118.8
Derivative financial instruments	155.2	42.6	42.6	42.6	42.6	42.6	42.6
Financial liabilities measured at fair value through profit or loss	550.3	580.5	580.5	580.5	580.5	580.5	580.5
Financial liabilities - amounts due to clients	12,982.0	12,982.0	12,982.0	12,982.0	12,982.0	12,982.0	12,982.0
Debt securities in issue ³	-	56.2	56.2	56.2	56.2	56.2	56.2
Other liabilities ⁴	387.4	123.6	123.6	123.6	123.6	123.6	123.6
Provisions	329.9	320.2	320.2	320.2	320.2	320.2	320.2
Total liabilities	14,523.5	14,223.8	14,223.8	14,223.8	14,223.8	14,223.8	14,223.8
Net assets	(522.2)	(3,010.0)	(2,724.0)	(1,931.8)	(2,520.9)	(2,235.0)	(1,415.5)

¹ Due to rounding effect total values presented in the table and the sum of individual items may not be equal.

² The estimated value of *Cash and balances with Central Bank* includes an adjustment for the costs to be incurred in the insolvency proceeding (PLN 201 m in Scenario 1, PLN 167 m in Scenario 2) and for liabilities due to Elixir transfers (PLN 261 m) which would have been realized after bankruptcy.

³ On the basis of the BGF's decision to initiate the resolution, all subordinated bonds were redeemed. Due to the nature of the Valuation 3

(a hypothetical situation not taking into account the effects of resolution), the value of the bonds is presented at the level resulting from the nominal value of the bonds and accrued interest (PLN 56.2 m).

⁴ *Other liabilities* includes the adjustment for Elixir transfers (PLN 261 m), which would have been executed even after bankruptcy and would reduce the Bank's cash. The remaining amount, i.e. PLN 3.1 m, includes the adjustment of accounting liabilities which would not require an outflow of cash.

Comments



For the purpose of the Valuation 3, two main scenarios were adopted:

1. Scenario 1 - is the base scenario in which the adopted assumptions are more conservative, i.e. longer duration of liquidation (6 years) and longer recovery time for individual asset classes. Scenario 1 more closely reflects the observed data on historical insolvency proceedings.
2. Scenario 2 - is more optimistic and assumes more favourable conditions in terms of the duration of liquidation (3 years) and recovery of funds from individual assets.

The assumptions regarding the discount rates and the recovery time are presented in the further part of this Report on pages 41 and 42.

Valuation 1, 2 and 3 - comparison

Valuation 1, 2 and 3 - comparison¹



	Previous Valuations		Valuation 3 ²	
	Valuation 1 31.08.2020	Valuation 2 31.08.2020 ³	Adjusted value (Scenario 1) as at 31.12.2020	Adjusted value (Scenario 2) as at 31.12.2020
[PLN m]				
Cash and balances with Central Bank	874.9	749.6	637.5	672.1
Receivables from banks	312.6	298.1	82.0	82.0
Derivative financial instruments	17.3	17.3	9.9	9.9
Loans and advances to clients	12,286.5	12,249.8	10,104.7	10,527.7
Financial assets	877.2	886.7	545.7	548.2
Shares in subsidiaries	4.9	276.2	-	-
Intangible assets	137.2	44.9	5.4	6.7
Fixed assets held for sale	0.9	0.9	0.7	0.8
Tangible fixed assets	32.1	20.8	13.8	17.2
Income tax assets	1.9	1.9	1.9	1.9
Other assets	148.8	169.6	98.2	122.3
Total assets	14,694.2	14,715.9	11,499.8	11,988.8
Financial liabilities - amounts due to other banks and financial institutions	21.6	21.6	118.8	118.8
Derivative financial instruments	63.0	63.1	42.6	42.6
Financial liabilities measured at fair value through profit or loss	664.2	721.0	580.5	580.5
Financial liabilities - amounts due to clients	13,759.2	13,832.8	12,982.0	12,982.0
Debt securities in issue	181.1	59.3	56.2	56.2
Other liabilities	142.3	140.6	123.6	123.6
Provisions	345.6	341.7	320.2	320.2
Provisions for costs of resolution	-	6.0	-	-
Total liabilities	15,177.0	15,186.1	14,223.8	14,223.8
Net assets	(482.8)	(470.2)	(2,724.0)	(2,235.0)

¹ Due to rounding effect total values presented in the table and the sum of individual items may not be equal.

² The adjusted values in Valuation 3 refer to the best point estimate of both scenarios.

³ This column presents the Disposal Value from Valuation 2, which was the basis for the analysis of the acquisition offer.

PwC

Comments



The key differences between the liquidation valuation carried out under Valuation 3, Valuation 2 (assuming the sale of business tool) and Valuation 1, result primarily from the going concern assumption in the case of Valuation 1 and 2 and the assumption of the Bank's liquidation in the case of Valuation 3. Valuation 3 assumes discontinuance of an operation and assets sale, which is associated with a higher discount level resulting from forced sales and the use of the discount rates appropriate for entities in insolvency proceedings.

Apart from differences resulting from the specific nature of valuations, there also differences in reported data, resulting from changes in the composition of balance sheet items between valuations dates. Mentioned discrepancies concern i.a.:

- Depreciation of a part of the loan portfolio, which resulted in a decrease in the net book value of the portfolio by approximately PLN 300 m.
- Decrease in the value of liquid assets *Cash and balances with Central Bank, Receivables from banks* and treasury bonds (presented in *financial assets*) by approximately PLN 250 m.

Liquidation Valuation in Valuation 2 and Valuation 3 – comparison

Liquidation Valuation in Valuation 2 and Valuation 3 – comparison¹



[PLN m]	Valuation 2 31.08.2020	Valuation 3 31.12.2020 ²
Cash and balances with Central Bank	749.6	838.8 ³
Receivables from banks	298.1	82.0
Derivative financial instruments	17.3	9.9
Loans and advances to clients	10,543.5	10,104.7
Financial assets	886.7	545.7
Shares in subsidiaries	-	-
Intangible assets	7.7	5.4
Fixed assets held for sale	0.9	0.7
Tangible fixed assets	16.4	13.8
Income tax assets	1.9	1.9
Other assets	163.1	98.2
Total assets	12,685.2	11,701.0³
Provision for costs in the bankruptcy period	202.4	201.2
The bankruptcy estate	12,482.8	11,499.8
Ratio of the estimated value of the bankruptcy estate to the book value of assets	83%	82%

¹ Due to rounding effect total values presented in the table and the sum of individual items may not be equal.

² The adjusted values in Valuation 3 refer to the best point estimate of Scenario 1

³ Please note that for the purposes of presentation and comparability, the table presents a provision for costs in the bankruptcy period in a separate item. On the remaining pages of this Report, the provision for costs in the bankruptcy period adjusts directly the value of the *Cash and balances with Central Bank* and is not presented as a separate item on the liabilities side.

Comments



Explanation of significant differences in the liquidation valuation of assets between Valuation 2 and Valuation 3 (Scenario 1 - best point estimate)

Cash and balances with Central Bank – in Valuation 2, they were adjusted for the repayment of subordinated bonds between August 31, 2020 and the date of the Valuation 2 report. The carrying amount as at December 31, 2020 already included this repayment. In Valuation 3 the value of *Cash and balances with Central Bank* was adjusted for liabilities due to Elixir transfers (PLN 260.9 m), which would have been realized even after bankruptcy (the liability was also adjusted accordingly).

Receivables from banks – apart from the decrease in carrying amount between August 31, 2020 and December 31, 2020, in Valuation 3 value of receivables from banks was adjusted by the value of cash (PLN 113.7 m), which is a collateral of open positions in derivative instruments (in the amount of PLN -156.3 m) reflecting the compensation for the negative valuation of liabilities of derivative instrument (collateral is held in Natixis Bank, Intesa Sanpaolo SPA, Banca IMI Milano). In the event of bankruptcy, the deposit margins would cover the relevant part of the Bank's liability and would not be included in the bankruptcy estate fund. Therefore, the same adjustment was applied to the value of liability presented in *Derivative financial instruments position* (by the amount of margin deposit). In Valuation 2, these items (liability and deposit margin) were significantly lower and were presented separately in the assets and liabilities.

Loans granted to clients – the ratio of the estimated Liquidation Value in Valuation 2 to the net carrying amount was 86%, while the ratio in Valuation 3 is 85%. The decrease in the estimated value is therefore mainly due to the amortization of the part of the portfolio between the valuation dates. Other issues affecting the change in the value:

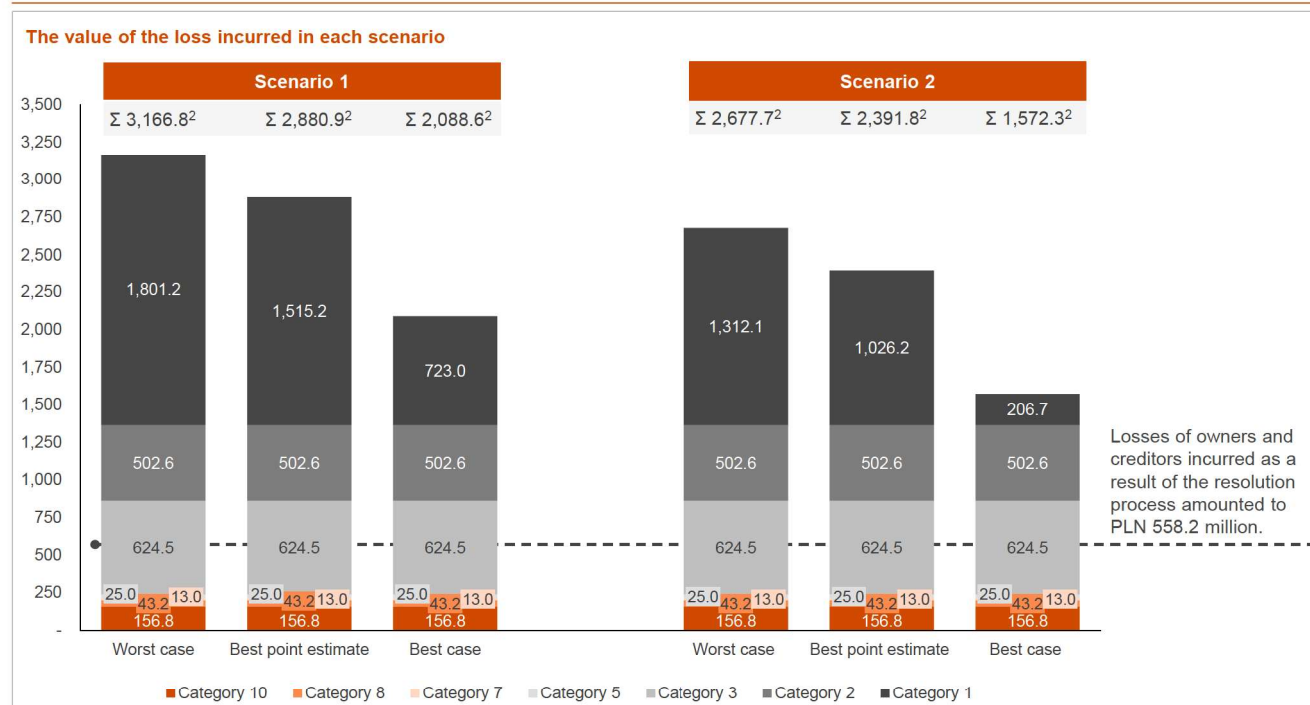
- A decrease in the estimated recoverable amount of [REDACTED] assets, and, consequently, a decrease in the value of receivables purchased from [REDACTED]
- The value of the non-performing portfolio includes sales transactions made by the Bank at the end of 2020;
- Improving consistency of the approach to the estimation of the cost of risk for the purchased performing leasing receivables in [REDACTED] valuation.

Financial assets – the main difference affecting the value is the decrease in the number of treasury bonds held by the Bank and thus their values (a decrease from approximately PLN 742 m to approximately PLN 379 m) between August 31, 2020 and December 31, 2020.

Other assets – the main difference between Valuation 2 and 3 is the assumption that the bankruptcy estate will be sold 4 years after the Valuation Date and the use of the discount rate appropriate for entity in insolvency proceeding (Valuation 2 assumes a distribution of the bankruptcy estate's funds at the valuation date).

The level of losses of creditors and owners of equity instruments in the Bank's liquidation scenarios

Summary [PLN m]¹



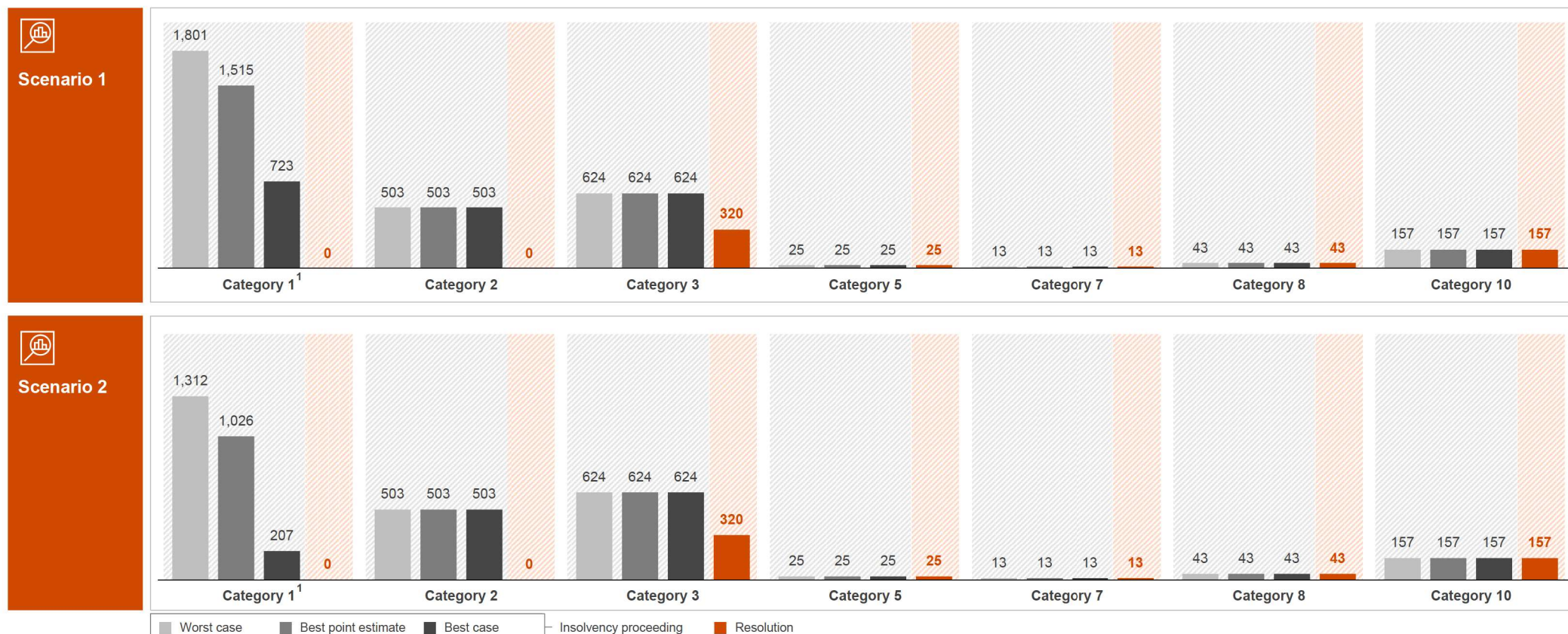
Comments

- The valuation presented in the Report was carried out in two scenarios, and for some assets, each scenario was divided into 3 valuation variants. The assumptions regarding valued balance sheet items in each scenario are described in detail in further part of the Report (on pages 41 and 42).
- As the consequence of the resolution, capital instruments (including subordinated bonds) were wrote down, and the part of provisions for Bank's liabilities were left in the Entity under resolution in order to absorb losses. The total amount of owners and creditors' losses amounted to PLN 558.2 m.
- In none of the scenarios the level of losses of creditors and shareholders incurred as a result of resolution exceeded the level of losses realized under the hypothetical insolvency proceeding. The NCWO rule was not breached.**
- The lowest loss occurs in the best case variant in Scenario 2 and is equal to PLN 1,572.3 million.
- In the worst case in Scenario 1 (the highest level of losses), losses of shareholders and creditors would amount to PLN 3,116.8 m.
- In the event of a hypothetical insolvency proceeding of Idea Bank, the payment of cash referred to in art. 35 paragraph 2 of Act of BGF would amount to PLN 13,009.8 m (Guaranteed funds) in each of the scenarios considered.

¹ Due to rounding effect total values presented in the chart and the sum of individual items may not be equal. For presentation purposes, the above chart does not include category 9 and 6 (zero balances) and category 4 (low loss value i.e. PLN 0.6 m). Priority of claims presented in the chart is consistent with the art. 440 paragraph 2 of the Bankruptcy Law.

² Presented sum reflects losses of creditors and shareholders in categories 1-10 (including a loss of creditors in category 4 of PLN 0.6 m), while the loss in category 1 indicates a shortage of bankruptcy estate to cover the BGF claim resulting from the payment of Guaranteed funds from the Guarantee Fund and part of the liabilities due to employment relationship and social insurance included in category 1. In order to reconcile this value with the net assets in each scenario (balance sheet on page 16), the value of loss in category 10 (PLN 156.8 m) should be subtracted.

The level of losses of creditors and shareholders the Bank's liquidation scenarios and in the resolution



¹ The loss presented in category 1 indicates a shortage of the bankruptcy estate to cover the BGF claim resulting from the necessity to pay the Guaranteed funds from the Guarantee Fund and part of the liabilities deriving from the employment relationship and social insurance included in category 1.

Assessment of compliance with the NCWO principle

NCWO										
Resolution scenario [PLN k] ¹							Bankruptcy scenario ²		NCWO test	
Category - Law No. of bankruptcy	Description	A	B	C	D= (B+C) / A		Creditors' loss ³	Repayment of creditors from the bankruptcy estate		
		Balance	Write down	Left in Entity under Resolution	Write down rate for a given category	Comments				
1	Category 10	Capital instruments - CET 1	156,804	156,804	-	100%	Write down of share capital and conversion to reserve capital not payable to shareholders	156,804	-	☑
2	Category 9	Capital instruments - AT 1 - in the part classified as Tier 1 capital and - in the part not classified as Tier 1 (amortized) according to art. 72(1) point 2 of Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution	-	-	-	n.a.	n.a.	-	-	☑
3	Category 8	Subordinated debt - Tier 2	43,211	43,211	-	100%	Write down of subordinated bonds	43,211	-	☑
4	Category 7	Subordinated debt, not included in the Bank's own funds	12,968	12,968	-	100%	Write down of subordinated bonds	12,968	-	☑
5	Category 6	Issued debt instruments (with a nominal value of at least PLN 400 k)	-	-	-	n.a.	n.a.	-	-	☑
6	Category 5	Liabilities towards shareholders due to shareholder loans or other legal actions with similar effects	25,000 ⁴	-	25,000	100%	The liabilities were left in the Entity under resolution in order to cover the losses, in line with the submitted offer	25,000	-	☑
7	Category 4	Interest on liabilities in categories 2 and 3	610	-	-	0%	n.a.	610	-	☑
8	Category 3	a) Provisions for disputes, tax issues and penalties	320,249	-	320,249 ⁵	100%	The provisions were left in the Entity under resolution in order to cover the losses, in line with the submitted offer	320,249	-	☑
		b) Other liabilities, provisions and deposits from entities other than those presented in categories 1 and 2	304,222	-	- ⁶	0%	n.a.	304,222	-	☑
9	Category 2	Receivables of natural persons, micro, small and medium-sized enterprises in respect of the funds covered by guarantee protection other than the Guaranteed funds	502,556	-	-	0%	n.a.	502,556	-	☑
10	Category 1	Receivables of natural persons, companies (the Guaranteed funds) ⁷	13,015,024	-	- ⁸	0%	n.a.	1,515,236 ⁹	11,499,787	☑
Total required write down and items left (Categories 2-9) ¹⁰			401,428							

¹ Due to rounding effect total values presented in the table and the sum of individual items may not be equal.

² In order to verify the compliance with the NCWO principle in the resolution process, we compare the values with Scenario 1 (best point estimate).

³ Comparing the values in this column with the sum of column marked as B and C allows to assess the fulfilment of the NCWO principle.

⁴ In accordance with the Bank's current report of December 15, 2020, Idea Bank offered Getin Holding to purchase 12.5 m shares at the issue price of PLN 2 per share in a private subscription (the total value of offered shares amounted to PLN 25 m). The offer could be accepted by Getin Holding by December 20, 2020 (according to the current report of December 18, 2020 the offer was accepted).

⁵ The value of provisions is presented in accordance with the estimated value as at the Valuation Date and therefore differs from the amount left in the Entity under resolution and presented in its balance sheet.

PwC

⁶ The part of liabilities in this category is not left to cover the loss.

⁷ This item includes provisions deriving from the employment relationship and social insurance included in category 1 according to the Bankruptcy Law (PLN 5.3 m).

⁸ Part of the liabilities that cannot be taken over according to the law and for which the Entity under resolution is responsible (towards employees or due to social insurance) remained in the Entity under resolution, however, these liabilities are not left to cover losses.

⁹ The shortfall of bankruptcy estate to cover the BGF claim results from the necessity of disbursement of the Guaranteed funds from the guarantee fund.

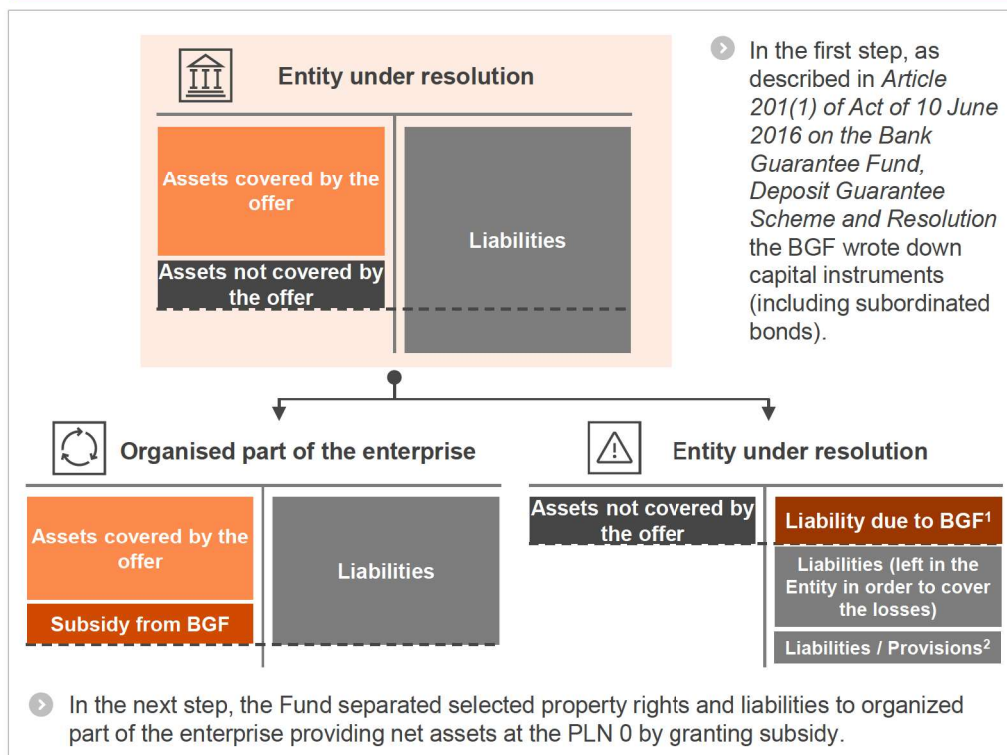
¹⁰ Write down of share capital (category 10) does not affect net assets value.

3

Sale of business – adopted scenario

Defined property rights and liabilities of the Entity under resolution were separated and transferred to organized part of the enterprise, to be acquired by the Investor

Spin-off of an organised part of the enterprise



¹ Liability due to BGF, including subsidy granted by BGF to cover the difference between acquired assets and liabilities.

² Part of the liabilities that cannot be taken over according to the law and for which the Entity under resolution is responsible (towards employees or due to social insurance) remained in the Entity under resolution, however, these liabilities are not left to cover losses. Other obligations, not included in the offer, were also left.

Acquisition of the organised part of the enterprise

