

Change of the Bank's rating by Moody's following ratings change of majority shareholder

**Report 62/2012 dated June 19, 2012**

The Management Board of Bank Gospodarki Żywnościowej S.A. ("Bank") announces that Moody's Investors Service ("agency", "Moody's") downgraded on June 18, 2012 its long-term deposit rating of the Bank to Baa2 from Baa1, with stable outlook.

The standalone bank financial strength rating (BFSR) of BGZ at D was not affected and the outlook remains stable. The short-term rating was confirmed at Prime-2.

This rating action concludes Moody's review of BGŻ initiated on February 21, 2012.

In its comments on the downgrade of BGZ's long-term rating Moody's stated that the downgrade was prompted by the downgrade on 15 June 2012 of Bank's majority shareholder – Rabobank. At the same time, Moody's underlines a very high likelihood of parental support from Rabobank as long-term strategic shareholder in BGZ and was reflected in providing foreign-currency funding, and capital resources to BGZ and its long-term interest in the Polish agribusiness sector.

The agency views on parental support probability are reinforced by Rabobank's tender offer to wholly acquire its Polish subsidiary announced in April 2012. However, Moody's notes that Rabobank's plan to acquire 100% ownership would require a divestiture of the Polish government's 25% stake in BGZ, thus reducing the incentives of the Polish authorities to provide additional support in case of need. Accordingly, the current three notches of uplift in BGZ's long-term rating of Baa2 - which remains one of the highest of other Western European bank subsidiaries in the region - is driven solely by parental support assumptions.

The stable outlook on BGZ's long-term rating is driven by the stable outlook on Rabobank's standalone rating.

Legal basis:

§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.