

## **EuroRating withdraws unsolicited public credit ratings for WIG20 Warsaw Stock Exchange index companies and for a group of largest banks in Poland**

### **RATING ACTION**

**Warsaw, June 25, 2024 – The EuroRating credit rating agency terminates the credit risk assessments of companies included in the WIG20 Warsaw Stock Exchange index and of a group of the largest banks in Poland. As of June 25, 2024, the unsolicited public credit ratings assigned to these entities are being withdrawn (as listed below).**

### **RATIONALE**

Due to the constantly increasing regulatory requirements and related rising costs in recent years, disproportionate to the scale of operations of small credit rating agencies, and the simultaneous lack of demand for public credit ratings on the Polish capital market, EuroRating submitted a request to ESMA to withdraw the company's registration as a credit rating agency authorized to issue public credit ratings in the EU.

On June 18, 2024, EuroRating received ESMA's decision to withdraw the company's registration in the EU. This decision entered into force on the day of its receipt by the company.

Pursuant to Article 24 point 4 of the EP Regulation No. 1060/2009, public credit ratings previously assigned by EuroRating may continue to be used for regulatory purposes after ESMA issues a decision to withdraw the agency's registration in the EU for the period of:

- ten working days from the date of publication of ESMA's decision, if there are credit ratings of the same financial instrument or entity issued by other credit rating agencies registered in the EU; or
- three months from the date of publication of ESMA's decision, if there are no credit ratings of the same financial instrument or entity issued by other credit rating agencies registered in the EU.

After the company's resignation from the formal registration in the EU, EuroRating continues to operate as a credit rating agency, but it focuses on issuing private credit ratings (one-off and monitored), which are not subject to the regime of the Regulation No. 1060/2009 and do not require registration in the EU.

**List of withdrawn unsolicited public ratings:**

<b>COMPANIES</b>		
<b>Name of the rated company</b>	<b>Credit rating</b>	<b>Rating outlook</b>
Allegro.eu SA	BB+ ip	stable
CD Projekt S.A.	BBB- ip	stable
Cyfrowy Polsat S.A.	BB ip	stable
Dino Polska S.A.	BBB- ip	stable
Grupa Kety S.A.	BBB- ip	stable
Jastrzebska Spolka Weglowa S.A.	B+ ip	stable
KGHM Polska Miedz S.A.	BBB- ip	stable
Kruk S.A.	BB ip	stable
LPP S.A.	BBB- ip	stable
Orange Polska S.A.	BBB- ip	stable
Pepco Group N.V.	BB ip	stable
PGE S.A.	BBB+ ip	stable
Orlen S.A.	BBB+ ip	stable

<b>BANKS</b>		
<b>Name of the rated bank</b>	<b>Credit rating</b>	<b>Rating outlook</b>
Alior Bank S.A.	BB+ ip	stable
Bank Gospodarstwa Krajowego	A- ip	stable
Bank Handlowy S.A.	A- ip	stable
Bank Millennium S.A.	BB- ip	stable
Bank Ochrony Srodowiska S.A.	BB ip	stable
Bank Pekao S.A.	A- ip	stable
Bank Pocztowy S.A.	BB ip	positive
BNP Paribas Bank Polska S.A.	BBB ip	stable
ING Bank Slaski S.A.	BBB ip	stable
mBank S.A.	BBB- ip	stable
PKO Bank Polski S.A.	A- ip	stable
Santander Bank Polska S.A.	A- ip	stable
Santander Consumer Bank S.A.	A- ip	stable

## REGULATORY DISCLOSURES

### Information on the EuroRating credit rating agency

EuroRating is a fully independent international credit rating agency operating since 2007, specializing in assessing the credit risk of companies and financial institutions. EuroRating offers private credit ratings to companies and investors worldwide.

In the years 2014-2024 EuroRating Sp. z o.o. was formally registered by the European Securities and Markets Authority (ESMA) as a credit rating agency authorized to issue public credit ratings throughout the European Union (in accordance with the Regulation of the European Parliament and of the Council No. 1060/2009 on credit rating agencies) and was under supervision of ESMA.

### Methodology

The presented credit ratings were issuer ratings, i.e. a general assessment of the creditworthiness of the assessed entity and concerns the credit risk of its senior, unsecured and unsubordinated financial obligations.

The presented credit ratings have been assigned in accordance with the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council on credit rating agencies.

The methodology used in these rating was "Credit rating methodology for corporations" and "Credit rating methodology for banks", published in June 2023 and available at: <https://www.eurorating.com/en/ratings/methodology/credit-risk-assessment-methodology>

The rating scale of the EuroRating credit rating agency as well as detailed rating definitions are published at: <https://www.eurorating.com/en/ratings/rating-scale>

Historical default statistics for entities assessed by EuroRating are published in the report on rating statistics, available at: <https://www.eurorating.com/en/ratings/statistics>

EuroRating's definition of default as well as definitions of rating notations can be found in the agency's website at: <https://www.eurorating.com/en/ratings/methodology/definition-of-default>

Credit ratings assigned by the EuroRating credit rating agency are not solely estimates of the probability of default of a rated entity, but represent a total estimated assessment of a risk of loss (i.e. the ultimate loss of part or all of the receivables along with any interest) by the creditors of the rated entity in the event of its default. Ratings assigned by EuroRating therefore express a combination of the estimated probability of default of the rated entity and the estimated level of loss of receivables by its creditors in the event of an actual default (Loss Given Default).

### Publiczny charakter nadanych ratingów / warunki korzystania

The EuroRating credit rating agency have been assigning unsolicited public credit ratings to companies included in the WIG20 Warsaw Stock Exchange index and to the group of the largest banks in Poland on the agency's own initiative. EuroRating did not receive any remuneration for assessing the credit risk of these entities. The dates of first publication of individual ratings and the full history of ratings are still published on the website of the EuroRating rating agency in the "Credit ratings" section.

The terms of use for credit ratings issued by EuroRating are published on the agency's website at: <https://www.eurorating.com/en/ratings/about-credit-ratings/terms-of-use>

**Solicitation status and main sources of information**

Credit ratings for companies included in the WIG20 Warsaw Stock Exchange index and for the group of the largest banks in Poland were unsolicited ratings. The rated entities did not participate in the rating process, the agency had no access to internal documents or the management of the rated entities, and the analytical process was based on publicly available information. The main sources of information used in the rating process were annual and quarterly financial reports and presentations and announcements of the rated entities, as well as media publications about the economy, individual industries and the rated entities themselves. Information about the rating withdrawal was presented to the rated entity in advance.

**Disclaimer**

EuroRating considered the scope and quality of available information on the rated entities as sufficient to issue a reliable credit rating. EuroRating takes all necessary measures to ensure that obtained information used in the rating process is of proper quality and is derived from sources deemed by the agency as reliable. Nevertheless, EuroRating does not have a possibility to audit, verify or to confirm in each case the correctness and authenticity of obtained information used in the rating process and/or presented in this report.

Credit ratings assigned by the EuroRating credit rating agency constitute only the agency's own opinion on the financial and economic condition and the credit risk of the entities subject to the rating and cannot be treated in any other way. EuroRating does not provide investment advice, and the credit ratings assigned by EuroRating do not constitute a recommendation to buy, sell or hold any securities and other financial instruments, and do not constitute a recommendation to establish, maintain or discontinue other forms of business cooperation with the rated entities. Ratings and rating reports cannot replace prospectuses or other formal documents required for any securities issues by rated entities or other third parties.

Persons and/or legal entities making decisions based on credit ratings assigned by EuroRating do so solely at their own risk. The EuroRating credit rating agency does not participate in the profits and is not liable for any losses of users or third parties that may result from the use of the credit ratings assigned by the agency.

EuroRating issues credit ratings and related reports and rating opinions with the understanding and expectation that their users also make their own independent assessment of the quality and adequacy of each financial instrument and/or security for their own investment, business or transaction purposes.

EuroRating's credit ratings refer only to credit risk; they do not concern any other risk, such as market risk, legal risk or trade liquidity risk.

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