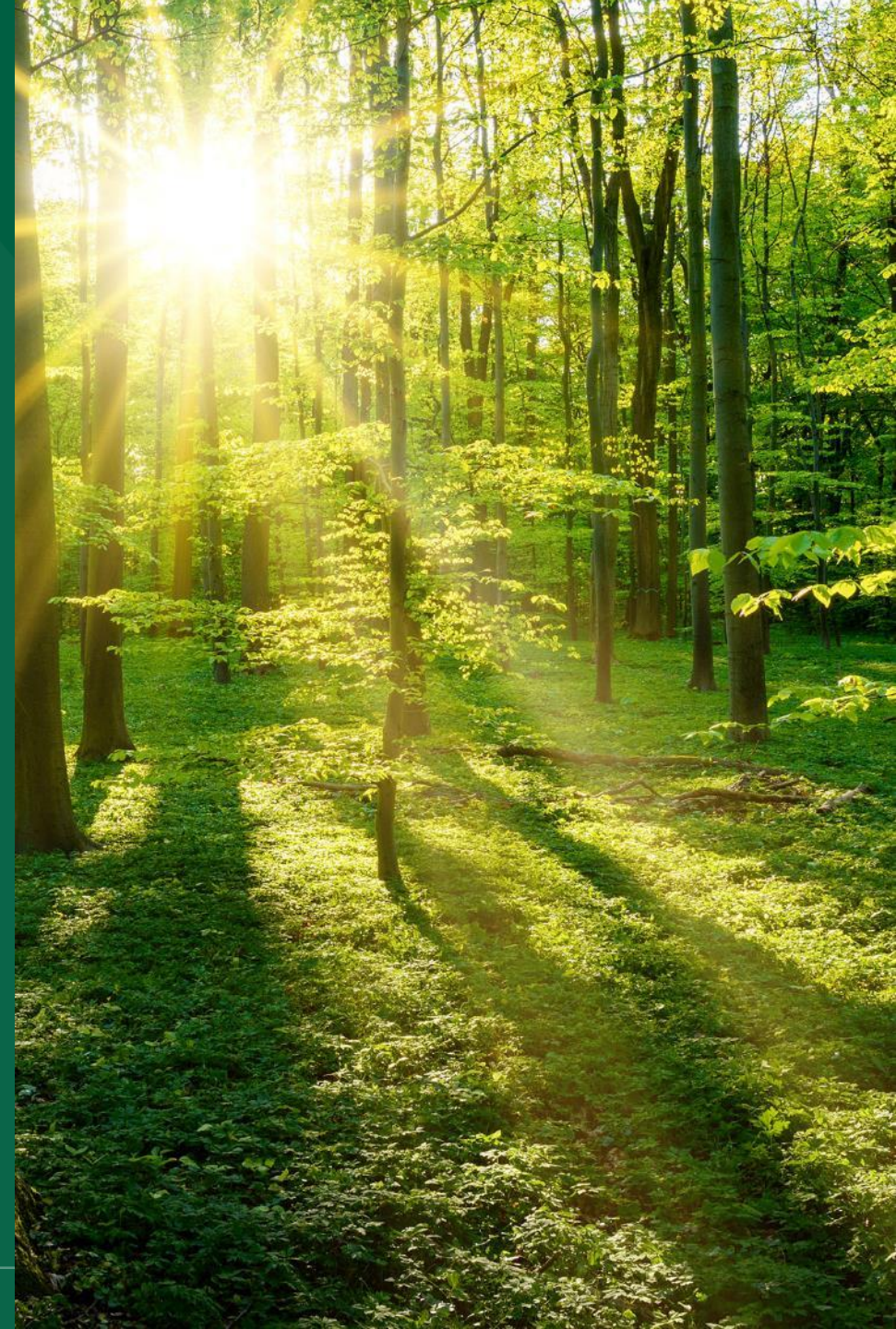




# Financial results and operations of the Bank Ochrony Środowiska Group in H1 2024

14 August 2024



# Agenda

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# I. Financial highlights

# H1 2024 financial highlights of the BOŚ Group

Net profit

**PLN 50.2 million**

Net interest  
income

**PLN 402.4  
million**

Net fee and  
commission  
income

**PLN 63.7 million**

Key information

Effect of legal  
risk

**PLN -107.5  
million**

'Loan repayment  
holidays'

**PLN -6.7 million**

Write-offs and  
provisions relating  
to projects

**PLN -19.6 million**

**Net profit came in at PLN 50.2 million**, relative to PLN 55.8 million in H1 2023. The H1 2024 net profit was negatively affected by legal-risk charges related to mortgage loans denominated in foreign currencies of **PLN 107.5 million**, compared with PLN 161.8 million in H1 2023.

Additionally, the decrease in net profit was attributable to the following one-offs:

- Provisions for 'loan repayment holidays' of **PLN 6.7 million**;
- Write-offs and provisions recognised with respect to projects to develop credit process support systems, totalling **PLN 19.6 million**.



## II. Key developments in H1 2024

# Key business developments in H1 2024

In January, Bank Ochrony Środowiska launched a new version of its environmental education platform for businesses. **The EcoBusiness Stop is an online portal** through which the Bank's experts share their knowledge and experiences, assisting small and medium-sized enterprises in choosing optimal, environmentally-friendly business solutions.

**BOŚ entered into a cooperation agreement to run joint research** and educational projects with the Faculty of Agriculture and Ecology of the Warsaw University of Life Sciences. **Aligned with the Bank's sustainability efforts**, the partnership between science and business opens up new opportunities to develop green finance products.

In February, **BOŚ signed a cooperation agreement with BGK for the provision of loans financed under the European Funds Scheme for the Lublin Province 2021-2027.** Entities eligible to apply for preferential EU loans for the construction and extension of renewable energy sources (RES) include local governments, schools, hospitals and municipal companies from the Lublin Province. They can apply for loans of up to PLN 10 million. Also available are grants to finance energy storage systems.

**Total funds available for lease subsidies under the My EV programme increased to PLN 600 million** after the National Fund for Environmental Protection and Water Management (NFOŚiGW) granted BOŚ's request to increase the subsidies budget by an additional PLN 100 million.

Nearly **PLN 90 million for green energy projects is the value of the agreement signed in March between Energetyka Ciepła Opolszczyzny and Bank Ochrony Środowiska.** As a result, new gas-fired cogeneration systems will be constructed in Opole and Tarnobrzeg.



# Industry events attended in H1 2024

BOŚ promoted the **'Financing of energy efficiency improvement projects under the ELENA Initiative'** at the **14th National Congress of Property Managers**, dedicated to property managers and housing community boards across Poland.

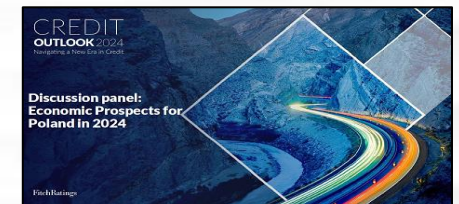
**BOŚ participated in the 'Credit Outlook Warsaw 2024' conference** organised by Fitch, exploring the macroeconomic and regulatory outlooks and conditions relevant to the banking sector in Poland and CEE.

**BOŚ participated in the 27th Banking Forum & 23rd Insurance Forum**, contributing to the 'Unresolved issues in the Polish banking sector' panel, an opportunity to exchange experiences and insights into the future of the financial market in Poland.

During the **Compliance & AML conference held in April**, BOŚ joined the discussion on the **latest AML/CFT trends and challenges**. It revolved around challenges faced by banks in implementing the AML/CFT regulatory package.

In April, **BOŚ environmental experts took part in the Carbon Capture Poland Congress**, where they spoke about financing carbon capture, storage and removal projects, and in the GREENPOWER Trade Fair in Poznań, promoting energy self-reliance in business.

At the same time, the **5th TOGETAIR International Climate Summit was held**, where **Bartosz Kublik took part in the 'Fit for 55 – the future of Polish economy and global markets. Carbon reduction and climate neutrality' discussion**, while **Krzysztof Łabowski presented BOŚ products** at the 'Financing sustainable development: the role of EU funds, public funds and the financial sector' panel.



# Industry events attended in H1 2024

**BOŚ voice at the European Economic Congress in Katowice.** Marek Szczepański presented the Bank's products at the 'Green Finance' panel. A week later, he elaborated on alternative financing options for green transition projects at the **Local Trends event in Sopot.**

**TECHNOLOGY HUB – BUSINESS & NETWORKING.** The main theme of the 5th edition of the event focused on the latest information technologies and their environmental impacts. Monika Ciał, an environmental engineer, talked about how to optimally combine business efficiency with environmental sustainability.

**Bartosz Kublik**, the executive in charge of the BOŚ Management Board, joined the discussion on cybersecurity **during the Cooperative Banking Technology Forum** organised by the Polish Bank Association.

14 female participants represented **BOŚ at the Perspektywy Women in Tech Summit 2024 Conference.** The event was an opportunity to discuss women's potential in the era of new technologies.

**At the 2nd Congress of Energy Communities, BOŚ** addressed the prospects and opportunities for renewable energy development. Tomasz Kaczorowski covered the topic of support for renewable energy projects.

**BOŚ at the European Financial Congress in Sopot. Bartosz Kublik discussed** the current condition of the banking sector with representatives of several major banks: **Polish Bank Association, ING, Santander, PKO BP, and mBank.** The event was an excellent networking opportunity for newly appointed Management Board members.

**Bank Ochrony Środowiska was represented in Brussels** at FI Campus 2024: 'Carrying the torch for financial instruments'. Marek Szczepański took part in the 'Green investment - EU Taxonomy and ERDF financial instruments' session.





# Awards and recognitions for BOŚ in H1 2024

**In Q1, BOŚ was awarded with a number of accolades:** Second place in the 16th edition of the competition for the best macroeconomic analyst (won jointly by Łukasz Tarnawa and Aleksandra Świątkowska), BOŚ recognised by BGK as the leader in Biznesmax guarantees for green projects.

**ISO 27001 certification received by the Bank for its Information Security Management System.** It officially confirms that information processed by BOŚ is protected and managed in conformity with international standards.

The Polish Human Resources Management Association (PSZK) **awarded the Bank with the HR Quality Certificate for 2024.** It reaffirms that BOŚ is a reputable, reliable, and trustworthy employer that applies the latest solutions in human capital management

For the second consecutive year, Top Employers Institute, the international research authority, has **awarded Bank Ochrony Środowiska with the title of Top Employer 2024.**

**In April, five BOŚ practices were highlighted in a FOB report.** The Responsible Business Forum (FOB) has released its 22nd report titled 'Responsible Business in Poland. Good Practices', providing Poland's most comprehensive overview of sustainability projects.

**BOŚ again won the Social Responsibility Leaders programme** in three categories: Good Employer 2024, ECO Company 2024 and Good Company 2024, confirming the Bank's reputation as a robust institution that is attentive to the needs of local communities and its employees.



# BOŚ in rankings and competitions in H1 2024

**Golden Banker – BOŚ topping the ranking in social media category** The selection of BOŚ as the **3rd best bank** in Poland’s largest survey of the banking sector, organised by *Bankier.pl* and *Puls Biznesu*, came as one of the biggest surprises of this year’s ranking.

Out of the 150 entries, BOŚ came **17th in the ‘Responsible Management ESG Ranking’**, improving its last year’s score and moving up by 3 positions. Notably, for the first time BOŚ became a Leader of the ‘G’ Area, standing for Governance.

## BOŚ’s improvement in rankings

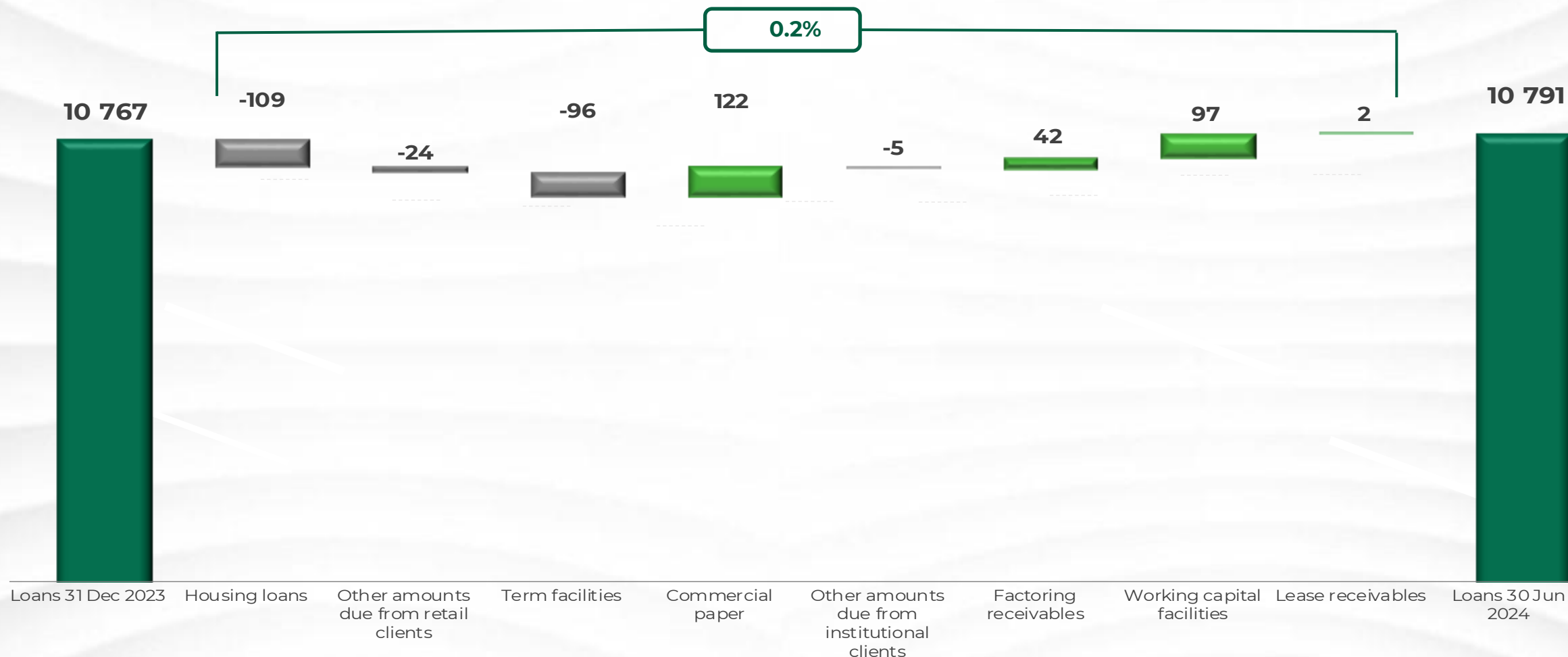
- **Wprost** – BOŚ ranked 120th on the list of ‘200 largest Polish companies’ (up by 80 places from the year before)
- **Gazeta Finansowa** – BOŚ gained in three rankings:
  - ‘50 most dynamic financial institutions’ – having advanced to 28th place,
  - ‘100 largest financial institutions’ – where it ranked 21st;
  - ‘1,000 largest companies in Poland’ – moving up to 240th place.
- **Rzeczpospolita** – on the ‘500 List’ published in May, BOŚ ranked 236th, compared with 277th a year earlier.





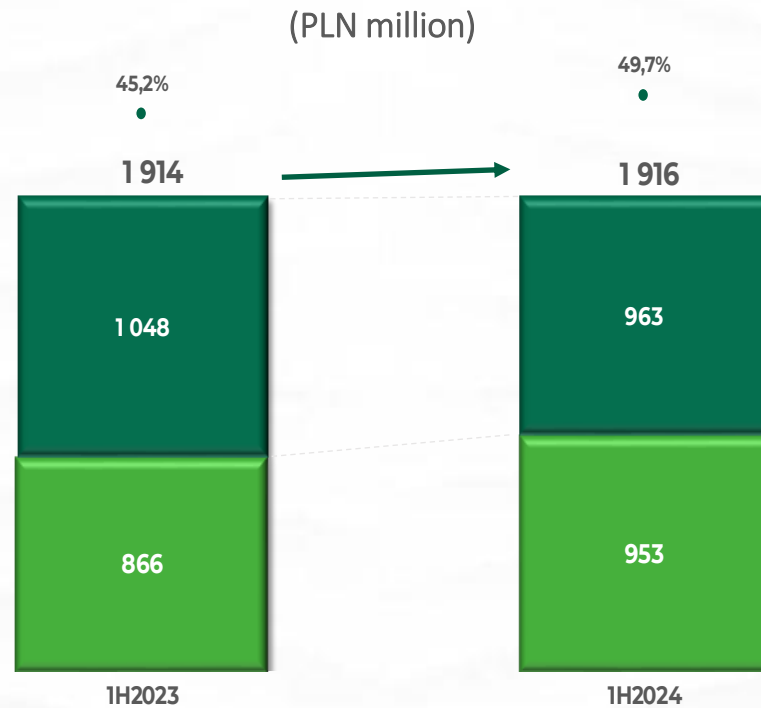
## III. Financial results

# Scale of the Group's credit assets



The increase in credit assets within the institutional clients segment was attributable to working capital facilities, as well as factoring receivables and commercial paper. The decrease in the carrying amount of credit assets comprising housing loans for retail clients in 2024 was related to repayments, overpayments and legal-risk provisions, including in connection with more favourable settlement terms proposed to clients.

# Loan sales and share of green loans in the Group's portfolio

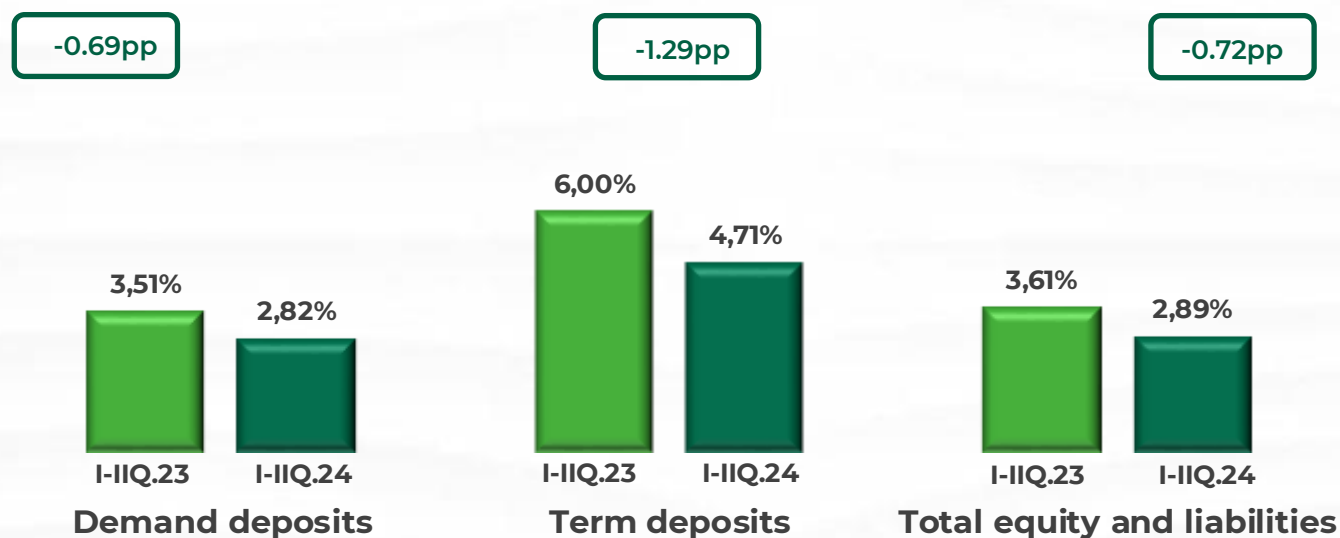


Green loans

Other loans

Share of green loans

# Funding cost of client deposits and total liabilities



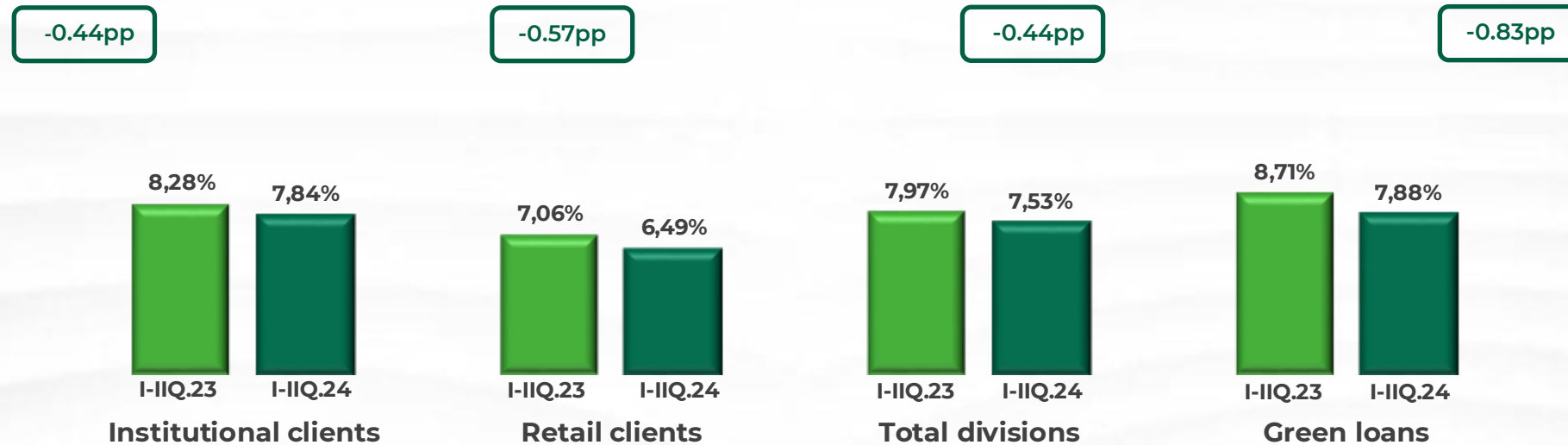
**Decrease in funding cost – interest rates on deposit adjusted to market conditions.**

Effective funding rate = annualised interest expense / average balance over the period (for client deposits, standalone data)

# Lending income from the Group's loan portfolio

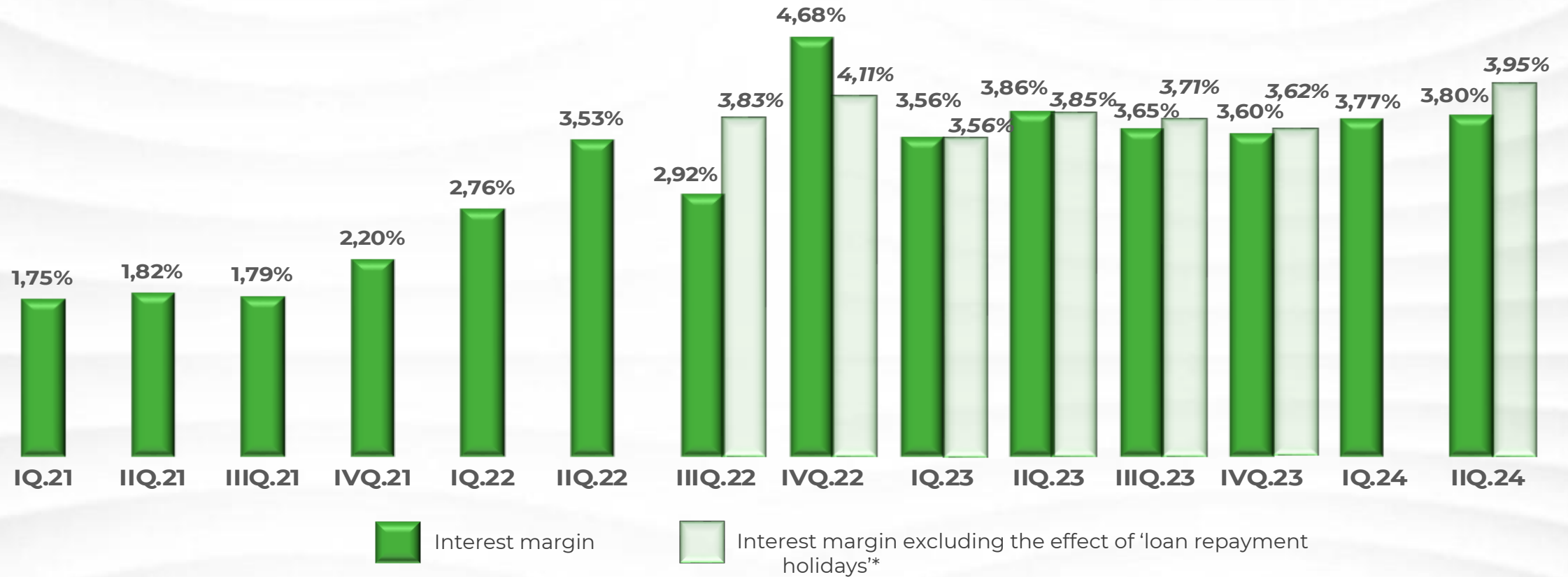
## Portfolio lending income

Effective lending rate = annualised interest income / average balance of loans over the period (standalone data)



Decrease in lending income— due mainly to a drop in market interest rates and a shift in the portfolio structure.

# Interest margin from 2021



- Interest margin growth starting from Q4 2021 supported by rising interest rates.
- Interest margin recovery, driven mainly by an increase in the loan-deposit spread

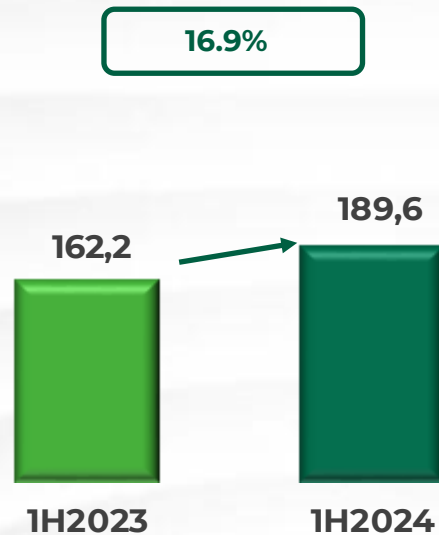
Interest margin = net interest income / assets

\* net interest income adjusted to reflect the implemented provisions of the Business Crowdfunding and Borrowers Assistance Act of 7 July 2022 and the Act of 12 April 2024 Amending the Act on Support for Distressed Borrowers who Incurred Housing Loans and the Business Crowdfunding and Borrowers Assistance Act

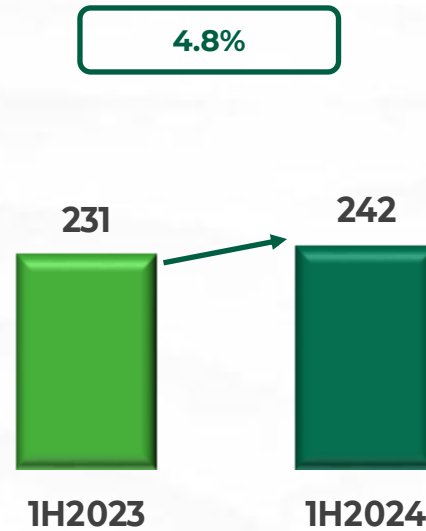


# BOŚ Group business growth

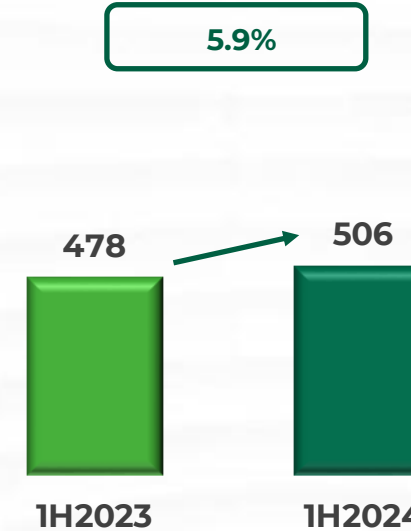
Dom Maklerski BOŚ  
number of investment accounts (thousand)



Lease receivables (PLN million)



Factoring receivables (PLN million)

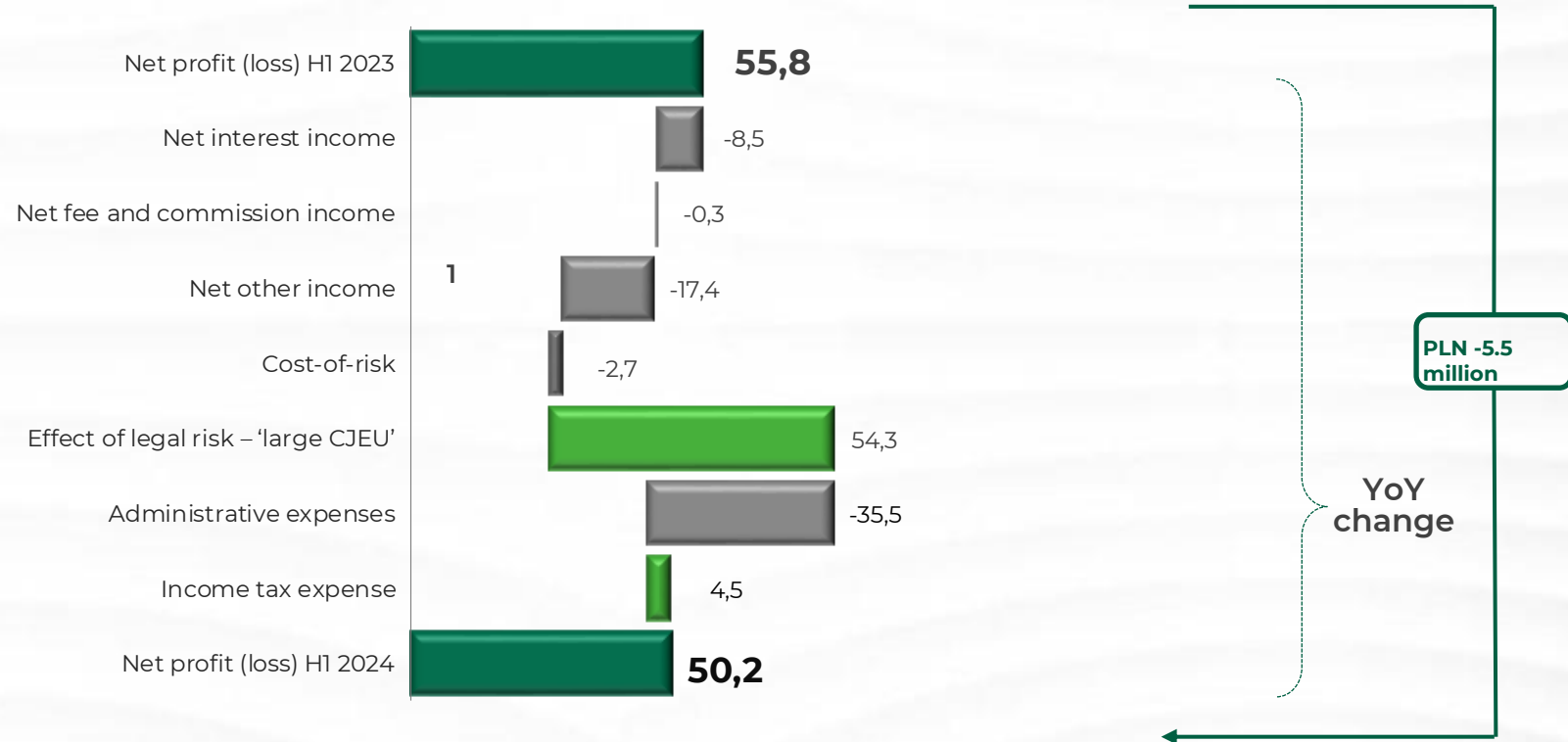


Increase in the number of brokerage accounts and the scale of lease and factoring business relative to H1 2023.



## **IV. Profit or loss components and risk**

# Yoy change in the Group's net profit (PLN million)



<sup>1</sup> Net other income: mainly the effect of provisions recognised for credit process support projects.

# Risk ratios

LCR

**189%**

Cost-of-risk

**0.5%**

Key information

The Bank and the Group companies maintained the ratios far above the minimum regulatory levels.

**The Bank recorded an increase in its Tier 1 capital ratio to 16.65%, compared with 15.48% in H1 2023. Total Capital Ratio (TCR) rose to 17.54%, from 16.10% at the end of H1 2023.**

**LCR (the liquid assets to net outflows ratio) remained at a safe level of 189%.**

**NPL improved on H1 2023, from 15.2% to 13.1%.**

**Cost-of-risk was at 0.5%, compared with 0.4% in 2023.**

Tier 1 capital ratio

**16.65%**

NPL

**13.1%**



# Thank you!

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