



**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS OF THE BANK OCHRONY ŚRODOWISKA
GROUP
AND CONDENSED INTERIM FINANCIAL STATEMENTS OF
BANK OCHRONY ŚRODOWISKA S.A.
FOR THE SIX MONTHS ENDED
30 JUNE 2025**

Warsaw, August 2025

Contents

I. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE BOŚ GROUP	5
Interim consolidated statement of profit or loss of the BOŚ Group	5
Interim consolidated statement of comprehensive income of the BOŚ Group	6
Interim consolidated statement of financial position of the BOŚ Group	7
Interim consolidated statement of changes in equity of the BOŚ Group	9
Interim consolidated statement of cash flows of the BOŚ Group	11
Notes to the condensed interim consolidated financial statements	13
1. General information – Bank Ochrony Środowiska S.A. and the Bank Ochrony Środowiska Group	13
1.1. Bank Ochrony Środowiska S.A.	13
1.2. Shareholding structure of Bank Ochrony Środowiska S.A.	14
1.3. BOŚ Group – consolidated entities	15
1.4. Effect of changes in the entity's structure in the six months ended 30 June 2025, including changes resulting from business combinations, acquisition or disposal of subsidiaries, long-term investments, restructuring or discontinuation of business	15
1.5. Authorisation of the financial statements	15
1.6. Seasonal or cyclical nature of the business in the reporting period	15
2. Significant events in the six months ended 30 June 2025	16
2.1. General Meeting of Bank Ochrony Środowiska S.A.	16
2.2. Allocation of the Bank's net profit for 2024	16
2.3. Changes in the composition of the Management Board and Supervisory Board of BOŚ S.A.	16
2.4. Annual contribution to BFG's resolution fund in 2025	18
3. Going concern	18
4. Statement of accounting policies	19
4.1. Reporting period and comparative data	19
4.2. Compliance with International Financial Reporting Standards	19
4.3. Entities covered and reporting currency	20
4.4. Standards, interpretations and amendments to standards first applied in 2025	20
4.5. Standards, interpretations and amendments thereto issued and endorsed by the European Union, which are not yet effective and have not been adopted early by the BOŚ Group	20
4.6. Standards, interpretations and amendments thereto issued but not yet endorsed by the European Union, which have not been adopted early by the BOŚ Group	21
4.7. Benchmark reform	22
5. Corrections of prior period errors	24
6. Significant estimates and judgments	24
7. Type and amounts of non-recurring items affecting the assets, equity and liabilities, net profit/loss or cash flows, which are unusual due to their type, size or frequency	25
8. Legal risk associated with foreign currency-linked residential mortgage loans	26
9. Legal and administrative proceedings	29
10. Segment reporting	31
Notes to the condensed interim consolidated statement of profit or loss	36
11. Net interest income	36

12. Net fee and commission income	38
13. Dividend income	38
14. Gain (loss) on financial instruments measured at fair value through profit or loss (including amounts due from clients)	39
15. Gain (loss) on investment securities.....	39
16. Other income and expenses	40
17. Effect of legal risk of foreign currency mortgage loans.....	41
18. Net loss allowances.....	42
19. Administrative expenses.....	43
20. Income tax expense	44
21. Earnings per share	45
Notes to the condensed interim consolidated statement of financial position.....	46
22. Amounts due from banks.....	46
23. Financial assets and liabilities held for trading.....	47
24. Investment securities.....	48
25. Amounts due from clients	49
26. Amounts due to clients.....	53
27. Liabilities arising from issue of securities	53
28. Subordinated liabilities.....	54
29. Provisions.....	55
30. Deferred income tax	59
31. Other liabilities	61
32. Common equity	62
33. Issue, redemption and repayment of debt and equity securities	63
34. Contingent assets and liabilities	64
35. Hedge accounting.....	65
35.1. Hedge accounting policies.....	65
35.2. Cash flow hedge accounting	65
35.3. Fair value hedge accounting	65
36. Fair value of financial assets and liabilities	67
37. Classification of financial instruments measured at fair value based on the fair value measurement method applied.....	69
Notes to the statement of cash flows.....	73
38. Cash and cash equivalents	73
39. Related-party transactions	73
39.1. Key management personnel	74
39.1.1. Loans to and deposits from members of the Management Board and the Supervisory Board of the Group.....	74
39.1.2. Remuneration of the key management personnel of the Bank	74
39.2. Executive compensation policy at the Bank.....	75

40. The variable remuneration for 2024 has not yet been determined or awarded. Dividends paid (aggregate or per share), separately for ordinary shares and other shares.....	75
41. Risk and capital management.....	75
41.1. Credit risk.....	75
41.1.1. Amounts due from banks.....	76
41.1.2. Amounts due from clients.....	77
41.1.3. Classification of amounts due from clients by measurement category, by segment:.....	78
41.1.4. Concentration of exposures to industries and geographical markets, with assessment of the concentration risk.....	81
41.1.5. Debt securities.....	83
41.2. Financial risk in the banking book and the trading book, and risk limits.....	84
41.2.1. Liquidity risk.....	84
41.2.2. Interest rate risk.....	86
41.2.3. Currency risk.....	88
41.2.4. Other market risks.....	89
41.3. Non-financial risk.....	90
41.3.1. Operational risk.....	90
41.3.2. Compliance risk.....	90
41.4. Model risk.....	91
41.5. ESG risk.....	91
41.6. Capital adequacy.....	92
41.6.1. The BOŚ Group's capital adequacy measures were as follows:.....	93
42. Prudential consolidation.....	94
42.1. Basis for preparing consolidated financial data taking into account the principles set out in Regulation 575/2013 on prudential requirements for credit institutions and investment firms (prudential consolidation).....	94
42.2. Prudentially consolidated statement of profit or loss.....	95
42.3. Prudentially consolidated statement of financial position.....	96
43. Additional information.....	98
44. Events after the reporting date.....	98
II. CONDENSED INTERIM FINANCIAL STATEMENTS OF THE BANK.....	100
Interim statement of profit or loss of the Bank.....	100
Interim statement of comprehensive income of the Bank.....	101
Interim statement of financial position of the Bank.....	102
Interim statement of changes in equity of the Bank.....	104
Interim statement of cash flows of the Bank.....	106
1. General information on Bank Ochrony Środowiska S.A.....	108
1.1. Authorisation of the financial statements.....	108
1.2. Reporting period and comparative data.....	108
2. Going concern.....	109
3. Corrections of prior period errors.....	110

4. Net interest income.....	111
5. Net fee and commission income.....	113
6. Dividend income.....	113
7. Net loss allowances.....	114
8. Earnings per share.....	114
9. Amounts due from clients.....	115
10. Provisions.....	119
11. Other liabilities.....	121
12. Contingent assets and liabilities.....	121
13. Related-party transactions.....	123
14. Seasonal or cyclical nature of the business in the reporting period.....	126
15. Type and amounts of non-recurring items affecting the assets, equity and liabilities, net profit/loss or cash flows, which are unusual due to their type, size or frequency.....	126
16. Type and amount of changes to estimates reported in previous interim periods of the current financial year or in previous financial years, where they have a material effect on the current interim period.....	126
17. Issue, redemption and repayment of debt and equity securities.....	126
18. Dividends paid (aggregate or per share), separately for ordinary shares and other shares.....	126
19. Capital adequacy.....	126
19.1. The Bank's capital adequacy levels.....	127
20. Additional information.....	128
21. Events after the reporting date.....	128

I. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE BOŚ GROUP

Interim consolidated statement of profit or loss of the BOŚ Group

Continuing operations	Note	for 3 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2025 unaudited	for 3 months ended 30 Jun 2024 unaudited	for 6 months ended 30 Jun 2024 unaudited
Interest and similar income, including:		370,156	740,795	350,562	713,931
<i>financial assets measured at amortised cost</i>		242,626	482,752	261,823	533,422
<i>assets measured at fair value through other comprehensive income</i>		122,455	247,646	83,153	168,956
<i>financial assets measured at fair value through profit or loss</i>		5,075	10,397	5,586	11,553
Interest expense and similar charges, including:		- 168,367	- 336,801	- 150,824	- 311,511
<i>financial liabilities measured at amortised cost</i>		- 168,367	- 336,801	- 150,824	- 311,511
Net interest income	11	201,789	403,994	199,738	402,420
Fee and commission income		45,784	90,803	40,835	84,343
Fee and commission expense		- 13,342	- 25,711	- 11,003	- 20,683
Net fee and commission income	12	32,442	65,092	29,832	63,660
Dividend income	13	11,778	11,780	120	12,185
Gain (loss) on financial instruments measured at fair value through profit or loss (including amounts due from clients)	14	26,855	41,581	3,984	24,114
Gain (loss) on investment securities	15	21,426	21,426	29	29
Gain (loss) on hedge accounting		- 419	- 986	- 651	- 962
Gain (loss) on foreign exchange transactions		2,013	2,062	6,976	6,357
Gain (loss) on derecognition of financial instruments		200	315	106	309
Other income	16	8,342	15,997	11,241	21,837
Other expenses	16	- 21,841	- 41,991	- 33,275	- 46,063
Effect of legal risk of foreign currency mortgage loans	17	- 27,357	- 59,484	- 57,083	- 107,523
Net loss allowances	18	- 10,747	- 27,824	- 10,668	3,468
Administrative expenses	19	- 156,257	- 324,713	- 138,997	- 291,020
Profit before tax		88,224	107,249	11,352	88,811
Income tax expense	20	- 20,345	- 27,528	- 7,004	- 38,580
Net profit		67,879	79,721	4,348	50,231
Earnings per share attributable to owners of the parent during period (PLN)	21	67,879	79,721	4,348	50,231
<i>basic</i>			0.86		0.54
<i>diluted</i>			0.86		0.54

The notes presented on the following pages are an integral part of these financial statements.

Interim consolidated statement of comprehensive income of the BOŚ Group

Continuing operations	for 3 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2025 unaudited	for 3 months ended 30 Jun 2024 unaudited	for 6 months ended 30 Jun 2024 unaudited
Net profit	67,879	79,721	4,348	50,231
Items that may be reclassified to profit or loss:	13,294	32,598	1,569	- 3,160
Fair value of debt financial instruments measured at fair value through other comprehensive income, gross	16,412	40,244	1,937	- 3,901
Deferred tax	- 3,118	- 7,646	- 368	741
Items that will not be reclassified to profit or loss:	- 3,259	- 3,259	1	2
Fair value of equity instruments measured at fair value through other comprehensive income, gross	- 4,023	- 4,023	1	2
Deferred tax	764	764	-	-
Other comprehensive income	10,035	29,339	1,570	- 3,158
Total comprehensive income	77,914	109,060	5,918	47,073
<i>of which attributable to owners of parent</i>	<i>77,914</i>	<i>109,060</i>	<i>5,918</i>	<i>47,073</i>

The notes presented on the following pages are an integral part of these financial statements.

Interim consolidated statement of financial position of the BOŚ Group

Assets	Note	30 Jun 2025 unaudited	31 Dec 2024
Cash and cash equivalents	38	5,263,736	4,302,437
Amounts due from banks	22	193,571	14,397
Financial assets held for trading, including:	23	119,033	145,732
<i>equity securities</i>		20,978	16,568
<i>debt securities</i>		861	18,809
<i>derivative instruments</i>		97,194	110,355
Derivative hedging instruments		1,059	8,693
Investment securities:	24	6,977,458	7,351,554
<i>equity securities measured at fair value through other comprehensive income</i>		108,715	112,743
<i>debt securities measured at fair value through other comprehensive income</i>		4,948,374	5,268,798
<i>debt securities measured at amortised cost</i>		1,790,167	1,843,978
<i>debt securities measured at fair value through profit or loss</i>		130,202	126,035
Amounts due from clients, including:	25	10,074,623	10,104,635
<i>measured at amortised cost</i>		10,074,616	10,104,603
<i>measured at fair value through profit or loss</i>		7	32
Intangible assets		95,089	106,839
Property, plant and equipment		81,663	91,438
Right of use – leases		51,608	48,684
Tax assets:		134,702	148,318
<i>current</i>		1,885	89
<i>deferred</i>	30	132,817	148,229
Other assets		488,128	395,768
Total assets		23,480,670	22,718,495

The notes presented on the following pages are an integral part of these financial statements.

Liabilities	Note	30 Jun 2025 unaudited	31 Dec 2024
Amounts due to central bank and other banks		165,237	244,519
Financial liabilities held for trading, including:	23	38,951	58,175
<i>equity securities</i>		1,470	1,032
<i>derivative instruments</i>		37,481	57,143
Amounts due to clients	26	19,773,919	19,100,807
Liabilities arising from issue of securities		102,709	199,762
Subordinated liabilities	28	199,871	102,838
Provisions	29	357,393	362,978
Tax liabilities:		11,085	14,744
<i>current</i>		10,688	14,744
<i>deferred</i>	30	397	-
Lease liabilities		47,154	45,351
Other liabilities	31	445,705	359,735
Total liabilities		21,142,024	20,488,909
Equity	Note	30 Jun 2025 unaudited	31 Dec 2024
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT			
Common equity:	32	1,461,036	1,461,036
<i>Share capital</i>		929,477	929,477
<i>Treasury shares</i>		-1,292	-1,292
<i>Share premium</i>		532,851	532,851
Revaluation surplus		79,894	50,555
Retained earnings		797,716	717,995
Total equity		2,338,646	2,229,586
Total equity and liabilities		23,480,670	22,718,495

The notes presented on the following pages are an integral part of these financial statements.

Interim consolidated statement of changes in equity of the BOŚ Group

	Equity attributable to owners of the Bank								Total equity
	Common equity			Revaluation surplus	Retained earnings				
	Share capital	Treasury shares	Share premium		Other statutory reserve funds	Other capital reserves	General risk fund	Undistributed profit (loss)	
As at 1 Jan 2025	929,477	- 1,292	532,851	50,555	694,252	23,605	48,302	- 48,164	2,229,586
Net profit	-	-	-	-	-	-	-	79,721	79,721
Other comprehensive income	-	-	-	29,339	-	-	-	-	29,339
Total comprehensive income	-	-	-	29,339	-	-	-	79,721	109,060
Profit distribution, including:	-	-	-	-	97,386	-	-	- 97,386	-
Transfer of net profit to reserves	-	-	-	-	97,386	-	-	- 97,386	-
As at 30 Jun 2025 unaudited	929,477	- 1,292	532,851	79,894	791,638	23,605	48,302	- 65,829	2,338,646

	Equity attributable to owners of the Bank								Total equity
	Common equity			Revaluation surplus	Retained earnings				
	Share capital	Treasur y shares	Share premium		Other statutory reserve funds	Other capital reserves	General risk fund	Undistributed profit (loss)	
As at 1 Jan 2024	929,477	- 1,292	532,851	49,245	599,609	23,605	48,302	- 33,177	2,148,620
Net profit	-	-	-	-	-	-	-	79,656	79,656
Other comprehensive income	-	-	-	1,310	-	-	-	-	1,310
Total comprehensive income	-	-	-	1,310	-	-	-	79,656	80,966
Profit distribution, including:	-	-	-	-	94,643	-	-	- 94,643	-
Transfer of net profit to reserves	-	-	-	-	94,643	-	-	- 94,643	-
As at 31 Dec 2024	929,477	- 1,292	532,851	50,555	694,252	23,605	48,302	- 48,164	2,229,586
As at 1 Jan 2024	929,477	- 1,292	532,851	49,245	599,609	23,605	48,302	- 33,177	2,148,620
Net profit	-	-	-	-	-	-	-	50,231	50,231
Other comprehensive income	-	-	-	- 3,158	-	-	-	-	- 3,158
Total comprehensive income	-	-	-	- 3,158	-	-	-	50,231	47,073
Profit distribution, including:	-	-	-	-	94,643	-	-	- 94,643	-
Transfer of net profit to reserves	-	-	-	-	94,643	-	-	- 94,643	-
As at 30 Jun 2024 unaudited	929,477	- 1,292	532,851	46,087	694,252	23,605	48,302	- 77,589	2,195,693

There were no non-controlling interests in the six months ended 30 June 2025 or in 2024.

The notes presented on the following pages are an integral part of these financial statements.

Interim consolidated statement of cash flows of the BOŚ Group

Indirect method	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	107,249	88,811
Total adjustments:	723,935	-1,379,148
Amortisation and depreciation	40,706	38,580
Interest income on investing activities	-110,374	-129,796
Loss on investing activities	-114	-
Interest income on financing activities	13,862	17,418
Dividends received:	-4,602	-6,157
<i>on securities held for trading</i>	129	128
<i>on investment securities</i>	4,473	6,029
Change in:		
<i>amounts due from banks</i>	-179,174	-1,812
<i>assets on securities held for trading</i>	13,538	-29,033
<i>assets and liabilities from measurement of derivative and hedging financial instruments</i>	1,133	7,645
<i>investment securities</i>	356,506	-302,743
<i>amounts due from clients</i>	30,012	-24,007
<i>other assets and income tax</i>	-94,552	99,744
<i>amounts due to central bank and other banks</i>	-79,282	207,111
<i>amounts due to clients</i>	673,112	-1,202,200
<i>liabilities arising from securities held for trading</i>	438	-766
<i>provisions</i>	-5,585	44,308
<i>other liabilities and income tax</i>	88,534	-81,771
Income tax paid	-24,825	-21,826
Net cash flows from (used in) operating activities	831,184	-1,290,337

CASH FLOWS FROM INVESTING ACTIVITIES		
Inflows	164,303	627,509
Cash receipts from sale of property, plant and equipment	118	-
Cash receipts from redemption of securities measured at amortised cost	66,396	490,000
Interest received on securities measured at amortised cost	97,789	137,509
Outflows	-9,082	-28,653
Payments for acquisition of securities measured at amortised cost	-	-11,679
Payments for acquisition of intangible assets	-7,460	-12,086
Payments for acquisition of property, plant and equipment	-1,622	-4,888
Net cash flows from (used in) investing activities	155,221	598,856
CASH FLOWS FROM FINANCING ACTIVITIES		
Inflows	-	-
Outflows	-25,106	-28,941
Interest paid on bonds issued by the Group, including:	-12,596	-17,026
<i>subordinated bonds</i>	-4,389	-17,026
Lease payments, IFRS 16	-11,531	-10,279
Lease interest paid	-979	-1,636
Net cash flows from (used in) financing activities	-25,106	-28,941
TOTAL NET CASH FLOWS	961,299	-720,422
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,302,437	4,024,053
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5,263,736	3,303,631
Restricted cash and cash equivalents	659,535	584,586

The notes presented on the following pages are an integral part of these financial statements.

Notes to the condensed interim consolidated financial statements

1. General information – Bank Ochrony Środowiska S.A. and the Bank Ochrony Środowiska Group

1.1. Bank Ochrony Środowiska S.A.

Name of the reporting entity or other identification data	Bank Ochrony Środowiska Group
Explanation of changes to the name of the reporting entity or other identification data since the end of the previous reporting period	-
Registered office	ul. Żelazna 32, 00-832 Warsaw
Legal form	Joint Stock Company (<i>spółka akcyjna</i>)
Country of registration	Poland
Address	00-832 Warsaw, ul. Żelazna 32
Principal place of business	Poland
Principal business activity	<p>The Bank's primary objective is to effectively manage the shareholders' equity and clients' funds, ensuring the profitability of its business and the security of the funds entrusted.</p> <p>The Bank's business consists in banking activities, including accumulating funds, granting credits, effecting cash settlements, performing other banking services as well as providing financial consulting and advisory services.</p>
Name of the parent	Bank Ochrony Środowiska S.A.
Name of the ultimate parent of the group	Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej (National Fund for Environmental Protection and Water Management)

The Bank Ochrony Środowiska Group (the "BOŚ Group" or the "Group") is a group of entities linked through equity in which Bank Ochrony Środowiska S.A. is the parent. For a list of subordinated entities, see Note 1.3.

Bank Ochrony Środowiska S.A. (the "Bank", "BOŚ S.A.", the "Company"), with its registered office at ul. Żelazna 32 in Warsaw, was established by Decision No. 42 of the Governor of the National Bank of Poland 15 September 1990, and a notarial deed of incorporation of 28 September 1990.

The Bank is entered in the National Court Register of the District Court for the Capital City of Warsaw, 12th Commercial Division, under No. KRS 0000015525, and has Industry Identification Number (REGON) 006239498.

According to the Polish Classification of Business Activities (PKD), the Bank's activities are classified as PKD 6419Z.

The Bank was established for an indefinite period.

The Bank's mission: Providing comprehensive support for the green transition.

The Bank pursues its mission mainly by:

- providing banking services to retail and institutional clients, in particular those implementing environmentally-friendly projects or operating in the environmental protection and water management sectors, and to people who value eco-friendly lifestyles,
- participating in the distribution of funds for environmental protection projects and sustainable development in Poland.

Since 24 January 1997 the Bank shares have been traded on the Warsaw Stock Exchange and listed in the finance/banking segment of the market.

1.2. Shareholding structure of Bank Ochrony Środowiska S.A.

Shareholders holding directly and indirectly 5% or more of total voting rights in the Bank as at 30 June 2025:

Shareholder	30 Jun 2025 unaudited		31 Dec 2024	
	Number of voting rights (shares)	% voting interest (ownership interest)	Number of voting rights (shares)	% voting interest (ownership interest)
Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej (National Fund for Environmental Protection and Water Management)	53,951,960	58.05	53,951,960	58.05
PFR Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych	8,000,000	8.61	8,000,000	8.61
Dyrekcja Generalna Lasów Państwowych (Directorate General of State Forests)	5,148,000	5.54	5,148,000	5.54

1.3. BOŚ Group – consolidated entities

Consolidated subsidiaries of the Group and the consolidation method as at 30 June 2025:

No.	Subordinated entities	Registered office	% equity interest as at	% voting interest as at	Consolidation method
Direct subsidiaries					
1.	Dom Maklerski BOŚ S.A.	Warsaw	100%	100%	Full consolidation
2.	BOŚ Leasing S.A.*	Warsaw	100%	100%	Full consolidation
Indirect subsidiary (subsidiary of BOŚ Leasing S.A.)					
1.	MS Wind sp. z o. o.	Warsaw	100%	100%	Full consolidation

* On 21 May 2025, the company's name was changed from BOŚ Leasing - EKO Profit Spółka Akcyjna to BOŚ Leasing Spółka Akcyjna.

Dom Maklerski BOŚ S.A. – a direct subsidiary operating on the capital market, providing mainly brokerage services.

BOŚ Leasing S.A. – a direct subsidiary engaged in lease activities financing environmental protection projects, and a provider of financial and advisory services complementary to the Bank's service offering.

MS Wind Sp. z o.o. – an indirect subsidiary (a direct subsidiary of BOŚ Leasing S.A.) engaged in the execution of a wind farm project.

The composition of the BOŚ Group, the number of shares held in subsidiaries and the consolidation method did not change relative to 31 December 2024.

1.4. Effect of changes in the entity's structure in the six months ended 30 June 2025, including changes resulting from business combinations, acquisition or disposal of subsidiaries, long-term investments, restructuring or discontinuation of business

In the six months ended 30 June 2025, no such events took place at the BOŚ Group.

1.5. Authorisation of the financial statements

These interim consolidated financial statements of the BOŚ Group were authorised by the Management Board of the parent on 13 August 2025 for issue on the Warsaw Stock Exchange on 14 August 2025.

The consolidated full-year financial statements of the Bank Ochrony Środowiska Group for the year ended 31 December 2024 were approved by the Bank's General Meeting on 17 June 2025.

1.6. Seasonal or cyclical nature of the business in the reporting period

The BOŚ Group's business does not involve any significant events or factors that would be subject to seasonal or cyclical variations.

The performance of Dom Maklerski BOŚ S.A. (BOŚ Brokerage House) is influenced by conditions on the stock market.

2. Significant events in the six months ended 30 June 2025

2.1. General Meeting of Bank Ochrony Środowiska S.A.

On 17 June 2025, the Bank's General Meeting passed resolutions to:

- approve the full-year financial statements of the Bank and the Bank Ochrony Środowiska Group for the year ended 31 December 2024,
- approve the Directors' Report on the operations of the Bank Ochrony Środowiska Group in 2024, prepared jointly with the Directors' Report on the operations of BOŚ S.A.,
- allocate the Bank's net profit for 2024,
- grant discharge from liability to members of the Management Board of Bank Ochrony Środowiska S.A. for 2024,
- approve the report on the activities of the Supervisory Board of Bank Ochrony Środowiska S.A. for 2024,
- give an assessment of the adequacy of internal regulations governing the operation of the Supervisory Board of Bank Ochrony Środowiska S.A. and on the effectiveness of its activities in 2024,
- grant discharge from liability to members of the Supervisory Board of Bank Ochrony Środowiska S.A. for 2024, including a periodic assessment of the suitability of individual members of the Supervisory Board,
- re-assess the individual suitability of a Member of the Supervisory Board of Bank Ochrony Środowiska S.A.,
- give an opinion on the Report on the Remuneration of Members of the Supervisory Board and the Management Board of Bank Ochrony Środowiska S.A. for 2024, submitted by the Supervisory Board of Bank Ochrony Środowiska S.A.,
- adopt the Policy on the Assessment of Suitability of Candidates for the Supervisory Board, Members of the Supervisory Board and the Supervisory Board of BOŚ S.A.,
- amend the Articles of Association of Bank Ochrony Środowiska S.A. and authorise the Supervisory Board to draw up the consolidated text of the Articles of Association.

2.2. Allocation of the Bank's net profit for 2024

On 17 June 2025, the Annual General Meeting of Bank Ochrony Środowiska S.A. resolved to allocate the Bank's entire net profit for the period 1 January – 31 December 2024, amounting to PLN 73,447,748.56, to statutory reserve funds.

2.3. Changes in the composition of the Management Board and Supervisory Board of BOŚ S.A.

Management Board

As at 1 January 2025, the composition of the Management Board was as follows:

- Bartosz Kublik – President of the Management Board,
- Piotr Kubaty – Vice President of the Management Board,
- Kamil Kuźmiński – Vice President of the Management Board,
- Krzysztof Łabowski – Vice President of the Management Board,
- Michał Należyty – Vice President of the Management Board.

Changes in the composition of the Management Board in the six months ended 30 June 2025:

- On 7 March 2025, the Polish Financial Supervision Authority approved the appointment of Piotr Kubaty as a Member of the Management Board responsible for supervising material banking risk. This decision gave effect to Resolution No. 116/2024 of the Bank's Supervisory Board of 26 September 2024, appointing Piotr Kubaty as Vice President, First Deputy President of the Management Board of Bank Ochrony Środowiska S.A.

As at 30 June 2025, the Bank's Management Board consisted of:

- Bartosz Kublik – President of the Management Board,
- Piotr Kubaty – Vice President of the Management Board, First Deputy President of the Management Board,
- Kamil Kuźmiński – Vice President of the Management Board,
- Krzysztof Łabowski – Vice President of the Management Board,
- Michał Należyty – Vice President of the Management Board.

Supervisory Board

As at 1 January 2025, the composition of the Supervisory Board was as follows:

- Adam Ruciński – Chair,
- Artur Stefański – Deputy Chair,
- Marzenna Senddecka – Secretary,
- Wojciech Krawczyk – Member,
- Marcin Liberadzki – Member,
- Marcin Likierski – Member,
- Władysław Mańkut – Member,
- Aleksandra Świderska – Member,
- Piotr Wybieralski – Member.

Changes in the composition of the Supervisory Board in the six months ended 30 June 2025:

- On 11 March 2025, the Extraordinary General Meeting of BOŚ S.A. removed Wojciech Krawczyk from the Supervisory Board and appointed Jan Banasiński to the Supervisory Board.

As at 30 June 2025, the composition of the Supervisory Board was as follows:

- Adam Ruciński – Chair,
- Artur Stefański – Deputy Chair,
- Marzenna Senddecka – Secretary,
- Jan Banasiński – Member,
- Marcin Liberadzki – Member,
- Marcin Likierski – Member,
- Władysław Mańkut – Member,
- Aleksandra Świderska – Member,
- Piotr Wybieralski – Member.

Until the date of this report, the composition of the Supervisory Board did not change.

2.4. Annual contribution to BFG's resolution fund in 2025

On 26 March 2025, the Bank was notified by the Bank Guarantee Fund (BFG) that its annual contribution to the resolution fund for 2025, after adjustments to the 2023–2024 contributions, had been set at PLN 20,268 thousand.

The amount of the annual contribution to the resolution fund for 2025 was charged to the Bank's profit or loss for the three months ended 31 March 2025.

3. Going concern

As a result of an accounting loss incurred in 2015, the Bank implemented a Recovery Programme pursuant to Article 142.1 of the Banking Law in the wording effective until 8 October 2016, in accordance with Article 381.4 of the Act on the Bank Guarantee Fund, Deposit Guarantee Scheme and Forced Restructuring of 10 June 2016.

On 17 July 2020, the Bank received a decision of the Polish Financial Supervision Authority in connection with the administrative proceedings initiated ex officio by the Polish Financial Supervision Authority (PFSA) on 12 May 2020, whereby the Bank was ordered to prepare a group recovery plan for Bank Ochrony Środowiska S.A. pursuant to Article 141n.1 of the Banking Law of 29 August 1997. On 20 July 2020, the Bank received the second decision of the PFSA in connection with the administrative proceedings initiated ex officio by the PFSA on 12 May 2020 to limit the scope of the group recovery plan to entities of the BOŚ Group (i.e. Bank Ochrony Środowiska S.A., Dom Maklerski BOŚ S.A., BOŚ Leasing EKO-Profit S.A. and MS Wind sp. z o.o.).

The Bank prepared the Group Recovery Plan and submitted it to the PFSA in October 2020. In a letter dated 21 January 2021, in connection with the administrative proceedings to approve the Group Recovery Plan, the Polish Financial Supervision Authority instructed the Bank to supplement and amend the submitted Group Recovery Plan, with the audited financial data as at 31 December 2020 to be used as the point of reference. In accordance with the PFSA's request, BOŚ corrected the Group Recovery Plan, submitted it for approval, and on 17 December 2021 it was approved by the PFSA.

The approval of the Plan by the PFSA marked the discharge of the remedial obligations under the Recovery Programme.

On 31 December 2021, the Bank decided to launch the Group Recovery Plan approved by the PFSA. The purpose of the corrective measures provided for in the Plan is to achieve sustainable profitability of the Bank. Notwithstanding the fact that the Group Recovery Plan is being implemented, the Bank is obliged to update it on a regular basis. As required by Article 141m of the Banking Law, the Bank updates the Group Recovery Plan at least annually.

On 26 January 2024, the PFSA approved the updated Group Recovery Plan of BOŚ S.A. In the period 1 January – 30 June 2025, the Bank continued its implementation.

Following the close of the 2024 financial year, in January 2025, the Bank began preparing a new update as part of the 2025 planning cycle. The updated Group Recovery Plan was submitted to the PFSA on 30 April 2025. As at the date of issue of these financial statements, no response had been received.

As at 30 June 2025, the indicator defined as the ratio of the gross carrying amount of Bucket 3 loans for the current portfolio to the gross carrying amount of total loans (NPLn) for the 'new' portfolio (loans originated after 2020) had reached a critical level on both separate and consolidated basis. All other indicators remained within safe thresholds.

Failure to maintain the required level of the ratio of the gross carrying amount of Bucket 3 loans for the current portfolio to the gross carrying amount of total loans (NPLn) for the 'new' portfolio was not material to the going concern assumption. Following a review, certain exposures were reclassified to Bucket 3. The Bank is taking steps to improve the ratio, which include selling debt, increasing low-risk lending volumes, and enhancing the efficiency

and effectiveness of debt collection processes through system upgrades, such as planned implementation of a module to track limitation periods and due dates. Going forward, a reduction in the NPL ratio may be achieved either through the sale of non-performing loan portfolios or through a material increase in loan origination volumes, which would raise the loan balance and improve the portfolio's quality (e.g. by broadening the business model and increasing exposure in the low-risk local government sector). The Bank's current efforts are focused on increasing loan origination volumes. However, the impact of these measures will only become visible in subsequent quarters of 2025.

In the six months ended 30 June 2025, the Group reported a net profit of PLN 79,721 thousand.

The BOŚ Group maintains its capital adequacy ratios above the levels recommended by the Polish Financial Supervision Authority (see Note 41.6 for details). The Bank's liquidity is adequate and exceeds the regulatory requirements (see Note 41.2.1 for details).

The armed conflict in Ukraine did not have a significant impact on the liquidity position and capital adequacy of the Bank. The Bank maintained its full operational capacity throughout the period.

Taking into consideration the factors described above, there are no circumstances that would indicate a threat to the Bank's ability to continue as a going concern for at least 12 months after the reporting date as a result of voluntary or compulsory discontinuation or limitation of its current operations.

4. Statement of accounting policies

4.1. Reporting period and comparative data

The condensed interim consolidated financial statements of the BOŚ Group include:

- The interim consolidated statement of profit or loss for the six months ended 30 June 2025 and comparative data for the six months ended 30 June 2024, as well as data for the three months ended 30 June 2025 and comparative data for the three months ended 30 June 2024;
- The interim consolidated statement of comprehensive income for the six months ended 30 June 2025, comparative data for the six months ended 30 June 2024, data for the three months ended 30 June 2025 and comparative data for the three months ended 30 June 2024;
- The interim consolidated statement of financial position as at 30 June 2025 and comparative data as at 31 December 2024;
- The interim consolidated statement of changes in equity for the six months ended 30 June 2025 and comparative data for the six months ended 30 June 2024 and for the 12 months ended 31 December 2024;
- The interim consolidated statement of cash flows for the six months ended 30 June 2025 and comparative data for the six months ended 30 June 2024;
- Notes to the financial statements.

4.2. Compliance with International Financial Reporting Standards

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and other International Financial Reporting Standards (IFRSs) as endorsed by the European Union (EU), effective as at the reporting date, i.e. 30 June 2025.

IFRSs comprise the standards and interpretations adopted by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

These condensed interim consolidated financial statements of the BOŚ Group and the condensed interim financial statements of the Bank for the six months ended 30 June 2025 do not include all the disclosures required to be included in the full-year financial statements and should be read in conjunction with the BOŚ Group's and the Bank's full-year financial statements for the financial year ended 31 December 2024.

These condensed interim consolidated financial statements of the BOŚ Group and the condensed interim financial statements of the Bank for the six months ended 30 June 2025 follow the same accounting policies as those used in the preparation of the full-year financial statements for the year ended 31 December 2024, approved by the Bank's General Meeting on 17 June 2025, available on the Bank's website (www.bosbank.pl).

4.3. Entities covered and reporting currency

These condensed interim financial statements of the BOŚ Group include data relating to the Bank and its subsidiaries. Dom Maklerski BOŚ S.A., BOŚ Leasing S.A. and MS Wind Sp. z o.o. prepare their financial statements in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU).

These condensed interim financial statements have been prepared in the Polish złoty (PLN), rounded to PLN thousand.

4.4. Standards, interpretations and amendments to standards first applied in 2025

IFRS	Amendment	Effective as of	Impact on the Group
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	Assessment whether a currency is exchangeable into another currency and, when it is not, determination of the exchange rate to use and the disclosures to provide.	1 January 2025 / 12 November 2024	The amendment had no material effect on these financial statements.

4.5. Standards, interpretations and amendments thereto issued and endorsed by the European Union, which are not yet effective and have not been adopted early by the BOŚ Group

IFRS	Amendment	Date of entry into force in the EU / endorsement by the EU	Impact on the Bank
Annual Improvements to IFRS Standards (vol. 11) – amendments to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> , IFRS 7 <i>Financial Instruments: Disclosures</i> , IFRS 9 <i>Financial Instruments</i> , IFRS 10 <i>Consolidated Financial Statements</i> , IAS 7 <i>Statement of Cash Flows</i>	<ul style="list-style-type: none"> Amendment to IFRS 1 relates to hedge accounting by a first-time adopter and eliminates inconsistencies with IFRS 9. Amendments to IFRS 7 cover gain or loss on derecognition, disclosure of deferred difference between fair value and transaction price, guidance on implementing IFRS 7 and credit risk disclosures; credit risk disclosures (implementation guidance only). Amendments to IFRS 9 address derecognition of lease liabilities by the lessee and transaction price, and remove inconsistencies in the definition of 'transaction price' compared with IFRS 15. Amendments to IFRS 10 clarify the determination of a 'de facto agent' and remove inconsistencies. Amendments to IAS 7 address inconsistencies in applying paragraph 37 of IAS 7, which arose from the use of the term 'cost method', a term that is no longer defined in the IFRS. 	1 January 2026 / 9 July 2025	The amendment will have no material effect on the financial statements.

<i>Contracts Referencing Nature-dependent Electricity</i> (amendments to IFRS 9 and IFRS 7)	<p>The amendments only apply to contracts that expose an entity to variability in an underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (such as weather).</p> <p>The amendments are designed to ensure fair presentation of such contracts in financial statements by:</p> <ul style="list-style-type: none"> - amending the requirements relating to own-use contracts, - amending the hedge accounting requirements in IFRS 9 to allow contracts for electricity generated from nature -dependent renewable energy sources to qualify as hedging instruments, subject to specified conditions, - introducing additional disclosure requirements in IFRS 7 to enable investors to understand the effects of such contracts on financial performance and future cash flows. 	1 January 2026 / 30 June 2025	The amendment will have no material effect on the consolidated / separate financial statements.
Amendments to the guidance for classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7)	<p>The amendments clarify when a financial liability should be derecognised (on the 'settlement date'), permit an entity to select accounting treatment for financial liabilities settled through electronic transfer, classify financial assets with ESG-linked features, clarify provisions concerning loans with non-recourse features and contractually linked instruments, require additional disclosures for conditional financial instruments and equity instruments designated at fair value through other comprehensive income.</p>	1 January 2026 / 27 May 2025	The amendment will have no material effect on the consolidated / separate financial statements.

4.6. Standards, interpretations and amendments thereto issued but not yet endorsed by the European Union, which have not been adopted early by the BOŚ Group

IFRS	Amendment	Date of entry into force in the EU / endorsement by the EU	Impact on the Bank
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	New presentation requirements for the statement of profit or loss, including in relation to specified totals and subtotals, disclosure of management-defined performance measures, and new requirements for aggregation and disaggregation of financial information.	1 January 2027	The amendment will have an effect on the presentation of data in the statement of profit or loss and disclosures in the financial statements.
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	Reduced disclosures by subsidiaries classified as entities without public accountability when the entity has an ultimate or intermediate parent that produces consolidated financial statements in accordance with IFRSs.	1 January 2027	The amendment will have no material effect on the financial statements.

4.7. Benchmark reform

To align the Bank with the requirements arising from Regulation of the European Parliament and the Council (EU) 2016/1011 of 8 June 2016 and Regulation (EU) 596/2014 (OJ L 171 of 29 June 2016, as amended), referred to as the BMR Regulation, the Bank initiated the project 'Implementation of the requirements of the BMR Regulation' ("BMR Project"). The BMR Project involves the participation of representatives from various organisational units responsible for product areas (such as retail and corporate), interest rate risk management, legal, accounting, and IT.

WIBOR – current status

Representatives of the Bank are actively engaged in the activities of the National Working Group on Benchmark Reform (NGR), which was established in July 2022. Apart from having a broad representation of financial institutions, the NGR Group also includes representatives from various entities and organisations. These include the Polish Financial Supervision Authority, the Ministry of Finance, the National Bank of Poland, the Bank Guarantee Fund, the Polish Bank Association and GPW Benchmark. The goal of the National Working Group is to prepare and facilitate the effective implementation of the Risk-Free Rate (RFR) reference index in the Polish financial market.

Summary of developments:

- In September 2022, the NGR Steering Committee announced WIRON as the replacement for WIBOR.
- On 10 December 2024, the NGR Steering Committee revised its September 2022 decision and selected an index from the WIRF family as the target benchmark interest rate to replace WIBOR, thereby modifying its earlier choice of WIRON.
- On 24 January 2025, the NGR Steering Committee decided to adopt the final name POLSTR (Polish Short Term Rate) for the proposed new index.
- On 28 March 2025, the NGR Steering Committee approved the updated Roadmap for the replacement of WIBOR and WIBID, under which the calculation and publication of these benchmarks will be discontinued as of the end of 2027.
- On 2 June 2025, GPW Benchmark S.A. commenced the calculation of the POLSTR Interest Rate Index and the family of POLSTR Compound Indices.
- The NGR Steering Committee is in the process of reviewing and updating its recommendations, in particular standards for the use of the new POLSTR index in new banking, leasing, and factoring products and financial instruments, as well as standards for voluntary conversion of legacy portfolios of contracts and instruments referencing WIBOR.

Following the announcement of the updated NGR Roadmap and the new POLSTR benchmark, the BMR Project is being redefined, which includes:

1. reviewing the project team composition,
2. reviewing the BMR Project scope,
3. developing a new project timetable,
4. planning a revised project budget.

The redefinition of the project in accordance with the new NGR guidelines is scheduled for Q3 2025.

USD LIBOR – current status (alternative benchmark: CME Term SOFR)

Status for the Bank's USD LIBOR-linked loan portfolio: Since 1 October 2024, USD LIBOR has no longer been calculated or published.

As of 31 August 2023, the CME Term SOFR benchmark rate was introduced as a new interest calculation basis for the Bank's credit and factoring product offering for institutional clients (for new origination). In parallel, the Bank completed the process of amending loan and factoring agreements with corporate clients.

For retail products, the Bank introduced solutions enabling the transition to the alternative benchmark, offering customers the option to sign an amendment to their agreements. For mortgage loan agreements where no amendment has been signed, the Bank applies the last available published USD LIBOR fixing for the purposes of

interest calculation. Amending mortgage loan agreements and transitioning to CME Term SOFR remains possible throughout the residual maturity of the loan.

EURIBOR – current status

Under the BMR Regulation, EURIBOR is a critical interest rate benchmark. Its administrator, the European Money Markets Institute (EMMI), has been authorised by the Belgian Financial Services and Markets Authority (FSMA) since 2 July 2019.

On 6 March 2024, EMMI published the results of consultations on proposed changes to the EURIBOR methodology (consultations announced on 11 October 2023).

On 9 September 2024, EMMI announced completion of the phase-in period for the enhanced Euribor methodology.

On 17 February 2025, enhanced Euribor hybrid methodology took effect following an annual review. The review confirmed that the benchmark remains robust, resilient, and representative of its underlying market, and identified potential for further beneficial recalibrations.

In line with the Bank's obligation to notify clients of any material change to a benchmark referenced in contracts, the Bank undertook relevant communication measures: a notice regarding the material change in the EURIBOR calculation methodology was published in the 'Aktualności' (News) section of the Bank's website and delivered to clients via the electronic banking channel.

Status for the Bank's EURIBOR-linked loan portfolio:

- Retail clients (mortgage loans): since agreements referencing EURIBOR were entered into before the BMR Regulation came into force, the Bank offered clients execution of amendments to clarify further treatment of such agreements and ensure their uninterrupted performance.
- Corporate and SME clients: the Bank has incorporated appropriate fallback clauses into agreements referencing EURIBOR.

	30 Jun 2025 unaudited	31 Dec 2024
Assets based on the WIBOR rate		
Mortgage loans	1,088,650	1,122,862
Consumer loans	218,269	240,969
Other credit products	6,633,111	6,389,232
Debt securities	2,674,379	2,637,944
Liabilities based on the WIBOR rate		
Issue of debt securities	302,462	302,471
Deposits	49,989	119,519
Liabilities based on the WIBID rate		
Deposits	2,805,503	2,845,518
Derivative instruments (notional amount)		
IRS	1,384,228	1,714,858
Assets based on the LIBOR rate		
Mortgage loans	261	7,549

Other credit products	83,154	81,655
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Interest rate risk

Interest rate risk is defined as a potential negative impact of changes in interest rates on the projected financial result, economic value of equity and present value of debt securities held. In the context of the benchmark reform, interest rate risk can arise from mismatches in the repricing dates between the replacement index and the contract index, as well as mismatches in the index conversion dates across various agreements and contracts, such as loans and IRS contracts. Furthermore, there is a potential risk that the interbank derivatives market may not provide sufficient hedging options for mitigating the underlying interest rate risk inherent in credit-related on-balance sheet transactions. The risk may also materialise due to imperfect correlation in adjusting the interest rates of various interest rate-sensitive instruments, which would result in a mismatch between interest received and paid by the Bank.

The Bank actively monitors the sensitivity of its exposure to the risk and implements appropriate measures in line with its interest rate risk management principles. The risks mentioned above have no impact on the interest rate risk management strategy.

Legal risk

The legal risk associated with the benchmark reform relates to the discontinuation of the benchmarks previously used in contracts and their replacement with an alternative benchmark.

Hedge accounting

The Bank uses hedge accounting to hedge the fair value of fixed-rate bonds with WIBOR-based Interest Rate Swap instruments (see Note 35 'Hedge accounting' for details). As a result of the benchmark reform, the reference rate for the hedging instrument will change. The change in the benchmark will result in a corresponding change in the value of such instruments – which will be the higher, the greater the difference between the new benchmark and the previously used rate. Thus, the hedging transactions would have to be assessed for continued effectiveness (looking at the value of the hedged item and value of the hedging instrument). Their effectiveness will also depend on the existence of a liquid market for POLSTR-based derivatives.

However, as the benchmark reform is not expected to be completed until 2027 and the Bank's accounting horizon runs to July 2025, the reform will not have an impact on hedge accounting risk in the medium term.

5. Corrections of prior period errors

In these condensed consolidated financial statements, the Group has not corrected any errors in the financial statements of prior periods.

6. Significant estimates and judgments

The preparation of the Group's interim consolidated financial statements requires judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets, and liabilities and related notes, as well as disclosure of contingent liabilities. Uncertainties related to these assumptions and estimates may result in changes to carrying amounts of assets and liabilities in the future. They also require exercising professional judgment in the process of applying the adopted accounting policies.

The methodology used to make estimates and judgments is presented in the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024.

Expected credit losses on financial assets

The methodology used to estimate the impairment of amounts due from clients and accounting for macroeconomic factors in the valuation of the loan portfolio is consistent with the methodology presented in the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024. In the six months ended 30 June 2025, the Bank introduced a new methodology for the quantitative criterion of significant increase in credit risk for corporate clients, which added PLN 1.5 million to expected credit loss allowances. In addition, following the review and redefinition of the criteria for classifying clients on the watch list, expected credit loss allowances increased by a further PLN 2.5 million.

In June 2025, a sensitivity analysis was conducted on the unimpaired loan portfolio to assess the impact of changes in portfolio parameters (LGD and PD) using the group approach. If recovery rates changed by +/- 10 percentage points, the estimated amount of loss allowances for the portfolio would decrease by PLN 20.8 million or increase by PLN 20.8 million, respectively. A simultaneous +/-10 percentage point change in the PD parameter would result in a decrease of PLN 39.5 million or an increase of PLN 43.7 million in the loss allowances, respectively.

Estimates of the impact of the legal risk associated with foreign currency-linked mortgage loans

In the six months ended 30 June 2025, there were no material changes to the methodology used to estimate the provision for the legal risk of foreign currency-linked mortgage loans.

Note 8 'Legal risk associated with foreign currency-linked residential mortgage loans' provides an overview of the factors and circumstances that could significantly affect the amount of the adjustment to the carrying amount of loan receivables and the legal-risk provision along with an explanation of how the risk is recognised in the financial statements.

The Bank conducted a sensitivity analysis of the estimated impact of the legal risk, considering changes in key parameters associated with the number of lawsuits and signed settlements with clients.

Model sensitivity	Parameter change		
	-25pp	base-case scenario	+25pp
Increase in the number of lawsuits	-22	700	27
Increase in the number of settlements under the settlement programme	-2	700	7
Probability of settlement *	13	700	-54

* In the -25% scenario, the minimum possible value of the parameter, that is 0%, was assumed.

Fair value of financial instruments classified as Level 3 in the fair-value hierarchy

In the six months ended 30 June 2025, there were no material changes to the methodology used to estimate the fair value of financial instruments classified as Level 3.

7. Type and amounts of non-recurring items affecting the assets, equity and liabilities, net profit/loss or cash flows, which are unusual due to their type, size or frequency

In the six months ended 30 June 2025, there were no non-recurring events with a significant impact on the Group's assets, liabilities, equity, net profit/loss or cash flows.

8. Legal risk associated with foreign currency-linked residential mortgage loans

For full information on the legal risk of foreign currency-linked residential mortgage loans, see the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024.

The vast majority of court rulings delivered after the judgment of the Court of Justice of the European Union (CJEU) of 3 October 2019 in case C-260/18 are unfavourable to banks. The Bank monitors both domestic case law and the CJEU's rulings on an ongoing basis when assessing the legal risk of foreign currency-linked loans and takes into account in its analyses that the CJEU judgments and rulings by Polish courts to the disadvantage of banks have an effect on the number of court proceedings and the value of claims sought.

In 2021, BOŚ SA, together with a group of other banks, initiated a project to create a voluntary settlement offer for clients. This agreement stipulates that loans originally denominated in foreign currencies be recalculated as if they had been issued in Polish złoty from the outset, applying an interest rate based on the WIBOR plus an appropriate margin.

Having obtained the approval of the Extraordinary General Meeting (Resolution No. 4/2021 of 8 December 2021), on 31 January 2022 the Bank implemented the BOŚ S.A. Settlement Programme based on a framework communicated by the President of the PFSA.

The Bank enters into settlements with borrowers under the Settlement Programme and on individually negotiated terms, including court settlements.

In the first six months of 2025, the number of settlement agreements totalled 348, of which 45 were concluded under the Settlement Programme. The number of individually negotiated settlements is steadily growing.

As at 30 June 2025, a total of 894 settlements had been concluded under the Settlement Programme (45 since the beginning of 2025), with 20 more in progress.

As at 30 June 2025, the total amount of the provision for the legal risk of foreign currency-linked mortgage loans was PLN 700,364.77 thousand, of which PLN 459,019.26 thousand is presented as a provision for litigation and claims related to the legal risk of foreign currency mortgage loans, and PLN 241,345.51 thousand as additional expected credit loss allowances.

As at 30 June 2025, there were 2,035 court cases pending against the Bank concerning foreign currency-linked loans (mainly CHF, as well as USD and EUR), with the disputed amounts totalling PLN 826,543.53 million (31 December 2024: 2,163 court cases with the disputed amounts of PLN 857,269.86).

The claims filed in lawsuits concerning foreign currency-linked loan agreements typically seek to have the loan agreement declared null and void and to secure a refund of paid loan instalments and other loan-related charges.

For information on recognised provisions for the legal risk of foreign currency-linked loans, see Note 17 'Effect of legal risk of foreign currency mortgage loans'.

Recognition of the legal risk of foreign currency-linked residential mortgage loans

For rules governing the recognition and measurement of the legal risk of foreign currency-linked residential mortgage loans, see the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024. In the six months ended 30 June 2025, these rules did not change.

Foreign currency-linked loans

Gross carrying amount of amounts due from foreign currency-linked loans before legal-risk charges	30 Jun 2025 unaudited	31 Dec 2024
CHF	368,590	459,553
EUR	341,854	375,661
USD	17,964	21,772
Total	728,408	856,986

Adjustment to gross carrying amount of foreign currency-linked mortgage loans and legal-risk provision	30 Jun 2025 unaudited	31 Dec 2024
Adjustment to gross carrying amount of loans linked to:		
CHF	328,108	397,469
EUR	120,023	103,450
USD	10,888	9,609
	459,019	510,528
Provisions:		
CHF	201,510	220,012
EUR	36,291	28,220
USD	3,545	2,990
	241,346	251,222
Total	700,365	761,750

Changes in the adjustment to gross carrying amount of loans and legal-risk provision

30 Jun 2025 unaudited	Total	Adjustment to gross carrying amount	Provision
At beginning of period	761,750	510,528	251,222
Provision used in connection with settlement agreements	-26,585	-24,175	-2,410
Provision used in connection with dispute resolution	-83,310	-53,229	-30,081
Change (recognition/reversal)	54,093	28,753	25,340
Exchange differences	-5,583	-2,858	-2,725
At end of period	700,365	459,019	241,346

31 Dec 2024	Total	Adjustment to gross carrying amount	Provision
At beginning of period	692,689	528,689	164,000
Provision used in connection with settlement agreements	-31,515	-29,834	-1,681
Provision used in connection with dispute resolution	-106,755	-70,768	-35,987
Change (recognition/reversal)	228,626	98,042	130,584
Exchange differences	-21,295	-15,601	-5,694
At end of period	761,750	510,528	251,222

9. Legal and administrative proceedings

'Free credit' sanction – consumer loans

The Bank has observed a rise in complaints and legal actions pertaining to consumer loans wherein borrowers allege violations of the Consumer Credit Act of 12 May 2011, resulting in the imposition of 'free credit' sanctions.

Consumers argue that the Bank has not met its obligations to provide information about variable loan interest rates and misstated credit costs. They also challenge the validity of interest charged on financed arrangement fees and other loan-related charges.

The successful assertion of violations of the provisions of the Consumer Credit Act and the consumer's use of 'free credit' sanctions does not render the consumer credit agreement void. The agreement remains legally binding, but the Bank loses interest income.

As at 30 June 2025, there were 57 ongoing court cases concerning 'free credit' sanctions, with the disputed amounts totalling PLN 1,567.73 (31 December 2024: 40 ongoing court cases, with the disputed amounts totalling PLN 1,116.56).

Given the favourable outlook for final court rulings, the Group did not recognise any provisions for these cases as at 30 June 2025.

Investment certificates

Between 2015 and 2017, the Bank acted as a broker for the distribution of investment certificates from several investment funds. These funds were subject to supervision by the competent regulatory authorities in accordance with applicable law. Due to the financial condition and legal status of some of the investment funds, a number of purchasers of investment certificates brought claims for damages against the Bank.

As at 30 June 2025, there were 44 ongoing court cases concerning investment certificates, with the disputed amounts totalling PLN 25,000.04 (31 December 2024: PLN 24,581.82).

The Bank continuously monitors the funds' capacity to redeem certificates and updates its assessment of the legal risk associated with the Bank's potential obligation to comply with adverse court rulings. As at 30 June 2025, the provision amounted to PLN 10,593.50 thousand, an increase of PLN 92.90 thousand in the first half of 2025 (31 December 2024: PLN 10,500.60 thousand).

Proceedings by the Office of Competition and Consumer Protection

On 13 February 2024, the Bank received a notification from the President of the Office of Competition and Consumer Protection (UOKiK) dated 8 February 2024, initiating proceedings regarding practices that infringe upon the collective interests of consumers. The President of UOKiK raised the following allegations against the Bank:

1. The Bank allegedly failed to reimburse the amount of an unauthorised payment transaction or to restore pre-transaction balance in the affected account by no later than D+1 (i.e. by the end of the next business day following the consumer's report of the unauthorised transaction), despite there being no valid reasons to withhold such actions (such as when the Bank has reasonable and properly documented grounds to suspect fraud by the consumer and has reported this suspicion to law enforcement, or when the notification of the unauthorised transaction was received from the consumer more than 13 months after the account was debited).
2. The Bank is also accused of misleading consumers in its responses to reports of unauthorised payment transactions by suggesting that the Bank's authentication of a transaction using individual authentication data is equivalent to its authorisation, and thus absolves the Bank of liability. In other words, the President of UOKiK accused the Bank of misleading consumers by implying in its responses that authenticating a transaction is the same as authorising it.

According to the President of UOKiK, the Bank's practice described in point 1 above may violate Article 46.1 of the Payment Services Act of 19 August 2011 and infringe upon the collective interests of consumers. Consequently, this could constitute a practice that breaches the collective interests of consumers as specified in Articles 24.1 and 24.2 of the Act on Competition and Consumer Protection.

In the view of the President of UOKiK, the practice described in point 2 may mislead consumers about the Bank's obligations under Article 46.1 of the Payment Services Act, and about the burden of proof in demonstrating that a payment transaction was authorised (i.e. shifting the burden of proof onto the consumer). This could constitute an unfair market practice as outlined in Article 5.1, 5.2.1 and 5.3.3 in conjunction with Article 4.2 of the Act on Counteracting Unfair Market Practices of 23 August 2007, infringing upon the collective interests of consumers. Consequently, this could represent a practice that breaches the collective interests of consumers as specified in Article 24.1 and 24.2.3 of the Act on Competition and Consumer Protection.

This issue affects a significant part of the banking sector and has been raised by the Polish Bank Association with UOKiK in a number of submissions, which, however, had no effect on the proceedings brought individually against banks.

As part of the ongoing proceedings, the Bank submitted two letters to UOKiK in 2024:

1. letter of 25 November 2024 – describing measures applied by the Bank in 2024 to improve handling of unauthorised transaction reports and to enhance customer education on cyber threats. The letter set out actions taken in the following areas:
 - technical – IT and technical measures to enhance the security of tools offered by the Bank,
 - educational – awareness raising campaigns for clients to increase understanding of cyber threats,
 - legal and procedural – changes in the interpretation of the concept of 'authorisation' and modification of the procedure for handling unauthorised transaction reports.
2. letter of 19 December 2024 – presenting a new procedure developed by the Bank for processing unauthorised transaction reports, aligned the expectations of the President of UOKiK. The Bank outlined the core principles of the new approach and noted that the changes had been implemented operationally, which included adjustments to the report handling processes at the Bank and staff training. Key elements of the new procedure include:
 - distinguishing between authorisation and authentication,
 - examining both authorisation and authentication,
 - taking an individual approach to every report,
 - conducting a detailed investigation into the circumstances of each unauthorised transaction.

On 10 April 2025, the Bank submitted another letter to UOKiK, stating that it had discontinued the practices identified in UOKiK's notification of the initiation of proceedings. The letter described the Bank's current approach to handling unauthorised transaction reports under the new procedure (effective since 1 January 2025) and outlined proposed measures to address the effects of the practices previously identified by the President of UOKiK (public compensation). The Bank also included initial proposals for a commitment and formally requested that the proceedings be concluded through a commitment decision under Article 28 of the Act on Competition and Consumer Protection of 16 February 2007.

The Bank does not know the timeline for the conclusion of the proceedings, nor can it predict the outcome or decision that will result from these proceedings. However, it assumes that a decision is likely to be issued by the end of 2025. The Bank is seeking a resolution through a commitment decision under Article 28 of the Act on Competition and Consumer Protection (as reflected in the letter of 10 April 2025 described above).

Accordingly, as at 30 June 2025, the Group maintained a provision of PLN 1,065.64 thousand. In the first six months of 2025, the provision remained unchanged due to the absence of new circumstances requiring its reassessment.

Proceedings by the Polish Financial Supervision Authority

On 27 April 2023, the Polish Financial Supervision Authority (PFSA) initiated administrative proceedings to impose an administrative penalty on Bank Ochrony Środowiska S.A. under Articles 147.4.a, 147.5, 147.11 and 147.13 of the Anti-Money Laundering and Terrorist Financing Act as a result of an audit. The PFSA once again extended the deadline for the planned completion of the proceedings. At this stage, it is not possible to determine their possible financial impact.

Proceedings by the Polish Data Protection Authority

On 29 September 2023, the President of the Polish Data Protection Authority (UODO) initiated administrative proceedings concerning the processing by the Bank of personal data of its clients and prospective clients in connection with their profiling. The proceedings concern two breaches of personal data protection laws, identified during the audit carried out at the Bank in 2022. After assessing the pertinent circumstances, the President of UODO may impose an administrative fine or other non-financial penalties. At this stage, it is not possible to determine the possible financial impact of the proceedings.

Court proceedings related to the WIBOR rate

The Bank was informed of two lawsuits initiated in relation to PLN-denominated mortgage loans in which borrowers raised claims regarding the use of WIBOR as the benchmark applied in determining the interest rate on variable-rate loans and the Bank's fulfilment of its obligation to inform clients about the risks associated with entering into a variable-rate mortgage agreement.

As at 30 June 2025, there were 10 ongoing court cases concerning PLN-denominated mortgage loans and challenging WIBOR as the interest calculation basis, with the disputed amounts totalling PLN 2,687.9 thousand. Given the favourable outlook for final court rulings, the Group did not recognise any provisions for these cases as at 30 June 2025.

10. Segment reporting

The Group's business is divided into operating segments dedicated to serving specific client groups. The segmentation structure is aligned with the Group's internal management practices and financial reporting framework.

In the six months ended 30 June 2025, the Bank adopted a new client segmentation model, effective from 1 January 2025.

Under the revised model, the former Institutional Client segment was replaced by the Corporate segment, while the former Retail Client segment was replaced by the SME, Micro-Enterprise and Retail segment. In connection with this change, the SME and micro-enterprise operations were transferred to the SME, Micro-Enterprise and Retail area.

As at 31 March 2025, the Bank's client service operations were divided into the following segments:

1. Corporate segment:
 - corporate clients,
2. SME, Micro-Enterprise and Retail segment:
 - SME business clients,
 - micro-enterprise business clients,
 - retail clients.

Other operating segments remained unchanged. In accordance with IFRS 8, the operating results, assets, and liabilities for the comparative period of the previous year were not restated following the change in segmentation. Below are presented the consolidated financial results of the BOŚ Group attributable to the segments for the six months ended 30 June 2025 and 30 June 2024.

No.	Statement of items of profit or loss for 6 months ended 30 Jun 2025 unaudited	CORPORATE CLIENTS	SME, MICRO- ENTERPRISE AND RETAIL CLIENTS	TREASURY AND INVESTMENT BUSINESS	BROKERAGE BUSINESS	OTHER (NOT ALLOCATED TO SEGMENTS)	BOŚ GROUP
I.	Net interest income	131,048	130,380	104,688	38,583	- 705	403,994
1.	Interest and similar income, including:	577,591	388,082	- 218,549	45,943	23	793,090
	<i>transactions with external clients</i>	333,687	93,175	309,669	4,264	-	740,795
	<i>transactions with other segments</i>	243,904	294,907	- 528,218	41,679	23	52,295
2.	Interest expense and similar income, including:	- 446,543	- 257,702	323,237	- 7,360	- 728	- 389,096
	<i>transactions with external clients</i>	- 122,116	- 182,605	- 27,122	- 4,942	- 16	- 336,801
	<i>transactions with other segments</i>	- 324,427	- 75,097	350,359	- 2,418	- 712	- 52,295
II.	Net fee and commission income	24,410	5,933	-	35,025	- 276	65,092
III.	Dividend income	-	-	11,651	129	-	11,780
IV.	Gain (loss) on financial instruments measured at fair value through profit or loss	-	-	5,539	36,042	-	41,581
V.	Gain (loss) on hedge accounting	-	-	- 986	-	-	- 986
VI.	Gain (loss) on investment securities	-	-	21,426	-	-	21,426
VII.	Gain (loss) on foreign exchange transactions	4,260	1,677	- 3,028	- 845	- 2	2,062
VIII.	Gain (loss) on derecognition of financial instruments	272	43	-	-	-	315
IX.	Net banking income	159,990	138,033	139,290	108,934	- 983	545,264
X.	Net other income and expenses	458	- 2,217	-	- 6,052	- 18,183	- 25,994
XI.	Effect of legal risk of foreign currency mortgage loans	-	- 59,484	-	-	-	- 59,484
XII.	Net loss allowances	- 27,426	- 1,286	20	-	868	- 27,824
XIII.	Net finance income (costs)	133,022	75,046	139,310	102,882	- 18,298	431,962
1.	Direct costs	- 22,265	- 13,305	- 1,303	- 62,880	- 850	- 100,603

	Profit (loss) after direct costs	110,757	61,741	138,007	40,002	- 19,148	331,359
2.	Indirect costs and mutual services	- 47,171	- 88,753	- 16,181	-	-	- 152,105
	Profit (loss) after direct and indirect costs	63,586	- 27,012	121,826	40,002	- 19,148	179,254
3.	Amortisation and depreciation	- 11,478	- 19,856	- 2,169	- 6,353	- 850	- 40,706
4.	Other costs (taxes, BFG, PFSA)	- 15,577	- 12,658	- 409	- 2,426	- 229	- 31,299
XIV.	Profit (loss) before tax	36,531	- 59,526	119,248	31,223	- 20,227	107,249
XV.	Allocated profit (loss) of ALM	19,855	70,565	- 90,420	-	-	-
XVI.	Gross profit (loss) after ALM allocation	56,386	11,039	28,828	31,223	- 20,227	107,249
XVII.	Income tax expense						- 27,528
XVIII.	Net profit/(loss)						79,721
XIX.	Segment assets	8,385,776	1,943,173	12,426,280	439,824	285,617	23,480,670
	<i>including amounts due from banks and clients</i>	8,099,763	1,943,173	219,032	3,303	2,923	10,268,194
	Segment liabilities	6,535,345	10,901,830	3,094,050	2,121,950	827,495	23,480,670
	<i>including amounts due to banks and clients</i>	6,515,113	10,901,830	666,673	1,785,219	70,321	19,939,156
	Expenditure on property, plant and equipment and intangible assets	2,304	3,354	500	2,920	-	9,078

No.	Statement of items of profit or loss for 6 months ended 30 Jun 2024 unaudited	INSTITUTIONAL CLIENTS	RETAIL CLIENTS	TREASURY AND INVESTMENT BUSINESS	BROKERAGE BUSINESS	OTHER (NOT ALLOCATED TO SEGMENTS)	BOŚ GROUP
I.	Net interest income	153,997	103,985	104,899	40,306	- 767	402,420
1.	Interest and similar income, including:	599,350	362,425	- 242,544	46,892	24	766,147
	<i>transactions with external clients</i>	377,629	88,579	242,885	4,838	-	713,931
	<i>transactions with other segments</i>	221,721	273,846	- 485,429	42,054	24	52,216
2.	Interest expense and similar income, including:	- 445,353	- 258,440	347,443	- 6,586	- 791	- 363,727
	<i>transactions with external clients</i>	- 98,748	- 173,637	- 34,245	- 4,865	- 16	- 311,511
	<i>transactions with other segments</i>	- 346,605	- 84,803	381,688	- 1,721	- 775	- 52,216
II.	Net fee and commission income	30,309	4,797	-	28,813	- 259	63,660
III.	Dividend income	-	-	12,057	128	-	12,185
IV.	Gain (loss) on financial instruments measured at fair value through profit or loss	- 151	-	1,728	22,537	-	24,114
V.	Gain (loss) on hedge accounting	-	-	- 962	-	-	- 962
VI.	Gain (loss) on investment securities	-	-	29	-	-	29
VII.	Gain (loss) on foreign exchange transactions	16,677	1,666	- 11,882	- 103	- 1	6,357
VIII.	Gain (loss) on derecognition of financial instruments	309	-	-	-	-	309
IX.	Net banking income	201,141	110,448	105,869	91,681	- 1,027	508,112
X.	Net other income and expenses	- 4,730	- 15,870	-	86	- 3,712	- 24,226
XI.	Effect of legal risk of foreign currency mortgage loans	-	- 107,523	-	-	-	- 107,523
XII.	Net loss allowances	- 12,969	9,687	6,750	-	-	3,468
XIII.	Net finance income (costs)	183,442	- 3,258	112,619	91,767	- 4,739	379,831
1.	Direct costs	- 17,847	- 14,812	- 1,325	- 53,254	- 736	- 87,974

	Profit (loss) after direct costs	165,595	- 18,070	111,294	38,513	- 5,475	291,857
2.	Indirect costs and mutual services	- 70,743	- 52,748	- 10,847	-	-	- 134,338
	Profit (loss) after direct and indirect costs	94,852	- 70,818	100,447	38,513	- 5,475	157,519
3.	Amortisation and depreciation	- 16,480	- 13,761	- 1,348	- 6,141	- 850	- 38,580
4.	Other costs (taxes, BFG, PFSA)	- 14,402	- 12,092	- 561	- 2,642	- 431	- 30,128
XIV.	Profit (loss) before tax	63,970	- 96,671	98,538	29,730	- 6,756	88,811
XV.	Allocated profit (loss) of ALM	37,359	53,135	- 90,494	-	-	-
XVI.	Gross profit (loss) after ALM allocation	101,329	- 43,536	8,044	29,730	- 6,756	88,811
XVII.	Income tax expense						- 38,580
XVIII.	Net profit/(loss)						50,231
XIX.	Segment assets	8,768,539	2,006,976	9,643,824	338,725	270,512	21,028,576
	<i>including amounts due from banks and clients</i>	8,747,911	2,006,976	48,516	6,404	2,723	10,812,530
	Segment liabilities	6,113,642	9,205,054	3,310,908	1,815,387	583,585	21,028,576
	<i>including amounts due to banks and clients</i>	6,087,880	9,205,054	712,332	1,554,014	85,974	17,645,254
	Expenditure on property, plant and equipment and intangible assets	23,231	20,187	3,087	10,537	-	57,042

Notes to the condensed interim consolidated statement of profit or loss

11. Net interest income

	for 6 months ended 30 Jun 2025 unaudited				for 6 months ended 30 Jun 2024 unaudited			
	Interest income		Income similar to interest income	Total	Interest income		Income similar to interest income	Total
	Financial assets measured at amortised cost	Assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss		Financial assets measured at amortised cost	Assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	
Cash and cash equivalents	29,158	99,913	-	129,071	21,783	77,154*	-	98,937*
Amounts due from corporate clients	316,341	-	-	316,341	372,325	-	-	372,325
Amounts due from SME, micro-enterprise and retail clients	90,532	-	159	90,691	87,208	-	155	87,363
Investment debt securities	46,721	147,733	1,604	196,058	52,106	91,802*	1,613	145,521*
Investment debt securities held for trading	-	-	797	797	-	-	1,589	1,589
Hedging transactions	-	-	7,837	7,837	-	-	8,196	8,196
Total	482,752	247,646	10,397	740,795	533,422	168,956	11,553	713,931

* Comparative data for the six months ended 30 June 2024 reflect a presentation change relative to data reported in the previous year. The amount of PLN 11,571 has been recognised as interest income on amounts due from institutional clients, while in the previous year it was presented as interest income on amounts due from banks and the central bank. For a detailed description of the change, see the full-year financial statements of BOŚ S.A. for the year ended 31 December 2024.

Interest expense and similar charges on:	for 6 months ended 30 Jun 2025 unaudited			for 6 months ended 30 Jun 2024 unaudited		
	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Total	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Total
Bank accounts and deposits from banks	3,140	-	3,140	2,061	-	2,061
Bank accounts and deposits from corporate clients	127,825	-	127,825	103,617	-	103,617
Bank accounts and deposits from SME, micro-enterprise and retail clients	184,619	-	184,619	175,780	-	175,780
Borrowings from clients	7,040	-	7,040	8,955	-	8,955
Lending support funds	282	-	282	366	-	366
Financial instruments – own debt securities	12,603	-	12,603	19,131	-	19,131
Lease liabilities	989	-	989	1,592	-	1,592
Other	303	-	303	9	-	9
Total	336,801	-	336,801	311,511	-	311,511

12. Net fee and commission income

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Fee and commission income		
Fee and commission income from contracts with customers under IFRS 15, including:	71,304	62,809
<i>brokerage service fees</i>	55,133	44,291
<i>fees for maintaining client accounts, other domestic and international settlement transactions</i>	15,572	18,109
Fees for portfolio management services and other management fees	596	405
Other fees	3	4
Commission fees on credit facilities	16,863	17,322
Commission fees on guarantees and letters of credit	2,636	4,212
Total	90,803	84,343
Fee and commission expense		
Brokerage fees, including:	20,704	15,883
<i>for custody services</i>	524	473
Payment card fees	4,096	3,923
Current account fees	283	293
ATM service charges	278	242
Fees on amounts due from clients	4	3
Other fees	346	339
Total	25,711	20,683

13. Dividend income

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Securities held for trading measured at fair value through profit or loss	129	128
Securities measured at fair value through other comprehensive income	11,651	12,057
Total	11,780	12,185

14. Gain (loss) on financial instruments measured at fair value through profit or loss (including amounts due from clients)

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Securities held for trading	7,347	3,581
Derivative financial instruments	35,563	20,929
Amounts due from clients	- 156	- 151
Securities measured at fair value through profit or loss and related derivative financial instruments	- 1,173	- 245
Total	41,581	24,114

15. Gain (loss) on investment securities

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Gain (loss) on sale of securities measured at fair value through other comprehensive income	21,426	29
Total	21,426	29

16. Other income and expenses

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Reversal of provisions for liabilities, including:	2,349	2,703
<i>provisions for liabilities and claims</i>	1,397	1,632
<i>Provision for refunds of increased interest charged until court entry of mortgage security</i>	230	-
<i>other provisions</i>	722	1,071
Reversal of loss allowances for receivables	438	5,813
Recoveries of prescribed, cancelled or uncollectible receivables	1,688	18
Proceeds from sale or retirement of property, plant and equipment	119	11
Reimbursement of debt collection costs	443	331
Revenue from sale of goods and provision of services	7,166	8,783
Adjustment of interest on cancelled deposits from previous years	345	392
Income from damages, penalties and fines	33	91
Income from grant refinancing	130	844
<i>Mój Elektryk (My EV) programme</i>	1,558	1,648
Income from adjustment of input VAT	170	-
Other	1,558	1,203
Total other income	15,997	21,837

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Retirement of property, plant and equipment and intangible assets	2	6
Write-off of intangible assets due to discontinued use	-	17,429
Donations	2,140	1,458
Recognised provisions for liabilities and claims, including:	2,946	4,022*
<i>provision for refunds of commission fees due to early loan repayment</i>	167	95*
<i>provision for other liabilities and claims</i>	985	3,670
<i>Provision for refunds of increased interest charged until court entry of mortgage security</i>	-	237
<i>other provisions</i>	1,794	20
Loss allowances for receivables	3,035	4,178
Debt collection costs	1,166	1,467
Adjustment to interest and commission fees on loans earned in previous years	3,957	2,203*
Lease payments	4,119	2,960
Costs of maintenance and administration of own leased premises	158	203
Costs of damages, penalties and fines	613	75
Costs of erroneous brokerage transactions	60	85
Fees for handling payment of benefits on securities	439	568
Costs of property appraisal reports	58	44
Costs of handling claims and disputes with clients	20,835	9,096
Costs of grant refinancing	279	374
Other	2,184	1,895
Total other expenses	41,991	46,063

* PLN 95 was transferred from 'Adjustment to interest and commission fees on loans earned in previous years' to 'Provision for refunds of commission fees due to early loan repayment'.

17. Effect of legal risk of foreign currency mortgage loans

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Change in legal-risk adjustment to gross carrying amount of loans	-28,753	-40,063
Change in legal-risk provision	-25,339	-60,688*
Effect of voluntary settlements with clients or contract cancellations	-5,392	-6,772*
Total	-59,484	-107,523

* There has been a change in the presentation of the effect of the recognition of amounts due from a client in respect of the repayment of loan principal (disclosed as amounts due under 'Other assets'). In these financial statements, the effect of the change in this item's balance is presented as 'Effect of voluntary settlements with clients or contract cancellations', whereas in the

condensed interim consolidated financial statements for the six months ended 30 June 2024 it was presented under 'Change in legal-risk provision'. The presentation change of the comparative data for 2024 amounts to PLN 47,715 thousand.

In the condensed interim consolidated financial statements for the six months ended 30 June 2024, the Group recognised:

- PLN 12,973 thousand under 'Change in legal-risk provision', whereas in these financial statements the amount disclosed in this line item is PLN 60,688 thousand, reflecting the change described above,
- PLN 54,487 thousand under 'Effect of voluntary settlements with clients or contract cancellations', whereas in these financial statements the amount disclosed in this line item is PLN 6,772 thousand, reflecting the change described above.

18. Net loss allowances

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Securities measured at fair value through other comprehensive income	- 1,097	7,901
Securities measured at amortised cost	17	59
Amounts due from banks	- 411	- 54
Amounts due from clients and off-balance-sheet liabilities, including:	- 26,333	- 4,438
on-balance-sheet receivables	- 22,133	- 2,116
<i>from SME, micro-enterprise and retail clients</i>	- 9	9,928
<i>from corporate clients</i>	- 22,124	- 12,044
off-balance-sheet liabilities	- 4,200	- 2,322
<i>from SME, micro-enterprise and retail clients</i>	- 744	- 189
<i>from corporate clients</i>	- 3,456	- 2,133
Total	- 27,824	3,468

Net loss allowances for amounts due from clients:

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Individual assessment	- 14,442	- 16,096
Collective assessment	- 7,691	13,980
Total	- 22,133	- 2,116

19. Administrative expenses

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Employee benefits	177,666	152,919
Administrative expenses, including:	106,341	99,521
<i>material costs</i>	75,042	69,393
<i>taxes and charges</i>	4,084	7,768
<i>contribution and payments to BGF</i>	24,956	20,243
<i>contribution and payments to PFSA</i>	1,819	1,709
<i>contribution to cover operating expenses of Financial Ombudsman</i>	374	348
<i>contribution to Chamber of Brokerage Houses (Izba Domów Maklerskich, IDM)</i>	66	60
Amortisation and depreciation, including:	40,706	38,580
<i>depreciation of property, plant and equipment</i>	11,394	10,196
<i>amortisation of intangible assets</i>	19,207	19,656
<i>depreciation of rights-of-use assets</i>	10,105	8,728
Total	324,713	291,020

20. Income tax expense

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Tax expense disclosed in statement of profit or loss	- 27,528	- 38,580
Current tax expense	- 18,602	- 13,722
Deferred tax on temporary differences	- 8,926	- 24,858

Reconciliation of effective tax rate

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Profit before tax	107,249	88,811
Income tax at 19% tax rate	- 20,378	- 16,874
Effect of permanent differences between profit or loss before tax and taxable income:	- 7,150	- 21,706
<i>legal-risk charges related to mortgage loans denominated in convertible currencies</i>	- 8,884	- 21,023
<i>contribution and payments to BGF</i>	- 4,685	- 3,789
<i>expected credit loss allowances</i>	- 900	- 2,683
<i>dividend income</i>	2,239	2,315
<i>donations</i>	406	277
<i>tax on income subject to tax collection waiver</i>	5,139	3,962
<i>other</i>	- 465	- 765
Tax expense disclosed in statement of profit or loss	- 27,528	- 38,580
Effective tax rate	26%	43%

For detailed information on deferred tax, see Note 30.

21. Earnings per share

Basic earnings per share are calculated as the quotient of profit attributable to shareholders of the Bank and the weighted average number of ordinary shares during the year.

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Net profit	79,721	50,231
Weighted average number of ordinary shares (thousand)	92,910	92,910
Basic earnings per share (PLN)	0.86	0.54

Diluted earnings per share are equal to basic earnings per share in the periods presented.

Notes to the condensed interim consolidated statement of financial position

22. Amounts due from banks

	30 Jun 2025 unaudited	31 Dec 2024
Deposits with other banks up to 3 months	1	33
<i>including: deposits with other banks up to 3 months (funds of Dom Maklerski BOŚ S.A. clients)</i>	<i>1</i>	<i>33</i>
Amounts due from banks under derivative hedging transactions	1,293	2,179
Subsidies for 'Secure 2% Mortgage'	790	685
Debt securities classified as amounts due from banks	150,472	-
Current accounts for the administration of EU programmes	20,666	11,500
Subordinated loan	20,760	-
Total, gross	193,982	14,397
Loss allowances for debt securities classified as amounts due from banks	- 26	-
Loss allowances for subordinated loan	- 385	-
Total, net	193,571	14,397

23. Financial assets and liabilities held for trading

	30 Jun 2025 unaudited	31 Dec 2024
Derivative financial instruments, including:	97,194	110,355
<i>foreign exchange and currency derivative transactions</i>	9,362	1,457
<i>interest rate derivative transactions</i>	65,181	87,368
<i>forward contracts and options</i>	945	533
<i>contracts for difference (CFDs)</i>	21,706	20,997
Securities held for trading	21,839	35,377
<i>debt securities</i>	861	18,809
<i>equity securities</i>	20,978	16,568
Total financial assets held for trading	119,033	145,732

	30 Jun 2025 unaudited	31 Dec 2024
Derivative financial instruments, including:	37,481	57,143
<i>foreign exchange and currency derivative transactions</i>	139	2,677
<i>interest rate derivative transactions</i>	30,021	45,885
<i>forward contracts and options</i>	499	345
<i>contracts for difference (CFDs)</i>	6,822	8,236
Securities held for trading	1,470	1,032
<i>equity securities</i>	1,470	1,032
Total financial liabilities held for trading	38,951	58,175

24. Investment securities

	30 Jun 2025 unaudited				31 Dec 2024			
	Measured at fair value through other comprehensive income	Measured at amortised cost	Measured at fair value through profit or loss	Total	Measured at fair value through other comprehensive income	Measured at amortised cost	Measured at fair value through profit or loss	Total
Debt securities:	4,948,374	1,790,167	130,202	6,868,743	5,268,798	1,843,978	126,035	7,238,811
<i>Treasury bonds</i>	3,909,731	1,360,802	-	5,270,533	4,178,111	1,346,105	-	5,524,216
<i>municipal bonds</i>	275,900	-	-	275,900	251,732	-	-	251,732
<i>bonds of other banks</i>	364,351	226,188	130,202	720,741	513,900	226,174	126,035	866,109
<i>bonds of other financial institutions</i>	196,539	203,177	-	399,716	193,324	271,699	-	465,023
<i>bonds of non-financial entities</i>	201,853	-	-	201,853	131,731	-	-	131,731
Equity securities	108,715	-	-	108,715	112,743	-	-	112,743
<i>Listed</i>	7,736	-	-	7,736	11,758	-	-	11,758
<i>Unlisted</i>	100,979	-	-	100,979	100,985	-	-	100,985
Total	5,057,089	1,790,167	130,202	6,977,458	5,381,541	1,843,978	126,035	7,351,554

25. Amounts due from clients

	30 Jun 2025 unaudited			31 Dec 2024		
	Gross amounts due from clients	Loss allowances	Net amounts due from clients	Gross amounts due from clients	Loss allowances	Net amounts due from clients
Measurement at amortised cost	11,034,704	991,776	10,042,928	11,001,214	930,587	10,070,627
Amounts due from SME, micro-enterprise and retail clients	2,162,920	219,754	1,943,166	2,090,378	215,847	1,874,531
<i>overdraft facilities</i>	31,925	4,508	27,417	3,350	2,971	379
<i>cash loans</i>	296,222	105,264	190,958	309,174	100,155	209,019
<i>housing loans</i>	1,442,549	76,142	1,366,407	1,553,854	81,552	1,472,302
<i>other loans</i>	390,204	33,826	356,378	224,000	31,169	192,831
<i>purchased receivables</i>	1,690	13	1,677	-	-	--
<i>commercial paper</i>	330	1	329	-	-	-
Amounts due from corporate clients	8,871,784	772,022	8,099,762	8,910,836	714,740	8,196,096
<i>working capital facilities</i>	843,797	82,133	761,664	912,054	56,023	856,031
<i>term facilities</i>	5,981,430	595,360	5,386,070	5,974,901	571,642	5,403,259
<i>factoring receivables</i>	420,784	40,284	380,500	462,849	36,416	426,433
<i>lease receivables</i>	276,389	26,231	250,158	273,397	26,112	247,285
<i>purchased receivables</i>	56,893	9,049	47,844	66,123	8,394	57,729
<i>commercial paper</i>	1,292,491	18,965	1,273,526	1,221,512	16,153	1,205,359
Measurement at fair value through profit or loss	-	-	7	-	-	32
Amounts due from SME, micro-enterprise and retail clients	-	-	7	-	-	25
<i>housing loans</i>	-	-	3	-	-	10
<i>other loans</i>	-	-	4	-	-	15
Amounts due from corporate clients	-	-	-	-	-	7
<i>term facilities</i>	-	-	-	-	-	7
Total	-	-	10,042,935	-	-	10,070,659
Margin deposits	25,466	3	25,463	27,865	3	27,862

Other amounts due from clients	6,225	- -	6,225	6,114	-	6,114
Total amounts due from clients	-	-	10,074,623	-	-	10,104,635

Amounts due from clients included preferential loans with subsidised interest from NFOŚiFW and WFOŚiGW; in the reporting period, the amounts were as follows (nominal values):

	30 Jun 2025 unaudited	31 Dec 2024
Preferential loans with subsidies, including:	22,716	21,412
<i>measured at amortised cost</i>	22,615	21,311
<i>measured at fair value through profit or loss</i>	101	101

Change in loss allowances for amounts due from clients:

	Allowances for amounts due SME, micro-enterprise and retail clients					Allowances for amounts due from corporate clients				
	Bucket 1	Bucket 2	Bucket 3	POCI	Total	Bucket 1	Bucket 2	Bucket 3	POCI	Total
At beginning of period 1 Jan 2025	7,127	1,879	206,693	148	215,847	63,350	79,407	578,102	- 6,119	714,740
Change in client segmentation model	1,021	20	4	-	1,045	- 1,021	- 20	- 4	-	- 1,045
At beginning of period 1 Jan 2025 – new client segmentation model	8,148	1,899	206,697	148	216,892	62,329	79,387	578,098	- 6,119	713,695
Increase due to origination and acquisition of financial assets	1,609	38	-	21	1,668	18,125	759	-	395	19,279
Changes due to change in credit risk	- 2,101	- 4,323	15,500	- 73	9,003	- 4,167	- 1,070	61,503	- 6,220	50,046
Decrease due to derecognition of financial assets, including:	- 395	- 140	- 7,274	-	- 7,809	- 3,841	- 2,662	- 10,408	5,913	- 10,998
<i>change in loss allowances for financial instruments written off from the statement of financial position</i>	-	- 1	- 69	-	- 70	-	-	- 1,423	- 258	- 1,681
Change in loss allowances due to reclassifications of financial assets between Buckets	1,246	4,632	- 5,878	-	-	- 3,622	663	2,959	-	-
Reclassification to Bucket 1	1,877	- 259	- 1,618	-	-	5,069	- 4,869	- 200	-	-
Reclassification to Bucket 2	- 320	5,704	- 5,384	-	-	- 7,771	8,995	- 1,224	-	-
Reclassification to Bucket 3	- 311	- 813	1,124	-	-	- 920	- 3,463	4,383	-	-
Other changes	- 22	18	4	-	-	12	- 12	-	-	-
At end of period 30 Jun 2025	8,485	2,124	209,049	96	219,754	68,836	77,065	632,152	- 6,031	772,022

	Allowances for amounts due from retail clients					Allowances for amounts due from institutional clients				
	Bucket 1	Bucket 2	Bucket 3	POCI	Total	Bucket 1	Bucket 2	Bucket 3	POCI	Total
At beginning of period 1 Jan 2024	14,273	4,839	219,884	191	239,187	106,832	59,669	540,962	- 18,643	688,820
Increase due to origination and acquisition of financial assets	2,174	9	-	-	2,183	12,584	1,606	-	-	14,190
Changes due to change in credit risk	- 9,612	- 3,406	14,072	- 8	1,046	- 5,193	4,611	41,175	- 2,734	37,859
Decrease due to derecognition of financial assets, including:	- 895	- 106	- 4,978	-	- 5,979	- 4,848	- 9,953	- 4,372	- 46	- 19,219
<i>change in loss allowances for financial instruments written off from the statement of financial position</i>	-	- 3	- 240	-	- 243	-	-	-	-	-
Change in loss allowances due to reclassifications of financial assets between Buckets	8,302	3,068	- 11,370	-	-	- 2,988	- 1,819	4,806	-	- 1
Reclassification to Bucket 1	8,934	- 967	- 7,967	-	-	7,373	- 6,864	- 510	-	- 1
Reclassification to Bucket 2	- 336	5,523	- 5,187	-	-	- 9,090	9,146	- 56	-	-
Reclassification to Bucket 3	- 296	- 1,488	1,784	-	-	- 1,271	- 4,101	5,372	-	-
Other changes	-	- 615	-	-	- 615	-	615	-	-	615
At end of period 30 Jun 2024	14,242	3,789	217,608	183	235,822	106,387	54,729	582,571	- 21,423	722,264

26. Amounts due to clients

	30 Jun 2025 unaudited	31 Dec 2024
SME, micro-enterprise and retail clients	12,196,517	10,964,372
<i>current/checking accounts</i>	5,057,778	4,946,925
<i>term deposits</i>	7,138,739	6,017,447
Corporate clients	7,014,528	7,539,555
<i>current/checking accounts</i>	3,248,346	4,041,526
<i>term deposits</i>	3,766,182	3,498,029
Other clients	61,438	62,889
Borrowings from international financial institutions	476,647	505,694
Lending support funds	24,789	28,297
Total	19,773,919	19,100,807

In the six months ended 30 June 2025 and in 2024, the Group made all principal and interest payments on time, and did not breach any other contractual provisions regarding its payment obligations.

27. Liabilities arising from issue of securities

Series	Curren cy	Interest rate	Original maturity	Maturity date	Nominal value	Amount outstandin g	Nominal value	Amount outstandi ng
					30 Jun 2025 unaudited		31 Dec 2024	
AC	PLN	6M WIBOR + margin (six- month coupons)	4 years (with early repayment option after 3 years)	20 December 2028	200,000	102,709	200,000	199,762
Total					200,000	102,709	200,000	199,762

28. Subordinated liabilities

Series	Currency	Interest rate	Original maturity	Maturity date	Nominal value	Amount outstanding	Nominal value	Amount outstanding
					30 Jun 2025 unaudited		31 Dec 2024	
AA1	PLN	6M WIBOR + margin (six-month coupons)	7 years (with early repayment option after 5 years)	redeemed on 28 July 2024	-	-	-	-
AA2	PLN	6M WIBOR + margin (six-month coupons)	7 years (with early repayment option after 5 years)	redeemed on 31 October 2024	-	-	-	-
P	PLN	6M WIBOR + margin (six-month coupons)	10 years (with early repayment option after 5 years)	redeemed on 11 July 2024	-	-	-	-
R1	PLN	6M WIBOR + margin (six-month coupons)	10 years (with early repayment option after 5 years)	redeemed on 26 September 2024	-	-	-	-
AB	PLN	6M WIBOR + margin (six-month coupons)	7 years (with early repayment option after 5 years)	5 September 2030	100,000	199,871	100,000	102,838
Total					100,000	199,871	100,000	102,838

In the six months ended 30 June 2025 and in 2024, the BOŚ Group did not breach any contractual provisions regarding its subordinated liabilities.

29. Provisions

	30 Jun 2025 unaudited	31 Dec 2024
Provision for financial obligations:	62,134	57,935
<i>open lines of credit</i>	44,103	33,054
<i>guarantees</i>	18,031	24,881
Provision for employee benefits – retirement and disability benefits	7,487	7,541
Other provisions	287,772	297,502
<i>provision for legal risk of foreign currency mortgage loans</i>	241,346	251,222
<i>provision for refunds of commission fees due to early loan repayment</i>	167	225
<i>Provision for refunds of increased interest charged until court entry of mortgage security</i>	903	1,315
<i>provision for other liabilities and claims</i>	45,356	43,992
<i>provision for future payments</i>	-	748
Total	357,393	362,978

Change in provisions

	30 Jun 2025 unaudited	31 Dec 2024
Provision for financial obligations		
At beginning of period	57,935	45,395
<i>recognition of provisions for impairment of off-balance-sheet liabilities</i>	64,557	143,130
<i>reversal of provisions for impairment of off-balance-sheet liabilities</i>	- 60,357	- 130,590
<i>other</i>	- 1	-
At end of period	62,134	57,935
Provision for employee benefits		
At beginning of period	7,541	5,697
<i>recognition of provisions</i>	150	2,018
<i>use of provisions</i>	- 204	- 174
At end of period	7,487	7,541
Provision for legal risk of foreign currency mortgage loans		
At beginning of period	251,222	164,000
<i>recognition of provisions*</i>	25,340	130,584
<i>exchange differences on measurement of provisions</i>	- 2,725	- 5,694
<i>use of provisions*</i>	- 32,491	- 37,668

<i>reversal of provisions</i>	-	-
At end of period	241,346	251,222

Provision for refunds of commission fees due to early loan repayment		
At beginning of period	225	171
<i>recognition of provisions</i>	-	167
<i>use of provisions</i>	- 14	- 113
<i>reversal of provisions</i>	- 44	-
At end of period	167	225
Provision for refunds of increased interest charged until court entry of mortgage security		
At beginning of period	1,315	1,880
<i>recognition of provisions</i>	-	237
<i>use of provisions</i>	- 182	- 369
<i>reversal of provisions</i>	- 230	- 433
At end of period	903	1,315
Provision for other liabilities and claims		
At beginning of period	43,992	39,146
<i>recognition of provisions</i>	2,734	7,992
<i>reversal of provisions</i>	- 1,370	- 3,146
At end of period	45,356	43,992
Provision for future payments		-
At beginning of period	748	-
<i>recognition of provisions</i>	-	2,174
<i>use of provisions</i>	-748	- 1,426
At end of period	-	748
Total provisions at end of period	357,393	362,978

* There has been a change in the presentation of the legal risk provision. For details, see Note 19 'Effect of legal risk of foreign currency mortgage loans'.

The provision for litigation and claims related to the legal risk of foreign currency mortgage loans and the provision for refunds of commission fees are recognised at the amount of expected outflows of economic benefits in the presented periods:

	1 Jan 2025–30 Jun 2025		1 Jan 2025–30 Jun 2024	
	Amount	Expected outflow of benefits	Amount	Expected outflow of benefits
Provision for amounts due to clients	32,099	up to 1 year	30,350	up to 1 year
Provision for other liabilities and claims	13,257		13,642	
	1,875	up to 1 year	3,829	up to 1 year
	11,382	over 1 year	9,813	over 1 year
Provision for legal risk related to foreign currency mortgage loans	241,346		251,222	
	144,836	up to 1 year	126,802	up to 1 year
	96,510	over 1 year	124,420	over 1 year
Provision for refunds of commission fees due to early loan repayment	167		225	
	56	up to 1 year	75	up to 1 year
	111	over 1 year	150	over 1 year
Provision for refunds of increased interest charged until court entry of mortgage security	903		1,315	
	301	up to 1 year	438	up to 1 year
	602	over 1 year	877	over 1 year
Provision for future payments	-		748	
	-	up to 1 year	748	up to 1 year
Total	287,772		297,502	

Litigation against the Bank concerning loans denominated in or linked to foreign currencies

For information on litigation related to loans denominated in or linked to foreign currencies, see Note 8: 'Legal risk associated with foreign currency-linked residential mortgage loans'

30. Deferred income tax

Deferred income tax is calculated for all temporary differences using an income tax rate of 19%.

DEFERRED TAX ASSETS AND LIABILITIES	30 Jun 2025 unaudited	Statement of profit or loss	Other comprehensive income	31 Dec 2024
<i>interest accrued on loans and securities</i>	78,251	8,544	-	69,707
<i>differences between carrying amounts of property, plant and equipment and intangible assets, including lease contracts, and their tax base</i>	56,352	878	-	55,474
<i>positive value of securities and financial instruments</i>	37,592	- 3,681	6,048	35,225
<i>deferred commissions</i>	15,454	1,243	-	14,211
Gross deferred tax liabilities	187,649	6,984	6,048	174,617
<i>expected credit loss allowances</i>	128,902	3,224	-	125,678
<i>provision for legal risk of foreign currency mortgage loans related to Settlement Programme</i>	16,140	2,418	-	13,722
<i>interest accrued on deposits and securities</i>	97,102	709	-	96,393
<i>provision for material and labour costs</i>	14,796	- 1,238	-	16,034
<i>negative value of securities and financial instruments</i>	22,175	- 5,257	- 834	22,175
<i>other</i>	3,613	- 2	-	3,613
<i>interest received on securities previously purchased by the Bank</i>	20,700	3,811	-	20,700
<i>deferred commissions</i>	16,641	- 5,608	-	16,641
Gross deferred tax assets	320,069	- 1,943	- 834	322,846
Total effect of temporary differences – net assets	132,420	- 8,927	- 6,882	148,229

DEFERRED TAX ASSETS AND LIABILITIES	30 Jun 2024 unaudited	Statement of profit or loss	Other comprehensive income	31-12-2023
<i>interest accrued on loans and securities</i>	67,529	5,731	-	61,798
<i>differences between carrying amounts of property, plant and equipment and intangible assets, including lease contracts, and their tax base</i>	22,048	- 5,890	-	27,938
<i>positive value of securities and financial instruments</i>	43,858	- 2,681	- 2,918	49,457
<i>deferred commissions</i>	17,429	3,236	-	14,193
<i>other</i>	-	- 187	-	187
<i>IBNR recognised as tax-deductible in previous years</i>	124	- 125	-	249
Gross deferred tax liabilities	150,988	84	- 2,918	153,822
<i>expected credit loss allowances</i>	120,441	- 8,185	-	128,626
<i>provision for legal risk of foreign currency mortgage loans related to Settlement Programme</i>	12,792	- 594	-	13,386
<i>interest accrued on deposits and securities</i>	64,517	- 10,726	-	75,243
<i>provision for material and labour costs</i>	9,537	- 2,499	-	12,036
<i>negative value of securities and financial instruments</i>	30,393	- 2,792	- 2,177	35,362
<i>other</i>	4,175	- 43	-	4,218
<i>interest received on securities previously purchased by the Bank</i>	22,263	8,192	-	14,071
<i>deferred commissions</i>	20,137	- 8,127	-	28,264
Gross deferred tax assets	284,255	- 24,774	- 2,177	311,206
Total effect of temporary differences – net assets	133,267	- 24,858	741	157,384

31. Other liabilities

	30 Jun 2025 unaudited	31 Dec 2024
Interbank settlements	84,796	25,817
Amounts due to Dom Maklerski BOŚ counterparties	112,264	90,846
Accrued expenses and deferred income	96,441	82,965
Public charges	51,562	56,126
Trade liabilities	87,612	90,047
Deferred commissions	7,784	8,065
Payment card settlements	1,287	1,248
Provision for refunds of commission fees due to early loan repayment	1,692	1,900
Other	2,267	2,440
Total	445,705	359,454

32. Common equity

Registered share capital

As of 30 June 2025, the share capital was PLN 929,477 thousand and did not change relative to the amount as at 31 December 2024.

Series/issue	Type of shares	Type of preference	Number of shares	Par value of series/issue, PLN thousand	Method of payment for shares	Date of registration	Dividend right as of
A	O	ordinary	236,700	2,367	cash	9 Jan 1991	1 Jan 1992
B	O	ordinary	1,263,300	12,633	cash	11 Mar 1992	1 Jan 1993
C	O	ordinary	477,600	4,776	cash	30 Dec 1992	1 Jan 1993
C	O	ordinary	22,400	224	in-kind contribution	30 Dec 1992	1 Jan 1993
D	O	ordinary	1,300,000	13,000	cash	30 Dec 1993	1 Jan 1994
E	O	ordinary	647,300	6,473	cash	30 Jun 1994	1 Jan 1995
E	O	ordinary	15,500	155	in-kind contribution	30 Jun 1994	1 Jan 1995
E	O	ordinary	37,200	372	in-kind contribution	30 Jun 1994	1 Jan 1995
F	O	ordinary	1,500,000	15,000	cash	30 Dec 1994	1 Jan 1995
G	O	ordinary	1,260,000	12,600	cash	30 Jun 1995	1 Jan 1996
H	O	ordinary	670,000	6,700	cash	30 Jun 1995	1 Jan 1996
I	O	ordinary	70,000	700	cash	30 Jun 1995	1 Jan 1996
J	O	ordinary	1,055,000	10,550	cash	21 Jun 1996	1 Jan 1996
K	O	ordinary	945,000	9,450	cash	21 Jun 1996	1 Jan 1996
L	O	ordinary	1,200,000	12,000	cash	29 Nov 1996	1 Jan 1996
M	O	ordinary	2,500,000	25,000	cash	7 May 1998	1 Jan 1997
N	O	ordinary	1,853,000	18,530	cash	13 Jun 2007	1 Jan 2007
O	O	ordinary	1,320,245	13,202	in-kind contribution	25 Jun 2010	1 Jan 2010
P	O	ordinary	6,500,000	65,000	cash	15 Jun 2012	1 Jan 2011
U	O	ordinary	40,000,000	400,000	cash	12 Jul 2017	1 Jan 2016
V	O	ordinary	30,074,426	300,744	cash	4 Jul 2018	1 Jan 2018
Total number of shares			92,947,671				
Total par value of share capital				929,477			
Total share capital				929,477			

Par value of each share is PLN 10.

As at 30 June 2025, the total number of voting rights attached to all shares issued by the Bank was 92,947,671 and did not change relative to 31 December 2024.

Each share carries the right to one vote at the General Meeting.

Other shareholders hold in total 27.8% of shares in the Bank's share capital.

As at the date of these condensed interim consolidated financial statements, no changes in the ownership structure of major holdings were known.

Treasury shares

As at 30 June 2025, the Bank held 37,775 treasury shares, representing 0.04% of its share capital and 0.04% of total voting rights in the Bank.

In accordance with the Commercial Companies Code, the Bank may not exercise voting rights attached to its own shares.

Share premium

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

As at 30 June 2025 and 31 December 2024, the share premium was PLN 532,851 thousand.

33. Issue, redemption and repayment of debt and equity securities

In the six months ended 30 June 2025, there were no issues, redemptions or repayments of any debt or equity securities.

34. Contingent assets and liabilities

	30 Jun 2025 unaudited	31 Dec 2024
Contingent liabilities:	4,147,116	3,673,653
Financial obligations, including:	3,670,787	3,167,402
open lines of credit, including:	3,544,964	3,155,237
<i>revocable</i>	3,078,518	2,641,328
<i>irrevocable</i>	466,446	513,909
open import letters of credit	7,137	12,165
loan commitments, including:	118,686	-
<i>irrevocable</i>	4,420	-
<i>other</i>	114,266	-
Guarantees, including:	398,131	449,583
<i>credit repayment sureties and guarantees</i>	13,896	13,910
<i>performance bonds</i>	384,235	435,673
Underwriting	78,198	56,668
Contingent assets:	1,853,851	1,942,893
Financial assets, including:	-	4,300
<i>other</i>	-	4,300
Guarantees	1,827,083	1,913,394
Other	26,768	25,199
Total contingent assets and contingent liabilities	6,000,967	5,616,546

In addition, as at 30 June 2025, the Bank had contingent liabilities of PLN 11,731 thousand under firm offers, resulting from the issuance of a positive decision to grant a mortgage loan to a client (31 December 2024: PLN 1,431 thousand).

35. Hedge accounting

35.1. Hedge accounting policies

Hedge accounting is an integral part of the financial risk management process. Financial risk is managed as part of the risk management process in place at the Bank.

The Bank hedges the interest rate risk in the banking book. The Bank uses fair value hedges to hedge the fair value of fixed-rate Treasury bonds.

35.2. Cash flow hedge accounting

As at 30 June 2025, the BOŚ Group did not apply cash flow hedge accounting.

35.3. Fair value hedge accounting

During the hedging period, the Bank hedges the volatility of fair value of fixed-rate bonds, resulting from movements of market interest rates. The hedged item is part of the Treasury bonds held in the HtCS business model. The hedging instrument is an Interest Rate Swap (IRS), under which the Bank makes a payment based on a fixed interest rate and receives a coupon based on a variable rate (6M WIBOR).

Establishing a hedging relationship results in the netting of changes in the fair value of the hedging instrument and the hedged item in the statement of profit or loss. Only one type of risk (i.e. the risk of interest rate volatility) is hedged. The spread between quoted prices of the Treasury bonds and the IRS transactions is not hedged.

The hedge is expected to be highly effective in offsetting fair value changes resulting from the hedged risk. Hedge effectiveness is verified using prospective and retrospective hedge effectiveness tests: retrospective assessment of the prospective effectiveness test, performed to confirm the high probability of sufficient cash flows from the hedged item, as estimated in the prospective test, and the test based on the hypothetical derivative method, which involves presenting the hedged item as a hypothetical derivative. Effectiveness testing involves comparing the changes in the fair value of the hedging instrument and the hypothetical derivative. The test yields a positive result if the Hedge Effectiveness Ratio (HER) falls within the range of 80-125%. The tests are performed on a monthly basis. The Bank does not identify any significant sources of ineffectiveness the fair value hedging.

Changes in the fair value of the hedged item resulting from movements of market interest rates are recognised in the statement of profit or loss. Changes in the fair value of the bonds not attributable to changes in the hedged risk are recognised under revaluation surplus. Changes in the measurement of the hedging instrument are recognised in the statement of profit or loss.

As at 30 June 2025, the Bank had one fair value hedge relationship – a hedge established on 20 October 2015.

The hedged item within the hedging relationship established in 2015 includes PLN 240 million of Treasury bonds DS0725, maturing in July 2025.

As at 30 June 2025, the Group recognised in the statement of profit or loss PLN 209 thousand resulting from changes in the fair value of the bonds due to interest rate movements and changes in the fair value of the IRS transactions. PLN 55 thousand was recognised under the revaluation surplus, representing the sum of the impact of the bonds on equity as at the date the hedge relationship was established (PLN -11,345 thousand) and the change in the fair value of the bonds resulting from the unhedged part of the risk (spread between the quoted prices of the bonds and the IRS transactions).

	30 Jun 2025 unaudited			31 Dec 2024		
	carrying amount	nominal value	fair value*	carrying amount	nominal value	fair value*
Hedging instruments						
Interest Rate Swap (IRS) – positive valuation	1,059	258,000	590	8,693	258,000	4,816
Hedged items						
Treasury bonds – positive valuation	247,118	240,000	-381	240,828	240,000	-3,620
Total effect on profit or loss			209			1,195

* for the hedged bonds it is an adjustment to the fair value

36. Fair value of financial assets and liabilities

The carrying amount and the fair value of financial assets and liabilities other than measured at fair value disclosed in the financial statements are presented below.

	Carrying amount 30 Jun 2025 unaudited	Fair value 30 Jun 2025 unaudited	Carrying amount 31 Dec 2024	Fair value 31 Dec 2024
FINANCIAL ASSETS				
Cash and cash equivalents	4,415,502	4,415,502	3,427,224	3,427,224
deposits with other banks	219,786	219,786	28,853	28,853
debt securities	4,195,716	4,195,716	3,398,371	3,398,371
Amounts due from banks	193,572	193,870	14,397	14,397
Amounts due from clients including:	10,083,279	10,036,478	10,104,635	10,090,221
amounts due in PLN	8,111,535	8,065,703	8,115,602	8,104,798
amounts due in foreign currencies	1,971,744	1,970,775	1,989,033	1,985,423
Investment securities – measured at amortised cost	1,790,167	1,788,528	1,843,978	1,827,098
Debt securities, including:	1,790,167	1,788,528	1,843,978	1,827,098
Treasury securities	1,360,802	1,372,761	1,346,105	1,351,695
other	429,365	415,767	497,873	475,403
FINANCIAL LIABILITIES				
Amounts due to central bank and other banks	165,237	165,237	244,519	244,519
Amounts due to clients, including:	19,773,919	19,696,248	19,100,807	18,893,349
institutional clients	7,039,317	7,039,592	7,567,852	7,568,410
retail clients	12,196,517	12,196,808	10,964,372	10,961,891
other clients	61,438	61,438	62,889	62,889
international financial institutions	476,647	398,410	505,694	300,159
Liabilities arising from issue of bank securities	102,709	22,779	199,762	21,674
Subordinated liabilities	199,871	102,489	102,838	102,322

Cash and cash equivalents

This line item includes term deposits with other banks with original maturities of up to three months, as well as NBP money market bills.

Amounts due from banks

Amounts due from banks include interbank deposits, nostro accounts and loans. Fair value of interbank deposits, due to their short-term nature (fixed-rate interbank deposits up to six months) is equal to their carrying amount. Bonds issued by banks were measured at fair value, after accounting for a change in the credit spread calculated on the basis of comparable issues by similar banks.

Amounts due from clients

Amounts due from clients are disclosed net of impairment charges. Amounts due from clients in the balance sheet are chiefly measured at amortised cost using the effective interest rate (99% of the carrying amount of credit facilities).

The fair value of loans is assumed to be their value resulting from currently estimated future principal and interest cash flows (separately for loans denominated in foreign currencies and for loans denominated in PLN) calculated using the effective interest rate for each loan (except for loans with an undetermined schedule or non-performing loans, for which the fair value is assumed to be the same as carrying amount) and discounted at the average effective interest rate of the loans granted over the last twelve months. For mortgage loans, account was taken of prepayments. In the case of foreign currency loans, which the Bank ceased to grant, an average effective interest rate on the corresponding loans denominated in PLN was applied, adjusted for the difference between the rates in specific currencies and PLN.

Investment securities measured at amortised cost

Investment securities measured at amortised cost include Treasury bonds held within the HtC business model. The fair value of the bonds is assumed to be the current valuation derived from quoted market prices plus accrued interest.

Amounts due to central bank and other banks

Amounts due to the central bank as well as liabilities arising from repo transactions are disclosed at carrying amount. Liabilities arising from repo transactions were recognised at carrying amounts due to the lack of available market data necessary to calculate the fair value of basic repo transactions of the Bank with the counterparty.

Interbank deposits, due to short maturities, were disclosed at carrying amounts, and the borrowings (principal and interest) were discounted using the average effective interest rate.

Amounts due to clients

Amounts due to clients disclosed in the statement of financial position are measured at amortised cost, using the effective interest rate method. The fair value of amounts due to clients is assumed to be their value resulting from discounting principal and interest for all deposits at the weighted average interest rate that was in effect for deposits accepted in June 2025. In the absence of payment schedules for current accounts, they were recognised at the carrying amount.

Amounts due to international financial institutions (principal and interest) were discounted using the average effective interest rate (for EUR) or the interest rate of the most recent transaction executed in a given currency (for PLN).

Liabilities arising from issue of bank securities

Liabilities arising from issue of securities are measured at fair value taking into account change in credit spread for PLN-denominated bonds, determined based on the latest issue carried out by the Bank.

Subordinated liabilities

Subordinated liabilities were measured at fair value, with the change in credit spread determined on the basis of the latest issue made by the Bank.

37. Classification of financial instruments measured at fair value based on the fair value measurement method applied

Under IFRS 13, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When estimating fair value, the Group takes into account the adjustment for counterparty credit risk.

As at 30 June 2025 and 31 December 2024, the Group classified financial assets and liabilities measured at fair value to three categories (levels) based on the measurement method:

1. **Level 1: mark-to-market valuation** directly from available quotations of instruments on the market. This applies to quoted equity and debt securities and NBP bills (quotations based on the reference rate).
2. **Level 2: mark-to-model valuation approach**, with model parameterisation based on active market quotations for the type of instruments concerned or prices obtained in transactions concluded close to the reporting date on normal market terms. Fair value is also determined by reference to other, similar instruments, by analysing discounted cash flow and with other valuation methods commonly used by market participants, and in the case of financial instruments to which no valuation method can be applied – at cost. This applies to unlisted bank securities, equity securities and derivatives (including forward transactions for securities), except where they meet the criteria for classification to Level 3. Additionally, in the portfolio of assets available for sale Dom Maklerski BOŚ holds shares of an entity for which there is no active market. Due to the above, the fair value of these securities is based on the valuation model developed by the Company and using comparable values for businesses listed on the Warsaw Stock Exchange.
3. **Level 3: mark-to-model valuation approach**, with model parameterisation based on active market quotes for a given type of instruments and the model parameters based on estimated risk factors. This applies to municipal securities (measured using the discounted cash flows method, with credit spreads used in the valuation determined on the basis of internal ratings), securities of other banks (prices are determined based on the margins of securities quoted in the market at the time of price determination, issued by selected issuers), unlisted equity securities and illiquid equity securities (measured using the discounted cash flows method). In the case of BOŚ Brokerage House (DM BOŚ), these are financial instruments acquired with the intention to introduce them to regulated trading. Fair value is determined based on an analysis of the company's financial position, taking into account loss allowances.

Financial instruments by fair-value hierarchy level:

30 Jun 2025 unaudited	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	4,195,716	-	219,787	4,415,503
<i>deposits with other banks</i>	-	-	219,787	219,787
<i>debt securities</i>	4,195,716	-	-	4,195,716
Amounts due from banks	-	-	193,870	193,870
Financial assets held for trading	21,126	97,907	-	119,033
<i>debt securities</i>	861	-	-	861
<i>equity securities</i>	20,245	733	-	20,978
<i>derivative financial instruments</i>	20	97,174	-	97,194
Derivative hedging instruments	-	1,059	-	1,059
Investment securities measured at fair value	3,917,466	130,202	1,139,622	5,187,291
<i>debt securities</i>	3,909,731	130,202	1,038,643	5,078,576
<i>equity securities</i>	7,736	-	100,979	108,715
Investment securities measured at amortised cost	1,788,528	-	-	1,788,528
Amounts due from clients	-	-	10,027,116	10,027,116
Total	9,922,836	229,168	11,580,395	21,732,400

30 Jun 2025 unaudited	Level 1	Level 2	Level 3	Total
Financial liabilities held for trading	1,718	37,233	-	38,951
<i>debt securities</i>	-	-	-	-
<i>equity securities</i>	1,470	-	-	1,470
<i>derivative financial instruments</i>	248	37,233	-	37,481
Derivative hedging instruments	-	-	-	-
Amounts due to other banks	-	-	165,237	165,237
Amounts due to clients	-	-	19,697,953	19,697,953
Liabilities arising from issue of bank securities	-	-	22,779	22,779
Subordinated liabilities	-	-	102,489	102,489
Total	1,718	37,233	19,988,458	20,027,409

Changes in securities measured at fair value through other comprehensive income	Level 3
At beginning of period 1 Jan 2025	1,191,671
Purchase	152,513
Sale and redemption	- 229,368
Total gains and losses	24,806

in profit or loss				- 21,733
in other comprehensive income				46,539
At end of period 30 Jun 2025				1,139,622
31 Dec 2024	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	3,398,371	-	28,853	3,427,224
<i>deposits with other banks</i>	-	-	28,853	28,853
<i>debt securities</i>	3,398,371	-	-	3,398,371
Amounts due from banks	-	-	14,397	14,397
Financial assets held for trading	34,667	111,066	-	145,732
<i>debt securities</i>	18,809	-	-	18,809
<i>equity securities</i>	15,835	733	-	16,568
<i>derivative financial instruments</i>	23	110,332	-	110,355
Derivative hedging instruments	-	8,693	-	8,693
Investment securities measured at fair value	4,189,870	126,035	1,191,671	5,507,576
<i>debt securities</i>	4,178,111	126,035	1,090,687	5,394,833
<i>equity securities</i>	11,759	-	100,984	112,743
Investment securities measured at amortised cost	1,827,098	-	-	1,827,098
Amounts due from clients	-	-	10,090,221	10,090,221
Total	9,450,006	245,793	11,325,142	21,020,941

31 Dec 2024	Level 1	Level 2	Level 3	Total
Financial liabilities held for trading	1,051	57,124	-	58,175
<i>debt securities</i>	-	-	-	-
<i>equity securities</i>	1,032	-	-	1,032
<i>derivative financial instruments</i>	19	57,124	-	57,143
Derivative hedging instruments	-	-	-	-
Amounts due to other banks	-	-	244,519	244,519
Amounts due to clients	-	-	18,893,349	18,893,349
Liabilities arising from issue of bank securities	-	-	21,674	21,674
Subordinated liabilities	-	-	102,322	102,322
Total	1,051	57,124	19,261,864	19,320,039

Changes in securities measured at fair value through other comprehensive income	Level 3
At beginning of period 1 Jan 2024	1,185,908
Purchase	1,229,140

Sale and redemption	- 1,265,672
Total gains and losses	42,295
in profit or loss	- 44,149
in other comprehensive income	86,444
At end of period 30 Jun 2024	1,191,671

Financial instruments may be reclassified between Level 1 and Level 2 based on the availability of quotations from an active market at the reporting date.

An instrument is reclassified from Level 2 to Level 3 when an observable input in the valuation is replaced by an unobservable one, or when a new unobservable risk factor is applied in the valuation, provided this has a material impact on the instrument's fair value.

An instrument is reclassified from Level 3 to Level 2 when an unobservable input in the valuation is replaced by an observable one or when the effect of the unobservable input on the instrument's fair value ceases to be significant.

In the period from 1 January to 30 June 2025, there were no reclassifications between fair value hierarchy levels. Measurement of Level 3 instruments does not affect the statement of profit or loss.

Measurement of investment debt and equity securities measured at fair value and classified as Level 3 represents a significant estimate and judgment.

Debt securities are measured by the Bank based on discounted cash flows, taking into account the credit spread determined based on internal ratings, which is the main source of uncertainty in the measurement.

As at 30 June 2025, the sensitivity of the measurement to a +/- 1 bp change in the credit spread (unobservable model parameter) was PLN 421.5 thousand (31 December 2024: PLN 235.7 thousand).

Notes to the statement of cash flows

38. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include the following highly liquid balances with maturities of less than three months:

	30 Jun 2025 unaudited	31 Dec 2024
Cash in hand	15,718	18,722
Cash and balances at central bank	832,515	856,491
Deposits with other banks, recognised as cash equivalents	219,787	28,853
NBP money market bills – recognised as cash equivalents	4,195,716	3,398,371
Total	5,263,736	4,302,437

The balance of cash and cash equivalents includes the obligatory reserve maintained with the NBP.

In accordance with section 12 of NBP Resolution No. 40/2015, the Bank may use the funds held in the obligatory reserve for current cash settlements.

The amount of the obligatory reserve declared to be maintained in June 2025 was PLN 659,535 thousand (June 2024: PLN 588,010 thousand). The Bank is required to maintain the average cash balance per month above the declared obligatory reserve.

39. Related-party transactions

As at 30 June 2025, Bank Ochrony Środowiska S.A. was the parent of Dom Maklerski BOŚ S.A., BOŚ Leasing S.A., as well as MS Wind Sp. z o.o.

The National Fund for Environmental Protection and Water Management (NFOŚiGW) was the parent of BOŚ S.A.

The key management personnel are also considered to be related parties.

Transactions with the National Fund for Environmental Protection and Water Management, i.e. the main shareholder of the Bank

As at 30 June 2025, the amount of funds provided by the NFOŚiGW for preferential loans under the *Prosumement* programme for the financing of purchase and installation of renewable energy sources was PLN 2,813 thousand (31 December 2024: PLN 4,125 thousand).

NFOŚiGW is a party related to the State Treasury. The Bank enters into transactions with entities related to the State Treasury, mainly with entities operating in the public finance sector.

39.1. Key management personnel

39.1.1. Loans to and deposits from members of the Management Board and the Supervisory Board of the Group

As part of the operating activities, transactions with members of the management body and the key management personnel comprise mainly loans and deposits. The balances of individual items of the statement of financial position as at 30 June 2025 and 31 December 2024 as well as income and expenses for the 6 months ended 30 June 2025 and 31 December 2024 are presented below.

	30 Jun 2025 unaudited	31 Dec 2024
Loans	7	9
Commitments under granted line of credit	8	6
Deposits	17	82
Total	32	97

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Interest expense on deposits	-	2
Interest income on loans	-	-

The credit and deposit products were provided to the key management personnel on the same terms as those offered by the Bank to the general public.

39.1.2. Remuneration of the key management personnel of the Bank

Item	6 months ended 30 Jun 2025 unaudited	6 months ended 30 Jun 2024 unaudited
Management Board		
short-term employee benefits*	1,823	1,287
post-employment benefits	-	1,022
termination benefits	-	-
Total	1,823	2,309
Supervisory Board		
short-term employee benefits**	971	806
Total	971	806

* Short-term employee benefits include: remuneration under a contract of mandate, reimbursement of overpaid social security contributions, income from PPK contributions, remuneration for a Supervisory Board Member temporarily delegated to perform the duties of a Management Board Member.

** Short-term employee benefits include: remuneration for serving on the Supervisory Board, reimbursement of overpaid contributions, reimbursement of travel expenses related to Supervisory Board meetings, income from training provided, income from PPK contributions.

39.2. Executive compensation policy at the Bank

In order to meet the requirements set out in the Regulation of the Minister Finance, Development Funds and Regional Policy of 8 June 2021 on banks' risk management and internal control systems and remuneration policy, and in accordance with Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, the Bank has implemented a Remuneration Policy, approved by the Supervisory Board of BOŚ S.A.

The Remuneration and Appointments Committee of the Supervisory Board gives its opinion on the Remuneration Policy, gives its opinion on and drafts rules of compensation of members of the Management Board, gives its opinion on the amount of variable remuneration for managers, gives its opinion on and monitors the amount of variable remuneration for managers at the Bank responsible for second-level risk management, management of the compliance function and management of the internal audit function.

The maximum amount of variable remuneration for a person in a managerial position may not exceed 100% of the person's fixed remuneration. The General Meeting of Bank Ochrony Środowiska S.A. has the authority to grant its consent to increase the maximum level of variable remuneration up to 200% of the fixed remuneration, in accordance with the procedure outlined in Section 25.3.4.b) and Section 25.3.4.c) of the Regulation of the Minister of Finance, Funds, and Regional Policy. The increase in the maximum amount of variable remuneration referred to in the preceding sentence does not apply to members of the Management Board.

In the reporting period, following the end of the retention period, phantom shares were converted into cash and paid out to seven individuals in managerial positions with a material impact on the Bank's risk profile. The payments totalled PLN 284,259, gross.

40. The variable remuneration for 2024 has not yet been determined or awarded. Dividends paid (aggregate or per share), separately for ordinary shares and other shares

No dividend was paid or declared in the six months ended 30 June 2025.

41. Risk and capital management

41.1. Credit risk

Definition of credit risk

Credit risk is defined as the risk of potential loss due to default by a client or counterparty at a contractual date.

Credit risk management methods

For details of the risk management methods, see the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024.

In the six months ended 30 June 2025, the Group pursued its credit risk management policy on an individual basis (credit transaction) and on a portfolio basis taking into account the level of risk appetite.

The risk appetite was determined within the limits set by prudent and stable risk management practices and was assumed to be moderate.

Processes established for risk management

For details of risk management processes, see the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024.

In the six months ended 30 June 2025, the Bank continued efforts to improve the efficiency of its risk assessment processes, including optimisation of the credit monitoring, credit decision and credit application processes, and took steps to reduce the credit portfolio concentration level.

In order to reduce credit concentration, the Bank took steps to lower its exposure to groups of related clients.

A new client segmentation model was introduced to support the diversification of its credit portfolio.

Techniques and tools for credit risk measurement

For detailed information on the techniques and tools used to measure credit risk, see the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024 .

Concentration risks, methods of their assessment and monitoring

For details of the concentration risk management at the Bank, see the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024.

In the six months ended 30 June of 2025, to reduce credit concentration in its portfolio, the Bank revised internal limits, including the limit of exposure to a client or a group of related clients, and strengthened the procedures for identifying related entities.

Methodology for recognising impairment of credit exposures

At each reporting date, the Group performs a review of its credit exposures, which involves identifying credit exposures threatened with impairment and exposures with regard to which a significant increase in credit risk has been reported since their initial recognition – taking into account reasonable and supportable information, including forward-looking data. Subsequently, it determines expected credit losses allowances based on the classification of exposures to three Buckets depending on changes in credit quality.

As a general rule, all new exposures other than POCI assets and clients on the watch list are classified as Bucket 1 exposures.

For details of the methodology for recognising impairment of credit exposures, see the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024.

41.1.1. Amounts due from banks

Below are presented gross amounts due from banks by rating groups.

	30 Jun 2025 unaudited	31 Dec 2024
AA-	-	-
A+	42	1,111
A	22,495	13,072
A-	212	214
BBB+	-	-
Unrated	170,822	-
Total	193,571	14,397

Internal rating	Corresponding unified class according to external rating agencies	30 Jun 2025 unaudited	Corresponding unified class according to external rating agencies	31 Dec 2024
A	AAA, AA+, AA, AA-		AAA, AA+, AA, AA-	
B	A+, A, A-		A+, A, A-	
C	BBB+, BBB, BBB-	170,822	BBB+, BBB, BBB-	
D	BB+, BB, BB-, B+, B, B-		BB+, BB, BB-, B+, B, B-	
E				-
Total		170,822		-

41.1.2. Amounts due from clients

Amounts due from clients by measurement category and by Bucket are presented below.

	30 Jun 2025 unaudited	31 Dec 2024
AMOUNTS DUE FROM CLIENTS MEASURED AT AMORTISED COST		
Amounts due from clients without indications of impairment, including:	9,214,560	9,287,917
<i>exposures without significant credit risk increase since initial recognition (Bucket 1)</i>	7,139,892	7,316,668
<i>exposures with significant increase in risk since initial recognition (Bucket 2)</i>	2,074,668	1,971,249
Amounts due from clients with indication of impairment and impaired (Bucket 3)	1,699,792	1,592,299
Amounts due from clients that were credit-impaired at the date of initial recognition (POCI)	120,352	120,998
Total amounts due from clients measured at amortised cost (gross)	11,034,704	11,001,214
Loss allowances for:		
<i>amounts due from clients – (Bucket 1)</i>	- 77,321	- 70,477
<i>amounts due from clients – (Bucket 2)</i>	- 79,189	- 81,286
<i>amounts due from clients – (Bucket 3) with indication of impairment</i>	- 841,201	- 784,795
<i>amounts due from clients that were credit-impaired at the date of initial recognition (POCI)</i>	5,935	5,971
Total loss allowances	- 991,776	- 930,587
Total amounts due from clients measured at amortised cost (net)	10,042,928	10,070,627
AMOUNTS DUE FROM CLIENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		
Fair value	7	32
Total amounts due from clients measured at fair value through profit or loss	7	32
Margin deposits	25,463	27,862
Other amounts due from clients	6,225	6,114
Total amounts due from clients	10,074,623	10,104,635

41.1.3. Classification of amounts due from clients by measurement category, by segment:

30 Jun 2025 unaudited	Corporate clients	SME, micro-enterprise and retail clients	SME, micro-enterprise and retail clients – housing loans	SME, micro-enterprise and retail clients – other loans	Total
Amounts due from clients measured at amortised cost					
Amounts due from clients without indications of impairment, including:	7,357,917	1,856,643	1,298,301	558,342	9,214,560
<i>exposures without significant credit risk increase since initial recognition (Bucket 1)</i>	5,355,418	1,784,474	1,261,385	523,089	7,139,892
<i>exposures with significant increase in risk since initial recognition (Bucket 2)</i>	2,002,499	72,169	36,916	35,253	2,074,668
Amounts due from clients with indication of impairment and impaired (Bucket 3), including:	1,394,314	305,478	143,618	161,860	1,699,792
<i>individually assessed</i>	1,258,629	70,494	50,598	19,896	1,329,123
Amounts due from clients that were credit-impaired at the date of initial recognition (POCI)	119,553	799	630	169	120,352
<i>individually assessed</i>	116,668	507	507	-	117,175
Total amounts due from clients measured at amortised cost (gross)	8,871,784	2,162,920	1,442,549	720,371	11,034,704
Loss allowances for:					
amounts due from clients – (Bucket 1)	-68,836	-8,485	-2,766	-5,719	-77,321
amounts due from clients – (Bucket 2)	-77,065	-2,124	-654	-1,470	-79,189
amounts due from clients – (Bucket 3) with indications of impairment, including:	-632,152	-209,049	-72,665	-136,384	-841,201
<i>individually assessed</i>	-564,867	-40,001	-28,327	-11,674	-604,868
amounts due from clients that were credit-impaired at the date of initial recognition (POCI)	6,031	-96	-57	-39	5,935
<i>individually assessed</i>	6,394	58	58	-	6,452
Total loss allowances	-772,022	-219,754	-76,142	-143,612	-991,776
Total amounts due from clients measured at amortised cost (net)	8,099,762	1,943,166	1,366,407	576,759	10,042,928
Amounts due from clients measured at fair value through profit or loss					
Fair value	-	7	3	4	7
Total amounts due from clients measured at fair value through profit or loss	-	7	3	4	7
Margin deposits	25,463	-	-	-	25,463
Other amounts due from clients	2,923	3,302	-	3,302	6,225
Total amounts due from clients	8,128,148	1,946,475	1,366,410	580,065	10,074,623

31 Dec 2024	Institutional clients	Retail clients	Retail clients – housing loans	Retail clients – other credit products	Total
Amounts due from clients measured at amortised cost					
Amounts due from clients without indications of impairment, including:	7,500,792	1,787,125	1,402,183	384,942	9,287,917
<i>exposures without significant credit risk increase since initial recognition (Bucket 1)</i>	5,585,243	1,731,425	1,361,310	370,115	7,316,668
<i>exposures with significant increase in risk since initial recognition (Bucket 2)</i>	1,915,549	55,700	40,873	14,827	1,971,249
Amounts due from clients with indication of impairment and impaired (Bucket 3), including:	1,289,720	302,579	151,016	151,563	1,592,299
<i>individually assessed</i>	1,201,892	66,622	51,044	15,578	1,268,514
Amounts due from clients that were credit-impaired at the date of initial recognition (POCI)	120,324	674	655	19	120,998
<i>individually assessed</i>	116,790	510	510	-	117,300
Total amounts due from clients measured at amortised cost (gross)	8,910,836	2,090,378	1,553,854	536,524	11,001,214
Loss allowances for:					
amounts due from clients – (Bucket 1)	-63,350	-7,127	-2,818	-4,309	-70,477
amounts due from clients – (Bucket 2)	-79,407	-1,879	-791	-1,088	-81,286
amounts due from clients – (Bucket 3) with indications of impairment, including:	-578,102	-206,693	-77,811	-128,882	-784,795
<i>individually assessed</i>	-525,494	-38,517	-29,290	-9,227	-564,011
amounts due from clients that were credit-impaired at the date of initial recognition (POCI)	6,119	-148	-132	-16	5,971
<i>individually assessed</i>	6,538	-5	-5	-	6,533
Total loss allowances	-714,740	-215,847	-81,552	-134,295	-930,587
Total amounts due from clients measured at amortised cost (net)	8,196,096	1,874,531	1,472,302	402,229	10,070,627
Amounts due from clients measured at fair value through profit or loss					
Fair value	7	25	10	15	32
Total amounts due from clients measured at fair value through profit or loss	7	25	10	15	32
Margin deposits	27,862	-	-	-	27,862
Other amounts due from clients	3,419	2,695	-	2,695	6,114
Total amounts due from clients	8,227,384	1,877,251	1,472,312	404,939	10,104,635

Rating/scoring groups of amounts due from Group clients (gross), by client segment, are presented below.

	Rating*	30 Jun 2025 unaudited	31 Dec 2024
Amounts due from corporate clients	(1-3)	31,665	10,317
	(4-5)	103,077	261,490
	(6-7)	1,459,971	1,364,760
	(8-9)	2,387,963	2,564,955
	(10-11)	3,071,656	2,883,584
	(12-13)	999,357	1,200,508
	(14-16)	553,324	361,618
	unrated	264,771	263,611
Total amounts due from corporate clients		8,871,784	8,910,843
Amounts due from SME, micro-enterprise and retail clients	unrated	2,162,927	2,090,403
Total amounts due from SME, micro-enterprise and retail clients		2,162,927	2,090,403
Total		11,034,711	11,001,246

General characteristics of the rating classes are as follows:

Rating 1	Highest credit quality
Rating 2	Very high credit quality
Rating 3	High credit quality
Ratings 4-5	Very good credit quality
Ratings 6-7	Good credit quality
Ratings 8-9	Satisfactory credit quality
Ratings 10-11	Mediocre and poor credit quality
Ratings 12-13	Very poor credit quality
Ratings 14-16	No creditworthiness (credit quality does not exist).

The ratings are presented as at the reporting date.

* The ratings are consistent with the Bank's internal classification, where 1 is the best rating and 16 is the worst rating.

41.1.4. Concentration of exposures to industries and geographical markets, with assessment of the concentration risk

Industry	30 Jun 2025 unaudited	
	Credit risk exposure	Percentage share in total
Generation and supply of electricity, gas, steam, hot water and air for air conditioning systems	1,211,972	11.0%
Real estate activities	1,041,158	9.4%
Public administration and defence, compulsory social security	1,035,858	9.3%
Wholesale trade, except trade in motor vehicles	822,231	7.4%
Construction of buildings	746,880	6.8%
Hospitality	366,553	3.3%
Telecommunications	298,044	2.7%
Sports, entertainment and recreational activities	260,013	2.4%
Financial services, except insurance and pension funds	234,602	2.1%
Manufacture of metals	216,042	2.0%
Manufacture of food products	194,375	1.8%
Civil engineering	183,261	1.7%
Activities of head offices; management consultancy	175,448	1.6%
Other personal service activities	144,040	1.3%
Manufacture and processing of coke and refined petroleum products	131,570	1.2%
Manufacture of other non-metallic mineral products	129,400	1.2%
Other sectors, including:	3,843,264	34.8%
SME, micro-enterprise and retail clients	2,162,927	19.6%
Total gross amounts due from clients	11,034,711	100.0%
Loss allowances	- 991,776	
Margin deposits	25,463	
Other amounts due from clients	6,225	
Total net amounts due from clients	10,074,623	

Industry	31 Dec 2024	
	Credit risk exposure	Percentage share in total
Generation and supply of electricity, gas, steam, hot water and air for air conditioning systems	1,266,657	11.5%
Real estate activities	1,193,863	10.9%
Public administration and defence, compulsory social security	1,055,683	9.6%
Wholesale trade, except trade in motor vehicles	881,899	8.0%
Construction of buildings	731,492	6.6%
Hospitality	359,520	3.3%
Activities of head offices; management consultancy	283,961	2.6%
Financial services, except insurance and pension funds	234,899	2.1%
Manufacture of food products	230,979	2.1%
Telecommunications	185,781	1.7%
Manufacture of metals	175,300	1.5%
Sports, entertainment and recreational activities	144,946	1.3%
Other personal service activities	140,809	1.3%
Manufacture of other non-metallic mineral products	138,932	1.3%
Manufacture and processing of coke and refined petroleum products	135,786	1.2%
Warehousing and support activities for transportation	116,420	1.1%
Renting and leasing	115,938	1.1%
Specialised construction works	113,479	1.0%
Other sectors, including:	3,494,902	31.8%
<i>retail clients</i>	2,090,403	19.0%
Total gross amounts due from clients	11,001,246	100.0%
Loss allowances	- 930,587	
Margin deposits	27,862	
Other amounts due from clients	6,114	
Total net amounts due from clients	10,104,635	

41.1.5. Debt securities

Securities by rating assigned to issuers

30 Jun 2025 unaudited	State Treasury	NBP	Banks	Public finance	Other financial institutions	Corporate	Total
1	-	-	-	-	50,970	-	50,970
6	5,270,533	-	-	-	348,746	-	5,619,279
7	-	-	720,741	-	-	-	720,741
None	-	4,195,716	-	275,900	-	202,714	4,674,330
Total	5,270,533	4,195,716	720,741	275,900	399,716	202,714	11,065,320

31 Dec 2024	State Treasury	NBP	Banks	Public finance	Other financial institutions	Corporate	Total
1	-	-	-	-	50,212	-	50,212
6	5,539,677	-	-	-	414,811	-	5,954,488
7	-	-	866,109	-	-	-	866,109
None	-	3,398,371	-	251,732	-	135,079	3,785,182
Total	5,539,677	3,398,371	866,109	251,732	465,023	135,079	10,655,991

The tables present a unified rating scale, as specified below. If an issuer is rated by more than one agency, the highest rating is presented.

For municipal bonds for which there is no active market, internal ratings are assigned, in one of the following categories:

4-5	Very good credit quality
6-7	Good credit quality
8-9	Satisfactory credit quality
10	Mediocre and poor credit quality

Risk classes for issuers of financial instruments serviced by the Bank are assigned in accordance with the Bank's credit rating methodology.

Internal rating	Public finance 30 Jun 2025 unaudited	Corporate 30 Jun 2025 unaudited	Public finance 31 Dec 2024	Corporate 31 Dec 2024
5	-	-	953	-
6	68,486	-	65,808	-
7	154,165	90,865	113,171	91,059
8	53,249	-	71,800	-
10	-	-	-	-
11	-	110,988	-	40,672
unrated	-	861	-	3,348
Total	275,900	202,714	251,732	135,079

41.2. Financial risk in the banking book and the trading book, and risk limits

The financial risk in the Group is concentrated mainly at the Bank and at Dom Maklerski BOŚ S.A. (DM BOŚ S.A.) and includes:

1. liquidity risk,
2. market risk, including:
 - a. interest rate risk (in the banking book and the trading book),
 - b. currency risk (mainly in the trading book; currency risk from the banking book is transferred to the trading book),
 - c. other risks (general and specific risk of equity instruments, commodities risk and position risk in collective investment undertakings).

Liquidity risk and interest rate risk occur mainly at the Bank, and currency risk – at DM BOŚ S.A. (in the trading book and the non-trading book) and at the Bank (in the trading book; currency risk from the banking book is transferred to the trading book). DM BOŚ S.A. is also exposed to equity risk, commodity price risk and position risk at collective investment undertakings.

For detailed information on financial risk at the BOŚ Group, see the full-year consolidated financial statements of the Group for the year ended 31 December 2024.

In the six months ended 30 June 2025, the Group monitored the economic and market situation associated with the war in Ukraine and analysed its impact on financial risks, including the market and liquidity risks. The levels of individual risks remained within the limits applied by the Group.

Impact of the war in Ukraine on financial risk, including liquidity risk

The BOŚ Group monitors the economic and market situation, in particular the risk of major sudden external events likely to have a significant indirect impact on the Bank's situation.

In the six months ended 30 June 2025, no significant indicators suggesting an increase in financial risk due to the war in Ukraine were recorded.

41.2.1. Liquidity risk

The purpose of liquidity management by the Group is to maintain the ability to finance assets and pay liabilities in a timely manner and to maintain a sustainable structure of assets and liabilities, which ensures a safe liquidity profile in specific time bands, split into liquidity in PLN and the main foreign currencies, but mostly – for the total liquidity position.

The liquidity risk management strategy and processes are specifically tailored to align with the Bank's and the BOŚ Group's business profile and scale.

The structure and organisation of the liquidity risk management function includes all levels of the Bank's organisational structure and operates within the three lines of defence. A particular role in the liquidity risk management process is played by the Management Board of the Bank and the Asset and Liability Committee (ALCO).

For detailed information on liquidity risk at the BOŚ Group, see the full-year consolidated financial statements of the Group for the year ended 31 December 2024.

To measure the liquidity, as well as the intra-day, current, short-term, medium-term and long-term liquidity risk, the Bank uses the relevant tools, also described in the full-year financial statements.

To evaluate the effectiveness of the liquidity risk management process, for most of these measures, limits or warning thresholds are established within a hierarchical framework of internal liquidity risk limits. These thresholds are set at various levels including the Supervisory Board, the Management Board, and the ALCO Committee. The limits and warning thresholds undergo regular reviews (at least annually) to ensure effective liquidity monitoring. The limits and warning thresholds define the framework for the Bank's liquidity tolerance and are consistent with

the Bank's risk appetite. The shaping of an appropriate liquidity risk profile is supported by taking into account the cost of liquidity under the Bank's transfer pricing system.

The measures and tools used by the Bank are reviewed on a regular basis and are regularly updated to better map the liquidity profile.

Liquidity risk reports are presented to all the Bank's units involved in the liquidity risk management process. For details, see the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024.

Overall liquidity risk profile

The main source of funding for the Bank continues to be a systematically built and diversified deposit base with a share of stable retail deposits (and deposits from corporate clients and the public sector), followed by loans from international financial institutions (which, together with long-term bilateral interest rate swap agreements secured by debt papers and FX swap transactions, constitute a source of liquidity funding in foreign currencies). The Bank monitors the risk of concentration of the deposit base on an ongoing basis.

The Bank maintains its liquid assets primarily in the form of highly liquid NBP bills, which accounted for 43% of the liquid securities portfolio as at 30 June 2025, and bonds with low specific risk, making up 57% of the liquid portfolio as at the same date. The portfolio of these securities is supplemented with cash and funds held with the National Bank of Poland (above the declared obligatory reserves) and in nostro accounts with other banks. As at 30 June 2025, liquid assets amounted to approximately PLN 9,864 million. Liquid assets constitute a buffer to secure liquidity in potential crisis situations, i.e. they can be pledged, liquidated under repo transactions or sold at any time without significant loss of value.

The Bank may access additional funding sources through a technical loan and a lombard loan from the NBP and, under exceptional circumstances, may apply for a refinancing facility from the NBP.

The Bank determines internal capital for liquidity risk, which is considered a significant constant risk, in accordance with the applicable internal capital estimation process. This capital is estimated on the basis of the cost of restoring regulatory and internal measures and liquidity limits under the conditions of stress test scenarios.

Measures of liquidity risk

The Bank establishes supervisory liquidity metrics in accordance with the supervisory regulations detailed in the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024 (including LCR and NSFR), and reports them to the National Bank of Poland.

In the six months ended 30 June 2025, the supervisory liquidity measures, i.e. LCR and NSFR, were calculated daily (i.e., every working day), and remained at a safe level, significantly above the regulatory requirements. As at 30 June 2025, these measures were as follows:

Measure*	30 Jun 2025	31 Dec 2024	Supervisory limit
LCR	239%	219%	100%
NSFR	176%	171%	100%

As part of its risk management system, the Bank has in place an Emergency Liquidity Action Plan approved by the Management Board, which sets out potential sources of deterioration/loss of liquidity, rules of conduct and contingency powers. Its purpose is to ensure the uninterrupted continuation of operations and preservation of liquidity in the event of crisis situations.

In addition, the Bank also conducts liquidity stress tests in accordance with the Liquidity Risk Stress Testing Programme. The objective of these tests is to assess the Bank's position in the event that highly unfavourable risks materialise. The specific type and extent of these risks are dynamically established, taking into account the current situation of the Bank and its clients and the prevailing market conditions. For further information on stress testing, see the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024.

The internal stress tests performed in the six months ended 30 June 2025, as in 2024, show that the Bank has a stable liquidity position and its liquid assets (excess liquidity) allow it to survive the assumed stress scenarios.

In the six months ended 30 June 2025, as in 2024, the Group's liquidity position was monitored on a regular basis and remained safe.

4.1.2.2. Interest rate risk

Interest rate risk is defined as a potential negative impact of changes in interest rates on the projected financial result, economic value of equity and present value of debt securities held. The interest rate risk is primarily generated in the Bank, both in the banking book and the trading book.

Interest rate risk in the banking book

The main purpose of interest rate risk management in the banking book is to seek stabilisation and optimisation of net interest income (NII) while limiting the negative effect of market interest rate movements on economic value of equity (EVE).

For detailed information on interest rate risk management in the banking book, see the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024.

Measures of interest rate risk in the banking book

In order to control the interest rate risk in the banking book, the Bank uses three measures: sensitivity of net interest income, taking into account changes in market value, to interest rate movements by +/-200 bps (NII+MV), sensitivity of net interest income to interest rate movements by +/-200 bps (NII), and sensitivity of economic value of equity to interest rate movements by +/-200 bps (EVE).

The following table provides a comparison of the NII+MV, NII and EVE measures between 30 June 2025 and 31 December 2024.

	ΔNII+MV		ΔNII		ΔEVE	
	-200 bps	+200 bps	-200 bps	+200 bps	-200 bps	+200 bps
30 Jun 2025	87,084	-71,683	-45,062	47,378	126,104	-115,941
31 Dec 2024	112,600	-98,325	-29,452	30,471	178,313	-164,838
Change	-25,516	26,642	-15,610	16,907	-52,209	48,897

In the six months ended 30 June 2025, both NII and EVE were within the limits consistent with the risk appetite and risk tolerance approved by the Supervisory Board. Changes in the values of these measures have a certain cyclical nature, which is due to the regular approximation of the timing of the repricing of variable rate positions and the maturity of fixed rate positions. The increase in sensitivity of net interest income in the six months ended 30 June 2025 to a 200 bps decrease in market interest rates was caused chiefly by a higher balance of NBP money market bills. The decrease in sensitivity of EVE to interest rate hikes was mainly attributable to a lower amount of Treasury bonds. In the six months ended 30 June 2025, the war in Ukraine had no direct impact on the interest rate risk measures in the banking book.

In accordance with the Commission Delegated Regulation (EU) 2024/856 and the EBA/GL/2022/14 Guidelines on the management of interest rate risk arising from non-trading book activities, the Bank is obliged to carry out a Supervisory Outlier Test (SOT).

Results of the SOT for the six standard shock scenarios specified in the Guidelines are presented in the table below as at 30 June 2025 and 31 December 2024, along with their change.

	ΔNII in a given SOT scenario		ΔEVE in a given SOT scenario					
	parallel shock up	parallel shock down	parallel shock up	parallel shock down	steepener shock ¹	flattener shock ²	short rates shock up ³	short rates shock down ³
30 Jun 2025	26,357	-52,111	-110,656	63,888	38,084	-96,227	-128,339	70,161
31 Dec 2024	19,344	-40,379	-170,000	97,047	40,500	-112,776	-164,587	89,435
Change	7,013	-11,732	59,344	-33,159	-2,416	16,549	36,248	-19,274

¹ Sharper shock (decrease in short-term rates and increase in long-term rates).

² More moderate shock (increase in short-term rates and decrease in long-term rates).

³ Interest rate shocks in the short run are extinguished in longer tenors.

The results of the SOT analysis indicate that the Bank is most vulnerable to a decline in the economic value of equity (EVE) in the short rates shock up scenario. The level of sensitivity of the economic value of equity is below the regulatory warning thresholds, which indicates moderate exposure to interest rate risk.

The Supervisory Outlier Test for NII showed a result of -2.51% of FW/Tier 1 capital, which is within the regulatory limit of -5%.

Once a month, the Bank conducts a stress testing analysis examining the development of the interest rate risk in the banking and trading book in case of materialisation of extreme changes in risk factors. The scenarios are described in detail in the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024.

The results of the stress tests as at 30 June 2025 show that, with extremely adverse market conditions and the Bank's increased exposure to instruments sensitive to interest rate risk, the banking book risk remained at a safe level.

Given the nature of the Bank's business and the structure of its securities portfolio, the interest rate risk in the banking book is consistently significant. The Bank, as part of the ICAAP process, estimates internal capital for this risk.

In order to hedge the interest rate risk of 10-year fixed-rate PLN 150 million BGK bonds (issued to the COVID-19 Fund and guaranteed by the State Treasury) held within the HtC&S business model, as of July 2020 the Bank applies the option of measurement at fair value through profit or loss (the FVPL option). The related IRS hedging transactions enable the Bank to change interest on the bonds accrued at a fixed interest rate into interest accrued at WIBOR 6M plus margin, which hedges the Bank's position against adverse effects of potential increase in market interest rates.

Results of the monitoring of the banking book interest rate risk are presented in reports for the Bank's governing bodies.

Interest rate risk in the trading book

The objective of interest rate risk management in the trading book is to achieve a financial result in this line of business in keeping with the financial plan, at an acceptable level of the Bank's exposure to the risk, and to minimise the adverse effects of holding interest rate-sensitive instruments in the trading book.

In order to monitor interest rate risk in the trading book, BOŚ S.A. employs appropriate measures and tools (including VaR, BPV, relevant limits, and stress tests), as detailed in the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024.

In the six months ended 30 June 2025, there were no significant changes in the techniques applied to measure the interest rate risk of the Bank's trading book. The interest rate VaR in the trading book was as follows:

Date	VaR				+500/-300 bps stress tests
	mean	max	min	as at	as at
1 Jan 2025–30 Jun 2025*	165	298	30	224	-3,801
31 Dec 2024	102	205	40	47	-1,077

* 1-day VaR, stress tests: yield curve movement by +500 bps (long position) and by -300 bps (short position).

In order to verify the value-at-risk model, the Bank performs a back-testing analysis on a monthly basis, calculated by comparing the maximum losses from the VaR model with actual gains and losses and theoretical changes in profit or loss resulting from revaluation of positions. Results of monthly back-testing are presented in management reports.

The utilisation of each limit/warning threshold (minimum 1-day VaR, BPV, maximum loss) is calculated and monitored as at each business day, and for the BPV warning threshold – also during the day, and reported to the management on a regular basis.

Once a month, the Bank conducts a stress testing analysis examining the development of the interest rate risk in the banking and trading book in case of materialisation of extreme changes in risk factors.

Results of the analysis show that in the event of extremely adverse market conditions and the Bank's increased exposure to instruments sensitive to the interest rate risk, both the Bank's banking and trading positions are maintained at a safe level.

Results of the monitoring of the banking book and trading book interest rate risk are presented in weekly reports for the Bank's governing bodies.

The interest rate volatility caused by the war in Ukraine did not lead to any material increase in interest rate risk. The measures of interest rate risk in the trading book were monitored on an ongoing basis, and although their levels generally increased, they remained within the limits/warning thresholds applied by the Bank.

41.2.3. Currency risk

Currency risk is understood as the risk of loss to the Group due to changes in currency exchange rates. This risk is generated by DM BOŚ S.A. (in the trading and non-trading book) and in the Bank (mainly in the trading book).

The objective of the Bank's currency risk management policy for the banking book is to not maintain open individual positions. Foreign currency exposures arising in the banking book are transferred systematically to the trading book on the same day or on the following business day at the latest.

For detailed information on currency risk management, see the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024.

The currency risk in DM BOŚ S.A.'s non-trading book is attributable to deposits of foreign currency cash in the accounts of foreign brokers who buy and sell financial instruments on foreign exchanges on behalf of DM BOŚ clients. DM BOŚ S.A. has open currency positions in USD and EUR in the non-trading book, and the portfolio's currency risk is managed within the limit of the total currency position for the trading book and the non-trading book.

A currency position resulting from transactions in the banking book which has not been transferred on a given day to the trading book is controlled with end-of-day limits of open currency positions in the banking book.

Measures of currency risk

In order to monitor the currency risk of open foreign exchange positions (on- and off-balance-sheet) in the trading book of the Bank, as in the case of interest rate risk in the trading book, the Bank employs appropriate measures

and tools (including VaR, BPV, relevant limits, and stress tests), as detailed in the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024.

The value of foreign exchange VaR in the trading book of the Bank and of the Group and the impact of the stress test scenario of a 30% decline in the exchange rates of all currencies in relation to PLN/a 50% increase in the exchange rates of all currencies in relation to PLN as at 30 June 2025, and the stress test scenario of a 30% decline/increase in the exchange rates of all currencies in relation to PLN as at 30 June 2024 – on the Group's profit or loss in semi-annual periods are presented below (maximum, minimum, mean and as at the reporting date).

Date	VaR						Stress tests of the Group – increase/decrease of foreign exchange rates by 50%/30%
	Bank				DM BOŚ	BOŚ Group	
	mean	max	min	as at	as at	as at	as at
1 Jan 2025–30 Jun 2025*	123	356	12	241	1,036	855	-80,171
31 Dec 2024	120	394	4	278	966	843	-62,525

* 1-day VaR, a 50% increase in exchange rates in relation to PLN (short position) and a 30% decrease in exchange rates (long position).

In order to verify the value-at-risk model, the Group performs a back-testing analysis on a monthly basis, calculated by comparing the maximum losses from the VaR model with actual gains and losses and theoretical changes in profit or loss resulting from revaluation of positions. Results of monthly back-testing are presented in management reports.

Utilisation of the limits/warning thresholds (minimum 1-day VaR, total position, daily loss) is monitored on each business day, and the utilisation of the warning threshold for the total position – also on an intraday basis. The Bank also conducts intraday monitoring of the warning threshold for the total position in the case of client transactions. Information on the utilisation of limits/warning thresholds is regularly reported to the management of the Bank.

Analyses show that the Group's currency risk during the reporting period remained moderate.

Once a month, the Bank conducts stress testing analysis, examining the development of the currency risk in the banking book and the trading book in case of materialisation of extreme changes in risk factors. The Bank tests mainly the impact of extremely unfavourable movements in the exchange rates against PLN on foreign exchange transactions using both the historical and parametric methods. The historical method took into account the volatility of foreign exchange rates caused by the war in Ukraine.

The outcomes of the stress test analysis indicate that, even under extremely unfavourable market conditions and heightened exposures, the Bank's currency risk is maintained at a safe level.

Results of the currency risk analysis in the trading book are reported at appropriate intervals to the Bank's governing bodies as part of the existing management information system (for details, see the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024).

The volatility of exchange rates caused by the war in Ukraine did not significantly increase the level of currency risk. The measures of currency risk were monitored on an ongoing basis, and although their levels generally increased they remained within the limits/warning thresholds applied by the Bank.

41.2.4. Other market risks

Other market risks are general and specific risk of equity instruments, commodities risk and position risk in collective investment undertakings. These risks arise from the effect of movements in prices of equities and commodities as well as investment certificates on the risk of impairment of assets, increase in liabilities or change in profit or loss.

These risks are mainly attributable to DM BOŚ S.A.'s trading book.

For more information, see the full-year consolidated financial statements of the BOŚ Group for the year ended 31 December 2024.

The volatility of equity and commodity prices and prices of investment certificates caused by the war in Ukraine had no material adverse effect on the level of other market risks. The measures of these risks were monitored on an ongoing basis, and although their levels generally increased they remained within the limits applied by DM BOŚ S.A.

41.3. Non-financial risk

41.3.1. Operational risk

For detailed information on the operational risk management system in place at the Bank and the Group, see the full-year financial statements for 2024.

In the six months ended 30 June 2025, no significant operational risk events caused by external factors that could affect the stability and safety of the Bank and the BOŚ Group were identified either at the Bank or at its subsidiaries.

Following the entry into force of the CRD VI/CRR3 package, in the first half of 2025 the Bank clarified the definition of operational risk. It is now defined as the risk of loss caused by inadequate or failed internal processes, people or systems, or by external events. This includes but is not limited to legal risk, model risk and ICT risk.

Following implementation of the changes required by CRD VI/CRR3 as of 2025, in the first half of the year the Bank calculated the capital requirement for operational risk as at 31 December 2024 using the new standardised approach. In addition, in connection with the changes introduced by CRR3, work continued on adapting the operational risk event database and the tools used for COREP reporting.

41.3.2. Compliance risk

Compliance risk is defined as a risk of effects of failure to comply with laws, internal regulations and market standards.

The Bank maintains compliance with legal regulations, internal policies, and market standards through a comprehensive compliance risk management process. This process encompasses the identification, evaluation, control and monitoring of compliance risks, with regular reporting to the Bank's Management Board and Supervisory Board. It also includes the implementation of control mechanisms, their independent oversight, and the reporting of results from this independent monitoring.

The basic rules for ensuring compliance as part of the compliance risk management function and process are defined in the BOŚ S.A. Compliance Policy, adopted by the Management Board and approved by the Supervisory Board, and the Compliance Risk Management Rules of Bank Ochrony Środowiska S.A.

The Bank has a separate, independent compliance function, which is performed by the Compliance Department, reporting directly to the President of the Bank's Management Board. Appointment and removal of its head is subject to approval by the Supervisory Board.

The compliance function, assisted by all organisational units forming the first and second lines of defence, is responsible for the compliance risk management process, including:

- identification of the compliance risk, particularly at the stage of developing new products and internal regulations,
- assessment of the compliance risk,
- control and monitoring of the compliance risk,
- reporting on the risk of non-compliance of the Bank's operations with applicable laws, internal regulations and market standards.

The Bank identifies the following key compliance areas:

1. implementing and monitoring compliance with the laws and market standards,
2. implementing and monitoring compliance with ethical standards,
3. accepting/giving gifts or other benefits,

4. protection of consumers with regard to collective interests of customers, including protection against unfair market practices,
5. offering products and providing related services, including the implementation of new products (including insurance products), and handling of client complaints,
6. fulfilment of disclosure obligations towards the Bank's clients,
7. preventing and managing conflicts of interest, trading in financial instruments.

The compliance function is also responsible for the management of:

1. anonymous reports of violations of law and the ethical conduct procedures in place at Bank Ochrony Środowiska S.A.,
2. reports of actual or potential violations of law within the scope specified in the Whistleblower Protection Act of 14 June 2024.

As the parent, the Bank oversees its subsidiaries within its Group. This oversight includes compliance risk management, in particular identifying and assessing compliance risks arising from the activities of individual entities. Responsibility for this process at the Bank lies with the Compliance Department.

Ensuring compliance at the BOŚ Group, including compliance risk management and the Group's compliance control function, is governed by the BOŚ S.A. Internal Control System, the BOŚ S.A. Compliance Policy, the BOŚ Group Compliance Policy, and applicable internal regulations implemented by subsidiaries.

In the six months ended 30 June 2025, there were no material non-compliance risk events which would have a material bearing on the Bank's operations and financial statements.

41.4. Model risk

For detailed information on the model risk management at the Bank and the BOŚ Group, see the full-year consolidated financial statements of the Group for the year ended 31 December 2024.

As at 30 June 2025, the Bank operated a total of 26 models, including 11 material models and 15 non-material models.

In the first six months of 2025, following the entry into force of the CRD VI/CRR3 package, the Bank revised the definition of model risk. Model risk is understood as the risk of loss arising from decisions that are essentially based on the outputs of internal models, due to errors in the design, development, parameter estimation, implementation, use, or monitoring of such models. The process of identifying, assessing and monitoring model risk covers the following areas:

- inappropriate design of the selected internal model and its features,
- inadequate verification of whether the selected internal model is appropriate for the financial instrument or product to be assessed, or for the given market conditions,
- errors in the implementation of the selected internal model,
- incorrect fair value measurement or incorrect risk measurement due to transaction booking errors in the transaction system,
- using the selected internal model or its outputs for purposes other than those for which it was intended or designed, including manipulation of modelling parameters,
- untimely or ineffective monitoring or validation of the model's operation or predictive ability to assess whether the selected internal model continues to serve its intended purpose.

41.5. ESG risk

The BOŚ Group provides financing for pro-environmental initiatives that generate both business results and environmental benefits.

The Group undertakes to co-finance various projects that contribute to environmental improvement, in particular environmental projects supported by the policies of the state authorities and the European Union, including measures to develop a low-carbon economy.

The Group's business model is based on the pursuit of maximising green assets through such environmental objectives as climate change mitigation, climate change adaptation, sustainable use and conservation of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems.

The Group actively collaborates on financing eco-friendly initiatives with public and state institutions dedicated to environmental projects. Key partners include the National Fund for Environmental Protection and Water Management, various Regional Environmental Protection and Water Management Funds, Bank Gospodarstwa Krajowego, and European banks engaged in funding sustainable development. The Bank has extensive structures and specialised expert resources committed to environmental protection.

The Group's mission is also pursued through appropriate ESG risk management. The purpose of this process is to ensure the Group's sustainable and secure development e.g. through the mitigation and prevention of adverse ESG impacts by addressing the risks and taking advantage of the opportunities and potential positive effects of ESG factors. The Bank has adopted a comprehensive regulation on the management of ESG risks, along with an implementing regulation, setting out the risk management objectives and framework.

In addition, the Bank has a process in place for identifying ESG risks in the credit risk assessment process, which involves assessment as to whether the client has exposure to ESG risks. If any risks are identified, the next step is their measurement. Depending on the level of ESG risk identified for a client applying for financing, the granting of financing may be made conditional on the implementation of measures to mitigate those risks, or, ultimately, financing may be refused if the ESG risk is deemed unacceptable – regardless of the client's creditworthiness or the proposed collateral.

In the six months ended 30 June 2025, the Bank launched a project to ensure compliance of its activities with regulatory requirements, including the EBA Guidelines on the management of environmental, social and governance (ESG) risks. The project is intended to support the development of a transition plan, enhancement of the ESG risk management system, and creation of methodologies and tools for assessing ESG and climate risks.

In accordance with the ESG Strategy adopted in October 2021, the Bank has implemented and pursues a climate policy. The climate policy sets the direction of the Bank's efforts to counter and adapt to climate change, as well as to achieve emission reduction targets in line with its ESG Strategy. The policy's objectives are to be achieved by focusing on reducing the Bank's carbon footprint, supporting the climate transitions of its clients, reducing the financing of carbon-intensive sectors and projects, managing climate change risk, tapping the opportunities and potential positive effects of climate change.

In accordance with its commitments, the Bank calculates annual greenhouse gas emissions related to its operations (carbon footprint). The results of the calculations are published, among others, in the ESG Report.

41.6. Capital adequacy

For detailed information on the capital adequacy management process, its purpose and capital adequacy measures, see the full-year financial statements. Presented below is key information on the capital ratios.

In accordance with Article 92 of the CRR, the Group is required to maintain the total capital ratio at a minimum of 8%. The Tier 1 capital ratio and Common Equity Tier 1 capital ratio should amount at least to 6% and 4.5%, respectively.

Pursuant to the CRR and the Act on Macroprudential Oversight of the Financial System and Crisis Management in the Financial System of 5 August 2015, financial institutions are required to maintain additional capital buffers for capital ratios. As of 1 January 2019, the capital conservation buffer is 2.5 percentage points and the countercyclical buffer is 0 percentage points. The Bank and the Group are not required to maintain the other systemically important institution buffer. The systemic risk buffer was released by decision of the Minister of Finance dated 18 March 2020.

On 16 December 2024, the Polish Financial Supervision Authority recommended that the Bank should maintain own funds, on a consolidated basis, to cover the additional capital add-on to absorb potential losses resulting from stress conditions at the level of 3.22 percentage points above the total capital ratio referred to in Article 92(1)(a-c) of

Regulation No. 575/2013, increased by the additional own funds requirement referred to in Article 138.2.2 of the Banking Law and by the combined buffer requirement referred to in Article 55.4 of the Macroprudential Supervision Act. The additional add-on should consist entirely of Common Equity Tier 1 capital.

As a result, as at 30 June 2025, the minimum capital ratios recommended by the PFSA for the BOŚ Group were:

- Common Equity Tier 1 capital ratio – 10.22%,
- Tier 1 capital ratio – 11.72%,
- total capital ratio (TCR) – 13.72%.

41.6.1. The BOŚ Group's capital adequacy measures were as follows:

	30 Jun 2025 unaudited	31 Dec 2024
Available capital		
Common Equity Tier 1 capital	2,176,311	2,063,001
Tier 1 capital	2,176,311	2,063,001
Own funds	2,276,311	2,163,001
Risk-weighted assets		
Total amount of risk-weighted assets	14,038,874	12,556,103
<i>Credit risk and counterparty credit risk</i>	11,634,573	10,100,446
<i>Operational risk</i>	1,965,850	2,059,096
<i>Market risk</i>	430,493	386,640
CVA	7,958	9,922
Capital ratios		
Common Equity Tier 1 capital ratio	15.50	16.43
Tier 1 capital ratio	15.50	16.43
Total capital ratio	16.21	17.23
Leverage ratio		
Exposure amount	26,433,078	24,874,219
Leverage ratio	8.2	8.3
Internal capital		
Internal capital	1,548,708	1,622,744
Internal capital to equity ratio	68.0	75.0
MREL		
MREL to total risk exposure amount	17.64	18.8
MREL to total exposure measure	9.37	9.5

The capital adequacy ratio of the BOŚ Group as at 30 June 2025 was above the supervisory and internal limits.

Impact of CRR3 on capital adequacy

Since 1 January 2025, the Bank has complied with Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024, amending the Capital Requirements Regulation (CRR).

The decline in its capital ratios is primarily driven by the identification and higher risk weighting of exposures related to the financing of land acquisitions for development purposes, as well as loans for property development and the construction of residential or commercial projects (so-called ADC exposures).

42. Prudential consolidation

42.1. Basis for preparing consolidated financial data taking into account the principles set out in Regulation 575/2013 on prudential requirements for credit institutions and investment firms (prudential consolidation)

Pursuant to 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 and amending Regulation (EU) No 648/2012, as amended (the "CRR"), BOŚ Bank S.A. prepares consolidated financial data taking into account the principles of prudential consolidation.

The BOŚ Group's financial data subject to prudential consolidation has been prepared in accordance with the same accounting policies as those applied to prepare the consolidated financial statements of the BOŚ Group in accordance with IFRS, with the exception of the group of consolidated entities.

The BOŚ Group subject to prudential consolidation comprises entities identified in accordance with the prudential consolidation principles set out in the CRR.

No.	BOŚ Group entities subject to prudential consolidation	Status	Type of entity
1.	Bank Ochrony Środowiska S.A.	parent	Institution – credit institution
2.	Dom Maklerski BOŚ S.A.	subsidiary	Institution – investment firm
3.	BOŚ Leasing S.A.	subsidiary	Financial institution

MS Wind Sp. z o.o. is excluded from prudential consolidation due to its business profile. The company owns and operates wind power plants. The company's principal business activity is the 'Generation of electricity' (PKD code: 3511Z). The activity falls outside the scope of Annex I to the CRD. Therefore, the company does not meet the definition of a financial institution or ancillary services undertaking in accordance with the CRR.

The consolidated profit for the current period presented below in the prudentially consolidated financial data may be included in the consolidated Common Equity Tier 1 capital in the calculation of the consolidated Common Equity Tier 1 ratio, the consolidated Tier 1 capital ratio and the consolidated total capital ratio after obtaining the authorisation from the Polish Financial Supervision Authority (PFSa).

42.2. Prudentially consolidated statement of profit or loss

Continuing operations	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Interest and similar income, including:	741,508	714,708
<i>financial assets measured at amortised cost</i>	483,464	534,198
<i>assets measured at fair value through other comprehensive income</i>	247,646	168,957
<i>financial assets measured at fair value through profit or loss</i>	10,398	11,553
Interest expense and similar charges, including:	- 336,808	- 311,519
<i>financial liabilities measured at amortised cost</i>	- 336,808	- 311,519
Net interest income	404,700	403,189
Fee and commission income	90,845	84,386
Fee and commission expense	- 25,667	-20,683
Net fee and commission income	65,178	63,703
Dividend income	11,780	12,185
Gain (loss) on financial instruments measured at fair value through profit or loss (including amounts due from clients)	41,581	24,113
Gain (loss) on investment securities	21,426	29
Gain (loss) on hedge accounting	- 986	-962
Gain (loss) on foreign exchange transactions	2,064	6,358
Gain (loss) on derecognition of financial instruments	315	309
Other income	12,942	16,900
Other expenses	- 41,945	-46,040
Effect of legal risk of foreign currency mortgage loans	- 59,484	-107,523
Net loss allowances	- 19,442	3,491
Administrative expenses	- 322,785	-289,005
Profit before tax	115,344	86,747
Income tax expense	- 29,087	-38,114
Net profit	86,257	48,633

42.3. Prudentially consolidated statement of financial position

Assets	30 Jun 2025 unaudited	31 Dec 2024
Cash and cash equivalents	5,263,736	4,302,437
Amounts due from banks	193,571	14,397
Financial assets held for trading, including:	119,033	145,732
<i>equity securities</i>	20,978	16,568
<i>debt securities</i>	861	18,809
<i>derivative instruments</i>	97,194	110,355
Derivative hedging instruments	1,059	8,693
Investment securities:	6,977,458	7,351,554
<i>equity securities measured at fair value through other comprehensive income</i>	108,715	112,743
<i>debt securities measured at fair value through other comprehensive income</i>	4,948,374	5,268,798
<i>debt securities measured at amortised cost</i>	1,790,167	1,843,978
<i>debt securities measured at fair value through profit or loss</i>	130,202	126,035
Amounts due from clients, including:	10,092,276	10,122,456
<i>measured at amortised cost</i>	10,092,269	10,122,424
<i>measured at fair value through profit or loss</i>	7	32
Investments in subsidiaries	11,799	11,799
Intangible assets	94,653	106,402
Property, plant and equipment	59,884	68,852
Right of use – leases	50,847	47,912
Tax assets:	134,407	147,988
<i>current</i>	1,885	89
<i>deferred</i>	132,522	147,899
Other assets	486,559	394,341
Total assets	23,485,282	22,722,563

Liabilities	30 Jun 2025 unaudited	31 Dec 2024
Amounts due to central bank and other banks	165,237	244,519
Financial liabilities held for trading, including:	38,951	58,175
<i>equity securities</i>	1,470	1,032
<i>derivative instruments</i>	37,481	57,143
Amounts due to clients	19,785,670	19,111,806
Liabilities arising from issue of bank securities	102,709	199,762
Subordinated liabilities	199,871	102,838
Provisions	357,393	362,978
Tax liabilities:	11,085	14,744
<i>current</i>	10,688	14,744
<i>deferred</i>	397	-
Lease liabilities	46,395	44,579
Other liabilities	444,012	358,083
Total liabilities	21,151,323	20,497,484
Equity	30 Jun 2025 unaudited	31 Dec 2024
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT		
Common equity:	1,461,036	1,461,036
<i>Share capital</i>	929,477	929,477
<i>Treasury shares</i>	- 1,292	- 1,292
<i>Share premium</i>	532,851	532,851
Revaluation surplus	79,894	50,555
Retained earnings	793,029	713,488
Total equity	2,333,959	2,225,079
Total equity and liabilities	23,485,282	22,722,563

43. Additional information

As at 30 June 2025, the Group had no material commitments or obligations related to purchase of property, plant and equipment.

In the six months ended 30 June 2025, the Group did not make:

- significant inventory write-downs,
- reversals of any provisions for restructuring costs,
- material transactions to purchase or sell property, plant and equipment,
- changes in the fair value measurement method for financial instruments measured at fair value,
- changes in the classification of financial assets due to a change in their purpose or use.

44. Events after the reporting date

On 10 July 2025, the Management Board of Bank Ochrony Środowiska decided to issue up to 700 Series AD unsecured subordinated contingent convertible bonds in bearer form with a nominal value of PLN 500 thousand per bond and maximum total nominal value of up to PLN 350 million, with the issue date set at 29 July 2025. The bonds were issued under the Bank's bond programme with a total nominal value of PLN 1 billion of bonds issued and outstanding. The issue price was equal to the nominal value. The bonds bear interest at a variable rate of 6M WIBOR plus a margin of 2.90% per annum. The bonds were issued by way of an offering conducted pursuant to Article 33.1 of the Bond Act of 15 January 2015, in conjunction with Article 1(4)(a) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published in connection with a public offering of securities or their admission to trading on a regulated market, and repealing Directive 2003/71/EC (the "Prospectus Regulation"), to be offered exclusively to qualified investors within the meaning of the Prospectus Regulation without the requirement to publish a prospectus or information memorandum, subject to Article 27c of the Bond Act of 15 January 2015, as amended.

The bonds were registered with the securities depository operated by the Central Securities Depository of Poland and admitted to trading in the alternative trading system operated by the Warsaw Stock Exchange S.A. on 29 July 2025. The maturity date is 29 July 2035, subject to early redemption in accordance with the applicable terms and conditions of the bonds.

The settlement of the Series AD unsecured subordinated contingent convertible bonds in the amount of PLN 350 million took place on 29 July 2025. The Bank did not specify the purpose of the issue in the terms and conditions of the bonds. It will seek approval from the Polish Financial Supervision Authority to classify the issue proceeds as Tier 2 instruments.

Signatures of Members of the Management Board

Date	Name and surname	Position held	Signature
13 August 2025	Bartosz Kublik	President of the Management Board	Signed with qualified e-signature
13 August 2025	Piotr Kubaty	Vice-President and First Deputy President of the Management Board	Signed with qualified e-signature
13 August 2025	Kamil Kuźmiński	Vice President of the Management Board	Signed with qualified e-signature
13 August 2025	Krzysztof Łabowski	Vice President of the Management Board	Signed with qualified e-signature
13 August 2025	Michał Należyty	Vice President of the Management Board	Signed with qualified e-signature

Signature of the person in charge of bookkeeping:

13 August 2025	Andrzej Kowalczyk	Director of the Accounting Department	Signed with qualified e-signature
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II. CONDENSED INTERIM FINANCIAL STATEMENTS OF THE BANK

Interim statement of profit or loss of the Bank

Continuing operations	Note	for 3 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2025 unaudited	for 3 months ended 30 Jun 2024 unaudited	for 6 months ended 30 Jun 2024 unaudited
Interest and similar income, including:		367,340	734,768	347,894	704,415
<i>financial assets measured at amortised cost</i>		239,817	476,738	259,203	523,958
<i>assets measured at fair value through other comprehensive income</i>		122,455	247,646	83,153	168,956
<i>financial assets measured at fair value through profit or loss</i>		5,068	10,384	5,538	11,501
Interest expense and similar charges, including:		- 186,483	- 373,689	- 170,359	- 348,912
<i>financial liabilities measured at amortised cost</i>		- 186,483	- 373,689	- 170,359	- 348,912
Net interest income	4	180,857	361,079	177,535	355,503
Fee and commission income		18,387	36,615	19,208	40,385
Fee and commission expense		- 2,853	- 4,939	- 2,786	- 4,817
Net fee and commission income	5	15,534	31,676	16,422	35,568
Dividend income	6	11,651	11,651	-	12,057
Gain (loss) on financial instruments measured at fair value through profit or loss (including amounts due from clients)		5,443	5,548	- 4,065	1,527
Gain (loss) on investment securities		21,426	21,426	29	29
Gain (loss) on hedge accounting		- 419	- 986	- 651	- 962
Gain (loss) on foreign exchange transactions		2,460	2,944	7,074	6,496
Gain (loss) on derecognition of financial instruments		200	315	106	309
Other income		4,559	8,051	4,297	7,138
Other expenses		- 16,290	- 30,845	- 29,667	- 36,878
Effect of legal risk of foreign currency mortgage loans		- 27,357	- 59,484	- 57,083	- 107,523
Net loss allowances	7	- 9,989	- 30,284	- 9,452	6,154
Administrative expenses		- 116,553	- 247,047	- 104,435	- 222,791
Share of profit (loss) of equity-accounted entities		13,867	23,969	9,829	24,743
Profit before tax		85,389	98,013	9,939	81,370
Income tax expense		- 16,623	- 20,596	- 4,681	- 31,576
Net profit		68,766	77,417	5,258	49,794
Earnings per share attributable to owners of the parent during period (PLN)	8				
basic			0.83		0.54
diluted			0.83		0.54

No operations were discontinued in the six months ended 30 June 2025 or in 2024.

The notes presented on the following pages are an integral part of these financial statements.

Interim statement of comprehensive income of the Bank

Continuing operations	for 3 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2025 unaudited	for 3 months ended 30 Jun 2024 unaudited	for 6 months ended 30 Jun 2024 unaudited
Net profit	68,766	77,417	5,258	49,794
Items that may be reclassified to profit or loss:	13,294	32,598	1,569	- 3,160
Fair value of debt financial instruments measured at fair value through other comprehensive income, gross	16,412	40,244	1,937	- 3,901
Deferred tax	- 3,118	- 7,646	- 368	741
Items that will not be reclassified to profit or loss:	- 3,259	- 3,259	1	2
Fair value of equity instruments measured at fair value through other comprehensive income, gross	- 4,023	- 4,023	1	2
Deferred tax	764	764	-	-
Other comprehensive income	10,035	29,339	1,570	- 3,158
Total comprehensive income	78,801	106,756	6,828	46,636

The notes presented on the following pages are an integral part of these financial statements.

Interim statement of financial position of the Bank

Assets	Note	30 Jun 2025 unaudited	31 Dec 2024
Cash and cash equivalents		5,263,691	4,302,378
Amounts due from banks		193,570	14,364
Financial assets held for trading, including:		74,543	104,273
<i>debt securities</i>		-	15,461
<i>derivative instruments</i>		74,543	88,812
Derivative hedging instruments		1,059	8,693
Investment securities:		6,977,458	7,351,554
<i>equity securities measured at fair value through other comprehensive income</i>		108,715	112,743
<i>debt securities measured at fair value through other comprehensive income</i>		4,948,374	5,268,798
<i>debt securities measured at amortised cost</i>		1,790,167	1,843,978
<i>debt securities measured at fair value through profit or loss</i>		130,202	126,035
Amounts due from clients, including:	9	10,095,221	10,123,527
<i>measured at amortised cost</i>		10,095,214	10,123,495
<i>measured at fair value through profit or loss</i>		7	32
Investments in subsidiaries		284,791	280,822
Intangible assets		79,180	90,153
Property, plant and equipment		42,484	49,837
Right of use – leases		44,733	40,596
Tax assets:		115,841	130,531
<i>deferred</i>		115,841	130,531
Other assets		142,397	74,844
Total assets		23,314,968	22,571,572

Liabilities	Note	30 Jun 2025 unaudited	31 Dec 2024
Amounts due to central bank and other banks		165,237	244,519
Derivative financial instruments held for trading		30,206	48,657
Amounts due to clients		19,859,025	19,193,059
Liabilities arising from issue of securities		102,709	199,762
Subordinated liabilities		199,753	102,709
Provisions	10	328,557	333,573
Tax liabilities:		10,688	14,744
<i>current</i>		10,688	14,744
Lease liabilities		39,234	36,442
Other liabilities	11	268,240	193,544
Total liabilities		21,003,649	20,367,009

Equity	Note	30 Jun 2025 unaudited	31 Dec 2024
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT			
Common equity:		1,460,364	1,460,364
<i>Share capital</i>		929,477	929,477
<i>Treasury shares</i>		- 1,294	- 1,294
<i>Share premium</i>		532,181	532,181
Revaluation surplus		79,894	50,555
Retained earnings		771,061	693,644
Total equity		2,311,319	2,204,563
Total equity and liabilities		23,314,968	22,571,572

The notes presented on the following pages are an integral part of these financial statements.

Interim statement of changes in equity of the Bank

	Common equity			Revaluation surplus	Retained earnings			Total equity
	Share capital	Treasury shares	Share premium		Other statutory reserve funds	General risk fund	Undistributed profit (loss)	
As at 1 Jan 2025	929,477	- 1,294	532,181	50,555	571,894	48,302	73,448	2,204,563
Net profit	-	-	-	-	-	-	77,417	77,417
Other comprehensive income	-	-	-	29,339	-	-	-	29,339
Total comprehensive income	-	-	-	29,339	-	-	77,417	106,756
Profit distribution, including:	-	-	-	-	73,448	-	- 73,448	-
Transfer of net profit to reserves	-	-	-	-	73,448	-	- 73,448	-
As at 30 Jun 2025 unaudited	929,477	- 1,294	532,181	79,894	645,342	48,302	77,417	2,311,319

	Common equity			Revaluation surplus	Retained earnings			Total equity
	Share capital	Treasury shares	Share premium		Other statutory reserve funds	General risk fund	Undistributed profit (loss)	
As at 1 Jan 2024	929,477	- 1,294	532,181	49,245	510,193	48,302	61,701	2,129,805
Net profit	-	-	-	-	-	-	73,448	73,448
Other comprehensive income	-	-	-	1,310	-	-	-	1,310
Total comprehensive income	-	-	-	1,310	-	-	73,448	74,758
Profit distribution, including:	-	-	-	-	61,701	-	- 61,701	-
Transfer of net profit to reserves	-	-	-	-	61,701	-	- 61,701	-
As at 31 Dec 2024	929,477	- 1,294	532,181	50,555	571,894	48,302	73,448	2,204,563
As at 1 Jan 2024	929,477	- 1,294	532,181	49,245	510,193	48,302	61,701	2,129,805
Net profit	-	-	-	-	-	-	49,794	49,794
Other comprehensive income	-	-	-	- 3,158	-	-	-	- 3,158
Total comprehensive income	-	-	-	- 3,158	-	-	49,794	46,636
Profit distribution, including:	-	-	-	-	61,701	-	- 61,701	-
Transfer of net profit to reserves	-	-	-	-	61,701	-	- 61,701	-
As at 30 Jun 2024	929,477	- 1,294	532,181	46,087	571,894	48,302	49,794	2,176,441

There were no non-controlling interests in the six months ended 30 June 2025 or in 2024.

The notes presented on the following pages are an integral part of these financial statements.

Interim statement of cash flows of the Bank

Indirect method	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	98,013	81,370
Total adjustments:	708,799	-1,419,713
Share of (profit) loss of equity-accounted subordinated entities	-23,969	-24,743
Amortisation and depreciation	33,082	31,159
Interest income on investing activities	-110,374	-129,796
Loss on investing activities	-5	-
Interest income on financing activities	13,576	17,074
Dividends received:	-4,473	-6,029
<i>on investment securities</i>	4,473	6,029
Change in:		
<i>amounts due from banks</i>	-179,206	2,433
<i>securities held for trading</i>	15,461	-27,141
<i>assets and liabilities from measurement of derivative and hedging financial instruments</i>	3,452	1,999
<i>investment securities</i>	356,506	-302,743
<i>amounts due from clients</i>	28,306	14,098
<i>other assets and income tax</i>	-67,551	-46,616
<i>amounts due to central bank and other banks</i>	-79,282	207,111
<i>amounts due to clients</i>	665,966	-1,156,791
<i>provisions</i>	-5,016	45,062
<i>other liabilities and income tax</i>	74,697	-36,373
Income tax paid	-16,844	-14,446
Net cash flows from (used in) operating activities	806,812	-1,338,343
CASH FLOWS FROM INVESTING ACTIVITIES		
Inflows	184,191	667,509
Cash receipts from sale of property, plant and equipment	6	-
Interest received on securities measured at amortised cost	97,789	137,509
Cash receipts from redemption of securities measured at amortised cost	66,396	490,000
Dividends received	20,000	40,000
Outflows	-6,161	-22,058
Payments for acquisition of securities measured at amortised cost	-	-11,679
Payments for acquisition of intangible assets	-5,710	-8,849
Payments for acquisition of property, plant and equipment	-451	-1,530
Net cash flows from (used in) investing activities	178,030	645,451
CASH FLOWS FROM FINANCING ACTIVITIES		
Inflows	-	-

Outflows	-23,529	-27,538
Interest paid on bonds issued by the Bank, including:	-12,596	-17,026
<i>subordinated bonds</i>	-4,389	-17,026
Lease payments	-10,251	-9,233
Lease interest paid	-682	-1,279
Net cash flows from (used in) financing activities	-23,529	-27,538
TOTAL NET CASH FLOWS	961,313	-720,430
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,302,378	4,023,953
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5,263,691	3,303,523
Restricted cash and cash equivalents	659,535	584,586

The notes presented on the following pages are an integral part of these financial statements.

Notes to the condensed interim financial statements of the Bank

1. General information on Bank Ochrony Środowiska S.A.

For information on Bank Ochrony Środowiska S.A., including changes in the composition of the Bank's Management Board, see Notes 1 and 2 to the condensed interim consolidated financial statements of the BOŚ Group for the six months ended 30 June 2025.

1.1. Authorisation of the financial statements

These condensed interim financial statements of BOŚ S.A. for the six months ended 30 June 2025 were authorised by the Bank's Management Board on 13 August 2025 for issue on 14 August 2025.

The full-year financial statements of BOŚ S.A. for the year ended 31 December 2024 were approved by the Bank's General Meeting on 17 June 2025.

These condensed interim financial statements of BOŚ S.A. are issued jointly with the condensed interim consolidated financial statements of the BOŚ Group for the six months ended 30 June 2025.

These financial statements have been prepared in a condensed form. These condensed interim financial statements do not include all the disclosures required to be included in full-year financial statements and should be read in conjunction with the full-year financial statements of BOŚ S.A. for the financial year ended 31 December 2024 and with the condensed interim consolidated financial statements of the BOŚ Group for the six months ended 30 June 2025.

For information on the accounting policies applied in the preparation of the financial statements, see Note 4 to the condensed interim consolidated financial statements of the BOŚ Group.

1.2. Reporting period and comparative data

The condensed interim financial statements of Bank Ochrony Środowiska S.A. (the Bank, BOŚ S.A.) include:

- the interim statement of profit or loss for the six months ended 30 June 2025 and comparative data for the six months ended 30 June 2024, as well as data for the three months ended 30 June 2025 and comparative data for the three months ended 30 June 2024,
- the interim statement of comprehensive income for the six months ended 30 June 2025, comparative data for the six months ended 30 June 2024, data for the three months ended 30 June 2025 and comparative data for the three months ended 30 June 2024,
- the interim statement of financial position as at 30 June 2025 and comparative data as at 31 December 2024,
- the interim statement of changes in equity for the six months ended 30 June 2025 and comparative data for the six months ended 30 June 2024 and for the 12 months ended 31 December 2024,
- the interim statement of cash flows for the six months ended 30 June 2025 and comparative data for the six months ended 30 June 2024,
- notes to the financial statements.

2. Going concern

As a result of an accounting loss incurred in 2015, the Bank implemented a Recovery Programme pursuant to Article 142.1 of the Banking Law in the wording effective until 8 October 2016, in accordance with Article 381.4 of the Act on the Bank Guarantee Fund, Deposit Guarantee Scheme and Forced Restructuring of 10 June 2016.

On 17 July 2020, the Bank received a decision of the Polish Financial Supervision Authority in connection with the administrative proceedings initiated ex officio by the Polish Financial Supervision Authority (PFSA) on 12 May 2020, whereby the Bank was ordered to prepare a group recovery plan for Bank Ochrony Środowiska S.A. pursuant to Article 141n.1 of the Banking Law of 29 August 1997. On 20 July 2020, the Bank received the second decision of the PFSA in connection with the administrative proceedings initiated ex officio by the PFSA on 12 May 2020 to limit the scope of the group recovery plan to entities of the BOŚ Group (i.e. Bank Ochrony Środowiska S.A., Dom Maklerski BOŚ S.A., BOŚ Leasing EKO-Profit S.A. and MS Wind sp. z o.o.).

The Bank prepared the Group Recovery Plan and submitted it to the PFSA in October 2020. In a letter dated 21 January 2021, in connection with the administrative proceedings to approve the Group Recovery Plan, the Polish Financial Supervision Authority instructed the Bank to supplement and amend the submitted Group Recovery Plan, with the audited financial data as at 31 December 2020 to be used as the point of reference. In accordance with the PFSA's request, BOŚ corrected the Group Recovery Plan, submitted it for approval, and on 17 December 2021 it was approved by the PFSA.

The approval of the Plan by the PFSA marked the discharge of the remedial obligations under the Recovery Programme.

On 31 December 2021, the Bank decided to launch the Group Recovery Plan approved by the PFSA. The purpose of the corrective measures provided for in the Plan is to achieve sustainable profitability of the Bank. Notwithstanding the fact that the Group Recovery Plan is being implemented, the Bank is obliged to update it on a regular basis. As required by Article 141m of the Banking Law, the Bank updates the Group Recovery Plan at least annually.

On 26 January 2024, the PFSA approved the updated Group Recovery Plan of BOŚ S.A. In the period 1 January – 30 June 2025, the Bank continued its implementation.

Following the close of the 2024 financial year, in January 2025, the Bank began preparing a new update as part of the 2025 planning cycle. The updated Group Recovery Plan was submitted to the PFSA on 30 April 2025. As at the date of issue of these financial statements, no response had been received.

As at 30 June 2025, the indicator defined as the ratio of the gross carrying amount of Bucket 3 loans for the current portfolio to the gross carrying amount of total loans (NPLn) for the 'new' portfolio (loans originated after 2020) had reached a critical level on both separate and consolidated basis. All other indicators remained within safe thresholds.

Failure to maintain the required level of the ratio of the gross carrying amount of Bucket 3 loans for the current portfolio to the gross carrying amount of total loans (NPLn) for the 'new' portfolio was not material to the going concern assumption. Following a review, certain exposures were reclassified to Bucket 3. The Bank is taking steps to improve the ratio, which include selling debt, increasing low-risk lending volumes, and enhancing the efficiency and effectiveness of debt collection processes through system upgrades, such as planned implementation of a module to track limitation periods and due dates. Going forward, a reduction in the NPL ratio may be achieved either through the sale of non-performing loan portfolios or through a material increase in loan origination volumes, which would raise the loan balance and improve the portfolio's quality (e.g. by broadening the business model and increasing exposure in the low-risk local government sector). The Bank's current efforts are focused on increasing loan origination volumes. However, the impact of these measures will only become visible in subsequent quarters of 2025.

In the six months ended 30 June 2025, the Bank reported a net profit of PLN 77,417 thousand.

The Bank maintains its capital adequacy ratios above the levels recommended by the Polish Financial Supervision Authority (for detailed information, see Note 19.1). The Bank's liquidity is adequate and exceeds the regulatory requirements (see Note 41.2.1 for details).

The armed conflict in Ukraine did not have a significant impact on the liquidity position and capital adequacy of the Bank. The Bank maintained its full operational capacity throughout the period.

Taking into consideration the factors described above, there are no circumstances that would indicate a threat to the Bank's ability to continue as a going concern for at least 12 months after the reporting date as a result of voluntary or compulsory discontinuation or limitation of its current operations.

3. Corrections of prior period errors

In these condensed financial statements, the Bank has not corrected any errors in the financial statements of prior periods.

4. Net interest income

	for 6 months ended 30 Jun 2025 unaudited				for 6 months ended 30 Jun 2024 unaudited			
	Interest income		Income similar to interest income	Total	Interest income		Income similar to interest income	Total
	Financial assets measured at amortised cost	Assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss		Financial assets measured at amortised cost	Assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	
Cash and cash equivalents	26,509	99,913	-	126,422	21,459	77,154*	-	98,613*
Amounts due from corporate clients	312,976	-	-	312,976	363,185	-	-	363,185
Amounts due from SME, micro-enterprise and retail clients	90,532	-	159	90,691	87,208	-	155	87,363
Investment debt securities	46,721	147,733	1,604	196,058	52,106	91,802*	1,613	145,521*
Investment debt securities held for trading	-	-	784	784	-	-	1,537	1,537
Hedging transactions	-	-	7,837	7,837	-	-	8,196	8,196
Total	476,738	247,646	10,384	734,768	523,958	168,956	11,501	704,415

* Comparative data for the six months ended 30 June 2024 reflect a presentation change relative to data reported in the previous year. The amount of PLN 11,571 thousand has been recognised as interest income on amounts due from institutional clients, while in the previous year it was presented as interest income on amounts due from banks and the central bank. For a detailed description of the change, see the full-year financial statements of BOŚ S.A. for the year ended 31 December 2024.

Interest expense and similar charges on:	for 6 months ended 30 Jun 2025 unaudited			for 6 months ended 30 Jun 2024 unaudited		
	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Total	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Total
Bank accounts and deposits from banks	3,140	-	3,140	2,061	-	2,061
Bank accounts and deposits from corporate clients	167,160	-	167,160	143,527	-	143,527
Bank accounts and deposits from SME, micro-enterprise and retail clients	182,475	-	182,475	173,624	-	173,624
Borrowings from clients	7,040	-	7,040	8,955	-	8,955
Lending support funds	282	-	282	366	-	366
Financial instruments – own debt securities	12,603	-	12,603	19,142	-	19,142
Lease liabilities	989	-	989	1,237	-	1,237
Total	373,689	-	373,689	348,912	-	348,912

5. Net fee and commission income

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Fee and commission income		
Fee and commission income from contracts with customers under IFRS 15, including:	16,758	18,695
<i>fees for maintaining client accounts, other domestic and international settlement transactions</i>	16,755	18,691
Other fees	3	4
Commission fees on credit facilities	17,221	17,478
Commission fees on guarantees and letters of credit	2,636	4,212
Total	36,615	40,385
Fee and commission expense		
Payment card fees	4,096	3,923
Current account fees	283	293
ATM service charges	278	242
Fees on amounts due from clients	4	3
Other fees	278	356
Total	4,939	4,817

6. Dividend income

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Securities measured at fair value through other comprehensive income*	11,651	12,057
Total	11,651	12,057

* Relates to dividend received from Kemipol Sp. z o.o.

7. Net loss allowances

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Securities measured at fair value through other comprehensive income	- 1,097	7,901
Securities measured at amortised cost	17	59
Amounts due from banks	- 411	- 54
Amounts due from clients and off-balance-sheet liabilities, including:	- 28,793	- 1,752
on-balance-sheet receivables	- 22,275	1,324
<i>from SME, micro-enterprise and retail clients</i>	- 9	9,928
<i>from corporate clients</i>	- 22,266	- 8,604
off-balance-sheet liabilities	- 6,518	- 3,076
<i>from SME, micro-enterprise and retail clients</i>	- 744	- 189
<i>from corporate clients</i>	- 5,774	- 2,887
Total	- 30,284	6,154

Net loss allowances for amounts due from clients:

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Individual assessment	- 14,015	- 14,393
Collective assessment	- 8,260	15,717
Total	- 22,275	1,324

8. Earnings per share

Basic earnings per share are calculated as the quotient of profit attributable to shareholders of the Bank and the weighted average number of ordinary shares during the year.

	for 6 months ended 30 Jun 2025 unaudited	for 6 months ended 30 Jun 2024 unaudited
Net profit	77,417	49,794
Weighted average number of ordinary shares (thousand)	92,910	92,910
Basic earnings per share (PLN)	0.83	0.54

Diluted earnings per share are equal to basic earnings per share in the periods presented.

9. Amounts due from clients

	30 Jun 2025 unaudited			31 Dec 2024		
	Gross amounts due from clients	Loss allowances	Net amounts due from clients	Gross amounts due from clients	Loss allowances	Net amounts due from clients
Measurement at amortised cost	11,052,084	985,256	10,066,828	11,015,831	923,617	10,092,214
Amounts due from SME, micro-enterprise and retail clients	2,162,920	219,754	1,943,166	2,090,378	215,847	1,874,531
<i>overdraft facilities</i>	31,925	4,508	27,417	3,350	2,971	379
<i>cash loans</i>	296,222	105,264	190,958	309,174	100,155	209,019
<i>housing loans</i>	1,442,549	76,142	1,366,407	1,553,854	81,552	1,472,302
<i>other loans</i>	390,204	33,826	356,378	224,000	31,169	192,831
<i>purchased receivables</i>	1,690	13	1,677	-	-	-
<i>commercial paper</i>	330	1	329	-	-	-
Amounts due from corporate clients	8,889,164	765,502	8,123,662	8,925,453	707,770	8,217,683
<i>working capital facilities</i>	843,797	82,133	761,664	912,054	56,023	856,031
<i>term facilities</i>	6,275,199	615,071	5,660,128	6,262,915	590,784	5,672,131
<i>factoring receivables</i>	420,784	40,284	380,500	462,849	36,416	426,433
<i>purchased receivables</i>	56,893	9,049	47,844	66,123	8,394	57,729
<i>commercial paper</i>	1,292,491	18,965	1,273,526	1,221,512	16,153	1,205,359
Measurement at fair value through profit or loss	-	-	7	-	-	32
Amounts due from SME, micro-enterprise and retail clients	-	-	7	-	-	25
<i>housing loans</i>	-	-	3	-	-	10
<i>other loans</i>	-	-	4	-	-	15
Amounts due from corporate clients	-	-	-	-	-	7
<i>term facilities</i>	-	-	-	-	-	7
Total	-	-	10,066,835	-	-	10,092,246
Margin deposits	25,466	3	25,463	27,865	3	27,862
Other amounts due from clients	2,923	-	2,923	3,419	-	3,419
Total amounts due from clients	-	-	10,095,221	-	-	10,123,527

Amounts due from clients included preferential loans with subsidised interest from NFOŚiFW and WFOŚiGW; in the reporting period, the amounts were as follows (nominal values):

	30 Jun 2025 unaudited	31 Dec 2024
Preferential loans with subsidies, including:	22,716	21,412
<i>measured at amortised cost</i>	22,615	21,311
<i>measured at fair value through profit or loss</i>	101	101

Change in loss allowances for amounts due from clients:

	Allowances for amounts due SME, micro-enterprise and retail clients					Allowances for amounts due from corporate clients				
	Bucket 1	Bucket 2	Bucket 3	POCI	Total	Bucket 1	Bucket 2	Bucket 3	POCI	Total
At beginning of period 1 Jan 2025	7,127	1,879	206,693	148	215,847	59,251	98,004	556,634	- 6,119	707,770
change in client segmentation model	1,021	20	4	-	1,045	- 1,021	- 20	- 4	-	- 1,045
At beginning of period 1 Jan 2025 – new client segmentation model	8,148	1,899	206,697	148	216,892	58,230	97,984	556,630	- 6,119	706,725
Increase due to origination and purchase of financial assets	1,609	38	-	21	1,668	17,679	5,131	-	395	23,205
Changes due to change in credit risk	- 2,101	- 4,323	15,500	- 73	9,003	- 5,235	- 3,070	61,096	- 6,220	46,571
Decrease due to derecognition of financial assets, including:	- 395	- 140	- 7,274	-	- 7,809	- 3,841	- 2,663	- 10,408	5,913	- 10,999
<i>change in loss allowances due to financial instruments written off from the statement of financial position</i>	-	- 1	- 69	-	- 70	-	-	- 1,423	- 258	- 1,681
Change in loss allowances due to reclassifications of financial assets between Buckets	1,246	4,632	- 5,878	-	-	- 2,720	497	2,223	-	-
Reclassification to Bucket 1	1,877	- 259	- 1,618	-	-	4,840	- 4,708	- 132	-	-
Reclassification to Bucket 2	- 320	5,704	- 5,384	-	-	- 7,232	8,378	- 1,146	-	-
Reclassification to Bucket 3	- 311	- 813	1,124	-	-	- 328	- 3,173	3,501	-	-
Other changes	- 22	18	4	-	-	12	- 12	-	-	-
At end of period 30 Jun 2025	8,485	2,124	209,049	96	219,754	64,125	97,867	609,541	- 6,031	765,502

	Allowances for amounts due from retail clients					Allowances for amounts due from institutional clients				
	Bucket 1	Bucket 2	Bucket 3	POCI	Total	Bucket 1	Bucket 2	Bucket 3	POCI	Total
At beginning of period 1 Jan 2024	14,273	4,839	219,884	191	239,187	102,897	73,651	521,033	- 18,643	678,938
Increase due to origination and purchase of financial assets	2,174	9	-	-	2,183	12,170	3,542	-	-	15,712
Changes due to change in credit risk	- 9,612	- 3,406	14,072	- 8	1,046	- 8,095	2,391	41,135	- 2,734	32,697
Decrease due to derecognition of financial assets, including:	- 895	- 106	- 4,978	-	- 5,979	- 4,649	- 9,953	- 4,372	- 46	- 19,020
<i>change in loss allowances due to financial instruments written off from the statement of financial position</i>	-	- 3	- 240	-	- 243	-	-	-	-	-
Change in loss allowances due to reclassifications of financial assets between Buckets	8,302	3,068	- 11,370	-	-	403	- 4,436	4,033	-	-
Reclassification to Bucket 1	8,934	- 967	- 7,967	-	-	7,242	- 6,761	- 481	-	-
Reclassification to Bucket 2	- 336	5,523	- 5,187	-	-	- 6,352	6,367	- 15	-	-
Reclassification to Bucket 3	- 296	- 1,488	1,784	-	-	- 487	- 4,042	4,529	-	-
Other changes	-	- 615	-	-	- 615	-	615	-	-	615
At end of period 30 Jun 2024	14,242	3,789	217,608	183	235,822	102,726	65,810	561,829	- 21,423	708,942

10. Provisions

	30 Jun 2025 unaudited	31 Dec 2024
Provision for financial obligations	66,648	60,131
<i>open lines of credit</i>	48,617	35,250
<i>guarantees</i>	18,031	24,881
Provision for employee benefits – retirement and disability benefits	6,236	6,290
Other provisions	255,673	267,152
<i>provision for legal risk of foreign currency mortgage loans</i>	241,346	251,222
<i>provision for refunds of commission fees due to early loan repayment</i>	167	225
<i>Provision for refunds of increased interest charged until court entry of mortgage security</i>	903	1,315
<i>provision for other liabilities and claims</i>	13,257	13,642
<i>provision for future payments</i>	-	748
Total	328,557	333,573

Change in provisions

	30 Jun 2025 unaudited	31 Dec 2024
Provision for financial obligations		
At beginning of period	60,131	47,529
<i>recognition of provisions for impairment of off-balance-sheet liabilities</i>	68,762	145,631
<i>reversal of provisions for impairment of off-balance-sheet liabilities</i>	- 62,244	- 133,029
<i>other</i>	- 1	-
At end of period	66,648	60,131
Provision for employee benefits		
At beginning of period	6,290	4,553
<i>recognition of provisions</i>	150	1,897
<i>use of provisions</i>	- 204	- 160
At end of period	6,236	6,290
Provision for legal risk of foreign currency mortgage loans		
At beginning of period	251,222	164,000
<i>recognition of provisions*</i>	25,340	130,584
<i>exchange differences on measurement of provisions</i>	- 2,725	- 5,694
<i>use of provisions*</i>	- 32,491	- 37,668
<i>reversal of provisions</i>	-	-
At end of period	241,346	251,222

Provision for refunds of commission fees due to early loan repayment		
At beginning of period	225	171
<i>recognition of provisions</i>	-	167
<i>use of provisions</i>	- 14	- 113
<i>reversal of provisions</i>	- 44	-
At end of period	167	225
Provision for refunds of increased interest charged until court entry of mortgage security		
At beginning of period	1,315	1,880
<i>recognition of provisions</i>	-	237
<i>use of provisions</i>	- 182	- 369
<i>reversal of provisions</i>	- 230	- 433
At end of period	903	1,315
Provision for other liabilities and claims		
At beginning of period	13,642	10,255
<i>recognition of provisions</i>	985	6,533
<i>reversal of provisions</i>	- 1,370	- 3,146
At end of period	13,257	13,642
Provision for future payments		
At beginning of period	748	-
<i>recognition of provisions</i>	-	2,174
<i>use of provisions</i>	- 748	- 1,426
At end of period	-	748
Total provisions at end of period	328,557	333,573

* There has been a change in the presentation of the legal risk provision. For details, see Note 19 'Effect of legal risk of foreign currency mortgage loans'.

Litigation against the Bank concerning loans denominated in or linked to foreign currencies

For information on litigation related to loans denominated in or linked to foreign currencies, see Note 8 to the interim consolidated financial statements of the BOŚ Group: 'Legal risk associated with foreign currency-linked residential mortgage loans'.

11. Other liabilities

	30 Jun 2025 unaudited	31 Dec 2024
Interbank settlements	84,796	25,817
Accrued expenses and deferred income	76,502	58,305
Public charges	12,640	12,220
Trade liabilities	81,401	83,844
Deferred commissions	7,784	8,065
Payment card settlements	1,287	1,248
Provision for refunds of commission fees due to early loan repayment	1,692	1,900
Other	2,138	2,145
Total	268,240	193,544

12. Contingent assets and liabilities

	30 Jun 2025 unaudited	31 Dec 2024
Contingent liabilities:	4,238,739	3,741,795
Financial obligations, including:	3,762,410	3,235,544
open lines of credit, including:	3,636,587	3,223,379
<i>revocable</i>	3,170,141	2,709,470
<i>irrevocable</i>	466,446	513,909
open import letters of credit	7,137	12,165
loan commitments, including:	4,420	-
<i>irrevocable</i>	4,420	-
other	114,266	
guarantees, including:	398,131	449,583
<i>credit repayment sureties and guarantees</i>	13,896	13,910
<i>performance bonds</i>	384,235	435,673
underwriting	78,198	56,668
Contingent assets:	1,827,083	1,917,694
Financial assets, including:	-	4,300
<i>other</i>	-	4,300
Guarantees	1,827,083	1,913,394
Total contingent assets and contingent liabilities	6,065,822	5,659,489

13. Related-party transactions

As at 30 June 2025, Bank Ochrony Środowiska S.A. was the parent of Dom Maklerski BOŚ S.A., BOŚ Leasing S.A., as well as MS Wind Sp. z o.o.

The National Fund for Environmental Protection and Water Management (NFOŚiGW) was the parent of BOŚ S.A.

The key management personnel are also considered to be related parties.

Transactions with the National Fund for Environmental Protection and Water Management, i.e. the main shareholder of the Bank

As at 30 June 2025, the amount of funds provided by the NFOŚiGW for preferential loans under the Prosument programme for the financing of purchase and installation of renewable energy sources was PLN 2,813 thousand (31 December 2024: PLN 4,125 thousand).

NFOŚiGW is a party related to the State Treasury. The Bank enters into transactions with entities related to the State Treasury, mainly with entities operating in the public finance sector.

Data on transactions with the subsidiaries are presented in the tables below.

As at 30 Jun 2025:

	Amounts due from clients	Investments in subsidiaries	Other assets	Financial liabilities held for trading	Amounts due to clients	Subordinated liabilities	Provisions	Other liabilities	Contingent liabilities
Subsidiaries									
Dom Maklerski BOŚ S.A.	61,257	216,840	20,005	-	1,842,823	118	189	108	48,438
BOŚ Leasing S.A.	209,997	67,951	-	46	15,976	-	4,325	903	43,185
Indirect subsidiaries									
MS Wind sp. z o.o.	13,983				11,526				
Total	285,237	284,791	20,005	46	1,870,325	118	4,514	1,011	91,623

As at 31 Dec 2024:

	Amounts due from clients	Investments in subsidiaries	Other assets	Financial liabilities held for trading	Amounts due to clients	Subordinated liabilities	Provisions	Other liabilities	Contingent liabilities
Subsidiaries									
Dom Maklerski BOŚ S.A.	56,977	213,825	-	-	1,958,849	129	582	254	52,049
BOŚ Leasing S.A.	208,433	66,997	-	95	13,007	-	1,614	611	16,093
Indirect subsidiaries									
MS Wind sp. z o.o.	14,151	-	-	-	10,774	-	-	-	-
Total	279,561	280,822	-	95	1,982,630	129	2,196	865	68,142

Income and expenses in the six months ended 30 June 2025:

	Interest and similar income	Interest expense and similar charges	Fee and commission income	Fee and commission expense	Gain (loss) on financial instruments measured at fair value through profit or loss (including amounts due from clients)	Other income	Net loss allowances	Administrative expenses	Share of profit (loss) of equity- accounted entities
Subsidiaries									
Dom Maklerski BOŚ S.A.	2,429	- 41,690	1,440	-	-	1	1,074	- 6	23,015
BOŚ Leasing S.A.	7,818	- 176	60	-	9	316	- 3,971	- 33	954
Indirect subsidiaries									
MS Wind sp. z o.o.	556	- 23	41	-	-	-	10	-	-
Total	10,803	- 41,889	1,541	-	9	317	- 2,887	- 39	23,969

Income and expenses in the six months ended 30 June 2024:

	Interest and similar income	Interest expense and similar charges	Fee and commission income	Fee and commission expense	Gain (loss) on financial instruments measured at fair value through profit or loss (including amounts due from clients)	Other income	Net loss allowances	Administrative expenses	Share of profit (loss) of equity- accounted entities
Subsidiaries									
Dom Maklerski BOŚ S.A.	1,732	- 42,065	658	- 39	-	5	267	- 6	22,750
BOŚ Leasing S.A.	7,364	- 267	44	-	- 50	335	692	- 40	1,993
Indirect subsidiaries									
MS Wind sp. z o.o.	618	- 24	36	-	-	-	24	-	-
Total	9,714	- 42,356	738	- 39	- 50	340	983	- 46	24,743

14. Seasonal or cyclical nature of the business in the reporting period

The Bank's business does not involve any significant events or factors that would be subject to seasonal or cyclical variations.

15. Type and amounts of non-recurring items affecting the assets, equity and liabilities, net profit/loss or cash flows, which are unusual due to their type, size or frequency

In the six months ended 30 June 2025, there were no non-recurring events with a significant impact on the Bank's assets, liabilities, equity, net profit/loss or cash flows.

16. Type and amount of changes to estimates reported in previous interim periods of the current financial year or in previous financial years, where they have a material effect on the current interim period

In the six months ended 30 June 2025, there were no material changes in the methodology underlying the calculation of estimated amounts recognised in previous interim periods of the current financial year and in the full-year consolidated financial statements of Bank Ochrony Środowiska S.A. for the year ended 31 December 2024.

17. Issue, redemption and repayment of debt and equity securities

In the six months ended 30 June 2025, there were no issues, redemptions or repayments of any debt or equity securities.

18. Dividends paid (aggregate or per share), separately for ordinary shares and other shares

No dividend was paid or declared in the six months ended 30 June 2025. In 2024, the Bank generated net profit. On 17 June 2025, the Annual General Meeting of Bank Ochrony Środowiska S.A. passed a resolution to allocate the Bank's entire net profit for the period 1 January–31 December 2024, amounting to PLN 73,448 thousand to statutory reserve funds.

19. Capital adequacy

For detailed information on the capital adequacy management process, its purpose and capital adequacy measures, see the full-year financial statements. Presented below is key information on the capital ratios.

In accordance with Article 92 of the CRR, the Bank is required to maintain the total capital ratio at a minimum of 8%. The Tier 1 capital ratio and Common Equity Tier 1 capital ratio should amount at least to 6% and 4.5%, respectively.

Pursuant to the CRR and the Act on Macroprudential Oversight of the Financial System and Crisis Management in the Financial System of 5 August 2015, financial institutions are required to maintain additional capital buffers for capital ratios. As of 1 January 2019, the capital conservation buffer is 2.5 percentage points and the countercyclical buffer is 0 percentage points. The Bank is not required to maintain the other systemically important institution buffer. The systemic risk buffer was released by decision of the Minister of Finance dated 18 March 2020.

On 16 December 2024, the Polish Financial Supervision Authority recommended that the Bank should maintain own funds, on a standalone basis, to cover the additional capital add-on to absorb potential losses resulting from stress conditions at the level of 3.76 percentage points above the total capital ratio referred to in Article 92(1)(a-c) of Regulation No 575/2013, increased by the additional own funds requirement referred to in Article 138.2.2) of the Banking Law and by the combined buffer requirement referred to in Article 55.4 of the Macroprudential Supervision Act. The additional add-on should consist entirely of Common Equity Tier 1 capital.

As a result, as at 30 June 2025, the minimum capital ratios recommended by the PFSA for the Bank were:

- Common Equity Tier 1 capital ratio – 10.76%,
- Tier 1 capital ratio – 12.26%,
- total capital ratio (TCR) – 14.26%.

19.1. The Bank's capital adequacy levels

	30 Jun 2025 unaudited	31 Dec 2024
AVAILABLE CAPITAL		
Common Equity Tier 1 capital	2,079,075	1,937,941
Tier 1 capital	2,079,075	1,937,941
Own funds	2,179,075	2,037,941
RISK-WEIGHTED ASSETS		
Total amount of risk-weighted assets	13,322,304	11,652,420
<i>Credit risk and counterparty credit risk</i>	11,572,313	9,984,817
<i>Operational risk</i>	1,729,235	1,649,560
<i>Market risk</i>	13,055	9,143
CVA	7,701	8,900
CAPITAL RATIOS		
Common Equity Tier 1 capital ratio	15.61	16.63
Tier 1 capital ratio	15.61	16.63
Total capital ratio	16.36	17.49
LEVERAGE RATIO		
Exposure amount	26,055,668	24,425,436
Leverage ratio	8.0	7.9
INTERNAL CAPITAL		
Internal capital	1,465,759	1,533,450
Internal capital to equity ratio	67.3	75.2

The capital adequacy ratio of the Bank as at 30 December 2025 was above the supervisory and internal limits.

Impact of CRR3 on capital adequacy

Since 1 January 2025, the Bank has complied with Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024, amending the Capital Requirements Regulation (CRR).

The decline in its capital ratios is primarily driven by the identification and higher risk weighting of exposures related to the financing of land acquisitions for development purposes, as well as loans for property development and the construction of residential or commercial projects (so-called ADC exposures).

20. Additional information

As at 30 June 2025, the Bank did not have:

- material commitments or obligations related to purchase of property, plant and equipment.

In the six months ended 30 June 2025, the Bank did not make:

- significant inventory write-downs,
- reversals of any provisions for restructuring costs,
- material transactions to purchase or sell property, plant and equipment,
- changes in the fair value measurement method for financial instruments measured at fair value,
- changes in the classification of financial assets due to a change in their purpose or use.

21. Events after the reporting date

On 10 July 2025, the Management Board of Bank Ochrony Środowiska decided to issue up to 700 Series AD unsecured subordinated contingent convertible bonds in bearer form with a nominal value of PLN 500 thousand per bond and maximum total nominal value of up to PLN 350 million, with the issue date set at 29 July 2025. The bonds were issued under the Bank's bond programme with a total nominal value of PLN 1 billion of bonds issued and outstanding. The issue price was equal to the nominal value. The bonds bear interest at a variable rate of 6M WIBOR plus a margin of 2.90% per annum. The bonds were issued by way of an offering conducted pursuant to Article 33.1 of the Bond Act of 15 January 2015, in conjunction with Article 1(4)(a) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published in connection with a public offering of securities or their admission to trading on a regulated market, and repealing Directive 2003/71/EC (the "Prospectus Regulation"), to be offered exclusively to qualified investors within the meaning of the Prospectus Regulation without the requirement to publish a prospectus or information memorandum, subject to Article 27c of the Bond Act of 15 January 2015, as amended.

The bonds were registered with the securities depository operated by the Central Securities Depository of Poland and admitted to trading in the alternative trading system operated by the Warsaw Stock Exchange S.A. on 29 July 2025. The maturity date is 29 July 2035, subject to early redemption in accordance with the applicable terms and conditions of the bonds.

The settlement of the Series AD unsecured subordinated contingent convertible bonds in the amount of PLN 350 million took place on 29 July 2025. The Bank did not specify the purpose of the issue in the terms and conditions of the bonds. It will seek approval from the Polish Financial Supervision Authority to classify the issue proceeds as Tier 2 instruments.

Signatures of Members of the Management Board

Date	Name and surname	Position held	Signature
13 August 2025	Bartosz Kublik	President of the Management Board	Signed with qualified e-signature
13 August 2025	Piotr Kubaty	Vice-President and First Deputy President of the Management Board	Signed with qualified e-signature
13 August 2025	Kamil Kuźmiński	Vice President of the Management Board	Signed with qualified e-signature
13 August 2025	Krzysztof Łabowski	Vice President of the Management Board	Signed with qualified e-signature
13 August 2025	Michał Należyty	Vice President of the Management Board	Signed with qualified e-signature

Signature of the person in charge of bookkeeping:

13 August 2025	Andrzej Kowalczyk	Director of the Accounting Department	Signed with qualified e-signature
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