MANAGEMENT BOARD'S REPORT ON THE OPERATIONS OF THE BANK OCHRONY ŚRODOWISKA GROUP IN THE SIX MONTHS ENDED 30 JUNE 2025

Warsaw, August 2025

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FINANCIAL HIGHLIGHTS

GROUP	PLN thousand		EUR thousand	
Data from condensed interim consolidated financial statements of BOŚ Group	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024
Interest and similar income	740,795	713,931	175,511	165,611
Fee and commission income	90,803	84,343	21,513	19,565
Gain (loss) on financial instruments measured at fair value through profit or loss (including amounts due from clients)	41,581	24,114	9,851	5,594
Gain (loss) on investment securities	21,426	29	5,076	7
Profit before tax	107,249	88,811	25,410	20,601
Net profit attributable to owners of parent	79,721	50,231	18,888	11,652

GROUP	PLN thousand		EUR thousand	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Total assets	23,480,670	22,718,495	5,535,413	5,267,446
Amounts due to central bank and other banks	165,237	244,519	38,954	56,693
Amounts due to clients	19,773,919	19,100,807	4,661,571	4,428,659
Equity attributable to owners of parent	2,338,646	2,229,586	551,320	516,946
Common equity	1,461,036	1,461,036	344,430	338,752
Number of shares	92,947,671	92,947,671		
Capital ratio	16.21	17.23		

BANK	PLN thousand		EUR thousand	
Data from condensed interim financial statements of BOŚ S.A.	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024
Interest and similar income	734,768	704,415	174,083	163,403
Fee and commission income	36,615	40,385	8,675	9,368
Gain (loss) on financial instruments measured at fair value through profit or loss (including amounts due from clients)	5,548	1,527	1,314	354
Gain (loss) on investment securities	21,426	29	5,076	7
Profit before tax	98,013	81,370	23,221	18,875
Net profit	77,417	49,794	18,342	11,551

BANK	PLN thousand		EUR thousand	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Total assets	23,314,968	22,571,572	5,496,350	5,233,381
Amounts due to central bank and other banks	165,237	244,519	38,954	56,693
Amounts due to clients	19,859,025	19,193,059	4,681,634	4,450,048
Equity attributable to owners of parent	2,311,319	2,204,563	544,878	511,144
Common equity	1,460,364	1,460,364	344,271	338,596
Number of shares	92,947,671	92,947,671		
Capital ratio	16.36	17.49		

I. SUMMARY OF THE FINANCIAL RESULTS OF THE GROUP

The Group of Bank Ochrony Środowiska S.A. (the "BOŚ Group" or the "Group") consists of Bank Ochrony Środowiska S.A. as the parent, two direct subsidiaries: Dom Maklerski BOŚ S.A. (BOŚ Brokerage House) and BOŚ Leasing S.A., and an indirect subsidiary MS Wind Sp. z o.o.

Results of the Group

In the six months ended 30 June 2025, **the BOŚ Group posted a net profit of PLN 79.7 million, up 58.7%** year on year. The Group improved the result from its core operations, i.e. net interest income and net fee and commission income, and reported higher gains on financial instruments and investment securities.

The BOŚ Group's total assets rose to PLN 23.5 billion, or by PLN 0.8 billion, in the first six months of 2025. At the same time, the **volume of deposits grew by 3.5% and equity increased by 4.9%.**

BOŚ Group's key financial highlights for the six months ended 30 June 2025:

- **0.4% increase in net interest income**; in the period from 1 January to 30 September 2025, the Group earned a net profit of PLN 404.0 million, compared with PLN 402.4 million reported for the corresponding period of 2024;
- **2.2% increase in net fee and commission income**;
- **3.4% increase in total assets**, by PLN 0.8 billion, to PLN 23.5 billion, in the six months ended 30 June 2025;
- **3.5% increase in the volume of deposits relative to** 31 December 2024.

Stable capital base of the BOŚ Group

- Common Equity Tier 1 capital ratio at 15.50%;
- total capital ratio at 16.21%.

SELECTED ITEMS OF THE STATEMENT OF PROFIT OR LOSS, PLN thousand	H1 2025	H1 2024	Change (%)
Net interest income	403,994	402,420	0.4
Net fee and commission income	65,092	63,660	2.2
Dividend income	11,780	12,185	-3.3
Gain (loss) on financial instruments	41,581	24,114	72.4
Gain (loss) on investment securities	21,426	29	73,782.8
Gain (loss) on foreign exchange transactions	2,062	6,357	-67.6
Net other income	-671	-653	2.8
Other income and expenses	-25,994	-24,226	7.3
Effect of legal risk of foreign currency mortgage loans	-59,484	-107,523	-44.7
Net loss allowances	-27,824	3,468	-902.3
Administrative expenses	-324,713	-291,020	11.6
Profit before tax	107,249	88,811	20.8
NET PROFIT	**79,721**	**50,231**	**58.7**

Between 1 January and 30 June 2025, the BOŚ Group generated net interest income of PLN 404.0 million, up by PLN 1.6 million year on year.

Interest income rose by PLN 26.9 million in the six months to 30 June 2025 compared with the same period a year earlier. The increase was driven mainly by higher interest on investment debt securities and cash and cash equivalents, while interest income from corporate clients went down.

The key factor behind the improvement in net interest income was the growth in business scale, reflected in a higher amount of total assets, which offset the impact of lower WIBOR rates following a 50 bp rate cut by the Monetary Policy Council in May 2025.

Total interest expense was up by PLN 25.3 million year on year. The Bank offered term deposits to clients with terms reflecting the decline in interest rates. Despite these reductions, the interest rates on selected deposit products positioned the Bank's offering as a market leader compared with other banks.

The Group's net fee and commission income was PLN 65.1 million, which represents a year-on-year increase of PLN 1.4 million, due chiefly to higher commission income from brokerage services.

Gain (loss) on financial instruments measured at fair value through profit or loss was PLN 41.6 million, up from PLN 24.1 million in the same period of 2024.

The effect of the legal risk of foreign currency mortgage loans was PLN -59.5 million, compared with PLN -107.5 million in the six months ended 30 June 2024, with the decline attributable to a lower number of court cases in the six months to 30 June 2025.

In the first half of 2025, net loss allowances were negative, at PLN -27.8 million. In the corresponding period of the previous year they amounted to PLN 3.5 million, following the reversal of provisions related to the retail portfolio and securities measured at fair value through other comprehensive income.

The Group's total administrative expenses reached PLN 324.7 million, an increase of PLN 33.7 million relative to the corresponding period of 2024. Employee benefit expense grew by PLN 24.7 million, or 16.2%, primarily due to salary and wage adjustments to market levels for individual positions within the Bank, higher headcount, and recognised provisions for holiday entitlements. Another significant driver of administrative expenses were material costs, up by PLN 5.6 million, or 8.1%. The Group also reported higher costs of contributions and payments to the Bank Guarantee Fund (BFG), which rose by PLN 4.7 million, or 23.3%.

Increase in loan sales

In the six months to 30 June 2025, the BOŚ Group granted loans amounting to PLN 2,784.8 million, a 45.3% increase compared with the same period last year. The growth was attributable to the SME, micro-enterprise and retail clients segment. Over 53% of the loans made in the period were green loans.

Sales of new green loans in the six months ended 30 June 2025 reached PLN 1,484.2 million, representing a 55.8% year-on-year increase. The vast majority (in value terms) of the new green loans were provided to institutional clients (96%). The largest share of financing went to construction projects (including energy retrofitting) as well as to the energy and municipal services sectors.

Impact of annual contribution to BFG's resolution fund

According to information received by the Bank from the Bank Guarantee Fund (BFG), the annual contribution to the resolution fund for 2025 set by BFG for the Bank, after accounting for adjustments to the 2024 contribution, amounted to PLN 20.3 million. The entire contribution was charged to the Bank's net profit for the six months ended 30 June 2025. The annual contribution to the resolution fund for 2024 amounted to PLN 19.9 million.

Provision for the legal risk of mortgage loans and the Settlement Programme

As at 30 June 2025, the total amount of the provision for the legal risk of foreign currency-linked mortgage loans was PLN 700.4 million, of which PLN 459.0 million is presented as a provision for litigation and claims related to the legal risk of foreign currency mortgage loans, and PLN 241.4 million as additional expected credit loss allowances. The amount of the provision for foreign currency-linked mortgage risk as at 31 December 2024 was PLN 761.8 million.

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 826.5 million. 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.

The provisions recognised by the Bank for the risk associated with mortgage loans denominated in foreign currencies cover the costs of the Settlement Programme for clients repaying these loans, as proposed by the Chairman of the Polish Financial Supervision Authority. The Settlement Programme was launched by the Bank on 31 January 2022. The Bank seeks to increase the number of settlements concluded, e.g. by offering more advantageous settlement terms to its clients. From 1 January to 30 June 2025, the Bank entered into:

- 45 settlements under the Settlement Programme for PLN 5.8 million (before currency conversion),
- 303 individually negotiated settlements for PLN 50.3 million (balance at the date the loans were granted) and PLN 12.8 million (amount exceeding the disbursed principal).

In 2024, the number of settlement agreements totalled 414, of which 204 were concluded under the Settlement Programme.

Financial ratios

FINANCIAL RATIOS	H1 2025	2024	Change in percentage points
Return on capital (ROE)	4.8	3.6	1.2
Return on assets (ROA)	0.5	0.4	0.1
Interest margin on total assets	3.8	3.7	0.1
Risks costs	-0.5	-0.3	-0.2
Costs/income (C/I)	60.9	59.7	1.2
Tier 1 capital ratio	15.50	16.43	-0.93
Total capital ratio	16.21	17.23	-1.02

Interest margin on total assets, calculated as the ratio of net interest income for the last 12 months to average assets, was 3.8%, compared with 3.7% in 2024.

The capital adequacy ratio of the Group was above the levels recommended by the Polish Financial Supervision Authority. As at 30 June 2025, the Bank and the Group met the applicable capital standards. The BOŚ Group's Common Equity Tier 1 capital ratio was 15.50%, and the total capital ratio (TCR) was 16.21%. The change in the capital adequacy ratios was influenced by the Bank's implementation, as of 1 January 2025, of Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending the Capital Requirements Regulation (CRR).

II. I. FACTORS AND EVENTS AFFECTING THE FINANCIAL CONDITION OF THE GROUP

1. Macroeconomic situation

In the first half of 2025, the United States introduced a series of newly increased tariffs on imported goods. In early April, the administration of President Donald Trump announced a general additional tariff rate of 10%, as well as supplementary differentiated tariffs targeting individual US trade partners. However, these measures were suspended after a few days for a period of 90 days, until 9 July, and the suspension was later extended to 1 August. At the end of July, the European Union and the US signed a new trade agreement that set a uniform 15% tariff on most EU exports to the US, alongside similar arrangements with most Asian countries. Earlier, in June, the US had reached a tariff agreement with the United Kingdom and a preliminary trade deal with China aimed at reducing some tariffs. In most cases, the new tariff rates covered the majority of products, but the US maintained very high 50% tariffs on steel and aluminium. US trade policy since the beginning of Donald Trump's presidency has been widely seen (by institutions such as the International Monetary Fund and major central banks) as a significant risk to the global economy. According to UN estimates, global trade volumes grew by just 1% in real terms in the first half of 2025, the weakest growth rate since the pandemic.

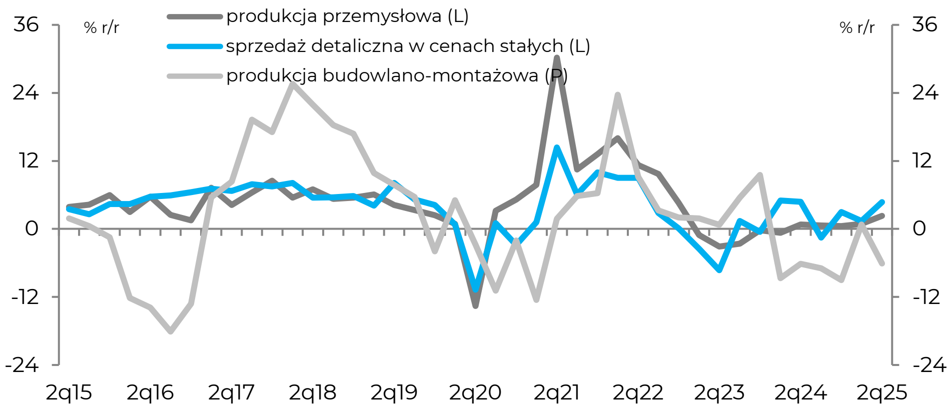
In June 2025, a two-week escalation of the Israeli–Iranian conflict sharply increased geopolitical risk, triggering a temporary spike in oil prices. The ceasefire agreed at the end of the month eased tensions and brought prices down again.

Uncertainty over US trade policy contributed to more volatile global economic activity data in the first half of the year. Growth in the US slowed markedly, while in the euro zone and China results were stable or slightly improved, likely supported by front-loaded export demand ahead of potential tariff hikes in the medium term.

Concerns over the US economy's outlook and trade policy prompted the Federal Reserve to keep interest rates unchanged. The European Central Bank, by contrast, continued gradual easing, cutting rates four times by 25 basis points each in the first half of the year and lowering the deposit rate to 2.00% at end-June. After the June decision, ECB President Christine Lagarde signalled that the easing cycle was nearing completion, a message that was reiterated following the July meeting. In June, the Swiss National Bank also lowered its policy rate by 25 basis points to 0.0%.

In Poland, data for the first half of 2025 showed a modest improvement in economic activity. Retail sales rose 3.7% year on year, up from 3.0% in Q4 2024, supported by a stable labour market and, from Q2 2025, gradually improving real household income dynamics. Industrial production increased by 1.4% year on year versus 0.5% in Q4 2024, with the strongest results in export-oriented industries, though this was likely a temporary effect of a surge in demand caused by fears of higher US tariffs on EU goods. Construction output fell by 0.7% year on year, compared with a sharp 9.0% decline in Q4 2024. However, the improvement was attributable to a low base effect, and the pace of recovery was weaker than expected.

Production and retail sales dynamics in Poland



źródło: GUS

	% y/y
	Industrial output (L)
	Retail sales at constant prices (L)
	Construction output (R)
	Q2 2015
	Q2 2016
	Q2 2017
	Q2 2018
	Q2 2019
	Q2 2020
	Q2 2021
	Q2 2022
	Q2 2023
	Q2 2024
	Q2 2025
	Source: Statistics Poland.

Based on NBP data, total deposits in the banking sector grew at a faster pace in the first half of 2025, up 13.1% year on year compared with 10.0% at the end of 2024. Loan growth remained relatively stable, at 5.0% year on year in June 2025 versus 5.3% in December 2024.

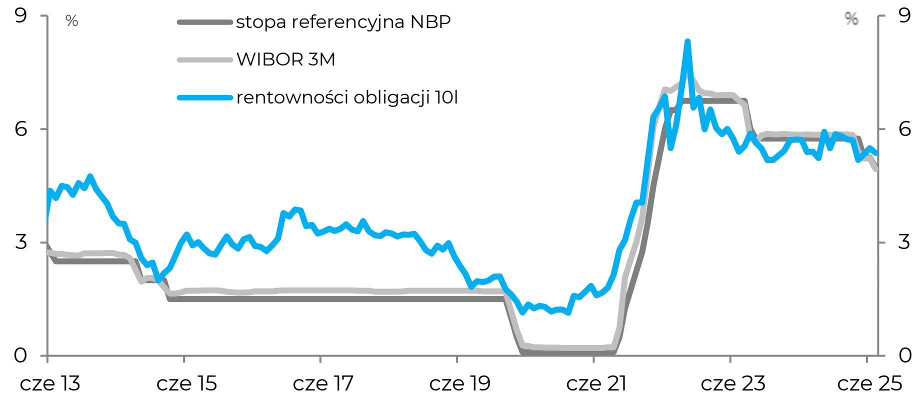
Consumer inflation eased in the second quarter of 2025. Average quarterly CPI growth slowed to 4.1% year on year, down from 4.9% in the first quarter. The decline was driven in part by lower fuel prices, supported by the stronger PLN/USD exchange rate, as well as a fall in core inflation from 4.1% year on year at the end of Q4 2024 to 3.4% at the end of Q2 2025.

As disinflation gathered pace, the Monetary Policy Council responded with a 50-basis-point rate cut in May and a further 25-basis-point reduction in July. At the July press conference, the NBP Governor indicated that further easing would be possible if inflation stayed close to the target.

In the first half of 2025, government bond yields in core markets experienced heightened volatility, reflecting shifting global growth prospects, uncertainty over the future policy stance of major central banks amid unclear economic and inflation outlooks coupled with concerns about international trade relations, expectations of looser fiscal policy, and increased geopolitical risk in the Middle East in Q2. In particular, doubts about US treasury bonds as a safe-haven asset pushed US bond prices higher and weighed on the US dollar.

After moving sideways with elevated volatility in Q1, Polish government bond yields declined in Q2 in response to the Monetary Policy Council's rate cuts. By the end of June 2025, the 10-year yield had fallen to 5.49%, compared with 5.87% at year-end 2024.

Interest rates in Poland

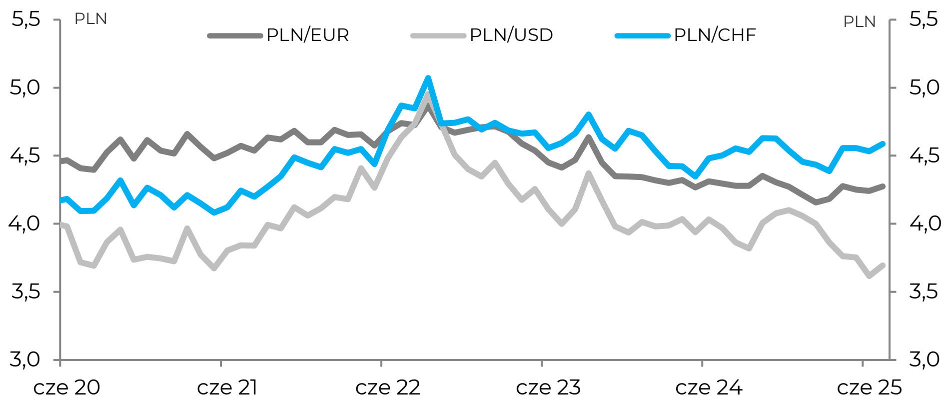


źródło: NBP

	NBP reference rate
	3M WIBOR
	10-year treasury yield
	Jun 2013
	Jun 2015
	Jun 2017
	Jun 2021
	Jun 2023
	Jun 2025
	Source: NBP.

In the six months ended 30 June 2025, the Polish złoty gained 4.61% against the currency basket compared with December 2024, mainly on the back of a sharp decline in the US dollar. As at the end of June, the exchange rate of the złoty against the euro stood at PLN 4.24/EUR (a slight appreciation of 0.7% compared with the end of 2024) and against the Swiss franc at PLN 4.53/CHF (0.1% appreciation relative to year-end 2024). Over the same period, the złoty strengthened significantly against the US dollar, by 11.8% in the first six months of the year, reaching PLN 3.62/USD, which reflects the dollar's marked depreciation versus other currencies.

PLN exchange rates



źródło: NBP

	Jun 2020
	Jun 2021
	Jun 2022
	Jun 2023
	Jun 2024
	Jun 2025

	Source: NBP.

2. Factors which will affect the Bank's performance in the next quarter and beyond

The Group's business in 2025 will be affected by the monetary policy of the National Bank of Poland, macroeconomic factors, and the situation in financial markets.

The most significant of the macroeconomic and market factors remains the heightened geopolitical risk, particularly due to the escalating trade disputes among major economies, ongoing war between Russia and Ukraine and the conflict in the Middle East.

Key potential impacts of these risks include:
- downturn in the economic activity of Poland's main trading partners, which may lead to a slowdown of Polish economy,
- increased volatility of commodity prices, triggering price volatility across the economy,
- increased volatility of financial asset prices,
- subdued demand for credit in an environment of unclear economic prospects and high interest rates.

These factors are a source of uncertainty regarding the future trajectory of the macroeconomic and market environment of the Bank's Group.

Key factors likely to affect the Group's performance include the ongoing legal risk related to foreign currency mortgage loans and consumer loans, with borrowers alleging breaches of the Consumer Credit Act of 12 May 2011 and seeking to invoke 'free credit' sanctions.

In terms of compliance risk, the Bank has identified the following material risks and threats that could affect the operations and future performance of BOŚ S.A.:
- the risk of a financial penalty being imposed by the President of UOKiK in ongoing administrative proceedings concerning practices deemed harmful to consumers' collective interests, specifically in relation to the reimbursement of unauthorised payment transactions; at the current stage of the proceedings, it is not possible to estimate the amount of a potential penalty.

The Bank is also subject to ongoing administrative proceedings that could result in financial penalties from:
- the Polish Financial Supervision Authority, concerning compliance with the Anti-Money Laundering and Terrorist Financing Act during the period from 13 July 2018 to 24 January 2020,
- the President of the Polish Data Protection Authority (UODO), in connection with the Bank's processing of personal data of clients and prospective clients for profiling purposes.

3. The Group's primary products, services and business areas

3.1. Expansion of banking business

Collaboration with National and Provincial Funds for Environmental Protection and Water Management

BOŚ collaborates with key institutions that form the environmental protection financing system and play a key role in efforts to prevent the adverse impacts of climate change: the National Fund for Environmental Protection and Water Management (NFOŚiGW) and its regional branches (WFOŚiGW). The Bank's offering complements the priority programmes implemented by NFOŚiGW and WFOŚiGWs.

In addition, BOŚ collaborates with NFOŚiGW in connection with applications submitted under the *Mój Elektryk* (My EV) programme. The Bank also has six active cooperation agreements concluded in previous years with Provincial Funds for Environmental Protection and Water Management, which focus on providing preferential loans for environmental protection and water management projects. The preferential terms for clients include below-market interest rates on loans or subsidies for loan principal repayment. The agreements specify the scope of the financing and the types of entities eligible for such loans.

The financing targets projects focused on:
- air quality protection, encompassing heat sources, renewable energy sources, and energy retrofitting;
- water protection, which includes wastewater treatment plants and sewage systems; and
- land protection, covering waste management, and the removal and neutralisation of products containing substances such as asbestos and xylenamide.

Mój Elektryk (My EV) programme

The Bank entered into an agreement with the National Fund for Environmental Protection and Water Management (NFOŚiGW) to administer subsidies for leasing zero-emission vehicles as part of the Priority Programme 'My EV' on 8 September 2021. The purpose of the initiative is to support the purchase of zero-emission vehicles. The amount available for the subsidies administered by the Bank was PLN 660 million.

In December 2024, the submission of new applications for zero-emission vehicle leasing subsidies under the programme was closed.

In the six months ended 30 June 2025, the Bank administered the subsidies in relation to previously accepted applications (disbursements of the funds are expected to continue until 30 June 2026).

Loans with BGK bonus

Loans granted under the cooperation agreement between BOŚ and Bank Gospodarstwa Krajowego (BGK). A key benefit for the client is the bonus granted and disbursed by BGK, intended for principal repayment under loans financing:
- energy retrofitting projects,
- renovation projects.

The product is targeted at housing cooperatives, housing communities, local government units and municipal companies managing municipal resources, retail clients, and micro-enterprises.

Clients receiving a loan with the BGK bonus are also eligible to have 90% of the necessary audit and technical documentation costs reimbursed (out of ELENA grant funds received by BOŚ from the European Investment Bank).

ELENA grant

Pursuant to Agreement No. ELENA-2019-157 signed between the Bank and the European Investment Bank (EIB) in February 2022 the Bank received a grant of EUR 2.59 million under the ELENA initiative.

Grant funds, designated for supporting energy efficiency improvement and other projects, are available to investors undertaking investments in areas such as:
- energy retrofitting of residential buildings, public utility buildings and buildings constituting corporate property,
- upgrades of district heating networks,
- construction of electric vehicle charging stations,
- street lighting upgrades.

Eligible for support are public sector entities (local government units and municipal companies), housing sector entities (housing cooperatives and housing communities) and businesses (including SMEs and mid-caps).

The grant support entails financing 90% of the cost of the required technical documentation for the implementation of projects in the specified areas. This funding is distributed through two channels:
- reimbursement of 90% of the cost of technical documentation for projects carried out by housing sector entities;
- co-financing of 90% of the cost of technical documentation for projects implemented in areas other than energy retrofitting of multi-family residential buildings.

The agreement with EIB remains in effect until February 2026.

EU funds under the European Funds for a Modern Economy 2021–2027 Programme

On 29 December 2022, Cooperation Agreement No. 9/2022/KTEKO was signed with BGK under the European Funds for a Modern Economy 2021–2027 Programme (FENG Programme). The agreement sets out the terms of cooperation regarding the provision by BOŚ of technology and green loans, as well as the disbursement of BGK grants (technology and green bonuses).

Loans to support the reconstruction of Ukraine

On 28 March 2025, BOŚ S.A. signed an operational agreement with Bank Gospodarstwa Krajowego (BGK), under which it was entrusted with PLN 70 million to provide preferential loans.

The loans are available to Polish businesses of all sizes, from micro, small and medium-sized enterprises to mid-caps and large companies, including those with equity interests held by the State Treasury or local governments.

They are designed to support Polish businesses planning or undertaking projects related to Ukraine's economic recovery, whether through exports of goods and services, cooperation with Ukrainian partners, or involvement in infrastructure, logistics, and healthcare initiatives.

Operational agreement with EIB

On 19 June 2025, BOŚ S.A. signed an operational agreement with the European Investment Bank (EIB), under which the Bank acts as a financial intermediary, offering loans under the EU programmes European Funds for Mazovia 2021–2027 ("Programme for Mazovia") and European Funds for Silesia 2021–2027 ("Programme for Silesia").

Under the agreement, BOŚ received PLN 517.6 million to be used for providing loans on preferential terms. The funds are allocated to:

- Province of Warsaw: loans supporting energy efficiency improvements in public and residential buildings, as well as loans for urban mobility projects;
- Province of Katowice: loans to enhance energy efficiency of buildings and businesses, and renewable energy loans for entities in the Northern Subregion of the Province of Katowice.

EU preferential loans for environmental projects

In the six months ended 30 June 2025, the Bank continued to implement agreements with BGK to provide preferential financing for environmental projects, including energy efficiency improvements (EE) and renewable energy (RES) projects.

After BOŚ was selected as the financing partner under tenders announced by BGK, additional agreements were signed in the first half of 2025, extending the loan offering to more regions.

The funds entrusted to the Bank come from the 2021–2027 EU regional programmes.

As at the end of June 2025, BOŚ's loan portfolio under the BGK agreements included loans (or loans combined with grants) in eight provinces:

- **RES loans (Province of Lublin):** local government units, municipal companies, hospitals, schools, housing cooperatives, housing communities, and cultural institutions.
- **Enterprise EE loans (Province of Lublin)**: micro-enterprises, small enterprises and municipal companies.
- **Multi-family building energy retrofit loans (Province of Białystok):** local government units, housing cooperatives, housing communities, social housing associations (TBS) and municipal companies.
- **Enterprise RES loans (Province of Katowice)**: enterprises (SMEs and large corporates), municipal companies, energy cooperatives, energy clusters and civil energy communities.
- **Enterprise EE loans (Province of Kraków):** micro-enterprises and small enterprises.
- ***Ekopożyczka* enterprise EE loans with a bonus (Province of Szczecin):** micro-enterprises and small enterprises.
- **Enterprise RES loans with a bonus (Province of Szczecin)**: micro-enterprises, small, medium-sized and large enterprises, and municipal companies.
- **Enterprise RES loans for the RMR region (Province of Warsaw)**: micro-enterprises, small, medium-sized and large enterprises, and municipal companies; local government units, housing communities and housing cooperatives.
- **Enterprise loans for energy retrofit projects**: micro-enterprises and small enterprises.

JESSICA and JEREMIE loans

In the six months ended 30 June 2025, the Bank continued the administration of the JESSICA and JEREMIE loan portfolio acquired in previous years. The loans were financed with EU funds under the 2007–2013 regional operational programmes.

BGK portfolio guarantees

As at the end of June 2025, the Bank's clients (businesses, including mainly SMEs) were offered the following BGK portfolio guarantees securing working capital and/or investment credit facilities:

- *De minimis* guarantee,
- *Biznesmax Plus* guarantee,
- *Ekomax* guarantee.
- *Biznesmax Plus* guarantee,
- *Investmax* guarantee,
- KUKE guarantee.

On 23 January 2025, Annex 1 was signed to the framework cooperation agreement concerning State Treasury-guaranteed payment insurance guarantees for loans intended to finance domestic export-generating projects ("IGE Guarantee") and loans intended to finance domestic energy transition projects ("ITE Guarantee"). Guarantees available under the cooperation agreement include the IGE Guarantee for export-generating investment projects, and the ITE Guarantee for green energy transition investment projects.

The Bank continues to track market developments to further expand its product offering, with a particular focus on financing solutions for environmentally sustainable investments.

Corporate clients

BOŚ S.A. offers a comprehensive suite of financial products, including settlement, deposit, and lending services, tailored to the specific needs of different client groups.

As part of its range of settlement service products, the Bank provides:

- Standard current accounts, which serve both payment and fund-holding functions, enabling domestic and international transactions. Such accounts are tailored to different client segments, including: *Konto Wyjątkowe Biznes* account for corporate clients and local government units,
- diversified deposit products, including standard, overnight, preferential and negotiated term deposits,
- payment services, including standard and instant domestic transfers, international transfers via the SWIFT system, and euro-denominated payments within the European Economic Area (EEA), both standard and express, as well as card transaction processing,
- solutions dedicated to property developers, including residential escrow accounts operated in accordance with the provisions of the Act on Safeguarding the Rights of Purchasers of Dwellings or Single-Family Houses and Establishing the Developer Guarantee Fund of 20 May 2021 (commonly referred to as the property development law),
- mass incoming payment processing through virtual accounts, which enable efficient identification of customer payments,
- balance consolidation services, supporting effective management of financial flows.

In the six months ended 30 June 2025, the Bank further developed its range of products and services to deliver solutions that meet the needs and expectations of corporate clients. These efforts support the Bank's mission and vision, as well as the objectives set out in its 2025–2027 strategy. New additions included a syndicated loan provided in cooperation with cooperative and central cooperative banks, an FX swap product, and *Pożyczka JST* – a loan designed to strengthen cooperation with local government units.

In the second quarter of 2025, the Bank revised its Fee and Commission Tariff for domestic and international banking services to corporate and public finance sector clients.

The changes were designed to:

- increase competitiveness and generate additional revenue in core areas such as account management and payment processing, and

- introduce a clearer, more user-friendly layout to improve transparency and make it easier for clients to access information on service costs.

Credit products for corporate clients

The Bank offers a wide range of credit products for clients, including green financing solutions. The Bank's credit offering is focused on:

- supporting sustainable development,
- financing investment projects, in particular environmental projects, and supporting eco-innovation,
- providing comprehensive customer services,
- adopting an individualised approach to each client.

The Bank actively supports corporate clients in achieving their business objectives by offering a wide range of credit products, including solutions that promote sustainability, contribute to various aspects of environmental protection, reduce CO_2 emissions, and support the development of renewable energy sources and energy efficiency.

In the financing process, the Bank takes into account the individual needs of its clients by offering flexible and tailored solutions. For environmentally oriented transactions, clients benefit from the support of Environmental Engineers, who closely collaborate in the structuring of financing. This ensures that client projects are optimally prepared and aligned with the principles of sustainability, while at the same time mitigating the risks involved in their financing by the Bank.

The Bank's standard product offering includes:

- investment, bridge, and ancillary loans,
- working capital financing – including overdrafts, revolving and non-revolving credit facilities,
- trade finance products – a broad range of guarantees, letters of credit, and documentary collections,
- multi-purpose credit lines, allowing access to various products (such as overdrafts, working capital facilities, factoring, guarantees, and FX forward transaction limits) under a single agreement.

The Bank engages in syndicated transactions with other banks, which allows it to serve even the most demanding corporate clients. In the six months ended 30 June 2025, it led two large syndicates financing renewable energy projects. In this role, BOŚ was responsible for developing and implementing the financing structure, from initial concept and risk assessment through to closing. Going forward, the Bank intends to further expand its involvement with the cooperative banking sector in the area of syndicated financing.

The Bank offers a comprehensive range of financing solutions for local government units, including investment loans, working capital facilities to support effective budget management, and municipal bonds.
In the area of lending products:

- The Bank implemented a centralised financing process for local government units to accelerate and standardise transaction execution;
- The Bank took steps to optimise and automate the lending process, from client acquisition, to assessment of credit application and credit decision-making, to disbursement of funds, credit monitoring and credit administration;
- The Bank continued efforts to implement the EU Regulation concerning benchmark rates – WIBOR, LIBOR, EURIBOR;
- Following the discontinuation of the synthetic LIBOR USD rate as of 30 September 2024, the Bank opted to adopt the CME Term SOFR as the benchmark rate for USD-denominated credit agreements. The CME Term SOFR has been incorporated into the Bank's lending products for the SME and Corporate segment clients.

In the six months to 2025, the Bank participated in the financing of two syndicated transactions of key importance to the development of strategic sectors of the economy. Both were carried out in cooperation with a consortium of commercial and international banks. Participation in these projects underlines the Bank's readiness to support large-scale investments and further strengthens its position as an active player in the corporate finance market.

Factoring

BOŚ S.A. relies on the specialised online system, BOŚ Faktor, for factoring services, providing clients full control over receivables and enabling 24-hour contact with the Bank seven days a week. The system is used for the automated processing of factoring transactions.

In the six months ended 30 June 2025, the total turnover under factoring transactions at the Bank reached PLN 2.4 billion, representing an 11.07% increase compared with the same period of 2024. Factoring services were provided by BOŚ S.A. to 4.1 thousand clients, with 20 thousand invoices purchased.

The Bank offers both traditional factoring, which finances clients' receivables, and reverse factoring, which supports the financing of their payables. Financing is available in PLN, EUR, and USD.

As part of traditional factoring, the Bank provides recourse factoring as well as factoring with an insurance policy.

Supply chain financing combines features of both traditional and reverse factoring, offering a comprehensive solution for receivables and full support for working capital needs. All factoring services are designed with sustainability in mind, eliminating paper documentation and helping clients save both time and resources.

3.2. Brokerage business

In the six months ended 30 June 2025, the domestic equity market continued its strong upward momentum. All major indices demonstrated gains, ranging from +22.0% (sWig80) to +31.8% (Wig30), with Wig rising by 31.6%. Investor activity in session trading increased significantly on the equity market (+41.9% year on year) and on the ETF market (+107.9%), as well as on the NewConnect market (+23.0%), while the only decline was recorded in futures trading (-11.9% year on year). A similar pattern was seen at DM BOŚ. It saw an increase in trading volumes on the equity market (+29.4% year on year), ETF market (+93,9% year on year) and the NewConnect market (+23.2%), and a decline on the futures market (-13.4% year on year).

In the six months ended 30 June 2025, DM BOŚ remained the leader of the ETF market (with a share of 45.1%), and the NewConnect market (19.0%). Its share in session trading on the Warsaw Stock Exchange equity market and on the futures market over the period was 2.0% and 12.5%, respectively.

The Brokerage House participated in the IPOs of Diagnostyka S.A. and Arlen S.A., the only companies to debut on the WSE main market during the period. The primary market activity of DM BOŚ focused mainly on the bond segment. In the corporate bonds and covered bonds segment, DM BOŚ acted as lead arranger or member of the distribution consortium for 10 issues carried out by 6 issuers, raising a total of PLN 1,494 million. In the municipal bond segment, DM BOŚ arranged 7 bond series issues during the first half of the year, totalling PLN 29.0 million, for 3 local government units. In addition, it submitted 46 bids in response to requests for proposals, with six of them scheduled for resolution at the beginning of the second half of the year. At the same time, DM BOŚ continued its cooperation with AgioFunds TFI and Beta Securities Poland S.A. to promote the domestic market for investment certificates. In the first half of 2025, 11 Polish Beta ETF certificates were being traded on the WSE, for which DM BOŚ acts as an offering broker and market maker.

The first six months ended 30 June 2025 saw a further increase in the number of investment accounts maintained by DM BOŚ. The total number of investment accounts opened at the brokerage house was 7,975, of which 5,585 were brokerage accounts registered with the CSDP.

3.3. Awards and recognitions

Top Employer Certificate from the Top Employers Institute

At the beginning of the year, BOŚ received the **Top Employer** certificate from the Top Employers Institute for the third time. We are committed to fostering a work environment that inspires, motivates, and supports the growth of every employee. This award confirms that our values, mission, and care for our team have once again been acknowledged and appreciated. Being named a Top Employer Poland 2025 reflects our Bank's long-term strategic focus, which is underpinned by efforts to create an engaging workplace for all employees.

Dom Maklerski BOŚ experts earn top honours in *Parkiet*'s annual ranking

Experts from the Dom Maklerski BOŚ brokerage house were among the winners of the annual ranking by the stock market and investor daily *Parkiet*. The 23rd edition of this prestigious competition recognised leading stock market analysts, sector specialists, and research teams from brokerage firms. In the overall classification, Sylwia Jaśkiewicz, CFA, Managing Director at the Research and Recommendation Department, took 3rd place, having achieved high placements in previous editions. This year, she made history as the first woman to reach the podium. She also secured 2nd place in two categories: Trade and Distribution and E-commerce, and Healthcare and Biotechnology. In the list of top analysts covering IT companies, Sobiesław Pająk, Director at the Research and Recommendation Department, earned 3rd place. A total of 53 portfolio management teams participated in the vote, underscoring the ranking's industry relevance and prestige.

BOŚ recognised with the HR Quality Award!

Bank Ochrony Środowiska received the HR Quality Award, presented by the Association of HR Practitioners SPHR (formerly PSZK). This distinction confirms that BOŚ successfully develops human capital, delivers tangible results, and adheres to the highest market standards. The recognition reflects our ongoing efforts to create an inspiring workplace that supports employee growth and fosters engagement.

Medal for leaders advancing agriculture awarded to Bartosz Kublik, President of the BOŚ Management Board

President of the BOŚ Management Board, Bartosz Kublik, was honoured by the Minister of Agriculture and Rural Development with the Honorary Badge for **Outstanding Service to Agriculture**. The badge is awarded to individuals whose professional, academic, or community contributions have made a meaningful impact on the development of Polish agriculture. It is a distinction for leaders who actively support the agri sector and contribute to its modernisation, innovation, and sustainable growth. The award is a recognition of those whose daily work supports Polish farmers and local communities, helping to grow the agricultural sector and boost its competitiveness. The official presentation took place at the 2025 European Agribusiness Finance Forum.

Dom Maklerski BOŚ named Brokerage House of the Year in the prestigious Bulls and Bears awards

Dom Maklerski BOŚ was named **Brokerage House of the Year** in the prestigious **Bulls and Bears** awards. This major distinction is a strong endorsement of the high-quality services our brokerage provides on the capital market. For over 30 years, the Bulls and Bears competition, organised by the stock market and investor daily *Parkiet*, has celebrated the industry's top performers: those with the greatest impact on Poland's financial market and the strongest track record of results delivered for their clients.

In the first quarter of 2025, Dom Maklerski BOŚ was also honoured with a number of awards from financial institutions, industry media, and investors, including:

- the Invest Cuffs 2024 statuette in the Multi Asset Broker 2024 category;
- Silver Laurel distinctions from Invest Cuffs 2024 in the following categories:
    - Brokerage House 2024,
    - Forex Broker 2024,
    - Investment Product 2024;

- a special award from the Trampki na giełdzie Foundation for its commitment to supporting financial education among the next generation of investors;
- the Financial Order in the Investment Product category for bossaWebTrading, awarded by the *Home&Market* magazine.

Institution of the Year in the mojebankowanie.pl competition

In March 2025, BOŚ was recognised in the 10th anniversary edition of the Institution of the Year ranking by mojebankowanie.pl – the most comprehensive initiative assessing service quality in the banking and insurance sectors.

BOŚ received the Institution of the Year title and statuette in the following categories:

- **Security:** LINK
- **Best In-Branch Mortgage Service:** LINK

Additionally, **10 BOŚ operating branches** were named among the top bank branches in Poland. These included our locations in Bydgoszcz, Częstochowa, Gliwice, Katowice, Kraków, Łódź, Toruń, Warsaw, Wrocław, and Zielona Góra.

Golden Banker

April 2025 saw the 16th edition of the Golden Banker awards, one of the most prestigious distinctions for banks in Poland and the country's largest study of the banking sector. This year, BOŚ received a distinction in the **Product with a Mission** category.

Golden Banker is a leading ranking that evaluates banking services and products in Poland. Since 2009, it has been organised by ***Bankier.pl*** in partnership with ***Puls Biznesu***, setting the direction for the development of Polish banking by highlighting the best offers on the market.

Our portfolio was recognised for its strong alignment with the needs of clients pursuing green projects. Our product is a combination of an **investment loan with an *Ekomax* guarantee and funding for project documentation from the ELENA programme**.

CyberFIGHT Bank.02-2025

In June, BOŚ joined the CyberFIGHT Bank.02-2025 banking sector exercise organised by the Polish Bank Association. The event was aimed at promoting cybersecurity awareness and strengthening practical skills in a simulated environment, while providing a better understanding of real-world threats to IT systems and networks. Teams faced off directly, defending their own systems while simultaneously launching attacks on their opponents. Twelve teams took part, representing 11 banks and the Polish Financial Supervision Authority. Bank Ochrony Środowiska finished in sixth place.

Wall Street 29 Awards: prestigious Capital Market Pillar award for Radosław Olszewski, President of the DM BOŚ Management Board, and the Capital Market Heroes 2025 statuette for DM BOŚ in the Brokerage Houses category

Radosław Olszewski, President of the Management Board of DM BOŚ, was honoured with the prestigious Capital Market Pillar award in recognition of his long-standing commitment, exceptional professionalism, and significant role in building a strong, transparent, and modern capital market in Poland. The award, presented by the Association of Individual Investors only in extraordinary cases, is a tribute to his contributions to investor education, the promotion of high market standards, and his consistent support for the development of both individual and institutional investors. Closely connected to the capital market since its very beginnings, Radosław Olszewski is a co-founder of the DM BOŚ brokerage house, where he has served as President of the Management Board for many years.

During the Wall Street 29 conference, DM BOŚ was recognised in the Capital Market Heroes 2025 competition, winning in the Brokerage Houses category.

The awards were presented at the gala ceremony of the 29th Wall Street Conference in Karpacz, a particularly special moment that marked the **30th anniversary of DM BOŚ** and the **25th anniversary of the Association of Individual Investors**.

4. Cooperation with foreign financial institutions in BOŚ S.A.

The Bank has continued cooperation with the European Investment Bank (EIB), which is one of its most important lenders.

Lender	Loan amount	Available amount	Currency	Contract date	Principal repayment date
European Investment Bank, Luxembourg	75,000	0	EUR	13 June 2017	Tranche 1: 15 December 2028 Tranche 2: 15 December 2029 Tranche 3: 15 December 2030
European Investment Bank, Luxembourg	75,000	0	EUR	28 October 2021	Tranche 1: 16 June 2031 Tranche 2: 15 September 2032
TOTAL EUR	**150,000**	**0**			

5. Selected operational data of the Group

SELECTED OPERATIONAL DATA, all amounts in thousands	30 Jun 2025	31 Dec 2024
BANK OCHRONY ŚRODOWISKA S.A.		
Number of clients	147.5	147.7
Number of retail clients	138.0	138.3
Number of micro-enterprise clients	5.9	6.0
Number of SME clients	0.8	0.7
Number of corporate clients	2.7	2.7
Number of checking accounts[1]	149.1	150.1
Debit and credit cards in total	53.6	54.5
Number of branches	54	54
DOM MAKLERSKI BOŚ S.A.		
Number of investment accounts	216.6	208.6
including online accounts	214.3	206.3
Number of branches	8.0	8.0

[1)] Including savings accounts.

As at the end of June 2025, the Bank had 53 outlets, including:
- 16 business centres,
- 37 operating branches.

6. Development directions for the Bank

Management strategy for Bank Ochrony Środowiska S.A.

On 17 December 2024, the Bank published its Management Strategy for Bank Ochrony Środowiska S.A. in 2025–2027. The Strategy emphasises that BOŚ will consistently strive to become the bank of first choice for clients undertaking environmentally sustainable investments. The Bank's ambition is to support pro-environmental initiatives across Poland, including on the local level. To this end, the Bank leverages its experience in financing and assessing sustainable investment projects, as well its strong strategic partnerships.

The Bank has set ambitious goals in terms of a substantial increase in total assets, dynamic growth in its client base and loan portfolio. At the same time, it is actively working to improve its risk metrics, in particular by taking measures to reduce the non-performing loan (NPL) ratio. These efforts are also aimed at improving profitability and net banking income (NBI).

By the end of 2027, the Bank aims to achieve the following objectives as set in the Strategy:
- >PLN 30 billion in total assets,
- >PLN 1.2 billion in net banking income,
- NPL of <8%,
- >50% share of green loans in total loan portfolio,
- >10% in ROE.

Activities undertaken as part of the Strategy

The Bank pursued a range of strategic initiatives across key areas to acquire business partners, enhance its offering and increase lending volumes in green loans, improve internal processes, and expand remote access channels.

As part of its efforts to widen the network of business partnerships, the Bank partnered with cooperative and central cooperative banks to jointly finance investment projects, developing a syndication process which resulted in the first transactions being concluded during the first half of 2025.

Additionally, in partnership with the Provincial Fund for Environmental Protection and Water Management in Wrocław, the Bank launched a pilot programme for the support of energy co-op initiatives, designed to help municipalities and local residents in effectively implementing the green transition. BOŚ also developed relationships with financial partners. In the six months ended 30 June 2025, it expanded its existing cooperation with KUKE (the Polish export credit agency), enabling business clients to finance expenditures related to their energy transition plans. The guarantees obtained may secure up to 80% of the Bank's loan value. The Bank also took steps to provide clients with higher factoring limits. In March, it signed its first individual risk-sharing guarantee agreement with BGK under factoring programmes. This agreement will help reduce the Bank's credit risk exposure and lower the costs of loss allowances.

In terms of product offerings, in the first six months of 2025 the Bank participated in tenders published by BGK to select Operators (Financing Partners) that would provide preferential loans under the 2021–2027 regional programmes. The Bank won competitive tenders to offer preferential green products, mainly for SME clients, in the Provinces of Warsaw, Rzeszów, Białystok, Poznań and Szczecin. The Bank continues to participate in tenders covering other regions. Furthermore, in June it signed an agreement with the European Investment Bank (EIB) to administer EU loan programmes in the Provinces of Warsaw and Katowice. Under the agreement, the EIB entrusted BOŚ S.A., acting as financial intermediary, with PLN 517.6 million to provide loans on preferential terms, e.g. to fund projects enhancing energy efficiency of buildings.

These activities support the development of the loan portfolio, thus increasing interest income and fee and provision income while lowering credit risk through BGK guarantees and bonuses. Agreements with BGK and the EIB also contribute to the Bank's strategic objective of growing the share of green loans in total lending.

In the area of product development, the Bank introduced a new *Pożyczka JST* loan to strengthen cooperation with local government units. Additionally, it initiated work on the implementation of new rules for credit exposure concentration limits, seeking to achieve a greater level of automation in credit decision-making.

As part of the process enhancement initiatives, efforts were made to shorten the time to credit decision for SME and micro-enterprise clients. In the first half of 2025, work continued on process automation, having already enabled automated registration of insurance policies along with proof of payment. The Bank implemented a fully remote option for opening savings accounts, launched in February 2025 (the *Cyfrowy Zysk* account). The newly developed tool will also facilitate offering additional products on a fully remote basis, helping to reduce funding costs and improve profitability.

During the first half of 2025, the Bank advanced initiatives to bring the impaired loan ratio in line with strategic targets. Key actions included recalculating the credit risk margin, upgrading product calculators, updating credit risk assessment methodologies for clients with full financial reporting, and developing IFRS 9 risk models.

Finally, a new client segmentation model was approved, establishing two business areas: a) Corporate and (b) SME, Micro-Enterprise, and Retail.

7. Organisation of the Group

Structure of the Group

Consolidated subsidiaries of the BOŚ Group as at 30 June 2025:

Subordinated entities	Registered office	% equity interest as at	% voting interest as at	Consolidation method
Direct subsidiaries				
Dom Maklerski BOŚ S.A.	Warsaw	100%	100%	Full consolidation
BOŚ Leasing* S.A.	Warsaw	100%	100%	Full consolidation
Indirect subsidiary (subsidiary of BOŚ Leasing S.A.)				
MS Wind sp. z o. o.	Warsaw	100%	100%	Full consolidation

* On 21 May 2025, the National Court Register registered amendments to the Articles of Association of BOŚ Leasing - Eko Profit S.A., whereby the company's name was changed to BOŚ Leasing S.A.

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

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

MS Wind Sp. z o.o. – an indirect subsidiary engaged in the execution of a wind farm project.

III. FINANCIAL RESULTS AND OPERATIONS

1. Financial results of the Group

1.1. Statement of profit or loss

STATEMENT OF PROFIT OR LOSS, PLN thousand	H1 2025	H1 2024	Change (%)
Interest and similar income	740,795	713,931	3.8
Interest expense and similar charges	- 336,801	- 311,511	8.1
Net interest income	**403,994**	**402,420**	**0.4**
Fee and commission income	90,803	84,343	7.7
Fee and commission expense	- 25,711	- 20,683	24.3
Net fee and commission income	**65,092**	**63,660**	**2.2**
Dividend income	11,780	12,185	-3.3
Gain (loss) on financial instruments measured at fair value through profit or loss (including amounts due from clients)	41,581	24,114	72.4
Gain (loss) on investment securities	21,426	29	73,782.8
Gain (loss) on hedge accounting	- 986	- 962	2.5
Gain (loss) on foreign exchange transactions	2,062	6,357	-67.6
Gain (loss) on derecognition of financial instruments	315	309	1.9
Other income	15,997	21,837	-26.7
Other expenses	- 41,991	- 46,063	-8.8
Effect of legal risk of foreign currency mortgage loans	- 59,484	- 107,523	-44.7
Net loss allowances	- 27,824	3,468	x
Administrative expenses	- 324,713	- 291,020	11.6
Profit (loss) before tax	107,249	88,811	20.8
Income tax expense	- 27,528	- 38,580	-28.6
NET PROFIT (LOSS)	**79,721**	**50,231**	**58.7**

In the period from 1 January to 30 June 2025, the BOŚ Group earned a net profit of PLN 79.7 million, compared with PLN 50.2 million reported in the corresponding period of 2024.

In the six months to 30 June 2025, the Group generated net interest income of PLN 404.0 million. The increase of PLN 1.6 million, or 0.4%, year on year, was mainly attributable to interest income rising faster than interest expense.

Interest and similar income grew by PLN 26.9 million, or 3.8%, in the first six months of 2025 relative to the first half of 2024, with the growth due primarily to the Bank's expanded operating scale and the resulting increase in total assets. Higher interest income was reported on investment debt securities, up by PLN 50.5 million (34.7%), and on cash and cash equivalents, up by PLN 30.1 million (30.5%). Interest income on amounts due from corporate clients fell by PLN 56.0 million, or 15.0%.

The average base rate on the Bank's PLN-denominated loans in the six months ended 30 June 2025 was 8.41%, unchanged from the first half of 2024. For foreign currency loans, the rate was 5.42%, compared with 6.65% in the first half of 2024.

NET INTEREST INCOME, PLN thousand	H1 2025	H1 2024	Change (%)
Interest and similar income on:	**740,795**	**713,931**	**3.8**
Cash and cash equivalents	129,071	98,937	30.5
Amounts due from corporate clients	316,341	372,325	-15.0
Amounts due from SME, micro-enterprise and retail clients	90,691	87,363	3.8
Investment debt securities	196,058	145,521	34.7
Investment debt securities held for trading	797	1,589	-49.8
Hedging transactions	7,837	8,196	-4.4
Interest expense and similar charges on:	**336,801**	**311,511**	**8.1**
Bank accounts and deposits from banks	3,140	2,061	52.4
Bank accounts and deposits from corporate clients	127,825	103,617	23.4
Bank accounts and deposits from SME, micro-enterprise and retail clients	184,619	175,780	5.0
Borrowings from banks	-	-	x
Borrowings from clients	7,040	8,955	-21.4
JESSICA lending support funds	282	366	-23.0
Financial instruments – own debt securities	12,603	19,131	-34.1
Lease liabilities	989	1,592	-37.9
Other	303	9	3,266.7
NET INTEREST INCOME	**403,994**	**402,420**	**0.4**

Interest expense and similar charges rose by PLN 25.3 million, or 8.1%, compared with the first half of 2024, primarily due to an increase in interest expense on corporate deposits by PLN 24.2 million, or 23.4%, and in the costs of accounts and deposits of SME, micro-enterprise and retail clients by PLN 8.8 million, or 5.0%. Costs of financial instruments (own debt securities) went down by PLN 6.5 million, or 34.1%.

The increase in interest expense was mainly driven by higher deposit volumes, despite lower interest rates on deposits. The average base interest rate on deposits placed with the Bank branches between 1 January and 30 June 2025 was as follows:

- 3.88%, compared with 3.95% in the first half of 2024, for PLN deposits,
- 0.69%, compared with 1.07% in the first half of 2024, for foreign currency deposits.

The Group's net fee and commission income amounted to PLN 65.1 million, up by PLN 1.4 million, or 2.2%, from the first half of 2024.

Commission income from brokerage services increased by PLN 10.8 million, or 24.5%, while fees for maintaining client accounts fell by PLN 2.5 million, or 14.0%.

Fee and commission expense rose during the period by PLN 5.0 million, or 24.3%, with the growth mainly attributable to brokerage fee expenses, which went up by PLN 4.8 million, or 30.4%.

NET FEE AND COMMISSION INCOME, PLN thousand	H1 2025	H1 2024	Change (%)
Fee and commission income	**90,803**	**84,343**	**7.7**
Brokerage service fees	55,133	44,291	24.5
Fees for maintaining client accounts, other domestic and international settlement transactions	15,572	18,109	-14.0
Commission fees on credit facilities	16,863	17,322	-2.6
Commission fees on guarantees and letters of credit	2,636	4,212	-37.4
Fees for portfolio management services and other management fees	596	405	47.2
Other fees	3	4	-25.0
Fee and commission expense	**25,711**	**20,683**	**24.3**
Brokerage fees, including:	20,704	15,883	30.4
for custody services	524	473	10.8
Payment card fees	4,096	3,923	4.4
Current account fees	283	293	-3.4
ATM service charges	278	242	14.9
Fees on amounts due from clients	4	3	33.3
Other fees	346	339	2.1
NET FEE AND COMMISSION INCOME	**65,092**	**63,660**	**2.2**

Gain (loss) on financial instruments measured at fair value through profit or loss was PLN 41.6 million, up from PLN 24.1 million in the same period of 2024.

The effect of the legal risk of foreign currency mortgage loans was PLN -59.5 million, compared with PLN -107.5 million from the six months ended 30 June 2024. The increase was caused by a revision of the parameters of the provision calculation model. The Bank will continue to monitor emerging trends in court rulings, track the influx of new cases, and thoroughly study their effect on the parameters of the estimation model.

In the six months ended 30 June 2025, net loss allowances totalled PLN -27.7 million, relative to PLN 3.5 million in the first half of 2024. The positive balance of net loss allowances in the corresponding period of the previous year were mainly attributable to the reversal of provisions on the retail portfolio and on securities measured at fair value through other comprehensive income.

Administrative expenses of the Group increased by PLN 33.7 million, or 11.6%, relative to the same period of 2024. The item that grew the most was employee benefits expense, which rose by PLN 24.7 million, or 16.2%, primarily due to salary and wage adjustments to market levels for individual positions within the Bank, an increase in headcount, and recognised provisions for holiday entitlements. Another significant driver of administrative expenses were material costs, up by PLN 5.6 million, or 8.1%. The Group also reported higher costs of contributions and payments to the Bank Guarantee Fund (BFG), up by PLN 4.7 million, or 23.3%.

ADMINISTRATIVE EXPENSES, PLN thousand	H1 2025	H1 2024	Change (%)
Employee benefits	177,666	152,919	16.2
Administrative expenses, including:	106,341	99,521	6.9
material costs	75,042	69,393	8.1
taxes and charges	4,084	7,768	-47.4
contribution and payments to BGF	24,956	20,243	23.3
contribution and payments to PFSA	1,819	1,709	6.4
contribution to cover operating expenses of Financial Ombudsman	374	348	7.5
contribution to Chamber of Brokerage Houses (Izba Domów Maklerskich, IDM)	66	60	10.0
Amortisation and depreciation, including:	40,706	38,580	5.5
depreciation of property, plant and equipment	11,394	10,196	11.7
amortisation of intangible assets	19,207	19,656	-2.3
depreciation of rights-of-use assets	10,105	8,728	15.8
ADMINISTRATIVE EXPENSES	**324,713**	**291,020**	**11.6**

The Bank continuously implements measures to optimise administrative costs, both at the budgeting stage and as part of its day-to-day management. The Bank strives to maximise the utilisation of its existing physical and personnel resources. This approach allows it to effectively manage cost growth while ensuring the smooth and secure operation of the organisation in compliance with applicable laws and supervisory requirements. The Bank also conducts regular evaluations of the efficiency and profitability of individual outlets within its network.

As at 30 June 2025, the Bank employed 1,361 persons (FTEs), compared with 1,333 at the end of 2024. The headcount rose by 2.1% at the Bank and 3.3% at the subsidiaries relative to year-end 2024. The table below presents employment (FTEs) at the Bank and its subsidiaries. The workforce at the BOŚ Group increased by 2.4% relative to 31 December 2024.

EMPLOYMENT, FULL-TIME EQUIVALENTS	30 Jun 2025	30-12-2024	Change (%)
Employment at BOŚ S.A.	1,361	1,333	2.1
Employment at subsidiaries	344	333	3.3
EMPLOYMENT AT THE BOŚ GROUP	**1,706**	**1,666**	**2.4**

1.2. Statement of financial position of the Group

As at 30 June 2025, the Group's total assets stood at PLN 23,480.7 million, having decreased by 3.4% on 31 December 2024.

Changes in the structure of the Group's assets

As at 30 June 2025, amounts due from clients had the highest share in total assets, at 42.9%, down by 1.6 percentage points relative to the end of 2024. The share of investment securities decreased by 2.6 percentage points, while the shares of cash and cash equivalents and amounts due from banks were up by 3.5 percentage points and 0.8 percentage point, respectively.

ASSETS, PLN thousand	30 Jun 2025	31 Dec 2024	Change (%)
Cash and cash equivalents	5,263,735	4,302,437	22.3
Amounts due from banks	193,572	14,397	1,244.5
Financial assets held for trading, including:	119,033	145,732	- 18.3
equity securities	20,978	16,568	26.6
debt securities	861	18,809	- 95.4
derivative instruments	97,194	110,355	- 11.9
Derivative hedging instruments	1,059	8,693	- 87.8
Investment securities:	6,977,458	7,351,554	- 5.1
Amounts due from clients, including:	10,074,623	10,104,635	- 0.3
measured at amortised cost	10,074,616	10,104,603	- 0.3
measured at fair value through profit or loss	7	32	- 78.1
Intangible assets	95,089	106,839	- 11.0
Property, plant and equipment	81,663	91,438	- 10.7
Right of use – leases	51,608	48,684	6.0
Tax assets:	134,702	148,318	- 9.2
Other assets	488,128	395,768	23.3
TOTAL ASSETS	**23,480,670**	**22,718,495**	**3.4**

Amounts due from clients

The carrying amount of amounts due from clients of the Group as at 30 June 2025 was PLN 10,074.6 million, an increase of 0.3% on 31 December 2024.

Amounts due from corporate clients measured at amortised cost accounted for the highest proportion of total amounts due from clients, at 80.4%. Their share increased by 0.7 percentage point on year-end 2024. Amounts due from corporate clients measured at amortised cost were PLN 8,099.8 million.

The share of amounts due from SME, micro-enterprise and retail clients measured at amortised cost in total amounts due rose by 0.7 percentage point, to 19.3%. Loans to SME, micro-enterprise and retail clients measured at amortised cost totalled PLN 1,943.2 million as at 30 June 2025, compared with PLN 1,874.5 million at year-end 2024.

Amounts due from clients

AMOUNTS DUE FROM CLIENTS, PLN thousand	30 Jun 2025	31 Dec 2024	Change (%)
Measurement at amortised cost	10,042,928	10,070,627	-0.3
Amounts due from SME, micro-enterprise and retail clients*	1,943,166	1,874,531	3.7
overdraft facilities	27,417	379	7,134.0
cash loans	190,958	209,019	-8.6
housing loans	1,366,407	1,472,302	-7.2
other loans	356,378	192,831	84.8
purchased receivables	1,677		
commercial paper	329		
Amounts due from corporate clients*	8,099,762	8,196,096	-1.2
working capital facilities	761,664	856,031	-11.0
term facilities	5,386,070	5,403,259	-0.3
factoring receivables	380,500	426,433	-10.8
lease receivables	250,158	247,285	1.2
purchased receivables	47,844	57,729	-17.1
commercial paper	1,273,526	1,205,359	5.7
Measurement at fair value through profit or loss	7	32	-78.1
Amounts due from SME, micro-enterprise and retail clients*	7	25	-72.0
overdraft facilities	-	-	x
housing loans	3	10	-70.0
other loans	4	15	-73.3
Amounts due from corporate clients*	-	7	-100.0
working capital facilities	-	-	x
term facilities	-	7	-100.0
Total	10,042,935	10,070,659	-0.3
Margin deposits	25,463	27,862	-8.6
Other amounts due from clients	6,225	6,114	1.8
TOTAL AMOUNTS DUE FROM CLIENTS	**10,074,623**	**10,104,635**	**-0.3**

* As of 1 January 2025, the Bank adopted a new client segmentation model. The data for the corresponding period of the previous year was not restated following the change.

Housing loans are the largest item among retail loans measured at amortised cost. As at 30 June 2025, they amounted to PLN 1,366.4 million, compared with PLN 1,472.3 million as at 31 December 2024.

The largest decline was seen in housing loans denominated in CHF and EUR. The decrease is attributable to adjustments in the provision for the legal risk related to foreign currency loans, concluded settlements, and early repayments.

Housing loans

HOUSING LOANS, PLN thousand	30 Jun 2025	31 Dec 2024	Change (%)
Loans measured at amortised cost	1,366,407	1,472,302	-7.2
Housing loans in PLN	1,133,818	1,167,238	-2.9
Housing loans in CHF	30,875	53,301	-42.1
Housing loans in EUR	195,896	241,073	-18.7
Housing loans in USD	5,818	10,690	-45.6
Loans measured at fair value through profit or loss	3	10	-70.0
Housing loans in PLN	3	10	-70.0
TOTAL HOUSING LOANS	**1,366,410**	**1,472,312**	**-7.2**

Foreign currency loans accounted for 17.0% of total housing loans (20.7% at year-end 2024). The share of housing loans denominated in CHF in the total loan portfolio of the Group (net) was 0.3%, having decreased by 0.2 pp on year-end 2024.

Balance of green loans

The balance of green loans (classified as such in accordance with internal green loan classification criteria) as at 30 June 2025 was 4,632.3 million, an increase of 0.4% on 31 December 2024. Green loans accounted for 40% of the Bank's total lending portfolio (vs 41% as at 31 December 2024). The green loan data by segment is not comparable year on year due to the change in the client segmentation model introduced in 2025.

GREEN LOANS, PLN thousand	30 Jun 2025	31 Dec 2024	Change (%)
Balance of green loans to corporate clients	4,214,852	4,225,526	-0.3
Balance of green loans to SME, micro-enterprise and retail clients	417,458	388,379	7.5
TOTAL GREEN LOANS	**4,632,310**	**4,613,905**	**0.4**

* In accordance with the internal green loan classification criteria.

Total loan sales

TOTAL LOAN SALES, PLN thousand	H1 2025	H1 2024	Change (%)
Loans to corporate clients in the period	2,502,229	1,795,462	39.4
Loans to SME, micro-enterprise and retail clients in the period	282,569	120,634	134.2
LOANS MADE IN THE PERIOD	**2,784,798**	**1,916,096**	**45.3**

In the period from 1 January to 30 June 2025, the BOŚ Group granted loans amounting to PLN 2,784.8 million, a 45.3% increase compared with the same period last year. The growth was attributable to the SME, Micro-Enterprise and Retail segment. Over 53% of the loans made in the first six months of 2025 were green loans.

Green loan sales

GREEN LOAN SALES, PLN thousand	H1 2025	H1 2024	Change (%)
Sales of loans to corporate clients in the period	1,427,035	921,764	54.8
Sales of loans to retail clients in the period	57,200	31,149	83.6
SALES OF GREEN LOANS IN THE PERIOD	**1,484,234**	**952,913**	**55.8**

Sales of new green loans in the six months ended 30 June 2025 reached PLN 1,484.2 million, up 55.8% year on year. The vast majority (in value terms) of the new green loans were provided to institutional clients (96%). The largest share of financing went to construction projects (including energy retrofitting) as well as to the energy and municipal services sectors.

Quality of the Group's loan portfolio

The share of amounts due from clients with indications of impairment and impaired (Bucket 3) in the loan portfolio measured at amortised cost was 15.4% as at 30 June 2025, compared with 14.5% as at year-end 2024.

As at 30 June 2025, the loan loss provision coverage ratio for Bucket 3 loans was 49.5% relative to 49.3% as at 31 December 2024.

QUALITY OF THE GROUP'S LOAN PORTFOLIO, PLN thousand	30 Jun 2025	%	31 Dec 2024	%
AMOUNTS DUE FROM CLIENTS MEASURED AT AMORTISED COST				
Amounts due from clients without indications of impairment, including:	9,214,560	83.5	9,287,917	84.4
exposures without significant credit risk increase since initial recognition (Bucket 1)	7,139,892	64.7	7,316,668	66.5
exposures with significant increase in risk since initial recognition (Bucket 2)	2,074,668	18.8	1,971,249	17.9
Amounts due from clients with indication of impairment (Bucket 3) but with no impairment identified given the estimated cash flows	-	0.0	-	
Amounts due from clients with indication of impairment and impaired (Bucket 3)	1,699,792	15.4	1,592,299	14.5
Amounts due from clients that were credit-impaired at the date of initial recognition (POCI)	120,352	1.1	120,998	1.1
Total amounts due from clients measured at amortised cost (gross)	**11,034,704**	**100.0**	**11,001,214**	**100.0**
Loss allowances for:				
amounts due from clients – (Bucket 1)	- 77,321		- 70,477	
amounts due from clients – (Bucket 2)	- 79,189		- 81,286	
amounts due from clients – (Bucket 3) with no indication of impairment	-		-	
amounts due from clients – (Bucket 3) with indication of impairment	- 841,201		- 784,795	
amounts due from clients that were credit-impaired at the date of initial recognition (POCI)	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**	

Equity and liabilities of the Group

EQUITY AND LIABILITIES, PLN thousand	30 Jun 2025	31 Dec 2024	Change (%)
Amounts due to central bank and other banks	165,237	244,519	- 32.4
Financial liabilities held for trading, including:	38,951	58,175	- 33.0
equity securities	1,470	1,032	42.4
debt securities	-	-	x
derivative instruments	37,481	57,143	- 34.4
Derivative hedging instruments	-	-	x
Amounts due to clients	19,773,919	19,100,807	3.5
Liabilities arising from issue of bank securities	102,709	199,762	- 48.6
Subordinated liabilities	199,871	102,838	94.4
Provisions	357,393	362,978	- 1.5
Tax liabilities:	11,085	14,744	- 24.8
Lease liabilities	47,154	45,351	4.0
Other liabilities	445,705	359,735	23.9
Total equity	**2,338,646**	**2,229,586**	**4.9**
TOTAL EQUITY AND LIABILITIES	**23,480,670**	**22,718,495**	**3.4**

As at 30 June 2025, amounts due to clients represented the largest share of total equity and liabilities, at 84.2%, down by 0.1 percentage point relative to 31 December 2024.

Liabilities arising from issue of bank securities included PLN 100 million-worth of Series AB subordinated bonds issued on 1 September 2023. The issue proceeds were used to increase the Bank's eligible liabilities and own funds. The bonds were issued as green bonds, with the proceeds designated for the financing or refinancing of environmentally sustainable projects.

Subordinated liabilities include Series AC four-year senior non-preferred bonds issued on 20 December 2024, with a total nominal value of PLN 200 million. The issue proceeds were allocated to strengthen the Bank's eligible liabilities. The bonds were issued as green bonds, with the proceeds designated for the financing or refinancing of environmentally sustainable projects.

Equity was PLN 2,338.6 million at the end of the first half of 2025, having increased by PLN 109.0 million, or 4.9%, mainly due to net profit and a positive effect of an increase in the gross amount of securities measured at fair value through other comprehensive income, gross.

AMOUNTS DUE TO CLIENTS, PLN thousand	30 Jun 2025	31 Dec 2024	Change (%)
SME, micro-enterprise and retail clients*	12,196,517	10,964,372	11.2
current/checking accounts	5,057,778	4,946,925	2.2
term deposits	7,138,739	6,017,447	18.6
Corporate clients*	7,014,528	7,539,555	-7.0
current/checking accounts	3,248,346	4,041,526	-19.6
term deposits	3,766,182	3,498,029	7.7
Other clients	61,438	62,889	-2.3
Borrowings from international financial institutions	476,647	505,694	-5.7
Lending support funds	24,789	28,297	-12.4
TOTAL AMOUNTS DUE TO CLIENTS	**19,773,919**	**19,100,807**	**3.5**

* As of 1 January 2025, the Bank adopted a new client segmentation model. The data for the corresponding period of the previous year was not restated following the change.

The main source of financing the Group's activities were amounts due to clients, including:

- deposits obtained through the Bank's outlets;
- borrowings from international financial institutions;

- funds provided by external donors for lending activity in the form of direct facilities, interest subsidies or contributions to equity (National Fund for Environmental Protection and Water Management, Provincial Funds for Environmental Protection and Water Management, European Fund for the Development of Polish Villages and JESSICA – Urban Development Fund).

As at 30 June 2025, amounts due to clients of the Group totalled PLN 19,773.9 million, relative to PLN 19,100.8 million at year-end 2024.

Borrowings, sureties and guarantees not related to the Group's operating activities

In the six months ended 30 June 2025, the Group did not take out any credit facilities or sign any borrowing, surety or guarantee agreements not related to its operating activities.

1.3. Contingent assets and contingent liabilities of the Group

Contingent assets and liabilities, PLN thousand	30 Jun 2025	31 Dec 2024	Change (%)
Contingent liabilities:	**4,147,116**	**3,673,653**	**12.9**
Financial assets, including:	3,670,787	3,167,402	15.9
open lines of credit, including:	3,544,964	3,155,237	*12.4*
revocable	*3,078,518*	*2,641,328*	*16.6*
irrevocable	*466,446*	*513,909*	-9.2
open import letters of credit	7,137	12,165	-41.3
Guarantees, including:	398,131	449,583	-11.4
credit repayment sureties and guarantees	13,896	13,910	-0.1
performance bonds	384,235	435,673	-11.8
Underwriting	78,198	56,668	38.0
Contingent assets:	**1,853,851**	**1,942,893**	**-4.6**
Financial assets, including:	-	4,300	100.0
open lines of credit	-	-	x
Guarantees	1,827,083	1,913,394	-4.5
Other	26,768	25,199	6.2

Contingent liabilities of the Group as at 30 June 2025 totalled PLN 4,147.1 million, including financial obligations of PLN 3,670.8 million. As at 30 June 2025, total outstanding guarantees and sureties provided by the Bank, disclosed off-balance sheet, stood at PLN 398.1 million, or 9.6% of total off-balance sheet liabilities, of which:

- all guarantees were provided by the Bank to residents,
- the highest guarantee was for PLN 109,7 thousand,
- in value terms, most of the guarantees issued in 2025 (80.1%) consisted of guarantees for other environmental objectives (59.2%) and domestic tender guarantees (20.9%),
- in value terms, most of the guarantees (79.2%) were guarantees for other environmental objectives (44.2%), domestic performance bonds (18.9%), and domestic payment guarantees (16.1%).

As at 30 June 2025, the guarantees were issued at the request of (in value terms):

- non-financial entities – 98.9%
- financial entities – 1.0%
- public sector entities – 0.1%.

The guarantee amount as at 30 June 2025 fell by PLN 51.4 million (-11.4%) relative to 31 December 2024.

Sureties and guarantees granted and obtained

In the six months ended 30 June 2024, the Bank granted 60 guarantees and sureties for a total amount of PLN 79.8 million, of which 45 guarantees and sureties for a total amount of PLN 76.7 million were outstanding as at 30 June 2025 (2024: 120 guarantees and sureties granted for a total amount of PLN 256.8 million, of which 65 guarantees and sureties for a total amount of PLN 190.3 million were outstanding as at 31 December 2024).

Maturities of the outstanding guarantees and sureties granted in the six months ended 30 June 2025 were as follows (in value terms):

- from 1 month to 3 years – 78.8%,
- from 3 month to 5 years – 7.7%,
- over 5 years – 13.6%.

1.4. Key financial ratios

FINANCIAL RATIOS	H1 2025	2024	Change in percentage points
Return on equity (ROE)[1]	4.8	3.6	1.2
Return on assets (ROA)[2]	0.5	0.4	0.1
Interest margin on total assets[3]	3.8	3.7	0.1
Cost of risk[4]	-0.5	-0.3	-0.2
Cost/income (C/I)[5], assuming even distribution of the cost of the one-time contribution to the Bank Guarantee Fund over the year	60.9	59.7	1.2

1) Net profit earned in the last four quarters to average equity.

2) Net profit earned in the last four quarters to average assets.

3) Net interest income in the last four quarters to average assets.

4) Net loss allowances including measurement at fair value for the last 12 months to the average amount of the loan portfolio during period.

5) Total administrative expenses and costs of use for the last four quarters to net interest income, net fee and commission income, dividend income, gain (loss) on financial instruments measured at fair value through profit or loss, gain (loss) on investment securities, gain (loss) on hedge accounting, gain (loss) on foreign exchange transactions, gain(loss) on other operations and gain(loss) on derecognition of financial instruments.

Interest margin on total assets was 3.8%, compared with 3.7% in 2024.

The cost/income ratio stood at 60.9% in the last four quarters, compared with 59.7% in 2024

1.5. Capital management

The Group's capital, risk-weighted assets, capital ratios and leverage ratio were as follows:

CAPITAL RATIOS AND LEVERAGE RATIO	30 Jun 2025	31 Dec 2024	Change in percentage points
Common Equity Tier 1 capital ratio	15.50	16.43	-0.93
Tier 1 capital ratio	15.50	16.43	-0.93
Total capital ratio	16.21	17.23	-1.02
Leverage ratio	8.2	8.3	-0.1

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%.

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

2. Difference between financial forecasts and actual results

The BOŚ Group did not publish any financial forecasts.

IV. RISK MANAGEMENT AT THE GROUP

1. Credit risk

The key objective of credit risk management in the six months ended 30 June 2025, especially in asset quality management, was to improve the quality and structure of the loan portfolio.

The efforts to enhance the quality of the loan portfolio focused on maintaining a policy of moderate risk appetite to achieve a risk cost close to the sector's average.

In order to improve the structure of the loan portfolio, the Bank continued efforts to reduce individual exposures and concentration risk.

On 17 December 2024, the Bank published its Management Strategy for Bank Ochrony Środowiska S.A. in 2025–2027. The document highlights the Bank's ambition to be the partner of choice for clients pursuing pro-environmental investments, drawing on its expertise in evaluating and implementing green projects as a key competitive advantage. It also places strong emphasis on building local partnerships, particularly with cooperative banks and local government units, to drive the green transition across Poland. Another strategic priority is the enhancement of the lending process, with a focus on significantly advancing the digitalisation of core credit operations. Looking ahead, the Bank will concentrate on increasing product-per-client ratio, optimising processes and products, developing data analytics, and introducing modern IT solutions. These initiatives are designed to scale up operations, improve efficiency, and strengthen profitability.

The Bank financed transactions that were compliant with generally applicable laws and regulations.

In accordance with its lending policy, the Bank did not engage in transactions that:

- could pose a risk to its reputation,
- could cause risk-bearing debt of one entity or entities with equity or organisational links to exceed concentration levels provided in external regulations,
- would violate provisions of the Environmental Protection Law or be a potential source of damage to the natural environment,
- would be effected for clients without reliable, fixed and stable income.

The Bank scaled down financing for entities whose activities did not align with sustainable business practices benefiting the environment, local communities, consumers, and employees. This was achieved through the introduction of a catalogue specifying transactions BOŚ would not engage in, adhering to ESG principles.

The Bank made lending decision conditional on:

- the borrower's ability to repay the requested facility in accordance with the schedule agreed upon with the Bank,
- provision of collateral in the form and in the amount acceptable to the Bank in so far as internal regulations require,
- fulfilment by the borrower of other criteria, such as, in particular, the client's credibility, results of the client's relationship with the Bank to date and assessment of the client's credit history in the banking sector.

Clients and transactions were subject to a comprehensive credit risk assessment, taking into account market conditions and the geopolitical situation.

The Bank conducted credit risk assessments utilising rating and scoring models tailored to the specific client and transaction types. The models were built, developed, monitored and supervised by the Risk Area, taking into account internal and external requirements.

The credit risk assessment model for retail clients seeking funding unrelated to business ventures included several components:

- a quantitative analysis, which appraised the value and stability of the sources of loan repayment,
- and a qualitative analysis, assessing crucial personal characteristics of retail clients that significantly influence their commitment to repaying the loan on the agreed terms. This facet of assessment utilised scoring methods and analysed client behaviour based on data from Biuro Informacji Kredytowej S.A. (Credit Information Bureau).

The process also adhered to the stipulations outlined in Recommendations T and S of the Polish Financial Supervision Authority.

During the client evaluation phase, the Bank used information from a variety of sources, including external databases.

The credit risk model for retail clients requiring finance for business purposes or statutory activities (such as municipal borrowers) concentrated on two primary aspects: client assessment and transaction assessment (rating).

Client assessment involved quantitative and qualitative elements. The quantitative assessment focused on the key areas of the client's business with a bearing on profit generation capacity and financial liquidity. The qualitative assessment included analysis of development plans, experience and skills of the managing personnel, and quality of relations with external stakeholders, including the Bank.

The model for assessing the risk of local government units included analysis of the client based on assessment of key budget indicators, debt ratios as well as analysis of the credit transaction, including assessment of the projected debt ratios, the quality of collateral and the duration of the transaction.

The assessment of credit risk related to financing sought by institutional clients included an ESG risk analysis.

Where financing was sought by an entity operating within a group of related parties, the Bank assessed the credit risk taking into account the economic and financial standing of the related parties.

The transaction was assessed in particular on the basis of an assessment of the purpose of the financing, the facility term and the value of the collateral. The Bank proposed financing structures that ensured risk sharing between borrowers and the Bank, mainly through the quality of collateral adequate to the scale of the risk and involvement of the borrowers' own funds.

The risk assessment was verified by a credit risk expert – an employee specialised in risk identification and selection of adequate forms of risk mitigation who was independent from the sales functions.

The Bank monitored the credit risk throughout the life of the credit transaction.

If the Bank identified a situation that could jeopardise timely repayment, the Bank used reminders and took restructuring measures using, among other things, solutions implemented in the early warning system (EWS).

At each reporting date, the Bank reviewed credit exposures, which involved the identification of 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 information.

Impairment of credit exposures and the amount of allowances or provisions for expected credit losses were assessed either individually or collectively, depending on the size of the exposure, the risk profile, and the borrower's credit quality.

The powers to make credit decisions at the Bank depend on:

- the type and value of the transaction,
- the limit of exposure to a client or a group of related clients,
- the level of risk generated by the client and the transaction,
- possible departure from standard lending procedures affecting credit risk.

The Bank operated a credit decision-making system based on the principle that the higher the exposure amount and the risk of a transaction resulting from its complexity or the client's economic and financial standing, the higher the decision-making level at which the credit decision must be made. The decision-making levels with the highest authority are the Head Office Credit Committee and the Management Board of the Bank. Where there is a departure from standard lending procedures that affects the credit risk, credit decisions are made by a decision-making body with higher authority.

In credit decisions on transactions concluded with members of the Bank's bodies or persons holding managerial positions at the Bank, or entities affiliated with them through equity or organisational links, the Bank was guided by the requirements of the Banking Law Act.

The Bank accepted both physical assets as well as personal guarantees as collateral.

The Bank preferred collateralised transactions, with the proviso that in the retail segment the maximum amount of unsecured transactions was determined taking into account features of the lending products, the client segment, the impact of such transactions on the Bank's profit or loss and the amount of potential losses.

The level of collateral depended on the level of risk generated by the transaction, including in particular the type of transaction and its duration.

In determining the amount of the required collateral, the Bank was guided by the principle of prudent valuation.

When selecting the form of security, the Bank took into account:

- adequate protection of the Bank's interests,
- the amount of costs related to establishing the security,
- the ability to quickly liquidate collateral.

The Bank had in place a Policy for Managing Non-Performing Exposures, which defines a strategy of action to achieve reduction, within a prescribed time limit, of non-performing exposures, and an action plan that supports the implementation of the strategy.

The Bank identified, measured, monitored and reported the concentration risk of its separate and consolidated exposures on the following levels:

- individual client and transaction,
- the loan portfolio.

At the individual client and transaction level, the concentration risk was managed in compliance with the supervisory exposure limits, in particular those under Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 and the Banking Law, as well as by applying the principle that the risk assessment and monitoring process depends on the amount of credit exposure.

At the loan portfolio level, the concentration of exposures was effectively managed by adhering to external limits, internal limits, or early warning thresholds. Additionally, an acceptable level of credit risk appetite was determined by a set of limits and indicators that encompassed not only traditional credit risk factors but also considerations of Environmental, Social, and Governance (ESG) risks. The levels of internal limits are approved by the Bank's Management Board, and the risk appetite – also by the Supervisory Board.

In particular, the Bank applied the following limits:

- geographical limits – limit of exposure to other countries,
- product-specific limits – e.g. maximum LTV,
- limits for the portfolio of mortgage loans and loans financing real property – in compliance with the PFSA Recommendations,
- sector-specific limits,
- limits concerning the share of foreign currency loans in the Bank's portfolio,
- proportion of the Bank's total exposure to clients or groups of related clients in the case of which the Bank's exposure is equal to or exceeds 10% of Tier 1 capital to the total Tier 1 capital,
- maximum exposure to a client or group of related clients,
- limits for credit exposures towards the Bank's subsidiaries.
- limit for transactions with derogation from the credit rules set out in internal procedures that result in increased credit risk.

In the concentration risk management process, the Bank used an early warning system that applied to all internal limits for credit risk. The system is based on distinguishing four levels of limit utilisation and gradual implementation of measures mitigating the risk of exceeding the limit.

The utilisation of the limits was monitored and reported to the Bank's governance bodies on a regular basis, in accordance with the Bank's internal regulations.

In line with the requirements set out by the Polish Financial Supervision Authority in Recommendation C, Recommendation T and Recommendation S, the Bank performed stress tests in the field of credit risk for its retail and corporate loan portfolios, including in respect of the largest exposures.

Information regarding the credit risk level in the Bank's loan portfolio was presented to the Management Board on a monthly basis and to the Supervisory Board at least on a quarterly basis.

In its lending process, the Bank complied with regulatory requirements, good banking practices and internal procedures.

2. Financial risk

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).

Transactions in the banking book represent the core business of the Bank, which means that they result from commercial operations, including raising financing and efficient management of financial liquidity. The banking book includes positions which are not included in the trading book, in particular:

a. granted credit facilities and guarantees, as well as accepted deposits, including term deposits,
b. liquidity- and interest-rate hedges of transactions carried in the banking book,
c. purchase of securities for non-trading purposes.

In line with the Group's strategy, the trading book business is complementary to the banking book business. The trading book contains transactions that were entered into by the Bank on its own account for trading purposes, i.e. to gain financial profits in short-term periods due to actual or expected differences between bid and offer prices in the market, as well as other movements of prices or price parities, including in particular interest rates and foreign exchange rates. Transactions held in the trading book are not sold for liquidity purposes. The purpose of the trading book is to ensure the highest quality of services for clients. To this end, the Bank and BOŚ Brokerage House maintain open positions within the applicable risk limits.

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.

The key principles of financial risk management at Bank Ochrony Środowiska S.A. and at the Group are set out in the Banking Risk Management Strategy. This strategy is an integral part of the Bank's operational strategy.

The risk management system at the Group includes examination of individual risks related to both the Bank's and the Group's operations. The Bank, as the parent, oversees the risk management system at the Group. The risk management process is subject to periodic reviews aimed at adapting the process to changes in the business environment and taking into account changes occurring within the Bank and the Group.

The BOŚ Group follows a three-lines-of-defence model that clearly allocates responsibilities in managing financial risk. The first line is made up of business units which handle day-to-day decisions and manage risks within approved limits. The second line consists of risk oversight functions, responsible for independently identifying, assessing, monitoring, and reporting risks. The third line is internal audit, which independently evaluates the effectiveness of the risk management and internal control system.

The purpose of risk management by the Group is to maintain individual risks at the level consistent with the approved risk appetite and tolerance in order to protect the value of shareholders' capital, maintain the safety of client deposits and achieve adequate efficiency of the Group's operations, including ensuring the Group's ability to adapt its operations to changing market conditions, competence and commitment of managers and employees, and the quality of management information systems.

The Group's risk management is conducted within strategic limits tailored to the appetite and tolerance for individual risks.

Based on the limits, an early warning system has been established which focuses on identifying, measuring, monitoring, controlling and reporting the risks.

Within its risk management framework, the BOŚ Group applies a wide range of analytical and control tools to identify risks both on an ongoing basis and from a forward-looking perspective. These include, in particular, stress tests and indicators provided in banking regulations.

The Group manages financial risk in compliance with applicable legal and supervisory requirements, especially EU regulations and directives, EBA guidelines, and the recommendations of the Polish Financial Supervision Authority. It follows prudential principles, taking into account capital requirements and concentration limits. Internally, risk management policies and procedures are subject to regular monitoring and periodic audits. The Bank also adjusts its practices to reflect changes in the market environment and in the Group's business profile.

As part of its preventive measures, the BOŚ Group carries out regular monitoring to identify and limit financial risk. The goal is to raise risk awareness and enhance the effectiveness of the internal control system.

With a risk management system that is well established and continuously improved, the BOŚ Group maintains operational stability and the ability to respond to adverse market and macroeconomic developments. This approach allows the Group to pursue its business strategy effectively, while staying compliant with regulations and protecting the interests of shareholders, clients, and other stakeholders.

In 2025, the BOŚ Group monitored economic and market conditions, particularly the potential for sudden, large-scale external events that could indirectly have a significant impact on the Bank, especially in relation to financial risk. The most significant of the macroeconomic and market factors remains the heightened geopolitical risk, driven by a number of issues, including the ongoing military conflict between Russia and Ukraine, tensions in the Middle East, and escalating trade disputes among major economies. To date, no significant indicators suggesting an increase in financial risk due to the war in Ukraine have been recorded. However, regulatory uncertainty and the unstable trade policy of the United States, including the imposition of tariffs on trading partners, increase operational risks in the economy and the risk of supply chain disruptions. This, in turn, may slow economic growth and increase credit and market risk, financial market volatility, and overall risk aversion.

In addition to the geopolitical risk, the Bank also tracked other changes, e.g. macroeconomic developments (appreciation of the Polish currency, falling interest rates). The Bank evaluates the impact of these developments on financial risks, including market risk and liquidity risk. This evaluation involved, among other things, continuous monitoring of immediate effects, as well as assessing the potential consequences of these events for the Bank through stress testing procedures. The levels of individual risks generally remained within the limits applied by the Group.

In 2025, the main objectives, principles and organisation of the financial risk management process at the Group did not change. The level and profile of financial risk are regularly monitored by the Financial and Operational Risk Department (the second line of defence) of the Bank and by the Risk Management Department of DM BOŚ S.A., and reported to the Supervisory Board of the Bank, the Supervisory Board of DM BOŚ S.A., the Risk Committee (at the Supervisory Board of the Bank), the Management Board of the Bank, the Management Board of DM BOŚ S.A., and the ALCO Committee.

2.1. Liquidity risk

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 securities 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.

The purpose of liquidity management by the Group is to maintain the capacity to finance assets and settle liabilities promptly, and to sustain a balanced structure of assets and liabilities. This ensures a secure liquidity profile across specific time bands, segmented into liquidity in PLN and major foreign currencies, with a primary focus on the overall liquidity position.

The liquidity risk management strategy and processes are specifically tailored to align with the Bank's business profile and scale and are approved by the Supervisory Board. The strategy defines in particular the Bank's risk appetite and tolerance, designates key directions and quantitative targets for selected values, and is an integral part of the Bank's growth strategy. The Bank's system of internal limits and warning thresholds is adjusted to the approved liquidity risk appetite and tolerance of the Bank.

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

The Bank's liquidity is analysed over the following time horizons:
1. intra-day liquidity – on an intraday basis;
2. current liquidity – in the period up to 7 days;
3. short-term liquidity – in the period up to 1 month;
4. medium-term liquidity – in the period of above 1 month to 12 months;
5. long-term liquidity – in the period of more than 12 months.

To measure the liquidity and intra-day, current and short-term liquidity risk, the Bank uses the following measures and tools:
1. the level of intraday liquidity – reflects the level of funds required to be maintained in the Bank's account with the National Bank of Poland to enable the Bank to pay its liabilities during the day, in both normal and stress situations,
2. liquid assets (excess liquidity) – a buffer for expected and unexpected outflows over a period of 30 days,
3. liquidity reserve – measures the level of liquid assets less expected and unexpected outflows, determined for a period of 30 days,
4. net liquidity coverage ratio (%),
5. assessment of the stability of the deposit base,
6. stress tests, including a scenario accounting for ESG risks (allowing, among other things, verification of the ability to maintain liquidity over the time horizon defined by the Bank in various scenarios).

For the purpose of measuring liquidity as well as the medium- and long-term liquidity risk, the Bank sets and monitors:
1. the contractual and actual liquidity gap (which is supplemented by regular analyses of the stability of the deposit base, the amount of loan prepayments and the level of deposit breakage),
2. the non-current assets to non-current liabilities ratio,
3. the coverage of loans used by clients to finance long-term needs with the most stable sources of funding (LKD),
4. the net stable funding ratio (NSFR),
5. stress tests, including a scenario accounting for ESG risks,
6. the forecast of LCR, NSFR and liquid assets.

To evaluate the effectiveness of the liquidity risk management process, limits or warning thresholds are established for most of the abovementioned measures within a hierarchical framework of internal liquidity risk limits. These thresholds are set at various levels including the Management Board and the ALCO Committee. The limits and warning thresholds are subject to regular reviews (at least once a year) to ensure effective monitoring of liquidity. They 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. The process of monitoring liquidity and liquidity risk in the Bank is supported by a dedicated IT system (used in particular to generate reports on contractual and actual liquidity gaps, on regulatory liquidity measures and on internal limits, and to prepare mandatory reports). At least once a year, the Bank prepares a review of the Internal Liquidity Adequacy Assessment Process (ILAAP), in compliance with the EBA/GL/2016/10 Guidelines on ICAAP and ILAAP information collected for SREP (Supervisory Review and Evaluation Process) purposes. The ALCO Committee gives its opinion on the review, which is then approved by the Management Board and submitted to the Supervisory Board of the Bank.

Liquidity risk reports are presented to all the Bank's units involved in the liquidity risk management process. Results of the risk analysis, the degree of utilisation of regulatory standards, internal limits and warning thresholds as well as results of stress tests are presented in reports prepared for the Management Board and the ALCO Committee (on a monthly basis), and for the Supervisory Board and its Risk Committee (on a quarterly basis). The reports are part of the Management Information System, the purpose of which is to support the Bank's management, streamline the performance of its tasks and ensure the safety and stability of its operations.

Measures of liquidity risk

The Bank calculates supervisory liquidity measures in accordance with the following regulations: the CRR Regulation and Regulation 2019/876 on prudential requirements for credit institutions and investment undertakings (amending Regulation 575/2013) and related delegated and implementing regulations as regards liquidity.

The currently applicable norms regarding short-term liquidity include the liquidity coverage requirement – LCR (the ratio of liquid assets to net outflows (i.e. the difference between net outflows and net inflows) for a 30-day period of stress conditions). The LCR is calculated on an aggregated basis for all currencies (translated into PLN) and separately for significant currencies, i.e. for PLN and EUR. For the ratio in EUR, the Bank identifies a currency mismatch related to the method of financing long-term loans granted in this currency.

The Bank is also required to satisfy a stable funding requirement, which since June 2021 has been referred to as the net stable funding ratio (NSFR) requirement. It is calculated as the ratio of the institution's available stable funding to the amount of the stable funding required. In line with external standards, the NSFR, as the LCR, should be maintained at a minimum level of 100%.

In July 2024, the Polish Financial Supervision Authority issued the Recommendation on the Long-Term Funding Ratio, designed to address risks arising from the current funding structure of mortgage loans. For this purpose, the Bank calculates and monitors the long-term funding ratio on a consolidated basis each month, reporting the results to both ALCO Committee and the Management Board, and reports it on a quarterly basis to the KNF. As at 30 June 2025, the ratio was 110.1%. In accordance with the Recommendation on the Long-Term Funding Ratio, as of 31 December 2026 the Bank will be required to maintain this ratio at a minimum level of 40%.

The Bank prepares and submits ALMM reports to the NBP, as required by Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 regarding the reporting of additional liquidity monitoring metrics.

Pursuant to EBA/GL/2017/01 Guidelines on LCR disclosure to complement the disclosure of liquidity risk management under Article 435 of Regulation (EU) No 575/2013, the Bank presents quantitative and qualitative data on the net liquidity coverage ratio, the net stable funding ratio and the liquidity risk in the Information on BOŚ Group. Such disclosures are made in compliance with the instructions given by the European Banking Authority.

In 2025, the supervisory liquidity measures, i.e. LCR and NSFR, were calculated daily (i.e. on each business 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
LCR	239%	219%
NSFR	176%	171%

* LCR and NSFR for the Group.

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. It is intended to estimate the survival horizon as well as the ability and costs of restoring stable liquidity. This Plan, in addition to analysing liquidity deterioration in emergency situations (which is based on the conducted stress tests), also includes quantifiable and non-quantifiable early warning indicators of emergency situations, allowing for the systematic monitoring of potential sources of liquidity crises. These indicators are monitored by the Bank on an ongoing basis. The contingency liquidity plan shall be regularly reviewed and updated so as to ensure that the Bank is operationally prepared to activate potential measures that can be taken in the event of a liquidity risk.

In addition to the Emergency Liquidity Action Plan, the Bank also conducts liquidity stress tests, including:

1. Sensitivity analyses for each risk (at least once a year);
2. Scenario-based stress tests, e.g. for liquidity crises (at least once a year);
3. Reverse stress tests (at least once a year).

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. The tests cover both internal factors (e.g. client behavioural patterns) and external factors (e.g. interest rate movements). These factors are analysed in five defined liquidity scenarios:

1. internal crisis (lasting six months) resulting from reduced availability of financing, materialisation of the concentration risk, and loss of confidence in the Bank by market participants ('bank run');
2. external crisis (lasting three months) caused by a crisis in financial markets, increased risk aversion and loss of confidence in the banking sector and the Bank as a result of an unforeseeable event, e.g. a successful hacker attack;
3. mixed crisis (lasting six months), which combines both scenarios and accounts for their possible interactions; the combined scenario is not a simple aggregation of the results of individual tests but assumes the simultaneous occurrence of a systemic shock and above-average problems at the Bank;
4. long-term scenario (lasting 12 months), reflecting the Bank's sensitivity to long-term liquidity risks (such as market liquidity withdrawal, strategic changes in funding structure) as well as short-term internal or external shocks (effect of geopolitical risk);
5. scenario accounting for ESG risks (in up to 1 month and up to 12 months), considering negative financial impact on the Bank caused by current or future effects of ESG factors (environmental, social, and governance issues).

The Bank also prepares (once a quarter) intraday liquidity stress tests. The outcomes of the stress tests are presented to the Bank's management in quarterly liquidity risk reports. As part of the analysis, three intraday liquidity stress testing scenarios (internal, external, mixed) are prepared, along with a reverse stress test.

Each year, the Bank reviews its liquidity stress testing programme to take into account changes within the Bank as well as in its operating environment, such as shifts in market conditions. The review covers:

- compliance with external regulations and requirements of the PFSA and the EBA,
- assessment of risks, including their relevance and severity,
- analysis of whether all identified material liquidity risks are appropriately addressed through sensitivity and scenario testing,
- evaluation of the adequacy of assumptions underlying the scenarios and those used to estimate liquidity restoration costs,
- conclusions and, where relevant, recommendations for actions or adjustments.

Conclusions from the tests are used in managing liquidity and liquidity risk and are the basis for building the structure of assets and liabilities.

In its assessments, the Bank also considers the potential for adverse movements in foreign exchange rates, especially CHF and EUR, which could potentially trigger increased liquidity needs.

Furthermore, the Bank undertakes testing of the Emergency Liquidity Action Plan, and modifications to this Plan are implemented based on the outcomes of those tests. The outcomes of the Emergency Liquidity Action Plan tests are reported to, and reviewed by, both the Asset and Liability Committee and the Bank's Management Board.

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.

2.2. Interest rate risk

Interest rate risk refers to the actual or potential risk of a decrease in both Bank's income and economic value due to unfavourable fluctuations in interest rates, impacting interest rate-sensitive instruments. This risk is associated with factors such as mismatch risk, basis risk and option risk. 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 support stabilisation and optimisation of net interest income (NII) while limiting the negative effect of market interest rate movements on the economic value of equity (EVE).

To achieve this, the Bank uses two tools: its investment portfolio and derivative transactions entered into as part of hedge accounting. The investment portfolio, built in the banking book, should help to, among others, secure net interest income generated by the Bank's equity and secure core deposits in current accounts insensitive to interest rate movements. On the other hand, this portfolio is a source of volatility of the revaluation surplus.

The Bank applies fair value hedge accounting. Its purpose is to hedge the fair value of the fixed-rate Treasury bonds, which are part of the HtC&S bond portfolio and also serve as the Bank's liquidity buffer. IRS hedging transactions reduce the extent of capital fluctuations caused by movements in interest rates.

Monitoring of interest rate risk in the banking book is supported by a dedicated IT system, which the Bank uses in particular to determine/perform:

1. repricing gap, presenting the values of assets, liabilities and off-balance-sheet items sensitive to interest rate movements at the repricing or maturity date,
2. net interest income (NII) simulations, projecting NII over a one-year horizon, based on the Bank's development scenarios and assumptions about market conditions,
3. net interest income (NII) simulations accounting for market value adjustments, projecting one-year NII while taking into account changes in market value, using the Bank's development scenarios and assumptions about market conditions,
4. net present value (NPV) simulations, presenting cash flows discounted at defined market parameters; these analyses are used to determine EVE sensitivity,
5. sensitivity analysis gauging EVE and NII sensitivity to shifts in credit spreads,
6. price shocks for basis risk analysis, the purpose of which is to estimate the impact on the net interest income of varying changes in interest rates of products whose interest rates are based on different base rates,
7. unparallel mismatch risk analysis, which aims to estimate the impact on the economic value of equity of unparallel movements in the shape of the yield curve,
8. client option risk analysis, whose objective is to assess the impact of client options embedded in interest bearing products on the Bank's profit or loss,
9. stress tests, including reverse tests and the Supervisory Outlier Test – the objective is to determine how extreme changes in market factors affect the net interest income and the economic value of equity,
10. the level of internal capital for interest rate risk in the banking book.

Measures of interest rate risk in the banking book

To manage interest rate risk in the banking book, the Bank employs two measures: the sensitivity of the net interest income (NII), both with and without consideration of changes in market value, to a +/- 200 basis points change in interest rates, and the sensitivity of the economic value of equity (EVE) to a +/- 200 basis points change in interest rates. Interest rate risk in the banking book is measured based on product characteristics, including capital flow schedules, interest rate reassessments, and embedded options, as stipulated in contracts with counterparties. For current products where the client may flexibly determine, among other things, the repayment schedule or use of funds, the Bank builds replicating portfolios that reflect the economic timing of capital flows.

The Bank takes into consideration client behaviour patterns, such as early credit repayment levels or deposit breakage levels, which are estimated in accordance with internal regulations of the Bank. The assumptions are consistent with the EBA/GL/2022/14 Guidelines on the management of interest rate risk arising from non-trading book activities.

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 floating 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 for EVE and two standard shock scenarios for NII specified in the Guidelines are presented in the table below.

	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 as at 30 June 2025 the Bank was most vulnerable to a decline in the economic value of equity (EVE) in the short rates shock up scenario. As regards the sensitivity of net interest income (NII), the Bank is exposed to a parallel shock down scenario. In all scenarios, the sensitivity of economic value of equity and net interest income stays comfortably below supervisory warning thresholds and limits..

The sensitivity of EVE and NII to a 100 bps shift in credit spread as at the end of June 2025 was PLN -182 million and PLN -57.3 million, respectively. The Bank factored credit spread risk into its assessment of interest rate risk appetite and tolerance within the banking book. This risk was also taken into account in the calculation of internal capital.

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 accordance with supervisory and internal regulations, internal capital for interest rate risk in the banking book refers to potential changes in both economic value of equity and net interest income due to adverse movements of interest rates and credit spreads.

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 monitoring the banking book interest rate risk are presented in monthly reports prepared for the Assets and Liabilities Committee and the Management Board, and in quarterly reports prepared for the Risk Committee and the Supervisory Board.

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.

Measures of interest rate risk in the trading book
In order to monitor the interest rate risk, the Bank uses:
1. the value at risk (VaR) model determined for the 99% confidence level based on daily volatility of interest rates for 250 business days preceding the date of analysis,
2. the basis point value (BPV), i.e. sensitivity of securities and derivative instruments generating the interest rate risk to a 1 bp movement of interest rates,
3. system of limits/warning thresholds,
4. stress tests.

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 value at risk (VaR) for interest rate in the trading book and the impact of the stress test scenario – parallel shifts in the IRS and BOND yield curves upwards/downwards by 500/300 bps on the Bank's profit or loss in annual periods are presented below (maximum, minimum, mean and as at the reporting date).

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

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 system of interest rate risk limits/warning thresholds in the trading book includes:
1. the limit/warning threshold for 1-day VaR,
2. the BPV warning threshold for instruments generating interest rate risk in the trading book, both intraday and end-of-day,
3. maximum 1-day and 30-day limits, as well as annual loss (end loss) limits on assets within the trading portfolio.

The continuous monitoring and calculation of the utilisation levels of individual limits and warning thresholds are performed on a daily and intraday basis by the Asset and Liability Management Department as a critical element of the first line of defence. The monitoring of the limits and warning thresholds is carried out at the end of each business day by the Financial Risk Department, in line with the protocols of the second line of defence.

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.

In the trading book, the Bank examines the impact of extreme adverse movements of market interest rates on the Bank's profit or loss using both the historical and parametric methods. The historical method considered the volatility of interest rates, taking into account various factors such as geopolitical crises that contribute to fluctuations in interest rates. Stress testing analyses in the trading book are conducted both with and without the assumption of correlation between curve changes and market illiquidity (the inability to close an open position during the day). In parametric stress tests, it is assumed that interest rate curves will undergo a parallel shift, either upwards by 500 basis points or downwards by 300 basis points. Risk factor levels within historical scenarios are determined by analysing the time series of bond and IRS interest rate curve movements over a three-year period. This analysis takes into account statistically significant trends, volatility, and the Hurst exponent, which characterises the propagation of change variance.

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.

The Bank also examines potential impact of a large-area flooding on the financial result of the trading book attributable to interest rate risk, as well as on the sensitivity of net interest income (NII) and the economic value of equity (EVE) (ESG stress tests). The findings from the climate risk stress tests reveal a negligible impact on the financial result of the trading book. In the case of the banking book, the realisation of this scenario would not lead to a breach of the established limits for net interest income (NII) and economic value of equity (EVE).

Results of monitoring the trading book interest rate risk are presented in monthly reports prepared for the Management Board and the Assets and Liabilities Committee, and in quarterly reports prepared for the Supervisory Board and the Risk Committee ((with the results of the stress tests). Additionally, results of the analysis of interest rate risk in the trading book are communicated to members of the Management Board and the ALCO Committee as part of daily reports. The interest rate risk metrics in the trading book were monitored on an ongoing basis.

2.3. Currency risk

Currency risk is understood as the risk of loss to the Group due to changes in exchange rates. This risk is generated by BOŚ Brokerage House (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.

The Bank's main currency positions are denominated in PLN, USD, EUR and CHF.

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.

Currency risk in the trading book is generated by the Bank and DM BOŚ S.A. The currency risk in the trading book was primarily attributable to DM BOŚ S.A., and to a lesser extent to the Bank. Open foreign exchange positions in DM BOŚ S.A.'s trading portfolio arise from offering services to clients in the derivatives trading market and from providing services on a regulated market.

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, the following measures are used:

1. the value at risk (VaR) model determined for the 99% confidence level based on daily volatility of foreign exchange rates for 250 business days preceding the date of analysis,
2. system of limits/warning thresholds,
3. stress testing.

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 – a 50%/30% increase/decrease in the exchange rates of all currencies in relation to PLN – on the Group's profit or loss in annual periods are presented below (maximum, minimum, mean and as at the reporting date).

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

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.

The system of limits/warning thresholds for currency risk in the trading book includes:

1. the limit/warning threshold for 1-day VaR,
2. the warning threshold quoted for the total position separately for the trading book and the banking book,

3. 1-day and 30-day loss limits (stop loss) and annual loss limits (end loss) arising from foreign exchange transactions.

The monitoring of limits/warning thresholds in the trading book is carried out on a daily and intraday basis by the Asset and Liability Management Department as part of the first line of defence. The monitoring of limits and warning thresholds is carried out at the end of each business day by the Financial Risk Department, in line with the protocols of the second line of defence.

Analyses show that the BOŚ Group's currency risk during the period under review remained at the moderate level.

The Bank conducts a monthly stress-test analysis, examining the evolution of currency risk levels in the event of the materialisation of extreme changes in risk factors using both historical and parametric methods. The historical method took into account the volatility of foreign exchange rates caused by such factors as the geopolitical crisis.

The Bank performs parametric stress tests on the financial result of the trading book from foreign exchange transactions, assuming a 30%/50% appreciation/depreciation of the złoty relative to all foreign currencies held by the Bank. Risk factor levels within historical scenarios are determined based on an examination of the time series for exchange rate, taking into account statistically significant trends, volatility, and the Hurst exponent, which characterises the propagation of change variance. Stress testing analyses are conducted both with and without the assumption of correlation between interest changes and market illiquidity (the inability to close an open position during the day). The Bank also examines potential impact of a large-area flooding on the financial result of the trading book attributable to interest rate risk (ESG stress tests). This analysis indicates that the impact of the risk is negligible.

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

Results of monitoring the currency risk in the trading book are reported daily to members of the Management Board and the ALCO Committee, weekly to the Management Board, monthly to the Management Board and the ALCO Committee, and quarterly to the Supervisory Board and the Risk Committee.

Despite the existence of geopolitical crises and other factors that contribute to exchange rate volatility, the level of currency risk did not increase significantly. The measures of currency risk were monitored on an ongoing basis and remained within the limits applied by the Bank.

3. Operational risk, compliance risk and internal control system

3.1. Operational risk

Operational risk is defined at the Bank 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, taking into account operational risk events characterised by low frequency but high losses. Reputational and strategic risks are not part of operational risk.

Operational risk is managed on an ongoing and systematic basis through a framework that combines qualitative and quantitative methods, with a focus on prevention and reducing the Bank's exposure to this risk, which includes:

1) organising processes in a manner reducing the number of operational risk events,
2) monitoring of amounts subject to operational risk limits, in particular the degree of utilisation of the adopted operational risk tolerance and appetite limits,
3) periodic reviews of operational risk based on self-assessment process,
4) gathering information in the operational risk events database used for monitoring operational risk as well as measuring and estimating losses arising from such events,
5) monitoring the operational risk level based on the key risk indicator (KRI) methodology,
6) periodic stress tests for potential operational risk events losses,
7) monitoring the risk of cooperation with third parties, in particular regarding outsourcing,
8) ongoing and efficient resolution of issues arising from operational risk events to prevent their material impact on the Bank's operations,

9) regular reporting on operational risk, covering in particular the level and profile of operational risk, the level of utilisation of operational risk limits and the amount of losses from operational risk events at the Bank and the subsidiaries deemed material from the point of view of operational risk.

Information regarding operational risk is included in periodic management reports prepared for the Operational Risk Committee, the Bank's Management Board and Supervisory Board, the Supervisory Board's Risk Committee and the Supervisory Board.

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, work continued on adapting the operational risk event database and the tools used for COREP reporting in connection with the changes introduced by CRR3.

In the six months ended 30 June 2025, a number of tasks were completed as part of the risk management system organisation efforts, including: (1) review and approval of the operational risk appetite and tolerance limits for 2025, (2) periodic monitoring of the utilisation of the applied limits, (3) development of the Operational Risk Map for 2025 based on self-assessment of the Bank's Head Office organisational units, (4) assessment of the significance of the BOŚ Group's subsidiaries in terms of the generated operational risk, (5) review of the Key Operational Risk Indicators (KRI), (6) changes to the application supporting the operational risk events database, (7) work on automating operational risk management tools.

In addition, the Bank continued its efforts to raise operational risk awareness of employees by organising, among other things, onboarding training on the Risk Culture Principles and mandatory e-learning training on operational risk management at BOŚ S.A. In addition, educational materials on operational risk are prepared periodically and shared with all employees.

In the six months ended 30 June 2025, in terms of operational risk, there were no non-recurring events generating extraordinary and unanticipated losses that would materially affect the safety of the Bank's and the Group's operations. Operational risk events were investigated and measures aimed to reduce potential losses were implemented. The most significant operational risk factor affecting the level of this risk in the six months ended 30 June 2025 were lawsuits filed by the Bank's clients in connection with mortgage loans linked to foreign currency exchange rates. There was a decline in the number of lawsuits filed, while the number of court cases resolved against the Bank increased. To mitigate the risk of losses resulting from client lawsuits, the Bank has in place the Settlement Programme to reach agreements with clients who have mortgage loans linked to foreign currency exchange rates. In the six months ended 30 June 2025, the Bank updated its existing strategy towards these clients, introducing measures aimed at increasing the number of settlements and reducing the number of lawsuits.

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:

- implementing and monitoring compliance with the laws and market standards,
- implementing and monitoring compliance with ethical standards,
- accepting/giving gifts or other benefits,
- protection of consumers with regard to collective interests of customers, including protection against unfair market practices,
- offering products and providing related services, including the implementation of new products (including insurance products), and handling of client complaints,
- fulfilment of disclosure obligations towards the Bank's clients,
- preventing and managing conflicts of interest,
- trading in financial instruments.

The compliance function is also responsible for the management of:

- anonymous reports of violations of law and the ethical conduct procedures in place at Bank Ochrony Środowiska S.A.,
- 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.

V. ADDITIONAL INFORMATION

1. Assessment of financial resources management

Financial resources management is the key element of the Bank's operating activities. It involves shaping the balances and structure of balance-sheet items, i.e. assets, liabilities, as well as off-balance sheet items so as to achieve a stable income stream whilst maintaining a required level of business security. The policy of assets and liabilities management in the Bank is developed by the ALCO Committee and the Bank's Management Board.

The core ability of the BOŚ S.A. to repay liabilities is measured by its liquidity and capital adequacy ratio. The Bank made decisions in advance aimed at acquiring long-term finance and increasing stability of its deposit base that ensured the required balance-sheet structure and facilitated performing the budget.

The maturity structure of assets and liabilities ensures the Bank's ability to meet its obligations and finance its growth. During the period under review, the Bank continued to grow while maintaining a safe level of the capital adequacy ratio.

The quality of balance sheet management, and consequently the Bank's ability to meet its obligations, is also influenced by the management of interest rate risk and currency risk. The way these risks are managed and monitored indicates that the Bank is capable of meeting its obligations at an adequate level.

2. Dependence on partners

During the period under analysis, the Group's entities did not have clients whose share in revenue reached 10% or more.

3. Related-party transactions

Related-party transactions are described in Note 13 to the interim condensed financial statements of BOŚ S.A. for the six months ended 30 June 2024.

The Bank and its subsidiaries did not enter into any related-party transactions on non-arms' length terms.

4. Seasonal or cyclical nature of the business

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

5. The Bank's agreements

5.1. Significant agreements

5.2. Agreements with the Central Bank and regulatory bodies

The Bank did not enter into any agreements with the National Bank of Poland in the six months ended 30 June 2025.

5.3. Contracts for audit of financial statements

Body selecting the independent auditor

On 7 June 2024, the Supervisory Board of Bank Ochrony Środowiska S.A. selected the audit firm by adopting a resolution regarding the appointment of an audit firm to audit the full-year financial statements of BOŚ S.A. and the full-year consolidated financial statements of the BOŚ Group, as well as to review the half-year financial statements of BOŚ S.A. and half-year consolidated financial statements of the BOŚ Group for the years 2024-2025.

Contracts with the independent auditor

On 21 June 2024, the Bank signed a contract with Mazars Audyt Sp. z o.o. to review and audit the financial statements for 2024 and 2025. Furthermore, on 31 July 2024 and 21 January 2025, assurance service contracts were executed.

Information of the Bank's Management Board on appointment of the audit firm

The Bank's Management Board represents that the audit firm Mazars Audyt Sp. z o.o., engaged to audit the Bank's full-year separate financial statements and consolidated financial statements, was appointed in compliance with the applicable laws and regulations, including those governing selection and appointment of the audit firm, and that:

- the audit firm and the auditors who performed the audit met the conditions required to issue an unbiased and independent audit report on the full-year separate financial statements and the consolidated financial statements, in accordance with the applicable laws and regulations, professional standards, and principles of professional ethics;
- the laws governing rotation of audit firms and lead auditors and mandatory cooling-off periods are observed;

- the Bank has in place a policy governing the selection and appointment of an audit firm and a policy governing the provision of non-audit services, including permissible non-audit services, by an audit firm, its affiliates and members of its network.

6. Non-recurring factors and events

In the six months ended 30 June 2025, there were no other events at the Bank that would be material for the assessment of its human resources, assets, financial position, financial result and any changes thereto, as well as for the assessment of the Bank's ability to fulfil its obligations.

7. Litigation, legal risks and forms of assistance to clients

Lawsuits – total

As at 30 June 2025, Bank Ochrony Środowiska S.A. was:

- a claimant in 1,099 lawsuits for a total amount of PLN 263 million,
- a respondent in 2,177 lawsuits for a total amount of PLN 886 million.

As at 30 June 2025, the Bank was not involved in any material proceedings pending before any court, arbitration body or public administration authority where the amount of the Bank's liabilities or claims would represent at least 10% of the Bank's equity.

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

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.

From 1 January to 30 June 2025, the Bank entered into:

- 45 settlements under the Settlement Programme for PLN 5.8 million (before currency conversion),
- 303 individually negotiated settlements for PLN 50.3 million (balance at the date the loans were granted) and PLN 12.8 million (amount exceeding the disbursed principal).

As at 30 June 2025, the total amount of the provision for the legal risk of foreign currency-linked mortgage loans was PLN 700.4 million, of which PLN 459.0 million is presented as a provision for litigation and claims related to the legal risk of foreign currency mortgage loans, and PLN 241.4 million 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 826.5 million. 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.

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 million.

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. Based on this assessment, a provision of PLN 10.6 million was recognised.

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 in 2024, the Bank submitted two letters to UOKiK:

1. letter dated 25 November 2024, in which the Bank informed the President of UOKiK of measures taken in 2024 to improve the handling of unauthorised payment transaction reports and to enhance client 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 Bak,
   - 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 dated 19 December 2024, in which the Bank informed the President of UOKiK of the development of a new procedure for processing unauthorised transaction reports, aligned with 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).

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.

‘Free credit’ sanction

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 1,567.7 thousand.

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.

8. Changes in significant management policies

In the six months ended 30 June 2025, there were no changes in significant management policies at the Bank.

9. Information about dividend

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 capital reserves.

10. Value of security received by the Bank

Value of security created over borrowers' accounts or assets

As at the end of June 2025, the collateral value totalled PLN 19,360.2 million, of which the value of material collateral was PLN 13,065.2 million, or 67.5% of total collateral value. The primary form of material collateral remains real estate mortgages, valued at PLN 10,874.0 million, or 83.2% of total collateral value. Guarantees amounted to PLN 2,100.7 million, or 16.1%, while financial security instruments totalled PLN 90.5 million, or 0.7%.

11. Shareholding structure and rights attached to shares

11.1 Shareholders holding directly and indirectly 5% or more of total voting rights in the Bank

The following shareholders held at least 5% of the share capital and total voting rights:

- National Fund for Environmental Protection and Water Management – holding 53,951,960 shares, which represent 58.05% of the share capital and total voting rights.
- Polish Enterprises Closed-End Investment Fund for Non-Public Assets Management – holding 8,000,000 shares, which represent 8.61% of the share capital and total voting rights.
- Directorate General of State Forests Management – holding 5,148,000 shares representing 5.54% of the share capital and total voting rights.

The total number of shares and voting rights in BOŚ S.A. is 92,947,671. All shares are ordinary bearer shares with a par value of PLN 10 per share.

11.2. 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.

11.3. Agreements concerning future changes in the shareholding structure

The Bank is not aware of any agreements concerning future changes in the shareholding structure.

11.4. Holders of special control rights attached to securities

All shares of the Bank are equal and each share entitles the holder to one vote at the General Shareholders Meeting and the same dividend rights.

11.5. Limitations on the exercise of voting rights and transfer of share ownership

In accordance with the Bank's Articles of Association, in the event of pledging or granting the right to use a registered share, the pledgee and the pledgor are not entitled to exercise the voting rights. At present, there are no registered shares in the Bank's share capital.

11.6. Rules of amending the Articles of Association of the Bank

Amendments to the Articles of Association of the Bank are made by the General Meeting of the Bank. A resolution on amendments to the Articles of Association is passed by three-fourths of all votes.

12. Governing bodies

12.1. Supervisory Board of the Bank

Composition of the Supervisory Board as at 30 June 2025:

1. Adam Ruciński – Chair,
2. Artur Stefański – Deputy Chair,
3. Marzenna Sendecka – Secretary,
4. Jan Banasiński – Member,
5. Marcin Liberadzki – Member,
6. Marcin Likierski – Member,
7. Władysław Mańkut – Member,
8. Aleksandra Świderska – Member,
9. 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 the Bank:
- removed Wojciech Krawczyk from the Supervisory Board, and
- appointed Jan Banasiński to the Supervisory Board.

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

According to the assessment made by the Supervisory Board, as at 30 June 2025, Jan Banasiński did not meet the independence criteria due to his professional ties with the Bank over the past five years. All other members of the Supervisory Board were assessed as satisfying the independence criteria.

12.2. Management Board of the Bank

Composition of the Management Board as at 30 June 2025:

- 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.

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

There were no 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 BOŚ S.A.

13. Control systems deployed in financial reporting

The Bank applies various controls in order to ensure reliability and accuracy of financial reporting (i.e. the process of preparing financial statements). They are incorporated in the functionality of reporting systems and internal regulations, and include, among other things: ongoing validation and reconciliation of the reporting data with the accounting books as well as underlying analytical and other documents serving as a basis for the preparation of financial statements and the verification of requirements under generally applicable accounting and financial reporting laws and regulations.

The process of preparing financial statements is subject to a review, in particular for correctness of reconciliations and substantive analysis and for reliability of information. Full-year financial statements are reviewed by the Internal Audit Committee, approved by the Supervisory Board and authorised for issue by the Management Board of BOŚ S.A.

In addition, the Supervisory Board performs an annual review of the full-year consolidated financial statements of the BOŚ Group, full-year financial statements of the Bank and of the Directors' Report on the operations of the BOŚ Group prepared together with the Directors' Report on the operations of BOŚ S.A., for their conformity with the books, underlying documents and facts, in accordance with Article 382.3 of the Commercial Companies Code.

The role of the Internal Audit Committee (IAC) is to support the Supervisory Board through exercising direct supervision over the Bank's management system, in particular, the internal control system and the financial reporting and audit processes.

The IAC's duties include, in particular, the monitoring of:

- the financial reporting and sustainability reporting processes,
- the effectiveness of internal control and risk management systems, and of internal audit, including with respect to financial and sustainability reporting,
- financial audit activities, in particular audits of financial statements and sustainability reporting, taking into consideration all recommendations and findings of the Polish Audit Oversight Agency, related to the audit carried out at the audit firm.

14. Conflicts of interest at BOŚ S.A.

The Bank applies conflicts of interest management procedures, including the rules for preventing conflicts of interest. The Rules of Procedure of the Management Board and the Supervisory Board define the procedures for excluding members of these bodies from participating in discussions or decisions on matters involving a conflict of interest. Where a conflict of interest exists or may arise, the persons concerned are obliged to disclose this fact.

Moreover, the Bank applies internal regulations on acceptance of benefits or gifts that could influence the impartiality and neutrality of decisions concerning clients or entities cooperating with the Bank.

15. Remuneration policy at BOŚ S.A.

15.1. Executive compensation policy

To comply with the requirements set forth in the Regulation of the Minister of Finance, Development Funds, and Regional Policy dated 8 June 2021 regarding the risk management system, internal control system, and remuneration policy in banks, as well as in accordance with the provisions of Directive 2013/36/EU of the European Parliament and of the Council dated 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, Bank Ochrony Środowiska S.A. has implemented a Remuneration Policy. This policy, approved by the Supervisory Board, applies specifically to managerial positions that have a significant impact on the Bank's risk profile.

The Remuneration and Appointments Committee of the Supervisory Board gives its opinion on the Remuneration Policy, gives its opinion an and drafts rules of compensation of members of the Management Board, gives its opinion on the amount of variable remuneration for managers who have a significant impact on the Bank's risk profile, 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.

In compliance with the disclosure obligation outlined in Recommendation No. 30.1 of the PFSA Recommendation Z and the Remuneration Policy, the Bank hereby reports that the ratio of the average total gross remuneration of the Management Board members to the average total gross remuneration of other employees of the Bank in 2024 was 5.07. This ratio remained below the established threshold, as required.

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 six months ended 30 June 2025, no amendments were made to the Remuneration Policy.

In the reporting period, variable remuneration of seven individuals in managerial positions with a material impact on the Bank's risk that had been deferred in the form of phantom share was settled in cash. The payments totalled PLN 284 thousand, gross.

Severance compensation for members of managing bodies
Contracts concluded with the managers included severance compensation. In this regard, the following provisions were in effect:

- Where the contract with a manager is terminated by the Bank for reasons other than a breach of basic contractual obligations, the manager may receive compensation of up to three 3 times the fixed remuneration, provided that the manager performed the function for at least 12 months prior to such termination; Severance pay amount is set by the Supervisory Board, taking into account the workload, efficiency and performance in the last three years of holding the function as well as the effects of the services

performed and the financial results of the Bank and of the business line supervised by the manager concerned.
- Non-competition compensation (for refraining from direct or indirect involvement with a Bank's competitor) for a manager holding the function for at least three months is provided for in the amount of 100% of the fixed remuneration received directly prior to contract termination, payable for six months.

In the reporting period, the principles described above applied to five members of the Management Board.

15.2. Management Stock Option Plan and Employee Share Plan

There was no Employee Share Plan in place at the Bank in 2024 and in the six months ended 30 June 2025.

15.3. Bank's shares held by members of the Management Board and the Supervisory Board

Based on available information, no member of the Management or Supervisory Boards held any shares in the Bank or any of its related entities as at 30 June 2025.

15.4. Training and development

The Bank's growth relies heavily on employee development, which constitutes the organisation's core strength. The Bank continuously invests in enhancing the expertise and competencies of its workforce. This dedication is manifested through a comprehensive training and development policy.

The primary aims of the training and development initiatives conducted at the Bank are to:
- improve the knowledge and skills required to accomplish the objectives outlined in the Bank's strategy and the operational plans of various business segments;
- bolster initiatives focused on reinforcing an organisational culture grounded in the Bank's core values;
- foster the growth of managerial expertise and knowledge essential for modern and efficient leadership.

The range of completed training programmes is diverse, covering ecological initiatives, internal training sessions on product offerings and regulations, as well as highly specialised external training courses related to the Bank's business and functioning.

Soft skills training is also available, providing support to employees in their development and preparation for new roles within the organisation, which they may take up through internal recruitment processes. Through these development efforts, we are building a culture that is receptive to change and continuous learning.

Development tools

Bank employees appreciate having access to resources that help them expand their knowledge and develop their skills anywhere, anytime. To support this, the Bank provides tools such as:
- E-learning platform – used to deliver mandatory training required by regulations, as well as product-related training. The platform also serves as a repository for educational content, materials and recordings from past training sessions and webinars available to all employees.
- The Legimi digital library provides our employees with access to over 200,000 e-books and audiobooks.
- The Bank's intranet contains a knowledge base covering various subjects.
- Lex – Legal Information System – provides access to Polish legal acts.

In the six months ended 30 June 2025, a total of 1,690 participants took part in training programmes, including 578 participants in external training and 1,112 participants[1] in internal training.

Our development initiatives

[1] If an employee participated in multiple training sessions, they were counted multiple times.

The Bank is committed to enhancing the managerial and expert skills of its employees through ongoing development programmes, including:

- Welcome to the Green Team – our onboarding programme, designed to give new employees a positive first experience and help them integrate effectively. From day one, we provide structured information about the Bank, introduce experts from across the organisation and show, through their examples, what initiatives are worth getting involved in. New employees are supported by managers, their teams, and the wider Bank community in their first weeks. They are also offered onboarding training delivered by internal experts, along with e-learning courses on topics such as AML, cybersecurity, and GDPR. We emphasise efficiency through clear communication with the new hire and regular monitoring of the programme's quality.
- The Power Lies in Our Differences workshops – this team-based training utilises the DISC D3 methodology and is led by HR department experts who are certified in DISC D3. All certifications were funded by our organisation. The programme develops collaboration and communication skills, while encouraging teams to appreciate and leverage diversity. The training focuses on employee strengths, and also uses DISC D3 to analyse preferred team roles, values, and attitudes that support high-performing teams. In the six months ended 30 June 2025, workshops were delivered to sales teams in Business Centres.
- EduSfera – a recurring programme of internal training by employees for employees, promoting knowledge-sharing and the exchange of experience across different areas of the Bank. Topics cover both the Bank's operations and the development of practical skills that improve team performance.
- Sales Training – at the beginning of 2025, all sales managers took part in internal training on managerial skills, including Training On The Job. In the six months ended 30 June 2025, we also focused on strengthening expertise in financial analysis for corporate advisors and analysts.
- Internal Sales Academy – aimed at maintaining and developing sales knowledge of our product offering, processes, and systems. In the first half of 2025, training covered topics such as creditworthiness assessment, CRM, AFI, credit products, DEF3000, new EFI InvestEU guarantees, the May with Mortgages series, and customer service quality.
- Postgraduate studies – in the 2024/2025 academic year, 27 employees began postgraduate programmes in fields including project management, building energy auditing, ESG management, digital forensics, business analytics, risk management, service design, controlling and corporate finance, and management: data protection and cybersecurity fundamentals.

Industry training

Training content is tailored to the development needs of our employees and the specific nature of the Bank's operations. Sessions are delivered both internally, by our own staff, and externally, by independent experts.

E-learning

A total of 10,332 participants accessed the e-learning training library, with many individuals participating in multiple courses. Accordingly, the overall number of participants actively engaged with the e-learning training library amounts to 14,226. The Bank conducts e-learning training sessions on topics such as cybersecurity, AML (Anti-Money Laundering), customer service, product knowledge, system operations, GDPR (General Data Protection Regulation), and risk management.

Organisational culture

The Bank also undertakes initiatives and educational activities to foster a supportive work environment.
To guarantee the high quality of training delivered by the Bank, training programmes undergo continuous evaluation for effectiveness, participant satisfaction, knowledge acquisition, and are consistently enhanced.

16. 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.

VI. REPRESENTATION ON THE RELIABILITY OF FINANCIAL STATEMENTS

The Management Board of Bank Ochrony Środowiska S.A. represents that, to the best of its knowledge, the condensed interim consolidated financial statements of the Bank Ochrony Środowiska Group and the condensed interim financial statements of Bank Ochrony Środowiska S.A. for the six months ended 30 June 2025 have been prepared in compliance with the applicable accounting policies and give a true, fair and clear view of the assets, financial condition and financial performance of the Bank Ochrony Środowiska Group and Bank Ochrony Środowiska S.A., and that the Directors' Report on the operations of the Bank Ochrony Środowiska Group in the six months ended 30 June 2025 gives a true view of the development, achievements and condition of the Group and the Bank, and includes a description of key risks and threats.

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