

**REPORT
OF THE BANK OCHRONY ŚRODOWISKA
GROUP
FOR THE THREE MONTHS ENDED 31 MARCH
2025**

Warsaw, May 2025

Contents

FINANCIAL HIGHLIGHTS	3
SUMMARY OF THE FINANCIAL RESULTS OF THE GROUP	4
1. Macroeconomic situation	6
2. Factors that will affect the Group's performance	9
3. Development directions for the Bank	9
4. The Group's primary products, services and business areas	11
4.1. Expansion of banking business	11
3.2. Brokerage business	19
5. Selected operational data of the Group	22
6. Financial results of the Group	23
6.1. Statement of profit or loss	23
6.2. Assets of the Group	26
6.3. Total equity and liabilities of the Group	30
7. Key financial ratios	31
8. Capital management	31
9. Segment reporting	33
10. Pending proceedings and changes in the legal environment, including changes relevant to the housing loan portfolio	37
11. Events with a bearing on financial performance	42
12. Management Board's position on the feasibility of delivering on published forecasts	42
13. Seasonal or cyclical nature of the business	42
14. Issue, redemption and repayment of debt and equity securities	42
15. Information about dividend	42
16. Related party transactions	42
17. Credit repayment sureties and guarantees where the aggregate value of existing sureties or guarantees represents 10% or more of the issuer's equity	43
18. Shareholders holding, directly or indirectly, 5% or more of total voting rights in the issuer	43
19. Bank shares held by management and supervisory personnel	43
20. Other information which the issuer believes to be material to the assessment of its human resources, assets, financial standing, financial performance and changes thereto, and information which is material to the issuer	43
21. Supervisory Board	44
22. Management Board	44
CONDENSED INTERIM FINANCIAL STATEMENTS OF THE BOŚ GROUP	45
CONDENSED INTERIM FINANCIAL STATEMENTS OF BOŚ S.A.	53
I. Accounting policies applied in preparing the condensed consolidated interim financial statements of the BOŚ Group and the condensed interim financial statements of the Bank	59
1.1. Basis of preparation and statement of compliance	59
II. Fair value of financial assets and liabilities	61
III. Consolidated contingent liabilities and assets	63
IV. Organisation of the Group	63
V. Key events subsequent to the date of this report	64

FINANCIAL HIGHLIGHTS

GROUP	PLN thousand		EUR thousand	
Data from condensed consolidated interim financial statements of BOŚ Group	3 months ended 31 Mar 2025	3 months ended 31 Mar 2024	3 months ended 31 Mar 2025	3 months ended 31 Mar 2024
Interest and similar income	370,639	363,369	88,568	84,092
Fee and commission income	45,019	43,508	10,758	10,069
Gain (loss) on financial instruments measured at fair value through profit or loss (including amounts due from clients)	14,726	20,130	3,519	4,659
Gain (loss) on investment securities	0	0	0	0
Profit before tax	19,025	77,459	4,546	17,926
Net profit attributable to owners of parent	11,842	45,883	2,830	10,618

GROUP	PLN thousand		EUR thousand	
	31 Mar 2025	31 Dec 2024	31 Mar 2025	31 Dec 2024
Total assets	23,365,142	22,718,495	5,584,536	5,282,265
Amounts due to central bank and other banks	239,437	244,519	57,228	56,853
Amounts due to clients	19,632,571	19,100,807	4,692,409	4,441,119
Equity attributable to owners of parent	2,260,732	2,229,586	540,341	518,400
Common equity	1,461,036	1,461,036	349,204	339,705
Number of shares	92,947,671	92,947,671		
Capital ratio	15.75	17.23		

BANK	PLN thousand		EUR thousand	
Data from condensed interim financial statements of BOŚ S.A.	3 months ended 31 Mar 2025	3 months ended 31 Mar 2024	3 months ended 31 Mar 2025	3 months ended 31 Mar 2024
Interest and similar income	367,428	356,521	87,801	82,507
Fee and commission income	18,228	21,177	4,356	4,901
Gain (loss) on financial instruments measured at fair value through profit or loss (including amounts due from clients)	105	5,592	25	1,294
Gain (loss) on investment securities	0	0	0	0
Profit before tax	12,624	71,431	3,017	16,531
Net profit	8,651	44,536	2,067	10,307

BANK	PLN thousand		EUR thousand	
	31 Mar 2025	31 Dec 2024	31 Mar 2025	31 Dec 2024
Total assets	23,158,430	22,571,572	5,535,130	5,282,371
Amounts due to central bank and other banks	239,437	244,519	57,228	57,224
Amounts due to clients	19,743,860	19,193,059	4,719,009	4,491,706
Equity attributable to owners of parent	2,232,518	2,204,563	533,597	515,929
Common equity	1,460,364	1,460,364	349,044	341,766
Number of shares	92,947,671	92,947,671		
Capital ratio	15.61	17.49		

SUMMARY OF THE FINANCIAL RESULTS OF THE GROUP

Results of the Group

In the period from 1 January to 31 March 2025, the BOŚ Group earned a net profit of PLN 11.8 million, compared with PLN 45.9 million reported for the corresponding period of 2024. Net profit for the three months ended 31 March 2025 (similarly to the previous year) reflected the full annual contribution to the resolution fund of PLN 20.3 million, recognised in its entirety in the first quarter.

It should be noted that the strong result delivered in the three months ended 31 March 2024 was mainly attributable to the reversal of impairment losses amounting to PLN 14.1 million, whereas in the current year an additional PLN 17 million in impairment losses was recognised. The result from the Group's core operations, i.e. net interest income and net fee and commission income, was only slightly below the level recorded in the first quarter of 2024.

Key financial highlights of the BOŚ Group in the three months ended 31 March 2025:

- **2% increase in interest income;** In the period from 1 January to 31 March 2024, the BOŚ Group generated interest income of PLN 370.6 million, compared with PLN 363.4 million in the corresponding period of the year before,
- **3.5% increase in fee and commission income;**
- **2.8% increase in total assets:** by PLN 0.6 billion, to PLN 23.4 billion, in the three months ended 31 March 2025;
- **2.8% 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 15.03%;
- total capital ratio at 15.75%.

Selected items of the statement of profit or loss

SELECTED ITEMS OF THE STATEMENT OF PROFIT OR LOSS, PLN thousand	Q1 2025	Q1 2024	Change (%)
Net interest income	202,205	202,682	-0.2
Net fee and commission income	32,650	33,828	-3.5
Dividend income	2	12,065	-100.0
Gain (loss) on financial instruments	14,726	20,130	-26.8
Gain (loss) on foreign exchange transactions	49	-619	x
Net other income	-452	-108	318.5
Other income and expenses	-12,495	-2,192	470.0
Effect of legal risk of mortgage loans denominated in foreign currencies	-32,127	-50,440	-36.3
Net impairment losses	-17,077	14,136	x
Administrative expenses	-168,456	-152,023	10.8
Profit before tax	19,025	77,459	-75.4
NET PROFIT	11,842	45,883	-74.2

Between 1 January and 31 March 2025, the BOŚ Group generated net interest income of PLN 202.2 million, compared with PLN 202.6 million in the three months ended 31 March 2024.

In the first quarter of 2025, interest income rose by PLN 7.3 million, or 2%, year on year. Higher interest income was achieved on investment debt securities and on cash and cash equivalents. The main driver of this growth was an increased volume of securities resulting from temporary investment of funds raised through the expanded deposit campaign. Amounts due to clients increased by PLN 2 billion (11.7%) relative to 31 March 2024.

Total interest expense went up by PLN 7.7 million relative to the three months ended 31 March 2024. The Bank offered term deposits to clients with terms reflecting the decline in interest rates. The interest rates on selected deposit products positioned the BOŚ offering as a market leader compared with other banks.

The Group's net fee and commission income was PLN 32.7 million, representing a year-on-year decrease of PLN 1.2 million. The decline was attributable to a higher growth rate of fee and commission expenses than of related income.

The growth in the BOŚ Group's fee and commission income was PLN 1.5 million. An increase was recorded in fee and commission income from brokerage services – up by PLN 4.8 million (21.1%). However, it was accompanied by lower income from client account service fees and fees for other settlement transactions, as well as fees and commissions from guarantees, letters of credit and credit facilities. Fee and commission expense went up by PLN 2.7 million, reflecting mainly an increase in brokerage fees.

Gain (loss) on financial instruments measured at fair value through profit or loss was booked at PLN 14.7 million, compared with PLN 20.1 million in the same period of 2024.

The effect of legal risk of mortgage loans denominated in foreign currencies was PLN -32.1 million, compared with PLN -12.8 million in the three months ended 31 March 2024. The decrease resulted from the high level of provisioning for the CHF loan portfolio.

In the three months to 31 March 2025, net impairment losses were PLN -17.0 million, compared with PLN 14.1 million in the first quarter of 2024. The negative net impairment losses were mainly attributable to the recognition of provisions in the corporate portfolio.

Administrative expenses of the Group increased by PLN 16.4 million relative to the same period of 2024. The largest increase of PLN 11.2 million was seen in employee benefit expense, due primarily to salary and wage adjustments to market levels for individual positions within the Bank, higher headcount, and provisions recognised for bonuses. Another significant driver of administrative expenses were material costs, which increased by PLN 3.2 million. Depreciation and amortisation charges went up by PLN 2.0 million.

The Bank continuously implements measures to optimise administrative expenses, 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 enables the Bank 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.

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 three months ended 31 March 2025.

The annual contribution to the resolution fund for 2024 amounted to PLN 19.9 million.

Provision for the legal risk of foreign currency mortgage loans. Settlement Programme

As at 31 March 2025, the provision for foreign currency-linked mortgage risk amounted to a total of PLN 721.8 million, of which PLN 242.8 million is presented as a provision for litigation and claims for legal risk related to foreign currency mortgage loans, and PLN 478.9 million – as an adjustment to the gross carrying amount. The amount of the provision for foreign currency-linked mortgage risk as at 31 December 2024 was PLN 761.8 million.

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 and modifying the incentive scheme to reflect the number of settlement agreements signed.

In the three months ended 31 March 2025, the Bank entered into 196 settlement agreements. Relative to the fourth quarter of 2024, this represents an increase of 104, from 92. In 2024, the number of settlement agreements totalled 414, of which 204 were concluded under the Settlement Programme.

Financial ratios

FINANCIAL RATIOS	Q1 2025	2024	Change in percentage points
Return on capital (ROE)	2.1	3.6	-1.5
Return on assets (ROA)	0.2	0.4	-0.2
Interest margin on total assets	3.8	3.7	0.1
Risks costs	-0.5	-0.3	-0.2
Costs/income (C/I)	63.2	59.7	3.5
Tier 1 capital ratio	15.03	16.43	-1.40
Total capital ratio	15.75	17.23	-1.48

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 31 March 2025, the Bank and the Group met the applicable capital standards. The BOŚ Group's common equity Tier 1 capital ratio was 15.03%, and the total capital ratio (TCR) was 15.75%. The change in the Bank's capital adequacy ratios was influenced by the application, 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).

1. Macroeconomic situation

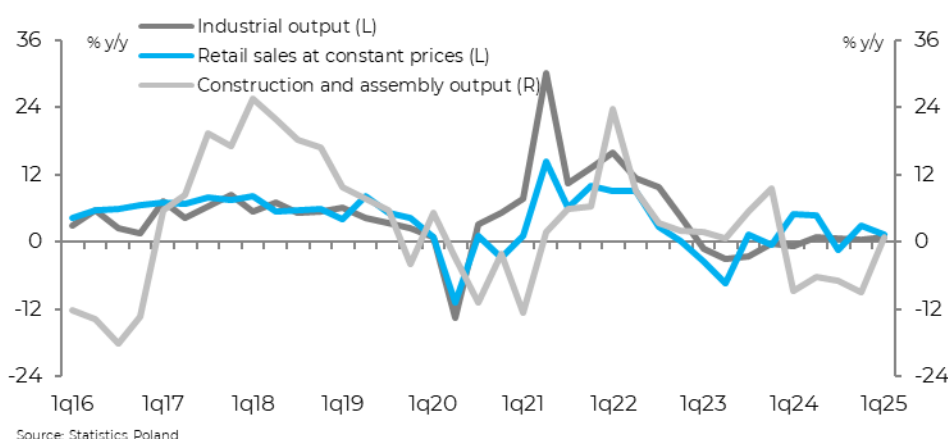
In the first quarter of 2025, the United States introduced a series of newly increased tariffs on imported goods. A particularly sharp escalation in trade tensions occurred between the United States and China, resulting in reciprocal tariffs exceeding 100% by the end of April (with the exception of certain categories of imported goods entering the US). With respect to other countries, the administration of President Donald Trump announced in early April a general additional tariff rate of 10%, as well as supplementary differentiated tariffs targeting individual US trade partners. However, these measures were suspended a few days later for a period of 90 days. Additionally, the US imposed broadly applicable tariffs on certain categories of products, including steel, aluminium, and automobiles. The trade policy pursued by the United States since the beginning of Donald Trump's term is widely regarded (by institutions such as the International Monetary Fund and major central banks) as a significant source of risk to global economic activity.

In the first quarter of 2025, the US Gross Domestic Product declined by 0.3% quarter on quarter on a seasonally adjusted annualised rate (SAAR) basis, compared with an increase of 2.4% in the fourth quarter of 2024. In the euro area, the pace of economic growth slightly accelerated to 0.4% quarter on quarter, from 0.2% in the fourth quarter of 2024. Meanwhile, in China, GDP growth remained unchanged from the last quarter of 2024, at 5.4% year on year.

Amid elevated uncertainty stemming from trade protectionism, major central banks adopted a cautious stance with respect to their monetary policies in the first quarter of 2025. The Federal Reserve refrained from further monetary easing and maintained the federal funds rate at 4.50% throughout the quarter. By contrast, the European Central Bank (ECB) implemented two interest rate cuts during the first quarter (each by 25 basis points), bringing the deposit facility rate down to 2.50% at the quarter's end. A further 25 basis point rate cut by the ECB followed in April, reducing the deposit rate to 2.25%. Following the April decision, the ECB President reinforced the data-dependent nature of the Bank's future decisions, citing the uncertain macroeconomic environment.

In Poland, data for the first quarter of 2025 indicated a stabilisation of the economic activity growth at a moderate level. Retail sales increased by 1.4% year on year, marking a slowdown compared with the 3.0% year-on-year growth in the fourth quarter of 2024. This deceleration was attributable to the weakening growth in household incomes and a calendar effect associated with the shift of the public holiday season. The year-on-year growth in manufacturing output in the first quarter of 2025 was 0.9% (compared with 0.5% in the previous quarter), indicating persistent stagnation in the industrial sector. Meanwhile, construction and assembly output increased by 0.8% year on year, following a sharp decline of 9.0% year on year in the fourth quarter of 2024. However, this improvement was primarily the result of a low base effect from the previous year.

Production and retail sales dynamics in Poland



According to data from the National Bank of Poland (NBP), in the first quarter of 2025 total deposits in the banking sector grew by 11.6% year on year, compared with a 10.0% year-on-year increase recorded in the fourth quarter of 2024. The balance of household deposits rose by 10.1% year on year, following a 0.8% increase in the last quarter of 2024, while the balance of corporate deposits grew by 5.9% year on year, compared with 3.9% in the fourth quarter of the year before. In the first quarter of 2025, the year-on-year growth rate for total loan balances remained at the same level as in the fourth quarter of 2024, at 5.3%. The balance of corporate loans went up by 3.0% year on year, following a 5.4% increase in the fourth quarter of the year before. The balance of housing loans increased by 2.1% year on year (including a 6.5% increase in PLN-denominated loans and a 24.0% decline in foreign currency loans), compared with a 3.3% increase in the fourth quarter of 2024. Meanwhile, the balance of consumer loans grew by 6.3% year on year, up from 6.0% in the last quarter of 2024.

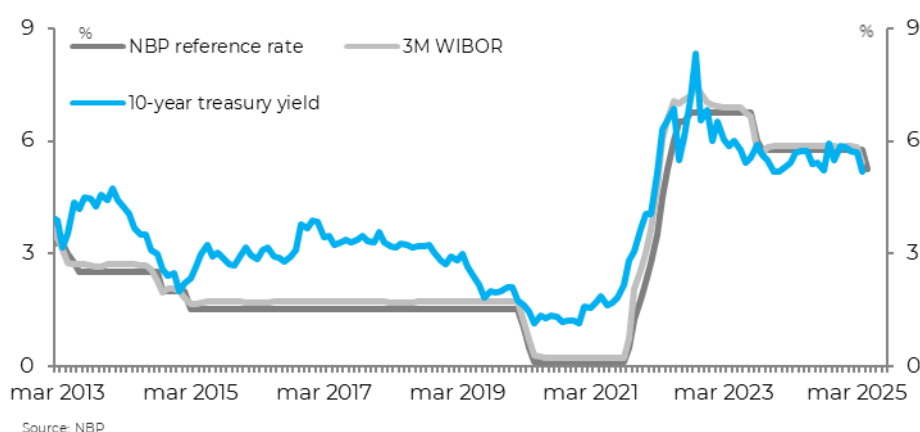
In the first quarter of 2025, the average annual growth in consumer prices (CPI) slightly increased to 4.9% year on year, compared with 4.8% in the fourth quarter of 2024. The rise in inflation was primarily driven by an acceleration in food and energy price growth. By contrast, core inflation declined from 4.0% in December 2024 to 3.6% in both February and March 2025.

In the first quarter of 2025, the Monetary Policy Council (RPP) maintained stable interest rates, including the NBP reference rate at 5.75%. Following its April meeting, the RPP signalled improved inflation prospects, pointing to lower-than-expected inflation in the first quarter and a weakening pace of wage growth. In this context, the NBP President and certain members of the Monetary Policy Council hinted at a possible policy easing in the coming months. With heightened expectations of NBP rate cuts, the 3M WIBOR rate, which had remained stable throughout the first quarter (ending March at 5.84%, unchanged from the end of 2024), went down to 5.48% at the end of April. During its meeting on 6–7 May, the RPP cut NBP interest rates by 50 basis points, bringing the benchmark rate down to 5.25%.

In the first quarter of 2025, government bond yields in core markets experienced heightened volatility due to a wide range of factors: variable expectations regarding global economic activity, uncertainty about future monetary policy paths to be followed by major central banks, doubts concerning inflation and growth prospects in the context of unstable international trade relations, and the potential for significant fiscal loosening in Germany. Specifically, diminished confidence in US Treasuries as safe-haven assets triggered an upward pressure on their prices and contributed to a weakening of the US dollar.

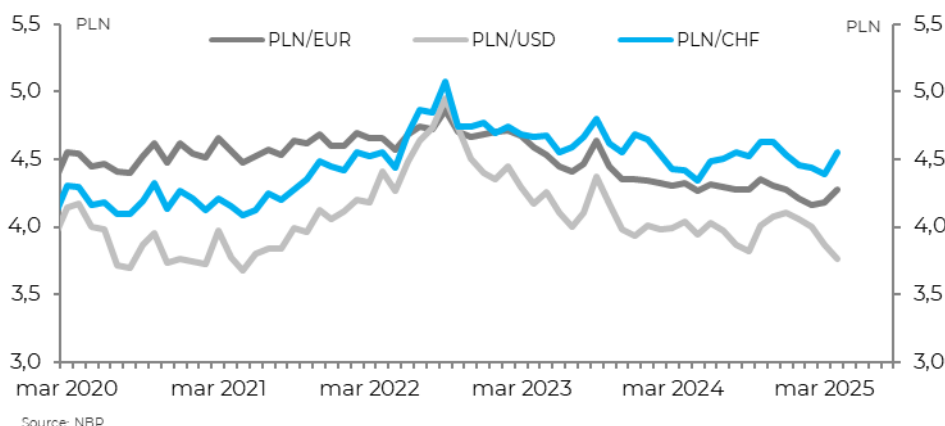
In the Polish market, government bond yields fluctuated over the first quarter of 2025 mainly in response to movements in core bond markets, generally following a sideways trend. At the end of March 2025, the yield on 10-year Polish government bonds declined to 5.71%, from 5.87% at the end of 2024. In April, following a more dovish message from the Monetary Policy Council, yields on Polish treasuries declined significantly, with 10-year bond yields falling to 5.18% at the month's end.

Interest rates in Poland



In the first quarter of 2025, the Polish złoty appreciated by 3.15% against the currency basket compared with December 2024. April, however, brought a slight downward correction, with the złoty weakening by 0.3%. This movement was driven by increased risk aversion across international markets in response to the further tightening of US trade policy and the signal from the NBP President regarding an imminent prospect of monetary policy easing by the RPP. As at the end of April, the exchange rate of the złoty against the euro stood at PLN 4.28/EUR, representing a slight depreciation of 0.1% compared with the end of 2024, and against the Swiss franc – at PLN 4.56/CHF, a depreciation of 0.4% over the same period. Conversely, against the US dollar, the złoty strengthened by 8.28% in the first four months of the year compared with December 2024, reaching a level of PLN 3.76/USD, as a result of a marked depreciation of the dollar against other major currencies.

PLN exchange rates



2. Factors that will affect the Group's performance

The Group's business in 2025 will be affected by 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 and ongoing military conflict between Russia and Ukraine.

Key potential impacts of these risks include:

- downturn in the economic performance 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 economic uncertainty 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 that will affect the Bank's performance include the continued legal risk related to foreign currency mortgage loans, as well as the risk associated with 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.

3. 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 finance provision and assessment of environmentally beneficial investment projects, as well as strong 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, the Bank 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 ratio at 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 of 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 banks, developing a syndication process which resulted in the first transactions being concluded during the first quarter 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 expanded its cooperation with financial partners. For example, in the first quarter of 2025, the Bank expanded its existing cooperation with KUKI (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 loan value, thereby reducing the use of the bank limit granted to a business client. 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 provisioning costs.

In terms of product offerings, 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 Warsaw, Białystok, Poznań and Szczecin Province. As at 31 March 2025, the total amount of BGK funds administered by the Bank was approximately PLN 170 million. The Bank continues to participate in tenders covering other regions. Responding to client needs, BOŚ is also expanding its range of transaction and treasury banking services.

Additionally, the Bank 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, efforts were made to shorten the time to credit decision for SME and micro-enterprise clients. In the first quarter of 2025, work continued on process automation, having already enabled automated registration of insurance policies along with proof of payment. The Bank also implemented a fully remote option for opening savings accounts, launched in February 2025 (the 'Cyfrowy Zysk' account). This tool will be deployed to offer fully remote access to additional banking products.

The Bank continued activities aimed at enhancing security and streamlining access management. In the first quarter of 2025, the Identity Management (IDM) system was launched to automate access control.

In the same period, a new client segmentation model was approved, establishing two business areas: a) Corporate, and b) SME, Micro-Enterprise and Retail.

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

4.1. 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 significant 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 (WFOŚiGWs). The Bank's offering complements the priority programmes implemented by NFOŚiGW and WFOŚiGWs. The collaborative partnerships include the My EV and Clean Air programmes run by the Bank.

As the first bank in Poland, Bank Ochrony Środowiska launched lending activities under the banking path framework of the Clean Air government programme on 6 July 2021.

On 28 November 2024, the Management Board of NFOŚiGW passed a resolution to temporarily suspend the call for applications under the programme. Following the programme's reform, the non-banking path application process resumed in March 2025, and, according to arrangements with NFOŚiGW, applications under the banking path framework are expected to be accepted from the second half of 2025.

In addition, BOŚ collaborates with NFOŚiGW in the My EV programme. The Bank has six active cooperation agreements concluded in previous years with WFOŚiGWs, which focus on the provision of preferential loans for environmental protection and water management projects. The preferential terms include below-market interest rates on loans or subsidies for loan principal or interest repayments. 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 'My EV' Priority Programme on 8 September 2021. The purpose of the programme is to support the purchase of zero-emission vehicles. The amount available for subsidies towards leases of zero-emission vehicles administered by the Bank was PLN 660 million. The period for concluding grant agreements with beneficiaries was set for 2021–2025, with fund disbursement scheduled until 30 June 2026.

As at 31 March 2025, 29 leasing companies had entered into cooperation agreements with the Bank. The list of collaborating companies is available at <https://www.bosbank.pl/moj-elektryk>.

Between 6 December 2021 and 31 December 2024, the Bank received over 21.8 thousand applications for a total amount of PLN 700.47 million. This translates into an average of 153 applications per week. Between 1 January and 31 December 2024, the Bank received over 7.1 thousand applications for an aggregate amount of PLN 206.2 million.

According to an announcement issued by NFOŚiGW, on 31 December 2024 the submission of new applications for zero-emission vehicle leasing subsidies under the programme was closed.

Since the launch of the programme until 31 December 2024, the Management Board of NFOŚiGW approved 142 collective applications relating to subsidies for 21,242 vehicles. The total amount of subsidies under approved applications reached PLN 681.87 million, which means that BOŚ used up all the funds made available by NFOŚiGW for 2021–2025.

As at 31 March 2025, the Bank signed subsidy agreements in respect of 19,370 applications for an amount of PLN 628.04 million.

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:

- energy retrofitting bonus, amounting to 26% of the energy retrofitting project budget (with the possibility of increasing the bonus to 31% if renewable energy sources (RES) are used, or by utilising the TERMO grant for up to 10% of the energy retrofitting costs),
- renovation bonus, amounting to 25% of the renovation project budget.

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).

In the first quarter of 2025, BOŚ advanced 16 loans with the BGK bonus totalling approximately PLN 3.4 million.

ELENA grant

Pursuant to Agreement No. ELENA-2019-157 signed between the Bank and the European Investment Bank (EIB) in February 2022 under the ELENA initiative, the Bank received a grant of EUR 2.59 million. The agreement remains in effect until 28 February 2026.

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 total estimated value of projects (implemented by local government units, housing cooperatives/housing communities and SMEs) reportable to EIB is over PLN 130 million, i.e. about 50% of the target value set out in the agreement with EIB.

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).

The FENG environmental credit is a facility for companies aiming to modernise their infrastructure (e.g. buildings, machinery and equipment). The effect of such modernisation must be a reduction of primary energy consumption in the modernised area by at least 30% compared to current consumption. The product is designed for the SME sector as well as small mid-cap and mid-cap enterprises.

On 26 September 2024, BGK announced the third call for funding applications, due to last from 17 October 2024 to 3 February 2025, with the minimum amount of eligible project costs set at PLN 2 million.

In the third call, a total of 10 conditional agreements and commitment letters were signed for an aggregate amount of PLN 53.37 million. Applications for green bonuses are currently under evaluation by BGK.

By the end of 2024, 31 support agreements had been signed, under which ELENA grants totalling PLN 3.86 million were provided to local government units and businesses. These agreements will facilitate the development and launch of 31 projects, valued at about PLN 130 million.

In addition, by the end of 2024, PLN 614,927.76 thousand had been spent to reimburse costs incurred by housing cooperatives and housing communities – all these investments are financed by the Bank through loans with the BGK bonus.

The total estimated value of projects (implemented by local government units, housing cooperatives/housing communities and SMEs) reportable to EIB is over PLN 130 million, i.e. about 50% of the target value set out in the agreement with EIB.

By the end of 2024, two RES loans had been advanced for a total amount of PLN 4.11 million.

EU loans financed under the European Funds for the Lublin Province 2021-2027 Programme

RES loans (Lublin Province)

On 23 January 2024, BOŚ signed an Operational Agreement with BGK for the implementation of the 'Loan for Supporting Renewable Energy Sources in the Lublin Province' Financial Facility. Under the Agreement, BOŚ acts as the Financing Partner and provides loans financed from BGK funds (PLN 50 million) and the Bank's own funds (PLN 12.5 million). Entities eligible for support include local government units, municipal companies, hospitals, schools, housing cooperatives, housing communities, and institutions of culture. RES loans may be granted until 26 March 2026.

By the end of April 2025, three RES loans had been advanced for a total amount of PLN 4.66 million.

Enterprise EE loans (Lublin Province)

On 9 August 2024, BOŚ signed an Operational Agreement with BGK for the implementation of the 'Enterprise EE Loan' Financial Facility. Under the Agreement, BOŚ acts as the Financing Partner and provides loans financed from BGK funds (PLN 65 million) and the Bank's own funds (PLN 7.22 million). Entities eligible for support include micro-enterprises, small enterprises and municipal companies. Enterprise EE loans may be granted until 30 October 2026.

Multi-family building energy retrofit loans (Białystok Province)

On 29 November 2024, BOŚ signed an Operational Agreement with BGK for the implementation of the 'Multi-Family Building Energy Retrofit Loans for the Białystok Province' Financial Facility. Under the Agreement, BOŚ acts as the Financing Partner and provides loans financed from BGK funds (PLN 35 million) and the Bank's own funds (PLN 2.63 million). Entities eligible for support include local government units, housing cooperatives, housing communities, social housing associations and municipal companies. Multi-family building energy retrofit loans may be granted until 4 February 2028.

Enterprise RES loans (Wrocław Province)

On 19 December 2024, BOŚ signed an Operational Agreement with BGK for the implementation of the 'Enterprise RES Loans for the Wrocław Province' Financial Facility. Under the Agreement, BOŚ acts as the Financing Partner and provides loans financed from BGK funds (PLN 35 million) and the Bank's own funds (PLN 1.84 million). Entities eligible for support include enterprises (SMEs and large corporates), municipal companies, energy cooperatives, energy clusters and civil energy communities. Enterprise RES loans may be granted until 6 March 2027.

Enterprise EE loans (Kraków Province)

On 31 December 2024, BOŚ signed an Operational Agreement with BGK for the implementation of the 'Enterprise EE Loans for the Kraków Province' Financial Facility. Under the Agreement, BOŚ acts as the Financing Partner and provides loans financed from BGK funds (PLN 25 million) and the Bank's own funds (PLN 1.41 million). Entities eligible for support include micro-enterprises and small enterprises. Enterprise EE loans may be granted until 20 August 2026.

JESSICA initiative

JESSICA loans were financed with EU funds under the regional operational programmes of the 2007-2013 edition. BOŚ disbursed as loans all funds administered by the Bank under the programme. The Bank's role is to passively manage the loan portfolio.

The Bank has acted as the administrator of the Urban Development Fund in the following provinces:

- Szczecin Province, excluding the Szczecin Metropolitan Area – since 2010;
- Gdańsk Province, excluding Tricity – since 2011;
- Katowice Province – since 2011.

Status as at 31 March 2025:

- 53 loan agreements signed for a total amount of PLN 422.23 million,
- Principal repaid PLN 299.08 million, with the current outstanding balance of PLN 123.15 million.

The Bank is compensated for the processing and administration of JESSICA loans. The fee received in the first quarter of 2025 for managing the JESSICA Initiative was PLN 0.25 million.

JEREMIE initiative

Since 2017, BOŚ S.A. has been acting as a Financial Intermediary for the JEREMIE II Initiative in the Szczecin Province. The programme is administered on behalf of the Szczecin Province by Zachodniopomorska Agencja Rozwoju Regionalnego S.A. (ZARR S.A.).

The disbursed loans were funded by the Regional Operational Programme for the Szczecin Province 2007-2013. BOŚ was selected to act as an intermediary in a competitive process announced by BGK.

In August 2018, the implementation of the facility was concluded. BOŚ S.A. contracted 100% of the funds for qualifying projects, amounting to a total of PLN 65.35 million, including the Bank's own funds of PLN 32.7 million. The outstanding balance as at 31 March 2025 was PLN 43.72 million (with PLN 21.86 million owed to both BOŚ and ZARR S.A.).

The Bank is compensated for the administration of JEREMIE loans. In the first quarter of 2025, it received a management fee of PLN 0.12 million.

BGK portfolio guarantees

Value and number of new portfolio guarantees issued by BGK and the utilisation of limits as at 31 March 2025:

BGK portfolio guarantees – active

(PLN thousand)	DE MINIMIS guarantee	Biznesmax Plus guarantee	Ekomax guarantee	Investmax guarantee	Clean Air (Czyste powietrze) guarantee
Allocated limit	700,000 (revolving limit)	150,000 90,000 – Investment loans, 60,000 – Working capital facilities	80,000	70,000 SMEs 10,000 Micro-Enterprises	38,800
Availability period	30 Apr 2025	30 Apr 2025	30 Apr 2025	30 Apr 2025	31 May 2025
Limit utilisation as at 31 Mar 2025	540,147	44,229: 4,419 – Investment loans 39,810 Working capital facilities	954	38,650 SMEs 320 Micro-Enterprises	32,772
Limit remaining	159,853	105,771: Investment loans – 85,581 Working capital facilities – 20,190	79,046	41,030 31,350 SMEs 9,680 Micro-Enterprises	6,028
Amount and number of new guarantees issued in the first quarter of 2025	73,838 (53)	6,160 (2) Investment loans 2,160 (1) Working capital facilities 4,000 (1)	0 (0)	16,016 (5) SMEs 320 (3) Micro-Enterprises	0 (0)

Based on BGK-Zlecenia

In the period from 1 January to 31 March 2025, clients of the Bank who utilised the Biznesmax FG POIR Guarantee submitted two applications for interest subsidies, for a total amount of PLN 1.1 million. The subsidies were disbursed to the clients (the guarantees were available until 31 December 2023).

KUKE guarantees

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.

Corporate clients

BOŚ S.A. offers a comprehensive suite of financial products, including settlement, deposit, and lending services, which can be customised to meet the needs of specific 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, and the 'Konto Elastyczne' account dedicated to micro-enterprises and housing communities.
- 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.

The Bank also has a separate offering of bank accounts for institutional clients who are sole traders. The product meets the requirements of the Act Amending Certain Acts to Reduce Regulatory Burdens of 31 July 2019 (the 'Act on Reduction of Regulatory Burdens'), which instituted the category of an entrepreneur-consumer.

Credit products for corporate clients

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

- supporting sustainable development,
- financing environmental sustainability projects and supporting eco-innovation,
- providing comprehensive lending services,
- adopting an individualised approach to each client.

The Bank actively supports institutional 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 CO₂ 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.

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 also conducts transactions in a syndicated loan format in partnership with other banks, enabling it to serve the needs of more demanding corporate clients.

BOŚ has a comprehensive credit offering for local government units (LGUs), which includes investment loans, working capital facilities for efficient budget management, and municipal bonds.

In the area of lending products:

- The Bank implemented a centralised financing process for LGUs 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 aimed to implement the EU Regulation concerning benchmark rates – WIBOR, LIBOR, EURIBOR, including through participation in the National Working Group developing measures to replace WIBOR with substitute rates.
- 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/Corporate segment clients.

Factoring

BOŚ S.A. uses 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 first quarter of 2025, the total turnover under factoring transactions at the Bank reached PLN 1.25 billion, representing an 11% increase compared with the same period of 2024. Factoring services were provided by BOŚ S.A. to 3 thousand clients, with 10 thousand invoices purchased.

Retail clients

The Bank's portfolio for retail clients encompasses all essential products and services available on the Polish banking market, including bank accounts, payment solutions, payment cards, options for managing surplus funds, electronic banking services, and lending products. Additionally, it offers an extensive selection of green financial products designed to support environmentally-friendly solutions, as well as services tailored for VIP clients, managed by dedicated account managers. With respect to payment cards, the Bank continued to offer editions of debit cards with images of protected species, by way of which the Bank intends to draw clients' attention to the endangered species of wild animals in Poland as well as wider environmental issues.

BOŚ also maintained its new funds deposit product, available both at the Bank's branches and via electronic and mobile banking platforms. Clients benefit from an attractive interest rate in exchange for depositing new funds into an account held with BOŚ S.A. The deposit is non-renewable, denominated in the Polish złoty, and can be placed for 3, 6, or 12 months.

Deposit products for retail clients

The Bank's activities in the area of deposit products for retail clients focused on:

- continuously adapting to the changing market environment through regular market analysis and adjustment of interest rates and product terms in line with competitor offerings,
- maintaining the balance of deposits as needed to meet the Bank's liquidity needs,
- running periodic promotional campaigns offering higher interest rates for new funds.

The key deposit products for retail clients were:

- checking accounts, including 'Konto bez Kosztów', 'Konto VIP PLUS' and 'Konto PRP' accounts,
- savings accounts, also available in foreign currencies (EUR, USD, GBP, CHF),
- new funds deposit, as well as standard term deposits and negotiated term deposits.

The Bank focused on building retail deposit balances by promoting the new funds deposit product. A distinguishing feature of most editions of this deposit product was the lack of a maximum cap – the deposit amount could correspond to the full value of new funds held with BOŚ S.A.

In the first quarter of 2025, the Bank launched a new, convenient method for opening accounts online via the BOŚBank24 mobile application. This digital channel for deposit acquisition enables fully remote client onboarding. Through this channel, the client opens a savings account along with access to online banking, which serves as a basis for broadening the client relationship through cross-selling opportunities. The client gains access to term deposits and the ability to apply for a checking account.

The Bank's other activities with respect to checking accounts focused on maintaining a transparent offering by retaining the following checking accounts: 'Konto bez Kosztów' fee-free account, 'Konto VIP' account, 'Konto PRP' account and 'Konto Oszczędnościowe' savings account in five currencies: PLN, EUR, USD, GBP and CHF.

Credit products for retail clients

In the first quarter of 2025, the Bank conducted a number of promotional campaigns targeting retail clients to support the sales of cash loan products:

- For environmental purposes:
 - 'Green Loan' (Pożyczka zielona) – a promotional cash loan offer, available from 1 March 2025 through 30 June 2025, offered to finance investments across five categories of green projects:
 - renewable energy sources,

- energy efficiency/energy retrofitting,
- waste management,
- water management/small retention,
- eco-vehicles.
- For use on any personal expenditure:
 - ‘Flexible Loan’ (Pożyczka elastyczna) – a promotional cash loan offer, running from 1 March 2025 until 30 June 2025, tailored to cater to clients’ immediate personal spending needs.
 - The Bank’s regular offerings include the EkoKredyt PV loan for retail clients. Funds from this loan may be used to finance:
 - the purchase and installation of brand new photovoltaic systems or refinancing the acquisition of a new system,
 - the purchase and installation of energy storage systems,
 - the purchase and installation of home charging stations,
 - the purchase and installation of heat pumps.

The Bank's regular offerings also include mortgage loans for Large Family Card holders, who are exempted from the arrangement fee or 50% of the arrangement fee with the margin reduced by 0.1 percentage point relative to the standard margin.

The offer targets employees of:

- banks,
- insurance companies,
- brokerage houses,
- fund management companies,
- other financial sector institutions.

The most recognisable mortgage product offered by BOŚ is the Ekologiczny Kredyt Hipoteczny green mortgage loan. The Bank was also engaged in day-to-day management of the Bezpieczny Kredyt K2% housing loan portfolio, fulfilling the reporting obligations towards BGK and the Ministry of Finance.

In response to client expectations and the fast changing market conditions, as of 26 March 2025 the Bank introduced a new mortgage loan pricing model. Eligibility for the new model requires an active checking account with BOŚ S.A. with minimum monthly inflows of PLN 6,000. In addition, the Bank offers a stock exchange loan designed for individuals with an investment account at Dom Maklerski BOŚ S.A. (DM BOŚ, BOŚ Brokerage House). The loan can be used to:

- buy securities via Dom Maklerski BOŚ S.A.
 - in organised markets,
 - in primary market or in initial public offerings,
 - in special cases – repay a stock exchange loan previously granted by BOŚ S.A.,
- refinance securities previously bought with the borrower's own funds.

With respect to this loan, the product regulations were reviewed, and updates were made to the loan origination, administration and monitoring process.

Credit products for micro-enterprises and housing communities

The Bank’s regular offering also includes loan products, including green loans, specifically designed for micro-enterprises, including sole traders using simplified accounting, as well as housing communities. In November 2024, the Bank launched dedicated financing for clients who represent the professional services sector. As part of this credit product, financing terms can be customised to individual client needs and personalised pricing conditions are available depending on the scope of the client relationship.

As of 24 March 2025, the Bank also introduced a special pricing promotion for housing communities.

1. Promotional terms include:

- a) a fixed minimum Bank margin of 1.3%, regardless of the chosen loan term (the loan interest rate is determined as the sum of the 6M WIBOR rate and the Bank margin), and
- b) a reduced arrangement fee, with a minimum of 0.4% of the granted investment financing amount.

2. If the investment financing granted under the promotional terms is repaid or partially prepaid within 10 years from the date of the loan agreement, the Bank will charge a minimum prepayment fee of 0.6% of the repaid amount (exception: the fee does not apply if the early repayment is made with funds received as a BGK bonus, grant, or any other subsidy obtained independently by the client to co-finance the investment financed by BOŚ).

Insurance products and additional services

The Bank provides insurance products as additional offerings alongside its banking services. Currently, the Bank's clients are offered eco equipment insurance and insurance packages for payment card holders. BOŚ S.A. acts as an insurance agent but also offers insurance cover as an insurer,

focusing mainly on green insurance products. In partnership with PZU S.A., the Bank offers a specialised insurance product called *Ubezpieczenie urządzeń eko* (eco equipment insurance). This cover is designed for a variety of eco-friendly installations and devices, including photovoltaic systems (complete with car chargers and batteries), solar thermal installations, central heating boilers, heat pumps, and hybrid heating systems.

The Bank offers a variety of services complementing its range of banking products, including 'Mecenas Direct', a legal assistance service for personal account holders, providing professional legal support via remote communication tools.

3.2. Brokerage business

Market conditions on the Warsaw Stock Exchange (WSE) during the first quarter of 2025 were favourable for investors, particularly in the segment of high-risk investment assets. Throughout the quarter, all major stock indices recorded strong growth rates, with the broadest domestic index, Wig, rising by 20.58%. The activity of Dom Maklerski BOŚ S.A. (DM BOŚ, BOŚ Brokerage House) on the regulated market of the Warsaw Stock Exchange increased, primarily in equity trading. On the equity market, the turnover realised by DM BOŚ in session trades rose both year on year and quarter on quarter (by 35.5% and 55.8%, respectively). On the futures market, its turnover was 5.1% lower year on year but 8.4% higher quarter on quarter. In addition, an increase was recorded in DM BOŚ's activity on the ETF market, with volumes rising by 63.9% year on year and 64.0% quarter on quarter. On the NewConnect market, its turnover rose compared with the previous quarter (+40.8%), but decreased relative to the first quarter of the year before (-41.0%).

In the first quarter of 2025, DM BOŚ had a market share of 2.19% in session trades on the equity market, 12.85% – on the futures market, 18.42% – on the NewConnect market, and 45.72% – on the ETF market. Accordingly, DM BOŚ maintained its position as the leader of the NewConnect and ETF markets.

In the first quarter of 2025, DM BOŚ participated in the public offering of Diagnostyka S.A., the only company to float its shares on the WSE regulated market during that 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 syndicate for six issues carried out by five issuers, raising a total of PLN 1,133.04 million. In the municipal bond segment, DM BOŚ arranged four bond series issues during the first quarter, totalling PLN 6.75 million, for two local government units. Additionally, 18 offerings were in the pipeline, with decisions scheduled for the beginning of the second quarter.

In the first quarter of 2025, DM BOŚ continued to record significant growth in the number of managed investment accounts. The total number of accounts opened during the period reached 4,510, compared with 3,502 in the corresponding period of the previous year. The majority of new accounts were brokerage accounts registered with the Central Securities Depository of Poland (CSDP), with a total of 3,241 accounts opened in the first quarter of 2025.

Highlight events of the period January–March 2025

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 S.A. experts earn top honours in *Parkiet*'s annual ranking

Experts from the Dom Maklerski BOŚ S.A. 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 Jaskiewicz, CFA, 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 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. At BOŚ, we invest in the development of our people, build a work environment encouraging collaboration and involvement, run modern and effective HR processes, and act with passion and care for our team.

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 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**.

5. Selected operational data of the Group

SELECTED OPERATIONAL DATA, all amounts in thousands	31 Mar 2025	31 Dec 2024	Change (%)
BANK OCHRONY ŚRODOWISKA S.A.			
Number of clients	147.2	147.7	-0.3
Number of retail clients	137.9	138.3	-0.3
Number of micro-enterprise clients	5.9	6.0	-1.7
Number of SME clients	0.7	0.7	0.0
Number of corporate clients	2.7	2.7	0.0
Number of checking accounts ¹⁾	149.5	150.1	-0.4
Debit and credit cards in total	54.0	54.5	-0.9
Number of branches	54.0	54.0	0.0
DOM MAKLERSKI BOŚ S.A.			
Number of investment accounts	213.1	208.6	2.2
including online accounts	210.8	206.3	2.2
Number of branches	8.0	8.0	0.0

¹⁾ including savings accounts

6. Financial results of the Group

6.1. Statement of profit or loss

STATEMENT OF PROFIT OR LOSS, PLN thousand	Q1 2025	Q1 2024	Change (%)
Interest and similar income	370,639	363,369	2.0
Interest expense and similar charges	-168,434	-160,687	4.8
Net interest income	202,205	202,682	-0.2
Fee and commission income	45,019	43,508	3.5
Fee and commission expense	-12,369	-9,680	27.8
Net fee and commission income	32,650	33,828	-3.5
Dividend income	2	12,065	-100.0
Gain (loss) on financial instruments measured at fair value through profit or loss (including amounts due from clients)	14,726	20,130	-26.8
Gain (loss) on hedge accounting	-567	-311	82.3
Gain (loss) on foreign exchange transactions	49	-619	-107.9
Gain (loss) on derecognition of financial instruments	115	203	-43.3
Other income	7,655	10,596	-27.8
Other expenses	-20,150	-12,788	57.6
Effect of legal risk of mortgage loans denominated in foreign currencies	-32,127	-50,440	-36.3
Net impairment losses	-17,077	14,136	x
Administrative expenses	-168,456	-152,023	10.8
Profit before tax	19,025	77,459	-75.4
Income tax expense	-7,183	-31,576	-77.3
NET PROFIT	11,842	45,883	-74.2

In the three months ended 31 March 2025, the BOŚ Group earned a net profit of PLN 11.8 million, compared with PLN 41.1 million reported in the corresponding period of 2024. Net profit for the three months ended 31 March 2025 (similarly to the previous year) reflected the full annual contribution to the resolution fund of PLN 20.3 million, recognised in its entirety in the first quarter.

In the six months to 31 March 2025, the BOŚ Group generated net interest income of PLN 202.2 million, a decrease of PLN 0.5 million, or 0.2%, year on year. Interest expenses grew at a faster rate than interest income.

Interest and similar income rose by PLN 7.3 million, or 2.0%, year on year relative to the first quarter of 2024. Interest on investment debt securities was up by PLN 24.3 million, or 33.2%, and interest on cash and cash equivalents grew by PLN 13.5 million, or 26.5%. Interest income on amounts due from clients fell by PLN 29.9 million, or 12.8%.

The average base interest rate for PLN-denominated credit facilities (net of the impairment interest adjustment and IKO) was 8.46%, compared with 8.53% in the three months ended 31 March 2024, and for foreign currency-denominated facilities – 5.57%, compared with 6.23% in the three months ended 31 March 2024.

NET INTEREST INCOME, PLN thousand	Q1 2025	Q1 2024	Change (%)
Interest and similar income on:	370,639	363,369	2.0
Cash and cash equivalents	64,521	51,008	26.5
Amounts due from clients	204,335	234,220	-12.8
Investment debt securities	97,339	73,059	33.2
Debt securities held for trading	500	915	-45.4
Hedging transactions	3,944	4,167	-5.4
Interest expense and similar charges on:	168,434	160,687	4.8
Bank accounts and deposits from banks	1,856	534	247.6
Bank accounts and deposits from clients	155,801	143,653	8.5
Borrowings from clients	3,723	4,478	-16.9
JESSICA lending support funds	128	242	-47.1
Financial instruments – own debt securities	6,302	9,635	-34.6
Lease liabilities	620	802	-22.7
Other	4	1,343	-99.7
NET INTEREST INCOME	202,205	202,682	-0.2

Interest expense and similar charges rose by PLN 7.7 million, or 4.8%, relative to the three months ended 31 March 2024, driven mainly by an increase in interest expense on bank accounts and deposits from clients, which grew by PLN 12.1 million, or 8.5%. Costs of financial instruments (own debt securities) increased by PLN 3.3 million, or 34.6%.

The average base interest rates on deposits placed with the Bank branches in the three months ended 31 March 2025 were as follows:

- 3.91% for PLN deposits (4.03% in the same period of 2024);
- 0.72% for foreign-currency deposits (1.08% in the same period of 2024).

The Group's net fee and commission income amounted to PLN 32.4 million, a decrease of PLN 1.2 million, or 3.6%, compared with the three months to 31 March 2024, due primarily to the fee and commission expense growing faster than fee and commission income.

Fee and commission income from brokerage services was up by PLN 4.8 million, or 21.1%. On the other hand, a drop of PLN 1.5 million (16.4%) was reported in client account service fees and fees for other settlement transactions, PLN 1.4 million (47.9%) in commissions from guarantees and letters of credit, and PLN 0.5 million (5.7%) in fees and commissions on credit facilities.

Fee and commission expense grew by PLN 2.7 million, or 27.4%, over the period, driven mainly by lower brokerage fees, which declined by PLN 2.6 million, or 34.0%.

NET FEE AND COMMISSION INCOME, PLN thousand	Q1 2025	Q1 2024	Change (%)
Fee and commission income	45,019	43,508	3.5
Fee and commission income from contracts with customers under IFRS 15, including:	35,194	31,829	10.6
brokerage service fees	27,270	22,510	21.1
fees for maintaining client accounts, other domestic and international settlement transactions	7,642	9,138	-16.4
fees for portfolio management services and other management fees	281	180	56.1
other fees	1	1	0.0
Commission fees on credit facilities	8,357	8,861	-5.7
Commission fees on guarantees and letters of credit	1,468	2,818	-47.9
Fee and commission expense	12,627	9,911	27.4
Brokerage fees, including:	10,225	7,629	34.0
for custody services	258	231	11.7
Payment card fees	1,700	1,568	8.4
Current account fees	138	143	-3.5
ATM service charges	119	112	6.3
Fees on amounts due from clients	1	1	0.0
Other fees	186	227	-18.1
TOTAL NET FEE AND COMMISSION INCOME	32,392	33,597	-3.6

Gain (loss) on financial instruments measured at fair value through profit or loss was PLN 14.7 million, compared with PLN 20.1 million in the same period of 2024.

The effect of legal risk of mortgage loans denominated in foreign currencies was PLN -32.1 million, compared with PLN -12.8 million in the three months to 31 March 2024. The decrease resulted from the high level of provisioning for the CHF loan portfolio.

In the three months ended 31 March 2025, impairment losses totalled PLN -17.0 million, relative to PLN 14.1 million in the corresponding period of 2024. The negative net impairment losses were mainly attributable to the recognition of provisions in the corporate portfolio.

Administrative expenses of the Group were up by PLN 16.4 million, or 10.8%, relative to the same period of 2024. The largest increase of PLN 11.2 million, or 15.2%, was seen in employee benefit expense, due primarily to salary and wage adjustments to market levels for individual positions within the Bank, higher headcount, and provisions recognised for bonuses. Another significant driver of administrative expenses were material costs, up by PLN 3.2 million, or 5.4%. Amortisation and depreciation increased by PLN 2.0 million, or 10.5%.

The Bank continuously implements measures to optimise administrative expenses, both at the budgeting stage and as part of its day-to-day management. Initiatives aimed at maximising the utilisation of the Bank's existing physical and personnel resources support effective control over cost growth despite pressures in many areas, 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.

ADMINISTRATIVE EXPENSES, PLN thousand	Q1 2025	Q1 2024	Change (%)
Employee benefits	85,282	74,035	15.2
Administrative expenses, including:	62,227	59,028	5.4
material costs	36,335	33,152	9.6
taxes and charges	2,249	4,419	-49.1
contribution and payments to BGF	22,212	20,243	9.7
contribution and payments to PFSA	1,027	836	22.8
contribution to Borrowers Support Fund	0	0	0.0
Financial Spokesman	374	348	7.5
contribution to Chamber of Brokerage Houses (Izba Domów Maklerskich, IDM)	30	30	0.0
other	0	0	0.0
Amortisation and depreciation, including:	20,947	18,960	10.5
depreciation of property, plant and equipment	5,643	5,073	11.2
amortisation of intangible assets	10,365	9,739	6.4
depreciation of rights-of-use assets	4,939	4,148	19.1
ADMINISTRATIVE EXPENSES	168,456	152,023	10.8

As at 31 March 2025, the Bank employed 1,706 persons (FTEs), compared with 1,666 as at the end of 2024. The number of employees at the Bank increased by 2.3% compared with 31 December 2024, while the subsidiaries experienced 2.7% growth in headcount during the same period. The table below presents employment (FTEs) at the Bank and its subsidiaries. The workforce at the BOŚ Group increased by 2.4% relative to the end of 2024.

EMPLOYMENT, FTEs	31 Mar 2025	31 Dec 2024	Change (%)
Employment at BOŚ S.A.	1,364	1,333	2.3
Employment at subsidiaries	342	333	2.7
EMPLOYMENT AT THE BOŚ GROUP	1,706	1,666	2.4

6.2. Assets of the Group

As at 31 March 2025, the Group's total assets stood at PLN 23,365.1 million, up by PLN 646.6 million, or 2.8% on 31 December 2024.

Changes in the structure of the Group's assets

As at 31 March 2025, amounts due from clients accounted for the largest share of assets, at 43.0%, down by 1.5 percentage points from the end of 2024. The shares of investment securities and amounts due from other banks declined by 0.6 percentage point and 0.7 percentage point, respectively.

ASSETS, PLN thousand	31 Mar 2025	31 Dec 2024	Change (%)
Cash and cash equivalents	4,358,673	4,302,437	1.3
Amounts due from banks	183,827	14,397	1,176.8
Financial assets held for trading, including:	196,356	145,732	34.7
equity securities	24,694	16,568	49.0
debt securities	62,407	18,809	231.8
derivative instruments	109,255	110,355	-1.0
Derivative hedging instruments	1,044	8,693	-88.0
Investment securities	7,698,304	7,351,554	4.7
Amounts due from clients, including:	10,052,790	10,104,635	-0.5
measured at amortised cost	10,052,774	10,104,603	-0.5
measured at fair value through profit or loss	16	32	-50.0
Intangible assets	99,363	106,839	-7.0
Property, plant and equipment	86,535	91,438	-5.4
Right of use – leases	44,821	48,684	-7.9
Tax assets:	141,741	148,318	-4.4
Other assets	501,688	395,768	26.8
TOTAL ASSETS	23,365,142	22,718,495	2.8

Amounts due from clients

AMOUNTS DUE FROM CLIENTS, PLN thousand	31 Mar 2025	31 Dec 2024	Change (%)
Measured at amortised cost	10,017,248	10,070,627	-0.5
Amounts due from SME, micro-enterprise and retail clients*	1,958,343	1,874,531	4.5
overdraft facilities	17,878	379	4,617.2
cash loans	197,107	209,019	-5.7
housing loans	1,402,727	1,472,302	-4.7
other credit facilities	338,780	192,831	75.7
purchased receivables	1,851	-	x
Amounts due from corporate clients*	8,058,905	8,196,096	-1.7
working capital facilities	752,769	856,031	-12.1
term facilities	5,238,092	5,403,259	-3.1
factoring receivables	454,329	426,433	6.5
lease receivables	249,493	247,285	0.9
purchased receivables	51,749	57,729	-10.4
commercial and municipal securities	1,312,473	1,205,359	8.9
Measurement at fair value through profit or loss	16	32	-50.0
Amounts due from SME, micro-enterprise and retail clients	16	25	-36.0
overdraft facilities	1	0	x
housing loans	5	10	-50.0
other credit facilities	10	15	-33.3
Amounts due from corporate clients	-	7	-100.0
Margin deposits	26,336	27,862	-5.5
Other amounts due from clients	9,190	6,114	50.3
TOTAL AMOUNTS DUE FROM CLIENTS	10,052,790	10,104,635	-0.5

* 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 carrying amount of amounts due from clients of the Group as at 31 March 2025 was PLN 10,052.8 million, a decrease of 0.5% 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 80.2%. Amounts due from institutional clients measured at amortised cost were PLN 8,058.9 million.

The share of amounts due from SME, micro-enterprise and retail clients measured at amortised cost stood at 19.5%. Retail loans measured at amortised cost totalled PLN 1,958.3 million as at 31 March 2025. The largest component of SME, micro-enterprise and retail loans consisted of housing loans, which amounted to PLN 1,402.7 million as at 31 March 2025, down by 4.7% on 31 December 2024.

The largest decrease was seen in the balances of housing loans denominated in foreign currencies. The decline was attributable to changes to the amount of the provision for foreign currency-linked mortgage risk, settlement agreements with clients, and loan prepayments.

HOUSING LOANS, PLN thousand	31 Mar 2025	31 Dec 2024	Change (%)
Loans measured at amortised cost	1,402,727	1,472,302	-4.7
Housing loans in PLN	1,140,538	1,167,238	-2.3
Housing loans in CHF	37,973	53,301	-28.8
Housing loans in EUR	217,345	241,073	-9.8
Housing loans in USD	6,871	10,690	-35.7
Loans measured at fair value through profit or loss	5	10	-50.0
Housing loans in PLN	5	10	-50.0
TOTAL HOUSING LOANS	1,402,732	1,472,312	-4.7

Foreign currency loans accounted for 18.7% 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 0.4%, having decreased by 0.1 percentage point on year-end 2024.

Balance of green loans

The balance of green loans as at 31 March 2025 was PLN 4,567,645 thousand, a decrease of 6.8% on 31 March 2024. Green loans accounted for 40% of the Bank's total lending portfolio (vs 39% as at 31 March 2024).

GREEN LOANS, [PLN thousand]	31 Mar 2025	31 Dec 2024	Change (%)
Balance of green loans advanced to corporate customers	4,145,262	4,225,526	-1.9
Balance of green loans advanced to SME, micro-enterprise and retail client	422,384	388,379	8.8
TOTAL BALANCE OF GREEN LOANS*	4,567,645	4,613,905	-1.0

* In accordance with the internal green loan qualification rules.

Total loan sales

TOTAL LOAN SALES, PLN thousand	Q1 2025	Q1 2024	Change (%)
Sales of loans to corporate clients in the quarter	1,122,000	1,006,000	11.5
Sales of loans to SME, micro-enterprise and retail clients in the quarter	99,000	81,000	23.5
TOTAL LOAN SALES IN THE QUARTER	1,221,000	1,087,000	12.4

Green loan sales

GREEN LOAN SALES, PLN thousand	Q1 2025	Q1 2024	Change (%)
Sales of loans to corporate clients in the quarter	660,229	463,010	42.6
Sales of loans to retail clients in the quarter	16,327	16,066	1.6
GREEN LOAN SALES IN THE QUARTER	676,556	479,077	41.2

*In accordance with the internal green loan qualification rules.

In the three months ended 31 March 2025, sales of new green loans amounted to PLN 676,556 thousand, up 41.2% year on year. The vast majority (in value terms) of the new green loans were made to institutional clients (98%). Loans for construction projects (including energy retrofitting), and municipal utility projects accounted for the largest share of the total. The share of green loans in the total lending portfolio was 55.4%.

Quality of the loan portfolio

Quality of the Group's loan portfolio	31 Mar 2025	%	31 Dec 2024	%
AMOUNTS DUE FROM CLIENTS MEASURED AT AMORTISED COST				
Amounts due from clients without indications of impairment, including:	9,262,198	84.2	9,287,917	84.4
exposures without significant increase in credit risk since initial recognition (Bucket 1)	7,145,369	65.0	7,316,668	66.5
exposures with significant increase in risk since initial recognition (Bucket 2)	2,116,829	19.3	1,971,249	17.9
Amounts due from clients with indication of impairment, impaired (Bucket 3)	1,615,876	14.7	1,592,299	14.5
Amounts due from clients that were credit-impaired at the date of initial recognition (POCI)	116,387	1.1	120,998	1.1
Total amounts due from clients measured at amortised cost (gross)	10,994,461	100.0	11,001,214	100.0
Impairment losses on:				
amounts due from clients – (Bucket 1)	-76,110		-70,477	
amounts due from clients – (Bucket 2)	-82,077		-81,286	
amounts due from clients – (Bucket 3) with no indication of impairment	0		0	
amounts due from clients – (Bucket 3) with indication of impairment	-823,733		-784,795	
amounts due from clients that were credit-impaired at the date of initial recognition (POCI)	4,708		5,971	
Total impairment losses	-977,212		-930,587	
Total amounts due from clients measured at amortised cost (net)	10,017,249		10,070,627	
AMOUNTS DUE FROM CLIENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS				
Fair value	16		32	
Total amounts due from clients measured at fair value through profit or loss	16		32	
Margin deposits	26,335		27,862	
Other amounts due from clients	9,190		6,114	
TOTAL AMOUNTS DUE FROM CLIENTS	10,052,790		10,104,635	

The share of amounts due from clients with indications of impairment and impaired (Bucket 3) in the loan portfolio measured at amortised cost was 14.7% as at 31 March 2025, compared with 14.5% as at year-end 2024. The total amount of loans in Bucket 3 grew by PLN 23.6 million from year-end 2024.

As at 31 March 2025, the loan loss provision coverage ratio for Bucket 3 loans was 51.0%, 1.7 percentage points above the level reported as at 31 December 2024.

6.3. Total equity and liabilities of the Group

EQUITY AND LIABILITIES, PLN thousand	31 Mar 2025	31 Dec 2024	Change (%)
Amounts due to central bank and other banks	239,437	244,519	-2.1
Amounts due to clients	19,632,571	19,100,807	2.8
Liabilities arising from issue of securities	203,854	199,762	2.0
Subordinated liabilities	100,638	102,838	-2.1
Provisions	349,942	362,978	-3.6
Tax liabilities	1,182	14,744	-92.0
Lease liabilities	40,890	45,351	-9.8
Other liabilities	487,864	359,735	35.6
Total equity	2,260,732	2,229,586	1.4
Total equity and liabilities	23,365,142	22,718,495	2.8

Equity and liabilities of the Group

As at 31 March 2025, amounts due to clients represented the largest proportion (84.0%) of total equity and liabilities. Their share changed by -0.1 percentage points relative to 31 December 2024.

Equity amounted to PLN 2,260.7 million as at the end of the first quarter of 2025, having increased by PLN 31.1 million, or 1.4%, primarily due to the net profit earned.

Liabilities of the Group

LIABILITIES, PLN thousand	31 Mar 2025	31 Dec 2024	Change (%)
SME, micro-enterprise and retail clients*	11,630,355	10,964,372	6.1
current/checking accounts	4,924,772	4,946,925	-0.4
term deposits	6,705,583	6,017,447	11.4
Corporate clients*	7,415,420	7,539,555	-1.6
current/checking accounts	3,476,483	4,041,526	-14.0
term deposits	3,938,937	3,498,029	12.6
Other clients	60,604	62,889	-3.6
Borrowings from international financial institutions	495,027	505,694	-2.1
Lending support funds	31,165	28,297	10.1
Total	19,632,571	19,100,807	2.8

* 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 for 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 31 March 2025, the Group's amounts due to clients were PLN 19,632.6 million, having increased by PLN 531.8 million, or 2.8%, on year-end 2024.

Amounts due to retail clients fell by PLN 298.9 million, or 2.7%, in the three months ended 31 March 2025. Amounts due to institutional clients were down by PLN 840.7 million, or 11.2%.

7. Key financial ratios

FINANCIAL RATIOS (%)	Q1 2025	2024	Change in percentage points
Return on equity (ROE) ¹	2.1	3.6	-1.5
Return on assets (ROA) ²	0.2	0.4	-0.2
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	63.2	59.7	3.5

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 generate in the last four quarters to average assets,

⁴⁾ net impairment losses including measurement at fair value for the last 12 months to the average amount of the loan portfolio during period,

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

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

The cost-to-income ratio rose to 63.2% in the last four quarters, compared with 59.7% for the full year 2024, primarily due to costs growing at a faster rate than income. The cost/income ratio was adversely affected by the shift in timing of the dividend from Kemipol, which will be received in the second quarter.

8. Capital management

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.

According to the CRR and the Act on Macro-Prudential 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 point. The Bank and the Group are not required to maintain the buffer defined for other systemically important institution. 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 own funds should be maintained to cover the additional capital add-on to absorb potential losses resulting from the occurrence of stress conditions at the level of 3.76 percentage points and a standalone basis and at 3.22 percentage points on a consolidated basis 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 Oversight Act. The additional add-on should consist entirely of Common Equity Tier 1 capital.

As a result, as at 31 March 2025, the minimum capital ratios recommended by the PFSA for the Bank were:

- common equity Tier 1 capital ratio – 10.76%,
- Tier 1 capital ratio – 12.26%,
- total capital ratio TCR – 14.26%.

As at 31 March 2025, the minimum capital ratios recommended by the PFSA for the 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 ratios of the Bank and the Group as at 31 March 2025 were above the supervisory and internal limits.

The Bank's capital adequacy levels were as follows:

Item	31 Mar 2025	31 Dec 2024
Available capital		
Common equity Tier 1 capital	1,962,957	1,937,941
Tier 1 capital	1,962,957	1,937,941
Own funds	2,062,957	2,037,941
Risk-weighted assets		
Total amount of risk-weighted assets	13,217,415	11,652,420
<i>Credit risk and counterparty credit risk</i>	11,458,316	9,984,817
<i>Operational risk</i>	1,729,235	1,649,560
<i>Market risk</i>	22,278	9,143
<i>CVA</i>	7,584	8,900
Capital ratios		
Common equity Tier 1 capital ratio	14.85	16.63
Tier 1 capital ratio	14.85	16.63
Total capital ratio	15.61	17.49
Leverage ratio		
Exposure value	25,625,627	24,425,436
Leverage ratio	7.7	7.9
Internal capital		
Internal capital	1,575,826	1,533,450
Internal capital to equity ratio	76.39	75.2

The Group's capital adequacy levels were as follows:

Item	31 Mar 2025	31 Dec 2024
Available capital		
Common equity Tier 1 capital	2,085,700	2,063,001
Tier 1 capital	2,085,700	2,063,001
Own funds	2,185,700	2,163,001
Risk-weighted assets		
Total amount of risk-weighted assets	13,879,322	12,556,103
<i>Credit risk and counterparty credit risk</i>	11,539,889	10,100,446
<i>Operational risk</i>	1,965,850	2,059,096
<i>Market risk</i>	365,648	386,640
CVA	7,935	9,922
Capital ratios		
Common equity Tier 1 capital ratio	15.03	16.43
Tier 1 capital ratio	15.03	16.43
Total capital ratio	15.75	17.23
Leverage ratio		
Exposure value	26,050,371	24,874,219
Leverage ratio	8.0	8.3
Internal capital		
Internal capital	1,646,425	1,622,744
Internal capital to equity ratio	75.3	75.0

Impact of CRR3 on capital adequacy

Since 1 January 2025, the Bank has complied with Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024, amending the Capital Requirements Regulation (CRR). The decline in its capital ratios is primarily driven by the identification and higher risk weighting of exposures related to the financing of land acquisitions for development purposes, as well as loans for property development and the construction of residential or commercial projects (so-called ADC exposures).

9. Segment reporting

The Group's business is divided into operating segments dedicated to serving specific client groups. The segmentation structure is aligned with the Group's internal management practices and financial reporting framework. For a description of the policies applied in segment reporting, see Note 53 to the full-year consolidated financial statements of the Group for the year ended 31 December 2024. In the three months ended 31 March 2025, the Bank adopted a new client segmentation model, effective from 1 January 2025. Under the revised model, the former Institutional Client segment was replaced by the Corporate segment, while the former Retail Client segment was replaced by the SME, Micro-Enterprise and Retail segment. In connection with this change, the SME and micro-enterprise operations were transferred to the SME, Micro-Enterprise and Retail area.

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

- 1) Corporate segment:
 - a) corporate clients,
- 2) SME, Micro-Enterprise and Retail segment:
 - a) SME business clients,
 - b) micro-enterprise business clients,
 - c) Retail clients.

Other operating segments remained unchanged.

In accordance with IFRS 8, the operating results, assets, and liabilities for the comparative period of the previous year were not restated following the change in segmentation. Below are presented the consolidated financial results of the BOŚ Group for the periods ended 31 March 2025 and 31 March 2024 attributable to the segments.

Statement of items of profit or loss for 3 months ended 31 March 2025		CORPORATE CLIENTS	SME, MICRO- ENTERPRISE AND RETAIL CLIENTS	TREASURY AND INVESTMENTS	BROKERAGE BUSINESS	OTHER (NOT ALLOCATED TO SEGMENTS)	BOŚ GROUP
I.	Net interest income	68,908	65,781	48,339	19,531	-354	202,205
1.	Interest and similar income, including:	290,952	194,464	-111,506	23,146	11	397,067
	transactions with external clients	165,885	46,625	156,103	2,026	-	370,639
	transactions with other segments	125,067	147,839	-267,609	21,120	11	26,428
2.	Interest expense and similar charges, including:	-222,044	-128,683	159,845	-3,615	-365	-194,862
	transactions with external clients	-62,075	-89,807	-14,113	-2,431	-8	-168,434
	transactions with other segments	-159,969	-38,876	173,958	-1,184	-357	-26,428
II.	Net fee and commission income	12,261	3,217	-	17,326	-154	32,650
III.	Dividend income	-	-	-	2	-	2
IV.	Gain (loss) on financial instruments measured at fair value through profit or loss	-	-	103	14,623	-	14,726
V.	Gain (loss) on hedge accounting	-	-	-567	-	-	-567
VI.	Gain (loss) on foreign exchange transactions	2,482	960	-2,981	-412	-	49
VII.	Gain (loss) on derecognition of financial instruments	114	1	-	-	-	115
VIII.	Net banking income	83,765	69,959	44,894	51,070	-508	249,180
IX.	Net other income and expenses	-163	-504	-	-3,298	-8,530	-12,495
X.	Effect of legal risk of mortgage loans denominated in foreign currencies	-	-32,127	-	-	-	-32,127
XI.	Net impairment losses	-16,415	-1,054	20	-	372	-17,077
XII.	Net finance income (costs)	67,187	36,274	44,914	47,772	-8,666	187,481
1.	Direct costs	-9,966	-6,755	-757	-30,423	-423	-48,324
	Profit (loss) after direct costs	57,221	29,519	44,157	17,349	-9,089	139,157
2.	Indirect costs and mutual services	-22,958	-28,655	-8,004	-	-	-59,617
	Profit (loss) after direct and indirect costs	34,263	864	36,153	17,349	-9,089	79,540
3.	Amortisation and depreciation	-5,847	-10,310	-1,217	-3,148	-425	-20,947
4.	Other costs (taxes, BFG, PFSA)	-13,489	-24,410	-245	-1,322	-102	-39,568
XIII.	PROFIT (LOSS) BEFORE TAX	14,927	-33,856	34,691	12,879	-9,616	19,025
XIV.	Allocated profit (loss) of ALM	10,615	22,131	-32,746	-	-	-
XV.	Gross profit (loss) after ALM allocation	25,542	-11,725	1,945	12,879	-9,616	19,025
XVI.	Income tax expense						-7,183
XVII.	NET PROFIT (LOSS)						11,842
XVIII.	Segment assets	8,512,241	1,793,800	11,887,450	487,854	683,797	23,365,142
	Segment liabilities	7,860,365	9,421,264	3,004,276	2,199,621	879,616	23,365,142
	Expenditure on property, plant and equipment and intangible assets	851	1,190	174	1,412	-	3,627

No.	Statement of items of profit or loss 3 months ended 31 March 2024	INSTITUTIONAL CLIENTS	RETAIL CLIENTS	TREASURY AND INVESTMENTS	BROKERAGE BUSINESS	OTHER (NOT ALLOCATED TO SEGMENTS)	BOŚ GROUP
I.	Net interest income	76,045	54,915	51,599	20,531	-408	202,682
1.	Interest and similar income, including:	300,383	188,216	-122,348	23,770	12	390,033
	transactions with external clients	187,697	49,513	123,872	2,287	-	363,369
	transactions with other segments	112,686	138,703	-246,220	21,483	12	26,664
2.	Interest expense and similar charges, including:	-224,338	-133,301	173,947	-3,239	-420	-187,351
	transactions with external clients	-51,314	-90,297	-16,703	-2,365	-8	-160,687
	transactions with other segments	-173,024	-43,004	190,650	-874	-412	-26,664
II.	Net fee and commission income	16,107	2,841	-	15,022	-142	33,828
III.	Dividend income	-	-	12,057	8	-	12,065
IV.	Gain (loss) on financial instruments measured at fair value through profit or loss	-29	-46	5,705	14,500	-	20,130
V.	Gain (loss) on hedge accounting	-	-	-311	-	-	-311
VI.	Gain (loss) on foreign exchange transactions	9,777	945	-11,314	-27	-	-619
VII.	Gain (loss) on derecognition of financial instruments	203	-	-	-	-	203
VIII.	Net banking income	102,103	58,655	57,736	50,034	-550	267,978
IX.	Net other income and expenses	-564	-264	-	-1,016	-348	-2,192
X.	Effect of legal risk of mortgage loans denominated in foreign currencies	-	-50,440	-	-	-	-50,440
XI.	Net impairment losses	-1,468	7,876	7,728	-	-	14,136
XII.	Net finance income (costs)	100,071	15,827	65,464	49,018	-898	229,482
1.	Direct costs	-9,084	-7,238	-732	-25,828	-347	-43,229
	Profit (loss) after direct costs	90,987	8,589	64,732	23,190	-1,245	186,253
2.	Indirect costs and mutual services	-33,514	-25,760	-4,684	-	-	-63,958
	Profit (loss) after direct and indirect costs	57,473	-17,171	60,048	23,190	-1,245	122,295
3.	Amortisation and depreciation	-8,060	-6,789	-712	-2,974	-425	-18,960
4.	Other costs (taxes, BFG, PFSA)	-13,040	-10,530	-349	-1,628	-329	-25,876
XIII.	Profit (loss) before tax	36,373	-34,490	58,987	18,588	-1,999	77,459
XIV.	Allocated profit (loss) of ALM	23,410	16,570	-39,980	-	-	-
XV.	Gross profit (loss) after ALM allocation	59,783	-17,920	19,007	18,588	-1,999	77,459
XVI.	Income tax expense						-31,576
XVII.	Net profit (loss)						45,883
XVIII.	Segment assets	8,823,505	2,085,434	9,466,286	391,503	235,882	21,002,610
	Segment liabilities	6,179,717	9,268,587	3,081,723	1,917,722	554,861	21,002,610
	Expenditure on property, plant and equipment and intangible assets	2,428	1,984	254	1,706	-	6,372

10. Pending proceedings and changes in the legal environment, including changes relevant to the housing loan portfolio

Lawsuits – total

As at 31 March 2025, Bank Ochrony Środowiska S.A. was:

1. a claimant in 1,211 lawsuits for a total amount of PLN 270,752.32 thousand,
2. a respondent in 2,236 lawsuits for a total amount of PLN 914,045.27 thousand.

As at 31 March 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 10% or more of the Bank's equity.

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 regulation and oversight by the relevant authorities, in accordance with applicable laws. Due to the financial circumstances and legal status of certain investment funds, some purchasers of investment certificates lodged compensation claims against the Bank.

As at 31 March 2025, there were 46 ongoing court cases concerning investment certificates, with the disputed amounts totalling PLN 24,341.21 thousand.

The Bank continuously monitors the funds' capacity to redeem certificates and updates its assessment of legal risks associated with adverse court rulings and the obligation to enforce judgments. Based on this assessment, a provision of PLN 10,618.81 thousand was recognised.

Proceedings by UOKiK

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 the affected account to its pre-transaction state 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). This was 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 mere authentication of a transaction by the Bank is equivalent to its authorisation, thus absolving the Bank of liability. This involves the use of individual authentication data in a way that might misleadingly indicate that authentication alone constitutes authorisation. In other words, the President of UOKiK accuses 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 Article 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. It may also misrepresent the distribution of 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 Articles 24(1) and 24(2)(3) of the Act on Competition and Consumer Protection.

This issue impacts a substantial segment of the banking sector and has been addressed in submissions by the Polish Bank Association to UOKiK. However, these efforts have so far had no influence on the individual proceedings initiated against particular 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 detailed the actions taken in three key areas:
 - technical – IT and security initiatives to enhance the safety of digital tools offered by the Bank,
 - educational – awareness campaigns aimed at informing clients about cyber threats,
 - legal and procedural – redefining the concept of “authorisation” and modifying the process 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 an additional 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. Nonetheless, it is seeking a resolution through a commitment decision under Article 28 of the Act on Competition and Consumer Protection, as reflected in the letter submitted on 10 April 2025.

Proceedings by PFSA

On 27 April 2023, the Polish Financial Supervision Authority initiated administrative proceedings to impose an administrative penalty on Bank Ochrony Środowiska S.A. under Article 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. At this stage, it is not possible to determine the possible financial impact of the proceedings.

‘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 adequately fulfilled 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 31 March 2025, there were 47 ongoing court cases concerning 'free credit' sanctions, with the disputed amounts totalling PLN 1,360.71 thousand.

Litigation against the Bank concerning loans denominated in or tied 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 risks of foreign currency-indexed loans and takes into account in its analyses that the CJEU judgments and rulings by Polish courts to the disadvantage of banks result in a growing number of court proceedings and increase in the value of claims sought.

In 2021, BOŚ S.A., 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 originally advanced in the Polish zloty, applying an interest rate based on 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. In the first quarter of 2025, the Bank entered into 196 settlement agreements. Relative to the fourth quarter of 2024, this represents an increase of 104, from 92. In 2024, the number of settlement agreements totalled 414, of which 204 were concluded under the Settlement Programme.

As at 31 March 2025, the provision for foreign currency-linked mortgage risk amounted to a total of PLN 721.8 million, of which PLN 242.8 million is presented as a provision for litigation and claims for legal risk related to foreign currency mortgage loans, and PLN 478.9 million – as an adjustment to the gross carrying amount. The amount of the provision for foreign currency-linked mortgage risk as at 31 December 2024 was PLN 761.8 million.

As at 31 March 2025, there were 2,102 court cases pending against the Bank concerning loans tied to foreign currency exchange rates (mainly CHF, as well as USD and EUR), with a total value of claims of PLN 854,582.69 thousand. Through claims raised in the lawsuits concerning credit/loan agreements, borrowers generally seek to declare the credit/loan agreements invalid, thereby seeking a refund of loan instalments paid and other payments made in connection with the credit/loan.

1. Business Crowdfunding and Borrower Assistance Act of 7 July 2022

29 July 2022 was the date of entry into force of the Business Crowdfunding and Borrower Assistance Act of 7 July 2022 (the "Act"). The Act provides for assistance to consumers repaying mortgage loans denominated in PLN ("loan repayment holidays").

The Act provides consumers with an option to suspend the repayment of a mortgage loan advanced in PLN, excluding loans denominated in or tied to currencies other than PLN. Pursuant to the Act, the suspension option is available for mortgage loans advanced under mortgage loan agreements, within the meaning of the Act on Mortgage Loans and Supervision of Mortgage Intermediaries and Agents, concluded to meet consumers' own housing needs. This means that the statutory support extends not only to mortgage loans taken out to acquire property but also to mortgage loans (including mortgage-backed cash loans) granted to maintain title to residential property or to finance the construction or alteration of a residential building or dwelling.

For consumers party to more than one loan agreement with a given lender, it was determined that an application requesting a repayment freeze could only be made with respect to one of those agreements concluded to meet the consumer's own housing needs.

Repayment of the loan is suspended on the day the lender receives the application for repayment suspension, for the period indicated in the application. During the suspension period, the consumer is not obliged to make any payments under the loan agreement except for any related insurance payments.

The payment suspension period is not counted towards the loan maturity period. The loan maturity period and all the time limits specified in the agreement are extended by the duration of the loan suspension period. No interest or fees are charged during the suspension period except for insurance payments related to the loan agreement (such payments are included in the payment suspension notice given by the Bank to the borrower within 21 days of the date of delivery of the suspension application to the Bank).

Loan payment holidays are available with respect to agreements concluded before 1 July 2022, including agreements concluded before the entry into force of the Act on Mortgage Loans and Supervision of Mortgage Intermediaries and Agents of 23 March 2017, i.e. before 22 July 2017, to the extent that the contractually specified loan maturity period falls on or after 2 January 2023 (in accordance with the law: “six months after 1 July 2022”).

Credit repayment holidays were initially introduced for the period from August 2022 to December 2023 (borrowers could suspend loan repayments for a maximum of 8 months in total). They were accessible to all mortgage borrowers, regardless of the loan amount or income levels.

On 15 May 2024, the Act Amending the Act on Support for Distressed Borrowers who Incurred Housing Loans and the Business Crowdfunding and Borrower Assistance Act of 12 April 2024 came into force, extending the availability of loan repayment holidays for borrowers who had taken out mortgage loans to meet their own housing needs. Under the new rules, borrowers may suspend repayments during the following periods:

- 1) from 1 June 2024 to 31 August 2024 – up to two months of loan moratorium,
- 2) from 1 September 2024 to 31 December 2024 – up to two months of loan moratorium.

The amended Act introduced a significant change by adding eligibility criteria. From 1 June to 31 December 2024, the right to suspend loan repayments may be used by borrowers when the original loan amount did not exceed PLN 1,200,000 and:

- 1) the arithmetic average of the instalment-to-income ratio (RdR) ratio for the three months preceding the month of submission of the repayment suspension application exceeds 30%, or
- 2) as at the application date, the borrower had at least three dependent children (including children under the parental foster care, staying in the existing foster family, or residing in foster family homes) who meet the conditions referred to in Article 4(2b) of the Large Family Card Act of 5 December 2014, i.e., children:
 - a) up to the age of 18;
 - b) up to the age of 25 – where the child continues education:
 - up to the secondary school level – until 30 September following the end of the school year,
 - at the university level – until 30 September of the year in which the graduation is planned,
 - without age restrictions – for children with moderate or significant disabilities.

The amended Act, therefore, sets forth eligibility criteria for accessing the mortgage holiday scheme. The amended legislation also introduced a requirement for borrowers to submit with their loan repayment suspension applications a declaration confirming that they meet the specified conditions, made under the penalty of criminal liability for false statements. At the same time, the Act does not provide for any mechanism for banks to verify the accuracy of the borrower's declarations, nor does it require borrowers to submit supporting documents to confirm their income levels.

The loan repayment holiday scheme ended on 31 December 2024. Since no further legislative amendments were passed to extend its availability period, new applications can no longer be submitted (the option to apply for repayment suspension ended on 1 January 2025).

Since the Act first came into effect, the President of the Office of Competition and Consumer Protection (the “President of UOKiK”) has closely monitored how banks are performing their obligations under the Act relating to the loan repayment holidays scheme, including those involving receiving and processing of loan suspension applications. In this context, the President of UOKiK initiated a preliminary inquiry to assess whether BOŚ’s approach to granting repayment holidays constitutes a breach that may warrant the initiation of proceedings concerning practices infringing collective consumer interests. On 3 June 2024, BOŚ received another letter from President of UOKiK including questions regarding the Bank’s implementation of the amended law. A response was provided on 17 June 2024.

As at 31 March 2025, BOŚ had not been notified by the President of UOKiK of the initiation of proceedings against BOŚ concerning practices infringing collective consumer interests and related to the handling of loan repayment holiday applications or the suspension of mortgage loan repayments.

2. Act on State Aid for Saving for Housing Purposes of 26 May 2023

The Act on State Aid for Saving for Housing Purposes of 26 May 2023 came into effect on 1 July 2023.

This Act established a special savings account, known as a housing account, designed for accumulating savings towards housing expenses. Regular deposits, at least 11 per year, each a minimum of PLN 500, will qualify savers for an additional housing bonus funded by the state budget. These savings will accrue interest per the bank's terms, and such interest will be exempt from capital gains tax.

3. Act on Support for Distressed Borrowers who Incurred Housing Loans of 9 October 2015

On 12 April 2024, an amendment was adopted (Dz.U. of 7 May 2024, item 696) that modified, among other regulations, the Act on Support for Distressed Borrowers who Incurred Housing Loans.

The amendment, which came into effect on 15 May 2024, expands access to the support mechanisms offered by the Borrower Support Fund, a fund designed to provide financial assistance to individuals who, due to objective circumstances, have found themselves in financial hardship while still obligated to repay mortgage loans that place a significant strain on their household finances. Pursuant to Article 16 of the Act on Support for Distressed Borrowers who Incurred Housing Loans of 7 July 2022 (Dz.U., item 2452), the Fund was initially capitalised with PLN 600 million, funded by proportional contributions from lenders based on the size of their mortgage portfolios with loans to households more than 90 days overdue on principal or interest payments. Under the Business Crowdfunding and Borrower Assistance Act of 7 July 2022 (Dz.U. of 2023, items 414 and 1723), the Fund was later supplemented with an additional PLN 1.4 billion.

To facilitate broader use of the Fund's resources, the eligibility requirements were relaxed. One key change was lowering the instalment-to-income ratio (RdR) threshold from 50% to 40%. This ratio reflects the proportion of a household's monthly income that is allocated to paying the mortgage principal and interest. At the same time, the income ceiling for accessing support or a mortgage refinancing loan was raised. Borrowers are now eligible if their household's monthly income, after deducting mortgage service expenses, does not exceed 2.5 times the income thresholds defined in the Social Assistance Act of 12 March 2004, up from the previous limit of twice that amount.

Other key adjustments included an increase in the maximum support amount from PLN 2,000 to PLN 3,000, and an extension of the repayment period for the support or a mortgage refinancing loan from 144 to 200 monthly instalments. A revised forgiveness rule was introduced, under which remaining instalments of the support or loan can be written off after 134 on-time payments, rather than the previous 100. As a result, up to 66 instalments can now be forgiven, compared to 44 under the prior framework.

4. Act Amending the Act on Special Measures Related to Flood Damage Relief and Certain Other Acts of 1 October 2024

Article 1(19) of the abovementioned Act introduces a new provision, Article 26a, to the Act on Special Measures Related to Flood Damage Relief of 16 September 2011. The new Article 26a(1) reads as follows:

"26a. 1. A person affected by the flood who:

- a) is a borrower, as defined in the Act on Support for Distressed Borrowers who Incurred Housing Loans of 9 October 2015 (Dz.U. of 2024, item 1385), hereinafter referred to as the "Borrower Support Act", and
- b) owns a single-family house or residential unit covered by a housing loan, as defined in the Borrower Support Act, that has been damaged or destroyed as a result of the flood, as a result of which such person has lost, including temporarily, use of the property,
- c) has completely lost their source of income due to the flood, and was employed or operated a business in a municipality or locality specified in regulations issued pursuant to Article 1(2) of this Act

– may apply for and receive financial support."

The support consists of monthly payments made by Bank Gospodarstwa Krajowego (BGK) to the borrower's lender from the Borrower Support Fund, to cover mortgage loan repayment obligations: for a period of 12 months for borrowers meeting the conditions under Article 26a(1)(b) quoted above, or for a period of 3 months for borrowers meeting the conditions under Article 26a(1)(c) .

The amount of support is calculated in Polish złoty and corresponds to: 12 monthly mortgage instalments (principal and interest) for borrowers referred to in Article 26a(1)(b), or 3 monthly mortgage instalments (principal and interest) for borrowers referred to in Article 26a(1)(c). This financial support is non-repayable.

11. Events with a bearing on financial performance

In the three months ended 31 March 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.

12. Management Board's position on the feasibility of delivering on published forecasts

In the three months to 31 March 2025, the BOŚ Group did not publish any performance forecasts.

13. Seasonal or cyclical nature of the business

The Bank's business does not involve any significant events or factors that would be subject to seasonal or cyclical variations. Dom Maklerski BOŚ S.A.'s performance depends on the prevailing situation on the Warsaw Stock Exchange.

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

The Bank did not issue or redeem any BOŚ S.A. securities in the three months ended 31 March 2025.

15. Information about dividend

In the three months ended 31 March 2025, the Bank did not make or declare any dividend payments.

16. Related party transactions

In the period from 1 January to 31 March 2025, the Bank and its subsidiaries did not enter into any related party transactions which, individually or in the aggregate, would be material and executed on non-arm's length terms.

17. Credit repayment sureties and guarantees where the aggregate value of existing sureties or guarantees represents 10% or more of the issuer's equity

In the three months ended 31 March 2025, the Bank did not issue any credit repayment sureties or guarantees whose aggregate amount represents 10% or more of its equity.

18. Shareholders holding, directly or indirectly, 5% or more of total voting rights in the issuer

The following shareholders held 5% or more of the share capital and total voting rights:

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

As at 31 December 2024, 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.

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

19. Bank shares held by management and supervisory personnel

According to statements made by members of the Management and Supervisory Boards, none of them held any shares in the Bank or any of its related entities as at the end of the first quarter of 2025.

20. Other information which the issuer believes to be material to the assessment of its human resources, assets, financial standing, financial performance and changes thereto, and information which is material to the issuer

In the three months ended 31 March 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.

21. Supervisory Board

In the three months to 31 March 2025, on 11 March 2025, the Extraordinary General Meeting of BOŚ S.A. made the following changes to the composition of the Supervisory Board:

- removed Wojciech Krawczyk from the Supervisory Board.
- appointed Jan Banasiński to the Supervisory Board

Therefore, as at 31 March 2025, the Supervisory Board consisted of:

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.

22. Management Board

There were no changes in the composition of the Management Board in the three months ended 31 March 2025.

On 7 March 2025, the Polish Financial Supervision Authority approved the appointment of Piotr Kubaty as a member of the Management Board supervising the management of risks material to the Bank's operations. As a result, Resolution No. 116/2024 of the Bank's Supervisory Board of 26 September 2024, appointing Piotr Kubaty as First Vice President of the Management Board of Bank Ochrony Środowiska S.A. entered into force.

Following the changes, the composition of the Management Board is as follows:

1. Bartosz Kublik – President of the Management Board,
2. Piotr Kubaty – First Vice President of the Management Board,
3. Kamil Kuźmiński – Vice President of the Management Board,
4. Krzysztof Łabowski – Vice President of the Management Board,
5. Michał Należyty – Vice President of the Management Board.

CONDENSED INTERIM FINANCIAL STATEMENTS OF THE BOŚ GROUP

Consolidated interim statement of profit or loss of the BOŚ Group

Continuing operations, PLN thousand	for the period 3 months ended 31 Mar 2025	for the period 3 months ended 31 Mar 2024
Interest and similar income, including:	370,639	363,369
<i>financial assets measured at amortised cost</i>	240,126	271,599
<i>assets measured at fair value through other comprehensive income</i>	125,191	85,803
<i>financial assets measured at fair value through profit or loss</i>	5,322	5,967
Interest expense and similar charges, including:	-168,434	-160,687
<i>financial liabilities measured at amortised cost</i>	-168,434	-160,687
Net interest income	202,205	202,682
Fee and commission income	45,019	43,508
Fee and commission expense	-12,369	-9,680
Net fee and commission income	32,650	33,828
Dividend income	2	12,065
Gain (loss) on financial instruments measured at fair value through profit or loss (including amounts due from clients)	14,726	20,130
Gain (loss) on hedge accounting	-567	-311
Gain (loss) on foreign exchange transactions	49	-619
Gain (loss) on derecognition of financial instruments	115	203
Other income	7,655	10,596
Other expenses	-20,150	-12,788
Effect of legal risk of mortgage loans denominated in foreign currencies	-32,127	-50,440
Net impairment losses	-17,077	14,136
Administrative expenses	-168,456	-152,023
Profit before tax	19,025	77,459
Income tax expense	-7,183	-31,576
Net profit	11,842	45,833
<i>of which attributable to owners of parent</i>	11,842	45,833
Earnings per share attributable to owners of the parent		
<i>basic</i>	0.13	0.49
<i>diluted</i>	0.13	0.49

No operations were discontinued in the three months ended 31 March 2025 or in 2024.

Interim consolidated statement of comprehensive income

Continuing operations, PLN thousand	for the period 3 months ended 31 Mar 2025	for the period 3 months ended 31 Mar 2024
Net profit	11,842	45,833
Items that may be reclassified to profit	19,304	-4,729
Fair value of financial assets measured at fair value through other comprehensive income, gross	23,832	-5,838
Deferred tax	-4,528	1,109
Items that will not be reclassified to profit	-	1
Fair value of equity instruments carried at fair value through other comprehensive income, gross	-	1
Other comprehensive income	19,304	-4,728
Total comprehensive income	31,146	41,155
<i>of which attributable to owners of the parent</i>	<i>31,146</i>	<i>41,155</i>

Interim consolidated statement of financial position

Assets, PLN thousand	31 Mar 2025	31 Dec 2024 audited
Cash and cash equivalents	4,358,673	4,302,437
Amounts due from banks	183,827	14,397
Financial assets held for trading, including:	196,356	145,732
<i>equity securities</i>	24,694	16,568
<i>debt securities</i>	62,407	18,809
<i>derivative instruments</i>	109,255	110,355
Derivative hedging instruments	1,044	8,693
Investment securities:	7,698,304	7,351,554
<i>equity securities measured at fair value through other comprehensive</i>	112,738	112,743
<i>debt securities measured at fair value through other comprehensive</i>	5,672,122	5,268,798
<i>debt securities measured</i>	1,784,449	1,843,978
<i>debt securities measured at fair value through profit or loss</i>	128,995	126,035
Amounts due from clients, including:	10,052,790	10,104,635
<i>measured at amortised cost</i>	10,052,774	10,104,603
<i>measured at fair value through profit or loss</i>	16	32
Intangible assets	99,363	106,839
Property, plant and equipment	86,535	91,438
Right of use – leases	44,821	48,684
Tax assets:	141,741	148,318
<i>current</i>	2,099	89
<i>deferred</i>	139,642	148,229
Other assets	501,688	395,768
Total assets	23,365,142	22,718,495

Liabilities, PLN thousand	31 Mar 2025	31 Dec 2024 audited
Amounts due to central bank and other banks	239,437	244,519
Financial liabilities held for trading, including:	48,032	58,175
<i>equity securities</i>	2,542	1,032
<i>derivative instruments</i>	45,490	57,143
Amounts due to clients	19,632,571	19,100,807
Liabilities arising from issue of securities	203,854	199,762
Subordinated liabilities	100,638	102,838
Provisions	349,942	362,978
Tax liabilities	1,182	14,744
<i>current</i>	1,182	14,744
Lease liabilities	40,890	45,351
Other liabilities	487,864	359,735
Total liabilities	21,104,410	20,488,909
Equity, PLN thousand	31 Mar 2025	31 Dec 2024 audited
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT		
Common equity:	1,461,036	1,461,036
<i>Share capital</i>	929,477	929,477
<i>Treasury shares</i>	-1,292	-1,292
<i>Share premium</i>	532,851	532,851
Revaluation surplus	69,859	50,555
Retained earnings	729,837	717,995
Total equity	2,260,732	2,229,586
Total equity and liabilities	23,365,142	22,718,495

Interim consolidated statement of changes in equity

Item, PLN thousand	Equity attributable to owners of the Bank								Total equity
	Common equity			Revaluation surplus	Retained earnings				
	Share capital	Treasury shares	Share premium		Other statutory reserve funds	Other capital reserves	General risk fund	Undistributed profit (loss)	
As at 1 Jan 2025	929,477	-1,292	532,851	50,555	694,252	23,605	48,302	-48,164	2,229,586
Net profit	-	-	-	-	-	-	-	11,842	11,842
Other comprehensive income	-	-	-	19,304	-	-	-	-	19,304
Total comprehensive income	-	-	-	19,304	-	-	-	11,842	31,146
As at 31 Mar 2025	929,477	-1,292	532,851	69,859	694,252	23,605	48,302	-36,322	2,260,732

As at 1 Jan 2024	929,477	-1,292	532,851	49,245	599,609	23,605	48,302	-33,177	2,148,620
Net profit	-	-	-	-	-	-	-	79,656	79,656
Other comprehensive income	-	-	-	1,310	-	-	-	-	1,310
Total comprehensive income	-	-	-	1,310	-	-	-	79,656	80,966
Profit distribution, including:	-	-	-	-	94,643	-	-	-94,643	-
Transfer of net profit to reserves	-	-	-	-	94,643	-	-	-94,643	-
As at 31 Dec 2024	929,477	-1,292	532,851	50,555	694,252	23,605	48,302	-48,164	2,229,586

As at 1 Jan 2024	929,477	-1,292	532,851	49,245	599,609	23,605	48,302	-33,177	2,148,620
Net profit	-	-	-	-	-	-	-	45,883	45,883
Other comprehensive income	-	-	-	-4,728	-	-	-	-	-4,728
Total comprehensive income	-	-	-	-4,728	-	-	-	45,883	41,155
As at 31 Mar 2024	929,477	-1,292	532,851	44,517	599,609	23,605	48,302	12,706	2,189,775

There were no non-controlling interests in the three months ended 31 March 2025 or in 2024.

Interim consolidated statement of cash flows

Indirect method, PLN thousand	for the period 3 months ended 31 Mar 2025	for the period 3 months ended 31 Mar 2024
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit before tax	19,025	77,459
Total adjustments:	-95,023	-1,410,063
Amortisation and depreciation	20,947	18,960
Interest income on investing activities	-86,876	-104,666
Loss on investing activities	-3	-
Interest income on financing activities	6,901	10,428
Dividends received:	-2	-12,065
<i>on securities held for trading</i>	2	8
<i>on investment securities</i>	-	12,057
Change in:		
<i>amounts due from banks</i>	-169,430	1,344
<i>assets on securities held for trading</i>	-51,724	-267,830
<i>assets and liabilities from measurement of derivative and hedging financial instruments</i>	-2,904	-4,286
<i>investment securities</i>	-382,447	100,234
<i>amounts due from clients</i>	51,845	-125,313
<i>other assets and income tax</i>	-107,930	22,740
<i>amounts due to central bank and other banks</i>	-5,082	-13,450
<i>amounts due to clients</i>	531,764	-991,208
<i>liabilities arising from securities held for trading</i>	1,510	-757
<i>provisions</i>	-13,036	12,432
<i>other liabilities and income tax</i>	131,019	-51,087
Income tax paid	-19,577	-17,604
Net cash flows from (used in) operating activities	-75,998	-1,332,604
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Inflows	146,408	553,291
Cash receipts from sale of property, plant and equipment	3	-
Cash receipts from redemption of securities measured at amortised cost	66,396	440,000
Interest received on securities measured at amortised cost	80,009	113,291
Outflows	-3,629	-14,020
Payments for acquisition of securities measured at amortised cost	-	-7,654
Payments for acquisition of intangible assets	-2,890	-5,210
Payments for acquisition of property, plant and equipment	-739	-1,156

Net cash flows from (used in) investing activities	142,779	539,271
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Inflows	-	-
Outflows	-10,545	-22,757
Interest paid on bonds issued by the Group, including:	-4,389	-17,026
<i>subordinated bonds</i>	-4,389	-17,026
Lease payments	-5,549	-5,034
Lease interest paid	-607	-697
Net cash flows from (used in) financing activities	-10,545	-22,757
TOTAL NET CASH FLOWS	56,236	-816,090
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,302,437	4,024,053
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,358,673	3,207,963
Restricted cash and cash equivalents	651,049	599,408

CONDENSED INTERIM FINANCIAL STATEMENTS OF BOŚ S.A.

Interim statement of profit or loss of the Bank

Continuing operations, PLN thousand	for the period 3 months ended 31 Mar 2025	for the period 3 months ended 31 Mar 2024
Interest and similar income, including:	367,428	356,521
<i>financial assets measured at amortised cost</i>	236,921	264,755
<i>assets measured at fair value through other comprehensive income</i>	125,191	85,803
<i>financial assets mandatorily measured at fair value through profit or loss</i>	5,316	5,963
Interest expense and similar charges, including:	-187,206	-178,553
<i>financial liabilities measured at amortised cost</i>	-187,206	-178,553
Net interest income	180,222	177,968
Fee and commission income	18,228	21,177
Fee and commission expense	-2,086	-2,031
Net fee and commission income	16,142	19,146
Dividend income	-	12,057
Gain (loss) on financial instruments measured at fair value through profit or loss (including amounts due from clients)	105	5,592
Gain (loss) on hedge accounting	-567	-311
Gain (loss) on foreign exchange transactions	484	-578
Gain (loss) on derecognition of financial instruments	115	203
Other income	3,492	2,841
Other expenses	-14,555	-7,211
Effect of legal risk of mortgage loans denominated in foreign currencies	-32,127	-50,440
Net impairment losses	-20,295	15,606
Administrative expenses	-130,494	-118,356
Share of profit (loss) of equity-accounted entities	10,102	14,914
Profit before tax	12,624	71,431
Income tax expense	-3,973	-26,895
Net profit	8,651	44,536
Earnings per share attributable to owners of the parent during the period (PLN)		
<i>basic</i>	0.09	0.48
<i>diluted</i>	0.09	0.48

No operations were discontinued in the three months ended 31 March 2025 or in 2024.

Interim statement of comprehensive income of the Bank

Continuing operations, PLN thousand	for the period 3 months ended 31 Mar 2025	for the period 3 months ended 31 Mar 2024
Net profit	8,651	44,536
Items that may be reclassified to profit or loss:	19,304	-4,729
Fair value of financial assets measured at fair value through other comprehensive income, gross	23,832	-5,838
Deferred tax	-4,528	1,109
Items that will not be reclassified to profit or loss:	-	1
Fair value of equity instruments carried at fair value through other comprehensive income, gross	-	1
Other comprehensive income	19,304	-4,728
Total comprehensive income	27,955	39,808

Interim statement of financial position of the Bank

Assets, PLN thousand	31 Mar 2025	31 Dec 2024 audited
Cash and cash equivalents	4,358,540	4,302,378
Amounts due from banks	183,824	14,364
Financial assets held for trading, including:	144,010	104,273
<i>debt securities</i>	58,414	15,461
<i>derivative instruments</i>	85,596	88,812
Derivative hedging instruments	1,044	8,693
Investment securities:	7,698,304	7,351,554
<i>equity securities measured at fair value through other comprehensive</i>	112,738	112,743
<i>debt securities measured at fair value through other comprehensive</i>	5,672,122	5,268,798
<i>debt securities measured at amortised cost</i>	1,784,449	1,843,978
<i>debt securities measured at fair value through profit or loss</i>	128,995	126,035
Amounts due from clients, including:	10,093,968	10,123,527
<i>measured at amortised cost</i>	10,093,952	10,123,495
<i>measured at fair value through profit or loss</i>	16	32
Investments in subsidiaries	290,924	280,822
Intangible assets	82,987	90,153
Property, plant and equipment	46,241	49,837
Right of use – leases	37,190	40,596
Tax assets:	124,129	130,531
<i>current</i>	2,099	-
<i>deferred</i>	122,030	130,531
Other assets	97,269	74,844
Total assets	23,158,430	22,571,572

Liabilities, PLN thousand	31 Mar 2025	31 Dec 2024 audited
Amounts due to central bank and other banks	239,437	244,519
Derivative financial instruments held for trading	39,598	48,657
Amounts due to clients	19,743,860	19,193,059
Liabilities arising from issue of securities	203,854	199,762
Subordinated liabilities	100,515	102,709
Provisions	322,810	333,573
Tax liabilities	-	14,744
<i>current</i>	-	14,744
Lease liabilities	32,334	36,442
Other liabilities	243,504	193,544
Total liabilities	20,925,912	20,367,009

Equity, PLN thousand	31 Mar 2025	31 Dec 2024 audited
Equity attributable to owners of the parent:		
Common equity:	1,460,364	1,460,364
<i>Share capital</i>	929,477	929,477
<i>Treasury shares</i>	-1,294	-1,294
<i>Share premium</i>	532,181	532,181
Revaluation surplus	69,859	50,555
Retained earnings	702,295	693,644
Total equity	2,232,518	2,204,563
Total equity and liabilities	23,158,430	22,571,572

Interim statement of changes in equity of the Bank

Item, PLN thousand	Common equity			Revaluation surplus	Retained earnings			Total equity
	Share capital	Treasury shares	Share premium		Other statutory reserve funds	General risk fund	Undistributed profit (loss)	
As at 1 Jan 2025	929,477	-1,294	532,181	50,555	571,894	48,302	73,448	2,204,563
Net profit	-	-	-	-	-	-	8,651	8,651
Other comprehensive income	-	-	-	19,304	-	-	-	19,304
Total comprehensive income	-	-	-	19,304	-	-	8,651	27,955
As at 31 Mar 2025	929,477	-1,294	532,181	69,859	571,894	48,302	82,099	2,232,518
As at 1 Jan 2024	929,477	-1,294	532,181	49,245	510,193	48,302	61,701	2,129,805
Net profit	-	-	-	-	-	-	73,448	73,448
Other comprehensive income	-	-	-	1,310	-	-	-	1,310
Total comprehensive income	-	-	-	1,310	-	-	73,448	74,758
Profit distribution, including:	-	-	-	-	61,701	-	-61,701	-
Transfer of net profit to reserves	-	-	-	-	61,701	-	-61,701	-
As at 31 Dec 2024	929,477	-1,294	532,181	50,555	571,894	48,302	73,448	2,204,563
As at 1 Jan 2024	929,477	-1,294	532,181	49,245	510,193	48,302	61,701	2,129,805
Net profit	-	-	-	-	-	-	44,536	44,536
Other comprehensive income	-	-	-	-4,728	-	-	-	-4,728
Total comprehensive income	-	-	-	-4,728	-	-	44,536	39,808
As at 31 Mar 2024	929,477	-1,294	532,181	44,517	510,193	48,302	106,237	2,169,613

There were no non-controlling interests in the three months ended 31 March 2025 or in 2024.

Interim statement of cash flows of the Bank

Indirect method, PLN thousand	for the period 3 months ended 31 Mar 2025	for the period 3 months ended 31 Mar 2024
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit before tax	12,624	71,431
Total adjustments:	-90,895	-1,406,343
Share of (profit) loss of equity-accounted subordinated entities	-10,102	-14,914
Amortisation and depreciation	17,168	15,347
Interest income on investing activities	-86,876	-104,666
Loss on investing activities	-3	-
Interest income on financing activities	6,763	10,255
Dividends received:	-	-12,057
<i>on investment securities</i>	-	12,057
Change in:		
<i>amounts due from banks</i>	-169,460	1,339
<i>assets on securities held for trading</i>	-42,953	-273,822
<i>assets and liabilities from measurement of derivative and hedging</i>	1,806	219
<i>investment securities</i>	-382,447	100,234
<i>amounts due from clients</i>	29,559	-118,656
<i>other assets and income tax</i>	-24,522	-26,452
<i>amounts due to central bank and other banks</i>	-5,082	-13,450
<i>amounts due to clients</i>	550,801	-957,103
<i>provisions</i>	-10,763	12,438
<i>other liabilities and income tax</i>	52,060	-22,666
Income tax paid	-16,844	-14,446
Net cash flows from (used in) operating activities	-78,271	-1,334,912
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Inflows	146,408	553,291
Cash receipts from sale of property, plant and equipment	3	-
Interest received on securities measured	80,009	113,291
Cash receipts from redemption of securities measured at amortised cost	66,396	440,000
Outflows	-2,217	-12,314
Payments for acquisition of securities measured at amortised cost	-	-7,654
Payments for acquisition of intangible assets	-1,958	-4,239
Payments for acquisition of property, plant and equipment	-259	-421
Net cash flows from (used in) investing activities	144,191	540,977
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Inflows	-	-
Outflows	-9,758	-22,140
Interest paid on bonds issued by the Bank, including:	-4,389	-17,026
<i>subordinated bonds</i>	-4,389	-17,026
Lease payments	-4,906	-4,596
Lease interest paid	-463	-518
Net cash flows from (used in) financing activities	-9,758	-22,140
TOTAL NET CASH FLOWS	56,162	-816,075

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,302,378	4,023,953
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,358,540	3,207,878
Restricted cash and cash equivalents	651,049	599,408

I. Accounting policies applied in preparing the condensed consolidated interim financial statements of the BOŚ Group and the condensed interim financial statements of the Bank

1.1. Basis of preparation and statement of compliance

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

- 1) The interim condensed consolidated statement of profit or loss for the three months ended 31 March 2025 and comparative data for the three months ended 31 March 2024,
- 2) The interim condensed consolidated statement of comprehensive income for the three months ended 31 March 2025 and comparative data for the three months ended 31 March 2024,
- 3) The interim condensed consolidated statement of financial position as at 31 March 2025 and comparative data as at 31 December 2024,
- 4) The interim condensed consolidated statement of changes in equity for the three months ended 31 March 2025 and comparative data for the three months ended 31 March 2024 and the twelve months ended 31 December 2024,
- 5) The interim condensed consolidated statement of cash flows for the three months ended 31 March 2025 and comparative data for the three months ended 31 March 2024,
- 6) Notes to the financial statements.

The condensed interim financial statements of the Bank include:

- 1) The interim condensed statement of profit or loss for the three months ended 31 March 2025 and comparative data for the three months ended 31 March 2024,
- 2) The interim condensed statement of comprehensive income for the three months ended 31 March 2025 and comparative data for the three months ended 31 March 2024,
- 3) The interim condensed statement of financial position as at 31 March 2025 and comparative data as at 31 December 2024,
- 4) The interim condensed statement of changes in equity for the three months ended 31 March 2025 and comparative data for the three months ended 31 March 2024 and the twelve months ended 31 December 2024,
- 5) The interim condensed statement of cash flows for the three months ended 31 March 2025 and comparative data for the three months ended 31 March 2024,
- 6) Notes to the financial statements.

These interim condensed consolidated financial statements of the BOŚ Group and the interim condensed financial statements of the Bank have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), effective as at the reporting date, i.e. 31 March 2025, using the same accounting policies for each period, and on a historical cost basis, except for the following items measured at fair value:

Recognition of changes in fair value through:	
Financial instruments held for trading	profit or loss
Fair value hedging derivatives	profit or loss
Amounts due from clients whose cash flows fail to meet the SPPI (solely payment of principal and interest) test	profit or loss
Investment debt securities held within a business model whose objective is achieved by collecting contractual cash flows or selling financial assets	other comprehensive income
Investment equity securities	other comprehensive income
Investment debt securities measured at fair value to reduce an accounting mismatch from the measurement of assets and liabilities	profit or loss

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

Dom Maklerski BOŚ S.A., BOŚ Leasing - EKO Profit S.A. and MS Wind Sp. z o.o. prepare their financial statements in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU).

These interim condensed financial statements have been prepared in the Polish złoty (PLN), rounded to PLN thousand (PLN '000).

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

These interim condensed consolidated financial statements of the BOŚ Group and the interim condensed financial statements of the Bank for the three months ended 31 March 2025 follow the same accounting policies as those used in the preparation of the full-year financial statements for the year ended 31 December 2024.

As at the date of authorisation of the interim condensed consolidated financial statements and the interim condensed financial statements of the Bank for issue, there were no circumstances that would indicate a threat to the Bank's or the BOŚ Group companies' ability to continue as going concerns for at least 12 months after the reporting date as a result of voluntary or compulsory discontinuation or limitation of their existing operations. Therefore, these condensed consolidated interim financial statements of the BOŚ Group and interim condensed financial statements of the Bank have been prepared on the assumption that the Bank and the BOŚ Group companies will continue as going concerns for the foreseeable future, i.e. for a period of at least 12 months from the reporting date.

II. Fair value of financial assets and liabilities

Fair value of financial assets and liabilities, PLN thousand	Carrying amount as at 31 Mar 2025	Fair value as at 31 Mar 2025	Carrying amount as at 31 Dec 2024	Fair value as at 31 Dec 2024
FINANCIAL ASSETS				
Cash and cash equivalents	3,671,073	3,671,073	3,427,224	3,427,224
deposits with other banks	174,982	174,982	28,853	28,853
debt securities	3,496,091	3,496,091	3,398,371	3,398,371
Amounts due from banks	183,827	184,041	14,397	14,397
Amounts due from clients, including:	10,052,790	9,984,149	10,104,635	10,090,221
- Loans in PLN	8,009,773	7,955,403	8,115,602	8,104,798
- Foreign currency loans	2,043,017	2,028,746	1,989,033	1,985,423
Investment securities – measured at amortised cost	1,784,449	1,772,304	1,843,978	1,827,098
Debt securities, including:	1,784,449	1,772,304	1,843,978	1,827,098
- State Treasury	1,353,576	1,360,347	1,346,105	1,351,695
- Other	430,873	411,957	497,873	475,403
FINANCIAL LIABILITIES				
Amounts due to central bank and other banks	239,437	239,437	244,519	244,519
Amounts due to clients, including:	19,632,571	19,428,700	19,100,807	18,893,349
- Institutional clients	8,411,422	8,411,132	7,567,852	7,568,410
- Retail clients	10,665,518	10,663,103	10,964,372	10,961,891
- Other clients	60,604	60,604	62,889	62,889
- International financial institutions	495,027	293,861	505,694	300,159
Liabilities arising from issue of bank securities	203,854	22,110	199,762	21,674
Subordinated liabilities	100,638	100,230	102,838	102,322

Amounts due from banks

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

Amounts due from clients

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

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

Investment securities measured at amortised cost

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

Amounts due to central bank and other banks

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

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

Amounts due to clients

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

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

Liabilities arising from issue of securities

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

Subordinated liabilities

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

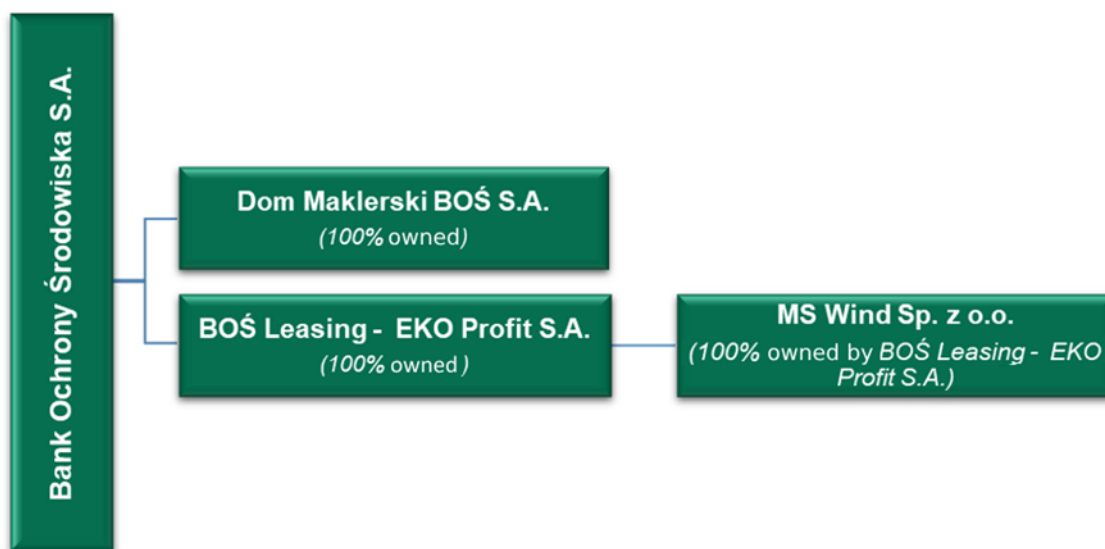
III. Consolidated contingent liabilities and assets

CONTINGENT ASSETS AND CONTINGENT LIABILITIES, PLN thousand	31 Mar 2025	31 Dec 2024	Change (%)
Contingent liabilities:	3,632,861	3,673,653	-1.1
Financial assets, including:	3,175,325	3,167,402	0.3
open lines of credit, including:	3,139,753	3,155,237	-0.5
revocable	2,638,496	2,641,328	-0.1
irrevocable	501,257	513,909	-2.5
open import letters of credit	31,152	12,165	156.1
loan commitments, including:	4,420	-	x
revocable	-	-	x
irrevocable	4,420	-	x
Guarantees, including:	407,618	449,583	-9.3
credit repayment sureties and guarantees	14,119	13,910	1.5
performance bonds	393,499	435,673	-9.7
Underwriting	49,918	56,668	-11.9
Contingent assets:	1,912,528	1,942,893	-1.6
Financial assets, including:	-	4,300	x
open lines of credit	-	-	x
other	-	4,300	x
Guarantees	1,886,570	1,913,394	-1.4
Other	25,958	25,199	3.0

IV. Organisation of the Group

Structure of the Group

In the three months ended 31 March 2025, the BOŚ Group comprised the following entities:



Consolidated subsidiaries of the Group as at 31 March 2025:

No.	Subordinated entities	Registered office	% equity interest as at 31 Mar 2025	% voting interest as at 31 Mar 2025	Consolidation method
Direct subsidiaries					
1.	Dom Maklerski BOŚ S.A.	Warszawa	100%	100%	Full consolidation
2.	BOŚ Leasing - EKO Profit S.A.	Warszawa	100%	100%	Full consolidation
Indirect subsidiary (subsidiary of BOŚ Leasing - Eko Profit S.A.)					
1.	MS Wind sp. z o.o.	Warszawa	100%	100%	Full consolidation

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

BOŚ Leasing – EKO Profit S.A. – a direct subsidiary engaged in lease activities involving financing of 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 (wholly-owned by BOŚ Leasing - EKO Profit S.A.) engaged in the execution of a wind farm project.

Other companies in which BOŚ S.A. holds equity interests:

- Wodkan Przedsiębiorstwo Wodociągów i Kanalizacji S.A. – 29.48%.
- Polskie Domy Drewniane S.A. – 0.42%.
- Kemipol Sp. z o.o. – 15.03%.

V. Key events subsequent to the date of this report

After the reporting date there did not occur any significant events which would not be disclosed in the financial statements.

Signatures for the Management Board of BOŚ S.A.:

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

Signature of the person in charge of bookkeeping:

14 May 2025	Andrzej Kowalczyk	Director of the Accounting Department	Signed with qualified electronic signature
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