

Current Report No. 12/2022 – Events with a bearing on the financial results of Bank Ochrony Środowiska S.A. in the second half of 2022 – published 4:24pm on July 19th 2022

The Management Board of Bank Ochrony Środowiska S.A. of Warsaw (the "Bank") announces that in connection with the signing by the President of the Republic of Poland of the Business Crowdfunding and Support for Borrowers Act, which provides, among other things, the option for borrowers to pause payments under mortgage loans originated in the Polish currency for up to eight months in 2022 and 2023 (the "loan payment holidays"), the Bank estimates that the loan payment holidays used by eligible borrowers will reduce the Bank's pre-tax profit by PLN 55m on a one-off basis in the third quarter of 2022. This estimate has been made on the assumption that the loan payment holidays will be used by 80% of eligible borrowers. The relevant calculations have been made using an interest rate on the loans as at the date of the estimate that is based on the market interest rate growth path and the rules for recalculating base rates under the loan agreements. Given the reported increase in market interest rates, the total cost of the loan payment holidays following recalculation of base rates under the loan agreements may increase to PLN 83m by year-end 2023.

These estimates will be updated to reflect the actual level of borrowers' interest in having their loan payments suspended, the timing of clients' payment holiday applications and the level of base rates affecting the amount of the deferred payments.

The Bank further announces that the amount of an additional contribution to the Borrowers' Support Fund will be published in a separate current report after a relevant decision of the Borrowers' Support Fund Board is received by the Bank.

Legal basis:

Article 17(1) of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (MAR).