

Current Report 5/2020 Impact of coronavirus epidemic on operations and financial results of Bank Ochrony Środowiska S.A. – publicised on 9 Apr. 2020 at 14:32

The Management Board of Bank Ochrony Środowiska S.A. domiciled in Warsaw hereby inform about the impact of the coronavirus epidemic on the operations and financial results of Bank Ochrony Środowiska S.A.

BOŚ S.A. consistently maintains its business continuity. The Bank has implemented a number of solutions to ensure business continuity as well as to mitigate the epidemic risk, both towards its employees and customers using the network of Bank branches. A significant number of Bank employees are fulfilling their duties remotely.

The Bank continues to maintain its good capital and liquidity positions, at levels significantly exceeding the minimal statutory values and currently is not reporting any significant impact of the coronavirus epidemic on its liquidity and capital adequacy.

The Finance Minister's decision to release the systemic risk buffer shall translate into reducing the minimal capital requirements for the Bank on the separate and consolidated levels by 3 percentage points, additionally increasing the Bank's and Group's capital buffer above the regulatory requirements.

The Monetary Policy Council's decisions of 17 March and 8 April to reduce interest rates and to change the mandatory reserve parameters shall have a negative impact on the Group's 2020 net result by c. 35 to 50m PLN. This impact shall gradually materialize in subsequent quarters.

Due to the negative impact of the announcement of the epidemic on business activity in Poland the bank is expecting lower activity of corporate and individual customers and lower sales of financial products. The financial situation of some customers may significantly deteriorate. To address customers' needs the Bank offered borrowers a possibility to suspend loan principal payments and adjust factoring transactions. The Bank is expecting an increase of risk costs, the scale of which can now hardly be estimated in a reliable manner. A precise estimation of the epidemic on the Bank's financial situation is not possible at the moment.

Legal basis:

Art. 17 section 1 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (MAR).