

**Current Report No. 1/2024 – Letter from Bank Guarantee Fund on setting minimum requirement for own funds and eligible liabilities (MREL) – published January 2nd 2024, 3:57pm**

The Management Board of Bank Ochrony Środowiska S.A. of Warsaw (the “Bank”) announces that on December 28th 2023 it received a letter from the Bank Guarantee Fund (“BGF”) regarding the MREL requirements set for the Bank.

The MREL-TREA target for the Bank has remained unchanged from the level set for the Bank on a consolidated basis under the updated forced restructuring plan, at 12.00% of the total risk exposure amount (TREA). The Bank should meet the MREL-TREA target requirement by December 31st 2023. Due to the fact that Common Equity Tier 1 (CET1) instruments cannot be used to meet MREL (expressed as a percentage of TREA), being held by the Bank for the purpose of the combined buffer requirement, the Bank is additionally subject to the CBR (currently at 2.50%). The target amount of subordinated MREL-TREA for the Bank on a consolidated basis has been re-calibrated to 11.22% of TREA to be met by own funds and eligible liabilities meeting the subordination requirement by December 31st 2023.

The MREL-TEM target for the Bank has remained unchanged from the level set for the Bank on a consolidated basis under the updated forced restructuring plan, at 4.5% of the total exposure measure (TEM). The Bank should meet the MREL-TEM requirement by December 31st 2023. The target amount of subordinated MREL-TEM for the Bank on a consolidated basis has remained unchanged at 4.42% of TEM to be met by own funds and eligible liabilities meeting the subordination requirement by December 31st 2023.

**Legal basis:**

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