

RB 2/2019 – BOŚ S.A. higher rating and upheld outlook – publicised on 11 Jan. 2019, at 15:32

The Management Board of Bank Ochrony Środowiska S.A. domiciled in Warsaw (Bank) hereby informs that on 11 Jan. 2019 Fitch Ratings Ltd (Agency) increased its rating and affirmed the outlook for the Bank:

- Long-term Foreign Currency IDR was increased to 'BB-' from 'B+' outlook stable,
- Short-term Foreign Currency IDR was upheld at 'B',
- National Long-term Rating raised to 'BBB-(pol)' from 'BB+(pol)', outlook stable,
- National Short-term Rating was affirmed at 'F3(pol)',
- Viability Rating was raised to 'bb-' from 'b+',
- Support Rating remains at '4',
- Support Rating Floor remains at 'B',
- Long-term senior unsecured bond programme worth up to 2 billion PLN increased to 'BBB-(pol)' from 'BB+(pol)',
- Short-term senior unsecured bond programme worth up to 2 billion PLN was affirmed at 'F3 (pol)',
- Rating for subordinated R1 series bonds of 83 million PLN increased to 'BB+(pol)' from 'BB-(pol)'.

In its report, as key reasons for this decision the Agency listed, among other things, strengthening of Bank's capital buffers, accomplishment of strategy assumptions and curbing the risk of Bank's commitment being concentrated in windfarms' exposures compared to the previous review of the Bank.

The current ratings result from the Agency's stance regarding the limited possibility of the Bank being supported by the State, mainly in the light of the BRRD (Bank Recovery and Resolution Directive). However, the Agency admitted that state institutions could undertake preliminary measures to avoid Bank's exceeding regulatory capital requirements due to the State's indirect capital involvement in the Bank and its role in financing pro-ecological projects in Poland.

Among factors which may contribute to raising the ratings the Agency listed further improvement of profitability and asset quality.

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).