



**Management strategy
for Bank Ochrony Środowiska S.A.
in 2025–2027**

Providing comprehensive support
for the green transition

BANK OCHRONY ŚRODOWISKA – A LEADER IN DRIVING POLAND'S GREEN TRANSITION



>33 years of experience

>PLN 30 billion in green finance

>40% share of green loans in the portfolio*

BANK OCHRONY ŚRODOWISKA HAS NOT BEEN THE FIRST CHOICE FOR CUSTOMERS SO FAR

Low number of current accounts – high financing costs

Low profitability results in limited investments and:

1. Technical debt
2. High employee turnover
3. Low customer retention

As a result, there is increased pressure on the balance sheet and financial performance

High interest rates on loans attract higher-risk clients

Performing loans are refinanced with other banks, while bad loans remain with BOŚ, driving an increase in NPL ratio

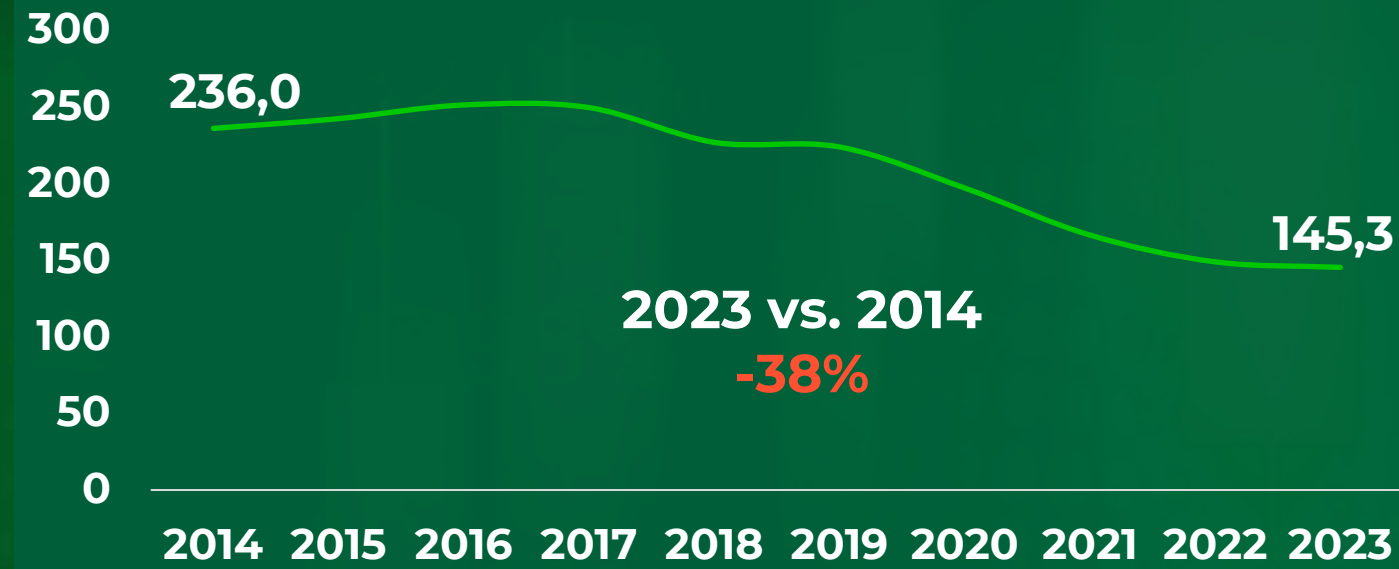


PAST PERFORMANCE INDICATORS HAVE FALLEN SHORT OF EXPECTATIONS

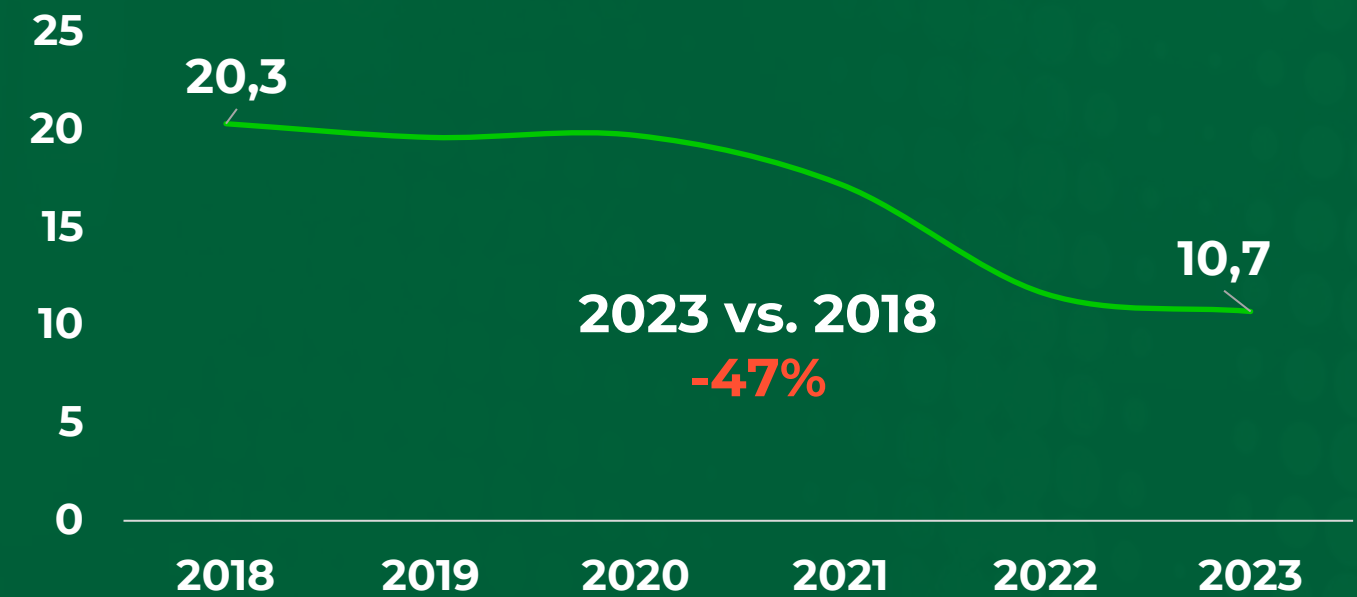
Change in BOŚ's total assets compared with the banking sector from December 2014 to June 2024



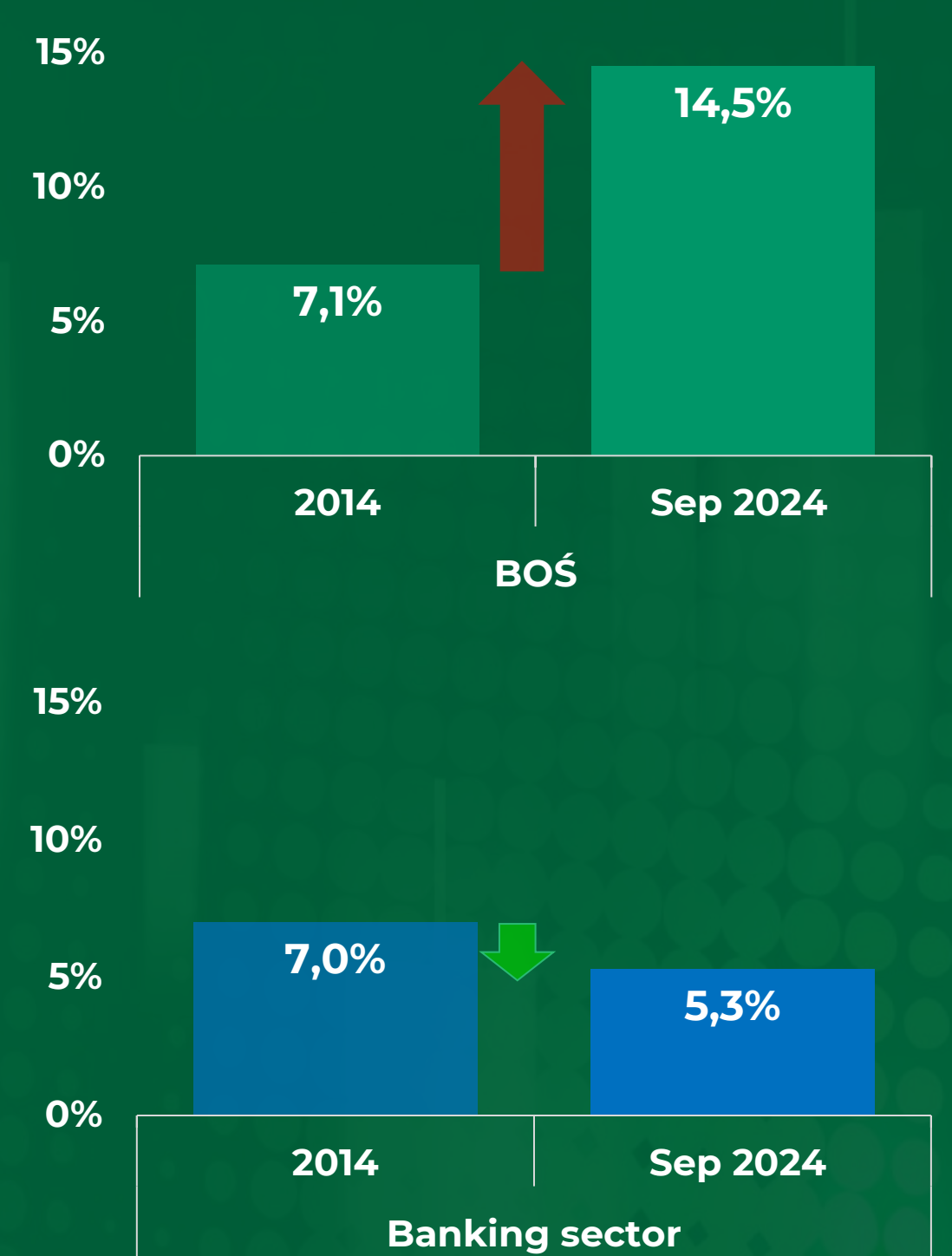
Change in the number of retail clients at BOŚ from 2014 to 2023 (in thousands)



Change in the number of institutional clients (including micro-enterprises) at BOŚ from 2018 to 2023 (in thousands)



Change in the NPL ratio from December 2014 to September 2024



BANK OCHRONY ŚRODOWISKA – A SPECIALISED BANK OF CHOICE

for clients pursuing or planning green investments

A strong partner in the green transition

- 🎯 **TOP 3 IN NPS** – recognised as a leader by clients for eco-friendly products and services
- 🎯 **Partnerships with local government institutions** in each province
- 🎯 **Collaboration** with the cooperative banking sector
- 🎯 **Financing green infrastructure projects for local governments**, in partnership with cooperative banks, local government institutions, the National Support Centre for Agriculture (KOWR), and the Agency for Restructuring and Modernisation of Agriculture (ARiMR)

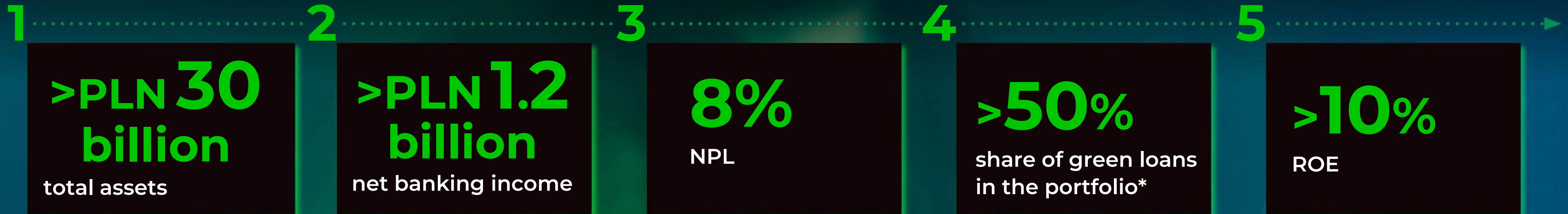
Digital bank

>90% level of digitalisation
of core lending processes digitalised

High product ratio per client

- 🎯 An average of at least **4** products per client
- 🎯 Clients actively leveraging a diverse suite of services, with current accounts as a cornerstone product, complemented by solutions in transaction banking, leasing, factoring, and treasury products

OUR STRATEGIC GOALS FOR THE END OF 2027



* zgodnie z wewnętrznymi zasadami klasyfikacji

BUSINESS GROWTH

Projected spending on Poland's green transition presents a significant opportunity for business growth

up to **PLN 792 billion***
by **2030**

Poland is poised for rapid expansion in investments in renewable energy sources (RES) and supporting technologies. Drawing on comparisons with developed countries in the renewable energy sector, we anticipate substantial long-term growth potential in the local market:

x9

Biogas plants

x2

PV capacity

x18

Energy storage

Bank Ochrony Środowiska actively supports green investments across all industries. The sectors with the greatest projected investment demand include power generation, district heating, transport, and households.*



Bank Ochrony Środowiska leverages strong partnerships to support green transition initiatives across Poland

* Estimates from the National Energy and Climate Plan (KPEiK) – draft under review; industry reports and articles.

BANK OCHRONY ŚRODOWISKA – A STRONG PARTNER

driving the green transition for local communities and businesses

WE PARTNER WITH:

Local finance sector – including cooperative banks, leasing companies, and loan and grant funds – to support local communities in Poland and build long-term partnerships. These efforts aim to strengthen the Bank’s future role in the comprehensive management of investments and budgets for local government institutions.

Local government institutions and energy companies – to finance and support green investments at the local level. **We support green investments:** renewable energy, power generation, energy storage, hydrogen, district heating, biogas/biomethane, circular economy, waste management, water and wastewater management, clean air initiatives, and energy clusters/cooperatives.



A **PARTNER** for companies delivering green solutions, providing comprehensive support to industries and sectors with the greatest need for green transition.



WE STRENGTHEN GREEN INFRASTRUCTURE THROUGH INVESTMENTS in renewable electricity and heat generation, along with complementary solutions.



WE PROVIDE EDUCATION AND ADVISORY SERVICES on sustainable development, ESG principles, taxonomy, and decarbonisation, helping to educate clients and the broader public. Our team of environmental engineers assesses and optimises investment projects.



WE ACTIVELY ENGAGE IN INITIATIVES FOCUSED ON RESEARCHING AND DEVELOPING GREEN TECHNOLOGIES that support sustainable development and environmental protection.

TECHNOLOGICAL TRANSFORMATION



Advancing digitalisation and mobile app development



Enhancing the lending process



Streamlining Bank's processes



Expanding data analytics capabilities



Up-to-date solutions under the Banking-as-a-Service model



Simplifying internal procedures and policies

ICT risk management frameworks are essential to supporting the Bank's business strategy and achieving its business objectives.

IN THE CORPORATE SEGMENT, BY THE END OF 2027, WE WILL ACHIEVE:

2x →

increase in corporate clients*
current: 2,180 → target: 4,360

35% →

growth in credit assets
including loans, corporate bonds, factoring balances and leasing assets through
BOŚ Leasing – current: PLN 8.8 billion → target: PLN 12 billion

>55% →

share of green assets in total credit assets
current: 41%

10x →

increase in project financing syndicates
with BOŚ as a participant or leader – current: 14 → target: 140

2x →

increase in factoring turnover
current: PLN 3.91 billion → target: PLN 7.8 billion

TOP 3 NPS →

in green project financing across the sector

* Includes business entities and local government institutions with annual revenues/budgets exceeding PLN 30 million, along with related entities/institutions (as per internal segmentation)

THE BANK FOR THE GREEN TRANSITION

for corporate clients

5 PILLARS

1. Target market

- Renewable energy sources, energy transmission and distribution, energy storage, hydrogen production, district heating, biogas/biomethane, circular economy, waste management, water and wastewater management, low-emission construction, energy retrofitting, energy efficiency, climate protection, and climate neutrality
- Green investments across other sectors
- Local government institutions for ongoing services and/or financing budget deficits

2. Processes

- A new, more efficient lending process
- Standardised and customer-friendly sales processes
- Increased automation and digitalisation of key processes
- Expanded use of guarantee instruments from BGK, KUKE, EBRD, and EIB to provide attractive financing solutions for clients
- Streamlined syndication arrangements with the cooperative banking sector
- Development of analytical capabilities and data-driven decision-making

3. Interinstitutional collaboration

- New partnership models with cooperative banks, local governments, the National Fund for Environmental Protection and Water Management (NFOŚiGW), Provincial Funds for Environmental Protection and Water Management (WFOŚiGW), and Special Economic Zones (SSE) to support the energy transition and community energy initiatives (including energy cooperatives)
- Delivering the broadest market access to public support programmes through cooperation with national and international financial institutions, as well as public sector entities at regional and local levels

4. Service quality and client relationships

- Unparalleled market expertise in assessing green investment projects
- Training and certification programmes to enhance service quality and deliver added value to clients
- Providing attractive banking products and services tailored to client needs
- Strengthening relationships through increasing the product ratio per client, and a flexible pricing strategy
- A unified sales model across the network
- Regular customer satisfaction surveys and market research to improve service quality

5. Team

- Corporate consultants available in every province
- Environmental engineers, product specialists, and business analysts integrated into the sales network and accessible to clients
- Enhanced employee engagement and professional development
- Seamless collaboration between sales, risk, and product teams, supported by effective internal communication
- Centralised business support

IN THE RETAIL, MICRO, SME, AND AGRI SEGMENTS, BY THE END OF 2027, WE WILL ACHIEVE:

99%



digitalised processes,
establishing a fully digital bank

Leader



in financing small agricultural biogas plants

+150,000



new clients
targeting 300,000

PLN 7 billion



in loans on the balance sheet
across the retail, micro, SME, and agri sectors

Leader



in managing support programmes for
the green transition

THE BANK FOR THE GREEN TRANSITION

for retail clients, micro enterprises, SMEs, and the agri sector

3 PILLARS

1. Client

- Serving at least 80% of clients through digital channels*
- Multichannel access to offerings for retail and micro clients
- Embedded finance as a new funding model for micro and SME clients
- Financing green infrastructure for local government institutions and energy producers
- Products for agri clients
- Products for professionals

2. Productivity

- 99% of loan and service processes fully digitalised for retail and micro clients
- ESG digital processes for micro, SME, and agri clients, including electronic certificates of emission reduction in collaboration with KAPE

3. Environment

- Participation in managing major environmental programmes in collaboration with NFOŚiGW, WFOŚiGW, and ARiMR
- Financing clients using funds from NFOŚiGW, WFOŚiGW, EIB, EIF, and BGK
- Supporting Poland's energy transition for local governments in close collaboration with energy companies

* Currently at an unsatisfactory service level.

KEY INITIATIVES

2025

2026

2027

- ✓ Automated credit decisions for micro and retail clients
- ✓ Credit decisions for corporate clients within 2-3 weeks
- ✓ Tailoring network structure and product offerings to meet client needs
- ✓ Digital channels for deposit acquisition
- ✓ Launching a dedicated process for eco-installers
- ✓ Collaboration with the cooperative banking sector
- ✓ Customer service through a Virtual Branch
- ✓ Innovative green products
- ✓ Autodealing
- ✓ Currency exchange services for retail clients
- ✓ Leveraging AI in key areas such as knowledge management and cost optimisation

- ✓ Remote solutions for clients, including new systems for the lending process
- ✓ New lending process systems designed for SME and corporate clients
- ✓ Enhanced mobile solutions for clients
- ✓ Development of advanced CRM tools
- ✓ Virtual ECO-Engineer services

- ✓ Implementation of a new factoring system
- ✓ Upgraded systems for loan agreement preparation and administration
- ✓ Collaboration on modern Banking-as-a-Service solutions

Expanding total assets to exceed
PLN 30 billion

ESG IS AN INTEGRAL PART OF OUR BUSINESS STRATEGY

A comprehensive ESG strategy is outlined in a dedicated document

ESG RATING AMONG THE TOP 3 POLISH BANKS

ENVIRONMENT AND CLIMATE

CLIMATE NEUTRALITY for the Group in Scope 1 and 2 by 2030.

Supporting clients in meeting environmental goals through:

- green products designed to help companies meet ESG transformation requirements
- expertise and project financing solutions.

Strong partnerships with institutions such as **NFOŚOŚIGW, WFOŚIGW, EIB, EIF, and BGK**. Active participation in all available green financing programmes on the market.

Collaboration with **MS Wind**. Achieving energy balance by BOŚ.



ENVIRONMENT AND CLIMATE

E



A SOCIALLY ACTIVE BANK

S



A CONSCIOUS ORGANISATION

G

A SOCIALLY ACTIVE BANK

Environmental partnerships.

Environmental initiatives, such as employee volunteering programmes.

Activities of the BOŚ Foundation, including programmes focused on environmental sustainability, health, and employee volunteering.

A CONSCIOUS ORGANISATION

Raising awareness among stakeholders of BOŚ as a bank offering a comprehensive and market-leading green financing portfolio for companies and local government institutions.

STRATEGIC INITIATIVES

- ➔ Deploying smart tools to calculate clients' carbon footprint
- ➔ An ESG data management system for the BOŚ Group
- ➔ ECO Business Stop: A market guide on sustainable financing, supported by webinars, podcasts, and consultations with **ENVIRONMENTAL ENGINEERS**

- ➔ Sustainability Linked Loans (SLL)
- ➔ Internal ESG Leaders Programme
- ➔ Innovative Green products

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