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The only binding version is the original Polish version.

Bank Polski

Directors' Report on the operations of PKO Bank Polski S.A. Group for the first half of 2025

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1. Introduction

The Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna Group (**PKO Bank Polski S.A. Group** or **the Bank's Group** or **Group**) is one of the largest groups of financial institutions in Poland and in Central and Eastern Europe.

The Parent of the Group is Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (**PKO Bank Polski S.A.** or **Bank**). PKO Bank Polski S.A. is the largest commercial bank in Poland and the leading bank on its domestic market in terms of the scale of operations, equity, loans, deposits, number of Customers and size of the distribution network.

PKO Bank Polski S.A. is a universal bank that services individuals, legal entities and other Polish and foreign entities.

Apart from operations of strictly banking nature, the Bank's Group also provides services involving leases, factoring, investment funds, pension funds and insurance, car fleet management services, transfer agent services, delivers technological solutions and outsources IT professionals.

The Bank's Group conducts banking activities and provides financial services also outside Poland - mainly through its branches in Germany, the Czech Republic, Slovakia and Romania, and through its subsidiaries in Ukraine, and also engages in cross-border operations within EEA countries.

PKO Bank Polski S.A. Group stands out on the Polish market with the scale of operations and good financial performance, which ensures its stable and safe development.

2. Results of the Group's operation in the first half of 2025

2.1. Major events, including non-typical events

2.1.1. Change of the Bank's address

On 27 June 2025, the address of the Bank with its registered office in Warsaw changed from: ul. Puławska 15 in Warsaw to: ul. Świętokrzyska 36 in Warsaw. The purpose of the relocation was to bring together in one place the headquarters units and Group companies (PKO Leasing S.A., PKO Ubezpieczenia S.A., PKO TFI S.A. and PKO Bank Hipoteczny S.A.).

The building has received the prestigious BREEAM certification at the highest Outstanding level, confirming that it is environmentally friendly and sustainable, i.e. has a limited impact on the natural environment. The office building features efficient lighting and temperature management, heat and humidity recovery from inside the building, a grey water recovery system and rainwater collection for watering green areas. Due to the building's environmentally friendly advantages, the relocation constitutes an important element in the implementation of the Bank's ESG strategy.

The new headquarters accommodates 2,200 workstations, in line with the hybrid working model operating within the Group. The Bank is the sole tenant of the building with an area of approximately 35,000 m^2, which consists of two parts. The higher tower is 155 m tall and has 40 above-ground floors, while the lower one has 9 above-ground floors. The Bank's second headquarters location in Warsaw will remain the office at Chmielna 89.

2.1.2. Programme for the issue of own bonds on the Eurobond market

On 2 January 2025, the Bank, having obtained the consent of the Bank Guarantee Fund (BGF), informed bondholders about the early redemption in full of bonds with ISIN code XS2582358789 with the following parameters: total issue value of EUR 750 million, issue date 1 February 2023, maturity date 1 February 2026. The information was published in the Financial Times London and on the Luxembourg Stock Exchange. In accordance with the provisions of the issue terms, the optional redemption date fell on 1 February 2025, and the redemption amount was paid on 3 February 2025, i.e. the first business day following the optional redemption date.

On 16 January 2025, under the EMTN Programme, the Bank issued Senior Preferred Bonds with a maturity of three years and five months, with the possibility of early redemption one year before the maturity date (subject to the approval of the BGF), with a total nominal value of EUR 750,000,000 on the basis of a prospectus approved on 15 March 2024 by the Commission de Surveillance du Secteur Financier. The issue of bonds was intended to cover the minimum level of own funds and eligible liabilities (MREL) requirement. The coupon of the issue is fixed, at 3.375%, payable annually until the early redemption date (and variable thereafter, with quarterly payments), The bonds issued are classified as eligible liabilities of the Bank within the meaning of Article 97a, paragraph 1, point 2 of the Act of 10 June 2016 on the Bank Guarantee Fund, the deposit guarantee scheme and resolution (MREL requirement). Moody's Investors Service has assigned a rating of A3 to the issue. The bonds were admitted to trading on a regulated market on the Luxembourg Stock Exchange and on the Warsaw Stock Exchange.

On 30 June 2025, under the EMTN Programme, the Bank issued Green Senior Non-Preferred Bonds with a maturity of six years, with the possibility of early redemption one year before the maturity date (subject to the approval of the Bank Guarantee Fund (BGF)), with a total nominal value of EUR 500,000,000 on the basis of a prospectus approved on 17 April 2025 by the Commission de Surveillance du Secteur Financier. The issue of bonds was intended to cover the minimum level of own funds and eligible liabilities (MREL) requirement. The coupon of the issue is fixed, at 3.625%, payable annually until the early redemption date (and variable thereafter, with quarterly payments), The bonds issued are classified as eligible liabilities of the Bank within the meaning of Article 97a, paragraph 1, point 2 of the Act of 10 June 2016 on the Bank Guarantee Fund, the deposit guarantee scheme and resolution (MREL requirement). Moody's Investors Service has assigned a rating of Baa2 to the issue. The bonds were admitted to trading on a regulated market on the Luxembourg Stock Exchange and on the Warsaw Stock Exchange.

2.1.3. Interest rate benchmarks reform in Poland

Representatives of the Bank participate in the work of the National Working Group on benchmark reform established in connection with the benchmark reform in Poland.

On 24 January 2025, the Steering Committee of the National Working Group on benchmark reform (NWG Steering Committee) decided to select the name POLSTR (Polish Short Term Rate) as the ultimate interest rate benchmark to replace the WIBOR benchmark.

On 28 March 2025, the NWG Steering Committee approved the updated Roadmap for the process of replacing the WIBOR and WIBID benchmarks.

On 2 June 2025, the official determination of the POLSTR (Polish Short Term Rate) Interest Rate Index and indices from the POLSTR Compound Indices Family commenced. The administrator of POLSTR is GPW Benchmark SA – an entity holding authorization from the Polish Financial Supervision Authority and entered in the register of benchmark administrators maintained by the European Securities and Markets Authority (ESMA).

2.1.4 Conclusion of synthetic securitization transaction

On 12 May 2025, the Bank entered into a package of synthetic securitization agreements with private investor Christofferson, Robb & Company, operating through one of its investment entities, executed on a portfolio of corporate loans with an aggregate nominal value of PLN 1,892.3 million (as at 28 February 2025). The Transaction was the first operation of this kind in the Bank's history. As part of the concluded transaction, the Bank transferred to the investor a significant part of the credit risk from the selected portfolio subject to securitization without the need to sell it. The selected portfolio of the securitized corporate loans remains on the Bank's balance sheet.

The risk transfer of the securitized portfolio is carried out through a credit protection instrument in the form of a financial guarantee secured by a deposit placed with the Bank. The Transaction meets the requirements for significant risk transfer set out in the CRR Regulation and has been structured as meeting the STS criteria (simple, transparent and standardised securitisation) in accordance with Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation as established by Regulation (EU) 2021/557 of the European Parliament and of the Council of 31 March 2021 amending Regulation (EU) 2017/2402 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation to help the recovery from the COVID-19 crisis.

2.2. OTHER SIGNIFICANT EVENTS

2.2.1. MORTGAGE LOANS IN FOREIGN CURRENCIES

SETTLEMENT PROGRAMME

In the first half of 2025 PKO Bank Polski S.A. continued offering settlements to its retail customers who had active mortgage-backed loans in CHF. The settlement involves converting CHF loans into loans in Polish zlotys (PLN) as if, from the very start, it had been a PLN loan. The settlements are offered during mediation proceedings conducted by the Mediation Centre of the Polish Financial Supervision Authority (PFSA). The bank also offers settlements on a large scale for loans subject to litigation.

By 30 June 2025, more than 66.8 thousand mediation applications were registered, 53.4 thousand mediations concluded with a positive outcome, 15.7 thousand mediations concluded with a negative outcome. The total number of settlements concluded as at 30 June 2025 was 53.2 thousand, of which 42.3 thousand were concluded in mediation proceedings and 10.9 thousand in court proceedings.

INCREASED COST OF LEGAL RISK OF MORTGAGE LOANS IN CONVERTIBLE CURRENCIES

In the first half of 2025, the Bank's Group increased the allowance for the cost of legal risk of mortgage loans in convertible currencies (CHF and EUR) by PLN 2,222 million. The amount of these costs is due to updates of the legal risk assessment model parameters, which included an increase in the expected costs of the settlement program, changes in the level of court rulings, and an update of the estimated costs related to statutory interest accrued during the dispute with the customer. For details of the allowance for the cost of legal risk in the first half of 2025, see the condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group for the six-month period ended 30 June 2025 (Financial statements of the Bank's Group for the first half of 2025) – note 15 "Cost of legal risk of mortgage loans in convertible currencies".

2.2.2. KEY CHANGES TO THE STRUCTURE OF THE BANK'S GROUP

On 29 April 2025, the Extraordinary Shareholders' Meeting of Ubezpieczeniowe Usługi Finansowe sp. z o.o. (a subsidiary of PKO Życie Towarzystwo Ubezpieczeń S.A.) adopted a resolution on the dissolution of the company and placing it into liquidation. On 25 May 2025, an entry was made in the National Court Register regarding the registration of placing the company into liquidation (commencement of liquidation). The business name under which the company operates was changed to Ubezpieczeniowe Usługi Finansowe sp. z o.o. w likwidacji (in liquidation).

2.2.3. SECURITIES ISSUED BY ENTITIES OF THE BANK'S GROUP

ISSUE OF MORTGAGE COVERED BONDS OF PKO BANK HIPOTECZNY S.A.

In the first half of 2025, under the International Mortgage Covered Bond Programme, PKO Bank Hipoteczny S.A. carried out:

- the issuance of the 15th series of mortgage covered bonds with a nominal value of PLN 800 million, which are listed on the regulated parallel market of the Warsaw Stock Exchange. It was one of the largest PLN-denominated covered bond issues in the history of PKO Bank Hipoteczny S.A.
- the issuance of the 16th series of mortgage covered bonds with a nominal value of EUR 500 million, which are listed on the Luxembourg Stock Exchange.

In the first half of 2025, PKO Bank Hipoteczny S.A. redeemed two maturing covered bond issues with values of PLN 230 million and EUR 500 million.

As at 30 June 2025, the total value of PKO Bank Hipoteczny S.A.'s covered bonds issued (domestically and internationally) was PLN 7,730.95 million (at nominal value).

As at 30 June 2025, the Bank's portfolio included covered bonds with the total nominal value of PLN 506.5 million.

PKO Bank Hipoteczny S.A. bond issue

In the first half of 2025, under the Bond Issue Programme, PKO Bank Hipoteczny S.A. issued bonds with a total nominal value of PLN 2,589.5 million and redeemed bonds with a total nominal value of PLN 2,760.5 million. The nominal value is presented without excluding bonds subscribed for by companies in the PKO Bank Polski S.A. Group.

The Company's bond issues are governed by the Bond Issue Programme Agreement concluded with the Bank. Under the aforementioned agreement, the maximum nominal value of the issued and outstanding bonds amounts to PLN 6,000 million. At the same time, pursuant to the Commitment Agreement, the Bank undertakes to underwrite bonds of PKO Bank Hipoteczny up to a total value of PLN 1,000 million.

As at 30 June 2025, the company's liability under the bonds issued at nominal value amounted to PLN 2,589.5 million.

As at 30 June 2025, the Bank's portfolio contained no bonds issued by PKO Bank Hipoteczny S.A.

PKO Leasing S.A. bond issues

In the first half of 2025, PKO Leasing S.A. issued bonds with a total nominal value of PLN 4,489 million and redeemed bonds with a total nominal value of PLN 4,474 million. The nominal value is presented without excluding bonds subscribed for by companies in the PKO Bank Polski S.A. Group.

The bond issues of the company are governed by an issue agreement concluded with PKO Bank Polski S.A., under which the maximum nominal value of the issued and outstanding bonds was increased in June 2025 from PLN 2,500 million to PLN 3,000 million. Bond issues issued under the aforementioned agreement are not covered by any guarantee, including any guarantee provided by the Bank.

As at the end of the first half of 2025, the company's debt on account of the issue of the aforementioned bonds at nominal value amounted to PLN 2,456 million.

2.2.4. Incidental breach of Best Practices 2021

In the first half of 2025, there was an incidental breach of Principle 4.8 of the "Best Practice for GPW Listed Companies 2021" (DPSN 2021), according to which draft resolutions concerning items placed on the agenda of the General Meeting should be submitted by shareholders no later than 3 days before the General Meeting.

Prior to the announcement of the convening of the Annual General Meeting ("AGM"), the shareholder – State Treasury – requested the Bank to include in the agenda of the AGM items concerning amendments to the General Meeting's resolutions of previous years concerning the principles for shaping the remuneration of members of the Management Board and the Supervisory Board. These proposals were included in items 18 and 19 of the agenda, however, along with the request, the shareholder did not submit draft resolutions in this regard and they were not received by the Bank 3 days before the AGM.

The Bank reported the incidental breach in report 1/2025.

2.2.5. Accessibility

On 28 June 2025, the Act of 26 April 2025 on ensuring economic operators' compliance with the accessibility requirements for certain products and services entered into force, the purpose of which is to ensure that people with special needs can use services and products on an equal basis. The Act applies to the Bank primarily as a service provider offering and providing consumers with retail banking services (consumer credit, mortgage credit, payment services and services related to payment accounts, brokerage activities) and e-commerce services, as well as using products (including ATMs/CDMs and payment terminals) to provide these services.

In accordance with its strategy for 2025-2027, the Bank aims to be #1 in accessibility. The Bank's response to the need to increase accessibility is multi-channel approach. The Bank combines physical proximity and digital channels to provide customers with the best experience. It achieves this through:

- branch network - 75% of Poland's population has access to a branch within 5 km,
- the possibility of using most services through several service channels: both traditional (service at branches) and remote (including online services and mobile apps),
- Silverline – a helpline for elderly people and other customers who need communication facilities,
- adaptation of 93% of ATMs and CDMs to people with special needs (including audio support for withdrawals),
- training of 80% of advisors in branches on the principles of serving people with disabilities,
- provision of MIGAM – online sign language interpreter support during service at branches,
- making documents available in electronic version in a format readable by screen readers, e.g. NVDA,
- systematic approach to simplifying language both in communication and in documents.

2.2.6. Other

Change in ratings

On 27 February 2025, the rating agency Moody's Investors Service announced an upgrade of the rating of the Senior Non-Preferred unsecured bonds from Baa3 to Baa2 and affirmed all other ratings of PKO Bank Polski S.A. The stable outlook for the Bank's long-term deposit rating was also reaffirmed.

In the first half of the year, the Bank's ESG ratings improved: Sustainalytics from 23.9 to 21.8, FTSE Russell from 3.3 to 3.5 and CDP scoring from D to C. The MSCI rating value remained unchanged (A).

Diversity policy

In March 2025, the Diversity, Equal Treatment and Mutual Respect Policy was adopted in the Bank and the Bank's Group, and principles for preventing violations of the diversity policy were implemented, along with procedures for reporting and reviewing violations in this area.

Sanctions

In the first half of 2025, PKO Bank Polski S.A. continuously implemented restrictions and changes resulting from sanctions imposed on Russia and Belarus. In particular, these measures included the addition of new Russian banks to the sanctions list.

Amendment to the regulations of the Supervisory Board Audit Committee (SBAC)

The new SBAC Regulations were adopted by Resolution No 24/2025 of the Supervisory Board on 11 March 2025. The amendments result from changes to the Accounting Act and the Act on Statutory Auditors, Audit Firms and Public Supervision, to the extent that these amendments introduced obligations related to the preparation of sustainability reports and the assurance of sustainability reporting. In addition, editorial changes were made to reflect in the content of the provisions the practical functioning of the SBAC.

Assessment of the adequacy of internal regulations concerning the functioning of the Supervisory Board

The AGM, at its meeting on 13 June 2025, assessed the adequacy of internal regulations concerning the functioning of the Supervisory Board, confirming their correctness and enabling effective functioning of the Supervisory Board (Resolution No. 49/2025 of the AGM of 13 June 2025 on the assessment of the adequacy of internal regulations concerning the functioning of the Supervisory Board of PKO Bank Polski S.A. and the effectiveness of its functioning).

2.3. Selected financial data

The Directors' Report on the Group's operations presents financial data on a management basis. For definitions of individual items (for items from the statement of financial position and the income statement) please refer to the "Glossary" chapter.[1]

[1] Any differences appearing in individual items, totals, shares and growth rates result from rounding off amounts to millions of PLN and rounding off percentages in the presented structures to one or two "decimal" places.

The PKO Bank Polski Group's consolidated net profit for the first half of 2025 reached PLN 5,130 million, up by PLN 735 million compared to the first half of 2024. The increase in net profit was driven by:

1) an improvement in the result on business activities, which reached PLN 15,261 million (up by PLN 1,670 million year-on-year), mainly as a result of an increase in net interest income by PLN 1,889 million, with a decrease in net fee and commission income by PLN 29 million and in other net income by PLN 190 million,
2) an improvement in net write-downs by PLN 98 million, mainly as a result of lower legal risk cost of mortgage loans in convertible currencies by PLN 98 million,
3) an increase in administrative expenses by PLN 583 million, mainly driven by an increase in employee benefit expenses by PLN 301 million, regulatory costs by PLN 177 million, non-personnel expenses by PLN 74 million, and depreciation and amortisation expenses by PLN 31 million.

Table 1. Basic financial data of the PKO Bank Polski S.A. Group (in PLN million)

	30.06.2025	30.06.2024	Change
Net profit	5,130	4,395	+16.7%
Net interest income	12,135	10,246	+18.4%
Net fee and commission income	2,529	2,558	-1.1%
Result on business activities	15,261	13,591	+12.3%
Administrative expenses	-4,724	-4,141	+14.1%
Tax on certain financial institutions	-662	-626	+5.7%
Net write-downs and impairment	-2,998	-3,096	-3.2%
Total assets	547,296	501,990	+9%
Total equity	51,931	46,932	+10.7%
Net ROE	19.5%	17.4%	+2.1 p.p.
Net ROA	1.9%	1.6%	+0.3 p.p.
C/I (cost to income ratio)	29.8%	30.4%	-0.6 p.p.
Interest margin[1)]	4.91%	4.58%	+0.33 p.p.
Share of impaired exposures	3.52%	3.54%	-0.02 p.p.
Cost of credit risk	0.35%	0.42%	-0.07 p.p.
Total Capital Ratio	17.30%	17.89%	-0.59 p.p.
Common equity Tier 1 (CET 1)	16.29%	17.15%	-0.86 p.p.

1) Financial data for 30th June 2024 were transformed.

2) The interest margin was calculated excluding the impact of the Act on crowdfunding for business ventures and assistance for borrowers (the so-called 'credit holidays') amounting to (+) PLN 105 million in Q4 2023, (-) PLN 488 million in Q2 2024, and (+) PLN 276 million in Q4 2024.

Owing to its performance in the first half of 2025, the Group reported the following levels of key financial performance, cost of risk and capital adequacy indicators:

- return on equity as measured by ROE stood at 19.5% on an annual basis (+2.1 p.p. y/y), the improvement in the ratio was driven by an increase in annualised net profit,
- net interest margin was 4.91% on an annual basis (excluding the impact of "credit holidays") (+0.33 p.p. y/y), the margin level was positively affected by an increase in annualised net interest income, mainly related to a decrease in costs on customer deposits and an increase in interest income from securities,
- operating efficiency, as measured by the C/I ratio, stood at 29.8% on an annual basis (-0.6 p.p. y/y), which was achieved thanks to a significant improvement in the result on business activities, more than compensating for the increase in administrative expenses,
- the cost of credit risk on an annualised basis stood at (-)0.35% at the end of June 2025, down 0.07 p.p. compared to the same period of the previous year, mainly due to consumer loans,
- the total capital ratio stood at 17.30%, down 0.59 p.p. compared to the end of June 2024, and the core Tier 1 capital ratio amounted to 16.29%, down 0.86 p.p. The decline was mainly due to increased capital requirements resulting from the implementation of the CRR3 regulation and the effect of higher lending volumes, and was partially offset by an increase in own funds thanks to the issuance of subordinated capital bonds and profit accumulation for 2024.

Events which had a significant impact on the net profit level of the Group achieved in the first half of 2025 compared with the corresponding period of 2024:

Result on business activities

- an increase in net interest income driven by an increase in interest income on securities (related to an increase in volume and average interest rate resulting from purchases at current yields) and financing granted to customers (related to an increase in financing volume), and a decrease in interest expenses on customer deposits (resulting from changes in the maturity structure of deposits and a decline in interest rates on term deposits, despite an increase in the average volume of deposits), along with an increase resulting from the recognition in the corresponding period of 2024 of the cost of credit holidays,
- a decrease in net fee and commission income, mainly caused by a change in the result on card activities (as a result of recognition in 2024 of one-off income from settlements with payment organisations), while margins on foreign exchange transactions and commissions from investment funds, pension funds and brokerage activities improved,
- a deterioration in net other income, mainly as a result of recognition in other operating costs of a provision for consumer protection issues in the amount of PLN 125 million and a decrease in net insurance income and net foreign exchange income, despite an increase in result on financial transactions.

Administrative expenses

- an increase in employee benefit expenses occurred mainly as a result of wage regulations carried out in 2024,
- an increase in regulatory costs was driven by the reinstatement of contributions to the bank guarantee fund and an increase in the contribution to the resolution fund,
- an increase in non-personnel expenses mainly concerned marketing and IT expenditure,
- an increase in depreciation and amortisation expenses resulted primarily from higher amortisation of IT intangible assets,

Net write-downs and allowances

- a decrease in the cost of legal risk of mortgage loans in convertible currencies by PLN 98 million, among others thanks to the settlement programme continued in the Bank, while updating the legal risk assessment model parameters concerning the forecast of the number of court cases, updating the expected costs of the settlement programme, and updating the estimated costs related to statutory interest accrued during the dispute with the customer,
- an improvement in net credit risk allowances by PLN 32 million as a result of deterioration in allowances on corporate exposures, which were partially offset by improved results on consumer, housing loans and securities,
- a more favourable result on allowances on non-financial assets by PLN 32 million, related among others to lower allowances on property, plant and equipment and lower allowances on amounts due for unpaid principal in connection with lost court cases concerning residential foreign currency loans.

As a result of measures taken in the first half of 2025, there was an increase in the scale of operations compared to both the corresponding period of the previous year and the end of 2024:

- total assets reached over PLN 547 billion, which represents an increase of PLN 45 billion year-on-year and PLN 22 billion compared to the level of assets at the end of 2024,
- customer deposits amounted to over PLN 430 billion, i.e. an increase of PLN 32 billion compared to the end of June 2024 (as a result of an increase in both retail and private banking deposits, corporate deposits and SME deposits), and PLN 11 billion compared to the end of December 2024,
- financing granted to customers amounted to nearly PLN 298 billion, increasing by PLN 27 billion compared to the end of June 2024 (mainly as a result of an increase in PLN residential loans, financing granted to corporate entities and retail and private banking loans), and PLN 11 billion compared to the end of December 2024,
- the non-trading securities portfolio amounted to nearly PLN 199 billion, i.e. an increase of PLN 16 billion compared to the end of June 2024 (mainly due to higher holdings of government bonds), and PLN 9 billion compared to the end of December 2024.

The balance sheet structure of the Group was also affected by:

- changes in market valuations of the securities portfolio and derivative instruments, which contributed to an increase in equity and a decrease in the level of other assets and liabilities,
- recognition of additional provisions for legal risk of CHF loans – impact on the net value of the loan portfolio and other liabilities.

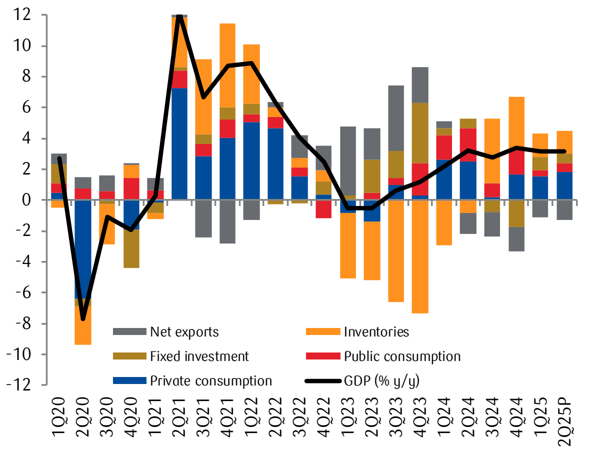
3. EXTERNAL BUSINESS CONDITIONS

3.1. MACROECONOMIC ENVIRONMENT

CONTINUED ECONOMIC REVIVAL

At the beginning of 2025, the Polish economy was growing at a solid pace. In the first quarter, GDP was 3.2% higher year-on-year, and growth likely accelerated further in the second quarter. At the beginning of the year, real wage growth in the national economy decelerated to around 5% y/y, compared to nearly 10% y/y on average in 2024. Combined with persistently high propensity to save, this resulted in a decline in private consumption growth to 2.5% y/y in the first quarter. Investments came as a positive surprise – gross fixed capital formation increased by 6.3% y/y in the first quarter, following a six-month period of declines. This was mainly attributable to public expenditure – investments by government and local government institutions rose by 28% y/y, while data indicate a significant reduction in the decline of private investments. Investments financed from the National Recovery Plan are gaining momentum slowly, however the second half of the year should bring a breakthrough in this regard. In the first quarter, net exports continued to have a negative contribution to GDP, achieved with real growth in exports of goods and services of 1.1% y/y and imports of 3.5% y/y. Exports are under negative pressure from the slow economic recovery of main trading partners and heightened uncertainty related to the tariff policy of President Donald Trump's administration. Meanwhile, imports are driven by rising domestic demand, including investment demand (e.g. through deliveries of military equipment). The external balance deteriorated at the beginning of 2025, however the current account deficit (according to data as at the end of May 2025 at approximately 1% of GDP) does not pose a threat to macroeconomic equilibrium.

The pace and decomposition of GDP growth (%, y/y) and its components (p.p.)

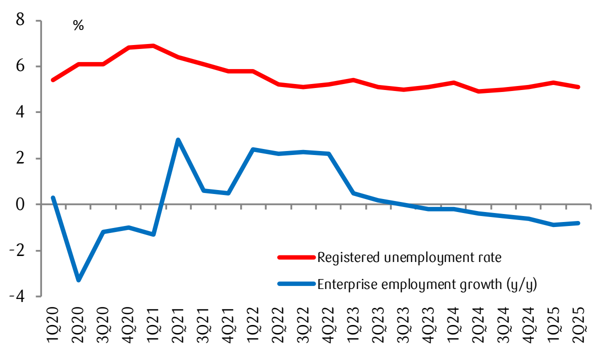


MODEST COOLING OF LABOR MARKET CONDITIONS

The situation on the domestic labor market remains good, although some signs of declining labor demand are visible. The registered unemployment rate rose at the beginning of the year, influenced by seasonal factors, however its level of 5.1% in June is only 0.3 p.p. higher than the multi-year low from the corresponding period of the previous year. The LFS unemployment rate increased to 3.4% in the first quarter, and its quarterly increase of 0.6 p.p. was significantly stronger than observed at this time of year in previous years. Data indicate lower propensity of workers to change employment.

Average employment in the enterprise sector continued to decline in the first half of 2025, which, alongside weaker labor demand, reflected demographic trends and a smaller number of people of working age. In the first half of 2025, wage dynamics gradually decreased, which was contributed to by weaker labor demand and a smaller increase in the minimum wage than in previous years. In the first quarter, wages in the national economy increased (nominally) by 10% y/y, the weakest growth since the beginning of 2022.

Unemployment and employment (end of period, %)

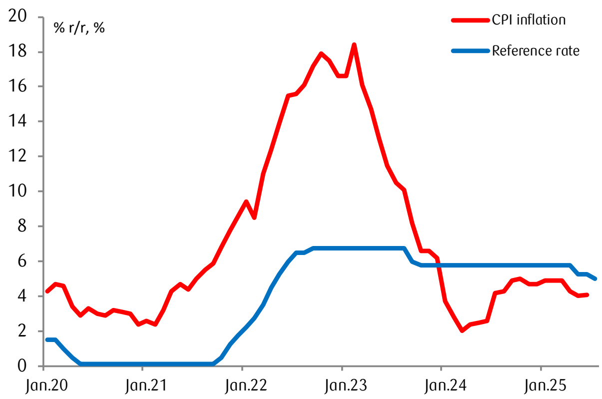


INFLATION ON TRACK TO NBP TARGET

At the beginning of 2025, inflation was still elevated, partly due to last year's increases in administered prices, however the peak level of 4.9% y/y reached in the first quarter was lower than expected. In the first half of 2025, inflation was successively reduced by fuel prices, whose annual decline deepened to a maximum of -11.4% y/y in May. During the analyzed period, a decline in core inflation (CPI excluding food and energy) was also visible, which throughout the second quarter did not exceed 3.5% y/y.

In June, CPI inflation stood at 4.1% y/y, and available forecasts indicate that in July it will return to the acceptable deviation band from the NBP target (2.5% +/- 1 p.p.).

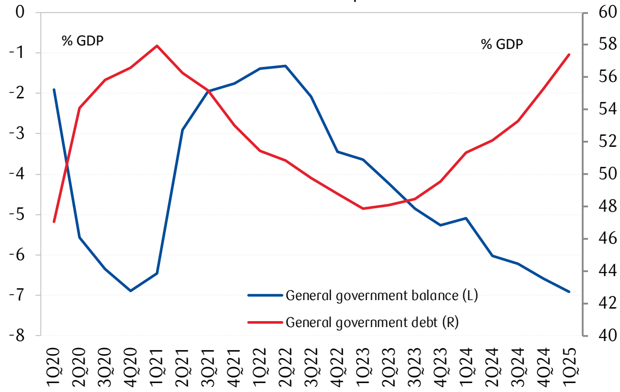
Inflation (%, y/y) and reference rata (%, monthly data)



CONTROLLED TENSIONS IN PUBLIC FINANCE

The fiscal deficit (ESA) rose to 6.6% of GDP at the end of 2024 from 6.0% of GDP at mid-2024. At the beginning of 2025, the fiscal situation remained tense, and in the first quarter of 2025 the deficit deepened to 6.9% of GDP. At the same time, government and local government sector debt in relation to GDP increased to 57.4% after the first quarter, from 55.3% in 2024, reflecting, alongside the growing deficit, orders for military equipment. Poland is subject to the Excessive Deficit Procedure by the European Commission (EC), which however will most likely not be very burdensome – the EC launched the so-called escape clause at Poland's request in connection with military expenditures.

Deficit and debt of the public sector



INTEREST RATE ADJUSTMENT

The MPC lowered interest rates by 0.50 p.p. in May. This was the first rate change since October 2023. The MPC justified the interest rate adjustment by the lower-than-expected inflation path at the beginning of the year, however it emphasized the persisting uncertainty regarding inflation prospects, related inter alia to the shape of administrative solutions concerning energy prices for households as well as loose fiscal policy and strong wage growth. Although the MPC does not call the interest rate changes a "cycle," it made another cut in July, this time by 0.25 p.p. This was justified by the approaching decline in inflation toward the NBP target. MPC members in their statements do not rule out further adjustments in 2025, totaling 0.25-0.50 p.p.

NBP interest rates as at the end of the first half of 2025 (in %)

- reference rate 5.25
- bill rediscount rate 5.30
- bill discount rate 5.35
- lombard rate 5.75
- deposit rate 4.75

SITUATION ON THE FINANCIAL MARKET

The first half of 2025 was characterized by high volatility, which was largely triggered by concerns over the effects of the new US tariff policy on the global economy. The geopolitical situation also remained tense: no improvement in Ukraine and escalation in the Middle East. Nevertheless, global economic conditions, although weak, proved somewhat better than forecasts, and Poland stood out positively, recording relatively high GDP growth.

INTEREST RATE MARKET

The Polish government bond yield curve declined by approximately half a percentage point to 4.6% for two-year bonds, 4.95% for five-year bonds and 5.52% for ten-year bonds, which resulted from a combination of domestic and international factors. Most important was the systematic decline in inflation, which fell from 4.9% in the first quarter to 4.1% in June with the near prospect of falling to the NBP's preferred range of 1.5-3.5%. This prompted the MPC to reduce the cost of money by half a percentage point, along with the suggestion that in the second half of the year another half percentage point cut is possible. Monetary policy was also clearly eased in the eurozone, where the European Central Bank lowered rates by a full percentage point, indirectly affecting Polish bonds.

CURRENCY MARKET

The zloty started the year with clear strengthening, reaching 4.14 against the euro at the end of February. The Polish currency was supported by high NBP interest rates and solid economic growth. However, the external environment began to deteriorate with successive decisions by President Donald Trump, which signaled worsening trade conditions for U.S. partners, directly and indirectly affecting Poland. However, after the U.S. administration adopted a more constructive stance in negotiations, the zloty strengthened again, ending the half-year at 4.25 against the euro and 3.60 against the dollar, its strongest level in seven years. On international markets, the U.S. currency weakened due to capital outflows from the U.S. to other regions, mainly Europe.

STOCK MARKET

The Warsaw Stock Exchange started the year with a sharp rally. The WIG index quickly gained 25%, approaching the symbolic level of 100,000 points. Investors viewed equities as undervalued, especially given strong macroeconomic forecasts and positive earnings expectations for listed companies. Sentiment deteriorated with the escalation of the trade war, however the correction proved relatively short and shallow, undoubtedly helped by the U.S. shift toward a more constructive approach to trading partners. Following its conclusion, equities resumed their upward trend, lifting the WIG to a record level of 104,700 points, representing a gain of 31.6% from the beginning of the year.

ECONOMIC SITUATION ON THE UKRAINIAN MARKET

In the first quarter of 2025, GDP growth was 0.9% y/y, following a decline of 0.1% y/y in the fourth quarter of 2024. Forecasts from the National Bank of Ukraine (NBU) and the International Monetary Fund (IMF) assume gradual economic recovery in the remainder of the year – the NBU expects GDP growth of 3.1% in 2025, while the IMF forecasts 2-3%. The scale of economic improvement is constrained by Russian missile attacks, which hamper industrial production, and labor shortages. Difficulties in filling job vacancies are fueling wage pressures to over 20% y/y. Investments stand out positively, although they are concentrated in the defense and energy sectors. Private consumption remains a driver of economic growth but is under pressure – consumers are cautious and reluctant to spend money. CPI inflation peaked in May 2025 at 15.9% y/y and declined to 14.3% y/y in June. According to NBU forecasts, inflation should continue to fall in the coming months, partly thanks to earlier interest rate hikes (since March 2025, the NBU's policy rate has stood at 15.5%). A risk factor for financial stability is maintaining foreign financing of the fiscal deficit and current account. Ukraine's sensitivity to this factor is mitigated by the continuation of The Extended Fund Facility program under the IMF (so far Ukraine has received USD 10.6 billion out of the planned USD 15.5 billion), financing from G7 countries (based on proceeds from frozen Russian assets), and financing from the EU (over EUR 30 billion planned for 2025).

UKRAINIAN BANKING SECTOR

According to NBU data, as at the end of May 2025, 60 banks were operating compared to 63 a year earlier. The sector's total assets at the end of May 2025 amounted to UAH 3,479 billion (up 13.4% y/y), while equity reached UAH 396.2 billion (up 15.9% y/y). The equity-to-assets ratio at the end of May 2025 stood at 11.4%, compared to 11.1% a year earlier. In June 2025, the return on assets (ROA) was 4.9% and the return on equity (ROE) was 39.9%, both representing declines compared to June 2024, when the indicators stood at 5.3% and 48.3% respectively. The deterioration was driven partly by lower profitability of NBU deposit certificates and the 50% corporate income tax (CIT) rate imposed on 2024 profits. The NBU continues the process of harmonizing banking sector regulation and supervision in accordance with EU principles.

The banking sector remains stable, with the capital adequacy ratio at 15.5% at the end of June 2025, unchanged during the quarter. Total loan volume in May 2025 increased by 13.9% y/y to UAH 1.26 trillion, mainly driven by growth in household loans (22.7% y/y), with slower dynamics in corporate loans (10.7% y/y). Total deposits in May 2025 rose by 11.8% y/y to UAH 2.85 trillion, with household deposits up 13.4% y/y and corporate deposits up 7.0% y/y. The share of foreign currency deposits is systematically declining – in May 2025 they accounted for 31.6% of total deposits compared to 33.4% a year earlier. The deposit-to-loan ratio in May 2025 increased to 44.1% from a local minimum of 41.7% in December 2024.

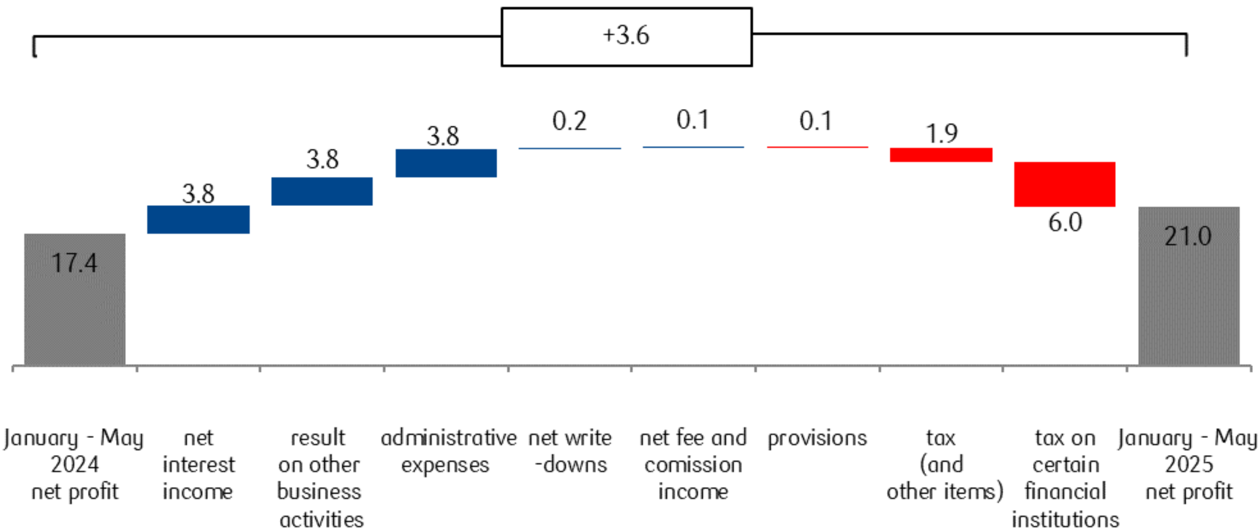
3.2. POSITION OF THE POLISH BANKING AND NON-BANKING SECTOR[2]

NET PROFIT AND RETURNS

In the January-May 2025 period, the banking sector generated a net profit of PLN 21.0 billion compared to PLN 17.4 billion in the corresponding period of 2024 (+20.4% y/y). The rolling return on equity (12M ROE) was 15.5%.

21.0 mld PLN	+20.4% r/r	15,5%
net profit of the banking sector in the January-May 2025 period	net profit of the banking sector in the January-May 2025 period	return on equity of the banking sector in the January-May 2025 period

Change in the net profit of the banking sector (PLN billion)



The "provisions" item contains, among other things, a part of provisions related to the legal risk of foreign currency mortgage loans.

The main driver of the improvement in net profit was an increase in the result on core business. Net interest income increased by 8.8% y/y, and its improvement was primarily driven by higher volumes in the retail segment, fueled by improved consumer sentiment, as well as optimization of interest expenses. Fee and commission income rose slightly by 1.3%, which was contributed to by increased customer interest in investment products and the use of brokerage services as well as foreign exchange services.

With weakening inflationary pressure and a slowdown in personnel cost dynamics, administrative expenses recorded single-digit growth (+9.5% y/y). Net impairment losses were 6.8% better than a year earlier. The sector's performance continued to be impacted by provisions related to the legal risk of mortgage loans in CHF, however to a lesser extent than before.

The capital situation of banks was good, supported by high profitability, higher valuation of debt instruments on the balance sheet and bond issues to meet the MREL requirement. The total capital adequacy ratio of commercial banks at the end of the first quarter of 2025 stood at 20.9%.

LOAN AND DEPOSIT MARKET

At the end of June 2025, the volume of total loans (net of exchange rate changes) increased by 4.9% y/y (compared to growth of 5.3% y/y at the end of 2024 and a growth rate of 3.1% y/y at the end of June 2024). In the case of

[2] Analysis based on data available as at the date of preparation of the Report. Descriptions based on the most recent available data from PFSA (banking sector, insurance), Analizy Online (investment funds), Polish Leasing Association and Polish Factors Association.

deposits, the annual growth rate at the end of June 2025 was 13.3% y/y (compared to 9.7% y/y at the end of 2024), primarily driven by inflows of deposits from individuals and the budget sector.

Housing loans in PLN increased by 6.6% y/y at the end of June (compared to growth of 8.3% y/y at the end of 2024 and growth of 8.3% y/y in June 2024). The slight decline in y/y dynamics of PLN housing loan volumes was mainly due to the high base effect related to the increase in new mortgage sales under the government's 2% Safe Loan programme at the beginning of 2024.

A slight improvement in y/y volume dynamics is visible in the consumer loan segment, where the growth rate of loans (net of exchange rate changes) at the end of June 2025 was 6.5% y/y (compared to growth of 5.9% y/y at the end of 2024), supported by sustained real wage growth, translating into improved consumer sentiment, visible among others in the recovery in durable goods sales.

Increasingly bold signs of recovery are also noticeable in the business loans segment, where the loan growth rate at the end of June 2025 was 6.4% y/y (compared to growth of 4.9% y/y at the end of 2024) – on one hand this is the effect of the low base from last year, and on the other hand increased demand from enterprises for working capital loans and investment loans. The NBP survey suggests that the growth rate of financing for enterprises should accelerate in the second half of the current year.

The growth rate of deposits of private individuals slowed slightly to 10.0% y/y in June 2025 (compared to 10.6% y/y at the end of 2024), while the dynamics of term deposits increased at the end of June 2025 to 5.6% y/y compared to 5.2% y/y at the end of 2024. The dynamics of current deposits, on the other hand, slowed at the end of June 2025 to 11.2% y/y compared to 13.7% y/y at the end of 2024. The decline in interest rates on bank deposits means that households are increasingly intensively searching for more profitable forms of investing their savings (mainly towards government bonds and investment funds).

Banking sector liquidity remains high – the loan-to-deposit ratio decreased to 63.5% at the end of June compared to 66.2% at the end of 2024.

INVESTMENT FUNDS MARKET

In the January-June 2025 period, assets managed by Investment Fund Companies (TFIs) increased to PLN 381.9 billion (+6% y/y), including assets of individuals which rose to PLN 293.7 billion (+29% y/y). At the end of June, the value of funds accumulated in the Employee Capital Plans (PPK) target date funds amounted to PLN 33.7 billion (+40% y/y).

In the January-June 2025 period, the balance of payments and redemptions by individuals to Investment Funds (IFs) stood at PLN 22.6 billion compared to PLN 22.6 billion in the corresponding period of the previous year. The sustained high level of net inflows was largely the result of unabated demand for debt funds – during the analyzed period, individuals invested PLN 18.5 billion in them. Additionally, PLN 3.7 billion went to target date funds under PPK. It is worth noting, however, that despite the continued favorable conditions on the domestic equity market, equity funds recorded net outflows in the first half of 2025.

LEASE MARKET

In the first half of 2025, the leasing market financed assets with a total value of PLN 48.5 billion, representing a slight increase of 1.4% year-on-year. Passenger cars (54.0%), heavy vehicles (17.6%), and machinery and equipment (16.0%) accounted for the largest share of financed assets in the analyzed period.

At the end of June 2025, 72.4% of leasing company customers were micro and small businesses with turnover below PLN 20 million (an increase of 0.2 percentage points compared to the same period of the previous year). Individual customers accounted for 1.9%. The total value of the active leasing portfolio at the end of June 2025 was PLN 223 billion, 6.2% year-on-year higher than at the end of June 2024.

FACTORING MARKET

In the first half of 2025, the turnover of member companies of the Polish Factors Association increased by 8.0% y/y, amounting to PLN 246.6 billion, while the number of businesses using the services of factoring companies reached just under 29.4 thousand (+21.9% y/y).

The largest demand on the part of enterprises was still for domestic factoring without recourse, whose share in the turnover of factoring companies was approximately 36%. Manufacturing and distribution companies, mainly from the food, metal and chemical industries as well as retail trade, continued to be the entities that used factoring services the most often.

Open Pension Funds Market

(Calculations of PKO Bank Polski S.A, based on the last available PFSA data.)

At the end of June 2025, the assets of Open Pension Funds (OFEs) increased by 14% y/y (+PLN 32.4 billion) to PLN 264.6 billion. This growth was primarily the result of a significant improvement in sentiment on the domestic equity market, related among others to increased interest from foreign investors in the Polish market. The structure of OFE assets was dominated by shares of companies listed on the domestic regulated market (approximately 80.7% of net assets at the end of June 2025).

The number of OFE members at the end of May 2025 stood at 14.1 million, down 2.0% compared to the previous year (-293 thousand people).

Insurance Market

In Q1 2025, insurance companies generated a total net profit of PLN 2.1 billion (+25.4% y/y), however their technical profit from insurance decreased by 25.5% y/y (to PLN 2.2 billion). The financial performance of insurance companies was affected by an 8.0% y/y increase in gross premium written (to PLN 18.2 billion), alongside a higher rise in gross claims and benefits paid (9.1% y/y to PLN 12.1 billion). Meanwhile, the cost of insurance activities increased by 3.2% y/y compared to the corresponding period of the previous year (to PLN 5.2 billion).

In the life insurance segment, gross premium written was 0.1% y/y lower (PLN 5.7 billion), while claims and benefits costs increased by 6.8% y/y (to PLN 4.5 billion). Costs of insurance activities in the life insurance segment decreased by 4.8% y/y (to PLN 1.5 billion).

The other non-life insurance segment posted a y/y increase in gross premiums written of 12.1% (to PLN 12.5 billion), alongside an increase in claims and benefits paid (10.5% y/y to PLN 7.6 billion). Costs of insurance activities in the other personal and property insurance segment increased by 6.7% y/y (to PLN 3.7 billion).

3.3. Regulatory and legal environment

The financial position and operations of the Bank's Group were affected by new legal and regulatory solutions and supervisory recommendations that came into force in the first half of 2025, including in particular:

With respect to loans

The Act of 20 December 2024 on loan servicing entities and loan purchasers implementing Directive (EU) 2021/2167 of the European Parliament and of the Council of 24 November 2021 (NPL Directive) increasing requirements for entities acquiring loans from banks and engaged in debt collection.

The CJEU ruling in case C-472/23 of 13 February 2025, in which the Court determined that banks must clearly and precisely inform borrowers about all costs associated with the loan. The lack of transparent provisions in the agreement may constitute a violation of EU regulations and provide grounds for pursuing claims, in particular the application of the "free credit sanction".

The CJEU in its ruling of 19 June 2025 in case C-396/24 determined, among other things, that Article 7 paragraph 1 of Directive 93/13 precludes national regulations which allow the seller or supplier to demand reimbursement of the entire nominal amount of the loan, irrespective of the repayments made by the consumer.

With respect to products and services

On 28 June 2025, the Act of 26 April 2024 on ensuring economic operators' compliance with the accessibility requirements for certain products and services entered into force. The Act, by implementing the European Accessibility Act (EAA), among other things imposed on banks the obligation to adapt their retail banking services to ensure equal access for people with special needs. In particular, the Bank had to adapt its terms and conditions and communication to plain language principles (B2 level of language proficiency), as well as self-service terminals such as ATMs, CDMs and queue management systems. The Act also defines supervisory authorities, sets out the rules for filing complaints regarding failure to ensure compliance with accessibility requirements by a product or service, and indicates a catalogue of sanctions against obligated entities.

With respect to cybersecurity

Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector, which entered into force on 17 January 2025, imposing increased reporting and audit requirements on banks, as well as requiring the review of procedures and the conduct of resilience analyses.

WITH REGARDS TO RISK MANAGEMENT

On 19 June 2024, the European Parliament and the Council of the European Union published Regulation 2024/1623 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor. A significant part of the Regulation's provisions will apply from 1 January 2025 and will result in a change in the approach to the calculation of capital requirements, leading in the case of most listed banks to an increase in risk-weighted assets translating into increased restrictiveness of capital requirements and a decline in capital surpluses (including in PKO Bank Polski S.A.).

On 9 January 2025, the European Banking Authority (EBA) published guidelines on environmental, social and governance (ESG) risk management, which include minimum standards and reference methods aimed at identifying and measuring ESG risks, managing and monitoring these risks, qualitative and quantitative criteria for assessing the impact of ESG risks on an institution's risk profile and solvency. The guidelines also define the content of transition plans. The guidelines enter into force on 11 January 2026.

On 24 September 2024, the Regulation of the Minister of Finance of 18 September 2024 on the countercyclical buffer rate was published in the Journal of Laws, according to which the countercyclical buffer rate amounts to 1% of the total risk exposure amount of institutions that have credit exposures on the territory of the Republic of Poland. This rate applies from the first day after the expiry of 12 months from the date of publication of the regulation.

WITH REGARDS TO FINANCING OF LOANS

On 15 July 2024, the Polish Financial Supervision Authority issued a recommendation concerning the Long-Term Funding Ratio (LTFR), aimed at reducing the risk of financing long-term mortgage loans with short-term deposits in favor of long-term debt instruments that cannot be redeemed within at least one year. The recommendation imposes an obligation on domestic banks to maintain an LTFR of at least 40% starting from 31 December 2026. Banks will be required to report the ratio to the PFSA Office on a monthly basis, and the PFSA Office monitors the implementation process of the Recommendation. Starting from 31 December 2027, the PFSA may adjust the expected LTFR level for subsequent years, taking into account both the situation of individual banks and the macroeconomic environment.

3.4. FACTORS THAT DETERMINE FUTURE PERFORMANCE

The Bank identifies risk factors arising from macroeconomic and regulatory changes. The following external factors may impact the operations and future financial performance of the Bank's Group:

In the global economy:

- barriers to international trade, primarily the U.S. tariff policy and other countries' responses to growing American protectionism, as well as the impact of international trade restrictions on the condition of the global economy,
- increased geopolitical risk, with the threat of escalating conflicts in Ukraine, in the Middle East, around Taiwan and their impact on commodity prices, risk appetite and supply chains;
- significant volatility in financial markets reflecting extremely high uncertainty related to trade policy and geopolitical tensions,
- continued relatively low rates of global economic growth, including the slowdown in the US economy and the stagnation in Germany,
- changes in climate policy, including the accelerating energy transition and the increasing stringency and importance of environmental requirements.

In the Polish economy:

- a complex political situation (difficult cohabitation) potentially hampering the smooth implementation of economic policy,
- the expected maintenance of solid economic growth, with rising consumption and recovery in investment activity, in the face of still weakened foreign demand,
- the scale and pace of inflows, as well as distribution to final beneficiaries of EU funds, and the possibility of their quick utilisation with the risk of supply constraints,
- the risk of intensified competition from foreign entities seeking alternative markets due to rising tariffs in the U.S.
- the path of further changes in NBP interest rates and the level and interest rate of the reserve requirement,

- the situation in financial markets, which may reflect, among others, increased geopolitical risk, particularly through rising yields on Polish debt securities,
- the expected recovery in demand for credit, both in light of completed and anticipated interest rate cuts, and in connection with the recovery in private investment,
- the shape of fiscal policy in the face of an elevated public finance sector deficit and Poland being subject to the excessive deficit procedure,
- further court decisions on the issue of foreign-currency housing loans and PLN loans based on WIBOR rates,
- the risk of an unfavourable trend in case law (taking into account new CJEU judgments) allowing borrowers to benefit from the free credit sanction due to inadequate – in the opinion of customers or law firms specialising in pursuing such claims – compliance by the Bank with its obligations under the Consumer Credit Act,
- the introduction of the Net Stable Funding Ratio and its impact on the long-term funding market,
- the increase in capital requirements related to the countercyclical buffer announced in the Regulation of the Minister of Finance, which will come into force at the end of the third quarter of 2025,
- the risk of a fine being imposed by the President of UOKiK as part of proceedings pending against the Bank in matters related to: violation of collective consumer interests in the handling of complaints concerning so-called "unauthorised transactions," modification clauses used by the Bank, and clauses regarding interest rate changes in standard contract templates,
- the risk associated with the implementation of the new benchmark index WIRF and its impact on the financial market,
- the risk of an administrative sanction being imposed by the PFSA Office as part of ongoing administrative proceedings in connection with suspected breaches by PKO Bank Polski S.A. of the requirements of the Regulation on key information documents for retail collective investment products and insurance investment products (PRIIPs),
- CJEU rulings on the mutual settlements between the parties to a CHF mortgage loan agreement following its annulment, in particular in relation to the CJEU judgment which explicitly challenged the compatibility with European Union law of the so-called "two restitutions theory" previously applied in Polish case law,
- the risk of imposing a new tax on interest from the reserve requirement maintained by banks at the National Bank of Poland on the banking sector,
- the risk of potential additional burdens (including new significant reporting obligations) related to the implementation of the global minimum tax (Pillar II) in connection with Council Directive (EU) 2022/2523. The provisions will apply from 1 January 2025 (the legislator also provides the option to apply the Act starting from 2024). Pillar II also applies in selected tax jurisdictions where the Bank has foreign branches or subsidiaries,
- implementation of corporate income tax requirements related to the obligation to send accounting records (JPK-KR) to the competent head of the tax office after the end of the tax year (the new regulations are effective as of 1 January 2025, with the first reporting obligation to be fulfilled by 31 March 2026).

4. Organisation of the Group

4.1. Entities covered by the financial statements

Pursuant to the International Financial Reporting Standards (IFRS) as at 30 June 2025 the Group comprised PKO Bank Polski S.A. as the parent and 34 direct or indirect subsidiaries (at all levels).

List of direct subsidiaries:

PKO BANK POLSKI S.A. GROUP
(direct subsidiaries)

- **PKO Bank Hipoteczny S.A.** – 100%
  Warsaw
  banking activities
- **PKO Towarzystwo Funduszy Inwestycyjnych S.A.** – 100%
  Warsaw
  investment find management
- **PKO Leasing S.A.** – 100%
  Warsaw
  lease activities
- **PKO BP BANKOWY PTE S.A.** – 100%
  Warsaw
  pension fund management
- **PKO Życie Towarzystwo Ubezpieczeń S.A.** – 100%
  Warsaw
  life insurance
- **PKO Towarzystwo Ubezpieczeń S.A.** – 100%
  Warsaw
  other non-life insurance
- **KREDOBANK S.A.** – 100%
  Lviv, Ukraine
  banking activities
- **PKO Finance AB** – 100%
  Sollentuna, Szwecja
  financial services
- **PKO BP Finat sp. z o.o.** – 100%
  Warsaw
  services, including transfer agent services and outsourcing of IT specialists
- **NEPTUN - fizan[1]** – 100%
  Warsaw
  investing funds collected from fund participants
- **PKO VC - fizan[1]** – 100%
  Warsaw
  investing funds collected from fund participants

1 – PKO Bank Polski S.A. holds investment certificates of the fund.

The list presents the share of PKO Bank Polski S.A. in the company's share capital, and in the case of funds – share of the fund's investment certificates held.

A full list of the Bank's subsidiaries, associates and joint ventures is presented in the Financial statements of the Bank's Group for the first half of 2025, in note 1 "Activities of the Group". All subsidiaries are accounted for using the full consolidation method.

Changes that occurred in the Bank's Capital Group in the first half of 2025 are presented in chapter 2.2.2.

4.2. Information on the Supervisory Board and Management Board of the Bank

Supervisory Board of the Bank

The composition of the Bank's Supervisory Board did not change in the first half of 2025.

On 13 June 2025, the Annual General Meeting of the Bank, as part of the periodic suitability assessment, confirmed the individual suitability of all members of the Supervisory Board and the collective suitability of the entire body. As part of the periodic suitability assessment, a change in the status of Supervisory Board member Mr Maciej Cieślukowski from "independent" to "dependent" member of the Supervisory Board was also determined.

Composition of the Bank's Supervisory Board as at 30 June 2025:

1. Katarzyna Zimnicka-Jankowska - Chair,
2. Paweł Waniowski – Deputy Chair,
3. Marek Panfil – Secretary,
4. Maciej Cieślukowski - member,
5. Jerzy Kalinowski - member,
6. Hanna Kuzińska - member,
7. Andrzej Oślizło - member,
8. Jerzy Śledziewski – member.

Biographical notes of members of the Supervisory Board are available on the Bank's website.

Management Board of the Bank

In the first half of 2025, as of 1 May, Mr Tomasz Pol joined the composition of the Bank's Management Board, taking over supervision of the Retail and Corporate Banking Division.

Composition of the Bank's Management Board as at 30 June 2025:

1. Szymon Midera, President of the Management Board in charge of the Management Board President's division,
2. Krzysztof Dresler, Vice-President of the Management Board in charge of the Finance and Accounting Division,
3. Ludmiła Falak-Cyniak, Vice-President of the Management Board in charge of the Corporate and Investment Banking Division,
4. Piotr Mazur, Vice-President of the Management Board in charge of the Risk Management Division,
5. Tomasz Pol, Vice-President of the Management Board in charge of the Retail and Corporate Banking Division,
6. Marek Radzikowski, Vice-President of the Management Board in charge of the Operations and International Banking Division,
7. Michał Sobolewski, Vice-President of the Management Board in charge of the Administration Division,
8. Mariusz Zarzycki, Vice-President of the Management Board in charge of the Technology Division.

Biographical notes of the Bank's Management Board are available on the Bank's website.

4.3. Information on changes to the Bank's suitability policies for governing bodies

In the first half of 2025, no changes were made to the policy concerning the suitability of Management Board members and key officers of the Bank and suitability assessment at the Bank's Group companies.

On 13 June 2025, the AGM of the Bank adopted changes to the policy concerning the suitability of candidates for and members of the Supervisory Board of PKO BP S.A., consisting in the clarification of provisions regarding the selection of Supervisory Board members and gender diversity objectives.

4.4. Changes to the remuneration policy for the Bank's Management Board members

In resolution No 62/2025 of the Annual General Meeting of 13 June 2025, the General Meeting of the Bank established the monthly remuneration of Supervisory Board members. It is determined as a product of the base salary referred to in Article 1, paragraph 3, point 11 of the Act of 9 June 2016 on the terms of setting the remuneration of managers of certain companies and a multiplier of 2.75 – taking into account other legal acts amending or modifying the base salary, including the provisions of acts on special solutions that serve to implement the budget act for a given year. The resolution entered into force on the date of its adoption.

5. FINANCIAL STANDING OF THE BANK'S GROUP

5.1. KEY FINANCIAL INDICATORS OF THE GROUP

As a result of the PKO Bank Polski S.A. Group's performance in the first half of 2025, the main financial performance indicators were as follows:

Table 2. Financial indicators of the PKO Bank Polski S.A. Group

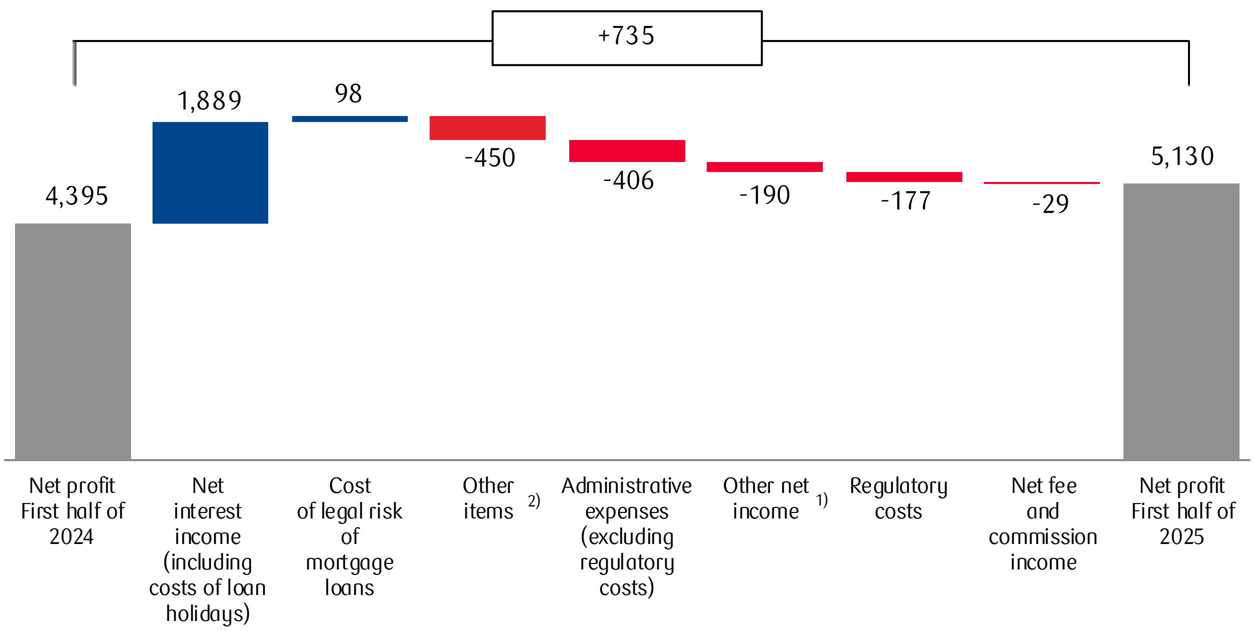
		30.06.2025	30.06.2024	Change
Net ROE	(net profit/(loss)/average equity)	19.5%	17.4%	+2.1 p.p.
Net ROA	(net profit/average total assets)	1.9%	1.6%	+0.3 p.p.
C/I	(cost to income ratio)	29.8%	30.4%	-0.6 p.p.
Interest margin[1)]	(net interest income/average interest-bearing assets)	4.91%	4.58%	+0.33 p.p.
Share of impaired exposures		3.52%	3.54%	-0.02 p.p.
Cost of credit risk		0.35%	0.42%	-0.07 p.p.
Total capital ratio[2)]	(own funds/total capital requirement*12.5)	17.30%	17.89%	-0.59 p.p.
Common equity Tier 1 (CET 1)[2)]		16.29%	17.15%	-0.86 p.p.
Leverage ratio		7.37%	7.76%	-0.39 p.p.

1) The interest margin was calculated excluding the impact of the Act on crowdfunding for business ventures and assistance for borrowers (the so-called 'credit holidays') amounting to (+) PLN 105 million in Q4 2023, (-) PLN 488 million in Q2 2024, and (+) PLN 276 million in Q4 2024.

5.2. FINANCIAL PERFORMANCE OF THE GROUP

The consolidated net profit of the PKO Bank Polski S.A. Group achieved in the first half of 2025 amounted to PLN 5,130 million, an increase of PLN 735 million (+16.7%) compared to the corresponding period of 2024. This was driven by an increase in the result on business activities and lower costs of legal risk of mortgage loans in convertible currencies, despite higher administrative expenses.

Change in net profit of the PKO Bank Polski S.A. Group (in PLN million)



1) Net other income reflects dividend income, result on insurance, result on financial transactions, net foreign exchange gains/(losses) and other net operating income and expense.
2) This item comprises net write-downs and impairment (excluding the cost of legal risk) tax on certain financial institutions,share in profits/ (losses) of associates and joint ventures, and profit/(loss) attributable to non-controlling shareholders.

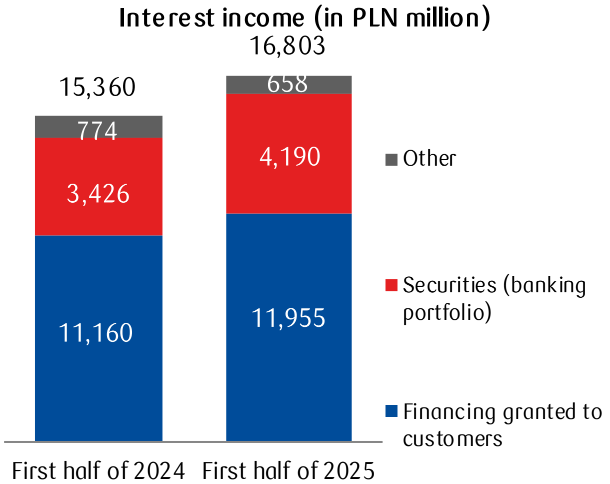
The result on business activities in the first half of 2025 amounted to PLN 15,261 million, an increase of PLN 1,670 million (i.e. 12.3%) compared to the first half of 2024, mainly due to the growth in net interest income.

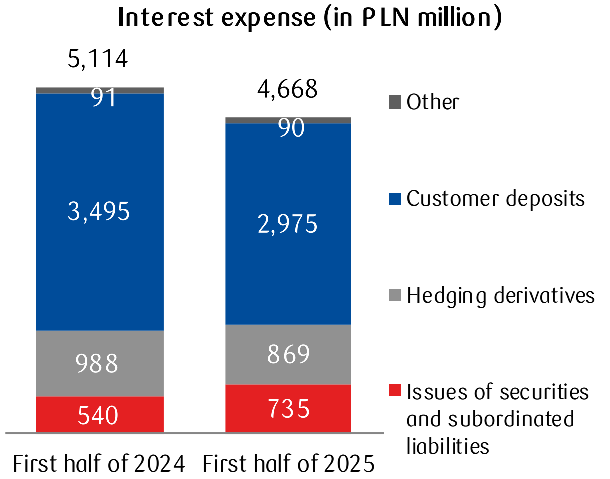
Table 3. Income statement of the PKO Bank Polski S.A. Group (in PLN million)

	01.01-30.06.2025	01.01-30.06.2024	Change (in PLN million)	Change (%)
Net interest income	**12 135**	**10 246**	**1 889**	**18,4%**
Net fee and commission income	**2 529**	**2 558**	**-29**	**-1,1%**
Other net income	**597**	**787**	**-190**	**-24,2%**
Net insurance income	311	366	-55	-15,0%
Dividend income	14	22	-8	-38,4%
Gains/(losses) on financial transactions	184	152	32	20,9%
Foreign exchange gains/ (losses)	115	147	-32	-21,6%
Net other operating income and expense	-27	100	-127	-1.3x
Result on business activities	**15 261**	**13 591**	**1 670**	**12,3%**
Administrative expenses	-4 724	-4 141	-583	14,1%
Tax on certain financial institutions	-662	-626	-36	5,7%
Net operating result	**9 875**	**8 824**	**1 051**	**11,9%**
Net write-downs and impairment	-2 998	-3 096	98	-3,2%
Share in profits and losses of associates and joint ventures	62	61	1	1,2%
Profit before tax	**6 939**	**5 789**	**1 150**	**19,9%**
Income tax expense	-1 809	-1 395	-414	29,7%
Net profit (including non-controlling shareholders)	**5 130**	**4 394**	**736**	**16,8%**
Profit (loss) attributable to non-controlling shareholders	0	-1	1	**-92,3%**
Net profit	**5 130**	**4 395**	**735**	**16,7%**

NET INTEREST INCOME

Net interest income in the first half of 2025 amounted to PLN 12,135 million, i.e. PLN 1,889 million more than in the corresponding period of the previous year. The higher result was driven by an increase in income from financing granted to customers and securities, and a decrease in costs from customer deposits and derivative hedging instruments, with a negative impact from increased external funding costs due to higher securities issuances, mainly to meet MREL regulatory requirements.





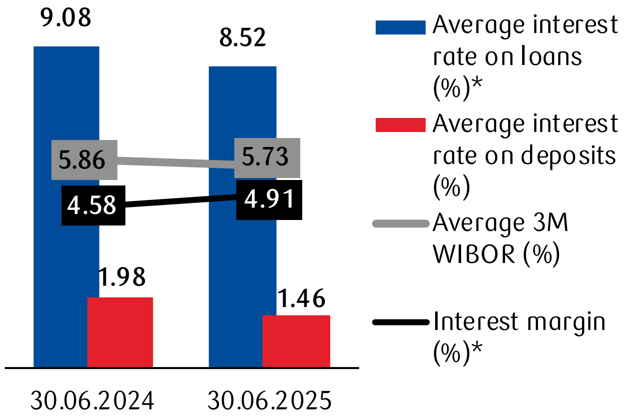
Interest income amounted to PLN 16,803 million and compared to the corresponding period of 2024 was PLN 1,443 million higher, mainly due to:

- higher income from financing granted to customers (PLN +795 million y/y), due to the recognition in the corresponding period of credit holiday costs of PLN 488 million, with a positive impact from the increase in the average volume of receivables from customers by nearly PLN 21 billion,
- higher income from securities (PLN +765 million y/y), as a result of an increase in the average volume by nearly PLN 16 billion and an increase in the average interest rate of the portfolio resulting from purchases at higher yields.

Interest expenses amounted to PLN 4,668 million and were PLN 446 million lower compared to the corresponding period of 2024, mainly due to:

- lower costs of the deposit base by PLN 520 million as a result of adjusting the deposit offer to interest rate cuts and the conversion of funds to current accounts, with a simultaneous increase in the average volume of deposits by more than PLN 26 billion compared to the corresponding period of 2024,
- lower interest expenses on derivative hedging instruments by PLN 119 million, resulting from the decline in interest rates on transactions, with an increase in the average volume of IRS transactions by PLN 18 billion compared to the first half of 2024,
- higher external funding costs by PLN 179 million due to bond issuances for MREL purposes (an increase in the average funding volume by PLN 7.4 billion compared to the corresponding period of 2024).

Average interest rate and interest margin (in %)



* Indicators calculated excluding the impact of recognising the statutory credit holidays (amounting to PLN +105 million in Q4 2023, PLN -488 million in Q2 2024 and PLN +276 million in Q4 2024)

Net interest margin increased by 0.33 p.p. y/y to 4.91% at the end of the first half of 2025. The average interest rate on credit receivables at the end of the first half of 2025 was 8.52%, and the average interest rate on total deposits was 1.46%, compared to 9.08% and 1.98% respectively at the end of the first half of 2024.

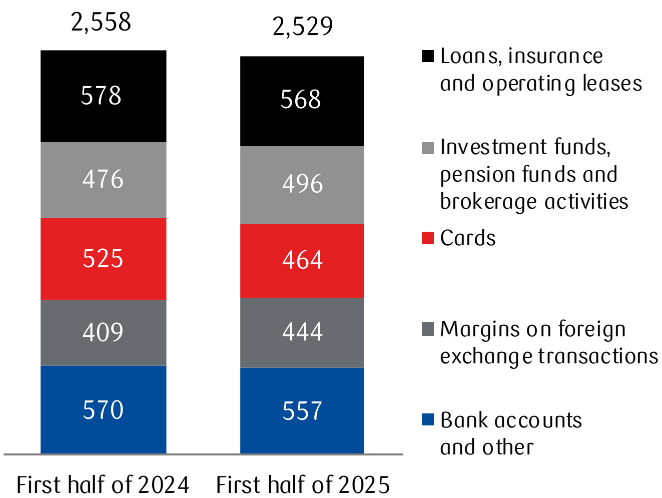
NET FEE AND COMMISSION INCOME

Net fee and commission income earned in the first half of 2025 stood at PLN 2,529 million and was PLN 29 million lower than in the corresponding period of the previous year.

The level of the result was driven by, among other thing:

- lower net income on cards (PLN -61 million y/y) mainly as a result of lower commissions from settlements with payment organisations despite higher transaction volumes,
- lower net income from handling bank accounts and other services (PLN -13 million y/y), related to, among other things, an increase in costs of guarantees received, while commissions from transfers and account management increased,
- lower income on loans, insurance, and operating leases (PLN -10 million y/y), mainly due to a decline in commission income from loans while income from operating leases increased,

Net fee and commission income (in PLN million)



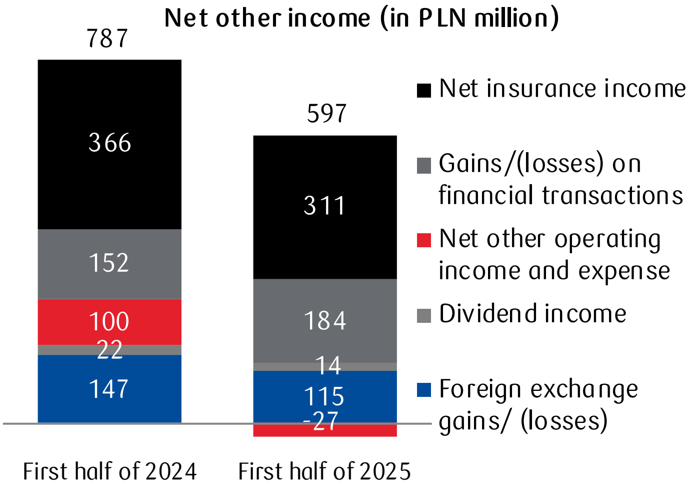
- higher net income from investment funds, pension funds, and brokerage activities (PLN +20 million y/y), mainly driven by higher management fees from investment funds, while commissions from the sale of Treasury bonds and the primary market were lower,

- higher net income on margins on foreign exchange transactions (PLN +35 million y/y), both at standard and negotiated rateso,

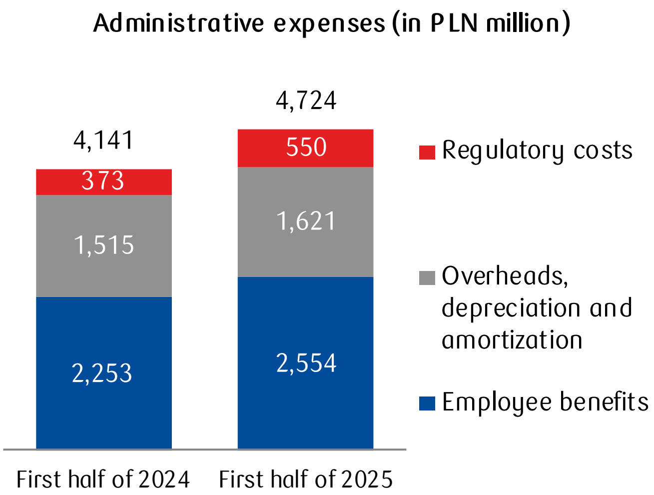
OTHER NET INCOME

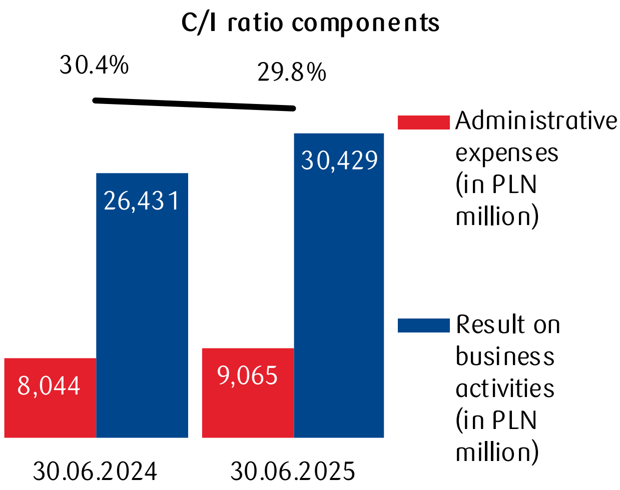
Net other income in the first half of 2025 came in at PLN 597 million and was PLN 190 million lower than in the corresponding period of the previous year, due to:

- deterioration in net foreign exchange income (PLN -32 million y/y) mainly due to other exchange rate differences, which was partially offset by an increase in the net income on currency derivatives,
- higher result on financial transactions (PLN +32 million y/y), underpinned by an increase in the result from the valuation of shares and equity investments, while the result on derivative instruments declined,
- PLN 127 million y/y lower net other operating income and expenses, mainly on the back of the recognition in the second quarter of this year of a provision for consumer protection matters of PLN 125 million,
- lower net insurance income (PLN -55 million y/y), mainly driven by a decrease in the result on the cash loan insurance portfolio and property insurance portfolio for mortgage loans following the discontinuation of their sale, while the result from the sale of non-linked product lines (PKO DOM, PKO MOTO, PKO Życie) and life insurance for mortgage loans increased.



ADMINISTRATIVE EXPENSES





Administrative expenses in the first half of 2025 came in at PLN 4,724 million, up PLN 583 million y/y (14.1%). The change was primarily driven by:

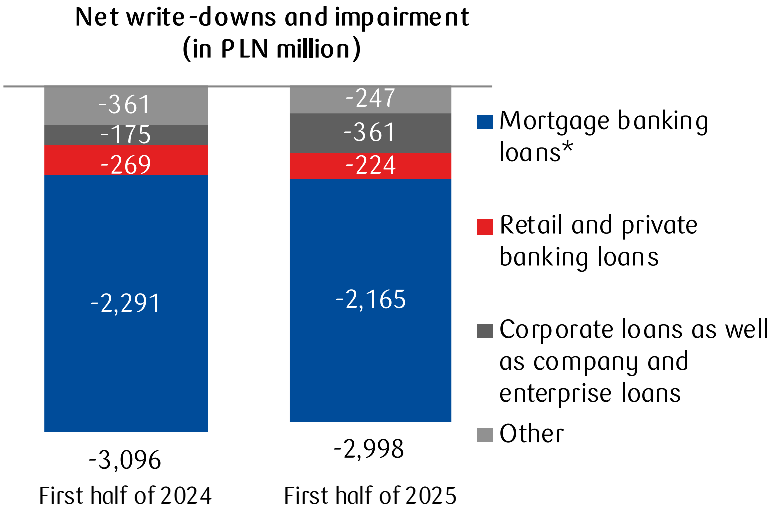
- employee benefit costs rising PLN 301 million y/y, or 13.3%, mainly reflecting wage adjustments,
- regulatory costs up PLN 177 million y/y, or 47.5%, primarily owing to the reinstatement in 2025 of contributions to the bank guarantee fund,
- non-personnel expenses increasing PLN 74 million y/y, or 7.9%, mainly underpinned by higher promotion and advertising costs of PLN 38 million y/y, or 40.5%, and higher IT costs of PLN 22 million y/y, or 9.8%,
- depreciation and amortization expense up PLN 31 million y/y, or 5.4%, primarily reflecting increased amortization of IT intangible assets.

The Group's operating efficiency, as measured by the C/I ratio on an annual basis, stood at 29.8% (-0.6 p.p. y/y).

NET WRITE-DOWNS AND ALLOWANCES

Net write-downs and impairment in the first half of 2025 (including the cost of legal risk) came in at PLN -2,998 million, improving by PLN 98 million versus the prior year. This primarily reflected:

- a decrease in the cost of legal risk of mortgage loans in convertible currencies by PLN 98 million, among others thanks to the settlement programme continued in the Bank, while updating the legal risk assessment model parameters concerning the forecast of the number of court cases, updating the expected costs of the settlement programme, and updating the estimated costs related to statutory interest accrued during the dispute with the customer,
- deterioration in credit risk allowances by PLN 32 million, reflecting higher provisions on corporate exposures, which was partially offset by improvements in allowances on consumer loans, housing loans, and securities,
- a more favourable result on allowances on non-financial assets by PLN 32 million, related among others to lower allowances on property, plant and equipment and lower allowances on amounts due for unpaid principal in connection with lost court cases concerning residential foreign currency loans.



*Includes cost of legal risk of mortgage loans in convertible currencies of PLN -2 222 million in the first half of 2025 and PLN -2 320 million in the first half of 2024

The share of impaired loans at the end of the first half of 2025 stood at 3.52% (an improvement of 0.02 p.p. versus the first half of 2024).

The cost of risk at the end of the first half of 2025 came in at 0.35%, down 0.07 p.p. from the corresponding period of the previous year, primarily driven by consumer loans.

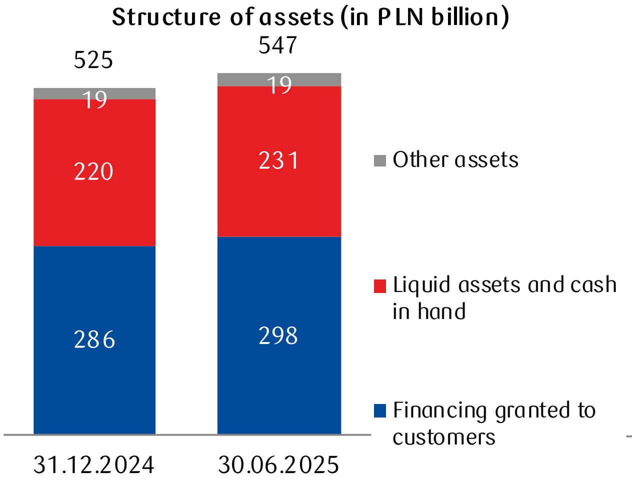
5.3. STATEMENT OF FINANCIAL POSITION OF THE GROUP

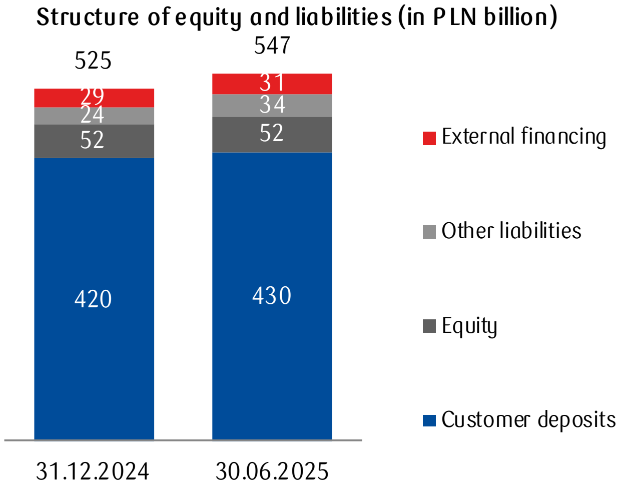
MAIN ITEMS OF THE STATEMENT OF FINANCIAL POSITION

The Group's total assets at the end of the first half of 2025 came in at over PLN 547 billion, up around PLN 22 billion since the beginning of the year.

The most significant driver of the change in total assets in the first half of 2025 on the asset side was the increase in financing granted to customers. Growth was also recorded in securities and amounts due from banks.

In terms of financing sources, external financing and customer deposits increased amid stable equity and higher other liabilities reflecting the decision on the profit distribution of the Bank's earnings achieved in 2024.



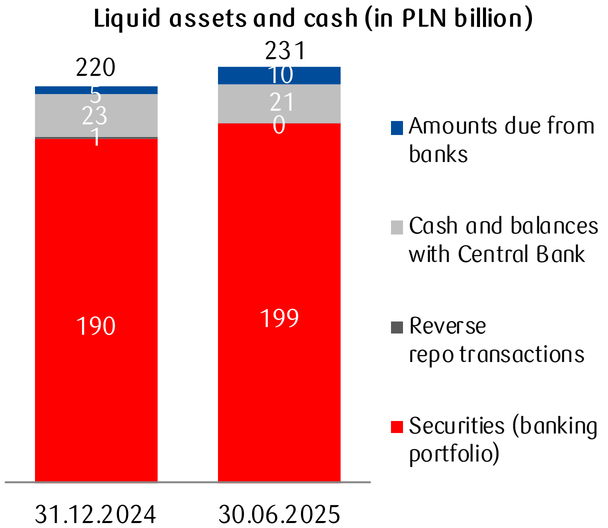


LIQUID ASSETS AND CASH IN HAND

At the end of the first half of 2025, liquid assets and cash in the Group rose versus the beginning of the year and reached around PLN 231 billion.

A PLN 9 billion increase was recorded on securities (banking portfolio), particularly PLN Treasury bonds, with a drop in money bills of the National Bank of Poland.

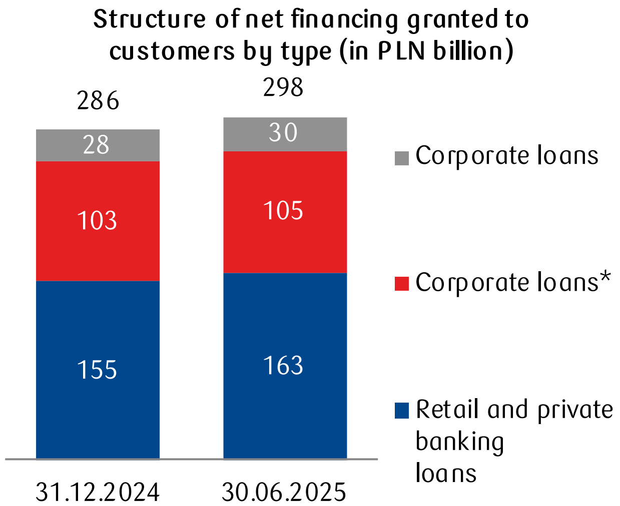
Amounts due from banks rose PLN 5 billion, while cash and balances at the Central Bank and repo transactions declined by a combined PLN 3 billion.



FINANCING GRANTED TO CUSTOMERS

At the end of the first half of 2025, financing granted to customers by the Group reached around PLN 298 billion, representing an increase of PLN 11 billion since the beginning of the year. This reflected growth in retail and private banking loans (PLN +8 billion) and corporate and business loans (PLN +4 billion).

The increase in retail and private banking loans was primarily driven by growth in mortgage loans in PLN (PLN +5 billion) and consumer loans (PLN +4 billion), with a decline in mortgage loans in foreign currencies (PLN -1 billion) reflecting repayments, settlements concluded and additional provisions for legal risk.

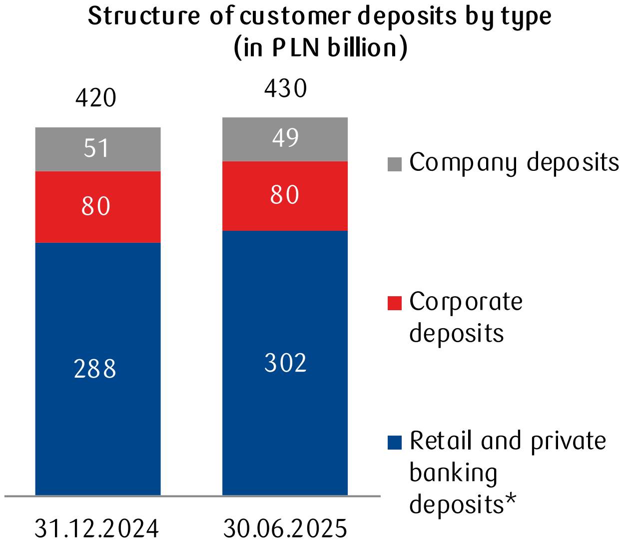


* including lease receivables and non-Treasury bonds (excluding those held for trading)

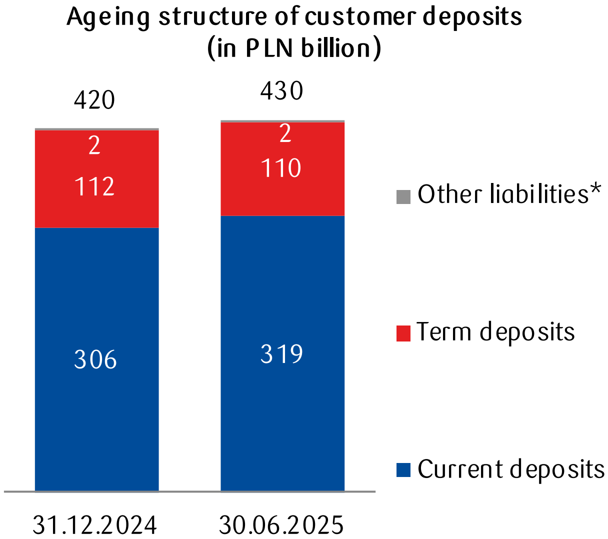
CUSTOMER DEPOSITS

Customer deposits remain the basic source of financing the Group's assets. At the end of the first half of 2025, they stood at PLN 430 billion, up PLN 11 billion since the beginning of the year.

The growth in the deposit base was primarily underpinned by an increase in retail and private banking deposits (PLN +13 billion), amid a decline in business deposits (PLN -2 billion) and corporate deposits (PLN -1 billion).



*including liabilities arising from insurance products



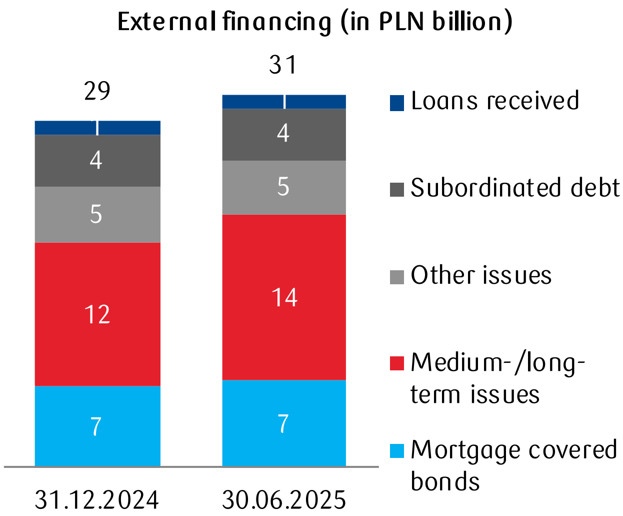
* including liabilities arising from insurance products

Current deposits accounted for 74% of total deposits (up 1 p.p. versus the end of 2024), reflecting an increase in current deposits (PLN +12 billion) and a decline in term deposits (PLN -2 billion).

EXTERNAL FINANCING

Long-term sources of financing at the end of June 2025 stood at over PLN 31 billion, up PLN 2 billion since the beginning of the year. The change in financing levels was driven by:

- issue of Senior Non-Preferred Notes amounting to EUR 0.5 billion,
- stable level of bonds issued by PKO Bank Hipoteczny S.A. and bonds issued by the PKO Leasing S.A. Group,
- higher level of mortgage covered bonds of PKO Bank Hipoteczny S.A. by PLN 0.5 billion, reflecting new issuances in February and June 2025 of PLN 0.8 billion and EUR 0.5 billion and maturities in April and June 2025 of PLN 0.2 billion and EUR 0.5 billion.



EQUITY

Equity at the end of the first half of 2025 reached nearly PLN 52 billion, down PLN 0.5 billion since the beginning of the year. This primarily reflected:

- the AGM decision on the profit distribution of the Bank's earnings achieved in 2024 and dividend payment of PLN 6.8 billion,
- accumulation of current earnings of PLN 5.1 billion,
- increase in the valuation of securities and other instruments valued through equity of PLN 0.5 billion.

6. FINANCIAL STANDING OF THE BANK

6.1. KEY FINANCIAL INDICATORS OF THE BANK

As a result of the performance delivered by PKO Bank Polski S.A. in the first half of 2025, the main financial performance indicators stood at the following levels:

Table 4. Financial indicators of PKO Bank Polski S.A.

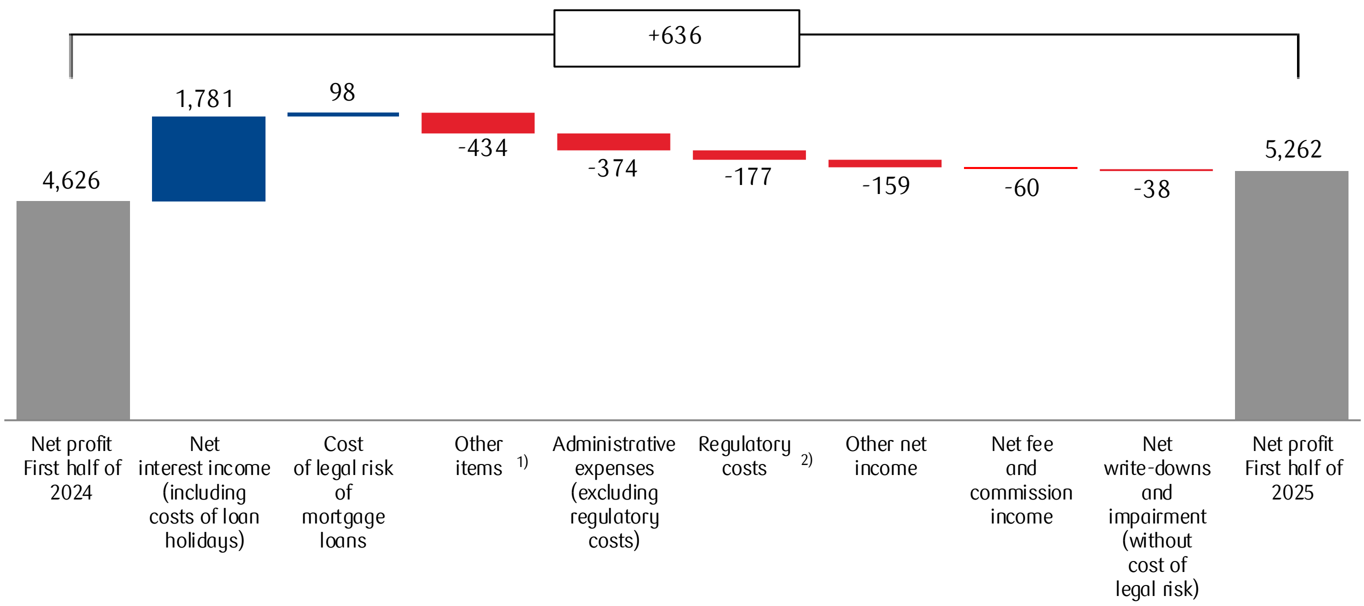
		30.06.2025	30.06.2024	Change
Net ROE	(net profit/(loss)/average equity)	20.0%	17.5%	+2.5 p.p.
Net ROA	(net profit/average total assets)	2.0%	1.7%	+0.3 p.p.
C/I	(cost to income ratio)	28.1%	28.7%	-0.6 p.p.
Margin odsetkowa1)	(net interest income/average interest-bearing assets)	4.91%	4.59%	+0.32 p.p.
Share of impaired exposures		3.13%	3.10%	+0.03 p.p.
Cost of credit risk		0.33%	0.42%	-0.09 p.p.
Total capital ratio[2)]	(own funds/total capital requirement*12.5)	18.89%	19.71%	-0.82 p.p.
Common equity Tier 1 (CET 1)[2)]		17.73%	18.85%	-1.12 p.p.
Leverage ratio		7.71%	8.05%	-0.34 p.p.

1) The interest margin was calculated excluding the impact of the Act on crowdfunding for business ventures and assistance for borrowers (so-called 'credit holidays') amounting to PLN +83 million in Q4 2023, PLN -427 million in Q2 2024, and PLN +247 million in Q4 2024.

6.2. INCOME STATEMENT OF THE BANK

The net profit of PKO Bank Polski S.A. achieved in the first half of 2025 came in at PLN 5,262 million, up PLN 636 million versus the corresponding period of 2024. This was driven by an increase in the result on business activities and lower cost of legal risk associated with mortgage loans in convertible currencies, amid higher administrative expenses.

Change in the net profit of the PKO Bank Polski S.A. (in PLN million)



1) Net other income reflects dividend income, result on insurance, result on financial transactions, net foreign exchange gains/(losses) and other net operating income and expense.
2) The item includes tax on certain financial institutions and income tax.

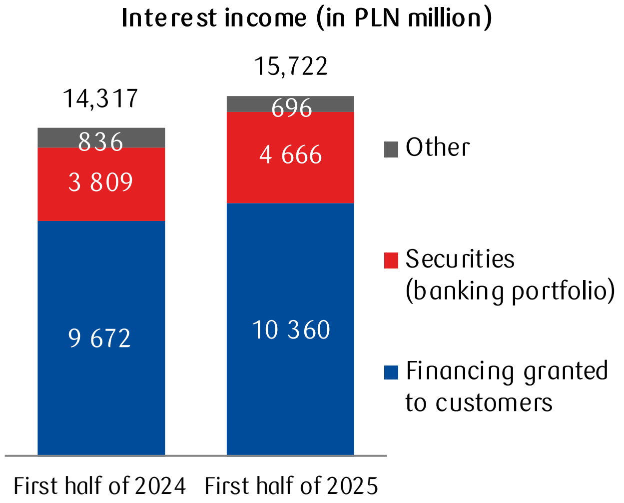
The result on business activities in the first half of 2025 reached PLN 14,763 million, up PLN 1,562 million, or 11.8%, compared to the first half of 2024, mainly reflecting growth in net interest income, while net other income and net fee and commission income declined.

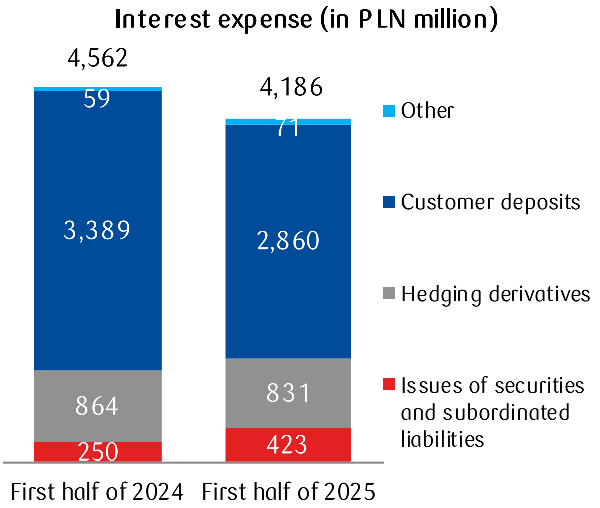
Table 5. Income statement of PKO Bank Polski S.A. (in PLN million)

	01.01-30.06.2025	01.01-30.06.2024	Change (in PLN million)	Change (%)
Net interest income	**11 536**	**9 755**	**1 781**	**18,3%**
Net fee and commission income	**2 142**	**2 202**	**-60**	**-2,7%**
Other net income	**1 085**	**1 244**	**-159**	**-12,8%**
Dividend income	917	974	-57	-5,9%
Gains/(losses) on financial transactions	161	131	30	23,1%
Foreign exchange gains/ (losses)	112	128	-16	-12,5%
Net other operating income and expense	-105	11	-116	-10.6x
Result on business activities	**14 763**	**13 201**	**1 562**	**11,8%**
Administrative expenses	-4 208	-3 656	-552	15,1%
Tax on certain financial institutions	-634	-596	-38	6,4%
Net operating result	**9 921**	**8 949**	**972**	**10,9%**
Net write-downs and impairment	-2 914	-2 973	59	-2,0%
Profit before tax	**7 007**	**5 976**	**1 031**	**17,3%**
Income tax expense	-1 745	-1 350	-395	29,3%
Net profit	**5 262**	**4 626**	**636**	**13,7%**

NET INTEREST INCOME

Net interest income in the first half of 2025 stood at PLN 11,536 million, up PLN 1,781 million versus the corresponding period of the previous year. The higher result was driven by an increase in interest income from securities and financing granted to customers, and lower costs on customer deposits and derivative hedging instruments, with higher interest expense on external funding due to the Bank's own bond issuances for MREL purposes.





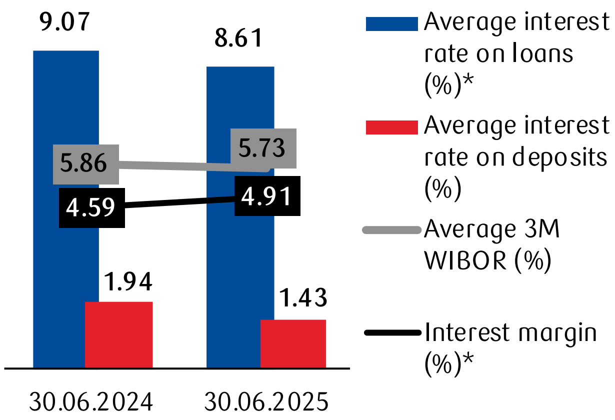
Interest income reached PLN 15,722 million, up PLN 1,405 million compared to the corresponding period of 2024, primarily reflecting:

- higher income from securities by PLN 795 million, reflecting an increase in the average volume by nearly PLN 16 billion and higher average interest rates on the portfolio due to purchases at current, higher yields,
- higher income from financing granted to customers by PLN 750 million – the increase by PLN 427 million reflected the cost of credit holidays incurred in the corresponding period of 2024, and was also underpinned by a PLN 22 billion increase in the average volume of financing granted to customers, mainly PLN-denominated housing loans.

Interest expenses came in at PLN 4,186 million, down PLN 376 million versus the corresponding period of 2024. This primarily reflected:

- lower costs of the deposit base by PLN 529 million owing to interest rate cuts leading to adjustment of the deposit offer to market conditions and conversion of funds to current accounts, with a simultaneous increase in the average volume of deposits by PLN 26 billion compared to the corresponding period of 2024,
- higher external funding costs by PLN 173 million, due to an increase in the average volume of the Bank's own bond issuances by PLN 8 billion versus the corresponding period (MREL issuances),
- lower interest expenses on derivative hedging instruments by PLN 33 million, as the improvement in results on IRS transactions exceeded the deterioration related to higher average transaction volumes resulting from new CIRS transactions for hedging MREL issuances.

Average interest rate and interest margin (in %)



* Indicators calculated excluding the impact of recognising the statutory credit holidays (amounting to PLN +83 million in Q4 2023, -427 in Q2 2024 and PLN +247 million in Q4 2024)

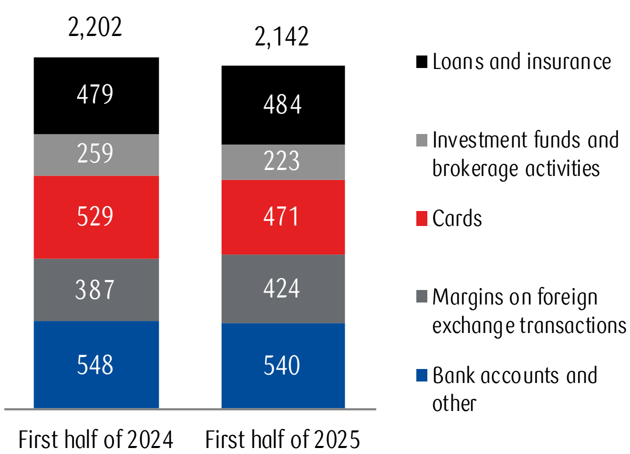
The interest margin rose 0.32 p.p. y/y to 4.91% at the end of the first half of 2025. The average interest rate on credit receivables of PKO Bank Polski S.A. at the end of the first half of 2025 was 8.61%, and the average interest rate on total deposits stood at 1.43%, compared to 9.07% and 1.94% respectively at the end of the first half of 2024.

NET FEE AND COMMISSION INCOME

Net fee and commission income earned in the first half of 2025 stood at PLN 2,142 million, down PLN 60 million versus the corresponding period of the previous year. The level of the result was driven by, among other things:

- lower net income on cards (PLN -58 million y/y) mainly reflecting lower commissions from settlements with payment organisations despite higher transaction volumes,
- lower net income from investment funds and brokerage activities (PLN -36 million y/y), primarily due to a decline in commissions from the sale of Treasury bonds and the primary market,
- lower net income from handling bank accounts and other services (PLN -8 million y/y), reflecting an increase in costs of guarantees received, while commissions from transfers and account management rose,
- higher result on loans and insurance (PLN +5 million y/y), mainly driven by an increase in commissions from remote, motor and housing insurance and income from business loans, amid a decline in commissions from insurance and consumer loans and higher BIK costs,
- higher net margin on foreign exchange transactions (PLN +37 million y/y), both at standard and negotiated rates.

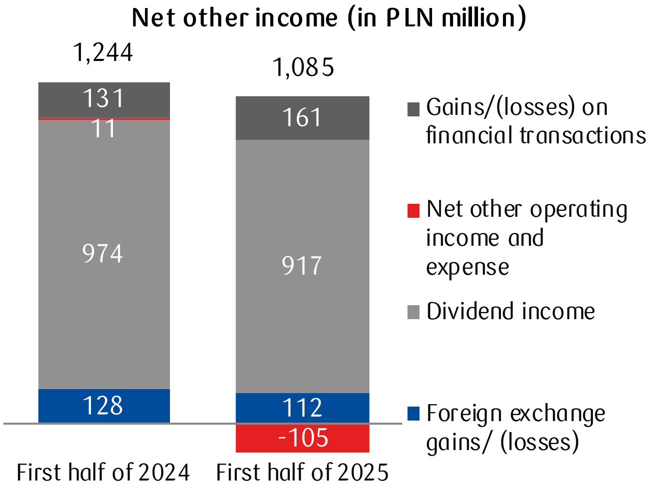
Net fee and commission income (in PLN million)



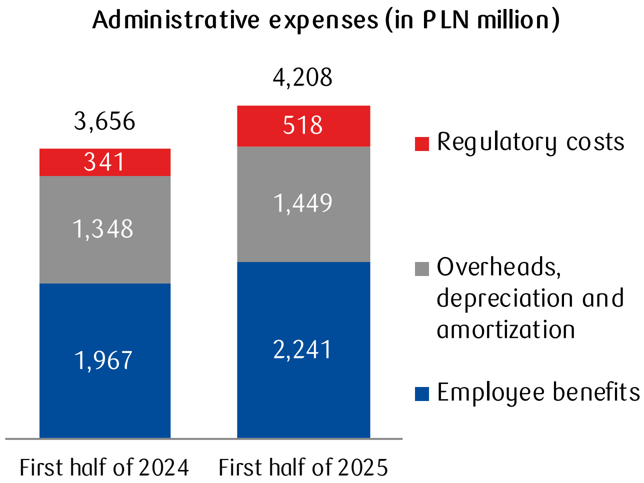
OTHER NET INCOME

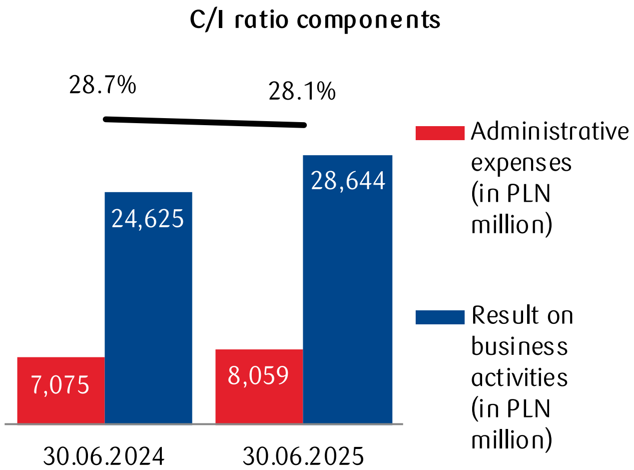
Net other income in the first half of 2025 came in at PLN 1,085 million, down PLN 159 million versus the corresponding period of the previous year, primarily due to:

- lower dividend income by PLN 57 million mainly reflecting lower dividends received from subsidiaries,
- deterioration in net foreign exchange income (PLN -16 million y/y), reflecting a decline in other exchange rate differences, which was partially offset by an increase in the result on currency derivatives,
- higher result on financial transactions (PLN +30 million y/y), underpinned by an increase in the result from the valuation of shares and equity investments, while the result on derivative instruments declined,
- PLN 116 million y/y lower net other operating income and expenses, reflecting the creation in Q2 of a provision for consumer protection matters of PLN 125 million.



ADMINISTRATIVE EXPENSES





Administrative expenses in the first half of 2025 came in at PLN 4,208 million, up PLN 552 million y/y (15.1%). Their level was mainly determined by:

- employee benefit costs rising PLN 274 million y/y, or 13.9%, mainly reflecting wage adjustments,
- regulatory costs up PLN 177 million y/y, or 52.0%, primarily owing to the reinstatement in 2025 of contributions to the mandatory deposit guarantee scheme,
- non-personnel expenses increasing PLN 69 million y/y, or 8.3%, mainly underpinned by higher promotion and advertising costs of PLN 39 million y/y, or 50.8%, and higher IT costs of PLN 21 million y/y, or 11.4%,
- depreciation and amortization expense up PLN 32 million y/y, or 6.1%, primarily reflecting increased amortization of IT intangible assets.

In the first half of 2025, the Bank incurred costs for representation expenses, legal services, marketing services, public relations and social communication services, and management advisory services totalling PLN 221 million, representing 5.2% of the Bank's total administrative expenses.

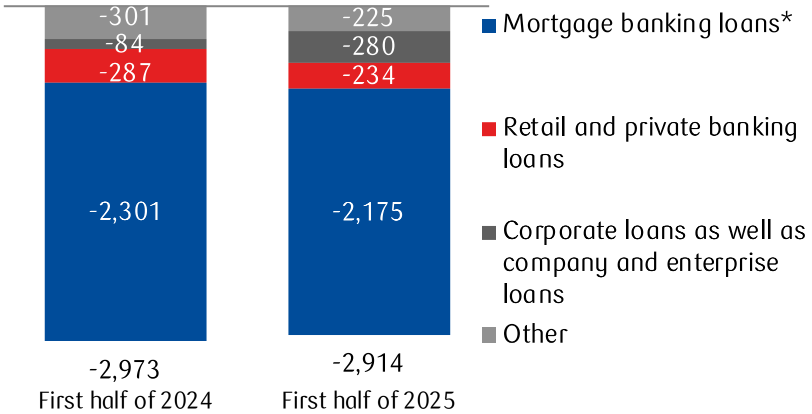
PKO Bank Polski S.A.'s operating efficiency, as measured by the C/I ratio on an annual basis, stood at 28.1% (-0.6 p.p. y/y), driven by an improvement in the result on business activities.

NET WRITE-DOWNS AND ALLOWANCES

Net write-downs and impairment in the first half of 2025 (including the cost of legal risk) came in at PLN -2,914 million, improving by PLN 59 million versus the previous year. The level of the result was mainly driven by:

- lower cost of legal risk of mortgage loans in convertible currencies by PLN 98 million, underpinned by the Bank's ongoing settlement programme, amid an update of the legal risk assessment model parameters relating to the forecast of the number of court cases, updated expected costs of the settlement programme, and revised estimated costs concerning statutory interest accrued during disputes with customers,
- higher credit risk allowances by PLN 57 million, mainly on consumer loans and corporate exposures,
- lower allowances on non-financial assets by PLN 18 million, reflecting lower provisions on tangible fixed assets and lower allowances on amounts due for unpaid principal in connection with lost lawsuits concerning foreign currency housing loans.

Net write-downs and impairment (in PLN million)



*Obejmuje koszt ryzyka prawnego kredytów hipotecznych w walutach wymienialnych w wysokości -2 222 mln PLN w I półroczu 2025 roku oraz -2 320 mln PLN w I półroczu 2024 roku

The share of impaired loans at the end of the first half of 2025 stood at 3.13% (up 0.03 p.p. versus the first half of 2024).

The cost of risk at the end of the first half of 2025 came in at 0.33%, down 0.09 p.p. from the corresponding period of the previous year.

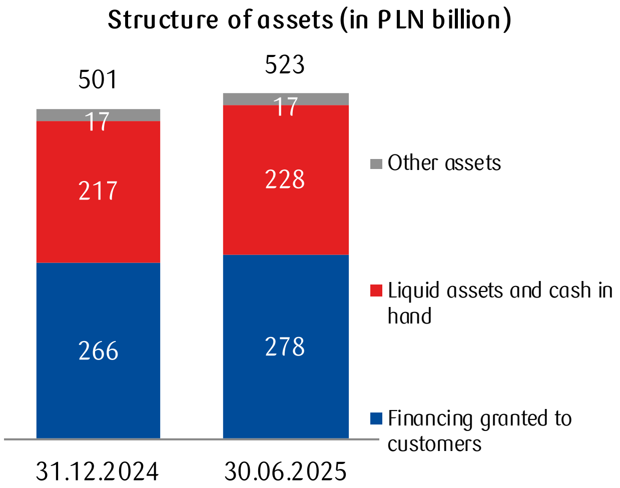
6.3. STATEMENT OF FINANCIAL POSITION OF THE BANK

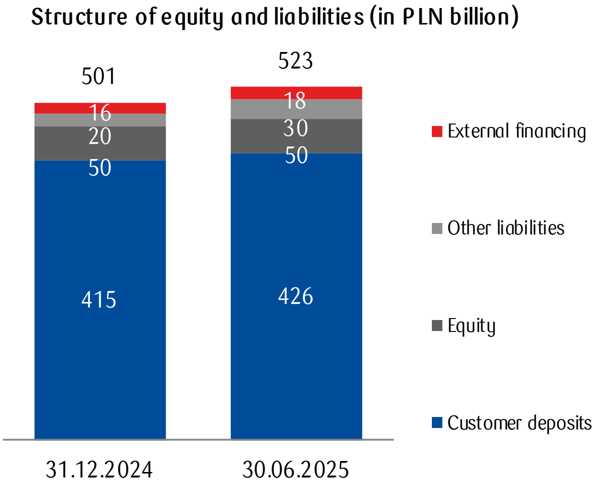
MAIN ITEMS OF THE STATEMENT OF FINANCIAL POSITION

The total assets of PKO Bank Polski S.A. at the end of the first half of 2025 came in at over PLN 523 billion, up around PLN 22 billion since the beginning of the year.

The most significant driver of the change in total assets in the first half of 2025 on the asset side was the increase in financing granted to customers. The Bank also recorded growth in securities and amounts due from banks.

On the liabilities side, there was an increase in customer deposits and securities issuances, amid stable equity and higher other liabilities reflecting the decision on the profit distribution of the Bank's earnings achieved in 2024 and the recognition in this item of the dividend payment liability.



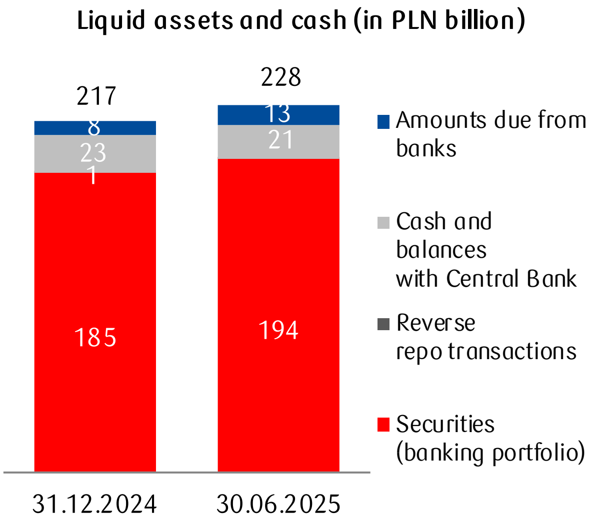


LIQUID ASSETS AND CASH IN HAND

At the end of the first half of 2025, the Bank's liquid assets and cash stood at around PLN 228 billion, representing an increase of PLN 10 billion since the beginning of the year.

Growth was recorded in securities (non-trading book) by PLN 9 billion, particularly PLN Treasury bonds, with a drop in money bills of the National Bank of Poland.

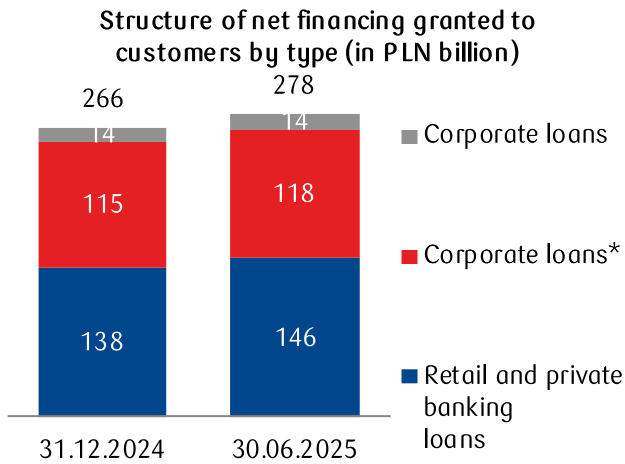
Amounts due from banks rose PLN 4 billion, while cash and balances at the Central Bank and repo transactions declined by a combined PLN 3 billion.



FINANCING GRANTED TO CUSTOMERS

At the end of the first half of 2025, financing granted to customers by the Bank reached around PLN 278 billion, up PLN 12 billion since the beginning of the year. This reflected growth in retail and private banking loans (PLN +8 billion), corporate loans (PLN +3 billion) and business loans (PLN +1 billion).

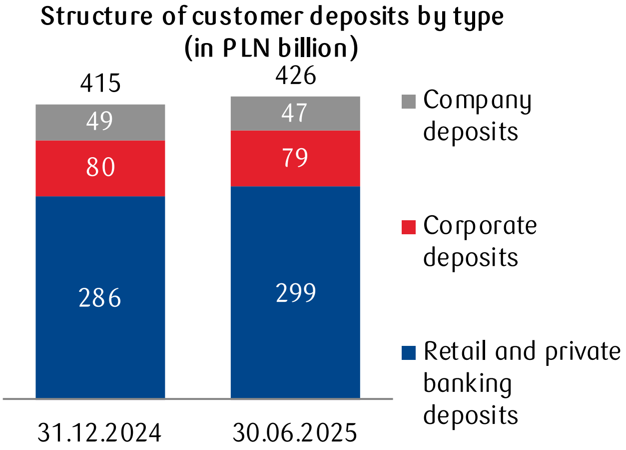
The increase in retail and private banking loans was primarily driven by growth in mortgage loans in PLN (PLN +5 billion) and consumer loans (PLN +4 billion), with a decline in mortgage loans in foreign currencies (PLN -1 billion) reflecting repayments, settlements concluded and additional provisions for legal risk.

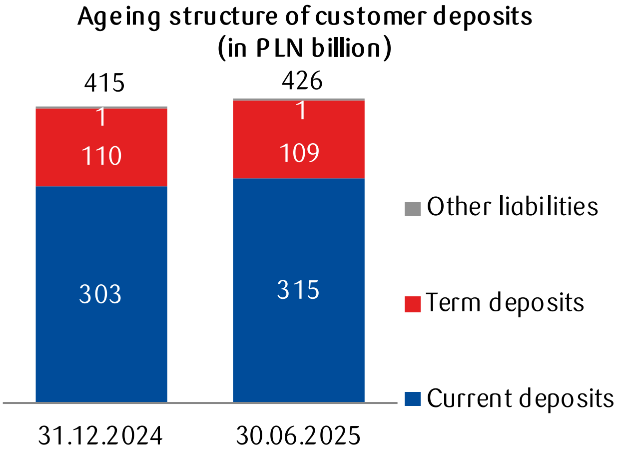


*Other items include repo transactions, as well as loans and advances received.

CUSTOMER DEPOSITS

Customer deposits remain the basic source of financing of the Bank's assets. At the end of the first half of 2025, they stood at PLN 426 billion, up PLN 11 billion since the beginning of the year. The deposit base was primarily underpinned by growth in retail and private banking deposits (PLN +13 billion), amid a decline in business deposits (PLN -2 billion) and corporate deposits (PLN -1 billion).

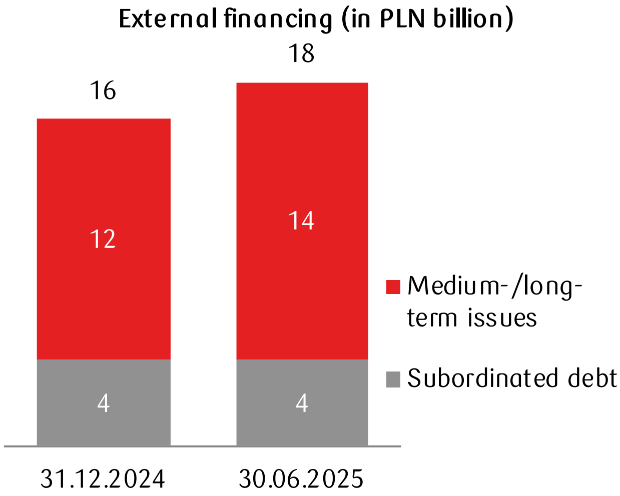




Current deposits accounted for 74% of total deposits (up 1 p.p. versus the end of 2024), mainly owing to an increase in current deposits (PLN +12 billion) and a decline in term deposits (PLN -2 billion).

External financing

Long-term sources of financing at the end of June 2025 stood at around PLN 18 billion, up PLN 2 billion versus the end of 2024, mainly reflecting the issuance of Senior Non-Preferred Notes amounting to EUR 0.5 billion.



Equity

Equity at the end of the first half of 2025 reached PLN 49.6 billion, down PLN 0.2 billion since the beginning of the year. This primarily reflected:

- the AGM decision on the profit distribution of the Bank's earnings achieved in 2024, including the dividend payment of PLN 6.8 billion,
- accumulation of current earnings of PLN 5.3 billion,
- increase in the valuation of securities and other instruments through equity of PLN 0.5 billion.

7. Business development and other significant events

7.1. Business development

In the first half of 2025, the Bank's Group actively developed products and services (including those offered via remote channels) supporting the implementation of the Bank's Group strategy for 2025–2027 titled "Number one. Period." The primary strategic objective is to strengthen the position of the Bank's Group, focused on growth and development.

In the first half of 2025, the Bank's Group recorded a further increase in the scale of operations, in particular achieving the following increases since the beginning of the year:

- the number of customers by more than 156 thousand to nearly 12.3 million, mainly in the retail customer segment,
- the number of current accounts serviced by nearly 121 thousand to nearly 9.6 million accounts,
- the number of cards by more than 107 thousand to nearly 10.9 million, including debit cards by nearly 86 thousand to over 9.7 million,
- the number of active IKO applications by nearly 260 thousand to nearly 8.6 million,
- the loan base by more than PLN 10 billion, the deposit base of individual customers by nearly PLN 14 billion, and investment fund assets by nearly PLN 11 billion,
- housing loan sales, which totalled over PLN 13 billion, representing nearly 29.6% of the new sales market.

As at 30 June 2025, the Group reached market shares of 18.49% in loans and 21.15% in savings (including deposits, investment fund assets, and retail savings bonds).

7.2. DEVELOPMENT OF PRODUCTS AND SERVICES AND NEW SOLUTIONS

Achievements of PKO Bank Polski S.A.

Product development in retail banking, corporate and housing markets	
Mortgage banking	PKO Bank Polski S.A. maintained its leading position in the sale of housing loans to individuals, with a market share of 29.6% and sales totalling PLN 13 billion in the first half of 2025.
	In the first half of 2025, the share of fixed-rate mortgage loans in new sales (granted by PKO Bank Polski S.A. and PKO Bank Hipoteczny S.A.) reached 78.6%, while their total share in the portfolio of PLN-denominated mortgage loans as at 30 June 2025 increased to 42.4% (compared to 38.3% as at the end of 2024).
Digital Mortgage	The Bank enabled applications for the Digital Mortgage to be submitted by couples or single applicants employed under an employment contract or running a sole proprietorship (settling accounts based on a tax revenue and expense ledger or lump-sum taxation). The Digital Mortgage can be used to finance the purchase or renovation of an apartment on the secondary market, the purchase and finishing of a residential unit on the primary market, or any purpose related to the aforementioned.
Deposit offering	On 3 April 2025, the Bank launched the "Mój kapitał" ("My Capital") systematic savings programme. The deposit is intended for individuals aged between 18 and 75. Each person may hold up to three deposits. The contractual term is five years (with interest capitalised every 12 months). The deposit is maintained free of charge. The customer makes an initial payment of between PLN 100 and PLN 10,000 and then sets up a standing order, which can be modified or disabled. Monthly contributions can be adjusted within the range of PLN 100 to PLN 2,000. The interest rate is variable and calculated as the NBP reference rate minus 50 basis points. The programme is available in the iPKO electronic banking system along with a capital and profit calculator. The deposit meets the PFSA's recommendation regarding the Long-Term Funding Ratio. By 30 June 2025, a total of 45.1 thousand deposits had been opened, amounting to over PLN 365 million.
	In the first half of 2025, the Bank launched promotions: • for new funds in the Plus Savings Account, with a promotional interest rate of 5% per annum for new funds up to PLN 250,000 for a period of 90 days; • on Pierwsze Konto Oszczędnościowe (First Savings Account – an account for people up to the age of 18) with an interest rate of up to 7% per annum on systematic savings of up to PLN 10 thousand. The promotion is valid from 1 June 2025 to 31 January 2026.
	The average interest rate on new term deposits in PLN (for individuals and enterprises) in the first half of 2025 was 3.4%.
	The average interest rate on all term deposits in PLN placed with PKO Bank Polski S.A. was 2.85% in the first half of 2025, compared to 4.17% in the first half of 2024 and 3.11% in the second half of 2024.
Financing – Cash Loan	In the first half of 2025, sales of cash loans were more than 57% higher compared to the same period of the previous year. As at 30 June 2025, the Bank's portfolio grew by nearly 18% y/y, consolidating its leading position in the cash loan market. 88% of loan agreements were concluded digitally – in a paperless format.

	38% of loans were granted with a fixed interest rate.
Development of corporate banking and the services of the Brokerage Office	
Corporate banking	Conclusion of 32 syndicated loan agreements and 12 amendments to existing syndicated loan agreements, with a total value of nearly PLN 18.2 billion, over EUR 17.8 billion, USD 0.5 billion, and more than RON 3.2 billion. The Bank's share amounted to over PLN 3.2 billion, more than EUR 1.1 billion, and over RON 0.2 billion, respectively.
	Conclusion of agreements within banking consortia for the issuance of corporate bonds by Żabka Group and CEZ a.s., with a total value of PLN 1 billion and EUR 750 million, respectively.
	Conclusion of 9 municipal bond issue agreements with a total value of over PLN 0.6 billion.
	Introduction of the option to accept collateral solely in the form of the borrower's promissory note for revolving loans or Multi-Purpose Credit Limits granted in an amount not exceeding PLN 2 million, with a collateral ratio of 0%.
Services of Brokerage Office	In the first quarter of 2025, the value of turnover in the secondary equity market reached PLN 44.3 billion, accounting for 8.75% of the market turnover and placing PKO Bank Polski's Brokerage Office in 2nd position in the brokerage office ranking.
	Acting as manager, the Bank conducted two Allegro.eu share offerings through an accelerated bookbuilding process, with a total value of approximately PLN 2.99 billion.
	Acting as global coordinator, joint bookrunner and offering agent, the Brokerage Office conducted a public share offering of CCC S.A. with a value of approximately PLN 1.55 billion.
	Acting as a member of the distribution consortium, it participated in the corporate bond issue of Kruk S.A. with a value of approximately PLN 100 million.
	As at the end of June 2025, the Brokerage Office: • maintained 167.2 thousand securities and cash accounts, as well as 711.7 thousand registration accounts; • serviced participation units in 397 funds and sub-funds managed by 10 investment fund management companies.
Development of insurance products	
PKO Życie life insurance	In the first half of 2025, 112.8 thousand policies were sold, with gross written premiums amounting to PLN 81.1 million.
PKO Dom Home insurance	In the first half of 2025, 261.7 thousand policies were sold, with gross written premiums amounting to PLN 110 million.
Motor insurance PKO Moto	In the first half of 2025, 118.9 thousand policies were sold, with gross written premiums amounting to PLN 120 million. Launch of policy sales for sole proprietors.
	Launch of policy sales for sole proprietors.
Development of IT projects and other services	
PKO Pay Later	As at the end of June 2025, approximately 290 thousand customers were active users of the PKO Pay Later service, and the total amount of limits granted reached PLN 299.5 million. Customers have so far executed over 10 million transactions, totalling PLN 1.5 billion. 99% of the transactions were executed using a BLIK code.
Contactless BLIK payments	The number of contactless BLIK transactions completed via the IKO app by 30 June 2025 exceeded 308.3 million. In the first half of 2025 alone, over 94.9 million transactions were executed.

Automation and robotisation	In the first half of 2025, 26 processes were robotised, and more than 55.5 million tasks were completed. Among other functions, new robots prepare: • data for court proceedings initiated by the Restructuring and Debt Collection Centre, • reports on liquidity loans for farmers.
	By 30 June 2025, a total of more than 414 million tasks had been completed. The total number of processes robotised to date reached 375.
	Chat support was extended to include the iPKO platform, resulting in a 49% increase in the number of customer conversations in the first half of 2025 compared to the second half of 2024.
	The centralisation of customer service via telephone continued, with the Bank redirecting calls from branch landlines to the 24/7 helpline.
Bots	In the first half of 2025, all bots handled over 13.3 million calls. As at 30 June 2025, nearly 70 million calls had been completed in total.
	Bots handled the largest volume of customer conversations in the following areas: • Voice Assistant in IKO – 27.5 million, • helpline - 23.3 million, • Soft debt collection (payment reminders) – 6.9 million, • NPS surveys – 4.7 million, • Cash loan offering – 3.1 million. • activation confirmation for the mObywatel app – 1.4 million.
	New bots were launched: • offering to connect customers with a consultant regarding cash loan consolidation, • prepared to support customers in the event of crisis situations.
Automation of cash transactions	In the first half of 2025, 173 ATMs were replaced, including 167 modern recyclers with deposit and withdrawal functions. More than half of all self-service devices are now equipped with a deposit function. The total number of ATMs increased by 26 units year-on-year.
Virtual Reality	A new model of the virtual PKO Rotunda building was launched, allowing the interior to be adapted for hosting specific events.
Metaverse and gaming	The Bank launched the strategic educational game "Cash Empire Tycoon" on the Fortnite platform. The game's first season attracted nearly 600 thousand young players from across the country, who collectively spent nearly 350 thousand minutes playing within the Bank's virtual environment.
Green Impact	Implementation of the second edition of the startup accelerator aimed at identifying "green solutions" for the Group and its customers. Ultimately, 7 startups were selected for further evaluation.
Bank Kobiet (Women's Bank) initiative	Bank Kobiet is a grassroots initiative implemented as part of the #JestemUSiebie programme. Its aim is to promote equal opportunities and support the career development of women within the Bank. As part of the initiative, workshops were held to strengthen technical, analytical, and leadership competencies, and a Leadership Mentoring Programme for Women was launched, focusing on developing leadership skills, effective change management, and fostering attitudes based on courage and agility.

Development of functionalities in electronic and mobile banking channels	
IKO mobile application	Implementation of new functionalities: • notifications for active public transport tickets and parking fees directly on the smartphone screen, • view of submitted complaint details with the option to download confirmation of submission, complaint response, and submit an appeal, • option to cancel a debit card, • demo version of PKO Pay Later, • payment of parking fees in Apple Car Play, • management and activation of the PKO Junior app using a QR code, • reporting property and motor insurance claims. Implementation of changes to existing functionalities: • enhanced credit card handling options for customers without an account: temporary card block, card cancellation, PIN change, limit adjustment, • categorisation of pending matters in the "Manage Your Products" section, • display of chat history with consultants, • parking payments in selected seaside towns as well as in Radom, Zakopane, Jutrosin, and Kazimierza Wielka, • new value-added services: access to Parkiet, Rzeczpospolita.pl, and Wyborcza.pl.
	In the first half of 2025, the Voice Assistant in IKO handled nearly 7.4 million conversations. As at 30 June 2025, a total of 27.5 million conversations had been held with more than 5.6 million customers.
Electronic banking service iPKO	Implementation of new functionalities: • chat with a consultant, • remote opening of IKE-Obligacje and IKZE-Obligacje pension accounts offered by the Brokerage Office, • new value-added services: access to Rzeczpospolita, Parkiet, the Samsung Store, and Agora, • a dedicated space for customers experiencing repayment difficulties, allowing them to submit a repayment declaration or restructuring request, • automatic callbacks and confirmation of instructions related to account limit changes or payments via the IKO app. Implementation of changes to existing functionalities: • message encouraging customers to set or update daily transfer limits, • updates to limit settings and adjustment of default limit levels, • mandatory authorisation for transfers between own accounts, • fee information provided before placing an order for investment funds.
PKO Junior application	Implementation of contactless BLIK payments via mobile phone and support for these payments in the iPKO service by a parent.
Electronic banking service iPKO biznes	Implementation of new functionalities: • enabling the submission of applications for the activation of prepaid card services, • temporary blocking of debit, credit, and charge cards, • submission of credit disbursement instructions, including within the Multi-Purpose Credit Limit, • modification and deletion of PKO Cash (deposit safe) users, • submission of transport order requests for cash pickup in the "Cash" module.

IPKO biznes mobile app	Implementation of new functionalities: • login to the iPKO biznes online service without entering a password, and the ability to independently assign and activate mobile authorisation, • application submission and signing in iPKO dealer.

Achievements of the PKO Leasing S.A. Group (PKO Leasing Group)

New strategy of the PKO Leasing Group "Leasing Number One. Period."	The PKO Leasing Group announced a new strategy titled "Leasing Number One. Period." for 2025–2027, supporting the overarching objectives of the entire Bank's Group. Its main pillars include: • expansion of leasing services beyond the automotive sector into other asset classes (heavy transport, machinery and equipment), shifting the client approach from "ownership to usage," combined with comprehensive business digitalisation; • achieving a leading position as the owner of one of Poland's three best automotive sales platforms (Automarket.pl); • an e-mobility revolution – strengthening its position as a leader in financing zero-emission vehicles.
Development of e-mobility	Within the e-mobility stream of this strategy: launch of financing for Charge Europa vehicle chargers under a unique business model based on digital out-of-home advertising (DOOH) revenue, as well as the start of financing for one of Poland's three main charging station operators – Elocity.
Leasing with new account at the Bank	Launch of a promotional leasing offer for companies, targeted at new and existing PKO Leasing customers, tied to opening a current account at the Bank. Customer benefits include a multi-voucher worth PLN 500 and fee-free account maintenance for two years. This offer runs until 30 September 2025.
Remote agreements for sole proprietors	Launch of a new process for Bank customers running a sole proprietorship, enabling them to apply for leasing via the iPKO application and sign the agreement entirely remotely - through the Bank's helpline.
User-friendly quoting process	Launch of a new, user-friendly quoting process on the company's website www.pkoleasing.pl, enabling customers to receive a quote for a selected leasing object via an intuitive, interactive form - directly on the website.
Financing of engineering and agricultural machinery	Collaboration with engineering and agricultural machinery manufacturers, importers and distributors, including Interhandler sp. z o.o. – the general importer and distributor of KIOTI tractors, Zoomlion – manufacturer of engineering and agricultural machinery, and KIESEL – the official distributor of well-known construction equipment brands Hitachi and Bell.
Development of the electric vehicle fleet within the PCM S.A. Group - Masterlease brand	Development of the electric vehicle fleet as part of the e-mobility strategy. At the end of the first half of 2025, the PCM S.A. Group's fleet included 1,332 electric vehicles out of a total fleet of 42,279 vehicles (3.2%), compared to 1,033 electric vehicles out of 40,168 total vehicles (2.6%) at the end of the first half of 2024.

Achievements of PKO Towarzystwo Funduszy Inwestycyjnych S.A.

Leading positions in the investment fund market	As at the end of the first half of 2025, the net asset value of funds managed by the company amounted to PLN 66.74 billion. This allowed the company to strengthen its 1st placein the overall investment fund market (with a market share of 17.48%) and maintain its 1st placein the retail fund segment (with a market share of 22.12%)*. As of 30 June 2025, the company managed 58 investment funds and sub-funds. Between 1 April and 30 June 2025, the net sales of investment funds managed by the company amounted to PLN 3.61 billion(including PLN 3.0 billion excluding Employee Capital Plans (PPK) and Employee Pension Schemes (PPE), and PLN 0.6 billion within the PPK framework). Bond sub-funds remained the most popular investment category among participants and investors, with net sales reaching PLN +3.0 billion. The undisputed leader in terms of net sales was the PKO Short-Term Treasury Bond Sub-Fund, which recorded an inflow of PLN 2.4 billion in the second quarter of 2025.
PPK market leader	The company further strengthened its leading position in the Employee Capital Plans (PPK) market,reaching a market share of 30.9%*. As at 30 June 2025, assets managed under the dedicated PKO Emerytura – sfio PPK fund amounted to PLN 11.88 billion.
Continuation of PPK agreements	The company extended the PPK management agreements for over 90% of entities (approx. 3,400 agreements) whose contractual period was expiring, as a result of an active information campaign. These agreements were most often concluded in the financial sector for a period of four years in line with public procurement regulations.
Compliance with the *Accessibility Act*	In connection with the implementation of the European Accessibility Act (EAA) into Polish law, the company carried out a comprehensive process of adapting its documentation, product materials, and website information to ensure accessibility for people with special needs, including persons with disabilities.

* Source: Analizy Online

7.3. ESG

PAI INDICATORS

Disclosure of information to the extent specified by the Principle Adverse Impacts in accordance with the SFDR for the PKO Bank Polski SA Group as an investee.

Table 6. Statement on principal adverse impacts of investment decisions on sustainability factors. Indicators applicable to investments in investee companies.

			2024	2023	Explanation
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse gas emissions	Greenhouse gas emissions	Scope 1 ($MgCO_2e$)	12,572	13,976	GHG Protocol methodology. Market-based method.
		Scope 2 ($MgCO_2e$)	26,238	28,950	as above
		Scope 3 ($MgCO_2e$)	25,246,162	14,310,589	as above
		Total GHG emissions (Scope 1+2+3)	25,284,972	14,353,516	as above
	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	The Bank's Group does not conduct activities in the fossil fuel sector and does not generate revenue from such activities. The Bank's Group finances clients operating in high-emission sectors – the share of loans granted to clients from these industries accounted for 0.13% of assets in 2024 (0.19% in 2023). For now, the indicator is calculated based on data available to the Bank.		
	Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee	64%	66%	The calculations include the consumption of renewable energy from photovoltaic micro-

		companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources			installations installed on the Bank's premises.
	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	197 GWh	204 GWh	The Bank's Group operates in sectors with significant impact on climate, i.e. those listed in Sections A to H of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities – NACE Rev. 2.
Biodiversity	Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas.	The analysis of 1,335 locations of the Bank's Group showed that 14 locations are situated in Natura 2000 protected areas, 2 in areas of high biodiversity value, and 22 in UNESCO World Heritage Sites.	The updated analysis of 1,342 locations showed that 15 locations are situated in Natura 2000 protected areas, 2 in areas of high biodiversity value, and 22 in UNESCO World Heritage Sites.	The Bank's Group does not carry out operations in or near biodiversity-sensitive areas that would adversely affect those areas. It has been verified whether properties are located in biodiversity-sensitive areas, defined as: Natura 2000 areas, UNESCO World Heritage Sites, areas of high biodiversity value, and other protected areas as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139. A total of 38 locations (14+2+22) were identified where branches, offices, apartments, garages, etc. are located. The activities conducted in these locations do not exert adverse impacts on these areas.
Water	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	The Bank's Group did not record any emissions to water understood as emissions of priority substances defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council, nor any direct emissions of nitrates, phosphates, or pesticides.		
Waste	Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	The Bank's Group generates negligible quantities of hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council (approximately 10 kg of batteries reported in 2024 by KREDOBANK). It does not generate radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom.		

			2024	2023	Explanation
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Social and employee matters	Violations of UN Global Compact principles and Organisation for	Share of investments in investee companies that have been involved in	No notifications were received regarding the Bank or its directly controlled subsidiaries in	No notifications were received regarding the Bank or its directly	The Group does not have processes or control mechanisms in place to oversee

	Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	connection with violations of the OECD Guidelines.	controlled subsidiaries in connection with violations of the OECD Guidelines.	compliance with the principles of the UN Global Compact.
	There are no processes or control mechanisms in place to oversee compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	The Group does not have processes or control mechanisms in place to oversee compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The Bank has developed a tool for assessing compliance with minimum safeguards, including the OECD Guidelines, and is working on its implementation.		
	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	31.7%	no data	Gender pay gap calculated on the basis of the weighted average salary.
	Board gender diversity	Average ratio of female to male members of the management board in investee companies, expressed as a percentage of all members of the management board	20.0%	5.6%	
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	The Bank's Group does not participate in the production or sale of controversial weapons as defined in: (1) the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction of 18 September 1997; (2) the Convention on Cluster Munitions, which entered into force on 1 August 2008; and (3) the Convention on the Prohibition of Chemical Weapons, which entered into force on 29 April 1997.		

NEW GREEN AND SUSTAINABLE PRODUCTS IN THE BANK'S OFFERING

PKO Bank Polski has launched the Energiatransformacji.pl platform for its business clients. This addresses the needs of clients seeking support in energy transformation and ESG, as well as ideas on how to leverage transformation to build a pillar of competitive advantage. The platform provides tools to support them in the transformation process (carbon footprint calculators, grant search engines), financing solutions, and comprehensive education in this area.

The next step towards full energy transformation of Polish enterprises is the Bank's partnership with the Employers of Poland Association (PRP) under the "Energy of RP Employers" project. Through this collaboration, the Bank's clients can benefit from refinancing of 90% of technical documentation costs (including energy audits) through the ELENA grant (European Local ENergy Assistance) awarded to PRP by the European Investment Bank (EIB).

PKO Bank Polski S.A. remains consistently active in educational initiatives on sustainable development for its clients.

7.4. SIGNIFICANT AWARDS

In the first half of 2025, the Bank's Group received numerous awards and distinctions. Below are the most important of these:

- **Golden Banker:** In the general ranking, PKO Bank Polski S.A. maintained 3rd place for the quality of multi-channel service. The Bank once again was a finalist in the rankings, taking first place in the categories: Service Quality in Online Banking and Applications, Account for a child and Premium Account. The Bank also received recognition for the activities of the PKO Bank Polski Foundation on behalf of those affected by the September floods.
- **Institution of the Year:** The Bank won distinctions in 8 categories (Best service in outlets, Best service in remote channels, Best private banking, Best bank for companies, Best mortgage service in outlets, Best mobile application, Best online banking, Customer voice). 28 branches of the Bank received individual distinctions – the title of Best Bank Outlet in Poland.
- **PKO Bank Polski S.A. among the most recommended banks:** The Bank took 3rd place among banks with the highest NPS (Net Promoter Score) indicator for individual customers in the fourth quarter of 2024. The ranking was based on a study of customer loyalty, satisfaction and experiences in contacts with the bank. The Bank's NPS indicator is growing with the highest dynamics in the Polish banking market. The study was conducted by research agency Minds&Roses.
- **Gazeta Giełdy i Inwestorów "Parkiet" Forecasting Competition:** The Bank's team of economists won 1st place in the main category for all indicators combined, as well as in forecasts of macroeconomic indicators alone and CPI inflation level predictions. This is the fourth victory in the last five years. The Bank's Chief Economist Piotr Bujak won the title of "Economist of the Year."
- **Top Employer 2025**: The Bank obtained the certificate and advanced to the top ten in the Top Employers Institute ranking in Poland among companies.
- **Mobile Trends Awards:** The Bank won 4 trophies. The IKO app was recognised in the Mobile Banking category and placed on the podium in the internet users' vote. The PKO Junior app triumphed in the Mobile Banking for Children category and unanimously won the grand prize awarded by the competition jury.
- **Leaders in Financing Enterprise Competitiveness:** PKO Leasing S.A. received the main award in the "Leaders in Financing Enterprise Competitiveness" category granted by the National Contact Point (KPK) for Financial Instruments of European Union (EU) Programmes. The company, by providing financing under the Invest EU programme (since the beginning of 2024), was recognised as the best intermediary in the distribution of EU financial instruments.

8. NETWORK OF BRANCHES AND AGENCIES

The Bank provides its customers with a wide network of retail branches and agencies, private banking offices, corporate banking offices, corporate branches, as well as foreign branches.

Table 7. Operational data

	30.06.2025	31.12.2024	30.06.2024	Change since:	
				31.12.2024	30.06.2024
Number of branches in the retail segment	**898**	**899**	**900**	**-1**	**-2**
regional retail branches	10	10	10	0	0
retail branches	880	881	882	-1	-2
private banking branches	8	8	8	0	0
Number of branches in the corporate and investment segment:	**47**	**45**	**45**	**2**	**2**
corporate banking branches	13	11	11	2	2
regional corporate branches	6	7	7	-1	-1
regional corporate centres	24	23	23	1	1
foreign branches	4	4	4	0	0
Number of agencies	**243**	**249**	**277**	**-6**	**-34**
Number of ATMs	**3 090**	**3 068**	**3 064**	**22**	**26**

As at 30 June 2025, the Bank's retail branch network comprised 880 retail branches organized into 10 regional divisions and 8 private banking offices.

The Bank continued the modernisation process of its branches. In the first half of 2025, it upgraded and modernised 30 branches, including 19 branch modernisations and 11 branch relocations to new locations. Additionally, in 4 branches it changed the customer service model to cashless branches. In total, as at 30 June 2025, 62 branches with cash self-service were operating.

The corporate segment sales network comprised 13 corporate banking offices (since January 2025, 2 new offices were established: in Warsaw and Poznań), 24 regional corporate centres organized into 6 regional corporate branches, as well as branches in the Federal Republic of Germany, the Czech Republic, the Slovak Republic and Romania. The branch in Bucharest commenced operational activities on 1 January 2025. From mid-January 2025, changes occurred in the structure of the corporate sales network through the dissolution of existing and establishment of new organisational units. Six new corporate macroregions were created, dividing Poland into three strategic areas of activity. Within each area, two types of macroregions were established:

- Macroregion No 1 – serving large corporate clients
- Macroregion No 2 – serving medium-sized corporate clients.

Within the newly created corporate macroregions, 21 regional corporate centres were established to serve corporate clients. Additionally, each Macroregion No 1 includes 3 specialised regional corporate centres dedicated exclusively to servicing local government units.

The new sales network model is based on the diversity arising from the size and profile of the entity, enabling more tailored banking services and products at every stage of client development.

9. RISK MANAGEMENT

The risk management system is aimed at ensuring the profitability of business activities while ensuring control over the risk level and maintaining it within the system of limits and risk tolerance limits adopted by the Bank and the Bank's Group in the changing macroeconomic and legal environment. These activities are aimed at improving processes and effectively embedding risk management in the organisational culture, ensuring comprehensive risk information for decision-making, and safeguarding shareholder capital and customer deposits while maintaining operational efficiency. The primary objective is to ensure adequate management of all types of risk related to its business.

For a detailed description of the Group's risk management policies, please refer to the report entitled "Capital adequacy and other information of the Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna Group subject to disclosure as at 31 December 2024". In the first quarter of 2025, the updated risk management strategy was implemented in the Bank's Group.

The Group has maintained a safe level of liquidity, allowing for a quick and effective response to potential threats. In the first half of 2025, the PKO structured its sources of financing by adjusting its deposit offering (in particular interest rates on deposits) to meet current needs and by raising funds from the financial market through the issue of bonds. The liquidity of KREDOBANK S.A., despite the on-going war in Ukraine, remained at a stable and safe level.

In face of the hostilities in Ukraine, the Bank in continuously taking measures to secure business continuity and reduce the potential impact of materialisation of cyber threats. Given that unauthorized transactions reported by customers are most often the result of social engineering activities, the Bank continues its educational projects aimed at customers. In terms of countering fraud in electronic banking, the Bank is continuously improving its processes and IT system security measures to block the aforementioned transactions and/or recover funds.

In the first quarter of 2025, the Bank adjusted its internal regulations on operational risk management to align with the requirements of the DORA Regulation and CRR 3 Regulation.

As regards interest rate risk, the banking sector is challenged by a benchmark reform, which involves the need to replace the WIBID/WIBOR benchmarks with a risk free rate (RFR) benchmark. The reform could have a significant impact on the valuation of financial instruments and the effectiveness of hedging relationships held as part of interest rate risk management. The reform will also have a significant impact on the products offered to customers and on the structure of revaluation of the Bank's assets, liabilities and off-balance sheet items, determining the level of interest rate risk to which the Group is exposed.

A key challenge for the Bank's Group, as well as for the entire banking sector, is to simultaneously maintain supervisory stress test results for interest rate risk in the banking book (SOT NII and SOT EVE) within the supervisory limits. The SOT NII limit defines the maximum permissible decrease in net interest income resulting from a parallel shift in interest rates by a currency-specific amount, relative to Tier 1 capital, and is set at 5%, while the SOT EVE limit defines the maximum permissible decrease in the economic value of equity resulting from various (parallel and non-parallel) interest rate change scenarios (by currency-specific amounts), relative to Tier 1 capital, and is set at 15%. The Bank undertakes actions to keep the respective measures within the defined supervisory limits.

At the same time, in light of the interest rate cuts implemented by the Monetary Policy Council in the first half of 2025 and expectations of continued cuts in the second half of 2025, given a significant and increasing proportion of mortgage loans with periodically fixed rates, an increase in prepayments of such loans is possible.

An additional challenge for the Bank's Group is the recommendation concerning the Long-Term Funding Ratio (LTFR), introduced on 15 July 2024 by the Polish Financial Supervision Authority, aimed at reducing the risk of financing long-term mortgage loans with short-term deposits in favor of long-term debt instruments that cannot be redeemed within at least one year. The recommendation imposes an obligation on domestic banks to maintain an LTFR of at least 40% starting from 31 December 2026. Banks will be required to report the ratio to the PFSA Office on a monthly basis, and the PFSA Office monitors the implementation process of the Recommendation. Starting from 31 December 2027, the PFSA may adjust the expected LTFR level for subsequent years, taking into account both the situation of individual banks and the macroeconomic environment.

The Bank's Group is continuously developing IT systems used for collecting, aggregating and managing sustainability data, including int. al. data necessary for estimating CO_2e emissions and developing the Bank's loan portfolio transformation plan. The also Bank systematically obtains information on building energy performance (EP) and emission performance from the Central Register of Building Energy Performance, which allows for effective reporting of non-financial information on Taxonomy and Pillar III disclosures based on actual data.

On 24 February 2025, the Management Board of the Bank adopted the "Transition Plan of the PKO Bank Polski S.A. Group" (the Plan) aimed at supporting the achievement of the long-term objective of the Paris Agreement – making efforts to limit the temperature increase to 1.5°C above pre-industrial levels. Information regarding the Plan was presented in the PKO Bank Polski S.A. Group Report for the first quarter of 2025 in Chapter 5 "Risk Management".

10. INFORMATION FOR INVESTORS

10.1. DYWIDEND PROFIT APPROPRIATION

On 13 March 2025, the Bank received the individual recommendation from the PFSA in which the PFSA confirmed that the Bank fulfils the criteria for the payment of dividend up to 75% of the profit for 2024, whereby the maximum amount of payment may not exceed the amount of the annual profit less the profit generated in 2024 already counted as own funds.

The Bank has included in its own funds a portion of the net profit achieved in the first half of 2024 in the amount of PLN 1,549,571,366 at standalone level.

At the same time, the PFSA advised the Bank to mitigate the risks inherent in its operations by not conducting any other activities, in particular those beyond the scope of current business and operating activities, which may result in a reduction of own funds, including possible dividend payments from undistributed profits from previous years and buybacks or buyouts of own shares, without prior consultation with the supervisory authority.

On 13 June 2025, the Annual General Meeting of PKO Bank Polski S.A. (AGM) passed a resolution on distribution of the net profit of the Bank earned in 2024, in accordance with which:

- from the net profit of the Bank earned in 2024 in the amount of PLN 9,149,777,622.72, PLN 6,850,000,000 is to be allocated for the distribution among shareholders, which constitutes 74.87% of the net profit of the Bank earned in 2024. The gross dividend is PLN 5.48 per share. The dividend record date is 5 August 2025. The dividend will be paid on 14 August 2025,
- the remainder of the profit in the amount of PLN 2,299,777,622.72 is to be allocated to the reserve capital for the payment of dividend, including interim dividend in accordance with § 30 of the Bank's Articles of Association.

At the same time, the AGM passed a resolution to leave the Bank's retained earnings from previous years, in the amount of PLN 9,437,974,386.73, undistributed.

10.2. SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE GENERAL MEETING

According to information held by the Bank, as at the date of the report, there are three shareholders holding directly or indirectly significant blocks of shares (at least 5%): State Treasury, Nationale-Nederlanden Otwarty Fundusz Emerytalny and Allianz Polska Otwarty Fundusz Emerytalny.

Detailed information is presented in the Financial statements of the Bank's Group for the first half of 2025 - note 28"Shareholding structure of the Bank".

The Bank did not purchase or sell any own shares on its own account in the first half of 2025.

10.3. SHARES OF PKO BANK POLSKI S.A. BY MEMBERS OF THE BANK'S GOVERNING BODIES

As at the date of publication of financial reports for the periods ended 30 June 2025 and 31 March 2025, none of the members of the Bank's Supervisory Board held any shares or rights to shares in PKO Bank Polski S.A.

The number of shares in PKO Bank Polski S.A. held by members of the Bank's Management Board as at the date of publication of the aforementioned reports is presented in the table below. The nominal value of each share is PLN 1. Members of the Bank's Management Board did not hold any rights to shares during the period under review.

Table 8. Shares of PKO Bank Polski S.A. held by members of the Bank's Management Board

No.	Name and surname	Ownership of shares as at the date of publication of the financial report for the period ending					
		30.06.2025		Purchase	Disposal	31.03.2025	
		number of shares	nominal value			number of shares	nominal value
	Zarząd Banku						
1	Szymon Midera, President of the Management Board	0	0	0	0	0	0
2	Krzysztof Dresler, Vice-President of the Management Board	0	0	0	0	0	0
3	Ludmiła Falak-Cyniak, Vice-President of the Management Board	0	0	0	0	0	0
4	Piotr Mazur, Vice-President of the Management Board	8 000	8 000	0	0	8 000	8 000
5	Tomasz Pol, Vice-President of the Management Board	12 787	12 787	0	0	12 787	12 787
6	Marek Radzikowski, Vice-President of the Management Board	0	0	0	0	0	0
7	Michał Sobolewski, Vice-President of the Management Board	0	0	0	0	0	0
8	Mariusz Zarzycki, Vice-President of the Management Board	0	0	0	0	0	0

10.4. OTHER INFORMATION

DISCLOSURE OF NON-FINANCIAL INFORMATION

The Bank's Group prepared a Sustainability Report, which constituted a separate part of the Directors' Report on the activities of the Bank's Group for 2024 and published it on the Bank's website. The report was prepared in accordance with the provisions of the Accounting Act and contains all legally required elements. The Report presents information on employee, social and environmental matters in the format of European Sustainability Reporting Standards (ESRS). The report was subject to limited assurance verification.

THE POSITION OF THE MANAGEMENT BOARD OF PKO BANK POLSKI S.A. ON THE POSSIBILITY OF THE ACHIEVEMENT OF PREVIOUSLY PUBLISHED FORECASTS OF THE RESULTS FOR THE YEAR

The Bank did not publish forecasts of financial performance for 2025. In current reports, the Bank communicated information on significant events that affected the Bank's and the Bank's Group's results.

SIGNIFICANT AGREEMENTS AND MATERIAL AGREEMENTS WITH THE CENTRAL BANK OR SUPERVISORY AUTHORITIES

The Bank Polski is obliged to inform in the current reports about all agreements meeting the definition of confidential information specified in Regulation No 596/2014 of the European Parliament and of the Council (EU) on market abuse.

On 30 January 2025, after obtaining the necessary corporate approvals, the Bank concluded an amendment to the guarantee agreement providing unfunded credit protection in respect of a portfolio of selected corporate credit receivables of the Bank, in accordance with the CRR ("Guarantee").

Following the execution of the amendment, the terms and conditions of the Guarantee have changed to the effect that the total value of the Bank's debt portfolio covered by this Guarantee is PLN 16,886,154,516.07, and the portfolio consists of the bond portfolio of PLN 2,365,342,000.56 ("Portfolio A") and the portfolio of other receivables of PLN 14,520,812,515.51 ("Portfolio B"). The coverage ratio is 100% for Portfolio A and 80% for Portfolio B, with the total maximum amount of the Guarantee remaining unchanged at PLN 13,981,992,012.92. The Bank published this information in Current Report No 6/2025.

The Bank's subsidiaries did not enter into any significant agreements or material agreements with the central bank or supervisory authorities in the first half of the year.

LOANS DRAWN AND AGREEMENTS REGARDING ADVANCES, GUARANTEES AND PLEDGES WHICH ARE NOT RELATED TO OPERATING ACTIVITIES

In the first half of 2025, neither the Bank nor the Bank's subsidiaries took out any loans or advances or received any guarantees or pledges which were not related to their operating activities.

INFORMATION ON NON-PAYMENT OF A LOAN OR ADVANCE OR BREACHING MATERIAL PROVISIONS OF A LOAN OR ADVANCE AGREEMENT AS REGARDS WHICH NO REMEDIAL ACTION WAS PERFORMED UNTIL THE END OF THE REPORTING PERIOD

The Group has not identified any unpaid loans or advances or any breach of material provisions of a loan or advance agreement where the Group acts as a borrower with regard to which no remedial action had been taken until 30 June 2025.

INFORMATION ON TRANSACTION(S) WITH RELATED PARTIES CONCLUDED BY THE ISSUER OR ITS SUBSIDIARY, IF THEY HAVE BEEN CONCLUDED ON TERMS OTHER THAN ON AN ARM'S LENGTH BASIS

The Bank's Group does not identify transactions with subordinates that deviate materially from arm's length conditions. The Bank's subsidiaries did not conclude any transactions with related parties which differ significantly from arm's length basis.

INFORMATION ON SIGNIFICANT AGREEMENTS CONCERNING THE ISSUER OR ITS SUBSIDIARY GRANTING SURETIES FOR LOANS OR ADVANCES OR GRANTING GUARANTEES

In the first half of 2025, neither the Bank nor PKO Bank Polski S.A's subsidiaries have entered into other significant agreements to guarantee the repayment of a loan or advance and to grant guarantees for the repayment of a loan or advance.

INFORMATION ON MATERIAL PROCEEDINGS AT COURT, BEFORE A COMPETENT ARBITRATION TRIBUNAL OR A PUBLIC ADMINISTRATION BODY

Taking into consideration the value of and an increase in the number of court proceedings, the Bank considered as material the court proceedings relating to mortgage loans in convertible currencies. As at 30 June 2025, 35,203 court proceedings were pending against the Bank with a total value in dispute of PLN 14,5 million (as at 31 December 2024: 36,004 proceedings with a total value of PLN 14.7 million). The subject matter of the claims are mainly demands for declaration of invalidity of agreements or for repayment of performance rendered by customers in execution of allegedly invalid agreements. Customers allege abusive provisions and/or that the agreements are contrary to the law. None of the clauses used by the Bank in the agreements was entered in the register of prohibited contractual clauses. In the Bank's assessment, the number of proceedings is strongly influenced by marketing campaigns of law firms, which encourage borrowers to file lawsuits. The Group monitors on an ongoing basis the case law of national and EU courts in foreign currency loan cases.
Information on the value of all legal proceedings of the Bank and Bank's Group, as well as a description of the main disputes, including those relating to mortgage loans in convertible currencies, is presented the Financial statements of the Bank's Group for the first half of 2025, in note 27 "Legal claims".

OTHER INFORMATION RELEVANT TO THE ASSESSMENT OF THE ISSUER'S PERSONNEL, ASSETS, FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CHANGES THEREIN

In the six-month period ended 30 June 2025, PKO Bank Polski S.A. and PKO Bank Polski S.A.'s subsidiaries did not experience any other significant events relevant to the assessment of their personnel, assets, financial position and financial performance.

11. GLOSSARY

Interest-bearing assets – amounts due from banks, securities and loans and advances to customers,

Liquid assets and cash – amounts due from banks, cash, balances with the Central Bank, securities (banking portfolio), repo transactions,

CPI – consumer price index,

Customer deposits – amounts due to customers,

Financing granted to customers – loans and advances granted to customers (including amounts due from finance lease) and municipal and corporate bonds (excluding the bonds of international financial organisations) presented in securities, other than securities held for trading,

External financing – subordinated liabilities, liabilities in respect of issue of securities measured at amortised cost, and loans and advances received,

Other liabilities – derivative hedging instruments, other derivative instruments, liabilities in respect of insurance activities, other liabilities, current income tax liabilities, deferred income tax liability, provisions, reverse repo transactions, amounts due to the Central Bank and amounts due to banks,

Operating expenses – operating expenses (including net regulatory charges),

Regulatory costs – net regulatory charges,

Total capital ratio – own funds to the total capital requirement multiplied by 12.5,

Securities (banking portfolio) – securities less municipal and corporate bonds (excluding bonds held for trading) and bonds of international financial organisations,

Other assets – derivative hedging instruments, other derivative instruments, investments in associates and joint ventures, non-current assets held for sale, intangible assets, property, plant and equipment, insurance assets, current income tax receivables, deferred income tax assets, and other assets,

Risk-free rate – the average annual yield on 10-year Treasury bonds,

Average interest on loans – interest income on loans and advances to customers on an annual basis, excluding the impact of statutory loan holidays, to the average balance of loans and advances to customers from the last 5 quarters,

Average interest on deposits – interest expense on amounts due to customers on an annual basis to the average balance of amounts due to customers from the last 5 quarters,

C/I ratio (costs to income ratio) – operating expenses (including net regulatory charges) to the result on business activities on an annual basis,

Tier 1 capital ratio – Tier 1 capital to the total capital requirement multiplied by 12.5,

Leverage ratio – Tier 1 capital to the total of on-balance sheet assets and off-balance sheet liabilities after taking into account the CCF,

Credit risk cost indicator – net write-downs and impairment of financing granted to customers for the last 12 months to the average balance of gross financing granted to customers at the beginning and end of the reporting period and interim quarterly periods,

Interest margin ratio – net interest income, excluding impact of statutory loan holidays, on an annual basis to the average balance of interest-bearing assets (including amounts due from banks, securities and loans and advances to customers) from the last 5 quarters,

Net ROA – net profit for the year to the average balance of assets from the last 5 quarters,

Net ROE – net profit for the year to the average balance of equity from the last 5 quarters,

Share of exposures with recognized impairment – a portfolio with recognized impairment in the portfolio of loans and corporate and municipal bonds (not guaranteed by the State Treasury), including loans measured at fair value through profit or loss,

Net operating result – result on business activities on a management basis, operating expenses and tax on certain financial institutions,

Result on financial transactions – result on financial transactions and gains and/or losses on derecognition of financial instruments less the result on loans measured at fair value through profit and/or loss,

Net write-offs and impairment – result on allowances for expected credit losses, result on impairment of non-financial assets and cost of legal risk associated with mortgage loans in convertible currencies and result on loans measured at fair value through profit or loss,

Result on business activities – result on business activities less result on loans measured at fair value through profit or loss,

Net profit – net profit recognized in the consolidated income statement understood as the net profit attributable to equity holders of the parent company.

12. STATEMENT OF THE MANAGEMENT BOARD

The Management Board of PKO Bank Polski S.A. hereby represents that, to the best of their knowledge:

- the condensed interim separate financial statements of PKO Bank Polski S.A. for the six-month period ended 30 June 2025 and the comparative data have been prepared in accordance with the applicable rules of accounting practice and give a true, fair and clear view of PKO Bank Polski S.A.'s financial position and results of operations,
- the condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group for the six-month period ended 30 June 2025 and the comparative data have been prepared in accordance with the applicable rules of accounting practice and give a true, fair and clear view of the PKO Bank Polski S.A. Group's financial position and results of operations,
- this Directors' Report on the activities of the PKO Bank Polski S.A. Group for the first half of 2025 contains a true representation of the development and achievements and the situation of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group, including a description of the principal threats and risks.

The Management Board of PKO Bank Polski S.A. hereby represents that the entity authorised to audit financial statements that reviewed the above-mentioned financial statements was selected in accordance with the provisions of law, and that this entity and the auditors who performed these reviews met the conditions for issuing impartial and independent review reports, in accordance with the applicable provisions and professional standards.

This Directors' Report on the activities of the PKO Bank Polski S.A. Group for the first half of 2025 comprises 52 consecutively numbered pages.

SIGNATURES OF ALL MEMBERS OF THE BANK'S MANAGEMENT BOARD

Szymon Midera	President of the Management Board
Krzysztof Dresler	Vice-President of the Management Board
Ludmiła Falak-Cyniak	Vice-President of the Management Board
Piotr Mazur	Vice-President of the Management Board
Tomasz Pol	Vice-President of the Management Board
Marek Radzikowski	Vice-President of the Management Board
Michał Sobolewski	Vice-President of the Management Board
Mariusz Zarzycki	Vice-President of the Management Board

The original Polish document is signed with a qualified electronic signatures.