



Bank Polski

Capital Adequacy
and Other Information
of the Powszechna Kasa
Oszczędności Bank
Polski Spółka Akcyjna Group
Subject to Disclosure
as at 30 June 2025

Disclosure



Quarterly



Semi-annual



Annual





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1 INTRODUCTION

The report "Capital adequacy and other information subject to disclosure of the PKO Bank Polski SA Group as at 30 June 2025", hereinafter referred to as the "Report", was prepared in accordance with:

- Article 111a of the Act of 29 August 1997 – Banking Law, hereinafter referred to as the "Banking Law",
- Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, hereinafter referred to as the "CRR", taking into account acts amending the CRR,
- Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637,
- Commission Implementing Regulation (EU) 2021/763 of 23 April 2021 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities,
- Guidelines EBA/GL/2020/12 amending Guidelines EBA/GL/2018/01 of 4 August 2017 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 (CRR) as regards the transitional period for mitigating the impact of the introduction of IFRS 9 on own funds in order to ensure compliance with the CRR "quick fix" in response to the COVID-19 pandemic.



Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, hereinafter referred to as "PKO Bank Polski S.A." or the "Bank", meeting the definition of a large institution within the meaning of Article 4(1)(146) of the CRR, in accordance with Article 13(1) and Article 433a of the CRR, announces information on capital adequacy referred to in Part Eight of the CRR on an annual, semi-annual and quarterly basis in a separate document.

This Report has been prepared in accordance with the Bank's internal regulations concerning the information policy of PKO Bank Polski S.A. regarding capital adequacy and other information subject to disclosure (hereinafter: "The information policy") shared on the Bank's website (www.pkobp.pl).

Unless otherwise indicated, the figures presented in the Report are expressed in PLN million. Any differences in totals and percentages result from rounding amounts off to PLN million and rounding percentages off to one place after the decimal point.

The Report has been prepared taking into account all data available as at 30 June 2025. The Report addresses the requirements of the regulations described above insofar as they relate to the Bank and the Bank's Group. Lack of a reference to a particular article means that the related disclosures are not applicable. This Report was subject to an internal verification by the Bank's Internal Audit Department.

According to CRR, prudential consolidation is used for capital adequacy purposes, which unlike consolidation in accordance with the International Financial Reporting Standards, covers only subsidiaries that meet the definition of an institution, financial institution or any ancillary services enterprise.



2 MANAGEMENT SYSTEM

The management system constitutes a set of principles and mechanisms relating to decision-making processes occurring in the Bank and to the assessment of the conducted banking activities. The management system in the Bank includes the risk management system and the internal control system.

The risk management system is one of the key internal processes, both in PKO Bank Polski S.A., including its foreign branches, and in the other companies of the Bank's Group. Risk management is aimed at ensuring the profitability of business activities while ensuring control over the risk level and maintaining it under the risk tolerance framework and the limits system adopted by the Bank and the Bank's Group in the changing macroeconomic and legal environment. The expected level of risk plays an important role in the planning process.

Within the prudential consolidation, the following risks have been identified in the Bank's Group, which are subject to management, and some of them are considered material: credit risk, risk of mortgage loans in foreign currencies for households, foreign exchange risk, interest rate risk, liquidity risk (including financing risk), operational risk, business risk, risk of macroeconomic changes and model risk.

The risk management system, including the principles of managing significant types of risk, has been described in detail in the Report "Capital adequacy and other information subject to disclosure of the PKO Bank Polski SA Group as at 31 December 2024" and the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2024.

2.1 Credit risk, including counterparty risk

Credit risk is understood as the risk of incurring losses as a result of a customer defaulting on their liabilities to the Bank's Group or the risk of a decrease in the economic value of the Bank's Group receivables as a result of a deterioration in a customer's ability to service their liabilities.

The objective of credit risk management is to reduce losses on the loan portfolio and changes in the economic value of exposures on the wholesale market and to minimise the risk of the occurrence of loan exposures at risk of impairment to an acceptable level, while maintaining the expected level of profitability and value of the loan portfolio by shaping on-balance sheet and off-balance sheet items.

2.1.1 Credit risk and dilution risk and credit quality of exposures

Table 2.1 Maturity of exposures [Template EU CR1-A]

		30.06.2025				
		a b	c	d	e	f
		Net exposure value				
		On demand and <= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	44 519	116 567	117 755	4 793	283 634
2	Debt securities	40 803	123 911	51 179	-	215 893
3	Total	85 322	240 478	168 934	4 793	499 527

2.1.2 Use of credit risk mitigation techniques

In the process of calculating own funds requirements, the Bank uses the credit assessments assigned by the following external credit assessment institutions (rating agencies):

- 1) Moody's Investors Service,
- 2) Standard and Poor's Ratings Services,
- 3) Fitch Ratings.

The process of transferring the issuer and issue assessment to positions outside the trading book for the purpose of calculating own funds requirements is in accordance with the provisions of the CRR, Part III, Title II, Chapter 2.

Table 2.2 CRM techniques overview: Disclosure of the use of credit risk mitigation techniques [Template EU CR3]

		30.06.2025				
		Unsecured carrying amount	Secured carrying amount			
			Of which secured by collateral	Of which secured by financial guarantees		
				Of which secured by credit derivatives		
				a	b	c
1	Loans and advances	127 703	177 191	177 059	132	-
2	Debt securities	215 892	-	-	-	-
3	Total	343 595	177 191	177 059	132	-
4	Of which non-performing exposures	2 946	3 010	2 985	25	-
EU-5	Of which defaulted	2 946	3 010			



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Table 2.3 Standardised approach – Credit risk exposure and CRM effects [Template EU CR4]

		30.06.2025					
Exposure classes		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWEA	RWEA density (%)
		a	b	c	d	e	f
1	Central governments or central banks	194 415	0	217 723	106	5 470	2,5%
2	Non-central government public sector entities	19 669	7 031	19 819	3 824	5 300	22,4%
EU 2a	Regional governments or local authorities	19 056	3 396	19 401	2 336	4 347	20,0%
EU 2b	Public sector entities	613	3 635	418	1 488	953	50,0%
3	Multilateral development banks	14 307	-	14 307	-	-	-
EU 3a	International organisations	-	-	-	-	-	-
4	Institutions	9 469	1 044	9 385	557	3 472	34,9%
5	Covered bonds	-	-	-	-	-	-
6	Corporates	61 394	58 603	44 982	23 893	67 983	98,7%
6,1	Of which: Specialised Lending	3 893	2 792	3 752	398	4 834	116,5%
7	Subordinated debt exposures and equity	1 698	-	1 698	-	3 871	228,0%
EU 7a	Subordinated debt exposures	-	-	-	-	-	-
EU 7b	Equity	1 698	-	1 698	-	3 871	228,0%
8	Retail	75 715	22 051	71 427	12 342	57 358	68,5%
9	Secured by mortgages on immovable property and ADC exposures	138 993	14 420	136 376	5 407	68 366	48,2%
9,1	Secured by mortgages on residential immovable property - non IPRE	108 609	1 689	107 424	1 083	34 826	32,1%
9,2	Secured by mortgages on residential immovable property - IPRE	3 109	51	3 109	49	2 836	89,8%
9,3	Secured by mortgages on commercial immovable property - non IPRE	14 317	5 437	13 502	2 300	12 377	78,3%
9,4	Secured by mortgages on commercial immovable property - IPRE	8 023	1 676	7 664	622	9 279	112,0%
9,5	Acquisition, Development and Construction (ADC)	4 935	5 568	4 679	1 353	9 047	150,0%
10	Exposures in default	6 103	258	5 291	116	6 614	122,3%
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	452	-	452	-	656	145,1%
EU 10c	Other items	27 320	-	27 320	-	11 497	42,1%
12	TOTAL	549 536	103 408	548 779	46 246	230 587	38,8%





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Table 2.4 Standardised approach [Template EU CR5]

Exposure classes		30.06.2025													
		Risk weight													
		0%	2%	4%	10%	20%	30%	35%	40%	45%	50%	60%	70%	75%	80%
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments or central banks	213 447	-	1 562	-	325	-	-	-	-	-	-	-	-	-
2	Non-central government public sector entities	-	-	-	-	21 737	-	-	-	-	1 906	-	-	-	-
EU 2a	Regional governments or local authorities	-	-	-	-	21 737	-	-	-	-	-	-	-	-	-
EU 2b	Public sector entities	-	-	-	-	-	-	-	-	-	1 906	-	-	-	-
3	Multilateral development banks	14 307	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 3a	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Institutions	-	673	-	-	6 791	518	-	-	-	33	-	-	-	-
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	120	-	-	-	-	309	-	-	2 172	-
6.1	Of which: Specialised Lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Subordinated debt exposures and equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 7b	Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Retail exposures	-	-	-	-	-	-	-	-	2 404	-	-	-	81 328	-
9	Secured by mortgages on immovable property and ADC exposures	-	-	-	-	86 150	12	174	-	25	0	5 646	-	25 779	-
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	84 884	-	-	-	-	-	-	-	23 618	-
9.1.1	no loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	14 816	-
9.1.2	loan splitting applied (secured)	-	-	-	-	84 884	-	-	-	-	-	-	-	-	-
9.1.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	8 802	-
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	1 266	12	174	-	25	-	14	-	60	-
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-	-	-	-	0	5 632	-	2 100	-
9.3.1	no loan splitting applied	-	-	-	-	-	-	-	-	-	0	-	-	352	-
9.3.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	5 632	-	-	-
9.3.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	0	-	-	1 749	-
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.5	Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10c	Other items	12 576	-	-	-	4 058	-	-	-	-	2	-	-	-	-
EU 11c	TOTAL	240 331	673	1 562	-	119 181	530	174	-	2 430	2 250	5 646	-	109 279	-





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Exposure classes		30.06.2025												Total	Of which unrated
		Risk weight										Others			
		90%	100%	105%	110%	130%	150%	250%	370%	400%	1250%				
		o	p	q	r	s	t	u	v	w	x				
											y	z	aa		
1	Central governments or central banks	-	-	-	-	-	892	1 602	-	-	-	-	217 829	-	
2	Non-central government public sector entities	-	-	-	-	-	-	-	-	-	-	-	23 643	19 005	
EU 2a	Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	21 737	17 100	
EU 2b	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	1 906	1 906	
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	14 307	14 307	
EU 3a	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Institutions	-	1 926	-	-	-	2	-	-	-	-	-	9 942	2 444	
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Corporates	-	63 517	-	-	2 334	422	-	-	-	-	-	68 875	62 300	
6,1	Of which: Specialised Lending	-	1 816	-	-	2 334	-	-	-	-	-	-	4 151	4 151	
7	Subordinated debt exposures and equity	-	25	-	-	-	336	1 337	-	-	-	-	1 698	1 698	
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	
EU 7b	Equity	-	25	-	-	-	336	1 337	-	-	-	-	1 698	1 698	
8	Retail exposures	-	17	-	-	16	0	-	-	-	-	4	83 769	83 769	
9	Secured by mortgages on immovable property and ADC exposures	1 030	8 073	2	1 100	-	11 658	-	-	-	-	2 134	141 783	141 783	
9.1	Secured by mortgages on residential immovable property - non IPRE	-	4	-	-	-	-	-	-	-	-	-	108 506	108 506	
9.1.1	no loan splitting applied	-	4	-	-	-	-	-	-	-	-	-	14 820	14 820	
9.1.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	-	84 884	84 884	
9.1.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	8 802	8 802	
9,2	Secured by mortgages on residential immovable property - IPRE	-	-	2	-	-	1 603	-	-	-	-	1	3 157	3 157	
9,3	Secured by mortgages on commercial immovable property - non IPRE	-	8 069	-	-	-	-	-	-	-	-	-	15 802	15 802	
9.3.1	no loan splitting applied	-	6 697	-	-	-	-	-	-	-	-	-	7 049	7 049	
9.3.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	-	5 632	5 632	
9.3.3	loan splitting applied (unsecured)	-	1 372	-	-	-	-	-	-	-	-	-	3 120	3 120	
9,4	Secured by mortgages on commercial immovable property - IPRE	1 030	-	-	1 100	-	4 023	-	-	-	-	2 133	8 286	8 286	
9,5	Acquisition, Development and Construction (ADC)	-	-	-	-	-	6 031	-	-	-	-	-	6 031	6 031	
10	Exposures in default	-	2 991	-	-	-	2 416	-	-	-	-	-	5 406	5 406	
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	
EU 10b	Collective investment undertakings (CIU)	-	316	-	-	-	-	136	-	-	-	-	452	452	
EU 10c	Other items	-	10 684	-	-	-	-	-	-	-	-	-	27 320	27 320	
EU 11c	TOTAL	1 030	87 549	2	1 100	2 350	15 726	3 075	-	-	-	2 138	595 025	358 485	

The table above presents the total exposure amount of the on-balance sheet and off-balance sheet items of the Bank's Group, which represents the total exposure net of specific credit risk adjustments and impairment losses and after applying the relevant conversion factors (CCFs) for off-balance sheet exposures, i.e., after multiplying the exposure amounts of off-balance sheet items by the corresponding factors of 0%, 20%, 40%, 50% and/or 100%.

As at 30 June 2025, the Bank did not use on- and off-balance sheet netting pursuant to Article 205 of the CRR, therefore, Article 453(a) of the CRR, regarding the disclosure of information about the policies and processes for on- and off-balance sheet netting and the extent to which a given entity makes use of such netting is not applicable.



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As at 30 June 2025, the Bank used the effect of contractual netting agreements for the purposes of determining the balance sheet equivalent for derivative transactions, in accordance with Article 298 of the CRR. Such agreements are concluded primarily with institutional counterparties. They enable the settlement, also in the event of the insolvency of one of the parties, of all transactions covered by a given agreement with one amount being the total of the market values of individual transactions. The contractual netting agreements used meet the requirements of Articles 295-297 of the CRR.

2.1.3 Exposures to the counterparty credit risk

The table below presents the methods used to calculate the own funds requirement for counterparty credit risk (excluding exposures to central counterparties).

Table 2.5 Analysis of CCR exposure by approach [Template EU CCR1]

		30.06.2025							
		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU1	EU - Original Exposure Method (for derivatives)	-	-		1,4	-	-	-	-
EU2	EU - Simplified SA-CCR (for derivatives)	-	-		1,4	-	-	-	-
1	SA-CCR (for derivatives)	1 078	3 283		1,4	7 116	6 105	5 935	4 050
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	Of which securities financing transactions netting sets			-		-	-	-	-
2b	Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
2c	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	Total					7 116	6 105	5 935	4 050





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The table below presents exposures to counterparty credit risk by exposure classes and risk weights applied to calculate the own funds requirement for counterparty credit risk using the standardised method.

Table 2.6 Standardised approach – CCR exposures by regulatory exposure class and risk weights [Template EU CCR3]

Exposure classes		30.06.2025											
		Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Other	Total exposure value
1	Central governments or central banks	25	-	0	-	-	-	-	-	-	-	-	25
2	Regional government or local authorities	-	-	-	-	-	0	-	-	-	-	-	0
3	Public sector entities	-	-	-	-	0	0	-	-	-	-	-	0
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	245	-	-	23	458	-	-	-	7	2 009	2 742
7	Corporates	-	-	-	-	-	-	-	1 004	2 327	-	-	3 330
8	Retail	-	-	-	-	-	-	-	-	2	-	-	2
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	81	-	81
11	Total exposure value	25	245	0	-	23	458	-	1 004	2 329	88	2 009	6 181



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The table below presents types of collateral used to calculate the own funds requirement for counterparty credit risk.

Table 2.7 Composition of collateral for CCR exposures [Template EU CCR5]

Collateral type		30.06.2025							
		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	583	13	331	65	-	-	-	-
2	Cash – other currencies	109	336	-	205	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	-	-	-	-	-	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Equity securities	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	Total	692	349	331	270	-	-	-	-





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The table below presents an analysis of exposures to central counterparties used to calculate the own funds requirement for counterparty credit risk.

Table 2.8 Exposures to central counterparties (CCPs) [Template EU CCR8]

		30.06.2025	
		a	b
		Exposure value	RWEA
1	Exposures to QCCPs (total)		7
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	245	5
3	(i) OTC derivatives	232	5
4	(ii) Exchange-traded derivatives	13	0
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	206	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	104	2
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

As at 30 June 2025, the Bank did not hold any credit derivative instruments, therefore table EU CCR6 has not been presented.



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2.1.4 Exposures to securitisation positions

On 12 May 2025, the Bank's Group carried out a synthetic securitisation transaction on a portfolio of corporate loans with a total nominal value of PLN 1,892.3 million. As part of this transaction, the Bank's Group transferred a significant part of the credit risk from the selected portfolio subject to securitisation to the Investor. The risk transfer of the securitised 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 the transfer of a significant part of risk, as set out in the CRR, and has been structured to meet the STS criteria (simple, transparent and standardised securitisation). The Bank's Group applies a deduction from own funds for the value of the first loss tranche, taking into account specific risk adjustments for the underlying exposures covered by the securitisation, in accordance with the requirements of the CRR.

Table 2.9 Securitisation exposures in the non-trading book [Template EU SEC1]

		30.06.2025														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
		Traditional		Synthetic			Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total	
		STS	Non-STS	of which SRT		STS		Non-STS	STS			Non-STS				
1	Total exposures	-	-	-	-	1 435	1 435	1 435	-	-	-	-	-	-	-	-
2	Retail (total)	-	-	-	-	1 435	1 435	1 435	-	-	-	-	-	-	-	-
3	residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	other retail exposures	-	-	-	-	1 435	1 435	1 435	-	-	-	-	-	-	-	-
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 2.10 Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor [Template EU SEC3]

		30.06.2025																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions
1	Total exposures	1 435	-	-	-	-	-	-	1 435	-	-	-	141	-	-	-	-	-
2	Traditional transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic transactions	1 435	-	-	-	-	-	-	1 435	-	-	-	141	-	-	-	-	-
10	Securitisation	1 435	-	-	-	-	-	-	1 435	-	-	-	141	-	-	-	-	-
11	Retail underlying	1 435	-	-	-	-	-	-	1 435	-	-	-	141	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



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Table 2.11 Exposures securitised by the institution – Exposures in default and specific credit risk adjustments [Template EU SEC5]

		30.06.2025		
		a	b	c
Exposures securitised by the institution - Institution acts as originator or as sponsor				
		Total outstanding nominal amount	Total amount of specific credit risk adjustments made during the period	
		Of which exposures in default		
1	Total exposures	1 575	1	-
2	Retail (total)	1 575	1	-
3	residential mortgage	-	-	-
4	credit card	-	-	-
5	other retail exposures	1 575	1	-
6	re-securitisation	-	-	-
7	Wholesale (total)	-	-	-
8	loans to corporates	-	-	-
9	commercial mortgage	-	-	-
10	lease and receivables	-	-	-
11	other wholesale	-	-	-
12	re-securitisation	-	-	-

2.1.5 Specialised lending

The Bank's Group does not apply the IRB method for calculating own funds requirements for credit risk.

2.1.6 Non-performing and forborne exposures

The Group's gross NPL ratio¹ amounted to 3.52% as at 30 June 2025. Therefore, in accordance with Regulation 2024/3172, the following tables: EU CR2a, EU CQ2, EU CQ6, EU CQ8 are not presented. Tables below containing quantitative information on non-performing and forborne exposures are presented below.

¹ The NPL ratio is the ratio of gross carrying amount of loans and advances covered by the provisions of Article 47(a)(3) of EU Regulation no. 575/2013 to gross carrying amount of loans and advances covered by the provisions of Article 47a(1) of Regulation (EU) No 575/2013.





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Table 2.12 Performing and non-performing exposures and related provisions [Template EU CR1]

		30.06.2025														Collaterals and financial guarantees received			
		a	b	c	d	e	f	g	h	i	j	k	l	m	n			o	
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions											
		Performing exposures		Non-performing exposures		Performing exposures - Accumulated impairment and provisions		Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Accumulated partial write-off	On performing exposures	On non-performing exposures							
of which: stage 1		of which: stage 2		of which: stage 1		of which: stage 2		of which: stage 1		of which: stage 2		of which: stage 2		of which: stage 3					
005	Cash balances at central banks and other demand deposits	21 260	21 260	-	-	-	-	- 0	- 0	-	-	-	-	-	-	-	-		
010	Loans and advances	282 259	244 490	35 840	10 810	22	10 187	- 4 572	- 1 219	- 3 467	- 4 863	- 7	- 4 861	- 2 176	174 181	3 010			
020	Central banks	1 510	1 510	-	-	-	-	-	-	-	-	-	-	-	-	-			
030	General governments	6 062	5 499	562	44	-	44	- 71	- 25	- 46	- 1	-	- 1	- 1	1 279	38			
040	Credit institutions	4 937	4 937	-	-	-	-	- 6	- 6	-	-	-	-	-	-	-			
050	Other financial corporations	3 955	3 885	70	19	-	17	- 22	- 19	- 3	- 12	-	- 11	- 4	1 183	5			
060	Non-financial corporations	93 425	72 943	20 424	6 482	3	6 136	- 1 984	- 506	- 1 503	- 2 545	- 0	- 2 530	- 674	52 874	2 184			
070	Of which: SMEs	44 805	32 389	12 404	2 658	2	2 510	- 1 165	- 257	- 915	- 1 231	- 0	- 1 226	- 431	34 625	1 245			
080	Households	172 371	155 716	14 784	4 266	19	3 990	- 2 490	- 663	- 1 915	- 2 305	- 6	- 2 319	- 1 497	118 845	783			
090	Debt Securities	216 034	214 956	916	9	-	9	- 151	- 130	- 21	-	-	-	- 5	-	-			
100	Central banks	1 998	1 998	-	-	-	-	-	-	-	-	-	-	-	-	-			
110	General governments	178 816	178 268	506	-	-	-	- 120	- 108	- 12	-	-	-	-	-	-			
120	Credit institutions	10 064	10 064	-	-	-	-	- 0	- 0	-	-	-	-	-	-	-			
130	Other financial corporations	21 031	21 031	-	-	-	-	- 8	- 8	-	-	-	-	-	-	-			
140	Non-financial corporations	4 126	3 596	410	9	-	9	- 22	- 13	- 10	-	-	-	- 5	-	-			
150	Off-balance sheet exposures	98 904	90 526	8 049	425	1	354	517	182	333	81	0	80	-	-	-			
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
170	General governments	10 588	10 250	339	3	-	2	31	22	10	0	-	0	-	-	-			
180	Credit institutions	1 055	1 051	-	-	-	-	1	1	-	-	-	-	-	-	-			
190	Other financial corporations	2 679	2 676	3	0	-	0	4	4	0	0	-	0	-	-	-			
200	Non-financial corporations	65 481	59 264	5 894	396	-	327	353	119	232	71	0	71	-	-	-			
210	Households	19 101	17 285	1 813	26	1	24	127	36	91	10	0	9	-	-	-			
220	Total	618 457	571 232	44 805	11 244	22	10 550	- 5 240	- 1 531	- 3 821	- 4 944	- 7	- 4 941	- 2 181	174 181	3 010			

Table 2.13 Changes in the stock of non-performing loans and advances [Template EU CR2]

		30.06.2025
		a
		Gross carrying amount
010	Initial stock of non-performing loans and advances	10 615
020	Inflows to non-performing portfolios	2 241
030	Outflows from non-performing portfolios	- 2 050
040	Outflows due to write-offs	- 307
050	Outflow due to other situations	- 1 743
060	Final stock of non-performing loans and advances	10 805





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Table 2.14 Credit quality of forborne exposures [Template EU CQ1]

		30.06.2025							
		a	b	c	d	e	f	g	h
		Gross carrying amount/ Nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted	Of which impaired					
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	1 051	3 480	3 452	3 454	10	- 1 139	1 825	1 064
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	2	1	1	1	- 0	- 0	2	0
060	Non-financial corporations	565	3 048	3 045	3 045	2	- 997	1 422	930
070	Households	484	432	406	408	9	- 142	401	134
080	Debt Securities	100	9	9	9	-	-	-	-
090	Loan commitments given	27	211	211	211	0	52	-	-
100	Total	1 178	3 700	3 671	3 673	10	- 1 191	1 825	1 064





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As at 30 June 2025, the Bank did not have foreign original exposures in all “external” countries in all exposure categories equal to or higher than 10% of total original exposures (domestic and foreign), therefore the data is not subject to disclosure in accordance with template EU CQ4.

Table 2.15 Credit quality of loans and advances to non-financial corporations by industry [Template EU CQ5]

		30.06.2025					
		a	b	c	d	e	f
		Gross carrying amount			of which: loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		of which: non-performing					
		of which: defaulted					
10	Agriculture, forestry and fishing	2 222	102	101	2 222	- 123	-
20	Mining and quarrying	687	16	14	687	- 16	-
30	Manufacturing	27 127	3 283	3 218	27 124	- 1 882	- 2
40	Electricity, gas, steam and air conditioning supply	4 963	11	11	4 963	- 47	-
50	Water supply	1 519	18	17	1 519	- 41	-
60	Construction	4 832	369	360	4 832	- 372	-
70	Wholesale and retail trade	19 488	687	658	19 488	- 632	-
80	Transport and storage	8 028	1 087	1 082	8 028	- 594	-
90	Accommodation and food service activities	1 645	363	363	1 645	- 124	-
100	Information and communication	5 830	32	32	5 830	- 47	-
110	Financial and insurance activities	1 162	2	0	1 162	- 7	-
120	Real estate activities	8 593	230	229	8 593	- 339	-
130	Professional, scientific and technical activities	3 237	93	91	3 237	- 77	-
140	Administrative and support service activities	7 341	85	85	7 341	- 95	-
150	Public administration and defense, compulsory social security	22	0	0	22	- 0	-
160	Education	338	23	23	338	- 14	-
170	Human health services and social work activities	1 539	20	20	1 539	- 35	-
180	Arts, entertainment and recreation	574	19	19	574	- 33	-
190	Other services	757	43	43	757	- 48	-
200	Total	99 906	6 482	6 365	99 903	- 4 526	- 2





Table 2.16 Collateral obtained by taking possession and execution processes [Template EU CQ7]

		30.06.2025	
		a	b
		Collateral obtained by taking possession accumulated	
		Value at initial recognition	Accumulated negative changes
10	Property Plant and Equipment (PP&E)	-	-
20	Other than Property Plant and Equipment	60	- 33
30	Residential immovable property	26	- 25
40	Commercial Immovable property	33	- 8
50	Movable property (auto, shipping, etc.)	1	-
60	Equity and debt instruments	-	-
70	Other	-	-
80	Total	60	- 33

2.2 Market risk

2.2.1 Interest rate risk

Interest rate risk is a risk of losses being incurred on the Bank's Group's balance sheet and off-balance sheet items sensitive to interest rate fluctuations, as a result of changes in market interest rates.

The Bank categorises its portfolios from the perspective of interest rate risk management:

- the non-trading book (banking book) – comprises balance sheet and off-balance sheet items not included in the trading book, in particular items resulting from the Bank's core activities, transactions concluded for investment and liquidity purposes and their hedging transactions,
- the trading book – comprises transactions concluded on financial instruments as part of activities conducted on own account and on behalf of clients.

The Bank pro-actively manages the interest rate risk arising from items in both the trading and non-trading books.

The objective of management of interest rate risk is to reduce possible losses due to changes in market interest rates to the acceptable level by appropriate shaping of the structure of balance-sheet and off-balance sheet items. In particular, the Bank's Group aims to reduce the sensitivity of both interest income and economic value to an acceptable level, defined in the form of strategic tolerance limits (risk appetite).

Interest rate risk in the non-trading book

Additionally, the Bank's Group (in accordance with Article 98(5) of Directive 2013/36/EU) conducts, for supervisory purposes, an analysis of the sensitivity of economic value in six shock scenarios, as well as an analysis of the sensitivity of interest income calculated in accordance with two shock scenarios.

The results as of 30 June 2025 and as of 31 December 2024 were as follows:

Table 2.17 Quantitative information on interest rate risk of non-trading book activities [Template EU IRRBB1]

Supervisory shock scenarios ¹	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	Changes of the economic value of equity		Changes of the net interest income	
Parallel up	- 4 458	- 4 180	54	- 167
Parallel down	2 608	2 310	- 1 746	- 1 588
Steeper	1 490	1 571		
Flattener	- 3 662	- 3 932		
Short rates up	- 4 991	- 5 114		
Short rates down ¹	2 649	2 708		

¹⁾ Results of the stress-test analysis are presented only for currencies representing at least 5% of total financial assets in the non-trading book. Stress-tests are presented in accordance with the EBA guidelines on IRRBB and Commission Delegated Regulation (EU) 2024/856 of 1 December 2023 on regulatory technical standards specifying supervisory stress test scenarios

Interest rate risk in the trading book

In order to monitor the interest rate risk in the trading book the Bank applies, among others, the value-at-risk (VaR) measure.



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The IR VaR in the Bank's trading book is shown in the table 2.18 below:

Table 2.18 VaR measure in the Bank's trading book

Measure name	30.06.2025	31.12.2024
10-day VaR with a 99% confidence level (PLN million) ¹		
Average value	6	7
Maximum value	12	15
Value at the end of the year	2	5

¹ Due to the nature of the activities of the Bank's Group companies, the value-at-risk measure is presented for the Bank's trading book.

2.2.2 Foreign exchange risk

Foreign exchange risk is the risk of incurring losses due to exchange rate fluctuations, generated by maintaining open currency positions.

The objective of foreign exchange risk management is to mitigate the risk of incurring potential losses arising from exchange rate fluctuations to an acceptable level by appropriate shaping the currency structure of balance-sheet and off-balance sheet items. The acceptable level of risk for both the Bank and the Bank's Group is determined as part of the Risk Management Strategy of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group, implemented by the Management Board and approved by the Supervisory Board.

In order to determine the level of foreign exchange risk, the Bank uses the value-at-risk (VaR) model and shock analyses.

In the first half of 2025, the foreign exchange risk of the Bank's Group was low because the Bank, as a rule, follows the policy of limiting its positions in the main currencies, i.e. EUR, USD, CHF, and GBP.

The Bank's VaR and stress test analysis of the Bank's Group (in total for all currencies) exposed to foreign exchange risk were as follows as at 30 June 2025 and as at 31 December 2024:

Table 2.19 Sensitivity of financial assets exposed to foreign exchange risk

Measure name ¹	30.06.2025	31.12.2024
10-day VaR with a 99% confidence level (PLN million) ²	43	3
Change in CHF/PLN exchange rate by 10% (stress-test) ³	- 85	- 12
Change in EUR/PLN exchange rate by 10% (stress-test) ³	20	48
Change in all foreign exchange rates against PLN by 10% (stress test)	- 47	69

¹ The positions do not include structural positions in UAH (PLN 648.5 million), for which the Bank obtained approval from the PFSA to exclude them from the calculation of the currency positions.

² Due to the dominant scale of the Bank's operations as regards the companies of the Bank's Group, the value at risk measure is presented only for the Bank.

³ Stress test scenarios assume the appreciation or depreciation of PLN against individual foreign currencies; depending on which change generates a bigger loss.

2.2.3 The own funds requirement for market risk

The table below presents the own funds requirements for market risk in the Bank's Group.

Table 2.20 Market risk under the standardised approach [template EU MR1]

		30.06.2025
		a
Outright products		RWEAs
1	Interest rate risk (general and specific)	1 191
2	Equity risk (general and specific)	54
3	Foreign exchange risk	-
4	Commodity risk	-
Options		
5	Simplified approach	-
6	Delta-plus approach	4
7	Scenario approach	7
8	Securitisation (specific risk)	-
9	Total	1 256

The foreign currency position did not exceed the threshold of 2% of own funds, therefore, the respective own funds requirement was not calculated.

As at 30 June 2025, the Bank's Group did not have an open position on commodity price risk, so the own funds requirement for this was zero.

The Bank's Group does not use any internal models for calculating own funds requirements for market risk (Article 455 of the CRR "Use of Internal Market Risk Models" does not apply).





2.3 Liquidity risk, including financing risk

Liquidity risk is the risk of the inability to settle liabilities as they become due because of the absence of liquid assets. Lack of liquidity may arise from inappropriate structure of the statement of financial position, misfit of cash flows, not received payments from counterparties, sudden withdrawal of cash by customers or other market events.

The purpose of liquidity risk management is to ensure the necessary level of funds needed to settle current and future liabilities (also potential ones), taking into account the nature of the activities conducted and the needs which may arise due to changes in the market environment, by appropriately shaping the structure of the balance sheet and off-balance sheet liabilities.

Quantitative information presenting the liquidity risk profile of the Bank's Group, the disclosure of which is required by external regulations, in particular Regulation 2024/3172, is presented in table 2.21 below.

A liquidity coverage ratio (LCR) is determined individually by each company in the Bank's Group which is required to determine this ratio and on a consolidated basis for the Bank's Group as a whole.

The LCR ratio as of 30 June 2025 was approximately 271.1%, remaining at a high level, significantly above the supervisory limit and internal limits and threshold values. Compared to 31 December 2024, the ratio increased by approx. 26 pp mainly as a result of an increase in retail deposits and corporate deposits as well as the issue of own bonds in EUR, with a simultaneous increase in gross loans.

The Bank maintains a high and safe level of high quality unencumbered liquid assets which constitute a hedge in case of extreme liquidity scenarios (a liquidity surplus) materialise. Easily disposable assets include: cash (less the minimum balance maintained at the ATMs and in the Bank's branches), funds in the Bank's nostro accounts (excluding the average level of the mandatory reserve), interbank deposits placed with other banks and liquid securities.

As at 30 June 2025, the outflows in respect of derivative instruments calculated in accordance with the CRR amounted to PLN 1.0 billion, whereas the impact of the unfavourable market conditions scenario on derivative instruments, financing transactions and other agreements accounted for approx. 0.02% of the total unweighted outflows recognised in the liquidity coverage ratio.

As at 30 June 2025, the Bank's Group had 2 currencies for which the ratio of the value of liabilities in a given currency to the total value of liabilities in all currencies amounted to at least 5%: PLN and EUR. The Bank's Group had an LCR above 100% for all currencies in total and for PLN.

The structure of the Bank's sources of financing was described in the Bank's annual financial statements as at and for the year ended 31 December 2024 (Note 58. Liquidity risk management). The Bank follows a strategy which consists of using the stable part of the deposit base as the basic source of financing in all currencies. Issues of bonds denominated in EUR and PLN as well as covered bonds denominated in EUR and PLN also constitute a significant part of financing for the Bank and the Bank's Group (especially in the case of foreign currencies). Surplus funds obtained on the market in a given currency (issues of securities) are used to manage the Bank's foreign currency liquidity needs, using derivative transactions (mainly CIRS and FX swaps).



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Table 2.21 Quantitative information of LCR [Template EU LIQ1]

		a	b	c	d	e	f	g	h
		Total unweighted value (avg)				Total weighted value (avg)			
EU 1a	Quarter ending on	30.06.2025	31.03.2025	31.12.2024	30.09.2024	30.06.2025	31.03.2025	31.12.2024	30.09.2024
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					173 779	170 048	165 252	161 759
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	304 287	301 315	297 712	293 580	22 489	22 493	22 343	22 069
3	Stable deposits	223 634	219 466	215 562	211 769	11 182	10 973	10 778	10 588
4	Less stable deposits	80 626	81 821	82 124	81 786	11 280	11 493	11 539	11 455
5	Unsecured wholesale funding	114 109	110 372	107 545	105 881	40 171	38 628	37 416	36 920
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	30 554	30 144	30 103	30 091	7 285	7 188	7 181	7 187
7	Non-operational deposits (all counterparties)	81 585	78 481	75 924	74 273	30 918	29 691	28 716	28 217
8	Unsecured debt	1 969	1 748	1 518	1 516	1 969	1 748	1 518	1 516
9	Secured wholesale funding					-	-	-	-
10	Additional requirements	92 756	93 017	92 835	91 179	14 011	14 927	15 283	15 646
11	Outflows related to derivative exposures and other collateral requirements	2 999	3 326	3 684	4 397	2 999	3 326	3 684	4 397
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	89 757	89 690	89 152	86 782	11 012	11 600	11 599	11 249
14	Other contractual funding obligations	3 304	3 114	3 007	3 160	2 296	2 107	1 973	2 191
15	Other contingent funding obligations	7 511	7 334	7 372	7 231	2 923	2 857	2 858	2 850
16	TOTAL CASH OUTFLOWS					81 889	81 012	79 871	79 676
CASH-INFLOWS									
17	Secured lending (e.g. reverse repos)	411	560	612	508	29	32	30	20
18	Inflows from fully performing exposures	13 449	12 943	12 978	13 125	11 576	11 132	11 188	11 420
19	Other cash inflows	1 421	1 657	1 782	2 055	1 421	1 657	1 782	2 055
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	15 280	15 160	15 372	15 688	13 026	12 821	13 001	13 496
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	15 280	15 160	15 372	15 688	13 026	12 821	13 001	13 496
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					173 779	170 048	165 252	161 759
22	TOTAL NET CASH OUTFLOWS					68 864	68 190	66 870	66 180
23	LIQUIDITY COVERAGE RATIO					252,6%	249,6%	247,3%	244,5%





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Table 2.22 Net Stable Funding Ratio [Template EU LIQ2]

		30.06.2025				Weighted value
		a	b	c	d	
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) Items						
1	Capital items and instruments	48 279	-	-	2 771	51 050
2	Own funds	48 279	-	-	2 771	51 050
3	Other capital instruments		-	-	-	
4	Retail deposits		311 498	-	-	292 010
5	Stable deposits		233 233	-	-	221 571
6	Less stable deposits		78 265	-	-	70 438
7	Wholesale funding:		127 185	1 268	21 687	80 773
8	Operational deposits		34 659	-	-	17 329
9	Other wholesale funding		92 526	1 268	21 687	63 444
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	13 169	983	15 590	16 081
12	NSFR derivative liabilities	-				
13	All other liabilities and capital instruments not included in the above categories		13 169	983	15 590	16 081
14	Total available stable funding (ASF)					439 914
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					2 223
EU-15a	Assets encumbered for more than 12m in cover pool		145	121	6 301	5 581
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		32 182	15 048	255 064	252 012
18	Performing securities financing transactions with financial customerscollateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		7 659	510	0	1 021
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		17 645	10 579	109 876	123 327
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		216	468	23 004	18 833
22	Performing residential mortgages, of which:		3 594	3 770	121 764	102 509
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		1 805	1 435	74 187	57 327
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		3 284	189	23 424	25 156
25	Interdependent assets		-	-	-	-
26	Other assets:		23 301	369	13 815	18 730
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	3 398	2 889
29	NSFR derivative assets		-			-
30	NSFR derivative liabilities before deduction of variation margin posted		2 443			122
31	All other assets not included in the above categories		20 858	369	10 417	15 720
32	Off-balance sheet items		19 432	23 652	58 506	5 493
33	Total RSF					284 040
34	Net Stable Funding Ratio (%)					154,9%

2.4 Operational risk

Operational risk is understood as the risk of losses resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes – but is not limited to – legal risk and ICT risk:

- legal risk – the risk of incurring a loss due to ignorance, misunderstanding and non-application of legal norms, the inability to enforce contractual provisions, unfavourable interpretations or decisions of courts or public administration bodies,

- ICT risk (risk related to information and communication technologies) – the risk of loss related to any reasonably identifiable circumstances related to the use of network and information systems which, if materialised, might compromise the security of the network and information systems, of any technology-dependent tool or process, of operations and processes, or of the provision of services, by producing adverse effects in the digital or physical environment

Operational risk excludes reputation risk and business risk.

The objective of operational risk management is to ensure operational and cost effectiveness and business security by limiting the occurrence of operational events and their negative consequences.





3 CAPITAL ADEQUACY

Capital adequacy is a process aimed at ensuring that the level of the risk which the Bank and the Bank's Group take on in connection with the development of their business activities may be covered with the available capital, taking into account a specific risk tolerance level and time horizon. The process of managing capital adequacy comprises, in particular, compliance with the applicable regulations of the supervisory and control authorities, as well as the risk tolerance level determined within the Bank and the Bank's Group and the capital planning process, including the policy concerning the sources of acquisition of capital.

Pursuant to Article 92 of the CRR, the minimum capital ratio levels maintained by the Bank's Group are:

- 1) total capital ratio (TCR) – 8.0%,
- 2) Tier 1 capital ratio (T1) – 6.0%,
- 3) Common Equity Tier 1 capital ratio (CET1) – 4.5%.

Pursuant to the CRR and the Act on macroprudential supervision, the Bank's Group is required to maintain a combined buffer requirement which is the total of the applicable buffers. Detailed information on capital buffers is presented in chapter 3.3 of this Report.

Table 3.1 Key metrics [Template EU KM1]

	a	b	c	d	e
	30.06.2025	31.03.2025	31.12.2024	30.09.2024	30.06.2024
Available own funds (amounts)					
1 Common Equity Tier 1 (CET1) capital	44 546	43 433	44 256	42 841	42 097
2 Tier 1 capital	44 546	43 433	44 256	42 841	42 097
3 Total capital	47 317	46 338	47 294	44 516	43 908
Risk-weighted exposure amounts					
4 Total risk exposure amount	273 455	269 278	254 518	246 877	245 475
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common Equity Tier 1 ratio (%)	16,29%	16,13%	17,39%	17,35%	17,15%
6 Tier 1 ratio (%)	16,29%	16,13%	17,39%	17,35%	17,15%
7 Total capital ratio (%)	17,30%	17,21%	18,58%	18,03%	17,89%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7d Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0,00%	0,00%	0,00%	0,00%	0,00%
EU 7e of which: to be made up of CET1 capital (percentage points)	0,00%	0,00%	0,00%	0,00%	0,00%
EU 7f of which: to be made up of Tier 1 capital (percentage points)	0,00%	0,00%	0,00%	0,00%	0,00%
EU 7g Total SREP own funds requirements (%)	8,00%	8,00%	8,00%	8,00%	8,00%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8 Capital conservation buffer (%)	2,50%	2,50%	2,50%	2,50%	2,50%
EU 8a Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0,00%	0,00%	0,00%	0,00%	0,00%
9 Institution specific countercyclical capital buffer (%)	0,05%	0,05%	0,05%	0,04%	0,04%
EU 9a Systemic risk buffer (%)	0,00%	0,00%	0,00%	0,00%	0,00%
10 Global Systemically Important Institution buffer (%)	0,00%	0,00%	0,00%	0,00%	0,00%
EU 10a Other Systemically Important Institution buffer (%)	2,00%	2,00%	2,00%	2,00%	2,00%
11 Combined buffer requirement (%)	4,55%	4,55%	4,55%	4,54%	4,54%
EU 11a Overall capital requirements (%)	12,55%	12,55%	12,55%	12,54%	12,54%
12 CET1 available after meeting the total SREP own funds requirements (%)	9,30%	9,21%	10,58%	10,03%	9,89%
Leverage ratio					
13 Total exposure measure	604 120	590 720	569 033	550 005	542 490
14 Leverage ratio (%)	7,37%	7,35%	7,78%	7,79%	7,76%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a Additional own funds requirements to address the risk of excessive leverage (%)	0,00%	0,00%	0,00%	0,00%	0,00%
EU 14b of which: to be made up of CET1 capital (percentage points)	0,00%	0,00%	0,00%	0,00%	0,00%
EU 14c Total SREP leverage ratio requirements (%)	3,00%	3,00%	3,00%	3,00%	3,00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d Leverage ratio buffer requirement (%)	0,00%	0,00%	0,00%	0,00%	0,00%
EU 14e Overall leverage ratio requirement (%)	3,00%	3,00%	3,00%	3,00%	3,00%
Liquidity Coverage Ratio					
15 Total high-quality liquid assets (HQLA) (Weighted value -average)	173 779	170 048	165 252	161 759	154 453
EU 16a Cash outflows - Total weighted value	81 889	81 012	79 871	79 676	78 384
EU 16b Cash inflows - Total weighted value	13 026	12 821	13 001	13 496	14 144
16 Total net cash outflows (adjusted value)	68 864	68 190	66 870	66 180	64 240
17 Liquidity coverage ratio (%)	252,6%	249,6%	247,3%	244,5%	240,3%
Net Stable Funding Ratio					
18 Total available stable funding	439 914	425 491	429 210	413 872	402 335
19 Total required stable funding	284 040	275 770	275 010	263 562	258 633
20 NSFR ratio (%)	154,9%	154,3%	156,1%	157,0%	155,6%



3.1 Own funds

For capital adequacy purposes, own funds are calculated in accordance with the provisions of the Banking Law, Part Two of the CRR and the secondary legislation for the CRR.

The own funds of the Bank's Group include Common Equity Tier 1 capital and Tier 2 capital. The Bank's Group has no Additional Tier 1 capital instruments.

Common Equity Tier 1 capital includes:

- 1) share capital presented in accordance with the Articles of Association and the entry in the Commercial Register, at nominal value,
- 2) supplementary capital created as a result of the annual appropriation of net profit and earmarked for offsetting accounting losses which may arise in connection with the Bank's Group's operations,
- 3) reserve capital created independently of the supplementary capital as a result of the annual appropriation of net profit, in an amount determined in a resolution adopted by the General Meeting (hereinafter called the "GSM") and earmarked solely for offsetting possible accounting losses,
- 4) other cumulative comprehensive income (excluding gains and losses relating to cash flow hedges),
- 5) general risk reserve created by appropriating net profit, in an amount determined in a resolution adopted by the GSM and earmarked for unidentified banking risks,
- 6) retained earnings (unappropriated profit from previous years),
- 7) the net profit (loss) in the course of being approved and the net profit (loss) for the current reporting period, calculated in accordance with the applicable accounting policies, less any expected charges and dividends, in amounts no higher than the profit amounts verified by a registered auditor; a net profit (loss) may be recognised in own funds on condition that it is approved by the GSM or, before being approved by the GSM, the PFSA's consent to its recognition in own funds is obtained. Once the aforementioned formal requirements have been met, the Bank makes retrospective adjustments to own funds.²



The Common Equity Tier 1 capital is reduced by:

- 1) losses for the current financial year,
- 2) intangible assets stated at their carrying amounts, net of the related deferred income tax liability, the amount being deducted includes goodwill taken into account in the valuation of significant investments, software assets subject to prudential valuation are not deducted³,
- 3) additional adjustments to assets measured at fair value, which result from compliance with the requirements for prudential valuation,
- 4) deferred income tax assets based on future profitability and not resulting from temporary differences,
- 5) additional adjustments of the valuation of liabilities and derivatives reflecting the Group's own credit risk,
- 6) deferred tax assets that rely on future profitability and arise from temporary differences, in an amount exceeding 10% of the Bank's Group's Common Equity Tier 1 capital (taking into account deductions for amounts specified in points 1-5 and 7),
- 7) direct and indirect equity exposures to financial sector entities if the Bank's Group has not made significant investments in these entities, in the form of shares held and/or other Common Equity Tier 1 instruments or Tier 2 instruments of these entities, provided that their total exceeds 10% of the Common Equity Tier 1 capital of the Bank's Group (taking into account deductions for amounts specified in points 1-5),
- 8) direct and indirect equity exposures to financial sector entities if the Bank's Group has not made significant investments in these entities, in the form of shares held or other Common Equity Tier 1 instruments of these entities, the total of which exceeds 10% of the Common Equity Tier 1 capital of the Bank's Group (taking into account deductions for amounts specified in points 1-5 and 7),
- 9) the amount by which the total of:
 - a) deferred income tax assets based on future profitability and resulting from temporary differences, up to 10% of the Common Equity Tier 1 capital of the Bank's Group (calculated taking into account deductions for amounts specified in points 1-5 and 7) and
 - b) direct and indirect equity exposures to financial sector entities if the Bank's Group has made significant investments in these entities, in the form of shares held or Common Equity Tier 1 instruments of these entities, up to 10% of the Common Equity Tier 1 capital of the Bank's Group (calculated taking into account deductions for amounts specified in points 1-5 and 7),
 exceeds the equivalent of 17.65% of the Bank's Group Common Equity Tier 1 capital (calculated taking into account all deductions specified in points 1-7); the amount below the threshold (17.65%) is included in risk-weighted exposures.
- 10) the applicable amount of insufficient coverage for non-performing exposures, calculated in accordance with Article 47c of the CRR, except for the amount of insufficient coverage relating to exposures which arose before 26 April 2019, provided that the conditions of these exposures have not been changed in a manner that increases the Bank's exposure to a debtor,
- 11) securitisation items – as an alternative to applying the 1,250% risk weight, exposures held by the Group (junior tranche less specific risk adjustments for the underlying exposures) reduce own funds.

Tier 2 capital includes, subordinated liabilities understood as liabilities in respect of funds acquired by the Bank, in the amount and in accordance with the rules laid down in the PFSA's decision issued at the Bank's request, which meet the conditions set out in Article 63 of the CRR.

Subordinated liabilities included in Tier 2 capital shall be treated as the full value of instruments with a residual maturity of more than five years. During the last five years to maturity in Tier 2 capital, the amortised value of the liabilities calculated by multiplying the carrying amount of the instruments on the first day of the last five-year contractual maturity of the instruments is taken into account by the number of days in that period divided by the number of remaining contractual days of the instrument's maturity.

Tier 2 capital is reduced by:

- 1) direct and indirect equity exposures to financial sector entities in the form of Tier 2 capital instruments of these entities if an institution has made significant investments in these entities,
- 2) direct and indirect equity exposures to financial sector entities if an institution has not made significant investments in these entities, in the form of shares held or other Tier 2 capital instruments, if the total amount of these exposures exceeds 10% of the Bank's Common Equity Tier 1 capital.

² In May 2020, the European Banking Authority (EBA) published, in a single rulebook Q&A, its position regarding the moment of recognition of annual and interim profits in the capital adequacy data (Q&A 2018_3822 and Q&A 2018_4085). According to this position, once the Bank or the Bank's Group have formally met the criteria for including their profit for a given period in the Tier 1 capital, this profit should be included retrospectively (as at the date of the profit, and not the date of meeting the criteria), and own funds should be adjusted accordingly as at the date of the profit.

³ As regards software, the amount deductible from own funds is determined on the basis of accumulated prudential amortisation of software, calculated as from the date on which software assets are available for use and begin to be amortised for accounting purposes. The remaining amount of software is included in risk-weighted assets with a weighting of 100%.



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When the value of the deductions referred to in sections 1 and 2 should reduce the value of Tier 2 capital to less than zero, the excess of these deductions over the value of Tier 2 capital is deducted from Common Equity Tier 1 capital.

Table 3.2 presents the reconciliation of the items in the statement of financial position used to calculate own funds to regulatory own funds as at 30 June 2025.

Table 3.2 Composition of regulatory own funds [Template EU CC1]

		30.06.2025	
		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation *
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	1 250	note 28.
	of which: Series A - ordinary registered shares	313	note 28.
	of which: Series A - ordinary bearer shares	198	note 28.
	of which: Series B - ordinary bearer shares	105	note 28.
	of which: Series C - ordinary bearer shares	385	note 28.
	of which: Series D - ordinary bearer shares	250	note 28.
2	Retained earnings	11 762	
3	Accumulated other comprehensive income (and other reserves)	32 810	
EU-3a	Funds for general banking risk	1 070	
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	46 892	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	- 234	
8	Intangible assets (net of related tax liability) (negative amount)	- 2 547	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	273	
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
20	Empty set in the EU	-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	- 22	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitisation positions (negative amount)	- 22	
EU-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
24	Empty set in the EU	-	
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
26	Not applicable	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments (including IFRS 9 transitional adjustments when relevant)	184	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	- 2 345	
29	Common Equity Tier 1 (CET1) capital	44 546	note 29.





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Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) of CRR	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	Additional Tier 1 (AT1) capital before regulatory adjustments	-	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
41	Not applicable	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
44	Additional Tier 1 (AT1) capital	-	
45	Tier 1 capital (T1 = Common Equity Tier 1 (CET1) capital and Additional Tier 1 (AT1) capital)	44 546	note 33.
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	2 771	
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	Tier 2 (T2) capital before regulatory adjustments	2 771	note 33.
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
54a	Not applicable	-	
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
56	Empty set in the EU	-	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
56b	Other regulatory adjustments to T2 capital	-	
57	Total regulatory adjustments to Tier 2 (T2) capital	-	
58	Tier 2 (T2) capital	2 771	note 33.
59	Total capital (TC = T1 + T2)	47 317	note 33.
60	Total risk exposure amount	273 455	
Capital ratios and buffers			
61	Common Equity Tier 1	16,29%	
62	Tier 1	16,29%	note 33.
63	Total capital	17,30%	note 33.
64	Institution CET1 overall capital requirements	9,05%	
65	of which: capital conservation buffer requirement	2,50%	
66	of which: countercyclical buffer requirement	0,05%	
67	of which: systemic risk buffer requirement	0,00%	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	2,00%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0,00%	
68	Common Equity Tier 1 available to meet buffer (as a percentage of risk exposure amount)	9,30%	



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Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	263
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	1 382
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	1 678
Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

* Column (b) provides note numbers from the Condensed Interim Consolidated financial statements of the PKO Bank Polski S.A. Group for the six-month period ended 30 June 2025.

Pursuant to Implementing Regulation 2024/3172, Table 3.1 [Template EU CC1] presents information on the nature and amounts of individual own funds items used to calculate a Total Capital ratio as at 30 June 2025. Only the rows with values equal to 0 were omitted.





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Table 3.3 Reconciliation of regulatory own funds to balance sheet in the audited financial statements [Template EU CC2]

	30.06.2025		
	a)	b)	c)
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference*
	As at period end	As at period end	
ASSETS - Breakdown by asset classes according to the balance sheet in the published financial statements			
Cash and balances with the Central Bank	21 221	21 221	
Amounts due from banks	10 222	10 098	note 18.
Hedging derivatives	56	56	note 19.
Other derivative instruments	2 185	2 185	note 19.
Securities	219 158	216 654	note 20.
Reverse repo transactions	84	84	
Loans and advances to customers	277 461	277 098	note 21.
Receivables in respect of insurance activities	99	-	
Property, plant and equipment transferred under operating lease	2 794	2 794	
Property, plant and equipment	3 243	3 075	
Non-current assets held for sale	3	3	
Intangible assets	4 102	3 851	
Investments in associates and joint ventures	287	1 908	
Current income tax receivables	8	5	
Deferred income tax assets	2 354	1 594	
Other assets	4 019	4 022	
TOTAL ASSETS	547 296	544 648	
LIABILITIES - Breakdown by liability classes according to the balance sheet in the published financial statements			
Amounts due to the Central Bank	9	9	
Amounts due to banks	3 593	3 593	note 22.
Hedging derivatives	95	95	note 19.
Other derivative instruments	2 152	2 152	note 19.
Amounts due to customers	430 447	430 438	note 23.
Repo transactions	-	-	
Liabilities in respect of insurance activities	2 104	-	
Loans and advances received	1 202	1 202	note 24.
Debt securities in issue	25 714	25 963	note 24.
Subordinated liabilities	4 288	4 288	note 24.
Other liabilities	17 377	17 364	
Current income tax liabilities	359	356	
Deferred income tax provision	866	42	
Provisions	7 159	7 157	note 25.
TOTAL LIABILITIES	495 365	492 659	
EQUITY			
Share capital	1 250	1 250	
Other capital and reserves	34 235	33 880	
Retained earnings	11 327	11 762	
Net profit or loss for the year	5 130	5 097	
Capital and reserves attributable to equity holders of the parent	51 942	51 989	
Non-controlling interests	- 11	-	
TOTAL EQUITY	51 931	51 989	

* Column (c) provides note numbers from the Condensed Interim Consolidated financial statements of the PKO Bank Polski S.A. Group for the six-month period ended 30 June 2025.

Carrying values reported in the regulatory approach differ from the values included in the published financial statements as of 30 June 2025 due to the application of different scopes of consolidation.





3.2 Requirements for own funds

Pursuant to the CRR, the Bank's Group calculates own funds requirements for the following types of risk:

- 1) credit risk – calculated under the standardised approach (pursuant to Part Three, Title II, Chapter 2 of the CRR),
- 2) operational risk – calculated under the approach specified in Part Three, Title III, of the CRR,
- 3) market risks – calculated under the approach specified in Part Three, Title IV, Chapters 2-4 of the CRR:
 - a) foreign exchange risk – calculated under the basic approach,
 - b) commodity risk – calculated under the simplified approach,
 - c) equity instruments risk – calculated under the simplified approach,
 - d) specific debt instrument risk – calculated under the basic approach,
 - e) general debt instrument risk – calculated under the duration-based approach,
 - f) remaining risks other than delta risk (non-delta risk) – calculated under the scenario approach for options for which the Bank uses its own valuation models and under the delta plus approach for the remaining options;
- 4) other risks:
 - a) settlement/delivery risk – calculated under the approach specified in Part Three, Title V, of the CRR,
 - b) counterparty credit risk, including the exposures to the central counterparty (CCP) – calculated under the standard method specified in Part Three, Title II, Chapter 6 of the CRR,
 - c) credit valuation adjustment (CVA) risk – calculated under the approach specified in Part Three, Title VI of the CRR,
 - d) exceeding the large exposures limit – calculated under the approach specified in Part Four of the CRR.



The total own funds requirement for the Bank's Group is the sum of the aforementioned own funds requirements for individual types or risk.

In calculating the own funds requirement for counterparty credit risk, the Bank uses contractual netting pursuant to the CRR (Articles 295–298).



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The table below presents the value of risk-weighted assets and capital requirements for individual types of risk, while the values of individual capital ratios are presented in Table 3.1 [Template EU KM1].

Table 3.4 Overview of total risk exposure amounts [Template EU OV1]]

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		30.06.2025	31.03.2025	30.06.2025
1	Credit risk (excluding CCR)	230 587	226 765	18 447
2	Of which the standardised approach	230 587	226 765	18 447
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	-	-	-
EU 4a	Of which equities under the simple risk weighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	Counterparty credit risk - CCR	4 057	3 893	325
7	Of which the standardised approach	4 050	3 868	324
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	7	7	1
9	Of which other CCR	0	19	0
10	Credit valuation adjustments risk - CVA risk	743	489	59
EU 10a	Of which the standardised approach (SA)	-	489	-
EU 10b	Of which the basic approach (F-BA and R-BA)	743	-	59
EU 10c	Of which the simplified approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	141	-	11
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	141	-	11
EU 19a	Of which 1250% / deduction	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	1 256	1 382	100
21	Of which the Alternative standardised approach (A-SA)	-	-	-
EU 21a	Of which the Simplified standardised approach (S-SA)	1 256	1 382	100
22	Of which Alternative Internal Model Approach (A-IMA)	-	-	-
EU 22a	Large exposures	-	-	-
23	Reclassifications between the trading and non-trading books	-	-	-
24	Operational risk	36 671	36 748	2 934
EU 24a	Exposures to crypto-assets	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	7 648	8 031	612
26	Output floor applied (%)	-	-	-
27	Floor adjustment (before application of transitional cap)	-	-	-
28	Floor adjustment (after application of transitional cap)	-	-	-
29	Total	273 455	269 278	21 876

3.3 Capital buffers

Pursuant to the CRR and the Act on macro-prudential supervision, financial institutions are required to maintain a combined buffer requirement above the minimum levels set out in the CRR for:

- 1) total capital ratio (TCR),
- 2) Tier 1 (T1) capital ratio,
- 3) Common Equity Tier 1 (CET1) capital ratio.

The combined buffer requirement is the total of all the applicable buffers, i.e., the capital conservation buffer, countercyclical buffer, and Other Systemically Important Institution (O-SII) buffer. These buffers must be covered with Common Equity Tier 1 capital.

A capital conservation buffer of 2.5% is obligatory for all banks.

The countercyclical buffer is imposed to mitigate the systemic risk arising from the lending cycle. It is introduced by the minister responsible for financial institutions during periods of an excessive increase in lending activities and lifted when they slow down. As at 30 June 2025, the countercyclical capital buffer rate was 0% for credit exposures in Poland.

Additionally, the Bank's Group calculates the institution-specific countercyclical capital buffer rate, taking into account the value of all credit exposures in other countries and the respective value of the countercyclical buffer for those countries in its calculations. As at 30 June 2025, the institution-specific countercyclical capital buffer rate for the Bank's Group was 0.05%.





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Tables 3.5. and 3.6 present information on the geographical distribution of relevant credit exposures and the amount of the countercyclical buffer specific to the Bank's Group.

Table 3.5 Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer [Template EU CCyB1]

Breakdown by country:	30.06.2025												
	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk			Total exposure value	Own fund requirements			Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book		Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book				
Poland	406 758	0	552	0	0	407 310	16 568	27	0	16 595	207 441	94,34%	0,00%
Germany	2 509	-	-	-	-	2 509	199	-	-	199	2 482	1,13%	0,75%
Dutch	1 645	-	-	-	-	1 645	131	-	-	131	1 644	0,75%	2,00%
Ukraine	1 515	-	-	-	-	1 515	91	-	-	91	1 140	0,52%	0,00%
Czech Republic	1 386	-	-	-	-	1 386	111	-	-	111	1 388	0,63%	1,25%
Luxembourg	904	-	3	-	-	907	72	0	-	73	907	0,41%	0,50%
France	637	-	-	-	-	637	68	-	-	68	847	0,39%	1,00%
Austria	562	-	-	-	-	562	43	-	-	43	537	0,24%	0,00%
Malta	433	-	-	-	-	433	35	-	-	35	433	0,20%	0,00%
Great Britain	421	-	-	-	-	421	32	-	-	32	405	0,18%	2,00%
Cyprus	319	-	-	-	-	319	26	-	-	26	320	0,15%	1,00%
Ireland	308	-	-	-	-	308	25	-	-	25	307	0,14%	1,50%
South Korea	249	-	-	-	-	249	20	-	-	20	249	0,11%	1,00%
Norway	233	-	-	-	-	233	19	-	-	19	231	0,11%	2,50%
Denmark	204	-	-	-	-	204	18	-	-	18	224	0,10%	2,50%
Romania	194	-	-	-	-	194	16	-	-	16	194	0,09%	1,00%
Hungary	194	-	-	-	-	194	16	-	-	16	194	0,09%	0,50%
Slovakia	188	-	-	-	-	188	15	-	-	15	188	0,09%	1,50%
Lithuania	178	-	-	-	-	178	14	-	-	14	178	0,08%	1,00%
Spain	166	-	-	-	-	166	13	-	-	13	166	0,08%	0,00%
United States of America	162	-	-	-	-	162	6	-	-	6	72	0,03%	0,00%
Bahamas	137	-	-	-	-	137	11	-	-	11	137	0,06%	0,00%
Switzerland	84	-	-	-	-	84	6	-	-	6	80	0,04%	0,00%
Finland	45	-	-	-	-	45	4	-	-	4	45	0,02%	0,00%
Italy	43	-	-	-	-	43	3	-	-	3	43	0,02%	0,00%
Japan	36	-	-	-	-	36	2	-	-	2	27	0,01%	0,00%
Sweden	4	-	-	-	-	4	0	-	-	0	4	0,00%	2,00%
Estonia	2	-	-	-	-	2	0	-	-	0	2	0,00%	1,50%
Belarus	2	-	-	-	-	2	0	-	-	0	2	0,00%	0,00%
Belgium	2	-	-	-	-	2	0	-	-	0	1	0,00%	1,00%
United Arab Emirates	1	-	-	-	-	1	0	-	-	0	0	0,00%	0,00%
Georgia	1	-	-	-	-	1	0	-	-	0	1	0,00%	1,00%
Australia	1	-	-	-	-	1	0	-	-	0	0	0,00%	1,00%
Colombia	0	-	-	-	-	0	0	-	-	0	0	0,00%	0,00%
Central African Republic	0	-	-	-	-	0	0	-	-	0	0	0,00%	0,00%
Other	3	-	-	-	-	3	0	-	-	0	3	0,00%	-
	419 526	0	555	0	0	420 081	17 564	28	0	17 591	219 892	-	





Table 3.6 Amount of institution-specific countercyclical capital buffer [Template EU CCyB2]

	30.06.2025
	a
1 Total risk exposure amount	273 455
2 Institution specific countercyclical capital buffer rate	0,05%
3 Institution specific countercyclical capital buffer requirement	148

The Other Systemically Important Institution (O-SII) buffer is an additional requirement for institutions which may generate systemic risk. The Bank was identified as other systemically important institution based on the PFSA's decision of 10 October 2016. According to the PFSA's decision of 20 December 2022, the Bank is obliged to maintain the level of the Other Systemically Important Institution (O-SII) buffer in the amount equal to 2.00% of the total risk exposure amount, calculated in accordance with Article 92(3) of the CRR. The buffer must be maintained both on an individual and consolidated basis.

Therefore, as at 30 June 2025 the capital ratios for the Bank's Group should be no lower than:

- 1) TCR - 12.55%,
- 2) T1 - 10.55%,
- 3) CET1 - 9.05%.

3.4 Minimum requirement for own funds and eligible liabilities (MREL)

Pursuant to Article 99a(6) of the BGF Act, the Bank is required to publicly disclose information on its own funds and eligible liabilities, as well as the amount of the minimum requirement for own funds and eligible liabilities (MREL) set by the Bank Guarantee Fund.

In accordance with Article 97(4) of the Act on the Bank Guarantee Fund, BGF exempted PKO Bank Hipoteczny S.A. from the requirement to maintain a minimum level of its own funds and eligible liabilities. Following this decision, the TREA and TEM levels of PKO Bank Hipoteczny S.A. are excluded from consolidation for the purpose of determining MREL. In addition, the BFG indicated that KREDOBANK S.A. is not part of the group subject to resolution and should also be excluded from consolidation for the purposes of determining MREL. The exclusion of PKO Bank Hipoteczny S.A. and Kredobank S.A. from consolidation does not apply to the TREA level for the purpose of calculating the amount of Common Equity Tier 1 capital held to cover the combined buffer requirement.

The BGF determined the target MREL TREA requirement for the Bank on a consolidated data at the level of 15.36% of TREA (total risk exposure amount). In addition, the combined buffer requirement as at 30 June 2025 was 4.55% for the Bank and the Bank's Group, and the amount of Common Equity Tier 1 capital used to cover it cannot be used to cover MREL for TREA.

The MREL TEM (total exposure measure) requirement for the Bank on a consolidated basis has been set at 5.91% of TEM.

As the Bank's resolution group as at 31 December 2023 exceeded the level of EUR 100 billion in total assets, it was recognised as a so-called Top Tier Bank, i.e. it met the condition set out in Article 97h(1) of the BGF Act. Consequently, the Bank is required to fulfill the MREL subordination requirement set for Top Tier Banks starting 1 January 2027.

The MREL TREA requirement for the Bank, on a consolidated basis, must be met by own funds and eligible liabilities that fulfill the subordination requirement at 14.56% TREA starting 1 January 2027. Until that time, the Bank is required to maintain own funds and eligible liabilities meeting the subordination requirement at a level of no less than 13.90% of TREA.

The MREL TEM requirement for the Bank, on a consolidated basis, must be met by own funds and eligible liabilities that fulfill the subordination requirement at 5.91% TEM starting 1 January 2027. Until that time, the Bank is required to maintain own funds and eligible liabilities meeting the subordination requirement at a level of no less than 5.62% of TEM.

The EU KM2 table provided corresponds to the templates laid down in the Commission Implementing Regulation (EU) 2021/763 of 23 April 2021 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities. The extent of the disclosure is due to the fact that the Bank is a resolution entity, while it is not itself a Global Systemically Important Institution (G-SII), nor is it part of such an institution.



Table 3.7 Key metrics – MREL [Template EU KM2]

		a
		Minimum requirement for own funds and eligible liabilities (MREL)
Own funds and eligible liabilities, ratios and components		30.06.2025
1	Own funds and eligible liabilities	62 096
EU-1a	Of which own funds and subordinated liabilities	58 914
2	Total risk exposure amount of the resolution group (TREA)	268 921
3	Own funds and eligible liabilities as a percentage of TREA (row1/row2)	23,09%
EU-3a	Of which own funds and subordinated liabilities	21,91%
4	Total exposure measure of the resolution group	590 143
5	Own funds and eligible liabilities as percentage of the total exposure measure	10,52%
EU-5a	Of which own funds or subordinated liabilities	9,98%
Minimum requirement for own funds and eligible liabilities (MREL)		
EU-7	MREL requirement expressed as percentage of the total risk exposure amount	15,36%
EU-8	Of which to be met with own funds or subordinated liabilities	13,90%
EU-9	MREL requirement expressed as percentage of the total exposure measure	5,91%
EU-10	Of which to be met with own funds or subordinated liabilities	5,62%

The table omits columns and rows relating only to entities that are Global Systemically Important Institutions (G-SIIs) covered by the TLAC requirement.

As at 30 June 2025, the Bank's Group had a surplus of own funds and eligible liabilities of PLN 8,335 million above the level implied by the MREL TREA requirement plus the combined buffer requirement. The excess over the subordinated MREL TREA requirement plus the combined buffer requirement was PLN 9,080 million. The surplus above the level resulting from the MREL TEM requirement was PLN 27,218 million, with a surplus above the subordinated MREL TEM requirement of PLN 25,748 million.

3.5 Leverage

The Bank's Group calculates the leverage ratio as one of the capital adequacy measures.

The objective of leverage risk management is to ensure a proper relationship between the amount of Tier 1 capital and the total balance sheet assets and off-balance sheet liabilities granted of the Bank and the Bank's Group.

As at 30 June 2025, the leverage ratio remained above the internal and external limits as well as above the minimum levels recommended by the PFSA.

Table 3.8 Summary reconciliation of accounting assets and leverage ratio exposures [Template EU LR1 – LRSum]

		30.06.2025
		a
		Applicable amount
1	Total assets as per published financial statements	544 649
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	1
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	1 799
9	Adjustment for securities financing transactions (SFTs)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	47 472
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	10 200
13	Leverage ratio total exposure measure	604 120



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Table 3.9 Leverage ratio common disclosure [Template EU LR2 – LRCom]

		CRR leverage ratio exposures	
		30.06.2025	31.12.2024
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	551 223	529 224
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	- 126	- 293
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	- 2 833	- 2 865
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	548 264	526 067
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	2 454	1 720
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	5 846	5 720
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivatives exposures	8 300	7 440
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	84	894
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	- 0	- 2
16	Counterparty credit risk exposure for SFT assets	0	2
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	Total securities financing transaction exposures	84	894
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	103 948	102 879
20	Off-balance sheet exposures at gross notional amount	- 56 476	- 68 246
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	47 472	34 632
Excluded exposures			
EU-22k	Total exempted exposures)	-	-
Capital and total exposure measure			
23	Tier 1 capital	44 546	44 256
24	Total exposure measure	604 120	569 033
Leverage ratio			
25	Leverage ratio (%)	7,37%	7,78%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	7,37%	7,78%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	7,37%	7,78%
26	Regulatory minimum leverage ratio requirement (%)	3,00%	3,00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	Not applicable	Not applicable
EU-26b	of which: to be made up of CET1 capital	Not applicable	Not applicable
27	Leverage ratio buffer requirement (%)	Not applicable	Not applicable
EU-27a	Overall leverage ratio requirement (%)	3,00%	3,00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Transitional	Transitional





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Table 3.10 Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) [Template EU LR3 – LRSpl]

		30.06.2025
		a
		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	551 223
EU-2	Trading book exposures	1 687
EU-3	Banking book exposures, of which:	549 536
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	208 723
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	19 669
EU-7	Institutions	9 469
EU-8	Secured by mortgages of immovable properties	138 993
EU-9	Retail exposures	75 715
EU-10	Corporate	61 394
EU-11	Exposures in default	6 103
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	29 470

3.6 Impact of transitional arrangements on capital adequacy

In the calculation of own funds, the PKO Bank Polski S.A. Group applies the provisional treatment of unrealised gains and losses on securities measured at fair value through other comprehensive income (in accordance with Article 468 of the CRR).

Until the end of 2024, the Bank's Group also applied the transitional adjustment to minimise the impact of the introduction of IFRS 9 on own funds, in accordance with Article 473a of the CRR.

In accordance with Article 468 of the CRR (as amended by Regulation 2024/1623), banks may (until 31 December 2025) apply the provisional treatment of unrealised gains and losses measured at fair value through other comprehensive income. This approach enables excluding from the calculation of the Bank's common equity position the portion of the unrealized gains and losses accumulated from 31 December 2019 included in the balance sheet under "changes in fair value of debt instruments measured at fair value through OCI", corresponding to exposures to central governments, regional governments or local authorities, and to public sector entities, excluding those financial assets that are impaired due to credit risk.

Table 3.11 Comparison of the Bank's Group's own funds and capital ratio and leverage ratio with and without the application of IFRS 9 transitional arrangements or expected credit loss, as well as with and without provisional treatment under Article 468 of the CRR [Template IFRS 9]

	30.06.2025	31.03.2025	31.12.2024	30.09.2024	30.06.2024
Available capital (amounts)					
1 Common Equity Tier 1 capital (CET1)	44 546	43 433	44 255	42 841	42 098
2 Common Equity Tier 1 (CET1) capital if the IFRS 9 transitional arrangements or similar expected credit losses were not applied	44 546	43 433	43 445	42 092	41 349
2a Common Equity Tier 1 capital (CET1) if the provisional treatment of unrealized gains and losses measured at fair value through other comprehensive according to Article 468 of the CRR	44 192	42 803	43 434	42 481	42 098
3 Tier 1 capital (T1)	44 546	43 433	44 255	42 841	42 098
4 Tier 1 capital if the IFRS 9 transitional arrangements or similar expected credit losses were not applied	44 546	43 433	43 445	42 092	41 349
4a Tier 1 capital if the provisional treatment of unrealized gains and losses measured at fair value through other comprehensive income according to Article 468 of the CRR	44 192	42 803	43 434	42 481	42 098
5 Total capital	47 317	46 338	47 294	44 516	43 909
6 Total capital, if the IFRS 9 transitional or similar expected loan losses were not applied	47 317	46 338	46 484	43 767	43 160
6a Total capital, if the provisional treatment of unrealized gains and losses measured at fair value through other comprehensive income according to Article 468 of the CRR	46 963	45 708	46 473	44 156	43 909
RWAs (amounts)					
7 Total RWAs	273 455	269 278	254 517	246 877	245 463
8 Total RWAs if the IFRS 9 transitional or similar expected credit losses were not applied	273 455	269 278	253 715	246 126	244 714
Capital ratios					
9 Common Equity Tier 1 capital (as a percentage of the risk exposure amount)	16,29%	16,13%	17,39%	17,35%	17,15%
10 Common Equity Tier 1 capital (as a percentage of the risk exposure amount) if the IFRS 9 transitional arrangements or similar expected credit losses were not applied	16,29%	16,13%	17,12%	17,10%	16,90%
10a Common Equity Tier 1 capital (as a percentage of the risk exposure amount) if the provisional treatment of unrealized gains and losses measured at fair value through other comprehensive income, according to Art. 468 of the CRR	16,16%	15,89%	17,06%	17,21%	17,15%
11 Tier 1 capital (as a percentage of the risk exposure amount)	16,29%	16,13%	17,39%	17,35%	17,15%
12 Tier 1 capital (as a percentage of the risk exposure amount) if the IFRS 9 transitional arrangements or similar expected credit losses were not applied	16,29%	16,13%	17,12%	17,10%	16,90%
12a Tier 1 capital (as a percentage of the risk exposure amount) if there was no provisional treatment of unrealized gains and losses measured at fair value through other comprehensive income, according to Article 468 of the CRR	16,16%	15,89%	17,06%	17,21%	17,15%
13 Total capital (as a percentage of the risk exposure amount)	17,30%	17,21%	18,58%	18,03%	17,89%
14 Total capital (as a percentage of the risk exposure amount) if the IFRS 9 transitional or similar expected credit losses were not applied	17,30%	17,21%	18,32%	17,78%	17,64%
14a Total capital (as a percentage of the risk exposure amount), if there was no provisional treatment of unrealized gains and losses measured at fair value through other comprehensive income, according to Article 468 of the CRR	17,17%	16,97%	18,26%	17,89%	17,89%
Leverage ratio					
15 The leverage ratio total exposure measure	604 120	590 720	569 033	550 005	542 490
16 Leverage ratio	7,37%	7,35%	7,78%	7,79%	7,76%
17 The leverage ratio if the IFRS 9 transitional arrangements or similar expected credit losses were not applied	7,37%	7,35%	7,65%	7,66%	7,63%
17a The leverage ratio if the provisional treatment of unrealized gains and losses measured at fair value through other comprehensive income, according to Article 468 of the CRR	7,32%	7,25%	7,63%	7,72%	7,76%

If the transitional arrangements for the provisional treatment of unrealised gains and losses measured at fair value through other comprehensive income in accordance with Article 468 of the CRR were not applied, the Bank's Tier 1 capital would amount to PLN 41,917 million, total capital to PLN 44,688 million, the Tier 1 capital ratio would be at 17.55%, the total capital ratio would be 18.71% and the leverage ratio 7.63%.

4 DISCLOSURE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS (ESG RISKS)

The PKO Bank Polski S.A. Group is subject to obligation to disclose information on environmental, social and governance risks (ESG risk) under Article 449a of CRR.

In accordance with the consultation paper EBA/CP/2025/07 of 22 May 2025 "Draft Implementing Technical Standards amending Commission Implementing Regulation (EU) 2024/3172, as regards the disclosures on ESG risks, equity exposures and the aggregate exposure to shadow banking entities", the PKO Bank Polski S.A. Group, as a large listed institution subject to the requirements of Article 449a of the CRR, during the transitional period until 31 December 2026, discloses information in accordance with the applicable Regulation 2024/3172, excluding templates presenting GAR, BTAR and climate change mitigation actions based on non-EU standards (templates 6 - 10), which is in line with the position of the Polish Financial Supervision Authority regarding prudential requirements for credit institutions.

4.1 Prudential information on Environmental, Social and Governance risks (ESG risks)

4.1.1 Qualitative information on Environmental risks

Qualitative information on Environmental risk

In October 2024, the Bank's Management Board adopted the **Growth and Development Strategy 2025-2027**, which defined seven main pillars outlining the goals of the Bank's Group. One of these pillars is to become the "Number 1" in financing the energy transition, aiming for a market share of over 20% in banking financing, focusing on the following activities:

- 1) financing low-emission energy;
- 2) financing low-emission buildings;
- 3) financing the purchase and leasing of zero-emission vehicles.

In the Strategy, the Bank declared:

- 1) a market share of over 20% in the financing of Poland's energy transition;
- 2) achieving net-zero emissions by 2050 across all emission scopes in accordance with the Paris Agreement⁴:
 - reducing own emissions through infrastructure modernization and investments in technologies that improve the energy efficiency of buildings (Scope 1);
 - using at least 90% electricity from renewable energy sources (Scope 2);
 - covering more than 50% of the credit portfolio with the transition plan by the end of 2027 (Scope 3).

The Bank has been making climate disclosures in the global CDP⁵ system for several years. In the first half of 2025, as part of the CDP 2024 *Climate disclosure request*, the Bank received a score "C", which represents an improvement compared to the score "D" awarded in the 2023 assessment. The CDP assessment uses a scale score from the highest "A" to the lowest "D-". The average score for financial institutions in 2024 was also "C", which confirms that the actions taken by the Bank are in line with market standards for climate data disclosure.

The Bank's Group product offering is being adjusted to the changing needs of clients and is progressively expanding with both proprietary solutions and solutions developed in cooperation with other institutions (e.g., green guarantees from KUKE⁶), to support the competitiveness of Polish companies in the face of rising energy prices and changing business and regulatory requirements. These measures are intended to help redirect capital towards activities that will significantly contribute to the achievement of European Green Deal⁷ goals such as climate neutrality and resilience, zero emissions, protection of biodiversity and ecosystems, transition to a circular economy and sustainable use of water and marine resources.

In October 2024, the Bank introduced a Sustainability Linked Loan (SLL) product into its corporate client segment for syndicated financing, developed based on the principles and guidelines of the Sustainability Linked Loan Principles (SLLP). Work is currently underway on the implementation of additional products that will be designed to support sustainable development financing, both in the corporate segment and the businesses segment.

In the first half of 2025, the Bank established cooperation with the Employers of Poland association, which, in cooperation with the European Investment Bank, obtained access to the ELENA (*European Local ENergy Assistance*) grant. The Bank's clients who are members of the aforementioned association may benefit from refinancing of 90% of technical documentation costs (including energy audits) for investment projects that produce an environmental effect in the form of a reduction of at least 30% in primary energy consumption.

In August 2024, the Bank's Group adopted the *Green Bond Framework*, which is based on the *Green Bond Principles* (2021). Based on the adopted Green Bond Framework, in September 2024 the Bank issued its first green bonds with a total nominal value of EUR 750 million. In June 2025, the Bank issued another green bond issue with a total nominal value of EUR 500 million. The proceeds from both issues will be allocated to financing/refinancing of housing loans that meet the conditions specified in this Framework. PKO Bank Hipoteczny S.A. plans to issue green covered bonds based on this Framework.

The Bank has developed a Transition Plan covering objectives and actions relating to its own operations and financed emissions (Scope 3 – loan portfolio). The Transition Plan covers 2 sectors, namely power generation (PKD 35.11 and PKD 35.30) and residential retail real estate. These sectors have been identified as key from the perspective of the Bank's Group loan portfolio. Decarbonising these sectors is an important element in achieving the EU climate neutrality target by 2050. Furthermore, decarbonising the power generation sector, which is the main source of greenhouse gas emissions in Poland, will contribute to transforming Poland's energy mix, thereby reducing greenhouse gas emissions across all other sectors (the power generation sector underpins the functioning of other economic sectors that rely on energy produced by this sector).

⁴ The Paris Agreement – an agreement from 2015 concluding the 21st UN Climate Change Conference, whose main objective is to limit global warming to well below 2°C, and preferably to 1.5°C, compared to pre-industrial levels.

⁵ CDP is a global non-profit organisation that has been running the world's environmental disclosure system for investors, companies, cities, states and regions for 25 years.

⁶ KUKE S.A. – Korporacja Ubezpieczeń Kredytów Eksportowych S.A. – an entity providing export insurance guaranteed by the State Treasury, ensuring security in trade on high-risk markets.

⁷ The European Green Deal – a set of policy initiatives by the European Commission, whose overarching goal is to achieve climate neutrality in Europe by 2050.



SECTOR NAME	SCOPE OF SECTOR EMISSIONS	GHG INTENSITY IN THE BASE YEAR - 2023	REDUCTION TARGET GHG INTENSITY BY 2030	THE CHOSEN TRAJECTORY FOR DECARBONISING THE SECTOR
Electricity generation and supply	1	349 kg CO ₂ e/MWh	Achievement of 47% reduction in emissions intensity 2023-2030	International Energy Agency 1.5°C
Residential real estate	1 and 2	58,8 kg CO ₂ e/m ²	Achievement of 31% reduction in emissions intensity 2023-2030	By 2030, approaching CREEM ⁸ 2°C; Target CRREM 1.5°C

The Bank plans to cover at least 50% of loan portfolio with the Transition Plan by the end of 2027. For detailed information about the Transition Plan, see the Sustainability Statement, which forms part of the PKO Bank Polski S.A. Group Directors' Report.

In the first half of 2025, the Bank launched Energiatransformacji.pl platform for its clients in response to the needs of clients seeking support in energy transition and ESG. The platform offers tools supporting clients in their energy transition process (carbon footprint calculators, grant search engine) and an educational database on ESG sustainable development.

Additionally, in the area of risk, the Bank carries out tasks aimed at:

- 1) incorporating the results of climate stress tests into the Bank's credit policy,
- 2) building credit risk assessment models that take into account ESG elements,
- 3) implementation by the Bank's Group of the Guidelines on the management of environmental, social and governance (ESG) risks issued by the European Banking Authority⁹.

Lending policies are one of the environmental risk management tools within the credit risk framework for counterparties in selected industries/sectors. In the corporate segment, the Bank has the following policies: Renewable Energy Sources, Carbon-Intensive Energy Sector Chemistry-Oil-Gas, Income-Generating Real Estate, Construction Contractors, Automotive Parts Manufacturers & Car Dealers, Public Healthcare, Trade, LGU, Agriculture and Food Industry. The policy assumptions are described in the Sustainability Statement, which is a part of the PKO Bank Polski S.A. Group Directors' Report. In the first half of 2025, the Bank updated the following sector policies: Automotive Parts Manufacturers & Car Dealers and Income-Generating Real Estate, and also implemented a policy entitled Agriculture and Food Industry. The Bank systematically, and also when the need arises, reviews subsequent sector policies. In addition to the aforementioned policies, the Bank continuously monitors changes and market trends in various industries/sectors, publishes internal materials (e.g. industry leaflets that identify current market trends) and organises industry meetings. The purpose of these activities is to gradually change the structure of the loan portfolio by reducing the exposure to high-carbon entities and to build a loan portfolio that supports sustainable development, including in line with the EU Taxonomy¹⁰.

Governance

The Management Board of the Bank defines the risk framework, oversees the implementation of the set objectives, strategies and policies and defines the principles of their management in the context of the risk management in the field of environmental protection. Organizational units are responsible for coordinating and managing ESG risk and its impact on the Bank's operational risk, in accordance with their competences.

The committees functioning in the Bank, within the scope of their tasks and powers, consider studies and opinions on activities related to ESG risk in their decision-making.

The Sustainable Development Committee supports the Management Board in setting priorities, directions of action and objectives in the area of sustainable development and energy transition, and also supervises in this area the Bank's transition plan, the shaping of policies and systems, solutions supporting financing and the Green Bond Framework. The Committee, which comprises selected members of the Management Board and directors of selected divisions, is chaired by the Vice President of the Management Board supervising the Finance and Accounting Division, with the Vice President of the Management Board supervising the Administration Division serving as deputy.

The Operational Risk Committee supports the Management Board in operational risk management and, within its tasks and competencies, makes decisions, issues recommendations, guidelines, opinions also in the area of activities related to ESG risk – in cases where operational risk results from ESG risk factors in the environmental area. Starting from the reporting period for Q4 2023, the Bank includes data on ESG risk factors in internal operational risk reports.

The ESG Sustainability Department is responsible for coordinating activities to ensure that the Bank's and the Bank's Group's strategic ESG objectives are met.

The Credit Risk Department is responsible for the development and creation of solutions and tools to support ESG risk management, including the sourcing of information for ESG risk management and the implementation of solutions arising from generally applicable legislation (e.g. EU Taxonomy, Pillar 3 disclosure) or regulations of supervisory or control authorities regarding ESG risk management. The Credit Risk Department is also responsible for monitoring strategic credit risk limits and strategic climate risk limits for credit risk, monitoring the utilisation of internal portfolio limits, in particular with regard to climate risk limits, coordinating the implementation of consistent risk management standards across the Bank's Group for mitigating the impact of climate factors on individual risks, in particular on the risk level of the Bank Group's loan portfolio.

The ESG Public Programmes Department is responsible for supporting the development of the Bank's offering to its banking customers: companies and corporate banking in terms of products and services linked to public and EU programmes, including those supporting ESG sustainability, in particular climate transformation.

The Bank manages ESG risk at three independent, mutually complementary levels:

- 1) the first level comprises business units that identify ESG risks at an early stage, carry out ESG risk assessments when establishing customer relationships or during periodic reviews, and engage in dialogue with customers on ESG risk-related topics. In addition, they assess the customer's risk mitigation measures and strategies and create and implement products that mitigate ESG risk;

⁸ CRREM (Carbon Risk Real Estate Monitor) is a global standard for aligning the real estate sector with climate targets and managing transition risk.

⁹ EBA/GL/2025/01 of 8 January 2025.

¹⁰ EU Taxonomy – Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.



- 2) the second level consists primarily of the organisational units of the risk management division, whose task is to carry out an independent and expert assessment, taking into account the assumptions of credit policies in the scope of ESG risk, as well as to assess the ESG risk associated with transactions. In addition, these units carry out tasks aimed to develop tools for the identification and assessment of ESG risk, development of the climate stress testing process, and seeking integration with other regulatory processes, e.g., the Internal Capital Adequacy Assessment Process (ICAAP¹¹),
- 3) the third level represents internal audit, which carries out independent assessments of the Bank's management system activities, including ESG risk management. The internal audit plan includes audits which cover their scope, including, among others, verification of the Bank's fulfilment of obligations arising from regulations in the ESG area. Information concerning the identified irregularities, including their materiality assessments, and results of monitoring the actions taken to eliminate them is presented to the Management Board and the Supervisory Board.

Environmental risks are monitored and reported on an ongoing basis in:

- 1) The Sustainability Statement, which is a part of the PKO Bank Polski S.A. Group Directors' Report at a frequency of every 12 months;
- 2) this Report at a frequency of 6 months;
- 3) The Report on the review of the Internal Capital Adequacy Assessment Process at a frequency of 12 months;
- 4) The Credit Risk Report at a frequency of 3 months.

The "Policy for remunerating the employees of the Bank and the Bank's Group" in force at the Bank guarantees a consistent remuneration system, including by ensuring compliance with the environmental, social and governance risk strategy. The variable remuneration of members of the Bank's Management Board depends on the achievement of the ESG targets set out in the Bank's Strategy. The Bank does not operate a bonus scheme for Members of the Supervisory Board, who are entitled to fixed remuneration. Members of the Supervisory Board assess the effectiveness of the Management Board in achieving ESG objectives, which is indirectly linked to their role in the sustainable development governance system. The Remuneration Policy for Members of the Supervisory Board and Management Board of the Bank stipulates that the management goals of individual members of the Management Board should, in accordance with their area of responsibility, take into account criteria such as ensuring the Bank's commitment to considering the social interest and contributing to environmental protection and preventing or mitigating any negative social impacts of the Bank's activities. In 2025, the variable remuneration of the Bank's Management Board Members depends, among other things, on the implementation of the Bank's strategic initiatives concerning the financing of Poland's energy transition, including, among others, financing the development of low-emission energy.

Risk management

The Bank manages ESG risk as part of its management of other risks as, due to the nature of ESG risk, it is not a separate risk but a cross-disciplinary risk that can cause the Bank's individual risks to materialise, in particular credit risk.

Definitions of ESG have been included in the "Risk Management Strategy in PKO Bank Polski S.A. and PKO Bank Polski S.A. Group". These are:

- 1) ESG factors - environmental, social and corporate governance factors that may have a positive or negative impact on clients and counterparties or the Bank's balance sheet items; ESG factors with a negative impact are referred to as ESG risk factors;
- 2) ESG risk - the risk of negative financial impact on the Bank as a consequence of the current or future impact of ESG risk factors on clients and counterparties or the Bank's balance sheet items.

In the loan portfolio assessment process, the Bank adopts the definition of environmental (including climate) physical risk and transition risk that is in line with the CRR.

The Bank puts in place mechanisms to implement the principle of "double materiality" by taking into account the following perspective:

- 1) the impact of ESG factors on the Bank's operations, financial results and development,
- 2) the impact of the Bank's activities on society and the environment.

Poland, being a signatory to international agreements concerning, among others, the environment, incorporates their provisions into national legislation. In connection with the above, the Bank's Group, acting in accordance with national law, complies with international agreements to the extent that they relate to the group's activities.

The Bank verifies and assesses the level of risk generated and compliance with sustainable development, taking into account ESG risks in the short, medium, and long term in its financial, capital, and strategic plans.

In the first half of 2025, the Bank did not assess internal capital for credit risk in respect of ESG factors. Work is currently underway to develop a method for estimating internal capital and quantifying ESG risk within credit risk.

In June 2024, the Bank's Management Board introduced a uniform classification of sustainability financing. The principles take into account the requirements posed by international standards and the regulatory environment, in particular those arising from the EU Taxonomy. The Principles are subject to regular review at least once a year. The findings of the review are presented to the Sustainable Development Committee.

In December 2024, the Bank's Management Board introduced a regulation regarding the assessment of compliance with minimum safeguards and the implementation of a due diligence mechanism in assessing the negative impact of activities on human rights within the minimum safeguards by the Bank's clients and counterparties. The assessment of compliance with minimum safeguards is linked to the examination of areas such as: anti-corruption, taxation, fair competition, science, technology and innovation, as well as human rights and labour rights. The method of assessing compliance with minimum safeguards is subject to review, no less frequently than once a year, with regard to conformity with generally applicable law.

Currently, the Bank has, in each case, assessed the impact of environmental, social and governance factors on a customer's creditworthiness in the credit process for customers in the corporate segment and customers in the business segment that are assessed using the rating method. The Bank also examines the impact of loan transactions on ESG issues and classifies them into four classes, ranging from environmentally sustainable exposures to exposures with a negative environmental impact. The lending process also includes an assessment of the loan transaction. On the one hand, the Bank assesses the impact of a given loan transaction on ESG issues, and on the other hand, it examines how ESG factors affect the loan transaction. When assessing the ESG factors, the Bank takes into account such factors as the risk of climate change and its impact on the client's operations, potential influence of the client on climate, factors related to human capital or health and safety, and governance factors (including the corporate culture and internal audit).

¹¹ICAAP (Internal Capital Adequacy Assessment Process) – a process for estimating internal capital and capital management serving the development of risk measurement and determining internal capital.



In terms of activities of local government units and lending transactions with local government units, the Bank applies the principle that their impact on the environment, social and governance issues shall be neutral, provided that the Bank has no personalised information in relation to a particular customer or transaction – in which case the client and transaction assessment reflects the assessment of such information.

The ESG risk assessment in the credit process is also carried out through implementation of credit policies for industries/sectors described in the Sustainability Statement, which is a part of the PKO Bank Polski S.A. Group Directors' Report.

In the first half of 2024, for the purposes of ESG risk management and reporting, the Bank adopted the rules for credit portfolio classification that define, in particular, criteria for identifying and classifying exposures that finance environmental, social and governance activities. The Bank distinguishes four classes of exposures that finance environmental, social and governance activities, namely:

- 1) exposures supporting sustainable development – light green exposures, which relate to the financing of economic activities that have a positive impact on the environment and, in particular, contribute to the achievement of the environmental objectives described in Article 9 of the EU Taxonomy, and which relate to the financing of activities that have a positive impact on society and communities;
- 2) environmentally sustainable exposures (taxonomy-aligned) – dark green exposures, which relate to the financing of economic activities meeting the criteria described in Article 3 of the EU Taxonomy;
- 3) environmentally neutral exposures – white exposures, which relate to the financing of economic activities that cannot be assigned an environmental target and that have been classified as neither exposures supporting sustainable development goals, nor environmentally sustainable exposures, nor exposures with a negative environmental impact;
- 4) exposures with a negative environmental impact – brown exposures, which relate to the financing of economic activities that contribute to significant greenhouse gas emissions, air, water and soil pollution, deforestation, waste generation, destruction of biodiversity or overexploitation of natural resources.

The industry in which the Bank's Group operates does not have a significant direct impact on the climate. This impact manifests itself primarily indirectly through the financing provided to customers. Therefore, the Bank carries out a number of projects and analyses at the customer and portfolio level aimed at developing solutions and tools to support ESG risk management. The Bank analyses exposures in the loan portfolio sensitive to:

- 1) the impact of chronic and sharp physical events related to climate change according to the sector and geographical location of the customer's activity or the location of the collateral in the form of real estate;
- 2) transition risks associated with the transition to a low-carbon and climate-resilient economy, according to sectors that are major contributors to climate change.

The Bank takes into account climate risk in the assessment of credit collateral, in particular by examining the environmental risk resulting from the use of real estate, the impact of environmental factors on its value, including physical risk and risk associated with energy transition. The Bank also analyses exposures in the loan portfolio associated with collateral in the form of developed real estate, based on the value of the EP indicator¹². In the process of valuing credit collateral for corporate customers, the Bank takes into account the impact of ESG factors on the value of the property. The Bank's regulations include a requirement to submit, together with the appraisal report, certificates issued for the property with regard to compliance with environmental standards, in particular the energy performance certificate. If the property generates above-average risks, in particular environmental risks, it can only serve as supporting collateral. Detailed information on the outcome of these analyses is provided later in the report. To verify the aforementioned documents submitted, the Bank obtains data on the energy performance of buildings for all types of developed properties and for premises from the Central Register of Energy Performance of Buildings and records it in the internal CBN (Central Real Estate Database) database, and uses it in the property valuation process.

At the same time, the Bank is developing its approach to assessing ESG aspects in collateral analysis – in the retail customer – business segment, internal regulations concerning the process of assessing collateral established on commercial real estate have been detailed in terms of the requirement to take into account the impact of ESG factors. The Bank has also adjusted guidelines for property appraisers, expanding and detailing the way of including aspects related to ESG sustainable development in the valuation report.

One component of environmental risk management is a strategic ESG risk tolerance limit. From 2025, the Bank changed the indicator definition to maintain consistency with Pillar III disclosure (template 3 - ITS). The measure of tolerance for this risk is the ratio of loans to clients from the sectors: Energy and Fossil fuel combustion to the Bank's total assets. As at 30 June 2025, the share of loans to clients from the aforementioned sectors amounted to 0.49% (with a tolerance limit for the Bank $\leq 1.6\%$ and the Bank's Group $\leq 1.6\%$) compared to the value at the end of 2024 of 0.13% (with a tolerance limit for the Bank $\leq 1.6\%$ and the Bank's Group $\leq 1.6\%$). This limit is monitored on a quarterly basis and reported to the Bank's Management Board.

One of the analytical tools used to assess the resilience of the loan portfolio to environmental risks as part of climate risk management in financial institutions is climate stress testing. The Bank has developed its own climate stress test methodology, designed based on standards set by the European Central Bank, NGFS climate scenarios¹³, and available recognised publications on the materialisation of climate risk from the perspective of credit losses of financial institutions. This methodology enables the incorporation of a wide range of climate factors, provided they can be quantified from the perspective of customers' financial statements or variables used in credit risk models. In December 2024, the Bank conducted a climate stress test of its corporate credit portfolio as at 31 December 2023. The analysis examined the impact of physical risk (droughts and floods) and impact of transition risk (political and legal – changes in greenhouse gas emission allowance prices; technological – the costs of transitioning to low-emission technologies) on customer rating assessments, as well as probability of default (PD) and expected credit loss (ECL) indicators. Scenarios are analysed over 3 time horizons (1 year, 3 years, 30 years), allowing for accurate analysis of risk in both short and long term. For detailed information about the climate stress tests, see the Sustainability Statement, which forms part of the PKO Bank Polski S.A. Group Directors' Report.

The Bank continues to disclose the emission performance of the credit portfolio (Scope 3, category 13 and 15 from the Bank Group's perspective, in line with the Greenhouse Gas Protocol). One of the key steps in achieving this was the accession of the Bank in December 2023 to the *Partnership for Carbon Accounting Financials* (PCAF), which has developed a single global standard for calculating and reporting greenhouse gas emissions for the financial sector. The PCAF methodology enables the quantification of GHG emissions associated with, among other factors, corporate loans, securities, mortgage loans and car loans. The results of the greenhouse gas emissions calculations are presented, among others, in Template 1 "Banking book- Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity" and in the Sustainability Statement, which forms part of the PKO Bank Polski S.A. Group Directors' Report. The Bank uses the calculations of credit portfolio emission levels to determine the decarbonisation pathways of the credit portfolio in the Transition Plan and to assess transaction risk levels through the application of climate stress tests.

¹² The EP indicator describes the annual non-renewable primary energy demand required for heating, ventilation, cooling and domestic hot water, and, in the case of public buildings, collective housing, production, utility and storage buildings, also for lighting.

¹³ NGFS – The Network of Central Banks and Supervisors for Greening the Financial System, which voluntarily exchange experiences and best practices to develop environmental and climate risk management in the financial sector and to support the transition towards a sustainable economy.



The Bank implemented taxonomy questionnaires, which are crucial for assessing compliance with the technical screening criteria of the EU Taxonomy in targeted financing. The questionnaires form the basis for obtaining information from the Bank's customers regarding the minimum requirements that financed investments/business activities should meet in order to be considered environmentally sustainable. The questionnaires are used to determine/classify sustainable assets. The data obtained through the taxonomy questionnaires, along with KPI¹⁴ indicators collected from the sustainability reports of clients¹⁵ obligated to report under the Taxonomy, form the basis for calculating the Green Asset Ratio (GAR)¹⁶ and the Banking Book Taxonomy Alignment Ratio (BTAR)¹⁷. The Bank is working on identifying (flagging) credit exposures that qualify for taxonomy alignment, are taxonomy-aligned, and relate to financing supporting activities, transition activities, or specialized financing. Simultaneously, the Bank is adapting its infrastructure and IT tools, which will enable the collection, analysis, development, and aggregation of an increasing amount of ESG data. This is in response to the growing scope of the Bank's reporting obligations in the coming years.

The ESG risk management requires systemic and sector-specific solutions. The key challenge is the availability of information to assess the ESG risk. The Bank systematically analyses opportunities to obtain the data necessary for ESG risk management and prudential reporting.

All banks face a key challenge in developing a systemic solution for obtaining ESG data. This includes, among other factors:

- a) physical risks (lack of data allowing for a sector-wide uniform assessment of the impact of floods, droughts, heatwaves, hurricanes, etc., on the loan portfolio);
- b) the emission levels of customers regarding Scope 1, Scope 2, and Scope 3 emissions.

The Bank's Group monitors risks arising from changes in ESG regulations aimed at the financial sector on an ongoing basis. New external regulations governing climate policy may cause an increase in legal risk associated with environmental risk in the future. In addition, the Bank participates in the work of the Polish Bank Association and ESG working groups as part of interbank cooperation aimed at interpreting ESG-related regulations and developing systemic solutions that facilitate the disclosure of ESG information in a transparent and comparable manner for all financial market participants.

In terms of liquidity and funding risk, the Bank considers ESG risk from the perspective of risk factors that have a direct or indirect impact on this risk. Aspects related to ESG risk factors have been incorporated into liquidity risk measures and into the methodology for determining internal capital to cover this risk – by recognising additional costs arising from the inability to obtain sustainable finance in the wholesale market (which represents a cheaper form of funding) in the case of rolling over or raising long-term funding sources. The impact of ESG risk within liquidity risk on internal capital is assessed as immaterial. Additionally, indirectly, ESG risk is included in stress test deposit outflows – e.g., as a factor of increasing energy transition costs, which will directly translate into higher current consumption outflows caused by significantly higher electricity bills.

As part of the market risk management process, the Bank identifies derivative risk, which is mitigated through the establishment of limits and thresholds as well as stress testing. In the area of market risk, current valuations of financial instruments do not indicate that transactions differ based on potential ESG aspects. However, within the portfolio of corporate bonds measured at fair value, an additional ESG risk-related spread component may be included based on the assessment of the ESG profile of individual bond issuers. This ESG spread component (and its market volatility due to differing perceptions of issuers) may result in varying price fluctuations for specific debt instruments. The Bank's analyses indicate a stable, low spread differential between issuances supporting sustainable development and other debt instrument issuances.

¹⁴ Turnover KPI (*Key Performance Indicator – Turnover*) – a key performance indicator relating to turnover that shows what percentage of an undertaking's turnover is taxonomy-aligned; and CapEx KPI (*Key Performance Indicator – CapEx*) – a key performance indicator relating to capital expenditure that shows what percentage of an undertaking's capital expenditure is taxonomy-aligned.

¹⁵ The preparation of sustainability reporting by non-financial and financial undertakings results from the disclosure obligation laid down in Article 19a or Article 29a of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, as amended.

¹⁶ GAR (*Green Asset Ratio*) – the key performance indicator for credit institutions that reflects the extent to which their financed activities are taxonomy-aligned.

¹⁷ BTAR (*Banking Book Taxonomy Alignment Ratio*) – the ratio that measures the degree to which banking book exposures are taxonomy-aligned



Starting from the reporting period for Q4 2023, the Bank incorporates ESG risk factors data into its internal operational risk reports. The Bank has adopted the following approach regarding environmental (E) factors:

- 1) the natural environment, including climate, impacts the Bank, its clients, and counterparties – this applies when an operational event results from the materialisation of:
 - physical risks, that is, extreme/sudden natural events (e.g. storms, floods, fires, or heatwaves);
 - long-term environmental changes (e.g. temperature changes);
- 2) the Bank, its clients, or counterparties negatively impact the natural environment – this applies in cases of
 - transition risk, that is, when an event relates to the energy transition (e.g. financing of mines, investments, or businesses with adverse environmental impacts, where such financing is prohibited by law or the Bank's internal policies); or
 - when an operational event causes environmental damage (e.g. pollution caused by the Bank).

The Bank monitors the impact of environmental risk (including physical risk and transition risk) on reputation risk, taking into account greenwashing risk, by analysing publicly available information about the Bank, primarily publications in mass media that have a negative impact on its image and concern all areas of its activities. The Bank has introduced greenwashing risk management principles, in particular concerning the identification and mitigation of greenwashing risk, which may materialise within compliance risk, reputational risk, operational risk (including legal risk), as well as strategic and business risk. Furthermore, to obtain information about reputation risk, including that resulting from environmental protection, the Bank gathers information from its units, among others, as part of a cyclical survey identifying sources and factors of reputational risk. Bank units, as part of their ongoing activities, also have the opportunity to report identified risks, including ESG risks.

Compliance and ESG-related risk is identified through the analysis of internal regulations, marketing materials and the monitoring of adjustments to regulatory changes. This also includes the assessment of supervisory authorities' actions, market standards, the evaluation of potential conflicts of interest, and the review of regulations and marketing communications with regard to greenwashing. These activities are carried out on an ongoing basis, and risk identification takes place at least once a year. ESG risk reporting occurs within compliance risk reporting if ESG factors contained in compliance risk are significant.

The Bank conducts an assessment of the materiality of traditional types of banking risk, under which it establishes a catalogue of material risks and risks subject to monitoring. The 2024 assessment incorporated the impact of ESG factors, with particular emphasis on climate risk factors, within those risk categories where the Bank identifies their potential materialisation, namely credit risk, market risk (interest rate risk, foreign exchange risk), liquidity risk (including funding risk), operational risk, reputational risk, compliance risk and conduct risk.

Table 4.1 Mapping of ESG risks to traditional risks:

Type of the bank's risk	The impact of physical risk	The impact of transformation (transition) risk
Credit risk	physical risk through transmission channels (increased costs, decreased revenues, decreased collateral value) may have a negative impact on borrowers and reduce their ability to service debt or decrease the value of the loan collateral	EU or national regulations, technological changes and shifts in market preferences may adversely affect the debt-servicing capacity of entities operating in high-emission sectors, in particular the energy sector, the fuel industry, and the transport and logistics sectors
Market risk (interest rate risk, foreign exchange risk)	serious physical events may lead to changes in market expectations and may cause sudden revaluation, greater volatility and losses in asset values in some markets	transformation risk factors may cause sudden revaluation of securities and derivative instruments, for example as regards products associated with asset-stricken industries
Liquidity risk (including financing risk)	climate change, including natural disasters and sudden weather phenomena, may cause a sudden increase in demand for funds	transformation risk factors may affect the profitability of some business lines and lead to the risk of limited repayment of loans granted by customers who do not have time to implement solutions, and/or a decrease in the volume of funds invested by these customers in the Bank; sudden revaluation of securities, e.g., due to stranded assets, may lower the value of the Bank's high-quality liquid assets, thereby affecting liquidity buffers; a downgrade in the Bank's ESG rating may affect financing risk by making it difficult to attract new investors and increasing financing costs
Operational risk	extreme/acute environmental events (flood, fires) or prolonged effects of environmental changes (e.g. temperature change) may prevent or hamper business operations of, among others, the Bank's branches	an operational event related to the energy transition (e.g. financing of mines/investments/companies with an adverse environmental impact if the law or the Bank's internal policy prohibits it) may result in penalties for non-compliance with guidelines, standards, legal costs (lawsuits from customers or market participants)
Reputation risk	may arise from the materialisation of the above risks	further financing of high-emission sectors negatively perceived by regulators, stakeholders, market participants and rating agencies may affect the Bank's reputation and, consequently, result in loss of profits and/or a decrease in market capitalisation
Compliance risk and conduct risk	it may result from the materialisation of the above risks, including in the case of inability or significant difficulties in conducting the Bank's activities, resulting in, for example, inability to fulfil the Bank's obligations	the Bank's failure to adapt to changes in legal regulations, interventions by external supervisory and control bodies and market standards may lead to the materialisation of compliance risk, and thus the imposition of financial penalties on the Bank by supervisory and control bodies, or customers filing claims in court proceedings

The Bank's Group companies take ESG factors into account in the materiality assessment of relevant types of banking risk at the entity level.

4.1.2 Qualitative information on Social risks

Business strategy and processes

In its Growth and Development Strategy 2025-2027, the Bank set out its social responsibility objectives, focusing on the following areas:

- 1) closing the gender pay gap to less than 5% - achieving this goal will require systematic monitoring of remuneration and implementation of systemic solutions at all levels of the organisation;
- 2) increasing the representation of the underrepresented gender in the Bank's authorities - aiming to achieve at least 33% of the underrepresented gender in the Bank's authorities (Management Board and Supervisory Board). In addition, in the context of senior management positions (B-1, B-2), the Bank plans for their share to be at least 40%. In the long term, it assumes a gender balance in these positions;
- 3) educational initiatives - achieving the ambitious target of carrying out 6,000 educational initiatives per year, which will be geared towards building the competences of the future, including financial education, so that the Bank's activities have a positive impact on the development of society, the improvement of professional skills and the financial inclusion of different social groups.

The Bank plans that by 2027:

- 1) at least 33% of positions in the Bank's authorities are held by women;
- 2) the participation rate of women in senior management positions is at least 40%;
- 3) the gender pay gap is less than 5%;
- 4) inclusion of ESG targets for Management Board and MRT staff in remuneration schemes;
- 5) more than 90% of employees have completed mandatory ESG training.

The strategic indicators are monitored on a cyclical basis and their implementation is presented annually in the Sustainability Statement, which is part of the PKO Bank Polski S.A. Group Directors' Report.

The Bank ensures effective mechanisms to counter money laundering and terrorist financing by:

- 1) assigning personal responsibility for the AML/CFT process;
- 2) strengthening the AML/CFT supervision of the Bank's Group entities by adopting the "Strategy for Counteracting Money Laundering and Financing of Terrorism in the PKO Bank Polski S.A. Group". and the "Group Policy for Counteracting Money Laundering and Financing of Terrorism in the PKO Bank Polski S.A. Group". The regulations these are aligned with the regulator's guidelines;
- 3) strengthening of the Bank's anti-money laundering and counter-terrorist financing supervision through the adoption of the "Strategy for Counteracting Money Laundering and Terrorist Financing at PKO Bank Polski S.A.";
- 4) ensuring compliance with legal requirements through the amendment of the Bank's internal regulations, the implementation of changes in banking systems, and preparing the Bank for the implementation of new AML/CFT¹⁸ regulations.

In order to counteract money laundering and terrorist financing, as well as to minimise operational risk, the Bank applies specific restrictive measures (freezing of assets, benefits derived from these assets and limiting their availability). Where a risk of money laundering or terrorist financing is identified, at the request of the General Inspector of Financial Information and/or the prosecutor, and in cases where financial security measures cannot be applied, the Bank suspends the transaction and/or blocks the account in accordance with the provisions of the act on counteracting money laundering. The Bank's Group continuously monitors the geopolitical situation and implements appropriate regulations in response to sanctions imposed by the regulator.

The Bank continuously develops its IT systems in the area of anti-money laundering and counter-terrorist financing (AML/CFT) in order to reduce the risks to which the Bank's Group is exposed.

The PKO Bank Polski Foundation carries out numerous own projects and provides both financial and operational support to non-governmental organisations engaged in educational activities, support for local communities and seniors, equal opportunity initiatives, strengthening social resilience, and assistance for victims of the war in Ukraine. The Bank and the PKO Bank Polski Foundation implement projects jointly or separately. The PKO Bank Polski Foundation also encourages employees of all the Bank's Group companies to become involved in initiatives supporting local communities. In the first half of 2025, the activities of volunteers included, among others, support for projects such as assistance to people affected by flooding and the "Żonkile" campaign commemorating the victims of the Warsaw Ghetto Uprising.

In the first half of 2025, the Bank strengthened its corporate values and principles - #Działamy Razem, #Kreujemy Zmiany, #Osiągamy Efekty (#ActTogether, #CreateChange, #DeliverResults) - to further build a culture of work within the Bank and the companies of the Bank's Group.

In addition, the Bank adopted the "Policy on Diversity, Equal Treatment and Mutual Respect in the Bank and the Bank's Group", which constitutes a declaration of shared commitment to creating a workplace where everyone feels valued, heard and treated as equals.

The Bank continues to organise #RotundaRóżnorodności events, during which invited guests share their experience and knowledge in the field of diversity. The Bank has also launched the #BankKobiet initiative, aimed at building an active and engaged community that supports one another in achieving professional goals. As part of this initiative, the first Bank-wide mentoring programme for women leaders was introduced.

The Bank is also continuing the #JestemUSiebie initiative, which, through a range of communication and educational activities, helps to build an inclusive work environment. Its main pillars are: Diversity, Generations, and #PonownieUSiebie. Under these pillars, the Bank organises webinars, workshops for employees and managers, as well as live events. These events address topics related to leveraging diversity in building effective cooperation and communication. Video materials, available to all employees, provide knowledge on unconscious bias, generational potential and neurodiversity. Within the #PonownieUSiebie programme, the Bank continues initiatives that support parents in returning to professional activity after absences related to maternity, parental or childcare leave.

The Bank became involved in the #ProudToBeAWorkingMum campaign. This campaign is aimed at changing the social perception of working mothers, who can combine professional and private life and serve as an inspiration for others. As part of this initiative, the Bank received the Proud Employer certificate. In addition, the Bank joined the group of employers most advanced in diversity and inclusion management in Poland (DiversityINCheck, Responsible Business Forum).

¹⁸ AML (Anti-money Laundering Procedure) and CFT (Counteracting Financing of Terrorism).

The Bank continues its recurring employee survey under the slogan #JakCiSiePracuje (#HowIsWorkForYou), the purpose of which is to determine the level of the Positive Employee Experience Index (IPOP). The survey makes it possible to gain insights into employees' day-to-day work experience.

In the first half of 2025, the Bank also continued systematic employee opinion surveys at various stages of their interaction with the organisation. These included candidate experience surveys (Candidate Experience), the onboarding survey #PierwszyKrok, the evaluation of the Internship Programme, and exit interviews (Exit Interview).

In addition, the Bank runs programmes under the following initiatives:

- 1) #NoweBrzmieniePrzywództwa (#ANewSoundOfLeadership) – which supports female and male leaders in developing leadership within the Bank. It provides a catalogue of development activities focused on cultural change priorities and aligned with the Bank's leadership model;
- 2) #FokusNaCiebie (#FocusOnYou) – which prevents professional burnout and supports employees' mental and physical well-being;
- 3) #KreujemyJutro (#WeCreateTomorrow) – which supports employees in acquiring strategic competences;
- 4) #CzasNaFeedback (#TimeForFeedback) – which serves as a summary of work outcomes across all the Bank's employees.

The Bank employs people from different generations. Accordingly, it adapts its training offer so that it is attractive to all employees. The Bank's offering includes traditional classroom workshops, online workshops, as well as sessions using modern solutions and tools such as VR goggles and educational games. As part of training on generational diversity, the Bank has held workshops such as "Empathetic Leadership for Generation Z Managers" and "How to Provide Developmental Feedback at Any Age?"

The Bank ensures the security of its branches and the highest standard of customer service by implementing security standards adapted to identified threats and risk levels. To this end, it applies modern systems and devices that guarantee the physical protection of customers and employees, as well as the safeguarding of cash, deposits, banking secrecy and personal data. As part of its security measures, the Bank uses, among others:

- 1) security systems (alarm systems, CCTV and access control);
- 2) direct physical protection of selected facilities;
- 3) continuous security monitoring of the Bank's branches.

In January 2025, the Bank received the Top Employer certificate for the sixth time, confirming its position as one of the best employers in the country. The Bank also facilitates employees' daily tasks by means of continuously improved internal technical solutions such as the JaPKO application, eTeczka (eFile), and the Dzień dobry HR (Good Morning HR) platform. A wide range of employee benefits is also provided, including additional paid leave hours, cafeteria financing from the Company Social Benefits Fund, and a new group insurance offering.

Governance

The responsibility of the Management Board in terms of social risk concerns management and supervisory actions as regards the shaping of internal regulations and the Bank's operating strategy, taking into account, among others, the issues such as:

- 1) adherence to human and labour rights, determination of appropriate attitudes and behaviours, prevention of ethical violations, prevention of bullying and discrimination;
- 2) cooperation with the Bank's counterparties on principles consistent with corporate social responsibility, as well as
- 3) monitoring the implementation of accepted principles in the area of social risk management, including within established mechanisms of control and reporting.

Social risk issues are continuously monitored and reported on, and internal reporting on this matter takes on a multi-dimensional form. The Bank maintains a register of employee reports concerning breaches of the Policy on Diversity, Equal Treatment and Mutual Respect in the Bank and the Bank's Group, including breaches of employee rights. Twice a year, an extract from the register is submitted to the HR Division Director, the President of the Management Board, and the relevant Management Board Members and Functional Division Directors with respect to complaints raised by employees employed in the Bank's supervised units. The persons listed are authorised to access the documentation related to the handling of such reports.

The verification of adherence to ethical standards within the Bank, including monitoring of risk associated with violations, with a comprehensive approach that includes:

- 1) ethics of Bank employees and other persons performing tasks for the Bank;
- 2) ethics in relations with customers;
- 3) ethics in business activity;
- 4) ethics in relations between the Bank and its environment;

is subject to an annual assessment carried out by the Management Board. The Supervisory Board is informed at least once a year of the results of the assessment carried out by the Management Board. The assessment of the functioning of the Bank's compensation policy, in terms of its compliance with "Corporate Governance Principles for Supervised Institutions" issued by the Polish Financial Supervision Authority (PFSA), as well as other regulatory requirements, is carried out annually as part of a review of the Bank's corporate governance. The report is accepted by the Supervisory Board and then presented to the General Meeting.

The Bank operates an anonymous reporting system through which employees, contractors and other authorised persons can report actions that are inconsistent with the law, internal regulations or ethical standards adopted by the Bank. Anonymous reports can be submitted electronically, by phone and/or by post, and via a dedicated, independent and encrypted communication channel as well¹⁹. Individuals who choose to submit anonymous reports are guaranteed full confidentiality of their data and the information provided. If, based on the contents of the report, the reporting person's identity can be established, such information is deleted by the recipient of the report before further action is taken. Employees reporting irregularities, even if the allegations they make are not confirmed, are protected in particular against any repressive measures, discrimination or other types of unfair treatment. Should they suffer any repression, there is a possibility to seek the assistance of the President of the Bank's Management Board. Information on reported irregularities and the results of their verification is cyclically reported to the Bank's Management Board and Supervisory Board as part of quarterly Compliance Risk reports. Once a year, the Supervisory Board assesses the adequacy of the anonymous reporting system operating in the Bank.

The "Policy for remunerating the employees of the Bank and the Bank's Group" applies within the Bank's Group, taking into account social risk and aiming to provide a consistent remuneration system, among other things, by shaping the level of remuneration based on market trends, job valuation, ensuring

¹⁹ <https://www.pkobp.pl/sygnanet/>.

gender-neutral practices in the area of employee compensation within the Bank's Group, and ensuring compliance with the strategy in the area of environmental, social, and governance-related risks.

The achievement of ESG-related objectives is duly reflected in the assessment of the Bank's Management Board Members and key managers as part of the evaluation of objectives for the purpose of determining variable remuneration.

In 2025, the bonus notes of the Bank's Management Board Members include an objective relating to positive employee experience. This measure covers three main areas: the working environment, development opportunities, and the immediate superior. In addition, certain Management Board Members have been assigned a bonus objective concerning the assessment of progress in the implementation of long-term assumptions and objectives of strategic initiatives. This objective includes, among others, the strategic initiative "Sustainable Development", where one of the key indicators is the share of the underrepresented gender in senior management positions (B-1 and B-2 levels).

Risk management

As part of social risk management, national and European supervisory guidelines, the WSE Best Practice²⁰, recommended benchmark values, as well as market standards are utilised, which include:

- 1) striving for gender balance in the composition of the Management Board and Supervisory Board, and achieving a minimum representation of 33% of the underrepresented gender;
- 2) maintaining the share of the underrepresented gender in senior management positions at a level of at least 40% of the total number of managers.

The Bank continuously monitors the evolving regulatory environment in this area and updates its policies and other internal regulations as part of social risk management.

As part of social risk management in terms of gender pay equality, the method developed by the financial market is applied to determine the relationship between the average pay of women and men in the Bank, based on the weighted average of the total remuneration paid in a given year.

The Bank continuously monitors the level of basic salaries of employees to ensure compliance with:

- 1) the generally applicable legal provisions determining the minimum wage, taking into account gender pay equality;
- 2) the Bank's internal regulations concerning non-discrimination and determining the level of remuneration in the Bank.

In socially sensitive areas such as employment diversity, employee satisfaction resulting from implemented standards and working conditions, labour rights, and the prevention of bullying and discrimination, the Bank continuously monitors employee satisfaction, staff turnover – including the voluntary attrition rate – as well as the proportion of women and men in key management positions. At least once a year, the Bank conducts remuneration reviews, taking into account job evaluation, and establishes appropriate strategies in this respect.

Social risk may materialise in particular as:

- 1) operational risk, which takes into account the impact of socially harmful events, such as unequal treatment of a group of employees or violation of data protection or information obligations towards customers, which may result in financial losses for the Bank's Group resulting from lawsuits or fines imposed by supervisory authorities;
- 2) reputation risk, which, as a risk arising from the Bank's failure to consider the public interest in its activities, may relate to:
 - a) employees – when unethical practices, acts contrary to the law, supervisory recommendations and best practices are undertaken in relation to employees, including, in particular, failure to respect human rights and labour law, or a lack of transparency in internal and external communication regarding employee issues, including in external reporting;
 - b) customers – when unethical practices, acts contrary to the law, supervisory recommendations and best practices are undertaken in relation to customers, including, in particular, failure to ensure a sufficient level of security, including data protection, failure to comply with disclosure requirements, participation in projects that are controversial to the public, or dissemination of claims that may amount to greenwashing;
 - c) other stakeholders – when unethical practices, acts contrary to the law, supervisory recommendations and best practices are undertaken in relation to stakeholders, as well as the selection of counterparties who do not represent the highest ethical standards in their actions or who have been found to be in material breach of laws, including ESG laws.

In evaluating the credit risk of corporate clients, the Bank assesses social and employee-related issues, as well as issues concerning the respect for human rights. The financial activities and projects undertaken by a client (counterparty) constitute an investment in human capital or in communities. The assessment covers inequality risk, social cohesion and inclusion, as well as labour relations. At the stage of credit granting and subsequent monitoring, factors related to the client's social policy are taken into account in the expert assessment of the client's credit risk and are reflected in the form of a rating and the ESG category of the given transaction.

The Bank is working on enhancing its methods and capabilities for using tools to assess social ESG risk factors at the credit granting and monitoring stage.

For companies, the impact of socially harmful events occurring at the counterparty on its financial results and the method of managing this risk is subject to assessment when granting credit and monitoring (applies to customers assessed using the rating method with exposure above PLN 1 million).

With regard to operational risk management, starting from the reporting period for Q4 2023, the Bank has included data on ESG risk factors in its internal operational risk reports. The Bank has adopted the approach that the "S" factor (social policy) is deemed to occur when an operational event relates to the Bank's failure to take into account the social interest in its activities, particularly with respect to employees, clients, and counterparties.

With regard to reputational risk management, the Bank takes into account the impact of ESG risk factors on potential reputational losses and, in the event of their occurrence, collects data in the Reputational Events Database.

Bearing in mind the key role of banks in financing the economy, the Bank continuously raises its employees' awareness of sustainable development, conducts intensive educational activities, and builds both basic and expert-level competences to enable the Bank's effective ESG transformation (including through live events organised under the #ESGo! initiative, which addressed topics such as greenwashing, climate change and carbon footprint, and the climate competitiveness of enterprises).

²⁰Best Practice for WSE Listed Companies 2021" – the set of corporate governance principles applicable to issuers of shares listed on the Main Market of the Warsaw Stock Exchange.

In the first half of 2025, 2,616 employees participated in conferences and training sessions on ESG. The majority of the Bank's employees participated in the training "ESG – Sustainable Development from the Bank's Perspective", aimed at explaining what ESG is and highlighting the Bank's role in achieving ESG objectives. As in previous years, some employees began Postgraduate Studies in ESG and Sustainable Development, while others continued or are continuing their education across seven fields of study. In addition, as part of its initiatives to support education, the Bank adopted an ESG training standard.

In the area of employee education and competence development, the Bank enabled its staff to take part in a range of new development activities, including the #CzasNaRozwój (Time for Development) live event (promoting the general development offer for a given month), the Impuls Rozwojowy podcast, and access to the Application Zone (Strefa Aplikacji), which offers technical training such as Excel, SQL and Python. A Foreign Languages Zone (Strefa Języków Obcych) was also launched, enabling employees to learn independently via a language learning platform, participate in English-speaking meetings (Speaking Club), join monthly language webinars, and access recommended books for language learning. Furthermore, employees can attend weekly one-hour online webinars under the Knowledge in a Nutshell (Wiedza w Pigulce) programme, during which Bank employees share practical knowledge on personal development and sales.

4.1.3 Qualitative disclosures on corporate Governance risks

Governance

As part of the credit risk assessment of corporate clients, the Bank evaluates factors related to the client's corporate governance. The assessment covers, among others, the organisational structure and management, compliance of the risk management process, organisational and supervisory culture, as well as transparency and management reporting. At the stage of credit granting and monitoring, factors related to the client's corporate governance are taken into account in the expert assessment of that client's credit risk and are reflected in the form of a rating and in the ESG category of the given transaction.

The assessment of ESG risk factors related to corporate governance is based on an expert assessment carried out using the client's non-financial information and publicly available data. This assessment may affect the client's rating level. The Bank is working on enhancing its methods and capabilities for using tools to assess corporate governance risk factors at the credit granting and monitoring stage, including exploring the possibility of using external business intelligence providers and databases, such as BIK²¹.

In the case of companies, the impact of corporate governance-related factors on the enterprise's financial performance and the way corporate governance risk is managed is assessed at the credit granting and monitoring stage (applies to clients evaluated using the rating method with an exposure above PLN 1 million).

In January 2025, the Bank implemented the "Code of Ethics for Entities Cooperating with PKO Bank Polski S.A. in the Procurement Process", which sets out detailed standards and principles for building business relationships between the Bank and Suppliers, Bidders or Potential Bidders from Poland or abroad. This Code of Ethics was also made available to the Bank's Group companies to serve as a basis for developing uniform procurement process standards and for preparing their own "Company Code of Ethics".

The Bank's objective is that by 2027, 70% of all its suppliers and partners will have declared compliance with the Code of Ethics. In the first half of 2025, the Bank conducted an analysis of compliance with the Code of Ethics by new suppliers. The analysis showed that more than 98% of the Bank's new suppliers comply with the Code of Ethics.

In its procurement processes, in all tender procedures, the Bank assesses how potential suppliers and partners manage environmental, social and corporate governance aspects. ESG criteria constitute mandatory evaluation criteria in tender procedures. In the first half of 2025, the Bank selected a supplier of a new IT system to support its procurement process and supplier database. The new procurement platform will optimise the purchasing process and enable better control over the implementation of ESG requirements. The Bank continues its work on adapting the requirements of the CSRD Directive²², the CSDDD Directive²³ and the EU Taxonomy Regulation (with regard to the fulfilment of minimum safeguards) to its procurement processes. Efforts are being made to ensure that the new procurement platform allows for the verification of all bidders against general ESG principles.

In June 2024, the procurement processes in the Bank were positively verified by the world's largest procurement organisation CIPS (*Chartered Institute of Procurement and Supply*), and the Bank again received the Procurement Excellence certificate confirming the application of the best market standards in procurement processes conducted by the Bank. The certificate is valid until 30 June 2026.

Since April 2025, the Bank's Group has been governed by an Anti-Corruption Policy. The purpose of the Policy is to ensure the highest standards of the Group's operations by applying the principle of zero tolerance for corruption, cronyism and nepotism, as well as by supporting the achievement of the objectives set out in the United Nations Convention against Corruption, adopted by the UN General Assembly on 31 October 2003.

Risk management

As part of compliance and conduct risk management, each product is evaluated, alongside the associated marketing communication and the manner in which the product is sold.

The Bank makes every effort to ensure that, among other things:

- 1) products are adequate to the needs of the customers;
- 2) the manner and form of proposing the purchase of products are adequate to their nature;
- 3) reliable, transparent, comprehensive, and truthful information on the product is provided to customers before and during the implementation of the agreement, within the scope provided by law and market practice, which eliminates the potential risk of *greenwashing*.

The management of compliance and conduct risks also comprises the management of conflicts of interest, which aims to limit their negative impact on the Bank's operations and relationships between the Bank and individuals holding key positions with customers and other entities. Actions that could

²¹ Biuro Informacji Kredytowej S.A. (Credit Information Bureau) – an institution established under Article 105(4) of the Polish Banking Law, with the statutory right to process data constituting banking secrecy in order to support banks and credit unions (SKOKs) in assessing the creditworthiness of their clients.

²² Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (Corporate Sustainability Reporting Directive).

²³ Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 (Corporate Sustainability Due Diligence Directive).

cause a conflict of interest are avoided by the Bank, including by establishing control mechanisms to eliminate conflicts of interest and minimise the risk of their occurrence. The Bank records cases of non-compliance, their causes, and their consequences. In addition, the Bank has an anonymous whistleblowing system that provides protection to employees making reports, against negative consequences in the form of repressive, discriminatory, and/or other forms of unfair treatment.

The Bank requires its employees and entities acting on its behalf to adhere to ethical standards such as honesty, integrity and professionalism, as set out in the PKO Bank Polski S.A. Code of Ethics and in the Code of Banking Ethics (Good Banking Practices) adopted by the Polish Bank Association.

In the first half of 2025, the Bank carried out a comprehensive revision of its procurement regulations, which, among other aspects, takes into account the implementation of obligations arising from the entry into force of the DORA Regulation²⁴, the increased importance of ESG in procurement, and the impact of the supply chain on the environment and society.

Starting from the reporting period for Q4 2023, the Bank includes data on ESG risk factors in internal operational risk reports. The Bank has assumed that the factor G (governance) materialises when an operational event results from poor governance of, for example, the business model, organisational culture, information policy, information transparency, ethics, remuneration policy, internal control and risk management systems, anti-corruption, fraud and money laundering, or through unethical business conduct.

To ensure the physical security of the Bank's facilities, as well as the protection of its employees and clients, the Bank has implemented internal regulations concerning the protection of persons and property, as well as the technical security of its branches and agencies. These regulations set out security standards, including protection against environmental threats and extraordinary events such as fires, floods and other crisis situations.

4.2 Quantitative information on transition risk and physical risk related to climate change

The Bank's Group has developed a policy of disclosing information on transition risk and physical risk related to climate change, in accordance with the applicable regulation on implementing technical standards (ITS²⁵). The limited availability of certain data, e.g., actual information on energy efficiency, exact coordinates of the registered office, requires the use of expert estimates for some of the data disclosed in the following formulas.

The Bank uses the Polish Classification of Activities (PKD 2007) for the presentation of quantitative data.

²⁴ Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011, aimed at enhancing the digital operational resilience of financial entities and regulating the provision of ICT (Information and Communications Technology) services in the financial market.

²⁵ Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637.



Bank Polski

Capital adequacy and other information to disclosure

as at 30 June 2025

Table 4.2 Banking book- Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity [Template 1]

30.06.2025		Gross carrying amount (mln EUR)				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting					Average weighted maturity	
Sector/subsector		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
1	Exposures towards sectors that highly contribute to climate change*	23 340	1 104	54	4 657	1 601	- 1 141	- 365	- 656	19 338 403	12 733 882	18,32%	18 047	3 448	1 791	53	4
2	A - Agriculture, forestry and fishing	591	-	-	186	30	- 35	- 12	- 17	838 252	267 809	4,40%	430	157	4	-	4
3	B - Mining and quarrying	209	82	0	110	2	- 3	- 2	- 1	280 440	105 848	60,49%	113	96	-	-	4
4	B.05 - Mining of coal and lignite	74	74	-	73	0	- 1	- 1	-	185 540	67 615	99,73%	34	40	-	-	3
5	B.06 - Extraction of crude petroleum and natural gas	3	3	-	-	-	- 0	-	-	2 187	790	3,68%	3	-	-	-	-
6	B.07 - Mining of metal ores	48	-	0	-	-	- 0	-	-	27 231	12 101	100,00%	1	47	-	-	6
7	B.08 - Other mining and quarrying	80	-	-	35	1	- 2	- 1	- 1	55 149	21 883	5,98%	71	9	-	-	3
8	B.09 - Mining support service activities	5	5	-	1	0	- 0	- 0	- 0	10 334	3 458	7,39%	5	0	-	-	2
9	C - Manufacturing	7 260	129	15	1 507	799	- 462	- 112	- 318	9 206 915	7 256 410	25,49%	6 272	920	66	1	3
10	C.10 - Manufacture of food products	1 319	-	-	192	30	- 38	- 16	- 16	2 016 242	1 763 907	13,35%	1 143	172	4	-	3
11	C.11 - Manufacture of beverages	252	-	-	3	3	- 5	- 0	- 3	362 415	333 256	2,60%	250	2	-	-	2
12	C.12 - Manufacture of tobacco products	3	-	-	1	-	- 0	- 0	-	2 743	2 546	2,15%	3	-	-	-	1
13	C.13 - Manufacture of textiles	55	-	-	24	3	- 2	- 1	- 1	20 341	13 843	3,52%	52	2	1	-	2
14	C.14 - Manufacture of wearing apparel	26	-	-	6	2	- 2	- 0	- 1	8 897	4 565	3,63%	23	2	0	-	3
15	C.15 - Manufacture of leather and related products	8	-	-	1	1	- 1	- 0	- 1	2 308	999	2,80%	8	0	0	-	2
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	266	-	-	117	31	- 21	- 11	- 9	186 440	78 257	25,05%	237	25	4	-	3
17	C.17 - Manufacture of pulp, paper and paperboard	246	-	-	36	3	- 5	- 2	- 2	119 348	80 498	9,15%	147	93	5	-	4
18	C.18 - Printing and service activities related to printing	105	-	-	14	5	- 5	- 1	- 4	43 613	27 441	4,25%	87	13	6	-	4
19	C.19 - Manufacture of coke oven products	136	129	0	1	83	- 16	- 0	- 16	655 318	552 452	95,94%	59	77	-	-	4
20	C.20 - Production of chemicals	1 023	-	1	51	440	- 189	- 4	- 181	2 173 020	1 394 635	63,58%	971	52	0	-	2
21	C.21 - Manufacture of pharmaceutical preparations	109	-	-	4	0	- 0	- 0	- 0	25 445	15 051	66,70%	106	2	-	1	5
22	C.22 - Manufacture of rubber products	637	-	3	207	6	- 24	- 18	- 3	458 741	326 272	15,29%	504	126	7	-	3
23	C.23 - Manufacture of other non-metallic mineral products	286	-	-	85	6	- 12	- 9	- 3	170 225	100 192	13,02%	213	65	8	-	3
24	C.24 - Manufacture of basic metals	179	-	0	24	16	- 11	- 3	- 8	201 369	165 817	54,16%	167	12	0	-	2
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	933	-	2	212	63	- 44	- 13	- 27	1 060 541	882 973	23,98%	854	66	12	-	3
26	C.26 - Manufacture of computer, electronic and optical products	52	-	-	4	0	- 0	- 0	- 0	26 427	22 055	26,37%	44	8	-	-	3





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30.06.2025		Gross carrying amount (mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (mln EUR)		GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)											
Sector/subsector		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures			Of which Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity				
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p			
27	C.27 - Manufacture of electrical equipment	324	-	-	172	3	- 18	- 17	- 0	1 073 516	1 056 506	14,81%	299	25	1	-	2			
28	C.28 - Manufacture of machinery and equipment n.e.c.	320	-	10	53	18	- 11	- 3	- 7	136 617	109 701	18,57%	244	73	4	-	3			
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	310	-	-	54	30	- 32	- 5	- 24	182 199	157 964	26,93%	291	17	2	-	3			
30	C.30 - Manufacture of other transport equipment	153	-	-	79	38	- 4	- 0	- 3	40 004	35 485	4,27%	146	7	-	-	2			
31	C.31 - Manufacture of furniture	291	-	-	102	8	- 12	- 7	- 4	121 291	63 294	10,55%	239	46	5	-	3			
32	C.32 - Other manufacturing	72	-	-	24	1	- 2	- 1	- 1	25 111	14 312	6,13%	60	11	2	-	3			
33	C.33 - Repair and installation of machinery and equipment	155	-	-	40	8	- 6	- 1	- 4	94 744	54 390	10,25%	128	23	4	-	3			
34	D - Electricity, gas, steam and air conditioning supply	1 293	376	36	57	3	- 12	- 3	- 3	1 388 760	652 553	30,63%	535	233	477	48	9			
35	D35.1 - Electric power generation, transmission and distribution	1 205	369	36	28	3	- 9	- 1	- 3	1 232 139	575 291	30,48%	485	206	466	48	9			
36	D35.11 - Production of electricity	1 115	369	22	28	2	- 9	- 1	- 2	1 004 941	505 497	27,63%	420	180	466	48	10			
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	7	7	-	0	0	- 0	- 0	- 0	57 909	56 195	61,40%	7	-	-	-	1			
38	D35.3 - Steam and air conditioning supply	81	-	-	28	-	- 2	- 2	-	98 712	21 068	30,25%	44	26	11	-	6			
39	E - Water supply; sewerage, waste management and remediation activities	509	-	-	100	6	- 12	- 6	- 3	289 570	44 722	42,34%	274	42	194	-	8			
40	F - Construction	1 547	-	2	403	124	- 119	- 34	- 77	1 127 252	761 507	6,11%	1 456	68	23	0	2			
41	F.41 - Construction of buildings	642	-	2	146	54	- 54	- 12	- 39	249 877	158 356	6,31%	606	26	9	0	2			
42	F.42 - Civil engineering	274	-	0	84	13	- 16	- 7	- 8	546 198	471 217	7,24%	259	15	1	-	2			
43	F.43 - Specialised construction activities	631	-	-	173	57	- 48	- 15	- 30	331 177	131 935	5,42%	591	26	13	-	3			
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	5 415	246	0	762	223	- 202	- 53	- 116	3 887 864	2 997 109	21,48%	4 634	719	62	-	3			
45	H - Transportation and storage	3 172	272	-	923	283	- 168	- 81	- 68	2 022 080	522 599	9,52%	2 429	599	144	-	4			
46	H.49 - Land transport and transport via pipelines	2 438	272	-	732	256	- 135	- 60	- 59	1 715 243	384 985	9,83%	1 919	417	102	-	4			
47	H.50 - Water transport	132	-	-	120	11	- 16	- 16	0	18 132	10 548	0,39%	44	58	30	-	7			
48	H.51 - Air transport	26	-	-	1	0	- 0	- 0	- 0	26 312	20 936	16,79%	13	13	1	-	5			
49	H.52 - Warehousing and support activities for transportation	500	-	-	65	14	- 15	- 5	- 8	228 758	102 968	10,87%	379	110	11	-	4			
50	H.53 - Postal and courier activities	76	-	-	6	3	- 2	- 0	- 1	33 635	3 162	4,03%	75	1	0	-	3			
51	I - Accommodation and food service activities	450	-	-	82	71	- 40	- 6	- 33	93 564	38 097	3,67%	343	77	29	0	4			
52	L - Real estate activities	2 894	-	0	527	60	- 88	- 57	- 22	203 704	87 227	2,95%	1 560	538	792	4	7			
53	Exposures towards sectors other than those that highly contribute to climate change*	5 065	-	3	717	122	- 113	- 34	- 57				4 010	778	191	87	7			
54	K - Financial and insurance activities	446	-	-	13	3	- 4	- 0	- 2				397	2	0	47	23			
55	Exposures to other sectors (NACE codes J, M - U)	4 620	-	3	704	119	- 110	- 33	- 55				3 613	776	191	40	5			
56	TOTAL	28 405	1 104	58	5 373	1 723	- 1 254	- 398	- 713	19 338 403	12 733 882	15,05%	22 057	4 226	1 982	140	4			

*In accordance with Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 with regard to minimum standards for EU climate transition benchmarks and EU Paris-aligned benchmarks – Regulation on climate benchmarks – Recital 6: sectors listed in sections A-H and section L of Annex I to Regulation (EC) No 1893/2006; municipal bonds, the LGU sector (local government units), and financial clients were not included in the exposures.

** The value in column k for row 1 differs from the value in column k for row 56. The value in row 56 relates to the total Gross Carrying Amount (GCA) reported in column a, including exposures to sectors other than those that significantly contribute to climate change (row 53).



Template 1 discloses exposures that are more vulnerable to transition risk associated with the shift towards a low-carbon and climate-resilient economy, to non-financial corporations, broken down into sectors that significantly contribute to climate change (NACE codes: A, B, C, D, E, F, G, H, I, L), and exposures to non-financial corporations operating in sectors other than those that significantly contribute to climate change (NACE codes: K, J, M-U).

The benchmark administrator, GPW Benchmark S.A., has not made available a list of entities that significantly harm at least one environmental objective. The administrator undertakes activities aimed at developing indices that incorporate greenhouse gas emissions data, including the development of indices reflecting decarbonisation objectives aligned with the Paris Agreement. Consequently, the Bank does not identify exposures to the aforementioned entities within the scope of this disclosure.

Disclosure is made in column b only with regard to entities that meet the criteria under Article 12(1)(d)-(g) of Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 with regard to minimum standards for EU climate transition benchmarks and the EU's Paris Agreement-aligned benchmarks. The identification of exposures to these entities was based on an expert review of the portfolio of non-financial corporations, which involved assigning customers to groups of companies operating in fossil fuels, oil, natural gas, and electricity production sectors. Given the current status of the Polish energy sector, a conservative assumption has been adopted that electricity-generating companies (other than entities producing electricity exclusively from renewable energy sources) qualify as companies deriving at least 50% of their revenues from the generation of electricity with a greenhouse gas emission intensity exceeding 100g CO₂e/kWh (according to emission factors for electricity published by KOBiZE²⁶ in December 2024, which show that the average emission intensity of electricity generated in fuel combustion facilities for 2023 amounted to 733g CO₂/kWh of energy [excluding greenhouse gases other than CO₂]).

Column c discloses exposures to entities reporting in accordance with Directive 2013/34/EU²⁷, whose economic activities are environmentally sustainable, i.e. taxonomy-aligned and contributing to the achievement of the first environmental objective – climate change mitigation (CCM).

The scope of financed greenhouse gas emissions calculations covered the exposures of the Bank and its subsidiaries: PKO Leasing S.A. (including Prime Car Management S.A.) and PKO Faktoring S.A., within the following asset classes:

- 1) Business loans (PCAF asset class: *Business loans and unlisted equity*);
- 2) Listed equity and corporate bonds (PCAF asset class: *Listed equity and corporate bonds*);
- 3) Project finance (PCAF asset class: *Project finance*);
- 4) Motor vehicle financing (including vehicle leasing) (PCAF asset class: *Motor vehicle loans*).

Calculations for individual asset classes were carried out in accordance with the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by the *Partnership for Carbon Accounting Financials* (PCAF).

For the purpose of financed emissions calculations, the Bank's Group used both internal and external data sources. The scope of data obtained from external sources included:

- 1) actual client emissions data sourced from the Notoria database and directly from corporate reports;
- 2) data from the Central Register of Building Energy Performance maintained by the Ministry of Development and Technology, used for financed emissions calculations related to commercial real estate loans;
- 3) emission factors included in the PCAF online emission factor database, used for financed emissions calculations related to corporate loans, listed equity and corporate bonds, project finance, and motor vehicle financing;
- 4) emission factors from the European building emission factor database maintained by PCAF, used for financed emissions calculations related to commercial real estate loans.

As part of the financed emissions calculations, the Bank's Group based its estimates on:

- 1) reported emissions (information on emissions of the client or the company financed, or the parent undertaking of the client's group);
- 2) estimated emissions based on the client's or investee company's physical activity data, including energy consumption, production, and information from energy performance certificates (actual or estimated) of financed real estate;
- 3) estimated emissions based on the client's or investee company's economic activity data, including, among others, revenue information obtained by the Bank from client financial statements;

and, in accordance with the PCAF methodology, estimated for each asset class an attribution factor, indicating the share of the client's emissions allocated to the Bank's Group depending on the level of financing provided.

²⁶ KOBiZE – National Centre for Emissions Management – a research centre within the structures of the Institute of Environmental Protection – National Research Institute. It is responsible for administering the European Union Emissions Trading System (EU ETS) in Poland, including managing the Polish section of the Union Registry for emission allowances. KOBiZE also maintains the national database in which data on greenhouse gas emissions and other substances are collected.

²⁷ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, as amended.



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Table 4.3 Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral [Template 2]

Counterparty sector	Total gross carrying amount amount (mln EUR)															
	Level of energy efficiency (EP score in kWh/m ² of collateral)							Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
	0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500		A	B	C	D	E	F	G	Of which level of energy efficiency (EP score in kWh/m ² of collateral) estimated	
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
1 Total EU area	35 223	14 948	12 771	5 400	1 104	401	158								35 223	69%
2 Of which Loans collateralised by commercial immovable property	5 813	460	1 583	3 201	343	94	72								5 813	69%
3 Of which Loans collateralised by residential immovable property	29 410	14 488	11 189	2 200	761	307	87								29 410	69%
4 Of which Collateral obtained by taking possession: residential and commercial immovable properties	0	-	0	-	-	-	-								0	85%
5 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	24 162	9 006	9 385	4 581	855	328	1								24 162	100%
6 Total non-EU area	157	-	-	-	-	-	-								157	-
7 Of which Loans collateralised by commercial immovable property	124	-	-	-	-	-	-								124	-
8 Of which Loans collateralised by residential immovable property	33	-	-	-	-	-	-								33	-
9 Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-								-	-
10 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	-	-	-	-	-	-	-								-	-

Template 2 discloses all exposures that are linked to collateral in the form of developed real estate. Expert, conservative estimates of the EP²⁸ indicator, i.e., the level of energy efficiency (primary non-renewable energy consumption per square meter of property per year in kWh/m²) were applied to all types of properties, if the year of construction was known. For some of the exposures, the actual EP values were disclosed – at present, the Bank's Group has obtained data on energy certificates from the Central Register of Energy Performance of Buildings and is successively updating the data in its internal systems.

Where it was necessary to estimate the value of the EP indicator, data published by the Ministry of Development and Technology and the Announcement of the Minister of Development and Technology of 15 April 2022 on the publication of the consolidated text of the Regulation of the Minister of Infrastructure on the technical conditions to be met by buildings and their location were used. Columns h–n are empty, as the Bank's Group does not hold in its portfolio exposures secured by collateral with assigned energy performance certificate labels (building energy efficiency classes A–G).

²⁸ The EP indicator describes the annual non-renewable primary energy demand required for heating, ventilation, cooling and domestic hot water, and, in the case of public buildings, collective housing, production, utility and storage buildings, also for lighting.





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Table 4.4 Banking book - Indicators of potential climate change transition risk: Alignment metrics [Template 3]

30.06.2025	NACE Sectors (a minima)	Portfolio gross carrying amount (mln EUR)	Alignment metric**	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)
a	b	c	d	e	f	g
1 Power	35.11, 35.30	1 195	270 kgCO ₂ e/MWh	2023	45%	269 kgCO ₂ e/MWh
2 Fossil fuel combustion		341	74,05 tCO ₂ e/TJ	2022	23%	72,11 tCO ₂ e/TJ
3 Automotive		312	0,0597 kgCO ₂ /tkm - trucks 0,147 kgCO ₂ /pkm - cars	2022 2022	41% 141%	0,05559 kgCO ₂ /tkm 0,1536 kgCO ₂ /pkm
4 Aviation	Mapping of NACE codes to PKD sectors in accordance with EU regulations	109	-	-	-	-
5 Maritime transport		504	-	-	-	-
6 Cement, clinker and lime production		170	-	-	-	-
7 Iron and steel, coke, and metal ore production		571	0,66 tCO ₂ /t	2022	-38%	0,5492 tCO ₂ /t
8 Chemicals		1 133	1,79 tCO ₂ /t	2022	34%	1,43 tCO ₂ /t

* By "Year of reference", the Bank understands the baseline year, i.e. the year of the alignment metric for the given sector, as disclosed in the Capital Adequacy Report as at 30 June 2024. For individual sectors, in the years indicated, the following alignment metric values are applied: Energy - 349 gCO₂/kWh (in line with the Transition Plan), Fossil fuel combustion - 74.74 tCO₂/TJ, Automotive - trucks - 0.0623 kgCO₂/tkm, Automotive - passenger cars - 0.1727 kgCO₂/pkm, Iron and steel, coke and ore production - 0.5492 tCO₂/t, Chemicals - 1.43 tCO₂/t.

**shortfall to the 2030 data points under the NZE2050 scenario, %.

Template 3 discloses the Bank's Group's exposures (excluding credit exposure to the Central Bank and the State Treasury) broken down by Sectors that have a significant impact on the emission of GHG from Scope 3.

The Bank's Group carried out an analysis of its alignment actions against the objectives of the Paris Agreement in relation to the sectors indicated in Template 3, namely: the energy sector, fossil fuel combustion, automotive, aviation, maritime transport, cement, slag and lime production, iron and steel, coke and metal ores production, and chemicals.

According to the regulation,²⁹ sectors that are significant for the Bank's Group activities in terms of financing are subject to disclosure. Applying a prudent approach to the presentation of results, insignificant sectors (<1% of the total exposure of the economic portfolio), i.e. aviation and cement, slag and lime production, as well as the sector for which data of appropriate quality is not available, i.e. maritime transport, were excluded from the disclosure.

The Bank's Group used indicators from the *Net Zero Emissions by 2050* scenario for 2030 by sectors, referring to the document "World Energy Outlook 2023", published by the International Energy Agency (IEA).

Alignment metrics and three-year targets were determined based on data from customers' non-financial reports and statistical data at the Polish level, including data from the National Centre for Emissions Management (KOBIZE) and Statistics Poland - GUS. The reference year for the analysis of alignment metrics was adopted as 2022 and 2023, depending on data availability.

In the energy sector, an alignment metric expressed in kgCO₂/MWh was applied. The value of the metric in the reference year was determined based on actual emission intensity data for key clients who disclosed the relevant indicators in their sustainability reports. In addition, for clients from the renewable energy sector, emission intensity factors from the PCAF database were used. For other clients, statistical data from KOBIZE was applied. The final metric was calculated as a weighted average by balance sheet exposure. The indicators published in the above template were aligned with the Bank's decarbonisation trajectories defined in the Transition Plan for the energy sector. At the same time, the target for the period "reference year + 3 years" was determined in line with the decarbonisation pathway for the energy sector adopted through to 2030. The decline in the alignment metric is attributable to the increased share and nominal GCA³⁰ of renewable energy financing, as well as the ongoing decarbonisation of enterprises in the energy sector.

In the fossil fuel combustion sector, the alignment metric was defined as the emission intensity factor expressed as emissions per unit of energy (tCO₂e/TJ). The value of the metric in the reference year was determined based on actual emission intensity data for key clients who disclosed the relevant indicators in their sustainability reports. For other clients, the metric was determined using statistical data, i.e. fuel combustion emissions for Poland published in the National Inventory Report, together with the corresponding energy supply. The target value of the metric for "reference year + 3 years" was determined on the assumption that the decarbonisation pathway would follow the same reduction trajectory as the IEA NZE2050 scenario (a pathway parallel to the IEA scenario).

In the iron and steel, coke, and metal ores production sector, the alignment metric is defined as emission intensity expressed in tCO₂ per tonne of production.

For key clients, actual emission intensity data from sustainability reports were used. For other clients, statistical data were applied (source: *WiseEuropa*). The final metric was calculated as a weighted average by balance sheet exposure. The metric changed compared with the previous reporting period due to the greater availability of actual data. The target for "reference year + 3 years" was determined on the assumption that it would equal the reference year value (the reference year value being below the level assumed in the IEA NZE2050 scenario).

In the automotive sector, the alignment metric is defined as emission intensity expressed in kgCO₂ per tonne-kilometre (for trucks) and per passenger-kilometre (for passenger cars). For all clients, statistical data were used (including data from KOBIZE and Statistics Poland - GUS). For passenger cars, the alignment metric changed due to corrections in the statistical data. The target value for "reference year + 3 years" was determined on the assumption that the decarbonisation pathway would follow the same reduction trajectory as the IEA NZE2050 scenario (a pathway parallel to the IEA scenario).

In the chemicals sector, the alignment metric is defined as emission intensity expressed in tCO₂ per tonne of production. The reference year metric was determined based on reported actual emission intensity data for key clients. For other clients, statistical data from KOBIZE were applied. The final metric was calculated as a weighted average by balance sheet exposure. The metric changed compared with the previous reporting period due to the greater availability of actual data. The target for "reference year + 3 years" was determined on the assumption that it would equal the reference year value (the reference year value being below the level assumed in the IEA NZE2050 scenario).

²⁹ Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637.

³⁰ GCA - Gross carrying amount.



The Bank's Group is working on improving the quality of the data collected and will strive to maximise portfolio coverage with actual data on emission intensity or production obtained directly from its clients, so that future disclosures better and more accurately reflect the characteristics of the Bank's portfolio.

Table 4.5 Banking book - Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms [Template 4]

a		b		c	d	e
Gross carrying amount (aggregate)		Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*		Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	2	0,00%		-	1	1

*For counterparties among the top 20 carbon intensive companies in the world.

Template 4 discloses the Bank's Group exposures to the world's top 20 corporate emitters of carbon dioxide, as listed in the *Carbon Majors Database 2023 Data Set Released March 2025*. The disclosure covers exposures to entities included in the aforementioned list, as well as their subsidiaries identified based on consolidated financial statements.



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Table 4.6 Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk [Template 5]

Variable: Geographical area subject to climate change physical risk - acute and chronic events		Gross carrying amount (mln EUR)														Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures						of which Stage 2 exposures	Of which non-performing exposures
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity												
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o				
1 A - Agriculture, forestry and fishing	495	1	-	-	-	2	-	1	-	0	0	- 0	-	- 0				
2 B - Mining and quarrying	209	-	47	-	-	6	47	-	-	-	-	- 0	-	-				
3 C - Manufacturing	4 818	51	13	0	-	2	12	52	-	13	1	- 1	- 0	- 1				
4 D - Electricity, gas, steam and air conditioning supply	1 280	0	16	194	-	14	210	0	-	3	-	- 1	- 0	-				
5 E - Water supply; sewerage, waste management and remediation activities	404	0	3	-	-	6	3	0	-	0	-	- 0	- 0	-				
6 F - Construction	1 268	10	3	0	-	3	2	12	-	3	3	- 2	- 1	- 2				
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	4 430	-	-	-	-	-	-	-	-	-	-	-	-	-				
8 H - Transportation and storage	3 010	0	0	-	-	2	0	0	-	0	0	- 0	-	- 0				
9 L - Real estate activities	1 751	3	26	68	-	12	69	28	-	1	0	- 0	- 0	-				
10 Loans collateralised by residential immovable property	29 443	9	33	204	377	21	-	623	-	60	9	- 11	- 6	- 5				
11 Loans collateralised by commercial immovable property	5 938	100	50	11	0	4	-	161	-	119	9	- 17	- 11	- 6				
12 Repossessed colaterals	0	-	-	-	-	-	-	-	-	-	-	-	-	-				
13 Other relevant sectors (breakdown below where relevant)	-	-	-	-	-	-	-	-	-	-	-	-	-	-				

Template 5 discloses the sensitivity of the portfolio to the impact of chronic and acute physical events related to climate change. The assessment is performed using the climate model developed by the Institute of Environmental Protection – National Research Institute (KLIMADA 2.0 project), based on the IPCC RCP 8.5 scenario.³¹ The template presents information on assets located in Poland.

The Bank continuously works on improving the accuracy of the data used for assessing physical risk. In response to the floods that occurred in Poland in 2024, we conducted a back-test of the indicators previously applied to assess the exposure of the credit portfolio assets to flood and inundation risk. The results showed that a more accurate assessment of the risk level is provided by using the variable “hazard”, compared to the previously applied variable “risk”. To ensure more precise information on the level of portfolio exposure to flood and inundation risk, the Bank decided to conduct an assessment of asset exposure as of 31 December 2024 using the new variable, in accordance with the methodology described below.

Regional-level data (municipality) are analysed with reference to the geographical location of the client's operations or the location of collateral in the form of real estate. The assessment covers the level of gross risk (hazard), in relation to both chronic risks (droughts and water shortages) and acute risks (inundations and floods, as well as hurricanes – winds above 30 m/s). A municipality is considered exposed to a given risk if the hazard level is assessed as greater than or equal to 0.75. The analysis covers three time horizons (to 2030, 2040, and 2050) and takes into account the maturities of the Bank's credit portfolio. Regarding mortgage collateral, the Bank's Group distinguished between residential and commercial real estate, taking into account maturities, sensitivity levels (chronic and acute climate-related events), and STAGES with an indication of the cumulative impairment. The Bank's Group does not disclose exposures to entities from the construction, services, transport, and retail network sectors broken down by the impact of climate-related events, due to the assumption of a low impact of physical risk on the overall activity of these entities, which results from the significant dispersion of their operations.

³¹ The scenario assumes the continuation of the current pace of greenhouse gas emissions growth, commonly referred to as the “business as usual” scenario. It projects an increase in the average global temperature by 4.5°C compared with the pre-industrial era.





5 VARIABLE REMUNERATION COMPONENTS

The following tables present a supplement to the quantitative data disclosed in the Report as at 31 December 2024 in the tables relating to remuneration awarded for 2024.

Compared to the information presented in the report “Capital Adequacy and Other Information of the PKO Bank Polski S.A. Group Subject to Disclosure as at 31 December 2024”, the data regarding the recognition of fixed remuneration components for 2024 have been adjusted.

Table 5.1 Remuneration awarded for the financial year [Template EU REM1]

		30.06.2025			
		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Fixed remuneration	Number of identified staff	8	7	53	179
	Total fixed remuneration	1,74	8,85	34,32	58,66
	Of which: cash-based	1,74	8,56	32,77	55,13
	(Not applicable in the EU)				
	Of which: shares or equivalent ownership interests	-	-	-	-
	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
	Of which: other instruments	-	-	-	-
	(Not applicable in the EU)				
	Of which: other forms	-	0,30	1,55	3,53
	(Not applicable in the EU)				
Variable remuneration*	Number of identified staff	8	7	53	179
	Total variable remuneration	-	12,72	33,20	38,56
	Of which: cash-based	-	8,42	20,46	23,48
	Of which: deferred	-	1,64	4,34	4,95
	Of which: shares or equivalent ownership interests	-	-	-	-
	Of which: deferred	-	-	-	-
	Of which: share-linked instruments or equivalent non-cash instruments	-	4,30	12,10	13,54
	Of which: deferred	-	2,01	5,02	5,42
	Of which: other instruments	-	-	0,63	1,54
	Of which: deferred	-	-	0,29	0,63
	Of which: other forms	-	-	-	-
	Of which: deferred	-	-	-	-
Total remuneration (2 + 10)		1,74	21,57	67,52	97,22



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Table 5.2 Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile* (identified staff) for 2024 [Template EU REM5]

		30.06.2025									
		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										247
2	Of which: members of the MB	8	7	15							
3	Of which: other senior management				1	10	-	27	3	12	
4	Of which: other identified staff				13	49	17	51	34	15	
5	Total remuneration of identified staff	1,74	21,57	23,31	8,59	43,24	10,05	58,82	19,66	24,39	
6	Of which: variable remuneration	-	12,72	12,72	3,75	19,17	3,84	26,04	7,34	11,62	
7	Of which: fixed remuneration	1,74	8,85	10,59	4,84	24,07	6,21	32,78	12,31	12,77	





6 GLOSSARY OF TERMS AND ABBREVIATIONS

ESG (<i>environmental, social responsibility and corporate governance</i>)	environmental, social and governance issues
Greenwashing	marketing communication of a company based on false or misleading statements regarding the compliance of the product or its components with environmental protection principles
IRB (<i>Internal Ratings Based Approach</i>)	an internal ratings method used to determine the capital requirement for credit risk
Internal capital	amount of capital, that is required to cover all identified significant types of risk present in the Bank or the Bank's Group's business activity and the effect of changes in its business environment, taking into account the anticipated risk level
KOBiZE	National Centre for Emissions Management operates within the structure of the Institute of Environmental Protection – National Research Institute, administering the EU Emissions Trading System in Poland, and maintaining a national database of greenhouse gas emissions.
TCR (<i>Total Capital Ratio</i>)	the main measure of capital adequacy, calculated as the quotient of own funds and total own funds requirements multiplied by 12.5
MREL (<i>Minimum Requirement for own funds and Eligible Liabilities</i>)	the minimum requirement for own funds and eligible liabilities pursuant to Article 97 of the BGF Act
MRT (<i>Material Risk Takers</i>)	members of the Management Board and key managers with a significant impact on the risk profile of the Bank
IFRS	International Financial Reporting Standards
NACE (<i>nomenclature statistique des activités économiques dans la Communauté européenne</i>)	The Statistical Classification of Economic Activities in the European Community. NACE is a four-digit classification providing a framework for collecting and presenting a wide range of statistical data according to economic activity in economic statistics and other statistical areas developed within the European Statistical System (ESS).
Non-trading book (Banking book)	the book containing operations not included in the trading book, specifically related to credit facilities and loans and deposits extended or accepted within the bank's basic business activity or for the purposes of liquidity and interest rate risk management
Business risk	the risk of failing to achieve the assumed financial goals, including incurring losses, due to adverse changes taking place in the business environment, making bad decisions, incorrect implementation of the decisions made or failing to take appropriate action in response to changes taking place in the business environment
Credit risk	the risk of losses resulting from customer's failure to meet obligations towards the Bank or the risk of a decrease in the economic value of the Bank's receivables as a result of deterioration of the customer's ability to service obligations
Model risk	the risk of suffering losses as a result of wrong business decisions taken on the basis of functioning models
Operational risk	<p>operational risk – the risk of losses being incurred due to a mismatch or unreliability of the internal processes, people and systems may or due to external events; operational risk includes – but is not limited to – legal risk and ICT risk:</p> <p>a) legal risk – the risk of incurring a loss due to ignorance, misunderstanding and non-application of legal norms, the inability to enforce contractual provisions, unfavourable interpretations or decisions of courts or public administration bodies,</p> <p>b) ICT risk (risk related to information and communication technologies) – the risk of loss related to any reasonably identifiable circumstances related to the use of network and information systems which, if materialised, might compromise the security of the network and information systems, of any technology-dependent tool or process, of operations and processes, or of the provision of services, by producing adverse effects in the digital or physical environment.</p> <p>Operational risk excludes reputation risk and business risk.</p>
Liquidity risk	the risk of inability to timely discharge of liabilities due to non-availability of liquid means



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Interest rate risk	the risk of loss on the Bank's balance sheet and off-balance sheet items sensitive to interest rate changes, resulting from unfavourable interest rate changes on the market
Foreign exchange risk	the risk of loss due to changes in the foreign exchange rates, generated through maintaining open currency positions in individual currencies
Reputation risk	current or future risk of reputation deterioration among customers, counterparties, investors, external supervisory and control bodies, and public opinion as a result of business decisions, operational incidents, security incidents, cases of non-compliance or other events that may have an unfavourable impact on financial results, own funds, or liquidity
Macroeconomic risk	the risk of deterioration of the Bank's financial condition as a result of adverse impact of changes in macroeconomic conditions, macroeconomic risk includes geopolitical risk, understood as the macroeconomic effects taking into account the negative effects of the geopolitical environment on the economy and financial markets.
Strategic tolerance limit	the level of risk appetite set by the Management Board
EU taxonomy	A set of regulations supporting companies in sustainable activities for the environment and climate. The primary document is the Regulation of the European Parliament and of the Council of the European Union 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088.
TEM (Total Exposure Measure)	the total exposure measure calculated in accordance with Article 429 and Article 429a of the CRR
Stress tests	a risk management tool used for assessment of the potential impact of a specific event or changes in the market parameters on the Bank or the Bank's Group
TLAC (Total Loss-Absorbing Capacity)	requirements for own funds and eligible liabilities for global systemically important institutions and material subsidiaries of non-EU global systemically important institutions
TREA (Total Risk Exposure Amount)	the total risk exposure amount calculated in accordance with Article 92(3) and (4) of the BGF Act
EP indicator	determines the level of energy efficiency of a property, which is the unit consumption of non-renewable primary energy in kWh/m ² of the property per year
LCR (liquidity coverage ratio)	liquidity coverage ratio that describes the ratio of high-quality liquid assets to total net cash outflows (including cash inflows) over a 30-day period under stress scenario – European measure defined in CRDIV/CRR package
Tier 1 (T1) capital ratio	capital adequacy measure, calculated as the ratio of Tier 1 capital and the sum of own funds requirements, multiplied by 12.5. No elements of additional Tier 1 capital are identified in the Bank and the Bank's Group, consequently the Common Equity Tier 1 (CET1) ratio is equal to the Tier 1 capital ratio (T1)
Requirements for own funds	total own funds requirements for particular risk types and own funds requirements for exceeded limits and other violations of norms described in the CRR and CRD, BRR and decisions of external supervisory and control bodies



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Representation by the Management Board of PKO Bank Polski S.A. The Management Board of PKO Bank Polski S.A.:

- represents that, to the best of its knowledge, the information has been prepared in compliance with the internal control processes;
- represents that, to the best of its knowledge, the adequacy of risk management arrangements at PKO Bank Polski S.A. ensures that the risk management systems used are appropriate to the risk profile and strategy of the Bank and the Bank's Group;
- approves this Report "Capital Adequacy and other information subject to disclosure of the Group of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna as at 31 December 2024", which includes information on risk, discusses the overall risk profile of the Bank and the Bank's Group related to the business strategy and includes key indicators and figures that provide external stakeholders with a holistic view of the risk management of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group, including interactions between the Bank's risk profile and risk tolerance expressed in the form of strategic tolerance limits determined by the Management Board and approved by the Supervisory Board.

Signatures of the Management Board of PKO Bank Polski S.A. on the original version.