Bank Polski

The PKO Bank Polski S.A. Group
Directors' Report for 2024

prepared jointly with the PKO Bank Polski S.A. Directors' Report

This document is a translation of a document originally issued in Polish. The only binding version is the original Polish version.

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1. INTRODUCTION

1.1 CHARACTERISTICS OF OPERATIONS OF THE PKO BANK POLSKI S.A. GROUP

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

The Parent of the Bank's Group is Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (PKO Bank Polski S.A. or the Bank). PKO Bank Polski S.A. is the largest commercial bank in Poland and the leading bank on its home market in terms of the scale of operations, equity, loans, savings, number of Customers and size of the distribution network. PKO Bank Polski S.A. is an universal bank that services individuals, legal entities and other Polish and foreign entities.

Apart from strictly banking operations, the Bank's Group also provides services in respect of leases, factoring, investment funds, pension funds and insurance, car fleet management services, transfer agent services, provides technological solutions, outsources IT professionals and supports other entities' operations, manages properties. The Bank's Group conducts banking operations and provides financial services outside Poland through its branches in the Federal Republic of Germany (German Branch), the Czech Republic (Czech Branch) and the Slovak Republic (Slovak Branch) and a branch in Romania (which commenced operations on 1 January 2025), as well as through its subsidiaries in Ukraine, Sweden and Ireland.

More than **12.1 million** of the Bank's Customers

More than 8.3 million of IKO applications

The PKO Bank Polski S.A. Group develops not only in its traditional area of operations, i.e. retail banking. It is also the leader in servicing corporate Customers and companies and enterprises (in particular in respect of financing them), and on the market of financial services for communes (gminy), counties (powiaty), voivodeships and to the budget sector. It is also the major managing underwriter of issues of municipal bonds.

The PKO Bank Polski S.A. Group has the largest share of the Polish banking market by value of assets under management of PPK Employee Capital Plans (30.8%), sales of mortgage loans (29.4%), the investment fund market for individuals (21.4%), savings (21.3%), loans (18.4%) and the value of leased assets (13.3%). PKO Bank Polski S.A. is the leader in terms of current accounts and payment cards.

Increasing customer activity in the digital world, dynamic changes due to macroeconomic shifts and technology trends, the geopolitical situation and emerging regulatory requirements, as well as other variables, are driving growing expectations in the area of IT development. The Bank's Group offers customer-oriented, modern, secure and comprehensive services through digital access channels. Customers use iPKO and IKO as means of modern banking, which extends outside the traditional financial area. PKO Bank Polski S.A., in cooperation with Operator Chmury Krajowej S.A. and other global providers of cloud services, has consistently followed its "path towards the cloud". The bank develops business operations and supports research and implementation efforts using secure, cutting-edge solutions, including those based on artificial intelligence and advanced data analytics, as well as robotics and automation.

As at the end of 2024, the branch network of PKO Bank Polski S.A. covered 944 own outlets (including branches, offices and centres) and 249 agencies. More than 3 thousands ATMs were put at the disposal of the Bank's customers.

The PKO Bank Polski S.A. Group is one of the largest and best assessed employers in Poland. As at the end of 2024, the Group employed over 25.8 thousand FTEs.

The PKO Bank Polski S.A. Group between 2020 and 2024

	2024	2023	2022	2021	2020
Statement of financial position (in PLN million)					
Total assets[1)]	525,225	495,389	417,797	418,086	376,966
Total equity	52,370	45,227	35,707	37,693	39,911
Own funds	47,294	43,998	43,759	42,112	41,516
Financing granted to customers	286,272	262,918	247,619	247,572	235,727
Customer deposits	419,778	399,193	338,868	322,296	282,356
Net profit/loss	**9,304**	**5,502**	**3,312**	**4,874**	**-2,557**
Financial ratios[2)]					
Net ROA	1.8%	1.2%	0.8%	1.2%	-0.7%
Net ROE	19.2%	13.3%	9.6%	12.1%	-6.0%
C/I[3)]	29.5%	31.6%	45.0%	40.4%	40.9%
Interest margin[4)]	4.8%	4.4%	3.8%	2.7%	3.0%
Share of impaired exposures	3.59%	3.44%	3.79%	3.98%	4.43%
Cost of credit risk	0.39%	0.50%	0.52%	0.55%	0.78%
Total Capital Ratio	18.58%	18.84%	19.07%	18.73%	18.18%
Operational data					
Number of customers of PKO Bank Polski S.A. (in thousands), Including:	12,133	11,911	11,666	11,120	11,006
Individuals (in thousands)	11,480	11,290	11,071	10,541	10,463
Companies (in thousands) [5)]	621	587	562	549	513
Corporate Customers (in thousands)	20	18	18	17	16
Enterprises (in thousands)[5)]	13	16	16	14	13
Number of current accounts with the Bank (in thousands)	9,279	9,279	9,049	8,490	8,257
Number of branches of PKO Bank Polski S.A.	945	945	967	975	1,004
Number of employees (in FTEs)	25,601	25,071	25,071	25,657	25,859
Information on shares					
Stock exchange capitalization (in PLN million)	74,700	62,900	37,863	56,163	35,900
Number of shares (in million)	1,250	1,250	1,250	1,250	1,250
Share price (in PLN)	59.76	50.32	30.29	44.93	28.72
Dividend per share (in PLN) (paid in the current year from profit for the preceding years)	2,59	0.00	1.83	0.00	0.00

1) Periods before 2022 do not account for the offsetting of balance sheet positions resulting from derivative instruments and the variation margin.
2) Periods up to 2022 do not account for the offsetting of balance sheet positions resulting from derivative instruments and the variation margin.
3) Data for the years 2023-2020 does not take into account presentation changes made in 2024-2022 which could have had an impact on the amount of the result on business activities and operating expenses.
4) The interest margin was calculated excluding the impact of the Act on crowdfunding for business ventures and assistance for borrowers (the so-called 'credit holidays') amounting to (-) PLN 3,111 million in Q3 2022, (+) PLN 105 million in Q4 2023, (-) PLN 488 million in Q2 2024 and (+) PLN 276 million in Q4 2024.
5) As of 2024, the Companies and Enterprises segment has been split into the Companies segment (within Retail Banking) and the Enterprises segment (within Corporate Banking). Previous periods have been adjusted for comparability.

1.2 THE PKO BANK POLSKI S.A. GROUP – HISTORY

The PKO Bank Polski S.A. Group has been offering services to its retail and institutional customers for more than 100 years. The main events in the history of the Bank and the Bank's Group.

1919-1938

1. Pocztowa Kasa Oszczędności was established on 7 February 1919 by virtue of a decree signed by the Head of the country, Józef Piłsudski, Prime Minister Ignacy Paderewski and Hubert Linde - PKO's founder and first president.
2. Pocztowa Kasa Oszczędności was vested with legal personality as a state institution, operating under the supervision of and with the guarantee of the State.
3. Pocztowa Kasa Oszczędności began running School Savings Unions (Szkolne Kasy Oszczędności).
4. On the initiative of Pocztowa Kasa Oszczędności, the Ministry of the Treasury decided to set up Bank Polska Kasa Opieki (today Pekao S.A.) as a joint-stock company to facilitate the transfer of foreign currencies to Poland by Poles living abroad.

1939-1945

The Second World War was a period in which Pocztowa Kasa Oszczędności's activity came to a standstill and it suffered huge losses.

1946-1990

1. Pocztowa Kasa Oszczędności was transformed into Powszechna Kasa Oszczędności.
2. The construction of the Rotunda has been completed – the first fully modern PKO branch in Warsaw.
3. Powszechna Kasa Oszczędności introduced a modern product: a current account.
4. In the years 1975-1987, Powszechna Kasa Oszczędności was merged into the structures of the National Bank of Poland (NBP), yet it retained its identity.

1991-2001

1. The first Internet information portal of the Bank and the first e-PKO Internet branch were launched.
2. PKO Towarzystwo Funduszy Inwestycyjnych S.A. (PKO TFI S.A.) began its operations.
3. PKO BP BANKOWY PTE S.A. was formed.
4. In 2000, the Bank was transformed into a joint-stock company fully-owned by the State Treasury under the name Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (PKO Bank Polski S.A.).

2002-2009

1. In 2004, PKO Bank Polski S.A. was floated on the WSE.
2. The Bank acquired 66.65% shares in KREDOBANK S.A.
3. PKO BP Faktoring S.A. (currently PKO Faktoring S.A.) began operating.

2010-2015

1. In 2013, PKO Bank Polski S.A. set a new standard of mobile payments – IKO. The innovative solution on the market of mobile payments was used to create the BLIK payment system in 2015, which became a standard on the Polish market.
2. PKO Bank Hipoteczny S.A. was formed.
3. PKO Towarzystwo Ubezpieczeń S.A. was formed
4. PKO Bank Polski S.A. started its expansion into foreign markets and established its first foreign branch abroad (in Frankfurt-am-Main in the Federal Republic of Germany).

2016-2021

1. The Bank's Group acquired KBC TFI S.A. and the merger with PKO TFI S.A. helped additionally accelerate the rapid development of PKO TFI S.A.
2. The Bank's portfolio of investment projects expanded by Operator Chmury Krajowej sp. z o.o. (cloud computing services), which was joined by another shareholder – Polski Fundusz Rozwoju S.A.
3. PKO Bank Polski S.A. continued its development abroad and established a corporate branch in Prague (the Czech Republic) and in Bratislava (the Slovak Republic).

2022-2024

1. In June 2022, PKO Bank Polski S.A. and 7 other banks established a system for the protection of commercial banks to ensure the liquidity and solvency of its participants, as well as to support the resolution regime carried out by the Bank Guarantee Fund (BGF).
2. In the first half of 2023, a branch was opened in Romania. The operational launch of the Bucharest branch took place on January 1, 2025.
3. On October 24, 2024, the strategy of the PKO Bank Polski S.A. Capital Group for 2025-2027 "Number one, period" was adopted, which assumes strengthening the position of the Bank's Capital Group as the number one financial group in Poland, focused on growth and development.

1.3 MAIN EVENTS AND FINANCIAL RESULTS ACHIEVED IN 2024

1.3.1 MORTGAGE LOANS IN FOREIGN CURRENCIES AND INCREASE IN THE LEGAL RISK COST

PKO Bank Polski S.A. continued offering settlements to its retail customers who had active loans in Swiss Francs (CHF), which were intended for satisfying their own housing needs.

For information on settlements and the cost of legal risk, see Section 8.1 "Support for borrowers".

1.3.2 ISSUE OF EUROBONDS TO COVER THE MINIMUM LEVEL OF OWN FUNDS AND ELIGIBLE LIABILITIES (MREL) REQUIREMENT

PROGRAMME FOR THE ISSUE OF OWN BONDS ON THE EUROBOND MARKET

On 8 August 2022, the Management Board of the Bank approved the establishment of a programme for the issue of Eurobonds by the Bank as the issuer (the Euro Medium Term Notes Programme – the "EMTN Programme") of up to EUR 4 billion. Under the EMTN Programme, it is possible to issue unsecured Eurobonds in any currency, including those in respect of which obligations may be classified as eligible liabilities or as the Bank's own funds. Bonds issued under the EMTN Programme will be registered in the international central securities depository (ICSD) operated by Euroclear Bank SA/NV or Clearstream Banking société anonyme.

Under the EMTN Programme:

- on 27 March 2024, the Bank issued four-year non-preferred bonds, with the possibility of early redemption three years after the issue (subject to the approval by the Bank Guarantee Fund (BGF)), in the format of "senior non-preferred notes" with a total nominal value of EUR 500,000,000 on the basis of a prospectus approved on 15 March 2024 by Commission de Surveillance du Secteur Financier. The coupon of the issue is fixed, at 4.5%, payable annually until the early redemption date (and variable thereafter, with quarterly payments),
- on 18 June 2024, the Bank issued five-year non-preferred bonds, with the possibility of early redemption four years after the issue (subject to the approval by the BGF), in the format of "senior non-preferred notes" with a total nominal value of EUR 500,000,000 on the basis of a prospectus approved on 15 March 2024 by Commission de Surveillance du Secteur Financier and an addendum thereto approved on 7 June 2024. The coupon of the issue is fixed, at 4.5%, payable annually until the early redemption date (and variable thereafter, with quarterly payments),
- on 12 September 2024, the Bank issued three-year, green non-preferred bonds, with the possibility of early redemption two years after the issue (subject to the approval by the BGF), in the format of "senior non-preferred notes" with a total nominal value of EUR 750,000,000 on the basis of a prospectus approved on 15 March 2024 by Commission de Surveillance du Secteur Financier and addenda thereto approved on 7 June 2024, and 30 August 2024, as well as on the basis of the Green Bond Framework published on the Bank's website, to which the Bank obtained a Second Party Opinion on 23 August 2024. The coupon of the issue is fixed, at 3.875%, payable annually until the early redemption date (and variable thereafter, with quarterly payments).

Those bonds are classified as eligible liabilities of the Bank within the meaning of Article 97a section 1 point 2 of the Act of 10 June 2016 on the Bank Guarantee Fund, the deposit guarantee scheme and resolution (MREL requirement).

Moody's Investors Service has assigned a rating of Baa3 to the issues. The bonds were admitted to trading on a regulated market on the Luxembourg Stock Exchange and on the Warsaw Stock Exchange.

PROGRAMME FOR THE ISSUE OF OWN BONDS ON THE DOMESTIC MARKET

In 2024, the Bank made the following own bond issues in the domestic market, under the Bank's own bond issue programme of PLN 5 billion:

- On 28 February 2024, the issue of five-year senior non-preferred bonds with a total nominal value of PLN 1,000,000,000. The interest rate on the bonds is variable, representing the sum of the WIBOR 6M benchmark rate and a margin of 159 bps. The Bank may have the right of early redemption of the bonds upon obtaining the BGF's approval. The bonds are classified as eligible liabilities of the Bank within the meaning of Article 97a section 1 point 2 of the Act of 10 June 2016 on the Bank Guarantee Fund, the deposit guarantee scheme and resolution (MREL requirement). Moody's Investors Service has assigned a rating of Baa3 to the issue. The Bank listed the bonds in the Catalyst alternative trading system.

- On 16 October 2024, the issue of ten-year subordinated capital bonds with an aggregate nominal value of PLN 1,500,000,000. The interest rate on the bonds is variable, representing the sum of the WIBOR 6M benchmark rate and a margin of 220 bps. The Bank may have the right of early redemption of the bonds after 5 years from the issue date (and thereafter in each year after 5 years from the issue date to the redemption date) upon approval by the PFSA. On 26 November 2024, the PFSA approved the classification of the subordinated capital bonds as Tier II capital instruments of the Bank. The Bank listed the bonds in the Catalyst alternative trading system.

RATING CHANGE FOR UNSECURED SENIOR NON PREFFERED BONDS OBLIGATIONS

On February 27, 2025, Moody's raised the ratings of the Senior Non Preferred Unsecured Obligations, the Senior Non Preferred Unsecured Obligations of the EMTN Program and the Senior Non Preferred Unsecured Obligations under the Domestic Market Issue Program from Baa3 to Baa2.

1.3.3 INTEREST RATE BENCHMARKS REFORM IN POLAND

The work on benchmark reform is being carried out by the National Working Group on Benchmark Reform (NWG), appointed by the Office of the Polish Financial Supervision Authority (PFSA Office). The NWG is working on a recommendation on the principles and methods for replacing the WIBOR/WIBID benchmarks with a new benchmark.

Since the third quarter of 2020, with a view to the LIBOR benchmark reform, the PKO Bank Polski S.A. Group has been running an inter-disciplinary project supervised by members of the Bank's Management Board with the participation of subsidiaries: representatives of PKO Bank Hipoteczny S.A., PKO Leasing S.A. and PKO Faktoring S.A., related to the adjustment of the Bank and its subsidiaries to changes introduced as part of the benchmark reform.

On 29 March 2024, the Steering Committee of the National Working Group for benchmark reform (NWG SC) decided to commence a review and analysis of risk-free-rate (RFR) replacement choices for WIBOR benchmark. The review covered both WIRON and other possible interest rate indices or benchmarks. The purpose was to review the decision of the NWG SC adopted in September 2022, based on a wider scope of market information in the dynamically changing macroeconomic environment of the Polish economy.

On 21 June 2024, the NWG invited stakeholders and financial market participants to read the consultation document on the review and assessment of alternative interest rate indices. The closing date for the consultation lapsed on 1 July 2024.

On 4 October 2024, the NWG announced the launch of an additional round of public consultation, whereby the NWG Steering Committee wished to hear the views and positions of market stakeholders on the modified list of alternative indices and interest rate index proposals based on the analysis and discussions to date. The consultation ran until 31 October 2024.

On 10 December 2024, the NWG SC announced its decision to select the proposed index marked with technical name WIRF- and based on unsecured deposits of Credit Institutions and Financial Institutions as the ultimate interest rate benchmark to replace the WIBOR benchmark. The administrator of WIRF- as defined in the Benchmark Regulation (BMR) will be GPW Benchmark S.A., a company registered with the European Securities and Markets Authority (ESMA). Thus, the NWG SC has reviewed and modified its previous decision to select WIRON.

The next step for the NWG SC will be to update the Roadmap as part of the current schedule of activities (the final deadline for completion of the benchmark reform is at the end of 2027) aimed at replacing the WIBOR benchmark with the ultimate WIRF- benchmark, whose final name is to be chosen in the course of further work.

WIRF- is ultimately to become the key interest rate benchmark as defined in the BMR which can be applied in financial contracts (e.g. credit agreements), financial instruments (e.g. debt securities or derivatives) and by investment funds (e.g. to determine the asset management fees).

1.3.4 DIGITAL MORTGAGE

April 2024 saw the production rollout of the pilot version of the Digital Mortgage. This is the first solution of its kind in Poland, allowing the entire process – from application submission, through analysis and decision-making, to signing the loan agreement – to be conducted remotely, without the need for the customer to visit a branch in person. The pilot project ran from 8 April to 29 September 2024. The first agreement was signed on 8 April 2024.

On 30 September 2024, the Digital Mortgage, enabling the process to be completed through digital channels was fully implemented. A mortgage application under the digital mortgage program can be submitted via the iPKO website, and from December 2024, also through the IKO mobile app. At every stage, the customer can check the application status. The bank has reduced the number of documents required for the process, and those that are required can be submitted digitally. The customer can opt out of the remote process at any time and request assistance from an advisor at a traditional branch or its virtual counterpart. The process also includes individuals who do not have an account with PKO Bank Polski S.A. Initially, remote application can be used by unmarried individuals planning to purchase an apartment on the secondary market or carry out renovations. In the coming quarters, the Bank will expand the groups of customers eligible to use the Digital Mortgage.

By 31 December 2024, a total of 89 applications had been submitted under the program, 49 agreements had been signed, and 38 loans worth PLN 9.38 million had been disbursed.

1.3.5 SIGNING THE DIVERSITY CHARTER

On 14 November 2024, the Bank became a signatory of the Diversity Charter. The Bank signed this document to emphasize its commitment to creating a work environment where everyone feels respected and fully accepted. This is an important step toward supporting and promoting an inclusive culture. Detailed information about the Diversity Charter can be found in Section 13.3.1.

1.3.6 BRANCH IN ROMANIA

In 2024, the Bank's branch in Romania – PKO Bank Polski S.A. Varsovia, Sucursala București – carried out preparatory activities for the commencement of its operations, which took place on 1 January 2025. The Bucharest branch is the Bank's fourth foreign corporate branch, following Frankfurt am Main, Prague, and Bratislava. Its opening is an integral part of the implementation of the Strategy for 2025-2027 – "The Number 1, full stop," which envisions the Bank's expansion into additional key European markets that are vital for Polish companies operating abroad.

The branch in Romania supports Polish businesses in the Romanian market and also offers financing to local companies. Its services include: managing current accounts, processing cashless settlements, placing surplus funds in deposits, short-, medium-, and long-term financing, as well as providing liquidity management services and trade finance products. A significant feature of the settlement services is real-time payments between accounts held at PKO Bank Polski S.A. Customer service and documentation are available in Polish, English, and Romanian.

1.3.7 AID TO FLOOD VICTIMS

PKO Bank Polski S.A. and the Bank's Group companies are involved in helping those affected by the flood in southern Poland. As part of the #PomocDlaPowodzian campaign, the PKO Bank Polski Foundation (the Foundation) launched the following measures in 2024:

- it made a special account available for donations to help those affected by the floods. In 2024, PLN 6.18 million was credited to the account. The Foundation has earmarked PLN 5 million from its own resources for this purpose. This brought the total to PLN 11.18 million,
- it has partnered with two organisations that have experience in humanitarian aid and are providing vital assistance in flood-affected regions. The Foundation has allocated PLN 4.5 million from its own resources for this purpose:
  - The Snieznik Massif Local Fund received PLN 3.75 million (the money was used, among other things, to purchase essential household appliances for families in flood-affected areas),
  - The Polish Centre for International Aid received PLN 750 thousand (support was given to, among others, local Voluntary Fire Brigades, families with children with disabilities, senior citizens).
- provided support to 17 Voluntary Fire Brigade units (amounting to PLN 292.5 thousand),
- financed a children's green school trip. The Foundation allocated PLN 450 thousand for this purpose and 5,211 children benefited from the aid,
- granted financial assistance to the Culture and Library Centre in Bardo (PLN 200 thousand) and the Culture and Leisure Centre in Lądek-Zdrój (PLN 20 thousand);
- it supported the activities of the Bank's volunteers and covered the costs of day-to-day needs and equipment for clean-up and drainage work, allocating its own funds of more than PLN 93 thousand.

A total of approximately PLN 6.19 million has been spent until 31 December 2024 (the support is ongoing).

In addition:

- solutions were put in place for the agencies affected by the floods, so that each of the affected agencies received financial assistance. An individual support plan was prepared in terms of the possibility of lending IT equipment and software owned by the Bank free of charge and furnishing agencies with furniture, multisafes and support was provided to entrepreneurs in the renovation of agency premises,
- the following were introduced for customers in the flood area:
  1. For individual customers:
     - possibility to suspend repayment of up to 3 mortgage loan instalments - PKO Bank Polski S.A., PKO Bank Hipoteczny S.A.,
     - possibility to suspend repayment of up to 3 cash loan instalments with the possibility to extend the repayment period by the suspension period,
     - waiver of commissions and fees associated with the suspension of instalments,
     - possibility to benefit from non-refundable aid from the Borrower Support Fund in the form of covering the repayment of the expected 12 instalments if, as a result of the flood, the house or dwelling to which the housing loan relates has been damaged or destroyed and cannot be used, even temporarily - PKO Bank Polski S.A., PKO Bank Hipoteczny S.A.
  2. For corporate clients (businesses and enterprises):
     - possibility to suspend repayment of loans (principal instalments, principal and interest instalments) for up to 3 months,
     - simplifying the extension of business overdraft and credit card agreements,
     - waiver of commission (in two consecutive monitoring quarters) if the level of receipts on the customer's account is lower than the amount specified in the agreement,
     - possibility to suspend up to 3 lease instalments with simultaneous extension of the agreement by the suspension period - PKO Leasing S.A.,
  3. In terms of insurance:
     - special terms for the payment of compensation under property insurance - PKO Towarzystwo Ubezpieczeń S.A.,
     - 68% of all flood damage claims reported by PKO Insurance customers were settled using the fast-track process.

The companies of the Bank's Capital Group donated approximately PLN 380 thousand to support individuals affected by the flood.

1.3.8 BUSINESS DEVELOPMENT

In 2024, the Bank's Group developed products and services, including those offered via remote channels:

- it launched the Digital Mortgage, a fully remote process from application submission, through analysis and decision-making, to signing the loan agreement, without the need for the customer to visit a branch,
- it implemented the standalone PKO Life Insurance as well as its integration with the Cash Loan process. PKO Życie is insurance granting coverage in the event of death, serious illness, accident-induced injuries. r temporary incapacity to work,
- it launched the PKO Bonus discount program – a tool implemented in partnership with e-commerce providers, enabling customers to take advantage of special offers, discount codes, vouchers, and cashback options,
- it introduced the first community-based currency exchange platform available in the banking app, allowing individual customers to exchange the four most popular currencies: EUR, USD, GBP, and CHF,
- it rolled out the mobile/digital debit and credit card feature,
- it introduced new loan and credit guarantees in collaboration with BGK: Biznesmax Plus, Ekomax, and Inwestmax,
- it fully integrated the iPKO biznes website with financial and accounting systems: Comarch ERP Optima, Simple.ERP, Comarch XL, and Comarch XT, Softlab ERP by Asseco.

The number of active IKO applications at the end of 2024 reached over 8.3 million.

1.3.9 FINANCIAL PERFORMANCE

The PKO Bank Polski S.A. Group's financial performance delivered in 2024 was significantly influenced by declining, yet still high, market interest rates and regulatory-legal factors, including the costs of legal risk relating to the cost of legal risk of mortgages in convertible currencies.

Table 1. Basic financial data of the Bank's Capital Group (PLN million)

	2024	2023	Change (y/y)
Net profit/loss	9,304	5,502	+69.1%
Net interest income	22,153	18,318	+20.9%
Net fee and commission income	5,120	4,626	+10.7%
Result on business activities	28,765	24,179	+19.0%
Administrative expenses	-8,487	-7,635	+11.2%
Tax on certain financial institutions	-1,270	-1,231	+3.2%
Net write-downs and impairment	-6,403	-6,850	-6.5%
Total assets	525,225	495,389	+6.0%
Total equity	52,370	45,227	+15.8%
Net ROE	19.2%	13.3%	+5.9 p.p.
Net ROA	1.8%	1.2%	+0.6 p.p.
C/I (cost to income ratio)	29.5%	31.6%	-2.1 p.p.
Interest margin[1)]	4.80%	4.38%	+0.42 p.p.
Share of impaired exposures	3.59%	3.44%	+0.15 p.p.
Cost of credit risk	0.39%	0.50%	-0.11 p.p.
Total Capital Ratio	18.58%	18.84%	-0.26 p.p.
Common equity Tier 1 (CET 1)	17.39%	17.95%	-0.56 p.p.

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

The consolidated net profit of the PKO Bank Polski S.A. Group earned in 2024 amounted to PLN 9,304 million and was PLN 3,802 million higher than in 2023. The increase in the net profit was due to the following:

1) A significant improvement in the result on business activities of PLN 4,586 million which reached PLN 28,765 million, mainly due to:

- an increase in interest income by PLN 3,835 million, driven by a decrease in interest expenses mainly due to the adjustment of deposit interest rates to lower market interest rates, maturity and revaluation of IRS transactions, as well as an increase in securities income due to new purchases added to the portfolio;
- an increase in net fee and commission income by PLN 494 million, mainly driven by higher results generated on cards, brokerage activities and investment funds;
- an increase in other net income by PLN 257 million mainly driven by an increase in the result on financial transactions (inter alia as a result of an improvement in the result on interest rate derivatives, as well as higher result on derecognition of assets) and in net foreign exchange gains (losses) (especially the result on currency derivatives).

2) improvement in net write-downs and impairment including legal risk costs by PLN 447 million, as a result of:

- recognition in 2024 of lower cost of legal risk related to mortgage loans in convertible currencies of PLN 4,899 million, i.e. PLN 531 million less than in 2023;
- PLN 317 million lower net credit risk allowances,
- with PLN 401 million higher allowances on non-financial assets, mainly as a result of recognition of additional allowances on customer receivables for disbursed principal, in connection with lost court cases concerning CHF loans.

3) an increase in administrative expenses by PLN 852 million, including a rise in employee benefit costs by PLN 597 million (mainly due to wage adjustments and increased headcount), an increase in material costs by PLN

143 million (primarily due to higher court fees related to foreign currency mortgage loans), and an increase in amortisation/depreciation costs by PLN 104 million (resulting from higher amortisation of intangible IT assets).

2024 saw a further increase in the scale of the Bank Group's operations:

- total assets reached a record level of PLN 525 billion (+PLN +30 billion y/y);
- amounts due to customers increased to approx. PLN 420 billion (PLN +21 billion y/y), mainly as a result of an increase in both retail and private banking deposits;
- financing granted to customers amounted to approximately PLN 286 billion (+PLN +23 billion y/y), there was an increase in financing in both the corporate and retail segments;
- liquid assets (i.e. amounts due from banks, cash, balances with the Central Bank and securities from the banking book) amounted to nearly PLN 220 billion (PLN +8 billion y/y).

1.4 DEVELOPMENT PATHS

PKO BANK POLSKI S.A.'S STRATEGY FOR 2025–2027

On 24 October 2024, the Bank's Management Board approved the strategy of the PKO Bank Polski S.A. Group for years 2025-2027 "The Number 1, full stop" (the "Strategy"). The Strategy was approved today by the Bank's Supervisory Board. The main strategic objective will be to strengthen the Bank Group's position as the financial group number one in Poland, focused on growth and development.

The bank plans to achieve this by expanding the reach and scale of its business to existing and new customers based on a modified, diversified business model, a strong capital position, effective risk management and increasing operational efficiency.

The strategy envisages achieving the following financial targets:

- ROE: target level above 18% in 2027, assuming the National Bank of Poland (NBP) reference rate in 2027 at 3.5%;
- the C/I ratio of less than 35% in 2027;
- cost of risk in 2027 in the range of 0.70%-0.90%;
- capability to pay dividends/buy back shares.

The strategy is based on 7 business pillars:

PILLAR 1 – NUMBER 1 FOR EVERYDAY CUSTOMERS' NEEDS

As a result of demographic changes and technological advances, customers' needs are changing dynamically. In an increasingly complex reality, customers are looking for a reliable financial institution - a partner that will comprehensively meet their financial needs. PKO Bank Polski S.A. is the largest bank in Poland, and the brand is the most recognized among banks. According to research, its main differentiators are safety, stability and reliability. Thanks to these ones and to its' digital service offerings that respond to customers' daily needs, the Bank expects to increase the number of individual customers from 11.4 million to 15 million in 2027.

PILLAR 2 – NUMBER 1 IN ECOSYSTEMS

The Bank plans to expand the range of its products and services to be able to operate in selected ecosystems – mobility, real estate, and everyday shopping. Ecosystems, including cooperation with online platforms and traditional retail chains, will allow for the creation of new distribution channels for financial and non-financial products and enable the acquisition of 2.5 million customers.

PILLAR 3 – NUMBER 1 FOR A BETTER FINANCIAL FUTURE OF CUSTOMERS

Due to demographic trends, Polish society will have to face the challenge of long-term saving in order to secure its future. The Group's investment offer will allow customers to build their wealth in a convenient and individualized way. The aim of the Strategy is to increase Bank's share in households savings to 27% during the next 3 years, mainly thanks to a comprehensive offer tailored to all customer segments - from school education, through additional pension savings, to the expansion of the offer for private banking customers. The achievement of this target will depend on regulatory requirements, e.g. supervisors' approach to including long-term deposits in the long-term funding ratio (LTFR). In addition, the Bank also intends to become a bancassurance leader by exploiting the scale of the Bank Group's business.

PILLAR 4 – NUMBER 1 IN ACCESSIBILITY FOR CUSTOMERS – IN BRANCHES AND DIGITALLY

The Bank intends to maintain the full branch availability, changing their role based on the current needs of customers and modern service standards. The digital channel will be equally important as the Bank plans to improve remote processes and offer its customers an even better experience. The aim of the Strategy is to increase the number of branches operating in a modern format up to a total of 600 in 2027 (out of the currently existing 881).

PILLAR 5 – NUMBER 1 AS A PARTNER FOR POLISH BUSINESS

The Polish economy is in the final stage of transformation towards a developed market. This is an opportunity for Polish companies. The Bank will become an increasingly strong partner of Polish business, providing a wide range of products and services, as well as delivering customer services based on strong relations. The objective of the Strategy is to increase the share of financing for business customers from 16.5% to 18.0%.

PILLAR 6 – NUMBER 1 IN ENERGY TRANSFORMATION FINANCING

Poland relies heavily on non-renewable energy sources. Bank recognizes the need to support the country's energy transition and intends to be a leader in financing over 20% of the total expenditures needed to implement this venture.

PILLAR 7 – NUMBER 1 AS A POLISH BANK IN EUROPE

The Bank's Group is currently present in four European countries other than Poland – in Germany, Czechia, Slovakia, and Ukraine. In the Strategy, further expansion to another nine European countries is planned.

In addition, the strategic priority is to simultaneously increase the efficiency and effectiveness of the Group's operations, in particular:

- strengthening the PKO Bank Polski brand as the most recognizable and preferred banking brand;
- creating a new organizational culture supporting employee engagement;
- transforming in terms of sustainable development;
- effective risk management with the use of state-of-the-art technology;
- modern technology (including AI) supporting business;
- ensuring efficient internal processes and operations.

As work began on the Bank's new strategy in the second half of 2024, the Bank continued with selected initiatives from the 2023-2025 strategy "Ready for challenges, focused on the future".

At the end of 2024, the achievement of business objectives under the 2023-2025 strategy was not negatively deviating from the originally planned trajectory (except for the target related to the share of women in MRT - material risk taker positions), while the financial targets exceeded the initially set trajectory.

1.5 KEY INTANGIBLE RESOURCES

The key intangible resources of the PKO Bank Polski S.A. Group are reflected in its competitive advantages. The Group stands out in the Polish financial market due to its competitive advantages, which enable it to fulfill its mission and effectively achieve the objectives outlined in the Strategy for 2025-2027, "The Number 1, full stop." Key competitive advantages of the Group over its major competitors include:

THE MOST RECOGNIZED BRAND IN THE BANKING SECTOR

PKO Bank Polski S.A. remains the most recognizable bank in Poland, both in terms of spontaneous mentions (57%) and those aided by a list (84%). It is recognized as a safe, Polish bank with a strong position and a large number of branches*.

The value of the PKO Bank Polski S.A. brand has been estimated at PLN 3.8 billion**.

* source: Knowledge and image of banks and evaluations of bank advertisements 2Q 2024; 4P Research Mix

**Ranking "TOP 200 Best Polish Brands" by Forbes magazine, 2023

CAPITAL GROUP

The PKO Bank Polski S.A. Group has the most developed offering on the market in terms of business financing, savings products, payment services, investment funds, brokerage services, leasing, insurance, factoring, Employee Capital Plans (PPK), pension funds, and car sales and rentals. The Bank's Group has the largest share of the Polish banking market by value of assets under management of PPK (30.8%), sales of mortgage loans (29.4%), the investment fund market for individuals (21.4%), savings (21.3%), loans (18.4%) and the value of leased assets (13.3%). PKO Bank Polski S.A. is the leader in terms of current accounts and payment cards.

THE LARGEST CUSTOMER BASE

With nearly 11.5 million retail customers and almost 0.7 million business clients, PKO Bank Polski S.A. has the largest customer base in the banking sector. The Bank's Group sets standards in customer service, offered products and services, as well as technological innovations.

STRONG EMPLOYER BRAND

The Bank is one of the most desirable employers, both among students and professionals, including specialists and managers. This is confirmed by awards granted to the Bank, such as "Trusted Employer" and "Top Employer." The Bank is actively involved in initiatives that improve employee well-being: it helped flood victims, signed the Diversity Charter, and received an award in the "Attraction Power" competition organized by Puls Biznesu in the category of Effective well-being and work-life balance practices.

INNOVATIONS

By investing in the development of electronic and mobile banking services, PKO Bank Polski S.A. dynamically adapts to changing customer preferences. The Bank seeks solutions that will better meet customer needs or support the organization's digital transformation. One such solution is the Digital Mortgage, which enables a fully remote mortgage application process. Other innovative products include the digital credit and debit cards, the community exchange platform, the iPKO application, IKO, and BLIK. The Bank actively cooperates with technology start-ups, for example, in the Huge Thing Startup Booster program, which supports them at various stages of development in improving their technologies.

ACCESSIBILITY

The Bank has the most extensive branch network and modern digital channels. It has 899 branches in the retail segment and 45 branches in the corporate and investment segment. The network of 249 agencies complements the branch network, with over 3,000 ATMs. It is present in almost all districts of Poland. It stands out with a comprehensive offering of modern products aimed at all customer segments. Additionally, through its subsidiaries, the Bank operates in Ukraine, Sweden, and Ireland, as well as through branches in Germany, the Czech Republic, Slovakia, and a newly opened branch in Romania.

STABILITY

PKO Bank Polski S.A. has a predictable and stable financial position, with a high Total Capital Ratio (TCR)* significantly exceeding regulatory requirements. The Bank has a stable shareholder base, with the State Treasury being a long-term owner. This stability provides the organization with the potential to invest in expanding its offerings, new technologies, and improving quality.

*18.58% as at 31 December 2024

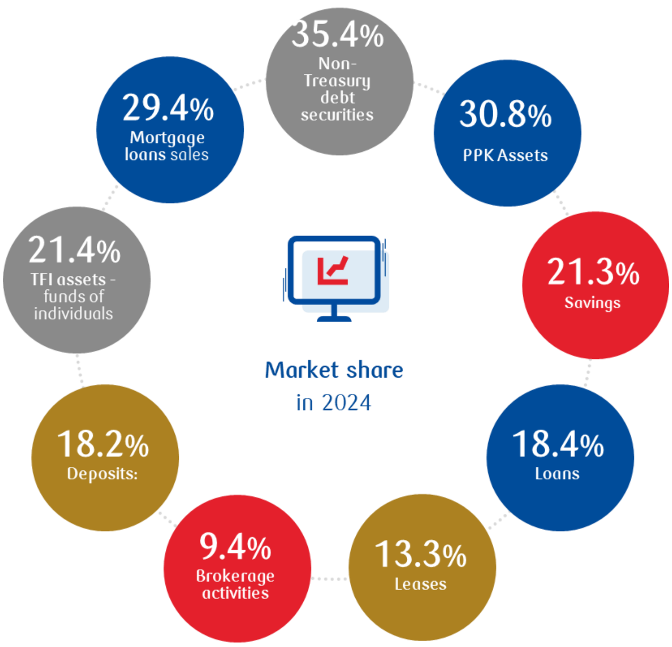
1.6 THE PKO BANK POLSKI S.A. GROUP MARKET POSITION

In 2024, the Bank's Group increased its market share in the lending market, including housing loans, factoring turnover, non-government debt securities, and investment funds offered to individuals.

Table 2. Market share

	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020	Change 2024/2023
Loans:	**18.4%**	**18.1%**	**17.1%**	**17.4%**	**17.6%**	**0.3 p.p.**
1. individuals, of which:	23.5%	22.6%	21.4%	21.9%	22.4%	**0.9 p.p.**
- housing	25.2%	24.2%	22.8%	23.7%	24.9%	**1 p.p.**
PLN	26.0%	25.0%	23.8%	24.7%	26.3%	**1 p.p.**
foreign currency	19.5%	19.8%	18.9%	20.1%	20.8%	**-0.3 p.p.**
- consumer and other, of which:	19.4%	18.7%	17.8%	17.1%	16.5%	**0.7 p.p.**
overdraft facilities	35.8%	35.7%	35.5%	34.1%	32.7%	**0.1 p.p.**
2. institutional entities	13.8%	14.0%	13.1%	12.8%	12.6%	**-0.2 p.p.**
Non-Treasury debt securities (indebtedness)	**35.4%**	**32.8%**	**30.8%**	**29.3%**	**30.2%**	**2.6 p.p.**
Value of leased assets	**13.3%**	**13.7%**	**13.3%**	**13.4%**	**12.9%**	**-0.4 p.p.**
Value of factoring turnover	**9.8%**	**6.9%**	**6.8%**	**6.2%**	**6.4%**	**2.9 p.p.**
Mortgage loans (sales)	**29.4%**	**35.9%**	**20.4%**	**19.8%**	**19.7%**	**-6.5 p.p.**
Total savings[1], of which:	**21.3%**	**21.3%**	**19.9%**	**19.2%**	**18.3%**	**0 p.p.**
- savings of individuals [2]	28.6%	29.2%	28.0%	25.6%	24.3%	**-0.6 p.p.**
Deposits:	**18.2%**	**18.9%**	**17.6%**	**17.8%**	**17.3%**	**-0.7 p.p.**
individuals	23.3%	24.6%	23.3%	22.5%	21.9%	**-1.3 p.p.**
institutional entities	12.1%	12.3%	11.2%	12.3%	11.5%	**-0.2 p.p.**
TFI assets - funds of individuals[3]	**21.4%**	**20.1%**	**20.5%**	**19.9%**	**18.9%**	**1.3 p.p.**
Value of PPK assets under management	**30.8%**	**31.2%**	**31.8%**	**32.6%**	**34.1%**	**-0.4 p.p.**
Brokerage activities - transactions on secondary market	**9.4%**	**9.7%**	**9.2%**	**12.3%**	**11.2%**	**-0.3 p.p.**

Source: NBP, GPW, ZBP, Analizy Online
1) Total savings comprise total deposits, TFI assets and retail savings bonds.
2) Savings of individuals include deposits of individuals, funds of individuals and saving Treasury bonds.
3) In 2021 the market data changed due to the change in the status of two funds into funds for individuals. The data for the prior period was recalculated.



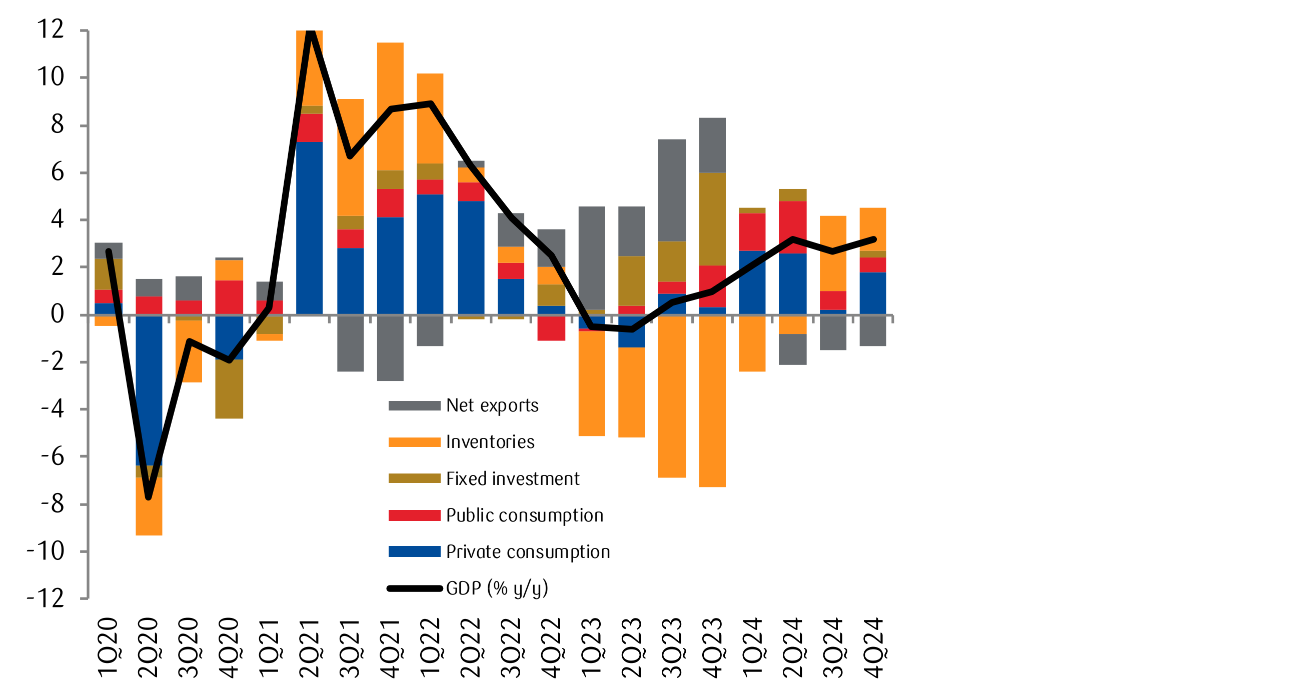
2. EXTERNAL BUSINESS CONDITIONS

2.1 MACROECONOMIC ENVIRONMENT

Below are the macroeconomic factors affecting the national economy in 2024.

REVIVAL OF ECONOMIC GROWTH

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

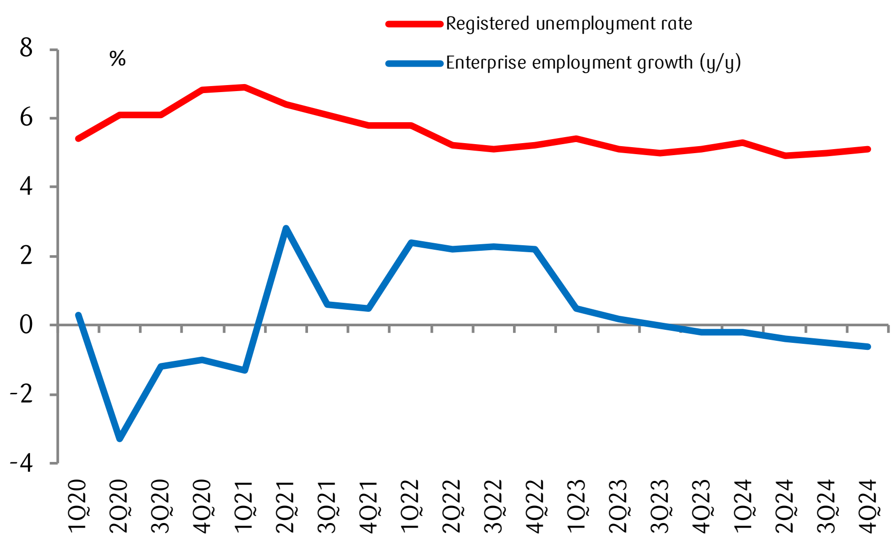


2024 saw an economic revival, with consumption being its main pillar. In the first half of the year, consumption grew at a pace of approximately 5% year-on-year, supported by a record increase in real incomes. Throughout the year, investments stagnated, with a marked decline in private sector expenditures and an increase in public sector spending, particularly on military equipment. The decline in private sector investments was caused by delays in the use of EU funds and a lower influx of foreign direct investments. In the second half of the year, net exports had a negative contribution to GDP growth, but this was balanced by an increase in inventories. Overall, in 2024, GDP growth accelerated to 2.9% from 0.1% in 2023, with consumption growing by 3.1% and investments by 1.5%. During 2024, the external position of the economy worsened, as the current account surplus almost completely disappeared, falling from 1.8% of GDP at the end of 2023, mainly due to the emergence and deepening of the trade balance deficit.

COOLING OF THE LABOR MARKET WITH RECORD-LOW UNEMPLOYMENT

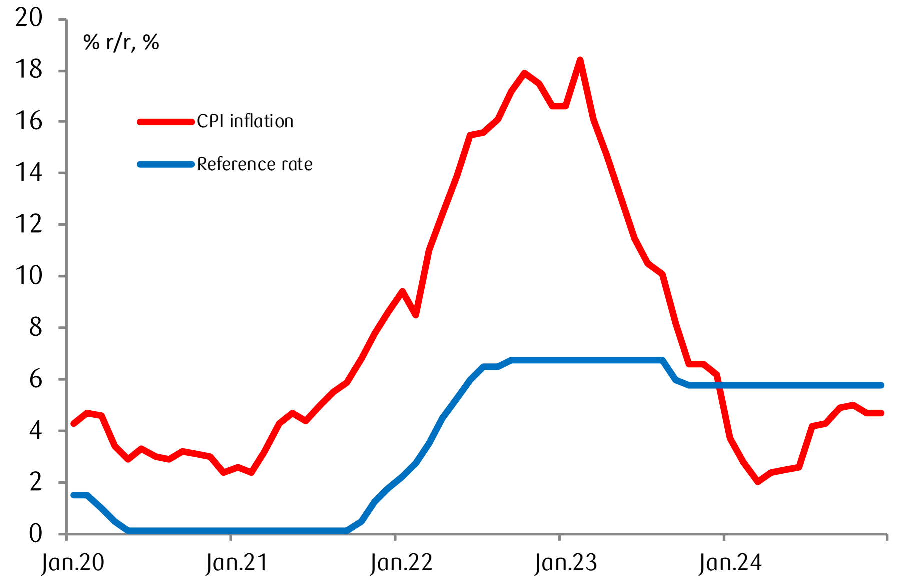
The registered unemployment rate in December 2024 stood at 5.1%, the same as at the end of 2023. In June and then in October, it dropped to 4.9%, the lowest level since the transformation. Labor force participation rates stabilized at historically high levels—according to the Economic Activity of the Population Survey, in the fourth quarter of 2024, 56.8% of the population aged 15-89 was employed, and the labor force participation rate stood at 58.5%. The number of foreigners in the domestic labor market continued to rise, with data from the Social Insurance Institution indicating that the increase in the number of insured Ukrainians was, as in the previous year, weaker than the growth of workers from other countries. The pace of wage growth throughout the year was influenced by a significant increase in the minimum wage and salary hikes in the public sector. Wage growth in the economy was clearly double-digit, which, combined with declining inflation at the beginning of the year, resulted in the highest real wage growth since the 1990s, exceeding 11% year-on-year in the first half of the year. In 2024, the acceleration in GDP growth was accompanied by further weakening demand for labor, seen in the reduction of job positions. The reluctance to increase employment was driven, among other things, by the sustained high wage dynamics amid weakened demand in the economy. Job cuts were mainly concentrated in domestic micro-enterprises and SMEs. The increase in employment concerned large enterprises, primarily those with foreign capital, characterized by higher labor productivity, which partially alleviated the burden associated with wage increases. The rise in the number of the employed also included the public sector.

Unemployment and employment (end of period, %)



INFLATION DRIVEN BY REGULATORY FACTORS

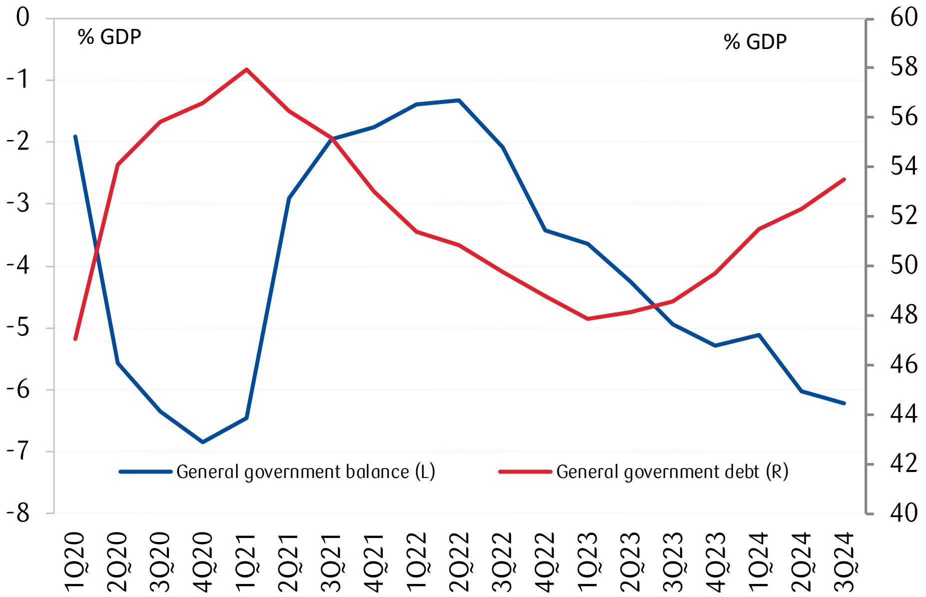
Inflation (%, y/y) and reference data (%, monthly data)



In the first half of 2024, inflation decreased towards the central bank's target, reaching a low of 2.0% year-on-year in March. However, in July, due to the partial unfreezing of energy prices for households, inflation rose, surpassing 4% year-on-year and remained elevated until the end of the year. On average, prices increased by 3.6% in 2024, following an 11.4% rise in 2023. Core inflation, excluding food and energy prices, also declined, reaching 4.0% year-on-year in December, down from 6.2% year-on-year in January. The elevated level of core inflation, above the target, was primarily driven by a stronger increase in service prices, reflecting higher labor costs.

PUBLIC FINANCES UNDER PRESSURE BUT IN CHECK

Deficit and debt of the public sector



The situation of Poland's public finances deteriorated in 2024. The state budget bore the costs of increased military spending, significant indexing of benefits, the maintenance (albeit in a limited form) of anti-inflation shields, and measures to counteract the effects of floods. Additionally, private consumption growth in the second half of the year was slower than expected, which negatively impacted tax revenues. By the third quarter of 2024, the government and local government sector deficit stood at 6.2% of GDP, and public debt rose to 53.5% of GDP. The deficit level was one of the highest among EU countries, and in terms of debt, Poland ranked in the middle of the EU countries. In 2024, Poland, along with six other countries, was subjected to the Excessive Deficit Procedure. In the Medium-Term Budgetary and Structural Plan for 2025–2028, Poland adopted a four-year corrective plan aimed at reducing the deficit below 3% of GDP by 2028.

STABLE INTEREST RATES DESPITE LOWER INFLATION

Table 3. NBP interest rates (end of the period)

	4Q 2023 (%)	4Q 2024 (%)
Reference rate	5.75	5.75
Bill rediscount rate	5.80	5.80
Bill discount rate	5.85	5.85
Lombard rate	6.25	6.25
Deposit rate	5.25	5.25

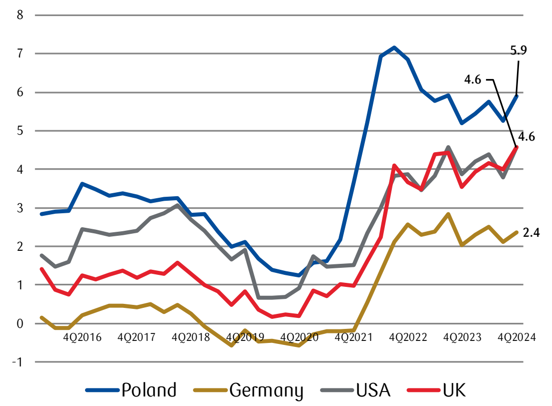
Throughout 2024, the Monetary Policy Council (MCP) kept interest rates unchanged, with the reference rate at 5.75%. This decision was made despite a decrease in inflation compared to 2023 and the realization of a more favorable regulatory scenario for energy prices, which remained partially frozen. With nominal rates stable, the restrictiveness of monetary policy in Poland clearly increased, reaching its highest level since 2008. Real interest rates in Poland are positive and the highest since 2016. By the end of 2024, the President of the NBP adopted a more hawkish tone and ruled out any rate cuts in 2025, although statements from other members of the MCP suggest the possibility of the first rate cut in mid-2025.

2.2 SITUATION ON THE FINANCIAL MARKET

INTEREST RATE MARKET

Interest rate investors entered 2024 with the assumption that the disinflationary process would allow for a loosening of monetary policy in most global economies. These expectations were only partially fulfilled. Many central banks, including the ECB and the US Fed, decided to start a cycle of interest rate cuts. However, the scale of these cuts was somewhat disappointing, and in the case of Poland, there was no reduction in the cost of money at all, partly due to the temporary rise in inflation near 5%. As a result, yields on domestic government bonds rose significantly, further exacerbated by the large volume of new issues related to financing the budget deficit. Two-year bonds ended the year with a yield of 5.15%, five-year bonds at 5.52%, and ten-year bonds at 5.89%.

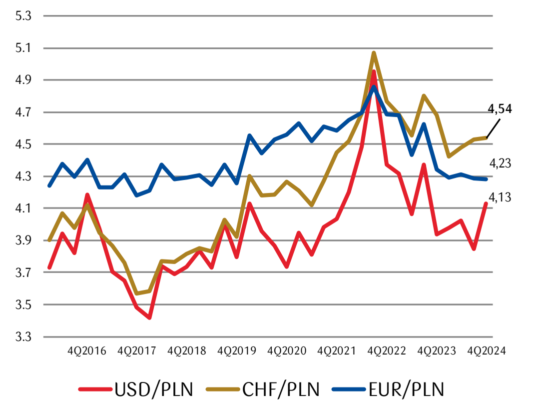
10 years bond yield (%)



CURRENCY MARKET

The zloty remained strong against the euro in 2024, staying below the 4.30 level for most of the year and ending December at 4.28. However, against the US dollar, the Polish currency weakened by 14 groszy to 4.13 in 2024. This was due to the appreciation of the USD on the global market, driven by the relatively strong performance of the US economy, which reduced market expectations regarding the pace and scale of rate cuts by the Fed. Announcements by the newly elected president in November about imposing tariffs on US trade partners further reinforced this trend. The strength of the zloty was a result of Poland's strong economic position compared to other European countries and the surprisingly hawkish monetary policy of the NBP.

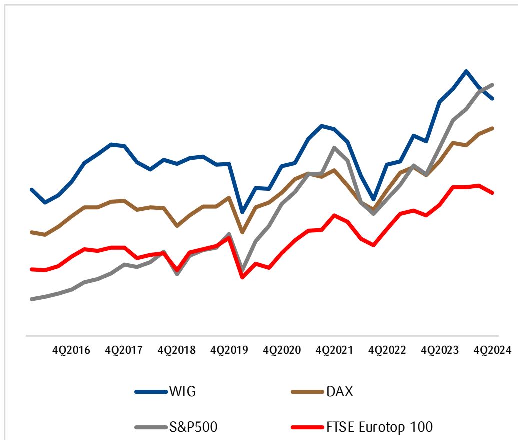
Foreign exchange rates



STOCK MARKET

The year 2024 proved somewhat disappointing for holders of Polish equities. The WIG index rose by 1.5%, though it had been up double digits at mid-year. The declines in the July–December period were partly driven by the hawkish rhetoric from the NBP regarding monetary policy, triggered by rising inflation due to the liberalization of electricity and gas prices. Economic conditions, including consumption, also fell short of expectations, negatively impacting the performance of companies in that sector. Additionally, in the final quarter, capital markets were rattled by concerns over the results of the US presidential elections, particularly regarding international trade. The standout performers of the past year were US tech stocks, which achieved spectacular valuations, with three companies (Apple, Nvidia, Microsoft) surpassing USD 3 trillion, and two (Amazon, Google) exceeding USD 2 trillion.

Global stock market



2.3 POSITION OF THE POLISH BANKING SECTOR

NET PROFIT AND RETURNS

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

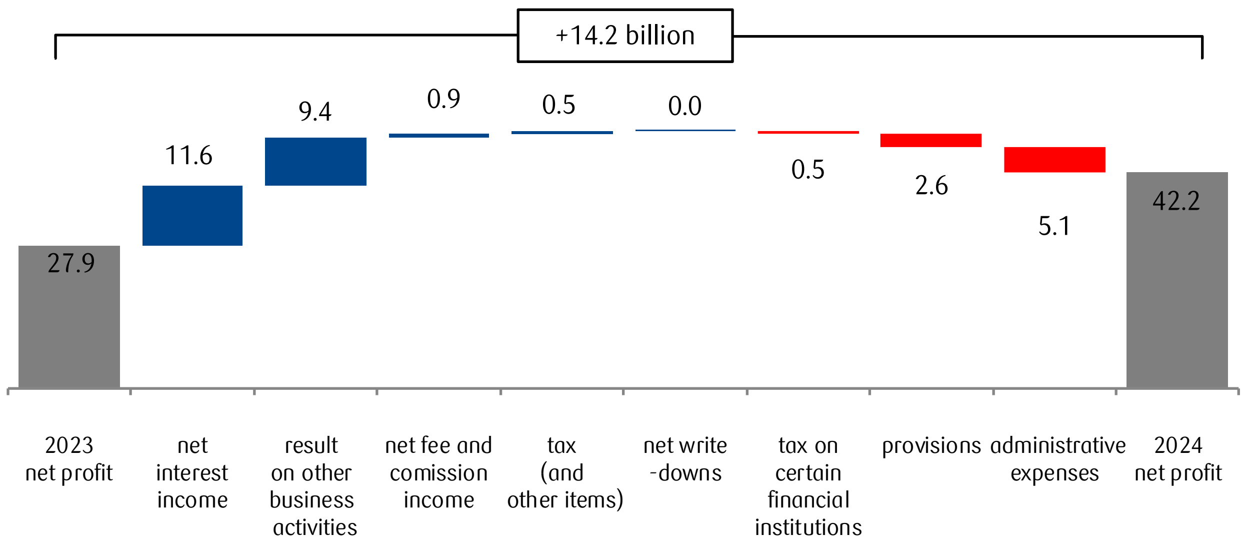
In 2024, the banking sector recorded a net profit of PLN 42.2 billion, compared to PLN 27.9 billion in the same period of 2023, marking a 50.9% year-on-year increase. The rolling return on equity (12M ROE) was 15.7%.

PLN 42.2 billion
net profit of the banking sector in 2024

+50.9% y/y
rate of change in the banking sector's net profit in 2024

15.7%
return on equity of the banking sector (12M ROE) in 2024

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



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

The main driver of the improvement in net profit was an increase in the result on core business. Net interest income increased by 12% y/y and this was despite a 1.0 percentage point decrease in interest rates in the second half of 2023 and the introduction of credit holidays 2.0. The improvement in net interest income was primarily driven by higher volumes in the retail segment, fueled by improved consumer sentiment, as well as optimization of interest expenses. A noticeable increase in transaction volumes and customer interest in investment and savings products also translated into a rise in fee and commission income (+5% y/y).

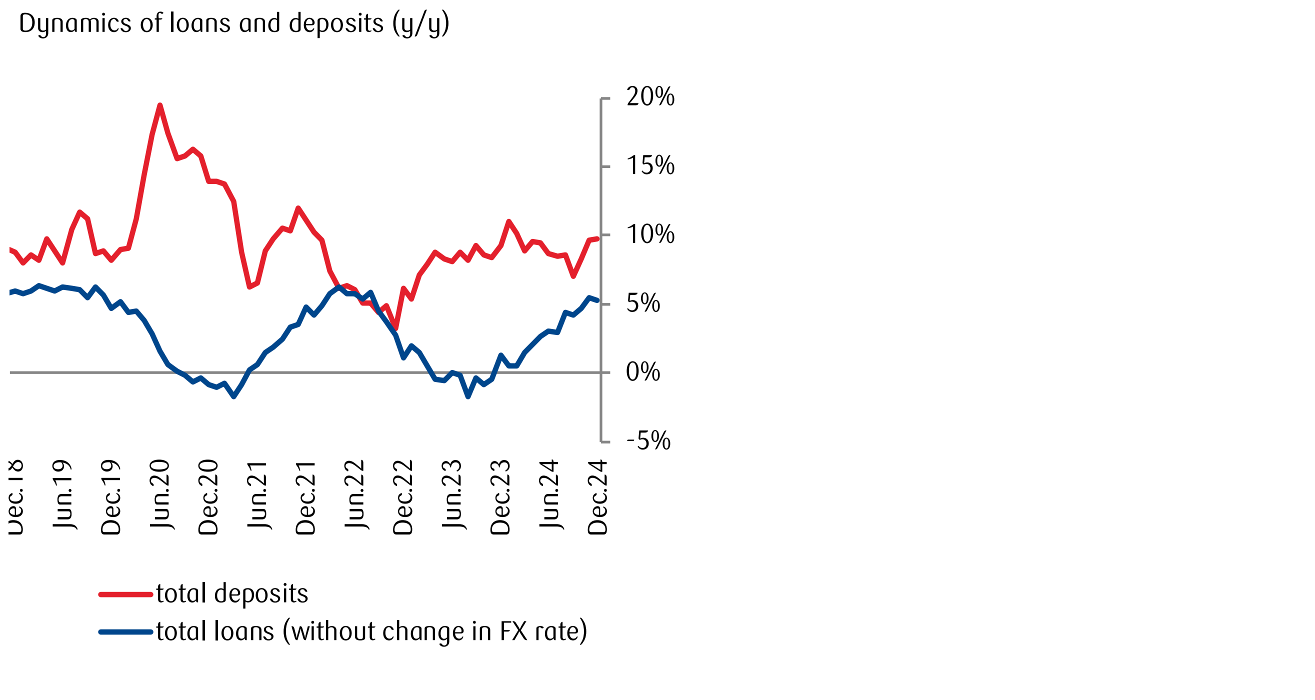
Rising prices, in particular energy, as well as an increase in personnel costs, led to higher administrative expenses (+11% y/y). Net impairment losses did not change year-on-year. The sector's results continued to be impacted by provisions related to the legal risk of mortgage loans in CHF.

The capital situation of banks was good, as they were supported by high profitability, higher valuation of debt instruments on the balance sheet and bond issues to meet the MREL requirement. As at the end of September 2024, the total capital adequacy ratio amounted to 21.36%.

LOAN AND DEPOSIT MARKET

(Na podstawie danych NBP oraz serwisu Analizy Online)

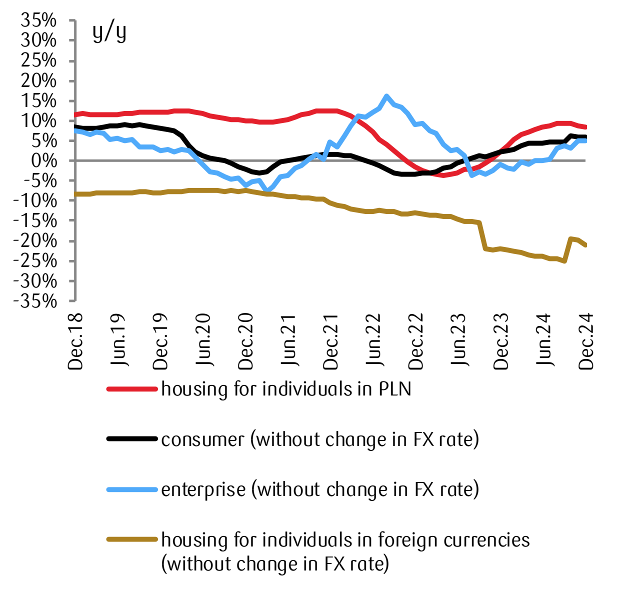
At the end of December 2024, the volume of total loans (net of exchange rate changes) increased by 5.3% y/y (compared to +1.2% y/y at the end of December 2023). In the case of deposits, the annual growth rate at the end of December 2024 was 9.7%, compared to 9.3% the previous year, primarily driven by continued inflows of deposits from individuals and local governments.



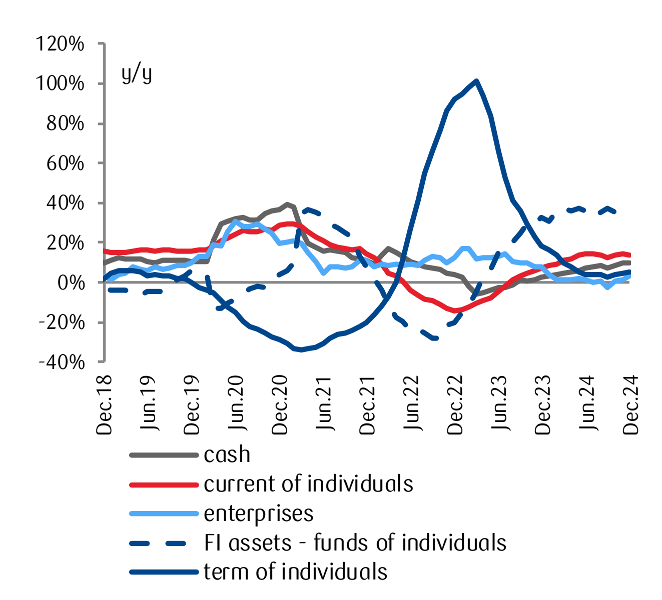
In the fourth quarter of 2024, the annual growth rate of the total loan volume was the highest since September 2022, influenced by the increase in financing provided to both individuals and institutional entities. Housing loans in PLN recorded an annual increase of 8.3% y/y (compared to a 2.2% y/y increase at the end of December 2023), driven in part by the launch of the government's "2% Safe Loan" programme and the effect of the low base from the previous year. The improvement in consumer sentiment in 2024 also translated into a recovery in the consumer loan market. Their growth rate (net of exchange rate changes), boosted by record-high new sales, stood at 5.9% y/y at the end of December 2024 (compared to 2.1% y/y a year earlier). Business loans, on the other hand, recorded an increase of 4.9% y/y in November 2024, compared to a decline of 0.8% y/y at the end of 2023, driven by significant investment needs in the Polish economy related to the implementation of energy transition projects and large-scale investment initiatives.

The growth rate of deposits of private individuals decreased from 11.0% y/y last year to 10.7% y/y in December 2024, with an increasingly noticeable shift in their structure (current deposits grew by 13.7% y/y at the end of 2023, while the growth rate of term deposits fell to 5.2% y/y). At the end of December 2024, assets of investment funds (IFs) for individuals were 30.1% higher y/y compared to the previous year. The search for alternative sources of investment (to bank deposits) was primarily driven by the improvement in market conditions. Investment funds also recorded a positive balance of deposits. The cash in circulation increased by 10.1% y/y in December (compared to 2.5% y/y the previous year).

Change of loans (y/y)



Change of deposits, FI assets, cash (y/y)



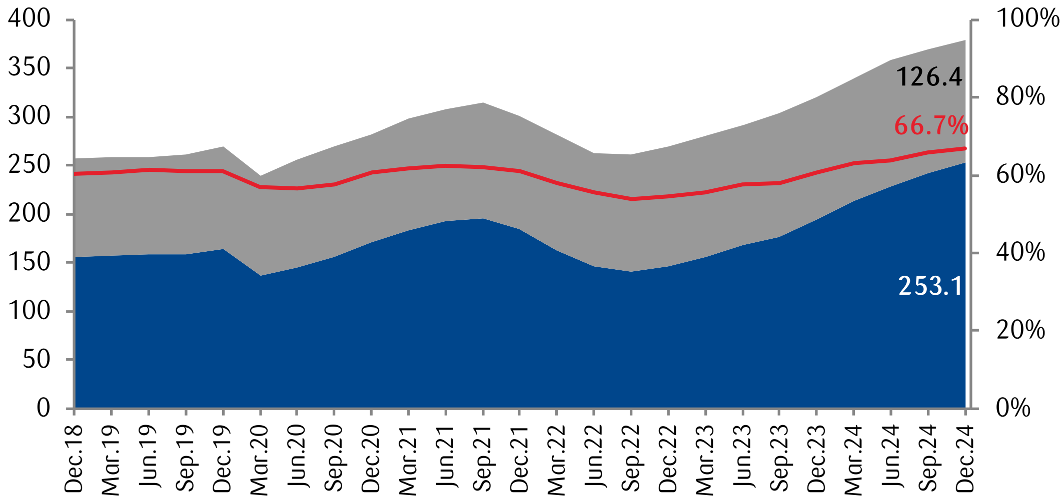
2.4 POSITION OF THE POLISH NON-BANKING SECTOR

INVESTMENT FUNDS MARKET

(Based on the data of Analizy Online)

At the end of December 2024, assets managed by domestic Investment Fund Companies (TFIs) amounted to PLN 379.5 billion (an increase by PLN 58.8 billion y/y), thus reaching the highest level in history. Assets of individuals increased to PLN 253.1 billion at the end of December 2024, accounting for nearly 67% of all funds accumulated in TFIs. As at the end of the analysed period, the value of funds accumulated in the Employee Capital Plans (PPK) target date funds increased to PLN 26.4 billion (+39% y/y).

Structure of assets managed by the Investment Fund Management Companies (PLN billion)



In 2024, the balance of payments and redemptions stood at PLN 42.4 billion (compared to PLN 22.1 billion in 2023). Individuals, for whom the total balance of payments and redemptions during the analyzed period amounted to PLN 45.5 billion (compared to PLN 23.7 billion in 2023), were the main contributors to the high net inflow of funds into the market. Households showed particular interest in debt funds (whose investment attractiveness, measured by the annual rate of return, has recently surpassed that of traditional bank deposits), which saw an inflow of PLN 37.7 billion. Equity funds, on the other hand, were far less popular among individuals, recording an outflow of PLN 0.2 billion during the January-December 2024 period.

OPEN PENSION FUNDS MARKET

(Based on PFSA data)

At the end of December 2024, the assets of Open Pension Funds (OFEs) increased by 2.4% (+PLN +4.9 billion) to PLN 213 billion.

At the end of December, the number of OFE members stood at 14.3 million, down 2.0% y/y (-293 thousand people). The number of membership accounts maintained reached 14.2 million, with approximately 0.7% being so-called dormant accounts.

INSURANCE MARKET

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

In Q3 2024, insurance companies generated a total net profit of PLN 8.3 billion (3.4% y/y), however their technical profit from insurance decreased by 9.5% y/y (to PLN 4.8 billion). The financial performance of insurance companies was affected by a 9.6% y/y increase in gross premium written (to PLN 63.3 billion), alongside a higher rise in gross claims and benefits paid (11.3% y/y to PLN 36.8 billion). Meanwhile, the cost of insurance activities increased by 8.5% y/y (to PLN 15.6 billion).

In the life insurance segment, gross premium written was 3.7% y/y higher (PLN 17.2 billion), while claims and benefits costs decreased by 0.4% y/y (to PLN 12.1 billion). Costs of insurance activities in the life insurance segment increased by 2.0% y/y to (PLN 4.6 billion).

The other non-life insurance segment posted a y/y increase in gross premiums written of 12.0% (to PLN 45.5 billion), alongside a significant rise in claims and benefits paid (15.4% y/y to PLN 22.7 billion). Costs of insurance activities in the other personal and property insurance segment increased by 11.5% y/y (to PLN 11.0 billion).

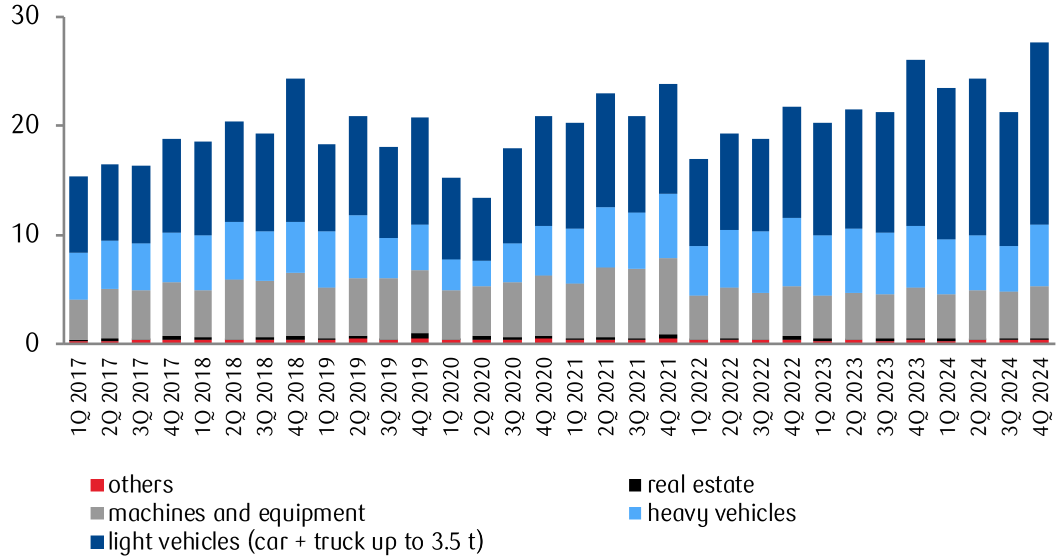
LEASE MARKET

(based on Polish Leasing Association data)

In 2024, the lease market financed assets with a total value of PLN 96.9 billion, which represents a 8.7% y/y increase compared to the corresponding period of the previous year. Passenger cars accounted for the largest share of financed assets (51.2%) in the analysed period, followed by heavy vehicles (12.9%) and machinery and equipment (18.3%).

At the end of December 2024, 73.1% of leasing companies' customers were micro and small-sized companies with a turnover of less than PLN 20 million (increase of 3.9 p.p. y/y). In turn, the share of individual customers was 1.3%. The total value of the active lease portfolio at the end of December 2024 was PLN 217.8 billion and was 8.3% y/y higher than at the end of 2023.

Lease market structure (new sales) in PLN billion



FACTORING MARKET

(Based on the Polish Factors Association data)

In 2024, the turnover of member companies of the Polish Factors Association increased by 4.7% y/y, amounting to PLN 471 billion, while the number of businesses using the services of factoring companies reached just under 27.1 thousand (+3% y/y).

The largest demand on the part of enterprises was still for factoring without recourse, whose share in sales of factoring companies was just under 49.1%. The share of domestic factoring in the turnover was 85.1%. Manufacturing and distribution companies, mainly from the food, metal and chemical industries, continued to be the entities that used factoring services the most often.

2.5 UKRAINIAN MARKET

ECONOMIC CONDITIONS

The National Bank of Ukraine (NBU) expects GDP growth for the full year 2024 to have been weaker than expected at 3.4%. In Q1 2024, GDP growth was 6.5% y/y, then slowed to 3.7% y/y in Q2 and 2.0% y/y in Q3. The economic recovery is ongoing but remains limited due to the continuing war. The slowdown compared to 2023 is partly due to smaller agricultural yields, weaker-than-expected external demand, and increased Russian airstrikes, resulting in power outages. According to NBU forecasts, GDP growth is expected to accelerate to 4.3% in 2025. Economic recovery will be supported by a continued loose fiscal policy, a revival in domestic demand supported by rising wages, expected higher yields, stronger external demand, and investments in the rebuilding of the economy, especially in the energy sector. However, factors such as labor shortages, security threats, and migration processes will limit the pace of recovery. According to the UNHCR, the number of Ukrainian refugees abroad reached 6.8 million by the end of 2024, with 3.6 million internally displaced persons. CPI inflation is rising again, accelerating to 12.0% y/y in December 2024 from 3.2% y/y in April 2024 (local minimum) and 5.1% y/y in December 2023. The higher inflation is driven by food price increases (due to weaker harvests in 2024), energy, and services. High wage growth, amid a labor shortage, is also contributing to inflation. NBU forecasts that after transitional factors subside, CPI inflation will decrease to 8.4% in 2025 and reach the inflation target of 5% in 2026. In the first half of 2024, the NBU gradually lowered interest rates (including the main policy rate from 15.0% in January to 13.0% in June), and later, at meetings in December 2024 and January 2025, it raised interest rates by a total of 150bps to support the Ukrainian hryvnia (UAH), anchor inflation expectations, and bring inflation to the target. The central bank's rate at the end of 2024 was 13.5%, increasing to 14.5% in January. The UAH exchange rate was freed, but the NBU retains the option for interventions, which increased by the end of 2024. Foreign exchange reserves rose by 8% y/y to USD 43.8 billion in December 2024. The fiscal sphere remains a critical risk to Ukraine's macroeconomic stability. According to NBU estimates, the fiscal deficit excluding foreign grants in 2024 was approximately 1.8 trillion UAH (about 24% of GDP). The 2025 budget law forecasts the fiscal deficit (excluding foreign grants) to reach about 1.7 trillion UAH (over 20% of GDP), and its financing depends on continued external financing (mainly from the EU, the USA, and loans from the IMF, although borrowing needs in 2025 will be lower than in 2023 and 2024). The suspension of nearly all U.S. foreign aid (except military funding for Israel and Egypt) following Donald Trump's inauguration is a significant risk factor for financing the projected deficit in 2025.

UKRAINIAN BANKING SECTOR

According to data from the NBU, the number of banks which engaged in operations in Ukraine dropped to 62 at the end of November 2024 from 63 at the end of December 2023, due to the bankruptcy of one bank. At the end of November 2024, the value of the banking sector's assets increased by 18.5% y/y to 3.26 trillion UAH and equity by 21.3% y/y to UAH 409.2 billion. The equity-to-assets ratio had been rising continuously, reaching 12.6% at the end of November 2024, up from 10.0% at the end of December 2023, and approaching the level of 12.8% recorded at the end of January 2022 (before the Russian invasion of Ukraine). In the third quarter of 2024, the banking sector's profits decreased by 1.2% q/q (−8.6% y/y). The NBU estimates that banks could face challenges if legislative changes come into effect, increasing the income tax for 2024 to 50% from 25%.

In August 2024, banks switched to calculating regulatory capital in accordance with European standards. At the beginning of October, the R2 capital adequacy ratio stood at 16.2%, compared to 19.9% at the beginning of August. The ratio is significantly lower compared to 19.7% at the beginning of 2023 and 18% at the beginning of 2022 (the requirement is 10%). Nevertheless, the possibility of including profits in Tier 1 capital increased its value, and the Tier 1 capital adequacy ratio at the end of Q3 2024 was 15.7%, compared to 11.6% at the end of Q2 2024. The loan-to-deposit ratio among residents stood at 42.9% in November 2024, remaining close to its lowest level since the Russian aggression (41.3% in April 2024, 72.2% in January 2022). The banking sector remains highly liquid, with LCR ratios exceeding requirements several times.

Total deposits increased by 17.4% y/y to UAH 2.65 trillion in November 2024, with resident deposits accounting for 98.7% of the total. Residents' foreign currency deposits grew at a stronger pace than total residents' deposits in the second half of 2024 (19.7% y/y and 17.5% y/y in November 2024, respectively), in contrast to the trend observed in the first half of the year. The dynamics of total loans in 2024 showed an increase, with a 16.0% y/y growth in November 2024, compared to a 0.9% y/y decline in December 2023. The total loan volume increased on a monthly basis throughout almost all of 2024, except for October. In November 2024, the dynamics of loans to households stood at 22.8% y/y, compared to 6.9% y/y in December 2023, while loans to businesses grew by 8.8% y/y. The further improvement in credit granting conditions, particularly the stabilization of interest rates during the June-December period, fueled a revival in credit activity and an increase in the share of unsubsidized loans. Throughout 2024, the volume of mortgage loans granted steadily increased, with state-subsidized loans under the eOselia program still clearly dominating. The previously main driver of credit activity for businesses, the state program "Affordable 5-7-9% Loan," lost some of its significance. In the third quarter of 2024, the share of loans granted under this program in total hryvnia-denominated loans decreased by 2 percentage points q/q.

At the end of November 2024, the return on assets (ROA) in the Ukrainian banking sector stood at 4.65% and the return on equity (ROE) reached 40.49%.

2.6 REGULATORY AND LEGAL ENVIRONMENT

The financial position and operations of the PKO Bank Polski S.A. Group were also affected by legal and regulatory solutions and supervisory recommendations that came into force in 2024, including in particular:

WITH RESPECT TO LOANS
The Consumer Pawn Loan Act of 14 April 2023, amended, among other things, the Civil Code and the Consumer Credit Act, with effect from 7 January 2024. As a result of the amendments, protection provided under the Consumer Credit Act has been extended to all individuals running agricultural businesses engaged in plant or animal production, including horticulture, fruit growing, beekeeping, and fisheries, in cases where financing is provided up to PLN 255,550. On 29 April 2024, the Act amending the Civil Code, the Consumer Credit Act, and the Consumer Pawn Loan Act came into force, which repealed the above-mentioned consumer protection for farmers.
On 15 May 2024, the Act amending the Act on support for borrowers who have taken out a mortgage loan and are in a difficult financial situation and the Act on crowdfunding for business ventures and assistance for borrowers entered into force. The Act made it possible for borrowers to suspend mortgage payments for 2 months each in the Q3 and Q4 2024. A newly introduced requirement for suspension is that the value of the loan granted does not exceed PLN 1.2 million and that the arithmetic mean of the instalment to income ratio (ITI) for the last 3 months preceding the month of the application for suspension exceeds 30% or that the consumer has at least three dependent children.
Amendment to Recommendation S of the PFSA with regard to the calculation of creditworthiness of 19 June 2023 introduced a countercyclical system for calculating the interest rate buffer. It led to a reduction in the buffer for loans with variable interest rates under the current macroeconomic conditions, as well as the reduction in the buffer for loans with a periodical fixed interest rate and the period of determination of this rate for more than 5 years. It also introduced: 1. a new approach to setting this buffer, which has a positive impact on creditworthiness in the period of falling rates, 2. as of 1 July 2024, an obligation to inform a mortgage loan applicant about the consequences of a possible decrease in the value of the property which is to be used as collateral for the loan.
On 12 January 2024, the Court of Justice of the European Union, in Case C-488/23, ruled that the provisions of Directive 93/13 preclude a judicial interpretation of the law of a Member State, according to which, in the case of a void agreement, the bank is entitled to demand from the consumer – in addition to the reimbursement of the principal disbursed as part of the agreement performance plus statutory default interest accrued from the date of the demand for payment – compensation consisting in judicial adjustment of the amount of disbursed principal, if there is a substantial change in the purchasing power of the currency after the principal has been transferred to the consumer. This ruling has a significant impact on the extent of the Bank's restitution claims, as it excludes the possibility of claiming the adjustment of principal disbursed by the Bank.
On 25 April 2024, the Supreme Court, represented by the entire Civil Chamber, adopted the following resolution in Case III CZP 25/22 (formerly III CZP 11/21 - questions asked by the First President of the Supreme Court): 1. if a provision of a loan agreement indexed to or denominated in foreign currency relating to the method of determining a foreign currency exchange rate is found to be an illicit contractual provision and is not binding, it

cannot be assumed under the existing legislation that another method of determining the foreign currency exchange rate resulting from law or custom replaces such provision,

2. if it is impossible to establish a foreign currency exchange rate binding on the parties in a loan agreement indexed to or denominated in foreign currency, the remainder of the agreement is also not binding,
3. where, in the performance of a loan agreement which is not binding due to the illicit nature of its provision, the bank has disbursed to the borrower all or part of the amount of the loan and the borrower has repaid the loan, independent claims for reimbursement of the wrongful performance arise in favour of each party, if a loan agreement is not binding due to the illicit nature of its provisions, the limitation period of the bank's claim for reimbursement of amounts disbursed under the loan begins to run, in principle, from the day following the day on which the borrower challenged the fact of being bound by the provisions of the agreement against the bank.
4. if a loan agreement is not binding due to the illicit nature of its terms, there is no legal basis for either party to claim interest or other consideration for the use of its funds during the period from the time the wrongful performance was made until it falls into arrears as to the repayment of that performance.

In connection with the content of the Resolution, the Bank filed claims for the reimbursement of principal from customers who questioned agreements on loans denominated in or indexed to foreign currencies by the end of 2021, even in cases where they did not file a lawsuit against the Bank.

On 17 October 2024, the Court of Justice of the European Union (CJEU) issued a ruling in case C-76/22 (Santander Bank Polska), in which it determined that a consumer may be entitled to a refund of part of the commission for a mortgage loan if they were not informed that this commission does not depend on the duration of the agreement. The Court also pointed out that it is for the national court to determine how to calculate the reduction of the total loan amount using a calculation method that ensures a high level of consumer protection. The ruling has an impact on the interpretation of Articles 38 and 39 of the Act on Mortgage Loan and Supervision of Mortgage Loan Brokers and Agents.

On 24 October 2024, the Court of Justice of the European Union (CJEU) issued a ruling in case C-339/23 Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty v. LC. The Court indicated that Article 23 of Directive 2008/48 on consumer credit agreements must be interpreted in such a way that it does not preclude a penalty for failing to comply with the obligation to assess the consumer's creditworthiness from differing from the penalty provided for failing to comply with other potentially equivalent obligations laid down in the directive, particularly the obligation regarding the information to be included in consumer credit agreements, as long as the conditions for the penalties to be effective, proportionate, and dissuasive are met. The ruling has an impact on the interpretation of the provisions regarding the consequences of failing to assess creditworthiness.

WITH RESPECT TO THE FINANCING OF LOANS

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

WITH RESPECT TO THE FINANCIAL MARKET

Most of the provisions of the Act amending certain acts in connection with ensuring the development of the financial market and the protection of investors in this market entered into force on 29 September 2023, but some of them entered into force also in the first half of 2024. Under this Act, dozens of legal acts regulating, inter alia, the functioning of the financial market and the banking sector have been amended. In addition, the Act introduces new regulations on outsourcing and sub-outsourcing in the banking sector, which aim to streamline existing procedures and bring them in line with the Guidelines of the European Banking Authority. The Act aims to organise and streamline the functioning of financial market institutions, in particular with regard to the elimination of barriers to access the financial market, the improvement of oversight of the financial market, the protection of customers of financial institutions, the protection of minority shareholders in public companies and the increase of the level of digitisation in the implementation of supervisory duties by the PFSA and the PFSA Office. One of the key amendments is the restriction of the sale of corporate bonds to retail clients outside the regulated market or alternative trading system and crowdfunding platforms. The Act modifies and extends the existing rules regarding the blocking of accounts when, based on available information, there is a suspicion that a transaction made or planned may be linked to the commitment of a specific offence. In addition, the Act enables the exchange of information covered by secrecy (e.g. banking secrecy) where this is necessary to take action to counter threats to the security of ICT systems. Another new solution is the introduction of the option to use electronic service during the activities carried out by the PFSA, which represents a clear shift towards electronic communication between the PFSA and supervised entities.

WITH RESPECT TO INSURANCE

On 26 June 2023, the PFSA issued a new Recommendation U concerning good practices in the area of bancassurance, effective as of 1 July 2024. The primary objective of the amended Recommendation U is to ensure that customers get appropriate value for money with regard to insurance products offered through bancassurance, with a particular focus on loan or credit repayment insurance (the so-called CPI products) and the manner of offering insurance products taking into account the interests of the customer and the cost of insurance coverage. The new Recommendation U emphasised the role of the audit committee with regard to the internal control system and the risk management system.

WITH RESPECT TO RISK MANAGEMENT

On 26 November 2024, the Bank Guarantee Fund (BGF) issued a letter informing the Bank about the MREL TREArequirements based on consolidated data. The required MREL for TREA is 15.36% and for TEM is 5.91%. The Bank must meet both requirements simultaneously, ensuring the appropriate subordination requirement is maintained. As of 31 December 2023, the Bank's resolution group exceeded the EUR 100 billion total assets threshold, classifying it as a Top Tier Bank. 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 date, it must not be lower than 13.90% 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 date, the Bank must meet a minimum of 5.62% TEM).

On 19 June 2024, the European Parliament and the Council of the European Union published Regulation 2024/1623 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor. A significant part of the Regulation's provisions will apply from 1 January 2025 and will result in a change in the approach to the calculation of capital requirements.

On 24 April 2024, the European Parliament and the Council of the European Union published Regulation (2024/856) supplementing Regulation 2013/36/EU with regard to regulatory technical standards specifying the supervisory shock scenarios, the common modelling and parametric assumptions and what constitutes a large decline. The Regulation entered into force on 14 May 2024. It introduces the need to monitor, control and manage the use of the SOT NII limit for Tier 1 capital at 5%.

On 24 April 2024, the European Parliament and the Council of the European Union published Regulation (2024/855) amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/451 as regards rules on the supervisory reporting of interest rate risk in the banking book (IRRBB). The Regulation entered into force on 14 May 2024 and is applicable as from 1 September 2024. It results in a change of the form of IRRBB reporting to EBA.

On 26 February 2024, the PFSA adopted Recommendation G (replacing the previous revision from 2002) concerning the management of interest rate risk in banks. It was adopted to reflect changes in generally applicable legislation and the current market situation. The regulation is a set of good practices as regards interest rate risk management in banks and keeping the financial result volatility sensitive to that risk and measures of economic value within limits that do not compromise the bank's security. The recommendation takes into account the current conditions in respect of products generating interest rate risk and techniques for managing this risk. The final shape of the Recommendation was influenced by both the provisions of national legislation and the recently developed package of EU regulations on interest rate risk management. The amended Recommendation G contains provisions clarifying and supplementing the above regulations, in particular with regard to the management of interest rate risk in banks, also in the trading book.

WITH RESPECT TO IDENTITY VERIFICATION

On 1 June 2024 the Act of 7 July 2023 amending certain acts to mitigate certain effects of identity theft. The Act aims to increase protection against fraud resulting from data theft and to reduce the scale of fraudulent financial transfers by incurring financial obligations in the name of another person (e.g. credit agreements, loan agreements, real estate sale agreements) without the owner's knowledge and consent, as well as the phenomenon of so-called SIM swapping, i.e. making a duplicate SIM card, which can then be used to illegally authorise transactions.

WITH RESPECT TO ELECTRONIC DELIVERY

The Act of 21 November 2024 amended the provisions of the Act of 18 November 2020 on electronic delivery. The aim of the Act is to introduce an additional transitional period until 31 December 2025, during which entities obliged to use e-Delivery will gradually adapt to the new method of correspondence, including the implementation of the electronic document circulation system (EZD). During the transitional period, the legislator ensures the equivalence of correspondence delivery via postal operators, ePUAP, and other sector-specific systems with e-Delivery. The obligation for entities specified in the Act on electronic delivery to obtain an electronic delivery address by the date specified in the notice issued under Article 155(10) of the Act on electronic delivery, i.e. by 1 January 2025, remains unchanged. Non-public entities registered in the National Court Register before 1 January 2025 are required to have an electronic delivery address entered in the electronic address database by 1 April 2025.

WITH RESPECT TO RESIDENTIAL ESCROW ACCOUNTS

Amendments to the Act of 20 May 2021 on the protection of the rights of the purchaser of a residential unit or a detached house and the Developer Guarantee Fund ("Developer Act") introduced by two Acts of 7 July 2023:

1. on a pan-European individual pension product,
2. on amending the Act on spatial planning and development and certain other acts.

The Acts have a direct impact on, among other things, the revision of the content of the investment prospectus prepared by developers and, by extension, on the conditions under which banks provide services in respect of maintaining closed and open residential escrow accounts. 1 July 2024 marked the end of the transitional period introduced by the Developer Act, authorising the application of the provisions of the previous Act to developer projects and agreements commenced before 1 July 2022, ended.

WITH RESPECT TO TAXES

Amendments to the Corporate Income Tax Act and the Personal Income Tax Act effective from 1 January 2024 and concerning the fulfilment of the remitter's (including the technical remitter's) obligations, as well as disclosure requirements with regard to, inter alia, selected income from bonds, income from investments in equity funds, including the extension of the period of application of the exclusion of the so-called pay & refund mechanism.

WITH RESPECT TO ENSURING COMPLIANCE WITH ACCESSIBILITY REQUIREMENTS

On 5 May 2024, the Act of 26 April 2024 on ensuring economic operators' compliance with the accessibility requirements for certain products and services was promulgated. The Act implements Directive (EU) 2019/882 of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services. The Act sets out the accessibility requirements (characteristics of a product or service that enable its use for intended purpose by people with special needs on par with other users) that must be met by products and services. The requirements were introduced so that economic operators employ information and technology solutions that enable and facilitate the use of specific products by people with special needs, as well as to reduce social exclusion.

The Act also regulates administrative fines that will be imposed by the President of the Management Board of PFRON or a market surveillance authority on economic operators that fail to fulfil their obligations under the Act. The amount of the fines will be up to ten times the average monthly salary in the national economy for the previous year. Additionally, a ban may be imposed on offering or providing a service that does not meet accessibility requirements (for a period not exceeding 180 days or, in specific cases defined in the Act, completely). The Act enters into force on 28 June 2025.

WITH RESPECT TO THE PROTECTION OF WHISTLEBLOWERS

On 24 June 2024, the Act of 14 June 2024 on the protection of whistleblowers was promulgated. The Act entered into force on 25 September 2024, with the exception of provisions entering into force at a different date. The purpose of the Act is to implement into national law the provisions of Directive 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ EU L 305 of 26.11.2019, page 17, as amended). The Act regulates the rules of protection of whistleblowers, i.e. individuals who report or publicly disclose information about a violation of the law obtained in a work-related context.

WITH RESPECT TO PAYMENT SERVICES

The CJEU ruled on 11 July 2024 in Case C-409/22 v Eurobank Bulgaria concerning unauthorised transactions. The CJEU pointed out that:

1. a power of attorney, by which the holder of a bank account authorises an agent to make a disposal of assets, on that account, by means of a payment order, does not, in itself, constitute a 'payment instrument' within the meaning of that provision. However, a set of procedures, agreed between the holder of that account and the payment service provider, which allows the agent appointed in such a power of attorney to initiate a payment order from that account, may be classified as a 'payment instrument'.
2. where a payment transaction was executed on the basis of a power of attorney granted by the holder of a bank account, which was formalised as a notarial document and bears an 'apostille' certificate, and the account holder disputes the validity of that power of attorney and, therefore, that consent was given to that payment transaction, the fact that the power of attorney in question is formally regular is not sufficient for it to be assumed that that transaction was authorised, and the payment service provider must demonstrate that, by means of that power of attorney, the payment service user duly expressed agreement, in accordance with the procedure for giving consent agreed with that provider, to the payment transaction in question.

The findings of the judgment may be used against banks and increase the requirements for banks to demonstrate transaction authorization.

On 23 October 2024, the document titled "Measures to Reduce the Risk of Fraudulent Transactions – Recommendations of the President of UOKiK for Payment Service Providers," prepared by a working group including representatives from, among others, the PFSA Office and experts from the banking sector, was published on the UOKiK website. Providers should follow these recommendations to ensure maximum effectiveness in their procedures for preventing unauthorized and fraudulent payment transactions. Although the document is not legally binding, the President of UOKiK may treat it as a set of good practices and initiate proceedings for practices violating collective consumer interests in the case of non-compliance.

WITH RESPECT TO ACCOUNTING AND AUDITORS

The Act of 6 December 2024 amending the Accounting Act, the Act on Statutory Auditors, Audit Firms, and Public Oversight, and certain other acts. The purpose of the Act is to implement into the national legal order the Directive of the European Parliament and of the Council (EU) 2022/2464 of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU with regard to corporate reporting on sustainable development (OJ EU L 322 of 16 December 2022, p. 15; Directive 2022/2464) and the Commission Delegated Directive (EU) 2023/2775 of 17 October 2023 amending Directive 2013/34/EU of the European Parliament and of the Council with regard to the adaptation of the criteria for the size of enterprises for micro, small, medium, and large entities or groups (OJ EU L 2023/2775 of 21 December 2023; Delegated Directive).

WITH RESPECT TO THE ENFORCEMENT OF CLAIMS IN CLASS ACTIONS

The Act of 24 July 2024 amending the Act on the enforcement of claims in class actions and certain other Acts entered into force on 29 August 2024. The Act aims to implement into Polish law the Directive of the European Parliament and of the Council (EU) 2020/1828 of 25 November 2020 on representative actions for the protection of the collective interests of consumers, repealing Directive 2009/22/EC (OJ EU L 409 of 4 December 2020, p. 1, as amended; Directive 2020/1828). Directive 2020/1828 aims to strengthen the mechanism for protecting the collective interests of consumers by allowing authorized entities acting on behalf of consumer protection, designated by the EU Member States, to bring actions on behalf of and for the benefit of consumers. To implement Directive 2020/1828, the Act amends the following laws: the Act on the enforcement of claims in class actions, the Act on competition and consumer protection, and the Act on court fees in civil matters.

2.7 FACTORS THAT WILL AFFECT FUTURE FINANCIAL PERFORMANCE

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

In the global economy:

- the war in Ukraine, as well as the form of its potential resolution and the economic consequences of these events, including the availability and prices of energy resources, migration flows to and from the labor market, and the impact on the sentiment of domestic companies and consumers;
- increased geopolitical risk, with the risk of escalating conflicts in Ukraine, around Taiwan and in the Middle East, their impact on supply chains and commodity prices;
- changes in U.S. economic policy following the change in administration, primarily decisions regarding trade policy and tariff increases, including those concerning Europe;
- high political uncertainty in Europe, including parliamentary elections in Germany, a high likelihood of early elections in France, amid growing polarization and radicalization of social moods;
- the policy of major central banks, including the expected continuation of interest rate cuts by the ECB and a possibly smaller-than-previously-expected scale of rate cuts by the Fed;
- the persistence of relatively low global economic growth, primarily the prolonged stagnation period in Germany;
- the possibility of access to investors from the European market due to debt issuance in the context of the regulatory requirements for minimum own funds and eligible liabilities (if necessary);
- changes in climate policy, including the accelerating energy transition and the increasing stringency and importance of environmental requirements in Europe, in the context of the slowdown of transformational actions in the United States.

In the Polish economy:

- the expected continued economic recovery, primarily on the investment side, including the increase in the scale of EU fund inflows, but also in the area of private consumption;
- the scale and pace of the inflow of EU funds, mainly under the NRP, and the possibility of their quick utilisation with the risk of supply constraints;
- the path of further changes in NBP interest rates and the level of the reserve requirement, including the risk of maintaining a distinctly restrictive monetary policy;
- the expected recovery in demand for credit, both from households, e.g. in light of anticipated interest rate cuts, and from businesses, due to the recovery in private investment;
- the intensity and persistence of pro-inflationary factors and regulatory action aimed at limiting the scale of price growth;
- migration flows, including their impact on labor supply and aggregate demand in the economy;
- the continuation of strong cost pressures from the labour market, in the face of a probable recovery in demand for employees resulting from the economic recovery, in an environment of limited supply in the labour market;
- the shape and timing of the introduction of the government-announced support programmes for mortgage borrowers;
- the situation in the financial markets, which may reflect an increase in geopolitical risk;
- the risk associated with the implementation of the new benchmark index WIRF and its impact on the financial market;
- the introduction of the Long-Term Funding Ratio and its impact on the long-term funding market;

- the election campaign ahead of the Presidential elections and the shape of the political landscape in Poland after the elections;
- the increase in capital requirements related to the CRD VI / CRR III package coming into force from January 2025 and the countercyclical buffer announced in the Regulation of the Minister of Finance, which will come into force at the end of the third quarter of 2025 – the establishment of a neutral level of the countercyclical buffer rate in accordance with the Regulation of the Minister of Finance of 18 September 2024 on the countercyclical buffer rate announced on 24 September 2024 (currently 1% after 12 months and a target of 2% after 24 months from the date of the announcement of the Regulation on this matter by the Minister of Finance);
- the risk of potential additional burdens (including new significant reporting obligations) related to the implementation of the global minimum tax (Pillar II) in connection with Council Directive (EU) 2022/2523. The provisions will apply from 1 January 2025 (the legislator also provides the option to apply the Act starting from 2024). Pillar II also applies in selected tax jurisdictions where the Bank has foreign branches or subsidiaries.
- changes in property tax regulations (effective from 1 January 2025), which, among other things, introduced new, autonomous definitions of "building" and "structure," may affect the amount of tax liability (additionally, they are associated with the need to appropriately adjust tax calculations).
- the risk of a fine being imposed by the PFSA Office on the Bank, in connection with the Bank's suspected breach of the management and control requirements set out in Article 16 of Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds;
- the risk of an administrative sanction being imposed by the PFSA Office as part of ongoing administrative proceedings in connection with suspected breaches by PKO Bank Polski S.A. of the requirements of the Regulation on key information documents for retail collective investment products and insurance investment products (PRIIPs),
- the risk of a fine being imposed by the President of the Office of Competition and Consumer Protection as part of proceedings pending against the Bank: in matters related to violation of the collective interest of consumers in the handling of complaints concerning the so-called "unauthorised transactions", and in matters related to modification clauses or clauses concerning a change of the interest rate in contractual templates used by the Bank,
- the CJEU's ruling on the mutual settlements between the parties to a CHF mortgage loan agreement following its annulment, in particular in relation to the CJEU's judgment in Case C-520/21, which held that EU rules preclude a credit institution from claiming from a consumer an amount in excess of the principal of the loan disbursed and any interest on arrears from the date of the demand for repayment of the principal disbursed;
- further court decisions on the issue of foreign-currency housing loans and PLN loans based on WIBOR rates;
- the risk of an unfavorable trend in case law allowing borrowers to benefit from the free credit sanction due to inadequate – in the opinion of customers or law firms specialising in pursuing such claims – compliance by the Bank with its obligations under the Consumer Credit Act.

3. ORGANIZATION OF THE PKO BANK POLSKI S.A. GROUP

3.1 ENTITIES COVERED BY THE FINANCIAL STATEMENTS

Pursuant to the International Financial Reporting Standards (IFRS) as at 31 December 2024 the Bank's Group comprised PKO Bank Polski S.A. as the parent and 36 direct or indirect subsidiaries (at all levels). All the subsidiaries were disclosed in the consolidated financial data pursuant to IFRS 10, "Consolidated financial statements".

List of direct subsidiaries:

[1] PKO Bank Polski S.A. posiada certyfikaty inwestycyjne funduszu.

The list presents the share of PKO Bank Polski S.A. in the company's share capital, and in the case of funds – share of the fund's investment certificates held. All subsidiaries listed in the Consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2024 (hereinafter: financial statements of the Bank's Group for 2024) are accounted for using the acquisition accounting method.

A full list of the Bank's subsidiaries, associates and joint ventures is presented in the 2024 financial statements of the Bank's Group, in note 1 "Activities of the Group".

3.2 KEY CHANGES TO THE STRUCTURE OF THE BANK'S GROUP IN 2024

In 2024, the following events occurred in the structure of the Bank's Group.

- in January 2024, the merger of the investment funds NEPTUN - fiz an (the acquiring fund) and Mercury - fiz an (the acquired fund) was effected by transferring the assets of the acquired fund to the existing acquiring fund and allocating investment certificates of the acquired fund to a participant of the acquiring fund in exchange for investment certificates of the acquired fund. Merkury – fiz an was struck off from the list of subsidiaries of Bank PKO BP S.A.entity The companies of the Mercury - fiz an were transferred to the NEPTUN fizan fund,
- in May 2024, the placing of Molina spółka z ograniczoną odpowiedzialnością and Molina spółka z ograniczoną odpowiedzialnością 1 S.K.A. (NEPTUN – fizan portfolio companies) was entered in the National Court Register. The business names under which the companies operate were changed to: Molina spółka z ograniczoną odpowiedzialnością w likwidacji (in liquidation) and Molina spółka z ograniczoną odpowiedzialnością w likwidacji 1 S.K.A. w likwidacji (in liquidation),
- in July 2024, the placing of Sarnia Dolina sp. z o.o (an entity from NEPTUN fizan's portfolio) into liquidation was registered with the National Court Register. The business name under which the company operates was changed to: Sarnia Dolina sp. z o.o. w likwidacji (in liquidation),
- in September 2024, an entry was disclosed in the National Court Register, dated 8 August 2024, stating that the deletion of Molina spółka z ograniczoną odpowiedzialnością 2 S.K.A. w likwidacji (in liquidation) (an entity from NEPTUN fizan's portfolio) from the Register of Entrepreneurs became final. The company ceased to a member of the PKO Bank Polski S.A. Group.

3.3 TRANSACTIONS WITH SUBORDINATED ENTITIES

In 2024, PKO Bank Polski S.A. provided services to its related (subordinated) entities, including maintaining bank accounts, accepting deposits, granting loans and advances, debt securities issuance, granting of guarantees and spot exchange transactions and offering participation units and certificates of investment funds, lease products, factoring products and insurance products of the Bank Group companies, and services offered by Brokerage Office of PKO Bank Polski S.A.

The Bank provided services to PKO Bank Hipoteczny S.A. within the scope of intermediation in sales of housing loans for individuals, performing tasks as part of post-transaction services in respect of these loans and support tasks under the outsourcing agreement. The Bank offered its infrastructure and IT services and rented office space to selected Bank's Group companies. Together with Centrum Elektronicznych Usług Płatniczych eService sp. z o.o., the Bank rendered services of payment transaction clearance.

In 2024, PKO Bank Polski S.A. granted loans to related entities. A summary of receivables, liabilities, revenues and costs of the transactions between PKO Bank Polski S.A. and its subordinated entities, including these companies' indebtedness vis-à-vis the Bank as at 31 December 2024, is presented in the financial statements of the Bank's Group for 2024 in Note 64 "Transactions with the State Treasury and related parties".

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

Services provided by the Bank to related (subordinated) companies were performed on terms and conditions which do not diverge significantly from the arm's length conditions.

In 2024, subordinated entities of PKO Bank Polski S.A. did not conclude any material transactions with related parties on conditions other than arm's length.

4. FINANCIAL POSITION OF THE PKO BANK POLSKI S.A. GROUP

Financial data is presented on a management basis.

For definitions of major financial items (with reference to items from the income statement and statement of financial position) and financial indicators, see Chapter 14 (Glossary).

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

4.1 KEY FINANCIAL INDICATORS

The performance results of the PKO Bank Polski S.A. Group in 2024 led to the following financial performance indicators:

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

		31.12.2024	31.12.2023	Change
Net ROE	(net profit/(loss)/average equity)	19.2%	13.3%	+5.9 p.p.
Net ROA	(net profit/(loss)/average assets)	1.8%	1.2%	+0.6 p.p.
C/I	(cost to income ratio)	29.5%	31.6%	-2.1 p.p.
Interest margin[1)]	(net interest income/average interest-bearing assets)	4.80%	4.38%	+0.42 p.p.
Share of impaired exposures		3.59%	3.44%	+0.15 p.p.
Cost of credit risk		0.39%	0.50%	-0.11 p.p.
Total capital ratio	(own funds/total capital requirement*12.5)	18.58%	18.84%	-0.26 p.p.
Common equity Tier 1 (CET 1)[2)]		17.39%	17.95%	-0.56 p.p.
MREL TE (aggregate level)		10.80%	9.15%	+1.65 p.p.
MREL TREA (aggregate level)		19.56%	16.20%	+3.36 p.p.

1) The interest margin was calculated excluding the impact of the Act on crowdfunding for business ventures and assistance for borrowers (the so-called 'credit holidays') amounting to (-) PLN 3,111 million in Q3 2022, (+) PLN 105 million in Q4 2023, (-) PLN 488 million in Q2 2024 and (+) PLN 276 million in Q4 2024.

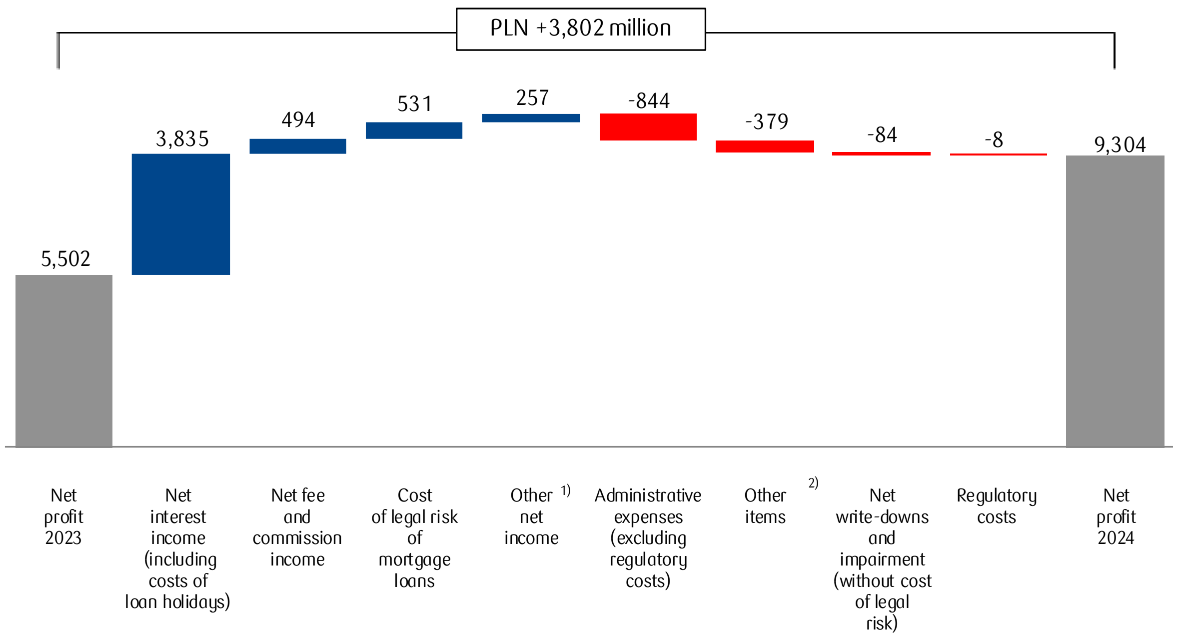
2) The figures for 2023 are restated and include the retroactive allocation to the funds of the 2023 result following the profit distribution by the Annual General Meeting of PKO Bank Polski S.A. (AGM).

4.2 CONSOLIDATED INCOME STATEMENT

Net interest income
Net fee and commission income
Other net income
Administrative expenses
Net write-downs and impairment

The consolidated net profit of the PKO Bank Polski S.A. Group for 2024 amounted to PLN 9,304 million, an increase of PLN 3,802 million compared to 2023. This was driven by an improvement in the result on business activity and a decrease in the cost of legal risk of mortgage loans in convertible currencies, despite higher operating expenses.

Change in net profit of the PKO Bank Polski SA Group (PLN million)



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

The profit on business activities of the PKO Bank Polski S.A. Group for 2024 amounted to PLN 28,765 million, an increase of PLN 4,586 million (i.e. 19.0%) compared to the previous year, mainly due to the growth in interest income, as well as higher net fee and commission income and net other income.

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

	2024	2023	Change (in PLN million)	Change (%)
Net interest income	**22,153**	**18,318**	**3,835**	**20.9%**
Net fee and commission income	**5,120**	**4,626**	**494**	**10.7%**
Net other income	**1,492**	**1,235**	**257**	**20.9%**
Net insurance income	669	711	-42	-5.9%
Dividend income	26	14	12	84.5%
Gains/(losses) on financial transactions	415	271	144	53,1%
Net foreign exchange gains/ (losses)	209	99	110	1.1x
Net other operating income and expense	173	140	33	23.9%
Result on business activities	**28,765**	**24,179**	**4,586**	**19.0%**
Administrative expenses	-8,487	-7,635	-852	11.2%
Tax on certain financial institutions	-1,270	-1,231	-39	3.2%
Net operating result	**19,008**	**15,313**	**3,695**	**24.1%**
Net write-downs and impairment	-6,403	-6,850	447	-6.5%
Share in profits and losses of associates and joint ventures	123	99	24	24.1%
Profit/loss before tax	**12,728**	**8,562**	**4,166**	**48.7%**
Income tax expense	-3,424	-3,057	-367	12.0%
Net profit (including non-controlling shareholders)	**9,304**	**5,505**	**3,799**	**69.0%**
Profit (loss) attributable to non-controlling shareholders	0	3	-3	**-1.1x**
Net profit/loss	**9,304**	**5,502**	**3,802**	**69.1%**

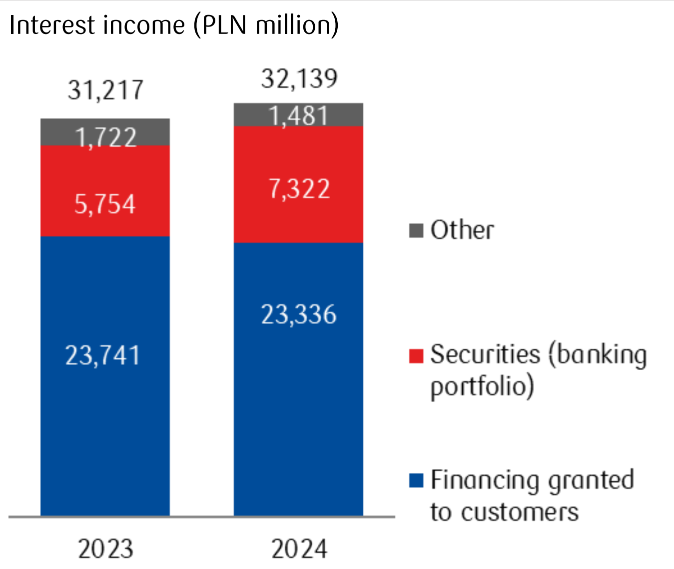
NET INTEREST INCOME

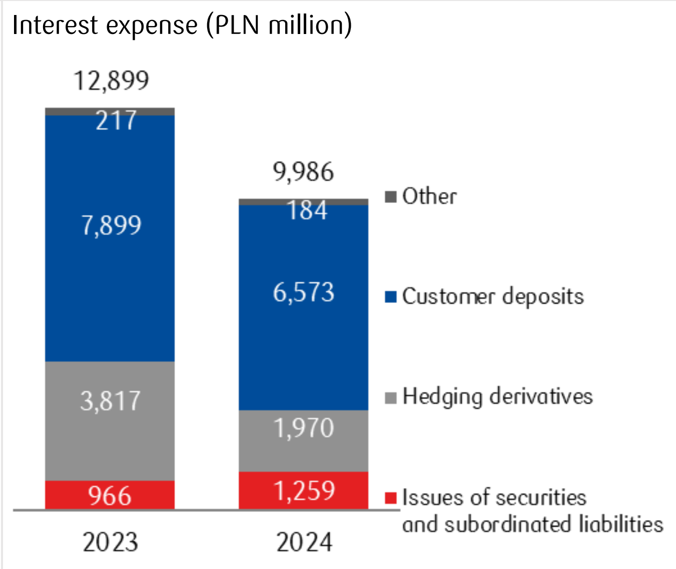
Net interest income for 2024 amounted to PLN 22,153 million, i.e. PLN 3,835 million more than in the previous year.

The y/y increase in the net income was mainly driven by a decrease in interest expenses, due to the decline in market interest rates, which resulted in lower interest costs on customer deposits and reduced costs associated with hedge accounting.

Net interest income was also positively affected by the increase in income from securities, as a result of the increase in the average interest rate and the increased average portfolio volume.

The net income was negatively affected by a decline in income from financing granted to customers, due to the revaluation of products following interest rate cuts made by the Monetary Policy Council in the second half of 2023, as well as the impact of the statutory credit holidays.





Interest income amounted to PLN 32,139 million and was 3.0% higher than in 2023. This was mainly due to:

- higher income on securities (PLN +1,567 million y/y), mainly due to an increase in average interest rates resulting from purchases at current yields and a rise in the average portfolio volume by nearly PLN 31 billion,
- a decline in income from financing granted to customers by PLN 87 million y/y (excluding the impact of credit holidays), mainly due to a decrease in the average interest rate on customer financing by 0.6 percentage points, resulting from lower market interest rates,
- recognition of the impact of the statutory credit holidays: the impact of credit holidays in 2023 was positive and amounted to PLN 105 million (in the fourth quarter, the Group made an estimate of the actual loss level related to credit holidays), while in 2024, the total impact of credit holidays recognized in the Group's books amounted to PLN -212 million (in May, the cost of the next stage of credit holidays was estimated at PLN -488 million, while in November, the loss from this item was reduced by PLN 276 million).

Interest expenses stood at PLN 9,986 million, down PLN 2,913 million from 2023, due to:

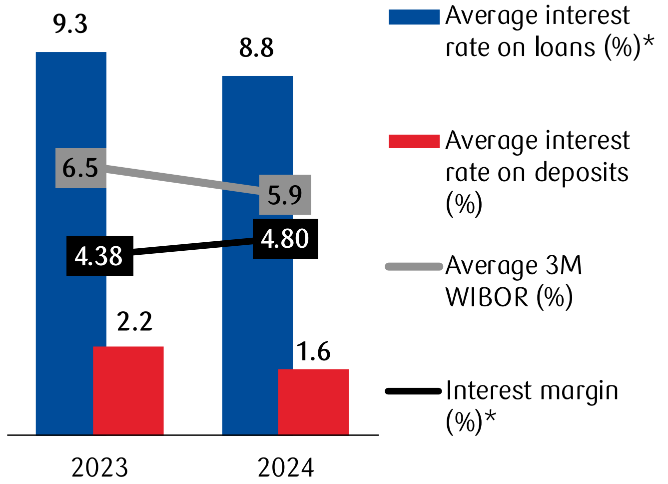
- a decrease in interest expense on deposits by PLN 1,326 million y/y, which was attributable in particular to lower average annual interest rates in PLN and the resulting decrease in interest rates on deposits, as well as changes in the term structure involving a decrease in the share of current deposits bearing lower interest rates,
- a decrease in the cost of hedge accounting to PLN 1,970 million (PLN 1,847 million y/y), mainly as a result of interest rate cuts for PLN, which impacted the reduction in the margin between the paid floating rate and the received fixed rate on IRS transactions, as well as due to the maturity of transactions entered into at low interest rate levels,
- an increase in the cost of issuing its own bonds by PLN 293 million, mainly due to additional bond issuances, including those made to meet MREL requirements.

The interest margin in 2024, excluding the impact of recognizing the effects of the statutory credit holidays, increased by 0.42 p.p. y/y to 4.80%.

The market interest rate decreases had a greater impact on lowering interest expenses, while interest income saw a smaller decline due to the increased profitability of the securities portfolio and higher loan volumes, which positively affected the realized interest margin.

In 2024, the average interest rate on PKO Bank Polski S.A.'s loans was 8.8%, and the average interest rate on total deposits was 1.6%. In 2023, it was 9.3% and 2.2%, respectively.

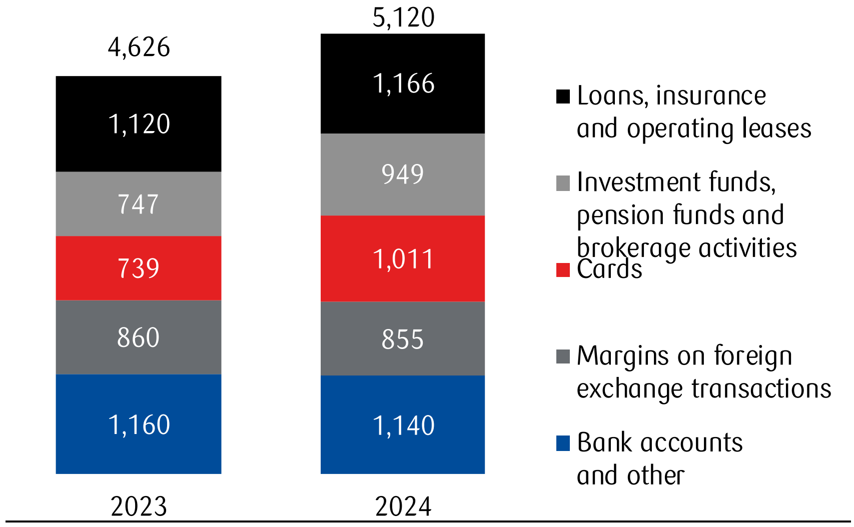
Average interest rate and interest margin (in %)



* The indicators were calculated excluding the impact of the recognition of the effects of the Act on crowdfunding for business ventures and assistance for borrowers (so-called statutory credit holidays).

WYNIK Z TYTUŁU PROWIZJI I OPŁAT

Net fee and commission income (in PLN million)



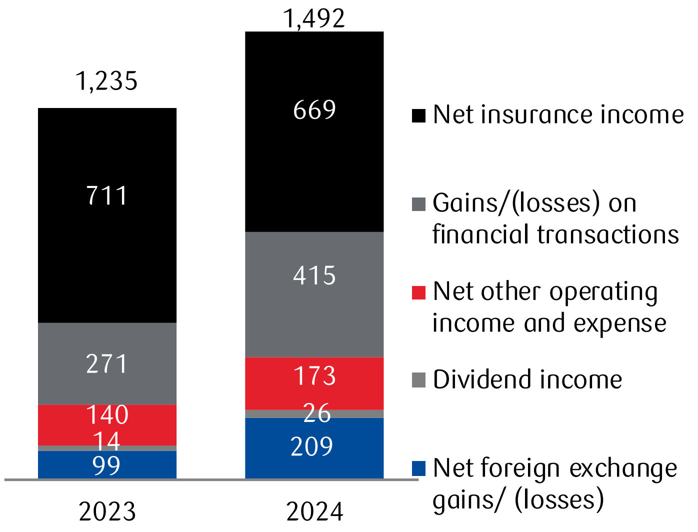
In 2024, net fee and commission income amounted to PLN 5,120 million, and was PLN 494 million higher than in the previous year. The increase in net commission income was due to, among other things:

- higher net income on cards (PLN +272 million y/y) mainly as a result of settlements with card organisations, a higher number of cards and higher transaction volumes,
- higher net income from investment funds, pension funds, and brokerage activities (PLN +202 million y/y), mainly as a result of higher commissions from the sale of Treasury bonds and the primary market, increased management fees from PKO TFI S.A., and higher fees from Pension Funds,
- higher income on loans, insurance, and operating leases (PLN +46 million y/y), mainly as a result of an increase in commissions on operating leases and commission income from business loans,
- lower net income on margins on foreign exchange transactions (- PLN 5 million y/y),

- lower net income from handling bank and other accounts (PLN -20 million y/y), mainly due to higher commission expenses related to guarantees, settlement services, and lower commissions from Kredobank accounts and leasing commissions, despite higher commissions from foreign operations, transfers, and account management.

NET OTHER INCOME

Net other income (in PLN million)

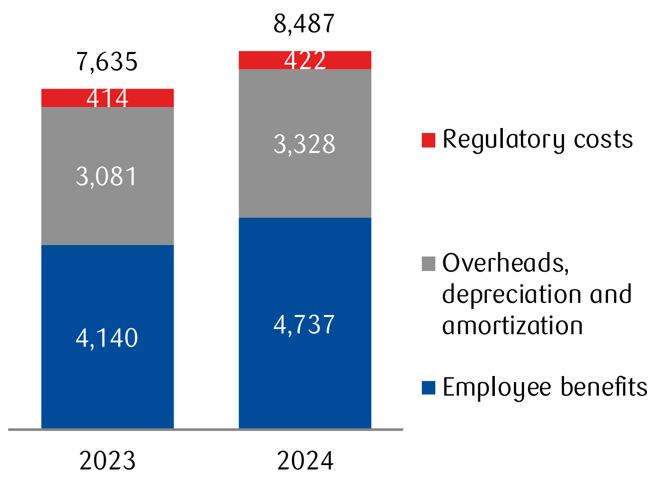


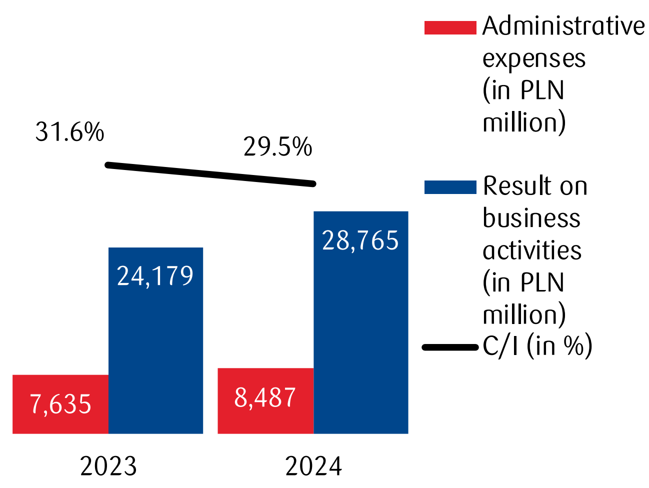
Other net income earned in 2024 amounted to PLN 1,492 million and was PLN 257 million higher than in 2023, among other things, as an effect of:

- higher result on financial transactions (PLN +144 million y/y), mainly due to an increase in the result on derivative instruments (especially interest rate derivatives), higher income from derecognition of assets (both from the sale of securities whose valuation effects are recognised in other comprehensive income, and from substantial modifications), as well as an increase in the valuation of debt instruments, while simultaneously experiencing a decline in the valuation of shares,
- an improvement in net foreign exchange income (PLN +110 million y/y), mainly the income on currency derivatives,
- higher net other operating income and expenses (PLN +33 million y/y), among other things as a result of:
  - the recognition in 2023 of a loss on the sale of CO_2 emission allowances of PLN 26 million, which was offset by a positive result from customer derivative instruments related to CO_2 emission allowances,
  - the reclassification of costs for 2024 related to the reimbursement of court fees as a result of a settlement to the cost of legal risk of mortgage loans (change of +PLN 29 million y/y due to the lack of reclassification for 2023),
  - with a decline in income from other leasing activities by PLN 40 million (mainly due to the effect of market changes in the availability and price of new and used cars).
- higher dividend income (PLN +12 million y/y), mainly as a result of dividend paid in 2024 by a company held in the PKO VC portfolio,
- lower net insurance income (PLN -42 million y/y), mainly as a result of a decline in the loan-related insurance portfolio (due to the implementation of Recommendation U and higher refunds), while the portfolio of non-linked insurance (property and motor insurance) and leasing insurance (motor insurance, vehicle depreciation insurance, and property insurance) increased.

ADMINISTRATIVE EXPENSES

Administrative expenses (in PLN million)	C/I ratio components





In 2024, administrative expenses amounted to PLN 8,487 million and were 11.2% higher y/y. Their level was mainly determined by:

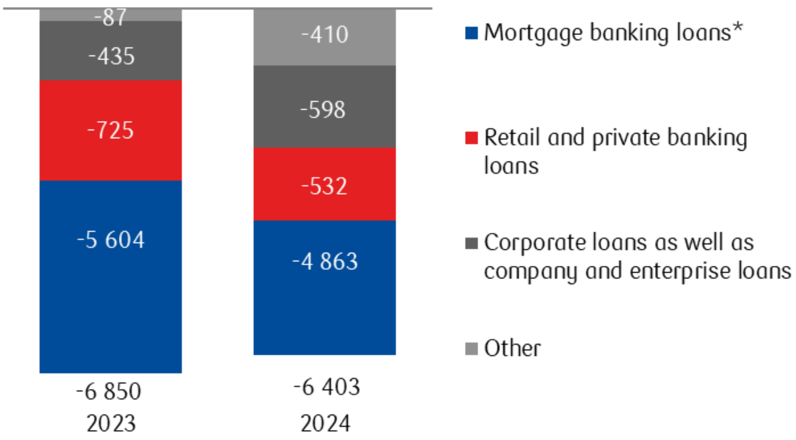
- an increase by PLN 597 million, or 14.4%, in the cost of employee benefits, mainly as a result of wage adjustments and an increase in headcount,
- an increase of PLN 143 million, i.e. of 7.2% of tangible costs, mainly as a result of:
  - higher court fees in cases related to foreign currency mortgage loans by PLN 108 million, i.e. by 51.9%,
  - an increase in legal costs by PLN 44 million, or 35.3%, mainly due to the management of the settlement programme for Swiss franc borrowers,
  - an increase in IT costs by PLN 36 million, or 8.1%;

  accompanied by:
  - a decrease in the cost of maintenance and rental of non-current assets by PLN 32 million, or 7.7%,
  - a decrease in promotion and advertising costs by PLN 17 million, or 7.4%.
- an increase in depreciation and amortization expense by PLN 104 million, or 9.6%, as a result of increased amortization of IT intangible assets,
- an increase of PLN 8 million, i.e. of 1.9% of regulatory costs.

PKO Bank Polski S.A. Group's operating efficiency, as measured by the C/I ratio, stood at 29.5% on an annual basis, improving by 2.1 p.p. y/y, driven by a faster increase in net income from business activities (19.0% y/y) compared to administrative expenses (11.2% y/y).

NET WRITE-DOWNS AND IMPAIRMENT

Net write-downs and impairment (in PLN million)



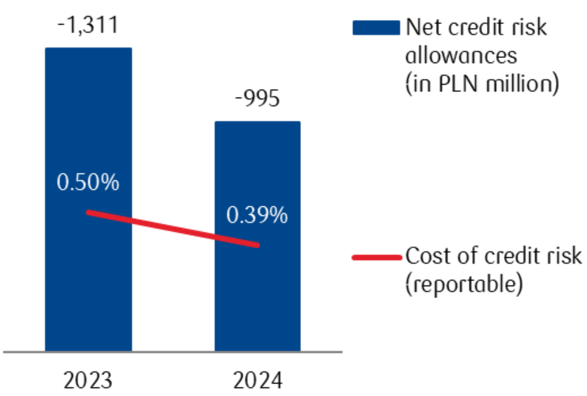
*Includes the cost of legal risk of mortgage loans in convertible currencies of PLN -5,430 million in 2023 and PLN -4,899 million in 2024

In 2024, net allowances for credit risk and non-financial assets (including the cost of legal risk) amounted to PLN -6,403 million, improving by PLN 447 million compared to the previous year. The main factor behind this improvement was a decrease in the cost of legal risk related to mortgage loans in convertible currencies by PLN 531 million, resulting from the update of the legal risk assessment model parameters, which included changes in the level of settlements and court rulings, an increase in the expected costs of the settlement program, and higher estimated costs related to statutory interest accrued during the dispute with the customer.

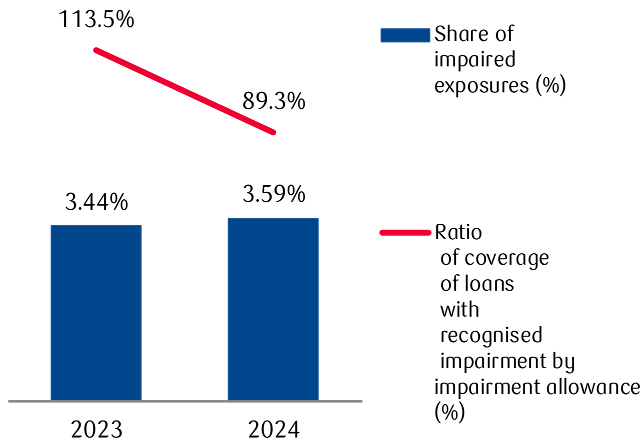
Net credit risk allowances amounted to PLN -995 million, improving by PLN 317 million due to lower provisions on consumer and housing loans.

Net allowances on non-financial assets amounted to PLN -509 million, deteriorating by PLN 401 million compared to the previous year, primarily due to the recognition of allowances on amounts due from customers for principal disbursed in connection with lost lawsuits concerning foreign CHF loans, as well as the update of the Bank's share in the net assets of Bank Pocztowy.

Cost of credit risk at the Bank's Group



Quality of the Bank's Group's loan portfolio



The share of impaired loans amounted to 3.59% as at the end of 2024, representing an increase of 0.15 percentage points compared to 2023, primarily due to the deterioration in the quality of the corporate portfolio.

At the end of 2024, the cost of risk amounted to -0.39% and was 0.11 p.p. lower than that recorded in the previous year.

4.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

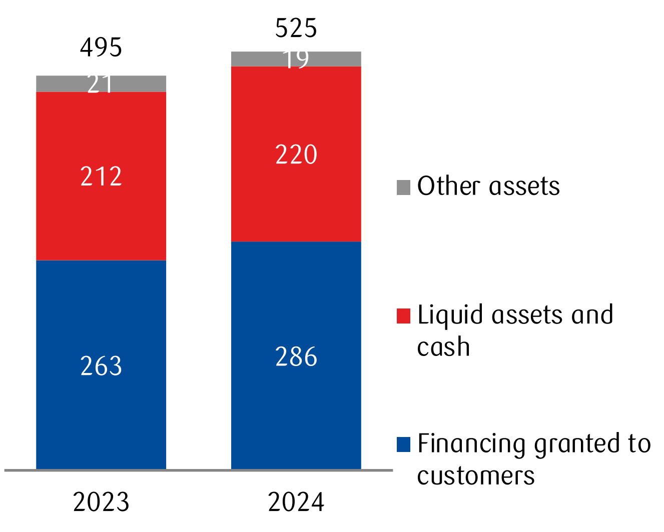
MAIN ITEMS OF THE STATEMENT OF FINANCIAL POSITION

As at the end of 2024, the PKO Bank Polski S.A. Group's total assets amounted to nearly PLN 525.2 billion and increased by PLN 29.8 billion as of the beginning of the year. Thus, the Bank's Group reinforced its leading position on the Polish banking market.

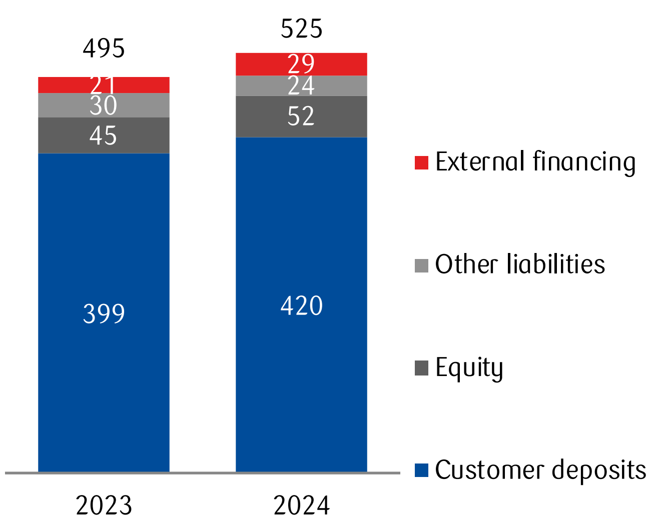
In terms of financing sources, customer deposits, equity, and external financing increased. The decrease in valuation of derivative instruments resulted in a decrease in other assets and other liabilities.

On the asset side, there was an increase mainly in financing granted to customers (by PLN 23.4 billion y/y) and liquid assets (by PLN 8.0 billion y/y).

Structure of assets (in PLN billion)



Structure of equity and liabilities (in PLN billion)



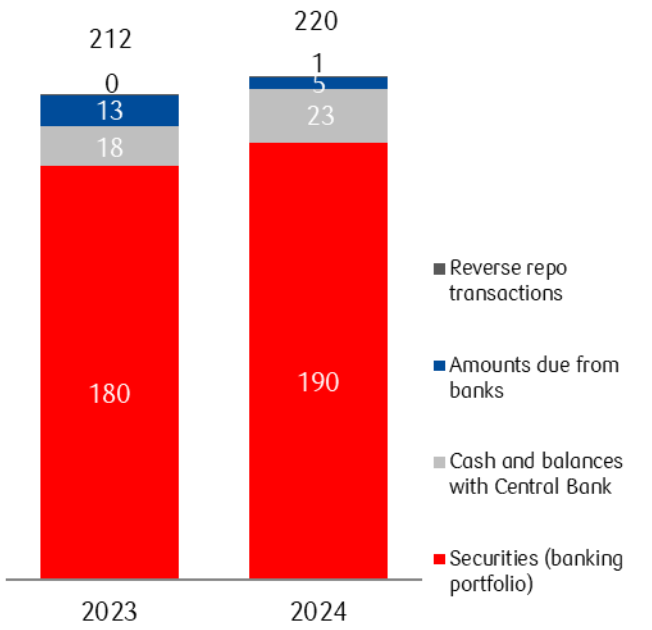
LIQUID ASSETS AND CASH IN HAND

At the end of 2024, the Bank Group's liquid assets and cash stood at around PLN 219.9 billion, representing an increase by PLN 8.0 billion since the beginning of the year.

A PLN 10.1 billion increase was recorded on securities (banking portfolio), in particular on PLN Treasury bonds, with a drop in money bills of the National Bank of Poland.

Amounts due from banks decreased by PLN 8.3 billion, with cash and balances at the Central Bank increasing by PLN 5.7 billion.

Structure of liquid assets and cash in hand (in PLN billion)



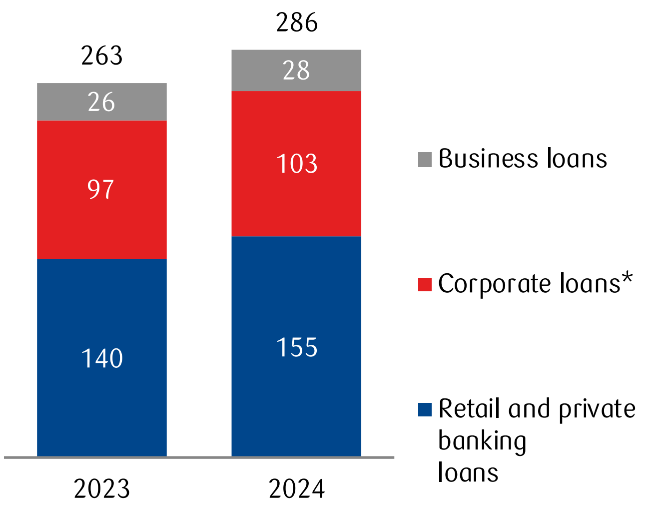
FINANCING GRANTED TO CUSTOMERS

As at the end of 2024, financing granted to customers by the Bank's Group was PLN 286.3 billion which represents an increase by PLN 23.4 billion y/y.

The volume of corporate loans increased by PLN 5.5 billion, while retail and private banking loans increased by PLN 15.5 billion, including real estate loans by PLN 10.7 billion and consumer loans by PLN 4.7 billion. Real estate loans grew as a result of an increase in mortgage loans in PLN (PLN +13.2 billion) with a decrease in mortgage loans in foreign currencies (PLN -2.4 billion) as a result of repayments, settlements signed and an increase in the provision for legal risk.

Retail and private banking loans were the main items in the structure of financing by type, with share of 54.2% of the portfolio as at the end of 2024.

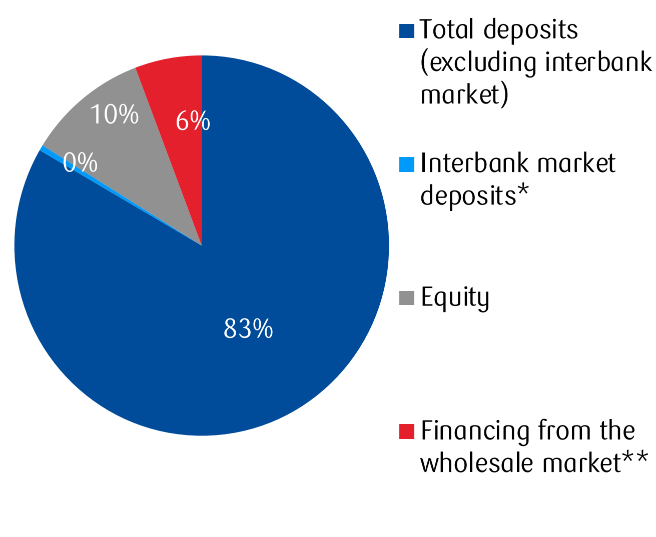
Structure of net financing granted to customers by type (in PLN billion)



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

Sources of financing operations

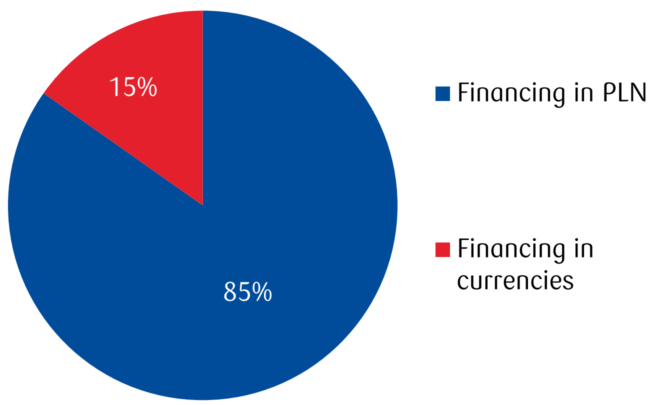
Structure of the sources of financing of the Bank's Group operations



* including repo transactions

** including issues of securities, subordinated liabilities, loans and advances received

Structure of the financing of the Bank's Group operations by currency



The PKO Bank Polski S.A. Group finances its operations from domestic and foreign sources which come from deposits (also on the interbank market), equity and financing from the wholesale market. The financing from the wholesale market includes liabilities in respect of issues of securities, subordinated liabilities and loans and advances received from monetary and non-monetary institutions. The main source of financing the Bank' Group's operations are customer deposits, which represent 83% of all sources of finance (2 p.p. decrease compared to 2023).

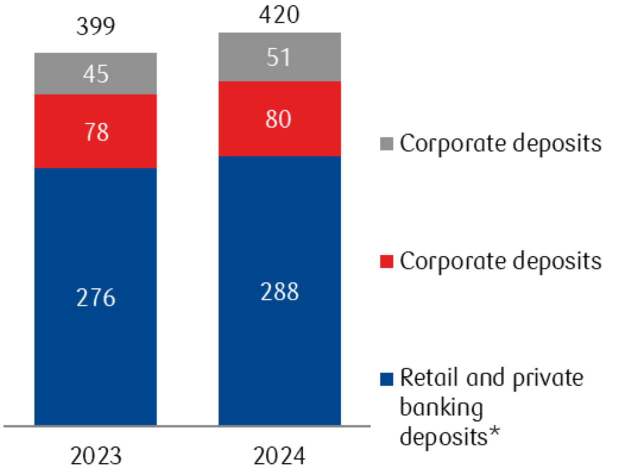
The PKO Bank Polski Group obtains financing from the wholesale market to meet regulatory requirements, including MREL. The PKO Bank Polski Group has full capacity to finance asset growth.

Customer deposits

Customer deposits constitute the basic source of financing the Bank's Group's assets. As at the end of 2024, amounts due to customers reached PLN 419.8 billion, which is an increase of PLN 20.6 billion over the year. The factor that contributed to the increase in the deposit base was an increase in retail and private banking deposits (PLN +12.3 billion), business deposits (PLN +6.3 billion) as well as corporate deposits (PLN +2.1 billion).

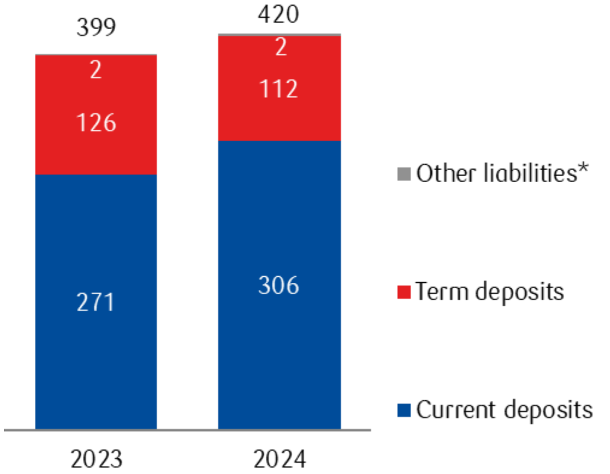
In the ageing structure of customer deposits, the main items are current deposits whose share amounted to 73.0%, up 5.1 p.p. from the end of 2023 at the expense of term deposits.

Structure of customer deposits by type (in PLN billion)



* including liabilities in respect of insurance products

Ageing structure of customer deposits (in PLN billion)



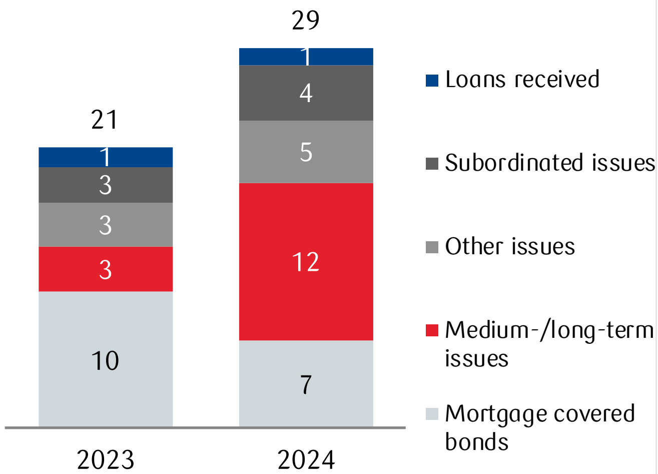
* including liabilities in respect of insurance products

EXTERNAL FINANCING

As at the end of 2024, long-term sources of financing amounted to nearly PLN 29.0 billion, which means an increase by PLN 7.6 billion since the end of 2023. The change resulted from:

- issue of Senior Non-Preferred Notes in the amount of EUR 1,750 million and PLN 1,000 million;
- issue of subordinated capital bonds amounting to PLN 1.5 billion;
- an increase in bonds issued by PKO Bank Hipoteczny S.A. by PLN 0.7 billion;
- an increase in bonds issued by the PKO Leasing S.A. Group by PLN 0.7 billion;
- a decrease in mortgage covered bonds of PKO Bank Hipoteczny S.A. by PLN 3.7 billion.

External financing (in PLN billion)



5. FINANCIAL STANDING OF THE PKO BANK POLSKI S.A.

Key financial indicators Income statement Statement of financial position

Financial data is presented on a management basis.

For definitions of major financial items (with reference to items from the income statement and statement of financial position) and financial indicators, see Chapter 14 (Glossary).

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

5.1 KEY FINANCIAL INDICATORS

The performance results of PKO Bank Polski S.A. in 2024 led to the following financial performance indicators:

Table 6. Financial indicators of PKO Bank Polski S.A.

		31.12.2024	31.12.2023	Change
Net ROE	(net profit/(loss)/average equity)	19.8%	12.4%	+7.4 p.p.
Net ROA	(net profit/(loss)/average assets)	1.9%	1.1%	+0.8 p.p.
C/I	(cost to income ratio)	27.7%	30.3%	-2.6 p.p.
Interest margin[1)]	(net interest income/average interest-bearing assets)	4.82%	4.38%	+0.44 p.p.
Share of impaired exposures		3.19%	3.18%	+0.01 p.p.
Cost of credit risk		0.37%	0.52%	-0.15 p.p.
Total capital ratio	(own funds/total capital requirement*12.5)	20.87%	21.02%	-0.15 p.p.
Common equity Tier 1 (CET 1)[2)]		19.47%	19.98%	-0.51 p.p.
MREL TE (aggregate level)		11.29%	9.49%	+1.80 p.p.
MREL TREA (aggregate level)		22.22%	18.30%	+3.92 p.p.

1) The interest margin was calculated excluding the impact of the Act on crowdfunding for business ventures and assistance for borrowers (the so-called 'credit holidays') amounting to (+) PLN 83 million in Q4 2023, (-) PLN 427 million in Q2 2024, and (+) PLN 247 million in Q4 2024.
2) The figures for 2023 are restated and recognise the retroactive crediting to the funds of the result for 2023 following the profit distribution by the AGM.

5.2 INCOME STATEMENT

Net interest income
Net fee and commission income
Other net income
Administrative expenses
Net write-downs and impairment

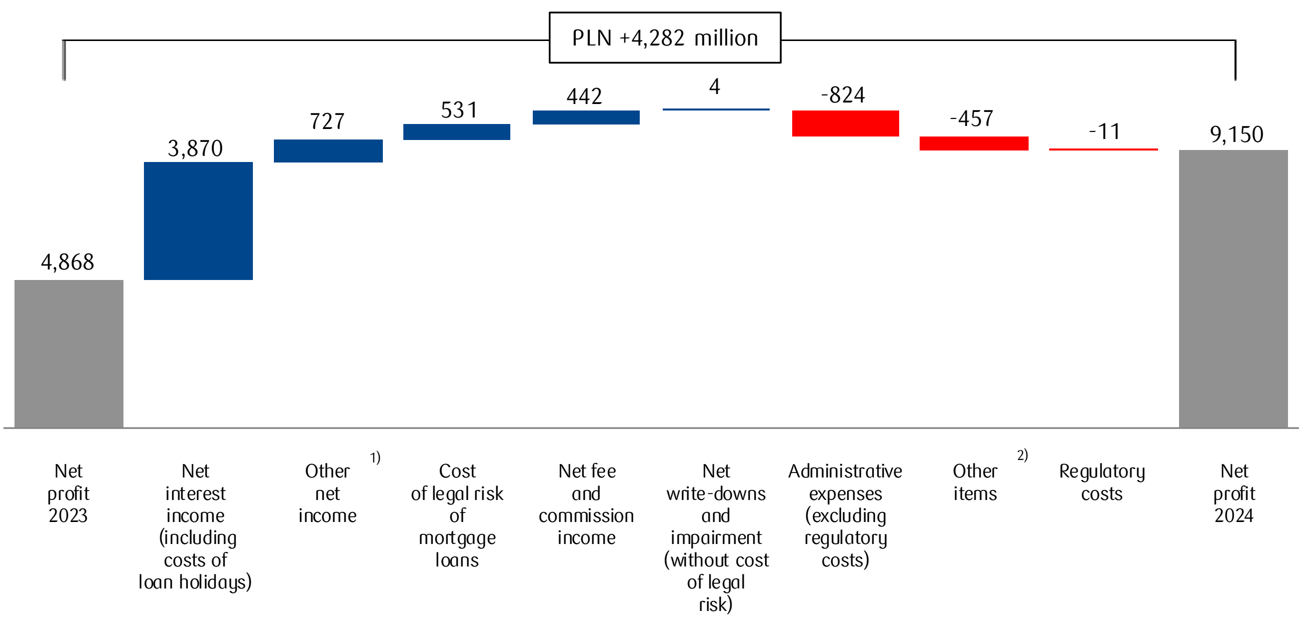
The net profit of PKO Bank Polski S.A. generated in 2024 amounted to PLN 9,150 million and was PLN 4,282 million higher than in 2023, which was driven by an increase in the result on business activity and lower cost of legal risk associated with mortgage loans in convertible currencies, with an increase in employee benefits.

In 2024, the net result on business activities amounted to PLN 27,089 million and was PLN 5,039 million, i.e. 22.8% higher than in 2023. This was mainly the effect of an increase in net interest income by PLN 3,870 million y/y, and in net fee and commission income by PLN 442 million y/ y, as well as in net other income by PLN 727 million y/y.

Table 7. Income statement of PKO Bank Polski S.A. (in PLN millions)

	2024	2023	Change (in PLN million)	Change (%)
Net interest income	**21,085**	**17,215**	**3,870**	**22.5%**
Net fee and commission income	**4,353**	**3,911**	**442**	**11.3%**
Net other income	**1,651**	**924**	**727**	**78.6%**
Dividend income	1,009	683	326	47.7%
Gains/(losses) on financial transactions	390	211	179	84.9%
Net foreign exchange gains/ (losses)	249	81	168	2.1x
Net other operating income and expense	3	-51	54	1.1x
Result on business activities	**27,089**	**22,050**	**5,039**	**22.8%**
Administrative expenses	-7,513	-6,678	-835	12.5%
Tax on certain financial institutions	-1,212	-1,166	-46	3.9%
Net operating result	**18,364**	**14,206**	**4,158**	**29.3%**
Net write-downs and impairment	-6,162	-6,697	535	-8.0%
Profit/loss before tax	**12,202**	**7,509**	**4,693**	**62.5%**
Income tax expense	-3,052	-2,641	-411	15.6%
Net profit/loss	**9,150**	**4,868**	**4,282**	**88.0%**

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



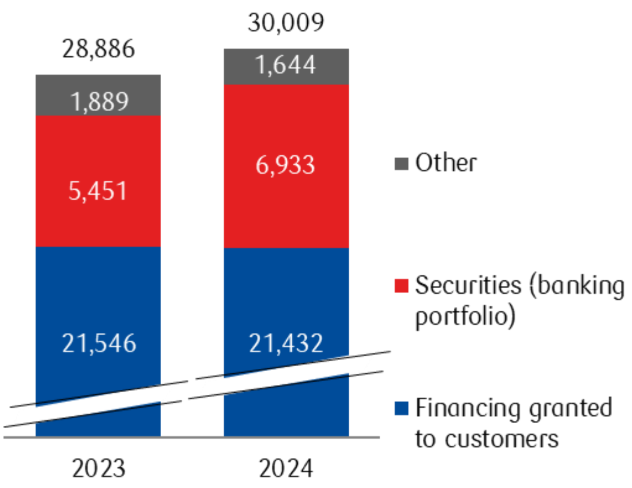
1) Net other income reflects dividend income, result on insurance, result on financial transactions, net foreign exchange gains/(losses) and other net operating income and expense.
2) This item comprises tax on certain financial institutions, share in profits/ (losses) of associates and joint ventures,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

NET INTEREST INCOME

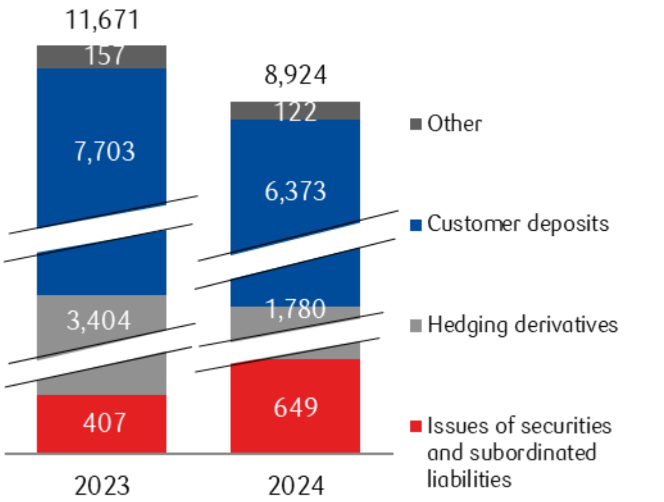
Net interest income for 2024 amounted to PLN 21,085 million, i.e. PLN 3,870 million more than in the previous year. The y/y increase in the net income was mainly driven by the adjustment of interest rates on products to the rate cuts implemented by the Monetary Policy Council in the second half of 2023, which primarily resulted in a decrease in interest expenses related to hedge accounting and a decline in interest expense on customer deposits. Net interest income was also positively affected by the increase in income from securities, as a result of the increase in the average interest rate and the increased average portfolio volume.

The net income was negatively affected by a decline in interest income from loans granted to customers, caused by the adjustment of interest rates to the PLN rate cuts in September and October 2023, as well as the foreign exchange rate cuts in 2024, and the impact of statutory credit holidays. The negative effects were partially offset by the increase in the average loan volume granted to customers, which grew by nearly PLN 19 billion.

Interest income (PLN million)



Interest expense (PLN million)



Interest income in 2024 reached PLN 30,009 million and was 3.9% higher than in 2023, largely as a result of:

- higher income on securities (PLN +1,482 million y/y), mainly due to a rise in the average portfolio volume by PLN 30.8 billion, as well as the effect of higher average interest rates resulting from purchases made for the portfolio at current yields;
- an increase in revenue from financing granted to customers by PLN 85 million y/y (excluding the impact of statutory credit holidays) mainly driven by a decrease in the average interest rate on financing granted to customers by 0.5 p.p., with a positive effect from the change in the loan portfolio structure (an increase in the share of PLN-denominated housing and consumer loans at the expense of business and foreign currency housing loans);

Interest expenses stood at PLN 8,924 million, down PLN 2,747 million from 2023, mainly due to:

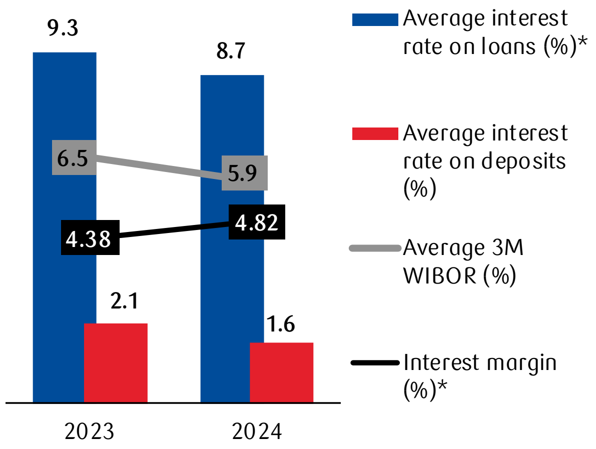
- a decrease in interest expense on deposits by PLN 1,330 million, mainly related to a decrease in the average interest rate on deposits due to reductions in PLN interest rates, as well as changes in the maturity structure, including an increased share of lower-yielding current deposits;
- a decrease in the cost of hedge accounting to PLN 1,780 million (PLN +1,624 million y/y), mainly as a result of interest rate cuts for PLN, which impacted the reduction in the margin between the paid floating rate and the received fixed rate on IRS transactions, as well as due to the maturity of transactions entered into at low interest rate levels;
- an increase in the cost of issuing its own bonds by PLN 242 million, mainly due to additional bond issuances, including those made to meet MREL requirements.

The interest margin in 2024, excluding the impact of recognizing the effects of the statutory credit holidays, increased by 0.44 p.p. y/y to 4.82%.

The increase in the margin resulted from a greater pass-through of declining market interest rates in Poland to lower interest expenses than to asset yields, also due to the higher share of securities in the structure of interest-earning assets.

In 2024 the average interest rate on PKO Bank Polski S.A.'s loans was 8.7%, and the average interest rate on total deposits was 1.6%. In 2023, it was 9.3% and 2.1%, respectively.

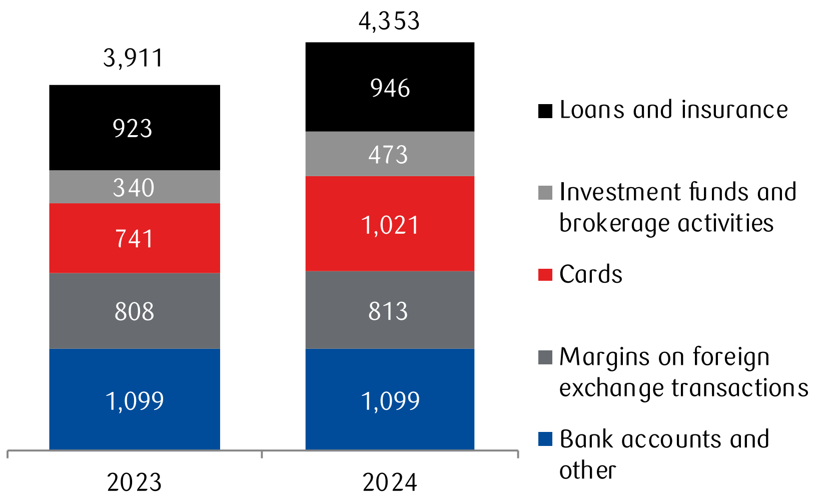
Average interest rate and interest margin (in %)



* The indicators in 2023 and 2024 were calculated excluding the impact of the recognition of the effects of the Act on crowdfunding for business ventures and assistance for borrowers (so-called statutory loan holidays).

Net fee and commission income

Net fee and commission income (in PLN million)

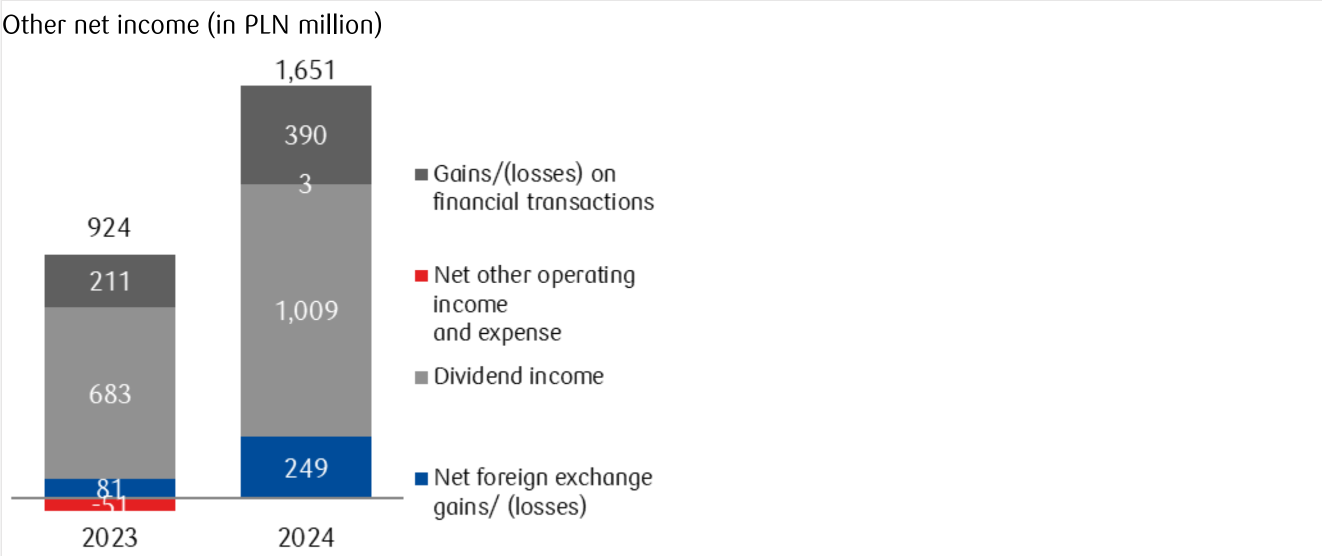


In 2024, net fee and commission income amounted to PLN 4,353 million and was PLN 442 million higher than in the previous year. The increase was determined – among other things – by:

- higher net income on cards (PLN +280 million y/y) mainly as a result of settlements with card organisations, a higher number of cards and higher transaction volumes;
- higher net income from investment funds and brokerage activities (PLN +133 million y/y), mainly due to an increase in commission on the sale of Treasury bonds, and commissions from the primary market;
- higher result on loans and insurance (PLN +23 million y/y), mainly as a result of an increase in commission income on business loans, and commissions from insurance;
- higher net margin on foreign exchange transactions (PLN +5 million y/y), mainly as a result of higher fees from foreign exchange transactions at negotiated rates and through the E-currency exchange, despite a decline in fees from foreign exchange transactions at table rates;

- stable net income from handling bank and other accounts, mainly due to higher fees from foreign transactions, transfers, and account maintenance, offset by increased commission costs on guarantees and settlement services.

OTHER NET INCOME



In 2024, other net income amounted to PLN 1,651 million and was PLN 727 million higher than that earned in 2023, among other things due to:

- an increase in dividend income by PLN 326 million (mainly higher dividends paid by PKO TU, PKO BH. PKO Życie TU and PKO TFI);
- higher result on financial transactions (PLN +179 million y/y), mainly due to an increase in the result on derivative instruments (especially interest rate derivatives), higher income from derecognition of assets (both from the sale of securities whose valuation effects are recognised in other comprehensive income, and from substantial modifications), as well as an increase in the valuation of debt instruments, while simultaneously experiencing a decline in the valuation of shares;
- an increase in net foreign exchange income by PLN 168 million, mainly as a result of an improvement in the net income on currency derivatives;
- higher net other operating income and expenses (PLN +54 million y/y), among other things as a result of:
  - the recognition in 2023 of a loss on the sale of CO_2 emission allowances of PLN 26 million, which was offset by a positive result from customer derivative instruments related to CO_2 emission allowances;
  - the reclassification of the Bank's costs for 2024 related to the reimbursement of court fees as a result of a settlement to the cost of legal risk of mortgage loans (change of PLN +29 million y/y due to the lack of reclassification for 2023).

ADMINISTRATIVE EXPENSES

In 2024, administrative expenses amounted to PLN 7,513 million and were 12.5% higher y/y. Their level was mainly determined by:

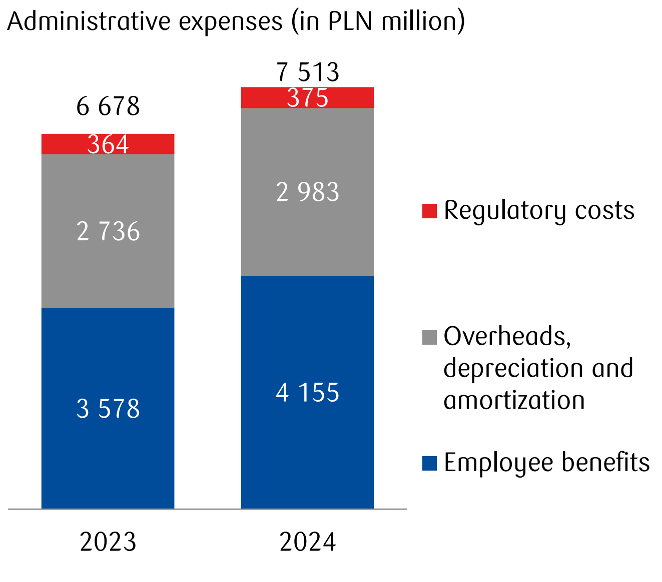
- an increase by PLN 577 million, or 16.1%, in the cost of employee benefits, mainly as a result of wage adjustments and an increase in headcount;
- an increase of PLN 150 million, i.e. of 8.5% of tangible costs, mainly as a result of:
  - higher court fees in cases related to foreign currency mortgage loans by PLN 108 million, i.e. by 51.9%,
  - an increase in legal costs by PLN 45 million, or 36.7%, mainly due to the management of the settlement programme for Swiss franc borrowers,
  - an increase in IT costs by PLN 25 million, or 7.1%,

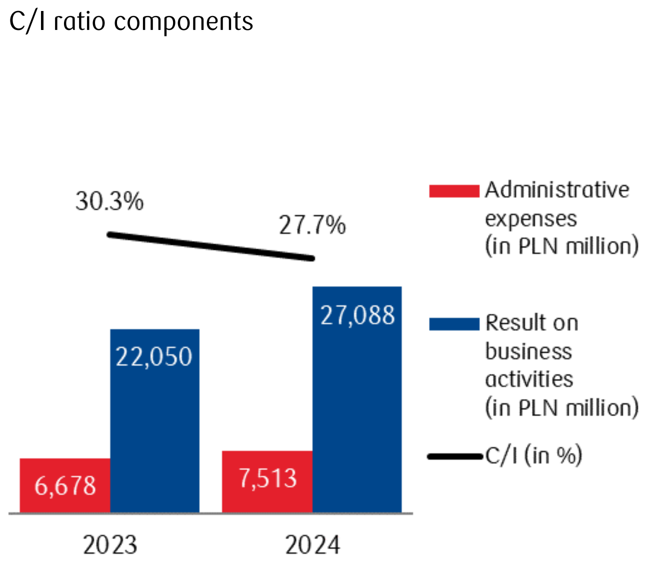
- an increase in costs of advisory services by PLN 12 million, or 155.6%,
- an increase in cash management costs by PLN 8 million, or 7.1%,

accompanied by:

- a decrease in the cost of maintenance and rental of real estate by PLN 32 million, or 8.1%,
- a decrease in promotion and advertising costs by PLN 16 million, or 8.2%.
- an increase in depreciation and amortization expense by PLN 97 million, or 9.9%, as a result of increased amortization of IT intangible assets.
- an increase of PLN 11 million, i.e. of 3.0% of regulatory costs.

PKO Bank Polski S.A.'s operating efficiency, as measured by the C/I ratio, stood at 27.7% on an annual basis and improved by 2.5 p.p. y/y, mainly due to an increase in the net income from business activities (22.8% y/y), with operating expenses rising by 12.5% y/y, primarily due to higher personnel costs.





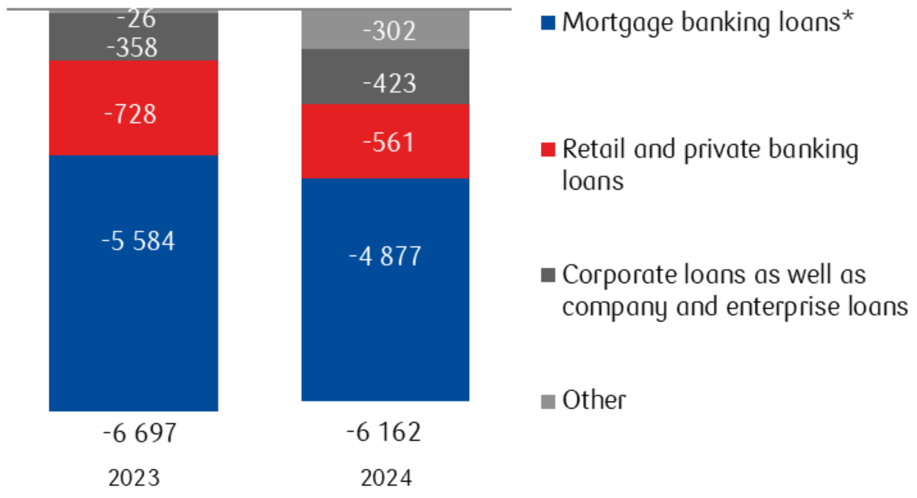
NET WRITE-DOWNS AND IMPAIRMENT

In 2024, net write-downs and impairment (including the cost of legal risk) amounted to PLN -6,162 million and improved by PLN 535 million compared to that recorded in the previous year. This figure was driven mainly by the decrease in the cost of legal risk related to mortgage loans in convertible currencies by PLN 531 million, resulting from the update of the legal risk assessment model parameters, which included changes in the level of settlements and court rulings, an increase in the expected costs of the settlement program, and higher estimated costs related to statutory interest accrued during the dispute with the customer.

Net credit risk allowances amounted to PLN -834 million, by PLN 333 million y/y, mainly due to lower allowances on consumer and housing loans.

Net allowances on non-financial assets amounted to PLN -429 million, deteriorating by PLN 329 million compared to the previous year, primarily due to the recognition of allowances on amounts due from customers for principal disbursed in connection with lost lawsuits concerning CHF loans.

Net write-downs and impairment (in PLN million)

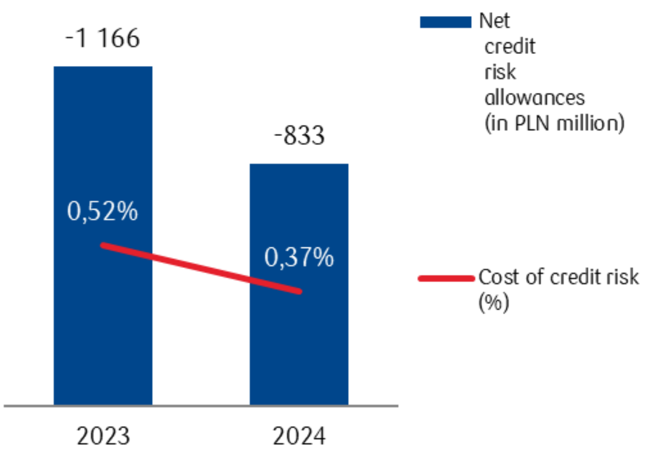


*Includes the cost of legal risk of mortgage loans in convertible currenciesof PLN -5 430 million in 2023 and PLN -4 899 million in 2024

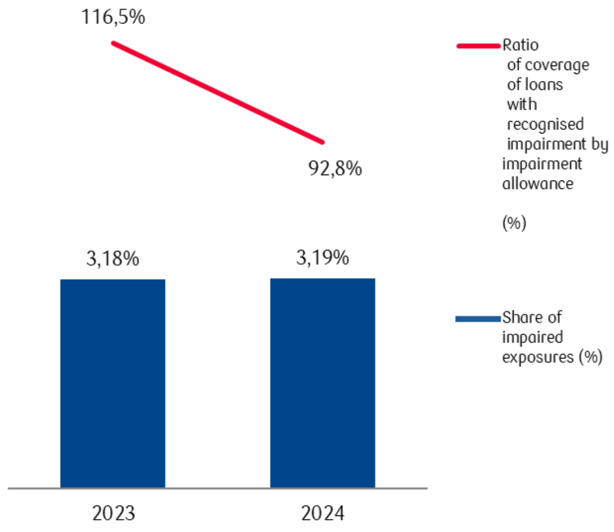
The share of impaired loans amounted to 3.19% as at the end of 2024 and remained at a level similar to that of 2023.

At the end of 2024, the cost of risk amounted to -0.37% and was 0.15 p.p. lower than that recorded in the previous year.

Quality ratios of the Bank's loan portfolio



Cost of Bank's credit risk



5.3 STATEMENT OF FINANCIAL POSITION

Main items of the Statement of financial position Liquid assets and cash Financing granted to customers Customer deposits External financing

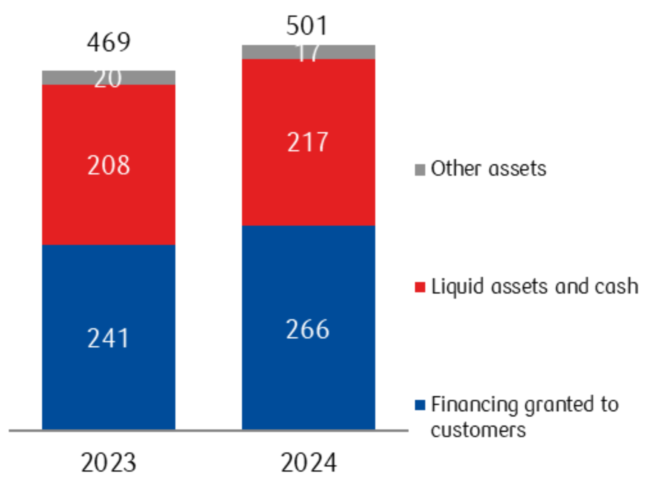
MAIN ITEMS OF THE STATEMENT OF FINANCIAL POSITION

As at the end of 2024, the PKO Bank Polski S.A.'s total assets amounted to PLN 500.7 billion and increased by PLN 32.2 billion as of the beginning of the year. Therefore, PKO Bank Polski S.A. reinforced its position as the largest institution in the Polish banking sector.

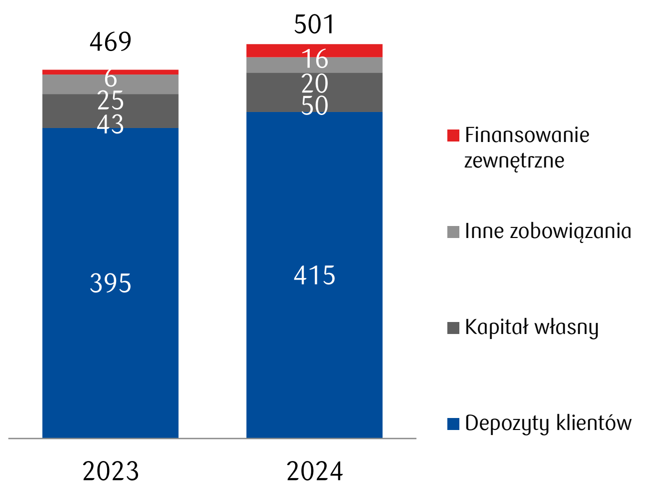
In terms of financing sources, customer deposits, equity, and external financing increased. The decrease in valuation of derivative instruments resulted in a decrease in other assets and other liabilities.

On the asset side, there was an increase mainly in liquid assets (by PLN 9.1 billion y/y) and financing granted to customers (by PLN 25.2 billion y/y).

Structure of assets (in PLN billion)



Structure of equity and liabilities (in PLN billion)

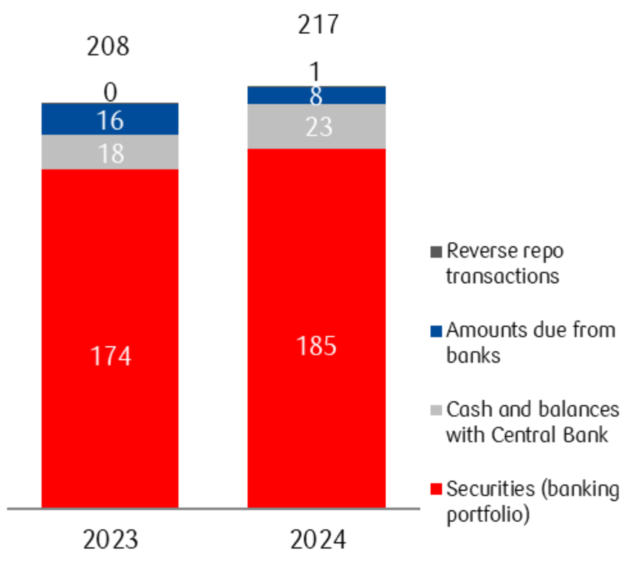


LIQUID ASSETS AND CASH IN HAND

At the end of 2024, the Bank's liquid assets and cash stood at more than PLN 217.3 billion, representing an increase by PLN 9.1 billion since the beginning of the year.

The main driver of the increase in liquid assets was the growth of securities (banking portfolio) by PLN 10.5 billion, primarily in PLN-denominated government bonds, while the holdings of National Bank of Poland money bills declined. Amounts due from banks also decreased by PLN 7.5 billion, with cash and balances at the Central Bank increasing by PLN 5.6 billion and reverse repo transactions rising by PLN 0.5 billion.

Structure of liquid assets and cash in hand (in PLN billion)



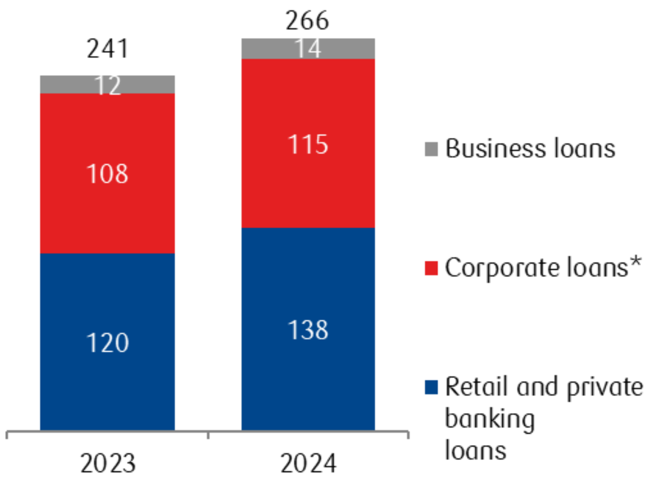
FINANCING GRANTED TO CUSTOMERS

As at the end of 2024, financing granted to Bank's customers was PLN 266.0 billion which represents an increase by PLN 25.2 billion y/y.

The volume of retail and private banking loans increased by PLN 17.1 billion, while the volume of corporate loans grew by PLN 6.9 billion. The increase in retail and private banking loans was primarily driven by real estate loans.

Retail and private banking loans and corporate loans were the main items in the structure of financing by type, with a share of 51.7% and 43.2%, respectively, at the end of 2024.

Structure of net financing granted to customers by type (in PLN billion)



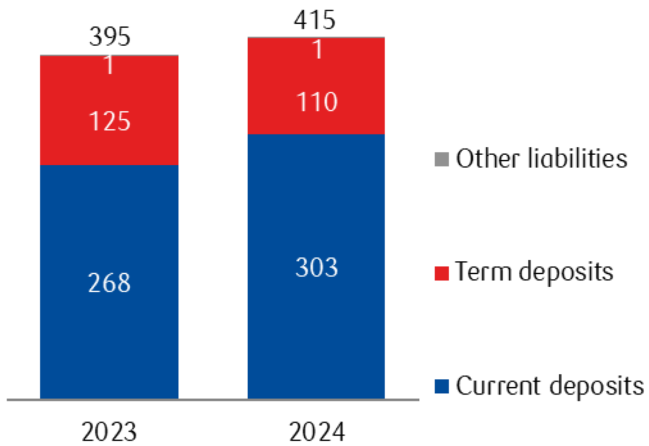
* including non-Treasury bonds (excluding held for trading)

CUSTOMER DEPOSITS

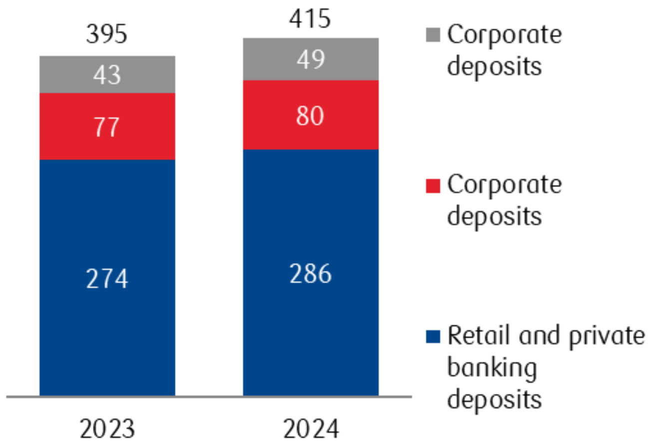
Customer deposits constitute the basic source of financing of the Bank's assets. As at the end of 2024, amounts due to customers reached PLN 414.9 billion, which is an increase of PLN 20.4 billion since the beginning of the year. The factor that contributed to the increase in the deposit base was an increase in retail and private banking deposits (PLN +12.2 billion), business deposits (PLN +6.2 billion) as well as corporate deposits (PLN +2.2 billion).In the structure of amounts due to customers by type, the main items are the retail and private banking deposits (68.9% as at the end of 2024).

In the ageing structure of customer deposits, the main items are current deposits whose share amounted to 73.0%, up 5.2 p.p. from the end of 2023 at the expense of term deposits.

Ageing structure of customer deposits (in PLN billion)



Structure of customer deposits by type (in PLN billion)

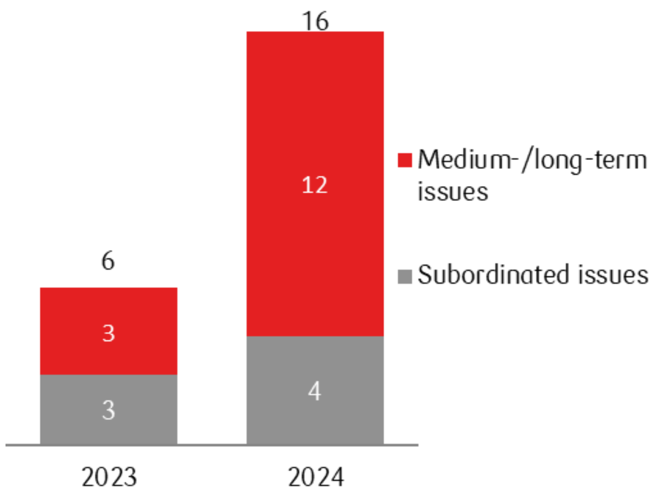


EXTERNAL FINANCING

PKO Bank Polski S.A. is an active participant of the debt securities markets, which enables it to diversify the sources of financing its operations and to adapt them to the regulatory requirements regarding long-term financial stability.

As at the end of 2024, long-term sources of financing amounted to about PLN 16.3 billion, which means an increase of PLN 10.1 billion compared to the end of 2023, mainly due to the issuance of non-preferred senior notes and subordinated capital bonds.

External financing (in PLN billion)



6. REPORT ON EXPENSES ON ENTERTAINMENT, AND ON LEGAL, MARKETING, PUBLIC RELATIONS AND SOCIAL COMMUNICATION, AND MANAGEMENT ADVISORY SERVICES

The report was prepared on the basis of the provision of § 15.1.10a of the Articles of Association of PKO Bank Polski S.A. and pursuant to Article 17.6 of the Act on the Principles of Management of State Treasury Property.

In 2024 the Bank incurred representation expenses, expenditure on legal services, marketing services, public relations and social communication services, and advisory services related to management totalling PLN 378.8 million, which represented 1.40% of the Bank's Result on Business Activities (RBA). The corresponding costs incurred by the Bank in 2023 totaled PLN 346.0 million, which accounted for 1.57% of the Bank's RBA).

Table 8. PKO Bank Polski S.A. entertainment costs, expenditure on legal services, marketing services, public relations and social communication services, and advisory services related to management.

Type of expense constituting part of the Bank's administrative expenses	2024	
	value (in PLN million)	As (%) of RBA
Marketing services – advertising campaigns supporting the sale of products offered by the Bank, sponsorship activities, and brand awareness campaigns aimed at fostering a positive image of the Bank (primarily campaigns promoting the sale of personal accounts and cash loans)	173.0	0.64%
Legal services – providing constant legal services on behalf of the Bank based on civil law agreements concluded with law firms, expenses on ad hoc legal aid and expenses related to CHF housing loan cases	168.0	0.62%
Costs of management advisory services – advisory services related to business and finance advice	24.8	0.09%
Public relations and social communication services – internal and external communication activities primarily related to campaigns on cybersecurity, financial education, support for strategic projects, media publications, and employee projects	6.4	0.02%
Entertainment costs – expenses aimed at maintaining positive relations with customers, partners and counterparties	6.7	0.020
Total	**378.8**	**1.40%**

7. EQUITY, CAPITAL ADEQUACY MEASURES, DIVIDEND

7.1 EQUITY

The equity of the PKO Bank Polski S.A. Group increased by PLN 7.1 billion, i.e. by 15.8% y/y. The increase is mainly due to a higher result in the current period, an increase in reserve capital and an increase in accumulated other comprehensive income, reflecting changes in the fair value of the securities portfolio and derivatives in hedge accounting.

The level of equity at the end of 2024 reflects the payment of a dividend for the 2023 financial year amounting to PLN 3.2 billion, in accordance with the resolution of the Annual General Meeting of PKO Bank Polski S.A. (AGM) dated 28 June 2024 regarding the distribution of the profit of PKO Bank Polski S.A. for the year 2023.

Table 9. Total equity and total capital adequacy ratio of the PKO Bank Polski S.A. Group (in PLN million)

	31.12.2024	31.12.2023	Change (in PLN million)	Change (%)
Total equity, including:	**52,370**	**45,227**	**7,143**	**15.8%**
Share capital	1,250	1,250	0	0.0%
Supplementary capital	22,858	22,860	-2	0.0%
General banking risk fund	1,070	1,070	0	0.0%
Other reserves	8,890	7,138	1,752	24.5%
Accumulated other comprehensive income	-2,315	-3,392	1,077	-31.7%
Unappropriated profits	11,324	10,810	514	4.8%
Net profit or loss for the period	9,304	5,502	3,802	69.1%
Non-controlling interests	-11	-11	0	-0.8%
Own funds	**47,294**	**43,998**	**3,296**	**7.5%**
Total capital ratio [1)]	**18.58%**	**18.84%**		**-0.26 p.p.**
Tier 1 capital ratio	**17.39%**	**17.95%**		**-0.56 p.p.**

1) The figures for 2023 are restated and recognise the retroactive crediting to the funds of the result for 2023 following the profit distribution by the AGM.

7.2 CAPITAL ADEQUACY MEASURES

CAPITAL ADEQUACY MEASURES AS AT THE END OF 2024 ROKU

Capital adequacy for the PKO Bank Polski S.A. Group.

The capital adequacy of the PKO Bank Polski S.A. Group in 2024 remained significantly above the supervisory limits.

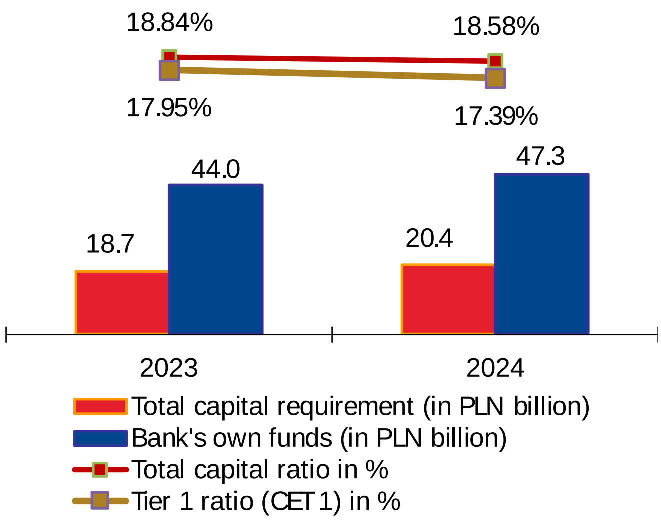
As at the end of 2024, the total capital ratio of the PKO Bank Polski S.A. Group amounted to 18.58% and compared with the end of 2023 it decreased by 0.26 p.p., and the core capital Tier 1 ratio amounted to 17.39% and decreased by 0.56 p.p.

The drop in the capital ratios was determined by an increase in capital requirements by PLN 1.7 billion (resulting mainly from a PLN 1.2 billion rise in credit risk requirements and a PLN 0.5 billion increase in operational risk requirements), alongside a PLN 3.3 billion increase in own funds.

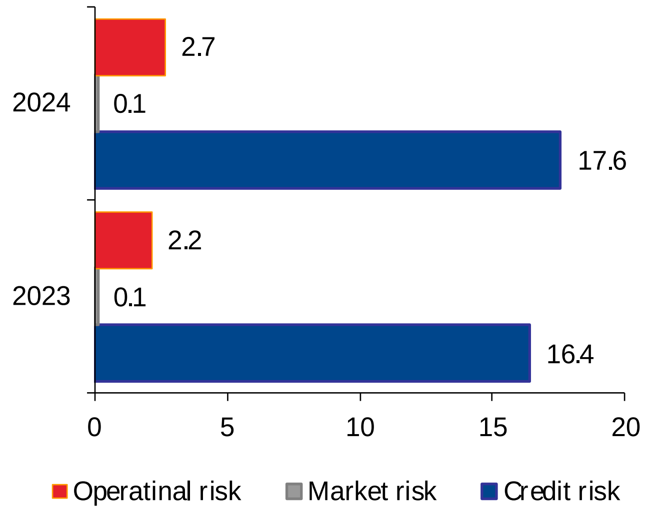
The main drivers of the increase in own funds were: the issuance of subordinated capital bonds in the amount of PLN 1.5 billion (on 16 October 2024), the inclusion of the mid-year profit for the first half of 2024 amounting to PLN 1.3 billion, and the increase in the value of financial assets measured at fair value through other comprehensive income by PLN 1.2 billion (considering the application of the mitigating provisions in this regard in accordance with Article 468 of the CRR).

The increase in the own funds requirement for credit risk was driven by an increase in the loan portfolio with the simultaneous application of a preferential risk weight for the portfolio of corporate loans covered by a credit protection guarantee. The increase in operational risk requirements was mainly due to an increase in the cost of legal risk.

Capital adequacy measures of the Bank's Group



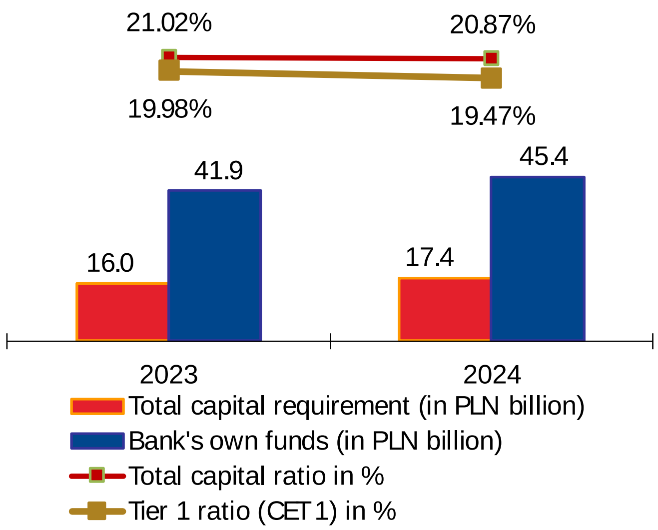
Own funds requirements of the Bank's Group (in PLN billion)



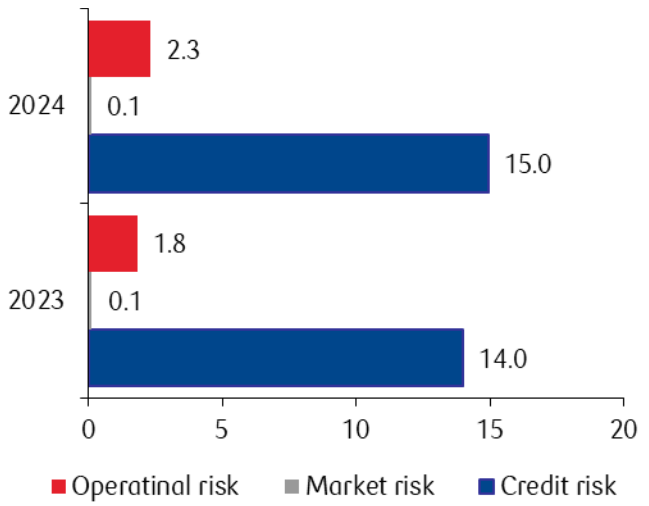
Capital adequacy for PKO Bank Polski S.A.

In 2024, the total capital ratio of PKO Bank Polski S.A. decreased by 0.15 b.p. to 20.87%, and the core capital T1 ratio by 0.51 b.p. to 19.47%. The increase in capital ratios is mainly due to an increase in capital requirements by PLN 1.4 billion and an increase in own funds by PLN 3.4 billion.

Capital adequacy measures of the Bank



Own funds requirements of the Bank (in PLN billion)



DETERMINATION OF TARGET MREL LEVELS

The BFG has set the minimum requirement for own funds and eligible liabilities (MREL) for PKO Bank Polski S.A.

The BGF determined the MREL TREA requirement for the Bank on a consolidated data at the level of 15.36% of TREA (total risk exposure amount), which should be met by own funds and eligible liabilities meeting the subordination requirement at the level of 13.90% of TREA.

The MREL TEM (total exposure measure) requirement for the Bank on a consolidated basis has been set at 5.91% of TEM and should be met by own funds and eligible liabilities meeting the subordination requirement of 5.62% of TEM.

In accordance with Article 97(4) of the BGF Act, the 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, TREA and TEM levels are adjusted to exclude PKO Bank Hipoteczny S.A. from consolidation.

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 required levels are presented in the table below.

Table 10. Required MREL levels (in %)

	31.12.2024
MREL (TREA)	15.36
MREL (TREA) subordinated	13.90
MREL (TEM)	5.91
MREL (TEM) subordinated	5.62

As at 31 December 2024, the MREL ratio in relation to the total "TREA" risk exposure amounted to 19.56%, and subordinated MREL to 18.26% (in accordance with the Act on macro-prudential supervision, Common Equity Tier 1 instruments held by an entity for the purposes of the combined buffer requirement cannot be used to meet this requirement; without this restriction, the ratio was 24.25% and 22.95%, respectively). With regard to the total exposure measure "TEM", the MREL ratio was 10.80%, and subordinated MREL – 10.23%.

7.3 DIVIDEND AND PROFIT APPROPRIATION

RESOLUTIONS RELATING TO THE APPROPRIATION OF PROFIT FOR 2022 AND RETAINED EARNINGS

On 21 February 2024, the Bank received the individual recommendation from the PFSA in which the PFSA confirmed that the Bank fulfils the criteria for the payment of dividend up to 75% of the profit for 2023, whereby the maximum amount of payment may not exceed the amount of the annual profit less the profit generated in 2023 already counted as own funds. The Bank has included in its own funds the net profit, achieved in the first half of 2023, in the amount of PLN 1,624,430,283 at standalone level. At the same time, the PFSA advised the Bank to mitigate the risks inherent in its operations by not conducting any other activities, in particular those beyond the scope of current business and operating activities, which may result in a reduction of own funds, including possible dividend payments from undistributed profits from previous years and buybacks or buyouts of own shares, without prior consultation with the supervisory authority.

On 28 June 2024, the Annual General Meeting of PKO Bank Polski S.A. (AGM) passed a resolution on distribution of profit of the Bank for 2023, in accordance with which:

- PLN 3,237,500,000 is to be allocated for the distribution among shareholders, which constitutes 66.50% of the net profit of the Bank earned in 2023 ("Distributable profit"), i.e. PLN 4,868,360,037.30;
- PLN 1,630,860,037.30 is to be allocated to the reserve capital for the payment of dividend, including interim dividend in accordance with § 30 of the Bank's Articles of Association.

Distributable profit, increased by the amount of PLN 1,600,000,000 from the reserve capital established pursuant to resolution No 7/2023 of the AGM of 21 June 2023, paid by the Bank on 1 February 2024 as an interim dividend for the financial year 2023, i.e. a total amount of PLN 4,837,500,000 PLN, constitutes a dividend intended for distribution among all shareholders of the Bank. The gross dividend is PLN 2.59 per share. The dividend record date was 8 August 2024. The dividend was paid on 22 August 2024.

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

DIVIDEND POLICY

The Dividend policy takes into account the Bank's intention to provide stable dividend payments in the long term, in accordance with the principle of prudent management of the Bank and the Group, in compliance with the law and the PFSA position on the dividend policy assumptions of commercial banks. The objective of the Dividend policy is to optimize the capital structure of the Bank and the Group, while considering the return on equity, the cost of capital and the capital needs for development, and maintaining an appropriate level of the capital adequacy ratios and meeting the minimum requirement for own funds and eligible liabilities (MREL). The repurchase of own shares for cancellation is an additional tool for capital redistribution. The General Meeting gives its consent to the acquisition of treasury shares by the Bank, after prior approval of the Supervisory Board, specifying the terms of the acquisition, including the maximum number of shares to be acquired, the period of authorization to acquire shares, which may not exceed five years and the maximum and minimum amount of consideration for the acquired shares, if the acquisition takes place for consideration. Purchase of own shares for cancellation in each case requires the Bank to obtain the prior consent of the PFSA.

THE PFSA'S RECOMMENDATIONS REGARDING DIVIDEND PAYMENTS IN 2025

In December 2024, the PFSA adopted a position on the 2025 dividend policy of supervised institutions.

The dividend payment criteria for commercial banks indicated in the PFSA's positions are as follows:

1. an amount of up to 50% of the profit for 2024 may only be paid out by banks that fulfil all of the following criteria:

- do not implement the recovery plan;
- are positively assessed in the supervisory review and evaluation process (SREP) – final BION score not worse than 2.5;
- have a leverage ratio (LR) of more than 5%;
- have a Tier 1 core capital ratio (CET1) of not less than the required minimum: 4.5% +56.25% x P2R requirement + combined buffer requirement + P2G;
- have a Tier 1 capital ratio (T1) not lower than the required minimum: 6% + 75% x P2R requirement + combined buffer requirement + P2G;
- have a total capital ratio (TCR) not lower than the required minimum: 8% + P2R requirement + combined buffer requirement +P2G;

where:

  - P2R (Pillar II Requirement) means the additional regulatory capital requirement - currently assigned to cover risks associated with foreign currency lending,
  - P2G (Pillar II Guidance) or additional capital recommendation – the Bank's sensitivity to an unfavorable macroeconomic scenario is measured using the results of supervisory stress tests;
  - The combined buffer requirement includes the announced target level of the countercyclical buffer, i.e., 2% for credit exposures in the territory of the Republic of Poland.

2. An amount of up to 75% of the profit for 2024 may be paid only by banks meeting at the same time the criteria for payment of 50% and at the same time whose portfolio of receivables from the non-financial sector is characterized by good credit quality (the ratio of the portfolio of non-performing loans to the non-financial sector (NPL), including debt instruments, is at a level of no more than 5%).

The criteria set out in points 1 and 2 should be met by the bank both at the individual and consolidated level, as at the end of 2024 and on the date of the resolution of the General Shareholders' Meeting to distribute dividends from 2024 profit. The maximum possible level of dividend to be distributed from profit earned in 2024 is limited to 75%, with the primary goal being to ensure the stability of the Polish financial sector by adjusting the capital base of supervised entities to the level of risk they bear, as well as protecting the consumers of these entities' financial services.

Additionally, the PFSA indicated that the banks which have considerable portfolios of foreign currency housing loans should adjust the rate of dividend distribution based on two additional criteria:

- Criterion 1 – based on the share of foreign currency housing loans for households granted to unsecured borrowers in the total portfolio of receivables from the non-financial sector;
  – banks with a share exceeding 5% – adjustment of the dividend rate by 20 p.p.;
  – banks with a share exceeding 10% – adjustment of the dividend rate by 40 p.p.;
  – banks with a share exceeding 20% – adjustment of the dividend rate by 60 p.p.;
  – banks with a share exceeding 30% – adjustment of the dividend rate by 100 p.p.;
- Criterion 2 – based on the share of loans granted in 2007 and 2008 in the foreign currency housing loans for households' portfolio.
  – banks with a share exceeding 20% – adjustment of the dividend rate by 30 p.p.;
  – banks with a share exceeding 50% – adjustment of the dividend rate by 50 p.p.;

The total value of the adjustment (maximum 75%) is the sum of adjustments resulting from both criteria.

The PFSA additionally advised that banks should not undertake other activities, in particular those outside the scope of their current business and operating activities, which could result in a reduction of own funds, without prior consultation with the PFSA. This also applies to dividend payments, if any, from retained earnings and buybacks of own shares. The PFSA expects that any implementation of such operations will be preceded in each case by a consultation with the PFSA and will depend on its outcome.

In line with the position of the PFSA, each financial sector will receive a letter from the Chairman of the PFSA with recommendations.

In a letter dated 16 December 2024, the PFSA (with reference to the guidelines for determining the capital add-on recommended under Pillar II (P2G)) informed that, in the supervisory review process, the Bank's sensitivity to the potential materialisation of stress scenarios affecting the level of own funds and exposure to risk was assessed as low. The total add-ons recommended under Pillar II amount to 0.00 percentage points at both the individual and consolidated levels (after the compensation for the capital conservation buffer). Previously, in 2023, the recommended P2G level above the total capital ratio was 0.48 percentage points at the standalone level and 0.42 percentage points at the consolidated level.

As at 31 December 2024 the ratios amounted to:

- at the consolidated level:
  - Tier 1 capital ratio (T1) and core equity ratio Tier 1 (CET1) = 17.39%;
  - total capital ratio (TCR) = 18.58%;
  - Criterion 1 = 1.53%;
  - Criterion 2 = 21.07%;
- at the standalone level:
  - Tier 1 capital ratio (T1) and core equity ratio Tier 1 (CET1) = 19.47%;
  - total capital ratio (TCR) = 20.87%;
  - Criterion 1 = 1.82%;
  - Criterion 2 = 21.77%.

The Bank's intention is to pay dividend in 2025 from the net profit for 2024. The recommendation of the Bank's Management Board regarding dividends will be determined after receiving an individual dividend policy recommendation from the PFSA.

Pursuant to Article 395 § 2(2) of the Commercial Companies Code, the decision on profit distribution remains within the competences of the Bank's Annual General Meeting.

8. ACTIVITIES OF THE PKO BANK POLSKI S.A. GROUP

8.1 SUPPORT FOR BORROWERS

The Bank, in cooperation with Bank Gospodarstwa Krajowego (BGK), offers solutions under the Government's First Home Programme - Housing Account. Since 1 September 2022, the Bank has been offering a mortgage loan under the "Housing Without Own Contribution" programme. The bank also allows customers to take advantage of statutory credit holidays.

HOUSING ACCOUNT UNDER THE GOVERNMENT'S FIRST HOME PROGRAMME

The account is designed for people aged between 13 and 45 who do not hold title to a property. One person can have one Account. The maximum duration of the account is 10 years (the account may not be maintained until 31 March of the year following the expiry of 10 years counted from 31 December of the year in which the account agreement was signed). The Account is offered free of charge, but requires regular deposits of between PLN 500 and PLN 2,000 per month. One month a year the customer can use for a "holiday from saving" without any consequences – they will still be entitled to the bonus A promotional interest rate of 3.75% per annum applies in the period from 1 April 2024 to 31 March 2025.

If the Account is held for at least 3 full calendar years and the customer fails to meet the regular deposit condition or withdraws part of the funds accumulated, or if the maximum term of the Account expires, it will be converted into a Housing Deposit. The deposit will bear interest at no less than 75% of the interest rate on a 12-month savings term deposit account or, if the Bank does not offer one, at no less than 50% of the WIRON index. The condition for entitlement to the housing bonus and income tax exemption is that the Account must be maintained for a minimum of 3 years and that the funds accumulated in the Account must be used for a housing purpose. The funds can also be used for any purpose, but this entails a loss of benefits. Until 31 December 2024, 3,062 Accounts were opened and credited with a total of more than PLN 56 million by the Bank's customers.

HOUSING LOAN UNDER THE "HOUSING WITHOUT OWN CONTRIBUTION" PROGRAMME

Since September 2022, PKO Bank Polski S.A. has been offering a housing loan with family repayment. If, during the repayment of the loan, the family grows with a second or subsequent child, BGK will pay PLN 20 thousand (for the second child) or PLN 60 thousand (for the third and subsequent child) towards the loan repayment. The loan, granted under the terms of the "Housing without own contribution" program, allows financing of up to 100% of expenses related to the acquisition or construction of a property. Individuals who are creditworthy but do not have sufficient savings for own contribution can apply for the loan. A part of the amount financed is guaranteed by BGK.

Since the launch of the programme, 4,664 of the Bank's customers have taken advantage of the offering, and the total value of housing loans with family repayment granted to individuals as at 31 December 2024 reached PLN 1,763 million, with 4,341 loans for PLN 1,651 million in 2024 alone.

LOAN HOLIDAYS

On 12 April 2024, the Polish Parliament passed an amendment to the Act on support for borrowers who have taken out a mortgage loan and are in a difficult financial situation and the Act on the crowdfunding of business ventures and on assistance for borrowers.

The Bank's Group offers statutory loan holidays, allowing the suspension of repayment of a mortgage loan or advancement used to meet the borrower's own housing needs that was granted in Polish currency under agreements concluded before 1 July 2022. Customers can take advantage of these solutions with respect to one agreement only.

Customers may have their loan repayments suspended if, apart from meeting the above conditions, they comply with the following criteria: the value of the loan granted did not exceed PLN 1,200,000 and the arithmetic mean of the ITI (Instalment to income, i.e. the ratio of the loan instalment to the household's net income for the last 3 months preceding the month of application) ratio exceeds 30% or if the consumer has at least 3 dependent children (as at the date of application). The option to suspend repayment is also available to customers who have reached settlements concerning CHF loans and the current currency of their loan is PLN. Customers of PKO Bank Polski S.A. and PKO Bank Hipoteczny S.A. can apply through the iPKO website, the Bank's branches or by mail.

The amended Act gives borrowers the right to have their loan suspended for up to two months in the period from 1 June to 31 August 2024 and two months in the period from 1 September to 31 December 2024.

By the end December of 2024, 27.7 thousand customers of the Group suspended their mortgage loan or advance repayment, and the total number of suspended instalments amounted to 102.4 thousand.

For details of the level of credit holiday loss in 2024, see the Bank Group's financial statements for 2024, Note 31 "Loans and advances to customers".

MORTGAGE LOANS IN FOREIGN CURRENCIES – SETTLEMENT PROGRAMME

In 2024 PKO Bank Polski S.A. continued offering settlements to its retail customers who had active mortgage-backed loans in CHF. The settlement involves converting CHF loans into loans in Polish zlotys (PLN) as if, from the very start, it had been a PLN loan subject to interest rate at the WIBOR reference rate increased by the margin historically applied to such loans. The settlements are offered during mediation proceedings conducted by the Mediation Centre of the PFSA. The bank also offers settlements on a large scale for loans subject to litigation.

By 31 December 2024, more than 64.9 thousand mediation applications were registered, 48,092 mediations concluded with a positive outcome, 15,014 mediations concluded with a negative outcome. The total number of settlements concluded as at 31 December 2024 was 47,757, of which 40,812 were concluded in mediation proceedings and 6,945 in court proceedings.

CJEU CASE-LAW

In its decision issued in case C-488/23 of 12 January 2024, the CJEU determined that banks are not able to claim adjustment from customers if the invalidity of the agreement is a consequence of the removal of abusive clauses from the agreement. The CJEU thus ruled that banks may not demand compensation from consumers consisting of a judicial adjustment of the payment corresponding to that capital, in the event of a substantial change in the purchasing power of the currency concerned after the transfer of that capital to the consumer.

RESOLUTION OF THE SUPREME COURT OF 25 APRIL 2024

In a resolution of 25 April 2024 (ref. III CZP 25/22), the Supreme Court (SC) expressed its opinion on the legal questions of the First President of the Supreme Court concerning Swiss franc loans. A written statement of reasons for the resolution was drawn up and published on the Supreme Court's website. The determination of the issues addressed by the resolution was based on the assumption that the contractual provisions concerning the determination of exchange rates had been declared illicit. In the first place, the SC pointed out that, in the current state of the law, an illicit contractual provision concerning the method of determining the foreign currency exchange rate cannot be replaced by another method of determining the foreign currency exchange rate resulting from law or custom. Once it has been eliminated from a loan agreement that is indexed to or denominated in a foreign currency, the remaining part of the agreement cannot be binding. The parties are entitled to separate claims for reimbursement of unduly performed services. In such a case, the limitation period of the bank's claim for repayment of amounts disbursed under the loan begins to run, in principle, from the day following the day on which the borrower challenged the fact of being bound by the provisions of the agreement against the bank. At the same time, there is no legal basis for either party to claim consideration for the use of its funds. The object of the SC's decision was not to prejudge in which exact cases such clauses should be considered illicit provisions.

INCREASED COST OF LEGAL RISK

In the first quarter of 2024, the Bank's Group increased the allowance for the cost of legal risk of mortgage loans in convertible currencies (CHF) by PLN 1,585 million. The amount of these costs is due to updates of the legal risk assessment model parameters, which included changes in the level of settlements and court rulings, an increase in the expected costs of the settlement program, and higher estimated costs related to statutory interest accrued during the dispute with the customer.

8.2 SUPPORT OF UKRAINE AND THE SITUATION OF UKRAINIAN COMPANIES FROM THE BANK'S CAPITAL GROUP

ACTIVITIES OF UKRAINIAN COMPANIES

PKO Bank Polski S.A. Group companies, including KREDOBANK S.A. with its registered office in Lviv, and its subsidiary, "KREDOLEASING" sp. z o.o., as well as debt collection and financial companies with their registered offices in Kyiv and Lviv, continue to operate in Ukraine.

KREDOBANK S.A. is a universal bank which services customers mainly in the western part of Ukraine and in Kyiv. As at the end of 2024, the Company's head office was in Lviv; there were 65 branches, 11 of which are located in regions most affected by warfare. It grants loans mainly to corporate and SME customers, also under government programmes and in cooperation with foreign banks.

KREDOBANK S.A.'s priority is to ensure the safety of its employees and maintain uninterrupted operations servicing customers on an on-going basis.

The Company complies with restrictions imposed by the NBU under martial law.

KREDOBANK S.A. is included in the list of banks of systemic importance, which includes the top 15 Ukrainian banks. The bank's status confirms the important role of the bank for the operations of the Ukrainian banking sector. The company runs a stable and profitable business. 32 branches of KREDOBANK S.A., which are part of POWER BANKING (joint banking network, established at the initiative of the National Bank of Ukraine), continue to provide customers with services from a specific list of urgent banking services.

At the end of 2024, KREDOBANK S.A. granted UAH 8.29 billion (PLN 809 million) in new loans. Compared to 2023, lending remained almost unchanged.

KREDOBANK S.A. Group reported an increase in assets for 2024 from UAH 55,819 million to UAH 61,856 million and reported a significant net profit of UAH 0.93 billion in an environment of increased income tax.

In 2024, KREDOBANK S.A. received numerous awards and distinctions for its activities in Ukrainian bank rankings.

Table 11. Selected financial data of KREDOBANK S.A. Group*

	w mln UAH		w mln PLN	
Statement of financial position	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Loans gross	13,762	14,125	1,343	1,465
Deposits gross	52,129	46,347	5,088	4,806
Assets (total assets)	61,857	55,819	6,037	5,788
Equity	6,952	5,807	678	602
Net result	za 2024 rok	za 2023 rok	za 2024 rok	za 2023 rok
Net result	943	1,241	93	143

* consolidated data according to the International Financial Reporting Standards in force in the Bank's Group.

The financial and organizational situation of the other Ukrainian companies in the Bank's Group remained stable at the end of 2024. The companies are operating under wartime austerity, have not experienced liquidity tensions, and are maintaining relations with existing counterparties and attracting new ones. Service restrictions and the organisation of work are being adjusted to the current war situation on an ongoing basis.

COOPERATION BETWEEN KREDOBANK S.A. AND INTERNATIONAL INSTITUTIONS TO SUPPORT THE RECOVERY OF THE UKRAINIAN ECON

Based on guarantees received from the European Bank for Reconstruction and Development (EBRD) and European Commission funds deposited with the BGK (guaranteeing coverage of potential losses), KREDOBANK S.A. expanded lending. Between 2023 and 2024, KREDOBANK S.A. signed risk-sharing agreements with Bank Gospodarstwa Krajowego (BGK):

- In March 2024, KREDOBANK S.A. and BGK signed an annex to an agreement with the EC concerning cooperation in support of business lending. BGK guarantees the repayment of loans to be granted by KREDOBANK S.A. The EC has allocated an additional EUR 10 million (EUR 20 million in total) in 2024 for BGK to secure KREDOBANK S.A.'s lending to companies operating in Ukraine. This will enable the continued financing of micro, small and medium-sized enterprises - primarily those operating in high-risk areas, i.e. de-occupied areas and areas close to hostilities.

In June 2024, an agreement was also signed with the European Fund for Southeast Europe "EFSE" concerning a grant for KREDOBANK S.A. for the implementation of a remote onboarding and service project for SME and corporate customers.

KREDOBANK S.A. also entered into three guarantee agreements with international financial organisations to support the recovery of the Ukrainian economy:

- on 11 September 2024, KREDOBANK S.A. signed a two-year agreement with the European Bank for Reconstruction and Development (EBRD), under which it is able to release funding for Ukrainian entrepreneurs in the total amount of EUR 100 million. In accordance with the risk-sharing arrangement, the EBRD secures 50% of the credit risk on the new financing of up to EUR 100 million granted by KREDOBANK S.A. for the first 50% of past due loans (EUR 25 million). Since the date of signing of the agreement, the first loan tranche of EUR 50 million was put in place, which was drawn down at 5%. At the same time, a sub-limit of EUR 10 million was granted for each of the two tranches for investment funding, with a simultaneously allocated grant of EUR 2 million for any purpose (SMECI Competitiveness programme). A call for applications from customers is underway.
- On 24 September 2024, KREDOBANK S.A. signed a ten-year loan portfolio guarantee agreement with the United States International Development Finance Corporation (DFC) which enables the mobilisation of financing for Ukrainian entrepreneurs in the total amount of USD 50 million. In accordance with the risk-sharing arrangement, DFC secures 80% of the credit risk on the new financing of up to USD 50 million granted by KREDOBANK S.A. for 80% of past due loans (USD 40 million). The duration of the agreement is 10 years, with the first 7 years being for the sale of loans and the last 3 years for the collection of overdue loans. KREDOBANK S.A. incurs an initial commission of 0.5% and a 'utilisation fee' of 0.85% of the loan portfolio.
- On 8 October 2024, KREDOBANK S.A. entered into another agreement with the BGK for the implementation of an additional EUR 10 million guarantee from the EC. Financing is provided under the Ukraine Facility (Pillar II) plan to support micro, small, and medium-sized enterprises in Ukraine operating near active war zones. The additional guarantee allows KREDOBANK S.A. to provide loans and leasing to Ukrainian entrepreneurs operating only in the most high-risk regions close to the front lines, in the so-called "red" and "orange" zones (excluding occupied territories), where access to bank financing is particularly difficult. As at 31 December 2024, EUR 2.15 million had been utilised under this financing.

KREDOBANK S.A. also provided financing to clients in cooperation with the Enterprise Expansion Fund and implemented a grant disbursement programme with Deutsche Sparkassenstiftung für internationale Kooperation (DSIK) for SMEs that received investment loans from KREDOBANK S.A.

HUMANITARIAN AID AND ASSISTANCE TO EMPLOYEES OF THE UKRAINIAN GROUP COMPANIES

The PKO Bank Polski Foundation continues its efforts to support individuals affected by the war in Ukraine. In 2024, as part of the #PomocdlaUkrainy initiative, the Foundation donated to five aid organisations. Among those supported were also employees of Kredobank and their families, who received 110 packages with essential food and sanitary items. The Foundation also sponsored equipment and supplies for medics operating in war zones. The total amount of support provided in 2024 amounted to PLN 268,240.

IMPLEMENTATION OF THE SANCTIONS IMPOSED ON RUSSIA AND BELARUS

In 2024, PKO Bank Polski S.A implemented on an ongoing basis the restrictions and changes resulting from the sanctions imposed on Russia and Belarus. In particular, they were related to new EU sanctions packages and the inclusion of Russian banks on US sanctions lists.

The Bank has been introducing, on an ongoing basis, guidelines regarding the financing of and the provision of banking services to entities and customers having business dealings with Russia and Belarus, including customers who have been or may be subject to sanctions or restrictions.

8.3 OPERATING SEGMENTS OF THE BANK'S GROUP

Retail segment Corporate and investment segment

The PKO Bank Polski S.A. Group conducts business activities in segments adapted in terms of products and services to specific groups of customers. The manner in which the business segments are divided is consistent with the sales management model and a comprehensive product mix. Currently, the Bank's Group conducts its business activities in the retail segment as well as in the corporate and investment segments.

Due to organisational changes at the Bank related to the introduction of a new business supervision assignment for customer groups and individual Group companies, appropriate changes were made to the presentation of segmentation data. The changes include, in particular, the transfer of the results and balance sheet items of customers of the corporate segment from the retail segment to the corporate and investment segment.

Loan receivables, leases and corporate savings presented in the Report in the charts for 2020-2022 have been adjusted for comparability on the basis of management data.

RETAIL SEGMENT

The retail segment offers a full range of banking products and services to individuals as part of retail and private banking, as well as mortgage banking. In addition, it includes transactions with companies, developers, cooperatives and property managers. The products and services offered in this segment include, among other things: current accounts, savings accounts, term deposits, private banking services, investment and insurance products, investment funds, credit and debit cards, electronic and mobile banking services, consumer and housing loans, business loans, leases and factoring.

Number of customers:
12 100.7 thousand

Financing granted:
PLN 191.9 billion

Savings volume:
PLN 518.9 billion

CORPORATE AND INVESTMENT SEGMENT

The corporate and investment segment comprises transactions concluded with enterprises, corporate customers, local governments and financial institutions. Products and services in this segment include: transaction banking (including account management), deposit products and other liquidity management products, trade finance, treasury products, loan-like products for financing day-to-day and investment needs (including leases and factoring). The segment also includes brokerage activities and the Bank's own liquidity management and investment activities.

Number of customers:
32.7 thousand

Financing granted:
PLN 106.2 billion

Savings volume:
PLN 85.3 billion

The segment descriptions present management data that include PKO Bank Polski S.A. and significant entities of the Bank's Group; any differences in totals, shares and growth rates are due to rounding.

8.3.1 RETAIL SEGMENT

The offer of the PKO Bank Polski S.A. Group for individuals and companies covers a wide range of credit, deposit and saving products, insurance products, as well as electronic banking services.

In 2024 in the retail segment the Bank's Group built strong and long-term relations with customers, among other things by making available a maximum number of processes remotely. It focused on developing tools and access channels to enable customers to easily manage their finances from any place and at any time.

Individuals can take advantage of consumer loans in the form of cash advances, revolving loans, credit cards, the "PKO Pay Later" deferred payment service, and housing loans. Investment and investor loans, revolving loans, leases and factoring are available to companies.

The deposit and investment offer comprises, among other things, regular saving products, term and structured deposits, investment products of PKO TFI S.A., and Treasury savings bonds.

In 2024, the Bank Group's offer provided insurance services, both those related and not linked directly to bank products, to all customers in the retail segment. Insurance linked to Bank products is offered to Customers in connection with, among other things, consumer loans and mortgage loans, checking accounts and bank cards. The offer of insurance independent of Bank products includes, among other things, life insurance, insurance of real estate, travel, motor, Bezpieczny Plan, and insurance of leased assets.

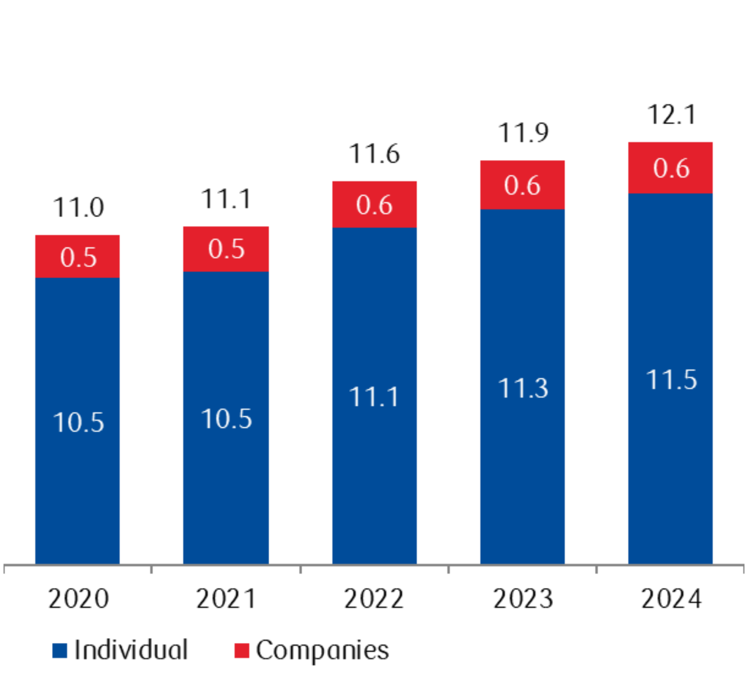
CUSTOMERS OF THE SEGMENT

As at the end of 2024 the Retail Segment serviced more than 12.1 million customers, including:

- almost 11.5 million individuals, including 21.1 thousand of Private Banking customers;
- more than 0.6 million companies.

In 2024, the number of customers serviced in the retail segment increased by more than 224 thousand.

CUSTOMERS OF THE SEGMENT

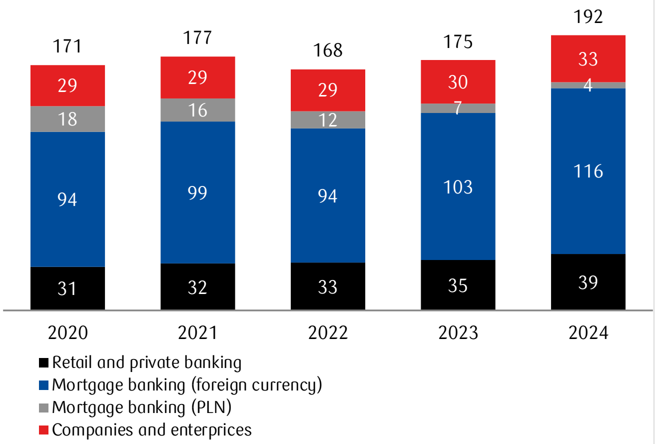


WOLUMENY BIZNESOWE

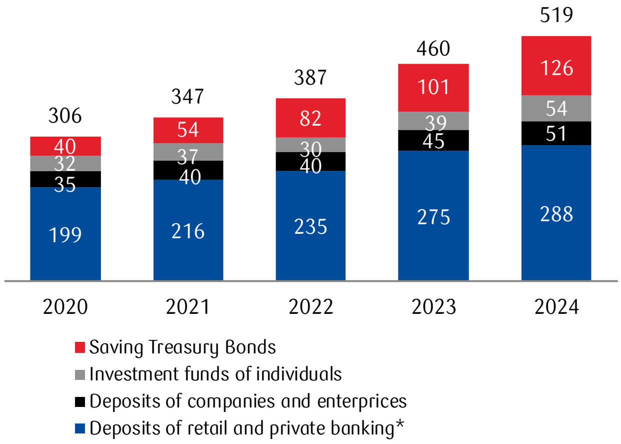
As at the end of 2024:

- total financing for Retail segment customers was nearly PLN 192 billion and increased during 2024 by more than PLN 17.3 billion (i.e. 9.9%). This was mainly driven by an increase in the mortgage banking loan portfolio (PLN +10.3 billion), with a negative effect from repayments of foreign currency loans, settlements reached and provisions related to the legal risk of foreign currency mortgage loans. In 2024, corporate financing increased by more than PLN 2.6 billion (i.e. 8.8%);
- retail segment savings amounted to PLN 519 billion and went up by more than PLN 58.4 billion (i.e. 12.7%) in 2024. The most significant contribution to this increase came from the rise in funds invested in Treasury savings bonds (+PLN 24.6 billion) and investment funds (+PLN 15.1 billion), as well as the growth in deposits from retail and private banking (+PLN 12.3 billion).

Gross loan receivables in the retail segment (in PLN billion)



Customer savings in the retail segment (in PLN billion)



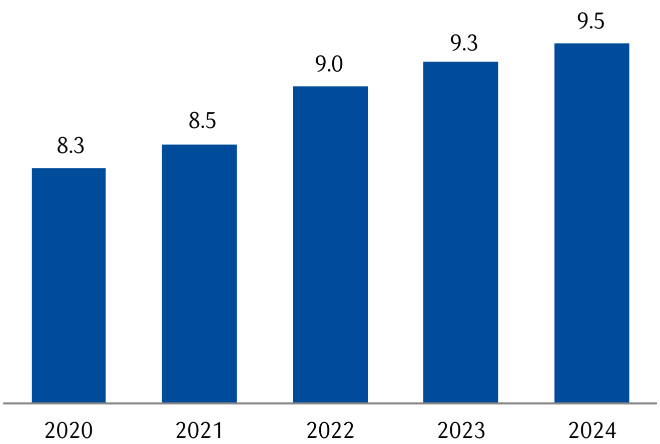
* taking into account insurance product liabilities

The Bank reinforced its position as market leader in terms of the number of checking accounts maintained (ROR). This number amounted to nearly 9.5 million and went up by nearly 182 thousand during the year. It covers all active accounts, which constitutes growth potential for further cooperation with customers.

In 2024, the Bank's Group sold more than 682 million Treasury savings bonds (up by 71.8%), and the volume of Treasury savings bonds held by the Bank's customers issued to the domestic market amounted (at nominal value) to nearly PLN 126 billion, up by more than 24% from the end of 2023.

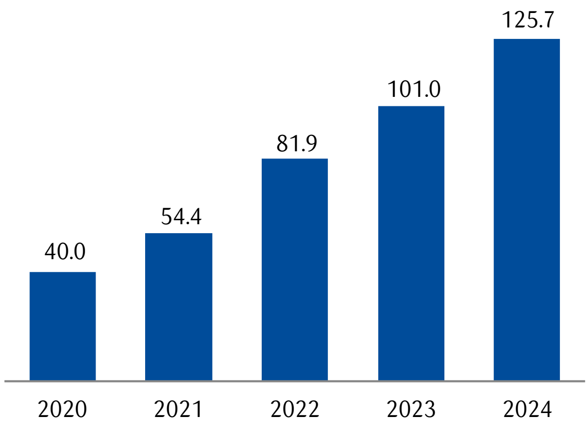
The value of assets under management of Investment Funds for Individuals in 2024 reached a record high of PLN 54.2 billion and was nearly 39% higher than at the end of 2023.

Number of current accounts* (in millions)



* number of all active accounts with a potential for growth of cooperation with the customer

Indebtedness under Treasury bonds issued for the domestic market (in PLN billion)*

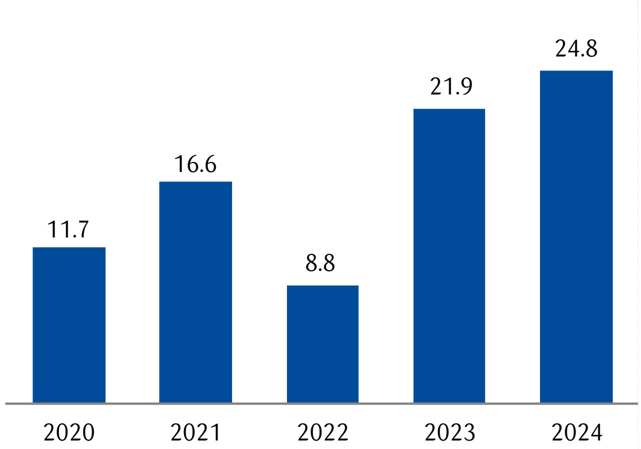


* nominal value of savings bonds; source: Brokerage Office of PKO Bank Polski S.A.

In 2024, the Bank Group granted housing loans to individuals with a total value of nearly PLN 24.8 billion, maintaining its leading position in the market with a share of 29.4% throughout 2024. 2024 proved to be a record year in terms of nominal sales of mortgage loans.

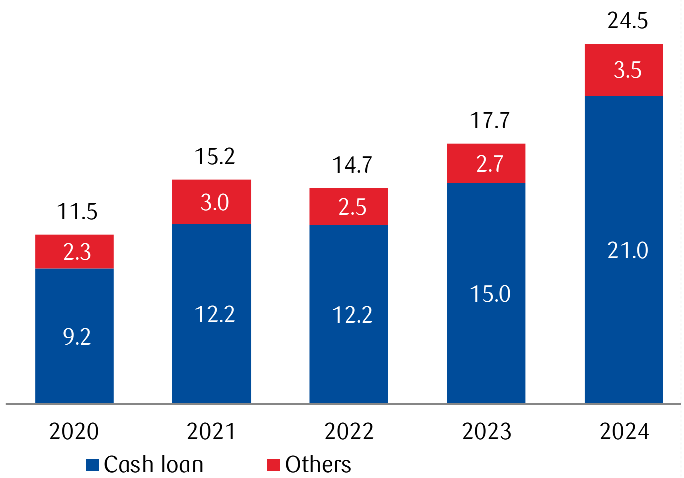
Sales of consumer loans totalled nearly PLN 24.5 billion (including nearly PLN 21 billion of cash loans) and increased by nearly PLN 6.8 billion, or 38.4%, in 2024 (of which sales of cash loans increased by more than PLN 5.9 billion, or 39.4%). The Bank has consolidated its leading position in financing individual customers with a cash loan. One in five loans is granted by PKO Bank Polski S.A. and 84% of loan agreements are concluded digitally – without the use of paper.

Sales of housing loans (in PLN billion)*



* source: ZBP, sale of PKO Bank Polski S.A. and PKO Bank Hipoteczny S.A.

Sale of consumer loans (in PLN billion)



In 2024, the share of fixed-rate loans in the new sales of mortgage loans reached 75.7%, and their total share in the portfolio of PLN-denominated mortgage loans as at 31 December 2024 increased to 38.3% (compared to 27.3% at the end of 2023).

Activities in 2024

Deposit offering

Taking into account the market environment and the bank's liquidity situation, PKO Bank Polski S.A. gradually reduced deposit interest rates – introducing new products and changing the terms of existing ones.

In 2024, the Bank, particularly for individual customers, introduced 24-month structured deposits to its offering:

- based, among other things, on a basket of stocks of leaders in sustainable development (the basket included companies that scored at least 7 on the Bloomberg ESG Score scale of 0-10). This result demonstrates very high environmental, social and governance standards.
- based, among other things, on baskets of stocks of companies: European, pharmaceutical, gold mining, technology, French, business leaders (companies where women hold the position of CEO), semiconductor sector, insurance, fitness industry, Scandinavian, medical equipment sector, Mediterranean, and biotechnology.

In addition, the Bank:

- introduced 2 editions of the Special Code Deposit for Personal Banking customers. The deposit was opened on the basis of a one-time special code given to the customer by the adviser. The offer was designed to encourage customers to take up the offer for personal banking,
- adjusted interest rates on deposits in line with conditions,
- in the retention offer:

  - has implemented the Deposit for You, offered in six different interest rate options ranging from 2.1-3.75% per annum,
  - extended the retention offering to other maturing deposits, in addition to the Deposit for new funds.
- launched an account for Payment Services Offices to process transactions 'on behalf of and for the benefit of' Payment Services Office clients,
- launched the Premium Deposit, which replaced the Negotiated Deposit for companies.
- launched 6 editions of the New Funds promotion for the Plus Savings Account, where the promotional interest rate was 5% up to a balance of PLN 250 thousand valid for 90 days,
- the promotion on Pierwsze Konto Oszczędnościowe (First Savings Account – an account for people up to the age of 18) is active until 31 May 2025, with an interest rate of up to 8% per annum on systematic savings of up to PLN 10 thousand.

The average interest rate on new term deposits in PLN (for individuals and enterprises) in 2024 was 3.57%. The average interest rate on all term deposits in PLN placed with PKO Bank Polski S.A was 3.67% in 2024, compared to 5.08% in 2023.

Investment funds

In the area of investment funds, the Bank's Group:
- enabled electronic authorization for the Autolokacja III program (deposit with a fund) in Bank branches,
- implemented the Akcjomat V investment program,
- enabled authorization of selected orders in Bank branches via mobile application or SMS code,
- made available a new order for the withdrawal of funds from IKZE in the iPKO website and IKO mobile app,

In the area of investment advisory, it implemented multi-fund advisory for customers of Personal and Private Banking within the PKO Inwestomat platform.

Loan offering

with regard to housing loans (in addition to the activities described in Chapter 8.1 Borrower support):
  - has prepared promotional and special offers:
  - an offer with a fixed interest rate 0.5 p.p. lower for the first 5 years,
- continuation of a promotional offer with a commission reduced to 0.5% when using life insurance,
  - continuation of the offer for customers with the Large Family Card,
  - extended the offer to support borrowers with CHF mortgage loans until 31 December 2025 to limit the negative effects following from the changes in the exchange rate,
- introduced:
  - suspension of mortgage repayments (government credit holidays), resulting from the Act of 12 April 2024 on support for borrowers who have taken out a mortgage loan and are in a difficult financial situation and the Act on the crowdfunding of business ventures and on assistance for borrowers,
  - special solutions regarding the suspension of repayment or extension of the loan period for retail customers repaying cash and mortgage loans who were affected by the flood that occurred in September 2024.
  - the process of applying for support for mortgage borrowers who were affected by the flood that occurred in September 2024, based on the Act on Special Solutions Related to Mitigating the Effects of Floods,
  - the pilot optimization of the annexation process, i.e., the introduction of the first remote annexation processes – modification of the repayment formula, change of the loan repayment date,
  - a new process for submitting external property insurance policies, which serve as collateral for the loan, through all channels, including the iPKO website and the IKO application,
- adapted internal regulations and processes:

- to fulfil the obligation of verifying the reservation of the PESEL number of any of the borrowers at the time of signing a credit/loan agreement, selected types of annexes to credit agreements, as well as agreements for granting support, a promissory note, or a loan for debt repayment.
- to the requirements of Recommendation S, whereby the Bank must inform customers who have obtained a favourable credit decision about the risk and consequences of a decrease in the value of the property which is to be used as collateral for the loan,

- conducted customer information campaigns and adjusted the bank's processes in connection with:
  - the possibility of signing an annex regarding the inclusion of provisions in the agreement concerning the Bank's procedure in the event of a significant change or cessation of the development of a benchmark,
  - the elimination of the USD LIBOR and GBP LIBOR interest rate benchmarks,
  - modification of the pricing offer (margins) for mortgage loans,
- discontinued the loan repayment insurance and the Własny Kąt Hipoteczny (My Own Place Mortgage) offer.

with respect to supporting operations and financing of companies:

- increased the maximum loan amount for TOP and corporate customers to PLN 1 million and extended the loan term to 69 months,
- introduced new loan and credit guarantees in collaboration with BGK:
  - Businessmax Plus guarantee,
  - Ekomax guarantee,
  - Investmax guarantee,
- enabled the use of a de minimis guarantee as collateral when renewing a loan in an auxiliary account in EUR and changing the terms (increase in the loan amount),
- updated, in cooperation with BGK, the terms for granting de minimis guarantees by changing the maximum limit of de minimis aid,
- introduced a special offering for a loan to refinance liabilities with a 0% commission for an overdraft and/or a loan with the possibility of applying individual conditions for margins,
- introduced a promotion for the Bank's customers without a loan – as part of the promotion, the commission for granting an overdraft facility was reduced to 0%,
- made the EKO promotion available to housing associations and cooperatives. Customers making green investments benefit from financing with the Our Renovation investor loan on promotional terms. These investments include, but are not limited to: insulating buildings, purchasing and installing photovoltaic panels and heat pumps, building parking spaces with access to an electric/hybrid vehicle charger,
- expanded the investment loan offering for housing associations and cooperatives with the OUR RENOVATION loan, including a RES grant with no commission for granting the loan, intended for the purchase, installation, construction, or modernization of renewable energy sources.
- increased the maximum amount of financing with the OUR RENOVATION investor loan to PLN 500 thousand as part of the pre-limit for housing associations (simple and quick financing),
- has extended its offer to include the Our Renovation investor loan with a 'flood' renovation bonus from BGK for housing communities and cooperatives in flood-affected areas,
- increased the credit exposure for pre-limit loans and low-value financing (low-value scoring) from 1 million PLN to 2 million PLN,
- increased the credit exposure for pre-limit loans and financing in the scoring process with the involvement of an analyst from 3 million PLN to 5 million PLN,
- made available "green" guarantees, securing up to 80% of the value of an investment loan, which can be used primarily for renewable energy sources, investments reducing carbon footprints, or improving energy efficiency. This type of security offered by Korporacja Ubezpieczeń Kredytów Eksportowych S.A. (KUKE) is also available to the Bank's corporate clients whose core business contributes significantly to mitigating climate change.

with respect to supporting operations and financing for farmers and agriculture:

- signed an annex to the portfolio guarantee line agreement with the Bank Gospodarstwa Krajowego (BGK) for the Agricultural Guarantee Fund (FGR), allowing for the securing of loan repayment with the FGR guarantee and the application of interest subsidies for loans covered by the guarantee. Additionally, an agreement was signed with BGK enabling the use of loan repayment collateral in the form of a guarantee under the new Agricultural Guarantee Fund Plus programme. The provision of guarantee to customers is planned for the second quarter of 2025.
- in response to legislative changes, adjusted the offer of lending products (including preferential loans with ARiMR subsidies) aimed at individuals running agricultural businesses.

8.3.2 CORPORATE AND INVESTMENT SEGMENT

The PKO Bank Polski S.A. Group consistently tightens cooperation with businesses, major corporations, local government units and foreign customers and expands its scope based on the range of products offered.

The Bank's Group participates in financing strategic investment projects and local government projects. The financing takes the form of syndicated loans and bilateral loans, or the issue of securities. In 2024, the Bank's product offering for local government financing was extended to include an advance loan.

The Bank's Group offers wide access to funds to finance investment projects and advisory services focused on selecting the optimum form of funding and repayment terms to its customers.

The Bank maintains securities accounts for customers and facilitates Polish and foreign market transactions, and acts as a depositary for pension and investment funds.

The Bank's Customers who are interested in entering and increasing their share of international markets may use a wide scope of products and services, such as: transaction banking, including international cash pooling, e-banking, Treasury products, trade finance and corporate loans, offered by the Bank's foreign branches.

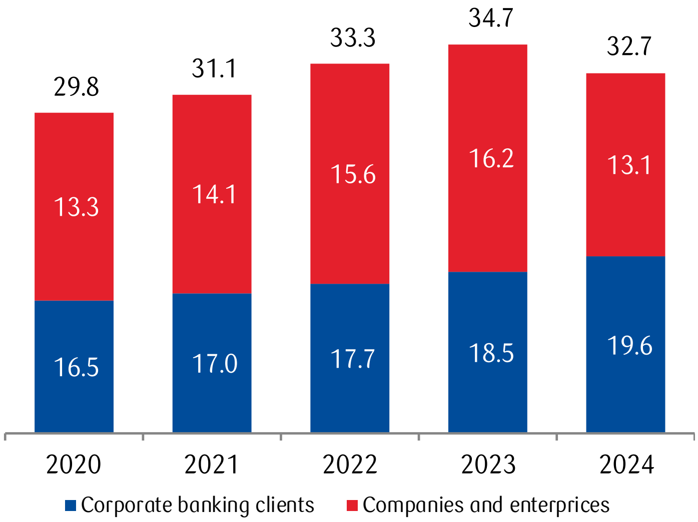
CUSTOMERS OF THE SEGMENT

As at the end of 2024 the Corporate Segment and the Investment Segment serviced more than 32.7 thousand customers, including:

- more than 13.1 thousand enterprises,
- more than 9.8 thousand corporate customers, more than 1.4 thousand strategic customers,
- more than 5.8 thousand local and central government institutions plus budgetary and related entities,
- more than 2.4 thousand foreign customers,
- nearly 0.4 thousand financial customers.

Since the beginning of 2024, the number of customers served in this segment has decreased by a total of 2 thousand. The largest impact on the decrease in the number of corporate segment customers was the change in the annual revenue threshold criterion as of January 2024, which resulted in the transfer of 3,500 customers to the business segment.

Number of corporate and investment segment customers (in thousand)



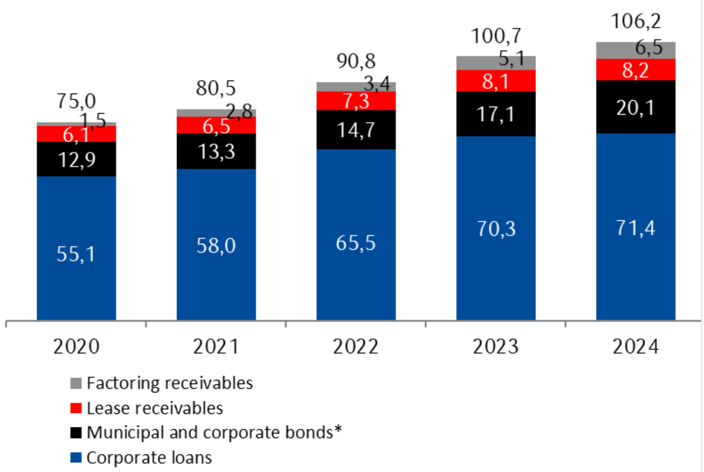
In 2024, the Bank's Group maintained its position as market leader for servicing the largest local government units: it handles the budgets of 7 voivodeships and 24 cities with poviat rights, including 8 voivodeship capital cities. For many years the Bank has also been financing and servicing banking of other public entities, including Social Insurance

Institution, organizational units of Państwowe Gospodarstwo Leśne Lasy Państwowe (State Forests), hospitals, communal companies, systematically reinforcing the position of a leader in financing the Polish economy both independently and as a significant participant of banking syndicates.

Under the service offer of the Bank's subsidiaries, customers from the corporate segment may use lease and factoring products and services. A wide range of fixed assets may be financed in the form of a lease, depending on the customers' needs. Apart from standard products, the offer also includes services of renting car fleet and cooperation with suppliers.

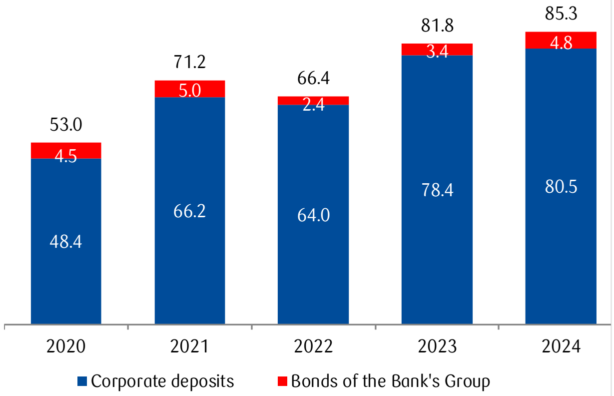
Business volumes

Gross financing of customers from corporate segment (in PLN billion)



* the item does not include bonds of international financial organizations purchased for the banking book

Savings in the corporate segment (in PLN billion)



As at the end of 2024, total financing of customers from the corporate segment, including loans, bonds issued, lease and factoring receivables amounted to more than PLN 106.2 billion and increased since the beginning of the year by nearly PLN 5.6 billion (i.e. 5.5%). The largest increases were in bonds by nearly PLN 3.0 billion (i.e. 17,3%) and factoring receivables by nearly PLN 1,4 billion (i.e. 26,2%).

The level of savings of corporate segment customers as at 31 December 2024 stood at nearly PLN 85.3 billion and increased over the year by more than PLN 3.5 billion, mainly as a result of an increase in deposits by PLN 2.1 billion and an increase in the level of funds invested in bonds issued by the Bank's Group companies by nearly PLN 1.4 billion.

Activities in 2024

In 2024, the PKO Bank Polski S.A. Group:

- with respect to financing for public entities, it concluded, among others:
  - 3 syndicated loan agreements and 1 syndicated advance totalling more than PLN 2.1 billion, under which the Bank's share totalled more than PLN 1 billion;
  - 126 municipal bond issue agreements totaling nearly PLN 3.0 billion;
- with respect to financing the corporate segment customers, it concluded:
  - 62 agreements and annexes to syndicated loan agreements totalling nearly PLN 24.1 billion, over EUR 16.8 billion, CZK 5 billion, under which the Bank's share totalled nearly PLN 6.8 billion, nearly EUR 1.2 billion and nearly CZK 0.7 billion;
  - 6 agreements for bond issuance programmes, including within banking syndicates, for a total amount of nearly PLN 15.1 billion and EUR 100 million.

Additionally, the Bank expanded its loan offer by introducing:

- a loan for local government units with a repayment period of up to 16 years, which is intended for:
  - financing the planned budget deficit of local governments,
  - repaying existing liabilities,
  - pre-financing activities covered by the EU budget,
  - covering a temporary budget deficit,

  for local governments in need of short-term support, the loan is repayable by the end of the respective financial year,
- a loan under the SLL formula. This financing addresses the current needs arising from the business activities of the customers, where the credit margin is linked to the achievement of Sustainable Development Goals (SDGs) measured by Key Performance Indicators (KPIs). In this way, the Bank becomes a partner, supporting its customers in adapting to the demands of the modern market and transforming towards a more sustainable and responsible future, while simultaneously motivating them to undertake ambitious actions in the field of sustainable development,
- with respect to brokerage activities (conducted by the Bank's Brokerage Office), it conducted:
  - in the capacity of joint bookrunner and offering agent, the Bank participated in the initial public offering of shares of ZABKA GROUP, a company headquartered in Luxembourg, with a value of approximately PLN 7.4 billion (taking into account the additional allocation of shares),
  - in the capacity of a manager, an offering of Allegro.eu shares under an accelerated book-building procedure, with a value of approx. PLN 1.9 billion,
  - as sole global coordinator and sole bookbuilder, an offering of shares in BNP Paribas Bank Polska S.A., under the accelerated book-building procedure, with a value of approximately PLN 886 million,
  - as a member of the distribution syndicate, issues of Kruk S.A. bonds with a total value of approx. PLN 270 million,
  - as global co-ordinator, a public offering of shares under the accelerated book-building procedure of Shoper S.A. with a value of approximately PLN 207 million,
  - as offering agent and global coordinator, issues of bonds of Echo Investment S.A. with a total value of approximately PLN 200 million and an issue of bonds of Ghelamco Invest Sp. z o.o. with a value of approximately PLN 125 million.

  at the end of 2024, it:
  - maintained 159.9 thousand securities accounts and cash accounts, as well as 659.8 thousand registration accounts;
  - provided services concerning units in 387 funds and sub-funds managed by 10 fund management companies.

  The value of secondary market trading in shares in 2024 amounted to PLN 65.6 billion, representing 9.44% of the market turnover, placing the Bank's Brokerage Office in second position in the brokerage house ranking.
- with regard to the deposit offering:
  - Operating in a highly competitive environment, it adjusted the interest rate on the dynamic account to the nature of the product, enabling efficient and automatic placement of surpluses above the minimum amount of PLN 500,000,
  - for businesses it expanded its offering with the Premium Deposit, which replaced the Negotiated Deposit.

8.4 INSURANCE

2024 marked an intensification of the development of insurance services as part of the "New Speed of Insurance" project, aimed at expanding the product offering based on mass individual products, as well as adapting the offer of linked insurance to the new Recommendation U and the best practices of the Polish Chamber of Insurance and the Polish Bank Association in the area of credit or loan repayment insurance. The Group's activities in the development of insurance operations also included providing ongoing support to advisors through a dedicated team of regional managers, numerous brand promotion activities, building awareness of the insurance offering, and supporting sales.

Insurance products are offered both in the Bank's branches and agencies, as well as through electronic access channels.

Significant activities and achievements of the Bank's Group in 2024:

INSURANCE

Life insurance PKO Życie	Implementation of the new PKO Życie life insurance as a standalone policy and as a policy accompanying the Cash Loan process. PKO Życie is insurance granting coverage in the event of death, serious illness, accident-induced injuries. r temporary incapacity to work. Customers can tailor-build their coverage by selecting the following packages in addition to the Life Package (which is the basic package): Health, Accident or Temporary Incapacity to Work.
	In the period from 1 January to 31 December 2024, gross written premiums amounted to PLN 42.5 million and the number of policies sold was 129.6 thousand.
	The purchase of insurance and access to policy details are available, among other ways, through remote access channels: the iPKO online banking and the IKO mobile app.
Home insurance PKO Dom	In the period from 1 January to 31 December 2024, gross written premiums amounted to PLN 188.4 million and the number of policies sold was 481.9 thousand.
Motor insurance PKO Moto	In the period from 1 January to 31 December 2024, gross written premiums amounted to PLN 188.2 million and the number of policies sold was 207.8 thousand.
	The most commonly selected coverage is Liability + Personal Accident + Assistance (approximately 40% share). Among the customers who choose the Liability package with Comprehensive Coverage, the most popular options are ASO (i.e., repairs at authorized service stations) with a 46% share, and Workshop (i.e., repairs outside authorized service stations) with a 42% share. In the case of the Assistance coverage, 40% of customers choose the Super option.

8.5 LEASING AND FACTORING

The Group, within its leasing and lending activities, finances all types of assets: from passenger cars to heavy transport and machinery (including production, agricultural, construction, medical, and other equipment), excluding real estate leasing from the current offering. The dedicated business line handles financing – including online – for items such as IT equipment, home appliances, consumer electronics, bicycles, scooters, power tools, forklifts, excavators, construction equipment, and small machines and devices with a value of up to PLN 150 thousand. The Group's product offering is continuously developed to better meet the needs and expectations of its customers.

LEASING AND FACTORING

Spring with Leasing	Making a fuel card worth PLN 500 available to small and medium-sized enterprises from the banking channel (for agreements with a value of more than PLN 100 thousand).
Further development of the car platform Automarket.pl	In 2024, Automarket.pl recorded an increase in car sales. Thanks to the e-commerce platform, a total of 5,865 vehicles were sold, representing a 24% increase compared to the previous year. The integration of various communication and sales channels in an omnichannel model was also carried out, along with business optimization through investments in IT architecture. In addition to expanding the available sales channels and working on increasing platform recognition, cooperation with dealers was further developed.
Invest EU guarantee	Launch of four lines with the Invest EU guarantee as part of PKO Leasing S.A.'s framework programme in cooperation with the European Investment Fund (EIF) for business

	competitiveness, supporting in particular small and medium-sized enterprises. Target group of the offer: • Invest EU – customers who want to finance plant and machinery and heavy transport equipment with low CO_2 footprint, • Invest EU RES – customers who want to finance photovoltaics, windmills, energy storage units and other devices that support sustainable development, • Invest EU Start up – companies that have been operating for less than 6 months, • Invest EU – customers who want to extend their financing of industrial machinery (for up to 10 years). Thanks to the Invest EU guarantee, the Group can offer companies guarantees to secure the repayment of transaction dues in the form of a lease or loan, excluding subsidy financing. The guarantee is free of charge for the Customer and no additional documents are required. iPKO Customers are offered the guarantee in a simplified process. • In the first half of 2024, 2,380 leases and loans with a total value of PLN 299 million were signed under this programme.
PKO Leasing S.A. online in the Customer Portal	PKO Leasing S.A. offers its customers a wide selection of special offers at attractive prices, prepared exclusively for them by reputable suppliers. The redirect to the application is done directly from the Customer Portal, allowing customers to quickly and easily access online financing.
"Helpline development" project	Implementation of an innovative system for servicing customers via the helpline. This is Poland's first and one of the region's crucial, groundbreaking implementation of the Microsoft Digital Contact Center platform and Dynamics 365 Omnichannel for Customer Service in the cloud (Microsoft Azure Cloud).
BYD Europe - partner for electromobility	The signing of a captive partnership agreement with BYD Europe – a global leader in electric vehicle production debuting on the Polish market. Beyond the business aspect, this initiative is significant for achieving sustainable development goals.
The promotional offer "Choose Leasing, Receive a Multivoucher".	A new offer aimed at customers of PKO Bank Polski S.A. (corporate and business customers).
Volvo zero-emission vehicles for MPO	The provision of financing for zero-emission vehicles to the Municipal Cleaning Enterprise (MPO) in Warsaw, carried out in cooperation with Volvo Trucks Polska, which supplies fully electric "garbage trucks" and stationary charging devices.
ARB robot	Launch of an ARB robot, whose task is to automate the bank account number update process. The digitisation of this process improves the rapid return of overpayments to customers.
Artificial intelligence (AI) in the operationalisation of tasks	Automation of the entry of registration book data in the process of handling lease agreements
CX (Customer Experience)	Launch of a CX project, which is meant to help build and develop the organisation's CX vision, i.e. to create interaction between customers and the company.
PKO Faktoring S.A. in the cloud technology	Transfer of all systems of PKO Faktoring S.A., as the first bank factoring company in the country and as a pioneer in the Bank Group, to the cloud. The migration took place in collaboration with Operator Chmury Krajowej.

Gold Sponsor of the Dealer TOP 100 Forum	PKO Leasing S.A was named the Gold Sponsor of the Dealer TOP 100 Forum, the most important event for the dealership industry.

8.6 IT PROJECTS AND OTHER SERVICES

The PKO Bank Polski S.A. Group offers its customers modern and comprehensive financial services accessible via its digital channels.
We are working on the development and delivery of services in collaboration with leading providers of IT solutions and cloud services, such as Google and Microsoft, with the support of Operator Chmury Krajowej S.A. PKO Bank Polski S.A. has been developing its operations with a particular focus on solutions based on artificial intelligence, robotics and automation.

Significant activities of the PKO Bank Polski S.A. Group in 2024:

PKO Pay Later	In May 2024, the maximum limit amount was increased from PLN 1,000 to PLN 2,000. Customers who already have an active service can increase the amount by completing a simple application in the IKO mobile app, the iPKO website, at a Bank branch, or via the customer service helpline. At the end of 2024, approximately 273 thousand customers were active users of the service, and the total amount of limits granted reached PLN 267.9 million. Customers have so far executed close to 6.8 million transactions for the total amount of PLN 980 million. 99% of transactions were executed with a BLIK code.
PKO Bonus discount programme	The PKO Bonus discount programme is a tool implemented together with e-commerce partners, which allows the Bank's customers to take advantage of special offers, discount codes, vouchers and to be reimbursed for a portion of the amount paid for purchases (cashback). On the IKO mobile app and iPKO website, the Bank has made the first promotional offers for the purchase of products and services available to customers.
Mobile debit and credit card for individual customers	The Bank has implemented the mobile/digital card feature for both debit and credit cards. This solution is available to nearly 10 million debit cardholders and nearly 1 million credit cardholders.
	The implemented solution enables: Immediate use of the card after signing the agreement, Payments via phone (Apple Pay, Google Pay, and others) or online, Checking card details and copying the card number for online payments, Use of a secure, dynamic CVV/CVC code to confirm card transactions online.
Let's Fintech	Launch of pilot projects: 1Strike - a cyber security-related startup, WeGrant – an AI-based solution that supports entrepreneurs in searching for EU funding matching their business and assists them in the preparation of such applications, Travatar – a startup focused on analyzing and detecting artificial traffic on websites (commonly referred to as bots), and then enabling the recovery of financial funds from such traffic, Agronet – a platform equipped with measuring sensors that track physical parameters (IoT) for crop management by farmers, Braight – software for creating behavioral scoring models.
	The collaboration with Huge Thing Startup Booster began, selecting 3 projects for acceleration: Plan Be Eco – providing an additional 400 clients with a tool for calculating their carbon footprint

	1Strike – a cybersecurity platform for penetration testing, XR Wizards – creating a Virtual Training Centre,
	Future Finance Poland / Fintech Poland – the Future Finance Summit and Warsaw Fintech Week took place, with the bank serving as a strategic partner.
	The launch of the second edition of the accelerator (Green Impact Accelerator), aimed at finding "green solutions" for the Group and its customers.
Innovation Booster Package	In 2024, the Bank offered its services to the startup segment for the first time through a dedicated offer. The Innovation Booster package includes both basic banking services and a set of additional tools useful for companies starting their operations (qualified signature, eBooks, business email, domain, etc).
Bots	Launching new bots for: confirmation of the activation of the mCitizen application, information support in a chat room on the website www.pkobp.pl.
	Development of current bots: conducting NPS surveys after bot interactions, over 200 improvements and optimizations across all bots, over 160 new dialogues implemented in all bots.
	More than 25.2 million conversations in total conducted by bots in 2024 (up 83% y/y). By 31 December 2024, all of the Bank's bots had conducted a total of over 56 million conversations.
	By 31 December 2024, 5 bots had exceeded 1 million conversations: helpline - 20.7 million, voice assistant in IKO - 20.1 million, soft debt collection (reminder of overdue payments) - 6.1 million, NPS surveys (relational and transactional) - 3.7 million, cash loan lead - 2.8 million.
Automation and robotisation	In 2024, 53 new processes were robotized, bringing the total number of processes handled by robots to 348.
	In 2024, the bank's robots completed 105 million tasks, reflecting an approximately 30% increase compared to 2023. By 31 December 2024, robots had completed a total of 355 million tasks.
	Implementations included: a new version of the invoice processing workflow in iWorkflow, enabling the handling of new types of invoices and increasing the processing scale from approximately 1,000 per month to over 10,000 per month. the annexation processes for HIPO, including the ability to sign annexes with a qualified electronic signature (fully processing annexes without visiting a branch). expanded access to information about enforcement proceedings in online banking. a chat service on the bank's website, providing answers to frequently asked questions from both customers and visitors to the bank's website. an automated process for submitting complaints by customers at the branch.
Cloud technologies	The pilot launch of the DevSecOps Platform for building containerized environments in the cloud and locally hosted environments.

	Preparation of new processes automating manual tasks performed by distributed teams for setting up environments in Google Cloud Platform (GCP).
	Development of technological framework, based on public data, for the first applications of artificial intelligence in the cloud.
	Transfer of data feed for marketing campaigns to a cloud environment.
PKO Polecam	The introduction of a new process for customer referrals of the Bank's products in the iPKO service and the IKO mobile app.
PKO Token Space AI	The Bank was granted a 10.9 million PLN grant from the National Centre for Research and Development (NCBR) for the development of AI models processing large datasets to support financial and investment decisions.
PKO Token Space with digital currency product (PLCoIN)	The bank has started work on the PLCOIN digital currency.
Community currency exchange	The implementation of a new solution at the PKO Bank Polski S.A.'s currency exchange service - the market's first community online currency exchange available in a banking app, where individual customers can exchange the four most popular currencies: EUR, USD, GBP and CHF. In doing so, the Bank ensures the security of transactions and the data of customers selling and buying currency.
Withholding of PESEL numbers	Adaptation of the Bank's processes to comply with the obligation to verify the withholding of PESEL numbers of all borrowers prior to the conclusion of a credit/loan agreement and selected types of annexes to credit agreements.
Data Warehouse - Golden Copy	The creation of a Data Warehouse using public cloud services from providers outside the Republic of Poland within the European Economic Area, where additional copies of key data (the so-called "Golden Copy") from selected business applications will be secured.

8.7 ACCESS CHANNELS OF PKO BANK POLSKI S.A.

IKO mobile banking
iPKO Internet banking
Contact Center of PKO Bank Polski S.A.

IKO MOBILE BANKING

PKO Bank Polski SA offers advanced technological solutions to its customers, providing them with complete, simple, functional and at the same time safe access to banking services using telephones. Digital banking at the Bank is strongly supported by the IKO mobile app, which the Bank has been developing for 11 years. The app currently has more than 100 features and offers a wide range of services, including non-banking ones.

The number of active IKO applications reached a record high of over 8.3 million on the Polish banking market at the end of 2024. Since its launch in March 2013, users have logged in to the application over 8.7 billion times and made nearly 3.6 million transactions for a total amount of PLN 1,015 billion.

The number of transactions concluded until the end of 2024 using the proximity BLIK in the IKO application amounted to more than 213.4 million, of which nearly 141 million in 2024 alone.

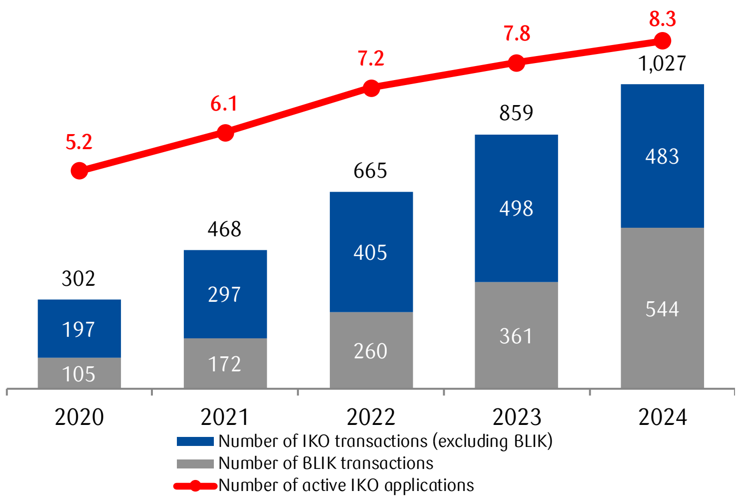
In 2024, the IKO voice assistant made a total of more than 15 million customer calls (+592% y/y).

By 31 December 2024, the IKO voice assistant had conducted a total of 20 million conversations with over 4.9 million customers.

Implemented changes:

- redirecting to a chat with a consultant in situations where the customer requires human assistance during the conversation,
- adding a predefined recipient.

IKO transactions (in millions)



In 2024, IKO functionality has been expanded to include new capabilities, such as:

- recurring BLIK payments,
- hiding product balances on the IKO home screen and when purchasing public transport tickets (discrete mode).
- checking all card details, copying the number and generating a variable CVV/CVC code for online payments,
- payment of parking fees in Android Auto,
- chat with a consultant,
- on a platform of value-added services (VAS): codes for Helios cinemas, Onet Premium,
- arranging appointments with advisors,
- submitting a complaint and viewing the list of submitted complaints,
- fundraising and facilities in loan repayments for those affected by the floods,
- handling of the child's finances from the associated PKO Junior app.

In addition, in 2024 the Bank implemented changes to the existing functionalities of the IKO app, including:

- new hyper-personalised Offer tab,
- a new process of ordering foreign transfers,
- enhanced transaction descriptions in the account history (name and logo of the merchant),
- in IKO without an account - the selfie as a new method of confirming identity,
- the new look of the exchange office,
- security settings - the central place where the customer can manage security options,
- presentation of company cards and the possibility of performing selected operations on these cards,
- on the Value Added Services (VAS) platform: telemedicine+ for PKO Życie insurance, Legimi audiobook offers - now in subscription, Canal + in new options, Onet Premium,
- a new parent profile - Child Finance with access to the management of PKO Junior children's products.

PKO BIZNES MOBILE APP

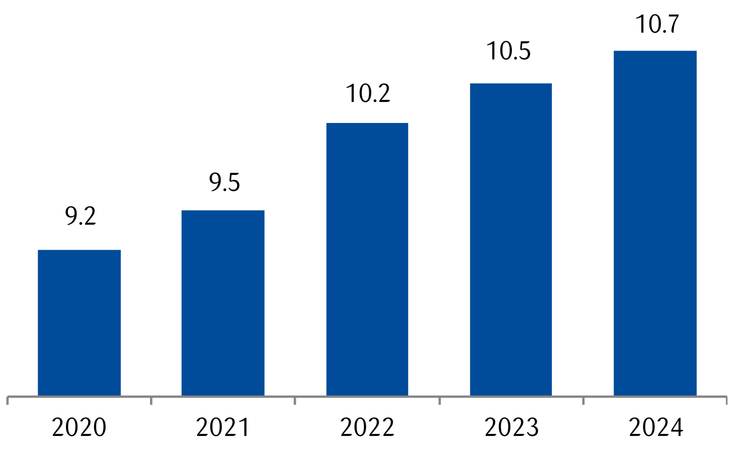
- implementation of the ability to initiate Split Payment transfers and generate PDF confirmations for transactions made with a payment card,
- enabling customers to initiate transfers to trusted accounts that were previously defined in iPKO Business without the need for authorization,
- simplification of the app activation process via an activation code sent by SMS from the bank, eliminating the need to retrieve it from the iPKO biznes website. Currently, more than 60% of users choose the new activation method.

IPKO INTERNET BANKING

The customers can use iPKO and iPKO biznes, PKO Leasing and PKO Junior as part of the Bank's electronic banking services. These services provide customers with access to information on their accounts and products, and enable them to effect a number of transactions online.

SERWIS IPKO

Number of retail segment customers with access to iPKO (in millions)*



* from the second quarter of 2019 a change in the definition – the number of retail customers who have an active relation with a product in the iPKO service

In 2024, the Bank introduced the following new features to iPKO to make it easier for customers to use banking services:

- additional login protection based on behavioural biometrics,
- security keys, the strongest form of login security,
- enhancement of card and BLIK transaction history with logo and unified shop name,
- on a platform of value-added services (VAS): codes for Helios cinemas, Onet Premium,
- chat for communicating with a consultant with a conversation history,
- New iPKO no-account process based on PKO ID,
- transfer to support flood victims,
- generating JPK_WB reports for corporate customers,

In addition, in 2024 the Bank implemented changes to the existing functionalities of the website:

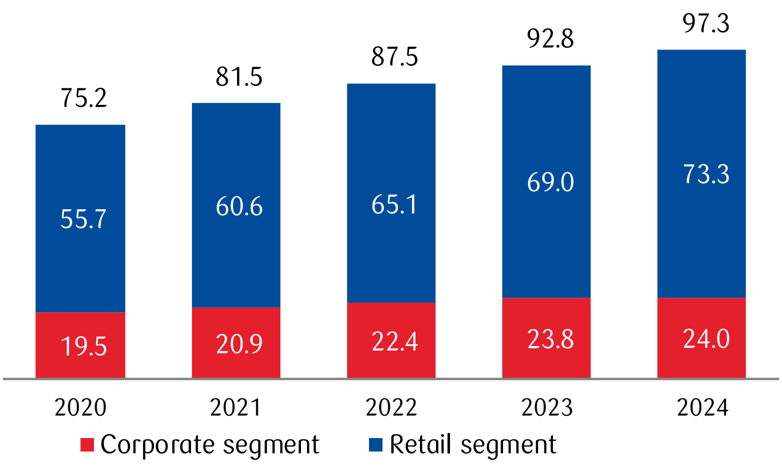
- provision of information on the reason for charging a fee for maintaining an account or using a card,
- on the Value Added Services (VAS) platform: telemedicine+, Legimi audiobook in subscription, Canal + in new options,

- screen with a range of term deposits,
- card blocking and ordering a new card in place of the blocked one in a version suitable for all types of devices,
- cancellation of the account card,
- foreign transfer form,
- verification of compromised passwords,
- additional security feature for account name changes.

iPKO BIZNES

The iPKO biznes electronic banking website is addressed to all institutional customers who wish to have online and mobile access to the standard products and specialist banking services.

Number of the Bank's customers with access to iPKO biznes (in thousands)



In 2024, the Bank made new functionalities available to the iPKO biznes users, such as:

- full integration with the financial and accounting systems: Comarch ERP Optima, Simple.ERP, Comarch XL, and Comarch XT, Softlab ERP by Asseco,
- multicontext view for managing finances of multiple companies without the need to switch between contexts,
- management of PKO Cash drop-in users, cancellation of bank transport as part of the self-service administration of the PKO Cash module for managing cash deposits,
- automatic sending of confirmation of completed transactions to e-mail addresses,
- generating immediate confirmation of the completion of transfers.
- opening and closing of a payroll account,
- viewing the history of closed accounts and downloading statements and reports for these accounts,
- ordering transfers to the accounts of trusted customers without the need for authorisation,
- information on interest rates, tariffs and commissions, as well as regulations.
- application for a certificate, bank opinion and audit of financial statements for the auditor on the iPKO biznes website.

In addition, in 2024 the Bank implemented changes to the existing functionalities of the website, including:

- functions to facilitate the international transfer process,
- application for authorisation tools for iPKO biznes Integra,
- determination of amount limits for transactions in the iPKO biznes Mobile application,
- release of a new credit module,
- introduction of information on currency risk at the stage of ordering operations,

- extension of the options of physical tokens for authorising transactions and logging in,
- implementation of 'livesearch' on transfer forms to speed up the processing of transfers,
- enabling the feeding of the transfer form with a trusted counterparty,
- increase in the amounts of Express Elixir instant transfers. The current limit for a single transfer is PLN 100 thousand and the daily limit is PLN 1 million.

PKO Leasing website

PKO Leasing S.A. has been developing functionalities for remote customer self-service through the Customer Portal, a state-of-the-art online platform for lease agreement management.

By the end of 2024:

- 98% of PKO Leasing customers used the Customer Portal;
- customers processed more than 700 thousand online payments using Pay-by-link, BLIK and BLIK OneClick,
- PKO Leasing S.A. processed 50 thousand online applications;
- sending letters by post has been replaced by online delivery on the Portal. This included:
  - debt collection letters - termination of agreements, requests for payment, renewals;
  - fines;
  - letters concerning the scheduled termination of the agreement.

More than 250 thousand documents were delivered through the Customer Portal.

PKO Junior application

PKO Junior is the bank's offering for parents and children up to the age of 12. Currently, many banks address their offerings to this age group and an important element is the mobile app for children. With its features, it teaches the child how to manage a budget on the phone in a fun way. The use of the app is comfortable and safe, as the parent controls all the actions performed in the PKO Junior app in their iPKO service. The bank was the first to offer such a solution on the Polish market and is currently continuing to develop the application with new features.

In 2024, a modified and refreshed PKO Junior mobile app was launched, featuring a revised registration process, added graphical personalization options, and a talking robot feature. Additionally, the parent panel designed for managing the child's finances in the iPKO online service was optimized for display on various screens.

In 2024, customers logged into the PKO Junior app over 3.5 million times, averaging 12 logins per month.

78% of customers aged up to 12, using remote channels, log in exclusively to the PKO Junior app.

Contact Center of PKO Bank Polski S.A.

PKO Bank Polski's Contact Center currently combines the highest quality customer service provided by consultants with modern technological solutions based on artificial intelligence (bots).

In 2024, the Contact Center offered round-the-clock and comprehensive customer support via phone, email, chat, and social media.

In 2024, the Helpline staff handled nearly 10 million calls, while the bots conducted over 24 million conversations, significantly improving service availability for customers.

The Contact Center continued its efforts to enhance customer security in remote channels, including the provision of a dedicated team and the expansion of transaction scopes confirmed by bots.

The Contact Center addressed customer needs by specializing in service lines for customers aged 67 and above, those interested in real estate purchases, and customers with enforcement proceedings.

The high quality of service in the Contact Center is confirmed by customer satisfaction survey results, with the NPS score increasing by nearly 2.2 percentage points compared to 2023.

In 2024, the reach of customer service through the chat channel, available on both the Bank's website and in the IKO app, grew significantly. Last year, consultants, supported by bots, handled over 109,000 chats.

In 2024, the Contact Center confirmed its market position with accolades and awards in industry competitions, including the Polish Contact Center Awards, the "Institution of the Year" survey, and continued its collaboration with universities and local municipal offices in various corporate social responsibility (CSR) initiatives.

8.8 DISTRIBUTION NETWORK OF PKO BANK POLSKI S.A.

NETWORK OF BRANCHES AND AGENCIES

PKO Bank Polski SA, with an eye to providing convenient access to its products and services, provides its customers with a wide network of retail branches and agencies, private banking offices, corporate branches, as well as branches located abroad. The modernisation and optimisation of the branch network is carried out on a continuous basis, and decisions on whether to open a branch on a particular micro-market are made by reference to economic criteria, taking into account the growth potential.

In 2024, the space allocated to retail branches was reduced by nearly 7.5 thousand m^2 owing to optimisation measures taken.

At the end of 2024, the Bank's branch network comprised:

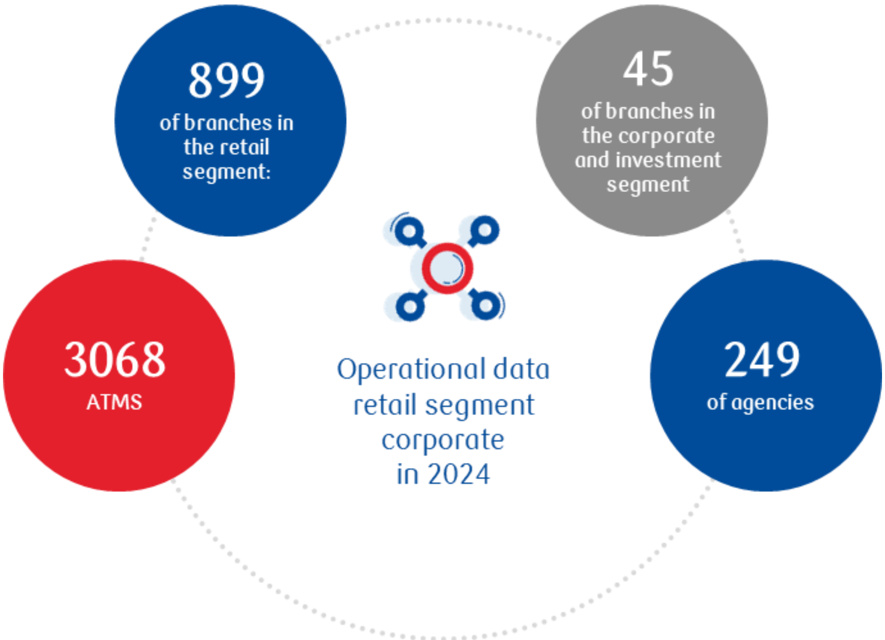
- 881 retail branches organized into 10 regional divisions and 8 private banking offices;
- 23 regional corporate centres organized into 7 regional corporate branches, 11 corporate banking offices, as well as the branches located in the Federal Republic of Germany and the Czech and Slovak Republics.

In relation to the end of the year 2023, the total number of retail units decreased by 1.

Table 12. Operating data of the retail and corporate segment

	2024	2023	2022	2021	2020
Number of branches in the retail segment	**899**	**900**	**923**	**931**	**961**
regional retail branches	10	10	10	10	10
retail branches	881	882	905	913	943
private banking branches	8	8	8	8	8
Number of branches in the corporate and investment segment:	**45**	**45**	**44**	**44**	**43**
corporate banking branches	11	11	11	11	11
regional corporate branches	7	7	7	7	7
regional corporate centres	23	23	23	23	23
foreign branches[)]	4	4	3	3	2
Number of agencies	**249**	**286**	**349**	**447**	**492**
Number of ATMs	**3,068**	**3,056**	**3,011**	**2,976**	**3,022**

1) Figures for 2024 and 2023 include the Romanian branch, which commenced operations on 1 January 2025.



The branch and ATM network is complemented by the agency network. At the end of 2024, the Bank cooperated with 249 agencies. The drop in the number of agencies observed during the last years is caused by a reduction in profitability as a result of the changing and dynamic market situation. In order to address the declining number of agency branches, the Bank introduced a new compensation model with numerous benefits for agents, effective from 1 July 2024. Some agents chose not to continue their cooperation, and the Bank terminated agreements with them. In 2024, 10 new agency branches were opened.

The Bank continues to improve the conditions in which customer service is provided and enhance the comfort of its operations by upgrading or relocating its branches to more attractive locations. The aim is to provide modern, user-friendly branches, tailored to the needs of customers and employees.

The Bank has transformed nearly 240 branches in recent years. In 2024, 52 upgraded own branches were handed over, including the completion of: 18 branch relocations and 34 branch upgrades.

At the same time, work continued on converting some branches into branches without cash processing in advisory positions, the so-called cash self-service branches. Cash can only be deposited or withdrawn by customers using self-service devices. At the end of 2024, 58 branches operated under this model (change by 8 branches y/y).

In 2024, as in previous years, the Bank has ensured that customers with disabilities are adequately supported. Training on how to serve people with different types of disabilities was part of the induction training for new employees in the network. Upgrades were made to several dozen bank branches taking into account accessibility requirements for people with disabilities. In 2024, in 122 branches with the highest customer traffic, the so-called Customer Assistant was introduced. This person was responsible for initially identifying the customer's needs from the moment they entered the branch and ensuring the most efficient organisation of their visit.

Corporate Banking Centre

PKO Bank Polski S.A.'s Corporate Banking Centre (CBP) is an optimal service model designed to support the development of entrepreneurs and meet their needs for financial services. Operating since 2018, the Corporate Banking Centre generates a steady increase in performance by successively expanding its customer base and increasing the level of customer satisfaction. CBPs are companies with annual revenues of PLN 15-60 million, served according to a modern advisory model adapted from corporate solutions. In addition to working with a business advisor (CBP advisor), customers can also count on the support of a supervisor in the corporate call centre (CKK specialist).

In order to increase acquisitions and better optimise the service model, a decision was taken at the end of the year to increase the sales network with two new Corporate Banking Offices (CBO).

By separating the Corporate Banking Centre, PKO Bank Polski can build a positive image and brand of PKO Bank Polski as a reliable business partner for Polish enterprises, owing to, among other things:

- a specialised group of nearly 125 advisers and 17 business analysts, who continue to improve their competences and work directly with credit analysts and specialists from the Bank's Group;
- better matching of the product and pricing offering to customers' needs and shorter waiting time for a loan decision as a result of improvements in the lending process;
- increased attractiveness of the offering by adding products from the Bank's Group, and close cooperation with specialists in factoring, leasing and treasury products;
- cyclical meetings with customers to promote the Bank's and the Bank Group's products and, above all, to educate and popularise innovative solutions based on market opportunities and current public programmes.

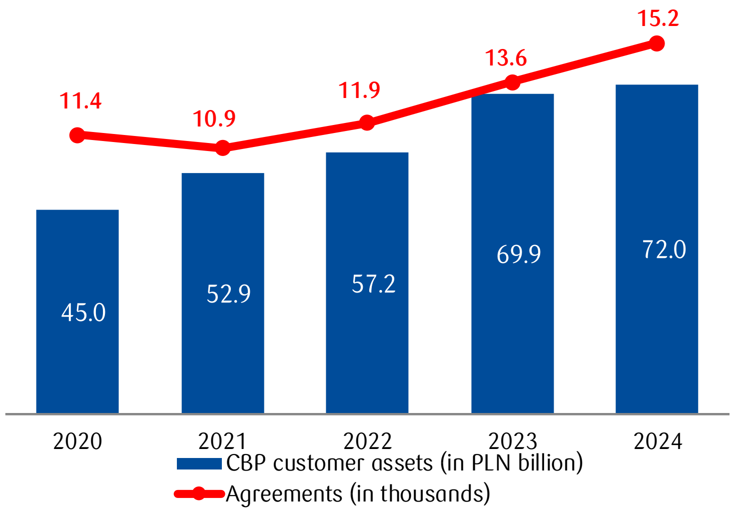
PRIVATE BANKING CENTRE

PKO Bank Polski S.A. has been providing comprehensive financial services as part of its Private Banking offering for more than a dozen years and provides customers with access to a wide range of financial products and instruments, from personal and deposit accounts serviced both remotely and in the traditional manner, through brokerage and treasury services, prestigious credit cards with a convenient insurance package, to a full spectrum of investment products. Private Banking also offers comprehensive financing for current and investment needs.

The Private Banking Offices serve customers in the largest Polish cities: Warsaw, Gdansk, Kraków, Katowice, Poznan, Wroclaw, Łódź, Szczecin, Bydgoszcz, as well as Białystok and Lublin.

As at the end of 2024, the Private Banking Centre managed a portfolio of assets worth nearly PLN 72 billion (an increase by 3% y/y), and the number of Agreements served was about 15.2 thousand (an increase of 11.8% y/y).

Agreements and assets of the customers of the Private Banking Centre



8.9 OPERATIONS AREA

In 2024, the Operations area continued to centralize and transform services in the Bank and Bank Group's companies, as well as centralise operational tasks, resulting in very good efficiency and cost performance. In 2024, further process automations increased the number of tasks completed, while reducing the number of manual activities. The total number of tasks performed by robots in 2024 in the operations area reached approximately 25 million.

In 2024, the simplification of inheritance processes and the restructuring of the enforcement process continued. Thanks to these changes, customers received services more quickly.

Last year, the Operations Area successfully managed the mass handling of statutory credit holidays and provided support for flood victims. It also continued modifications in the operational handling of housing accounts with BGK subsidy mechanisms. The first launches of Digital Mortgages and the implementation of remote contract annexes were carried out.

Additionally, 420 modern self-service devices were installed in the Bank's network: 397 recyclers (ATM/deposit machines) and 23 standard ATMs. Over 62% of these devices were installed at the Bank's branches to support cash transactions at these locations and provide customers with a convenient method for making deposits to their accounts.

8.10 INTERNATIONAL COOPERATION

The Group entities, in particular PKO Bank Polski S.A., PKO Bank Hipoteczny S.A. and PKO Leasing S.A., have been actively using the opportunities to issue financial instruments on the debt markets, both in Poland and abroad, for many years.

The Bank's Group acquires funds from foreign financial markets, among other things by obtaining loans from international financial institutions (including the Development Bank of the Council of Europe and the European Investment Bank) which allows it to present a preferential offer to SMEs.

KREDOBANK S.A., as a Ukrainian company, additionally obtains funding from special credit programmes from the Enterprise Development Fund, the European Bank for Reconstruction and Development, the American International Development Finance Corporation and grants from the Deutsche Sparkassenstiftung für internationale Kooperation (DSIK) for SME clients using investment loans.

The Bank's Group also participates in portfolio guarantee programmes (including of the European Investment Fund). In 2024, customers of small and medium-sized enterprises were offered leasing and loans with guarantees under the InvestEU programme.

For detailed information on securities issues and loans received in the context of international cooperation, see Note 34 "Financing received" to the financial statements of the Bank's Group for 2024.

The Bank's Group remains a leader in the Polish market in providing services to banking financial institutions. Through an extensive and effective network of correspondent banking relationships, it ensures the Bank's smooth operation in foreign markets, despite the challenges and restrictions stemming from the war in Ukraine. In 2024, transactions in Mexican pesos were introduced, expanding the range of currencies offered to 21.

The Bank's Group established partnerships with new domestic and foreign non-bank financial institutions (investment funds, payment and credit institutions) to support the operational and settlement activities of these entities in Poland. A successful tender was concluded for servicing one of the largest American banks in terms of providing substitute settlement services for its clients in Poland.

The Bank's Group is systematically increasing the portfolio of serviced foreign corporate and financial customers and expanding the range of available products. The Bank focuses mainly on acquiring customers that are daughter companies of leading foreign entities from the area of the European Union, and at the same time expands competences which allow building long-term relations with customers from other regions of the world, including particularly Asia. Particularly noteworthy is the model of cooperation with Korean customers, which is unique in Poland.

The insurance companies from the Bank's Group – PKO Życie Towarzystwo Ubezpieczeń S.A. and PKO Towarzystwo Ubezpieczeń S.A. – cooperate with reinsurers on the international market.

8.11 OPERATIONS OF OTHER SUBSIDIARIES

PKO Bank Polski S.A.'s subsidiaries, with their registered office in Poland, offer mortgage loans and provide services mainly in respect of leases, factoring, investment funds, pension funds and insurance, car fleet management services, transfer agent services, provide technological solutions and outsource IT professionals.

CHARACTERISTICS OF THE OPERATIONS OF SELECTED PKO BANK POLSKI S.A. GROUP COMPANIES

The results of operations presented in the description are derived from the financial statements of the individual companies prepared according to the International Financial Reporting Standards, and in respect of insurance companies, according to Polish Accounting Standards. Data available as at the date of the financial statements.

PKO BANK HIPOTECZNY S.A.

PKO Bank Hipoteczny SA is the leader on the Polish mortgage bank market in terms of total assets and the portfolio of mortgage loans. The company is also the largest issuer of mortgage covered bonds in Poland.

PKO Bank Hipoteczny S.A. closed the year 2024 with a net profit of PLN 130.3 million (compared to PLN 165.8 million in net profit in 2023), due to the loss recognized in 2024 related to the extension of the credit holiday programme.

PKO Bank Hipoteczny S.A. specializes in granting mortgage housing loans to retail customers and purchases receivables in respect of such loans from PKO Bank Polski S.A. The Company issues mortgage covered bonds (in PLN and in foreign currencies), which constitute one of the main sources of long-term financing of loans secured with real estate in the PKO Bank Polski S.A. Group.

As at 31 December 2024 the total gross value of the PKO Bank Hipoteczny S.A. loan portfolio amounted to PLN 16.7 billion, including PLN 7.4 billion of mortgage housing loans purchased from PKO Bank Polski S.A.

In 2024, PKO Bank Hipoteczny S.A. carried out four mortgage covered bond issues with a total nominal value of PLN 2.5 billion. The total nominal value of mortgage covered bonds issued by the company and outstanding as at the end of 2024 was PLN 7.2 billion. This included green mortgage bonds worth PLN 2.1 billion.

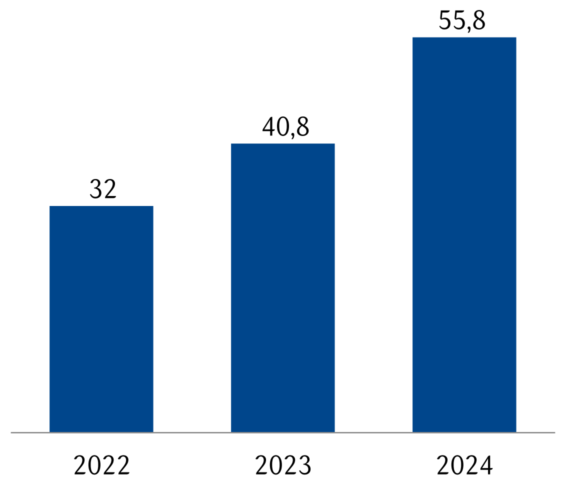
PKO Towarzystwo Funduszy Inwestycyjnych S.A.

The core business of the Company is creating and managing investment funds. The Company also offers specialized investment programs and manages Employee Pension Programmes (PPE) and Employee Capital Plans (PPK).

In 2024 the Company earned net profit of PLN 276.7 million (vs. PLN 237.7 million in 2023).

The value of the funds' net assets under the Company's management amounted to PLN 55.8 billion as the end of 2024, which represents a 36.7% increase in assets.

Value of assets of managed investment funds (in PLN billion)



PKO TFI S.A. ranks first with 21.4% share of retail funds' assets under management and first in terms of net assets value with 14.7% share of the total investment fund market*.

As at 31 December 2024, PKO TFI S.A. managed 58 investment funds and sub-funds.

At the end of 2024 PKO TFI S.A. was the Polish market leader in Employee Capital Plans in terms of the assets under management of PLN 9.3 billion, with a 30.8% market share.

* Source: Analizy Online, January 2025.

PKO BP BANKOWY PTE S.A.

The Company manages PKO BP Bankowy Otwarty Fundusz Emerytalny and PKO Dobrowolny Fundusz Emerytalny, which offer the Individual Retirement Account (IKE) and Individual Retirement Security Account (IKZE).

In 2024, the Company earned net profit of PLN 43.8 million (vs. a PLN 24.1 million in 2023).

Results of operations of the Open Pension Fund (OFE)*:

As at the end of 2024, the net asset value of PKO BP Bankowy OFE managed by PKO BP BANKOWY PTE S.A. amounted to PLN 9.8 billion, which is an increase by PLN 0.3 billion compared with the end of 2023.

PKO Bankowy OFE had 836.0 thousand participants as at the end of December 2024 (850.0 thousand as at the end of 2023).

PKO BP Bankowy OFE ranks 7th on the pension fund market in terms of net asset value and in terms of the number of participants*.

* Source: www.knf.gov.pl

PKO Leasing S.A. Group

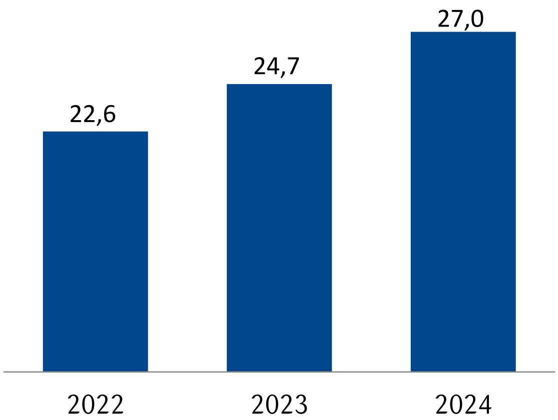
The PKO Leasing S.A. Group (i.e. PKO Leasing S.A. and its subsidiaries) offers financial services in respect of lease and factoring and provides insurance agent, fleet management and vehicle rental services.

The PKO Leasing S.A. Group earned a net profit of PLN 324.0 million in 2024. The net profit for the year 2023 was PLN 353.4 million.

PKO Leasing S.A. and its subsidiaries offer leases and loans. Customers may use these services to finance their fixed assets, such as passenger cars, delivery vehicles and trucks, machines, equipment, technological lines, medical equipment, computer hardware and software.

As at 31 December 2024, the carrying value of amounts due from customers in respect of leases and loans (both matured and not yet matured) and the carrying value of fixed assets under operating leases in the PKO Leasing S.A. Group totalled PLN 27.0 billion.

Value of assets of managed investment funds (in PLN billion)



The PKO Leasing S.A. Group has been the leader of the Polish lease and rental market for several years. It pursues the "Cyfrowa Era Leasingu" (Digital Era for Leases) strategy, which stipulates stronger use of digital tools and development of operations in new market segments.

PKO Faktoring S.A. provides domestic and export factoring services with and without recourse, reverse factoring and a factoring programme service for suppliers. In 2024, the Company earned net profit of PLN 4.4 million (PLN 13.2 million in 2023).

In 2024, the carrying amount of amounts due from customers was PLN 6.6 billion. As at the end of 2023, it was PLN 5.4 billion.

In 2024, the value of factoring turnover was PLN 46.2 billion (in 2023: PLN 31.0 billion).

As at 31 December 2024, the Company ranked 5th (in terms of turnover) among the factoring companies associated in the Polish Factors' Association, with a market share of 9.8%.

PKO Życie Towarzystwo Ubezpieczeń S.A. Group

The PKO Życie Towarzystwo Ubezpieczeń S.A. Group earned a net profit of PLN 116.4 million in 2024 (in 2023, the Group's net profit was PLN 82.9 million).

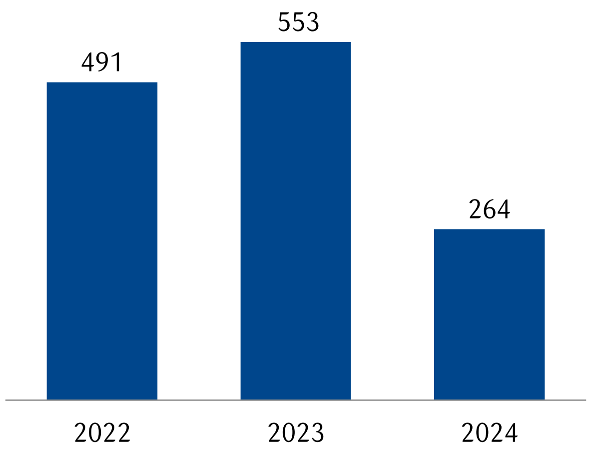
PKO Życie Towarzystwo Ubezpieczeń S.A.'s business activities comprise life insurance (Section I insurance). The Company offers both standalone products and products supplementing the banking products offered by PKO Bank Polski S.A.

Gross written premiums under insurance contracts concluded by the Company in 2024 amounted to PLN 264.1 million. This represents a decrease of 52.2% compared to 2023, which was the result of a product change introduced in mid-2024 within the personal loan insurance. The product, which previously offered a one-time premium for the entire insurance period, was withdrawn from sale and replaced with an insurance policy featuring a regular monthly premium. Furthermore, the level of written premiums was negatively impacted by the refund of premiums due to the early repayment of customers' credit obligations with the Bank (negative premium in the personal loan insurance in 2024).

At the same time, a significant increase in written premiums was recorded in the area of mortgage loan insurance and non-linked insurance, including the new PKO Życie product.

As at the end of 2024, the Company insured 1,110 thousand people (1,054 thousand people in 2023).

Gross written premium (in PLN million)



PKO TOWARZYSTWO UBEZPIECZEŃ S.A.

In 2024, the Company earned net profit of PLN 109.1 million (vs. PLN 107.0 million in 2023).

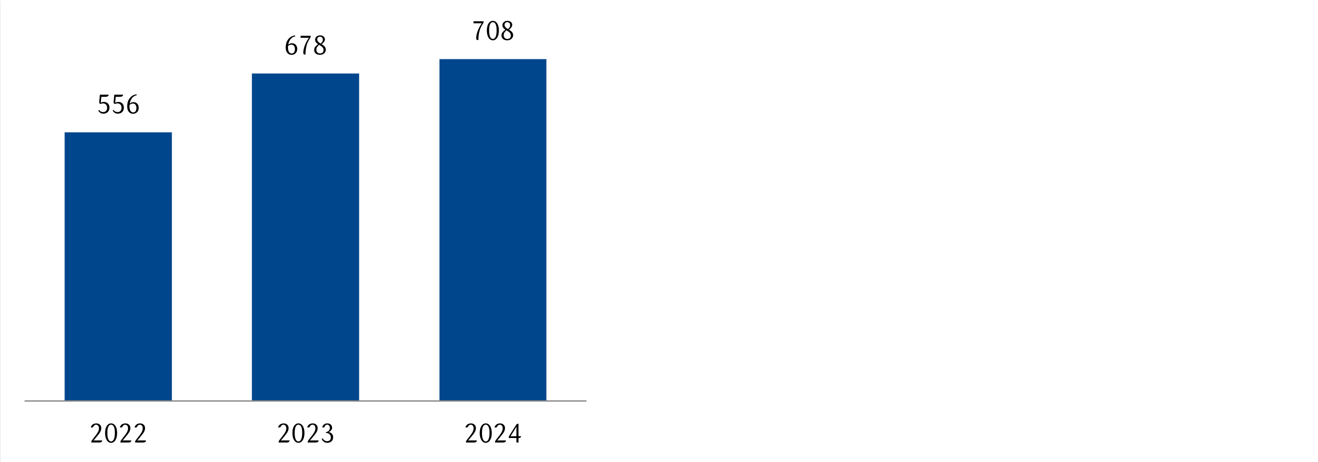
PKO Towarzystwo Ubezpieczeń S.A.'s business comprises other non-life insurance (Section II insurance). The Company focuses on providing insurance against loss of income, accident and sickness, as well as property insurance for borrowers and mortgage borrowers. The Company also offers motor insurance and state-of-the-art residential and home insurance, PKO Dom.

In 2024, the Company implemented Recommendation U. Insurance products linked to banking products, which contained the risk of loss of income by the customer, were removed from the Company's offering. Consequently, there was a decrease in premiums written from insurance linked to cash loans and mortgages.

Gross written premiums under insurance contracts concluded by the Company in 2024 amounted to PLN 707.6 million. As at the end of 2024, the Company insured 1,597 thousand people (1,474 thousand people in 2023).

The company reports a high NPS of 52 for the claim handling process.

Gross written premium (in PLN million)



PKO BP FINAT SP. Z O.O.

In 2024 the Company earned net profit of PLN 27.8 million (vs. PLN 27.9 million in 2023).

PKO BP Finat sp. z o.o. provides technological and operational services to support the core activities of PKO Bank Polski S.A. Group companies.

PKO Finat sp. z o.o. also provides comprehensive services to companies outside the Bank's Capital Group, mainly from the financial sector, performing activities that support their core business, including PPK record-keeping services, transfer agent services, ancillary services for closed-end fund and company accounting for investment funds, handling group insurance to products offered by PKO Bank Polski S.A. It also specialises in competence outsourcing of IT specialists, project teams and IT processes, including production processes for IT systems and applications.

The company also provides intermediation services in the sale of non-financial products to the Bank's customers. It provides a wide range of services available through electronic banking, including phone top-ups, gift cards to platforms with entertainment and other services, toll payments, e-Accounting for entrepreneurs, BIK products, insurance, tickets for Ekstraklasa matches, to name a few.

8.12 PRIZES AND AWARDS FOR THE PKO BANK POLSKI S.A. GROUP

In 2024 PKO Bank Polski S.A. Group received numerous awards and distinctions. Below are the most important of these.

AWARDS RECEIVED BY PKO BANK POLSKI S.A.

PRACODAWCA GODNY ZAUFANIA

PKO Bank Polski S.A. was the winner of the competition in the "Internship Programs" category. The jury awarded the year-round #StażNaDzieńDobry program.

(NOVEMBER 2024)

Global Digital Champion - PKO Bank Polski S.A. was recognized as one of the most digitally advanced banks in the world, ranking among the top 10% of global banks according to the Digital Banking Maturity 2024 report prepared by Deloitte.

(OCTOBER 2024)

INSTYTUCJA FINANSOWA PRZYJAZNA MEDIACJI

The Polish Financial Supervision Authority awarded PKO Bank Polski S.A. the title of "Financial Institution Friendly to Mediation" for its commitment to amicably resolving disputes related to CHF loans.

(OCTOBER 2024)

PKO Bank Polski S.A has won the title 'The Best of The Best' in The Best Annual Report competition. The award confirms the superior utility value of the bank's annual report for shareholders and investors. The bank was also the winner of a special award for the best remuneration report and a special award for the application of ESMA recommendations.

The competition has been organised by the Institute of Accounting and Taxation for 18 years.

(OCTOBER 2024)

The team of economists at PKO Bank Polski S.A. took second place in the prestigious Analyst Forecast Awards 2024 by FocusEconomics, which evaluates the accuracy of forecasts for key macroeconomic indicators.

(JULY 2024)

PKO Bank Polski has defended its position as digital banking leader in the Finnoscore 2024 international ranking and has become Europe's digital banking leader. It received top ratings for online banking, mobile apps and online onboarding.

The ranking is based on publicly available information and objectively assesses the digital maturity and innovation experience of banks. 240 banks from 24 countries in Europe and North America were analysed.

(JUNE 2024)

PKO Bank Polski S.A. won first place in the category of Leaders of Popularity Among Bank Customers and third place in the category of Leaders of Efficiency in the Banking Sector in Poland in the 29th edition of the "Ranking of Banks in Poland" by the Financial Monthly Bank.

(JUNE 2024)

Ranking organised by Dziennik Gazeta Prawna and PwC: PKO Bank Polski S.A. won the grand prize the "Stars of Technology and Innovation" category,

(JUNE 2024)

At the Polish Contact Center Awards, PKO Bank Polski S.A. received a total of six awards and distinctions. The bank was recognized in the category of "Best Customer Service Strategy" and won the "Grand Prix Bronze" award. Additionally, the bank's employees won or were distinguished in four categories: "Helpdesk," "Customer Service," and "Best Trainer."

(MAY 2024)

PKO Bank Polski S.A. ranked 3 in the general Golden Banker ranking for the quality of multi-channel service. The Bank was recognised for the modernisation of its branches, the high standard of service in branches and through the call centre, as well as for the comprehensiveness the offer available online. The Bank also won the first place in three categories: Personal account, Account for a child and Mortgage loan,

The ranking is organised by Bankier.pl and 'Puls Biznesu'.

(APRIL 2024)

PKO Bank Polski S.A. received an award in the Celent Model Bank Awards competition in the category of "Empowering the Customer." The jury awarded the Bank the prize for two projects - PKO Pay Later and the Value Added Services (VAS) Platform,

(MARCH 2024)

IKO – the mobile app of the PKO Bank Polski S.A., won the grand prizein the vote of Internet users, who praised its innovation and new features, This is the 13th edition of the prestigious Mobile Trends Awards.

IKO is the most popular mobile banking app in Poland and one of the best-rated banking apps in the world. It is appreciated, among other things, for its innovation, practical features and user-friendly solutions.

The Mobile Trends Awards is a prestigious industry award. It is granted to companies that make successful use of mobile technologies.

(MARCH 2024)

In the 9th edition of the ranking, PKO Bank Polski S.A. won in 6 out of 10 categories: Best personal banking, Best private banking, Best service in remote channels, Best outlet service, Best bank for companies, Best online banking. Additionally, 23 branches of the Bank were awarded the title of the Best bank outlet in Poland,

(MARCH 2024)

PKO Bank Polski S.A. has been awarded the Top Employer title and certificate for the fifth time in a row. This is an acknowledgement that the Bank's solutions are among the best market practices. The Bank is committed to an ever-improving employee experience, by enhancing processes and tools, specifically in the area of remuneration, benefits and career opportunities,

(JANUARY 2024)

The team of economists from PKO Bank Polski S.A. won 1st place in the main ranking of the Gazeta Giełdy i Inwestorów Parkiet Forecasting Competition, which evaluates forecasts of macroeconomic and market indicators. They also secured 2nd place in the macroeconomic indicators ranking and 4th place in the accuracy of market forecasts ranking.

Piotr Bujak, Chief Economist at PKO Bank Polski S.A., was awarded the title of "Economist of the Year."

(JANUARY 2024)

WARDS RECEIVED BY THE BANK'S SUBSIDIARIES

PKO Leasing S.A. received the "Diamonds of Innovation" award in the category of "Innovation of the Year: Finance" for developing a modern, comprehensive online platform for managing leasing contracts – the Customer Portal 2.0. The award highlights the company's strong position in the development of digital financial services.

Diamonds of Innovation is a competition held by the Executive Club, which rewards business leaders for innovative activities that define the directions of industry development.

(DECEMBER 2024)

PKO Leasing S.A. was honoured with two prestigious awards during the e-Commerce Polska Awards 2024 Gala, the most important event for the e-commerce industry in Poland, organised for 12 years by the Chamber of Electronic Economy. The company won trophies in two key categories: e-services and e-finance.

(OCTOBER 2024)

PKO Leasing won the main award in the prestigious Lider Elektromobilności 2024 competition, organised by PwC Polska and the Polish Association for New Mobility. The distinction was awarded during the New Mobility Congress in Łódź.

(OCTOBER 2024)

FAKTOR ROKU 2023 Home&Market	PKO Faktoring S.A. was honoured with the title of "Factor of the Year 2023" by Home&Market magazine. The April issue of the magazine presented the most important and fastest-growing factoring companies in Poland. (April 2024)

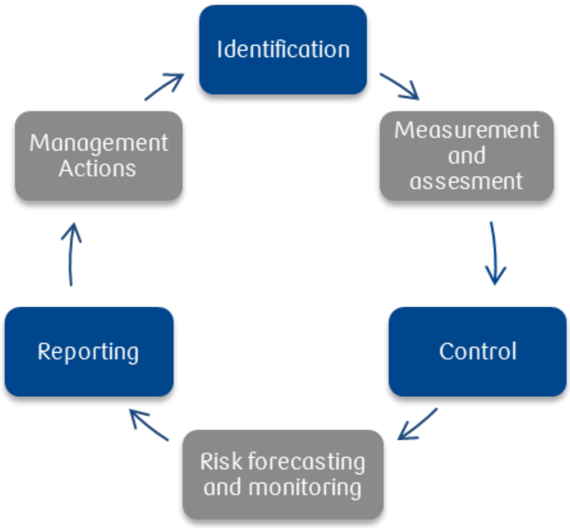
9. Risk Management

9.1 Principles of Risk Management

Risk management is one of the key internal processes, both in PKO Bank Polski SA, and in other companies of the PKO Bank Polski SA Group. Risk management is aimed at ensuring the profitability of business activities while ensuring control over the risk level and maintaining it within the system of limits and risk tolerance limits adopted by the Bank and the Group in the changing macroeconomic and legal environment.

A detailed description of material risks management principles, including risk mitigation techniques, protection measures taken and hedge accounting policies is provided in the Bank Group's financial statements for 2024 (in the part describing risk management and in Note 29 "Hedge accounting and other derivative instruments"), and in the Capital Adequacy Report and other information reportable by the PKO Bank Polski S.A. Group as at 31 December 2024.

The primary objective is to ensure adequate management of all types of risk related to its business. As part of the risk management system, the Bank's Group identifies, measures and assesses, controls, forecasts, monitors and reports risk, and performs management actions.



The process of risk management in the Bank's Group consists of the following stages:

RISK IDENTIFICATION:

Risk identification consists of recognizing the existing and potential sources of risk and estimating the significance of its potential impact on the Bank's and the Bank Group's operations. As part of risk identification, the Bank and the Bank's Group companies identify the risks considered to be material in the Bank's or the Group's operations.

RISK MEASUREMENT AND ASSESSMENT:

Risk measurement and assessment are aimed at determining the scale of threats connected with the risks arising. Risk measurement covers determining the risk assessment measures adequate to the type and significance of the risk, and data availability. Quantitative and qualitative risk measurement results are the basis for the risk assessment aimed at identifying the scale or scope of risk.

As part of risk measurement, the Bank's Group carries out:

- specific stress tests which are conducted separately for individual risk types and are used to assess sensitivity of a given risk to unfavourable market conditions,
- comprehensive stress tests conducted jointly for the concentration risk and risks regarded as material, used to determine sensitivity of the capital adequacy measures and Bank's results to the occurrence of a negative scenario of changes in the environment and the functioning of the Bank's Group.

The stress-tests are conducted by the Bank's Group based on assumptions which ensure a sound assessment of the risk, in particular taking into account the Recommendations of the PFSA.

RISK CONTROL:

Risk control involves the determination of risk control mechanisms adjusted to the scale and complexity of the Group's activities, especially in the form of strategic tolerance limits for the individual types of risk. Strategic risk tolerance limits are subject to regular monitoring, and if they are exceeded, the Bank's Group takes management actions.

RISK FORECASTING AND MONITORING:

Risk forecasting involves foreseeing future risk levels, taking into account the assumed business development projections, and internal and external events. Risk level forecasts are assessed by the Bank and the Bank's Group (so-called "reverse stress tests") in order to verify their accuracy.

Risk monitoring involves observing deviations from the forecasts or the adopted benchmarks (e.g. limits, thresholds, plans, prior period measurements, recommendations and instructions issued by external supervisory and regulatory authority). Risk monitoring and forecasting frequency is adequate to the materiality and variability of specific risks.

RISK REPORTING:

Risk reporting consists in informing about the results of the risk identification, measurement, assessment and forecasting, causes of changes in the risks, actions taken and recommended. The scope, frequency and form of the reporting are adjusted to the managerial level of the recipients. If potential liquidity problems arise, the Supervisory Board is immediately informed about significant changes in the risk level, and in particular, about threats and remedial actions taken, and of their impact on the Bank's liquidity level.

MANAGEMENT ACTIONS:

Management actions consist of determining the desired risk level favourable for building the structure of assets and liabilities. Management actions may result, in particular, in:

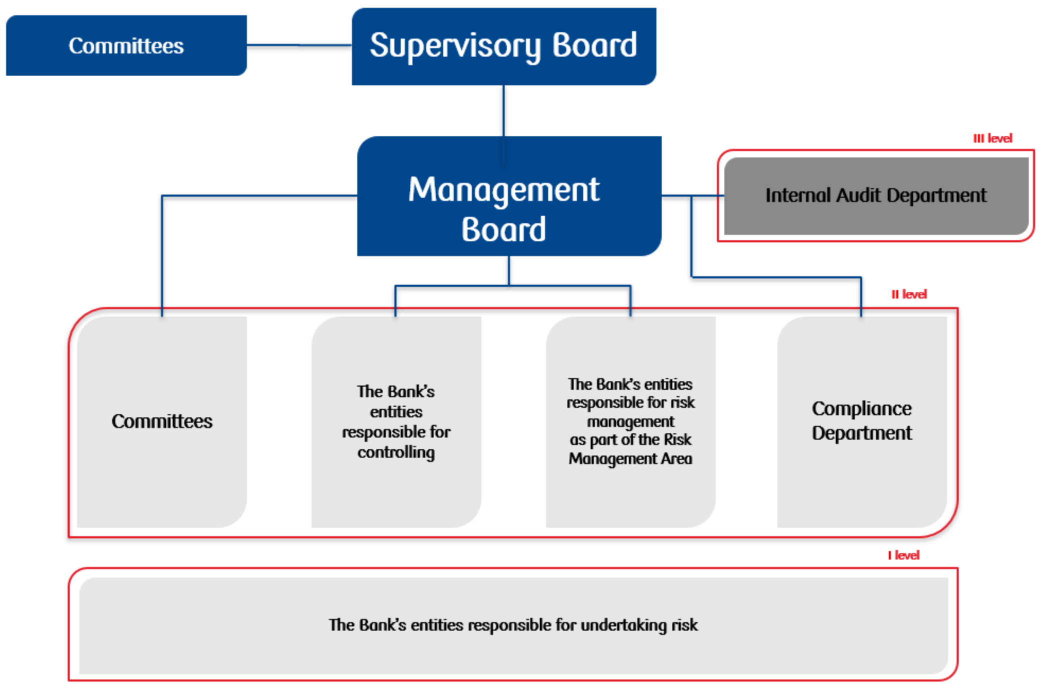
- acceptance of the risk – determining the acceptable risk level, taking into account business needs and developing management actions in the event that the level is exceeded;
- reduction of the risk – mitigation of the impact of the risk factors or effects of its materialization (e.g. By reducing or diversifying the risk exposure, determining limits, utilizing collaterals);
- transfer of the risk – transferring responsibility for covering potential losses (e.g. by transferring the risk to another entity with the use of legal instruments, such as insurance contracts, security services agreements for a building, accepting guarantees);
- risk avoidance – resignation from the risk-generating activity or elimination of the probability of materialization of the risk factor, including in particular determination of zero tolerance to risk.

The Bank supervises the functioning of individual companies in the Bank's Group. The Bank monitors their risk management systems and supports their development. In addition, the Bank takes into account the level of risk in particular Group companies for the purpose of the risk monitoring and reporting system at the Bank's Group level. Risk management in the Bank takes place in all of the organizational units of the Bank.

The organization of risk management in PKO Bank Polski S.A. is presented in the diagram below:

:

Organizational structure of banking risk management



The Supervisory Board supervises and evaluates the risk management process, in particular, on the basis of regular reports on the risk, taking into account the adequacy and effectiveness of the risk management system and information about the implementation of the risk management strategy, also at the level of limits which limit the risk and conclusion from stress tests, and if necessary, orders the verification of the process.

The Supervisory Board is supported by the following committees: the Supervisory Board for Nominations and Remuneration Committee, the Supervisory Board Risk Committee and the Supervisory Board Audit Committee.

In respect of risk management, the Management Board the Bank is responsible for strategic risk management, including supervising and monitoring actions taken by the Bank in respect of risk management. The Management Board makes major decisions affecting the risk profile of the Bank and adopts internal regulations concerning risk management. It ensures operation of the risk management system, monitors and assesses its functioning, and transfers the respective information to the Supervisory Board. In its risk management activities, the Management Board is supported by the following committees:

- the Risk Committee;
- Asset and Liability Management Committee (KZAP),
- Bank's Credit Committee (KKB),
- Operational Risk Committee (KRO);
- Sustainable Development Committee (KZR).

Detailed information on the tasks of the individual committees is described in 11.2.9 "Management Board of PKO Bank Polski S.A. - composition, powers and principles of functioning", subsection "Bank committees comprising members of the Management Board".

Risk management at the Bank's Group is based, in particular, on the following principles:

- the Bank's Group manages all identified types of risk;
- the risk management process is appropriate from the perspective of the scale of operations and materiality, scale and complexity of a given risk, and adjusted on an on-going basis to take account of the new risks and their sources;

- risk management methods (especially models and their assumptions) and risk management measurement or assessment systems are tailored to the scale and complexity of individual risks, the current and planned operations of the Bank's Group and its operating environment, and are periodically verified and validated;
- organisational independence of the risk management area from business operations is maintained,
- risk management is integrated into the planning and controlling systems;
- the level of risk is monitored and controlled on an on-going basis;
- the risk management process supports the implementation of the Bank's strategy in compliance with the Risk Management Strategy, in particular with respect to the level of risk tolerance.

The Bank assesses the materiality of all the identified risks on a regular basis, at least annually. Some of them have a material impact on the profitability and capital necessary to cover the exposure. Internal capital is assessed for risks that are regarded as material. All risks classified as material for PKO Bank Polski S.A. are also material for the Bank's Group.

In 2024, the catalogue of risk types regarded as material was not extended.

Below is a list of risks regarded as material in the Bank.

- CREDIT RISK – the risk of incurring losses due to the Customer's default in payments to the Bank's Group or as a risk of a decrease in the economic value of amounts due to the Bank's Group when the Customer's ability to repay amounts due to the Bank deteriorates;
- CURRENCY RISK – the risk of loss due to changes in the foreign exchange rates, generated through maintaining open currency positions in individual currencies;
- INTEREST RATE RISK – the risk of incurring losses on the Bank's Group's statement of financial position and off-balance sheet items sensitive to interest rate changes, in connection with changes in interest rates on the market; this risk applies to both the banking and the trading portfolios, unless separately indicated;
- LIQUIDITY RISK – the risk of the inability to regularly settle liabilities due to a lack of liquid assets; liquidity risk comprises financing risk;
- OPERATIONAL RISK – the risk of losses being incurred due to the failure or unreliability of the internal processes, people and systems or due to external events. Operational risk excludes reputation and business risks, and includes legal and cyber security risks;
  - LEGAL RISK – the risk of losses being incurred due to a lack of knowledge and understanding, failure to comply with legal norms and accounting standards, inability to enforce contractual provisions, unfavourable interpretations or rulings issued by courts or public administration bodies;
  - CYBER SECURITY RISK – the degree of exposure to potential negative cyber security risk factors related to telecommunication technologies which may lead to a financial loss for the organization by violating the availability, integrity, confidentiality or accountability of the information processed in the Bank's IT system resources (SIB);
- RISK OF FOREIGN CURRENCY MORTGAGE LOANS FOR HOUSEHOLDS – the risk of incurring losses due to the customer's default in payments to the Bank related to a foreign currency mortgage loan;
- BUSINESS (STRATEGIC) 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;
- MACROECONOMIC RISK - the risk of deterioration of the Bank Group'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;
- MODEL RISK – the risk of suffering losses as a result of wrong business decisions taken on the basis of functioning models
- In addition, the Bank manages ESG risk as part of its management of other risks as – ESG risk is not a separate risk but a cross-cutting risk affecting individual risks.

PKO Bank Polski S.A. has taken into account the impact of ESG factors, including in credit risk, interest rate risk, liquidity risk (including funding), currency risk, operational risk, reputational risk, compliance risk, and conduct risk.

ESG risk was defined by the Bank as the risk of negative financial consequences for the Bank of the current or future impact of ESG risk factors on customers and counterparties or the Bank's statement of financial position items.

SIGNIFICANT ACTIVITIES OF THE PKO BANK POLSKI S.A. GROUP IN 2024

In terms of interest rate risk, the stable level of the reference rate (5.75%) maintained throughout 2024 resulted in moderate changes in market rates, as well as the valuation of the portfolio of debt instruments and derivatives that hedge interest income volatility. The actions taken to reduce the Bank's interest income sensitivity led to a significant decrease in this measure at both the Bank and Group levels.

The Bank's Group has maintained a safe level of liquidity, allowing for a quick and effective response to potential threats. Supervisory and internal measures of liquidity risk were maintained significantly above accepted warning thresholds. In 2024, the Bank structured its sources of funding accordingly by adjusting its deposit offering (in particular deposit interest rates) to meet current needs, while at the same time renewing the mortgage bonds maturing in 2024 in the amount of approximately PLN 2.6 billion and issuing long-term securities worth approximately PLN 8.5 billion (including approximately EUR 1.8 billion and PLN 1.0 billion).

KREDOBANK S.A.'s liquidity, despite the ongoing conflict in Ukraine, remained stable and secure; the company did not experience a decline in liquidity measures or significant deposit outflows; KREDOBANK S.A. is classified by the NBU as a systemic bank of Ukraine.

In face of the hostilities in Ukraine, the Bank in continuously taking measures to secure business continuity and reduce the potential impact of materialisation of cyber threats.

Given that unauthorized transactions reported by customers are most often the result of social engineering activities, the Bank continues its educational projects aimed at customers. In terms of countering fraud in electronic banking, the Bank is continuously improving its processes and IT system security measures to block the aforementioned transactions and/or recover funds.

9.2 CHARACTERISTICS OF THE LENDING POLICY OF THE PKO BANK POLSKI S.A.

The credit policy of the Bank and the Bank's Group consists of a set of principles and guidelines contained in credit regulations and procedures, which together form the credit risk management process.

The Bank's credit risk management takes into account external factors, including compliance with external regulations and recommendations of the supervision and inspection authority, as well as internal factors, including in particular the level of strategic limits and credit risk parameters.

The priority of the risk management activities is the balanced relation of risk and the assumed profitability level, within the specified risk appetite limits. Comprehensive risk measurement is ensured by using a wide range of qualitative and quantitative methods, which are supported by appropriate IT systems and analytical tools.

The credit risk management model is adjusted to the current business activity and market conditions in the individual customer segments.

Credit risk assessment of exposures is separated from the sales function thanks to an appropriate organizational structure, independence in developing and validating tools supporting an assessment of credit risk and independence of decisions approving departures from the recommendations of these tools.

The financing terms offered to the customer depend on the assessment of credit risk level of the customer The risk assessment takes into account the sector policies.

In order to mitigate the level of credit risk resulting from interest rate increases and inflation, PKO Bank Polski S.A. and PKO Bank Hipoteczny S.A. introduced changes to the parameters used in the assessment of the creditworthiness of individual borrowers applying for housing loans (in accordance with Recommendation S and the position of the Office of the PFSA of 7 March 2022 communicated to banks). As part of these changes, the minimum value of the interest rate buffer was increased to 5 p.p., the minimum subsistence costs were increased (taking into account the inflation rate), and the maximum acceptable DStI (debt service to income) values were changed.

According to the rating of corporate customers, companies and enterprises, the Bank each time assesses and classifies the impact of environmental, social and corporate governance factors (ESG) on the customer's creditworthiness and identifies leveraged credit transactions.

The Bank's subsidiaries with a material level of credit risk manage credit risk individually. Their credit risk assessment and measurement methods are adapted to those applied at PKO Bank Polski S.A. They take into account the specific nature of the entity's activities.

10. BENEFITS FOR MANAGERS AND SUPERVISORS

10.1 PRINCIPLES FOR REMUNERATING MEMBERS OF THE MANAGEMENT BOARD OF PKO BANK POLSKI S.A.

The system for remunerating Members of the Bank's Management Board is regulated by:

- Remuneration Policy for members of the Supervisory Board and the Management Board of the Bank, approved by the resolution No. 35/2020 of the General Shareholders' Meeting of the Bank dated 26 August 2020;
- Remuneration Policy for employees of the Bank and the PKO Bank Polski S.A. Group, approved by resolution No 148/2024 of the Bank's Supervisory Board dated 20 June 2024;
- Principles of employment and remuneration of members of the Bank's Management Board, approved by Resolution No 149/2024 of the Bank's Supervisory Board of 20 June 2024.

In accordance with these Principles, Members of the Bank's Management Board are entitled to:

- fixed remuneration in the amount specified in the Act of 9 June 2016 on the terms of setting the remuneration of managers of certain companies, and as at 31 December 2024 amounting to, with respect to the President of the Management Board: 15 fold, and with respect to the other Members of the Bank's Management Board: 14.5 fold of the average monthly remuneration in the enterprise sector, excluding profit sharing schemes, in the fourth quarter of the preceding year, as announced by the President of the Central Statistical Office;
- variable remuneration – additional remuneration awarded and paid after the performance appraisal period, in particular: bonuses, awards for special professional achievements, severance pay (excluding fixed remuneration and benefits awarded based on the applicable legal regulations).

In 2024, the Remuneration Policy for employees of the Bank and the PKO Bank Polski S.A. Group, as well as the Principles for the employment and remuneration of the Bank's Management Board members, were amended. The changes regarding the remuneration of the Management Board members mainly involve:

- changing the ratio of the cash component of variable remuneration to the instrument-based component from 50:50 to 45:55,
- clarifying the criteria taken into account when making adjustments to variable remuneration (malus),
- adding that no variable remuneration components will be paid to the Bank's Management Board members during periods in which the Bank fails to meet the combined buffer requirement or leverage ratio buffer, up to the respective MDA or L-MDA level.

These changes were introduced to fully align the Bank's internal regulations with regulatory requirements and apply to unpaid components of variable remuneration. However, the change in the ratio of the cash component to the instrument-based component from 50:50 to 45:55 applies to variable remuneration calculated for periods starting from 2024.

Benefits for members of the management board of PKO Bank Polski S.A. received and due from PKO Bank Polski S.A.

Table 13. Employee benefits for Members of the Management Board of the Bank paid in 2024 by PKO Bank Polski S.A. (in PLN thousand)

	Fixed remuneration paid in 2024	Variable remuneration for 2019-2024* paid in 2024		Other benefits**	Total remuneration paid and benefits provided in 2024
		Benefits paid in cash	Share-based payments settled in cash		
Szymon Midera	1,210	-	-	21	1,231
Krzysztof Dresler	1,035	-	-	29	1,064
Ludmiła Falak-Cyniak	832	-	-	8	840
Piotr Mazur	1,340	391	709	93	2,533
Marek Radzikowski	1,188	-	-	21	1,209
Michał Sobolewski	676	-	-	3	679
Mariusz Zarzycki	935	-	-	29	964
Maciej Brzozowski	151	-	-	678	829
Maciej Cieślukowski	254	-	-	-	254
Marcin Eckert	155	-	-	678	833
Paweł Gruza	155	-	-	678	833
Wojciech Iwanicki	155	-	-	683	838
Andrzej Kopyrski	155	492	-	693	1,340
Artur Kurcweil	155	-	-	683	838
Dariusz Szwed	161	-	-	701	862
Management Board of the Bank	**8,557**	**883**	**709**	**4,998**	**15,147**
Members of the Management Board who ceased to perform their functions in previous years	**-**	**390**	**1,819**	**55**	**2,264**
Total	**8,557**	**1,273**	**2,528**	**5,053**	**17,411**

* Severance payments awarded and paid in 2024 were included in variable remuneration for 2024.

** Contributions to the Employee Pension Programme (EPP), compensation for abiding by the non-competition clause and income from private use of a company car - in 2024

	Fixed remuneration paid in 2023	Variable remuneration for 2018-2023* paid in 2023		Other benefits**	Total remuneration paid and benefits provided in 2023
		Benefits paid in cash	Share-based payments settled in cash		
Dariusz Szwed	879	-	-	4	883
Maciej Brzozowski	1,201	236	-	4	1,441
Marcin Eckert	1,201	303	90	4	1,598
Paweł Gruza	1,201	127	-	4	1,332
Wojciech Iwanicki	1,201	293	37	57	1,588
Andrzej Kopyrski	1,201	-	-	25	1,226
Artur Kurcweil	1,201	295	50	58	1,604
Piotr Mazur	1,201	430	396	75	2,102
Maks Kraczkowski	336	646	366	645	1,993
Mieczysław Król	336	657	378	650	2,021
Management Board of the Bank	**9,960**	**2,987**	**1,317**	**1,524**	**15,788**
Members of the Management Board who ceased to perform their functions in previous years	-	1,610	2,254	945	4,809
Total	9,960	4,597	3,570	2,470	20,597

* Severance payments awarded and paid in 2023 were included in variable remuneration for 2023.

** Contributions to the Employee Pension Programme (EPP), compensation for abiding by the non-competition clause and income from private use of a company car - in 2023

Table 14. Benefits from PKO Bank Polski S.A. to members of the Bank's Management Board payable and potentially payable in subsequent years (in PLN thousand)

	Variable remuneration payable as at 31.12.2024 - share-based payments settled in cash	Variable remuneration granted for 2020-2024*, approved and not approved for payment		Total amount of variable remuneration payable and potentially payable
		Variable remuneration in cash	Amount of cash to be converted into a financial instrument	
Szymon Midera	-	-	-	-
Krzysztof Dresler	-	-	-	-
Ludmiła Falak-Cyniak	-	-	-	-
Piotr Mazur	80	492	837	1,409
Marek Radzikowski	-	-	-	-
Michał Sobolewski	-	-	-	-
Mariusz Zarzycki	-	-	-	-
Maciej Brzozowski	-	-	-	-
Maciej Cieślukowski	-	-	-	-
Marcin Eckert	-	-	-	-
Paweł Gruza	-	-	-	-
Wojciech Iwanicki	-	-	-	-
Andrzej Kopyrski	-	306	511	817
Artur Kurcweil	-	-	-	-
Dariusz Szwed	-	-	-	-
Management Board of the Bank	**80**	**798**	**1,348**	**2,226**
Members of the Management Board who ceased to perform their functions in previous years	**464**	**417**	**555**	**1,436**
Total	**544**	**1,215**	**1,903**	**3,662**

* Severance payments awarded in 2024, which will be paid in subsequent years, are included in the variable remuneration in the form of cash for 2024. As these severance payments were included in the variable remuneration awarded for 2024, their allocation to instrument and cash will be made when calculating the total variable remuneration for 2024.

Table 15. Remuneration of members of the Bank's Management Board received from related parties (in PLN '000)

	2024
Krzysztof Dresler*	7

* The figure presented relates to gross remuneration for serving on the Supervisory Board of the associate of PKO Bank Polski S.A.

10.2 VARIABLE REMUNERATION COMPONENTS FOR MEMBERS OF THE MANAGEMENT BOARD AND KEY MANAGERS WHO HAVE A MATERIAL IMPACT ON THE BANK'S RISK PROFILE

PKO Bank Polski S.A. strives to ensure the validity of the rules for determining variable components of remuneration. This is performed in accordance with the requirements of CRD V and the Commission Delegated Regulation (EU) 2021/923 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit's risk profile, and setting out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution's risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92 section 3 of that Directive.

Variable remuneration components are awarded primarily based on bonus targets set within the framework of the Management by Objectives (MbO) programme.

The purpose of the targets set is to guarantee that the risk related to the activities of the Bank is taken into account. Risk is reflected both by determining the appropriate risk-sensitive criteria for assessing the effectiveness of work, and reducing or withdrawing the variable remuneration component in the case of deteriorated financial results, loss or deterioration in other ratios.

Variable remuneration components for the particular assessment period (calendar year) are awarded after settling bonus targets, in accordance with the table below:

Table 16. Forms of variable remuneration accrued in 2024 for 2023

Amount of variable remuneration (gross)	Non-deferred variable remuneration 50% cash / 50% phantom shares	Deferred variable remuneration 50% cash / 50% phantom shares
Up to PLN 700,000 (inclusive)	60% of the basic variable remuneration	40% of the basic variable remuneration
	– in the first year following the bonus period	– in equal instalments over the next years after the first year following the bonus period
Over PLN 700,000	PLN 420,000 plus 40% of the amount exceeding PLN 700,000	PLN 280,000 plus 60% of the amount exceeding PLN 700,000

The deferral period for which the phantom shares are awarded equals 5 years.

Each of the components of accrued variable remuneration may be reduced as a result of:

- breach of the obligations arising from the contract;
- lack of compliance with the legal regulations or Customer service standards;
- improper performance of professional duties;
- attitude towards other employees breaching social coexistence rules.

The bonus amount:

- for the Management Board Member (MBM) can be adjusted (decreased or increased) by a certain ratio, depending on the results achieved by the Bank, specified in the Bank's Annual Note (a set of key management indicators specified for a given calendar year);
- for an MRT (Material Risk Taker), who is not a Member of the Management Board, it can be adjusted (increased) by a certain ratio, depending on the results achieved by the Bank, specified in the Bank's Annual Note.

The Bank's Supervisory Board or the Management Board respectively may apply a malus solution reducing the amount of the variable remuneration component due in subsequent settlement periods. This is possible in the case of:

- a significant deterioration in the Bank's results;
- a drop in ROA below the level triggering a recovery plan, and a drop in Tier 1 capital ratio or total capital ratio TCR below the level of the combined buffer requirement,
- a decrease in the NSFR ratio below the level triggering a recovery plan,
- a decrease in the total capital ratio TCR below the level triggering a recovery plan.
- a significant adverse change in equity;
- MRT breaching the law or making serious errors;
- adjustment of the achievement and degree of achievement of the results or targets of MRT;
- deterioration in the performance of the areas supervised or managed by the aforementioned persons;
- granting the variable remuneration component based on incorrect or misleading information or MRT fraud.

The remuneration policy for members of the Bank's Supervisory Board and Management Board does not provide for an obligation to pay back awarded and already paid out variable remuneration. The policy empowers the Supervisory

Board to adopt additional provisions, inter alia, regarding the Bank demanding the return of the variable remuneration (clawback). No such claim was made in 2024.

MRTs (except Members of the Bank's Management Board) may benefit from health care services financed by the Bank and the social benefits fund. MRTs (including Members of the Bank's Management Board) can avail themselves of PPEs.

In the case of severance pay related to dismissal (other than resulting from generally applicable laws), the amount reflects the performance assessment for the last three years of employment. The Bank's internal regulations stipulate the maximum amount of severance pay.

A Member of the Management Board shall be entitled to severance pay subject to fulfilling the function of Member of the Bank's Management Board for at least twelve months before termination of the aforementioned contract. An MRT can receive the severance pay subject to being employed as an MRT for at least twelve months before termination of the employment contract.

Members of the Management Board and MRTs are additionally subject to non-competition agreements. These agreements provide for payment of compensation equivalent of 100% of the basic salary arising from the contract for refraining from employment in a competitive firm after termination of employment with the Bank, for no more than six months.

The "Rules for Employment and Remuneration of Members of the Bank's Management Board" also include provisions involving:

1. the application of the above Principles to a limited extent, as provided for in Article 9ca (1b) of the Banking Law,
2. determining the maximum ratio of the average total annual gross remuneration of the Bank's Management Board members to the average total annual gross remuneration of other employees of the Bank at 22:1;
3. implementing gender neutrality principles with regard to the compensation of members of the Bank's Management Board,
4. inclusion of environmental and social responsibility goals.

In May 2024 the Bank's Management Board passed a resolution on disbursements of variable remuneration awarded to the Bank's MRTs in 2024. In 2024, the Bank's Supervisory Board passed resolutions postponing the date of payment of variable remuneration to Management Board members from July 2024 to 31 October 2024. On 31 October 2024, the Supervisory Board concluded that there were grounds for reducing or not awarding variable remuneration for 2023 to some former or current members of the Management Board, as well as grounds for reducing in part or in whole the unpaid parts of variable remuneration for 2019-2022 (malus). The resolutions of the Management Board and the Supervisory Board with respect to variable remuneration for 2020 maintained limits of the amounts payable in respect of the deferred portion of the remuneration of 21%, as well as the change in the proportion and timing of variable remuneration for 2019 introduced in 2020.

Table 17. Changes in the proportion and dates of payment of variable remuneration.

<table>
<tr><th>Description</th><th colspan="3">Amount arising from internal regulations previously in force</th><th colspan="3">Amount arising from extraordinary resolutions adopted in 2024, i.e.:</th></tr>
<tr><td rowspan="2">Proportion between non-deferred and deferred variable remuneration for 2019</td><td colspan="3">Non-deferred 60%*</td><td colspan="3">Non-deferred 40%*</td></tr>
<tr><td colspan="3">Deferred 40%*</td><td colspan="3">Deferred 60%</td></tr>
<tr><td rowspan="2">Proportion between non-deferred and for 2019 in cash / in the form of financial instruments</td><td colspan="3">Cash 50%</td><td colspan="3">Cash 40%</td></tr>
<tr><td colspan="3">Financial instrument 50%</td><td colspan="3">Financial instrument 60%</td></tr>
<tr><td rowspan="4">Date of payment of deferred variable remuneration with reference to outstanding instalments for 2019</td><td rowspan="2">MBM</td><td>cash</td><td>1 July</td><td rowspan="2">MBM</td><td>cash</td><td>31 October</td></tr>
<tr><td>Financial instrument</td><td>2 January</td><td>Financial instrument</td><td>31 October</td></tr>
<tr><td rowspan="2">MRT</td><td>cash</td><td>30 April</td><td rowspan="2">MRT</td><td>cash</td><td>31 May</td></tr>
<tr><td>Financial instrument</td><td>15 November</td><td>Financial instrument</td><td>31 May of the following year</td></tr>
</table>

* In accordance with internal regulations, up to the amount of PLN 700,000 the proportion is 60% to 40%, and above this amount 40% to 60%.

10.3 Information on non-financial remuneration components due to individual Members of the Management Board and key managers

Since 1 July 2017, the principles for employment and remuneration of Members of the Bank's Management Board have been adapted to the provisions of the Act of 9 June 2016 on the terms of setting the remuneration of managers of certain companies (Journal of Laws of 2016, item 1202 as amended). Following the change, Members of the Management Board are not entitled to non-financial remuneration components.

10.4 Principles for remunerating members of the Supervisory Board of PKO Bank Polski S.A.

Monthly remuneration for the members of the Bank's Supervisory Board is determined by the Remuneration Policy for Members of the Bank's Supervisory Board and Management Board. Monthly remuneration of members of the Supervisory Board is determined as a product of the base salary referred to in Article 1 section 3 point 11 of the Act of 9 June 2016 on the terms of setting the remuneration of managers of certain companies and the following multiplier:

- for the Chairman of the Supervisory Board – 2.75;
- for the Deputy Chairman of the Supervisory Board – 2.5
- for the Secretary of the Supervisory Board – 2.25;
- for the remaining Members of the Supervisory Board – 2.

The remuneration shall be increased by 10% if a Member of the Supervisory Board sits on at least one standing committee of the Supervisory Board.

In addition to their remuneration, Members of the Supervisory Board shall be entitled to reimbursement for the costs incurred in connection with their function. This comprises in particular travel costs from the place of residence to the location of the Supervisory Board's meeting and back, costs of accommodation and food.

REMUNERATION RECEIVED BY MEMBERS OF THE SUPERVISORY BOARD FROM PKO BANK POLSKI S.A.

Table 18. Remuneration received by Members of the Supervisory Board from PKO Bank Polski S.A. (in PLN thousand)

	Fixed remuneration paid in 2024	Fixed remuneration paid in 2023
Maciej Cieślukowski*	131	-
Jerzy Kalinowski	86	-
Hanna Kuzińska	169	-
Andrzej Oślizło	169	-
Marek Panfil	190	-
Jerzy Śledziewski	-	-
Paweł Waniowski	212	-
Katarzyna Zimnicka-Jankowska	233	-
Mariusz Andrzejewski	34	182
Wojciech Jasiński	42	228
Dominik Kaczmarski	38	205
Andrzej Kisielewicz	117	182
Rafał Kos	34	182
Tomasz Kuczur	34	182
Maciej Łopiński	31	185
Krzysztof Michalski	10	182
Szymon Midera**	7	-
Robert Pietryszyn	46	230
Marek Radzikowski***	7	-
Bogdan Szafrański	34	182
Agnieszka Winnik-Kalemba	117	182
Total	**1,741**	**2,122**

*From 14.02.2024 to 21.04.2024, Maciej Cieślukowski was temporarily seconded to the Management Board of the Bank;

** from 15.02.2024 until 25.03.2024, Szymon Midera was temporarily seconded to the Management Board of the Bank, and as of 25.03.2024 (end of day), Szymon Midera resigned from the Supervisory Board of the Bank;

***From 14.02.2024 to 21.04.2024, Marek Radzikowski was temporarily seconded to the Management Board of the Bank; On 21.04.2024, he resigned from the Supervisory Board.

Table 19. Remuneration of members of the Bank's Supervisory Board received from related parties (in PLN '000)

	2024
Katarzyna Zimnicka-Jankowska*	46

* The figure presented relates to gross remuneration for serving on the Supervisory Board of the associate of PKO Bank Polski S.A.

10.5 AGREEMENTS CONCLUDED BETWEEN THE BANK AND MANAGERS

In 2024, every Member of the Bank's Management Board has concluded a management agreement with the Bank. The agreements lay down, among other things, the remuneration terms and competition ban.

10.6 LIABILITIES DUE TO PENSIONS FOR FORMER SUPERVISORS AND MANAGERS

In 2024, there were no liabilities arising from pensions and benefits of a similar nature for former members of management, supervisory or administrative bodies and no liabilities incurred in connection with those pensions (in accordance with the provisions of § 70 clause 7 point 18 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information submitted by issuers of securities and the conditions for recognizing as equivalent the information required by the law of a non-member country (Journal of Laws of 2018, item 757 as amended).

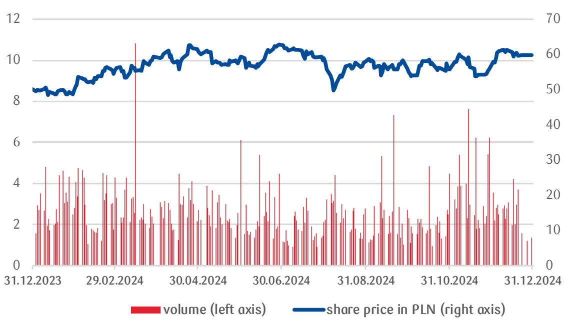
11. CORPORATE GOVERNANCE

11.1 INFORMATION FOR INVESTORS

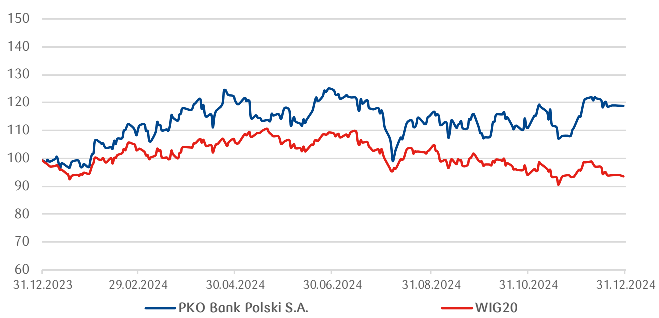
11.1.1 QUOTATIONS OF SHARES OF PKO BANK POLSKI S.A. ON THE WSE

In 2024, the share price of PKO Bank Polski S.A. increased by 18.8% to PLN 59.76 at the end of the year, reaching PLN 63.54 during the year. The achieved increase in the stock price was the highest among the key banks listed on the Warsaw Stock Exchange. This increase in the share price reflected a significant increase in earnings per share and an increase in valuation expressed as the P/BV ratio due to an improvement in return on equity and a reduction in the cost of capital of the Polish market. This increase was achieved despite significant forced supply of shares from most domestic pension funds, which exceeded the concentration limits with respect to the Bank's securities at the end of 2023.

Prices of PKO Bank Polski S.A. shares in the period 31.12.2023-31.12.2024



Changes in the price of shares of PKO Bank Polski S.A. vs. WIG-Banki index in the period 31.12.2023-31.12.2024 (31.12.2023=100%)



At the end of 2024, PKO Bank Polski S.A. was the largest domestic company listed on the WSE. At the end of the last trading session in 2024, it was valued by the investors at PLN 74.7 billion.

Due to their high liquidity and capitalization, the Bank's shares are a part of a number of stock exchange indices, such as the Polish large companies' indices WIG20 and WIG30, the WIG-Banking banking sector index, the index of companies representing the highest social responsibility standards WIG-ESG, the MSCI Emerging Markets index and the large companies index FTSE Russell and STOXX Europe 600.

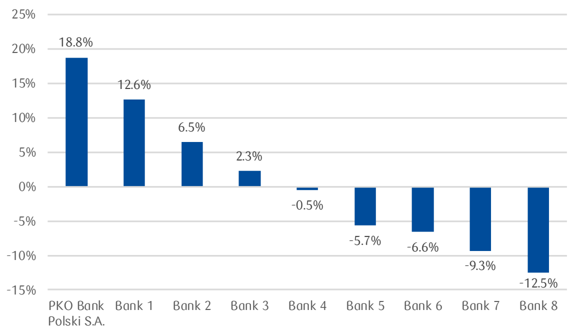
Table 20. Key data on the PKO Bank Polski S.A. shares

	2024	2023
Share price at the end of the year (PLN)	59.76	50.32
Maximum share price (PLN)	63.54	51.50
Minimum share price (PLN)	47.77	24.83
Rate of return since the beginning of the year (%)	18.76	66.13
Number of shares	1,250,000,000	1,250,000,000
Capitalization at the end of the year (PLN million)	74,700.0	62,900.0
Average trading volume per session	2,637,687	2,685,704
Share in trading volume (%)	11.21	8.86
Average number of transactions per session	7,715	7,736
Earnings per share (PLN)	7.44	4.40
Book value per share (PLN)	41.90	36.18
P/E (x)	9.9	9.6
P/BV (x)	1.48	1.38

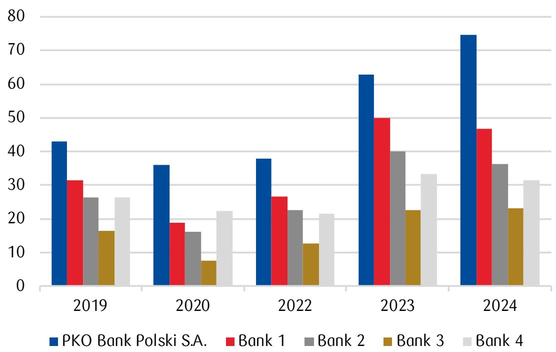
Source: Data based on the WSE statistics

PRICE OF SHARES AND CAPITALIZATION OF PKO BANK POLSKI S.A. COMPARED TO COMPETING BANKS

Changes in the price of shares of PKO Bank Polski S.A. vs. share prices of competing banks in 2024



Capitalization (end of period, PLN billion)



11.1.2 RATINGS

RATINGS OF PKO BANK POLSKI S.A.

The creditworthiness of PKO Bank Polski S.A. is assessed by Moody's Investors Service rating agency which awards a paid rating to the Bank.

Table 21. Ratings of PKO Bank Polski S.A. as at 31 December 2024 (paid rating)

Moody's Investors Service	
Long-term deposit rating	A2 with stable outlook
Short-term deposit rating	P-1
Senior unsecured debt rating	A3 with stable outlook
MTN Programme rating	(P)A3
Other short-term liabilities of the Programme rating	(P)P-2
Counterparty risk assessment - long-term	A2
Counterparty risk assessment - short-term	P-1

Opinion on counterparty risk (CR) - long-term	A2(cr)
Opinion on counterparty risk (CR) - short-term	P-1(cr)
Junior senior unsecured debt rating	Baa3
Junior senior unsecured MTN Programme rating	(P)Baa3
Baseline Credit Assessment	baa2

Table 22. ESG ratings of PKO Bank Polski S.A. as at 31 December 2024

FTSE Russell	3.3
MSCI	A
Sustainalytics	23.9 (Medium)
V.E	46

Ratings of PKO Bank Hipoteczny S.A.

Table 23. Ratings of PKO Bank Hipoteczny S.A. as at 31 December 2024 (paid rating)

Moody's Investors Service	
Long-term issuer rating	A3
Short-term issuer rating	P-2
Counterparty risk assessment - long-term	A2
Counterparty risk assessment - short-term	P-1
Opinion on counterparty risk - long-term	A2(cr)
Opinion on counterparty risk - short-term	P-1(cr)
Rating for PLN mortgage covered bonds issued	Aa1
Rating for EUR mortgage covered bonds issued	Aa1

The ratings for the covered bonds issued are confirmed with each issue.

Ratings of KREDOBANK S.A.

As at 31 December 2024, KREDOBANK S.A. had the following ratings granted by Ukrainian rating agencies.

Table 24. Ratings of KREDOBANK S.A. as at 31 December 2024 (paid ratings)

"Expert-Rating" Rating Agency	
Credit rating on country-wide scale	uaAAA with stable outlook
"Standard-Rating" Rating Agency	
Credit rating on country-wide scale - long-term	uaAAA with stable outlook
Credit rating on national scale - short-term	uaK1 with stable outlook
Deposit rating on country-wide scale	ua1 with stable outlook

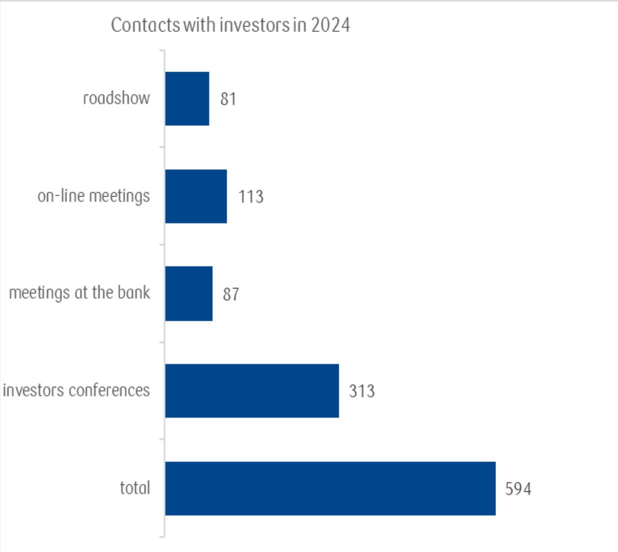
The long-term credit rating of KREDOBANK S.A. on a country-wide scale reflects the investment level, and thus meets Ukrainian statutory requirements regarding investing funds from insurance reserves by insurers and investing pension fund assets.

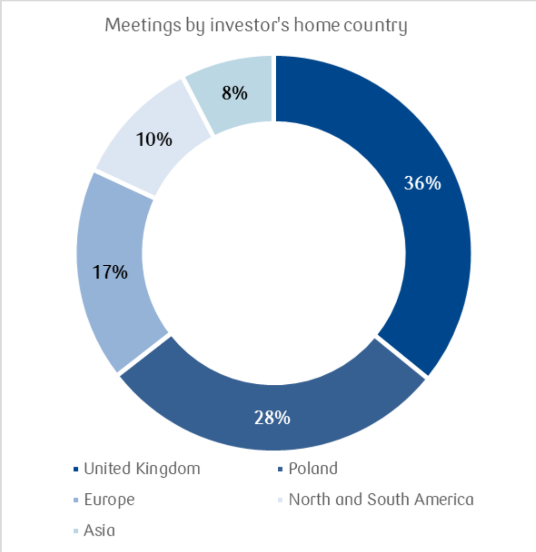
11.1.3 Investor relations

PKO Bank Polski S.A. maintains regular contact with investors and financial market analysts and aims at maintaining high communication standards. The Bank's representatives ensure transparent, reliable and complete access to information on the functioning of the Bank, its financial performance and the situation in the banking sector. The Bank allows various forms of contact preferred by the investors and analysts. The number of contacts with debt investors was significantly increased in 2024, with participation in a number of conferences and roadshows aimed at this investor group.

In 2024, 594 investor meetings were held.

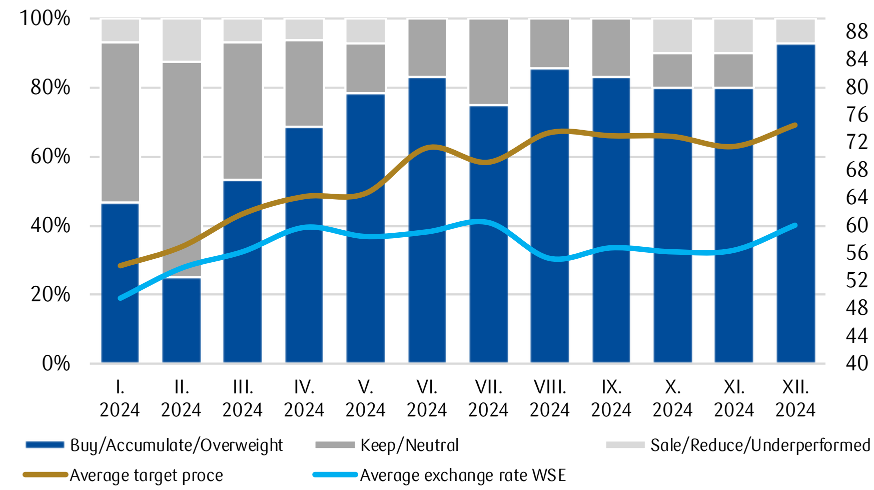
- the Bank's and the Bank Group's financial performance was presented after each quarter by the Bank's Management Board; the performance presentation was broadcast over the Internet.
- The Bank's Management Board participated in a number of investor conferences held by brokerage firms: 313 meetings were held during 17 face-to-face conferences and 2 online conferences with investors from Europe, mainly Poland and the United Kingdom, and the United States.
- 200 individual meetings took place, of which 113 were held online and 87 took place in the Bank's office





PKO Bank Polski S.A. is observed by a wide group of analysts from brokerage offices who issue recommendations to entities listed on the WSE on an ongoing basis. At the end of the year 2024, 18 Polish and foreign analysts published reports and recommendations concerning the Bank's shares. The average target price of the Bank's shares for 2024 was PLN 74.6.

Recommendations of analysts and the average target price



All information of significance to the Bank's investors and shareholders was immediately published on the Investor Relations website at https://www.pkobp.pl/investor-relations/.

11.2 STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES

11.2.1 APPLICATION OF THE CORPORATE GOVERNANCE PRINCIPLES

General corporate governance principles in place at PKO Bank Polski S.A., i.e. the internal regulations for the Bank's management and control of its operations taking into account the principles and expectations of all stakeholders, arise from the generally applicable legal regulations, including in particular the Commercial Companies Code and the Banking Law, the laws regulating the functioning of the capital market and the rules issued by the WSE (Best Practice for companies listed at the WSE), the Polish Financial Supervision Authority (corporate governance principles for supervised entities and supervisory recommendations for the banking sector).

The Bank is subject to the following sets of corporate governance principles:

- "Best Practice for WSE Listed Companies 2021" (applicable to the Bank in connection with the listing of the Bank's shares on the WSE Main Market).
  - "Best Practice for WSE Listed Companies 2021" are available on the WSE website in the section on corporate governance issues of listed companies Best Practice 2021
- "Corporate Governance Principles for Supervised Institutions" (applicable to the Bank in connection with its status as an institution supervised by the PFSA),
  - "Corporate Governance Principles for Supervised Institutions" are available on the Polish Financial Supervision Authority's website (https://www.knf.gov.pl/dla_rynku/regulacje_i_praktyka/zasady_ladu_korporacyjnego)

CORPORATE GOCERNANCE PRINCIPLES CONTAINED IN THE BEST PRACTICES FOR WSE LISTED COMPANIES 2021

The Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. ("the Warsaw Stock Exchange", "WSE"), by resolution No 13/1834/2021 of 29 March 2021, adopted a set of corporate governance principles for joint-stock companies issuing shares, convertible bonds or bonds with pre-emptive right, which are admitted to trading on a WSE regulated market, i.e. "Best Practice for WSE Listed Companies 2021" ("Best Practice 2021"), which entered into force on 1 July 2021.

Best Practice 2021 is addressed to all authorities of the company. The Management Board of PKO Bank Polski S.A. (hereinafter: the Bank's Management Board or the Management Board), the Supervisory Board of PKO Bank Polski S.A. (hereinafter: the Bank' Supervisory Board or the Supervisory Board) and the General Shareholders' Meeting of PKO Bank Polski S.A. (hereinafter: the General Shareholders' Meeting of the Bank or the General Shareholders' Meeting) expressed their opinion on the application of these practices – they all approved the Best Practice 2021 without any exceptions.

In 2024 none of the Bank's authorities declared any deviations from the principles of the Best Practice 2021.

The information on the scope of application of the aforementioned principles by the Bank (in the form stipulated in the WSE Rules) is available on the Bank's website (https://www.pkobp.pl/investor-relations/corporate-governance/best-practice-for-wse-listed-companies-2021/).

The Supervisory Board's assessment of the manner in which the Bank complies with its disclosure obligations under the WSE Rules and the regulations on current and periodic information disclosed by issuers of securities is contained in the annual reports of this body, which are available on the Bank's website.

INCIDENTAL BREACH OF BEST PRACTICES 2021

In 2024, there were five incidental breaches of the principles contained in the Best Practice 2021.

On two occasions, Principle 4.9.1 of the Best Practice 2021 was breached, according to which candidatures for board members should be submitted in time to allow shareholders present at the general meeting to make a decision with due discernment, but no later than 3 days before the general meeting.

There were three breaches of Principle 2.2 of the Best Practice 2021, according to which decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

Reports on the above incidental breaches have been made public and can be found on the Bank's website - Best Practice for WSE Companies 2021 - PKO Bank Polski.

In accordance with the Bank's internal regulations, individual organizational units comply with the DPSN 2021 within their scope of competence and, in accordance with their responsibility, notify the designated unit each time about the expected non-compliance or permanent non-compliance with the principle set out in DPSN 2021, within a timeframe that allows for the publication of the relevant report in accordance with the Warsaw Stock Exchange Rules.

CORPORATE GOVERNANCE PRINCIPLES FOR SUPERVISED INSTITUTIONS ISSUED BY THE POLISH FINANCIAL SUPERVISION AUTHORITY

The "Corporate Governance Principles for Supervised Institutions" issued by the PFSA on 22 July 2014 (the "Principles") define the internal and external relations for institutions supervised by the Polish Financial Supervision Authority (PFSA), including the relations with the shareholders and customers, the organizational structure, the functioning of internal audit, the key internal systems and functions, the statutory bodies and the principles for their cooperation.

In 2014, the Bank accepted the Principles for use with respect to the competences and obligations of the Management Board, i.e. managing the Bank's affairs and its representation, in compliance with the generally binding laws and the Bank's Articles of Association. Nevertheless, it was assumed that Chapter 9 of the Principles, concerning the managing of assets at the customer's risk, will not be applied due to the fact that the Bank does not conduct such activities.

The Supervisory Board accepted the Principles for use with respect to the competences and obligations of the Supervisory Board, i.e. supervising the conduct of the Bank's affairs in compliance with the generally binding laws and the Bank's Articles of Association.

The General Meeting, within the scope of its powers, adopted the Principles for use, subject to departure from the following principles:

- § 10 section 2 of the Principles, with respect to the introduction of personal rights or other special rights for shareholders;
- § 12 section 1 of the Principles with reference to shareholders' responsibility for prompt recapitalisation of the supervised institution;
- § 28 section 4 of the Principles with reference to the assessment by the decision-making body of whether the adopted remuneration policy promotes the development and operational security of the supervised institution.

In accordance with the justification presented by the State Treasury together with the proposed draft resolution of the General Shareholders' Meeting of 2015, waiving the application of the principle specified in §10 section 2 and §12 section 1 of the Principles was justified by the uncompleted process of the Bank's privatization by the State Treasury.

Waiving the application of the principle set out in § 28 section 4 was justified by the excessive scope of the remuneration policy in question, which is subject to the assessment by the decision-making authority. In the opinion of the State Treasury, the policy for remunerating employees who perform key functions but are not members of the supervisory or management bodies should be assessed by their employer or principal (i.e. the Bank represented by the Management Board whose activities are supervised by the Supervisory Board).

By way of a resolution dated 28 June 2024, the Bank's Annual General Meeting decided to repeal the above exemptions in the application of the Principles, with a stipulation that, in the case of § 28 section 4 of the Principles, the assessment will be made starting from the Annual General Meeting held after the end of the current financial year.

Pursuant to § 27 of the Principles, the Bank's Supervisory Board performs a regular assessment of the application of the Principles and the results of this assessment are made available on the Bank's website and communicated to the other bodies of the Bank. To date, the Supervisory Board has made such an assessment on nine occasions - for the period 2015-2023 (in all these cases it gave a positive evaluation).

As of 1 January 2022, PKO Bank Polski S.A. has also applied the provisions of Recommendation Z, concerning internal governance principles in banks, issued by the PFSA. Recommendation Z supplements, details and develops issues in the field of issues which have already been regulated in the Principles. In the event that the scope of the Recommendation coincides with the scope of the Principles, the provisions of Recommendation Z shall take precedence. To the extent not regulated in Recommendation Z, the Principles shall apply.

The content of Recommendation Z is available on the PFSA website:
https://www.knf.gov.pl/knf/pl/komponenty/img/Rekomendacja_Z_70998.pdf).

INFORMATION ON THE APPLICATION OF THE PRINCIPLES CONTAINED IN THE BEST PRACTICE 2021 AND THE PFSA CORPORATE GOVERNANCE PRINCIPLES FOR SUPERVISED INSTITUTIONS

Information on the application of corporate governance principles is set out below. In accordance with the Commission Recommendation of 9 April 2014 on the quality of corporate governance reporting (2014/208/EU), the issues which, in the Bank's opinion, are the most important for the shareholders are described.

GENERAL SHAREHOLDERS' MEETING AND SHAREHOLDER RELATIONS

The Bank sets the place, date and form of the General Shareholders' Meetings taking into account the need to allow as many shareholders as possible to participate. The Bank did not organize any General Shareholders' Meetings using means of electronic communication (e-meeting) in 2024. As a result of adopting all principles contained in Best Practice 2021, as well as the waiver of the exemption of §8 section 4c of the PFSA "Corporate Governance Principles for Supervised Institutions", the Bank allows the possibility of organizing e-meetings if it is expected by the shareholders. The Bank is able to provide the technical infrastructure necessary to hold them and is prepared in terms of procedures for the organisation of e-meetings (the Supervisory Board has adopted regulations for holding general meetings using electronic communication means). Irrespective of the above, in order to ensure maximum transparency of the decision-making process, the General Shareholders' Meetings are broadcast in real time and they are open to media representatives.

On 7 June 2021, the Annual General Shareholders' Meeting adopted all principles contained in Best Practices 2021, including the principle that draft resolutions must be presented not later than 3 days before the date of the meeting and that the candidates to the Supervisory Board must make the necessary statements. In the organization of the General Meetings in 2024, there were two incidental breaches of the Best Practice 2021 in this regard, which the Bank reported in the reports on breaches of Best Practice 2021, 1/2024 and 2/2024.

As a rule, the Management Board and Supervisory Board members participate in the General Shareholders' Meetings. In 2024, their participation took different forms – either of the physical presence at the place of the meeting or of real time bilateral communication with the use of electronic means. These bodies were represented by persons capable of discussing the matters on the agenda and providing informed responses to any questions asked during the meeting. The Management Board presented the financial results and other relevant information contained in the financial statements and discussed significant events relating to the previous financial year, comparing the presented data to the preceding years.

In line with the principles of Best Practice, the Bank's dividend policy is based on the intention to maintain stable dividend payments over the long term, while adhering to the principle of prudent management of the Bank and the Bank's Group.

INFORMATION POLICY AND COMMUNICATION WITH INVESTORS

The Bank's overriding aim regarding information activities is to guarantee high standards of communication with the participants of the capital market, which are a sign of respect for the principles of universal and equal access to information. To achieve this aim, the Bank pursues its information policy in a manner that ensures proper, reliable and complete access to information about the Bank for all investors, with no preferences as regards any of them. The above rules have been formally adopted by the Bank in the "Principles of information policy of PKO Bank Polski S.A. regarding communication with investors and clients", available on the Bank's website (Information disclosure policy - PKO Bank Polski).

The Bank communicates with the investors directly, by organizing online performance meetings, by participating in a wide range of investor conferences and bilateral meetings, and through its activity on the corporate website, which has a dedicated investor relations section. The website contains key information on the Bank and the securities issued, including the information on the Bank's strategy, financial statements, presentations, key financial data in a format that allows its direct use, contact details and other information which is usually published by companies, in accordance with the relevant recommendations.

The investor relations section at Corporate Governance - PKO Bank Polski contains information on corporate governance principles, basic corporate documents, policies and reports, as well as information on the application of Best Practice 2021 and the PFSA's "Corporate Governance Principles for Supervised Institutions".

In view of the adoption of the Strategy for 2025-2027, and in order to ensure proper communication with stakeholders, the Bank has published information about the Strategy's objectives, measurable goals, including in particular long-term goals, and measures planned for its implementation on its website. This information is available in the investor relations section at Strategy for 2025-2027.

The ESG area is one of the pillars of PKO Bank Polski S.A.'s strategy for 2025-2027. The Bank's ESG strategy includes a set of metrics in three areas of sustainability: environmental, social and corporate governance. Information on the ESG targets included in the 2025-2027 Strategy is available on the Bank's website: Strategy for 2025-2027.

In addition to the regular meetings associated with the publication of results, dialogue with shareholders is carried out on an ongoing basis. The investors' questions are answered immediately after their receipt, not later than within 14 days. If more time is required due to special circumstances, the investor is notified in advance about the planned date of providing the response. The Bank does not limit the group of persons entitled to information to the shareholders. When answering questions, the Bank assesses the possibility of providing a response to a specific question taking into account the need to protect company secrets or a potential conflict with the applicable laws. It also evaluates the importance of the question in order to provide explanations within an appropriate time and at the appropriate level of detail.

The Bank also has recommended internal regulations in place concerning the provision of explanations and rectification of false, inaccurate or detrimental media reports.

MANAGEMENT BOARD AND SUPERVISORY BOARD OF THE BANK

Members of the Management Board and Supervisory Board are appointed in a manner allowing for the selection of persons having high qualifications, skills and experience that are adequate to their position and ensuring that the Management Board and Supervisory Board members (both individually and collectively) will issue independent opinions and decisions in all areas of the Bank's operations.

The above is reflected in the following policies in place at the Bank:

- The policy concerning the assessment of appropriateness of the candidates for members and members of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski S.A. (adopted by the General Shareholders' Meeting),
- The policy concerning the appropriateness of the Management Board members and key officers of the Bank and appropriateness assessment at the Bank's Group companies (adopted by the Supervisory Board of the Bank).

The policy for ensuring diversity of the composition of the Management Board and Supervisory Board is a part of the suitability policy.

The diversity policy defines diversity objectives and criteria and is designed to ensure that members of the Management Board and Supervisory Board are appropriately selected to obtain a broad range of competences, knowledge and skills that are adequate for the position and, at the same time, to ensure diversity in terms of age and gender. The competent authorities that select candidates for specific positions take into account the result of suitability assessment and aim at achieving a balance between genders or at least 30% representation of the less numerous gender. The aforementioned suitability policies also specify deadlines and methods for monitoring the achievement of diversity objectives.

In accordance with the Bank's Articles of Association, if the number of Supervisory Board members drops below five, the General Shareholders' Meeting must be convened to appoint an appropriate number of members.

The General Meeting and the Supervisory Board, as part of succession management, make decisions on the selection of new members respectively: of the Supervisory Board and the Management Board, bearing in mind: the objective of ensuring continuity in decision-making by the bodies as well as individually by the members of the Management Board in the area they supervise; the need to ensure the achievement of the Bank's strategic objectives; the principle of diversity in the composition of the bodies; and ensuring the collective suitability of the bodies.

Having regard to the representations made by the members of the Supervisory Board, as at 31 December 2024 the Supervisory Board was entirely composed of independent members. The Chair of the Supervisory Board does not combine his function with managing the work of the audit committee of the Supervisory Board. More information on the Supervisory Board is provided in section 11.2.8.

In accordance with the rules, the Supervisory Board members voting against a resolution may express a dissenting opinion (which shall be recorded in the minutes). The Supervisory Board votes on resolutions by open ballot. Voting by secret ballot is ordered when personal issues are discussed or at the request of at least one Supervisory Board member.

The members of the Bank's Supervisory Board devote the necessary time to ensure the proper functioning of the Bank's Supervisory Board as a body and its Committees.

The turnout is very high and any absences are justified.

The Supervisory Board may use the services of external advisors, experts or consultants at the Bank's cost.

Since the Bank has adopted all principles contained in Best Practice 2021, the Supervisory Board annual reports contain elements required by Best Practice 2021.

Serving on the Bank's Management Board is the main area of activity for the members of this body, who do not take any other professional activity if devoting their time to such activity would make it impossible for them to serve on the Management Board diligently.

Appointment of a Management Board member to the supervisory body of a company which does not belong to the Bank's Group requires the approval of the Supervisory Board.

INTERNAL SYSTEMS AND FUNCTIONS

PKO Bank Polski S.A. has a management system in place, comprising an internal control system and a risk management system. The Management Board is responsible for the design and implementation of these systems. These systems are designed to suit the size of the Bank as well as the nature and scale of its business. The Bank has separate units within its structure responsible for carrying out tasks in the aforementioned systems.

The internal control system supports the management of the Bank by ensuring the effectiveness and efficiency of the Bank's operations, the reliability of financial reporting, compliance with the Bank's risk management principles and compliance of the Bank's operations with generally applicable laws, the Bank's internal regulations, supervisory recommendations and market standards adopted by the Bank. The internal control system is arranged at the Bank on three independent levels.

The internal control system at PKO Bank Polski S.A. comprises:

- the control function which ensures compliance with controls relating, in particular, to risk management at the Bank; this function covers all of the Bank's units, and the organizational positions in these units responsible for the performance of tasks allocated to a particular function.
- the compliance function – the Compliance Department (CD), which is an organisationally separate, independent function with a key role in compliance and compliance risk management,
- the internal audit function – the Internal Audit Department (IAD), which is an independent and objective function performing assurance and advisory activities to assess the adequacy and effectiveness of the risk management system and the internal control system.

The Bank appoints an officer to head the internal audit function (IAD), who acts in accordance with the law, the supervisory regulations of the PFSA, as well as good practices and the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors.

The heads of IAD and CD report directly to the President of the Management Board and are appointed with the prior approval of the Supervisory Board. The IAD activities are subject to an independent external evaluation at least once in five years.

The Supervisory Board evaluates the internal control system and its components on an annual basis based on the information and reports provided by the Management Board, the Audit Committee of the Supervisory Board, the IAD and the CD, as well as the findings of the auditor and those resulting from the supervisory activities of authorised institutions. The Supervisory Board is supported in such activities by the Audit Committee of the Supervisory Board.

Other entities of the Bank's Group have internal control systems adapted to the specific nature of their activities. The manner of functioning of internal control systems depends on the business entity's size and scope of its operations.

The risk management process consists of the following main components: the risk management strategy adopted by the Management Board and approved by the Supervisory Board, the processes for managing the specific types of identified risk, and regular reviews of the aforementioned strategy and processes. The heads of the structures responsible for the management of other risks report to the Management Board member supervising the Risk Management Area.

CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS

The Bank has adopted the principles for the management, identification and disclosure of conflicts of interest or potential conflicts of interest and taking actions to control such conflicts, minimize their occurrence and mitigate their adverse effect on the Bank's operations and its relations with the customers and other entities.

These principles regulate e.g. the responsibilities of the members of the Bank's bodies with respect to reporting potential and actual conflicts of interest and limiting the involvement of persons who have a potential conflict of interest in the matters to which such conflict of interest relates. In accordance with the rules and regulations of the Management Board and the Supervisory Board, their members have the right to express dissenting opinions, which are recorded in the minutes of the Management or Supervisory Board meeting.

The principles of conflict of interest management also apply to preventing preference of some shareholders over the others - all transactions and agreements must be concluded on an arm's length basis, in compliance with the generally applicable laws and the Bank's internal regulations.

REMUNERATION

Guided by prudent and stable risk, capital and liquidity management and with particular concern for the long-term prosperity of PKO Bank Polski S.A. and the interests of its shareholders, and having regard to external regulations in the area of remuneration, the Bank has introduced adequate internal regulations governing, inter alia, the remuneration principles for persons holding managerial positions, including members of the Bank's bodies. The remuneration rules put in place are designed to support the implementation of the Bank's strategy and long-term interests and to contribute to sound and effective risk management.

The Bank has a remuneration policy for members of the Supervisory Board and the Management Board adopted by the Annual General Shareholders' Meeting in 2020.

According to this policy, the total remuneration of a member of the Bank's Management Board consists of a fixed part and a variable part. The variable remuneration depends on the level of achievement of management objectives such as: achieving the net financial result of the Bank and the Bank's Group, achieving the indicated economic and financial indicators (including the customer satisfaction indicator), implementing the strategy of the Bank and the Bank's Group and maintaining the market position of the Bank. The Supervisory Board defines objectives for the individual Management Board members, which should also include such criteria as acting in the public interest, taking part in environmental protection and preventing potential adverse social effects of the Bank's operations. The total fixed and variable remuneration of each member of the Bank's Management Board is in line with the principle of gender neutrality.

PKO Bank Polski S.A. also adopts rules on the remuneration of employees whose activities have a significant impact on the Bank's risk profile (Material Risk Takers; hereinafter: MRT). The MRT's variable remuneration depends on the level of achievement of bonus targets, which, depending on the tasks assigned, may take into account the Bank's financial situation and the growth in its value and include e.g. customer satisfaction index or the level of execution of the Bank's strategy.

The heads of the internal audit function, the compliance function, the legal function, the organisational units in charge of risk management at the second level and the human resources function receive variable remuneration for the achievement of the objectives resulting from their functions, and their remuneration shall not depend on the financial performance of the areas of the Bank's operations controlled by them.

The payment of variable remuneration to both members of the Bank's Management Board and other MRTs is preceded each time by an assessment of the Bank's economic position, as well as a long-term evaluation of these individuals in terms of the proper performance of their duties.

The maximum ratio of the average total annual gross remuneration of the Bank's Management Board members to the average total annual gross remuneration of other employees of the Bank was set at 22:1.

The level of remuneration of members of the Bank's authorities and MRTs is adequate to the scope of tasks entrusted to particular persons. The work in committees of the Bank's Supervisory Board is taken into account in the remuneration of the members of these committees. The amount of remuneration of the Supervisory Board members does not depend on the Bank's short-term results.

OTHER GOOD PRACTICES

The Bank has three key values for the successful implementation of the Bank's mission and strategy:

1. partnership - together we care about the best customer and employee experience, we build partner relations based on mutual respect, openness and trust,
2. growth - we embrace change and take on ambitious challenges, we nurture our own growth and support others in doing so, we offer support to customers to grow in a rapidly digitalising world,
3. impact - we act boldly, value proactivity, responsibility and commitment, are innovative in creating solutions and effective in achieving goals.

The values were formulated based on the opinions and proposals of employees and the Bank's Management Board. The values adopted by the Bank are communicated in particular by indicating the behaviours and attitudes that comply with these values and are taken into account in the management processes applied in the Bank.

On 9 January 2024, the Supervisory Board approved the amended Code of Ethics, which introduced the above values.

The Code of Ethics sets out the framework for the mutual relations between individuals who work for the Bank, between the Bank's employees and those who act on behalf of the Bank, as well as between those who act on behalf of the Bank. The Bank's Code of Ethics also sets out the values, principles, standards of conduct and ethical attitudes in relations with customers and in the Bank's business activities and in the Bank's relations with the environment. The Code is directly related to the Bank's organizational culture; it supplements this culture and is a tool supporting the popularization and implementation of ethical values at the Bank.

The values, principles, standards of conduct and ethical attitudes outlined in the Bank's Code of Ethics apply to all employees of the Bank, as well as to persons acting on behalf of the Bank, including those performing banking and factual activities related to banking activities, and to persons intermediating in their performance, including in particular persons representing the Bank and acting on behalf of the Bank.

The Bank allows employees to report violations, including ethical issues, by using internal procedures in compliance with legal requirements, including the Whistleblower Protection Act.

Verification of compliance with the Bank's ethical principles is assessed by the Bank's Management Board on an annual basis. Information on the outcome of the assessment by the Management Board is communicated at least once a year to the Bank's Supervisory Board.

11.2.2 CONTROL SYSTEMS IN THE PROCESS OF PREPARING FINANCIAL STATEMENTS

The internal control system at PKO Bank Polski S.A. covers, among other things, the process of preparing financial statements to ensure effective and reliable operations, reliability of disclosures presented and compliance with laws, internal regulations and good market practices and standards. At all levels of the internal control system, the Bank's employees apply controls built into the processes and systems and IT applications that support the implementation of these processes. These controls are subject to independent monitoring on all internal control system levels, which includes testing and ongoing review of controls.

In the process of preparing financial statements, which is an essential process for achieving the objectives of the Bank's internal control system and business objectives, the Bank has established controls, and compliance with these controls is monitored independently at a frequency and to the extent specified in the control function matrix for this process.

The Accounting and Reporting Department (ARD) in the Accounting Division, which reports to the Vice-President of the Management Board of the Bank who oversees the Finance and Accounting Area, is responsible for the preparation and compilation of the separate and consolidated financial statements of PKO Bank Polski S.A and the PKO Bank Polski S.A Group.

In preparing the financial statements, the DRP cooperates with a number of units of the Bank including, among others, the other units of the Accounting Division: Tax Department, and the Settlement and Accounting Centre, the Banking Risk Division, the Finance Division and Group companies.

The financial statements of PKO Bank Polski S.A. are based on the Bank's accounting records. Source data from the data warehouse and additional qualitative and quantitative information are also used.

The proper execution of the process is enabled by:

- the accounting principles (policy) adopted by the Management Board;
- the chart of accounts with commentary;
- other detailed internal regulations specifying the main principles for recording business events, asset and liability valuation, and determining the financial result;
- the method of maintaining books of account;
- reporting systems.

The process of preparing financial data for reporting purposes is largely automated through the use of a reporting application, and data preparation is subject to operational and acceptance procedures.

The process is carried out by qualified employees with relevant expertise and experience.

The ARD, on an ongoing basis:

- monitors changes in external regulations concerning, among others, accounting and reporting policies for banks and banking groups (including leasing and factoring companies, insurers, investment and pension fund companies);
- analyzes market standards and applies best practices;
- and, when necessary, updates internal regulations and implements changes in systems supporting the reporting process.

This Department also controls the consistency and completeness of the Bank's accounting records, as well as administers and manages the chart of accounts.

The process of closing the books and preparing financial statements is determined by schedules that include key activities and control points, along with the assignment of responsibility for their timely and accurate execution.

The controls in place in the process of preparing the financial statements involve:

- verifying and reconciling the reporting data with the accounting records and other documents underlying the preparation of the financial statements, as well as with the applicable regulations on accounting policies and the preparation of financial statements;
- controls embedded in the reporting application which include verification of the accuracy and reliability of the data presented. Manual corrections, including those resulting from management decisions, are subject to special verification;
- a formal review of the financial statements to confirm compliance with applicable regulations and market practice in terms of the required disclosures. The process of preparing financial statements is subject to regular multi-stage verification (in particular with regard to the correctness of accounting reconciliations, substantive analysis and reliability of information), and the financial statements are subject to multi-stage approval.

The Accounting and Reporting Department is also responsible for the consolidated financial and regulatory reporting process.

The consolidated financial reporting process is governed by a range of internal regulations that set out the Group's accounting policies and reporting standards (so-called group instructions). In addition, the process is subject to detailed schedules covering key activities and checkpoints, with responsibility assigned for their timely and accurate execution.

The basis for the preparation of the consolidated financial statements of the Group are:

- the financial statements of the parent company, PKO Bank Polski S.A.,
- financial information of consolidated companies and investment funds (so-called consolidation packages),
- information on intercompany transactions between Group entities and consolidation adjustments,
- additional disclosures necessary in the consolidation process, provided by these companies and funds and the Bank's units participating in the process of preparing the consolidated financial statements.

ARD oversees the accuracy, completeness and consistency of the data contained in consolidation packages prepared by consolidated entities (companies and funds). The Bank also exercises control functions with respect to the consolidated subsidiaries through its representatives on the supervisory bodies of the respective entities.

In the process of preparing individual and consolidated financial and regulatory statements, ARD uses a reporting application that ensures a high level of automation in the reporting process by:

- generating source data (reporting extracts, ledgers) and consolidation packages,
- performing necessary calculations, including in the consolidation process,
- aggregating and converting data into required separate and consolidated disclosure statements,
- exporting numerical data to financial statement drafts,
- converting annual financial statements into the required format referred to in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and the Council with regard to regulatory technical standards on the specification of the single electronic reporting format (ESEF).

To ensure the efficient execution of the reporting process, ARD provides the application to entities within the Group for preparing and submitting consolidation packages and intercompany transactions. To ensure the completeness of the disclosures required by International Financial Reporting Standards in the annual financial statements of the Bank and the Group, the ARD prepares a checklist based on the applicable standards. In addition, the Bank introduced the Policy on Disclosure of Financial Instruments in the financial statements of PKO Bank Polski S.A. thus meeting the requirements of Recommendation R regarding the rules for classifying credit exposures, estimating and recognizing expected credit losses and credit risk management. In accordance with paragraph 36.6 of the Recommendations, the Management Board of the Bank reviews the applicable financial instrument disclosure policies on an annual basis. The Policy is reviewed to ensure that it is consistent with the Bank's risk profile, current market conditions, accounting standards and supervisory requirements.

Annual and semi-annual financial statements and quarterly interim reports (comprising the Management Board's commentary and the consolidated financial statements of the PKO Bank Polski S.A. Group, together with the condensed financial statements of PKO Bank Polski S.A.):

- are submitted to the Management Board of PKO Bank Polski S.A., which, after preliminary approval, forwards them to the Audit Committee of the Supervisory Board and the Supervisory Board;
- are subject to review by the Audit Committee of the Supervisory Board and the Supervisory Board (in the case of the annual financial statements of the Bank and of the Group, the opinion of the Supervisory Board is expressed in the form of a resolution);
- are finally authorised for publication by the Bank's Management Board.

The statements bear a qualified electronic signature by all members of the Management Board and the person entrusted with keeping the accounting records.

Annual and semi-annual financial statements, in accordance with generally applicable legislation, are subject to audit and review by an independent audit firm, as appropriate.

The Supervisory Board performs annual assessments of the compliance of the annual consolidated financial statements of the Bank's Group, the annual financial statements of the Bank and the Directors' Report on the operations of the Bank's Group and of the Bank with the books, documents and facts, pursuant to Article 382 (3) of the Commercial Companies Code.

PKO Bank Polski S.A. is committed to ensuring the highest reporting standards. Each year, it participates in The Best Annual Report competition, where it has been awarded the special prize "The Best of the Best" for the best annual report in the financial institutions category several times.

AUDIT FIRM

On 15 December 2022, the Supervisory Board, pursuant to § 15 section 1 point 2 of the Bank's Articles of Association, selected KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. (KPMG) as the audit firm to audit and review the financial statements of the Bank and of the Bank's Group for the years 2024–2026. KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw, ul. Inflancka 4A, is entered in the list of audit firms kept by the Polish Agency for Audit Oversight under number 3546. On 14 February 2024, the Bank concluded an agreement with KPMG for the audit and review of the financial statements of the Bank and the Bank' Group for the years 2024-2026. The financial statements of the Bank and the Bank Group for the period 2020-2023 were audited by PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k (PwC) in accordance with the Supervisory Board decisions of 13 December 2018 and 23 September 2021.

In 2024, in addition to the financial statement audit and review services, KPMG provided the Bank with services related to the assurance of sustainability reporting, issuance of comfort letters for the execution of the issue, assurance services assessing the Bank's compliance with client asset custody requirements, and services evaluating the report on the remuneration of the Bank's Management Board and Supervisory Board members prepared by the Supervisory Board.

Table 25. Total net remuneration payable to the audit firm (in PLN '000)

Total net remuneration due to the audit firm auditing the financial statements for its services to the Bank	2024	2023
for the audit of the financial statements of the Bank and the consolidated financial statements of the Bank's Group	2,089	1,913
for assurance services, including reviews of the financial statements	1,963	1,737
Total	**4,052**	**3,650**

In addition, KPMG provided the Bank's Group companies with the following services: audit of statutory financial statements, review of interim financial statements and audit and review of consolidation packages for the purposes of review and audit of the consolidated financial statements of the Bank's Group.

11.2.3 SHARE CAPITAL, SIGNIFICANT BLOCKS OF SHARES AND CONTROL POWERS

As at 31 December 2024, the share capital of PKO Bank Polski S.A. amounted to PLN 1 250 000 000 and was divided into 1 250 000 000 shares with a nominal value of PLN 1 each. All the Shares have been fully paid. The amount of the Bank's share capital did not change in 2024.

Table 26. Structure of the share capital of PKO Bank Polski S.A.

Series	Type of shares	Number of shares	Nominal value of 1 share	Nominal value of series
A Series	ordinary registered shares	312,500,000	PLN 1	PLN 312,500,000
A Series	ordinary bearer shares	197,500,000	PLN 1	PLN 197,500,000
B Series	ordinary bearer shares	105,000,000	PLN 1	PLN 105,000,000
C Series	ordinary bearer shares	385,000,000	PLN 1	PLN 385,000,000
D Series	ordinary bearer shares	250,000,000	PLN 1	PLN 250,000,000
		1,250,000,000		**PLN 1,250,000,000**

According to the best knowledge of PKO Bank Polski S.A., as at 31 December 2024 the following three shareholders held, directly or indirectly, significant blocks of shares (at least 5%): State Treasury, Nationale-Nederlanden Open Pension Fund and Allianz Polska Open Pension Fund.

Table 27. Shareholding structure of PKO Bank Polski S.A.

	As at 31.12.2024		As at 31.12.2023		Change in the share in the number of votes at the GSM
	Number of shares	Share in the number of votes at the GSM and in the share capital	Number of shares	Share in the number of votes at the GSM and in the share capital	
State Treasury	367,918,980	29.43%	367,918,980	29.43%	0.00%
Nationale-Nederlanden Open Pension Fund[1)]	98,669,361	7.89%	115,594,152	9.25%	-1.35%
Allianz Polska Open Pension Fund[1)]	83,713,383	6.70%	101,787,594	8.14%	-1.45%
Other shareholders[2)]	699,698,276	55.98%	664,699,274	53.18%	2.8%
Total	1,250,000,000	1,250,000,000	1,250,000,000	100%	0.00%

1) Calculation of shareholdings as at the end of the year published by PTE in bi-annual and annual information about the structure of fund assets and quotation from Bloomberg.
2) Including Bank Gospodarstwa Krajowego which, as at 31.12.2024, held 24 487 297 shares, representing a 1.96% share of the votes at the General Shareholders' Meeting.

The shares of PKO Bank Polski S.A. and other securities issued by the Bank do not carry any specific control rights.

The Bank is not aware of any agreements concluded in 2024, based on which any changes could occur in the future in the proportions of the shares held by the current shareholders or bond holders.

Table 28. Exposure of Open Pension Funds to the shares of PKO Bank Polski S.A.

Shareholder	Number of shares	Share in the number of votes at the GSM and in the share capital	Number of shares	Share in the number of votes at the GSM and in the share capital
	As at 31.12.2024		As at 31.12.2023	
Nationale-Nederlanden OFE	98,669,361	7.89%	115,594,152	9.25%
Allianz Polska OFE	83,713,383	6.70%	101,787,594	8.14%
PZU OFE	48,511,344	3.88%	58,996,508	4.72%
Generali OFE	45,997,735	3.68%	52,899,640	4.23%
Vienna OFE	29,287,101	2.34%	33,777,391	2.70%
Uniqa OFE	21,280,874	1.70%	23,513,483	1.88%
Pocztylion OFE	5,853,630	0.47%	6,443,630	0.52%

11.2.4 RESTRICTIONS IMPOSED ON SHARES OF PKO BANK POLSKI S.A.

All shares of PKO Bank Polski S.A. carry the same rights and obligations. No shares are preference shares, in particular with respect to voting rights (one share carries one vote) or dividend.

The Articles of Association of PKO Bank Polski S.A. limit the voting right of shareholders holding more than 10% of the total number of votes at the General Shareholders' Meeting and prohibit these shareholders from exercising more than 10% of the total number of votes at the General Shareholders' Meeting. The above restriction does not apply to:

- those shareholders who on the date of passing the resolution of the General Shareholders' Meeting introducing the limitation of the voting rights had rights from the shares representing more than 10% of the total number of votes in PKO Bank Polski S.A. (i.e. the State Treasury and BGK);
- shareholders who have rights from A-series registered shares (the State Treasury);
- shareholders acting jointly with the shareholders referred to in the second bullet point based on agreements concluded concerning the joint execution of voting rights on shares.

The limitations to the voting rights of the shareholders expire at the moment when the share of the State Treasury in the Bank's share capital drops below 5%.

In accordance with:

- § 6 section 2 of the PKO Bank Polski S.A.'s Articles of Association, the conversion of A-series registered shares into bearer shares and the transfer of these shares requires the approval of the Council of Ministers in the form of a resolution. The conversion into bearer shares or transfer of A-series registered shares, after obtaining such approval, results in the expiry of restrictions in respect of the shares subject to conversion into bearer shares or transfer, to the extent to which this approval was given;
- § 9 section 1 point 6 of the Articles of Association of PKO Bank Polski S.A., the powers of the General Meeting include, inter alia, adopting resolutions on the issue of bonds convertible into shares and on the issue of capital bonds convertible into Bank shares in the event of a trigger event and on increasing the share capital through the conversion of capital bonds into Bank shares;
- § 20 section 1 of the Articles of Association of PKO Bank Polski S.A. all matters relating to the conduct of the Bank's affairs which are not reserved for the General Meeting or the Supervisory Board by the generally applicable laws or the Articles of Association shall fall within the competences of the Management Board, including the granting of the Bank's shares in exchange for capital bonds in connection with the conversion of capital bonds into Bank's shares in the event of a trigger event;
- § 28 section 3 of the Articles of Association of PKO Bank Polski S.A., the Bank may issue capital bonds and other financial instruments, on the basis of generally applicable laws, in order to qualify them as own funds;
- Article 13 section 1 point 26 of the Act of 16 December 2016 on the principles for public property management (apart from the statutory exceptions), the shares of PKO Bank Polski S.A. held by the State Treasury or rights from these shares cannot be sold;

- Article 77 of 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, amending Regulation (EU) No 648/2012, any reduction, redemption or repurchase of Common Equity Tier 1 instruments issued by the Bank is only possible with the prior permission of the PFSA.

The Bank has not identified any other restrictions relating to transfer of the ownership rights arising from the Bank's securities.

11.2.5 PRINCIPLES OF APPOINTING AND DISMISSING MEMBERS OF THE MANAGEMENT BOARD OF PKO BANK POLSKI S.A.

The Management Board of PKO Bank Polski S.A. consists of three to nine members. Management Board members, including the President and Vice-Presidents, are appointed and dismissed by the Supervisory Board for a joint three-year term.

The powers of the Supervisory Board include suspending, for important reasons, individual or all members of the Management Board and delegating members of the Supervisory Board, for a period of no more than three months, to temporarily perform the duties of members of the Management Board who have been dismissed, have resigned or are unable to perform their duties for other reasons.

The Management Board members should meet the requirements of Article 22aa of the Banking Law, i.e. have higher education, at least five years of experience in employment or business activity, including at least three years on a management or independent position or as a person running business activity on their own.

In accordance with the "Suitability policy concerning the Management Board members and key officers of the Bank and suitability assessment at the Bank's Group companies" (the "Suitability Policy"):

- Management Board members are appointed by the Supervisory Board after completing the qualification process,
- the process of selection of Management Board members ensures appointment of competent persons and guarantees their suitability and proper performance of their obligations, taking into account the principle of diversity in the composition of the Bank's Management Board.

Suitability of the candidates and members of the Management Board is verified in the form of assessment of their individual suitability and the collective suitability of Management Board members. The suitability assessment is performed by the Nominations and Remuneration Committee of the Supervisory Board each time a new Management Board member is appointed and once a year as part of the periodical assessment. The suitability assessment is approved by the Supervisory Board. The Supervisory Board may also perform an additional suitability assessment in other, justified situations, which affect the requirements addressed to the Management Board or its individual members.

The suitability criteria set out in the Management Board Suitability Policy include an assessment of their qualifications, understood as knowledge, experience and skills in terms of their suitability for their functions and duties assigned, as well as in terms of the Bank's management principles, the structure of the Bank's Group and potential conflicts of interest that may be related to their functions and duties assigned, and an assessment of their reputation.

In addition, the assessment criteria include, among others, an assessment of the integrity and ethicality of conduct, the ability to form independent judgement and the ability to devote sufficient time to the responsibilities assigned.

As part of the assessment process of the adequacy of the Bank's governing body members in terms of their competencies, knowledge of ESG-related risks is taken into account. Additionally, in line with the Bank's training policy, members of the governing bodies are provided with and offered training sessions and other forms of knowledge enhancement on ESG topics. In 2024, ESG-related workshops were organised for the Bank's governing body members.

None of the current Management Board members have held a position in public administration in the two years preceding their appointment.

Following the annual review of the Management Board Suitability Policy, in December 2024 the Bank's Supervisory Board adopted amendments to the Policy. The amendments were primarily of a clarifying and editorial nature, particularly aimed at emphasising the consistency of the provisions of the Management Board Suitability Policy with the general principles set out in Directive (EU) 2022/2381 of the European Parliament and of the Council of 23

November 2022 on improving the gender balance among directors of listed companies and related measures, with regard to achieving gender diversity in the Management Board.

Before a Management Board member is appointed for another term, the assessment of his/her performance during the previous terms (including the previous suitability assessments) is taken into account.

Appointing the President of the Management Board and the Board Member responsible for managing material risk in the Bank's operations requires the consent of the PFSA.

The term of office of a Management Board member expires not later than on the day of the General Shareholders' Meeting approving the financial statements for the last full financial year of his/her term. The term of office of a Management Board member also expires upon his/her death, resignation of dismissal. The mandate of a Management Board member appointed during a term of office of the Management Board expires at the end of the term of office for which he/she was appointed.

Pursuant to the Commercial Companies Code, the General Shareholders' Meeting also has the right to dismiss or suspend a Management Board member.

The rights of the Management Board members, including those relating to decisions concerning the issue or redemption of shares, are described in section 11.2.9.

11.2.6 PRINCIPLES FOR AMENDING THE ARTICLES OF ASSOCIATION OF PKO BANK POLSKI S.A.

An amendment to the Articles of Association of PKO Bank Polski S.A. (the Bank's Articles) requires a resolution of the General Shareholders' Meeting of PKO Bank Polski S.A., the approval of the PFSA and entry in the National Court Register.

Pursuant to the provisions of the Commercial Companies Code, resolutions on amendments to the Bank's Articles require a qualified majority of three-fourths of the votes. Resolutions regarding an amendment to the Bank's Articles increasing benefits for shareholders or limiting the rights granted personally to the individual shareholders require the consent of all the shareholders concerned.

AMENDMENTS INTRODUCED TO THE BANK'S ARTICLES IN 2024

On 28 June 2024, the Bank's Annual General Meeting adopted Resolution No 11/2024 on amendments to the Bank's Articles pursuant to which the Bank's Articles were amended as follows:

- in § 4, point 10 and point 16 in section 1 shall be deleted;
- in § 4 section 2, point 4 shall be amended to read as follows:
  „4) carrying out brokerage activities referred to in Article 69 of the Act of 29 July 2005 on trading in financial instruments, in the following scope:
  a) accepting and transferring orders to acquire or dispose of financial instruments,
  b) executing the orders referred to in point a) above on behalf of the principal,
  c) acquisition or disposal of financial instruments on own account,
  d) investment advice,
  e) offering financial instruments,
  f) provision of services in the performance of the underwriting agreements or the performance of other agreements of a similar nature, if their subject matter is financial instruments,
  g) safekeeping and recording financial instruments, including keeping securities accounts, derivatives accounts and omnibus accounts, as well as keeping cash accounts, and keeping records of financial instruments,
  h) providing advice on the capital structure, business strategy or other issues related to such structure or strategy to businesses,
  i) consultancy and other services related to mergers, splits and acquisitions,
  j) currency exchange, where this is related to brokerage activities within the scope specified in Article 69 section 2 of the Act of 29 July 2005 on trading in financial instruments,
  k) preparation of investment analyses, financial analyses and other general recommendations concerning transactions in financial instruments,"
- in § 4, point 1, point 5 and point 6 in section 3 shall be deleted,

- in § 9 section 1, point 6 shall be amended to read as follows:
  „6) issue of bonds convertible into shares, bonds with pre-emptive rights, as well as subscription warrants and issue of capital bonds convertible into Bank's shares in the event of a trigger event and increase of the share capital by converting capital bonds into Bank's shares.",
- in § 20, section 1 shall be amended to read as follows:
  „1. All issues related to the management of the affairs of the Bank, which are not reserved for the General Meeting or the Supervisory Board by the generally applicable laws or the provisions of these Articles of Association, shall fall within the competences of the Management Board, including acquisition and disposal of real estate, an interest in real estate or a perpetual usufruct, which do not require permission of the General Meeting in accordance with § 9 or permission of the Supervisory Board in accordance with § 15, and the granting of the Bank's shares in exchange for capital bonds in connection with the conversion of capital bonds into Bank's shares in the event of a trigger event.",
- § 28:
  - Section 1 shall reads as follows: "1. The Bank's own funds shall be the sum of the Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital.".
  - Sections 3 and 4 shall be added, reading as follows:
    „3. The Bank may issue capital bonds and other financial instruments, on the basis of generally applicable laws, in order to qualify them as own funds."
    „4. Prior authorization of the Polish Financial Supervision Authority shall be required in case are:
      i. reduction, redemption or repurchase of instruments in Common Equity Tier 1 capital,
      ii. reduction, distribution or reclassification as another own funds item of the share premium accounts related to own funds instruments,
      iii. effect the call, redemption, repayment or repurchase of Additional Tier 1 instruments or Tier 2 instruments as applicable, prior to the date of their contractual maturity.".

Below are the justifications for the indicated amendments:

1. deletion in § 4, point 10 and point 16 in section 1, as well as point 1, point 5 and point 6 in section 3 – following amendments to legal regulations, it became necessary to remove certain activities from the scope of the Bank's operations;
2. amendment in § 4, point 4 in section 2 – in line with changes in legal regulations concerning the trading of financial instruments, the wording of the Bank's Articles of Association was clarified;
3. amendment in § 9, point 6 in section 1, § 20, section 1, and § 28, section 1 – due to changes in legal regulations, it became possible to extend the catalogue of issued capital instruments to so-called AT1 capital bonds, i.e. new debt instruments, containing a mechanism for loss absorption, inter alia, by redeeming bonds or converting them into shares. The introduced solution enables the issue of instruments that can be classified as the so-called Additional Tier 1 capital and Tier 2 capital, and will enable the Bank to add the aforementioned capital instruments to regulatory capital. Introducing the possibility to classify an appropriate category of equity instruments as additional components of own funds or own resources will contribute to increasing the Bank's capital base;
4. addition in § 28, sections 3 and 4 – adjustment of the wording of the Bank's Articles of Association to align with Articles 77 and 78 of the CRR, in accordance with PFSA guidelines.

The Bank received PFSA approval for the above amendments to the Articles of Association on 2 May 2024.

On 18 July 2024, the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Division of the National Court Register entered the aforementioned amendments to the Bank's Articles in the Register.

On 9 December 2024, the Extraordinary General Meeting of the Bank adopted Resolution No 2/2024 on the amendment of the Articles of Association of Powszechna Kasa Oszczędności Bank Polski S.A., pursuant to which the wording of § 15, section 1, point 2 was amended to read as follows:

„2) appointing an audit firm to conduct the audit or review of the Bank's financial statements and the consolidated financial statements of the Bank's Group, as well as the assurance of sustainability reporting," The indicated amendment is the implementation of the possibility to grant such competence to the Supervisory Board, resulting from the amendment to the Act on Statutory Auditors, Audit Firms, and Public Oversight, which will enter into force on 1 January 2025. At the same time, consistency with the existing competences of the Supervisory Board regarding the selection of the audit firm for the audit of financial statements will be maintained.

On 20 December 2024, the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Division of the National Court Register entered the aforementioned amendments to the Bank's Articles in the Register.

11.2.7 GENERAL SHAREHOLDERS' MEETING OF PKO BANK POLSKI S.A. AND THE SHAREHOLDERS' RIGHTS

The General Shareholders' Meeting of PKO Bank Polski S.A. is the highest authority of the Bank. The rights of the General Shareholders' Meeting, the manner of convening it and the principles for participation in the General Shareholders' Meeting are set out in: the Code of Commercial Companies, the Bank's Articles (in particular, § 9-10) and the Rules and Regulations of the General Shareholders' Meeting. The text of the Bank's Articles and the Rules and Regulations of the General Shareholders' Meeting are available on the Bank's website in the Investor relations section at Corporate governance principles - PKO Bank Polski.

The General Shareholders' Meeting of PKO Bank Polski S.A. is held as the annual or extraordinary meeting, in accordance with the provisions of the Commercial Companies Code, the Bank's Articles and the Rules of the General Shareholders' Meeting.

An amendment to the Rules and Regulations of the General Shareholders' Meeting requires a resolution of the General Shareholders' Meeting passed by an absolute majority of the votes in a vote by open ballot. Amendments are applied for the first time during the General Shareholders' Meeting convened after the GSM that introduced such amendments, unless the resolution provides otherwise.

The General Shareholders' Meeting is convened by the Management Board; the annual GSM is convened once a year within six months of the end of the year. The Supervisory Board may convene the Annual General Shareholders' Meeting if it has not been convened by the Management Board within the statutory deadline and it may convene the Extraordinary General Shareholders' Meeting as it sees fit. In the situations defined in the Commercial Companies Code, also the shareholders have the right to convene the Extraordinary General Shareholders' Meeting or demand that it be convened.

THE PRINCIPLES OF FUNCTIONING AND COMPETENCES OF THE GENERAL SHAREHOLDERS' MEETING

In addition to matters stipulated in generally binding legal regulations, the competences of the General Shareholders' Meeting include passing resolutions on:

- appointing and dismissing members of the Supervisory Board,
- approving the Rules of the Supervisory Board,
- purchasing shares of the Bank for the purpose of their redemption and determining consideration for the shares redeemed,
- establishing and releasing special funds created from net profit,
- disposal of real estate, share in real estate or perpetual usufruct right by the Bank if the value of the real estate or the right being subject to such an act exceeds 25% of the share capital; such consent is not required if the real estate, share in real estate or perpetual usufruct right has been purchased within the framework of enforcement, bankruptcy or restructuring proceedings, or based on another agreement with the Bank's debtor,
- issuance of convertible bonds, bonds with a pre-emptive right or subscription warrants,
- laying down the principles for remuneration of members of the Management Board and Supervisory Board,
- approval of: financial statements (of the Bank and the Bank's Group), Directors' Reports (on the operations of the Bank's Group, including the Bank) and reports on the activities of the Supervisory Board,
- approving the proper discharge of duties by members of the Management Board and the Supervisory Board,
- profit distribution or offset of loss,
- determining the dividend day and the date of dividend payment,

- disposal and leasing out of the enterprise or an organized part thereof and creation of a limited property right thereon,
- amendments to the Bank's Articles of Association,
- increase or decrease in the Bank's share capital.

Unless the Commercial Companies Code provides otherwise, the General Shareholders' Meeting is valid irrespective of the number of shares represented.

In accordance with the Bank's Articles and within the scope specified in the Rules of the Supervisory Board, the Supervisory Board should express an opinion on matters placed on the agenda of the General Shareholders' Meeting, and the shareholders should be given enough time to understand that opinion.

Resolutions of the General Shareholders' Meeting shall be passed by an absolute majority of votes unless generally binding legal provisions or provisions of the Bank's Articles of Association provide otherwise.

In accordance with the Bank's Articles:

- removing a matter from the agenda or desisting from further consideration of a matter placed on the agenda at the request of shareholders shall require a resolution of the General Shareholders' Meeting passed by a three-quarter majority of the votes after obtaining the consent of all shareholders present at the General Shareholders' Meeting who requested that the matter be placed on the agenda,
- resolutions of the General Shareholders' Meeting on share preferences and issues concerning the Bank's merger by transfer of all of its assets to another company, its liquidation, decrease of the share capital by redeeming a part of the shares without a simultaneous share capital increase or changing the scope of the Bank's activities resulting in the discontinuation of its banking activities require a 90% majority of the votes cast.

The General Shareholders' Meeting may adjourn sessions by a majority of two-thirds of the votes. Such adjournment may not exceed a total of thirty days.

The General Shareholders' Meeting passes resolutions in an open vote, with the reservation that a secret ballot shall be ordered in respect of:

- elections of members of the Bank's authorities,
- motions to dismiss or bring members of the authorities or liquidators of PKO Bank Polski S.A. to justice,
- personnel matters,
- at the request of at least one shareholder present or represented at the General Shareholders' Meeting,
- in other situations specified in generally binding legal regulations.

The General Shareholders' Meeting is convened by announcement published on the Bank's website and in the manner specified for the disclosure of current information by public companies. An announcement, including the materials presented to the shareholders, is available on the Bank's website in the section "Investor relations" at General meeting - PKO Bank Polski from the date of convening the General Shareholders' Meeting.

The General Shareholders' Meetings are held in the registered office of PKO Bank Polski S.A. or in another location in Poland, which is indicated in the announcement on convening the meeting. The meetings are broadcast online in real time. Representatives of the media are allowed to participate in the General Shareholders' Meetings.

The General Shareholders' Meetings may be recorded with the use of devices recording sound or sound and image. Personal data is processed in compliance with the principles defined in the announcement on convening the General Meeting. The recordings of the General Shareholders' Meetings are published by the Bank on its website in the section "Investor relations" at Video and teleconferences - PKO Bank Polski.

Three General Meetings were held in 2024: one Ordinary Meeting and two Extraordinary Meetings.

The Extraordinary General Meetings were convened at the initiative of shareholders and were essentially devoted to changes in the composition of the Bank's Supervisory Board.

The Annual General Meeting dealt with matters attributed to such meetings and decided on amendments to the Bank's Articles of Association and changes to the application of the "Corporate Governance Principles for Supervised Institutions". It also passed resolutions approving the Policy on the Assessment of Suitability of Candidates for Members and Members of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski S.A. and approving the recommended minimum levels of competence and other requirements for assessing the suitability of candidates for members and members of the Supervisory Board of the Bank.

RIGHTS OF THE SHAREHOLDERS

The most important rights of the shareholders of PKO Bank Polski S.A. include:

- participation in profit recognized in the Bank's financial statements (audited by a registered auditor) and earmarked by the General Shareholders' Meeting for payment to the shareholders,
- the possibility of participation in the General Shareholders' Meeting, including the right to vote, put forward motions, make objections and ask questions.

Shareholders representing at least half of the share capital or the total number of votes at the Bank can convene the Extraordinary General Shareholders' Meeting.

A shareholder or shareholders representing at least one-twentieth of the total number of votes or the total number of shares may request that the Extraordinary General Shareholders' Meeting be convened and certain matters be placed on its agenda. They also may, before the date of the General Shareholders' Meeting, submit to the Bank in writing or via electronic means of communication draft resolutions on matters placed on the agenda or matters which are planned to be placed on the agenda.

Additionally, during the General Shareholders' Meeting the shareholders have the right to present draft resolutions or propose amendments or supplements to draft resolutions included in the agenda of the General Shareholders' Meeting.

Each shareholder's right to vote is limited to 10% of the total number of votes existing at the Bank on the day on which the General Shareholders' Meeting is held. The exemptions from this limitation and its principles are described in § 10 of the Bank's Articles.

The right to participate in the General Shareholders' Meeting is granted to the persons who were shareholders of the Bank sixteen days before the date of the GSM.

Pledgees and users with voting rights have the right to participate in the General Shareholders' Meeting if the limited property right established in their favour is registered in the securities account on the date of registering participation in the General Shareholders' Meeting.

Shareholders may participate in the General Shareholders' Meeting and exercise their voting rights in person (or, in the case of shareholders who are not natural persons, through a person authorized to make statements of intent on their behalf) or by proxy.

A power of attorney to participate in the General Shareholders' Meeting and exercise voting rights must be given in writing or in an electronic form.

A Member of the Management Board, a member of the Supervisory Board, a liquidator and an employee of PKO Bank Polski S.A. or a member of the governing bodies or an employee of a company or cooperative which is a subsidiary of the Bank may act as the shareholders' proxies at the General Shareholders' Meeting of PKO Bank Polski S.A.

A shareholder may not, either personally or by proxy, or as a proxy of another person, vote on resolutions concerning his/her liability to PKO Bank Polski S.A. on whatever account, including the acknowledgement of the fulfilment of his/her duties, exemption from any duty towards PKO Bank Polski S.A., or any dispute between him/her and PKO Bank Polski S.A.

Members of the Bank's Management Board and the Bank's key auditor, within the limits of their competence and to the extent necessary for the resolution of the matters discussed by the General Meeting, are required to answer a question concerning information about the Bank to a participant in such a meeting if this is justified for the assessment of a matter on the agenda.

If there are compelling reasons for doing so, the Bank's Management Board may provide the participant in the General Meeting with the information in writing, no later than two weeks from the date of the request at the General Meeting.

11.2.8 SUPERVISORY BOARD OF PKO BANK POLSKI S.A. - COMPOSITION, POWERS AND PRINCIPLES OF FUNCTIONING

The Supervisory Board of PKO Bank Polski S.A. consists of 5 to 13 members appointed for a three-year joint term of office.

The number of Supervisory Board members is set by the Eligible Shareholder (as defined below), also in the case of putting forward a motion for electing the Supervisory Board by voting in separate groups.

The State Treasury, as the Eligible Shareholder, pursuant to § 11 section 1 of the Bank's Articles of Association, set the number of members of the Supervisory Board at 11.

A shareholder having the right to exercise the biggest number of votes arising from the shares in the Bank's share capital at the General Shareholders' Meeting electing the Supervisory Board members, hereinafter called "the Eligible Shareholder", shall present the candidates for the number of Supervisory Board members determined in accordance with the formula described below. The candidates for the other seats on the Supervisory Board may be presented by all shareholders, including the Eligible Shareholder.

The number of seats on the Supervisory Board reserved for the candidates presented by the Eligible Shareholder shall be calculated in accordance with the following formula:

$N = 13*S$, where:

N - is the number of seats on the Supervisory Board reserved for candidates presented by the Eligible Shareholder. If N is not a whole number, the number of seats on the Supervisory Board is equal to N rounded up to the nearest whole number; at the same time, the total number of seats on the Supervisory Board reserved for the candidates presented by the Eligible Shareholder must not exceed 8 (eight);

S - is the share of the Eligible Shareholder in the share capital of the Bank, calculated as the quotient of the number of shares from which the Eligible Shareholder may vote at the General Shareholders' Meeting electing the Supervisory Board members and all shares in the Bank's share capital outstanding as at the date of the General Shareholders' Meeting.

If the General Shareholders' Meeting appoints a smaller number of Supervisory Board members than the number resulting from the above formula, the Eligible Shareholder shall have the right to present and put to the subsequent votes at the same General Shareholders' Meeting a number of candidates not bigger than twice the difference between the number of Supervisory Board members calculated in accordance with that formula and the number of members appointed from among the candidates previously presented by the Eligible Shareholder.

Members of the Supervisory Board shall be appointed and dismissed by the General Shareholders' Meeting.The process of their selection shall ensure the appointment of competent persons and guarantee their suitability and proper performance of their obligations. The Supervisory Board members shall be selected taking into account the requirements of the individual and collective suitability assessment described in the "Policy for the suitability assessment of candidates for members and members of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski S.A." (the "Supervisory Board Suitability Policy") and taking into account the principle of diversity in the composition of the Supervisory Board.

The suitability assessment of the candidates and members of the Supervisory Board is performed taking into account in the first place the requirements of Article 22aa of the Banking Law.

The General Shareholders' Meeting performs the suitability assessment of the individual Supervisory Board members and the collective assessment of the whole Supervisory Board each time a new Supervisory Board member is appointed and once a year as part of the periodical assessment. The General Shareholders' Meeting may also perform an additional suitability assessment in other, justified situations, which affect the requirements addressed to the Supervisory Board or its individual members. Such additional assessments shall be initiated by the Bank.

The suitability criteria set out in the Supervisory Board Suitability Policy include an assessment of their qualifications, understood as knowledge, experience and skills in terms of their suitability for their functions and duties assigned, as well as in terms of the principles for supervising the Bank's activities, and potential conflicts of interest that may be related to their functions and duties assigned, and an assessment of their reputation.

In addition, the assessment criteria include, among others, an assessment of the integrity and ethicality of conduct, the ability to form independent judgement and the ability to devote sufficient time to the responsibilities assigned.

None of the current Supervisory Board members have held a position in public administration in the two years preceding their appointment.

In 2024, the following amendments were made to the Supervisory Board Suitability Policy:

- indicating in the Policy the minimum requirements as regards the necessary qualifications for candidates for members and members of the Bank's Supervisory Board (concerning education and professional experience), while simultaneously authorising the Supervisory Board of the Bank, in line with current practice, to further define the recommended competency requirements and other necessary requirements for the purpose of assessing the suitability of candidates for members and members of the Bank's Supervisory Board,
- specifying the deadline and method of achieving the gender diversity objectives on the Supervisory Board by assuming that the target achievement of at least a minimum level of gender diversity (i.e. 30%) in the composition of each Bank's Supervisory Board should take place starting from the appointment of the Bank's Supervisory Board for a new joint term after 31 December 2025, and that the achievement of this target will be achieved by applying the principle of equal opportunities in the selection of Supervisory Board members and fostering a culture of diversity in the organisation,
- further specifying that the General Meeting, when making changes to the composition of the Bank's Supervisory Board, including the election of members for a new term, considers the possibility of incorporating diversity objectives in terms of gender,
- clarification of other provisions, including, inter alia, in connection with aligning the suitability assessment criteria for members of the Bank's Supervisory Board with the methodology for suitability assessment updated by the PFSA (similarly to the changes made in December 2023 to the Policy on the Suitability of the Management Board).
- making formal amendments.

The Chair and Deputy Chair of the Supervisory Board shall be appointed by Eligible Shareholder from among the appointed Supervisory Board members, also if the Supervisory Board has been elected by voting in separate groups.

The term of office of the Supervisory Board commenced on 28 June 2024.

CHANGES IN THE COMPOSITION OF THE SUPERVISORY BOARD IN 2024

The following changes in the composition of the Supervisory Board of the Bank took place in 2024:

On 2 February 2024, the Extraordinary General Shareholders' Meeting (EGM) of the Bank:

- dismissed 8 of the 10 members from the Supervisory Board of PKO Bank Polski S.A., i.e. Messrs: Mariusz Andrzejewski, Wojciech Jasiński, Dominik Kaczmarski, Rafał Kos, Tomasz Kuczur, Maciej Łopiński, Robert Pietryszyn and Bogdan Szafrański,
- appointed the following Ladies to the Supervisory Board of PKO Bank Polski S.A: Hanna Kuzińska and Katarzyna Zimnicka-Jankowska, and the following Messrs: Maciej Cieślukowski, Szymon Midera, Andrzej Oślizło, Marek Panfil, Marek Radzikowski i Paweł Waniowski.

On 28 June 2024, the General Meeting (GM) of the Bank appointed the following persons as members of the Bank's Supervisory Board for a new joint 3-year term of office, that commenced on 28 June 2024:

- 6 of the existing members of the Bank's Supervisory Board, namely: Ladies: Hanna Kuzińska i Katarzyna Zimnicka-Jankowska and the following Messrs: Maciej Cieślukowski, Andrzej Oślizło, Marek Panfil, Paweł Waniowski,
- a new member of the Bank's Supervisory Board, Jerzy Kalinowski.

The Treasury, as an Eligible Shareholder under the Bank's Articles of Association on both 2 February and 28 June 2024, appointed:

- Ms. Katarzyna Zimnicka-Jankowska – for the position of the Chair of the Bank's Supervisory Board,
- Mr. Paweł Waniowski - for the position of the Deputy Chair of the Bank's Supervisory Board.
- On 2 February and 28 June 2024, the EGM and the AGM confirmed the individual suitability of the newly appointed members of the Bank's Supervisory Board and the collective suitability of the entire body.

Mr Marek Panfil was elected Secretary of the Supervisory Board on 7 February 2024 and 11 July 2024 (within the current term of office).

On 9 December 2024, the EGM appointed Mr Jerzy Śledziewski to the Supervisory Board of PKO Bank Polski S.A. confirming the individual suitability of the newly appointed member of the Bank's Supervisory Board and the collective suitability of the entire body.

As a result of the aforementioned changes, the composition of the Bank's Supervisory Board as at 31 December 2024 was as follows:

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

Pursuant to section 2.3 of "Best Practice for WSE Listed Companies 2021", at least two Supervisory Board members satisfy the independence criteria referred to in the Act on registered auditors, audit firms and public oversight of 11 May 2017 and have no real and significant relationships with any shareholder holding at least 5% of the total number of votes.

Due to adopting the aforementioned principle by the Bank, as part of the assessment of individual suitability, each Supervisory Board member made a declaration of compliance or non-compliance with such independence criteria. According to these representations, in the composition of the Supervisory Board as at 31 December 2024, all members of the Supervisory Board meet the independence criteria indicated in the Best Practice 2021.

As at 31 December 2024, the Supervisory Board consisted of 8 persons.

Composition of the Supervisory Board of PKO Bank Polski S.A. as at 31 December 2024

Katarzyna Zimnicka-Jankowska - Chair of the Supervisory Board

Member of the Supervisory Board since 2 February 2024

Katarzyna Zimnicka-Jankowska is Deputy Chair of the Supervisory Board of Bank Pocztowy S.A. and an independent member of the Supervisory Board of cyber_Folks S.A.

She is an expert in corporate finance, strategic and financial advisory, with extensive experience in M&A projects, raising finance, business valuations and investment performance analysis. She gained her experience at KPMG Advisory, Pekao Access, as well as running her own consulting business. She was a member of the management board of PKP Intercity SA from 2010 to 2012, and has extensive experience in corporate supervision. She is a member of the Association of Independent Members of Supervisory Boards.

Katarzyna Zimnicka-Jankowska is a graduate of the Faculty of Organization and Management at the Lodz University of Technology, she holds the title of Chartered Financial Analyst (CFA) and the CFA Certificate in ESG Investing.

Independent member of the Supervisory Board.

Year of birth: 1974

Paweł Waniowski - Deputy Chair of the Supervisory Board

Member of the Supervisory Board since 2 February 2024

Professor at the Faculty of Management of the Wrocław University of Economics, habilitated doctor of economic sciences in the discipline of management science. Currently, he is the head of the Department of Marketing Research. His interests focus on marketing, public relations, price management and customer communication. In

addition to working at the Wrocław University of Economics, he also lectured at other universities, conducted training or was a consultant and expert for various public institutions (including the National Labor Inspectorate and the Provincial Police Headquarters in Wrocław) and enterprises in the field of marketing strategies, marketing research and the process of creating image. He conducted various research and educational projects, was the originator and director of postgraduate studies and a lecturer at MBA studies. Participant of over 100 scientific conferences, chairman and participant of numerous scientific and science popularization sessions. Appraiser of the Ministry of National Education in the field of giving opinions on teaching programs and expert of the National Science Center.

Author or co-author of approximately 120 scientific and popular science publications, including 12 books (including popular studies in the field of marketing "Marketing. How to do it?" and "Marketing. Theory and examples"), supervisor of over 650 master's and diploma theses and numerous studies, expert opinions and reviews.

Independent member of the Supervisory Board.

Year of birth: 1963

MAREK PANFIL - SECRETARY OF THE SUPERVISORY BOARD

Member of the Supervisory Board since 2 February 2024

On 7 February 2024 he was appointed Secretary of the Supervisory Board.

Year of birth: 1972

Marek Panfil, PhD, is a graduate of the Warsaw School of Economics, currently a senior lecturer in the Department of Finance at Kozminski University.

Experienced expert in the valuation of enterprises and intangible assets. Strategic advisor in the field of building company value for shareholders. A senior lecturer who can successfully combine the academic and business worlds. Author/co-author of 11 books and 45 articles in the area of corporate finance and valuation.

He gained over 25 years of professional experience in Canada (KGHM International - as an Internal Audit Manager and in EY as a manager in Transaction Advisory Service Valuation and Business Modeling), in Poland in consulting companies and as an independent member of supervisory boards in KGHM Polska Miedź S.A., Interferie S.A., NDM S.A., and also as a lecturer, mentor, and head of postgraduate studies in the field of business valuation.

For many years, he has been training managers during postgraduate studies, currently at the Kozminski University, and previously also at the Warsaw School of Economics. He cooperates as an instructor with the EY Academy of Business and the French Economic Institute, conducting training in financial liquidity management and working capital, business valuation, assessment of profitability of investment projects.

Member of the Management Board of the Polish Association of Certified Business Valuators in Poland.

More information on the private website: marekpanfil.com

Independent member of the Supervisory Board.

MACIEJ CIEŚLUKOWSKI - MEMBER OF THE SUPERVISORY BOARD

Member of the Supervisory Board since 2 February 2024

Maciej Cieślukowski, holder of a post-doctoral degree in economics in the field of finance, professor at the Poznań University of Economics and Business. Member of the Management Board of the Polish Economic Society (Poznań Branch). Graduate of the Poznań Academy of Economics, majoring in Finance and Banking, specialisation: Finance and Monetary Policy (1997). In the 2016-2020 period, he was the Head of the Department of Public Finance at the Poznań University of Economics and Business.

His area of research is finance, with a particular focus on public finance, EU finance, tax systems, corporate and bank taxation and finance in sustainable development economics. Author of more than 60 scientific publications, lecturer at many foreign universities.

For several years, he has cooperated with selected Marshal's Offices and the National Centre for Research and Development as an expert evaluating applications for EU funding. He has many years of experience in managing research, training and investment projects. Author of expert opinions for the Senate of the Republic of Poland.

Independent member of the Supervisory Board.

Year of birth: 1973

JERZY KALINOWSKI – MEMBER OF THE SUPERVISORY BOARD

Member of the Supervisory Board since 28 June 2024

Jerzy Kalinowski specializes in management, business strategies, building enterprise value, talent management, sales marketing and customer experience management, digital transformation innovation and use of digital technologies in the economy.

He is an experienced member of supervisory boards (he was among others a supervisory board's member of: Warsaw Stock Exchange S.A., Optimus S.A., AMG.net S.A., Onet.pl S.A., Optimus Lockheed Martin ITG S.A., Optimus Real Estate S.A., PAGI S.A.). He is also currently Chairman of the Supervisory Board of DAI S.A. (a Warsaw Stock Exchange Group company), and a member of the Supervisory Board of Demoboost sp. z o.o.

Jerzy Kalinowski was a partner in the Management Consulting department of the international consulting firm KPMG for more than a dozen years, where he was acting as head of strategic and operational consulting in the Eastern and Central Europe region. In the 1990s, he was a director at PricewaterhouseCoopers in the Management Consulting Services division. He has several years of experience as CEO: at AMG.net S.A. (now ATOS Polska S.A.), i-start.pl sp. z o.o. (one of the first companies investing in digital startups in Poland), and the consulting firm Price Waterhouse Business Information Technologies (now PWC Polska sp. z o.o.). He started his career as an assistant professor at the Faculty of Electronics at Warsaw University of Technology. He also completed a 2-year scientific internship in the USA.

Jerzy Kalinowski is a graduate of Warsaw University of Technology (he holds a Ph.D. in technical sciences awarded by the Faculty of Electronics and Information Technology and an M.Sc. in Telecommunications) and the University of Rochester in the USA (M. Sc. in Electrical Engineering). He also completed Management Development at IMD in Lausanne.

Independent member of the Supervisory Board.

Year of birth: 1954

HANNA KUZIŃSKA - MEMBER OF THE SUPERVISORY BOARD

Member of the Supervisory Board since 2 February 2024

In 1973, Hanna Kuzińska completed a Master's programme at the Faculty of Economics and Sociology of the University of Lodz, majoring in trade economics. In

the period from 1974 to 1982 she worked in the trade, construction, IT and tourism sectors.

She started her academic work in 1982 at the Institute of Finance, where she received a PhD in finance.

She earned a post-doctoral degree in economic sciences in 2007, after defending her thesis entitled "The role of indirect taxes in Poland" at the Faculty of Economic Sciences of the University of Warsaw.

She has been employed at the Department of Finance of Kozminski University since 1997, and since 2007 she worked there as an associate professor. During the period 2006 to 2007 she also worked at the Faculty of Management of the University of Warsaw, and from 2007 to 2009, at the School of Banking and Finance in Bielsko-Biała.

As an expert, she worked at the Research and Survey Office of the Chancellery of the Sejm and at the Chancellery of the Senate. From 2006 to 2007, she was a vice-president of an interbank company: System Pozagiełdowego Obrotu Instrumentami Finansowymi.

In the 2002-2005 period, she served as an Undersecretary of State at the Ministry of National Education and Sport. From 2008 to 2011, she was an advisor to the Minister of National Defence.

She is the author of numerous academic publications in the field of finance and economics.

Independent member of the Supervisory Board.

Year of birth: 1951

ANDRZEJ OŚLIZŁO - MEMBER OF THE SUPERVISORY BOARD

Member of the Supervisory Board since 2 February 2024

Year of birth: 1970

Andrzej Oślizło is a graduate of the University of Economics in Katowice (majoring in Economics) and the Silesian University of Technology in Gliwice (majoring in Computer Science). He also completed MBA studies at the European University in Montreux, Switzerland.

For over 25 years, he has been managing business ventures in Poland and on the foreign markets. He specialises in corporate management, investments, mergers and acquisitions directed at building the value of Companies. During his career, he has successfully served as the President and Member of the Management Board of companies from the following industries: ICT, TSL, aviation, finance and insurance (m.in. Schenker sp. z o.o., LOT S.A., Aviva S.A., Expander Advisors sp. z o.o., Burietta sp. z o.o. – Inelo Group). He currently serves as President of the Management Board of the Develia Group, a leading WSE-listed developer. His professional experience also includes cooperation with Private Equity funds, including Trinity Management and Innova Capital, on behalf of which he held supervisory and management functions in the bodies of portfolio companies, as well as was responsible for their value growth and capital exits.

Independent member of the Supervisory Board

JERZY ŚLEDZIEWSKI - MEMBER OF THE SUPERVISORY BOARD

Member of the Supervisory Board since 9 December 2024.

He has worked in banking and finance for over 25 years. As Senior Advisor, he has been working with the Boston Consulting Group since December 2021. He has been an entrepreneur in the green energy industry for 3 years. He has also been a

shareholder and member since 2022 and is currently Chairman of the Supervisory Board of HPI GMA S.A.

From 2016 to 2021, he was Vice President of the Management Board of BNP Paribas Bank Polska responsible for Corporate Banking Area and since April 2018 he was also responsible for SME Banking Area. During that time, he was Chairman of the Supervisory Boards of BNP Paribas Leasing Services sp. z o.o. and BNP Paribas Factoring sp. z o.o. and a member of the Supervisory Board of Arval Services Lease Polska sp. z o.o. For more than 20 years, he held management roles in locally strong banks that were part of large international groups: BNP Paribas, Kredyt Bank (KBC Group)/BZ WBK (Santander Group), Bank Handlowy w Warszawie (Citi Group).

He graduated from the IESE Advance Management Program, HARVARD & IESE - VCE Board Program, management studies at the Warsaw School of Economics and a master's degree at the Warsaw University of Technology.

He started his career in banking at Citibank Poland S.A. in 1998 in the area of Corporate Banking. After the merger of Citibank and Bank Handlowy, he held senior managerial positions at Bank Handlowy S.A. from 2001 to 2003, and then from 2003 to January 2005 he held the position of Director of the Sales Department in the Corporate Banking Division. From 2002 to January 2005, member of the Supervisory Board of Handlowy Leasing S.A. From February 2005 to December 2008, President of the Management Board of Handlowy Leasing and Managing Director of the Asset Finance Department at Bank Handlowy S.A.

From January 2009, he worked at Kredyt Bank S.A. as Managing Director of the Corporate Banking Department. From May 2011 to early 2013 (until the merger of Bank Zachodni WBK S.A. with Kredyt Bank S.A.), he was VicePresident of the Management Board responsible for the Corporate Banking area serving SME and Corporate clients in Kredyt Bank. During his time at Kredyt Bank S.A., he was a member (and later chairman) of the Supervisory Board of Kredyt Lease, a member of the Supervisory Board of KBC Autolease Polska.

From 2013, following the merger of Kredyt Bank with BZ WBK, he was a director at Bank Zachodni WBK S.A. until February 2014, and from March 2014 until July 2016 he was the director of the Sales Strategy and Product Sales Area in the Business and Corporate Banking Division at BZ WBK S.A. In addition, he was a member of the Supervisory Board of BZ WBK Lease S.A. and BZ WBK Leasing S.A., the Supervisory Board of BZ WBK Faktor.

From August 2016 to 2021, he was Vice President of Bank BNP Paribas S.A. in charge of Corporate Banking and, from April 2018, he was also responsible for the SME Banking Area. Also during these years he was a member of: Supervisory Board of BNP Paribas Faktoring sp. z o.o., Supervisory Board of BNP Paribas Leasing Services sp. z o.o. and Supervisory Board of Arval Service Lease sp. z o.o.

Member of the Supervisory Board appointed by Bank's Extraordinary General Meeting convened on the request submitted by shareholders acting in agreement (Otwarty Fundusz Emerytalny PZU „Złota Jesień", Nationale-Nederlanden Otwarty Fundusz Emerytalny, Generali Otwarty Fundusz Emerytalny).

Independent member of the Supervisory Board.

Year of birth: 1968

PRINCIPLES OF FUNCTIONING OF THE SUPERVISORY BOARD

The Supervisory Board functions based on generally applicable legal regulations, the Articles of Association and the Rules passed by the Supervisory Board and approved by the General Shareholders' Meeting. Meetings of the Supervisory Board are held at least once a quarter. The Supervisory Board performs its duties collectively.

The Supervisory Board passes resolutions by an absolute majority of votes, in the presence of at least half of the members, including the Chair or Deputy Chair, except for resolutions specified in the Bank's Articles, which require (apart from the quorum indicated) a qualified majority of 2/3 of the votes. The members of the Supervisory Board to whom the given voted matter relates do not participate in the vote.

The work of the Supervisory Board is managed by the Chair, and in his/her absence – by the Deputy Chair. The Chair represents the Supervisory Board before the other authorities of PKO Bank Polski S.A., regulatory authorities and other persons.

Meetings of the Supervisory Board are convened by the Chair or, in his/her absence, by the Deputy Chair on his/her own initiative or at the request of a member of the Supervisory Board or at the request of the Management Board.

Meetings of the Supervisory Board may be convened with the possibility of participation (and passing of resolutions) via remote communication channels, in accordance with the "Rules for participation in a meeting of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna by means of direct remote communication" adopted by the Supervisory Board (the Rules of e-meetings).

With the exception of matters specified in the Bank's Articles of Association, the Supervisory Board may also pass resolutions outside the meeting in writing (by circulation) or using means of direct remote communication, in particular e-mail.

In 2024 the Supervisory Board held 18 meetings and passed 292 resolutions.

The participation of the Supervisory Board members in the meetings in 2024 is presented in the following table.

Table 29. Attendance of members of the Supervisory Board of the Bank in 2024

Name and surname	Attendance *
Maciej Cieślukowski	14/14**
Jerzy Kalinowski	8/8
Andrzej Kisielewicz	9/10
Hanna Kuzińska	18/18
Szymon Midera	2/2**
Andrzej Oślizło	14/18
Marek Panfil	17/18
Marek Radzikowski	2/2**
Jerzy Śledziewski	1/1
Paweł Waniowski	18/18
Agnieszka Winnik-Kalemba	9/10
Katarzyna Zimnicka-Jankowska	18/18

* Attendance at meetings / number of meetings in the period of performing the function.

** delegated to act temporarily as Vice-Presidents of the Management Board during their term of office

All absences were considered justified by resolutions of the Supervisory Board.

COMPETENCES AND RESPONSIBILITIES OF THE SUPERVISORY BOARD

The Supervisory Board exercises continuous supervision over the Bank's activities in all areas of its operations.

In addition to other powers and duties stipulated by generally applicable legal regulations and the provisions of the Articles of Association of PKO Bank Polski S.A., the competences of the Supervisory Board include passing resolutions pertaining, in particular to:

- approving the following documents adopted by the Management Board: policies, rules and regulations, including: the Bank's strategy, the risk management strategy, the Bank management strategy, the dividend policy, the remuneration policy, the policy for internal capital assessment and capital management, and review of strategies and procedures for internal capital assessment and capital management, the compliance policy of the Bank, internal control rules, regulations of the Management Board, regulations for the management of special funds created from net profit, organizational rules of the Bank, compliance and internal audit unit regulations;

- approving the annual financial plan adopted by the Management Board;
- approving the overall risk tolerance level determined by the Management Board,
- appointing an audit firm to conduct the audit or review of the Bank's financial statements and the consolidated financial statements of the Bank's Group, as well as the assurance of sustainability reporting;
- passing the Rules:
  - of the Supervisory Board;
  - for granting loans, advances, bank guarantees and warranties to members of the Management Board and Supervisory Board, persons holding managerial positions in the Bank and to entities related to these persons by capital or organizational links;
- appointing and dismissing, by secret ballot, the President of the Management Board, the Vice-Presidents and the members of the Management Board;
- suspending, for important reasons, individual or all members of the Management Board and delegating members of the Supervisory Board, for a period of no more than three months, to temporarily perform the duties of members of the Management Board who have been dismissed, have resigned or are unable to perform their duties for other reasons;
- giving its prior consent for actions fulfilling statutory criteria, including, among other things, disposal of fixed assets (intangible assets, property, plant and equipment, long-term investments), taking up, the purchase or sale of shares in another company, subscription or purchase of bonds convertible to shares, concluding a material agreement by PKO Bank Polski S.A. with a shareholder holding at least 5% of the total number of votes in the Bank or with a related entity, concluding a contract for legal services, marketing services, public relations and social communication services or management consultancy services, donation agreements or similar agreements, debt release agreements and other similar agreements whose value exceeds the amount indicated in the Bank's Articles;
- applying to the Polish Financial Supervision Authority for consent for the appointment of the President of the Management Board and a Management Board member supervising the management of risk material to the Bank's activities, and for entrusting the function of Management Board member supervising the management of risk material to the Bank's activities to a current Management Board member who has not supervised the management of this risk to date;
- evaluation of the functioning of the Bank's remuneration policy and presentation of a relevant report to the Annual General Shareholders' Meeting;
- opinion on the application of the "Principles of corporate governance for supervised institutions" by the Bank;
- granting approval for opening or closing a foreign branch;
- issuing opinions on the matters put on the agenda of the General Meeting by the Management Board, whereas the Supervisory Board must not issue opinions with reference to those which refer solely to the Supervisory Board or Supervisory Board Members;
- considering information received from the Management Board on all important matters concerning the activities of the Bank and risk relating to the activities conducted and the manner of managing such risk;
- preparing annual reports presented to the Annual General Meeting in compliance with the Best Practices or with the Corporate Governance Principles.

The Supervisory Board also presents an annual report on the activities of the Supervisory Board to the General Meeting, which includes, among other things, an assessment of the Directors' Report on the activities (of the Bank's Group, including the Bank) and the financial statements (of the Bank and the Bank's Group) for the previous year in terms of their conformity with the books, documents and facts, and an assessment of the Management Board's proposals for the distribution of profit or coverage of loss.

In order to fulfil its duties, the Supervisory Board may, in particular, examine all documents of the Bank, review the Bank's assets and request the Bank to prepare or submit any information, documents, reports or explanations concerning the Bank (in particular its activities or assets) and information, reports or explanations concerning its subsidiaries or related companies. The Management Board may not restrict the members of the Supervisory Board from accessing information, documents, reports or explanations requested by them.

The Supervisory Board may use the services of external advisors, experts or consultants at the Bank's cost.

In the performance of their duties, members of the Supervisory Board should exercise the diligence required by the professional nature of their activities and maintain their loyalty to the Bank.

Members of the Supervisory Board are not in breach of their duty of care arising from the professional nature of their activities if, in acting loyally towards the company, they act within the limits of reasonable economic risk, including on the basis of information, analyses and opinions that should be taken into account in the circumstances in making a careful assessment.

COMMITTEES OF THE SUPERVISORY BOARD

In accordance with the Bank's Articles, the Supervisory Board appoints from among its members committees which it is required to appoint under the binding legislation. The Supervisory Board may also appoint other committees from among its members. The committees of the Supervisory Board act on the basis of Rules adopted by the Supervisory Board.

The Supervisory Board, in accordance with its rules, appoints in particular a nomination and remuneration committee, a risk committee, an audit committee and a strategy committee.

The Nominations and Remuneration Committee appointed by the Supervisory Board functions in accordance with the provisions of Annex I to the Commission Recommendation 2005/162/EC on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board.

In 2024, the Strategy Committee of the Supervisory Board was transformed into the Strategy and Information Technology Committee of the Supervisory Board.

Committees appointed by the Supervisory Board.

AUDIT COMMITTEE OF THE SUPERVISORY BOARD

TASKS

- monitoring the financial reporting process, including the review of interim and annual financial statements (separate and consolidated);
- monitoring the adequacy, effectiveness and efficiency of the internal control system, including with respect to financial reporting, and the quality of the internal audit work in assessing the adequacy of the internal control system;
- monitoring the effectiveness of the risk management system with respect to financial reporting, in particular by analyzing information received from the Risk Committee;
- monitoring the audit activities, in particular performance of the audit by the audit firm, taking into account all conclusions and findings of the Polish Audit Oversight Agency, which is referred to in the Act on registered auditors, resulting from inspections carried out in the audit firm;
- controlling and monitoring the independence of the registered auditor and the audit firm carrying out the audit of the financial statements, in particular when the audit firm also provides services other than audit to the Bank's Group;
- informing the Supervisory Board of the audit results and explaining how the audit contributed to the fairness of the Bank's financial reporting and explaining the role of the Committee in the audit process;
- assessing the independence of the registered auditor and consenting to the provision of permissible services other than audit to the Bank and the Bank's Group by the audit firm's related entities or a member of the audit firm's network, in accordance with the policy;
- developing a policy for selecting the audit firm to conduct an audit and providing the Supervisory Board with recommendations as to adopting the policy,
- developing a policy for the provision of services other than audit by the audit firm performing the audit, its related entities and a member of the audit firm's network, and providing the Supervisory Board with recommendations as to adopting the policy;
- developing a procedure for selecting an audit firm to conduct an audit and providing the Supervisory Board with recommendations as to adopting the policy,
- providing the Supervisory Board with recommendations as to the appointment of the audit firm to conduct the audit;

- submitting recommendations aimed at ensuring the fairness of the Bank's financial reporting to the Supervisory Board;
- submitting recommendations to the Supervisory Board with regard to the statement concerning the audit firm conducting the audit of the annual financial statements of the Bank and consolidated financial statements of the Bank's Group;
- developing the rules for the process of disclosing and exchanging data and information between the PFSA, the audit firm, the key registered auditor and the Bank, and recommending their adoption to the Supervisory Board;
- presenting to the Supervisory Board, at least once a year, issues that may have a significant impact on the financial performance of future periods or the position of the Bank and the Bank's Group.

The activities performed in 2024 by the Audit Committee of the Supervisory Board included the tasks described above.

As at 31 December 2024, the Audit Committee consisted of:

		date of appointment to the Committee*
Chair:	Marek Panfil	11 July 2024
Deputy Chair:	Andrzej Oślizło	11 July 2024 member 21 August 2024 deputy chair
Members:	Maciej Cieślukowski	11 July 2024
	Jerzy Kalinowski	11 July 2024
	Hanna Kuzińska	11 July 2024
	Paweł Waniowski	6 November 2024
	Katarzyna Zimnicka-Jankowska	11 July 2024

* During the present term of the Supervisory Board.

In 2024, the Audit Committee also comprised:

- Szymon Midera from 7 February 2024 to 25 March 2024,
- Mariusz Andrzejewski until 2 February 2024,
- Dominik Kaczmarski until 2 February 2024,
- Rafał Kos until 2 February 2024,
- Bogdan Szafrański until 2 February 2024,
- Agnieszka Winnik-Kalemba until 28 June 2024.

Independence criteria and competences

In 2024, as part of the periodic suitability assessments of members of the Supervisory Board carried out in June, it was assessed whether the candidate and members of the Supervisory Board meet the requirements necessary to serve on the Audit Committee of the Supervisory Board.

According to the aforementioned assessments, the members of the Audit Committee jointly meet the conditions of independence and qualifications in accordance with the Act on registered auditors, audit firms and public oversight of 11 May 2017.

Including as at 31 December 2024:

- the Chair of the Audit Committee and all members of the Audit Committee are independent,
- the following members have the most adequate knowledge and experience in the scope of the Audit Committee's activity, including competences in accounting and auditing of financial statements:
  - Marek Panfil – competencies resulting from knowledge and skills acquired through academic and scientific work in the fields of economics and management, associated with obtaining a PhD in economics from the Warsaw School of Economics; director of postgraduate studies in business valuation and master's studies in Finance and Accounting, senior lecturer in the Department of Finance at the Kozminski University; has professional experience in advisory and supervisory roles, including as Chairman of the Audit Committee of a publicly traded company; Member of the Management Board of the Polish Association of Certified Business Valuators in Poland.
  - Katarzyna Zimnicka-Jankowska – knowledge and skills confirmed by obtaining the Chartered Financial Analyst (CFA) title, also supported by completed specialized training in the duties and responsibilities of Audit

Committee members of supervisory boards, internal auditing, and investment advisory; has professional experience in supervisory and managerial roles, including practical experience gained through membership in the Audit Committee of a publicly traded company, as well as in strategic and financial advisory and corporate finance consulting, including in the banking sector.

- Andrzej Oślizło – competencies resulting from knowledge and skills acquired through economic studies and an MBA, also confirmed by completed specialized training in the duties and responsibilities of supervisory board members, financial analysis of enterprises, and completion of a restructuring advisor course; has professional experience in managerial and supervisory roles in companies from the ICT, TSL, aviation, finance, and banking sectors;
- Hanna Kuzińska – knowledge and skills acquired through many years of academic and scientific work in the field of economics and finance, associated with the attainment of the titles of PhD of Finance, post-doctoral degree in Economic Sciences, and Associate Professor at the Department of Finance at the Leon Koźmiński Academy, as well as professional experience, including managerial roles

- all members of the Audit Committee collectively have knowledge and skills in the area of banking resulting from, among other things, their education, professional experience and functions performed (as more fully described in the biographical notes in this chapter).

NUMBER OF MEETINGS There were 13 Audit Committee meetings in 2024.

ATTENDANCE OF MEMBERS OF THE AUDIT COMMITTEE OF THE SUPERVISORY BOARD AT COMMITTEE MEETINGS IN 2024

Name and surname	Attendance *
Maciej Cieślukowski	11/11**
Jerzy Kalinowski	6/6
Hanna Kuzińska	6/6
Szymon Midera	2/2**
Andrzej Oślizło	10/13
Marek Panfil	12/13
Paweł Waniowski	2/2
Agnieszka Winnik-Kalemba	5/7
Katarzyna Zimnicka-Jankowska	13/13

* Attendance at meetings / number of meetings in the period of performing the function.

** delegated to act temporarily as Vice-Presidents of the Management Board during their term of office

THE POLICY FOR THE APPOINTMENT OF AN AUDIT FIRM AND THE POLICY FOR THE PROVISION OF SERVICES

The main purpose of the Policy for selecting the audit firm to audit the financial statements of the Bank and the Bank's Group (hereinafter: the Selection Policy) and the Policy for the provision of permissible services other than audit to the Bank and the Bank's Group companies by the audit firm performing the audit, its related entities or members of its network (hereinafter: the Policy for providing the services), is to ensure the compliance of the audit firm selection process and the provision of services by this firm to the Bank and the Group with the applicable laws and recommendation L of the Polish Financial Supervision Authority, in particular in terms of ensuring the audit firm's independence and objectivity and satisfaction of the requirements concerning mandatory rotation and cooling off periods.

The Selection Policy defines the following principles of mandatory rotation and cooling off periods with respect to the audit firm and the key registered auditor:

- the maximum period of uninterrupted performance of statutory audit engagements by the same audit firm, an audit firm related to that firm or any member of a network operating in the European Union of which these audit firms are members is 10 audited financial years. This period may be extended (with PFSA's approval) by two years, to a maximum of 12 audited financial years, if more than one audit firm is engaged in the joint audit formula, provided that the statutory audit results in the preparation of a joint audit report,

- an agreement for audit of the financial statements shall be concluded for a period not shorter than 2 financial years and not longer than 3 financial years, with an option of extending it for the following audited period of at least two financial years,
- after the end of the maximum period of uninterrupted performance of engagements referred to in item 1, the audit firm may perform a statutory audit again not earlier than 4 years after the end of the previous audit of the financial statements of the Bank and the Bank's Group,
- a key registered auditor must not perform a statutory audit of the financial statements for a period longer than 5 audited financial years,
- a key registered auditor may perform a statutory audit of the financial statements again not earlier than three years after the end of the last statutory audit of the financial statements of the Bank and the Bank's Group.

In accordance with the Selection Policy, the Supervisory Board conducts the proceedings for signing an agreement for the audit of the financial statements of the Bank and the Bank's Group in the form of an open tender. Having completed the selection procedure organized by the Bank, the Audit Committee provides to the Supervisory Board a recommendation concerning the audit firm selection. Unless it is recommended to renew the audit engagement, the recommendation presents at least two audit firms to be selected from and an indication of the preferred one (with a justification). The Supervisory Board selects the audit firm based on the Audit Committee's recommendation. Clear and unbiased criteria are applied in the selection of the audit firm on the basis of the proposals submitted. These criteria include in particular:

- approach to the activities, internal arrangements to ensure independence and compliance with other applicable provisions of law, professional standards, quality control standards and principles of professional ethics, and the reputation of the audit firm;
- the audit approach, including the proposed audit methodology, areas of particular interest, the overall audit plan, the communication strategy, the IT tools used;
- professional experience in the industry in which the Bank and the Bank's Group operate, experience in cooperation with the Bank and the Bank's Group companies and geographical reach taking into account the scope of the Bank's Group's activities;
- assessment of the members of the team assigned to carry out the audit, their qualifications and training, team management, customer relationship management and interpersonal skills;
- the amount of remuneration expected and the estimated labour intensity;
- auditor and audit firm insurance and liability coverage.

The Audit Committee recommendation for the selection of the audit firm to audit the financial statements for the years 2024-2026 satisfied the applicable requirements and was prepared based on the selection procedures organized by the Bank, which satisfied the applicable criteria.

In accordance with the Policy for providing the services, the provision of permissible services other than audit by the audit firm performing the audit, its related entities or members of its network to the Bank requires approval of the Audit Committee of the Supervisory Board of the Bank. The approval of the Audit Committee of the Supervisory Board is also required in the case of permissible services other than audit provided to a company of the Bank's Group (on the request of such company). The company requesting such approval must present the approval of its Audit Committee or its Supervisory Board.

In 2024, the audit firm KPMG provided permissible non-audit services to the Bank. Before concluding the agreement on providing permissible non-audit services, the Supervisory Board Audit Committee conducted evaluation of the independence of the audit firm and approved providing such services. The remuneration of the audit firm is presented in section 11.2.2 of this report.

Nominations and Remuneration Committee of the Supervisory Board

Tasks

Expressing opinions and monitoring the remuneration rules set out in the Remuneration Policy adopted by the Bank on an ongoing basis and supporting the Bank's authorities in developing and implementing this policy.

In particular, the Committee is responsible for the performance of the following tasks:

- expressing opinions on the general rules for remunerating persons whose professional activities have a material impact on the Bank's risk profile to be approved by the Supervisory Board;
- conducting periodical reviews of the Remuneration Policy and presenting their results to the Supervisory Board;
- presenting to the Supervisory Board proposals of principles for hiring and remunerating members of the Management Board;
- presenting or giving an opinion on the remuneration decisions to be taken by the Supervisory Board - in particular on the remuneration of members of the Management Board, including severance payments for members of the Management Board;
- assessing the MbO targets set for and pursued by the members of the Management Board, their value and importance, and providing an opinion to the Supervisory Board in this regard;
- assessing tools and systems adopted to guarantee that the remuneration system in the Bank's Group properly accounts for all types of risk, liquidity and equity levels and that the Remuneration Policy complies with the proper and effective risk management principles, supports such management and is consistent with the business strategy, goals, corporate culture and values, and the long-term interests of the Bank's Group;
- overseeing the fixed remuneration of heads of units performing independent control functions, including the compliance, internal audit and risk management units;
- providing opinions and monitoring variable remuneration components of leaders of the compliance, internal audit and risk management units;
- presenting opinions to the Supervisory Board on the settlement of MbO targets for members of the Management Board for a given assessment period approved by the Supervisory Board;
- reviewing the report of the internal audit function's review of the implementation of the remuneration policy;
- preparing a draft report on the evaluation of the functioning of the Remuneration Policy in the Bank, which is presented by the Supervisory Board to the General Shareholders' Meeting.

Additionally, the Committee's tasks include:

- expressing opinions on the diversity policy relating to the composition of the Management Board;
- assessing the suitability of and recommending to the Supervisory Board candidates for the Management Board, including taking into account the necessary knowledge, competence and experience of the Management Board as a whole necessary to manage the Bank and taking into account diversity in the composition of the Management Board;
- defining the scope of duties for the candidate to the Management Board approved by the Supervisory Board, as well as defining the requirements concerning the knowledge and competences and the expected involvement in terms of the amount of time necessary to perform the function of a Management Board member;
- determining the target representation of the gender which is under-represented in the Management Board, to be approved by the Supervisory Board;
- periodically (at least once a year) assessing the structure, size, composition and effectiveness of the functioning of the Management Board and recommending respective changes to the Supervisory Board;
- periodically (at least once a year) assessing the suitability, including assessing the knowledge, competences and experience of the Management Board as a whole and of its individual members, and informing the Management Board of the results of the assessment;
- periodically assessing the Management Board's policy in respect of the selection and appointment of persons to managerial positions at the Bank having a significant impact on the Bank's risk profile and submitting respective recommendations to the Management Board;
- giving an opinion on, including an annual review of the suitability policy concerning the Management Board members and key officers of the Bank and suitability assessment at the Bank's Group companies and recommending amendments to this policy to the Supervisory Board;
- giving an opinion on policy on assessing the suitability of candidates for members and members of the Bank's Supervisory Board as part of its review by the Supervisory Board.

AS AT 31 DECEMBER 2024, THE NOMINATIONS AND REMUNERATION COMMITTEE CONSISTED OF:

	date of appointment to the Committee*

Chair:	Katarzyna Zimnicka-Jankowska	11 July 2024
Deputy Chair:	Hanna Kuzińska	11 July 2024
Members:	Maciej Cieślukowski	11 July 2024
	Jerzy Kalinowski	11 July 2024
	Andrzej Oślizło	11 July 2024
	Marek Panfil	11 July 2024
	Paweł Waniowski	11 July 2024

* During the present term of the Supervisory Board.

The Nominations and Remuneration Committee of the Supervisory Board in 2024 also comprised:

- Szymon Midera from 7 February 2024 to 25 March 2025,
- Marek Radzikowski from 7 February 2024 to 21 April 2024,
- Wojciech Jasiński until 2 February 2024,
- Dominik Kaczmarski until 2 February 2024,
- Andrzej Kisielewicz until 28 June 2024,
- Tomasz Kuczur until 2 February 2024,
- Robert Pietryszyn until 2 February 2024,
- Bogdan Szafrański until 2 February 2024.

NUMBER OF MEETINGS There were 15 meetings of the Nominations and Remuneration Committee in 2024.

ATTENDANCE OF MEMBERS OF THE NOMINATIONS AND REMUNERATION COMMITTEE AT COMMITTEE MEETINGS IN 2024

Name and surname	Attendance*
Maciej Cieślukowski	5/5**
Jerzy Kalinowski	5/5
Andrzej Kisielewicz	9/10
Hanna Kuzińska	15/15
Szymon Midera	1/1**
Andrzej Oślizło	11/15
Marek Panfil	12/13
Marek Radzikowski	1/1**
Paweł Waniowski	13/13
Katarzyna Zimnicka-Jankowska	15/15

* Attendance at meetings / number of meetings in the period of performing the function.

** delegated to act temporarily as Vice-Presidents of the Management Board during their term of office

RISK COMMITTEE OF THE SUPERVISORY BOARD

TASKS

- evaluating the overall current and future readiness of the Bank to take risks, taking into account the risk profile of the Bank Group, including, in particular, the strategic tolerance limits adopted by the Management Board on particular risks for the Bank and the Bank's Group;
- expressing opinions on the Bank's operational risk management strategy adopted by the Management Board and information on the implementation of this strategy submitted by the Management Board, as well as other periodic reports on risk management and capital adequacy, taking into account the annual assessment of the adequacy and effectiveness of the risk management system, information on the implementation of the risk management strategy, a review of scenarios, including stress scenarios (to determine the response of the Bank's risk profile to external and internal events) and findings from stress tests;

- expressing opinions on the approval policy for new products adopted by the Management Board and recommending its approval to the Supervisory Board;
- expressing opinions on the disclosure policy adopted by the Management Board and recommending its approval to the Supervisory Board;
- expressing opinions on other resolutions of the Management Board in respect of risk management and capital adequacy which are subject to approval by the Supervisory Board;
- supporting the Supervisory Board in overseeing the implementation of the Bank's operational risk management strategy;
- reviewing whether the prices of assets and liabilities offered to customers fully envision the Bank's business model and its strategy in terms of risk and suggesting corrective actions to the Management Board;
- assessing the risks associated with the financial products and services offered;
- expressing opinions on solutions for reducing business risk with the use of the Bank's property insurance and civil liability insurance for members of the Bank's authorities and proxies;
- ongoing monitoring of the risk management system and providing the Supervisory Board with information on the results of this monitoring;
- expressing opinions on the information on the risk management strategy and risk management system disclosed by the Bank to the general public;
- carrying out an annual review of the remuneration policy for employees of the Bank and the Bank's Group, and in particular evaluating whether incentives arising from this policy and remuneration practice take into account risk, capital and liquidity, as well as the probability and time perspective of generating profits by a company of the Group, as well as approving the report on this review, submitted for information to the Supervisory Board;
- ongoing monitoring of the implementation of risk management strategy and making recommendations to the Supervisory Board on necessary adjustments to the risk strategy resulting, inter alia, from changes in the Bank's business model, market events or recommendations made by the Risk Management unit;
- advising on the selection of external advisors, experts and consultants in the event that the Supervisory Board wishes to use their services;
- evaluating recommendations of external and internal auditors and follow-up in the form of appropriate implementation of the respective measures;
- cooperating with the Nominations and Remuneration Committee in connection with the Committee's opinions on the suitability policy concerning the Management Board members and key officers of the Bank and suitability assessment at the Bank's Group companies to maintain this policy in line with effective and sound risk management;
- performing other tasks specified by the Supervisory Board with regard to risk management at the Bank.

As at 31 December 2024, the Risk Committee consisted of:

		date of appointment to the Committee*
Chair:	Maciej Cieślukowski	11 July 2024
Deputy Chair:	Marek Panfil	11 July 2024 member, 21 August 2024 deputy chair
Members:	Hanna Kuzińska	11 July 2024
	Andrzej Oślizło	11 July 2024
	Katarzyna Zimnicka-Jankowska	11 July 2024

* During the present term of the Supervisory Board.

The Risk Committee of the Supervisory Board in 2024 also comprised:
- Szymon Midera from 7 February 2024 to 25 March 2024,
- Marek Radzikowski from 7 February 2024 to 21 April 2024,
- Mariusz Andrzejewski until 2 February 2024,
- Wojciech Jasiński until 2 February 2024,
- Dominik Kaczmarski until 2 February 2024,
- Andrzej Kisielewicz until 28 June 2024,

- Bogdan Szafrański until 2 February 2024,
- Agnieszka Winnik-Kalemba from 7 February to 28 June 2024.

NUMBER OF MEETINGS There were 9 meetings of the Risk Committee in 2024.

ATTENDANCE OF MEMBERS OF THE RISK COMMITTEE AT COMMITTEE MEETINGS IN 2024

Name and surname	Attendance*
Maciej Cieślukowski	4/4**
Andrzej Kisielewicz	4/5
Hanna Kuzińska	4/4
Szymon Midera	1/1**
Andrzej Oślizło	4/8
Marek Panfil	8/9
Marek Radzikowski	1/1**
Agnieszka Winnik-Kalemba	4/5
Katarzyna Zimnicka-Jankowska	4/4

* Attendance at meetings / number of meetings in the period of performing the function.

** delegated to act temporarily as Vice-Presidents of the Management Board during their term of office

STRATEGY AND INFORMATION TECHNOLOGY COMMITTEE OF THE SUPERVISORY BOARD

TASKS

- expressing opinions on the Bank's strategy adopted by the Management Board, the approval of which is the competence of the Supervisory Board, including the part relating to information technology;
- supporting the Supervisory Board in overseeing the implementation of the strategy, in particular by analyzing periodic information on the implementation thereof presented by the Management Board;
- expressing opinions on strategic activities of the Bank, which require the prior consent of the Supervisory Board, in particular on their compliance with the binding strategy of the Bank;
- supporting the Supervisory Board in overseeing the management of information technology risks, including in particular by analysing the periodic information presented by the Management Board on the status and plans for the use of information technology at the Bank;
- giving an opinion on the Bank's strategic information technology activities, which require the Supervisory Board's prior consent;
- holding, at least once a year, a meeting with an external expert to discuss new information technology solutions used in global banking and the Bank's position in this context;
- reviewing the results of the Bank's periodic information technology audit, in terms of risks and threats, as well as development plans;
- performing other tasks specified by the Supervisory Board with regard to the implementation of the strategic goals and key projects of the Bank.

AS AT 31 DECEMBER 2024, THE STRATEGY AND INFORMATION TECHNOLOGY COMMITTEE OF THE SUPERVISORY BOARD CONSISTED OF:

		date of appointment to the Committee*
Chair:	Paweł Waniowski	11 July 2024
Deputy Chair:	Jerzy Kalinowski	11 July 2024 member, 21 August 2024 deputy chair

Members:	Maciej Cieślukowski	11 July 2024
	Hanna Kuzińska	11 July 2024
	Andrzej Oślizło	11 July 2024
	Marek Panfil	11 July 2024
	Katarzyna Zimnicka-Jankowska	11 July 2024

* During the present term of the Supervisory Board.

In 2024, the Strategy and Information Technology Committee of the Supervisory Board (until 21 May 2024 the Strategy Committee of the Supervisory Board) also comprised:

- Szymon Midera from 7 February 2024 to 25 March 2024,
- Marek Radzikowski from 7 February 2024 to 21 April 2024,
- Mariusz Andrzejewski until 2 February 2024,
- Dominik Kaczmarski until 2 February 2024,
- Andrzej Kisielewicz until 28 June 2024,
- Tomasz Kuczur until 2 February 2024,
- Robert Pietryszyn until 2 February 2024,
- Bogdan Szafrański until 2 February 2024,
- Agnieszka Winnik-Kalemba from 7 February to 28 June 2024.

NUMBER OF MEETINGS There were 8 meetings of the Strategy and Information Technology Committee in 2024

ATTENDANCE OF MEMBERS OF THE STRATEGY COMMITTEE AT COMMITTEE MEETINGS IN 2024

Name and surname	Attendance*
Maciej Cieślukowski	7/7**
Jerzy Kalinowski	6/6
Andrzej Kisielewicz	2/2
Hanna Kuzińska	8/8
Szymon Midera	0/0**
Andrzej Oślizło	5/8
Marek Panfil	7/8
Marek Radzikowski	0/0**
Paweł Waniowski	8/8
Agnieszka Winnik-Kalemba	1/2
Katarzyna Zimnicka-Jankowska	6/6

* Attendance at meetings / number of meetings in the period of performing the function.

** delegated to act temporarily as Vice-Presidents of the Management Board during their term of office

11.2.9 MANAGEMENT BOARD OF PKO BANK POLSKI S.A. - COMPOSITION, POWERS AND PRINCIPLES OF FUNCTIONING

The Management Board of PKO Bank Polski S.A. consists of three to nine members. The Management Board members are appointed by the Supervisory Board for a joint three-year term. Appointing the President of the Management Board and the Board member responsible for overseeing the management of material risk in the Bank's operations requires the consent of the PFSA.

The current term of office of the Management Board began on 26 March 2024.

CHANGES IN THE COMPOSITION OF THE MANAGEMENT BOARD

As at 1 December 2024, the Bank's Management Board consisted of 8 people, i.e. Messrs: Dariusz Szwed, Piotr Mazur, Andrzej Kopyrski, Paweł Gruza, Maciej Brzozowski, Marcin Eckert, Wojciech Iwanicki and Artur Kurcweil.

In 2024, composition of the Bank's Management Board changed as follows:

- on 7 February 2024, Mr Dariusz Szwed resigned from the function of President of the Bank's Management Board and from the membership in the Bank's Management Board, effective as of 14 February 2024.
- on 14 February 2024, the Bank's Supervisory Board:
  - dismissed 6 of the 8 members from the Management Board of PKO Bank Polski S.A., i.e. Messrs: Andrzej Kopyrski, Paweł Gruza, Maciej Brzozowski, Marcin Eckert, Wojciech Iwanicki and Artur Kurcweil,
  - delegated members of the Bank's Supervisory Board, namely Messrs:
    - ✓ Szymon Midera, to temporarily perform the duties of Vice-President of the Management Board, and entrusted him with the direction of work of the Management Board – in the period from 15 February 2024 to 25 March 2024,
    - ✓ Mr Maciej Cieślukowski to temporarily perform the duties of Vice-President of the Management Board – from 14 February 2024 to 21 April 2024,
    - ✓ Marek Radzikowski, to temporarily perform the duties of Vice-President of the Management Board – from 14 February 2024 to 21 April 2024.

In accordance with the resolutions successively adopted by the Bank's Supervisory Board on the appointment of the members of the Management Board for a new joint three-year term of office commencing on 26 March 2024, the following members successively joined the Bank's Management Board:

- Mr Szymon Midera:
  - as the Vice-President of the Management Board (who had been also entrusted with directing the work of the Management Board), effective 26 March 2024,
  - as the President of the Management Board, following consent granted by the PFSA, as of the date of such consent, i.e. on 14 June 2024,
- Mr Krzysztof Dresler as the Vice-President of the Management Board, effective 26 March 2024,
- Mr Piotr Mazur as the Vice-President of the Management Board, effective 26 March 2024 (appointed for another term on the Management Board),
- Mr Marek Radzikowski as the Vice-President of the Management Board, effective 22 April 2024,
- Mr Mariusz Zarzycki as the Vice-President of the Management Board, effective 22 April 2024,
- Ms Ludmiła Falak-Cyniak as the Vice-President of the Management Board, effective 20 May 2024,
- Mr Michał Sobolewski as the Vice-President of the Management Board, effective 1 July 2024.

On 10 October 2024, the Bank's Supervisory Board appointed Mr Tomasz Pol to the Bank's Management Board as Vice-President of the Bank's Management Board with effect from 1 May 2025.

On 11 July 2024, the Bank's Supervisory Board approved the changes in the distribution of powers in the Bank's Management Board. The Corporate and Commercial Banking Division was renamed to the Corporate and Investment Banking Division.

Taking the above into account, in 2024 the Nominations and Remuneration Committee of the Supervisory Board carried out:

- preliminary suitability assessments - related to the delegation of Supervisory Board members to the Management Board,
- preliminary suitability assessment - related to the appointment of the members of the Management Board for the new term, including a reassessment of the suitability of the existing Management Board member appointed to the Management Board for the new term,
- additional assessment of suitability - related to the change in the division of competences within the Management Board, as well as the assumption by Mr Szymon Midera and Mr Krzysztof Dresler of additional functions in supervisory bodies of other entities (i.e. by Mr Szymon Midera in the Polish Payments Standard and the National Clearing House, respectively, and by Mr Krzysztof Dresler in Bank Pocztowy), as circumstances that may affect the individual assessment of suitability of the members of the Management Board of the Bank,

- collective suitability assessments of the Management Board (related to changes in the composition of the Management Board) – taking into account the changes in the composition of the Management Board and in the internal division of powers.

The suitability assessments were performed in accordance with the "Suitability policy concerning the Management Board members and key officers of the Bank and suitability assessment at the Bank's Group companies".

As a result of the above assessments, the Nominations and Remuneration Committee of the Supervisory Board confirmed the individual suitability of the members of the Bank's Management Board and the collective suitability of the Management Board. In individual cases, the Nominations and Remuneration Committee of the Supervisory Board recommended that the Management Board member be allowed to supplement his or her knowledge in individual aspects of particular competences; the recommendation was implemented as part of the Management Board member's induction programme.

The above suitability assessments were approved by the Supervisory Board.

Due to the commencement of the new term of the Management Board of the Bank in March 2024 and the completion of individual and collective suitability assessments for all members of the Management Board of the Bank and the entire Management Board, there was no obligation to conduct periodic suitability assessments for the members of the Management Board of the Bank and the entire Bank in 2024.

As at 31 December 2024, the Management Board of the Bank consisted of the following 7 members:

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

COMPOSITION OF THE MANAGEMENT BOARD OF PKO BANK POLSKI S.A.

Composition of the Management Board as at 31 December 2024.

SZYMON MIDERA - PRESIDENT OF THE MANAGEMENT BOARD SUPERVISING THE MANAGEMENT BOARD PRESIDENT DIVISION

Member of the Management Board since 26 March 2024

An experienced executive with strong skills acquired during his service in managerial positions at banks and other financial institutions. A successful manager in State-owned and private companies, with a proven track record of success. Since 2016, he has been the founder, co-owner and CEO of Shumee SA (commerce platform) - one of the leaders in the cross-border e-commerce market. Member of supervisory boards with lengthy experience in the area of professional corporate governance standards. An expert in banking, e-commerce, incubation and acceleration of start-ups. A panellist and author of numerous publications on the e-commerce market and marketplace platforms. He is a graduate of International Economic and Political Relations at the University of Lodz and the Advanced Management Programme at INSEAD in Fontainebleau. He also completed the Executive MBA Programme at the Faculty of Management of University of Łódź, organised in partnership with Towson University and Robert H. Smith School of Business.

For eight years, until June 2016, he served as President and Vice-President of the Management Board of Bank Pocztowy. During that time, the Bank acquired around one million clients and underwent a transformation from a clearing institution to a large-scale retail bank, launching, among other things, a state-of-the-art online banking service and a network of around 300 branches.

The Supervisory Board of the Bank appointed Mr Szymon Midera to the Management Board of the Bank as of 26 March 2024 and, subject to the PFSA's approval of the appointment and as of the date of such approval, to the position of President of the Management Board of the Bank. On 14 June 2024, the Polish Financial Supervision Authority unanimously approved the appointment of Mr Szymon Midera as President of the Bank's Management Board. Year of birth: 1975	Previously, for seven years, he was associated with mBank, where he managed, among other things, the areas of marketing, online sales and business development. He is a member of the Supervisory Board of the National Clearing House (KIR) and the Polish Payment Standard (PSP). A long-distance runner, music aficionado and happy father of four daughters.
Functions performed in the Bank's standing committees in 2024	Risk Committee (Chair) - since 14 June, Strategy Committee (Chair) - since 26 March, Transformation Committee (Chair) - since 26 March, Asset and Liability Management Committee (member) - from 26 March to 14 June; (Chair) - from 14 June to 7 July, IT Security Committee (Deputy Chair) – since 4 July.

KRZYSZTOF DRESLER - VICE-PRESIDENT OF THE BANK'S MANAGEMENT BOARD IN CHARGE OF THE FINANCE AND ACCOUNTING DIVISION

Member of the Management Board since 26 March 2024

Experienced manager in the finance and energy sector with almost 30 years of professional experience. He is highly competent in financial and strategic planning, financial and ESG reporting and optimisation of financial and ALM processes.

During his career, he held key roles in the management of large financial corporations (CFO and CRO at PKO Bank Polski S.A., Managing Director at PEKAO S.A. and Secretary of the Supervisory Board of PZU SA).

He has been associated with PKO Bank Polski S.A intermittently for 25 years, supervising the areas of financial risk, planning and controlling, as well as the area of risk and debt collection in the years 2008-2011. Since March 2024, he has served as CFO - Vice President of the Management Board responsible for finance and accounting.

In 2012 the President of the National Bank of Poland awarded him for services to the banking sector of the Republic of Poland.

His core field of interest are banking energy transformation. He is the Head of the Committee for Hydrogen Technologies and Energy Storage of the Polish New Mobility Association.

In 1998, he completed an internship at the Depository Trust Company in (New York), and a course for candidates for investment advisors and Chartered Financial Analyst (CFA). He passed the EFPA ESG Advisor certification exam in 2023.

He graduated from the Warsaw School of Economics in finance and banking. He also completed postgraduate studies in philosophy at Collegium Civitas as well as:

- Erasmus University Rotterdam - Principles of Sustainable Finance under the guidance of the esteemed Professor Dirk Schoenmaker

	• University of Pennsylvania. ESG Risks and Opportunities • Wharton School. Global Trends for Business and Society He is husband to Łucja and a father to two daughters, Nina and Gaia. He actively practices triathlon and supports the development of this sport as a board member of the TRICLUB ASSOCIATION. He is also involved in the development of education as a member of the management board of a private secondary school and a member of the EFPA Foundation Council, where he promotes high ethical and professional standards in the financial consulting segment
Year of birth: 1973	
Functions performed in the Bank's standing committees in 2024	Asset and Liability Management Committee (Chair) - since 8 July; (member) 26 March to 7 July, Sustainable Development Committee (Chair) - since 26 March, Data Quality Committee (Deputy Chair) - since 26 March, Risk Committee (Member) – since 26 March, Operational Risk Committee (Member) – since 26 March, Strategy Committee (Member) – since 26 March, Transformation Committee (Member) – since 26 March.

LUDMIŁA FALAK-CYNIAK - VICE-PRESIDENT OF THE BANK'S MANAGEMENT BOARD IN CHARGE OF THE CORPORATE AND ENTERPRISE BANKING DIVISION

Member of the Management Board since 20 May 2024 	Leader with over 25 years of experience in the financial industry, including 18 years in management positions. She specialises in finance, investment, organisational management and building and leading teams. She has developed her career in both Polish and international financial institutions with successful projects related to startup structure building, restructuring and mergers. Some of the organisations where she has held key roles include AEGON, AMUNDI, SKARBIEC, KBC and WARTA. She is a graduate of the University of Łódź with a degree in Finance and Banking, Postgraduate Studies in Investment and PhD studies at the Warsaw School of Economics. She also completed the prestigious INSEAD Global Management Program. She holds an investment advisor's licence, a stockbroker's licence and the Chartered Financial Analyst (CFA) and Professional Risk Manager (PRM) titles. In recent years, she has intensively developed her competence in IT management, modern project management methods (AGILE, SCRUM, DevOps) and technologies such as cloud computing (AWS, Google Cloud) and artificial intelligence. Her commitment to personal development and innovation reflects her ability to successfully implement cutting-edge solutions that set the future direction of the financial industry. She is actively involved in expert and non-profit organisations such as the Chamber of Pension Societies, the Board of the CFA and the Finance Committee of the Auschwitz-Birkenau Foundation. She values diversity and inclusivity as the foundations for building engaged teams, where each member has the space to grow and make a unique contribution. Her management approach is based on strategic thinking, adaptation to change and building an organisational culture that supports high performance. Her openness to innovation and her experience of international collaboration make her a leader perfectly equipped to lead organisations in a dynamically changing business environment.
Year of birth: 1974	

Functions performed in the Bank's standing committees in 2024	Asset and Liability Management Committee (member) - since 20 May, The Bank's Credit Committee (Member) - since 20 May, Risk Committee (Member) – since 20 May, Strategy Committee (Member) - since 20 May.

PIOTR MAZUR - VICE-PRESIDENT OF THE BANK'S MANAGEMENT BOARD IN CHARGE OF THE RISK MANAGEMENT DIVISION

Member of the Management Board since 8 January 2013

He is Vice-President of the Management Board of PKO Bank Polski S.A. in charge of the Risk Management Area, upon the approval of the PFSA granted on 8 January 2013.

He graduated from the Faculty of Organization and Management at the Academy of Economics in Wroclaw.

He has more than 30 years of experience in banking – mainly in the areas of risk, restructuring and loans, and in international financial groups operating in Europe, the USA and South America. A member of supervisory boards, creditors' committees, a member and chairman of key risk management committees. He participated in the development of the strategy of Bank Zachodni WBK S.A., was directly responsible for risk management, optimization of debt collection and restructuring processes, and cooperated with the regulators in Poland and abroad.

He started his professional career in 1991 at Bank BPH S.A., in the loans area. In 1992, he joined Bank Zachodni S.A. and, following the merger with Wielkopolski Bank Kredytowy S.A., with BZ WBK S.A. In 1992-2000, he worked in the Capital Investments Department and in 2000-2005 he held the position of Director of the Credit Quality Control Department. In the years 2005-2008 he was the Director of Business Intelligence and Risk Management Area, and in the years 2008-2010 - Deputy Chief Risk Officer. From January 2011 he was Chief Credit Officer and from March 2012 also Deputy Chief Risk Officer. Moreover, he was Chair of the Credit Committee at BZ WBK S.A., Deputy Chair of the Credit Risk Forum, and Deputy Chair of the Risk Model Forum.

He was a member of the Supervisory Boards of the following PKO Bank Polski S.A. Group companies: PKO Bank Hipoteczny S.A., PKO Leasing S.A. and PKO Faktoring S.A.

He is a member of the Supervisory Board of Biuro Informacji Kredytowej S.A. and System Ochrony Banków Komercyjnych S.A.

Year of birth: 1966

Functions performed in the Bank's standing committees in 2024	The Bank's Loan Committee (Chair); Operational Risk Committee (Chair); Sustainable Development Committee (Deputy Chair) Risk Committee (Deputy Chair); Assets and Liabilities Management Committee (Deputy Chair) - since 9 July. Previously a member of the Committee, IT Security Committee (Member); Data Quality Committee (Member); Strategy Committee (Member).

MAREK RADZIKOWSKI - VICE-PRESIDENT OF THE BANK'S MANAGEMENT BOARD IN CHARGE OF THE RETAIL AND BUSINESS BANKING DIVISION AND THE OPERATIONS AND INTERNATIONAL BANKING DIVISION

Member of the Management Board since 22 April 2024

PhD in Economics. He graduated with honours from the Warsaw School of Economics with a master's degree in finance and banking, followed by an MBA as part of The Community of European Management Schools (CEMS)

programme. He also studied at the economics department of the Massachussetts Institute of Technology (MIT) in Cambridge and at the Erasmus University Rotterdam School of Management. He has been awarded scholarships from Fulbright, the Socrates-Erasmus programme, the Minister of National Education. He has also received numerous awards and distinctions including the Mayor of Warsaw Award, Top Ten, PwC and Europrimus.

He has started his professional career as a leader of projects improving management processes in international corporations, and later as a senior economist and secretary of the Macroeconomic Council at the National Bank of Poland. He co-founded the Civic Development Forum (FOR) as deputy director of the analytical department and deputy chief economist. Later he worked as chief of advisors to the Minister of Finance. He was also an advisor to the Management Board of the Polish Bank Association, President of the Warsaw Institute of Banking, and in recent years held the position of Vice President at J.P. Morgan.

He combines his professional work with his academic career as head of the Department of Economic Growth Research at the Warsaw School of Economics, a lecturer in data science subjects. He is an author of numerous economic publications, including two books.

Year of birth: 1979

Functions performed in the Bank's standing committees in 2024	Asset and Liability Management Committee (member) - since 22 April; The Bank's Credit Committee (Member) – since 22 April; Risk Committee (Member) – since 22 April; Operational Risk Committee (Member) – since 22 April; Strategy Committee (Member) - since 22 April.

Michał Sobolewski - Vice-President of the Bank's Management Board in charge of the Administration Division

Member of the Management Board since 1 July 2024

Manager with 22 years of experience in financial institutions, both in banks and leasing companies. Since October 2018, he has been working in CA Auto Bank branch in Poland (formerly FCA Bank), where he held the position of Sales and Marketing Director. During this time, he was responsible for launching the Auto Bank's subsidiaries on the Polish market: Leasys and Drivalia Lease, implementation of a new innovative e-commerce sales channel, multiple strategic partnerships and the bank's rebranding, which took place in April 2023.

Prior to that, he worked for 11 years in the sales department at Banque PSA and PSA Finance.

Since December 2022, he has been a member of the Management Board of Drivalia Lease, where he supervised the following areas: marketing and sales, operational leasing services, leasing policy.

He graduated from the Lazarski University of Commerce and Law in Warsaw at the Faculty of Foreign Trade and World Economy, in Economics in 2004.

Year of birth: 1980

Functions performed in the Bank's standing committees in 2024	Risk Committee (Member) – since 1 July; Strategy Committee (Member) – since 1 July.

Mariusz Zarzycki - Vice-President of the Bank's Management Board in charge of the Technology Division

Member of the Management Board since 22 April 2024

An experienced manager, mainly associated with banks, specialising in technology and digital transformation in a broad business perspective.

During his career, he served, among others, as a board member responsible for technology, procurement and administration at PKO Bank Polski S.A. and the Polish Post Office.

For 10 years he worked at mBank as director of IT departments and then CIO. He was also IT director at PBG SA bank and at Bank Przemysłowy and COI.

He was COO in the Global Digital Bank start-up project and Executive Director in the IT Advisory department at EY.

On several occasions he has been responsible for highly complex and successful implementations of core IT systems in banks. In addition to technology, which is his main area of interest and competence, he has also managed other areas of the corporations where he has worked, including: strategy, operations, logistics, purchasing, administration, real estate and investments, and security.

He is a graduate of the University of Lodz and the University of Stockholm. He also completed management training programmes at leading business schools: the International Executive Programme at INSEAD and the Advanced Management Programme at IESE.

Year of birth: 1967

Functions performed in the Bank's standing committees in 2024	Data Quality Committee (Chair) - since 22 April, IT Architecture Committee (Chair) - since 22 April, IT Security Committee (Chair) - since 4 July, Risk Committee (Member) – since 22 April; Operational Risk Committee (Member) – since 22 April, Strategy Committee (Member) – since 22 April, Transformation Committee (Member) – since 22 April.

PRINCIPLES OF OPERATION OF THE MANAGEMENT BOARD

The Management Board of the Bank operates on the basis of generally applicable laws, the Bank's Articles and the Rules of the Management Board adopted by the Management Board and approved by the Supervisory Board.

The Management Board manages the Bank's affairs and represents the Bank. The Bank informs the Supervisory Board of all significant issues concerning the Bank's operations.

The Management Board performs its activities at the Management Board meetings.The Management Board meetings are organized on an as needed basis, not less frequently than once a week.

The President of the Management Board manages the work of the Management Board, i.e. convenes the Management Board meetings and presides over them and presents the Management Board's position to other bodies of the Bank and third parties.

The Management Board makes decisions in the form of resolutions at meetings or outside meetings by circulation (in writing). The Management Board may make decisions with the use of the means of direct remote communication, including in particular e-mail.

Resolutions of the Management Board are required with respect to all matters exceeding the scope of the Bank's ordinary business. Resolutions concerning risk management may be passed in the absence of the Management Board member in charge of material risk in the Bank's operations only in cases where the absence of a resolution on a credit decision would prevent the implementation of a loan transaction (e.g. conclusion of an agreement, submission of a bid, submission of a declaration of the Bank's participation in a consortium), provided that the following conditions are met: (i) the recommendation of the Bank's Credit Committee on the loan transaction is positive, (ii) no member of the Bank's Credit Committee participating in the vote has dissented from the recommendation, (iii) no member of the Bank's Credit Committee from the Risk Management Area, including the Chairman of the Committee, if participating in the vote, has voted against the recommendation. If the vote of the Management Board member in charge of the material risk in the Bank's operations on a resolution concerning risk management is different from the vote of a majority of the Management Board members or from the preliminary proposal included in the draft resolution, such member should provide a written explanation of his/her decision. The Management Board shall be obliged to notify the Supervisory Board of this fact immediately and provide it with a written explanation of the reasons behind the votes of the Management Board and the Management Board member in charge of the material risk in the Bank's operations.

Resolutions of the Management Board are passed by an absolute majority of votes. In the event of an equal number of votes, the President of the Management Board has the casting vote.

The Management Board's working procedures and matters that require a Management Board resolution are specified in the Rules of the Management Board.

By Resolution No 274/2024 of the Supervisory Board of 6 November 2024, the Supervisory Board approved the Regulations of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna adopted by the Management Board.

The amendment to the Regulations of the Management Board was aimed at defining the catalogue of cases in which the Management Board may adopt resolutions related to risk management in the absence of the Management Board member overseeing the management of material risks at the Bank.

Declarations on behalf of the Bank may be made by:

- the President of the Management Board acting independently,
- two members of the Management Board acting jointly or one member of the Management Board acting jointly with a proxy,
- two proxies acting jointly,
- attorneys acting independently or jointly, within the framework of the power of attorney granted.

As at 31 December 2024, there were three proxies at the Bank. One proxy was revoked in 2024.

In 2024, the Bank's Management Board held 58 meetings and passed 676 resolutions.

The participation of the Bank's Management Board members in the meetings in 2024 is presented in the following table.

Table 30. Attendance of Management Board members in 2024 (including Supervisory Board members on temporary secondment as vice-presidents of the Management Board in 2024)

Name and surname	Attendance *
Dariusz Szwed	5/6
Maciej Brzozowski	5/6
Marcin Eckert	5/6
Paweł Gruza	5/6
Wojciech Iwanicki	5/6
Andrzej Kopyrski	6/6
Artur Kurcweil	5/6
Piotr Mazur	49/58
Szymon Midera	51/52
Maciej Cieślukowski	8/8
Krzysztof Dresler	36/47 (8 absences due to business trips)
Ludmiła Falak-Cyniak	35/40 (3 absences due to business trips)
Marek Radzikowski	51/52 (1 absence due to business trip)

Michał Sobolewski	33/33

* Attendance at meetings / number of meetings in the period of performing the function.

COMPETENCES AND RESPONSIBILITIES OF THE MANAGEMENT BOARD

The competences of the Management Board include all matters related to managing the affairs of PKO Bank Polski S.A. that do not fall within the competences of the General Shareholders' Meeting or the Supervisory Board in accordance with the provisions of the generally applicable law or the Bank's Articles, including acquisition and disposal of real estate, an interest in real estate or a perpetual usufruct, which do not require permission of the General Meeting or permission of the Supervisory Board, and the granting of the Bank's shares in exchange for capital bonds in connection with the conversion of capital bonds into Bank's shares in the event of a trigger event.

In accordance with the Management Board Rules, the competences of the Bank's Management Board include in particular:

- defining the Bank's strategy and the Bank management strategy, taking into account the risk of the operations and the principles of prudent and stable management of the Bank,
- defining the risk management strategy and the overall risk tolerance level,
- establishment and liquidation of the Bank's standing committees and defining their characteristics,
- establishing, transforming and liquidating the Bank's entities in Poland and abroad,
- defining the Rules for managing special funds created from net profit, the Bank's Organizational Rules and the Management Board Rules,
- appointing proxies and defining the rules for appointing attorneys at the Bank,
- defining the principles for the functioning of the management system, including in particular: the principles for the functioning of the internal control system, the principles for management of specific risks, the compliance risk management policy assumptions, the principles of the information policy with respect to capital adequacy, the principles for capital adequacy and equity management concerning the processes of internal capital estimation, capital planning and dividend policy,
- defining the annual financial plan for the Bank and the Bank's Group,
- defining the principles for the identification of business models and performing tests of contractual cash flow characteristics,
- defining accounting policies,
- adopting annual and interim financial statements of the Bank, consolidated financial statements of the Bank's Group and quarterly reports of the Bank's Group,
- defining bancassurance policies,
- defining the remuneration policy, which is also applicable to the Bank's subsidiaries,
- defining bank products and other banking and financial services,
- defining the principles of the Bank's participation in companies and other organizations,
- making decisions on the payment of interim dividend to the shareholders.

Decisions on the acquisition of the Bank's shares for the purposes of their redemption and determining the value of remuneration for shares redeemed, and on increasing or reducing the Bank's share capital are not within the competences of the Management Board – they are taken by the General Shareholders' Meeting.

Members of the Management Board supervise the areas of activities allocated to them and make decisions on matters of ordinary management within the areas supervised by them.

Pursuant to § 20 section 1 of the Bank's Articles of Association, the Management Board is competent to allocate shares in the Bank in exchange for capital bonds in connection with a share capital increase through the conversion of capital bonds into Bank shares in the event of a trigger event.

The internal division of responsibilities on the Management Board of the Bank at the end of 2024 is set out in section 13.1 "General information".

The current organisational chart of the Bank, including the areas of responsibility of individual members of the Management Board, is available on the Bank's website in the Investor Relations section at Corporate governance principles - PKO Bank Polski.

In the performance of their duties, members of the Management Board should exercise the diligence required by the professional nature of their activities and maintain their loyalty to the Bank.

Members of the Management Board are not in breach of their duty of care arising from the professional nature of their activities if, in acting loyally towards the company, they act within the limits of reasonable economic risk, including on the basis of information, analyses and opinions that should be taken into account in the circumstances in making a careful assessment.

Bank committees comprising members of the Management Board

As at the end of 2024, the following standing committees functioned in the Bank with the participation of members of the Management Board.

Asset and Liability Committee	
Purpose	Managing assets and liabilities by influencing the structure of the balance sheet of the Bank and its off-balance sheet items in a manner conducive to achieving the optimum financial result.
Tasks	Supporting the Management Board in the following activities of the Bank and its Group: – shaping the structure of the Bank's balance sheet; – capital adequacy management; – managing profitability, taking into account the specific nature of the individual areas of activity and the respective risks; – managing financial risk, including market and liquidity risks, business risk, and credit risk (settlement and pre-settlement risk) of the transaction on the wholesale market.

Risk Committee	
Purpose	Setting strategic directions and tasks with respect to banking risk in the context of the Bank's strategy, the macroeconomic situation and the regulatory environment, analyzing periodic reports related to banking risks and developing appropriate guidance based thereon, as well as preparing the banking risk management strategy and its periodic reviews.
Tasks	Monitoring the integrity, adequacy and effectiveness of the banking risk management system, capital adequacy and allocation of internal capital to individual business lines and implementing the risk management policy pursued as part of the Bank's Strategy. Analysing and evaluating the utilization of strategic risk limits set in the Banking Risk Management Strategy. Expressing opinions on periodic risk reports submitted for approval to the Supervisory Board and taking into account information from these reports when issuing opinions.

Credit Committee	
Purpose	Formulation of the Bank's lending policy and structure of the Bank's loan portfolio. Management of model risk to minimize the occurrence of losses resulting from incorrect business decisions based on credit risk models, and management of model risk to minimize the occurrence of losses resulting from incorrect business decisions based on credit risk models.
Tasks	Making lending decisions concerning the credit exposures of the Bank, as well as issuing recommendations for the Bank's Management Board in lending matters. Making decisions in matters concerning restructured receivables. Setting thresholds for industry limits, limits concerning appetite for portfolio credit risk and exposure concentration risk. Approval of lending policies defined for selected industries, groups or segment of customers or products. Deciding on credit risk models and the parameter values of these models. Deciding on the models and portfolio parameters used to determine the allowance for expected credit losses from financial assets and decisions on the value of the allowance for expected loss. Accepting reports on the results of validation of significant credit risk models.

	Accepting periodic credit risk reports taking into account portfolio valuation and accounting classification.
OPERATIONAL RISKS COMMITTEE	
PURPOSE	Effective management of operational risk to improve the safety of the Bank's operations.
TASKS	Determining the directions of operational risk management development. Supervising the functioning of operational risk management, including the tasks concerning continuity of the Bank's operations. Coordination of operational risk management. Determining measures to be taken in the event of an emergency which exposes the Bank to reputational risk and results in operating losses.
TRANSFORMATION COMMITTEE	
PURPOSE	Ensuring the effective transformation of the Bank in line with its development directions, including ensuring the consistency of business objectives and maximization of the business value of changes in the Bank (e.g. within formations and projects).
TASKS	Operational management of the Bank's Strategy implementation. Performing key roles in the New Management Model (NMM) in accordance with the Bank's internal regulations concerning the New Model of Work and the New Management Model. Making decisions on the implementation of and changes to projects, as well as decisions pertaining to material costs and other operating costs. Allocation of funds for urgent purchases resulting from the business continuity plan in the event of a crisis. Overseeing projects and development initiatives, particularly work progress, project budgets, financial and non-financial benefits. Initiating activities enhancing the Bank's effectiveness. Managing the annual financial limit for the implementation of projects; and development initiatives. Solving disputes within the area of competences of the Committee, on lower decision-making levels.
STRATEGY COMMITTEE	
PURPOSE	Oversight of the strategic planning process and management of the Bank's strategy.
TASKS	Managing the activities relating to Strategy development and implementation. Making decisions, recommendations, recommendations or opinions on strategic planning and management of the Strategy. Oversight of the implementation of the Strategy and the achievement of the strategic objectives. Resolving any disputes arising during the development and implementation of the Strategy.
IT ARCHITECTURE COMMITTEE	
PURPOSE	Development of the IT architecture ensuring the implementation of the Bank's Strategy.
TASKS	Development of key assumptions of the IT architecture of the Bank (principles). Periodic evaluation of the IT architecture functioning at the Bank. Development of a target architecture model. Initiating activities aimed at implementing the target architecture model.
IT SECURITY COMMITTEE	
PURPOSE	Increasing the effectiveness of supervision and control over the IT system safety at the Bank (SIB).
TASKS	Issuing recommendations on the SIB safety, in particular related to: coordination and monitoring of work related to the SIB safety; setting the directions of the activities of the Bank with respect to SIB safety;

	specifying actions, which should be taken in the event of emergency situations which put the Bank's image at risk and cause operating or financial losses in the area of SIB safety; monitoring the risk related to SIB safety.

DATA QUALITY COMMITTEE

PURPOSE	Setting strategic directions of the activities relating to data quality management and data architecture at the Bank in the context of the Data Management System (DMS), oversight of its functioning and assessment of its effectiveness and the activities undertaken by the individual organizational units of the Bank.
TASKS	Taking decisions on data management in the Bank, including in particular decisions pertaining to: DMS development directions; determining the conditions for non-compliance with data quality requirements, in particular in cases justified by the continuity of the Bank's operations. Making recommendations to the Bank's units on data management, in particular with regard to: activities carried out by the Bank's units; introducing new or changing existing data management solutions; preparing drafts of new internal regulations or amendments to existing regulations of the Bank; prioritization of activities within the DMS and prioritisation of action plans. Making recommendations to the Bank's Management Board on data management, in particular: on the strategic directions of the development of the DMS; the adoption of Management Board resolutions that affect data quality.

SUSTAINABLE DEVELOPMENT COMMITTEE

PURPOSE	Making or developing the decisions needed to achieve the Bank's and the Bank Group's strategic objectives in terms of sustainability and overseeing the operation of an integrated system for managing the impact of ESG (Environmental, Social, Governance) factors on the Bank and the Bank's Group (ESG Governance),
TASKS	Oversight of the implementation of ESG policies, strategies, regulations and standards at the Bank and the Bank's Group to ensure compliance with sustainability regulations, including in particular: - Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment (taxonomy); - Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (SFRD); - Directive 2014/95/EU of the European Parliament and of the Council amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups (NFRD); - Directive (EU) 2022/2464 of the European Parliament and of the Council of amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (CSRD). Oversight of the implementation within the Bank and the Bank's Group of the data infrastructure and IT solutions needed for ESG management, including the aggregation and systematisation of data based on the principles arising from the regulations indicated above. Determination of climate and environmental impact targets for the Bank and the Bank's Group and oversight of their implementation. Oversight of the classification of assets in terms of Taxonomy (eligible assets).

In addition to the aforementioned functions, members of the Bank's Management Board were also involved in other committees in 2024, including steering committees set up as part of projects. The Bank also has the Investment Committee, the Committee for products at legal risk and the Sponsorship Committee. Members of the Management Board are not members of these committees.

11.2.10 Policy for ensuring diversity in the composition of the Bank's Management Board and Supervisory Board

The implemented diversity policy

The diversity policy for the members of the Bank's Management and Supervisory Boards is an important part of the Bank's suitability assessment policies, i.e:

- The suitability policy concerning the Management Board members and key officers of the Bank and suitability assessment at the Bank's Group companies,
- The policy on assessing the suitability of candidates for members and members of the Bank's Supervisory Board.

The provisions implemented by the Bank set the directions for selecting, appointing and planning succession, including staff resources and suitability assessment of the Management Board members and key officers of the Bank. These persons are assessed in terms of their competences, knowledge and skills, experience adequate to the position and reputation understood as sufficiently unblemished opinion, honesty and ethical behaviour. Based on the regulations implemented, the General Shareholders' Meeting makes decisions on the selection and suitability assessment of the candidates and members of the Bank's Supervisory Board, the Supervisory Board makes decisions on the selection and suitability assessment of the Management Board members, and the Management Board members make decisions on the selection and suitability assessment of the MRT (Material Risk Takers). The Bank's Supervisory Board monitors the effectiveness of the policy applied and, if appropriate, makes changes taking into account the recommendations of the Nominations and Remuneration Committee.

As a result of the annual review of the Suitability Policy for Candidates for Members and Members of the Supervisory Board, in June 2024 the General Meeting adopted amendments to the provisions of the Diversity Policy regarding:

- specifying the deadline and method of achieving the gender diversity objectives on the Supervisory Board by assuming that the target achievement of at least a minimum level of gender diversity (i.e. 30%) in the composition of each Bank's Supervisory Board should take place starting from the appointment of the Bank's Supervisory Board for a new joint term after 31 December 2025, and that the achievement of this target will be achieved by applying the principle of equal opportunities in the selection of Supervisory Board members and fostering a culture of diversity in the organisation,
- further specifying that the General Meeting, when making changes to the composition of the Bank's Supervisory Board, including the election of members for a new term, considers the possibility of incorporating diversity objectives in terms of gender.

Following the annual review of the Management Board Suitability Policy, in December 2024 the Bank's Supervisory Board adopted amendments to the provisions of the Diversity Policy regarding:

clarification of its provisions with regard to the selection of Management Board members, i.e. the application of objective selection criteria and the need to ensure gender diversity in the composition of the body in order to underline their consistency with the general principles contained in Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures, with regard to achieving gender diversity in the Management Board of the Bank.

Equivalent changes to the diversity policy for members of the Bank's Supervisory Board are planned for 2025.

Diversity policy assumptions

- The policies for assessing the suitability of candidates and members of the Bank's Management Board and candidates and members of the Bank's Supervisory Board include the Supervisory Board's/General Shareholders' Meeting's commitment to take into account the principles of diversity in selecting candidates for members of the aforementioned bodies.
- The principle of diversity in selecting the Bank's Supervisory Board and Management Board members is based on objective substantive criteria in terms of education, skills and professional experience. The additional criteria which support diversity in the composition of these bodies are age and gender.
- When making changes to the composition of the Bank's Management Board/Supervisory Board, including the election of members of the bodies for a new term of office, the Bank's Supervisory Board/General Meeting shall each time analyse the possibility of taking gender diversity objectives into account.

- The policies contain the commitment to monitor the effectiveness of their application, including in terms of diversity objectives.
- The suitability assessment policy contains an obligation for the Bank's subsidiaries to introduce regulations regarding the principles of suitability – respective regulations are in place in the Group entities.

Structure of the management and supervisory bodies and MRT (Material Risk Takers)

Table 31. Diversity by gender, age and experience – statistics as at 31 December 2024

Gender	Women	Men
Supervisory Board	2	6
Management Board	1	6
MRT (Material Risk Takers)	18	66

Age	Up to 30 years	30-50 years	above 50 years
Supervisory Board	-	1	7
Management Board	-	4	3
MRT (Material Risk Takers)	-	52	32

Years of service at the Bank	up to 1 year	2-5 years	6-10 years	11-20 years	above 20 years
Supervisory Board	8	-	-	-	-
Management Board	4	1	1	1	-
MRT (Material Risk Takers)	14	10	20	24	16

Years of service at the Bank: for members of the Management Board and Supervisory Board there are years at the position in the Management Board and Supervisory Board.

Total length of service	up to 1 year	2-5 years	6-10 years	11-20 years	above 20 years
Supervisory Board	-	-	-	-	8
Management Board	-	-	-	-	7
MRT (Material Risk Takers)	-	-	3	14	67

Objectives of diversity of the composition of the Management Board and Supervisory Board

- The application of the diversity policy is aimed at ensuring appropriate selection of the Management Board and Supervisory Board members in order to obtain a wide range of competences, knowledge and skills adequate to a particular position and ensure that the Management Board and Supervisory Board members (both individually and collectively) issue top quality, independent opinions and decisions in all areas of the Bank's operations.
- In their selection of members of the Bank's bodies, the General Shareholders' Meeting and the Supervisory Board of the Bank try to achieve gender balance in the composition of the Bank's Supervisory Board and Management Board, respectively, or at least to achieve a minimum representation of the less numerous gender at 30%, taking into account the results of the suitability assessments.
- The target achievement of at least a minimum level of gender diversity in the composition of each Management Board of the Bank and the Supervisory Board of the Bank should take place (at the latest) starting from the appointment of the Bank's Management Board for a new joint term after 31 December 2025.
- The diversity targets relating to the composition of the Supervisory Board and the Management Board of the Bank are considered in the selection of members of these bodies only to the extent that it does not have an adverse effect on their functioning and suitability.

11.3 SHARES OF PKO BANK POLSKI S.A. AND ITS RELATED ENTITIES HELD BY MEMBERS OF THE BANK'S AUTHORITIES

The table below shows the number of shares in PKO Bank Polski S.A. held by members of the Bank's Management Board as at the date of publication of the Directors' Reports on the activities of the Bank's Group in 2024.

Table 32. Shares of PKO Bank Polski S.A. held by members of the Bank's Management Board (composition as at the date of publication of the report for 2024)

Name and surname	Number of shares held as at the date of publication of the report for:			
	2024		2023	
	Number of shares	Total nominal value of shares held in PLN	Number of shares	Total nominal value of shares held in PLN
Szymon Midera	0	0	-	-
Krzysztof Dresler	0	0	-	-
Ludmiła Falak-Cyniak	0	0	-	-
Piotr Mazur	8,000	8,000	8,000	8,000
Marek Radzikowski	0	0	-	-
Michał Sobolewski	0	0	-	-
Mariusz Zarzycki	0	0	-	-

As at the date of publication of the Directors' Reports on the activities of the Bank's Group in 2024, members of the Bank's Supervisory Board did not hold any shares in PKO Bank Polski S.A.

Members of the Management Board and Supervisory Board and persons closely related to them are required to notify the Bank and the PFSA of any transactions concluded on their own account involving the Bank's shares, the Bank's debt instruments or derivative instruments and other related financial instruments of the Bank.

Members of the Management Board and Supervisory Board are also prohibited from concluding transactions on their own account or on the account of a third party, directly or indirectly, concerning the Bank's shares, the Bank's debt instruments or derivatives and other related financial instruments during the 30 days prior to the date of publication of its interim report by the Bank (closed period).

As at 31 December 2024, the members of the Management Board and Supervisory Board of the Bank did not hold shares or investment certificates in entities related to PKO Bank Polski S.A., i.e. its subsidiaries, joint ventures and associates.

12. OTHER INFORMATION

PURCHASE AND SALE OF TREASURY SHARES

PKO Bank Polski S.A. did not purchase or sell any treasury shares on its own account during the period covered by the report.

INFORMATION REQUIRED BASED ON ARTICLE 111A OF THE BANKING LAW

Table 33. Activities of the Bank's Group by EU member states and third countries

In PLN million	Turnover (revenues)*	Profit/loss before tax	Income tax expense	Profit/loss after tax	Number of employees in FTEs**
In EU member states:					
- Poland	41,022	13,266	3,252	10,014	23,772
- Czech Republic	71	37	10	27	10
- Germany	98	12	4	8	7
- Slovak Republic	18	0	0	0	4
- Sweden	1	-7	-2	-5	0
- Ireland	0	0	0	0	0
In third countries:					
- Ukraine	738	200	113	87	1,524

* turnover (revenues) defined as the sum of interest income, fee and commission income and other operating income.
** Information on the number of employees is provided according to the guidance published by the Central Statistical Office in 2018 in "Methodical principles of labour market and salary statistics". Number of employees is calculated based on employment contracts, excluding employees on child care leave and unpaid leave granted for periods longer than 3 months continuously.

The above summary includes data of PKO Bank Polski S.A. and subsidiaries included in consolidation within the meaning of Article 4 section 1 point 48 of the European Parliament and Council Regulation No 575/2013 (i.e. in prudential consolidation). Prudential consolidation, unlike consolidation in accordance with the International Financial Reporting Standards, covers only subsidiaries which meet the definition of an institution, a financial institution or an ancillary services undertaking.

PKO Bank Polski S.A. and subsidiaries of the Bank which are included in the prudential consolidation have their registered offices in the territory of Poland (where they mainly conduct the following activities: banking, asset management, investment and pension fund management, leasing and factoring, and provide brokerage and transfer agent services as well as provide technological solutions), Ukraine (banking and debt collection activities), Sweden (leasing and raising funds from bond issues) and Ireland (securitization of lease receivables). PKO Bank Polski S.A. also provides services through its branches in the Czech Republic, Germany, and Slovakia.

The presented values are the sum total of items in the separate financial statements of these entities (according to the data as at the date of the summary).

In 2024, PKO Bank Polski S.A. did not receive financial support from public funds, in particular under the Act of 12 February 2009 on support provided by the State Treasury to financial institutions.

In 2024, PKO Bank Polski S.A. did not sign any agreements mentioned in Article 141t section 1 of the Banking Law, i.e. financial support agreements with entities that are subject to consolidated supervision, which operate within the same holding, or with closely related entities.

Rates of return on assets of the Bank's Group and the Bank are presented in table No 1 and table No 5, respectively.

PUBLISHED FORECASTS OF FINANCIAL RESULTS FOR 2024

PKO Bank Polski SA did not publish forecasts of financial performance for 2024. In current reports, the Bank communicated information on significant events that affected the Bank's and the Bank's Group's results.

EMPLOYEE SHARE PLAN

No employee share plan is in place at PKO Bank Polski S.A.

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

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

On 28 March 2024, PKO Bank Polski S.A. concluded an annex to the guarantee agreement of 27 February 2023 providing unfunded credit protection in respect of a portfolio of selected corporate credit receivables of the Bank, in accordance with the CRR ("Guarantee"). Following the execution of the annex, the terms and conditions of the Guarantee have changed to the effect that the total value of the Bank's debt portfolio covered by this Guarantee is PLN 17,017 million, and the portfolio consists of the bond portfolio of PLN 1,844 million ("Portfolio A") and the portfolio of other receivables of PLN 15,173 million ("Portfolio B"). The coverage ratio is 100% for Portfolio A and 80% for Portfolio B, therefore the total maximum Guarantee amount is PLN 13,982 million.

On 27 May 2024, PKO Bank Polski S.A. concluded an annex to the loan agreement concluded in 2017, of which it had informed in Current Report No 18/2017 ("Agreement"). The information was published in Current Report No 30/2024. The annex stipulates the final date for the Bank's customer ("Customer") to repay the loan granted under the Agreement has been extended by a further 24 months from the previous extension, of which the Bank informed in Current Report No 14/2022. The outstanding loan amount is PLN 1.09 billion.

At the same time, in connection with the Agreement, PKO Bank Polski S.A. signed a statement regarding a tripartite understanding with the customer and the institution with which the customer is implementing a joint investment project, co-financed with the funds raised under the Agreement ("Understanding"), as referred to in Current Report No 19/2017 of 30 May 2017. The statement confirms the fact that the term of the Understanding has been extended by another 24 months compared to the previous extension.

On 25 October 2024, the Bank received information that Otwarty Fundusz Emerytalny PZU 'Złota Jesień', Nationale-Nederlanden Otwarty Fundusz Emerytalny, Generali Otwarty Fundusz Emerytalny ('Participants') had concluded an Arrangement to jointly exercise the right of minority shareholders, i.e. to request the convening of an Extraordinary General Meeting of the Bank and to place on the agenda an item relating to changes in the Supervisory Board of the Bank and other resolutions strictly related to changes in the Supervisory Board of the Bank and the convening of an Extraordinary General Meeting (the 'Arrangement '). The parties to the Arrangement have agreed that the Arrangement entered into will be valid until the demand of the Participants to the Arrangement is served on the Bank. On 25 October 2024, the Bank also received a request from the Parties to the Arrangement to convene an Extraordinary General Meeting regarding changes to the Bank's Supervisory Board, thus the Arrangement expired.

Subsidiaries of PKO Bank Polski S.A. did not conclude any material agreements with the central bank or with the supervisory authorities.

ISSUES OF SECURITIES OF PKO BANK POLSKI S.A. IN 2024

Issues of the Bank's bonds made in 2024 are described in section "Securities issued by entities of the Bank's Group".

The Bank will allocate the equivalent amount of the net proceeds from the bond issue of 12 September 2024 to mortgage loans that meet the criteria set out in the Green Bond Framework published on the Bank's website.

The proceeds from the remaining issues in 2024 will be used for the Bank's day-to-day operations and needs.

UNDERWRITING AGREEMENTS AND GUARANTEES GRANTED TO SUBSIDIARIES

On 30 August 2017, PKO Bank Hipoteczny S.A. concluded an agreement with PKO Bank Polski S.A. amending the agreement signed in 2015 on the National Mortgage Covered Bond Issue Programme. In accordance with the amending agreement, Brokerage Office of PKO Bank Polski S.A. had the role of underwriter (until August 2017, mortgage covered bonds were offered as standard issue bonds). In 2024, PKO Bank Hipoteczny S.A. did not issue any mortgage covered bonds under the aforesaid agreement. The aggregate nominal value of issued and outstanding mortgage covered bonds issued as part of firm commitment underwriting was PLN 790 million as at 31 December 2024. The Brokerage Office's portfolio as at the end of 2024 contained mortgage-covered bonds issued on 27 December 2024 with a nominal value of PLN 500 million.

As at 31 December 2024, issues of bonds of PKO Bank Hipoteczny S.A. under the Bond Issue Programme were governed by the Agreement on the Bond Issue Programme of 30 September 2015, with subsequent annexes, signed with PKO Bank Polski S.A., pursuant to which the maximum value of bonds issued and not redeemed based on the programme is PLN 6 billion, and the Guarantee Agreement of 30 September 2015, with subsequent amendments, pursuant to which PKO Bank Polski S.A. undertakes to be the underwriter of the bonds issue up to a total value of PLN 1 billion. At the same time, on the basis of separate agreements, PKO Bank Hipoteczny S.A. authorized the Bank's Brokerage Office to act as Issue Agent and PKO Bank Polski S.A. to act as Dealer.

The liability of PKO Bank Hipoteczny S.A. in respect of the bonds issued as part of the aforesaid programme as at the end of December 2024 (in nominal value) amounted to PLN 2.8 billion. As at 31 December 2024, PKO Bank Polski S.A. held no bonds issued by the company.

In 2024, PKO Bank Polski S.A. issued, with regard to activities of its subsidiaries:

- two bank guarantees for the repayment of liabilities arising from the rental of office space and parking lots with a total value of PLN 90.0 thousand and EUR 5.1 thousand (for a maximum period until February 2025),
- one bank guarantee in favour of the beneficiary in the amount of PLN 5 million as regards the proper performance of the agreement for the maintenance and servicing of the PPK record-keeping system (for a maximum period until December 2026).

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

Taking into consideration the value of and an increase in the number of court proceedings, PKO Bank Polski S.A. considered as material the court proceedings relating to mortgage loans in convertible currencies. As at 31 December 2024, 36,004 on court proceedings were pending against the Bank (as at 31 December 2023: 30,498) relating to mortgage loans granted in previous years in foreign currency with a total value in dispute of PLN 14,764 million (as at 31 December 2023: PLN 11,948 million), including one group proceeding with 47 loan agreements. The subject matter of the Bank's customers' actions are mainly claims for declaration of invalidity of an agreement or for payment of amounts paid by the customer to the Bank in performance of an invalid agreement. Customers allege abusive provisions or that the agreements are contrary to the law. None of the clauses used by the Bank in the agreements was entered in the register of prohibited contractual clauses.

Information on the value of all legal proceedings of the Bank, as well as a description of the main disputes, including those relating to mortgage loans in convertible currencies, is presented in the separate financial statements of PKO Bank Polski S.A for the year ended 31 December 2024 - note 42 "Legal claims", respectively.

LOANS DRAWN AND AGREEMENTS REGARDING ADVANCES, GUARANTEES AND SURETIES

In 2024, the Bank's Group did not incur any loans or advances, and did not receive any guarantees or sureties that would not be related to operating activities.

FINANCIAL LIABILITIES AND GUARANTEES GRANTED

As at 31 December 2024, net financial and guarantee liabilities of the Bank's Group amounted to PLN 102.5 billion, of which 88.3% were financial liabilities. Overall, the growth rate of financial and guarantee commitments granted was 7.7% y/y, mainly as a result of an increase in financial commitments for business credit lines and limits and for factoring, and a decrease in financial commitments for real estate credit lines and limits.

Table 34. Off-balance sheet liabilities granted (in PLN millions)

	31.12.2024	31.12.2023	Change (in PLN million)	Change (%)
Financial liabilities granted:	**90,493**	**82,922**	**7,571**	**9.1%**
housing credit lines and limits	6,786	6,898	-112	-1.6%
business credit lines and limits	62,229	56,333	5,896	10.5%
consumer credit lines and limits	11,678	10,780	898	8.3%
factoring credit lines and limits	5,116	4,289	827	19.3%
finance lease credit lines and limits	744	738	6	0.8%
Other	3,940	3,884	56	1.4%
Guarantee commitments granted:	**12,018**	**12,236**	**-218**	**-1.8%**
financial entities	2,655	2,810	-155	-5.5%
non-financial entities	9,195	9,054	141	1.6%
public sector	168	372	-204	-54.8%
Total	**102,511**	**95,158**	**7,353**	7.7%

Description of guarantees and sureties granted by the Bank

PKO Bank Polski S.A., including foreign branches of the Bank, grant guarantees to secure liabilities resulting from the current activities of customers. These are mainly guarantees for: payment, due performance of contract (performance bond), statutory warranty (rękojmia), tenders (bid bond)), return of advance payment, loan repayment and customs duty guarantee. The Bank also grants counter guarantees and opens standby letters of credit. The guarantees are issued both on paper and in an electronic form.

The guarantees are granted based on the provisions of the law. Guarantees issued in international trading can be subject to the Uniform Rules for Demand Guarantees (if the parties so decide) or the provisions of a foreign law (if the guarantee is subject to such jurisdiction).

When granting a guarantee, the process of customer evaluation and the scope of information required is analogous to the one applicable to loans. The Bank uses the same approach to the evaluation of the credit risk as in the case of balance sheet exposures.

Value of collateral set up on accounts or assets of the borrowers

At the end of 2024, the value of collateral set up on accounts or assets of the borrowers as part of the PKO Bank Polski S.A. Group was PLN 585 billion. The aforementioned amount concerns loan agreements, leases and loans.

Seasonality or cyclicality of activities in the reporting period

PKO Bank Polski S.A. is a universal bank, which provides services on the whole territory of Poland, and thus its activities are exposed to seasonal fluctuations similar to those affecting the entire Polish economy. The operations of the other PKO Bank Polski S.A. Group companies do not show any material traits of seasonality or cyclicality either.

Events that occurred after the date on which the financial statements are prepared

1. On 2 January 2025, the Bank, acting on the basis of the terms and conditions of the bond and with the approval of the Bank Guarantee Fund, informed bondholders, through publications in the Financial Times London and on the Luxembourg Stock Exchange, that it had decided to carry out an early redemption of all the bonds bearing ISIN code XS2582358789. Pursuant to the terms of issue, the optional redemption date is 1 February 2025 and the redemption amount is payable on 3 February 2025, being the first business day following the optional redemption date.
2. On 16 January 2025, under the EMTN Programme, the Bank issued Senior Preferred Bonds with a maturity of three years and five months, with the possibility of early redemption two years and five months after the date of issue (subject to the approval of the Bank Guarantee Fund (BFG)), with a total nominal value of EUR 750,000,000 on the basis of a prospectus approved on 15 March 2024 by the Commission de Surveillance du Secteur Financier. The coupon of the issue is fixed, at 3.375%, payable annually until the early redemption date (and

variable thereafter, with quarterly payments), Moody's Investors Service has assigned a rating of A3 to the issue. The bonds were admitted to trading on a regulated market on the Luxembourg Stock Exchange. The Bank also intends to list the bonds on the regulated market in Warsaw.

3. On 30 January 2025, the Bank concluded an annex to the guarantee agreement providing unfunded credit protection in respect of a portfolio of selected corporate credit receivables of the Group, in accordance with the CRR ("Guarantee"). For details on the guarantee, please refer to chapter 12 "Other information – Significant agreements and material agreements with the central bank or supervisory authorities". Following the execution of the annex, the terms and conditions of the Guarantee have changed to the effect that the total value of the Group's debt portfolio covered by this Guarantee is PLN 16,886 million, and the portfolio consists of the bond portfolio of PLN 2,365 million ("Portfolio A") and the portfolio of other receivables of PLN 14,521 million ("Portfolio B"). The coverage ratio is 100% for Portfolio A and 80% for Portfolio B, with the total maximum amount of the Guarantee remaining unchanged at PLN 13,982 million.
4. On 14 February 2025, BSafer spółka z o.o. (a joint venture of PKO VC -fizan, which is in the Bank Group) filed a bankruptcy petition with the court due to its insolvency.
5. On 20 February 2025, PKO Bank Hipoteczny S.A. (a subsidiary of the Bank) carried out a subscription for mortgage covered bonds, series 15, with a nominal value of PLN 800 million, issued on 27 February 2025 with a maturity date of 27 February 2029. The securities bear interest at a floating rate of 3M WIBOR + a margin of 0.80 bps.

13. SUSTAINABILITY STATEMENT OF THE PKO BANK POLSKI S.A. GROUP FOR 2024

13.1 GENERAL INFORMATION

BASIS FOR THE PREPARATION OF THE SUSTAINABILITY STATEMENT [BP-1, BP-2]

The information, data and ratios and statements contained in the statement relate to the PKO Bank Polski S.A Group, i.e. the parent company PKO Bank Polski S.A together with its consolidated subsidiaries, unless otherwise indicated. As at 31 December 2024 the Bank's Group comprised PKO Bank Polski S.A. as the parent and 36 direct or indirect subsidiaries (at all levels). The scope of consolidation in this report is the same as for the consolidated financial statements for 2024. In the Bank's Group, only the Bank is subject to the obligation to report on sustainable development for the year 2024. The report applies to the value chain at both the higher and lower levels (upstream and downstream) in the context of describing the value chain of the Bank's Group, data on greenhouse gas emissions in scope 3, and in relation to issues concerning consumers and end-users. The Bank's Group does not utilize the option of omitting information related to intellectual property, know-how, or innovation effects, nor does it use the option to withhold information about upcoming events or matters under negotiation.

The Bank's Group presents its policies on a consolidated basis. In the absence of group policies, the Bank's policies are presented, which should serve as a starting point for the future development of regulations at the Group level or have been transferred to subsidiaries for implementation. The policies of the subsidiaries, where no Group policy exists, are not described, as none of the subsidiaries reported any impact, risk, or opportunity (IRO) specific to their entity, nor are any of them subject to the obligation to report on sustainable development for the year 2024, which would be carried out through disclosure at the parent company level. The objectives are reported for policies at the Group level, provided they have been defined.

The policies adopted by the Management Board Resolution include its responsibility for their implementation. In the case of the Procedures, Principles, and Decisions, the level at which they were adopted is indicated, meaning specifying the organizational level responsible for their implementation. Policies and internal regulations do not apply exclusions unless specified otherwise.

This report is prepared annually and includes information and data for the period from 1 January to 31 December 2024. No indicators with a high level of measurement uncertainty were identified. The disclosed indicators have not undergone any attestation processes other than the attestation of the sustainable development statement.

The Group does not identify information included by reference to other parts of the Directors' Report.

THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES [GOV-1]

As of 31 December 2024, the Management Board of PKO Bank Polski S.A. consisted of seven executive members: six men and one woman. The proportion of women on the Management Board at the end of the year was 17%, with an average of 11% throughout the year.

As at the end of 2024, the internal division of responsibilities within the Bank's Management Board is as follows:

- The President of the Management Board is specifically responsible for matters related to strategy, internal audit, security, compliance risk, conduct risk, reputational risk, legal services, human resources management, communication and marketing, as well as corporate governance oversight;
- The Vice-President of the Management Board in charge of the Retail and Corporate Banking area is responsible in particular for matters relating to the development of the product offering for private individuals, including the design of the investment banking and insurance offering, product sales and services to private individuals and companies;
- The Vice-President of the Management Board in charge of the Corporate and Investment Banking Division is responsible in particular for matters relating to investment banking, the provision of custody services, the development of the Bank's treasury product offering and its own activities in the financial market, the development of the product offering for companies, enterprises and corporate and public sector banking customers, the sale of products to these customers, excluding companies;
- The Vice-President of the Management Board in charge of the Finance and Accounting Division is responsible in particular for the following matters: macroeconomic analysis, financial planning and controlling, accounting and financial reporting, taxation and sustainable development;
- The Vice-President of the Management Board in charge of the Administration Division is responsible in particular for the Bank's property management and procurement matters;
- The Vice-President of the Management Board in charge of the Operations and International Banking Division is responsible, in particular, for the handling of operations, the customer advocacy function, the sale of products and the servicing of international and institutional banking customers, the servicing of customers via means of remote communication, product administration and cash management;
- The Vice-President of the Management Board in charge of the Technology Division is responsible in particular for IT matters;
- The Vice-President of the Management Board in charge of the Risk Management Division is responsible in particular for the management of all risks relating to the Bank's activities, excluding compliance risk, conduct risk and reputation risk, as well as matters relating to the restructuring and recovery of the Bank's receivables.

All members of the Bank's Management Board have extensive experience in banking and financial market institutions at the highest executive levels. They also possess knowledge and expertise relevant to the specific areas under their supervision (e.g. banking risk, information technology, financial reporting).

The competencies and experience of the Management Board members are periodically assessed as part of both individual and collective suitability evaluations of the governing body as a whole. Additionally, in accordance with Polish banking supervisory requirements, the appointment of the President of the Management Board and the Management Board member responsible for risk management requires the approval of the Polish Financial Supervision Authority, which takes into account, among other factors, the candidate's experience when making its decision.

As of 31 December 2024, the Supervisory Board consisted of eight non-executive members, all of whom were designated as independent members. The proportion of women on the Supervisory Board at the end of the year was 33%, with an average of 47% throughout the year.

In accordance with formal requirements, all members of the Supervisory Board meet the specified qualification criteria required for members of the supervisory bodies of companies with State Treasury participation. The members of the Supervisory Board of PKO Bank Polski S.A. represent academic, business, and audit-advisory circles. They have documented extensive experience in academic work at higher education institutions, serving on the supervisory boards of financial sector companies, and holding senior management positions in banking and audit.

Table 35. Gender and Age Diversity (as at 31 December 2024)

GENDER	WOMEN	MEN
Supervisory Board	2	6
Management Board	1	6
MRT (Material Risk Takers)	18	66

AGE	BELOW 30	30-50	ABOVE 50 YEARS
Supervisory Board	-	1	7
Management Board	-	4	3
MRT (Material Risk Takers)	-	52	32

At the Bank, matters related to enhancing the necessary expertise in sustainable development are determined based on internal and external regulations, needs assessments—including those aligned with planned activities, particularly in the context of strategic objectives – reports on mandatory ESG training, post-inspection recommendations, as well as an analysis of employee qualifications, roles, and responsibilities.

Assessment of the knowledge, skills and experience of members of the Management Board and Supervisory Board of the Bank on sustainable development, including the ability to manage ESG risk and the impact of ESG risk factors on Bank's operations, is one of the verification criteria as part of preliminary and periodic (annual) suitability assessments and collective suitability assessments. Performance review of the Bank's Management Board and Supervisory Board with regard to fulfilment of entrusted obligations, including monitoring the management of the organisation's impact on ESG issues, is assessed in several respects, including through periodic monitoring of: the achievement of non-financial indicators and ESG-related objectives, the management objectives of the Bank's Management Board members – including the implementation of the Bank's strategy – as well as the organisation's impact on stakeholders and the social environment.

In 2024, as part of skills development and knowledge enhancement, the Bank implemented, among other initiatives:

- a strategic workshop for members of the Sustainable Development Committee, as well as other members of the Management Board and Supervisory Board of the Bank, focusing on corporate climate competitiveness and the role of financial institutions;
- a workshop on an in-depth understanding of carbon footprint and corporate climate competitiveness for members of the Management Board and Supervisory Board of the Bank.

Both workshops addressed the broader context of climate change and the role of businesses in its mitigation, the impact of climate change on business, supply chain-related mechanisms and financial institutions' requirements, climate strategy as an element of business strategy and a tool for building competitive advantage, the position of companies in the context of Poland's energy mix and the relative progress of climate initiatives, the evolution of corporate carbon footprint reporting standards (SBTi, CDP, TCFD), and methods for reducing carbon footprint across different areas and asset classes.

The Sustainable Development Committee of PKO Bank Polski S.A. is responsible for overseeing the impacts, risks, and opportunities of the Bank's Group. This responsibility is reflected in the objectives and competencies assigned to the Committee through a formal resolution. The Committee serves as the primary advisory body to the Management Board, responsible for monitoring, managing, and supervising impacts, risks, and opportunities related to the Bank's Group. The Committee's objectives include overseeing the implementation of the Bank's and the Bank's Group's sustainability and energy transition initiatives, supporting the Management Board in setting priorities, action plans, and sustainability goals, and shaping the sustainable development management framework. As part of its monitoring, management, and supervisory procedures, the Committee is required to hold meetings as needed, but no less than once per quarter. Within its competencies, the Management Board makes decisions on the Bank's sustainability matters, particularly based on recommendations from the Sustainable Development Committee. The Management Board oversees the Committee through the participation of two Management Board members in its activities and by reviewing meeting minutes and reports on its operations. The Committee is chaired by the Vice President of the Management Board responsible for finance and accounting, with the Vice President responsible for risk oversight serving as the deputy.

The Sustainable Development Committee is subordinate to the Management Board, which is specifically authorized to amend the Committee's objectives, competencies, and composition. It is also empowered to make decisions that serve as the basis for actions by the Bank's bodies and committees, as well as to collaborate with other committees within the Bank. The Committee's competencies take into account the distinct roles and responsibilities of other committees in certain matters to ensure transparency in corporate governance and accountability. Any exclusions of specific matters from the Committee's competencies are outlined in the relevant internal regulations. The regulations establishing the Sustainable Development Committee exclude matters within the competence of the Bank's Credit Committee, particularly concerning limits and credit policies, from the scope of the Sustainable Development Committee's recommendations regarding the application of ESG indicators in the Bank's operations, including in the area of banking products and services. The Sustainable Development Committee supports the Management Board in setting priorities, action plans, and goals for sustainable development. Based on an analysis of significant impacts, risks, and opportunities, it recommends objectives to be achieved, proposes action plans, and outlines a timeline for their implementation to the Management Board and the Supervisory Board. Progress is presented during Committee meetings, which are required to accept reports and statements and are authorized to issue recommendations for the Management Board.

INFORMATION PROVIDED TO ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES [GOV-2]

In 2024, the Bank conducted its first double materiality analysis in accordance with the European Sustainability Reporting Standards (ESRS) and due diligence principles. Future analyses will be carried out periodically when there are indicators of new significant impacts, risks, and opportunities (IRO).

The list of significant impacts, risks, and opportunities was approved by the Management Board of PKO Bank Polski S.A. These are taken into account in the oversight of strategy implementation, within the Sustainable Development Committee and the Strategy Committee. Key IROs overseen by the Sustainable Development Committee (KZR) include:

- Impacts: Greenhouse gas emissions from the Bank's client portfolio, financing projects in companies with high CO_2 emissions, green financing for vehicle fleet leasing/modernization, potential reduction of dependence on energy resources, improvement of economic competitiveness;
- Risks: Increased demand for investments in sustainable energy and energy efficiency improvements, introduction of new regulations on required energy consumption levels for buildings, sudden increase in the price of carbon emission allowances;
- Opportunities: Development of energy storage technologies, increased investment in energy infrastructure, introduction of new regulations limiting CO2 emissions, increased demand for financial services related to CO2 reduction projects, growth of the green bond market, increased investment in low-emission public transport infrastructure, growing importance of a low-emission economy, increased importance of renewable energy investments in construction, increased demand for sustainable energy, development of electric vehicle charging infrastructure.

Due to the presence of two members of the Management Board in the Sustainable Development Committee, most decisions are made by the Committee, and only in exceptional cases does the Committee pass recommendations to the Management Board and Supervisory Board (e.g. acceptance of the double materiality analysis results).

INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES [GOV-3]

The incentive schemes and remuneration principles for members of the governing, management, and supervisory bodies are based on the "Remuneration Policy for Members of the Supervisory Board and Management Board of Powszechna Kasa Oszczędności Banku Polskiego S.A." and the "Principles of Remuneration for Employees Whose Activities Have a Significant Impact on the Bank's Risk Profile."

The Remuneration Policy for members of the Supervisory Board and Management Board of Powszechna Kasa Oszczędności Banku Polskiego S.A. 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. Additionally, the management goals should relate to the implementation of the Bank's and the Bank's Group's strategy. Given the above, the variable remuneration of the Bank's Management Board members is linked to the achievement of ESG goals set out in the Bank's Strategy. This means that the ESG goals related to climate are addressed in the KPIs of individual strategic initiatives. The evaluation of these KPIs influences the achievement of strategic goals reflected in the Management Board's performance bonuses.

Members of the Supervisory Board are entitled solely to fixed remuneration. Within their competence and role in the governance of sustainability issues, they assess the effectiveness of the Management Board in achieving ESG goals by approving the Management Board's performance review for the relevant period, which also indirectly relates to their role in the climate governance system.

The remuneration policy for employees of the Bank and the Bank's Group does not directly link the remuneration of members of the boards and supervisory boards of companies within the Bank's Group to sustainability issues. However, their management goals should, as a rule, be consistent across the entire Bank's Group and ensure support for the achievement of the ESG goals outlined in the Bank's Strategy for 2025-2027.

In 2024, the evaluation of the Management Board's performance was dependent, among other factors, on the achievement of a sustainability-related goal, which concerned the percentage of women holding positions with a significant impact on the Bank's risk profile. This goal accounts for 10% of the Bank's score, which is a corrective indicator for the variable remuneration amount. However, the performance notes for the members of the Management Board included a goal related to assessing progress towards achieving the long-term assumptions and objectives of the strategic programmes resulting from the strategy adopted by the Bank. Goals related to decarbonisation are present in two strategic programmes. It is not possible to isolate the percentage of remuneration dependent on climate-related goals.

The basis for granting variable components of remuneration for MRT (employees whose activities have a significant impact on the Bank's risk profile), including members of the Management Board, is primarily the performance goals set within the framework of management by objectives (MbO). The MbO goals ensure consideration of the Bank's economic cycle and the risks associated with its activities. The risk is taken into account by setting appropriate, risk-sensitive criteria for evaluating the performance of MRTs.

The amount of the bonus for each MRT for the given performance period, including members of the Management Board of the Bank and its subsidiaries, may be adjusted depending on the degree of achievement of the goals defined in the so-called Annual Note of the Bank, but not exceeding 100% of the fixed remuneration in the case of an upward adjustment.

For members of the Management Board, the condition for awarding and initiating bonus payments is the approval by the General Meeting of the financial statement for the relevant performance period, granting discharge to the Board members, and achieving management goals related to the obligation to implement the requirements of public regulations regarding state property management and the so-called "chimney act."

Any of the calculated variable remuneration components may be reduced as a result of: violation of employee duties, failure to comply with legal provisions or customer service standards, improper performance of assigned tasks, or behaviour towards other employees that violates social cohabitation principles.

The conditions of the incentive schemes are approved and updated at the Bank:

- for the Management Board, at the General Meeting within the framework of the Remuneration Policy for Members of the Supervisory Board and Management Board and at the level of the Supervisory Board adopting the Principles of Employment and Remuneration for Members of the Management Board of the Bank;
- for employees of the Bank, at the level of the Management Board, which adopts the Principles of Remuneration for Employees Whose Activities Have a Significant Impact on the Bank's Risk Profile – Material Risk Takers in the Bank.

EMPLOYEE REPRESENTATION [GOV-1]

Employees are represented at the Bank by the trade unions, the Bank Employee Council and the Social Labour Inspection. The employer does not prevent the employees from joining the trade unions and the Bank Employee Council or acting as their members in any way. The Bank cooperates with these social partners in accordance with the applicable regulations. For a detailed description of the cooperation on employee representation, see section 13.3.1 "Own workforce".

STATEMENT ON DUE DILIGENCE [GOV-4]

The Bank's Group applies the principle of due diligence through a continuous and proactive process aimed at identifying negative impacts and making decisions to exclude or reduce them.

The elements of the due diligence process are described in the individual sections of the Report.

Core elements of due diligence	Chapter in the sustainability statement
Embedding due diligence in governance, strategy and business model	13.1/SBM-1; 13.1/SBM-3; 13.3.1/S1-1; 13.3.1/S1-2; 13.4/G1
Engaging with affected stakeholders	13.1/SBM-2; 13.1/GOV-1; 13.3.1/S1-2; 13.3.2/S4-2; 13.3.2/S4-3; 13.4/G1
Identifying and assessing adverse impacts	13.1/IRO-1; 13.1/SBM-3; 13.2.2/IRO-1; 13.3.2/SBM-3; 13.4/G1
Taking actions to address those adverse impacts	13.2.2/E1-3; 13.3.1/S1-3; 13.3.1/S1-17; 13.3.2/S4-4; 13.4/G1
Tracking the effectiveness of these efforts and communicating	13.3.1/MDR-A; 13.4/G1

Risk management and internal controls [GOV-5]

The Bank Group has an internal control system that is adapted to the type and scale of its business. The internal control system supports the management of the Bank and the Bank's Group Companies by ensuring the effectiveness and efficiency of operations, the reliability of reporting, compliance with the risk management principles and compliance of operations with generally applicable laws, the internal regulations, supervisory recommendations and market standards. The internal control system covers, among other things, the process of preparing reports to ensure effective and reliable operations, reliability of disclosures presented and compliance with laws, internal regulations and best market practices and standards.

The Bank has established a process for the external reporting of the Bank and the Bank's Group. As part of the identification and assessment of non-compliance risks for this process, particular attention is given to the potential risks associated with exceeding statutory deadlines for the preparation and submission of reports, improper preparation of reports due to the quality of data in source systems, incorrect classification of information, and omission of required disclosures. The risk is mitigated, among other things, through partial automation of the process, ongoing verification, audits, controls, and authorisation of reports. The overall risk level has been assessed as moderate. Work is underway to include the risk of sustainability reporting within the framework of this process.

The Bank's Group has not implemented methods for integrating findings from internal controls dedicated to sustainability reporting into its internal functions and processes. The internal audit plan for 2025 does not include an audit on sustainability reporting. A strategic internal audit plan for 2026-2028 will be developed in 2025. The inclusion of an audit on the preparation of sustainability reporting by the Bank will depend on the results of the conducted analysis and risk assessment. The results of internal audits conducted at the Bank and its Subsidiaries are periodically submitted to the supervisory bodies (the Management Board, the Audit Committee of the Supervisory Board, and the Supervisory Board), and additionally, for the Bank and Bank Hipoteczny, they are submitted to the PFSA Office.

Double materiality assessment [IRO-1, IRO-2]

Double materiality assessment methodology and process

In 2024, the Bank's Group conducted its first double materiality assessment aimed at identifying key issues related to impacts, risks, and opportunities related to sustainable development. The assessment was performed in line with the guidelines of the European Sustainability Reporting Standards (ESRS), with support from external consultancy experts. The materiality assessment was carried out both at the Group level and for each subsidiary. The analysis covered the Bank's own activities and exposures, including the structure of the Group's assets, with particular focus on banking assets, credit exposure across economic sectors, and the geographical distribution of the portfolio.

To ensure the comprehensiveness of the double materiality assessment, stakeholders were engaged through a survey designed to validate the key topics from the perspective of the Group's impact and the influence of the environment on the Group. The survey was directed to selected stakeholder groups, including representatives from subsidiaries, employees of the Bank's Group, external stakeholders, and experts. The survey ran from 13 August to 20 September 2024 and targeted 330,483 stakeholders.

The materiality assessment began with the development of a list of 245 impacts, 165 risks, and 119 opportunities facing the Bank's Group in the context of identified sustainable development issues. The process of creating the list and assessing individual impacts, risks, and opportunities involved a wide range of experts from key departments within the Bank and its subsidiaries, supported by external experts.

Impact materiality

The process of double materiality assessment began with the creation of a list of impacts resulting from both the Bank's own activities and its value chain, which were evaluated using a dedicated tool to determine their actual, potential, positive, or negative nature. The basis for assessing the materiality of impacts was four parameters: scale, scope, reversibility, which contributed to the severity of the impact, as well as the likelihood of occurrence. Each of these parameters was assessed using a five-point scale (very low, low, medium, high, very high). The selection and prioritisation of topics in the area of impacts were based on expert-established materiality thresholds. Any impact whose score exceeded the established cut-off point was considered material.

FINANCIAL MATERIALITY

Due to the schedule of the double materiality assessment process, the evaluation of risks and opportunities began before the impact materiality assessment was completed. To meet the requirement for linking risks, opportunities, and impacts, a verification of the list of risks and opportunities was conducted after the impact assessment had concluded. The basis for financial materiality was two parameters: the likelihood of occurrence and potential financial consequences. The analysis of financial consequences used the gross profit of the Group and its gross carrying value. Similar to the impact materiality assessment, each characteristic was rated on a five-point scale (very low, low, medium, high, very high).

The tools used to assess risks and opportunities showed a slight degree of differentiation. They reflected the fact that ESG risk is not a separate, but a cross-cutting type of risk, defined as the risk of negative financial effects for the Bank, resulting from the current or future impact of ESG risk factors on customers, counterparties, or the Bank's balance sheet positions. The process of identification, evaluation, and management of IRO has not yet been integrated into the overall risk management process.

In the case of opportunities, the processes of identification, evaluation, and management are carried out solely in the context of operationalising strategic objectives.

Evaluations of both risks and opportunities were based on historical data, market forecasts, and expert analysis. Based on the obtained individual evaluations, materiality thresholds were set, which formed the basis for selecting the most important issues. Risks or opportunities evaluated as high or very high were considered material.

The result of the double materiality assessment was the selection of a list of 15 issues (13 in the area of impacts and opportunities, and 6 in the area of risks), assigned to 5 topics: climate change, own employee resources, consumers and end-users, business conduct, and others.

The results were approved at an internal meeting (24 October 2024), and subsequently by the Sustainable Development Committee (18 November 2024) and the Management Board (27 November 2024). The results of the analysis form the basis for disclosures for the Bank's Group and are presented in Tables 36 and 37. The list of disclosure requirements met during the preparation of the sustainability report is in Table 38. Table 39. includes data points resulting from other EU regulations.

Table 36. Results of the double materiality assessment by topic and sub-topic

Type	Topic	Sub-topic	Impacts	Risks	Opportunities	Result
E	Climate change	Climate change mitigation (E1)	YES	YES	YES	YES
		Climate change adaptation (E1)	YES	NO	YES	YES
		Energy (E1)	YES	YES	YES	YES
	Pollution	Pollution of air (E2)	NO	NO	NO	NO
		Pollution of water (E2)	NO	NO	NO	NO
		Pollution of soil (E2)	NO	NO	NO	NO
		Pollution of living organisms and food resources (E2)	NO	NO	NO	NO
		Substances of concern (E2)	NO	NO	NO	NO
		Substances of very high concern (E2)	NO	NO	NO	NO
		Microplastics (E2)	NO	NO	NO	NO
	Water and marine resources	Water (E3)	NO	NO	NO	NO
		Marine resources (E3)	NO	NO	NO	NO
	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss (E4)	NO	NO	NO	NO
		Impacts on the state of species (E4)	NO	NO	NO	NO
		Impacts on the extent and condition of ecosystems (E4)	NO	NO	NO	NO
		Impacts and dependencies on ecosystem services (E4)	NO	NO	NO	NO
	Circular economy	Resources inflows, including resource use (E5)	NO	NO	NO	NO
		Resource outflows related to products and services (E5)	NO	NO	NO	NO

		Waste (E5)	NO	NO	NO	NO
S	Own workforce	Working conditions (S1)	YES	NO	YES	YES
		Equal treatment and opportunities for all (S1)	YES	NO	YES	YES
		Other work-related rights (S1)	NO	NO	NO	NO
	Workers in the value chain	Working conditions (S2)	NO	NO	NO	NO
		Equal treatment and opportunities for all (S2)	NO	NO	NO	NO
		Other work-related rights (S2)	NO	NO	NO	NO
	Affected Communities	Communities' economic, social and cultural rights (S3)	NO	NO	NO	NO
		Communities' civil and political rights (S3)	NO	NO	NO	NO
		Rights of indigenous peoples (S3)	NO	NO	NO	NO
	Consumers and end-users	Information-related impacts for consumers and/or end-users (S4)	YES	NO	YES	YES
		Personal safety of consumers and/or end-users (S4)	YES	NO	YES	YES
		Social inclusion of consumers and/or end-users (S4)	YES	NO	YES	YES
G	Business conduct	Corporate culture (G1)	YES	YES	YES	YES
		Protection of whistle-blowers (G1)	YES	NO	YES	YES
		Animal welfare (G1)	NO	NO	NO	NO
		Management of relationships with suppliers including payment practices (G1)	NO	NO	NO	NO
		Corruption and bribery (G1)	YES	YES	NO	YES
		Political engagement and lobbying activities (G1)	NO	YES	NO	YES
O	Capacity to live beyond the conflict of war		NO	NO	YES	YES
	Development of industry, infrastructure (including strategic state security - energy, defence, raw materials)		YES	YES	YES	YES
	Social protection		NO	NO	NO	NO
	ESG integration		NO	NO	NO	NO
	Restructuring		NO	NO	NO	NO
	Product compliance		YES	NO	YES	YES

Table 37. Results of the double materiality assessment by impacts, risks, and opportunities

ESRS	IRO	Issues
E1 CLIMATE CHANGE	Impacts	Greenhouse gas emissions from the bank's customer portfolio
		Financing projects in companies emitting high levels of CO_2
		Financing projects located in areas prone to natural disasters
		Green financing for leasing and fleet modernization
		Transition to a low-emission economy
		Financing related to the reconstruction of infrastructure damaged by rising sea levels and more frequent extreme weather events
	Risks	Increased demand for investments in sustainable energy and energy efficiency improvements
		Sudden rise in prices of greenhouse gas emission allowances, e.g., due to the introduction of new regulations
		Sudden introduction of carbon taxes or other CO_2 emission regulations
		Introduction of new regulations concerning the required energy consumption level of buildings
		Need for investment in low-emission technologies
		Inefficient management of sustainable energy projects by companies lacking the necessary experience
		Lack of CO_2 emission reduction strategies by the management of companies (customers) and Group companies
		Sudden rise in prices of greenhouse gas emission allowances
		Delays in the implementation of renewable energy projects due to a lack of appropriate materials or technologies
		Lack of social acceptance for wind or solar farms near residential areas
	Opportunities	Development of energy storage technologies
		Introduction of new regulations limiting CO_2 emissions
		Increased demand for financial services related to CO_2 emission reduction projects
		Growth of the green bond market
		Increased investments in low-emission public transport infrastructure
		Development of electric vehicle charging infrastructure
		Growing importance of a low-emission economy
		Increased demand for sustainable energy
		Increased demand for energy-efficient real estate
		Growing importance of investments in renewable energy in construction
		Increased public awareness of the benefits of eco-friendly construction

S1 OWN WORKFORCE	Impacts	Financial security of employees
		Promoting internal communication with employees
		Positive impact of interpersonal relationships on job satisfaction
		Actions to improve employee health
		Creating an ergonomic workplace
		Promoting further development/training of employees
		Violence or sexual harassment among employees
		Loss of employee trust in the company due to data loss or theft
		Impact of human rights violations on employee health
	Opportunities	Regular adjustment of salaries to market conditions and inflation
		Actively promoting social dialogue and the freedom of association
		Increasing the number of employees covered by collective bargaining agreements
		Introduction of policies promoting work-life balance
		Growing demand for employee training and development
S4 CONSUMERS AND END-USERS	Impacts	Protection of customer privacy
		Unfair communication with customers
		Harm caused to customers due to data loss or theft
		Information asymmetry in the process of providing advice and entering into contracts
		Financial losses for customers due to inadequate advice
		Anti-discrimination policies
	Opportunities	Ensuring consumers' access to high-quality and reliable information about products and services
		Implementing high-security standards in branches and offices
		Financing through a portfolio of companies engaged in research and development of products that enhance security and affect health
		Growing importance of non-discrimination in financial services
		Increasing awareness of privacy protection among consumers
		Increasing awareness of cybersecurity
G1 BUSINESS CONDUCT	Impacts	Reputation protection in the banking sector
		Spending on advertising campaigns
		Sponsorship agreements
		Violations of regulations supported by the PKO Bank Polski Foundation and significant documentation gaps – corporate culture
		International reputation
		Avoiding the costs of investigations and proceedings
		Preventing abuses in credit agreements
		Market disruption caused by anti-competitive behavior
		Corporate culture increasing resilience to crises
		Increasing employee trust through effective whistleblower protection
		Increase in reported irregularities, improving transparency
		Discouraging parties from reporting/disclosing complaints due to lack of whistleblower protection
		Counteracting corruption
		Reputation and corruption scandals
		Investor trust
	Risks	Public involvement in controversial political initiatives
		Lack of management support for corporate culture-related initiatives, which may lead to resistance to change and innovation
		Lack of effective anti-money laundering and counter-terrorism financing mechanisms within the Bank's Group
	Opportunities	Increasing importance of sustainable development in corporate culture
		Increasing importance of whistleblower protection in corporate policies
OTHER	Impacts	Investments in large infrastructure projects
		Potential reduction in dependence on energy raw materials
		Increased customer loyalty through regulatory compliance
		Improving economic competitiveness
	Risks	Environmental degradation resulting from industrial activities financed by the Bank's Group, which may affect local ecosystems and public health
	Opportunities	Development of reconstruction projects after armed conflicts
		Increasing the value of investment lands in post-war reconstruction regions
		Increased investments in energy infrastructure
		Increased investments in transport infrastructure
		Growing importance of product compliance with international standards
		Introduction of product certification compliance programmes

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES [E1.IRO-1]

Materiality assessment identified 6 impacts, 10 risks, and 11 opportunities related to climate change. The assessment included both actual and potential impacts that may occur in the short, medium, and long term, considering both direct and indirect effects across the value chain (both upstream and downstream). During the identification of impacts, the focus was on understanding how the activities of the Bank's Group and its business relationships affect the environment. Each impact was analyzed in terms of scale, scope, irreversibility, severity, and probability of occurrence, with benefits arising from their materialization, such as revenue growth, cost reduction, or operational process optimization, also being taken into account.

The materiality assessment also considered the risks and opportunities and their impact on the Bank's Group. The evaluation was based on both qualitative and quantitative analyses. Whenever possible, the distinction between materiality in the short-term (within 1 year), medium-term (within 5 years), and long-term (above 5 years) was included. Financial impact was measured by the value of exposed assets relative to the Bank's Group's balance sheet and the impact on gross profit. The specificity of the organization and clients financed by the Bank (sectoral data based on NACE classification), including their emissions, was also considered.

The high importance of mitigating climate change results from the fact that the Bank's Group is heavily exposed to climate risks associated with emissions in its portfolio. Transition risks are also significant, as many industries that the Group finances require a transformation towards a low-emission economy. Managing these risks and associated opportunities is crucial for the long-term financial stability of the Bank.

The high assessment of risks and opportunities related to energy arises from the Group's exposure to sectors with high energy demand. Transformations related to the energy transition, including switching to clean energy sources, pose both a risk and a potential opportunity. The Bank's Group can benefit from supporting sustainable energy investments, which align with the global decarbonization trend. Adaptation to climate change was deemed important in terms of impacts and opportunities, whereas the risks related to this subtopic were assessed as moderate or low. This means that the Bank's Group can focus on developing adaptive actions within its portfolio while managing moderate risks associated with the physical impacts of climate change. Identified opportunities offer growth potential, especially in the context of supporting sustainable investments, as well as increasing revenue and reducing costs, resulting from the implementation of new technologies, more efficient resource management, and the use of new markets related to investments in the green economy.

Eleven opportunities related to climate change were identified, including:

- Green bonds represent an opportunity for the Bank to raise additional capital to support financing sustainable development and transition to a low-emission economy. Funds raised from the sale of bonds will contribute to the development of the "green" part of the Bank's credit portfolio and the Bank's Group;
- Low-emission transport is an important area in terms of reducing the economy's emissions. The Bank and its Group can capitalize on current trends related to the development of electromobility and the use of alternative fuels. The positive trend related to the development of electromobility requires the development of adequate infrastructure to provide charging stations for electric vehicles, which presents an opportunity for the Bank and the Bank's Group;
- The energy-climate transition involves increasing benefits from conducting low-emission business activities. Rising costs of high-emission activities and companies' efforts to reduce emissions present an opportunity for the Bank and the Bank's Group, which can provide financing for the purchase of low-emission technologies;
- Low-emission construction is an important area in terms of reducing the economy's emissions. The Bank and the Bank's Group can take advantage of current trends and regulatory requirements related to low-emission building construction;
- Low-emission construction is associated with lower demand for primary energy and energy costs. Seeing the above benefits, the Bank and the Bank's Group can capitalize on the growing demand from clients for financial products supporting low-emission construction;
- With the energy transition and the shift towards a low-emission economy, energy storage systems can play an important role in ensuring the stability of energy supply and the electricity grid. In Poland, energy storage technologies are at an early stage of development and present an opportunity for early market entry;

- Regulatory changes are constantly being introduced in the market that promote low-emission products (e.g., defining energy efficiency classes for devices, reporting obligations related to emissions, setting up low-emission transport zones in cities, etc.). The Bank's Group, by financing such investments, can gain a competitive advantage and improve its reputation in the market. By offering products that enable the energy transition (e.g., building thermomodernization or purchasing low-emission vehicles), it can become one of the key partners in the transformation of its customers.

Own activities

The Bank identifies emissions resulting from its own operations for the entire Group. Emissions are calculated within Scope 1-3, in accordance with the GHG Protocol methodology. Additionally, the Bank takes actions to reduce its negative environmental impact, including purchasing renewable energy, installing photovoltaic systems, modernising branches, particularly through thermal modernisation, replacing lighting with energy-efficient alternatives, and gradually replacing the vehicle fleet with less-emitting options. The Bank standardises environmental protection regulations across the entire Group. With respect to upstream, a survey for suppliers has been implemented, incorporating criteria that allow for the assessment of suppliers based on ESG factors. For the first time, the Bank calculated emissions for the Group suppliers (category 1, scope 3) for the year 2024.

The Bank analysed its own operations with a focus on identifying actual and potential future sources of greenhouse gas emissions. The actual and potential impact on climate change in relation to its own operations was assessed at a relatively low level. The significant impact of the organisation, in terms of the entire Group, is concentrated in relation to the value chain, specifically downstream: Category 15 of Scope 3. A detailed discussion on this matter is provided elsewhere in the document.

The Bank also conducted an analysis of potential climate-related risks concerning physical risks. The analysis was carried out for properties located in Poland. Identified physical risks include sudden risks: floods, inundations, and hurricanes (winds >30 m/s). The risk for a given property is assessed using the climate model of the Institute of Environmental Protection – National Research Institute (KLIMADA 2.0 project), based on the IPCC RCP 8.5 scenario (this scenario assumes the continuation of current greenhouse gas emission growth and a global average temperature increase of 4.5°C). Regional-level (municipality) data are analysed in relation to the geographical location of the headquarters. A municipality is considered exposed to a given risk if the level of threat in KLIMADA 2.0 is determined to be greater than or equal to 0.75 in any of the sectors and time horizons.

The analysis includes risk indicators from the KLIMADA 2.0 portal. The level of gross risk (threat) is assessed in relation to inundation, flooding, and hurricanes (strong winds). The analysis covers three time horizons (up to 2030, 2040, and 2050).

Physical risk threatens Bank units located in three voivodeships: Lower Silesia, Małopolska, and Silesia.

The threat indicators are defined both for individual sectors and decades, thus covering all three perspectives: short, medium, and long-term. They align with the life cycle of properties in the Bank's property portfolio.

The analysis identified the occurrence of sudden risks (hurricane/flood/inundation threats) divided into the following time periods:

- up to 2030 (60 locations in municipalities exposed to risk) – in Lower Silesia (21), Małopolska (11), Silesia (28);
- up to 2040 (67 locations in municipalities exposed to risk) – in Lower Silesia (21), Małopolska (11), Silesia (35);
- up to 2050 (89 locations in municipalities exposed to risk) – in Lower Silesia (25), Małopolska (25), Silesia (39).

According to the IPCC RCP 8.5 scenario, sudden risks of hurricanes, floods, and inundations were identified. Without changes, by 2040, the number of locations at risk will increase by 12% compared to 2030, and by 2050, it will increase by as much as 48% compared to 2030.

As a result of the analysis, actions will be planned and taken to reduce or eliminate the identified risks.

Events related to the transition within the Bank's operations and throughout the supply chain are primarily related to the lack of preparedness of selected Bank locations for the potential materialisation of sudden types of risk, as well as significant reputational concerns. The latter may be related to the risk of the Bank's insufficient activity in the field of its own sustainable transformation, compared to influencing the Bank's customers to undergo transformation.

The organisation's assets and business activities may be exposed to transition-related risks; however, these risks are not considered significant at the organisational level in any of the time perspectives.

No cases of locked-in greenhouse gas emissions or failure to meet compliance requirements regarding the taxonomy have been identified.

The analysis allowed for the identification of areas within the Bank's operations that are exposed to physical risks. Based on the results, actions will be taken to prepare the organisation for the materialisation of these risks.

The scenarios used are consistent with the scenarios developed for the scenario analysis related to scope 3, categories 13 and 15, i.e., the Group's credit portfolio.

PORTFOLIO ANALYSIS

The impact of different types of climate risk is quantitatively analysed in relation to the portfolios of PKO Bank Polski, PKO Bank Hipoteczny, PKO Leasing, PKO Faktoring, PCM, and KREDOBANK (the KREDOBANK portfolio is analysed solely with respect to exposure to transition risk). For other subsidiaries, a qualitative analysis was carried out within the framework of the double materiality assessment process. The exposure of the portfolio to physical risks is assessed using scenario data from the KLIMADA 2.0 portal (IPCC RCP 8.5 scenario) with reference to the client's or collateral location. The gross risk (threat) level is assessed with respect to drought and water scarcity, flooding and inundations, and hurricanes (strong winds). The analysis covers three time horizons (up to 2030, 2040, and 2050). Exposure is assessed with regard to the likelihood of a particular loan default. The results of the portfolio sensitivity assessment to physical risks are described in more detail in the Report "Capital Adequacy and Other Information of the Capital Group of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna as at 31 December 2024" (form 5). Additionally, the portfolio's exposure to sudden flood and drought risk is incorporated into climate stress tests (see: E1.SBM-3).

In relation to the insurance portfolio (PKO TU and PKO Życie), an extended catalogue of climate-related physical risks is considered, including sudden risks such as flooding (coastal, river, rainfall, and groundwater), heavy precipitation (rain, hail, snow/ice), drought, and heatwaves. Long-term risks include changes in precipitation patterns and types (rain, hail, snow/ice), as well as temperature changes (air, freshwater, seawater). A qualitative analysis of the exposure of assets and business activities to these risks is conducted, including an increase in claims in property and life insurance, as well as rising damages, particularly in the area of damage caused by natural disasters. It is assessed that property insurance will be particularly exposed due to the increase in the number of claims and the potential for large and cumulative damages, with low materiality. An increase in claims in life insurance is also forecasted due to rising mortality from harsher living conditions. Additionally, it is estimated that rising inflation, unemployment, and financial market instability linked to climate change will increase damages, particularly in the areas of various types of financial risk insurance, motor insurance, and health insurance (low materiality).

The results of the scenario analysis conducted as part of the stress tests for insurance companies developed by the PFSA Office are taken into account. These tests form an integral part of the current risk management (including identification and assessment), financial planning, and business strategy for PKO TU and PKO Życie. A detailed description of the insurance stress tests is provided in Chapter SBM-3.

The exposure of the portfolio to transition risk related to the shift to a low-emission, climate-resilient economy is assessed based on the exposure value to non-financial companies that significantly contribute to climate change (NACE codes: A, B, C, D, E, F, G, H, I, L). The exposure to entities meeting the criteria set out in Article 12(1)(d-g) of Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020, supplementing Regulation (EU) 2016/1011 regarding the minimum EU standards for climate transition reference indicators and EU reference indicators aligned with the Paris Agreement, is also considered. The identification of exposure to these entities is carried out through an expert review of the portfolio of non-financial companies. This process involves assigning clients to groups of companies operating in fossil fuel, oil, natural gas, and electricity production industries. Due to the current status of the Polish energy sector, a conservative assumption is adopted that companies producing electricity (not exclusively from renewable energy sources) qualify as companies earning at least 50% of their revenue from electricity production.

The use of scenario analysis for identifying transition risks at the Bank is described in the chapter on climate stress tests (see: E1.SBM-3).

Table 38. Disclosure requirements in ESRS covered by the undertaking's sustainability statement

ESRS	Name	Chapter No
	ESRS 2 GENERAL DISCLOSURES	
BP-1	General basis for preparation of sustainability statements	13.1
BP-2	Disclosures in relation to specific circumstances	13.1
GOV-1	The role of the administrative, management and supervisory bodies	13.1
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	13.1
GOV-3	Integration of sustainability-related performance in incentive schemes	13.1
GOV-4	Statement on due diligence	13.1
GOV-5	Risk management and internal controls over sustainability reporting	13.1
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SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	13.1
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	13.1
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	13.1
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E1-1	Transition plan for climate change mitigation	13.2.2
E1-2	Policies related to climate change mitigation and adaptation	13.2.2
E1-3	Actions and resources in relation to climate change policies	13.2.2
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E1-5	Energy consumption and mix	13.2.2
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	13.2.2
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	13.2.2
E1-8	Internal carbon pricing scheme	13.2.2
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S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	13.3.1
S1-4	Taking action on material impacts on own workers, and approaches to managing material risks and pursuing material opportunities related to own workers, and effectiveness of those actions	13.3.1
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	13.3.1
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S1-9	Diversity metrics	13.3.1
S1-10	Adequate wage	13.3.1
S1-11	Social protection	13.3.1
S1-12	Persons with disabilities	13.3.1
S1-13	Training and skills development metrics	13.3.1
S1-14	Health and safety metrics	13.3.1
S1-15	Work-life balance metrics	13.3.1
S1-16	Compensation metrics (pay gap and total compensation)	13.3.1
S1-17	Incidents, complaints and severe human rights impacts	13.3.1
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S4-2	Processes for engaging with consumers and end-users about impacts	13.3.2
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	13.3.2
S4-4	Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	13.3.2
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	13.3.2
	ESRS G1 BUSINESS CONDUCT	
G1-1	Business conduct policies and corporate culture	13.4
G1-2	Management of relationships with suppliers	13.4
G1-3	Prevention and detection of corruption and bribery	13.4
G1-4	Incidents of corruption or bribery	13.4
G1-5	Political influence and lobbying activities	13.4
G1-6	Payment practices	13.4

Table 39. List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Chapter in the sustainability statement
ESRS 2 GOV-1 Board's gender diversity paragraph 21 letter D	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27), Annex II		13.1
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II)		13.1
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				13.1
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453(6), Table 1: Qualitative information on environmental risks and Table 2: Qualitative information on social risks	Delegated Regulation (EU) 2020/1816, Annex II)		not applicable to the Bank's Group
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		not applicable to the Bank's Group
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818(7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not applicable to the Bank's Group
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818(7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not applicable to the Bank's Group
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	13.2.2
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		13.2.2
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		13.2.2
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				not applicable to the Bank's Group
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				13.2.2
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				not applicable to the Bank's Group

ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		13.2.2
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		13.2.2
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	not applicable to the Bank's Group
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		The Group has applied the transition period and does not disclose information for 2024
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)					The Group has applied the transition period and does not disclose information for 2024
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			The Group has applied the transition period and does not disclose information for 2024
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			The Group has applied the transition period and does not disclose information for 2024
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		The Group has applied the transition period and does not disclose information for 2024
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Topic considered not relevant in the Group
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Topic considered not relevant in the Group

ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Topic considered not relevant in the Group
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Topic considered not relevant in the Group
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Topic considered not relevant in the Group
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Topic considered not relevant in the Group
ESRS 2- IRO 1 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Topic considered not relevant in the Group
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Topic considered not relevant in the Group
ESRS 2- IRO 1 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Topic considered not relevant in the Group
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Topic considered not relevant in the Group
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Topic considered not relevant in the Group
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Topic considered not relevant in the Group
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Topic considered not relevant in the Group
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Topic considered not relevant in the Group
ESRS 2 SBM-3-S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				13.3.1
ESRS 2 SBM-3-S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				13.3.1
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				13.3.1
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II)		13.3.1
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				13.3.1
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				13.3.1
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				13.3.1
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II)		13.3.1
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				13.3.1
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II)		13.3.1
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				13.3.1
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				13.3.1
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		13.3.1
ESRS 2 SBM-3-S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Topic considered not relevant in the Group
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Topic considered not relevant in the Group

ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Topic considered not relevant in the Group
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Topic considered not relevant in the Group
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II)		Topic considered not relevant in the Group
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Topic considered not relevant in the Group
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Topic considered not relevant in the Group
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Topic considered not relevant in the Group
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Topic considered not relevant in the Group
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				13.3.2
ESRS S4-1-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		13.3.2
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				13.3.2
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				13.4
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				13.4
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		13.4
ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				13.4

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).
(2) 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 and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).
(3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
(4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) No 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

INTERESTS AND VIEWS OF STAKEHOLDERS [SBM-2]

To ensure a broad spectrum of impacts, risks, and opportunities related to the activities of the Bank's Group were considered, stakeholders were involved in the double materiality assessment. Stakeholders, along with the subsidiaries, participated in evaluating the completeness of the topics subject to materiality assessement and in determining the influence of the Group.

The stakeholder dialogue was conducted through a survey. The survey was conducted online and made available to external stakeholders via the Microsoft Forms application. The survey covered issues related to the pillars of the Bank's Group Strategy for 2025-2027, including energy transition financing and customer accessibility.

To assess employee opinions, an internal survey tool was used. The survey was also directed at representatives of subsidiaries, Group employees, external stakeholders (institutional investors, customers, business partners, auditors, media, and the public, as well as NGO representatives).

The survey allowed respondents to identify which topics they considered critical and assess the impact of PKO Bank Polski's Group on the discussed issues. The survey results confirmed the completeness of the topics subject to the double materiality assessment. This means that the Bank's Group considered a broad range of analyzed impacts, risks, and opportunities related to its operations. The results obtained from the double materiality assessment and the opinions of stakeholders did not lead to any changes in the strategy or business model.

The results of the survey were also presented at the Sustainable Development Committee (18 November 2024) and subsequently approved by the Management Board (26 November 2024).

The survey confirmed the completeness of the topics analyzed in the double materiality process. Furthermore, 12 stakeholder groups were identified, with appropriate levels of materiality assigned based on the strength of their influence on the Bank's Group and vice versa.

Table 40. Significant stakeholder groups

CATEGORY	STAKEHOLDER GROUP	DESCRIPTION	METHOD OF ENGAGEMENT
KEY STAKEHOLDERS	Employees	The internal staff resources of the Bank's Group and the trade unions representing their interests	• Intranet • Newsletter • Meetings with the management team • PKO News TV • Employee satisfaction survey (eNPS) • Employee representation: trade unions at the company level / Bank Employees' Council • Employee helpline
	Shareholders and Investors	Individual shareholders and institutional investors	• Investor Relations website • Annual General Meeting and Extraordinary General Meeting • Stock exchange announcements • Press releases • Financial results and presentations • Current reports • Direct contact with the Investor Relations Office
	Clients	Retail, corporate, and investment clients, key to the Group's operations	• Bank branches • Website • Online channels and social media • Meetings with advisors • iPKO mobile app • Virtual Advisor or telephone service (IVR) • Customer satisfaction surveys • Contact center • Customer ombudsman
	Business partners	Suppliers, agents, intermediaries, and external entities cooperating with the Bank's Group in terms of services and products	• Direct contact
	Regulatory Authorities and Financial Supervision	Key bodies overseeing the banking sector, including those responsible for financial regulations	• Reports • Cooperation within supervisory activities
CONTEXT CREATORS	Rating Agencies	Entities assessing the Group's creditworthiness, influencing its access to financing	• Direct meetings and workshops • Dedicated platforms • Website • Email correspondence
	Auditors	Entities cooperating with the Group to ensure financial compliance and adherence to legal requirements	• Direct meetings and workshops • Email correspondence
	Media and Public Opinion	Representatives of key media informing the public about the Group's activities, and public	• Industry conferences • Interviews and comments • Press releases

		opinion, which influences the Group's reputation	• Website • Online channels and social media
PARTICIPANTS	Local communities	Local groups directly impacted by the Group's activities	• Sponsorship activities • Patronages • Employee volunteerism
	Natural Environment	In the context of sustainable development, the natural environment plays the role of a stakeholder influenced by the Group's ESG-related activities	• Annual General Meeting and Extraordinary General Meeting • Website
	Competition	External stakeholder group shaping the market	• Industry meetings • Working groups
	Employees in the value chain	Individuals employed by companies providing services or products for the Group	• eNPS system

Other Stakeholder Groups (potential employees and business organizations) do not have a significant impact on the Group, nor does the Group have a significant impact on them.

The Bank regularly evaluates stakeholder expectations (including surveys directed at customers and employees, consultations, and collaboration within working groups with regulatory institutions such as the PFSA, meetings with investors) to better understand their perspectives and expectations, and to define significant risks and opportunities based on this. Based on analyses, the following key expectations have been identified, which are addressed in the Bank's strategy and business model:

- Clients expect innovative, secure, and tailored financial services. The Bank adapts its offerings to changing customer preferences, with particular attention to mobile services and online banking. Expectations are also growing for products that support sustainable development goals, including solutions for acquiring and storing clean energy (energy transformation) to mitigate rising energy costs, supporting the replacement of vehicle fleets with low-emission vehicles, and the modernisation of buildings to low-emission standards.
- Employees focus on job stability, professional development, and a positive work environment that respects diversity. The Bank focuses on employee development, offering training programmes, promoting organisational culture, and fostering acceptance of diversity.
- Shareholders expect profitability, transparency in management, and a focus on sustainable development, which is clearly reflected both in the strategy, including the ESG strategy, and periodic ESG reports.
- Regulatory Institutions emphasise the need for compliance with financial and environmental regulations, which the Bank incorporates into its internal documents, such as compliance procedures, disclosures, credit policies, and procurement processes.
- Local Communities value the Bank's support for financial education and programmes that promote regional development.

In recent years, the Bank has introduced changes to its strategy that take into account the growing importance of sustainable development. These changes focus on areas such as financing green projects and investing in low-emission technologies that support the energy transformation of its customers and the country. The Bank places emphasis on integrating ESG criteria into many business decision-making processes (e.g., product offering modifications, credit processes, procurement) and risk assessment processes. In response to global challenges related to climate change, the Bank is changing its business model and expanding its product offerings to promote the sustainable transformation of the Polish economy, including green bonds, financing for renewable energy, low-emission vehicles, building thermal modernisation, and preferential loans for SMEs engaged in ESG activities. These actions aim to achieve one of the key objectives, which is to modify the loan portfolio structure by increasing the share of loans supporting ESG goals.

The Bank actively adjusts its strategy to the needs and expectations of stakeholders, including investors, customers, employees, and local communities, through:

- dialogue with key stakeholders (e.g., NGOs, regulators, customers, employees) to better understand their needs and respond to challenges related to climate change;

- based on consultations with stakeholders, the Bank increases the transparency of its ESG activities, regularly publishing disclosure reports and progress on sustainable development goals;
- the Bank is developing products and services that support financing environmentally friendly goals and local communities;
- in response to growing customer expectations, the Bank is expanding its offering of technology-based services, such as mobile applications and online banking, with particular attention to accessibility and security;
- the Bank has introduced programmes supporting financial education for customers and sustainable development in local communities.

The Bank plans to further transform its business model in the future to fully align it with stakeholder expectations and sustainable development goals:

- by 2050, the Bank aims to achieve a net-zero target by systematically reducing its own emissions (with over 90% of energy coming from green sources and reducing the energy consumption of buildings), and decarbonising its loan portfolio (by setting and implementing decarbonisation paths for individual sectors);
- by 2027, the Bank plans to secure a 20% share in bank financing for the country's energy transformation through an increased share of loans for financing green energy projects;
- continued development of ESG reporting and communication with stakeholders regarding sustainable development activities;
- further development of banking platforms using AI and blockchain to enhance customer comfort and security.
- continuation of social initiatives, including financial education for young people, future skills development, and environmental initiatives.

The above steps are likely to significantly impact stakeholder relationships and perceptions, particularly in areas such as:

- Customers: expect innovative solutions that facilitate banking services, which may increase their loyalty to the Bank. Additionally, the planned increase in financing projects related to the green transformation will alter customer perceptions of the Bank and strengthen its position in the green finance sector in Poland.
- Employees: intensified professional development programmes (including those aimed at increasing the representation of underrepresented genders), building a diversity culture, and improving working conditions may lead to higher satisfaction and engagement.
- Shareholders: improved financial performance through investments in innovation and social responsibility may increase trust in the Bank, which could lead to higher market valuations (stock prices) and lower capital raising costs (through bond issuance).
- Local communities: continued social activities will strengthen the Bank's positive image and its relationships with local communities.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [SBM-3]

As part of the double materiality assessment, areas of impact of the Bank's Group on people and the environment were identified, which are presented in Table 41. The time perspective of these impacts was determined based on expert knowledge. In accordance with the ESRS requirements, it will be verified in the next reporting period.

The impacts were assigned the following time horizons: long-term for impacts materialising after more than five years, short-term for impacts materialising within less than a year, and medium-term for all other cases.

Issues related to significant impacts are reflected in the PKO Bank Polski S.A. Strategy for 2025-2027 as well as in the business model. As the largest commercial bank in Poland by assets and equity, the Bank will support financing the sustainable growth of Polish companies and will contribute to the resilience and development of the Polish economy.

Table 41. List of material impacts

TOPIC	IMPACT	DESCRIPTION	TYPE (POSITIVE/NEGATIVE/ACTUAL/POTENTIAL)	HORIZON	VALUE CHAIN
ESRS E1 Climate Change	Greenhouse gas emissions from the Bank's customer portfolio	The Bank finances clients who use the funds to meet consumption needs or invest. The carbon intensity of the portfolio is calculated for loans to enterprises, loans for commercial real estate, project finance, vehicle financing, and corporate bonds and shares, as well as for mortgages for individuals (emissions from Scope 3).	Positive actual	Long-term	Downstream
ESRS E1 Climate Change	Financing projects in companies emitting high levels of CO_2	The Bank finances projects in companies that emit high amounts of CO_2, contributing to climate change and potentially other environmental phenomena.	Negative actual	Long-term	Downstream
ESRS E1 Climate Change	Financing projects located in areas prone to natural disasters	Financing by the Bank's Group of projects in areas exposed to natural disasters increases the risk of environmental and infrastructural damage. This may lead to the degradation of local ecosystems and an increase in CO2 emissions due to infrastructure reconstruction, as well as generate financial losses and limit funds for further pro-environmental investments.	Negative actual	Long-term	Downstream + own operations
ESRS E1 Climate Change	Green financing for leasing and fleet modernization	Through adapting its leasing offerings to CO2 emission regulations, the Bank's Group supports clients in replacing older vehicles with modern, eco-friendly models, contributing to the reduction of pollution and CO_2 emissions.	Positive actual	Medium-term	Downstream
ESRS E1 Climate Change	Transition to a low-emission economy	The transition to a low-carbon economy may involve high costs for financing new technologies and infrastructure. By financing investments in new technologies and adaptation to low-carbon standards, the Bank may lead to an increase in emissions in the short term due to intense energy and resource consumption during modernisation. However, in the long term, it will contribute to their reduction.	Positive potential	Medium-term + Long-term	Own operations
ESRS E1 Climate Change	Financing related to the reconstruction of infrastructure damaged by rising sea levels and more frequent extreme weather events	The PKO BP Group, by financing projects related to the repair and modernisation of infrastructure damaged by rising sea levels and extreme weather events, may contribute to increased demand for construction materials and energy. This, in turn, leads to higher CO_2 emissions, which may slow down climate change mitigation efforts and contribute to the further increase of greenhouse gas emissions.	Negative potential	Medium-term + Long-term	Own operations
ESRS S1 Own workforce	Financial security of employees	As an employer, the Bank ensures financial security for its employees. Additional benefits, such as above-average salaries or permanent employment contracts, can be a positive added value for employees.	Positive actual	Short-term + Medium-term + Long-term	Own operations

ESRS S1 Own workforce employment risk	Promoting internal communication with employees	Extensive use of internal communication channels (e.g., intranet, annual reviews) helps increase employee engagement and improves their loyalty.	Positive actual	Short-term + Medium-term + Long-term	Own operations
ESRS S1 Own workforce employment risk	Positive impact of interpersonal relationships on job satisfaction	Positive interpersonal relationships can include mutual support between employees, joint activities outside of work, and effective onboarding.	Positive actual	Short-term	Own operations
ESRS S1 Own workforce employment risk	Actions to improve employee health	The Bank offers various health promotion measures to its employees.	Positive actual	Short-term + Medium-term + Long-term	Own operations
ESRS S1 Own workforce employment risk	Creating an ergonomic workplace	Creating ergonomic workstations (e.g., height-adjustable desks) and conducting ergonomics training can prevent physical problems among employees.	Positive actual	Short-term + Medium-term + Long-term	Own operations
ESRS S1 Own workforce employment risk	Promoting continued development/training of employees	The Bank offers employees further training programmes, career planning, and training courses.	Positive actual	Medium-term	Own operations
ESRS S1 Own workforce employment risk	Violence or sexual harassment among employees	Sexual harassment or the use of violence (verbal and physical) may occur among employees.	Negative potential	Short-term	Own operations
ESRS S1 Own workforce employment risk	Loss of employee trust in the company due to data loss or theft	Employee data may fall into the wrong hands if mishandled.	Negative potential	Short-term + Medium-term + Long-term	Own operations
ESRS S1 Own workforce employment risk	Impact of human rights violations on employee health	Improper treatment of employees can lead to human rights violations (e.g., forced labour, limiting freedom of expression).	Negative potential	Short-term + Medium-term + Long-term	Own operations
ESRS S4 Consumers and end-users	Protection of customer privacy	The implementation of advanced personal data protection systems impacts client trust and loyalty. These actions raise security standards in the financial sector, shaping the attitudes of other institutions. As a result, the Group influences clients' awareness of data protection and promotes responsible use of financial services.	Positive actual	Medium-term + Long-term	Downstream
ESRS S4 Consumers and end-users	Unfair communication with customers	Greenwashing, unclear communication, or poor or insufficient access to information may prevent consumers from obtaining all the information needed to make good purchasing and investment decisions.	Negative potential	Short-term	Downstream
ESRS S4 Consumers and end-users	Harm caused to customers due to data loss or theft	Client data may fall into the wrong hands due to cyberattacks or negligent handling by employees.	Negative potential	Short-term	Downstream
ESRS S4 Consumers and end-users	Information asymmetry in the process of providing advice and entering into contracts	Complicated contract texts and unclear communication make it difficult for certain groups to access product offerings.	Negative potential	Short-term	Downstream + Upstream
ESRS S4 Consumers and end-users	Financial losses for customers due to inadequate advice	Poor advice (e.g., due to a lack of knowledge/training on the part of employees) may lead to bad investments.	Negative potential	Short-term	Own operations

ESRS S4 Consumers and end-users	Anti-discrimination policies	Failure to comply with or lack of anti-discrimination policies affects access equality to financial services. Such actions increase social inequalities and negatively affect socially excluded groups.	Negative potential	Medium-term	Downstream
ESRS G1 Business conduct	Reputation protection in the banking sector	Irresponsible financial decisions, corrupt events, or supporting initiatives with a negative impact on the environment negatively affect trust and stability in the banking sector.	Negative actual	Medium-term	Downstream
ESRS G1 Business conduct	Spending on advertising campaigns	Excessive or inefficiently managed spending on advertising campaigns may lead to the waste of financial resources. Lack of responsibility and transparency in the allocation of these funds negatively affects corporate culture, weakening trust among both employees and stakeholders, which can influence the Group's perception as irresponsible and unreliable.	Negative actual	Short-term + Medium-term + Long-term	Own operations
ESRS G1 Business conduct	Sponsorship agreements	Improper management of sponsorship agreements, such as lack of transparency and clearly defined rules, can negatively affect corporate culture and the entire financial sector. This may lead to a loss of trust among employees and business partners, creating an image of a brand that does not prioritize honesty and transparency in its actions. Such practices can result in decreased employee engagement in ethically-based activities.	Negative actual	Short-term + Medium-term + Long-term	Own operations
ESRS G1 Business conduct	Violations of regulations supported by the PKO Bank Polski Foundation and significant documentation gaps – corporate culture	Deficiencies in documentation and violations of regulations when providing support through the Foundation negatively impact corporate culture. Ineffective management and a lack of transparency create the impression that the Group does not prioritize ethical standards in its processes. This may lead to a decline in employee morale and stakeholder trust, as well as difficulties in building a long-term culture based on ethical values and social responsibility.	Negative actual	Short-term + Medium-term + Long-term	Own operations
ESRS G1 Business conduct	International reputation	Adherence to international anti-corruption standards improves the Group's reputation in foreign markets. This facilitates expansion and international cooperation, building an image of a responsible business partner. These actions also promote ethical standards in the financial industry.	Positive actual	Short-tern + Medium-term	Own operations
ESRS G1 Business conduct	Avoiding the costs of investigations and proceedings	Effective anti-corruption mechanisms prevent costly investigations and legal proceedings. As a result, the Group strengthens the reputation of the Polish financial sector, contributing to its stability.	Positive actual	Medium-term	Own operations

ESRS G1 Business conduct	Preventing abuses in credit agreements	Unethical practices (e.g., using abusive clauses in loan agreements) negatively impact relations with clients and the level of public trust in financial institutions.	Negative potential	Long-term	Downstream
ESRS G1 Business conduct	Market disruption caused by anti-competitive behavior	Cases of corruption, bribery, or illegal market agreements harm the common good.	Negative potential	Short-tern + Medium-term	Own operations
ESRS G1 Business conduct	Corporate culture increasing resilience to crises	A strong corporate culture increases an organization's resilience to crises, as employees are more united and motivated to act together. Consequently, the organization is better able to respond to difficulties, maintaining operational efficiency. Long-term, this contributes to building lasting value and trust in the brand.	Positive potential	Medium-term + Long-term	Own operations
ESRS G1 Business conduct	Increasing employee trust through effective whistleblower protection	Funding activities (e.g., programs, tools) aimed at effectively protecting whistleblowers increases employee trust and improves morale within the company.	Positive potential	Medium-term	Own operations
ESRS G1 Business conduct	Increase in reported irregularities, improving transparency	Effective protection of whistleblowers encourages employees to report irregularities, enhancing transparency and compliance with regulations.	Positive potential	Short-tern + Medium-term	Own operations
ESRS G1 Business conduct	Discouraging parties from reporting/disclosing complaints due to lack of whistleblower protection	Inadequate protection of whistleblowers means that stakeholders are less inclined to report irregularities.	Negative potential	Short-tern + Medium-term	Own operations
ESRS G1 Business conduct	Counteracting corruption	Lack of effective anti-corruption and bribery mechanisms can negatively affect the bank's reputation, its relationships with clients and business partners, thereby contributing to reduced trust in the banking sector.	Negative potential	Medium-term	Own operations
ESRS G1 Business conduct	Reputation and corruption scandals	Participation in financial crimes or corruption negatively affects the Group's reputation. Such actions weaken the Group's market position and trust in the banking sector.	Negative potential	Short-tern + Medium-term	Own operations
ESRS G1 Business conduct	Investor trust	Failure to implement effective anti-corruption mechanisms, promote transparency, and ensure regulatory compliance negatively impacts investors' evaluations and trust, which is crucial for attracting capital necessary for financing sustainable development investments.	Negative potential	Short-tern + Medium-term	Own operations
Specific topic Industrial development, infrastructure	Investments in large infrastructure projects	Funding large infrastructure projects leads to an increase in the value of the financial institution's assets. This strengthens the market position and long-term financial stability. When conducted in line with sustainable development principles, such investments can also support environmental protection and society.	Positive actual	Long-term	Downstream

Specific topic Industrial development, infrastructure	Potential reduction in dependence on energy raw materials	Financing investments in renewable energy sources can reduce the country's dependence on energy resources, improving energy security.	Positive actual	Long-term	Downstream
Specific topic Product compliance	Increased customer loyalty through regulatory compliance	Actions aimed at ensuring full compliance of products with ESG regulations increase customer trust and loyalty. This influence translates into long-term customer relationships and a positive brand perception. As a result, the organization can better support sustainable practices and pro-environmental actions.	Positive actual	Medium-term + Long-term	Downstream
Specific topic Industrial development, infrastructure	Improving economic competitiveness	Financing infrastructure development projects improves the efficiency of the economy, increasing its competitiveness.	Positive potential	Long-term	Downstream

The significant impacts identified in the double materiality analysis process are linked to the Bank's Group's strategy and business model as follows:

- Financing companies emitting high GHG emissions – the 2025-2027 Strategy addresses sustainability issues through financing low-emission projects and green bonds. The Bank is working to reduce emissions in its credit portfolio;
- Financing projects in disaster-prone areas – playing a key role in financing large infrastructure projects, the Group is aware of the risks associated with financing projects in disaster-prone areas. Therefore, sustainable risk management and the preference for projects that incorporate environmental protection aspects are integral parts of the strategy. The Group invests in disaster recovery projects while minimizing their impact on ecosystems and GHG emissions;
- Ensuring responsible financial decisions and avoiding corruption – the Group emphasizes transparency and ethical business practices, which are reflected in its daily operations as well as in risk management, compliance, and ESG regulations. Responsible financial decisions and anti-corruption policies are key to building trust with clients and stakeholders. The strategy also includes social education and promoting sustainable practices among employees and the financial market;
- Managing expenses for advertising campaigns and sponsorship agreements, including the Foundation's activities – the Group focuses on cost efficiency and transparency in expenses, which is reflected in its marketing strategy and decision-making processes related to sponsorship agreements. The Group emphasizes savings and responsibility in resource allocation, ensuring the effectiveness of its advertising and sponsorship activities;
- Adapting leasing offers to GHG emissions requirements – as part of its sustainability strategy, the Group offers solutions to support clients in reducing GHG emissions, such as leasing electric vehicles. These actions align with global trends in reducing GHG emissions and help build an offering in line with market expectations and regulations;
- Employee financial security – the strategy highlights the importance of employee well-being and providing them with job stability, which translates into high motivation and loyalty. Compensation and benefits are an essential part of creating a positive corporate culture;
- Utilizing internal communication channels – internal communication and employee engagement play a key role in creating a positive working atmosphere and organizational effectiveness. The Bank organizes annual reviews and team meetings, which support the creation of a culture based on openness and collaboration;
- Promoting employee health and ergonomics – the Group offers health programs to employees and ensures that workstations are adapted to their needs;
- Data protection and digital security – the Group focuses on digital security and personal data protection, which aligns with its digitalization and sustainability strategy. Information security is a key element in building trust and long-term relationships with clients, enhancing competitiveness;
- Complying with international anti-corruption standards – the Group adheres to international ethics and anti-corruption standards, which facilitates its global expansion and cooperation with international financial institutions. Adherence to these standards is consistent with the values of social responsibility;

- Financing large infrastructure projects – the Group actively finances infrastructure projects and supports investments in the renewable energy sector and green technologies, contributing to portfolio diversification, asset growth, and strengthening market position;
- Financing investments in renewable energy sources – investments in renewable energy are an integral part of the strategy, which promotes financing green projects as part of the energy transition;
- Adapting products to ESG regulations – the Bank's strategy promotes products in line with international standards and customer expectations regarding responsible investment and pro-environmental practices. [SBM-3, 48cii]

An element of the double materiality assessment is also the identification of risks and opportunities, which are presented in Tables 42. and 43. Two approaches were used in the analysis of the financial impacts of risks: the scale of impact on the Group's gross profit for 2023 and on the carrying amount. In cases where quantitative information was unavailable, a qualitative assessment was used. The following thresholds were applied: very low (less than 0.1% of gross profit or less than EUR 100 million of carrying amount), low (0.1–1% of gross profit or EUR 101–999 million of carrying amount), moderate (1–3% of gross profit or EUR 1,000–4,999 million of carrying amount), high (3–10% of gross profit or EUR 5,000–9,999 million of carrying amount), very high (10% of gross profit or more, or more than EUR 10,000 million of carrying amount). For opportunities, a classification based solely on qualitative assessment was applied. In both cases, risks and opportunities rated as high or very high were considered material.

Table 42. List of material risks (C - cause, E - effect)

TOPIC	SUB-TOPIC	DESCRIPTION	HORIZON	VALUE CHAIN
ESRS E1 Climate change	Energy	C: Increased demand for investments in sustainable energy and energy efficiency improvements. E: Companies must incur higher costs for investments in modern technologies, which may lead to delays in project implementation and an increase in operating costs.	Medium-term + Long-term	Downstream + Own operations + Upstream
ESRS E1 Climate change	Energy	C: Inefficient management of sustainable energy projects by companies lacking the necessary experience. E: Cost overruns and delays in project implementation can result in financial losses.	Medium-term + Long-term	Downstream
ESRS E1 Climate change	Energy	C: Sudden rise in prices of greenhouse gas emission allowances. E: Companies operating in Poland may face higher operating costs due to rising energy prices. This may lead to a reduction in profitability and an increase in operational and financial risks.	Medium-term + Long-term	Downstream
ESRS E1 Climate change	Energy	C: Delays in the implementation of renewable energy projects due to a lack of appropriate materials or technologies. E: A reduction in renewable energy production could lead to further reliance on conventional energy sources.	Medium-term + Long-term	Downstream
ESRS E1 Climate change	Energy	C: Lack of social acceptance for wind or solar farms near residential areas. E: Protests from local communities may delay or block energy projects.	Medium-term	Downstream
ESRS E1 Climate change	Climate change mitigation	C: Sudden rise in prices of greenhouse gas emission allowances, e.g., due to the introduction of new regulations. E: Companies with high CO_2 emissions will be forced to increase investments in emission-reducing technologies or will have to pay higher emission fees.	Medium-term + Long-term	Downstream
ESRS E1 Climate change	Climate change mitigation	C: Sudden introduction of carbon taxes or other CO_2 emission regulations. E: The increase in operating costs for companies, particularly in the energy and transport sectors.	Short-term + Medium-term + Long-term	Downstream + own operations
ESRS E1 Climate change	Climate change mitigation	C: Introduction of new regulations concerning the required energy consumption level of buildings. E: A decrease in the value of customers' properties due to non-compliance with new regulations.	Short-term + Medium-term + Long-term	Downstream + own operations
ESRS E1 Climate change	Climate change mitigation	C: Need for investment in low-emission technologies. E: An increase in customers' investment outlays.	Medium-term + Long-term	Downstream

ESRS E1 Climate change	Climate change mitigation	C: Lack of CO_2 emission reduction strategies by the management of companies (customers) and Group companies E: Failure to implement adaptive measures could lead to regulatory sanctions and reduced competitiveness.	Medium-term + Long-term	Downstream + own operations
ESRS G1 Business conduct	Political engagement	C: Public involvement in controversial political initiatives. E: The possibility of losing customers and business partners who disagree with a particular political position.	Medium-term + Long-term	Downstream + own operations
ESRS G1 Business conduct	Corporate culture	C: Lack of management support for corporate culture-related initiatives, which may lead to resistance to change and innovation. E: Delays in implementing new strategies and innovative solutions, which could lead to a loss of market position.	Short-tern + Medium-term	Own operations
ESRS G1 Business conduct	Corruption and bribery	C: Lack of effective anti-money laundering and counter-terrorism financing mechanisms within the Bank's Group. E: The possibility of PKO BP Group's involvement in transactions related to criminal activity, which may result in legal sanctions and loss of reputation.	Short-term + Medium-term + Long-term	Own operations
Specific topic Industrial development, infrastructure	(including strategic state security - energy, defence, raw materials).	C: Environmental degradation resulting from industrial activities financed by the Bank's Group, which may affect local ecosystems and public health. E: Sanctions imposed by regulatory authorities, an increase in operating costs due to the need for land reclamation, and potential compensation claims.	Medium-term	Downstream + own operations

Table 43. List of material opportunities (C - cause, E - effect, IO - impact of the opportunity)

TOPIC	SUB-TOPIC	DESCRIPTION	HORIZON	VALUE CHAIN
ESRS E1 Climate Change	Energy	C: Development of energy storage technologies. E: The possibility of investing in innovative energy storage projects that could contribute to the stabilization of energy grids. IO: Increased revenues through early entry into a developing market.	Medium-term + Long-term	Downstream + Own operations + Upstream
ESRS E1 Climate Change	Energy	C: Increased demand for sustainable energy. E: The possibility of financing projects related to renewable energy sources, such as wind, solar, and hydroelectric power. IO: Increased revenues and strengthened market position as a leader in financing green energy.	Short-term + Medium-term + Long-term	Downstream + own operations
ESRS E1 Climate Change	Energy	C: Development of electric vehicle charging infrastructure. E: The possibility of financing charging infrastructure projects, which could contribute to increased demand for electric vehicles. IO: Increased revenues from new projects and strengthening of market position.	Medium-term + Long-term	Downstream + own operations
ESRS E1 Climate Change	Climate change mitigation	C: Introduction of new regulations limiting CO_2 emissions. E: The opportunity to gain a competitive advantage through investments in low-emission technologies. IO: Increased operational efficiency and improved reputation of the Bank's Group in sustainable development.	Short-term + Medium-term + Long-term	Downstream + own operations
ESRS E1 Climate Change	Climate change mitigation	C: Increased demand for financial services related to CO_2 emission reduction projects. E: The possibility of expanding the product offering to include loans and leasing for renewable energy projects. IO: Increased revenues and strengthened market position.	Short-term + Medium-term + Long-term	Downstream + own operations

ESRS E1 Climate Change	Climate change mitigation	C: Growth of the green bond market. E: The possibility of issuing green bonds to finance projects that reduce CO_2 emissions. IO: Increased investment attractiveness of PKO BP Group and diversification of funding sources.	Short-term + Medium-term + Long-term	Downstream + own operations
ESRS E1 Climate Change	Climate change mitigation	C: Increased investments in low-emission public transport infrastructure. E: The possibility of financing projects related to the development of low-emission transport. IO: Increased market share through participation in long-term infrastructure projects.	Medium-term + Long-term	Downstream + own operations
ESRS E1 Climate Change	Climate change mitigation	C: Growing importance of a low-emission economy. E: The possibility of offering financial products dedicated to companies implementing solutions that reduce CO_2 emissions. IO: Increased market share through support for innovative and sustainable solutions.	Short-term + Medium-term + Long-term	Downstream + own operations
ESRS E1 Climate Change	Climate change adaptation	C: Increased demand for energy-efficient real estate. E: The possibility of financing construction projects in line with sustainability principles. IO: Increased market share in the mortgage loan sector.	Short-term + Medium-term + Long-term	Downstream + own operations
ESRS E1 Climate Change	Climate change adaptation	C: Growing importance of investments in renewable energy in construction. E: The possibility of financing photovoltaic installation projects and other renewable energy sources in new buildings. IO: Increased revenues from new projects and strengthening of market position.	Short-term + Medium-term + Long-term	Downstream + own operations
ESRS E1 Climate Change	Climate change adaptation	C: Increased public awareness of the benefits of eco-friendly construction. E: The possibility of increasing the sale of financial products related to sustainable construction. IO: Increased customer loyalty and long-term profitability.	Medium-term + Long-term	Downstream + own operations
ESRS S1 Own workforce employment risk	Working conditions	C: Regular adjustment of salaries to market conditions and inflation. E: Improvement of employee quality of life, which translates into greater motivation and productivity. IO: Better reputation of the company as an employer, which will attract new qualified candidates.	Short-term + Medium-term + Long-term	Own operations
ESRS S1 Own workforce employment risk	Working conditions	C: Actively promoting social dialogue and the freedom of association. E: Increased employee involvement in decision-making processes and a sense of influence on shaping working conditions. IO: Growth in employee engagement and productivity, as well as improved internal relations within the company.	Short-term + Medium-term + Long-term	Own operations
ESRS S1 Own workforce employment risk	Working conditions	C: Increasing the number of employees covered by collective bargaining agreements. E: Greater transparency in communication between employees and management, which promotes better working conditions and job stability. IO: Building trust and employee satisfaction, which contributes to strengthening the company's positive image.	Short-term + Medium-term + Long-term	Own operations
ESRS S1 Own workforce employment risk	Working conditions	C: Introduction of policies promoting work-life balance. E: The possibility of increasing employee satisfaction and reducing turnover. IO: Increased operational efficiency and employee loyalty.	Short-term + Medium-term + Long-term	Own operations

ESRS S1 Own workforce employment risk	Equal treatment and opportunities for all	C: Growing demand for employee training and development. E: The possibility of introducing development programmes to enhance employee skills. IO: Increased operational efficiency and innovation within the organization.	Short-term + Medium-term + Long-term	Own operations
ESRS S4 Consumers and end-users	Information-related impacts for consumers and/or end-users	C: Ensuring consumers' access to high-quality and reliable information about products and services. E: Increased consumer trust in the company and loyalty to the offered products and services. IO: Improved company image as transparent and ethical, which attracts new customers.	Short-term + Medium-term + Long-term	Downstream + own operations
ESRS S4 Consumers and end-users	Information-related impacts for consumers and/or end-users	C: Increasing awareness of privacy protection among consumers. E: The possibility of introducing innovative technological solutions ensuring better protection of personal data. IO: Increased customer loyalty and long-term operational stability.	Short-term + Medium-term + Long-term	Downstream + own operations
ESRS S4 Consumers and end-users	Personal safety of consumers and/or end-users	C: Implementing high-security standards in branches and offices. E: Reducing the risk of accidents and health consequences, which increases consumer satisfaction. IO: Building the company's reputation as responsible for the health and safety of its customers, which attracts more loyal customers and impacts the company's reputation.	Short-term + Medium-term + Long-term	Own operations
ESRS S4 Consumers and end-users	Personal safety of consumers and/or end-users	C: Financing through a portfolio of companies engaged in research and development of products that enhance security and affect health. E: Creating a positive image of the Bank as a lender committed to enhancing security and protecting consumers' health. IO: Improving reputation and financial results through the offering of products that ensure a higher level of personal security for consumers.	Short-term + Medium-term + Long-term	Own operations
ESRS S4 Consumers and end-users	Personal safety of consumers and/or end-users	C: Increasing awareness of cybersecurity. E: The possibility of offering services with advanced cybersecurity protection features. IO: Increased revenues and strengthened reputation as a leader in digital security.	Short-term + Medium-term + Long-term	Downstream + own operations
ESRS S4 Consumers and end-users	Social inclusion of consumers and/or end-users	C: Growing importance of non-discrimination in financial services. E: The possibility of introducing financial products aimed at under-served social groups. IO: Increased customer base and improved reputation of the Bank's Group.	Short-term + Medium-term + Long-term	Downstream + own operations
ESRS G1 Business conduct	Corporate culture	C: Increasing importance of sustainable development in corporate culture. E: The possibility of implementing strategies that promote sustainable development and corporate social responsibility. IO: Strengthening the reputation of the Bank's Group as a leader in sustainable development.	Short-term + Medium-term + Long-term	Own operations
ESRS G1 Business conduct	Protection of whistle-blowers	C: Increasing importance of whistleblower protection in corporate policies. E: The possibility of enhancing whistleblowing systems, which could improve transparency and ethics within the company. IO: Strengthening the reputation of the Bank's Group as an institution promoting ethical actions.	Short-term + Medium-term + Long-term	Own operations
Specific topic Capacity to live beyond the conflict of war	Capacity to live beyond the conflict of war	C: Development of reconstruction projects after armed conflicts. E: The possibility of financing projects related to the reconstruction of infrastructure and the economy in post-war regions. IO: Increased revenues and financial stability.	Medium-term + Long-term	Downstream + own operations

Specific topic Capacity to live beyond the conflict of war	Capacity to live beyond the conflict of war	C: Increasing the value of investment lands in post-war reconstruction regions. E: The possibility of financing projects related to the redevelopment and reclamation of post-war areas. IO: Increased property portfolio value and operational profitability.	Medium-term + Long-term	Downstream + own operations
Specific topic Industrial development, infrastructure	including strategic state security - energy, defence, raw materials	C: Increased investments in energy infrastructure. E: The possibility of financing projects related to the modernization and expansion of energy infrastructure. IO: Increased revenues and strengthened market position of the Bank's Group as a leader in financing infrastructure projects.	Short-term + Medium-term + Long-term	Downstream + own operations
Specific topic Industrial development, infrastructure	including strategic state security - energy, defence, raw materials	C: Increased investments in transport infrastructure. E: The possibility of financing projects related to the modernization of railway, road, and airport networks. IO: Increased revenues from infrastructure projects and strengthened market position.	Short-term + Medium-term + Long-term	Downstream + own operations
Specific topic Product compliance	Product compliance	C: Growing importance of product compliance with international standards. E: The possibility of adapting the product offering to the highest standards, which could increase the attractiveness of products in international markets. IO: Strengthened market position and increased customer loyalty.	Short-term + Medium-term + Long-term	Downstream + own operations
Specific topic Product compliance	Product compliance	C: Introduction of product compliance certification programmes. E: The possibility of obtaining compliance certificates for products, which could increase their attractiveness in the market. IO: Increased product portfolio value and customer loyalty.	Short-term + Medium-term + Long-term	Downstream + own operations

The financial effects resulting from identified risks include, among others:

- increase in operational costs related to adjusting products, services, and decision-making processes, including the risk assessment system, to ESG requirements;
- increase in credit risk provisions related to potential difficulties in loan repayment;
- deterioration in the quality of credit exposures due to financial problems of clients related to rising energy prices, carbon allowance prices, the introduction of carbon taxes, or other regulations regarding GHG emissions;
- decrease in the value of collateral leading to a reduction in the level of security for granted loans;
- deterioration in the Group's liquidity due to problems with debt servicing by clients who have experienced the materialization of climate risks;
- risk for financed projects, which could lead to loss of profits and the need for loan restructuring;
- increase in reputational risk due to involvement in controversial political initiatives or lack of social acceptance for financing high-emission projects.

The financial effects resulting from identified opportunities include, among others:

- increase in revenues from new products related to financing renewable energy projects and environmental innovations;
- increase in revenues due to higher demand for mortgage loans in energy-efficient construction;
- improvement in reputation due to adherence to high ethical standards and transparency of actions;
- increase in customer loyalty due to the development of services in the area of digital security and personal data protection;
- increase in customer loyalty due to the development of services in the area of digital security and personal data protection.

In the short term, the Bank's Group anticipates an increase in operational costs related to the implementation of new regulations on sustainable development, as well as increased revenues from the introduction of products related to green energy, green bonds, and financing low-emission infrastructure.

In the medium term, the following are expected: optimization of operational costs due to the adoption of new technologies, increased financial stability due to the gradual strengthening of market position in green energy and technology investments, and increased revenues from new products offered, especially to sectors supporting sustainable development goals.

In the long-term horizon, an increase in portfolio profitability is anticipated as a result of higher investments in sectors with a more favorable risk profile (green energy, energy storage, low-emission technologies), growth in the value of the credit portfolio due to financing energy transformation projects, and strengthening of market position in sustainable development.

PKO Bank Polski S.A. conducts an assessment of significant impacts, risks, and opportunities for its business model, value chain, strategy, and decision-making process. Based on the analysis of these factors, appropriate changes are made to the strategy and business model.

The business model is based on financing various sectors of the economy, including high-emission sectors. This creates regulatory and reputational risks. The Bank strives to balance financing high-risk projects with the growing market preference for eco-friendly projects. In response, it is expanding its green product offerings and promoting environmental responsibility. The increase in ESG regulations, including CO_2 reduction obligations, will further increase the role of financing low-emission technologies and sustainable investments in the business model. The Bank aims to minimize the risk associated with non-compliance with environmental regulations through the transformation of its loan portfolio.

In terms of the value chain, the Bank is adjusting its internal processes to ESG requirements, improving the transparency of marketing activities, sponsorship agreements, and data management. The Bank will be required to implement advanced technologies for monitoring and reporting actions in line with ESG regulations, which may increase operational costs but also strengthen its market position in the context of the growing importance of sustainable practices.

The currently adopted strategy of the Bank for the years 2025-2027 takes into account the increasing importance of ESG regulations, placing greater emphasis on financing projects related to the green transformation. Sustainable development actions are becoming an integral part of the Bank's long-term strategy. The strategic shift towards a more sustainable business model intensifies actions to finance renewable energy sources (RES), low-emission technologies, and environmental risk management. It is also anticipated that the Bank will increase its involvement in developing financial products aligned with ESG, which will enhance the attractiveness of its offering among eco-conscious customers and investors.

The Bank incorporates ESG requirements into its decision-making process, including environmental risk analysis and potential climate change impacts on financed projects. It takes actions aimed at increasing transparency in sponsorship and marketing decisions. Strengthening the role of sustainable development will influence the development of more eco-friendly decision-making processes and the evolution of procedures for verification and audits of financed projects.

In its strategy, the Bank focuses on strengthening its position in the Polish banking market, including by offering modern financial and technological products. The current strategy of the Bank and its business model are well-prepared to seize opportunities related to:

- sustainable development – the Bank focuses on supporting the development of green investments and financing projects related to renewable energy and energy storage (RES). Planned financing of RES projects and investments in low-emission technologies fits into the growing demand for sustainable energy, offering the opportunity to increase revenues while reducing risk costs and strengthening market position;
- transparency and ethical governance – the Bank seeks to improve its image through product and service transparency, enabling it to attract new clients, investors, and build social trust;
- digitization and innovation – the Bank actively develops its offer related to digital technologies, data security, and cybersecurity, thus meeting market needs for personal data protection and countering cyber threats;
- sustainable finance and mortgage loans – the Bank seeks to develop the mortgage loan segment related to low-emission construction, in line with the strategy, business model, and CO_2 reduction requirements for the loan portfolio.

The strategy also reflects the Bank's Group's readiness to manage risks associated with:

- rising regulatory costs – the Bank is prepared to adapt its operations to the changing regulatory environment, including the reduction of CO_2 emissions from its own operations and the loan portfolio;
- reputation management – the strategy includes mechanisms for reputation management, emphasizing transparency of actions and addressing negative social impacts;
- risk management of project delays – the Bank is developing technical and expert competencies in financed technologies to mitigate the risk of delays in project implementation.

IMPACT OF THE STRATEGY ON SUSTAINABLE DEVELOPMENT [SBM-1]

PKO Bank Polski S.A. is a universal bank that operates in both the retail segment (individuals, businesses, and enterprises) and the corporate and investment segment (corporations, government and local government entities, and foreign customers).

The Bank's Group operates in the domestic market as well as in Germany, the Czech Republic, Slovakia, Ukraine, Sweden, and Ireland. The Bank's Group continuously adjusts the level of employment to meet current business needs and development plans. As at 31 December 2024, the Group employed 25,884 people. In 2024, the Bank's Capital Group achieved revenues of PLN 41,451 million. None of the entities within the Bank's Group operate in the fossil fuel sector or other sectors with a significant climate impact.

In 2024, the Bank's Management Board adopted a Strategy for the years 2025-2027, aiming to strengthen the Group's market position. The strategy outlines goals to be achieved by 2027, including ESG goals and KPIs such as:

- a 20% share in financing Poland's energy transformation;
- coverage of over 50% of the loan portfolio with a decarbonisation plan;
- reducing the gender pay gap among employees to below 5%;
- achieving over 33% representation of the underrepresented gender in the Bank's governance bodies;
- achieving over 40% representation of the underrepresented gender in senior management positions (B-1, B-2);
- coverage of over 70% of suppliers and partners with a declaration to adhere to the Code of Ethics;
- over 90% of employees having completed ESG training.

By 2050, the Bank aims to achieve net-zero greenhouse gas emissions.

According to the strategy, sustainability actions will be strengthened. To support sustainable development, the Bank's Group offers a wide range of products, including:

- sustainability-linked bonds according to market standards for debt instruments;
- green bonds, including corporate bonds – proceeds from these issues are intended to finance pro-environmental investments;
- "Own Place" mortgage loans for residential buildings meeting specific EP criteria, and for residential buildings meeting criteria defined in the Green Covered Bond Framework, based on the EP index or the building's construction year, including those compliant with the Climate Bond Initiative (CBI) standard for low-emission buildings;
- loans for financing commercial buildings meeting specific EP indicators, according to the Ministry of Development and Technology's guidelines, confirmed by an energy performance certificate or a project's energy characteristics;
- "Our Renovation" investor loan – a loan with the BGK thermal modernisation bonus or a renovation bonus – those who receive this loan may obtain non-refundable aid from the state budget in the form of a thermal modernisation bonus or a renovation bonus;
- green loans, including investment loans, for financing renewable energy projects;
- sustainability-linked loans according to market standards (Sustainability-Linked Loan Principles);
- BIZNESMAX PLUS and BIZNESMAX guarantees from BGK;
- EKOMAX guarantee from BGK;
- PKO eco-loan;
- FENG eco-loan, partly repaid with an ecological premium for SMEs and mid-caps wanting to modernize their infrastructure; leasing or loans for photovoltaic equipment financing;
- leasing or loans for photovoltaic equipment financing;

- leasing of electric vehicles – an agreement of PKO Leasing and Masterlease with Bank Ochrony Środowiska S.A. as part of the implementation of a government programme "Mój elektryk" (My e-car); Provision of assistance to customers in obtaining a subsidy under a programme for the purchase of an electric or hydrogen powered vehicle combined with an offer of lease services. The product applies to both institutional and individual customers;
- leasing or loan to finance wind turbines, heat pumps and other prosumer energy generation equipment. An offering addressed to the prosumer business customer;
- lease or loan to finance electric vehicle charging points – a product providing the opportunity to finance an electric vehicle charging point over a financing period of up to 5 years. The offering is addressed to a business customer;
- loans for financing electric vehicle charging stations, including high-power stations and energy storage systems. The offering is addressed to a business customer;
- loans for financing photovoltaic farms. Offering for customers operating as commercial companies;
- leasing or loan with Invest EU guarantee for financing RES. The offer is directed to small and medium-sized enterprises employing up to 500 employees;

The Bank's Group does not identify banned products or services in certain markets.

Energy sector clients in the corporate segment and those using mortgage loan products (retail segment) constitute significant groups with a major impact on the Bank's emissions, particularly its loan portfolio. Proper management of relationships with these clients and promoting the transition to low-emission solutions are crucial steps in the Bank's decarbonisation efforts.

VALUE CHAIN [SBM-1]

The value chain of the Bank's Group is a complex system of activities, resources, and relationships used in business operations, from the concept stage to the delivery, consumption, and withdrawal of products or services from the market.

Within the value chain of the Group, we distinguish activities related to:

- internal economy of the Bank's Group (e.g., human capital management, operational management, investment in innovation);
- supply and distribution channels (e.g., cooperation with suppliers, effective advertising campaigns, an extensive branch network, and the development of online channels);
- external environment, including geographical, regulatory, and financial environments (e.g., monitoring market trends and adapting offerings to customers, regular analysis of geopolitical and regulatory risks).

The resources of the Bank's Group are highly diversified and crucial for its operations. These include:

- human capital (e.g., skilled employees, including financial analysts and advisors);
- the Bank infrastructure, encompassing both branch networks and IT systems, as well as modern technologies;
- relationships in the value chain:
  - ✓ customer relations (high-quality service, loyalty programmes, and regular customer feedback collection enable a better understanding of their needs and expectations);
  - ✓ supplier relations (building strong and lasting relationships with suppliers, which allows for favourable cooperation terms and access to modern technologies and services);
  - ✓ partner relations, including with financial institutions and technology companies (collaboration with them enables the Group to introduce innovative solutions and develop new services);
  - ✓ regulator relations (maintaining transparent and regulatory-compliant relationships with supervisory institutions builds trust in the Group and contributes to the stability of its operations).

UPSTREAM	OWN OPERATIONS	DOWNSTREAM
The upstream value chain includes the main service providers such as: • energy; • IT equipment (e.g., servers, computers, software licenses); • IT services (e.g. "Cloud," mobile banking applications, insurance applications);	The Bank's Group's own activities include the following areas: • banking • insurance • leasing • factoring • investment funds	The downstream value chain includes the most important clients in terms of turnover and sectors serviced by the Bank's Group: • distribution channels – agents and intermediaries;

• vehicle fleet; • cash handling equipment; • Visa, Mastercard services; • office equipment (e.g. desks, chairs, coffee, paper). In the value chain of the Bank's Group, most service and product providers are based in Poland. Due to differences in the business models of the entities and the scope of their operations, certain products and services are supplied from EU countries. The main procurement categories under which procurement procedures were carried out included software, materials/equipment and administrative services, IT security, and consulting (excluding IT). The Bank's procurement application registers over 6,000 suppliers. In 2024, 389 procurement procedures were conducted, resulting in 516 contracts being signed. Most of the contracts are long-term, and nearly all of the Bank's suppliers are Polish companies. The Bank publishes a complete list of companies performing activities on its behalf under outsourcing arrangements on its website (https://www.pkobp.pl/media_files/f59f78aa-01c9-4b11-9204-8f15b96d663a.pdf).	• others (including property management). The Group operates in locations such as: Poland, Ukraine, Sweden, Ireland, the Czech Republic, Germany, Slovakia, and Romania. Each of these locations contributes to the development of the Bank's Group by offering unique resources and opportunities that support an innovative approach to financial services and strengthen the Group's position in the international market. The Bank provides services to 12.1 million retail customers and 32.7 thousand corporate, municipal, and financial institution customers.	• customers of the Group's own business segments; • investments – direct investments and investments for private and business customers; • waste and disposal of used products. • Agents are entrepreneurs who, on the basis of the agreement concluded with the Bank, provide exclusively, for and on behalf of the Bank, a brokerage service in the scope of banking and actual activities (necessary to sell products and services). By the end of 2024, the Bank was cooperating with 203 agents operating 249 agencies. The Bank distributes housing loans, inter alia, through intermediaries. By the end of 2024, the Bank was working with 64 mortgage intermediaries.

BUSINESS MODEL [SBM-1]

The Bank's Group is a leading financial institution in Central and Eastern Europe. The Bank, the parent entity of the Bank's Group, is the largest commercial bank in Poland in terms of the value of assets and equity, the value of loans, deposits, and savings, the size of the distribution network, as well as the number of customers served and the number of employees.

The Bank is a universal bank that provides deposit and lending services to individuals and legal entities. It provides financial services and provides customer service in branches, agencies, as well as modern online and mobile banking systems. The Bank provides services to the largest number of retail customers, which makes it particularly important in customer education, allowing them to use new products and new channels of access to financial services offered.

Through its subsidiaries, the Bank's Group offers, among other things, mortgage loans, specialist financial services including leasing, factoring, investment funds, pension funds and insurance, fleet management services, transfer agent services, provides technological solutions and manages real estate. It also conducts banking operations and provides debt collection and financial services in Ukraine.

The Bank earns income from interest, commissions and fees and from other sources. It finances operating costs from the revenue generated. The profit shall be distributed with shareholders to the extent permitted by financial supervision institutions. In addition to financial returns, the Bank supports the Polish economy, the environment and local communities.

As part of preparing its strategy, the Bank conducts economic and market analyses and prepares financial plans to implement it. A comprehensive collection of qualitative and quantitative data on current trends related to energy transition and the shift to a low-emission economy, market practices, as well as changes in customer needs and expectations, market shares, competitive advantages, and the economic situation, form the essential foundation for developing and implementing the strategy.

The Bank aims to expand the scope of data on sustainable development and enhance systems for their analysis.

The Bank offers products that finance sustainable development by providing financial benefits to clients who achieve goals with positive environmental impacts. These products are available to both retail customers and corporations. Such solutions include, among others, corporate loans linked to sustainable development (SLLs), which condition the loan interest rate based on the achievement of pre-set indicators related to sustainable development (e.g. emission reduction). Additionally, for retail clients, eco-loans are offered, which reduce the interest rate depending on the allocation of funds for low-emission technologies (e.g. renewable energy sources).

The benefit for the Bank is the reduction in financed greenhouse gas emissions and the improvement of its own activities and those of its customers on the natural environment. At the same time, from the perspective of shareholders, the benefit is the reduction of transformation risk and the decrease of negative conditions resulting from the transition to a low-emission economy. From the employees' perspective, the Bank emphasizes that sustainability issues are important and it consciously considers them in its operations.

Some data, such as the level of funding supporting sustainable development or reducing the intensity of financed emissions, is included in periodic reports, including the capital adequacy report. The Bank continues to develop systems for collecting ESG data to more accurately measure the effects of its sustainability efforts.

13.2 Environmental information

13.2.1 Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

General information - legal basis and scope of disclosure

The taxonomy disclosure of the PKO Bank Polski S.A. Group has been prepared on the basis of a package of regulations that have been implemented into European law by 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 (hereinafter: EU Taxonomy or Regulation (EU) 2020/852) together with the following delegated regulations:

- Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives;
- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation;
- Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities;
- Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives;
- Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities;
- Commission Delegated Regulation (EU) 2024/3215 of 28 June 2024 correcting certain language versions of Delegated Regulation (EU) 2021/2139 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

The taxonomy is a classification system for sustainable development activities, which aims to increase transparency and comparability of the market in this area and to support investors in their investment decisions.

It establishes a framework for EU taxonomy by defining four conditions that an economic activity must meet in order to be classified as environmentally sustainable.

According to Article 3. of the EU Taxonomy, an environmentally sustainable activity (taxonomy-compliant) is one that simultaneously:

1. contributes substantially to one or more of the six environmental objectives;
2. does not do significant harm to any of the other objectives ("do no significant harm" principle, DNSH),
3. is carried out in compliance with the minimum safeguards,
4. meets the technical screening criteria (indicated in the delegated regulations issued by the Commission (EU) supplementing the EU Taxonomy Regulation).

The Taxonomy defines the following six environmental objectives:

1. Climate change mitigation (CCM);
2. Climate change adaptation (CCA);
3. Sustainable use and protection of water and marine resources (WTR);
4. Transition to a circular economy (CE);
5. Pollution prevention and control (PPC);
6. Protection and restoration of biodiversity and ecosystems (BIO).

The technical screening criteria setting out the requirements for each economic activity indicate the conditions under which that activity makes significant contribution to the environmental objective in question and does not cause serious harm to other environmental objectives.

Scope of taxonomy disclosure

The Bank's Group's disclosure for 2024 provides a full taxonomic analysis of the Bank's Group's individual transactions in terms of both eligibility for the taxonomy and compliance with the taxonomy in relation to the six environmental objectives, as well as the first two objectives: climate change mitigation (CCM) and climate change adaptation (CCA). The analysis is broken down by customer segment, financial instrument, and type of activity. Its results are presented in the tables in the section: Key Performance Indicators.

Information on the Bank's Group's exposure to nuclear and natural gas business financing is presented in the section: Disclosure of business activities in certain energy sectors.

Key performance indicators (KPIs - templates 0, 1, 2, 3, 4, 5)

Based on Article 8 of the EU Taxonomy, PKO Bank Polski S.A., as a public interest entity and the parent company of a large capital group, is required to publish a consolidated statement regarding information related to sustainable development (in accordance with the criteria outlined in Article 29a of Directive 2013/34/EU of 26 June 2013 on annual financial statements, consolidated financial statements, and related reports for certain types of entities, amending the Directive of the European Parliament and the Council 2006/43/EC and repealing Council Directives 78/660/EEC and 83/349/EEC), including information indicating what portion of the portfolio finances activities aligned with the taxonomy.

The primary performance indicator for credit institutions is the Green Asset Ratio (GAR), which refers to the core lending and investment activities of the Bank's Group, including loans, advances and debt securities, as well as equity instruments. GAR reflects the extent to which the Bank's Group finances taxonomy-compliant activities, i.e. the percentage share of assets financing economic activities compliant with the taxonomy compared to all assets of the Bank's Group included in the GAR calculation.

The green asset ratio is calculated on the basis of the scope of prudential consolidation (in accordance with 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) and the FINREP report, i.e. consolidated financial statements prepared for central banks. A list of the Bank's Group entities subject to prudential consolidation is included 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 assets included in the GAR numerator, in accordance with regulatory requirements, represent the Bank Group's exposures relating to loans and advances, debt securities and equity instruments in the non-trading book to:

1. financial enterprises meeting the criteria indicated in Article 19a or 29a of Directive 2013/34/EU;
2. non-financial enterprises meeting the criteria indicated in Article 19a or 29a of Directive 2013/34/EU;
3. households in relation to residential property loans, building renovation loans and motor vehicle loans;

4. local authorities/municipalities in relation to the financing of housing and other specialist funding needs, and
5. repossessed commercial and residential real estate collateral.

Assets included in the GAR denominator represent all on-balance sheet assets of the Bank's Group excluding exposures to central governments, central banks and supranational issuers and the trading book.

The tables below present quantitative information as of 31 December 2024 regarding the key performance indicators of the Bank Group, broken down into two environmental objectives: climate change mitigation (CCM) and climate change adaptation (CCA) in terms of taxonomy alignment, as well as breakdown by the six environmental objectives in terms of eligibility for the taxonomy. Additionally, the information includes details on the customer segment and financial instrument.

- Template 0 provides a summary of the main and additional key performance indicators;
- Template 1 provides information on on-balance sheet and off-balance sheet assets, i.e. loans and advances, debt securities and equity instruments, captured in the GAR calculation;
- Template 2 contains information on exposures to non-financial enterprises subject to the Directive 2013/34/EU, including taxonomy-aligned exposures that have been assigned, on the basis of the PKD code of their principal activity, to sectors covering taxonomy-aligned economic activities at NACE-4 level;
- Template 3 contains information on GAR key performance indicators (relative to the stock at the reporting date);
- Template 4 contains information on new exposures originated in 2024 (in relation to flow);
- Template 5 contains information on key performance indicators for off-balance sheet exposures: financial guarantees and assets under management.
- Table 61 contains the weighted average of key performance indicators related to taxonomy-aligned activities for the mixed group.

The Green Asset Ratio (GAR) in relation to the same exposures of the Bank Group is disclosed twice based on:

1. the compliance of the turnover of non-financial and financial enterprises related to economic activities qualifying as taxonomy-eligible and taxonomy-aligned - Turnover KPI;
2. the compliance of the capital expenditures (CapEx) of non-financial and financial enterprises related to economic activities qualifying as taxonomy-eligible and taxonomy-aligned - CapEx KPI.

The templates indicated in Annex VI of Delegated Regulation (EU) 2021/2178 were used for the presentation of the Bank Group's key performance indicators.

This taxonomy disclosure is made by the Bank Group for the second time and includes the key performance indicators of the Bank Group from the previous reporting year, i.e. for 2023 (referred to in the tables as T-1).

Table 44. Template 0 - Summary of key performance indicators

in PLN million		Total environmentally sustainable assets (by CapEX)	KPI (Turnover)	KPI (CapEx)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	6,821.11	1.86%	1.96%	65.95%	40.01%	34.05%

in PLN million		Total environmentally sustainable assets (by CapEx)	KPI (Turnover)	KPI (CapEx)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	1,895.82	2.60%	2.70%	50.49%	33.32%	49.51%
	Trading book						
	Financial guarantees	0	0	0			
	Assets under management	1,048.54	2.03%	4.81%			
	Fees and commissions income						

Table 45. Template 1 – assets for the calculation of GAR – CapEx, 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
			Disclosure reference date T																													
	in PLN million	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	136,745.78	120,120.97	6,762.75	6,165.76	59.40	239.62	174.44	58.37	0.00	10.65	0.18	-	-	-	4.90	-	-	-	0.10	-	-	-	1.01	-	-	-	120,301.60	6,821.11	6,165.76	59.40	260.91
2	**Financial undertakings**	442.95	105.34	103.93	0.00	0.00	10.28	0.00	0.00	0.00	0.00	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	105.34	103.93	0.00	0.00	10.28
3	Credit institutions	17.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00																										0.00	0.00	0.00		0.00
6	Equity instruments	17.39																										0.00	0.00			0.00
7	Other financial corporations	425.55	105.34	103.93	0.00	0.00	10.28	0.00	0.00	0.00	0.00	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	105.34	103.93	0.00	0.00	10.28
8	of which investment firms	0.00																										0.00	0.00	0.00		0.00
9	Loans and advances	0.00																										0.00	0.00	0.00		0.00
10	Debt securities, including UoP	0.00																										0.00	0.00	0.00		0.00
11	Equity instruments	0.00																										0.00	0.00			0.00
12	of which management companies	0.00																										0.00	0.00	0.00		0.00
13	Loans and advances	0.00																										0.00	0.00	0.00		0.00
14	Debt securities, including UoP	0.00																										0.00	0.00	0.00		0.00
15	Equity instruments	0.00																										0.00	0.00			0.00
16	of which insurance undertakings	146.22	1.83	1.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	1.83	1.83	0.00	0.00	0.00
17	Loans and advances	0.00																										0.00	0.00	0.00		0.00
18	Debt securities, including UoP	146.22	1.83	1.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	1.83	1.83	0.00	0.00	0.00
19	Equity instruments	0.00																										0.00	0.00			0.00
20	**Non-financial undertakings**	16,482.72	1,802.55	493.06	0.00	59.40	229.34	174.44	58.37	0.00	10.65	0.18	-	-	-	4.90	-	-	-	0.10	-	-	-	1.01	-	-	-	1,983.19	551.42	0.00	59.40	250.63
21	Loans and advances	15,658.70	1,637.04	436.97	0.00	56.97	225.18	145.17	29.10	0.00	6.64	0.18	-	-	-	4.89	-	-	-	0.10	-	-	-	0.09	-	-	-	1,787.48	466.07	0.00	56.97	238.46
22	Debt securities, including UoP	824.02	165.51	56.09	0.00	2.43	4.16	29.27	29.27	0.00	4.00	0.00	-	-	-	0.01	-	-	-	0.00	-	-	-	0.92	-	-	-	195.71	85.36	0.00	2.43	12.17
23	Equity instruments	0.00																										0.00	0.00			0.00
24	**Households**	119,643.89	118,213.07	6,165.76	6,165.76	0.00	0.00	0.00	0.00	0.00	0.00					0.00	-	-	-									118,213.07	6,165.76	6,165.76	0.00	0.00
25	of which loans collateralised by residential immovable property	119,522.13	118,213.07	6,165.76	6,165.76	0.00	0.00	0.00	0.00	0.00	0.00					0.00	-	-	-									118,213.07	6,165.76	6,165.76	0.00	0.00
26	of which building renovation loans	2,223.35	2,216.75	0.00	0.00																							2,216.75	0.00	0.00		0.00
27	of which motor vehicle loans	113.94																										0.00	0.00	0.00		0.00
28	**Local governments financing**	176.23																										0.00	0.00	0.00		0.00
29	Housing financing	0.00																										0.00	0.00	0.00		0.00
30	Other local government financing	176.23																										0.00	0.00	0.00		0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00																									0.00	0.00	0.00		0.00
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator**	210,906.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	0.00	0.00	0.00	0.00
33	**Financial and Non-financial undertakings**	144,373.54																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	76,299.59																														
35	Loans and advances	73,470.09																														
36	of which loans collateralised by commercial immovable property	19,527.72																														
37	of which building renovation loans	0.00																														
38	Debt securities	2,750.57																														
39	Equity instruments	78.94																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1,096.54																														
41	Loans and advances	637.48																														
42	Debt securities	404.38																														
43	Equity instruments	54.68																														
44	**Derivatives**	1,069.00																														
45	**On demand interbank loans**	1,381.44																														
46	**Cash and cash-related assets**	4,035.89																														
47	**Other categories of assets (e.g. goodwill, commodities, etc.)**	60,046.18																														
48	**Total GAR assets**	347,651.84	120,120.97	6,762.75	6,165.76	59.40	239.62	174.44	58.37	0.00	10.65	0.18	-	-	-	4.90	-	-	-	0.10	-	-	-	1.01	-	-	-	120,301.60	6,821.11	6,165.76	59.40	260.91
49	**Assets not covered for GAR calculation**	179,481.50																														
50	**Central governments and Supranational issuers**	144,950.63																														
51	**Central banks exposure**	29,054.87																														
52	**Trading book**	5,476.00																														
53	**Total assets**	527,133.34	120,120.97	6,762.75	6,165.76	59.40	239.62	174.44	58.37	0.00	10.65	0.18	-	-	-	4.90	-	-	-	0.10	-	-	-	1.01	-	-	-	120,301.60	6,821.11	6,165.76	59.40	260.91
			Ekspozycje pozabilansowe - przedsiębiorstwa podlegające obowiązkowi ujawniania informacji niefinansowych zgodnie z dyrektywą w sprawie sprawozdawczości niefinansowej																													
54	Financial guarantees	0.00																										0.00	0.00	0.00		0.00
55	Assets under management	58,666.33	908.62	908.62	0.00	90.81	542.35	139.92	139.92	0.00	2.95	2.54	-	-	-	0.95	-	-	-	0.78	-	-	-	0.00	-	-	-	1,052.82	1,048.54	0.00	90.81	548.26
56	Of which debt securities	0.00																														
57	Of which equity instruments	0.00																														

Table 46. Template 1 – assets for the calculation of GAR – CapEx, 2023

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
	in PLN million	Disclosure reference date T-1																														
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	121,666.28	112,166.50	4,149.98		0.85	905.83	33.24	28.16		4.57																	112,199.74	4,178.13		0.85	910.40
2	**Financial undertakings**	164.49	0.00	0.00		0.00	0.00	0.00	0.00		0.00																	0.00	0.00		0.00	0.00
3	Credit institutions	19.91	0.00	0.00		0.00	0.00	0.00	0.00		0.00																	0.00	0.00		0.00	0.00
4	Loans and advances	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00																	0.00	0.00		0.00	0.00
5	Debt securities, including UoP	0.00																										0.00	0.00			0.00
6	Equity instruments	19.91	0.00	0.00		0.00	0.00	0.00	0.00		0.00																	0.00	0.00		0.00	0.00
7	Other financial corporations	144.58	0.00	0.00		0.00	0.00	0.00	0.00		0.00																	0.00	0.00		0.00	0.00
8	of which investment firms	0.00																										0.00	0.00			0.00
9	Loans and advances	0.00																										0.00	0.00			0.00
10	Debt securities, including UoP	0.00																										0.00	0.00			0.00
11	Equity instruments	0.00																										0.00	0.00			0.00
12	of which management companies	0.00																										0.00	0.00			0.00
13	Loans and advances	0.00																										0.00	0.00			0.00
14	Debt securities, including UoP	0.00																										0.00	0.00			0.00
15	Equity instruments	0.00																										0.00	0.00			0.00
16	of which insurance undertakings	144.57	0.00	0.00		0.00	0.00	0.00	0.00		0.00																	0.00	0.00		0.00	0.00
17	Loans and advances	0.00																										0.00	0.00			0.00
18	Debt securities, including UoP	144.57	0.00	0.00		0.00	0.00	0.00	0.00		0.00																	0.00	0.00		0.00	0.00
19	Equity instruments	0.00																										0.00	0.00			0.00
20	**Non-financial undertakings**	12,058.63	3,027.66	1,296.75		0.85	905.83	33.24	28.16		4.57																	3,060.91	1,324.91		0.85	910.40
21	Loans and advances	11,735.05	2,984.80	1,293.06		0.00	905.38	28.16	28.16		4.57																	3,012.96	1,321.22		0.00	909.95
22	Debt securities, including UoP	323.58	42.86	3.69		0.85	0.45	5.09	0.00		0.00																	47.95	3.69		0.85	0.45
23	Equity instruments	0.00																										0.00	0.00			0.00
24	**Households**	109,236.89	109,138.75	2,853.23																								109,138.75	2,853.23			0.00
25	of which loans collateralised by residential immovable property	109,138.75	109,138.75	2,853.23																								109,138.75	2,853.23			0.00
26	of which building renovation loans	2,174.00	2,165.87	24.91																								2,165.87	24.91			0.00
27	of which motor vehicle loans	90.01																										0.00	0.00			0.00
28	**Local governments financing**	206.18																										0.00	0.00			0.00
29	Housing financing	0.00																										0.00	0.00			0.00
30	Other local government financing	206.18																										0.00	0.00			0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.09	0.09																									0.09	0.00			0.00
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator**	217,753.08																										0.00	0.00			0.00
33	**Financial and Non-financial undertakings**																															
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																															
35	Loans and advances																															
36	of which loans collateralised by commercial immovable property																															
37	of which building renovation loans																															
38	Debt securities																															
39	Equity instruments																															
40	Non-EU country counterparties not subject to NFRD disclosure obligations																															
41	Loans and advances																															
42	Debt securities																															
43	Equity instruments																															
44	**Derivatives**																															
45	**On demand interbank loans**																															
46	**Cash and cash-related assets**																															
47	**Other categories of assets (e.g. goodwill, commodities, etc.)**																															
48	**Total GAR assets**	339,419.36	112,166.50	4,149.98		0.85	905.83	33.24	28.16		4.57																	112,199.74	4,178.13		0.85	910.40
49	**Assets not covered for GAR calculation**																															
50	**Central governments and Supranational issuers**																															
51	**Central banks exposure**																															
52	**Trading book**																															
53	**Total assets**	519,235.66	112,166.50	4,149.98		0.85	905.83	33.24	28.16		4.57																	112,199.74	4,178.13		0.85	910.40
		Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																														
54	Financial guarantees																															
55	Assets under management	43,647.28	723.44	723.44		40.30	495.12	71.78	71.78		49.12																	1,529.68	846.18	0.00	40.30	579.12
56	Of which debt securities																															
57	Of which equity instruments																															

Table 47. Template 1 – assets for the calculation of GAR – Turnover, 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
			Disclosure reference date T																													
	in PLN million	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	136,745.78	118,750.75	6,383.53	6,165.76	0.07	121.82	171.25	85.01	0.00	42.06	0.01	-	-	-	13.30	-	-	-	0.00	-	-	-	0.90	-	-	-	118,936.21	6,468.54	6,165.76	0.07	163.88
2	**Financial undertakings**	442.95	87.36	27.75	0.00	0.00	1.48	66.18	6.90	0.00	0.00	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	153.54	34.65	0.00	0.00	1.48
3	Credit institutions	17.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00																										0.00	0.00	0.00		0.00
6	Equity instruments	17.39																										0.00	0.00			0.00
7	Other financial corporations	425.55	87.36	27.75	0.00	0.00	1.48	66.18	6.90	0.00	0.00	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	153.54	34.65	0.00	0.00	1.48
8	of which investment firms	0.00																										0.00	0.00	0.00		0.00
9	Loans and advances	0.00																										0.00	0.00	0.00		0.00
10	Debt securities, including UoP	0.00																										0.00	0.00	0.00		0.00
11	Equity instruments	0.00																										0.00	0.00			0.00
12	of which management companies	0.00																										0.00	0.00	0.00		0.00
13	Loans and advances	0.00																										0.00	0.00	0.00		0.00
14	Debt securities, including UoP	0.00																										0.00	0.00	0.00		0.00
15	Equity instruments	0.00																										0.00	0.00			0.00
16	of which insurance undertakings	146.22	66.18	6.90	0.00	0.00	0.00	66.18	6.90	0.00	0.00	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	132.36	13.80	0.00	0.00	0.00
17	Loans and advances	0.00																										0.00	0.00	0.00		0.00
18	Debt securities, including UoP	146.22	66.18	6.90	0.00	0.00	0.00	66.18	6.90	0.00	0.00	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	132.36	13.80	0.00	0.00	0.00
19	Equity instruments	0.00																										0.00	0.00			0.00
20	**Non-financial undertakings**	16,482.72	450.32	190.02	0.00	0.07	120.34	105.07	78.11	0.00	42.06	0.01	-	-	-	13.30	-	-	-	0.00	-	-	-	0.90	-	-	-	569.60	268.12	0.00	0.07	162.40
21	Loans and advances	15,658.70	372.41	143.33	0.00	0.07	115.75	44.58	19.16	0.00	6.81	0.01	-	-	-	13.29	-	-	-	0.00	-	-	-	0.17	-	-	-	430.46	162.49	0.00	0.07	122.56
22	Debt securities, including UoP	824.02	77.91	46.69	0.00	0.00	4.59	60.49	58.95	0.00	35.25	0.00	-	-	-	0.01	-	-	-	0.00	-	-	-	0.73	-	-	-	139.14	105.63	0.00	0.00	39.84
23	Equity instruments	0.00																										0.00	0.00			0.00
24	**Households**	119,643.89	118,213.07	6,165.76	6,165.76	0.00	0.00	0.00	0.00	0.00	0.00					0.00	-	-	-									118,213.07	6,165.76	6,165.76	0.00	0.00
25	of which loans collateralised by residential immovable property	119,522.13	118,213.07	6,165.76	6,165.76	0.00	0.00	0.00	0.00	0.00	0.00					0.00	-	-	-									118,213.07	6,165.76	6,165.76	0.00	0.00
26	of which building renovation loans	2,223.35	2,216.75	0.00	0.00																							2,216.75	0.00	0.00		0.00
27	of which motor vehicle loans	113.94																										0.00	0.00	0.00		0.00
28	**Local governments financing**	176.23																										0.00	0.00	0.00		0.00
29	Housing financing	0.00																										0.00	0.00	0.00		0.00
30	Other local government financing	176.23																										0.00	0.00	0.00		0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00																									0.00	0.00	0.00		0.00
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator**	210,906.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-	0.00	0.00	0.00	0.00	0.00
33	**Financial and Non-financial undertakings**	144,373.54																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	76,299.59																														
35	Loans and advances	73,470.09																														
36	of which loans collateralised by commercial immovable property	19,527.72																														
37	of which building renovation loans	0.00																														
38	Debt securities	2,750.57																														
39	Equity instruments	78.94																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1,096.54																														
41	Loans and advances	637.48																														
42	Debt securities	404.38																														
43	Equity instruments	54.68																														
44	**Derivatives**	1,069.00																														
45	**On demand interbank loans**	1,381.44																														
46	**Cash and cash-related assets**	4,035.89																														
47	**Other categories of assets (e.g. goodwill, commodities, etc.)**	60,046.18																														
48	**Total GAR assets**	347,651.84	118,750.75	6,383.53	6,165.76	0.07	121.82	171.25	85.01	0.00	42.06	0.01	-	-	-	13.30	-	-	-	0.00	-	-	-	0.90	-	-	-	118,936.21	6,468.54	6,165.76	0.07	163.88
49	**Assets not covered for GAR calculation**	179,481.50																														
50	**Central governments and Supranational issuers**	144,950.63																														
51	**Central banks exposure**	29,054.87																														
52	**Trading book**	5,476.00																														
53	**Total assets**	527,133.34	118,750.75	6,383.53	6,165.76	0.07	121.82	171.25	85.01	0.00	42.06	0.01	-	-	-	13.30	-	-	-	0.00	-	-	-	0.90	-	-	-	118,936.21	6,468.54	6,165.76	0.07	163.88
54	Financial guarantees	0.00																										0.00	0.00	0.00		0.00
55	Assets under management	58,666.33	295.83	295.83	0.00	1.28	212.25	146.82	146.82	0.00	17.82	1.72	-	-	-	1.85	-	-	-	0.39	-	-	-	0.00	-	-	-	446.61	442.66	0.00	1.28	230.07
56	Of which debt securities	0.00																														
57	Of which equity instruments	0.00																														

Table 48. Template 1 – assets for the calculation of GAR – Turnover, 2023

		ag	ah	ai	aj	ak	al	am	an	ao	ap
		Disclosure reference date T-1									
	in PLN million	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	121,666.28	109,880.99	3,228.21		0.00	249.96	43.27	6.94		4.84
2	**Financial undertakings**	164.49	0.00	0.00		0.00	0.00	0.00	0.00		0.00
3	Credit institutions	19.91	0.00	0.00		0.00	0.00	0.00	0.00		0.00
4	Loans and advances	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00
5	Debt securities, including UoP	0.00									
6	Equity instruments	19.91	0.00	0.00		0.00	0.00	0.00	0.00		0.00
7	Other financial corporations	144.58	0.00	0.00		0.00	0.00	0.00	0.00		0.00
8	of which investment firms	0.00									
9	Loans and advances	0.00									
10	Debt securities, including UoP	0.00									
11	Equity instruments	0.00									
12	of which management companies	0.00									
13	Loans and advances	0.00									
14	Debt securities, including UoP	0.00									
15	Equity instruments	0.00									
16	of which insurance undertakings	144.57	0.00	0.00		0.00	0.00	0.00	0.00		0.00
17	Loans and advances	0.00									
18	Debt securities, including UoP	144.57	0.00	0.00		0.00	0.00	0.00	0.00		0.00
19	Equity instruments	0.00									
20	**Non-financial undertakings**	12,058.63	742.16	374.98		0.00	249.96	43.27	6.94		4.84
21	Loans and advances	11,735.05	704.22	371.27		0.00	246.28	6.94	6.94		4.84
22	Debt securities, including UoP	323.58	37.94	3.71		0.00	3.68	36.33	0.00		0.00
23	Equity instruments	0.00									
24	**Households**	109,236.89	109,138.75	2,853.23							
25	of which loans collateralised by residential immovable property	109,138.75	109,138.75	2,853.23							
26	of which building renovation loans	2,174.00	2,165.87	24.91							
27	of which motor vehicle loans	90.01									
28	**Local governments financing**	206.18									
29	Housing financing	0.00									
30	Other local government financing	206.18									
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.09	0.09								
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator**	217,753.08									
33	**Financial and Non-financial undertakings**										
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations										
35	Loans and advances										
36	of which loans collateralised by commercial immovable property										
37	of which building renovation loans										
38	Debt securities										
39	Equity instruments										
40	Non-EU country counterparties not subject to NFRD disclosure obligations										
41	Loans and advances										
42	Debt securities										
43	Equity instruments										
44	**Derivatives**										
45	**On demand interbank loans**										
46	**Cash and cash-related assets**										
47	**Other categories of assets (e.g. goodwill, commodities, etc.)**										
48	**Total GAR assets**	339,419.36	109,880.99	3,228.21		0.00	249.96	43.27	6.94		4.84
49	**Assets not covered for GAR calculation**										
50	**Central governments and Supranational issuers**										
51	**Central banks exposure**										
52	**Trading book**										
53	**Total assets**	519,235.66	109,880.99	3,228.21		0.00	249.96	43.27	6.94		4.84
			Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations								
54	Financial guarantees										
55	Assets under management	43,647.28	193.88	193.88		0.99	142.34	35.03	35.03		25.72
56	Of which debt securities										
57	Of which equity instruments										

		aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1																				
	in PLN million	Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																	109,924.26	3,235.15		0.00	254.80
2	**Financial undertakings**																	0.00	0.00		0.00	0.00
3	Credit institutions																	0.00	0.00		0.00	0.00
4	Loans and advances																	0.00	0.00		0.00	0.00
5	Debt securities, including UoP																	0.00	0.00			0.00
6	Equity instruments																	0.00	0.00		0.00	0.00
7	Other financial corporations																	0.00	0.00		0.00	0.00
8	of which investment firms																	0.00	0.00			0.00
9	Loans and advances																	0.00	0.00			0.00
10	Debt securities, including UoP																	0.00	0.00			0.00
11	Equity instruments																	0.00	0.00			0.00
12	of which management companies																	0.00	0.00			0.00
13	Loans and advances																	0.00	0.00			0.00
14	Debt securities, including UoP																	0.00	0.00			0.00
15	Equity instruments																	0.00	0.00			0.00
16	of which insurance undertakings																	0.00	0.00		0.00	0.00
17	Loans and advances																	0.00	0.00			0.00
18	Debt securities, including UoP																	0.00	0.00		0.00	0.00
19	Equity instruments																	0.00	0.00			0.00
20	**Non-financial undertakings**																	785.43	381.92		0.00	254.80
21	Loans and advances																	711.16	378.21		0.00	251.13
22	Debt securities, including UoP																	74.26	3.71		0.00	3.68
23	Equity instruments																	0.00	0.00			0.00
24	**Households**																	109,138.75	2,853.23			0.00
25	of which loans collateralised by residential immovable property																	109,138.75	2,853.23			0.00
26	of which building renovation loans																	2,165.87	24.91			0.00
27	of which motor vehicle loans																	0.00	0.00			0.00
28	**Local governments financing**																	0.00	0.00			0.00
29	Housing financing																	0.00	0.00			0.00
30	Other local government financing																	0.00	0.00			0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																	0.09	0.00			0.00
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator**																	0.00	0.00			0.00
33	**Financial and Non-financial undertakings**																					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																					
35	Loans and advances																					
36	of which loans collateralised by commercial immovable property																					
37	of which building renovation loans																					
38	Debt securities																					
39	Equity instruments																					
40	Non-EU country counterparties not subject to NFRD disclosure obligations																					
41	Loans and advances																					
42	Debt securities																					
43	Equity instruments																					
44	**Derivatives**																					
45	**On demand interbank loans**																					
46	**Cash and cash-related assets**																					
47	**Other categories of assets (e.g. goodwill, commodities, etc.)**																					
48	**Total GAR assets**																	109,924.26	3,235.15		0.00	254.80
49	**Assets not covered for GAR calculation**																					
50	**Central governments and Supranational issuers**																					
51	**Central banks exposure**																					
52	**Trading book**																					
53	**Total assets**																	109,924.26	3,235.15		0.00	254.80
54	Financial guarantees																					
55	Assets under management																	654.82	229.78		0.99	168.69
56	Of which debt securities																					
57	Of which equity instruments																					

Table 49. Template 2 – GAR sector information – CapEx, 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
	Breakdown by sector – 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-financial corporates (Subject to NFRD)		SMEs and other NFC (not subject to NFRD)		Non-financial corporates (Subject to NFRD)		SMEs and other NFC (not subject to NFRD)		Non-financial corporates (Subject to NFRD)		SMEs and other NFC (not subject to NFRD)		Non-financial corporates (Subject to NFRD)		SMEs and other NFC (not subject to NFRD)		Non-financial corporates (Subject to NFRD)		SMEs and other NFC (not subject to NFRD)		Non-financial corporates (Subject to NFRD)		SMEs and other NFC (not subject to NFRD)		Non-financial corporates (Subject to NFRD)		SMEs and other NFC (not subject to NFRD)	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		PLN million	Of which environmentally sustainable (CCM)	PLN million	Of which environmentally sustainable (CCM)	PLN million	Of which environmentally sustainable (CCA)	PLN million	Of which environmentally sustainable (CCA)	PLN million	Of which environmentally sustainable (WTR)	PLN million	Of which environmentally sustainable (WTR)	PLN million	Of which environmentally sustainable (CE)	PLN million	Of which environmentally sustainable (CE)	PLN million	Of which environmentally sustainable (PPC)	PLN million	Of which environmentally sustainable (PPC)	PLN million	Of which environmentally sustainable (BIO)	PLN million	Of which environmentally sustainable (BIO)	PLN million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	PLN million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	B0510 - Mining of hard coal	9.76	1.47			0.00	0.00			0.00	0.00			0.08	0.00			0.00	0.00			0.00	0.00			9.85	1.47		
2	B0729 - Mining of other non-ferrous metal ores	29.63	3.74			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			29.63	3.74		
3	C1013 - Production of meat and poultry meat products	2.30	2.30			24.30	3.72			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			26.61	6.02		
4	C1082 - Manufacture of cocoa. chocolate and sugar confectionery	1.28	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			1.28	0.00		
5	C1102 - Manufacture of wine from grape	0.52	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.52	0.00		
6	C1610 - Sawmilling and planing of wood	0.29	0.29			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.29	0.29		
7	C1920 - Manufacture of refined petroleum products	31.29	22.11			0.33	0.33			0.00	0.00			0.04	0.00			0.03	0.00			0.00	0,00			31.69	22.44		
8	C2014 - Manufacture of other organic basic chemicals	864.30	9.16			1.96	1.96			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			866.26	11.12		
9	C2016 - Manufacture of plastics in primary forms	0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
10	C2059 - Manufacture of other chemical products n.e.c.	0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
11	C2221 - Manufacture of plastic plates. sheets. tubes and profiles	18.37	8.28			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			18.37	8.28		
12	C2229 - Manufacture of other plastic products	0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
13	C2361 - Manufacture of concrete products for construction purposes	0.00	0.00			35.37	12.70			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			35.37	12.70		
14	C2420 - Manufacture of tubes. pipes. hollow profiles and related fittings. of steel	0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
15	C2442 - Aluminium production	12.69	5.72			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			12.69	5.72		
16	C2444 - Copper production	0.90	0.31			0.00	0.00			0.00	0.00			0.53	0.00			0.00	0.00			0.00	0.00			1.44	0.31		
17	C2445 - Other non-ferrous metal production	0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
18	C2511 - Manufacture of metal structures and parts of structures	16.31	7.41			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			16.32	7.41		
19	C2512 - Manufacture of doors and windows of metal	21.57	9.73			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			21.57	9.73		
20	C2530 - Manufacture of steam generators. except central heating hot water	0.21	0.00			0.06	0.01			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.27	0.01		
21	C2751 - Manufacture of electric domestic appliances	25.35	12.14			26.08	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.09	0.00			51.51	12.14		
22	C2841 - Manufacture of metal forming machinery	0.00	0.00			10.16	6.32			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			10.16	6.32		
23	C2892 - Manufacture of machinery for mining. quarrying and construction	58.81	58.72			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			58.81	58.72		
24	C2920 - Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	6.96	5.79			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			6.96	5.79		
25	C2931 - Manufacture of electrical and electronic equipment for motor vehicles	11.23	11.21			0.00	0.00			0.00	0.00			1.14	0.00			0.00	0.00			0.00	0.00			12.37	11.21		

26	C2932 - Manufacture of other parts and accessories for motor vehicles	3.66	1.28		0.00	0.00		0.00	0.00		2.17	0.00		0.00	0.00		0.00	0.00		5.83	1.28	
27	D3511 - Production of electricity	362.44	133.18		0.01	0.01		0.08	0.00		0.09	0.00		0.00	0.00		0,00	0,00		362,63	133,20	
28	D3513 - Distribution of electricity	85,04	71,84		0,00	0,00		0,10	0,00		0,10	0,00		0,00	0,00		0,00	0,00		85,24	71,84	
29	D3523 - Trade of gas through mains	89,51	63,24		0,94	0,94		0,00	0,00		0,11	0,00		0,08	0,00		0,00	0,00		90,63	64,18	
30	D3530 - Steam and air conditioning supply	0,28	0,24		0,00	0,00		0,00	0,00		0,00	0,00		0,00	0,00		0,00	0,00		0,29	0,24	
31	F4110 - Development of building projects	0,00	0,00		31,27	0,00		0,00	0,00		0,00	0,00		0,00	0,00		0,00	0,00		31,27	0,00	
32	F4120 - Construction of residential and non-residential buildings	0,00	0,00		0,00	0,00		0,00	0,00		0,00	0,00		0,00	0,00		0,00	0,00		0,00	0,00	
33	F4211 - Construction of roads and motorways	0,17	0,00		0,00	0,00		0,00	0,00		0,00	0,00		0,00	0,00		0,00	0,00		0,17	0,00	
34	F4222 - Construction of utility projects for electricity and telecommunications	2,62	1,58		0,00	0,00		0,00	0,00		0,33	0,00		0,00	0,00		0,00	0,00		2.95	1.58	
35	F4299 - Construction of other civil engineering projects n.e.c	2.30	1.38		0.00	0.00		0.00	0.00		0.29	0.00		0.00	0.00		0.00	0.00		2.59	1.38	
36	F4322 - Plumbing. heat and air conditioning installation	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
37	G4634 - Wholesale of beverages	1.24	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		1.24	0.00	
38	G4642 - Wholesale of clothing and footwear	37.92	0.00		12.16	0.61		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		50.09	0.61	
39	G4672 - Wholesale of metals and metal ores	0.03	0.03		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.03	0.03	
40	G4674 - Wholesale of hardware. plumbing and heating equipment and supplies	0.04	0.04		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.04	0.04	
41	G4690 - Non-specialised wholesale trade	30.94	9.36		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		30.94	9.36	
42	G4771 - Retail sale of clothing in specialised stores	29.26	12.98		0.01	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		29.28	12.98	
43	G4772 - Retail sale of footwear and leather goods in specialised stores	0.70	0.08		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.71	0.08	
44	G4777 - Retail sale of watches and jewellery in specialised stores	0.53	0.00		0.02	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.55	0.00	
45	G4791 - Retail sale via mail order houses or via Internet	0.26	0.02		2.54	2.54		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		2.81	2.56	
46	H4920 - Freight rail transport	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
47	J5814 - Publishing of journals and periodicals	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
48	J6110 - Wired telecommunications activities	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
49	J6130 - Satellite telecommunications activities	38.66	35.65		4.00	4.00		0.00	0.00		0.00	0.00		0.00	0.00		0.92	0.00		43.58	39.66	
50	J6201 - Computer programming activities	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
51	J6202 - Computer consultancy activities	4.73	3.68		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		4.73	3.68	
52	J6203 - Computer facilities management activities	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
53	K6420 - Activities of holding companies	0.01	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.01	0.00	
54	L6820 - Renting and operating of own or leased real estate	0.00	0.00		25.21	25.21		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		25.21	25.21	
55	M7219 - Other research and experimental development on natural sciences and engineering	0.40	0.05		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.40	0.05	

Table 50. Template 2 – GAR sector information – Turnover, 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
	Breakdown by sector - 4 digits level (code and label	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-financial corporates (Subject to NFRD)		SMEs and other NFC (not subject to NFRD)		Non-financial corporates (Subject to NFRD)		SMEs and other NFC (not subject to NFRD)		Non-financial corporates (Subject to NFRD)		SMEs and other NFC (not subject to NFRD)		Non-financial corporates (Subject to NFRD)		SMEs and other NFC (not subject to NFRD)		Non-financial corporates (Subject to NFRD)		SMEs and other NFC (not subject to NFRD)		Non-financial corporates (Subject to NFRD)		SMEs and other NFC (not subject to NFRD)		Non-financial corporates (Subject to NFRD)		SMEs and other NFC (not subject to NFRD)	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		PLN million	Of which environmentally sustainable (CCM)	PLN million	Of which environmentally sustainable (CCM)	PLN million	Of which environmentally sustainable (CCA)	PLN million	Of which environmentally sustainable (CCA)	PLN million	Of which environmentally sustainable (WTR)	PLN million	Of which environmentally sustainable (WTR)	PLN million	Of which environmentally sustainable (CE)	PLN million	Of which environmentally sustainable (CE)	PLN million	Of which environmentally sustainable (PPC)	PLN million	Of which environmentally sustainable (PPC)	PLN million	Of which environmentally sustainable (BIO)	PLN million	Of which environmentally sustainable (BIO)	PLN million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	PLN million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	B0510 - Mining of hard coal	2.17	0.00			0.00	0.00			0.01	0.00			0.00	0.00			0.00	0.00			0.06	0.00			2.24	0.00		
2	B0729 - Mining of other non-ferrous metal ores	9.61	5.61			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			9.61	5.61		
3	C1013 - Production of meat and poultry meat products	0.09	0.09			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.09	0.09		
4	C1920 - Manufacture of refined petroleum products	7.20	2.38			0.00	0.00			0.00	0.00			0.08	0.00			0.00	0.00			0.00	0.00			7.28	2.38		
5	C2014 - Manufacture of other organic basic chemicals	103.99	1.96			0.00	0.00			0.00	0.00			0.24	0.00			0.00	0.00			0.00	0.00			104.23	1.96		
6	C2016 - Manufacture of plastics in primary forms	0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
7	C2059 - Manufacture of other chemical products n.e.c.	0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
8	C2221 - Manufacture of plastic plates. sheets. tubes and profiles	25.71	13.69			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			25.71	13.69		
9	C2361 - Manufacture of concrete products for construction purposes	0.00	0.00			10.49	10.49			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			10.49	10.49		
10	C2420 - Manufacture of tubes. pipes. hollow profiles and related fittings. ofsteel	0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
11	C2442 - Aluminium production	17.76	9.45			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			17.76	9.45		
12	C2444 - Copper production	0.42	0.00			0.00	0.00			0.00	0.00			1.55	0.00			0.00	0.00			0.00	0.00			1.96	0.00		
13	C2445 - Other non-ferrous metal production	0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
14	C2511 - Manufacture of metal structures and parts of structures	22.58	12.01			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			22.58	12.01		
15	C2512 - Manufacture of doors and windows of metal	30.19	16.07			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			30.19	16.07		
16	C2530 - Manufacture of steam generators. except central heating hot water	0.41	0.15			0.18	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.58	0.15		
17	C2751 - Manufacture of electric domestic appliances	1.15	0.01			20.02	0.00			0.00	0.00			0.64	0.00			0.00	0.00			0.11	0.00			21.92	0.01		
18	C2841 - Manufacture of metal forming machinery	0.00	0.00			11.94	6.71			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			11.94	6.71		

19	C2892 -Manufacture of machinery for mining. quarrying and construction	24.35	24.35		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		24.35	24.35	
20	C2920 - Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	0.50	0.50		0.00	0.00		0.00	0.00		0.25	0.00		0.00	0.00		0.00	0.00		0.76	0.50	
21	C2931 - Manufacture of electrical and electronic equipment for motor vehicles	9.27	9.22		0.00	0.00		0.00	0.00		3.19	0.00		0.00	0.00		0.00	0.00		12.46	9.22	
22	C2932 - Manufacture of other parts and accessories for motor vehicles	1.69	0.00		0.00	0.00		0.00	0.00		6.29	0.00		0.00	0.00		0.00	0.00		7.98	0.00	
23	D3511 - Production of electricity	118.81	59.72		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		118.81	59.72	
24	D3513 - Distribution of electricity	20.76	14.11		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		20.76	14.11	
25	D3523 - Trade of gas through mains	20.59	6.80		0.00	0.00		0.00	0.00		0.23	0.00		0.00	0.00		0.00	0.00		20.82	6.80	
26	D3530 - Steam and air conditioning supply	0.07	0.05		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.07	0.05	
27	F4110 - Development of building projects	0.70	0.70		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.70	0.70	
28	F4120 - Construction of residential and non-residential buildings	0.01	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.01	0.00	
29	F4211 - Construction of roads and motorways	12.16	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		12.16	0.00	
30	F4222 - Construction of utility projects for electricity and telecommunications	3.86	1.69		0.00	0.00		0.00	0.00		0.42	0.00		0.00	0.00		0.00	0.00		4.28	1.69	
31	F4299 - Construction of other civil engineering projects n.e.c	3.39	1.49		0.00	0.00		0.00	0.00		0.37	0.00		0.00	0.00		0.00	0.00		3.76	1.49	
32	F4322 - Plumbing. heat and air conditioning installation	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
33	G4642 - Wholesale of clothing and footwear	0.26	0.04		0.00	0.00		0.00	0.00		0.02	0.00		0.00	0.00		0.00	0.00		0.28	0.04	
34	G4672 - Wholesale of metals and metal ores	0.03	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.03	0.00	
35	G4674 - Wholesale of hardware. plumbing and heating equipment and supplies	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
36	G4690 - Non-specialised wholesale trade	0.99	0.96		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.99	0.96	
37	G4771 - Retail sale of clothing in specialised stores	0.00	0.00		0.00	0.00		0.00	0.00		0.01	0.00		0.00	0.00		0.00	0.00		0.01	0.00	
38	G4772 - Retail sale of footwear and leather goods in specialised stores	0.01	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.01	0.00	
39	G4777 - Retail sale of watches and jewellery in specialised stores	0.00	0.00		0.00	0.00		0.00	0.00		0.01	0.00		0.00	0.00		0.00	0.00		0.01	0.00	
40	G4791 - Retail sale via mail order houses or via Internet	0.01	0.01		0.10	0.10		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.10	0.10	
41	H4920 - Freight rail transport	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
42	J5814 - Publishing of journals and periodicals	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	

43	J6110 - Wired telecommunications activities	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
44	J6130 - Satellite telecommunications activities	11.39	8.82		35.25	35.25		0.00	0.00		0.00	0.00		0.00	0.00		0.73	0.00		47.37	44.07	
45	J6201 - Computer programming activities	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
46	J6202 - Computer consultancy activities	0.07	0.07		1.87	1.87		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		1.94	1.94	
47	J6203 - Computer facilities management activities	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
48	K6420 - Activities of holding companies	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
49	L6820 - Renting and operating of own or leased real estate	0.00	0.00		25.24	23.70		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		25.24	23.70	
50	M7219 - Other research and experimental development on natural sciences and engineering	0.13	0.08		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.13	0.08	

Table 51. Template 3 – GAR KPI stock – CapEx, 2024

		a	b	c	d	e	f	g	h	i
		Disclosure reference date T								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	% (compared to total covered assets in denominator)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	87.84%	4.95%	4.51%	0.04%	0.18%	0.13%	0.04%	0.00%	0.01%
2	**Financial undertakings**	23.78%	23.46%	0.00%	0.00%	2.32%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	24.75%	24.42%	0.00%	0.00%	2.42%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	1.25%	1.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	1.25%	1.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	10.94%	2.99%	0.00%	0.36%	1.39%	1.06%	0.35%	0.00%	0.06%
21	Loans and advances	10.45%	2.79%	0.00%	0.36%	1.44%	0.93%	0.19%	0.00%	0.04%
22	Debt securities, including UoP	20.09%	6.81%	0.00%	0.29%	0.50%	3.55%	3.55%	0.00%	0.49%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
24	**Households**	98.80%	5.15%	5.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	98.90%	5.16%	5.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	99.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%				
28	**Local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	34.55%	1.95%	1.77%	0.02%	0.07%	0.05%	0.02%	0.00%	0.00%

		j	k	l	m	n	o	p	q	r	s	t	u
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
	% (compared to total covered assets in denominator)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
2	**Financial undertakings**	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
3	Credit institutions	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
4	Loans and advances	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
5	Debt securities, including UoP	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
6	Equity instruments	0.00%	-		-	0.00%	-		-	0.00%	-		-
7	Other financial corporations	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
8	of which investment firms	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
9	Loans and advances	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
10	Debt securities, including UoP	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
11	Equity instruments	0.00%	-		-	0.00%	-		-	0.00%	-		-
12	of which management companies	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
13	Loans and advances	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
14	Debt securities, including UoP	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
15	Equity instruments	0.00%	-		-	0.00%	-		-	0.00%	-		-
16	of which insurance undertakings	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
17	Loans and advances	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
18	Debt securities, including UoP	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
19	Equity instruments	0.00%	-		-	0.00%	-		-	0.00%	-		-
20	**Non-financial undertakings**	0.00%	-	-	-	0.03%	-	-	-	0.00%	-	-	-
21	Loans and advances	0.00%	-	-	-	0.03%	-	-	-	0.00%	-	-	-
22	Debt securities, including UoP	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
23	Equity instruments	0.00%	-		-	0.00%	-		-	0.00%	-		-
24	**Households**					0.00%	-	-	-				
25	of which loans collateralised by residential immovable property					0.00%	-	-	-				
26	of which building renovation loans					0.00%	-	-	-				
27	of which motor vehicle loans												
28	**Local government financing**	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
29	Housing financing	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
30	Other local government financing	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
32	**Total GAR assets**	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-

		v	w	x	z	aa	ab	ac	ad	ae	af
		Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (compared to total covered assets in denominator)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	-	-	-	87.97%	4.99%	4.51%	0.04%	0.18%	25.94%
2	**Financial undertakings**	0.00%	-	-	-	23.78%	23.46%	0.00%	0.00%	2.32%	0.08%
3	Credit institutions	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	-	-	-	24.75%	24.42%	0.00%	0.00%	2.42%	0.08%
8	of which investment firms	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	-	-	-	1.25%	1.25%	0.00%	0.00%	0.00%	0.03%
17	Loans and advances	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	-	-	-	1.25%	1.25%	0.00%	0.00%	0.00%	0.03%
19	Equity instruments	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	0.01%	-	-	-	12.03%	3.35%	0.00%	0.36%	1.46%	3.13%
21	Loans and advances	0.00%	-	-	-	11.42%	2.98%	0.00%	0.36%	1.48%	2.97%
22	Debt securities, including UoP	0.11%	-	-	-	23.75%	10.36%	0.00%	0.29%	0.99%	0.16%
23	Equity instruments	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**					98.80%	5.15%	5.15%	0.00%	0.00%	22.70%
25	of which loans collateralised by residential immovable property					98.90%	5.16%	5.16%	0.00%	0.00%	22.67%
26	of which building renovation loans					99.70%	0.00%	0.00%	0.00%	0.00%	0.42%
27	of which motor vehicle loans					0.00%	0.00%	0.00%	0.00%	0.00%	0.02%
28	**Local government financing**	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
29	Housing financing	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%	-	-	-	34.60%	1.96%	1.77%	0.02%	0.08%	65.95%

Table 52. Template 3 – GAR KPI stock – CapEx, 2023

Disclosure reference date T-1

% (compared to total covered assets in denominator)

		ag	ah	ai	aj	ak	al	am	an	ao
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	92.19%	3.41%		0.00%	0.74%	0.03%	0.02%		0.00%
2	**Financial undertakings**	0.00%	0.00%		0.00000000%	0.00%	0.00%	0.00%		0.00%
3	Credit institutions	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
4	Loans and advances									
5	Debt securities, including UoP									
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
8	of which investment firms									
9	Loans and advances									
10	Debt securities, including UoP									
11	Equity instruments									
12	of which management companies									
13	Loans and advances									
14	Debt securities, including UoP									
15	Equity instruments									
16	of which insurance undertakings	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
17	Loans and advances									
18	Debt securities, including UoP	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
19	Equity instruments									
20	**Non-financial undertakings**	25.11%	10.75%		0.01%	7.51%	0.28%	0.23%		0.04%
21	Loans and advances	25.43%	11.02%		0.00%	7.72%	0.24%	0.24%		0.04%
22	Debt securities, including UoP	13.25%	1.14%		0.26%	0.14%	1.57%	0.00%		0.00%
23	Equity instruments									
24	**Households**	99.91%	2.61%							
25	of which loans collateralised by residential immovable property	100.00%	2.61%							
26	of which building renovation loans	99.63%	1.15%							
27	of which motor vehicle loans									
28	**Local government financing**									
29	Housing financing									
30	Other local government financing									
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	100.00%								
32	**Total GAR assets**	33.05%	1.22%		0.00%	0.27%	0.01%	0.01%		0.00%

		ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																
2	**Financial undertakings**																
3	Credit institutions																
4	Loans and advances																
5	Debt securities, including UoP																
6	Equity instruments																
7	Other financial corporations																
8	of which investment firms																
9	Loans and advances																
10	Debt securities, including UoP																
11	Equity instruments																
12	of which management companies																
13	Loans and advances																
14	Debt securities, including UoP																
15	Equity instruments																
16	of which insurance undertakings																
17	Loans and advances																
18	Debt securities, including UoP																
19	Equity instruments																
20	**Non-financial undertakings**																
21	Loans and advances																
22	Debt securities, including UoP																
23	Equity instruments																
24	**Households**																
25	of which loans collateralised by residential immovable property																
26	of which building renovation loans																
27	of which motor vehicle loans																
28	**Local government financing**																
29	Housing financing																
30	Other local government financing																
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																
32	**Total GAR assets**																

		bf	bg	bh	bi	bj	bk
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	92.22%	3.43%	0.00%	0.00%	0.75%	23.43%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances						0.00%
5	Debt securities, including UoP						0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
8	of which investment firms						0.00%
9	Loans and advances						0.00%
10	Debt securities, including UoP						0.00%
11	Equity instruments						0.00%
12	of which management companies						0.00%
13	Loans and advances						0.00%
14	Debt securities, including UoP						0.00%
15	Equity instruments						0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
17	Loans and advances						0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
19	Equity instruments						0.00%
20	**Non-financial undertakings**	25.38%	10.99%	0.00%	0.01%	7.55%	2.32%
21	Loans and advances	25.67%	11.26%	0.00%	0.00%	7.75%	2.26%
22	Debt securities, including UoP	14.82%	1.14%	0.00%	0.26%	0.14%	0.06%
23	Equity instruments						0.00%
24	**Households**	99.91%	2.61%	0.00%	0.00%	0.00%	21.04%
25	of which loans collateralised by residential immovable property	100.00%	2.61%	0.00%	0.00%	0.00%	21.02%
26	of which building renovation loans	99.63%	1.15%	0.00%	0.00%	0.00%	0.42%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%
28	**Local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%
29	Housing financing						0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	33.06%	1.23%		0.00%	0.27%	65.37%

Table 53. Template 3 – GAR KPI stock – Turnover, 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	% (compared to total covered assets in denominator)	Disclosure reference date T																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	86.84%	4.67%	4.51%	0.00%	0.09%	0.13%	0.06%	0.00%	0.03%	0.00%	-	-	-	0.01%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	86.98%	4.73%	4.51%	0.00%	0.12%	25.94%
2	**Financial undertakings**	19.72%	6.27%	0.00%	0.00%	0.33%	14.94%	1.56%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	34.66%	7.82%	0.00%	0.00%	0.33%	0.08%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	20.53%	6.52%	0.00%	0.00%	0.35%	15.55%	1.62%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	36.08%	8.14%	0.00%	0.00%	0.35%	0.08%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	45.26%	4.72%	0.00%	0.00%	0.00%	45.26%	4.72%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	90.52%	9.44%	0.00%	0.00%	0.00%	0.03%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	45.26%	4.72%	0.00%	0.00%	0.00%	45.26%	4.72%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	90.52%	9.44%	0.00%	0.00%	0.00%	0.03%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	2.73%	1.15%	0.00%	0.00%	0.73%	0.64%	0.47%	0.00%	0.26%	0.00%	-	-	-	0.08%	-	-	-	0.00%	-	-	-	0.01%	-	-	-	3.46%	1.63%	0.00%	0.00%	0.99%	3.13%
21	Loans and advances	2.38%	0.92%	0.00%	0.00%	0.74%	0.28%	0.12%	0.00%	0.04%	0.00%	-	-	-	0.08%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	2.75%	1.04%	0.00%	0.00%	0.78%	2.97%
22	Debt securities, including UoP	9.45%	5.67%	0.00%	0.00%	0.56%	7.34%	7.15%	0.00%	4.28%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.09%	-	-	-	16.89%	12.82%	0.00%	0.00%	4.83%	0.16%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**	98.80%	5.15%	5.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	-	-	-									98.80%	5.15%	5.15%	0.00%	0.00%	22.70%
25	of which loans collateralised by residential immovable property	98.90%	5.16%	5.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	-	-	-									98.90%	5.16%	5.16%	0.00%	0.00%	22.67%
26	of which building renovation loans	99.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	-	-	-									99.70%	0.00%	0.00%	0.00%	0.00%	0.42%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%																					0.00%	0.00%	0.00%	0.00%	0.00%	0.02%
28	**Local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	34.16%	1.84%	1.77%	0.00%	0.04%	0.05%	0.02%	0.00%	0.01%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	34.21%	1.86%	1.77%	0.00%	0.05%	65.95%

Table 54. Template 3 – GAR KPI stock – Turnover, 2023

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
	% (compared to total covered assets in denominator)	Disclosure reference date T-1																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	90.31%	2.65%		-	0.21%	0.04%	0.01%		0.00%																	90.35%	2.66%	-	-	0.21%	23.43%
2	**Financial undertakings**	-	-		-	-	-	-		-																	-	-	-	-	-	0.03%
3	Credit institutions	-	-		-	-	-	-		-																	-	-	-	-	-	0.00%
4	Loans and advances																															-
5	Debt securities, including UoP																															-
6	Equity instruments	-	-		-	-	-	-		-																	-	-		-	-	0.00%
7	Other financial corporations	-	-		-	-	-	-		-																	-	-	-	-	-	0.03%
8	of which investment firms																															-
9	Loans and advances																															-
10	Debt securities, including UoP																															-
11	Equity instruments																															-
12	of which management companies																															-
13	Loans and advances																															-
14	Debt securities, including UoP																															-
15	Equity instruments																															-
16	of which insurance undertakings	-	-		-	-	-	-		-																	-	-	-	-	-	0.03%
17	Loans and advances																															-
18	Debt securities, including UoP	-	-		-	-	-	-		-																	-	-	-	-	-	0.03%
19	Equity instruments																															-
20	**Non-financial undertakings**	6.15%	3.11%		-	2.07%	0.36%	0.06%		0.04%																	6.51%	3.17%	-	-	2.11%	2.32%
21	Loans and advances	6.00%	3.16%		-	2.10%	0.06%	0.06%		0.04%																	6.06%	3.22%	-	-	2.14%	2.26%
22	Debt securities, including UoP	11.72%	1.15%		-	1.14%	11.23%	-		-																	22.95%	1.15%	-	-	1.14%	0.06%
23	Equity instruments																															-
24	**Households**	99.91%	2.61%																								99.91%	2.61%	-	-	-	21.04%
25	of which loans collateralised by residential immovable property	100.00%	2.61%																								100.00%	2.61%	-	-	-	21.02%
26	of which building renovation loans	99.63%	1.15%																								99.63%	1.15%	-	-	-	0.42%
27	of which motor vehicle loans																										-	-	-	-	-	0.02%
28	**Local government financing**																										-	-	-	-	-	0.04%
29	Housing financing																															-
30	Other local government financing																										-	-	-	-	-	0.04%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	100.00%																									100.00%	-	-	-	-	-
32	**Total GAR assets**	32.37%	0.95%		-	0.07%	0.01%	0.00%		0.00%																	32.39%	0.95%		-	0.08%	65.37%

Table 55. Template 4 – GAR KPI flow – CapEx, 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																														
	% (compared to flow of total eligible assets)	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				of which Use of Proceeds	of which transitional	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which transitional	of which enabling	
	GAR - covered assets in both numeration and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	83.67%	7.84%	7.17%	0.04%	0.12%	0.16%	0.11%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	83.83%	7.95%	7.17%	0.04%	0.12%	17.17%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	10.99%	4.01%	0.00%	0.22%	0.73%	0.96%	0.67%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	11.95%	4.68%	0.00%	0.22%	0.73%	2.87%
21	Loans and advances	9.16%	4.14%	0.00%	0.24%	0.84%	0.38%	0.05%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	9.54%	4.19%	0.00%	0.24%	0.84%	2.49%
22	Debt securities, including UoP	22.88%	3.16%	0.00%	0.05%	0.03%	4.74%	4.74%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	27.62%	7.90%	0.00%	0.05%	0.03%	0.38%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**	98.28%	8.61%	8.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	-	-	-									98.28%	8.61%	8.61%	0.00%	0.00%	14.30%
25	of which loans collateralised by residential immovable property	98.28%	8.61%	8.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	-	-	-									98.28%	8.61%	8.61%	0.00%	0.00%	14.30%
26	of which building renovation loans	99.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	-	-	-									99.97%	0.00%	0.00%	0.00%	0.00%	0.21%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%																					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possessions: residential and comercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**28.45%**	**2.67%**	**2.44%**	**0.01%**	**0.04%**	**0.05%**	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**28.51%**	**2.70%**	**2.44%**	**0.01%**	**0.04%**	**50.49%**

Table 56. Template 4 – GAR KPI flow – Turnover, 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	% (compared to flow of total eligible assets)	Disclosure reference date T																														
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				of which Use of Proceeds	of which transitional	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which transitional	of which enabling	
	GAR - covered assets in both numeration and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	82.49%	7.54%	7.17%	0.00%	0.14%	0.11%	0.10%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	82.60%	7.64%	7.17%	0.00%	0.14%	17.17%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	3.94%	2.21%	0.00%	0.00%	0.83%	0.65%	0.61%	0.00%	0.00%	0.00%	-	-	-	0.01%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	4.60%	2.82%	0.00%	0.00%	0.83%	2.87%
21	Loans and advances	2.65%	1.47%	0.00%	0.00%	0.96%	0.02%	0.02%	0.00%	0.00%	0.00%	-	-	-	0.01%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	2.69%	1.49%	0.00%	0.00%	0.96%	2.49%
22	Debt securities, including UoP	12.28%	7.04%	0.00%	0.00%	0.00%	4.74%	4.45%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	17.02%	11.50%	0.00%	0.00%	0.00%	0.38%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**	98.28%	8.61%	8.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	-	-	-									98.28%	8.61%	8.61%	0.00%	0.00%	14.30%
25	of which loans collateralised by residential immovable property	98.28%	8.61%	8.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	-	-	-									98.28%	8.61%	8.61%	0.00%	0.00%	14.30%
26	of which building renovation loans	99.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	-	-	-									99.97%	0.00%	0.00%	0.00%	0.00%	0.21%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%																					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possessions: residential and comercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	28.05%	2.56%	2.44%	0.00%	0.05%	0.04%	0.03%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	28.09%	2.60%	2.44%	0.00%	0.05%	50.49%

Table 57. Template 5 – KPI off-balance sheet exposures – CapEx, 2024

	% (compared to total eligible off-balance-sheet assets)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Disclosure reference date T																													
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which transitional	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)																														
2	Assets under management (AuM KPI)	4.16%	4.16%	0%	0.42%	2.49%	0.64%	0.64%	0%	0.01%	0.01%	-	-	-	0.004%	-	-	-	0.004%	-	-	-	0%	-	-	-	4.83%	4.81%	0%	0.42%	2.51%

Table 58. Template 5 – KPI off-balance sheet exposures – Turnover, 2024

	% (compared to total eligible off-balance-sheet assets)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Disclosure reference date T																													
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which transitional	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)																														
2	Assets under management (AuM KPI)	1.36%	1.36%	0%	0.01%	0.97%	0.67%	0.67%	0%	0.08%	0.01%	-	-	-	0.01%	-	-	-	0.002%	-	-	-	0%	-	-	-	2.05%	2.03%	0%	0.01%	1.05%

Table 59. Template 5 – KPI off-balance sheet exposures – CapEx – flow, 2024

	% (compared to total eligible off-balance-sheet assets)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Disclosure reference date T																													
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which transitional	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)																														
2	Assets under management (AuM KPI)	1.40%	1.40%	0%	0.07%	0.69%	0.63%	0.63%	0%	0.004%	0.001%	-	-	-	0.0003%	-	-	-	0%	-	-	-	0%	-	-	-	2.03%	2.03%	0%	0.07%	0.69%

Table 60. Template 5 – KPI off-balance sheet exposures – Turnover – flow, 2024

	% (compared to total eligible off-balance-sheet assets)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Disclosure reference date T																													
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which transitional	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	of which Use of Proceeds	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)																														
2	Assets under management (AuM KPI)	0.70%	0.70%	0%	0.002%	0.30%	0.61%	0.61%	0%	0.02%	0.001%	-	-	-	0.001%	-	-	-	0%	-	-	-	0%	-	-	-	1.32%	1.32%	0%	0.002%	0.32%

Table 61. Weighted average of key performance indicators related to taxonomy-aligned activities for the mixed group

			KPI per business segment			
PLN million	Revenue	Proportion of total group revenue (A)	KPI turnover based (B)	KPI CapEx based (C)	KPI turnover based weighted (A*B)	KPI CapEx based weighted (A*C)
A. Financial activities						
Asset management	438.77	1.09%	2.03%	4.81%	0.02%	0.05%
Banking activities	39,863.39	98.91%	1.86%	1.96%	1.84%	1.94%
Total revenue of the group	40,302.17	100.00%				
					Average KPI turover based	Average KPI CapEx based
				Average KPI of the Group	1.86%	1.99%

Table 61 presents the consolidated key performance indicator at the Bank Group level in relation to taxonomy-aligned activities in the form of the weighted average of key performance indicators. The Bank Group operates in the following industry segments: banking activities and asset management. In banking activities, revenues from leasing and factoring operations are reported, as they are similar in nature to lending activities.

The Bank's Group is not a financial conglomerate and does not meet the requirements set out in the Act of 15 April 2005 on supplementary supervision of credit institutions, insurance companies, reinsurance companies, and investment firms that are part of a financial conglomerate. As the parent company of a large capital group, the Bank prepares a consolidated sustainability report that includes taxonomy disclosures. The prudential consolidation approach applies to the relevant taxonomy disclosure.

In accordance with the formula published in Commission Notice (EU) C/2024/6691, the Bank calculates and publishes the consolidated key performance indicator at the Bank Group level, as well as the key performance indicators KPI Turnover and KPI CapEx for its prudentially consolidated subsidiaries, in the form of a weighted average of the relevant key performance indicators calculated for the aforementioned segments. The weighting is based on the percentage share of revenue generated from each type of activity in the total consolidated revenue of the Bank Group.

Contextual information in support of the quantitative indicators including the scope of assets and activities covered by the KPIs, information on data sources and limitation

Identification of entities subject to Directive 2013/34/EU

The Bank has conducted an analysis of its portfolio with respect to customers obligated to disclose sustainability-related information in accordance with the criteria specified in Articles 19a or 29a of Directive 2013/34/EU, including mandatory disclosures under the EU Taxonomy. They include:

- Large entities that are public-interest entities, exceeding the threshold of an average of 500 employees during the financial year as of the balance sheet date;
- Public-interest entities that are parent companies of large groups, exceeding the threshold of an average of 500 employees during the financial year on a consolidated basis as of the balance sheet date, as well as the subsidiaries consolidated by these parent companies.

As part of the customer verification process, the Bank relied on the most up-to-date non-financial reports published by companies subject to Directive 2013/34/EU, which were available on the websites of the analysed companies. The customer verification also used information available in the Notoria ESG Module database, which contains data resulting from the non-financial reporting obligations of Polish companies.

To identify subsidiaries financed by capital groups formed by parent companies, the Bank uses the EMIS information and analytical platform. This database displays the relationships and lists of subsidiaries subject to consolidation by the parent company for each capital group.

By utilizing data gathered in the Bank's information system and data from the EMIS database, the Bank compiled a list of subsidiaries consolidated by the parent companies of capital groups that have received financing from the Bank's Group.

Method of assessing compliance with minimum safeguards

The verification of compliance with the minimum safeguards specified in Article 18 of the EU Taxonomy by non-financial and financial enterprises subject to Directive 2013/34/EU is based on data obtained from the Notoria ESG Module database and information contained in the non-financial reports of these customers. The verification consists of analyzing data from Notoria, including the occurrence of violations of OECD principles, and cross-referencing these results with information found in the non-financial reports. The final step involves comparing the collected data, upon which expert judgment is applied, assigning a "YES" marker to businesses that meet the minimum safeguards or a "NO" marker to businesses that do not meet the minimum safeguards. Economic activities of non-financial and financial enterprises subject to Directive 2013/34/EU that do not meet the minimum safeguards are disclosed as taxonomy-eligible but not taxonomy-aligned.

The Bank assumes that all subsidiaries consolidated by the parent company of a given capital group have been considered in the assessment of compliance with the minimum safeguards in relation to the activities conducted by the group. If the parent company publishes information on meeting the minimum safeguards, the Bank assumes that all subsidiaries consolidated by the parent company also meet the minimum safeguards.

The verification method described above remains in effect until the banking sector develops uniform guidelines/explanations/recommendations on how to verify the minimum safeguards based on sustainability reports.

The Bank's Group does not verify compliance with the minimum safeguards for retail customers in relation to real estate purchases. According to the third notification from the European Commission (C/2024/6691), credit institutions should obtain documentation confirming compliance with the relevant technical qualification criteria and minimum safeguards from producers supplying goods and services to retail customers. However, the notification does not state that this applies to real estate purchases. Furthermore, the Sustainable Finance Platform holds that households are not subject to the minimum safeguards, which apply to businesses or local governments, and therefore, banks are not required to obtain information on compliance with the minimum safeguards from households when providing mortgage loans or other types of financing.

ASSESSMENT OF ELIGIBILITY FOR AND ALIGNMENT WITH THE TAXONOMY OF EXPOSURES TO FINANCIAL AND NON-FINANCIAL ENTITIES SUBJECT TO DIRECTIVE 2013/34/EU

To determine the exposure to financial and non-financial entities subject to Directive 2013/34/EU and their subsidiaries consolidated by the parent company of a given capital group, classified as taxonomy-eligible and taxonomy-aligned, the Bank used key performance indicators (KPIs) of Turnover and CapEx. These indicators were disclosed by entities required to report non-financial information in non-financial reports published in 2024 (for the year 2023).

For subsidiaries of the capital group created by the parent company, the Bank applied the following key: exposures to subsidiaries are multiplied by the key performance indicator disclosed by the parent company for that subsidiary; if the key performance indicator of the subsidiary is not available, the KPIs of the closest parent company are used; if the KPI of the closest parent company is unavailable, the consolidated KPI at the capital group level is used. The Bank assumes that all subsidiaries consolidated by the parent company are considered when calculating consolidated KPIs. For financial institutions, the indicator is applied at the parent company level. For exposures in the banking portfolio, where the purpose of funds is unknown (loans and advances, debt securities, and equity instruments), the value of taxonomy-eligible and taxonomy-aligned assets is calculated as the product of the gross carrying amount and the appropriate KPIs: Turnover KPI and CapEx KPI.

The Bank did not report exposures that are taxonomy-eligible and taxonomy-aligned in terms of earmarked financing due to the lack of data to confirm compliance with the technical qualification criteria of the EU Taxonomy for the financed investment project.

Regarding off-balance-sheet exposures, the Bank does not disclose financial guarantees supporting loans and advances and debt securities financing business activities that are taxonomy-aligned due to their immateriality.

Exposures related to managed assets coming from enterprises financing business activities aligned with the taxonomy concern a subsidiary of the Bank's Capital Group. Off-balance-sheet exposures to non-financial entities subject to Directive 2013/34/EU are assessed as taxonomy-eligible and taxonomy-aligned based on the Turnover KPI and CapEx KPI. These KPIs were disclosed in non-financial reports published in 2024 (for the year 2023).

ASSESSMENT OF ELIGIBILITY FOR AND COMPLIANCE WITH THE TAXONOMY OF EXPOSURES TO HOUSEHOLDS

Exposures to households arising from loans for building renovations have been classified as taxonomy-eligible but not taxonomy-aligned due to the lack of data confirming compliance with the technical screening criteria (concerning activities under sections 7.2, 7.3, 7.4, 7.5, and 7.6, as defined in Annex I to Delegated Regulation (EU) 2021/2139).

Exposures to households arising from loans for residential properties have been classified as taxonomy-eligible and taxonomy-aligned, provided they meet the condition of making a substantial contribution to climate change mitigation and the "do no significant harm" principle in relation to climate change adaptation (concerning activities under section 7.7 of Annex I to Delegated Regulation (EU) 2021/2139).

According to the interpretation of the Ministry of Development and Technology, the assessment of the substantial contribution to climate change mitigation for residential buildings constructed before 31 December 2020 is met when the demand for non-renewable primary energy for heating, ventilation, cooling, and hot water preparation (EP indicator) is lower than 83.91 kWh/(m^2*year) for single-family residential buildings and lower than 81.86 kWh/(m^2*year) for multi-family residential buildings, as confirmed by the building's energy performance certificate.

According to the interpretation of the Ministry of Development and Technology, the assessment of a significant contribution to climate change mitigation for residential buildings constructed after 31 December 2020 is met when the EP indicator is at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. To this end, the Bank compared the calculated value of the EP indicator with the limit value, reduced by 10% (determined as set out in § 329(1) of the Announcement of the Minister of Infrastructure of 12 April 2002 on the technical conditions to be met by buildings and their location), of 63 kWh/(m^2*year) for single-family residential buildings and 58.5

kWh/(m^2*year) for multi-family buildings. The EP value was confirmed by the building's energy performance certificate.

The "do no significant harm" principle in relation to the environmental objective of climate change adaptation was confirmed through an analysis of the physical risk exposure of the properties under consideration using the KLIMADA 2.0 portal, based on the property address, for which the risk level was found to be less than 0.75 (within the time horizon corresponding to the maturity of the loan).

The Bank did not report exposures classified as taxonomy-eligible for households arising from loans for vehicles due to the lack of detailed information regarding the financed object (concerning activities under section 6.5 of Annex I to Delegated Regulation (EU) 2021/2139).

Assessment of eligibility for and compliance with the taxonomy of exposures to local government units

PKO Bank Polski S.A. is a universal bank and its business model is not based on the financing of public housing. The Bank does not disclose exposures to local authority units for loans and advances that finance public housing. The Bank did not report exposures classified as taxonomy-eligible to public authorities related to specialised lending due to the lack of information on the eligibility and alignment with the taxonomy of the financed investment projects.

Assessment of eligibility for and alignment with the taxonomy of repossessed commercial and residential real estate collateral

The Bank has not reported exposures that represent repossessed commercial and residential real estate collateral.

Explanations of the nature and objectives of Taxonomy-aligned economic activities and the evolution of the Taxonomy-aligned economic activities over time, starting from the second year of implementation, distinguishing between business-related and methodological and data-related elements

The largest share in the value of the green assets ratio was recorded for exposures to households related to financing residential real estate, as well as exposures to non-financial enterprises subject to Directive 2013/34/EU and their subsidiaries in the context of general financing, which was determined based on KPIs published by these enterprises in their most recent non-financial reports. Activities taxonomy-eligible and demonstrated by non-financial enterprises subject to Directive 2013/34/EU primarily supported the achievement of the first environmental objective - climate change mitigation (CCM). The Bank's assessment of residential real estate in terms of taxonomy-alignment involved verifying compliance with the criteria specified in Section 7.7 Acquisition and ownership of buildings for the first environmental objective – climate change mitigation (CCM), as outlined in Annex I to Commission Delegated Regulation (EU) 2021/2139.

In the disclosure, the Bank did not report exposures taxonomy-aligned with respect to:

1. Non-financial enterprises subject to Directive 2013/34/EU in terms of: targeted financing due to the lack of data enabling confirmation of compliance with the technical screening criteria of the financed investment project;
2. Households related to loans for building renovations due to the lack of data enabling confirmation of compliance with the technical screening criteria;
3. Households related to loans for vehicle purchases due to difficulties in obtaining data;
4. Exposures to local governments for non-residential public housing, specialist financing due to the lack of data.

Description of the compliance with Regulation (EU) 2020/852 in the financial undertaking's business strategy, product design processes and engagement with clients and counterparties

In October 2024, the Bank's Management Board adopted the Strategy for the years 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 2025-2027 Strategy, the Bank declared:

4. A market share of over 20% in the financing of Poland's energy transition;
5. Achieving net-zero emissions by 2050 across all emission scopes in accordance with the Paris Agreement:
   - ✓ 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 a transformation plan by the end of 2027 (Scope 3).

The product offering of the Bank's Group is being adjusted to the changing needs of its clients and is progressively expanding with both proprietary solutions and solutions developed in cooperation with other institutions (e.g., green guarantees from the Korporacja Ubezpieczeń Kredytów Eksportowych S.A.), 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 Deal 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 June 2024, as part of the review and update of internal procedures, the Bank amended the "Principles of classification of sustainable development financing in the PKO Bank Polski S.A. Group", which introduce, alongside the classification of sustainable development financing, a uniform classification of products financing sustainable development. The principles take into account the requirements of international standards and the regulatory environment, in particular those arising from the EU Taxonomy and the European Green Bond. The Bank is in the process of implementing the provisions of the Principles, in particular with regard to its business and reporting processes, as well as the related IT systems.

In October 2024, the Bank introduced a Sustainability-Linked Loan (SLL) product into its corporate client segment within 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 designed to support sustainable development financing, both in the corporate segment and for businesses and enterprises.

In December 2024, the Bank 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 will be 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 Bank is currently planning the implementation of a process to evaluate compliance with minimum safeguards within its internal banking processes.

In 2024, 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 should meet in order to be considered environmentally sustainable. The questionnaires are used to determine/classify sustainable assets. The Bank offers assistance to customers in analyzing taxonomy transactions, which helps customers better understand the requirements and benefits associated with implementing sustainable development principles in their business. The data obtained through the taxonomy questionnaires, along with KPI indicators collected from the non-financial/sustainability reports of clients obligated to report under the Taxonomy, form the basis for calculating the Green Asset Ratio (GAR) and the Banking Book Taxonomy Alignment Ratio (BTAR). 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.

ADDITIONAL OR COMPLEMENTARY INFORMATION IN SUPPORT OF THE FINANCIAL UNDERTAKING'S STRATEGIES AND THE WEIGHT OF THE FINANCING OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THEIR OVERALL ACTIVITY

In the credit portfolio classification principles adopted by the Bank's Management Board in the first half of 2024, the Bank distinguished two classes of exposures that finance activities in the fields of environmental protection, social policy, and corporate governance. These are: the class of exposures supporting sustainable development – light green exposures, which relate to financing business activities with a positive environmental impact, particularly contributing to the achievement of the environmental objectives described in Article 9 of the EU Taxonomy, and financing activities with a positive impact on society and communities (exposures included in the calculation of the Banking Book Taxonomy Alignment Ratio (BTAR)); and the class of environmentally sustainable exposures (taxonomy-aligned) – dark green exposures, which relate to financing business activities that meet the criteria described in Article 3 of the EU Taxonomy (exposures included in the calculation of the Green Asset Ratio (GAR)).

The Bank's Group aims to increase the share of loans in its banking portfolio that finance business activities meeting the criteria outlined in Article 3 of the EU Taxonomy, as well as exposures supporting sustainable development, including sustainability-linked loans based on market standards for sustainable financing: Sustainability-Linked Loan Principles; sustainability-linked bonds based on market standards for debt instruments: Sustainability-Linked Bond Principles; eco-friendly loans – including investment loans intended to finance investments in renewable energy sources, electromobility, energy-efficient real estate; and "Własny Kąt" mortgage loans for residential buildings that meet the criteria set out in the Green Covered Bond Framework. Quantitative data regarding products supporting sustainable development are presented in the "Capital Adequacy and Other Information of the PKO Bank Polski S.A. Capital Group to be Published as of the Reporting Date 31 December 2023 and 31 December 2024 (Template 10 Other climate change mitigation actions not covered by Regulation (EU) 2020/852).

DISCLOSURE OF BUSINESS ACTIVITIES IN CERTAIN ENERGY SECTORS

The tables below present information on business activities relating to nuclear energy and natural gas. They are presented in two variants, depending on which indicator (Turnover KPI or CapEx KPI) was used in the calculation of eligibility for taxonomy and alignment with the taxonomy of general purpose exposures to non-financial enterprises subject to Directive 2013/34/EU. These tables present information on key performance indicators (in relation to the status as at the reporting date) and information on new exposures originated in 2024 (in relation to flow).

Table 62. Template 1 Nuclear and fossil gas related activities (CapEx)

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	YES

Table 63. Template 1 Nuclear and fossil gas related activities (Turnover)

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	YES

Table 64. Template 2. Taxonomy-aligned economic activities (denominator) – CapEx, PLN million

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
2	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0	2	0	-	0
3	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	13	0	13	0	-	0
4	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	-	0
5	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	-	0
6	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	-	0
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	6,806	1.96	6,748	1.94	58	0.02
8	**Total applicable KPI**	6,821	1.96	6,763	1.95	58	0.02

Table 65. Template 2. Taxonomy-aligned economic activities (denominator) – Turnover, PLN million

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
2	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
3	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11	0	11	0	-	0
4	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
5	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
6	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	6,458	1.86	6,373	1.83	85	0.02
8	**Total applicable KPI**	6,469	1.86	6,384	1.84	85	0.02

Table 66. Template 2. Taxonomy-aligned economic activities (denominator) – CapEx, PLN million, flow

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
2	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0	2	0	-	0
3	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	13	0.02	13	0.02	-	0
4	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	-	0
5	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	-	0
6	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	-	0
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	1,881	2.68	1,854	2.64	27	0.04
8	**Total applicable KPI**	1,896	2.70	1,869	2.67	27	0.04

Table 67. Template 2. Taxonomy-aligned economic activities (denominator) – Turnover, PLN million, flow

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
2	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
3	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11	0.02	11	0.02	-	0
4	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
5	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
6	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	1,811	2.58	1,787	2.55	24	0.03
8	**Total applicable KPI**	1,822	2.60	1,797	2.56	24	0.03

Table 68. Template 3. Taxonomy-aligned economic activities (numerator) – CapEx, PLN million

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amoun t	%	Amount	%	Amount	%
1	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	0
2	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2	0.03	2	0.03	-	0
3	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	13	0.18	13	0.18	-	0
4	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0	-	0
5	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0	-	0
6	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0	-	0
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	6,806	99.78	6,748	98.93	58	0.86
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	6,821	100	6,763	99.14	58	0.86

Tabl 69. Template 3. Taxonomy-aligned economic activities (numerator) – Turnover, PLN million

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	0
2	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	0
3	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	11	0.16	11	0.16	-	0
4	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	0
5	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	0
6	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	0
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	6,458	99.84	6,373	98.52	85	1.31
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	6,469	100	6,384	98.69	85	1.31

Table 70. Template 3. Taxonomy-aligned economic activities (numerator) – CapEx, PLN million, flow

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	0
2	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2	0.11	2	0.11	-	0
3	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	13	0.66	13	0.66	-	0
4	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.01	0	0.01	-	0
5	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.01	0	0.01	-	0
6	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.01	0	0.01	-	0
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	1,881	99.21	1,854	97.80	27	1.42
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	1,896	100	1,869	98.58	27	1.42

Table 71. Template 3. Taxonomy-aligned economic activities (numerator) – Turnover, PLN million, flow

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	0
2	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	0
3	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	11	0.58	11	0.58	-	0
4	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	0
5	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	0
6	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	0
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	1,811	99.42	1,787	98.08	24	1.34
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	1,822	100	1,797	98.66	24	1.34

Table 72. Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities – CapEx, PLN million

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
2	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
3	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
4	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	30	0.01	30	0.01	-	0
5	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	39	0.01	39	0.01	-	0
6	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	0	7	0	-	0
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	113,399	32.62	113,283	32.59	116	0.03
8	**Total amount and proportion of taxonomy eligible but not taxonomyaligned economic activities in the denominator of the applicable KPI**	113,474	32.64	113,358	32.61	116	0.03

Table 73. Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities – Turnover, PLN million

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
2	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
3	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
4	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0	2	0	-	0
5	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	13	0	12	0	1	0
6	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0	2	0	-	0
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	112,437	32.34	112,351	32,32	86	0,02
8	**Total amount and proportion of taxonomy eligible but not taxonomyaligned economic activities in the denominator of the applicable KPI**	112,453	32,35	112,367	32,32	86	0,02

Table 74. Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities – CapEx, PLN million, flow

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
2	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
3	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
4	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5	0.01	5	0.01	-	0
5	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0	1	0	-	0
6	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0	2	0	-	0
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	18,090	25.79	18,078	25.78	12	0.02
8	**Total amount and proportion of taxonomy eligible but not taxonomyaligned economic activities in the denominator of the applicable KPI**	18,097	25.81	18,086	25.79	12	0.02

Table 75. Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities – Turnover, PLN million, flow

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
2	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
3	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	0
4	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0	1	0	-	0
5	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0	1	0	1	0
6	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0	1	0	-	0
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	17,874	25.49	17,873	25.49	1	0
8	**Total amount and proportion of taxonomy eligible but not taxonomyaligned economic activities in the denominator of the applicable KPI**	17,878	25.49	17,876	25.49	2	0

Table 76. Template 5. Taxonomy non-eligible economic activities – CapEx, PLN million

	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	227,350	65.40
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	227,350	65.40

Table 77. Template 5. Taxonomy non-eligible economic activities – Turnover, PLN million

	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	228,716	65.79
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	228,716	65.79

Table 78. Template 5. Taxonomy non-eligible economic activities – CapEx, PLN million, flow

	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	50,136	71.49
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	50,136	71.49

Table 79. Template 5. Taxonomy non-eligible economic activities – Turnover, PLN million, flow

	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	50,430	71.91
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	50,430	71.91

FOR CREDIT INSTITUTIONS THAT ARE NOT REQUIRED TO DISCLOSE QUANTITATIVE INFORMATION FOR TRADING EXPOSURES, QUALITATIVE INFORMATION ON THE ALIGNMENT OF TRADING PORTFOLIOS WITH REGULATION (EU) 2020/852, INCLUDING OVERALL COMPOSITION, TRENDS OBSERVED, OBJECTIVES AND POLICY

The Bank's Group does not disclose the key performance indicator for fees and commissions on services other than lending and asset management (template 6) and the green asset ratio for the trading portfolio (template 7). According to Commission Delegated Regulation (EU) 2021/2178, this obligation applies from 1 January 2026.

ADDITIONAL OR COMPLEMENTARY INFORMATION IN SUPPORT OF THE FINANCIAL UNDERTAKING'S STRATEGIES AND THE WEIGHT OF THE FINANCING OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THEIR OVERALL ACTIVITY

The Bank discloses additional information on the percentage share of exposures to economic activities not eligible under the taxonomy, which amounts to approximately 65% (for the Turnover KPI and CapEx KPI).

In addition to the mandatory taxonomy disclosure, the Bank discloses voluntary information on the taxonomy eligibility and alignment of exposures to non-financial enterprises that are not subject to mandatory disclosure under Article 8 of the EU Taxonomy. The Bank has sourced information on the achievement of environmental taxonomy targets on a voluntary basis and bilaterally as part of the investment lending process. In 2023, the Bank commenced work on implementing taxonomy questionnaires, which support the assessment of meeting the technical screening criteria of the EU Taxonomy, for targeted financing. In 2024, taxonomy analysis covered 104 investment loans with a total amount of PLN 3,947 million, of which investment loans totaling PLN 54.6 million were allocated to financing economic activities not eligible under the taxonomy, while investment loans totaling PLN 3,892.4 million were allocated to financing activities eligible under the taxonomy. Among the executed credit transactions, 43 investment loans amounting to PLN 2,706.4 million related to investment projects that meet the criteria of substantial contribution to climate change mitigation and the "do no significant harm" principle. These projects finance, among others, wind energy, photovoltaic farms, passenger rail transport, maritime and coastal passenger transport, energy-efficient real estate, high-efficiency cogeneration of thermal, cooling, and electrical energy from bioenergy, as well as innovative material recovery from waste. The Bank does not have information on whether the borrowers covered by the analysis meet the minimum safeguards. Based on the Bank's credit portfolio classification for ESG management and reporting purposes, these exposures are classified as exposures supporting sustainable development – light green exposures.

13.2.2 CLIMATE CHANGE

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [E1.SBM-3]

Climate risk, as a component of ESG risk, is assessed as a cross-cutting risk that may affect various types of risk within the Bank in different ways, with a particularly significant impact on credit risk. Due to this characteristic, the Bank manages climate risk within the broader risk management framework.

Definitions related to ESG risk are included in the "Risk Management Strategy of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group". They include:

- ESG factors: environmental, social, and governance factors that may have a positive or negative impact on the Bank's customers and counterparties or its balance sheet; ESG factors with a negative impact are referred to as ESG risk factors;
- ESG risk: the risk of negative financial consequences for the Bank of the current or future impact of ESG risk factors on customers and counterparties or the Bank's statement of financial position items.

For the purposes of sustainability reporting and portfolio assessment, the Bank adopts definitions of environmental (including climate-related) physical risk and transition risk in line with CRR III:

- Physical risk, as a component of environmental risk, refers to the risk of any negative financial consequences for an institution arising from the current or future impact of physical environmental factors on the institution's counterparties or its invested assets;
- Transition risk, as a component of environmental risk, refers to the risk of any negative financial consequences for an institution arising from the current or future impact of the transition to an environmentally sustainable economy on the institution's counterparties or its invested assets;

Table 80. Summary of the results of the materiality analysis in relation to climate change

	Identified			Material		
	Impacts	Risks	Opportunities	Impacts	Risks	Opportunities
Climate change mitigation	12	12	8	3	5	5
Climate change adaptation	7	7	8	2	0	3
Energy transition	17	6	5	1	5	3
Summary	36	25	21	6	10	11

The materiality analysis identified 10 climate-related risks, which were divided into two categories:

Climate-related physical risks:

- Delays in the implementation of renewable energy projects due to a lack of appropriate materials or technologies; [IRO, R22]

Climate-related transition risk:

- Increased demand for investments in sustainable energy and energy efficiency improvements; [IRO, R21]
- Sudden rise in prices of greenhouse gas emission allowances, e.g., due to the introduction of new regulations; [IRO, R1]
- Sudden introduction of carbon taxes or other CO_2 emission regulations; [IRO, R9]
- Introduction of new regulations concerning the required energy consumption level of buildings; [IRO, R10]
- Need for investment in low-emission technologies; [IRO, R11]
- Inefficient management of sustainable energy projects by companies lacking the necessary experience; [IRO, R23]
- Lack of CO_2 emission reduction strategies by the management of companies (customers) and Group companies; [IRO, R8]
- Sudden rise in prices of greenhouse gas emission allowances; [IRO, R20]
- Lack of social acceptance for wind or solar farms near residential areas. [IRO, R24]

Impact on the traditional types of risks

	Credit	Currency	Interest rate	Liquidity	Operational	Foreign currency mortgage loans	Business	Macroeconomic changes	Models	Reputational	Insurance
Physical risks											
Acute	●		◐	◐	◐					●	●
Flood and inundations	·		·	·	·					·	·
Hurricanes	·		·	·	·					·	·
Heat waves	·									·	·
Chronic	●		◐	◐	◐					◐	●
Droughts	·		·	·	·					·	·
Sea level rise	·										·
Transition risks											
Political and legal	●			◐			○	○		●	○
Rise in prices of greenhouse gas emission allowances	·			·						·	
New regulations and standards	·						·	·		·	·
Exposure to legal actions/sanctions	·			·						·	
Technological	●									◐	◐
Costs of transition to low-carbon technologies	·									·	·
Unsuccessful investments in new technologies	·										
Market	●										●
Cost rise or lack of raw material	·										·
Change of clients' behaviour	·										·
Disruption of supply chains	·										·
Reputational	●						○	○		○	○
Protests	·							·		·	
Changes of clients' preferences	·						·				·
Stigmatising carbon-intensive sectors	·							·		·	
Others	●							●		●	●

· impact identified
significant risk

Level of impact
High ● ◐ ○ Low

In relation to other processes associated with traditionally understood banking risk, climate risk is identified and managed within the framework of ESG risk assessment processes.

The Bank also conducts an assessment of the materiality of traditional types of banking risk in accordance with the Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the Risk Management System, the Internal Control System, and the Remuneration Policy. As part of this assessment, a catalogue of material risks and risks subject to monitoring is established. As part of this assessment, a catalogue of material risks and risks subject to monitoring is established. The 2024 assessment incorporated the impact of ESG factors, with particular emphasis on climate risk factors, within the risk categories where the Bank identifies the potential materialisation of ESG risk, namely credit risk, interest rate risk, liquidity risk (including funding risk), foreign exchange risk, operational risk, reputational risk, compliance risk, and conduct risk.

With respect to liquidity and funding risk, the Bank considers ESG risk, including climate risk, as a risk factor that has both:

- a direct impact – by factoring in additional costs arising from the inability to obtain sustainable financing in the wholesale market (which represents a lower-cost funding source) when rolling over or securing long-term funding sources;
- an indirect impact – by incorporating ESG risk into stress-test deposit outflows (e.g. the effect of rising energy transition costs).

ESG risk factors, including climate risk, have been incorporated into the methodology for determining internal capital requirements to cover this risk. The impact of ESG risk within liquidity risk on internal capital is assessed as immaterial.

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.

Detailed information on climate risk management is provided in the Report "Capital Adequacy and Other Information of the Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna Group Subject to Disclosure as at 31 December 2024".

The Bank's Group companies actively participated in the double materiality assessment process. However, at present, they are not subject to sustainability reporting obligations as standalone entities and have not yet implemented individual internal procedures concerning IRO. They plan to undertake actions in this area in the future. Nevertheless, some of them (such as the previously mentioned PKO TU and PKO Życie) are already engaged in identifying and managing ESG risk, particularly climate risk, both within the Group and independently. PKO TFI conducts ESG risk assessments (in accordance with the provisions of the Investment Risk Management Policy) based on a relative ESG ranking analysis (according to Bloomberg's methodology), calculated for each fund in comparison with the neutral ESG ranking level established for its benchmark or reference portfolio. The approach aims to monitor whether a fund adheres to its investment strategy and sustainability risk policy in alignment with its benchmarks or reference portfolios. To this end, a synthetic ESG Score indicator, calculated and published by Bloomberg, is utilised (under this indicator, Bloomberg assesses how a company manages financially significant ESG risks, defined as risks that have a negative or positive financial impact on the company). Additionally, PKO TFI considers Principal Adverse Impact indicators (PAIs) in its risk reporting. The report presents PAI indicators, including a breakdown by sectors that contribute most to individual indicator values, as well as information on data availability for each indicator as reported by issuers in the Bloomberg system.

One of the analytical tools used to assess the resilience of credit portfolios to climate risks in financial institutions is climate stress testing. The Bank has developed its own climate stress-testing methodology, designed based on the standards set by the European Central Bank (hereinafter: ECB 2022), NGFS climate scenarios (NGFS – The Central Banks and Supervisors Network 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), and recognised publications on the materialisation of climate risk from the perspective of credit losses in 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. The Bank conducts climate stress tests at the portfolio level for a universal bank portfolio.

A separate process has been carried out by PKO TU and PKO Życie concerning their insurance portfolios. The expansion of climate stress testing will be subject to further analysis in future periods, taking into account regulatory requirements.

In December 2024, the Bank conducted a climate stress test of its corporate credit portfolio, including specialised financing, covering 24% of the Bank's portfolio as of 31 December 2023. (The analysis does not include the mortgage loan portfolio due to limited data availability in this segment. The Bank is currently analysing the impact of climate risk on LGD.) The analysis examined the impact of physical risk (droughts and floods) and 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. Certain significant types of transition risk – market and reputational – were not included in the analysis due to the lack of quantification methods.

Table 81. Impact of climate physical risk on the Bank's loan portfolio

SCENARIO	TIME HORIZON	PHYSICAL RISKS	TRANSITION RISKS	DATA SOURCES	GENERAL ASSUMPTIONS
			ACUTE		
Flood	up to 1 year	Flood	n/a	ECB 2022 Klimada (regional data)	Occurrence of severe flooding throughout Poland No macroeconomic changes
			CURRENT		
Baseline	up to 3 years	n/a	GHG emission prices	KOBIZE internal forecasts	Benchmark scenario - GHG emission prices increase in line with market projections of EU ETS price developments
Disorderly	up to 3 years	n/a	GHG emission prices	ECB 2022 internal projections	A sharp increase in the price of GHG emissions in the first year compared to the baseline and a continuation of the upward trend for subsequent years
			LONG-TERM		
Orderly	2030 2040 2050	Drought	GHG emission prices Transition investment	ECB 2022 NGFS	Immediate introduction of a highly ambitious climate policy Limiting global warming to 1.5°C High level of transition risk Low level of physical risk
Disorderly	2030 2040 2050	Drought	GHG emission prices Transition investment	ECB 2022 NGFS	Launch of a stringent climate policy after 2030 (no action before then) Limiting global warming to 2°C Very high level of transition risk Average level of physical risk
Hot House World	2030 2040 2050	Drought	GHG emission prices Transition investment	ECB 2022 NGFS	No climate policy Increase in global average temperature to 3°C Low level of transition risk High level of physical risk

The results indicate a limited impact of physical climate risk on the Bank's corporate credit portfolio, particularly the risk of prolonged drought. In contrast, transition risk factors have a significant influence in both the short- and long-term perspectives. The uncertainties identified by the Bank in the course of climate stress testing primarily relate to the assumption of a static portfolio balance and the limitations of the NGFS scenarios and other forecasts used. The results of the stress tests are currently applied in hypothetical ESG stress tests to determine the credit spread component attributable to ESG risk for the corporate bond portfolio measured at fair value. In the future, they are expected to be integrated into the Bank's credit policy framework.

With regard to the insurance portfolio, PKO TU and PKO Życie conducted climate-related scenario analyses as part of stress tests for insurance undertakings developed by the PFSA Office (a detailed description of PFSA Office's climate stress-testing methodology for insurance companies is available here: https://www.knf.gov.pl/knf/pl/komponenty/img/Metodyka_przeprowadzania_testow_warunk%C3%B3w_skrajnych_16_edycja_88588.pdf). The tests covered five qualitative and quantitative scenarios, including two long-term ones (up to 2050), assessing the impact of physical risks (e.g. hailstorms, floods, hurricanes, and increased mortality risk) and transition risks (e.g. declines in the stock prices of high-emission sectors and decreases in the prices of energy-inefficient properties) on the insurance sector. The assumptions for the long-term scenarios were aligned with the NGFS Below 2°C and Hot House World scenarios. According to the stress-testing methodology for insurance and reinsurance undertakings, stress test results are considered adverse when eligible own funds fall below the Solvency Capital Requirement (SCR) or eligible basic own funds fall below the Minimum Capital Requirement (MCR). In the case of PKO TU and PKO Życie, no such situation occurred in the conducted tests. The results of PFSA Office's stress tests are integrated into ongoing management, risk management (including identification and assessment), financial planning, and the business strategy of PKO TU and PKO Życie. In particular, any decisions regarding the implementation of new products, the structuring of reinsurance programmes, investment strategy, and financial plans at PKO TU and PKO Życie are made following a thorough analysis of the capital position, consideration of identified risk types—including stress test results—the assessment of existing mitigation measures, and the potential implementation of additional controls.

The Group's ability to adjust or align its strategy and business model to climate change across different time horizons has not been assessed.

The resilience analysis did not consider risks within the upstream value chain.

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION [E1-1]

On 24 February 2025, the Management Board of the Bank adopted the "Transition Plan of the PKO Bank Polski S.A. Group" aimed at supporting the achievement of the long-term objective of the Paris Agreement—making efforts to limit the temperature increase to 1.5°C above pre-industrial levels. The Plan sets out goals and actions concerning both the Bank's own operations and the financed emissions of the Bank's Group (scope 3 – loan portfolio).

The Transition Plan contributes to the achievement of strategic sustainability objectives:

- achieving net-zero by 2050;
- reducing own emissions (scope 1 and 2) and sourcing at least 90% of energy from renewable sources;
- improving the energy efficiency of buildings;
- supporting customers in enhancing energy efficiency (scope 3).

For the targets related to the Bank's own operations (scope 1 and 2, in line with the Strategy), it was decided to set them first for the Bank. The Bank's emissions account for 75.6% of the Group's total emissions. A further 5% is generated by Ukrainian subsidiaries, which operate under wartime conditions and utilise available fuel and energy resources regardless of their emissions intensity. The remaining 19.4% of the Group's emissions originate from Polish subsidiaries, some of which are located in properties owned by the Bank. This means that any measures taken by the Bank to reduce the emissions of the buildings it uses will also indirectly contribute to reducing the emissions of these subsidiaries. Limiting the initial scope of the Transition Plan to the Bank's own emissions aligns with the current Strategy's objectives.

The setting of targets for the loan portfolio was preceded by an analysis aimed at identifying the sectors to be prioritised in the Transition Plan. The selection of priority sectors was based on the assumptions of the 2025–2027 Strategy and took into account factors such as:

- the scale of the Group's environmental impact, measured as the share of financing for a given sector in the loan portfolio (based on gross carrying amount) and the emissions intensity of the financed activity per PLN 1 million of financing provided. The analysis also considered the Group's share in financing emissions at the national level;
- the decarbonisation potential of the sector, which included national transition priorities, existing and planned regulations and programmes supporting decarbonisation in the sector, economic conditions, and potential legal and technological barriers;
- market practices in setting GHG reduction targets for specific sectors by financial institutions, including the availability of sector-specific decarbonisation pathways and tools.

From a shortlist of several industries, the energy generation sector and the residential real estate sector were selected as the starting points for setting greenhouse gas emissions reduction targets related to lending activities. The targets for the residential real estate sector apply to two Group entities providing such loans (PKO Bank Polski S.A. and PKO Bank Hipoteczny S.A.), while the targets for the energy generation sector apply to the Bank. Further work is planned to refine the methodologies for calculating financed emissions, improve the quality of emissions data, and expand the targets to additional key sectors.

The selection process initially focused on companies and exposures generating the highest emissions. Exposures to the two selected sectors account for over 42% of the gross carrying amount of the Bank Group's loan portfolio. The Transition Plan will be reviewed and gradually expanded in scope.

Actions have been planned for 2025–2027 in line with the Strategy adopted by the Bank. Given the early stage of implementing the Transition Plan, full allocation of financial and other resources for the planned initiatives has not yet been completed.

OWN OPERATIONS

The trajectory for reducing the Bank's own emissions has been developed in line with the CRREM 1.5°C pathway, focusing on emissions reductions in the managed real estate portfolio and the gradual replacement of company vehicles with low-emission or electric models.

The Bank's decarbonisation levers for own emissions include:

- further purchases of guarantees of origin (GOs) covering at least 90% of total electricity consumption;
- conscious selection of electricity and heat suppliers based on their emissions intensity indicators;
- elimination (sale) of vacant properties, further optimisation of space usage, and modernisation of real estate;
- replacement of combustion-engine vehicles with low-emission and electric vehicles.

Measures to reduce own emissions are primarily driven by these identified levers.

Key actions undertaken during the reporting year (and in previous years) include the purchase of GOs, modernisation and thermal upgrades of properties, and fleet replacement with low-emission or electric vehicles (233 vehicles replaced with hybrid models in the reporting year, bringing the total number of hybrid vehicles in the fleet to 323 as at the end of 2024). The reporting year also saw the implementation of modernisation and thermal modernisation projects. Additionally, space optimisation initiatives (e.g., the Flexidesk programme) have reduced the size of the Bank's real estate portfolio. The Bank has also introduced an ESG survey for suppliers commencing service or product deliveries. These key measures will continue in the coming years, increasing the potential for emissions reductions.

In the short- and medium-term, planned activities primarily involve continuing the actions implemented during the reporting year, with an intensified focus on energy consumption reduction and space optimisation. The goal is to scale up to 140 projects per year in the coming years. Vacant properties will be gradually sold. Furthermore, starting in 2025, all initiatives will be extended to all entities within the Bank's Group.

LOAN PORTFOLIO

The setting of targets for the Bank Group's loan portfolio was preceded by an analysis aimed at identifying the sectors to be prioritised in the Transition Plan. From a shortlist of several industries, the energy generation sector and the residential real estate sector were selected as the starting points for setting greenhouse gas emissions reduction targets related to lending activities. Further work is planned in subsequent years to refine the methodologies for calculating financed emissions, improve the quality of emissions data, and expand the targets to additional key sectors.

Table 82. GHG emission reduction targets

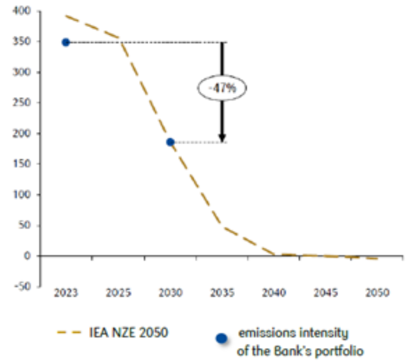
Sector name	Scope of sector emissions	GHG intensity in the base year - 2023	Reduction target GHG intensity by 2030	% share in loan portfolio (2023)	The chosen trajectory for decarbonising the sector
Electricity generation and supply	1	349 kg CO_2e/MWh	Achievement of 47% reduction in emissions intensity 2023-2030	1.98%	International Energy Agency 1.5°C
Residential property (mortgages)	1 and 2	58.8 kg CO_2e/m^2	Achievement of 31% reduction in emissions intensity 2023-2030	45.64%	By 2030, approaching CREEM 2°C; Target CRREM 1.5°C

The values have been determined based on the available data on the emissions intensity of the Bank's portfolio and scientific emission reduction scenarios developed by the International Energy Agency (IEA) and the Carbon Risk Real Estate Monitor Tool (CRREM). Changes in the emission calculation methodologies or emission reduction scenarios may result in the need to adjust the reported emissions or revise the set targets.

Energy generation sector

Exposure in the energy generation sector, including electricity and heat production, accounts for approximately 2% of the Bank's Group's total loan portfolio (as at 31 December 2024). These exposures involve financing Polish energy companies that supply electricity to Polish households and businesses. Decarbonising this portfolio is a key objective that will accelerate the transformation of the Polish economy and ensure a sustainable and secure future.

Path to reduce the intensity of the energy generation sector and the Bank's targets, 2023-2050 [kgCO2e/MWh]



Target: Achieve a 47% reduction in emissions intensity from 2023 to 2030

To set emission reduction targets for the energy generation portfolio, the International Energy Agency (IEA) pathway for the energy sector was used, which assumes a scenario of keeping global warming below 1.5°C, in line with the Paris Agreement. The planned actions are expected to ensure alignment with this pathway by 2030. The targets were set considering various external factors, over which we have no direct control, as detailed later in this document. Significant changes in these factors may require a reassessment of the established targets and actions.

Actions and decarbonisation plan for the energy generation sector

One of the main objectives of the Bank's Group is to actively support the energy transition, including through cooperation with entities operating in the renewable energy sector, particularly those involved in investments aimed at achieving climate neutrality for the economy. This includes a focus on investments in onshore wind farms, photovoltaic farms, offshore wind farms, and energy storage systems. The planned target is to achieve a 47% reduction in emissions intensity from 2023 to 2030 ($kgCO_2e/MWh$).

Table 83. Assumptions regarding the portfolio structure for the energy sector

	Assumed values
Portfolio volume in 2023	PLN 4.76 billion
Portfolio volume in 2030	PLN 14.58 billion
RES share in 2023	52%
RES share in 2030	55%

Planned actions:

- Significant increase in financing: capacity from renewable energy sources (achieving 59% share of renewable energy in the new energy generation portfolio by 2030) and capacity from gas-based sources (achieving 41% share of gas projects in the new energy generation portfolio by 2030);
- Support for energy generation sector clients in implementing their climate transformation plans;
- Significant reduction of new financing for coal-based energy generation capacity.

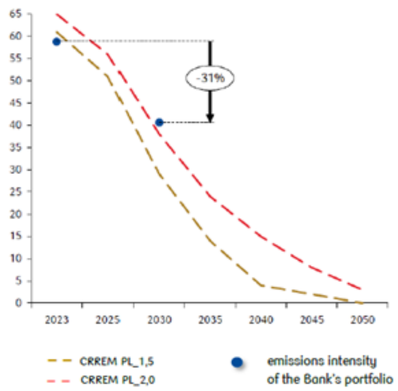
Table 84. Planned structure of new sales (in %)

Year	RES	GAS
2025	36	64
2026	40	60
2027	58	42
2028	56	44
2029	100	0
2030	59	41

Residential real estate sector

The exposure of the residential real estate portfolio accounts for approximately 40.5% of the total credit exposures of the Group (as of 31 December 2024). Due to the high volume of the mortgage loan portfolio, the Bank is awareof its role in the transformation of Poland's housing stock towards climate neutrality by 2050.

Path to reduce the intensity of the residential real estate sector and the Bank's targets, 2023-2050 [kgCO2e/MWh]



Target: Achievement of 31% reduction in emissions intensity 2023-2030 [$kgCO_2e/m^2$]

The Carbon Risk Real Estate Monitor Tool (CRREM) pathways for residential properties in Poland were used to set emission reduction targets for the residential property portfolio. It was assumed that the planned actions would allow us to approach the CRREM pathway of the 2°C global warming limitation scenario by 2030, and in the following years we would aim for a level of emissions reduction consistent with the 1.5°C scenario. The assumptions arise from the important role of factors affecting the reduction of emissions from residential properties that are not directly influenced by the Bank, which are outlined later in this document. These assumptions will be reviewed periodically with a view to the possibility of accelerating the rate of reduction.

Actions and decarbonisation plan for the residential real estate sector

The decarbonisation plan for the residential real estate sector aims to achieve a 31% reduction in emission intensity from 2023 to 2030 [$kgCO2e/m^2$].

Table 85. Assumptions on the structure of the residential real estate portfolio

	ASSUMED VALUES
Portfolio volume in 2023	PLN 108 billion
Portfolio volume in 2030	PLN 216 billion
Structure of new sales:	
- share of primary market	42%
- share of houses	25%
Share of energy performance certificates - new portfolio	100%
Share of energy performance certificates - old portfolio	12%

Planned actions for the residential real estate sector from 2025 to 2030 (to be implemented continuously):

- financing thermomodernisation efforts undertaken by individual clients, as well as housing cooperatives and homeowner associations;
- redirecting financing towards more energy-efficient buildings;
- systematic improvement of data quality through the acquisition of energy performance certificates for buildings;
- educational activities and promotion of low-emission technologies in construction.

Table 86. Assumptions regarding thermomodernisation

	ASSUMED VALUES
Deep thermomodernisation effect – houses*	51.3%
Deep thermomodernisation effect – apartments	59.0%
Shallow thermomodernisation effect – houses**	17.1%
Shallow thermomodernisation effect* – apartments	19.7%

*Deep thermomodernisation – thermomodernisation meeting the energy savings and thermal insulation requirements set forth in the Regulation of the Minister of Infrastructure of 12 April 2002 on the technical conditions that buildings and their location should comply with.
**Shallow thermomodernisation – one of the stages of thermomodernisation that contributes to achieving deep thermomodernisation in the future.
(Source: Long-term renovation strategy for buildings, 2022)

OTHER DISCLOSURES

The Bank's Group has not conducted an analysis of the locked-in greenhouse gas emissions.

As a credit institution, the Bank discloses information required by Commission Delegated Regulation (EU) 2021/2178 regarding financed exposures that qualify as taxonomy-eligible and are taxonomy-aligned with the customers. The information reported by the Bank does not include its own investment costs and operational expenditures. Therefore, the Bank cannot link the published key performance indicators to the Transformation Plan.

The Bank's Group is not excluded from the EU Paris-aligned Benchmarks.

POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION [E1-2]

The Bank's Group has two policies for managing impacts and opportunities [IRO: I30, I7, O17] in the area of climate change: the High-Emission Policy and the Renewable Energy Sources (RES) Policy (neither of which include exclusions). The Group also has a Transition Plan aimed at maintaining competitiveness in the context of significant climate-related changes [IRO, R8]. For other material impacts, risks, and opportunities [IRO: I9, I10, I15, I17, R28, R1, R9, R10, R11, R23, R20, R22, R24, O19, O1, O2, O7, O8, O9, O11, O16, O21], the Group has not implemented specific policies. Management of these remaining risks is carried out through credit risk assessment in the financing process, regulatory risk monitoring, and human resource management. Opportunities are managed by developing a product offering that addresses customer needs. The opportunity related to the development of the green bond market [IRO: O6] has been addressed by including this option in the Bank's bond issuance prospectus (updated in August 2024).

In 2019, the Bank's Credit Committee adopted and implemented the "Bank's Group High-Emission Policy" (with stricter financing conditions introduced in 2020). The policy aims to gradually reshape the Group's loan portfolio by further reducing exposure to entities and transactions related to the extraction of hard coal and lignite, as well as to "high-emission energy generation," i.e., energy production based on coal as an energy carrier. The policy covers, among other things, the following industries: coal and lignite mining, coal-related sectors (e.g. production of mining machinery, trading in coal and similar products), generation of electricity/heat (with the exception of RES) and supplementary activities in the power sector (transmission, distribution, heat and power plants). Amendments to the policy may be introduced by decision of the Bank's Credit Committee.

Regulations are made available in the internal regulatory database and on the intranet pages of the relevant departments or organisational units responsible for their implementation and application.

In 2020, the Bank's Credit Committee introduced the "Renewable Energy Sources (RES) Sector Financing Policy" within the Bank's Group (with an expanded catalogue of collateral and repayment sources added in February 2022). The policy aims to gradually increase the share of RES financing. The policy defines the preferred directions of development of the loan portfolio in the renewable energy segment. It is focused in particular on the financing of photovoltaic farm and wind turbine projects. However, other projects can also receive financing.

The Bank's Credit Committee is responsible for implementing both policies.

In 2019, PKO Leasing S.A. introduced the "General Policy on High-Emission Energy Sectors," the main objective of which is to gradually adjust the PKO Leasing portfolio (in line with the Bank's Group strategy) by systematically reducing exposure to entities and transactions in the high-emission energy sector, also referred to as "dirty" energy. This policy is an adaptation of the policy implemented by the Bank, tailored to PKO Leasing. The decision to approve the policy was adopted by the company's Management Board through a resolution. The policy document is available on the company's intranet.

A key element of climate impact risk management is the strategic ESG risk tolerance limit, also adopted by decision of the Bank's Credit Committee. The measure of risk tolerance is the ratio of loan value granted to customers in high-emission sectors to the balance sheet total. As at 31 December 2024, the share of loans to customers in carbon-intensive industries was 0.13% (with a tolerance limit of ≤ 1.6% for the Bank and ≤ 1.6% for the Bank's Group) compared with 0.19% at the end of 2023 (with a tolerance limit of ≤ 1.6% for the Bank and ≤ 1.6% for the Bank's Group). This limit is monitored on a quarterly basis and reported to the Bank's Management Board.

ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES [E1-3]

In January 2024, the Bank implemented taxonomy questionnaires, which are crucial for assessing compliance with the technical screening criteria of the EU Taxonomy in targeted financing. For more information, see the section on taxonomic disclosures.

In the area of risk, the Bank has been working, which will continue over the next year, to:

- build an internal knowledge centre in terms of new green technologies and financing in accordance with the principles of sustainable development, including building data acquisition and analytics mechanisms of the Bank's customers in the ESG,
- incorporate the results of climate stress tests into the Bank's credit policy,
- build credit risk assessment models that take into account ESG elements,
- comply with the EBA's Environmental, Social and Governance (ESG) Risk Management Guidelines.

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

- this "Sustainability Statement" at a frequency of every 12 months;
- the report "Capital adequacy and other information of the Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna Group subject to disclosure" at a frequency of 6 months;
- the "Report on the review of the Internal Capital Adequacy Assessment Process" at a frequency of 12 months;
- the "Credit Risk Report" at a frequency of 3 months.

In addition, for internal purposes, the Bank monitors information for part of the Group's companies on:

- light green and dark green credit exposures (monthly);
- GHG emissions of the loan portfolio broken down by PCAF asset classes (monthly);
- energy performance indicators (EP) for loans secured by real estate (monthly);
- emission intensity indicators for selected sectors in accordance with formula 3 of Commission Implementing Regulation (EU) 2022/2453 (quarterly).

Measures aimed at reducing electricity consumption within the Bank's Group primarily involve optimising and reducing the utilised space, e.g., through the Flexidesk programme. Additionally, lighting systems are being modernised (energy-efficient lighting and automation are implemented), along with energy and heat consumption systems. Thermal modernisation of buildings is also being carried out (e.g., improving insulation or replacing window joinery). Micro photovoltaic installations and heat pumps are being installed. The most significant initiative regarding heating sources is the modernisation of the Bank's own properties. Coal-fired boilers have been eliminated from the Bank's real estate portfolio, and in some locations, oil-fired boiler rooms have been replaced with gas heating or properties have been connected to district heating networks.

Planned measures concerning the loan portfolio are described in the section on the Transition Plan.

With respect to the Bank's own emissions, actions undertaken indicate that as early as 2024, the effects of energy consumption management have placed performance for the utilised real estate below the CRREM pathway for 1.5°C.

Electricity consumption accounts for the largest share of the Bank's emissions (approximately 60%). The Bank's initiatives, such as the purchase of Energy Origin Guarantees (EOG)—initially from cogeneration sources (2020) and later from Renewable Energy Sources (RES) (2021–2023)—have significantly reduced emissions associated with electricity consumption. Emissions (calculated using the M-B method) have been reduced by approximately 99% (2024/2019). The Bank has also begun the process of acquiring low-emission vehicles, replacing approximately 300 company cars. Planned actions, such as further fleet replacement, incorporating emission-related criteria for the selection of branch locations (concerning electricity and heat sources to minimise or eliminate the carbon footprint), as well as the implementation of an Energy Management System and real-time energy efficiency monitoring of buildings, will enable emissions reduction (M-B method) to a level not exceeding 18,000 tCO_2e by 2030.

The Bank's strong capital position enables business growth and supports the challenges associated with sustainable development. The advanced technology available to the Bank is used for CO_2 emissions analysis and monitoring. Furthermore, advanced analytics in risk assessment and process optimisation enhances lending potential.

The Bank's Group does not have estimates of the capital expenditures and operating expenses required for the implementation of ongoing or planned actions.

The key performance indicators required under Commission Delegated Regulation (EU) 2021/2178 are presented in section 13.2.1.

In its 2025–2027 strategy, the Bank has committed to supporting sustainable development through the following measures:

- covering more than 50% of the credit portfolio with a transformation plan by the end of 2027 (scope 3).
- using new technologies for predictive analysis and building tools to determine and monitor CO_2 emissions;
- updating provisions related to environmental risk in credit policies.

Moreover, the Bank plans to:

- reduce own emissions (scope 1 and 2)
- improve the energy efficiency of buildings;
- support customers in enhancing energy efficiency (scope 3).

In June 2024, the Bank introduced a uniform classification of sustainability financing ("Principles of classification of sustainable development financing in the Bank's Group"). The principles take into account the requirements of international standards and the regulatory environment. Implementation of the principles will enable the identification of those parts of the loan portfolio that, according to the taxonomy, contribute to the objectives of climate change mitigation and adaptation. The Principles are subject to regular review at least once a year. The findings of the review are presented to the Sustainable Development Committee. 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. In accordance with their powers, organisational units are responsible for the coordination and management of individual ESG risks and their impact on the Bank's operational risk.

At the same time, the Bank's Group is developing a product offering that supports transition and climate change adaptation, even though these products are not fully aligned with the EU Taxonomy (a complete list of products can be found in the Adequacy Report as of 31 December 2024).

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

- 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, i.e., extreme/sudden natural events (e.g., storms, floods, fires, or heatwaves) or long-term environmental changes (e.g., temperature changes);
- The Bank, its clients, or counterparties negatively impact the natural environment—this applies in cases of transition risk, i.e., 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 systematically analyses opportunities to obtain the data necessary for ESG risk management and prudential reporting. A key challenge is developing a systematic approach to data acquisition in the ESG domain, particularly concerning physical risks and clients' emissions levels.

The expected outcomes of these initiatives are reflected in the climate-related strategic objectives, which are described in the next chapter.

TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION [E1-4]

In line with the Bank's Strategy for 2025-2027 and its goal of achieving net-zero by 2050 for scope 1 and 2 emissions, a CO_2e Emissions Reduction Trajectory has been developed for scope 1 and 2 until 2050. The planned actions aim to completely eliminate greenhouse gas emissions in scope 1 and 2, in accordance with the GHG Protocol methodology. The planned reduction targets for scope 1 and 2 emissions are as follows:

- 2025 – approximately 71% reduction compared to the base year and approximately 14% reduction compared to 2023, i.e., emissions not exceeding 27.8 thousand tonnes CO_2e;
- 2030 – approximately 72% reduction compared to the base year and approximately 17% reduction compared to 2023, i.e., emissions not exceeding 26.8 thousand tonnes CO_2e;

- 2050 – approximately 81% reduction compared to the base year, i.e., emissions not exceeding 19.00 thousand tonnes CO_2e.

The base year (2019) emissions level was approximately 96.87 thousand tonnes CO_2e.

The Bank's scope 1 and 2 emissions reduction targets are based on feasible actions, such as replacing internal combustion company cars with low-emission or electric vehicles. Additionally, the reduction assumptions take into account the guidelines from the "National Climate and Development Report: Poland", which foresee a 1% annual reduction in emissions, an increased share of electricity in Poland's energy consumption mix, the phasing out of coal dependency by 2040, the electrification of heating systems. The reduction action plan also outlines the need to eliminate vacant properties, optimise space usage, and modernise real estate used by the Bank.

As part of its internal initiatives, the Bank conducted scenario analyses exclusively for physical risks, identifying locations vulnerable to such risks.

The Bank first calculated its own emissions for 2019 and designated this as the base year.

The base year for Scope 1 and 2 emissions calculations has remained unchanged in subsequent years.

Each year, when preparing the emissions report, the Bank analyses weather changes and the number of heating degree days.

Table 87. GHG emission reduction targets

TARGET	BASE YEAR	2030 TARGET	2035 TARGET	2040 TARGET	2050 TARGET
GHG emissions (ktCO2eq)	96.87 thousand tCO_2e for scopes 1 and 2	26.8 thousand tCO_2e for scopes 1 and 2	--	--	19 thousand tCO_2e for scopes 1 and 2
Energy efficiency and consumption reduction	--	--	--	--	--
Material efficiency and consumption reduction	--	--	--	--	--
Fuel switching	--	--	--	--	--
Electrification	--	--	--	--	--
Use of renewable energy	--	--	--	--	--
Phase out, substitution or modification of product	--	--	--	--	--
Phase out, substitution or modification of process	--	--	--	--	--
Others	--	--	--	--	--

The decarbonisation targets adopted for the loan portfolio are described in the section on the Transition Plan.

The Bank's Group sees opportunities arising from green bond market development [IRO: O6]. Under the EMTN programme, the Bank issued green senior unsecured bonds for the first time in September 2024 (see section 1.3.2).

ENERGY CONSUMPTION AND MIX [E1-5]

The Bank's Group monitors its energy consumption and systematically reduces it—by 4% in 2024.

Fuels used for heating the Bank's locations, such as coal, natural gas, and heating oil, are reported with a time lag relative to the calendar year (from Q4 2023 to Q3 2024) due to data availability and alignment with the reporting period. A similar time lag applies to diesel fuel used in power generators, as well as to purchased district heating and electricity.

Actual meter readings are taken into account for all applicable locations. In the absence of actual meter readings for primary or secondary energy, estimated consumption values are used, calculated based on average consumption per unit of relevant floor space.

Fuel consumption in the vehicle fleet (petrol, diesel, LPG) is reported on a full calendar-year basis, with the data reflecting actual volumes consumed.

The consumption of purchased renewable electricity is verified through the purchase of Guarantees of Origin. The self-generated electricity comes from photovoltaic installations (28 installations used by the Bank in 2024). A total of 695,942 kWh of electricity was produced, of which 560,469 kWh was used for internal needs, while the remainder was sold to licensed entities within the meaning of the Energy Law.

Table 88. Energy consumption and mix for the Bank's Group

ENERGY CONSUMPTION AND MIX	Unit	2024	y/y (%)	2023	2022
Total fossil energy consumption	MWh	125,089.34	-6%	133,703.70	147,349.86
Share of fossil sources in total energy consumption	%	64%	-3%	66%	68%
Consumption from nuclear sources	MWh	-	-	-	-
Share of consumption from nuclear sources in total energy consumption	%	-	-	-	-
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	-	-	-	-
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	71,000.00	1%	70,000.00	69,000.00
The consumption of self-generated renewable energy	MWh	560.47	147%	227.00	123.38
Total renewable energy consumption	MWh	71 560.47	2%	70,227.00	69,123.38
Share of renewable sources in total energy consumption	%	36%	6%	34%	32%
Total energy consumption	MWh	196,649.81	-4%	203,930.70	216,473.24

The Bank's Group had no operational activities in sectors with significant climate impacts.

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS [E1-6]

OWN EMISSIONS

Table 89. GHG emissions in tCO_2e scope 1, 2 by scope (location-based)

tCO_2e	Bank			Other entities			Group		
	data	estimates	total	data	estimates	total	data	estimates	total
Scope 1	8,681.93	673.13	**9,355.07**	3,208.37	8.29	**3,216.66**	11,890.31	681.42	**12,571.73**
Scope 2 (L-B)	51,956.99	8,065.25	**60,022.24**	3,742.28	3,930.88	**7,007.08**	55,699.28	11,996.12	**67,029.32**

Table 90. GHG emissions in tCO_2e scope 1, 2 by scope (market-based)

tCO_2e	Bank			Other entities			Group		
	data	estimates	total	data	estimates	total	data	estimates	total
Scope 1	8,681.93	673.13	**9,355.07**	3,208.37	8.29	**3,216.66**	11,890.31	681.42	**12,571.73**
Scope 2 (M-B)	14,503.37	5,468.61	**19,971.98**	5140.70	1,125.53	**6,266.23**	19,644.07	6,594.14	**26,238.21**

Table 91. GHG emissions in tCO2e by country for the Bank's Group

tCO_2e	Poland	the Czech Republic	Slovakia	Germany	Romania	Ukraine	Total
Scope 1	11,641.41	17.66	1.36	3.02	1.19	907.09	12,571.73
Scope 2 (L-B)	65,970.94	10.50	2.75	9.87	4.71	1,030.55	67,029.32
Scope 2 (M-B)	25,178.65	8.74	3.02	12.55	4.71	1,030.55	26,238.21
Scope 3	165,449.21	29.86	4.28	12.04	31.60	1,325.36	166,852.34
Total (L-B)	**243,061.56**	**58.02**	**8.39**	**24.93**	**37.50**	**3,263.00**	**246,453.39**
Total (M-B)	**202,269.27**	**56.25**	**8.66**	**27.61**	**37.50**	**3,263.00**	**205,662.28**

Table 92. GHG emissions in tCO_2e by gas category for the Bank's Group

GHG emissions	Total (tCO_2e)	CO2 (tCO_2e)	CH4 (tCO_2e)	N2O (tCO_2e)	HFCs (tCO_2e)	PFCs (tCO_2e)	SF6 (tCO_2e)
Scope 1	12,571.73	11,719.90	38.42	35.91	777.49	-	-
Scope 2 (L-B)	67,029.32	67,029.32	-	-	-	-	-
Scope 2 (M-B)	26,238.21	26,238.21	-	-	-	-	-
Scope 3	166,852.34	166,846.34	1.22	4.78	-	-	-

Scope 3 categories reported for 2024 by the Bank's Group (own emissions):

- cat. 1 – purchased products and services;
- cat. 2 – capital goods;
- cat.3 – Fuel and energy activities (not included in Scope 1 or 2);
- cat. 5 - waste generated in operations;
- cat. 6 - business travel;
- cat. 7 - employee commuting (and remote working);
- cat. 11 - use of sold products;
- cat. 13 - downstream leased assets;

- cat. 15 - investments.

Category 15, concerning portfolio emissions, is material due to the specific nature of the Bank's Group's operations as a financial institution and is described separately below in the "Portfolio Emissions" section.

The reported scope 3 categories were selected based on cost analysis and the availability of data necessary for calculations. The scope of the reported disclosures results from the materiality of costs and the availability of data required to convert expenditures into GHG emissions.

Table 93. Criteria for the selection of relevant Scope 3 categories concerning own operations*

EMISSIONS - SCOPE 3	SELECTION CRITERIA: 1. QUANTITY (MAKE A SIGNIFICANT CONTRIBUTION) 2. POTENTIAL IMPACT ON THE REDUCTION OF GHG EMISSIONS
Category 1 Purchased goods and services;	Tens of thousands of employees translates into significant purchases of office supplies, water and basic food products and small electronics
Category 2 Capital goods	Over one thousand branches result in significant purchases of furniture and equipment. Tens of thousands of employees lead to significant purchases of IT equipment and company cars.
Category 3 Fuel- and energy-related activities not included in scope 1 and scope 2	Over one thousand branches require significant purchases of primary and secondary energy carriers.
Category 5 Waste generated in operations	The operation of offices and branches, as well as significant procurement (categories 1 and 2), generates substantial waste, including waste destined for recycling or disposal.
Category 6 Business travel	A large number of office and branch locations, including foreign branches, necessitates on-site visits.
Category 7 Employee commuting	Tens of thousands of employees result in many kilometers traveled to and from work, as well as significant emissions from remote work.
Category 11 Use of sold products	Due to the nature of the products, this category is of lower significance.
Category 13 Downstream leased assets	Depending on the business specifics, the category's impact ranges from insignificant to significant.

*Category 15, concerning portfolio emissions, is material due to the specific nature of the Bank's Group's operations as a financial institution and is described separately in the section below.

For the categories not included, we consider them to be inadequate for the nature of the activities carried out (Cat 4, 8, 9, 10, 12). With regard to cat. 14 (franchises), data acquisition efforts are underway. The scale of the volume of franchise issues has not yet been estimated.

Table 94. Emissions for the Bank's Group (excluding the loan portfolio)

	Scope 3 emissions	2019	2020	2021	2022	2023	2024
Upstream	Category 1. Purchased goods and services					580.20	3,938.58
	Category 2. Capital goods						132,130.93
	Category 3. Fuel- and energy-related activities				7,399.83	14,612.97	10,829.71
	Category 5. Waste generated in operations					18.99	6.96
	Category 6 Business travel		288.67	195.09	519.05	1,415.60	1,259.14
	Category 7 Employee commuting			3,341.23	8,710.80	13,213.32	14,546.47
Downstream	Category 11 Use of sold products					961.42	873.68
	Category 13 Downstream leased assets				1,647.49	2,043.80	3,266.88
	Total scope 3 emissions		**288.67**	**3,536.31**	**18,277.17**	**32,846.30**	**166,852.35**

Greenhouse gas emissions were calculated using the GHG Protocol methodology. The calculations were performed using internal spreadsheets, and no ready-made applications for calculating greenhouse gas emissions were used. The calculations were made for the organizational boundaries defined by operational control.

When selecting emission factors, the preferred option was to use supplier-specific indicators. If these were unavailable, averaged indicators were applied.

For emissions related to real estate, the period from Q4 2023 to Q3 2024 was used, which is shifted relative to the calendar year due to the need to collect consumption data. Data regarding the fuels used for company cars and selected categories from scope 3 referred to the full calendar year.

As a result, the following emission factors were used:

- national sources for electricity and heat: URE, KOBIZE;
- international databases for heat and electricity: e.g. Data Bank: https://databank.worldbank.org/source/world-development-indicators/Series/EG.ELC.LOSS.ZS, AIB Member Countries;
- international emission factor databases: e.g. DEFRA, ecoinvent (paid database);

- specified by manufacturers of equipment, primarily electronics and IT;
- from specific industry websites, e.g. https://www.hotelfootprints.org.

Table 95. GHG emissions in scope 3 (excluding the loan portfolio), broken down into calculations based on actual data ("data") and estimated data ("estimates"), divided further into data for the Bank, the Group entities, and the Group, also expressed as percentages

tCO_2	BANK			OTHER ENTITIES			GROUP			BANK	OE	G
	DATA	ESTIMATES	TOTAL	DATA	ESTIMATES	TOTAL	DATA	ESTIMATES	TOTAL	%	%	%
Category 1. Purchased goods and services	1,246.94	-	1,246.94	2,691.64	-	2,691.64	3,938.58	-	3 938,58	100	100	100
Category 2. Capital goods	16,755.52	-	16,755.52	115,375.42	-	115,375.42	132,130.93	-	132,130.93	100	100	100
Category 3. Fuel- and energy-related activities	7,785.88	1,362.11	9,147.99	1,538.23	143.48	1,681.71	9,324.11	1,505.60	10,829.71	85	91	86
Category 5. Waste generated in operations	6.89	-	6.89	0.07	-	0.07	6,96	-	6.96	100	100	100
Category 6 Business travel	1,047.79	-	1,047.79	211.35	-	211.35	1 259,14	-	1,259.14	100	100	100
Category 7 Employee commuting	4,058,63	7,298.62	11,357.25	869.22	2,320.00	3,189.22	4 927,85	9,618.62	14,546.47	36	27	34
Category 11 Use of sold products	873.54	-	873.54	0.13	-	0.13	873.68	-	873.68	100	100	100
Category 13 Downstream leased assets	2,057.46	896.01	2,953.47	267.52	45.89	313.41	2,324.98	941.90	3,266.88	70	85	71
Total scope 3 emissions	33,832.64	9,556.75	43,389.39	120,953.58	2,509.37	123,462.95	154,786.22	12,066.12	166,852.34	78	98	93

Table 96. Emissions intensity indicators in the Bank's Group

GHG EMISSIONS INTENSITY	2024
Total GHG emissions according to the location-based method per PLN 1 million of net revenue (thousand tons per PLN 1 million)	0.61
Total GHG emissions according to the market-based method per PLN 1 million of net revenue (thousand tons per PLN 1 million)	0.61
Net revenue used to calculate the greenhouse gas emissions intensity in PLN million	41,451
Net revenue (other)	-
Total net revenue (as reported in the financial statements) in PLN million	41,451

The GHG emissions intensity for 2024 was 0.61 thousand tons per PLN 1 million for both calculation methods of scope 2 (location-based and market-based). The value of net revenue used in the calculations was reported in the financial statements of the Bank's Group in accordance with IFRS.

All companies within the Bank's Group have the same reporting year. The emission data, resulting from electricity and heating consumption in the properties, covers the period from 4Q2023 to 3Q2024. The adoption of this timing is due to the preparation of the annual report at the beginning of 2025 and the lack of complete data for the calendar year concerning the consumption of the aforementioned energy types within the Bank. The Bank has consistently applied this approach since the base year, which eliminates the risk of incomplete data or the inability to compare data across years.

The instrument used by the Bank to reduce GHG emissions in scope 2 is the purchase of Guarantees of Origin for energy. In 2024, the Bank purchased 71 GWh of energy from renewable energy sources (36% of the total energy consumption in the Group).

As a financial institution, the Bank's Group is not directly subject to the EU ETS (European Union Emissions Trading System), and therefore, the above calculations do not include greenhouse gas emissions from regulated emissions trading schemes.

PORTFOLIO EMISSIONS

The calculation of financed Scope 3 emissions for category 13 includes exposures from the subsidiary PKO Leasing S.A. (including Prime Car Management S.A.), which covers the following:

- leasing of machinery and equipment, excluding renewable energy (PCAF Business loans and unlisted equity class);

- leasing of machinery and equipment for renewable energy (PCAF Project finance class);
  leasing of vehicles (PCAF Motor vehicle loans class);
- leasing of commercial real estate (PCAF Commercial real estate class).

For the subsidiary PKO Leasing S.A. (excluding Prime Car Management S.A.), the calculations for the individual asset classes were carried out using the global carbon accounting and reporting standard for the financial industry developed by the Partnership for Carbon Accounting Financials (PCAF). The PCAF methodology was expertly adapted to meet the requirements of the GHG Protocol for category 13, scope 3, under which a leasing company is fully responsible for the operational emissions of the leased assets. For Prime Car Management S.A., the calculations were performed using the "Guidelines for calculating the carbon footprint in leasing companies for leasing asset portfolios", developed by the Polish Leasing Association, based on the GHG Protocol Standard, the PCAF Standard, and the guidelines of the Global Logistics Emissions Council (GLEC).

For the calculation of financed scope 3 emissions for category 13, the same internal and external data sources were used as those used for the calculation of financed scope 3 emissions for category 15, as described below. Additionally, for part of the financed emissions calculations, Eurotax emissions factors were used (for 80% of the portfolio of Prime Car Management S.A.). For the remaining part of the portfolio, the emissions factors were based on data from the Central Vehicle and Driver Registry (CEPiK), the National Inventory Report (Poland, 2023 National Inventory Report), and information on fuel consumption and CO_2 emissions in passenger cars, published by the Ministry of Infrastructure under the Prime Minister's Regulation of April 29, 2004, on key environmental protection data on products (https://www.gov.pl/web/infrastruktura/zuzycie-paliwa-i-emisja-co2).

The following tables present financed emissions for the subsidiary PKO Leasing S.A. (including Prime Car Management S.A.) by type of leased asset as of 31 December 2024 and 31 December 2023. Financed scope 3 emissions for category 13 increased by 29% y/y to 3.4 million tCO_2e as of 31 December 2024. The emissions intensity ratio (expressed in tCO2e per gross carrying value of the exposure included in the calculation) increased from 150 tCO2e per million PLN to 181 tCO2e per million PLN, primarily due to a higher emissions factor for vehicle leasing (185 tCO2e per million PLN as of 31 December 2024 compared to 168 tCO2e per million PLN as of 31 December 2023) and for machinery and equipment excluding renewable energy (178 tCO2e per million PLN as of 31 December 2024 compared to 116 tCO2e per million PLN).

Table 97. Financed emissions for the subsidiary PKO Leasing SA (including Prime Car Management S.A.) as at 31 December 2024

Type of leased asset	Gross carrying amount (PLN million)	Financed emissions – scope 1 (tCO2e)	Financed emissions – scope 2 (tCO2e)	Financed emissions – scope 3 (tCO2e)	Total emissions financed (tCO2e)	Emission intensity indicator (tCO2e/PLN million)	Percentage of emissions calculated using primary data sourced from suppliers or other partners in the value chain
Vehicle leasing	16,173	2,932,782	63,763	-	2,996,544	185	5%
Leasing of machinery and equipment excluding RES	6,941	308,357	72,569	854,802	1,235,698	178	25%
Leasing of RES machinery and equipment	164	-	-	1,624	1,624	10	0%
Leasing of commercial real estate	164	19 582		-	19,582	120	0%
TOTAL:	**23,442**	**3,397 022**		**856,425**	**4,253,448**	**181**	**11%**

The financed emissions reported under category 13 of scope 3 relate to leases; the emissions of loans advanced by PKOL are reported under category 15 of scope 3. The percentage of emissions calculated using primary data obtained from suppliers or other partners in the value chain was calculated as the share 1) in the case of vehicle leasing: financed emissions from scope 3 category 13 calculated using actual emissions generated by the vehicle, determined based on fuel cards, service events, and emission factors for the specific VIN from EUROTAX in total financed emissions reported under scope 3 category 13, and 2) in the case of leasing of machinery and equipment: financed emissions from scope 3 category 13 calculated based on the actual emissions of the client in total financed emissions reported under scope 3 category 13; for other types of leased assets, emissions were not calculated using primary data obtained from suppliers or other partners in the value chain.

Table 98. Financed emissions for the subsidiary PKO Leasing SA (including Prime Car Management S.A.) as at 31 December 2023

Rodzaj leasingowanego aktywa	Gross carrying amount (PLN million)	Financed emissions – scope 1 (tCO2e)	Financed emissions – scope 2 (tCO2e)	Financed emissions – scope 3 (tCO2e)	Total emissions financed (tCO2e)	Emission intensity indicator (tCO2e/PLN million)	Percentage of emissions calculated using primary data sourced from suppliers or other partners in the value chain
Vehicle leasing	14,682	2,456,649	17,185	-	2,473,834	168	6%
Leasing of machinery and equipment excluding RES	6,732	225,218	45,278	510,837	781,333	116	0%
Leasing of RES machinery and equipment	200	-	-	1,940	1,940	10	0%
Leasing of commercial real estate	232	25,172		-	25,172	108	0%
TOTAL:	**21,846**	**2,769,501**		**512,717**	**3,282,278**	**150**	**4%**

The financed emissions reported under category 13 of scope 3 relate to leases; the emissions of loans advanced by PKOL are reported under category 15 of scope 3. The percentage of emissions calculated using primary data obtained from suppliers or other partners in the value chain was calculated as the share 1) in the case of vehicle leasing: financed emissions from Scope 3 Category 13 calculated using actual emissions generated by the vehicle, determined based on fuel cards, service events, and emission factors for the specific VIN from EUROTAX in total financed emissions reported under Scope 3 Category 13, and 2) in the case of leasing of machinery and equipment: financed emissions from Scope 3 Category 13 calculated based on the actual emissions of the client in total financed emissions reported under Scope 3 Category 13; for other types of leased assets, emissions were not calculated using primary data obtained from suppliers or other partners in the value chain.

The calculation of financed scope 3 emissions for category 15 covered the Bank Group's exposures within the following asset classes:

- loans for enterprises (PCAF Business loans and unlisted equity class);
- corporate shares and bonds (PCAF Listed equity and corporate bonds class);
- Project Finance (PCAF Project finance class);
- leasing of vehicles (PCAF Motor vehicle loans class);
- commercial real estate loans (PCAF Commercial real estate class);
- housing loans (PCAF Mortgages class);
- sovereign debt (PCAF Sovereign debt class).

Calculations for individual asset classes were carried out in accordance with the global greenhouse gas accounting and reporting standard for the financial industry, developed by the Partnership for Carbon Accounting Financials (PCAF).

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

- actual emission data of customers obtained from the Notoria database and directly from company reports;
- data contained in the Central Register of Energy Performance of Buildings maintained by the Ministry of Development and Technology, used for calculating financed emissions related to commercial real estate and housing loans;
- emission factors contained in the PCAF online emission factor database, used for calculating financed emissions related to business loans, listed equity and corporate bonds, Project Finance, and motor vehicle financing;
- emission factors contained in the European building emission factor database maintained by PCAF, used for calculating financed emissions related to commercial real estate and housing loans;
- non-LULUCF production emissions reported by the sovereign debt emitting countries included in the calculation and macroeconomic data from the World Bank database used to calculate the financed emissions in the sovereign debt asset class.

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

- reported emissions (information on the emissions of the customer or company to which financing was provided);
- emissions estimated based on physical activity data of the customer or investee company, including: energy consumption, production, information from energy performance certificates (actual or estimated) of financed properties;
- emissions estimated based on economic activity data of the customer or investee company, including, among others, revenue information obtained by the Bank from customers' financial statements.

The following tables present financed emissions for the Bank and its subsidiaries, broken down by PCAF asset classes as of 31 December 2024 and 31 December 2023. Financed emissions from scope 3 for category 15 increased to 20.8 million tCO_2e as of 31 December 2024, up from 11.0 million tCO2e as of 31 December 2023. A significant portion of this increase (+6.9 million tCO_2e) is attributed to the expansion of the Group's calculation of financed emissions in this category, which now includes emissions from sovereign debt (PCAF Sovereign debt class) as of 31 December 2024. Part of the increase is also due to changes in the method for calculating financed emissions within corporate groups, using emissions reported by the customer, as well as a higher percentage of financed emissions calculated using actual emissions data reported by customers. As a result, the intensity ratio of financed emissions from scope 3 for category 15 increased to 66 tCO_2e/million PLN as of 31 December 2024, up from 55 tCO_2e/million PLN when excluding the intensity ratio of sovereign debt emissions from the calculation for that date, and to 59 tCO_2e/million PLN when including the intensity ratio of sovereign debt emissions.

Table 99. Financed emissions for the Bank and its subsidiaries, broken down by PCAF asset classes as at 31 December 2024

PCAF asset class	Gross carrying amount (PLN million)	Financed emissions – scope 1 (tCO2e)	Financed emissions – scope 2 (tCO2e)	Financed emissions – scope 3 (tCO2e)	Total emissions financed (tCO2e)	Emission intensity indicator (tCO2e/PLN million)	Percentage of emissions calculated using primary data sourced from suppliers or other partners in the value chain
Business loans	76,118	2,865,800	655,542	7,875,368	11,396,709	150	39%
Corporate stocks and bonds	4,319	142,743	18,336	857,428	1,018,507	236	90%
Project Finance	4,182	13,665	2,849	64,796	81,310	19	0%
Commercial real estate loans	4,971		61,438	-	61,438	12	0%
Loans for residential real estate	118,108		1,243,621	-	1,243,621	11	0%
Public debt	146,564	6,944,216	-	-	6,944,216	47	100%
Motor vehicle loans	842	79,527	533	-	80,060	95	0%
TOTAL:	355,103	12,028,270		8,797,592	20,825,862	59*	59%

* The emission intensity of the Bank and its subsidiaries' portfolio, excluding sovereign debt, increased from 59 to 67 tCO_2e/MPLN.

The subsidiary included in the calculation of financed emissions in all the PCAF asset classes listed in the table, excluding sovereign debt and residential property loans, is PKO Factoring; the subsidiary included in the calculation of financed emissions in the residential property loans asset class is PKO Bank Hipoteczny; for the sovereign debt asset class, the exposures included in the calculation are government bonds from the subsidiaries: Kredobank, PKO Życie Towarzystwo Ubezpieczeń S.A., PKO Bank Hipoteczny, PKO BP Bankowy PTE S.A., NEPTUN fizan, PKO VC fizan; the exposures included in the calculation of financed emissions in the PCAF asset classes Business Loans, Corporate Stocks and Bonds, Project Finance, Commercial Real Estate Loans, and Motor Vehicle Loans are exposures reported in Template 1 as part of the prudential reporting - Pillar 3 Disclosure Report.
Financed emissions of sovereign debt from scope 1 refer to so-called production emissions (excluding LULUCF, i.e., emissions related to land use, land-use change, and forestry), in accordance with the PCAF methodology.
The percentage of emissions calculated using primary data obtained from suppliers or other partners in the value chain was calculated as the share of financed emissions from scope 3 category 15, calculated using the actual emissions from the client, in the total financed emissions reported under scope 3 category 15 in the individual PCAF asset classes.

Table 100. Financed emissions for the Bank and its subsidiaries, broken down by PCAF asset classes as at 31 December 2023

PCAF asset class	Gross carrying amount (PLN million)	Financed emissions – scope 1 (tCO2e)	Financed emissions – scope 2 (tCO2e)	Financed emissions – scope 3 (tCO2e)	Total emissions financed (tCO2e)	Emission intensity indicator (tCO2e/PLN million)	Percentage of emissions calculated using primary data sourced from suppliers or other partners in the value chain
Business loans	77,589	2,685,440	487,493	5,479,696	8,652,629	112	29%
Corporate stocks and bonds	3,218	85,511	18,381	200,339	304,231	95	41%
Project Finance	3,233	27,137	5,029	70,073	102,240	32	0%
Commercial real estate loans	5,436		90,905	-	90,905	17	0%
Loans for residential real estate	107,813		1,514,063	-	1,514,063	14	0%
Public debt**	-	-	-	-	-	-	0%
Motor vehicle loans	1,622	331,270	128	-	331,398	204	0%
TOTAL:	198,910	5,245,358		5,750,107	10,995,465	55	24%

The subsidiary included in the calculation of financed emissions in all the PCAF asset classes listed in the table, excluding sovereign debt and residential property loans, is PKO Factoring; the subsidiary included in the calculation of financed emissions in the residential property loans asset class is PKO Bank Hipoteczny; the exposures included in the calculation of financed emissions in the PCAF asset classes Business Loans, Corporate Stocks and Bonds, Project Finance, Commercial Real Estate Loans, and Motor Vehicle Loans are exposures reported in Template 1 as part of the prudential reporting - Pillar 3 Disclosure Report.
**As of 31 December 2023, the Bank's Group did not calculate the financed emissions of sovereign debt.
The percentage of emissions calculated using primary data obtained from suppliers or other partners in the value chain was calculated as the share of financed emissions from Scope 3 Category 15, calculated using the actual emissions from the client, in the total financed emissions reported under Scope 3 Category 15 in the individual PCAF asset classes.

TOTAL EMISSIONS

The total emissions of the Bank's Group in 2024, including both its own emissions and portfolio emissions, amounted to 25,284,972 tCO_2e.

The Bank's Group does not identify biogenic emissions in its own operations (scope 1, 2). Biogenic emissions were not included in the portfolio calculation because they are not covered by the PCAF methodology, which served as the basis for calculating financed emissions.

The base year for the accounts is 2019, except for portfolio emissions (categories 13B and 15), for which the base year is 2023. Financed emissions are expressed in tCO_2e because the emission factors in the PCAF database are not disaggregated by specific GHG types.

Financed emissions in scope 3 categories 13 and 15 have been included with the same value in total greenhouse gas emissions, calculated using both the location-based and market-based methods; financed emissions in these categories are calculated depending on the available data, treating emissions reported by clients calculated using the market-based method as primary compared to the location-based method.

The decarbonisation plan for the energy production and residential real estate sectors, along with emission reduction targets and intensity indicators, has been presented within the Bank's Group's Transition Plan.

Table 101. GHG emissions in tCO_2e for the Bank's Group

	Retrospective				Milestones and target years			
	Base year (2019)	2023	2024	y/y (%)	2025	2030	2050	Annual % target / Base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions	15,781.34	13,976.47	12,571.73	-10.1	11,865.34	11,744.04	11,991.34	3.8
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	0%	0%	0%		n/d	n/d	n/d	n/d
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions	92,785.29	75,547.86	67,029.32	-11.3	67,707.59	66,818.29	60,857.69	3.8
Gross market-based Scope 2 GHG emissions	92,785.29	28,950.06	26,238.21	-9.4	27,659.89	26,772.29	21,293.39	3.8
Significant scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions	-	14,310,589.30	25,246,161.96	76.4	-	-	-	-
1 Purchased goods and services	-	580.20	3,938.58	578.8	-	-	-	-
[Optional sub-category: Cloud computing and data centre services	-	-	-	-	-	-	-	-
2 Capital goods	-	-	132,130.93	n/d	-	-	-	-
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)	-	14,612.97	10,829.71	-25.9	-	-	-	-
4 Upstream transportation and distribution	-	-	-	-	-	-	-	-
5 Waste generated in operations	-	18.99	6.96	-63.4	-	-	-	-
6 Business travelling	-	1,415.60	1,259.14	-11.1	-	-	-	-
7 Employee commuting	-	13,213.32	14,546.47	10.1	-	-	-	-
8 Upstream leased assets	-	-	-	-	-	-	-	-
9 Downstream transportation	-	-	-	-	-	-	-	-
10 Processing of sold products	-	-	-	-	-	-	-	-
11 Use of sold products	-	961.42	873.68	-9.1	-	-	-	-
12 End-of-life treatment of sold products	-	-	-	-	-	-	-	-
13a Downstream leased assets	-	2,043.80	3,266.88	59.8	-	-	-	-
13b Downstream leased assets	-	3,282,278.00	4,253,447.57	29.6	-	-	-	-
14 Franchises	-	-	-	-	-	-	-	-
15 Investments	-	10,995,465.00	20,825,862.05	89.4	-	-	-	-
Total GHG emissions								
Total GHG emissions (location-based)	108,567	14,400,114	25,325,763	75.9				
Total GHG emissions (market- based)	108,567	14,353,516	25,284,972	76.2				

13a – emissions from the operation of assets: leased spaces by the Bank or its subsidiaries to other entities not covered by scope 1 and 2 (emissions from the use of electricity and heat in leased spaces);
13b – emissions from the Group's loan portfolio in the areas of leasing of machinery and equipment, vehicle leasing, and leasing of commercial real estate.

GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS AND INTERNAL CARBON PRICING SCHEME [E1-7, E1-8]

The Bank Group does not carry out GHG removal and mitigation projects financed by CO2 credits, nor does it set internal prices for CO_2 emissions.

ANTICIPATED FINANCIAL EFFECTS FROM MATERIAL PHYSICAL AND TRANSITION RISKS AND POTENTIAL CLIMATE-RELATED OPPORTUNITIES [E1-9]

In the first year of preparing the report, the Bank's Group avails itself of the exemption provided in Annex C to ESRS 1 and does not disclose information regarding the anticipated financial impacts resulting from significant physical risks and transition risks, as well as potential climate-related opportunities.

13.3 SOCIAL INFORMATION

13.3.1 OWN WORKFORCE

RELEVANT SUSTAINABILITY MATTERS

For the identified negative impacts and opportunities, no particularly vulnerable groups were identified, considering them to be universal for the Bank's own workforce resources. Any policies described for managing significant sustainability issues relate to employees under employment contracts within the Bank's operations, unless otherwise stated. The main mechanism for counteracting negative impacts is the adoption of internal regulations. The adopted policies are not consulted with social partners and do not include objectives and actions necessary for their achievement. For individual impacts, risks, and opportunities, no measurable targets in line with ESRS 2 were set, unless otherwise indicated.

CHARACTERISTICS OF EMPLOYEES

The predominant form of employment in the Bank as well as in the Bank's Group is an employment contract. By the end of 2024, 25,884 people were employed under this form of employment within the Bank's Group, which represents 96.54% of all employees. Of those employed under employment contracts, 71.11% were women.

The Bank's Group also employs individuals based on civil law contracts. As at the end of 2024, 927 people were employed under this type of contract, representing 3.5% of the total number of employees.

In 2024, the Bank's Group did not identify any employment outside the country that would exceed 10% of the total number of employees. The described groups of employees represent the primary categories of the Bank's own workforce resources and have been included in the scope of information disclosure in accordance with ESRS 2.

Table 102. Number of employees (in persons) employed under employment contracts, broken down by gender as at 31.12.2024

GENDER	BANK	CAPITAL GROUP
Male	6,076	7,477
Female	15,727	18,407
Total	21,803	25,884

Table 103. Number of individuals employed under civil law contracts (excluding members of the Management Boards and Supervisory Boards), broken down by gender as at 31.12.2024

GENDER	BANK	CAPITAL GROUP
Male	202	341
Female	410	586
Total	612	927

The employment structure is presented broken down by two genders – women and men, as no individuals with a gender other than male or female, or those who did not disclose their gender, were identified in 2024.

Among the employees in the Group, women dominate the workforce. They hold 62.85% of positions in middle management and 56.27% of director-level positions. The share of women in roles where their professional activities have a significant impact on the risk profile of the Bank, individual companies in the Group, or the entire Group (so-called Material Risk Takers) is lower, and in 2024 it was 31.10%.

Table 104. Number of employees (in persons) employed under an employment contract by job group, age, and gender

			BANK			CAPITAL GROUP		
			total	women	men	total	women	men
Employment by job group	Other employees	up to 30 years	2,423	1,632	791	3,048	2,062	986
		from 30 to 50 years	11,203	8,150	3,053	13,543	9,812	3,731
		above 50 years	5,180	4,114	1,066	5,588	4,372	1,216
		Total	**18,806**	**13,896**	**4,910**	**22,179**	**16,246**	**5,933**
	Middle management	up to 30 years	14	8	6	29	18	11
		from 30 to 50 years	1,069	648	421	1,348	796	552
		above 50 years	527	380	147	580	416	164
		Total	**1,610**	**1,036**	**574**	**1,957**	**1,230**	**727**
	Managers	up to 30 years	6	4	2	7	5	2
		from 30 to 50 years	758	445	313	932	510	422
		above 50 years	539	328	211	600	351	249
		Total	**1,303**	**777**	**526**	**1,539**	**866**	**673**
	MRT (Material Risk Takers)	up to 30 years	0	0	0	1	0	1
		from 30 to 50 years	52	9	43	149	49	100
		above 50 years	32	9	23	59	16	43
		Total	**84**	**18**	**66**	**209**	**65**	**144**
	Total		**21,803**	**15,727**	**6,076**	**25,884**	**18,407**	**7,477**

Among the employees in the Group, women dominate the workforce. They hold 62.85% of positions in middle management and 56.27% of director-level positions. The share of women in roles where their professional activities

have a significant impact on the risk profile of the Bank, individual companies in the Group, or the entire Group (so-called Material Risk Takers) is lower, and in 2024 it was 31.10%.

The distribution of employment based on working hours, age, and contract term is presented in the table below.

Table 105. Number of employees (in persons) employed under employment contracts, broken down by gender, working hours, age, and type of contract

			BANK			GROUP		
			total	women	men	total	women	men
Total employment	working hours	full-time	21,621	15,576	6,045	25,311	18,035	7,276
		part-time	182	151	31	573	372	201
	employee age	up to 30 years	2,443	1,644	799	3,085	2,085	1,000
		from 30 to 50 years	13,082	9,252	3,830	15,972	11,167	4,805
		above 50 years	6,278	4,831	1,447	6,827	5,155	1,672
	contract term	permanent	2,522	1,895	627	3,374	2,422	952
		indefinite period	19,281	13,832	5,449	22,510	15,985	6,525
	Total		**21,803**	**15,727**	**6,076**	**25,884**	**18,407**	**7,477**

The employment policy at the Bank and in the Bank's Group is based on the principle that every employee is important, regardless of their gender, age, health condition, sexual orientation, religion, marital status or country of origin. The Bank and the entities of the Bank's Group use their best efforts to ensure diversity among the employees. In 2024, the percentage of people with disabilities employed in the Bank's Group was 1.5%.

Table 106. Number of employees (in persons) with disabilities employed under an employment contract at 31.12.2024

	BANK	GROUP
Number of employees with disabilities, of which:	301	391
Women	232	284
Men	69	107
Proportion of employees with disabilities in total employment	1.4%	1.5%
% women in the number of employees with disabilities	77.1%	72.6%
% of men in the number of employees with disabilities	22.9%	27.4%

In 2024, the staff turnover rate among Group employees was 10.1%. The turnover rate calculated as the ratio of the number of employees terminated in 2024 to the number of employees at the end of 2023. The turnover rate for women or men in 2024 was calculated as the number of women or men whose employment was terminated in 2024, divided by the number of women or men employed at the end of 2023. The results are shown in the below table.

Table 107. Staff turnover by gender

	BANK	GROUP
Staff turnover rate in 2024	9.3%	10.1%
Staff turnover rate for women in 2024	9.4%	10.0%
Staff turnover rate for men in 2024	9.1%	10.2%

In 2024, 2,590 individuals left the Bank's Group. The majority of those who left were women, which is in line with the overall employment structure within the Bank's Group. Detailed information on the number and characteristics of departures during the reporting year is provided in the next table.

Table 108. Employees under an employment contract who terminated their employment in 2024

	BANK	GROUP
Number of employees who terminated their employment in the reporting period, of which:	2,017	2,590
number of women	1,474	1,842
proportion of women	73.1%	71.1%
number of men	543	748
proportion of men	26.9%	28.9%

The number of employees who ended their employment during the reporting period includes individuals who were working or remained employed while on parental leave, individuals granted unpaid leave for more than 3 months, and individuals receiving rehabilitation benefits. Employees who changed their place of work within the Bank's Group in 2024 are not listed at the Group level as individuals who ended their employment.

In 2024, the Bank's Group hired 2,733 individuals, representing 10.6% of the total number of employees. Among the newly hired employees, women dominated (67.8% in the case of the Bank and 67.7% in the case of the Group), which is consistent with the employment structure within the Bank and the Group. The distribution of newly hired individuals by gender is presented in the next table.

Table 109. Newly hired employees under an employment contract broken down by gender

	BANK	GROUP
Number of newly hired employees	2,075	2,733
Share of newly hired employees in total employment	9.5%	10.6%
Newly hired women	1,407	1,850
Share of women among newly hired employees	67.8%	67.7%
Newly hired men	668	883
Share of men among newly hired employees	32.2%	32.3%

The above breakdown does not include employees who changed their place of work within the Bank's Group in 2024.

In 2024, the Bank's Group decided to take advantage of the transitional period for the following indicators related to its own workforce:

- characteristics of non-employee workers in the undertaking's own workforce (S1-7);
- social protection (S1-11);
- training and skills development metrics (S1-13);
- work-life balance metrics (S1-15).

REMUNERATION

The source document regulating remuneration issues within the Bank's Group is the "Remuneration Policy for Employees of the Bank and the Bank's Group" adopted and updated by the Management Board. The regulation has a superior character, meaning that internal remuneration systems, including those developed in subsidiaries based on the Bank's recommendations, especially concerning members of management boards and Material Risk Takers, must be aligned with its requirements. The policy ensures a consistent remuneration system, adapted to both market trends and the generally accepted strategy. The document ensures that remuneration is based on the results achieved and on objective criteria for evaluating these results. Since its adoption, the policy has been public, and all individuals working in the Bank's Group have the right to access it, taking into account the communication tools used by the various entities within the Group. The policy is the main tool used by the Bank to implement regulations within the Bank's Group that ensure financial security for employees and align their remuneration with market conditions. As a superior document, it does not set specific goals or actions necessary to achieve them. However, the Bank's Group undertakes a number of actions and initiatives aimed at improving working conditions, including those related to remuneration. One of these is the analysis of wage reports and market trends. Regular salary reviews are conducted, allowing the position of remuneration within the Bank's Group to be established against the market, and, if necessary, to plan appropriate pay actions.

Another tool supporting employees' financial security is the Collective Labour Agreements (hereinafter: CLA), which set the principles for remuneration and the granting of work-related benefits.

The CLA covers employees of two entities within the Bank's Group: PKO Bank Polski S.A. and KREDOBANK S.A. In both cases, the parties to the agreement are the President of the Management Board and the trade union representatives acting on behalf of the employees. The CLA is available within the internal regulations database for PKO Bank Polski S.A. and on the internal site maintained by KREDOBANK S.A.

Other companies in the Bank's Group do not have collective labour agreements in place.

According to the CLA, employees of the Bank are entitled to the following components of remuneration:

- basic salary;
- additional remuneration for overtime, night work, and work in particularly hazardous and health-damaging conditions;
- bonuses and awards for special achievements in professional work.

The CLA also guarantees employees a minimum basic salary. This is defined based on the percentage relationship to the minimum wage, as defined by generally applicable regulations, depending on the job classification level.

The CLA covers all employees of the Bank employed under employment contracts. However, it does not apply to individuals with management contracts or other civil law agreements. The content of the CLA does not exclude employees working in foreign branches. Nevertheless, external legal regulations and the specific market environment in which foreign branches operate may influence the manner or scope of the CLA's application. For KREDOBANK S.A., the CLA applies to all employees, regardless of position, nature, or duration of the employment relationship. Due to the nature of the Collective Labour Agreements, they do not define specific goals or actions necessary to achieve them. Nevertheless, representatives of the Management Board meet with employee representatives (trade union organizations and the Employee Council) to engage in dialogue regarding working conditions and employment stability, which allows addressing and leveraging opportunities related to the functioning of collective agreements, as identified in the double materiality assessment.

Additionally, the Bank operates a bonus system based on the "Bank's Employee Bonus Rules," adopted by the Management Board Resolution. These rules regulate the process of setting and accounting for bonus goals and tasks, as well as the principles for determining individual bonuses for employees of the Bank employed under employment contracts (excluding Material Risk Takers). The document is made available through the internal regulations database, which all employees have access to. Employee bonus goals are linked to the Bank's key management indicators. The rules do not define specific goals or actions necessary for their achievement. Due to the specific nature of the regulated area, the procedure does not introduce monitoring processes for its execution.

The Bank also operates a Social Benefits Fund, which finances additional benefits for employees, supporting their financial security. The Social Benefits Fund finances, among other things, monetary grants, which are non-repayable assistance for families in difficult life situations or those affected by an unforeseen event. The affected individual may apply for the grant, but other Bank employees can also apply on their behalf. The Bank also operates an Employee Pension Scheme.

The Bank's Group also takes several actions to ensure the financial security of its employees within the subsidiaries of the Bank's Group. Depending on the size of the workforce, the principles of employee remuneration are specified in remuneration regulations and employment contracts. Separate bonus systems are also applied for employees.

In individual companies within the Bank's Group, additional solutions supporting the financial security of employees are in place, such as project bonuses, holiday bonuses, or the possibility of an advance on future wages.

The effectiveness of actions taken to ensure employees' financial security, including adjusting salary levels to the economic situation, is regularly monitored. One of the tools used for this purpose is the eNPS satisfaction survey, particularly the "remuneration and benefits" index. Although the Bank's Group has not set a measurable goal in accordance with ESRS2, it has aimed to maintain the eNPS score at least at a similar level as in 2023.

ADEQUATE WAGE

The Bank's Group strives to ensure that employees receive adequate remuneration that meets the needs of the employee and their family, taking into account the national economic and social conditions. To determine the adequate wage indicator, the minimum wage index is used, which refers to the lowest salary that an employer must pay to an employee employed under an employment contract. In entities operating in Poland, this level is set based on the national minimum wage published by the Central Statistical Office, while in entities operating in Ukraine, it is determined according to the Budget Code of Ukraine.

In 2024, all employees of the Bank and its subsidiaries received remuneration above the established adequate wage level.

Table 110. Adequate wage for employees under employment contracts

	BANK	GROUP
Percentage of employees paid below the established level of adequate remuneration	0.0%	0.0%

PAY GAP

The Bank's remuneration policy is gender-neutral. The process of determining the salaries is based on the valuation of positions. Valuation of positions, in accordance with the commonly used market methodology, is based on the determination of an appropriate level of indicators for strictly defined criteria: skills (technical knowledge, managerial skills, interpersonal skills), problem solving (freedom of thinking, challenges, freedom of action) and impact on the result (type of influence, field of operation). The essence of valuation is the fact that it applies to a given position, not a person.

The Bank performs regular salary reviews for different positions, which also analyse the relationship between the salaries of women and men, taking into account internal benchmarks and data provided in remuneration reports and studies in the process of determining and optimizing the remuneration strategy.

To ensure the comparability of the same positions and eliminate the total impact of other factors on the level of remuneration, the Bank also applies the market comparability index CR (Comparatio) as a comparison of the salary offered to the employee with the relevant market benchmark. The internal analyses performed using this ratio show that there are no differences between the remuneration of women and men at the Bank and that both groups receive remuneration at the market level.

Table 111. Gender pay gap for 2024

	BANK	GROUP
Pay gap	30.0%	31.7%

The gender pay gap indicator is calculated in accordance with ESRS as the difference between the average salary of men and women to the average salary of men (unadjusted gap). The structure of employment has a significant impact on the level of the indicator, which is characterised by a much higher percentage of women employed in sales and non-managerial positions and a higher percentage of men in positions with high decision-making competencies.

To eliminate the impact of employment structure and other non-discriminatory factors, such as job evaluation level, job families, or geographical location, the adjusted gap has been calculated, which amounted to 2.3% for the Bank and 3.8% for the Bank's Group in 2024.

The adjusted gender pay gap indicator is calculated as the difference between the average weighted salary of women and the average weighted salary of men to the average weighted salary of men. The average salary of women and men is calculated within homogeneous groups, taking into account job families, job evaluation levels, and geographical location. The overall indicator is the weighted average of the individual homogeneous groups, where the weight is the number of employees in each group. In the calculation of the gap in the Bank's Group, the indicators of the subsidiaries are taken into account, weighted by the number of employees in each subsidiary within the Group.

The applied methodology is consistent with the approach developed by the banking sector within the Polish Bank Association forum.

The presented level of the adjusted pay gap does not indicate any unjustified inequalities in terms of salary levels between women and men. The causes of the gender pay gap are attributed to the nature of the organisation, where the employment structure is predominantly female.

All pay gap indicators take into account the salaries paid in 2024 to all active employees employed on the last day of the reporting year, as well as members of the Management Board who served in the Board on the same day, excluding employees hired after September 30 of the reporting year. For comparability, the total salary paid in the reporting year, adjusted for full-time equivalents, is used for calculation, with adjustments made for employees employed for less than a year or those on unpaid leave.

In accordance with the disclosure requirements regarding remuneration measures, the ratio of the highest total remuneration paid in 2024 to the median annual total remuneration of all employees (excluding the highest remuneration) has also been calculated.

Table 112. The ratio of the highest total remuneration paid in 2024 to the median of the total annual remuneration of all employees (excluding the highest salary)

	BANK	GROUP
Ratio of the highest total remuneration paid in 2024	18.2	18.7

The above indicators were calculated based on the total remuneration paid in 2024 (annualised and converted to full-time equivalent) to those employed under an employment contract on the last day of the reporting year, excluding employees hired after September 30 of the reporting year. The calculation includes members of the Management Board.

TRAINING AND DEVELOPMENT

The Bank's Group actively supports and encourages employees to continue their development and strives to meet the growing demand for development and training activities. While issues related to training and development have not been addressed at the group regulation level, the entities within the Bank's Group take actions aimed at supporting competence enhancement.

In the Bank, the "Organisation and Implementation of Development Activities at PKO Bank Polski S.A.", adopted by the Director of the Personnel Management Division, is available in the Internal Regulations Database. The document provides a detailed description of how development activities (both individual and group) are organised for employees with an employment contract, as well as the opportunities to participate in training, including the general development offer and internal and external training courses. Although the regulation does not specify the goals in terms of the ESRS requirements and the necessary actions to achieve them, the Bank makes efforts to continuously strengthen employees' competencies in the field of development activities. In 2024, a number of initiatives, training and development programmes, as well as individual activities targeting specific Bank units, were implemented.

As part of the general development offer, a series of workshops (both in-person and online) and video training sessions were held, covering topics such as communication skills, collaboration, personal effectiveness, time and work management, change management, negotiation skills, stress and emotion management, presentation skills, motivation, creativity and innovation, and self-development. The development activities were conducted in various forms, including traditional workshops, educational games, VR goggles, and video training. In 2024, additional e-learning activities were implemented to strengthen employee competencies, with about 20 new courses created in this format.

In addition to the general development offer, the Bank's employees also had the opportunity to participate in initiatives such as:

- participation in the "Knowledge in a Nutshell" programme, led by employees for employees, enabling the sharing of experience and knowledge about their passions and interests;
- access to the Multilife educational platform, offering apps such as a language platform, Legimi, and Youniversity;
- access to the Application Zone, an educational platform offering training on hard skills topics such as Excel, SQL, Python, and PowerPoint;
- participation in the Language Zone project, based on 4 pillars: access to a language platform provided through Multilife, thematic employee meetings held in English, language webinars, and book recommendations available through Legimi and Inspiro;
- access to the Training Catalogue, which includes various development workshops, video training, and short video forms;
- participation in the "Inspirational Development Time" project, with meetings organised in the regions for employees in the sales network, providing access to various development formats;
- participation in monthly live events in the "Time for Development" series, where the training and development offer is presented.

The companies within the Bank's Group also offer their employees development activities. These usually include: soft skills and specialised training, educational platforms, access to e-learning courses, language courses (with funding), funding for studies, access to a knowledge base, individual training tailored to specific needs, knowledge capsules, webinars, instructions, and presentations. The effectiveness of actions aimed at promoting employee development and meeting the growing training needs does not have a defined goal in accordance with ESRS 2. However, it is regularly monitored through the eNPS satisfaction survey, particularly the "Development" index. In 2024, no measurable targets were set for the eNPS level, but the Bank's Group aimed to maintain the index value at least at a level close to that of 2023.

The training and development area is continuously evolving not only due to the growing demand from employees but also as a result of the actions taken by the Bank's Group to reduce its negative impact on the environment. Employees of the Bank's Group serving customers from high-emission sectors, including those subject to decarbonisation plans, will need to expand their competencies and qualifications in order to provide professional advice and support during the transformation process.

Safety and Ergonomics at Work

Ensuring a safe working environment plays a significant role within the Bank's Group. Both the Bank and its subsidiaries take actions aimed at providing all employees with safe conditions for performing assigned tasks. The area of occupational health and safety (OHS) has not been regulated at the group level, meaning that each entity implements its own solutions and regulations in this area, including work regulations that oblige the provision of working conditions in accordance with OHS requirements. The Bank's Group does not have an OHS management system based on international standards; however, it meets all the criteria required by national regulations.

The main document regulating occupational safety issues at the Bank is the "Rules for the Implementation of Tasks in the Field of Occupational Health and Safety and Allocation of Personal Protective Equipment, Workwear, Footwear, Beverages, and Reimbursement of Costs Related to the Purchase of Glasses or Contact Lenses Correcting Vision at PKO Bank Polski S.A." It applies to employees working under employment contracts, civil law contracts, interns, and trainees, as well as individuals employed by external companies working on the Bank's premises. The document specifies the division of responsibilities related to the implementation of occupational health and safety tasks, including obligating those in managerial positions to organise the workplace in accordance with OHS regulations. The regulation does not include goals or actions required to achieve them. However, the Bank undertakes a series of initiatives to ensure safe working conditions, including in the area of ergonomics. These actions include, among others, conducting periodic workplace inspections, checking compliance with OHS regulations and guidelines, and providing OHS and first aid training (both mandatory and voluntary). Additionally, all newly created job positions are evaluated during the arrangement phase by the OHS service and reviewed after the workplace is organised. Similar solutions are also applied by selected subsidiaries. At PKO Towarzystwo Ubezpieczeń S.A. and PKO BP Bankowy PTE S.A., principles for creating ergonomic workplaces are outlined in the "Health, Safety, and Environmental Protection Policy at PKO BP BANKOWY PTE S.A." and the OHS instructions for remote work. In other cases, actions related to workplace ergonomics are derived from generally applicable OHS regulations in the Labour Code and the Regulation of the Minister of Labour and Social Policy of 26 September 1997 on General Occupational Health and Safety Regulations.

As part of its activities, the Bank's Group strives to minimise accidents among employees. However, it does not have a dedicated policy in this area. Accident prevention is carried out through:

- OHS training, which covers hazards at workplaces and preventive measures;
- Ongoing updates to the occupational risk assessment documentation;
- Periodic inspections of working conditions and compliance with OHS requirements and guidelines;
- Analysis of accidents and their causes.

In 2024, no fatal work-related accidents or health issues associated with work were recorded in the Bank's Group. Details are provided in the following table.

Table 113. Accident rate

	BANK	GROUP
Number of fatalities as a result of work-related injuries	0	0
Number of fatalities as a result of work-related ill health	0	0
Number of recordable work-related accidents	56	60
Rate of recordable work-related accidents	1.56	1.27
Number of cases of recordable work-related ill health	0	3
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	1,102	1,179

The rate of reportable work-related accidents was counted as the ratio between the number of reportable work-related accidents and the sum of schedule and overtime hours worked. This value was then divided by 1,000,000. Due to incomplete information regarding the total hours worked across the companies, the indicator for the Bank's Group is an average value derived from data from the Bank and subsidiaries where accidents were recorded in 2024.

In order to ensure safe and hygienic working conditions, the Bank's Group undertakes a range of activities aimed at improving employee health and the balance between work and personal life. These matters are not regulated by internal regulations. Their implementation occurs through the introduction of initiatives aimed at improving employees' health and well-being.

The Bank promotes solutions related to flexible work organization that support the balance between work and private life. These solutions include the possibility of remote work and individual work schedules introduced upon employee request.

Moreover, in 2024, employees were able to benefit from two additional days of vacation granted for the timely use of the full statutory annual leave entitlement. In this way, the Bank promotes regular use of vacation to regenerate energy and reconcile professional activities with personal life.

In the companies of the Bank's Group, hybrid work models are available, taking into account the specifics of the tasks performed by employees. Despite observing a trend in the market towards returning to office work, the companies of the Bank's Group have generally maintained the hybrid work model with a significant proportion of remote work.

The Bank also implements a number of initiatives to improve employee health. Some of the most important actions carried out by the Bank in 2024 include:

- health packages for employees and their families, allowing for the customization of medical service coverage;
- additional medical care, including consultations with doctors of various specialties, vaccinations, diagnostic tests, hospital care, and rehabilitation;
- health prevention, including special initiatives such as "2 Hours for Health Prevention" and annual preventive examinations;
- health Days, a series of meetings with dietitians, physiotherapists, and masseurs, during which stress-relief sessions in virtual reality and fitness tests were organized;
- health sensor, an app motivating healthy habits, providing daily tips and inspiration, as well as access to videos from specialists;
- access to the #FokusNaCiebie wellbeing platform, offering a health library, videos, articles, yoga sessions, and other materials promoting healthy habits;
- webinars with experts on managing stress, burnout, and building relationships;
- integration and sports initiatives: sports clubs and thematic sections supporting an active lifestyle.

Similar solutions, particularly regarding additional medical care, integration and sports initiatives, and increasing awareness of health prevention, are also in place at the subsidiaries. The effectiveness of the activities aimed at promoting employee health and job satisfaction is regularly monitored through the eNPS satisfaction survey, especially the "well-being" and "satisfaction" indexes. Although the Group did not set a measurable goal in line with ESRS2, it aimed to maintain the eNPS result at least at a similar level to 2023.

To ensure a safe working environment, the Group also takes care of the security of its employees' data. This area is not governed by separate regulations at the group level. Data security is ensured by the "Security Policy at PKO Bank Polski S.A." and the "Rules for the Protection of Information at PKO Bank Polski S.A.", both adopted by the Management Board through a resolution. (see: Managing Impacts and Opportunities, Chapter on Consumers and End Users). Both documents are available in the Internal Regulations Database.

The impact of "loss of employee trust in the company due to data loss or theft" has been deemed potential, and it is neither widespread nor systemic. The entity does not conduct corrective actions in this area.

COOPERATION WITH OWN WORKFORCE, INCLUDING COLLECTIVE BARGAINING AND SOCIAL DIALOGUE [S1-2]

Cooperation with the social side is an important channel essential for understanding the employees' perspective, learning their opinions, and using this information in business operations.

EMPLOYEE REPRESENTATION AND FREEDOM OF ASSOCIATION

Understanding the role of dialogue, the Bank actively collaborates with employee representatives within its framework. It does not create any obstacles for employees joining or participating in trade unions or the Bank's Employee Council. The employee organizations at the Bank have the right to determine their own internal principles, are free to elect their representatives and appoint authorities, operate and prepare the programme for their operation. This aligns with the principles of workers' freedom of association as outlined in ILO Convention No. 87 concerning freedom of association and protection of the right to organise.

The employee representation in the Bank is made up of three trade union organisations:

- The National Trade Union of PKO BP S.A. Employees,
- "Solidarity" Independent Self-Governing Trade Union of PKO BP S.A. Employees,
- Inter-Company Organisation for Banking and Service Employees No 06-005 OPZZ "Confederation of Labour".

The terms of cooperation between the Bank and trade unions are primarily defined by the provisions of the Labour Code and the Trade Union Act of 23 May 1991.

Additionally, the Bank has an Employee Council that serves as an internal body facilitating communication between the Bank and employees employed under employment contracts. The Employee Council is elected in general elections organised by the employer. The current Employee Council's term of office will end on 22 August 2026. The principles of cooperation with the Bank Employee Council have been set out in a separate agreement. Under this agreement, the Bank Employee Council has, among other things, the right to receive information from the employer within 7 days of requesting it. The members of the Bank Employee Council may also use the equipment, devices and materials provided by the employer in carrying out the Employee Council's tasks. In accordance with the applicable legal provisions, the Bank provides the Employee Council with information about:

- the employment-related aspects of the employer's activities and economic situation;
- the level, structure and anticipated changes in employment and the measures aimed at maintaining the employment level;
- measures that may cause significant changes in the organization of work or the basis of employment.

Trade unions, upon request, also receive necessary information for conducting union activities, in accordance with statutory requirements.

Both trade unions and the Employee Council have dedicated communication channels to relay information about their activities. The internal INTRA portal has a dedicated section called "Dialogue and Employee Representation." The Employee Council uses this tool to regularly inform employees about its actions.

Social partners are also the means through which employees employed under employment contracts, as well as contractors, can convey their concerns, opinions, suggestions, and comments to the employer. Organisations regularly send correspondence requesting responses to these matters as they arise, depending on employees' needs or when new business or employment-related solutions are introduced.

Additionally, the Bank operates a Social Labour Inspection. Social Labour Inspectors are members of trade unions. Their goal is to protect employees' rights as stipulated by labour law and ensure that working conditions are safe and hygienic. The Bank also meets its obligations under the general provisions of the law regarding informing, consulting, or agreeing with social partners on issues required by these provisions. Furthermore, the Bank engages in dialogue with social partners on other important business matters for employees.

In the Bank, the Director of the Employee Relations Division and the Director of the HR Partnership Department are empowered to:

- perform legal acts on behalf of the employer in matters related to collective labour law, including conducting consultations or negotiations with social partners, including in the context of a collective dispute;
- fulfil the employer's informational duties towards social partners arising from applicable legal provisions concerning the termination of employment relations for reasons not attributable to employees;
- perform tasks related to informing employees and consulting with them in accordance with the Act of 7 April 2006 on informing and consulting employees (Journal of Laws No. 79, item 550, as amended), during meetings with the Employee Council.

The coordination of cooperation with trade union organisations and the Employee Council is the responsibility of the Director of the HR Partnership Department.

In the Bank, cooperation with the social side is not limited to employee representatives. There are also direct channels of dialogue with employees, such as grievance and misconduct reporting channels, or satisfaction surveys. Designing and conducting employee and job candidate experience and opinion surveys falls under the responsibility of the Director of the Organisational Culture and Engagement Department.

In the entities of the Bank's Group, dialogue with employees employed under employment contracts is conducted in accordance with applicable regulations. The form of communication is tailored to the size and specificity of the entity. Most often, it occurs through direct contact, email, or via the intranet portal. Employees also have the opportunity to report violations of labour rights and other irregularities (see: Reporting Violations).

In key subsidiaries of the Bank's Group, such as PKO Bank Hipoteczny S.A., KREDOBANK S.A., PKO Faktoring S.A., PKO Leasing S.A., PKO Ubezpieczenia S.A., PKO Towarzystwo Funduszy Inwestycyjnych S.A., Prime Car Management

S.A., and PKO Finat sp. z o.o., an eNPS survey is also conducted to assess the effectiveness of cooperation between Employer and Employee.

Through the extensive channels of cooperation with social partners, the Bank and the Group address the opportunity of promoting social dialogue and freedom of association. Although this area is regulated by national regulations and internal agreements, there are no set objectives or actions required to achieve them. However, the Group implements a number of initiatives aimed at popularising social dialogue as an effective form of cooperation with employees and their representatives.

INTERNAL COMMUNICATION AND WORKING ATMOSPHERE

The Bank's Group actively promotes effective internal communication, aiming to ensure a high level of employee satisfaction and create a supportive environment with a positive atmosphere. However, it does not have policies, procedures, or rules directly addressing issues related to promoting internal communication or employee satisfaction in the context of the work environment and interpersonal relationships. As a result, it has not defined objectives or actions necessary to achieve these goals. This area is primarily addressed through initiatives available to employees working within the Bank's Group.

The primary tool for internal communication is the Intra portal, which contains information about employee benefits, privileges, rights, and responsibilities. In the companies of the Bank's Group, the information obligation is mainly fulfilled through internal portals (PKO Bank Hipoteczny S.A., KREDOBANK S.A., PKO Faktoring S.A., PKO Leasing S.A., Prime Car Management S.A.), where current employee information is posted.

The Bank's Group also conducts activities aimed at improving employee satisfaction. Initiatives such as the eNPS surveys - #JakCiSięPracuje - are used for in-depth analysis of the interpersonal relationships within the organization and their impact on employee satisfaction. The results of these surveys are used to strengthen communication within teams and better align HR strategies with employee expectations, leading to an increase in the key eNPS indicator. Additionally, satisfaction is enhanced through employee meetings and onboarding activities.

In addition to the above activities, the Bank offers the #JestemUSiebie program, which helps build an inclusive work environment through communication, educational, and workshop activities. To counter marginalization, training sessions are organized for employees and managers in areas such as neurodiversity, unconscious biases (including gender roles), and nonviolent communication.

The Bank also organizes mandatory e-learning training for all employees on diversity and inclusion, titled "#JestemUSiebie – a friendly work environment starts with you!".

Employees have access to webinars, podcasts, and knowledge pills on topics such as inclusive culture, microaggressions, biases, neurodiversity, and nonviolent communication.

Parents returning to the Bank after a long absence can benefit from the #JestemUSiebie module #PonownieUSiebie. It includes topics related to maternity, parental, and childcare leave, as well as reboarding. As part of this initiative, the Bank prepares guidelines for employees and managers regarding work absences and preparations for returning to work, hosts a webinar for all employees titled "Moms and Dads Returning to Work – Key Challenges and Solutions," and organizes online welcome meetings "Back in the Bank" for returning parents. Additionally, moderated "Parental e-coffee" sessions are held to allow parents to share experiences and best practices.

The Bank employs individuals from different generations and thus undertakes actions to harness the benefits of age diversity. These include:

- "Empathetic Leadership for Generation Z Managers." Workshop participants acquired skills to enhance the effectiveness of Generation Z employees, including implementing action learning methods. They also learned how to meet their needs, communicate empathetically, and effectively motivate them to work.
- "Intergenerational Dialogue: How to Make it Effective." During the workshop, participants learned about the characteristics of different generations, understood how values and beliefs influence work and relationships, and discovered how to communicate effectively in diverse teams. [IRO: I109, I110]

Actions within the #JestemUSiebie program also fulfill the provisions of the Diversity Charter. The Bank also organizes the recurring #RotundaRóżnorodności event with internal and external experts, which is dedicated to various aspects of diversity, tolerance, and discrimination in life and work, breaking stereotypes, and building a friendly workplace for everyone.

In addition to the described actions, the Bank's Group regularly conducts employee opinion surveys, which play a significant role in obtaining feedback from employees. This survey is conducted only for employees employed under employment contracts in the Bank. In companies such as Prime Car Management S.A., the survey is extended to employees with employment contracts, cooperation agreements, and civil law contracts. PKO Bank Hipoteczny S.A. targets employees with employment and civil law contracts. PKO BP Finat sp. z o.o., PKO Ubezpieczenia S.A., PKO Leasing S.A., and KREDOBANK S.A. include employees under employment contracts and other forms of employment. PKO Towarzystwo Funduszy Inwestycyjnych S.A. and PKO Faktoring S.A. limit the survey to employees with employment contracts and B2B contracts.

This process allows the Bank to identify areas that require improvement and implement solutions that support the organization's development and employee satisfaction.

HUMAN RIGHTS

The Bank's Group has not adopted a human rights policy at the group level. Neither the Bank nor its subsidiaries have formal policies in this regard referring to documents such as acts and guidelines from the United Nations, the International Labour Organization, or the OECD.

Human rights issues are regulated within internal documents that implement standards arising from international and national legal provisions. This particularly concerns the following rights:

- recognize the identity of every employee;
- proclaiming one's views and opinions, freedom of thought, conscience and religion;
- protection of personal rights;
- equal treatment;
- access to information;
- access to healthcare;
- privacy;
- rest;
- safe and hygienic working conditions;
- fair remuneration;
- the freedom to enter into employment relationships;
- professional development opportunities.

The Bank's policy regarding the respect for human rights is outlined in the "PKO Bank Polski S.A. Code of Ethics," the "Anti-Mobbing and Anti-Discrimination Principles and Procedures for Handling Employee Rights Violations Complaints," the "Bank's Work Regulations," the "PKO Bank Polski S.A. and PKO BP Group Employee Remuneration Policy," and the "Recruitment Policy of PKO Bank Polski S.A. and the Companies of the PKO Bank Polski S.A. Group."

The Code of Ethics is detailed in Chapter 13.4, "Information on Corporate Governance." In the context of human rights, the Code obliges individuals working for or performing services for the Bank to foster a work environment based on respect and dignity, openness to diversity, and preventing unequal or inappropriate treatment. The Bank supports its subsidiaries in promoting shared values, principles, and standards of conduct. The ethics codes implementing the "PKO Bank Polski S.A. Code of Ethics" apply, among others, at PKO Towarzystwo Ubezpieczeń S.A., PKO BP Finat sp. z o.o., PKO BP Bankowy PTE S.A., PKO Bank Hipoteczny S.A., PKO Towarzystwo Funduszy Inwestycyjnych S.A., PKO Agencja Ubezpieczeniowa sp. z o.o., Prime Car Management S.A., PKO Faktoring S.A., PKO Leasing S.A., PKO Leasing Finanse sp. z o.o., and KREDOBANK S.A.

The Bank's Work Regulations (attached to the President's Executive Order) emphasize the need to respect employees' dignity and other personal rights, equal treatment of employees, access to information, and the prevention of discrimination and mobbing. The regulations also describe how the rights to rest and safe and hygienic working conditions should be implemented. The Bank's Work Regulations also define the employment of young workers in accordance with the standards set out in the Labour Code. Every employee is familiarized with the content of the regulations before starting work, and existing employees are informed via the intranet portal. The human rights area is also regulated in the Work Regulations of: PKO Bank Hipoteczny S.A., PKO Faktoring S.A., PKO Leasing S.A., PKO

Ubezpieczenia S.A., PKO BP BANKOWY PTE S.A., PKO Towarzystwo Funduszy Inwestycyjnych S.A., Sopot Zdrój Sp. z o.o., Prime Car Management S.A., PKO BP Finat sp. z o.o.

The observance of human rights is also realized in ensuring the right to fair remuneration. This is implemented through the group-wide "Employee Remuneration Policy at PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group," as described in an earlier section of this chapter.

The recruitment process also supports the respect for human rights by standardizing the selection process based solely on objective criteria. For this purpose, the group adopted the "Recruitment Policy of PKO Bank Polski S.A. and the Companies of the PKO Bank Polski S.A. Group." This document defines the main objectives and principles of the recruitment process based on objective selection criteria, guaranteeing equal treatment, gender neutrality, and non-discrimination of candidates (in particular, with respect to gender, age, disability, race, skin color, religion, nationality, political beliefs, trade union affiliation, ethnic or social origin, wealth, birth, or sexual orientation), while maintaining the highest ethical standards. It also requires taking into account diversity goals in the recruitment of candidates for managerial positions. Companies within the group have access to the Policy and are expected to align their internal regulations and processes with its provisions.

All regulations described in this section are available within the internal database of regulations, to which all employees have access.

The Bank's Group takes human rights issues into account in internal acts, implemented processes, and daily practices. It also adheres to principles derived from international initiatives such as the Global Compact and the OECD Guidelines, as these principles align with general labor law principles applied both in Poland and in its foreign branches. The Bank has not concluded a framework agreement with employee representatives concerning the respect for human rights.

With respect to the policies described above, the Bank and its Group companies manage the impact of human rights violations on employee health. Although the Group does not have a separate policy dedicated to this issue, the negative impact is mitigated by ensuring the respect for human rights. This impact, identified as potential, is not widespread or systemic. [IRO: I118]

In the case of an incident related to a human rights violation, employees are obliged to report the event through the available channels described in the "Reporting Violations" section. These channels are available both for employees within the Group and for individuals outside the organization.

The Bank's Group does not identify operations in its business activities that are exposed to significant risks of forced labor or child labor, as:

- the prohibition of forced labour arises from Article 4 of the Convention for the Protection of Human Rights and Fundamental Freedoms,
- the prohibition of employing individuals under the age of 15 is based on Article 190, paragraph 2 of the Labour Code.

MOBBING AND DISCRIMINATION

The Bank's Group does not have a policy aimed specifically at eliminating discrimination (including harassment), promoting equal opportunities, and other methods of enhancing diversity and social inclusion at the Group level.

The Bank applies internal regulations that focus on eliminating discrimination, including:

- "Bank's Code of Ethics";
- "Principles for Counteracting Mobbing and Discrimination and the Procedure for Handling Complaints Regarding Violations of Employee Rights";
- "The Bank's Working Regulations".

According to the provisions of the "PKO Bank Polski S.A. Code of Ethics," the Bank prevents mobbing, harassment, discrimination, and other forms of unequal or inappropriate treatment. The Working Regulations oblige the employer to prevent discrimination in employment, particularly with regard to gender, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, faith, and sexual orientation, as well as employment type or scope.

Additionally, the Bank, through a resolution of its Management Board, introduced the "Principles for Counteracting Mobbing and Discrimination and the Procedure for Handling Complaints Regarding Violations of Employee Rights," which applies to employees employed under an employment contract and individuals performing tasks for the Bank under other forms of agreement. The goal of these regulations is to ensure counteraction against negative phenomena in employee relations and to define the response process in cases of interpersonal conflict. The document outlines the Bank's actions to prevent such issues, including promoting ethical behavior, supporting management in acquiring knowledge on this matter, objectifying the assessment process, and encouraging communication with employees. The management is obliged to refrain from actions that violate dignity, primarily by responding to reported issues. Although the regulation does not introduce objectives that meet the requirements of the ESRS or actions necessary to achieve them, these are reflected in the employee satisfaction survey process (eNPS index: "Direct Supervisor" and "Work Environment"). The effectiveness of the implemented regulations concerning mobbing and discrimination can also be assessed by analyzing reports of violations. According to the policy, any employee (including former employees of the Bank) may file a complaint regarding the violation of employee rights (see: Reporting Violations).

Dedicated policies, procedures, or principles regarding counteracting mobbing and discrimination have been adopted, inter alia, in PKO Bank Hipoteczny S.A., PKO Faktoring S.A., PKO Leasing S.A., PKO Ubezpieczenia, PKO Towarzystwo Funduszy Inwestycyjnych S.A., Prime Car Management S.A., and PKO Finat sp. z o.o. In the remaining companies, the area of counteracting mobbing and discrimination is regulated by implementing the provisions of the "PKO Bank Polski S.A. Code of Ethics."

In 2024, 58 cases of discrimination and mobbing were reported. Details are presented in the table below.

Table 114. Cases of discrimination and harassment in 2024

	BANK	GROUP
Total number of cases **reported** in the reporting period	54	58
including: Number of reported cases of discrimination	6	6
including: Number of reported cases of sexual harassment	0	0
including: Number of reported cases of mobbing	9	11
of which: number of reported other cases*	39	41

*other, i.e. inappropriate behaviour of the supervisor, nepotism, bad working atmosphere, inappropriate interpersonal relations with the supervisor or colleagues.

In 2024, two payments related to compensation for unequal treatment in employment and compensation for the violation of personal rights were identified. All payments made in 2024 concerning employee lawsuits and legal cases recorded in the payroll accounts, compensation (in the case of recognition of a provision), and other operating expense (in the absence of a provision) were analyzed. Both payments were related to lawsuits filed before 2024.

Table 115. Total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints

	Amount (in thousand)	Currency
Total amount	40.56	PLN

Regarding the policies described above, the Bank and the Group's Companies are taking action to counteract violence/harassment of employees. Although the Group does not have a specific policy dedicated to this impact, it is mitigated through the implemented "Principles of Counteracting Mobbing and Discrimination and the Procedure for Addressing Complaints Concerning Violations of Employee Rights." This impact has been classified as potential. It is not widespread or systemic. [IRO: I131]

On 14 November 2024, PKO Bank Polski S.A. became a signatory of the Diversity Charter. The Diversity Charter is an international initiative supported by the European Commission. Its aim is to promote equality and diversity management in the workplace. It is implemented in 26 European Union countries. Since 2012, the Diversity Charter has been present in Poland, with the programme being coordinated by the Responsible Business Forum. The Charter is a written commitment signed by an organisation, obliging it to introduce a ban on discrimination in the workplace. It is also linked to a decision to act in favour of creating and promoting diversity and expresses the organisation's readiness to engage all employees and business and social partners in these actions. Employers who choose to implement this tool work towards social cohesion and equality.

By signing the Diversity Charter, the Bank has committed to promoting equality and diversity management in the workplace. Furthermore, the Bank expresses its readiness to involve all employees, business partners, and social partners in efforts to promote inclusivity, cohesion, and social equality. The Bank strives to strengthen the organisational culture where every individual – regardless of identity, gender, abilities, origin, and traits – is accepted and valued.

CHANNELS FOR RAISING CONCERNS

The employee complaint process operates within the Bank both through HR procedures and through dedicated whistleblower channels outlined in the section on business procedures.

Under HR procedures, any employee—whether currently employed by the Bank or a former employee—may file a complaint regarding a violation of their employment rights, including a complaint related to suspected mobbing or discrimination. The primary document regulating this matter is the Bank's "Principles of Counteracting Mobbing and Discrimination and the Procedure for Addressing Complaints Concerning Violations of Employee Rights."

An employee working under a labour contract may submit a complaint through available channels: electronically (via their named official email) to the address: naruszenie.uprawnien.hr@pkobp.pl, or in writing to the HR Partnership Department. Former employees (those employed under a labour contract) can submit complaints in writing to the HR Partnership Department.

The complaint is reviewed by the Director of the HR Partnership Department, who addresses each case individually, determining the most appropriate approach to its resolution. In justified cases, the Director may request support from other departments or organisational units within the Bank to resolve the issues raised in the complaint or establish a team to investigate the allegations, particularly with the involvement of legal counsel. The Director also informs the employee who submitted the complaint, the director of the unit or department employing the worker, or their supervisor, if the complaint concerns the director.

The investigation process is confidential. All employees involved in the process are required to comply with the Bank's internal regulations regarding the protection of sensitive information, particularly by not disclosing information or documents to unauthorised persons.

If the resolution of the complaint requires further monitoring, HR business partners conduct discussions with those involved and determine whether the agreed actions are being implemented. If the issues raised in the complaint persist, further discussions are held with supervisors to establish corrective measures.

To ensure widespread knowledge of the possibilities for reporting violations, the Bank has created various communication channels for employees working under a labour contract and contractors, which are described on the Intranet.

Individuals reporting violations of employee rights are guaranteed confidentiality and anonymity.

Personal data is only processed to the extent necessary to accept the complaint or take action. Personal data unrelated to the complaint is not collected. Additionally, to protect the whistleblower, there is a mechanism allowing an employee to request a transfer to another position during the investigation of the complaint.

No retaliatory actions, nor attempts or threats of such actions, shall be taken against the whistleblower, related individuals, or those assisting in the submission of the report, including legal entities or other parties supporting the whistleblower or associated with them, particularly family members and colleagues. Specifically, the following actions are prohibited: refusal to establish an employment relationship, termination or dismissal without notice of the employment relationship, reduction in salary, suspension of promotion, transfer to a lower position.

If the whistleblower experiences any retaliatory actions as a result of the report, he or she may seek assistance from the President of the Management Board or the Supervisory Board, if the report pertains to a member of the Management Board. Further information regarding whistleblower protection can be found in Section 13.4 "Information related to corporate governance."

In subsidiary companies, the predominant method for reporting employee-related irregularities is via email or written notification. Such solutions are in place at entities such as PKO Bank Hipoteczny S.A., KREDOBANK S.A., PKO Faktoring S.A., PKO Leasing S.A., PKO Ubezpieczenia S.A., PKO Towarzystwo Funduszy Inwestycyjnych S.A., Prime Car Management S.A., and PKO Finat sp. z o.o. In the case of KREDOBANK S.A., the available channels are further supplemented by a special contact interface on the website.

13.3.2 CONSUMERS AND END-USERS

The Bank's Group identifies the area of relationships with consumers and end-users as significant. The materiality analysis revealed 5 potential negative impacts, 1 actual positive impact, no risks, and 6 significant opportunities. The Bank's Group does not have a unified policy for any of the impacts and opportunities.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [S4.SBM-3]

For the Bank's Group, consumers and end-users are its retail customers. All customers on whom the Group may exert significant influence are included within the scope of disclosure. This group comprises retail customers of the Bank, retail customers of subsidiaries, and retail customers of agencies and intermediaries with whom the Bank cooperates.

The Bank's Group does not offer products that are inherently harmful to people or that increase the risks of chronic diseases, nor does it offer services that have a potentially negative impact on individuals' right to freedom of expression. For the financial services offered, customers receive full information about the product. All customers are particularly vulnerable to privacy impacts, and customers with disabilities or children are especially vulnerable to marketing and sales strategies.

In the materiality analysis process, five negative impacts were identified, each of which is potential in nature (unfair communication, data loss or theft, information asymmetry, inappropriate advice, discriminatory actions). None of them is widespread or systemic. These potential impacts could be incidental, but the Bank's Group takes appropriate actions to ensure that none materialize.

In the area of customer relations, one positive impact related to customer privacy protection was identified. The Group implements advanced personal data protection systems, which increases trust and customer loyalty. These actions raise security standards in the financial sector, shaping the attitudes of other institutions. As a result, the Group influences customers' awareness regarding the protection of their data and promotes responsible use of financial services (see below).

In the materiality analysis process, six opportunities related to customer impact were identified (Table in section ESRS 2), with no risks identified. All opportunities have been addressed indirectly in the current Bank Strategy.

The identified significant impacts on customers and opportunities do not differentiate them based on specific characteristics or the way they use products and services. Each customer is subject to the same impacts. Exceptions may include customers with disabilities and minors. The Group obtains information about the specific needs of these customers through cooperation with non-governmental organizations (identification of needs and barriers), continuously analyzes incoming complaints and inquiries (also through social media), and cooperates with external auditors, primarily in the area of digital solutions. The Bank has a dedicated Young Customer Office, which collaborates with schools within the School Savings Campaign (SKO) and collects and analyzes the expectations and needs of children as part of this cooperation. A representative of the Bank participates in the work of the interbank accessibility group at the Polish Bank Association.

The Bank's Group addresses the specific needs of these groups by increasing service accessibility and equality in their use. In previous years, a methodology was introduced to define accessibility requirements for branches for people with disabilities, and training on servicing such individuals was conducted for new employees in the sales network (currently mandatory for all new employees in the sales network) (see below).

IMPACT AND OPPORTUNITY MANAGEMENT

MINIMUM SAFEGUARDS

The Bank has references to human rights in a dispersed form, i.e. across various internal regulations that are specific to each area (e.g., the Code of Ethics concerning employees, regulations regarding the evaluation of the fulfillment of minimum guarantees by customers), as opposed to a single regulation covering all areas. The Bank initially focused on regulating the fulfillment of minimum guarantees by businesses as an area more susceptible to potential violations and with greater regulatory pressure. The Bank plans to adopt a sustainable development policy in 2025, which will comprehensively address issues related to sustainable development, including human rights.

PROTECTION OF CUSTOMER PRIVACY [IRO: I164, I165]

The Bank manages customer privacy protection in accordance with the "Security Policy of PKO Bank Polski S.A." and the "Information Security Rules for Protected Data in PKO Bank Polski S.A." These rules regulate the confidentiality of information, the maintenance of banking secrecy, and the security of personal data, including the responsibility of Bank employees for the protection of such information.

Within the Bank's Group, with respect to strategic companies (as outlined in the investment policy), the "Agreement on Guidelines for Security Standards within the PKO Bank Polski Group" is applied, covering, among other things, the protection of personal data. Each entity within the Group that processes personal data has its own internal regulations, including a security policy, and fulfills its obligations related to personal data protection as a separate data controller.

Matters related to the confidentiality of information, maintenance of banking secrecy, and the security of personal data processed by the Companies, including the responsibility of employees in the Group's companies for the protection of such information, are governed by non-disclosure agreements and data processing agreements.

Agents and intermediaries cooperate with the Bank based on agreements and are obliged to comply with their provisions as well as the procedures and standards provided by the Bank, which include security requirements defined according to the Bank's adopted security policy.

Regulations regarding customer privacy applied by the Bank have no exclusions and apply to all of the Bank's customers and individuals whose data is processed by the Bank. Privacy regulations in the Group's companies consist of separate internal regulations of each company. Each entity in the Group fulfills its obligations related to personal data protection as a separate data controller.

Measures aimed at ensuring data security are taken with the participation of the Management Board. For this purpose, policies and system security solutions are implemented. Such solutions (in terms of both systems and policies) are constantly evaluated, audited and improved in accordance with the best market practices. The Security Department oversees the implementation of the Bank's security responsibilities and reports periodically to the Bank's Management Board and also to the Supervisory Board in this regard. The activities of the Security Department also include carrying out internal security inspections in the Bank's organizational units, which also cover information security, and giving opinions on new solutions and projects implemented at the Bank in the area of the protection of information.

Within the Bank's Group, data security actions are carried out with the participation of the Management Boards of individual companies.

Reports from the companies are prepared and forwarded to the Security Department in accordance with the applicable "Agreement on Guidelines for Security Standards within the PKO Bank Polski Group."

The Bank operates in accordance with applicable laws, including: Regulation (EU) 2016/679 of the European Parliament and Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation, GDPR), the Personal Data Protection Act of 10 May 2018, and the Banking Law.

The Bank is obliged to maintain banking secrecy as defined in the Banking Law.

Any information constituting bank secrecy, including the personal data of the Bank's customers, may only be made available in compliance with the obligations arising from the generally applicable laws in accordance with the provisions of the Banking Law. Enquiries from entities authorized to demand access to the information constituting bank secrecy are considered by the Bank in accordance with the law. The information subject to bank secrecy is provided only in the situations specified in the aforementioned Act, once the conditions giving the Bank the right to provide such information have been satisfied.

In the event of a violation of personal data protection, the Bank takes measures in accordance with the adopted Principles for security incident management at PKO Bank Polski SA and the GDPR. If a violation is identified, immediate action is taken to analyse it and to mitigate its adverse effects, if any. Any violations of personal data protection resulting in a risk to the personal rights and/or freedoms of natural persons are immediately reported to the President of the Personal Data Protection Office (UODO). Moreover, if a violation of personal data protection could result in a high level of risk to the personal rights and/or freedoms of natural persons, the data subject is immediately notified of such violation.

Companies within the Bank's Group that process personal data have separate internal regulations and fulfill their obligations related to personal data protection as separate data controllers. The companies have implemented Security Standards (including personal data protection) as part of the Guidelines. They are in line with the generally applicable regulations and the standards applied at the Bank and, to the necessary extent, they contain specific regulations which are adequate to the specific nature of the particular entity's business.

The security policy in place at the Bank and the aforementioned internal regulations have not been consulted with customers and their representatives.

The Bank has appointed a Data Protection Officer (DPO). Their tasks comprise supervision over the correctness of personal data processing. Customers may contact the DPO by sending letters to the Bank's address and/or by e-mail: iod@pkobp.pl.

As required by the GDPR, the Bank has prepared Information on personal data processing and provides it to its customers. They are informed about the applicable principles of personal data processing, the purpose of its processing and their rights, including the right to access, rectify and erase data.

Additionally, information about personal data processing, including details about the appointed DPO, as well as basic information on data processing within the Bank, is available on the Bank's website at https://www.pkobp.pl/rodo/.

When the Bank processes data based on the consent of the data subject, it informs them, among other things, about the right to withdraw consent.

The Bank's Customers also have access to complaint paths for expressing doubts concerning data security, as well as requesting the exercise of rights under the GDPR. Internal regulations concerning the management of personal data breaches have also been developed. The Bank has defined the principles for informing customers about a breach of their data security. Those principles are in compliance with the generally applicable laws. This also applies to informing the relevant authorities about breaches, which also results from internal regulations and legal provisions.

Complaints [IRO: I161, I162, I164, I165, I167, I168]

The Bank does not have a Group-wide complaints policy but has initiated the process of its preparation, with implementation planned for 2026. In 2024, most of the subsidiaries had their own regulations concerning the organisation of the complaints process, but only Bank Hipoteczny based its regulations on the Bank's provisions.

The Bank allows retail customers to submit complaints about any issues related to the products and services offered. The complaint system applies to all significant interactions with retail customers.

The framework for the system is defined in the "Rules for Handling Complaints, Applications, and Appeals from Customers at PKO Bank Polski S.A." introduced by a Board Resolution, and in the "Procedure for Receiving, Registering, and Handling Complaints, Applications, and Appeals from Retail Customers at PKO Bank Polski S.A." introduced by a Division Director's Decision. All units involved in the complaints process, in line with their scope of tasks, are responsible for implementing these Rules and the Procedure.

The Rules regulate the reception and handling of complaints, applications, and appeals from customers. They require the Bank to provide information on how and where customers can submit complaints, the deadlines for their resolution, how responses are provided, and which bodies are responsible for extrajudicial dispute resolution with the Bank. Information about the scope of the Customer Ombudsman's role must also be made available on the Bank's website (https://www.pkobp.pl/klient-indywidualny/pomoc-kontakt/skladanie-reklamacji) and the Brokerage Office's website (https://www.bm.pkobp.pl/oferta/dodatkowe-informacje/regulaminy-i-formularze/). Complaints from customers using or having used the products and services of Bank Hipoteczny are handled according to the Rules and the terms of the outsourcing agreement between the Bank and Bank Hipoteczny. The Rules allow complaints to be submitted by Bank customers (including those served by agencies) and Bank Hipoteczny's customers, as well as by individuals who are not yet customers of the Bank. They also provide external institutions with the possibility to intervene in customer matters.

The Rules establish maximum deadlines for resolving complaints and providing responses. The Customer Ombudsman's Office prepares an annual report on complaints, applications, and appeals, which is presented to the Operational Risk Committee and the Management Board. The report includes information on the nature of complaints and appeals, their validity, resolution methods, the time taken to resolve them, the amounts written off as costs, and the initiatives for corrective actions.

The President of the Management Board appoints the Customer Ombudsman, who handles appeals and submissions from specific external institutions, supports customers in their dealings with the Bank, and represents the customers' position within the Bank, as well as the Bank's position towards external customer protection institutions.

The Rules do not contain any exclusions.

The highest level of responsibility for implementing the Rules within the organisation lies with the Management Board.

When considering complaints and appeals, the Bank applies the PKO Bank Polski Code of Ethics, the Principles of Good Banking Practice, the Code of Good Practice for Brokerage Houses, and customer service quality standards.

The Rules require the relevant information to be published on the websites and specify what information should be provided to individuals submitting complaints.

PREVENTING DISCRIMINATION [IRO: I168, O79]

The Bank's Group and the Bank itself do not have a formal policy aimed at preventing the discrimination of customers. However, the issue of non-discrimination is addressed in the Bank's Code of Ethics and the Banking Code of Ethics (Principles of Good Banking Practice).

The Bank's Code of Ethics, introduced by a Board Resolution, includes a declaration of respect for diversity. Ethical conduct in customer relations involves, among other things, taking into account the specific needs of seniors and people with disabilities. The verification and assessment of compliance with ethical principles are carried out, among other things, based on complaints submitted by customers. The Board of the Bank conducts the verification and evaluation of compliance with the ethical principles set out in the Code of Ethics on an annual basis, based on the Report on Compliance with Ethical Principles in the Bank. The Board informs the Supervisory Board about the results of the evaluation (by providing the Report) at least once a year. The Code of Ethics was not consulted with external stakeholders and, as an internal regulation, is not made publicly available.

The Banking Code of Ethics (adopted by the Board Resolution) contains the provision: "A bank employee creates business relationships with customers and business partners regardless of their gender, skin colour, origin, age, disability, religious beliefs, and does not apply any other forms of discrimination."

The Bank has implemented (by the decision of the Vice President) the Customer Service Standards (KOS), which are based on the values, rules, and principles of conduct contained in the Code of Ethics. The introduction of this standard in the subsidiaries of the Bank is recommended. The Bank monitors the quality of customer service using the "Mystery Shopper" method and additional visits by monitoring agencies. The Standard sets objectives regarding customer relations, including increasing customer satisfaction. The Standard does not apply any exclusions. The analysis of reports and the formulation of recommendations based on the customer service quality monitoring is handled by the dedicated Sales Quality Office.

The Bank makes efforts to ensure the accessibility of its services to all customers, including introducing numerous improvements to enable people with special needs to use the services in accordance with their purpose, on an equal basis with other customers. Employees of the retail network undergo training on how to serve people with various types of disabilities and on how to communicate with such individuals. Intensive efforts are being made to adapt services and products to the requirements of the "Act on Ensuring the Fulfilment of Accessibility Requirements for Certain Products and Services by Business Entities."

The actions taken and improvements implemented to support, among others, customers with disabilities and elderly individuals in using the Bank's services are as follows:

- selection of locations (along main pedestrian traffic routes, availability of parking spaces, access for people with disabilities) and the gradual adaptation of branch layouts, including increasing architectural accessibility. In 2024, 50 retail branches were modernised (new and modernised bank branches must ensure accessibility for people with mobility disabilities);
- efforts to implement a new standard for branch arrangement and modernisation. The first branch modernisations according to the new standard are planned for 2025;
- ensuring that customers with guide dogs/assistance dogs can enter any branch and agency of the Bank;
- service for deaf and hard-of-hearing individuals in Polish Sign Language in every branch and agency (via smartphone);
- provision of individual service, tailored to the type and degree of the customer's disability, also in a dedicated, comfortable, and secure room;
- adaptation of the Bank's website, the iPKO online banking service, and the IKO mobile app for people with special needs in accordance with the international WCAG 2.1 standard at AA level;
- increasing the accessibility of the application for people with manual disabilities (Talk2IKO voice assistant);

- expanding the range of services available online, including regularly increasing the number of documents that can be submitted via the internet (e.g., documents for mortgage loan applications and loans for entrepreneurs);
- development of sales service provided by branch advisors via phone or internet (video calls) across all business lines, with particular consideration for people with mobility limitations;
- the possibility of opening a personal account without having to visit a branch (so-called "selfie account");
- the ability to schedule an appointment with an advisor at a specific time via the Bank's website—for in-branch meetings, phone meetings, and online meetings (video calls);
- development of alternative transaction authorisation methods (SMS, customer screens enabling signatures on electronic screens, with a copy of the document emailed, available at all Bank branches);
- the possibility to use online public administration services via the Trusted Profile and e-Identity, and submit applications for family benefits from ZUS (800+, Childcare Subsidy, Good Start, Disability Support Benefit);
- accessibility of ATMs. By the end of 2024, 92% of the network's devices were equipped with audio modules (headphone jack). Information on the location and availability of devices is available on the Bank's website;
- active efforts to combat digital exclusion: the possibility of using self-service education and employee support when using self-service devices at branches—ATMs, deposit machines, and internet stations allowing customers to log in to the iPKO transaction service. Self-service education is conducted in all Bank branches, with approximately 360 branches having internet stations available for customers by the end of 2024, and around 120 branches employing Customer Assistants—employees focusing specifically on in-depth education and supporting customers with self-service transactions.

The Bank also takes actions in support of youth education. It has made available the PKO Junior app to children under 12, where, under parental supervision, children build financial habits and learn to manage a budget. It also provides educational materials for them. The Bank runs the SKO educational programme targeted at primary school students, parents, and teachers, reaching approximately one million children.

INCREASE IN CUSTOMER AWARENESS OF PRIVACY PROTECTION AND CYBER SECURITY [IRO: O70, O77]

The Bank systematically educates and informs its customers about cybersecurity threats and best practices through its website, the iPKO service, the IKO mobile app, and social media profiles. The Bank is also a partner in media and social campaigns. In 2024, it participated in the "Scamming Out! Stop Internet Fraud" campaign, initiated by the editorial team of Puls Biznesu and Bankier.pl—experts from the Bank's cybersecurity department contributed to publications and debates. The Bank also co-financed the Polish Bank Association's campaign "Don't help yourself get robbed. See how to protect your money," which educated bank customers about exercising caution and using common sense.

In direct communication with the media, the Bank's experts provided dozens of responses and interviews on cybersecurity principles and how to deal with cybercriminals. The Bank informed the media about the features implemented in the iPKO website service and the IKO mobile app that enhance cybersecurity and protect customer funds. It also provided advice on what to watch out for during Black Friday and the pre-Christmas shopping frenzy, as well as information on digital debit and credit cards, the use of security keys, and additional login security features for the iPKO service (behavioral verification).

COMMUNICATION - PLAIN LANGUAGE [IRO: I161, I167]

One way to improve communication with customers is by implementing language standards. In 2024, the Bank introduced the Standards for Simple Communication with Customers, which define objectives, principles, and tools. The Standard applies to the following content directed at customers:

- letters, emails, SMS messages, notifications in applications and transactional services, messages on self-service devices;
- content on websites, web services, and mobile apps;
- terms and conditions, agreements, and forms;
- informational brochures, leaflets, marketing materials;
- materials published as part of online campaigns;
- response templates for inquiries and complaints;
- other communication addressed directly to customers.

The primary goal of these regulations is to use consistent communication language, tailored to the recipient. The language of communication should be widely understood by all recipients, regardless of their social status, education, or daily activities. It should focus on the customer, be universal, and non-excluding. The text of messages should be simplified as much as possible while retaining their substantive meaning. The Bank has made available an application to support employees in creating content directed at customers, although its use is not mandatory. Additionally, the Bank conducted a series of trainings on simplifying legal content (legal design) in communication with customers.

The Bank's plain language team shares its knowledge with subsidiaries. Some of them (BH, TFI) have direct access to materials on the intranet. A cooperation agreement has also been signed with PKO Leasing, and work is underway to sign a similar agreement with PKO Ubezpieczenia, as well as to make the PKO Prosto application available to subsidiaries, which supports simplification.

In 2024, the following actions were implemented:

- raising awareness of the importance of plain language within the Bank and embedding it into internal regulations;
- implementing 70 plain language ambassadors trained and certified by the Polish Language Foundation, and recruiting an additional 20 people due to the Accessibility Act and its requirement for text comprehensibility for consumers at the B2 level;
- preparing, testing, and making the PKO Prosto application available to all Bank employees;
- piloting a text assessment metric as a standard for the entire Bank;
- creating the "B2 ecosystem" as a response to the greatest language challenge in the Bank's history. The statutory requirement to simplify content by 28 June 2025 applies to virtually all customer-facing content (terms and conditions, agreements, forms, administrative communication). The B2 ecosystem includes:
  - auditing departments for B2 compliance (31 out of 130 business units create content requiring simplification—the number of "B2" submissions at the end of 2024 was nearly 1000);
  - an ambassador team (expanded in Q1 2025 with an additional 20 members);
  - a system for managing simplification requests in Jira, the PKO Prosto application;
  - cooperation with external editors;
  - lobbying in the market to align B2 with plain language.

The effectiveness of the process was evaluated using the following metrics:

- average text score before simplification: 4.06 (on a scale of 1-6; texts rated 4 and above are considered in line with plain language principles);
- average text score after simplification: 4.65;
- number of simplified texts: 2417;
- number of simplified characters: 7,286,814;
- "Slimming" of texts: we shortened texts by 732,701 characters;
- users of the PKO Prosto application: 806 people (as at 20 February 2025).

The Bank does not have formal tools for gathering feedback from customers. It relies on a well-established, scientifically and market-supported approach that plain language and effective, honest communication are important components of the customer experience. In 2025, studies are planned to examine how plain language increases accessibility.

COMMUNICATION - GREENWASHING [IRO: I161]

The Bank has implemented recommendations and guidelines regarding the accuracy and truthfulness of the information provided, product naming rules, best practices for formulating sustainability statements, including behaviors or communications that may lead to greenwashing, and the definition of sustainable financial products and services, as well as the criteria for their qualification. The Bank manages the risk of greenwashing and, in 2024, adopted an internal Decision on how to assess and formulate external communications regarding products, activities, and social engagement within the Bank, the Bank's Group, and the Foundation. This Decision refers to two additional internal regulations adopted in 2024, which concern the classification of sustainable development financing within the Bank's Group and the classification of the credit portfolio for the purpose of managing ESG risk and reporting. The Decision sets out the rules for formulating messages, criteria for their evaluation, and assigns responsibility for their implementation. It also introduces the possibility of internal consultations regarding the evaluation process and rules allowing deviations from the evaluation method, with responsibility assigned to specific positions and forms. In

2024, the Bank analyzed and assessed 6 communications. The implementation of the Decision within the subsidiaries of the Bank's Group will be subject to an annual review.

In 2024, no lawsuits related to greenwashing were recorded within the Bank's Group.

[S4-4] The Bank identifies legal regulations relevant to sustainable financing, conducts analyses of legal gaps, and monitors adaptation efforts. The Bank is also involved in educational and training activities and builds best practices by organizing workshop meetings. Representatives of the Bank participate in the work of task forces in the interbank environment, sharing best practices related to counteracting greenwashing, and also take advantage of opportunities to engage in dialogue with regulators on the implementation of ESG factors.

MARKETING COMMUNICATION [IRO: I161, O74]

The Bank provides customers with access to information on products and services by defining the manner in which marketing communications are created in the "Principles for the conducting of marketing and public relations (PR) activities and social communication by PKO Bank Polski S.A.". These rules are regulated in, inter alia: "General requirements for creating advertising messages regarding trading in financial instruments" (appendix no. 3 to the Principles). From 2025 onwards, the regulations in this area have been amended under the "Principles of marketing activity by PKO Bank Polski S.A". The manner in which marketing communications are created is currently governed by, among others, "General requirements for creating advertising messages" (appendix no. 2 to the Principles). A significant role was given to the measurement of the activities carried out and to the analysis at the stage of undertaking cooperation with media providers.

The Bank's internal regulations concerning the principles for conducting marketing activities define the features of appropriate advertising messages, and specify undesirable activities. According to these principles, an advertising message, in particular:

- should be designed in a reliable manner, not be misleading, and should feature respect for the generally applicable laws, principles of fair trading and good practices;
- should clearly indicate the product and/or service it relates to;
- must not present benefits in a way that would diminish the significance of the costs and risks associated with the purchase of a product and/or service;
- should not mislead nor create an opportunity to mislead the customer.

In addition to the Bank's internal regulations, in its marketing communications the Bank follows:

- "PKO Bank Polski S.A.'s Strategy for 2025-2027";
- "The Code of Banking Ethics" prepared by the Polish Bank Association as part of the Principles of Good Banking Practice;
- "Best Practices in consumer credit advertising standards" developed jointly by the Polish Bank Association, the Conference of Financial Enterprises and the Association of Lending Companies;
- "The principles for advertising banking services" by the Polish Financial Supervision Authority;
- "The canon of good financial market practices" prepared by entities in the financial and insurance sector.

In its marketing activities, the Bank has mechanisms that prevent the creation of unethical and unreliable messages. The correctness of the communications is consulted with the substantive units and the units that, as part of their duties, are tasked with verifying the compliance of the communications with generally applicable laws and the recommendations of the financial supervisory authorities. The ethical standards in marketing communication and the mechanisms for preventing the risk of unethical communications also apply to materials prepared at the Bank's request by external entities (advertising agencies).

The same standards apply to all customer segments. Every message must be formulated in a way that is understandable, reliable, credible, regardless of the customer segment or channel of outreach.

Within the Bank's Group, subsidiaries that have entered into agreements with the Bank for the intermediation of marketing services are obliged to carry out marketing activities through the Bank, obtaining prior consent to act.

In 2024, there were no proceedings by supervisory authorities related to violations of ethics regulations in marketing communications and no cases of non-compliance in marketing communications by the Bank's Group and the Bank.

INADEQUATE ADVICE [IRO: I162]

The Bank makes every effort to manage the potential impact on customers related to improper advice. In the process of developing new products, applicable regulations ("Principles for Creating and Implementing Banking Products and Services at PKO Bank Polski S.A.") and customer expectations are taken into account. Products undergo internal review to verify compliance with legal provisions and recommendations from the PFSA. Specifically, these actions aim to ensure that banking products meet the needs of customers and that, prior to concluding an agreement and during its execution, customers are provided with accessible, reliable, truthful, transparent, and comprehensive information about the product (within the scope defined by law and market practice). Furthermore, the Bank prevents unfair competition, particularly through honest and non-misleading advertising, and ensures that contractual templates comply with the law. The Bank also provides customers with the opportunity to file complaints.

SAFETY STANDARDS FOR FACILITIES [IRO: O75]

The Bank's Group builds its reputation by ensuring the safety of customer service in its facilities. It implements security standards that meet legal requirements, appropriate to the identified threats and risks, through modern systems and devices that ensure the physical safety of both customers and employees. These include security systems (alarm signaling, CCTV, and access control), direct physical protection of facilities, and monitoring of facility security systems.

The issues related to customer service security at the Bank are addressed in internal regulations: the Security Policy, the Principles for the Protection of People and Property, and the Principles for Technical Security in Branches and Agencies of the Bank. The companies within the Bank's Group, which use spaces provided in the Bank's facilities, are subject to the same level of security applicable at the Bank.

The employees of all branches and agencies of the Bank undergo training in security in the form of e-learning and training delivered directly in the branches, with drills in "Counteracting robberies and dealing with security threats". This training prepares Bank and agency employees to deal with various situations that threaten the safety of the Bank's employees and customers.

FUNDING FOR COMPANIES INVOLVED IN RESEARCH AND DEVELOPMENT [IRO: O76]

The Bank's Group does not separately allocate financing for companies engaged in the research and development of products that enhance safety and impact health. However, it monitors its exposures to ensure compliance with the taxonomy of sustainable products (see section 13.2.1).

The Bank's Group is progressively expanding its portfolio by financing initiatives that support sustainable development. Specifically, products are being developed to enable clients' energy transformation in sectors such as real estate and transportation, which contributes to improving the safety and health of society. Financing these needs enhances the Group's reputation, fosters greater customer engagement, and increases the desire to use the offered products, ultimately leading to revenue growth.

PROCESSES FOR ENGAGING WITH CUSTOMERS

Information from retail customers is collected without the involvement of representatives. The collaboration is ongoing, as some communication channels (complaints, call centre, active form on the Bank's website, email informacje@pkobp.pl) are available without restrictions. The effectiveness of customer collaboration is reflected in the satisfaction surveys, particularly the NPS.

Operational responsibility is decentralized—business units independently decide on the scope of actions taken to improve the retail customer NPS effectiveness indicator. The unit responsible for CX research does not have formal authority to assess or determine the scope of actions carried out by other units.

REMEDIATION PROCESSES AND REPORTING CHANNELS

The Bank's Group takes action to gather customer feedback through the following channels:

- a survey conducted among the Bank's customers as part of the double materiality analysis process;
- complaints;
- informacje@pkobp.pl and the active contact form on the Bank's website;
- call center;
- retail customer satisfaction surveys;
- on-screen surveys;
- telephone surveys;

- surveys via remote channels;
- SMS surveys;
- qualitative surveys.

Information about the available contact channels is published on the Bank's website.

The information obtained from customers is used to improve service quality. Every customer, including those with special needs, can raise objections to the services provided (in the form of complaints) or share their observations, conclusions, proposals, or expectations. In cases where necessary, information about any negative impact on customers is mainly obtained through the NPS survey and customer complaints. Depending on the identified irregularities and reported issues, corrective actions are taken, such as conducting advisor training sessions. Corrective actions also take into account issues related to the financial exclusion of people with disabilities and the elderly.

The unit to which the customer's complaint is directed is responsible for addressing and resolving the issue, and if it is not the appropriate unit, the complaint is forwarded to the competent one. In principle, no customer matter should remain unresolved or unanswered. The content of complaints and submissions is analysed, and corrective actions are taken, which are reported to the Management Board. The growing number of complaints indicates that customers are aware of the existence of this process.

In the Group companies, depending on the nature and scale of the activities, separate units or dedicated positions/individuals are responsible for handling customer complaints.

The Bank also collects customer feedback directly through customer surveys. It conducts quantitative studies that relate to the evaluation of relationships with the Bank (relational NPS), the likelihood of recommending the Bank based on a specific transaction (transactional NPS), and ad-hoc analyses on specific issues. Qualitative research is also carried out when an in-depth perspective of customer experiences is needed. Products and services are designed with the customer's perspective in mind (Customer Experience). So-called customer journey studies are conducted, often with their direct participation. The Bank monitors, among other things, the use of online platforms (the number of actual logins) and the qualitative results of individual branches, including NPS, Google reviews, topics, and the level of complaints. From 2023 to 2025, a strategic project aimed at improving CX was carried out, focusing on tools and methodology (e.g. the development of metrics, implementation of customer journey mapping, training, communication, and the establishment of NPS bonus targets). The results of the surveys are widely shared within the organization and discussed in designated meetings. NPS results are reported to the management team.

The Bank has implemented a policy to protect individuals using the whistleblowing channel from retaliatory actions.

No severe customer-related human rights issues or incidents were identified.

METRICS AND OBJECTIVES

Retail customers do not have access to the setting of goals, tracking performance in terms of achieving objectives, or the identification of any conclusions. The metrics and objectives are not derived from policies (as there are no group policies), but rather pertain to monitoring the implementation of internal regulations within processes identified in operational risk (e.g. complaint handling).

The Bank does not disclose information regarding the details of goals, their baseline values, or the set target levels in the area of customer relationships for significant risks and opportunities. These constitute trade secrets.

13.4 INFORMATION ON CORPORATE GOVERNANCE

Any policies described that have been adopted to manage significant sustainability issues do not apply exemptions and relate to own operations unless otherwise stated

CORPORATE CULTURE

The organisation systematically shapes and promotes corporate culture by integrating values into daily operations, HR processes, and management practices. The Bank's Group does not have a policy regulating corporate culture matters at the group level, as these aspects are governed at the level of individual entities. Both the Bank and its subsidiaries have codes of ethics adopted by management board resolutions, which set out the core values, principles, standards of conduct, and ethical attitudes. The Bank's Code of Ethics applies to the Bank's employees as well as all individuals conducting business activities on its behalf or for its benefit. The Code reflects the values adopted by the Bank and deemed essential for the effective implementation of its mission and strategy, namely partnership, development, and impact. As part of the Code of Ethics, in its relations with external stakeholders, the Bank supports initiatives benefiting local communities, maintains relationships with social partners, opposes all forms of corruption, and, within its capabilities, takes care of the natural environment. In customer relations, it ensures the highest quality of products and services, strives to safeguard customer interests, and adheres to the highest service standards. In its business activities, the Bank promotes fair selection of suppliers and contractors as well as objective information policies.

By ensuring ethical conduct in customer relations, business operations, and external engagements, the Code comprehensively addresses the impact category of "Corporate Culture." [IRO: I175, I178, I179, I180, I170, O80]

Furthermore, the Bank's Code of Ethics regulates the Management Board's involvement in corporate culture matters. The Management Board conducts periodic reviews and assessments of ethical principles, which serve as a mitigating mechanism for the risks identified in the double materiality analysis. [IRO: R110]

The Bank supports its subsidiaries in promoting shared values, principles, and standards of conduct. Codes of ethics based on the "Code of Ethics of PKO Bank Polski S.A." are in force at entities such as PKO Towarzystwo Ubezpieczeń S.A., PKO BP Finat sp. z o.o., PKO BP Bankowy PTE S.A., PKO Bank Hipoteczny S.A., PKO Towarzystwo Funduszy Inwestycyjnych S.A., PKO Agencja Ubezpieczeniowa Sp. z o.o., Prima Car Management S.A., PKO Faktoring S.A., PKO Leasing S.A., PKO Leasing Finanse sp. z o.o., and KREDOBANK S.A. These codes contain no exemptions. In addition to fostering the dissemination of shared values, the Bank provides its Group companies with best practices to help standardise HR initiatives across the Group.

Beyond implementing internal regulations, numerous initiatives are undertaken to build and develop corporate culture.

The process of shaping organisational culture began with an assessment of the current state and the development of a target cultural profile. This process not only outlined the direction of cultural change but also defined metrics for monitoring progress.

Additionally, the Bank has embedded its core values into key HR processes such as recruitment, onboarding, annual performance reviews, and employee opinion surveys. Representatives from various areas of the organisation were involved in designing these initiatives, ensuring consistency and a holistic approach to cultural transformation.

The primary tool for promoting corporate culture, used both by the Bank and key Group companies, is the eNPS survey, which monitors employee engagement and alignment with organisational values. In 2024, four editions of the survey were conducted.

Corporate culture is also reflected in both internal and external communication, including initiatives such as #naWARTOŚCIowane Piątki (Fridays) and New Leadership Sound. Live events held in 2024 as part of the #naWARTOŚCIowani project—such as the #naWARTOŚCIowane Piątki series—attracted a cumulative total of over 5,000 participants, based on attendance records. As part of the New Leadership Sound programme, the Bank promoted a leadership model built on key organisational values.

Regular meetings with experts, business psychologists, and trainers within promotional activities inspired employees and leaders to act in accordance with the corporate culture. Additionally, to foster a friendly and modern workplace, numerous activities were organised to enhance corporate culture and support employee skill development.

Identification and assessment of significant impacts, risks, and opportunities related to corporate culture

In the Bank and the Group, corporate culture plays a key role in building resilience to crises, enabling the organisation to effectively adapt to a changing environment. This area, due to the required flexibility of actions, is not regulated by internal provisions; however, the organisation undertakes various initiatives to ensure resilience.

A corporate culture based on values supports not only leaders but also all employees, strengthening their engagement and sense of security in difficult situations. As part of leadership support, the #NoweBrzmieniePrzywództwa programme was implemented, promoting a development model based on strengthening trust, cooperation, and engagement, which constitutes the foundation of stability in challenging times. Through workshops and training materials, participants developed skills in leadership maturity modelling and fostering an inclusive culture, positively impacting the organisation's ability to cope with crises.

In terms of employee support, the organisation adheres to universal values that are essential for the effective implementation of the Bank's Group's mission and strategy. These values, defined in codes of ethics, aim to foster a positive working atmosphere, mutual respect and dignity, and openness to diversity. The adopted values serve as a mechanism for preventing behaviours indicative of mobbing, harassment, or discrimination. In the Bank's Group's companies, corporate culture is also shaped in ways that enhance crisis resilience, depending on the adopted solutions. As part of development projects, training is conducted to support mental resilience, such as building attitudes that facilitate adaptation to inevitable changes [IRO: I175].

The Bank's Group also integrates elements of sustainable development into corporate culture through educational initiatives aimed at increasing knowledge about the impact of environmental and social factors on business decisions. To develop competencies in sustainable development, live events are organised for all employees, covering ESG topics. These events focus in particular on the role of the Bank in the ESG transformation, business ethics, diversity, and energy transition. Additionally, specialist training is offered on emission calculations, decarbonisation pathways, greenwashing, climate change and carbon footprint, and corporate climate competitiveness. An ESG-related website is also available, along with mandatory e-learning training. While the Bank's Group recognises the opportunity arising from the growing importance of sustainable development in corporate culture, it does not address this in internal regulations. The dynamic and evolving nature of sustainable development requires a high degree of flexibility; therefore, the Group has chosen to incorporate this opportunity into daily operations without formalising it in an internal provision. [IRO: O80]

The organisation's core values serve not only as a tool for building resilience but also as a benchmark for ethical behaviour in relations with customers and stakeholders. The Bank's Group undertakes various initiatives for the benefit of society.

Charitable activities are conducted through the PKO Bank Polski Foundation, which is involved in social assistance, life and health protection, and environmental initiatives. To ensure transparency, the Foundation's fund allocation process is governed by a policy adopted by the management board resolution. This document defines the principles and procedures for applying for and settling funding. The regulations do not include exclusions and constitute the primary tool for managing the identified impact related to the Foundation's activities.

The Bank also engages in sponsorship activities, supporting educational, civic, cultural, and sports events and projects. Sponsorship activities are regulated by the "Rules for Conducting Marketing, Public Relations, and Social Communication Activities by PKO Bank Polski S.A.," adopted by the Management Board resolution. These regulations define the areas of the Bank's sponsorship activities, optimise sponsorship efforts in terms of their business and reputational potential, and mitigate the risk of reputational loss. Sponsorship activities are monitored based on and in accordance with internal regulations.

The rules also govern marketing activities related to product and brand advertising. They define, among other aspects, the scope of marketing activities, decision-making competencies regarding marketing expenditures, and risk mitigation measures for operational, compliance, and reputational risks. The corporate and product communication process incorporates control mechanisms that are independently monitored for compliance, in accordance with responsibilities, scope, and frequency outlined in the control function matrix.

The "Rules for Conducting Marketing, Public Relations, and Social Communication Activities by PKO Bank Polski S.A." address the impact of sponsorship agreements and advertising expenditures identified in the DMA study. The Group does not have a group-wide regulation. The described rules apply exclusively to PKO Bank Polski S.A. and do not include exclusions within their scope [IRO I178, I179].

Due to the nature of business activities, the Bank has adopted principles for managing reputational loss. The Bank manages reputational risk within the Group by identifying, assessing, controlling, monitoring, and reporting reputational risks. As part of this process, the Bank monitors media publications concerning it, analyses and records reputational incidents and losses, and, in justified cases, requests corrections of false information about the Bank or issues explanatory or informational statements. Additionally, internal rules govern the reporting of events that may have reputational consequences. These events are analysed, and if deemed significant for the reputation of the Bank or the Bank's Group, they are recorded in the Reputational Events Database. The Bank also undertakes protective measures to reduce the probability of reputational losses. It manages reputational risk during cooperation with contractors, in outsourcing agreements, and in pre-implementation product analysis concerning potential risks. The Bank's Group actively contributes to safeguarding the reputation of the banking sector.

In entities within the Bank's Group that meet specific criteria, internal policies in this area also apply [IRO, I169].

Protection of whistleblowers

The Bank's Group does not have a whistleblower protection policy implemented at the group level, as these matters are regulated at the level of individual entities.

The Bank is subject to the provisions of EU Directive 2019/1937 and the Whistleblower Protection Act of 14 June 2024. Accordingly, the Bank has an internal regulation (adopted by a Decision of the Director of the responsible unit) on whistleblower protection, which defines the principles for reporting legal violations as well as the conditions and measures for protecting employees and other reporting individuals. These regulations also govern monitoring activities related to the obligation to report non-compliance cases and the implementation of remedial actions. The document does not provide for exemptions and addresses all impacts and opportunities classified under the "Whistleblower Protection" category [IRO: I187, I188, I184]. Similar solutions have been implemented in all subsidiaries required to adopt whistleblower protection regulations, namely: PKO Towarzystwo Ubezpieczeń S.A., PKO Życie Towarzystwo Ubezpieczeń S.A., PKO BP Finat sp. z o.o., PKO Towarzystwo Funduszy Inwestycyjnych S.A., PKO Leasing S.A., Prime Car Management S.A., PKO Bank Hipoteczny S.A., PKO Faktoring S.A., and PKO BP Bankowy PTE S.A.

Since September 2024, information on the whistleblower protection procedure and the available reporting channels has also been published on the Bank's website. As a result, violations can be reported not only by employees but also by job candidates, contractors, and other entities cooperating with the Bank. This way, the Bank's Group actively manages key impacts, such as increasing employee trust through effective whistleblower protection [IRO: I187], discouraging parties from filing complaints due to the lack of whistleblower protection [IRO: I184], increasing the number of reported irregularities, which enhances transparency [IRO: I188], and leveraging opportunities related to the growing importance of whistleblower protection in corporate policies [IRO: O84].

ANONYMOUS REPORTS

The Bank has internal regulations establishing a system for anonymous reporting of violations (the whistleblower framework applies to all unethical or unlawful activities, violations of the Bank's internal regulations, as well as breaches of recommendations from supervisory and control authorities). The Bank has expanded the statutory scope to include reports concerning ethical and internal standard violations. Anonymous reports may be submitted electronically, by phone, by mail, or in person to a Compliance Department employee. Additionally, reports can be made through a dedicated, independent, and encrypted communication channel Sygnanet.

The persons reporting irregularities anonymously are guaranteed full protection of their personal details and of the information they provide. 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.

The Bank also has detailed procedures for conducting verification and rectification activities as a result of the reported breaches. To protect the whistleblower's identity, access to reports is restricted to a limited number of individuals designated by the President of the Management Board. These designated employees have written authorization from the President to receive and review reports.

Upon conclusion of the proceedings, the whistleblower is provided with feedback on the investigation results. In most cases, the whistleblower's identity remains unknown, making it impossible to provide feedback.

OPEN REPORTS

The Bank's employees also have the option to submit open reports of irregularities. An open report should be submitted to the Compliance Department or to another unit of the Bank, using the following communication channels: electronic, letter, telephone and in person (at any location, also outside the Bank). The reporting person is fully protected, excluding cases which must be disclosed to courts and law enforcement bodies in connection with criminal proceedings pending. Should they suffer any repression, there is a possibility to seek the assistance of the President of the Management Board. The reporting person will be provided with feedback if this is without detriment to the interests of the Bank or third parties.

Under the Bank's whistleblowing provisions, employees may submit reports:

- orally: by telephone at (22) 580 25 50 or using other voice communication systems used by the Bank, during a face-to-face meeting, or in writing (in paper or electronic form) to the following address: PKO Bank Polski, Departament Zgodności, ul. Puławska 15, 02-515 Warszawa, with the note: "WG", Prezes Zarządu PKO Banku Polskiego S.A., ul. Puławska 15, 02-515 Warszawa, with the note "WG", Supervisory Board of PKO Bank Polski

SA, ul. Puławska 15, 02-515 Warsaw, with the annotation "WG" – if the report concerns a Member of the Management Board.

- via the Sygnanet application, which ensures the anonymity of the reporting party, and to the e-mail address: sygnalisci@pkobp.pl;
- to the personal e-mail address of: the Chair of the Supervisory Board - if the report concerns a member of the Management Board, the President of the Management Board.

The whistleblower is guaranteed protection against retaliatory actions, discrimination, or any other form of unfair treatment. Full confidentiality of their data and the information provided is ensured. 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. If a whistleblower experiences retaliatory actions, they may seek assistance from the President of the Management Board.

Employees designated to receive anonymous reports have written authorization from the President of the Management Board. These designated individuals are provided with training on applicable regulations.

Employees receive mandatory initial and periodic training on anonymous reporting procedures. The Bank provides the employees with access to the necessary information and internal regulations in this area, also in electronic form in the intranet.

Information on reported irregularities and the results of their verification is periodically reported to the Bank's Management Board and Supervisory Board.

PREVENTION OF CORRUPTION AND BRIBERY

The Anti-Corruption Policy of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group has been adopted by the Management Board and will come into effect in 2025. The objective of the policy is to ensure the highest standards of operations within the Bank's Group by adhering to the principles of zero tolerance for corruption, cronyism, and nepotism, while minimizing the risk of corruption-related offenses. The methods of counteracting corruption within the Group will be defined by the internal regulations of individual entities. These entities are required to establish internal regulations in accordance with the provisions of the Bank's policy.

The policy supports the implementation of the objectives set out in the United Nations Convention Against Corruption, adopted by the United Nations General Assembly on 31 October 2003. To implement the provisions of the policy, an Anti-Corruption Compliance Officer will be appointed to oversee actions ensuring compliance with the policy. The supervision of its implementation will be entrusted to a designated Management Board member and will be conducted periodically. The policy applies universally without exemptions and constitutes an internal regulation.

Until now, issues related to preventing corruption and bribery were not covered by a single overarching regulation. Instead, this area was regulated by various internal policies, including those concerning the acceptance of benefits, gifts, or presents, the Code of Ethics of PKO Bank Polski S.A., the Principles of Compliance Assurance and Risk Management for Non-Compliance and Conduct Risk within the Bank, as well as the Banking Ethics Code (Principles of Good Banking Practice) issued by the Polish Bank Association.

The adoption of the policy addresses significant risks associated with corruption and bribery, such as safeguarding the Bank's reputation within the banking sector [IRO: I169], maintaining international reputation [IRO: I208], avoiding costs related to investigations and legal proceedings [IRO: I209], mitigating market disruptions caused by anti-competitive behavior [IRO: I211], combating corruption [IRO: I205], preventing corruption scandals [IRO: I206], and ensuring investor confidence [IRO: I207].

The sequence of actions arising from the implementation of the policy will be defined in the Implementation Procedure of the Policy. These actions will be introduced starting 1 April 2025 and will include preventive and training activities, as well as actions to be taken upon disclosure of corruption-related incidents. The policy will also regulate reporting matters to management and supervisory bodies. As of the publication date, no specific budget has been allocated for policy implementation. Bank employees have been notified via email about the adoption of the Anti-Corruption Policy. Communication regarding the policy will follow the standard practices used within the Bank.

Regarding the reporting of corruption and bribery incidents, the Bank's Group does not have a separate expedited investigation procedure beyond those described in the "Whistleblower Protection" section. The system for preventing allegations or incidents related to corruption and bribery is based on regulations concerning compliance risk management and procedures for conducting investigations and procurement processes. Additionally, these issues will be regulated under the Anti-Corruption Policy of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group, as well as the Implementation Procedure of the Anti-Corruption Policy of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group, both of which will come into force in April 2025.

Within the Bank's Group, investigative and managerial functions are kept separate. Investigations are conducted by an independent unit of the Bank – the Security Department.

After the policy takes effect, this separation will be reinforced by involving an additional responsible unit. The current version of the Anti-Corruption Policy does not specify functions, departments, or positions most exposed to corruption and bribery risks. This aspect will be regulated in the Implementation Procedure of the Anti-Corruption Policy concerning specific Bank units.

Every Bank employee is required to complete training on anti-corruption practices. This training is part of the compliance risk management training, which includes a dedicated module on information protection and corruption prevention, covering the acceptance of benefits and gifts. The training is mandatory for all new employees regardless of employment type. It particularly covers ethical conduct, anti-corruption regulations, and the conditions under which benefits, gifts, and presents from contractors and other entities may be accepted. Under the newly introduced Anti-Corruption Policy, the Bank will conduct mandatory periodic anti-corruption training sessions for employees. To further enhance qualifications and competence regarding the Anti-Corruption Policy, the Bank's Anti-Corruption Compliance Officer will collaborate with relevant Bank units to implement training initiatives.

Training sessions for management and supervisory board members are organized based on individual needs. Additionally, once a year, a notice is sent to all employees regarding the conditions for accepting benefits and gifts. Additional training sessions are planned as part of the new internal regulation – the Implementation Procedure of the Anti-Corruption Policy of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group

In 2024, the Bank's Group recorded no corruption-related convictions, and consequently, the total amount of fines imposed was zero. As a result, no remedial actions were identified as necessary.

POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

The Bank's Group does not have a policy regulating issues related to political influence and lobbying activities implemented at the group level.

Due to the nature of the Bank's operations, internal regulations have been implemented at the level of the parent company, governing cooperation with political parties. The document, adopted by resolution, sets out the rules for opening and maintaining bank accounts as well as the forms of credit provision. These regulations establish principles for cooperation with political parties, with no additional exemptions applied. They also outline actions aimed at periodically monitoring concluded transactions. The internal regulations are not publicly available. Within its scope, the regulation addresses the risk of involvement in controversial political initiatives identified as part of the DMA assessment.

Given the significant position of the Bank's Group, both the Bank and its subsidiaries actively participate in public consultations organized by public administration, regulatory, and supervisory authorities, as well as industry organizations. They also conduct transparent, open, and systematic activities in the public sphere related to a range of issues influencing the framework of the financial sector.

The Bank is registered in the transparency register under number 129427193168-74. The European Commission's Transparency Register is a database containing information about entities attempting to influence the policy-making and implementation process within EU institutions. The register shows who represents which interests and what budget they operate with, thus enabling the public and other interest groups to monitor lobbying activities. The Bank's areas of interest include:

- 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;
- Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC and 2004/72/EC;
- 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 and amending Regulation (EU) No 648/2012.

In 2024, no active participation of the Bank's representatives in meetings with the European Commission or the European Parliament was recorded in the transparency register. No contributions to public consultations or activities in expert groups were recorded either.

As part of its core business activities, the Bank has been providing financing to, among others, political parties for years in accordance with the internally adopted regulations. In 2024, the Bank reported a positive balance in the area of loans granted to political parties. Granting loans is not considered a financial or in-kind political contribution. Providing political contributions by the Bank is not in compliance with its internal regulations, and no such contributions were made in 2024. At present, the Bank has not appointed a representative from its management or supervisory bodies responsible for lobbying and political influence. The Bank's Group does not identify any additional risks related to political influence, including lobbying activities.

None of the current Management Board or Supervisory Board members has held a position in public administration in the two years preceding their appointment.

COUNTERACTING MONEY LAUNDERING AND FINANCING OF TERRORISM

The Bank's Group combats money laundering and the financing of terrorism by conducting its operations in accordance with the "Group Policy for Preventing Money Laundering and Terrorist Financing within the Capital Group of PKO Bank Polski S.A.," the "Rules for Preventing Money Laundering and Terrorist Financing at PKO Bank Polski S.A.," the "Procedures for Preventing Money Laundering and Terrorist Financing," and the "Strategy for Preventing Money Laundering and Terrorist Financing at PKO Bank Polski S.A." The Group Policy defines, among other things, the procedures for exchanging and protecting information shared to fulfill AML/CFT obligations between entities within the Bank's Group. The Rules regulate the procedures and task division for AML/CFT compliance, while the Procedures detail the actions of the Bank's units, agents, and intermediaries in this area. The provisions of the Group Policy apply to entities within the Group that are obligated institutions under the provisions of the Act of 1 March 2018, on Preventing Money Laundering and Terrorist Financing. The Bank, together with the obligated entities, must develop their own strategies and internal regulations for AML/CFT compliance. The obligated institutions within the Bank's Group include subsidiaries (e.g., PKO Bank Hipoteczny S.A., PKO Towarzystwo Funduszy Inwestycyjnych S.A., PKO Leasing S.A., PKO BP Finat Sp. z o.o., PKO Życie Towarzystwo Ubezpieczeń S.A., PKO Finance AB, KREDOBANK S.A., Neptun – FIZAN, PKO VC – FIZAN), as well as indirectly related subsidiaries (e.g., KREDOLEASING Sp. z o.o., PKO Leasing Sverige AB, PKO Faktoring S.A., Prime Car Management S.A., Masterlease Sp. z o.o., Futura Leasing S.A., Bankowe Towarzystwo Kapitałowe S.A., and Kompania Finansowa Prywatne Inwestycje Sp. z o.o.). The companies have until 18 April 2025, to implement their strategies.

The AML and CFT Strategy specifically addresses issues related to compliance with applicable legal requirements concerning AML/CFT, particularly the EU regulatory package, the organization and allocation of competencies in managing money laundering and terrorist financing risks, and planned actions to enhance the AML/CFT process within the Bank.

The internal regulations on preventing money laundering and terrorist financing applicable within the Bank's Group do not allow for exclusions; however, AML/CFT actions are carried out solely by obligated institutions (those meeting the statutory definition).

In 2024, the Bank undertook adjustment measures to align with the European Banking Authority (EBA) guidelines and the stance of the PFSA Office on strategy and procedures for managing compliance with regulations, as well as the role and responsibilities of the AML/CFT compliance officer. To this end, the "Strategy for Preventing Money Laundering and Terrorist Financing in the Capital Group of PKO Bank Polski S.A." and the "Strategy for Preventing Money Laundering and Terrorist Financing at PKO Bank Polski S.A." were adopted. All obligated entities within the Bank's Group were required to implement the Group's AML/CFT Strategy and develop their own internal strategy for preventing money laundering and terrorist financing, in line with the provisions of the Group's strategy.

The implementation of AML/CFT policies and ensuring compliance with the AML Act by the Bank's Group is managed by the AMLCO, while the identification of money laundering and terrorist financing risks within the Bank's operations and actions to mitigate them fall under the responsibilities of the AMLRO. The actions described in this section ensure the implementation of mechanisms to prevent money laundering and terrorist financing within the Group, mitigating the risks identified through a materiality analysis. [IRO: R123]

13.5 SPECIFIC TOPICS

The Bank's Group has identified three eneity-specific topics: the ability to exist outside of armed conflict, product compliance, and the development of industry and infrastructure. There is no common policy for any of these issues.

CAPACITY TO LIVE BEYOND THE CONFLICT OF WAR [IRO: O95, O98]

The Bank's Group sees significant potential in engaging in projects related to the reconstruction of regions affected by the armed conflict in Ukraine, leveraging its subsidiaries, particularly KREDOBANK S.A. This identified opportunity is viewed in the medium- and long-term perspective within the areas of its own operations and client financing (downstream).

A necessary condition for utilizing this opportunity is the end of the war. With its wide range of services targeting various client segments, KREDOBANK S.A. has the potential to support entities involved in the reconstruction of Ukraine, as well as Ukrainian households. The intensity of reconstruction efforts will depend on the manner and timing of the end of the war, but the Group sees the greatest potential in rebuilding sectors such as the energy system, transportation, housing, utilities, infrastructure, and social services.

In addition to infrastructure reconstruction activities, the Bank's Group also recognizes the need to participate in humanitarian actions, which are primarily carried out by the KREDOBANK S.A. Foundation (see reference to the management report). These actions aim to provide support to civilians affected by the consequences of the conflict.

Until the war ends, KREDOBANK S.A.'s priority is to ensure the safety of its employees, maintain business continuity, and provide ongoing client services. The company is currently in the process of developing a new strategy for the years 2025-2027, which will take into account the impact of Russian aggression and the ongoing war on the conditions of the banking sector. The strategy will focus on ensuring the company's stability and preparing for the reconstruction of Ukraine, setting actions and goals.

Despite the difficulties posed by the war, KREDOBANK S.A. operates steadily and continues to provide financing, securing transaction risks through guarantee instruments. The company cooperates with numerous international financial institutions, including the European Commission, the European Bank for Reconstruction and Development, and the U.S. International Development Finance Corporation (DFC), which enables it to maintain operational stability under challenging conditions.

PRODUCT COMPLIANCE [IRO: I244, O116, O118]

The Bank's Group does not address issues related to product compliance and the risk of improper product sales through a group-wide policy.

The Group complies with the requirements for proper labeling of banking and investment products by providing clients with all necessary information about them, particularly at the pre-contractual stage. The scope of the information provided about the products is determined by, among other things, legal regulations and recommendations from the Polish Financial Supervision Authority.

Actions to ensure proper labeling of products also include advertising materials that support sales activities and shape the brand image. All marketing materials published take into account specific obligations arising from legal provisions (e.g. the Consumer Credit Act), as well as market standards and guidelines issued by the PFSA in the approved "Principles for Advertising Banking Services."

In order to ensure product compliance with regulations, the Bank manages the risk of improper sales (misselling) both at the product creation and implementation stage, as well as during its offering to customers. Each product undergoes a pre-implementation analysis with regard to the risks it generates and the identification of target customer groups.

The Bank also identifies customer groups to whom a particular product should not be offered, due to its inappropriateness for their needs or other reasons. Employees of the Bank may not recommend or offer the purchase of financial instruments that are assessed as incompatible with the customer's objectives or needs.

The risk of improper sales is also mitigated during the sales process. The proposal to purchase a specific product is preceded by an assessment of whether the product is appropriate for the customer's needs. Additionally, the Bank always provides reliable and exhaustive information to customers about the products offered so that they can make an informed choice in this regard.

The Bank applies solutions to bar customers from instruments that do not comply with their sustainable development preferences by, among other things, analysing customers' needs and paying particular attention to the content of the advertising messages formulated to inform them of the environmental aspects of the products offered.

Similar solutions concerning misselling risk management, in keeping with the principle of proportionality, are also in place in the other entities of the Bank's Group which develop and/or sell financial products.

DEVELOPMENT OF INDUSTRY, INFRASTRUCTURE [IRO: I228, I231, I230, R137, O99, O102]

The Bank's Group plays an important role in financing projects related to the development of industry and infrastructure. These investments contribute to the growth of the Group's asset value and, when considering sustainable development principles, can also support environmental protection, economic efficiency, and competitiveness. Financing investments in renewable energy sources can reduce the country's dependence on energy resources, improving energy security.

The management of these impacts, risks, and opportunities within the Group is conducted through policies: Chemistry, Oil, Gas; Renewable Energy Sources (RES); High Emission.

These policies were introduced by the Bank's Credit Committee and apply to the entire Bank's Group without exceptions. The policies are made available in the internal regulatory database and on the intranet pages of the relevant departments or organisational units responsible for their implementation and application.

The Chemistry, Oil, Gas policy outlines the financing framework for entities operating in the following sectors: oil and natural gas extraction, liquid and gas fuel manufacturing and distribution, chemical products and chemicals trading, and the production and sale of rubber and plastic products. It applies to entities generating at least 50% of their revenue from the sale of petroleum-based products (liquid fuels, chemicals, or other chemical products), natural gas, or activities related to them. The Renewable Energy Sources (RES) and High Emission policies are described in section E1-2.

The Bank's Group Strategy for 2025-2027 includes a strategic objective related to energy transformation: more than 20% share in financing Poland's energy transformation. The Group aims to support the resilience and transformation of the Polish economy by financing low-emission energy, emission-free vehicles, and low-emission buildings. The operationalization of the goals outlined in the Strategy is currently underway.

On February 24, 2025, the Management Board approved the Transition Plan for the Bank's Group for climate change mitigation, covering objectives and actions related to the Group's own operations and financed emissions. The Transition Plan includes reducing its own emissions through the portfolio of real estate and gradually replacing the company fleet with low-emission or electric vehicles. Additionally, the plan includes pathways for reducing financed emissions, focusing on two sectors: energy production and residential real estate. The Transition Plan is described in detail in section E1-1.

14. GLOSSARY

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

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

CPI – consumer price index,

Customer deposits – amounts due to customers,

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

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

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

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

Regulatory costs – net regulatory charges,

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

MREL TREA – own funds and eligible liabilities as a percentage of total risk exposure.

MREL TE – own funds and eligible liabilities as a percentage of the total exposure measure.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Statement of the Management Board

The Management Board of PKO Bank Polski S.A. declares that in accordance with its best knowledge the annual Directors' Report of the PKO Bank Polski S.A. Group for 2024 prepared jointly with the Directors' Report of PKO Bank Polski S.A. includes an accurate description of the development and achievements, as well as the situation of the PKO Bank Polski S.A. Group and PKO Bank Polski S.A., including a description of the main risks and threats.

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