REPORT OF THE PKO BANK POLSKI S.A. GROUP FOR THE FIRST QUARTER OF 2025

SELECTED CONSOLIDATED FINANCIAL DATA

SELECTED CONSOLIDATED FINANCIAL DATA	PLN million			EUR million		
	01.01-31.03.2025	01.01-31.03.2024	Change % (A-B)/B	01.01-31.03.2025	01.01-31.03.2024	Change % (D-E)/E
	A	B	C	D	E	F
Net interest income	5,982	5,192	15.2%	1,429	1,202	18.9%
Net fee and commission income	1,253	1,278	(2.0%)	299	296	1.0%
Net expected credit losses and net impairment allowances on non-financial assets	(412)	(314)	31.2%	(98)	(73)	34.2%
Administrative expenses	(2,520)	(2,179)	15.6%	(602)	(504)	19.4%
Profit before tax	3,383	2,736	23.6%	808	633	27.6%
Net profit (including non-controlling shareholders)	2,469	2,043	20.8%	590	473	24.7%
Net profit attributable to the parent company	2,469	2,044	20.8%	590	473	24.7%
Earnings per share for the period - basic (in PLN/EUR)	1.98	1.64	20.7%	0.47	0.38	23.7%
Earnings per share for the period - diluted (in PLN/EUR)	1.98	1.64	20.7%	0.47	0.38	23.7%
Net comprehensive income	3,002	2,403	24.9%	717	556	29.0%
Total net cash flows	(6,469)	(6,135)	5.4%	(1,546)	(1,420)	8.9%

SELECTED CONSOLIDATED FINANCIAL DATA	PLN million			EUR million		
	31.03.2025	31.12.2024	Change % (A-B)/B	31.03.2025	31.12.2024	Change % (D-E)/E
	A	B	C	D	E	F
Total assets	531,355	525,225	1.2%	127,000	122,917	3.3%
Total equity	55,372	52,370	5.7%	13,235	12,256	8.0%
Share capital	1,250	1,250	-	299	293	2.1%
Number of shares (in million)	1,250	1,250	-	1,250	1,250	-
Book value per share (in PLN/EUR)	44.30	41.90	5.7%	10.59	9.81	7.9%
Diluted number of shares (in million)	1,250	1,250	-	1,250	1,250	-
Diluted book value per share (in PLN/EUR)	44.30	41.90	5.7%	10.59	9.81	7.9%
Total Capital Ratio (%)	17.21	18.58	(7.4)%	17.21	18.58	(7.4)%
Tier 1	43,433	44,255	(1.9%)	10,381	10,357	(0.2%)
Tier 2	2,905	3,039	(4.4%)	694	711	(2.4%)

SELECTED SEPARATE FINANCIAL DATA

SELECTED SEPARATE FINANCIAL DATA	PLN million			EUR million		
	01.01-31.03.2025	01.01-31.03.2024	Change % (A-B)/B	01.01-31.03.2025	01.01-31.03.2024	Change % (D-E)/E
	A	B	C	D	E	F
Net interest income	5,677	4,915	15.5%	1,357	1,137	19.4%
Net fee and commission income	1,060	1,112	(4.7%)	253	257	(1.6%)
Net expected credit losses and net impairment allowances on non-financial assets	(363)	(269)	34.9%	(87)	(62)	40.3%
Administrative expenses	(2,259)	(1,935)	16.7%	(540)	(448)	20.5%
Profit before tax	2,968	2,311	28.4%	709	535	32.5%
Net profit	2,201	1,766	24.6%	526	409	28.6%
Earnings per share for the period - basic (in PLN/EUR)	1.76	1.41	24.8%	0.42	0.33	27.3%
Earnings per share for the period - diluted (in PLN/EUR)	1.76	1.41	24.8%	0.42	0.33	27.3%
Net comprehensive income	2,790	2,077	34.3%	667	481	38.7%
Total net cash flows	(6,214)	(5,533)	12.3%	(1,485)	(1,280)	16.0%

SELECTED SEPARATE FINANCIAL DATA	PLN million			EUR million		
	31.03.2025	31.12.2024	Change % (A-B)/B	31.03.2025	31.12.2024	Change % (D-E)/E
	A	B	C	D	E	F
Total assets	506,528	500,747	1.2%	121,066	117,189	3.3%
Total equity	52,557	49,767	5.6%	12,562	11,647	7.9%
Share capital	1,250	1,250	-	299	293	2.0%
Number of shares (in million)	1,250	1,250	-	1,250	1,250	-
Book value per share (in PLN/EUR)	42.05	39.81	5.6%	10.05	9.32	7.8%
Diluted number of shares (in million)	1,250	1,250	-	1,250	1,250	-
Diluted book value per share (in PLN/EUR)	42.05	39.81	5.6%	10.05	9.32	7.8%
Total Capital Ratio (%)	18.90	20.87	(9.5%)	18.90	20.87	(9.5%)
Tier 1	41,586	42,324	(1.7%)	9,940	9,905	0.4%
Tier 2	2,905	3,039	(4.4%)	694	711	(2.4%)

SELECTED FINANCIAL STATEMENT ITEMS HAVE BEEN TRANSLATED INTO EUR AT THE FOLLOWING RATES	01.01-31.03.2025	01.01-31.03.2024
arithmetic mean of the NBP exchange rates at the end of a month (income statement, statement of comprehensive income and cash flow statement items)	4.1848	4.3211
	31.03.2025	31.12.2024
NBP mid exchange rates at the date indicated (statement of financial position items)	4.1839	4.2730

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Bank Polski

Directors' Commentary to the financial results of the PKO Bank Polski S.A. Group for the three-month period ended 31 March 2025

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

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

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

SUMMARY OF OPERATIONS IN THE FIRST QUARTER OF 2025

1. MAJOR EVENTS, INCLUDING NON-TYPICAL EVENTS

1.1 BANK'S CAPITALIZATION.

According to WSE data, on March 18, 2025, the market capitalization of PKO Bank Polski S.A. exceeded PLN 100 billion. Since the beginning of 2025 until the 18th of March, PKO Bank Polski's stock has surged by more than 30%.

1.2 DIGITAL MORTGAGE

Digital Mortgage is an innovative solution that, since September 2024, has enabled customers to obtain a mortgage entirely online – from submitting the application, through credit analysis and decision-making, to signing the contract and disbursement of funds. The entire process can be completed remotely, without the need for a visit to a physical branch. The Bank has reduced the number of required documents, and those still necessary can be submitted digitally. At any stage, the customer can opt out of the remote process and request support from an advisor at a traditional branch or its virtual counterpart. As part of the Digital Mortgage offering, a virtual branch option has been introduced – allowing customers to speak with a Bank representative via phone or video call at any stage of the application. Thanks to the optimization and automation of key process stages, the system ensures speed, convenience, and offer personalization. It improves access to real estate financing for customers while enhancing the efficiency of the entire mortgage process.

In the first quarter of 2025, the Bank made it possible for two co-borrowers to apply jointly for a Digital Mortgage to purchase a second-hand apartment or fund renovation work. The application process for joint borrowers begins in a branch, With the remaining steps completed via electronic banking, culminating in signing the contract at a Bank branch.

The Digital Mortgage process has been recognized as a breakthrough in mortgage banking. In the first quarter of 2025, the Bank:

- was named a winner of the "Data Economy Innovators Awards" in the "BEST SOLUTION" category,
- received a special distinction from the Rzeczpospolita daily for its outstanding contribution to Poland's digital transformation in 2024.

In the first quarter of 2025, under the Digital Mortgage program, 63 applications were submitted, 32 contracts were signed, and 27 loans were disbursed with a total value of PLN 5.7 million.

1.3 90 YEARS OF THE SKO (SCHOOL SAVINGS ACCOUNTS PROGRAMME)

The School Savings Accounts (SKO) programme by PKO Bank Polski S.A. is an educational initiative whose origins date back to 1935, when the Bank – then known as the Postal Savings Bank – took the programme under its patronage. The programme's implementation is embedded in the Bank's Statute.

SKO covers topics related to saving and broadly understood financial literacy, including modern banking, ecology, entrepreneurship education, and cybersecurity.

In the first quarter of 2025, the ongoing celebration of the 90th anniversary of the SKO programme was accompanied by the launch of new initiatives aimed at educating and inspiring both children and adults:

- the release of the first adult-focused podcast in the series Wiedza? Daj się zaSKOczyć! ("Knowledge? Let SKO Surprise You!") – the first episode addresses the topic of digital hygiene. The podcast supports the goals of the Polish Senate's designation of 2025 as the Year of Health Education and Prevention, highlighting that health care also includes the digital space,

- the launch of the Economic Knowledge Test for adults – an online quiz covering general financial topics and cybersecurity,
- a special cybersecurity campaign for primary schools – during the campaign, pupils learned about safe internet use, developing proper habits in cybersecurity, and enhancing digital competencies useful in everyday life.

In the 2024/2025 school year, the Bank delivered SKO educational packages to nearly 2,000 schools across Poland.

1.4 Romania. The Bank's fourth corporate branch abroad.

The branch of PKO Bank Polski S.A. in Romania commenced its operational activities on 1 January 2025. In the first quarter, it actively developed relationships with Polish companies operating in the Romanian market as well as with key local entities.

In March 2025, the branch, as part of a consortium with eight other banks, signed a financing agreement with Distributie Energie Oltenia – one of the four largest electricity distribution system operators in Romania. The purpose of the transaction is to refinance existing debt and to provide RON 1.76 billion (approx. EUR 350 million) in funding for investments planned over the next seven years. The key investment areas include the expansion and modernization of grid infrastructure to support the development of renewable energy sources, network automation to improve supply reliability, and the digitalization of operational processes. The project complies with ISO ESG management standards, supporting the achievement of six ESG goals adopted by Distributie Energie Oltenia.

The branch actively supports Polish corporate clients operating in the Romanian market, while simultaneously developing its offering for local businesses. The range of services includes, among others: current account management, cashless payment processing, surplus liquidity placement, financing across various time horizons, liquidity management, and trade finance products. Clients also benefit from real-time payments between accounts held with PKO Bank Polski S.A. All services and documentation are available in Polish, English, and Romanian.

1.5 Mortgage loans in convertible currencies

■ Settlement programme

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

By 31 March 2025, more than 65.7 thousand mediation applications were registered, 50,440 mediations concluded with a positive outcome, 15,388 mediations concluded with a negative outcome. The total number of settlements concluded as at 31 March 2025 was 50,238, of which 41,712 were concluded in mediation proceedings and 8,526 in court proceedings.

■ Increased cost of legal risk of mortgage loans in convertible currencies

In the first quarter of 2025, the Bank's Group increased the allowance for the cost of legal risk of mortgage loans in convertible currencies (CHF) by PLN 973 million. The amount of these costs is due to updates of the legal risk assessment model parameters, which included an increase in the expected costs of the settlement program, changes in the level of court rulings, and an update of the estimated costs related to statutory interest accrued during the dispute with the customer. For details of the allowance for the cost of legal risk in the first quarter of 2025, see the condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group for the three-month period ended 31 March 2025 (Financial statements of the Bank's Group for the first quarter of 2025) – note 14 "Cost of legal risk of mortgage loans in convertible currencies".

1.6 SECURITIES ISSUED BY ENTITIES OF THE BANK'S GROUP

1.6.1. PROGRAMME FOR THE ISSUE OF OWN BONDS ON THE EUROBOND MARKET

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

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

In the first quarter of 2025, under the International Mortgage Covered Bond Programme, PKO Bank Hipoteczny S.A. issued the 15th series of mortgage covered bonds with a nominal value of PLN 0.8 billion, which are listed on the parallel market of the Warsaw Stock Exchange. It was one of the largest PLN-denominated covered bond issues in the history of PKO Bank Hipoteczny S.A.

In the first quarter of 2025, no issues of covered bonds of PKO Bank Hipoteczny S.A. matured.

As at 31 March 2025, the total value of PKO Bank Hipoteczny S.A.'s bonds issued (domestically and internationally) was PLN 7,932 million (at nominal value).

As at 31 March 2025, the Bank's portfolio included covered bonds with the total nominal value of PLN 506.5 million.

1.6.3. PKO BANK HIPOTECZNY S.A. BOND ISSUE

In the first quarter of 2025, under the Bond Issue Programme, PKO Bank Hipoteczny S.A. issued bonds with a total nominal value of PLN 1,447.5 million and redeemed bonds with a total nominal value of PLN 1,508 million. The nominal value is presented without excluding bonds subscribed for by companies in the PKO Bank Polski S.A. Group.

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

As at 31 March 2025, the company's liability under the bonds issued at nominal value amounted to PLN 2,700 million.

As at 31 March 2025, the Bank's portfolio contained no bonds issued by PKO Bank Hipoteczny S.A.

1.6.4. PKO LEASING S.A. BOND ISSUES

In the first quarter of 2025, PKO Leasing S.A. issued bonds with a total nominal value of PLN 1,753 million and redeemed bonds with a total nominal value of PLN 1,826 million. The nominal value is presented without excluding bonds subscribed for by companies in the PKO Bank Polski S.A. Group.

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

As at 31 March 2025, the company's liability under the bonds issued at nominal value amounted to PLN 2,368 million.

1.7 INTEREST RATE BENCHMARKS REFORM IN POLAND

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

1.8 DIVIDEND – INDIVIDUAL RECOMMENDATION FROM THE PFSA REGARDING THE PAYMENT OF DIVIDEND FOR 2024

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

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

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

The Bank's Management Board, taking into account the recommendations of the PFSA, decided to submit to the Annual General Meeting the following recommendation for the distribution of the net profit achieved in 2024 in the amount of PLN 9,149,777,622.72:

- the amount of PLN 6,850,000,000 was proposed to be distributed among the Bank's shareholders (PLN 5.48 per share). The dividend date would be August 5, 2025, and the payment date would be August 14, 2025,
- the amount of PLN 2,299,777,622.72 was proposed to be allocated to the reserve capital for the purpose of paying dividends, including interim dividends in accordance with § 30 of the Bank's Statute, which would enable the Bank's Management Board to make a possible decision on the distribution of profit to shareholders in the form of an interim dividend and use the reserve capital for this purpose, provided that authorization to use this capital is obtained from the Annual General Meeting of the Bank. Any decision by the Bank's Management Board to pay an advance on the dividend will require the consent of the Bank's Supervisory Board, a positive position of the Polish Financial Supervision Authority and will be conditioned by the current economic and market situation

In addition, the Bank's Management Board recommended that the undistributed profit from previous years remain undistributed profit.

The Supervisory Board of the Bank issued a positive opinion on the above-mentioned recommendation of the Bank's Management Board regarding the distribution of the Bank's profit for 2024 and leaving the undistributed profit from previous years as undistributed profit.

1.9 SUPPORT FOR BORROWERS

■ 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 July 2025.

As at 31 March 2025, a total of 3,138 active Accounts had been opened, with a combined balance exceeding PLN 67 million.

■ 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, 7,279 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 March 2025 reached PLN 2,790 million, with 2,623 loans for PLN 1,030 million in 2025 alone.

1.10 NEW DEPOSIT PRODUCTS

- ### NEW DEPOSIT PRODUCTS INTRODUCED IN THE FIRST QUARTER OF 2025:

In the first quarter of 2025, the bank launched two editions of the new funds promotion for the Plus Savings Account with a promotional interest rate of 5% per annum for new funds up to PLN 250,000 for a period of 90 days. In addition, the promotion on Pierwsze Konto Oszczędnościowe (First Savings Account – an account for people up to the age of 18) is active until the end of May 2025, with an interest rate of up to 8% per annum on systematic savings of up to PLN 10 thousand.

- ### "MÓJ KAPITAŁ" (MY CAPITAL) SYSTEMATIC SAVINGS DEPOSIT

On 3 April 2025, the "Mój Kapitał" systematic savings deposit was launched. The deposit is intended for individuals aged 18 to 75. Each customer may hold up to three deposits. The contractual term is five years (with interest capitalised every 12 months). The deposit is maintained free of charge. The customer makes an initial payment ranging from PLN 100 to PLN 10,000 and then sets up a standing order, which can be modified or cancelled. The payment amount may be changed during the deposit term. A minimum monthly contribution of PLN 100 is required, but if the depositor has greater financial capacity or their situation improves during the deposit term, they may contribute more – up to PLN 2,000 per month. The interest rate is variable and calculated as the NBP reference rate minus 50 basis points. The current annual interest rate is 5.25%. The deposit complies with the PFSA Recommendation on the Long-Term Funding Ratio.

By 16 April 2025, 14,000 deposits had been opened, with the Bank's customers contributing a total of over PLN 91 million.

- ### AVERAGE INTEREST RATE ON DEPOSITS

The average interest rate on new term deposits in PLN (for individuals and businesses) in the first quarter of 2025 was 3.40%.

The average interest rate on all term deposits in PLN placed with PKO Bank Polski S.A was 2.82% in the first quarter of 2025, compared with 3.67% throughout 2024 and 4.52% in the first quarter of 2024.

1.11 EFFECT OF THE CONTRIBUTION TO THE BANK GUARANTEE FUND ON THE PERFORMANCE OF THE FIRST QUARTER OF 2025

The annual contribution to the Bank Resolution Fund for 2025 amounted to PLN 308 million for the Bank and PLN 322 million for the Bank's Group (including the contribution of PKO Bank Hipoteczny S.A.). The contribution to the Bank Guarantee Fund for the first quarter of 2025 amounted to PLN 53 million.

The total amount of contributions to the Bank Guarantee Fund of PLN 375 million was charged to the Bank Group's costs relating to the first quarter of 2025.

In accordance with the provisions of the BGF Act, 30% of the contributions due for the first quarter of 2025 are maintained by the Bank in the form of liabilities to be paid.

1.12 OTHER SIGNIFICANT EVENTS

- ### AMENDMENT TO THE AUDIT COMMITTEE OF THE SUPERVISORY BOARD REGULATIONS

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

Changes in ratings

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

The rating agency Sustainalytics upgraded the ESG rating from 23.9 to 21.8.

Sanctions

In the first quarter of 2025, PKO Bank Polski S.A. continuously implemented restrictions and changes resulting from sanctions imposed on Russia and Belarus. In particular, these measures included the addition of new Russian banks to the sanctions list. The Bank continuously monitors domestic regulations in this area as well as sanctions packages, in particular those imposed by the EU, Poland, the UN, the USA, and the UK.

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

2.1. Supervisory Board of the Bank

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

Composition of the Bank's Supervisory Board as at 31 March 2025:

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

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

2.2. Management Board of the Bank

The composition of the Bank's Management Board did not change in the first quarter of 2025.

Composition of the Bank's Management Board as at 31 March 2025:

1. Szymon Midera, President of the Management Board in charge of the Management Board President's division,
2. Krzysztof Dresler, Vice-President of the Management Board in charge of the Finance and Accounting Division,
3. Ludmiła Falak-Cyniak, Vice-President of the Management Board in charge of the Corporate and Investment Banking Division,
4. Piotr Mazur, Vice-President of the Management Board in charge of the Risk Management Division,
5. 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.

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

On 1 May 2025, Tomasz Pol joined the Bank's Management Board, taking over supervision of the Retail and Corporate Banking Division.

2.3. CHANGES IN THE OWNERSHIP STRUCTURE OF THE PKO BANK POLSKI S.A. SHARES AND THE RIGHTS ATTACHED TO THEM BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY STAFF

Name and surname	Number of shares as at the date of publication of the report	Number of shares as at 31.12.2024	Purchase	Disposal	Number of shares as at 31.03.2025
Piotr Mazur, Vice-President of the Management Board	8,000	8,000	-	-	8,000
Tomasz Pol, Vice-President of the Management Board	12 787	-	-	-	

As at 31 March 2025 and as at the date of publication, the remaining members of the Management Board and all members of the Supervisory Board did not hold any shares in PKO Bank Polski S.A.

3. BUSINESS CONDITIONS

3.1. MACROECONOMIC ENVIRONMENT

Monthly data suggest that economic growth in the first quarter of 2025 was close to 3.2% y/y, as recorded in the fourth quarter of 2024. The second half of the quarter revealed weakness in retail sales, partly due to calendar effects and partly due to a sharp deceleration in real wage growth. At the same time, demand in the service sector most likely remained strong. Construction output returned to positive year-on-year growth in the first quarter of 2025, suggesting a revival of investment activity supported by EU funds, following a difficult end to 2024. Annual growth in industrial output also remained negatively affected by calendar effects; however, the PMI index for manufacturing exceeded the neutral 50-point threshold, indicating a recovery in activity in the sector. In the environment surrounding the Polish economy, elevated uncertainty persisted due to the effects of the protectionist trade policy of the United States and the announced fiscal easing in Germany.

At the beginning of 2025, the nominal wage growth rate in the corporate sector slowed to around 8% y/y, largely due to a significantly smaller increase in the minimum wage compared to previous years. Real wage growth also decelerated to around 3% y/y – the lowest level since the third quarter of 2023. Labour demand remained subdued, which was reflected in a decline in employment in the corporate sector. At the same time, the registered unemployment rate rose to 5.4% at the beginning of the year, following a typical seasonal pattern.

NBP interest rates as at the end of the first quarter of 2025:

- reference rate 5.75%
- bill discount rate 5.85%
- bill rediscount rate 5.80%
- Lombard rate 6.25%
- deposit rate 5.25%

In the first quarter of 2025, CPI inflation stabilised at 4.9% y/y. Core inflation, excluding food and energy prices, declined in February and March to 3.6% y/y. Inflation remains elevated due to regulatory factors related to the partial deregulation of energy prices in July 2024. The momentum of inflationary processes is weakening, the inflation outlook is improving, and the risk of a lasting divergence of inflation and inflation expectations from the target has declined significantly. Forecasts indicate that inflation will fall in the coming months and return to the range of permissible deviations from the NBP's inflation target. The Monetary Policy Council (MPC) has kept NBP interest rates unchanged since October 2023, with the reference rate at 5.75%. Recent statements by MPC members, including President Adam Glapiński, suggest that room for interest rate cuts may emerge as early as May 2025. The case for monetary policy easing is supported by improving inflation prospects, the deceleration of wage growth, and weaker-than-expected economic performance in the first quarter.

3.2. SITUATION ON THE FINANCIAL MARKET

The first quarter of 2025 proved to be one of the most volatile periods on financial markets in recent decades, driven by the transition of power in the United States and the new administration taking office. President Trump's decisions, particularly in the area of trade policy, generated significant uncertainty and concerns about the global economic outlook.

Polish government bond yields fell by several basis points, reaching 5.06% for two-year securities, 5.36% for five-year bonds, and 5.72% for ten-year maturities. This decline reflected a combination of domestic and international factors. CPI data published by Statistics Poland indicated that the inflation rate had peaked just below 5%, and according to analysts' forecasts, it is expected to decline steadily in the coming months. This rekindled the debate about the rationale for resuming interest rate cuts, particularly in light of deteriorating global economic prospects following the imposition of high tariffs by the United States on its trading partners.

At the beginning of the year, the zloty was notably strong, reaching 4.14 against the euro at the end of February. The Polish currency was supported by high NBP interest rates and one of the fastest economic growth rates in Europe. However, the external environment began to deteriorate with successive decisions by President Trump, which signaled worsening trade conditions for U.S. partners, directly and indirectly affecting Polish companies. Emerging market currencies also came under pressure due to heightened uncertainty surrounding global economic and geopolitical developments. As a result, the euro ended the quarter at 4.19 PLN and the U.S. dollar at 3.87 PLN.

The Warsaw Stock Exchange started the year with a sharp rally. At one point, the WIG index posted a return of 25%, approaching the symbolic level of 100,000 points. Investors viewed equities as undervalued, especially given strong macroeconomic forecasts and positive earnings expectations for listed companies. Sentiment deteriorated with the escalation of the trade war, which is expected to have negative economic consequences – although the extent remains difficult to assess due to the decision-making and communication chaos. Nonetheless, despite the challenging environment, Polish equities delivered a return of over 20% in the first quarter.

3.3. Economic situation on the Ukrainian market

Economic growth in Ukraine slowed to 2.9% in 2024, down from 5.5% in 2023, and fell short of the National Bank of Ukraine's (NBU) January 2025 forecast of 3.4%. In the fourth quarter of 2024, GDP declined by 0.1% y/y – the first contraction since the first quarter of 2023. The slowdown in economic activity was primarily driven by a sharp drop in agricultural output (down 30.3% y/y in the fourth quarter of 2024 and 7.3% for the full year) and Russian missile attacks on energy infrastructure, which curtailed energy production and disrupted business operations. In the labour market, companies continued to face a persistent shortage of skilled workers amid a growing number of job vacancies, leading to a strong increase in wages – up by an average of 23.1% in 2024. CPI inflation reached 14.6% y/y in March 2025, continuing the upward trend that began in May 2024 (when it stood at 3.2% y/y). This increase was driven by poor agricultural yields, rising energy costs due to capacity shortages, wage growth, and administrative decisions such as excise hikes and higher household energy tariffs. In response to rising inflation, the NBU raised interest rates from December 2024 through March 2025, bringing the policy rate to 15.5%. Ukraine's fiscal situation remains challenging, although early signs of improvement are emerging – the 2024 deficit stood at 17.7% of GDP, compared to 19.6% in 2023 and a budgeted target of 24.2% of GDP. A key source of uncertainty is the scale and timing of incoming grants and foreign financing, which continue to be the main sources of deficit funding, as well as the outcome of ongoing negotiations on financial flows between Ukraine and the United States. A potential opportunity lies in the G7 Extraordinary Revenue Acceleration (ERA) initiative, under which Ukraine may receive up to EUR 45 billion in loans to be repaid from proceeds derived from frozen Russian assets.

3.4. Ukrainian Banking Sector

According to NBU data, as at the end of February 2025, 61 banks were operating in Ukraine – two fewer than at the end of February 2024. At the end of February 2025, total assets of the banking sector increased by 16.9% y/y to UAH 3.41 trillion, while equity rose by 26.7% y/y to UAH 405.9 billion. In February 2025, the equity-to-assets ratio stood at 11.9%, the return on assets (ROA) was 4.93% compared to 5.33% in February 2024, and the return on equity (ROE) amounted to 42.42%, down from 49.98% a year earlier. The declines in ROA and ROE were driven by lower profitability of NBU deposit certificates, stable yields on government bonds, and the increase in the corporate income tax (CIT) rate on 2024 banking sector profits from 25% to 50%. This 50% tax rate has been in effect for the second consecutive year, compared to the standard CIT rate of 18%.

The capital position of the banking sector remains strong, with the capital adequacy ratio at 16.2% at the end of March 2025. Since November 2024, the ratio has shown a slight decline (no historical comparability due to a methodological reform implemented in September 2024). The volume of loans in February 2025 increased by 13.7% y/y to UAH 1.19 trillion, mainly driven by growth in household loans (up 22.9% y/y), with slower growth in corporate loans (up 8.8% y/y). Deposits rose by 15.1% y/y to UAH 2.77 trillion in February 2025, with similar annual growth rates for corporate (12.9% y/y) and household deposits (14.8% y/y). The loan-to-deposit ratio in February 2025 stood at 43.0%.

4. BUSINESS DEVELOPMENT AND FINANCING

4.1. DEVELOPMENT OF SERVICES, PRODUCTS AND TOOLS

Achievements of PKO Bank Polski S.A.

Product development in retail banking, corporate and housing markets	
Mortgage banking	PKO Bank Polski S.A. maintained its leading position in the sale of housing loans to individuals, with a market share of 29.33%.
	In the first quarter of 2025, the share of fixed-rate mortgage loans in new sales (granted by PKO Bank Polski S.A. and PKO Bank Hipoteczny S.A.) reached 84.1%, and their total share in the portfolio of PLN mortgage loans as at 31 March 2025 increased to 40.6% (compared to 38.3% as at the end of 2024).
Financing – Cash Loan	In the first quarter of 2025, sales of cash loans were nearly 71% higher compared to the same period of the previous year. As at 31 March 2025, the Bank's portfolio grew by more than 16% y/y, consolidating its leading position in the cash loan market. 87% of loan agreements were concluded digitally – in a paperless format. 37% of loans were granted with a fixed interest rate.
Development of corporate banking and the services of the Brokerage Office	
Corporate banking	Conclusion of 13 syndicated loan agreements and 5 annexes to existing syndicated loan agreements, increasing the total financing amount to more than PLN 6.5 billion, nearly EUR 8.7 billion and over RON 3.2 billion. The Bank's share amounted to nearly PLN 1.2 billion, more than EUR 0.6 billion and over RON 0.2 billion, respectively.
	Conclusion of an agreement within a banking consortium for the issuance of corporate bonds by Żabka Group S.A. and Żabka Polska sp. z o.o., with a total value of PLN 1 billion.
	Introduction of the option to accept collateral solely in the form of the borrower's promissory note for revolving loans or Multi-Purpose Credit Limits granted in an amount not exceeding PLN 2 million, with a collateral ratio of 0%.
Services of Brokerage Office	In the first quarter of 2025, the value of turnover in the secondary equity market reached PLN 19.2 billion, accounting for 8.40% of the market turnover and placing PKO Bank Polski's Brokerage Office in 2nd position in the brokerage office ranking.
	Acting as global coordinator, joint bookrunner and offering agent, the Brokerage Office conducted a public share offering of CCC S.A. with a value of approximately PLN 1.55 billion.
	Acting as a member of the distribution consortium, it participated in the corporate bond issue of Kruk S.A. with a value of approximately PLN 100 million.
	As at the end of March 2025, the Brokerage Office: • maintained 163.7 thousand securities and cash accounts, as well as 686.5 thousand registration accounts; • serviced participation units in 396 funds and sub-funds managed by 10 investment fund management companies.
Development of insurance products	
PKO Życie life insurance	In the first quarter of 2025, 49.4 thousand policies were sold, with gross written premiums amounting to PLN 35.5 million.
PKO Dom home insurance	In the first quarter of 2025, 138.5 thousand policies were sold, with gross written premiums amounting to PLN 57.1 million.

PKO Moto motor insurance	In the first quarter of 2025, 58.3 thousand policies were sold, with gross written premiums amounting to PLN 58.3 million.
	Launch of policy sales for sole proprietors.
Development of IT projects and other services	
PKO Pay Later	At the end of March 2025, 281 thousand customers were active users of the service, and the total amount of limits granted reached PLN 284.5 million. Customers have so far executed close to 8.4 million transactions for the total amount of PLN 1.2 billion. 99% of the transactions were executed using a BLIK code.
Contactless BLIK payments	The number of transactions concluded by 31 March 2025 using contactless BLIK in the IKO app was more than 255 million. In the first quarter of 2025, nearly 42 million transactions were executed, representing a 281% increase compared to the same quarter of the previous year.
Automation and robotisation	In the first quarter of 2025, 14 processes were robotised and nearly 27 million tasks were completed. New robots are used, among others, to: • prepare data for court proceedings initiated by the Restructuring and Debt Collection Centre, • generate reports on liquidity loans for farmers.
	By the end of the first quarter of 2025, more than 385 million tasks had been completed in total. The total number of processes robotised to date reached 364.
	Chat support was extended to include the iPKO platform, resulting in a 53% increase in the number of customer conversations compared to the previous quarter.
	The centralisation of customer service via telephone continued, With the Bank redirecting calls from branch landlines to the 24/7 helpline.
Bots	In the first quarter of 2025, all bots handled nearly 6.7 million calls. As at 31 March 2025, more than 63 million calls had been completed in total.
	By 31 March 2025, the inbound hotline bot alone had conducted over 22 million calls.
	The bots conducted the largest number of customer conversation regarding: • Voice Assistant in IKO – 23.9 million, • helpline - 22.0 million, • soft debt collection (payment reminders) – 6.5 million, • NPS surveys – 4.6 million, • cash loan offering – 2.9 million.
	Launch of a new bot calling with an offer to connect the customer with a consultant regarding cash loan consolidation.
Automation of cash transactions	In the first quarter of 2025, 85 new ATMs were installed, including 81 modern recyclers with deposit and withdrawal functions. More than half of all self-service devices are now equipped with a deposit function. The total number of ATMs increased by 32 units y/y.
PKO Rotunda	Launch of a new model of the virtual PKO Rotunda building, allowing the interior to be adapted to specific events. As part of the Virtual Training Centre, the possibility to create 360-degree training modules was introduced.
Metaverse and gaming	Launch of the strategic educational game "Cash Empire Tycoon" on the Fortnite platform.
Green Impact	Implementation of the second edition of the startup accelerator aimed at identifying "green solutions" for the Group and its customers. A total of 18 startups were selected for further evaluation.

Development of functionalities in electronic and mobile banking channels	
IKO mobile application	Implementation of new functionalities: • notifications for active public transport tickets and parking fees directly on the smartphone screen, • view of submitted complaint details with the option to download confirmation of submission, complaint response, and submit an appeal, • option to cancel a debit card, • demo version of PKO Pay Later. • Implementation of changes to existing functionalities: • enhanced credit card handling options for customers without an account: temporary card block, card cancellation, PIN change, limit adjustment, • categorisation of pending matters in the 'Manage Your Products' section, • updates to limit settings and adjustment of default limit levels, • layout changes in additional service details.
	Nearly 3.8 million conversations were conducted by the Voice Assistant in IKO in the first quarter of 2025. By 31 March 2025, a total of nearly 24 million conversations had been held with more than 5.1 million customers.
Electronic banking service iPKO	Implementation of new functionalities: • chat with a consultant, • remote opening of IKE-Obligacje and IKZE-Obligacje pension accounts offered by the Brokerage Office, • new value-added services: access to "Rzeczpospolita" and "Parkiet" newspapers and the Samsung Store. Implementation of changes to existing functionalities: • message encouraging customers to set or update daily transfer limits, • updates to limit settings and adjustment of default limit levels, • automatic rescheduling of transfers to the next business day, • layout changes in additional service details, • improvements in the cash loan document submission process, • support for the sales process of the Digital Mortgage in iPKO without an account, • viewing account limits without authorisation.
PKO Junior application	Implementation of contactless BLIK payments via mobile phone and support for these payments in the iPKO service by a parent.
iPKO biznes Electronic banking service	Enabling the submission of applications for the activation of prepaid card services.
IPKO biznes mobile app	Implementation of new functionalities: • login to the iPKO biznes online service without entering a password, and the ability to independently assign and activate mobile authorisation, • submission of a transport order request for cash pickup in the "Cash" module.
PKO Junior application	Implementation of contactless BLIK payments via mobile phone and support for these payments in the iPKO service by a parent.
Distribution network of PKO Bank Polski S.A.	
Retail branches	7 branch relocations and 5 branch upgrades.
Corporate branches	Establishment of two new offices operating within the Corporate Banking Centre.
	Restructuring of the corporate sales network through the dissolution of existing and establishment of new organisational units. Six new Corporate Macroregions were created, dividing Poland into three strategic areas of operation. Within each area, two types of Macroregions (MK) were established:

	• Macroregion No 1 – serving large corporate clients (LARGE, with annual revenues of PLN 150–500 million), • Macroregion No 2 – dedicated to medium-sized corporate clients (MIDDLE, with annual revenues of PLN 60–150 million). Within the newly created Corporate Macroregions, 24 Regional Corporate Centres were established. Additionally, each Macroregion No 1 includes three specialised Regional Corporate Centres dedicated exclusively to servicing Local Government Units. The new sales network model is based on the diversity arising from the size and profile of the entity, enabling more tailored banking services and products at every stage of client development.

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

Promotional financing for electric vehicles	Introduction, in cooperation with BYD Europe (a Chinese automotive manufacturer), of a promotional 101% financing offer for fully electric BYD brand vehicles. The promotion ended on 31 March 2025.
Remote agreements for sole proprietors	Launch of a new process for Bank customers running a sole proprietorship, enabling them to apply for leasing via the iPKO application and sign the agreement entirely remotely – through the Bank's helpline.
User-friendly quoting process	Launch of a new, user-friendly quoting process on the company's website www.pkoleasing.pl,, enabling customers to receive a quote for a selected leasing object via an intuitive, interactive form – directly on the website.
Financing of KIOTI brand tractors	Conclusion of a captive cooperation agreement with Interhandler sp. z o.o., the general importer and distributor of KIOTI tractors, for financing of this brand's machinery. Sales to end customers are conducted directly by Interhandler and its authorised dealer network.
Development of the electric vehicle fleet within the PCM S.A. Group – Masterlease brand	Expansion of the Group's proprietary electric vehicle fleet as part of the strategy to support electromobility (1,300 vehicles compared to 863 vehicles at the end of the first quarter of 2024).

Achievements of PKO Towarzystwo Funduszy Inwestycyjnych S.A.

Leading positions in the investment fund market	As at the end of the first quarter of 2025, the net asset value of funds managed by the company amounted to PLN 60.9 billion, including PLN 59.2 billion in retail funds. This allowed the company to maintain 1st place in the overall investment fund market (with a market share of 16.87%) and 1st place in retail fund assets (with a market share of 21.67%). As at 31 March 2025, the company managed 58 investment funds and sub-funds. Total net inflows to the company's funds reached a record PLN 1,094 million in the first quarter of 2025. Between 1 January and 31 March 2025, the net sales of investment funds managed by the company amounted to PLN 3.45 billion (including: PLN 2.6 billion excluding Employee Capital Plans (PPK) and Employee Pension Schemes (PPE); and PLN 0.8 billion within the PPK framework). Sub-funds classified as bond sub-funds were the most popular among participants and investors (net sales at the level of +PLN 2.9 billion), with PKO Short-Term Treasury Bond Sub-Fund being the undisputed leader in net sales, recording an inflow of PLN 2.0 billion in the first quarter of 2025.
PPK market leader	Strengthening of the company's leading position in the Employee Capital Plans (PPK) market, with a 30.8% market share*. As at the end of the first quarter of 2025, PPK accounts managed by the company held assets totalling PLN 10.7 billion.
Continuation of PPK agreements	PPK management agreements whose validity period was coming to an end were extended for over 90% of entities (approximately 3,400 agreements), as a result of an active information campaign conducted by the company. These agreements were most often concluded in the financial sector for a period of four years, in accordance with public procurement regulations.

* Source: Analizy Online

4.2. ESG ACHIEVEMENTS

Data acquisition	Automatic acquisition of data on the actual energy efficiency of real estate (EP) from the Central Register of Building Characteristics to the credit risk database for real estate serving as loan collateral (ITS report, template 2). Automatic assignment of energy certificates for over 150,000 mortgage securities.
	Acquisition of data from taxonomy questionnaires related to purpose-specific financing to the Credit Risk Engine (SRK) system database.
	Acquisition of client data from the Notoria database into the SRK database and development of processes utilising client emission intensity and minimum safeguard data in reporting processes.
EnergiaTransformacji.pl platform	The Bank launched the EnergiaTransformacji.pl platform, designed for entrepreneurs seeking to improve the energy efficiency of their businesses. The platform provides a centralised hub with information on grants, financing opportunities, and tools to support the planning and implementation of energy-related changes. The platform is divided into four modules: financing, grants, knowledge, and tools. Entrepreneurs will find information on how to finance their projects using solutions offered by companies within the PKO Bank Polski Group. They also have access to a grant search engine with the option of obtaining advisory services. Companies can match available public funding opportunities to their needs and investment plans, with the search engine indicating the likelihood of receiving support. The tools available on the platform help customers understand the energy profile of their operations and guide them throughout their transformation journey. Among them, the Bank – one of the few on the market – offers a free carbon footprint calculator covering all three emission scopes. The knowledge zone helps users navigate regulatory aspects and showcases inspiring stories of entrepreneurs who are realising tangible benefits from the transformation by optimising their operating costs.
Cooperation with Employers of Poland	The Bank has established a strategic partnership with the Employers of Poland organisation as part of the project 'Employers of Poland and PKO Bank Polski for the Energy Efficiency of Enterprises', financed under the ELENA programme. The aim of the project is to support entrepreneurs in the preparation and implementation of investments that improve energy efficiency. Bank clients who are members of the organisation or are willing to join it under preferential terms – through a special offer for PKO Bank Polski customers – may receive funding covering up to 90% of the costs of preparing the necessary documentation. This includes: ex ante energy audits, applications for public funding (grants or loans), feasibility studies, energy performance certificates for buildings, and other documents required to obtain financing for a Qualified Investment.
Sustainability-Linked Loans (SLL) for corporate banking clients	The Bank has introduced Sustainability-Linked Loans (SLL) into its standard offering for corporate banking clients. These are general-purpose loans that enable companies to benefit from more favourable financing terms while promoting progress in environmental, social, and governance (ESG) areas. The loan margin is linked to the achievement of the company's Sustainability Performance Targets (SPTs) In the environmental, social, and corporate governance (ESG) dimensions. The objective is to support clients in understanding that transformation is not only a regulatory requirement but also an opportunity to gain a competitive edge in an increasingly sustainable business environment. In line with the '#1. full stop' strategy, the Bank aims to be the number one partner for businesses – supporting companies in their energy transition and enhancing their competitiveness in the market.

5. RISK MANAGEMENT

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

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

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

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

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

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

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

At the same time, in light of the interest rate cuts expected in 2025, given a significant and increasing proportion of mortgage loans with periodically fixed rates, an increase in prepayments of such loans is possible.

An additional challenge for the Bank's Group is the recommendation concerning the Long-Term Funding Ratio (LTFR), introduced on 15 July 2024 by the Polish Financial Supervision Authority, aimed at reducing the risk of financing long-term mortgage loans with short-term deposits in favor of long-term debt instruments that cannot be redeemed within at least one year. The recommendation imposes an obligation on domestic banks to maintain an LTFR of at least 40% starting from 31 December 2026. Banks will be required to report the ratio to the PFSA on a monthly basis, and 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.

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

On 24 February 2025, the Management Board of the Bank adopted the "Transition Plan of the PKO Bank Polski S.A. Group" 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).

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.

The setting of targets for the Bank's 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.

GHG emission reduction targets

Sector name	Scope of SECTOR emissions	GHG intensity IN THE BASE YEAR - 2023	GHG INTENSITY reduction target 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 CO2e/m^2	Achievement of 31% reduction in emissions intensity 2023-2030	45.64%	By 2030, approaching CREEM 2°C; Target CRREM 1.5°C

FINANCIAL POSITION AFTER THE FIRST QUARTER OF 2025

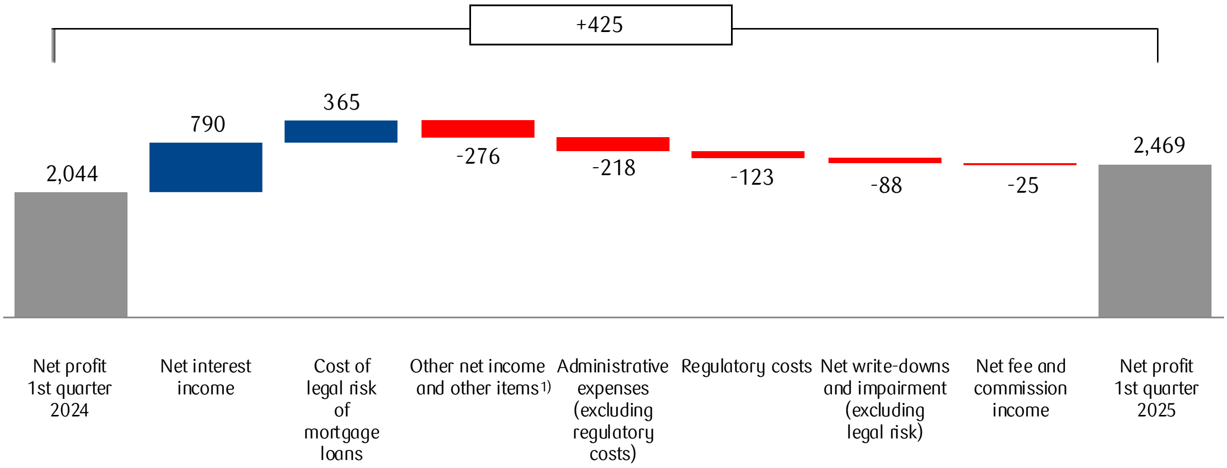
Financial data is presented on a management basis.

The PKO Bank Polski Group's consolidated net profit for the three months of 2025 reached PLN 2,469 million, up by PLN 425 million year-on-year.

The change in net profit was determined by:

1) an improvement in the result on business activities, which reached PLN 7,576 million (up by PLN 733 million year-on-year), mainly as a result of an increase in net interest income by PLN 790 million, with an decrease in net fee and commission income by PLN 25 million and an in other net income by PLN 32 million,
2) an improvement in net write-downs and impairment of PLN 277 million, mainly as a result of a decrease in the legal risk cost of mortgage loans in convertible currencies by PLN 365 million,
3) an increase in administrative expenses by PLN 341 million, mainly driven by an increase in employee benefit expenses by PLN 175 million, regulatory costs by PLN 123 million, non-personnel expenses by PLN 24 million, and depreciation and amortisation expenses by PLN 19 million.

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



1) This item comprises other net income, tax on certain financial institutions, share in profits/ (losses) of associates and joint ventures, income tax and profit (loss) attributable to non-controlling shareholders.

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

- return on equity as measured by ROE stood at 19.2% on an annual basis (+5.3 p.p. y/y),
- net interest margin was 4.89% on an annual basis (excluding the impact of "credit holidays") (+0.43 p.p. y/y),
- operating efficiency, as measured by the C/I ratio, stood at 29.9% (-0.8 p.p. y/y),
- the cost of credit risk on an annualised basis stood at (-)0.35% at the end of March 2025, down 0.13 p.p. compared to the same period of the previous year,
- the total capital ratio stood at 17.2%, down 1.0 p.p. compared to the end of March 2024, and the core Tier 1 capital ratio amounted to 16.1%, down 1.3 p.p. The decline in capital ratios was due to increased capital requirements resulting from the implementation of the CRR3 regulation and higher lending volumes. The level of own funds declined as a result of the discontinuation of the positive adjustment mitigating the implementation of IFRS 9 (the transitional period in this regard expired at the end of 2024).

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

RESULT ON BUSINESS ACTIVITIES

- an increase in net interest income driven by:
  - ✓ an increase in interest income on securities by PLN 419 million year-on-year, mainly related to the improvement in the average yield of the portfolio resulting from higher returns on newly acquired securities, accompanied by an increase in the average volume of the securities portfolio by approximately PLN 17 billion y/y,
  - ✓ a decrease in interest expenses on customer deposits by PLN 369 million year-on-year, mainly due to a decline in the average interest rate resulting from changes in the deposit structure (increase in the share of lower-interest current deposits), despite an increase in the average volume of deposits by nearly PLN 24 billion y/y,
  - ✓ an increase in interest income on financing granted to customers by PLN 161 million y/y, related to an increase in the loan portfolio volume by more than PLN 18 billion, despite a lower average interest rate on both PLN and foreign currency assets,
  - ✓ an increase in external funding costs by PLN 118 million y/y, resulting from a higher average volume of the Bank's own securities due to the issues carried out in 2024,
- a decrease in net fee and commission income, driven by lower commissions from card activities (mainly due to high settlement-related commissions from card organisations in 2024), brokerage, lending and other services, partially offset by higher commissions from investment funds, margins on foreign exchange transactions, and commissions from operating lease,

- a deterioration in net other income, mainly as a result of a decrease in net insurance income, net foreign exchange income, and result on financial transactions, despite an increase in other operating income.

ADMINISTRATIVE EXPENSES

- an increase in the cost of employee benefits by PLN 175 million y/y (mainly as a result of wage regulations),
- an increase in material costs by PLN 24 million y/y (mainly due to higher IT expenses and marketing and advertising costs),
- an increase in regulatory costs by PLN 123 million y/y, mainly due to higher contributions to the Bank Guarantee Fund (including an increase of PLN 50 million in the contribution to the resolution fund and the reinstatement in 2025 of the contribution to the bank guarantee fund in the amount of PLN 53 million),
- an increase in depreciation and amortisation expenses by PLN 19 million y/y, mainly due to higher amortisation of IT intangible assets.

NET WRITE-DOWNS AND IMPAIRMENT

- a decrease in the cost of legal risk of mortgage loans in convertible currencies by PLN 365 million – resulting from an update of the legal risk assessment model parameters, which included the expected costs of the settlement programme, changes in the level of court case resolutions, and updated estimates of statutory interest costs accrued during the dispute with the customer,
- an improvement in net credit risk allowances by PLN 12 million – higher allowances on corporate loans were offset by improved results on consumer and housing loans,
- an increase in allowances on non-financial assets by PLN 100 million – driven by a PLN 96 million deterioration in allowances on amounts due from customers for principal disbursed, in connection with lost court cases concerning CHF loans.

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

- total assets reached over PLN 531 billion, which represents an increase of PLN 40 billion year-on-year and PLN 6 billion compared to the end of 2024,
- customer deposits[1] amounted to PLN 420 billion, which means an increase of PLN 28 billion compared to the end of March 2024 (as a result of an increase in retail, private, and corporate banking deposits), and an increase of PLN 1 billion compared to the end of December 2024,
- financing granted to customers[2] amounted to nearly PLN 291 billion, increasing by PLN 22 billion y/y and approximately PLN 5 billion compared to the end of December 2024. The growth covered most positions, except for foreign currency mortgage banking loans and, additionally in comparison to the previous quarter, corporate segment lease and factoring receivables,
- the non-trading and trading securities book[3] amounted to PLN 198 billion, i.e. an increase of PLN 21 billion compared to the end of March 2024 (mainly due to higher holdings of government bonds and NBP bills), and approximately PLN 7 billion compared to the end of December 2024,
- total equity amounted to over PLN 55 billion, which represents an increase of nearly PLN 8 billion compared to the end of March 2024 and PLN 3 billion compared to the end of December 2024.

In first quarter of 2025, the Bank's Group recorded a further increase in the scale of operations, in particular increasing the following figures year-on-year:

- the number of customers by more than 238 thousand to more than 12.2 million, mainly in the retail customer segment,
- the number of current accounts serviced by nearly 183 thousand to 9.5 million accounts.

As at 31 March 2025, the Group held a high share of the loan market at 18.3% (stable y/y) and increased its share in the savings market to 21.2% (+0.2 p.p. y/y). In addition, it strengthened its leading position in the investment funds market for individuals with a market share of 21.7% (+1.6 p.p. y/y).

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[1] Customer deposits – amounts due to customers.
[2] Financing granted to customers – loans and advances granted to customers (including finance lease receivables) and municipal and corporate bonds (excluding the bonds of international financial organizations) presented in securities, other than securities held for trading.
[3] Securities (non-trading and trading book) – securities less municipal and corporate bonds, and bonds of international financial organizations.

FACTORS THAT DETERMINE FUTURE PERFORMANCE

The Bank identifies risk factors arising from macroeconomic and regulatory changes.

In the global economy:

- barriers to international trade, primarily the U.S. tariff policy and other countries' responses to growing American protectionism, as well as the impact of international trade restrictions on the condition of the global economy,
- significant volatility in financial markets reflecting extremely high uncertainty related to trade policy, central banks' responses, and geopolitical tensions,
- 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,
- the persistence of relatively low global economic growth, primarily the prolonged stagnation period in Germany, with a risk of further deterioration, among others due to U.S. protectionist measures,
- 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).

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, and the possibility of their quick utilisation with the risk of supply constraints,
- high uncertainty regarding the strength of foreign demand, primarily in the context of U.S. protectionist measures and their impact on the EU economy, especially Germany, as well as in light of the planned fiscal loosening in Germany,
- the risk of intensified competition from foreign entities seeking alternative markets due to rising tariffs in the U.S.,
- the path of further changes in NBP interest rates and the level and interest rate of the reserve requirement,
- the 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 shape and timing of the introduction of the government-announced support programmes for mortgage borrowers,
- elevated volatility of the zloty and its impact on inflation and the profitability of exports and imports,
- the risk of potential additional burdens (including new significant reporting obligations) related to the implementation of the global minimum tax (Pillar II) in connection with Council Directive (EU) 2022/2523. The provisions will apply from 1 January 2025 (the legislator also provides the option to apply the Act starting from 2024). Pillar II also applies in selected tax jurisdictions where the Bank has foreign branches or subsidiaries,
- implementation of corporate income tax requirements related to the obligation to send accounting records (JPK-KR) to the competent head of the tax office after the end of the tax year (the new regulations are effective as of 1 January 2025, with the first reporting obligation to be fulfilled by 31 March 2026),
- the risk associated with the implementation of the new interest rate benchmark WIRF and its impact on the financial market,
- the increase in capital requirements related to the countercyclical buffer announced in the Regulation of the Minister of Finance, which will come into force at the end of the third quarter of 2025 – the 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 an administrative sanction being imposed by the PFSA as part of ongoing administrative proceedings in connection with suspected breaches by the Bank of the requirements of the Regulations concerning:
  - indices used as interest rate benchmarks in financial instruments and financial contracts or for measuring the performance of investment funds,
  - key information documents for retail collective investment products and insurance-based investment products,

- the risk of a fine being imposed by the President of the Office of Competition and Consumer Protection (UOKiK) as part of proceedings pending against the Bank in matters related to: violation of collective consumer interests in the handling of complaints concerning unauthorised transactions, the use of modification clauses, and clauses regarding interest rate changes in standard contract templates (in the case of interest rate change clauses for deposit products – the risk of such proceedings being initiated),
- 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 judicial interpretation of national law where a credit institution is entitled to demand an amount from a consumer 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-cur currency housing loans and PLN loans based on WIBOR rates (in particular those adopting the position – similarly to the judgment of the District Court in Suwałki of 22 January 2025 (case No I C 332/24) – that variable interest rate clauses based on the WIBOR index are abusive),
- the risk of an unfavourable 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, including the potential challenge before the CJEU or domestic courts of the Bank's right to charge interest on so-called financed costs of consumer credit which are not disbursed directly to the borrower.

Condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group for the three-month period ended 31 March 2025, together with the condensed interim financial separate statements of PKO Bank Polski S.A. for the three-month period ended 31 March 2025

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE PKO BANK POLSKI S.A. GROUP FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT	Note	01.01-31.03.2025	01.01-31.03.2024
Net interest income		**5,982**	**5,192**
Interest income	10	8,320	7,822
of which calculated under the effective interest rate method		8,234	7,706
Interest expense	10	(2,338)	(2,630)
Net fee and commission income		**1,253**	**1,278**
Fee and commission income	11	1,675	1,623
Fee and commission expense	11	(422)	(345)
Net other income		**337**	**359**
Net income from insurance business, of which:		154	176
insurance revenue (net of reinsurance)		376	348
cost of insurance activities (net of reinsurance)		(191)	(133)
Gains/(losses) on financial transactions		77	62
Net foreign exchange gains/ (losses)		60	66
Gains/(losses) on derecognition of financial instruments, of which:		6	20
measured at amortized cost		2	9
Net other operating income and expense, of which:		40	35
other operating income		109	101
other operating expenses		(69)	(66)
Result on business activities		**7,572**	**6,829**
Net allowances for expected credit losses	12	(200)	(202)
Impairment of non-financial assets	13	(212)	(112)
Cost of legal risk of mortgage loans in convertible currencies	14	(973)	(1,338)
Administrative expenses	15	(2,520)	(2,179)
Tax on certain financial institutions		(326)	(303)
Share in profits and losses of associates and joint ventures		42	41
Profit before tax		**3,383**	**2,736**
Income tax	16	(914)	(693)
Net profit (including non-controlling shareholders)		**2,469**	**2,043**
Profit (loss) attributable to non-controlling shareholders		-	(1)
Net profit attributable to equity holders of the parent company		**2,469**	**2,044**
Earnings per share: basic/diluted for the period (PLN)*		1.97	1.64
Weighted average number of ordinary shares during the period (in million)*		1,250	1,250

* Both in the period of three months ended 31 March 2025 and in the corresponding period of 2024, there were no dilutive instruments. Therefore, the amount of diluted earnings per share is the same as the amount of basic earnings per share.

(IN PLN MILLION)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME	01.01-31.03.2025	01.01-31.03.2024
Net profit (including non-controlling shareholders)	**2,469**	**2,043**
Other comprehensive income	533	360
Items which may be reclassified to profit or loss	533	360
Cash flow hedges (net)	**337**	**(25)**
Gains/losses recognized in other comprehensive income during the period	253	(704)
Amounts transferred from other comprehensive income to the income statement	163	673
Deferred tax	(79)	6
Fair value of financial assets measured at fair value through other comprehensive income (net)	**224**	**376**
Remeasurement of fair value, gross	283	477
Gains /losses transferred to the profit or loss (on disposal)	(4)	(11)
Deferred tax	(55)	(90)
Foreign currency translation differences from foreign operations	**(34)**	**(10)**
Share in other comprehensive income of associates and joint ventures	**6**	**17**
Finance income and costs from insurance business, net	**-**	**2**
Finance income and costs from insurance business, gross	-	3
Deferred tax	-	(1)
Total net comprehensive income, of which attributable to:	3,002	2,403
equity holders of the parent	3,002	2,404
non-controlling interest	-	(1)

(IN PLN MILLION)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION	Note	31.03.2025	31.12.2024
ASSETS		531,355	525,225
Cash and balances with the Central Bank		15,063	23,494
Amounts due from banks	17	8,286	5,089
Hedging derivatives	18	20	120
Other derivative instruments	18	2,213	1,999
Securities	19	218,314	210,531
Reverse repo transactions		422	892
Loans and advances to customers	20	270,462	266,158
Assets in respect of insurance activities		92	105
Property, plant and equipment under operating lease		2,729	2,653
Property, plant and equipment		3,280	3,320
Assets held for sale		14	11
Intangible assets		4,086	4,153
Investments in associates and joint ventures		308	291
Current income tax receivable		66	6
Deferred tax assets		2,520	3,056
Other assets		3,480	3,347
LIABILITIES AND EQUITY		531,355	525,225
LIABILITIES		475,983	472,855
Amounts due to Central bank		11	11
Amounts due to banks	21	2,345	2,373
Hedging derivatives	18	208	285
Other derivative instruments	18	2,472	2,396
Amounts due to customers	22	420,380	419,778
Liabilities in respect of insurance activities		2,247	2,449
Loans and advances received	23	1,214	1,268
Liabilities in respect of debt securities in issue	23	23,689	23,457
Subordinated liabilities	23	4,271	4,291
Other liabilities		11,331	8,188
Current income tax liabilities		159	899
Deferred tax liabilities		839	809
Provisions	24	6,817	6,651
EQUITY		55,372	52,370
Share capital		1,250	1,250
Reserves and accumulated other comprehensive income		31,036	30,503
Unappropriated profits		20,628	11,324
Net profit or loss for the period		2,469	9,304
Capital and reserves attributable to equity holders of the parent company		**55,383**	**52,381**
Non-controlling interests		(11)	(11)

The notes presented on pages 35 to 78 form an integral part of the condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group for the three-month period ended 31 March 2025

(IN PLN MILLION)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR 3 MONTHS ENDED 31 MARCH 2025	Share capital	Reserves and accumulated other comprehensive income					Retained earnings	Net profit or loss for the period	Total capital and reserves attributable to equity holders of the parent company	Total non-controlling interests	Total equity
		Reserves			Accumulated other comprehensive income	Reserves and accumulated other comprehensive income					
		Supplementary capital	General banking risk fund	Other reserves							
As at the beginning of the period	1,250	22,858	1,070	8,890	(2,315)	30,503	11,324	9,304	52,381	(11)	52,370
Transfer from retained earnings	-	-	-	-	-	-	9,304	(9,304)	-	-	-
Comprehensive income	-	-	-	-	533	533	-	2,469	3,002	-	3,002
As at the end of the period	1,250	22,858	1,070	8,890	(1,782)	31,036	20,628	2,469	55,383	(11)	55,372

FOR 3 MONTHS ENDED 31 MARCH 2024	Share capital	Reserves and accumulated other comprehensive income					Retained earnings	Net profit or loss for the period	Total capital and reserves attributable to equity holders of the parent company	Total non-controlling interests	Total equity
		Reserves			Accumulated other comprehensive income	Reserves and accumulated other comprehensive income					
		Supplementary capital	General banking risk fund	Other reserves							
As at the beginning of the period	1,250	22,860	1,070	7,138	(3,392)	27,676	10,810	5,502	45,238	(11)	45,227
Transfer from retained earnings	-	-	-	-	-	-	5,502	(5,502)	-	-	-
Comprehensive income	-	-	-	-	360	360	-	2,044	2,404	(1)	2,403
As at the end of the period	1,250	22,860	1,070	7,138	(3,032)	28,036	16,312	2,044	47,642	(12)	47,630

(IN PLN MILLION)

FOR 3 MONTHS ENDED 31 MARCH 2025	Accumulated other comprehensive income						
	Share in other comprehensive income of associates and joint ventures	Fair value of financial assets measured at fair value through other comprehensive income	Cash flow hedges	Finance income and costs from insurance business	Actuarial gains and losses	Foreign currency translation differences from foreign operations	Total
As at the beginning of the period	(43)	(669)	(1,122)	1	(27)	(455)	(2,315)
Comprehensive income	6	224	337	-	-	(34)	533
As at the end of the period	(37)	(445)	(785)	1	(27)	(489)	(1,782)

FOR 3 MONTHS ENDED 31 MARCH 2024	Accumulated other comprehensive income						
	Share in other comprehensive income of associates and joint ventures	Fair value of financial assets measured at fair value through other comprehensive income	Cash flow hedges	Finance income and costs from insurance business	Actuarial gains and losses	Foreign currency translation differences from foreign operations	Total
As at the beginning of the period	(66)	(1,021)	(1,860)	(1)	(24)	(420)	(3,392)
Comprehensive income	17	376	(25)	2	-	(10)	360
As at the end of the period	(49)	(645)	(1,885)	1	(24)	(430)	(3,032)

(IN PLN MILLION)

CONSOLIDATED STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS	01.01-31.03.2025	01.01-31.03.2024 (restated)
Cash flows from operating activities		
Profit before tax	**3,383**	**2,736**
Income tax paid	**(1,280)**	**(520)**
Total adjustments:	**(6,523)**	**(14,971)**
Depreciation and amortization	397	361
(Gains)/losses on investing activities	(7)	(18)
Net interest income (from income statement)	(5,982)	(5,192)
Interest received	6,266	5,990
Interest paid	(1,830)	(2,093)
Change in:		
amounts due from banks	(1,453)	(610)
hedging derivatives	(144)	(347)
other derivative instruments	(138)	(73)
securities	(50)	(574)
loans and advances to customers	(4,520)	(5,494)
reverse repo transactions	469	(155)
assets in respect of insurance activities	13	21
property, plant and equipment under operating lease	(76)	(137)
assets held for sale	(3)	10
other assets	(308)	(167)
accumulated allowances for expected credit losses	114	146
accumulated allowances on non-financial assets and other provisions	386	375
amounts due to banks	(28)	(533)
amounts due to customers	587	(6,448)
liabilities in respect of insurance activities	(202)	9
loan and advances received	(25)	(32)
liabilities in respect of debt securities in issue	(3,385)	(6)
other liabilities	3,217	169
Other adjustments	179	(173)
Net cash from/used in operating activities	(4,420)	(12,755)

(IN PLN MILLION)

STATEMENT OF CASH FLOWS	01.01-31.03.2025	01.01-31.03.2024 (restated)
Cash flows from investing activities		
Inflows from investing activities	**111,078**	**201,225**
Redemption and sale of securities measured at fair value through other comprehensive income	104,429	199,815
Interest received on securities measured at fair value through other comprehensive income	566	672
Redemption of securities measured at amortized cost	5,873	629
Interest received on securities measured at amortized cost	194	72
Proceeds from disposal of intangible assets, property, plant and equipment and assets held for sale	16	37
Outflows on investing activities	**(116,236)**	**(195,384)**
Purchase of securities measured at fair value through other comprehensive income	(106,175)	(184,089)
Purchase of securities measured at amortized cost	(9,926)	(11,058)
Purchase of intangible assets and property, plant and equipment	(135)	(237)
Net cash from/used in investing activities	(5,158)	5,841
Cash flows from financing activities		
Distribution of interim dividend	-	(1,600)
Proceeds from debt securities in issue	6,911	7,381
Redemption of debt securities	(3,129)	(4,478)
Repayment of loans and advances received	(27)	(27)
Payment of lease liabilities	(76)	(72)
Repayment of interest on long-term liabilities	(570)	(425)
Net cash from financing activities	3,109	779
Total net cash flows	(6,469)	(6,135)
of which foreign exchange differences on cash and cash equivalents	(161)	(66)
Cash and cash equivalents at the beginning of the period	27,294	30,212
Cash and cash equivalents at the end of the period	20,825	24,077

The notes presented on pages 35 to 78 form an integral part of the condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group for the three-month period ended 31 March 2025

(IN PLN MILLION)

GENERAL INFORMATION ABOUT THE BANK'S GROUP

1. ACTIVITIES OF THE GROUP

Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (**PKO Bank Polski S.A.** or **the Bank**) was established by virtue of a decree signed on 7 February 1919 by the Head of State Józef Piłsudski, Prime Minister Ignacy Paderewski and Hubert Linde, post and telegraph minister and simultaneously the first president, as Pocztowa Kasa Oszczędnościowa. In 1950, the Bank began operating as Powszechna Kasa Oszczędności Bank Państwowy (state-owned bank). Pursuant to the Decree of the Council of Ministers dated 18 January 2000, Powszechna Kasa Oszczędności (a state-owned bank) was transformed into a state owned joint-stock company, Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.

On 12 April 2000, Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna was registered and entered into the Commercial Register maintained by the District Court for the City of Warsaw, Commercial Court, 16th Registration Department. At present, the court with jurisdiction over the Bank's affairs is the District Court in Warsaw, 13th Commercial Division of the National Court Register. The Bank was registered under the number KRS 0000026438 and was assigned the statistical number REGON 016298263.

Country of registration	Poland
Registered office	Warsaw
Address of the registered office of the entity	ul. Puławska 15, 02-515 Warsaw

According to the Bulletin of the Warsaw Stock Exchange (Ceduła Giełdowa), the Bank is classified under the macro-sector "Finance", in the "Banks" sector.

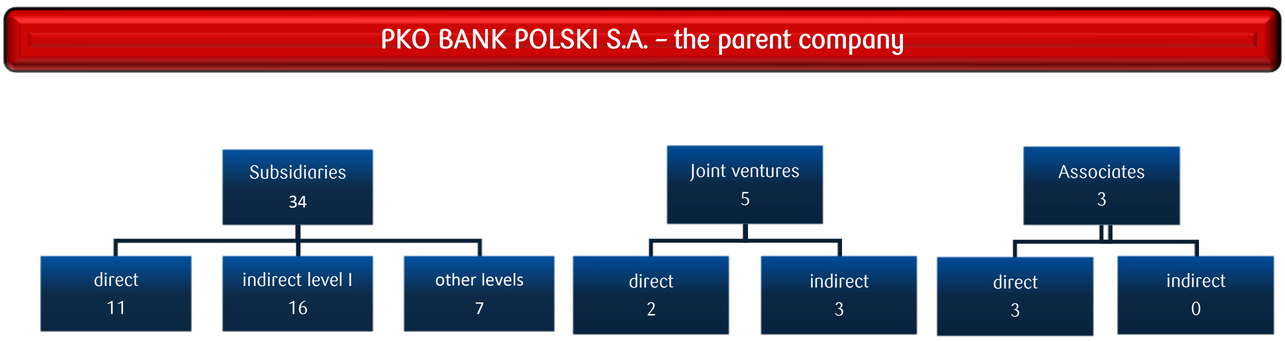
The Powszechna Kasa Oszczędnościowa Bank Polski Spółka Akcyjna Group (**"THE PKO BANK POLSKI S.A. GROUP", "THE BANK'S GROUP", "THE GROUP"**) conducts its operations within the territory of the Republic of Poland and through subsidiaries in Ukraine, Sweden and Ireland; it also has branches in the Federal Republic of Germany, the Czech Republic, the Slovak Republic and Romania.

PKO Bank Polski S.A., as the parent company, is a universal deposit and credit bank which services both Polish and foreign individuals, legal and other entities. The Bank may hold and trade in cash in foreign currencies, as well as conduct foreign exchange and foreign currency transactions, open and maintain bank accounts in banks abroad, and deposit foreign currency in those accounts.

Through its subsidiaries, the Group offers mortgage loans, provides specialized financial services related to leases, factoring, debt collection, investment funds, pension funds and insurance, as well as provides services related to car fleet management, transfer agent, technological solutions, IT outsourcing and business support and real estate management.

- **SEASONALITY OR CYCLICALITY OF ACTIVITIES IN THE REPORTING PERIOD**

The Bank's and the other PKO Bank Polski SA Group companies' activities do not show material cyclical or seasonal changes.



(IN PLN MILLION)

The PKO Bank Polski S.A. Group consists of the following subsidiaries:

No.	ENTITY NAME DIRECT SUBSIDIARIES	REGISTERED OFFICE	ACTIVITY	OWNERSHIP INTEREST (%) 31.03.2025	31.12.2024
1	PKO Bank Hipoteczny S.A.	Warsaw	banking activities	100	100
2	PKO Towarzystwo Funduszy Inwestycyjnych S.A.	Warsaw	investment fund management	100	100
3	PKO Leasing S.A.	Łódź	leases and loans	100	100
4	PKO BP BANKOWY PTE S.A.	Warsaw	pension fund management	100	100
5	PKO BP Finat sp. z o.o.	Warsaw	services, including transfer agent services and outsourcing of IT specialists	100	100
6	PKO Życie Towarzystwo Ubezpieczeń S.A.	Warsaw	life insurance	100	100
7	PKO Towarzystwo Ubezpieczeń S.A.	Warsaw	other personal insurance and property insurance	100	100
8	PKO Finance AB	Sollentuna, Sweden	financial services	100	100
9	KREDOBANK S.A.	Lviv, Ukraine	banking activities	100	100
10	NEPTUN - fizan[1]	Warsaw	investing funds	100	100
11	PKO VC - fizan[1]	Warsaw	collected from fund participants	100	100

[1] PKO Bank Polski S.A. holds investment certificates of the Fund; the percentage of the Fund's investment certificates held is presented in the item "Share in capital".

No.	ENTITY NAME INDIRECT SUBSIDIARIES	REGISTERED OFFICE	ACTIVITY	OWNERSHIP INTEREST (%)* 31.03.2025	31.12.2024
	PKO Leasing S.A. GROUP				
1	PKO Agencja Ubezpieczeniowa sp. z o.o.	Warsaw	intermediation in concluding insurance agreements	100	100
	1.1 PKO Leasing Finanse sp. z o.o.	Warsaw	sale of post-lease assets	100	100
2	PKO Leasing Sverige AB	Stockholm, Sweden	leasing	100	100
3	Prime Car Management S.A.	Gdańsk	leasing, fleet management	100	100
	3.1 Futura Leasing S.A.	Gdańsk	sale of post-lease assets	100	100
	3.2 Masterlease sp. z o.o.	Gdańsk	leasing	100	100
	3.3 MasterRent24 sp. z o.o.	Gdańsk	short-term lease of cars	100	100
4	PKO Faktoring S.A.	Warsaw	factoring	100	100
5	Polish Lease Prime 1 DAC[1]	Dublin, Ireland	SPV established for securitization of lease receivables	-	-
	PKO Życie Towarzystwo Ubezpieczeń S.A. GROUP				
6	Ubezpieczeniowe Usługi Finansowe sp. z o.o.	Warsaw	services	100	100
	KREDOBANK S.A. GROUP				
7	"KREDOLEASING" sp. z o.o.	Lviv, Ukraine	leasing	100	100
	NEPTUN - fizan				
8	Qualia sp. z o.o.	Warsaw	after-sale services in respect of developer products	100	100
9	Sarnia Dolina sp. z o.o. w likwidacji (in liquidation)	Warsaw	development activities	100	100
10	Bankowe Towarzystwo Kapitałowe S.A.	Warsaw	services	100	100
	10.1 „Inter-Risk Ukraina" spółka z dodatkową odpowiedzialnością[2]	Kyiv, Ukraine	debt collection	99.90	99.90
	10.2 Finansowa Kompania "Prywatne Inwestycje" sp. z o.o.[3]	Kyiv, Ukraine	financial services	95.4676	95.4676
	10.2.1 Finansowa Kompania "Idea Kapitał" sp. z o.o.	Lviv, Ukraine	services	100	100
11	"Sopot Zdrój" sp. z o.o.	Sopot	property management	72.9769	72.9769
12	"Zarząd Majątkiem Górczewska" sp. z o.o.	Warsaw	property management	100	100

(IN PLN MILLION)

13	Molina sp. z o.o. w likwidacji (in liquidation)	Warsaw	general partner in partnerships limited by shares of a fund	100	100
14	Molina spółka z ograniczoną odpowiedzialnością w likwidacji 1 S.K.A. (in liquidation)	Warsaw	buying and selling real estate	100	100
15	Molina spółka z ograniczoną odpowiedzialnością 4 S.K.A. (in liquidation)	Warsaw	on own account, real estate management	100	100
16	Molina spółka z ograniczoną odpowiedzialnością 6 S.K.A. w likwidacji (in liquidation)	Warsaw		100	100

* share of direct parent in the entity's equity
1) In accordance with IFRS 10, PKO Leasing S.A. exercises control over the company, although it does not have a capital share In it.
2) Finansowa Kompania "Prywatne Inwestycje" sp. z o.o. is the second shareholder of the company.
3) "Inter-Risk Ukraina" – a company with additional liability – is the second shareholder of the company.

The Group has the following associates and joint ventures:

No.	ENTITY NAME	REGISTERED OFFICE	ACTIVITY	OWNERSHIP INTEREST (%)*	
				31.03.2025	31.12.2024
	Joint ventures of PKO Bank Polski S.A.				
1	Operator Chmury Krajowej sp. z o.o.	Warsaw	cloud computing services	50	50
2	Centrum Elektronicznych Usług Płatniczych eService sp. z o.o.	Warsaw	financial services support activities, including handling transactions concluded using payment instruments	34	34
	1 EVO Payments International s.r.o.	Prague, the Czech Republic	financial services support activities	100	100
	Joint venture NEPTUN - fizan				
	2 "Centrum Obsługi Biznesu" sp. z o.o.	Poznań	property management	41.45	41.45
	Joint venture PKO VC - fizan				
	3 BSafer sp. z o.o.	Stalowa Wola	managing marketing consents	35.06	35.06
	Associates of PKO Bank Polski S.A.				
1	Bank Pocztowy S.A.	Bydgoszcz	banking activities	25.0001	25.0001
2	Poznański Fundusz Poręczeń Kredytowych sp. z o.o.	Poznań	guarantees	33.33	33.33
3	System Ochrony Banków Komercyjnych S.A.	Warsaw	manager of the security system referred to in Article 130e of the Banking Law	21.11	21.11

* share in equity of the entity exercising joint control / having a significant impact / the direct parent.

2. CHANGES IN THE GROUP COMPANIES

There were no changes in the Group's structure during the three-month period ended 31 March 2025.

3. APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group (the **FINANCIAL STATEMENTS**), reviewed by the Audit Committee of the Supervisory Board and reviewed by the Supervisory Board on 12 May 2025, were approved for publication by the Management Board on 12 May 2025.

4. REPRESENTATION BY THE MANAGEMENT BOARD

The Management Board hereby represents that, to its best knowledge, the financial statements of the Group and the comparative data have been prepared in accordance with the applicable accounting policies and give a true, fair and clear view of the Group's financial position and its results of operations.

5. THE BASIS FOR PREPARATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Group has prepared its condensed interim consolidated financial statements in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" as endorsed by the European Union.

These condensed interim consolidated financial statements of the Group for the three-month period ended 31 March 2025 do not comprise all the information and disclosures which may be required in annual consolidated financial statements and should be read jointly with the annual consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2024 that were prepared in accordance with the International Financial Reporting Standards endorsed by the European Union.

The condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group cover the three-month period ended 31 March 2025 and contains comparative figures:

- the three-month period ended 31 March 2024 with regard to the consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity, and consolidated statement of cash flows,
- as at 31 December 2024 with regard to the consolidated statement of financial position.

The financial data is presented in millions of Polish zlotys (PLN), unless otherwise indicated. Figures have been rounded to the nearest million Polish zloty and any differences from previously published figures may be due to rounding.

To prepare the financial statements, the Group applied the accounting policies and calculation methods consistent with those applicable in the financial year ended 31 December 2024, described in detail in the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2024. In addition, the Group has taken into account the principle of recognising income tax expense based on the best estimate of the weighted average annual income tax rate expected by the Group for the full financial year.

6. GOING CONCERN

The financial statements have been prepared on the basis of the assumption that the Group will continue as a going concern for a period of at least 12 months from the date of approval of the financial statements by the Management Board for publication, i.e. from 12 May 2025. As at the date of signing of these financial statements, the Management Board of the Bank did not identify any facts or circumstances which would indicate any threats to the Group's ability to continue in operation as a going concern for at least 12 months after the publication as a result of intended or forced discontinuing or significantly curtailing the existing operations of the Bank's Group.

The Bank's Management Board considered the impact of: current situation in Ukraine and legal risk of mortgage loans in convertible currencies, and assessed that these factors do not cause significant uncertainty in the Bank's ability to continue as a going concern.

(IN PLN MILLION)

7. CHANGES IN ACCOUNTING POLICIES APPLICABLE FROM 1 JANUARY 2025 AND EXPLANATION OF THE DIFFERENCES BETWEEN PREVIOUSLY PUBLISHED FINANCIAL STATEMENTS AND THESE FINANCIAL STATEMENTS

With the exception of the changes required by standards and amendments to standards that became effective as of 1 January 2025, the Group has not implemented any new accounting policies. The amendments had no material impact on the Group's financial statements. In order to increase the transparency of the disclosures, to better reflect the economic nature of the transactions entered into and to adapt to changes in market practice observed in the market, in 2024 the Group decided to change the presentation with regard to:

- derivative hedging instruments and other derivatives - in the case of interest rate derivatives where the counterparty to the transaction is a clearing house (CCP) or clearing broker, the Group netted the positive and negative valuation of the derivatives against the Variation Margin values;
- provision for accrued holiday entitlements – from "Provisions" to "Other liabilities".
- cash flows from interest income and interest expense relating to operating activities – following the change, interest received and interest paid relating to operating activities is presented under separate line items in the statement of cash flows from operating activities.

The Group made appropriate changes to comparative data, which had no impact on the income statement or net assets.

CASH FLOWS FROM OPERATING ACTIVITIES – SELECTED DATA	01.01-31.03.2024 before restatement	Change	01.01-31.03.2024 restated
Total adjustments	**(14,480)**	**(491)**	**(14,971)**
Interest and dividends received (previous item)	(744)	744	-
Interest paid (previous item)	425	(425)	-
Net interest income (from income statement) (new item)	-	(5,192)	(5,192)
Interest received (new item)	-	5,990	5,990
Interest paid (new item)	-	(2,093)	(2,093)
Change in:			
amounts due from banks	(503)	(107)	(610)
hedging derivatives	664	(1,011)	(347)
securities	(1,787)	1,213	(574)
loans and advances to customers	(5,511)	17	(5,494)
accumulated allowances on non-financial assets and other provisions	377	(2)	375
amounts due to banks	(571)	38	(533)
amounts due to customers	(6,573)	125	(6,448)
loan and advances received	(16)	(16)	(32)
liabilities in respect of debt securities in issue	(127)	121	(6)
subordinated liabilities	(57)	57	-
other liabilities	167	2	169
Net cash from/used in operating activities	**12,264**	**(491)**	**(12,755)**
Total net cash flows	(5,644)	(491)	(6,135)
Cash and cash equivalents at the beginning of the period	31,328	(1,116)	30,212
Cash and cash equivalents at the end of the period	25,684	(1,607)	24,077

(IN PLN MILLION)

8. NEW STANDARDS AND AMENDMENTS TO STANDARDS

- ### STANDARDS AND AMENDMENTS TO STANDARDS EFFECTIVE FROM 1 JANUARY 2025

Standards and interpretations	Description of amendments	Effective date
Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"	The amendments clarify when a currency is convertible into other currencies, how an entity determines the exchange rate when a currency is not convertible, and specify the scope of disclosures to help the user of the financial statements assess the impact of currency non-convertibility on the entity's financial position, financial performance and cash flows. The amendments do not have an impact on the consolidated financial statements of the Group.	1 January 2025 (endorsed by the EU on 12 November 2024)

- ### NEW STANDARDS AND AMENDMENTS TO STANDARDS THAT HAVE BEEN PUBLISHED BUT HAVE NOT BEEN ENDORSED BY THE EUROPEAN UNION

Standards and interpretations	Description of amendments	Effective date
Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures"	The guidance in IFRS 9 on the derecognition of a financial liability settled by electronic transfer has been amended. The amendment allows an entity to recognise a financial liability that has been settled using an electronic payment system as settled before the settlement date, if certain criteria are met (related, among other things, to the entity's inability to cancel the payment, immaterial risk regarding the settlement of the payment). The amendment addresses the issue of a later settlement date for payments made through electronic payment systems compared to the date of initiation of such payment by the individual. In addition, amendments have been made to the classification of financial assets, i.e: a) extension of the guidance for assessing whether the contractual cash flows related to a financial asset are consistent with the underlying loan agreement, b) clarification of the provisions on "non-recourse" assets, c) clarification of the characteristics of contractually linked instruments. The mandatory disclosures under IFRS 7 have been expanded. The Group is in the process of reviewing the impact of the amendments on the consolidated financial statements.	1 January 2026 (not endorsed by the EU)
IFRS 18 Presentation and disclosures in financial statements	IFRS 18 will replace the current IAS 1. The amendments relative to the standard being replaced will mainly affect three areas: a) new categories and mandatory subtotals in the income statement, b) disclosures regarding Management Performance Measures (MPMs) applied by the Management Board, c) extension of guidelines on information aggregation. The Group is in the process of reviewing the impact of the amendments on the consolidated financial statements.	1 January 2027 (not endorsed by the EU)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	IFRS 19 introduces simplified reporting requirements and reduces the number of mandatory disclosures for eligible subsidiaries in their separate financial statements. The amendments will not have a material impact on the consolidated financial statements of the Group.	1 January 2027 (not endorsed by the EU)
"Annual Improvements to IFRSs – Volume 11" of the International Accounting Standards Board	On 18 July 2024, the Board published a document that contains clarifications, simplifications, amendments and changes aimed at improving the consistency of a number of accounting standards (IFRS 1, IFRS 7 and accompanying	1 January 2026 (not endorsed by the EU)

	"IFRS 7 implementation guidance"; IFRS 9; IFRS 10 and IAS 7). The above amendments and corrections mainly clarify or bring consistency to existing provisions and do not introduce new requirements in IAS/IFRS. The Group is in the process of reviewing the impact of the amendments on the consolidated financial statements.	
Amendments to IFRS 9 and IFRS 7 on nature-dependent energy supply agreements (RES).	The amendments relate to contracts for electricity from nature-dependent sources (so-called Power Purchase Agreements - PPAs) and are intended to help entities better report on the financial impacts associated with such contracts. The amendments include: a) clarification of the application of the "own use" requirements, b) permitting the application of hedge accounting if such contracts are used as hedging instruments, c) addition of new disclosure requirements to enable investors to understand the impact of such contracts on the company's financial performance and cash flows. The Group is in the process of reviewing the impact of the amendments on the consolidated financial statements.	1 January 2026 (not endorsed by the EU)

SUPPLEMENTARY NOTES TO THE INCOME STATEMENT

9. SEGMENT REPORTING

The PKO Bank Polski S.A. Group conducts business activities within segments offering specific products and services addressed to specific groups of customers. The manner in which the business segments are divided ensures consistency with the sales management model and offers customers a comprehensive product mix comprising both traditional banking products and more complex investment products, as well as services provided by the Group entities.

(IN PLN MILLION)

The segmentation note presented below is consistent with the internal reporting system, i.e. the information presented to the Management Board of PKO Bank Polski S.A. taken into account in the assessment of performance and reflects the internal organisational structure of the Group.

INCOME STATEMENT BY SEGMENT	Continuing operations			
period from 01.01.2025 to 31.03.2025	Retail segment	Corporate and investment segment	Transfer center and other	Total operations of the Group
Net interest income	**4,636**	**1,765**	**(419)**	**5,982**
Net fee and commission income	**970**	**310**	**(27)**	**1,253**
Net other income	**235**	**37**	**65**	**337**
Net income from insurance business	152	2	-	154
Gains/(losses) on financial transactions	15	16	46	77
Net foreign exchange gains/ (losses)	60	25	(25)	60
Gains on derecognition of financial instruments	3	2	1	6
Net other operating income and expense	2	(5)	43	40
Income/(expenses) relating to internal customers	3	(3)	-	-
Result on business activities	**5,841**	**2,112**	**(381)**	**7,572**
Net allowances for expected credit losses	(146)	(54)	-	(200)
Impairment of non-financial assets	(165)	(3)	(44)	(212)
Cost of legal risk of mortgage loans in convertible currencies	(973)	-	-	(973)
Administrative expenses, of which:	(1,929)	(520)	(71)	(2,520)
depreciation and amortization	(254)	(45)	(2)	(301)
net regulatory charges	(253)	(182)	(38)	(473)
Tax on certain financial institutions	(227)	(138)	39	(326)
Segment profit/(loss)	**2,400**	**1,398**	**(457)**	**3,341**
Share in profits and losses of associates and joint ventures				42
Profit before tax				**3,383**
Income tax expense (tax burden)				(914)
Net profit (including non-controlling shareholders)				**2,469**
Net profit attributable to equity holders of the parent company				**2,469**

ASSETS AND LIABILITIES BY SEGMENT 31.03.2025	Retail segment	Corporate and investment segment	Transfer center and other	Total operations of the Group
Assets	203,565	189,250	135,646	528,461
Investments in associates and joint ventures				308
Unallocated assets				2,586
Total assets				531,355
Liabilities	352,978	91,148	30,859	474,985
Unallocated liabilities				998
Total liabilities				475,983

(IN PLN MILLION)

INCOME STATEMENT BY SEGMENT	Continuing operations			
period from 01.01.2024 to 31.03.2024	Retail segment	Corporate and investment segment	Transfer center and other	Total operations of the Group
Net interest income	**4,108**	**1,725**	**(641)**	**5,192**
Net fee and commission income	**952**	**339**	**(13)**	**1,278**
Net other income	**251**	**36**	**72**	**359**
Net income from insurance business	171	5	-	176
Gains/(losses) on financial transactions	4	26	32	62
Net foreign exchange gains/ (losses)	44	4	18	66
Gains on derecognition of financial instruments	14	6	-	20
Net other operating income and expense	13	-	22	35
Income/(expenses) relating to internal customers	5	(5)	-	-
Result on business activities	**5,311**	**2,100**	**(582)**	**6,829**
Net allowances for expected credit losses	(250)	48	-	(202)
Impairment of non-financial assets	(68)	-	(44)	(112)
Cost of legal risk of mortgage loans in convertible currencies	(1,338)	-	-	(1,338)
Administrative expenses, of which:	(1,671)	(467)	(41)	(2,179)
depreciation and amortization	(236)	(43)	(3)	(282)
net regulatory charges	(173)	(169)	(8)	(350)
Tax on certain financial institutions	(205)	(122)	24	(303)
Segment profit/(loss)	**1,779**	**1,559**	**(643)**	**2,695**
Share in profits and losses of associates and joint ventures				41
Profit before tax				**2,736**
Income tax expense (tax burden)				(693)
Net profit (including non-controlling shareholders)				**2,043**
Profit (loss) attributable to non-controlling shareholders				(1)
Net profit attributable to equity holders of the parent company				**2,044**

ASSETS AND LIABILITIES BY SEGMENT 31.12.2024	Retail segment	Corporate and investment segment	Transfer center and other	Total operations of the Group
Assets	199,746	191,439	130,687	521,872
Investments in associates and joint ventures				291
Unallocated assets				3,062
Total assets				525,225
Liabilities	347,060	90,883	33,204	471,147
Unallocated liabilities				1,708
Total liabilities				472,855

(IN PLN MILLION)

10. INTEREST INCOME AND EXPENSE

INTEREST AND SIMILAR INCOME	01.01-31.03.2025	01.01-31.03.2024
Loans and other amounts due from banks and the Central Bank[1]	**318**	**395**
Debt securities	**2,370**	**1,922**
measured at amortized cost	1,138	758
measured at fair value through other comprehensive income	1,224	1,155
measured at fair value through profit or loss	8	9
Loans and advances to customers	**5,225**	**5,113**
measured at amortized cost	5,147	5,006
measured at fair value through profit or loss	78	107
Repo transactions	**6**	**4**
Finance lease receivables	**401**	**388**
Total	8,320	7,822
of which: interest income on impaired financial instruments	172	135
of which: net income/(expense) on non-substantial modification	(4)	(23)
Interest income calculated using the effective interest rate method on financial instruments measured:	8,234	7,706
at amortized cost	7,010	6,551
at fair value through other comprehensive income	1,224	1,155
Income similar to interest income on instruments measured at fair value through profit or loss	86	116
Total	8,320	7,822

[1] Under this item, in the three-month period ended 31 March 2025, the Group recognised income on funds in the current account with the NBP of PLN 197 million (PLN 185 million in the corresponding period).

INTEREST EXPENSE	01.01-31.03.2025	01.01-31.03.2024
Hedging derivatives	(458)	(504)
Amounts due to banks	(20)	(18)
Loans and advances received	(9)	(16)
Leases	(11)	(8)
Amounts due to customers	(1,463)	(1,833)
Repo transactions	(4)	(3)
Issues of securities	(294)	(195)
Subordinated liabilities	(79)	(53)
Total	(2,338)	(2,630)

INTEREST INCOME BY SEGMENT	1st quarter period from 01.01.2025 to 31.03.2025			
	Retail segment	Corporate and investment segment	Transfer center and other	Total
Loans and other amounts due from banks and the Central Bank	1	119	198	318
Debt securities	38	1,147	1,185	2,370
Loans and advances to customers	3,932	1,293	-	5,225
Repo transactions	-	6	-	6
Finance lease receivables	256	145	-	401
Total	4,227	2,710	1,383	8,320

(IN PLN MILLION)

INTEREST INCOME BY SEGMENT	1st quarter period from 01.01.2024 to 31.03.2024			
	Retail segment	Corporate and investment segment	Transfer center and other	Total
Loans and other amounts due from banks and the Central Bank	1	207	187	395
Debt securities	38	1,102	782	1,922
Loans and advances to customers	3,792	1,321	-	5,113
Repo transactions	-	4	-	4
Finance lease receivables	244	144	-	388
Total	4,075	2,778	969	7,822

11. FEE AND COMMISSION INCOME AND EXPENSES

FEE AND COMMISSION INCOME	01.01-31.03.2025	01.01-31.03.2024
Loans, insurance, operating leases and fleet management	**313**	**321**
lending	227	239
offering insurance products	20	21
operating leases and fleet management	66	61
Investment funds, pension funds and brokerage activities	**280**	**255**
servicing investment funds and OFE (including management fees)	142	109
brokerage activities	135	145
servicing and selling investment and insurance products	3	1
Karty1	**516**	**509**
Margins on foreign exchange transactions[1]	**215**	**190**
Bank accounts and other	**351**	**348**
servicing bank accounts	252	244
cash operations	25	27
servicing foreign mass transactions	36	36
customer orders	12	13
fiduciary services	3	3
other	23	25
Total, of which:	1,675	1,623
income from financial instruments not measured at fair value through profit or loss	1,522	1,496

[1] In the first half of 2024, the Group made a presentation change (netting) relating to the currency conversion commission presented under the items "Cards" and "Margins on foreign exchange transactions". The comparative figures for the first quarter of 2024 have been restated accordingly by PLN 41 million.

(IN PLN MILLION)

FEE AND COMMISSION EXPENSE	01.01-31.03.2025	01.01-31.03.2024
Loans and insurance	**(31)**	**(29)**
cost of construction project supervision and property appraisal	(12)	(10)
fees to Biuro Informacji Kredytowej	(12)	(8)
commission paid to external entities for product sales	(3)	(5)
loan handling	(4)	(6)
Investment funds, pension funds and brokerage activities	**(19)**	**(14)**
Cards	**(295)**	**(245)**
Bank accounts and other	**(77)**	**(57)**
on account of guarantees received	(27)	(14)
clearing services	(17)	(16)
sending short text messages (SMS)	(14)	(13)
servicing foreign mass transactions	(8)	(6)
commissions for operating services provided by banks	(4)	(3)
other	(7)	(5)
Total	(422)	(345)

FEE AND COMMISSION INCOME BY SEGMENT	1st quarter period from 01.01.2025 to 31.03.2025			
	Retail segment	Corporate and investment segment	Transfer center and other	Total
Loans, insurance, operating leases and fleet management	179	131	3	313
Investment funds, pension funds and brokerage activities	230	50	-	280
Cards	505	11	-	516
Margins on foreign exchange transactions	151	64	-	215
Bank accounts and other	254	97	-	351
Total	1,319	353	3	1,675

FEE AND COMMISSION INCOME BY SEGMENT[1]	1st quarter period from 01.01.2024 to 31.03.2024			
	Retail segment	Corporate and investment segment	Transfer center and other	Total
Loans, insurance, operating leases and fleet management	171	147	3	321
Investment funds, pension funds and brokerage activities	209	46	-	255
Cards	495	14	-	509
Margins on foreign exchange transactions[2]	126	64	-	190
Bank accounts and other	252	96	-	348
Total	1,253	367	3	1,623

[1] Figures for the three-month period ended 31 March 2024 have been adjusted for comparability.

(IN PLN MILLION)

12. NET ALLOWANCES FOR EXPECTED CREDIT LOSSES

NET ALLOWANCES FOR EXPECTED CREDIT LOSSES	01.01-31.03.2025	01.01-31.03.2024
Amounts due from banks	**(2)**	**3**
Debt securities measured:	**19**	**4**
at fair value through other comprehensive income	14	10
at amortized cost	5	(6)
Loans and advances to customers measured at amortized cost	**(230)**	**(308)**
real estate loans	49	(10)
business loans	(134)	(69)
consumer loans	(121)	(201)
finance lease receivables	(22)	(28)
factoring receivables	(2)	-
Other financial assets	**(2)**	**(3)**
Provisions for financial liabilities and guarantees granted	**15**	**102**
Total	(200)	(202)

CHANGE IN ACCUMULATED ALLOWANCES FOR expected credit losses	Opening balance	Net allowances for expected credit losses	Change in allowances due to write-offs and other adjustments	Closing balance
FOR 3 MONTHS ENDED 31 MARCH 2025				
Amounts due from banks	(2)	(2)	-	**(4)**
Debt securities	(92)	19	(14)	**(87)**
Loans and advances to customers	(9,185)	(230)	97	**(9,318)**
Other financial assets	(129)	(2)	-	**(131)**
Financial liabilities and guarantees granted	(633)	15	3	**(615)**
Total	(10,041)	(200)	86	(10,155)
FOR 3 MONTHS ENDED 31 MARCH 2024				
Amounts due from banks	(9)	3	-	**(6)**
Debt securities	(72)	4	(10)	**(78)**
Loans and advances to customers	(10,207)	(308)	64	**(10,451)**
Other financial assets	(136)	(3)	3	**(136)**
Financial liabilities and guarantees granted	(751)	102	-	**(649)**
Total	(11,175)	(202)	57	(11,320)

13. IMPAIRMENT OF NON-FINANCIAL ASSETS

NET IMPAIRMENT OF NON-FINANCIAL ASSETS	01.01-31.03.2025	01.01-31.03.2024
Property, plant and equipment	(1)	15
Investments in associates and joint ventures	(31)	(47)
Other non-financial assets, including inventories[1]	(180)	(80)
Total	(212)	(112)

[1] In the first quarter of 2025, the Group recognised an impairment loss on other non-financial assets of PLN 163 million relating to receivables from customers for whom the agreements have been legally declared invalid in respect of the principal originally disbursed to these customers (PLN 67 million in the first quarter of 2024).

(IN PLN MILLION)

CHANGE IN ACCUMULATED IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS	Opening balance	Impairment of non-financial assets	Other	Closing balance
FOR 3 MONTHS ENDED 31 MARCH 2025				
Property, plant and equipment under operating lease	(10)	-	-	(10)
Property, plant and equipment	(140)	(1)	4	(137)
Non-current assets held for sale	(1)	-	-	(1)
Intangible assets	(382)	-	-	(382)
Investments in associates and joint ventures	(349)	(31)	-	(380)
Other non-financial assets, including inventories	(703)	(180)	6	(877)
Total	(1,585)	(212)	10	(1,787)
FOR 3 MONTHS ENDED 31 MARCH 2024				
Property, plant and equipment under operating lease	(3)	-	-	(3)
Property, plant and equipment	(135)	15	6	(114)
Intangible assets	(382)	-	-	(382)
Investments in associates and joint ventures	(275)	(47)	-	(322)
Other non-financial assets	(358)	(80)	4	(434)
Total	(1,153)	(112)	10	(1,255)

14. COST OF THE LEGAL RISK OF MORTGAGE LOANS IN CONVERTIBLE CURRENCIES

IMPACT OF LEGAL RISK OF MORTGAGE LOANS IN CONVERTIBLE CURRENCIES	Gross carrying amount of mortgage loans in convertible currencies net of the cost of legal risk of mortgage loans in convertible currencies	Accumulated cost of legal risk of mortgage loans in convertible currencies	Gross carrying amount of mortgage loans in convertible currencies including the cost of legal risk of mortgage loans in convertible currencies
as at 31.03.2025			
Loans and advances to customers – adjustment reducing the carrying amount of loans, of which:	10,195	7,011	3,184
- related to the portfolio of mortgage loans in CHF	8,990	7,011	1,979
Provisions		5,926	
Total		12,937	
as at 31.12.2024			
Loans and advances to customers – adjustment reducing the carrying amount of loans, of which:	11,455	7,666	3,789
- related to the portfolio of mortgage loans in CHF	9,862	7,666	2,196
Provisions		5,733	
Total		13,399	

CHANGE IN THE ACCUMULATED COST OF LEGAL RISK OF MORTGAGE LOANS IN CONVERTIBLE CURRENCIES DURING THE PERIOD	01.01-31.03.2025	01.01-31.03.2024
Carrying amount at the beginning of the period	**13,399**	**11,307**
offset of settlements and judgments for the period against accumulated losses[1]	(1,262)	(424)
revaluation of loss for the period and other changes[2]	(173)	(583)
cost of legal risk of mortgage loans in convertible currencies	973	1,338
Carrying amount at the end of the period	12,937	11,638

[1] The item includes the effects of final judgements invalidating loan agreements, which amounted to PLN 784 million in the first quarter of 2025 (PLN -222 million in the first quarter of 2024).

[2] Revaluation of the loss in respect of the legal risk is associated with the effect of changes in foreign exchange rates on the part of the loss which is recognized in the convertible currency as adjustment to the gross carrying amount of loans.

(IN PLN MILLION)

*(pcs)	31.03.2025	31.12.2024
Number of mediation applications registered	65,761	64,990
Total number of settlements concluded, including those concluded	50,238	47,757
in mediation proceedings	41,712	40,812
in court proceedings	8,526	6,945

15. ADMINISTRATIVE EXPENSES

ADMINISTRATIVE EXPENSES	01.01-31.03.2025	01.01-31.03.2024
Employee benefits	**(1,265)**	**(1,090)**
Overheads, of which:	**(481)**	**(457)**
rent	(28)	(27)
IT	(140)	(105)
Depreciation and amortization	**(301)**	**(282)**
property, plant and equipment, of which:	(134)	(135)
IT	(31)	(33)
right-of-use assets	(63)	(66)
intangible assets, of which:	(167)	(147)
IT	(166)	(146)
Costs of regulatory charges	**(473)**	**(350)**
contribution and payments to the Bank Guarantee Fund	(375)	(272)
fees to PFSA	(75)	(57)
other taxes and fees	(23)	(21)
Total	(2,520)	(2,179)

16. INCOME TAX

Income tax in the interim financial statements is determined in accordance with IAS 34. The tax expense in the interim period is determined using the tax rate that would have applied to the expected profit before tax for the full year, i.e. using the estimated average annual effective income tax rate applied to income before tax in the interim period. The calculation of the average annual effective income tax rate requires the use of a forecast of income before tax for the full year and permanent differences relating to the carrying amounts and tax bases of assets and liabilities. The projected annual effective tax rate is 27.03%.

TAX EXPENSE	01.01-31.03.2025	01.01-31.03.2024
Income tax expense recognized in the income statement	**(914)**	**(693)**
Current income tax expense	(482)	(622)
Deferred income tax on temporary differences	(432)	(71)
Income tax expense recognized in other comprehensive income in respect of temporary differences	**(134)**	**(85)**
Total	(1,048)	(778)

RECONCILIATION OF THE EFFECTIVE TAX RATE	01.01-31.03.2025	01.01-31.03.2024
Profit or loss before tax	3,383	2,736
Tax at the statutory rate in force in Poland (19%)	(643)	(520)
Effect of different tax rates of foreign entities	(4)	(6)
Effect of permanent differences between profit before income tax and taxable income	(267)	(167)
Income tax expense recognized in the income statement	(914)	(693)
Effective tax rate (%)	27.03	25.33

The increase in the average annual effective income tax rate relative to the nominal income tax rate is mainly driven by the costs of legal risk related to mortgage loans in convertible currencies, the tax on certain financial institutions and contributions and other compulsory levies that are not tax-deductible (including contributions to the Bank Guarantee Fund).

(IN PLN MILLION)

Tax systems of countries in which the Bank and the Group entities have their registered offices or branches are often subject to amendments to laws, including as a result of operations aimed at tightening the tax system, both at national and international level.

SUPPLEMENTARY NOTES TO THE STATEMENT OF FINANCIAL POSITION – FINANCIAL INSTRUMENTS

17. AMOUNTS DUE FROM BANKS

For more information on credit risk exposures, see note 30 "CREDIT RISK MANAGEMENT".

AMOUNTS DUE FROM BANKS	31.03.2025	31.12.2024
Measured at amortized cost	**8,290**	**5,091**
Deposits with banks	5,516	2,674
Current accounts	1,078	1,210
Loans and advances granted	1,695	1,206
Cash in transit	1	1
Gross carrying amount	**8,290**	**5,091**
Allowances for expected credit losses	(4)	(2)
Net carrying amount	8,286	5,089

18. HEDGE ACCOUNTING AND OTHER DERIVATIVE INSTRUMENTS

- HEDGE ACCOUNTING

CARRYING AMOUNT OF HEDGING INSTRUMENTS	31.03.2025		31.12.2024	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedges	**714**	**1,337**	**577**	**1,697**
interest rate risk – IRS	714	1,174	478	1,466
foreign exchange risk and interest rate risk – CIRS	-	163	99	231
Fair value hedges	**340**	**2**	**492**	**5**
interest rate risk – IRS	340	2	492	5
Total (without offsetting effect)	1,054	1,339	1,069	1,702
Offsetting effect	(1,034)	(1,131)	(949)	(1,417)
Total	20	208	120	285

CHANGE IN OTHER COMPREHENSIVE INCOME RELATING TO CASH FLOW HEDGES	01.01-31.03.2025	01.01-31.03.2024
Accumulated other comprehensive income at the beginning of the period, net	**(1,122)**	**(1,860)**
Impact on other comprehensive income during the period, gross	**416**	**(31)**
Gains/losses recognized in other comprehensive income during the period	253	(704)
Amounts transferred from other comprehensive income to the income statement, of which:	163	673
- net interest income	459	495
- net foreign exchange gains/ (losses)	(296)	178
Tax effect	**(79)**	**6**
Accumulated other comprehensive income at the end of the period, net	(785)	(1,885)

(IN PLN MILLION)

- ## OTHER DERIVATIVE INSTRUMENTS

OTHER DERIVATIVE INSTRUMENTS - BY TYPE	31.03.2025		31.12.2024	
	Assets	Liabilities	Assets	Liabilities
IRS	2,839	3,023	3,256	3,386
CIRS	43	37	39	20
FX Swap	694	722	687	747
Options	354	654	357	573
Commodity swap	79	71	93	84
FRA	29	28	26	23
Forward	595	341	374	233
Commodity Forward	275	248	279	250
Other	3	-	-	-
Total (without offsetting effect)	4,911	5,124	5,111	5,316
Offsetting effect	(2,698)	(2,652)	(3,112)	(2,920)
Total	2,213	2,472	1,999	2,396

- ## NOMINAL AMOUNT OF HEDGING AND OTHER DERIVATIVES

NOMINAL AMOUNTS OF UNDERLYING INSTRUMENTS (BUY AND SELL TOGETHER)	31.03.2025	31.12.2024
IRS	**524,670**	**534,422**
hedging instruments	**149256**	**159,744**
purchase	74,628	79,872
sale	74,628	79,872
other	**375,414**	**374,678**
purchase	187,707	187,339
sale	187,707	187,339
CIRS	**29,062**	**28,602**
hedging instruments	**21,160**	**19,925**
purchase	10,439	9,808
sale	10,721	10,117
other	**7,902**	**8,677**
purchase	3,952	4,346
sale	3,950	4,331
FX Swap	**86,590**	**88,351**
purchase of currencies	43,241	44,129
sale of currencies	43,349	44,222
Options	**121,678**	**98,434**
purchase	60,132	48,612
sale	61,546	49,822
FRA	**56,440**	**38,249**
purchase	28,562	19,181
sale	27,878	19,068
Forward	**57,297**	**52,252**
other	**57,297**	**52,252**
purchase of currencies	28,886	26,294
sale of currencies	28,411	25,958
Other, including commodity swap, commodity forward and futures	**11,296**	**11,433**
purchase	5,668	5,712
sale	5,628	5,721

(IN PLN MILLION)

19. SECURITIES

For more information on credit risk exposures, see note 30 "CREDIT RISK MANAGEMENT".

SECURITIES 31.03.2025	held for trading	not held for trading, measured at fair value through profit or loss	measured at fair value through other comprehensive income	measured at amortized cost	Total
Debt securities	**670**	**365**	**100,781**	**115,452**	**217,268**
NBP money bills	-	-	11,987	-	11,987
treasury bonds (in PLN)	481	110	65,319	81,419	147,329
treasury bonds (in foreign currencies)	1	40	5,033	1,336	6,410
treasury bills	122	-	1,085	-	1,207
corporate bonds (in PLN) secured with the State Treasury guarantees	30	99	6,861	9,656	16,646
municipal bonds (in PLN)	10	-	5,279	10,490	15,779
corporate bonds (in PLN)[1]	26	116	1,280	4,601	6,023
corporate bonds (in foreign currencies)[2]	-	-	3,937	7,950	11,887
Equity securities	**38**	**1,026**	**-**	**-**	**1,064**
Total (excluding adjustment relating to fair value hedge accounting)	**708**	**1,391**	**100,781**	**115,452**	**218,332**
Adjustment relating to fair value hedge accounting	-	-	-	(18)	(18)
Total	708	1,391	100,781	115,434	218,314

1 The item includes, among other items, bonds of international financial organizations of PLN 3,772 million.
2 The item includes, among other items, bonds of international financial organizations of PLN 9,449 million.

SECURITIES 31.12.2024	held for trading	not held for trading, measured at fair value through profit or loss	measured at fair value through other comprehensive income	measured at amortized cost	Total
Debt securities	**328**	**612**	**98,029**	**110,561**	**209,530**
NBP money bills	-	-	7,996	-	7,996
treasury bonds (in PLN)	243	109	60,920	73,532	134,804
treasury bonds (in foreign currencies)	1	288	10,725	1,394	12,408
corporate bonds (in PLN) secured with the State Treasury guarantees	24	103	8,426	13,974	22,527
municipal bonds (in PLN)	9	-	5,221	10,399	15,629
corporate bonds (in PLN)[1]	51	112	1,903	3,994	6,060
corporate bonds (in foreign currencies)[2]	-	-	2,838	7,268	10,106
Equity securities	**36**	**984**	**-**	**-**	**1,020**
Total (excluding adjustment relating to fair value hedge accounting)	**364**	**1,596**	**98,029**	**110,561**	**210,550**
Adjustment relating to fair value hedge accounting	-	-	-	(19)	(19)
Total	364	1,596	98,029	110,542	210,531

1 The item includes, among other items, bonds of international financial organizations of PLN 4,013 million.
2 The item includes, among other items, bonds of international financial organizations of PLN 7,599 million.

(IN PLN MILLION)

20. LOANS AND ADVANCES TO CUSTOMERS

For more information on credit risk exposures, see note 30 "CREDIT RISK MANAGEMENT".

LOANS AND ADVANCES TO CUSTOMERS	31.03.2025	31.12.2024
real estate	124,854	123,195
business	80,657	79,003
consumer	38,657	36,970
factoring receivables	5,664	6,534
finance lease receivables	20,631	20,457
Loans and advances to customers (excluding adjustment relating to fair value hedge accounting)	**270,463**	**266,159**
Adjustment relating to fair value hedge accounting	(1)	(1)
Total	270,462	266,158

LOANS AND ADVANCES TO CUSTOMERS 31.03.2025	not held for trading, measured at fair value through profit or loss	measured at amortized cost	Total
retail and private banking	**2,013**	**156,419**	**158,432**
real estate	1	119,655	119,656
consumer	2,012	36,645	38,657
finance lease receivables	-	119	119
businesses	**65**	**29,053**	**29,118**
real estate	-	4,921	4,921
business	65	11,469	11,534
factoring receivables	-	115	115
finance lease receivables	-	12,548	12,548
corporate	**2**	**82,911**	**82,913**
real estate	-	277	277
business	2	69,121	69,123
factoring receivables	-	5,549	5,549
finance lease receivables	-	7,964	7,964
Loans and advances to customers (excluding adjustment relating to fair value hedge accounting)	**2,080**	**268,383**	**270,463**
Adjustment relating to fair value hedge accounting	-	(1)	(1)
Total	2,080	268,382	270,462

(IN PLN MILLION)

LOANS AND ADVANCES TO CUSTOMERS 31.12.2024	not held for trading, measured at fair value through profit or loss	measured at amortized cost	Total
retail and private banking	**2,097**	**153,064**	**155,161**
real estate	1	118,077	118,078
consumer	2,096	34,874	36,970
finance lease receivables	-	113	113
businesses	**59**	**28,207**	**28,266**
real estate	-	5,005	5,005
business	59	10,769	10,828
factoring receivables	-	89	89
finance lease receivables	-	12,344	12,344
corporate	15	82,717	82,732
real estate	-	112	112
business	15	68,160	68,175
factoring receivables	-	6,445	6,445
finance lease receivables	-	8,000	8,000
Loans and advances to customers (excluding adjustment relating to fair value hedge accounting)	**2,171**	**263,988**	**266,159**
Adjustment relating to fair value hedge accounting	-	(1)	(1)
Total	2,171	263,987	266,158

As at 31 March 2025, the Group updated the analysis of the business loans portfolio of its Polish customers from the perspective of the customers' exposure to the adverse effects of the military conflict in Ukraine. If we adopt a threshold of at least 5% of the turnover generated from transactions with counterparties from Russia, Belarus or Ukraine, the risk-exposed portfolio amounts to PLN 2.6 billion (PLN 1.7 billion as at 31 December 2024). For the purpose of the measurement of credit exposures, the Group considered the information on the scale of the Polish customers' business relations with partners from Ukraine, Belarus and Russia, and performed an assessment of various scenarios of development of the macroeconomic situation. The exposures of these customers were classified to Stage 2 and were subject to the valuation of expected credit losses throughout their lifetime. If the probability of a customer repaying its loan liabilities was assessed as low, the exposures were reclassified to Stage 3. Retail exposures granted to Russian, Belarusian or Ukrainian nationals, which as at 31 March 2025 amounted to PLN 142 million (PLN 140 million as at 31 December 2024), were reclassified by the Group into Stage 2 and their credit risk was measured over the life of these loans As at 31 March 2025, the allowance for expected credit losses for the above portfolios amounted to PLN 78 million (PLN 78 million as at 31 December 2024).

21. AMOUNTS DUE TO BANKS

AMOUNTS DUE TO BANKS	31.03.2025	31.12.2024
Measured at fair value through profit or loss	**13**	**4**
Liabilities in respect of a short position in securities	13	4
Measured at amortized cost	**2,332**	**2,369**
Deposits from banks	585	597
Current accounts	1,732	1,758
Other monetary market deposits	15	14
Total	2,345	2,373

(IN PLN MILLION)

22. AMOUNTS DUE TO CUSTOMERS

AMOUNTS DUE TO CUSTOMERS 31.03.2025	households[1]	business entities	public sector	Total
Measured at fair value through profit or loss	**180**	**17**	**5**	**202**
Liabilities in respect of a short position in securities	-	17	5	22
Liabilities in respect of insurance products	180	-	-	180
Measured at amortized cost	**322,576**	**75,909**	**21,416**	**419,901**
Cash on current accounts and overnight deposits of which	234,943	54,439	18,892	308,274
savings accounts and other interest-bearing assets	61,967	14,204	9,062	85,233
Term deposits	86,964	20,852	2,511	110,327
Other liabilities	651	618	13	1,282
Liabilities in respect of insurance products	18	-	-	18
Amounts due to customers (excluding adjustment relating to fair value hedge accounting)	**322,756**	**75,926**	**21,421**	**420,103**
Adjustment relating to fair value hedge accounting	277	-	-	277
Total	323,033	75,926	21,421	420,380

[1] Households include private individuals, sole proprietors and individual farmers.

AMOUNTS DUE TO CUSTOMERS 31.12.2024	households[1]	business entities	public sector	Total
Measured at fair value through profit or loss	**169**	**31**	**-**	**200**
Liabilities in respect of a short position in securities	-	31	-	31
Liabilities in respect of insurance products	169	-	-	169
Measured at amortized cost	**317,649**	**80,062**	**21,630**	**419,341**
Cash on current accounts and overnight deposits of which	229,732	56,570	19,961	306,263
savings accounts and other interest-bearing assets	58,999	14,475	14,134	87,608
Term deposits	87,230	22,799	1,636	111,665
Other liabilities	668	693	33	1,394
Liabilities in respect of insurance products	19	-	-	19
Amounts due to customers (excluding adjustment relating to fair value hedge accounting)	**317,818**	**80,093**	**21,630**	**419,541**
Adjustment relating to fair value hedge accounting	237	-	-	237
Total	318,055	80,093	21,630	419,778

[1] Households include private individuals, sole proprietors and individual farmers.

AMOUNTS DUE TO CUSTOMERS BY SEGMENT	31.03.2025	31.12.2024
Amounts due to customers (excluding adjustment relating to fair value hedge accounting)	**420,103**	**419,541**
retail and private banking	293,150	287,779
corporate	79,004	80,498
businesses	47,751	51,076
other liabilities (including liabilities in respect of insurance products)	198	188
Adjustment relating to fair value hedge accounting	**277**	**237**
Total	420,380	419,778

(IN PLN MILLION)

23. FINANCING RECEIVED

FINANCING RECEIVED	31.03.2025	31.12.2024
Loans and advances received from:	**1,214**	**1,268**
international financial organisations	1,204	1,258
other financial institutions	10	10
Liabilities in respect of debt securities in issue:	**23,689**	**23,457**
mortgage covered bonds issued by PKO Bank Hipoteczny S.A.	7,474	6,705
bonds issued by PKO Bank Hipoteczny S.A.	2,367	2,432
bonds issued by PKO Bank Polski S.A.	11,589	11,999
bonds issued by the PKO Leasing S.A. Group	2,259	2,321
Subordinated liabilities	**4,271**	**4,291**
Total	29,174	29,016

For details of issues carried out by Group entities, see Section **1 "MAJOR EVENTS, INCLUDING NON-TYPICAL EVENTS"**, item **1.6. "SECURITIES ISSUED by the Bank's Group entities"** to the Directors' Commentary to the financial results of the PKO Bank Polski S.A. Group for the three-month period ended 31 March 2025.

(IN PLN MILLION)

OTHER SUPPLEMENTARY NOTES TO THE STATEMENT OF FINANCIAL POSITION AND CONTINGENT LIABILITIES

24. PROVISIONS

FOR 3 MONTHS ENDED 31 MARCH 2025	Provisions for financial liabilities and guarantees granted[1]	Provisions for legal claims, excluding legal claims relating to mortgage loans in convertible currencies	Provisions for legal claims against the bank relating to mortgage loans in convertible currencies[2,3]	Provisions for pensions and other defined post-employment benefits	Restructuring	Other provisions, including provisions for employee disputed claims	Total
As at the beginning of the period	**633**	**119**	**5,733**	**79**	**23**	**64**	**6,651**
Increases, including increases of existing provisions	11	6	705	-	-	15	737
Utilized amounts	-	(1)	(481)	(3)	(3)	(7)	(495)
Unused provisions reversed during the period	(26)	(17)	-	-	-	-	(43)
Other changes and reclassifications	(3)	-	(31)	-	1	-	(33)
As at the end of the period	615	107	5,926	76	21	72	6,817
Short-term provisions	461	6	-	12	21	2	502
Long-term provisions	154	101	5,926	64	-	70	6,315
31 MARCH 2024							
As at the beginning of the period	**751**	**114**	**3,001**	**72**	**29**	**60**	**4,027**
Increases, including increases of existing provisions	2	11	950	1	-	1	965
Utilized amounts	-	(2)	(86)	(2)	(3)	(12)	(105)
Unused provisions reversed during the period	(104)	(3)	-	(1)	-	-	(108)
Other changes and reclassifications	-	-	(580)	-	-	(1)	(581)
As at the end of the period	649	120	3,285	70	26	48	4,198
Short-term provisions	510	7	-	11	26	14	568
Long-term provisions	139	113	3,285	59	-	34	3,630

[1] See note 30 "CREDIT RISK MANAGEMENT"
[2] See note 14 "COST OF LEGAL RISK OF MORTGAGE LOANS IN CONVERTIBLE CURRENCIES".
[3] The value of PLN 580 million in the line "other changes and reclassifications" in the column "Provisions for legal claims against the Bank relating to mortgage loans in convertible currency" relates to the reclassification (allocation) of the provision for legal risk of mortgage loans to loans and advances to customers (retail and private banking real estate loans) as a deduction from their gross carrying amount.

(IN PLN MILLION)

25. OFF-BALANCE SHEET LIABILITIES RECEIVED AND GRANTED

FINANCIAL AND GUARANTEE COMMITMENTS GRANTED – nominal value	31.03.2025	31.12.2024
Credit lines and limits	88,977	87,106
Other	4,327	3,940
Total financial commitments granted, including:	**93,304**	**91,046**
irrevocable commitments granted	34,397	34,498
Guarantees and sureties granted, including:	**11,859**	**12,098**
irrevocable commitments granted	5,128	5,681
performance guarantee	3,675	3,788
Total	105,163	103,144

For more information on credit risk exposures, see note 30 "CREDIT RISK MANAGEMENT".

OFF-BALANCE SHEET LIABILITIES RECEIVED BY NOMINAL VALUE	31.03.2025	31.12.2024
Financial	131	106
Guarantees	22,961	20,616
Total	23,092	20,722

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

In the three-month period ended 31 March 2025, neither the Bank nor its subsidiaries have entered into significant agreements to guarantee the repayment of a loan or advance and to grant guarantees for the repayment of a loan or advance.

26. LEGAL CLAIMS

As at 31 March 2025, the total value of the subject matter of litigation in court proceedings (trials) pending in which the companies belonging to the PKO Bank Polski S.A. Group were defendants amounted to PLN 15,248 million (as at 31 December 2024: PLN 15,587 million), and the total value of the subject matter of litigation in court proceedings (trials) pending in which the companies belonging to the PKO Bank Polski S.A. Group were claimants as at 31 March 2025 was PLN 6,883 million (as at 31 December 2024: PLN 7,313 million).

- **LITIGATION RELATING TO MORTGAGE LOANS IN CONVERTIBLE CURRENCIES**

As at 31 March 2025, 35,387 on court proceedings were pending against the Bank (as at 31 December 2024: 36,004) relating to mortgage loans granted in previous years in foreign currency with a total value in dispute of PLN 14,534 million (as at 31 December 2024: PLN 14,764 million), including one group proceeding with 36 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 and/or that the agreements are contrary to the law. None of the clauses used by the Bank in the agreements was entered in the register of prohibited contractual clauses. The number of lawsuits filed by customers against the Bank is significantly influenced by the intensive advertising campaign of law firms, which encourages borrowers to commission to them – for a fee – conducting cases against banks.

The Group monitors the status of court rulings in cases indexed or denominated in foreign currencies on an ongoing basis with respect to the shaping and possible changes in rulings.

As at 31 March 2025, 8,999 final rulings have been issued by the courts in cases against the Bank. These rulings are overwhelmingly in favour of borrowers.

On 29 January 2021, in connection with the discrepancies in the interpretation of legal provisions in the jurisprudence of the Supreme Court and common courts and in order to ensure the uniformity of jurisprudence, the First President of the Supreme Court submitted a request for the full panel of the Civil Chamber of the Supreme Court to resolve legal issues concerning the subject of loans denominated and indexed in foreign currencies: On 25 April 2024, the Supreme Court, sitting as the full Civil Chamber, issued a resolution which reads:

1. If a provision of an indexed or denominated loan agreement relating to the method of determining the foreign currency exchange rate is found to constitute an illicit contractual provision and is not binding, in the current legal state it cannot be assumed that another method of determining the foreign currency exchange rate resulting from law or custom takes its place.
2. In the event that 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 terms, the bank has disbursed to the borrower all or part of the amount of the loan and the borrower has made repayments of the loan, independent claims for the repayment of the wrongful performance arise in favour of each party.
4. If a loan agreement is not binding due to the illicit nature of its provisions, 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.
5. 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.

Pursuant to Article 87 § 1 of the Supreme Court Act, the resolution has the force of law and is binding on all panels of the Supreme Court. The resolution passed with a majority vote.

As at 31 March 2025, the Group filed 18,850 restitution lawsuits. The total value of the subject matter in pending restitution cases as at 31 March 2025 was PLN 4,715 million. In addition, the Group submits restitution claims, as an alternative in the event that the agreement is declared invalid, in cases concerning payment under the foreign currency loan agreement (debt recovery cases).

The Regional Court of Warsaw, in a case brought by the Bank, referred a question to the CJEU in 2024, registered under reference C-753/24, which reads: "*Should Article 7(1) of Council Directive 93/13 and the principles of effectiveness, proportionality, legal certainty and access to justice be interpreted as meaning that they preclude national provisions which allow the domestic court, if so required by reasons of equity or the rules of social conduct, to grant a time-barred claim brought by a seller or supplier against a consumer for the recovery of sums wrongfully paid on the basis of an agreement which has become invalid because it contains unfair contractual terms?*" The referring court seeks to determine whether the Bank's time-barred claim against the consumer for repayment of the consideration paid in performance of an invalid agreement may be upheld if equitable considerations so require. The Bank submitted its written comments within the prescribed deadline. Written comments were also submitted by the other parties, the European Commission, and the Republic of Poland.

- **LITIGATION AGAINST THE BANK CONCERNING MORTGAGE LOANS BEARING INTEREST AT A FLOATING RATE**

As at 31 March 2025, 417 court proceedings were pending against the Group (as at 31 December 2024: 347 lawsuits), in which customers challenge that the mortgage agreement was based on a floating interest rate structure and the rules for setting the WIBOR benchmark rate. The Group disputes the validity of the claims raised in these cases. As at 31 March 2025 and 31 December 2024, the Group has not recognized a provision for this.

By order of 31 May 2024, in a case brought by a borrower against the Bank, the Regional Court of Częstochowa addressed the following questions to the CJEU pursuant to Article 267 of the Treaty on the Functioning of the European Union:

1. whether Article 1(2) of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts must be interpreted as permitting an examination of contractual terms relating to variable interest rates on the basis of the WIBOR interest rate benchmark;
2. If the answer to the first question is in the affirmative, whether Article 4(2) of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts is to be interpreted as permitting examination of contractual terms relating to variable interest rates on the basis of the WIBOR interest rate benchmark;

3. if the answer to the first and second questions is in the affirmative, whether Article 3(1) of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts must be interpreted as meaning that contractual provisions concerning variable interest rates based on the WIBOR interest rate benchmark may be regarded as contrary to the requirements of good faith and as causing a significant imbalance in the contractual rights and obligations of the parties to the detriment of the consumer, by failing to inform the consumer adequately of the consumer's exposure to the risk of a variable interest rate, in particular by failing to indicate how the interest rate benchmark, which is the basis for determining the variable interest rate, is determined and what uncertainties arise from its non-transparency, and by failing to distribute that risk between the contracting parties in an unequal manner;
4. If the answers to the previous questions are in the affirmative, whether Article 6(1), in conjunction with Article 3(1) and (2), second sentence, and Article 2 of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts is to be interpreted as meaning that, if a contractual provision concerning a variable interest rate based on the WIBOR interest rate benchmark index is found to be unfair, it is possible to continue with an agreement in which the interest rate on the principal amount of the loan is based on a second interest-rate component contained in the agreement, that is to say a fixed bank margin, which would cause the interest rate on the loan to change from a variable rate to a fixed rate.

The case was registered under case number C-471/24. The request giving rise to the proceedings has been served on the Bank by the CJEU. The Bank submitted a written position on this matter. The hearing has been scheduled for 11 June 2025.

- **LITIGATION AGAINST THE BANK CONCERNING THE FREE CREDIT SANCTION**

As at 31 March 2025, there were 5,029 court proceedings pending against the Group relating to the free credit sanction, with a total value in dispute of PLN 123 million (as at 31 December 2024, there were 4,214 proceedings with a total value in dispute of PLN 100 million). These proceedings are initiated by customers or entities that have acquired receivables from customers and relate to the provisions of cash loan agreements. The Group disputes the validity of the claims raised in these cases. The case law to date is largely in favour of the Group. As at 31 March 2025 and 31 December 2024, the Group has not recognized a provision for this.

By order of 25 January 2024, in a case brought by a buyer of a claim against the Bank, the District Court for Warsaw-Śródmieście in Warsaw addressed the following questions to the CJEU pursuant to Article 267 of the Treaty on the Functioning of the European Union

1. Whether Article 22(2) of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC (OJ 2008 L 133, p. 66) is to be interpreted as precluding national legislation that allows a consumer to assign the rights conferred on him or her by the national legislation implementing the Directive to a third party who is not a consumer;
2. Whether Articles 6(1) and 7(1) of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts (consolidated version: OJ 1993 L 95, p. 29) it to be interpreted as meaning that the court's obligation to examine of its own motion the unfairness of a contractual term also applies to a term in a claim assignment agreement concluded between a consumer and a third party, if in the proceedings before the court the third party relies on that agreement as the basis for its standing to bring an action against the entrepreneur who was the consumer's original counterparty?

The proceedings are pending under case number C-80/24. By letter dated 3 June 2024, the Bank submitted its written position on the case to the CJEU. A public hearing has been scheduled for 30 April 2025, at which the Advocate General's opinion will be presented.

By order of 19 July 2024, in a case brought by a purchaser of debt claims against the Bank, the Regional Court in Poznań (ref. No: II Ca 825/24) decided to submit the following legal issue to the Supreme Court for resolution:

1. Whether the court, ex officio, is obliged to examine all the reasons justifying the application of the free credit sanction provided for in Article 45(1) of the Consumer Credit Act of 12 May 2011, including those not mentioned by the borrower in their written statement, or whether the court is bound in this respect by the content of the borrower's statement.

2. Whether the entitlement to submit a written statement that the borrower has availed themselves of the free credit sanction lapses – pursuant to Article 45(5) of the Consumer Credit Act of 12 May 2011 – one year after the date of execution of the agreement by the lender, or from the date of execution of the agreement by both parties, i.e. both the lender and the borrower.
3. Whether a finding that the provisions of a consumer loan agreement to which the provisions referred to in Article 45(1) of the Consumer Credit Act of 12 May 2011 apply are abusive and thus not binding on the borrower provides grounds for the application of the free credit sanction.
4. Whether, in light of the provisions of the Consumer Credit Act of 12 May 2011, it is permissible to stipulate in a consumer loan agreement an interest rate on the principal amount also in respect of that part of the loan granted which was used by the borrower to pay a commission, i.e. non-interest costs of the loan.
5. If the actual annual interest rate and the total amount payable by the consumer have been incorrectly calculated and indicated in the loan agreement, the sole reason for which is the inadmissible application of the interest rate to non-interest costs on the loan, whether such a failure gives rise to the free credit sanction under Article 45(1) of the Consumer Credit Act of 12 May 2011.

The Regional Court in Poznań prepared the grounds for the order; the case is at the stage of being referred to the Supreme Court.

By order of 19 November 2024, in a case brought by a consumer against the Bank, the District Court of Białystok addressed the following questions to the CJEU pursuant to Article 267 of the Treaty on the Functioning of the European Union:

1. Should Article 23 of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC (OJ.UE.L.2008.133.66) be interpreted to mean that this Directive imposes an obligation on a national court, when hearing a case in which a consumer invokes the obligation incumbent on the creditor to return any sums overpaid as a result of the consumer making use of a penalty provided for under national law, based on the right to submit to the creditor a written declaration meaning that the consumer's obligations to pay interest on the capital and other credit costs cease, to examine ex officio whether the creditor infringed any provisions of national law other than those invoked by the consumer in the written declaration submitted to the creditor but whose infringement also entitles the consumer to make use of the aforesaid penalty?
2. Should Article 10(2)(r) of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC (OJ.UE.L.2008.133.66) be interpreted to mean that the requirement to specify in a clear manner the procedure for early repayment imposes on the creditor an obligation to draw up a description of the course of action in such a way that the consumer executing the agreement is able, without obtaining additional information from the creditor (or making additional arrangements with the latter), to establish step by step who is responsible for performing the actions involved in early repayment, how they should be performed and in what order, with a clear indication of the event that forms the final step in this procedure?
3. Should Article 23 of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC (OJ.UE.L.2008.133.66) be interpreted to mean that a failure to fulfil the obligation to specify in a clear and concise manner the procedure for early repayment within the meaning of Article 10(2)(r) of this Directive always necessitates the application of penalties against the creditor, or can the application of penalties depend on the extent to which the relevant obligation has been infringed; in particular, is a decision to refrain from applying a penalty admissible in a situation where the procedure for early repayment was not outlined in full and this did not have a detrimental impact on the consumer's rights and obligations given the circumstances of the specific case?

The proceedings are pending under case number C-831/24. By letter dated 4 April 2025, the Bank submitted its written position on the case to the CJEU.

By order of 28 March 2025, in a case brought by a consumer against the Bank, the Regional Court of Opole addressed the following question to the CJEU pursuant to Article 267 of the Treaty on the Functioning of the European Union: Should Article 6(1) of Council Directive 93/13/EEC of 5 April 1993 (OJ L 95, p. 29, as amended) on unfair terms in consumer contracts [hereinafter: "Directive 93/13/EEC"], and Article 23 in conjunction with Article 10(2) of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 (OJ L 133, p. 66, as amended) on credit agreements for consumers and repealing Council Directive 87/102/EEC [hereinafter: "Directive 2008/48/EC"], be interpreted as meaning that, where in a case concerning the application to a consumer credit agreement of a sanction for breach of the information obligation, introduced into the national legal order of a

Member State on the basis of Article 23 in conjunction with Article 10(2) of Directive 2008/48/EC, the court finds grounds to apply national provisions implementing a sanction for unfair terms in contracts concluded between sellers or suppliers and consumers under Article 6(1) of Directive 93/13/EEC, in respect of the contractual terms covered by the aforementioned information obligation – there are no grounds for applying the sanction for breach of the information obligation introduced under national law on the basis of Article 23 in conjunction with Article 10(2) of Directive 2008/48/EC?

The Bank is awaiting the preparation of the statement of reasons. The case has not yet been referred to the CJEU.

In a case (concerning another bank) pending under ref. No C-472/23, the CJEU issued a ruling on 13 February 2025, stating that:

1. the specification of an overstated APRC in a credit agreement, as a consequence of certain terms of that agreement being found to be unfair, does not in itself constitute an infringement of the obligation to provide information,
2. the indication in a credit agreement of circumstances justifying an increase in charges, where a reasonably observant and circumspect consumer is not in a position to ascertain whether they have arisen and their effect, constitutes an infringement of the obligation to provide information, where it calls into question the possibility for the consumer to assess the extent of his or her liability,
3. In the event of an infringement of the obligation to provide information, the bank may be deprived of its right to interest and charges, where that infringement affects the consumer's ability to assess the extent of his or her liability, with the verification falling within the competence of the national court.

- **PROCEEDINGS BEFORE THE PRESIDENT OF THE OFFICE OF COMPETITION AND CONSUMER PROTECTION (UOKIK)**

The following proceedings initiated ex officio by the President of the OCCP are pending against the Group:

- **PROCEEDINGS RELATING TO MODIFICATION CLAUSES**

Proceedings initiated on 12 March 2019 on the acknowledgement that the provisions of the template agreement are inadmissible. The proceedings are related to modification clauses which specify the circumstances in which the Bank is entitled to amend the terms and conditions of the agreement, including the amount of fees and commission. In the opinion of the President of UOKiK the modification clauses applied by the Bank give the Bank unilateral unlimited and arbitrary possibilities of modifying the execution of the agreement. Consequently, the President of UOKiK is of the opinion that the clauses applied by the Bank shape the rights and obligations of the consumers in a way that is contrary to good practice and are a gross violation of their interests, which justifies the conclusion that they are abusive. In a letter of 31 May 2019, the Bank commented on the allegations of the President of UOKiK, indicating that they are unfounded. The Bank pointed out, among other things, that the contested clauses are specific and they precisely define the circumstances entitling the Bank to change the template. By order of 7 June 2022, UOKiK summoned the Bank to provide a range of information regarding the disputed clauses, the Bank's turnover and the revenue generated from changes in fees and commissions based on the disputed clauses. The UOKiK summons was implemented on 11 July and 30 September 2022. By letter of 19 April 2024, UOKiK requested the Bank to provide further information and materials. The UOKiK summons was implemented by letters dated 24 May 2024 and 27 June 2024. The current deadline for the conclusion of the proceedings, as indicated by the UOKiK, is 30 June 2025. As at 31 March 2025 and 31 December 2024, the Group had not set up a provision for these proceedings.

- **PROCEEDINGS IN RESPECT OF UNAUTHORISED TRANSACTIONS**

Proceedings initiated by decision of the President of UOKiK of 2 February 2024. The proceedings concern an allegation of PKO BP's practices violating the collective interests of consumers consisting of:

- providing consumers - in responses to reports of unauthorised payment transactions - with information that the Bank has established the consumer's responsibility for the transaction reported, based on ascertaining that the authentication process performed was correct and referencing the provisions of the General Terms and Conditions of keeping bank accounts and providing services to individual customers by PKO Bank Polski S.A. regarding gross negligence and intent, without specifying to the consumer the factual basis for gross negligence or intent, and thus the presumption of gross negligence or intent without proving it, which misleads consumers about the entrepreneur's obligations under Article 45(2) of the Act on payment services with respect to the burden of proving gross negligence on the part of the consumer and the further pursuit of claims in this regard, which may constitute an unfair market practice and harm the collective interests of consumers,

- making a refund to a consumer who is a customer of the Bank of the amount of a payment transaction reported by that consumer as unauthorised, pending the Bank's investigation of the complaint, and thereafter, if the Bank finds, during the complaint procedure, that the transaction was authorised by the consumer or that the consumer is liable for an unauthorised payment transaction, withdrawing the conditional return and deducting that amount from the consumer's current account or credit card account, except where there is a simultaneous return of that amount to the consumer under the so-called chargeback mechanism, which may breach Article 46(1) of the Act on payment services and harm the collective interests of consumers.

By letter dated 27 March 2024, the Bank responded to the UOKiK's allegations, claiming that they were unfounded. By a letter dated 26 June 2024, the Bank expressed its willingness to engage in discussions with the UOKiK aimed at developing a solution that takes into account the interests of both the customers and the Bank. The deadline for the conclusion of the proceedings, as indicated by the UOKiK, is 31 January 2025. As at 31 March 2025 and 31 December 2024, the Group had not set up a provision for these proceedings.

- **PROCEEDINGS RELATING TO INTEREST RATE VARIATION CLAUSES**

By a decision of 5 April 2024, the President of UOKiK initiated proceedings against the Bank to declare the provisions of the template as prohibited contractual provisions. The proceedings relate to clauses in the contractual templates used by the Bank, which allow the Bank to change the interest rate on the revolving limit in a situation of an increase or decrease, respectively:

- of any of the basic NBP interest rates set by the Monetary Policy Council, published on the NBP website, by at least 0.25 percentage points - the range of change is from 0.25 percentage points to three times the value by which the specific interest rate was changed,
- determined as the arithmetic mean of quotations for a calendar month, of any of the following reference rates for PLN deposits placed on the Polish interbank market: WIBOR 1M, WIBOR 3M, WIBOR 6M, WIBOR 9M, WIBOR 12M, published on the GPW Benchmark S.A. information website by at least 0.10 percentage points in any period within the last six months - the range of change is from 0.10 percentage points to three times the value by which a specific reference rate was changed.

UOKiK also challenges the clause allowing the Bank to change the interest rate within six months of the occurrence of the above-mentioned circumstances. By letter dated 29 May 2024, the Bank responded to the UOKiK's allegations, claiming that they were unfounded. Correspondence is being conducted with the UOKiK regarding the allegations presented. In response to the request from the UOKiK dated 14 April 2025, the Bank provided, on 25 April 2025, information on the company’s turnover and the number of contracts in force as at the date of the notification that contain the clauses challenged by UOKiK. The deadline for the conclusion of the proceedings, as indicated by the UOKiK, is 6 June 2025. As at 31 March 2025 and 31 December 2024, the Group had not set up a provision for these proceedings.

- **PROCEEDINGS BEFORE THE COURT OF COMPETITION AND CONSUMER PROTECTION**

Two proceedings involving the Bank are pending before the Court of Competition and Consumer Protection:

- **PROCEEDINGS ON SPREAD CLAUSES**

The proceedings were initiated by the Bank’s appeal (submitted on 13 November 2020) against the decision of the President of UOKiK dated 16 October 2020. In the said decision, the President of UOKiK declared the provisions of the template agreement “Annex to the housing loan/mortgage loan agreement” in the section “Appendix to the annex ‘Rules for determining foreign exchange spreads at PKO BP S.A.’” as inadmissible provisions and prohibited their use. In addition, the President of UOKiK ordered that all consumers being parties to the assessed annexes about the decision to declare them inadmissible and its consequences be informed no later than within three months from the effective date of the decision and ordered that a declaration be published whose text was indicated in the decision on the Bank’s website not later than 1 month from the effective date of the decision and to keep it there for 4 months. Furthermore, the President of UOKiK imposed a fine on the Bank of PLN 41 million, payable to the Financial Education Fund. In its appeal against that decision, the Bank requested that the decision be amended by finding that there had been no breach of the ban on the use of prohibited contractual clauses, or by discontinuing the proceedings. It was also requested that the decision be annulled or amended by waiving or substantially reducing the fine. The appeal raised a number of substantive and procedural grounds of appeal. The Bank’s main arguments consist in pointing out that the decision of the President of UOKiK is a manifestation of unlawful and groundless interference with the Bank’s pricing policy, pointing out that there are no substantive grounds for the intervention of the President of UOKiK, i.e. there are no grounds for concluding that the Bank applied prohibited contractual provisions, and pointing out that the penalty imposed on the Bank is abnormally high. In response to the appeal, the President of UOKiK sustained the position expressed in the decision appealed against. In a judgment of 10

October 2023, the Court of Competition and Consumer Protection overturned the decision of the UOKiK in its entirety. The ruling was appealed by the President of the UOKiK and the public prosecutor. On 5 July 2024, the Court of Appeal in Warsaw amended the judgment of the Court of Competition and Consumer Protection and dismissed the Bank's appeal. The Bank filed a request for a statement of reasons and a request to suspend the enforceability of the judgment and decision of the UOKiK and, on 4 November 2024, filed a cassation complaint. By order of 12 July 2024, issued at the Bank's request, the Court of Appeal halted enforcement of the judgment and decision pending the outcome of the cassation proceedings. On 11 December 2024, the UOKiK's response to the cassation complaint was received. By a letter dated 14 February 2025, the Supreme Court notified the composition of the panel hearing the case and the assignment of the case reference number. At 31 March 2025, the Group recognizes a provision for these proceedings of PLN 41 million (31 December 2024: PLN 41 million).

- **PROCEEDINGS RELATED TO RESTRICTIVE PRACTICES ON THE MARKET OF PAYMENTS WITH PAYMENT CARDS IN POLAND**

The Bank is a party to proceedings initiated by the President of UOKiK on the basis of a decision dated 23 April 2001 upon the request of the Polish Trade and Distribution Organization – Employers Association (Polska Organizacja Handlu i Dystrybucji – Związek Pracodawców) against operators of the Visa and Europay payment systems and banks issuing Visa and Europay/ Eurocard/ Mastercard banking cards. The claims under these proceedings relate to the use of practices limiting competition on the market of banking card payments in Poland, consisting of applying pre-agreed “interchange” fees for transactions made using the Visa and Europay/Eurocard/Mastercard cards as well as limiting access to this market for external entities. On 29 December 2006, the UOKiK recognised practices involving the joint determination of interchange fees as restrictive of competition and ordered them to be abandoned, at the same time imposing, inter alia, a fine of PLN 16.6 million on the Bank. The Bank appealed against the decision of the President of UOKiK to the Court for Competition and Consumer Protection (Sąd Ochrony Konkurencji i Konsumentów - SOKiK). In its ruling dated 21 November 2013, SOKiK reduced the penalty imposed on the Bank to PLN 10.4 million. The parties to the proceedings appealed against the ruling. The Court of Appeal in Warsaw in its ruling dated 6 October 2015 reinstated the initial amount of the imposed fines set in the decision of the UOKiK, i.e. the fine of PLN 16.6 million (the fine imposed on PKO Bank Polski S.A.) and the fine of PLN 4.8 million (the fine imposed on Nordea Bank Polska S.A., and PKO Bank Polski S.A. is a legal successor of Nordea Bank Polska SA through a merger under Article 492 § 1(1) of the Commercial Companies Code). The Bank paid the fine in October 2015. As a result of a cassation appeal brought by the Bank, the Supreme Court in a ruling dated 25 October 2017 annulled the contested ruling of the Court of Appeal in Warsaw and submitted the case for re-examination. The fine paid by the Bank was reimbursed to the Bank on 21 March 2018. On 23 November 2020, the Court of Appeal in Warsaw issued a ruling in which it revoked the ruling of the District Court in Warsaw dated 21 November 2013 and submitted it for re-examination. The case is currently proceeding at first instance before the Warsaw District Court. At 31 March 2025, the Group recognizes a provision for these proceedings of PLN 21 million (31 December 2024: PLN 21 million).

- **PROCEEDINGS BEFORE THE POLISH FINANCIAL SUPERVISION AUTHORITY**

1. The PFSA is conducting proceedings to impose an administrative penalty on the Bank, which conducts brokerage activities through an organizationally separate unit - the Brokerage Office - in connection with a suspected failure to comply with its obligations in the area of anti-money laundering and terrorist financing (hereinafter: "AML"). The Bank responded to the PFSA's request for written explanations regarding the scale of benefits achieved or losses avoided by the Bank in connection with violations of the AML Act, losses incurred by third parties in connection with violations of the AML Act, possible administrative penalties imposed under the provisions of the AML Act. In addition, the PFSA forwarded to the Bank's attention a letter addressed to the General Inspectorate of Financial Information (GIIF) requesting information on the Bank's violations of the AML Act to date. By letter dated 31 March 2025, the PFSA informed that the administrative proceedings are expected to be completed by 30 May 2025. As at 31 March 2025 and 31 December 2024, the Group has not recognized a provision for this.
2. The PFSA is conducting proceedings to impose a monetary penalty on the Bank pursuant to Article 176i(1)(4) of the Act of 29 July 2005 on trading in financial instruments, in connection with the Bank's suspected breach of the management and control requirements set out in Article 16 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as interest rate 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. 2016 No 171, p. 1 as amended). By letter dated 27 February 2025, the PFSA informed that the administrative proceedings are expected to be completed in April 2025. As at 31 March 2025, the Group had not set up a provision for these proceedings.

3. The PFSA is conducting proceedings to impose an administrative sanction on the Bank under Article 3c of the Act on financial market supervision in connection with a suspected breach by the Bank of the requirements of Article 5(1) and 14 in conjunction with Article 4(1) and (3) and (4) and (5) of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs). On 14 March 2025, the PFSA served notice to extend the deadline for the proceedings until 16 May 2025. As at 31 March 2025, the Group had not set up a provision for these proceedings.
4. Administrative proceedings, initiated ex officio by the Polish Financial Supervision Authority are pending against PKO TFI S.A (hereinafter: the Company) in respect of the imposition of an administrative penalty on the Company under the provisions of the Act on counteracting money laundering and terrorist financing (hereinafter: the "Act"), in connection with the suspected failure to comply with the obligation set out in the Act by: (i) failure to properly apply financial security measures in the form of identification and verification of the customer when establishing a economic relations via remote channels; (ii) failure to properly apply financial security measures in the form of identification and verification of the customer at the commencement of the economic relations and failure to obtain data on the customer's country of birth; (iii) failure to properly apply financial security measures in the form of identifying the beneficial owner when establishing an economic relation; failure to ensure that documents, data or information it holds relating to the economic relations are kept up to date; (iv) failure to apply enhanced financial security measures in cases of higher risk of money laundering or terrorist financing and in cases referred to in Articles 44 and 46 of the Act; (v) failure to introduce all necessary elements in the internal procedure of the obliged institution. By letter dated 20 April 2023, the Company responded to the request from the PFSA. By notice dated 24 April 2025, received on 5 May 2025, the PFSA announced that the proceedings had been further extended until 30 June 2025. As at 31 March 2025 the Group recognises a provision for these proceedings in the amount of PLN 2 million (as at 31 December 2024: PLN 2 million).

- **OTHER PROCEEDINGS**
  - **PROCEEDINGS BEFORE THE GENERAL INSPECTOR OF FINANCIAL INFORMATION (GIFI)**

The GIFI is conducting administrative proceedings against the Bank for the imposition of an administrative penalty for failure to comply with its obligations under the Act of 1 March 2018 on the prevention of money laundering and terrorist financing (AML). The failure to comply with obligations was identified by the PFSA during an inspection conducted at the Bank from 22 December 2022 to 9 March 2023, covering: (a) the period from 13 July 2018 to 22 December 2022 with regard to the implementation of the obligation specified in Article 72 of the AML Act, (b) the period from 20 July 2021 to 22 December 2022 with regard to the implementation of the other obligations specified in the AML Act.

The GIFI identified the Bank's failure to comply with the following obligations: (1) the application of financial security measures referred to in Articles 33 and 43 of the AML Act, (2) ensuring the participation of individuals performing AML-related duties in training programs referred to in Article 52 of the AML Act, (3) providing or making available information referred to in Articles 72 and 76 of the AML Act. By a letter dated 9 September 2024, the Bank responded to the GIFI's letter, requesting also to refrain from imposing an administrative penalty due to the corrective actions taken. On 11 December 2024, the Bank submitted a response to the GIFI's letter regarding the provision of explanations and supplements in the matter. By a decision dated 9 January 2025, the deadline for completing the proceedings was extended to 31 March 2025. As at 31 March 2025, the Group had not set up a provision for these proceedings.

  - **PROCEEDINGS BEFORE THE HEAD OF THE CUSTOMS AND TAX OFFICE**

The Head of the Mazovian Customs and Tax Office in Warsaw (hereinafter, the “Head”) initiated proceedings to impose a financial penalty on the Bank in connection with the violation of Article 1(1) in connection with Article 2(1) of the Act on special solutions in the field of counteracting aggression in Ukraine and Article 1(1) of Council Regulation No 765/2006 of 18 May 2006 concerning restrictive measures in view of the situation in Belarus and Belarus' participation in Russia's aggression against Ukraine. By decision of the Head dated 23 December 2024, the deadline for resolving the case was set to 26 February 2025. On 12 March 2025, the Bank received a decision dated 6 February 2025 from the Head, concerning the possibility to review the evidence and present its position on the collected material. After reviewing the collected evidence, the Bank submitted its explanations in the case. On 10 April 2025, the Bank received a letter from the Head requesting the submission of additional documents and explanations, as specified in detail in the content of the letter. On 17 April 2025, the Bank responded to the letter. As at 31 March 2025 and 31 December 2024, the Group had not set up a provision for these proceedings.

(IN PLN MILLION)

- **CLAIMS FOR DAMAGES IN RESPECT OF THE INTERCHANGE FEE**

The Bank was served eight summons to participate, as an outside intervener on the defendant's side, in cases relating to the interchange fees. Other banks are defendants in the case and, in some cases, also card organizations. At present, the claims vis-à-vis the sued banks total PLN 832 million and are pursued as damages for differences in interchange fees resulting from applying practices that restrict competition, as well as capitalised statutory interest for delay. The Bank joined these proceedings as an outside intervener. Since these proceedings are not pending against the Bank, their value was not included in the total value of the cases against the Bank.

If the courts find the claims justified, the defendants may claim recourse in separate court proceedings from other banks including from PKO Bank Polski S.A.

As at 31 March 2025, five of these proceedings resulted in final judgments in favour of the defendants dismissing the plaintiffs' claims, save that one of them was a partial judgment and the remainder of the proceedings will be pursued by the Court of First Instance. However, a cassation appeal was filed by the plaintiff in one case. Two proceedings resulted in non-final judgments dismissing the plaintiffs' claims. In one case, no judgment has been issued yet. In all cases where the claims have been dismissed in whole or in part, the statute of limitations objection has been upheld.

27. SHAREHOLDING STRUCTURE OF THE BANK

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

According to the information available, the Bank's shareholding structure is as follows:

ENTITY NAME	number of shares	% of votes	Nominal value of 1 share	Ownership interest (%)
As at 31 March 2025				
State Treasury	367,918,980	29.43%	PLN 1	29.43%
Nationale-Nederlanden Open Pension Fund[1]	98,669,361	7.89%	PLN 1	7.89%
Allianz Polska Otwarty Fundusz Emerytalny[1]	83,713,383	6.70%	PLN 1	6.70%
Other shareholders[2]	699,698,276	55.98%	PLN 1	55.98%
Total	1,250,000,000	100.00%	---	100.00%
As at 31 December 2024				
State Treasury	367,918,980	29.43%	PLN 1	29.43%
Nationale-Nederlanden Open Pension Fund Emerytalny[1]	98,669,361	7.89%	PLN 1	7.89%
Allianz Polska Otwarty Fundusz Emerytalny[1]	83,713,383	6.70%	PLN 1	6.70%
Other shareholders[2]	699,698,276	55.98%	PLN 1	55.98%
Total	1,250,000,000	100%	---	100%

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 March 2025 and 31 December 2024 held 24,487,297 shares carrying 1.96% of the votes at the GSM.

The Bank's shares are listed on the Warsaw Stock Exchange.

Series	Type of shares	Number of shares	Nominal value of 1 share	Nominal value of the series
A Series	ordinary registered shares	312,500,000	PLN 1	312,500,000
A Series	ordinary bearer shares	197,500,000	PLN 1	197,500,000
B Series	ordinary bearer shares	105,000,000	PLN 1	105,000,000
C Series	ordinary bearer shares	385,000,000	PLN 1	385,000,000
D Series	ordinary bearer shares	250,000,000	PLN 1	250,000,000
Total	- - -	1,250,000,000	- - -	1,250,000,000

In the three-month period ended 31 March 2025 and in 2024, there were no changes in the amount of the share capital of PKO Bank Polski S.A. Shares of PKO Bank Polski S.A. issued are not preference shares and are fully paid up.

(IN PLN MILLION)

FAIR VALUE OF FINANCIAL INSTRUMENTS

28. FAIR VALUE HIERARCHY

For a description of fair value measurement techniques and inputs, see the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2024.

ASSETS MEASURED AT FAIR VALUE 31.03.2025	Carrying amount	Level 1	Level 2	Level 3
		Prices quoted on active markets	Valuation techniques based on observable market data	Other valuation techniques
Hedging derivatives	20	-	20	-
Other derivative instruments	2,213	1	2,212	-
Securities	**102,880**	**73,783**	**28,403**	**694**
held for trading	708	701	7	-
debt securities	670	663	7	-
equity securities	38	38	-	-
not held for trading, measured at fair value through profit or loss	1,391	709	226	456
debt securities	365	150	113	102
equity securities	1,026	559	113	354
measured at fair value through other comprehensive income – debt securities	100,781	72,373	28,170	238
Loans and advances to customers (not held for trading, measured at fair value through profit or loss)	**2,080**	-	-	**2,080**
Total	107,193	73,784	30,635	2,774

ASSETS MEASURED AT FAIR VALUE 31.12.2024	Carrying amount	Level 1	Level 2	Level 3
		Prices quoted on active markets	Valuation techniques based on observable market data	Other valuation techniques
Hedging derivatives	120	-	120	-
Other derivative instruments	1,999	1	1,998	
Securities	**99,989**	**75,773**	**23,547**	**669**
held for trading	364	364	-	-
debt securities	328	328	-	-
equity securities	36	36	-	-
not held for trading, measured at fair value through profit or loss	1,596	944	225	427
debt securities	612	398	114	100
equity securities	984	546	111	327
measured at fair value through other comprehensive income (debt securities)	98,029	74,465	23,322	242
Loans and advances to customers (not held for trading, measured at fair value through profit or loss)	**2,171**	-		**2,171**
Total	104,279	75,774	25,665	2,840

(IN PLN MILLION)

LIABILITIES MEASURED AT FAIR VALUE 31.03.2025	Carrying amount	Level 1	Level 2	Level 3
		Prices quoted on active markets	Valuation techniques based on observable market data	Other valuation techniques
Hedging derivatives	208	-	208	-
Other derivative instruments	2,472	-	2,472	-
Liabilities in respect of a short position in securities	35	35	-	-
Liabilities in respect of insurance products	180	-	180	-
Total	2,895	35	2,860	-

LIABILITIES MEASURED AT FAIR VALUE 31.12.2024	Carrying amount	Level 1	Level 2	Level 3
		Prices quoted on active markets	Valuation techniques based on observable market data	Other valuation techniques
Hedging derivatives	285	-	285	-
Other derivative instruments	2,396	1	2,395	-
Liabilities in respect of a short position in securities	35	35	-	-
Liabilities in respect of insurance products	169	-	169	-
Total	2,885	36	2,849	-

RECONCILIATION OF CHANGES DURING THE REPORTING PERIOD TO FAIR VALUE AT LEVEL 3	01.01-31.03.2025	01.01-31.03.2024
Opening balance at the beginning of the period	**2,840**	**3,533**
Acquisition of equity instruments	-	13
Sale of equity instruments	(1)	-
Redemption of corporate bonds	-	(1)
Sale of corporate bonds	1	-
Granting and increase in exposure to loans and advances to customers	336	374
Repayment of loans and advances to customers	(430)	(535)
Derecognition of loans and advances to customers	10	-
Write-off of loans and advances to customers	(2)	-
Net gain/(loss) on financial instruments measured at fair value through profit or loss	27	(7)
Change in the valuation recognized in OCI	(2)	-
Other, including exchange difference[1]	(5)	(43)
Closing balance	2,774	3,334

[1] The item "Other, including exchange difference" includes a decrease due to conversion of Visa Inc. series C shares into Visa series A Preferred shares

IMPACT OF ESTIMATES ON FAIR VALUE MEASUREMENT OF LEVEL 3 FINANCIAL INSTRUMENTS	31.03.2025		31.12.2024	
	Fair value according to the scenario:		Fair value according to the scenario:	
	positive	negative	positive	negative
Shares in Visa Inc.[1]	57	53	56	52
Other equity investments[2]	287	260	262	237
Corporate bonds[3]	336	335	339	338
Loans and advances to customers[4]	2,184	1,976	2,280	2,062

[1] scenario assuming a discount rate in respect of the future conditions of converting C-series shares to ordinary shares at a level of 0%/100% respectively
[2] scenario assuming a change in the discount rate of +/- 5%
[3] scenario assuming a change in the credit spread of +/-10%
[4] scenario assuming a change in the company's value of +/- 0.5p.p.

(IN PLN MILLION)

29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES NOT PRESENTED AT FAIR VALUE IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For a description of fair value measurement techniques and inputs, see the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2024.

31.03.2025	carrying amount	fair value			Total fair value
		Level 1	Level 2	Level 3	
Cash and balances with the Central Bank	15,063	3,556	11,507	-	15,063
Amounts due from banks	8,286	-	8,286	-	8,286
Securities[1]	**115,452**	**82,328**	**27,162**	**4,593**	**114,083**
Reverse repo transactions	422	-	422	-	422
Loans and advances to customers[1]	**268,383**	-	-	**270,061**	**270,061**
real estate loans	124,853	-	-	123,030	123,030
business loans	80,590	-	-	82,347	82,347
consumer loans	36,645	-	-	38,375	38,375
factoring receivables	5,664	-	-	5,664	5,664
finance lease receivables	20,631	-	-	20,645	20,645
Other financial assets	2,347	-	-	2,347	2,347
Amounts due to Central bank	11	-	11	-	11
Amounts due to banks	2,332	-	2,332	-	2,332
Amounts due to customers[1]	**419,901**	-	-	**420,144**	**420,144**
amounts due to households	322,576	-	-	322,823	322,823
amounts due to business entities	75,909	-	-	75,905	75,905
amounts due to public sector	21,416	-	-	21,416	21,416
Loans and advances received	1,214	-	-	1,214	1,214
Liabilities in respect of debt securities in issue	23,689	-	21,719	2,258	23,977
Subordinated liabilities	4,271	-	4,317	-	4,317
Other financial liabilities	5,906	-	-	5,906	5,906

[1]excluding adjustment relating to fair value hedge accounting

(IN PLN MILLION)

31.12.2024	carrying amount	fair value			Total fair value
		Level	Level 2	Level 3	
Cash and balances with the Central Bank	23,494	3,927	19,567	-	23,494
Amounts due from banks	5,089	-	5,089	-	5,089
Securities	**110,561**	**74,557**	**29,113**	**3,938**	**107,608**
Reverse repo transactions	892	-	892	-	892
Loans and advances to customers[1]	**263,988**	-	-	**265,521**	**265,521**
real estate loans	123,194	-	-	121,376	121,376
business loans	78,929	-	-	80,615	80,615
consumer loans	34,874	-	-	36,503	36,503
factoring receivables	6,534	-	-	6,534	6,534
finance lease receivables	20,457	-	-	20,493	20,493
Other financial assets	2,482	-	-	2,482	2,482
Amounts due to Central bank	11	-	11	-	11
Amounts due to banks	2,373	-	2,373	-	2,373
Amounts due to customers[1]	**419,341**	-	-	**419,898**	**419,898**
amounts due to households	317,649	-	-	318,176	318,176
amounts due to business entities	80,062	-	-	80,092	80,092
amounts due to public sector	21,630	-	-	21,630	21,630
Loans and advances received	1,268	-	-	1,268	1,268
Liabilities in respect of debt securities in issue	23,457	-	21,340	2,321	23,661
Subordinated liabilities	4,291	-	4,335	-	4,335
Other financial liabilities	4,227	-	-	4,227	4,227

[1] excluding adjustment relating to fair value hedge accounting

RISK MANAGEMENT WITHIN THE GROUP

30. CREDIT RISK MANAGEMENT

- ### AMOUNTS DUE FROM BANKS

As at 31 March 2025 and 31 December 2024 all amounts due from banks were classified as Stage 1.

- ### SECURITIES

SECURITIES (excluding adjustments relating to fair value hedge accounting) 31.03.2025	Stage 1	Stage 2	Stage 3	Total
Measured at fair value through other comprehensive income				
Gross/net carrying amount – fair value	100,439	333	9	100,781
Measured at amortized cost				
Gross carrying amount	114,584	955	-	115,539
Allowances for expected credit losses	(65)	(22)	-	(87)
Net carrying amount	114,519	933	-	115,452
Total securities				
Gross carrying amount	215,023	1,288	9	216,320
Allowances for expected credit losses	(65)	(22)	-	(87)
Net carrying amount	214,958	1,266	9	216,233

(IN PLN MILLION)

SECURITIES (excluding adjustments relating to fair value hedge accounting) 31.12.2024	Stage 1	Stage 2	Stage 3	Total
Measured at fair value through other comprehensive income				
Gross/net carrying amount – fair value	97,612	407	10	98,029
Measured at amortized cost				
Gross carrying amount	109,417	1,236	-	110,653
Allowances for expected credit losses	(66)	(26)	-	(92)
Net carrying amount	109,351	1,210	-	110,561
Total securities				
Gross carrying amount	207,029	1,643	10	208,682
Allowances for expected credit losses	(66)	(26)	-	(92)
Net carrying amount	206,963	1,617	10	208,590

- LOANS AND ADVANCES TO CUSTOMERS

LOANS AND ADVANCES TO CUSTOMERS MEASURED AT AMORTISED COST (excluding adjustment relating to fair value hedge accounting) 31.03.2025	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount	**230,259**	**36,640**	**10,198**	**604**	**277,701**
real estate loans	115,187	9,996	1,346	74	126,603
business loans	62,169	16,969	5,286	424	84,848
consumer loans	33,742	3,172	2,044	105	39,063
factoring receivables	5,546	45	113	-	5,704
finance lease receivables	13,615	6,458	1,409	1	21,483
Allowances for expected credit losses	**(1,187)**	**(3,426)**	**(4,820)**	**115**	**(9,318)**
real estate loans	(72)	(935)	(756)	13	(1,750)
business loans	(460)	(1,515)	(2,269)	(14)	(4,258)
consumer loans	(546)	(726)	(1,262)	116	(2,418)
factoring receivables	(1)	-	(39)	-	(40)
finance lease receivables	(108)	(250)	(494)	-	(852)
Net carrying amount	**229,072**	**33,214**	**5,378**	**719**	**268,383**
real estate loans	115,115	9,061	590	87	124,853
business loans	61,709	15,454	3,017	410	80,590
consumer loans	33,196	2,446	782	221	36,645
factoring receivables	5,545	45	74	-	5,664
finance lease receivables	13,507	6,208	915	1	20,631

(IN PLN MILLION)

LOANS AND ADVANCES TO CUSTOMERS MEASURED AT AMORTISED COST (excluding adjustment relating to fair value hedge accounting) 31.12.2024	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount	**223,999**	**38,734**	**9,860**	**580**	**273,173**
real estate loans	113,771	9,782	1,393	75	125,021
business loans	58,832	18,889	4,969	405	83,095
consumer loans	31,793	3,389	1,915	99	37,196
factoring receivables	6,376	84	113	-	6,573
finance lease receivables	13,227	6,590	1,470	1	21,288
Allowances for expected credit losses	**(1,173)**	**(3,398)**	**(4,705)**	**91**	**(9,185)**
real estate loans	(71)	(974)	(795)	13	(1,827)
business loans	(489)	(1,453)	(2,204)	(20)	(4,166)
consumer loans	(505)	(742)	(1,173)	98	(2,322)
factoring receivables	(1)	-	(38)	-	(39)
finance lease receivables	(107)	(229)	(495)	-	(831)
Net carrying amount	**222,826**	**35,336**	**5,155**	**671**	**263,988**
real estate loans	113,700	8,808	598	88	123,194
business loans	58,343	17,436	2,765	385	78,929
consumer loans	31,288	2,647	742	197	34,874
factoring receivables	6,375	84	75	-	6,534
finance lease receivables	13,120	6,361	975	1	20,457

[1] In 2024, the Group made changes to the rating model in the business loan segment, which resulted in the reclassification of several individually significant exposures to Stage 2 with no material impact on the Group's profit or loss. The risk of insolvency for these customers remains low.

(IN PLN MILLION)

- **FINANCIAL AND GUARANTEE COMMITMENTS GRANTED**

FINANCIAL AND GUARANTEE COMMITMENTS GRANTED 31.03.2025	STAGE 1		STAGE 2		STAGE 3		POCI		Total nominal amount	Total provisions per IFRS 9	Total net amount
	Notional amount	Provision	Notional amount	Provision	Notional amount	Provision	Notional amount	Provision			
Credit lines and limits	80,349	(155)	8,339	(333)	286	(70)	3	(1)	88,977	(559)	88,418
Other	4,327	-	-	-	-	-	-	-	4,327	-	4,327
Total financial commitments granted, including:	**84,676**	**(155)**	**8,339**	**(333)**	**286**	**(70)**	**3**	**(1)**	**93,304**	**(559)**	**92,745**
irrevocable commitments granted	29,490	(83)	4,854	(204)	51	(13)	2	-	34,397	(300)	34,097
Total guarantees and sureties granted, including:	**9,923**	**(10)**	**1,155**	**(34)**	**445**	**(10)**	**336**	**(2)**	**11,859**	**(56)**	**11,803**
irrevocable commitments granted	4,085	(7)	701	(31)	42	(9)	300	(2)	5,128	(49)	5,079
performance guarantee	3,081	(4)	576	(26)	18	(4)	-	-	3,675	(34)	3,641
Total	94,599	(165)	9,494	(367)	731	(80)	339	(3)	105,163	(615)	104,548

FINANCIAL AND GUARANTEE COMMITMENTS GRANTED 31.12.2024	STAGE 1		STAGE 2		STAGE 3		POCI		Total nominal amount	Total provisions per IFRS 9	Total net amount
	Notional amount	Provision	Notional amount	Provision	Notional amount	Provision	Notional amount	Provision			
Credit lines and limits[1]	76,584	(165)	10,206	(328)	312	(60)	4	-	87,106	(553)	86,553
Other	3,940						-	-	3,940	-	3,940
Total financial commitments granted, including:	**80,524**	**(165)**	**10,206**	**(328)**	**312**	**(60)**	**4**	-	**91,046**	**(553)**	**90,493**
irrevocable commitments granted	28,998	(92)	5,407	(199)	91	(15)	2	-	34,498	(306)	34,192
Total guarantees and sureties granted, including:	**10,254**	**(10)**	**1,406**	**(39)**	**101**	**(30)**	**337**	(1)	**12,098**	**(80)**	**12,018**
irrevocable commitments granted	4,003	(8)	1,580	(38)	98	(28)	-	-	5,681	(74)	5,607
performance guarantee	2,900	(4)	740	(28)	28	(13)	120	(1)	3,788	(46)	3,742
Total	90,778	(175)	11,612	(367)	413	(90)	341	(1)	103,144	(633)	102,511

[1] In 2024, the Group made changes to the rating model in the business loan segment, which resulted in the reclassification of several individually significant exposures to Stage 2 with no material impact on the Group's profit or loss. The risk of insolvency for these customers remains low.

31. MANAGEMENT OF INTEREST RATE RISK, CURRENCY RISK AND LIQUIDITY RISK

• INTEREST RATE RISK MANAGEMENT

Sensitivity of interest income in the non-trading book of the Group to the abrupt shift in the yield curve of 100 bp down in a one-year horizon in all currencies	31.03.2025	31.12.2024
Sensitivity of interest income (PLN million)	(510)	(548)

The economic value sensitivity measure (stress-test) of the non-trading book of the Group in all currencies	31.03.2025	31.12.2024
Sensitivity of economic value (PLN million)	(1,562)	(1,660)

IR VaR in the Bank's trading book	31.03.2025	31.12.2024
IR VaR for a 10-day time horizon at a confidence level of 99% (PLN million):		
Average value	5	7
Maximum value	9	15
Value at the end of the period	5	5

• CURRENCY RISK MANAGEMENT

The Bank's FX VaR, in aggregate for all currencies	31.03.2025	31.12.2024
VaR for a 10-day time horizon at a confidence level of 99% (in PLN million)[1]	6	3

[1] Taking into account the nature of the operation of the other Group companies which generate material currency risk and the specific characteristics of the market in which they operate, the Group does not determine the consolidated VaR sensitivity measure. Such companies use their own risk measures to manage their interest rate risk. KREDOBANK S.A. applies the 10-day VaR which amounted to approx. PLN 0.2 million as at 31 March 2025 (approx. PLN 0.3 million as at 31 December 2024).

FOREIGN CURRENCY POSITION	31.03.2025	31.12.2024
EUR	(388)	(92)
CHF	(122)	(122)
Other (Global, Net)	32	5

Currency positions (in addition to volatility of foreign exchange rates) are a key factor determining the level of currency risk to which the Group is exposed. The foreign currency positions are determined by all foreign currency transactions concluded, both in the statement of financial position and off-balance sheet transactions, with the exception of structural positions in UAH (PLN 675 million), for which the Bank obtained approval from the PFSA to exclude them from the calculation of the currency positions.

• LIQUIDITY RISK MANAGEMENT

	on demand	0 - 1 month	1 - 3 months	3 - 6 months	6 - 12 months	12 - 24 months	24 - 60 months	more than 60 months
31.03.2025								
Adjusted periodic gap	13,314	136,514	(18,183)	(13,910)	(2,935)	17,557	33,042	(165,399)
Adjusted cumulative periodic gap	13,314	149,828	131,645	117,735	114,800	132,357	165,399	
31.12.2024								
Adjusted periodic gap	19,635	130,621	(12,768)	(4,643)	(15,566)	21,456	30,748	(169,483)
Adjusted cumulative periodic gap	19,635	150,256	137c,488	132,845	117,279	138,735	169,483	

In all time horizons, the adjusted cumulative liquidity gap of the Group, determined as the sum of the adjusted liquidity gaps of the Bank, PKO Bank Hipoteczny S.A., PKO Leasing S.A., KREDOBANK S.A. and PKO Życie Towarzystwo Ubezpieczeń S.A. and the contractual liquidity gaps of the other Group companies, was positive both as at 31 March 2025 and 31 December 2024. This means that the Group has a surplus of the assets receivable over the liabilities payable.

(IN PLN MILLION)

REGULATORY LIQUIDITY RATIOS	31.03.2025	31.12.2024
NSFR - net stable funding ratio	154.3%	156.1%
LCR - liquidity coverage ratio	242.0%	245.1%

In the period ended 31 March 2025 and 31 December 2024, liquidity ratios remained above their respective regulatory limits.

CAPITAL MANAGEMENT WITHIN THE GROUP

32. CAPITAL ADEQUACY

CAPITAL ADEQUACY	31.03.2025	31.12.2024
Equity	**55,372**	**52,370**
capital: share capital, supplementary capital, other reserves, and general risk reserve	34,068	34,068
retained earnings	20,628	11,324
net profit or loss for the period	2,469	9,304
other comprehensive income and non-controlling interests	(1,793)	(2,326)
Exclusions from equity:	**10,878**	**8,072**
deconsolidation - adjustments due to prudential consolidation	(79)	(89)
net profit or loss for the period (prudential consolidation)	2,459	9,285
unappropriated profit for the prior year	9,285	-
cash flow hedges	(787)	(1,124)
Other fund reductions:	**2,990**	**2,973**
goodwill	961	961
other intangible assets	1,627	1,657
additional asset adjustments (AVA, DVA, NPE, exceedance of the thresholds set out in Article 48 CRR)[1]	402	355
Provisional treatment of unrealized gains and losses on securities measured at fair value through OCI according to Art. 468 of the CRR	**630**	**821**
Temporary reversal of IFRS 9 impact[2]	-	**810**
Current period profit/loss, included by permission from the PFSA/after approval of profit distribution by AGM	**1,299**	**1,299**
Tier 1	**43,433**	**44,255**
Tier 2 capital (subordinated debt)	**2,905**	**3,039**
Own funds	46,338	47,294
Requirements for own funds	21,543	20,362
Credit risk	18,453	17,542
Operational risk[2]	2,940	2,672
Market risk	111	115
Credit valuation adjustment risk	39	33
Total capital ratio	17.21	18.58
Tier 2 capital ratio	16.13	17.39

1 AVA – additional valuation adjustment, DVA – debt valuation adjustment, NPE – non-performing exposures adjustment.
2 The temporary reversal of the IFRS 9 impact on own funds was applicable until the end of 2024.
3 In the first quarter of 2025, an increase in the capital requirement for operational risk was recorded, related to the entry into force of CRR3. Under the new regulations, the Bank ceased to apply the AMA (Advanced Measurement Approach) for determining the capital requirement, which had allowed the use of an internal model tailored to the Bank's specific risk profile. The AMA was replaced by a standardised approach to calculating the capital requirement for operational risk, applicable uniformly across the banking sector in the European Union, as defined in the CRR Regulation.

The PFSA agreed to include the Group's profit for the first half of 2024, net of expected charges, in the amount of PLN 1,299 million, in the Group's own funds. The profit was included in the Group's own funds in respect of data as at 31 December 2024 and 31 March 2025.

According to CRR Regulation, prudential consolidation is used for capital adequacy purposes, which unlike consolidation in accordance with IFRS, covers only subsidiaries that meet the definition of an institution, financial institution or any ancillary services enterprise. In addition, pursuant to Article 19 (1) of the CRR, prudential consolidation may exclude entities whose total value of assets and off-balance sheet items is less than EUR 10 million.

33. DIVIDENDS AND PROFIT APPROPRIATION

Information on the PFSA's position on dividend policy in 2024 is described in the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2024 in the note **DIVIDENDS AND PROFIT APPROPRIATION**.

According to the PFSA's position on dividend policy in 2024, the maximum possible level of dividend to be distributed is limited to 75% of profit. As at 31 March 2025, the minimum capital ratios authorising the payment of dividends at 75% of profit were as follows at the consolidated level:

- for the total capital ratio (TCR): 12.96%,
- for the Tier 1 capital ratio (T1): 10.96%,
- for the Tier 1 core capital ratio (CET1): 9.46%.

Information on the dividend payment in 2025 is provided in section 1.8 “Dividend – individual recommendation from the PFSA regarding the payment of dividend for 2024” of the Directors’ Commentary to the financial results of the PKO Bank Polski S.A. Group for the three-month period ended 31 March 2025.

OTHER NOTES

34. TRANSACTIONS WITH THE STATE TREASURY AND RELATED ENTITIES

The State Treasury holds a 29.43% interest in the Bank’s share capital. The Group’s transactions with the State Treasury were mostly related to treasury securities and banking services. These transactions are concluded and settled on terms obtainable by customers who are not related parties. Moreover, the Group performs housing loan agreements in the "legacy" portfolio and carries out settlements in respect of repurchase of interest on housing loans by the State Budget. Biuro Maklerskie PKO Banku Polskiego S.A. plays the role of an agent for the issue of retail Treasury bonds under the agreement signed with the Ministry of Finance on 11 February 2003. Under this agreement, Biuro Maklerskie PKO Banku Polskiego S.A. receives a fee for providing the services of an agent for the issue of bonds – in the period of three months ended 31 March 2025 in the amount of PLN 87 million, and in the period of nine months ended 31 March 2024 in the amount of PLN 96 million.

Transactions with equity-related entities are disclosed in Note 11 to the condensed interim separate financial statements of PKO Bank Polski S.A. for the three-month period ended 31 March 2025.

COST OF REMUNERATION OF THE BANK’S MANAGEMENT AND SUPERVISORY BOARDS FOR THE PERIOD (in PLN thousand)	01.01-31.03.2025	01.01-31.03.2024
Management Board of the Bank		
Short-term employee benefits[1]	2,937	2,279
Long-term employee benefits[2]	1,351	1,790
Share-based payments settled in cash[3]	1,652	3,030
Benefits to the Bank’s Management Board members who ceased to perform their functions before the reporting date[4]	-	1,188
Total	5,940	8,287
Supervisory Board of the Bank		
Short-term employee benefits[1]	387	432
Total	387	432

[1] The item includes: fixed remuneration, social security contributions and other benefits which have been or will be settled within 12 months of the end of the reporting period.
[2] The item includes costs of provisions for the non-deferred and deferred components of variable remuneration in cash.
[3] The item includes the non-deferred and deferred components of variable remuneration in the form of an instrument, i.e. Phantom shares (for which conversion into cash is carried out after an additional period of retention). This item includes both the cost of provisions for variable remuneration components in the form of an instrument for the current period, as well as the effect of revaluation of provisions for variable remuneration components in the form of an instrument for previous years based on the current price of the Bank's shares.
[4] The item includes the costs of severance pay and non-compete benefits.

COSTS OF REMUNERATION OF THE SUBSIDIARIES' MANAGEMENT AND SUPERVISORY BOARDS FOR THE PERIOD (in PLN thousand)	01.01-31.03.2025	01.01-31.03.2024
Management Boards of the Companies		
Short-term employee benefits[1]	5,604	7,199
Long-term employee benefits[2]	2,290	1,738
Share-based payments settled in cash[3]	1,622	491
Benefits to the Companies' Management Board members who ceased to perform their functions before the reporting date[4]	850	588
Total	10,366	10,016
Supervisory Boards of the Companies		
Short-term employee benefits[1]	585	722
Total	585	722

1 The item includes: fixed remuneration, social security contributions and other benefits which have been or will be settled within 12 months of the end of the reporting period.
2 The item includes costs of provisions for the non-deferred and deferred components of variable remuneration in cash.
3 The item includes the non-deferred and deferred components of variable remuneration in the form of an instrument, i.e. Phantom shares (for which conversion into cash is carried out after an additional period of retention).
4 The item includes the costs of severance pay and non-compete benefits.

The Group provides the key management personnel, members of the Supervisory Board and their families with standard financial services which comprise, among other things, operating bank accounts, accepting deposits, granting loans and other services. All these transactions are concluded on an arm's length basis.

- **RELATED-PARTY TRANSACTIONS – PERSONAL LINKS**

As at 31 March 2025 and 31 December 2024, seven entities were related to the Group through the key management personnel of PKO Bank Polski S.A. or close family members of the key management personnel. In the three-month period ended 31 March 2025 and in the corresponding period, no transactions were conducted between the Group and those entities.

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

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

35. OTHER INFORMATION

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

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

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

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

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

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

(IN PLN MILLION)

The Bank's subsidiaries did not enter into any significant agreements or material agreements with the central bank or supervisory authorities in the three-month period ended 31 March 2025.

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

In the period of three months ended 31 March 2025, neither the Bank nor the Bank's subsidiaries took out any loans or advances or received any guarantees or pledges which were not related to their operating activities.

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

The Group has not identified any unpaid loans or advances or any breach of material provisions of a loan or advance agreement where the Group acts as a borrower with regard to which no remedial action had been taken until 31 March 2025.

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

In the three-month period ended 31 March 2025, neither the Bank nor its subsidiaries have entered into significant agreements to guarantee the repayment of a loan or advance and to grant guarantees for the repayment of a loan or advance.

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

Taking into consideration the value of and an increase in the number of court proceedings, the Bank considered as material the court proceedings relating to mortgage loans in convertible currencies. Information on the value of all legal proceedings of the Bank and Bank's Group, as well as a description of the main disputes, including those relating to mortgage loans in convertible currencies, is presented in note 24 "Legal claims".

- **OTHER INFORMATION**

In the three-month period ended 31 March 2025, the Bank and the Bank's subsidiaries did not experience any other significant events relevant to the assessment of their personnel, assets, financial position and financial performance.

- financial liabilities, including past due liabilities

FINANCIAL LIABILITIES	31.03.2025	31.12.2024
Financial liabilities, including:	461,111	458,719
past due	2	3

36. EVENTS THAT OCCURRED AFTER THE DATE ON WHICH THE FINANCIAL STATEMENTS ARE PREPARED

- On 1 April 2025, the Bank's Management Board adopted a resolution to increase the maximum amount of the eurobond issuance programme ("EMTN Programme") from EUR 4 billion to EUR 8 billion.
- On 1 May 2025, Tomasz Pol joined the Bank's Management Board, taking over supervision of the Retail and Corporate Banking Division.

CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS OF PKO BANK POLSKI S.A. FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

SEPARATE INCOME STATEMENT

INCOME STATEMENT	01.01-31.03.2025	01.01-31.03.2024
Net interest income	**5,677**	**4,915**
Interest income, of which:	7,777	7,269
calculated under the effective interest rate method	7,691	7,153
Interest expense	(2,100)	(2,354)
Net fee and commission income	**1,060**	**1,112**
Fee and commission income	1,459	1,437
Fee and commission expense	(399)	(325)
Net other income	**138**	**114**
Gains/(losses) on financial transactions	66	47
Net foreign exchange gains/ (losses)	54	59
Gains/(losses) on derecognition of financial instruments, of which:	6	14
measured at amortized cost	2	9
Net other operating income and expense, of which:	12	(6)
other operating income	58	40
other operating expenses	(46)	(46)
Result on business activities	**6,875**	**6,141**
Net allowances for expected credit losses	(183)	(189)
Impairment of non-financial assets	(180)	(80)
Cost of legal risk of mortgage loans in convertible currencies	(973)	(1,338)
Administrative expenses	(2,259)	(1,935)
Tax on certain financial institutions	(312)	(288)
Profit before tax	**2,968**	**2,311**
Income tax	**(767)**	**(545)**
Net profit	**2,201**	**1,766**
Earnings per share: basic/diluted for the period (PLN)*	1.76	1.41
Weighted average number of ordinary shares during the period (in million)*	1,250	1,250

* Both in the period of three months ended 31 March 2025 and in the corresponding period of 2024, there were no dilutive instruments. Therefore, the amount of diluted earnings per share is the same as the amount of basic earnings per share.

(IN PLN MILLION)

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME	01.01-31.03.2025	01.01-31.03.2024
Net profit	**2,201**	**1,766**
Other comprehensive income	589	311
Items which may be reclassified to profit or loss	589	311
Cash flow hedges (net)	352	(54)
Gains/losses recognized in other comprehensive income during the period	336	(474)
Amounts transferred from other comprehensive income to the income statement	99	407
Deferred tax	(83)	13
Fair value of financial assets measured at fair value through other comprehensive income (net)	237	366
Remeasurement of fair value, gross	296	457
Gains /losses transferred to the profit or loss (on disposal)	(4)	(5)
Deferred tax	(55)	(86)
Foreign currency translation differences from foreign operations	-	(1)
Total net comprehensive income	2,790	2,077

The notes presented on pages 86 to 94 form an integral part of the condensed interim separate financial statements of the PKO Bank Polski S.A. for the three-month period ended 31 March 2025

(IN PLN MILLION)

SEPARATE STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION	31.03.2025	31.12.2024
ASSETS	506,528	500,747
Cash and balances with the Central Bank	14,864	23,263
Amounts due from banks	10,615	8,349
Hedging derivatives	288	344
Other derivative instruments	2,230	2,018
Securities (note 4)	213,070	204,877
Reverse repo transactions	422	892
Loans and advances to customers (note 5)	250,560	245,908
Property, plant and equipment	2,810	2,856
Assets held for sale	14	11
Intangible assets	3,410	3,479
Investments in subsidiaries	3,560	3,560
Investments in associates and joint ventures	275	275
Deferred tax assets	1,493	2,011
Other assets	2,917	2,904
LIABILITIES AND EQUITY	506,528	500,747
Liabilities	**453,971**	**450,980**
Amounts due to Central bank	11	11
Amounts due to banks	2,310	2,271
Hedging derivatives	215	302
Other derivative instruments	2,481	2,409
Amounts due to customers (note 6)	415,696	414,920
Liabilities in respect of debt securities in issue	11,589	11,999
Subordinated liabilities	4,271	4,291
Other liabilities	10,526	7,310
Current income tax liabilities	76	839
- of the Bank	35	693
- of the subsidiaries belonging to the Tax Group	41	146
Provisions	6,796	6,628
EQUITY	52,557	49,767
Share capital	1,250	1,250
Reserves and accumulated other comprehensive income	30,519	29,930
Unappropriated profits	18,587	9,437
Net profit or loss for the period	2,201	9,150

(IN PLN MILLION)

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR 3 MONTHS ENDED 31 MARCH 2025	Share capital	Reserves and accumulated other comprehensive income					Retained earnings	Net profit or loss for the period	Total equity
		Reserves			Accumulated other comprehensive income	Reserves and accumulated other comprehensive income			
		Supplementary capital	General banking risk fund	Other reserves					
As at the beginning of the period	1,250	22,468	1,070	8,406	(2,014)	29,930	9,437	9,150	49,767
Transfer from retained earnings	-	-	-	-	-	-	9,150	(9,150)	-
Comprehensive income	-	-	-	-	589	589	-	2,201	2,790
As at the end of the period	1,250	22,468	1,070	8,406	(1,425)	30,519	18,587	2,201	52,557

FOR 3 MONTHS ENDED 31 MARCH 2024	Share capital	Reserves and accumulated other comprehensive income					Retained earnings	Net profit or loss for the period	Total equity
		Reserves			Accumulated other comprehensive income	Reserves and accumulated other comprehensive income			
		Supplementary capital	General banking risk fund	Other reserves					
As at the beginning of the period	1,250	22,468	1,070	6,775	(2,914)	27,399	9,437	4,868	42,954
Transfer from retained earnings	-	-	-	-	-	-	4,868	(4,868)	-
Comprehensive income	-	-	-	-	311	311	-	1,766	2,077
As at the end of the period	1,250	22,468	1,070	6,775	(2,603)	27,710	14,305	1,766	45,031

The notes presented on pages 86 to 94 form an integral part of the condensed interim separate financial statements of the PKO Bank Polski S.A. for the three-month period ended 31 March 2025

(IN PLN MILLION)

FOR 3 MONTHS ENDED 31 MARCH 2025	Accumulated other comprehensive income				
	Fair value of financial assets measured at fair value through other comprehensive income	Cash flow hedges	Actuarial gains and losses	Foreign currency translation differences from foreign operations	Total
As at the beginning of the period	(884)	(1,105)	(24)	(1)	(2,014)
Comprehensive income	237	352	-	-	589
As at the end of the period	(647)	(753)	(24)	(1)	(1,425)

FOR 3 MONTHS ENDED 31 MARCH 2024	Accumulated other comprehensive income				
	Fair value of financial assets measured at fair value through other comprehensive income	Cash flow hedges	Actuarial gains and losses	Foreign currency translation differences from foreign operations	Total
As at the beginning of the period	(1,189)	(1,701)	(22)	(2)	(2,914)
Comprehensive income	366	(54)	-	(1)	311
As at the end of the period	(823)	(1,755)	(22)	(3)	(2,603)

(IN PLN MILLION)

SEPARATE STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS	01.01-31.03.2025	01.01-31.03.2024 (restated)
Cash flows from operating activities		
Profit before tax	**2,968**	**2,311**
Income tax paid	**(1,046)**	**(398)**
Total adjustments:	**(2,168)**	**(14,299)**
Depreciation and amortization	274	254
(Gains)/losses on investing activities	(3)	(4)
Net interest income (from income statement)	(5,677)	(4,915)
Interest received	5,287	5,035
Interest paid	(1,773)	(2,036)
Dividends received	-	(30)
Change in:		
amounts due from banks	(224)	340
hedging derivatives	(178)	(342)
other derivative instruments	(140)	(72)
securities	(131)	(535)
loans and advances to customers	(4,408)	(5,548)
reverse repo transactions	469	(155)
assets held for sale	(3)	130
other assets	(189)	(247)
accumulated allowances for expected credit losses	101	119
accumulated allowances on non-financial assets and other provisions	352	352
amounts due to banks	39	(385)
amounts due to customers	758	(6,371)
liabilities in respect of debt securities in issue	(281)	(43)
subordinated liabilities	-	(1)
other liabilities	3,291	321
Other adjustments	268	(166)
Net cash from/used in operating activities	(246)	(12,386)

(IN PLN MILLION)

STATEMENT OF CASH FLOWS	01.01-31.03.2025	01.01-31.03.2024 (restated)
Cash flows from investing activities		
Inflows from investing activities	**110,081**	**199,932**
Redemption and sale of securities measured at fair value through other comprehensive income	103,975	199,072
Interest received on securities measured at fair value through other comprehensive income	507	619
Redemption of securities measured at amortized cost	5,399	123
Interest received on securities measured at amortized cost	191	69
Proceeds from disposal of intangible assets, property, plant and equipment and assets held for sale	9	19
Other inflows from investing activities including dividends	-	30
Outflows on investing activities	**(115,607)**	**(194,264)**
Purchase of securities measured at fair value through other comprehensive income	(106,061)	(183,375)
Purchase of securities measured at amortized cost	(9,448)	(10,679)
Purchase of intangible assets and property, plant and equipment	(98)	(210)
Net cash from/used in investing activities	(5,526)	5,668
Cash flows from financing activities		
Distribution of interim dividend	-	(1,600)
Proceeds from debt securities in issue	3,186	3,156
Redemption of debt securities	(3,134)	-
Payment of lease liabilities	(74)	(72)
Repayment of interest on long-term liabilities	(420)	(299)
Net cash from financing activities	(442)	1,185
Total net cash flows	(6,214)	(5,533)
of which foreign exchange differences on cash and cash equivalents	(78)	(46)
Cash and cash equivalents at the beginning of the period	26,110	28,735
Cash and cash equivalents at the end of the period	19,896	23,202

The notes presented on pages 86 to 94 form an integral part of the condensed interim separate financial statements of the PKO Bank Polski S.A. for the three-month period ended 31 March 2025

SUPPLEMENTARY INFORMATION

1. APPROVAL OF THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

These condensed interim separate financial statements of PKO Bank Polski S.A. (the **FINANCIAL STATEMENTS**), reviewed by the Audit Committee of the Supervisory Board and reviewed by the Supervisory Board on 12 May 2025, were approved for publication by the Management Board on 12 May 2025.

2. REPRESENTATION BY THE MANAGEMENT BOARD

The Management Board hereby represents that, to the best of their knowledge, the financial statements and the comparative data have been prepared in accordance with the applicable rules of accounting practice and give a true, fair and clear view of the Bank's financial position and results of operations.

3. THE BASIS FOR PREPARATION OF THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

The Bank has prepared its condensed interim separate financial statements in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" as endorsed by the European Union. These condensed interim separate financial statements of the Bank for the three-month period ended 31 March 2025 do not comprise all the information and disclosures which may be required in annual financial statements and should be read jointly with the annual separate financial statements of PKO Bank Polski S.A. for the year ended 31 December 2024 that were prepared in accordance with the International Financial Reporting Standards endorsed by the European Union.

These financial statements should also be read jointly with the condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group for the three-month period ended 31 March 2024, which present a number of disclosures also applicable to the financial statements of the Bank.

The financial statements cover the three-month period ended 31 March 2025 and contains comparative figures:

- the three-month period ended 31 March 2024 with regard to the income statement, statement of comprehensive income, statement of changes in equity, and statement of cash flows,
- as at 31 December 2024 with regard to the statement of financial position.

The financial data is presented in millions of Polish zlotys (PLN), unless otherwise indicated. Figures have been rounded to the nearest million Polish zloty and any differences from previously published figures may be due to rounding.

To prepare these financial statements, the Bank applied the accounting policies and calculation methods consistent with those applicable in the financial year ended 31 December 2024, described in detail in the separate financial statements of PKO Bank Polski S.A. for the year ended 31 December 2024. In addition, the Bank has taken into account the principle of recognising income tax expense based on the best estimate of the weighted average annual income tax rate expected by the Bank for the full financial year.

With the exception of the changes required by standards and amendments to standards that became effective as of 1 January 2025, the Bank has not implemented any new accounting policies. The amendments had no material impact on the Bank's financial statements. In these financial statements, the comparative figures in the statement of cash flows for the three-month period ended 31 March 2024 were restated from those previously published (see Note 7 **CHANGES IN ACCOUNTING POLICIES APPLICABLE FROM 1 JANUARY 2025 AND EXPLANATION OF THE DIFFERENCES BETWEEN PREVIOUSLY PUBLISHED FINANCIAL STATEMENTS AND THESE FINANCIAL STATEMENTS** to the condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group for the three-month period ended 31 March 2025).

(IN PLN MILLION)

CASH FLOWS FROM OPERATING ACTIVITIES – SELECTED DATA	01.01-31.03.2024 before restatement	Change	01.01-31.03.2024 restated
Total adjustments	**(13,808)**	**(491)**	**(14,299)**
Interest and dividends received (previous item)	(717)	717	-
Interest paid (previous item)	299	(299)	-
Net interest income (from income statement) (new item)	-	(4,915)	(4,915)
Interest received (new item)	-	5,035	5,035
Interest paid (new item)	-	(2,036)	(2,036)
Dividends received (new item)	-	(30)	(30)
Change in:			
amounts due from banks	364	(24)	340
hedging derivatives	602	(944)	(342)
other derivative instruments	(120)	48	(72)
securities	(1,715)	1,180	(535)
loans and advances to customers	(5,974)	426	(5,548)
accumulated allowances on non-financial assets and other provisions	350	2	352
amounts due to banks	(422)	37	(385)
amounts due to customers	(6,493)	122	(6,371)
liabilities in respect of debt securities in issue	(179)	136	(43)
subordinated liabilities	(57)	56	(1)
other liabilities	323	(2)	321
Net cash from/used in operating activities	(11,895)	(491)	(12,386)
Total net cash flows	(5,042)	(491)	(5,533)
Cash and cash equivalents at the beginning of the period	29,851	(1,116)	28,735
Cash and cash equivalents at the end of the period	24,809	(1,607)	23,202

4. SECURITIES

SECURITIES	31.03.2025	31.12.2024
Debt securities	**212,693**	**204,534**
NBP money bills	11,987	7,996
treasury bonds (in PLN)	144,927	132,436
treasury bonds (in foreign currencies)	4,159	9,755
treasury bills	1,207	-
corporate bonds (in PLN) secured with the State Treasury guarantees	16,232	22,063
municipal bonds (in PLN)	15,771	15,622
corporate bonds (in PLN)[1]	6,011	6,051
corporate bonds (in foreign currencies)[2]	11,887	10,106
mortgage covered bonds	512	505
Equity securities	**395**	**362**
Total (excluding adjustment relating to fair value hedge accounting)	**213,088**	**204,896**
Adjustment relating to fair value hedge accounting	(18)	(19)
Total	213,070	204,877

1 The item includes, among other items, bonds of international financial organizations of PLN 3,772 million (PLN 4,013 million as at 31 December 2024)

2 The item includes, among other items, bonds of international financial organizations of PLN 9,449 million (PLN 7,599 million as at 31 December 2024)

(IN PLN MILLION)

5. LOANS AND ADVANCES TO CUSTOMERS

LOANS AND ADVANCES TO CUSTOMERS 31.03.2025	not held for trading, measured at fair value through profit or loss	measured at fair value through other comprehensive income	measured at amortized cost	Total
retail and private banking	**2,010**	**8,762**	**130,030**	**140,802**
real estate	2	8,762	93,830	102,594
consumer	2,008	-	36,200	38,208
businesses	**65**	**-**	**14,081**	**14,146**
real estate	-	-	4,924	4,924
business	65	-	9,157	9,222
corporate	**2**	**-**	**95,611**	**95,613**
real estate	-	-	277	277
business	2	-	95,334	95,336
Loans and advances to customers (excluding adjustment relating to fair value hedge accounting)	**2,077**	**8,762**	**239,722**	**250,561**
Adjustment relating to fair value hedge accounting	-	-	(1)	(1)
Total	2,077	8,762	239,721	250,560

LOANS AND ADVANCES TO CUSTOMERS 31.12.2024	not held for trading, measured at fair value through profit or loss	measured at fair value through other comprehensive income	measured at amortized cost	Total
retail and private banking	**2,092**	**9,465**	**125,952**	**137,509**
real estate	1	9,465	91,642	101,108
consumer	2,091	-	34,310	36,401
businesses	**59**	**-**	**13,481**	**13,540**
real estate	-	-	5,005	5,005
business	59	-	8,476	8,535
corporate	**15**	**-**	**94,845**	**94,860**
real estate	-	-	112	112
business	15	-	94,733	94,748
Loans and advances to customers (excluding adjustment relating to fair value hedge accounting)	**2,166**	**9,465**	**234,278**	**245,909**
Adjustment relating to fair value hedge accounting	-	-	(1)	(1)
Total	2,166	9,465	234,277	245,908

(IN PLN MILLION)

6. AMOUNTS DUE TO CUSTOMERS

AMOUNTS DUE TO CUSTOMERS	31.03.2025	31.12.2024
Measured at fair value through profit or loss	**23**	**32**
Liabilities in respect of a short position in securities	23	32
Measured at amortized cost	**415,396**	**414,651**
Cash on current accounts and overnight deposits of which	305,036	302,876
savings accounts and other interest-bearing assets	83,752	86,177
Term deposits	109,084	110,386
Other liabilities	1,276	1,389
Amounts due to customers (excluding adjustment relating to fair value hedge accounting)	**415,419**	**414,683**
Adjustment relating to fair value hedge accounting	277	237
Total	415,696	414,920

7. OFF-BALANCE SHEET LIABILITIES RECEIVED AND GRANTED

FINANCIAL AND GUARANTEE COMMITMENTS GRANTED – nominal value	31.03.2025	31.12.2024
Credit lines and limits	89,863	86,939
Other	4,327	3,940
Total financial commitments granted, including:	**94,190**	**90,879**
irrevocable commitments granted	43,325	41,230
Guarantees and sureties granted, including:	**14,080**	**14,464**
irrevocable commitments granted	7,465	8,152
performance guarantee	3,641	3,742
Total	108,270	105,343

OFF-BALANCE SHEET LIABILITIES RECEIVED BY NOMINAL VALUE	31.03.2025	31.12.2024
Financial	131	106
Guarantees	22,447	20,123
Total	22,578	20,229

(IN PLN MILLION)

8. FAIR VALUE HIERARCHY

For a description of fair value measurement techniques and inputs, see the financial statements of PKO Bank Polski S.A. for the year ended 31 December 2024.

ASSETS MEASURED AT FAIR VALUE 31.03.2025	Carrying amount	Level 1	Level 2	Level 3
Hedging derivatives	288	-	288	-
Other derivative instruments	2,230	1	2,229	-
Securities	**98,501**	**70,889**	**26,948**	**664**
held for trading	717	707	8	2
not held for trading, measured at fair value through profit or loss	499	66	2	431
measured at fair value through other comprehensive income	97,285	70,116	26,938	231
Loans and advances to customers	**10,839**	-	-	**10,839**
not held for trading, measured at fair value through profit or loss	2,077	-	-	2,077
measured at fair value through other comprehensive income	8,762	-	-	8,762
Total	111,858	70,890	29,465	11,503

ASSETS MEASURED AT FAIR VALUE 31.12.2024	Carrying amount	Level 1	Level 2	Level 3
Hedging derivatives	344	-	344	-
Other derivative instruments	2,018	1	2,017	-
Securities	**95,263**	**72,920**	**21,701**	**642**
held for trading	373	370	-	3
not held for trading, measured at fair value through profit or loss	715	310	1	404
measured at fair value through other comprehensive income	94,175	72,240	21,700	235
Loans and advances to customers	**11,631**	-	-	**11,631**
not held for trading, measured at fair value through profit or loss	2,166	-	-	2,166
measured at fair value through other comprehensive income	9,465	-	-	9,465
Total	109,256	72,921	24,062	12,273

LIABILITIES MEASURED AT FAIR VALUE 31.03.2025	Carrying amount	Level 1	Level 2	Level 3
Hedging derivatives	215	-	215	-
Other derivative instruments	2,481	-	2,481	-
Liabilities in respect of a short position in securities	36	36	-	-
Total	2,732	36	2,696	-

LIABILITIES MEASURED AT FAIR VALUE 31.12.2024	Carrying amount	Level 1	Level 2	Level 3
Hedging derivatives	302	-	302	-
Other derivative instruments	2,409	1	2,408	-
Liabilities in respect of a short position in securities	36	36	-	-
Total	2,747	37	2,710	-

(IN PLN MILLION)

RECONCILIATION OF CHANGES DURING THE REPORTING PERIOD TO FAIR VALUE AT LEVEL 3	01.01-31.03.2025	01.01-31.03.2024
Opening balance at the beginning of the period	**12,273**	**14,235**
Acquisition of equity instruments	-	13
Sale of equity instruments	(1)	-
Redemption of corporate bonds	-	(1)
Granting and increase in exposure to loans and advances to customers	388	406
Repayment of loans and advances to customers	(723)	(846)
Sale	(497)	-
Derecognition of loans and advances to customers	40	-
Write-off of loans and advances to customers	(3)	-
Net gain/(loss) on financial instruments measured at fair value through profit or loss	26	(8)
Change in the valuation recognized in OCI	(1)	(33)
Other, including exchange difference[1]	1	(22)
Closing balance	11,503	13,744

[1] The item “Other, including exchange difference” includes a decrease due to conversion of Visa Inc. series C shares into Visa series A Preferred shares

IMPACT OF ESTIMATES ON FAIR VALUE MEASUREMENT OF LEVEL 3 FINANCIAL INSTRUMENTS	31.03.2025 Fair value in		31.12.2024 Fair value in	
	positive scenario	negative scenario	positive scenario	negative scenario
Shares in Visa Inc.[1]	57	53	56	52
Other equity investments[2]	287	260	262	237
Corporate bonds[3]	336	335	339	338
Loans and advances to customers[4]	11,381	10,297	12,212	11,049

[1] scenario assuming a discount rate in respect of the future conditions of converting C-series shares to ordinary shares at a level of 0%/100% respectively
[2] scenario assuming a change in the discount rate of +/- 5%
[3] scenario assuming a change in the credit spread of +/-10%
[4] scenario assuming a change in the company’s value of +/- 0.5p.p.

9. FINANCIAL ASSETS AND FINANCIAL LIABILITIES NOT PRESENTED AT FAIR VALUE IN THE STATEMENT OF FINANCIAL POSITION

For a description of fair value measurement techniques and inputs, see the financial statements of PKO Bank Polski S.A. for the year ended 31 December 2024.

31.03.2025	carrying amount	fair value			Total
		Level 1	Level 2	Level 3	
Cash and balances with the Central Bank	14,864	3,357	11,507	-	14,864
Amounts due from banks	10,615	-	10,615	-	10,615
Securities[1]	**114,587**	**80,958**	**27,673**	**4,593**	**113,224**
Reverse repo transactions	422	-	422	-	422
Loans and advances to customers[1]	**239,722**	**-**	**-**	**242,078**	**242,078**
Other financial assets	2,175	-	-	2,175	2,175
Amounts due to Central bank	11	-	11	-	11
Amounts due to banks	2,297	-	2,297	-	2,297
Amounts due to customers[1]	**415,396**	**-**	**-**	**415,667**	**415,667**
Liabilities in respect of debt securities in issue	11,589	-	11,827	-	11,827
Subordinated liabilities	4,271		4,317	-	4,317
Other financial liabilities	5,598	-	-	5,598	5,598

[1] excluding adjustment relating to fair value hedge accounting

(IN PLN MILLION)

31.12.2024	carrying amount	fair value			Total
		Level 1	Level 2	Level 3	
Cash and balances with the Central Bank	23,263	3,696	19,567	-	23,263
Amounts due from banks	8,349	-	8,349	-	8,349
Securities[1]	**109,633**	**73,133**	**29,612**	**3,938**	**106,683**
Reverse repo transactions	892	-	892	-	892
Loans and advances to customers[1]	**234,278**	-	-	**236,490**	**236,490**
Other financial assets	2,319	-	-	2,319	2,319
Amounts due to Central bank	11	-	11	-	11
Amounts due to banks	2,267	-	2,267	-	2,267
Amounts due to customers[1]	**414,651**	-	-	**415,211**	**415,211**
Liabilities in respect of debt securities in issue	11,999	-	12,180	-	12,180
Subordinated liabilities	4,291	-	4,335	-	4,335
Other financial liabilities	3,911	-	-	3,911	3,911

[1] excluding adjustment relating to fair value hedge accounting

10. CAPITAL ADEQUACY

CAPITAL ADEQUACY	31.03.2025	31.12.2024
Equity	**52,557**	**49,767**
Exclusions from equity:	**10,598**	**8,045**
net profit or loss for the period	2,201	9,150
unappropriated profit for the prior year	9,150	
cash flow hedges	(753)	(1,105)
Other fund reductions:	**2,630**	**2,614**
goodwill	754	755
other intangible assets	1,472	1,504
additional asset adjustments (AVA, DVA, NPE, exceedance of the thresholds set out in Article 48 CRR)[1]	403	355
Provisional treatment of unrealized gains and losses on securities measured at fair value through OCI according to Art. 468 of the CRR	707	927
Temporary reversal of IFRS 9 impact[2]	-	739
Net profit included in own funds	**1,550**	**1,550**
Tier 1	**41,586**	**42,324**
Tier 2 capital (subordinated debt)	**2,905**	**3,039**
Own funds	44,491	45,363
Requirements for own funds	18,837	17,392
Credit risk	15,820	14,925
Operational risk[2]	2,863	2,317
Market risk	110	114
Credit valuation adjustment risk	44	36
Total capital ratio	18.90	20.87
Tier 1 capital ratio	17.66	19.47

1 AVA – additional valuation adjustment, DVA – debt valuation adjustment, NPE – non-performing exposures, DTA – deferred tax assets
2 The temporary reversal of the IFRS 9 impact on own funds was applicable until the end of 2024.
3 In the first quarter of 2025, an increase in the capital requirement for operational risk was recorded, related to the entry into force of CRR3. Under the new regulations, the Bank ceased to apply the AMA (Advanced Measurement Approach) for determining the capital requirement, which had allowed the use of an internal model tailored to the Bank's specific risk profile. The AMA was replaced by a standardised approach to calculating the capital requirement for operational risk, applicable uniformly across the banking sector in the European Union, as defined in the CRR Regulation.

(IN PLN MILLION)

The PFSA agreed to include the Bank's profit for the first half of 2024, net of expected charges, in the amount of PLN 1,550 million, in the Bank's own funds. The profit was included in the Group's own funds in respect of data as at 31 December 2024 and 31 March 2025.

11. RELATED-ENTITY TRANSACTIONS

• RELATED-PARTY TRANSACTIONS - CAPITAL LINKS

Transactions presented below were arm's length transactions.

	Receivables	of which loans	Liabilities	Off-balance sheet liabilities granted
31.03.2025				
Subsidiaries	34,353	33,063	701	11,895
Associates and joint ventures	183	85	277	434
31.12.2024				
Subsidiaries	35,128	34,389	603	9,716
Associates and joint ventures	147	85	195	446

	Total income	of which interest and commission income	Total expense	of which interest and commission income
01.01.-31.03.2025				
Subsidiaries	636	630	16	14
Associates and joint ventures	173	172	54	41
01.01.-31.03.2024				
Subsidiaries	637	630	11	9
Associates and joint ventures	168	167	55	42

• RELATED-PARTY TRANSACTIONS - PERSONAL LINKS AND BENEFITS FOR THE KEY MANAGEMENT

Transactions parties related by personal links and benefits for key management personnel are described in note 34 "TRANSACTIONS WITH THE STATE TREASURY AND RELATED ENTITIES" in the section of the condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group for the three-month period ended 31 March 2025.

12. EVENTS THAT OCCURRED AFTER THE DATE ON WHICH THE FINANCIAL STATEMENTS ARE PREPARED

An event that occurred after the date on which the financial statements were prepared is described in note 36 "EVENTS THAT OCCURRED AFTER THE DATE ON WHICH THE FINANCIAL STATEMENTS ARE PREPARED" in the section of the condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group for the three-month period ended 31 March 2025.

SIGNATURES OF ALL THE MEMBERS OF THE BANK'S MANAGEMENT BOARD

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

SIGNATURE OF A PERSON WHO IS RESPONSIBLE FOR MAINTAINING THE ACCOUNTING RECORDS

Danuta Szymańska	Director of the accounting division

The original Polish document is signed with a qualified electronic signatures