



Bank Polski

Annex to Resolution No. 60/2021

of the Supervisory Board of 9 May 2021

Report
of the Supervisory Board
of Powszechna Kasa Oszczędności Bank Polski
Spółka Akcyjna
for 2020

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EVALUATION OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE PKO BANK POLSKI S.A. GROUP AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020, THE FINANCIAL STATEMENTS OF PKO BANK POLSKI S.A. AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020, AND THE PKO BANK POLSKI S.A. GROUP DIRECTORS' REPORT FOR 2020 PREPARED TOGETHER WITH THE DIRECTORS' REPORT OF PKO BANK POLSKI S.A.

Pursuant to Article 382 of the Commercial Companies Code, § 70 (1) (14) and § 71 (1) (12) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodical information submitted by issuers of securities and conditions for considering equivalent the information required under the legislation of a non-Member State (hereinafter called the Regulation on current and periodical information) and § 15 (1) (15) of the Articles of Association of PKO Bank Polski S.A., the Supervisory Board of PKO Bank Polski S.A. expressed a positive opinion on the following reports regarding their consistency with the books, documents and the facts:

- 1) the consolidated financial statements of the PKO Bank Polski S.A. Group (hereinafter called the Bank's Group) as at and for the year ended 31 December 2020;
- 2) the financial statements of PKO Bank Polski S.A. (hereinafter called the Bank) as at and for the year ended 31 December 2020;
- 3) the PKO Bank Polski S.A. Group Directors' Report for 2020 prepared together with the Directors' Report of PKO Bank Polski S.A.

on the basis of:

- the contents of the aforementioned reports presented to and discussed by the Bank's Management Board;
- the reports on the audits of the separate and consolidated financial statements of the Bank and the Bank's Group and the audit firm's additional report for the Audit Committee of the Bank's Supervisory Board;
- meetings with the representatives of the audit firm, including the key registered auditor;
- the recommendation of the Audit Committee of the Bank's Supervisory Board on giving a positive opinion on the audited financial statements.

The financial statements specified in (1)-(2) were audited by the audit firm PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audit sp. k. which was appointed by the Supervisory Board to audit the separate financial statements of the Bank and the consolidated financial statements of the Bank's Group for 2020.

The results of the evaluation, including the statements of grounds, are presented below.

1. The Supervisory Board has read and analysed the financial statements of PKO Bank Polski S.A. as at and for the year ended 31 December 2020, comprising:
 - 1) selected financial data;
 - 2) the income statement for the period from 1 January 2020 to 31 December 2020;
 - 3) the statement of comprehensive income for 2020;
 - 4) the statement of financial position as at 31 December 2020;
 - 5) the statement of changes in equity for the year ended 31 December 2020;
 - 6) the statement of cash flows for the period from 1 January 2020 to 31 December 2020;
 - 7) notes to the financial statements.

2. The Supervisory Board has read and analysed the consolidated financial statements of the PKO Bank Polski S.A. Group as at and for the year ended 31 December 2020, comprising:
 - 1) selected consolidated financial data;
 - 2) the consolidated income statement for the period from 1 January 2020 to 31 December 2020;
 - 3) the consolidated statement of comprehensive income for 2020;
 - 4) the consolidated statement of financial position as at 31 December 2020;
 - 5) the consolidated statement of changes in equity for the year ended 31 December 2020;
 - 6) the consolidated statement of cash flows for the period from 1 January 2020 to 31 December 2020;
 - 7) notes to the consolidated financial statements.

3. The Supervisory Board has read and analysed the PKO Bank Polski S.A. Group Directors' Report for 2020 prepared together with the Directors' Report of PKO Bank Polski S.A.

The financial statements of the Bank and the Bank's Group as at and for the year ended 31 December 2020 were prepared within the deadline specified in the legal regulations, in accordance with International Financial Reporting Standards as adopted by the European Union as at 31 December 2020 and, to the extent not covered by the aforementioned standards, in accordance with the requirements of the Accounting Act and the secondary legislation issued on its basis, as well as the requirements relating to issuers of securities admitted to or applying for admission to trading on the official stock exchange market.

The financial statements present the accounting policies applied consistently in all the years presented, except for the matters described in the Note "Changes in the accounting policies applicable from 1 January 2020 and explanation of the differences between previously published financial statements and these financial statements".

Having analysed the independent registered auditor's reports, the audit firm's additional report for the Audit Committee of the Supervisory Board and based on the meetings with the audit firm, and taking into account the positive recommendations of the Audit Committee of the Bank's Supervisory Board presented on 28 April 2021, the Supervisory Board gave a positive opinion on the consolidated financial statements of the Bank's Group as at and for the year ended 31 December 2020, the Bank's financial statements as at and for the year ended 31 December 2020 and the Directors' Report of the Bank's Group for 2020 prepared together with the Directors' Report of the Bank.

In particular, the independent registered auditor presented its opinions:

- on the Bank's financial statements, concluding that they give a fair and clear view of the Bank's economic and financial position as at 31 December 2020 and that they have been prepared on the basis of properly maintained books of account in accordance with the provisions of Chapter 2 of the Accounting Act, and that they comply, in terms of form and content, with the laws applicable to the Bank and its Articles of Association;
- on the Group's consolidated financial statements, concluding that they give a fair and clear view of the consolidated economic and financial position of the Bank's Group as at 31 December 2020 and that they

comply, in terms of form and content, with the laws applicable to the Bank's Group and the Articles of Association of the Bank as the Parent Company.

In addition, with regard to the Directors' Report, the registered auditor concluded, based on the work performed during the audit of the financial statements, that the Directors' Report had been prepared in accordance with Article 49 of the Accounting Act, § 70 and § 71 of the Regulation on current and periodical information, and Article 111a (1)-(2) of the Banking Law, and that it was consistent with the information in the financial statements.

Based on the above procedures, the Bank's Supervisory Board is of the opinion that the Consolidated Financial Statements of the PKO Bank Polski S.A. Group as at and for the year ended 31 December 2020, the Financial Statements of PKO Bank Polski S.A. as at and for the year ended 31 December 2020, and the PKO Bank Polski S.A. Group Directors' Report for 2020 prepared together with the Directors' Report of PKO Bank Polski S.A. are consistent with the books, documents and the facts.

Pursuant to Article 4a (1) of the Accounting Act, the Supervisory Board also assures that the aforementioned reports meet the requirements provided for in that Act.

Therefore, the Supervisory Board has requested that the Annual General Meeting of PKO Bank Polski S.A. approve the aforementioned reports.

EVALUATION OF THE MANAGEMENT BOARD'S PROPOSALS FOR RETAINING THE UNAPPROPRIATED PROFIT OF PKO BANK POLSKI S.A. FOR THE PRIOR YEARS AS UNAPPROPRIATED PROFIT AND FOR OFFSETTING PKO BANK POLSKI S.A.'S LOSS FOR 2020

1. The Supervisory Board, given the positive recommendation of the Audit Committee of the Supervisory Board, gave a positive opinion on the Management Board's proposal for retaining the unappropriated profit of PKO Bank Polski S.A. for the prior years as unappropriated profit.

In accordance with the aforementioned proposal of the Management Board and the above opinion of the Supervisory Board:

The unappropriated profit of PKO Bank Polski S.A. for the prior years of PLN 5 500 000 000.00 shall be retained as an unappropriated profit.

2. The Supervisory Board, given the positive recommendation of the Audit Committee of the Supervisory Board, gave a positive opinion on the Management Board's proposal for offsetting PKO Bank Polski S.A.'s loss for 2020.

In accordance with the aforementioned proposal of the Management Board and the above opinion of the Supervisory Board:

Taking into account:

1. the establishment, by Resolution no. 4/2021 of the Extraordinary General Meeting of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna of 23 April 2021, of a special fund for offsetting specific accounting losses which will result from the recognition of the financial effects of settlements with consumers who concluded agreements with PKO Bank Polski S.A. on mortgage-secured loans or advances indexed to foreign currencies or denominated in foreign currencies;
2. PKO Bank Polski S.A.'s loss for 2020 of PLN 2 943 792 603.05 which resulted from changes in the methodology for assessing and in the quantification of the legal risk relating to PKO Bank Polski S.A.'s intention to sign settlements with the consumers referred to in (1),

it is proposed that PKO Bank Polski S.A.'s loss for 2020 of PLN 2 943 792 603.05 be offset against the fund referred to in (1).

REPORT ON THE OPERATIONS OF THE SUPERVISORY BOARD AS A CORPORATE BODY IN 2020

Information on the Supervisory Board's term of office and another year of activities during the term of office, and on the composition of the Supervisory Board, functions performed on the Supervisory Board and changes in the composition of the Supervisory Board during the financial year

As at 31 December 2020, the composition of the Supervisory Board was as follows:

(all members appointed for another joint, three-year term of office which began on the date of the Annual General Meeting of PKO Bank Polski S.A. convened for 26 August 2020)

No.	Name and surname	Function	Date of appointment/ dismissal
1.	Zbigniew Hajłasz	Chairman of the Supervisory Board	<p>Appointed to the Supervisory Board on 30 June 2016 for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 26 June 2014. (Notarial Deed /Repertorium A-5497/2016, Resolution No. 32/2016)</p> <p>On 14 July 2016, the Supervisory Board appointed Mr Zbigniew Hajłasz Secretary of the Supervisory Board.</p> <p>On 22 June 2017, he was dismissed from the Supervisory Board and subsequently re-appointed to the Supervisory Board for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 22 June 2017. (Notarial Deed /Repertorium A-8117/2017, Resolutions Nos. 36/2017 and 39/2017).</p> <p>On 24 August 2017, the Supervisory Board appointed Mr Zbigniew Hajłasz Secretary of the Supervisory Board.</p> <p>Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board.</p>

			<p>(Notarial Deed /Repertorium A-6938/2020, Resolution No. 39/2020)</p> <p>The State Treasury, as an Authorized Shareholder within the meaning of the Bank's Articles of Association, appointed Mr Zbigniew Hajłasz Chairman of the Supervisory Board.</p>
2.	Marcin Izdebski	Deputy Chairman of the Supervisory Board	<p>Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board.</p> <p>(Notarial Deed /Repertorium A-6938/2020, Resolution No. 40/2020)</p> <p>The State Treasury, as an Authorized Shareholder within the meaning of the Bank's Articles of Association, appointed Mr Marcin Izdebski Deputy Chairman of the Supervisory Board.</p>
3.	Grażyna Ciużyńska	Secretary of the Supervisory Board	<p>Appointed to the Supervisory Board on 30 June 2016 for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 26 June 2014.</p> <p>(Notarial Deed /Repertorium A-5497/2016, Resolution No. 31/2016)</p> <p>On 30 June 2016, the State Treasury, acting as an Authorized Shareholder within the meaning of the Bank's Articles of Association, appointed Ms Grażyna Ciużyńska Vice-Chair of the Supervisory Board.</p> <p>On 22 June 2017, she was dismissed from the Supervisory Board and subsequently re-appointed to the Supervisory Board for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 22 June 2017.</p> <p>(Notarial Deed /Repertorium A-8117/2017, Resolutions Nos. 36/2017 and 38/2017)</p> <p>On 22 June 2017, the State Treasury, acting as an Authorized Shareholder within the meaning of the Bank's Articles of Association, appointed Ms Grażyna Ciużyńska Vice-Chair of the Supervisory Board.</p> <p>Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board.</p> <p>(Notarial Deed /Repertorium A-6938/2020, Resolution No. 38/2020)</p> <p>On 24 September 2020, the Supervisory Board appointed Ms Grażyna Ciużyńska Secretary of the Supervisory Board.</p>
4.	Mariusz Andrzejewski	Member of the Supervisory Board	<p>Appointed to the Supervisory Board on 22 June 2017 for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 22 June 2017.</p> <p>(Notarial Deed /Repertorium A-8117/2017, Resolution No. 44/2017)</p> <p>Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board.</p> <p>(Notarial Deed /Repertorium A-6938/2020, Resolution No. 36/2020)</p>
5.	Grzegorz Chłopek	Member of the Supervisory Board	<p>Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board.</p>

			(Notarial Deed / <i>Repertorium</i> A-6938/2020, Resolution No. 37/2020)
6.	Wojciech Jasiński	Member of the Supervisory Board	<p>Appointed to the Supervisory Board on 25 February 2016 for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 26 June 2014.</p> <p>(Notarial Deed /<i>Repertorium</i> A-1583/2016, Resolution No. 11/2016)</p> <p>On 22 June 2017, he was dismissed from the Supervisory Board and subsequently re-appointed to the Supervisory Board for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 22 June 2017.</p> <p>(Notarial Deed /<i>Repertorium</i> A-8117/2017, Resolutions Nos. 36/2017 and 41/2017).</p> <p>Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board.</p> <p>(Notarial Deed /<i>Repertorium</i> A-6938/2020, Resolution No. 41/2020)</p>
7.	Andrzej Kisielewicz	Member of the Supervisory Board	<p>Appointed to the Supervisory Board on 25 February 2016 for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 26 June 2014.</p> <p>(Notarial Deed /<i>Repertorium</i> A-1583/2016, Resolution No. 12/2016).</p> <p>On 22 June 2017, he was dismissed from the Supervisory Board and subsequently re-appointed to the Supervisory Board for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 22 June 2017.</p> <p>(Notarial Deed /<i>Repertorium</i> A-8117/2017, Resolutions Nos. 36/2017 and 47/2017).</p> <p>Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board.</p> <p>(Notarial Deed /<i>Repertorium</i> A-6938/2020, Resolution No. 42/2020)</p>
8.	Rafał Kos	Member of the Supervisory Board	<p>Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board.</p> <p>(Notarial Deed /<i>Repertorium</i> A-6938/2020, Resolution No. 43/2020)</p>
9.	Krzysztof Michalski	Member of the Supervisory Board	<p>Appointed to the Supervisory Board on 17 September 2019 for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 22 June 2017.</p> <p>(Notarial Deed /<i>Repertorium</i> A-10231/2019, Resolution No. 7/2019)</p> <p>Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board.</p> <p>(Notarial Deed /<i>Repertorium</i> A-6938/2020, Resolution No. 44/2020)</p>
10.	Piotr Sadownik	Member of the Supervisory Board	<p>Appointed to the Supervisory Board on 25 February 2016 for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 26 June 2014.</p>

			<p>(Notarial Deed /<i>Repertorium</i> A-1583/2016, Resolution No. 14/2016)</p> <p>On 25 February 2016, the State Treasury, acting as an Authorized Shareholder within the meaning of the Bank's Articles of Association, appointed Mr Piotr Sadownik Chairman of the Supervisory Board.</p> <p>On 22 June 2017, he was dismissed from the Supervisory Board and subsequently re-appointed to the Supervisory Board for the term of office of the Supervisory Board which began on the date of the Annual General Meeting convened for 22 June 2017.</p> <p>(Notarial Deed /<i>Repertorium</i> A-8117/2017, Resolutions Nos. 36/2017 and 37/2017)</p> <p>On 22 June 2017, the State Treasury, acting as an Authorized Shareholder within the meaning of the Bank's Articles of Association, appointed Mr Piotr Sadownik Chairman of the Supervisory Board.</p> <p>Appointed to the Supervisory Board on 26 August 2020 for another joint term of office of the Supervisory Board.</p> <p>(Notarial Deed /<i>Repertorium</i> A-6938/2020, Resolution No. 45/2020)</p>
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Changes in the composition of the Supervisory Board in 2020:

On 23 January 2020, Mr Dariusz Górski resigned as Member of the Supervisory Board of PKO Bank Polski S.A. and as Member of the Audit Committee and Member of the Strategy Committee, effective as from close of business on 29 January 2020.

During the Annual General Meeting of PKO Bank Polski S.A. on 26 August 2020:

1. the State Treasury, based on Article § 11 (1) of the Articles of Association of PKO Bank Polski S.A., determined the number of persons on the Bank's Supervisory Board for the new term of office beginning on the date of the Annual General Meeting convened for 26 August 2020 as 11;
2. the following persons were appointed to the Supervisory Board of PKO Bank Polski S.A.: Mariusz Andrzejewski, Grzegorz Chłopek, Grażyna Ciużyńska, Zbigniew Hajłasz, Marcin Izdebski, Wojciech Jasiński, Andrzej Kisielewicz, Rafał Kos, Krzysztof Michalski and Piotr Sadownik. According to the resolutions adopted, the aforementioned persons were appointed for another joint term of office of the Supervisory Board.
3. The State Treasury, as an Authorized Shareholder, based on § 12 (1) of the Articles of Association PKO Bank Polski S.A., appointed: Mr Zbigniew Hajłasz – Chairman of the Supervisory Board of PKO Bank Polski S.A. and Mr Marcin Izdebski – Deputy Chairman of the Supervisory Board of PKO Bank Polski S.A.

The Members of the Supervisory Board of PKO Bank Polski until 26 August 2020: Mr Mirosław Barszcz, Mr Adam Budnikowski and Ms Elżbieta Mączyńska-Ziemacka were not appointed for another joint term of office of the Supervisory Board.

On 24 September 2020, the Supervisory Board appointed Ms Grażyna Ciużyńska Secretary of the Supervisory Board.

Information on the number of meetings held by the Supervisory Board and the number of resolutions adopted

In 2020, the Supervisory Board held a total of 8 meetings on the following dates: 23 January, 11 February, 27 May, 25 June, 4 August, 24 September, 3 November and 17 December and 2 teleconferences using the means of direct remote communication (26 March and 20 April).

In 2020, the Supervisory Board adopted 154 resolutions.

A list of the resolutions adopted by the Supervisory Board in 2020 is attached as Annex 1 to this Report.

Information on the attendance of the Supervisory Board members at the meetings

All absences of the Supervisory Board members at the meetings in 2020 were excused by resolutions of the Supervisory Board Nos. 8/2020 and 78/2020, which concerned the absence of two Supervisory Board members at two meetings of the Supervisory Board.

Significant problems addressed by the Supervisory Board

In 2020, in addition to matters relating to the adoption of documents for the Annual General Meeting (arising from the generally applicable laws and the Bank's Articles of Associations) and the matters specified in the titles of the resolutions adopted by the Supervisory Board in 2020, which are listed in Annex 1 to this Report, the Supervisory Board addressed, among other things, the following issues:

1. topics relating to the COVID-19 pandemic, including those concerning:
 - the situation at the Bank due to the epidemiological risk, crisis management at the Bank, the Economy of Poland, Europe and the world, Activities of the Monetary Policy Council (RPP), the National Bank of Poland (NBP) and other impacts on the Bank's financial position;
 - the macroeconomic and market situation in Poland and around the world due to the COVID-19 pandemic;
 - the pursuit of PKO Bank Polski S.A.'s strategy under the conditions of the shock social and economic change caused by the coronavirus epidemic;
 - the summary of the measures taken by the PKO Bank Polski S.A. to combat COVID-19;
2. the draft financial plan for 2021;
3. information on the project set up in response to the proposition of the Chair of the Polish Financial Supervision Authority expressed in the article titled "How to solve the problem of Swiss-franc loans";
4. the material "Summary of the support for the call centre of the Ministry of Development by PKO Bank Polski S.A.";
5. information on the lending programme of the Polish Development Fund (PFR) and its distribution to PKO Bank Polski S.A.'s customers;
6. information on the strategic agreement with Microsoft (National Cloud Operator);
7. information on communication support for the key projects carried out at the Bank in the period from January to June 2020;
8. information on the findings of the problem-specific inspection by the Office of the Polish Financial Supervision Authority in 2019;

9. the framework work plan for the Supervisory Board and the Committees of the Supervisory Board for 2021.

The topics discussed by the Supervisory Board on a regular basis are:

- 1) the report on the implementation of PKO Bank Polski S.A.'s strategy;
- 2) information on the financial results of the PKO Bank Polski S.A. Group, the PKO Bank Polski S.A. Group Directors' Report, and the results of PKO Bank Polski S.A. against the background of its rival banks;
- 3) the condensed interim financial statements of PKO Bank Polski S.A. for six months and the condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group for six months;
- 4) the PKO Bank Polski S.A. Group Directors' Report for the first half of the year;
- 5) information on the application of the accounting policies relating to bancassurance;
- 6) reports: Model risk in PKO Bank Polski S.A., Credit risk in PKO Bank Polski S.A., Financial risk in PKO Bank Polski S.A., Operational risk in PKO Bank Polski S.A., Capital adequacy in PKO Bank Polski S.A., Business risk and macroeconomic risk in PKO Bank Polski S.A., Compliance risk and conduct risk, Reputation risk;
- 7) the assessment of the adequacy and effectiveness of the internal control system;
- 8) information on the condition of the Bank's IT System;
- 9) information on the Bank's security;
- 10) the report on the management of the Bank's operational continuity;
- 11) materials on the situation of KREDOBANK S.A.;
- 12) information on the activities outsourced by the Bank to external entities;
- 13) materials on court proceedings in which PKO Bank Polski S.A. is a party;
- 14) information on the results of the Supervisory Review and Evaluation (SREP) and on the updates of the SREP results (a quarterly evaluation of banks risk analysis report KOBRA);
- 15) information on the updates of the separate and group Recovery Plans of PKO Bank Polski S.A.;
- 16) materials on the macroeconomic situation in Poland and around the world and macroeconomic forecasts for the following years;
- 17) information on marketing agreements and public relations and social communication agreements with a value exceeding PLN 500 000 (in words: five hundred thousand) net per annum, concluded on the basis of the "conditional consent" of the Supervisory Board;
- 18) information on the conclusion of release from debt agreements or similar agreements by the Bank, with a value exceeding PLN 50 000 (in words: fifty thousand);
- 19) information on the manner of performance of the cash donation agreement with the PKO Bank Polski Foundation and the release from debt agreement with the PKO Bank Polski Foundation;
- 20) information concerning the "Business model for the treasury activities of PKO Bank Polski S.A.";
- 21) information on the correspondence sent to the Supervisory Board.

On 28 April 2021, having read the annual statement on independence issued by the audit firm PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k., the Supervisory Board issued a statement (taking into account the related recommendation of the Audit Committee of the Supervisory Board)

concerning the audit firm conducting the audit of the consolidated financial statements of the PKO Bank Polski S.A. Group as at and for the year ended 31 December 2020 and the financial statements of PKO Bank Polski S.A. as at and for the year ended 31 December 2020, prepared pursuant to § 70 (1) (7) and § 71 (1) (7) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodical information submitted by issuers of securities and conditions for considering equivalent the information required under the legislation of a non-Member State, in which it declared that the appointment of the audit firm PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. conducting the audit of the consolidated financial statements of the PKO Bank Polski S.A. Group as at and for the year ended 31 December 2020 and the financial statements of PKO Bank Polski S.A. as at and for the year ended 31 December 2020 (hereinafter called the Audit) was performed in compliance with the laws applicable as at the date of the appointment and the internal regulations of PKO Bank Polski S.A., governing the appointment of the audit firm, adopted by the Supervisory Board.

Furthermore, the Supervisory Board stated that:

- 1) the audit firm PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. and the members of the team performing the Audit met the conditions for preparing an unbiased and independent report on the Audit, in accordance with the generally applicable laws, the auditing standards and the principles of professional ethics;
- 2) PKO Bank Polski S.A. complies with the generally applicable laws relating to the rotation of the audit firm and the key registered auditor conducting the audit of the consolidated financial statements of the PKO Bank Polski S.A. Group and the financial statements of PKO Bank Polski S.A. and those relating to the mandatory cooling-off periods;
- 3) PKO Bank Polski S.A. has a policy in place for appointing an audit firm to audit the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group, and a procedure for appointing an audit firm to audit the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group, as well as a policy for the provision of permitted non-audit services by the audit firm conducting the audit, the entities related to that audit firm and the members of the audit firm's network to PKO Bank Polski S.A. and the companies in the PKO Bank Polski S.A. Group, including services conditionally exempt from the prohibition on being provided by the audit firm.

Inspections performed

In 2020, in justified cases, the Supervisory Board obtained additional information with the participation of the Internal Audit Department and the Bank's units, on the projects carried out at the Bank and the audits performed.

Information on changes in the composition of the Management Board made by the Supervisory Board, suspension of the Management Board members from performing their functions and delegating the Supervisory Board members to perform the functions of Management Board members

In 2020, the Supervisory Board did not make any decisions on changes in the composition of the Management Board, on the suspension of the Management Board members from performing their functions and did not delegate any Supervisory Board members to perform the functions of Management Board members.

Information on the fulfilment of the independence criteria by the members of the Supervisory Board

On 3 November 2020, the Supervisory Board read the statements on compliance with the independence criteria referred to in point II.Z.4 of the Best Practice for GPW Listed Companies 2016, submitted by the individual members of the Supervisory Board and, based on § 1 (1) of the Bank's Articles of Association in conjunction with point II.Z.6. of the Best Practice for GPW Listed Companies 2016, it adopted resolutions whereby it assessed that:

- Mr Zbigniew Hajłasz, Ms. Grażyna Ciużyńska, Mr Mariusz Andrzejewski, Mr Grzegorz Chłopek, Mr Andrzej Kisielewicz, Mr Rafał Kos, Mr Krzysztof Michalski and Mr Piotr Sadownik met the above independence criteria. The Supervisory Board was not aware of any circumstances that could have a negative impact on these persons' compliance with the independence criteria referred to above;
- Mr Marcin Izdebski and Mr Pan Wojciech Jasiński do not meet the above independence criteria.

Self-assessment of the Supervisory Board's work

At the meeting on 21 January 2021, the Supervisory Board of PKO Bank Polski S.A. made a self-assessment of the Board's work in 2020.

In 2020, the Supervisory Board of PKO Bank Polski S.A. exercised continuous supervision over the Bank's operations and development in all of the areas of its activities and fulfilled its duties in a diligent and effective manner. The Supervisory Board operated in accordance with the Articles of Association of the Bank and the Rules and Regulations of the Supervisory Board which are reviewed and updated on a regular basis. Moreover, the Supervisory Board defined the tasks, responsibilities and competences which it handed over to the committees of the Supervisory Board. The meetings of the committees of the Supervisory Board were held regularly, with a frequency relevant to the tasks which had been delegated to them. The composition of the committees of the Supervisory Board was assessed as being appropriate in terms of the number of their members and their experience and knowledge.

The Supervisory Board members met the requirements concerning the possession of knowledge, skills and experience relevant to their functions and duties. In the opinion of the Supervisory Board, the professional experience and diverse competences of the Supervisory Board members allowed it to examine and give opinions on the topics presented to it in a comprehensive manner and to represent a broad spectrum of views with regard to the evaluation of the Management Board's work and the functioning of PKO Bank Polski S.A.

The Supervisory Board expressed a positive opinion on its cooperation with the Bank's Management Board, appreciating the quality of the information provided by the Management Board, which ensured that the Supervisory Board had current and full information on the events affecting the Bank.

In 2020, all Supervisory Board members participated actively in the Supervisory Board's meetings, and the discussions conducted took into account the assessment of the Company's current position, market changes as well as good practices and standards. The duration of the meetings was appropriate to enable the issues on the agendas

of the meetings to be discussed in full and to allow time for discussing other Bank-related topics which were important to the Supervisory Board members. The meetings were held regularly, and the Supervisory Board members received materials well in advance of the meetings. The number of the meetings was sufficient to enable the Supervisory Board to perform its duties in full.

Other information on the Supervisory Board's work

In 2020, the Supervisory Board had the following committees: the Appointments and Remuneration Committee, the Risk Committee, the Audit Committee and the Strategy Committee. Annual reports on the operations of the above-mentioned committees are attached as Annexes 2, 3, 4 and 5, respectively, to this Report.

On 28 April 2021, the Supervisory Board issued a statement relating to the Audit Committee of the Supervisory Board of PKO Bank Polski S.A., prepared in accordance with § 70 (1) (8) and § 71 (1) (8) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodical information submitted by issuers of securities and conditions for considering equivalent the information required under the legislation of a non-Member State, stating that:

- 1) PKO Bank Polski S.A. complies with the regulations concerning the appointment, composition and operation of the Audit Committee of the Supervisory Board of PKO Bank Polski S.A., including those regarding the fulfilment of the independence criteria by its members and the requirements concerning the possession of the knowledge and skills required in the industry in which PKO Bank Polski S.A. operates as well as those relating to accounting or the audit of financial statements;
- 2) the Audit Committee of the Supervisory Board of PKO Bank Polski S.A. operating at PKO Bank Polski S.A. had performed and continued to perform the tasks of the audit committee specified in the applicable legal regulations.

ASSESSMENT OF THE COMPANY'S POSITION, TAKING INTO ACCOUNT THE ASSESSMENT OF THE INTERNAL CONTROL SYSTEMS, RISK MANAGEMENT, COMPLIANCE AND THE INTERNAL AUDIT FUNCTION

Assessment of the Company's position

In 2020, the PKO Bank Polski S.A. Group began implementing the strategy for the years 2020-2022 "PKO Bank of the Future. We Support the Growth of Poland and Poles" (hereinafter called the Strategy) based on the use of modern technologies and deepening the relations with the Bank's Customers through continued development of the remote channels, precise customization of its offer and advanced data analysis, so as to become PKO Bank of the Future.

The financial objectives for 2022 set out in the Strategy remain under the strong pressure of the pandemic and the changes in the economic and regulatory environment, among other things: the drop in interest rates, the reduction in demand for loans, the increase in and the materialization of the legal risk of mortgage loans in foreign currencies. Despite functioning in a difficult business environment, in 2020 the PKO Bank Polski S.A. Group maintained a high cost discipline and operational effectiveness.

The legal risk of housing loans in foreign currencies and the economic effects of the COVID-19 pandemic translated into the results of the PKO Bank Polski S.A. Group which recorded a loss of PLN 2.6 billion in 2020. The drop in the results for the year was mainly due to the decision of PKO Bank Polski S.A.'s shareholders to offer foreign currency borrowers the possibility of concluding settlements with the Bank. The Bank established a special fund of PLN 6.7 billion which secures the costs of the settlement programme.

The drop in the PKO Bank Polski S.A. Group's net result of PLN 6.6 billion y/y in 2020 was due to:

- 1) the significant deterioration in net impairment allowances and write-downs (of PLN 7.5 billion) as a result of:
 - an increase of PLN 6.1 billion in the costs of the legal risk of mortgage loans in convertible currencies, which reflects the decision of the Extraordinary General Meeting of 23 April 2021 on concluding settlements with the Bank's customers;
 - the deterioration in net allowances for expected credit losses of PLN 1.1 billion mainly as a result of the recognition of allowances due to COVID-19;
 - the deterioration in net impairment allowances for non-financial assets of nearly PLN 0.3 billion.
- 2) an improvement in the profit on business operations which reached PLN 14.6 billion (+0.2% y/y) mainly as a result of:
 - an increase in net fee and commission income of 4.6% y/y as a result of an increase in net margins on foreign exchange transactions and the net result on loans, insurance and operating leases;
 - an increase in volumes (deposits, debt securities) and an increase in income from hedge accounting, which partially offset the negative effect of drops in interest rates on net interest income;
- 3) a drop in operating expenses of 0.6% y/y, mainly the employee benefit expense.

Despite the difficult conditions arising from legal risk, the pandemic and low interest rates, the PKO Bank Polski S.A. Group's profit on business operations amounted to PLN 14.6 billion and was slightly higher than a year ago.

There was also a noticeable increase in the scale of operations. The total assets reached PLN 377 billion and were 8.4% higher than a year before.

The PKO Bank Polski S.A. Group maintained good equity and liquidity positions. The PKO Bank Polski S.A. Group's total ratio amounted to 18.18% as at the end of 2020, i.e. well above the regulatory minimums, and the surplus capital amounted to PLN 14.7 billion as at the end of 2020.

The PKO Bank Polski S.A. committed itself to combating the pandemic right from the start. It took many measures to ensure business continuity and safety for its customers and employees. It also supported local communities and nationwide measures. On the other hand, the digital transformation strategy of PKO Bank Polski S.A. made it easier to operate under the pandemic conditions through continued development of the remote channels providing easier access to services and products and by introducing solutions enabling remote working.

In 2020, the PKO Bank Polski S.A. Group:

- maintained a high share in the market for savings (18.3%), investment funds for private individuals (19.2%) and loans (17.6%);
- dynamically developed its mobile banking system (the IKO application) which is appreciated in the industry rankings on the Polish and foreign markets, and the number of active IKO applications exceeded 5.2 million (an increase of nearly 24% y/y);

- launched a comprehensive ESG project as part of which a gap analysis was performed, the priority areas were defined, and work was commenced in these areas;
- embarked on a Road2Cloud project constituting cloud platform solutions, among other things, with regard to network infrastructure services, databases, analytics, artificial intelligence (AI) and the Internet of Things (IoT);
- made a wide range of innovative services available in remote channels;
- offered several products supporting sustainable development in the area of the natural environment both to individual customers and enterprises;
- had the largest network of the Bank's branches which consisted of 1 004 own outlets (i.e. branches, offices and centres) and 492 agencies.

Assessment of the adequacy and effectiveness of the internal control system, including the control function, compliance unit and internal audit unit

PKO Bank Polski S.A. has an internal control system which forms part of the management system.

The purpose of the internal control system is to ensure:

1. the effectiveness and efficiency of PKO Bank Polski S.A.'s operations;
2. the reliability of financial reporting;
3. the compliance with the risk management policies at PKO Bank Polski S.A.;
4. the compliance of PKO Bank Polski S.A.'s operations with the generally applicable laws, internal regulations of PKO Bank Polski S.A., supervisory recommendations and the market standards adopted by PKO Bank Polski S.A.

The Management Board of PKO Bank Polski S.A. is responsible for designing, implementing and operating an adequate and effective internal control system.

The Supervisory Board of PKO Bank Polski S.A. supervises the implementation and operation of the internal control system and assesses its adequacy and effectiveness, including the assessment of the adequacy and effectiveness of the individual elements of the system, i.e.:

1. the control function;
2. the compliance unit;
3. an independent internal audit unit.

The internal control system is assessed on the basis of specific assessment criteria, taking into account information relevant to the adequacy and effectiveness of the internal control system, including information provided by, among other things:

1. the Management Board of PKO Bank Polski S.A.;
2. the Audit Committee of the Supervisory Board of PKO Bank Polski S.A.;
3. the compliance unit;
4. the internal audit unit;
5. the registered auditor;

6. representatives of the authorized supervisory institutions.

In this regard, the Supervisory Board of PKO Bank Polski S.A. is supported by the Audit Committee of the Supervisory Board of PKO Bank Polski S.A. which is responsible, in particular, for monitoring the internal control system on a current basis.

The internal control system is organized at three independent levels:

1. the first level consists of the organizational structures of PKO Bank Polski S.A. carrying out operating activities, in particular: sales of products and customer service, and other organizational structures of PKO Bank Polski S.A. carrying out risk-generating operational tasks and functioning on the basis of other internal regulations of PKO Bank Polski S.A.;
2. the second level consists of the operations of the compliance unit and identification, measurement, control, monitoring and reporting individual risk types, as well as threats and irregularities – these tasks are performed by specialized organizational structures operating on the basis of the applicable policies, methodologies and procedures; the purpose of these structures is to ensure that the operations carried out on the first level are properly designed and that they mitigate risk in an effective manner, support risk measurement and analysis and operational efficiency;
3. the third level is the operations of the internal audit unit which carries out independent audits of the elements of the Bank's management system, including the risk management system and the internal control system. The internal audit functions independently of the first and second levels.

The individual elements of the internal control system pursue specific objectives, including:

1. the control function (the controls, independent monitoring and reporting thereof) – ensures compliance with the controls relating to, in particular, the risk management at PKO Bank Polski S.A. and covers all units and the organizational positions within these units responsible for carrying out the tasks assigned to this function;
2. the compliance unit – manages compliance risk understood as the risk of suffering legal sanctions, incurring financial losses or reputation loss as a result of the non-compliance of the Bank, its employees or entities acting on its behalf with the generally applicable laws, internal regulations and the market standards adopted by PKO Bank Polski S.A., and it shapes solutions for ensuring compliance and managing compliance risk, as well as identification, evaluation, control, monitoring and reporting of such risk;
3. the internal audit unit – makes a systematic assessment of the adequacy and effectiveness of the risk management system and the internal control system at the first and second levels of the internal control system, taking into account the adequacy and effectiveness of the risk controls and control mechanisms selected for auditing, and in the event of identification of gaps or irregularities it gives recommendations (assurance activities) and adds value by indicating possible improvements to the processes functioning at PKO Bank Polski S.A. (advisory activities).

Information on the irregularities identified, assessments given, the results of monitoring the measures taken to eliminate gaps or weaknesses and other important information on the functioning of the elements of the internal control system were presented to the Management Board of PKO Bank Polski S.A., the Audit Committee of the

Supervisory Board of PKO Bank Polski S.A. and the Supervisory Board of PKO Bank Polski S.A. by the individual elements of the internal control system in periodical reports.

Taking into account the information received, the Supervisory Board of PKO Bank Polski S.A. did not identify any significant weaknesses in the operation of the internal control system of PKO Bank Polski S.A. which might jeopardize the achievement of the objectives of that system and assessed its adequacy and effectiveness as being “sufficient” (on a four-point scale: satisfactory, sufficient, unsatisfactory, critical). Moreover, the Supervisory Board of PKO Bank Polski S.A. assessed the adequacy and effectiveness of the control function and the compliance unit as being “sufficient” and of the internal audit unit as being “satisfactory”.

Assessment of the risk management system (including the assessment of the adequacy and effectiveness of that system)

Risk management is one of the most important internal processes at PKO Bank Polski S.A., which is aimed at ensuring the profitability of the business activities, while ensuring an appropriate level of capital adequacy measures and controlling the level of risk and keeping it within the risk tolerance and the system of limits adopted by the Bank, in a changing macroeconomic and legal environment. The risk management system is supervised by the Supervisory Board which regularly monitors and evaluates whether or not the risk identification, measurement or estimation, control, monitoring and reporting methods are tailored to the magnitude and profile of the risk of the Bank and the PKO Bank Polski S.A. Group. The Supervisory Board evaluates whether or not the Bank's current and planned activities are properly taken into account in the risk management system. In the opinion of the Supervisory Board, the risk management system is appropriately tailored to the scale of the operations and the materiality, scale and complexity of the individual types of risk, and it is controlled and adjusted on an on-going basis to take account of the new risks and their sources. According to the assessment of the Supervisory Board, PKO Bank Polski S.A. has an organizational structure tailored to the magnitude and profile of the risk borne by the Bank and ensuring the effective management of that risk. To the best of its knowledge, the adequacy of the findings concerning risk management at PKO Bank Polski S.A. and the effectiveness of the risk management system, as well as the management reporting system which enables monitoring the risk level and capital adequacy ensure that the risk management system in place is appropriate from the perspective of the risk profile and the Bank's Strategy.

The risk management system supports the implementation of the Bank's Strategy in keeping with the risk management strategy of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group. It takes into account the achievement of the desired capital objectives, the risk tolerance level and the capital planning process, including the policy relating to the sources of capital.

All of the Bank's organizational units participate in the risk management process. The process is supervised by the Supervisory Board which controls and evaluates the adequacy and effectiveness of the risk management system, in particular on the basis of periodical risk reports and information on the implementation of the risk management strategy, as well as conclusions drawn from stress tests. In addition, the Supervisory Board evaluates whether or not

the individual elements of the risk management system contribute to ensuring the correctness of the process of determining and pursuing the Bank's specific objectives. In particular, the Supervisory Board verifies whether:

1. formalized rules are applied to manage individual risk types in order to determine the magnitude of the risk taken;
2. the Bank's organizational by-laws in place take into account tailoring the organizational structure to the magnitude of the risk incurred;
3. formalized procedures designed to identify, measure or estimate and monitor the risk arising in the Bank's operations are applied and if these procedures also take into account the anticipated level of future risk;
4. formalized risk-mitigating limits and procedures to be followed when these limits are exceeded are applied as part of the risk management system;
5. the adopted management reporting system enables the risk level to be monitored;
6. the risk management system is updated on an on-going basis to take into account new risk factors and sources.

The Bank has an integrated risk management structure which ensures that all risks which have a material impact on the Bank's activities are identified, measured, monitored and controlled. Setting the level of risk which the Bank is able to accept in its current and future operations is one of the key elements of risk management. As regards the level of the risk generated, the scope of the risk is determined from the perspective of the achievement of the risk management objectives, taking into account financial, capital and strategic plans. On the basis of the assumptions which ensure a fair risk assessment, in particular taking into account the provisions of the recommendations of the Polish Financial Supervision Authority, as part of risk measurement the following stress tests are conducted:

- 1) specific stress tests, conducted separately for individual risk types, used to assess the sensitivity of a given risk to the occurrence of unfavourable market situations;
- 2) comprehensive stress tests, conducted jointly for concentration risk and the risk types considered to be material, used to determine the sensitivity of the Bank's capital adequacy measures and results to the materialization of a negative scenario of changes in the environment and the functioning of the Bank.

Stress tests are used to estimate the potential losses in the case of a market situation which is not typically described using statistical measures. In accordance with the requirements set out in the generally applicable laws and on the basis of the provisions of the internal regulations, the Bank develops recovery plans for PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group for emergencies which may have a material effect on the functioning of the Bank. The risk management structure is complemented by a consistent and transparent risk level reporting system, the use of risk-mitigating limits and management actions which shape the process of the management of specific risks. The maximum magnitude of the risk which PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group are prepared to assume has been determined by setting strategic tolerance limits for individual types of risk specified in the Risk Management Strategy of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group.

The Supervisory Board is supported by the following committees:

1. the Risk Committee, with respect to giving opinions on the Bank's comprehensive current and future readiness to assume risk, taking into account the risk profile of the Bank's Group, which takes the form, in particular, of the strategic risk tolerance limits, supervising the implementation of the risk management system at the Bank by the Management Board, evaluating the adequacy and effectiveness of the risk management system, and supervising

the risk management strategy, as well as assessing the risk related to the products and financial services offered and reviewing whether the prices of the liabilities and assets offered to customers take into account the Bank's business model and risk management strategy in full;

2. the Audit Committee, with respect to monitoring the financial reporting process and the performance of audits, independence of the registered auditor and the audit firm, effectiveness of the internal control and risk management systems with regard to financial reporting;
3. the Appointments and Remuneration Committee, with respect to giving opinions on and monitoring the Bank's remuneration policy and supporting the Bank's bodies in shaping and implementing the remuneration policy;
4. the Strategy Committee, with respect to giving opinions on the Bank's Strategy adopted by the Management Board, supervising the implementation of the Bank's Strategy and giving opinions on the strategic activities of the Bank which require the consent of the Supervisory Board.

The risk management process is carried out in three independent but complementary lines of defence:

1. the first line of defence – is composed of the organizational structures responsible for product management, sales of products and customer service, and of other structures which perform risk-generating operational tasks, functioning on the basis of the internal regulations. This function is performed in all the units of the Bank and the entities in the PKO Bank Polski S.A. Group. The Bank's units implement the relevant risk control mechanisms (especially limits) designed by the Bank's units in the second line of defence, and they ensure that the limits are observed by applying the relevant controls. Furthermore, the entities in the PKO Bank Polski S.A. Group are obliged to have consistent and comparable systems for assessing and controlling risk in the Bank and the entities in the PKO Bank Polski S.A. Group, taking into account the specific nature of each entity and its market;
2. the second line of defence – covers the operations of the compliance unit and involves the identification, measurement, assessment or control, monitoring and reporting significant types of risk, and the threats and irregularities identified – these tasks are carried out by dedicated organizational structures operating on the basis of the applicable internal regulations of the Bank; the aim of these structures is to ensure that the tasks performed as part of the first line of defence are properly designed in the Bank's internal regulations and that they mitigate the risk, support risk measurement, assessment and analysis, and contribute to operational efficiency in an effective manner. The second line of defence supports the activities undertaken in order to eliminate unfavourable deviations from the financial plan (i.e. the budget) as regards the figures which affect the quantitative strategic risk tolerance limits included in the financial plan (these activities are carried out at the Bank, in particular in the Bank's units responsible for controlling). This function is performed, in particular, in the Risk Management Area, the Compliance Department and the committees supporting risk management at the Bank;
3. the third line of defence consists of the internal audit function which performs independent audits of the individual elements of the Bank's management system, including the risk management system, and of the internal control system; the internal audit operates independently of the first and second lines of defence and may support their activities by way of consultations but without participating in their decision-making. This function is performed in accordance with the Bank's internal regulations governing the functioning of the internal control system.

The independence of the above-mentioned lines of defence consists of preserving organizational independence in the following areas:

1. the function of the second line of defence as regards creating systemic solutions is independent of the function of the first line of defence;
2. the function of the third line of defence is independent of the functions of the first and second lines of defence;
3. the function of compliance risk management is subordinate to the President of the Management Board.

In the opinion of the Supervisory Board, the structure of risk management is adequate to the size of the Bank, the type of its operations and the profile of the risk assumed, taking into account the macroeconomic environment and the possibility of unfavourable events materializing. Risk management is integrated with the planning and controlling systems. The Supervisory Board supervises and evaluates the risk management process, especially on the basis of regular risk reports divided into individual types of risk, which take into account current information on the implementation of the Risk Management Strategy and include conclusions from stress tests. If necessary, the Supervisory Board orders the verification of the risk management system.

In 2020, the Supervisory Board assessed the risk management system as being effective, efficient and in compliance with the external regulations, including recommendations of the Polish Financial Supervision Authority.

In the opinion of the Supervisory Board, in 2020 the Bank operated in a safe manner, with its own funds at an adequate level. In particular, the Bank:

- offset the accounting accumulated losses of PLN 110.82 million against the reserve capital and earmarked PLN 2.16 million for transfer to the reserve capital (in accordance with the decision made by the Annual General Meeting of the Bank) out of the net profit for 2019 of PLN 3 834.50 million; the remainder of the profit of PLN 3 832.35 million remained unappropriated;
- retained the unappropriated profit for the prior years of PLN 1 667.65 million as unappropriated profit;
- after obtaining the relevant permissions of the Polish Financial Supervision Authority, it included the net profit for the first half of 2020, less the anticipated charges of PLN 890 million, in Common Equity Tier 1 capital;
- maintained the capital adequacy measures at a safe level (as at 31 December 2020), above the supervisory and regulatory limits: the total capital ratio (TCR) of the Bank of 19.78% and the Common Equity Tier 1 capital (T1) of the Bank of 18.45% (in 2020, PKO Bank Polski maintained a safe capital base);
- regularly tailored its sources of financing to the Bank's liquidity needs, including the early redemption of approx. EUR 0.3 billion and approx. USD 0.2 billion worth of bonds under the EMTN programme, and repaid instalments of the loan from the Council of Europe Development Bank totalling approx. PLN 0.1 billion;
- maintained a good liquidity position – as at the end of 2020, the core deposit base constituted approx. 94.3% of all deposits with the Bank (excluding the interbank market);
- maintained the utilization of the strategic tolerance limits for individual types of risk and capital adequacy at levels which did not jeopardize the Bank's stability in 2020;
- maintained a favourable level of the financial results due to the balance sheet structure linked to a safe level of equity;

- modified the Risk Management Strategy with regard to tailoring the levels of capital adequacy measures to supervisory requirements;
- monitored the legal risk relating to the portfolio of mortgage loans in convertible currencies using a strategic tolerance limit for material operating losses linked to the legal risk, whose utilization was at the increased and high levels due to the growing number of lawsuits;
- as regards operational risk management, it placed an emphasis on counteracting the risks which resulted from the pandemic, in particular:
 - ✓ it established a Crisis Centre which coordinated all the measures taken by the Bank's Group during the COVID-19 pandemic on a current basis to ensure safety for the Bank's customers and employees and the continuity of business processes;
 - ✓ it identified the risks posed by COVID-19 on a current basis; the said risks were monitored and reported to the Operational Risk Committee on a regular basis;
 - ✓ it took measures to mitigate the risks identified, including, in particular, with regard to working methods and conditions and ensuring the appropriate efficiency of the IT infrastructure and its security; it implemented: new methods of monitoring cybersecurity targeted at risks arising from working remotely, a review of the existing safeguards aimed at adapting to the new reality, penetration tests related to remote working, periodical scanning of the susceptibility of the stations connected via the VPN together with an analysis of the impact of the susceptibility on maintaining an acceptable level of security;
 - ✓ it conducted regular educational campaigns for the Bank's customers and employees on cybersecurity which is particularly important due to the increasing use of remote channels in the processes of serving the Bank's customers;
- redefined strategic tolerance limits for foreign currency risk and interest rate risk to better reflect specific risk positions, especially in the environment of low interest rates;
- in response to the challenge of operating in the environment of low interest rates, it concluded IRS hedging transactions and structured assets and liabilities appropriately, striving to limit interest income sensitivity;
- took account of the following in the risk and capital adequacy management system:
 - a) the obligation to maintain the combined buffer requirement above the minimums laid down in Article 92 of the CRR, which is the total of the applicable buffers, i.e.:
 - 1) a capital conservation buffer of 2.5%;
 - 2) a countercyclical capital buffer of 0.01%;
 - 3) a systemic risk buffer of 0%;
 - 4) an other systemically important institutions buffer ("O-SII") of 1%;
 - b) the decision of the Polish Financial Supervision Authority of 30 November 2020 on maintaining own funds to cover an additional capital requirement to secure the risk arising from mortgage-secured foreign currency loans and advances to households (the capital add-on for the capital ratios amounted to: for the total capital ratio: 0.27 p.p., for the Tier 1 capital ratio: 0.20 p.p. and for the Common Equity Tier 1 capital ratio: 0.15 p.p.).

Due to the recognition of allowances for legal risk, related to mortgage loans in foreign currencies as at the reporting date 31.12.2020, the Bank disclosed a material foreign currency position in CHF which resulted in exceeding the strategic tolerance limit for foreign currency risk. The foreign currency position was limited in the first half of 2021.

The PKO Bank Polski S.A. Group supports the Bank's customers during the COVID-19 pandemic. In 2020, it offered special solutions which were aimed at helping them to maintain their liquidity (by reducing financial charges temporarily and facilitating the extending or signing of agreements). The scope of this assistance was subject to change – it was tailored to the pandemic situation and the restrictions on conducting business activities in the individual industries, and it took into account the regulators' guidelines. The measures taken by PKO Bank Polski S.A. and its subsidiaries based in Poland are in compliance with the guidelines of the European Banking Authority (EBA).

In 2020, the Bank conducted periodical tests, supervisory tests and reverse stress tests.

As part of the periodical tests, the Bank analysed:

- 1) a baseline scenario which resulted from the forecasts and financial plans prepared and the Bank's Strategy, and
- 2) a shock scenario constructed on the basis of the PFSA's guidelines.

As part of the supervisory tests, the Bank analysed two scenarios:

- 1) a reference scenario, which was based on the central macroeconomic projection path prepared by the NBP, taken from the "Inflation Report – July 2020";
- 2) a shock scenario, which assumed a significant deterioration in the economic outlook in Poland and around the world as a result of a sharp increase in the number of infections with the COVID-19 virus.

Both types of the stress tests conducted in 2020 showed the Bank's strong capital resilience to possible adverse changes in the macroeconomic environment.

In the opinion of the Supervisory Board, the following key areas of involvement of the Management Board and the Supervisory Board, including, among other things:

- reducing losses on the loan portfolio and minimizing the risk of credit exposures subject to impairment, while preserving the expected level of profitability and the value of the loan portfolio;
- monitoring the level of the legal risk resulting from changes in the legal framework for the Bank's activities, including implementing the process of signing settlements with customers regarding the portfolio of mortgage loans in convertible currencies in order to reduce losses due to the legal risk for that portfolio;
- effective and rational management of capital adequacy to maintain the TCR and CET1 ratios above the regulatory and supervisory requirements;
- ensuring safety for the Bank's customers and employees during the COVID-19 pandemic, including introducing a vaccination programme for the employees;
- counteracting the increasing threat of cyberattacks;
- maintaining priorities with regard to operational effectiveness, a good liquidity position and stable sources of financing, while optimizing costs and maintaining a safe level of risk and the expected capital adequacy level;
- supporting the economic development of Poland, taking into account the needs shaped by the new technologies on the market;

- increasing complexity of the regulatory environment, including capital requirements, liquidity requirements, management of individual types of risk, and the security of data in the Bank's systems;
- limiting the Bank's foreign currency positions resulting from the recognition of allowances for legal risk, related to mortgage loans in foreign currencies as at the reporting date 31.12.2020;
- concluding IRS hedging transactions and structuring assets and liabilities appropriately in order to limit interest income sensitivity in the environment of low interest rates,

will be particularly important to the Bank's development in the following periods.

Warsaw 05.2021

List of the resolutions adopted by the Supervisory Board of PKO Bank Polski S.A. in 2020

1. Resolution No. 1/2020 of the Supervisory Board of 23 January 2020 on the approval of the financial plan, including the capital plan, for 2020.
2. Resolution No. 2/2020 of the Supervisory Board of 23 January 2020 on granting consent to the conclusion of donation agreements with the PKO Bank Polski Foundation and release from debt agreements with the PKO Bank Polski Foundation.
3. Resolution No. 3/2020 of the Supervisory Board of 23 January 2020 on granting consent to the amendment of the marketing service framework agreements by the Bank and to concluding marketing service agreements thereunder with a value exceeding PLN 500 000 net per annum.
4. Resolution No. 4/2020 of the Supervisory Board of 23 January 2020 on granting consent to the conclusion of a marketing service framework agreement by the Bank and to concluding marketing service agreements on its basis with a value exceeding PLN 500 000 net per annum.
5. Resolution No. 5/2020 of the Supervisory Board of 23 January 2020 on granting consent to the conclusion of a marketing service framework agreement by the Bank and to concluding marketing service agreements on its basis with a value exceeding PLN 500 000 net per annum.
6. Resolution No. 6/2020 of the Supervisory Board of 23 January 2020 on granting consent to the conclusion of marketing service agreements by the Bank with a value exceeding PLN 500 000 net per annum.
7. Resolution No. 7/2020 of the Supervisory Board of 23 January 2020 on selling rights to real estate.
8. Resolution No. 8/2020 of the Supervisory Board of 11 February 2020 on excusing the absence of the Chairman of the Supervisory Board at the Supervisory Board's meeting.
9. Resolution No. 9/2020 of the Supervisory Board of 11 February 2020 on the Supervisory Board's statement concerning the audit firm conducting the audit of the consolidated financial statements of the PKO Bank Polski S.A. Group as at and for the year ended 31 December 2019 and the financial statements of PKO Bank Polski S.A. as at and for the year ended 31 December 2019.
10. Resolution No. 10/2020 of the Supervisory Board of 11 February 2020 on the consolidated financial statements of the PKO Bank Polski S.A. Group as at and for the year ended 31 December 2019.
11. Resolution No. 11/2020 of the Supervisory Board of 11 February 2020 on the financial statements of PKO Bank Polski S.A. as at and for the year ended 31 December 2019.
12. Resolution No. 12/2020 of the Supervisory Board of 11 February 2020 on the PKO Bank Polski S.A. Group Directors' Report for 2019 prepared together with the Directors' Report of PKO Bank Polski S.A.
13. Resolution No. 13/2020 of the Supervisory Board of 11 February 2020 on the approval of the "Strategy of the Internal Audit Department for the years 2020-2022".
14. Resolution No. 14/2020 of the Supervisory Board of 11 February 2020 on amending the Audit Charter.
15. Resolution No. 15/2020 of the Supervisory Board of 11 February 2020 on the Supervisory Board's evaluation and the statement of grounds, concerning the consolidated financial statements of the PKO

Bank Polski S.A. Group as at and for the year ended 31 December 2019, the financial statements of PKO Bank Polski S.A. as at and for the year ended 31 December 2019 and the PKO Bank Polski S.A. Group Directors' Report for 2019, prepared together with the Directors' Report of PKO Bank Polski S.A., in terms of their consistency with the books, documents and the facts.

16. Resolution No. 16/2020 of the Supervisory Board of 11 February 2020 on the Supervisory Board's statement concerning the Audit Committee of the Supervisory Board of PKO Bank Polski S.A.
17. Resolution No. 17/2020 of the Supervisory Board of 11 February 2020 on the MbO goals and their values and weights for the Bank's Management Board Members for 2020.
18. Resolution No. 18/2020 of the Supervisory Board of 11 February 2020 on the Regulations of the Appointments and Remuneration Committee.
19. Resolution No. 19/2020 of the Supervisory Board of 28 February 2020 on selling rights to real estate.
20. Resolution No. 20/2020 of the Supervisory Board of 13 March 2020 on the position of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna on the implementation of the recommendation of the Polish Financial Supervision Authority.
21. Resolution No. 21/2020 of the Supervisory Board of 19 March 2020 on granting consent to the conclusion of donation agreements by the Bank.
22. Resolution No. 22/2020 of the Supervisory Board of 26 March 2020 on granting consent to the conclusion of donation agreements by the Bank.
23. Resolution No. 23/2020 of the Supervisory Board of 31 March 2020 on granting consent to the conclusion by the Bank of the agreement with the State Treasury – the Minister of Development on support for the provision of consultations on the so-called anti-crisis shield.
24. Resolution No. 24/2020 of the Supervisory Board of 1 April 2020 on assessing the achievement of the MbO goals by the Bank's Management Board Members for 2019.
25. Resolution No. 25/2020 of the Supervisory Board of 1 April 2020 on the approval of the variable remuneration for 2019 for the Director of the Internal Audit Department.
26. Resolution No. 26/2020 of the Supervisory Board of 1 April 2020 on granting consent to the conclusion of marketing service agreements by the Bank.
27. Resolution No. 27/2020 of the Supervisory Board of 1 April 2020 on the approval of the Rules of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
28. Resolution No. 28/2020 of the Supervisory Board of 1 April 2020 on granting consent to the conclusion of legal service agreements by the Bank, with a value exceeding PLN 500 000 net per annum.
29. Resolution No. 29/2020 of the Supervisory Board of 20 April 2020 on granting consent to the amendment of the marketing service framework agreement by the Bank and to concluding marketing service agreements on its basis with a value exceeding PLN 500 000 net per annum.
30. Resolution No. 30/2020 of the Supervisory Board of 20 April 2020 on granting consent to establishing a limit on the purchase by the Bank of the bonds issued by the entity referred to in that resolution.
31. Resolution No. 31/2020 of the Supervisory Board of 20 April 2020 on granting consent to establishing a limit on the purchase by the Bank of the bonds issued by the entity referred to in that resolution.

32. Resolution No. 32/2020 of the Supervisory Board of 20 April 2020 on the Rules of participating in the meeting of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, using means of direct remote communication.
33. Resolution No. 33/2020 of the Supervisory Board of 28 April 2020 on granting consent to the conclusion by the Bank of a service agreement with the entity referred to in that resolution.
34. Resolution No. 34/2020 of the Supervisory Board of 4 May 2020 on granting consent to the conclusion of a marketing service framework agreement by the Bank and to concluding marketing service agreements on its basis with a value exceeding PLN 500 000 net per annum.
35. Resolution No. 35/2020 of the Supervisory Board of 8 May 2020 on granting consent to amending the terms of the limit on the purchase by the Bank of the bonds issued by the entity referred to in that resolution.
36. Resolution No. 36/2020 of the Supervisory Board of 8 May 2020 on granting consent to amending the terms of the limit on the purchase by the Bank of the bonds issued by the entity referred to in that resolution.
37. Resolution No. 37/2020 of the Supervisory Board of 12 May 2020 on granting consent to selling rights to real estate.
38. Resolution No. 38/2020 of the Supervisory Board of 18 May 2020 on granting consent to selling rights to real estate.
39. Resolution No. 39/2020 of the Supervisory Board of 18 May 2020 on selling rights to real estate.
40. Resolution No. 40/2020 of the Supervisory Board of 19 May 2020 on granting consent to the conclusion of a cash donation agreement by the Bank.
41. Resolution No. 41/2020 of the Supervisory Board of 21 May 2020 on the approval of the Policy of remunerating the employees of the Bank and the PKO BP SA Group.
42. Resolution No. 42/2020 of the Supervisory Board of 27 May 2020 on the adoption of the "Policy concerning the suitability of Management Board Members and key function holders of the Bank and the assessment of suitability at the Bank's Group companies".
43. Resolution No. 43/2020 of the Supervisory Board of 27 May 2020 on the adoption of the "Rules and procedure for assessing the suitability of candidates for members of the Bank's Management Board and the members of the Bank's Management Board".
44. Resolution No. 44/2020 of the Supervisory Board of 27 May 2020 on the approval of the report on the assessment of the collective suitability of candidates for members of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
45. Resolution No. 45/2020 of the Supervisory Board of 27 May 2020 on the appointment of the President of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
46. Resolution No. 46/2020 of the Supervisory Board of 27 May 2020 on the appointment of the Vice-President of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
47. Resolution No. 47/2020 of the Supervisory Board of 27 May 2020 on the appointment of the Vice-President of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.

48. Resolution No. 48/2020 of the Supervisory Board of 27 May 2020 on the appointment of the Vice-President of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
49. Resolution No. 49/2020 of the Supervisory Board of 27 May 2020 on the appointment of the Vice-President of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
50. Resolution No. 50/2020 of the Supervisory Board of 27 May 2020 on the appointment of the Vice-President of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
51. Resolution No. 51/2020 of the Supervisory Board of 27 May 2020 on the appointment of the Vice-President of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
52. Resolution No. 52/2020 of the Supervisory Board of 27 May 2020 on the appointment of the Vice-President of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
53. Resolution No. 53/2020 of the Supervisory Board of 27 May 2020 on the appointment of the Vice-President of the Management Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
54. Resolution No. 54/2020 of the Supervisory Board of 27 May 2020 on the report "Assessment of the functioning of the remuneration policy at PKO Bank Polski S.A. in 2019".
55. Resolution No. 55/2020 of the Supervisory Board of 27 May 2020 on the evaluation of the rationality of the sponsorship and charity policy or a similar policy carried out by the Bank in 2019.
56. Resolution No. 56/2020 of the Supervisory Board of 27 May 2020 on evaluating the application of the "Corporate governance principles for supervised institutions" by PKO Bank Polski S.A.
57. Resolution No. 57/2020 of the Supervisory Board of 27 May 2020 on the assessment of the manner of fulfilment of information obligations by the Bank.
58. Resolution No. 58/2020 of the Supervisory Board of 1 June 2020 on retaining the undistributed profit of PKO Bank Polski S.A. for the previous years as undistributed profit.
59. Resolution No. 59/2020 of the Supervisory Board of 1 June 2020 on the appropriation of PKO Bank Polski S.A.'s profit earned in 2019 and the offset of accumulated losses.
60. Resolution No. 60/2020 of the Supervisory Board of 1 June 2020 on the report of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna for 2019.
61. Resolution No. 61/2020 of the Supervisory Board of 1 June 2020 on the draft resolutions of the Annual General Meeting of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
62. Resolution No. 62/2020 of the Supervisory Board of 1 June 2020 on granting consent to amending the terms of the limit on the purchase by the Bank of the bonds issued by the entity referred to in that resolution.
63. Resolution No. 63/2020 of the Supervisory Board of 15 June 2020 on granting consent to selling rights to real estate.
64. Resolution No. 64/2020 of the Supervisory Board of 15 June 2020 on granting consent to selling rights to real estate.
65. Resolution No. 65/2020 of the Supervisory Board of 25 June 2020 amending the resolution on the approval of the "Rules of employment and remuneration of the members of the Bank's Management Board".

66. Resolution No. 66/2020 of the Supervisory Board of 25 June 2020 on the approval of the amount of payment to the members of the Bank's Management Board in 2020 of variable remuneration components for the years 2016–2019, including determination of the occurrence of conditions for reducing the amount or limiting the funds for such payments.
67. Resolution No. 67/2020 of the Supervisory Board of 25 June 2020 on the draft resolution of the Annual General Meeting of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna on the adoption of the Policy of remunerating the members of the Supervisory Board and the Management Board.
68. Resolution No. 68/2020 of the Supervisory Board of 25 June 2020 on granting consent to the conclusion of a marketing service framework agreement by the Bank and to concluding marketing service agreements on its basis with a value exceeding PLN 500 000 net per annum.
69. Resolution No. 69/2020 of the Supervisory Board of 25 June 2020 on granting consent to the conclusion of a marketing service framework agreement by the Bank and to concluding marketing service agreements on its basis with a value exceeding PLN 500 000 net per annum.
70. Resolution No. 70/2020 of the Supervisory Board of 25 June 2020 on the "Rules of participating in the meeting of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, using means of direct remote communication".
71. Resolution No. 71/2020 of the Supervisory Board of 3 July 2020 on granting consent to the amendment of the marketing service framework agreements by the Bank and to concluding marketing service agreements thereunder with a value exceeding PLN 500 000 net per annum.
72. Resolution No. 72/2020 of the Supervisory Board of 27 July 2020 on granting consent to the conclusion of a marketing service agreement by the Bank with a value exceeding PLN 500 000 net per annum.
73. Resolution No. 73/2020 of the Supervisory Board of 27 July 2020 on the Rules of the Supervisory Board.
74. Resolution No. 74/2020 of the Supervisory Board of 27 July 2020 on the draft resolutions of the Annual General Meeting of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
75. Resolution No. 75/2020 of the Supervisory Board of 27 July 2020 on the Recovery Plan of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
76. Resolution No. 76/2020 of the Supervisory Board of 27 July 2020 on the Recovery Plan of the Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna Group.
77. Resolution No. 77/2020 of the Supervisory Board of 30 July 2020 on granting consent to selling rights to real estate.
78. Resolution No. 78/2020 of the Supervisory Board of 4 August 2020 on excusing the absence of a Supervisory Board Member at the Supervisory Board's meeting.
79. Resolution No. 79/2020 of the Supervisory Board of 4 August 2020 on amending the Audit Charter.
80. Resolution No. 80/2020 of the Supervisory Board of 4 August 2020 on the approval of the amendment of the financial plan, including the capital plan, for 2020.
81. Resolution No. 81/2020 of the Supervisory Board of 4 August 2020 on changing the MbO goals and their values and weights for the Bank's Management Board Members for 2020.
82. Resolution No. 82/2020 of the Supervisory Board of 4 August 2020 on granting consent to the amendment of social communication service framework agreements by the Bank and to concluding

social communication service agreements on their basis with a value exceeding PLN 500 000 net per annum.

83. Resolution No. 83/2020 of the Supervisory Board of 4 August 2020 on granting consent to selling rights to real estate.
84. Resolution No. 84/2020 of the Supervisory Board of 18 August 2020 on the approval of the Rules for personal transactions carried out by relevant persons.
85. Resolution No. 85/2020 of the Supervisory Board of 21 September 2020 on granting consent to the conclusion of a marketing service agreement by the Bank with a value exceeding PLN 500 000 net per annum.
86. Resolution No. 86/2020 of the Supervisory Board of 24 September 2020 on the appointment of the Secretary of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
87. Resolution No. 87/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Appointments and Remuneration Committee.
88. Resolution No. 88/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Appointments and Remuneration Committee.
89. Resolution No. 89/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Appointments and Remuneration Committee.
90. Resolution No. 90/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Appointments and Remuneration Committee.
91. Resolution No. 91/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Appointments and Remuneration Committee.
92. Resolution No. 92/2020 of the Supervisory Board of 24 September 2020 on the appointment of the Chairman of the Appointments and Remuneration Committee.
93. Resolution No. 93/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Strategy Committee.
94. Resolution No. 94/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Strategy Committee.
95. Resolution No. 95/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Strategy Committee.
96. Resolution No. 96/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Strategy Committee.
97. Resolution No. 97/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Strategy Committee.
98. Resolution No. 98/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Strategy Committee.
99. Resolution No. 99/2020 of the Supervisory Board of 24 September 2020 on the appointment of the Chairman of the Strategy Committee.
100. Resolution No. 100/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Risk Committee.

101. Resolution No. 101/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Risk Committee.
102. Resolution No. 102/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Risk Committee.
103. Resolution No. 103/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Risk Committee.
104. Resolution No. 104/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Risk Committee.
105. Resolution No. 105/2020 of the Supervisory Board of 24 September 2020 on the appointment of the Chairman of the Risk Committee.
106. Resolution No. 106/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Audit Committee.
107. Resolution No. 107/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Audit Committee.
108. Resolution No. 108/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Audit Committee.
109. Resolution No. 109/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Audit Committee.
110. Resolution No. 110/2020 of the Supervisory Board of 24 September 2020 on the appointment of a member of the Audit Committee.
111. Resolution No. 111/2020 of the Supervisory Board of 24 September 2020 on the appointment of the Chairman of the Audit Committee.
112. Resolution No. 112/2020 of the Supervisory Board of 24 September 2020 on the approval of the Organizational Rules of Procedure of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.
113. Resolution No. 113/2020 of the Supervisory Board of 24 September 2020 on the Rules of the Risk Committee.
114. Resolution No. 114/2020 of the Supervisory Board of 24 September 2020 on the Rules of the Audit Committee.
115. Resolution No. 115/2020 of the Supervisory Board of 24 September 2020 on the approval of the principles of operation of the internal control system at PKO Bank Polski S.A.
116. Resolution No. 116/2020 of the Supervisory Board of 24 September 2020 on granting consent to regulating the legal status of real estate.
117. Resolution No. 117/2020 of the Supervisory Board of 24 September 2020 on granting consent to the conclusion of a marketing service framework agreement by the Bank and to concluding marketing service agreements on its basis with a value exceeding PLN 500 000 net per annum.
118. Resolution No. 118/2020 of the Supervisory Board of 24 September 2020 on the Rules of the Appointments and Remuneration Committee.
119. Resolution No. 119/2020 of the Supervisory Board of 24 September 2020 amending Resolution No. 73/2016 of the Supervisory Board on the appointment of the Strategy Committee (as amended).

120. Resolution No. 120/2020 of the Supervisory Board of 24 September 2020 on granting consent to selling rights to real estate.
121. Resolution No. 121/2020 of the Supervisory Board of 15 October 2020 on granting consent to the conclusion of an agreement by the Bank on support for the provision of consultations on the epidemiological and sanitary situation.
122. Resolution No. 122/2020 of the Supervisory Board of 21 October 2020 on granting consent to selling rights to real estate.
123. Resolution No. 123/2020 of the Supervisory Board of 2 November 2020 on granting consent to the conclusion of a donation agreement by the Bank.
124. Resolution No. 124/2020 of the Supervisory Board of 3 November 2020 on evaluating whether a Supervisory Board member meets the independence criteria.
125. Resolution No. 125/2020 of the Supervisory Board of 3 November 2020 on evaluating whether a Supervisory Board member meets the independence criteria.
126. Resolution No. 126/2020 of the Supervisory Board of 3 November 2020 on evaluating whether a Supervisory Board member meets the independence criteria.
127. Resolution No. 127/2020 of the Supervisory Board of 3 November 2020 on evaluating whether a Supervisory Board member meets the independence criteria.
128. Resolution No. 128/2020 of the Supervisory Board of 3 November 2020 on evaluating whether a Supervisory Board member meets the independence criteria.
129. Resolution No. 129/2020 of the Supervisory Board of 3 November 2020 on evaluating whether a Supervisory Board member meets the independence criteria.
130. Resolution No. 130/2020 of the Supervisory Board of 3 November 2020 on evaluating whether a Supervisory Board member meets the independence criteria.
131. Resolution No. 131/2020 of the Supervisory Board of 3 November 2020 on evaluating whether a Supervisory Board member meets the independence criteria.
132. Resolution No. 132/2020 of the Supervisory Board of 3 November 2020 on evaluating whether a Supervisory Board member meets the independence criteria.
133. Resolution No. 133/2020 of the Supervisory Board of 3 November 2020 on evaluating whether a Supervisory Board member meets the independence criteria.
134. Resolution No. 134/2020 of the Supervisory Board of 3 November 2020 on the approval of the "Plan of internal audits for 2021".
135. Resolution No. 135/2020 of the Supervisory Board of 3 November 2020 on the approval of the risk management strategy of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group;
136. Resolution No. 136/2020 of the Supervisory Board of 3 November 2020 on granting consent to the amendment of the marketing service framework agreement concluded by the Bank and to concluding marketing service agreements on its basis with a value exceeding PLN 500 000 net per annum.
137. Resolution No. 137/2020 of the Supervisory Board of 3 November 2020 on granting consent to the conclusion of a public relations service framework agreement by the Bank and to concluding public relations service agreements on its basis with a value exceeding PLN 500 000 net per annum.

138. Resolution No. 138/2020 of the Supervisory Board of 12 November 2020 on granting consent to extending the scope of the agreement concluded on 15 October 2020 by and between the Bank and the entity referred to in that resolution.
139. Resolution No. 139/2020 of the Supervisory Board of 14 November 2020 on granting consent to the Bank taking measures to implement the decision of the entity referred to in that resolution.
140. Resolution No. 140/2020 of the Supervisory Board of 16 November 2020 on granting consent to selling rights to real estate.
141. Resolution No. 141/2020 of the Supervisory Board of 30 November 2020 on granting consent to selling rights to real estate.
142. Resolution No. 142/2020 of the Supervisory Board of 10 December 2020 on granting consent to selling rights to real estate.
143. Resolution No. 143/2020 of the Supervisory Board of 14 December 2020 on granting consent to selling rights to real estate.
144. Resolution No. 144/2020 of the Supervisory Board of 17 December 2020 on granting consent to taking up or purchasing the investment certificates of the entity referred to in that resolution and to concluding an agreement on supporting the financing of the implementation of the investment policy of the entity referred to in that resolution.
145. Resolution No. 145/2020 of the Supervisory Board of 17 December 2020 on granting consent to amending the terms of the limit on the purchase by the Bank of the bonds issued by the entity referred to in that resolution.
146. Resolution No. 146/2020 of the Supervisory Board of 17 December 2020 on granting consent to amending the terms of the limit on the purchase by the Bank of the bonds issued by the entity referred to in that resolution.
147. Resolution No. 147/2020 of the Supervisory Board of 17 December 2020 on the commencement of the proceedings concerning ordering the audit of the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group for the years 2022–2023.
148. Resolution No. 148/2020 of the Supervisory Board of 17 December 2020 on selecting the audit firm to conduct the audit of the financial statements of PKO BP S.A., pobočka zahraničnej banky for the years 2020–2021 and to provide other audit services.
149. Resolution No. 149/2020 of the Supervisory Board of 17 December 2020 on granting consent to the conclusion of marketing service agreements by the Bank.
150. Resolution No. 150/2020 of the Supervisory Board of 17 December 2020 on granting consent to the conclusion of a marketing service agreement by the Bank with a value exceeding PLN 500 000 net per annum.
151. Resolution No. 151/2020 of the Supervisory Board of 17 December 2020 on granting consent to the conclusion of a marketing service framework agreement by the Bank and to concluding marketing service agreements on its basis with a value exceeding PLN 500 000 net per annum.
152. Resolution No. 152/2020 of the Supervisory Board of 17 December 2020 on the approval of the Compliance Department Action Plan for 2021.

153. Resolution No. 153/2020 of the Supervisory Board of 18 December 2020 on granting consent to selling rights to real estate.
154. Resolution No. 154/2020 of the Supervisory Board of 29 December 2020 on granting consent to the conclusion of a consulting and advisory service agreement by the Bank with the entity referred to in that resolution and to launching financing on the project "Implementation of the 5th AML Directive at PKO BP" (2020/0289).



Bank Polski

Appendix No. 2

REPORT
ON THE ACTIVITIES
OF THE NOMINATION AND REMUNERATION
COMMITTEE
IN 2020

1. Legal basis

- The Nomination and Remuneration Committee (which operated under the name of Remuneration Committee until 23 August 2018) was established by Resolution No. 52/2011 of the Supervisory Board of PKO Bank Polski S.A. of 2 November 2011 (as amended) to support the Supervisory Board in performing its statutory duties and tasks arising from the generally applicable laws and the recommendations of supervisory authorities, in particular the Polish Financial Supervision Authority (the “PFSA”) and the European Banking Authority.

On 24 August 2018, the Supervisory Board of PKO Bank Polski S.A., by resolution, transformed the Remuneration Committee into the Nomination and Remuneration Committee (the “**Nomination and Remuneration Committee**” or the “**Committee**”) in order to align the name and activities of the Committee with Article 9cd of the Banking Law (under which an obligation to establish a nomination committee was imposed on significant banks) and with the requirements of the Regulation of the Minister of Finance of 7 May 2018 on the detailed scope of tasks of the nomination committee in significant banks (Journal of Laws no. 883 of 2018).

- The Committee operates in accordance with the Rules of Procedure of the Nomination and Remuneration Committee of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (the “**Committee’s Rules of Procedure**”), which sets out the Committee’s objectives, organization, procedures and tasks. The Report was prepared on the basis of paragraph 3(6) of the Committee’s Rules of Procedure, which constitute an appendix to Resolution No. 118/2020 of the Supervisory Board of PKO Bank Polski S.A. of 24 September 2020.

2. Composition of the Committee in 2020:

As at 31 December 2020, the following persons were on the Committee:

Name and surname	Function
Zbigniew Hajłasz	Chairman of the Committee
Marcin Izdebski	Deputy Chairman of the Committee
Grażyna Ciużyńska	Member of the Committee
Wojciech Jasiński	Member of the Committee
Andrzej Kisielewicz	Member of the Committee

Composition of the Committee until 26/08/2020

Name and surname	Function
Piotr Sadownik	Chairman of the Committee
Grażyna Ciużyńska	Deputy Chair of the Committee
Wojciech Jasiński	Member of the Committee
Elżbieta Mączyńska-Ziemacka	Member of the Committee

On 26 August 2020, the General Shareholders’ Meeting of PKO Bank Polski S.A. appointed the following people to the Supervisory Board of PKO Bank Polski S.A.: Mariusz Andrzejewski, Grzegorz Chłopek, Grażyna Ciużyńska, Zbigniew Hajłasz, Marcin Izdebski, Wojciech Jasiński, Andrzej Kisielewicz, Rafał Kos, Krzysztof Michalski and Piotr Sadownik. In accordance with the resolutions adopted, the above persons were appointed to the Supervisory Board for another

joint term of office. The State Treasury, as the Eligible Shareholder, on the basis of paragraph 12(1) of the Articles of Association of PKO Bank Polski S.A. appointed: Zbigniew Hajłasz – as Chairman of the Supervisory Board of PKO Bank Polski S.A., and Marcin Izdebski – as Deputy Chair of the Supervisory Board of PKO Bank Polski S.A.

On 24 September 2020, the Supervisory Board of PKO Bank Polski S.A. appointed the following people to the Nomination and Remuneration Committee: Grażyna Ciużyńska, Zbigniew Hajłasz, Marcin Izdebski, Wojciech Jasiński and Andrzej Kisielewicz.

Moreover, on 24 September 2020:

- the Supervisory Board of PKO Bank Polski S.A. appointed Andrzej Kisielewicz as Chairman of the Nomination and Remuneration Committee;
- The Nomination and Remuneration Committee appointed Mr Marcin Izdebski as Deputy Chairman of the Nomination and Remuneration Committee.

3. Number of meetings of the Committee in 2020:

In 2020, the Committee held seven meetings on the following dates: 11 February, 18 May, 27 May, 25 June, 4 August, 24 September and 17 December, and 1 teleconference of the Committee using means of direct remote communication on 26 March. The number of Members of the Committee participating in the meetings ensured the proper conduct of all the meetings of the Committee.

4. Topics of the Committee's work

As a result of the analysis performed, the Committee gave a positive opinion on and presented the Supervisory Board of PKO Bank Polski S.A. with:

- 1) mbO targets and their values and weights for members of the Bank's Management Board for 2020, and the amendment of these targets as a consequence of changes to the Bank's Financial Plan, including the capital plan for 2020,
- 2) achievement of the MbO goals for 2019 by members of the Bank's Management Board;
- 3) variable remuneration for 2019 for the Director of the Internal Audit Department and for the Director of the Compliance Department;
- 4) variable remuneration for 2019 for persons holding positions with a material effect on the Bank's risk profile – the Bank's Material Risk Takers specified in the resolution on this matter.

Moreover, the Committee, among other things:

1. accepted the report titled "Assessment of the remuneration policy of PKO Bank Polski in 2019" and recommended that the Supervisory Board of PKO Bank Polski S.A. give a positive opinion on that report in order to submit it to the Annual General Meeting;
2. recommended that the Supervisory Board approve the "Remuneration Policy for Employees of the Bank and the PKO BP SA Group";
3. recommended that the Supervisory Board adopt the "Policy concerning the suitability of members of the Management Board and top management of the Bank and in the Bank's Group companies" and, as a result of a review of the Policy, recommended that the Supervisory Board adopts the "Principles and procedures for assessing the suitability of candidates for Members of the Bank's Management Board and Members of the Bank's Management Board";
4. in accordance with the Committee's Rules of Procedure and the "Policy concerning the suitability of members of the Management Board and top management of the Bank and in the Bank's Group companies", assessed the suitability of candidates for the position of President and Vice-President of the Bank's Management Board, including:
 - as a result of the assessment of the personal suitability of Zbigniew Jagiełło, and after taking into consideration the outcome of the assessment of Zbigniew Jagiełło's performance during the previous terms of office, recommended that the Supervisory Board appoint Zbigniew Jagiełło President of the Management Board of the Bank, and approved the report on the assessment of the personal suitability of Zbigniew Jagiełło and recommended that the Supervisory Board approve this report;
 - as a result of the individual suitability assessments of the following people: Piotr Mazur, Rafał Antczak, Rafał Kozłowski, Maks Kraczkowski, Mieczysław Król, Adam Marciniak, Jakub Papierski and Jan Emeryk

Rościszewski and, having taken into account the results of the assessment of their performance during their previous terms of office, recommended that the Supervisory Board appoint: Piotr Mazur, Rafał Antczak, Rafał Kozłowski, Maks Kraczkowski, Mieczysław Król, Adam Marciniak, Jakub Papierski and Jan Emeryk Rościszewski Vice-Presidents of the Bank's Management Board;

- accepted the reports of the individual suitability assessments of the following people: Piotr Mazur, Rafał Antczak, Rafał Kozłowski, Maks Kraczkowski, Mieczysław Król, Adam Marciniak, Jakub Papierski and Jan Emeryk Rościszewski and recommended that the Supervisory Board approve these reports;
5. as a result of the assessment of the collective suitability of the candidates for members of the Bank's Management Board – adopted the report attached as Appendix 1 to the resolution on this matter and recommended that the Supervisory Board approve the report;
 6. recommended that the Supervisory Board of PKO Bank Polski S.A. approve amendments to the “Rules of employment and remuneration of members of the Bank's Management Board” indicated in the text of the Committee's resolution on this matter;
 7. reviewed twice (on 11 February and 24 September) the content of the Committee's Rules of Procedure, as a result of which it has recommended that the Supervisory Board makes amendments to the Committee's Rules of Procedure as indicated in the content of the Committee's resolutions on this matter;
 8. discussed the issue of the second assessment of the individual and collective suitability of members of the Bank's Management Board in connection with a letter from the Office of the Financial Supervision Authority of 2 November 2020 concerning this assessment in the context of decision of the President of the Office of Competition and Consumer Protection of 16 October 2020 No. DOZIK-16/2020, having previously reviewed the related documentation, including the legal opinion, concerning the aforementioned correspondence.

In 2020, the Committee also passed resolutions on:

- an opinion on the approval of the amount of variable components of the remuneration to be paid to members of the Bank's Management Board in 2020 for 2016-2019, including the determination of the existence of reasons to reduce the amount or limit the funds for these payments;
- accepted the List of positions of Material Risk Takers.

5. Assessment of the effectiveness of the Committee's work

On 21 January 2021, the Nomination and Remuneration Committee assessed the effectiveness of the Committee's work in 2020.

In 2020, the Nomination and Remuneration Committee operated in accordance with its Rules of Procedure, which are reviewed and updated periodically. The Committee met regularly, with a frequency appropriate to enable the fulfilment of the tasks entrusted to the Committee. The composition of the Committee was assessed as adequate in terms of the number of members and their experience and knowledge.

Members of the Committee met the requirements of having knowledge, skills and experience commensurate with their roles and responsibilities. The professional experience and varied competences of the Committee members allowed them to comprehensively examine, give opinions, recommend and approve the matters and documents presented for its consideration.

The Committee assessed the cooperation with the Bank's Management Board positively, appreciating the quality of information provided by the Management Board.

In 2020, all Committee members actively participated in Committee meetings. The length of the meetings was adequate to fully discuss the issues included on the agenda and to allow time to discuss other topics of importance to Committee Members. Committee members received materials well in advance of the meetings. The number of meetings was sufficient to enable the Committee to discharge its duties in full.



Bank Polski

REPORT ON THE ACTIVITIES
OF THE RISK COMMITTEE OF THE SUPERVISORY
BOARD
IN 2020

1. Legal basis:

- The Risk Committee of the Supervisory Board, hereinafter called the "Risk Committee", was appointed by Resolution No. 35/2015 of 4 November 2015.
- The Report on the Operations of the Risk Committee has been prepared based on paragraph 3(3) of the Rules of Procedure of the Risk Committee of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, hereinafter called the "Rules of Procedure", constituting an appendix to the Resolution of the Supervisory Board No. 113/2020 dated 24 September 2020 concerning the Rules of Procedure of the Risk Committee.

2. Composition of the Risk Committee in 2020

Composition of the Risk Committee as at 31.12.2020:

Name and surname	Function
Andrzej Kisielewicz	Chairman of the Risk Committee
Mariusz Andrzejewski	Deputy Chair of the Risk Committee
Grzegorz Chłopek	Member of the Risk Committee
Wojciech Jasiński	Member of the Risk Committee
Krzysztof Michalski	Member of the Risk Committee

Composition of the Risk Committee until 26.08.2020

Name and surname	Function
Andrzej Kisielewicz	Chairman of the Risk Committee
Grażyna Ciużyńska	Deputy Chair of the Risk Committee
Mariusz Andrzejewski	Member of the Risk Committee
Adam Budnikowski	Member of the Risk Committee
Elżbieta Mączyńska-Ziemacka	Member of the Risk Committee

Changes in the composition of the Risk Committee in 2020

On 26 August 2020, the General Shareholders' Meeting of PKO Bank Polski S.A. appointed the following people to the Supervisory Board of PKO Bank Polski S.A. Mariusz Andrzejewski, Grzegorz Chłopek, Grażyna Ciużyńska, Zbigniew Hajłasz, Marcin Izdebski, Wojciech Jasiński, Andrzej Kisielewicz, Rafał Kos, Krzysztof Michalski and Piotr Sadownik. In accordance with the resolutions adopted, the above persons were appointed to the Supervisory Board for another joint term of office. The State Treasury, as the Eligible Shareholder, on the basis of paragraph 12(1) of the Articles of Association of PKO Bank Polski S.A. appointed: Zbigniew Hajłasz – as Chairman of the Supervisory Board of PKO Bank Polski S.A., and Marcin Izdebski – as Deputy Chair of the Supervisory Board of PKO Bank Polski S.A.

On 24 September 2020, the Supervisory Board of PKO Bank Polski S.A. appointed the following people to the Risk Committee: Mariusz Andrzejewski, Grzegorz Chłopek, Wojciech Jasiński, Andrzej Kisielewicz and Krzysztof Michalski.

Moreover, on 24 September 2020:

- the Supervisory Board of PKO Bank Polski S.A. appointed Andrzej Kisielewicz as Chairman of the Risk Committee,
- The Risk Committee appointed Mariusz Andrzejewski as Deputy Chair of the Risk Committee.

3. Information about meetings of the Risk Committee in 2020:

In 2020, the Risk Committee worked on the basis of the Framework Plan for 2020.

In 2020, in fulfilment of its statutory tasks, the Risk Committee held 5 meetings (27 May, 25 June, 4 August, 24 September and 3 November) and 1 teleconference, using means of direct remote communication on 26 March. The number of members of the Risk Committee participating in its meetings enabled all the meetings of the Risk Committee in 2019 to be held correctly.

The following persons were invited to and participated in meetings of the Risk Committee: Members of the Bank's Management Board and Directors: of the Banking Risk Division, Internal Audit Department and Compliance Department.

In 2020, the Risk Committee held a meeting – without Board members present – with the Director of the Banking Risk Division.

4. The tasks of the Risk Committee

In 2020 the Risk Committee's most significant tasks comprised:

- 4.1 expressing opinions on the Bank's total, current and future risk appetite, in consideration of the risk profile of the Bank's Group, and on the risk management strategy in the Bank's operations passed and adopted by the Management Board, as well as information on the pursuit of this strategy submitted by the Management Board and other periodic reports on risk management and capital adequacy, including:
 1. analysing, giving opinions on and approving periodic reports on risk management, including those relating to credit risk, financial risk, operational risk and business risk, as well as the risk of macroeconomic changes;
 2. analysing, giving opinions on and approving periodic reports on compliance, conduct and reputational risk;
 3. analysing, giving opinions on and approving periodic reports on capital adequacy;
 4. analysing, giving opinions on and adopting the annual report on model risk;
- 4.2 supporting the Supervisory Board in overseeing the implementation of the Bank's operational risk management strategy and on-going monitoring of the implementation of the risk management strategy, as well as on-going monitoring of the risk management system;
- 4.3 reviewing the remuneration policy for employees of the Bank and of the Bank's Group and approving the report entitled: "Assessment of the remuneration policy in PKO Bank Polski S.A.", and recommendations to the Supervisory Board concerning the assessment of this report;
- 4.4 giving an opinion on the "Policy on the suitability of members of the Management Board and persons performing critical roles in the Bank and on assessments of suitability in the Bank's Group companies";
- 4.5 analysing and approving the List of Material Risk Takers;
- 4.6 reviewing the Rules of Procedure of the Risk Committee.

5. Description of the Risk Committee's work

- 5.1 Giving opinions on the Bank's total, current and future risk appetite, in consideration of the risk profile of the Bank's Group, and on the risk management strategy in the Bank's operations passed and adopted by the Management Board, as well as information on the pursuit of this strategy submitted by the Management Board and other periodic reports on risk management and capital adequacy. Supporting the Supervisory Board in overseeing the implementation of the risk management strategy in the Bank's operations. Ongoing monitoring of the implementation of the risk management strategy and system.

In its pursuit of the tasks mentioned above, the Risk Committee, on a quarterly basis, analysed, provided opinions and adopted reports on credit risk, financial risk, operational and business risk, as well as the risk of macroeconomic changes, which were then subject to discussion at the Supervisory Board meetings.

The Risk Committee monitored the risk level on an on-going basis, based on the information included in the monthly reports prepared for the needs of the Risk Committee by the Banking Risk Function.

Additionally, the Risk Committee, on a quarterly basis, analysed, provided opinions and approved reports on compliance and conduct risks, and bi-annually analysed, provided opinions and approved reports on reputational risk, which were then subject to discussion by the Supervisory Board.

As part of the on-going monitoring of the effectiveness of the Bank's risk management system, the Risk Committee met with the Director of the Banking Risk Division on 24 September 2020 (without the participation of the members of the Management Board). During the meeting, the key challenges for the risk area were discussed, in particular. The Director of the Banking Risk Division pointed out, among other things: the emergence of new risks, diversification and changes in approaches to loss recognition, human resource challenges and the development of information technology to support risk management.

In addition, the Risk Committee, having analysed the scope of the changes introduced, on 3 November 2020 gave a positive opinion on the Risk Management Strategy of PKO Bank Polski S.A. and PKO Bank Polski S.A. Group, which addresses, inter alia, the following changes: amending the definition of an income-generating commercial property in line with the new Recommendation S, including the definition of risks and the definition of risk management objectives in the Bank's Group.

5.2 Analysing, expressing an opinion on and adopting the annual report on model risk

The Risk Committee analysed, expressed its opinion and adopted the annual report relating to the model risk in PKO Bank Polski SA for 2019, which was then examined by the Supervisory Board.

5.3 Analysing, expressing opinions on and approving periodic reports on capital adequacy

On a quarterly basis, the Risk Committee analysed, provided opinions and approved reports on capital adequacy, which were then discussed by the Supervisory Board.

5.4 On 30 March 2020, after performing an analysis, the Risk Committee adopted the report entitled "Assessment of the remuneration policy of PKO Bank Polski S.A. in 2019" in its wording attached as an appendix to the respective resolution and recommended approving this report by the Supervisory Board in order to submit it to the General Shareholders' Meeting of PKO Bank Polski S.A.

On 27 May 2020, the Risk Committee did not make any comments on the "Policy concerning the suitability of members of the Management Board and top management of the Bank and in the Bank's Group companies", in the wording attached as an appendix to the respective resolution, and taking into account the amendments consisting of updating the Policy in accordance with the guidelines issued in 2020 by the PFSA and amendments to the generally applicable legislation, including the amendment to the Banking Law.

5.5 On 4 August 2020, the Risk Committee analysed and approved the list of Material Risk Takers.

5.6 As a result of the periodic review of the Rules of Procedure of the Risk Committee, on 24 September 2020 the Risk Committee recommended to the Supervisory Board introducing amendments to the Rules of Procedure of the Risk Committee specified in the resolution on the said recommendations.

5.7 Work plan of the Risk Committee for 2021

At the meeting held on 21 January 2021, the Risk Committee adopted the Framework Work Plan for the Risk Committee for 2021.

6. Assessment of the effectiveness of the Risk Committee in 2020

On 21 January 2021, the Audit Committee assessed the effectiveness of the Committee's work in 2020.

In 2020, the Risk Committee operated in accordance with its Rules of Procedure, which are reviewed and updated periodically. The Committee met regularly, with a frequency appropriate to enable the fulfilment of the

tasks entrusted to the Committee. The composition of the Committee was assessed as adequate in terms of the number of members and their experience and knowledge.

Members of the Committee met the requirements of having the knowledge, skills and experience commensurate with their roles and responsibilities. Professional experience and varied competences of the Committee members allowed them to comprehensively examine, give opinions, recommend and approve the matters and documents presented for its consideration.

The Committee assessed cooperation with the Bank's Management Board positively, appreciating the quality of information provided by the Management Board.

In 2020, all Committee members actively participated in Committee meetings. The length of the meetings was adequate to fully discuss the issues included on the agenda and to allow time to discuss other topics of importance to Committee Members. Committee members received materials well in advance of the meetings. The number of meetings was sufficient to enable the Committee to discharge its duties in full.

Warsaw, 18 March 2021



Bank Polski

Appendix No. 4

REPORT ON THE ACTIVITIES
OF THE AUDIT COMMITTEE
OF THE SUPERVISORY BOARD IN 2020

1. Legal basis

- The Audit Committee of the Supervisory Board, hereinafter called the "Audit Committee" or the "Committee", was established by Resolution No. 44/2006 of the Supervisory Board of PKO Bank Polski S.A. of 30 November 2006 (as amended).
- The Report on the Operations of the Audit Committee has been prepared based on paragraph 3(3) of the Rules of Procedure of the Audit Committee of the Supervisory Board of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (hereinafter called the "Rules of Procedure", constituting an appendix to the Resolution of the Supervisory Board no. 114/2020 of 24 September 2020 on the Rules of Procedure of the Audit Committee.

2. Composition of the Audit Committee in 2020

Composition of the Audit Committee as at 31.12.2020

Name and surname	Function
Grażyna Ciurzyńska	Chair of the Audit Committee
Grzegorz Chłopek	Deputy Chair of the Audit Committee
Mariusz Andrzejewski	Member of the Audit Committee
Marcin Izdebski	Member of the Audit Committee
Rafał Kos	Member of the Audit Committee

Composition of the Audit Committee until 26/08/2020

Name and surname	Function
Zbigniew Hajłasz	Chairman of the Audit Committee
Grażyna Ciurzyńska	Deputy Chair of the Audit Committee
Mariusz Andrzejewski	Member of the Audit Committee
Dariusz Górski	Member of the Audit Committee up until 29 January 2020
Andrzej Kisielewicz	Member of the Audit Committee
Krzysztof Michalski	Member of the Audit Committee
Piotr Sadownik	Member of the Audit Committee

Changes in the composition of the Audit Committee in 2020

On 23 January 2020, Mr. Dariusz Górski resigned as Member of the Supervisory Board of PKO Bank Polski S.A. and Member of the Audit Committee, with effect as from the end of 29 January 2020.

On 26 August 2020, the General Shareholders' Meeting of PKO Bank Polski S.A. appointed the following people to the Supervisory Board of PKO Bank Polski S.A. Mariusz Andrzejewski, Grzegorz Chłopek, Grażyna Ciużyńska, Zbigniew Hajłasz, Marcin Izdebski, Wojciech Jasiński, Andrzej Kisielewicz, Rafał Kos, Krzysztof Michalski and Piotr Sadownik. In accordance with the resolutions adopted, the above persons were appointed to the Supervisory Board for another joint term of office. The State Treasury, as the Eligible Shareholder, on the basis of paragraph 12(1) of the Articles of Association of PKO Bank Polski S.A. appointed: Zbigniew Hajłasz – as Chairman of the Supervisory Board of PKO Bank Polski S.A., and Marcin Izdebski – as Deputy Chair of the Supervisory Board of PKO Bank Polski S.A.

On 24 September 2020, the Supervisory Board of PKO Bank Polski S.A. appointed the following people to the Audit Committee: Mariusz Andrzejewski, Grzegorz Chłopek, Grażyna Ciużyńska, Marcin Izdebski and Rafał Kos.

Moreover, on 24 September 2020:

- the Supervisory Board of PKO Bank Polski S.A. appointed Grażyna Ciużyńska as Chair of the Audit Committee,
- the Audit Committee appointed Grzegorz Chłopek as Deputy Chair of the Audit Committee.

3. Information about Audit Committee meetings in 2020

In 2020, the Audit Committee worked on the basis of the Framework Work Plan of the Audit Committee for 2020.

In 2020, in the fulfilment of its statutory tasks, the Audit Committee held 8 meetings (11 February, 27 May, 25 June, 4 August, 24 September, 3 November, 25 November and 17 December) and 1 teleconference, using means of direct remote communication on 26 March. The number of Members of the Audit Committee participating in the individual meetings of the Audit Committee enabled the proper conduct of all the Audit Committee meetings.

The following persons were invited to and attended the meetings of the Audit Committee: the Members of the Bank's Management Board and the Directors of: the Internal Audit Department (IAD) and the Compliance Department (CD).

In 2020, the Audit Committee held meetings – without Management Board Members present – with the Directors of: the Banking Risk Division, IAD, Legal Department, CD and with the audit firm.

4. Topics of the Audit Committee's work:

In 2020, the most important topics of the Audit Committee's work were issues related to:

- 1) monitoring the financial reporting process;
- 2) monitoring the effectiveness of the internal control system and of the risk management system;
- 3) monitoring the performance of audit activities;
- 4) verifying and monitoring of the independence of the registered auditor and audit firm carrying out the audit of the financial statements as well as cooperation with the audit firm and other matters related to the registered auditor and audit firm;

to the extent referred to in the Rules of Procedure of the Audit Committee.

The Committee also performed tasks in respect of:

- 1) implementing the recommendations issued by the Polish Financial Supervision Authority (hereinafter "PFSA");
- 2) analysing the financial results achieved by the PKO Bank Polski S.A. Group in the respective periods;
- 3) legal issues of major significance to the Bank, and reviewing the Regulations of the Audit Committee.

5. Description of the Audit Committee's work

5.1. Monitoring the financial reporting process

1. Review of the interim and annual financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group (separate and consolidated).

As part of the said review, the Audit Committee focused, among other things, on:

- 1) the results of the independent registered auditor's audit of the financial statements of PKO Bank Polski S.A. and of the PKO Bank Polski S.A. Group for 2019 and obtaining confirmation from the independent registered auditor that both the separate financial statements of PKO Bank Polski S.A. and consolidated financial statements of the PKO Bank Polski S.A. Group give a fair and clear view of the Bank's and the Group's financial position as at 31 December 2019, the results of operations and the cash flows for the financial year

then ended, in accordance with International Financial Reporting Standards approved by the International Accounting Standards Board, and the adopted accounting policies, comply, in all material respects, in terms of form and content with the applicable laws and the Bank's Articles of Association, and have been prepared, in all material respects, on the basis of properly maintained books of account, in accordance with the provisions of Chapter 2 of the Accounting Act of 29 September 1994 (the Accounting Act);

- 2) the analysis of the above-mentioned financial statements, taking into account: the information, timetables, recommendations, problems and other elements referred to in the Rules of Procedure of the Audit Committee as regards the monitoring of the financial reporting process;
- 3) the analysis of the financial results recorded by the PKO Bank Polski S.A. Group in the respective periods, with particular emphasis on major events affecting the functioning and financial results of the Bank's Group, as well as the analysis of information concerning, among other things: the balance sheet total of the Bank's Group, the levels of specific items of the income statement and changes in these levels, results in comparable conditions, financial effectiveness ratios, capital adequacy measures and the level of the total capital ratio.

The Audit Committee, after reading the following:

- the consolidated financial statements of the PKO Bank Polski S.A. Group as at and for the year ended 31 December 2019 and the financial statements of PKO Bank Polski S.A. as at and for the year ended 31 December 2019;
- the independent registered auditor's reports on the above-mentioned financial statements and the additional reports for the Audit Committee prepared by the audit firm (in connection with the audit of the said financial statements) and after discussing them;

and after analysing those reports, and bearing in mind the opinions issued by the audit firm, recommended that the Supervisory Board of PKO Bank Polski S.A. gives a positive opinion on: the consolidated financial statements of the Powszechna Kasa Oszczędności Bank Polski S.A. Group as at and for the year ended 31 December 2019 and the financial statements of Powszechna Kasa Oszczędności Bank Polski S.A. as at and for the year ended 31 December 2019.

In addition, the Committee recommended that the Supervisory Board of PKO Bank Polski S.A. gives a positive opinion on the PKO Bank Polski S.A. Group Directors' Report for 2019 prepared in combination with the Directors' Report of PKO Bank Polski S.A.

The Audit Committee, after having:

- read the condensed interim consolidated financial statements of PKO Bank Polski S.A. Group for the six months ended 30 June 2020 and the condensed interim financial statements of PKO Bank Polski S.A. for the six months ended 30 June 2020, the results of the audit firm's review of these financial statements and taking into account the results of the review of these financial statements by the audit firm which:
 - reported, among other things, on the scope of the work performed and the basis of the auditor's review of these financial statements, the key procedures performed by the auditor during the review and the key areas on which the auditor focused when performing the review;
 - confirmed that, during the review, the auditor obtained from the Bank all requested documents and explanations, and no material disagreement between the auditor and the Bank's Management Board was noted, and that the Auditor's Report on the review of the said mentioned semi-annual financial statements would be an unmodified report,

adopted the said financial statements.

Moreover, the Audit Committee took note of the PKO Bank Polski S.A. Group Directors' Report for the first half of 2020.

- Having reviewed the reports of the PKO Bank Polski S.A. Group for Q1 2020 and Q3 of 2020, the Committee approved the Report of the PKO Bank Polski S.A. Group for Q1 2020 and the Report of the PKO Bank Polski S.A. Group for Q3 2020.

2. Review of the degree of implementation of the audit firm's post-audit recommendations

As part analysing the degree of implementation of the said post-audit recommendations, on 11 February 2020 the Audit Committee was informed that the last of the 7 recommendations from the audit of the financial statements for 2017, concerning the monitoring of privileged user activities in the Bank, was implemented in Q4 of 2019. The auditor (KPMG Audyt sp. z o.o. sp.k.), having audited the financial statements for 2018 and 2019, did not make any recommendations.

3. On 28 May 2020, the Audit Committee:

- recommended that the Supervisory Board give a positive opinion on the Management Board's proposal to retain the unappropriated prior year profit of PKO Bank Polski S.A., in accordance with Resolution No. 248/E/2020 of the Management Board dated 27 May 2020 on retaining the unappropriated prior year profit of PKO Bank Polski S.A.;
- recommended that the Supervisory Board give a positive opinion on the Management Board's proposal concerning the appropriation of PKO Bank Polski S.A.'s profit earned in 2019 and the offset of accumulated losses, in accordance with Resolution No. 249/E/2020 of the Management Board dated 27 May 2020 on the appropriation of PKO Bank Polski S.A.'s profit earned in 2019 and the offset of accumulated losses.

5.2. Monitoring the effectiveness of the internal control system and of the risk management system;

The Audit Committee:

1) on 11 February 2020, having analysed documents concerning the assessment of the adequacy and effectiveness of the internal control system for 2019, namely:

- the "Assessment of the adequacy and effectiveness of the internal control system for 2019", summarising key information on the operation of the Bank's internal control system in 2019, including the results of external audits and the registered auditor's findings, together with the Management Board's information on how the tasks relating to designing, implementing and ensuring the operation of the internal control system were implemented, required under Recommendation H of the Polish Financial Supervision Authority;
- the "Adequacy and effectiveness of the operations of the compliance unit and the control function at PKO Bank Polski S.A.", including information of the functioning of the system for supervising the compliance of the Bank's operations and procedures for the anonymous reporting of breaches of law and the ethical procedures and standards;
- the "Annual report on IAD's activities, including IAD's information on the adequacy and effectiveness of the risk management system and internal control system for 2019";
- detailed information obtained from the Directors of the CD and IAD on the operation of the various elements of the internal control system;

on the basis of the information obtained and periodic reports, issued a positive opinion for the purpose of the Supervisory Board's overall assessment of the internal control system at the "sufficient" level, and of the individual elements of this system at the level of:

- "sufficient" – for the assessment of the control function;
- "sufficient" – for the assessment of the compliance function'
- "sufficient" – for the assessment of the internal audit function.

2) on 24 September 2020, gave a positive opinion on the principles of operations of the internal control system at PKO Bank Polski S.A., constituting an appendix to Resolution No. 419/C/2020 of the Management Board dated 3 September 2020 on the principles of operations of the internal control system at PKO Bank Polski S.A., which are subject to approval by the Supervisory Board.

Moreover, the Audit Committee:

- on 11 February 2020, gave a positive opinion on the "Internal Audit Department's Strategy for 2020-2022", on which the Management Board had earlier given a positive opinion by Resolution No. 54/C/2020 dated 4 February 2020 on the Internal Audit Department's Strategy for 2020-2022, which is subject to approval by the Supervisory Board;
- on 27 May 2020 gave a positive opinion on the draft "Rules of Procedure of the Internal Audit Department", constituting an appendix to the Committee's resolution on the matter;
- on two occasions (on 11 February 2020 and on 4 August 2020), gave positive opinions on an amendment to Appendix 1 to the Audit Charter.

On 3 November 2020, the Audit Committee:

- held a meeting with the Director of IAD (without the participation of members of the Management Board) at which the following issues were discussed: the cooperation of the Director of IAD with the Bank's Management Board, the areas of cooperation between IAD and the companies of the Bank's Group, and audits and examinations of foreign branches;

- analysed and approved the Report on the remuneration of the IAD's employees (an analysis relating to 2019);
- passed a resolution in which it gave a positive opinion on the "Plan of internal audits for 2021".

In addition, on a quarterly basis, the Audit Committee received and analysed information from IAD on the degree of completion of the internal audit plans and the implementation of the recommendations on a quarterly basis.

As part of the activities related to monitoring the operations of the CD, the Audit Committee:

1. received and analysed the report prepared by the CD on compliance risk and conduct risk on a quarterly basis;
2. analysed and approved the Report on the remuneration of the CD's employees (an analysis relating to 2019);
3. on 25 June 2020, held a meeting with the Director of CD (without the participation of any Management Board members), at which the following issues, among others, were discussed: cooperation with the Bank's Management Board on the implementation of the tasks assigned to the Compliance Department, the human resources of the Compliance Department, the key compliance challenges during the pandemic and the changing regulatory environment.

In addition, on 30 March 2020, the Audit Committee approved the variable remuneration for 2019 for the Compliance Department Director.

As part of the ongoing monitoring of the effectiveness of the risk management system, a meeting was held on 24 September 2020 with the Banking Risk Division Director (without the participation of any Management Board Members), which was attended by members of the Audit Committee.

5.3 Implementation of the PFSA recommendations

The Audit Committee analysed and took note of the information about the degree of implementation of the PFSA recommendations on a quarterly basis.

5.4 Verifying and monitoring the independence of the registered auditor and the audit firm carrying out the audit of the financial statements, as well as cooperation with the audit firm

On 11 February 2020, the Audit Committee recommended that the Supervisory Board of PKO Bank Polski S.A. adopt a resolution on a statement concerning the audit firm auditing the consolidated financial statements of the PKO Bank Polski S.A. Group as at and for the year ended 31 December 2018 and the financial statements of PKO Bank Polski S.A. as at and for the year ended 31 December 2018 as set out in the appendix to that resolution.

The said resolution contained, among other things, a statement signed by representatives of the audit firm KPMG Audyty Spółka z ograniczoną odpowiedzialnością Sp. k., confirming:

- the independence of the audit firm KPMG Audyty Spółka z ograniczoną odpowiedzialnością Sp.k., the key registered auditor, partners, top management and managers conducting the audit;
- that the audit firm KPMG Audyty Spółka z ograniczoną odpowiedzialnością Sp.k. and audit team members met the conditions for preparing an impartial and independent report on the annual audit of the above-mentioned financial statements in accordance with the applicable laws, auditing standards and the principles of professional ethics;
- that the applicable laws relating to key registered auditor rotation and the mandatory cooling-off periods were observed;
- that KPMG Audyty Spółka z ograniczoną odpowiedzialnością Sp.k. did not provide any prohibited services in accordance with the applicable laws;
- that, in the audit firm's opinion based on the professional standards, there were no issues affecting the audit firm's independence which would require disclosing.

The Audit Committee:

- on 11 February 2020 held a meeting with the audit firm KPMG Audyt Spółka z ograniczoną odpowiedzialnością Sp.k. (without the participation of members of the Management Board), during which, among other things, issues concerning the cooperation of the auditor with the Bank's Management Board during the performance of the 2019 audit were discussed. The auditor confirmed that cooperation was smooth. The auditor received all documents and explanations necessary for the audit of these statements from both the Bank's Management Board and other Bank employees working directly with the auditor;
- on 25 November 2020 held a meeting with the audit firm PricewaterhouseCoopers Polska sp. z o.o. Audyt Sp.k., during which a plan for the audit of the Bank's and the Group's financial statements for 2020 was discussed with the auditor, PricewaterhouseCoopers Polska sp. z o.o. Audyt sp.k.; the auditor's representatives discussed, among other things, the scope of work and the basis of the audit, the materiality level, key aspects of the audit, the scope and timetable of the audit and confirmed the independence of the auditor, the audit firm PricewaterhouseCoopers Polska sp. z o.o. Audyt Sp.k. and its Partners and management conducting the audit. The Audit Committee took note of the information presented by the audit firm PricewaterhouseCoopers Polska sp. z o.o. Audyt Sp.k. concerning the plan for the audit of the Bank's and the Group's financial statements for 2020;
- on 17 December 2020, held a meeting with the said audit firm at which representatives of the auditor informed the Audit Committee that the audit of the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group was proceeding in accordance with the adopted plan.

In addition, on 17 December 2020, the Audit Committee adopted resolutions concerning:

1. recommendation for the Supervisory Board to adopt a resolution on initiating proceedings relating to ordering audits of the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group for 2022-2023. The current agreement with PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. relates to the audit and review of the financial statements of PKO Bank Polski S.A. and the PKO Bank Polski S.A. Group for 2020-2021. Starting the process of selecting an audit firm to audit the financial statements of the Bank and the Group for 2022-2023 already in 2020 will enable the Bank: to have as wide a choice of professional bidders for the audit services provided to the Bank and the Bank's Group as possible, developing and implementing internal control procedures or risk management procedures relating to preparing or controlling financial information or developing and implementing IT systems relating to financial information, maintaining the books of account and preparing accounting documentation and financial statements, and limiting the risk of breaching independence of the audit firm;
2. recommendation to the Supervisory Board concerning the adoption of resolution selecting the audit firm to conduct the audit of the financial statements of PKO BP S.A. pobočka zahraničnej banky for 2020-2021 and to provide other audit services. In accordance with the provisions of the Slovak law, PKO BP S.A. pobočka zahraničnej banky is treated in that country as a public interest entity; as a result, it is obliged to have its financial statements audited by an audit firm.
3. granting consent for the provision by the entity referred to in the said resolution of a service consisting of performing an evaluation of the report on the remuneration of members of the Management and Supervisory Boards of PKO Bank Polski S.A. for 2019-202 and 2021 prepared by the Supervisory Board.

5.5 Legal issues of major significance to the Bank

During the meeting of the Audit Committee with the Director of the Legal Department on 17 December 2020 – without the participation of the Management Board members – the Director of the Department confirmed that all legal issues of major significance to the Bank are presented at the Supervisory Board meetings without any delay.

Moreover, on 24 September 2020 the Audit Committee, as a result of a periodical review of the Rules of Procedure of the Audit Committee, adopted a resolution recommending to the Supervisory Board of PKO Bank Polski S.A. amendments of the said Rules of Procedures of the Audit Committee as described in the resolution.

5.6 Work plan of the Audit Committee for 2021

At the meeting on 17 December 2020, the Audit Committee adopted a Framework Work Plan for the Audit Committee for 2021.

6. Assessment of the effectiveness of the Audit Committee's work in 2020

On 21 January 2021, the Audit Committee assessed the effectiveness of the Committee's work in 2020.

In 2020, the Audit Committee operated in accordance with its Rules of Procedure, which are reviewed and updated periodically. The Committee met regularly, with a frequency appropriate to enable fulfilment of the tasks entrusted to the Committee. The composition of the Committee was assessed as adequate in terms of the number of members and their experience and knowledge.

The Audit Committee met the requirements relating to the number of members of the Audit Committee who meet the independence criterion in accordance with the Act on registered auditors, audit firms and the public oversight and have knowledge of and skills in accounting or auditing financial statements and having knowledge and skills in banking.

Professional experience and varied competences of the Committee members allowed them to comprehensively examine, give opinions, recommend and approve the matters and documents presented for its consideration.

In 2020, all Committee members actively participated in Committee meetings. The length of the meetings was adequate to fully discuss the issues included on the agenda and to allow time to discuss other topics of importance to the Bank and the Committee Members. Committee members received materials well in advance of the meetings. The number of meetings was sufficient to enable the Committee to discharge its duties in full.

The cooperation of the Audit Committee with the Management Board, the IAD, the CD, the Legal Department, the Banking Risk Division and other key persons at the Bank, as well as the audit firm, was assessed by the Committee positively, appreciating the quality of information provided. The Audit Committee found the independence of the audit process satisfactory as a result of monitoring the process and based on an analysis of the information and materials received from the Bank and from the audit firm.

Based on the analysis of the periodic reports and documents received as well as other sources of information, including the oral replies of the members of the Management Board and other persons participating in the Committee's meetings (among others, the audit firm, the managers of the IAD, CD and Banking Risk Division), the Audit Committee regularly monitored the areas and processes subject to its supervision and assessed them on a current and periodic basis, including: the financial reporting process and the information to be disclosed, the adequacy and effectiveness of the internal control system, including its elements, as well as conducting audit activities and the independence of the registered auditor and the audit firm, and the activities undertaken and their results in the above-mentioned respect. The assessment of the risk of the areas and processes subject to the Audit Committee's supervision, reflected, among other things, in the resolutions passed and the documents approved by the Committee as well as the information provided by the Audit Committee to the Supervisory Board of PKO Bank Polski S.A. was sufficient, satisfactory or positive and did not result in the need to take any additional measures.

Warsaw, 16 February 2021



Bank Polski

Appendix No. 5

REPORT
ON THE OPERATIONS OF THE STRATEGY
COMMITTEE
FOR 2020

1. Legal basis:

- 1) The Strategy Committee was appointed by Resolution of the Supervisory Board No. 73/2016 of 25 August 2016.
- 2) This Report has been prepared based on § 3 clause 3 of the Rules of Procedure of the Strategy Committee constituting an appendix to the Resolution of the Supervisory Board No. 73/2016 dated 25 August 2016 concerning the appointment of the Strategy Committee (as amended).

2. Composition of the Strategy Committee in 2020

Composition of the Strategy Committee as at 31 December 2020

Name and surname	Function
Piotr Sadownik	Chairman of the Strategy Committee
Zbigniew Hajłasz	Deputy Chairman of the Strategy Committee
Mariusz Andrzejewski	Member of the Strategy Committee
Grażyna Ciużyńska	Member of the Strategy Committee
Andrzej Kisielewicz	Member of the Strategy Committee
Krzysztof Michalski	Member of the Strategy Committee

Composition of the Strategy Committee until 26 August 2020

Name and surname	Function
Grażyna Ciużyńska	Chair of the Strategy Committee
Zbigniew Hajłasz	Deputy Chairman of the Strategy Committee
Mirosław Barszcz	Member of the Strategy Committee
Adam Budnikowski	Member of the Strategy Committee
Dariusz Górski	Member of the Strategy Committee until 29 January 2020
Elżbieta Mączyńska-Ziemacka	Member of the Strategy Committee
Krzysztof Michalski	Member of the Strategy Committee
Piotr Sadownik	Member of the Strategy Committee

3. Changes in the composition of the Strategy Committee in 2020

On 23 January 2020, Mr Dariusz Górski resigned as member of the Supervisory Board of PKO Bank Polski S.A. and member of the Strategy Committee as of 29 January 2020 (COB).

On 26 August 2020, the Annual General Meeting of PKO Bank Polski S.A. appointed: Mariusz Andrzejewski, Grzegorz Chłopek, Grażyna Ciużyńska, Zbigniew Hajłasz, Marcin Izdebski, Wojciech Jasiński, Andrzej Kisielewicz, Rafał Kos, Krzysztof Michalski and Piotr Sadownik members of the Supervisory Board of PKO Bank Polski S.A. Based on the resolutions passed, the aforementioned persons were re-appointed for the next joint term of office of the Supervisory Board. Pursuant to § 12 clause 1 of the Articles of Association of PKO Bank Polski S.A., the State Treasury as the Entitled Shareholder appointed: Zbigniew Hajłasz – as Chairman of the Supervisory Board of PKO Bank Polski S.A., and Marcin Izdebski – as Deputy Chairman of the Supervisory Board of PKO Bank Polski S.A.

On 24 September 2020, the Supervisory Board of PKO Bank Polski S.A. appointed the following members of the Strategy Committee: Mariusz Andrzejewski, Grażyna Ciużyńska, Zbigniew Hajłasz, Andrzej Kisielewicz, Krzysztof Michalski and Piotr Sadownik.

Moreover, on 24 September 2020:

- The Supervisory Board of PKO Bank Polski S.A. appointed Piotr Sadownik as Chairman of the Strategy Committee;
- The Strategy Committee appointed Zbigniew Hajłasz as Deputy Chairman of the Strategy Committee.

4. Number of meetings of the Committee in 2020:

In 2020, as part of fulfilling its statutory duties, the Strategy Committee held:

- 1) two meetings on 4 August 2020 and 24 September 2020; and
- 2) one teleconference on 26 March 2020, using means of direct remote communication.

The number of Members of the Strategy Committee participating in the individual meetings of the Strategy Committee in 2020 enabled all the meetings of the Strategy Committee in 2020 to be held correctly.

5. Topics addressed by the Committee:

The most important issues which the Strategy Committee worked on in 2020 were those connected with supporting the Supervisory Board in overseeing the implementation of the Strategy of PKO Bank Polski S.A. for the years 2020-2022 “PKO Bank Przyszłości” (*PKO the Bank of the Future*).

On 4 August 2020, the Strategy Committee:

- 1) analysed the Report on the execution of the PKO Bank Polski S.A. Strategy “PKO Bank Przyszłości”. Based on this analysis it obtained, among other things, information on the effect of COVID-19 on changing the priorities in the said Strategy, as well as the key implementations in the first half of 2020 in the priority areas;
- 2) accepted the Report on the execution of the PKO Bank Polski S.A. Strategy “PKO Bank Przyszłości”.



As a result of the periodic review of the Rules of Procedure of the Strategy Committee, on 24 September 2020 the Strategy Committee recommended to the Supervisory Board introducing amendments to the Rules of Procedure of the Committee specified in resolution no. 2/2020 on the said recommendations.

6. Assessment of the effectiveness of the Strategy Committee in 2020

On 21 January 2021, the Strategy Committee assessed the effectiveness of the Committee's operations in 2020.

In 2020, the Strategy Committee acted in accordance with the Rules of Procedure of the Committee, which are regularly reviewed and updated. The meetings of the Committee were held regularly, with the frequency appropriate to the tasks delegated to the Committee. The composition of the Committee has been assessed as appropriate with regard to the number of its Members, their experience and knowledge.

Members of the Committee met the requirements of having knowledge, skills and experience adequate to the functions performed by them and duties entrusted to them. The professional experience and diverse competences of the Committee's members enabled them to comprehensively evaluate, assess and form recommendations as well as approve the issues and materials presented to them.

The Committee has positively assessed its cooperation with the Bank's Management Board, appreciating the quality of the information provided to it by the Bank's Management Board.

Warsaw, 5 May 2021.