



Bank Polski

## FINANCIAL RESULTS 1H 2022

Strong operational results, growing  
regulatory costs



Warsaw, 18th of August, 2022



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## Key achievements

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KEY ACHIEVEMENTS

## Financial highlights – 1H 2022



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**Net profit**

PLN 1 838 mln

ROE 11.5%

**The biggest bank in Poland**

PLN 429 bn of assets

11.5 mln of customers

**Strong capital base**

TCR 17.30%

Tier 1 16.11%

**Growing core revenues**

+36.4% y/y

**High costs efficiency**

C/I=42.1%

**Cost of risk under control**

COR 58 bps

NPL 3.86%

## KEY ACHIEVEMENTS

# Development of our business - key achievements



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	<b>Financing our customers</b>		<ul style="list-style-type: none"><li>○ PLN 247 bn financing provided to customers. growth by +4.0% y/y</li><li>○ Strong loans growth in a corporate sector +16.8% y/y</li></ul>
	<b>Savings</b>		<ul style="list-style-type: none"><li>○ Deposits growth by +11.1% y/y to PLN 326 bn</li></ul>
	<b>Customers</b>		<ul style="list-style-type: none"><li>○ Customers number increased to 11.5 mln</li><li>○ Growing number of digital customers:<ul style="list-style-type: none"><li>○ Increase number of transactions in IKO by 47% y/y</li><li>○ 6.8 mln IKO app. +20% y/y</li></ul></li></ul>
	<b>Social responsibility</b>		<ul style="list-style-type: none"><li>○ Support to Ukrainian refugees<ul style="list-style-type: none"><li>○ Dedicated financial products</li><li>○ Humanitarian support</li></ul></li><li>○ Financing green products</li></ul>



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## Priorities



Preparation of a medium-term strategy



Focus on dynamic digitization



Focus on sustainable development of the Bank, including acceleration in ESG transformation



Focus on stakeholders value



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## Financial results

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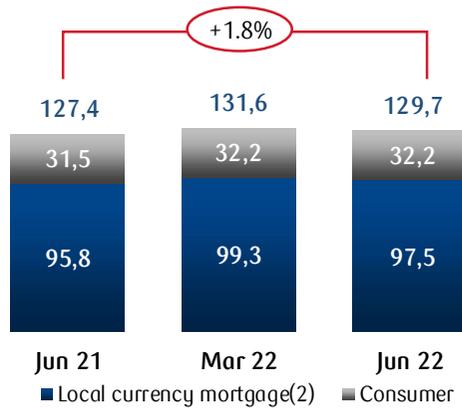


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## FINANCIAL RESULTS

# Retail banking: solid growth of number of accounts and IKO

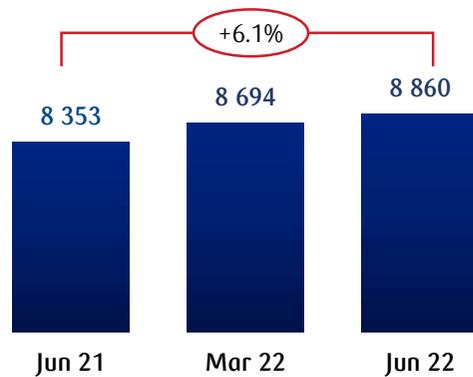
Loans volume outstanding [PLN bn]



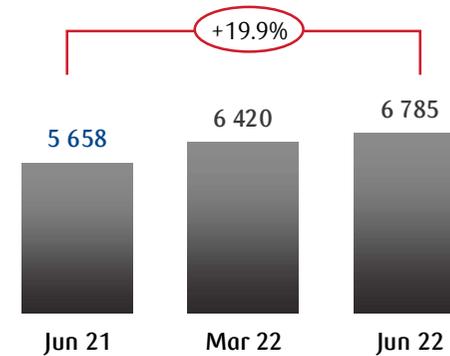
Deposits<sup>(1)</sup> [PLN bn]



Number of current accounts [ths]



Number of active IKO app [ths]



(1) - Retail deposits; (2) - The position covers UAH loans.

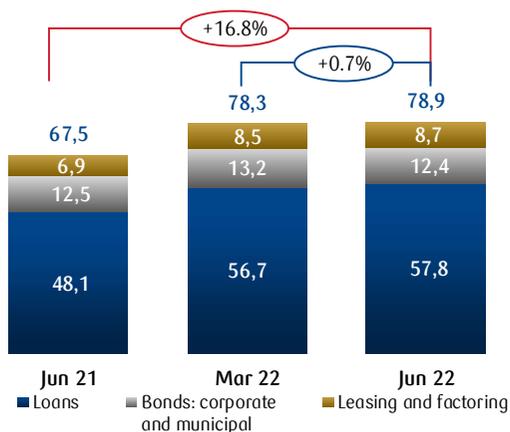
# FINANCIAL RESULTS

## Corporate and investment banking- solid growth of volumes y/y

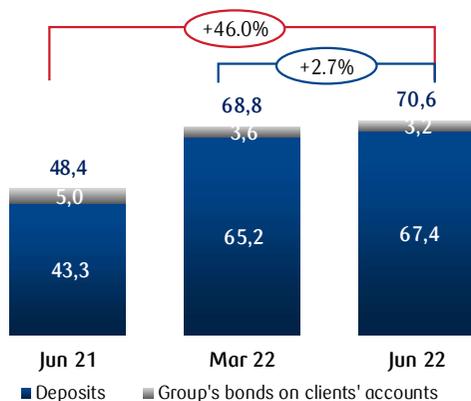


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Corporate clients financing [PLN bn]



Corporate clients savings [PLN bn]



 Increase in the amount of the syndicated loans and the guarantee line facility Arranger, Lender, Agent	 Syndicated loan for the construction of the solar farm in Zwartowo PLN 635,000,000 Lender	 Increase in the amount of the syndicated loan for the construction of Warsaw Unit Up to EUR 200,000,000 Agent, Lender	 Increase in the amount of the syndicated Sustainability Linked Loan Up to EUR 285,000,000 Original Lender	 Increase in the amount of the syndicated loan Up to PLN 525,000,000 Arranger, Original Lender
 Overdraft facility PLN 1,500,000,000 Lender	 Overdraft Facility PLN 100,000,000 Lender	 Syndicated financing PLN 400 000 000 1/3 of PKO BP SA share	 Investment loan PLN 60 000 000 PLN 18 000 000 Renewable working capital loan PLN 39 000 000	 Investment loan PLN 32 000 000

## FINANCIAL RESULTS

# Significant events affecting the results in the second quarter and the second half of 2022



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### Regulatory burdens in 2022

#### CREDIT HOLIDAYS

**PLN 3 bn**

Possibility to suspend the repayment of a mortgage loan granted in PLN. max up to 8 instalments. 4 in 2022 and 4 in 2023.

The bank assumes that 63% of customers will decide to take credit holidays.  
The loss will be recognized in the Bank's results of the 3Q 2022.

#### LEGAL RISK RELATED TO CHF MORTGAGE LOANS

**PLN 1 176 mln**

The decision is dictated by a significant change in the market environment, affecting the estimated number of lawsuits and the estimated number of settlements.

#### PROTECTION SYSTEM FUND (IPS)

**PLN 872 mln**

The purpose of the fund is to ensure the liquidity and solvency of the Participant Banks and support the forced restructuring of the bank being a joint stock company, conducted by the BFG.

The fund was created from the contributions of 8 Participant Banks amounting to 0.4% of their guaranteed deposits.

#### BORROWERS' SUPPORT FUND

**PLN ~340 mln**

The final amount of the contribution will be determined by the Board of the Borrowers' Support Fund.

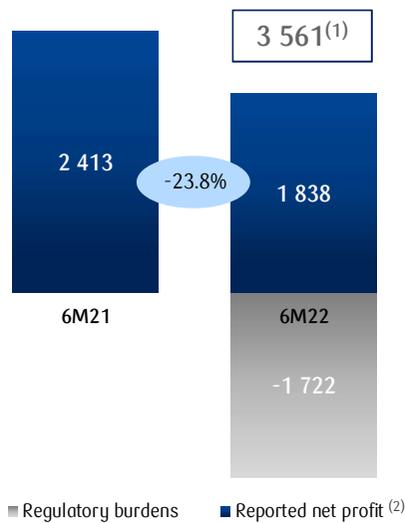
The costs of additional contribution to the fund will be recognized in the Bank's results in the 2H 2022.



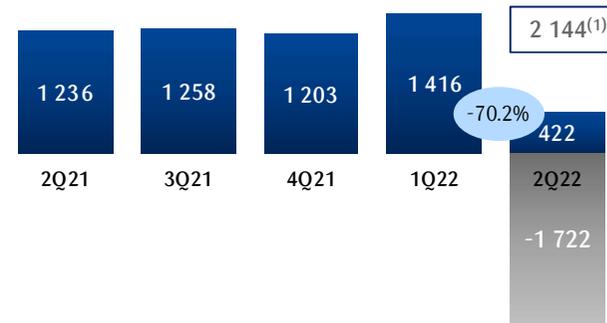
# FINANCIAL RESULTS

## Net profit

Net profit [PLN mln]



Quarterly net profit [PLN mln]



- PLN 1 838 mln of reported net profit in the first half of 2022. + 47.6% excluding extraordinary items<sup>(1)</sup>
- Reported net profit in 2Q at PLN 422 mln (PLN 2 144 mln + 73.5% after excluding extraordinary items<sup>(1)</sup>)
- Reported ROE at 11.5%. ROE adjusted for extraordinary items at 16.0%

(1) - Net profit excl. extraordinary items amounted to PLN 3 561 million in the first half of 2022, which means an increase by 47.6% y / y. in the second quarter of 2022 - PLN 2 144 million, which means an increase by 73.5% y / y  
 (2) - Extraordinary items including the costs of legal risk related to CHF-denominated and indexed mortgage loans (+1 176 million), IPS (+872 million), BGF costs (-116 million), write-offs as a result of additional, costs of legal risk (-65 million)

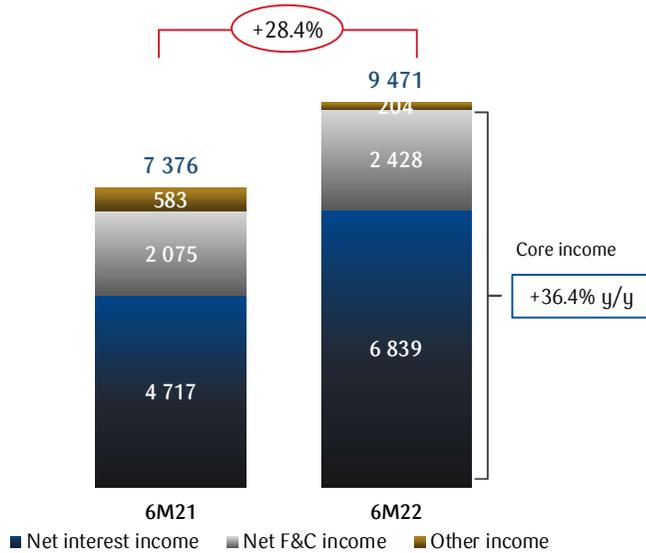
# FINANCIAL RESULTS

## Income growth thanks to high dynamics of both net interest income and fees and commissions income

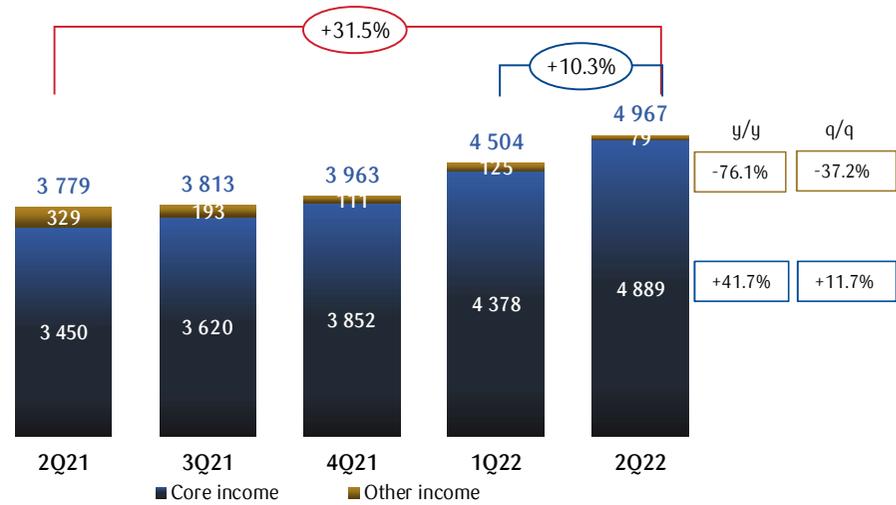


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Result on business activity [PLN mln]



Quarterly result on business activity [PLN mln]



Results on banking activity + 28.4% y/y thanks to an increase in core income growing + 36.4% y/y



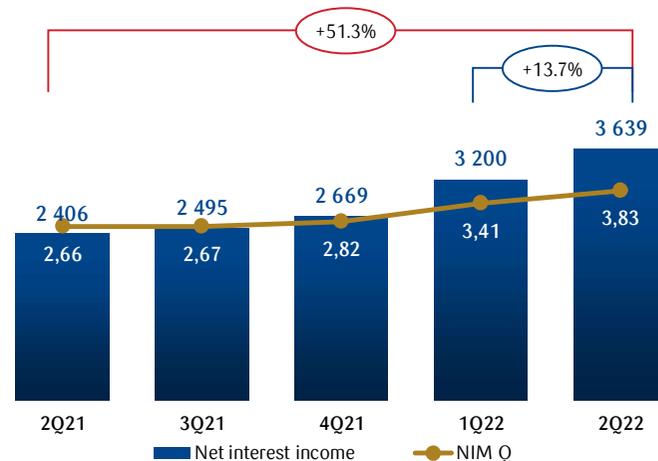
## FINANCIAL RESULTS

# Net interest income – continuation of growth

Net interest income [PLN mln]  
Net interest margin [%]



Quarterly Net interest income [PLN mln]  
Quarterly Net interest margin [%]



- Increase of net interest income by 45.0% y/y and 13.7% q/q as a result of interest rates change and continued volume growth
- Strong improvement of the 1H net interest margin by 44 bps y/y

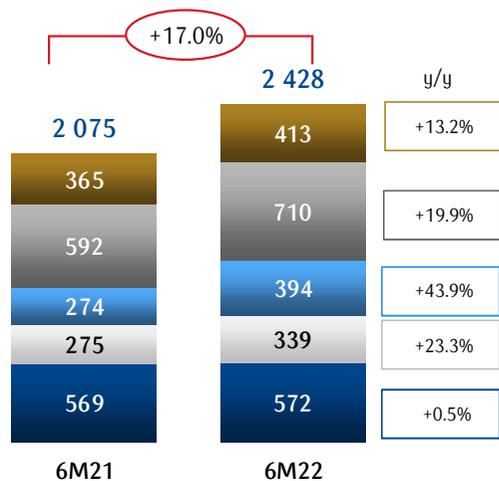
# FINANCIAL RESULTS

## Acceleration of fees and commissions income growth

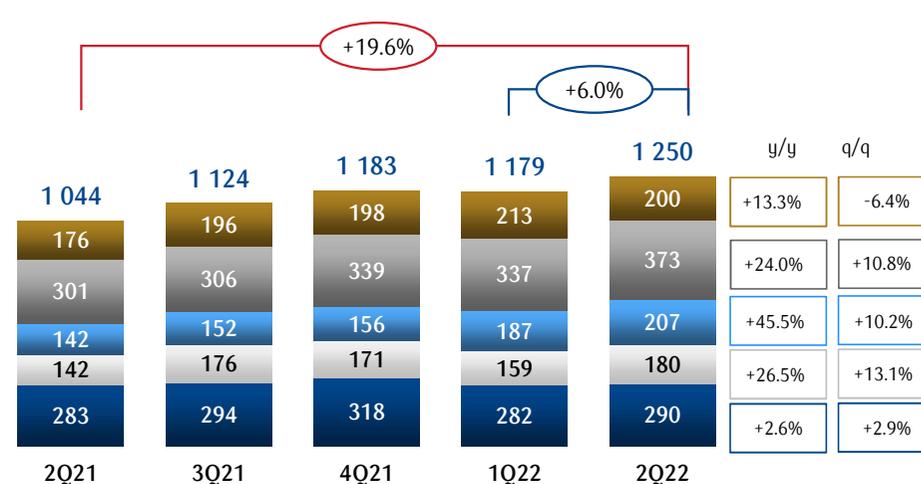


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Fees and commissions income [PLN mln]



Quarterly fees and commissions income [PLN mln]



- Mutual funds & brokerage
- Loans, insurance and operational leasing
- Currency exchange
- Cards and digital payments
- Customer accounts & other



Acceleration of fees and commissions income growth in the first half of the year to 17.0% y/y, supported by improvements in all categories

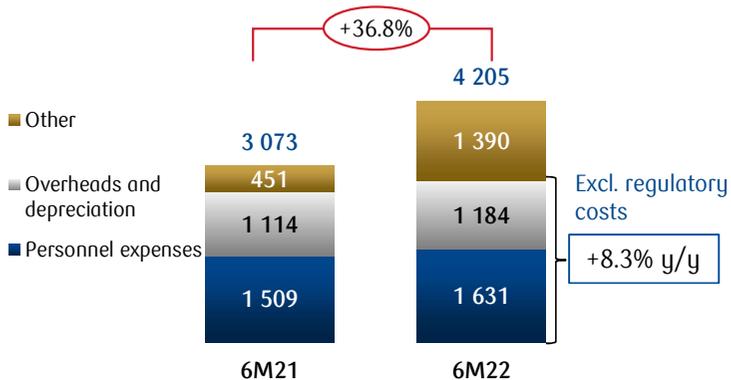
Very good result achieved in the second quarter + 6.0% q/q and +19.6% y/y thanks to income from banking activity



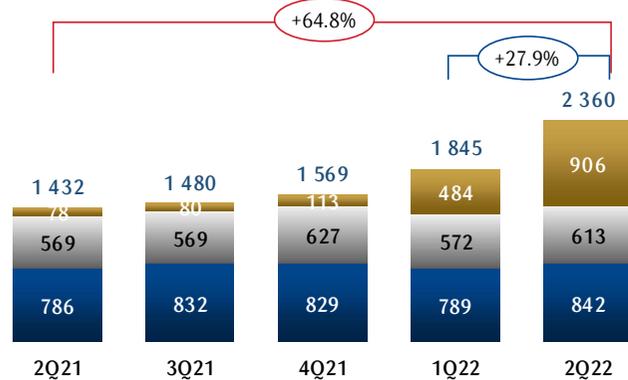
# FINANCIAL RESULTS

## Costs dynamic determined by IPS costs

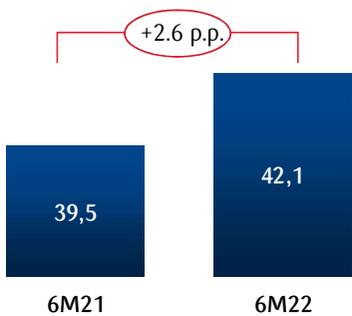
Operating expenses [PLN mln]



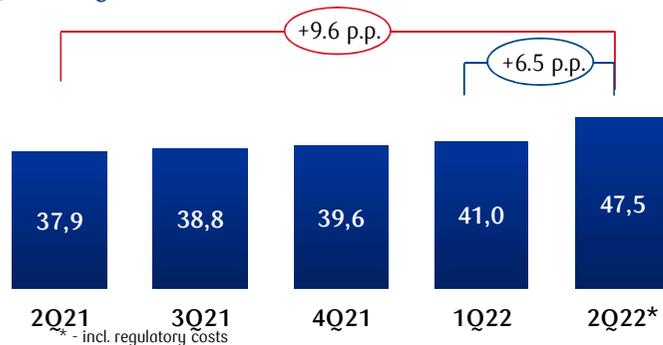
Quarterly operating expenses [PLN mln]



Quarterly Cost/Income ratio [%]



Quarterly Cost/Income ratio [%]



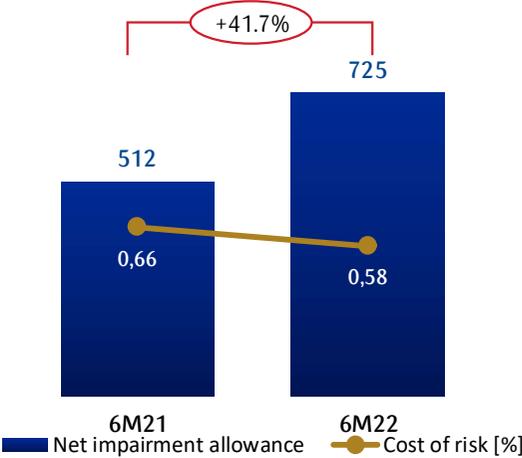
- Increase of operating costs by 8.3% y/y excluding regulatory expenses and by 36.8% y/y in total, as a result of a jump in regulatory costs including IPS
- Growth of reported costs by 27.9% q/q, mainly as a result of recognition in 2Q 2022 IPS costs in the amount of PLN 872 mln
- Quarterly reported C/I ratio at 42.1% including Fund of the Protection System (IPS), (C/I 37.0% adjusting by IPS and BGF)



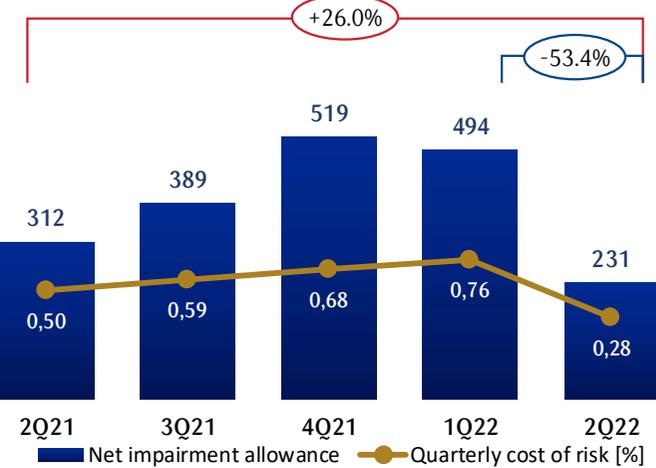
# FINANCIAL RESULTS

## Cost of risk

Net impairment allowance [PLN mln]



Quarterly net impairment allowance [PLN mln]



- Cost of risk in the first half of the year at 58 bps
- The cost of risk in the second quarter at 28 bps, reflecting continued improvement in asset quality and high level of provisions coverage

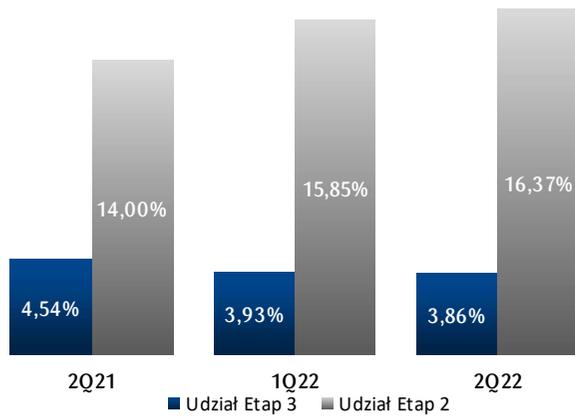
# FINANCIAL RESULTS

## High quality of customer financing

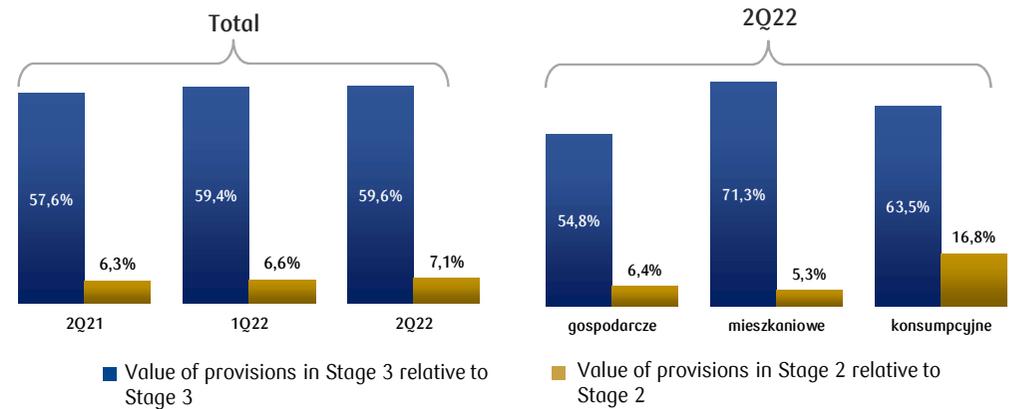


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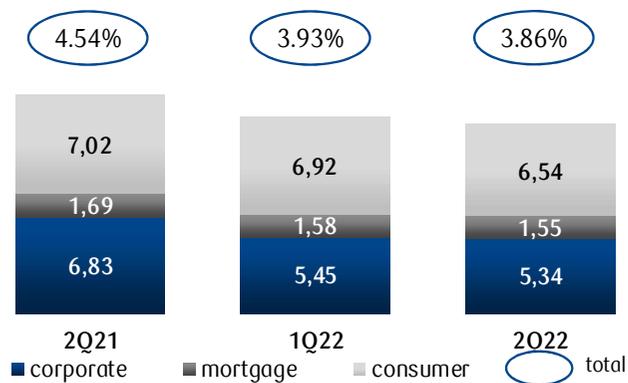
Share of receivables in stage 2 and 3 [%]



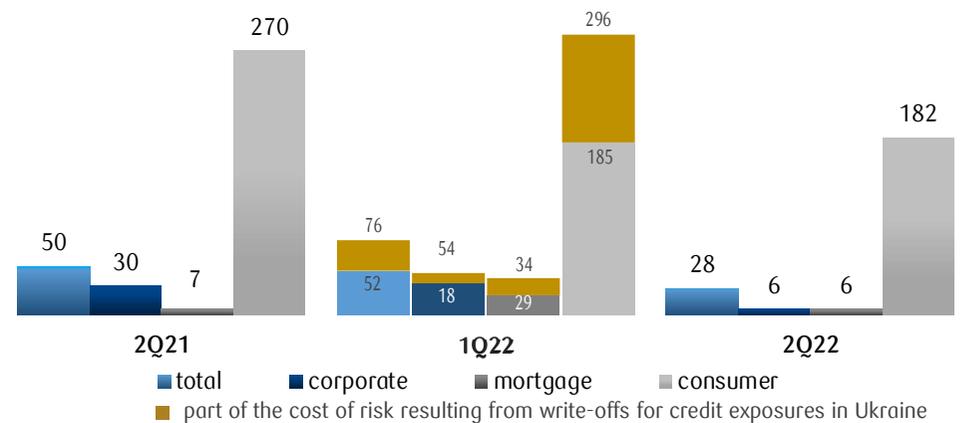
Provision coverage of receivables in stage 2 and 3 [%]



Share of receivables in stage 3 [%]



Quarterly cost of credit risk [bps.]



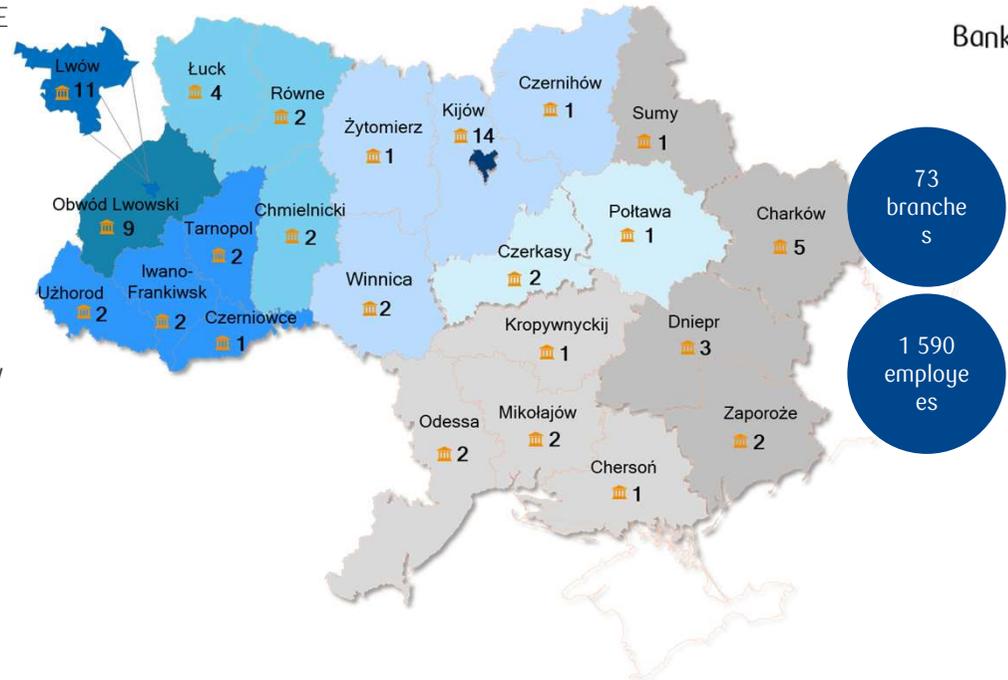


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## FINANCIAL RESULTS KREDOBANK S.A.

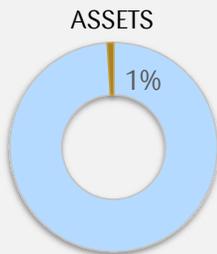
KREDOBANK S.A. is an universal bank servicing both retail and SME clients, operating mainly in western part of Ukraine and Kiev region.

- Continuation of activities in regions not affected by active hostilities. 17 branches were located in the regions most affected by the war
- ~20% of the company's loan portfolio is located directly in or close to the war zones, of which less than 4% is located in areas under temporary occupation or active military action
- KREDOBANK S.A. maintained its solvency at a stable, safe level; the company did not report a decrease in solvency measures or an outflow of deposits
- KREDOBANK S.A. was classified by the National Bank of Ukraine as a systemically important bank in Ukraine



73 branches  
1 590 employees

KREDOBANK'S SHARE OF THE GROUP'S RESULTS  
June 30, 2022:



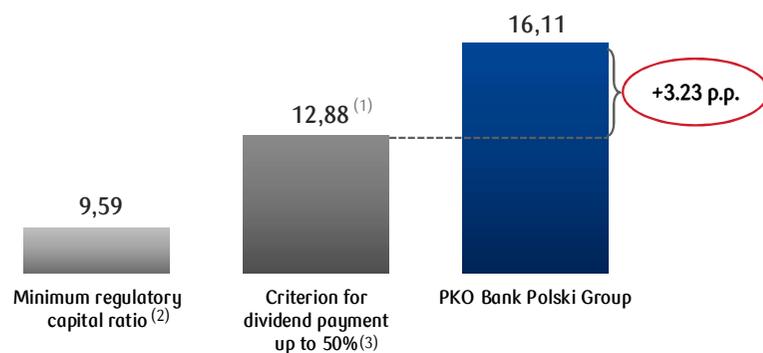
KREDOBANK S.A. (PLN mln)	Jun 30, 2022	Jun 30, 2021	Δ
Gross loans	2 177	2 345	-7%
Gross deposits	3 326	2 610	27%
Total assets	4 168	3 784	10%
Equity	512	490	4%
	6M 2022	6M 2021	Δ
Net income	8	58	-86%

# FINANCIAL RESULTS

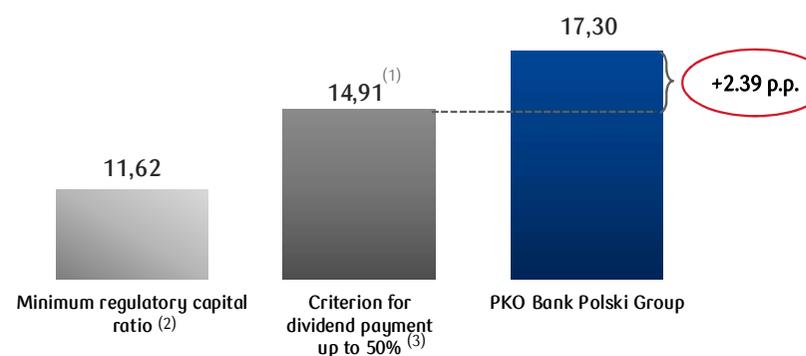
## Solid capital position



Tier 1 capital ratio [%]



Total capital ratio (TCR) [%]



(1) - PFSA's buffer for bank's sensitivity to an adverse macroeconomic scenario recommended in Pillar II is 0.29% (basic buffer 0.17% and additional buffer 0.12%)

(2) - Tier 1: CRR 6% + conservation buffer 2.5% + OSII buffer 1% + countercyclical buffer 0.01% + FX buffer for the Group 0.08%,  
TCR: CRR 8% + conservation buffer 2.5% + OSII buffer 1% + countercyclical buffer 0.01% + FX buffer for the Group 0.11%.

(3) - Dividend payment minimums after adjusting the dividend payout ratio by the following criteria:

K1 - share of the foreign currency mortgages for households in total receivables of PKO from the non-financial sector (2Q'22: Bank: 6,9%; Group: 5,7%); adjustment by - 20 p.p., when 5%<K1<10%.

K2 - share of the foreign currency mortgages granted in 2007/08 in PKO's total portfolio of foreign currency mortgages (2Q'22: Bank: 36,2%; Group 35,1%); adjustment by -30 p.p., when 20%<K2<50%.



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## FINANCIAL RESULTS

# Settlement program

Almost 28 ths motions submitted for mediation  
Almost 16 ths mediations concluded successfully

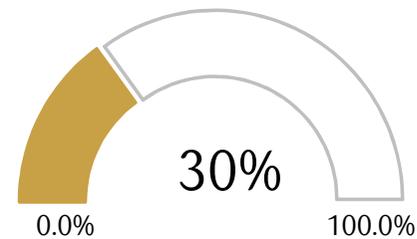
Process mostly performed in remote channels (81%)

Avg. 58 days since the submission of the motion to annex signing

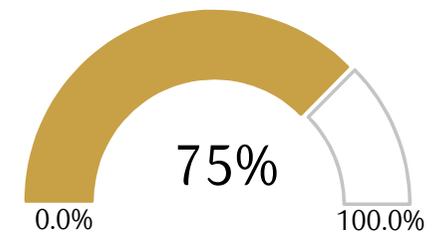
In June, the scope of products for which settlements were available was extended to include MIX mortgage loans granted in CHF for housing needs (purchase of real estate or repayment of other liabilities)

30th of June, 2022

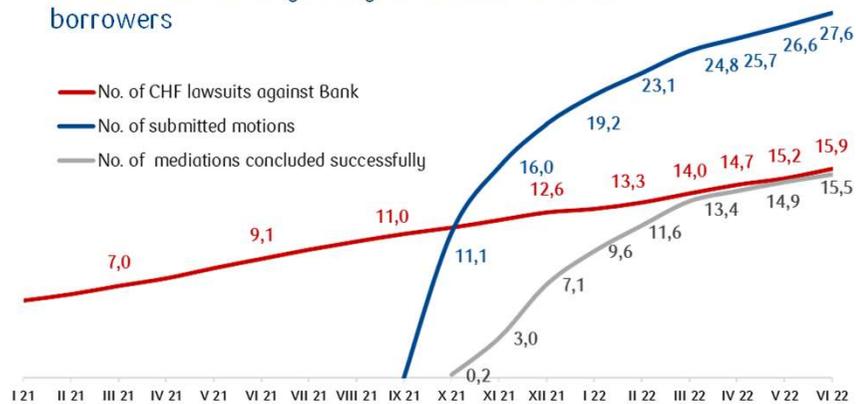
Share of motions submitted



Share of successfully completed cases in total completed cases



### Number of cases regarding settlements of CHF borrowers



Data starting from the moment when program of settlements for Swiss franc borrowers was launched

### The number of new court proceedings in a quarter [Items]





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## Conclusion

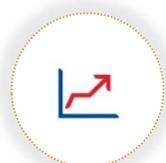
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## CONCLUSION

# Strong income growth and a resilient balance sheet against growing regulatory costs



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Net profit in the first half of the year at the level of PLN 1.8bn with ROE 11.5%, including IPS costs and additional provisions for legal risk



Core business income up by +36.4% y/y thanks to continued growth in net interest income and accelerated growth in fee and commission income



High level of cost effectiveness with C/I reported in Q2 at 42.1%, while adjusting by IPS and BGF costs at 37.0%



Cost of risk in the first half at 58 bp, reflecting further improvement in asset quality

Solid capital base, Tier 1 at 16.1%



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## Supplementary information

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## MACROECONOMIC BACKDROP

# Macroeconomic and banking sector forecasts



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		2019	2020	2021	2022F	2023F
GDP	% y/y	4.7	-2.2	5.9	4.9	1.1
Consumption	% /y	4.0	-3.0	6.1	5.6	2.2
Investments	% y/y	6.1	-4.9	3.8	-2.0	2.6
Fiscal balance <sup>1)</sup>	% PKB	-0.7	-6.9	-1.9	-2.8	-3.6
Public debt <sup>1)</sup>	% PKB	45.6	57.1	53.8	50.8	50.6
Inflation CPI	%	2.3	3.4	5.1	13.3	10.5
LFS unemployment rate	%	3.3	3.2	3.4	2.8	2.5
NBP reference rate	% eop	1.50	0.10	1.75	7.00	5.75
WIBOR 3M	% eop	1.71	0.21	2.54	7.20	5.95
EUR/PLN	PLN eop	4.26	4.61	4.60	4.62	4.50
CHF/PLN	PLN eop	3.92	4.25	4.45	4.49	4.17

		2019	2020	2021	2022F	2023F
Loans total	% y/y	4.7	-0.8	4.8	2.4	2.2
Mortgage loans PLN	% y/y	12.2	10.1	12.5	-0.6	0.2
Consumer loans	% y/y	8.2	-2.2	1.6	-3.6	1.7
Nonfinancial economic entities loans	% y/y	2.2	-6.0	3.2	6.9	3.6
Deposits total	% y/y	8.2	13.1	10.8	0.7	4.0
Deposits for private individuals	% y/y	9.3	7.6	6.0	2.5	4.4
Net assets of private individuals (TFI)	% y/y	5.7	2.5	5.7	-21.4	10.7
Nonfinancial economic entities deposits	% y/y	10.1	20.6	10.6	4.9	7.1

Source: Statistics Poland, Ministry of Finance, National Bank of Poland, PKO Bank Polski forecasts

1) In ESA2010 terms.

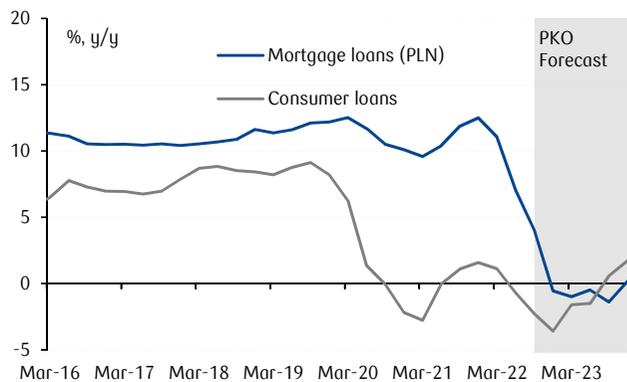
## MACROECONOMIC BACKDROP

# Development of loan and deposit market (FX adjusted)

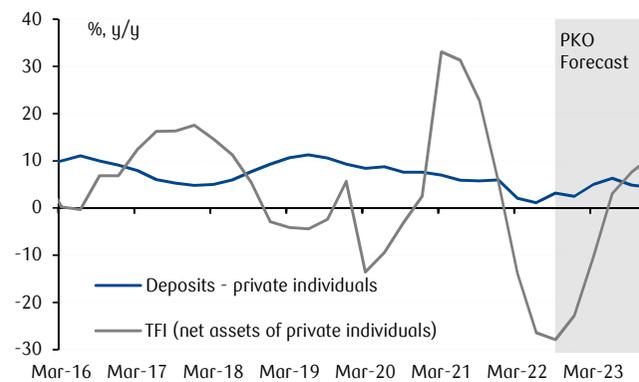


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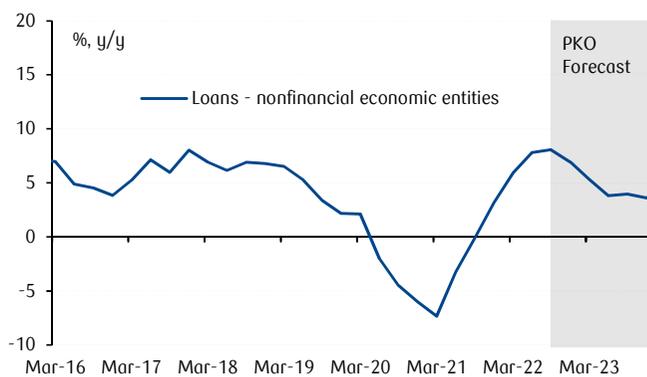
### Mortgage and consumer loans



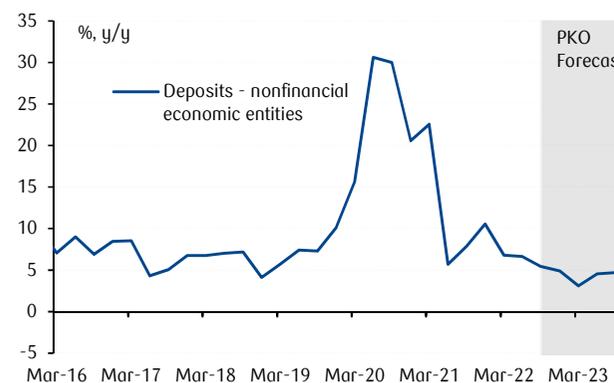
### Private individuals deposits and net assets (TFI)



### Loans for nonfinancial economic entities



### Deposits of nonfinancial economic entities

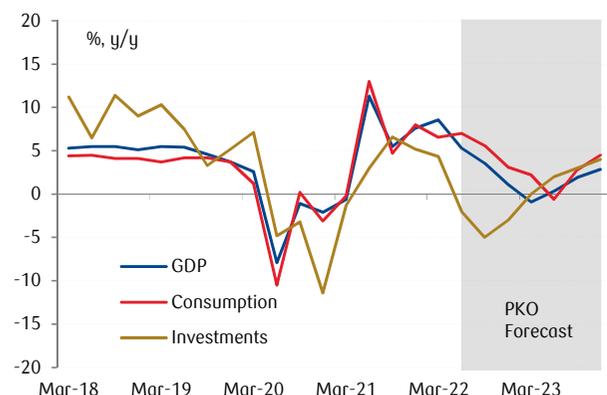


# MACROECONOMIC BACKDROP

## The economy is slowing down

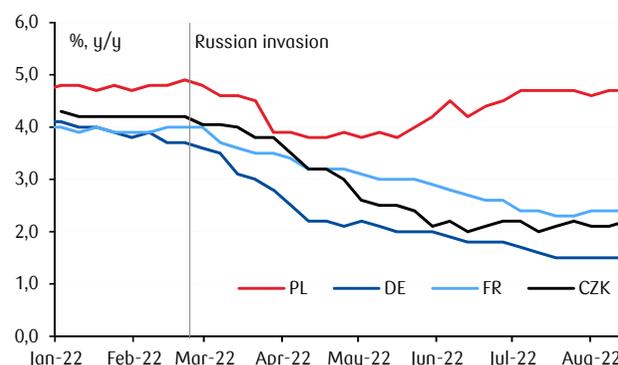


GDP slowdown ahead



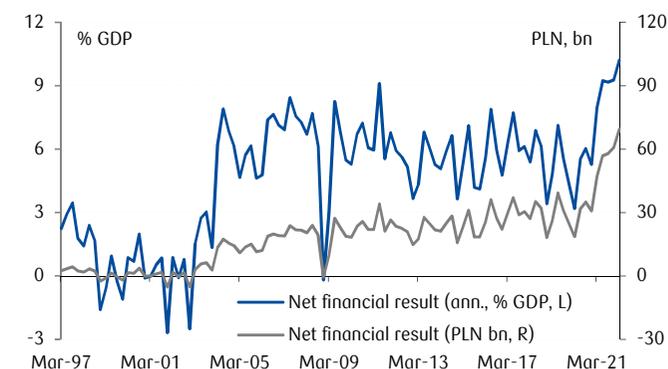
Source: GUS, PKO Bank Polski

2022 GDP Consensus for Poland back at the pre-war level



Source: Bloomberg, PKO Bank Polski

Record high profits in the enterprise sector\*



Source: GUS, PKO Bank Polski, \* non-financial enterprises employing 50+ employees

- In 2q22 GDP continued to grow strongly in y/y terms, although the first symptoms of some slowdown in exports, private consumption and investments has already appeared. These tendencies will likely deepen in the second half of 2022 and the economy has entered the phase of technical recession. Despite expected further slowdown the current forecasts for Poland's 2022 GDP are back at the level expected before the war outbreak - this distinguishes Poland from other countries, for which the GDP outlook has significantly deteriorated.
- Since 2q21 corporate profits have been record high, both in absolute terms and in relations to GDP. Enterprises have successfully rebuilt their financial position after the pandemic and look well prepared for the approaching slowdown.

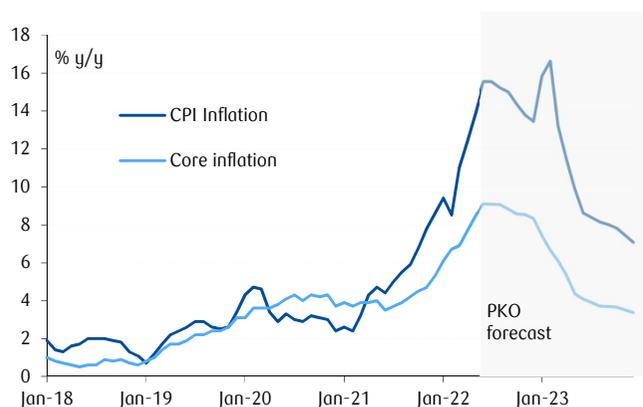
## MACROECONOMIC BACKDROP

# Interest rate hikes cycle close to its end



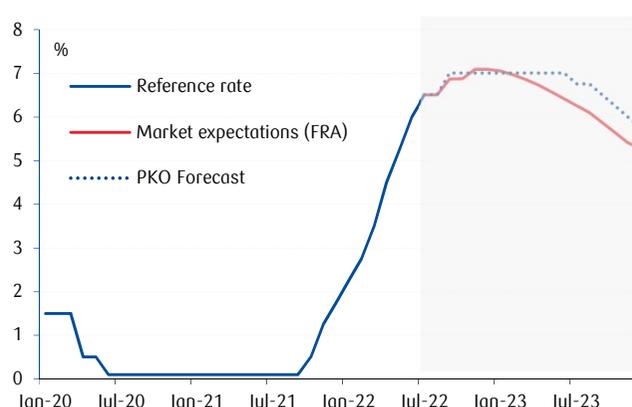
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### Inflation has reached the turning point



Source: GUS, PKO Bank Polski

### The final stage of monetary tightening



Source: GUS, Eikon, NBP, PKO Bank Polski

### EURPLN back to normal volatility



Source: Macrobond, PKO Bank Polski

- The strongest ever cycle of interest rate increases, combined with the global economic downturn, is starting to curb inflation. In 3q22 core inflation should start to gradually decline. CPI inflation will temporarily increase at the beginning of 2023, but mainly due to changes in administered prices (energy).
- The market is pricing-in the upcoming end of the tightening. This expectation is backed by the improvement in inflation prospects along with first symptoms of economic slowdown. Also in the region the tightening cycle seems to be getting to its end.
- The situation on the FX market has stabilized after the surge of volatility and the PLN depreciation caused by the war outbreak. The zloty has even begun to recover some of the losses.

SUPPLEMENTARY INFORMATION

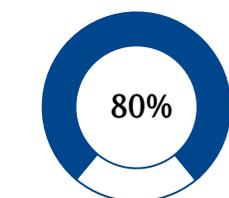
# We increase the share of remote channels and bots in customers service and sales



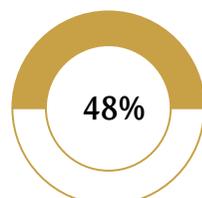
## Remote customer service



Digital sales share for consumer loans



■ Share of digital channel in sale



■ Share of digital channel in sale in E2E



Number of transactions in the IKO in 2Q amounted to 163 mln

**+47% y/y**



**>9.3 mln transactions** using the contactless BLIK in the IKO application

## Digitize processes



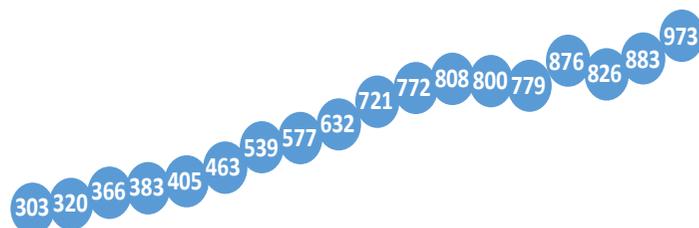
**>12 mln tasks** completed by bots



**100%** of incoming traffic at call centre is handled by bots, who precisely directs customers to the right consultant



Robotic Process Automation **>137 mln tasks** completed by robots



## 40 ths of customers

used the option to summarize the credit card expenses at the given seller

Extension of expense analytics function of the Voice Assistant in IKO

## 198 completed processes

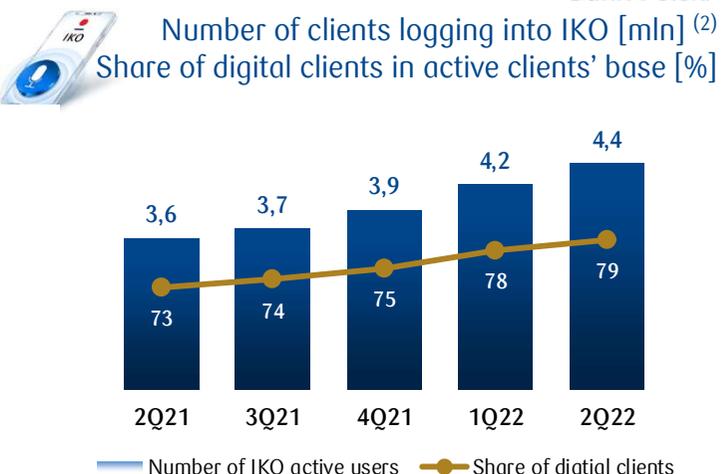
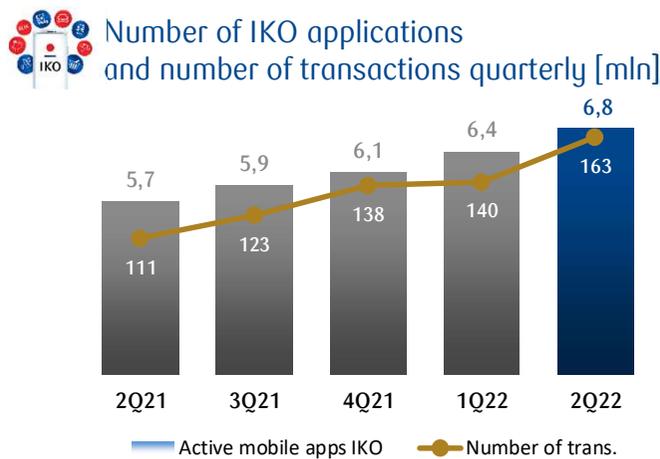
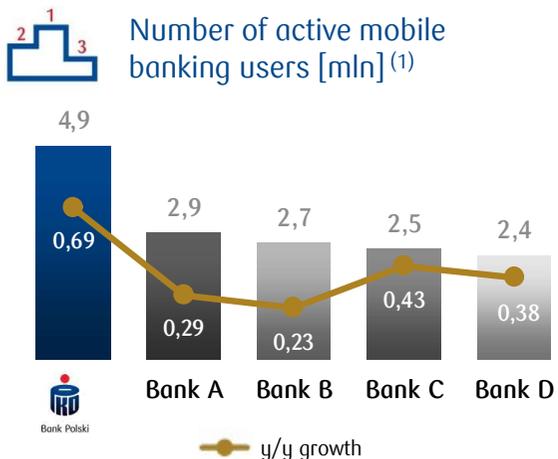
I.21 III.21 V.21 VII.21 IX.21 XI.21 I.22 III.22 V.22



Bank Polski

# SUPPLEMENTARY INFORMATION

## Leader in mobile banking



### IKO IKO mobile application functions development

- ✓ Increasing security of the customers by verifying identity of the Bank's employee who calls a customer
- ✓ Managing the PKO Dom insurance policy
- ✓ Access to the motor insurance instalment timetable
- ✓ The possibility to analyse card payments made to a specific seller using the Voice Assistant
- ✓ Allowing users who do not have accounts with PKO BP to use currency exchange
- ✓ Presentation of the margin for currency exchange for card transactions
- ✓ The possibility of buying motorway e-tickets in the E-toll system
- ✓ Information on the amount of transaction fees or commissions before a customer orders an ordinary money transfer, a transfer to own account or a tax payment
- ✓ Providing deposit account applications to business customers

(1) - According to PRNews data for 1Q'22, users who have logged in at least once a month from a mobile device (mobile application, light version or full transactional service).  
 (2) - According to PRNews definition: a client who logged into IKO application at least once a month in a given quarter.



Bank Polski

## SUPPLEMENTARY INFORMATION

# Development of services and offer for our Clients



### Analysis of card payments by the voice assistant in IKO

The possibility of summarizing and analysing the expenses made with the credit card at a specific seller at a specific time using the voice assistant



### Xiaomi Pay payments

Convenient contactless payments with a smartwatch or a sports band using the Xiaomi Pay technology



### Enhancements in the iPKO

Modern and more clear arrangement of functions and easier navigation in iPKO. New functions available: choosing a default profile after logging in and managing the order of accounts presented on the website



### New process of credit card offering in remote channels

Simplify (reduction of the number of alternative evaluation paths) of the process of applying for a credit card for SME customers



### New deposit offer

New deposit offer addressed to the existing and new customers of the Bank. Proposition of new products and increase of existing deposits' interest rates



### Agreement with BGK as part of the "Apartment without own contribution" program

In cooperation with Bank Gospodarstwa Krajowego, as part of the "Apartment without own contribution" program, a mortgage loan offer without own contribution - part of the loan amount will be covered by the BGK guarantee

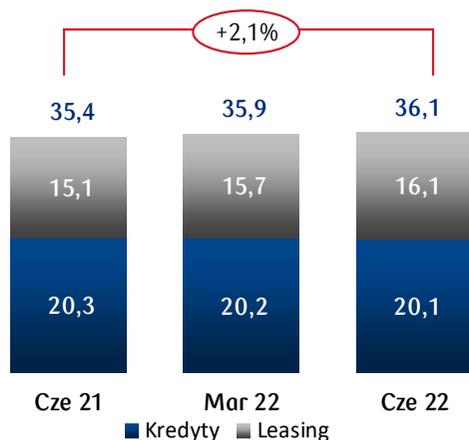
## SUPPLEMENTARY INFORMATION

# Companies and entrepreneurs banking : growth of loans and deposits y/y



Bank Polski

Loans volume outstanding [PLN bn]



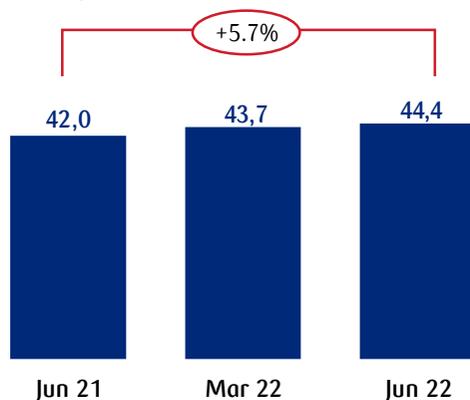
### New products

Loans for EKO purposes - a new offer for companies to finance ecological and thermo-modernization investments

Re-introduction of standard and negotiated deposits offer

Introduction of a progressive deposit for a period of 12 months

Deposits [PLN bn]



### Support for entrepreneurs

Second edition of PowerB@nk promotion for a start, which supports entrepreneurs commencing business activities with a package of tools for creating a webpage, SSL certificate and accounting consultations

New application in iPKO for issuing a credit card for companies and entrepreneurs

## SUPPLEMENTARY INFORMATION

# #PomocdlaUkrainy



Bank Polski



### Package of facilities for Ukrainian citizens

- 266 ths current accounts opened in special offer
- 86.5 ths UAH-PLN currency exchange transactions carried out in 100 branches free of charge and with no spread
- Free debit card for the current account issued "on the spot"
- Fast money transfer to KREDOBANK and to any bank in Ukraine. free of charge
- Call centre and IKO app in Ukrainian language
- Business account for 12 months with waived selected fees
- Non-profit institutions with waived selected fees
- Payment of benefits indicated in the Act on assistance to Ukrainian citizens performed through PKO BP ATM as part of the PKO Awizo service
- PKO present with its offer at PGE Narodowy, the main refugee service point, where they can also receive PESEL, apply for social benefits



### #PomocdlaUkrainy

- PLN 12 mln collected by the PKO BP Foundation for refugees' help
- PLN 7.4 mln donated up to now to 50 organizations involved in humanitarian aid
- Purchase of an ambulance and specialized medical devices (transport cars, necessary medicines, hundreds of tons of food and everyday necessities)
- Arrangement of transportation of refugees and supplies
- Support to 880 persons, employees of the Group in Ukraine and their families
- Thousands of volunteers from PKO Bank Polski involved in providing support



SUPPLEMENTARY INFORMATION

# The increase in customers' financing and savings

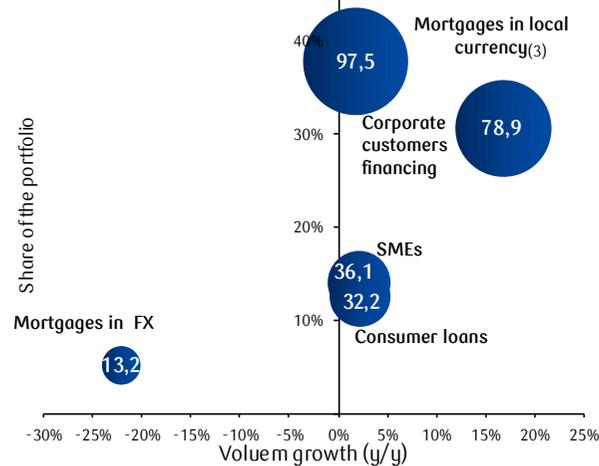
Gross customer financing [PLN bn] <sup>(1)</sup>



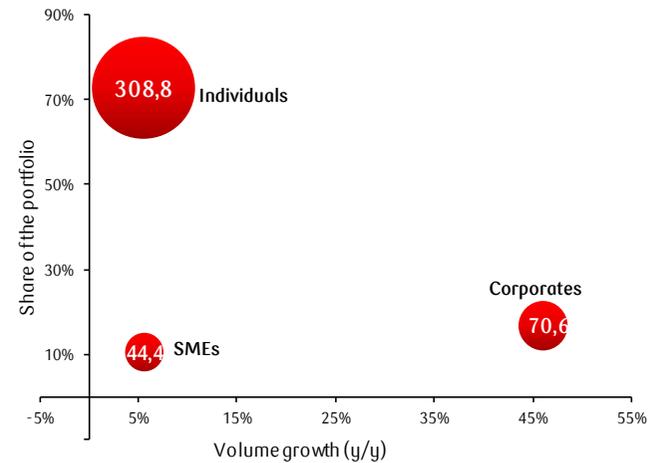
Customer savings [PLN bn] <sup>(2)</sup>



Gross customer financing [PLN bn] <sup>(1)</sup>



Customer savings [PLN bn] <sup>(2)</sup>



(1) Includes loans (excluding FX mortgage loans), corporate and municipal bonds (excluding PFR, BGK, EIB corporate bonds), leasing and factoring (but excludes repo transactions).

(2) Includes deposits, TFI (mutual funds) assets and treasury savings bonds of the bank and other entities of the bank's Group accumulated on the clients' bank accounts.

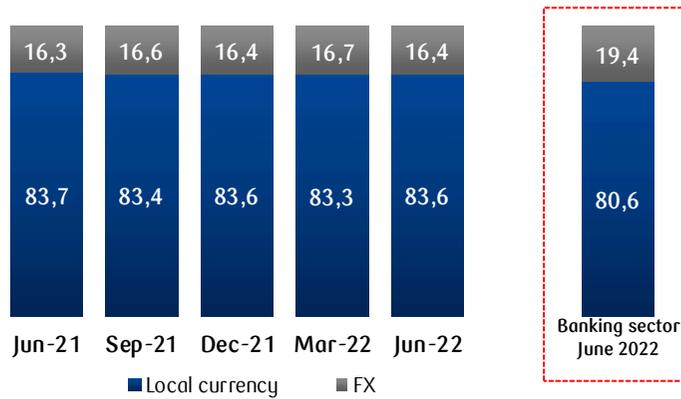
(3) The position covers UAH loans.



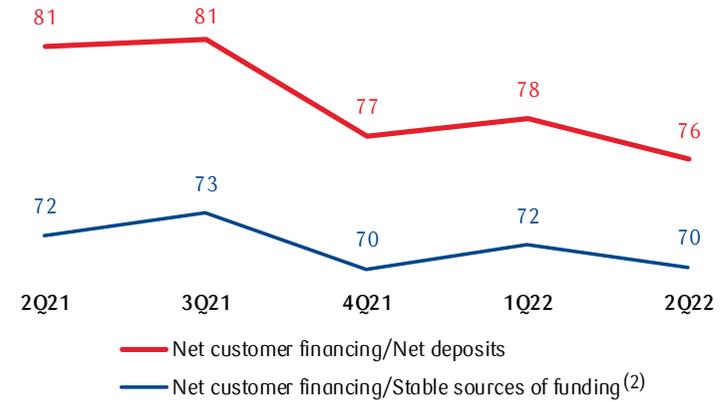
# SUPPLEMENTARY INFORMATION

## Structure of loans and deposits and liquidity

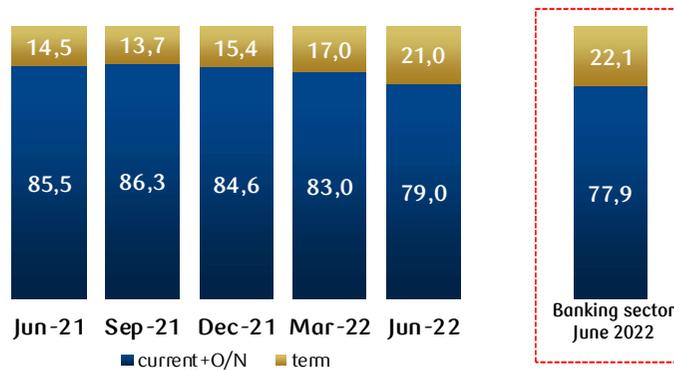
Currency structure of gross loans portfolio [%]



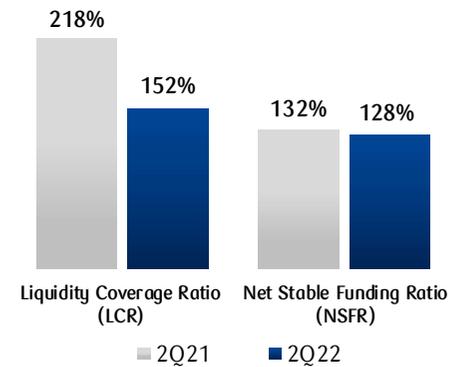
Structure of funding [%]



Term structure of total deposits <sup>(1)</sup> [%]



LCR and NSFR ratio [%]



(1) Amounts due to customers.

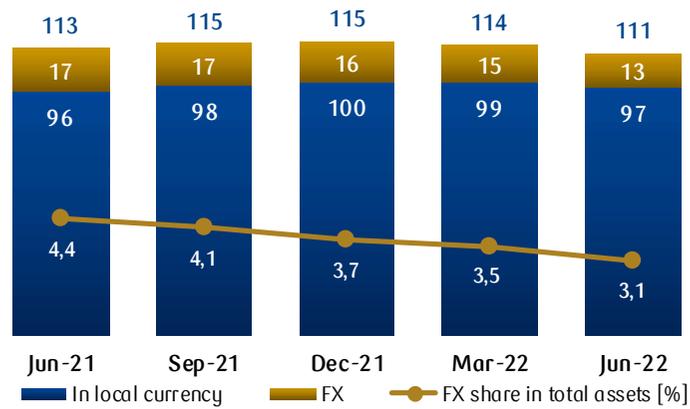
(2) Amounts due to customers and long-term sources of external funding: issuance of covered bonds, securitization, unsecured obligations, subordinated liabilities, loans from financial institutions..



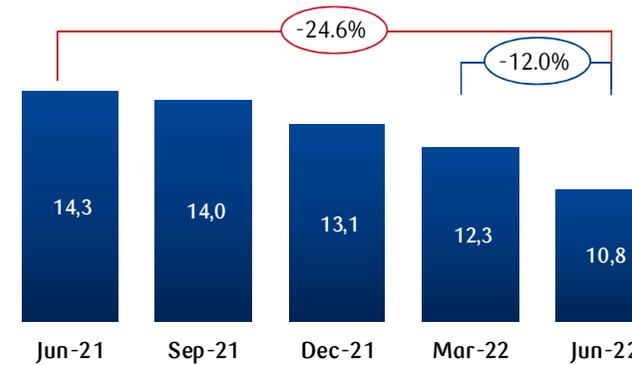
## SUPPLEMENTARY INFORMATION

# Gross mortgage loans

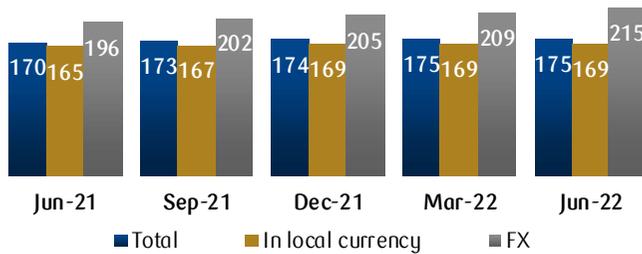
Volume of mortgage loans [PLN bn] <sup>(1)</sup>



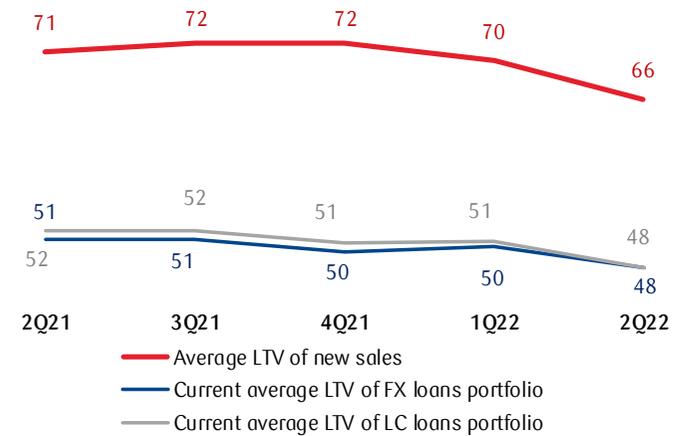
Volume of CHF mortgage loans [PLN bn]



Average carrying value of mortgage loan to be repaid [PLN ths]



Average LTV [%]



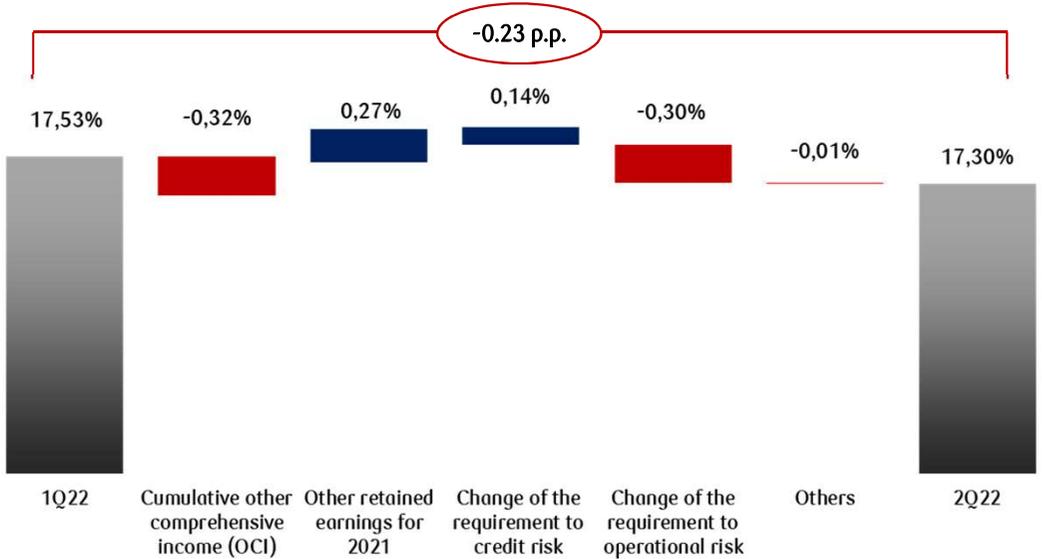
(1) - Includes data for PKO Bank Polski, PKO Bank Hipoteczny and Kredobank.



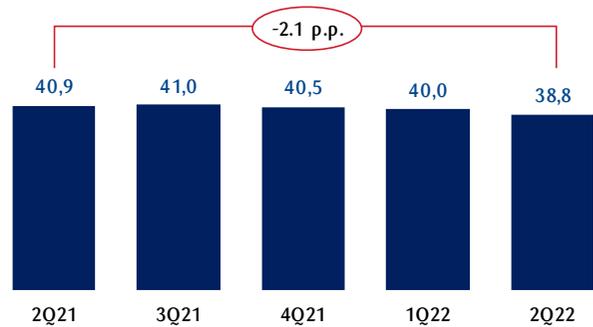
# SUPPLEMENTARY INFORMATION

## Capital adequacy

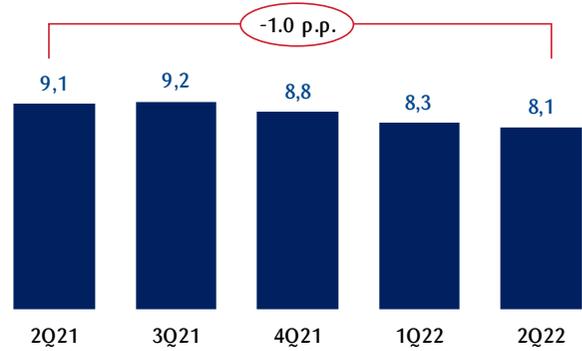
Quarterly change of the consolidated total capital ratio (TCR) [p.p.]



Effective risk weight [%] <sup>(1)</sup>



Leverage ratio [%]



(1) - Share of risk-weighted assets related to credit risk and counterparty risk in relations to their respective net exposure values

# SUPPLEMENTARY INFORMATION

## Appreciated



Bank Polski

### THE BEST BANK 2022

Second place in the large commercial bank category, awarded in the Best Bank 2022 competition organized by Gazeta Bankowa

### LEADER 2021

Award for the MLOps analytical platform and for the No-Code / Low-Code platform for citizen developers, in the banking category, in the Leader 2021 competition organized by Gazeta Bankowa

### BANKING STARS

The Banking Stars ranking organized by Dziennik Gazeta Prawna and PwC, award in two categories: innovation - for solutions supporting digital transformation and for overall activity

### POPULARITY LEADER AMONG BANK CUSTOMERS

In the 27th edition of the "Ranking of banks in Poland", award in the category leader of popularity among customers from newspaper "Bank,"

### MEDIATION FRIENDLY FINANCIAL INSTITUTION

"Mediation-friendly financial institution" - awarded by the Polish Financial Supervision Authority



### BANK INNOVATION OF THE YEAR 2022 "FORBES"

First and second place, respectively for the PKO Smart Home program and the AI Platform and voicebots, in the Banking Innovation of the Year 2022 ranking of the Forbes magazine

### GOLDEN BANKER

Award for the PKO Intelligent House program in the Fin-Techx Innovation category, in the 13th edition of the "Golden Banker" ranking

### POLISH CONTACT CENTER AWARDS

Winner in the Polish Contact Centre Awards competition for You & AI project, in the category: for solutions supporting CC activities

### HEROS OF THE CAPITAL MARKET

The Brokerage House of PKO Bank Polski the winner in the Brokerage House category in the plebiscite of the Heroes of the Capital Market 2022

The plebiscite is an initiative of the Association of Individual Investors



## SUPPLEMENTARY INFORMATION

# The balance sheet of PKO Bank Polski Group



Bank Polski

Assets (PLN billion)	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	y/y	q/q
Cash and balances with the Central Bank	3,9	4,0	11,6	6,2	10,6	>100%	+70,4%
Amounts due from other banks	3,5	4,7	9,0	12,2	16,4	>100%	+34,5%
Reverse repo transactions	0,1	-	-	0,0	0,0	-48,2%	+69,9%
<b>Net customer financing</b>	<b>237,1</b>	<b>243,0</b>	<b>247,3</b>	<b>249,8</b>	<b>246,8</b>	<b>+4,1%</b>	<b>-1,2%</b>
Securities	126,5	125,9	122,4	120,5	117,4	-7,2%	-2,6%
Other assets	21,5	26,0	27,7	32,9	37,6	+74,9%	+14,3%
<b>TOTAL ASSETS</b>	<b>392,6</b>	<b>403,5</b>	<b>418,1</b>	<b>421,6</b>	<b>428,8</b>	<b>+9,2%</b>	<b>+1,7%</b>

Liabilities and equity (PLN billion)	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	y/y	q/q
<b>Total equity</b>	<b>41,0</b>	<b>41,4</b>	<b>37,7</b>	<b>35,7</b>	<b>30,9</b>	<b>-24,7%</b>	<b>-13,5%</b>
Amounts due to the central bank and due to banks	6,5	9,2	6,3	6,1	7,5	+14,5%	+21,9%
Repo transactions	0,1	0,8	-	-	-	-100,0%	-
Subordinated liabilities and debt securities in issue	34,0	31,7	26,6	25,0	21,3	-37,3%	-14,9%
<b>Amounts due to customers</b>	<b>293,8</b>	<b>298,7</b>	<b>322,3</b>	<b>321,9</b>	<b>326,3</b>	<b>+11,1%</b>	<b>+1,4%</b>
Loans and advances received	2,1	2,2	2,5	2,3	2,5	+20,0%	+10,8%
Liabilities of insurance activities	1,8	2,0	2,0	1,9	1,8	-1,9%	-4,3%
Other liabilities	15,4	19,7	23,2	31,0	41,0	>100%	+32,5%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>392,6</b>	<b>403,5</b>	<b>418,1</b>	<b>421,6</b>	<b>428,8</b>	<b>+9,2%</b>	<b>+1,7%</b>

SUPPLEMENTARY INFORMATION

The Profit and loss account of PKO Bank Polski Group



Bank Polski

Profit and loss account (PLN million)	2Q21	3Q21	4Q 21	1Q22	2Q22	y/y	q/q	1H 2021	1H 2022	y/y
<b>Net interest income</b>	<b>2 406</b>	<b>2 495</b>	<b>2 669</b>	<b>3 200</b>	<b>3 639</b>	<b>+51,3%</b>	<b>+13,7%</b>	<b>4 717</b>	<b>6 839</b>	<b>+45,0%</b>
<b>Net fee and commission income</b>	<b>1 044</b>	<b>1 124</b>	<b>1 183</b>	<b>1 179</b>	<b>1 250</b>	<b>+19,7%</b>	<b>+6,0%</b>	<b>2 075</b>	<b>2 428</b>	<b>+17,0%</b>
<b>Other income</b>	<b>330</b>	<b>193</b>	<b>111</b>	<b>125</b>	<b>79</b>	<b>-76,2%</b>	<b>-37,2%</b>	<b>584</b>	<b>204</b>	<b>-65,1%</b>
Dividend income	11	1	0	0	11	+1,9%	>100%	11	11	+2,6%
Trading income	26	14	94	68	107	>100%	+57,6%	68	174	>100%
Net foreign exchange gains	209	55	12	1	(67)	-	-	370	-66	-
Gains/(losses) on derecognition on financial assets and liabilities	59	82	31	7	(25)	-	-	93	-18	-
Net other operating income and expense	24	41	(26)	49	53	>100%	+8,7%	41	102	>100%
<b>Total income items</b>	<b>3 779</b>	<b>3 813</b>	<b>3 963</b>	<b>4 504</b>	<b>4 967</b>	<b>+31,4%</b>	<b>+10,3%</b>	<b>7 377</b>	<b>9 471</b>	<b>+28,4%</b>
Total operating expenses	(1 432)	(1 480)	(1 569)	(1 845)	(2 360)	64,8%	27,9%	-3 074	-4 205	+36,8%
result on regulatory charges	(79)	(79)	(113)	(484)	(906)	>100%	87,0%	-452	-1 390	>100%
Allowances for expected credit losses	(312)	(389)	(519)	(494)	(231)	-26,1%	-53,4%	-512	-725	+41,6%
Net impairment allowances on non-financial assets	(22)	7	(10)	(5)	(8)	-61,5%	70,5%	-43	-13	-68,7%
Cost of risk on FX mortgages	-	-	(0)	-	(1 176)	-	-	0	-1 176	-
Tax on certain financial institutions	(261)	(267)	(294)	(307)	(319)	21,9%	3,8%	-518	-626	+20,8%
Share in net profit (losses) of associates and jointly controlled entities	8	13	10	14	14	88,3%	4,7%	8	28	>100%
<b>Profit before income tax</b>	<b>1 759</b>	<b>1 697</b>	<b>1 580</b>	<b>1 866</b>	<b>888</b>	<b>-49,6%</b>	<b>-52,4%</b>	<b>3 237</b>	<b>2 753</b>	<b>-14,9%</b>
Income tax expense	(523)	(438)	(377)	(451)	(466)	-10,8%	+3,3%	-825	-917	+11,2%
Net profit attributable to non-controlling shareholders	1	0	(0)	(1)	0	-92,1%	-	-1	-1	>100%
<b>Net result attributable to the parent company</b>	<b>1 236</b>	<b>1 258</b>	<b>1 203</b>	<b>1 416</b>	<b>422</b>	<b>-65,9%</b>	<b>-70,2%</b>	<b>2 413</b>	<b>1 838</b>	<b>-23,8%</b>

(1) - Adjusted for the costs of legal risk and other impacts of the EGM's decision to enter into settlements with the foreign currency mortgage loan consumers.

SUPPLEMENTARY INFORMATION

## Key ratios



Bank Polski

Key ratios (%)	2Q21	3Q21	4Q21	1Q22	2Q22	y/y	q/q
ROE net	-3,4	-2,2	12,1	13,0	11,5	+14,9 p.p.	-1,5 p.p.
ROTE net	-3,7	-2,4	13,2	14,2	12,6	+16,4 p.p.	-1,6 p.p.
ROA net	-0,4	-0,2	1,2	1,3	1,0	+1,4 p.p.	-0,2 p.p.
C/I	39,5	39,6	40,4	39,4	42,1	+2,5 p.p.	+2,7 p.p.
NIM	2,8	2,7	2,70	2,89	3,19	+0,44 p.p.	+0,30 p.p.
NPL ratio	4,5	4,5	3,98	3,93	3,86	-0,68 p.p.	-0,07 p.p.
Coverage ratio	83,7	85,6	91,0	95,4	98,5	+14,8 p.p.	+3,1 p.p.
Cost of risk	0,7	0,7	0,55	0,63	0,58	-0,08 bps	-0,05 bps
TCR	18,9	19,0	18,2	17,5	17,3	-1,6 p.p.	-0,2 p.p.
Tier 1 capital ratio	17,6	17,8	17,0	16,3	16,1	-1,5 p.p.	-0,2 p.p.

## SUPPLEMENTARY INFORMATION

# Key operational data



Bank Polski

PKO Bank Polski operating data (eop)	Jun 21	Sep21	Dec 21	Mar 22	Jun 22	y/y	q/q
Current accounts ('000)	8 353	8 433	8 490	8 694	8 860	+6,1%	+1,9%
Banking cards ('000)	9 627	9 737	9 815	10 026	10 235	+6,3%	+2,1%
of which: credit cards	966	971	972	964	955	-1,1%	-0,9%
Active mobile banking applications IKO ('000)	5 658	5 916	6 124	6 420	6 785	+19,9%	+5,7%
Active mobile banking users ('000) <sup>(1)</sup>	4 328	4 490	4 663	4 873	5 102	+17,9%	+4,7%
Number of corporate customers with access to e-banking (000)	14	14	14	14	15	+4,4%	+0,9%
Number of SME customers with access to e-banking (000)	64	66	67	69	70	+8,6%	+2,0%
<b>Branches:</b>	<b>989</b>	<b>984</b>	<b>975</b>	<b>972</b>	<b>970</b>	<b>-1,9%</b>	<b>-0,2%</b>
- retail	956	951	942	939	937	-2,0%	-0,2%
- corporate	33	33	33	33	33	0,0%	0,0%
Agencies	471	453	447	420	400	-15,1%	-4,8%
ATMs	2 984	2 973	2 976	2 961	2 995	+0,4%	+1,1%
<b>Number of customers ('000)</b>	<b>11 014</b>	<b>11 072</b>	<b>11 120</b>	<b>11 313</b>	<b>11 488</b>	<b>+4,3%</b>	<b>+1,6%</b>
- retail	10 457	10 509	10 541	10 726	10 897	+4,2%	+1,6%
- corporate	17	17	17	17	17	+3,5%	+1,0%
- SME	540	547	563	570	575	+6,4%	+0,9%
Employment eop (FTEs '000) Group	25,8	25,7	25,7	25,6	25,5	-1,2%	-0,3%
Number of operations performed by robots (in '000)	16 666	15 019	18 613	20 102	18 572	+11,4%	-7,6%

(1) - The number of mobile banking users who log into the bank from their mobile device at least once a month

SUPPLEMENTARY INFORMATION  
Customer financing



PLN billion	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	y/y	q/q
<b>Financing</b>	<b>234,8</b>	<b>240,9</b>	<b>244,4</b>	<b>247,4</b>	<b>245,5</b>	<b>+4,6%</b>	<b>-0,8%</b>
<b>mortgages</b>	<b>112,8</b>	<b>114,6</b>	<b>115,5</b>	<b>114,1</b>	<b>110,7</b>	<b>-1,9%</b>	<b>-2,9%</b>
mortgages in local currency	95,8	98,0	99,9	99,3	97,5	+1,7%	-1,9%
FX mortgages	17,0	16,6	15,6	14,7	13,2	-22,1%	-10,3%
consumer loans	31,5	32,7	32,4	32,2	32,2	+2,2%	-0,0%
SME	35,4	36,1	35,3	35,9	36,1	+2,1%	+0,6%
corporate	55,1	57,6	61,1	65,2	66,5	+20,7%	+2,0%
<b>Debt securities</b>	<b>12,5</b>	<b>12,8</b>	<b>13,1</b>	<b>13,2</b>	<b>12,4</b>	<b>-0,4%</b>	<b>-5,6%</b>
municipal bonds <sup>(1)</sup>	9,1	9,5	9,2	9,2	9,1	+0,6%	-0,5%
corporate bonds	3,4	3,3	3,9	4,0	3,3	-3,2%	-17,6%
<b>Gross customer financing</b>	<b>247,2</b>	<b>253,7</b>	<b>257,5</b>	<b>260,5</b>	<b>257,9</b>	<b>+4,3%</b>	<b>-1,0%</b>
<b>Net customer financing</b>	<b>237,1</b>	<b>243,0</b>	<b>247,3</b>	<b>249,8</b>	<b>246,5</b>	<b>+4,0%</b>	<b>-1,3%</b>

(1) - Bonds issued by PFR, BGK and EIB were excluded from the volume of corporate bonds.

SUPPLEMENTARY INFORMATION  
Customer savings



PLN billion	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	y/y	q/q
<b>Retail and private banking<sup>(1)</sup></b>	<b>292,7</b>	<b>298,5</b>	<b>306,1</b>	<b>302,0</b>	<b>308,8</b>	<b>+5,5%</b>	<b>+2,3%</b>
deposits	207,0	208,4	215,0	211,9	213,5	+3,2%	+0,8%
retail mutual funds	37,0	38,0	36,7	33,4	29,5	-20,2%	-11,6%
saving treasury bonds	48,6	52,0	54,4	56,7	65,8	+35,4%	+16,0%
Own bonds on clients' accounts	5,0	5,1	5,0	3,6	3,2	-37,2%	-11,1%
<b>Corporate</b>	<b>43,3</b>	<b>43,5</b>	<b>58,4</b>	<b>65,2</b>	<b>67,4</b>	<b>+55,7%</b>	<b>+3,5%</b>
SME	42,0	45,3	47,7	43,7	44,4	+5,7%	+1,5%
<b>Customer savings</b>	<b>383,0</b>	<b>392,4</b>	<b>417,2</b>	<b>414,4</b>	<b>423,8</b>	<b>+10,6%</b>	<b>+2,3%</b>

(1) - Volume of bonds accumulated by retail customers has been included in the Retail and private banking savings presented in the first line.

## SUPPLEMENTARY INFORMATION

# Shares and ratings



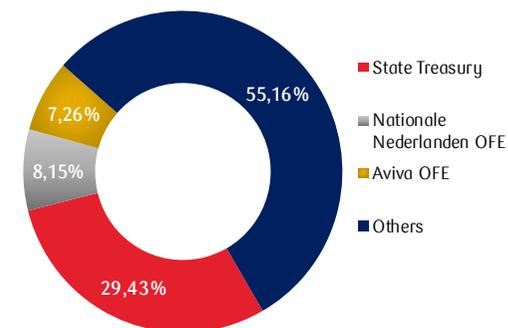
Bank Polski

### Credit Rating

<b>Moody's Investors Service</b>	<b>Long-term rating</b>	
	Deposits	A2
	Liabilities	A3
	Counterparty risk	A2
	<b>Outlook</b>	<b>Stable</b>
	<b>Short-term rating</b>	
Deposits	P-1	
Liabilities	(P)P-2	
Counterparty risk	P-1	

### Shareholder structure

(number of shares: 1 250 mln)



- The Bank's shares have been listed on the Warsaw Stock Exchange since November 10, 2004.
- Largest company on the WSE in terms of capitalization PLN 35 billion (as at June 30, 2022)
- Bank PKO BP is included in the following indices: WIG, WIG20, WIG30, WIG Banki, WIG-ESG, FTSE Russell, Stoxx 600
- PLN 2.3bn dividend for 2021
- ISIN; PLPKO0000016; Bloomberg: PKO PW; Reuters: PKOB WA

### ESG Rating



(BBB in 2020)



**20.7 Medium Risk** ↑

(25.7 in 2020)



**3.7** ↑

(3.1 in 2020)



**47** ↑

(29 in 2020)





## Investor Relations Office. Contact and Calendar



Bank Polski

### Contact

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### Calendar

24th of February, 2022 Annual report for FY2021

19th of May, 2022 Quarterly report for Q1 2022

18th of August, 2022 Semi-annual report for 1H 2022

10th of November, 2022 Quarterly report for Q3 2022



Bank Polski

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