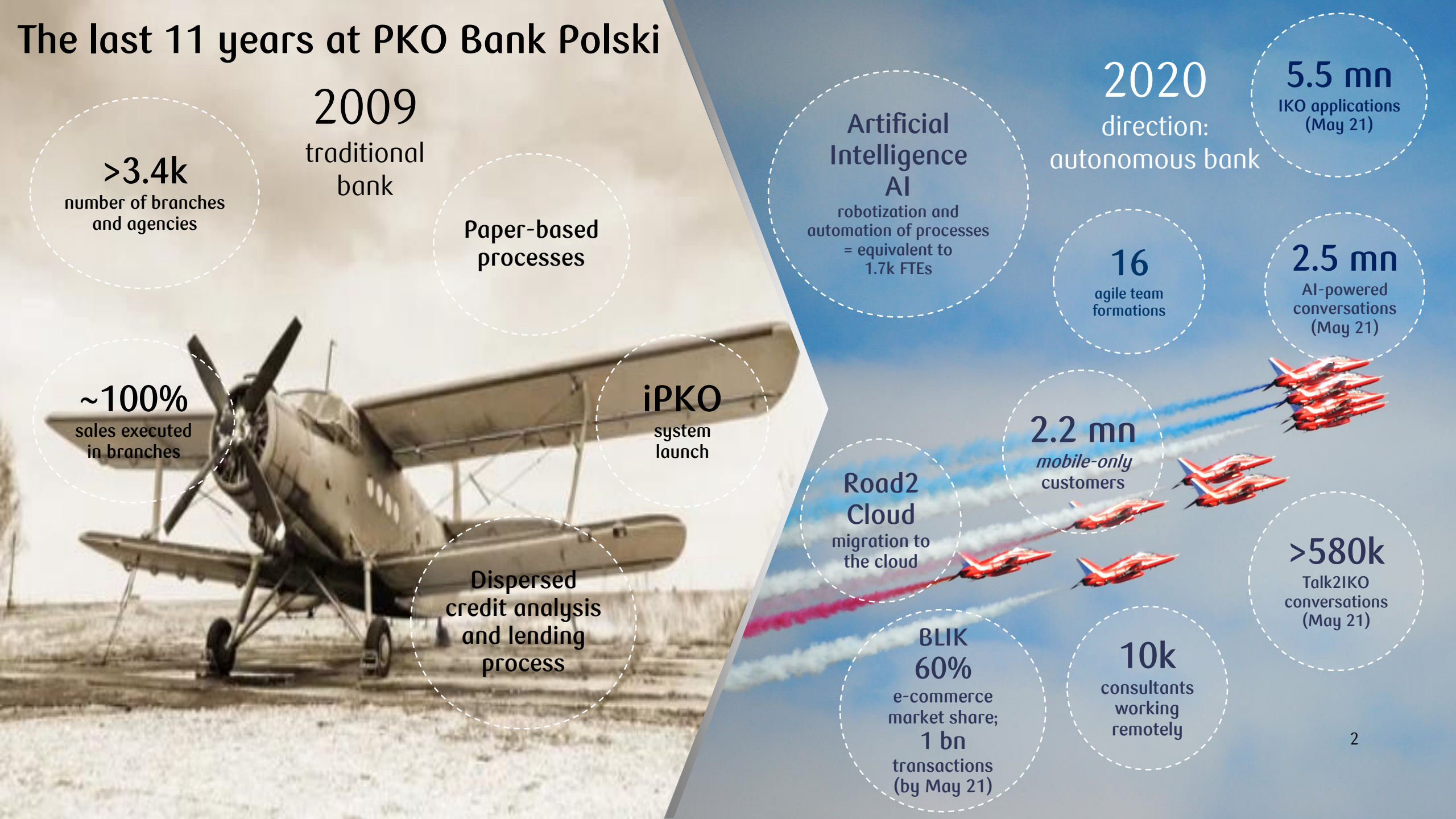




Bank Polski

Financial results 1Q21

Direction: PKO Banking Platform

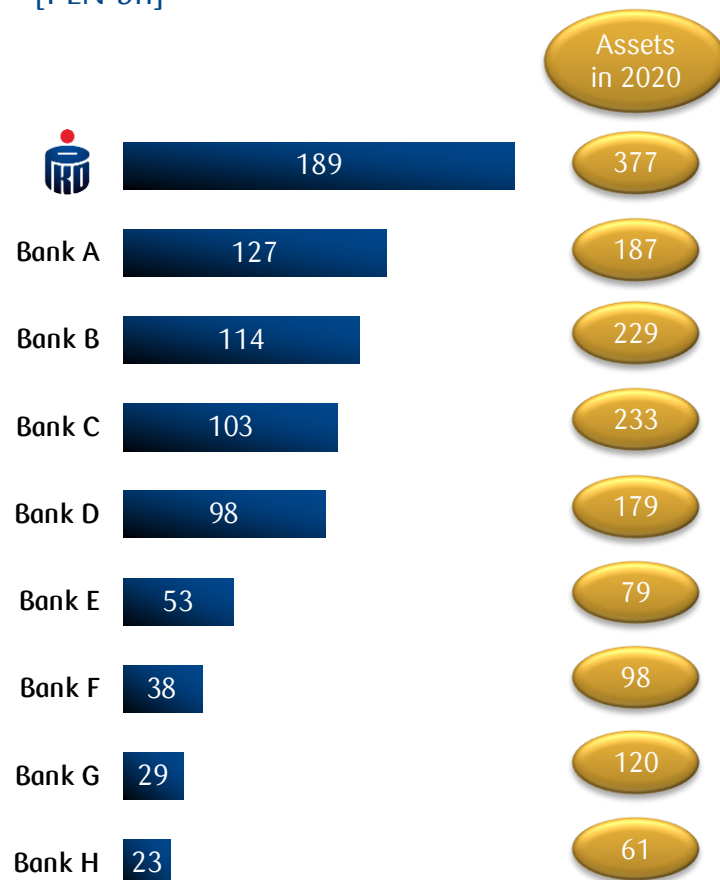


Keeping up with the needs of our customers, we have built a strong capital group

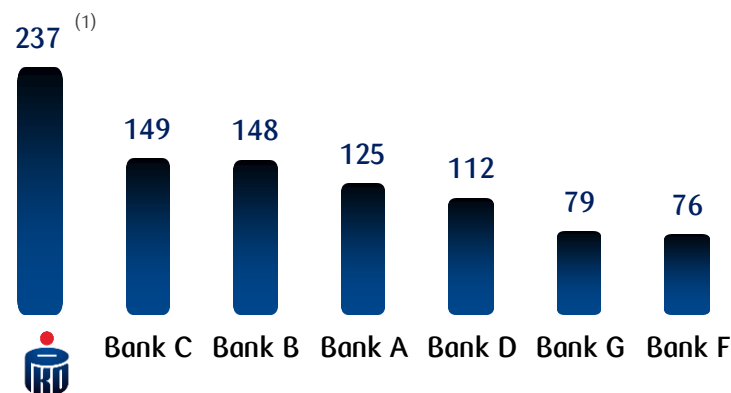


Bank Polski

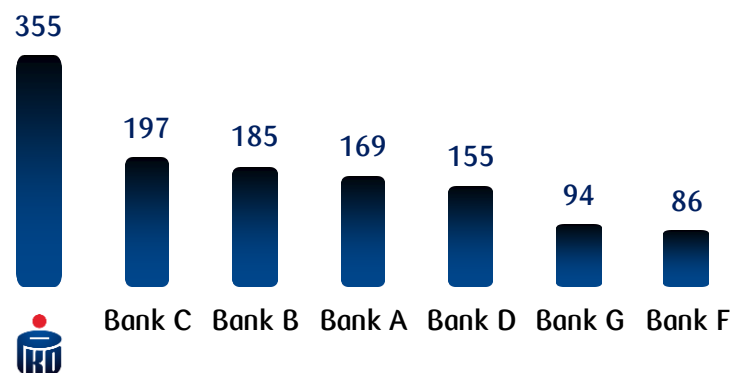
Organic balance sheet growth over 2009-2020
[PLN bn]



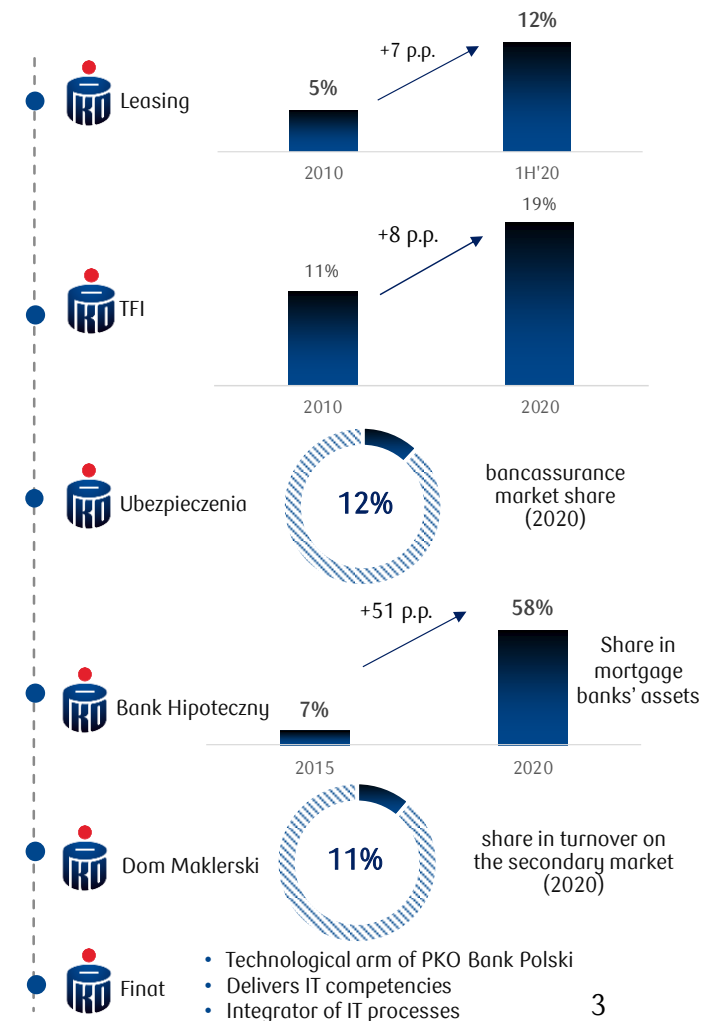
Gross customer financing at the end of 2020
[PLN bn]



Customer savings at the end of 2020
[PLN bn]



Position of the capital group



(1) Amounts due from customers, incl. leasing, without adjustments to the carrying amount of foreign currency mortgage loans in relation to the EGM's decision to enter into voluntary settlements with the customers having such loans.



We have formed a team of talented managers
and thousands of engaged employees
– the most important assets of the Bank



PKO Banking Platform 2020-2022

Strategic financial targets



Bank Polski

	2019	2020	1Q21	Strategic goals 2022
ROE	10.0%	-6.0% adjusted: 7.1% ⁽¹⁾	-4.4% adjusted: 8.1% ⁽¹⁾	12.0%
C/I	41.3%	41.0%	40.1%	~41%
COST OF CREDIT RISK	0.46%	0.78%	0.68%	0.60%-0.75%
NET RESULT	PLN 4.0 bn	(PLN 2.6 bn) adjusted: PLN 3.2 bn ⁽¹⁾	PLN 1.2 bn adjusted: PLN 1.1 bn ⁽¹⁾	> PLN 5 bn
EQUITY	TCR: 19.9%	TCR: 18.2%	TCR: 18.1%	Ability to pay dividends
	TIER 1: 18.6%	TIER 1: 17.0%	TIER 1: 16.9%	

⁽¹⁾ Return on equity and net result adjusted for the costs of legal risk and other impacts of the EGM's decision to enter into voluntary settlements with the foreign currency mortgage loan consumers.



Bank Polski

Key achievements

1/4



Bank Polski

Key achievements in 1Q21



Bank Polski

- Accelerating the digitization of customer relationships during the pandemic
- Solid net profit of PLN 1.2 bn
- Stable net operating profit led by revenue resilience and cost savings
- Very low cost of risk
- Commencement of offering settlements to the FX mortgage customers as authorized by shareholders

*Strong capital and liquidity position, cost effectiveness
and high quality of the loan portfolio will allow to face the challenges
of more difficult economic conditions*



- 1Q'21 – the last quarter of negative annual GDP dynamics
- Strong fiscal and monetary impulse, a rebound in the global trade and a reduction in household savings will support a strong rebound of GDP in the coming quarters
- Poland has strengthened its position in international trade, becoming the fourth-largest supplier of goods to Germany

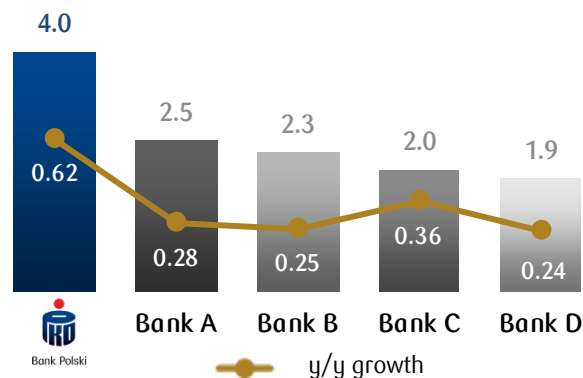
KEY ACHIEVEMENTS

Undisputed leader in mobile transactions

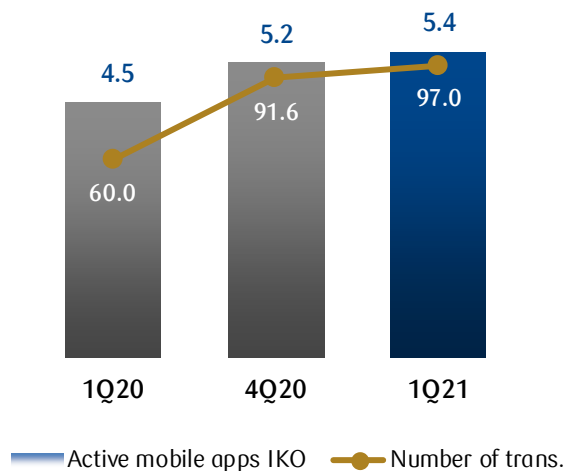


Bank Polski

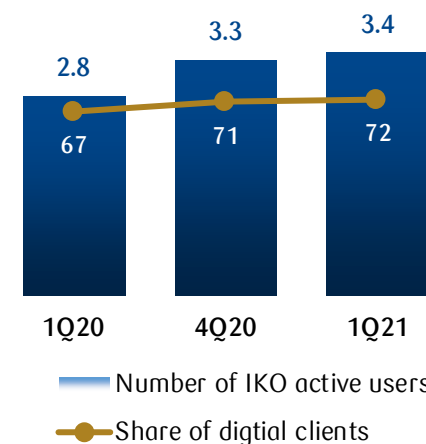
Number of active mobile banking users [mn] ⁽¹⁾



Number of IKO applications and number of transactions [mn]



Number of clients logging into IKO ⁽²⁾ [mn]
Share of digital clients in active clients' base [%]



★★★★ 4.8/5 average customer rating in app stores (> 600k opinions)



Our clients logged into IKO 32 times per month on average in the first quarter of 2021.

(1) According to PRNews data for 4Q'20, users who have logged in at least once a month from a mobile device (mobile application, lite 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

KEY ACHIEVEMENTS

PKO Banking Platform: autonomous

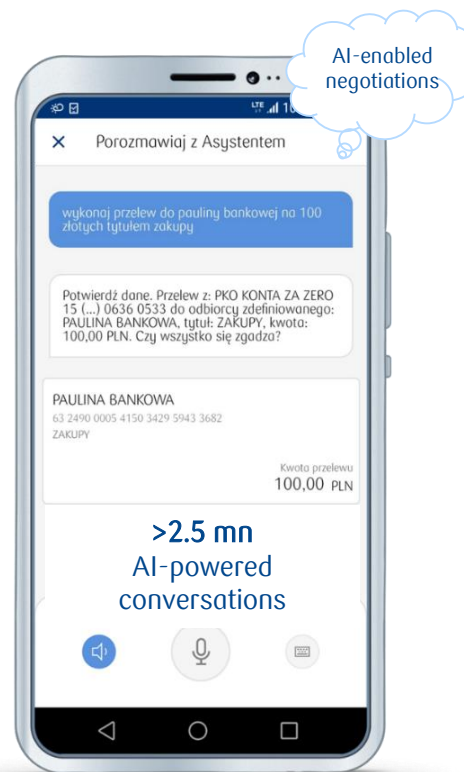
Customer processes and support functions underpinned by AI and RPA⁽²⁾
IKO – the customer service center

Talk2IKO⁽¹⁾

- >580k Talk2IKO conversations
- Almost 300k unique Talk2IKO users
- 250 conversation topics with Talk2IKO

Customer service (bots)⁽¹⁾

- 1/3 customer calls handled by an intelligent bot
- 90% effectiveness in identifying customer intentions
- PPK informational bot for PKO TFI, which decreased consultant traffic by over 50%
- >500k conversations related to the soft debt collection



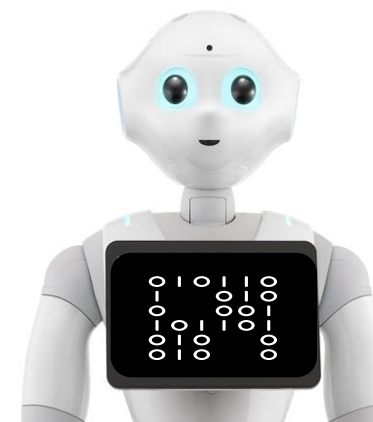
Robotization and AI - support functions

132

Robotic processes in 1Q

55.6 mn

Tasks and activities performed by robots



Automatic classification of complaints, data extraction from the NPS surveys



Text and audio layer analytics of customer conversations



Automatic comparisons of IKO with competitor applications



Verification of authenticity of the national ID cards



iPKO device fingerprint – anti-fraud processes using a mechanism of trusted devices

(1) Data as of 25 May 2021, since the launch of the projects.

(2) Robotic Process Automation (RPA) – automation of processes using an appropriate software.

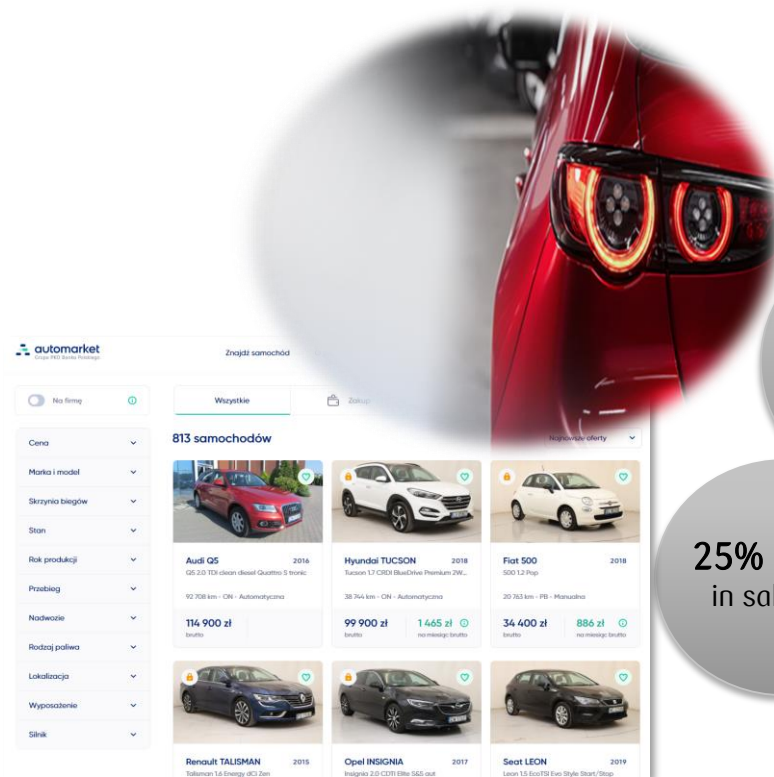
KEY ACHIEVEMENTS

PKO Banking Platform: enganging



Bank Polski

The platform Automarket.pl was visited by **2.4 mn users** by the end of 1Q'21

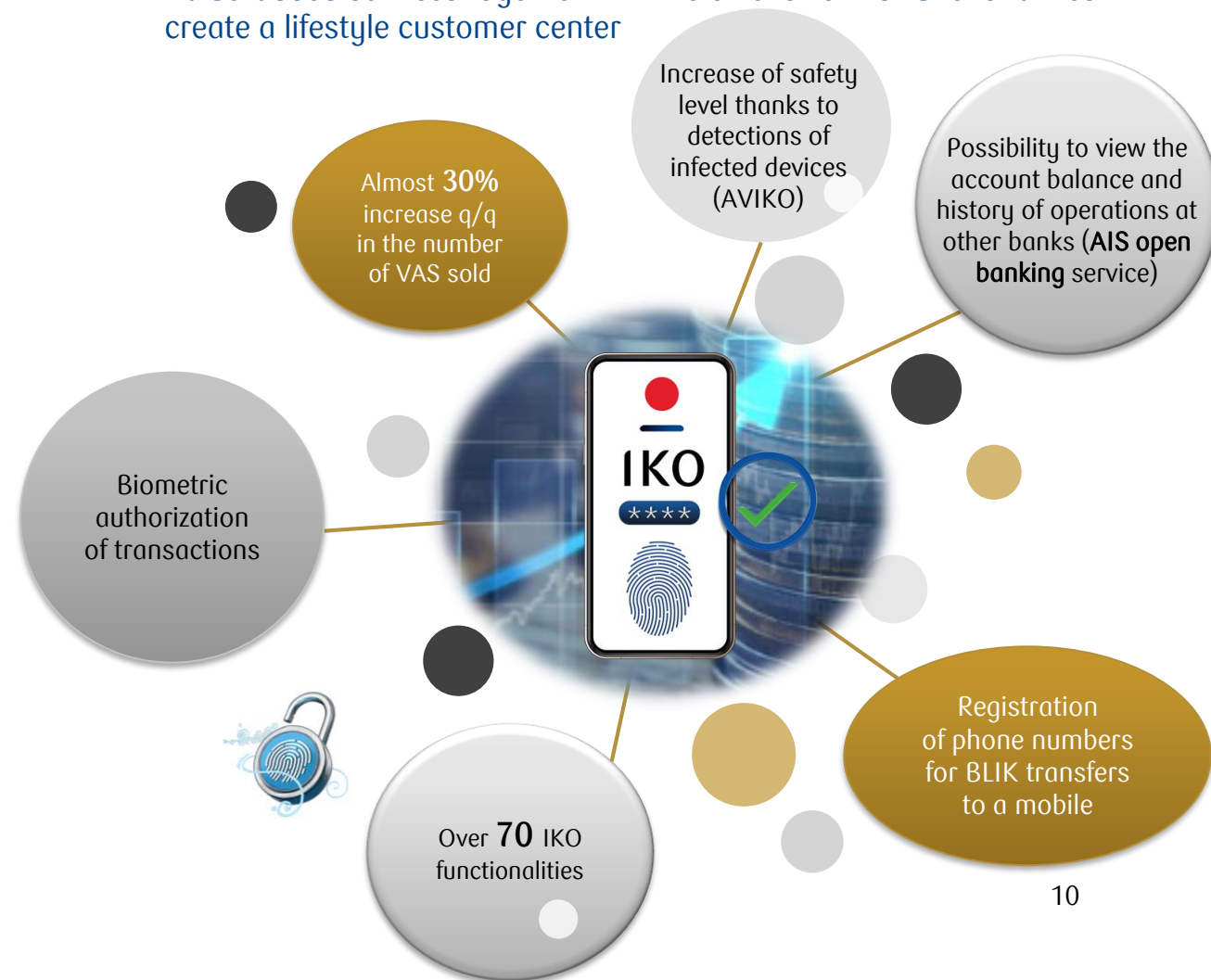


75% of sold cars financed with the products of the PKO Group

Every **5 seconds**, a user visits the Automarket website

25% increase in sales q/q

Value-added services together with the extensive IKO functionalities create a lifestyle customer center



KEY ACHIEVEMENTS

Migration to the Cloud – strategic partnership with the National Cloud Operator



Bank Polski

chmura
krajowa

Implemented

Service Desk of the Future

virtual workstations,
flexible work environment in the
Branches and the Head Office



Online Advisor

videoconferences with clients
in Google Meets



MS Teams



teamwork tool for 13 000+
employees of the Bank

Success Factors



SaaS cloud service to support
„soft” HR processes

In progress



Mobile application **IKO 5.0**



Service **iPKO** in the cloud



MLOPS using Machine
Learning, BigData in analyses



Service **www.pkobp.pl** in the cloud



WorkAI the bank's intranet portal



Cards replatforming the card system



Reporting capital requirements



Planned

Management of **Marketing Campaigns**

System for **service support and
automation** of the Digital Communication channels

**Analytical tools
in the cloud** for the Risk Department

Support system for **sales of the mortgage
products** (Digital Mortgage)

Migration and collocation of the data center

Cloud for subsidiaries of the group

20+ additional cloud initiatives

KEY ACHIEVEMENTS

PKO Bank Polski supports all stakeholder groups



Bank Polski

Client support



We introduced credit moratoria for customers affected by the pandemic, in the industries most at risk (for up to 9 months)

Customers continued to benefit from assistance under the financial shields. In the first quarter, such aid was extended to include the PFR Financial Shield 2.0 for the micro, small and medium-sized enterprises in 54 industries

8.8 ths. enterprises benefitted from this form of support totalling PLN 1.3 bn

Between 65% and 80% of funds from the PFR shields 1.0 and 2.0 will stay on clients' accounts

Community



We provided almost PLN 25.8 mn to hospitals and sanitation facilities to support their fight against COVID-19

We made a donation to the Central Clinical Hospital (MSWiA) for the purchase of an AI-supported CT scanner

We supported the Chief Sanitary Inspectorate's hotline and assisted with the digital adaptation and integration of management systems for the fight against COVID-19

We supported the organization of the National Immunization Program and an e-Registration system

Business continuity and safety



We have introduced a post-COVID health check-up for employees and their families as part of our cooperation with LuxMed

We have initiated an employee wellbeing program #FocusOnYourself to support employees' physical and mental health during the pandemic

We have launched a pilot FlexiDesk program that enables flexible and effective work in the office



Bank Polski

Business activity

2/4

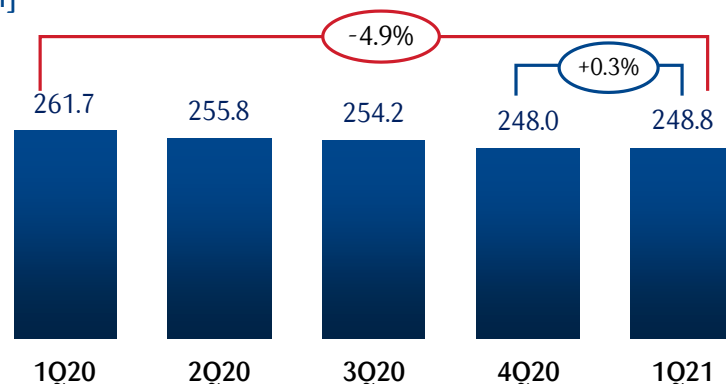


Bank Polski

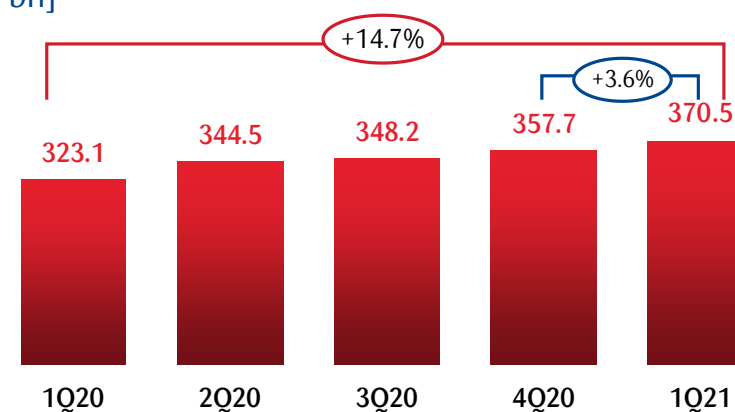
BUSINESS ACTIVITY

Stable level of customer financing

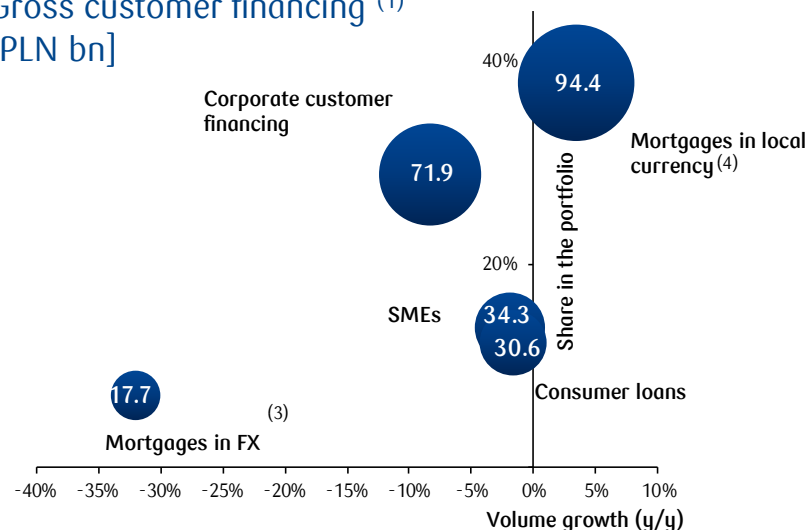
Gross customer financing ⁽¹⁾
[PLN bn]



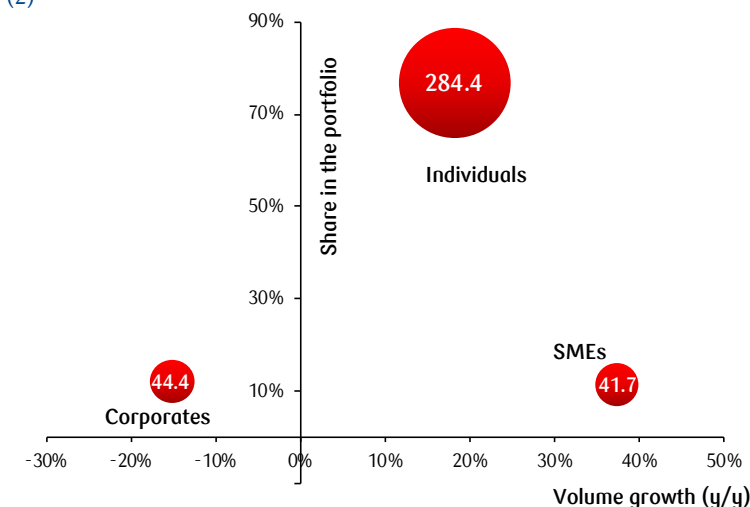
Customer savings ⁽²⁾
[PLN bn]



Gross customer financing ⁽¹⁾
[PLN bn]



Customer savings ⁽²⁾
[PLN bn]



(1) Includes 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) Due to the EGM's decision to enter into settlements with the foreign currency mortgage loan consumers, the volume of FX mortgages decreased by PLN 5.3 bn at the end of 2020.

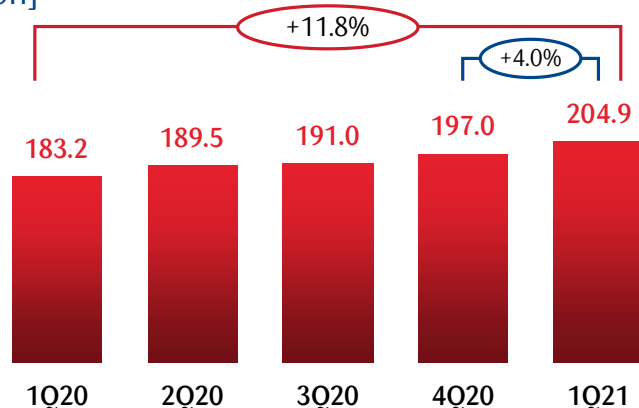
(4) The position covers UAH loans.

Households: further growth of savings

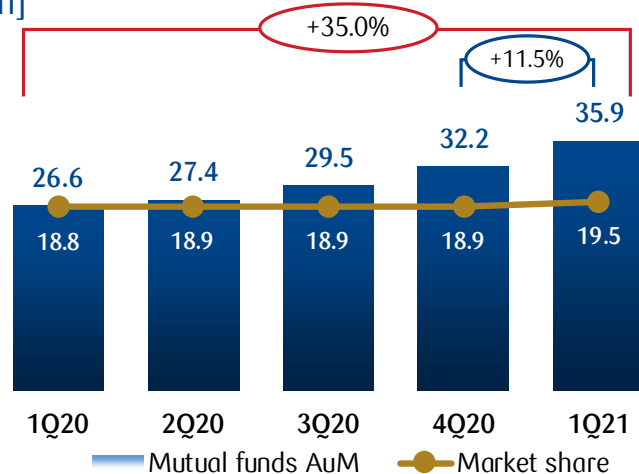


Bank Polski

Deposits
[PLN bn]



Mutual funds' AuM ⁽¹⁾
[PLN bn]



(1) Non-dedicated assets.



The investment advisory service PKO Inwestomat continues to be very popular

In Q1'21, the customers of PKO Bank Polski invested through PKO Inwestomat as much as PLN 1.9 bn, and over PLN 5 bn since its inception. In this advisory service, customers receive recommendations of investment funds to attain their chosen financial goals. So far, they have started to pursue nearly 80 thousand goals with Inwestomat.



Very good start of the year for PKO Brokerage House

In Q1'21, the gross sales of savings treasury bonds amounted to PLN 10.1 bn and were nearly PLN 3 bn higher than in the previous quarter. Approx. 4.2 ths. investment accounts have been opened. The Brokerage House has also received the Broker of the Year award from the WSE.



Private Banking of PKO Bank Polski in the top place on the podium

The Forbes monthly magazine awarded a maximum 5-star rating to the PKO Private Banking offer in its annual ranking of Private Banking in Poland. At the end of the first quarter of 2021, the funds of customers who are serviced in the Private Banking Center reached PLN 45 bn, while the number of customers exceeded 16 ths.

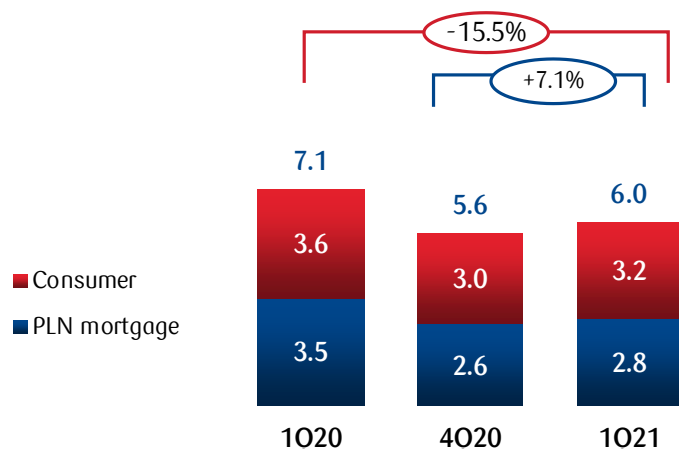
BUSINESS ACTIVITY

Households: sales recovery

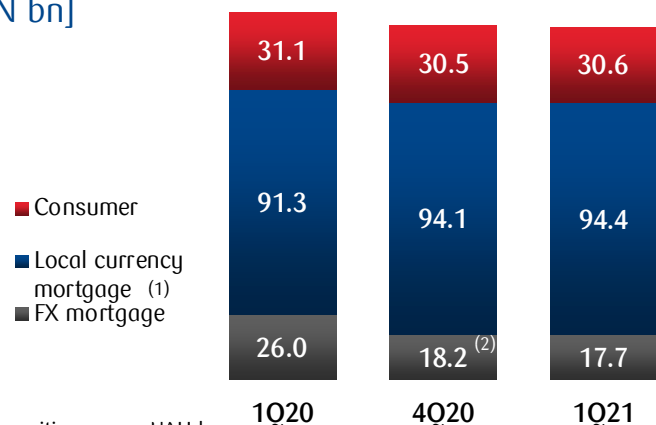


Bank Polski

New sales
[PLN bn]



Volume outstanding
[PLN bn]



Digital cash loan sales

In 1Q'21, the sales of cash loans were at a fairly high level (market share of 18.2%) with a simultaneous increase of the cash loan sales in digital channels (+71% in terms of the number of loans).



Increase in the sales of mortgage loans caused by raising the LTV parameter to 90%

In February, the bank increased the availability of mortgage loans by raising the LTV parameter to 90%, which led to an additional increase in the sales of such loans. The implementation of better customer risk analysis models allows for reducing the collateral value required for such loans.



Increase in the sales of mortgage-related life insurance

Thanks to the Autenti solution implemented in 4Q'21 to support remote sales of life insurance related to mortgage loans, the sales of this product increased by around 26% in 1Q'21. 30% of those sales were directly linked to the Autenti service.

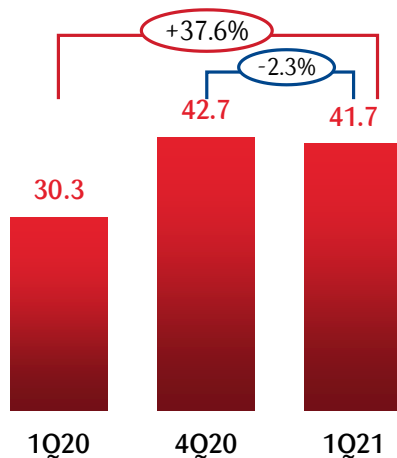
(1) The position covers UAH loans.

(2) Due to the decision of EGM to enter into settlements with the foreign currency loan consumers, the gross value of FX loans decreased by PLN 5.3 bn.

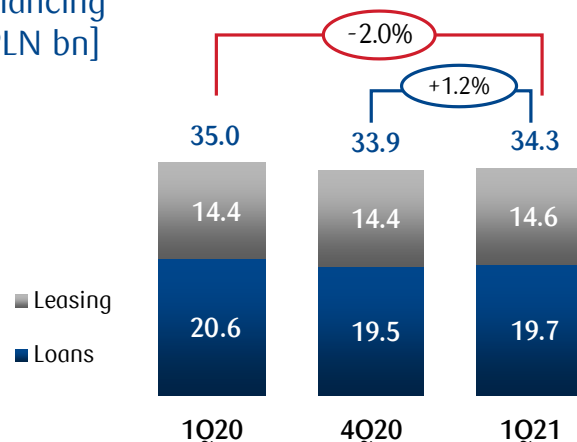
BUSINESS ACTIVITY

Small & medium enterprises: we support Polish companies in the fight against the pandemic effects

Deposits
[PLN bn]



Gross customer
financing
[PLN bn]



PKO Bank Polski as the leader of the distribution of financing under the PFR Financial Shield 2.0

Almost 8.8 ths. companies received financial support from the PFR Financial Shield 2.0 through PKO Bank Polski totalling PLN 1.3 bn. The bank's share in the overall distribution of financing is close to 19%. Together with the PFR Financial Shield 1.0 the value of released financing reached PLN 11.8 bn.



PLN 1.33 billion on the PPK accounts at PKO TFI

Over 560 ths. PPK participants have already accumulated over PLN 1.33 bn on the program's accounts at PKO TFI, whose share in the PPK assets market increased to nearly 34%.



New features in the E-currency exchange

In Q1'21, PKO Bank Polski launched new functionalities in its E-currency exchange service. The new features allow customers to purchase currencies and transfer the purchased funds to an account in another bank without incurring additional charges.

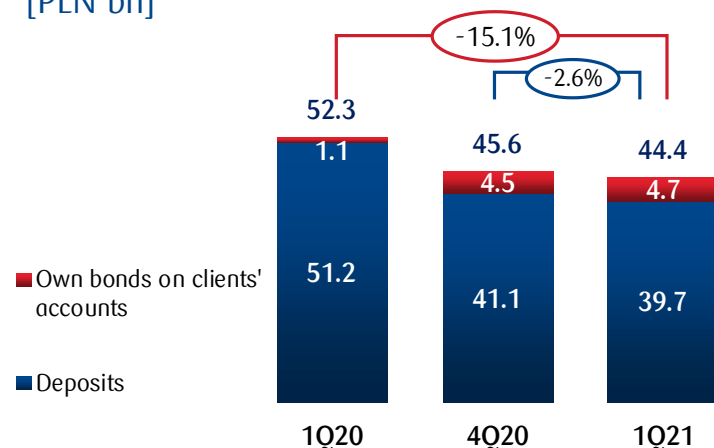
BUSINESS ACTIVITY

Corporate and investment banking: concentration on profitability

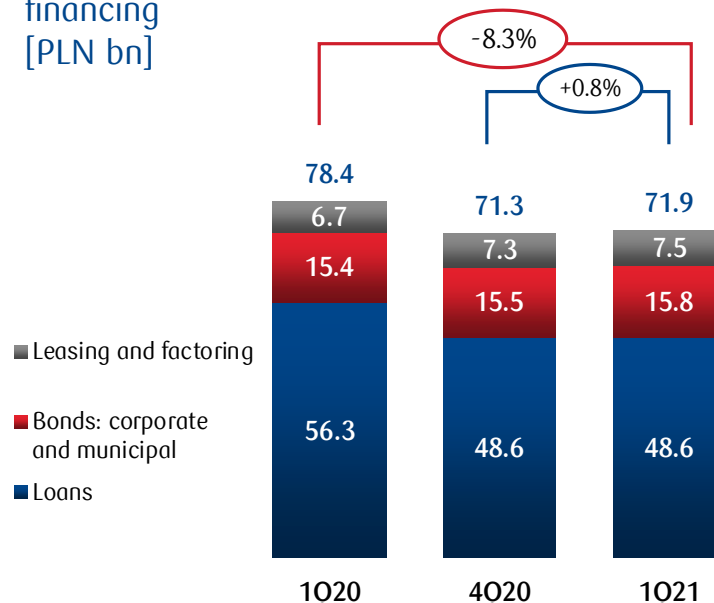


Bank Polski

Customer savings [PLN bn]



Gross customer financing [PLN bn]



- Increase in the revenues from trading on the WSE by 100% y/y. ABB Allegro the largest in history - PLN 4.6 bn - PKO as the only Polish bank participating in the transaction,
- Amended F&C scheme for high-value deposits. We adjusted the volume of corporate deposits to the rapid increase in the sector's liquidity and to the bank's liquidity needs,
- We have introduced a new centralized service model for the housing developers to improve the service, grow the loan portfolio and increase the non-credit income from this segment.
- Participation in the distribution of funds under the PFR Financial Shield 2.0,
- Continuation of customized webinars for corporate customers about the product, market and segment knowledge, and the macroeconomic trends with the participation of experts, which attracted over 3 ths. customers in Q1 alone.



KEY ACHIEVEMENTS

PKO Banking Platform: environmentally responsible

ESG Project launch

- Ongoing coordination of work on the social, environmental and corporate governance challenges.
- Monitoring and reducing the negative impact of the Group's operations on the environment.

Clear reduction in CO2 emissions and paper consumption in 2020

- The bank received white certificates for the first time in its history, sold via Polish Power Exchange.
- Certificates of origin for electricity from low-carbon sources (for 73.3 GWh out of 81.5 GWh consumed in 2020).



reduction in
CO2 emissions



decrease in
energy consumption



decrease in A4
paper consumption



Bank open to financing renewable energy

- Implementation of the Renewable Energy Policy.
- New PKO TFI Renewable Energy Fund – FIZAN.
- Financing of photovoltaic devices by PKO Leasing.
- Syndicated loan with Santander BP and BNP Paribas BP for financing of a portfolio of renewable energy sources owned by a renewable energy producer Qair (PLN 479 mn).
- Syndicated loan with Pekao and mBank for financing PAK PCE Fotowoltaika (PLN 138 mn).



Products targeting environmental protection

- Eco-loan for the purchase of solar panels.
- „Green mortgages” (in the mortgage loan offer „Własny Kąt”).
- Transactions for greenhouse gas emission allowances offered by the Treasury Dept.
- Green mortgage covered bonds issued by PKO BH.

Limited financing for the carbon-intensive sectors

- Policy for the carbon-intensive energy sector updated in 2020 (no new exposures to the coal mining sector).
- Assessment of ESG risks as part of the lending process for corporate customers.



Bank Polski

Financial results

3/4



Solid net profit: 1Q'21 PLN 1.2 bn

Maintained cost efficiency: $C/I = 40.1\%$

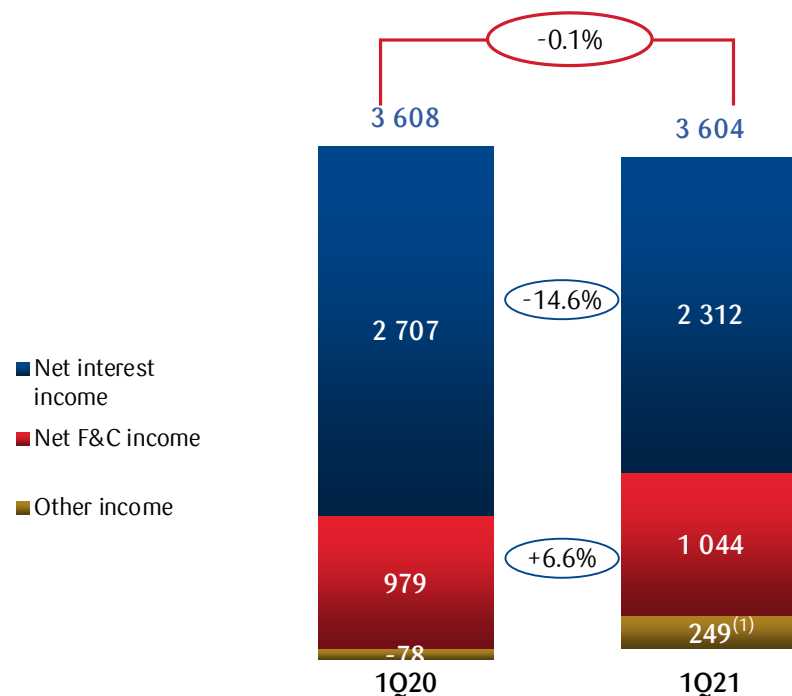
Low cost of risk: 0.68% (with COVID-19 impact)

Strong capital and liquidity position = resistance
to more difficult economic conditions

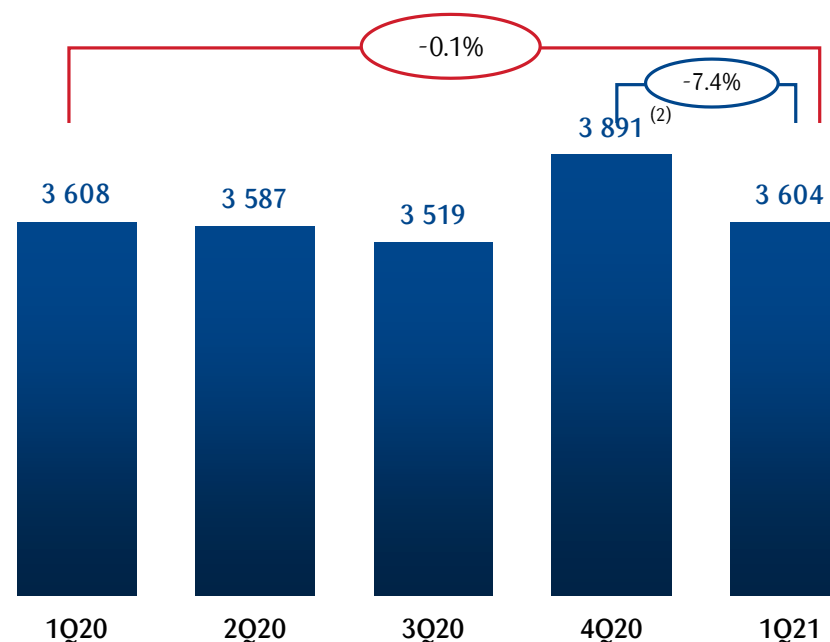
FINANCIAL RESULTS

Revenues under pressure due to the pandemic and changes in the economic environment

Result on business activity
[PLN mn]



Quarterly result on business activity
[PLN mn]



(1) Other income includes the effect of closing the currency position and reversal of HA's CIRS instruments for approx. PLN 166 mn as a consequence of EGM's decision to enter into settlements with the foreign currency mortgage loan consumers.

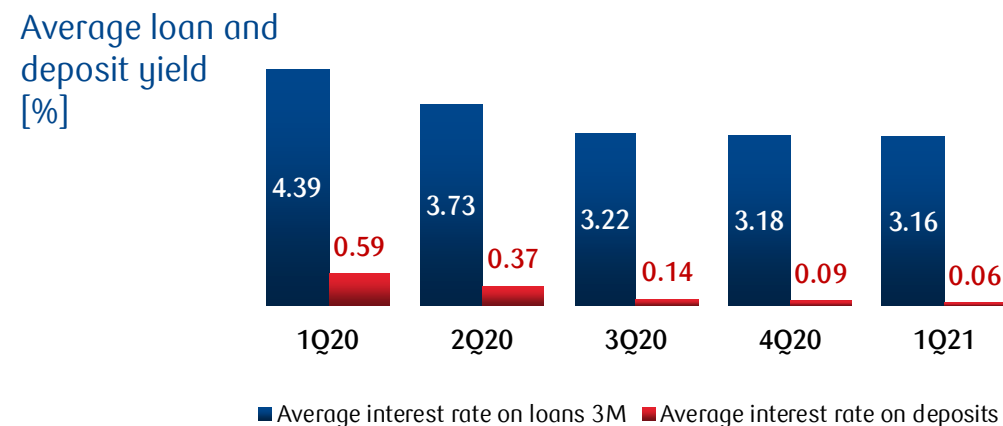
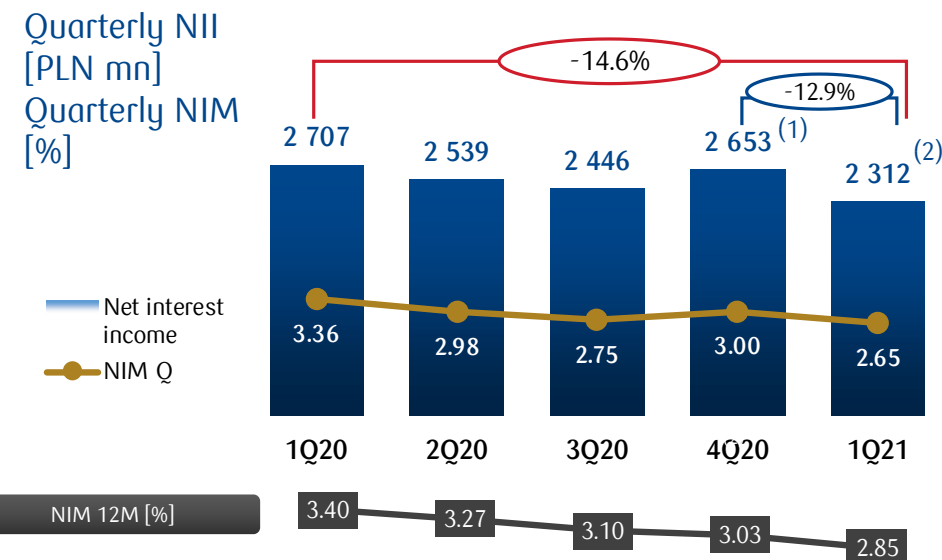
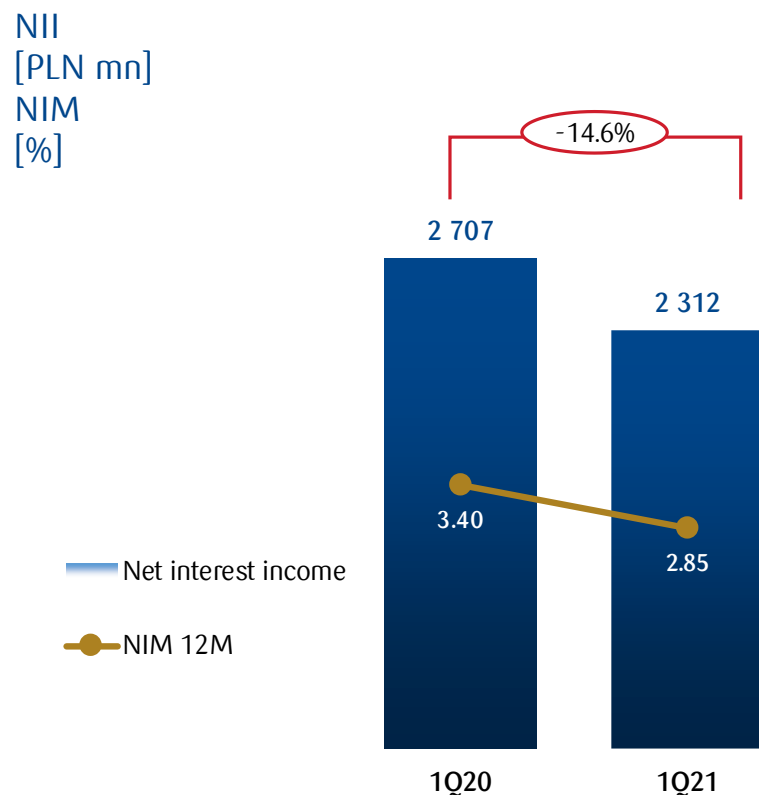
(2) The result includes PLN 209 mn in relation to the EGM's decision.

FINANCIAL RESULTS

Net interest income fully reflects NBP's interest rate cuts



Bank Polski



- (1) The result includes approx. PLN 195 mn resulting from the termination of hedging for foreign currency loans following the EGM's decision to to enter into voluntary settlements with the foreign currency mortgage loan consumers.
- (2) In Q1'21, approx. PLN 54 mn was reclassified from the net interest income to the foreign exchange income due to reversal of designation of CIRS instruments in hedge accounting as a consequence of the EGM's decision.

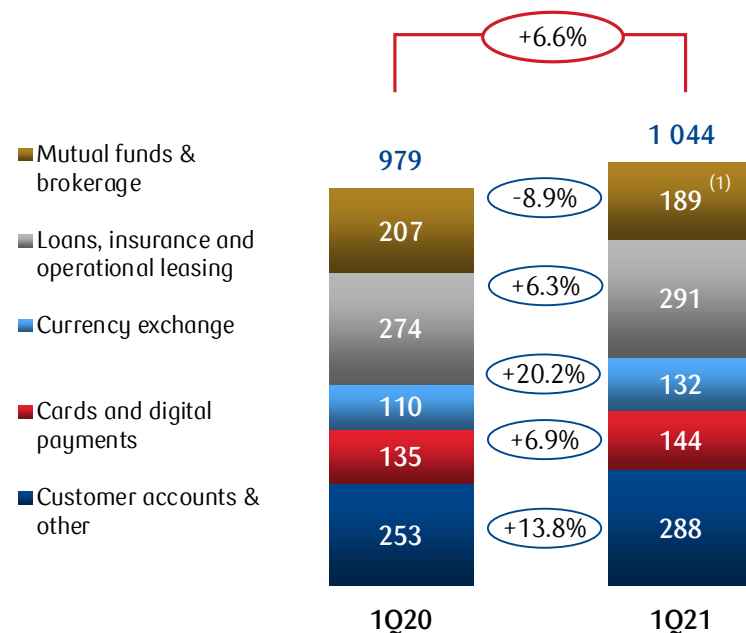
FINANCIAL RESULTS

Increase in net F&C result

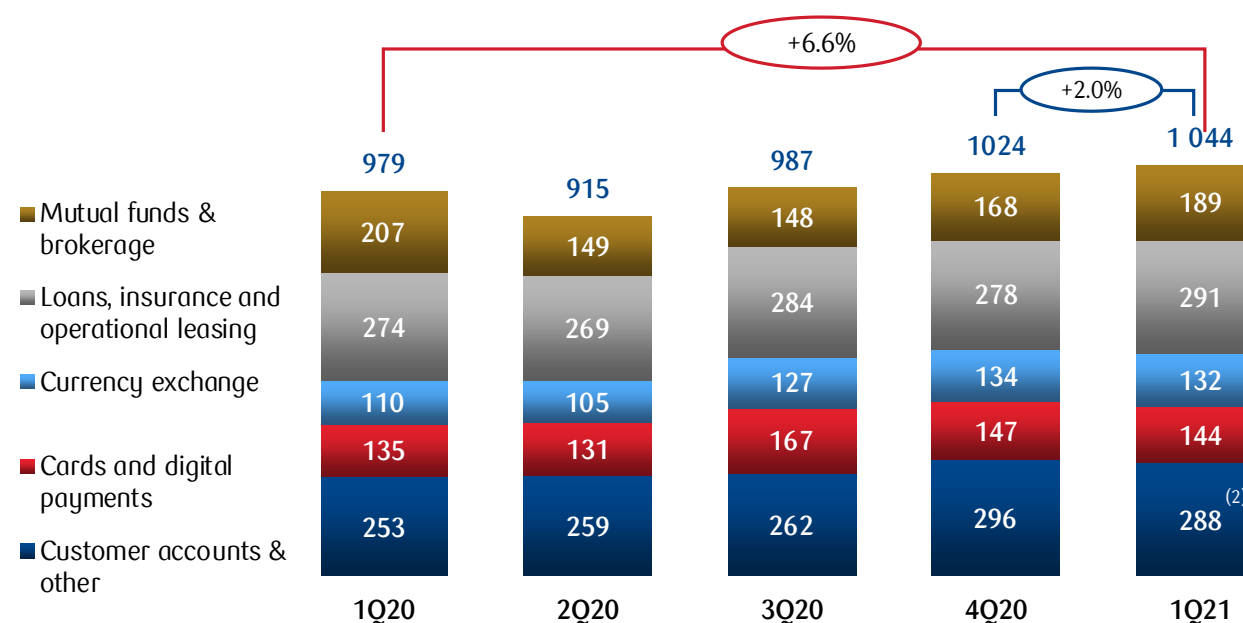


Bank Polski

Net F&C
[PLN mn]



Quarterly net F&C
[PLN mn]



(1) Decrease in F&C result on mutual funds and brokerage activities y/y resulted from lowering of remuneration for the management of funds in relations to COVID-19 (such reductions took place in 2020) and lowering of the maximum rates from January 1, 2021 in accordance with the PFSA's statement on this matter and the Regulation of the Minister of Finance on December 13, 2018 on the maximum amount of the fund's fixed remuneration for managing an open-end investment fund or SFIO. The result on brokerage activities alone increased by 9.8% y/y.

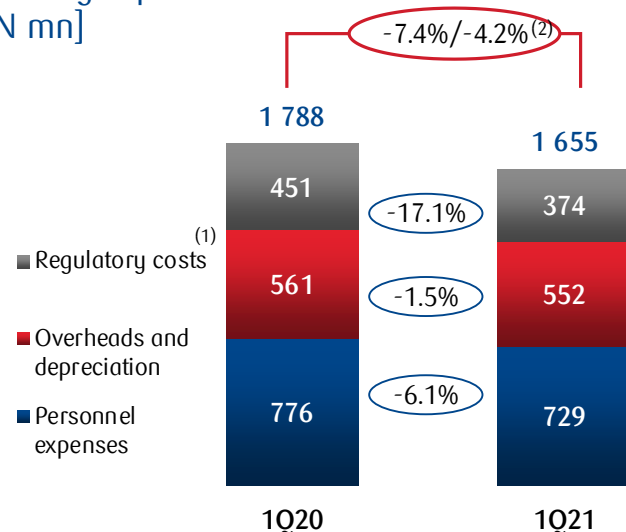
FINANCIAL RESULTS

Strong cost discipline

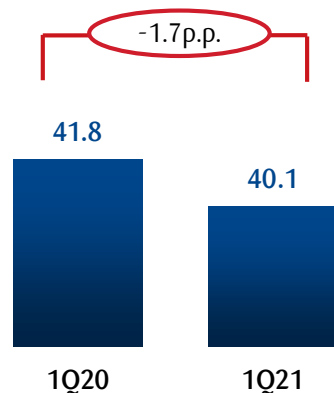


Bank Polski

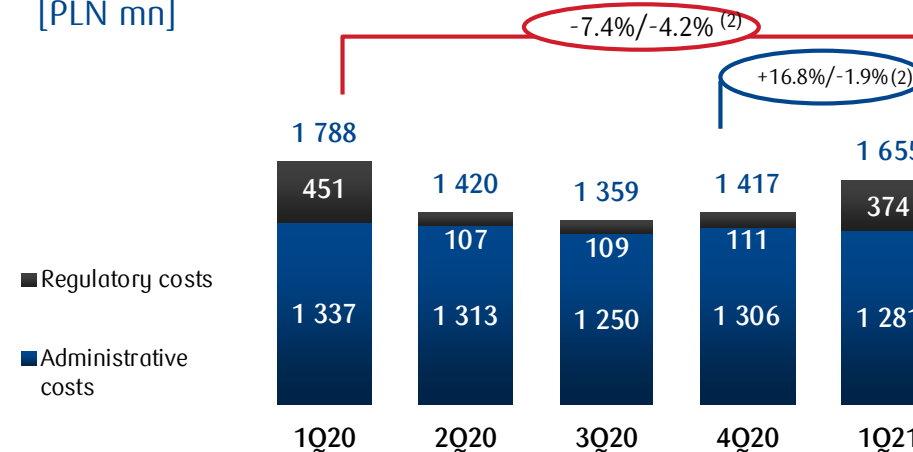
Operating expenses
[PLN mn]



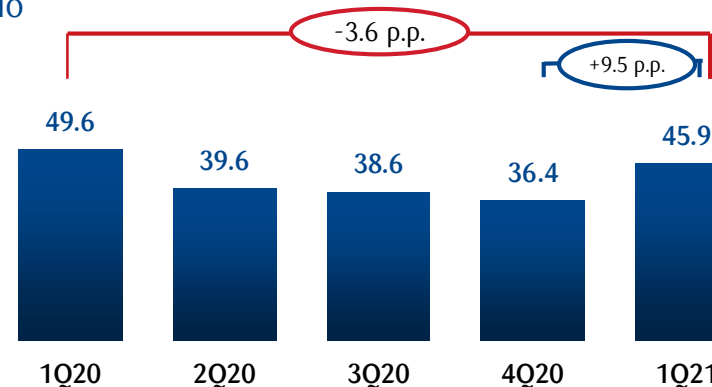
Cost/Income 12M
[%]



Quarterly operating expenses
[PLN mn]



Quarterly C/I ratio
[%]



(1) Decrease in regulatory costs y/y resulted from a decrease in contributions to the mandatory Resolution Fund by approx. PLN 65 mn y/y and a decrease in contributions to the Deposit Guarantee Fund by approx. PLN 27 mn y/y.

(2) Dynamics do not include regulatory costs.

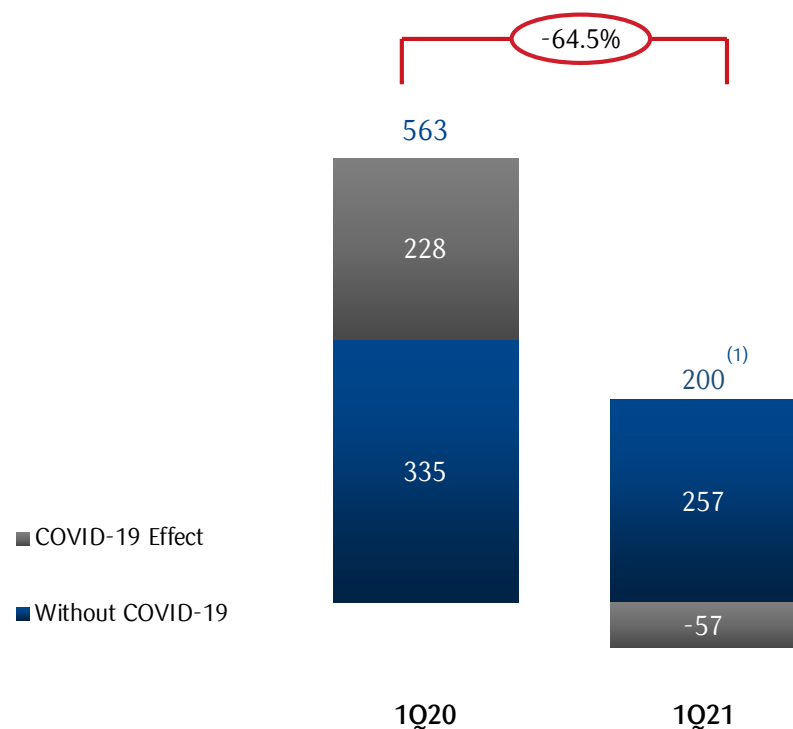
FINANCIAL RESULTS

Risk at the pre-pandemic level

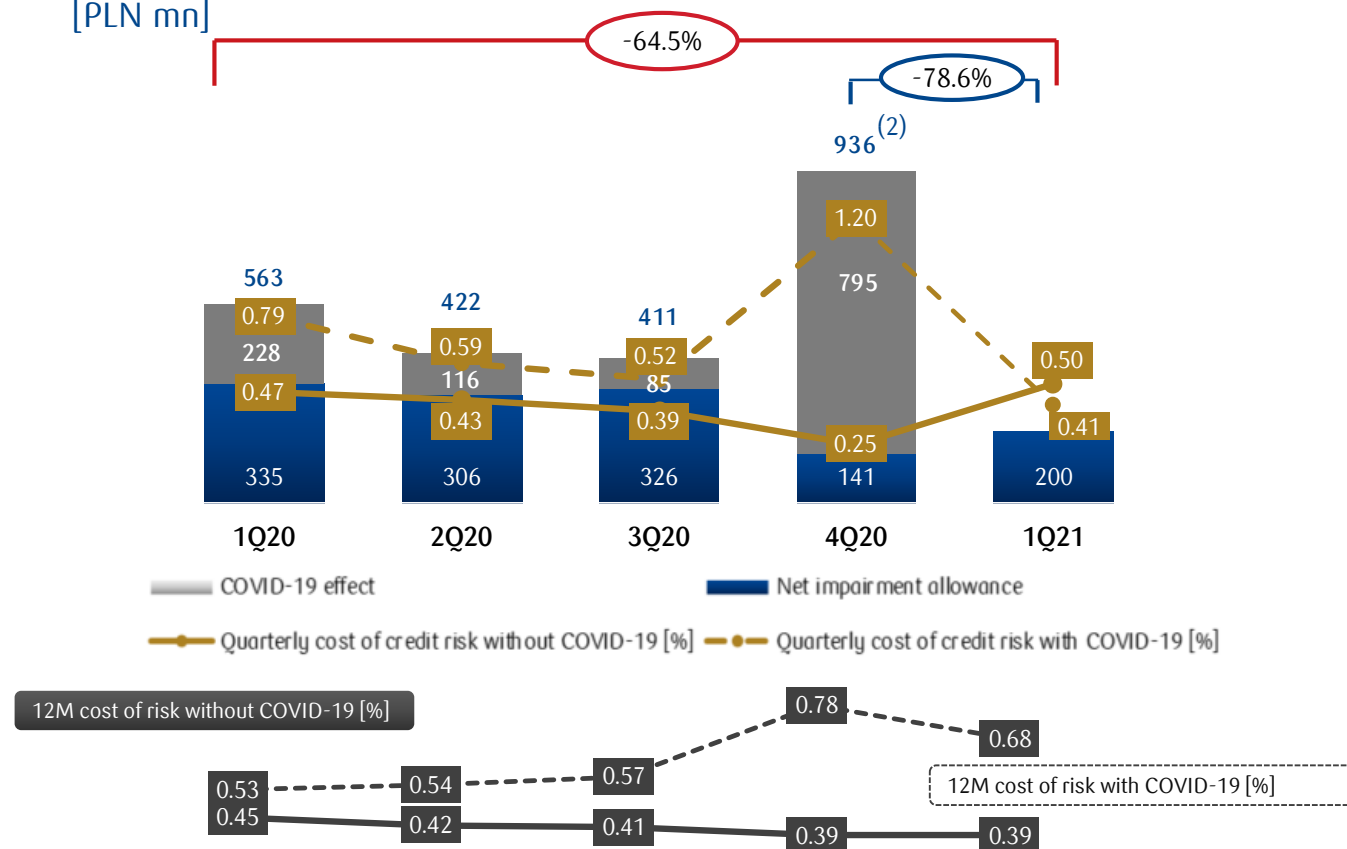


Bank Polski

Net impairment allowance
[PLN mn]



Quarterly net impairment allowance
[PLN mn]



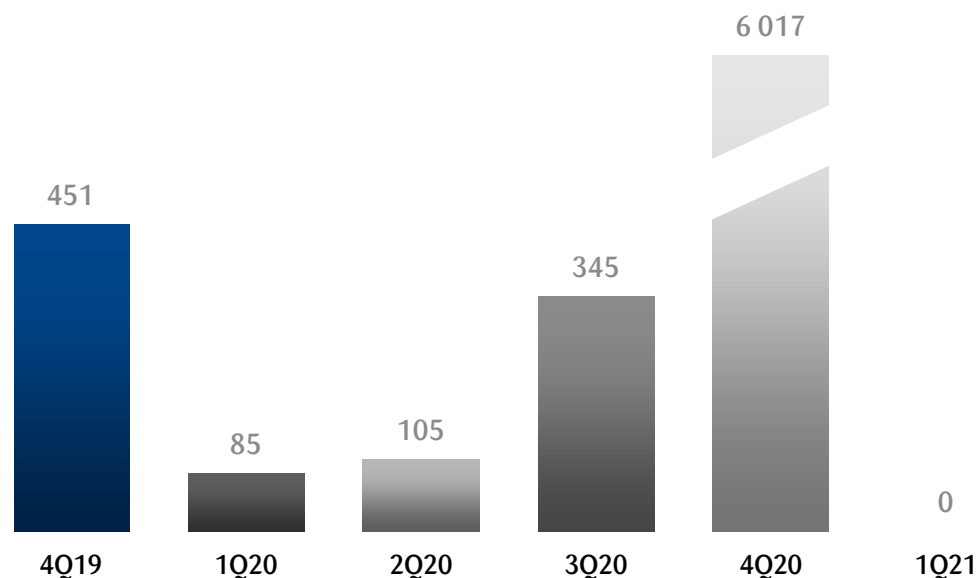
(1) In 1Q'21, the write-off related to the COVID-19 effect on the loan portfolio in the amount of PLN 57 mn was reversed; the total net impairment allowance without accounting for the release amounted to PLN -257 mn.

(2) Net impairment includes a release of PLN 277 mn in relation to the EGM's decision to enter into settlements with the foreign currency mortgage loan consumers.

FINANCIAL RESULTS

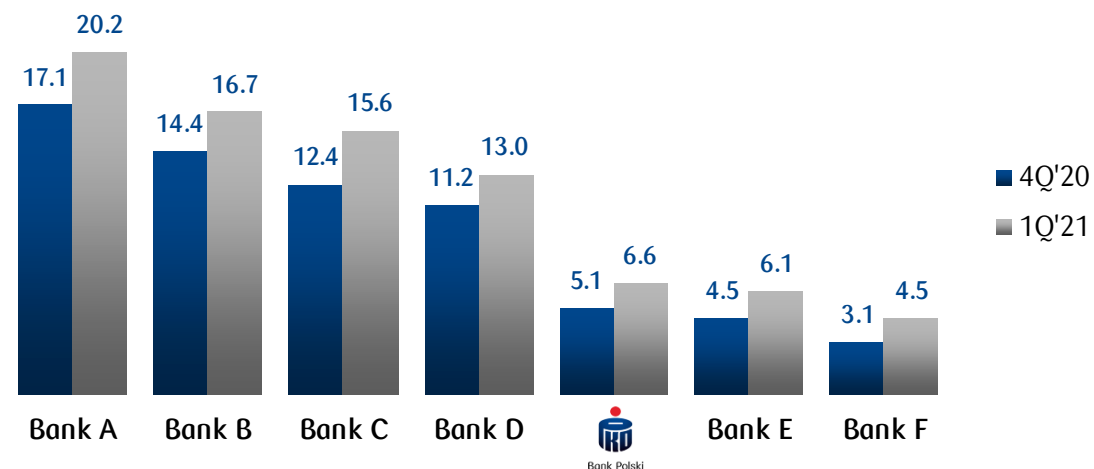
Legal risk of FX-mortgage loans

The established reserves enable offering settlements to the foreign currency loan borrowers
[PLN mn]



Bank Polski

PKO's 'Susceptibility to litigation' across sector: the number of disputed loan agreements relative to the total number of CHF contracts [%]



At the end of Q1'21, there were 6 949 court proceedings against PKO, +1 577 q/q, at a total disputed amount of PLN 1.87 bn.

On 23 April 2021, the EGM made a decision to enter into settlements with the foreign currency loan borrowers

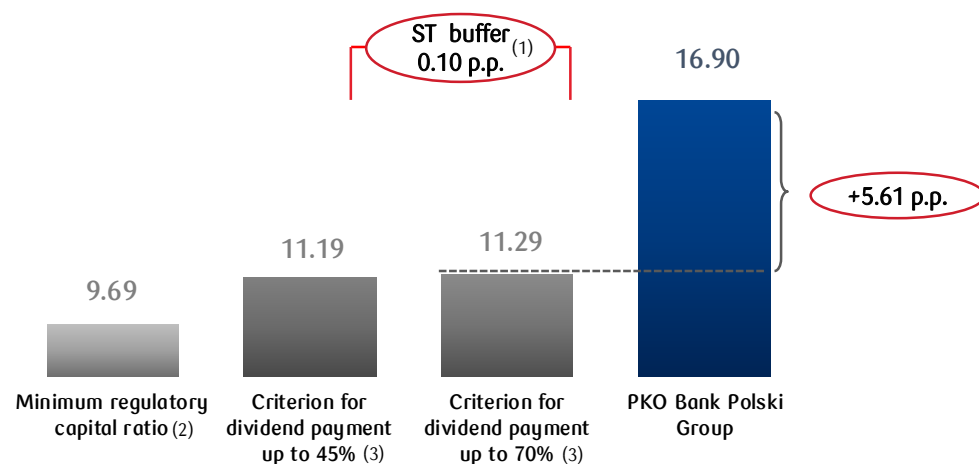


Bank Polski

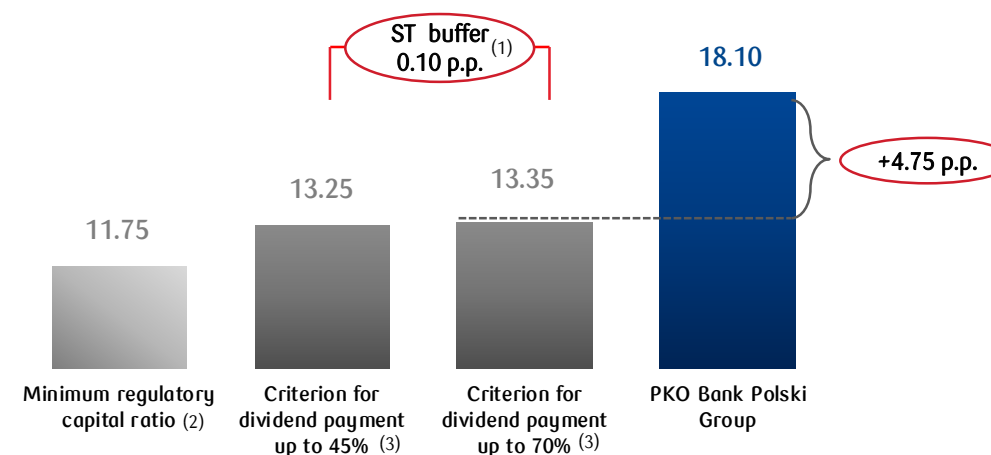
FINANCIAL RESULTS

Solid capital position – over PLN 14 billion above the regulatory minimums and change of the dividend criteria

Tier 1 capital ratio
[%]



Total capital ratio (TCR)
[%]



High surplus capital

(1) Polish FSA's additional buffer for Bank's sensitivity to an adverse macroeconomic scenario. Previously the level of buffer was 0.66 p.p.

Tier 1: CRR 6% + conservation buffer 2.5% + OSII buffer 1% + countercyclical buffer 0.01% + FX buffer for the Group 0.18%

(2) TCR: CRR 8% + conservation buffer 2.5% + OSII buffer 1% + countercyclical buffer 0.01% + FX buffer for the Group 0.24%

(3) Having considered dividend payment adjustments for the following criteria:

K1 - share of the foreign currency mortgages for households in total receivables from non-financial sector (1Q'21: Bank: 9.8%; Group: 7.9%); no adjustment when K1<10%; no adjustment when K1<10%.

K2 - share of the foreign currency mortgages granted in 2007/08 in total portfolio of foreign currency mortgages (1Q'21: Bank: 39.0%; Group: 38.3% (-) 0.2 p.p. q/q; adjustment by -30 p.p. (for >20% share if K1>5%).



Bank Polski

**Direction:
PKO Banking
Platform**

Strong capital and liquidity position



Bank's loan portfolio prepared for
the impacts of COVID-19



Acceleration of digitization, diversification of revenue
streams and high operational efficiency



Bank Polski

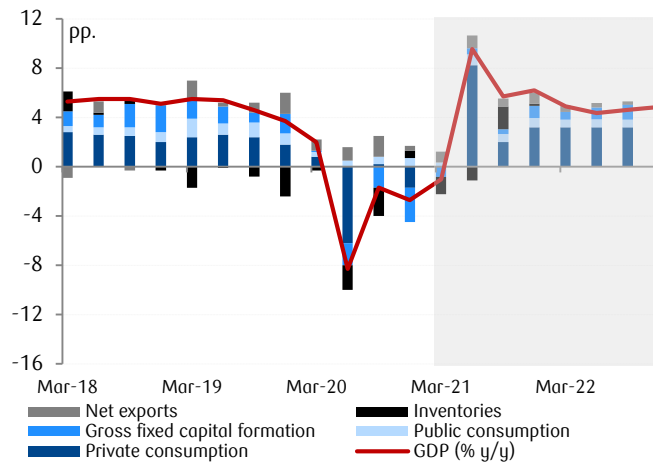
Supplementary
information,
including
macroeconomic
backdrop

The economy is ready to bounce back



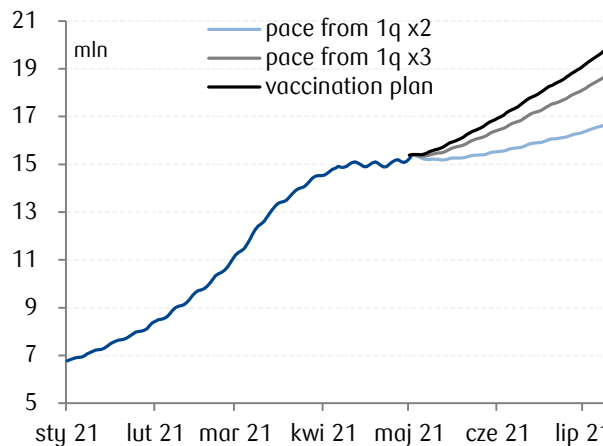
Bank Polski

GDP growth structure



Source: GUS, PKO Bank Polski

Various immunity scenarios



Source: PKO Bank Polski, immune defined as people who have completed the vaccination procedure or up to 6 months after coronavirus infection (5 times more cases than indicated by official statistics and the average number of infections as per 1q21)

The biggest suppliers of goods to Germany



Source: Destatis, PKO Bank Polski

- The first quarter of 2021 was the last one with a negative annual GDP dynamics, which amounted to -1.2% y/y. Consumption and the service sector were the most hit by the next wave of coronavirus infections and anti-epidemic restrictions. A strong fiscal and monetary impulse, a rebound in global trade and a reduction in household savings should support a vivid GDP rebound in the coming quarters. These factors will reveal themselves fully as soon as the pandemic restrictions are lifted, in the second or third quarter of 2021.
- Despite the difficult epidemic situation in 1q21, we assume that the second half of the year will not be significantly burdened with the anti-pandemic restrictions any more. The assumption is based on the projected number of immune people (after vaccination or Covid-19 infection). Declared vaccine deliveries and acceleration of the vaccination rate to two million per week will probably allow to protect the part of the population that is most vulnerable to the severe course of Covid-19, before the fall.
- Despite the global nature of the 3rd wave of the pandemic, international value added chains were still operating at the beginning of 2021, and **Poland strengthened its position in the international trade**. The rapid increase in demand for industrial goods resulted in a global shortage of production components (including semiconductors), raw materials (copper, steel) and deep-sea transport containers. This leads to increased cost pressure on businesses and could potentially limit the strength of the recovery.

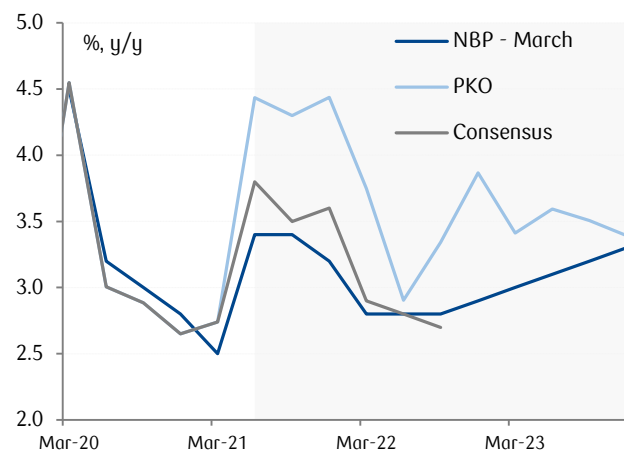
MACROECONOMIC BACKDROP

Inside the NBP's comfort zone



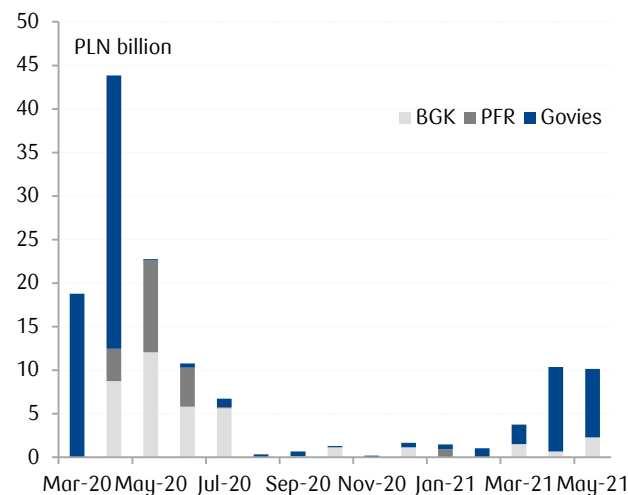
Bank Polski

Inflation's surge



Source: GUS, NBP, Bloomberg, PKO Bank Polski

NBP assets purchases



Source: NBP, PKO Bank Polski

EURPLN exchange rate



Source: Macrobond, PKO Bank Polski

- The expected drop in inflation in 1q21 was small and short-lived, and CPI inflation in April amounted to 4.3% y/y compared to 2.4% y/y at the end of 2020. In coming months, inflation will be boosted by almost all its components: fuel prices (due to low last year's base and current increases), administrative changes and rising food prices. The average annual inflation will stay close to 4%, and above the upper target band.
- The Monetary Policy Council admits that the inflation will run above the target in coming months, but largely due to exogenous factors. Consequently the Council announces that it will not react and, **similarly to previous months, keep the monetary policy unchanged** (the reference rate at 0.1%, no new restrictions for QE). The statement after the MPC meeting in April and the comments of the NBP governor show that **the exchange rate has returned to the MPC's comfort zone** - its level no longer constrains the economic recovery.
- **The stance of public finances in 2020 proved to be better than expected.** The general government deficit in 2020 amounted to 7.0% of GDP compared to 0.7% in 2019, below the levels from 2009/2010. Public debt in 2020 increased to 57.5% of GDP from 45.6% in 2019. In 2021, the state budget will be supported by a record transfer of PLN 8.9 billion of the NBP profit.

Macroeconomic and banking sector forecasts



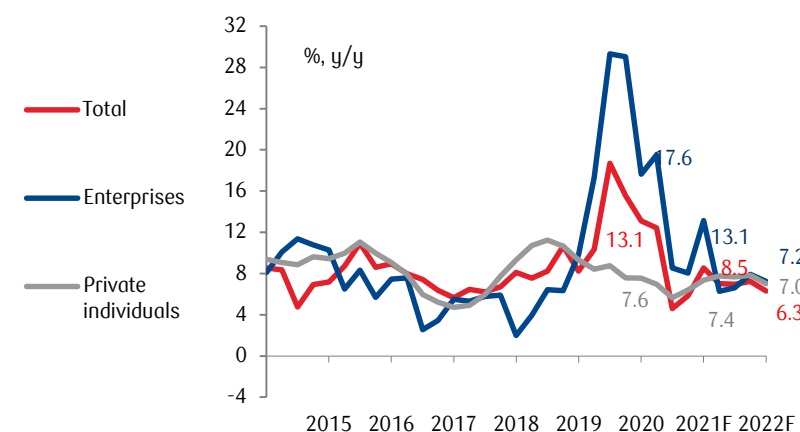
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		2015	2016	2017	2018	2019	2020	2021 F	2022 F
GDP	% y/y	3.8	3.1	4.8	5.4	4.7	-2.7	5.1	4.7
Consumption	% y/y	3.0	3.9	4.8	4.3	4.0	-3.0	6.0	4.5
Investments	% y/y	6.1	-8.2	4.0	9.4	6.1	-9.6	1.7	7.2
Fiscal balance ¹⁾	% GDP	-2.6	-2.4	-1.5	-0.2	-0.7	-7.0	-3.4	-1.8
Public debt ¹⁾	% GDP	51.3	54.2	50.6	48.6	45.6	57.5	56.7	54.7
CPI inflation	%	-0.9	-0.6	2.0	1.7	2.3	3.4	4.0	3.5
LFS unemployment rate	%	7.5	6.2	4.9	3.8	3.3	3.2	3.1	2.8
NBP reference rate	% eop	1.50	1.50	1.50	1.50	1.50	0.10	0.10	0.10
WIBOR 3M	% eop	1.73	1.73	1.72	1.72	1.71	0.21	0.20	0.20
EUR/PLN	PLN eop	4.26	4.42	4.17	4.30	4.26	4.61	4.53	4.48
USD/PLN	PLN eop	3.90	4.18	3.48	3.76	3.80	3.75	3.71	3.61

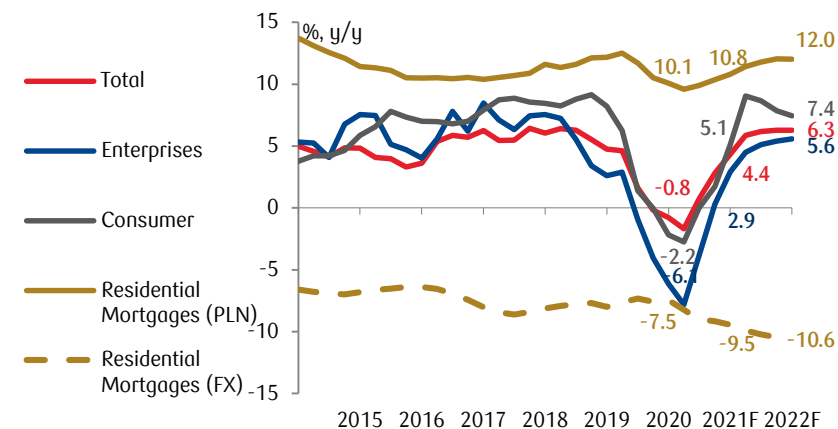
Source: Statistics Poland, Ministry of Finance, National Bank of Poland, PKO Bank Polski forecasts

1) In ESA2010 terms.

Deposits growth (FX adjusted)



Loans growth (FX adjusted)



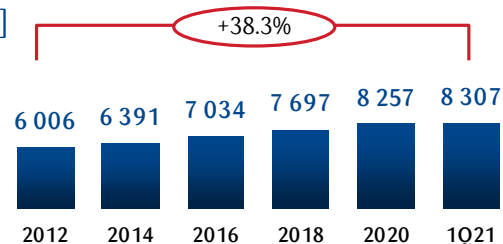


Bank Polski

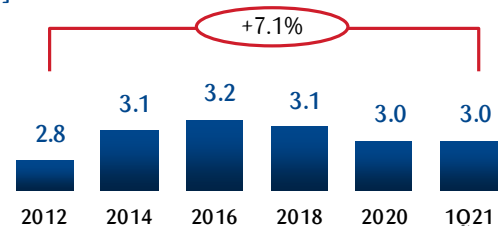
SUPPLEMENTARY INFORMATION

PKO Bank Polski - undisputed leader of the Polish banking sector

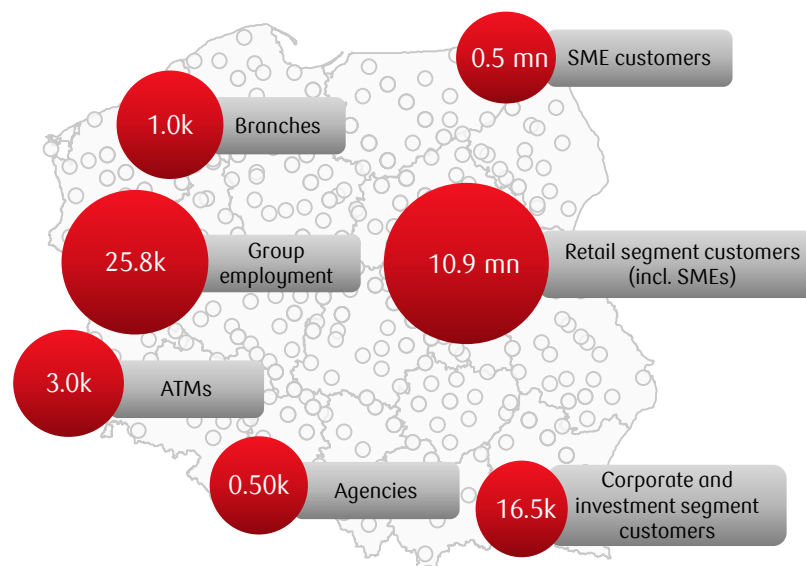
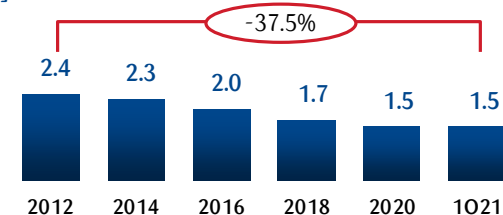
Number of current accounts of individuals [k]



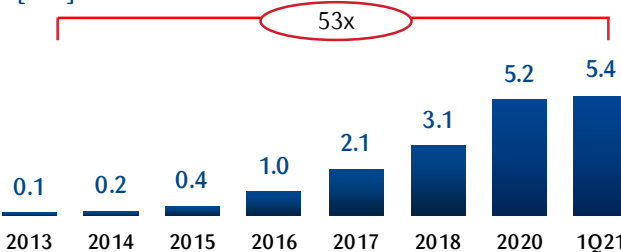
Number of ATMs [k]



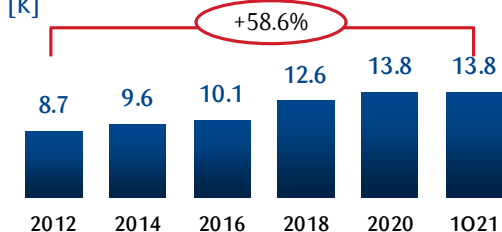
Number of retail agencies and branches [k]



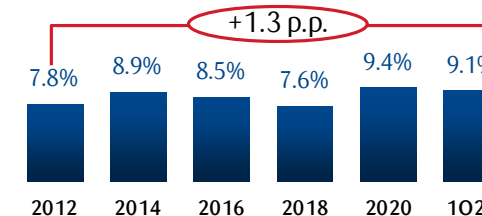
Mobile apps [mn]



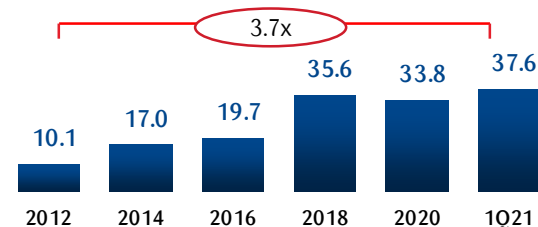
Number of corporate customers with access to e-banking [k]



The share of PKO Securities in trading on the secondary stock market (without block off session transactions)



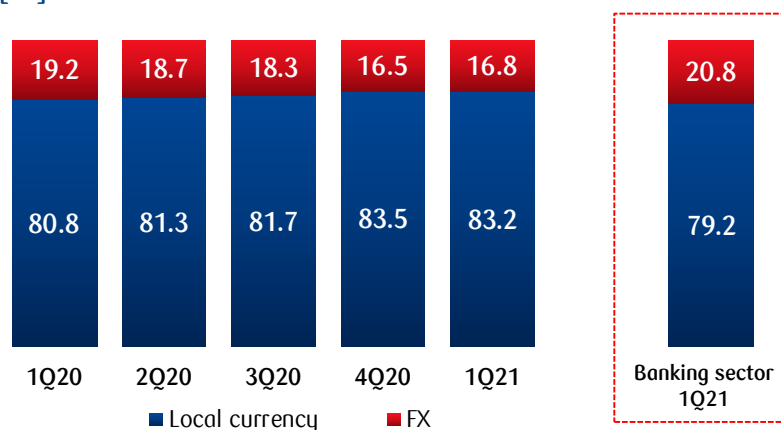
Investment Funds – AuM [PLN bn]



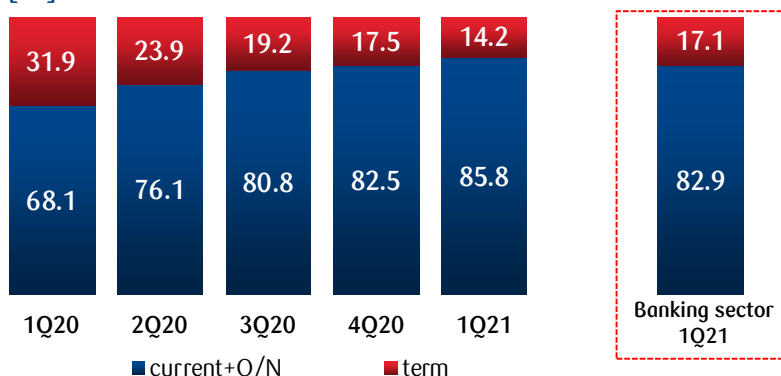
SUPPLEMENTARY INFORMATION

Improvement in the structure of loans and deposits while maintaining high liquidity

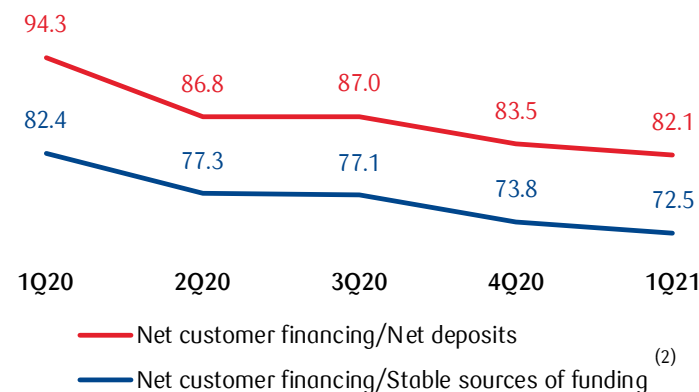
Currency structure of gross loans portfolio [%]



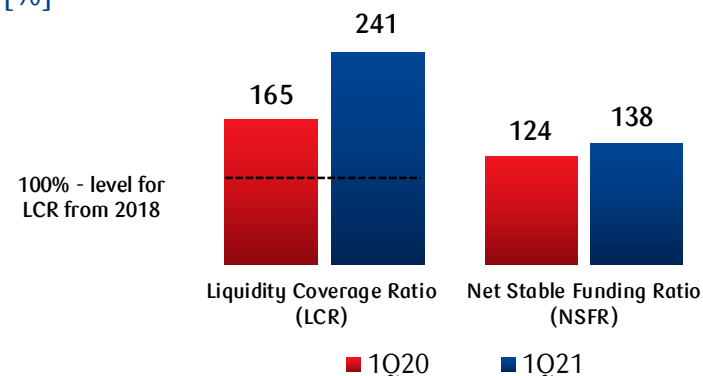
Term structure of total deposits ⁽¹⁾ [%]



Structure of funding [%]



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.

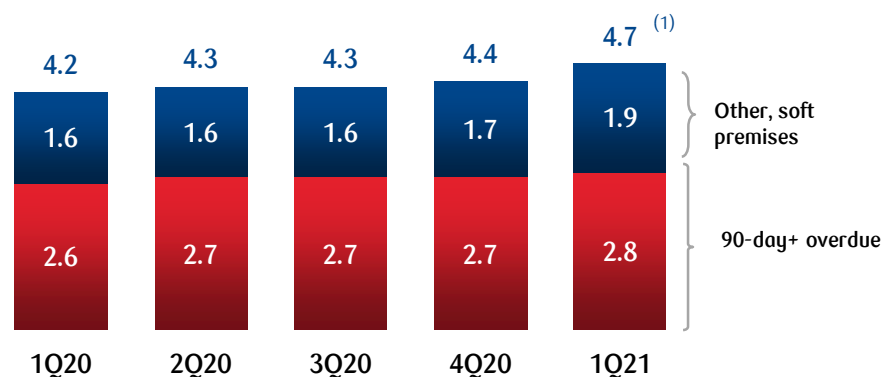
SUPPLEMENTARY INFORMATION

Asset quality by segments

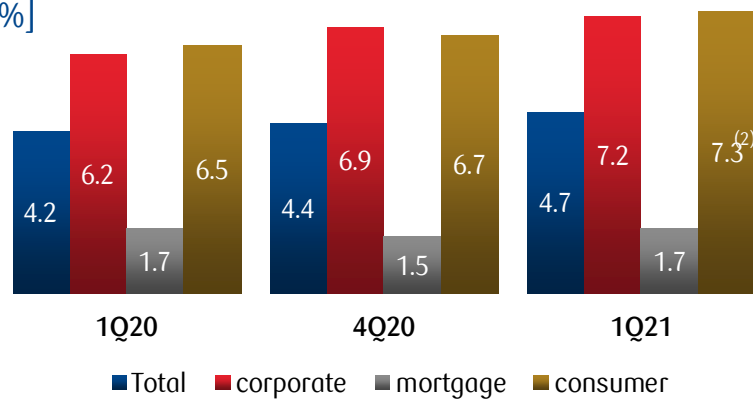


Bank Polski

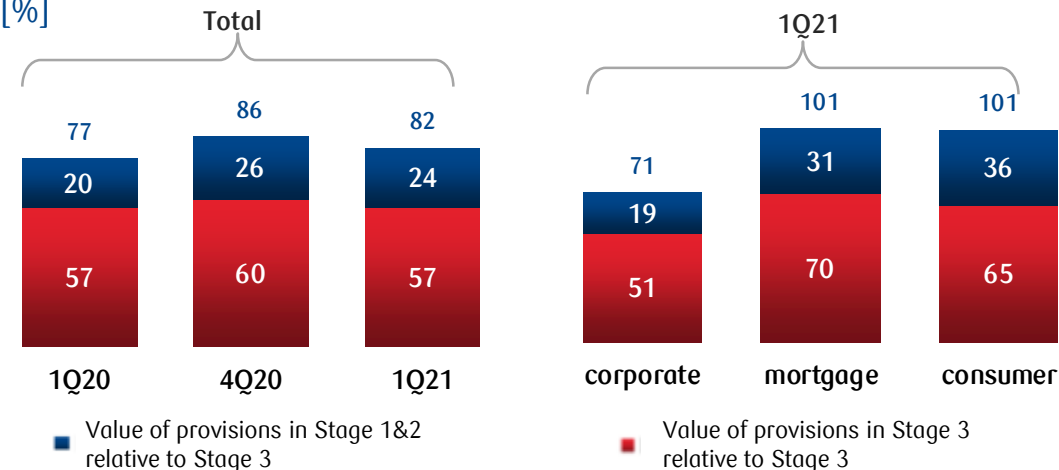
Share of receivables with recognized impairment [%]



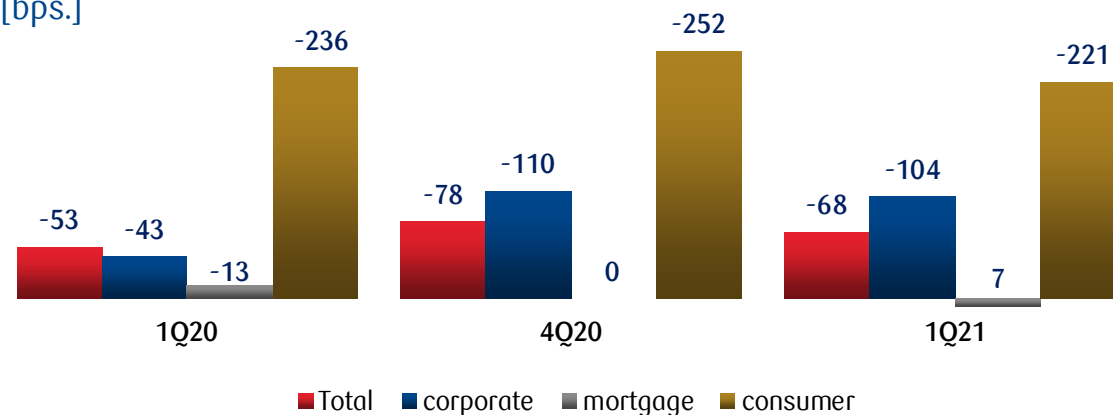
Share of receivables with recognized impairment [%]



Provision coverage of receivables with recognized impairment [%]



The cost of credit risk in the last 12 months (with COVID-19 impact) [bps.]



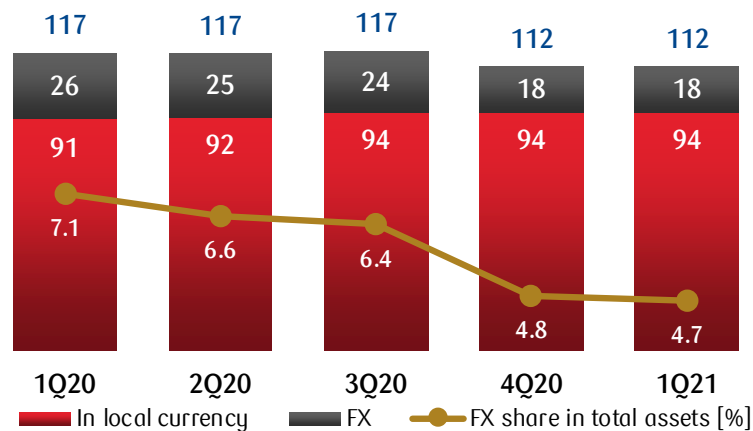
(1) Increase in the share of impaired receivables resulted from the change in the definition of default effective from January 1, 2021 in accordance with the Art. 178 CRR.

(2) Increase in NPL for consumer loans resulted from change in the definition of default and increased migrations to Stage 3 after the end of the credit moratoria.

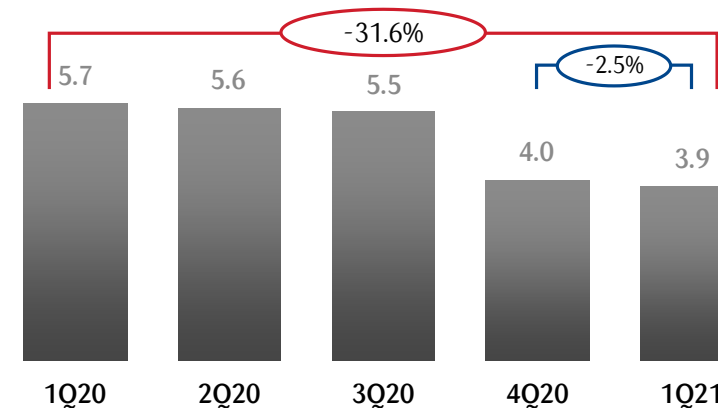
SUPPLEMENTARY INFORMATION

Gross mortgage loans

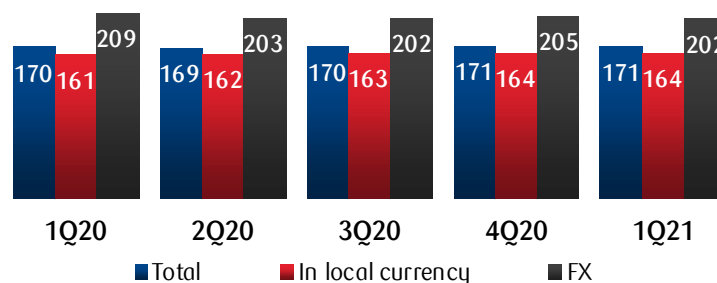
Volume of FX mortgage loans
[PLN bn] ⁽¹⁾



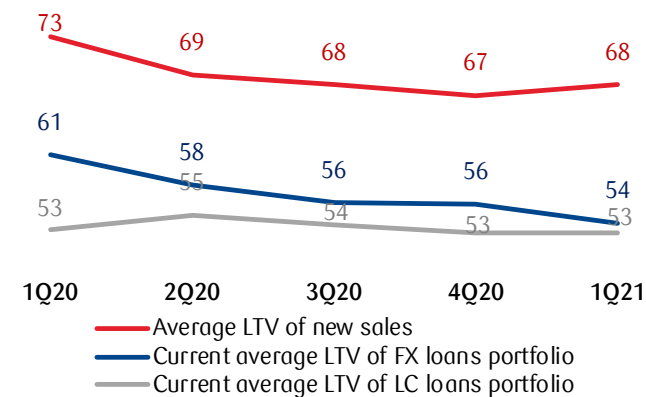
Volume of CHF mortgage loans
[CHF bn] ⁽²⁾



Average carrying value of mortgage loan to be repaid
[PLN ths.] ⁽¹⁾



Average LTV
[%]



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

(2) Due to the EGM's decision to enter into settlements with the foreign currency mortgage loan consumers, the value of FX loans decreased by PLN 5.3 bn.

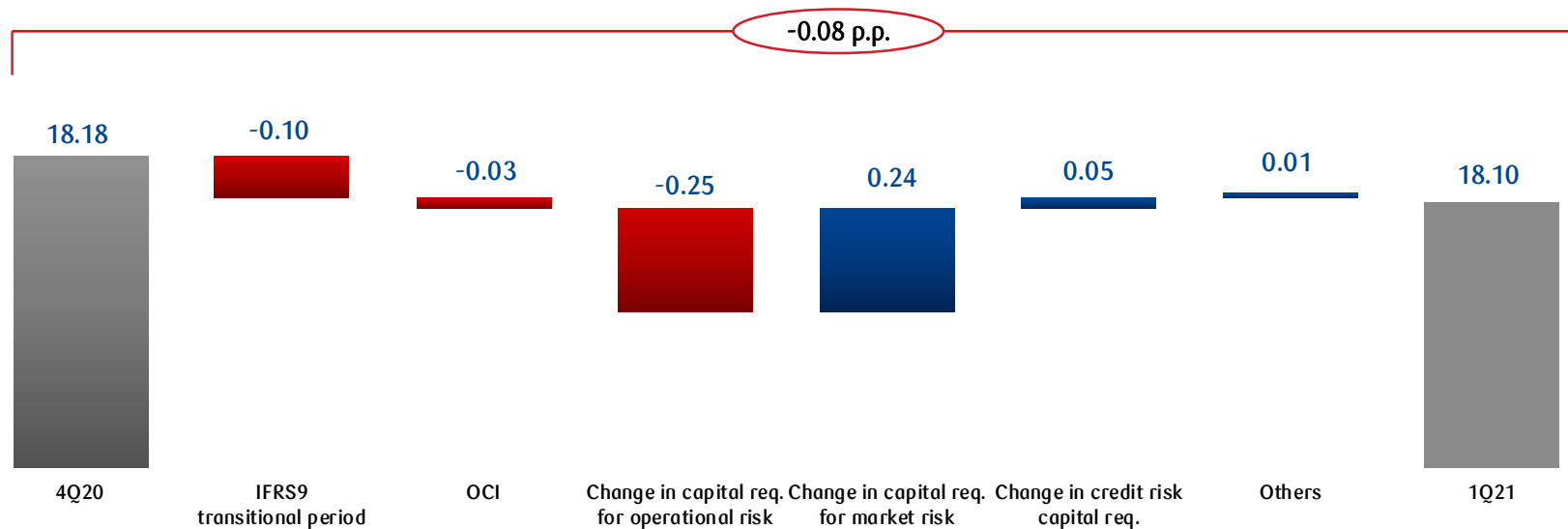


Bank Polski

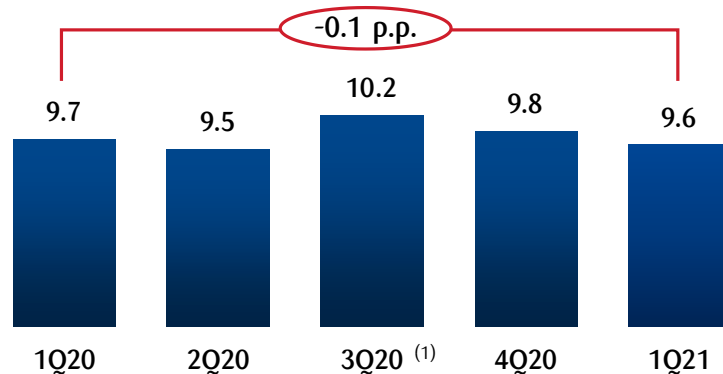
SUPPLEMENTARY INFORMATION

Capital adequacy

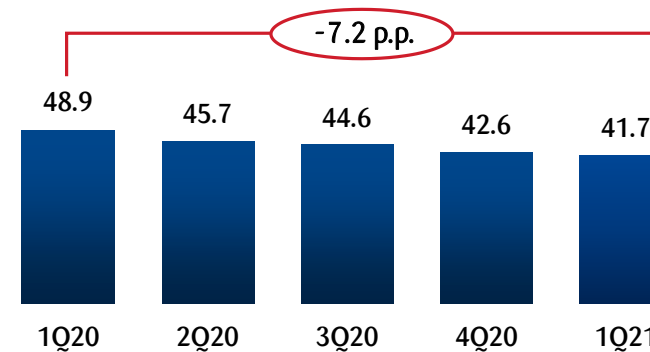
Quarterly change of the consolidated total capital ratio (TCR)
[p.p.]



Leverage ratio
[%]



Effective risk weight ⁽²⁾
[%]



(1) Increase in leverage ratio resulted from an inclusion of half of net profit for 2019 in own funds following the General Meeting.

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



Bank Polski

SUPPLEMENTARY INFORMATION

Key financial data

Profit and loss [PLN mn]

	1Q21	1Q20	y/y	4Q20	q/q
Net interest income	2 312	2 707	-14.6%	2 653	-12.9%
Net F&C income	1 044	979	+6.7%	1 024	+2.0%
Result on business activity	3 604	3 608	-0.1%	3 891	-7.4%
Administrative expenses	(1 655)	(1 788)	-7.4%	(1 416)	+16.9%
Allowances for expected credit losses	(200)	(563)	-64.5%	(936)	-78.6%
including the impact of COVID-19	57	(228)	-	(795)	-
Allowances on non-financial assets	(15)	(116)	-86.7%	(59)	-73.9%
Cost of credit risk of FX mortgages	-	(85)	-	(6 017)	-
Bank tax	(256)	(262)	-2.1%	(261)	-1.8%
Profit before income tax	1 477	798	+85.2%	(4 797)	-
Income tax	(302)	(298)	+1.3%	221	-
Net profit	1 177	503	2.3x	(4 575)	-
Adjusted net profit ⁽¹⁾	1 086	588	+84.8%	612	+77.4%

Balance sheet [PLN bn]

Assets	384.3	364.6	+5.4%	377.0	+1.9%
Customer financing	236.2	250.9	-5.9%	235.8	+0.2%
Amounts due to customers	287.8	266.2	+8.1%	282.4	+1.9%
Stable financial resources	325.8	304.6	+7.0%	319.4	+2.0%
Total equity	40.6	42.5	-4.5%	39.9	+1.7%

(1) Net result 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

	1Q21	1Q20	y/y		4Q20	q/q
Key financial ratios [%]	ROE net	-4.4	9.0	-13.4 p.p.	-6.0	+1.6 p.p.
	ROTE net	-4.8	9.7	-14.5 p.p.	-6.5	+1.7 p.p.
	ROA net	-0.5	1.1	-1.6 p.p.	-0.7	+0.2 p.p.
	C/I	40.1	41.8	-1.7 p.p.	41.0	-0.9 p.p.
	NIM	2.85	3.40	-0.55 p.p.	3.03	-0.18 p.p.
Loan portfolio quality [%]	NPL ratio	4.7	4.2	+0.5 p.p.	4.4	+0.3 p.p.
	Coverage ratio	81.5	77.1	+4.4 p.p.	86.3	-4.8 p.p.
	Cost of risk (without COVID-19)	0.39	0.45	-6 bps	0.39	0 bps
	Cost of risk (with COVID-19)	0.68	0.53	+7 bps	0.78	-10 bps
Capital position [%]	TCR	18.1	17.3	+0.8 p.p.	18.2	⁽¹⁾ -0.1 p.p.
	Tier 1 capital ratio	16.9	16.2	+0.7 p.p.	17.0	⁽¹⁾ -0.1 p.p.
Adjusted profitability ratios [%] ⁽¹⁾	Adjusted ROE net	8.1	10.2	-2.1 p.p.	7.1	+1.0 p.p.
	Adjusted ROTE net	8.7	11.1	-2.4 p.p.	7.7	+1.0 p.p.
	Adjusted ROA net	1.0	1.2	-0.2 p.p.	0.9	+0.1 p.p.

⁽¹⁾ Ratios 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 operational data



Bank Polski

PKO Bank Polski operating data (eop)

	1Q20	2Q20	3Q20	4Q20	1Q21	y/y	q/q
Current accounts ('000)	8 075	8 110	8 204	8 257	8 307	+2.9%	+0.6%
Banking cards ('000)	9 429	9 468	9 549	9 510	9 531	+1.1%	+0.2%
of which: credit cards	982	966	969	967	964	-1.8%	-0.3%
Active mobile banking applications IKO ('000)	4 543	4 735	5 003	5 210	5 421	+19.3%	+4.1%

Branches:	1 101	1 084	1 040	1 004	998	-9.4%	-0.6%
- retail	1 059	1 042	1 008	972	965	-8.9%	-0.7%
- corporate	42	42	32	32	33	-21.4%	+3.1%
Agencies	531	501	498	492	485	-8.7%	-1.4%
ATMs	3 057	3 056	3 038	3 022	3 002	-1.8%	-0.7%
Employment eop (FTEs '000) Group	27.8	27.3	26.4	25.9	25.8	-7.2%	-0.4%

Number of operations performed by robots (in '000)	2 855	4 692	10 343	11 960	14 891	5.2x	+24.5%
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- The number of active IKO applications increased by nearly 900k y/y.
- Employment reduced by 2k full-time employees y/y.

SUPPLEMENTARY INFORMATION

Profit and loss account of the PKO Bank Polski Group



Bank Polski

Profit and loss account (PLN million)	1Q20	2Q20	3Q20	4Q20	1Q21	1Q'21/1Q'20	1Q'21/4Q'20
Net interest income	2 707	2 539	2 446	2 653	2 312	-14.6%	-12.9%
Net fee and commission income	979	915	987	1 024	1 044	+6.7%	+2.0%
Other income	(78)	133	85	214	249	-	+16.2%
Dividend income	0	14	1	0	0	-46.7%	-2.8%
Trading income	(77)	40	28	66	42	-	-35.4%
Net foreign exchange gains	16	27	38	101	160	10.0x	+58.1%
Gains/(losses) on derecognition on financial assets and liabilities	43	39	69	29	34	-20.7%	+18.7%
Net other operating income and expense	(60)	14	(50)	18	12	-	-36.0%
Total income items	3 608	3 587	3 519	3 891	3 604	-0.1%	-7.4%
Total operating expenses	(1 788)	(1 420)	(1 359)	(1 416)	(1 655)	-7.4%	16.9%
result on regulatory charges	(451)	(106)	(109)	(111)	(374)	-17.2%	3.4x
Allowances for expected credit losses	(563)	(422)	(411)	(936)	(200)	-64.5%	-78.6%
Net impairment allowances on non-financial assets	(116)	(149)	(71)	(59)	(15)	-87.1%	-74.6%
Cost of risk on FX mortgages	(85)	(105)	(345)	(6 017)	-	-	-
Tax on certain financial institutions	(262)	(271)	(261)	(261)	(256)	-2.0%	-1.8%
Share in net profit (losses) of associates and jointly controlled entities	4	(0)	11	1	1	-66.3%	0.0%
Profit before income tax	798	1 220	1 083	(4 797)	1 477	+85.2%	-
Income tax expense	(298)	(416)	(372)	221	(302)	+1.3%	-
Net profit attributable to non-controlling shareholders	(4)	1	-	(1)	(2)	-54.1%	+83.7%
Net result attributable to the parent company	503	803	712	(4 575)	1 177	2.3x	-
Adjusted net result attributable to the parent company⁽¹⁾	588	908	1 057	612	1 086	+84.8%	+77.4%

(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

Balance sheet of the PKO Bank Polski Group



Bank Polski

Assets (PLN billion)	1Q20	2Q20	3Q20	4Q20	1Q21	1Q'21/1Q'20	1Q'21/4Q'20
Cash and balances with the Central Bank	11.4	3.7	3.7	7.5	4.3	-62.5%	-42.8%
Amounts due from other banks	5.7	2.7	2.6	2.6	2.7	-53.3%	+4.2%
Reverse repo transactions	0.1	0.2	0.0	-	0.0	-	-
Net customer financing	250.9	244.7	242.6	235.8	236.2	-5.9%	+0.2%
Securities	75.4	106.3	108.6	110.5	120.3	+59.6%	+8.9%
Other assets	21.1	19.6	19.0	20.7	20.8	-1.6%	+0.6%
TOTAL ASSETS	364.6	377.2	376.6	377.0	384.3	+5.4%	+1.9%
Liabilities and equity (PLN billion)	1Q20	2Q20	3Q20	4Q20	1Q21	1Q'21/1Q'20	1Q'21/4Q'20
Total equity	42.5	44.1	44.8	39.9	40.6	-4.5%	+1.7%
Amounts due to the central bank and due to banks	2.1	2.1	2.6	2.6	2.3	+8.9%	-12.3%
Repo transactions	-	0.1	-	-	-	-	-
Subordinated liabilities and debt securities in issue	35.6	32.0	33.3	34.8	35.6	-0.1%	+2.3%
Amounts due to customers	266.2	281.8	279.1	282.4	287.8	+8.1%	+1.9%
Loans and advances received	2.8	2.5	2.5	2.3	2.4	-14.7%	+4.9%
Liabilities of insurance activities	1.8	1.7	1.8	1.7	1.8	-1.6%	+0.9%
Other liabilities	13.7	12.9	12.7	13.3	13.9	+1.4%	+4.6%
TOTAL EQUITY AND LIABILITIES	364.6	377.2	376.6	377.0	384.3	+5.4%	+1.9%

SUPPLEMENTARY INFORMATION

Customer financing



Bank Polski

PLN billion	1Q20	2Q20	3Q20	4Q20	1Q21	1Q'21/1Q'20	1Q'21/4Q'20
Financing	246.3	240.7	238.7	232.6	233.0	-5.4%	+0.2%
mortgages	117.3	117.0	117.6	112.3	112.0	-4.5%	-0.2%
mortgages in local currency	91.3	92.3	93.6	94.1	94.4	+3.4%	+0.3%
FX mortgages	26.0	24.7	24.0	18.2	17.7	-32.0%	-2.9%
consumer loans	31.1	30.3	30.8	30.5	30.6	-1.7%	+0.2%
SME	35.0	34.0	34.2	33.9	34.3	-1.9%	+1.2%
corporate	63.0	59.3	56.1	55.9	56.1	-10.9%	+0.4%
Debt securities	15.4	15.2	15.5	15.5	15.8	+2.5%	+2.0%
municipal bonds	9.7	9.6	9.6	9.7	9.5	-2.6%	-2.6%
corporate bonds	5.7	5.5	5.9	5.7	6.3	+11.3%	+9.7%
Gross customer financing	261.7	255.8	254.2	248.0	248.8	-4.9%	+0.3%
Net allowances for expected losses	-4.9	-9.5	-10.8	-12.2	-12.6	+157.5%	+3.1%
Net customer financing	250.9	244.7	242.6	235.8	236.2	-5.9%	+0.2%

SUPPLEMENTARY INFORMATION

Customer savings



Bank Polski

PLN billion	1Q20	2Q20	3Q20	4Q20	1Q21	1Q'21/1Q'20	1Q'21/4Q'20
Retail and private banking ⁽¹⁾	240.5	251.5	258.4	269.4	284.4	+18.3%	+5.6%
deposits	183.2	189.5	191.0	197.0	204.9	+11.8%	+4.0%
retail mutual funds	26.6	27.4	29.5	32.2	35.1	+32.1%	+9.1%
saving treasury bonds	30.6	34.5	37.7	40.0	44.2	+44.7%	+10.5%
Own bonds on clients' accounts	1.1	2.2	3.3	4.5	4.7	4.1x	+3.7%
Corporate	51.2	52.9	47.4	41.1	39.7	-22.3%	-3.3%
SME	30.3	37.8	39.1	42.7	41.7	+37.4%	-2.4%
Customer savings	323.1	344.5	348.2	357.7	370.5	+14.7%	+3.6%

(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 rating

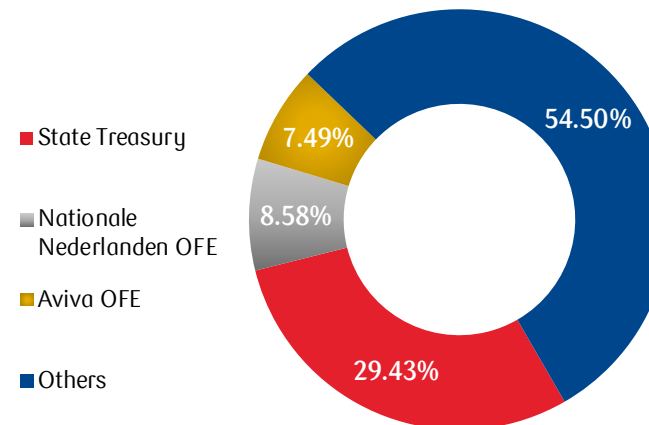


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Basic information on shares

Listed:	Warsaw Stock Exchange since 10.11.2004.
Indices:	WIG, WIG20, WIG30, WIG Banki, WIG-ESG, FTSE Russell, Stoxx 600
ISIN:	PLPKO0000016
Bloomberg:	PKO PW
Reuters:	PKOB WA

Shareholder structure (number of shares: 1 250 mn) [%]



Credit Rating

Agency: \ Rating:	Long-term		
	Deposits	Liabilities	Counterparty risk
Moody's	A2 with stable outlook	A3 with stable outlook	A2
	Short-term		
	Deposits	Liabilities	Counterparty risk
	P-1	(P)P-2	P-1

ESG Ratings

Agency: \ Rating:	ESG Rating (environmental, social, governance)
FTSE Russell	3.1
Sustainalytics	Medium risk
MSCI	BBB



Bank Polski

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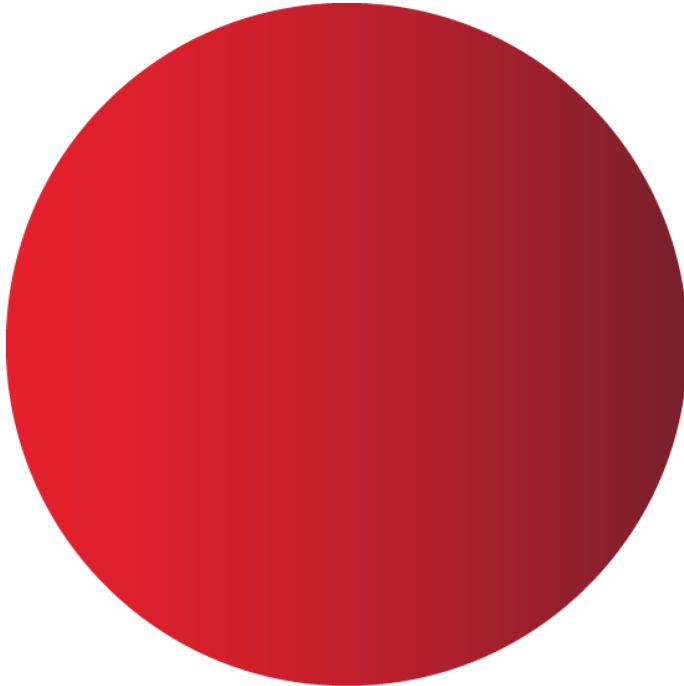
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Any differences in total balances, percentages and growth rates result from rounding the amounts to PLN million and rounding percentages to one decimal place.



Bank Polski



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Investor's calendar

12 August 2021

5 November 2021

Periodic report for H1 2021

Periodic report for Q3 2021